

Shining Light on Sustainable Future

2021 Sustainability Report

LITEON[®]



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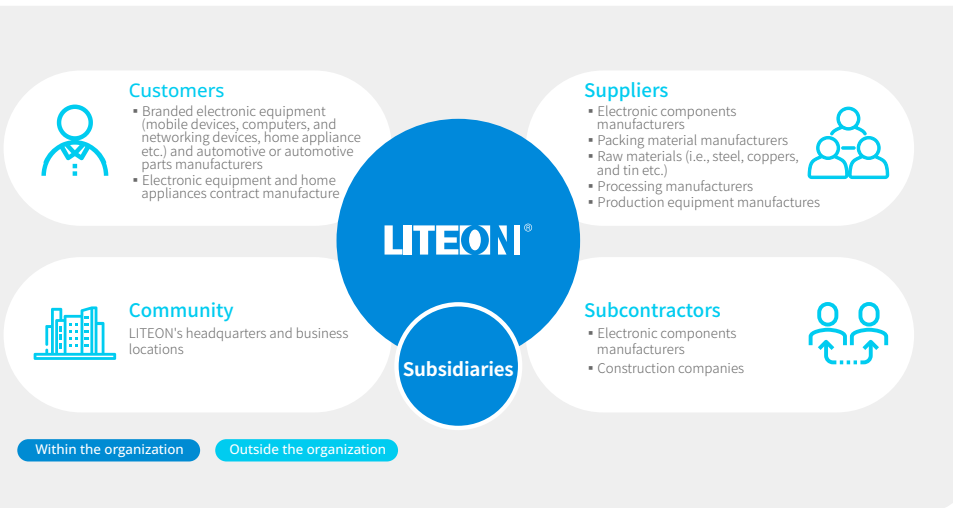
About This Report

Reporting Time Frame and Scope of Report

Time frame: From January 01, 2021 to December 31, 2021

Scope: Financial data presented in this report reflects performance of the parent company and its subsidiaries.

For non-financial data, the report covers the nine business units, namely, Power Module Solutions, Cloud Infrastructure Power Solution, Optoelectronics Product Solution, Intelligent Peripheral Solution, Mechanical Electronic Solution, Smart Application Solutions, Automotive Electronics Applications, LEOTEK, and Networking. Comparing to the financial performance, the non-financial performance disclosures are focus on the major operation and manufacturing locations, such as Taiwan, Mainland China, Thailand, Vietnam, India. Unless elsewhere specified, information will be disclosed in the report.



The Report Management

Issues presented in this report have been identified with materiality analysis through stakeholder engagement progress and discussed in "LITEON Corporate Sustainability (CSR) Committee" meetings with the approval of chairman of the committee.

Data calculation basis: All financial figures in this report are presented in New Taiwan Dollars (NTD), occupational safety and health performance data are using globally accepted indicators. Any estimates or assumptions are elaborated in the respective sections. Any change of disclosures made in this report as compared to the previous report have also been highlighted.

Category	Contents	Verification / Certification
Economic	Financial data	Deloitte & Touche
Environmental	Greenhouse gas emissions ISO 14064-1	SGS Taiwan Ltd.
	Environmental management international standards ISO 14001 Hazardous substance process management system IECQ QC 080000	Each factory obtained the verification by the third party individually
Social	Occupational safety management OHSAS 18001 or ISO 45001	Each factory obtained the verification by the third party individually

Compilation Basis

The sustainability issues as well as strategies, goals and practices of the report are drafted based on GRI Standards 2016 published by Global Reporting Initiative while responding to Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, SASB (Sustainability Accounting Standards Board) and Sustainable Development Goals (SDGs). Moreover, contents of this report have been discussed and categorized using AA1000 APS procedures.

Report Assurance

An independent third party (SGS Taiwan Ltd.) has been engaged to provide assurance for AA1000 AS v3 type-2, high-level accountability, SASB and GRI Standard disclosure in accordance with Comprehensive Option. A Third-party Assurance Statement has been attached as an appendix to this report.



Release Overview

First issue : 2007
 Current issue : Published in June 2022
 Next issue : Expected to be published in June 2023
 Previous issue : June 2021
 The report is issued in Chinese and English annually, and the annual Sustainability Reports are posted on LITEON company website



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2021 LITEON ESG Achievements

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Ranks Among The 2021 DJSI World Index and Emerging Markets Index

A member of Dow Jones Sustainability Indices (DJSI) for ten consecutive years

Awarded "Silver Class" in the Computers & Peripherals and Office Electronics industry in the 2022 Sustainability Yearbook published by S&P Global.



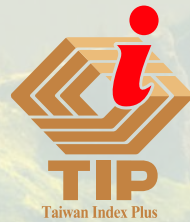
FTSE4Good TIP Taiwan ESG Index

Included in the FTSE4Good TIP Taiwan ESG Index for four Consecutive years



MSCI ESG Leaders Indexes

A constituent of MSCI ESG Leaders Indexes for eight consecutive years



Included in the FTSE4Good Emerging Market Index



Received the Highest Rating of "Leadership" in the 2021 CDP Supplier Engagement Rating (SER) for Two Consecutive Years



Rated as Prime Status by the ISS ESG Rating

- Ranked in the top 5% in the 2021 (8th) Corporate Governance Review
- Listed top ten in the 2021 Greater China Business Sustainability Index (GCBSI)
- Won the first prize of 2021 Corporate Social Responsibility Award from Global Views Magazine
- Won the "Corporate Citizen Award" from CommonWealth Magazine for 15 years in a row
- Named as top 10 Domestic Companies Sustainability Model Award (Manufacturing Industry), Corporate Sustainability Report Platinum Award, coupled with the Best Practice Awards of Climate Leadership, Circular Economy Leadership, and Supply Chain Leadership Award in 2021 Taiwan Corporate Sustainability Awards (TCSA)
- Earnings per share hit another record high of NTD 6.01

Message from the Chairman and President

People First X Mutually Beneficial Relationships LITEON's Two Core Factors of Sustainability

"As LITEON promotes transformation and establishes a people-first corporate culture, we are also creating a platform that starts from LITEON and can connect and realize prosperity for all stakeholders."

Looking back on 2021, the pandemic and climate change still occupy most pages of the discussion. As global climate action is in the ascendant, the pandemic has also accelerated people's reflections on life, work, and even social relations. Faced with the impact of extreme climate, people clearly recognized that every decision made now is key to affecting the survival of the species of the earth, and every effort invested will become an important cornerstone for the development of future generations. Living in a critical era in the current of human history, at such a critical turning point, all walks of life have high expectations for the role and commitment a corporation should play.

Before the pandemic, 200 CEOs, including Apple CEO Tim Cook and Amazon Executive Chairman Jeff Bezos, gathered at the Business Roundtable in August 2019 to jointly express the "Purpose of a Corporation", emphasizing that the interests of shareholders are no longer the most important goals pursued by corporations; rather, the significance of the corporation is to create long-term sustainable value for its stakeholders. Half a year after the statement was issued, the global economy and public health encountered the impact of the novel coronavirus. The issue of sustainability and resilience of a corporation breaking through and going against the trend in the infinite game, as well as the building of trust between a corporation and its stakeholders, have become core capabilities.

Building cooperation and trust between people has always been one of LITEON's strengths. For 40 years, we believe that corporations are one of the most important actors in sustainable engineering; with LITEON's nine stakeholders, including employees, customers, suppliers, investors, governments, nonprofit organizations, research institutions, communities, and media, are all important communication partners. As LITEON promotes transformation and establishes a people-first corporate culture, we are also creating a platform that starts from LITEON and can connect and realize prosperity for all stakeholders."

Supply Chain Carbon Management

For example, in terms of its actions in carbon reduction, the LITEON team focuses on the core capabilities of light and electricity and expands R&D and layout in application fields such as "smart homes", "smart electric vehicles", "5G communication", "cloud computing" and "smart grid". At the same time, it aims at the strict international science-based carbon reduction target (SBT) and promises to achieve the goal of reducing carbon emissions per unit revenue by 39.3% by 2025.

"Not only do we focus on achieving the sustainable goals, but we also care about how to bring our partners in the value chain to understand and to drive mutual improvement together."

When LITEON promotes energy innovation and energy conservation, the approach adopted is to work closely with customers and supplier partners to create resilience of the entire supply chain through mutually beneficial solutions. In 2021, LITEON combined external resources to assist suppliers and partners in conducting carbon reduction inspections, and proposed a total of 77 specific improvement solutions, with a total power saving potential of 10.93 million kWh (equivalent to the electricity consumption of 1,000 Taiwanese households over 32 years). Also, it launched the Supply Chain Green Transformation Project, to which it invited members of the supply chain to engage in conduct organizational GHG emissions and product carbon footprint inventories. Not only do we focus on achieving the sustainable goals, but we also care about how to bring our partners in the value chain to understand and to drive mutual improvement together. Taking cooperation, trust, and mutual benefit as the core is an important reason why LITEON can quickly diversify its layout and flexibly allocate production management when faced with the global shortage and uncertainty of prices of raw materials. In 2021, LITE-ON won the highest rating in the CDP Supplier Engagement Leadership for two consecutive years. This recognition also encourages us to continue our efforts in promoting a sustainable value chain.

Building an Advocacy Network to Promote a Circular Economy for Marine Waste

"We must exert our influence and lead all LITEON stakeholders to learn from the sea together. We must gather the will of everyone, find the problem behind the problem, and de-construct it to find a model for sustainable operations."

In the aspect of circular economy, LITEON is more active in leveraging its core influential advantages, combining social participation, environmental protection, ecological education, and technological innovation to jointly promote mutually beneficial blue solutions. Since 2018, we have traveled all over the coasts of Taiwan. We saw marine debris covering a large area of the original landform and ecology—thus, we decided to act. Over the past three years, LITEON volunteers have spent countless amounts of manpower and material resources to



Tom Soong
LITEON Chairman



Anson Chiu
LITEON President

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organize beach cleaning and education courses, in which it connected more than 100 communities, schools, government agencies, suppliers and customers and trained nearly 5,000 volunteers to engage in marine work.

Because we know that environmental problems come from people, corporations must exert their influence and lead all LITEON stakeholders to learn from the sea together. We must gather the will of everyone, find the problem behind the problem, and de-construct it to find a model for sustainable operations.

After three years of hard work, LITEON's "SEA HOPE" project has successfully established a complete recycling mechanism for marine waste polystyrene. The on-site volume reduction in outlying islands and along the coast first, then the marine waste Styrofoam was reconstructed into low carbon recycled materials with modification technology and introduced into electronic products. In 2021, LITEON's self-developed marine waste recycled plastic LGS-7505 obtained UL ECVP 2809 traceability validation and UL 746D recycled plastic performance certification yellow card, making it the first company in the world to obtain dual validation of both Ocean Plastic (OP) traceability and performance.

An Inclusive Corporate Culture that Puts People First

"In difficult and changing times, we also need deeply shared values as a firm foundation for mutual trust. Our stakeholders trusted LITEON to devote itself to come up with the best mutually beneficial solutions."

Encouraging stakeholders to move forward together is not an easy task; it takes a lot of time to build consensus and trust. Thus, we need to dig to the essence of the problem, the bottom of the problem where there are no eyes nor applause, and to communicate repeatedly at the most subtle key points. Because we believe that only fundamental change and belief can shape unshakable strength. Just like an iceberg only showing a tip above the surface of the sea, but because of its deeply hidden mass, it achieved an immovable center in the storm. In difficult and changing times, we also need deeply shared values as a firm foundation for mutual trust. When the pandemic hit and the situation changed, because of close cooperation, our stakeholders immediately trusted LITEON to devote itself to come up with the best mutually beneficial solutions.

People are the foundation of all our efforts, and talent is also LITEON's most important asset. This is an era full of challenges, but also one full of opportunities. LITEON hopes to become the soil that will nurture the growth of dreams in young people.

In 2021, LITEON aims to be open, diverse, and inclusive, promote organizational transformation, and create a free and open development space for its young employees. At the same time, it also invites all

employees to become shareholders, participate in the "Employee Stock Ownership Trust" program, and share in the company's operating results. We believe that work is one of the important realizations of the meaning of life, and life should be colorful and rich. Therefore, LITEON has held several internal LITEON Talks. We invited Xing-he Chen from the Cirque du Soleil to talk about "Dream Big"; we also invited Xin-ru He, number one in Asia at the IPC Para Dance Sport (Wheelchair Dance Sport), to talk about never giving up. We held a three-day NBA (New Brave Adventurers) CAMP to help new employees in the workplace grasp LITEON's core values. A pirate team has also been established to conduct long-term training for potential managers and build a core team belonging to LITEON.

The Spirit of the Times for Cooperation and Mutual Benefit

"We hope that the "light" of LITEON is a "light" with heat, one that radiates and gathers energy. This energy comes from the ideals and values that all our stakeholders hope to convey and the trust LITEON has earned from all walks of life."

As we move towards sustainability, we will have a lot to learn. LITEON joined the Taiwan Climate Partnership as a founding member in 2021 and has systematically introduced new ideas by cooperating with industry partners with similar thinking. At the 2021 UN Climate Change Conference (COP26), eight technology peers jointly spoke out, hoping to become an important force behind Taiwan moving forward towards net-zero carbon emissions.

We believe that the spirit of cooperation and mutual benefit is the spirit of the times, and that it is the best demonstration of LITEON's beliefs. Over the past 40 years, LITEON has undergone rapid iterative replacements and paradigm shifts in the technology industry, all while maintaining a certain level of profitability. Even in the face of the pandemic and the high challenges of global supply links, all employees have overcome difficulties and transformed various challenges into opportunities for self-improvement; combining with internal and external partners, it develops new perspectives and capabilities, thereby bringing more resilience and competitiveness to the operations of LITEON and creating record highs in profitability and net income per share for the year.

LITEON has always been an expert in light and electronics. We are familiar with the various characteristics and wavelengths of light. The light spectrum is rich, fluctuating, vital, and more inclusive and diverse. We hope that LITEON's employees are also full of colors, like the spectrum of light. All people can find their own expression and belonging in LITEON's spectrum, free and unconstrained. We hope that the "light" of LITEON is a "light" with heat, one that radiates and gathers energy. This energy comes from the ideals and values that all our stakeholders hope to convey, and comes from the trust LITEON has earned from all walks of life. We expect as much from ourselves and continue to work hard along with all our employees.

Company Overview

Company Name : LITE-ON Technology Corporation
Stock Code : 2301

Founded in 1975, and being the first listed electronics company in Taiwan, LITEON Technology is a world-leading provider of opto-semiconductor, power supply management and key electronic products with global manufacturing facilities. In recent years, with its active deployment in the fields of cloud computing, automotive electronics, 5G, AIoT and optoelectronics, coupled with expansion of new business for smart life, LITEON continues to use its professionalism, rich industrial experience, flexible supply chain management with quick response and diverse worldwide operational centers, has become the best partner of global customers for creating value, innovation, and application of smart technology.

For over four decades, LITEON produces products that are used in a broad range of applications, such as cloud computing, automotive electronics, optoelectronics, LED/lighting, smart healthcare, computers, communications, industry and consumer electronics while concentrating on establishing a competitive advantage in mass production to maximize the returns from a diverse product portfolio to realize profitable growths through resource integration and management; LITEON's main business strategy focuses on increasing resource utilization, automation, production optimization, and streamlined processes for better productivity and efficiency; in the long-term, the focus is on realizing profitability, maintaining stable operations as well as enhancing the return of shareholders' equity to take root in the sustainable operation of a century-old enterprise.



23.51 billion

Company Capital



40,019

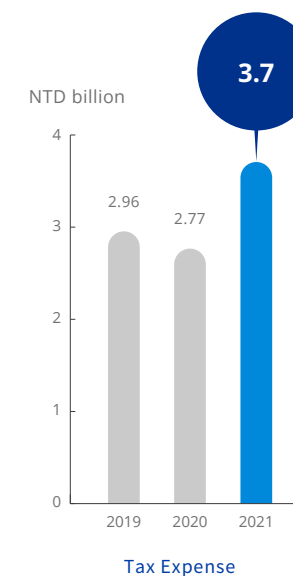
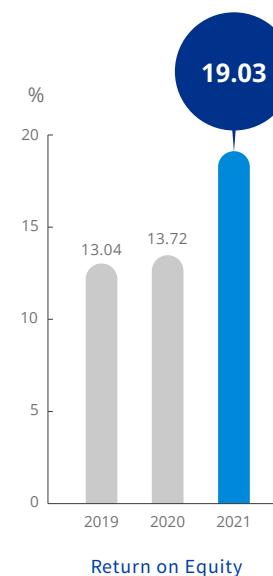
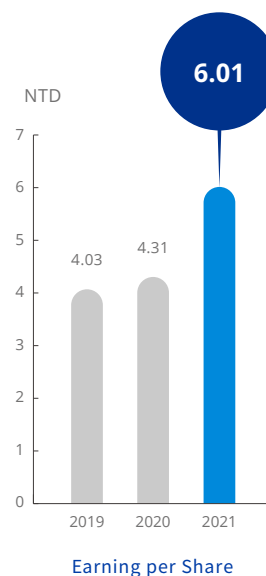
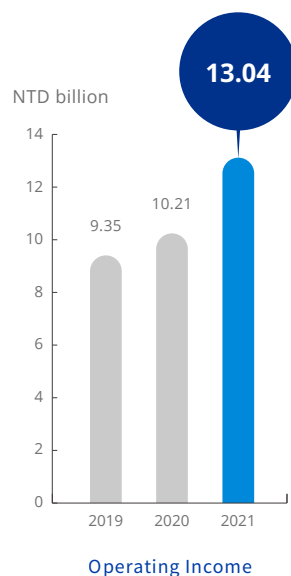
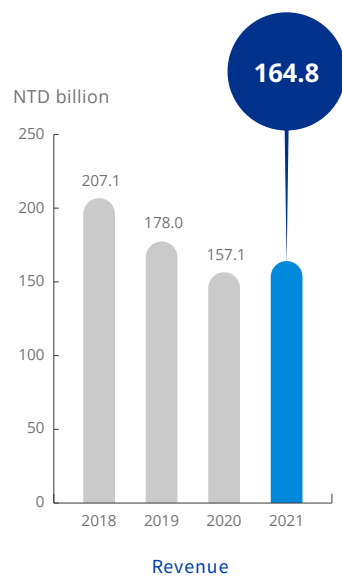
Total Employees



TOP-2

2021 World's Top 2 Power Supplies Supplier

- 1 / For more details on business performance including financial statement, liabilities, shareholders' equity, and retained earnings, etc. please refer to LITEON's Annual Report published on the company website
- 2 / For information of LITEON's product development, please refer to "Business Group" in company webpage, For production volume and sales value, please refer to LITEON 2021 Annual report Page 105
- 3 / For Dividend policy with execution status and compensation for employees and board of directors, please refer to please refer to LITEON 2021 Annual report Page 87-88



Four Business Areas



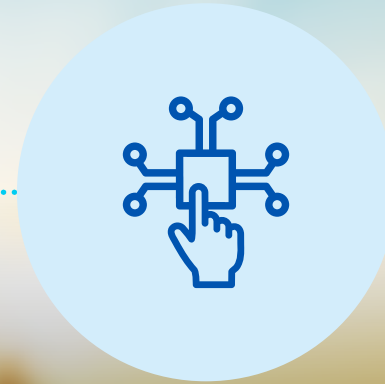
Optoelectronic Components and Applications

As the first corporation in Taiwan to invest in the R&D and manufacture of LED (light-emitting diode) electronic products, LITEON has developed a full range of optoelectronic product solutions that have found wide use in computers, communication, consumer, automotive, and industrial fields. From the design, development, and production of upstream optoelectronic semiconductors to solutions for various smart life and smart electric vehicles (EV) and industrial applications, LITEON continues to expand into the global market with leading differentiated technologies, and actively develops smart energy-saving optoelectronic products together with its customers. LITEON is first in the world with respect to photocoupler shipments as well as a global leader in industrial and IoT infrared sensor components.



Information and Consumer Electronics

LITEON has more than 30 years of abundant experience in the field of power supplies for consumer electronics. It provides power supply products for consumer electronics ranging from notebooks, tablets, mobile phones, gaming consoles, network communications, and home appliances to the Metaverse. LITEON has long been the world's largest market leader in input-output devices and computer peripheral applications. In addition to producing input devices for laptops, desktop computers, tablets, and high-end gaming, LITEON continues to develop marine waste recycled materials with diverse applications and other institutional materials with the concept of green design and strives to continuously develop smart information and consumer electronic products with high performance, high added value, energy savings, and environmental protection.



Cloud and IoT

As one of the leading manufacturers of power management systems and network solutions in the world, LITEON has core capabilities, such as R&D, design, manufacturing, and system integration. At this critical moment in the energy transformation, LITEON continues to invest in R&D of the latest power technologies, such as high-power density, high efficiency, and high conversion rate technologies, and provides software and hardware integration solutions for various requirements from smart life and smart cities across the aspects of cloud computing, IoT, and smart grids. LITEON focuses on the research and development of various wireless technologies and provides customers with a diversified and flexible model for cooperation with high efficiency and stable quality, of which the global market share of its laptop power network modules is the largest. Leotek, a subsidiary of LITEON, uses outdoor smart lighting to create "road automation", and is developing value-added service applications and future smart cities.



Automotive Electronics

Automotive electronics at LITEON is based on the core technologies of "optics" and "electronics", in which it has established a solid foundation of more than 40 years. In the field of "optics", LITEON assists customers in the production of LED lamp modules for automobiles, and independently developed camera modules to provide customers with image visual recognition systems, such as area view outside of vehicles and driver monitoring. In "electronics", LITEON has launched exterior charging and on-board charging products for electric vehicles with its mature strengths in power conversion technology and R&D. Among which, charging stations for electric vehicles have been bought by the top three EV service providers (EVSP) and emerging automotive manufacturers in both Europe and the Americas.

Locations of LITEON's Major Operations Worldwide 2021



Membership in Groups and Associations

LITEON actively participates in public association activities such as industry, R&D technology and governance. By participating in regular or irregular meetings and activities organized by the association, we jointly promoted the progress of the industry and paid attention to topics such as technological innovation, corporate governance and sustainable operation. In 2021, LITEON spent about NT\$7.19 million to participate in the association organization.

In the face of severe climate change, Taiwan's leading technology manufacturers jointly established the Climate Partnership, and thus took the lead in supporting industrial transformation and investing in climate initiatives and carbon reduction practices. As one of the Partnership's founding members, LITEON Technology, together with the other members of the Partnership, calls for immediate practical actions from all fields to promote environmental protection and energy conservation through innovative technologies, and to create low-carbon solutions for smart cities.



Anson Chiu, president of LITEON Technology (second from right), attended the 2022 Smart City Exhibition "Net-Zero for Good" forum, where the eight founding members of the Climate Partnership took a group photo

Category	Association	
Industry	SINOCON Industrial Standards Foundation	O-RAN ALLIANCE
	Taipei Computer Association (standing director)	Taipei Electronic Components Suppliers' Association
	Taiwan Monte Jade Science and Technology (director)	5G Industrial Innovation & Development Alliance
	Taiwan Electrical and Electronic Manufacturers' Association (standing director)	TIP (TELECOM INFRA PROJECT)
	Chinese Taipei Components Certification Board	Photonics Industry & Technology Development Association
	Taiwan Transportation Vehicle Manufacturers Association	Taiwan Optoelectronic Semiconductor Industry Association
	Taiwan V-team	SEMI
	Taiwan Export Processing Zone Electrical and Electronic Manufactures Association	Tianjin Taiwan Compatriot Investment Enterprise Association
	Taiwan Science Park Association of Science and Industry	Tianjin Association of Enterprises with Foreign Investment
	Chief Information Officer Association	Neihu Technology Park Development Association
	Electronic & Computer Employers' Association (Thailand)	Taiwan Enterprise Association of Guangzhou
	Chai-Klong Personnel Management (Thailand)	Anti-Static Equipment Branch of China Electronic Instrument Industry Association
	Changzhou Procurement Association	MAPECT
	Technology and R&D	Taiwan Advanced Automotive Technology Development Association (TADA)
Peripheral Component Interconnect Special Interest Group		IPC Association
High-bandwidth Digital Content Protection		
Sustainable Development	The Institute of Internal Auditors, R.O.C.	Plastics Industry Development Center / Sea Waste Recycling Alliance
	Taiwan Corporate Governance Association	Taiwan Climate Partnership (founding member)
	Responsible Minerals Initiative	CommonWealth Sustainability Association
	The Business Council for Sustainable Development of Taiwan	

Sustainability Governance at LITEON



With the core philosophy of its ESG strategies focusing on environmental sustainability, inclusive innovation, and sustainable governance, LITEON specifically extends to align with the SDGs, presenting results related to green products, application and innovation, responsible production, employee development, and social impact.



1.1 Corporate Sustainability Perspective and Commitment

With the vision of "empowering a greener future", LITEON leverages its professional and rich industrial experience, flexible and fast global supply chain management and diversified overseas production capacity, focuses on building its own mass production advantages, and integrates diversified product portfolios to optimize benefits, to achieve high-quality revenue and profitability growth. The company commits to better employer-employee relations, employee care, corporate governance, environmental protection, and public charity works. There is a great emphasis on complying with government laws and regulations, protecting workers' rights, improving workplace health and safety, developing green products, reducing damage to the environment, and upholding social and environmental responsibilities to meet stakeholders' expectations.



Environmental

LITEON Commits to Science-Based Targets (SBT) GHG Emission Reduction Targets Approved by SBTi

- Reduce carbon emission per unit of revenue by 39.3% by 2025
- Increase the energy conversion efficiency of our power supply products by 2% by 2023
- Respondent of **CDP** since 2012
- Support the Task Force on Climate-Related Financial Disclosures (**TCFD**) and follow the TCFD framework



Social

LITEON Supports International Standards

- Responsible Business Alliance
- Social Accountability
- Universal Declaration of Human Rights
- International Labour Organization
- UN Guiding Principles on Business and Human Rights

LITEON's ESG Guidelines

- LITEON CSR Code of Conduct
- LITEON Human Rights Policy



Governance

LITEON Upholds the Core Values "Innovation", "Integrity", "Customer Satisfaction", and "Excellence in Execution"

- Corporate Sustainability Committee led by Chairman
- Followed ISO 31000 risk management principles and guidelines
- Information security system complies with ISO 27001
- ESG integration in the supply chain management

1.2 Strategic Planning for Sustainability

LITEON Sustainability Strategies and Blueprint






With an entrepreneurial spirit, LITEON focuses on solid execution, and advances toward the vision of "the best partner for optoelectronics, energy conservation and smart technologies." We construct our sustainability strategies around the core values, "environmental sustainability," "inclusive innovation," and "sustainable

governance," and extend them into five specific strategies that are consistent with the 10 UN Sustainable Development Goals (SDGs) in green products, application and innovation, responsible production, employee development, and social impact. The results are disclosed in the report.






LITEON ESG Sustainability Blueprint and Key Points



1.2.1 Highlights on LITEON's Response to UN Sustainable Development Goals (SDGs) in 2021

SDGs	LITEON's Response to SDGs	Chapter
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> ✔ LITEON volunteers provide English and after-school teaching at remote elementary schools and after-school counseling for disadvantaged students ✔ The LITE-ON Cultural Foundation operates a community college that offers adult education (including courses for the disabled and disadvantaged), life-long learning, and green courses ✔ In 2021, the LITEON Light of the World program teamed up with Step30 to collect and send shoes to Africa in containers to be converted into classrooms. Donations are used exclusively to improve public health conditions and the learning environment for African children 	<ul style="list-style-type: none"> > 5.1 Social Inclusion Policy > 5.5 LITEON Volunteers > 5.6.1 Promoting Community Learning Activities > 5.6.2 Taipei Xinyi Community College
 <p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> ✔ Employees' salaries and compensation are determined by their education, knowledge, skills, seniority, and individual performance. In no way does gender play a part in these decisions. In 2021, the proportion of female employees was 43.8%, and the proportion of female senior executives was 10.1%. The ratio of men to women in the annual salary of senior executives is 1:1.13. There is no significant difference in remuneration ratio between men and women of the Company ✔ By Nomination Committee resolution, the company will actively look for more trained professional women to join the board ✔ Maternal health care plans for female employees are implemented effectively for maternity protection and equal employment opportunity. The scope covers medical staff interview, hazard assessment and control, risk classification, and adaptive job assignment ✔ Women empowerment seminars are offered regularly to female employees 	<ul style="list-style-type: none"> > 4.4 Protection of Employee Interest > 4.6 LOHAS LITEON
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<ul style="list-style-type: none"> ✔ Using its core technologies of light and electronics, LITEON invests in the future home energy management-based microgrid solution, as well as the research and development, design, and manufacture of other energy storage systems, power control, and energy management ✔ LITEON invests actively in the development of several high-performance power conversion technologies and energy-saving products ✔ Through exchanges and cooperation with industry associations, it actively provides suggestions on the government's renewable energy policy goals, to accelerating people's access to sustainable and modern energy 	<ul style="list-style-type: none"> > 3.1 Commitment to Environmental Sustainability > 3.2 Climate Change and Energy Resource Management > 3.3 Green Product Design and Management
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> ✔ LITEON establishes campuses in North, Central, and South Taiwan. They serve as short-term (summer internship), medium-term (industry-university cooperation), and long-term (inter-school management) cooperation models to bring the industry and academic institutions together in cultivating young talents and increase employment ✔ The LITEON Geekathon encourages creative technical designers and implements technology incubation programs ✔ The RBA Code of Conduct Committee is in place to ensure the policy to prohibit child labor is enforced and the regulations to safeguard workers, health and safety, and the environment and corporate ethics are followed 	<ul style="list-style-type: none"> > 2.3.6 Human Rights Management > 5.1 Social Inclusion Policy > 5.2 LITEON Geekthon > 5.3 Workplace Experience
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<ul style="list-style-type: none"> ✔ Communication modules, network communication, computer peripherals, cloud power and other information and communication products are optimized on an ongoing basis to extend the global reach of the Internet at a faster pace ✔ Continue to develop a series of 5G networking products to improve the application flexibility and deployment efficiency of 5G network infrastructure ✔ In order to become the best, first-choice business partner for global customers when developing innovative optoelectronic energy-saving and smart technology applications, the company's overall R&D expenditure has been greatly increased. The ratio of revenue in 2021 was 3.7%, an increase of 20% compared with 2020, and it will continue to expand to 4.5% by 2023; it will be mainly invested in the research and development of optoelectronic semiconductors, cloud power, 5G/AIoT, and automotive electronics. In addition to the development of hardware, we will also invest in the development of a variety of software features ✔ LITEON implements advanced manufacturing for high product manufacturing capacity and flexibility, and moves towards Industry 4.0 through product combination optimization, joint production management of different operating locations, and the operation mechanism of cross-functional technical committees, etc 	<ul style="list-style-type: none"> > Company Overview > 3.1 Commitment to Environmental Sustainability > 3.2 Climate Change and Energy Resource Management > 3.3 Green Product Design & Management

1.2.1 Highlights on LITEON's Response to UN Sustainable Development Goals (SDGs) in 2021

SDGs	LITEON's Response to SDGs	Chapter
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<ul style="list-style-type: none"> ✔ Leotek combines AIoT smart Internet of Things and 5G networking technology, etc., to promote the "Internet of Lights", and proposes an integrated solution for incorporating urban road lighting and smart traffic lights that can enhance traffic flow and ensure road safety, so as to create "smart road transportation" to increase the safety and quality both for traffic and pedestrians ✔ Together with Far EastOne, we have piloted the "Human-based Smart Lighting Controlled Street Lights" in the "Taoyuan Smart Street Lamp Replacement Project". Monitors detect the brightness of roads and judge the reflectivity and scattering characteristics; the street lights then automatically eliminate road glare, and then output the most suitable light for current road conditions, thereby reducing eye fatigue during driving and improving road safety ✔ The strategic cooperation with Kneron, an emerging company developing AI chips, and combining the company's existing car networking technology energy, has accelerated the realization of smart cities and the applications of auto-piloting 	<p>> Company Overview</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> ✔ LITEON strengthens hazardous substance management and uses a management system to select suppliers with management capabilities to ensure raw materials and products meet the requirements ✔ LITEON tries to achieve optimized packaging materials, reduction at sources, and a reduced percentage of hazardous waste in the production process ✔ LITEON is committed to developing low-carbon and sustainable materials, and building an industrial circular economy through innovative R&D technologies. We take green product design as our core concept, and we focus on the three major aspects of "co-product recovery", "circular sourcing" and "resource recovery". We cooperate with suppliers to create the basis of an industrial circular economy, and have proposed a number of green solutions, including the development of marine waste sustainable plastics, process resource utilization optimization technology, and the use of a high proportion of post-consumer recycled (PCR) materials in products 	<p>> 1.4.2 Stakeholder Engagement Performance Highlights</p> <p>> 2.6 Sustainable Supply Chain</p> <p>> 3.3 Green Product Design and Management</p> <p>> 5.4 SEA HOPE Project</p>
 <p>13 CLIMATE ACTION</p> <p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> ✔ LITEON participates in the CDP and has received the highest rating in CDP Supplier Engagement. The company sets rigorous targets and takes actions to reduce GHG emissions, mitigate climate risks, and develop a low-carbon economy ✔ LITEON's Science Based Target (SBT) aims to reduce carbon emissions passed compliance review by Science Based Targets Initiative (SBTI) ✔ LITEON follows the Task Force on Climate-Related Financial Disclosures (TCFD) initiative to identify climate risks and opportunities to formulate adaptation and mitigation strategies 	<p>> 3.1 Commitment to Environmental Sustainability</p> <p>> 3.2 Climate Change and Energy Resource Management</p>
 <p>14 LIFE BELOW WATER</p> <p>Conserve and sustainably use the oceans, seas and marine resources</p>	<ul style="list-style-type: none"> ✔ To reduce the impact of plastics on the marine environment and ecology, we continue to develop diverse and customized ocean waste sustainable plastics. For example, using marine waste polystyrene as the base material, we have developed the world's first LGS-7505 that has passed UL2809 OP traceability validation and LGP-8005 and LGC-5005 with better material properties ✔ On LITEON Marine Day, LITEON volunteers in coastal cleanups ✔ The marine conservation and environmental education on Lanyu island ✔ "Design for SDG14" is a learning program that combines environmental education and green design. It guides students to take a design approach and come up with innovative strategies and designs in different areas to counter marine pollution 	<p>> 1.4.2 Stakeholder Engagement Performance Highlights</p> <p>> 5.1 Social Inclusion Policy</p> <p>> 5.4 SEA HOPE Project</p>
 <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Strengthen the means of implementation and revitalize the global partnership for sustainable Development</p>	<ul style="list-style-type: none"> ✔ In response to the government's net-zero initiative, LITEON has joined the "Taiwan Climate Partnership" with seven other companies, hoping to leverage its corporate influence and help industries create green business opportunities amid the trend for carbon reduction ✔ LITEON also commenced the sustainable supply chain green transformation, inviting members of the supply chain to conduct organizational GHG emissions inventory and carbon footprint of products, and continuously refining the carbon management of the supply chain. At the same time, we actively responds to customers' green product needs and makes sustainable value chain partnerships ✔ LITEON works with government agencies, research institutions, and suppliers to reuse marine plastic waste to make computer peripherals. LITEON also provides assistance in promoting volume reduction techniques for styrofoam marine waste and in supporting international collaboration ✔ LITEON established the Corporate Sustainability Committee under the board of directors and created the Core Competency Center to combine internal and external technical resources. The committee utilizes core competencies and coordinates sustainable momentum in and outside of the company to effectively connect and utilize resources from governments, industries, and academia at home and abroad. The multilateral collaboration helps focus on the targets and expand influence 	<p>> 1.3 LITEON Corporate Sustainability (CSR) Committee</p> <p>> 1.4.2 Stakeholder Engagement Performance Highlights</p> <p>> 5.4 SEA HOPE Project</p>

1.2.2 The 2021 LITEON SDGs Award Encouraged Innovation and Sustainability Integration

In order to seek opportunities for sustainable innovation and echo the "Applied Innovation" project in LITEON's sustainable development blueprint, to bring together outstanding innovative ideas within the company, and be in line with the United Nations Sustainable Development Goals (SDGs), the LITEON SDGs Award was held for the first time in 2020 with outstanding results. In 2021, LITEON continued to hold this event and increased the total bonus to NTD 1.2 million to encourage colleagues to innovate, and also regard SDGs as their responsibility and work together to achieve sustainable development.

LITEON SDGs Award consists of "Innovative Project Award" and "Creativity Award", of which "Innovative Project Award" solicits innovative projects that meet the 10 SDGs in LITEON's strategic blueprint; The "Creativity Award" solicits projects that meet the three goals of **SDG 12 Responsible Production, SDG 9 Innovative Industrial Infrastructure and SDG 13 Climate Action**.

Since the start of the event in September, 52 proposals have been received from various operating locations around the world.

The judging panel served by the senior executives of each business department selected 20 proposals for the final selection, and the shortlisted teams

from each department also competed online and offline at the Neihu headquarters on 12/23 for the final awards and bonuses.

Director MK Lu, Director Mike Yang, President Anson Chiu, Senior Vice President SL Chiang, and ESG Office Director Peter Chen were invited to the final selection of the awards to serve as the jury, and Director Mike Yang served as the chairman of the jury. After discussion, proposals with outstanding execution results and abundant innovation energy were selected and awarded.

Everyone who participated in the LITEON SDGs Award is the driving force for LITEON to become a world-leading enterprise. The judges praised LITEON not only for its excellent operation, but also for its forward-looking attention to ESG and corporate sustainable development, and its vitality and positivity.

The judges are proud of the contestants and look forward to seeing more outstanding projects next year.

For more information please visit <https://www.liteon.com/en-us/globalcitizenship/681>

Prize	The Innovative Project Award	The Creativity Award
Submissions	19 entries	33 entries
Prize/Number of winners	Gold Award : NTD 150,000 each for 1 team Silver award : NTD 100,000 each for 2 team Bronze award : NTD 50,000 each for 3 team Special Award* : NTD 30,000 each for 2 teams	Gold Award : NTD 150,000 each for 1 team Silver award : NTD 100,000 each for 2 team Bronze award : NTD 50,000 each for 3 team
	As a bonus, NTD 3,000 for each shortlisting teams	
	Total prize at NTD 1,200,000	

*Those who have been selected for the "Creativity Award" and have implemented and achieved remarkable performance can participate in the "Innovative Project Achievement Award" this year. After passing the final selection review resolution, they can receive another "Special Award" and NTD 30,000



1.3 LITEON Corporate Sustainability Committee

As a way to raise sustainable competitiveness and to demonstrate the company's commitment to sustainable development, LITEON passed a resolution to establish the Corporate Sustainability Committee (CS Committee) directly under the board of directors in April 2019. The committee is the highest authority governing the company's sustainability-related operations.

The CSR Committee shall be composed of three or more board members selected by the board of directors. Half or more of the committee members shall be independent directors. In November 2020, the board of directors appointed LITEON Chairman Tom Soong to be the chairman of the CSR Committee in charge of setting annual CSR targets in terms of the economic, environmental, and social aspects of the business. Progress is monitored regularly to ensure LITEON's continuing advancement toward sustainability and fulfillment of short-, medium-, and long-term goals. In addition, updates and results are reported regularly to the board of directors annually.

In response to the environment and issues of interest to stakeholders as well as changes in industry trends, we evaluated LITEON's core competencies, and divided committee activities into nine categories to be incorporated into routine operations. The objective is to establish more focused and refined sustainability and accountability regulations. Hence, two function units, which contain nine sub-committees, are created under the CSR Committee. The sub-committees are "risk management", "information security" management, "ethical corporate management", effective management of the RBA code of conduct, community involvement, supply chain management, green design, environmental sustainability, information disclosure and added value improvement. The goals of each committee are set out in the corresponding chapters in this report.

Organization Structure of LITEON Corporate Sustainability (CS) Committee



1.4 Stakeholders and Material Topics

Being the best partner for our stakeholders is one of LITEON's commitments. Listening to and communicating effectively with the stakeholders is one of the corners on which LITEON builds corporate sustainability.

1.4.1 Stakeholder Identification and Communication




LITEON has stakeholders from a wide variety of backgrounds. To present stakeholders sufficiently representative of their categories, we refer to the five attributes in AA1000 Stakeholder Engagement Standard 2015: dependency, influence, proximity, responsibility, and representation. Nine stakeholder categories have been identified by the degree of importance.

Our stakeholders include employees, customers, suppliers, investors/shareholders, governments and competent authorities, nonprofit organizations, research institutions, communities, and media. In addition, correlation tests are performed every year to examine the survey results returned by stakeholders. Conclusions are reported by the ESG Executive Office to the board of directors.




In 2021, LITEON continued to engage stakeholders in the nine categories through regular and irregular communication channels. Together, we achieved various results and created diverse social values. Topics that are material to LITEON's stakeholders are also addressed in the relevant chapters in this report.






Stakeholder Engagement Performance in 2021

Stakeholder	Significance to LITEON	Method and Frequency of Engagement	Concerned Topics	LITEON's Response	Engagement Results	Report (Chapter)
 Investors (shareholders)	<p>All shareholders (and potential shareholders) investing in LITEON should be given equal access to material information of the company to present the company's market value sustainably.</p>	<ul style="list-style-type: none"> The executive management team meets regularly every year. Shareholder meetings: (annually) Investor conferences: (quarterly) Participation in global investor forums (as needed) Investor hotline (real-time) and mailbox 	<ul style="list-style-type: none"> Corporate governance & operations Integrity and compliance Risk management Supply chain management Customer relations management 	<ul style="list-style-type: none"> The company engages investors regularly or as needed to convey its business performance and prospects A summary of comments gathered from investors and external parties is submitted quarterly to the board of directors and the executive management to provide a basis for the improvement of corporate governance practices and business operations Annual reports, quarterly financial statements, quarterly reports, and monthly revenues are uploaded to the investor relations section of the corporate website as soon as they become available 	<ul style="list-style-type: none"> Held 1 annual general meeting Held 4 institutional investor conferences 72 discussion meetings 	<ul style="list-style-type: none"> > 2.7 Customer Service and Satisfaction > 2.1 LITEON Corporate Values and Governance Company Overview > 2.2 Organization Structure of Corporate Governance > 2.3 Corporate Risk Management > 2.4 Compliance, Ethics and Anti-corruption > 2.6 Sustainable Supply Chain
 Employees (union)	<p>Employees are LITEON's most important partners in achieving sustainability. In addition to protecting employees' employment rights, a company has to offer competitive compensation and benefits, and show respect and care for employees to attract top talent. Employees who can realize their full potential and work with the company will deliver the best business performance.</p>	<ul style="list-style-type: none"> Union meetings (as needed) Employee/employer meetings (quarterly) Business unit meetings (quarterly) Hotlines and mailboxes (immediate) Business meetings and internal correspondence (real-time) 	<ul style="list-style-type: none"> Labor relations and friendly workplace Human rights Talent attraction and retention Corporate governance & operations Talent training & education Occupational safety and health 	<ul style="list-style-type: none"> The company communicates with employees on company policies and directions through various channels and is always open to employee feedback. Adjustments to strategies or proposals for improvement are made as appropriate to develop a talent-centric culture Management training by field of training and by the level of authorization, holistic health and safety training, and fire drills are conducted regularly LITEON implements the "Core value and work enjoyment survey" for employees every two years. The overall average score was 82% in 2020 	<ul style="list-style-type: none"> 24 two-way communication meetings among business units 2 company-wide two-way communication meetings (Town hall Meeting) Handled 218 cases via internal communication channels 69 trade union meetings Newcomer Communication Meeting (MVP Summit) has been held since October 2021, and 2 meetings have been held in 2021 	<ul style="list-style-type: none"> > Company Overview > 2.1 LITEON Corporate Values and Governance > 2.2 Organization Structure of Corporate Governance > 2.3.6 Human Rights Management > 4.1 Employee Policy > 4.2 Employee Profile > 4.3 Employee Development and Training > 4.4 Protection of Employee Interest > 4.5 Employee Relations > 4.6 LOHAS LITEON
 The Media	<p>The media act as a bridge between LITEON and its stakeholders. Media coverage based on timely access to information released by the company will help stakeholders acquire correct information regarding the company via public channels. It will also help LITEON continue to uphold its reputation.</p>	<ul style="list-style-type: none"> Regular investor conferences to publish business results, interviews in shareholder meetings, and press releases (quarterly) Ad hoc business result updates, interviews in press conferences, and press releases (as needed) Regular press releases to publish monthly revenues (monthly) Ad hoc press releases to publish business updates (as needed) Media and public relations hotline and media interviews and inquiries (real-time) 	<ul style="list-style-type: none"> Corporate governance & operations Corporate Image Integrity and compliance Risk management Labor relations and friendly workplace Innovation development and application 	<ul style="list-style-type: none"> The company engages the media regularly or as needed, accepts media interviews and issues press releases to convey its business performance and prospects. Press releases are also published on the corporate website A summary of relevant issues and articles gathered from the media are submitted to the executive management to provide a basis for the improvement of corporate governance practices 	<ul style="list-style-type: none"> Issued a total of 28 press releases Hosted 5 press conferences 	<ul style="list-style-type: none"> > Company Overview > 2.2 Organization Structure of Corporate Governance > 2.4 Compliance, Ethics and Anti-corruption > 2.3 Corporate Risk Management > 3.3 Green Product Design and Management > 4.5 Employee Relations > 4.6 LOHAS LITEON

Stakeholder Engagement Performance in 2021

Stakeholder	Significance to LITEON	Method and Frequency of Engagement	Concerned Topics	LITEON's Response	Engagement Results	Report (Chapter)
 Customers	<p>Customers are LITEON's source of revenue, and we listen to customers and their needs. LITEON monitors industry trends closely and provides professional services to meet the customers' standards and keep abreast with the latest developments.</p>	<ul style="list-style-type: none"> Quarterly business review meetings (quarterly) Supplier Conference (as needed) Special-purpose meetings (as needed) Meeting appointments (as needed) Ad hoc meetings on urgent issues (as needed) Audits by customers (as needed) RBA-ON platform (annual) 	<ul style="list-style-type: none"> Customer relationship management Product quality and safety Data security and client privacy Green product design Supply chain management 	<ul style="list-style-type: none"> A customer-oriented sales platform is added as part of an ongoing effort to strengthen customer service and staying in close communication with customers The Supplier Quality Management (SQM) unit is created to strengthen supplier quality management to provide fast, efficient, and high-quality products and services and be able to inform customers of updates on supplier management The company protects client privacy and is always ready to face customer scrutiny Visits between the senior management of the company and that of our customers are arranged to strengthen the partnerships and create a win-win situation 	<ul style="list-style-type: none"> A customer satisfaction survey on 80 customers produced a 85.6% satisfaction rate 	<ul style="list-style-type: none"> > 2.7 Customer Service and Satisfaction > 2.5 Information Security and Privacy Management > 2.6 Sustainable Supply Chain > 3.3 Green Product Design and Management
 Suppliers	<p>Suppliers play a key role in LITEON's campaign to achieve sustainability. In addition to production, service, and operational concerns, the company must consider its corporate social responsibility and reputation risk. LITEON tries to learn about supplier concerns through the communication channels in place to reduce business risks and costs and continue to provide responsible and high-quality services for customers.</p>	<ul style="list-style-type: none"> Supplier training conferences (as needed) Supplier audits (as needed) Project meetings (as needed) 	<ul style="list-style-type: none"> Supply management Product quality and safety Raw materials management Integrity and compliance Green product design 	<ul style="list-style-type: none"> The company holds annual supplier meetings and ad hoc supplier audits to communicate with suppliers on business performance and annual targets. These conferences serve as a means of active response to supplier concerns The company continues to encourage suppliers to develop innovative business models that minimize the environmental impact and align with key trends in guidelines adopted by major international players to achieve sustainability 	<ul style="list-style-type: none"> Implemented a supply chain energy-saving project, driving 7 suppliers in Taiwan Suppliers work together to save energy 2 online training courses held in 2022Q1 under "Supplier Green Transformation Project" 	<ul style="list-style-type: none"> > 2.4 Compliance, Ethics and Anti-corruption > 3.3 Green Product Design and Management > 2.6 Sustainable Supply Chain
 Government Authorities	<p>In addition to complying with government regulations, LITEON actively supports government policies and engages government agencies in two-way open communication to win their trust, support, and cooperation.</p>	<ul style="list-style-type: none"> Regular update of corporate website and information on the Market Observation Post System (monthly/quarterly/annually) Questionnaires and interviews (as needed) Receive government performance evaluation (annually) Participate in events and consultation meetings hosted by government agencies (as needed) 	<ul style="list-style-type: none"> Corporate image Integrity and compliance Corporate governance and operations Labor relations and friendly workplace 	<ul style="list-style-type: none"> The company works with the government agencies regularly and as needed in implementing and coordinating related programs. The company also learns details of policies and regulations and assists in promoting them Regularly communicate with the local government disease control and community epidemic prevention departments of the plant to learn about the epidemic situation, corresponding epidemic prevention measures, nucleic acid testing, vaccination, etc. In order to grasp the latest developments and information of the epidemic, and use it as the main basis for the dynamic adjustment of the epidemic prevention policy in the factories. 	<ul style="list-style-type: none"> Joined the "Taiwan Climate Partnership" to respond to the government's initiative to save energy and reduce carbon emissions. Following the "Corporate Governance 3.0 - Sustainable Development Blueprint" of the Financial Supervisory Commission, LITEON publishes a sustainability report every year to strengthen the disclosure of ESG information LITEON Marine Waste Styrofoam Containers exhibited at the "2021 Penghu Plastic-Free Island and Recycling Facilities Exhibition" co-organized by the Penghu County Government and the Environmental Protection Administration 	<ul style="list-style-type: none"> > 2.1 LITEON Corporate Values and Governance Company Overview > 2.2 Organization Structure of Corporate Governance > 2.4 Compliance, Ethics and Anti-corruption > 4.5 Employee Relations > 4.6 LOHAS LITEON

Stakeholder Engagement Performance in 2021

Stakeholder	Significance to LITEON	Method and Frequency of Engagement	Concerned Topics	LITEON's Response	Engagement Results	Report (Chapter)
 <p>The Community</p>	<p>LITEON improves its sustainability campaign based on its effort to improve its CSR performance. By giving back to the community, LITEON creates a stronger positive influence on society. LITEON also implements stakeholder communication mechanisms to add to its positive influence on society.</p>	<ul style="list-style-type: none"> Community assistance Social media webpage (as needed) Course feedback form (at the end of each class) Instructors' meetings (as needed) Teachers' meetings (as needed) Volunteers and supervisors' meetings (as needed) Assistance director and supervisors' meetings at the beginning and the end of a semester (semiannually) Xinyi Community College Volunteer meetings (quarterly) 	<ul style="list-style-type: none"> Social engagement Corporate image Integrity and compliance Climate change and energy management 	<ul style="list-style-type: none"> The company communicates via email and telephone. In the event of a major incident, notifications will be made by email, and announcements and discussions will take place on social media websites Course questionnaires are used to collect suggestions and feedback from volunteers and course participants. Instructor meetings are held regularly to keep instructors focused on the current priorities of the community college 	<ul style="list-style-type: none"> A total of 4,048 volunteers from 19 schools participated in volunteer training courses and campus volunteer services Xinyi Community College offered a total of 308 courses this year and received 5,430 students, more than 3,488 participants benefited from the courses LITEON, Taipei University of Technology, and Taipei Medical University jointly organized a workshop on marine theme design thinking 	<ul style="list-style-type: none"> > Company Overview > 2.4 Compliance, Ethics and Anti-corruption > 3.2 Climate Change and Energy Resource Management > 5.1 Social Inclusion Policy > 5.5 LITEON Volunteers > 5.6 LITE-ON Cultural Foundation
 <p>Research Institutions</p>	<p>Research institutions play the role of pioneers in advanced technologies and their applications. They help companies innovate and become more competitive so to make it easier for companies to get the approval of customers and investors</p>	<ul style="list-style-type: none"> On-site visits and meetings (as needed) Seminar planning (as needed) Government project execution (as needed) Collaborative technology development (as needed) 	<ul style="list-style-type: none"> Innovation development and application Green product design Talent training & education Integrity and compliance 	<ul style="list-style-type: none"> By applying for government subsidies or earmarked grants, the company forms academia-industry partnerships in specific fields with research institutions. These fields include MOST project applications, ISO management system implementation, and assistance for environmental product labels or certification The company collaborates with others in developing industry technologies through technology transfer or commissioned research to implement new technologies needed to enable product development The company works with research institutions in building up talent pools and necessary techniques by providing funding or creating joint research centers 	<ul style="list-style-type: none"> Jointly established R&D center with Tsinghua University to conduct technology and patent research in key areas of the industry Cooperated with Nanyang Technological University in Singapore in the field of smart grid and smart home technology development Through industry-university cooperation, more than 100 papers have been published in famous domestic and foreign journals A total of 3,064 people participated in "Design for SDG14 Industry-University Project" The second RD interns cultivated a total of 6 RD interns 	<ul style="list-style-type: none"> > 2.4 Compliance, Ethics and Anti-corruption > 3.3 Green Product Design and Management > 5.1 Social Inclusion Policy > 5.2 LITEON Geekthon > 5.3 Workplace Experience > 5.4 SEA HOPE Project
 <p>Non-Profit Organizations</p>	<p>As an ethical and responsible business, LITEON understands the needs of nonprofit organizations. It promotes and practices the philosophy of giving back to the community and tries to make itself a positive influence on society.</p>	<ul style="list-style-type: none"> Membership associations (as needed) Event co-sponsorships (as needed) Initiate advocacy (as needed) 	<ul style="list-style-type: none"> Corporate image Human rights Labor relations and friendly workplace Climate change and energy management 	<ul style="list-style-type: none"> The company is an active member of industry associations and stays in close contact with other industry members The company works with NGOs/NPOs to support environmental conservation and social inclusion projects 	<ul style="list-style-type: none"> Engaged with the Taiwan Corporate Sustainability Forum, Taiwan Electrical and Electronic Manufacturer's Association and Taiwan Optoelectronic Semiconductor Industry Association on an ongoing basis Worked on environmental and social care projects with the First Social Welfare Foundation and the World Business Council for Sustainable Development on an ongoing basis Together with Step30, over 6,000 pairs of shoes were donated to Kenya, Africa 	<ul style="list-style-type: none"> > Company Overview > 1.4.2 Stakeholder Engagement Performance Highlights > 2.3.6 Human Rights Management > 2.6.2.1 Sustainable Supply Chain Guidelines > 3.2 Climate Change and Energy Resource Management > 4.4 Protection of Employee Interest > 4.5 Employee Relations > 4.6 LOHAS LITEON > 5.6.1 Promoting Community Learning Activities > 5.6.2 Taipei Xinyi Community College

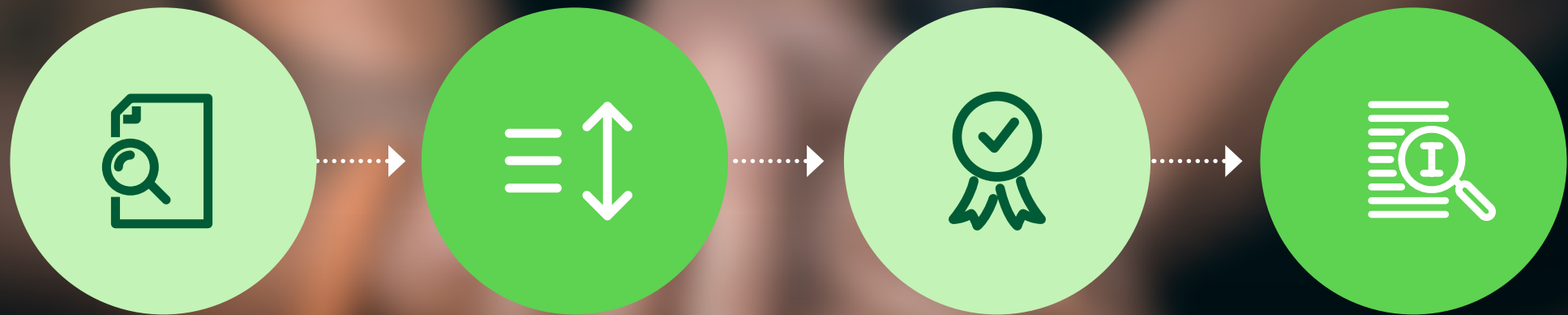


1.4.3 Identification of Material Topics

The LITEON Sustainability Report complies with the Global Reporting Initiative (GRI) Standards. Material topics are analyzed by following the process of identification, prioritization, validation, and review to validate the scope of the disclosure in the report as well as major internal/external sustainability challenges faced by the company. The process serves also as a comprehensive review of business performance. LITEON's major topic identification work is conducted every three years, and the last implementation year of the stakeholder sustainability issue survey is 2021. Material topics of the year and stakeholders will be examined on an ongoing basis and modified as needed every year by the Corporate Sustainability Committee.

Analysis of Material Topics in 2021

Material Topics	<ul style="list-style-type: none"> ▪ Information security and personal information protection ▪ Climate change and energy Management ▪ Supply Chain Risk Management ▪ Circular economy ▪ Financialization of ESG information ▪ Risk management ▪ Low carbon product design ▪ Talent recruitment and retention
Moderate Topics	<ul style="list-style-type: none"> ▪ Integrity and compliance ▪ Product quality and safety ▪ Occupational health and safety ▪ Human rights ▪ Corporate governance and operations ▪ Labor relations and friendly workplace ▪ Customer relationship management
Mild Topics	<ul style="list-style-type: none"> ▪ Corporate image ▪ Innovation development and application ▪ Raw materials management ▪ Social participation ▪ Talent training and education ▪ Waste management ▪ Water management



Identification

A list of 22 sustainability issues was compiled through the channels below to provide the scope of material topics identification in the report.

- List sustainability issues that would be of interest to different stakeholders based on the experience of employees from everyday business activities and previous assignments
- Material topics for leading competitors around the world and international trends in sustainability were examined
- To maintain the objectivity, integrity, and inclusiveness of material topics, the company also looked back on the material topic matrix in the previous report

Prioritization

The process of sustainability topic prioritization by materiality is described as follows.

- ESG issues are assessed by "the degree of impact of a company on the economy, the environment, and society" and "the degree of influence over stakeholders' assessment and decision-making processes"
- In 2020, a total of 1,438 valid results were received in an internal and external questionnaire. The opinions of key stakeholders were studied through internal subcommittee meetings to make the assessment results more representative
- The degree of influence and impact of individual issues were measured and quantified to create a preliminary material topic matrix

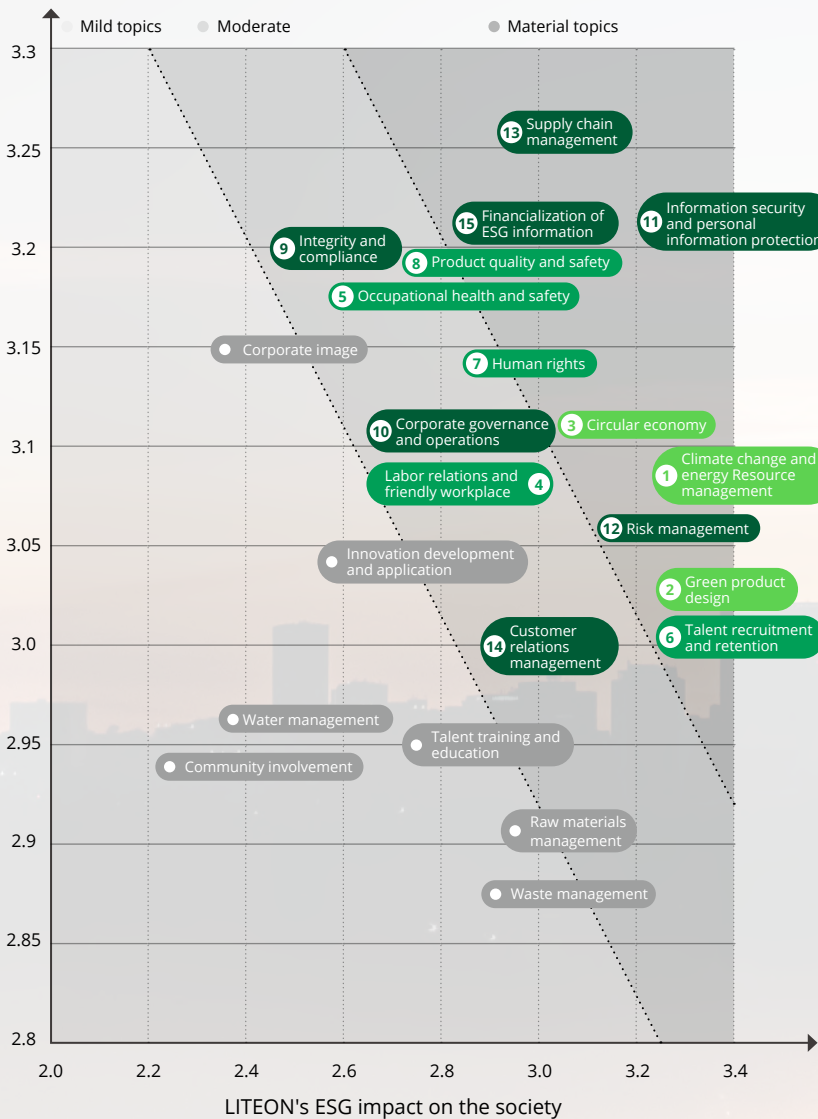
Validation

- To ensure compliance with the GRI and stakeholder inclusiveness principles, and to strengthen the link between material topics of the year and core competencies, results of the preliminary identification of material topics are reviewed by the LITEON CS Committee. The committee also raises the degree of materiality for four topics, "Corporate governance and operations", "Integrity and compliance", "Climate change and energy management", and "Green product design" based on results of international benchmarking analysis, trends in sustainability, and LITEON's business development strategies. In 2021, two topics of "circular economy" and "financialization of ESG information" were added
- A total of 15 sustainability topics were selected from the "material topics" and "moderate topics" to be the scope of material disclosure in this report. We also identified and responded to the GRI topics corresponding to the material topics in the report

Review

- In the next report, we will continue to review the material topic matrix and engage stakeholders in further communication to determine if the material topic matrix for the coming year is reasonable or in need of adjustment

Levels of the impact on stakeholder's assessment and decision-making process



Implications of Material Topics for LITEON

Category	Material Topic	Implications for LITEON
<p>Environmental Aspect</p>	1 Climate change and energy resource management	LITEON sees climate change as a major risk and an important opportunity. In addition to setting aggressive carbon reduction targets and adaptation and mitigation strategies, LITEON makes use of energy creation, conservation, and conversion products and solutions to counter the implications and challenges of climate change.
	2 Low carbon product design	LITEON's approach to green design begins with the product life cycle and follows the principles such as reducing the environmental impact, making more efficient use of energy, and improved ease of disassembly and recycling. In addition, LITEON works with suppliers to become the clients' best allies in achieving low carbon emissions, ensuring environmental friendliness, and creating sustainable value chains. It is LITEON's mission to enable users to live a safer, more comfortable, and more energy-efficient lifestyle.
	3 Circular economy	Circular economy covers comprehensive environmental issues such as "energy" and "resources". In addition to reducing the impact of electronic industry operations on the environment, it can also develop innovative business models and bring new profit opportunities to companies.
<p>Social Aspect</p>	4 Talent training and education	Employees are LITEON's most important partners in achieving sustainability. We place great emphasis on the working conditions, development, and care of our employees. All human resource policies and strategies aim to create a balanced, healthy and happy workplace.
	6 Talent recruitment and retention	LITEON promises to comply with national labor laws and regulations, and to comply with international labor standards and other applicable international conventions in making ongoing improvements to working conditions and employee benefits. Several communication channels were put in place inside the company. There are ongoing campaigns to promote employee relations programs. Following a human-centered approach, LITEON works actively to provide employee care in work, life, and health. We try to create a "happy, growing, healthy and balanced" workplace. LITEON wishes to see all employees enjoy their work and achieve their goals in life.
	7 Human rights	LITEON is a firm believer that respecting and protecting human rights is one of the cornerstones of corporate sustainability. Complying with international labor standards and upholding workers' rights is one of the key criteria for a responsible company. Consumers, customers, the general public and the government also have expectations of the company's compliance.
<p>Economic / Governance Aspects</p>	8 Product quality and safety	Quality assurance is essential to customer satisfaction. The sooner a problem is reported, the lower the cost of improvement and repair. Therefore, identifying problems early and tracking improvement and other issues are crucial.
	9 Integrity and compliance	LITEON follows the vision of being "the best partner in optoelectronics, energy conservation and smart technologies", and conducts its business by sound business practices and the principles of honesty and integrity. Meanwhile, a complete corporate governance framework is being developed, and campaigns are organized to raise awareness of related tasks in order to protect the rights of stakeholders.
	10 Corporate governance and operations	
	11 Information security and personal information protection	LITEON values the privacy and safety of its stakeholders, including employees, business partners (customers, suppliers, and consultants), and shareholders, and operation-related information assets.
	12 Risk management	LITEON defined risks according to its overall operating strategies and set up risk management mechanisms for early identification, accurate measurement, effective supervision, and rigorous control. The goal is to protect the interests of LITEON's employees, shareholders, partners, and clients and to create more value and achieve the best principles for allocation of company resources.
	13 Supply chain risk management	LITEON views suppliers as important partners on the path to sustainability. Achieving sustainable supply chain management to reduce business risks and costs is the only way to continue to provide responsible and high-quality services for our customers.
	14 Customer relations management	Customers are LITEON's source of revenue. By listening to customers and their needs, monitoring industry trends closely and providing professional services, LITEON meets the customers' standards and keeps abreast with the latest developments.
	15 Financialization of ESG information	Build ESG risk/opportunity financial impact analysis models to identify their impact on company operations. Taking climate-related financial disclosure as an example, it will help companies and their investors to more accurately assess and disclose the climate-related risks and opportunities most directly related to business activities when companies transition to a low-carbon economy.

1.4.4 Scopes and Boundaries of the Material Topics

○ Indirect ● Direct Impact

Level of Materiality	Material Topic	Corresponding GRI Standard	Report Chapter	Involvement and Impact Scope							
				Employees	Customers	Suppliers	Shareholders (Investors)	Government Authorities	Non-Profit Organizations	Research Institutions	Media
Material	Information security and Personal information Protection	GRI 417: Marketing and Labeling GRI 418: Customer Privacy GRI 419: Socioeconomic Compliance	> 2.5 Information Security and Privacy Management > 3.5.3 Environmental product Marks and declarations	●	●	●		○			○
	Climate change and energy management	GRI 201: Economic Performance GRI 302: Energy GRI 305: Emissions	> 3.1 Commitment to Environmental Sustainability > 3.2 Climate Change and Energy Resource Management	●	●	○		○	○	○	○
	Talent attraction and retention	GRI 202: Market Presence GRI 401: Employment GRI 404: Training and Education	> 4.2.1 Employee Structure and Distribution > 4.3 Employee Development and Training > 4.4 Protection of Employee Interest > 4.6 LOHAS LITEON	●	○	○	○	○			○
	Supply chain risk management	GRI 204: Procurement Practices GRI 308: Supplier Environment Assessment GRI 414: Supplier Social Assessment	> 3.3.4 Environment-related substances management > 2.6.1.3 Supply Chain and Localized Purchasing > 2.6.2.1 Sustainable Supply Chain Management Guidelines > 2.6.2.2 Sustainable Supply Chain Management Mechanisms	●	●	●					
	Low carbon product design	GRI 302: Energy LOT-EN2: Energy efficiency improvement LOT-EN3: Material resources saving	> 3.3 Green Product Design and Management	●	●	○					○
	circular economy	LOT-EN4: Reduction of use of the hazardous substance	> 3.3 Green Product Design and Management	●	●	●	●	○	○	○	○
	Risk management	General disclosures GRI 102-11: Precautionary Principle or approach GRI 102-15: Key impacts, risks, and opportunities GRI 102-30: Effectiveness of risk management processes GRI 102-31: Review of economic, environmental, and social topics	> 2.3 Corporate Risk Management	●	●	●	●	○			
	Financialization of ESG information	GRI 201 -2 Financial implications and other risks and opportunities due to climate change	> 3.1 Commitment to Environmental Sustainability > 3.2 Climate Change and Energy Resource Management	○	●	○	●	●			○

1.4.4 Scopes and Boundaries of the Material Topics

○ Indirect ● Direct Impact

Level of Materiality	Material Topic	Corresponding GRI Standard	Report Chapter	Involvement and Impact Scope								
				Employees	Customers	Suppliers	Shareholders (Investors)	Government Authorities	Non-Profit Organizations	Research Institutions	Media	The Community
Moderate	Product quality and Safety	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling	> 3.3.3 Product Environmental Marks and Declaration > 3.3.4 Environment-Related Substances Management	●	●	●		○				
	Occupational safety and health	GRI 403: Occupational Health and Safety	> 4.6.2 Occupational Health and Safety	●	●	●		○				○
	Human rights	GRI 405: Diversity and Equal Opportunity GRI 406: Non-Discrimination GRI 407: Freedom of Association and Collective Bargaining GRI 408: Child Labor GRI 409: Compulsory Labor GRI 410: Security Practices GRI 412: Human Rights Assessments	> 2.2.1 Board of Directors and Committees > 4.2.1 Employee Structure and Distribution > 4.4 Protection of Employee Interest > 4.5 Employee Relations > 2.6.2.2 Sustainable Supply Chain Management Mechanisms	●	●	●		○	○		○	○
			> 4.2.3 Employee Recruitment > 2.3.6 Human Rights Management > 4.3 Employee Development and Training > 4.6.1 Diverse Welfare Systems									
			> Company Overview > 2.4 Compliance, Ethics and Anti-corruption > 2.2.1 Board of Directors and Committees > 2.6.2.1 Sustainable Supply Chain Management Guidelines	●	●	●	●	○			○	
			> 3.2 Climate Change and Energy Resource Management > 4.2.1 Employee Structure and Distribution > 2.3.6 Human Rights Management > 4.4 Protection of Employee Interest > 4.6 LOHAS LITEON									
			> 2.6 Sustainable Supply Chain > 4.2.1 Employee Structure and Distribution > 2.3.6 Human Rights Management > 4.4 Protection of Employee Interest > 4.5 Employee Relations > 4.6.1 Diverse Welfare Systems	●	○	●		●			○	○
	Corporate governance and operation	GRI 201: Economic Performance GRI 205: Anti-Corruption GRI 405: Diversity and Equal Opportunity	> 2.4 Compliance, Ethics and Anti-corruption > 2.2.1 Board of Directors and Committees > 2.6.2.1 Sustainable Supply Chain Management Guidelines > 3.2 Climate Change and Energy Resource Management > 4.2.1 Employee Structure and Distribution > 2.3.6 Human Rights Management > 4.4 Protection of Employee Interest > 4.6 LOHAS LITEON	●	●	●	●	○			○	
	Labor relations and friendly workplace	GRI 202: Market Presence GRI 402: Labor / Management Relations GRI 407: Freedom of Association and Collective Bargaining GRI 409: Compulsory Labor	> 2.6 Sustainable Supply Chain > 4.2.1 Employee Structure and Distribution > 2.3.6 Human Rights Management > 4.4 Protection of Employee Interest > 4.5 Employee Relations > 4.6.1 Diverse Welfare Systems	●	○	●		●			○	○
	Integrity and compliance	GRI 205: Anti-Corruption GRI 206: Anti-Competitive Behavior GRI 307: Environmental Compliance GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling GRI 418: Customer Privacy GRI 419: Socioeconomic Compliance	> 2.4 Compliance, Ethics and Anti-corruption > 2.5 Information Security and Privacy Management > 3.3.3 Product Environmental Marks and Declaration > 3.1 Sustainable Environmental Commitment > 4.4.4 Violation of Labor Standards Act	●	●	●	●	●			○	
Customer relationship management	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling GRI 418: Customer Privacy	> 2.5 Information Security and Privacy Management > 3.3.3 Product Environmental Marks and Declaration > 3.3.4 Environment-Related Substances Management	●	●	●		○					



- Ranked in the top 5% in the (8th) Corporate Governance Evaluation Survey in 2021



- The "Energy Conservation Coaching Program" has combined external resources to assist suppliers in carbon reduction inspections. A total of 77 specific improvement plans have been proposed, with a total power saving potential of 10.93 million kWh



- Implemented Enterprise Risk Management System (ERM) with reference to ISO 31000

Corporate Governance

FURTHER TOGETHER

2.1 LITEON Values and Governance

LITEON Corporate Values

Customer Satisfaction, Excellence in Execution, Innovation, and Integrity are the guiding principles, commitments, and beliefs of LITEON Technology. These values are applied throughout the company's daily business operations and management.



Customer Satisfaction

As the best partner for our customers, we attentively listen to their needs, mastering market trends and using our strong expertise to fulfill their goals.



Excellence in Execution

With outstanding execution, we dedicate ourselves to fulfilling our commitments to customers, while creating innovative competitive advantages.



Innovation

With open minds and innovative technology, we are at the forefront of the mass production of next-gen technology.



Integrity

We emphasize integrity, transparency, and doing the right thing to earn the respect of our employees and the trust of our customers and stakeholders to ensure solid and sustainable business operations.



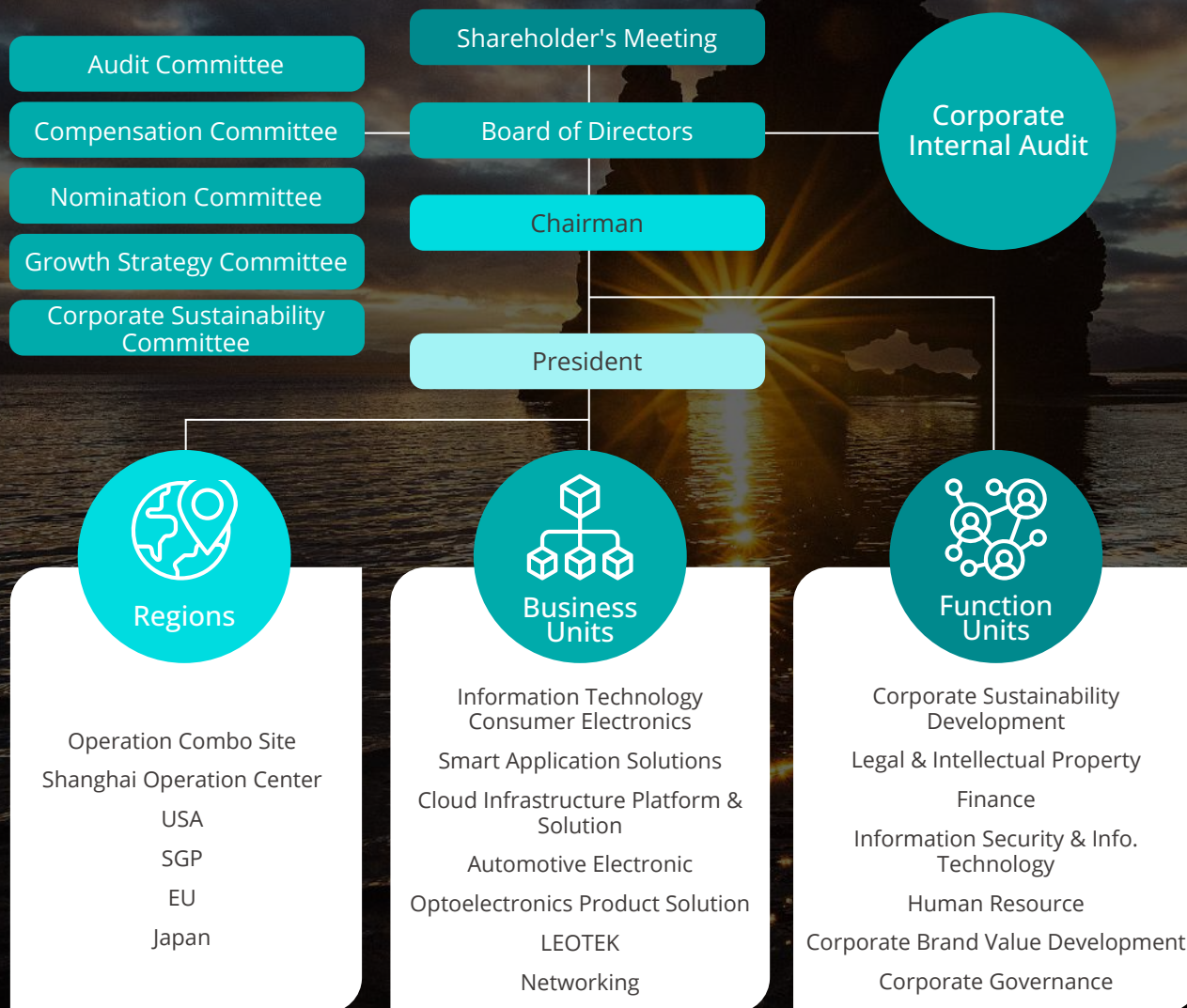
Actions and Results

LITEON develops effective corporate governance and implements practices under the Law of the Company Act, the Securities Exchange Act and other relevant laws and regulations. The company continues to improve its management performance, while safeguarding the rights and interests of investors and other stakeholders. LITEON places a great emphasis on open, impartial disclosure. The company discloses financial data and statements, annual reports, and important information in a timely, accurate, and transparent manner on the Market Observation Post System. It also makes related details available on the LITEON website (www.liteon.com) to all stakeholders.

2021 Targets	Actions	Results
<p>Maintain Top Performance in Corporate Governance Evaluation (Top 5% TWSE-Listed Companies)</p>	<p>In consideration of the long-term interests of the company and its shareholders, the shareholder meeting on August 26, 2021, approved the additional election of Mr. MK Lu as an independent director. The number of independent directors is 5, meeting half or more of the number of directors. The consecutive terms of the 3 independent directors do not exceed three consecutive terms, and they shall exercise their powers objectively. On September 06, the Board of Directors of the Company approved the addition of independent director MK Lu as a member of the Company's "Compensation Committee", "Growth Strategy Committee", "Corporate Sustainability Committee", and "Nomination Committee".</p> <p>3. On October 28, 2021, the Company's annual risk management plan and operation were reported to the Audit Committee, and the Audit Committee then reported to the Board of Directors and arranged to report the implementation of integrity in business management to ensure the implementation of the Ethical Management Policy.</p> <p>4. Appointed the Taiwan Corporate Governance Association for the achievement external evaluation for the board of directors in December 2021. The results will be evaluated at the board meeting in the first quarter of 2022.</p>	<p>TWSE Corporate Governance Evaluation</p> <ul style="list-style-type: none"> Top 5% in the 4th (2017) year Top 5% in the 5th (2018) year Top 5% in the 6th (2019) year Top 6%-20% in the 7th (2020) year Top 5% in the 8th (2021) year
<p>All Factories Received Product Liability Insurance AAA Certification</p>	<p>In 2021, LITEON PMS, OPS, intelligent peripheral solution, and SAS Guangzhou plant passed the ACE Group AAA product liability risk certification.</p>	<p>A total of 24 factories received Product Liability Insurance AAA Certification</p>
<p>96% of Indirect Employees in LITEON Taiwan Complete the Corporate Governance (refresher) Courses*</p>	<p>1.Awareness campaigns: LITEON continues to advertise these courses during the campaigns, and tries to raise the participation rate by prompting employees and departments that have not completed the courses.</p> <p>2. Multiple channels: To make it easier for employees to take online courses, LITEON offers courses through the mobile app.Courses are available via multiple channels (offline, online, and mobile app).</p>	<p>100%</p>

* Note:
 4 compliance courses : Material Insider Information Procedures, Anti-trust and Compliance Guidelines (basic and advanced), and Human Rights Policy and Ethical Corporate Management Best Practice Principles
 2 InfoSec courses : InfoSec awareness campaigns and information asset gathering

2.2 Corporate Governance Organization



Change in Organizational Structure in 2021:

1. In following the direction of corporate governance and strengthening the roles of the board, LITEON implemented the "Nomination Committee Charter" in February 2021, and passed the establishment of the "Nomination Committee". The Nomination Committee devises the criteria for directors and executive officers, and seeks and nominates candidates based on these criteria. The Nomination Committee establishes and develops the organizational structure of the board and its committees. It also conducts performance evaluation for the board of directors and its committees, performance evaluation for directors and executive officers, and independence assessment of independent directors. The Nomination Committee establishes and reviews regularly continuing training programs for director and succession plans of directors and executive officers.
2. In order to enhance sustainable competitiveness, Chairman Tom Soong personally serves as sustainability CEO, in which role he leads the formulation of the strategies and goals of LITEON's CSR in all aspects of economics, environment, and society, and continuously optimizes the company's operational condition, improves corporate governance, and shapes LITEON's corporate sustainability culture.

2.2.1 Board of Directors and Functional Committees

LITEON's board of directors, Audit Committee, Compensation Committee, Nomination Committee, Growth Strategy Committee, and Corporate Sustainability Committee perform their duties in accordance with the "Regulation and Procedure for Board of Directors Meetings", "Audit Committee Organizational Rules", "Compensation Committee Organizational Rules", "Nomination Committee Organizational Rules", "Growth Strategy Committee Organizational Rules", and "Corporate Sustainability Committee Charter", respectively.

2.2.1.1 Board of Directors

- The company's directors (including independent directors) are elected according to the "Rules governing the election of directors", which follows a nomination system. The company is required by law to announce before the book closure date of its annual general meeting the period of director (including independent director) nomination (no less than 10 days) and the number to be elected. The list of director candidates (including independent director candidates) needs to be reviewed by the board to ensure that all candidates (including independent director candidates) are qualified before the election commences during the annual general meeting. The nomination and election methods for the 11th LITEON board of directors as well as the election results and terms (including education, experience, and current employment of individual directors) are published on the company's website. or can also be accessed by scanning this QR code.
- LITEON has explicitly provided a board diversity policy in the Corporate Governance Best Practice Principles, and enforces the management goal that no more than one third of the directors serve concurrently as the company's managers (currently 1 director serving

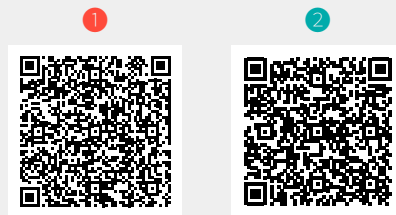
as the company's manager). Individual members are equipped with various core competencies. They are assisted by independent directors from various professional backgrounds to ensure they fulfill their duties effectively. These members have been given the duty to exercise proper governance of the board of directors, to supervise/appoint/instruct the management, and to oversee the company's financial, social, and environmental performance in ways that maximize stakeholders' interests.

At present, there are ten members of the board of directors. All directors are voted by shareholders. For the composition of directors, their core competencies, educational experience, professional fields and relevant backgrounds, please refer to page 21 of the annual report. The background, education, age, concurrent roles at other companies and boards of the directors, and functioning of the functional committees are disclosed in the company's annual report. The annual report can be found on the Market Observation Post System and the company's website (www.liteon.com)

In response to the world's growing awareness of corporate governance and CSR issues and trends, the company encourages directors to receive ongoing education and report completion of related courses. Details of ongoing education completed by the directors are published on the Market Observation Post System and the company's annual report (2021 annual report, p.75).

- 1.The information is disclosed on the company's website according to the Material Insider Information Procedures, or can be accessed by scanning the ❶.

2. ❷ QR code. Education on material insider information procedures (including anti-corruption courses) is provided to all directors every year. The information is disclosed on the company's website according to the LITEON Regulation and Procedure for Board of Directors Meetings. It can also be accessed by scanning the QR code for board meetings, which are held at least once every quarter. The board of directors held 8 meetings in 2021. The attendance (in person and by proxy) was 100%. Major key events, such as major investments, annual financial statements, donations and other events that are required by law to be passed by the board of directors before proceeding, are discussed and passed by the board of directors and then announced on the Market Observation Post System and disclosed on the company website and in the annual report as required by law. A total of 19 major key events were reported to the board of directors in 2021. Details can be found in the company's annual report (2021 annual report p.72). Important board resolutions can be found on the company's website (<https://www.liteon.com/en-us/investor/640>).
- 3.Where a director or a juristic person that the director represented was an interested party in relation to an agenda item, the director followed Article 15 of the Regulation and Procedure for Board of Directors Meetings and stated the important aspects of the interested party relationship at the respective meeting. The director shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director. Detailed information of directors absents themselves due to conflict of interest can be found in the annual report (2021 annual report, p.32).



<div style="background-color: #00a68f; color: white; border-radius: 50%; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> Director </div>	Tom Soong	<div style="background-color: #00a68f; color: white; border-radius: 50%; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> Independent Director </div>	Harvey Chang
	Raymond Soong		Edward Yang
	Warren Chen		Albert Hsueh
	Keh-Shew Lu, Representative of Ta-Sung Investment Co., Ltd.		Mike Yang
	C.H. Chen, Representative of Ta-Sung Investment Co., Ltd.		MK Lu

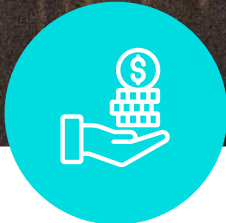
2.2.1.2 Committee Composition and Operation



Audit Committee

Chairperson:
Albert Hsueh, independent director


Member:
Harvey Chang, independent director
Edward Yang, independent director
Mike Yang, independent director
MK Lu, independent director



Compensation Committee

Chairperson:
Harvey Chang, independent director


Member:
Edward Yang, independent director
Albert Hsueh, independent director
Mike Yang, independent director
MK Lu, independent director



Nomination Committee

Chairperson:
Mike Yang, independent director


Member:
Tom Soong, chairman
Albert Hsueh, independent director
Harvey Chang, independent director
Edward Yang, independent director
MK Lu, independent director



Growth Strategy Committee

Chairperson:
Edward Yang, independent director

Member:
Tom Soong, chairman
Warren Chen, director
Keh-Shew Lu, director
Albert Hsueh, independent director
Harvey Chang, independent director
Mike Yang, independent director
MK Lu, independent director



Corporate Sustainability Committee

Chairperson:
Tom Soong, Chairman

Member:
Edward Yang, independent director
Harvey Chang, independent director
Albert Hsueh, independent director
Mike Yang, independent director
MK Lu, independent director

Committee(note)	Number of Meetings Held		Attendance (in person and by proxy)
	Number According to the Charter	Actual Number in 2021	
Audit Committee	4	8	100%
Compensation Committee	2	3	100%
Nomination Committee	2	4	100%
Growth Strategy Committee	2	3	100%
Corporate Sustainability Committee	2	2	100%

Note: The Nomination Committee was established in February 2021
The roles and responsibilities of each committee and key discussions are disclosed on the company's website <https://www.liteon.com/en-us/investor/643>

2.2.1.3 Evaluation of Performance of the Board of Directors and Functional Committees

To ensure effective corporate governance practices and enhance the roles of LITEON's board of directors and functional committees and to establish performance targets for better operational efficiency, LITEON followed the Rules for Evaluating Board of Directors and Functional Committee Performance* and conducted board and committee performance evaluations in 2021. The results were presented to the board of directors in Q1 2022 and published on the company's website.

*The Rules for Evaluating Board of Directors and Functional Committee Performance can be found at <https://www.liteon.com/en-us/investor/640>

2.3 Corporate Risk Management

In response to changes and trends in the global political economy, LITEON adopts a robust risk management framework and a practical roadmap, and identifies and monitors the environmental, social, and economic (and governance) risks with a potential impact on the company's sustainable development. LITEON also implements risk mitigation, avoidance, transfer, and other management strategies and countermeasures to minimize potential risks and sometimes turn them into business opportunities.

Therefore, LITEON's risk management policy defines risks according to the company's overall business plan. The policy sets up risk management mechanisms for early identification, accurate measurement, effective supervision, and rigorous control. Given the acceptable risk, the policy prevents possible losses and adjusts and improves best risk management practices constantly to reflect changes in the internal and external environments. The goal is to protect the interests of LITEON's employees, shareholders, partners, customers, and other stakeholders and to create more value and achieve optimal resource allocation for the company.

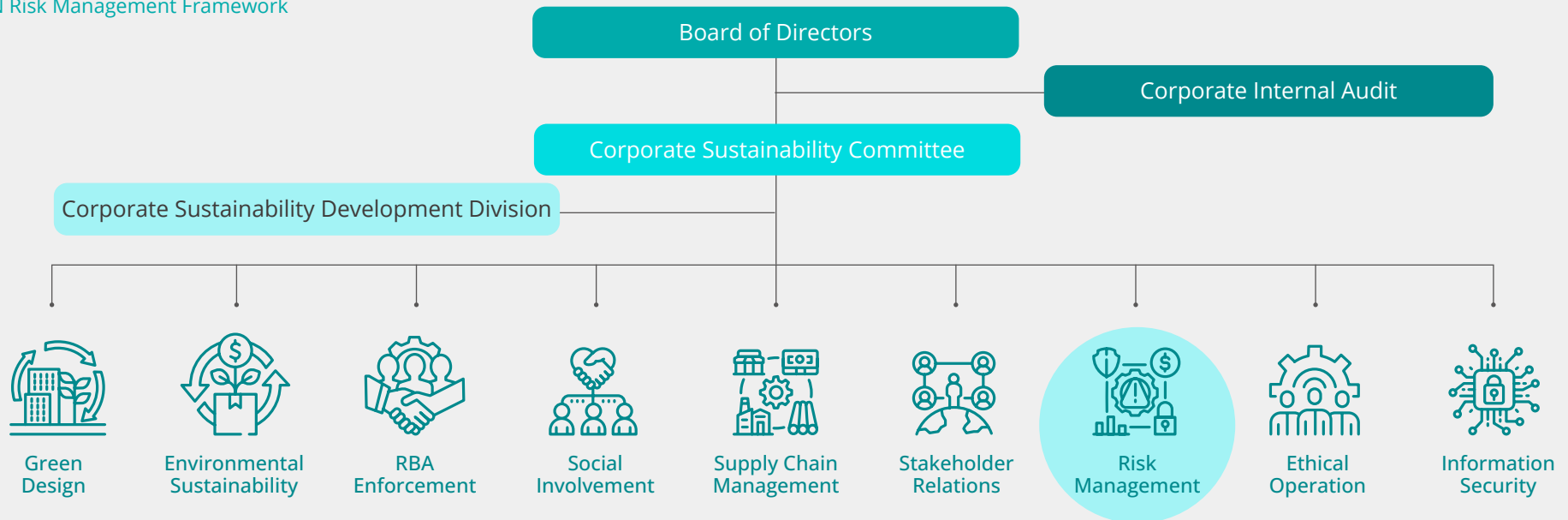
2.3.1 Risk Management Policy and Framework

LITEON's board of directors sits at the top of its risk management system. Its mission is to comply with the laws and regulations and implement and enforce risk management in the company as a whole. The board should have a clear understanding of the operational risks, maintain the validity of the risk management system, and be ultimately responsible for risk management performance.

The Corporate Sustainability Committee is a functional committee under the board of directors. The committee has a risk management subcommittee led by the highest authority of the risk management department (served concurrently by the president). The risk management team is the organization responsible for conducting risk management and reporting the results of risk management activities regularly to the Corporate Sustainability Committee.

Given the increasing attention to risk management issues, the Corporate Sustainability Committee Executive Office and the risk management subcommittee take an active approach to manage the risks associated with the company's operations. Hence, LITEON puts all the heads of operational departments in charge of overseeing risk management and analyzing and monitoring risks in their own business to ensure effective execution of risk controls and procedures. Meanwhile, internal auditors are responsible for assessing risks and presenting annual audit plans accordingly. The auditors are also responsible for delivering reports on the status of risk management to the Audit Committee and the board of directors.

LITEON Risk Management Framework



2.3.2 Scope of Risk Management Issues

LITEON refer to risk issues faced by domestic and foreign enterprises, and takes stock of its internal organizational structure and division of responsibilities, whereby it develops a clear and complete risk classification framework to ensure that various risk items at various levels can be included. From this, it has developed the four aspects of the economy (including corporate governance), environment, society, and others, and divided them into eight major risks, whose issue scope is depicted in the figure below.



2.3.3 Risk management Processes and Procedures

LITEON has introduced the enterprise risk management (ERM) system with reference to the principles and management framework of ISO 31000. Its processes include risk issue identification, risk analysis and assessment, risk process and control, risk monitoring and review, and risk disclosure response. Then, by circulating through management measures such as P(Plan), D(Do), C(Check), and A(Act), to continuously mitigate and eliminate uncertain risk factors in operation.

Risk Identification

Within the scope of LITEON's work on risk management issues, each of its functional department and business unit is responsible for the risk management of related businesses according to organizational rights and responsibilities. In addition to identifying and eliminating known risks in the execution of daily business, the units also further identify potential and unknown risks, and develop feasible mitigation measures to prevent them from happening. The risk issues for which each unit of LITEON is responsible under the eight major risks are as follows:

Risk Assessment

The function units, having identified potential risk factors, implement adequate measurement methods to provide a basis for risk management.

- Risk assessment covers risk analysis and measurement. It analyzes the probabilities of risk incidents and the degree of adverse impact in the event of such an incident. The goal is to evaluate the effects of risks on the company so to provide a basis for deciding priorities in risk control implementation and response selection
- Rigorous statistical methods and techniques should be deployed to analyze and manage quantitative risks
- Qualitative methods will be used to assess other risks more difficult to quantify. Qualitative risk assessment refers to the use of words to describe the probabilities of risks and the degrees of impact

Risk Control

The function units should monitor risks in their business activities. The departments should propose countermeasures as appropriate, and submit the risks and their countermeasures to the risk management team to be summarized and presented in routine meetings of the Corporate Sustainability Committee.

Risk Reporting and Disclosure

To record risk management procedures and results in detail, the risk management team should update the Corporate Sustainability Committee and the Audit Committee regularly on the company's risk management practices. The chair of the Audit Committee will in turn present reports and related information at board meetings.

Risk Response

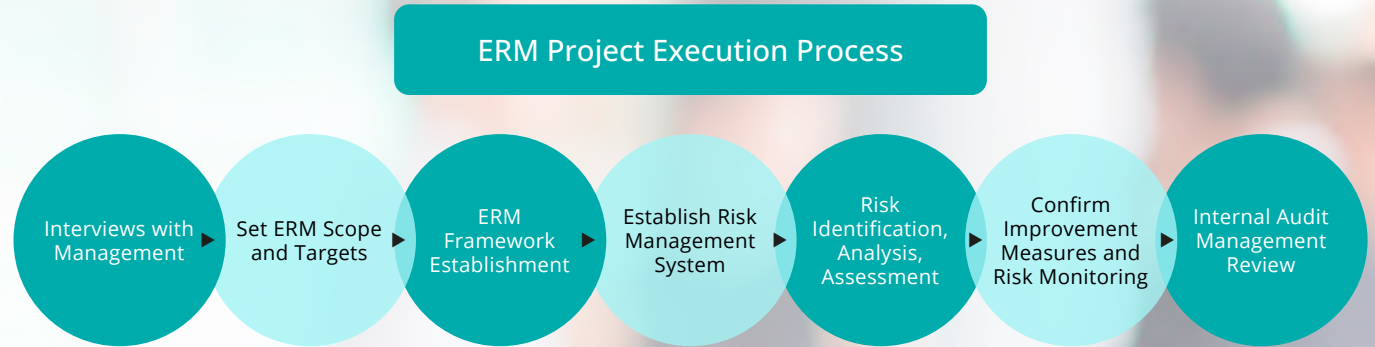
The function units, having assessed and summarized the risks, will take appropriate actions in response.

Identify emerging/potential risks Management of material issues Avoiding and lowering disputes



2.3.4 Risk Management Projects

In 2021, LITEON followed the ISO 31000 and Enterprise Risk Management (ERM) framework guidelines to implement risk management project mitigation measures for LITEON risk issues. The project process is as follows:



2.3.4.1 Management Interviews and Establishing of Targets Within the Scope of ERM

In 2021, the risk management team conducted interviews with the supervisors of the responsible units corresponding to various risk projects based on operational risk, work hazard risk, long-term emerging risk, and material outside hazards to evaluate LITEON's main risk issues, with a view to identifying the company's key risks. Finally, the convener of the risk management team decides the priority of risk topic management, so that LITEON can reduce the rather larger impact of operational risks with the most effective use of resources.

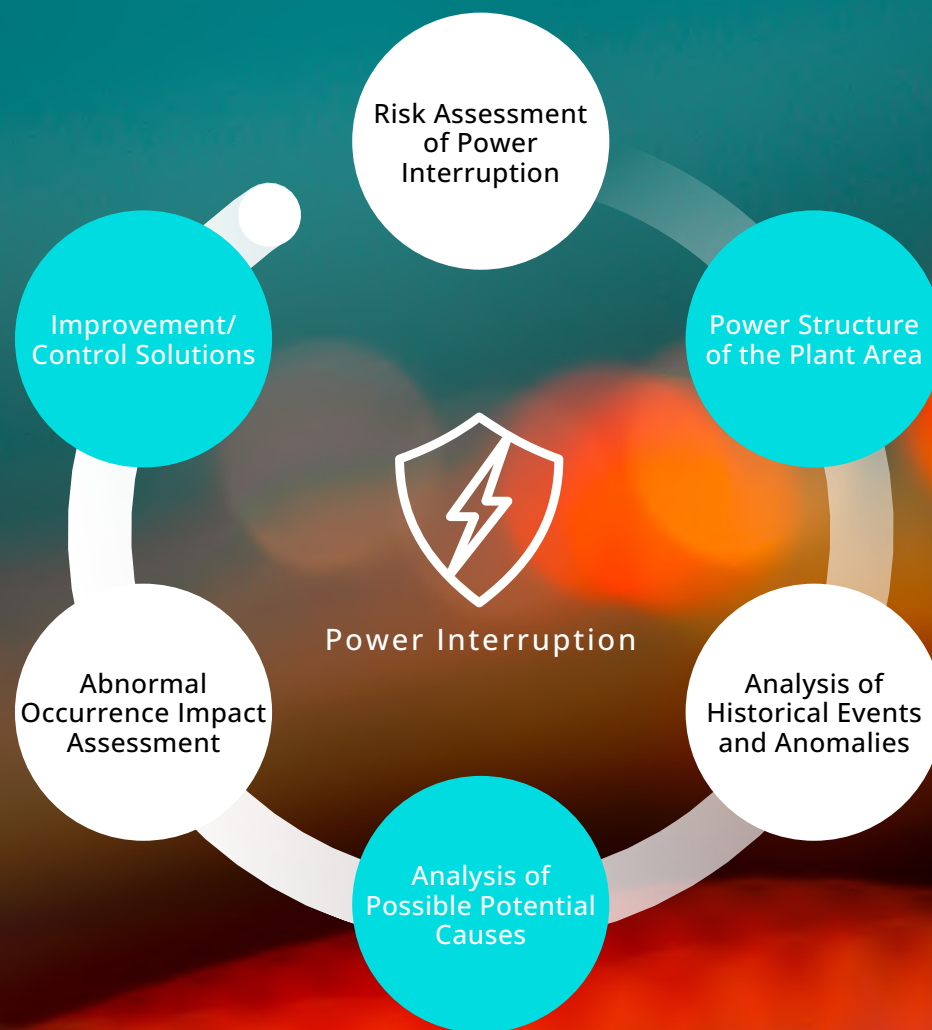


2.3.4.2 ERM Framework, Risk Management System and Risk Identification, Analysis, and Evaluation

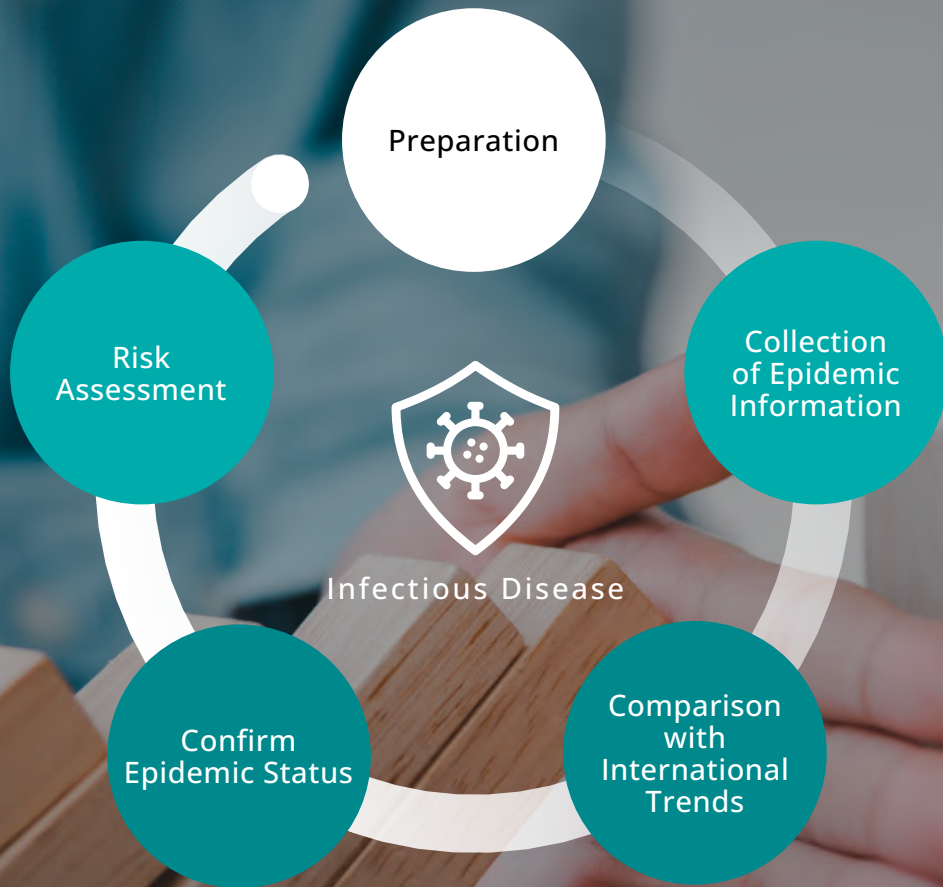
For 2021, LITEON took "power interruption" and "infectious diseases" as its items of top priority in the introduction of ERM projects. Implementation includes establishing ERM baselines, setting ERM performance indicators, administering education and training, and completing ERM procedures and work instructions. Using such procedures and work instructions, it sets risk tolerance, carries out risk assessment operations, establishes ERM document control mechanisms, and proposes risk improvement measures. The risk assessment processes for power interruption and infectious disease are as follows:

LITEON's risk assessment procedure for power interruption is mainly divided into 6 steps, which are described as follows:

1. Inventory the power structure of the plant area: Take inventory of the power structure used in the production plant to understand the current sources of power supply, including the system operation of main power sources and backup power, such as single/double circuits, generators, and the use of green energy.
2. Analysis of historical events and anomalies: Collect information on the causes, frequency, and impact of past power interruptions in the plant area to establish a baseline for the occurrence of power interruption risk events.
3. Analysis of possible potential causes: Using systematic methods, such as Ishikawa diagrams, the known, potential, and unknown risks of power interruption are identified in five aspects: human, machine, material, method, and environment.
4. Abnormal occurrence impact assessment: A risk assessment matrix is established based on the frequency and severity of power interruptions to identify the main risk sources that have a larger impact on the company.
5. Propose improvement/control solutions: After the impact assessment, propose feasible prevention and improvement solutions for the main risk sources, including planning green power solutions to prevent risks caused by power shortages, or signing guaranteed power supply contracts, production line transfer and plant implementation of energy-conservation and carbon-reduction projects to reduce the impact of power interruptions.
6. Risk assessment of power interruption: After implementing the planned improvement/control solution, continuous risk assessment is carried out using the cycle of P(plan), D(do), C(check), and A(act) to minimize the risk of power interruption.



Epidemic Outbreak/Information Disclosure



LITEON's infectious disease risk assessment procedure mainly refers to the European Centre for Disease Prevention and Control (ECDC) Operational Guidance on Rapid Risk Assessment Methodology (2019), and is divided into 5 steps, descriptions of which are as follows:

1. Preparation: Understand the definition of "infectious diseases" in advance, and collect and organize domestic and foreign policies and regulations on infectious diseases, information from health units and the company's internal units, and including organizational division of labor and internal regulations and methods.
2. Collect event information: Collect information on the epidemic situations that have occurred inside and outside the plant area, and take inventory of the epidemic information handled by the internal responsible unit.
3. Comparison with international trends: Browse epidemic information released by WHO (World Health Organization) online, and compare it with the information collected by the plants so as to determine the possibility of infectious disease outbreaks around the world and in the plant locations.
4. Confirm epidemic: After comparison with international trends, if it is found that there possibly or actually have been sporadic cases in locations of plants, the infectious disease will be recorded and used as the basis for subsequent risk assessment.
5. Risk assessment: First, the probability of occurrence is set according to the proximity to the location of the outbreak of infectious disease, and the severity level is determined according to the infectious disease types defined by the government. After the risk matrix is evaluated, infectious diseases with high risk are identified; then, according to the frequency of occurrence and the degree of impact of losses, epidemic risks that need to be prioritized are identified, and measures for improvement/prevention are proposed. Continue to pay regular attention to which new infectious diseases are occurring and begin subsequent preparations.

2.3.4.3 Confirmation of Improvement Measures, Review of Risk Monitoring and Internal Audit Management

carried out on the forms and records that have already been implemented, including operator

certifications, results of regulation/compliance inspection, operation management methods and procedures, and meeting notices and records; then, an internal audit review mechanism will be planned.

2.3.4 Long-Term Emerging Risk Management

As more categories are being added to emerging risks around the world and the probabilities keep rising, LITEON has added emerging risk identification and management to its ERM program. New key environmental, social, economic, technological, and geopolitical risks identified in 2021 included (1) acquisition and use of renewable energy, (2) drastic changes in the value chain caused by geopolitics.

Environmental Risk

LITEON's main production site is located in China; however, due to climate change, epidemics/pandemics, and geopolitical issues, China's power supply shortage has become one of the company's production and operation risks. Taking power interruption as an example: the local government usually does not provide advance notification as to when the power interruption will occur, so it is difficult to respond or prepare in advance. In addition, in order to comply with the net-zero emissions target in China, it has also been announced that the diesel generator that is currently the main backup power may be banned in the future. In addition, there are some customers of LITEON who hope that the company can set a carbon reduction target and require the use of renewable energy to achieve low-carbon production. Therefore, deploying renewable energy in advance has become one of the emerging risks facing LITEON.

Geopolitical Risk

The US-China trade war that began in July 2018 has not yet ended, and the impact of the novel coronavirus and the military conflict between Russia and Ukraine this year (2022) has had a major impact on the global economy. The operating environment is even worse for Taiwanese companies whose manufacturing bases are mostly in China and whose trade exports are mainly to the United States and Europe. In addition to problems such as insufficient supply of raw materials, rising prices, and labor recruitment, they must also necessarily face losses and fluctuations in profit and foreign exchange rates caused by trade barriers. Therefore, the operational and financial risks caused by geopolitics have also become emerging risk issues in recent years.



2.3.5 Tax Management

LITEON takes a cautious approach and adopts a stability and sustainability oriented tax management policy. The policy is reviewed regularly and supported by management approved monitoring mechanisms. When the local tax rules and regulations change for one of the offices, LITEON will re-examine the tax policy to ensure LITEON complies with the applicable laws and regulations in the appropriate regions.

LITEON's tax management policy is as follows:

- Complying with local tax regulations and disclosure requirements with due care
- Enhancing the values created for shareholders by maintaining sound reputation as a responsible tax citizen
- Sustaining strong technical expertise through continuous development of talents
- Executing effective risk management and control on continual basis
- Not engaging in tax avoidance schemes by using tax restructures and tax havens
- Not engaging in artificial transfer profits to low tax jurisdiction where there is little or no economic activity

Tax Risk Management

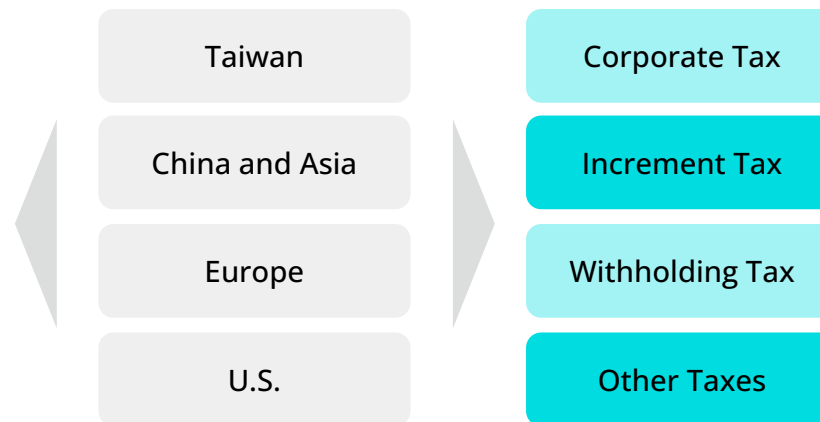
LITEON has a full-time tax unit under Finance Department in place to handle tax management related matters, such as tax administration and tax risk management. The tax unit reports regularly to the top management on tax management practices and results in order to keep the management team up to date on implementation of the company's tax policy.

Regarding tax risk, LITEON has offices worldwide that are exposed to tax risk and complicated tax compliance issues. In addition to a professional team of tax experts that coordinate planning and perform tasks, LITEON hires external tax consultants to provide assistance as needed.

LITEON's risk management mechanisms are as follows:

LITEON complies with local tax regulations applicable to its offices. LITEON works with local tax authorities on the principle of fair taxation, and install channels for effective communication. Meanwhile, LITEON follows local regulations and complete filing procedures and pay taxes as required. If a local tax authority raises a question, LITEON always makes the best effort to provide answers and necessary documents.

- Uncertainties and ambiguities in tax regulations, such as the lack of clarity in the restructuring regulations in China
- Government officials' varying interpretations of the tax law, such as federal and state tax authorities having different interpretations of the regulations
- Inadequate execution of tax management strategies will lead to incomplete transfer of tasks between employees in the tax department
- Changes in tax regulations or incentives may cause adverse effects



2.3.6 Human Rights Management

The entire management team of LITEON understands that complying with international labor standards and upholding workers' rights is one of the essential criteria for a responsible company. Consumers, customers, government, the general public and other stakeholders also have expectations of the company's compliance. LITEON promises to comply with national labor laws and regulations, and to comply with international labor standards and other applicable international conventions in making ongoing improvements to working conditions and employee benefits. The goal is to design, implement, and maintain a sound human rights management system, and extend the same rules to suppliers and contractors.

Human Rights Policy

LITEON respects and supports internationally recognized human rights principles and standards, including the Universal Declaration of Human Rights, the UN Global Compact, and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work.

LITEON complies with local laws and regulations where the company is located, and has devised the LITEON human rights policy according to the UN Guiding Principles on Business and Human Rights.

The Human Rights Commitment

1. LITEON firmly believes respecting and upholding human rights is the foundational to the sustainable development and operation of a corporation.
2. LITEON takes into account human rights issues in every link of its operational value chain.
3. LITEON provides open and accessible communication channels for stakeholders.

Human Rights Due Diligence Process



Human Rights Due Diligence

To effectively identify, prevent, and mitigate human rights impact and manage human rights issues, LITEON has undertaken human rights due diligence.

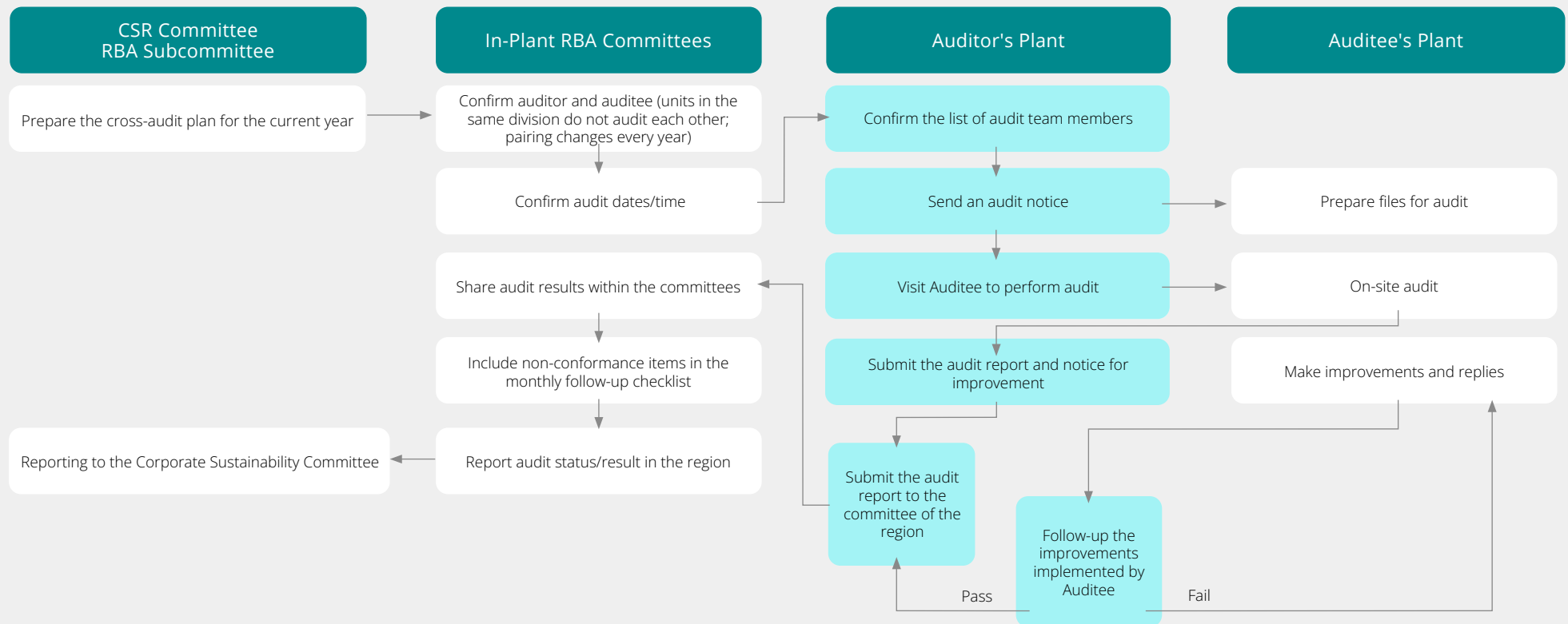
1. RBA management framework

For effective human rights management, LITEON adopts the Responsible Business Alliance (RBA) Code of Conduct as the management framework for both the operations and the supply chain.

To identify, prevent, and mitigate the impact of human rights on LITEON and its supply chain, RBA proposed a risk assessment framework for employees and suppliers. For employees, LITEON performs regular risk assessments based on two quantifiable risk matrices, probability and severity.

For suppliers, LITEON follows the basic rule that the RBA Code of Conduct applies to suppliers and requires that suppliers sign the written commitment to management assurance. We have also implemented RBA management guidelines for suppliers. Regarding the RBA-based investigation and assessment tools for human rights, the scope of assessment includes the restriction on child labor, protection of human rights, prohibition of discrimination, fair treatment, legal working hours, and wages and environmental management. The goal is to find out which items may cause material risks in the supply chain. We investigate at least once every three years. The last investigation was conducted in 2020.

Inter-Plant Cross Audit Flowchart

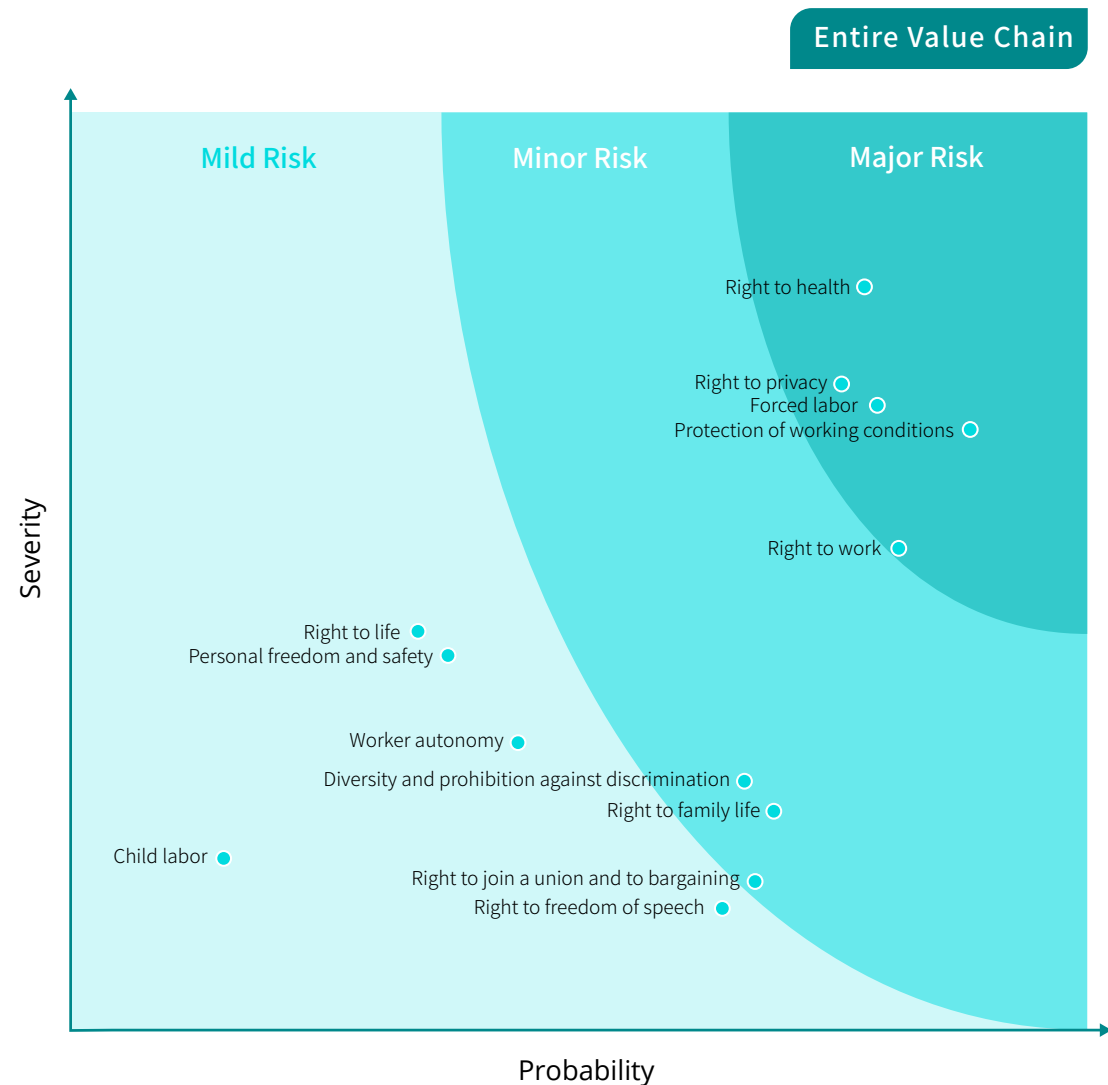


2. Human rights risk identification

All LITEON plants are equipped with a CSR team that follows the RBA audit procedure and conducts regular internal and external audits at the respective plant. The purpose is to ensure the adequacy, effectiveness and appropriateness of its CSR framework, and to monitor how progress conforms 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 provides standards for labor, health and safety, environmental protection, and business ethics guidelines. The company follows these guidelines to conduct self-inspections at each of its plants every month. Plants located in Guangzhou, Dongguan and eastern Mainland China have all assembled RBA committees to cross-audit each other every year and ensure 100% compliance. Any conduct that does not conform with the guidelines will be improved upon within the given time frame. To ensure LITEON fulfills its corporate social responsibilities, progress and improvement on various indicators, including labor, ethics, environment, and health and safety will be reviewed every year during management review meetings. The company also conducts regular human rights surveys on external value chain partners (customers, suppliers, contractors, and local communities).

LITEON Value Chain Human Rights Risk Matrix



3. Improvement and follow up

Results of human rights assessment surveys are added to related responsibilities and processes. LITEON also makes improvements as needed to reduce human rights risk. This step enables LITEON to track response effectiveness and resolve adverse effects of human rights communication. Mitigation and remedial measures for human rights risk are as follows:

Nodes on the Value Chain			Risk Category	Improvement Measure (or corresponding section in this report)
Suppliers	Employees	Customers		
✓	✓		Occupational health and safety	Building a clean, healthy, and safe workplace Please refer to 4.6.2 Occupational Safety and Health
			Labor relations and protection of working conditions	Union activities: Respecting employees' freedom of association Working hours: Arranging shifts in compliance with the law to avoid excessive working hours Wages and benefits: Providing fair and reasonable wages and working terms and conditions Please refer to 4.4 Protection of Interests, 4.5 Employee Relations, and 4.6.1 Diverse welfare systems
✓	✓		Forced labor	Prohibition of forced labor and child labor LITEON adheres strictly to employment regulations, and prohibits the use of child labor aged below 15, and does not allow employees aged below 18 to perform dangerous work. Notices are given on all changes to terms of employment as required by law Establishment of the procurement policy regarding conflict minerals (metals) Please refer to 2.6.3.1 Responsible Mineral/Metal Sourcing Policy LITEON has declared and promised to refrain from the use of metals sourced from illegal smelters in conflict mines. The company also requires that all its suppliers comply with LITEON's procurement policy regarding conflict minerals/metals
✓	✓		Right to work	A fair performance evaluation system Please refer to 4.4.1 Protection of Interests of Employment
✓	✓	✓	Right to privacy	Proper management of personal data and information of stakeholders The privacy policy and the Personal Information Protection and Management Guidelines are in place to ensure the collection, processing and use of personal information comply with the regulatory requirements
✓	✓	✓	Personal freedom and safety	Professional security training LITEON outsources security to a service provider. The service provider evaluation and selection processes require that the service provider's management and training procedures comply with the RBA standards. Therefore, all security personnel at LITEON have received human rights related training
✓	✓	✓	Diversity and prohibition against discrimination	Prohibit against any form of discrimination Provide a fair and equal work environment, and prohibit discrimination based on race, color, religion, ethnicity or national origin, gender, sexual orientation, age, disability, or other circumstances in hiring and employment practices such as training, rewards, promotions, termination, and retirement

2.4 Compliance, Ethics, and Anti-Corruption

LITEON pledges to uphold honesty and integrity in business management, and to obey the laws and ethical standards of the countries in which it carries out its business activities. LITEON also commits itself to complete compliance with one of its key policies. LITEON has implemented a well-designed management system and has deployed regulation identification with training programs to strengthen compliance on an ongoing basis.

The Legal Department at LITEON has built an extensive compliance system and devised compliance policies. The department regularly monitors changes in domestic and foreign regulations that may have a potential impact on the company's business operations. In the presence of such changes, the appropriate local legal department will proceed to perform regulation identification to ensure all business activities around the world comply with the local and international laws and regulations. Meanwhile, LITEON's management structure provides a robust risk management framework and an effective implementation roadmap for identifying and managing the risks that require the attention of business managers. Besides, LITEON's internal control mechanisms prevent potential fraud and inappropriate behaviors to minimize risks. Internal interdepartmental reviews and external inspections are in place to ensure the compliance of implementation and performance. For large investment projects, the company created task forces to apply certain processes to manage and prevent the risk of fraud and prevent illegal activities. A major key event in terms of compliance is defined in the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities. A single event on which a total amount of no less than NT\$1 million has been imposed in penalties is defined as a major event. Major events, if any, are disclosed in the appropriate chapters of this report.

LITEON requires that its employees, managers, executives, and directors not engage in or use any reason to instruct another to engage in any illegal or unethical behavior. The rules of integrity must be established explicitly and strictly adhered to the employee Code of Conduct in areas including professional ethics, laws and regulations, employee relations, gifts and hospitality, client privacy, intellectual property rights, discrimination, bribery, conflict of interest, protection of corporate assets

and reputation and other rules to be observed by employees. Compliance is implemented throughout every operational level of the business activities, such as product design, procurement procedures, and discipline is strictly enforced. We explicitly state prohibition of offering or taking of bribes; offering of illegal political donations, inappropriate sponsorship or charity donations, and improper gifts, treatments, or other unjustified benefits; infringement of intellectual property rights; and unfair competition as well as prevention measures and procedures that prevent products or services from causing damages to stakeholders in the Ethical Corporate Management Best Practice Principles. The rules are intended to protect the rights of customers and prevent loss of assets, penalties, and damage to reputation.

LITEON requires newly-recruited employees to sign a statement of commitment to ethical conduct upon on-board to help them understand the importance and necessity of ethical conduct. Furthermore, LITEON requires employees to complete anti-corruption training. To raise awareness of integrity and self-discipline, the company advocates compliance education and training regularly, and in addition to various seminars from time to time, organizes courses that help participants learn about the laws and key compliance issues, including LITEON work ethics, anti-corruption, insider information, and anti-trust issues. The Responsible Business Alliance (RBA, formerly EICC) offers the following in-person courses: business integrity, avoidance of illegitimate gains, protection of confidential information, protection of intellectual property, intellectual property rights, advertising and competition, contract risk management, fair trade, anonymity and confidentiality, anti-corruption, responsible minerals (metal procurement), environmental protection, privacy, and the prohibition against retaliation. The courses are provided to raise awareness of ethical standards in the workplace. (Please see the chapter on 4.3 Employee Development and Training for details of related training.)

As part of the internal control and audit system, internal inspections and reviews are conducted in individual units and subsidiaries, and the updates and results are disclosed in the annual report. Please refer to Page 71 for the results of internal control in the 2021 Annual Report.

Reporting Mechanisms

LITEON upholds honesty and integrity in business management and complies with the laws and ethical standards of the countries in which it conducts business. To strengthen compliance and corporate governance practices, the board of directors passed the Corruption Reporting Guidelines. The guidelines require that the Office of Chairman handle reports in accordance with the guidelines and related procedures. Details of the reporting mechanisms and processes are as follows:

"Ethics complaint filing and reporting channels"

The LITEON reporting channel is designated by the chairman of the board to receive and handle reported cases, and report the results to the audit committee on a regular basis. LITEON keeps informants' identities and their reports confidential and takes action to investigate and handle the cases. Discovery of any unethical behavior or violation of the code of conduct may be reported by using one of the hotlines and mailboxes below.

- Telephone: +886-2-8793 6833
- By email : ETHIC.HOTLINE@LITEON.COM
- Mailbox: Office of Chairman Reporting Mailbox at PO Box 156-21, Jiangnan Post Office, Neihu District, Taipei City 114956
- Other channels available to employees in the company are the existing internal reporting extension at 1234 and the email address 1234@LITEON.COM

The above information is published on the company website: <https://www.liteon.com/us-en/globalcitizenship/361>

Reports that are accepted by the task force will be assigned to the appropriate units for review according to the report and complaint processing procedures. If a complaint is confirmed to be valid, a committee consisting of department representatives and experts will be created to review and rule on the complaint. Employees who are confirmed to have violated the ethical corporate management best practice principles will be subject to administrative disciplinary action, recourse against unlawful gains, or further legal actions as appropriate.

Internal controls

Regular internal audits and training are performed to strengthen internal control. Furthermore, task forces will be created for large investment projects to apply certain processes to manage and prevent the risk of fraud and prevent illegal activities.

(1) A campaign to raise awareness of the LITEON Ethical Management Policy takes place every year. The objective is to ensure the directors, managers, and employees understand fully and adhere to the ethical management regulations. Related training courses are also organized to reinforce compliance awareness.

(2) To raise awareness of integrity and self-discipline, LITEON requires new employees to sign a statement of commitment to ethical conduct when they join the company so to help its employees understand the importance of ethical conduct and the need for it.

Complaints Received in 2021

A total of 4 cases were accepted through the grievance channel; the acceptance method was as follows: 3 of the cases were reported by email, and 1 case was reported by post office letter.

Results of handling: One case reported was a non-fraud case, which was transferred to the HR dedicated line for processing. Two cases had no specific fraudulent content and thus were closed. After the case was closed, it was listed for reference. One case is still under investigation as of the time of publication of this report.

The Office of the Chairman report investigation task force promptly launched an investigation for each email and post office letter as it was received. A summary of these cases is reported regularly to the Audit Committee.

Case studies in lawsuits involving employee corruption

No relevant cases this year

For effective implementation of sound ethical management practices, LITEON created the Integrity Management Sub-committee in 2017. The team is responsible for formulating, implementing, and supervising the ethical management policy and prevention plans. A full-time unit is in place to report the results from the past year and the work plans for the coming year to the board of directors every year. The Integrity Management Sub-committee established the Ethical Management Policy in 2017. It is listed as one of the mandatory courses for new employees. It is also often referred to in meetings inside the company to raise awareness. The Employee Code of Conduct was amended in 2018, which provides a basis for ethical management behaviors. Courses aimed at strengthening ethical management practices have been made part of the mandatory annual training for all employees from 2019.



2.5 Information Security and Privacy Management

LITEON values the privacy and safety of its stakeholders, including employees in the company, outside partners (customers, suppliers, and consultants), and shareholders, and of operation related information assets. In 2018, LITEON promoted the company's information security system comply with ISO 27001: 2013, and implemented the Information Security Policy to provide the basis for management. Meanwhile, in response to the requirements of the General Data Protection Regulation (GDPR), LITEON, for the purpose of ensuring the collection, processing or use of personal information complies with the GDPR, Taiwan Personal Information Protection Act and related regulations, and the competent authorities' requirements, started amending the Personal Information Protection and Security Policy ("the Policy") and related guidelines in 2020. As a guide for personal information protection tasks, the Policy is implemented in all LITEON offices worldwide, and a cross-departmental and cross-functional information security organization is in place to

perform information security related tasks. Meanwhile, information security management tools are being introduced on an ongoing basis, and information security mechanisms are constantly being strengthened in order to maintain effective and operational information security and privacy protection.

Information Security Organizational Structure

The cross-departmental and cross-functional Information Security Committee was created with the chairman and president serving as the convener. The committee is responsible for information security operations and emergency response and recovery, also to prevent information security breach and reduce losses arising from such incidents. No complaint relating to invasion of client privacy or loss of customer data was made in 2021.

Information Security Management and Audit Mechanisms

To ensure effective implementation of information security management mechanisms and maintain confidentiality, integrity, and availability of information assets, LITEON follows the ISO 27001: 2013 standards to implement information security management system documents, and uses the PDCA cycle to create, implement, maintain, and improve information security management systems. LITEON obtained ISO 27001 information security management system certification. Meanwhile, LITEON built and trained an information security audit team in 2020. The auditors on the team also obtained ISO 27001: 2013 Lead Auditor certification. No complaint relating to invasion of client privacy or loss of customer data was made in 2021.

LITEON Information Security Organization

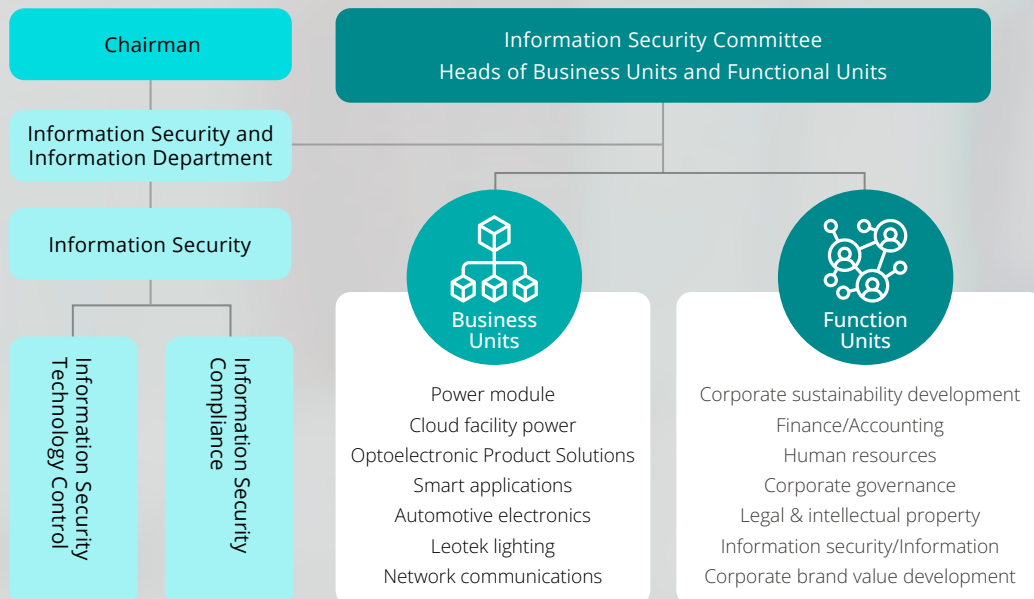
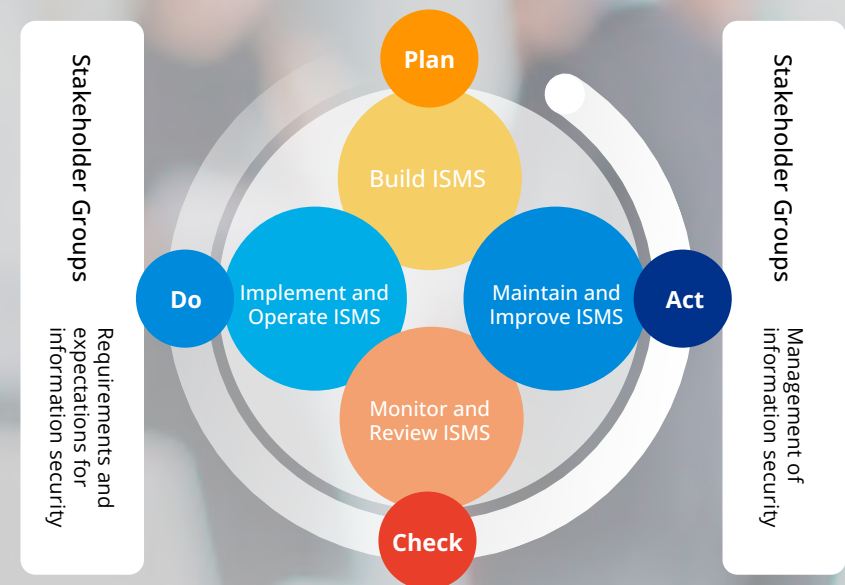


Illustration of LITEON Information Security and Privacy Cycle Management

Verify the effectiveness of LITEON's information security management system in accordance with information security policies, methods and procedures; and remedy problems to maintain the PDCA mechanism of the information security management system



Implementation of Information Security Technology Controls

1. An information security monitoring system has been implemented to perform system vulnerability scanning and prevent hacker attacks and theft of confidential information. The complete information security network includes server rooms, network equipment, network connection, and personal IT equipment (e.g., desktop and laptop computers, tablets, and smartphones). The network is intended to ensure personal information, confidential business data, and customer and supplier information are effectively protected.
2. Based on the IEC62443 industrial control standard, an industrial control information security system has been established. With a systematic information security management and control mechanism, the information security of production equipment is strengthened to prevent unexpected situations from reducing production efficiency and reduce the risk of production interruption due to external attacks.
3. The Azure Information Protection (AIP) service is introduced to ensure LITEON data are protected and to strengthen office work and distance working (Work From Home) situations. The AIP service uses digital cloud tools, such as Microsoft Office 365 and encryption, identification, authorization rules, and secure remote access, to protect employee information and confidential business documents.



Information Security Control Mechanism	Description	Information Security Risk Management
Privileged account management	Privileged local administrative account management system for clients	Prevent employees from installing illegal or pirated software or malware attacks
Peripheral management	Peripheral access and storage control system for clients	Prevent employees from leaking confidential/sensitive information via portable storage devices
Internet access control	Internet access control and threat detection system	Prevent employees from visiting malicious websites and incurring cyberthreats and virus attacks
Data leakage control	Data loss prevention (DLP) for computer data leakage prevention on client computers	Detect, record, and track confidential/sensitive information leakage
Data leakage control	Conditional access allows O365 access only on company computers	Prevent confidential/sensitive information leakage and hacker attacks
System vulnerability control	Desktop computer vulnerability scanning and detection system	Provide computer vulnerability check reports and prevent threats and attacks
Log audit control	Desktop computer log tracking and management system	Provide relevant information security audit event trace logs for inquiry
Network threat control	Unusual traffic volume and threat detection system for office and factory networks	Prevent the spread of online ransomware
Mobile device access control	MAM (Mobile APP Management)/ MDM (Mobile Device Management)/ MTD (Mobile Threat Detection) systems	Prevent employees from using personal mobile devices to leak confidential/sensitive information and cyberthreats
Remote access control	Remote access control for remote connections	Provide employees with an IT application system for accessing the company's systems remotely

InfoSec Education and Training

To raise awareness of information security among employees, LITEON added the Personal Information Security Requirements and Training Administration Procedures to the InfoSec management documents to provide a basis for management.

1. InfoSec awareness campaigns: InfoSec news are announced and campaigns conducted via various channels as needed to raise InfoSec awareness in the workforce.
2. InfoSec education and training :

To provide a better understanding of its information security policy, LITEON requires new employees sign the employee code of conduct agreement and receive information security training on the same day when they join the company.

- ① LITEON provides routine information security training for employees every year. All employees are required to complete a minimum of one hour of information security training every year. In addition, various InfoSec courses are planned for different roles and functional personnel, and relevant InfoSec and privacy education and training courses are conducted annually, including awareness training on trade secrets and InfoSec, awareness education and training on GDPR privacy, education and training on supplier InfoSec management, etc. LITEON provides ongoing training as means to raise InfoSec awareness in the workplace and incorporate the elements into the processes in order to achieve the most secure and rigorous information protection.
- ② In addition to training provided by LITEON, InfoSec officers and auditors are required to participate in training activities or seminars organized by outside parties. The requirement is intended to enhance information security for LITEON by sending the information security personnel to learn more about InfoSec mechanisms and the latest forms of InfoSec attacks.
- ③ Social engineering exercises are conducted as needed every year to raise InfoSec awareness among employees.
- ④ Including awareness training on trade secrets and InfoSec, education and training on supplier InfoSec management and auditing, education and training on GDPR response and impact awareness, etc.



2.6 Sustainable Supply Chain

2.6.1 Sustainable Supply Chain Management Policy and Targets

2.6.1.1 Sustainable Supply Chain Management Policy

The products and services provided by suppliers may cause direct and tangible impacts on LITEON's products, services, and business activities. Meanwhile, the CSR practice of a supplier may cause indirect effects on LITEON's intangible reputation or turn into potential risks. As an important member of the global electronics manufacturing industry, LITEON makes continuous improvements in Sustainable Supply Chain Management (SSCM) to maintain the competitive advantages of LITEON and its suppliers as a whole. Therefore, LITEON selects responsible manufacturing and green products as the theme for its supply chain management strategies, and sets SDG 8 and SDG 12 as the long-term goals.

The Sustainable Supply Chain Management Sub-committee under the LITEON CS Committee takes traditional supply chain management and adds domestic and international regulations and electronics industrial benchmark—Responsible Business Alliance (RBA) guidelines to build a strong and sustainable supply chain management framework. The framework provides the basis for LITEON's sustainable supply chain management policy. Furthermore, LITEON extends the scope of sustainable supply chain management to economics and governance, environmental protection, social inclusion and other ESG issues. Issues such as labor rights, environmental protection, health and safety, and ethics and management systems are made key components in supplier

evaluation, selection and audit. This approach establishes risk controls and identifies high risk suppliers. Improvement measures are based on evaluation results and designed to help suppliers make progress on an ongoing basis. We hope to improve the performance of sustainable management in the supply chain and reduce operational risks in the said supply chain. We also hope to develop partnerships based on sustainable growth.

2.6.1.2 Sustainable Supply Chain Management Targets

LITEON has made a promise to build a supply chain aimed at sustainable development. Supplier management guidelines, regulations and ESG evaluation measures are in place to ensure workplace safety is upheld along the supply chain, employees and their dignity are respected, business activities contribute to environmental protection and ethical codes are followed. LITEON works together with suppliers to fulfill corporate social responsibility and a sustainable supply chain. In addition, to lead the way to sustainability with suppliers and fulfill the promise of responsible manufacturing to customers, LITEON implements the Supplier Code of Conduct and the Responsible Mineral Sourcing Policy. LITEON also requires that suppliers sign management commitment statements (Supplier Executive Certification of Compliance and Supplier Integrity Commitment) in order to ensure their ability to meet LITEON's SSCM requirements.

Following the sustainable supply chain management policy above, LITEON formulated strategy and targets for ongoing promotion of supply

chain management throughout the year 2021. All of LITEON's SSCM targets were met. Furthermore, LITEON launched the "LITEON Supply Chain Energy Conservation Assistance Project" and a new Supplier ESG Sustainability Risk Assessment Program for the first time in 2021; it then will continue to promote the second stage of the "LITEON Supply Chain Energy Conservation Assistance Project" in 2022, and implement the "Supply Chain Green Transformation Project" as well. LITEON hopes, by fulfilling the corporate responsibility as a customer, the company may take the entire supply chain up to the next level.

2.6.1.3 Supply Chain and Localized Purchasing

LITEON offers a diverse range of flexible products that are used widely in 5G, vehicles, power supply management, communication systems, IoT, personal and industrial computers and peripherals, consumer electronics, mobile and wearable devices, automotive electronics, LED lighting and advanced applications, cloud computing, and industrial automation. As a result, the supply chain is a closely interconnected network of many different active entities. Raw materials involved in the supply chain include IC, PCB, electronic components, cables, plastic parts, metal parts, packaging materials and so on. LITEON cooperates with about 1,531 raw material suppliers around the world, with a total purchase amount of over NT\$116.7 billion. They are categorized roughly into direct material suppliers and indirect material suppliers based on the counter-party in the transaction. Direct material purchases have been the bulk of all purchases most of the time over the years. Direct purchases amounted to NT\$112.1 billion in total, or 96.07% of all purchases, in 2021. Furthermore, most of LITEON's production sites and suppliers on the supply chain are located in Taiwan, China, and Thailand. Local purchases amounted to NT\$102.3 billion in total, or 87.68% of all purchases, in 2021. In 2021, LITEON has surpassed limits imposed by the COVID-19 pandemic and its overall revenue has grown. Therefore, the total purchase amount, direct purchase amount, and local purchase amount have all increased significantly compared with 2020.

Vision

- All members of the supply chain are LITEON's important partners on the path to sustainability. With equal emphasis on quality, cost, delivery, services, management, and innovation and technology (QCDS-MIT), LITEON looks forward to working with the supply chain in fulfilling corporate social responsibility in economics and governance, environmental protection, and social inclusion (ESG) to increase sustainable competitiveness for a sustainable future

Strategy and Policy

- Ensure effective identification and management of economic, environmental, and social risks to enhance sustainability of the supply chain
- Strengthen responsible mineral management to ensure minerals from unqualified smelters in conflict-affected areas are not used and to build up responsible procurement practices
- Promote green supply chain concept and encourage suppliers to reduce the environmental impact of their products or business activities, gradually build-up supplier greenhouse gas inventory and product carbon footprint inventory

Note 1 Direct purchase is defined as a purchase made directly from a manufacturer, dealer, or distributor

Note 2 Local or decentralized purchasing is determined by whether LITEON <places an order and receives the shipment> and the supplier <receives the order and dispatch the shipment> in the same geographic region and by whether the process contributes to the local economy, creates jobs, or reduces the carbon footprint during shipping

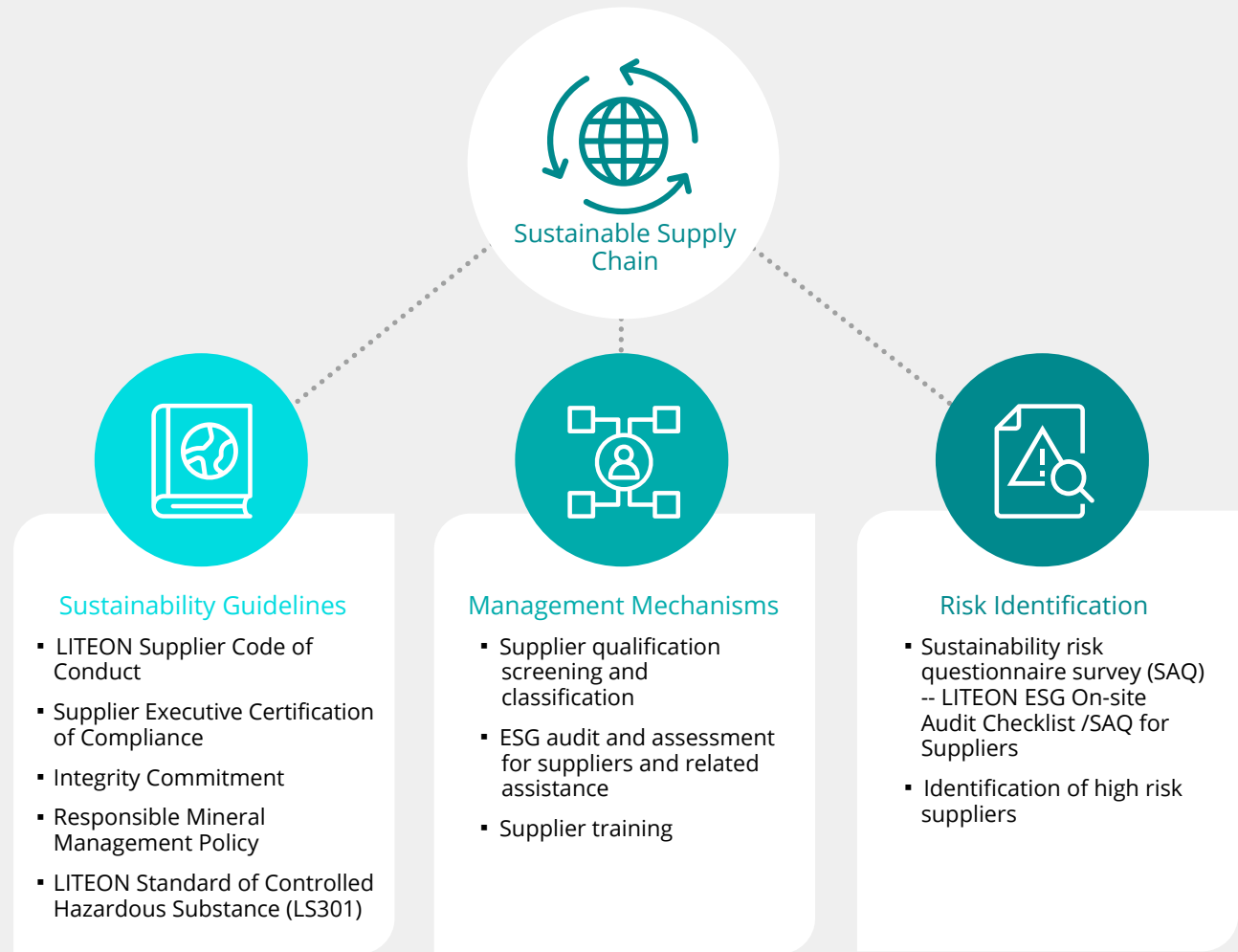
2.6.2 Sustainable Supply Chain Management Framework

LITEON lists three areas of sustainable supply chain management: sustainability guidelines, risk identification, and management systems. LITEON starts by establishing basic sustainability guidelines and requiring supply chain members comply with the guidelines, uses risk identification tools to find high risk factors and supplier industries, and then deploys various management mechanisms to manage the entire supply chain.

2.6.2.1 Sustainable Supply Chain Management Guideline

Executive Certification of Compliance by adopting the Responsible Business Alliance (RBA) Code of Conduct and considering international regulations including the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the Universal Declaration of Human Rights. The Supplier Code of Conduct and Supplier Executive Certification of Compliance require all suppliers conduct all business activities in compliance with the rules therein regarding labor rights, health and safety, the environment, business ethics, and management system. It also requires suppliers comply fully with the laws and regulations in the countries/regions where they operate their businesses. Meanwhile, LITEON requires first tier suppliers impose the same guidelines on suppliers on the next tier.

Furthermore, regarding ethical corporate management, LITEON started requiring that all suppliers sign the "Integrity Commitment" in 2021. The commitment letter stipulates that no bribe shall be paid or any other inappropriate gains shall be provided or given between a supplier and a LITEON employee for the purpose of closing a deal or performing a contract, and a supplier not engage in any conduct that directly or indirectly benefits a LITEON employee or stakeholder. Regarding product production, LITEON has the LS301 standards in place for products, materials and other green products provided by suppliers. The standards provide the restricted substance guidelines for green products and the responsible mineral management policy. Please refer to the corresponding sections for more details.



Supplier Executive Certification of Compliance

_____, (hereinafter referred to as "we" or "our company") as a supplier of LITEON Technology Corp. and its subsidiaries and/or affiliated companies (hereinafter referred to as "LITEON Technology"), we sign this Certification of Compliance to commit:

1. Our company has read carefully with full understanding and shall comply with "LITEON Supplier Code of Conduct" including but not limited to, (a)operating the company's business in compliance with

laws and regulations, and (b) not engaging in any illegal, improper or unfair competition business conduct; (c) providing employee safety and healthy working place, respect employee and endowed with dignity, and (d) relevant environmental protection responsibilities and business ethics must also be fulfilled when performing our company business. At the same time, our company's suppliers are also required to jointly implement this commitment.

2. In the future, our company agree to actively cooperate with LITEON's

audits and related investigations related to this Certification of Compliance, and will actively participate in LITEON' s promotion and activities of relevant regulations and standards, and also agree that if our company violate this Certification of Compliance, our company is willing to cooperate and accept punishment from LITEON, including but not limited to terminating the business relationship between the two parties, etc.

2.6.2.2 Sustainable Supply Chain Management Mechanisms

Supplier Screening and Classification

LITEON divides suppliers into groups according to their attributes, and label them for better management. LITEON suppliers can be divided generally into Tier 1 Suppliers and Non-Tier 1 Suppliers, Critical Suppliers (Critical Tier 1 Suppliers and Critical Non-Tier 1 Suppliers), and High Risk Suppliers as shown on the right.

For effective supplier management, LITEON follows a set of screening criteria in the supplier selection process. In addition to the criteria for quality, cost, delivery, service, management, innovation, and technical capabilities (QCDS-MIT), LITEON implements green supply chain and ESG based procurement management system. The following principles are applied to evaluate all suppliers (and new suppliers).

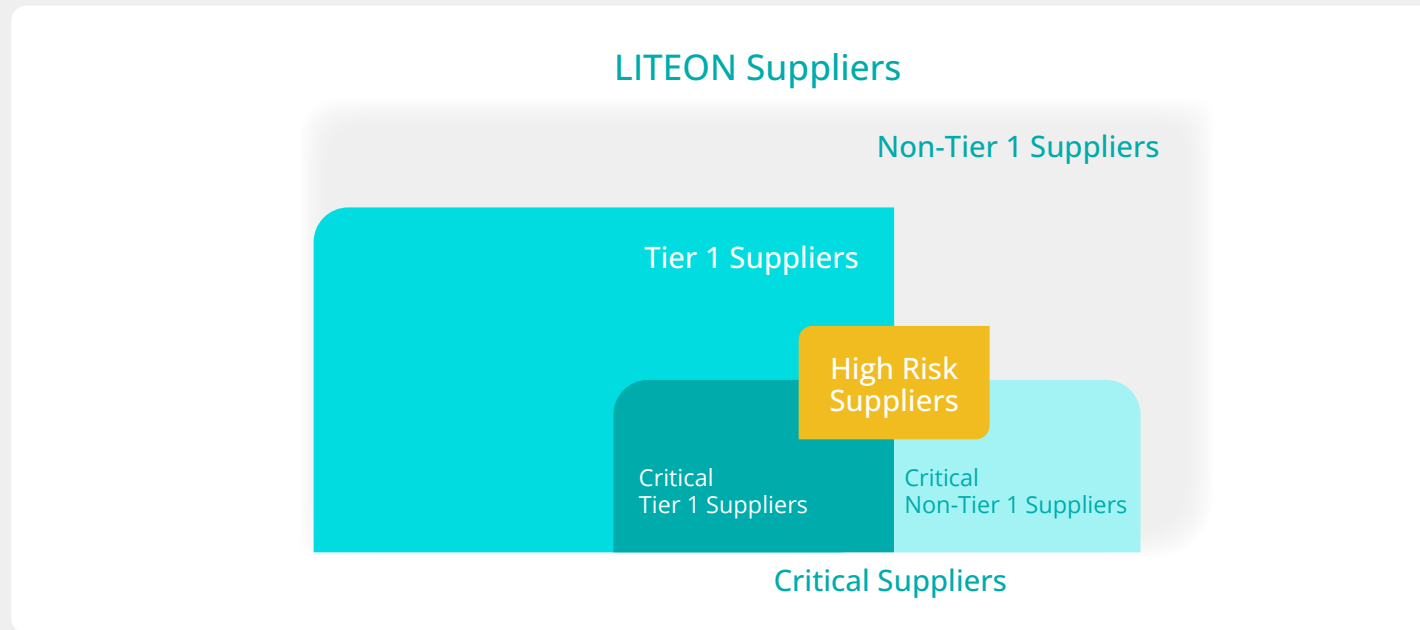
- LITEON suppliers are required to sign Supplier Executive Certification of Compliance, and Integrity Commitment and promise compliance with LITEON Supplier Code of Conduct
- LITEON's material suppliers must fully comply with local laws and regulations, and have risk control practices in place to ensure compliance
- LITEON's suppliers should build up management systems for quality, environmental protection, health and safety, and for no use of hazardous substances
- LITEON's material suppliers must comply with LITEON Standard of Controlled Hazardous Substance (LS301)
- Suppliers should follow LITEON's Restricted Substance Management Plan and provide adequate and regularly updated declarations or proofs
- Comply with LITEON's responsible mineral management policy and cooperate with LITEON to complete due diligence report

Identification of Critical Suppliers

For more effective supplier management, LITEON has identified a list of critical suppliers on which to direct its management efforts. The following principles were applied to identify critical suppliers based on the products, production processes, and sales characteristics of individual business groups in 2021:

- Top 75% of direct materials by annual purchase
- Critical parts or components
- Exclusive or irreplaceable

In 2021, LITEON followed the principles above and identified 412 critical suppliers, 38 of which might have potentially adverse effects on the



environment. Meanwhile, LITEON took an extra step and implemented the "Supplier Qualification Evaluation Procedure" to introduce elements of the LITEON Code of Conduct, the LITEON Supplier Code of Conduct, and the Supplier Executive Certification of Compliance into supplier qualification evaluation. Audit results were divided into three categories, and included in the sourcing decision making process for the purpose of facilitating continuous improvement. LITEON also conducted review meetings to monitor suppliers' CSR performance in various areas.

LITEON Supply Chain ESG Sustainability Risk Assessment

Audit and assessment on supplier ESG aspects: human rights, environment, safety, health, and management systems

LITEON has incorporated the RBA Code of Conduct into the supply chain. These rules help the company monitor suppliers on issues regarding supplier implementation of labor rights, health and safety, environment, ethics, and management systems. LITEON also encourages suppliers to develop materials and production processes that minimize environmental impacts or implement energy efficient and carbon emission reducing features in production utilities, and increasing attention and management of environmental issues, including climate

change and biodiversity. Therefore, over the years, based on the RBA requirements, we have modified LITEON's supplier audit form, and reviewed and evaluated suppliers in terms of ESG and sustainability.

In 2021, LITEON re-planned and developed a new supplier ESG sustainability risk audit tool in order to improve sustainable supply chain management and meet the information disclosure requirements of the SASB (Sustainability Accounting Standards Board) standards. This audit tool refers to the latest RBA7.0, Business Social Compliance Initiative Code of Conduct (BSCI), and other required aims and standards, together and items that LITEON should investigate to improve its core spirit of responsible production, it was then synthesized into the LITEON ESG On-site Audit Checklist /SAQ for Suppliers. The scoring method and required items of this audit tool are more stringent than in the past. In 2021, a risk investigation was conducted on the top 200 suppliers (that is, critical suppliers) with respect to transaction value. In addition, LITEON Technology has further hired TÜV Rheinland Taiwan Ltd., an international authority in CSR auditing, as an impartial auditor to conduct on-site audits with respect to ESG sustainability risks of some suppliers in Taiwan from the perspective of a second party outside of LITEON.

Supplier Engagement Activities and Reward Mechanisms

Supplier engagement activities: Education and training, project meetings, and supplier conferences related to sustainable supply chain management

LITEON organizes a number of supplier conferences and seminars or training courses and project meetings for different business segments every year. In addition to presenting latest updates on LITEON's supply chain and awards to outstanding suppliers, LITEON uses these events to provide details on the scope of CSR and related activities, including updates on RBA, the Supplier Code of Conduct, and the Declaration of Business Management. LITEON requires that suppliers' management teams or top managers sign the Declaration of Business Management and Letter of Undertaking of Integrity to confirm compliance with the rules and the RBA Code of Conduct in their management practices. In addition, the scope of supplier-related education and training and project meetings is very wide; it includes climate change/energy conservation and carbon reduction/international carbon management, green product design/product carbon footprint, international environmental regulations on prohibited and restricted substances, biodiversity protection, circular economy/recycling of waste resources, responsible minerals, etc. These are all the benefits LITEON and suppliers derive from their continued effort to improve together. Many events including the conference were canceled in the real world to avoid crowds in 2021 due to the coronavirus. Instead, online communication was used to collaborate with suppliers, and the company will continue to hold physical or online supplier conferences and related discussions in the future. In 2021, LITEON held a total of 23 supply chain engagement activities, including 9 supplier conferences and training sessions, and 14 special purpose project meetings.

From 2021 to 2022, LITEON's business units recruited 71 suppliers to jointly organize the team members of the "LITEON Supply Chain Green Transformation Project". In addition to education and training for each group, division by category and area, team members were also invited to share on ESG-related issues in the supply chain, and to organize GHG inventories and carbon footprint surveys.

LITEON Supply Chain Energy Conservation Assistance Project

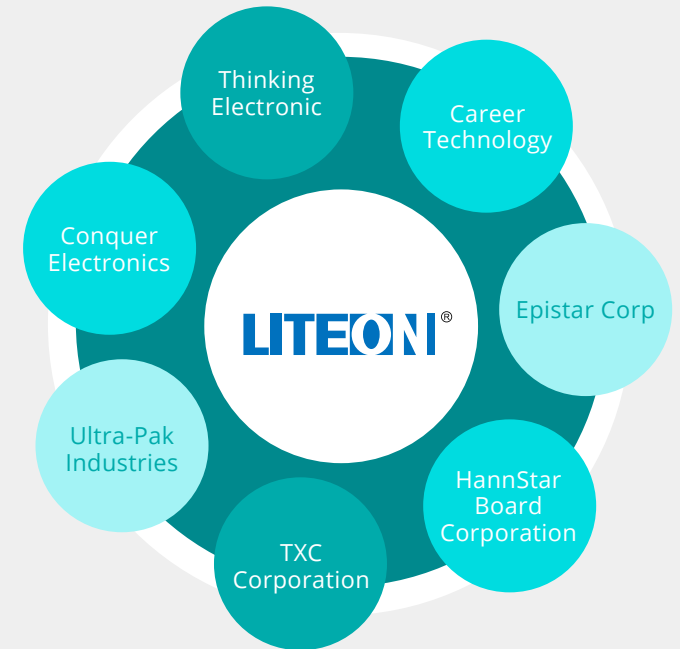
In 2021, LITEON Technology especially invited seven suppliers, including Conquer Electronics Co., Ltd., TXC Corporation, Epistar Corp., Ultra-Pak Industries Co., Ltd., Career Technology Mfg. Co., Ltd., Thinking Electronic Industrial Co., Ltd., and HannStar Board Corporation, to jointly organize the LITEON Supply Chain Energy Conservation Alliance, and to jointly participate in the counseling project of the Industrial Development Bureau of the Ministry of Economic Affairs, and set the goal of freeing up 2.5% of the energy-conserving space.

During the project period, the seed personnel of the supplier energy conservation Alliance will conduct online courses through the "Ewant Open Education Platform" to improve the basic knowledge and skills in



energy conservation and carbon reduction; and professional consultants and factories cooperate with suppliers to measure their air compressor, air conditioning, lighting, pumps, and other public systems to find potential for carbon reduction.

The members of LITEON's supply chain energy conservation alliance are mainly large energy users, a total of 7 companies with a contract capacity of more than 800kW. Since large energy users are required to save 1% of electricity each year, energy conservation improvement has been continued. As the public systems of the electronics industry are mainly composed of electricity consuming devices such as air compressors and ice water machines and pumps. Therefore, this project helps by giving priority to in-depth reviews of air-conditioning system efficiency, pump efficiency, and fan efficiency. After the one-year project period, LITEON's supply chain Alliance submitted a total of 77 specific suggestions for improvement, which have a power saving potential of 10.93 million kWh and an average energy conservation potential of 5.89% for each plant.



Supplier incentives for outstanding performance

The business segments implement suitable supplier incentives according to the nature of their sourcing activities and the characteristics of their suppliers. For the electric power business segment and OPS business segment, suppliers with (1) an outstanding QCDST (quality, cost, delivery, service, and technology) rating, (2) a total transaction amount ranked in top 30, or (3) other outstanding performance that meet the criteria will be selected as outstanding suppliers and presented awards at the supplier conference. The AEA unit grants one-year audit exemption to outstanding suppliers that have passed supplier audits for three years in a row. Other business segments organize similar supplier conferences and outstanding supplier award ceremonies.

2.6.2.3 Identification of Supply Chain Risk

Supply Chain Management Mechanisms

As part of the commitment to responsible production and the development of suitable members for a sustainable supply chain, LITEON employs 4 tools, assessment, assistance, communication, and collaboration, and the corresponding elements in the sustainable supply chain management framework to ensure all important issues in the framework are monitored by feasible procedures.

Building Sustainable Supply Chain

- (New) Suppliers sign the Supplier Executive Certification of Compliance
- Sustainability analysis and risk identification and classification for critical suppliers



- High risk supplier audit
- Assist suppliers in making improvements, and increasing the degree of cooperation (RBA SQM Team)

- Support collaborative projects with the supply chain, and strengthen sustainability capabilities of the supply chain on an ongoing basis

- Organize sustainability training sessions/seminars or meetings for suppliers to reinforce sustainability awareness among suppliers

Risk Assessment Process

LITEON treats supply chain risk management as one of the company's competitive advantages. In terms of the industrial sector, common economic, environmental, and social risks can generally be categorized roughly based on industry characteristics.

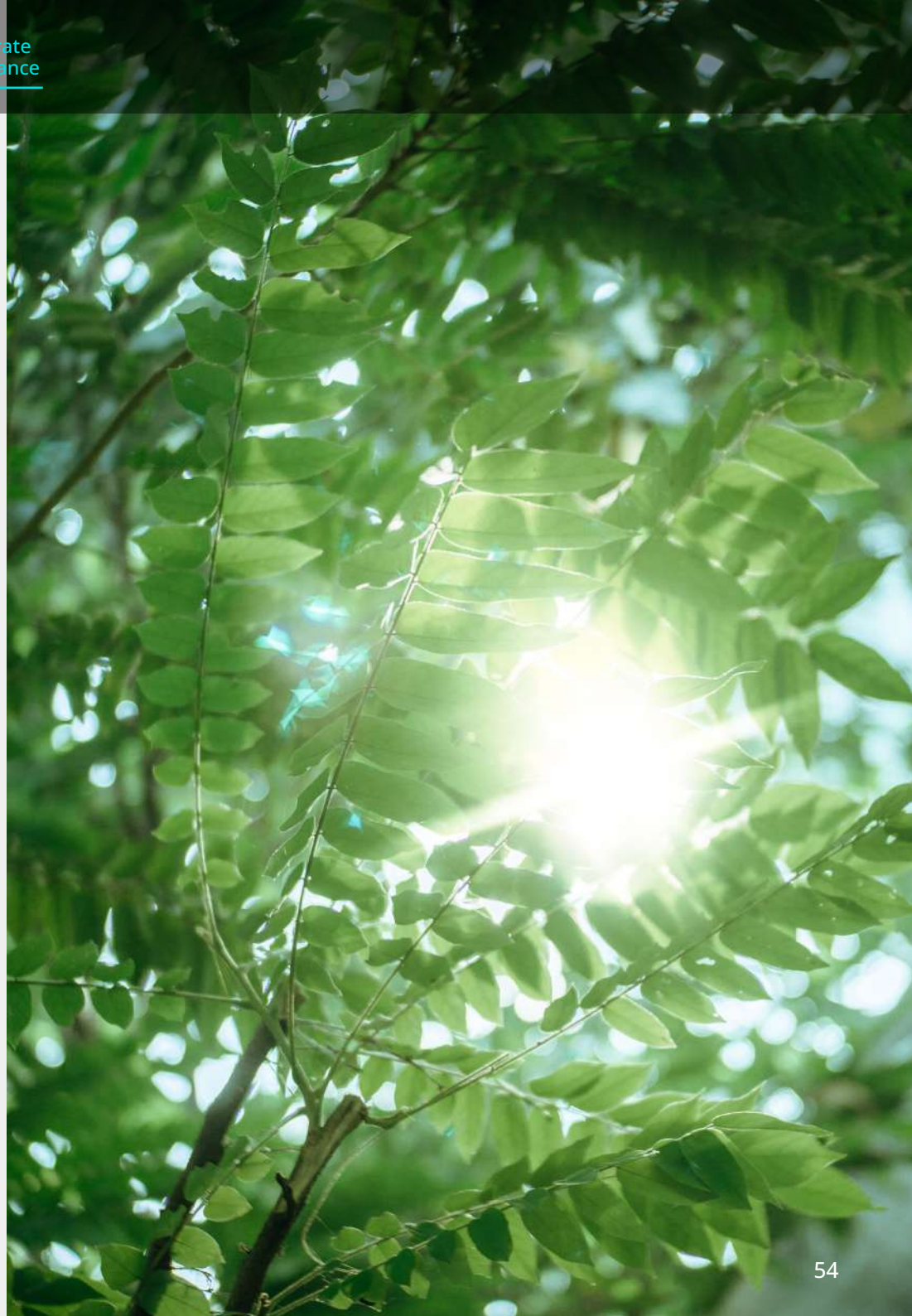
Aspects of Risk Assessment

LITEON assesses risks in three aspects: the economy, the environment, and society. The factors in the risk assessments include the following.

Economic	Environmental	Social
<ul style="list-style-type: none"> ▪ Quality, cost, delivery, services, innovation, management and technical capabilities ▪ Business ethics ▪ Business integrity ▪ Exclusive or critical source ▪ Supplier's automation capability 	<ul style="list-style-type: none"> ▪ Environmental law compliance ▪ Environmental management systems ▪ Climate change ▪ Water management ▪ Waste and air pollution 	<ul style="list-style-type: none"> ▪ Employee health and safety ▪ Human rights ▪ Labor practices ▪ Responsible mineral management ▪ Working hours

High sustainability risk factors and high sustainability risk supplier categories in LITEON's supply chain in 2021 were then identified by considering the factors above in terms of the market conditions in 2021 and the supplier categories of counter-parties. The results are shown in the table below.

	Economic Risk Factors	Environmental Risk Factors	Social Risk Factors
	<ul style="list-style-type: none"> ▪ Exclusiveness ▪ Supplier's automation capability ▪ Business integrity 	<ul style="list-style-type: none"> ▪ Environmental law compliance ▪ Water management ▪ Climate change 	<ul style="list-style-type: none"> ▪ Employee health and safety ▪ Work hours ▪ COVID-19
High sustainability risk supplier categories	IC	Printed circuit board/power supply products/cables/ enclosure casing	Printed circuit board/power supply products/cables/ enclosure casing



Supplier ESG Sustainability Risk Audit and Assessment Status

LITEON Technology performed preliminary supplier assessments based on place of manufacture, product characteristics, and nature of service, and determined whether a supplier category was a high sustainability risk and whether a supplier was a critical supplier. Workers' rights, environmental protection, and health and safety practices along the supply chain were listed as risk control points. A sustainability risk questionnaire and audit survey was conducted specifically on critical suppliers.

In 2021, LITEON completed the supply chain ESG sustainability risk investigation; its audit focused on five aspects, including "labor rights, health and safety, the environment, business ethics, and management systems", which are equivalent to the RBA. LITEON Technology further analyzed the results in accordance with the requirements of TC-HW-430a.1-2 of the SASB Standards. According to the definition of SASB, it can be confirmed that the proportion of suppliers who implemented the new version of the LITEON ESG audit and assessment in 2021 accounted for 13.06% of all suppliers. Among which, 48.54% are critical suppliers, 3.64% are critical suppliers with a total score of less than 65% in the audit results of the five aspects, and 2 are ultra-high-risk suppliers that scored below 60%, which accounted for 0.49% of critical suppliers. In the results of this year's audit, no serious violations or deficiencies of suppliers that require immediate reporting have been found. LITEON Technology adopts a zero-tolerance policy for any such violations or deficiencies found through investigation, such as the use of child labor.

Since most of the evaluation content and scoring methods of this tool are new standards, 2021–2022 is a buffer period for LITEON suppliers to make adjustments. In addition to major violations by suppliers, if the total score of a supplier's ESG risk audit is lower than 60 points, the supplier will be asked to complete improvements before the end of 2022. Therefore, according to the audit and investigation results of the 200 critical suppliers identified in this ESG risk identification, only 2 suppliers scored lower than 60 points, and were named high-risk suppliers and placed at the top of the list of on-site audits in 2021. Improvement measures were implemented and followed up on an ongoing basis to ensure errors were corrected completely and the risk levels were reduced. In 2021, no suppliers were listed as unqualified suppliers in the ESG sustainability audit or other supplier audits due to violations of major social or environmental responsibility norms.

Audit Items and Proportions	Ratio
Proportion of suppliers that have implemented the LITEON ESG audit and assessment	13.06%
Proportion of critical suppliers that have implemented the LITEON ESG audit and assessment	48.54%
Proportion of critical suppliers whose total score is less than 65%	3.64%
Proportion of ultra-high-risk suppliers that scored below 60% among critical suppliers	0.49%
Proportion of high-risk critical suppliers that completed the LITEON ESG audit	100%
Serious violations of suppliers	0%

Note:

- (1) Since the scoring method of the LITEON ESG audit is not based on major deficiencies and minor deficiencies, other non-conformities cannot be presented in the above two statistics
- (2) This is the first year since introducing the audit, so the missing improvement rate is still being tracked, and data are being collected

2.6.3 Responsible Mineral Management

2.6.3.1 Responsible Mineral/Metal Sourcing Policy

As a responsible corporate citizen of the world, LITEON has declared and committed to refrain from the use of metals sourced from unqualified smelters in conflict mines. The company also requires that all its suppliers comply with LITEON's responsible mineral/metal sourcing policy:

- (1) ensure the absence of "responsible minerals from unqualified smelters" in Congo and surrounding countries and regions in their products, and adhere to the applicable regional and international laws for responsible minerals.
- (2) trace sources of all Gold (Au), Tantalum (Ta), Tin (Sn), Tungsten (W), Cobalt (Co), and Mica and other sources of responsible minerals published in the Responsible Minerals Initiative (RMI) in all products; while all suppliers should complete a connection report to confirm sources of related minerals and should use a list of RMI compliant smelters/refiners to avoid mines directly or indirectly financing armed groups in conflict-affected regions.
- (3) convey these requirements to their upstream suppliers.

Note: Responsible minerals/metals refer to minerals mined under armed conflict or human rights abuses, especially minerals mined by armed groups surrounding the Democratic Republic of the Congo. These minerals include coltan, cassiterite, wolframite, cobalt and gold, and can be refined into Tantalum (Ta), Tin (Sn), Tungsten (W), Cobalt (Co) and Gold (Au). In addition, mica mined from India and other regions are also known as responsible minerals, and can be used in electronics and other products

2.6.3.2 Responsible Mineral Management Process

Regarding the responsible mineral management process, LITEON provides information on responsible minerals to suppliers working with LITEON for the first time or suppliers who need the information. LITEON also provides basic training on using the RMI management tool, responsible mineral reporting templates, including the Conflict Minerals Reporting Template (CMRT), and Extended Minerals Reporting Template (EMRT) . The business units require that suppliers implement complete control and verify any use of responsible minerals from unqualified smelters in materials after signing a declaration against the use of responsible minerals and providing RMI forms during material acknowledgment. Meanwhile, responsible mineral data from the business units will be summarized, and a risk assessment will be performed on materials supplied by the suppliers. For more information please refer LITEON's Responsible Mineral Due Diligence Report.

Remark: The RMI phased out the Cobalt Reporting Template (CRT) and Mica Reporting Template (MRT) on March 31st, 2022

Responsible Mineral Management Process



2.7 Customer Service and Satisfaction

Customer Service Management

LITEON's each business unit has cross-function teams (CFTs) providing targeted services to individual customers; these teams bear responsibility for taking orders, performing product R&D and manufacturing, and ensuring quality, delivery, cost, and after-sales service. Our CFTs can quickly propose response methods and overall solutions based on customer issues and feedback.

To satisfy customers' needs for prompt delivery; we handle purchasing, planning, logistics, and cash flow processes online, and use online information as the basis for our operations. We also integrate data from external suppliers, customers, and banks, etc., to ensure that management and delivery information is correct and up to date. Furthermore, to shorten the processing time for technical support, transport and delivery, and after-sale services, LITEON has installed production facilities, branches, and distribution warehouses in locations close to customers around the world that can respond promptly to customers' needs.

Vision

- At LITEON, we deliver excellent execution to provide quality and innovative products and services that create value for our customers and make us the best partner for our customers

Strategy and Policy

- "Customer Satisfaction" is one of the core values of LITEON
- Build a cross-functional team to provide a full range of real-time services

Goals

- Short-term goal: Annual average customer satisfaction at 90% or higher
- Mid-/long-term goals: Ongoing improvement of the customer service management process to maximize customer satisfaction



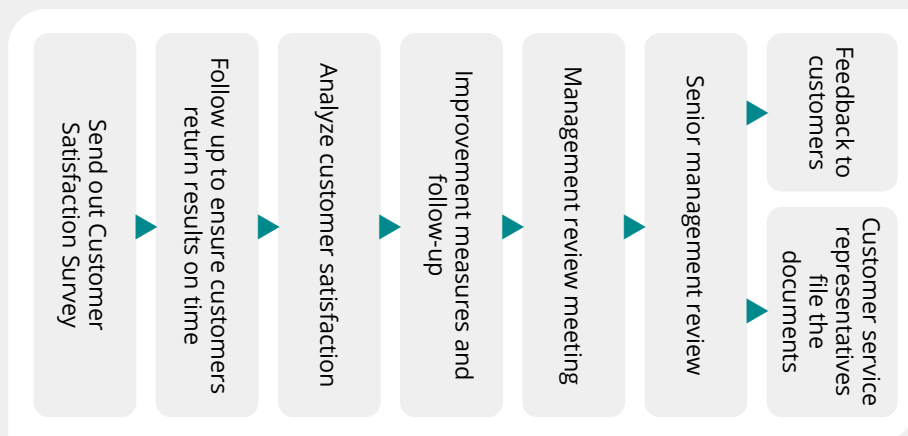


Customer Satisfaction

"Customer Satisfaction" is one of the important bases of product and service improvement for LITEON. Understanding and analyzing customer satisfaction is one of the important ways for LITEON to continually improve its product quality and service procedures and implement new systems to further satisfy customers' needs.

Building on scores of regular customer evaluation and audits as well as results of the quality management system, LITEON sends customer satisfaction surveys to large customers¹ every year. Survey results are used to make improvement plans. In addition, improvement of customer evaluation scores is also made one of the performance indicators for certain departments as appropriate. The relevant departments will propose improvement measures for surveyed items with lower scores. The sales departments will track the progress and complete the improvement plans on time. The results of the improvement plans will be reviewed by appropriate division heads and become part of the operation plans in the following year for designed departments to ensure satisfied customers.

Process of Customer Satisfaction Survey



Below are the Results of the Customer Satisfaction Survey Conducted by LITEON's Core Business in 2021

		Satisfaction Survey Items						Overall Satisfaction
		Quality	Delivery	Services	Pricing	Technologies	Hazardous Substance Free	
Average Satisfaction	Score (out of 5)	4.1	4.2	4.5	4.0	4.1	4.5	4.2
	Satisfaction (%)	81.0	84.1	90.0	79.3	83.0	90.2	85.6



LITEON and the Environment



- GHG emission intensity in 2021 has reduced 25.16% from the base year



- The energy conversion efficiency of power supply products increased by 5.31% compared with the base year



- All products 100% compliant with environmental directives



3.1 Sustainable Environmental Commitment

To fulfill our environmental commitment, LITEON adheres to the responsible production strategy in the Sustainability Strategy and Blueprint, and develops environmental sustainability strategies around green operations and low carbon products. Meanwhile, LITEON continues to take actions on climate change and energy management, water resource management, waste recycling and reuse, and green product design and management. In addition, LITEON increases the use of recycled material and renewable energy to reduce the environmental impact of production activities. It has taken series of substantive operations to respond our environmental commitment and pursue for sustainable production.

2021 Achievement

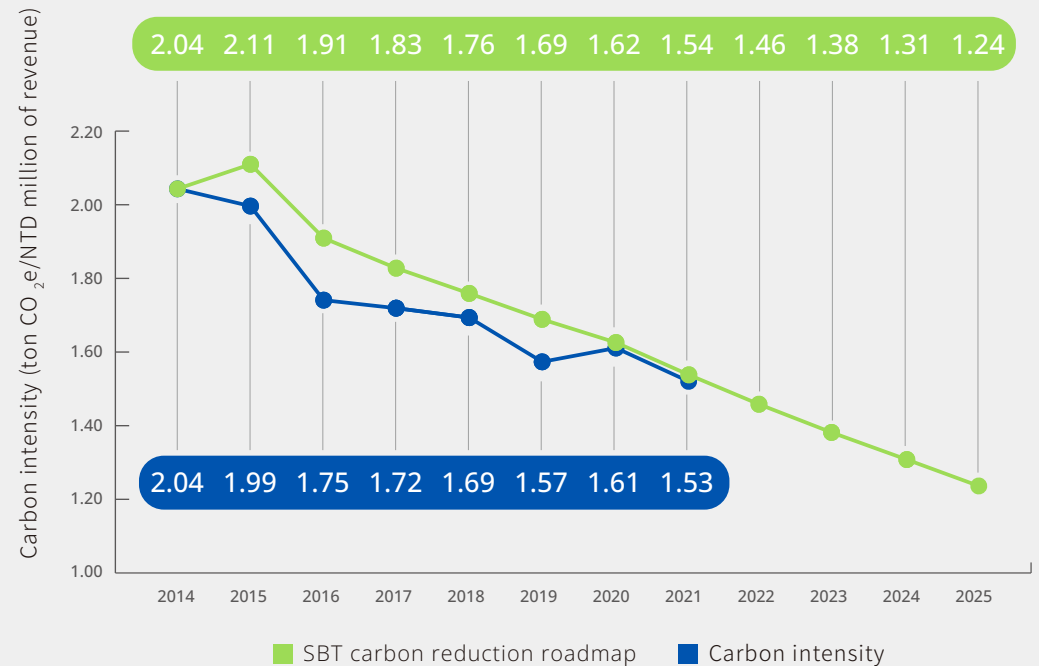
Received Supplier Engagement (SER) Leadership from CDP for 2 consecutive years

LITEON's self-developed marine waste recycled plastic LGS-7505 obtained UL ECVP 2809 traceability validation and UL 746D recycled plastic performance certification yellow card. The recycled material became the world's first marine waste recycled material to obtain both traceability and performance verification of marine plastics

Achieved the carbon reduction target for 4 consecutive years

Achieved the 2025 absolute reduction target of 3,300 tons of waste compared with the 2017 baseline

LITEON Carbon Reduction Roadmap



Key Sustainable Environmental-Related Results and Targets



3.2 Climate Change and Energy Resource Management

Climate Change Policy

Climate change and energy management are two of the material issues and key risks in LITEON's sustainable development. The company monitors and analyzes on GHG emission, VOCs, water and waste in these areas on an ongoing basis. LITEON also works on adaptation and mitigation to greenhouse gases. For climate change mitigation, we set the LITEON SBT approach for carbon intensity reduction and manage and analyze monthly internal energy usage with respect to targets. Meanwhile, we rely on green design, energy management, and energy generation, conservation, and conversion products and solutions to meet GHG emission reduction targets actively. For climate change adaptation, we observe the 2 degrees Celsius scenario released by the International Energy Agency, and identify potential short-, medium-, and long-term risks arising from climate change based on international research, industry trends, and results of internal and external studies as well as

our own decisions and judgments to formulate plans. We formulate comprehensive policies for GHG emissions, including the use of renewable energy, energy-conservation policies, green products, smart energy-conservation technologies, etc.

LITEON Climate-Related Financial Disclosure Principles

LITEON signed to support the TCFD in internal assessment and climate disclosure in 2018, and disclosed four core elements of recommended climate-related financial information governance, strategy, risk management, and metrics and targets, established an information framework, identifies major risks and opportunities that may be caused for operations and proposes relevant countermeasures. Descriptions are as follows:

LITEON TCFD Reporting



3.2.1 Climate Governance

The Board's Oversight of the Climate-Related Risks and Opportunities

LITEON works actively to strengthen governance in sustainable development and sustainable environment. LITEON established a Corporate Sustainability Committee (CSC) directly under the Board of Directors. The CSC is chaired by the board chairman (the Chief Sustainability Officer) and is composed of five independent directors. It is in charge of setting annual CSR targets in terms of the economic, environmental, and social aspects of the business. Progress is monitored regularly to ensure LITEON's continuing advancement toward sustainability and fulfillment of short-, medium-, and long-term goals. The CSC meets at least twice a year in accordance with LITEON's "Corporate Sustainability Committee Charter", and regularly reports implementation plans and results to the Board of Directors. Under the CSC, there are the Environmental Sustainability, Risk Management and Sustainable Product Design subcommittees to improve environmental management efficiency, develop low-carbon product and manage environmental risks and opportunities.

Management's Role in Risk and Opportunity Assessment and Management

An Environmental Sustainability subcommittee which is led by the head of manufacturing, and is responsible for green operations at the plants, setting environmental targets, risk control, the environmental target achievement survey. The environmental targets include energy saving plan, GHG emission, water-saving, waste reduction etc. The subcommittee also analyze the risks and opportunities from customers, local government and law enforcement.

Sustainable Product Design subcommittee which is led by the head of Research and Design is responsible for low-carbon design and development.

The Risk Management subcommittee which is led by the head of the operation identifies environmental risks and opportunities as one of the eight cooperate risk management according to significance rule. The Subcommittee tracks risks and opportunities of identification, impact assessment, management indicator and reports to the CSC, Audit Committee and the board of directors. The Environmental Sustainability subcommittee which is led by the head of manufacturing, and is responsible for green operations at the plants, setting environmental targets, risk control, the environmental target achievement survey. The environmental targets include energy saving plan, GHG emission, water-saving, waste reduction etc. The subcommittee also analyze the risks and opportunities from customers, local government and law enforcement.

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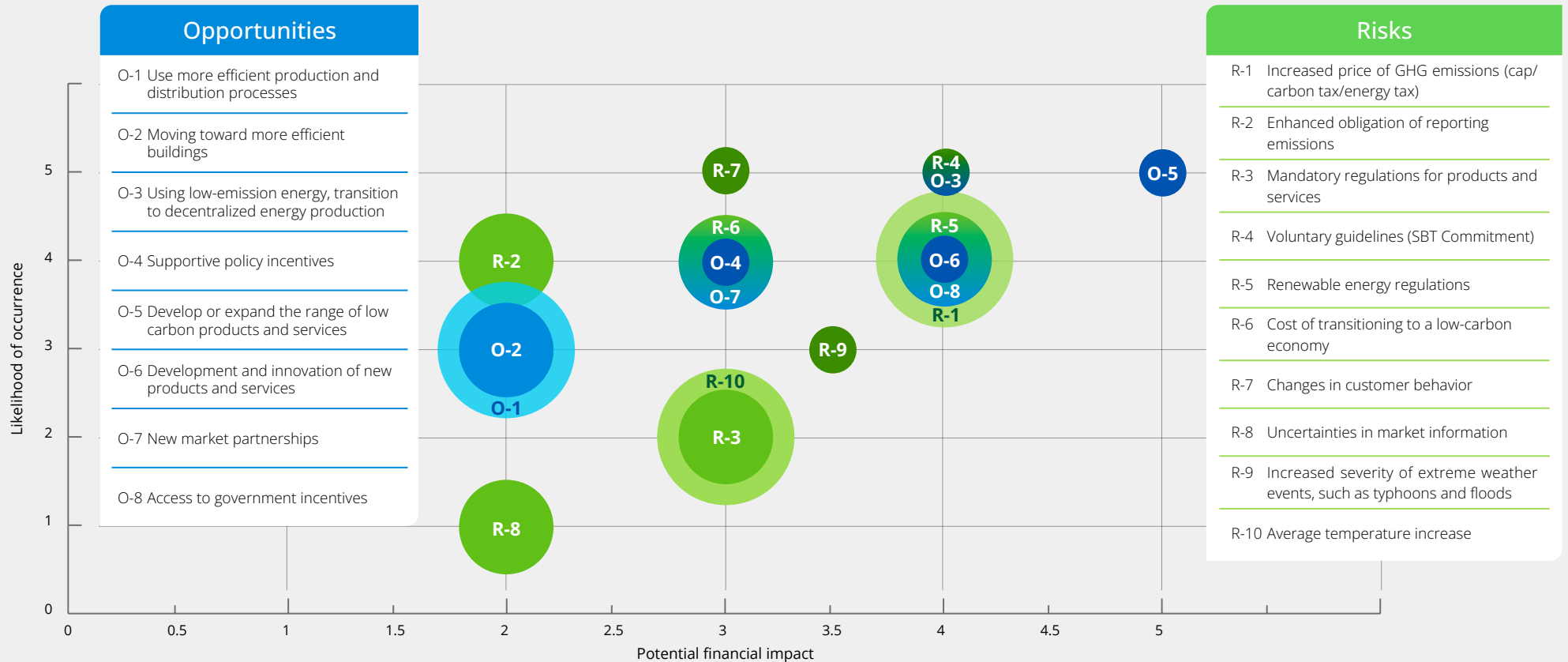
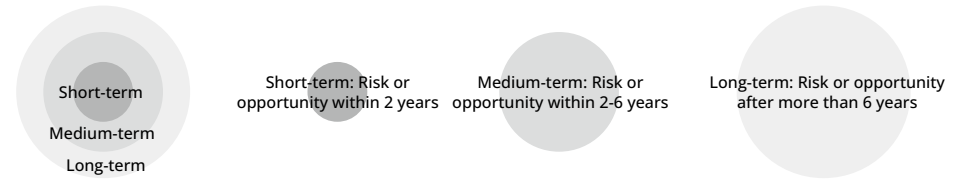


3.2.2 Strategy

3.2.2.1 Climate-Related Risks and Opportunities the Organization Has Identified Over the Short-, Medium-, and Long-term


The Sustainability Committee regularly discusses climate issues, stays up to date on international research reports, industry trends, internal and external surveys of enterprises, and identifies the risks and opportunities that climate change may have on business operations. In addition to intelligently keeping abreast of climate risks and opportunities, the relevant mechanism will continue to strengthen links with financial information in the future to deploy response capabilities in advance.

Instructions





Climate Risk Identification – Transition Risk

 <p>Policies and Regulations</p>	<p>Potential Financial Impact</p> <p>Increase operating costs</p> <ul style="list-style-type: none"> Costs of energy conservation/ greenhouse gas/climate change related projects Increased procurement cost/ Renewable energy acquisition costs <p>Fines/litigation</p> <p>Increase capital expenditures</p> <ul style="list-style-type: none"> Capital items and amounts invested in renewable energy construction, energy conservation projects, and equipment improvement 	<p>Increased price of GHG emissions (cap/carbon tax/energy tax)</p> <ul style="list-style-type: none"> In 2011, the Chinese government announced the gradual establishment of a carbon market in China. At the end of 2017, the National Development and Reform Commission officially launched a nationwide ETS. Although LITEON has not yet been included in the scope of management, the industry in which LITEON operates may be regulated in the future Taiwan's Pathway to Net-Zero Emissions by 2050 was announced in the first half of 2022. With the "Climate Change Response Act" as its basis, Taiwan will also charge carbon fees to major carbon emitters in the future 	<p>Time frame: Long-term</p> <p>Possibility of occurrence: Moderate to high</p>
		<p>Reiterated the obligation of reporting emissions</p> <ul style="list-style-type: none"> In addition to revising the disclosure methods of sustainability reports and annual reports of listed companies to expand the scope of greenhouse gas inventory and verification, the FSC will actively cooperate with customers in data collection and calculation due to the increasing demand for carbon emission data and carbon disclosure CDP from customers Some customers have asked LITEON to provide GHG emissions or product carbon footprint data for specific next tier suppliers with high carbon emissions or high risk 	<p>Time frame: Medium-term</p> <p>Possibility of occurrence: Moderate to high</p>
		<p>Mandatory regulations for products and services</p> <p>OEM electronic products must comply with the energy efficiency standards and specifications of products promulgated and updated by various countries in response to greenhouse gas reduction strategies:</p> <ul style="list-style-type: none"> Product requirements such as ENERGY STAR, use of recyclable packaging materials, and use of recycled materials According to the needs of brand customers to apply for EPEAT, the proportion of recycled plastics may be as high as 80% Require products to improve energy conversion efficiency according to 80PLUS specification Continue to look for low-carbon materials and build a low-carbon production supply chain EU regulatory trends: European Green Deal, EU Carbon Border Tax (CBAM) and other mechanisms may affect product exports 	<p>Time frame: Medium-term</p> <p>Possibility of occurrence: Low to Moderate</p>
		<p>Voluntary guidelines (SBT Commitment)</p> <ul style="list-style-type: none"> LITEON voluntarily commits to formulate Scope 1 and Scope 2 greenhouse gas emission reduction targets in line with SBTi standards 	<p>Time frame: Short-term</p> <p>Possibility of occurrence: High</p>

 <p>Technology</p>	<p>Potential Financial Impact</p> <p>Increase operating costs</p> <ul style="list-style-type: none"> ▪ Related product development costs ▪ Increased procurement/raw materials cost 	<p>The cost of transitioning to a low-carbon economy</p> <p>In response to the risk of high competition for low-carbon products in the future, the company will continue to develop various emerging green technologies and product solutions related to the company's products in terms of new technology development, including renewable energy, energy storage systems, energy conversion efficiency, and micro-distributed power grids.</p>	<p>Time frame: Medium-term</p> <p>Possibility of occurrence: Moderate to high</p>
 <p>Market</p>	<p>Potential Financial Impact</p> <p>Decrease in revenue</p> <p>Increase procurement cost</p> <ul style="list-style-type: none"> ▪ Renewable energy acquisition costs 	<p>Changes in customer behavior</p> <p>With growing environmental awareness, low carbon technologies and a wider range of services may start affecting customer preferences in products. If LITEON fails to meet customer demands in a timely manner, the sales of products will decline. To that end, LITEON monitors closely market developments triggered by climate change. LITEON invests in research and work to develop these sustainable technologies to enable itself to respond quickly to the customer preference shift to green products.</p> <hr/> <p>Uncertainties in market information</p> <p>Several sustainability regulations have not yet formed a consistent standard, so the needs of customers, investors and key stakeholders are also inconsistent. The great variability in the associated carbon emissions and energy efficiency norms creates risks that the industry as a whole face.</p>	<p>Time frame: Medium-term</p> <p>Possibility of occurrence: Moderate to high</p> <hr/> <p>Time frame: Short-term</p> <p>Possibility of occurrence: High</p>
 <p>Reputation</p>	<p>Potential Financial Impact</p> <p>Damage to business image</p> <p>The extent to which companies make efforts on climate change issues may influence investors' investment decisions</p>	<p>Addition of stakeholder concerns and negative feedback</p> <ul style="list-style-type: none"> ▪ If the company's ESG-related disclosure and ESG rating performance decline, it may affect investors' evaluation of the company and even the investment proportion, which in turn affects the market value, thus highly affecting the company's intangible assets and image ▪ If companies do not demonstrate green competitiveness, investors may reduce their willingness to invest in the long term ▪ If the company or its suppliers have major environmental pollution, climate risk crisis or poor environmental management performance, relevant media reports may affect the reputation 	<p>Time frame: Medium-term</p> <p>Possibility of occurrence: Low</p>

Climate Risk Identification - Physical Risk

 <p>Immediate</p>	<p>Potential Financial Impact</p> <p>Increase in operating costs/capital expenditures</p> <ul style="list-style-type: none"> Environmental expenses in the plant area in response to extreme weather Equipment and construction costs 	<p>Increased severity of extreme weather events, such as typhoons and floods</p> <ul style="list-style-type: none"> Changes in rainfall patterns during dry and rainy seasons will affect ability of reservoirs to store water and reduce flooding, and thus affect the water supply system. Insufficient water supplies can also lead to the shutdown of operations and production lines. Disasters will disrupt operations, impact employee life, and interrupt supplier component supply. The associated recovery costs and product delivery delays will increase management costs and reduce sales According to an internal investigation conducted in 2021, LITEON has a total of four operating bases worldwide located in areas of high water risk. In order to reduce the impact of drought events, respective plants have successively made investments in water-conservation facilities, enhanced the recycling of water resources, extended insurance coverage to relevant scopes, and formulated emergency response plans to reduce disaster risk 	<p>Time frame: Short-term</p> <p>Possibility of occurrence: Moderate</p>
 <p>Long-Term</p>	<p>Potential Financial Impact</p> <p>Increase operating costs</p> <ul style="list-style-type: none"> Increased energy costs 	<p>Average temperature increase</p> <ul style="list-style-type: none"> Weather hazards created by rising temperatures could increase severity with respect to plant safety and health regulations, thus increasing management costs Changes in average temperature change has a direct impact on the power used by the air-conditioning system, increase in the energy consumption demand for cooling equipment, and the overly high temperatures of cooling water 	<p>Time frame: Long-term</p> <p>Possibility of occurrence: Low to Moderate</p>

Climate Opportunity Identification

 <p>Resource Utilization Efficiency</p>	<p>Potential Financial Impact</p> <p>Reduce operating costs Increase asset value</p>	<p>Use more efficient production and distribution processes</p> <ul style="list-style-type: none"> LITEON is committed to improving its operational mode of product transportation and distribution in order to improve the efficiency of logistics, reduce energy consumption for product transportation, and reduce carbon emissions in the distribution stage. In 2018, LITEON developed the MFG Portal system based on big data analysis to optimize logistics management. The system and SAP shipping documents are combined to effectively control packaging and logistics, avoid energy consumption during transportation due to the high no-load ratio of goods, and reduce the number of shipments, all to achieve the goal of green transportation Build a combined operations/production center (OCS) to make production and distribution processes more efficient 	<p>Time frame: Long-term</p> <p>Possibility of occurrence: Moderate to high</p>
 <p>Energy Acquisition</p>	<p>Potential Financial Impact</p> <p>Save electricity costs Reduce operating costs</p> <ul style="list-style-type: none"> Obtain incentive tax incentives 	<p>Moving toward more efficient buildings</p> <ul style="list-style-type: none"> The green building design of the new plant contributes to energy conservation and carbon reduction. The Zhonghe Digital Building and the Kaohsiung Phase II plant have been planned to obtain LEED Platinum certification and are expected to be completed between 2025 and 2026 LITEON produces many green building and energy-saving products, such as LED lights, inverters, etc. If they can be applied in its own factories or buildings, it can increase sales and improve building energy efficiency 	<p>Time frame: Medium-term</p> <p>Possibility of occurrence: Medium</p>
		<p>Using low-emission energy, transition to decentralized energy production</p> <ul style="list-style-type: none"> The government may increase the price of electricity from non-renewable sources to support development of renewable energy. And Trend Research points out that renewable electricity prices will be lower than fossil fuels by 2030 Changan Plant signed a contract with ESCO operators for self-generated and self-consumed and wholesale purchase Vietnam and Guangzhou Plants negotiated the construction of a rooftop solar power generation system 	<p>Time frame: Short-term</p> <p>Possibility of occurrence: High</p>
		<p>Supportive policy incentives</p> <ul style="list-style-type: none"> Participate in Taipower's demand bidding measures to increase the company's energy-saving flexibility and gain income from virtual power The Energy Bureau provides energy-saving equipment subsidies to reduce the cost of replacing high-efficiency energy power equipment, and increase incentives The Vietnamese government provides tax relief or investment incentives and other economic incentives to attract companies to invest in the renewable energy industry 	<p>Time frame: Short-term</p> <p>Possibility of occurrence: Moderate to high</p>



Products and Services

Potential Financial Impact

Increase product revenue

- Respond to market demand

Increase operating costs

- Increase related product R&D costs

Develop or expand the range of low carbon products and services

- Explore appropriate investment opportunities in the field of energy storage and energy management, and extend and discuss the opportunities for the common development of LITEON's internal business on energy storage and energy management in existing strategic investment companies
- With the increasing severity of global climate change, the competitive advantage of low-carbon emission and high-efficiency products and services has gradually increased. LITEON continues to focus on IoT applications, including cloud computing, optoelectronics, automotive electronics and smart manufacturing as key areas of transformation, and takes this as the company's strategy to address climate change. The company believes that these sustainable technologies can help customers save costs, reduce energy usage and protect the environment, and become a key niche business for LITEON in the next few years. LITEON will also increase revenue through increased demand for low-carbon emission products and services
- Using the product life cycle assessment method to assess the environmental impact of products in the three major directions of product chemical substances, energy efficiency and recycling; and introduce the product ecological management process according to customer needs, and transform the demands of environmental design into the basic design of early products. requirements to incorporate environmental considerations early in the product design phase

Time frame:
Short-term

Possibility of occurrence:
High

Development and innovation of new products and services

The research and development strategy and schedule of new green technology processes and products, in terms of market differentiation, meeting new markets, and meeting new customers' needs. LITEON continues to seek relevant technical requirements and internal and external resources in the research and development of new green technology processes and products. The research and development teams of various business divisions formulate relevant research and development strategies, projects, schedules, and budgets to respond to customer needs and low-carbon product development promptly. trend, and create competitiveness and business opportunities for enterprises.

Time frame:
Short-term

Possibility of occurrence:
Moderate to high



Market

Potential Financial Impact

Increase revenue

Reduce raw material acquisition costs

Reduce operating costs

New market partnerships

- Continuously link loan transactions with banks, motivating companies to move towards sustainable goals through product design. The sustainable link indicator is consistent with the company's sustainable development goals. It is agreed that the company will achieve the agreed target within the specified time in the future, and the loan will be able to enjoy discounted interest rate discounts
- Taiwan county and city governments and emerging market countries have needs and plans to replace LEDs
- LITEON cooperated with local governments to launch the "LITEON SEA HOPE" project. At the same time, LITEON cooperates with ITRI to crack waste styrofoam and reprocess it into raw materials for products, effectively reducing the cost of obtaining raw materials

Time frame:
Medium-term

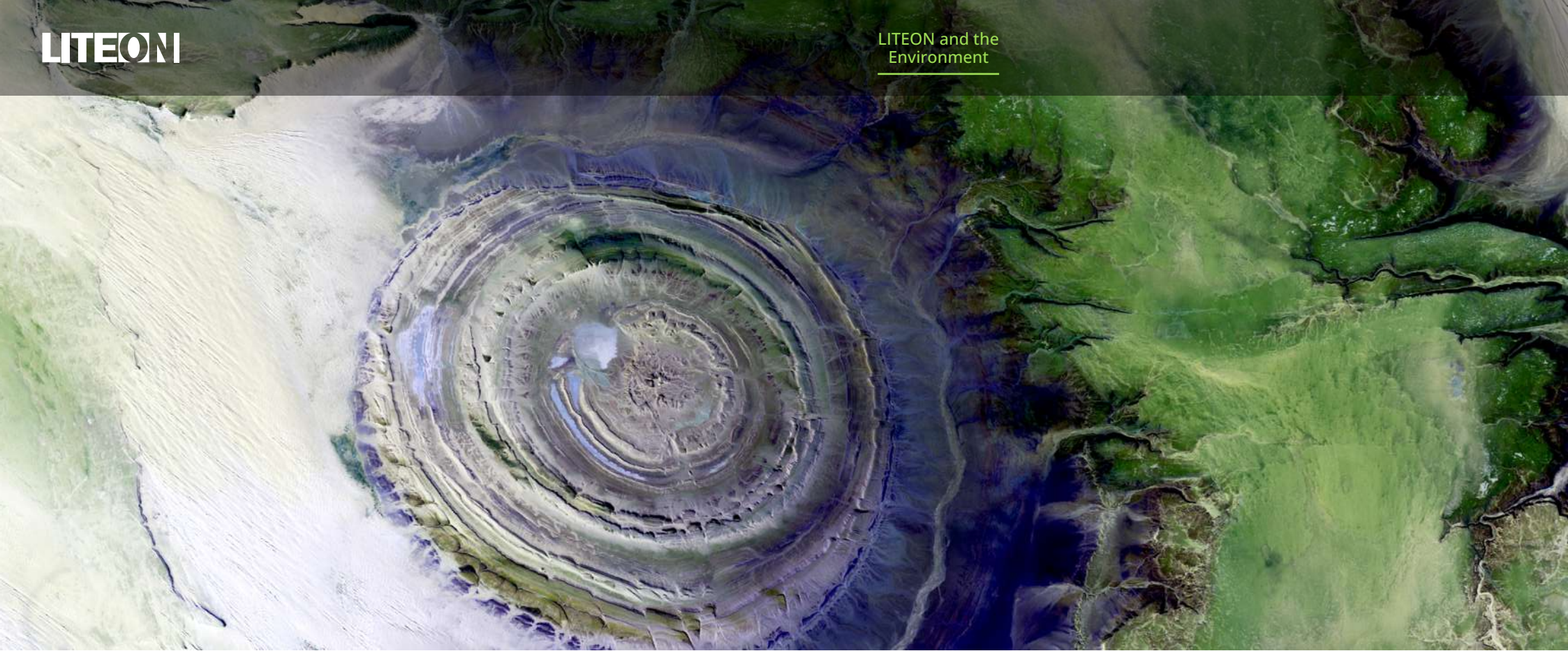
Possibility of occurrence:
Moderate to high

Access to government incentives

- According to law in Taiwan, plants that have obtained Green Building Certification will receive a 10% floor area ratio (FAR) discount
- Procurement of public agencies is mainly green procurement, and those that produce environmentally friendly products will be selected as a priority, increasing the opportunities for cooperation with government departments
- The Bureau of Energy provides subsidies for energy-saving equipment, reduces the cost of updating to high-efficiency energy-powered equipment, and increases incentives
- Participate in the management of Vietnam's national energy saving program, such as subsidizing 30% of the energy management costs of factories and buildings; In addition, energy-saving products also enjoy preferential tax, energy-saving technology development required equipment or energy-saving products that cannot be produced in China are also exempted from tariffs. Guangzhou factory has obtained Guangzhou Clean Production and Technical Transformation Plan two subsidies

Time frame:
Medium-term

Possibility of occurrence:
Moderate to high



3.2.2.2 Actions to Address Climate Risks and Opportunities

LITEON simulates future effects of climate change based on the IEA 2DS and uses the results to set the GHG reduction SBT. LITEON promotes climate change response strategies, including energy generation, energy conservation, energy transfer and mitigate the impact of climate change. The company implements strategies with energy management, renewable energy usage improvement, process optimization and plant operation advancement, and internal carbon pricing management to fulfill the SBT commitments. With energy efficiency improvement and the core ability of low-carbon products development, LITEON respond to the global target of reducing carbon emission.

Climate Change Mitigation

Enhanced renewable energy utilization

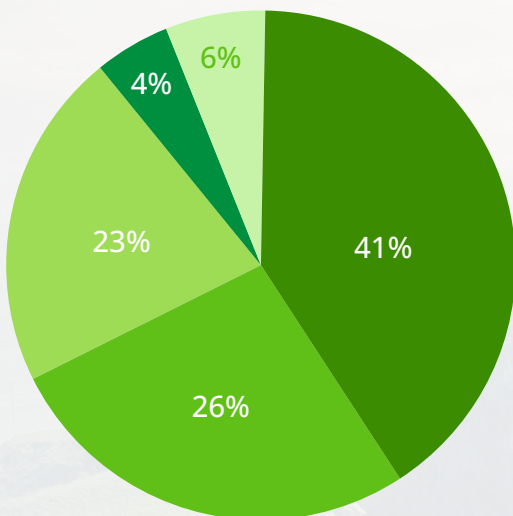
LITEON continues to improve the utilization rate of renewable energy. At this stage, it adopts two methods: rooftop solar power generation

system and procurement of International Renewable Energy Certificate (I-REC) to increase the utilization rate of renewable energy. In addition, LITEON is actively looking for relevant renewable energy companies and expects to sign a long-term green power purchase agreement (PPA) to replace grey power with green power, which can gradually reduce carbon emissions and move towards low-carbon production. In 2021, LITEON's renewable energy consumption using I-REC has reached 73,130 MWh, which is accounting for 19.79% of total electricity consumption. LITEON continues to improve the utilization rate of renewable energy. At this stage, it adopts two methods: rooftop solar power generation system and procurement of International Renewable Energy Certificate (I-REC) to increase the utilization rate of renewable energy. In addition, LITEON is actively looking for relevant renewable energy companies and expects to sign a long-term green power purchase agreement (PPA) to replace grey power with green power, which can gradually reduce carbon emissions and move towards low-carbon production. In 2021, LITEON's renewable energy consumption using I-REC has reached 73,130 MWh, which is accounting for 19.79% of total electricity consumption.

Energy management

LITEON continues to improve the efficiency of energy use, improves equipment and adopts different energy-conservation methods in energy use; it increases production output while saving energy, improving production efficiency. In 2021, a total of 4 production sites will continue to operate under the ISO 50001 energy management system. We expect to increase the number of ISO 50001 production sites in 2022 and to cooperate with energy-conservation plans to reduce electricity consumption for production and improve production efficiency. It established a demonstration site for the implementation of the process pilot plan, introduced power analysis tools, digitized the power consumption of intangible processes, generated a power model of the utility and process system and the power consumption analysis diagrams of production processes, find out the optimal control scheme for power consumption, and improve efficiency of energy use. In 2021, a total of 76 energy-conservation plans were implemented, with a total energy savings of 8,665 MWh. Among them are primarily the air-compressors and air-conditioner/chiller and process equipment, accounting for 89.5% of the total energy savings.

Percentage of Equipment Improvement by Various Energy-Conservation Measures



- Air compressor
- Air conditioning/chiller
- Production equipment
- Lighting systems
- Other

A total of **8,665 MWh** of energy savings in 2021



Air Compressor

- Use management methods to save energy, including turning off the auxiliary equipment of the air compressor, adjusting its supply and distribution, etc
- Regularly check air pressure leak points to improve the air-supply efficiency of the air compressor
- Adopt high-efficiency and energy-saving air compressors



Air Conditioner/Chiller

- Activating the plate heat exchange and adjusting the outlet water temperature of the chiller according to the outside air temperature of the day
- Renewal of air conditioning/chiller pipes and equipment to improve cooling air supply efficiency
- Adopt high-efficiency central air conditioners, chiller units, and cooling towers



Production Equipment

- Control exhaust air temperature for process equipment
- Modification of feeding barrel to reduce the electricity consumption used in feeding
- Adjust production line to reduce electricity used in production and install inverters for a small number of devices

Climate Change Adaptation

Develop low carbon products

The LITEON CSR code of conduct is based on life cycle thinking. With the 3Rs rule adopted, the company engages in green product design and develops nontoxic, easy to assemble/disassemble, and environmentally friendly products. For example, the optimized circuit design improves the energy conversion efficiency of power products (power supplies for servers and 3C products etc.), reduces energy consumption, material consumption and carbon emissions. In LED and energy-saving street light products, energy consumption is reduced by improving energy efficiency and light extraction efficiency. Furthermore, by using low-carbon recycled materials, improving packaging technology, and extending product life, based on shipments in 2021, the overall reduction of carbon emissions in the product use phase is approximately 50,673.6 tons. The cumulative carbon reduction due to the green product design reached 407,783 tons of CO₂e.

Enforcing GHG emissions reduction

LITEON develops production optimization and plant operation improvement, and continues to reduce energy by promoting diversified energy-saving plans. The plans included updating air compressors, adopting high-efficiency equipment, improving and managing processed equipment technology and introducing management system and other energy-saving plans. energy saving and operational equipment efficiency improvement. Many sites implemented the pressure adjustment of air compressor equipment to reduce energy use. It is executed at LITE-ON Electronics (Dongguan), LITE-ON Technology (Vietnam), LITE-ON Electronics (Guangzhou) and other production sites. LITEON upgraded the air compressor Equipment efficiency by reducing the outlet pressure. For the energy-saving plans in 2021, 54 energy-saving plans have been executed. Additionally, LITEON planned to reduce electricity by 9.79 million kilowatt-hours in 2022.

Strengthened internal carbon pricing strategy

LITEON continues to actively adjust the governance aspects related to sustainable operations and sustainable environment. It has established an Environmental Sustainability subcommittee, which is chaired by the head of manufacturing. The subcommittee is responsible for promoting green operations to improve environmental management performance and environmental risk controls. In 2018, LITEON referred to relevant regulations on carbon trading in Taiwan and the market price of carbon trading in China, and adopted the shadow price method to set the carbon fee price as the decision-making for our energy-saving and carbon-reduction measures. In addition to the overall SBT carbon reduction target, LITEON also sets the SBT emission intensity target, and determines an internal carbon price to replace the shadow price every year starting from 2020. The carbon price in 2021 will be 1 USD/ton of carbon dioxide equivalent, and the business units was charged with internal carbon fees if they exceed the annual carbon emission quota. The method strengthens business units' decision-making on carbon reduction investment, and it expect to gradually increase the fee in the future as an investment in carbon reduction technology or to support renewable energy work to achieve LITEON's carbon reduction commitment.



3.2.3. Climate Risk Management

Risks arising from climate change and natural disaster issues are included in LITEON's identified categories of sustainability risks. For the potential impact on business activities, LITEON has the climate change risk task force in place to handle identification of real and transformation risks and opportunities, assessment of possibilities, and analysis of the degree of impact. The task force is also responsible for devising appropriate countermeasures.

The company conducts climate risk assessment according to the "ISO 31000 risk management system and guidelines" and convert the PDCA cycle, converts relevant climate risks into financial figures, and considers projects that may cause an annual financial impact of more than NT\$10 million as impactful risks and opportunities, which are prioritized according to likelihood and severity, and corresponding countermeasures are formulated. For risks with higher assessment results, a climate scenario analysis is additionally performed, and

the current operational layout is considered to calculate its potential financial impact. Risk assessments are also submitted to the Sustainability Committee and the Audit Committee for supervision. The chairman of the Audit Committee regularly reports to the Board of Directors based on the risk management and assessment results.

LITEON identifies climate-related factors through ongoing improvement management practices. Measurements are formulated to convert climate risks into financial data, and countermeasures are devised to reduce the probability and severity of these risks. The operation management and results will be submitted to the risk management team to be reported to the Corporate Sustainability Committee and the Audit Committee. The chairman of the Audit Committee will in turn present a report to the board of directors. With respect to challenges in climate and opportunities, LITEON actively performs climate scenario analysis specifically targeting higher climate risk factors and calculate potential financial impacts on an ongoing basis. The practice makes climate risk management part of business operations.

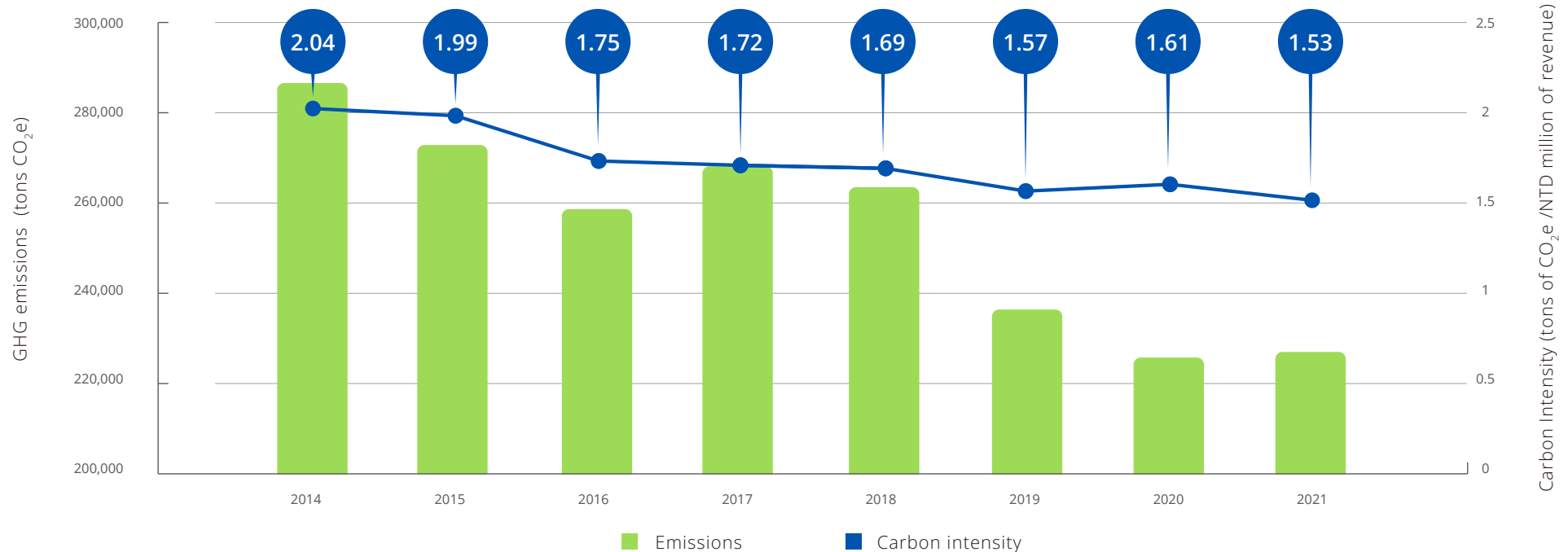
3.2.4. Targets and Goals

3.2.4.1 GHG Emissions and Related Risk Indicators

GHG Emission Inventory (GHG Scope 1 and 2)

According to the ISO 14064-1:2006 standard for GHG emissions inventory, in 2021, LITEON's direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2) were 226,851.97 tons CO₂e market-based, an increase of 1,113 tons of CO₂e compared to 2020 (up by 0.49%), and 60,103 tons of CO₂e (down by 20.95%) less than the base year 2014. The carbon intensity was 1.53 tons CO₂e/NTD million of revenue, 5.35% lower than in 2020 and 25.16% lower than the base year 2014. The figures complied with the SBT reduction path target of 24.6% for 2021.

2021 LITEON Greenhouse Gas Emission Inventories



GHG Emissions in 2021

tons CO ₂ e	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total
Scope 1 and Scope 2 emissions - by type	218,660.00	5,616.21	3.54	2,572.22	-	-	-	226,851.97

GHG Emissions 2014-2021^{Note1}

	Units	2014 (base year)	2015	2016	2017	2018	2019	2020	2021
Greenhouse gas emission (Scope 1) ^{Note2}	tons CO ₂ e	11,241	14,841	13,488	13,485	11,693	9,119	11,947.73	10,080.71
Greenhouse gas emission (Scope 2) ^{Note3}	tons CO ₂ e	275,714	258,313	245,479	256,020	252,098	227,485	213,791.42	216,771.26
Greenhouse gas emission (Scope 1+2)	tons CO ₂ e	286,955.26	273,155.18	258,967.07	269,504.95	263,790.19	236,603.96	225,739.15	226,851.97
Greenhouse gas emission intensity	tons CO ₂ e /NTD million of revenue	2.04	1.99	1.75	1.72	1.69	1.57	1.61	1.53

Note: 1. The Solid-State Drive (SSD) Business Unit completed transferring the business in the first half of 2020. For consistency in the calculation, the SSD Business Unit was removed from the 2014-2020 data, which were then recompiled accordingly

2. Direct greenhouse gas emissions (Scope 1): fuel combustion in fixed equipment, production activities, fuel combustion in transportation equipment, and diffusion (e.g. fire extinguishers and refrigerants)

3. Indirect greenhouse gas emissions from energy use (Scope 2): purchased electricity and steam

4. GHG emissions by sources were calculated using emission factors. Preference was given to factors derived by a quantitative or material balance approach, followed by locally or internationally published factors. Scope 1 emission factors included the Mainland China Energy Statistical Yearbook, Provincial Guidelines for GHG Emissions Inventory, national standards of the Mainland China, Thailand energy factors (based on factors published by the Carbon Label & Carbon Footprint for Organization), Taiwan EPA Table of GHG Emission Factors 6.0.4, and Taiwan Bureau of Energy Recommended Emission Factors by Fuel (based on the IPCC2006 emission factor database). Scope 2 emission factors included the power emission factor published by Taiwan Bureau of Energy 2020 (0.502 kg CO₂e /kWh), 2019 baseline emission factors for Mainland China's regional power grids (0.9419 kg CO₂e /kWh for Northern Mainland China, 0.7921 kg CO₂e /kWh for Eastern Mainland China, and 0.8042 kg CO₂e /kWh for Southern Mainland China), factor published by the Energy Policy and Planning Office of Thailand Ministry of Energy (0.486 kg CO₂e /kWh), electricity emission factor published by India Ministry of Environment (0.91 kg CO₂e /kWh), and factor published by Vietnam Ministry of Natural Resources and Environment (0.8458 kg CO₂e /kWh)

5. The global warming potential (GWP) adopts the factor in the IPCC Fifth Assessment Report (AR5)

Greenhouse Gas Value Chain Inventory (GHG Scope 3)

To maximize the value of the LITEON value chain and identify key factors to mitigating climate change, LITEON not only conducts inventories of emissions from its own business activities but also has started performing full inventory-taking, verification, and disclosure of emissions from 15 categories in Scope 3 every year since 2018. The practice allows LITEON to follow emission hot spots along the value chain and extend

carbon management to business partners on the value chain. In terms of Scope 3 emissions, LITEON sets 2018 as the base year and aims to reduce cumulative value chain emissions (Scope 3) by 2 million tons by 2030. Meanwhile, the company continues to deploy green product design and other strategies and work with value chain partners to develop low carbon products (Section 3.5) and combat climate change and global warming together.

Scope 3 Categories	Category	Source identification	Scope of verification	Emissions (tons CO ₂ e)
01	Purchased goods and services	✔	Carbon emissions from raw materials purchased by the Power Division and the Imaging Division	11,935,369.57
02	Capital goods	✔	Office computer equipment purchased for the LITEON Building in Neihu	9.23
03	Excluding Scope 1 or 2 fuel- and energy-related activities	✔	Fuels burned by contractors at key offices around the world	4,004.18
04	Upstream transportation and distribution	✔	Miles in upstream transportation and distribution of raw materials for LITEON (Guangzhou) - Enclosure Division	822.55
05	Waste generated in operations	✔	Carbon emissions from processing waste generated in operations at key offices around the world	3,556.77
06	Business travel	✔	Air miles flown on business trips taken by employees at LITEON's Taiwan offices in a year	14.34
07	Employee commuting	✔	Miles of commuting by all employees at key offices around the world in a year	2,186.63
08	Upstream leased assets	-	All fuel consumption and emissions by leased facilities and vehicles	Note 1
09	Downstream transportation and distribution	✔	Carbon emissions from miles of transportation and distribution of products for LITEON (Guangzhou) - Enclosure Division	33,035.32
10	Processing of sold products	✔	Carbon emissions from power consumed by outsourced processing service providers of LITEON Li Shin (Huizhou)	330.17
11	Use of sold products	✔	Server power supply, power supply units (laptop power)	1,351,083.84
12	End-of-life treatment of sold products	✔	Server power supply products, power supply units, chargers	189.15
13	Downstream leased assets	✔	Carbon emissions from power consumed by tenants in the LITEON Building	1,256.29
14	Franchises	-	LITEON Group	Note 2
15	Investment	✔	Carbon emissions from subsidiaries beyond LITEON's operational control	494.89
Total				13,332,352.93

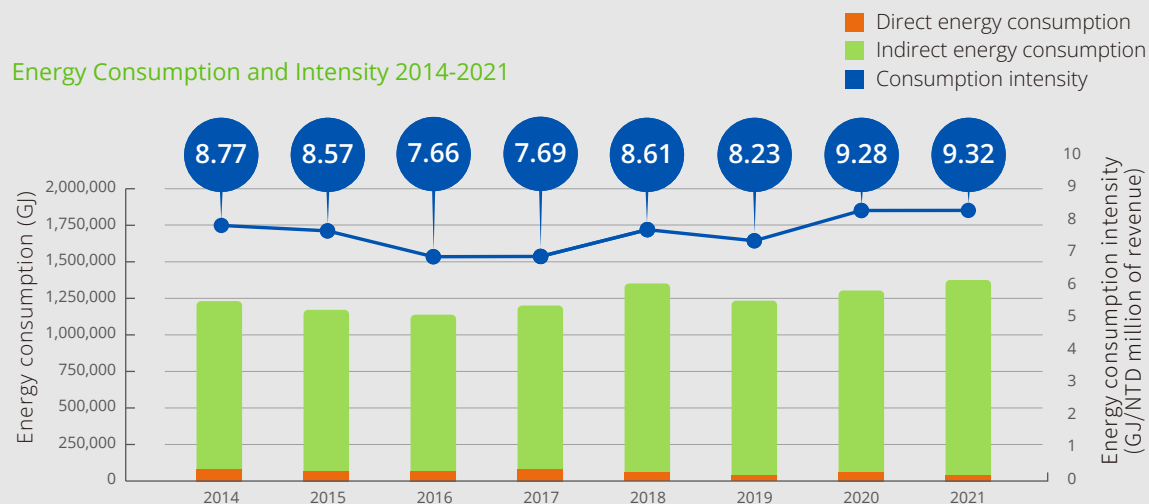
Note : 1. Included in Scope 1 and Scope 2 emissions
2. No relevant business



3.2.4.2 Direct and Indirect Energy Consumption

The bulk of energy consumption at LITEON operation and production bases is provided by purchased electricity, followed by steam and natural gas. 95% or more of total energy consumption at LITEON is indirect energy consumption. Direct energy use of fossil fuels includes diesel, gasoline, natural gas, liquefied petroleum gas (LPG), acetylene, and alcohol-based liquids, mainly used in emergency generators, forklifts, buses, restaurants, and dormitory boilers. In 2021, the inventory of total energy use of LITEON's bases was 1,384,209 gigajoules (GJ), an increase of 85,676 GJ (up by 6.60%) from 2020. The energy consumption intensity was 9.32 NTD million of revenue, a increase of 0.39% compared with the energy consumption intensity in 2020, which was mainly due to the effective implementation of energy-conservation measures, etc.

Energy Consumption and Intensity 2014-2021



Energy Consumption 2014-2021

	2014		2015		2016		2017		2018		2019		2020		2021	
	GJ	MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ	MWh
Diesel	9,167	2,546	7,293	2,025	4,521	1,255	4,557	1,266	5,341	1,483	3,193	887	10,743 ^{Note}	2,983	6,839 ^{Note}	1,899
Gasoline	14,839	4,121	15,471	4,296	13,312	3,697	13,371	3,713	11,143	3,095	11,512	3,197	10,691	2,969	5,848	1,624
Natural gas	36,170	10,044	22,606	6,278	22,235	6,175	26,353	7,318	23,533	6,535	19,398	5,387	20,648	5,734	18,091	5,024
Liquefied petroleum gas (LPG)	653	181	527	146	521	145	730	203	369	103	300	83	943	262	114	32
Acetylene	1	0	1	0	2	1	14	4	1	0	2	0	1	0	0	0
Alcohol liquids	1,985	551	2,822	784	4,572	1,270	4,266	1,185	3,798	1,055	1,776	493	0	0	0	0
Total direct energy consumption	62,814	17,443	48,720	13,530	45,163	12,542	49,292	13,688	44,185	12,270	36,181	10,047	43,025	11,948	30,892	8,579
Renewable energy (RE) consumption (including consumption of self-generated RE and green power certificates)	0	0	24,063	6,684	53,011	14,725	55,388	15,385	73,611	20,447	162,228	45,062	205,557	57,098	268,826	74,672
Purchased electricity (non-RE)	1,153,235	320,334	1,081,342	300,364	1,024,877	284,680	1,087,283	302,015	1,210,207	336,159	1,028,250	285,617	1,037,710	288,245	1,066,319	296,191
Purchased steam	15,243	4,233	20,667	5,739	16,157	4,487	15,172	4,213	13,295	3,692	11,868	3,296	12,241	3,399	18,172	5,046
Total indirect energy consumption	1,168,479	324,567	1,126,072	312,788	1,094,045	303,892	1,157,842	321,613	1,297,113	360,298	1,202,346	333,975	1,255,507	348,741	1,353,317	375,909
Total energy consumption (non-RE)	1,231,293	342,011	1,150,730	319,633	1,086,197	301,709	1,151,746	319,916	1,267,688	352,122	1,076,299	298,960	1,092,976	303,592	1,115,383	309,817
Total energy consumption intensity (GJ/ NTD million of revenue)	1,231,293	342,011	1,174,793	326,317	1,139,208	316,434	1,207,134	335,301	1,341,299	372,569	1,238,527	344,022	1,298,532	360,689	1,384,209	384,488

Note : Due to the replacement of equipment in the India Plant, the Indian site must use emergency generator for power supply, so the consumption of diesel oil has increased. In China, due to government power cuts in 2021, diesel generators will be used to supply power to the plant

3.2.4.3 Air Pollution Control

Volatile organic compounds (VOCs) emitted at LITEON come mainly from organic solvents used during production, such as soldering flux and isopropanol vapors. NOx and SOx emissions from generators used for emergency or testing in the plants and from hot water boilers in the living area are considered trace amounts. LITEON manages VOC emissions through management styles, procedure improvement, training, and regular third-party inspection. In addition, LITEON started implementing stronger outdoor air pollution emission controls on site in 2017.

Inspection data from the plants, actual factory conditions and local environmental policies were considered in the design of comprehensive and reasonable emission treatment systems with two levels or more (e.g., precipitators, UV photocatalysis, and activated carbon-based absorption). These systems were built to fulfill a comprehensive purpose including removing VOC pollutants, optimizing control, reducing consumption, and ensuring safety. VOC emissions at LITEON are calculated according to the test data of third-party environmental compliance inspection reports and hours of operation. The total emissions reported from LITEON's main manufacturing bases worldwide were 36.3^{Note} tons in 2021.

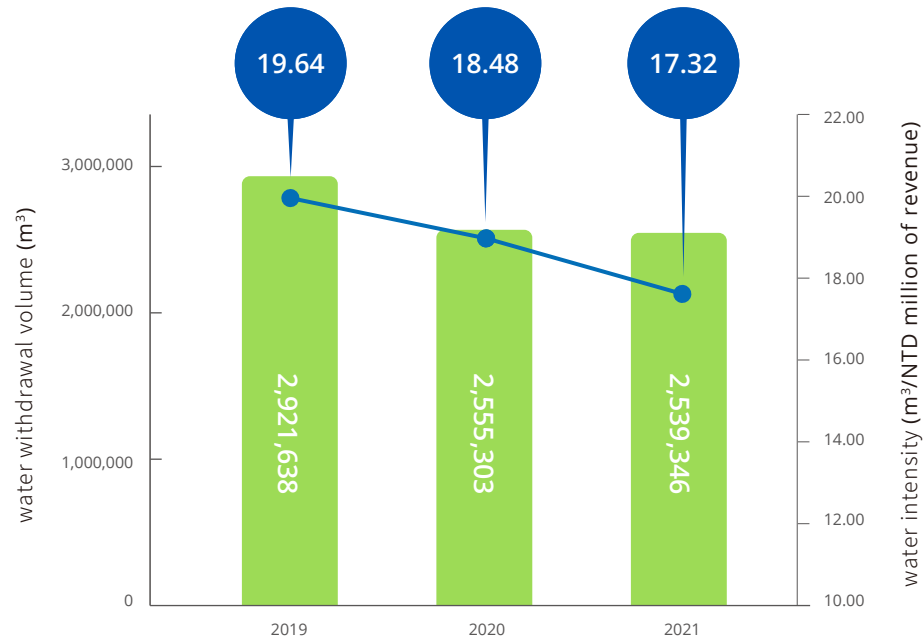
Note: Emission data includes Changzhou, Tianjin, Huizhou, Dongguan, Guangzhou and India in a total of 12 production sites

3.2.4.4 Water Resources Management

Water Resource Conservation

LITEON has established an environmental management system based on ISO 14001 to manage water resources and monitor the data of each plant through a data-based central control system and track water management performance at significant sites around the world. LITEON continues to promote the improvement of water quality and water conservation measures. These measures include replacement and updating of old pipes, spot check of water outlets and routine inspection of water usage and water recycling and reuse. LITEON also strengthens daily management practices such as training. Water resources are mostly used for factory facilities and employees, and relevant measures are concentrated on circulating water including air-conditioning systems and air compressors and domestic water for employees. Total water consumption in 2021 was 2,539,346 m³ (0.62% lower than 2020) and the intensity was 17.32 m³/NTD million of revenue (6.23% lower than 2020).

2019-2021 Annual Water Withdrawal Volume and Density

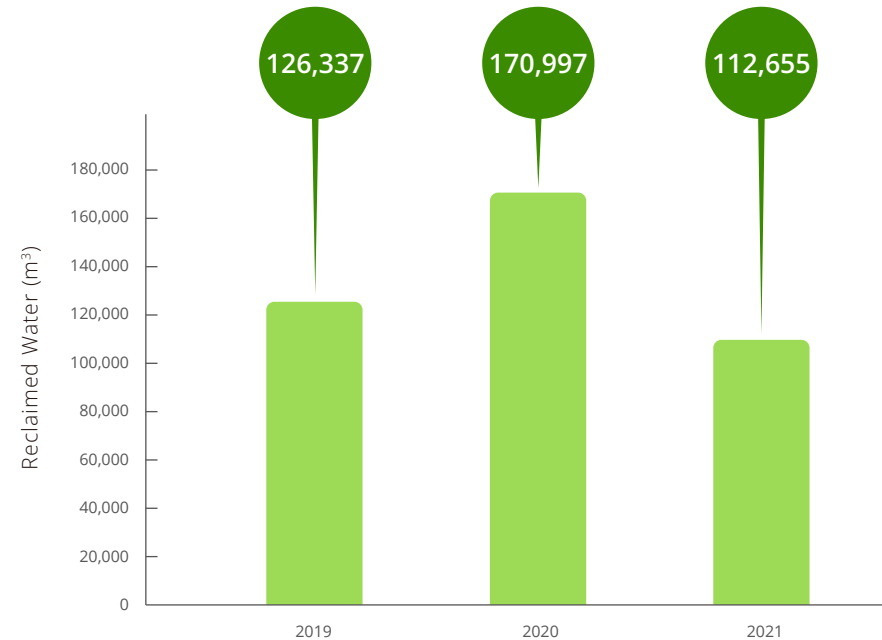


Note: It was difficult to obtain accurate data on water resource consumption from the India plant given incomplete infrastructures. Therefore, consumption data on the India plant were not added here. It is expected that the number of people will be used to estimate the water consumption in 2022.

Wastewater Treatment and Resourcization

Water consumption at LITEON plants was sourced 100% from the local water system (i.e. tap water) and used primarily for employees' daily needs and for plant equipment. All wastewater produced is either properly treated or discharged to sewer areas according to the law and entered into the municipal wastewater treatment program. A small amount of industrial wastewater is treated by the wastewater treatment facilities inside the plants (by methods such as sedimentation or chemical coagulation), and discharged when the treated wastewater meet the local regulatory requirements. The discharge of water has no significant impact on the water body. In order to implement the effective management and resourcization of discharged wastewater, improvement of water management includes measures such as inspecting water-saving appliances, strengthening leakage prevention equipment, improving the recovery rate of process water and reducing the water escape rate of cooling towers. The total water recovered in 2021 was 112,655 m³ (34% lower than 2020).

2019-2021 Annual Amount of Water Recycled



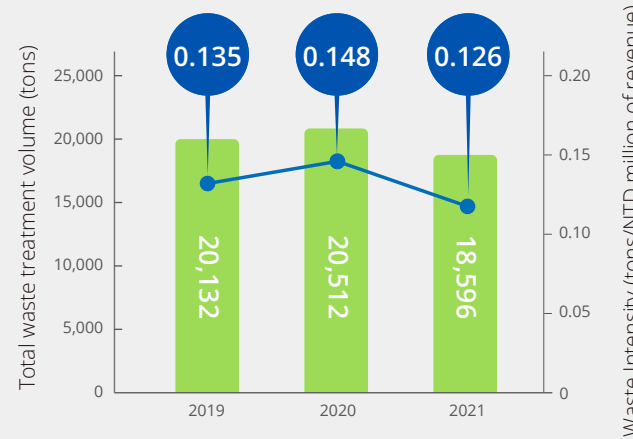
3.2.4.5 Waste Management, Recycling and Reuse

LITEON has followed the ISO 14001 standard to organize a specialized unit that effectively tracks the source and volume of waste with the criteria of maximizing the use of resources and minimizing waste production. It promote green product design and waste management measures, to minimize the production waste increase the life cycle of each raw material, enhance the higher circulation and reuse the waste, to achieve waste reduction targets. LITEON selects qualified waste disposal operators that can effectively handle waste for disposal, and conducts audits on the disposal operators through on-site or form-based methods to confirm that waste disposal operators are properly handling disposal, so as to ensure that the waste produced will not have a significant impact on the surrounding environment.

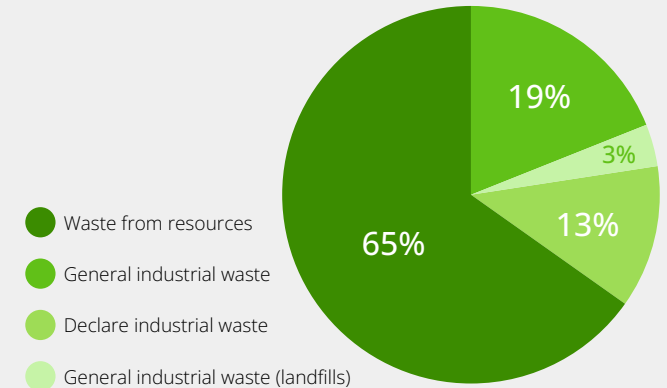
LITEON's waste recycling solutions include reusing or reducing packaging materials, plastics, cardboard and cartons, recycling alcohol and selecting pallet to reduce waste generation. In the selection of pallets, LITEON coordinates with upstream suppliers to use more durable pallets. Using the Guangzhou plant as an example: more durable plastic pallets are used to improve the utilization rate of pallets. For loading, the cartons were changed to plastic cartons to improve the recycling rate. The recycling rate of pallets reached 99.2% and the reusing rate of plastic cartons reached 99.5%. In terms of packaging, by reducing the use of cardboard, LITEON improved the utilization rate of cardboard and reduce the procurement by about 20% a year. In terms of waste disposal, in addition to hiring qualified waste collection and disposal service providers to handle incineration and processing for reuse, LITEON adopts the responsible production philosophy, and conducts regular supplier audits to ensure waste is properly handled.

LITEON defines waste as materials after operation or production that will no longer enter the process stage. The total amount by category is calculated by waste disposal service providers upon exiting the premises. General industrial waste treatment methods include landfill treatment and incineration treatment (with / without energy recovery), and hazardous industrial waste treatment methods include landfill treatment, incineration treatment (including/not including energy recovery), and resource and regenerating. The total waste volume in 2021 was 18,596 tons, a reduction of 1,916 tons (9.34% reduction) compared to the total waste volume in 2020. The waste intensity was 0.126 tons / NTD million of revenue in 2021, down by 14.97% compared to 2020. LITEON will continue to improve waste management and work towards the goal of reducing absolute waste intensity by 10% by 2023 as compared to 2020.

2019-2021 Total Waste Treatment Volume



Waste Volume in 2021



	2019-2021 Total Waste by Category (tons)				2019-2021 Total Waste by Processing Method (tons)				
	General Industrial Waste	Harmful Industrial Waste/scrap	Waste from resources	Total Waste	Landfill	Incineration Treatment ^{Note 3}		Recycling and Reuse	Total Waste
						With Energy Recovery	Without Energy Recovery		
2019	3,825	2,003	12,610	20,132	2019	3,590	236	16,542 ^{Note 2}	20,132
2020	4,648	1,900	14,304	20,512	2020	4,378	270	16,134 ^{Note 2}	20,512
2021	3,679	2,392	12,524	18,596	2021	703	3,041	14,317 ^{Note 4}	18,596

Note :1. The waste at the Dongguan site was treated with incineration
 2. Processed by recycling and reuse = Reported waste (recycling) + Waste from resources (recycling and reuse)
 3. Incineration treatment of general industrial waste was calculated as of 2020; from 2021, the incineration treatment calculation includes the incineration treatment of general industrial waste and declared industrial waste
 4. In 2021, recycle and reuse treatment includes the declaration amount of declared industrial waste treatment and recycling and resource waste

3.2.4.6 Environmental Management Targets and Implementation

Latest Progress on Current Management Targets

Item	Sustainable Development Target	2019 Results	2020 Results	2021 Achievement	
 Carbon Emission and Energy Management target	Carbon emission (Scope 1+2) per NTD million revenue to decrease by 39.3% by 2025 compared to the base year 2014 ^{Note 1}	-23.07%	-21.07%	-25.16%	✓
	Annual power savings decreased by 6% in 2020 compared to the base year 2017 ^{Note 1, 2}	+3.53%	+8.33%	-	
	Annual power savings decrease by 6% in 2023 compared to the base year 2020 ^{Note 2, 4, 5}	-	-	+7.45%	In progress
 Product Energy Efficiency Management Improvement Goals	UV-LED energy efficiency to increase by 60% by 2025 compared to 2018	21.15%	25%	28.85%	In progress
	Energy conversion efficiency for power supply products to increase by 2% by 2023 compared to 2016	1.80 %	4.56%	5.31%	✓
 Waste/Scraps Management Target	Waste to decrease by 6% on an absolute basis by 2020 compared to the base year 2017 ^{Note 1}	-14.35%	-11.44%	-	✓
	Waste to decrease by 10% on an absolute basis by 2023 compared to the base year 2020 ^{Note 3}	-	-	-9.34%	In progress
	Waste to decrease by 3,300 tons on an absolute basis by 2025 compared to the base year 2017 ^{Note 1}	-3,373 tons	-2,688 tons	-4,909 tons	In progress
	Plastics in packaging to decrease by 300 tons by 2025 compared to the base year 2018 ^{Note 1}	31.79 tons	195.8 tons	203.1 tons	In progress
 Water Management Target	Water consumption to decrease by 6% on an absolute basis by 2020 compared to the base year 2017 ^{Note 1, 2, 4}	-2.71%	-0.72%	-	
	Water consumption to decrease by 6% on an absolute basis by 2023 compared to the base year 2020 ^{Note 2, 4, 5}	-	-	-0.62%	In progress

Note :1. The Vietnam plant was added to the data starting in 2020. The data cover a total of 23 bases worldwide

2. LITEON's global power and water resource consumption did not meet the 2020 targets as a result of the addition of the Kaohsiung Operations Center and the India plant, the expansion of the Vietnam plant, and increases in production line, numbers of workers, and revenue

3. Since the absolute waste reduction in 2020 has reached the standard, the absolute waste reduction in 2023 is set at 10%

4. The Solid-State Drive (SSD) Business Unit completed transferring the business in the first half of 2020. For consistency in the calculation, the SSD Business Unit was removed from the 2018-2019 data, which were then recompiled accordingly

5. The target setting year has been reached; thus a new target has been set with 2020 as the base year

Seven Business Models of Circular Economy



3.3 Green Product Design and Management

According to "CSR code of conduct," and bases on life cycle of thinking, LITEON incorporates the 3R principles (reduce, reuse, and recycle) into green product design, and adheres to the promise to reduce, the impact on the environment. LITEON keeps, environment-related substances under effective control, and develops nontoxic, easy to assemble/disassemble, and environmentally friendly products and extend the product life.

3.3.1 Realization of a Circular Economy

In face of continuous consumption of limited resources around the world, the recycling of products and energy resources is imperative, but each cycle must bring economic opportunities to enterprises,

only then can the cycle be truly sustainable. LITEON is committed to building a sustainable value chain and working with suppliers to develop sustainable materials with low carbon emissions, and building an industrial circular economy through innovative R&D technologies.

Carbon Trust in the United Kingdom defines a circular economy that takes into account the manufacturing and service industries in the figure above. With the "design stage" at the core, the "use stage", "manufacturing stage" and "disposal stage" of products are linked together, and finally a closed loop is formed. And based on industry development experience, it has developed seven executable and operable circular economy business models, including Access, Performance, Re-condition, Re-make, Co-product recovery, Circular sourcing, and Resource recovery.

According to this model, LITEON's green design team conducts extensive industry surveying and evaluation, with its goal set at high added value and high carbon reduction potential in materials, extensive inventorying of existing materials, and after locking in specific materials, conducting value engineering analysis and innovative technology R&D. In terms of the value chain, it enhances research on industrial symbiotic resources through supplier surveys and technical cooperation. We take green product design as our core concept, and we ultimately focus on the three major aspects of "co-product recovery", "circular sourcing" and "resource recovery". We cooperate with suppliers to create the basis of an industrial circular economy, and have proposed a number of green solutions, including the development of marine waste sustainable plastics, process resource utilization optimization technology, and the use of a high proportion of post-consumer recycled (PCR) materials in products.

Circular Economy Model

LITEON Circular Economy Technological Development

Co-product Recovery

This refers to cooperating with other companies nearby, from the by-products or waste of the product process or supply chain, exchanging excess energy and resources with each other in the production process, providing raw materials to another product process or supply chain and adding such materials into the process, which will change the position of products in the industrial supply chain. Representative cases include the Linhai Industrial Park in Kaohsiung and the Kalundborg Eco-industrial Park in Denmark.



Circular Sourcing

After the product life is over, raw materials will be extracted from it to replace the original raw materials extracted via natural resources. LITEON has realized this model in the LITEON Sea Hope platform. After recycling marine waste Styrofoam, the company cooperates to carry out modification and successfully apply it to the casing and packaging material of the product.



Resource Recovery

It is the recycling and reuse of resources, the raw materials or products are recycled after the end of product life and used as input in another value chain. It can be roughly divided into the following three cycling modes:

- Closed loop cycling: For example, product scraps are reused in the manufacturing process, especially products and materials containing metal, glass, and plastic
- Upward loop cycling: After the product life is over, it is recycled and reused to produce higher-value products, such as LITEON recycled marine waste Styrofoam into keyboards, mice and other products
- Downward loop cycling: Conversely, recycling after end of product life is used for lower-value products, such as the use of slag waste from the steel industry for road paving



Marine Waste Sustainable Plastics Development

Following the recycling of marine waste Styrofoam (polystyrene, PS) in 2019, and upgrading it with a content of up to 76% Ocean Plastic (OP), we developed rPS-7-76 plastic that passed ISO 14021 traceability certification. In 2021, the company developed the world's first LGS-7505, based on OP PS marine waste Styrofoam to pass the UL2809 OP traceability certification, as well as LGP-8005 and LGC-5005 with better material properties. LITEON will continue to pay attention to the current status of marine waste recycling, such as marine waste fishing nets, Float, PA, PE, PP, PET, and ABS, and use these as base materials to develop customized marine waste sustainable plastics that can be applied to more products, with the aim of reducing the impact on the marine environment and ecology.



R&D and Application of Resource Recycling Technology

LITEON cooperates with suppliers to promote the improvement project of UV LED packaging structure and yield, uses innovative reuse technology to upgrade raw materials and processes, and at the same time improves the hardness of the packaging structure, packaging yield and product energy efficiency, and thus realize a circular economy.



Process Resource Utilization Optimization Technology

Phosphors used in the LED packaging process are obtained by mining natural and precious rare earth ores. In order to improve the utilization rate of this rare resource, LITEON has developed its own process utilization optimization technology, which has successfully improved the utilization rate of phosphors in the traditional process, which reduces the problem of wasted natural resources.



Use of Recycled Pulp Packaging Material (Mode six, Mode seven - Closed loop): The Value Chain Product Packaging

The value chain product packaging cartons are recycled and reused in a non-stop mode, and the replaced cartons are recycled into recycled pulp, which is then made into packaging cartons, and the cycle is repeated continuously. The purpose is to reduce the use of virgin pulp and achieve the carbon reduction effect of packaging materials.




3.3.2 Product Life Cycle Assessment and Improvement

Improving product energy efficiency and reducing environmental impact are the core of LITEON's green product design. Although the products are diversified and use a wide range of materials and different processes, LITEON still uses a rigorous life-cycle assessment as its basis method and conducts a detailed inventory according to the ISO 14040/ISO 14044 international standards. Detailed inventory is taken of the five stages of raw materials, manufacturing, transportation,

use, and disposal; at the same time, according to the IEC 62430 specification, the environmental assessments and 3R improvement design principles are integrated into the product development process. Carbon emission calculation and analysis are carried out with the Taiwanese life-cycle assessment software and database DoltPro Version 2020.0003a developed by the ITRI to quantify the environmental benefits at each stage of the life cycle. The cumulative carbon reduction due to the green product design in 2021 reached 407,783 tons of CO₂e.

Stage in Product Life Cycle and Results in 2021

 <p>Acquisition of Raw Materials</p>	<p>Standards and Guidelines</p> <ul style="list-style-type: none"> IECQ QC 080000 LITEON green product design criterion LITEON Standard of Controlled Hazardous Substance(LS301) LITEON Procedure of Prohibited Substances management LITEON design development management procedure LITEON green procurement guidelines 	<p>Total carbon reduction through optimized design in 2021</p> <p>16,596.79 tons CO₂e</p> <hr/> <p>Total carbon reduction in 2021 through use of sustainable circular material</p> <p>6,606.59 tons CO₂e</p>	<p>Circuit, material, and structural optimization design</p> <ul style="list-style-type: none"> Power products, including server power supplies, laptop power supplies, desktop computer power supplies, and 3C charging bases have been designed through circuit optimization and chip integration to reduce the use of electronic components; at the same time, it reduces product volume and materials, and based on shipments in 2021, it is estimated that carbon reduction reached 14,595.81 tons of CO₂e UV LED products use innovative recycling technology to transform and refine raw materials, resulting in a reduction in the use of virgin materials; based on shipments in 2021, it is estimated that carbon reduction reached 11.83 tons of CO₂e Products such as AI cameras, energy-saving street lights, and automotive camera lenses have been optimized in product structure to reduce the amount of components used. Based on shipments in 2021, it is estimated that carbon reduction reached 1,989.15 tons of CO₂e <p>Sustainable circular plastic use</p> <ul style="list-style-type: none"> 3C power supplies, computer keyboards, mice and casings use up to 95% PCR plastics. Based on 2021 usage, it is estimated that cumulative consumption of virgin plastics was reduced by 1,277.56 tons, and therefore carbon emissions were reduced by 6,548.69 tons CO₂e. In addition, several products helped brand name clients obtain EPEAT labels LED products use phosphor utilization optimization technology in the packaging process, and based on production volume in 2021 it is estimated to reduce the loss of primary phosphors by 2.7 tons and carbon emissions from raw materials by 57.9 tons CO₂e
 <p>Production</p>	<p>Standards and Guidelines</p> <ul style="list-style-type: none"> LITEON green product design criterion 	<p>Total carbon reduction through optimized procedures in 2021</p> <p>8,319.7 tons CO₂e</p>	<p>Continuously improve yield and automation ratio</p> <ul style="list-style-type: none"> UV LED products are designed through vacuum packaging and cavity pressure difference process optimization, and the products have successfully achieved sealed packaging and improved packaging yield. Based on the production volume in 2021, the cumulative carbon reduction in the process is estimated to be 56.7 tons of CO₂e For 3C power supply and LED products, through process automation design and the introduction of AI control in support system, the energy saving of processes in 2021 reached 3530 MWh, water recovery volume reached 22,006 m³, and carbon reduction reached 8,263 tons of CO₂e



Shipping and Distribution

Standards and Guidelines


- LITEON green product design criterion
- Pallet standards (GB/T)
- Container standards (GB/T)
- Packaging standards (GB/T)
- Loading, unloading and handling standards (SJ/T, JT/T, TB)

Total carbon reduction through optimized packaging and logistics in 2021

1,410.8
tons CO₂e

Sustainable packaging design and logistics management system optimization

- Enclosure and energy efficient LED streetlights products have been optimized in packaging design to increase product loading and reduce the use of compartmental cardboard and plastic bags. In 2021, the overall weight of packaging materials was reduced by 201 tons. And the all-in-one reuse carton design from supplier feeding to shipping, installation, and recycling of waste products reduces the amount of wasted packaging materials. The cumulative carbon reduction is estimated to be 393.2 metric tons of CO₂e based on shipments in 2021
- Energy efficient LED streetlights are packaged in cardboard boxes made with 95% or more recycled pulp to reduce the use of virgin pulp. The resulting carbon reduction was 1017.6 tons CO₂e based on the total shipments in 2021
- The MFG Portal system and freight forwarding system of SAP are combined to effectively manage logistics. The integration also improves dispatch efficiency in shipping, and increases 20% to 50% loading on trucks to 90% or higher. It helps reduce energy consumption and carbon emissions during distribution and shipping



Product Use

Standards and Guidelines

- IEC 62430
- ErP
- LITEON green product design criterion

Carbon reduction in 2021

374,433.9
tons CO₂e

Energy efficient products: In 2021, the cumulative energy savings of products reached 739,397.8 MWh, and carbon reduction reached 374,433.9 tons of CO₂e

- Energy conversion efficiency for power supply products increased by 5.3% compared to 2016. The improvement, based on the shipments in 2021, can help users worldwide save close to 706,930MWh in electricity and reduce carbon emissions by 354,879 tons CO₂e per year
- Servers and 3C power supply products use system loop integration optimization technology to reduce the use of electronic components and improve energy conversion efficiency. Based on the estimated production volume in 2021, the cumulative power savings reached 75,586 MWh, while the carbon emissions of electricity consumption were reduced by more than 34,375 metric tons of CO₂e
- UV-LED is optimized by packaging technology and improves light extraction efficiency and energy efficiency. For example, based on shipments in 2021 and the usage scenarios of application-end products, the annual power savings can reach 8,272.29 MWh, and the carbon reduction can reach about 4,153 tons CO₂e
- With the same luminous flux, the use of high performance LED light sources in street lighting products significantly improves energy efficiency, specifically by 21.88%, and the product life is much better than the specification of 70% lumen maintenance at 50,000 hours in the U.S. DLC (Design Lights Consortium). Based on 200,000 units shipped in 2021, the annual energy savings reached 24,177 MWh, while carbon reduction reached 12,137 tons of CO₂e



Disposal & Recycling

Standards and Guidelines

- Waste Electrical and Electronic Equipment Directive (WEEE)
- LITEON green product design criterion

Energy efficient LED streetlight products Recovery ratio

99%
or more

Material reduction, easily disassembled design, reduces the use of non-recyclable materials

- Given LITEON manufactures primarily optoelectronics and key electronic components and some ODM/OEM terminal systems, 95% or more LITEON products have to rely on brand name clients for recycling and reuse. Therefore, LITEON's approach to green design is to make its products easy to disassemble and assemble and made of recycled materials. The goal is to help customers recycle more effectively as customer
- For power supply products, system loop optimization and chip integration design reduce the use of electronic components, thus reducing the electronic waste generated by product disposal. Based on shipments in 2021, cumulative carbon reduction is estimated to have reached 464.9 tons of CO₂e
- For example, LITEON hired BV Laboratories to deliver a WEEE disassembly assessment report. The report showed that LITEON exceeded the requirements under the WEEE Directive, which better than a reuse and recycling rate of 55% or higher (currently 98% or higher) and a recovery rate of 75% or higher (currently at 99% or higher). The achievement significantly reduces waste to be generated from disposed products

3.3.3 Product Environmental Marks and Declaration

Green Mark of Product Certification

Green Mark are labels awarded by governments to products of which the type and specifications are established in compliance with ISO 14024 and which have been certified by a third party to be compliant with or exceed the regulatory requirements for the corresponding product type and specifications. Taiwan's EPA Green Mark, for example, is awarded to quality products ranked in the top 20% to 30% among their peers in terms of environmental performance. Other Green Mark follow similar rules. Given most LITEON products are ODM or OEM products, most type I of environmental protection labels is mainly to assist brand customers to apply. Applications made for LITEON itself are listed as follows.

Mark	Product type and Quantity
 <p>Taiwan Energy Label</p>	<p>5 energy efficient streetlights received Taiwan Energy Label.</p>
 <p>Energy Star</p>	<ul style="list-style-type: none"> A total of three products in the power supply and scanner categories, such as Scanner and EV Charge, have been awarded the Energy Star label In addition, LED packaging arrays or modules have been certified by the US Energy Star Laboratory Certification Service
 <p>Electrical Safety Regulations</p>	<ul style="list-style-type: none"> A total of 20 products in the categories of power supply and scanners have obtained the CCC mark in China A total of 29 products in the categories of power supply, network communications, and projectors have obtained the EU CE mark. A total of 21 products in the power supply category were awarded the Taiwan Commodity Testing and Certification Mark
 <p>Mainland China Environmental Label</p>	<p>Scanners are certified by China Ten-Ring Certification</p>
 <p>US EPEAT</p>	<p>For a total of seven products in the power supply category and the Enclosure category, we helped customers obtain two silver and five bronze grade marks</p>

Product Carbon Footprint Declaration

In order to fulfill its green product responsibility, LITEON provides customers with complete information on the product carbon footprint, and has set it as the baseline for the carbon reduction design of subsequent products, with the aim of developing lower-carbon products. Therefore, for the company's key products, we have proactively completed the product carbon footprint inventory and conducted the inventory and quantification according to Full LCA required by the ISO 14067:2018 standard. In 2021, the Shelf PF-1153 server power supply and PSU PS-2322 product portfolio passed third-party verification, while the desktop computer keyboard SK3822 series was analyzed for LCA before green design; the results are as follows:

Product	Appearance	Carbon Emissions Per Functional Unit
<p>Server Power Supply Shelf PF-1153</p>		<p>3,120.32 kgCO₂e</p>
<p>Server Power Supply PSU PS-2322</p>		<p>1,005.27 kgCO₂e</p>
<p>Desktop Keyboards SK3822 Series</p>		<p>9.52 kgCO₂e</p>

3.3.4 Environment-Related Substances Management

In 2010, LITEON implemented the LITEON LS301 standards by following the IECQ QC 080000 system and taking into account the latest trends in other countries, regulations (IEC 62474 or beyond RoHS, REACH, California Bill 65, Montreal Protocol, and other directives), as well as customer needs. The LS301 standards have 100% control over all products and materials, and from time to time, it will be reconciled and revised with the versions of various business divisions. The total number of restricted substances reached 380 in 2021.

The in-house Green product Management System (GMS) works with the Prohibited Substances management and "design development management" procedures already in place as well as the LS301 standards for hazardous substance management. LITEON also requires that suppliers (including contractors) comply with the LITEON Guidelines for Green Procurement and submit the Supplier Statement of Restricted Substances Compliance for material/part acknowledgment and internal control. Furthermore, LITEON states explicitly in all procurement contracts the strict requirement for materials, parts, or semi-finished goods to comply with or exceed RoHS, REACH, California Proposition 65,

and Montreal Protocol. With the implementation of green supply chain management, we hope to achieve the goal of sourcing environmentally friendly materials, manufacturing and providing to our customers low-toxicity and low-pollution products to minimize any harmful impact they may have on the human body or the environment.

LITEON build the Green product Management System (GMS) to effectively manage and review compliance with the LS301 criterion for raw materials, parts, or semi-finished goods provide by the suppliers. GMS combines material requirements, international laws, international directives, customer policies, and supplier information. Suppliers file product testing and analysis results for the system to determine automatically whether they comply with the rules and directives. LITEON will summarize and analyze the data, and check the degree of compliance with the LS301 standards. Furthermore, GMS not only actively delivers information on green product management at LITEON to customers, but also feeds environmental requirements or provisions for green products, such as ErP, WEEE, and 3R, from customers into the management system to provide a basis for green product design.

LITEON Standard of Controlled Hazardous Substance (LS301)	
116 restricted substances (including 13 items Reporting Substances)	<ul style="list-style-type: none"> ▪ Cadmium hydroxide ▪ Sodium octaborate tetrahydrate ▪ Dibutylbis(2,4-glutarate-0,0)tin ▪ Diisodecyl phthalate ▪ Bisphenol B 4,4'-(1-methylpropylidene)bisphenol
REACH 219 substances of very high concern	EU REACH SVHC 1-219 <ul style="list-style-type: none"> ▪ Orthoboric acid, sodium salt ▪ Glutaral ▪ 2,2-Bis(bromomethyl)-1,3-propanediol (BMP)





LITEON and Employees



- Employee remuneration and benefits of NTD 21.8 billion, 13.2% of total revenue



- LITEON Taiwan launched Employee Stock Ownership Trust in September 2021



- Both Disabling injury frequency rate (FR) and Disabling injury severity rate (SR) were dropped by 25% compared to 2020



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.



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 Well-being the Workforce

2021 Targets	Results	2022 Goals
30 training hours per person on average	23.3 training hours per person on average ^{Note1}	30 training hours per person on average
Hire quality experts to teach 20 in-house courses	20 courses completed	Hire quality experts to teach 20 in-house courses
Monthly average rate of critical position retention at 91% or higher	Critical position retention rate of 93.6% ^{Note2}	Monthly average rate of critical position retention at 93% or higher

Note :1. To accord with COVID 19 pandemic policy, most courses, except for necessary courses, have been adjusted or postponed and some courses have been adjusted from physical to online learning. These changes affected the average training hours per person this year

2. Key positions are those exposed to key manufacturing technologies in plants in 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 highest ranking management of the respective plants. 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

All LITEON's human resource policies have been based on "passionate, motivating, innovative, and growing", and are designed to give employees optimal care in work, life, and health. Treating every employee as a best partner, LITEON wishes to see employees enjoy their work and their goals are aligned to the company's to achieve greater success as well as a rewarding career.



Recruitment

Recruitment at LITEON always complies with local laws and RBA directives. Internal and external audits are performed, and the necessary due diligence reports are provided to stakeholders to ensure the company fulfills its corporate social responsibilities.

Such responsibilities include prohibition of child labor, forced labor, and having minors perform hazardous work. The discrimination free workplace policy is strictly enforced, and equal employment opportunities are given regardless of race, gender, religion, skin color, nationality, age, political affiliation, sexual orientation, pregnancy, mental/physical disability, and social background.



Talent Cultivation

LITEON is committed to training and investing in talent and providing a complete career path and blueprint to help employees realize their full potential and satisfy their needs and goals along their individual career paths. The company is also committed to offering competitive compensation packages while accumulating skilled and experienced human capital for the company.



Protection of Rights

LITEON respects the human rights of its employees. The company strengthens information security management systems and implements effective personal data and privacy protection. It also establishes guidelines and rules and utilizes two-way communication channels to effectively protect the rights of employees. LITEON supports its employees in organizing a union and respects their right to negotiate with the management.



A Healthy Workplace

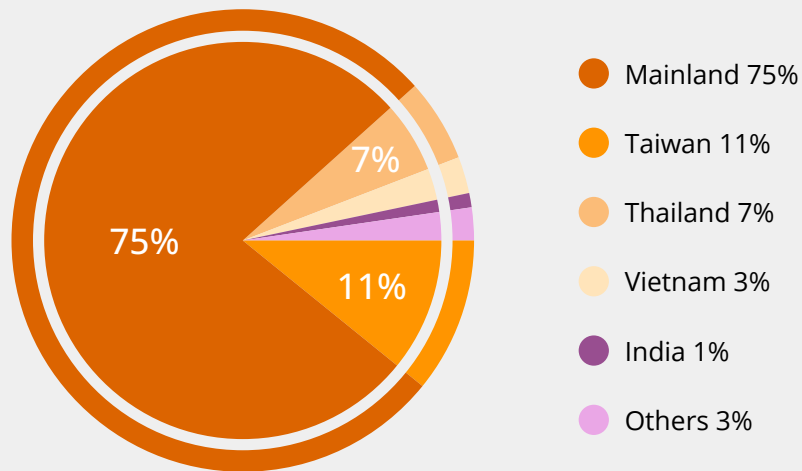
LITEON builds the workplace on a safety culture that puts people first. The company makes an effort to provide and maintain a workplace that pays attention to the mental and physical health of employees. It is constantly pushing for employee care programs that contribute the mental and physical health of employees and reduce health and safety risks in the workplace. Various motivational events are organized to help employees bond and raise work morale so that they may enjoy a balanced, healthy and joyful work life.

4.2 Employee Profile

4.2.1 Employee Structure and Distribution

As at the end of 2021, LITEON had 40,019 employees worldwide; 56.2% of whom were male and 43.8% were female. There were 4,509 employees in Taiwan, while the remaining 35,510 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.

Employee Distribution



	Taiwan	Mainland	Thailand	Vietnam	India	Others	Total
Male	6.9%	44.0%	1.7%	1.5%	0.7%	1.4%	56.2%
Female	4.4%	31.0%	5.7%	1.5%	0.0%	1.3%	43.8%



Employee Composition Contract type

Region	Male			Female			Total
	Full Time	Part Time	Subtotal	Full Time	Part Time	Subtotal	
Taiwan	2,734	10	2,744	1,762	3	1,765	4,509
Mainland China	15,894	1,717	17,611	11,758	648	12,406	30,017
Thailand	671	0	671	2,267	0	2,267	2,938
Vietnam	615	0	615	591	0	591	1,206
India	270	0	270	14	0	14	284
Others	558	5	563	498	4	502	1,065
Worldwide Total	20,742	1,732	22,474	16,890	655	17,545	40,019

Note: Full-time employees are indefinite contract employees; Part-time employees are fixed-term contract employees (including interns and R&D substitute service, etc.)

Dispatch Employment

Region	Dispatched Employees		
	Male	Female	Total
Taiwan	130	191	321
Mainland China	2,913	1,849	4,762
Thailand	0	0	0
Vietnam	0	0	0
India	666	0	666
Others	90	135	225
Worldwide Total	3,799	2,175	5,974

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	Disabled			Foreigner		
	Male	Female	Total	Male	Female	Total
Taiwan ¹	24	16	40	14	57	71
Mainland China ²	126	53	179	0	2	2
Thailand	0	0	0	0	0	0
Vietnam	0	0	0	0	0	0
India	0	0	0	0	0	0
Others	5	4	9	0	1	1
Worldwide Total	155	73	228	14	60	74

Note : 1. The weighted number of people with disabilities in Taiwan is 43, which is less than the quorum of two. The company paid the due amount according to law

2. Local laws in Thailand, Vietnam and India do not have clear regulations on this

Percentage of Local Residents Recruited to Occupy High-Level Management Positions

Region	Gender	Senior level managers and above	Percentage of local residents recruited to occupy high-level management positions	Percentage of local residents recruited to occupy mid-level management positions
Taiwan		3.5%	98.1%	99.2%
Mainland China		0.0%	100.0%	99.7%
Thailand		-	-	100.0%
Vietnam		-	-	-
India		-	-	-
Others		2.1%	100.0%	100.0%

Note: Manufacturing bases in Thailand, Vietnam, and India do not have senior executives due to the nature of their activities

Employee Structure

Gender and Age Distribution by Region

Region	Male					Female				
	≤ 30	31-40	41-50	>50	Total	≤ 30	31-40	41-50	>50	Total
Taiwan	14.1%	19.4%	20.6%	6.8%	60.9%	9.0%	14.1%	12.0%	4.0%	39.1%
Mainland China	34.6%	17.5%	6.0%	0.6%	58.7%	19.0%	14.6%	7.4%	0.3%	41.3%
Thailand	11.8%	6.2%	4.0%	0.8%	22.8%	30.1%	22.3%	19.9%	4.8%	77.2%
Vietnam	40.5%	10.3%	0.2%	0.0%	51.0%	38.2%	9.6%	1.1%	0.1%	49.0%
India	95.1%	0.0%	0.0%	0.0%	95.1%	4.9%	0.0%	0.0%	0.0%	4.9%
Others	18.1%	15.3%	10.2%	9.2%	52.9%	16.3%	14.4%	10.3%	6.1%	47.1%
Worldwide Total	30.8%	16.5%	7.4%	1.5%	56.2%	19.1%	14.9%	8.7%	1.2%	43.8%

Gender and Education Distribution by Region

Region	Male			Female		
	Masters & Above	Bachelor	Others	Masters & Above	Bachelor	Others
Taiwan	29.9%	26.7%	4.3%	7.4%	20.9%	10.8%
Mainland China	0.2%	9.8%	48.6%	0.1%	6.6%	34.6%
Thailand	0.1%	11.8%	10.9%	0.1%	16.3%	60.7%
Vietnam	0.0%	9.8%	41.2%	0.0%	8.8%	40.2%
India	0.0%	77.8%	17.3%	0.0%	4.9%	0.0%
Others	5.6%	38.9%	8.4%	1.6%	27.7%	17.8%
Total	3.7%	13.1%	39.3%	1.0%	9.5%	33.3%

Note: "Other" mainly refers to high school and middle school

Grade Distribution by Gender

Grade and Gender	Year	2019		2020		2021	
		Count	%	Count	%	Count	%
Executive Management	Male	63	94.0%	51	94.4%	42	91.3%
	Female	4	6.0%	3	5.6%	4	8.7%
	Total	67	100.0%	54	100.0%	46	100.0%
Senior Manager	Male	159	85.0%	133	88.1%	127	89.4%
	Female	28	15.0%	18	11.9%	15	10.6%
	Total	187	100.0%	151	100.0%	142	100.0%
Mid-Level Manager	Male	1,901	76.0%	1,699	75.6%	1,647	74.5%
	Female	599	24.0%	547	24.4%	564	25.5%
	Total	2,500	100.0%	2,246	100.0%	2,211	100.0%
General Indirect Labor (IDL) (Note 2)	Male	5,730	61.5%	5,660	59.3%	5,989	59.3%
	Female	3,587	38.5%	3,880	40.7%	4,102	40.7%
	Total	9,317	100.0%	9,540	100.0%	10,091	100.0%
Direct Labor (DL)	Male	13,911	52.3%	12,987	53.3%	14,669	53.3%
	Female	12,694	47.7%	11,368	46.7%	12,860	46.7%
	Total	26,605	100.0%	24,355	100.0%	27,529	100.0%
All Employees	Male	21,764	56.3%	20,530	56.5%	22,474	56.2%
	Female	16,912	43.7%	15,816	43.5%	17,545	43.8%
	Total	38,676	100.0%	36,346	100.0%	40,019	100.0%

Note 1: Executive management are Associate Vice President and above. Senior manager are Director and above. Mid-level manager are manager-level supervisors

Note 2: General Indirect labor are managers and engineers who are indirectly related to production

Note 3: Direct labor (DL) are workers who work directly on the production line

Note 4: For considerations of privacy, the company has never collected personal racial information, so it has not been disclosed

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.

2021 Annual Monthly Average Turnover Rate (including voluntary and involuntary departures) - by Gender and Region

Region	Direct Labor (DL)		Indirect Labor (IDL)					
	Male	%	Female	%	Male	%	Female	%
Taiwan	39	1.9%	60	1.3%	576	2.0%	221	1.7%
Mainland China	50,086	33.9%	21,425	19.3%	1,605	3.0%	936	2.7%
Thailand	156	5.6%	804	4.1%	57	1.5%	43	1.2%
Vietnam	222	3.9%	231	3.6%	16	2.2%	27	2.7%
India	5	0.2%	0	0.0%	1	0.1%	0	0.0%
Others	63	2.9%	170	5.5%	58	1.4%	20	1.0%
Worldwide total	50,571	31.0%	22,690	15.7%	2,313	2.5%	1,247	2.3%

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

4.2.2.1 Employee Turnover Rate

2021 Annual Monthly Average Turnover Rate (including voluntary and involuntary departures) - by Age and Region

Region	Direct Labor (DL)								Indirect Labor (IDL)							
	≤ 30	%	31-40	%	41-50	%	>50	%	≤ 30	%	31-40	%	41-50	%	>50	%
Taiwan	29	1.2%	50	2.0%	18	1.2%	2	0.5%	193	2.7%	282	2.1%	241	1.5%	81	1.5%
Mainland China	53,285	34.4%	13,647	19.3%	4,569	14.6%	10	0.6%	1555	5.1%	870	2.1%	105	0.7%	11	1.0%
Thailand	588	6.7%	308	4.5%	61	1.1%	3	0.3%	59	2.8%	25	1.3%	11	0.5%	5	0.5%
Vietnam	379	3.9%	74	3.4%	0	0.0%	0	0.0%	33	3.1%	10	1.6%	0	0.0%	0	0.0%
India	5	0.2%	0	0.0%	0	0.0%	0	0.0%	1	0.1%	0	0.0%	0	0.0%	0	-
Others	128	5.6%	67	3.7%	35	3.9%	3	1.1%	26	1.7%	28	1.6%	15	1.1%	9	0.6%
Worldwide Total	54,414	30.1%	14,146	16.8%	4,683	11.8%	18	0.5%	1867	4.3%	1,215	2.0%	372	1.1%	106	1.2%

4.2.2.2 Analysis of 2021 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 28 employees applied the childcare long-term leave, and 62% of those who did come back to job in 2021. It shows that LITEON provides a good employee care mechanism, so that employees with childcare needs can balance family and work.

2021 Child-Care Long-Term Leave Status

Items	Male	Female	Total
Number of employees eligible for childcare leave in 2021 (A)	349	187	536
Actual number of applicants in 2021 (B)	6	22	28
Expected number of reinstatements in 2021 (C)	5	16	21
Actual number of reinstatements in 2021 (D)	3	10	13
Actual number of reinstatements in 2020 (E)	0	13	13
Number of people who continued to work for one year or more after reinstated from childcare leave in 2020 (F)	0	6	6
Retention rate after parental leave (F/E)	0%	46%	46%
Reinstatement rate after parental leave (D/C)	60%	63%	62%

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, 2018 and December 31, 2021
 2. The calculation of the number of people includes those who change the period of leave
 3. There is no statutory parental leave requirement in regions outside of Taiwan



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.

2021 Annual Monthly Average New Hire Rate - by Gender

Region	Direct Labor (DL)				Indirect Labor (IDL)			
	Male	%	Female	%	Male	%	Female	%
Taiwan	247	11.9%	420	8.8%	657	2.3%	288	2.2%
Mainland China	49,939	33.8%	21,006	19.0%	1,293	2.4%	817	2.3%
Thailand	255	9.2%	1,156	5.9%	123	3.3%	46	1.3%
Vietnam	458	8.1%	355	5.6%	27	3.6%	38	3.8%
India	127	5.0%	3	6.0%	30	2.5%	1	1.0%
Others	94	4.3%	214	6.9%	86	2.1%	46	2.3%
Worldwide Total	51,120	31.3%	23,154	16.0%	2,216	2.4%	1,236	2.3%

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%

2021 Annual Monthly Average New Hire Rate - by Age

Region	Direct Labor (DL)								Indirect Labor (IDL)							
	≤ 30	%	31-40	%	41-50	%	>50	%	≤ 30	%	31-40	%	41-50	%	>50	%
Taiwan	310	12.5%	233	9.2%	116	7.8%	8	2.1%	404	5.7%	366	2.7%	156	1.0%	19	0.3%
Mainland China	53,560	34.6%	12,854	18.1%	4,528	14.5%	3	0.2%	1,419	4.6%	621	1.5%	68	0.5%	2	0.2%
Thailand	924	10.6%	426	6.2%	61	1.1%	0	0.0%	117	5.5%	38	2.0%	14	0.6%	0	0.0%
Vietnam	709	7.3%	102	4.8%	2	1.2%	0	0.0%	54	5.1%	11	1.7%	0	0.0%	0	0.0%
India	130	5.1%	0	0.0%	0	0.0%	0	0.0%	29	2.4%	2	2.0%	0	0.0%	0	-
Others	198	8.6%	70	3.9%	34	3.8%	6	2.2%	49	3.2%	48	2.8%	26	1.9%	9	0.6%
Worldwide total	55,831	30.9%	13,685	16.3%	4,741	12.0%	17	0.5%	2,072	4.8%	1,086	1.8%	264	0.8%	30	0.3%

4.3 Employee Development and Training

LITEON's Commitment to Learning and Development

LITEON's mission statement states, "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 LITEON.

LITEON's Learning Structure and Roadmap

LITEON's employee training and development programs are guided by the company's vision, strategy, and values. The corporate culture is embedded at the core of a full-developed level- and skill-specific learning structure. It encompasses five dimensions:





LITEON Comprehensive Learning and Development Strategies and Plans

It Focuses on Improving Employees' Professional Skills and Achieving the Company's Mission and Vision

LITEON is committed to optimizing the experience of new hires and allowing employees to gain a deep understanding of the company and its future development. In addition to the mandatory compliance courses, leadership and management training courses are designed according to level to improve employee ability to manage matters, people, and teams. For professional skills, online and on-the-job domain knowledge training is provided on top of general quality competency training. For self-growth, a variety of learning resources are available through LITEON Lectures, O365 workplace skills, and various digital learning resources. Furthermore, there are talent development programs (e.g. NBA Camp (New Brave Adventurer Camp) and pirate team building activities) intended for certain groups. These programs utilize training resources effectively to develop the next generation of leaders for the company. It is hoped that employees can become better trained in both theory and practice and be able to apply their training and improve on an ongoing basis. Hence, employees regardless of level will grow with specific goals in mind and become more efficient as an organization, thereby achieving the company's operational targets and fulfilling LITEON's mission and vision of sustainable development.

LITEON's Learning Structure





Starting from LITEON culture, adjust the definition of management capabilities at all levels and cancel the original requirement to complete mandatory courses before promotion; focus on the requisite key capabilities and design corresponding training courses

Recover and Redefine LITEON's Original Purpose and Establish a Consensus

Executive Workshop

Cultivate "comprehensive" high-level leaders, plan to invite scholars and experts from academia/industry to share and talk, and lead supervisors into winning fields of thought from the theory and practice of invited speakers, inspiring greatness and ideas different from the past, which may serve as a force of change in business units

In addition to leading business units in doing good business, high-level leaders must also be able to understand the functions of each Corp. function department as well as the value it can create for business units. That is why various Corp. functions are invited to each workshop to share, so as to build a truly cooperative internal rapport.

Frequency of workshops: Once every six months. The first workshop was held in October 2021.

Learn Workplace Efficiency from PRO People to Become a Highly-Efficient Worker!

Diagram: ACE Learning Physical Course

To train employees to:

1. Face their duties, use critical thinking, accept any duty, investigate root causes, gain insight into true knowledge, and not blindly following what others say or believe
2. With active, positive actions, execute duties excellently, truly realize and implement matters (plans), in hopes that employees will use what they have learned to become masters of their departments and the "ace of the workplace" !



▲ Executive Workshop



▲ The ACE Course



To realize its vision and strategy, LITEON makes specialized courses on professional training, manufacturing, and quality available to employees. In addition to helping project team members and create a high performance management model. Project sharing: Institute of Smart Manufacturing

Emphasizing Both Theory and Practice, Cultivating Section Chief-Level Smart Talent in the New Plant

Project Sharing-Institute of Smart Manufacturing

This case aims to train smart manufacturing section chief-level talent in the new plant, and targets in-service employees who have been nominated by supervisors or who are willing to implement smart manufacturing projects in the new plant. It is divided into two stages and runs over a period of one year. The first stage lasts for one month. Trainees with different job specialties can fully understand complete aspects of manufacturing in the new plant and the supply chain through physical courses and production line practice of quality management, engineering management, and production management, using a cross-duty grouping method; The second stage, which lasts for 11 months, is practical training in smart manufacturing projects. Practical training is carried out with eight projects in four categories (quality, productivity, advanced manufacturing, and production management); At the end of each month, and also hold a project presentation seminar. After training, employees will continue to optimize the implementation methods, tools, and platforms of smart manufacturing projects during training in their future work.

Grade	Quality Control Project	Production Efficiency Improvement Project
L3	COQP improvements: Cost savings of about 46 million	Production efficiency improvement, cost savings of about 1 million
L2	Pass rate of the first stage of training course = 84%	
L1	Overall satisfaction 93.6%	
Using 2 projects as examples		



Compliance

LITEON is committed to integrity and transparency. We believe in winning the trust of our employees, clients, and shareholders by doing the right thing and achieving sustainable development. An Integrity Management Team has been established, and an Ethical Management Policy, Employee Moral Guidelines and Work Rules have been formulated; there are also channels for professional ethics complaints and reporting. In order to convey the importance of integrity to employees, compliance courses are held regularly every year, so that employees can understand the company's determination to operate with integrity.

"Integrity" is the Principle Which LITEON Follows and the Value in Which it Believes

This year, LITEON cooperated with lecturers from Deloitte to produce a course on "Anti-Corruption and Anti-Bribery Practices and Trends" for the company's executive management, providing information from both the international level and Taiwan on the development of anti-corruption and anti-bribery trends. Improve supervisor awareness of regulations to 100% completion rate for senior management.

In addition, in order to allow employees to more directly connect with situations that may be encountered during practice, this year, the legal department added 2 situational cases to the courses on human rights and the Ethical Management Policy to enhance the sensitivity of employees at work and avoid major violations by mistakenly touching the red line.



Self-Growth

Special topics lectures: Offers a wide range of topics, covering both professional topics and softer topics. Most speakers are university professors or industry scholars/experts. They provide new work or life related knowledge for LITEON employees.

Project: New life of disease prevention, non-stop learning lecture, cultural lecture

A wide variety of learning resources: The program combines external learning resources such as e-newsletters and CommonWealth Leader Academy courses. It provides a rich variety of micro-learning resources for LITEON employees. Online learning resources were accessed 144,552 times in 2021.

LITEON encourages employees to build up soft power by learning a foreign language. The company continued to offer a language incentive program for employees. A total of 184 people applied to participate in the English learning program this year. 104 people (57%) moved one or more level up and received a reimbursement.

"New Life of Disease Prevention, Non-Stop WFH"

WFM Lecture Series

In response to the pandemic, our employees who are WFH or HCM have planned live online classes and supplement stations to provide LITEON employees with the most direct and most needed lectures for work and life, and have re-marketed and re-packaged remote learning resources within the company, aiming to assist employees even if they are WFH and never stopping the learning process.

L1: Overall rating 91

From the Heart, Exploring the World, Bravely Building Dreams

LITEON Culture Lectures

Main theme: Never give up

Invited Hsin-ling Shen, an angel philanthropist, & "queen of wheelchair dancing" Xin-ru He to share their life stories and inspire positive spirits in LITEON employees, encouraging them to never give up.

L1: Satisfaction: 91





Provide targeted training courses for potential talent; help employees develop their potential and grow rapidly through action learning programs; allow them to share and spread what they have learned and exert their influence!

Project sharing: Pirates, NBA Camp

Exert Influence and Shape an Organizational Atmosphere of Mutual Aid, Mutual Benefit, and Altruism

Project Sharing-The Pirates Gathering

There are many things that cannot be achieved by one person alone, but by using the strength of a group of people engaged in mutual encouragement, we are able to make the impossible possible.

Members of the pirate team select potential management-level supervisors from each business unit. With a training focus on making influential leaders, 25 management-level supervisors who are in line with the spirit of the pirate team are selected from the business units. Development plans are implemented through a systematic and diverse training mechanism with the aim of pirate members not only taking lead of themselves, but also exerting their influence on the organization of business units, becoming influential leaders, and bringing positive development of mutual benefit to the organization while creating an organizational atmosphere of mutual aid, mutual benefit, and altruism

Enhance New Hires' Understanding and Recognition of LITEON; Cultivate the Future Seeds of LITEON

Project Sharing-The 1 st NBA CAMP (45 people)

is for new hires joining LITEON who have no work experience; it helps them become familiar with LITEON's corporate culture and understand the attitudes and abilities which the company values; it also allows new hires to integrate into LITEON. At the same time, it helps build up the revolutionary feeling on the same rung of the ladder. LITEON provides three days of NBA Camp training, including understanding corporate culture/creative thinking/communication skills/OGSM/team-building and other courses. The camp expects new hires to exhibit an "ask why and why not" spirit, and cultivates proactive cross-unit collaboration among various departments, whereby it can then demonstrate the creation of a high-agility team in the work field.

L1: Overall satisfaction 95.7%

L2: Work report, 100% completion rate

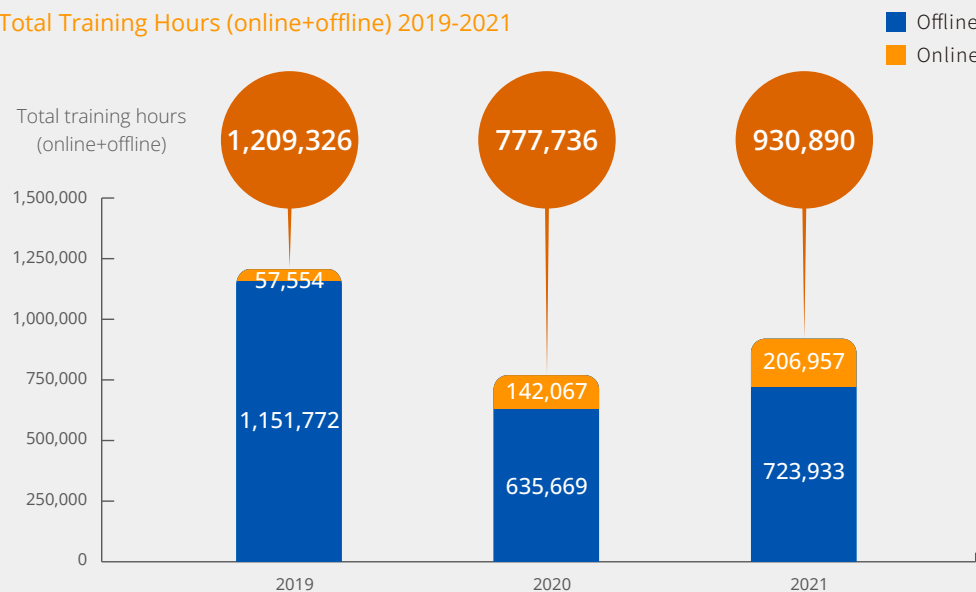


In 2021, LITEON employees completed 40,019 training sessions and a total of 930,890 training hours. On average each person completed 23.3 training hours. (including 1.0 hours of general compliance training and anti-corruption training)

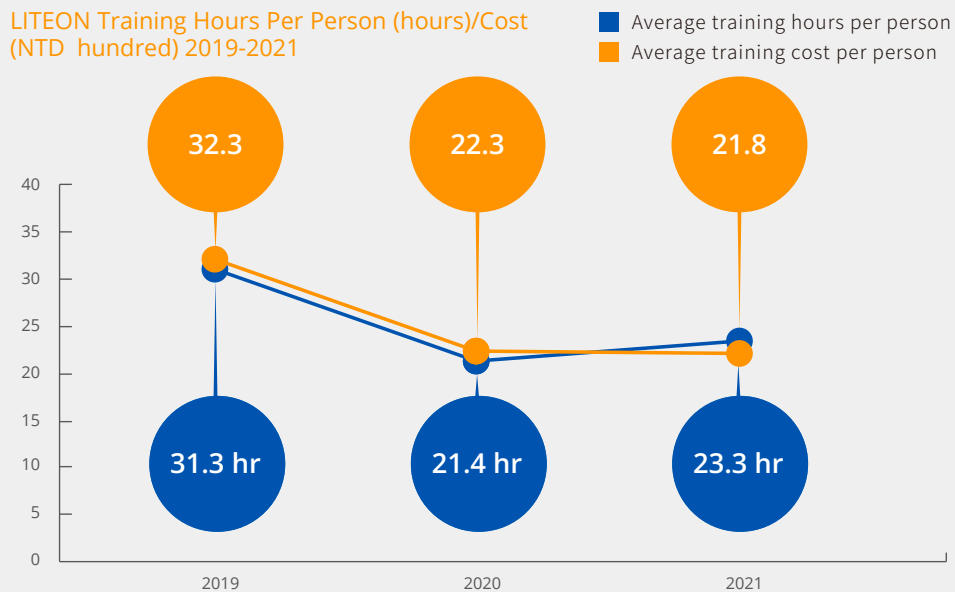
Category	Taiwan			Mainland China			Thailand			Vietnam ¹			India			Other Foreign Countries ¹			Total		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Male	26.0	29.1	19.5	27.7	22.7	26.3	9.5	3.5	2.4	3.9	4.6	3.8	2.3	7.9	1.8	67.3	25.2	48.9	27.7	22.4	24.5
Female	20.2	23.8	17.2	21.6	18.4	22.0	6.5	4.7	3.7	4.8	6.9	3.3	0	6.4	2.3	149.2	107.6	112.4	22.6	18.7	21.1
Indirect labor	Executive Management	8.6	20.5	22.3	8.0	0	2.0	-	-	-	-	-	-	-	-	-	17.7	0	9.4	19.2	20.0
	Senior Manager	11.0	28.2	28.4	17.3	2.8	8.4	-	-	-	-	-	-	-	-	-	3.7	4.5	10.0	23.2	24.3
	Mid-Level Manager	19.1	27.6	15.1	12.6	20.0	19.9	18.5	14.4	9.0	-	-	-	-	-	-	9.6	6.8	17.0	24.5	15.7
	General indirect Labor	20.5	30.5	26.6	16.2	32.5	29.6	26.0	5.3	1.8	4.2	5.7	2.5	2.3	12.2	1.4	16.9	15.3	33.6	17.2	29.4
Direct labor	4.9	5.1	5.6	27.1	17.3	23.2	4.0	4.0	3.8	4.2	5.9	3.7	0	3.4	2.0	240.9	140.7	129.6	27.6	17.1	22.2
External Online and Live Course Hours*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3	0.6	0.3
Average training hours	23.8	27.3	18.6	25.1	20.9	24.6	7.1	4.5	3.4	4.2	5.8	3.6	2.3	7.8	1.8	98.7	57.9	78.8	31.3	21.4	23.3

Note: External online courses are currently not differentiated by region and gender

Total Training Hours (online+offline) 2019-2021



LITEON Training Hours Per Person (hours)/Cost (NTD hundred) 2019-2021



Average training cost per person: Total training cost (including training expenses and the hourly wage cost of employees invested in training)/total number of people

RBA Code of Conduct Courses in 2021

Location	Total Number of Participants	Percentage of the Total	Total Training Hours
Taiwan	3,843	85%	16,929
Mainland China	28,268	94%	124,809
Thailand	1,508	51%	9,324
Vietnam	875	73%	438
India	28	11%	164
Others	122	11%	1,061
Total	34,644	87%	152,725

Note: The courses cover the Responsible Business Alliance (RBA) Code of Conduct, the LITEON 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 1.0 hr/person) in 2021

Location	Total number of participants	percentage of the total	Total training hours
Taiwan	3,522	78%	8,793
Mainland China	28,268	94%	36,101
Thailand	35	1%	455
Vietnam	875	73%	438
India	0	0%	0
Others	91	9%	91
Total	32,791	82%	45,878

Note : 1. PRC training rate>90% | In order to strengthen awareness, starting from 2020, in addition to the Taiwan region, RBA and anti-corruption related courses have been extended to China and are listed as mandatory courses, and employees and units who have not completed the courses are reminded to complete them
2. In addition to the regular courses, this year, a lecturer from Deloitte is specially invited to make a course on "Trends in Anti-Corruption and Anti-Bribery Practices" for senior managers, providing information on anti-corruption and anti-bribery trends in international and Taiwan. 100% completion rate for senior managers

Overall Training Performance

We try to establish the link between training programs and company operation goals through the Kirkpatrick Model and 5 levels of Return Rate (ROI) in order to understand the relationship between the overall effectiveness of training and company operations using systematic information, and thereby evaluate learning outcomes as a whole.

Level	Items	2021	2020	2019	
L5 ROI	Return on training (Net profit /Training cost)	159.5	122.1	75.0	
L4 Result	Average contribution per person (NTD million of revenue/Total headcount)	4.1	4.3	4.6	
	Average contribution per person(NTD million of net profit/Total headcount)	0.35	0.28	0.24	
L3 Behavior	DL Key person retention rate	93.6%	91.2%	87.3%	
	IDL Annual monthly average turnover rate ¹	Male	2.5	2.0%	2.8%
		Female	2.3	1.8%	2.5%
	e-Learning The number of participants	144,552	147,068	90,811	
L2 Learning	Test score	91.1	89.9	92.2	
L1 Reaction	Overall satisfaction	91.6%	90.8%	90.8%	
	Administration satisfaction	91.4%	91.6%	91.4%	

Note: 1. IDL Annual monthly average turnover rate calculation: Monthly average turnover rate = (Monthly average number of departing employee over the year) / (Total sum of month-end employee count from Jan to Dec/12) *100%
2. Satisfaction is the result of an offline survey (4,664 questionnaires returned for 2021)

4.4 Protection of Interests

4.4.1 Protection of Interests of Employment

To ensure protection of employees' interest, LITEON sets up all of the relevant policies in accordance with the regulations and laws:

LITEON designs performance management with the aim to improve performance of individual employees and the organization as a whole. The company has instituted two-way communication and implemented an employee development plan. Performance assessments are fair and reasonable, so that assessment results can provide a basis for promotion, salary increments, remuneration, and employee training. If an employee is not competent to perform his or her work, LITEON will provide counseling or transfer the employee to a suitable position or affiliated enterprise. If the employee still fails to fulfill the terms of the employer-employee relationship, the company will give the appropriate notice* and terminate the employee's contract with severance pay in accordance with relevant laws and regulations. The company will also provide relevant proof and documents required by law in order to facilitate the application for unemployment benefits or professional training grants for the employee and to protect the employee's employment rights.

The minimum notice periods for plants in Taiwan governed by the Labor Standards Act are as follows:

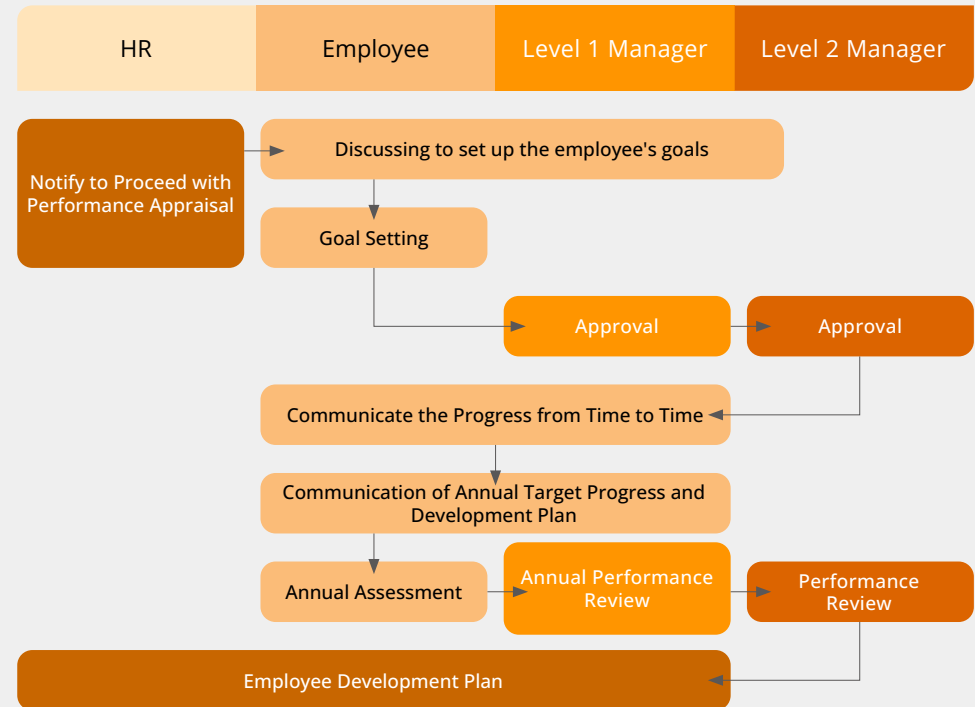
1. Those who have been in employment for three months or more but less than one year should be given a ten-day notice.
2. Those who have been in employment for one year or more but less than three years should be given a twenty-day notice.
3. Those who have been in employment for three years or more should be given a thirty-day notice.

Manager Performance Review

To strengthen corporate governance, the Remuneration Committee passed a resolution, which had been approved by the board of directors in July 2020, to revise the performance indicators for managers as follows:

	Indicator	Description
Performance Indicator (90%)	Follow the company's business policies and sales targets and develop performance indicators to reflect the responsibilities of the position	
	Financial (80%)	Contribution to net profit before tax/Annual growth/Budget execution/Annual revenue growth, net operating profit budget execution, etc.
	Corp Sustainability (10%)	Total quality management, internal control, training and succession, risk management and information security, customer satisfaction, employee satisfaction, and carbon reduction, etc.
Core Competencies (10%)	The scope covers execution, honesty and integrity, customer service, and innovation and improvement	
	Performance of core competencies is assessed by quantity and persistence of expected behavior indicators displayed by the person being assessed during the period.	

LITEON's Performance Appraisal Cycle for Indirect Labor (excluding new hired employee)



Performance Review of Direct Labor:

There is a direct link between performance of direct labor and the company's production performance. Therefore, for those in direct labor, the plants follow a monthly bonus system based on product characteristics. Employees are rewarded according to performance. Employees' overall performance will be scored in the annual performance review at the end of each year.

New Hire Review:

When a new employee reaches the end of his/her trial period, the manager should conduct an interview and assessment regarding the employee's performance during the trial period. For those who fail to pass the review, the company may terminate the employment contract as permitted by law or, by mutual consent, extend the trial period. The extension should not exceed the original trial period.



4.4.2 Salary Assurance

LITEON, regardless of where it operates, offers competitive compensation packages and conducts salary surveys each year to align salary levels with the current market and with the various economic indicators used in the analysis. As a means of attracting top talents, LITEON offers some of the best starting salary packages for new hires.

Remuneration for directors is governed by Article 20-1 and Article 23 of the Articles of Incorporation and shall not exceed 1.5% of the current year profit. A reasonable amount based on the company's business performance and the contribution of individual directors to the business results should be made the current year remuneration for directors.

The remuneration policy for managers follows the LITEON Guidelines for Appointment and Dismissal of Managers and Remuneration. Remuneration is based on the average level of pay offered by competition for the same position, the authority and responsibility of the position, and the contribution to the company's business targets.

Regular employee remuneration is determined according to the Remuneration Management Guidelines by education, knowledge and skills, seniority, and individual performance. In no way does gender play a part in these decisions. New employees are not given different starting salaries on the basis of their race, religion, political views, gender, marital status, or union association. LITEON regularly has third-party consulting firms perform remuneration reviews in order to understand current market standards and trends. LITEON devises the remuneration policy based on the following rules:

- LITEON is aware of and complies with relevant local laws and regulations, strives to establish harmonious employer-employee relations within the scope of the law, and thereby promotes sustainable management
- In order to maintain competitiveness in the employment market, pay is set and adjusted in reflection of manpower supply and demand and the profitability of product lines
- In order to incentivize employees, the company strives to pay appropriate salaries reflecting the market value of professional functions, the contributions of employee, and the results of the performance management system
- Starting salaries offered to direct labor not only have to comply with local regulations, but are also competitive when compared to industry peers. Currently, LITEON's starting salary for direct labor is approximately 1.04 times the minimum wage in Taiwan, 1.29 times in Mainland China(Note), 1.36 times in Thailand, 1.13 times in Vietnam, and 1.18 times in India. (Note: The average starting salary of each plant in mainland China/the statutory minimum basic salary in each region)

Employee Stock Ownership Trust plan

LITEON's Taiwan region plant launched its "employee stock ownership trust" in September 2021, and has invited employees to become LITEON shareholders; Taiwanese employees can choose to participate according to their personal intention. A fixed amount is allocated from the monthly salary of participants, and the Company will allocate a corresponding reward and deposit it into a special trust account. The trust allows employees the opportunity to share the operational results of the Company over the long term, accumulate wealth, and create a mutually beneficial partnership.

The Gender Pay Gaps by Pay Grade:

Grade	2021				2020			
	Annual salary		Monthly base salary		Annual salary		Monthly base salary	
	Male	Female	Male	Female	Male	Female	Male	Female
Director and above	1	1.13	1	0.99	1	1.22	1	1.00
Managers	1	0.85	1	0.87	1	0.85	1	0.88
General Indirect Labor	1	0.85	1	0.93	1	0.88	1	0.94
Direct Labor	1	0.99	1	0.98	1	0.92	1	0.97

Item	Gender Pay Gap (2021)	Gender Pay Gap (2020)
Median of Monthly Base Salary (hourly)	8%	2%
Average of Monthly Base Salary (hourly)	6%	5%
Median of Bonuses/ Allowances for the Year	8%	6%
Average of Bonuses/ Allowances for the Year	7%	6%

Note : 1. The definition of annual salary includes base salary and all allowances and bonuses in the year (same applies to all table below)
 2. Monthly base salary is defined as Calculated based on December 2021 salary and converted using the average exchange rate for each month of the year
 3. Statistics are based on 2021/12/31 in-service personnel (excluding part-time personnel), excluding salaries of employees in other regions (due to limitations of local regulations)
 4. The proportion of men/women differs from each other by nature of duty, field, and seniority, and therefore remuneration of men is slightly higher than of women

Average and Median of Annual Salaries for Full-Time Employees Not in a Management Position:

Taiwan	2021 (NTD thousand)	2020 (NTD thousand)	2019 (NTD thousand)	Growth
Median	1,154	1,169	1,067	9.6%
Average	1,434	1,376	1,305	5.4%

Global	2021 (NTD)	2020 (NTD)	2019 (NTD)	Growth
Median	277,702	257,871	228,692	7.6%
Average	321,771	344,467	305,541	-6.6%

Note: Exchange rate: based on the average of monthly exchange rates in the year

Number of Full-Time Non-Managerial Employees and Average Benefit (including salary) Expense:

Year	2021	2020	2019	Growth
Number of Employees	35,245	31,115	36,588	13.3%
Average Benefit Expense (NTD)	381,250	466,611	427,944	-18.3%

All LITEON plants around the world comply with local regulations regarding protection of employee rights. The Taiwan plant, for example, enrolls all employees in the Labor Insurance and National Health Insurance schemes on their on-board date, and makes contributions to the pension funds as required by law. In addition to mandatory coverage, the company provides group insurance policies that offer better medical protection and coverage: life, accidental death, hospitalization, cancer, and emergency medical treatment. Employees may choose to include their spouse/children/parents in the coverage at additional cost. Furthermore, the company offers even broader group insurance coverage for out-stationed employees, giving them the peace of mind when working overseas. Compensation for overseas employees has been set at reasonable and competitive levels depending on local market conditions. Meanwhile, long-term and short-term bonuses are also offered as added incentives according to local regulations and industry practices. Overseas employees are covered by social insurance schemes as required by local regulations.

Top Manager and Median Salary:

Region	Ratio of Top Manager to Median Salary	Ratio of Top Manager Salary Increase to Median Salary Increase
Taiwan	7,810%	0%
Mainland China	27,006%	0%
Thailand	35,037%	0%
Vietnam	50,500%	0%
India	27,311%	0%
Global	26,614%	0%

Note: 1. The ratio of annual salary for top manager to annual average salary for other employees is 18,928%
2. Top manager salary is based on the company's business performance and calculated on an annual basis

4.4.3 Pension Scheme

LITEON makes contributions to employees' pension funds according to local regulations, regardless of where it operates in the world. Today, 100% of its employees have joined a pension plan. In Taiwan, the pension policy complies with the Labor Standards Act where contributions are made regularly to employees' pension accounts; Employees in Mainland China are insured according to local regulations and the company makes full contributions to the pension plans in order to secure a comfortable lifestyle for retired employees. For employees in Thailand, companies establish pension policies and make employees' pension contributions in compliance with local regulations. The human resource department regularly reviews the list of soon-to-be-retiring employees, and will inquire about their plans for retirement and help them make career plans.

In Taiwan, employees' pension schemes are governed either by the Labor Standards Act (the old scheme) or the Labor Pension Act (the new scheme) of the Republic of Mainland China. Employees who came on-board on or before June 30, 2005, are entitled to carry forward their years of service from the old scheme to the new scheme. Under the old scheme, the company contributes 2% of employees' monthly salaries into a pension account held with the Central Trust of Mainland China. This reserve has accumulated to NTD950 million to date, and is fully funded to provide for employees' retirement needs.

Under the new scheme, the company contributes 6% of employees' monthly salaries into their personal pension accounts. In addition to the monthly 6% contributions made by the employer, employees may also choose to contribute another 0%-6% of their salaries into their pension accounts.

4.4.4 Violation of Labor Standards Act

Note: [Article 30, Paragraph 6 of the Labor Standards Act]

LITEON was fined by the Department of Labor for not having a record of commuting to and from work. In this regard, LITEON has explained to the Department of Labor that the office staff adopts the self-management model between supervisors and employees and respects each other.

LITEON has always strictly followed the laws and regulations. Considering that the company's business bases in Taiwan are divided into North, Central and South, personnel exchanges are frequent; overseas bases are also all over the world.

In order to facilitate the development of global business, the company agrees that supervisors and employees can adjust the appropriate attendance time according to business needs. Therefore, it is still unable to meet the legal requirements at this stage, but the company is looking for feasible ways to meet the legal requirements in the future.



4.5 Employee Relations

To facilitate cordial employee relations, LITEON has various communication channels in place to maintain two-way open communication so the company may listen and respond to employee feedback. In addition to regular communication channels, department meetings are held routinely, and work in coordination with the employee grievance channel and satisfaction surveys to create a fully developed communication platform. The platform enables open communication between the company and employees and ensures transparency and timeliness. Employee feedback and suggestions give the company a basis for progress and improvement. The system serves to protect employees' legal rights.

Note 1: Union activities

Union representatives are elected by employees, and represent the employees in regular engagement with the management. Meanwhile, the unions gather information, call regular meetings, discuss counter measures, and organize union events, such as group travel and employee care programs. The unions also work to protect the rights of employees and maintain a stable employer-employee relationship.

Note 2: Sexual harassment prevention in workplace

LITEON prohibits all forms of sexual harassment and discrimination within the workplace. The company has established related guidelines and policies, such as the Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment and the Employee Moral Guidelines. LITEON has also setup e-mail mailboxes and hotlines. There are strict confidentiality rules in place to protect the complainant's identity. 2 sexual harassment complaints were received in Taiwan in 2021, and both cases were concluded. There were no sexual harassment complaints in overseas offices.

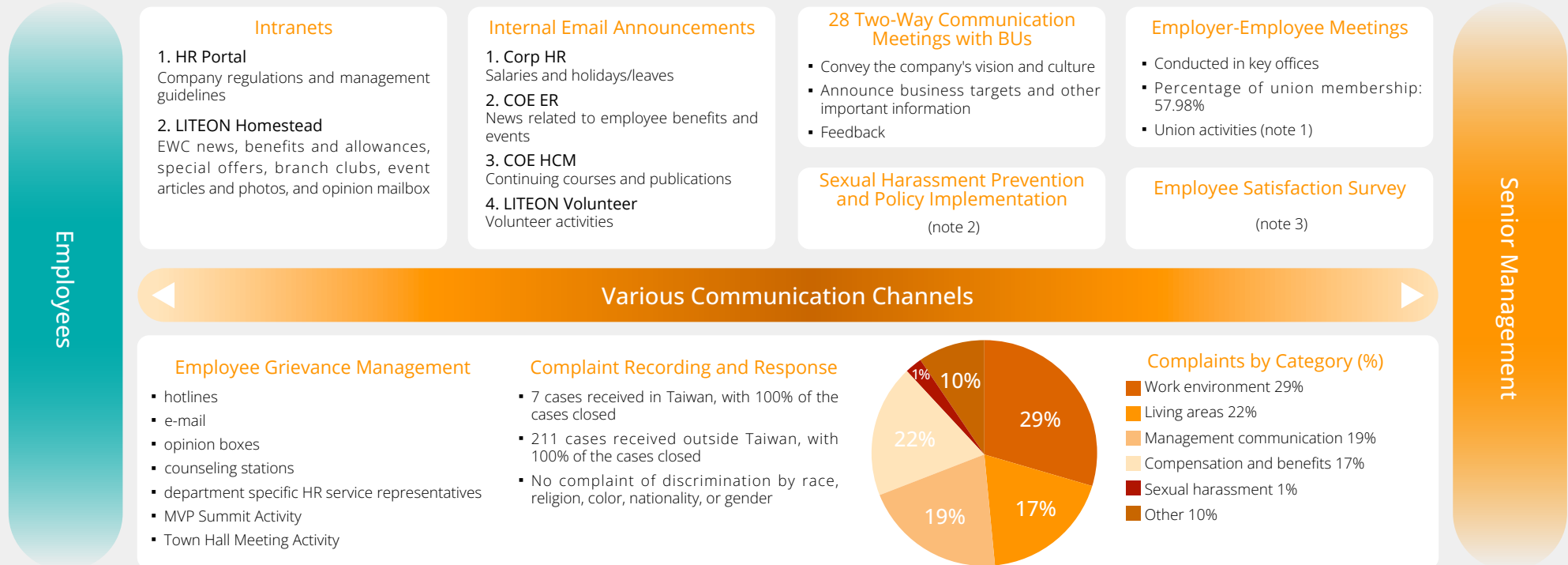
Furthermore, to ensure all employees have a good understanding of sexual harassment in the workplace and know their rights and how to respond and seek help, the internal training platform, the Learning Center, provides a scenario-based online course, "Say No to Sexual Harassment and Create a Better Workplace" for all employees. In addition, all new hires are required to complete the course.

Note 3: Employee satisfaction survey

In order to have a more comprehensive understanding of the current situation of employees, LITEON expects to adjust the content of the survey and conduct the survey every two years. The next survey will thus be conducted in 2022.

However, in 2021, LITEON added online/physical company-wide two-way communication meetings held regularly, every six months. Meetings are presided over by the chairman and president, and all employees from all over the world attend the meetings. In addition to publicly explaining the company's operational goals and results, it also listened to employees' voices and obtained feedback, suggestions, and opinions from employees through questionnaires issued after the meeting. In addition, after handling various activities, we use the activity experience questionnaire to understand the thoughts and opinions of employees on the activities, and adjust the activity content and service quality according to their feedback.

Communication Channels



4.6 LOHAS LITEON

Employees are LITEON's best partners on the path to sustainability. LITEON continues to build a comprehensive employee welfare system that takes care of the physical and mental health of employees. LITEON also strengthens occupational health and safety management at the plants in order to create a "passionate, motivating, innovative, and growing" environment and give employees an enjoyable work experience at LITEON. All benefits provided by LITEON around the world comply with or are better than the requirements of local regulations. Certain benefits are modified to suit individual plants.

4.6.1 Diverse Welfare Systems

Employee Care and Benefits

Recognition for senior/outstanding employees	Employee Assistance Programs (limited to Taiwan, China, Vietnam, and Mexico)
Group insurance	Marriage allowances (limited to Taiwan, China, and Vietnam)
Care and relief for employees	Birth subsidies (limited to Taiwan and China)
Employee funeral relief	Continuing education subsidies (limited to Taiwan and China)
Employee hospitalization relief	Education allowance for employees' children (limited to Taiwan)
Holiday benefits (New Year/Dragon Boat Festival/Mid-autumn/Labor Day/birthday gifts)	Personal travel allowance (limited to Taiwan)
Employee group trips	Statutory employee benefits

Employee Benefits

The company will provide employee support in matters such as occupational injury, traffic accident, and critical illness. The company will assist employees in filing group insurance claims or applying for hospitalization relief.

Taiwan plants provide an emergency allowance between NTD30,000 to NTD100,000 for employees in need.

The Company Also Introduces External Resources to Provide Employee Assistance Programs as Follows:

Employee Assistance Programs (EAPs)

To help employees revolve everyday problems, LITEON in Taiwan operates a 24-hour toll-free hotline that provides free, professional, and highly confidential counseling service on psychological, management, legal, health, and financial topics.

EAP Utilization in 2021

Status	Employee Satisfaction
<ul style="list-style-type: none"> 76 people sought advice 18 people sought free advice via land line 58 people sought professional advice 	97 (The professional consulting satisfaction survey had a 100% response rate)



In addition to the above employee care measures, we also organize or subsidize the following internal activities:

Employee clubs and recreational activities



A Wide Range of Clubs and Activities

- To help employees expand their social circles and develop hobbies, LITEON encourages its employees to form different clubs, and provides funding and assistance in support of the clubs to attract participation
- 50 clubs were formed in Taiwan in 2021



Fostering a Sporting Culture

- From 2016 - 2023, it continued to be recognized by the iSports Taiwan certification of the Sports Administration



Organization of Large Events

- Suspended large events in the Taiwan region in the interest of employee health in 2021 in response to the pandemic
- Created a FB fan page and organized various themed live broadcast events in response to the pandemic, in which employees, relatives, and friends were invited to participate
- Other regional activities in Taiwan and abroad, such as various hiking and walking, outings to the suburbs, sports competitions, singing competitions, festival activities (Chinese New Year calligraphy, Songkran in Thailand, Diwali in India, Christmas, Day of the Dead in Mexico), etc



Events in Taiwan

▼ Spring Festival creative decoration calligraphy activity

▼ Dragon Boat Festival pop-up egg-balancing for good luck

▼ Mid-autumn pop-up pomelo tree

▼ Holiday sharing fun: The "Prince of Taiwanese Cuisine" Arron Huang - Delicious Food in Ten Minutes



▼ Holiday sharing fun: Astrologer Angus-Q4 Astrology Analysis



▼ Holiday sharing fun: Chiropractic expert Yun-long Zheng - Fun methods for relieving spinal stress

假日分享趣
脊樂抒壓之道

直播時間: 10/23(六)19:00-20:30

您是否常常感覺腰酸背痛難受到無法自己呢? 您知道如何判斷是否可能因為姿勢錯誤造成身體負擔嗎? 如何調整您與家人、朋友一起了解有種的有趣而輕鬆、由脊樂達人 鄭雲龍 老師為您揭露常見的姿勢與手部調整的方法吧!

點我報名

光復車廠聯合組工福利委員會 黃HR員工鄭雲龍 敬啟
協助活動有任何疑問請洽HR Yunglin Liang(T100-3322)



▼ Holiday sharing fun: Nutrition and fitness expert Peeta Gege - Returning you to your good and healthy body

假日分享趣
帶您找回健康好體態

直播時間: 11/20(六)19:00-20:30

您是否經常感到有氣、無神、嗜睡、腰酸背痛呢? 您知道健康體態不單是數據數據嗎? 營養飲食也十分重要嗎? 不論您是否愛運動, Peeta 葛格將把維持健康體態的秘訣傳授給您, 讓您與家人、朋友一起了解如何吃得健康動得健康囉~ 由營養健身達人 Peeta 葛格, 帶您找回健康的好體態吧!

參與本文活動就有機會抽獎, 獲得Peeta 葛格專書

營養健身達人 Peeta 葛格

光復車廠聯合組工福利委員會 黃HR員工Peeta 葛格 敬啟
協助活動有任何疑問請洽HR Yunglin Liang(T100-3322)



▼ Brown Bag Lunch: A Cup of Coffee Tells a Story

Brown Bag Lunch

實創光實人實操談話節目
聚焦生活/美食/旅遊/公益
用輕鬆的方式討論
用無私的方式分享
只有共享 沒有距離

【一杯咖啡成就一個故事】

活動時間: 10/8(五)12:00(FB直播)

本次邀請IPS SBU Dior來分享
從愛好咖啡的消費者一路學家專業咖啡
現在成為國際精品咖啡協會的考官與社大咖啡課講師的光實員工
除了分享咖啡經驗外, 也會現場傳授沖煮小撇步
歡迎有興趣的夥伴準時上線收看囉!

有興趣分享的同仁, 歡迎報名, 聯絡人HR Elsa Chou (7100-3187)

LITEON Life 粉絲團

▼ Brown Bag Lunch: Food Attack from around the Xinzhuang Plant

Brown Bag Lunch

【新莊廠周邊美食大進擊】

活動時間: 10/22(五)12:00(FB直播)

今天午餐吃什麼呢?

本次邀請 IPS SBU Leona
美食不藏私, 口味名單大公開
不要錯過新莊美食沙龍
特別精選Ubike 10分鐘內路程
讓您輕鬆吃進高美食大攻囉

另外我們也提供外場平台參考指南, 讓您不用外出也能吃到好味道
喜歡美食的你千萬不可錯過, 歡迎有興趣的夥伴, 準時線上收看~

活動相關問題請洽HR Elsa Chou (7100-3187)

LITEON Life 粉絲團

▼ Brown Bag Lunch: Food Attack from around the Xinzhuang Plant

Brown Bag Lunch

【感恩公益季, 同仁一起來響應】

活動時間: 12/10(五)12:00(FB直播)

在感恩的季節裡, 我們即將辦理一系列傳愛行動, 邀您一起做公益
本次邀請到光實文教基金會Cathy與ESG辦公室主管Peter以及員工關係代表Yunglin
與我們談談各項公益活動的切實與影響, 還有大家記得嗎?
2020年的「舊鞋救命傳愛行動」, 2021年我們要持續傳愛
一雙舊鞋, 救命超乎您的想像, 還給非洲孩子自由奔跑的機會
讓這漫長的二手鞋成為最珍貴的祝福
歡迎您準時上線收看

Cathy Peter Yunglin

活動相關問題請洽HR Able Chen(7100-3429)

LITEON Life 粉絲團

Overseas Events

▼ One-day trip to Zhuhai for employees of the Guangzhou Plant



▼ Autumn travel event at the Guangzhou Plant



▼ Tug of War Competition at the Guangzhou Plant



▼ Beihai Plant tug of war



▼ Fun games at the Tianjin Plant



▼ Chang'an Plant basketball competition



▼ Mexico Plant Day of the Dead event



▼ Chang'an Plant employee day trip to Dongguan



▼ Chang'an Factory Dragon Boat Festival rice dumpling wrapping competition



▼ Jordan Plant football exchange tournament



4.6.2 Occupational Health and Safety

LITEON establishes the rights and obligations regarding occupational health, safety, and hygiene in employee contracts and health and safety guidelines. For 2021, LITEON also set two 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 regards occupational safety and health management as a priority, in order to provide employees, customers, communities and business partners and other stakeholders with safe, comfortable, low environmental impact, and efficient operation services. It regards occupational safety and health management as a differentiated competitive advantage and internalizes it in the organizational operation management system.

LITEON has set up the Global Operational Performance Management Department, which is responsible for formulating strategic operational goals and preventing negative impacts of operations, including environmental impacts and occupational safety and health risks.

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 health and safety management committees. The company also put occupational safety and health officers in place who manage according to international standards, such as ISO 45001 or its equivalent, which covers all employees. It is hoped that, by using the management cycle, various work plans can be implemented to achieve continuous improvement and the occurrence of occupational disasters can be reduced.

At present, production bases which have been verified include those in Taiwan (Zhonghe Plant, Longtan Plant, Dayuan Plant, Kaohsiung Operations Center), China (Tianjin, Changzhou, Chang'an, Guangzhou, Huizhou, and other plants), as well as Thailand and Vietnam. Due to the epidemic and operational adjustments, some plants have not yet been verified in 2021, and are currently being planned in succession.

Occupational safety and health management have become an important part of LITEON's values, namely "customer satisfaction," "execution," "innovation," and "integrity." The company pays particular attention.

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"

In order to ensure the safety and health of other workers and contractors who are not employed workers, LITEON provides necessary safety and health education and training and medical assistance, and all workers can use shared facilities. Professional and high-risk operations are entrusted to professional vendors to undertake the contracted operations, and they are required to comply with the relevant occupational safety and health regulations in each region and the safety and health management measures implemented by LITEON.

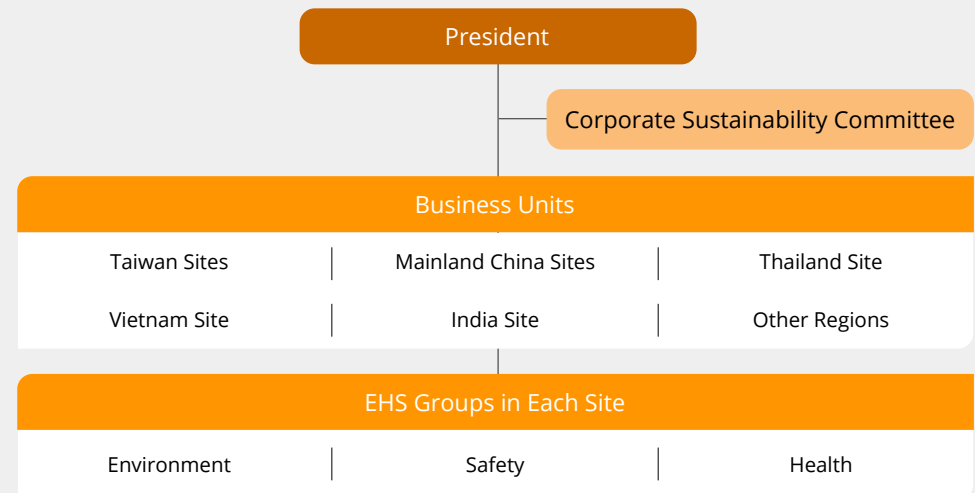
Hazard identification, risk assessment and incident investigation

LITEON prioritizes the safety and health of workers at work, 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 2021.

LITEON's Occupational Safety and Health Organization



Create Precise Health Promotion Plans

LITEON provides pre-employment checkups for new hires as well as regular physical examinations for active employees. LITEON has installed dedicated staff in each plant to ensure necessary measures are taken in case of emergency:

1. Taiwan plants: Designated nurses or contracted nurses, and designated emergency personnel according to the number of employees of each plant. 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.
2. China plants: First-aid personnel approved by the Red Cross Society are stationed according to laws and regulations, and doctors and nurses are assigned according to the requirements of customers. A plant where there are no doctors and nurses must be close to a 3-A hospital. If necessary, the hospital will assist in emergency operations.
3. India Plants: Doctors, nurses, and first aid staff are stationed in the premises.
4. Thailand Plants: 24-hour rotating nurses are stationed, doctors serve at the plant two times each week.
5. Vietnam Plant: Nurses and first aid staff are stationed in the premises.

2021 Taiwan Plant Health Consultation

144 times

408 people participated

14 online consultations



Employee Health Examinations

- Regular employee health examinations in foreign locations are held according to local laws and regulations. The Taiwan Plant health examination is superior to that required by the regulations and is implemented once a year. The health examination fee for new recruits is fully covered by LITEON
- 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. In addition to follow-up by telephone, the nurses in each plant also provide employee consultation and assistance in conjunction with the resident doctor
- For employees in special positions (such as work with high levels of noise or ionizing radiation), additional examination items are added according to the possible hazards characteristic of their work, including ear canal and hearing examinations, cognitive and psychiatric examinations, thyroid function examinations, and urinary system, joint, and muscular system, examinations



Health Centers in Taiwan Plants

- Equipped with first aid kits and equipment
- Breastfeeding facilities
- On-site nurses
- Monthly health advisory services provided by trained doctors
- Online consultation services for doctors were also provided during the Nationwide Level 3 epidemic alert

Health Promoting Activities Taiwan plants

Weight training equipment and other exercise equipment Instructions from professional trainers and regular exercise courses (e.g. aero-boxing and Pilates)
"LITEON calisthenics" is played every morning and afternoon to let employees get up and move their bodies

China plants

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

Other overseas plants

There are facilities for employees to have adequate rest and entertainment.

Health promotion measures, such as those for COVID-19 epidemic awareness and prevention, diseases (such as cardiovascular diseases and diabetes) prevention and awareness and other health precautions, etc. In addition, Taiwan and overseas plants have dedicated units of professional staff who may be consulted if employees have health concerns.

In 2021, the plant in Thailand will conduct a "Healthy Meal Course" each quarter, for which it invites local health units to send staff to the plant to deliver lectures.



Positive Health Working Environment

Health is the foundation of life. Only with good health can you give it your all in your career. LITEON attaches great importance to the health of its employees. In addition to sending monthly e-newsletters to provide the latest health information, LITEON also occasionally promotes health in the company's quarterly "LITEON Magazine". In response to the prevalence of diseases among modern people, LITEON encourages employees to exercise more and eat out less; it has especially set up a five-star fitness center and a spacious, comfortable cafeteria for employees; and nurses hold lectures on cardiovascular disease prevention, nutrition, as well as other topics. LITEON also opens employee cafeterias and cafes for other of its workers who are not employed by the company; and to encourage common awareness of health, the workers may also use on-site medical services and consultations.



Personal Information Protection

LITEON attaches great importance to the personal information and privacy of its employees, and employee health information is absolutely protected. Employee health examination data cannot be read except by the nursing staff of each plant, and no one can obtain the health examination data. When new recruits report for occupational health and safety education and training, the company strengthens its awareness of the importance of personal health, and provides detailed information on the place, time, and location of medical services in each plant. If employees have any physical discomfort, LITEON encourages them to seek help proactively; the company has sufficient medical resources to help make arrangements.

Facing the Novel Coronavirus Epidemic with Calm and Composure

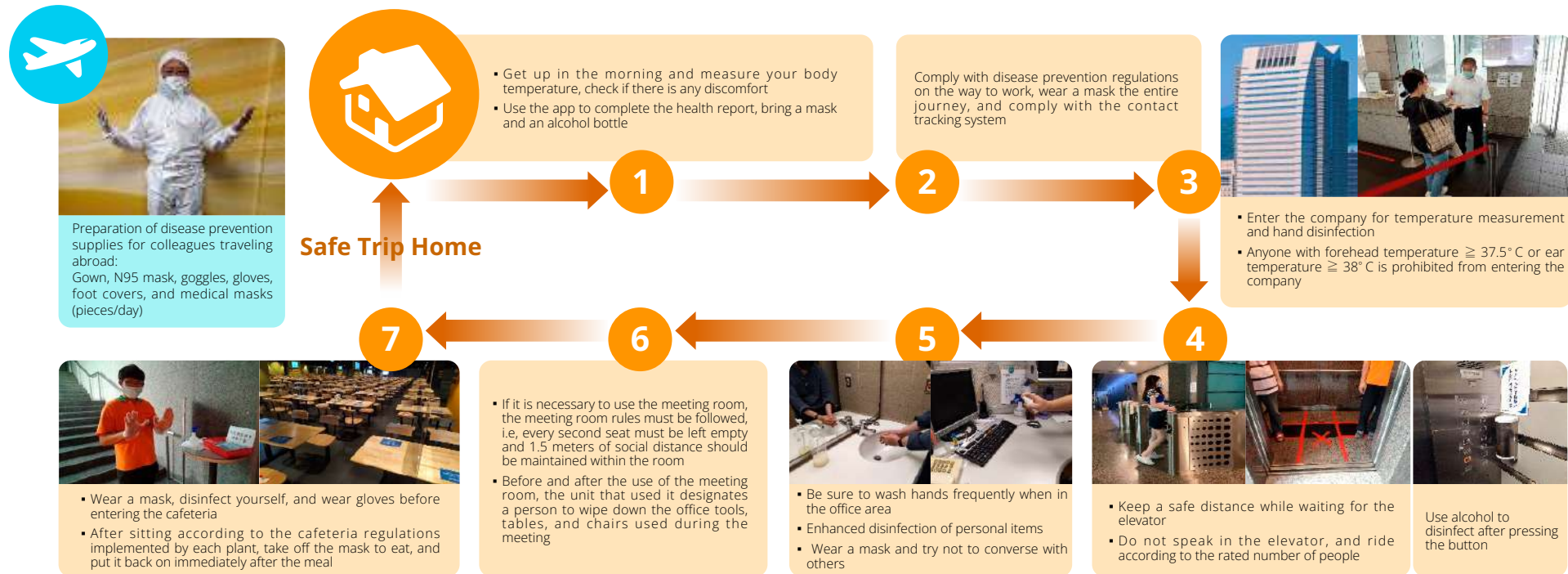
LITEON's instructions to employees had followed the theme of "no need to panic, but the disease prevention guidelines must be observed". Everyone entering a LITEON plant was required to wear a mask and had his/her temperature taken. Anyone whose temperature exceeded the threshold would not be allowed to enter. Meetings with other LITEON plants or outside parties were conducted by video conferencing wherever possible. To keep high-risk individuals from others, visitors, including contractors, were required to be screened and provide travel history before being allowed to enter the plants.

Automatic hand sanitizer dispensers were installed at all entrances/exits and dividers were added in employee restaurants. Only a limited number of people were allowed in an elevator. Disease prevention instructions were broadcast at scheduled hours every day. Furthermore, all plants were cleaned and disinfected more frequently. In addition to scheduled disinfecting for key areas, the plants hired professional disinfecting service providers to perform regular plant-wide disinfecting.

To help employees stationed abroad or traveling on business fight the virus, LITEON provided care programs for employees and their families. Examples included increasing group life insurance coverage to NTD 1

million; providing an allowance up to NTD 30,000 for the cost of local inpatient/outpatient services in excess of the NHI reimbursement and group insurance payout; paying for family members of employees stationed abroad to join the company's group insurance plan; allowing unused family visit leaves and airfare allowances to be paid in full in cash; paying for the costs of testing or quarantine required by local governments for the outbound and inbound journeys for employees stationed abroad and their families on a family visit to Taiwan, and sending greetings and gifts to families in Taiwan of employees stationed abroad on major holidays, and providing essential disease prevention supplies (e.g. protective clothing and masks).

A Day in the Life of LITEON Employees



Worker Participation, Counseling and Communication in Occupational Health and Safety

Most of LITEON's production sites are located in Taiwan, 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 202.

Region	Taiwan	Mainland China	Thailand	India	Vietnam
Key Issues Discussed	<ol style="list-style-type: none"> 1. COVID-19 prevention 2. Health examination and management 3. Hazard prevention measures 	<ol style="list-style-type: none"> 1. 4.COVID-19 prevention 2. Chemical safety measures 3. Fire safety and drills 	<ol style="list-style-type: none"> 1. COVID-19 prevention 2. Occupational health and safety training 3. Machinery safety and protective measures 	<ol style="list-style-type: none"> 1. COVID-19 prevention 2. Occupational health and safety training 3. Chemical safety measures 	<ol style="list-style-type: none"> 1. 13.COVID-19 prevention 2. Occupational health and safety training 3. Hazard prevention for high-risk operations
Note	The committee has 43 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.			

Health and Safety Training

LITEON follows local rules and requirements and provides required safety and health 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.

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.

Training and Education on Use of PPE



Monitoring of Working Environment in Taiwan

Monitor the working environment according to the Workplace Inspection Guidelines and other applicable regulations (such as: noise, CO2, organic solvents, and specific chemical substances, etc.)

Disposal Measures and Management of Hazardous Chemicals

Hazardous chemicals used in the processes of each plant are stored in specific places, and necessary control measures are implemented. In storage sites and storage containers, necessary management of labeling is carried out in accordance with the "Regulations for the Labeling and Hazard Communication of Hazardous Chemicals" and the "Globally Harmonized System of Classification and Labeling of Chemicals" (GHS). The SDS (Safety Data Sheet) should be placed in a visible place for on-site operators to immediately read and implement emergency response measures in the event of an emergency.

At the same time, if new employees are handling hazardous chemicals in the course of their duties, the necessary general education and training on hazardous chemicals shall be provided at the time such new employees come on board; employees who have been employed for three years are also provided with the necessary safety and health education and training, and the necessary emergency response education and training are implemented every year.

▼ Hazardous chemicals general training



▼ Chemical spill drilling, education, and training



▲ Emergency body and eyewash station

If the work is particularly hazardous to health, necessary special physical examinations and special health examinations will be carried out in accordance with the "Labor Health Protection Regulations". If a worker is diagnosed with abnormal health, an assessment of work suitability will be conducted immediately, and when necessary, the worker's exposure time should be reduced or the worker should be transferred to another job. At all times, the health of LITEON employees should be given due attention.

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.



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:

In 2021, The global disabling injury frequency rate(FR) was 0.52, down 25% compared to 2020. And the global disabling injury severity rate was 6, down 25% compared to 2020. There was no serious occupational injuries and deaths in 2021.

Region	Subject	Total work hours	Disabling injury frequency rate (FR)	Disabling injury severity rate (SR)	Occupational disease rate*	Occupational deaths
Taiwan	Employees (male)	5,380,521	0.55	6	0	0
	Employees (female)	3,467,616	0.28	6	0	0
	Miscellaneous workers (male)	19,680	0	0	0	0
	Miscellaneous workers (female)	5,904	0	0	0	0
	contractor	360,806	0	0	0	0
Mainland China	Employees (male)	31,788,000	0.50	5	0	0
	Employees (female)	23,516,000	0.29	11	0	0
	Miscellaneous workers (male)	3,434,000	0	0	0	0
	Miscellaneous workers (female)	1,296,000	0.77	0	0	0
	contractor	514,000	0	0	0	0
Thailand	Employees (male)	1,331,264	0	0	0	0
	Employees (female)	4,497,728	0.44	6	0	0
	Miscellaneous workers (male)	0	0	0	0	0
	Miscellaneous workers (female)	0	0	0	0	0
	contractor	216,080	0	0	0	0
India	Employees (male)	645,840	0	0	0	0
	Employees (female)	33,488	0	0	0	0
	Miscellaneous workers (male)	0	0	0	0	0
	Miscellaneous workers (female)	0	0	0	0	0
	contractor	131,560	0	0	0	0
Vietnam	Employees (male)	1,367,760	3.65	1	0	0
	Employees (female)	1,314,384	4.56	0	0	0
	Miscellaneous workers (male)	0	0	0	0	0
	Miscellaneous workers (female)	0	0	0	0	0
	contractor	17,792	0	0	0	0
Total 2021 (excluding contractor)		78,098,185	0.52	6	0	0
Total 2021		79,338,423	0.51	6	0	0

Note:

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

Occupational disease:

Recognized by professional occupational health physicians (OHP) or by relevant departments of the competent authorities

LITEON and Society



▪ LITEON has invested NTD 29.52 million to promote social inclusion



▪ Calling for innovation, 127 college teams compete for LITEON Geekathon



▪ Design for SDG14, a marine environment-friendly design course, a total of 3,064 students participated

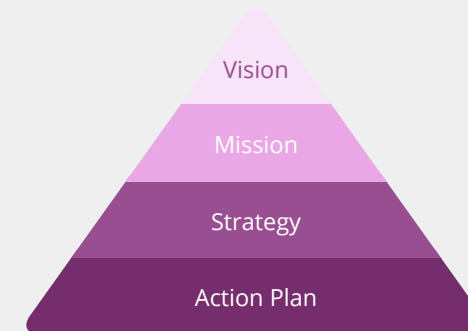


5.1 Social Inclusion Policy

A multicultural, caring, creative, and sustainable society is set as LITEON's vision of social inclusion. LITEON has long committed to social inclusion with the goal of "giving back what is taken from society," especially given escalating problems in society. These problems include the upbringing of the younger generation, shortage of life-long educational resources, lack of creative talent, and increasingly serious environmental and ecological issues. LITEON's efforts have focused on building a society full of multi-culture, education, creativity, and environmental sustainability. To achieve this social vision, the company has identified four critical missions: advancing cultural diversity in quality of humanism, promoting care of youth and children education and life-long learning, nurturing creative and professional talent, and developing sustainable products and environmental conservation. The accomplishment of the above missions depends on how we execute our concrete strategy, and some of the projects undertaken have included a community assistance program, community college, LITEON Geekathon, educational support, a corporate volunteer system, marine conservation initiative, eco-friendly and sustainable technology products, etc. The above strategies were executed mainly through the following actions:

- Community volunteer training (in assistance, diversity, and environmental sustainability)
- Care services for youth and children
- English and after-school teaching at remote elementary schools; after-school counseling for disadvantaged students; counseling for the physically/mentally disabled; environmental protection activities
- Partnership with Family Education Centers

- Adult education (including disabled and disadvantaged people); provision of the life-long learning platform and green courses
- Encouraging creative technical designers and integrating into technology incubation programs
- Industry-academia collaboration—combining theory and practice
- Green design and sustainable energy-efficient products development in coordination with involvement with charities to help disadvantaged groups and support social enterprises
- Building the LITEON Volunteer System in four areas: community service, talent development, environmental sustainability, and charity & sponsorship
- Sustainable marine resources initiatives, marine waste recycling development, marine environmental education, and ecosystem conservation activities



LITEON's Social Involvement Expenses

Item	NTD Million
Charity expenses and donations*	1,556
Education campaign expenses and donations	1,396
Total	2,952

Note: The expenditure calculation of LITE-ON Cultural Foundation only includes the donation provided by LITEON Corp

Vision

A society full of multi-culture, education, creativity, and environmental sustainability.

Mission

Advancing cultural diversity and quality of humanism, promoting care of youth and children education and life-long learning, nurturing creative and professional talent, and developing sustainable product and environmentally friendly education.

Strategy

LITEON Geekathon, Industry-academia Collaboration, Corporate Volunteer System, Sustainable Technology Products, Community Assistance, Community College, SEA HOPE Project, Green Energy Charity Project



5.2 LITEON Geekathon

LITEON is actively developing products in line with industry trends, such as cloud computing and 5G/AIoT, opto-electronics, automotive electronics, and self-driving cars. This year, in conjunction with LITEON's core businesses, LITEON held its first Geekathon. The event designated certain technological topics, such as "power design", "smart street lamp antenna design", and "AI computer vision testing." The contest provided large rewards totaling more than NT\$2.6 million, and widely distributed "problem-solving hero posts" for teachers and students of colleges and universities or above in Taiwan. First prize is as high as 400,000; a total of more than 40 awards are presented, including a gold, silver, bronze, potential, and best instructor award for each group.

The LITEON Geekathon, formerly known as the LITEON Award, has for the past 20 years of competition promoted ethnic Chinese people's attention and investment from around the globe in technology, products, innovation, and design. Starting in 2021, the LITEON Award was changed to the LITEON Geekathon, and was more closely aligned with the core business areas of LITEON Technology. The competition designates challenges with products and technologies as topics in hopes of furthering promote industry-academia cooperation and realizing the real-world application of entries in industry.

The first LITEON Geekathon encouraged participating teams to apply academic research results in the design of high-efficiency electric vehicle power supplies, low-power smart street light wireless communications, and using advanced AI technology to introduce smart manufacturing. At the same time, Infineon and Mouser Electronics were invited to jointly set up the Special Corporate Prize to reward teams with outstanding performance in power supply design.

Award results were announced after a nine-month preliminary selection, model validation, and proposal briefing and selection. The three designated topics, "power design," "smart street lamp antenna design," and "AI computer vision testing," attracted more than 100 teams from colleges and universities in Taiwan to compete. At the end

of the competition, the team of Si-Qi Peng, a student of National Tsing Hua University, and instructor Chia-Chi Chu won the gold award in the "power design" group, and collected NT\$400,000 in one fell swoop. At the same time, Infineon and Mouser Electronics also responded to LITEON's initiative to set up the Special Corporate Prize to reward teams with outstanding performance in power supply design.

Anson Chiu, president of LITEON Technology, said that LITEON Technology has continuously strengthened its core advantages in "photonics" and "electronics", and has actively expanded its R&D investment in opto-electronic semiconductors, cloud computing, and automotive electronics markets. A large number of outstanding, next-generation talent is needed to join LITEON. This year's Geekathon competition, with its focus on technology, industry-trending topics, and high prize rewards, encourages research teams of colleges and universities to apply academics to real-world practice.

At the same time, it is an honor to invite outstanding experts and scholars from a variety of fields to serve as review panelists, enhance industry-academia exchanges, and enrich the learning experience of the participating teams.

The "power design" group took as its topic the interleaved three-phase Vienna rectifier with imbalance compensation and circulating current suppression functions. Participating teams were encouraged to propose innovative architectures and controls to build a rectifier system with high efficiency. The team of Si-Qi Peng, a student of National Tsing Hua University, won the gold award in the "power design" group for outstanding design concept, team performance, and coherent discussion. The silver award was won by Shi-Jie Xu's team from National Yang Ming Chiao Tung University for their superb performance in actual measurement. And the bronze award was won by Ming-Yuan Xie's team from National Taiwan University for their courage and achievements in grade-skipping challenges.

In response to the development of smart cities, the "Smart Street Light Antenna Group" took Sub-G band horizontal omnidirectional miniature antenna design as the topic, and sought an antenna design

that takes into account the miniaturization of the body with antenna performance and the appearance of a street light. Zhi-Wei Yang's team from National Taipei University of Technology won the bronze award. The "AI computer vision testing" group focused on the testing of appearance defects AI computer vision: by using a small amount of defective images to establish an accurate AI model which can be applied to the testing of various devices to quickly screen out defective products and enhance competitiveness of products on the market. The teams of I-Shou University's Yi-Jun Chen and National Ilan University's Yi-Xuan Li won the silver and bronze award, respectively. Gold, silver and bronze awards are presented for each group of the "LITEON Geekathon", which come with cash awards of NT\$400,000, NT\$200,000 and NT\$100,000, respectively. Other awards include the Special Corporate Prize, potential award, and best instructor award, etc.



Tzong-Lin Wu, Vice Dean, College of Electrical Engineering and Computer Science, National Taiwan University

Most of the works of the students who participated in this year are quite good. I am surprised that there are teams that can reach this standard. I am quite satisfied. This is a good experience, and it is very helpful for continuing to strengthen ability of future research.

5.3 Workplace Experience

Provides excellent students with the chance for corporate experience, to combine theory and practice, and to develop a correct workplace attitude

The Second RD Internship

LITEON, in order to train professionals in power electronics, has jointly cooperated with key partner schools to promote off-campus practical teaching and training through diversified products in the power supply field, and shares educational resources and responsibilities. We allow interns to actually engage in the research and development and design of corporate products, train professional talent needed by the industry, and attract outstanding students to join the ranks of research and development. In 2021, a total of 6 RD interns will be trained.

Seed Talent Program STP17

The Seed Talent Program (STP) is committed to solving the social talent gap, eliminating the gap between industry and academia, and cultivating college students who are willing to sacrifice. STP believes that through systematic learning and organizational training, it can accelerate the cultivation of people with the right attitude and methodology for the workplace.

LITEON joined the 17th STP program in 2021, leading students in carrying out CSR tasks. In addition to promoting talent, providing opportunities, and giving back to society, LITEON has also established an employer brand. Through the students' immersion on campus, more students can get to know LITEON, and LITEON can prepare ahead of time to draw outstanding talent.

In addition to leading students in carrying out CSR tasks, adhering to the concept of resource sharing, LITEON's technology's leader Tom was invited to National Taiwan University to share corporate experience with more than 100 students. The theme of sharing was "the key to success in the workplace", and the content mainly concerned communication trust, authorization trust, and team trust. Tom's sharing was loved and highly praised by students.



Qiu ○○ of the Institute of Enterprise Research, National Taiwan University of Science and Technology

When choosing a company, my first choice was LITEON. The first time I stepped into the LITEON building was to give a briefing to the corporate mentors, coaches, and students. The biggest impact was the excellent presentation ability of each student and the company's practical perspective. I understand that I still have a lot of room for improvement. Therefore, I have taken the opportunity to engage in monthly coaching with coaches Sam, Yumi, and Ray from Siemens from the human resources department. The guidance and essentials I've gained from the three mentors after the meeting benefited me a lot, since I did not have any internship or workplace experience. During the pandemic, I was able to have many interactions and exchanges with the senior mentors of LITEON Technology with zero distance, which were very fulfilling and rare opportunities!

Zhang ○○ of the Department of Politics, Soochow University

Thanks to the corporate mentors and coaches who encouraged me to represent LITEON in the corporate analysis stage and compete with other corporate students, although I was only voted "most popular" by the students in the end, I learned presentation skills, manners, time control, and presentation of content in the process. I also learned that there was more to learn from my peers in the subsequent three months. Every month, we have the opportunity to be mentored by Sam, Yumi, and Ray from the HR department, who giving us specific proposals and thinking approaches. In the process, we also learned which attitudes we should have when entering the workplace. Everyone has learned a lot of information and thinking not only from books, but also from the workplace, and we look forward to working with LITEON to complete CSR projects in the future!

Zhang ○○ of the Department of Bio-Industry Communication and Development, National Taiwan University

Thinking back on when I was choosing preferences, I saw LITEON's ocean sustainability CSR project, which gave me the impression of LITEON's hope for coexistence and co-prosperity between environment and society. I put LITEON in my top three preferences, and I was eventually lucky enough to join the LITEON technology group. During briefings and company visits, I was very impressed by the team members' presentation skills and the ability to compile information. The valuable advice given by the coach helped me to see my shortcomings, and I am more aware of the matters that need more attention during the internal briefings of the company, which has benefited me a lot. I am really happy to have been a part of LITEON!



5.4 LITEON SEA HOPE Sustainable Development Project

The Global Risks Report released by the World Economic Forum (WEF) has paid increasingly more attention to the issue of environmental risk. Extreme weather and biodiversity loss have been assessed as the most severe risks that may lead to the depletion of industrial resources and threaten the survival of humankind. The ocean has a crucial impact on the climate regulation system, and about 90% of global biodiversity is distributed in world's oceans. The impact of the chain reaction on imbalance in marine ecology is far beyond human imagination and responsibility. Therefore, protecting and improving marine ecology is the most urgent—but also the most neglected—task in dealing with global economic risks.

The United Nations pointed out that marine debris and pollution are the second largest global environmental issue after climate change. LITEON recognizes that there are many marine crises, and the root causes of such problems are the over-use and abuse of resources. Artificially manufactured or processed items that flow into the ocean as waste are all misplaced resources.

LITEON takes the position of a global citizen and the viewpoint of responsible production. Focusing on SDG14 (Life Below Water), the marine sustainability goal, LITEON launched the "LITEON SEA HOPE Sustainable Development Project" in 2018 to protect the ocean. LITEON, taking ocean conservation as its core of CSR and environmental public welfare, advocates the concept of green design and circular economy, and responds to the major environmental crises arising from contemporary production and consumption patterns. It advocates sustainable utilization of resources in order to meet the sustainable operation goals of the manufacturing industry.

Motivation, goals, and vision

In response to major issues such as trends in global resource usage and environmental changes, LITEON has taken on responsibilities, from resource reduction to environmental sustainability. LITEON SEA HOPE Project focuses on low-carbon product portfolios and recycling/reuse. In order to achieve the core goals of improving Taiwan's marine waste recycling rate, linking up the marine waste recycling chain, and establishing a marine waste recycling and recycling mechanism, LITEON actively communicates with industry, government, academia, and people from all walks of life and works together to develop a mechanism for on-site recycling of marine waste polystyrene, and assists the central

government agencies in promoting the circular economic policy of marine waste traceability, and connects value chain partners to carry out practical actions, such as marine waste resource recovery.

[The LITEON Marine Day project connects stakeholders from all walks of life to become co-advocates, implements the SDG and practices, works to solve the problem of marine pollution, preserves marine ecology, and presents the efficacy of LITEON's long-term engagement in issues. It also actively responds to the expectations of stakeholders from all walks of life, urging LITEON to transform into a circular economy to move in line with development trends, and achieve an altruistic vision and common interest for a cleaner ocean.

Develop core competencies to implement SDG14

LITEON utilizes its core functions of innovative product R&D technology, focuses on SDG14 as the higher level guiding principle for environmental sustainability, and jointly establishes and implements various goals.

1. Circular Economy of Marine Waste:

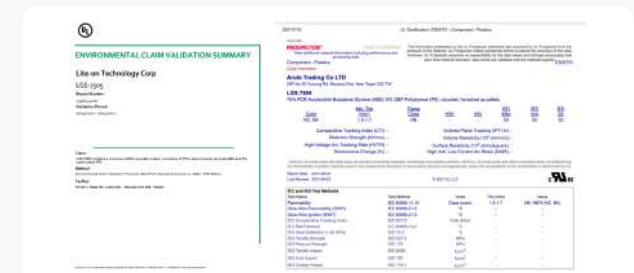
LITEON has developed globally unrivaled technology to recycle marine waste polystyrene into marine waste recycled plastic LGS-7505, and obtained UL ECVP 2809 traceability validation and UL 746D recycled plastic performance certification yellow card, making it the first company in the world to obtain dual validation of both Ocean Plastic (OP) traceability and performance. It has reduced the use of raw materials and marine waste that in the past could only be incinerated and turned into GHG emissions.

The issue of marine debris seriously affects the earth's ecology, but is also complicated and difficult to solve. In recent years, many groups and enterprises hope to promote a circular economy by recycling ocean plastic. However, marine plastic has been immersed in seawater for a long time, and it is stuck to impurities such as shells, sediment, and seaweed. Not only is the cost of recycling and production high, but stability and durability after recycling are also a major hurdle. Moreover, the process of recycling marine debris is complicated, and consumers who want to support a sustainable circular economy have no way of identifying those manufacturers who actually use materials from marine debris.

LGS-7505 is a marine waste recycled plastic developed by LITEON, among which

75% of the material comes from recycled plastic, and 5% comes from marine waste polystyrene that LITEON and the supply chain have jointly developed and recycled. The recycling process of LGS-7505 has been severally verified, and it has passed the UL Environmental Claim Validation Procedure (UL ECVP). The marine waste recycling mechanism of LGS-7505 is transparent and reliable. Compared with ordinary plastic raw materials of the same type, it can reduce the carbon footprint by more than 60%, providing customers with lower-carbon sustainable material options.

The LITEON team, in addition to environmental protection, has also overcome technical difficulties to make the quality of LGS-7505 close to that of ordinary virgin materials. It is not only easy to form, but also can be directly imported into the manufacturing process and used in existing molds, greatly reducing the additional cost burdens of customers choosing recycled plastics. Its excellent quality has also obtained the UL Recycled Plastics Certification in Yellow Card.



▲ In the spirit of altruism and mutual benefit, LITEON invites partner companies in the value chain to jointly hold a beach cleanup activity to expand social influence

2. Marine Environment Volunteer System

LITEON has independently developed a number of original beach cleaning solutions combined with marine environmental education; it has promoted a series of actions, including theme-based creative beach clean-ups, marine-friendly design workshops in colleges and universities, and local creation of coastal communities. It has encouraged employees to serve as volunteers and invites volunteers from all walks of life to participate. LITEON actively connects stakeholders from all walks of life, including value-chain partner companies, public agencies, schools at all levels, environmental NGOs, local communities, and corporate employees, and has connected nearly 100 external cooperation units, to drive the establishment of a multi-participant, long-term partnership that ties the ocean sustainability advocacy network together to stimulate greater synergy.

LITEON has announced its determination to pay attention to the ocean with gentleness and resolve, and has organized as many as 42 beach cleaning activities together with units from all walks of life, accumulating much energy for the marine initiative. It is also the first to promote Beach Cleanup 2.0, which is the collection and regeneration of marine waste resources, and invites value chain partners to participate. The various types of marine waste and various plastics are accurately classified and recovered, and then recycled and reused to avoid being incinerated, demonstrating citizens' environmental awareness and excellent technical energy to invest in marine sustainable actions, echoing the main core of the "circular economy of marine waste."

LITEON official website link:
<https://www.liteon.com/en-us/globalcitizenship/534>

3. Design for SDG14 - Marine Friendly Design Incubation Program

Solving ocean problems with design thinking

In order to solve the problem of marine debris and pollution, not only should environmental education be rooted widely in all groups throughout society, but providing environment-friendly service mechanisms and products based on the concept of "responsible production and consumption" is also crucial to actualize ocean protection in daily life. Cultivating design personnel with social responsibility and environmental awareness is the origin of the development of environmentally friendly strategic planning and innovative products.

In order to actively protect the marine environment and cultivate young design talent with sustainable thinking, LITEON has also extended its innovative R&D energy that is deeply rooted in the manufacturing industry, and has proposed a sub-action project "Design for SDG14" that links CSR and USR under a common goal. It takes marine protection to the beginning and extends the reach into design education, and uses "Design Thinking" to develop and propose marine problem solving strategies, which increases cross-domain synergy and continues development.

Cross-domain integrated design teaching in industry-academia cooperation

"Only designers with ocean awareness can make proposals for a friendly ocean environment." Therefore, the LITEON technology team, with SDG14 as its core, began by planning the cross-domain integrated teaching module of design and environmental education, and invited all colleges and departments in the design field of domestic colleges and universities to participate in the project, which will be introduced into the courses offered by each cooperating department on a semester-long basis.

LITEON coordinated internal and external professionals to form a team of teachers for front-line teaching sites of higher design education, provided in-depth design courses in line with the vocational learning of each department, established basic ocean awareness and sustainable design functions, and guided young talent to use design thinking and their own expertise to propose innovative strategies and solutions for marine environmental issues from different fields; and in addition, in regions where the cooperating schools are located, carry out on-site teaching planning and implementation of local coastal environmental monitoring methods, operation guidance, cultural and ecological environment, etc. It has established relationships with local communities on the coast, and has become the first industry-academia cooperative teaching model with marine sustainable design at its core and with cross-domain and cross-campus department groups.



▲ LITEON marine volunteers and the north coast beach cleanup group have long-term and stable cooperation in handling local coastal cleanup activities



▲ In the spirit of altruism and mutual benefit, LITEON invites partner companies in the value chain to jointly hold a beach cleanup activity to expand social influence



▲ LITEON promotes various themed and original beach cleanups, and invites colleagues, as well as their relatives and children, to participate in building a sense of identity and cohesiveness



The LITEON team and the teachers of each cooperating department guide students to develop their works according to the six major design fields:

- **Mechanical design:** Mentored international exchange students from National Taipei University of Technology to work on the mechanical design of coastal environment maintenance equipment in response to specific sea environments, such as beaches, reef shores, and conglomerate shores
- **Industrial design:** Mentored students from the Department of Industrial Design, National Taipei University of Technology to carry out industrial design of marine waste recycling products based on the concept of circular economy of marine waste
- **Interface design:** Mentored the students from the Department of Interaction Design, National Taipei University of Science and Technology to design application software for portable communication devices in order to promote the participation of the public in the implementation of marine environmental actions
- **Service design:** Mentored students from the Department of Creative Product Design, Southern Taiwan University of Science and Technology, and the Department of Medicine, Taipei Medical University, to carry out service design for marine sustainable action to encourage the public to participate in cultural and ecological conservation action in conjunction with local coastal communities
- **Product design:** Mentored students from the Department of Creative Design and Management of the National Taichung University of Education and the Department of Cultural and Creative Industries, Hungkuang University to design marine environment-friendly products with the concept of plastic reduction at the source and loving sea life

- **Native design:** Mentored students from the Program in Indigenous Culture and Design, Chung Yuan Christian University to carry out creative art design of sea waste corresponding to the cultural characteristics of Taiwan's diverse ethnic groups and combining the application of traditional knowledge and traditional skills of the ethnic groups represented by each indigenous student

By 2021, a total of 3,064 students have participated in the project. Each department will introduce SDGs into its curriculum, and consider sustainable thinking and social practice as its core training capabilities. This will drive qualitative change in design education, improve the quality and effectiveness of teaching, and make a major impact on the cultivation of design talent.

Promotion of design achievements to strengthen social inclusion

The project connects the energy of industry, government, academia, and people from all walks of life, and allows the design departments of various colleges, NGOs, social enterprise professionals, the public sector, and local communities to closely form a joint advocacy network to voice and act for ocean sustainability through the formation of lecturer teams, curriculum planning, exhibition promotion, and local practice.

The LITEON team has assisted in promoting the results of this case to relevant units from all fields. On the invitation of the National Museum of Marine Science and Technology, Taipei City Government Department of Economic Development, Kaohsiung Pier 2 Makers Zone, Sun Yat-Sen University Si Wan College, the team has held a total of 5 public exhibitions to advocate the concept of marine sustainable circular economy to the public, and to promote the results of action from real social practice.

The other project was supported by the village chief and residents of Yongxing Village, Jinshan District, North Coast, and we cooperated with

the Yongmin community in the coastal area for a long time. The design results were returned to the community to help the community develop.

LITEON also provides internship opportunities for students cultivated in this project to continue to participate in LITEON marine sustainability-related projects during implementation, in order to encourage the cultivation of talent needed by corporations who have sustainable innovative spirit.



▲ The project included long-term cooperation with the Yongmin Community, Jinshan District, North Coast and local marine waste initiative NGOs; and together with the National Taipei University of Technology and Taipei Medical University, we held a marine-themed design thinking workshop in the community

5.5 LITEON Volunteers

Our shoes will help protect African partners from sand fleas—it may even be the key to saving their lives! The "2021 Action for Loving and Saving Lives with Used Shoes" effectively uses idle resources, not only embodying the spirit of environmental protection and making the best use of resources, but also making second-hand shoes into a precious blessing to pass on "love" and "care".

LITEON launched the life-saving used shoes activity for the first time in 2020, and the whole plant has raised roughly 2,000 pairs of second-hand shoes to send love to Africa. In 2021, LITEON once again cooperated with Step30 to save lives with old shoes, and launched the "2021 Action for Loving and Saving Lives with Used Shoes". In addition to calling on all Taiwan LITEON employees to respond together, this event also spreads love to the Neihu Technology Park, surrounding stores, and communities and neighborhoods; and through the transmissive power of social media (FB, Line, official association website), LITEON calls on more people with lofty ideals to send warmth and engage in public welfare together.

In the 2021 event, in addition to the 18% increase in the number of volunteers from LITEON, the overall number of donated shoes raised exceeded 6,000 pairs, which is three times the total amount raised in 2020. During the process, we deeply felt the warm support for public welfare from LITEON employees and society. This donation event lasted five days. In addition to LITEON employees, companies nearby the plant, and friends from the community passing by to donate, there were even deliverymen and couriers passing by who learned of the event and made a trip every other day just to make more donations of shoes. In addition, there were also people who learned about the event from the online community who responded together and especially drove by to donate shoes.

Charity & Sponsorship



▲ Action for Loving and Saving Lives with Used Shoes

Talent Nurturing

▼ New Taipei City Shuanghe Elementary School English mentoring activities



▲ New Taipei City Jinhe Elementary School English mentoring activities

Environmental Sustainability



▲ SEA HOPE Coastal Cleanup

Activities of LITEON Volunteers Overseas

Note : 1. In 2021, LITEON suspended volunteer activities in Thailand, Vietnam, and India due to the COVID-19 pandemic
 2. Details of LITEON volunteer activities are disclosed on the company website

Community Care



▲ Mid-Autumn mooncakes for the disadvantaged activity by the Beihai Plant



▲ Lunar New Year care-giving activities for Dushugen Community by the Beihai Plant

Environmental Sustainability



▲ Guantouling beach cleanup activity by the Beihai Plant



▲ Huolu Mountain Forest Park cleanup event by the Guangzhou Plant



▲ Mountain cleanup activity by the Changan Plant



▲ Changzhou Plant's tree planting event

Charity & Sponsorship



▲ Beihai Plant's school assistance



▲ Huadong Operations Center 19th blood drive



▲ Changzhou Plant's blood donations



5.6 LITE-ON Cultural Foundation

The LITE-ON Cultural Foundation was founded in 1993 and initially funded by private donations from three founders of affiliated companies. Its main task is to promote "Community Assistance" and manage "Xinyi Community College".

Vision

The LITE-ON Cultural Foundation was established for the purpose of nurturing cultural character, supporting children's growth, caring for corporate culture, and promoting charitable works. As part of its corporate social responsibility, LITEON endeavors to facilitate upward sustainable development in these four aspects in society.

LITE-ON Cultural Foundation



LITE-ON Cultural Foundation Facebook





5.6.1 Promoting Community Learning Activities



Commitments

Parental courses and community learning activities are being promoted on a long term basis. Systematic learning brings family members closer together and fosters positive relationships. Meanwhile, volunteers are able to put their training into practice to help schools, residents, and education institutions in the community. The three themes are food education, EQ, and environmental sustainability. Bringing more love and respect into the home, getting involved in social issues, and developing the ability to connect with the community are all part of a community learning process rooted in sustainability.



Challenges and Innovation

In the first half of 2021, due to the serious escalation of the COVID-19 pandemic, community education volunteer empowerment and volunteer service work promoted by the foundation was suspended in line with pandemic policy. When it was impossible to enter schools for volunteer training and volunteer service, we turned to the use of digital technology development online cooperative learning courses; In the second half of the year, in response to pandemic prevention, training courses were also converted to online courses; external units were connected to participate in courses to accumulate the learning trajectories and digital abilities of volunteers, and prepare for the highly variable community education promotion services.



Glory

In 2021, awarded the 3rd Marine Education Contribution Awards by the Ministry of Education. In recent years, extreme climate disasters have occurred with higher frequency around the world. Since 2017, the foundation has listed "food education, EQ and environmental sustainability" as important education promotion work. Through campus touring exhibitions, employee parent-child camp activities, and community parent growth groups, we initiate or build the environmental protection literacy of individuals, families, regions, and society from the perspective of ecosystems, and cultivate good living habits and consumption behaviors of both parents and children, thereby taking action and conveying the basis for environmental sustainability in life. LITEON Technology originated from the island of Taiwan. As a corporation operator and a citizen of the earth, the conservation and sustainable utilization of marine resources is our unshirkable duty; meanwhile, it echoes the elements of health and well-being (SDG 3), education quality (SDG 4), and marine ecosystem (SDG 14) in the UN Sustainable Development Goals (SDGs). It also demonstrates the perspective and action of a combination of global perspective and local action, building a bridge between marine humanistic literacy and conservation practice.

2021 Results

Strategy	Targets in 2021	Actions in 2021	Progress
Promoting Community Learning	Volunteer training classes and campus volunteer services	Continuously trained nearly 400 community volunteers who devote themselves to campus volunteer service.	<ul style="list-style-type: none"> Cooperated with 19 schools to train volunteers and parents, a total of 4,048 people. (3 physical classes, 16 online classes)
		On-campus counseling and mental health education: Delivered diverse mental health education through morning sessions and story time.	<ul style="list-style-type: none"> 1,020 volunteers provided 3,100 service hours
	Parent-child self-directed spiritual exploration and growth course	Lectures on new aesthetic enculturation of parents: Manage business incentives for volunteer empowerment and volunteer group motivation.	<ul style="list-style-type: none"> 4 sessions, a total of 420 people. (3 physical sessions, 1 online lecture)
		In the first half of the year, the training course was interrupted due to Taiwan's nationwide Level 3 epidemic alert. In order to continue team learning and accompany parents who have difficulty adjusting to WFH (work from home), "Six Lessons for Parent-Child Self-Directed Spiritual Exploration and Growth Course" were designed, using a combination of study sheets and online videos to accompany family time during pandemic prevention.	<ul style="list-style-type: none"> FB posts: Viewed nearly 3,000 times YT videos: Viewed nearly 1,350 times
Cooperation with external units		During the pandemic, invited by Keelung Community University's "Support Taiwan Together during the Pandemic - Non-stop Learning - Lecture Series" to share the "Parent-Child Self-Directed Spiritual Exploration and Growth Course series" online.	<ul style="list-style-type: none"> Online lecture, with about 100 people
		Cooperated with National Education Radio.	<ul style="list-style-type: none"> Combined with the "Education Action-Taker" program, the "aesthetic enculturation of parents unit" was co-produced and broadcast with the Parents Association in Taipei on the first Monday of each month, and received a total of 12 program interviews
		Cooperated with National Taiwan Library.	<ul style="list-style-type: none"> Participate in two reading festival activities, and provide on-site experience activities in "Oceans at 23.97" and "Reading Formula of Cooking with Love"
		Cooperated with New Taipei City Family Education Center.	<ul style="list-style-type: none"> Participate in the 2021 New Taipei Reading Festival activities, and through experiential activities, help the public understand issues of migratory fish and garbage decomposition time in Taiwan
Practice Public Welfare Actions	Scholarship assistance program	Cooperated with National Taiwan Science Education Center.	<ul style="list-style-type: none"> Invited to assist in the training courses of volunteers in the museum, organized 2 sessions, and informed and empowered volunteers Participated in the "Golden Years Community Coming Together" organized by the Center, took lead in the "Sun and Moon" and "Kicking Paper Ball" DIY experience activities to train the brain and muscle strength, and delay the aging of the brain
		Continued to promote scholarships, which totaled NT\$2.825 million.	<ul style="list-style-type: none"> 139 students benefited from this program in 2021
		Kaohsiung City Early Childhood Education Association: Games are not just games! Promotion of Support EQ Card workshop.	<ul style="list-style-type: none"> A total of 80 teachers from Kaohsiung City kindergartens participated
	Promotion of Support EQ Card workshop	Keelung City Family Education Center: Home Education Seed Teacher Online Study.	<ul style="list-style-type: none"> About 50 teachers from elementary and middle schools in Keelung City participated (online teaching)
New Taipei City Teacher Guidance Group for Promotion of Reading.		<ul style="list-style-type: none"> About 30 teachers from elementary schools in New Taipei City participated 	
Supported the Kao Family Education Foundation in promoting the instructor program		Professional lecture program: Professionals from all walks of life are invited to conduct small-scale discussions and large-scale lectures for middle school students in the central region of Taiwan, so as to open up another way for low-achieving students to explore career development.	<ul style="list-style-type: none"> 7 sessions attended by over 400 participants
		Industry-Academia Cooperative Video Documentary Shooting Project: Using documentary filming to promote technical and vocational education as well as the process and documenting of students' career exploration.	<ul style="list-style-type: none"> Professor Chien-Jen Chang from Asia University was commissioned to lead 6 students to use video to record the process of self-exploration, establishing goals, and thinking about the future in the process of learning skills in holiday skill classes
Support for Environmental Sustainability	Marine conservation and maintenance initiatives	Promoted the sponsored publication "Oceans at 23.97" Ocean Reading Campus Touring Exhibition.	<ul style="list-style-type: none"> Promoted in 9 schools in Taipei City and Keelung City, with about 5,000 participants Three face-to-face discussions with writers were held, with nearly 1,200 teachers and students participating Nearly 60 people participated in the online training for teachers
		Sponsored National Museum of Marine Science & Technology: A total of NT\$600,000.	<ul style="list-style-type: none"> International Ocean Art Midway Atoll Special Exhibition "Coral and Crochet Reefs" digital picture book physical publication
	The "Oceans at 23.97" book release in Changhua.	<ul style="list-style-type: none"> Attended by 282 people 	
Treating the environment land in a friendly way		Support Lovely Taiwan Foundation Shennong Farming Project.	<ul style="list-style-type: none"> Adopted Yunhai Elementary School and Yongding Elementary School in Shiding District, New Taipei City, to participate in the Shennong Farming Project

Highlights of 2021

- Volunteer empowerment courses: "Cooking with Love: Eight Lessons on Food Education, EQ and Environmental Sustainability"

"Food" in Chinese characters includes the ideograms for "human" + "good," which means that if people eat good food, their body and mind will naturally be healthy. However, with the changes and development of the times, the rapid rise of fast food culture has greatly eroded the physical and mental health of modern adults and children. Consumption and food waste contribute to global warming, the climate crisis, and many ecological and public health problems. People's health is an important asset for national development, as well as the

foundation and hope of the land, diet, and environmental sustainability. Children's ability to choose food is cultivated in the courses, and they work together to practice enculturation of food quality and environmental sustainability that citizens of the world should possess. Due to the severe COVID-19 pandemic in the first half of the year, volunteer empowerment and volunteer service work were suspended in line with pandemic policy. In the second half of the year, in response to the pandemic, most training courses were converted to online courses; external units were connected to participate in courses, including the Hsinchu Family Education Center, Miaoli County Family Education Center, New Taipei City Family Education Center, Hsinchu County Parents Association, and Rainbow Family Life Education Association, who all received warm welcomes from each unit. For more course content, please visit the website:

No. of Classes	Course Name	No. of Classes	Course Name
First Class	Cooking with Love: New trend of borrowing from other foods	Fifth Class	A good food generation: Green friendly food justice
Second Class	Start making your own breakfast: a healthy, energetic start to a day	Sixth Class	A unique diet from the land
Third Class	The power to choose your food: Uncover the sweet traps of drinks and sugar	Seventh Class	Environmental sustainability: Ideal diet and consumption ethics
Fourth Class	Cooking with Love: A healthy gut and brain means good EQ	Eighth Class	Satoyama's life vision: The sensible life of environment and aesthetics



Teaching in a new online mode, team members gave feedback and shared zero-distance learning courses, and learned much from all eight classes on issues such as diet and environment.



Team members made their own health reminder coasters to remind themselves and their families to reduce excessive sugar intake, to protect physical and mental health, and to promote prevention work for high-quality public health education.



Volunteer teams shared their hands-on practices with the community, and interacted and learned together in more diverse ways. The photo shows the team making quizzes with local ingredients, fruits, and vegetables, and establishing a unique diet from the land.

▪ Parent-child self-directed spiritual exploration and growth course

In May 2021, community spread of the COVID-19 virus broke out in Taiwan, and the pandemic level was adjusted to a level-3 epidemic alert. During the pandemic period, many parents worked from home, and at the same time, they had to combine work, housework, and child rearing. Addressing the anxiety caused by the change in life style, and to relieve the tense mood, the LITE-ON Cultural Foundation launched a series of six

courses on "Parent-Child Self-Directed Spiritual Exploration and Growth". Through simple hands-on interaction and parent-child dialog, the courses warmed the parent-child relationship and created high-quality family time, making up for the lack of spiritual exploration in Taiwan's education scene. The series of courses were presented on social networking sites in the form of short videos and study sheets. The Facebook fan page posts were viewed by about 3,000 people. For more course content, please visit the website:

No. of Classes	Course Name	No. of Classes	Course Name
First Class	My character pizza	Fourth Class	Good times - my family photo album
Second Class	My family tree - places and maps of life	Fifth Class	Eat real, eat healthy - cooking by hand
Third Class	Family praise box	Sixth Class	108 Current affairs dialog on core literacy - epidemic and water scarcity



Parents and children create a "my character pizza" together to help parents and children understand their roles in life and the meaning of the self, as well as explore their inner potential and multiple intelligences.



Parents and children draw "My Family Tree" together to let children learn about family relationships and titles and express their emotions, so as to strengthen children's sense of connection and identity with their families.



In implementing the 108 current affairs dialog on core literacy, parents and children discuss issues related to daily life and environmental energy through current affairs topics of water and electricity shortages.

▪ "Oceans at 23.97" Ocean Reading Campus Touring Exhibition

In order to promote LITEON's corporate social responsibility in plastic reduction at the source initiative and implement social education promotion actions in corporate, community, family, and school life, "Oceans at 23.97" was published in cooperation with Hung-Chi Liao, Taiwanese Ocean literature writer, and Youth Cultural Enterprise in 2020. The book was paired with eleven posters designed with marine literacy learning experience and activity plans to encourage reflection from the perspective of the

ocean and echo school curricula. It also cooperated with nine national middle schools in Taipei City and Keelung City to guide students in enhancing their environmental awareness and accumulating wisdom for sustainable ocean management through ocean reading and experiential learning activities; the events also jointly promoted campus marine literacy reading activities and cultivating middle school students' core literacy and ability to act.



The Taipei City Government Department of Education Commissioner Tsan-chin Tseng came to participate in the opening ceremony of Jiesshou Junior High School and give words of encouragement to the students: In the era of a "blue civilization", we must be able to explore marine education issues and get close to the ocean. The Commissioner also reminded students of the importance of having the concepts of marine safety education and risk management.



The courses are cross-disciplinary learning in which teachers from different subjects prepare lessons together. Under the guidance of the geography teacher, students from Jiesshou Junior High School visited the poster exhibition and conducted ocean reading teaching activities.



Young Ji Junior High School integrated this traveling exhibition into the school feature curriculum, and combined materials provided by the traveling exhibition with the course experience activities, from which the students greatly benefited.



Future Strategies and Goals

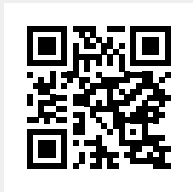
The COVID-19 caused a global panic in 2021. It changed the world's spending habits as well as the healthcare and other industries. People were quick to realize that new industries, commercial design systems or spending patterns must not go against nature. Healthy habits and spending behaviors were a way of respecting diversity and sustainability. It was hoped lifelong learning and parenting would promote food education, EQ, and environmental sustainability. The concept of environmental protection on a personal, household, regional, and social level could be activated or created through slow down, sustainable development, green management and other environmentally conscious ideas. The ideas could then be expanded into actions that would encompass regional ecosystems. In addition, the foundation also actively cooperates with strategic alliances to promote reading and experiential learning in "emotional care," which understands the structure and operation of the brain from a simple scientific perspective and understands how the brain learns, remembers, and understands things. The brain's ability to learn is enhanced through the method of parent-teacher learning, which is in turn applied in life; and the parent-teacher and students attach importance to physical and mental health care.

Strategy	Future Goals (2022)
Promoting Community Learning	<ul style="list-style-type: none"> Volunteer training classes and campus volunteer services Meet Happiness Seminars in Picture Books (Emotional EQ Aesthetics, Brain Science) Cooperation with strategic alliances National social education venues
Practice Public Welfare Actions	<ul style="list-style-type: none"> Scholarship assistance program (4th year) EQ Cards campus touring exhibition Published picture books on food education, gut-brain science, and environmental sustainability Combining LITEON Employee Relations Public Welfare and Care Activities
Support for Environmental Sustainability	<ul style="list-style-type: none"> Marine conservation and maintenance initiatives: Continue to promote the "Oceans at 23.97" Ocean Reading Campus Tour, "SOS Expedition: The Great Battle to Rescue Coral" publicity activities Treating the environment land in a friendly way: Continue to support Lovely Taiwan Foundation Shennong Farming Project (2nd year)
Invest in Talent Development	<ul style="list-style-type: none"> Industry-government-academia collaboration: Internship platform for universities and colleges Cooperation with external units: Kao Family Education Foundation - Good Skills Film Project

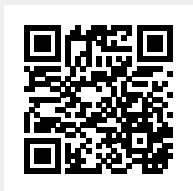


5.6.2 Taipei Xinyi Community College

Taipei Xinyi Community College website



Taipei Xinyi Community College Facebook



Vision: To be an excellent community college and the best partner in lifelong learning for residents in the Xinyi District.

Core Philosophy: Building a lifelong learning platform with people at its center that serves to encourage cultural development, help the disadvantaged, and support cultural education in the community.

Three themes:

Main Theme	Strategy	Key Points
1 Environmental sustainability and green revitalization	Building sustainable communities on biodiversity	Strengthen the green base and conduct experience based environmental learning to establish links with green learning.
2 Cultural Collaboration and Art for Inclusion	Blending art, culture and creativity to transform the community	Develop a local knowledge database and put art into everyday life; and step up marketing of the city and extend the reach of art into the general population.
3 Caring for the Disadvantaged and Learning for Life	Constructing a friendly learning platform for the disadvantaged, and creating a fun and interactive environment accessible to seniors	Combine local resources and apply community learning methods to build an inclusive learning environment for the disadvantaged and the elderly.

2021 Results

- A total of 308 courses (including spring/autumn and summer/winter courses) were offered, and were attended by a total of 5,430 participants (including spring/autumn and summer/winter courses). The school's performance has been rated as "Excellent" by the Education Department of Taipei City Government over the years, and the school was evaluated as "Premium" in 2021.

Strategy	Targets in 2021	Actions in 2021	Progress
Environmental Sustainability and Green Revitalization	To promote Xinyi Green Lifestyle bases and manage 3 to 4 community bases	Started teaching and collaboration in community bases in Dadau Village, Liuhe Village, Huian Village, Songyou Village, Lian Village, and Heng' ai Center	5 communities started taking action
	To bring together LITEON seed teachers and volunteers and develop the education of Historical Xinyi - Rural mountain or green living.	Hold firefly viewing at Tiger Mountain	120 people benefited from the activities
	To work with partners in the community to organize the "Xinyi Green Lifestyle Conference"	12th Sustainable Xinyi Green Lifestyle Seminar	90 people benefited from the activities
	To organize presentation of green results from small farmers markets and campaigns for urban friendly farming and food agriculture education	Build a bee hive	Huian Village Green Roof Beehives
	To follow local water related issues and participate in the East Drainage planning process	Participate in the planning of Dongda Pai Landscape Park	Lane 150 Park, Section 5, Xinyi Road, Liuhe Village
	To continue the Old River Patrol	In response to May 22 - International Day for Biological Diversity	132 people benefited from the activities
	Yongchunpi Wetland Park conservation project	Continue to implement the mini farm project	120 people benefited from the activities
	To promote Xinyi Green Lifestyle bases and manage 3 to 4 community bases	Started teaching and collaboration in community bases in Dadau Village, Liuhe Village, Huian Village, Songyou Village, Lian Village, and Heng' ai Center	5 communities started taking action
Cultural Collaboration and Art for Inclusion	To organize 5 Xinyi Art and History Lectures events	Nostalgic Life Sketch Exhibition in Military Villages, Fengya Painting Club	2,000 participants
	To operate the field research team on an ongoing basis	Continuing the "Old Xinyi - Xinyi culture and history studio - field research team"	Twelve articles uploaded
	To participate in Xinyi Songyan wall-less museum	Organized "local cultural/historical tours" walking tours	Three lectures on literature/history
	To revive the historic space in Four-Four South Village and organize related exhibits, performance and other events	Organized collaboration between the Xinyi District Office and Four-Four South Village Cooperative Grassroots Art and Cultural Activities	Three walking tour activities
	To offer art courses to promote community aesthetics, and participate in community art exhibits	Organized "Old Xinyi - Xinyi Art and History Lectures"	75 participants
	To host green living campaigns	Guangju Village walking tour activities	Two Guangju Village walking tours
	To study marketing of Xinyi, and construct a folk culture	Market study field research	Preliminary inventory of the Huian Village market
Caring for the Disadvantaged and Learning for Life	To offer 1 to 2 new age friendly courses.	Applied for "Senior Academy" courses and organized related courses	51 people benefited from the activities
	To provide 2 classes (in 1 village) on the summer schedule for care for the disadvantaged	Organized the First Social Welfare Foundation Basic Photography Course	400 people at the Hengai Center benefited
	To host 9 friendly farming classes at Xinzhong Kindergarten	Organized the Xinzhong Kindergarten - children's farming classes	Nine farming courses for children, benefiting 500 people
	Recreational Camp - LITEON CSR collaboration project	Recreational Camp related activities were canceled due to the pandemic	Events were canceled due to the pandemic
	To organize Angel Garden field trips	Angel Garden field trips were canceled due to the pandemic	Events were canceled due to the pandemic
	Recreational Camp - MV Street Dancing presentation	Recreational Camp - MV Street Dancing presentation was canceled due to the pandemic	Events were canceled due to the pandemic

Note: All results above are presented as provided by the 2021 self assessment report for community colleges published by the Department of Education of Taipei City Government. They include all academic results for the year

Highlights of 2021

▪ "Environmental sustainability and green revitalization"

This year, a new Food Bank Mini Farm has been added, mainly to provide disadvantaged families with herbs. The food bank of Lian Village was built by village head He-sheng Fang as a flagship store for food banks in Taiwan; it is provided for local organizations that want to set up food banks as a reference, and also provides the materials needed by local disadvantaged families. The school combines a small garden, and aims to lead the residents to plant herbs together; it can also extend the use of herbs through planting, using the herbs to provide disadvantaged families with herbal therapy and other psychological support, with the aim of offering support for disadvantaged families. This year, the school participated in the "Taipei Good Farm" cooperation project in conjunction with the New Village Association, connecting the residents of Jingqin Village and Huian Village and recruiting herb planting volunteers. In addition to the original intention to maintain the Jingqin No.1 Herb Garden together, we also look forward to being able to cultivate seed volunteers in the community and expand the Xinyi Green Lifestyle and Learning Circle.

(Please refer to p.68 of the Xinyi Community College Self Assessment Report)

▼ Songde Healing Forest



▲ Xinyi Green Life Circle Meeting

The Green Rooftop at the college was installed in 2009, and then became sponsored. It has been running for 11 years. Backed by years of experience in managing the project, "A Good Vanilla Time" was created in 2018. In addition to training tour guides, the club is taking steps to promote small farmers market and find feature plants and products of the Green Rooftop. It showcases and shares vegetables in season and Green Rooftop handicraft items to help students learn independently and build up skills in promoting farming for food. The medium- and long-term goals currently undergoing are as follows:

1. Promoting environmentally friendly farming:

combining herbs and farming; facilitating promotion of urban friendly farming and delivery of plant diversity lessons and related support systems; forming a community collaboration platform; enabling local learning and feedback; and strengthening the community's role in the group learning network.

▼ Hengai Center



▲ Food Bank Mini Farm Construction

2. Empowering seeds in the community:

empowering talent in the community to become friendly seeds who share experience and knowledge of the green culture and seeding and planting in the community. When planting becomes a habit, everyone can enjoy a green lifestyle.

3. Promoting farming courses in daycare centers:

helping children learn about the land through farming; and making environmental education the focus of farming activities for children in order to encourage children to pay attention to environmental education. Friendly farming can be another basic elements in farming courses at daycare centers. An adequate amount of outdoor activities is beneficial to a child's coordination and social skills, and can increase immunity and problem solving abilities in children. As part of the farming courses, children becomes more aware of life education through real activities, and learn to take friendly action to protect animals and plants.

(Please refer to p.88 of the Xinyi Community College Self Assessment Report)

▼ Farming Courses in Kindergarten



▲ Promote the kindergarten farming courses

▪ "Caring for the disadvantaged and learning for life"

Since 2012, the school has cooperated with the neighboring First Social Welfare Foundation on a series of courses related to mental disabilities. Because the developmental abnormalities of people with mental disabilities are both lifelong and long-term, it is more difficult to communicate, learn, develop social skills, and engage in self-care, and thus they require someone to help look after them. The mentally disabled are a disadvantaged group of people who need to be cared for in society. This year, the school maintained the existing farming, basketball, dance, photography and other courses to stimulate the sensory learning of these older children, allowing them to learn happily in the static/active courses.

1. Friendly Farming - Hengai Center

Hengai Center is a friendly farming course developed in cooperation with the Taipei Hengai Center. In order to increase the number of synapses in the brains of the mentally disabled trainees, the planting course of friendly farming allows trainees to feel the vitality of plants and experience through the five senses, such as touch, observation, This increases the flexibility of finger movement, improves interpersonal interaction and expression of emotions, and achieves the goal of physical and mental balance.

2. Angel garden

The school's recreational camp "Mentally Disabled- Angel Garden" course has operated for many years since its inception in 2012. Accompanied by teachers' carefully planned interactive courses, lively teaching methods, and careful observation, students can learn effectively in the weakest aspects of optomotor control, dexterity, and other physiological motor development, attention, and memory.

3. MV dancing

This course uses movements such as light footsteps and large body movements in dance music to train the flexibility of body movements and the sense of bodily rhythm for students with disabilities. In particular, the lighter music helped drive the bodily rhythm of the students, which not only promoted the students' weight management, but also improved their heart and lung function and reduced the students' emotional anxiety, along with other positive effects.

4. Basketball basics

The main goal of this course is to cultivate students' basic physical fitness through the practice of basic basketball movements, and thereby develop the habit of exercise and enhance interpersonal relationships. There are 30 minutes of basic physical training between each classes, in order to enhance the children's basic physical strength and endurance on the court, thereby helping the mentally disabled students increase their physical capacity at work.

5. Photography basics

Knowing that it is difficult for students with disabilities to participate in general photography courses due to their disabilities, this course uses teachers with backgrounds in special education to use easy-to-use, lively, and easy-to-understand expressions to enable students to learn and understand how to operate the camera. It is hoped that this course can meet the learning needs of the students. Through the operation of the camera and the filming process, students can see the different faces of the world through the camera, take pictures that are moving and full of vitality, and increase students' life experiences, giving them the ability to understand the world of cameras in different ways and from different perspectives.

(Please refer to p.84-85 of the Xinyi Community College Self Assessment Report)

Summary Table of Implementation Results of Assistance and Care for the Mentally Disabled

Assistance and Care			Resource Link	2021 Implementation Results	
Solution	Method	Start and End			
Friendly Farming - Hengai Center	Free	2016 to present	First Social Welfare Foundation	Expected 40 people	Actually 40 people
Angel Garden Course	Free	2012 to present		Expected 40 people	Actually 15 people
MV Dancing Course	Free	2011 to present		Expected 40 people	Actually 27 people
Basketball Basics Course	Free	2013 to present		Expected 30 people	Actually 17 people
Photography Basics Course	Free	2013 to present		Expected 30 people	Actually 12 people



Future Strategies and Goals

Vision: Building a green learning system and creating a sustainable green city.

Core Philosophy : Building a lifelong learning platform with people at its center that serves to encourage cultural development, help the disadvantaged, and support cultural education in the community.

Three Themes:



Main Theme	Strategy	Key Points
Environmental Sustainability and Green Revitalization	Building a sustainable city on biodiversity	Strengthen the green base and conduct experience based environmental learning to establish links with green learning
Cultural Collaboration and Art for Inclusion	Blending art, culture and creativity to transform the community	Develop a local knowledge database and put art into everyday life and step up marketing of the city and extend the reach of art into the general population
Caring for the Disadvantaged and Learning for Life	Constructing a friendly learning platform for the disadvantaged, and creating a fun and interactive environment accessible to seniors	Combine local resources and apply community learning methods to build an inclusive learning environment for the disadvantaged and the elderly

Strategy / Future Goals (2022)		
Environmental Sustainability and Green Revitalization	Cultural Collaboration and Art for Inclusion	Caring for the Disadvantaged and Learning for Life
<ul style="list-style-type: none"> Promote the community management of the Xinyi Green Lifestyle and Learning Base Held the "Xinyi Green Lifestyle Seminar" To organize presentation of green results from small farmers markets and campaigns for urban friendly farming and food agriculture education Continue to carry out inspection work of the Old River Patrol Implement urban beekeeping education In response to the sustainable food culture, set up a food refrigerator-Jingqin Village 	<ul style="list-style-type: none"> To organize 5 Xinyi Art and History Lectures events To operate the field research team on an ongoing basis To revive the historic space in Four-Four South Village and organize related exhibits, performance and other events To offer art courses to promote community aesthetics, and participate in community art exhibits Participate in Xinyi Roaming Cultural Festival Miniatures Museum Project--Building a Moonlight Treasure Box in Xiaonan Village 	<ul style="list-style-type: none"> To offer 1 to 2 new age friendly courses To provide 2 activities (in 1 village) on the summer schedule for care for the disadvantaged To host 9 friendly farming classes at Xinzhong Kindergarten Recreational Camp - MV Street Dancing presentation Implemented 2-3 Jianle camp courses New Resident Education Promotion Project--Management of talent training in Lian Village community



Appendix



TCFD Climate-Related Financial Disclosure Executive Summary

Aspect	TCFD Proposed Items for Disclosure	LITEON's Response		
 <p>Governance</p>	<p>The board's oversight of climate-related risks and opportunities</p>	<ul style="list-style-type: none"> The board chairman serves as the chairman of the Corporate Sustainability Committee. LITEON holds Board of Directors meetings on a regular basis every year. During the meeting, the chairman reports on the performance, impact assessment, and achievement of sustainability goals with respect to ESG and climate change-related issues 		
	<p>Management's role in assessing and managing climate-related risks and opportunities</p>	<ul style="list-style-type: none"> The Climate Change Risk Task Force is an interdepartmental unit. The task force is responsible for identifying climate risks, performing assessment within the scope of its responsibilities, and countering the effects of climate change LITEON's top management team on climate issues is the sustainability CEO, who leads the executive management in implementing climate change-related management work and reports directly to the Board of Directors LITEON has established an Environmental Sustainability Sub-committee, which is chaired by the head of manufacturing, and is purposed with promoting green operations to improve environmental management performance and environmental risk controls The president serves as the convener of the risk setting and risk management sub-committees. After identifying major risks, they will discuss relevant countermeasures with various business units of the company 		
 <p>Strategy</p>	<p>LITEON has identified significant risks and opportunities from climate change, including:</p>			
	<p>Climate-related risks and opportunities LITEON has identified over the short, medium, and long term</p>	<p style="text-align: center;">Short-Term</p> <ul style="list-style-type: none"> Transition risk: Voluntary regulations (SBT commitments), renewable energy regulations, uncertainties in market information Physical risk: Increased severity of extreme weather events, such as typhoons and floods Market opportunities: Use of low-emission energy sources, transition to decentralized energy production, development or expansion of low-carbon products and services, R&D and innovation of new products and services, supportive policy incentives 	<p style="text-align: center;">Medium-Term</p> <ul style="list-style-type: none"> Transition risk: Enhanced emissions reporting obligations, cost of transition to a low carbon economy, changes in customer behavior, increased stakeholder concerns, and negative, Mandatory regulations for products and services feedback Market opportunities: Towards more efficient buildings, access to government incentives, new market partnerships 	<p style="text-align: center;">Long-Term</p> <ul style="list-style-type: none"> Transition risk: Increased price of GHG emissions (cap/carbon tax/energy tax) Physical risk: Average temperature increase Market opportunities: Use more efficient production and distribution processes
	<p>Impact of climate-related risks and opportunities on LITEON's business, strategy, and financial planning</p>	<p>Most significant climate risks for LITEON come from the requirements of clients, investors and other important stakeholders for GHG reduction as a company and compliance with product energy efficiency standards. Opportunities brought about by climate change mainly appear in products and services. LITEON's diversified product lines that respond to sustainable trends are expected to receive supportive policy incentives, and it responds to market demand and develops new markets with energy-saving and waste-reducing products and services.</p>		
	<p>LITEON's strategic resilience and consideration of different climate-related scenarios</p>	<p style="text-align: center;">Major Transition Risk</p> <p>In order to cope with the risk of changes in relevant laws and green standards, LITEON not only actively responds to international norms, but also keeps its expectations higher than international standards to reduce the cost of renewable energy. It actively researches and develop layouts in green design, and help customers reduce costs and improve efficiency with a high energy conversion rate and low-carbon product portfolio. LITEON's green design is based on Life Cycle of Thinking. With the 3Rs (Recycle, Reuse, Reduce) rule added to the product development process, the company engages in green product design, and aims to develop nontoxic, easy to assemble/disassemble, and environmentally friendly products.</p>	<p style="text-align: center;">Major Physical Risk</p> <p>In order to reduce the impact of drought events, respective factories have successively made investments in water-conservation facilities, enhanced the recycling of water resources, extended insurance coverage to relevant scopes, and formulated emergency response plans to reduce operational losses from disaster risk.</p>	<p style="text-align: center;">Major Climate Opportunities</p> <p>LITEON has laid a solid foundation for long-term sustainable development, and has maintained a close relationship of trust with customers for many years. It actively uses its core technologies of optics and electronics, and invests in research and development corresponding to market demand. Therefore, when the sustainable wave rises, LITEON will have the opportunity to gain the favor of customers in a wide range of green products and solutions, with resulting increase in revenue.</p>
	<p>LITEON refers to the 2° C scenario announced by the International Energy Agency (IEA); it simulates future effects of climate change based on the IEA 2DS and uses the results to set the GHG reduction SBT and an estimated future carbon reduction amount to serve a reference for adjustment to business strategy.</p>			

TCFD Climate-Related Financial Disclosure Executive Summary

Aspect	TCFD Proposed Items for Disclosure	LITEON's Response										
 <p>Risk Management</p>	<p>LITEON's processes for identifying and assessing climate-related risks</p>	<p>The company's Risk Management Sub-Committee follows the "ISO 31000 risk management system and guidelines" to gather information on climate developments and trends in terms of external market, regulatory, technical and physical factors, and to evaluate the probability and severity of impact, and identify major climate risks and opportunities. Then, it converts relevant climate risks into financial figures, and considers projects that may cause an annual financial impact of more than NT\$10 million as impactful risks and opportunities, which are prioritized according to likelihood and severity, and corresponding countermeasures are formulated. For risks with higher assessment results, a climate scenario analysis is additionally performed, and the current operational layout is considered to calculate its potential financial impact.</p>										
	<p>LITEON's processes for managing climate-related risks</p>	<p>After identifying the main risks, the Risk Management Sub-Committee will discuss countermeasures with each business unit of the Company, and risk assessment will be submitted to the risk management team, the Sustainability Committee, and the Audit Committee for supervision. The chairman of the Audit Committee regularly reports to the Board of Directors based on the risk management and assessment results.</p>										
	<p>How identification, assessment, and management of climate-related risks can be integrated into the company's overall risk management system</p>	<p>LITEON incorporates climate change into material issues and key risks of corporate sustainable development, and implements risk management plans in all plants and plans countermeasures for operations, products, and supply chain management. It follows the "ISO 31000 risk management system and guidelines" to implement the PDCA model to continually improve the integration of climate change risk management on the environmental side, and overall enterprise risk management system on the management side.</p>										
 <p>Targets and Goals</p>	<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>In terms of climate change mitigation, LITEON takes GHG emissions per unit revenue as the main KPI for quantitative evaluation, and also sets indicators such as proportion of renewable energy use, energy consumption per unit revenue, and water consumption per unit revenue.</p>										
	<p>Scope 1, Scope 2 and Scope 3 (where applicable) GHG emissions and associated risks</p>	<p>LITEON has implemented GHG inventory of Scope 1 and Scope 2 since 2008 and has obtained ISO14064 certification. We Expand the scope of inventory (with assurance) to include Scope 3 starting in 2018.</p> <p>Total direct and indirect greenhouse gas emissions in 2021 as follow:</p> <table border="0" style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;">Scope 1 : 10,081 tons of CO₂e</td> <td style="width: 25%;">Scope 2 : 216,771 tons of CO₂e</td> <td style="width: 25%;">Scope 3 : 13,332,353 tons of CO₂e</td> <td style="width: 25%;"></td> </tr> </table>				Scope 1 : 10,081 tons of CO ₂ e	Scope 2 : 216,771 tons of CO ₂ e	Scope 3 : 13,332,353 tons of CO ₂ e				
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<p>The targets used by the organization to assess climate-related risks and opportunities and performance in achieving that objective</p>	<p>In LITEON's development of low-carbon products and services, it works to improve energy efficiency for the company and its clients, and has set, in addition to carbon reduction SBTs and passing international reviews, has also set waste reduction, water conservation, and environmental impact mitigation targets.</p> <ul style="list-style-type: none"> Link climate indicators to the way managers' KPI performance is set beginning in 2021 Internal carbon pricing at \$1/ton CO₂e in 2021 <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Carbon Emission and Energy Management Targets:</th> <th style="width: 25%;">Product Energy Efficiency Management Improvement Goals:</th> <th style="width: 25%;">Waste Management Targets:</th> <th style="width: 25%;">Water Resource Management Targets:</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> Carbon emission (Scope 1+2) per million NT dollars of revenue to decrease by 39.3% by 2025 compared to the base year 2014 Annual power savings decrease by 6% in 2023 compared to the base year 2020 </td> <td> <ul style="list-style-type: none"> UV-LED energy efficiency to increase by 60% by 2025 compared to 2018 Energy conversion efficiency for power supply products to increase by 2% by 2023 compared to 2016 </td> <td> <ul style="list-style-type: none"> Waste to decrease by 10% on an absolute basis by 2023 compared to the base year 2020 Plastics in packaging to decrease by 300 tons by 2025 compared to the base year 2018 </td> <td> <ul style="list-style-type: none"> Water consumption to decrease by 6% on an absolute basis by 2023 compared to the base year 2020 </td> </tr> </tbody> </table>				Carbon Emission and Energy Management Targets:	Product Energy Efficiency Management Improvement Goals:	Waste Management Targets:	Water Resource Management Targets:	<ul style="list-style-type: none"> Carbon emission (Scope 1+2) per million NT dollars of revenue to decrease by 39.3% by 2025 compared to the base year 2014 Annual power savings decrease by 6% in 2023 compared to the base year 2020 	<ul style="list-style-type: none"> UV-LED energy efficiency to increase by 60% by 2025 compared to 2018 Energy conversion efficiency for power supply products to increase by 2% by 2023 compared to 2016 	<ul style="list-style-type: none"> Waste to decrease by 10% on an absolute basis by 2023 compared to the base year 2020 Plastics in packaging to decrease by 300 tons by 2025 compared to the base year 2018 	<ul style="list-style-type: none"> Water consumption to decrease by 6% on an absolute basis by 2023 compared to the base year 2020
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SASB Index

Topic & Code	Accounting Metrics	Related Information
Product Security		
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	2.5 Information Security and Privacy Management
Employee Diversity & Inclusion		
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1)management, (2) technical staff, and (3) all other employees	4.2.1 Employee Structure and Distribution
Product Life Cycle Management		
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	3.3.4 Environment-related substances management
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Most of LITEON products are not end products therefore cannot apply for EPEAT
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® Criteria	Most of LITEON products are not end products therefore cannot apply for ENERGYSTAR®
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	Most of LITEON's products are B2B, and it is difficult to collect information in the current situation
Supply Chain Management		
TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	2.6.2.2 Sustainable Supply Chain Management Mechanisms
TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a)priority non-conformances and (b) other non-conformances	2.6.2.2 Sustainable Supply Chain Management Mechanisms
Material Sourcing		
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	2.6.3 Responsible Mineral Management
Activity Metrics		
TC-HW-000.A	Number of units produced by product category	Please refer to LITEON 2021 annual report, Chapter 5, Production in the Last Two Years, page 105
TC-HW-000.B	Area of manufacturing facilities	Please refer to Locations of LITEON's Major Operations Worldwide 2021 The total production area is a business secret therefore not disclosed
TC-HW-000.C	Percentage of production from owned facilities	Business secrets not disclosed

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GRI 102 General Disclosures 2016					
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102-2	Activities, brands, products, and services	Company Overview	102-9	Supply chain	2.6 Sustainable Supply Chain
102-3	Location of headquarters	LITEON's Major Operations Centers Worldwide 2021	102-10	Significant change to the organization and supply chain	About This Report 2.2 Organization Structure of Corporate Governance 2.6.2.2 Sustainable Supply Chain Management Mechanisms
102-4	Location of operations	Company Overview	102-11	Precautionary principle approach	2.3 Corporate Risk Management
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102-20	Executive-level responsibility for economic, environmental, and social topics	1.3 LITEON Corporate Sustainability Committee 2.2 Organization Structure of Corporate Governance	102-31	Review of economic, environmental and social Topics	2.2 Organization Structure of Corporate Governance 2.3 Corporate Risk Management
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102-23	Chair of the highest governance body	2.2.1.1 Board of Directors	102-34	Nature and total number of critical concerns	1.3 LITEON Corporate Sustainability Committee 2.2 Organization Structure of Corporate Governance
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102-25	Conflicts of interest	2.2.1 Board of Directors and Functional Committees	102-36	Process for determining remuneration	2.2.1.3 Evaluation of Performance of the Board of Directors and Functional Committees 4.4 Protection of Employee Interest
102-26	Roles of highest governance body in setting purpose values, and strategy	1.2 Strategic Planning for Sustainability 1.3 LITEON Corporate Sustainability Committee 2.2 Organization Structure of Corporate Governance	102-37	Stakeholders involvement in remuneration	4.4 Protection of Employee Interest
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GRI 102 General Disclosures 2016					
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102-41	Collective bargaining agreements	4.5 Employee Relations Note: There is no collective bargaining agreements in LITEON yet	102-44	Key topics and concerns raised	1.4 Stakeholders and Material Issues
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102-47	List all material topics	1.4 Stakeholders and Material Issues	102-53	Contact point for questions regarding the report	About This Report
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GRI 201 Economic Performance	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	Message from the Chairman and President / 2.1 LITEON Corporate Values and Governance
	201-1	Direct economic value generated and distributed	Company Overview / 4.1 Employee Policy / 4.4 Protection of Employee Interest 4.6.1 Diverse Welfare Systems / 5.1 Social Inclusion Policy
	201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Message from the Chairman and President / 3.2 Climate Change and Energy Management
	201-3	Defined benefit plan obligations and other retirement plans	4.4.3 Pension Scheme
	201-4	Financial assistance received from government	Note: LITEON has received a total of NT\$16.52 million in subsidies for R&D projects from the ROC government in 2021
GRI 202 Market Presence 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	4.1 Employee Policy
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.4 Protection of Employee Interest
	202-2	Proportion of senior management hired from the local community	4.2.1 Employee Structure and Distribution

GRI Standards Content Index

Material Topics			
GRI Standard		Disclosure	Related Report Sections
GRI 204 Procurement Practices 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.6.1 Sustainable Supply Chain Management Policy and Targets
	204-1	Proportion of spending on local suppliers	2.6.1.3 Supply Chain and Localized Purchasing
GRI 205 Anti-Corruption 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.1 LITEON Corporate Values and Governance / 2.4 Compliance, Ethics and Anti-corruption
	205-1	Operations assessed for risks related to corruption	2.4 Compliance, Ethics and Anti-corruption
	205-2	Communication and training about anti-corruption policies and procedures	2.2.1.1 Board of Directors / 2.4 Compliance, Ethics and Anti-corruption 2.6.2.1 Sustainable Supply Chain Management Guidelines / 4.3 Employee Development and Training
	205-3	Confirmed incidents of corruption and actions taken	2.4 Compliance, Ethics and Anti-corruption
GRI 206 Anti-Competitive Behavior 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.4 Compliance, Ethics and Anti-corruption
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Note: Nil
GRI 302 Energy 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	3.1 Commitment to Environmental Sustainability / 3.2 Climate Change and Energy Management
	302-1	Energy consumption within the organization.	3.2.4.2 Direct and Indirect Energy Consumption
	302-2	Energy consumption outside of the organization	
	302-3	Energy intensity	3.2.4.2 Direct and Indirect Energy Consumption
	302-4	Reduction of energy consumption	Greenhouse Gas Inventory (GHG Scope 1 and Scope 2) / Greenhouse Gas Value Chain Inventory (GHG Scope 3) 3.2.4.2 Direct and Indirect Energy Consumption
	302-5	Reductions in energy requirements of products and services	3.3 Green Product Design and Management
GRI 305 Emissions 2016	Management Approach 103-2, 103-3	"The management approach & its components Evaluation of the management approach	3.1 Commitment to Environmental Sustainability / 3.2 Climate Change and Energy Management
	305-1	Direct (Scope 1) greenhouse gas (GHG) emissions	Greenhouse Gas Inventory (GHG Scope 1 and Scope 2)
	305-2	Energy indirect (Scope 2) greenhouse gas (GHG) emissions	Greenhouse Gas Inventory (GHG Scope 1 and Scope 2)
	305-3	Other indirect (Scope 3) greenhouse gas (GHG) emissions	Greenhouse Gas Value Chain Inventory (GHG Scope 3)
	305-4	Greenhouse gas (GHG) emissions intensity	Greenhouse Gas Inventory (GHG Scope 1 and Scope 2)
	305-5	Reduction of greenhouse gas (GHG) emissions	3.2.4.6 Environmental Management Goals / Greenhouse Gas Inventory (GHG Scope 1 and Scope 2)
	305-6	Emissions of ozone-depleting substances (ODS)	Note: LITEON does not use any substances detrimental to ozone layer in its production process
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.2.4.3 Air Pollution Prevention
GRI 307 Environmental Compliance 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	3.1 Commitment to Environmental Sustainability / 3.2 Climate Change and Energy Management
	307-1	Non-compliance with environmental law and regulations	Note: No Significant non-compliance

GRI Standards Content Index

Material Topics			
GRI Standard		Disclosure	Related Report Sections
GRI 308 Supplier Environment Assessment 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.6.1 Sustainable Supply Chain Management Policy and Targets
	308-1	New suppliers that were screened using environmental criteria	2.6.2.2 Sustainable Supply Chain Management Mechanisms
	308-2	Negative environmental impacts in the supply chain and actions taken	2.6.2.2 Sustainable Supply Chain Management Mechanisms / 2.6.2.3 Identification of Supply Chain Risk 3.3.3 Product Environmental Marks and Declaration
GRI 401 Employment 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	4.1 Employee Policy
	401-1	New employee hires and employee turnover	4.2.2 Employee Retention
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.4 Protection of Employee Interest / 4.6.1 Diverse Welfare Systems
	401-3	Parental leave	4.2.2 Employee Retention
GRI 402 Labor / Management Relations 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	4.1 Employee Policy
	402-1	Minimum notice periods regarding operational changes	4.4 Protection of Employee Interest
GRI 403 Occupational Health and Safety 2018	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	4.1 Employee Policy
	403-1	Occupational health and safety management system	4.6.2 Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	4.6.2 Occupational Health and Safety
	403-3	Occupational health services	4.6.2 Occupational Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.6.2 Occupational Health and Safety
	403-5	Worker training on occupational health and safety	4.6.2 Occupational Health and Safety
	403-6	Promotion of worker health	4.6.2 Occupational Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.6.2 Occupational Health and Safety
	403-8	Workers covered by an occupational health and safety management system	4.6.2 Occupational Health and Safety
	403-9	Work-related injuries	4.6.2 Occupational Health and Safety
	403-10	Work-related ill health	4.6.2 Occupational Health and Safety
GRI 404 Training and Education 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	4.1 Employee Policy
	404-1	Average hours of training per year per employee	4.3 Employee Development and Training
	404-2	Programs for upgrading employee skills and transaction assistance programs	4.3 Employee Development and Training / 4.4.1 Protection of Interests of Employment
	404-3	Percentage of employees receiving regular performance and career development reviews	4.4.1 Protection of Interests of Employment

GRI Standards Content Index


Material Topics			
GRI Standard		Disclosure	Related Report Sections
GRI 405 Diversity and Equal Opportunity 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	4.1 Employee Policy
	405-1	Diversity of governance bodies and employees	2.2.1.1 Board of Directors / 4.2.1 Employee Structure and Distribution
	405-2	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	4.4.2 Salary Assurance
GRI 406 Non-Discrimination 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	4.1 Employee Policy
	406-1	Incidents of discrimination and corrective actions taken	4.4 Protection of Employee Interest / 4.5 Employee Relations
GRI 407 Freedom of Association and Collective Bargaining 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.6.1 Sustainable Supply Chain Management Policy and Targets / 4.1 Employee Policy
	407-1	Operations and suppliers which the right to freedom of association and collective bargaining may be at risk	2.6.2.2 Sustainable Supply Chain Management Mechanisms / 4.5 Employee Relations / 4.6.1 Diverse Welfare Systems
GRI 408 Child Labor 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.6.1 Sustainable Supply Chain Management Policy and Targets / 4.1 Employee Policy
	408-1	Operations and suppliers at significant risk for incidents of child labor	2.6.2.2 Sustainable Supply Chain Management Mechanisms / 4.2.3 Employee Recruitment / 2.3.6 Human Rights Management
GRI 409 Compulsory Labor 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.3.6 Human Rights Management / 2.6.1 Sustainable Supply Chain Management Policy and Targets / 4.1 Employee Policy
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.6.2.2 Sustainable Supply Chain Management Mechanisms / 2.3.6 Human Rights Management
GRI 410 Security Practices 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.3.6 Human Rights Management
	410	Security personnel trained in human rights policies or procedures	2.3.6 Human Rights Management
GRI 412 Human Rights Assessments 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.3.6 Human Rights Management
	412-1	Operations that have been subject to human rights reviews or impact assessments	2.3.6 Human Rights Management
	412-2	Employee training on human rights policies or procedures	4.3 Employee Development and Training
GRI 414 Supplier Social Assessment 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.3.6 Human Rights Management Note: LITEON prescribes Corporate Social Responsibility code of practice, and all of the relevant investment agreements and contracts are evaluated by Legal department for compliance
	414-1	New suppliers that were screened using social criteria	2.6.1 Sustainable Supply Chain Management Policy and Targets
	414-2	Negative social impacts in the supply chain and actions taken	2.6.2.1 Sustainable Supply Chain Management Guidelines 2.6.2.2 Sustainable Supply Chain Management Mechanisms / 2.6.2.3 Identification of Supply Chain Risk
GRI416 Customer Health and Safety 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	3.1 Commitment to Environmental Sustainability
	416-1	Assessment of the health and safety impacts products and service categories	3.3.3 Product Environmental Marks and Declaration / 3.3.4 Environment-Related Substances Management
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Note: Nil / 3.3.3 Product Environmental Marks and Declaration

GRI Standards Content Index

Material Topics			
GRI Standard		Disclosure	Related Report Sections
GRI 417 Marketing and Labeling 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	3.1 Commitment to Environmental Sustainability
	417-1	Requirement of product and service information and labeling	3.3.3 Product Environmental Marks and Declaration
	417-2	Incidents of non-compliance concerning product and service information and labeling	Note: Nil / 3.3.3 Product Environmental Marks and Declaration
	417-3	Incidents of non-compliance concerning marketing communications	Note: Nil / 3.3.3 Product Environmental Marks and Declaration
GRI 418 Customer Privacy 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.5 Information Security and Privacy Management
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Note: Nil / 2.5 Information Security and Privacy Management
GRI 419 Socioeconomic Compliance 2016	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.4 Compliance, Ethics and Anti-corruption
	419-1	Non-compliance with laws and regulations in social economic area	4.4.4 Violation of Labor Standards Act

Specific Standard Disclosures Overview - Others			
Material Topics		Disclosure	Related Report Sections
Conflict Mineral (Metal)-Free Procurement	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	2.6.1 Sustainable Supply Chain Management Policy and Targets
	LOT-EN1	Supplier screening and green procurement	2.6.3 Responsible Mineral Management
Research & Development (Products)	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	3.1 Commitment to Environmental Sustainability
	LOT-EN2	Energy efficiency improvement	3.3.2 Product Life Cycle Assessment
	LOT-EN3	Material resources saving	3.3.2 Product Life Cycle Assessment
	LOT-EN4	Reduction use of hazardous substance	3.3.4 Environment-Related Substances Management
Charity and Care	Management Approach 103-2, 103-3	The management approach & its components Evaluation of the management approach	5.1 Social Inclusion Policy
	LOT-SO1	Promotion of multicultural humanities and youth education care	5.5 LITEON Volunteers / 5.6.1 Promoting Community Learning Activities
	LOT-SO2	Creating learning environments for lifelong learning and disadvantaged groups	5.6.1 Promoting Community Learning Activities / 5.6.2 Taipei Xinyi Community College
	LOT-SO3	The promotion of environmental education and implementation of environmental protection	5.6.2 Taipei Xinyi Community College
	LOT-SO4	Talent education by providing the learning environment for students to apply their knowledge	5.3 LITEON Plain Jade Project
	LOT-SO5	Encouraging technological innovation and design talent	5.2 LITEON Geekathon

Third-Party Assurance Statement



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE LITE-ON TECHNOLOGY CORPORATION'S SUSTAINABILITY REPORT FOR 2021

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
 SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by LITE-ON TECHNOLOGY CORPORATION. (hereinafter referred to as LITE-ON) to conduct an independent assurance of the Sustainability Report for 2021 (hereinafter referred to as the SR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification 2022/03/29~2022/04/29. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT
 This Assurance Statement is provided with the intention of informing all LITE-ON's Stakeholders.

RESPONSIBILITIES
 The information in the LITE-ON's SR Report of 2021 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of LITE-ON. SGS has not been involved in the preparation of any of the material included in the Report
 Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all LITE-ON's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
 The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options and Level of Assurance	
A.	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B.	AA1000ASv3 Type 2 High Level (AA1000AP Evaluation plus evaluation of Specified Performance Information)

SCOPE OF ASSURANCE AND REPORTING CRITERIA
 The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1.	GRI Standards (Comprehensive)
2.	AA1000 Accountability Principles (2018)
3.	SASB

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- evaluation of content veracity of the sustainability performance information based on the materiality determination at a high level of scrutiny for LITE-ON and moderate level of scrutiny for applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with; and
- evaluation of the report against the SASB Disclosures and Metrics included in the HARDWARE STANDARD Sustainability Accounting Standard (VERSION 2018-10) and conducted alongside an evaluation of accuracy assurance at high level of scrutiny.

ASSURANCE METHODOLOGY
 The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and stakeholders where relevant. In response to COVID-19 pandemic situation the assurance process was conducted via Teams.

LIMITATIONS AND MITIGATION
 Financial data drawn directly from independently audited financial accounts and Task Force on Climate-related Financial Disclosures (TCFD) have not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE
 The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from LITE-ON, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION
 On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
 LITE-ON has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, government authorities, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. LITE-ON has demonstrated internal collaboration at all levels of across governance, strategy, management and operations, to achieve continual improvement.

Materiality
 LITE-ON has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness
 The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. LITE-ON has responded in a way that addressed the needs, concerns and expectations of stakeholders.


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Impact
 LITE-ON has demonstrated a process on identifying impacts that fairly encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Impacts related to material topics were in place at target setting with qualitative and quantitative measurements and evaluation.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS
 The report, LITE-ON's SR Report of 2021, is adequately in line with the GRI Standards in accordance with Comprehensive Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. LITE-ON has built up a systematic information collecting approach which provides the evidence of supporting reliability in assumptions or conclusions. For future reporting, when assessing impacts, LITE-ON should consider economic, environmental, human rights, and other societal challenges at local, regional, and global levels related to sectors and the geographic location of its activities and business relationships.

SASB CONCLUSIONS, FINDINGS AND RECOMMENDATIONS
 LITE-ON has referenced with SASB's Standard, HARDWARE STANDARD, VERSION 2018-10 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed information correspond to the financial data reported in LITE-ON's audited consolidated financial statements. LITE-ON used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to support the comparability of the data reported. Process to identify, assess, and manage topic-related risks and opportunities were integrated into LITE-ON's overall management process. It is recommended that the methodology of evaluating and measuring disclosed sustainability performance could be more consistent with the requirements of the SASB standards.

Signed:
 For and on behalf of SGS Taiwan Ltd.



David Huang
 Senior Director
 Taipei, Taiwan
 24 May, 2022
www.sgs.com

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