

LITEON®

LITE-ON Technology Corporation  
Human Rights Due Diligence Report



## LITE-ON Technology Corporation Human Rights Due Diligence Report

### 1. Human Rights Policy

LITE-ON Technology Corporation (hereinafter referred to as “LITEON” ) respects and supports internationally recognized human rights standards and principles, including the “Universal Declaration of Human Rights” , the “United Nations Global Compact” , and the “Declaration of Fundamental Principles and Rights at Work” of the International Labor Organization, and complies with local laws and regulations. According to the “UN Guiding Principles on Business and Human Rights” , LITEON formulates relevant company policies and measures.

#### Scope of Application

LITEON human rights policy is applicable to LITEON and its affiliated companies’ operations and value chain.

LITEON is committed to respecting, protecting, and remediating employees, suppliers, and partners, who may be subjected to human rights violation. In addition, LITEON expects its suppliers and contractors to act in accordance to the spirit and basic principles of this policy. Also, with the new business interactions, we included human rights investigation as a risk aversion step in our investment management procedure.

#### Commitments of Human Rights

- 1) LITEON believes that respecting and protecting human rights is the foundational to the sustainable development and operation of a corporation.

- 2) LITEON takes into account human rights issues in every part of its operational value chain.
- 3) LITEON provides stakeholders with accessible communication channels.

### Principles of Management

LITEON builds up policies and regulations and executes the internal audit regularly and adopts the Code of Conduct of RBA (Responsible Business Alliance) as management framework.

According to the RBA audit process, internal and external audit are performed regularly. The human right issues to which LITEON attaches great important are the following:

- 1) Prohibiting any form of discrimination
- 2) Prohibiting forced labor, human trafficking and child labor
- 3) Providing fair and reasonable pay and working conditions
- 4) Providing a safe, hygienic and healthy work environment
- 5) Respecting employees' freedom of assembly and association

## ● **Implementing the RBA Framework**

### **Company Commitment**

The company and its management recognize that compliance with international labor standards and the protection of labor rights are the basic requirements of a responsible company, as well as the expectations of consumers, customers, the public and stakeholders such as the government.

The company promises to abide by national labor laws and regulations, abide by internationally recognized labor standards, and other applicable international conventions, and continue to improve working conditions and employee benefits.

Like quality control, social responsibility management is also an integral part of the company's daily operations. Fulfilling social

responsibility is a necessary requirement for the company to provide good products to meet customer needs. The company appoints senior executives to be responsible for social responsibility management, establishes, implements and maintains a good social responsibility management system, and extends this requirement to suppliers and subcontractors.

### **Policy statement**

- 1) Comply with labor, health and safety, and environmental protection laws and regulations and relevant international standards in the place where the business is located.
- 2) The use of child labor, forced labor, prison labor and human trafficking is prohibited, and any suppliers or subcontractors that use child labor or forced labor are not accepted.
- 3) Respect the freedom of employees and prohibit any form of forced labor.
- 4) Protect the environment, provide safe and hygienic working and living conditions, and ensure the safety and health of employees.
- 5) Promote labor-management cooperation and respect employees' freedom of association, collective bargaining rights and peaceful assembly rights.
- 6) Provide an equal and fair working environment and prohibit any form of discrimination.
- 7) Reasonably arrange production plans, and rationally arrange employees' working hours and rest time.
- 8) Respect the basic human rights of employees and prohibit any form of insulting behavior.
- 9) Provide reasonable wages and benefits to at least meet the basic needs of employees.
- 10) Avoid any form of corruption, extortion and embezzlement of public funds.
- 11) Continuous improvement.

## **2. Risk Identification**

A process of building internal and external awareness and understanding of where our activities may have the potential to intersect with human right was build; three due diligence steps were outlined as evaluation framework, assessment and improvement for LITEON to identify, assess, prevent, and mitigate actual and potential adverse impacts related to human rights.

### 1. Evaluation Framework

To identify, prevent, and mitigate human rights impacts from LITEON and its supply chain, two frameworks of risk evaluation were launched for both employees and suppliers in terms of RBA. For employees, LITEON conducted regularly the risk evaluation for each production site based on two risk matrix of the occurrence (O) and severity (S) that can be quantified. Regarding the suppliers, a survey and audit form in the field of human rights was established based on RBA to understanding of what significant risk may cause from supply chain. We conduct the assessment at least every three years, and the last survey was conducted in 2020.

### 2. Assessment

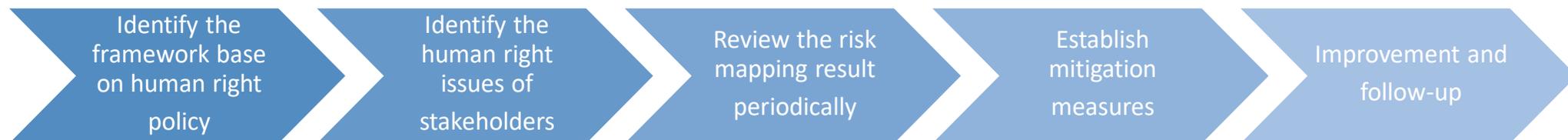
- Operation: There are two approaches to assess human rights risk of employees, including self-assessment and third party audit.
- Supply Chain: LITEON defined a basic guideline applicable to suppliers in accordance with the RBA Code of Conduct and asked suppliers to sign the written management undertaking guaranteeing that they would strictly comply and take social responsibilities. The criteria of assessment comply with the updated RBA 7.0, which has increased items in risk identification.
- We also stipulated the RBA audit regulations for suppliers. The essential elements of evaluation include: no child labor, protection of human rights, no discrimination, equality of treatment, legal working hours and pay, and environment management.
- New business relations: According to the regulations of the LITEON Investment Administration Measures, the relevant items of the investment plan should be paid attention to the labor relations of the investee (labor law, labor welfare, labor contract, labor group, etc.), which shall comply with the regulations, and the long-term equity investment (new investment case, increase capital or M&A) shall issue the due diligence report.

### 3. Improvement

By integrating the finding of human rights assessment into relevant functions and processes, LITEON implemented the improvement

for taking appropriate actions to mitigate human rights risk. This step allows LITEON to tracking the effectiveness of the response and communicating on actions to address impacts associated with human rights.

The comprehensive identification process is as follows:

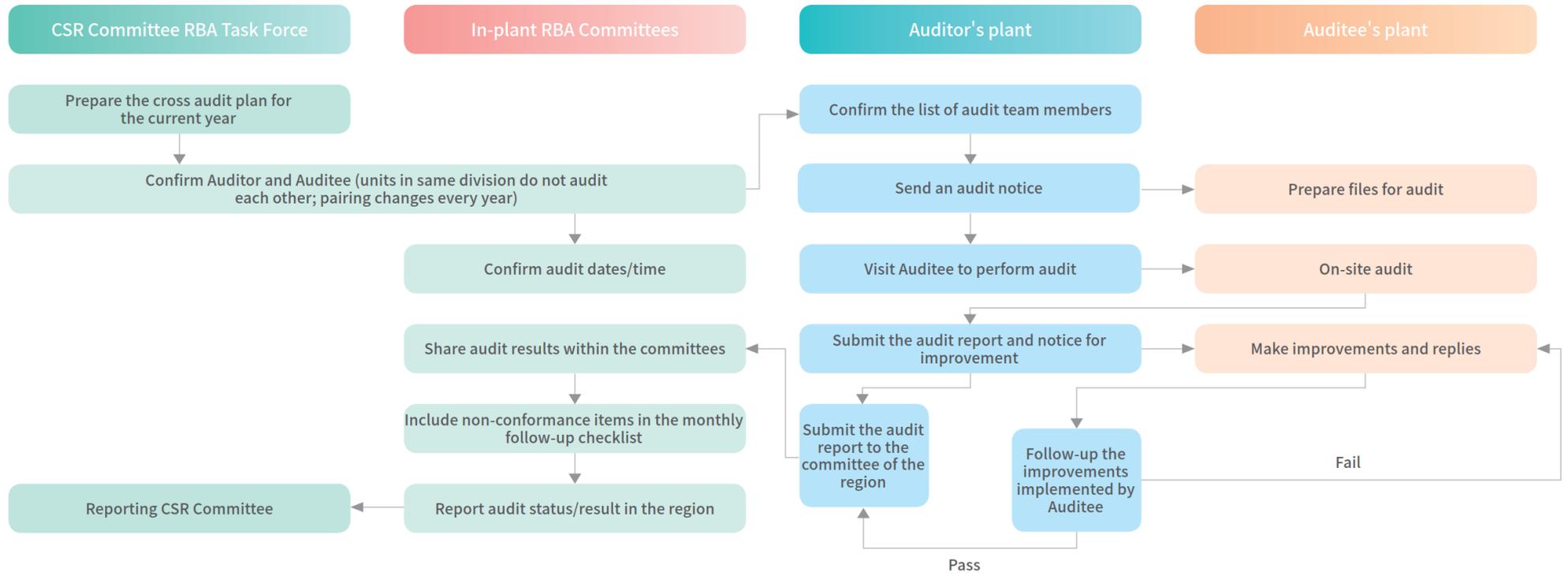


### ● RBA management mechanism

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

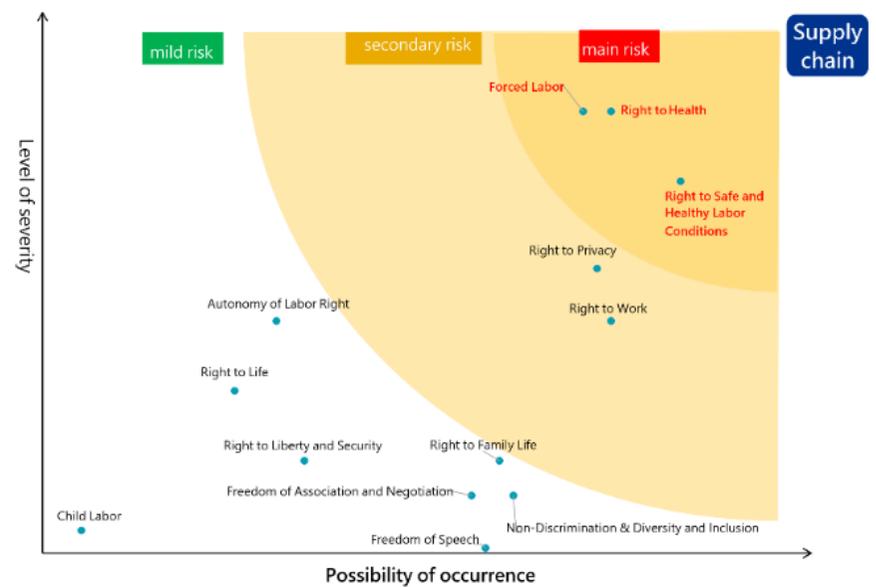
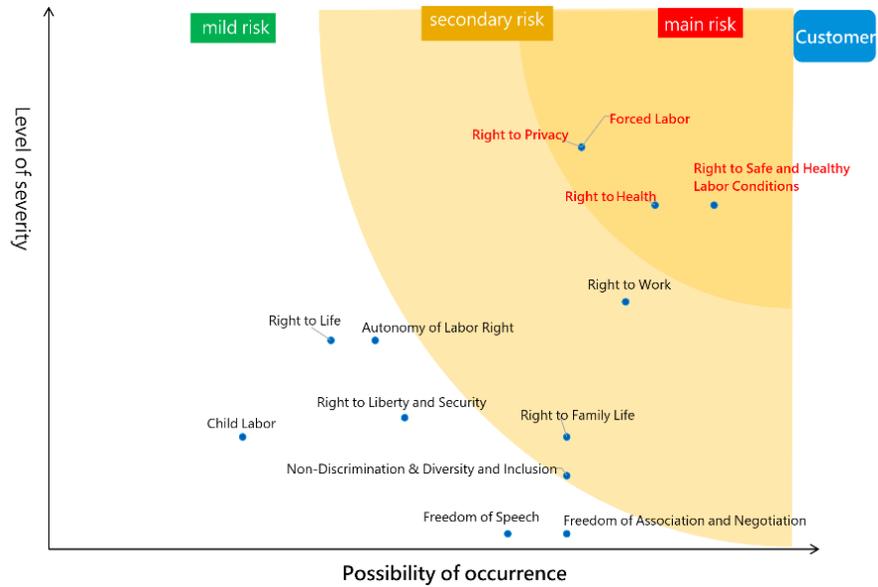
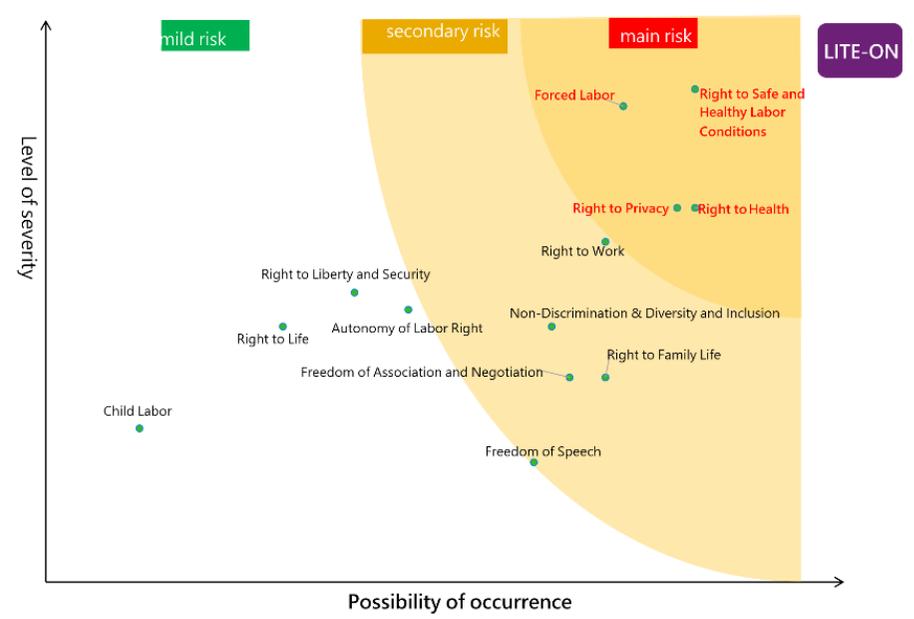
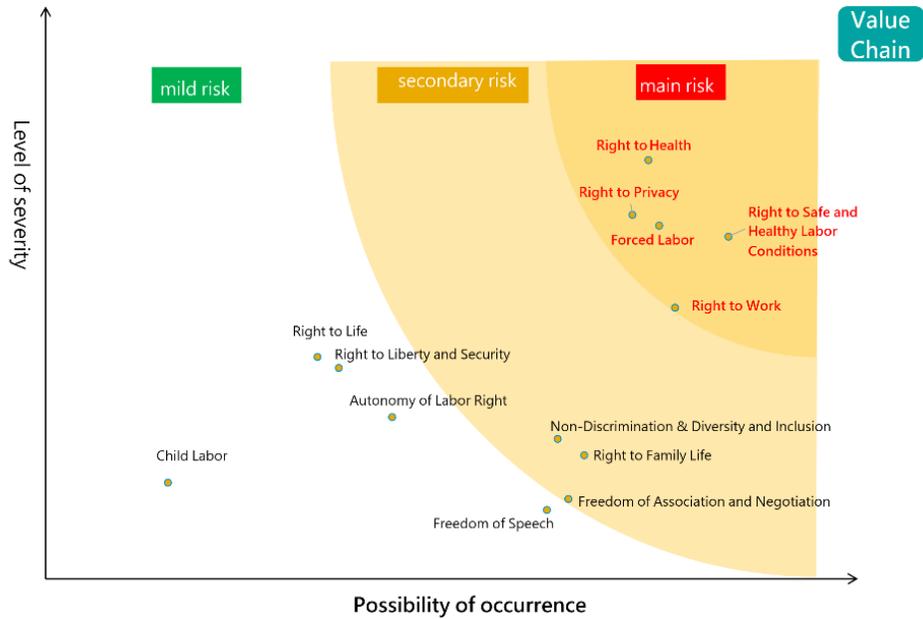
The RBA Code of Conduct covers a broad range of issues from employees' health and safety, environmental protection, to business ethics. The company follows these guidelines to conduct self-inspections at each of its plants every month, and there are 18 sites had assembled RBA Code of Conduct committees to cross-audit each other and ensure 100% compliance. Any conduct that does not comply with the RBA Code of conduct is raised for discussion and improved upon within the given timeframe.

### Inter-plant cross audit flowchart



## ● Human rights risk identification results

	Level of impact	Human rights issue	Level of severity	Possibility of occurrence	Impact level rank
Main risk	Range: 8.28~11.40	Right to Fair, Safe and Healthy Working Conditions	1.23	0.80	1
		Right to Occupational Health and Safety			
		Forced Labor	1.27	0.75	2
		Right to Privacy	1.23	0.76	3
		Right to Work	1.34	0.74	4
			1.18	0.77	5
Secondary risk	Range: 11.41~14.53	Right to Family Life	1.09	0.71	6
		Non-Discrimination & Diversity and Inclusion	1.10	0.70	7
		Freedom of Association and Right to Collective Bargaining	1.07	0.70	8
Mild risk	Range: 2.72~8.27	Freedom of Speech	1.06	0.69	9
		Autonomy of Labor Right	1.12	0.60	10
		Right to Liberty and Security	1.15	0.56	11
		Right to Life	1.15	0.55	12
		Child Labor	1.08	0.46	13



Human rights risk category	Value chain with potential risks	Material risk issue	Description of risk issue	Impact Assessment Mechanism
Employee working conditions	LITEON Corp., subsidiaries, Joint ventures, supply chain	Right to Fair, Safe and Healthy Working Conditions	The labor condition provided cannot secure the life, health and safety of employees. For example, the breaks between work shifts are too short, the consecutive work shifts are too long, unequal and low remuneration that cannot sustain daily lives, dangerous work environments and/or discrimination in working condition.	RBA Audits OHSAS 18001/ISO 45001 Employee health check Supplier risk assessment Supplier site audit
		Forced Labor	Any incidents of forced labor, such as personnel being forced to work, forced to work overtime, restrictions on employees' leave, forced to report with less working time, or conflict mineral issues. Force employees to work by means of violence, threats or illegal restrictions on personal freedom. Any behavior that discriminates against employees.	Employee satisfaction/engagement survey Employee grievance mechanism
		Right to Occupational Health and Safety	Personal health might be damaged at workplace. The injured personnel must go through medical treatments or therapies to be completely or partly recovered. (e.g. work injury, occupational injury, use of hazardous materials). Protection of the rights of female employees' maternity leave.	Employee Assistance Program EAP

Human rights risk category	Value chain with potential risks	Material risk issue	Description of risk issue	Impact Assessment Mechanism
		Right to Work  Autonomy of Labor Right	The labor condition fails to be compliant with the legal requirements to secure the basic working rights of employees. For example, setting unfair working contract for labors that leads to exploitation (e.g. use of contractors, dispatch workers, or foreign workers). Also, the technological advancement that might impact the right to work (e.g. introducing robotic assembling technology that leads to lay-offs). Unable to provide comprehensive pre-employment and on-the-job training opportunities	RBA audits in plants Labor regulations compliance
Customer relationship	LITEON Corp., subsidiaries, Joint ventures	Right to Privacy	Failure to proper manage business information as well as clients' and employees' personal information and data. Therefore, incidents such as data theft, leakage, and exploitation might happen. Also, relevant information cannot be deleted or adjusted based on requests.	Information security audit ISO 27001 GDPR compliance assessment
Local community	LITEON Corp., supply chain	Forced Labor	Conflict mineral issues	Due diligence and management of conflict minerals
		Right to Occupational Health and Safety	LITEON and its value chain cause health hazards in the workplace. For example, the use of hazardous substances has affected the health and safety of local communities.	

## 4. Mitigation and Remediation to Adverse Impacts

Value chain	Risk category	Mitigation plans	Remediation actions	Target
<p>Employee</p> <p>(Mitigation and Remediation plan apply to 334 sites globally)</p>	<p>Right to Occupational Health and Safety</p>	<ul style="list-style-type: none"> <li>● Each site/plant has an "Occupational EHS Promotion Team"</li> <li>● With both internal and external audits, to supervise the company's safety and health environment and improvement operations. The top managers of each plant set up an EHS team and an occupational safety and health committee at the operating base, and the occupational safety and health designated personnel of each plant are responsible for implementing and obtaining ISO 45001 or OHSAS 18001 and other international standards certified public security personnel security audit</li> <li>● In the education and training of new recruits, in addition to advocating that employees have their due obligations in terms of safety and health, and emphasizing the importance of employees' self-protection</li> <li>● Implement work environment monitoring for particularly hazardous work</li> <li>● Carry out special physical examination for employees who are with special harm hazards</li> <li>● Each factory shall set up paramedics and first-aid</li> </ul>	<ul style="list-style-type: none"> <li>● In case of occupational injury, hardware protection equipment will be added in the engineering control end, and safety and health promotion of personnel will be strengthened in the management control end</li> <li>● The company will provide relevant assistance for employees in accidents such as work-related injuries, car accidents, and major illnesses, such as applying for group insurance and hospitalization subsidies. It is also regulated in Taiwan to provide employees with TWD 30,000 to 100,000 emergency relief funds</li> <li>● Strengthen the promotion of the wearing of protective equipment and standardize the inspection of the wearing of protective equipment by the site management staff</li> <li>● Reduce the risk of injury by increasing the frequency of physical examination</li> </ul>	<p>Cross-plant RBA cross audit completion rate 100%</p> <p>RBA labor/ethics training completion rate 100%</p> <p>disability injury frequency (FR) and severity rate (SR) decreased by 10% Y-O-Y</p>

Value chain	Risk category	Mitigation plans	Remediation actions	Target
		<p>personnel to provide necessary first-aid measures in case of emergency</p> <ul style="list-style-type: none"> <li>● Relevant fire drills are held every six months to improve the necessary concept of disaster prevention, and fire prevention measures will be inspected irregularly to improve fire safety</li> <li>● Relevant fire drills will be held every half year</li> <li>● Annual drinking water quality examined by SGS Taiwan, and workplace CO<sub>2</sub> concentration test</li> <li>● Implement regular health inspections for current employees</li> <li>● Maternal care: Questionnaire survey on the working environment of pregnant employees and the setting of breastfeeding rooms</li> <li>● Employee Assistance Programs (EAPs) provide employees with external professional consultants with free, professional and highly confidential counseling services on five levels, including psychological, management, legal, health and finance.</li> </ul>	<p>and arranging rotation of site staff and line managers</p> <ul style="list-style-type: none"> <li>● human hazards of DL employees: abnormal workload (working hours): compliance with laws and regulations, employee adjustments will be made based on physical examination reports, stress scale (questionnaire) high-risk assessment, health education consultation, and coordination of work scheduling with supervisors.</li> <li>● Labor insurance, occupational disaster medical benefit, labor insurance, occupational accident, injury and illness benefit, labor insurance disability benefit</li> <li>● According to the safety and health code of practice, establish standard operating procedures and strictly carry out the annual automatic inspection before, during and after the operation</li> <li>● Health promotion: A twice-daily broadcast designed specifically to reduce shoulder and neck pain for PC users in offices</li> </ul>	

Value chain	Risk category	Mitigation plans	Remediation actions	Target
	Forced Labor	<ul style="list-style-type: none"> <li>● Follow LITEON CSR Code of Conduct and Supplier Code of Conduct. We provide fair, safe, and healthy working conditions and require our suppliers, including contractors to commit to comply with international standards and the labor or employment laws of their business locations.</li> <li>● Plan the regular review process of employee salaries, most of which are better than the local minimum wage payment, to ensure that excellent talents can be retained, and at the same time to ensure the level of salary of all employees in the market.</li> <li>● Measure the living wage level and overall economic indicators through salary survey every year, make appropriate adjustments to the salary of employees, and provide competitive starting salary.</li> <li>● Shift adjustment in accordance with the law to avoid excessive overtime hours or short rest time, which may affect employees' physical and mental health.</li> <li>● Regular annual staff health inspections, follow-up tracking and counseling measures for different levels of status, and arrangements for the medical staff to directly consult.</li> <li>● Promote health promotion activities, seminars, etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Regarding child labor risks               <ul style="list-style-type: none"> <li>■ During the interview, identify the ID of the personnel</li> <li>■ The HRMS system sets up a child labor prevention mechanism of "no input for those younger than 16"</li> <li>■ Re-verify the ID number through the social security system</li> </ul> </li> <li>● Enhance recruitment completion rate to meet production needs.</li> <li>● Regarding management procedure on Third party employment agency               <ul style="list-style-type: none"> <li>➢ The recruitment agency is required to provide a detailed description of what items are included in the "monthly deducted amount" ;</li> <li>➢ The recruitment agency is required to provide the transfer records of the detailed distribution of price difference on a regular basis;</li> <li>➢ Contact unauthorized TPEAs. Without the authorization and consent of the company, it is not allowed to use the "LITEON " logo</li> </ul> </li> </ul>	<p>100% no child labor</p> <p>Recruitment achievement rate 100%</p>

Value chain	Risk category	Mitigation plans	Remediation actions	Target
		<ul style="list-style-type: none"> <li>● We support the industry-university cooperation promotion program of the Technical Department of the Ministry of Education to train young students. During the internship, we also provide students salaries, welfare, education training, club membership as if they were ordinary employees.</li> <li>● Establish risk assessment procedures to identify all labor, ethical, and environmental risks and properly manage them.</li> <li>● Establish employee communication procedures and channels to timely understand employee problems and improve and correct them.</li> <li>● Establish RBA management system to ensure continuous improvement.</li> <li>● Guarantee employment opportunities for disabled people.</li> </ul>	<p>to recruit employees.</p> <p><b>Long-term improvement measures:</b></p> <ul style="list-style-type: none"> <li>➢ Regularly require the recruitment agency to provide the difference compensation records and transfer records returned to the employees every month, and HR shall keep the copies.</li> <li>➢ Conduct regular search and query of online recruitment information to ensure that there is no discriminatory content and no recruitment agency that publishes recruitment advertisements of the company without authorization.</li> </ul>	
	Right to Fair, Safe and Healthy Working Conditions	<ul style="list-style-type: none"> <li>● Guarantee equal remuneration for different genders, ethnics, religions, political beliefs, marital status, and affiliated to union or not.</li> <li>● LITEON is committed to discrimination-free employment without regard to race, color, religion, national origin, gender, sexual orientation, age, disability or other characteristic protected by law. LITEON is striving to become a workplace where</li> </ul>	<ul style="list-style-type: none"> <li>● If overwork, the necessary rest or compensatory time will be given afterwards</li> <li>● Provide better than the statutory annual health examination with the biological monitoring in blood and urine test to reduce the workplace health hazards</li> <li>● Conduct regular interviews with employees to solve their work and life</li> </ul>	<p>100% weekly working hours &lt;60</p> <p>Monthly retention rate of DL in key positions &gt;97%</p>

Value chain	Risk category	Mitigation plans	Remediation actions	Target
		<p>workforce diversity and equal opportunity is respected and implemented.</p> <ul style="list-style-type: none"> <li>● Manage overtime work at the system level. Through the cooperation of HR\PC\CS\IE and other departments, make full calculation from receiving orders to scheduling to personnel arrangement, and carry out overtime control in the most reasonable way. <ul style="list-style-type: none"> <li>➢ The max limit of overtime hours on the system;</li> <li>➢ Timely review the current implementation status at weekly and monthly meetings;</li> <li>➢ Put working time control into KPI management;</li> <li>➢ Keep close communication with customers, keep order stability, and communicate with customers about overtime work beyond the upper limit of control;</li> <li>➢ Promote and guide the working hour control standards in new employee training, annual re-training and weekly department meeting;</li> <li>➢ Communication channels for employees to appeal about overtime work or compulsory overtime work at any time;</li> <li>➢ Set up elastic line and reserve manpower to meet the manpower demand of urgent orders;</li> <li>➢ Schedule PC strictly according to the working time</li> </ul> </li> </ul>	<p>problems</p> <ul style="list-style-type: none"> <li>● Develop adequate and effective policies and systems/procedures for determining, communicating, recording, managing and controlling working hours (including overtime), including reliable and detailed records of workers' regular working hours and overtime hours</li> </ul>	<p>No discrimination cases</p>

Value chain	Risk category	Mitigation plans	Remediation actions	Target
		<p>control standard, and promote smooth production;</p> <ul style="list-style-type: none"> <li>➤ IE continuously promoted ECRS project;</li> <li>➤ Accelerate automation.</li> </ul> <ul style="list-style-type: none"> <li>● Regarding management procedure on Third party employment agency               <ul style="list-style-type: none"> <li>➤ Regularly require the recruitment agency to provide the difference compensation records and transfer records returned to the employees every month, and HR shall keep the copies.</li> <li>➤ Conduct regular search and query of online recruitment information to ensure that there is no discriminatory content and no recruitment agency that publishes recruitment advertisements of the company without authorization.</li> </ul> </li> </ul>		
	<p>Rights to Work/ Autonomy of Labor Right / Right to Fair, Safe and Healthy Working Conditions</p>	<ul style="list-style-type: none"> <li>● We strictly comply with the provisions of the labor laws and regulations, for the change of labor conditions, according to the laws and regulations to complete the notice procedure               <ul style="list-style-type: none"> <li>➤ Establish the government official website regulation search system, wechat EHS official account, and third-party EHS information release platform to regularly identify and update laws and regulations.</li> <li>➤ Identify and evaluate EHS related laws and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Measures to protect direct labor-employment relations: :               <ul style="list-style-type: none"> <li>➤ Sign and issue labor contracts on the day of employment</li> <li>➤ Input information into HRMS system, monitor regularly, and renew in time</li> </ul> </li> <li>● In the event of an employee' s incompetence, a counseling plan will be formulated to provide counseling or</li> </ul>	<p>100% labor contract signed</p> <p>100% Training rate of the whole plant (including ISO90001/ ISO14001/ QC08000/</p>

Value chain	Risk category	Mitigation plans	Remediation actions	Target
		<p>regulations monthly through the above methods.</p> <ul style="list-style-type: none"> <li>● To safeguard the fundamental rights of employees, strictly enforce the policy of non-discrimination and provide equal employment opportunities regardless of race, gender, religion, color, nationality, age, party orientation, pregnancy status, physical and mental handicap, social background, in accordance with the management of appointments</li> <li>● If there is a significant change in employment, appropriate advance notice and severance payment will be given in accordance with the relevant laws and regulations, and relevant supporting documents will be provided in accordance with the law</li> <li>● Internal and External Grievance channels</li> <li>● Email: ETHIC.HOTLINE@LITEON.COM               <ul style="list-style-type: none"> <li>➢ Reporting mailbox: send to 11499 Neihu Jiangnan Post Office, No. 156-21, Chairman's Office Reporting mailbox</li> <li>➢ Employees can also dial extension 1234 or e-mail 1234@LITEON.com</li> </ul> </li> <li>● LITEON' s learning development system is based on the organization' s strategy, vision and values. Through an all-round start-up plan, it provides perfect on-the-job education opportunities, and builds twelve modules of learning based on new recruits, majors, classes, and</li> </ul>	<p>assist in transferring to a competent unit or affiliated company. If the cooperative relationship between the company and the employee is still not satisfied, the employee will be assisted in applying for unemployment benefits or vocational training subsidies to ensure employees Work rights are not affected</p> <ul style="list-style-type: none"> <li>● Provide relevant retraining plans for personnel transfers caused by changes in manufacturing processes or production patterns</li> </ul>	<p>OHSAS 18001 (ISO 45001)</p>

Value chain	Risk category	Mitigation plans	Remediation actions	Target
		<p>self-development. Blueprint, with an e-learning platform system, so that employees of all levels can freely participate, and improve organizational effectiveness through a positive training cycle model</p>		
	<p>Right to Privacy</p>	<ul style="list-style-type: none"> <li>● Establish the Privacy Policy covering employees, customers, suppliers and other stakeholders, as well as the Information Security Policy to manage and protect the security and privacy of information assets</li> <li>● Set up an information security team to promote information security and personal data protection across departments and functions</li> <li>● The company and its subsidiaries follow the international standards of ISO27001:2013 and adopt the PDCA circular operation model to establish and implement the information security management system and continuously introduce information technology tools and improve the management mechanism</li> <li>● Update ISO 27001 certification regularly and gradually expand the scope of the system</li> <li>● Strengthen the staff's awareness of privacy protection, reduce the probability of privacy leakage events, establish information security requirements and education and training management procedures according to information security management</li> </ul>	<ul style="list-style-type: none"> <li>● Establish a management system framework to meet the requirements of Taiwan' s Personal Data Protection Act and the GDPR regulations of the EU</li> <li>● Introduce Microsoft Azure Information Protection (AIP) mechanism, use cloud digital tools encryption mechanism identity and authorization principles to protect employee personal data and enterprise confidential documents</li> <li>● Set up information security monitoring system, plan and execute data leakage simulation exercise perform vulnerability scanning to prevent external hacker intrusion and internal secret leakage</li> <li>● Perform internal and external audits regularly</li> <li>● Improve the ability to respond to privacy breaches, and establish various information security incident management procedures SOP</li> </ul>	<p>100% GDPR compliance and conduct annual audit to maintain its effectiveness</p>

Value chain	Risk category	Mitigation plans	Remediation actions	Target
		<p>documents, and plan different types of security courses for different roles and functions to strengthen the staff's awareness of security</p> <ul style="list-style-type: none"> <li>● Set up various personal information security maintenance and control measures, such as DLP Management, Mobile Device Management</li> <li>● Carry out internal information security audit regularly to confirm the implementation of information security management practices, and take improvement measures based on the audit results, to continuously implement the information security management system.</li> <li>● Protect recruits' confidential data (such as marital status)               <ul style="list-style-type: none"> <li>➢ The training of the employee's privacy protection shall be conducted regularly specifically on the recruiter.</li> <li>➢ In the case of a regular review of the file form, the contents of the individual's privacy status are discriminated or disclosed in the common form;</li> <li>➢ The workers provide personal privacy protection training and enhance the awareness of workers' privacy.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➢ Incident identification investigation procedures</li> <li>➢ Information security incident notification and emergency management procedures</li> <li>➢ Security management procedures for office information operations</li> <li>● Protect employee confidential data (such as marital status)               <ul style="list-style-type: none"> <li>➢ The contents of the personnel data form used by the company are modified, and the personal privacy situation shall be based on the voluntary principle of the employee.</li> <li>➢ The training is trained to ensure the privacy of employees.</li> <li>➢ When the staff of the company is instructing new employees to fill in the information, it is necessary to inform the "whether the marriage condition is" whether the pregnancy "is the personal privacy information of the employee, which is optional.</li> </ul> </li> </ul>	

Value chain	Risk category	Mitigation plans	Remediation actions	Target
<p>Supplier/ Contractor</p> <p>(Mitigation and Remediation plan apply to 1,531 tier 1 suppliers (412 critical tier 1) and 4,372 contractors. globally)</p>	<p>Rights to Occupational Health and Safety</p>	<ul style="list-style-type: none"> <li>● Formulate the "Supplier Code of Conduct" which requires suppliers to follow the guidelines to manage employee health and safety, commit to establish and maintain an occupational safety and health management system, define safety and health control procedures, and supervise implementation. Suppliers must comply with relevant applicable health and safety laws and other requirements.</li> <li>● Perform supply chain sustainability risk assessment, further review the implementation of occupational safety and health for critical suppliers, if there are high-risk situations, conduct on-site inspections and provide improvement suggestions based on audit methods, and require suppliers to submit improvement results as scheduled to improve the situations, regularly follow up the supplier's RBA improvement status.</li> <li>● Formulate the "Contractor Management Procedures" to manage the work safety of contractors. Occupational safety and health personnel will take the initiative to implement inspection tasks, timely review the defects found, and propose improvement and preventive measures to ensure safety of contractors for on-site operations.</li> <li>● Irregular supplier education and training conferences are held to promote human rights issues.</li> </ul>	<ul style="list-style-type: none"> <li>● Developed the LS301 standards and Green Management System, GMS. Implemented the Green Procurement Guidelines, and requires all supplier (contractor) submit the Supplier Statement of Restricted Substances Compliance for material acknowledgment and internal control. In addition, LITE-ON states explicitly in all procurement contracts that the materials, parts, or semi-finished goods must comply with the LS301 standards for effective upstream green supply chain management.</li> <li>● Confirm whether the incoming materials have entered the production process, if so, the unqualified incoming materials will be separated first to avoid mixing, and if the semi-finished products are already in transit, they will be recalled for confirmation</li> <li>● On-site audit is conducted in accordance with the audit method and improvement and follow-up is scheduled for critical supplier with high</li> </ul>	<p>Supplier code of conduct education and training for 100% critical tier-1 suppliers</p> <p>over 70% of the risk self-assessment questionnaire replies for critical tier-1 suppliers</p>

Value chain	Risk category	Mitigation plans	Remediation actions	Target
	Right to Fair, Safe and Healthy Working Conditions	<p>Formulate the "Supplier Code of Conduct" and require suppliers (including contractors) to commit to comply with international standards and the labor or employment laws of their business locations, such as guaranteeing labor wages and benefits: the salary paid by the company to its employees shall comply with all relevant laws, including relevant minimum wages, overtime hours and legal benefits. It is forbidden to deduct wages as a means of discipline. The ongoing investment in employee benefits is aimed at employees' needs in work and life as well as health and safety. In addition to wages and salaries, employees receive a range of non-work-related allowances and benefits for themselves and their families. These programs encourage employee loyalty and team spirit in the Group.</p>	<p>risks to occupational safety and health.</p> <ul style="list-style-type: none"> <li>● We require our suppliers (including contractors) to safeguard their rights and interests in accordance with the Labor dimension of our Supplier Code of Conduct</li> <li>● Established supplier audit procedures and conduct regular risk investigations on critical suppliers</li> <li>● Established and implemented supplier RBA audit plan every year, and grasp the implementation level of working hours that affect family life</li> <li>● If a supplier is found to be at high risk, we will conduct on-site inspections and provide improvement suggestions, and require suppliers to submit improvement results as scheduled to improve the high-risk situation, and regularly track the supplier's RBA improvement status and continue to improve.</li> </ul>	

Value chain	Risk category	Mitigation plans	Remediation actions	Target
Customer	Forced Labor	<ul style="list-style-type: none"> <li>The "Supplier Code of Conduct" requires suppliers (including contractors) to follow the "labor" dimension of the code, such as working hours: overtime must be voluntary, and should effectively manage overtime work that exceeds local regulations. Employees should have the right to take at least one day off during work seven days a week, unless it is a special operating situation, and comply with the local operating base regulations.</li> <li>Formulated "Conflict Mineral (Metal) Procurement Policy" to ensure that products do not use illegal "conflict minerals" from Congo and surrounding countries and regions, and abide by regional and international laws and regulations on conflict minerals</li> <li>Established a due diligence structure in line with the "Guidelines for Due Diligence of Mineral Supply Chains in Conflict-affected Areas and High-risk Areas" issued by OECD.</li> </ul>	<ul style="list-style-type: none"> <li>For suppliers with a history of forced labor (forced work, forced overtime, underreported hours) or high risk, plan to include them in the future priority audit list</li> <li>In addition to being included in the priority inspection list, provide guidance, check, verify and improve supplier partners with the occurrence of forced labor</li> <li>If due diligence results identify suppliers at risk of using illegal conflict minerals, raise their risk level and place them on a future priority audit list</li> <li>The supplier' s compliance with the code of conduct is included in the evaluation of purchasing decisions</li> </ul>	100% no use of metals from illegal smelters in conflict mining areas
	Right to Privacy	<ul style="list-style-type: none"> <li>The Privacy Protection Policy covers employees, customers, suppliers and other interested parties. All plant areas follow local, regional, national and international standards, and formulate codes of conduct and management documents, which are internalized in the management system.</li> <li>Formulate the "Personal Data Protection Management</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance and deletion of personal Information: If customers or other users wish to change their personal information and stop receiving the information provided by Liteon.com or wish to delete your personal information from the database of our website, they</li> </ul>	0 complaints about information leakage

Value chain	Risk category	Mitigation plans	Remediation actions	Target
		<p>Measures" to ensure that personal data are collected, processed and used in accordance with the relevant laws and regulations, and are regularly destroyed through strict destruction procedures, and video evidence is retained through camera surveillance, so as to ensure the most stringent protection of personal data</p> <ul style="list-style-type: none"> <li>● It is clearly stated in the policy that the provision of information is in compliance with the privacy policy and other appropriate confidentiality and security measures</li> <li>● It is clearly stated in the policy that we may also disclose the personal information we collect due to legal requirements, court or relevant enforcement agency orders, or the company to ensure compliance with legal obligations and protect LITEON' s property and rights .</li> </ul>	<p>can contact us by E-mail at <a href="mailto:webmaster@liteon.com">webmaster@liteon.com</a></p> <ul style="list-style-type: none"> <li>● Breach incidents are publicly disclosed on LITE-ON' s website and CSR report every year.</li> <li>● Employees who have been investigated and confirmed to have breach any personal information may be punished according to the provisions of the circumstances, rewards and regulations on the violation of regulations.</li> </ul>	

## 5. Implementation and Results

LITEON reveals implementation status and results to public in Human Rights Due Diligent report, we track the implementation and effectiveness of our due diligence activities, i.e. its measures to identify, prevent, mitigate and, where appropriate, support remediation of impacts, including with business relationships. In turn, use the lessons learned from tracking to improve these processes in the future.

- **Internal implementation tracking**

We monitor implementation of the internal commitments, activities and goals on due diligence by carrying out periodic internal and third party reviews or audits of the outcomes achieved. 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. All results are recorded in LITEON RBA implementation report, which is finished by each plant's CSR team periodically, and in the report, the assessments are conducted with risk possibilities and severity evaluation, for high level risks, we implemented SOP, monthly tracking system, specific risk program, training, communication channels with employees to solve the human rights problem. Any conduct that does not conform with the guidelines will be improved upon within the given timeframe. 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.

- **Value chain implementation tracking**

The company also conducts regular human rights surveys on external value chain partners (customers, suppliers, contractors, and local communities). We conduct customer satisfaction survey annually to collect feedback of our ESG implementation from our customers. We also held QBR/QTR/EBR sessions with customers periodically to ensure smooth communication. For suppliers, based on RBA, LITEON established a tool for investigation and evaluation in the field of human rights to understand which may lead to important risks in the supply chain. We conduct surveys at least every three years, and the last survey was conducted in 2020.

LITEON seeks to encourage periodic reviews of relevant multi-stakeholder and industry initiatives of which the enterprise is a member, in helping to identify, prevent or mitigate adverse impacts linked to business.

- **Public disclosure**

LITEON communicates externally relevant information on due diligence policies, processes, activities conducted to identify and address actual or potential adverse impacts, including the findings and outcomes of those activities in the Due Diligence Report (<https://www.liteon.com/en-us/globalcitizenship/692>) or the Sustainability Report available on our website. We publicly report relevant information on due diligence processes through the annual corporate Sustainability Report (<https://www.liteon.com/en-us/globalcitizenship/365>). See also our Annual report (<https://www.liteon.com/en-us/investor/financialreports/9>) for more information. All the information is publicized on our website (<https://www.liteon.com/en-us/globalcitizenship/94>) with Mandarin and English versions that is easily accessible and appropriate. Including actions taken to prevent or mitigate risks, including where possible estimated timelines and benchmarks for improvement and their outcomes, measures to track implementation and results and our provision of or co-operation in any remediation. For human rights impacts that we cause or contribute to, we have channels to communicate with impacted or potentially impacted rightsholders in a timely and accessible manner.