

- **Continue to develop high-performance power conversion technologies and products with a total of TWD 2,379,788 invested.**

LITEON's ICT products account for 53% of its total revenue and are mainly power supplies. Our power supply products competency is widely used in a variety of communication products and cloud data centers, and servers, so improving product conversion efficiency is crucial. We are also working hard to reduce the product volume by lowering the power density. On the market, Switch mode power supply units are gaining popularity with the rise of PC, mobile communication, and the Internet. Its growing popularity is fueling a steady growth in the SPS demand. Regarding power supply for servers and network communication products, the increasing demand for cloud databases is leading to a higher demand for DC power supply systems and more rigorous requirements. LITEON has introduced BBUs and data center management solutions to provide systematic power management for clients. We must maintain technical competitiveness to keep the revenue growth momentum with increasing market demand.

We are the world's top two power supply manufacturers. The market size is estimated to be about US\$25.6 billion in 2022. Therefore, LITEON actively participates in trade associations with the purpose of in track with global technology research and development, technical industry-academia cooperation, and information and communication peripheral product agreements. In recent years, LITEON focuses on cloud infrastructure platforms & solutions to provide high-wattage, high-efficiency, high-density, and other high-end power management products & innovative power management solutions. On the other hand, based on ASIC integration expertise, the introduction of third-generation semiconductor materials, and the introduction of heat dissipation technology to improve power conversion efficiency and reduce product size, these are the more sustainable direction we strive to lead in the power industry.

- **Committed to the development and promotion of intelligent technology, focusing on the development of AIoT technology, formulating industry standards, and enhancing Taiwan's core competitiveness in emerging IoT industries with a total of TWD 1,095,800 invested.**

In recent years, we have focused our business on 5G & AIoT. LITEON's Networking BU has developed a series of 5G products including FlexFi all-in-one small cell, O-RU device, and LiteNetics EMS system for the purpose to provide 5G network equipment solutions with high-performance and highly flexible architecture. FlexFi O-RU products embracing the virtualized, disaggregated, and open architecture could be deployed in a far wider range of scenarios and varied architectures. LITEON 5G solutions have been deployed in Telecom's trial sites for enterprise applications. FlexFi O-RU compliant with O-RAN interoperability and conformance test specification. LITEON sets "smart grid" as a long-term ESG investing strategy. With power electronics technology laid as the foundation, integrating LITEON's cloud computing, 5G communication technology, AIoT, and software R&D capabilities to provide smart grid solutions with reliable communication guarantees and smart interaction capabilities.

LITEON has joined the O-RAN Alliance and has introduced 5G small cells and solutions that support the O-RAN standard in 2021 to enter the global telecom market. We've cultivated technical capabilities in 5G network infrastructure, software and hardware, incorporating our R&D competencies, product design, manufacture, and system integration to fulfill the complex and multiplex requirements in 5G applications. As a participant in the O-RAN Alliance, LITEON will contribute on 5G standards and work with members (industrial partners and worldwide communication service providers) to develop more open, virtualized, interoperable, and O-RAN compliant 5G small cells. We also introduce LiteNetics to enable the FCAPS management and

accelerate the deployment with SON and RIC and streamline the provisioning process with the intuitive user interface. The FlexFi and LiteNetics products will enable our customers to serve more applications and fulfill enterprise and business network needs.

- **Support the technology research and development of the optoelectronic industry and expand the development of the global market with a total of TWD 1,017,427 invested.**

Founded in 1975 as a LED manufacturer, LITEON is the longest-running and largest-scale optoelectronic components supplier in Taiwan; the opto semiconductor production value ranks top six globally, and among which, the photocoupler shipment is No.1 globally. our optoelectronic components products are widely used for applications for all purposes. LITEON's ongoing investment in optoelectronics in the future will include R&D plans for high-end photocouplers, high-efficiency multichip packaging, high reliability LED lighting components, low heat resistant packaging, smart lighting, IR LED components for biometric uses, and Infrared sensing for wearables, surveillance, robotics and etc. Therefore, supporting the R&D of the optoelectronics industry and expanding the global market are critical to LITE-ON for “Best Partner in Opto-Electronic and Eco-Friendly” are the foundation of LITEON’s vision.

LITEON is an active supporter of business associations and trade organizations and promotes the adoption of international standards in the industry. Through the Taiwan Optoelectronic Semiconductor Industry Association (TOSIA), Photonics Industry and Technology Development Association (PIDA), and SEMI, we focus on their technical and professional services. To meet the customer’s requirement for product miniaturization, we’ve enhanced RD development of optoelectronic semiconductor packaging and tested technologies integrate optical light-extraction technologies, thermal management, in-line process stress prediction, IC circuit integration, and mechanism precision design to provide ultra-bright, thin and small size, and low power consumption products. In the meantime, events/expositions held by SEMI and PIDA provide access to industry breakthroughs, trends, leaders, and partners, and opportunities to collaborate, innovate and drive the future of microelectronics.

- **Develop innovative automotive products and continue to strengthen LITEON's presence in the automotive market through automotive Industry with a total of TWD 1,105,114 invested.**

Continue to strengthen LITEON's presence in the automotive market through Taiwan Advanced Automotive Technology Development Association (TADA), Taiwan Transportation Vehicle Manufacturers Association (TTVMA), V-Team and Automotive Electronics Industry Alliance (AEIA) under Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), etc. LITEON focuses on automotive vision solutions, vehicle lighting solutions, vehicle control & applications, and EV Charging Solutions. In terms of EV business, we also joined Charging Interface Initiative e.V. LITEON is in the automotive market value chain for various products and revised including parts for middle and upper reaches by designing and developing combined electric vehicle AC charging piles and hybrid electric vehicle bidirectional DC converters, automotive lighting and LEDs. Others include Automotive solid state drives, smart car applications, car networking applications, etc.

Through the participation of automotive associations, LITEON aims for cross-sector resources Integration, cooperation in R&D, and connection with international standards to create new customers and new markets. TADA aims to promote and integrate Taiwan's ICT industry into the advanced automotive industry through the Technical Advisory Group, assisting industry communication and standard setting. TVMA to assist industry to strengthen the communication with the government on industrial policy, accelerate industrial transformation and upgrading to the EV and smart vehicle market, and prepare for the accession to the free trade agreement.

AEIA focuses on assisting Taiwan auto electronics manufacturers to expand the mainland market, while V TEAM is made of semiconductors, information communication, automotive electronics, electric vehicle, and OEM manufacturers to integrate the energy and resources and establish an effective platform for interaction and cooperation and create business opportunities.

● **Focusing on ESG and compliance insights with a total of TWD 1,424,600 invested.**

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.

LITEON works with Responsible Minerals Initiative (RMI), BCSD Taiwan and Taiwan Corporate Governance Association, etc. With the rise of Sustainable Investment, ESG performance is now the most important non-financial indicator for company assessment. With a 52% foreign shareholding ratio, LITEON must focus more on sustainable development issues.

Participate in ESG-related organizations to obtain the latest ESG regulatory information and best practices in order to respond to stakeholder (including customers, government, investors.... etc.) expectations and reduce compliance risks.

**National campaign**

In 2021, we joined the “Taiwan Climate Partnership” formed by the government, to jointly consult on corporate carbon management related future policies. We hope to promote the market visibility of our products and maintain close communication with the government on policies and applications of corporate environmental sustainability.

**Trade associations**

- Through BCSD and the Corporate Governance Association and other organizations related to ESG issues, we can keep up and comply with the latest domestic and foreign trends and related laws and regulations to reduce corporate legal compliance risks.
- In response to our customers' request on LITEON's conflict mineral management, we joined RMI for its tools and resources to make sourcing decisions that improve regulatory compliance and support responsible sourcing of minerals from conflict-affected and high-risk areas.

**2018-2021 Contributions & Other Spending**

unit: \$NTD / Data coverage: 100% of revenue

	2018	2019	2020	2021
Lobbying, interest representation or similar	0	0	0	0
Local, regional, or national organizations	0	0	1,500,000	1,000,000
Local, regional, or national political campaigns / candidates	0	0	0	0
Trade associations or tax-exempt groups (e.g., think tanks)	653,018	1,882,231	1,591,875	6,195,729
Other (e.g., spending related to ballot measures or referendums)	0	0	0	0
<b>Total contributions and other spending</b>	<b>653,018</b>	<b>1,882,231</b>	<b>3,091,875</b>	<b>7,195,729</b>

## 2021 Expense of Participating Public Association

unit: \$NTD

<b>Public Association LITEON Joined</b>	<b>Expense</b>
Taipei Computer Association	15,000
The Allied Association for Science Park Industries	108,000
Taiwan Advanced Automotive Technology Development Association	50,000
Taiwan Technology Industrial Park Electrical and Electronic Manufacturer's Association	34,920
Taipei Electronic Components Suppliers' Association	15,000
Taipei Neihsu Technology Park Development Association	5,000
Taiwan Electrical and Electronic Manufacturers' Association	42,000
Taiwan Business Council for Sustainable Development	60,000
Photonics Industry and Technology Development Association	40,000
Taiwan Optoelectronic Semiconductor Industry Association, TOSIA	300,000
Electronic & Computer Employers' Association (Thailand)	17,390
Chai-Klong Personnel Management (Thailand)	1,410
SEMI	226,427
Taiwan Transportation Vehicle Manufacturers Association	32,400
GARTNER	600,000
The Institute of Internal Auditors	12,000
Taiwan Corporate Governance Association	15,000
Anti-Static Equipment Branch of China Electronic Instrument Industry Association	4,344
Common Wealth Sustainable Convention	10,000
Responsible Minerals Initiative	207,600
Tianjin Taiwan Compatriots Investment Enterprise Association	173,760
Tianjin Enterprises with Foreign Investment Association	43,440
Charging Interface Initiative e.V.	313,200
SINOCON Industrial Standards Foundation	200,000
Taiwan Climate Partnership	1,000,000
Taiwan CIO Association	10,000
Monte Jade Science and Technology Association (Taiwan)	20,000
Taiwan Mergers & Acquisitions and Private Equity Council	30,000
PCI-SIG Association	110,720
HDMI Association	276,800
HDCP Association	415,200
APEC	13,148
OCP	179,920
CPES	1,384,000
O-RAN ALLIANCE	692,000
TIP (TELECOM INFRA PROJECT)	276,800
5G Industrial Innovation & Development Alliance	50,000
CHAdEMO Association	120,250
<b>Total</b>	<b>7,195,729</b>