

LITE-ON TECHNOLOGY CORP.

Corporate Social Responsibility Best Practice Principles

Chapter I General Principles

Article 1

To fulfill corporation social responsibility and Lite-ON Technology Corporation(“LITE-ON”) corporate vision, "Best Partner in Opto-Electronic, Eco-friendly and Intelligent Technologies" , we establish our Best Practice Principles(“Principle”) base on Corporate Governance Best Practice Principles for TWSE/ GTSM Listed Companies and relevant regulations.

This Principles applies to the entire business operations of LITE-ON and its business group.

Article 2

LITE-ON actively fulfills our corporate social responsibility in the course of our business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.

Article 3

LITE-ON attaches great importance to corporate governance, environmental protection and social engagement, and include these factors into our management strategy and business operations. We considerate the sustainable operation and corporation social responsibility, while pursuing our profit and the rights and interests of stakeholders' right.

Article 4

To implement corporate social responsibility initiatives, LITE-ON follow the principles below:

1. Exercise corporate governance,
2. Foster a sustainable environment,
3. Preserve public welfare, and
4. Enhance disclosure of corporate social responsibility information.

Article 5

LITE-ON enacts corporation social responsibility strategy, regulation and promotion project base on the communication with stakeholders, the trend of corporation social responsibility development, relativity with corporation's core business and entire business activities into consideration.

Chapter 2 Exercising Corporate Governance

Article 6

LITE-ON follows the Corporate Governance Best Practice Principles for TWSE/GTSM Listed

Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 7

The board of directors of LITE-ON shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, including the following matters,

1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines,
2. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives, and
3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall be responsible for supervising the high level managers to exercise the corporate governance and fulfill corporation social responsibility progress. The board of directors authorizes the Corporate Social Environmental Committee to hold for the economics, environmental and social issues derived by corporate business operation and regularly report the result to the board.

Article 8

Lite-On shall comply with relevant laws and regulations and observe the following guidelines to maintain a fair competition environment:

1. Avoid engaging unfair competition,
2. Not tolerate and establish appropriate management systems of anti-bribery or anti-corruption, and
3. Regularly hold an employee training program of corporation social responsibility, including promotion of the matters prescribed in the preceding article.

Article 9

For the purpose of managing corporate social responsibility initiatives, LITE-ON establish an exclusively dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

LITE-ON adopt reasonable remuneration policies, to ensure that remuneration arrangements accord with the strategic aims of the organization, and align with the interests of stakeholders. We combine the employee performance evaluation system with corporation social responsibility policies to establish a clear and effective incentive and discipline system.

Article 10

LITE-ON based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on our company website. We

understand the reasonable expectations and demands of stakeholders through proper communication, and adequately respond to the important corporate social responsibility issues which is concerned by the stakeholders.

Chapter 3 Fostering a Sustainable Environment

Article 11

LITE-ON abides to environmental law and international standards to protect the environment appropriately. We are dedicated to enhancing the efficiency on useage of natural resources, using recycled material, reducing impact to the environment to practice our vision.

Article 12

LITE-ON uphold the concept of green design and green management to offer our customer efficient and reliable solutions. Moreover, to establish a sustainable development supply chain, we expand the concept of corporate social responsibility through our suppliers to minimize the impact from the business operations.

Article 13

LITE-ON establish proper environment management systems based on the characteristics of our industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of our business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14

LITEE-ON establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and we would hold an environment training program for our managerial officers and other employees on a periodic basis.

Article 15

In order to reduce the impact of business operation on environment and ecology system as well as to promote the sustainable consumption, LITE-ON conducts the business operations such as research and design, procurement, manufacture and service process base on the following principles:

1. Provide environment friendly products and services with the concept of green design,
2. Improve the efficiency of product and service, the recyclability and reusability of raw materials of products, and prolong the durability of products,
3. Enhance efficiency of usage on energy, water and resources,
4. Construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use our best efforts to reduce adverse impact on human health and the

- environment by adopting the best practical pollution prevention and control measures,
5. Maximize the usage of and sustainable use water, renewable and natural resources,
 6. Reduce the harm to environment and ecology system from managing the toxic and the waste properly, and
 7. Focus on the impact of our business operations on the climate change. To minimize the impact of their business operations on climate change, we would disclose the result of greenhouse gas inventory and establish an energy conservation and carbon reduction strategy.

Chapter 4 Preserving Public Welfare

Article 16

LITE-ON comply with relevant labor laws and regulations, and the Internationally recognized human rights of labor to fulfill our responsibility to protect the legal right of employees of Lite-On. Thus, We establish relevant management strategy and procedure as the following:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of our business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of our policy or statement on human rights.
4. Providing an effective, proper and convenient channel for the appeal against labor right violation. We promise the process of such appeal would be equal, transparent and would be responded appropriately.

Article 17

LITE-ON adequately employ personnel from the location of the business operations. We provide information of local labor laws and regulations for the employees to comprehend its rights.

Article 18

To prevent occupational accidents, LITE-ON provide a safe and healthful work environments for our employees, including necessary health and first-aid facilities, regular employee training on safety and health and endeavor to curb dangers to employees' safety and health .

Article 19

LITE-ON create an environment conducive to the development of our employees' careers and establish effective training programs to foster career skills. To achieve the objective of sustainable operations, LITE-ON appropriately reflect the business performance or achievements into the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources.

Article 20

LITE-ON establish a multi-channel to facilitate two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the operations, management and decisions of Lite-On.

Article 21

LITE-ON take responsibility for products and services, and take marketing ethics seriously. In the

process of research and development, procurement, production, operations, and services, we shall ensure the transparency and safety of our products and services. LITE-ON shall establish and disclose policies on consumer rights and interests, and enforce them in the business operations, in order to prevent our products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 22

LITE-ON ensure the quality of products and services by following the laws and regulations of the government and relevant standards of industries. We follow relevant laws, regulations and international guidelines when marketing or labeling our products and services.

Article 23

LITE-ON evaluates and manages all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

LITE-ON provides a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 24

LITE-ON assess the impact of its procurement has on society as well as the environment of the community that we are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.

Prior to engaging in commercial dealings, we assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When we enter into a contract with any of our major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 25

LITE-ON actively participates in social charity through commercial donation, enterprise volunteer, community education, NPO and event held local government to promote community development.

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 26

LITE-ON disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies and fully disclose relevant and reliable information relating to our corporate social responsibility initiatives to improve information transparency. We disclose the relevant information relating to corporate social responsibility includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors,
2. The risks and the opportunity on our business operations and financial conditions arising from exercising corporate social responsibility issue,
3. Goals and measures for realizing our corporate social responsibility initiatives and performance in implementation,
4. Stakeholders and their concerns, and
5. Other information relating to corporate social responsibility initiatives.

Article 27

LITE-ON adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of our implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports, include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives,
2. Major stakeholders and their concerns,
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development, and
4. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 28

LITE-ON shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 29

LITE-ON should evaluate each aspect of non-financial risk such as corporate governance, environmental as well as social non-financial risk and establish a management system. Corporate Social Environmental Committee of LITE-ON is authorized to operate such management system and report the result of operation aperiodicity to the board of directors.

Article 30

Considering establishing a sustainable supply chain, LITE-ON should assess the impact of its procurement on the environment and the society, and coordinate with our supplier to jointly implement the corporation social responsibility.

Furthermore, to expand the influence of LITE-ON value chain, we encourage our suppliers to regulate their suppliers with the same Principles.

Article 31

The Principles is implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.

The first amendment to the Principles was implemented after the board of directors grants the approval on July 28, 2017.

The second amendment to the Principles was implemented after the board of directors grants the approval on April 27, 2018.