

LITE-ON Supplier Code of Conduct

To ensure that working conditions in its supply chains are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically, LITE-ON has established the Supplier Code of Conduct ("this Code") based on international guidelines including the Responsible Business Alliance Code of Conduct ("RBA Code of Conduct"), the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights. LITE-ON requires its suppliers to adhere to this Code and comply with local laws and regulations applicable in the countries and regions in which they conduct business operations. LITE-ON also encourages its suppliers to require their suppliers to recognize and implement this Code. Supplier compliance with this Code will be one of the factors to be considered in LITE-ON's purchase decision making process.

This Code covers five aspects, which are (A) labor, (B) health and safety, (C) the environment, (D) business ethics, and (E) elements of an acceptable system to manage conformity to this Code.

A. Labor

Suppliers should commit to uphold the human rights of workers, to treat them with dignity and respect as understood by the international community, and to comply with the applicable labor and employment laws below as well as international standards, including those involving the freedom of association and privacy and prohibiting forced or child labor and discrimination.

1. Freely chosen employment: All forms of forced labor are prohibited, and all work must be voluntary. Provided reasonable notice is given, workers are free to leave employment at any time.
2. Prohibition of child labor and protection of young workers: Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15 (or 14 where permitted by the law of the country/region), or under the age for completing compulsory education, or under the minimum age for employment in the country/region, whichever is greatest. The use of industry academia collaboration programs, which comply with all laws and regulations, is supported. However, workers under the age of 18 shall not perform work that is potentially dangerous or night work that may interfere with the demands of their education.
3. Working hours: Overtime work must be performed on a voluntary basis. Working

hours in excess of the maximum set by local law should be managed effectively. Except in unusual situations, workers shall be allowed at least one day off every seven days.

4. Wages and benefits: Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Deductions from wages as a disciplinary measure shall not be permitted.
5. Humane treatment: Suppliers should be committed to not imposing any harsh and inhumane treatment on workers including any sexual harassment, sexual abuse, corporal punishment, intimidation, exploitation, mental or physical coercion or verbal abuse.
6. Non-Discrimination: Suppliers should be committed to not engaging in discrimination based on race, color, religion, ethnicity or national origin, gender, sexual orientation, age, disability, or other circumstances protected by law in hiring and employment practices such as training, rewards, promotions, termination, and retirement. There is to be a workplace where diversity and equal opportunity are respected and supported.
7. Freedom of association: Suppliers shall respect the right of workers to, in conformance with local law, form organizations, join or not join trade unions, seek representation, and join workers' councils. Workers shall be able to openly communicate with management regarding working conditions without fear of reprisal, intimidation or harassment.

B. Health and safety

Suppliers recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Suppliers also recognize that ongoing input and education is essential to identifying and solving health and safety issues in the workplace. Suppliers should be committed to creating and maintaining an occupational health and safety management system to establish health and safety controls and to oversee the practices and ongoing improvement of health and safety performance. Furthermore, all health and safety regulations and other applicable requirements are observed.

1. Occupational safety: Worker potential for exposure to safety hazards (e.g. electronics and other energy sources, fire, vehicles, and fall hazards) are to be controlled through proper design, engineering and administrative controls, preventative maintenance and safe work procedures (including lockout/tag out), and ongoing safety training. Where hazards cannot be adequately controlled by

these means, workers are to be provided with appropriate personal protective equipment. Disciplinary measures as a means to raise safety awareness among workers shall be permitted.

2. Emergency preparedness: Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including: emergency reporting, employee notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans.
3. Occupational injury and illness: Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness including provisions to: (a) encourage worker reporting; (b) classify and record injury and illness cases; (c) provide necessary medical treatment; (d) investigate cases and implement corrective actions to eliminate their causes; and (e) and facilitate return of workers to work.
4. Industrial hygiene: Worker exposure to chemical, biological and physical agents is to be identified, evaluated, and controlled. When hazards cannot be adequately controlled by engineering and administrative controls, workers are to be provided with appropriate personal protective equipment.
5. Physically demanding work: Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing and highly repetitive or forceful assembly tasks is to be identified, evaluated and controlled.
6. Machine safeguarding: Physical guards, interlocks and barriers are to be provided and properly maintained on machines operated by workers.
7. Housing and food: Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, and storage facilities. Worker dormitories provided by LITE-ON or a labor agent are to be maintained to be clean and safe, and provided with appropriate emergency egress, adequate lighting heat and ventilation, and reasonable personal space.
8. Product liability: Customer health and safety should be a top priority throughout product development, manufacturing, distribution, sales, and disposal. Information on safe use of products and maintenance should be provided to customers.

C. Environmental

Suppliers recognize that environmental responsibility is integral to producing world class products. In manufacturing operations, adverse effects on the

community, environment and natural resources are to be minimized while safeguarding the health and safety of the public. To reduce impact on the environment, suppliers should implement environmental management to control air emissions, hazardous substances, energy consumption, and noise generated during design and production, and establish environmental control procedures and monitor the performance.

1. Environmental permits and reporting: All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.
2. Pollution prevention and resource consumption reduction: The use of natural resources, including water and energy, and generation of waste are to be minimized or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, and recycling and reuse.
3. Hazardous substances: Chemicals and other materials that, when released to the environment, pose a hazard to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.
4. Wastewater, solid waste, and air emission management: Standard operating procedures are to be established, maintained, and improved according to the ISO 14001 Guideline for Wastewater and Sewage Management in order to effectively manage wastewater, air emissions, solid waste, and noise. Air pollutants, hazardous substances, and noise are minimized at all locations of business in order to comply with the applicable environmental laws, regulations and customer requirements.
5. Energy consumption and greenhouse gas emissions: Energy consumption and all greenhouse gas emissions are to be tracked and documented, at the facility and/or corporate level. Suppliers are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.
6. Materials restrictions: LITE-ON continues to encourage suppliers to develop innovative business models that minimize the environment impact. Ecological design principles are applied to all products and services to reduce the environmental impact.

D. Ethics

Suppliers shall uphold all applicable national and international laws, ethical rules,

and universally-accepted values, including, for instance, the promotion of fair competition, provision of safe products and services, and compliance with labor laws and practices, human rights declarations, international standards, copyright protections, and company asset and intellectual property rights in any form. To meet social responsibilities and to achieve success in the marketplace, suppliers are to uphold the highest standards of ethics including:

1. **Business integrity:** The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero tolerance policy to prohibit any and all forms of corruption, extortion and embezzlement. All business dealings should be transparently performed and accurately reflected on suppliers' business books and records. Monitoring and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws. Donations of any kind shall comply with the applicable regulations.
2. **Avoidance of conflicts of interest:** Suppliers must avoid all activities that may lead to a conflict of interest. Any agreements or arrangements involving making an offer are strictly prohibited.
3. **No improper advantage:** Bribes or other means of obtaining undue or improper advantage are not to be given or accepted.
4. **Intellectual property:** Intellectual property rights are to be respected; and transfer of technology and know-how is to be done in a manner that protects intellectual property rights.
5. **Fair business, advertising and competition:** Standards of fair business, advertising and competition are to be implemented as well as measures to protect customer data.
6. **Protection of identity:** Programs that ensure the confidentiality of supplier and employee whistleblowers are to be implemented.
7. **Employee data protection:** Companies follow local laws and policies and evaluate the use and access of result or health related employee personal data.
8. **Disclosure of information:** Information regarding business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.
9. **Responsible sourcing of minerals:** Participants shall have a policy to reasonably assure that the gold, tin, tantalum, and tungsten in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country ("conflict-free minerals"). Suppliers shall exercise due diligence on the source and chain of custody of these minerals, comply with LITE-ON Conflict Minerals Sourcing Policy, and make their due

diligence measures available to LITE-ON and customers upon request.

E. Management systems

Suppliers shall adopt or establish a management system whose scope is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the suppliers' operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

1. Company commitment: A corporate social and environmental responsibility policy statements affirming supplier's commitment to compliance and continual improvement.
2. Management accountability and responsibility: The supplier clearly identifies company representative(s) responsible for ensuring implementation of the management systems, and reviews the status of the management system on a regular basis.
3. Legal and customer requirements: A process to identify, monitor and understand applicable laws, regulations and customer requirements.
4. Risk assessment and risk management: A process to identify the corporate governance, community involvement, environmental, health and safety and labor practice risks associated with supplier's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.
5. Objectives, targets and implementation plans: Written performance objectives, targets and implementation plans to improve the supplier's social and environmental performance, including a periodic assessment of supplier's performance in achieving those objectives.
6. Training: Programs for training managers and workers to implement supplier's policies, procedures and improvement objectives.
7. Communication: A process for communicating clear and accurate information about supplier's policies, practices, expectations and performance to workers, suppliers and customers.
8. Worker feedback and participation: Ongoing processes to assess employees' understanding of and obtain feedback on practices and conditions covered by this Code and to foster continuous improvement.
9. Audits and assessments: Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of this Code and customer contractual

requirements related to social and environmental responsibility.

10. Corrective action process: A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations and reviews.
11. Documentation and records: Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.