

COMPAL

Sustainability Report 2024



Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

07 Social Engagement

08 Sustainability Partners

Appendixes

Table of Contents

Introduction to the Sustainability Report 2

Sustainability Accolades 5

Letters From the Executive Officers 6

1 About Compal 10

1.1 Corporate Profile 11

1.2 Sustainable Operation 14

1.3 Sustainable Achievements in 2024 19

2 Compal and Stakeholders 22

2.1 Stakeholder Communication and Engagement 23

2.2 Materiality Analysis 27

2.3 Sustainability Impact 40

2.4 Policy Influence and Participation in External Industry Associations 43

2.5 Responding to International Advocacy and Cooperative Actions 45

3 Corporate Governance 47

3.1 Business Performance 49

3.2 Taxation 50

3.3 Corporate Governance 51

3.4 Risk Management 57

3.5 Compliance, Ethical Management and Anti-Corruption 68

3.6 Privacy and Information Security 74

3.7 Responsible Investment 77

4 Climate Action 79

4.1 Climate Transition Plan 81

4.2 TCFD Disclosure and Climate Risk Management 82

4.3 Greenhouse Gas Management 87

4.4 Internal Carbon Pricing and Carbon Management 91

4.5 Biodiversity 93

5 Environmental Sustainability 95

5.1 Environmental Sustainability Policy 97

5.2 Green Product Design 99

5.3 Raw Material Management 106

5.4 Responsible Manufacturing and Resource Optimization 109

5.5 Distribution and Transportation 119

5.6 Use and Waste Recycling 120

6 Inclusive Growth 122

6.1 Attracting and Retaining Talent 124

6.2 Talent Cultivation and Development 140

6.3 Human Rights Management and Advocacy 155

6.4 Workplace Health and Safety 162

7 Social Engagement 174

7.1 Social Care - Influence 176

7.2 Distribution of Social Investments 178

7.3 Philanthropy at Compal 180

8 Sustainability Partners 190

8.1 Customer Services 192

8.2 Responsible Supply Chain 193

Appendixes 206

GRI Content Index 207

SASB Index: Electronic Manufacturing Services and Original Design Manufacturing 210

Errata 211

SDGs Comparison Table 212

Independent Assurance Opinion Statement 214

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Introduction to the Sustainability Report

Compal has published more than 14 Corporate Social Responsibility Reports (name changed to Sustainability Report in 2020) since 2010. This report is a compilation of the Company's activities and performance in the areas of corporate governance, supply chain management, environmental protection, employee relations, social participation, and so forth for the previous year. This report is available in Traditional Chinese and English, and can be found on the website at [COMPAL ESG](#) for interested stakeholders to download.

Report Publication

Current Version: August 2025

Previous Version: July 2024

Next Version: August 2026

Publisher: Chairman of the Board

Sustainability Committee Commissioner

Chairperson: Human Resources and Administration Group, Accounting Group, Auditing Office, Corporate Development Office, Patent and Technology Department, Information Security Management Team, Electronic Technology Department, Safety & Green Department, Sales & Customer Service Division, Procurement Group, Occupational Safety and Health Office, Taiwan/Overseas Factory Affairs Department and relevant departments; contents of the report are prepared and edited by the ESG Office.

Report Publication

The contents of this disclosure cover the period from January 1, 2024, through to December 31, 2024, in accordance with the GRI Standards.

Scope of Report

The financial data in this report are from subsidiaries disclosed in the annual financial report including, but not limited to, Arcadyan Technology Corporation, Compal Broadband Networks, Inc. and HengHao Technology Co. Ltd. The remaining non-financial data and performance of this report cover the three major business groups of Compal: the Personal Computer Business Group (PCBG), the Smart Device Business Group (SDBG) and the Global Operations Business Department (GOBG). Operating locations include the Taiwan Headquarters (Taipei City, Taoyuan City, Kaohsiung City), Chinese plants (Kunshan, Chongqing, Chengdu and Nanjing), Vietnam, and the Americas (the United States, Brazil, and Mexico).

The parent company's revenue accounted for 92.30% of the consolidated revenue stated in the annual report. Compared to the 2023 reporting period, Compal Mexico Electromex S.A de C.V. (CMX) was added.

- Compal Electronics, Inc. (Taipei City, Taoyuan City, Kaohsiung City)
- Compal Electronics Technology (Kunshan) Co., Ltd. (CET)
- Compal Information Industry (Kunshan) Co., Ltd. (CIC)
- Compal Information Technology (Kunshan) Co., Ltd.(CIT)
- Compal Digital Technology (Kunshan) Co., Ltd. (CDT)
- Compal Display Electronics (KunShan) Co., Ltd. (CDE)
- Compal Electronics (Chongqing) Co., Ltd. (CEQ)
- Compal SMART Device (Chongqing) Co., Ltd.. (CSD)
- Compal Electronics (Chengdu) Co., Ltd. (CEC) (CEC)
- Compal Wireless Communications (Nanjing) Co., Ltd. (NJC)
- Compal (Vietnam) Co., Ltd. (CVC)
- Compal Wise Electronic (Vietnam) Co., Ltd. (CWV)
- Compal USA(Indiana), Inc. (CIN)
- Compal Eletronica Da Amazonia Ltd. (CEA)
- Compalead Eletronica do Brasil Industria eComercio Ltda. (CEB)
- Compal Mexico Electromex S.A de C.V. (CMX)

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Report Drafting Principles

The Compal ESG Report has been prepared in accordance with the new version of the sustainability reporting guidelines (“GRI Standards”) issued by the Global Reporting Initiative (GRI) in 2021. Disclosure followed the 8 reporting principles and incorporated the Company’s annual sustainability targets, actions, and topics of stakeholder concern. The verification bodies and reference standards for this report are listed below:

	ESG Report	Financial Statements	Environmental Management System	Occupational Health and Safety Management System	Information Security Management System
Reporting Standard	GRI Standards SASB Standards-Electronic Manufacturing Services & Original Design Manufacturing	International Financial Reporting Standards (IFRS)	ISO 14001: 2015 ISO 14064: 2018 ISO 50001	ISO 45001: 2018	ISO 27001: 2013
Accreditation Body	SGS Taiwan Ltd.	KPMG Taiwan	SGS Taiwan Ltd. China Quality Certification Center (CQC) China Credit International Securities Co., Limited (GCL)	China Quality Certification Center (CQC) IQNet Association Universal Certification Centre Co., Ltd. (UCC)	BSI Group

Report Management Process

1. Editing	2. Compilation	3. Review	4. Publication, Tracking, and Feedback
Identifying actual and potential impacts, assessing the significance of impacts, and determining material topics. Management is carried out by the ten functional teams based on material topics. Management outcomes within their scope of responsibility are also gathered and completed into the corresponding chapters of the ESG Report.	The ESG Office is responsible for collating information and verifying its integrity.	Independence assurance was conducted by SGS Taiwan Ltd. in line with the requirements of the AA1000 Assurance Standard (AA1000 AS) Type 2 at a moderate level of assurance to ensure the accuracy, transparency and conformity of the ESG Report. After independent verification, the Assurance Statement was added to the Appendix and the ESG Report submitted to the Board of Directors for review.	The Sustainability Report is published and its contents shared with stakeholders through the website, social media, and other channels. To ensure the accuracy, transparency, and compliance of the ESG Report, the Company will continue to track its impact and effect, as well as receive feedback from stakeholders.

::: Introduction to ESG Report

- ::: Sustainability Accolades
- ::: Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

Previous Published

Please download the previous published reports from the website.

<https://www.compal.com/esg/en/reports/>

How to Contact us

Compal Electronics, Inc. ESG Office

Address: No. 581 & 581-1, Ruiguang Road, Neihu District,
Taipei City 114, Taiwan (R.O.C.)

E-mail: ESG@compal.com

Compal Website: <http://www.compal.com/>

Compal ESG: <https://www.compal.com/esg/en/>

Your invaluable input will be much appreciated and we will respond to any inquiry/suggestion you may have as quickly as possible.

Sustainability Reports



Compal 2023
Sustainability Report

繁中 | 簡中 | EN ↻



Compal 2022
Sustainability Report

繁中 | 簡中 | EN ↻



Compal 2021
Sustainability Report

繁中 | 簡中 | EN ↻



Compal 2020 CSR
Report

繁中 | 簡中 | EN ↻



Compal 2019 CSR
Report

繁中 | 簡中 | EN ↻



←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Sustainability Accolades

2024-2025 Sustainability Accolades

Founded in 1984, Compal has continued to cultivate local talent and contribute to the research and development of innovative technologies in Taiwan over the years. Portable digital products manufactured by Compal have been used by different generations of people across the world and won numerous iF Design Awards.

<div>2024 Business Weekly Carbon Competitiveness Top 100</div> <div></div>	<div>10th</div> <div>iF Design Ranking Global Top 10</div> <div></div>	<div>Top 10% Industry Mover (THQ)</div> <div>2025 S&P Global The Sustainability Yearbook</div> <div></div>	<div></div> <div>MSCI ESG Rating</div> <div></div>	<div>Inclusion in Taiwan ESG Index Customized Environmental Sustainability Dividend+</div> <div>FTSE4Good TIP Taiwan ESG Index</div> <div></div>	<div>Management</div> <div>CDP Level</div> <div></div>
<div>7th</div> <div>CommonWealth Magazine Taiwan Top 2000</div> <div></div>	<div>Top 100</div> <div>Taiwan's Top 100 Sustainability Exemplary Award</div> <div></div>	<div>Platinum Award</div> <div>ESG Report Award</div> <div></div>	<div>Gold</div> <div>Happiness Enterprise 1111 Job Bank</div> <div></div>	<div>Taiwan High Salary 100 Employment 99 Index</div> <div>TAIWAN INDEX PLUS</div> <div></div>	<div>Top 5%</div> <div>The 11th Round Corporate Governance Evaluation</div> <div></div>

* CSA: Corporate Sustainability Assessment

- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: **Letters From the Executive Officers**
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

Letters From the Executive Officers

According to the "2024 Global Risks Report" by World Economic Forum (WEF), the climate change, geopolitical tensions and the economic uncertainty have become the core challenges faced by the world in the past two years. In an industry experiencing drastic changes, sustainable development is not only a trend, but also a key benchmark for corporate competitiveness. Compal believes that the true value of a corporate, is not only a financial growth, but also the profound contribution to the environmental sustainability and the social inclusion. In response to key turning points for the next decade, Compal has re-focused on its corporate visions, seeking to maintain its leading position in the fierce market competition, while actively fulfilling its global corporate citizen responsibilities.



- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: Letters From the Executive Officers**
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

Implementing transparent governance to
enhance the competitiveness

Based on the business philosophy of integrity, transparency, and responsibility, Compal has established a sound corporate governance and risk control mechanism, including setup of independent directors, the Remuneration Committee, Audit Committee, Risk Management Committee, and Sustainable Development Committee, to ensure the fairness and long-term stability of business decision-making. The Company also continues to strengthen the diversity of the Board of Directors. In 2024, the number of independent directors has increased to five (including one female), accounting for 33%, while engaging external professional institutions to conduct external performance evaluations of the Board of Directors, further improving the transparency of governance and decision-making effectiveness.

In 2024, Compal outperformed in the global sustainable evaluation. Its Dow Jones Sustainability Index (DJSI) scores increased significantly by 124% compared to two years ago, and the Company was successfully selected for the S&P Global Sustainability Yearbook, with the Best Progress Award, ranking among the top 10% in the global computer, peripheral, and office electronics equipment industry.

In addition, we also won the Top 100 Sustainable Model Enterprise Award (comprehensive performance) of the Taiwan Corporate Sustainability Awards (TCSA), and the Traditional Manufacturing Industry Platinum Award (Chinese version) as well as the Global Corporate Sustainability Golden Awards (English version) of the Global Corporate Sustainability Awards (GCSA), demonstrating our in-depth cultivation and achievements in the field of corporate sustainability.

The sustainability performance of Compal has been recognized by the capital market and institutional investors, by being selected as a component of the FTSE4GOOD Index, TIP Customized Environmental Sustainability Dividend+Index, FTSE4Good TIP Taiwan ESG Index, TWSE RAFI® Taiwan High Compensation 100 Index, and TWSE RA Taiwan Employment Creation 99 Index consecutively. Meanwhile the Company is ranked 6th in the manufacturing industry of the "Top 2000" by Common Wealth Magazine. This shows that the market has greatly recognized the sustainable value of Compal.

Transformation towards
a net-zero environment for creating
a sustainable environment

The climate change has become an indispensable issue in the management of global enterprises. In 2024, Compal officially joined RE100, and it is promised that 100% of renewable energy will be achieved by 2050. The Company has passed the Science Based Targets Initiative (SBTi) certification, steadily promoted green transformation, and continuously been moving towards the net zero emission target by 2050.

We actively promote green product innovation, from product design, manufacturing to supply chain management, to reduce environmental impacts in all aspects. For example, in cooperation with our customers, we launched the first model of carbon footprint (ISO 14067: 2018) and carbon neutrality (PAS 2060: 2014) certified by a third party, demonstrating our commitment in green technology.

In addition, Compal has been selected for the Top 100 Enterprises with the carbon competition by Business Weekly for three consecutive years, and ranked 8th in 2024. The Company has also actively participated in the public campaign, "My Carbon Reduction Passbook" in Taipei, New Taipei City, Keelung and Taoyuan, and won the champions among the corporate carbon reduction group in these four cities, demonstrating our firm commitment and outstanding results in climate actions.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Strengthen the sustainable supply chain and create low-carbon value jointly

In 2024, Compal integrated 14 internal sustainability policies based on the latest Code of Conduct - Responsible Business Alliance, RBA Version 8.0, and particularly emphasizes the biodiversity and natural ecological protection. It has successfully achieved 100% signing rate with key suppliers (including general affairs procurement), demonstrating its high commitment to responsible supply chain management.

Compal actively promotes the One + N electric supply chain net zero acceleration program. As of 2024, the Company has partnered with suppliers to reduce carbon emissions by 12,879 tCO₂e in cumulatively, demonstrating its leadership in industrial carbon reduction. We also actively promote the suppliers to participate in the Carbon Disclosure Project (CDP) to help the suppliers to implement scientific carbon management. In 2024, Compal officially invited Level 1 and key suppliers to participate in CDP, and successfully assisted 246 suppliers to submit and disclose environmental data, demonstrating its prompt execution ability in promoting sustainable development with supply chain partners.

Creating an inclusive culture with happy workplace

Employees are the most important assets of an enterprise. It is the sustainability cornerstone of an enterprise to cultivate and look after employees. Compal, through its diversity, equity, and inclusion (DEI) policy, has built a better resilient workplace culture, allowing employees to grow in an equal environment full of opportunities in 2024, the share of female employees increased to 38.45%, and 30.04% of management positions were held by women. We will continue to promote gender equity and talent diversity to ensure that all employees to receive fair development opportunities.

In terms of talent cultivation and retention, the key position retention rate in 2024 reached 94%, indicating that employees have a high level of recognition and stability with the Company. In order to enhance the professional skills and career development of employees, the average training hours of the management have been increased to 24.88 hours. In addition, the Company continues to invest in the Gap of Learning and Field (GOLF) professional talent education and training programs, fully demonstrating our long-term commitment to talent cultivation.

In response to the challenge of low birth rate and to reduce the burden of commuting during pregnancy, we provide flexible work programs. Employees may apply for working 30 days away before giving birth, to choose suitable workplaces flexibly. After giving birth, the Company provides child care and maternity leave, better than the statutory requirements, for totaling 90 days of paid child care benefits, to ensure employees to receive sufficient rest and time with their children. Additionally, the employees are entitled to NT\$66,000 birth subsidies. Between 2011 to 2024, Compal has paid out NT\$239.71 million in subsidies for a total of 3,632 newborn babies. The Company is recognized with the Golden Award of Happy Enterprise Grand Prix by 1111 Job Bank in 2024.

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Fulfilling the corporate responsibility and making the social difference jointly

Compal is committed to promoting the care for the disadvantages and the healthcare for a long time, as well as education and technology innovation as its social welfare core pillars. In 2024, colleagues participated in public welfare activities for total 5,538 participants, and the total investment exceeded NT\$ 45 million. Beneficiaries were about 322,548. Compal has been supporting the Hsu Chauing Social Welfare Charity Foundation for many years. The foundation has been awarded the "Arts Education Contribution Award" by the Ministry of Education" in 2024, evidencing its influence over public welfare.

Regarding the supports to education, for consecutive 17 years, Compal has sponsored "Compal's Reading Volunteer Program", 24,185 students have been benefited in aggregation. Under the "Study Well Program" in 2024, 165 desk lights were donated to help disadvantageous students to study at home. Meanwhile, Compal and Hsu Chauing Social Welfare Charity Foundation have been working together for 14 years, to promote maker education, environment education and bilingual education. Up to now, 6,806 portable digital devices and 15 desktop computers have been donated. In addition, the Company has been supporting the "Kangaroo Project" of the Rural Education Care Center of Fujen Catholic University for six consecutive years, providing physical tutoring supports for disadvantaged students in the community, and was awarded the "Silver Award" by the Ministry of Education.

During the 5th year, the Company has joined the Kaohsiung City Library to implement the "ESG Reading in Rural Towns Project," serving the students and residents of library communities in the Qishan, Liouguei, and Meinong areas, and a total of 34,844 people have benefited. In the 4th "Non-Stop Public Welfare" event, 1,083 colleagues participated in the "Donating Moon Cakes for Public Welfare" project. A total of 4,292 moon cakes made by the autism patients in shelter factory were sent to disadvantaged children all over Taiwan. In order to improve the physical and mental health of the employees, Compal has co-sponsored the "Taipei Tech Cup for Earth Public Welfare Runners." for four consecutive years. The Company also actively organizes beach cleaning, wet land conservation, blood donation and volunteer activities, seeking to feed back to the society through the integration of the power of the Company and its employees.

Investing in technology innovation and driving industry upgrades

Compal insists the spirit of innovation, and continuously deepens technology R&D. With abundant industrial experience, we continue to challenge and break through, to provide high-level products and services to customers. In 2024, 20 of Compal products won the iF product design award in Germany, again demonstrating our excellent performance in the field of innovative technology.

Embracing the coming artificial intelligence (AI) era, Compal actively deploys AI technology, and fully introduces AI to product development and operation management. In terms of product application, we focus on the R&D and manufacturing of AI PCs and AI servers, and further expand to the fields of smart medicare, automotive electronics and advanced communication, by developing high-performance AI solutions, to provide customers with innovative, energy-saving and high-performance products and meet the changing market needs.

In terms of operation management, Compal has also actively introduced AI to optimize design and R&D processes, and improve production efficiency and management performance, ensuring that the enterprise operation is smarter and digitalized. The dual track strategy of products and operations is not only our commitment to technology innovation, but also further promotes the industry's upgrade, providing technological solutions both innovative and sustainable.

Digital transformation leading a sustainable future

Since its establishment in 1984, Compal has been committed to technology innovation and industrial development. In 2024, to welcome the 40th anniversary, the construction of the smart innovation park for the headquarters of the Kinpo Group in BSTP has officially been commenced, marking a new milestone of the Company. Meanwhile, Compal has launched the NEXT digital transformation and AI application plan, to reform the Company's development track and working methods radically, and has strengthened operational efficiency and innovative competitiveness.

Looking to the future, Compal will fully exploit the technological capabilities accumulated by Taiwan's information and communication industry, continue to cultivate notebooks, smart devices, AIoT, automotive electronics, advanced communications, cloud servers, and smart medicare fields, to lead the birth of the next trillion-enterprise, and create more sustainable values for shareholders, customers, suppliers, and society.

1 About Compal

Stick to the Original Intention

Since its establishment in 1984, Compal has been adhering to the vision of promoting society, spirit of innovation, harmony, and transcendence.

As such, it has cultivated profoundly the connection between technology and people through innovative technology and green design, and insisted on "social responsibility" as a corporation.

Serving as the paradigm in the industry chain as well as promoting the spirit of Common Good in supply chain, Compal should hope to create more and more values for all stakeholders.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers

01 About Compal

- 1.1 Corporate Profile
- 1.2 Sustainable Operation
- 1.3 Sustainable Achievements

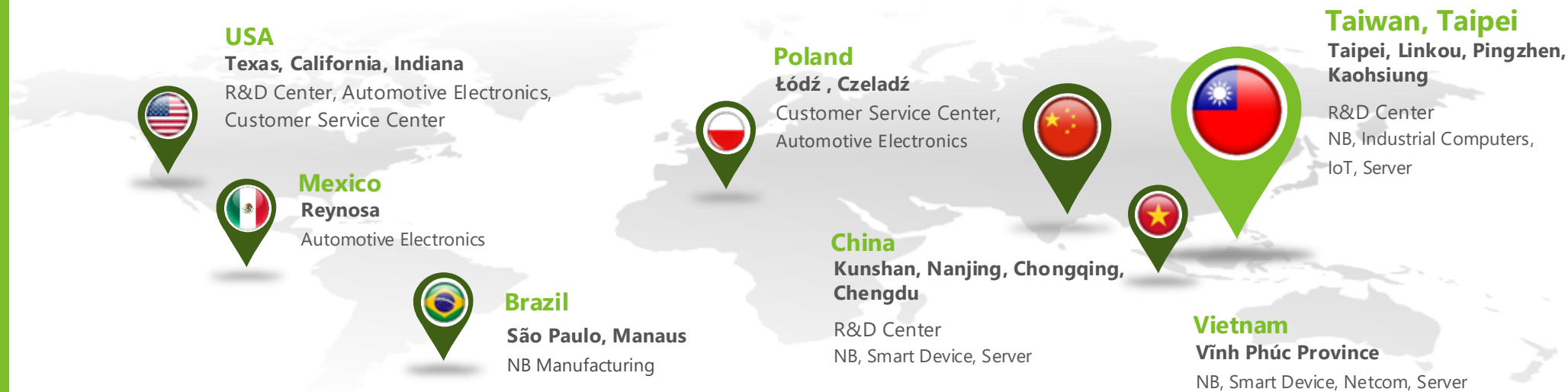
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

1.1 Corporate Profile

Compal Electronics, Inc. was founded in Taoyuan in 1984. Owing to our professional management team and strong R&D strength, we expanded from being a computer peripheral devices manufacturer to our current scale. Compal was approved for listing on the Taiwan Stock Exchange Corporation (TWSE) in 1992 and its production base was shifted to Kunshan (China) in 1996. To better serve our customers, we have been establishing manufacturing centers, R&D centers, and after sales service centers, etc. in China (Sichuan Province), Vietnam, Brazil, Mexico, and Poland since 2009.

Compal's headquarters are located in Neihu District in Taipei and it constitutes a hub for sales, purchasing, finance, accounting and administration. It is also where most R&D activities are carried out, and the Taoyuan Linkou R&D base was newly added in 2011. There are Compal plants in Taiwan (Pingzhen) and China (Kunshan, Nanjing, Chongqing, Chengdu). The Vietnam plant was set up in 2007 and the Brazil NB plant in 2008. Compal activated our Taiwan re-investment program in 2019 in response to US-China trade tensions and to support the government's economic initiatives.

New developments were also launched for the Vietnam plant to inject more jobs into the local economy. In 2021, Compal increased its investments in Taiwan. This included the establishment of the innovation base for 5G AIoT applications at Asia New Bay Area in Kaohsiung, as well as partnering with Kaohsiung Medical University to create the largest cell therapy laboratory in southern Taiwan. We are also investing in a new group headquarters complex at the Beitou Shilin Technology Park in Taipei that will be developed into a new smart innovation cluster for Smart Economy, Smart Health, Smart Transportation, Smart Environment, and Smart Buildings.



- ← ≡ < CHAPTER >
- ::: Introduction to ESG Report
 - ::: Sustainability Accolades
 - ::: Letters From the Executive Officers
 - 01 About Compal**
 - > **1.1 Corporate Profile**
 - 1.2 Sustainable Operation
 - 1.3 Sustainable Achievements
 - 02 Compal and Stakeholders
 - 03 Corporate Governance
 - 04 Climate Action
 - 05 Environmental Sustainability
 - 06 Inclusive Growth
 - 07 Social Engagement
 - 08 Sustainability Partners
 - ::: Appendixes

- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: Letters From the Executive Officers
- 01 About Compal
 - > 1.1 Corporate Profile
 - 1.2 Sustainable Operation
 - 1.3 Sustainable Achievements
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

In production & manufacturing, Compal is continuing to expand our regional production capacity. The opening of the Indianapolis Plant in the U.S in 2021 and the Mexico Plant in 2023 reduces the risk from over-concentration of production facilities while optimizing the services and production solutions that we provide to customers. In 2024, we constructed a new automotive electronics plant in Poland, with the first phase completed in June 2025. This marks a milestone in Compal’s expansion into the European market.

In response to the globalization of our products, after sales service branches in Asia, Europe and North and South America have also been established to enable a quick response to our customers.

Personal Computer BG (PCBG)

Since its founding, Compal has focused on the computer business, integrating R&D, sales, manufacturing, and management to make notebook PCs a key source of stable revenue and profits. In recent years, the company has expanded into AIO PCs, industrial PCs, and edge computing, offering customers diverse product choices and one-stop solutions.

Auto Electronics Products BU (AEPBU)

Compal focuses on automotive electronics, offering high-performance CPU modules, NAD modules, and AI perception solutions for smart vehicles. AEPBU has established high-efficiency design and manufacturing services across Europe, Asia, and the Americas to strengthen its global presence and localized support capabilities.

Compal and its overseas production centers, customers and suppliers, are all linked via EDI (Electronic Data Interchange). The integration and linking of back-end databases streamline operations and improve record-keeping. By taking full advantage of global market trends, we can not only integrate best regional practices for a global presence, but also simplify the customer service operating system around the world. We unified the system and completed the implementation through a one-stop service window to allow rapid manufacturing of small quantities using the original production and marketing system. Currently, we take only 48 hours from order to shipping, providing the most comprehensive and immediate services to meet customers' needs.

On the business front, we redefined five key emerging businesses in 2024 to support corporate transformation and growth. These businesses include Cloud Servers, Automotive Electronics, Advanced Communication, Medical Technology, and Industrial Applications. By intensifying investment and development in these areas, Compal aims to build a solid foundation for future growth.

Smart Device BG (SDBG)

Compal Communication was merged into Compal Group in 2014 and has since continued to deepen its presence in smartphones, IoTs, and wearable devices. In recent years, it has actively invested in AI, 5G communication, and satellite technologies to drive innovation and expand opportunities for new products and services, enhancing its market competitiveness.

Medical BU (MBU)

Since 2015, Compal has entered the smart medical business with a focus on social impact, continuously investing in medical technology and healthcare solutions. MBU actively collaborates with major hospitals and long-term care centers in Taiwan. Its current strategy covers three core areas: smart healthcare devices, biomedical technology, and medical field solutions.

Infrastructure Solutions BG (ISBG)

Compal is expanding its server business with the establishment of the Infrastructure Solutions Business Group in 2025, overseeing R&D, manufacturing, quality, and sales. Compal is also accelerating its deployment of AI servers, enhancing R&D capabilities and scaling up high-efficiency manufacturing to meet the growing demand for high-performance computing.

Corp. Innovation & Research Institute

Compal established the Innovation & Research Institute, dedicated to planning innovation strategies, conducting advanced technology research, and developing new products. Through early-stage R&D investment, the institute aims to build a long-term technology roadmap, strengthen innovation capabilities, and enhance core competitiveness to stay ahead of future market trends.

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

➤

1.1 Corporate Profile

1.2 Sustainable Operation

1.3 Sustainable Achievements

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

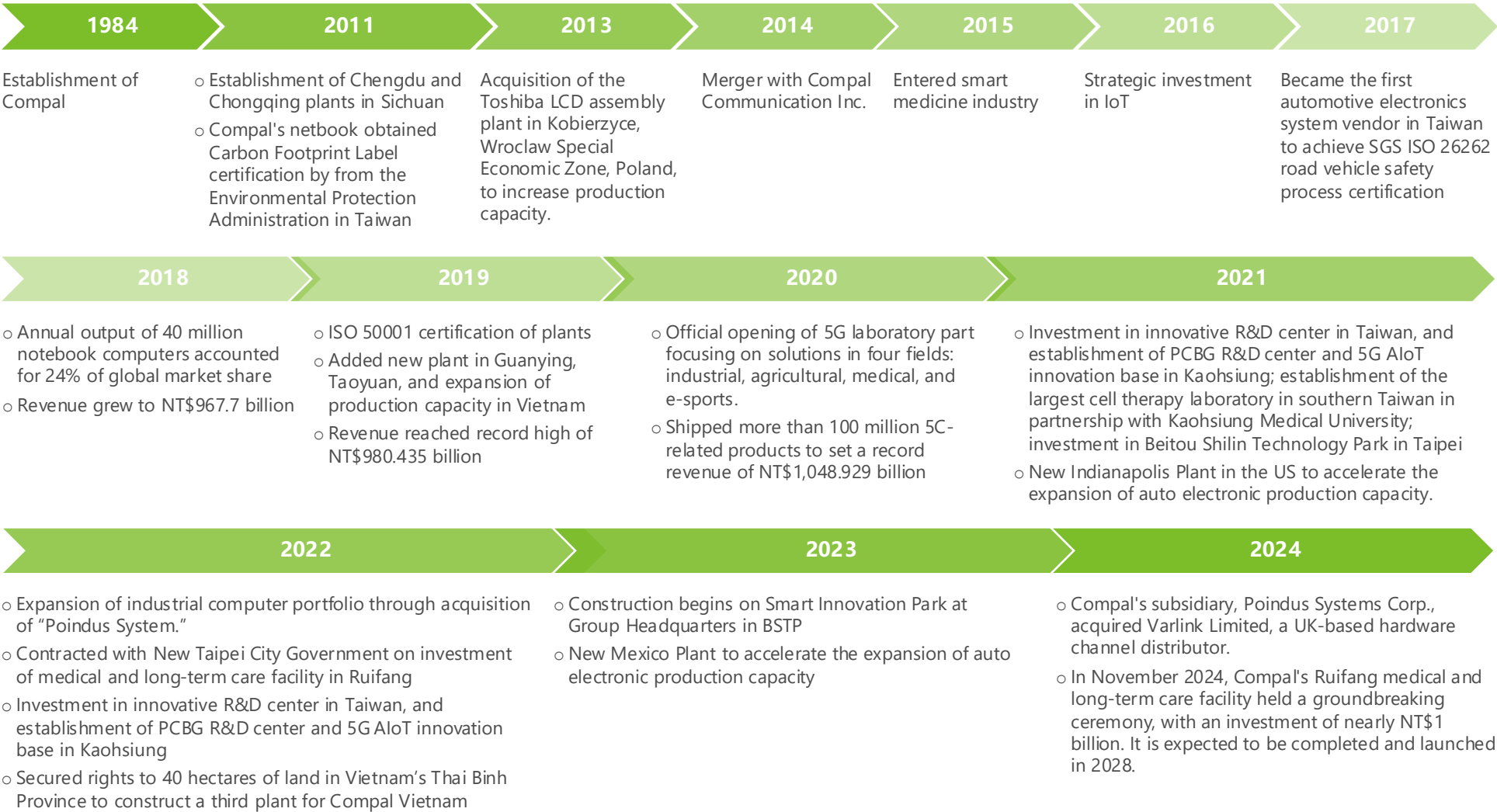
08

Sustainability Partners

...

Appendixes

Compal Milestones



←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

1.1 Corporate Profile

> 1.2 Sustainable Operation

1.3 Sustainable Achievements

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

1.2 Sustainable Operation

Compal Business Philosophy

Since its inception, Compal has upheld three core business philosophies and a corporate mission, steadfastly following our corporate mission: to achieve leadership and dominance in each industry with our products, to pursue reasonable profitability, to embrace change and innovation, to strengthen the management of key talents, and to devote ourselves to digitalization and automation development. With a comprehensive framework for sustainable development, we promote and practice sustainability goals, striving together to fulfill the vision of Compal.

Sustainability Vision and Promise

When Compal promotes various businesses, it always puts sustainable development at the core and is committed to creating a positive impact on the entire value chain. We focus on corporate resources, enhance efficiency and strengthen core competitiveness, while also considering the rights and interests of stakeholders and environmental sustainability.

As an industry leader, we actively leverage innovative technologies to develop green technologies, aiming to address environmental issues and promote social welfare.

We uphold a responsible attitude towards giving back to society and creating greater value for stakeholders.

Compal not only focuses on corporate innovation and development, but also emphasizes environmental protection, hoping to leverage the power of business to create a more convenient and better future. We actively respond to the United Nations (UN) Sustainable Development Goals (SDGs), incorporating them into our company targets. This not only facilitating the development of our core business, but also aiming to provide solutions to global issues and promote the sustainable development of all mankind.



←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

1.1 Corporate Profile

1.2 Sustainable Operation

1.3 Sustainable Achievements

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Sustainability Development Core Objectives (1-2)

Topic	Strategy	Target of FY-2025	Target of FY-2030	Target of FY-2035
Green Product	Develop eco-friendly products based on the principles of environmental protection, sustainability and regenerative design.	<ul style="list-style-type: none">Adopt recycled plastic material with a recycling rate > 40% in green products.Incorporating three types of recycled materials in green product design.	<ul style="list-style-type: none">Adopt recycled plastic material with a recycling rate > 55% in green products.Incorporating four types of recycled materials in green product design.	<ul style="list-style-type: none">Adopt recycled plastic material with a recycling rate > 65% in green products.Incorporating five types of recycled materials in green product design.
Improving Climate Resilience	Based on the SBT roadmap, implement energy-saving measures, expand the use of renewable energy, and carry out Scope 3 inventory to achieve greenhouse gas reduction target.	Scope 1+2 to reduce by 4.48% compared to 2024	<ul style="list-style-type: none">Scope 1+2 to reduce by 50.68% compared to 2019Scope 3 to reduce by 25% compared to 2021	<ul style="list-style-type: none">Scope 1+2 to reduce by 73.08% compared to 2019Scope 3 to reduce by 41.25% compared to 2021
	Increase the proportion of renewable energy usage and reduce reliance on fossil fuels.	Renewable energy in electricity consumption ratio 44%	Renewable energy in electricity consumption ratio 60%	Renewable energy in electricity consumption ratio 70%
	Promote internal carbon pricing, integrate carbon costs into the decision-making process, and drive sustainable innovation.	Complete the establishment of an internal carbon pricing mechanism, and define the governance framework.	Complete the fund operation mechanism	Track, review and roll out adjustments to the fund mechanism
Supplier Assessment & Development	<ul style="list-style-type: none">Optimization of sustainable supply chain workflows and systems.Assist suppliers with implementing capacity building projects and provision of in-depth mentoring.	<ul style="list-style-type: none">More than 90% of suppliers have adopted the management system. Control the proportion of high-risk suppliers to remain below 5%.Audit 10% of the total number of suppliers to mitigate supplier sustainability risks.Defined high-carbon emission suppliers and invited them to join CDP.	<ul style="list-style-type: none">More than 95% suppliers have adopted the management system. Control the proportion of high-risk suppliers to remain below 5%.Audit 15% of the total number of suppliers to mitigate supplier sustainability risks.Incorporate the Supplier Code of Conduct as a mandatory criterion for vendor selection; require high-carbon emission suppliers to comply with Compal's SBTi Scope 3 reduction targets.	<ul style="list-style-type: none">100% of suppliers used the management system. Control the proportion of high-risk suppliers to remain below 5%.Audit 20% of the total number of suppliers to mitigate supplier sustainability risks.Require high-carbon emission suppliers to comply with Compal's SBTi Scope 3 reduction targets.
Friendly and Happy Workplace	<ul style="list-style-type: none">Establish diversity awareness and build an equal and inclusive working environment.Value human rights and support diverse talents.	<ul style="list-style-type: none">Global proportion of female employees: 40% Proportion of female managers: 32%Global engagement survey coverage rate reaches 100%.	<ul style="list-style-type: none">Global proportion of female employees 40% Proportion of female managers: 32% Proportion of female in junior managements: 36% Proportion of female in STEM-related 27.5%Global engagement survey coverage rate reaches 100%, response rate reached 75%.	<ul style="list-style-type: none">Global proportion of female employees 40% Proportion of female managers: 32% Proportion of female in junior managements: 36% Proportion of female in STEM-related 27.5%Global engagement survey coverage rate reaches 100%, response rate reached 80%.

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

1.1

Corporate Profile

> 1.2

Sustainable Operation

1.3

Sustainable Achievements

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Sustainability Development Core Objectives (2-2)

Topic	Strategy	Target of FY-2025	Target of FY-2030	Target of FY-2035
Talent Development and Retention	Establish diverse recruitment channels, optimize precise talent selection mechanisms, and strengthen the cultivation of leadership skills to consolidate the talent pool of organizational management and promote the sustainable development of Compal's talent.	<ul style="list-style-type: none">Retention rate of key positions : 90%The average training hours of per manager is 16.5 hours.	<ul style="list-style-type: none">Retention rate of key positions : 90%The average training hours of per manager is 20 hours.	<ul style="list-style-type: none">Retention rate of key positions : 90%The average training hours of per manager is 22.5 hours.
Occupational Safety and Health	Implementing the ISO 45001 management system to enhance employee safety and health education and raise health awareness, creating a safe working environment.	<ul style="list-style-type: none">Global record of 0 occupational diseases and 0 fire incidents.Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. <i>Note: Excluding traffic-related occupational accident.</i>	<ul style="list-style-type: none">Global record of 0 occupational diseases and 0 fire incidents.Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. <i>Note: Excluding traffic-related occupational accident.</i>	<ul style="list-style-type: none">Global record of 0 occupational diseases and 0 fire incidents.Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. <i>Note: Excluding traffic-related occupational accident.</i>
Customer Service Management	<ul style="list-style-type: none">Diversify into emerging products and markets to expand business scope.Strengthen client engagement and deepen long-term partnerships aligned to sustainability goals.Strengthen geopolitical risk mitigation strategies and improve supply chain resilience.	<ul style="list-style-type: none">Key customer satisfaction>90%100% customer satisfaction survey overage	<ul style="list-style-type: none">Key customer satisfaction>90%100% customer satisfaction survey overage	<ul style="list-style-type: none">Key customer satisfaction>90%100% customer satisfaction survey overage
Information Security and Privacy Management System	Through active defense, internal and external information security audits, incident monitoring analysis, corrective and improvement measures, and management review, Compal continue to track improvements and maintain the effectiveness of the information security management system.	<ul style="list-style-type: none">Availability of critical system>99.44%Click-through rate for employee social engineering drills<5%No complaints involving violations of information security or personal data protection resulted in judicial action.	<ul style="list-style-type: none">Availability of critical system>99.44%Click-through rate for employee social engineering drills<3%No complaints involving violations of information security or personal data protection resulted in judicial action.	<ul style="list-style-type: none">Availability of critical system>99.44%Click-through rate for employee social engineering drills<3%No complaints involving violations of information security or personal data protection resulted in judicial action.

Note: The above goals correspond to the material topics in Chapter 2.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers

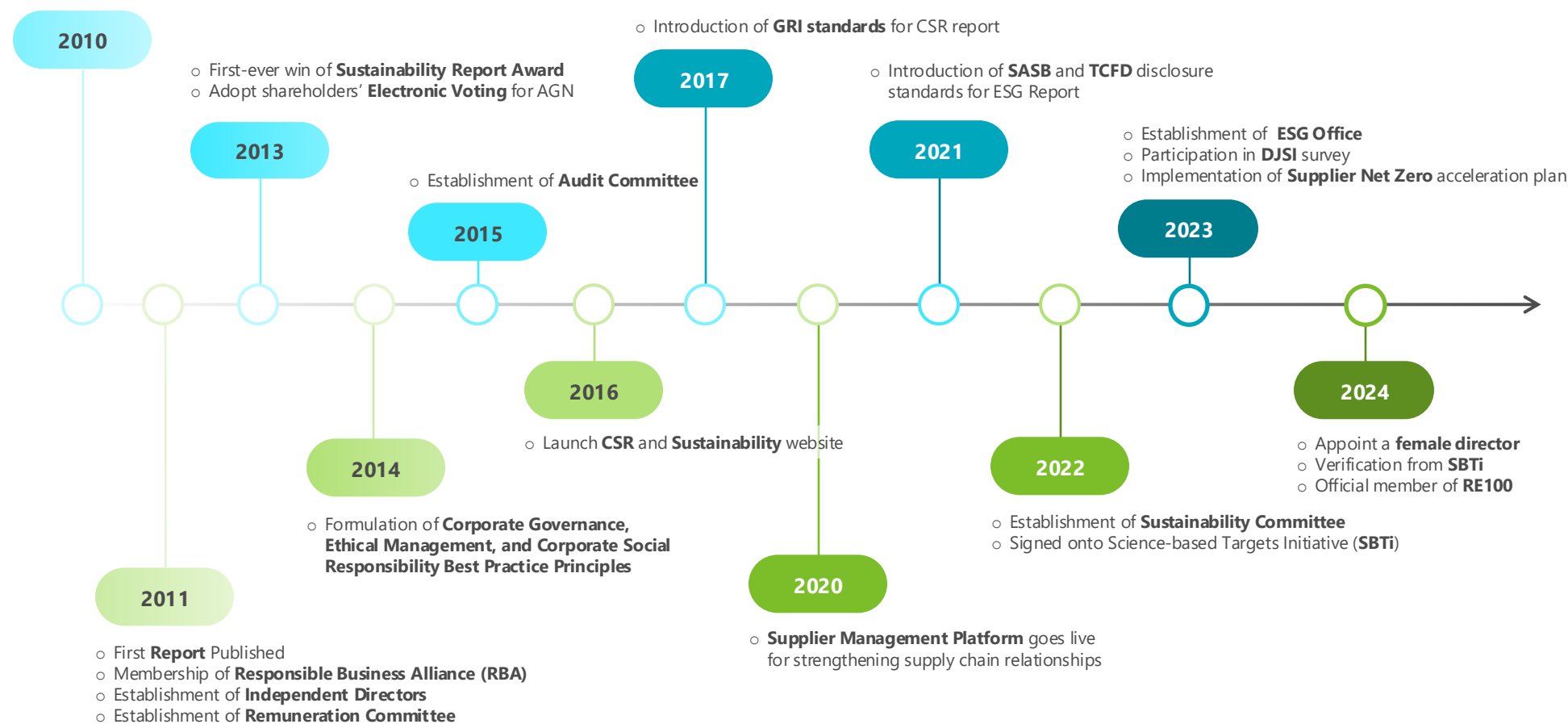
01 About Compal

- 1.1 Corporate Profile
- > 1.2 Sustainable Operation
- 1.3 Sustainable Achievements

- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Sustainable Development Milestones

- Establishment of **CSR Committee and Office**
- Establishment of **Green Committee/ Green Sustainability Taskforce**



CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

01 About Compal

1.1 Corporate Profile

1.2 Sustainable Operation

1.3 Sustainable Achievements

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

07 Social Engagement

08 Sustainability Partners

Appendixes

Structure of Sustainability Organization

Sustainability Committee

Compal established the Sustainability Committee in 2022. In 2024, due to the re-election of directors, the Board of Directors resolved to appoint six members, more than half (five) of whom are independent directors, and all members elected one director to serve as the Commissioner. The committee held six meetings in 2024, and its responsibilities include providing leadership on sustainability matters, external communication of policies and positions, internal definition of targets and direction, consolidation of resources, approval of action plans, performance reviews, and reporting to the Board of Directors. At the same time, the Committee is also establish various communication mechanisms for stakeholders and responding proactively to expectations, criticism, and suggestions from all parties. For detailed information, please refer to the Company's official website. [Sustainability Committee](#)

ESG Function Team

“Innovative Value, Customer Relations, Sustainable Supply Chains, Sustainable Environment, Responsible Production, Human Resources, Social Engagement, Corporate Governance, Information Security, Risk Management”

Ten functional teams were set up based on the four EESG aspects of Economy, Environment, Society, and Governance. The heads of related businesses were also assigned to manage sustainability topics and implement sustainable development actual plans. A meeting is convened every six months to make a report to the Chief Sustainability Officer. The Chief Sustainability Officer then periodically briefs the Sustainability Committee on EESG operations and implementation outcomes.

Sustainability Policy and Sustainable Development Charter

Compal complies with the local laws and regulations of our operation locations around the world. We also conform to international standards by formulating related polices and incorporating them into our operations management. Our goal is to strengthen the sustainability management behaviors within the organization, provide the Company with a top-level guide for sustainability, and follow the path to sustainability. All policies are determined by the Board of Directors and announced on the Compal ESG website. Policies are then integrated into organizational strategies and goals by each functional team.

Corresponding charters and rules are also drawn up including the “Sustainability Committee Charter”, “Sustainable Development Best Practice Principles”, “Employee Code of Conduct of Compal Electronics, Inc.”, and “Supplier Code of Conduct.” A report on each team’s performance and accomplishments in the previous year is also presented during Sustainability Committee meetings. Related regulations are announced on the Company’s official website. [Sustainability Policy](#) , [Sustainable Development Best Practice Principles](#), [Sustainability Committee Charter](#)



ESG Office

Assists the Sustainability Committee with managing committee affairs, organizing meetings, tracking the implementation progress and outcomes of the ten functional teams, planning and implementation of ESG-related activities, and publication of the ESG report. Responds to Compal-related issues raised by stakeholders and answers to the Sustainability Committee.

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

1.1

Corporate Profile

1.2

Sustainable Operation

1.3

Sustainable Achievements

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

1.3 Sustainable Achievements in 2024

Sustainable Achievements in 2024 (1-3)

*Note1: Product Carbon Footprint (PCF)
*Note2: Environmental Product Declaration (EPD)

Topic	2024 Targets	2024 Outcomes				Accomplished
Environmental Sustainability						
Domestic & Foreign Initiatives	1. 44% regenerated electricity usage. 2. Reduce Scope 1+2 carbon emissions by 21% compared to 2019. 3. Verification of Scope 3.	1. 46.2% regenerated electricity usage. 2. Reduce Scope 1+2 carbon emissions by 53.9% compared to 2019. 3. Targets verified by SBTi in September 2024.				
	1. Become a member of RE100 and commit to use of renewable energy. 2. Join SBTi and commit to realizing net zero. 3. Implement the ONE+N net zero program of the Industry Development Administration.	1. Become a regular member of RE100 in June 2024. 2. Targets verified by SBTi in September 2024. 3. Driving the value chain carbon inventory and achieving reduction of 12,879 tCO ₂ e, ahead of project targets of 10,000 tCO ₂ e.				
Responsible Manufacturing	Reduce energy, water and waste intensity by 1% each year.	Item	2023	2024	Reduction %	
		Electricity Intensity (kWh/Million NTD)	350.30	311.08	-11.2%	
		Water Intensity (Tonnes/Million NTD)	2.20	2.08	-5.2%	
		Waste Intensity (Kg/Million NTD)	8.12	6.32	-22.2%	
Green Products	1. Increase the recovery and recycling rate of plastic tapes/ packaging by 15%. 2. Introduce and formally activate the product carbon footprint management system in 2024 Q4. 3. Establish PCF ^{note1} and EPD ^{note2} evaluation capability and complete more than one Environmental Product Declaration. 4. Product energy efficiency performance is better than the statutory standard or 15% better than the energy efficiency of the previous generation of products. 5. Use >30% of recycled plastic materials in green products. 6. 100% compliance on national and customer-specified environmental/ EMC/RF/safety regulations.	1. Increase the recovery and recycling rate of plastic tapes/ packaging by 16%. 2. PCF system development, phase I for supplier upload, already go live in November 2024. 3. PCF and EPD Reports are completed and reviewed by IDA. 4. The energy efficiency of 59 products (94%) are better than Energy Star 8.0 or the previous generation by 15%. 5. 65 projects (81%) have incorporated recycled plastic materials with a recycling rate over 30%. 6. All projects are 100% compliance with all environmental /EMC/RF/safety regulations.				
Technology Innovation and Development	1. Increase the proportion of ESG-related patent applications to more than 5% of total patents. 2. Engage in more than 5 projects relating to the research, development, and design of reducing carbon emission products or reducing carbon emission-related investment and offset plans. 3. Increase cost savings from innovations in production processes by 50% compared to 2023. 4. Reduce actual carbon emissions from products by 2,000 tCO ₂ e.	1. The proportion of ESG-related patent applications to 14% of total patents. 2. More than 5 projects relating to the research, development, and design of reducing carbon emission products or reducing carbon emission-related investment and offset plans. 3. Increase cost savings from innovations in production processes by 53% compared to 2023. 4. Completed, product carbon reduction reach 3,786 tCO ₂ e.				

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

1.1

Corporate Profile

1.2

Sustainable Operation

➤ 1.3

Sustainable Achievements

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Sustainable Achievements in 2024 (2-3)

Topic	2024 Targets	2024 Outcomes	Accomplished
Employees and Society			
Friendly & happy Workplace	60% coverage for global employee satisfaction survey.	Global employee satisfaction survey coverage rate reaches 69%.	✓
Talent Development and Retention	1. Retention rate for key positions: 90% 2. Average 16 hours of training per person in management position.	1. Retention rate of key positions : 94% 2. The average training hours of per manager is 24.88 hours.	✓
Community Involvement and Social Welfare	Actively support charity projects, track charity investment over a 10-year period and increase financial investment by more than 10% by 2030 with 2020 charity spending as the baseline.	Investment in Social Engagement in 2024 is NT45,566,990 (including special donation for Hualien Earthquake Relief Fund)	✓
Sustainable Supply Chain			
Supplier Assessment & Development	1. Consolidation of the sustainable supply chain management process. 2. Assist customers with conducting ESG due diligence on suppliers. 3. Collate the SASB (Sustainability Accounting Standards Board) & SAQ (Self-Assessment Questionnaire) and analyze regional risks for suppliers. 4. Disclosure of annual audit findings in the Sustainability Report. 5. Commission supplier education and training platform. 6. Assist with mentoring suppliers on Carbon Footprint Verification. 7. Disclosure of suppliers' list of refiners and smelters.	1. 90% of suppliers have adopted the management system. 2. Develop supplier questionnaire management system and CMRT system (2024 CMRT/EMRT survey completed). 3. 2024 SAQ add new questions about suppliers' GHG Inventory , international initiatives, and certification status. Expand scope of SAQ include 80% second-tier supplier and new supplier regional locations will be added. (Tier2: 83 suppliers). 4. Establish annual supplier audit procedure and complete 22 suppliers audits (100%). Invited 450 suppliers joined CDP; 246 suppliers submitted report which will be disclose in 2024 ESG report. 5. Enhanced ESG GO Platform, expanding course offerings from 3 to 39. 6. Invited 9 suppliers for IDA One+N Program carbon reduction KPI video (100%). Until December, 2024, carbon reduction is reach to 9,092.7 tCO ₂ e (82.85%) and total reduction plan is 10,975 tCO ₂ e. 7. 100% of critical suppliers (including MRO) have signed the Supplier Code of Conduct, which includes a commitment to environmental sustainability.	✓
Conflict Mineral	Publish Conflict Minerals Report on the Compal website.	Release first Compal CMRT report. Using the new system to automate notifications to non-compliant smelters and conduct the CMRT/EMRT survey. (Respond rate 100%).	✓
Waste and Hazardous Substance Management	1. 100% product compliance with hazardous substance regulations and customer specifications. 2. Increase the number of halogen-free parts and production process projects to 80%. 3. Increase the number of Full Material Disclosure (FMD) projects to 60%.	1. 100% compliance with hazardous substance regulations for products and customer specifications. 2. The number of halogen-free parts and production process projects reached 81%. 3. Project compliance on Full Material Disclosure (FMD) reached 63%.	✓

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

01 About Compal

1.1 Corporate Profile

1.2 Sustainable Operation

> 1.3 Sustainable Achievements

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

07 Social Engagement

08 Sustainability Partners

Appendixes

Sustainable Achievements in 2024 (3-3)

Topic	2024 Targets	2024 Outcomes	Accomplished
Corporate Governance			
Sustainability Performance	Improve long-term performance in sustainability evaluations to reach Top 20% in the Corporate Governance Evaluation.	ESG Performance: FTSE ESG, ISS ESG, S&P ESG, Sustainalytics ESG were improved.	
		2. The 10th TWSE CG evaluation keep the same in 21~35%.	
Regulatory Compliance	Major penalties imposed by the government: 0	The major penalty event: 0	
Ethical Management and Anti-Corruption	No violations of ethics or anti-corruption rules among global employees: 0	The major violation event: 0	
Risk Management			
Keep Controlling Medium and High Risks	<Information Disclosure Aspect> Implement the calculation of financial risks caused by climate change. 1. Climate risk factors → Impact and effect on Compal →Quantitative analysis of financial effects. 2. Communicate with the factory and prepare to document the potential impacts and financial effects from significant risks on the factory. 3. Communication with each unit: Relevant formulas and integration of data.	1. The extent of climate risk impact has been controlled, resulting in a yearly decrease in climate risk, from moderate risk to low risk. 2. After communicating and explaining with the factory and various units, fill out the risk management questionnaire and integrate the quantitative data.	
	<Business Process Aspect> Strengthen perception and management of new risk types risk management. 1. Three major risks in 2023: supply chain disruption, overseas factory expansion, and the spread of infectious diseases. Risks to consider in 2024: 1. Energy transformation risk - The shortage of green energy in Taiwan is a difficult that won't be resolved in the shortterm. 2. Declining birth rate due to demographic changes may pose problems for attracting talent during recruitment.	1. Function Team had implemented risk mitigation measures, risk control has been achieved. The risk of infectious disease transmission has been reduced to below the Top 5 by 2024. (High risk -> Medium risk) 2. In response to policy changes following the U.S. election, the variables for overseas expansion have increased, the various process of overseas expansion sites (Vietnam/Brazil/Mexico) have been audited, optimized, integrated and revised. A local Auditing Office (Vietnam) has been established to strengthen the consistency of group operation compliance in order to slow down the rate of increase in H2.	
Customer Relations			
Customer Service Management	Achieve over 90% customer satisfaction or rank in the top 2 of customer QBR assessments.	Key customer satisfaction: 90.3%	
Information Security			
Information Security Management System	Implementation of Information Security Management Review Meetings to ensure the continued applicability, appropriateness, and effectiveness of the information security management system.	2024 Management Review Meeting carried out	
Privacy and information Security	Availability of key systems > 99.44%	Availability of critical system: 99.99%	

2 Compal and Stakeholders

KEY PERFORMANCE

1. We continued to promote supply chain engagement, achieving a carbon reduction of 12,879 tCO₂e in 2024, exceeding the project target of 10,000 tCO₂e.
2. A total 26 press releases were issued. Product launches or press conferences on business partnerships were also held.
3. Hosted institutional investor conferences or took part in investment forums a total of 12 times in 2024. A total of 36 cases were received and responded to through the investor communication mailbox.
4. A total of 38 labor-management meetings and occupational health and safety committee meetings were convened by each plant. The EAP counseling system hotline was used 224 times.
5. The effective response rate of the global employee engagement survey was 78.6%.
6. Reached more than 52,650 people through ESG FB page.



←

☰

< CHAPTER >

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

>

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

2.3 Sustainability Impact

2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

2.1 Stakeholder Communication and Engagement

Purpose of stakeholder communication

Compal believes that effective engagement with stakeholders is the main goal of communication. Only by finding the most important stakeholders can we shorten unnecessary procedures in communication. The following communication goals were set after discussions by the ESG teams for disclosures through the report:

- Enhance communication with customers, supply chains, and investors to seek their approval on Compal’s implementation of sustainability.
- Enhance employee participation in sustainability as well as boost employee rapport and loyalty by embracing sustainability on a corporate level.
- Effective communication with the government, media, and communities to understand and respond to their demands in an appropriate manner.

Compal reports to the Board of Directors regularly once a year in accordance with the "Sustainable Development Best Practice Principles" and the "Corporate Governance Evaluation" regulations. The communication with stakeholders in 2024 is as follows and was reported to the Board of Directors on March 20, 2025. For relevant contact information, please refer to: [stakeholder comm.](#)

Stakeholder Engagement Status (1-4)

Stakeholder	2024 Key Concerns	2024 Communications	Channel and Method	Frequency
Customers				
To strengthen long-term partnerships, Compal places great importance on customer rights. We actively appreciate customer needs and accurately fulfill their requirements, providing high-quality products and services to enhance our product competitiveness and customer reliance.	<ul style="list-style-type: none">○ Product Quality○ Customer Relations○ Talent Attraction and Retention○ Privacy and Information Security○ Business and Human Rights○ Occupational Safety and Health	1. Discussion of certification-related activities during project and audit meetings.	Regular communication and discussion conference	Unscheduled
		2. Collaborating with customers to address global climate action challenges, working together to promote localized net-zero carbon reduction measures, and investing in or procuring local green energy.	Email discussion	
		3. Tracking, impact analysis, and response plans for new regulations.	Attend Customers' supplier conferences and ask related questions	Scheduled
		4. Analysis and internalization of customer requirements as Compal's own supplier management requirements to ensure 100% compliance with customer specifications on hazardous substance restrictions.	Third party & Customer audits	Scheduled
		5. Complete the customer factory audit and the company's quality system QC080000 audit to ensure that the hazardous substance management is implemented in compliance with relevant regulation.		Unscheduled
		6. Compal continues to pass ISO/IEC 27001 3rd party certification audit, and identification of internal external issues with the information security management is conducted every six months to establish stakeholder expectations of the information security management system (including customer requirements on information security).		

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 **Compal and Stakeholders**
 - > 2.1 **Stakeholder Communication and Engagement**
 - 2.2 Materiality Analysis
 - 2.3 Sustainability Impact
 - 2.4 Policy Influence and Participation in External Industry Associations
 - 2.5 Responding to International Advocacy and Cooperative Actions
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Stakeholder Engagement Status (2-4)

Stakeholder	2024 Key Concerns	2024 Communications	Channel and Method	Frequency
Employee				
Employees are the core of the company, and Compal emphasizes talent development and the improvement of professional skills, ensuring their ongoing contributions to the company's success. Through labor-employer communication channels, the company delivers internal and external information and values the voices and opinions of employees to strengthen two-way communication between the company and employees.	<ul style="list-style-type: none">Product QualityOccupational Safety and HealthTalent Attraction and RetentionPrivacy and Information SecurityTalent DevelopmentPrivacy and Information Security	1. Hazardous substance management education and training was conducted in Taiwan. The 2 sessions were attended by 2,000 people.	Conference of Labor-management Communication/ Occupational Safety and Health Committee	Quarterly
		2. Workplace Misconduct and Sexual Harassment Prevention Training in Taiwan.	Convening of Welfare Committee	
		3. Maintaining open and effective communication with employees across Taiwan and overseas sites through multiple channels, including phone, email, and online consultations. In 2024, a total of 45,027 communication cases were recorded.	Internal Publications Welcome Employee's Life Creation	Bi-monthly
		4. A total of 38 labor-management meetings and occupational health and safety committee meetings were convened by each plant.	Intranet and Employee Opinion Box, Illegal Infringement (incl. Sexual Harassment) in the Workplace Complaint Mailbox, Fraud or Violation of Ethical Conduct Report Mailbox	Unscheduled
		5. The EAP counseling system hotline was used 224 times. Professional psychological counseling services at the Kunshan factory, with colleagues receiving one-on-one guidance, a total of 62 participants.	Internal Website and Email Campaigns, Promotion and Feedback via Facebook Fan Page/ Instagram/ LinkedIn, etc.	
		6. The annual global employee engagement survey achieved a valid response rate of 78.6%.	Employee Assistance Programs (EAP)	
		7. A total of 1,633 employee responses were received from the survey on material topics for stakeholders.	Education Training	Annually / Unscheduled
		8. Promotion and feedback through social media platforms such as Facebook, Instagram, and LinkedIn.	Global Employee Engagement Survey	Annually
		9. "Pop-up window of threat Intelligence on employee computer" is communicated once new threat Intelligence, "Social engineering drills" and "information security education" are conducted every quarter and education and training conducted every year to enhance employee information security awareness. Internal/external audits are conducted on a regular basis along with continuous improvement.		
10. Personal privacy education and audits.				
Investors / Shareholders				
Ensuring the rights and interests of shareholders and investors is crucial for Compal's stability. A comprehensive understanding of the company's operational performance and long-term strategic direction is essential. We commit to announcing and responding to information related to operational results, finance, and stock affairs in accordance with regulations and investor requests, guaranteeing integrity and transparency.	<ul style="list-style-type: none">Research and InnovationPrivacy and Information SecurityRisk ManagementTalent developmentOccupational Safety and Health	1. Hosting of annual Shareholders' Meeting chaired personally by the Chairman. 2. Hosted institutional investor conferences or took part in investment forums a total of 12 times in 2024. 3. The investor communication mailbox received, opened and responded to 36 cases during 2024.	Shareholders' Meeting	Annually
			Investor seminar	Quarterly
			Market observation post system	Unscheduled
			Shareholders' Hotline/ Mailbox	
			Periodic publication of the Company's annual reports, quarterly reports, and monthly revenues	Scheduled

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

>

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

2.3 Sustainability Impact

2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Stakeholder Engagement Status (3-4)

Stakeholder	2024 Key Concerns	2024 Communications	Channel and Method	Frequency
Suppliers				
Suppliers are essential long-term partners of Compal, and we believe that collaboration with them in engaging with ESG issues is vital to continuously enhancing our green supply chain, collectively strengthening the international competitiveness of the entire industry and promoting sustainable development.	<ul style="list-style-type: none">Product QualitySustainable Supply ChainCustomer RelationsIntegrity ManagementOccupational Safety and Health	1. Communication of the latest regulatory requirements through the SDCP (Supplier Design Collaboration Portal System). Supplier customer service contact point established by SDCP for centralized collection and response to all suppliers' hazardous substance declarations.	Communication of the latest relevant regulations via the internal supplier system, Sustainability website	Unscheduled / Annually
		2. Launching "ESG GO" online platform offering a series of courses on environmental sustainability, social responsibility, corporate governance, and green energy manufacturing technologies.	Email discussion	Unscheduled / Annually
		3. Invited 9 suppliers for IDA One+N Program carbon reduction performance video.		
		4. Optimizing the supplier management system with periodic announcements of important matters.	Supplier Complaints Mailbox	Unscheduled
		5. Issue Supplier ESG Risk Assessment Questionnaire to identify suppliers risk. Complete 22 suppliers on-site audits in 2024.		
		6. Implementation of Risk Assessment for Outsourcing Information Equipment and Implementation of outsourcing supplier audits to enforce the information security management. Conduct the supplier information security self-assessment survey. Completed at 10 suppliers during 2024.		
Government				
Compal is actively transforming its operational sites into components of "healthy cities" by partnering with local governments and embracing sustainable development principles. <ul style="list-style-type: none">Schools and talent developmentHospitals and medical careGovernment agencies and civic responsibilityWaste management and green environmental protectionCommunity offices or committees	<ul style="list-style-type: none">Business and Human RightsTalent developmentOccupational Safety and HealthSocial ImpactTalent Attraction and RetentionEnergy Management	1. Receive and handle government regulations and official documents from the Environmental Protection Bureau.	Official Document	Unscheduled
		2. Receive relevant power outage/water outage information and related policy information from the Power Supply Bureau/Water Company.	Proactive visit	
		3. Receive and handle official government policy documents from the Government Administration Bureau.		
		4. Aligning with local climate policies to contribute to the achievement of phased GHG reduction targets. <ul style="list-style-type: none">Continue to promote supply chain collaboration, achieving carbon reduction of 12,879 tCO₂e in 2024, ahead of project target 10,000 tCO₂e.Participating in renewable energy procurement and installation, as well as purchasing carbon credits.Participating in the manufacturing industry meeting of "Sustainable Economic Activities Certification Guideline", "Draft of the Resource Recycling Promotion Act" consultation meeting, and co-hosting CirCiT workshops.In response to the sustainability policy required by local government, Compal promote carbon reduction, water conservation, ecological monitoring and conservation, and local care. At our headquarters in Taipei, we respond to green transportation initiatives, promote green factories in Kunshan, and participate in monitoring forests and rivers in Brazil to advocate for environmental protection.	Participating in sustainability initiatives and contributing to policy development	

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02 Compal and Stakeholders

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

2.3 Sustainability Impact

2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Stakeholder Engagement Status (4-4)

Stakeholder	2024 Key Concerns	2024 Communications	Channel and Method	Frequency
Media				
Maintain effective communication with the media to convey the company's vision and comprehensive information, enhancing the corporate image.	<ul style="list-style-type: none">○ Privacy and Information Security○ Product Quality○ Integrity Management○ Risk Management○ Sustainable Products	1. Hosting of annual press conference hosted personally by the Chairman. 2. A total 26 press releases were issued in 2024. Product launches or press conferences on business partnerships were also held.	Press Conference	Unscheduled
			Press release	
			Media mailbox / Telephone	
Community and Non-profit Organizations				
By harnessing the compassion and dedication of every Compal employee, we strive to build a “caring enterprise” that brings about a “new happiness” in society.	<ul style="list-style-type: none">○ Business and Human Rights○ Social Impact○ Integrity Management○ Air Pollution and Waste○ Research and Innovation	1. Sponsoring the Taipei Technology Cup Charity Road Run. Employees were recruited to form a team to take part in the road run and to participate in community blood donation drives. 2. Sponsorship of in-person tutoring for rural children in New Taipei City, Taoyuan, Miaoli, Kaohsiung, Hualien, and Taitung, sponsorship of mobile library for rural communities in Kaohsiung, and establishment of the Compal Qishan iReading network. 3. Collaborating with group companies to host beach clean-up events and removed 713.9 kg of marine waste. 4. Encouraged university volunteers to engage in reading and medical volunteer services in local communities and abroad, implementing g the 17 SDGs. 5. Partnered with the Taipei Wild Bird Society to carry out two wetland conservation and environmental education activities at the Guandu Nature Park. 6. Partnered with Hsu Chauing Social Welfare Charity Foundation to assist disadvantaged students with improving their quality of learning and provide support services for impoverished families. 7. Support for charity events of non-profit organizations: donating to the Hualien Earthquake Relief Fund, with long-term partnerships included Hsu Chauing Social Welfare Charity Foundation, Sunshine Social Welfare Foundation, the Society of Wilderness, Taiwan D.B. Art Collective, Taiwan Environmental Information Association, Taipei Wild Bird Society and the General Association of Chinese Culture etc. 8. Partnered with Shuiyuan Village Theater to give elementary students from rural communities the chance to enjoy theatrical performances while also learning about environmental risk awareness and crisis management. 9. Compal employees participated in the end-of-year fundraiser and Mid-Autumn mooncakes donations to 4,292 students. Moreover, employees took part in 15 caring activities including 3 events from the Volunteer and Guitar Club. 10.Compal ESG website shared 166 posts through Latest News with all stakeholders. FB fan page achieved 52,650 views.	Participation in Community Activities	Scheduled
			ESG FB fan page push notification and opinions response	Scheduled / Unscheduled
			Email discussion	Monthly / Unscheduled
			Telephone Discussion	Unscheduled
			Participation in Charity Events	Scheduled / Unscheduled
			On-site Visits	Unscheduled

Note: For stakeholder communication liaison, please refer to <http://www.compal.com/stakeholder-communication-area/>

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

2.1

Stakeholder Communication and Engagement

➤

2.2 Materiality Analysis

2.3

Sustainability Impact

2.4

Policy Influence and Participation in External Industry Associations

2.5

Responding to International Advocacy and Cooperative Actions

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

2.2 Materiality Analysis

Materiality Analysis

Compal has established a systematic materiality analysis process in accordance with the GRI Standards and the AA 1000 standards. This process includes four key stages: organizational context assessment, identification of actual and potential impacts, ranking of significant impacts, and definition of impact scope. Through this complete evaluation mechanism, we can effectively identify the Company's material sustainability topics and determine the scope of information disclosure.

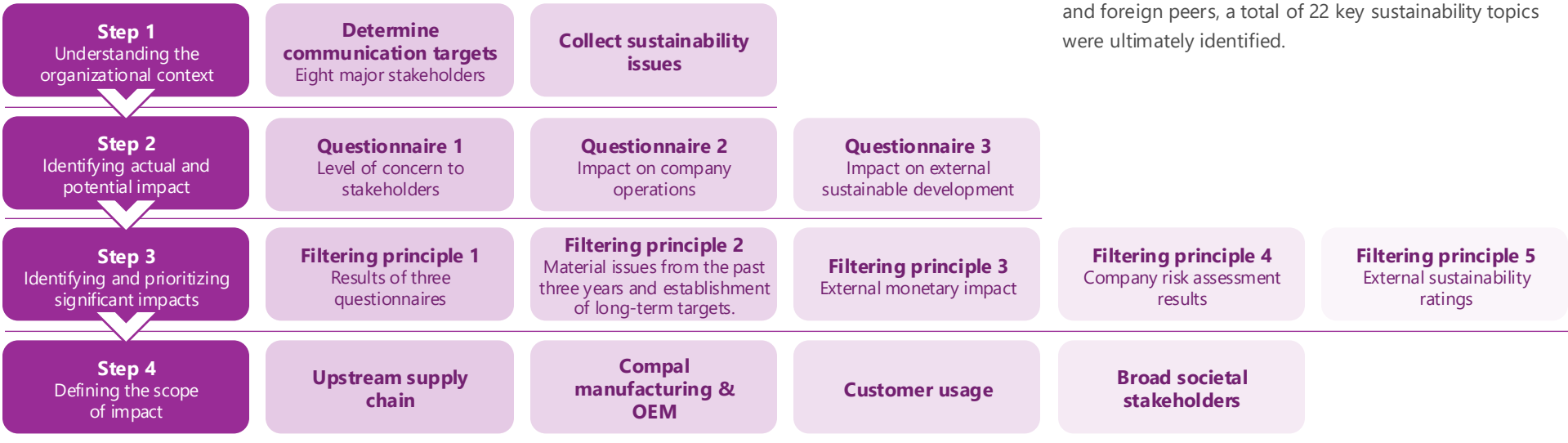
The Headquarters ultimately identified nine material sustainability topics for the 2024 ESG report and the basis for the setting of long-term targets including:

1. Customer Relationship
2. Sustainable Supply Chain
3. Occupational Safety and Health
4. Sustainable Products
5. Privacy and Information Security
6. Talent Attraction and Retention
7. Talent Development
8. Climate Strategy
9. Diversity and Inclusion

Compal's materiality analysis process was independently verified by SGS Taiwan Ltd. using the AA 1000 ASv3 standard to ensure its reliability and completeness.

Compal collects sustainability issues through multiple channel. Industry-specific sustainability topics with the potential for financial materiality through the TDCC IR Platform of the Taiwan Depository & Clearing Corporation (TDCC). International sustainability rankings including but not limited to S&P CSA (DJSI), CDP, FTSES, Sustainalytics, and MSCI were also used as a reference. Internal analysis is conducted through regular or ad hoc sustainability meetings that combine the Company's sustainability strategy and targets with stakeholder interactions. After referring to the practices of domestic and foreign peers, a total of 22 key sustainability topics were ultimately identified.

Materiality Analysis Steps



CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02

Compal and Stakeholders

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

2.3 Sustainability Impact

2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Step 1: Understanding the organizational context

Step and Process			Results																											
<p>Step 1: Communication Target</p> <p>Compal employs the AA 1000 SES (Stakeholder Engagement Standard) to identify eight categories of stakeholders as key communication targets based on five principles: dependency, responsibility, tension, influence, and diverse perspectives. These stakeholders include employees, investors/shareholders, customers, suppliers, government, media, non-profit organizations, and the community, which demonstrate Compal’s actions and efforts in practicing corporate sustainability.</p>			<div>8</div> <div>Key Stakeholders</div>																											
<p>Step 2: Sustainability Topics</p> <p>In 2024, Compal conducted a comprehensive review and re-evaluated sustainability topics relevant to the Company's operational attributes. After referencing domestic and foreign sustainability standards/ guidelines, sustainability initiatives, stakeholder opinions, the Company’s business strategy, internal feedback from managers, as well as industry characteristics and the current status of sustainability development among peers, a total of 22 sustainability-related topics were compiled, an increase of 7 topics compared to the previous year. Additionally, 12 topics were adjusted for their names, merged, or split.</p>			<div>22</div> <div>Sustainability issues</div>																											
<table><tr><th>Aspect</th><th>Sustainability Topics</th><th>Changes from the previous year</th></tr><tr><td rowspan="10">Governance</td><td>Integrity Management</td><td>Renamed from “Ethical Management and Aanti-Corruption”</td></tr><tr><td>Risk and Crisis Management</td><td>Renamed from “Risk Management”</td></tr><tr><td>Privacy and Information Security</td><td></td></tr><tr><td>Sustainable Supply Chain</td><td>Merged “Supply Chain Management” and “Raw Material Management”</td></tr><tr><td>Corporate Governance</td><td>Newly added topic</td></tr><tr><td>Financial Performance</td><td>Newly added topic</td></tr><tr><td>Taxation</td><td>Newly added topic</td></tr><tr><td>Research and Innovation</td><td>Newly added topic</td></tr><tr><td>Product Quality</td><td>Newly added topic</td></tr><tr><td>Customer Relations</td><td>Newly added topic</td></tr></table>				Aspect	Sustainability Topics	Changes from the previous year	Governance	Integrity Management	Renamed from “Ethical Management and Aanti-Corruption”	Risk and Crisis Management	Renamed from “Risk Management”	Privacy and Information Security		Sustainable Supply Chain	Merged “Supply Chain Management” and “Raw Material Management”	Corporate Governance	Newly added topic	Financial Performance	Newly added topic	Taxation	Newly added topic	Research and Innovation	Newly added topic	Product Quality	Newly added topic	Customer Relations	Newly added topic			
Aspect	Sustainability Topics	Changes from the previous year																												
Governance	Integrity Management	Renamed from “Ethical Management and Aanti-Corruption”																												
	Risk and Crisis Management	Renamed from “Risk Management”																												
	Privacy and Information Security																													
	Sustainable Supply Chain	Merged “Supply Chain Management” and “Raw Material Management”																												
	Corporate Governance	Newly added topic																												
	Financial Performance	Newly added topic																												
	Taxation	Newly added topic																												
	Research and Innovation	Newly added topic																												
	Product Quality	Newly added topic																												
	Customer Relations	Newly added topic																												
<table><tr><th>Aspect</th><th>Sustainability Topics</th><th>Changes from the previous year</th></tr><tr><td rowspan="6">Environmental</td><td>Climate Strategy</td><td>Renamed from “Climate Risks and Opportunities”</td></tr><tr><td>Energy Management</td><td></td></tr><tr><td>Water Management</td><td></td></tr><tr><td>Air Pollution and Waste</td><td>Renamed from “Waste Management”</td></tr><tr><td>Sustainable Products</td><td>Renamed from Green Products</td></tr><tr><td>Biodiversity</td><td>Newly added topic</td></tr><tr><td rowspan="7">Society</td><td>Business and Human Rights</td><td rowspan="2">Subdivided from “Human Rights, Equality, and Diversity”</td></tr><tr><td>Diversity and Inclusion</td></tr><tr><td>Talent Attraction and Retention</td><td>Renamed from “Talent Recruitment and Retention”</td></tr><tr><td>Talent Development</td><td>Renamed from “Talent Incubation, Education and Training”</td></tr><tr><td>Occupational Safety and Health</td><td>Renamed from “Workplace Health and Safety”</td></tr><tr><td>Social Impact</td><td>Renamed from “Social Welfares”</td></tr></table>			Aspect	Sustainability Topics	Changes from the previous year	Environmental	Climate Strategy	Renamed from “Climate Risks and Opportunities”	Energy Management		Water Management		Air Pollution and Waste	Renamed from “Waste Management”	Sustainable Products	Renamed from Green Products	Biodiversity	Newly added topic	Society	Business and Human Rights	Subdivided from “Human Rights, Equality, and Diversity”	Diversity and Inclusion	Talent Attraction and Retention	Renamed from “Talent Recruitment and Retention”	Talent Development	Renamed from “Talent Incubation, Education and Training”	Occupational Safety and Health	Renamed from “Workplace Health and Safety”	Social Impact	Renamed from “Social Welfares”
Aspect	Sustainability Topics	Changes from the previous year																												
Environmental	Climate Strategy	Renamed from “Climate Risks and Opportunities”																												
	Energy Management																													
	Water Management																													
	Air Pollution and Waste	Renamed from “Waste Management”																												
	Sustainable Products	Renamed from Green Products																												
	Biodiversity	Newly added topic																												
Society	Business and Human Rights	Subdivided from “Human Rights, Equality, and Diversity”																												
	Diversity and Inclusion																													
	Talent Attraction and Retention	Renamed from “Talent Recruitment and Retention”																												
	Talent Development	Renamed from “Talent Incubation, Education and Training”																												
	Occupational Safety and Health	Renamed from “Workplace Health and Safety”																												
	Social Impact	Renamed from “Social Welfares”																												

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 **Compal and Stakeholders**
 - 2.1 Stakeholder Communication and Engagement
 - > 2.2 **Materiality Analysis**
 - 2.3 Sustainability Impact
 - 2.4 Policy Influence and Participation in External Industry Associations
 - 2.5 Responding to International Advocacy and Cooperative Actions
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Step 2: Identifying actual and potential impacts

Compal conducts materiality analysis from three perspectives: level of concern from internal and external stakeholders, impact on organizational operations, and sustainability development impacts. Based on GRI 3: Material Topics 2021 from the GRI Universal Standards 2021, the Double Materiality concept proposed by the European Financial Reporting Advisory Group, (EFRAG), and economic, environmental and social impact assessment methodologies developed by the Value Balancing Alliance (VBA), "Impact-Weighted Accounts" (IWA) of Harvard Business School, the London Benchmarking Group (LBG), and other institutions are used to examine material topics and their business impacts, as well as interactions between external economic/environmental/human (rights) factors in a systematic way. In terms of sustainability development impacts, the Company integrate non-monetized assessment methods for impact evaluation, constructing a materiality analysis process based on "impact".

Step and Process	Results
<p>Questionnaire 1: Stakeholder Concerns</p> <p>An online survey was used to investigate the degree of concern among key stakeholders for each sustainability topic. A total of 2054 valid responses were collected from customers (64), suppliers (270), shareholders/investors (13), employees (1633), the media (8), the government (10), non-profit organizations (19), and communities (37).</p>	<p>2054</p> <p>valid responses</p>
<p>Questionnaire 2: Impact on Operations (internal)</p> <p>The four operational impact factors of revenue growth, employee cohesion, customer satisfaction, and operating risk were used to assess the degree of impact that sustainability topics have on Compal operations. A total of 33 senior executives from the ESG Functional Team participated.</p>	<p>33</p> <p>senior executives</p>
<p>Questionnaire 3: Impact on Sustainability (external)</p> <p>1. Defining external sustainable development impacts: Compal utilizes the methodologies of VBA, Harvard Business School's IWA research project, and LBG, and considers its own operational status and company development context to identify 12 positive and 7 negative, totaling 19, external sustainable development impacts related to Compal, covering economic, environmental, and human rights aspects.</p> <p>2. Defining "Significance": For each external impact related to economic, environmental, and human (human rights) factors, 33 Compal employees and supervisors responsible for ESG business, projects, and related issues assist in establishing quantitative thresholds. They evaluate perspectives, such as the "actual and potential impacts" of external impacts, "whether the impacts can be remediated," "the position in the value chain where the impact occurs," and "linkages to internal sustainability issues" to define Compal's significant external sustainable development impacts.</p> <p>3. Identifying significant impacts: Through the thresholds established in the above step, eight external sustainable development impacts relevant to Compal were identified, including "Positive - Company's products or technologies contribute to industry technological development," "Positive - Company's procurement creates upstream output value," "Positive - Company's tax payment promotes social welfare," "Positive - R&D of green products promotes environmental benefits," "Positive - Company's use of renewable energy," "Negative - Consumption of energy and resources causes impacts on human health and ecosystems (land, atmosphere, oceans, freshwater)," "Negative - Greenhouse gas emissions," and "Negative - Use of non-renewable materials causes scarcity of natural resources".</p> <p>4. Linking to internal sustainability issues: According to GRI 3: Material Topics, Compal has identified eight significant external sustainability impacts relevant to the company and traced these eight major impacts back to the ESG issues which implemented in the Company's operational processes to prioritize ESG issues and determine the material topics to be reported.</p> <p>5. Monetizing external impacts: Compal also adopts a Profit & Loss perspective, combined with the monetization methodology of Impact Valuation, to measure the positive (benefits) and negative (costs) impacts directly or indirectly brought about by value chain activities on human well-being and socio-economics. According to the monetization analysis results of Impact Valuation, the most significant impacts are "Sustainable Supply Chain," "Customer Relationship," "Sustainable Products," "Talent Attraction and Retention," "Climate Strategy," "Energy Management," and "Talent Development." The main positive impacts include procurement demand boosting supply chain output value and creating employment opportunities and income, product sales driving industry chain output value, compensation and benefits enhancing employee well-being and purchasing power, employee training strengthening employment competitiveness and future income, and the use of renewable energy and product eco-friendly design (energy efficiency and recycled materials) reducing the social cost of carbon emissions from greenhouse gases. Negative impacts mainly include greenhouse gas and air pollution emissions from the supply chain, greenhouse gas emissions from manufacturing processes, and environmental external costs arising from product use and disposal processes. For details, please refer to the "Sustainability Impact" chapter.</p>	<p>8</p> <p>external sustainable development impacts</p>

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02

Compal and Stakeholders

2.1

Stakeholder Communication and Engagement

>

2.2

Materiality Analysis

2.3

Sustainability Impact

2.4

Policy Influence and Participation in External Industry Associations

2.5

Responding to International Advocacy and Cooperative Actions

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Step 3: Identifying and Prioritizing Significant Impacts

Step and Process	Results
<p>Screening and Confirming Materiality Topics</p> <p>1. Screening criterion 1: Based on the analysis results of the three questionnaires in Step 2 (Identifying Actual and Potential Impacts), the Company identified topics of concern to stakeholders, as well as impacts on operations and external sustainable development.</p> <p>2. Screening criterion 2: Existing material topics from the previous year for which long-term goals have been set.</p> <p>3. Screening criterion 3: Reference the results of the Sustainability Impact Valuation analysis, select issues that meet conditions, such as generating economic value greater than NT\$10 billion in Gross Value Added (GVA), causing or contributing to economic value greater than NT\$1 billion in external environmental and social costs or benefits, and having irreversible negative impacts; cross-reference these with internal ESG issues to filter out issues with significant external impacts. For details, please refer to the "Sustainability Impact" chapter.</p> <p>4. Screening criterion 4: Integrate the Enterprise Risk Management (ERM) process to identify the correlation between sustainability issues and risk factors, and determine the priority of managing risks based on the probability of occurrence, the extent of impact, and risk appetite. Please refer to the "Risk Management" chapter for details.</p> <p>5. Screening criterion 5: Reference the weighting of various topics in external ESG assessments under the Company's sustainable development context.</p> <p>Material topics were selected based on five screening criteria mentioned above. After identifying significant topics, ESG Office discussed with senior management and 9 material topics were determined and submitted to the board, including (1) Customer Relationship, (2) Sustainable Supply Chain, (3) Occupational Safety and Health, (4) Sustainable Products, (5) Privacy and Information security, (6) Talent Attraction and Retention, (7) Talent Development, (8) Climate Strategy, and (9) Diversity and Inclusion.</p> <p>In 2024, there were significant changes in the ranking of Compal's materiality topics compared to the previous year. Three new material issues were added this year: "Customer Relationship," "Occupational Safety and Health," and "Diversity and Inclusion". In addition, the priority of several existing issues also changed. Among them, "Sustainable Supply chain," "Sustainable Products," "Talent Attraction and Retention," and "Talent Development" all saw an increase in ranking, while the priority of "Climate Strategy" and "Privacy and Information Security" slightly decreased in ranking. At the same time, after in-depth discussions and evaluations by internal and external experts, "Corporate Governance" and "Risk Management" were adjusted to general disclosure and results-oriented issues. Although they were no longer included in the scope of materiality topics, Compal will continue to present the relevant promotion results in detail in the ESG report to ensure transparency and accountability.</p>	<div>9</div> <div>Material Sustainability Issues</div>

Step 4: Defining the scope of impact

Step and Process	Results
<p>The 9 material sustainability topics identified by Compal corresponded to 10 specific topics in "GRI Standards." This was then used to define the information disclosure boundaries of the Compal value chain (supply chain management, operations, products) and broader society as the basis for reporting.</p>	<div>10</div> <div>GRI Topics</div>
<p>To ensure that the promotion of various sustainability initiatives can match the expectations of stakeholders and serve as an internal measurement of performance, we have set 20 long-term sustainability goals with 2035 as the target year and based on the material topics.</p>	<div>20</div> <div>Long-term sustainability Goals</div>

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02

Compal and Stakeholders

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

2.3 Sustainability Impact

2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

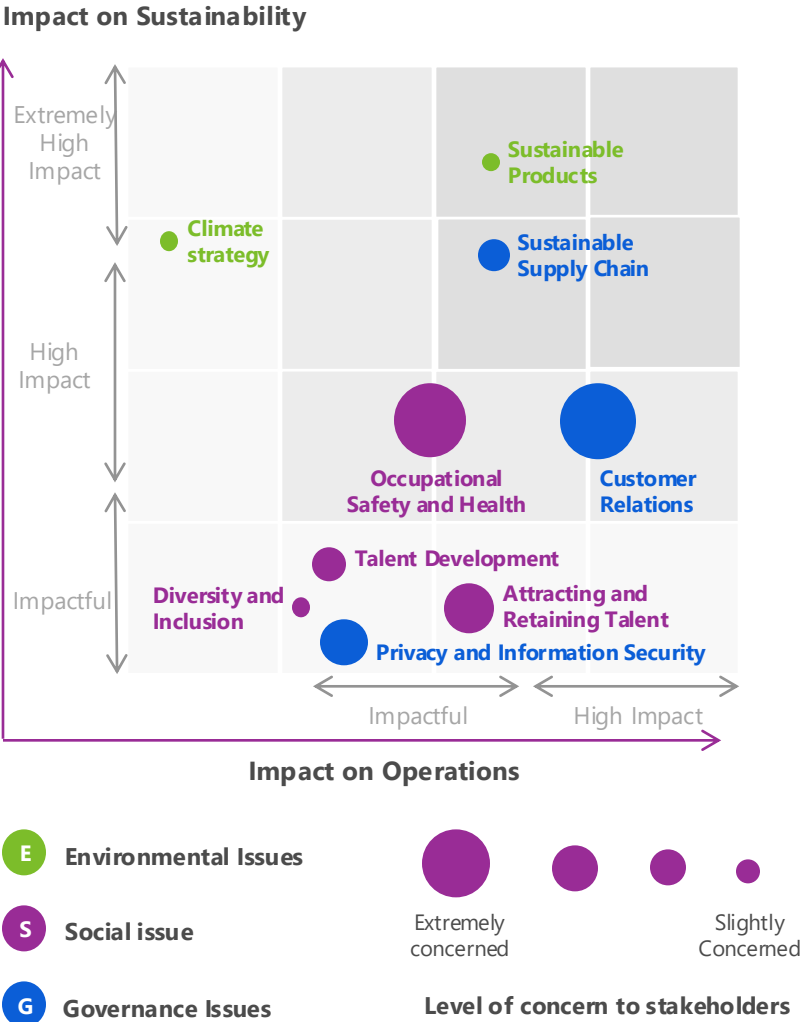
Appendixes

Material Topics and Value Chain Impact

Aspect	Material Topic	GRI Standards Topics	Value Chain			Society
			Supply Chain	Operating	Product	
Economy	Privacy and information security	Customer Privacy (418)		●	⊙	
	Sustainable Supply Chain Management	Supplier Social Assessment (414)	⊙	●		
	Customer Relations	Customer Health and Safety (416), Customer Privacy (418)			⊙	
Environmental	Climate strategy	Emissions (305)	⊙	●	⊙	○
	Sustainable Products	Energy (302), Customer Health and Safety (416)	⊙	●	⊙	
Society	Attracting and Retaining Talent	Labor relations (401)		●		○
	Talent development	Education and training (404)		●		
	Occupational safety and health	Occupational Safety and Health (403)	⊙	●		
	Diversity and inclusion	Employee Diversity and Equal Opportunity (405), Non-discrimination (406)		●		

●Direct Impact ⊙Business Relationships ○Indirect Impact

Material Sustainability Issue Analysis Matrix and Ranking (1-2)



←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

2.1

Stakeholder Communication and Engagement

➤ 2.2

Materiality Analysis

2.3

Sustainability Impact

2.4

Policy Influence and Participation in External Industry Associations

2.5

Responding to International Advocacy and Cooperative Actions

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Material Sustainability Issue Analysis Matrix and Ranking (2-2)

ESG Material Topics	Ranking ⁹	Impact on organizational operations ¹	Level of Stakeholder Concern ²	Impact on Sustainability ³	Existing Material Issues with Long-Term Targets ⁴	ERM Risk Ranking ⁵	Sustainability Impact Measurement and Valuation (IMV) ⁶	External Sustainability Ratings (DJSI weighting) ⁷	Total Stars ⁸
Sustainable Supply Chain	1	*	*	***	***	***	***	**	16
Customer Relations	2	**	***	*	*	***	***	**	15
Sustainable Products	3	*		***	***	**	***	***	15
Attracting and Retaining	4	*	**		**	***	***	***	14
Talent Development	5	*	**		*	**	**	***	11
Occupational Safety and Health	6	*	***	*		*	*	*	8
Climate Strategy	7			***	***	*	**	***	12
Privacy and Information Security	8	*	**		***	***		*	10
Diversity and Inclusion	9	*			*	*		**	5

Note 1: Among the four operational impact factors (revenue growth, employee cohesion, customer satisfaction, operational risk), "***" indicates that this issue is related to 3 or more impact factors; "**" indicates that this issue is related to 2 impact factors; "*" indicates that this issue is related to 1 impact factor.

Note 2: Among the eight major stakeholder categories, "****" represents that this issue is of concern to 4 or more stakeholder categories; "***" represents that this issue is of concern to 2-3 stakeholder categories; "**" represents that this issue is of concern to only 1 stakeholder category.

Note 3: Among the 19 sustainable development impacts, "****" represents that this issue may lead to 5-7 sustainable development impacts; "***" represents that this issue may lead to 3-4 sustainable development impacts; "**" represents that this issue may lead to 1-2 sustainable development impacts.

Note 4: "****" indicates that this issue is an existing material topics of the Company with quantitative long-term goals set; "***" indicates that this issue is an existing material issue of the Company with long-term goals set; "**" indicates that this issue is an existing material issue of the Company or with long-term goals set (either one).

Note 5: "****" indicates that this topic is a risk issue that needs to be prioritized and mitigated in the ERM process; "***" indicates that this topic is a secondary risk issue that needs to be focused on and mitigated in the ERM process; "**" indicates that this topic is a risk issue that needs to be managed in the ERM process.

Note 6: "****" indicates that external impact monetized amount is greater than NT\$10 billion; "***" indicates that external impact monetized amount is between NT\$1 billion and NT\$10 billion; "**" indicates that external impact monetized amount is less than NT\$1 billion.

Note 7: "****" indicates that the weighting of related question groups for this issue in the DJSI rating is ≥ 8 points; "***" indicates that the weighting of related question groups for this issue in the DJSI rating is between 4 and 7 points; "**" indicates that the weighting of related question groups for this issue in the DJSI rating is ≤ 3 points.

Note 8: The number of stars in "Impact on Organizational Operations," "Level of Concern from Internal and External Stakeholders," "Sustainable Development Impacts," "existing material topics with long-term goals set," "ERM risk ranking," "sustainability impact valuation," and "external sustainability ratings" are all included in the calculation and summation.

Note 9: Material topics ranking principles: 1) First, confirm whether the topic simultaneously impacts or is of concern to the screening criteria in Note 8 (taking the maximum intersection); 2) Then, confirm the total number of stars for the issue.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02

Compal and Stakeholders

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

2.3 Sustainability Impact

2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Double Materiality at Compal | Material Issues and Risk Management

	Material Topic	Impact on Operations (Internal)				External Sustainable Development Impacts							
						Positive Impact					Negative Impact		
		Increased Revenue	Customer Satisfaction	Operating Risk	Increased Revenue	Economic			Environment				
						Company products/design contributes industry technology	Procurement creates upstream output value	Tax payment supports government construction	Design green products that maximize environmental benefits during use	Use renewable energy, avoid external environmental impact	Industrial operations generate emissions that negatively impact human health	Greenhouse gas emissions lead to extreme weather changes	Use non-renewable materials
Economy	Privacy and information security			O									
	Sustainable Supply Chain Management			O		O	O		O			O	O
	Customer Relations	O	O			O	O					O	O
Environmental	Climate Strategy								O	O		O	O
	Sustainable Products		O			O	O		O	O		O	O
Society	Attracting and Retaining Talent				O								
	Talent Development				O								
	Occupational Safety and Health				O			O					
	Diversity and Inclusion				O								

O: Indicates impacts of ESG on organizational operations or substantive sustainable development impacts.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

2.1

Stakeholder Communication and Engagement

➤ 2.2

Materiality Analysis

2.3

Sustainability Impact

2.4

Policy Influence and Participation in External Industry Associations

2.5

Responding to International Advocacy and Cooperative Actions

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Material Issues and Risk Management (1-6)

Economy (1-2)						
Material Topic	Risks	Risk Attribute ¹	Risk Assessment	Mitigation Measures	Severity ²	Occurrence Probability ³
Privacy and Information Security	Information Technology Risk	Legal Compliance	Hackers employing more advanced technologies and resources may threaten central information control systems, potentially causing operational disruptions, data loss, or tampering, thus increasing the risk of confidential document leaks.	Actions Taken: <ul style="list-style-type: none">Continuously strengthened employee information security education and training.Conducted internal and external audits of information security management procedures, risk identification, and compliance with sensitive data protection regulations.Ensured information security compliance and contract audits, with ongoing updates to internal policies.Established detection and blocking defense systems.Conducted regular information security and major system operation drills. Planned Actions (Future Implementation) <ul style="list-style-type: none">Expand the scope of Managed Detection and Response (MDR) to enhance detection and blocking capabilities.Evaluate appropriate endpoint compliance standards, including privileged management to block malicious (spoofed) software downloads.Address AI and cloud application security issues.	3	3
Sustainable Supply Chain Management	Supply Chain Shortage Risks	Operating	Fluctuations in raw material prices, production cuts, or transportation delays may lead to material shortages, reducing supplier shipments and, consequently, the Company's product output, resulting in decreased profitability.	Actions Taken: <ul style="list-style-type: none">Designed the SAQ (Self-Assessment Questionnaire) based on the Responsible Business Alliance (RBA) Code of Conduct and combined it with the SASB (Sustainability Accounting Standards Board) questionnaire, renamed it "Supplier ESG Risk Assessment Questionnaire" to conduct supplier risk assessments.Accepted other RBA SAQ, Validated Assessment Program (VAP), Non-Validated Assessment Program (Non-VAP), or equivalent audit reports specified by customers through Customer Managed Audits (CMA) as substitutes for Compal's SAQ. For suppliers who are unable to respond to the questionnaire, Compal has established a system for "supplier de-certification".Implemented a tiered supplier management system, applying corresponding measures based on severity. Refer to the "Responsible Supply Chain" section for details.	3	3
	Supplier Non-Compliance Risks	Operating	Suppliers violating or concealing non-compliance with contracts or the Supplier Code of Conduct may damage Compal's reputation or result in non-compliant products, resulting in returns, fines, and operational losses.	Actions Taken: <ul style="list-style-type: none">Continuously evaluated suppliers to promote capability improvement and implemented a survival-of-the-fittest approach.Provided guidance to lower-rated suppliers to meet the Company's requirements.Utilized internal and customers' management tools to monitor and enhance supplier quality.	3	3

Note 1: Compal categorizes risk issues into five key dimensions: "Strategy", "Finance", "Operations", "Compliance", and "Environment".

Note 2: Risk severity scale definition: 1) No impact on company operations. 2) Affects only a single department without involving core business. 3) Affects a few departments without involving core business. 4) May affect nearly half of departments and slightly involves core business. 5) Affects most departments and involves core business. 6) Affects the entire company and involves core business.

Note 3: Risk likelihood scale: 1) Near-zero probability. 2) Approximately 10% probability. 3) Approximately 30% probability. 4) Approximately 50% probability. 5) Approximately 70% probability. 6) Approximately 90% probability.

Note 3: Risk likelihood scale: 1) Near-zero probability. 2) Approximately 10% probability. 3) Approximately 30% probability. 4) Approximately 50% probability. 5) Approximately 70% probability. 6) Approximately 90% probability.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02

Compal and Stakeholders

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

2.3 Sustainability Impact

2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Material Issues and Risk Management (3-6)

Environmental (1-3)						
Material Topic	Risks	Risk Attribute ¹	Risk Assessment	Mitigation Measures	Severity ²	Occurrence Probability ³
Climate Strategy	Carbon Emission Risks	Environment	To align with low-carbon trends and improve asset and resource efficiency (e.g., adopting high-efficiency equipment, electric vehicles, green buildings, and renewable energy), additional operational costs may arise.	Actions Taken: <ul style="list-style-type: none">Improved building energy efficiency, with all planned new headquarters and plants adhering to green building standards. Equipped major energy-consuming equipment, either newly acquired or re-integrated, with smart meters for real-time monitoring.Compal has joined RE100, committing to 100% renewable energy use by 2050. Gradually implemented this plan in our own plants and headquarters in China, Taiwan, and Vietnam, with a target to achieve this goal by 2050. Planned Actions (Future Implementation) <ul style="list-style-type: none">Gradually install electric vehicle charging stations and increase the proportion of electric-powered company vehicles to reduce greenhouse gas emissions.Prioritize energy-efficient equipment during replacements of high-energy equipment; adopt an internal carbon pricing mechanism to evaluate equipment benefits and payback periods.	3	2
	Carbon Tax Cost Risks	Finance	Although electronic products are not yet included in the Carbon Border Adjustment Mechanism (CBAM), increasing global carbon emission awareness may lead to future inclusion, raising carbon tax or compliance costs. Customers may demand enhanced product carbon footprint calculation capabilities, thus increasing operational costs.	Actions Taken: <ul style="list-style-type: none">Compal has begun collecting and calculating product carbon footprint data, established a dedicated carbon emission tracking system to prepare for potential CBAM requirements and improve carbon footprint transparency.Joined international initiatives, like RE100 and implemented energy efficiency and decarbonization strategies to address global climate change policies and reduce future carbon tax and compliance cost risks.Collaborated with suppliers to gradually enhance carbon emission inventory capabilities and strengthen green supply chain management. Planned Actions (Future Implementation) <ul style="list-style-type: none">Enhance carbon footprint calculation system: Expand the application of the carbon footprint calculation system across Compal's product lines, and encourage more green designs to effectively reduce product carbon footprints.Incorporate internal carbon pricing into product and project cost evaluations to prepare for potential CBAM or carbon tax policy impacts.Strengthen customer collaboration and reporting: To help customers meet future carbon footprint compliance requirements and mitigate rising costs, the Company should develop customized carbon footprint calculation methodologies.	2	3

Note 1: Compal categorizes risk issues into five key dimensions: "Strategy", "Finance", "Operations", "Compliance", and "Environment".

Note 2: Risk severity scale definition: 1) No impact on company operations. 2) Affects only a single department without involving core business. 3) Affects a few departments without involving core business. 4) May affect nearly half of departments and slightly involves core business. 5) Affects most departments and involves core business. 6) Affects the entire company and involves core business.

Note 3: Risk likelihood scale: 1) Near-zero probability. 2) Approximately 10% probability. 3) Approximately 30% probability. 4) Approximately 50% probability. 5) Approximately 70% probability. 6) Approximately 90% probability.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02

Compal and Stakeholders

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

2.3 Sustainability Impact

2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Material Issues and Risk Management (4-6)

Environmental (2-3)						
Material Topic	Risks	Risk Attribute ¹	Risk Assessment	Mitigation Measures	Severity ²	Occurrence Probability ³
Climate Strategy	Climate Change Risks	Environment	Increased frequency of extreme weather events like heavy rain and typhoons due to climate change may disrupt supply chains and production (e.g., IT server room failures or raw material supply interruptions), leading to operational losses.	Actions Taken: <ul style="list-style-type: none">All of Compal's facilities have completed the elevation of buildings and continue to maintain waterproofing facilities, drainage systems, and building structures, effectively reducing damage to plant buildings and equipment caused by extreme weather events, such as heavy rain and typhoons, ensuring uninterrupted plant operations.Deployed uninterruptible power supply (UPS) systems and emergency generators for critical equipment to ensure normal operations during disasters, significantly reducing business interruption risks.Implemented supply chain diversification plans, established multiple supplier channels, especially for critical raw materials and components, and enhanced supplier risk management and contingency plans to reduce reliance on single suppliers. Planned Actions (Future Implementation) <ul style="list-style-type: none">Strengthen disaster recovery and Business Continuity Plans (BCP) to ensure rapid restoration of production and services after extreme weather events, minimizing operational losses.Further enhance supply chain risk assessments and management, establish additional emergency response plans, such as supplier risk evaluations, to ensure stable raw material supplies during disruptions, thereby guaranteeing a stable supply of raw materials required for production.	3	3
	Carbon Disclosure Risks	Legal Compliance	Stricter climate change regulations generally necessitate a broader scope of inventory boundaries and the inclusion of additional items, which leads to higher expenditures on data collection and external audit costs. Failure to accurately and honestly disclose carbon emissions, or errors in carbon assessments, can lead to both legal and reputational risks for businesses and individuals. These risks include potential fines, lawsuits, damage to reputation, and loss of investor and public trust.	Actions Taken: <ul style="list-style-type: none">Transparent carbon emission disclosure and external audits: Compal has implemented transparent carbon emission disclosures and conducts regular third-party verifications to ensure data accuracy, and reduce legal and reputational risks.Internal inventory mechanism and accuracy improvement: Established a robust internal carbon inventory mechanism, with audits and calibrations to ensure accurate carbon emissions data, minimizing disclosure errors.Legal compliance and compliance management: Continuously tracked and ensured compliance with global climate regulations, regularly reviewed changes in climate-related laws to maintain compliance in an increasingly stringent regulatory environment. Planned Actions (Future Implementation) <ul style="list-style-type: none">Expanded inventory boundaries and items: Promote digitalization of Scope 3 data collection and enhance data collection systems to improve efficiency, to prepare for potential future compliance requirements.Open system collaboration to support all subsidiaries in the consolidated financial statements: Compal will provide an open collaboration platform to assist all subsidiaries in the consolidated financial statements in uniformly managing carbon emissions data, to ensure company-wide compliance with relevant legal requirements for carbon emission monitoring and reporting.	2	2

Note 1: Compal categorizes risk issues into five key dimensions: "Strategy", "Finance", "Operations", "Compliance", and "Environment".

Note 2: Risk severity scale definition: 1) No impact on company operations. 2) Affects only a single department without involving core business. 3) Affects a few departments without involving core business. 4) May affect nearly half of departments and slightly involves core business. 5) Affects most departments and involves core business. 6) Affects the entire company and involves core business.

Note 3: Risk likelihood scale: 1) Near-zero probability. 2) Approximately 10% probability. 3) Approximately 30% probability. 4) Approximately 50% probability. 5) Approximately 70% probability. 6) Approximately 90% probability.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02

Compal and Stakeholders

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

2.3 Sustainability Impact

2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Material Issues and Risk Management (5-6)

Environmental (3-3)						
Material Topic	Risks	Risk Attribute ¹	Risk Assessment	Mitigation Measures	Severity ²	Occurrence Probability ³
Sustainable Products	Low-Carbon Technology Transition	Operating	Climate change issues are increasingly prioritized by consumers, prompting customers to request the adoption of environmentally friendly certifications, making low-carbon transition a key future goal. However, this transition may increase operational costs.	Actions Taken: Strengthened R&D design capabilities to incorporate various eco-friendly materials while maintaining yield and output, thus achieving the goal of green transformation. Planned Actions (Future Implementation) Collect inventory of supplier carbon emission data and launch online lectures on ESG GO Academy to guide suppliers on the importance of carbon management and strategies; gradually require suppliers to establish their own carbon inventory mechanisms.	3	3
	Product Cost Risks	Operating	In response to the evolving international product energy consumption standards and regulatory requirements, it is necessary to further adjust assembly methods to reduce energy consumption, which may consequently lead to increased costs.	Actions Taken: Built an automated system for calculating the product carbon footprint and monitoring GHG emissions at the factories, using statistical data for risk assessment and management Planned Actions (Future Implementation) Develop internal carbon pricing to identify high-emission processes/products and formulate corresponding carbon reduction strategies.	3	3
Society (1-2)						
Attracting and Retaining Talent	Talent Acquisition and Retention Risks	Strategy	To develop emerging technologies and meet new regulatory standards, the Company is actively expanding talent demand. However, challenges like declining birth rates make recruitment difficult, which may result in a lack of technical successors and reduced corporate competitiveness.	Actions Taken: <ul style="list-style-type: none">Talent Recruitment Strategy EnhancementEngaged potential talents early through campus recruitment and exchanges with professors, to build long-term partnerships.Offered competitive compensation packages, such as signing bonuses, to increase job attractiveness.Leveraged social media to enhance corporate visibility, and showcase company culture and development opportunities to attract top talent. Planned Actions (Future Implementation) <ul style="list-style-type: none">Improve candidate interview experiences.Establish internal talent mobility and career development programs.Continue to enhance university-industry collaboration.	3	3
Talent Development	Talent Development Risks	Strategy	Employees have different learning needs at different career stages. Failure to provide tailored skill enhancement and continuous learning opportunities may result in employees falling behind, resulting in a decline in the Company's overall competitiveness.	Actions Taken: <ul style="list-style-type: none">Provide learning programs tailored to the needs and competency development plans of different job levels.Establish a comprehensive learning and development system with a learning roadmap to ensure employees continuously enhance their skills to adapt to changing market environments. Please refer to the "Talent Cultivation and Development" section for details.	3	3

Note 1: Compal categorizes risk issues into five key dimensions: "Strategy", "Finance", "Operations", "Compliance", and "Environment".

Note 2: Risk severity scale definition: 1) No impact on company operations. 2) Affects only a single department without involving core business. 3) Affects a few departments without involving core business. 4) May affect nearly half of departments and slightly involves core business. 5) Affects most departments and involves core business. 6) Affects the entire company and involves core business.

Note 3: Risk likelihood scale: 1) Near-zero probability. 2) Approximately 10% probability. 3) Approximately 30% probability. 4) Approximately 50% probability. 5) Approximately 70% probability. 6) Approximately 90% probability.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

2.1

Stakeholder Communication and Engagement

2.2

Materiality Analysis

➤ 2.3

Sustainability Impact

2.4

Policy Influence and Participation in External Industry Associations

2.5

Responding to International Advocacy and Cooperative Actions

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

2.3 Sustainability Impact

In 2024, Compal adopted the “Impact Measurement and Valuation (IMV)” methodology for the first time. Through an “outside-in” perspective, it comprehensively examines the impact of the value chain on human well-being, from upstream supply chains and production operations to downstream products and services. The causality-driven “Sustainability Impact Pathway” analysis covers the intersection of economic, environmental, and social issues. Based on the “Profit and Loss (P&L)” management perspective, the externalities of costs (negative) or benefits (positive) are incorporated and converted into a consistent monetary language, and a sustainability impact management framework is established, grounded in the “Triple Bottom Line (TBL)”. The analysis results show that in 2024, Compal’s value chain activities generated NT\$2.2 trillion in positive benefits and NT\$32.9 billion in negative costs. The impacts of management effectiveness are the most significant in the following areas: sustainable supply chains, customer relationships, sustainable products, climate strategy, energy management, talent attraction and retention, and talent development.

As for company operations, Compal generated NT\$910.3 billion in operating revenue, with taxes paid, dividends distributed, employee compensation, R&D investment, interest expenses, depreciation, and amortization, totaling NT\$57.8 billion. This not only brings positive impacts to stakeholders but also promotes socioeconomic growth. While focusing on core operations, resource consumption and pollutant outputs result in NT\$310 million in external costs to socioeconomic systems, human health, and ecosystems. However, investments in renewable energy create NT\$210 million in environmental benefits. Additionally, robust training programs facilitate employee skill development and employability, generating NT\$120 million in future career benefits. Occupational accidents cause physical/mental impacts and medical expenses, incurring NT\$4.95 million in social costs. Health risks from work overload may lead to NT\$14.27 million in social costs, but diverse health education activities and long-term tracking help manage employee health, yielding NT\$3.69 million in positive benefits. Investments in social care programs and volunteer activities create NT\$45.57 million in social value.

In the supply chain, Compal’s procurement needs lead to NT\$5.163 trillion in supply chain output, creating over 45,000 jobs and NT\$15.6 billion in wage income for supply chain workers. However, the environmental footprint and resource consumption from raw material and service supply processes generate NT\$6.5 billion in environmental external costs. In products and services, Compal’s personal computers and smart devices contribute NT\$1.6 trillion in output value for customer industries. Energy consumption during product use and disposal creates NT\$26 billion in social cost of carbon, but energy-efficient designs and recycled material use create NT\$1.5 billion in environmental benefits, helping customers achieve goals, thus fostering mutual growth.

Through an impact-focused mindset, Compal recognizes that while pursuing business growth brings financial gains and enhances well-being, it may negatively impact society and the environment. This approach helps the Company consider broader, long-term impacts in decision-making, thereby identifying risks and opportunities in sustainability management for future development. Compal is taking more sustainable, innovative, and ambitious actions, striving to achieve a positive impact through corporate sustainability. By leveraging our core technologies and collaborating with stakeholders, we aim to forge a mutually beneficial partnership between the Company and society.



Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02

Compal and Stakeholders

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

> 2.3 Sustainability Impact

2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Compal's Sustainability Impact Pathway (1-2)

Sustainability Topics	Operational Inputs and Outputs		IRIS Indicator	Boundaries	Impact Items		Impact Attribute	Monetary Value (KNTD)		Entity Impacted	
Supply chain											
Sustainable Supply Chain	The quantity of suppliers providing products or services.	780 suppliers	PI9566	PCBG SDBG	Social externality	Boosting supply chain output value	Positive(+)	516,324,280	●●●●●●	Society	
						Generates job opportunities and increasing income	Positive(+)	15,560,037	●●●●●○	External employees	
					Environmental externality	Social cost generated by GHG emissions	Negative(-)	4,032,899	●●●●○○	Environment	
						Air pollution impacting human health and ecosystems	Negative(-)	2,491,984	●●●●○○	Environment	
Company operations											
Financial Performance	Operating revenue	910,253,024 KNTD	FP6510	Entire group (financial statements)	Stakeholder GVA	Dividends distributed as returns to investors	Positive(+)	5,228,555	●●●●○○	Shareholders/ investors	
	Taxes	3,653,527 KNTD	FP5261			Taxes supporting government's expansion of infrastructure and social welfare	Positive(+)	3,653,527	●●●●○○	Society	
	Interest	3,873,127 KNTD	FP1012			Interest expenses generating income for customers	Positive(+)	3,873,127	●●●●○○	Customers	
	Depreciation and amortization	7,867,845 KNTD	FP9462			Depreciation and amortization generating income for suppliers	Positive(+)	7,867,845	●●●●○○	Suppliers	
Talent Attraction and Retention	Compensation and benefits	32,823,332 KNTD	OI5887	Taiwan/ China/USA/ Vietnam/ Brazil	Environmental externality	Compensation and benefits enhancing employee well-being and purchasing power	Positive(+)	32,823,332	●●●●●○	Internal employees	
R&D and Innovation	New technology R&D	4,304,936 KNTD	-			New technology R&D supporting customers' product success	Positive(+)	4,304,936	●●●●○○	Customers	
Climate Strategy/ Energy Management	GHG emissions Scope 1	12,296 tCO ₂ e	OI4112			Social cost generated by GHG emissions	Negative(-)	285,373	●●●●○○	Environment	
	GHG emissions Scope 2	161,413 tCO ₂ e	OI9604				Positive(+)	212,853	●●●●○○	Environment	
	Renewable Electricity-Purchased	130,745 MWh	OI3324			Water scarcity impacts human health	Negative(-)	3,889	●○○○○○	Environment	
Water Stewardship	Water Consumption	1,597,409 m ³	OI0263			Water pollution impacts human health	Negative(-)	2,984	●○○○○○	Environment	
	Water Displacement	1,277,927 m ³	OI0386			Air pollution impacts human health and ecosystems	Negative(-)	10,557	●●○○○○	Environment	
Air Pollution and Waste	Gasoline/Diesel consumption	412,562 L	-			The social cost of carbon and the impacts on human health and ecosystems stemming from incineration and landfills	Negative(-)	3,288	●○○○○○	Environment	
	Incineration and landfill treatment volume of waste	2,337 ton	OI6192								
Occupational Safety and Health	Lost workdays due to employee occupational accidents	1,375 day	OI3757		Taiwan/ China/USA/ Vietnam/ Brazil/ Mexico	Social externality	Occupational accidents, physical and mental impacts on workers & medical expenses	Negative(-)	4,954	●○○○○○	Internal employees, society
	Lost workdays due to contractor occupational accidents	0 day	OI3757				Negative(-)	0	○○○○○○	External employees, society	
	Population at risk of cardiovascular diseases	2,484 Number of attendees	OI4061				Potential health risks from work	Negative(-)	14,273	●●○○○○	Internal employees, society
	Number of employees with better health management outcomes	357 Number of attendees	OI4061				Health education improving lifestyle and health	Positive(+)	3,693	●○○○○○	Internal employees, society
Talent development	Employee training enhancing skills and income growth	21 hr/people	OI7877	Taiwan			Increased employability and future income	Positive(+)	117,496	●●●●○○	Internal employees, society
Social engagement	Resources and expenses invested in social engagement	45,567 KNTD	OI1619			Promoting local community relations and improving quality of life	Positive(+)	45,567	●●○○○○	Society	

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02

Compal and Stakeholders

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

> 2.3 Sustainability Impact

2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

07 Social Engagement

08 Sustainability Partners

Appendixes

Compal’s Sustainability Impact Pathway (2-2)

Sustainability Topics	Operational Inputs and Outputs		IRIS Indicator	Boundaries	Impact Items		Impact Attribute	Monetary Value (KNTD)		Entity Impacted
Products and services										
Customer Relations	Product Sales Revenue	>8000 billion KNTD	PI1775	PCBG + SDBG	Social externality	Driving industry chain output value	Positive(+)	1,577,895,240	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Society
Sustainable Products	Energy-efficient product designs to avoid greenhouse gas emissions	903,533 tCO ₂ e	PI5376		Environmental externality	Reduces GHG emissions with energy efficient products to save social cost of carbon	Positive(+)	1,484,343	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Environment
	Use of recycled material to avoid greenhouse gas emissions	13,889 tCO ₂ e	PI5376			Renewable raw material usage to save social cost of carbon	Positive(+)	22,817	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Environment
	Greenhouse gas emissions from product use processes	15,854,500 tCO ₂ e	PD9427			Energy consumption from product use and the environmental impact from handling electronic waste affect the social cost of carbon	Negative(-)	26,046,098	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>	Environment

Note 1: IRIS (Impact Reporting & Investment Standards), developed by the Global Impact Investing Network (GIIN), is a standardized framework for measuring corporate social, environmental, and economic performance to enhance the comparability of impact investments.

Note 2: Externality refer to the positive or negative impacts on human well-being by the interaction between Compal’s operational activities and various capitals, without directly receiving benefits or bearing costs. Compal follows the Natural Capital Protocol, Social & Human Capital Protocol, and ISO 14008: 2019 environmental impact assessment frameworks, along with Harvard Business School’s IWA and the VBA valuation methods, to convert environmental and social externalities into accessible and measurable monetary language.

Note 3: GVA is to assess the difference between intermediate inputs and final outputs in corporate operations, while considering original inputs and public expenditures, reflecting the benefits these economic activities bring to stakeholders.

Note 4: Boosting supply chain output is calculated using the Input-Output Model, including economic benefits from supply-demand effects in the industry chain, associated environmental issues, and jobs and wage income created. Reference sources include the “Input-Output Statistics Report” (DGBAS, 2020), “Green National Income Accounts Report” (DGBAS, 2021), “Energy Balance Statement” (Bureau of Energy, 2021), and the EXIOBASE 2 database.

Note 5: Environmental externality impact factors include the social cost of carbon, human health loss costs, and ecosystem damage costs arising from GHG emissions, air pollution, wastewater pollution, waste, and water resource consumption. The conversion to monetary value references US EPA (2016) and OECD (2012).

Note 6: Social costs derived from occupational accidents are calculated based on employees’ willingness-to-pay to avoid such accidents and medical resource inputs derived from occupational accidents, with methodologies referencing UK HSE (2017), Jiune-Jye Ho (2005), and Institute of Labor, Occupational Safety and Health (2013).

Note 7: Health risk and management involves the early detection of conditions, such as hypertension, hyperlipidemia, hyperglycemia, and obesity through regular health check-ups. Various programs are then developed to ensure appropriate control of cardiovascular disease risks among employees. The relevant coefficients reference WHO (2008) and Chieh-Hsien Lee (2009).

Note 8: Employability and future income are assessed by evaluating the professional skills and knowledge gained by employees through the Company’s training programs. This not only enhances productivity but also brings better employability for career development. The reference source is VBA (2021). The increased productivity from employee training is already reflected in the Company’s financial statements. Therefore, this indicator only evaluates the contribution to the well-being of employees who have received company training after changing jobs, based on changes in their income.

Note 9: Social engagement value, referenced from the London Benchmark Group (LBG) community investment assessment mechanism, is to calculate cash, in-kind contributions, time, and management costs invested in charitable activities to assess and allocate the quantitative benefits of various projects. Please refer to the “[Social Engagement](#)” section for details.

Note 10: The products and services category is focused on the Personal Computer Business Group (PCBG) and the Smart Device Business Group (SDBG). Considering the supply-demand relationship between sales revenue and customer industry output values, we evaluate the indirect economic value created from product sales, as well as the environmental external benefits and costs arising from eco-friendly product designs and the product use and disposal stages.

Note 11: Considering the differences in economic conditions across countries, valuation coefficients are adjusted based on the Gross National Income (GNI) per capita measured by Purchasing Power Parity (PPP) in each region. Inflation and exchange rate factors are also considered to align the time horizon to the monetary value in 2021. The methodology references OECD (2012) and PwC UK (2015).

Note 12: The “society” of the impact target refers to a network of interpersonal relationships (Social and Human Capital Protocol, 2019) with common norms, shared values, and consensus that can promote cooperation within and between groups; “environment” refers to the stock of renewable and non-renewable natural resources on Earth (such as plants, animals, air, water, soil, minerals) and the flow of benefits or services generated jointly for humanity (Natural Capital Protocol, 2016); “external employees” are employees of suppliers or contractors; “internal employees” are employees of Compal.

Monetary value (NT\$ million)	Impact level
100,000-1,000,000	<div></div>
10,000-100,000	<div></div>
1,000-10,000	<div></div>
100-1,000	<div></div>
10-100	<div></div>
0-10	<div></div>

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02

Compal and Stakeholders

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

2.3 Sustainability Impact

> 2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

07 Social Engagement

08 Sustainability Partners

Appendixes

2.4 Policy Influence and Participation in External Industry Associations

Implementing ESG is one of Compal's core values. Therefore, the Company has established great cooperative relations with cross-industry and interdisciplinary organizations, committing to the achievement of Sustainable Development Goals (SDGs). Areas of participation include industry exchange and development, corporate governance, sustainable management and social care, as well as technological innovation. Compal actively engages in dialogue with stakeholders, exchanging ideas with benchmark enterprises and sharing implementation experiences and suggestions to address global challenges related to ESG.

As climate issues receive increasing attention, Compal fully supports the Paris Agreement and has completed a plan and set targets for a reduction pathway to stay in alignment with the global temperature-control target of 1.5°C. Compal and all its subsidiaries in the consolidated financial statements commit to achieving the net-zero emissions goal by 2050. In addition, the Company

evaluates its participation in initiatives or industry associations that consistent with its climate goals through internal mechanisms. If any inconsistencies are identified and cannot be resolved in the short term, communication will be initiated, suggestions will be made, or a withdrawal mechanism will be implemented.

Compal has also established a policy advocacy and lobbying management mechanism that encompasses all interactions related to the expression of its climate policy positions. Regardless of whether the counterpart is the government, public associations, or other advocacy organizations, these interactions must adhere to consistent governance principles. The management process includes: prior assessment of whether the interaction aligns with Compal's 1.5°C climate goal, documenting communication and response processes, regularly reviewing position consistency, obtaining approval from senior management when necessary, and publicly disclosing relevant participation content and positions based on their significance.

This year, Compal participated in the drafting meeting for the "Resources Recycling Promotion Act" "organized by the Executive Yuan. The Company provided recommendations on topics such as circular material management, recycling mechanisms, and regulatory feasibility. Additionally, Compal participated in the CIRCit methodology implementation project promoted by the Environmental Protection Administration, being one of the first companies to adopt this methodology. The project focuses on product design, material reuse, and circular strategies, helping Compal translate the methodology into concrete actions. The results of this project will be compiled by the government as an important basis for amending the "Resource Recycling Promotion Act." The circular economy emphasizes reducing resource extraction and carbon emissions, serving as a crucial tool for achieving the carbon reduction goals outlined in the Paris Agreement. Through this involvement, Compal deepens the connection between policy formulation and industry practices, demonstrating the company's positive contributions to climate governance and policy advocacy.

The Initiatives or Industry Associations that Compal participated in 2024 include:

Sector Exchanges and Development and Corporate Governance

- o Taiwan CIO Association

o Importers and Exporters Association of Taipei

o Taiwan Electrical and Electronic Manufacturers' Association

o Chinese National Association of Industry and Commerce, Taiwan

o Taipei NeiHu Technology Park Development Association
- o Taoyuan Enterprise Chamber

o Intelligent Transportation Society of Taiwan

o LOTNetwork Membership

o Taiwan Association of Information and Communication Standards

o 5G Industrial Innovation & Development Alliance

Sustainable Management and Social Care

- o Taiwan Institute for Sustainable Energy/Center for Corporate Sustainability (CSS)

o Responsible Business Alliance

o Responsible Minerals Initiative

o EcoVadis

o Taoyuan City Nurses Association

o Taipei Nurses Association

o Gap of Learning and Field (GOLF) Alliance
- o Verra nonprofit corporation

o CDP

o SBTi

o RE100

o Acer Earthion

o Hsu Chaung Social Welfare Charity Foundation

o Guandu Nature Park

Innovative Technologies

- o SD Card Organization

o PCI SIG

o USB Implementers Seminar

o The Global Certification Forum (GCF)

o Wi-Fi Alliance

o Taiwan Automation Intelligence and Robotics Association (TAIROA)
- o HDCP Licensing

o HDMMI License

o DIGITAL HDCP

o VESA MEMBERSHIP

o Rail engineering Society of Taiwan

o Autonomous Mobile Robot Alliance, AMRA

Note 1. Black text indicates organizations with membership dues.
Note 2. Blue text indicates participation in advocacy.
Note 3. Purple text indicates NGOs that the Company has been involved in or collaborates with.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

02

Compal and Stakeholders

2.1 Stakeholder Communication and Engagement

2.2 Materiality Analysis

2.3 Sustainability Impact

> 2.4 Policy Influence and Participation in External Industry Associations

2.5 Responding to International Advocacy and Cooperative Actions

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

The Initiatives and Activities related to climate policy that Compal participated in 2024

Activity / Platform Name	Organizer	Participation Form	Topic / Issue
2024 RE100 Members' Meeting- Taiwan Hub	RE100 Taiwan	RE100 members	Renewable initiative
Drafting meeting for the "Resources Recycling Promotion Act"	Ministry of Environment, Executive Yuan	Information-sharing activities	Drafting of regulatory proposals and promotion of the circular economy
Guidance on the Calculation and Exchange of Carbon Emissions from Product Life Cycle Workshop	Financial Supervisory Commission	Provide recommendations and feedback based on experience	Green classification guidelines and policy trials.
Center for Corporate Sustainability Council	Taiwan Institute for Sustainable Energy (TAISE)/ Taiwan Center for Corporate Sustainability (TCCS)	Attendance of directors.	Education, Training, and Capacity Building for Sustainable Policies
Carbon Pricing Workshop	Taiwan Electrical and Electronic Manufacturers' Association	Invited to attend	Carbon pricing policies and corporate response
Guidance for the Accounting and Exchange of Product Life Cycle Emissions	Taiwan Electrical and Electronic Manufacturers' Association	Discussion and information-sharing／ seminar	Sharing of GHG inventory techniques and standards.
Digital Sustainability Cloud, DSC & Partnership for Carbon Transparency, PACT	Institute for Information Industry	Information-sharing activities	Data platform / Supply chain carbon reduction
Seminar on Embracing the Era of Carbon Pricing	Taiwan Electrical and Electronic Manufacturers' Association	Invited to attend	Explanation of carbon pricing and responses

To enhance internal sustainability governance and response capabilities, a consensus has been developed among departments through lectures, training, and project mechanisms. This initiative aims to enhance the organization's ability to address climate and sustainability challenges while promoting shared responsibilities throughout the entire value chain.

2.5 Responding to International Advocacy and Cooperative Actions

Compal is actively responding to international climate and sustainability initiatives by engaging in practical participation, disclosure, and collaborative projects. The company promotes climate governance mechanisms and accountability practices both internally and externally, while establishing a long-term action framework aligned with Sustainable Development Goals (SDGs).



SBT

The Science Based Targets initiative (SBTi) is a carbon reduction framework, which aims at encouraging businesses to devise science-based reduction targets and help keep the increase in average global temperature under 1.5°C.

In 2022, Compal and all subsidiaries included in its consolidated report completed a GHG inventory and carbon reduction plans. In 2024, the company officially joined the Science Based Targets (SBT) initiative, submitting short-, medium-, and long-term carbon reduction targets that encompass all subsidiaries within the consolidated financial statements. The official SBTi approval represents a key milestone on the path to sustainability.



RE100

RE100 is a global renewable energy initiative led by the Climate Group in partnership with CDP, aimed at encouraging the world's most influential companies to commit to 100% renewable electricity. Compal and its invested subsidiaries aim to achieve 100% renewable energy usage by 2050.

In 2024, Compal officially joined RE100, committing to achieve 100% renewable energy usage by 2050 across its invested subsidiaries covered by the consolidated financial statements. Meanwhile, the Company initiated a renewable energy procurement strategy, invested in green power funds, and implemented a mechanism for green energy transfer and Energy Attribute Certificates (EACs) to achieve this goal in phases.

Compal is also proactively involved in international governance, policy collaboration, and industry initiatives. With a better understanding of the nature and objectives of each engagement, external collaborative actions are categorized into responses to international governance initiatives, customer collaboration participation, academic-industry cooperation initiatives, and supply chain engagement:



CDP

In light of relevant risks arising from climate changes, international organizations have come to realize that daily operations of different industries are now exposed to potential impacts that could in turn lead to investment risks and affect their performance. And as such, the Carbon Disclosure Project was created. The goal of CDP is to integrate climate change-related information into business and investment decisions to accelerate the materialization of climate change solutions. CDP-related information is voluntarily disclosed by Compal every year. We received a rating of Management grade for the Climate Change and Water Management questionnaires in 2024.



RBA

Compal joined the Responsible Business Alliance (RBA) in 2011. All of our suppliers are required to fulfill their duties with respect to the environment, labor, management, ethics, safety, and health. We also asked our suppliers to sign commitments to RBA standards so they can understand and pursue our steps and mission with regards to the five aforementioned social issues.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders**
 - 2.1 Stakeholder Communication and Engagement
 - 2.2 Materiality Analysis
 - 2.3 Sustainability Impact
 - 2.4 Policy Influence and Participation in External Industry Associations
 - > 2.5 Responding to International Advocacy and Cooperative Actions**
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes



Sustainable Development Goals, SDGs

World leaders gathered at the UN headquarters in New York on September 25, 2015, to hold the 70th annual “United Nations Conference on Environment and Development.” The conference announced “Transforming our World: The 2030 Agenda for Sustainable Development” based on the parts of unfulfilled millennium development goals. This agenda practiced equality and human rights and planned 17 sustainable development goals and 169 targets as guiding principles for international cooperation of member states within the next 15 years (before 2030).

As a leading company in the industry, Compal has a responsibility and duty to participate in the SDGs’ mission. We are continuing to inject even more SDG concepts into our future goals and combine them with the core values of Compal so that we can help more people and the environment, reduce environmental burdens, and provide a better living environment for our children. For relevant information, please refer to: <https://www.un.org/sustainabledevelopment/>



Participation Acer e-Waste Recycling Program

To work with our supply chain to do our part for the planet, Compal joined our customer Acer’s “ACER Takeback Program” in 2019 for the recovery of old batteries and e-waste. In 2024, 92 employees took part in the program and collected 378.0 kg of e-waste. After six years, the Takeback Program has accumulated 922 participants and collected 4,054.1 kg of waste. All proceeds were passed onto Acer and donated to the Orphan Welfare Foundation Taipei to help the children combat poverty and loneliness.

	2022	2023	2024
Total	114	117	92
Total Amount Recycled (kg)	453.75	479.6	378.0



Participation in Gap of Learning and Field (GOLF) Alliance

To bridge the gap between school education and workplace application, Compal collaborated with AUO Corporation and Wistron Corporation in 2018 to establish the GOLF Alliance Project. This project aims to integrate the core competencies and professional knowledge of enterprises to help local Taiwanese students join the workforce faster and fully realize their potential.

In 2024, Compal successfully recruited 52 interns, and since 2018, a total of 624 students have been trained. In the future, Compal will continue to actively promote the seamless connection between campus and workplace and proactively cultivate high-quality talent for society, thus implementing the principle of applying learned knowledge in practice and creating a triple win for schools, students, and enterprises. Compal will also fulfill its corporate social responsibility by calling on schools and more companies to participate, thereby expanding the benefits of industry-academia cooperation and contributing to the development of education and industry.

3 Corporate Governance

KEY PERFORMANCE

1. 2024 revenues amounted to NT\$910.3 billion.
2. 2024 Board of Directors re-election led to independent directors accounting for one third of the board and increased diversity compared to the previous term.
3. Presented with the "Taiwan Top 100 Sustainability Exemplary Award" for consecutive years by the Taiwan Institute for Sustainable Energy.
4. Won the Global Corporate Sustainability Awards (GCSA), Sustainability Reporting Award -Gold; Taiwan Corporate Sustainability Awards (TCSA), Sustainability Reporting Category - Electronics and Information Manufacturing Industry - Platinum Award.
5. Re-selected for the FTSE4Good Index and the FTSE4Good TIP Taiwan ESG Index.



← ≡ < CHAPTER >

- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance**
 - 3.1 Business Performance
 - 3.2 Taxation
 - 3.3 Corporate Governance
 - 3.4 Risk Management
 - 3.5 Compliance, Ethical Management and Anti-Corruption
 - 3.6 Privacy and Information Security
 - 3.7 Responsible Investment
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

3.1

Business Performance

3.2

Taxation

3.3

Corporate Governance

3.4

Risk Management

3.5

Compliance,
Ethical Management
and Anti-Corruption

3.6

Privacy and Information Security

3.7

Responsible Investment

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Short-, Mid-, and Long-term Goals

Topic	Strategy	Target of FY-2025	Target of FY-2030	Target of FY-2035
BOD (Bord of Director) Functions	Strengthen the structure of the BOD in line with the global corporate governance trends to enhance the functions of Board of Directors.	Independent Director seats accounts for 1/3, and with one BOD seat for the different genders.	Independent Director seats accounts for 1/3. The number of directors of different genders increased compared to the previous term.	Independent Director seats accounts for 1/3. The number of directors of different genders increased compared to the previous term.
Sustainability Performance	Continuously review CG (Corporate Governance) assessment items, and set the annual improvement plan.	Aim for Top 20% ranking in the TWSE CG Evaluation.	Aim for Top 5% ranking in the TWSE CG Evaluation.	Aim for Top 5% ranking in the TWSE CG Evaluation.
Keep Controlling Medium and High risks	<Business Process Aspect> Strengthen the Company's internal sustainability management system and enhance the reliability and completeness of sustainability information disclosure.	<ul style="list-style-type: none">Control the number of medium and high risks<ul style="list-style-type: none">1. High-risk maintain 0 item.2. Moderate risk reduced to 9 items.Risk management audit will be conducted every two years in compliance of the ISO 31000 framework and methodology.100% implement the risk management course in HQSustainable information management is corporate into the internal control system & included in the annual audit plan.	<ul style="list-style-type: none">Control the number of medium and high risks<ul style="list-style-type: none">1. High-risk maintain 0 item.2. Moderate risk reduced to 8 items.Risk management audit will be conducted every years in compliance of the ISO 31000 framework and methodology.100% implement the risk management course in the Compal group.	<ul style="list-style-type: none">Control the number of medium and high risks<ul style="list-style-type: none">1. High-risk maintain 0 item.2. Moderate risk reduced to 5 items.Risk management audit will be conducted every half year in compliance of the ISO 31000 framework and methodology.
Information Security and Privacy Management System	Through active defense, internal and external information security audits, incident monitoring analysis, corrective and improvement measures, and management review, Compal continue to track improvements and maintain the effectiveness of the information security management system.	<ul style="list-style-type: none">Availability of critical system >99.44%Click-through rate for employee social engineering drills < 5%No complaints involving violations of information security or personal data protection resulted in judicial action.	<ul style="list-style-type: none">Availability of critical system >99.44%Click-through rate for employee social engineering drills < 3%No complaints involving violations of information security or personal data protection resulted in judicial action.	<ul style="list-style-type: none">Availability of critical system >99.44%Click-through rate for employee social engineering drills < 3%No complaints involving violations of information security or personal data protection resulted in judicial action.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

03 Corporate Governance

> 3.1 Business Performance

3.2 Taxation

3.3 Corporate Governance

3.4 Risk Management

3.5 Compliance, Ethical Management and Anti-Corruption

3.6 Privacy and Information Security

3.7 Responsible Investment

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

3.1 Business Performance

In the post-pandemic era, Compal exhibited steady profit growth through adjusted operational structure, improved efficiency, and optimized product structure. However, as industry competition and technological changes intensify, despite Compal's stable support from its computer and smart device businesses, the lack of contribution from a third-pillar business has led to insufficient revenue growth momentum. Therefore, in 2024, we redefined five key emerging businesses: AI Applications, Cloud Server, Auto Electronics, Advanced Communication, and MedTech, and actively invested resources. We also launched the Compal Transformation Program, expanding the promotion and investment in high-value businesses and growth engines. These measures will lay a solid foundation for Compal's future development.

One important core of the transformation is the comprehensive promotion of digitalization and AI applications. Strategically, this includes three main directions:

- (1) Internal AI applications: Introducing AI into the Company's internal management, covering departments, such as R&D, procurement, smart manufacturing, supply chain management, and finance and administration, to enhance operational transparency and efficiency, and reduce human errors.
- (2) AI product development: Accelerating the AI development in the Cloud and Edge, including the design and production of AI Servers, AI PCs, AI mobile phones, and network communication products. Particularly in AI PC products, Compal has been working closely with multiple chip partners to maintain a leading position in the market.

- (3) Cross-domain AI technology applications: Introducing AI technology into emerging investment areas and invested subsidiaries, such as smart healthcare and smart long-term care, making Compal an active participant in the AI revolution wave.

On the sustainable development side, we will continue to refine our ESG activities and promote ESG topics throughout the whole enterprise to realize great improvements in the sustainability performance of Compal in external ESG assessments. In the future, we hope to further expand our influence on the industry and society, take an active role in international advocacy, and respond to stakeholder expectations to create sustainability value for the Company over the long-term.

Item	2022	2023	2024
Revenues	10,732	9,467	9,103
Employee remuneration and benefits ^{Note}	394.9	359.2	328.2
Net operating income	92.2	120.5	148.4
Net operating income for this period - attributable to the parent company	72.9	76.7	100.4
Earning per share (NTD)	1.67	1.76	2.3
Dividend per share (NTD)	1.2	1.2	1.4
Assets	4,535	4,368	4,635
Liabilities	3,261	3,040	3,071
Shareholder equity	1,274	1,328	1,564

Currency: NT\$100 million
Note: Including director remuneration and transportation expenses.

Distribution of Compal Revenue	2022	2023	2024
By Products			
Notebook computer products	68%	69%	75%
Non-Computer Products ^{Note}	32%	31%	25%
Consolidated Revenue (NT\$100 million)	10,732	9,467	9,103
By Region			
Americas	47.2%	45.2%	43.6%
Europe	22.9%	22.2%	21.3%
Asia	27.2%	29.9%	32.3%
Other regions	2.7%	2.7%	2.8%

Note: Non-computer products include smart devices and other.

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

3.1

Business Performance

3.2

Taxation

3.3

Corporate Governance

3.4

Risk Management

3.5

Compliance,
Ethical Management
and Anti-Corruption

3.6

Privacy and Information Security

3.7

Responsible Investment

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

3.2 Taxation

2023-2024 Tax Information

Unit: Thousands NTD

Item	2023	2024	Mean
Net income before tax	11,890,425	15,348,188	13,619,307
Income tax expenses	2,759,747	3,653,527	3,206,637
Income tax rate (%)	23.21%	23.80%	23.54%
Income tax paid	3,028,925	3,818,023	3,423,474
Cash tax rate (%)	25.47%	24.88%	25.14%

Note: For more information, please refer to the Compal 2024 Consolidated Financial Statements

Please refer to the Compal website for more information on tax policy and management regulations:

[COMPAL ELECTRONICS INC. Tax Policy and Management Guidelines](#)

In keeping with our corporate philosophy on sustainability, innovation and transition, Compal strives to fulfill the Group’s social responsibility by promoting local economic development. We also strive to practice tax governance and risk control through compliance.

- Compal practices tax supervision and governance by complying with the spirit and letter of tax legislation in host countries of our operating locations.
- Tax factors are taken into consideration during important business decisions. Investment structures and transaction models are also carefully assessed to ensure they satisfy the goals of economic substance and commercial rationality.
- Tax havens are not used during tax planning for tax avoidance. Nor are profits deliberately shifted to countries or regions with low tax rates.
- Comply with the Transfer Pricing Guidelines published by the OECD so that related party transactions comply with general and transfer pricing laws and regulations.
- Tax disclosures must comply with the relevant laws, regulations, and standards to ensure transparency.
- Establish mutual respect and positive interactions with tax authorities.

←

☰

CHAPTER

➤

...

...

...

01

02

03

3.1

3.2

➤ 3.3

3.4

3.5

3.6

3.7

04

05

06

07

08

...

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Business Performance

Taxation

Corporate Governance

Risk Management

Compliance,
Ethical Management
and Anti-Corruption

Privacy and Information Security

Responsible Investment

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

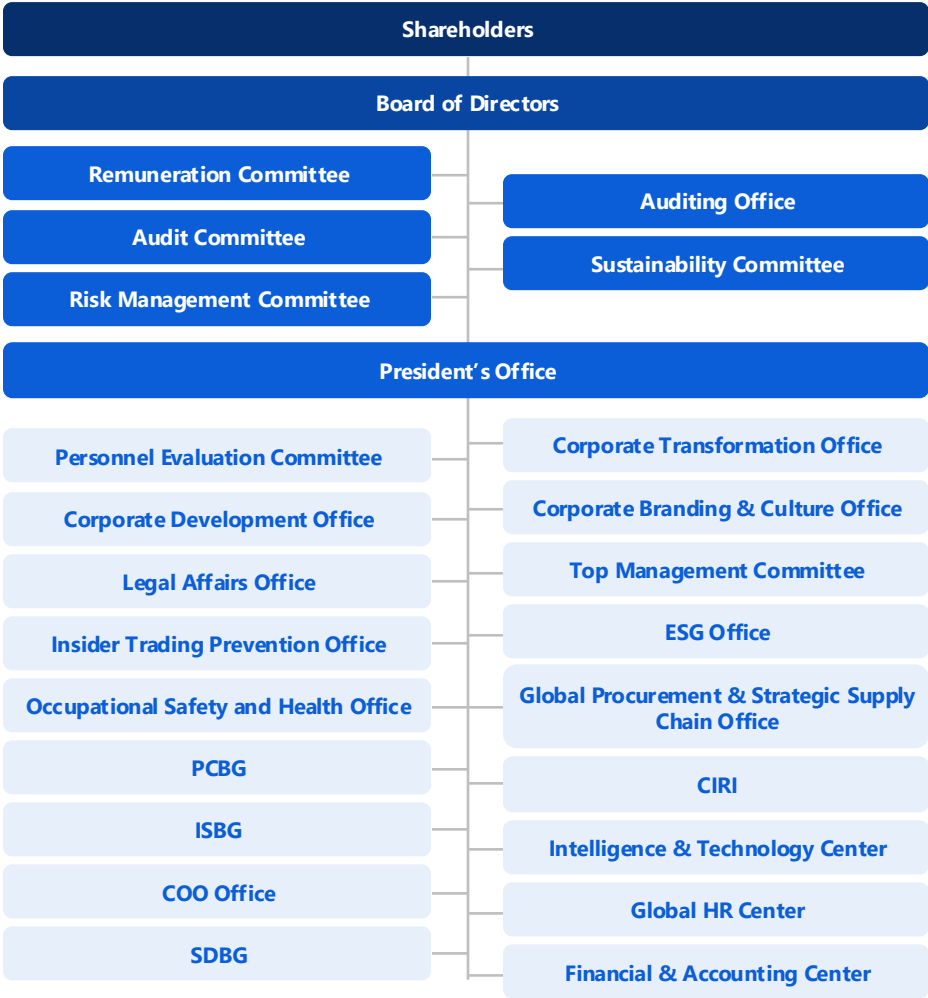
3.3 Corporate Governance

Compal Organization

Compal attaches great importance to the transparency of its operations and corporate governance. The functions of every unit are clearly defined through the organization chart. Pursuant to the Company Act, Securities and Exchange Act and other pertinent regulations, the Company has constructed an effective framework for corporate governance. Not only that, the Company has made a conscious effort to strengthen and monitor the functions of the Board of Directors, safeguard shareholders' rights, respect and uphold stakeholders' rights, improve information transparency while adhering to Ethical Corporate Management Best Practice Principles by establishing relevant systems and procedures to champion the spirit of corporate governance. This not only enables us to improve the Company's operating performance but also accomplish the goal of sustainable operation.

The Company established the "Remuneration Committee" in 2011. During the 11th Board of Directors and Supervisors election held in the 2012 annual General Meeting, three independent directors were elected to assume the role of Remuneration Committee members. Later during the 2015 annual General Meeting, an election was held for the 12th Board of Directors (including independent directors) and a resolution was passed to establish an "Audit Committee" consisting entirely of independent directors to replace supervisors. In 2019, in accordance with the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers " and the "Company Act," the Company revised its Board of Directors Meeting Guidelines and appointed a Chief Governance Officer (CGO) as the top executive responsible for corporate governance affairs.

In 2020, to enhance corporate governance, strengthen the functions of the Board of Directors, and establish performance targets, the Company formulated the "Regulations for Performance Evaluation of the Board of Directors and Functional Committees" to improve the operational efficiency of the Board and its committees. The "Sustainability Committee" was established in 2022 to fulfill our corporate commitment on sustainable development and enhance the overall management of ESG risk. The "Risk Management Committee" was established in 2023 to strengthen our corporate governance and risk management functions.



- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance**
 - 3.1 Business Performance
 - 3.2 Taxation
 - > 3.3 Corporate Governance**
 - 3.4 Risk Management
 - 3.5 Compliance, Ethical Management and Anti-Corruption
 - 3.6 Privacy and Information Security
 - 3.7 Responsible Investment
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

Board of Directors and Functional
Committee Members

The Company has embraced our corporate responsibility on sustainability by establishing sound corporate governance and risk control mechanisms. A business philosophy of integrity, transparency, and accountability forms the basis of our ethics-based policy. To ensure the effective operation of the Board and its decision-making quality, the Remuneration Committee, Audit Committee, and Sustainability Committee were established under the Board of Directors to set and review the promotion and implementation of related policies and systems, strengthen Board functions, fulfill its supervisory responsibilities, and periodically brief the Board on their current implementation and resolutions.

The Company Board of Directors, Remuneration Committee, and Audit Committee all carry out their duties in accordance with the relevant government regulations. The regulations governing the organization and activities of such internal audit organizations can all be found on the [corporate website](#).

Corporate Regulations

- o Articles of Incorporation
- o Rules of Procedure for Shareholders' Meetings
- o Regulations for the Election of Directors
- o Board of Directors Meeting Guidelines
- o The Responsibilities and Rules for Independent Directors
- o Organizational Regulations of the Audit Committee
- o Organizational Regulations of the Remuneration Committee
- o Sustainability Committee Procedures
- o Risk Management Committee Procedures
- o Corporate Governance Best-Practice Principles
- o Code of Conduct for Directors and Managers

Board of Directors

Directors are chosen from persons with extensive industrial, commercial, business administration and academic expertise and experience. The Board of Directors is comprised of 15 directors (including 3 independent directors). The Board of Directors exercises their rights based on legal regulations, the Company's Articles, and resolutions of Shareholders' Meetings and is responsible for planning the Company's strategies and monitoring the management team and effectiveness of the operation to ensure maximum benefits to the Company's stakeholders and create maximum profits for the shareholders.

The Chief Auditor is regularly invited to report on the audit progress during Board of Directors' Meetings. Apart from the Chief Auditor, other employees may also be called to participate in Board Meetings, depending on the agenda discussed. The Board of Directors should, in principle, be convened 5 times a year. The minimum attendance rate expected of Directors is 50%. The Board was convened a total of 7 times in 2024 and directors' average attendance rate was 92.38%.

- o Employee Code of Conduct of Compal Electronics, Inc.
- o Ethical Corporate Management Best Practice Principles
- o Business Integrity Procedures and Behaviors
- o Insider Trading Prevention Procedures
- o Sustainable Development Best Practice Principles
- o Risk Management Best Practice Principles
- o Risk Management Policy of Compal Group
- o Business Continuity Management Policy
- o Rules for Performance Evaluation of Board of Directors
- o Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises
- o Tax Policy and Management Regulations

Nomination and Election of Directors

The Articles of Incorporation stipulate that seven to fifteen directors are to be appointed by the Company for a term of three years. The directors (including independent directors) are elected using the candidate nomination and cumulative voting system in accordance with the Articles of Incorporation and Regulations for the Election of Directors. The professional qualifications, work experience, shareholding and concurrent positions of candidate directors must comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The Company shall, prior to the book closure date before the convening of the shareholders' meeting, publish a notice specifying a period for receiving nominations of independent director candidates, the number of independent directors to be elected, the place for receiving such nominations, and other necessary matters; the period for receiving nominations shall be not less than 10 days. Eligible director candidates (including independent directors) as determined by the Board of Directors are added to the list of candidates. The list is then presented to the shareholders' meeting to be voted upon. The 15th Board of Directors consisting of 15 directors (including 5 independent directors) were elected at the 2024 Shareholders' Meeting. The directors have served on average for 10.15 years and independent directors accounted for 33% of the Board.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

03 Corporate Governance

3.1 Business Performance

3.2 Taxation

3.3 Corporate Governance

3.4 Risk Management

3.5 Compliance, Ethical Management and Anti-Corruption

3.6 Privacy and Information Security

3.7 Responsible Investment

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Board Members

Item		Director	Independent Director
Age	31 to 50 years old	1	0
	51 to 65 years old	6	1
	65 years old and above	3	4
Gender	Male	10	4
	Female	0	1
Nationality	Republic of China	9	5
	USA	1	0
Employee ^{Note}	The Company	3	0
	Subsidiaries	4	0
Shareholder	Shareholder	9	1
	Non-shareholder	1	4
Experience of Independent Director	1 st term	-	4
	2 nd term	-	1

Note: Also an employee of the Company or subsidiary

2024 Meetings

Item	Sessions	Attendance Rate
Board of Directors	7	92.38%
Remuneration Committee	6	95.83%
Audit Committee	7	96.30%
Sustainability Committee	6	100%
Risk Management Committee	3	100%
Shareholders' Meeting	1	75.78%

Term of the 15th Board of Directors: May 31, 2024 to May 30, 2025.

Title	Name	Gender	Sustainability Committee	Remuneration Committee	Risk Management Committee	Audit Committee	Attendance Rate of the Board of Directors (%)
Chairman	Jui-Tsung Chen	Male					100%
Director	Kinpo Electronics Inc. Representative: Wei-Cheng Chen	Male					100%
Director	Taiwan Venture Capital Co., Ltd. Representative: Charng-Chyi Ko	Male					100%
Director	Sheng-Chieh Hsu	Male					71.43%
Director	Chieh-Li Hsu	Male					85.71%
Director	Binpal Investment Co., Ltd. Representative: Wu-Chun Hsu	Male					100%
Director	Chung-Pin Wong	Male					100%
Director	Chiung-Chi Hsu	Male					100%
Director	Anthony Peter Bonadero	Male					71.43%
Director	Sheng-Hua Peng	Male	□		■		100%
*Independent Director	Duh-Kung Tsai	Male	■	■	■	□	100%
*Independent Director	Wen-Chung Shen	Male	■	□	□	■	100%
*Independent Director	Li-Chiu Chang	Male	■	■	■	■	100%
*Independent Director	Shui-Shu Hung	Male	■	■	■	■	100%
*Independent Director	Tzu-Ting Huang	Female	■	■	■	■	100%

Note:
1. The five independent directors are also members of the Remuneration Committee and Audit Committee.
2. For information on Board composition, attendance, and diversity, please refer to the Compal website:
[For information on board members and their attendance and diversity.](#)
3. □ Convener ■ Member

←

☰

< CHAPTER >

::: Introduction to ESG Report

::: Sustainability Accolades

::: Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

3.1 Business Performance

3.2 Taxation

> 3.3 Corporate Governance

3.4 Risk Management

3.5 Compliance, Ethical Management and Anti-Corruption

3.6 Privacy and Information Security

3.7 Responsible Investment

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

07 Social Engagement

08 Sustainability Partners

::: Appendixes

Conflict of Interest Management

The Company's Board of Directors Meeting Guidelines, Organizational Regulations of the Audit Committee, and Organizational Regulations of the Remuneration Committee stipulate that if any director or a juristic person represented by a director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's (committee member) proxy to exercise voting rights on that matter. Where the spouse or a blood relative within the second degree of kinship of a director (committee member), or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director (committee member) shall be deemed to be an interested party with respect to that agenda item. The Company shall record the names of each director and committee member, agenda items, reason for recusal, and voting situation in the meeting minutes and the annual report. Recusals by directors in motions with a conflict of interest during 2024 are detailed in the 2024 Annual Report.

Chief Governance Officer

The Board of Directors appointed Vice President Cheng-Chiang Wang as the Chief Governance Officer, and the Secretariat of the Board of Directors as the competent unit for the planning and promotion of governance-related matters. Key responsibilities include organizing of Shareholder, Board, Audit Committee, and other functional committee meetings, keeping of meeting minutes, the nomination, selection, and swearing in of directors, assisting directors with their continuing education, providing directors with the information needed for performing their role, assisting directors with compliance, planning for corporate governance evaluation, as well as improvement of disclosure and transparency, protection of shareholder interests, and enforcement of corporate governance. Corporate governance activities for 2024 are detailed on the corporate website.

Continuing Education for Directors

In accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, a range of mandatory courses were organized by Kinpo Group Management Consultant Company, a Group affiliate, and professional external organizations to enhance the professionalism of directors so they can perform their duties with due diligence and due care, as well as fulfill their function in business decision-making, leadership, and supervision. Board members completed 128 hours of continuing education during 2024.

Performance Evaluation of Board of Directors and Functional Committees

In accordance with the Rules for Performance Evaluation of Board of Directors, a performance evaluation is conducted for Board members, the Board of Directors, the Audit Committee, and Remuneration Committee in the second quarter of each year. The outcomes of the evaluation are compiled and analyzed by the implementing unit then submitted to the Remuneration Committee for analysis in Q3. The Board of Directors is briefed on the findings and concrete recommendations. The findings are also used as a reference for determining the remuneration of individual directors and whether they are nominated for consecutive terms. A resolution was passed by the Board on November 10, 2023, to amend the Rules for Performance Evaluation of Board of Directors and add an external performance evaluation mechanism. EY Business Advisory Services Inc. was retained for the first time in 2023 to conduct the external performance evaluation for the overall Board. The findings of the evaluation were reported to the Board on February 29, 2024. Please refer to the Compal website for the outcomes of the 2024 evaluation.

← ⋮ < CHAPTER >

- 




After the internal audit supervisor has submitted an audit report and follow-up report, he/she should provide the completion of audit items to the independent directors for their review by the end of the following month. If the independent directors need clarification of the audit and follow-up, they should contact the internal audit supervisor at any time. The Chief Auditor reports to the Audit Committee on a quarterly basis regarding the audit progress, and engages participants in discussions during the meetings. The Company's Audit Committee has been communicating properly with the Chief Auditor. Independent directors engage external auditors to discuss the outcome of the financial statement audit and other legal issues deemed relevant at least once a year. Independent directors are also involved in decisions such as appointment, independence review and suitability review of certified public accountants. Communication between the independent directors, Chief Auditor and CPA in 2024.

:::	Introduction to ESG Report
:::	Sustainability Accolades
:::	Letters From the Executive Officers
01	About Compal
02	Compal and Stakeholders
03	Corporate Governance
3.1	Business Performance
3.2	Taxation
> 3.3	Corporate Governance
3.4	Risk Management
3.5	Compliance, Ethical Management and Anti-Corruption
3.6	Privacy and Information Security
3.7	Responsible Investment
04	Climate Action
05	Environmental Sustainability
06	Inclusive Growth
07	Social Engagement
08	Sustainability Partners
:::	Appendixes

Sustainability Committee

The “Sustainability Committee” was established in March 2022, with the approval of the Board of Directors, to fulfill our corporate commitment on sustainable development and enhance the overall management of ESG risk. Due to the re-election of directors, the Board of Directors resolved on May 31, 2024 to appoint six members for the 2nd Sustainability Committee, five of whom are independent directors, and all members elected Director Sheng-Hua Peng as the convener and commissioner. At least one meeting is held per year to lead the implementation of relevant tasks, communicate policies and positions externally, define goals and directions internally, integrate resources, review action plans, supervise the effectiveness of implementation, and report the results of implementation to the Board of Directors. The responsibilities of the Sustainability Committee are as follows:

1. Formulating sustainable development policies.
2. Formulating annual sustainable development plans and strategic directions.
3. Revising, tracking, and reviewing the implementation and effectiveness of sustainable development initiatives, and reporting to the Board of Directors.
4. Supervising sustainable information disclosures and reviewing the sustainability report.
5. Supervising the Company's Sustainable Development Best Practice Principles and deciding on other sustainable development-related matters resolved by the Board of Directors.

The Board of Directors' supervision of the Sustainability Committee

The directors should fulfill their duty of care as good managers, urge the Company to promote sustainable development, and review its implementation effectiveness and continuous improvement at any time to ensure the implementation of sustainable development policies. The Sustainability Committee regularly reports to the Board of Directors on the progress of greenhouse gas inventory and verification, the communication with stakeholders each year, the implementation of sustainable development initiatives each year and greenhouse gas-related matters, and the formulation of the materiality topics of the annual sustainability report and the annual sustainable development plan and strategy. The Board of Directors judges the likelihood of success of the plan and strategy formulated by the Sustainability Committee, and also reviews the implementation status from time to time, while urging the management team to make adjustments when necessary.

The Sustainability Committee held 6 meetings in 2024; members' attendance rate averaged 100%. For more information on the activities of the Sustainability Committee during 2024, please visit the [Compal website](#).

To safeguard the interests of investors, the Chairman does not hold a concurrent management position. Liability insurance has also been purchased for all directors, supervisors, and key personnel. Key information such as the amount of liability insurance coverage, scope of insurance, and premiums are also reported at the next Board meeting after contract renewal each year.

Compal has accepted electronic voting as one of the means through which Shareholders may exercise their voting rights in Shareholder Meetings since 2013. In

doing so, we enable Shareholders who are unable to attend the Meeting personally the chance to exercise their votes via the Internet and participate in the Company's major decisions including but not limited to: amendment of Articles of Incorporation, recognition of annual account closing, securities issuance, amendments to Guidelines for Handling Acquisition and Disposal of Assets, amendments to Operating Procedures for Trading Derivatives, amendments to Third Party Lending Procedures, amendments to Endorsement and Guarantee Procedures, removal of non-compete restrictions on directors, and election of directors/independent directors.

The attendance rate for the 2024 Compal general shareholders' meeting was 75.78%. The percentage of shareholders that voted electronically was 65.84%. All agenda items, whether or not they involve an acknowledgment or discussion, are fully discussed by participating Shareholders before proceeding with the vote. The number of votes in favor, against, and abstaining votes for each agenda item are detailed in the meeting minutes and published on the Market Observation Post System. It is our hope for Shareholder Meeting resolutions to fully reflect Shareholders' opinions.

The company has defined the “Code of Conduct for Directors and Managers”, “Employee Code of Conduct of Compal Electronics, Inc.” and “Ethical Corporate Management Best Practice Principles” in place to regulate conflict of interest. Grievance systems have also been outlined in Business Integrity Procedures and Guidelines to enable the reporting of misconduct. For the purpose of preventing insider trading, the Company has established “CO10 Administration of Insider Trading Prevention” and “Implementation Rules for Administration of Insider Trading Prevention” as part of its internal control system. Details of these policies have been made accessible by employees on the intranet and on the TWSE's website.

::: Introduction to ESG Report

::: Sustainability Accolades

::: Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

3.1 Business Performance

3.2 Taxation

3.3 Corporate Governance

> **3.4 Risk Management**3.5 Compliance,
Ethical Management
and Anti-Corruption

3.6 Privacy and Information Security

3.7 Responsible Investment

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

07 Social Engagement

08 Sustainability Partners

::: Appendixes

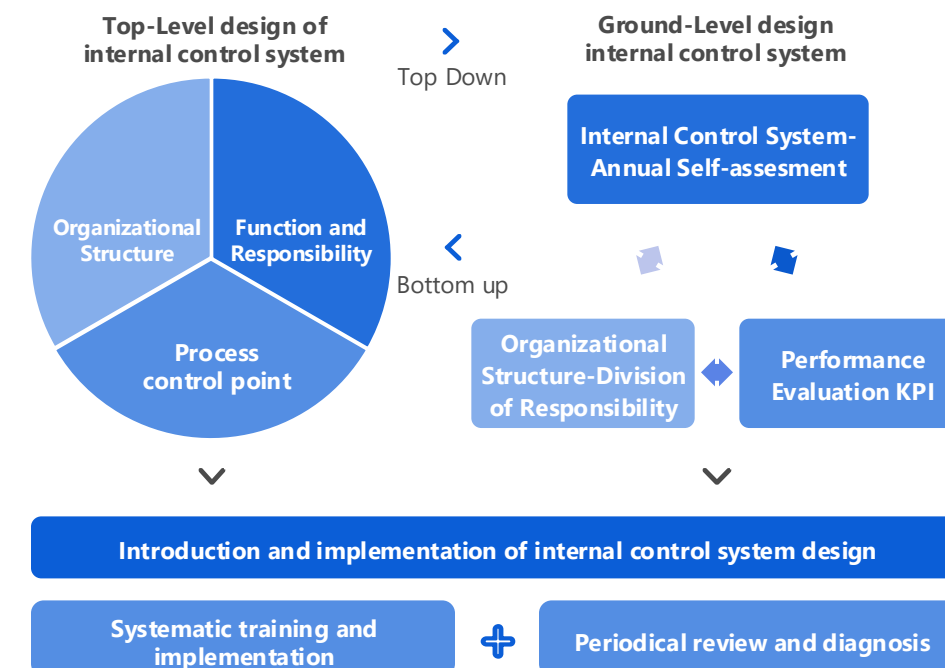
3.4 Risk Management

3.4.1 Risk Management System and Structure

- A risk management policy has already been drawn up by the Company and took effect on March 15, 2022, after Board Approval and now serves as the highest guiding principles for risk management at Compal. The core spirit of the policy is compliance with the international standards system and learning from benchmark enterprises. Regulatory compliance is also enforced to ensure the sustainability of the business.
- The Company has established, in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies issued by the Financial Supervisory Commission, financial, business and accounting management systems for evaluating and supervising the risks of operating activities. The risks of operating activities are kept within an acceptable through the proactive involvement of the management in the formulation of risk management policies and response strategies.
- The Company complies with the local policies and regulations of our key production bases. These include guidance related to the Basic Norms for the Internal Control of Enterprises issued by the Ministry of Finance of the People's Republic of China in conjunction with the China Securities Regulatory Commission, National Audit Office, China Banking Regulatory Commission, and China Insurance Regulatory Commission.

3.4.2 Total participation in design of internal controls

- The internal control system was established in accordance with the organizational structure, delegation of authority, and process control points. Enforcement of internal controls is realized through self-assessment and performance evaluation.
- Internal control self-assessment has been implemented at every management and operational level. In 2024, self-assessments were conducted by 436 units (including division or higher level units as well as independent units) and 251 people (including the Chairman, Vice Chairman, President, Independent Directors and related management personnel). Coverage was sufficiently comprehensive to ensure the effective introduction and implementation of internal control processes.



CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

03 Corporate Governance

3.1 Business Performance

3.2 Taxation

3.3 Corporate Governance

> 3.4 Risk Management

3.5 Compliance, Ethical Management and Anti-Corruption

3.6 Privacy and Information Security

3.7 Responsible Investment

Climate Action

Environmental Sustainability

Inclusive Growth

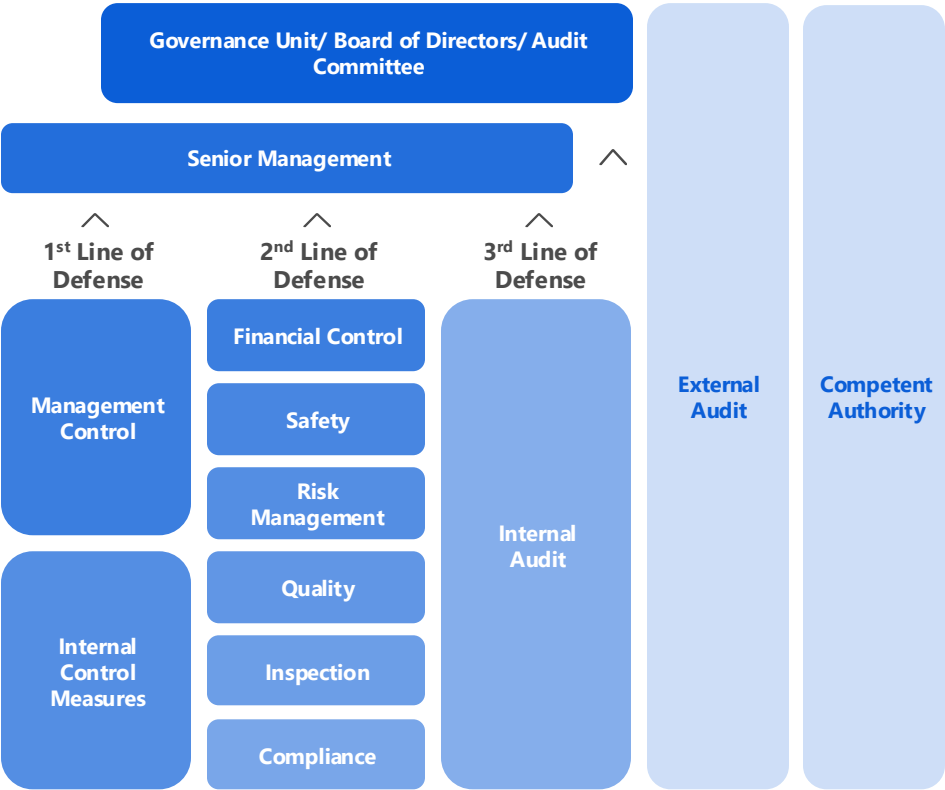
Social Engagement

Sustainability Partners

Appendixes

3.4.3 Ethical Management and Risk Management Organization Structure

- The Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct were established by the Company in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Procedures for Ethical Management and Guidelines for Conduct published by the TWSE.
- The actual functions of the Company organizational structure as well as the 3 Lines of Defense structure for risk management published by the IIA were used as a reference by the Company to formulate our management organization and process for risk management.
- To promote risk management, the head of each department organizes and establishes responsible units based on their duties and responsibilities, bearing the responsibility for daily risk management. Through communication, coordination, and liaison among various departments, they jointly launch and implement annual plans and projects to ensure the risk management of overall operations.
- Risk management courses: To enhance every employee’s information security concepts, the Company offers information security training courses for all employees to raise their risk awareness and vigilance.



Source: Article 41, ECIIA/FERMA Guidance on the 8th EU Company Law Directive

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Business Performance

Taxation

Corporate Governance

Risk Management

Compliance, Ethical Management and Anti-Corruption

Privacy and Information Security

Responsible Investment

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

<59>

The Company comprehensively re-elected the members of the Board of Directors and functional committees on May 31, 2024. All board members regularly receive risk management training per year. The risk management continuing education status of all incumbent and new directors (including non-executive directors) is listed below:

Title	Name	Date of Appointment	Study Date	Organizer	Course Name	Training Hours	Relevant to Risk Management
Chairman	Jui-Tsung Chen	2024/05/31	2024/04/16	Taiwan Independent Director Association	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls Under Geopolitical Conflicts and Supply Chain Procurement Fraud	3	Yes
Director	Anthony Peter Bonadero	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
Director	Chieh-Li Hsu	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
Director	Sheng-Chieh Hsu	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
			2024/04/16	Taiwan Independent Director Association	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls Under Geopolitical Conflicts and Supply Chain Procurement Fraud	3	Yes
Director	Chiung-Chi Hsu	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
			2024/04/16	Taiwan Independent Director Association	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls Under Geopolitical Conflicts and Supply Chain Procurement Fraud	3	Yes
Director	Sheng-Hua Peng	2024/05/31	2024/04/16	Taiwan Independent Director Association	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls Under Geopolitical Conflicts and Supply Chain Procurement Fraud	3	Yes
Director	Chung-Pin Wong	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
			2024/04/16	Taiwan Independent Director Association	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls Under Geopolitical Conflicts and Supply Chain Procurement Fraud	3	Yes
Representative of a corporate director	Chang-Chyi Ko	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
			2024/04/16	Taiwan Independent Director Association	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls Under Geopolitical Conflicts and Supply Chain Procurement Fraud	3	Yes
Representative of a corporate director	Wei-Cheng Chen	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
Representative of a corporate director	Wu-Chun Hsu	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
			2024/06/12	Securities and Futures Institute	How Should Directors and Supervisors Oversee Enterprise Risk Management and Crisis Management	3	Yes
Independent Director	Wen-Chung Shen	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
			2024/04/16	Taiwan Independent Director Association	A Brief Discussion on Two Major Risks in the High-Tech Manufacturing Industry: Export Trade Controls Under Geopolitical Conflicts and Supply Chain Procurement Fraud	3	Yes
Independent Director	Tzu-Ting Huang	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
Independent Director	Shui-Shu Hung	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
Independent Director	Duh-Kung Tsai	2024/05/31	2024/08/13	Taiwan Institute of Directors	Digital Technology and Artificial Intelligence Trends and Risk Management	3	Yes
Independent Director	Lee-Chiou Chang	2024/05/31	2024/11/12	Securities and Futures Institute	2025 Global Economic Outlook	3	Yes
			2024/08/13	Securities and Futures Institute	Carbon Credit Trading Mechanisms and Carbon Management Applications	3	Yes

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- 03 Corporate Governance**
 - 3.1 Business Performance
 - 3.2 Taxation
 - 3.3 Corporate Governance
 - > 3.4 Risk Management**
 - 3.5 Compliance, Ethical Management and Anti-Corruption
 - 3.6 Privacy and Information Security
 - 3.7 Responsible Investment
- Climate Action
- Environmental Sustainability
- Inclusive Growth
- Social Engagement
- Sustainability Partners
- Appendixes

The Risk Management Committee was established by the Company on May 10, 2023, with the approval of the Board of Directors, with all members of the Risk Management Committee re-elected on May 31, 2024. The Risk Management Committee is composed of all independent directors, namely Tu-Kung Tsai, Wen-Chung Shen, Li-Chiu Chang, Shui-Shu Hung, and Tzu-Ting Huang; and director Sheng-Hua Peng. All committee members elected independent director Wen-Chung Shen as the convener and chair of committee meetings. The relevant risk management resumes of committee members are tabled below:

Title	Name	Date of Appointment	Current Principal Position	Principal Experience	Possesses risk management expertise?	Nature of Risk Management Expertise
Independent Director	Tzu-Ting Huang	2024/05/31	Consultant, Acer Inc.	Chief Operating Officer, Acer Inc. Acer Inc. Services in Intellectual Property and Marketing Dept. Director, Acer Cyber Security Inc. Director, Highpoint Service Network Sdn Bhd.	Yes	Operating Risk Market Risk R&D Risk
Independent Director	Shui-Shu Hung	2024/05/31	Chairman, Catcher Technology Co., Ltd.	Chairman, Catcher Technology Co., Ltd.	Yes	Operating Risk Market Risk
Independent Director	Wen-Chung Shen	2024/05/31	Chairman, Her Tuo Co., Ltd.	Director, Compal Electronics, Inc. Compal Electronics, Inc. Executive Vice President	Yes	Operating Risk Market Risk R&D Risk
Independent Director	Duh-Kung Tsai	2024/05/31	Chairman, Powertech Technology Inc. Director, Greatek Electronics Inc.	Chairman, Powertech Technology Inc. Director, Greatek Electronics Inc.	Yes	Operating Risk Market Risk
Independent Director	Lee-Chiou Chang	2024/05/31	Chairman, Panion & BF Biotech Inc. Chairman, Shun Tian International Investment Consulting Co., Ltd. Chairman, Herbiotek Co., Ltd. Chairman, YH Bio Co., Ltd. Chairman, Viarich Biotechnology Co., Ltd. Chairman, Ho Tung Chemical Corp. Chairman, Cheng Fong Chemical Co., Ltd.	Section Chief, Securities and Futures Bureau, Ministry of Finance President, Grand Cathay Securities Corp. Chairman, Yuanta Securities Co., Ltd. Taiwan Securities Association Convener of supervisors	Yes	Operating Risk Market Risk Financial Risk
Director	Sheng-Hua Peng	2024/05/31	Compal Electronics, Inc. Executive Vice President	Compal Electronics, Inc. Executive Vice President	Yes	Operating Risk Market Risk R&D Risk Procurement Risk

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

03 Corporate Governance

3.1 Business Performance

3.2 Taxation

3.3 Corporate Governance

> 3.4 Risk Management

3.5 Compliance, Ethical Management and Anti-Corruption

3.6 Privacy and Information Security

3.7 Responsible Investment

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

The Risk Management Committee reports to the Board of Directors and is responsible for supervision of mechanisms relating to risk management. Key functions include:

- Review risk management policies, procedures, and principles, and periodically assess their appropriateness and effectiveness of implementation;
- Approve risk appetite (risk tolerance) and endorse or guide the allocation of resources.
- Review management reports on material risk topics.
- Determine the priority and level of risk for risks faced by the Company.
- Review the implementation of risk management and propose recommendations for improvement.
- Implement Board decisions on risk management.

The Risk Management Committee shall be convened at least twice a year to discuss the annual risk management targets and plan, and the implementation of risk management tasks during the year. The relevant proposals are then submitted to the Board for review.

Audit of Risk Management Process

The risk management process of the Company is audited by the Auditing Department and external CPAs at least once per year. The policies and procedures governing the Company's internal control systems (including the implementation of financial, business, risk management, information security, research and development, and compliance control measures) have also been evaluated by the Audit Committee. Our risk management and internal control systems have been found to be effective, and the necessary control measures have been adopted by the Company for supervision and the correction of non-compliance.

The Company shall establish an internal audit system to facilitate the evaluation of risk management operations and internal control system by the management and Audit Committee. The Company has established an internal control/internal audit system that conforms to the requirements of the governance principles in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies. The effectiveness of the policies and procedures governing the Company's internal control system were also evaluated by the Audit Committee. The Company's auditing department and CPA as well as periodical reports by the management were also reviewed. It is the opinion of the Audit Committee that the Company's risk management and internal control systems are effective, and that the Company has adopted the necessary control mechanisms for supervision and the correction of non-compliance.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

03 Corporate Governance

3.1 Business Performance

3.2 Taxation

3.3 Corporate Governance

> 3.4 Risk Management

3.5 Compliance, Ethical Management and Anti-Corruption

3.6 Privacy and Information Security

3.7 Responsible Investment

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

3.4.4 Cultivation of Risk Culture

Risk management indicators incorporated into product design and development processes:

The Company has incorporated risk management considerations into the product development stage and used project management methods to assess and prevent risks related to R&D design, quality, and mass production, thus ensuring on-time delivery to effectively avoid potential losses from strained client relationships or missed business opportunities. From the product quotation stage to the completion of the mass production stage, the risk identification and improvement plans proposed by each unit must be reviewed to ensure that the risks and opportunities for all items have been reduced to a controllable range and managed with contingency plans. Furthermore, to more effectively implement risk management in the product development process, the Company includes risk assessment and response as a key performance indicator for senior executives in the product R&D unit.

Performance evaluation and Incentives

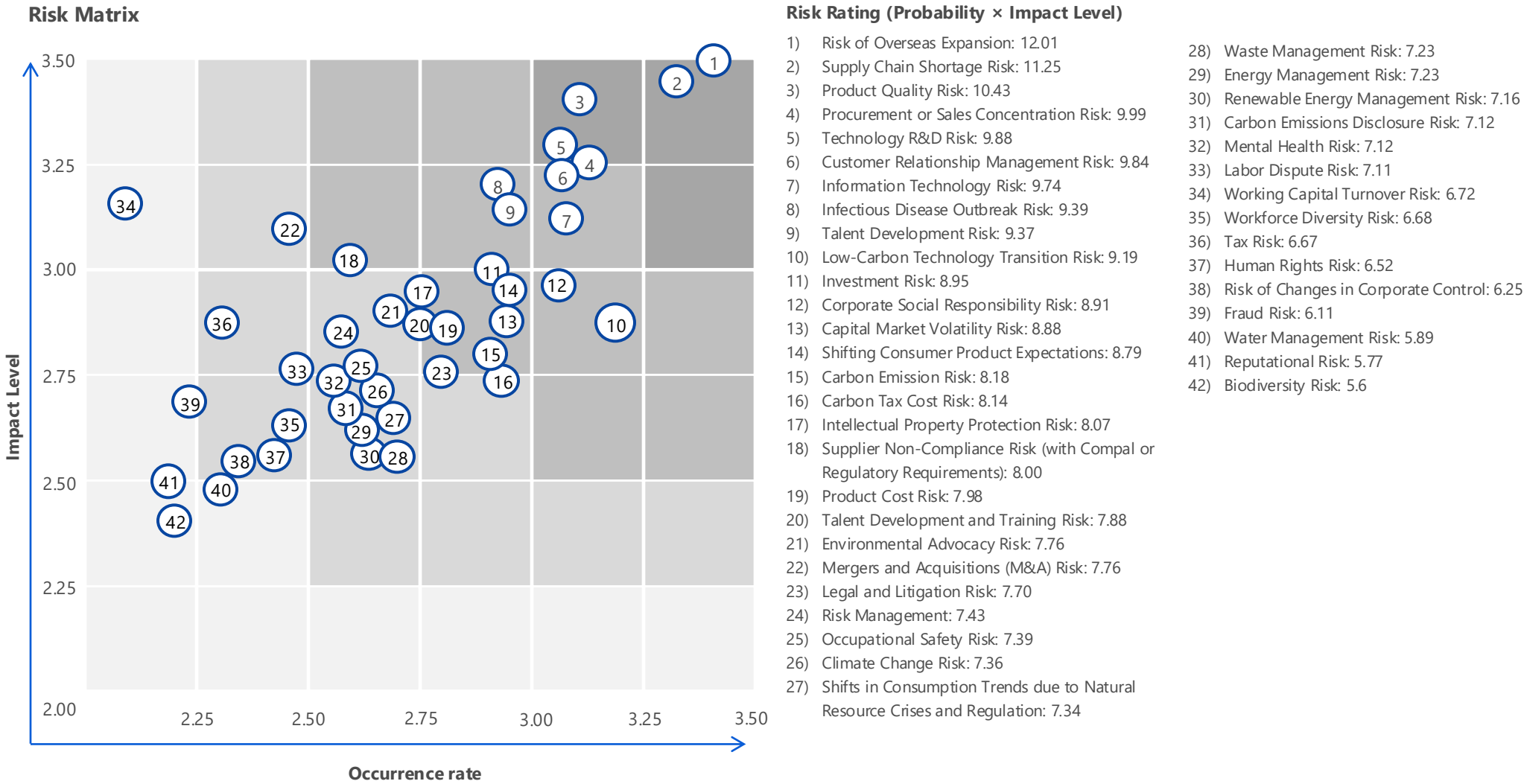
The Company attaches great importance to the risk awareness ability of all employees. Performance evaluation indicators and standards have been established for employees based on their grade and function to embed our risk culture in routine business activities.

Senior Management	In addition to general performance targets, the Company also pays particular attention to risk identification, risk analysis, risk assessment, risk control and response, as well as supervision/audit of implementation and effectiveness. These risk management abilities are included in the scope of performance evaluations.
	Senior management should possess the ability to accurately calculate the scope of risk for each task to effectively reduce risk to the Company. An early warning system should also be set up to prevent problems during execution.
	In addition to regular evaluations of their relevant management performance, the achievement rates of relevant performance indicators will also be used as a basis for calculating bonuses. While considering business characteristics and operational needs, the Company particularly emphasizes the management of overseas expansion risks. In its daily operations, the Company manages risks related to overseas sites mainly through audits and various process optimization, integration, and modification to strengthen the consistency of group operations. We also accurately calculate the risk tolerance range for each task. The Company also incorporates the management results of overseas site risks into the performance evaluation and compensation assessment of relevant department heads to more effectively maintain the stability of overseas site operations.
Middle and Junior Management	In addition to general performance targets, the Company also pays particular attention to risk identification, risk analysis, risk assessment, risk control and response, as well as supervision/audit of implementation and effectiveness. These risk management abilities are included in the scope of performance evaluations.
	In addition to regular evaluations of their relevant management performance, the achievement rates of relevant performance indicators will also be used as a basis for calculating bonuses. While considering business characteristics and operational needs, the Company particularly emphasizes the management of overseas expansion risks. In its daily operations, the Company regularly reviews geopolitical issues related to overseas sites, formulates a complete command system, and regularly assesses risks. Management results of relevant risks are also incorporated by the Company into the performance evaluations and remuneration assessments for the heads of related departments to ensure more effective prevention of risk.
General staff	Capable of identifying and assessment potential risks in their professional competency, as well as tracking market developments to ensure the correctness and timeliness of the target.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- 03 Corporate Governance**
 - 3.1 Business Performance
 - 3.2 Taxation
 - 3.3 Corporate Governance
 - > 3.4 Risk Management**
 - 3.5 Compliance, Ethical Management and Anti-Corruption
 - 3.6 Privacy and Information Security
 - 3.7 Responsible Investment
- Climate Action
- Environmental Sustainability
- Inclusive Growth
- Social Engagement
- Sustainability Partners
- Appendixes

Risk Identification and Priority for 2025

The Company follows the ISO 31000 framework and methodology to carry out the processes of risk identification, analysis, and evaluation. A total of 42 risk issues were identified and consolidated under five categories: Strategy, Finance, Operations, Compliance, and Environment. The Risk Analysis Matrix was then applied, taking into account the Company’s resources, to determine the prioritization of risk management efforts.



- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- 03 Corporate Governance**
 - 3.1 Business Performance
 - 3.2 Taxation
 - 3.3 Corporate Governance
 - > 3.4 Risk Management
 - 3.5 Compliance, Ethical Management and Anti-Corruption
 - 3.6 Privacy and Information Security
 - 3.7 Responsible Investment
- Climate Action
- Environmental Sustainability
- Inclusive Growth
- Social Engagement
- Sustainability Partners
- Appendixes

Risk Response Strategy

Based on the results of the risk analysis matrix, the Company analyzed both internal and external environments for the top three identified risks to confirm the specific nature of each risk. Corresponding response strategies were then developed, as detailed below in order of priority.

Risk Exposure Assessment

The Company conducts monthly tracking of risk management, focusing on the indicators reported by responsible units regarding actions taken to mitigate risks. Risk exposure is assessed by evaluating the alignment of targets with market trends and the Company’s vision, monitoring progress toward target achievement, and utilizing rolling forecasts to estimate possible outcomes for the next period and the full year. These measures ensure effective implementation of risk mitigation actions and that risk events remain within a controllable range.

Risk Item	Risk	Potential Impact	Mitigation / Response Measures
Risk from Overseas Plant Expansion: In light of factors such as the China-US trade tensions and the challenges in recruiting talent for overseas expansion, any future plans by Compal to establish new production facilities abroad may present potential operational risks.	Medium	Trade wars and challenges in talent recruitment may disrupt the supply chain, thereby increasing the risks associated with overseas plant expansion and affecting the Company's production agility and responsiveness..	<ol style="list-style-type: none">Conduct thorough and rigorous investment evaluations: The assessment of overseas plant establishment prioritizes risk management over profitability. Lessons are drawn from the failure cases of other companies, and evaluations take into account national policies and research reports from professional institutions (e.g., Geopolitical Risk Index).Enhance the talent pipeline by leveraging localized recruitment channels.Collaborate with strategic partners to create economies of agglomeration by sharing resources to improve productivity and reduce production costs and expenses. Additionally, increase the localization level of the supply chain by coordinating with existing suppliers to establish logistics hubs near newly planned plant sites.
Supply Chain Shortages: Compal is subject to fluctuations in the raw material market. Shortages of key materials may result in reduced supplier deliveries, which in turn may lower product shipment volumes and adversely impact revenue and gross profit.	Medium	To reduce the risk of excess inventory and enhance profitability, the Company has implemented just-in-time production and precise inventory management. However, the increasing frequency of natural and human-induced disruptions has also elevated the risk of material shortages and production interruptions associated with this lean model.	<ol style="list-style-type: none">In response to the global supply chain restructuring and major shifts, the following strategies have been implemented:Continuously strengthening the supply chain information system to improve management mechanisms such as demand forecasting, inventory tracking, and delivery instructions.Enhancing strategic partnerships with key suppliers of critical components.Utilizing big data analytics to monitor trends in the raw material markets.Planning and implementing modular online tendering (including quotation comparisons and price negotiations) and procurement systems to address impacts from the COVID-19 pandemic.
Product Quality Risk: If defective products are not identified before shipment, it may result in customer losses, negatively impact the Company's reputation, reduce customer satisfaction, and potentially lead to substantial compensation claims.	Medium	The Company actively upholds its commitment to quality across three key areas: technology, manufacturing, and service. However, semi-automated production processes and quality management systems remain subject to human limitations, posing a potential risk of undetected defective products due to operator error.	<ol style="list-style-type: none">During the new product introduction (NPI) phase, quality engineers conduct durability verification based on customer specifications and perform systematic testing that simulates real-world usage scenarios to ensure product quality, safety, and reliability.Once mass production begins, comprehensive inspections are conducted from material intake through to product shipment. Incoming quality control (IQC) personnel perform inspections on received materials, and quality assurance (QA) personnel conduct testing based on customer-approved specifications. Once inspection criteria are aligned with the customer's requirements, 100% functional testing is performed, followed by sampling through unpacking inspections to prevent the outflow of non-conforming products.To prevent reliability issues caused by changes in components or processes, ongoing reliability testing is performed on mass-produced products. Any defects identified are fed back to front-end quality engineers and production teams for continuous improvement.On-site customer representatives, together with QA and audit personnel, perform product testing in accordance with U.S. General Services Administration (GSA) certification standards to verify shipment quality.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- 03 Corporate Governance**
 - 3.1 Business Performance
 - 3.2 Taxation
 - 3.3 Corporate Governance
 - > 3.4 Risk Management**
 - 3.5 Compliance, Ethical Management and Anti-Corruption
 - 3.6 Privacy and Information Security
 - 3.7 Responsible Investment
- Climate Action
- Environmental Sustainability
- Inclusive Growth
- Social Engagement
- Sustainability Partners
- Appendixes

3.4.6 Identification of Emerging Risks

Description of risks	Potential Impact on the Company	Risk Mitigation Actions
Technical: Risk of Losing Competitiveness as Generative AI Replaces Existing In-House Technologies		
<ul style="list-style-type: none">Generative AI is revolutionizing market operations by automatically creating content, analyzing massive amounts of data, and providing real-time decision support, thereby optimizing processes, reducing costs, creating new business value, and improving corporate operational efficiency and competitiveness.The current application scope of generative AI is mainly divided into different categories, such as text generation, image generation, speech generation, video generation, 3D modeling, and automatic code writing. Large enterprises and startups are actively investing in and promoting the further commercialization of AI technology, to promote industry competition and innovation. In software testing, the writing of traditional test cases usually requires a large amount of manual input, while generative AI can automatically generate test cases covering various boundary conditions with existing code, thus ensuring the robustness and stability of the program. In addition, AI can also help automate regression testing, ensuring that the addition of new features does not affect the normal operation of existing functions, thereby improving software quality and the reliability of the development process. Overall, the application of generative AI in the field of code writing not only increases development speed but also reduces error rates.However, its automatic generation features will lead to the replacement of some traditional manual operations by AI, such as programming, which will impact the labor market and subsequently affect the economic and social structure.	<p>Compal's current operating model heavily depends on manual debugging during product design and design modifications. In the manufacturing stage, it also relies on a large labor force for production and quality management. If Compal fails to adopt emerging AI technologies, it may face the following impacts:</p> <ul style="list-style-type: none">Lagging behind in product design and innovation: Generative AI enables rapid prototyping, significantly shortening the design cycle and reducing reliance on manual input. Without adopting such tools to accelerate product development and enhance innovation, Compal risks losing product competitiveness.Inefficiencies in production and manufacturing processes: Generative AI can significantly optimize and automate workflows, manage inventory data, enhance product yield, and support the automated maintenance of production equipment. Without AI-driven automation, Compal may face increased labor costs, reduced product quality, and insufficient production capacity.	<ul style="list-style-type: none">Product Design: Establish an AI-assisted design process by integrating AI tools with engineers' expertise to enhance design quality and efficiency.Production and Manufacturing: Implement an AI-powered computer vision system to monitor operator behavior on the production line through image recognition. The system automatically detects abnormal or problematic workflows, converts visual data into structured datasets, and feeds the information into a self-developed large language model. This AI-driven production history analysis helps debug issues, optimize workflows, and enhance the efficiency of production line troubleshooting.
Technical: AI PC Technology Development: Security and Privacy Risks		
<p>AI PC refers to a computer with the ability to perform generative AI functions, which may bring the following risks:</p> <ul style="list-style-type: none">Personal data exposure: AI PC applications store a large amount of personal information. Any leakage of such information may cause severe privacy problems and even lead to identity theft.Vulnerability of local files: AI PCs store important files locally. AI systems may be attacked or maliciously used by hackers, causing data leakage, system crashes, and other damage, thereby destroying the integrity of AI PC applications.Malicious manipulation: Hacked AI applications may engage in harmful activities, ranging from spreading false information to carrying out cyberattacks.	<p>Compal plays a key role in several AI PC platforms and works closely with major AI PC brand manufacturers. The potential risks associated with AI PCs may have the following impacts on Compal:</p> <ul style="list-style-type: none">Brand image risks: Product liability issues or personal data breaches could expose the Company to legal action or regulatory penalties, leading to reputational damage and negative impacts on brand perception.Technical risks: As emerging technologies may still be immature, there may be inherent technical defects or instabilities. These vulnerabilities could expose AI PC applications and systems to cybersecurity threats such as hacking or malicious attacks, resulting in operational disruptions or data loss.	<p>A comprehensive information security risk assessment mechanism has been established for AI PC products. Through regular security testing, vulnerability scanning, and continuous monitoring, potential security issues can be identified and addressed in a timely manner during product operation. Overall, the security and privacy protection of AI PC products is being reinforced across all stages—from design, testing, and monitoring to cross-departmental collaboration.</p>
Geopolitical: Geopolitical Evolution and Supply Chain Restructuring Leading to Increased Costs and Risks		
<p>The year 2024 marked a global election year, with approximately 70 elections held across about 65 countries, including national elections in eight of them, collectively representing a population of over 2.9 billion. Among these, the U.S. presidential election at the end of the year drew the most global attention, with its outcome likely to bring significant changes to the global economy. The inauguration of President Trump in 2025 is expected to usher in more aggressive tariff and protectionist policies, further accelerating the restructuring of global supply chains. This shift is anticipated to result in a sharp rise in capital expenditures and production costs. As manufacturers pass these additional costs onto consumers, a renewed inflation crisis may emerge, posing a serious challenge to the already strained economic environment under high interest rates.</p>	<p>The intensified strategic competition between the US and China, along with the 2024 tariff policy introduced by President Trump—which imposed a 10% tariff on Chinese imports—has had multifaceted impacts on Compal, whose largest production base is located in China:</p> <ul style="list-style-type: none">Rising production costs: Bonded factories primarily engage in processing trade and are highly dependent on export markets. The increased tariffs have directly raised the cost of exporting products to the U.S., undermining price competitiveness. To retain market share, many factories have been forced to narrow profit margins, with some even facing the risk of operating at a loss.Supply chain restructuring: To avoid U.S. tariffs, some companies have opted to shift production lines to countries with lower tariffs or establish new factories overseas. This realignment of the supply chain has significantly impacted the operations of bonded factories in China, with some facing the threat of shutdown.	<p>To cope with possible policy changes, Compal has actively adopted a globalization strategy, aiming to diversify risks with active development of global presence. Currently, in addition to mainland China, Compal's major overseas production sites include Vietnam and India in Southeast Asia, Poland in Eastern Europe, and Mexico and Brazil in the Americas, and it has established an automotive electronics production site in the United States. Compal will continue to evaluate the impact of internal and external environmental factors, and make the best production capacity allocation and adjustment according to customer needs.</p>
Social: Talent Shortage Risk Due to Declining Birth Rate and Emerging Industry Trend		
<ul style="list-style-type: none">In recent years, with the industrialization of AI and the rise of AI-centric industries, the AI application market has continued to flourish. According to the Industrial Production, Sales, and Inventory Statistics from the Department of Statistics, Ministry of Economic Affairs, the production value of the information electronics industry in 2024 reached over NT\$8 trillion, indicating strong growth potential in AI-related sectors.To align with this trend, the Company has actively invested in the development of AI servers and AI PCs. However, a significant talent supply gap and intense market competition in the AI server and related fields pose potential risks to human resources recruitment. According to 2024 statistics from the National Development Council, approximately 60.4% of manufacturers reported a shortage of AI talent.At the same time, Taiwan is facing challenges from an aging population and declining birth rate. Government projections show that by 2030, the working-age population in Taiwan will decline to 67% of the total population. Furthermore, the younger generation's lower motivation to work - partly influenced by the "lie flat" trend - is creating a human resource gap that is intensifying competition for talent.Additionally, the Company is entering a phase where a significant number of employees are approaching retirement. With the current compensation structure potentially less competitive compared to international enterprises and industry peers, the Company may face increased difficulty in recruiting and retaining professionals in emerging technologies.	<ul style="list-style-type: none">In recent years, the Company has been dedicated to advancing trends in the AI Server and AI PC industries. To address the retirement of a large number of employees, the Company is also required to recruit substantial emerging technology talent.Additionally, global remote work trends, Taiwan's declining birthrate, the "lying flat" phenomenon, and intensified competition for talent have led to a structural imbalance in the supply and demand of emerging AI technology professionals. This may result in uncertainties in human capital, potentially weakening Compal's competitiveness in AI Server and AI PC products, which in turn could adversely affect business development and profitability.The younger generation's low willingness to pursue careers in the Company's industry may further hinder efforts to recruit and retain emerging technical talent. This could lead to organizational conservatism, a lack of innovation, and an overall decline in competitiveness—posing additional uncertainty risks to human capital. Without enhancing the Company's attractiveness to talent, these challenges may pose long-term impacts on sustainable business operations.	<p>To recruit, attract, and retain outstanding talent, the Company leverages video streaming platforms, social media, and other channels to share information about company benefits, as well as to highlight our workplace environment. Additionally, we have established comprehensive talent development and retention mechanisms, along with clear learning and career development pathways, to enhance our appeal to the younger generation.</p>

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

3.1

Business Performance

3.2

Taxation

3.3

Corporate Governance

➤ 3.4

Risk Management

3.5

Compliance,
Ethical Management
and Anti-Corruption

3.6

Privacy and Information Security

3.7

Responsible Investment

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

3.4.7 Medium and Long-Term
Development Plans

Ongoing Management of Emerging Risks
Referencing the WEF’s GRPS

The Global Risks Perception Survey (GRPS) is conducted by the World Economic Forum (WEF) every year on key topics such as the economy, geopolitics, environment, society and technology to assess events in terms of “Likelihood” and “Impact.” New types of risk including climate change and infectious diseases have also been added to the scope of management.

Digital Transformation to Enhance
Corporate Governance

Business model has become increasingly complex. Manual performance and retrospective checks are outdated nowadays. The Company will continue to utilize information systems to realize the goal of early warning.

This will not only save labor costs but also improve the effectiveness of internal controls.

Talent Development Program for the Third Line of Defense in Risk Management

A. 2024 Implementation Status

- a. The number of people and hours of training expected of the Auditing Office for the past three years are listed below as required by the competent authority.

Year	2022	2023	2024
Number of persons	6	6	7
Number of hours	78 hours	72 hours	84 hours

- b. Training topics were planned in accordance with the competencies required of employees, and the training was delivered by the following institutions. (Optional)

Organizer	Training Topic
The Institute of Internal Auditors	<div>○ How to Leverage Big Data to Enhance Audit Operations</div> <div>○ Interpreting Sustainability Disclosure Policies and Key Focus Areas of Internal Control and Audit</div> <div>○ Repositioning the Internal Auditor Through Case Studies: The Intersection of Ethics and Law</div> <div>○ New Challenges for Internal Auditors: Interpreting Sustainability Disclosure and Management Policies and Key Audit Points</div> <div>○ Power BI: Risk Assessment and Visual Analytics</div> <div>○ Practical Auditing of Material Management Systems in the Manufacturing Industry</div> <div>○ Comprehensive Guide to Cybersecurity Audits</div>
Securities and Futures Institute	<div>○ Corporate Risk Management from a Corporate Governance Perspective</div> <div>○ Corporate Sustainability Transformation and Internal Audit Strategies in Response to ESG Trends</div> <div>○ Enhancing Compliance Audits Through Penalty Case Studies in Environmental, Food, and Occupational Safety</div> <div>○ Practical Workshop on Production Cycle Auditing</div>
Taiwan Institute of Economics Research	<div>○ How to Audit ESG Risks and Prepare Effective Audit Reports</div>
Taiwan Development & Research Academia of Economic & Technology	<div>○ Audit Transformation in the Digital Age and Practical Case Sharing</div> <div>○ Practical Applications of Digital Forensics in Supporting Fraud Audits (eligible as internal audit credit)</div>

B. Planned Goals for 2025

- a. Control the number of medium-to-high risk:
1. Maintain zero high-risk items.

2. Reduce medium-risk items to nine.
- a. Conduct risk management audits every two years in accordance with the ISO 31000 framework and methodology.
- b. Achieve 100% implementation of risk management training at headquarters
- c. Incorporate sustainability information management into the internal control system and include it in the annual audit plan.

C. Planned Goals for 2025-2030

- a. Control the number of medium-to-high risk:
1. Maintain zero high-risk items

2. Reduce medium-risk items to eight
- b. Conduct annual risk management audits in accordance with the ISO 31000 framework and methodology
- c. Achieve 100% implementation of risk management training across the entire Group

D. Planned Goals for 2030-2035

- a. Control the number of medium-to-high risk:
1. Maintain zero high-risk items

2. Reduce medium-risk items to five
- b. Conduct semi-annual risk management audits in accordance with the ISO 31000 framework and methodology

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
 - 3.1 Business Performance
 - 3.2 Taxation
 - 3.3 Corporate Governance
 - > 3.4 Risk Management
 - 3.5 Compliance, Ethical Management and Anti-Corruption
 - 3.6 Privacy and Information Security
 - 3.7 Responsible Investment
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

3.4.8 Analysis of Potential Opportunities

Community Engagement and Stakeholder Interaction: Compal operates business locations across various countries. In alignment with stakeholder expectations, the Company carefully assesses community-related risks and opportunities and takes corresponding actions to ensure that its operations generate a positive impact on both local communities and the environment. To enhance social well-being and strengthen its corporate image, the Company has implemented the following measures:

Hospitals and Healthcare

A. Compal Headquarters has established the "Sunshine Vitality Clinic" and engaged physicians with extensive clinical experience. The clinic not only serves Compal employees but also aims to support the broader workforce of the Neihs Technology Park. It offers comprehensive physical and mental healthcare services across multiple specialties. Furthermore, the clinic seeks to integrate medical technologies to deliver innovative smart healthcare services at the primary care level.

B. Compal iCare

- **Compal iSystem:** It is a cloud-based solution developed for daycare and home care service agencies, integrating cloud intelligence, the Internet of Things (IoT), big data, and professional care technology. It features smart scheduling, home care check-in/out, payroll calculation, reimbursement report generation, and a mobile interface. It also supports rolling modifications to the central and local Long-Term Care 2.0 policies, helping long-term care facilities improve administrative efficiency by 85%, operational performance by 22.6%, and management performance by 15.7%. This saves administrative work and improves operational efficiency for long-term care facilities. Currently, nearly 1,500 long-term care facilities are actively using the system, with nearly 80,000 caregivers serving 550,000 elderly individuals online.
- **Compal iLearning:** A digital platform offering continuing education for long-term care professionals, in line with the six-year training cycle requirement. The curriculum covers mandatory subjects, professional caregiving skills, and regulatory knowledge, featuring over 100 expert-led courses. To date, it has accumulated over 50,000 registered members and more than 400,000 online views. The platform enables flexible learning via computers, tablets, or smartphones and offers intelligent features such as attendance tracking, automatic logging of training hours, one-click credit application, and quick access to learning records.

C. Compal has signed a BOT+BTO contract for New Taipei City's Ruifang District Medical and Long-term Care Facilities Building. The project is scheduled for completion in 2026. Once complete, it will improve medical capabilities in the community and demonstrate Compal's commitment to giving back to society.

D. Compal and Shin Kong Wu Ho-Su Memorial Hospital signed a memorandum of understanding to officially launch a medical AI collaborative development project. This initiative will actively expand our medical business in overseas markets, such as North America, Europe, and Southeast Asia, thus accelerating the application of AI technology to provide localized medical services globally.

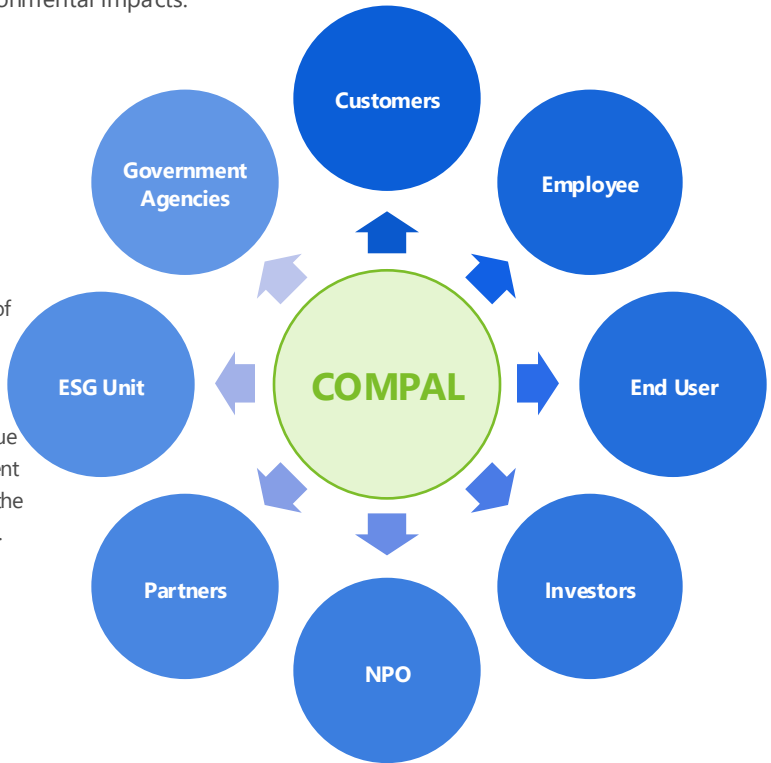
Government Agencies and Civic Responsibility

To fulfill its corporate social responsibility, the Compal Group donated NT\$20 million in April 2024 in response to the Hualien earthquake. The donation supported disaster relief and post-disaster reconstruction efforts, aiming to help affected communities rebuild their homes, recover from trauma, and return to normalcy as quickly as possible.

Waste Management and Environmental Sustainability

Compal incorporates considerations for waste reduction and resource reuse at the disposal stage from the very beginning of the product design phase. Through internal R&D initiatives, we actively introduce recycled materials and low-pollution alternative substances, continuously innovating in green product design. These efforts enhance the recyclability and reusability of our products, effectively reducing end-of-life waste and mitigating negative environmental impacts.

The steady implementation of the above measures will effectively safeguard the Company's corporate reputation, brand image, value creation, and risk management mechanisms, while meeting the expectations of stakeholders.



3.5 Compliance, Ethical Management and Anti-Corruption

3.5.1 Business Integrity and Anti-Corruption

1. Management System

- To uphold a high standard of business integrity, Compal has always adhered to a zero-tolerance policy toward corruption and bribery. In order to effectively manage risks such as conflicts of interest, the Company has established an ethical management and anti-corruption system. This system is built with reference to the ISO 37001 Anti-Bribery Management System, aligns with the expectations of international organizations for transparency and disclosure, and complies with the regulations and requirements of competent authorities.
- The ethical management and anti-corruption management team periodically strengthens internal management and audit procedures in line with best practice at international benchmark companies, the US Foreign Corrupt Practices Act (FCPA), and the UK Bribery Act (UKBA) of 2010. Our efforts have laid down a solid foundation for our globalization strategy and quest to become a leading international enterprise.

External Political and Economic Landscape and Regulatory Expectations

Internal ABMS System Establishment

- Board of Directors' Support and Engagement
- Promotion of Compal Integrity Culture
- Implementation of the PDCA Process

Challenges from the External Environment

- International Political Economy and Geopolitics
- Acceleration of Investment and Mergers & Acquisitions
- Strengthening of External Regulatory Oversight

Accountable Corporate Culture

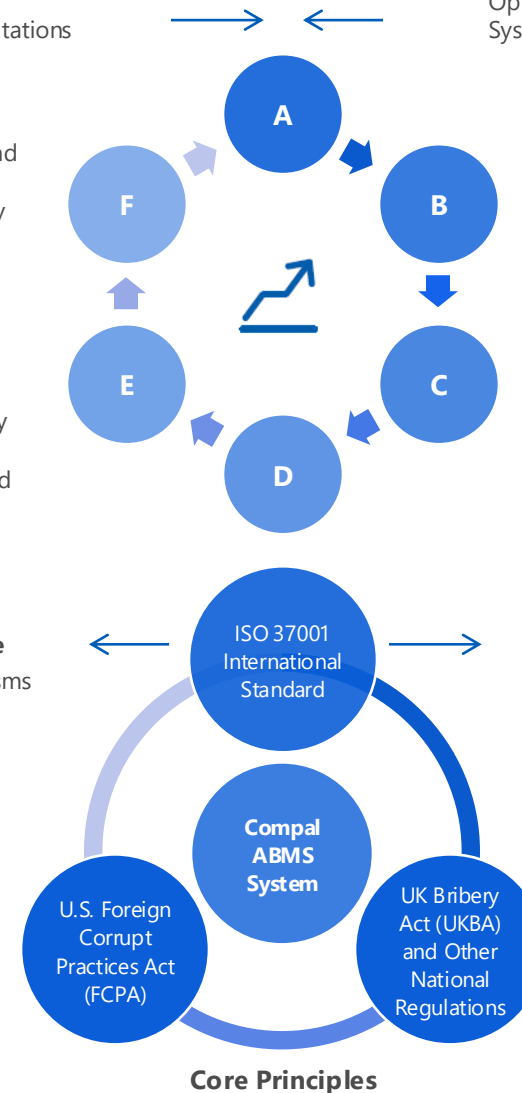
Establish Management Mechanisms and Processes with Clear Responsibilities and Aligned Authority

Optimization of External Management Systems and Audit Procedures

- A. Promote the Achievement of Compal's Strategic Goals
- B. Enhance Operational Efficiency and Effectiveness
- C. Ensure the Accuracy and Reliability of Information
- D. Foster Awareness Across All Levels of Personnel
- E. Ensure Compliance with International Standards and Regulations
- F. Meet the Expectations of Regulatory Authorities

Risk Management System

From Detection and Risk Assessment to Response Strategies, Supervision, and Control



- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance**
 - 3.1 Business Performance
 - 3.2 Taxation
 - 3.3 Corporate Governance
 - 3.4 Risk Management
 - > 3.5 Compliance, Ethical Management and Anti-Corruption**
 - 3.6 Privacy and Information Security
 - 3.7 Responsible Investment
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

2. Core Principles

- The anti-corruption and anti-bribery management system and procedures are planned and established jointly by the governance body (Board of Directors) and the management body (managers at all levels under the President), based on Compal’s organizational structure, business scale, and consideration of global political and economic conditions.
- The primary objective is to embed a strong sense of accountability throughout the entire organization. In line with protection principles, whistleblowers who report corruption or bribery are safeguarded from retaliation or reprisal. The Company continues to enhance its Three Lines of Defense in risk management, strengthen the internal audit and control mechanisms, and refine the whistleblowing and reporting systems.
- In consideration of the three elements of the Fraud Triangle, potential corruption and bribery risks involving business partners are carefully evaluated. The Company also implements the following seven initiatives to ensure the adequacy and effectiveness of its risk management and control mechanisms:
 1. Unwavering support and commitment from the Board of Directors and management team.
 2. Integration of the 3 Lines of Defense into development plans to enhance supervision and process control.
 3. Establishment of clear and up-to-date anti-corruption policies and procedures, as well as relevant ethical management guidelines.
 4. Regular annual risk assessments, response measures, and audit trail retention to ensure internal audit effectiveness.
 5. Joint promotion of anti-corruption and anti-bribery with business partners.
 6. Company-wide training and communication to foster a culture of integrity with clearly defined rewards and penalties.
 7. Establishment and communication of whistleblowing channels with regular management review and oversight.

3. Work Process

- As part of Compal’s globalization strategy, the development and oversight of anti-corruption and anti-bribery efforts take into account the regulatory requirements of each country to ensure compliance. The Board of Directors has tasked the Audit Office with monitoring both the design and implementation of internal control procedures. The effectiveness of the system is reported to the Board at least once a year to ensure continuous improvement of related processes.
- All Compal Group employees, business partners, and stakeholders are required to report any suspected violations of the anti-corruption policies or related ethical management procedures via designated reporting channels. Compal is committed to handling all cases with strict confidentiality and will make every effort to protect whistleblowers from retaliation.
- To ensure multiple avenues for stakeholder feedback, Compal has established diverse reporting channels. The whistleblower mailbox and telephone hotline are published on the official company website and the Compal ESG webpage. Relevant education and training have also been provided to both internal and external stakeholders.

Whistleblower Email: ethics@compal.com
Whistleblower Hotline: (02) 8797-8599 #16055

Work Process for Handling Reports of Fraud and Corruption

1. The Auditing Office has established clear principles and responsibilities for handling reports of fraud and corruption.
2. Upon receiving a report, the Auditing Office analyzes the content and records the information provided by the whistleblower.
3. The credibility of the report is assessed to prevent malicious or false accusations. If the report is supported by concrete facts and verifiable evidence, a task force is assembled to investigate.
4. After accepting the case, the team consults relevant departments, reviews applicable external regulations and internal procedures, and prepares an audit plan. Upon approval, an investigation is launched using methods such as system audits, confirmations, document reviews, interviews, consultations, and on-site inspections.
5. The Auditing Office maintains accurate and complete records of each case. All cases are handled with confidentiality, legality, reasonableness, timeliness, and accuracy.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
 - 3.1 Business Performance
 - 3.2 Taxation
 - 3.3 Corporate Governance
 - 3.4 Risk Management
 - 3.5 Compliance, Ethical Management and Anti-Corruption
 - 3.6 Privacy and Information Security
 - 3.7 Responsible Investment
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Work Process for Protecting Whistleblowers

- Safeguards are provided to ensure whistleblowers’ job security, personal safety, and psychological well-being. Reporting of misconduct is encouraged to enhance risk management and oversight, strengthen Compal’s culture of integrity, and support sustainable development.
- Whistleblowers using the complaints channel are fully protected. Those reporting bribery, corruption, blackmail, or extortion should not fear retaliation. If any party is found to have retaliated, Compal will investigate and impose severe penalties. Legal violations will be referred to the authorities.
- Reports may be submitted anonymously. The whistleblower should truthfully provide the name, department, position, and address of the accused party or organization, as well as facts, leads, or evidence. The Auditing Office must keep all details confidential. In-person reporting should occur in private and be documented by dedicated staff. Unauthorized personnel are not allowed to attend or question.
- Personnel who become aware of the whistleblower’s identity through their duties must not disclose any identifying information. Such data, along with complaints, interview records, and evidence, must be encrypted and access-limited. No unauthorized copying is permitted.
- The investigation must handle information carefully and avoid revealing the whistleblower’s identity or content of the report prematurely.
- Upon conclusion, identifying information and related documents must be stored separately from the investigation file unless strictly necessary.
- If a whistleblower suffers unfair treatment as a result of their report, Compal Group shall recommend that the responsible authority take corrective actions, provide reinstatement, or offer appropriate compensation. When recognizing whistleblowers for their contributions, personally identifiable information must not be disclosed without the whistleblower’s explicit consent.

4. Locations Covered

1. Compal conducts a corruption risk assessment of all global operating sites at least once per year. Depending on the level of operational risk and materiality, either on-site assessments or document-based evaluations are performed.

Covered locations include: Taiwan Headquarters, China, Vietnam, North America, Central and South America, and Europe. The coverage rate has reached 100% for each of the past three years.

Regions Covered	2022			2023			2024		
	On-site	Written	%	On-site	Written	%	On-site	Written	%
Taiwan Headquarters	●		100%	●		100%	●		100%
China	●		100%	●		100%	●		100%
Vietnam	●		100%	●		100%	●		100%
North America		●	100%		●	100%		●	100%
Central and South Americas		●	100%		●	100%		●	100%
Europe		●	100%		●	100%		●	100%

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
 - 3.1 Business Performance
 - 3.2 Taxation
 - 3.3 Corporate Governance
 - 3.4 Risk Management
 - > 3.5 Compliance, Ethical Management and Anti-Corruption
 - 3.6 Privacy and Information Security
 - 3.7 Responsible Investment
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

2. Compal conducts annual risk assessments based on three primary risk factors: operational risk, legal compliance, and internal control mechanisms. Based on the results, an annual management plan is formulated.
- When developing the annual audit plan, the Auditing Office incorporates risk factors related to unethical conduct into the overall assessment scope and performs relevant audits accordingly. The analysis and corresponding mitigation strategies for material corruption risks, as identified through the risk assessment, were approved by the Board of Directors on March 20, 2025. All 15 attending directors agreed that the Company's risk assessment, internal control management, and response strategies were adequate to effectively address material corruption and fraud risks
3. The Company has established a whistleblower email and hotline at (02) 8797-8599 #16055, enabling stakeholders to report or file complaints when discovering employee misconduct or unethical behavior. The Auditing Office also conducts regular annual investigations related to ethical business practices. The 2024 results are summarized below:
- In 2024, no employees in Taiwan, China, or Vietnam were disciplined for violating the Ethical Corporate Management Best Practice Principles.
 - Ethical management training courses were regularly conducted in Taiwan. In total, there were 18,490 participant sessions, accumulating 10,983 training hours. Sample audits confirmed that all participants completed the required hours and achieved passing scores.
 - For the suppliers that traded with the company in 2024, including those in Taiwan, China, and Vietnam, they were required to sign the Commitment to the RBA Code of Conduct or complete the self-assessment. Out of 948 suppliers, all 948 have completed the signing. The signing rate currently stands at 100%.

Internal controls and Anti-Corruption / Fraud Risk Assessment Items	Risk Factors		
	Operational Risk	Legal Compliance	Internal Control Mechanisms
From sales planning to customer credit approval and after-sales service.	Controllable	Controllable	Controllable
From product planning to mass production, intellectual property acquisition and application, technology R&D, and the recording and preservation of R&D data.	Controllable	Controllable	Controllable
From production planning to environmental, health, and safety (EHS) management, waste management, and supplier management.	Controllable	Controllable	Controllable
From procurement requests to acceptance and payment, general procurement, and VMI operations.	Controllable	Controllable	Controllable
From system development and program modifications to access control for software and data, file and equipment security, and cybersecurity inspections.	Controllable	Controllable	Controllable
From budget management to financing plans, share issuance and dividend distribution, and related procedures aligned with international accounting standards.	Controllable	Controllable	Controllable
Investment evaluation, reinvestment management, and supervision and governance of subsidiaries.	Controllable	Controllable	Controllable
From property, plant, and equipment and tooling management procedures to project and engineering management.	Controllable	Controllable	Controllable
From human resources planning to recruitment, development, retention, and personal data protection management procedures.	Controllable	Controllable	Controllable
From contract management, seal management, authorization control, delegation of duties, and insider trading prevention to statutory and regulatory compliance.	Controllable	Controllable	Controllable

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

3.1

Business Performance

3.2

Taxation

3.3

Corporate Governance

3.4

Risk Management

➤ 3.5

Compliance, Ethical Management and Anti-Corruption

3.6

Privacy and Information Security

3.7

Responsible Investment

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

5. Execution

1. Accomplishments in 2024
- **Ethical management training for Board members:** The Company encourages and supports board members in enhancing their understanding of ethical business principles and management competencies. Training courses in compliance with legal requirements were organized by Kinpo Group Management Service Co., Ltd., an affiliated company, as well as by external professional institutions. As of December 31, 2024, board members had completed a total of 128 hours of continuing
- **Ethical management and anti-corruption training for employees:** The Company conducts annual training on ethical business practices and anti-corruption. The implementation status for 2024 is presented in the following table:
2. Planned Initiatives for the Next Three Years
- Compal’s Ethical Corporate Management Best Practice Principles was approved by the Board of Directors in 2019. All directors and senior executives signed a Statement of Compliance to demonstrate their commitment to the proactive implementation of ethical business practices.
- Looking ahead, the Company aims to, by December 31, 2027, consolidate the relevant operational guidelines of all departments and establish an updated set of policies and management procedures. These will be better aligned with evolving internal and external risk factors, the needs of cross-functional collaboration, and the operational requirements stemming from global expansion and changes in the international political and economic landscape.

	Taiwan				China				Vietnam			
	Total Training Hours	Planned Number of Participants (A)	Actual Number of Participants (B)	Completion Rate (B/A×100%)	Total Training Hours	Planned Number of Participants (A)	Actual Number of Participants (B)	Completion Rate (B/A×100%)	Total Training Hours	Planned Number of Participants (A)	Actual Number of Participants (B)	Completion Rate (B/A×100%)
Manager	5,493.94	4,262	4,254	99.81%	2,532.00	2,816	626	22.23%	336.00	168	168	100.00%
Non-managers	4,704.64	3,965	3,201	80.73%	10,219.00	10,859	5,208	47.96%	19,680.00	9,840	9,840	100.00%

	Brazil				US				Mexico			
	Total Training Hours	Planned Number of Participants (A)	Actual Number of Participants (B)	Completion Rate (B/A×100%)	Total Training Hours	Planned Number of Participants (A)	Actual Number of Participants (B)	Completion Rate (B/A×100%)	Total Training Hours	Planned Number of Participants (A)	Actual Number of Participants (B)	Completion Rate (B/A×100%)
Manager	156	42	42	100.00%	5	5	5	100.00%	0	4	0	0.00%
Non-managers	2,154	653	653	100.00%	104	104	104	100.00%	18	35	35	100.00%

Note 1: The actual number of participants (B) refers to all in-service employees who completed the courses as of the end of 2024 (including training completed during FY2024).

Note 2: The planned number of participants (A) refers to the total number of employees across all regions as of December 31, 2024. (The figure for Vietnam includes all expatriate managerial staff stationed locally.)

Note 3: Courses offered in the Taiwan region include onboarding orientation for new employees, on-the-job training for new hires, pre-employment training, sustainability-related programs, training on trade secrets and confidentiality agreements, and information security education, among others.

←

☰

CHAPTER

➤

...

...

...

01

02

03

3.1

3.2

3.3

3.4

➤ 3.5

3.6

3.7

04

05

06

07

08

...

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Business Performance

Taxation

Corporate Governance

Risk Management

3.5 Compliance, Ethical Management and Anti-Corruption

Privacy and Information Security

Responsible Investment

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

3.5.2 Compliance

In accordance with Article 13 of the “Regulations Governing Establishment of Internal Control Systems by Public Companies”, Compal has incorporated statutory compliance as part of its annual audit focus. In 2024, the Internal Audit Office completed a total of 29 audit reports based on applicable legal and regulatory requirements. No violations of laws or regulations were identified. Please refer to the table below for further details.

Applicable Laws and Regulations	Audit Report Reference Number	Audit Topic
Regulations Governing the Acquisition and Disposal of Assets by Public Companies	2024-02, 2024-04, 2024-05, 2024-06, 2024-15, 2024-16, 2024-17, 2024-28, 2024-29, 2024-30, 2024-39, 2024-40	Rules of Procedure for “Management of derivative financial”
	2024-11	Management of related party transactions
Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies	2024-03, 2024-07, 2024-18, 2024-31	Endorsements and guarantees + Loans to others
Regulations Governing Establishment of Internal Control Systems by Public Companies	F-2024-08, F-2024-09, F-2024-14, F-2024-24, F-2024-26, F-2024-27, F-2024-38	Follow-up on the progress of improvements for audit findings
	2024-34, 2024-35	Rules of Procedure for “Management of operation of board meetings” + “Management of audit committee meeting operations”
	2024-37	Matters relating to compliance with applicable laws, regulations, and bylaws
Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange	2024-36	Management of the operations of the remuneration committee
Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers		
“Remuneration Committee Procedures for XXX Company Co., Ltd.” Sample Template for XXX Co., Ltd. Remuneration Committee Charter	2024-11	Management of related party transactions
Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds		
Regulations Governing the Preparation of Financial Reports by Securities Issuers	2024-20, 2024-11	“Management of the procedures for preparation of financial statements” and management in alignment with “International Financial Reporting Standards”, “Management of related party transactions”
IAS12 “Income Tax Act”, IAS1 “Presentation of Financial Statements”, and IAS8 “Accounting Policies, Changes in Accounting Estimates and Errors”	2024-20	“Management of the procedures for preparation of financial statements” and management in alignment with “International Financial Reporting Standards”, “Management of related party transactions”
Jin-Guan-Zheng-Quan-Zi No. 1100362170 dated June 2, 2021, and Jin-Guan-Zheng-Quan-Zi No. 1120381657 dated April 5, 2023		
Regulations Governing Procedure for Board of Directors Meetings of Public Companies	2024-34, 2024-35	Rules of Procedure for “Management of operation of board meetings” + “Management of audit committee meeting operations”
Regulations Governing the Exercise of Powers by Audit Committees of Public Companies		
Securities and Exchange Act		

1. Compliance with the Code of Conduct for Directors, Managers, and Employees: Disciplinary regulations were established for compliance with the Code of Conduct, incorporated into performance evaluations, and linked to remuneration. Where employee behavior violated the Code of Conduct and resulted in an event of material risk, if an investigation determines that the risk was the result of inappropriate strategic judgment, or misconduct by internal personnel that has a serious impact on the Company’s goodwill or profitability, disciplinary action will be taken including termination of employment in serious cases.

2. Regular review and evaluation: Compal obtained RBA certification in 2024, which included regular review and assessment of the Company’s Employee Code of Conduct to identify areas for improvement, ensuring its relevance, effectiveness, and alignment with current standards. The certification also covered compliance systems such as violation reporting, investigations, tracking, internal control reviews, and implementation of corrective actions to prevent recurrence. These procedures were certified as compliant through an RBA-verified assessment process

In 2024, Compal had no record of regulatory penalties or major violations related to ethical management or anti-corruption (defined as penalties exceeding NT\$1 million or incidents reported in the media).

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- 03 Corporate Governance**
 - 3.1 Business Performance
 - 3.2 Taxation
 - 3.3 Corporate Governance
 - 3.4 Risk Management
 - 3.5 Compliance, Ethical Management and Anti-Corruption
- > 3.6 Privacy & Information Security**
- 3.7 Responsible Investment
- Climate Action
- Environmental Sustainability
- Inclusive Growth
- Social Engagement
- Sustainability Partners
- Appendices



3.6 Privacy and Information Security

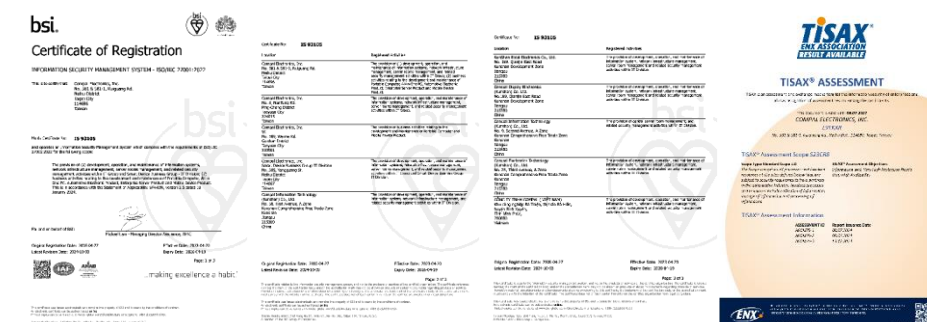
ISO 27001 Information Security Management System

To protect confidential information of the Company and its customers, Compal obtained ISO 27001 certification in 2005. The Company has since progressively expanded the scope of its certification and maintains compliance through regular assessments, including biannual internal audits and biannual external audits by impartial third parties, as well as a triennial recertification audit.

Internal audits are conducted based on the NIST Cybersecurity Framework (NIST CSF), ISO/IEC 27001: 2022, and TISAX standards. External audits are conducted in accordance with ISO/IEC 27001: 2022 and specific information security requirements stipulated by customers.

The certification scope includes R&D activities for portable computers, all-in-one PCs, automotive electronics, servers, and mobile devices, as well as the IT Division, Smart Device Business Group-IT Division, the IT departments of four plants in Kunshan, and the Vietnam facility.

These comprehensive audit practices ensure the Company's robust implementation of information security protocols and the continued validity of its ISO/IEC 27001 certification. Additionally, in 2024, the Automotive Electronics Business Unit was officially awarded the TISAX Information Security Level 3 (Very High) label.



Information Security Policy and Organization

In line with ISO 27001 information security management system requirements, Compal holds biannual management review meetings and has established an information security policy as the highest guiding principle. The policy aims to safeguard the Company's competitive advantage and valuable intellectual property, and to ensure that the information and information systems supporting product operations are adequately protected.

The Information Security Statement is: "To ensure business continuity and enhance customer satisfaction." Furthermore, in alignment with our corporate sustainability governance framework, information security KPIs and objectives are reported twice a year at the Sustainability Development Committee meetings.

Compal Information Security Policy

We systematically identify information assets, conduct risk assessments, comply with applicable laws and regulations, meet customer-specific security requirements, and prudently evaluate all cybersecurity risks and acceptance criteria.

In response to the rapidly evolving digital landscape and emerging technologies, we enhance digital resilience through a proactive cybersecurity approach encompassing identification, protection, detection, response, and recovery. These efforts aim to ensure the confidentiality, integrity, and availability of critical information assets.

Through regular management reviews and performance evaluations, we continue to improve and maintain the effectiveness of our information security management system. Ultimately, these measures foster customer trust, fulfill commitments to shareholders, and contribute to long-term business sustainability.



CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

03 Corporate Governance

3.1 Business Performance

3.2 Taxation

3.3 Corporate Governance

3.4 Risk Management

3.5 Compliance, Ethical Management and Anti-Corruption

> 3.6 Privacy & Information Security

3.7 Responsible Investment

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Personal Data and Privacy
Protection Policy and Guidelines

Compal has established the Personal Data and Privacy Protection Policy and Guidelines, which clearly stipulates the procedures for handling various types of personal data, the applicable scope, corrective measures, and disciplinary actions. These guidelines apply to all personnel within the Compal Group.

To strengthen the privacy protection system, Compal formed a cross-functional Personal Data Management Team responsible for overseeing privacy-related matters. A dedicated hotline (+886-2-8797-8588 ext.14385) and email address (Compal_PIR@compal.com) have been set up to receive complaints and reports. The Company enforces a zero-tolerance policy toward any violations of privacy protection. Personal data will not be collected unless explicit consent is obtained from the individual.

Compal strictly complies with its privacy policy regarding customer data and prohibits any secondary use of personal information (0%). According to internal monitoring in 2024, there were zero cases of secondary use, and no confirmed complaints of customer privacy breaches or data loss in the past three years. In the event of negligence by any personnel, disciplinary and corrective actions will be taken to ensure the protection of data privacy.

Information Security Management Organization

Compal has established an Information Security Committee as the central coordinating and executing body for all matters related to information security. The Committee is chaired by a member of the Board of Directors and includes one vice chair. Additional members may be appointed as needed, and department-level and above supervisors serve as ex-officio members. An executive secretary is appointed to handle administrative tasks.

Under the Committee, an Information Security Working Group is formed, composed of representatives from the Information Security Team. This group is responsible for implementing, promoting, maintaining, auditing, and conducting training on information security. A designated team leader oversees the group’s operations. The Committee reports annually to the Board of Directors on the progress and outcomes of its implementation. When necessary, external information security consultants may be invited to attend committee meetings in an advisory role.

The Information Security Committee is responsible for defining policies, setting objectives, and coordinating resource allocation related to information security. Management review meetings are held twice a year to ensure the continued relevance, adequacy, and effectiveness of the Information Security Management System (ISMS), maintain operational security, and comply with national laws and regulatory requirements. The Committee defines the scope of the ISMS, performs risk assessments and risk management tasks, determines acceptable risk levels, assigns roles and responsibilities, and coordinates various control measures and handling procedures. It also promotes awareness of information security policies and concepts and drives the implementation of company-wide information security training programs.

The key topics covered in the 2024 Information Security Committee management review meetings included:

- Information security audit and risk reporting (analysis of security performance and trends)
- Internal matters (updates to information security management regulations)
- External matters (information security requirements from clients)

Information Security Dissemination and Training

Compal offers eLearning courses and conducts quarterly social engineering drills simulating phishing emails to assess employees’ awareness of information security risks. These efforts are supplemented by daily startup reminders, quarterly email campaigns, and formal training sessions to strengthen overall information security awareness.

To ensure proper implementation of security concepts, all new hires are required to complete information security training, and existing staff must undergo annual refresher training. The training curriculum includes Compal’s internal information security management policies.

Training effectiveness is assessed through post-training evaluations, and corresponding records are maintained.

Information security personnel participate in industry forums and technical seminars to stay informed about the latest trends and threat intelligence. Among the Information Security Execution Team, five members hold ISO/IEC 27001 Lead Auditor certifications and one member holds a CISSP certification. In addition to accommodating audits from clients and impartial third parties, they also conduct internal audits to ensure the effective implementation of the company’s information security management system.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

03 Corporate Governance

3.1 Business Performance

3.2 Taxation

3.3 Corporate Governance

3.4 Risk Management

3.5 Compliance, Ethical Management and Anti-Corruption

> 3.6 Privacy & Information Security

3.7 Responsible Investment

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

The Six Goals of Information Security

1. To prevent malicious damage to information services.

2. To protect and preserve critical and sensitive data.

3. To raise awareness of information security among employees.

4. To fulfill employee needs for information services, including secure data transmission, execution of electronic processes, and data storage.

5. To ensure that suppliers implement appropriate information security management measures.

6. To ensure compliance with relevant legal and contractual obligations, such as avoiding violations of intellectual property rights and non-disclosure agreements.

Continued Maintenance of Information Security

1. Compal monitors its goals of information security on a monthly basis to oversee related control measures.

2. Internal and external issues relevant to the Information Security Management System (ISMS) are reviewed semiannually to identify stakeholder expectations, including customer requirements.

3. Semiannual backup and recovery tests are conducted for critical systems, and annual BCP recovery drills are performed to verify the effectiveness of the core business continuity plan and alignment with system recovery objectives.

4. Annual incident response drills are conducted to ensure timely containment and mitigation of information security incidents, minimizing their scope and impact.

5. To raise employee awareness of information security, quarterly social engineering drills and security campaigns are conducted, along with annual training programs.

6. Periodic vulnerability scans are conducted, and annual penetration tests by professional third parties are performed to verify the robustness of the Company's information security defenses.

7. Internal/external audits are conducted on a regular basis along with continuous improvement.

8. Regular risk assessments are conducted based on asset value and business processes, with appropriate mitigation measures applied to identified high-risk areas.

Enhance Network Security

Compal continuously strengthens its cybersecurity controls by reinforcing its password policy and maintaining a weak password database to prevent the use of vulnerable credentials. The Company has enhanced its account authentication mechanisms by implementing two-factor authentication, thereby improving the security of remote access to internal systems and preventing unauthorized access to company resources or customer data.

Managed Detection and Response (MDR) capabilities have also been established to detect cybersecurity threats, analyze anomalies, and respond to incidents in a timely and effective manner. Access to sensitive data is governed by account-based permissions, and login credentials must be updated regularly in accordance with Company policy.

Compal continuously reviews its network security framework to ensure all connected devices comply with internal security standards. Since 2020, the Company has undergone annual third-party network security assessments. According to Security Scorecard's industry- and size-based benchmarks, Compal achieved an average score of 95 in 2024 – significantly above the global average for manufacturing companies.

Strengthening Cybersecurity Intelligence Sharing

Compal has established a formal incident reporting and response procedure, which includes event impact assessment, damage evaluation, and a structured reporting process. Employees can report incidents via a dedicated hotline (+886-2-87978588, ext.14385). The Information Security Execution Team is responsible for following up in accordance with defined protocols.

In line with the government-issued "Cybersecurity Control Guidelines for Over-the-Counter Companies" Compal became a member of the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) in 2022. This membership allows Compal to access early-warning alerts, threat intelligence, and vulnerability disclosures. It significantly enhances the Company's capabilities in incident response, situational awareness, and strengthens its capacity for cybersecurity threat correlation and intelligence sharing.

::: Introduction to ESG Report

::: Sustainability Accolades

::: Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

3.1 Business Performance

3.2 Taxation

3.3 Corporate Governance

3.4 Risk Management

3.5 Compliance,
Ethical Management
and Anti-Corruption

3.6 Privacy and Information Security

> **3.7 Responsible Investment**

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

07 Social Engagement

08 Sustainability Partners

::: Appendixes

3.7 Responsible Investment

Strategic Objectives

By leveraging its core competence, Compal has planned new strategies for growth given the three major trends of global economic power transition, demographic changes and acceleration in technological advancement. Apart from continuing to actively strengthen vertical integration in the supply chain, the Company will also be applying its ICT experiences and advantages to other domains, such as industrial computers, industrial/service automation, IoT-related industries, smart healthcare, biotechnology, AI servers, automotive, and 5G applications.

Since 2018, Compal has invested in the China Renewable Energy Fund (CREF), with phased investments in various energy-saving projects. In 2024, Compal's investment amounted to approximately NT\$34,713 thousand, with a total committed investment of US\$7.2 million (approximately NT\$236 million) fully invested. 「Environmental」: The CREF focuses on investing in solar, wind, and energy storage technologies, reducing carbon emissions, and promoting energy transition. 「Social」: CREF investments directly foster renewable energy industry development, thus creating green job opportunities. 「Governance」: Investing in CREF aligns with ESG strategies, thereby enhancing Compal's sustainable competitiveness.

Compal's Investment Procedure

Prudent Pre-Investment Evaluation

1. Identify industries aligned with the Company's investment strategy.
2. Evaluate industry development trends, market supply and demand dynamics, and competitive landscape.
3. Assess the target's core competencies and competitiveness, including technology, talent, and financial health.
4. Conduct site visits and reputation checks on the target company.
5. Execute the investment in accordance with the Company's Procedures for Acquisition and Disposal of Assets.

Rigorous Post-Investment Management

1. Operations of the re-investment (once the investment has been finalized), Compal shall carry out relevant planning for the new subsidiary/re-investment in which the Company has specific influence over, including: director/supervisor planning, management team audit, CPA planning, review of employee incentive program after its formulation, review of charter of incorporation/key procedures as required by pertinent regulations after their formulation, review of approval authorities and relevant procedures pertaining to said authorities after establishment and so forth.
2. Analyze and review relevant management report and outcome of management review meeting as carried out by the subsidiary/reinvestment in which the Company has specific influence over.
3. Compal's investment management unit shall refer to pertinent procedures and regulations by monitoring and watching out for any warning signs in the operation of subsidiaries/reinvestments; the unit shall also routinely take part in the meetings and visit various subsidiaries, affiliates and reinvestments to collect relevant reports on governance, interviews, meeting records, etc for approval and archival. We also collaborate with finance and accounting departments to review financial and accounting principles, and to devise investment withdrawal plans where appropriate.

←

☰

CHAPTER

→

...

...

...

01

02

03

3.1

3.2

3.3

3.4

3.5

3.6

> 3.7

04

05

06

07

08

...

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Business Performance

Taxation

Corporate Governance

Risk Management

Compliance,
Ethical Management
and Anti-Corruption

Privacy and Information Security

Responsible Investment

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Future Investment Plans

Adhering to the principle of prudent operation, Compal remains rooted in its core business and seeks to expand upon this foundation. In addition to proactively scaling its primary operations, the Company will pursue vertical integration across the value chain and horizontal expansion into adjacent industries when appropriate. Compal, along with Kinpo Group affiliates, evaluates expansion opportunities through a comprehensive lens—prioritizing initiatives that strengthen overall group capabilities while maintaining reasonable risk exposure.

In terms of re-investments, the Company follows the same guiding principles, focusing on the three strategic directions illustrated in the accompanying chart. All investment strategies adopt a sustainable investment approach as a fundamental premise, integrating Environmental, Social, and Governance (ESG) factors into the evaluation process alongside financial considerations to ensure optimized returns and effective risk management.

Execution-wise, beyond organic growth within existing business structures, Compal also explores diverse forms of collaboration—including mergers, acquisitions, joint ventures, and technology partnerships—to engage in re-investments and establish bilateral or multilateral cooperative relationships with other enterprises.

Future Investment Plans



Vertical integration of related upstream and downstream component assembly industries, improve the production of self-owned or domestic components, and enhance overall competitiveness.



Integrate and expand related products and services, and other industries with significant comprehensive benefits or growth.



Other investments that are beneficial to the technology development of the Company and its affiliated enterprises, or investments that can generate other comprehensive benefits and growth.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

4.1

Climate Transition Plan

4.2

TCFD Disclosure and Climate Risk Management

4.3

Greenhouse Gas Management

4.4

Internal Carbon Pricing and Carbon Management

4.5

Biodiversity

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

4 Climate Action

KEY PERFORMANCE

<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div> <div></div> <div>7.2</div>	<div>13</div> <div>CLIMATE ACTION</div> <div></div> <div>13.1 / 13.2 / 13.3 / 13.a</div>	<div>14</div> <div>LIFE BELOW WATER</div> <div></div> <div>14.1</div>	<div>15</div> <div>LIFE ON LAND</div> <div></div> <div>15.1~2 / 15.a~b</div>
--	--	---	--

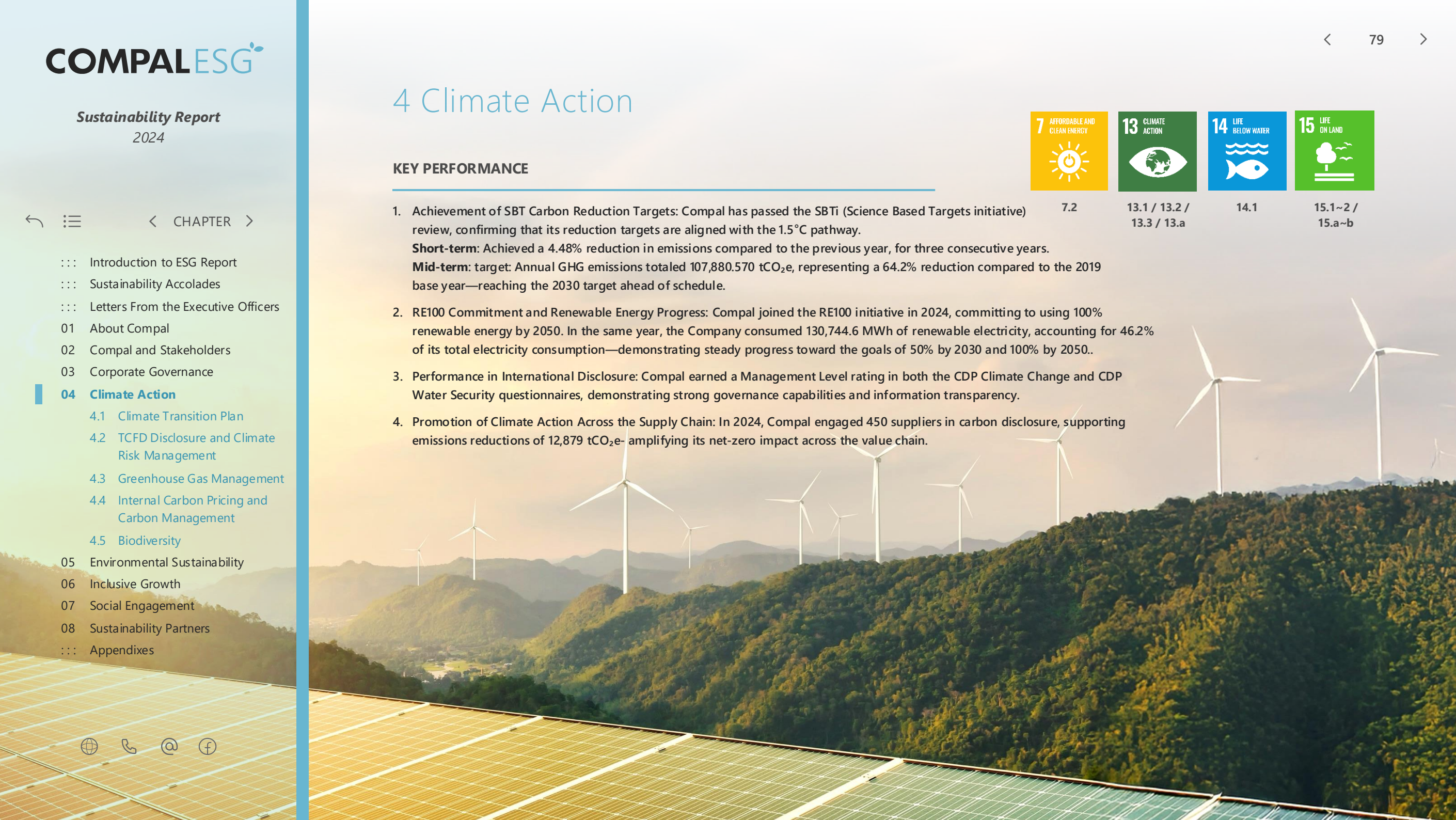
1.

Achievement of SBT Carbon Reduction Targets: Compal has passed the SBTi (Science Based Targets initiative) review, confirming that its reduction targets are aligned with the 1.5°C pathway.
Short-term: Achieved a 4.48% reduction in emissions compared to the previous year, for three consecutive years.
Mid-term: target: Annual GHG emissions totaled 107,880.570 tCO₂e, representing a 64.2% reduction compared to the 2019 base year—reaching the 2030 target ahead of schedule.
2.

RE100 Commitment and Renewable Energy Progress: Compal joined the RE100 initiative in 2024, committing to using 100% renewable energy by 2050. In the same year, the Company consumed 130,744.6 MWh of renewable electricity, accounting for 46.2% of its total electricity consumption—demonstrating steady progress toward the goals of 50% by 2030 and 100% by 2050..
3.

Performance in International Disclosure: Compal earned a Management Level rating in both the CDP Climate Change and CDP Water Security questionnaires, demonstrating strong governance capabilities and information transparency.
4.

Promotion of Climate Action Across the Supply Chain: In 2024, Compal engaged 450 suppliers in carbon disclosure, supporting emissions reductions of 12,879 tCO₂e- amplifying its net-zero impact across the value chain.



←

⋮

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

4.1

Climate Transition Plan

4.2

TCFD Disclosure and Climate Risk Management

4.3

Greenhouse Gas Management

4.4

Internal Carbon Pricing and Carbon Management

4.5

Biodiversity

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Short-, Mid-, and Long-term Goals

Topic	Strategy	Target of FY-2025	Target of FY-2030	Target of FY-2035
Improving Climate Resilience	Based on the SBT roadmap, implement energy-saving measures, expand the use of renewable energy, and carry out Scope 3 inventory to achieve greenhouse gas reduction target.	Scope 1+2 to reduce by 4.48% compared to 2024	<div>○ Scope 1+2 to reduce by 50.68% compared to 2019</div> <div>○ Scope 3 to reduce by 25% compared to 2021</div>	<div>○ Scope 1+2 to reduce by 73.08% compared to 2019</div> <div>○ Scope 3 to reduce by 41.25% compared to 2021</div>
	Increase the proportion of renewable energy usage and reduce reliance on fossil fuels.	Renewable energy in electricity consumption ratio 44%	Renewable energy in electricity consumption ratio 60%	Renewable energy in electricity consumption ratio 70%
	Promote internal carbon pricing, integrate carbon costs into the decision-making process, and drive sustainable innovation.	Complete the establishment of an internal carbon pricing mechanism and define the governance framework.	Complete the fund operation mechanism	Track, review and roll out adjustments to the fund mechanism

The world is actively advancing toward net zero carbon emissions. Under the Paris Agreement, countries have committed to limiting global warming to 1.5°C. Amid the risks and challenges of climate change, companies bear a greater responsibility for decarbonization. This not only ensures compliance with regulations and international initiatives but also strengthens operational resilience and secures green competitive advantages. As a key player in global electronics manufacturing services, Compal actively embraces this trend and comprehensively implements climate governance and carbon management mechanisms.

Compal continuously monitors the evolution of international sustainability disclosure standards, has established climate risk and opportunity management mechanisms based on the TCFD framework, and periodically identifies climate impacts and response strategies. With the IFRS Foundation’s release of IFRS S1 and S2 sustainability disclosure standards, Compal refers to ISSB climate disclosure requirements, evaluates the compliance of internal information systems and disclosure mechanisms, and plans to gradually align with Taiwan’s FSC’s regulations and international standards.

To mitigate climate change risks and impacts on operations while seizing low-carbon transition opportunities, Compal optimizes product R&D strategies, promotes factory energy-saving measures, and strengthens carbon inventory systems. Since 2022, Compal has initiated a group-wide greenhouse gas reduction strategy and gradually developed short-, medium-, and long-term decarbonization pathways through actions to realize energy-efficient and low-carbon operations.

Compal actively responds to international initiatives and has set Science Based Targets aligned with the 1.5°C scenario, laying a concrete foundation for its path toward net-zero emissions. In 2024, Compal officially joined RE100 and committed to using 100% renewable energy by 2050 to achieve zero-carbon operations. The Company’s decarbonization efforts prioritize “Purchased Goods and Services” and the “Use of Sold Products,” actively addressing Scope 3 emissions and aligning with global trends in product lifecycle decarbonization.

To enhance action and implementation efficiency, Compal initially focuses on Taiwan by participating in the Industrial Development Administration’s low-carbon projects and collaborating with local suppliers to drive decarbonization measures. By cooperating with government initiatives and local actions, Compal steadily advances the management practices of sustainable net-zero transition.

In addition, Compal actively implements natural capital governance and encourages value chain partners to jointly protect biodiversity and forest conservation. We have issued our Biodiversity and No-Deforestation Policy, which applies to all subsidiaries worldwide in which Compal holds a controlling interest of over 50%. This demonstrates the Company’s strong commitment to its responsibility in nature conservation.

In 2024, Compal achieved a “Management Level” rating in both the CDP Climate Change and Water Security questionnaires, reflecting continuous improvement and external recognition of its climate and water resource risk management capabilities.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

➤

4.1 Climate Transition Plan

4.2

TCFD Disclosure and Climate Risk Management

4.3

Greenhouse Gas Management

4.4

Internal Carbon Pricing and Carbon Management

4.5

Biodiversity

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

4.1 Climate Transition Plan

1. Policy and Background

Amid increasingly stringent global climate policies and the net-zero transition trend, Compal is actively advancing medium- and long-term climate transition initiatives. In addition to supporting the Paris Agreement and the TCFD, Compal has established a risk and opportunity management framework based on TCFD guidelines. It has also completed SBT setting for its consolidated financial reporting scope, publicly disclosed the related information in 2023, and committed to controlling operational emissions within a 1.5°C warming scenario.

3. Key Actions and Measures Implemented in 2024

To accelerate the formation of its climate governance system and enhance data availability, Compal developed the “Compal Cloud for Sustainability” digital platform. This platform integrates carbon emissions, energy, water, and waste data from all sites of the Group within the consolidated financial reporting scope, thus meeting investors and stakeholders’ information disclosure needs. It provides real-time, standardized environmental performance data, supports brand clients and investors’ ESG auditing and disclosure requirements, and serves as a core governance tool for group carbon management and resource circularity.

In the same year, Compal actively promoted renewable energy procurement and energy efficiency management to fulfill its RE100 commitment. Through the adoption of the ISO 50001 Energy Management System and energy-saving projects, Compal reduced energy intensity and enhanced electricity efficiency and resilience across its sites.

2. Targets and Timeline

Compal has clearly defined its short-, medium-, and long-term decarbonization goals as the foundation for its climate transition roadmap:

- Medium-term target: By 2030, reduce Scope 1 and 2 emissions by 50.68%, and Scope 3 emissions by 25%.
- Long-term target: By 2050, reduce total emissions by 90%, and evaluate the use of carbon offsets to neutralize the remaining Scope 1 and 2 emissions (for detailed targets, please refer to the Greenhouse Gas Management chapter).

At the same time, Compal has joined the RE100 initiative, committing to 100% renewable energy use by 2050. The Company plans to progressively expand its green energy procurement and implement solar power generation facilities at its own sites to reduce reliance on fossil fuels.

Three-phase climate transition strategy: Compal has outlined a three-phase approach to advance its climate action strategy.

- Foundation-building phase (until 2023): Complete site inventory, target setting, and governance framework establishment.
- Capacity-building phase (2024–2027): Enhance energy efficiency, develop the Compal Cloud for Sustainability platform, and collaborate with subsidiaries, and integrate data governance.
- Full implementation phase (2028–2050): Transition to renewable energy in stages, establish an internal carbon pricing mechanism, and assess the feasibility of carbon neutrality and offset strategies.

Prudent assessment of transition impacts: Compal recognizes the potential financial and operational risks of the transition and views them as opportunities to enhance competitiveness. We have initiated climate-related financial risk scenario simulations to build a transition risk and opportunity identification framework, to continuously integrate these into operational decisions and investment evaluation processes.

4. Strengthening Scope 3 Carbon Management and International Disclosure Alignment

Compal has completed calculations for all 15 Scope 3 categories and identified the top two emission sources: Category 1: Purchased goods and services
Category 11: Use of sold products
These account for over 90% of total Scope 3 emissions. Through circular design, energy-efficient product design, and value chain collaboration, Compal promotes supply chain carbon management and emissions reduction during the product use phase, thereby fulfilling its SBT commitments.

5. Climate Risk Assessment and Response Actions

Based on the TCFD framework, Compal identifies transition and physical risks from climate change, such as rising renewable energy costs, operations disrupted by extreme weather, and increased investments in technology R&D for alternative materials. These issues have been integrated into the Company’s operational risk management framework, along with climate scenario simulations, as a basis for decision-making.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

4.1

Climate Transition Plan

➤

4.2 TCFD Disclosure and Climate Risk Management

4.3

Greenhouse Gas Management

4.4

Internal Carbon Pricing and Carbon Management

4.5

Biodiversity

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

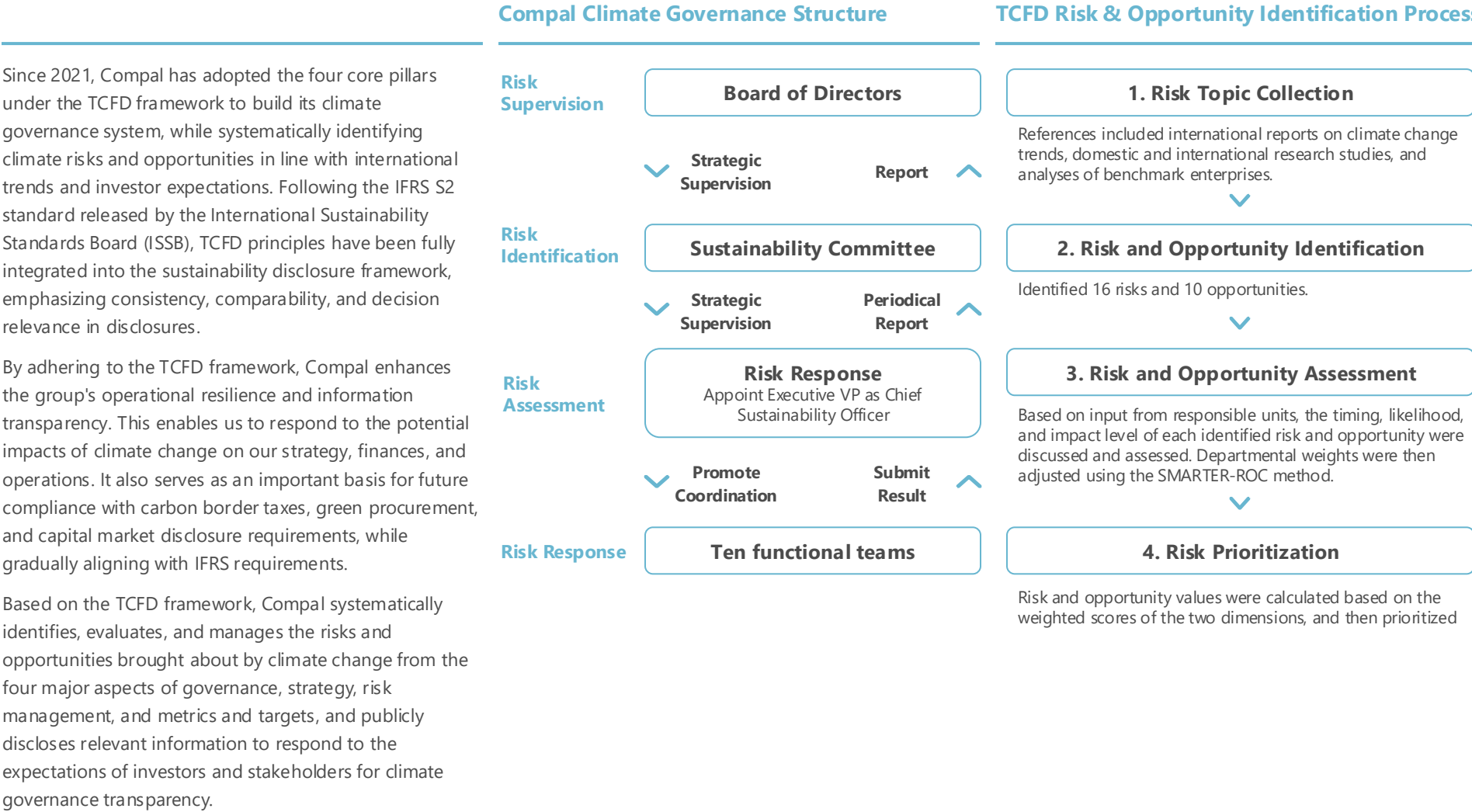
08

Sustainability Partners

...

Appendixes

4.2 TCFD Disclosure and Climate Risk Management



←

☰

< CHAPTER >

...

...

...

01

02

03

04

4.1

> 4.2

4.3

4.4

4.5

05

06

07

08

...

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Climate Transition Plan

TCFD Disclosure and Climate Risk Management

Greenhouse Gas Management

Internal Carbon Pricing and Carbon Management

Biodiversity

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Compal's Climate Governance Framework

Specific Measures
<div>Category: Governance Chapter: Climate Action</div> <div><ul style="list-style-type: none">o In 2022, Compal established the Sustainability Committee to lead and oversee sustainability initiatives. Committee members are appointed by the Board of Directors, and the Chair is elected among the members. The Committee aims to strengthen governance practices, fulfill corporate social responsibility, align with international trends, and advance toward long-term sustainability goals.o The Sustainability Office was established under the leadership of the Chief Sustainability Officer, who spearheads climate strategy implementation, supported by Deputy Chief Sustainability Officer. The office oversees ten functional teams, each responsible for setting strategic objectives and supervising performance outcomes. Among them, the Responsible Production team is dedicated to promoting green practices, climate change mitigation, and adaptation across manufacturing sites, while the Environmental team is responsible for evaluating climate-related risks and opportunities.o The Sustainability Committee convenes quarterly, during which the Chief Sustainability Officer regularly reviews the progress of various initiatives, green performance outcomes, and the advancement of SBT and RE100 commitments.o To incentivize the CEO and senior executives (including other C-level management) to drive and implement climate change management and sustainability strategies, key performance indicators (KPIs) are integrated with sustainability goals in day-to-day operations. The KPIs and annual performance evaluations serve as the basis for determining salary adjustments, bonuses, and profit-sharing. Sustainability-related KPIs include green product innovation and the transition to low-carbon manufacturing.<p>For further details on the remuneration policy for management, please refer to the Company's Annual Report, specifically the section entitled: "Comparison of Remuneration for Directors, Supervisors, Presidents and Vice-Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents, and Vice-Presidents."</p></div>
<div>Category: Strategy Chapter: Climate Action</div> <div><ul style="list-style-type: none">o In accordance with the TCFD framework, Compal analyzes climate-related risks and opportunities under different scenarios, referencing the Sustainable Development Scenario (SDS) and Stated Policies Scenario (STEPS) from the International Energy Agency (IEA), as well as the SSP1-2.6 and SSP2-4.5 scenarios proposed by the Intergovernmental Panel on Climate Change (IPCC).o Compal adopts the 1.5°C scenario as the basis for its greenhouse gas reduction pathway and assesses the risks and opportunities posed by extreme climate events to its supply chain and operations.o Drawing on the CDP Climate Change Questionnaire and international reporting practices, Compal considers a broad range of issues covering products and services, supply chain, adaptation and mitigation activities, R&D, investments, and operations. A total of 16 climate-related risks and 10 opportunities have been identified and summarized.</div>

Specific Measures
<div>Category: Risk Management Chapter: Corporate Governance, Climate Action</div> <div><p>Compal has formally integrated climate risks into its Enterprise Risk Management (ERM) system and conducts climate risk and opportunity assessments biennially. Beginning in 2024, climate-related risks have been incorporated into the ERM questionnaire, with annual reviews to evaluate their relevance and alignment with the latest trends. These efforts are complemented by climate scenario analyses and financial impact assessments to ensure that risk identification outcomes accurately reflect operational realities and external developments.</p><p>In response to evolving policies and regulations, technological advancements, industry and market dynamics, reputational risks, and various types of physical climate impacts, Compal further classifies climate risks into "acute risks" (such as extreme weather events) and "chronic risks" (such as long-term temperature increases or droughts). Risk identification spans across operations, finance, supply chain, workforce safety, and infrastructure.</p><p>For climate risk assessment, Compal applies a quantitative scoring approach based on the formula "likelihood of occurrence x magnitude of impact" to rank risks, serving as the foundation for materiality assessment and response prioritization. Climate risks are classified according to their expected time horizon: short-term (within 1–2 years), medium-term (3–4 years), and long-term (over 5 years). Corresponding to each category, the Company develops targeted adaptation strategies, allocates resources, and establishes monitoring mechanisms. All identified climate-related risks and opportunities are consolidated by the Sustainability Office and submitted to the Sustainability Committee and the Board of Directors for review, ensuring the effectiveness of the risk governance framework and strengthening executive oversight.</p></div>
<div>Category: Metrics and Targets Chapter: Environmental Sustainability, Climate Action</div> <div><p>Compal discloses Scopes 1 to 3 emissions per the GHG Protocol and sets clear short-, medium-, and long-term decarbonization and renewable energy targets based on SBTi-validated SBTs and RE100 commitments.</p><p>Compal also establishes opportunity metrics to track positive climate impacts, including green revenue share, energy intensity, and energy-saving project outcomes (e.g., annual carbon reductions).</p><p>For transition risk mitigation, Compal is incorporating recycled and low-pollution alternative materials in the design phase, increasing renewable energy usage, implementing the ISO 50001 Energy Management System, promoting smart factories, and gradually achieving carbon emissions reduction targets through equipment upgrades and improved energy efficiency.</p><p>To address extreme weather events, each Compal facility has implemented Emergency Preparedness and Response Procedures and Business Continuity Plans. These measures include enhancing alarm systems, executing contingency plans, conducting regular inspections of facility and equipment locations, and elevating infrastructure in low-lying areas to mitigate risks of equipment damage or operational disruptions caused by flooding.</p><p>In addition, Compal has completed a climate risk and opportunity matrix and conducted a financial impact assessment. A Climate Adaptation Action Plan has been developed, focusing on enhancing infrastructure, resource allocation, and emergency response drills at high-risk sites (e.g., Kunshan and Vietnam) to strengthen supply chain climate resilience. Going forward, Compal will continue updating climate scenario models, broadening data coverage, and enhancing climate sensitivity and response capacity at the Group level, supporting a steady path toward the 2050 net-zero target.</p></div>

<

CHAPTER

>

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

4.1

Climate Transition Plan

> 4.2

TCFD Disclosure and Climate Risk Management

4.3

Greenhouse Gas Management

4.4

Internal Carbon Pricing and Carbon Management

4.5

Biodiversity

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

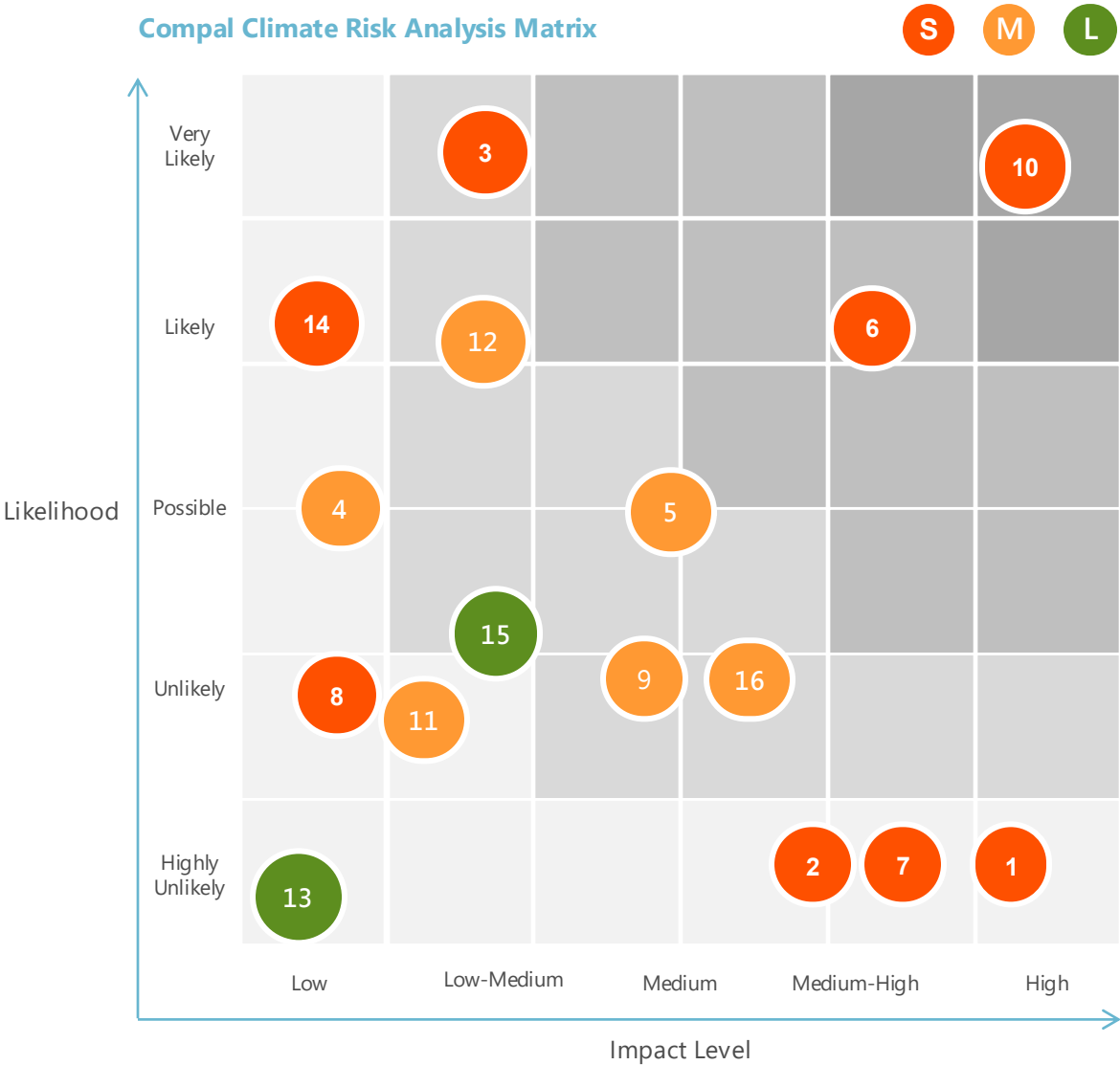
08

Sustainability Partners

...

Appendixes

Compal Climate Risk Analysis Matrix



	Type	Topic
1	Transition Risks	Failure to adopt proactive sustainability practices may result in the loss of customer preference.
2	Transition Risks	Failure to adopt proactive sustainability practices may result in the loss of investor confidence.
3	Transition Risks	Increased use of renewable energy in response to external demands may lead to higher operating costs.
4	Transition Risks	Raising energy and resource efficiency standards across assets may increase operating costs.
5	Transition Risks	The adoption of emerging technologies for smart manufacturing processes may raise operating costs.
6	Transition Risks	Continued investment of technological R&D when product standards are upgraded.
7	Transition Risks	Failure to respond proactively to the requirements of the new standards may lead to loss of customer orders
8	Transition Risks	Strengthen reporting obligations for emissions
9	Transition Risks	Failed investment in new technologies
10	Transition Risks	Failure to establish a corporate low-carbon transition image, leading to reputational damage.
11	Physical Risks	Disruption of services due to increase in frequency and severity of torrential rains and floods.
12	Physical Risks	Suppliers affected by climate disasters faced with breakdown in supply chain that increases costs or affects Compal operations
13	Physical Risks	Rising sea levels and flooding of coastal low-land regions resulting in asset destruction.
14	Physical Risks	Rising temperatures lead to increased energy consumption by plant equipment, thereby raising operating costs.
15	Physical Risks	Operational pressure and impacts resulting from water scarcity
16	Physical Risks	Water shortage leads to supplier difficulties and disruptions to supply chain that impact on Compal operations.

<

☰

>

CHAPTER

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

4.1

Climate Transition Plan

>

4.2 TCFD Disclosure and Climate Risk Management

4.3

Greenhouse Gas Management

4.4

Internal Carbon Pricing and Carbon Management

4.5

Biodiversity

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

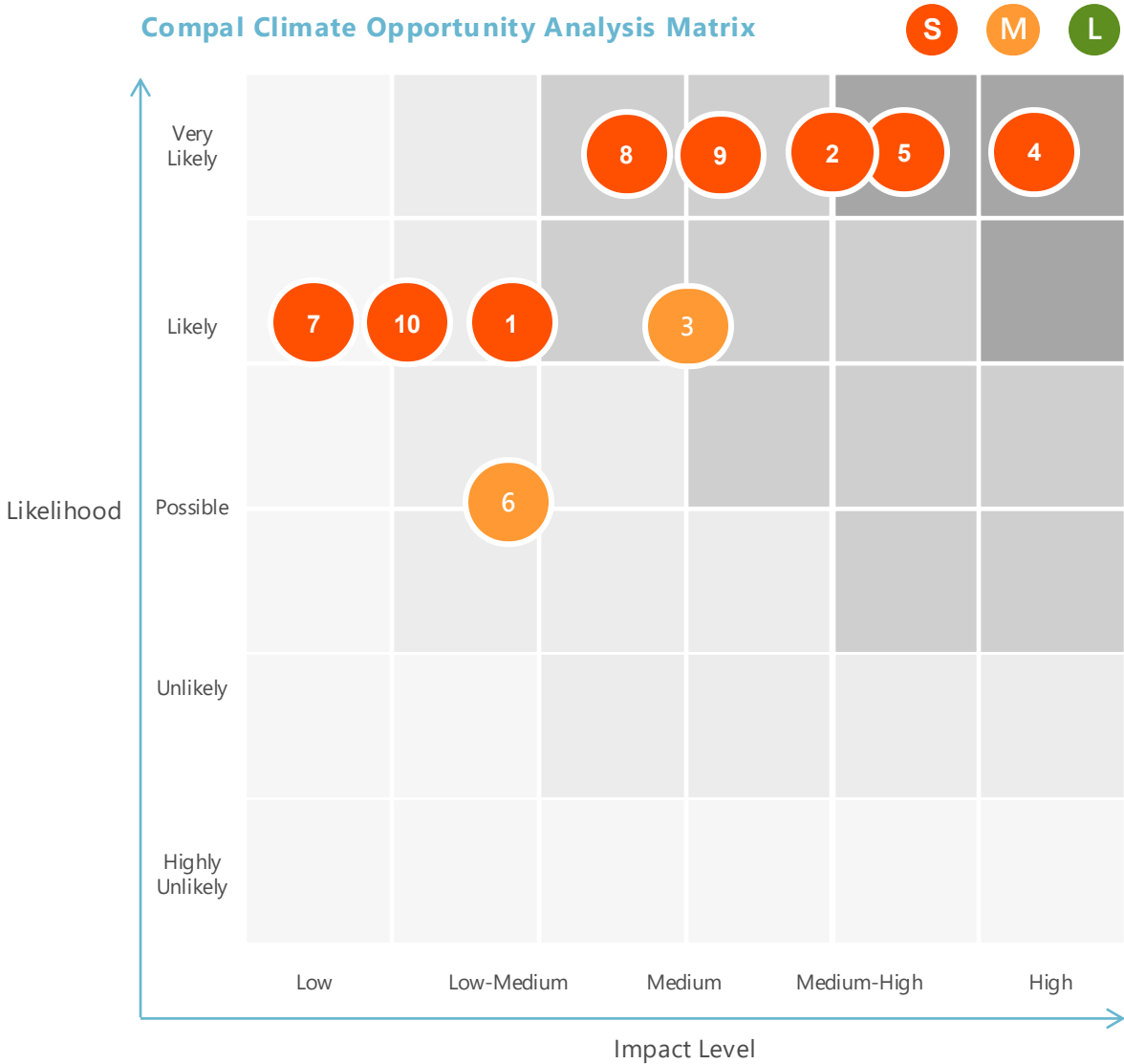
08

Sustainability Partners

...

Appendixes

Compal Climate Opportunity Analysis Matrix



Code	Topic
1	Introduce smart manufacturing processes to enhance production and distribution efficiency, thereby reducing operational costs.
2	Offer low-carbon products and services to capture a larger market share.
3	Develop products using recycled aluminum and plastics, aligning with the trend toward raw material carbon reduction and circular use.
4	Adopt proactive sustainability practices to continuously gain customer trust and preference.
5	Adopt proactive sustainability practices to maintain strong investor support.
6	Support suppliers in low-carbon transitions to mitigate the impact of climate-related procurement cost fluctuations.
7	Establish effective emergency response plans to restore operations faster than peers during disasters, thereby improving order volumes.
8	Participate in renewable energy initiatives.
9	Obtain public sector incentives or collaborate with stakeholders.
10	Enhance energy efficiency across facilities.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

4.1

Climate Transition Plan

➤ 4.2

TCFD Disclosure and Climate Risk Management

4.3

Greenhouse Gas Management

4.4

Internal Carbon Pricing and Carbon Management

4.5

Biodiversity

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Analysis of the Financial Impacts of Material Climate Change Risks and Opportunities

	Effect on the Company	Potential Financial Impact	Management Action
Climate Risk			
Corporate reputation risk	Failure to effectively respond to international climate initiatives or ESG ratings may lead to reduced stakeholder trust, thereby impacting brand image, investor confidence, and business collaboration opportunities.	Loss of Customers, Deferred Orders, and Increased Financing Costs	Actively respond to international initiatives, improve the quality of climate-related disclosures, engage in industry dialogues and policy forums, and enhance transparency in external communications.
Introduction of alternative recycled materials increases the transformation costs from technology R&D	Compal continues to research and adopt alternative recycled materials in alignment with international trends and to meet customer expectations, resulting in increased production and input costs.	Increased Costs	Promote the circular economy by organizing workshops and training programs, incorporating environmentally friendly and low-pollution alternative materials during the design phase, improving resource reuse efficiency, and strengthening circular design practices.
Increased use of renewable energy in response to external expectations leading to higher operating costs	Compal continues to increase the use of renewable energy in alignment with international trends and customer requirements, resulting in higher operating costs.	Increased Costs	Actively participate in the RE100 initiative, engage with other members to access up-to-date information, and plan for renewable energy procurement and long-term power purchase agreements. In 2024, Compal procured 8,066.9 MWh of photovoltaic energy, 28,251.7 MWh of hydropower, and acquired 94,426 renewable energy certificates (RECs).
Increased operating costs from raising the energy efficiency standards of assets	To achieve low-carbon production, Compal must improve the energy efficiency of its assets. Equipment upgrades and replacements will result in increased capital investment and higher operating costs.	Increased Costs	We improve energy efficiency by selecting energy-saving equipment when replacements are needed, regularly providing energy-saving reminders to employees, and actively engaging external consulting firms. Seven Compal facilities have obtained ISO 50001 Energy Management System certification, enhancing overall economic efficiency. In addition, we developed a digital "Environment and Energy Monitoring" platform to strengthen management effectiveness and maximize the economic benefits of energy use across all units.
Disruption of services due to increase in frequency and severity of torrential rains and floods.	Under climate change scenarios, the frequency and severity of torrential rains and flooding may increase, potentially exposing operational sites to disasters. This may lead to higher maintenance costs for buildings and equipment, business interruptions, or even casualties.	Increased Costs and Asset Loss	All plant equipment has now been elevated to protect against damage from flooding of plant workshops and equipment due to heavy rains or flooding. We are also continuing to invest in the maintenance of preventive equipment and drainage systems. We have also established disaster prevention and reporting mechanisms, and formulated standard emergency response procedures.
Climate Opportunity			
Proactively adopting sustainability practices helps Compal retain customer preference and trust.	As customers place increasing emphasis on the carbon performance of their supply chains, proactively addressing and fulfilling their sustainable procurement requirements can significantly enhance customer relationships and create opportunities to secure new orders.	Increased Revenue	Compal adopts lean production and energy management practices to enhance resource utilization efficiency, minimize ineffective losses, and deliver greater economic and environmental benefits—demonstrating a concrete response to customer expectations.
Assist suppliers with low-carbon transformation to reduce procurement cost fluctuations caused by climate-related factors.	As climate change heightens supply chain risks, enhancing supply chain resilience can contribute to more stable raw material supply and improved cost control.	Enhanced Business Resilience	As part of the supplier selection criteria, Compal evaluates suppliers' environmental policies and practices based on the ISO 14001 Environmental Management System. A Green Management Evaluation Form is also used for the management and screening of new suppliers. We have launched a low-carbon coaching program that helped our facilities and suppliers reduce 12,879 tCO ₂ e of carbon emissions over the past two years. In Taiwan, we have implemented a pilot and rollout mechanism, leveraging participation in local government initiatives to progressively achieve our sustainable net-zero goal.
Introduction of smart manufacturing processes to enhance production and distribution efficiency, thereby reducing operating costs.	The adoption of smart technologies enhances process flexibility and equipment efficiency, leading to reductions in both energy consumption and labor costs.	Reduced Operating Costs	Compal promotes production line automation and the deployment of an energy-monitoring digital platform, incorporating hotspot analysis and predictive maintenance to visualize manufacturing data and optimize resource allocation, thereby reducing unnecessary operational costs.

Compal will continue implementing greenhouse gas reduction projects across internal operations and the value chain, including equipment efficiency improvements, renewable energy adoption, low-carbon procurement promotion, and product carbon footprint assessments, to progressively achieve its RE100 and net-zero emissions goals by 2050.

Per the “GHG Protocol”, Scope 1 includes direct emissions from owned or controlled sources, Scope 2 includes indirect emissions from purchased electricity, and Scope 3 includes other indirect emissions (e.g., supply chain and product use phase).

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

4.1

Climate Transition Plan

4.2

TCFD Disclosure and Climate Risk Management

➤ 4.3

Greenhouse Gas Management

4.4

Internal Carbon Pricing and Carbon Management

4.5

Biodiversity

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Standalone Financial Statements

	Scope 1 (tCO ₂ e)	Location-Based		Market-Based		
		Scope 2 (tCO ₂ e)	Scope 1+2 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 1+2 (tCO ₂ e)	Emissions Intensity (tCO ₂ e/Million NTD)
2024	12,296.021	161,413.398	173,709.419	95,584.549	107,880.570	0.119
2023	19,862.844	195,432.501	215,295.345	104,415.540	124,278.384	0.131
2022	20,437.044	239,027.361	259,464.406	156,320.187	176,757.231	0.165

Scope 1	CO ₂	CH ₄	N ₂ O	HFC	PFCs	SF ₆	NF ₃	Total (tCO ₂ e)
2024	5,594.7087	3,076.5989	21.6612	3,603.0520	0	-	-	12,296.021

- For the entity-level reporting boundary, the following Scope 3 categories have been verified:
- Category 1: Purchased goods and services – indirect emissions from the life cycle of operational water use: 379.547 tCO₂e.
 - Category 3: Fuel- and energy-related activities: 101,155.099 tCO₂e.

In 2024, biogenic CO₂ emissions from biomass combustion amounted to 15.2963 tCO₂e.

Compal’s total Scope 1 and Scope 2 emissions, calculated using the market-based approach, were 107,880.570 tCO₂e, representing a 64.2% reduction compared to the 2019 baseline level of 301,471.351 tCO₂e.

Using the location-based approach, total emissions in 2024 reached 173,709.419 tCO₂e, showing a significant downward trend, primarily attributable to the following factors:

- Improved energy efficiency: Increased to 7 ISO 50001-certified sites.
- Expanded **renewable** electricity procurement: Totaling 130,744.6 MWh.
- Energy-saving projects and process optimization: See the Energy-Saving Production chapter for details.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
 - 4.1 Climate Transition Plan
 - 4.2 TCFD Disclosure and Climate Risk Management
 - > 4.3 Greenhouse Gas Management
 - 4.4 Internal Carbon Pricing and Carbon Management
 - 4.5 Biodiversity
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Consolidated Reporting Boundary

For the consolidated reporting boundary, the emissions data of all included subsidiaries have been uniformly inventoried and reported. Real-time monitoring and management are conducted via the Compal Cloud for Sustainability digital platform.

2024	Scope 1 (tCO ₂ e)	Location-Based		Market-Based		
		Scope 2 (tCO ₂ e)	Scope 1+2 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 1+2 (tCO ₂ e)	Emission Intensity (tCO ₂ e/Million NTD)
	13,114.880	205,280.209	218,395.089	136,917.713	150,032.593	0.165

GHG Reduction Achievements – Scope 1 and 2

Compal has designated 2019 as the baseline year for Scope 1 and Scope 2 emissions based on its Science-Based Targets (SBTs), with the goal of reducing emissions by 50.68% by 2030 and by 90% by 2050, with any residual emissions to be neutralized through carbon offsets. In 2024, Compal achieved its short-term annual reduction target of 4.48% for the third consecutive year.

Scope 1 and 2 Management and Reduction Measures

- Promote smart manufacturing and implement energy management systems.
- Expand renewable energy procurement and develop grid-connected infrastructure.
- Establish performance-based energy management mechanisms for subsidiaries.
- Optimize refrigerant emissions management: Current Scope 1 refrigerant emissions are estimated based on “replenishment volume.”

Without engaging certified recovery vendors, there is a risk of a sharp short-term increase in emissions. Compal has established vendor selection criteria and refrigerant management procedures, which are incorporated into environmental audits and contract management to improve data accuracy and ensure controllability.

Scope 3 Management and Reduction Measures

To fulfill its commitment under the Science Based Targets initiative (SBTi), Compal has set 2021 as the base year for Scope 3 emissions and established the following targets:

- 25% reduction by 2030
- 90% reduction by 2050

The Company has prioritized emission reductions in two major high-emission categories:

Category 1 (Purchased goods and services) and Category 11 (Use of sold products). Through initiatives such as supply chain net-zero programs, green product design, packaging reduction, and energy efficiency optimization, Compal is steadily progressing toward its 2030 mid-term goal and the long-term vision of net-zero emissions by 2050.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

4.1

Climate Transition Plan

4.2

TCFD Disclosure and Climate Risk Management

➤ 4.3

Greenhouse Gas Management

4.4

Internal Carbon Pricing and Carbon Management

4.5

Biodiversity

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Reduction Topic	Measures and Achievements
Purchased Goods and Services	<ul style="list-style-type: none">○ Promotion of the ONE+N Electronics Industry Supply Chain Net-Zero Acceleration Program: In collaboration with 34 representative key suppliers, Compal partnered with external technical teams specializing in energy-saving and carbon reduction to conduct carbon inventories and diagnostics. Tailored decarbonization action plans were developed and implemented with on-site guidance. In 2024, the program achieved a cumulative reduction of 14,761 metric tons of CO₂e, demonstrating the collective decarbonization impact of the supply chain.○ Advancement of the CDP Supply Chain Climate Change Initiative: In 2024, Compal invited 450 suppliers to participate in the CDP Supply Chain Questionnaire. This initiative aims to enhance supplier awareness and transparency in greenhouse gas (GHG) management, while promoting emissions data disclosure and target setting, serving as a foundation for establishing a net-zero partner ecosystem.
Use of Sold Products	<ul style="list-style-type: none">○ Designed in accordance with ENERGY STAR energy efficiency standards to enhance energy performance throughout the product use phase.○ Estimated carbon emissions reduction during the use phase based on energy consumption improvements across product generations and corresponding sales volumes.
Waste Generated in Operation	<ul style="list-style-type: none">○ Promoted UL 2799 Zero Waste to Landfill Standard Management: Compal continues to strengthen waste resource management across its sites. In 2024, the Kunshan Plant (KS2) achieved UL 2799 Platinum certification, while Vietnam Plants CVC and CWV earned Gold certifications. Other facilities follow platinum-level management practices, including detailed waste sorting, reuse, and recycling processes, which effectively reduce carbon emissions from final disposal and enhance overall waste circularity.○ Collaborated with the supply chain to promote packaging material reuse: Through supplier partnerships, Compal introduced modular packaging design and implemented returnable box and cushioning material reuse systems. These efforts reduce carbon emissions from packaging production and single-use consumption, improve logistics circularity, and advance upstream reduction and supply chain decarbonization initiatives.
Business Travel	<ul style="list-style-type: none">○ Reduced inter-facility travel demand by prioritizing video conferencing as a substitute for business trips.○ Collaborated with airlines to enhance carbon emission calculation and offset mechanisms, promoting low-carbon travel.
Employee Commuting	<ul style="list-style-type: none">○ Participation in the "Keelung, Taipei, and Taoyuan – My Carbon Reduction Passbook: Compal encourages employees to adopt low-carbon commuting methods such as public transportation, walking, and cycling. Through participation in the regional "My Carbon Reduction Account" initiative, the company offers a platform for employees to record commuting behavior and access incentive mechanisms. In 2024, Compal was awarded first place for Carbon Reduction Behavior, demonstrating effective organizational-level promotion of low-carbon commuting.○ Strategic Dormitory Planning at Overseas Sites: Dormitories are planned near factory locations to provide convenient housing options for employees, effectively reducing dependence on transportation and minimizing daily commuting-related carbon emissions.
Packaging Reduction	<ul style="list-style-type: none">○ Use lightweight, dematerialized, and plastic-free design strategies to reduce the weight and volume of individual packaging.○ Promote low-carbon and recyclable materials to reduce carbon emissions during the manufacturing and logistics stages.
End-of-Life Product Treatment	<ul style="list-style-type: none">○ Adopting circular economy design principles by promoting recyclable and easy-to-disassemble structural designs to enhance post-use material reuse rates and reduce carbon emissions and environmental impact at the end-of-life stage.

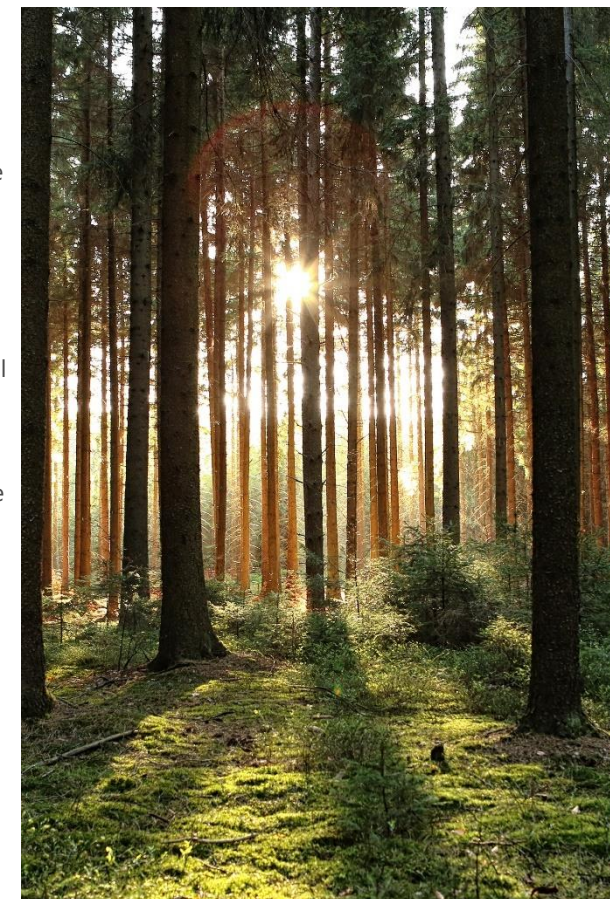
To meet Scope 3 reduction pathway requirements, Compal will annually update trends for key emission categories, focus on enhanced disclosure and progress for Category 1 and Category 11, strengthen greenhouse gas emissions governance, and foster integrated group carbon management toward the net-zero goal by 2050. See Compal's ESG website for related disclosures.

- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action**
 - 4.1 Climate Transition Plan
 - 4.2 TCFD Disclosure and Climate Risk Management
 - 4.3 Greenhouse Gas Management
 - > 4.4 Internal Carbon Pricing and Carbon Management**
 - 4.5 Biodiversity
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

In response to intensified global climate change and the increasing implementation of carbon fees and trading mechanisms by governments, companies must proactively prepare for future carbon regulations to remain competitive. In 2024, Compal completed the planning of an Internal Carbon Pricing (ICP) mechanism. In its initial phase, a shadow pricing approach was adopted to assess external carbon-related risks and incorporate the concept of implicit costs into internal carbon reduction cost evaluations. Based on comprehensive assessment, Compal established an ICP system covering its consolidated financial reporting boundary. Initially, this serves as a reference for internal operations and investment decisions. In the medium to long term, Compal plans to progressively implement an Internal Carbon Fee to enhance energy management efficiency and facilitate low-carbon transformation.

The primary objectives of promoting the ICP include:

- Achieving Carbon Reduction Targets: Compal's decarbonization targets have been officially validated by the SBTi. Through the ICP mechanism, each department is encouraged to formulate carbon reduction plans and evaluate the required investments for proposed measures to ensure the fulfillment of reduction goals at each stage.
- Driving Decarbonization Actions: The ICP mechanism is planned to be used to assess the cost-effectiveness of investment decisions by incorporating the potential cost of carbon emissions. This approach raises awareness among departments regarding the actual and potential impact of carbon emissions on operational costs, thereby promoting low-carbon investments and enhancing overall energy efficiency.
- Enhancing Business Decision-Making: Carbon cost considerations will be factored into capital expenditures, energy procurement, and equipment upgrades through the ICP mechanism. This will prioritize high-efficiency and low-carbon solutions in business decisions.
- Strengthening Corporate Competitiveness: With rising carbon reduction expectations across global supply chains, the ICP mechanism will help enhance Compal's supply chain carbon management. This will support the identification of carbon hotspots and the formulation of targeted decarbonization strategies, thereby improving overall competitiveness.
- Preparing for Future Regulations and Market Trends: As many countries implement carbon pricing mechanisms, such as carbon taxes and emissions trading systems, Compal will leverage the ICP mechanism to assess potential carbon costs at its global operational sites. These assessments will be incorporated into the company's transition risk evaluation, allowing for early preparation and enhanced resilience in response to global carbon pricing developments.



CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

04

Climate Action

4.1 Climate Transition Plan

4.2 TCFD Disclosure and Climate Risk Management

4.3 Greenhouse Gas Management

> 4.4 Internal Carbon Pricing and Carbon Management

4.5 Biodiversity

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Internal Carbon Pricing Mechanism and Scope of Application

Compal’s ICP mechanism is designed to cover Scope 1, Scope 2, and Scope 3.

- Scope 1 (Direct emissions): Includes fuel consumption from production equipment, facilities, and offices, fuel usage of internal transportation vehicles, and greenhouse gas emissions from manufacturing processes.
- Scope 2 (Indirect emissions): Primarily from purchased electricity used in production, data centers, and office operations.
- Scope 3 (Indirect emissions): Mainly greenhouse gas emissions from the value chain, including emissions associated with raw material procurement and product use phase.

Through the ICP mechanism, Compal can further enhance overall energy efficiency. Business units are encouraged to prioritize energy-saving solutions or renewable energy when planning equipment upgrades or making energy procurement decisions, thereby reducing carbon-related costs and identifying key emission hotspots.

Application Plan

Compal’s Internal Carbon Pricing (ICP) mechanism covers greenhouse gas emissions within the consolidated financial reporting boundary and incorporates carbon costs into the operational considerations of all departments and subsidiaries. Key applications include:

- Energy Use Management: Reflects the cost impact of energy consumption, encouraging departments to improve energy efficiency and reduce unnecessary energy use.
- Equipment Upgrades and Investment Evaluation: Internal carbon pricing serves as one of the decision-making references when replacing or investing in new equipment, ensuring alignment with low-carbon and energy-efficient standards.
- Low-Carbon Technology and Renewable Energy Procurement: Encourages the purchase of low-carbon energy sources, such as renewable energy or high-efficiency electrical equipment, to reduce the carbon burden and meet staged carbon reduction targets.
- Operational Strategy Carbon Cost Analysis: Sites can use ICP to assess the carbon implications of different operational approaches and optimize strategies, such as adjusting production schedules or improving equipment performance.

Implementation Progress and Future Prospects

As of 2024, Compal has completed data collection and implementation planning for its ICP mechanism, established its operational framework, and built a communication platform across departments and subsidiaries. Moving forward, Compal will continuously refine the mechanism based on implementation results and gradually expand its scope of application. Future plans include:

- Mechanism Optimization: Regularly review ICP rates and their impact to ensure the mechanism effectively drives carbon reduction actions and adapts to evolving market and regulatory conditions. ICP will gradually be integrated into departmental performance evaluations to reinforce implementation.
- Expansion to Scope 3: Assess the carbon emissions impact across the supply chain and explore how internal carbon fees can be applied to procurement and logistics management, thereby advancing supply chain decarbonization.
- Enhanced Employee Engagement: Strengthen internal awareness and execution through training programs and internal communications, ensuring that carbon reduction efforts are embedded in day-to-day operations.
- Gradual Increase of ICP Rates: Align internal carbon pricing with local carbon markets or governmental pricing mechanisms in Compal’s global operating regions. The ICP rate will also reference international climate science and net-zero scenarios, progressively increasing to ensure alignment with the goals and vision of the Paris Agreement.

Compal will continue to optimize its Internal Carbon Pricing (ICP) mechanism to ensure alignment between carbon management policies and corporate growth objectives, while actively advancing carbon reduction actions to achieve its net-zero emissions target by 2050.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
 - 4.1 Climate Transition Plan
 - 4.2 TCFD Disclosure and Climate Risk Management
 - 4.3 Greenhouse Gas Management
 - 4.4 Internal Carbon Pricing and Carbon Management
 - > 4.5 Biodiversity
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

4.5 Biodiversity

Compal recognizes the long-term impacts of climate change and environmental degradation on business operations and society, and integrates natural capital management into its core sustainability strategy. In addition to ongoing efforts in greenhouse gas reduction, waste resource utilization, and water resource management in recent years, Compal has adopted the Nature-related Financial Disclosures (TNFD) framework to identify biodiversity risks and explore resource circularity opportunities, thus advancing toward sustainable operations in harmony with nature.

Biodiversity Management and TNFD Adoption

From 2023 to 2024, Compal followed the LEAP approach of the TNFD framework and completed the “Locate” phase analysis. Leveraging Geographic Information Systems (GIS) and biodiversity mapping data, the Company assessed the distribution of nature-related risks across its operational sites and the production locations of its tier-one suppliers. The ENCORE database was utilized to evaluate each site’s dependency on and impact on local ecosystem services.

After identifying and assessing physical risks (e.g., water scarcity, disruptions from extreme weather events) and transition risks (e.g., stricter environmental regulations, rising stakeholder expectations), Compal formulated a preliminary natural capital strategy based on the principles of **Avoidance, Reduction, Restoration & Regeneration**, and **Transformation**, with the ultimate goal of achieving No Net Loss (NNL). These results have been integrated into the Company’s enterprise risk management system to strengthen oversight and responsiveness to nature-related risks.

Compal requires key suppliers to sign the Supplier Code of Conduct, which mandates a strict no-deforestation policy and the completion of biodiversity risk assessments prior to site development or operational launch. The Code explicitly commits to the principle of No Gross Deforestation and the goal of No Net Loss. Key suppliers are required to comply with relevant forest conservation regulations and adopt measures such as avoidance, minimization, mitigation, and compensation to support land conservation and sustainable land use.

Compal has aligned with the Taskforce on TNFD framework and has begun strengthening its nature-related disclosures in the following aspects:

- **Governance:** The Board of Directors and the Sustainability Committee are responsible for overseeing nature-related topics. The Chief Sustainability Officer (CSO) is in charge of coordinating the identification of nature-related risks and opportunities, developing relevant policies and action plans, and regularly reporting progress and recommendations to the Committee. The CSO also leads ten functional working groups, supervising each site’s implementation of natural capital conservation and resource management initiatives to ensure effective top-down governance execution.
- **Strategy:** Compal fully discloses its natural capital management framework and actions, including:
 1. Establishing a dedicated governance structure;
 2. Setting principles and policies for natural resource conservation (e.g., zero deforestation, water stewardship);
 3. Promoting location-based management by integrating GIS with risk data to strengthen site and supply chain assessments;
 4. Implementing circular management of raw materials and production processes;
 5. Enhancing employee education and fostering cross-departmental collaboration.

The company also discloses representative outcomes of biodiversity and water source protection across global operating sites, such as rainwater harvesting systems, low-carbon packaging alternatives, and supplier engagement to identify nature-related risks and improve adaptive capacity.

Compal has initiated assessments of its operational and product life cycle dependencies on natural resources. It analyzes the degree of dependency and potential risks across geographic locations, further evaluating how these factors may impact or create opportunities for supply chain resilience and operational continuity. To enhance disclosure consistency and credibility, Compal has adopted the LEAP methodology proposed by the Taskforce on TNFD. During the “Evaluate” and “Assess” phases, the company integrates cross-analysis using ENCORE and GIS data, supplemented by international tools such as the Integrated Biodiversity Assessment Tool (IBAT) and the Water Risk Assessment Tool (WRAT). These tools help identify each site’s dependency on and exposure to nature-related risks, particularly concerning water resources, forest products, and metal materials.

- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 **Climate Action**
 - 4.1 Climate Transition Plan
 - 4.2 TCFD Disclosure and Climate Risk Management
 - 4.3 Greenhouse Gas Management
 - 4.4 Internal Carbon Pricing and Carbon Management
 - > 4.5 Biodiversity
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

Looking ahead, Compal also plans to reference methodologies recommended by the Science Based Targets Network (SBTN) as needed, to further strengthen nature-related risk assessments along the supply chain. These assessments will examine site-level dependencies and risks by geographic location, evaluating how such nature-related risks and opportunities may affect the resilience and continuity of operations and supply chains.

- o **Risk and Impact Management:** Compal has disclosed the identification of both physical and transition risks, including potential impacts from water scarcity and abnormal climate events on operations and the supply chain, as well as compliance risks arising from increasing stakeholder expectations and stricter regulations. These risks are assessed in accordance with the TNFD framework and have been integrated into the company’s Enterprise Risk Management (ERM) process and climate scenario analysis mechanisms. Regarding physical risks, Compal closely monitors whether its operational sites are located in areas of high water stress, biodiversity sensitivity, or elevated exposure to extreme weather. The company conducts cross-analysis using GIS and risk data to formulate corresponding adaptation measures. For transition risks, Compal assesses how evolving policies and regulations may affect its operational processes and supply chain responsibilities. In response, the company has initiated supply chain collaboration programs to enhance overall resilience and transparency. Compal identifies and manages nature-related risks—including habitat disruption from extreme weather, species loss, and natural resource depletion—by integrating them into its existing risk assessment processes.
- o **Metrics and Targets:** Compal will explore the establishment of quantitative targets related to natural resource management, such as the percentage of sustainable packaging materials used, the proportion of suppliers certified by the Forest Stewardship Council (FSC), and the number of sites avoiding development in primary forest areas. Progress and performance will be disclosed and tracked annually.

By strengthening the above dimensions, Compal aims to continuously enhance the quality of nature-related disclosures and align with global trends in natural capital governance. (For more details, please refer to the ESG website.)

Tropical Rainforest Conservation Partnerships and Local Digital Monitoring Infrastructure

In response to the accelerating global loss of biodiversity, Compal actively promotes natural capital management not only within its own operations and supply chain, but also by extending its positive impact to global ecological hotspots. Since 2023, Compal has supported two significant rainforest conservation initiatives—the FMM Project and Curumim Entrepreneur—in collaboration with local governments and international non-governmental organizations. These initiatives aim to advance digital rainforest protection in the Amazon region of South America, demonstrating Compal’s concrete commitment to biodiversity conservation.

FMM Project: Building a Smart Rainforest Protection Network

The Floresta Multi Monitor (FMM) Project is a digital technology initiative aimed at enhancing rainforest monitoring and combating illegal logging in the Amazon. Compal contributed technical resources by establishing monitoring stations and communication nodes across the rainforest, equipped with solar-powered modules, digital imaging sensors, and edge computing systems. These technologies enable local environmental agencies to monitor forest conditions in real time.

The project has effectively extended surveillance coverage to previously inaccessible remote areas. It has also significantly improved the response time of conservation alerts and enhanced transparency in protected zones.

Curumim Entrepreneur: Empowering Indigenous Youth to Protect the Forest

The Curumim Entrepreneur project aims to empower indigenous communities and create meaningful employment opportunities. In collaboration with local NGOs, Compal helps train indigenous youth in the Amazon region in basic information technology and equipment maintenance skills, enabling them to serve as local operators of the rainforest monitoring network.

Through this initiative, Compal also provides tablets and mobile communication devices to support real-time transmission of patrol data and photo documentation. This project is gradually enabling indigenous communities to participate in and shape a rainforest governance mechanism, transforming conservation efforts from externally driven to community-initiated.

These projects demonstrate Compal’s efforts in leveraging its core competencies to support global ecological conservation. They align with the TNFD framework’s emphasis on “ecosystem service dependency and impact” and embody the conservation principles of “Avoidance, Reduce, and Restore & Regenerate,” thereby enhancing the resilience of global biodiversity governance and advancing local sustainable development.

::: Introduction to ESG Report

::: Sustainability Accolades

::: Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability5.1 Environmental
Sustainability Policy

5.2 Green Product Design

5.3 Raw Material Management

5.4 Responsible Manufacturing
and Resource Optimization

5.5 Distribution and Transportation

5.6 Use and Waste Recycling

06 Inclusive Growth

07 Social Engagement

08 Sustainability Partners

::: Appendixes

5 Environmental Sustainability

KEY PERFORMANCE

1. Energy Conservation and Renewable Energy:

- In 2024, energy intensity was 1.15 GJ/million in revenue, a nearly 9.8% decrease from 2023.
- Renewable energy usage reached 470,680.6 GJ, accounting for 45.15% of total energy consumption.

2. Water Conservation:

- Total water consumption was 1,597.4 million liters, a 22.8% reduction from 2023.
- Water intensity decreased by 24.7% over the past three years.

3. Waste Management:

- Total waste in 2024 was 3,544.4 tons, a 54.0% reduction from 2023.
- Waste intensity dropped to 3.89 tons/ NT million revenue, with Kunshan and Vietnam plants achieving UL 2799 Platinum certification and Gold certification, respectively.

4. Green Product:

- EPEAT-compliant 60 notebook products accounted for 70.8 of laptop annual revenue. Energy Star-compliant 60 products accounted for 76.3% of annual revenue.
- A database for disclosing product material composition has been established and promoted.

5. External Recognition:

- CIC and CIT have been awarded the Suzhou Green Factory certification, recognizing their energy conservation and carbon reduction achievements.



6.3 / 6.4 / 6.b



7.2 / 7.3 / 7.a



12.2 / 12.4 / 12.5

←

☰

CHAPTER

→

...

...

...

01

02

03

04

05

5.1

5.2

5.3

5.4

5.5

5.6

06

07

08

...

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Environmental Sustainability Policy

Green Product Design

Raw Material Management

Responsible Manufacturing and Resource Optimization

Distribution and Transportation

Use and Waste Recycling

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Overall Environmental Sustainability Philosophy

Compal is committed to reducing the environmental impact of its operations, to build a company-wide environmental sustainability management framework. In accordance with the “ESG Sustainable Development Action Plan for TWSE and TPEx-Listed Companies” issued by the Financial Supervisory Commission (FSC), Compal has completed greenhouse gas inventories with subsidiaries included in consolidated financial statements and has passed the ISO 14064-1: 2018 standard with third-party independent verification to ensure the accuracy and credibility of environmental data.

To enhance environmental governance efficiency and data integration, Compal launched the **Compal Cloud for Sustainability** in 2024 as the central hub for group-level environmental management. This platform integrates environmental performance data on carbon emissions, energy, water, and waste, supports each site in target setting, implementation tracking, and performance feedback. It establishes a standardized framework for localized action, and enhances consistency and real-time responsiveness in environmental management.

To improve resource efficiency and target management, Compal sets clear short-term environmental performance targets, requires each department to **reduce electricity intensity, water intensity, and waste emission intensity by 1%** per year. Through management mechanisms such as internal audits, performance reviews, and training, Compal ensure that each location enacts improvements according to the action plan, gradually achieving an efficient, low-carbon, and environmentally friendly operation.

Short-, Mid-, and Long-term Goals

Green Product			
Strategy	Target of FY-2025	Target of FY-2030	Target of FY-2035
Develop eco-friendly products based on the principles of environmental protection, sustainability and regenerative design.	<ul style="list-style-type: none">Adopt recycled plastic material with a recycling rate >40% in green products.Incorporating three types of recycled materials in green product design.	<ul style="list-style-type: none">Adopt recycled plastic material with a recycling rate >55% in green products.Incorporating four types of recycled materials in green product design.	<ul style="list-style-type: none">Adopt recycled plastic material with a recycling rate >65% in green products.Incorporating five types of recycled materials in green product design.

- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability**
 - > **5.1 Environmental Sustainability Policy**
 - 5.2 Green Product Design
 - 5.3 Raw Material Management
 - 5.4 Responsible Manufacturing and Resource Optimization
 - 5.5 Distribution and Transportation
 - 5.6 Use and Waste Recycling
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

5.1 Environmental Sustainability Policy

Compal is dedicated to balancing environmental, social, and economic development, pursuing “Sustainable Environment” and “Responsible Manufacturing” through strategies in “Climate Change Mitigation and Adaptation,” “Water Resource Management,” “Energy Management,” and “Waste Management” to actively reduce environmental impact and achieve sustainability goals.

Compal’s Commitments:

1. Comply with environmental regulations and require suppliers, contractors, and logistics partners to follow our lead.
2. Senior management leads environmental management units to set annual targets and action plans, with regular tracking to ensure performance achievement.
3. Promote employee environmental education to enhance awareness and engagement.
4. Establish transparent communication mechanisms to convey Compal’s environmental sustainability philosophy to internal and external stakeholders.
5. **Water resource management (WASH):** Ensure all operational sites provide employees with safe drinking water, adequate sanitation facilities, and basic hygiene supplies. Adhere to international WASH (water, sanitation, and hygiene) standards to improve workplace hygiene and water use efficiency.

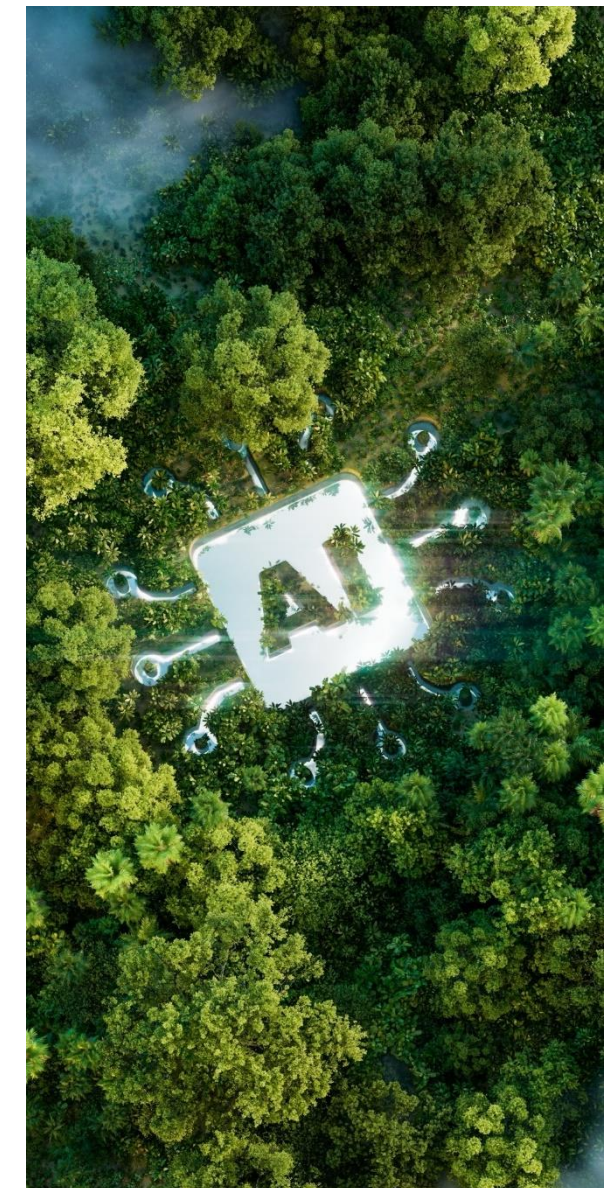
Environmental Management Strategies

- **Green Products and Services:** Develop environmentally friendly products and promote the circular economy.
- **Green Manufacturing and Operations:** Optimize processes to reduce resource consumption, adopt automation and renewable energy, and minimize waste emissions.
- **Green Transportation and Logistics:** Reduce packaging, enhance transport efficiency, and minimize energy and resource consumption during transportation.
- **Green Partnerships and Collaboration:** Select supply chain partners with environmental commitments and align sustainability standards with merged or acquired entities.

Compal will continue aligning with international standards, leveraging data-driven decision-making and innovative management to advance environmental sustainability and collaborate with the supply chain toward a net-zero future.

Green Product Design: Introduce central concepts of sustainable thinking.

Compal views green product design as the cornerstone of sustainable thinking. From the development stage, Compal considers the environmental impact across the entire product lifecycle—design, production, transportation, use, and disposal—strives to reduce resource consumption and carbon footprint at every stage, thus fulfilling responsibilities to the environment and users.



←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

➤

5.1 Environmental Sustainability Policy

5.2 Green Product Design

5.3 Raw Material Management

5.4 Responsible Manufacturing and Resource Optimization

5.5 Distribution and Transportation

5.6 Use and Waste Recycling

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

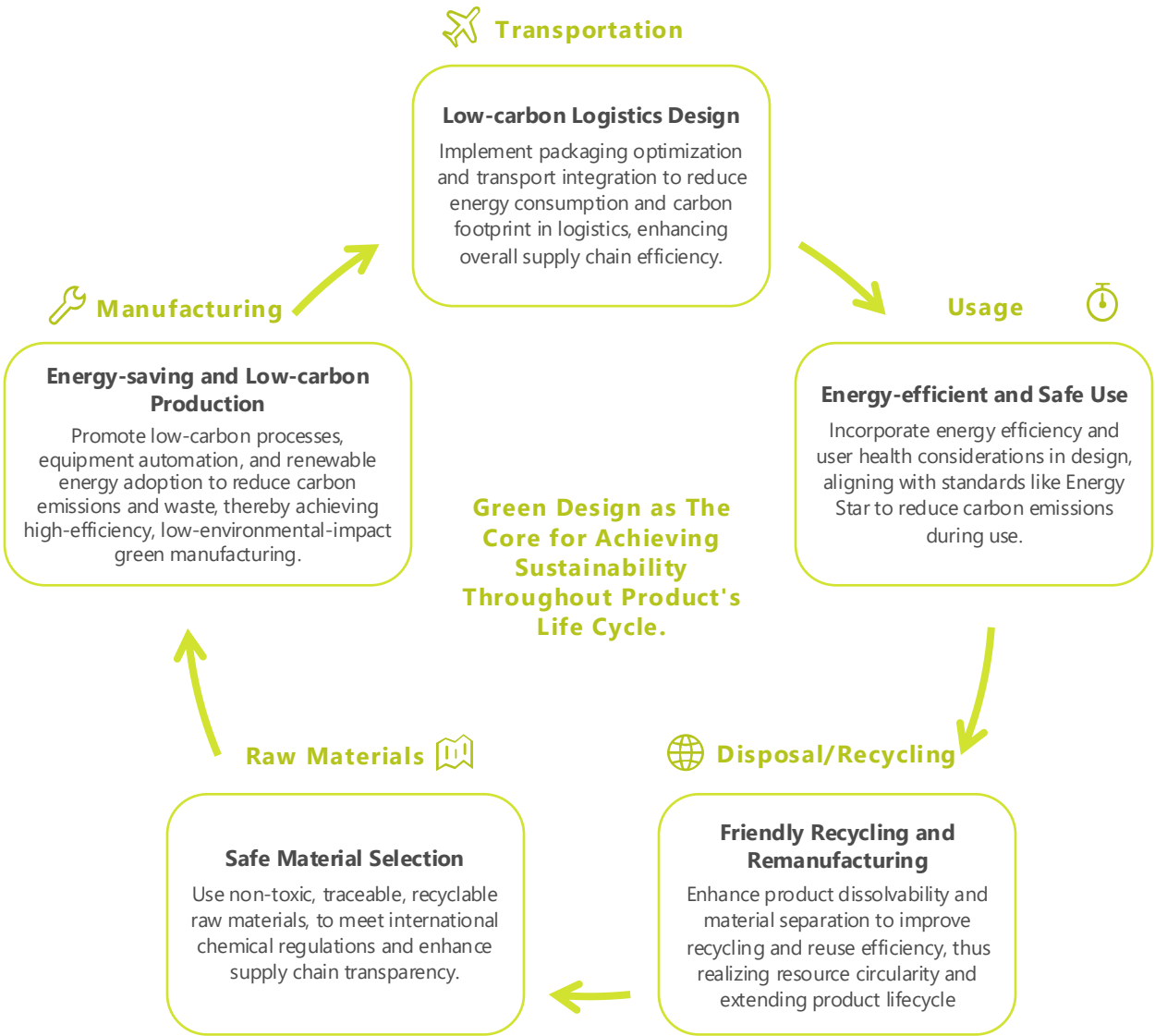
Appendixes

Environmental Management Strategies

Five pillars of green product design and circular practices:

- Safe Material Selection: Prioritize non-toxic, traceable, and recyclable eco-friendly materials to minimize environmental and health risks.
- Energy-saving and Low-carbon Production: Optimize processes to enhance resource efficiency and reduce waste and carbon emissions.
- Low-carbon Logistics Design: Minimize packaging materials and optimize transport routes to reduce energy consumption during logistics.
- Energy-efficient and Safe Use: In the design phase, incorporating energy efficiency and user health and safety considerations to reduce a product's environmental impact throughout its lifecycle.
- Friendly Recycling and Remanufacturing: Ensure that products are easy to disassemble, sort, and recycle, thus increasing resource utilization rates and extending the overall product lifecycle.

Compal will continue optimizing environmental performance across green product stages through cross-departmental collaboration, internal and external innovation, and supply chain partnerships, accelerating the realization of a circular economy and moving toward net-zero and sustainable value co-creation.



::: Introduction to ESG Report

::: Sustainability Accolades

::: Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

5.1 Environmental
Sustainability Policy

> 5.2 Green Product Design

5.3 Raw Material Management

5.4 Responsible Manufacturing
and Resource Optimization

5.5 Distribution and Transportation

5.6 Use and Waste Recycling

06 Inclusive Growth

07 Social Engagement

08 Sustainability Partners

::: Appendixes

5.2 Green Product Design

Compal is committed to creating green products that balance environmental value and competitive advantage, and integrating circular economy and full lifecycle management principles from the design stage. We emphasize material safety, energy efficiency, and recyclable design to support clients and supply chain partners in achieving low-carbon transitions and sustainability goals.

1. Collaboration with the Ministry of Environment on CIRCIt Methodology

Compal participated in the Ministry of Environment's CIRCIt Methodology pilot program, which was derived from Nordic industry practices, emphasizing strategic thinking to drive corporate circular transformation. Through senior forums and internal training, Compal implemented two core modules:

- Module 3: Product and Service System Development Strategy
- Module 6: Business Model Innovation for Resource Efficiency

Compal focused on modular product design, remanufacturing applications, and circular business potential, while establishing an internal evaluation framework to lay the evidence-based foundation for future circular product strategies.

2. Collaboration with Circular Taiwan Network on Value Chain Co-learning Compal partnered with the Circular Taiwan Network to host multiple workshops for key departments, including **R&D, procurement, sales, and industrial design**, as well as for supply chain partners. These efforts promote cross-departmental collaboration and industry-wide co-learning, with outcomes including:

- Established a core team of **87 members** internal and external circular practice advocates.
- Generated over **150 innovative ideas**, covering recycled material adoption, modular design optimization, and remanufacturing business model development.
- Enhanced climate risk awareness, resource management thinking, and green brand image, thereby improving internal transformation capabilities and international evaluation performance.

In 2024, Compal focused on evidence-based implementation and cross-departmental co-learning, worked with Taiwan's Ministry of Environment and the Circular Taiwan Network on two circular economy projects. We held three workshops and one senior executive forum, engaging over 200 internal and external participants to promote collective action and consensus on green innovation.

3. Practical Achievements and Future Plans

Compal already possesses expertise in **Framework modular laptop** design and manufacturing. Furthermore, its subsidiary, Palcom, is the authorized distributor for **Fairphone recycled mobile phones**. Both achievements have received high recognition from international sustainability rating agencies, demonstrating Compal's strong foundation and potential in promoting circular products and business models.

To further deepen circular economy applications, Compal will pursue three key directions:

- **Develop a circular economy action roadmap:** Set short-, medium-, and long-term targets to align internal and external strategies.
- **Implement demonstration projects:** Collaborate with the supply chain on integrated "product + service + recycling" strategies.
- **Expand promotion and communication:** Deepen the influence of the circular value chain through forums, annual meetings, and internal training.

Compal believes green design is not only the foundation of product innovation but also a critical strategy for addressing climate risks, creating sustainable value, and enhancing global competitiveness. Through continued deepening of circular practices, Compal will collaborate with supply chain partners toward a more resilient, innovative, and low-carbon future.

←

☰

< CHAPTER >

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

5.1

Environmental Sustainability Policy

> 5.2

Green Product Design

5.3

Raw Material Management

5.4

Responsible Manufacturing and Resource Optimization

5.5

Distribution and Transportation

5.6

Use and Waste Recycling

06

Inclusive Growth

07

Social Engagement

08

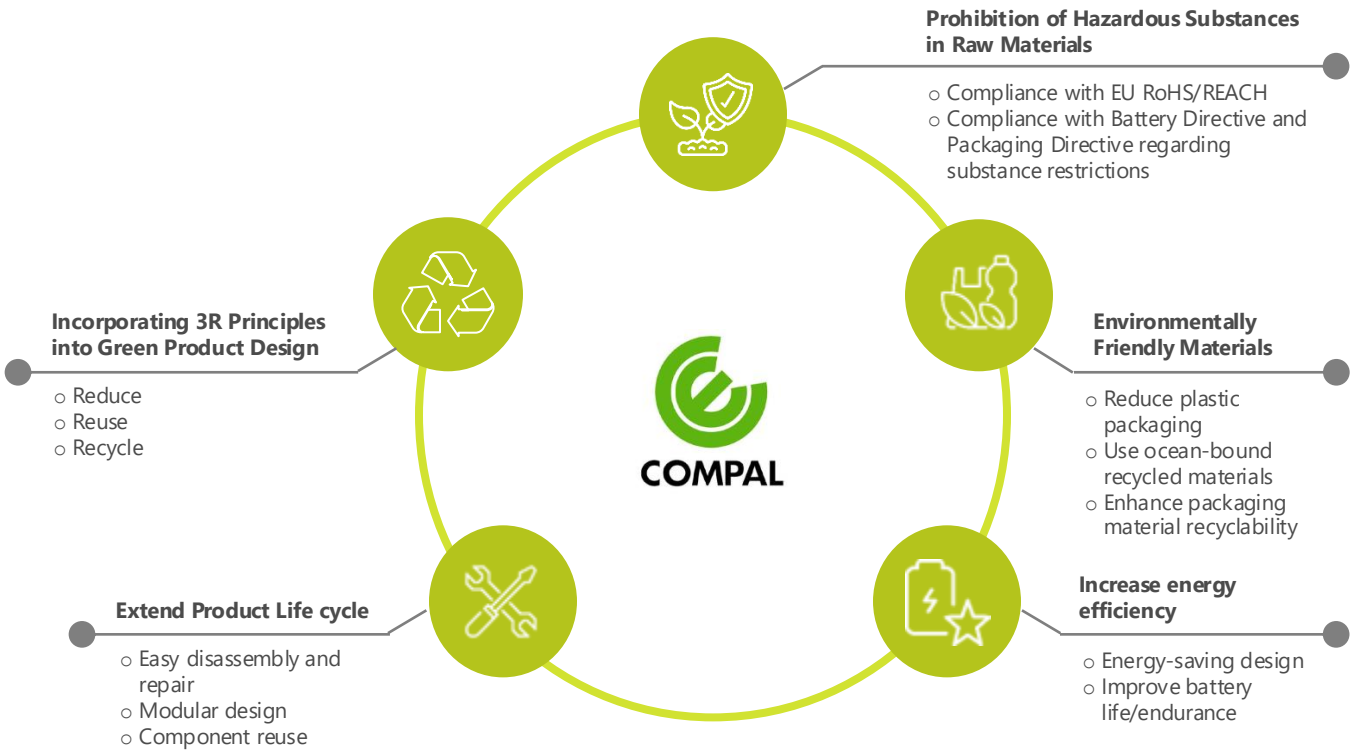
Sustainability Partners

...

Appendixes

5.2.1 Green Product Design and Innovation Practices

Leveraging years of R&D and manufacturing experience, Compal has established a product design philosophy aligned with circular economy principles, with a focus on material selection, energy-efficiency, and recyclable design to enhance environmental friendliness.





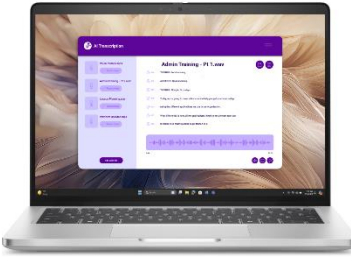
Achievements are as follows

- Recycled material usage: All commercial laptops require a minimum of 5% recycled content. As of 2024, we have developed 11 product models that meet this standard.
- PCR plastic promotion: In 2024, 62 components across products used over 30% recycled plastic, effectively reducing the use of virgin resources.
- Energy efficiency: US ENERGY STAR® 8.0-compliant 60 consumer and commercial personal computer products. Their energy consumption performance is more than 15% better than the standard, demonstrating significant energy-saving results during the product use phase.

Compal will continue leveraging data-driven management and product innovation to deepen green design and circular economy applications, to minimize environmental impact across product lifecycles.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- Corporate Governance
- Climate Action
- 05 Environmental Sustainability**
 - 5.1 Environmental Sustainability Policy
 - 5.2 Green Product Design**
 - 5.3 Raw Material Management
 - 5.4 Responsible Manufacturing and Resource Optimization
 - 5.5 Distribution and Transportation
 - 5.6 Use and Waste Recycling
- Inclusive Growth
- Social Engagement
- Sustainability Partners
- Appendixes

Design Highlights Projects (1/2)

Project Name	Environmental Benefits (Qualitative, Quantitative)	Product Photo
Lenovo Yoga Slim 7 14ILL10	<p>Completed Compal's first project certified for carbon footprint (ISO 14067: 2018) and carbon neutral (PAS2060: 2014) through third-party verification.</p> <ul style="list-style-type: none">High proportion of recycled materials integrated<ul style="list-style-type: none">Laptop bottom case made from 50% recycled aluminum alloy.Black 65W adapter casing made from 90% post-consumer recycled (PCR) plasticKeyboard keycaps made from 50% PCR plastic.Battery pack made from 30% PCR plastic.Plastic-free packaging<ul style="list-style-type: none">Packaging box and instruction manual made from 100% FSC-certified paper.Energy efficiency<ul style="list-style-type: none">Energy consumption 65% lower than the ENERGY STAR 8.0 standard requirement.	 <p>Image source: Product Official Website</p>
Acer Aspire Vero 16 AV16-71P	<p>Inspired by the durability of coastlines, the casing contains at least 69% PCR plastic and at least 1% bio-based oyster shell material. PCR usage includes 60% in the top cover, 75% in the display bezel, wrist rest, and bottom cover, and at least 3% bio-based oyster shell material in the wrist rest and bottom cover. Also, keycaps and adapter casing are made from 50% PCR material.</p> <p>The unique casing combines PCR plastic and bio-based oyster shell material, thereby giving new life to waste plastics. Its PCR content is 2.3 times higher than the 2021 Vero model, and it has been tested to meet MIL-STD-810H standards. Furthermore, its long-lasting battery life can meet your needs for a full day of use. Powerful performance with eco-friendly design. Our eco-friendly packaging is made from 100% recyclable materials, ensuring an environmentally sustainable unboxing experience. It is crafted from recycled cardboard and paper pulp, printed with harmless, eco-friendly ink on FSC-certified paper. Every aspect, from the packaging box to the device itself, is designed with the planet in mind.</p>	 <p>Image source: Product Official Website</p>
Dell Pro 14 Plus PB14250	<p>Dell Pro 14 Plus PB14250 is a mainstream commercial laptop incorporating over 30% PCR plastic and various sustainable materials. Its packaging uses 100% recycled or renewable materials.</p> <p>This product series marks Dell's first commercial computer featuring a screw-secured modular USB-C port, which enhances both durability and ease of repair and boasts the most innovative sustainability features. Additionally, Dell Pro 14 Plus PB14250 has earned ENERGY STAR certification, along with "EPEAT Gold" eco-label rating and "TCO" voluntary certification. It achieves best-in-class standards for energy consumption and repairability, thus reducing the product's environmental footprint throughout its lifecycle.</p>	 <p>Image source: Product Official Website</p>

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

5.1 Environmental Sustainability Policy

5.2 Green Product Design

5.3 Raw Material Management

5.4 Responsible Manufacturing and Resource Optimization

5.5 Distribution and Transportation

5.6 Use and Waste Recycling





Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

Design Highlights Projects (2/2)

Project Name	Environmental Benefits (Qualitative, Quantitative)	Product Photo
Asus Expert Center P400 AIO P440VA	<p>Excellent Energy Performance and Eco-friendly Materials</p> <p>This product has achieved ENERGY STAR certification through third-party verification, which demonstrates significant energy-saving performance. This reduces environmental pollution from electricity consumption and offers consumers a superior energy-saving experience. Furthermore, the product case is made from nearly 55% PCR plastic materials, which further lessens its environmental impact throughout its entire lifecycle and actively contributes to our environmental sustainability goals.</p>	 <p>Image source: Product Official Website</p>
HP Envy 17.3 inch Laptop PC	<p>Use of Environmentally Friendly Materials, High Proportion of Materials for Waste Reduction and Recycling and Outstanding Energy Efficiency</p> <p>This model considers the use of earth-friendly materials, utilizing halogen-free materials throughout the device (excluding the power cord and power supply). It actively eliminates the use of halogen flame retardants to reduce damage to the environmental impact of its disposal; up to 34% of the plastic parts were made from recycled materials including reclaimed marine plastics. Even when a product is no longer useful, up to 94% of the machine's weight in materials and components can still be remanufactured by the recovery system or regenerated to become other materials. The spirit of the circular economy and waste reduction were realized by expanding the scope of recycling beyond the previous closed loop of electronic products. In terms of product energy efficiency and endurance, the product is 44% more energy efficiency than the standard set by the US Energy Star certification standard. Energy efficiency has therefore been improved with active efforts made to reduce carbon emissions as well, resulting in a more environmentally product and less impact on the environment.</p>	 <p>Image source: Product Official Website</p>
Google Pixel 8a	<p>Google Pixel 8a integrates the 3R principles (Reduce, Reuse, Recycle) into its green design, and develops non-toxic, easy-to-assemble, easy-to-disassemble, and low-energy products. The chassis is made from 100% recycled aluminum, the back cover contains 76% recycled plastic, and circuit board solder is made from 100% recycled tin, reflecting our commitment to sustainability in design and manufacturing. Additionally, the packaging is 100% plastic-free, which reduces environmental impact accordingly. The device has eamed UL Ecologo Gold certification, which demonstrates high sustainability, energy efficiency, and reduced environmental impact. Beyond eaming the trust of buyers and consumers, the Company's outstanding environmental indicators are evident, marking a significant step toward a greener future.</p>	 <p>Image source: Product Official Website</p>
Google Pixel watch 3	<p>Adhering to circular economy principles, over 8% of the device's materials are from recycled sources, with the chassis using 40% recycled plastic and 100% recycled aluminum, and circuit board solder made from 100% recycled tin. Packaging is plastic-free, avoiding long-term pollutants like PVC and brominated flame retardants. Energy consumption is reduced from 2 kWh to 1 kWh per year compared to the previous generation, a 100% improvement. All of this lowers resource dependency and environmental impact while offering an efficient, eco-friendly smartwatch.</p>	 <p>Image source: Product Official Website</p>

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

05 Environmental Sustainability

5.1 Environmental Sustainability Policy

5.2 Green Product Design

5.3 Raw Material Management

5.4 Responsible Manufacturing and Resource Optimization

5.5 Distribution and Transportation

5.6 Use and Waste Recycling

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

5.2.2 Green Patents

Compal encouraged employees to devote themselves to the research, development, and innovation of related products. The promotion of technology R&D results and the quality and functions of the Company's product can enhance the competitiveness of the Company and open up future development turning points.

Duties and Responsibilities

The patent department is primarily responsible for ensuring legal protection for creative ideas from the R&D team during the process of product development through means of patent application. Employees can submit their patent applications through the Company's online system. Submissions are to be reviewed by the Patent Advisory Committee in order to determine if an application should be submitted for the proposal. For proposals reviewed by the Advisory Committee, the inventor and the co-inventor receive a proposal bonus for encouragement. By discussing relevant processes with R&D personnel, patent personnel can help by suggesting or assisting with the direction of R&D and better understand the current status of technological development for competitors or potential customers. In addition, Compal also provides relevant bonuses and incentives for patents (proposal/application incentive, patent registration bonus, reuse bonus and so forth) as a way to encourage R&D employees to proactively devote themselves to re-innovation and thereby facilitate positive development in their careers.

Education Training

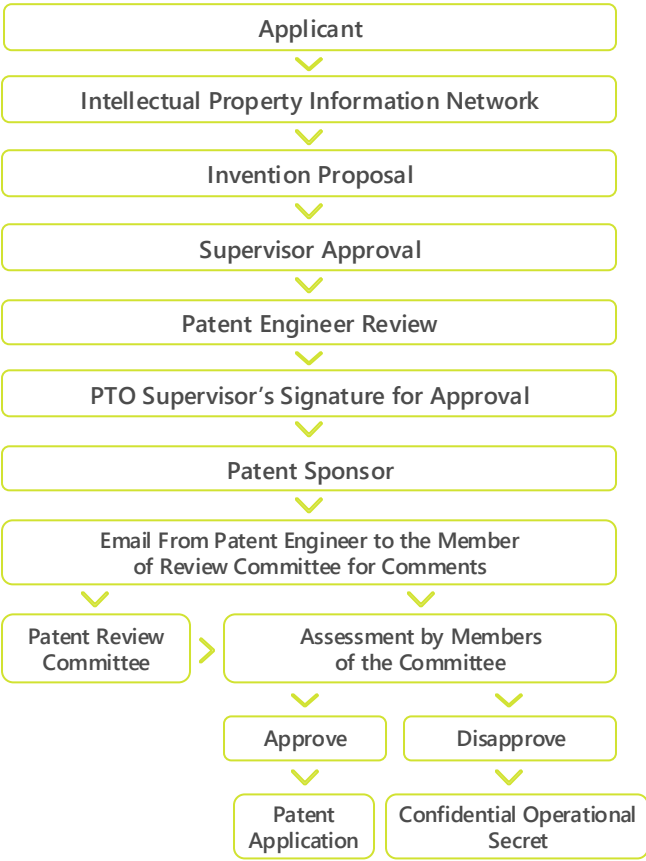
In order to help employees gain more in-depth knowledge on patent development, Compal has designed and implemented its "Orientation for R&D Personnel - Overview on Patents" to introduce new R&D employees to concepts on trademark rights, copyrights and patent rights along with fundamental knowledge on confidentiality when participating in projects to help new employees familiarize themselves with patents. Should the R&D Department deem it necessary, the Patent Department will design advanced training courses tailored to these needs. By illustrating and sharing different patent themes for different functional departments, the employees will be able to deepen their knowledge on patents.

Patent Training Completion Rate

Year	2022	2023	2024
Total Number of Participants	1,401	388	370
Completion Rate	92.79%	89.50%	90.81%

Application Process

With regards to patent application process, submissions are accepted online prior to approval, review and evaluation by the advisory committee. This system is applicable to Compal's Taipei HQ, plants at Linkou, Pingzheng and Kunshan (China). The flowchart for the process is illustrated in the figure below.



←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

5.1

Environmental Sustainability Policy

➤ 5.2

Green Product Design

5.3

Raw Material Management

5.4

Responsible Manufacturing and Resource Optimization

5.5

Distribution and Transportation

5.6

Use and Waste Recycling

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Patent Statistics

Patent Statistics				
Item	Category	2022	2023	2024
Patent Applications	Invention	171	149	145
	New Model	12	16	17
	Design	82	41	27
Patent Awarded	Invention	231	238	176
	New Model	13	9	16
	Design	71	35	83

Overview of Applications in Previous Years				
Item	Nationality	2022	2023	2024
Patent Awarded	Taiwan	195	196	158
	America	61	40	55
	Other Countries	59	46	62

Compal's Emphasis on Environmentally Related Cases

Environment-related patents account for 14% of Compal's total patents, with indicative eco-friendly laptop project cases as follows

Item	Publication No./ Patent No.	Design Description for Environmentally-Friendly Patents
Electronic Device	I866833	An electronic device that consists of primary unit, connection part, driving mechanism, cover, unit and external cooling module. The primary unit has first and second surfaces, with the connection part movably set on the second surface. The driving mechanism, comprising a movable part, linkage, and driver, is housed in the body. The movable part is connected to the connecting part. The linkage is connected to the movable part. The driving part is connected to the linkage. A cover unit is movably set on the second surface. The cover unit is adjacent to the connecting part and connected to the driving part. An external heat dissipation module is adapted to connect to the connecting part. When the external heat dissipation module connects to the connecting part, the external heat dissipation module drives the connecting part to move. The connecting part then drives the movable element to move, the movable part drives the linkage to move, the linkage drives the driving part to move, and the driving part drives the cover body to move, thereby causing the cover body to move away from the device body and expose an air outlet. The innovative mechanical design of this event improves the cooling efficiency of thin electronic devices in order to extend the service life of internal electronic devices.
Composite Material Structure	I865856	A composite material structure comprising a first fiber layer, a second fiber layer, and a third fiber layer. The first fiber layer is composed of first long fibers and a first resin material. The second fiber layer is composed of second long fibers and a second resin material. The third fiber layer is situated between the first fiber layer and the second fiber layer. The third fiber layer is composed of short fibers and a third resin material. The length of the first long fibers and the length of the second long fibers are both greater than the length of the short fibers, and the length of the short fibers is less than or equal to 25 millimeters. Because the fibers used in this composite material structure are all non-continuous fibers, it allows for a reduction in fiber usage and manufacturing waste while maintaining the strength of composite materials, thereby achieving the goal of green design.
Bracket Module and Notebooks	I855704	A bracket module adapted for assembly onto a notebook's primary unit to support an external device. The bracket module includes two support arms movably set within the primary unit. The two support arms can simultaneously extend from or retract into the primary unit via its side. In addition, a different notebook computer was revealed. This invention of the structure enables the function of supporting an external device with the most material-efficient design, thereby achieving the goal of green design.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
 - 5.1 Environmental Sustainability Policy
 - 5.2 Green Product Design
 - 5.3 Raw Material Management
 - 5.4 Responsible Manufacturing and Resource Optimization
 - 5.5 Distribution and Transportation
 - 5.6 Use and Waste Recycling
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Item	Publication No./ Patent No.	Design Description for Environmentally-Friendly Patents
Battery Device and Management Method	I855316	This invention provides a battery device and management method. The battery system consists of a battery module and a battery management device. The battery management device is coupled to the battery module for management. It records the discharge capacity of the battery module during discharge process. The battery management device checks whether the electrical characteristics of the battery module during discharge meet a trigger condition. When the electrical characteristics of the battery module at a first time point during discharge meet the trigger condition, the battery management device redefines the capacity scale of the battery module based on the current voltage value at that time point and the discharge capacity up to that point. This method allows for a more accurate assessment of the reporting accuracy within the battery module of an aging battery, thereby preventing the battery module from misjudging aging defects and extending the service life of battery module.
Notebooks	M658567	A notebook comprises a casing, multiple electronic modules, and a latching assembly. The casing includes a base, a first cover, and a second cover. The first cover and the second cover are respectively assembled to the base, with the second cover positioned between the first cover and the base. The electronic modules are assembled within the casing and located between the second cover and the base. The second cover covers a portion of the electronic modules, while the first cover covers all of the electronic modules and the second cover. When the first cover is detached from the base, but the second cover remains attached to the base, another portion of the electronic modules can be assembled or disassembled relative to the base. A latching assembly is placed on the base to lock or unlock the first cover and the second cover. During the unlocking process of the latching assembly, the unlocking stroke for the second cover occurs after the unlocking stroke for the first cover. This structure can reduce the difficulty and complexity of disassembling and assembling the electronic modules, making them more recyclable, thereby achieving the goal of green design.
Foldable Electronic Device	I848726	A foldable electronic device includes a first body, a second body, a heat source, a thermal conductor, heat dissipation fins, a fan, and a flexible component. The second body is pivotally connected to the first body and forms a channel. The second body has an air outlet. The heat source, thermal conductor, and heat dissipation fins are respectively arranged within the second body. The heat source generates heat, which is transferred to the heat dissipation fins via the thermal conductor. A fan is arranged within the first body. The fan generates an airflow that sequentially passes through the channel, the heat dissipation fins, and the air outlet, then exits the foldable electronic device. The flexible component connects the second body and the first body and forms a portion of the channel. The second body closes and overlaps the first body to fold the flexible component, and the second body unfolds relative to the first body to unfold the flexible component. The structure of this invention can improve the internal heat dissipation efficiency of foldable electronic devices, thereby extending the service life of the internal components.
Expansion Device	I845282	An expansion device is adapted to connect to an electronic device. The expansion device includes a base, a heat dissipation module, an airflow guide, and a support structure. The base has a first end and a second end opposite to the first end. The heat dissipation module is arranged at the second end of the base. The airflow guide structure connects with the heat dissipation module; the airflow guide is made of a hollow elastic material with a bent segment. The support structure connects to the airflow guide and is pivotally connected to the base. The electronic device is detachably arranged on the support structure and connects with the airflow guide. The heat dissipation module is adapted to generate an airflow that passes through the airflow guide and the electronic device. When the support structure unfolds relative to the base, the bent segment of the airflow guide deforms, allowing air to flow between the airflow guide and the heat dissipation module. This expansion device can improve the heat dissipation efficiency of an electronic device connected to it, thereby extending the service life of the internal components of the electronic device.

To enhance the overall environmental performance of products, Compal continues to implement international eco-labels and materials disclosure management. In 2024, laptop products achieved registration under the U.S. EPEAT eco-label with 60 items, meeting green procurement standards across multiple countries, accounting for 70.8% of annual laptop revenue. ENERGY STAR® certified products also reached 60 items, representing 76.3% of annual laptop revenue, demonstrating Compal's commitment to energy conservation and carbon reduction during the product design phase.

At the same time, Compal is actively promoting material composition disclosure for products, strengthening the supply chain's responsiveness to regulations such as REACH and RoHS, and improving the prospect for non-toxic design and recyclability, thereby ensuring environmental responsibility across the product lifecycle.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

05 Environmental Sustainability

5.1 Environmental Sustainability Policy

5.2 Green Product Design

> 5.3 Raw Material Management

5.4 Responsible Manufacturing and Resource Optimization

5.5 Distribution and Transportation

5.6 Use and Waste Recycling

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

5.3 Raw Material Management

Compal is committed to providing healthy, safe, and high-quality products while addressing global human rights and environmental issues. To ensure that products are sustainable at the source, from the design phase, Compal integrates systematic management through the "Integrated System for Product Development (ISPD)" and "Compal Supplier Design Collaboration Portal System (SDCP)" to control raw material usage, thus ensuring compliance with international regulations, customer requirements, and "Raw Material Policy of Green Product". Compal adheres to major environmental regulations and standards, including but not limited to the EU's REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), RoHS (Restriction of Hazardous Substances Directive), POPs (Persistent Organic Pollutants) Convention, the U.S. TSCA (Toxic Substances Control Act), California Proposition 65 (Prop 65), and restrictions on mineral oil application as per France's Circular Economy Law. To effectively control hazardous substance risks in the production process, some of our plants even adopted QC080000 Hazardous Substance Management System. This strengthens process standardization and pollution prevention mechanisms, thereby ensuring environmentally friendly production and product compliance.

In 2024, Compal's Board of Directors approved the "Raw Material Policy of Green Product," which clearly defines sustainable guidelines for product development, procurement, and raw material application. This policy focuses on five key commitment areas: adhering to international standards, increasing use of recycled materials, avoid procurement from biodiversity-sensitive areas, enhancing resource efficiency and packaging declassification, and engaging stakeholders in the co-creation process. It also integrates climate, biodiversity, and social responsibility management mechanisms into a guiding framework for internal governance and external collaboration.

Upholding our commitment to customer health and safety, Compal actively develops halogen-free products, to ensure that raw materials comply with global environmental regulations and human rights issues. We have integrated raw material management into three core pillars: full material declaration, hazardous substance management, and hazardous substance control. By combining international norms with self-developed digital tools, we continuously enhance supply chain transparency and responsiveness.

5.3.1 Full Material Declaration

Since 2015, Compal has implemented a full material declaration system, shifting from a "negative list" approach to requiring suppliers to disclose all material composition, thus building a transparent, traceable database to promptly respond to regulatory changes. Compal continues to strengthen its green product management system by enforcing rigorous verification mechanisms, requiring suppliers to provide hazardous substance test reports, Material Safety Data Sheets (MSDS), and Full Material Declarations (FMD) for raw materials. Compal has expanded its material database and control lists, and uses an automated FMD comparison function to quickly identify high-risk material usage and enhance response efficiency.

There were three projects that were the first to implement FMD after the system went live. At the time, disclosure rate was 25% of the product weight. With continued communication with suppliers, internal education & training, and system improvements, 43 projects achieved 90% disclosure rate of the product weight in 2024, demonstrating a solid foundation established. In the future, Compal will continued to collect FMD for more parts and component data and engage in the proactive identification high-risk materials.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability**
 - 5.1 Environmental Sustainability Policy
 - 5.2 Green Product Design
 - > 5.3 Raw Material Management**
 - 5.4 Responsible Manufacturing and Resource Optimization
 - 5.5 Distribution and Transportation
 - 5.6 Use and Waste Recycling
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

5.3.2 Hazardous Substance Management

Based on regulations like the EU's REACH, RoHS, and standards like IEC 62474, Compal has established a stringent chemical substance management mechanism. Starting from the raw material selection, we further restrict the use of brominated and chlorinated flame retardants and Polyvinyl Chloride (PVC) to actively adopting halogen-free alternative solutions. To enhance regulatory compliance and internal awareness, Compal offers online training courses, launches email campaigns, and promotes digital reporting through third-party verification platforms. Digital reports accounted for 56.7% in 2024, which effectively reducing risks and improved efficiency.

Beyond internal design teams, Compal communicates hazardous substance management updates to suppliers via the supplier collaboration platform and regular email notifications, while requiring suppliers to submit updated material composition reports and third-party verification data. When necessary, we also provide online briefings or technical support to ensure our supply chain partners understand and comply with the latest regulations and management requirements.

Such measures help to ensure product safety and environmental friendliness while also improving the transparency and traceability of the supply chain.

EU REACH Policy

REACH (Registration, Evaluation, and Authorization of Chemicals) is a set of regulations imposed by the European Union to control imported chemical substances. REACH controls use and importation of chemical substances by implementing a series of measures including registration, evaluation, authorization, and mandatory disclosure. Compal requires suppliers to make full disclosure of SVHC contents in all supplied parts, and encourages them to take step towards reducing and eliminating uses of such substances as early as possible. Compal also includes the hazardous chemicals listed in Annex XIV of the EU chemicals policy into its environmental management regulations, restricting their usage. Compal periodically revises its environmental management regulations in accordance with updated international requirements regarding hazardous substances.

Restriction of Hazardous Substances (RoHS) Directive

In light of increasing harm to the environment caused by waste electronics and appliances, the European Union implemented RoHS (Restriction of the use of Certain Hazardous Substances Directive) in 2002 that imposed controls over the concentration of 6 hazardous substances: lead (Pb), mercury (Hg), Cadmium (Cd), hexavalent chromium (Cr6+), polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE). **Compal products are 100% complaint with all limits set by the RoHS directive. There were no returns due to RoHS violations.**

Halogen-Free

As halogen compounds release substances toxic to the environment and organisms after incomplete combustion, EU has included chlorinated and brominated flame retardant as a controlled substance in the RoHS directive. In light of the voluntary standards, "Halogen-free parts and processes" introduced by international organizations, and customers' increasingly stringent demands for environmental protection, Compal has amended the management standards for environmental-related substances controlled in parts and materials to regulate halogen (chlorine/bromine) content, and is constantly improving its production systems to eliminate halogen altogether for the benefit of the environment and human health.

Compal began introducing Halogen-free parts and production processes in 2007. All major brand customers are now transitioning to Halogen-free eco-friendly specifications. Some of the production technologies are now matured and alternative materials that do not impact on product performance are available. Compal will continue to upgrade our part management and design abilities, and accelerate the obsolescence of parts that contain halogen in accordance with market trends.

Research, development, and mass production of Halogen-free wearable devices was launched in 2017, and Compal continuously created more earth-friendly products. By 2024, a total of 41 Halogen-free computer products and 15 other products were developed and entered mass production. Since the revision of Compal's hazardous substance regulations went live on April 12, 2024, 76.6% of components used in new designs are Halogen-free.

- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability**
 - 5.1 Environmental Sustainability Policy
 - 5.2 Green Product Design
 - > 5.3 Raw Material Management
 - 5.4 Responsible Manufacturing and Resource Optimization
 - 5.5 Distribution and Transportation
 - 5.6 Use and Waste Recycling
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

Per- and Polyfluoroalkyl Substances (PFAS)
Monitoring Program

Per- and Polyfluoroalkyl Substances (PFAS) are widely used in electronic products and everyday items due to their hydrophobic, oil-repellent, and heat-resistant properties. However, their persistence and potential toxicity have raised global concern, prompting many countries to include them under strict management regulations.

Compal has proactively launched an investigation into current PFAS usage and an evaluation of alternative solutions, and initiated a PFAS control policy in 2024. By the end of the year, data collection from 376 suppliers has been completed and gained initial insight into high-risk application areas. An internal PFAS management list has also been established based on product types and updated regulations.

In the future, Compal will continue to collaborate with our supply chain to optimize technology and prioritize risks according to product performance requirements. We will first address items with high substitutability, gradually reduce PFAS usage, and ensure that PFAS evaluation is integrated into new product development processes, as a move to respond to global trends and the sustainability expectations of our brand clients.

Facing the challenges of global climate change, carbon reduction has become a core strategy for corporate policy and development. Compal is dedicated to designing innovative, high-quality electronic products while actively addressing environmental sustainability issues. We have achieved significant success in promoting the use of recycled and bio-based materials. Recycled plastics and metals are selected to ensure packaging materials meet FSC certification standards.

In our products, Compal has incorporated recycled plastics with over 30% recycled content into materials like Polycarbonate (PC), Polycarbonate + Glass Fiber (PC/GF), and Polycarbonate + Polybutylene Terephthalate (PC/PBT). Beyond external components like casings and back covers, detailed parts, such as speakers and accessories also contain recycled plastic contents, thereby reducing our ecological footprint, creating a positive economic impact, and driving a sustainable development model. Furthermore, notebook and mobile phone casings are made from 100% recycled aluminum. Some circuit boards incorporate 100% recycled gold and recycled copper, and solder paste made from 100% recycled tin is adopted for soldering. This effectively reduces landfill waste and helps conserve natural resources.

Looking ahead, Compal will continue to expand the application of recycled materials and plan to increase the recycled plastic content to over 40% and gradually incorporate more recycled metals (such as nickel, cobalt, iron, and lithium) into products. Simultaneously, we will promote plastic reduction in packaging materials and further increase the proportion of FSC-certified paper. Additionally, Compal has achieved an ESG patent application rate of 14% in 2024, significantly enhancing the company's commitment to sustainable development.

5.4 Responsible Manufacturing and Resource Optimization

5.4.1 Energy-Saving Production

Compal is dedicated to green manufacturing, enhancing production efficiency, and reducing environmental impact through comprehensive environmental management systems. The Company has implemented the ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and ISO 14064-1 Greenhouse Gas Management Standard, ensuring that operations at the plants comply with international standards. Regular audits by third-party verification are conducted to continuously optimize environmental performance.

Moreover, the "Compal Cloud for Sustainability" digital platform enables the integration of data from all locations within the financial reporting scope, including headquarters, R&D centers, and key global manufacturing sites. This data encompasses energy consumption, water resources, carbon emissions, and waste management, while also incorporating verification documentation for accuracy. The Cloud for Sustainability is responsible for the timely aggregation of data and collaborative governance across different facilities. To strengthen the transparency of resource management, the current data management framework is comprehensive and no need for further expansion. In the future, we will continue to optimize data management processes as a basis for measuring the effectiveness of circular economy initiatives and resource utilization efficiency, further enhancing the transparency and credibility of our information disclosures. The contents disclosed in this chapter are limited to the scope of the individual company.

As the impacts of global climate change become more significant, companies are increasingly prioritizing their environmental footprint while pursuing production efficiency. Energy-efficient production not only effectively reduces carbon emissions but also helps lower operational costs, improves energy utilization efficiency, and addresses fluctuating energy prices and potential carbon tax policies. According to a report from the World Economic Forum (WEF), even though energy-intensive industries face high regulatory risks, non-energy-intensive industries that do not plan for an early energy transition will also face challenges like rising carbon costs and diminished competitiveness. Although Compal is not in an energy-intensive industry, we proactively enhance energy efficiency and develop renewable energy solutions, which demonstrates our active response to climate risks and our commitment to industry responsibility.

Measurement and Management of Energy-Efficient Production:

To effectively promote energy-efficient production, Compal has adopted several data-driven management measures to measure and track energy consumption, ensuring continuous optimization of energy use in actual production.

- **Implementation of ISO 50001 Energy Management System (EMS):** Compal has successfully implemented the ISO 50001 EMS in seven of its facilities. This is an internationally recognized standard used to monitor and manage energy use and continuously improve energy efficiency. The system helps ensure that all facilities monitor and optimize energy consumption in accordance with international standards, and we are extending this successful experience to all other plants.
- **Smart Meters and Monitoring Equipment:** In Compal's key facilities and new process equipment, smart meters have been installed for real-time monitoring. Energy usage data is uploaded and analyzed in real-time via the Environmental and Energy Monitoring digital platform. This helps management quickly identify abnormal energy consumption, make adjustments, and optimize energy efficiency.

Sustainability Report 2024

← ≡ < CHAPTER >

- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability**
 - 5.1 Environmental Sustainability Policy
 - 5.2 Green Product Design
 - 5.3 Raw Material Management
 - > 5.4 Responsible Manufacturing and Resource Optimization
 - 5.5 Distribution and Transportation
 - 5.6 Use and Waste Recycling
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

Energy Saving Target Setting and Management:

Compal's energy-saving targets are set based on current energy usage and future energy-saving potential analysis, and they are integrated into our annual operational plans for continuous achievement.

o **RE100 Commitment (Renewable Energy 100% Initiative, RE100):**

In 2024, Compal officially joined the RE100 initiative, to make a group-level climate commitment. This commitment covers all consolidated reporting sites, aiming to achieve 100% renewable energy usage by 2050, with interim targets of 50% by 2030 and 90% by 2040. Joining RE100 is not only a crucial milestone for corporate sustainability but also highlights Compal's active role in global climate initiatives, as a core element of the Group's climate transition strategy.

- o **Short-Term Target:** Reduce electricity intensity by at least 1% per year through optimizing equipment operation, thus increasing the share of renewable energy and achieving process energy savings.
- o **Mid-Term Target (2030):** Achieve 50% renewable energy usage by promoting expanded adoption of renewable energy across all sites globally.
- o **Long-Term target (2050):** Fully achieve 100% renewable energy usage and continuously enhance energy efficiency and sustainability to meet the RE100 and SBT Net-Zero commitments.

Energy Saving Management Mechanisms:

To ensure the successful achievement of energy-saving goals, Compal has established stringent management mechanisms and adopted various technical tools to improve management efficiency.

- o **Energy Audit and Monitoring:** We conduct regular energy audits annually and propose optimization suggestions based on the audit results. A professional energy consulting team evaluates the performance of existing equipment and processes and offers improvement plans.
 - o **Employee and Supply Chain Collaboration:** Compal integrates energy-saving targets into all employees' performance evaluations and holds regular energy-saving training sessions to ensure employees understand and actively participate in energy-saving measures. Additionally, Compal collaborates with suppliers to jointly design processes that reduce carbon footprints.
 - o **Technological Innovation and Equipment Upgrades:** Compal continuously invests in energy-saving technologies and equipment upgrades and promotes the application of green technologies to reduce energy consumption.
 - The Kunshan Plant renovated its compressed air system, thereby saving 283,100 kWh of electricity per year and reducing emissions by 182.63 tCO₂e.
 - The Pingzhen Plant invested NT\$3,390 thousand in energy-saving equipment for installing an air conditioning energy monitoring platform and variable frequency drive (VFD) equipment to help save electricity and reduce carbon. This is projected to save 316,542 kWh of electricity and reduce 159 tCO₂e of carbon emissions per year.
1. Energy management: We invested NT\$2,130 thousand to set up an air conditioning energy monitoring platform, and install multiple digital meters, thermometers, and flow meters. This measure is expected to reduce electricity usage by 199,740 kWh and carbon emissions by 101 tCO₂e per year.
 2. New energy-saving equipment: We invested NT\$1,260 thousand to install variable frequency controllers for the reflow furnace exhaust system and the SMT process exhaust system. This measure is expected to save 116,802 kWh of electricity and reduce 58 tCO₂e of carbon emissions per year.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

5.1

Environmental Sustainability Policy

5.2

Green Product Design

5.3

Raw Material Management

➤ 5.4

Responsible Manufacturing and Resource Optimization

5.5

Distribution and Transportation

5.6

Use and Waste Recycling

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

2024 Energy-saving Achievements:

Based on the implementation results in 2024, Compal has made significant progress in energy management:

- **Reduced Energy Intensity:** In 2024, Compal successfully achieved an energy intensity of 1.15 GJ/million revenue, a nearly 9.8% reduction from 1.27 GJ/million revenue in 2023. This demonstrates Compal’s significant progress in improving energy usage efficiency.
- **Renewable Energy Usage:** In 2024, renewable energy usage reached 45.15%, closely approaching the set target with significant reduced reliance on non-renewable energy.
- **Energy Consumption:** In 2024, total non-renewable energy consumption was 571,892.7 GJ, while total renewable energy consumption was 470,680.6 GJ, successfully achieving a structural adjustment in resource use.

By setting clear energy-saving targets, implementing rigorous management mechanisms, and regularly tracking goal implementation, Compal achieved significant energy-saving results in 2024. In the future, Compal will continue to focus on increasing the proportion of renewable energy usage, optimize energy intensity, and promote technological innovation to contribute to global sustainable development.

		Diesel	Petrol	Natural Gas	LPG	Externally Purchased Non-renewable Electricity	Renewable Electricity	Energy Intensity (GJ/ Million NTD in Revenue)	Total Consumption of Nonrenewable Energy (GJ)	Total Consumption of Renewable Energy (GJ)	Proportion of Renewable Energy
2024	Megawatt-Hours (MWh)	2,905.4	1,367.6	903.8	1,268.3	152,414.0	130,744.6				
	GigaJoule (GJ)	10,459.3	4,923.4	3,253.6	4,566.0	548,690.4	470,680.6	1.15	571,892.7	470,680.6	45.15%
2023	Megawatt-Hours (MWh)	1,419.9	1,232.9	203.0		173,205.8	158,404.0				
	GigaJoule (GJ)	5,111.6	4,438.4	730.8		623,541.0	570,254.4	1.27	633,821.8	570,254.4	47.36%
2022	Megawatt-Hours (MWh)	3,748.0	964.3	430.6	605.0	244,588.0	141,613.2				
	GigaJoule (GJ)	13,492.6	3,471.5	1,550.1	2,178.0	880,516.6	509,807.5	1.31	901,208.8	509,807.5	36.13%

Data from 2022 and 2023 is consolidated from Compal's Taiwan headquarters, China, Vietnam, and Brazil facilities. For 2024, the data scope aligns with the entity financial statements, and revenue for energy intensity calculations is based on consolidated revenue.

Electricity Intensity	2022	2023	2024
Electricity Consumption (MWh)	386,201	331,610	283,159
Electricity Intensity	353	350.3	311.1

Compal continues to implement energy-saving governance and optimize resource efficiency, earning recognition from local governments. In 2024, CIC and CIT in mainland China successfully received the “Suzhou City Green Factory” certification. This certification, led by the Industrial and Informatization Bureau of Suzhou City, evaluates companies comprehensively based on indicators, such as energy efficiency, cleaner production, pollution prevention, resource circulation, and information management. Compal's Kunshan Plant demonstrated the Group's effectiveness in regional energy savings and carbon reduction through systematic energy-saving solutions, the establishment of a smart energy management platform, and process optimization, thus setting a benchmark for promoting local green manufacturing.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

05

Environmental Sustainability

5.1 Environmental Sustainability Policy

5.2 Green Product Design

5.3 Raw Material Management

> 5.4 Responsible Manufacturing and Resource Optimization

5.5 Distribution and Transportation

5.6 Use and Waste Recycling

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

5.4.2 Water Reduction

Compal continuously strengthens its water resource management and views water as one of the critical issues under climate change. To ensure operational resilience and sustainable water use, we continue to adopt Aqueduct Water Risk Atlas (WRI) tool. This tool evaluates all our major global operational sites to identify areas with high water stress or potential water scarcity, allowing us to adjust water resource allocation and risk response strategies accordingly. The evaluation results serve as an important basis for water-saving management, equipment investment, and project prioritization, and are also integrated into our climate scenario analysis.

List of Water Resource Risks and Stress at Each Plant of Compal (according to Aqueduct WRI)

Plant	Catchment Area	Water Source	Original Wastewater Treatment Facilities	Effluent	Over Water Risk	Water Stress
Taipei Headquarters	Beishi River	Taipei Water Department	Neihu Wastewater Treatment Plant	Keelung River	Low - Medium (1–2)	Low-medium (10–20%)
Linkou R&D Center	Dahan River	Taiwan Water Corporation	Guishan Water Resource Recycling Center	Dahan River	Low - Medium (1–2)	Low-medium (10–20%)
Pingzhen Plant	Dahan River	Taiwan Water Corporation	Municipal sewers	Dahan River	Low - Medium (1–2)	Low-medium (10–20%)
Kunshan Plant	Taihu River Basin	Kunshan Running-Water Group Co., Ltd.	Kunshan Development Zone Kuncheng Precision Water Purification Co., Ltd.	Wusong River	High (3–4)	Extremely high (>80%)
Nanjing Plant	Changjiang	Jiangning Water Affair Group Company Limited	Jiangning Development Zone Wastewater Treatment Plant	Changjiang	Low - Medium (1–2)	Low (<10%)
Chongqing Plant	Changjiang	Chongqing Zhongfa Water Supply Limited Company Yubei Branch	Yubei District Chengnan Wastewater Plant	Changjiang	Low - Medium (1–2)	Low (<10%)
Chengdu Plant	Minjiang	Chengdu Mingjiang Waterwork	Huayang 2nd Wastewater Treatment Plant	Fu River	High (3–4)	High (40–80%)
Vietnam Plants	Song Hong	Vietnam Vinh Phyc Water Supply Company	Compal (Vietnam) Wastewater Treatment System	Song May	Extremely High (4–5)	Medium-high (20–40%)
Brazil CTB Plant	Jundiaí River Basin	DAE Jundiaí	Jundiaí Municipal Sewage Treatment Plant	Jundiaí-Mirim sub-basin	Low (0–1)	Medium-high (20–40%)
Brazil CEM Plant	Alter do Chao aquifer - Puraquequara river basin	Condominium's own groundwater collection-licensed	Treatment carried out by Compal	Compal's own treatment plant	Medium-high (2–3)	Medium-high (20–40%)
Bizcom USA	Bay of America (Mexican Bay)	Lake Houston	Houston Public Works	Buffalo Bayou	Low - Medium (1-2)	Low - Medium (10-20%)
CIN USA	Wabash River Basin	Logansport Municipal Water	Logansport Municipal Sewage Treatment Plant	Wabash River	Low - Medium (1-2)	Medium - High (20-40%)
Poland	Warta	Zakład Wodociągów i Kanalizacji Sp. z o. o., ul. Wierzbowa 52, 90-133 Łódź	Zakład Wodociągów i Kanalizacji Sp. z o.o.-Grupowa Oczyszczalnia Ścieków w Łodzi ul. Sanitariuszek 70/72, 93-469 Łódź	River Ner	High (3–4)	Extremely High (>80%)

Note: Data Source: Compal's facility water resource surveys and corresponding queries using the Aqueduct WRI tool.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
 - 5.1 Environmental Sustainability Policy
 - 5.2 Green Product Design
 - 5.3 Raw Material Management
 - > 5.4 Responsible Manufacturing and Resource Optimization
 - 5.5 Distribution and Transportation
 - 5.6 Use and Waste Recycling
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Water Conservation Targets and Actions

Compal sets annual water intensity management targets, aiming for each site to reduce water intensity by at least 1% compared to the previous year. We work to achieve these targets at each site through equipment replacement, installation of water-saving facilities, and behavioral water conservation. Compal currently does not use recycled water; our primary water source is from the municipal supply. Only the Brazil Plant uses groundwater for domestic purposes due to local infrastructure limitations, with proper filing and monitoring as required.

Water Consumption and Trends

In 2024, Compal's total water consumption was 1,597.4 million liters, a decrease of approximately 22.76% compared to 2023. This significant drop is mainly due to upgrades in water-saving equipment and promotion of water conservation at all plants. This indicates the effectiveness of our water conservation projects.

Region (Million liters)	2022	2023	2024
Kunshan Plant	845.76	791.84	717.36
Chongqing Plant	880.29	523.33	191.12
Chengdu Plant	156.30	132.82	133.35
Nanjing Plant	165.52	96.37	28.21
Vietnam Plants	293.93	365.43	368.70
Pingzhen Plant	93.98	77.52	86.91
Taipei R&D site	59.99	59.88	63.22
Other	4.00	20.93	8.52

Note: This data includes municipal water supply and well water usage at the Brazil Plant, with the unit in millions of liters (ML). Estimate the discharge based on 80% of the water intake.

Compal will continue to work steadily toward its annual water intensity targets through equipment upgrades, process optimization, and behavioral water conservation. We are also evaluating the introduction of water recycling technologies and reclaimed greywater reuse solutions to improve water resource utilization efficiency and address potential regional water risks.

5.4.2.1 Compal's Water Usage at Different Water Stress Levels

Compal references the water risk zoning provided by the Aqueduct WRI tool to classify each facility based on its overall water stress level. This helps us understand the extent to which water resource risks impact our operations. For 2024, the proportion of total water consumption from different water stress zones is as follows:

This analysis helps Compal adjust water allocation, reserve plans, and water-saving management intensity based on regional water risk levels, thus enhancing our resilience to extreme climate events.

Water Stress Level	Definition	Water Usage
Extremely High (> 80%)	Regions with highly competitive water resources	45.1%
High (40–80%)	High water stress regions	8.3%
Medium-High (20–40%)	Medium-high water stress regions	23.3%
Low-Medium (10– 20%)	Medium-low water stress regions	9.4%
Low (<10%)	Relatively stable water resource regions	13.9%

← ⋮ < CHAPTER >

- 05 **Environmental Sustainability**
 - 5.1 Environmental Sustainability Policy
 - 5.2 Green Product Design
 - 5.3 Raw Material Management
 - > 5.4 **Responsible Manufacturing and Resource Optimization**
 - 5.5 Distribution and Transportation
 - 5.6 Use and Waste Recycling



Compal uses water consumption per million NTD of output ($\text{m}^3/\text{million NTD}$) as its water intensity metric, as an integrated tool to assess water-saving effectiveness and operational efficiency. Over the past three years, Compal's overall water intensity has shown a consistent downward trend:

Note: The above water use intensity is based on consolidated revenue (NTD) from the Company's annual financial reports.

Wastewater from Compal's operational sites is discharged into local government systems for proper treatment before being released into surface water bodies (e.g., rivers or drainage channels), with no direct discharge into groundwater or oceans. Wastewater primarily originates from domestic sewage and cleaning water. All sites are designed and operated in compliance with local environmental regulations, with regular water quality monitoring.

In 2024, all plants' wastewater discharges met local regulatory standards, with no violations recorded. Monitored parameters include Biochemical Oxygen Demand (BOD), Suspended Solids (SS), Potential of Hydrogen (pH), and Ammonia Nitrogen (NH₃-N).

Unit: Megaliters (ML)	Water Consumption	Water Discharge
Kunshan Plant	143.5	573.9
Chongqing Plant	38.2	152.9
Chengdu Plant	26.7	106.7
Nanjing Plant	5.6	22.6
Vietnam Plants	73.7	295.0
Pingzhen	17.4	69.5
Taipei R&D	12.6	50.6
Other	1.7	6.8

In addition, at the Brazil site, due to local infrastructure limitations, domestic water is sourced from groundwater wells, and wastewater is treated before discharge into surface water bodies. Compal has established a cross-departmental oversight system involving operations and sustainability units to ensure compliance with local environmental regulations and internal environmental standards.

Compal will continue to enhance wastewater treatment facility efficiency and evaluate the adoption of water recycling technologies and low-emission design principles to further reduce impacts on water resources and ecosystems.

In alignment with the WASH principles of UN SDG 6, Compal provides safe, clean, affordable, and reliable water and sanitation facilities at all sites, including equipment for clean drinking water, well-ventilated restrooms, accessible handwashing stations, and hand hygiene guidelines. The Taipei headquarters exclusively uses eco-labeled hand soap with biodegradable ingredients, further reducing the potential ecological impact of domestic wastewater.

The Vietnam Plant, located in a high water-risk area, plans to install a rainwater collection system for irrigation and an emergency retention pond to mitigate downstream flood risks from heavy rainfall runoff. Compal has also implemented a reverse osmosis wastewater recovery system at its plants, to reuse water for cooling towers and toilet flushing, thus improving the efficiency of domestic and process water use and advancing WASH goals for water conservation and reuse.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

05 Environmental Sustainability

5.1 Environmental Sustainability Policy

5.2 Green Product Design

5.3 Raw Material Management

> 5.4 Responsible Manufacturing and Resource Optimization

5.5 Distribution and Transportation

5.6 Use and Waste Recycling

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

5.4.3 Air Pollution and Perfluorocarbons Control

Compal’s primary air emissions stem from Volatile Organic Compounds (VOCs) generated by organic solvents used in production line cleaning and equipment maintenance, as well as small amounts of tin-containing fumes from the soldering process. Although Compal’s industry is not classified as a high-pollution industry, with limited emissions of Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other harmful gases, the Company remains committed to environmental responsibility and proactively implements air pollution prevention and reduction measures from the source.

In terms of source control, Compal implements strict controls on organic solvent dispensing to manage usage and minimize unnecessary volatilization. In end-of-pipe treatment, facilities in China and Vietnam are equipped with activated carbon adsorption devices to remove VOCs from exhaust stacks, thereby reducing emission concentrations.

The maintenance department regularly inspects and maintains the exhaust equipment every month to ensure the long-term stable operation of the adsorption device. All facilities comply with local regulations, maintains valid emission permits, and conducts regular air pollutant monitoring to ensure compliance with local environmental authorities’ standards.

Compal has progressively implemented systematic VOC emissions inventories and reduction management since 2021. In 2024, emissions data from the Vietnam plants and other sites were included, thus establishing a more comprehensive air pollution management system. The table below summarizes the direct VOC emissions from each plants.

Direct VOC Emissions (metric tonnes)	2022	2023	2024
China Plants	158.34	35.12	10.8
Vietnam Plants	-	-	23.45
Total volume	158.34	35.12	34.25

Compal will continue to improve the accuracy and coverage of emissions statistics, with plans to incorporate more overseas locations in the future. This will serve as a crucial basis for setting medium- to long-term VOC reduction targets and performance tracking.

Air Pollution Management Goal

To address tightening global environmental standards and ESG assessment requirements, Compal will continue to set and track VOCs reduction targets. We aim to reduce total VOC emissions across all facilities by 50% by 2030 compared to 2022 (baseline year total: 158.34 tonnes), and adjust reduction strategies based on actual regional conditions:

- Short-Term (2025) Target: Limit total emissions to 118.72 tonnes.
- Mid-Term (2030) Target: Reduce total emissions across all facilities by 50% from 2022 levels, keeping emissions below 79.17 tonnes.

Management mechanism: Integrate VOC reduction targets into environmental performance metrics for all sites, in alignment with internal energy-saving and carbon reduction plans.

Furthermore, there will be a continuous focus on enhancing the management of greenhouse gases, specifically perfluorocarbons (PFCs), which have a high global warming potential (GWP). Starting from 2025, the plan is to shift the calculation of PFC emissions to a leakage-based method, and the inventory of foundational data will be leveraged to Compal Cloud for Sustainability to improve management precision. Engage qualified maintenance contractors to enhance the recycling rate, while simultaneously launching a project to replace fire suppression systems. The use of extinguishing agents will be directed towards alternatives with lower GWP to mitigate long-term greenhouse gas emission risks.

←

☰

CHAPTER

➤

...

...

...

01

02

03

04

05

5.1

5.2

5.3

➤ 5.4

5.5

5.6

06

07

08

...

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Environmental Sustainability Policy

Green Product Design

Raw Material Management

Responsible Manufacturing and Resource Optimization

Distribution and Transportation

Use and Waste Recycling

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

5.4.4 Waste Management and Source Reduction

With resource depletion and environmental pollution becoming critical global issues, waste management and reduction are central to sustainable development. Waste consumes significant land resources and poses long-term negative impacts on ecosystems and human health. Therefore, while pursuing economic benefits, companies need to focus on the environmental impact of waste generation and actively implement reduction measures. Businesses should consider resource efficiency and waste impact from the source.

Compal recognizes that waste reduction not only mitigates environmental impact but also enhances operational efficiency, reduces disposal costs, and fulfills corporate social responsibility.

By optimizing product design and manufacturing processes and adopting circular economy principles, Compal fosters a “zero waste” culture and implements comprehensive waste management from source to end, to advance toward a sustainable path that balances operations and environmental goals.

Waste Reduction Practices

- Source reduction: Incorporates waste reduction strategies in product design by utilizing recyclable materials and disassemble structures to minimize material waste and enhance resource efficiency.
- Process optimization: Enhances processes and upgrades equipment to reduce scrap and defective products, thus improving yield rates and lowering environmental impact.
- Supply chain collaboration: Works with suppliers to reduce raw material use and promote packaging recycling, thereby establishing sustainable supply chain standards.
- Sorting for reuse: Implements a comprehensive recycling and sorting system and properly manages and transforms recycled items into reusable resource to reduce resource waste.

Value Chain Stage Management

Compal integrates waste reduction and resource reuse mechanisms across product design, production, transportation, and end-of-life stages:

- Design stage: Incorporates recyclability and disassemblability to enhance end-of-life recycling efficiency.
- Manufacturing stage: Optimizes process scheduling and raw material usage to reduce scrap.
- Distribution stage: Promotes packaging reduction and the reuse of eco-friendly packaging materials.
- Disposal stage: To enhance recycling rates and reduce landfill proportions, it's crucial to ensure compliance with national laws regarding waste classification and outsourcing of waste management services.

Performance Indicators and Target Management

Compal has completed data collection on waste generation and processing at headquarters, R&D units, and major global factories through the "Compal Cloud for Sustainability," establishing a comprehensive data inventory mechanism that encompasses disposal methods such as recycling, incineration, and landfilling. Waste management at each plant is handled by certified environmental service providers who ensure specialized recycling or proper disposal, preventing any unidentified disposal practices. Main manufacturing sites are managed in accordance with the UL 2799 zero waste standard. Kunshan Plant obtained UL 2799 Platinum Level Certification and The Vietnam (CVC and CWV) plants achieved UL 2799 Gold Level Certification in 2024. Additionally, third-party verification also provides evidence of resource recovery and final disposal methods, enhancing the credibility of the data. It gradually supplements detailed data (in metric tons) and proportions for various waste disposal methods, serving as a basis for measuring the effectiveness of promoting a circular economy.

← := < CHAPTER >

To strengthen resource reuse management, Compal has established a full-process management system for recycling and reuse, including real-time sorting, third-party verification, and destination tracking. This ensures that reused resources do not lead to secondary pollution, steadily moving toward the circular economy and net-zero vision.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Environmental Sustainability Policy

Green Product Design

Raw Material Management

5.4 Responsible Manufacturing and Resource Optimization

Distribution and Transportation

Use and Waste Recycling

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

5.4.5 Environmental Expenditure

To protect the environment and undertake social responsibility, we save energy and reduce carbon emissions to relieve the impact of climate changes. In 2024, the Company incurred NT\$ 94,875 thousand in total environmental expenses on repairs (excluding regular maintenance) and green products. We have fulfilled our duties as a global citizen, and in doing so we hope to continue bringing real benefits to the environment and continue to actively engage in environmental protection.

Expenditure Item			NTD (thousand)
Operating Cost	Pollution Control Cost	Prevention of Air Pollution	5,418
		Prevention of Water Pollution	2,411
		Other Pollution Control Measures	27,501
	Cost of Sustainable Resources	Prevention of Climate Change	3,517
		Disposal and End Life Care for Industrial Waste	25,727
		Disposal and End Life Care for Hazardous Industrial Waste	25,466
Management Cost	Environmental Management System Operation and Maintenance		2,794
	Environmental Monitoring		2,042
Total			94,875

Compal continuously ensuring that all production sites comply with legal regulations by establishing comprehensive internal and external audit systems to verify the effectiveness of implemented environmental protection measures. In 2024, records from various sites indicate that the environmental management system is being effectively and steadily executed, adapting well to the changing policies across different regions. We are simultaneously strengthen the environmental and safety monitoring mechanisms, regularly compiling and analyzing trends in regional environmental regulations. This ensures that our internal systems and operational procedures stay up to date, allowing us to revise processes and improve our overall compliance resilience and adaptability. To achieve long-term goals of net-zero transformation and sustainable operations, we aim to facilitate the adoption of green manufacturing technologies, expand the scope for energy conservation, water conservation, emissions reduction, and waste reduction. Additionally, we will integrate resource efficiency enhancement practices across the supply chain and product development, striving towards higher standards of responsible manufacturing.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

5.1

Environmental Sustainability Policy

5.2

Green Product Design

5.3

Raw Material Management

5.4

Responsible Manufacturing and Resource Optimization

➤

5.5 Distribution & Transportation

5.6

Use and Waste Recycling

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

5.5 Distribution and Transportation

The distribution and transportation stages, from production to consumer delivery, significantly impact the environment. Compal embraces sustainable operations, actively integrates eco-friendly designs and carbon reduction measures into transportation and packaging to enhance logistics efficiency and mitigate ecological impact. Recognizing the critical role of packaging materials in product protection and transport efficiency, Compal acknowledges their environmental responsibility in resource use and waste generation. Thus, Compal continues to promote green packaging innovations and optimizes every logistics chain segment to balance environmental protection and operational efficiency. With rising environmental awareness and global resource constraints, Compal promotes sustainability initiatives, including packaging, to reduce waste, lower carbon footprints, and integrate environmental protection across product lifecycles. We understand that packaging materials play an irreplaceable role in the product delivery process, but we also need to consider their environmental impact. Therefore, we will continue to explore innovative design and application of sustainable materials to lay the foundation for future sustainable operation.

By streamlining packaging processes, minimizing unnecessary material use, and adopting eco-friendly materials, Compal reduces the environmental burden of product packaging. These efforts enhance transport efficiency while embedding environmental considerations at every step, achieving a win-win for both economic and environmental outcomes.

In 2024, Compal achieved several significant milestones in packaging design:

1. Packaging Material Reduction:

By optimizing packaging structure and processes, we successfully reduced manual operations by 10.5 persons, improving operational efficiency and decreasing resource waste, while achieving savings in both labor and materials.
2. Material Removal and Improvement

○ Unnecessary handles and decorative tapes are eliminated to reduce plastic use and enhancing packaging eco-friendliness.

○ To reduce packaging weight, 34 product numbers (PNs) have successfully eliminated packaging materials and optimized their structures.
3. Packaging Design Optimization

○ By enhancing self-locking bottom structures and eliminating adhesive tape, the "Deplastification" initiative has been implemented, resulting in a significant reduction in plastic usage and carbon emissions.

○ Compal launched a proposal for paper-molded components with integrated feeding tabs and adjusted the envelope seal shape, thus improving operational yield and efficiency while reducing material scrap rates and environmental burden.
4. Label and Manual Optimization

○ Optimizing label designs by removing redundant printing reduces printing resource waste and streamlines packaging.

○ To enhance design simplification and reduce resource consumption, we optimized the manual warranty card to eliminate unnecessary packaging elements.

Compal has demonstrated tangible progress in sustainable practices in packaging and distribution, as we not only reduced carbon emissions and resource consumption but also simultaneously improved logistics efficiency and product traceability. We will continue to optimize packaging design with innovative thinking, deepen the application of recyclable and low-carbon materials, and collaborate sustainably across the entire supply chain, moving toward a vision of green logistics that balances environmental protection with operational benefits. These efforts have reduced our environmental impact and increased resource utilization efficiency, while allowing us to continue to work toward our sustainability goals. These achievements not only showcase Compal's firm commitment to environmental protection but also lay a solid foundation for future green product design and manufacturing.

←

☰

< CHAPTER >

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

5.1

Environmental Sustainability Policy

5.2

Green Product Design

5.3

Raw Material Management

5.4

Responsible Manufacturing and Resource Optimization

5.5

Distribution and Transportation

> 5.6

Use and Waste Recycling

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

5.6 Use and Waste Recycling

5.6.1 Usage Phase

Ensuring User Safety and Health

Under the ESG philosophy, if a product causes harm to customer health or safety, it not only impacts Compal's professional reputation within its industry peers but also may lead to substantial consumer claims, affecting the reputation of brand customers. Compal therefore knows that ensuring the health and safety of consumers will help the Company maintain its organizational reputation, legal and financial stability, market differentiation, and employee morale. These will in turn help strengthen the corporate spirit of sustainability. **In 2024, there were no violations of product safety specifications.**

To ensure that products manufactured by Compal are fully safe under normal usage by preventing the six major hazards of accidental electric shocks, energy risks, mechanical injury, radiation, chemical hazards, and high-temperature burns from the product casing or internal parts/components, the product safety concept is incorporated by the Compal product safety department during the design phase for all Compal-produced notebooks, AIO desktop computers, and tablet PC products in accordance with the IEC 60950-1 and IEC 62368-1 international standards developed by the International Electrotechnical Commission (IEC). In-house testing is completed by the Compal safety lab before a third-party verification body is engaged for witness testing to ensure that all products (100%) meet international standards and obtain safety certification. The international safety certification standards are then used to apply for product safety certification in the designated country or region (e.g. Korea, India, Taiwan, North America, Europe, Middle East etc.) based on brand customer's own market strategy.

Product safety certificates are required if shipments from Compal factories are to pass through the customs of each country. Managing and tracking the validity of safety certificates is also critical. Therefore, "RCEM Certificate Management System," is utilized by Product Safety Certification department at Compal, featuring automation, fool-proofing mechanisms, and information of cross-facility connectivity. This allows the department to manage product certificate validity with optimal efficiency.



U.S. Reese's Law

In 2020, an 18-month-old American girl (Reese) tragically swallowed a button lithium battery from a remote control, which corroded her esophagus, leading to her passing away despite prolonged treatment. Consequently, the U.S. government urgently passed Reese's Law, mandating that starting from 2024, all products imported into the U.S. containing button cell batteries (including electronic appliances or toys) must comply with Reese's Law.

This law requires product designs to pass safety tests in accordance with the UL4200A-2023 standard and test methods, and to clearly mark warning symbols or alerts for button batteries on the product body, product packaging outer box, and product user manuals.

Compal's Product Safety Department has collaborated closely with various brand clients to research the law's content. Before the mandatory enforcement date, we ensured that product design, factory production line assembly, and shipping processes all comply with Reese's Law, thereby fulfilling our sustainable product safety responsibilities.

⚠️ WARNING

- **INGESTION HAZARD:** This product contains a button cell or coin battery.
- **DEATH** or serious injury can occur if ingested.
- A swallowed button cell or coin battery can cause **Internal Chemical Burns** in as little as **2 hours**.
- **KEEP** new and used batteries **OUT OF REACH OF CHILDREN**
- Seek immediate medical attention if a battery is suspected to be swallowed or inserted inside any part of the body.



- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
 - 5.1 Environmental Sustainability Policy
 - 5.2 Green Product Design
 - 5.3 Raw Material Management
 - 5.4 Responsible Manufacturing and Resource Optimization
 - 5.5 Distribution and Transportation
- > 5.6 Use and Waste Recycling
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Energy Conservation

An examination of the product life cycle reveals that the majority of energy consumption occurs during the product usage stage. As energy efficiency standards vary by region and country, the Energy Star standard is therefore used as a reference for assessing the energy efficiency of products. For this reason, Compal systematically upgraded the design ability of our software and hardware research engineers. We also drew up plans for modular design. At the same time, self-inspection checklists for software/hardware departments were implemented along with random quality testing of products in mass production to ensure compliance with energy-efficiency requirements by shipped products.

In 2024, 78 notebook products developed by Compal entered mass production. 60 models passed Energy Star certification in a demonstration of Compal’s efforts and achievements in improving product energy efficiency.

Compal is continuing to monitor the latest developments in energy regulations, so that the Company can plan and prepare, assess risks in advance, and effectively ensure product compliance with the constantly evolving regulations and certification requirements on energy efficiency. Adopting this level of sensitivity and proactivity in response to regulatory trends will help ensure product compliance and competitiveness in the global market.

5.6.2 Environmental Expenditure

Rapid technological obsolescence in consumer electronic products is shortening product life cycles and resulting in increasing amounts of e-waste that place a burden on the environment. In response to this challenge, reducing the depletion of natural resources, lessening the dispersion of harmful substances into the environment, and alleviating the pressure on the recovery system through prevention of back-end pollution and reduction in recycling volume are key topics in the design and development of electronic products. Putting the spirit of the circular economy into practice is now of utmost importance.

Ease of Dis-assembly and Recycling

Waste Electrical and Electronic Equipment Directive (WEEE Directive)

Although Compal mainly acts as an OEM for major global brands, and products enter the recycling system through brand customers who are responsible for joining the recycling system and calculating product recycling rates, Compal considers waste reduction and resource reuse at the disposal stage during the design phase. Through internal R&D projects, we actively introduce recycled materials and low-pollution alternative materials, continuously innovating green product designs to improve recyclability and reusability. This approach aims to reduce waste generation at the end-of-life stage of the product lifecycle, thereby minimizing negative environmental impacts.

The following are some of the environmental, sustainable, and renewable design approach that Compal has put in place:

- 1. Prohibit or reduce use of hazardous substances.
- 2. Use only one type of plastic materials where appropriate.
- 3. Introduce renewable and bio-degradable plastics into electronic products.
- 4. Use plastic materials that are compatible with surface treatment materials to achieve the goal of recyclability.
- 5. Design products in ways that are easily dis-assembled and recycled.
- 6. Use modularized designs so that main parts can be replaced and upgraded, hence extending the product life cycle.
- 7. Print recycling labels on packaging materials as a reminder to consumers.
- 8. All plastic objects weighing 25 grams and above have contents labeled in detail to facilitate recycling.

In 2024, Compal assisted with calculating the recycling ratio for 44 notebook models. In 34 of the cases the recycling ratio was greater than 85% and 4 cases actually exceeded 95%. This showed that Compal not only took into full account the EU WEEE Directive’s target recycling ratio of 65% during the design phase but even exceeded that requirement.

::: Introduction to ESG Report

::: Sustainability Accolades

::: Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

6.1 Attracting and Retaining Talent

6.2 Talent Cultivation
and Development6.3 Human Rights Management
and Advocacy

6.4 Workplace Health and Safety

07 Social Engagement

08 Sustainability Partners

::: Appendixes

6 Inclusive Growth

KEY PERFORMANCE

1. Up to 71.36% of managers hired locally.
2. Up to 30.04 % of management positions were held by women.
3. Multiple external communication channels as well as over 15 internal communication channels are provided by the Company.
4. A total of 243 employees with disabilities were employed by plants in Taiwan and overseas.
5. Compensation is 1~2 times higher than the local minimum wage.
6. ISO 45001 certification obtained by all plants.
7. Joined the "2024 TALENT, in Taiwan" alliance to promote six key indicators.



CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting and Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

Our Visions for Employee care

1. Comply with pertinent international laws and regulations to safeguard employee rights
2. To respect human rights as guided by The United Nations Global Compact (UNGC) to ensure equal treatment and respect for individual differences.
3. To provide a working environment that is healthy and safe for employees by assigning them to positions in accordance with their capacities and aptitude and offering reasonable compensation and benefits.
4. To provide various benefit plans and employee care initiatives as our way to ensure employees' physical and mental well-being.

Short-, Mid-, and Long-term Goals

Topic	Strategy	Target of FY-2025	Target of FY-2030	Target of FY-2035
Friendly and Happy Workplace	<div><div>Establish diversity awareness and build an equal and inclusive working environment.</div><div>Value human rights and support diverse talents.</div></div>	<div><div>Global proportion of female employees: 40%</div><div>Proportion of female managers: 32%</div></div> <div><div>Global engagement survey coverage rate reaches 100%.</div></div>	<div><div>Global proportion of female employees: 40%</div><div>Proportion of female managers: 32%</div><div>Proportion of female in junior managements: 36%</div><div>Proportion of female in STEM -related: 27.5%</div></div> <div><div>Global engagement survey coverage rate reaches 100%, response rate reached 75%.</div></div>	<div><div>Global proportion of female employees: 40%</div><div>Proportion of female managers: 32%</div><div>Proportion of female in junior managements: 36%</div><div>Proportion of female in STEM -related: 27.5%</div></div> <div><div>Global engagement survey coverage rate reaches 100%, response rate reached 80%.</div></div>
Talent Development and Retention	Establish diverse recruitment channels, optimize precise talent selection mechanisms, and strengthen the cultivation of leadership skills to consolidate the talent pool of organizational management and promote the sustainable development of Compal's talent.	<div><div>Retention rate of key positions : 90%</div><div>The average training hours of per manager is 16.5 hours.</div></div>	<div><div>Retention rate of key positions : 90%</div><div>The average training hours of per manager is 20 hours.</div></div>	<div><div>Retention rate of key positions : 90%</div><div>The average training hours of per manager is 22.5 hours.</div></div>
Occupational Safety and Health	Implementing the ISO 45001 management system to enhance employee safety and health education and raise health awareness, creating a safe working environment.	<div><div>Global record of 0 occupational diseases and 0 fire incidents.</div><div>Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector.</div></div> <div>Note: Excluding traffic-related occupational accident.</div>	<div><div>Global record of 0 occupational diseases and 0 fire incidents.</div><div>Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector.</div></div> <div>Note: Excluding traffic-related occupational accident.</div>	<div><div>Global record of 0 occupational diseases and 0 fire incidents.</div><div>Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector.</div></div> <div>Note: Excluding traffic-related occupational accident.</div>

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

>

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

07

Social Engagement

08

Sustainability Partners

...

Appendixes

6.1 Attracting and Retaining Talent

Compal is currently fully committed to enhancing the development and deployment of innovative technologies and actively embracing AI. To attract outstanding professional talent from all sectors, Compal utilizes various recruitment channels, including job search platforms, social media, campus recruitment, industry-academia collaboration, internship programs, and headhunters, to identify potential talent in various fields, to move toward a younger workforce and cultivate new outstanding talent.

6.1.1 Global Recruitment

Global Recruitment Outcomes

In 2024, Compal hired 17,943 new employees worldwide, most of whom were those under the age of 30, in non-managerial positions. Campus recruitment, social networks and internal referrals are the main methods used by Compal to recruit quality talent in our team.

2021-2024 New Hire Analysis

New Hires	Direct Employees						Indirect Employees					
	Under 30 years old		31-50 years old		51 years old and above		Under 30 years old		31-50 years old		51 years old and above	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2024	7,831	4,464	2,502	1,753	6	10	475	306	365	196	28	7
2023	17,574	8,061	4,467	3,152	6	18	797	502	514	203	26	1
2022	50,434	16,967	13,086	9,463	7	8	1,698	1,078	755	278	30	5
2021	98,485	31,950	20,624	11,668	19	44	2,564	1,325	1,175	348	24	5

Distribution of New Employees by Job Level in 2024

Job Grade	Number of Employees
Senior Management	20
Middle Management	180
Junior Management	70
General Colleagues	17,673

Note: Senior Management: Department head level and above; Middle Management: Managers or above; Junior Management: Section chief or above.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

07 Social Engagement

08 Sustainability Partners

Appendixes

Online-Offline Integration

Compal shares workplace review, behind-the scenes, working conditions, and work Q&A videos through social media networks to introduce potential talent to the nature of job openings and environment. These give potential recruits a better understanding of work scenarios. With offline activities, we held campus recruitment events at universities to connect with students, introduce our corporate culture and list the job openings available. We invited project managers and R&D partners to interact more with students. We provided outstanding campus talent with career development information and the opportunity for one-on-one discussions with the recruitment team, who answered questions and assessed suitability. Finally, we value internal referrals. We encourage current employees to recommend talented people and offer corresponding incentives. The synergies from these methods help to recruit talented people that inject new life and energy into our corporate growth and development.

For employees, we offer job rotation opportunities to build up their experience and skills across different departments or projects. The scheme helps to avoid employee burn-out and provides them with new interests and challenges that in turn, boost employee job satisfaction and retention.

New Hires and Average Hiring Expenses, 2021 ~ 2024

Year	2021	2022	2023	2024
Total number of new employees	168,231	93,809	35,321	17,943
New hire rate (%)	253%	187%	98%	61%
Internal hire rate (%)	17.4%	31.6%	35.5%	51.7%
Average hiring cost	8,722	12,583	9,376	10,156

* New Hire Rate: New employees in the current year/total number of employees in the current year.

* Internal Hire Rate: Percentage of open positions filled by internal candidates.

* Recruitment cost is denominated in NTD

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

➤

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Annual New Hires/Turnovers	Taiwan						China						Vietnam					
	Under 30 years old		31-50 years old		51 years old and above		Under 30 years old		31-50 years old		51 years old and above		Under 30 years old		31-50 years old		51 years old and above	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Total number of new employees in 2024 (A)	135	91	205	59	23	6	4,580	2,297	1,056	606	2	0	3,534	2,307	1,574	1,219	2	5
Number of New Recruits Resigning in the Same Year - 2024 (B)	19	8	25	6	4	1	3,650	1,725	751	372	1	1	2,401	1,174	441	327	1	3
Total Turnover Rate in 2024 (C)	204	167	343	180	89	14	6,696	3,486	3,024	2,571	49	32	3,825	2,143	876	625	1	5
Number of People in Each Age Group	1,389	966	4,017	1,648	659	230	4,103	2,436	4,008	2,977	103	6	2,443	1,921	1,066	833	1	13
New Hire Rate (D)	9.7%	9.4%	5.1%	3.6%	3.5%	2.6%	111.6%	94.3%	26.3%	20.4%	1.9%	0.0%	144.7%	120.1%	147.7%	146.3%	200.0%	38.5%
Employee Resignation Rate (E)	13.3%	16.5%	7.9%	10.6%	12.9%	5.7%	74.2%	72.3%	56.7%	73.9%	46.6%	516.7%	58.3%	50.4%	40.8%	35.8%	0.0%	15.4%

Annual New Hires/Turnovers	Brazil						America						Mexico					
	Under 30 years old		31-50 years old		51 years old and above		Under 30 years old		31-50 years old		51 years old and above		Under 30 years old		31-50 years old		51 years old and above	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
Total number of new employees in 2024 (A)	43	56	29	61	4	4	6	10	1	3	3	2	8	9	2	1	0	0
Number of New Recruits Resigning in the Same Year - 2024 (B)	3	1	2	8	1	1	4	6	0	4	2	0	10	6	0	0	0	0
Total Turnover Rate in 2024 (C)	22	38	43	49	7	7	6	14	6	9	4	6	11	6	1	1	0	0
Number of People in Each Age Group	86	101	190	264	24	23	9	7	15	26	18	34	10	15	10	3	1	0
New Hire Rate (D)	50.0%	55.4%	15.3%	23.1%	16.7%	17.4%	66.7%	142.9%	6.7%	11.5%	16.7%	5.9%	80.0%	60.0%	20.0%	33.3%	0.0%	0.0%
Employee Resignation Rate (E)	22.1%	36.6%	21.6%	15.5%	25.0%	26.1%	22.2%	114.3%	40.0%	19.2%	11.1%	17.6%	10.0%	0.0%	10.0%	33.3%	0.0%	0.0%

M: Male F: Female
Note 1: New hire rate: No. of new hires (A) / Total number of people in that age group
Note 2: Turnover rate: [Total turnover (C)-(B)]/ Total number of people in that age group
Note 3: Smart upgrades to factory production lines in 2024 meant the majority of turnovers were from direct employees at China and Vietnam plants. Compal will continue to integrate production lines and smart production to reduce the impact of workforce turnover.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

Stabilizing the Turnover Rate

Compal monitors how new hires are adapting through regular support interviews. The interviews also keep us informed on the needs and difficulties of new hires so that the necessary support and guidance can be provided. These measures help ease newcomers into the team while also strengthening their sense of belonging and loyalty.

For separating employees, we conduct in-depth separation interviews to understand their reason for leaving and their suggestions for the Company. Such dialog helps us identify problems and take the corresponding improvements in a timely manner. We are able to maintain a stable turnover rate through these measures, which in turn helps the Company maintain stable growth and competitiveness.

Employee Turnover	2021		2022		2023		2024	
Total Turnover (%)	57.65%		64.01%		44.38%		45.87%	
Voluntary Turnover (%)	56.22%		62.13%		30.97%		28.57%	
	Total Turnover (%)	Voluntary Turnover (%)	Total Turnover (%)	Voluntary Turnover (%)	Total Turnover (%)	Voluntary Turnover (%)	Total Turnover (%)	Voluntary Turnover (%)
Male	37.50%	36.68%	40.80%	39.64%	27.56%	19.08%	26.61%	17.64%
Female	20.14%	19.54%	23.21%	22.49%	16.82%	11.90%	19.25%	10.92%
Under 30 years old	40.3%	39.80%	41.3%	40.70%	27.43%	20.93%	25.67%	19.74%
31-50 years old	17.25%	16.35%	22.54%	21.39%	16.44%	9.85%	19.53%	8.61%
50 years old and above	0.14%	0.07%	0.15%	0.03%	0.51%	0.19%	0.67%	0.21%
Taiwan	1.41%	1.29%	3.37%	2.99%	2.89%	2.45%	3.15%	2.70%
China	51.39%	50.47%	57.07%	56.05%	35.12%	22.95%	31.56%	15.49%
Brazil	0.32%	0.06%	0.45%	0.04%	0.36%	0.05%	0.51%	0.07%
Vietnam	4.52%	4.41%	3.11%	3.05%	5.80%	5.36%	10.55%	10.22%
America	-	-	-	-	0.22%	0.16%	0.10%	0.08%
Mexico	-	-	-	-	-	-	0.01%	0.01%
Direct employees	51.65%	50.84%	56.18%	55.46%	34.13%	25.13%	35.56%	22.15%
Indirect employees	5.99%	5.38%	7.82%	6.66%	10.25%	5.84%	10.31%	6.41%
Department head level and above	-	-	-	-	0.09%	0.07%	0.15%	0.06%
Manager Level	-	-	-	-	1.43%	0.63%	1.90%	0.81%
Section chief level	-	-	-	-	0.78%	0.35%	1.03%	0.55%
General staff	-	-	-	-	7.96%	4.79%	7.24%	5.00%

Note1: The above data does not include employees who joined and left within the same year.
Note2: Turnover rate = Number of quits in each category / Total number of employees in the company.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

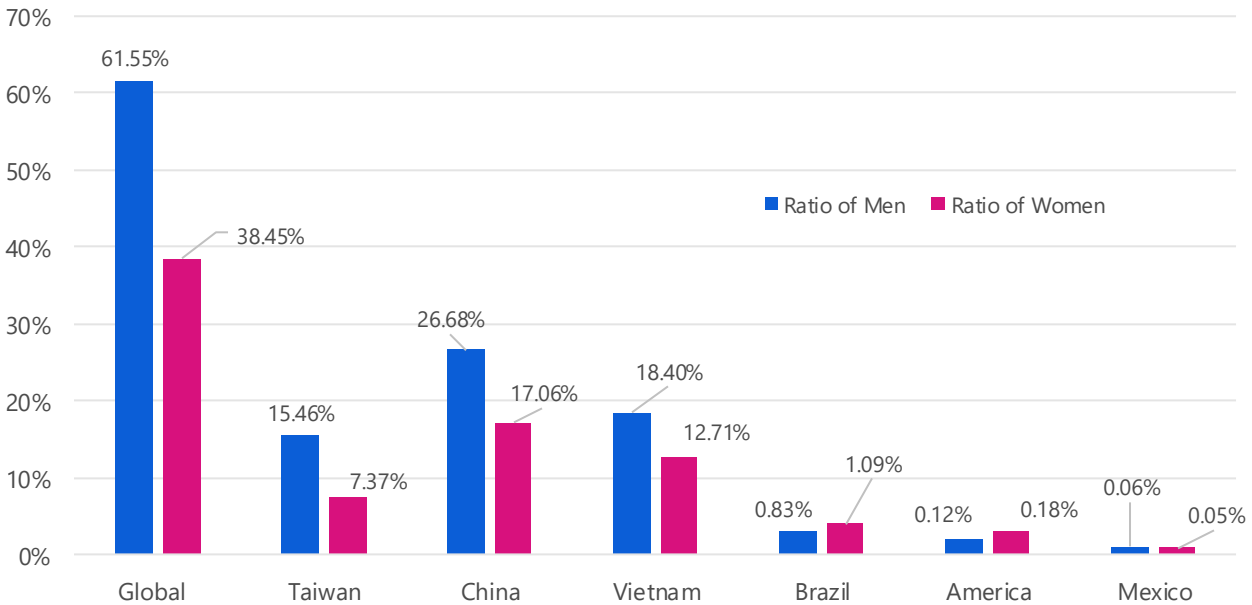
6.1.2 Inclusivity and Diversity

At the end of December 2024, Compal employed a total of 36,122 people at our Taiwan R&D Headquarters (including expatriates) and other overseas locations (including temporary workers). These included 8,246 in Taiwan, 15,797 in China, 11,236 at Vietnam plants, 695 at Brazil plant, 109 at the U.S. plant, and 39 at Mexico plant. In recent years, facing market changes and industry challenges, we have flexibly adjusted our global production capacity to meet operational demands and production volume. This has enhanced our corporate resilience and enabled us to build a more competitive and sustainable enterprise.

Employee Distribution

Region	Taiwan	China	Vietnam	Brazil	America	Mexico	Total
Total Employees	8,246	15,797	11,236	695	109	39	36,122
Percentage of Total Employees	22.83%	43.73%	31.11%	1.92%	0.30%	0.11%	100%
Male (%)	15.46%	26.68%	18.40%	0.83%	0.12%	0.06%	61.55%
Female (%)	7.37%	17.06%	12.71%	1.09%	0.18%	0.05%	38.45%

Note: Total employees includes temporary employees.

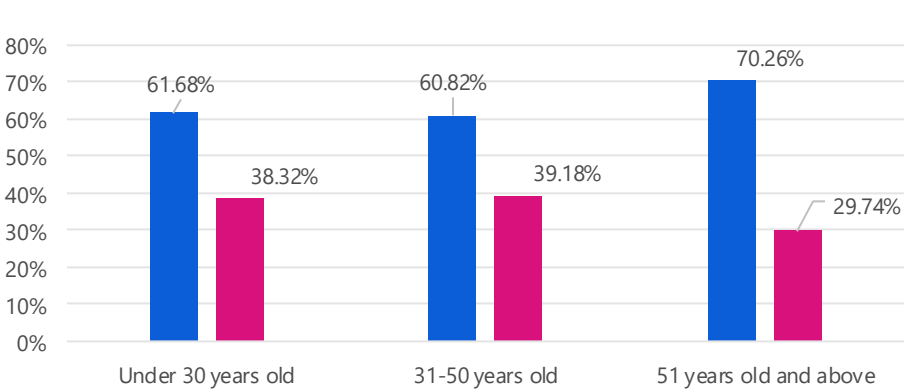


- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- Corporate Governance
- Climate Action
- Environmental Sustainability
- Inclusive Growth**
 - 6.1 Attracting & Retaining Talent**
 - 6.2 Talent Cultivation and Development
 - 6.3 Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety
- Social Engagement
- Sustainability Partners
- Appendixes

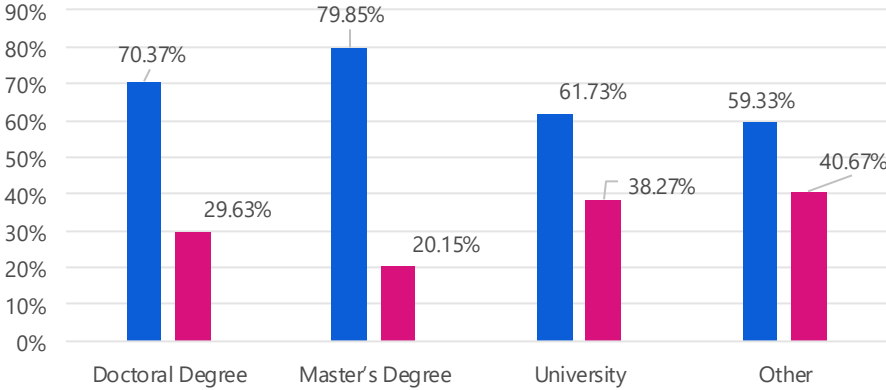
Type of Employment

Category/Number of People		Taiwan		China		Vietnam		Brazil		America		Mexico	
		M	F	M	F	M	F	M	F	M	F	M	F
Direct Employees		75	674	4,172	2,714	5,066	3,742	150	294	13	46	8	11
Indirect Employees	Manager (section chief & above)	3,396	866	1,580	1,236	89	79	32	10	4	1	4	0
	General Full-time Employee	2,070	1,091	2,476	1,478	619	413	118	89	26	19	9	7
	Contract Employee	15	12	0	0	0	0	0	0	0	0	0	0
	Interns	20	8	9	10	0	0	1	1	0	0	0	0
	Temporary Worker	9	10	1,399	723	872	356	0	0	0	0	0	0
Total		5,585	2,661	9,636	6,161	6,646	4,590	301	394	43	66	21	18

Global Male to Female Ratio (by age group)



Global Male to Female Ratio (by education)



CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

Commitment to Workplace Equity

To recruit the best talent, our commitment stems from a core belief in fostering a diverse and inclusive environment where everyone has equal opportunities to succeed. It ensures that there is no differential treatment or discrimination based on gender, age, disability, religion, race, ethnicity, nationality, or other factors. We are committed to incorporating workplace equity into every action and decision we take. We aim to build a workplace where everyone can unleash their potential. We strive to realize this ideal and make a contribution to workplace equity.

Share of Local Hires in Management Positions

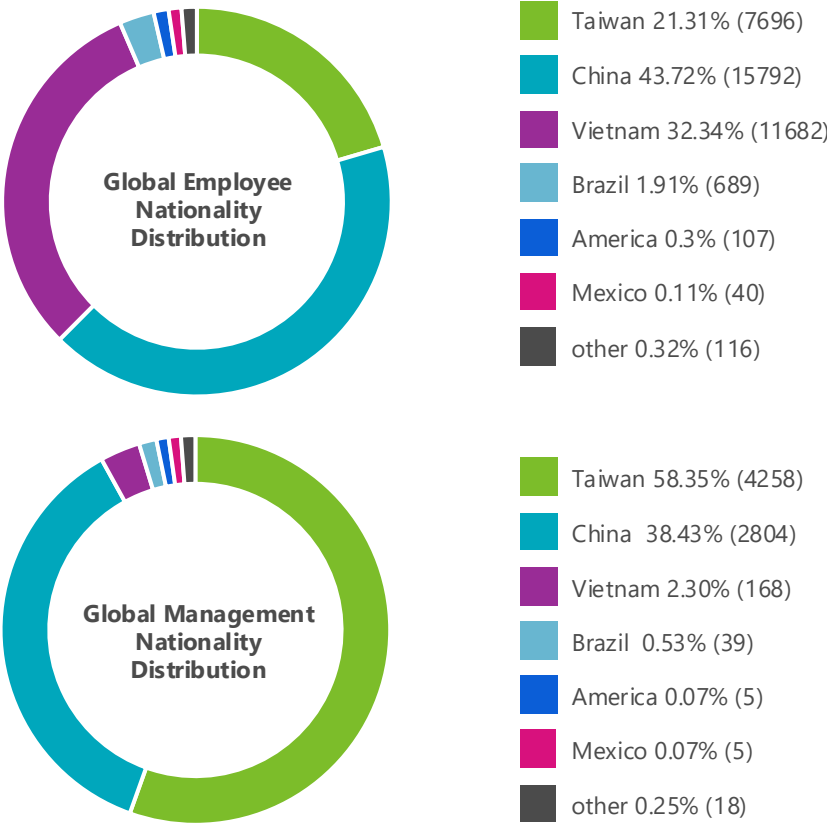
Year	2021	2022	2023	2024
Taiwan	99.49%	99.50%	99.71%	99.81%
China	88.97%	90.68%	93.58%	92.14%
Vietnam	21.94%	22.42%	23.45%	30.00%
Brazil	95.31%	93.10%	93.75%	92.86%
America	-	-	85.71%	80.00%
Mexico	-	-	-	33.33%

Note: Management positions refer to employees above the grade of section manager.

Hiring of Local Managers

Compal cultivates and employs local talent to enhance decision-making efficiency and foster strong connections between the Company and local communities. We will continue to optimize our talent development mechanisms, strengthen local leadership in various regions, and build management teams with both local insights and international perspectives. This ensures we can respond flexibly and boost competitiveness in different countries.

Employee Nationality Distribution



Note: Includes employees from 11 nationalities, such as Thailand and Malaysia.

< >

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

DEI Strategic Planning & Blueprint

We are committed to promoting and integrating DEI principles into our corporate culture and daily operations through a series of strategic actions. We enhance employee awareness of DEI through training courses and workshops, to actively eliminate unconscious biases to ensure fairness and inclusion in work, interviews, and decision-making processes. In addition, we foster communication and understanding through inclusive activities and optimize workplace policies and environments to create a more welcoming workspace. At the same time, we adopt diverse communication methods to expand our influence through internal announcements and social media, making DEI an integral part of our corporate culture and promoting a more diverse future.



Key Strategies



2025 Short-Term Targets		Mid- and Long-Term Targets for 2030 & 2035	
Female Employee 40%		Female in management positions 32%	
Female in management positions 32%		Female in junior management positions 36%	
		Females in STEM positions 27.5%	

Women Power in Tech

We are committed to enhancing women's influence in the technology sector by setting clear, phased goals to increase the representation of female employees and managers. Through training programs, career development support, and fair promotion mechanisms, we create more growth opportunities for women, thus fostering diversity in the tech industry. Moving forward, we will continue to build a more inclusive workplace, positioning women's contributions as a vital force in driving corporate growth. In 2024, with concerted efforts across global plants, the proportion of female managers increased, while the overall female employee ratio slightly declined due to production site transitions and adjustments in global workforce allocation.

Diversity Indicator (%)	2022	2023	2024	Magnitude of Change
Share of women in total employees	38.86%	38.56%	38.45%	↓ 0.11%
Share of women in all management positions	29.20%	29.63%	30.04%	↑ 0.41%
Share of women in junior management positions	34.46%	35.08%	35.46%	↑ 0.38%
Share of women in top management positions	8.73%	8.52%	9.22%	↑ 0.70%
Share of women in management positions in revenue-generating functions	58.99%	63.27%	65.53%	↑ 2.26%
Share of women in STEM-related positions	27.86%	28.28%	27.13%	↓ 1.15%

Note: Management positions refer to employees above the grade of section manager

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

➤

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Women’s Leadership Seminars

Launched the seminars to empower women’s career aspirations

To help women recognize and unleash their leadership potential, challenge stereotypes, and boost their confidence, we trained their practical leadership skills in decision-making, communication, team management, and problem-solving. These efforts help women excel in the workplace, increase their participation in leadership roles, and bring more diverse decision-making and innovative outcomes to the Company.



DEI Activity - Diversity Screening Room

Breaking prejudice through film, making diversity an everyday reality.

In 2024, the Company hosted DEI Screening Room events across its Taiwan facilities, featuring the film " Ruth Bader Ginsburg." We also invited Wei-Hsuan Chang, co-founder and CEO of Woman, to introduce the film. This helped our staff understand that the movie is not just about one woman's story, but about how people can work together to achieve a DEI society and how it brings strength and impact to the workplace.



DEI Activity – “Live with Passion”

Through Colombia’s vibrant racial and cultural diversity, employees experienced the diverse culture and artistry.

Colombia is one of the most ethnically and linguistically diverse countries in the world. We helped our staff appreciate the beauty of inclusion amidst diverse ethnicities through the vibrant and distinct art of the region.



Women's Empowerment: Global Facilities Celebrate International Women's Day

The world shines through diversity, and women sparkle with inclusion.

On International Women's Day in 2024, we continued to promote the spirit of DEI. Our global facilities actively participated by organizing diverse events. This demonstrated care and support for our female employees. Taiwan Plants promoted DEI activities and advocated gender inclusion and women's empowerment; China Plants hosted Chinese flower arrangement workshops, allowing employees to experience diversity and harmony through floral art; Brazil Plant organized women's health seminars during Women's Day, to raise awareness about breast and cervical cancer, with an emphasis on female health issues.



←

☰

CHAPTER

➤

::: Introduction to ESG Report

::: Sustainability Accolades

::: Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

➤ 6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

07 Social Engagement

08 Sustainability Partners

::: Appendixes

Work-Life Balance

In addition to organizing a series of DEI activities, we have implemented policies, such as **no make-up workdays for compensatory holidays and an additional day for National Day holidays**, allowing employees to rest and recharge. Additionally, the Company offers three days of paid "Happiness Companion Leave," during which employees can freely use to spend time with family or enrich themselves, creating a fulfilling life!

Inclusive Culture

We deeply believe that every employee possesses unique potential and value, and all deserve equal employment opportunities. We strive to provide suitable work environments where they can leverage their expertise and realize self-worth. Our global facilities have also hosted a series of activities to foster understanding and support among colleagues, and we have excellent complementary measures in place in the work environment to meet the special needs of our colleagues.

Item	2022	2023	2024
Number of Employees with Disabilities	800	244	243

Starting from the Heart, Breaking Down Barriers

Understanding is the start of change; action is the key to inclusion. In Taiwan, we hosted the "Starting from the Heart, Removing Barriers: Disability Experience Challenge" event. This aimed to give staff a firsthand experience of the daily lives of people with disabilities, thus helping them understand the challenges faced by individuals with disabilities. Through such activities, we hope to build stronger empathy and further enhance our employees' care for colleagues with disabilities.

Caring Tea Sessions

Barrier-free dialogue, boundless communication. To better understand the needs of employees with disabilities, the Chengdu Plant organized tea sessions personally attended by the Plant Manager. This event not only offered an open communication platform but also allowed employees to directly express their thoughts and challenges. The Plant Manager listened attentively to each employee's concerns.

Established an Accessibility Committee

Accessibility Committee launched, ensuring every voice is heard. At the Chongqing Plant, we provide shuttle bus services for colleagues with special needs and have established an Accessibility Committee to deeply listen to the voices of different employees. Additionally, we have formed a sign language club to promote barrier-free communication and understanding. Through these measures, we aim to create an accessible, caring, and supportive work environment where every employee can work with peace of mind and live a happy life.

RBA Compliance in Management of Foreign Workers (Taoyuan)

To accommodate the manpower needs at our plants, Compal employed more than 500 foreign workers at Pingzhen in Taoyuan in 2024. The Company takes the rights, personal health and safety of each worker seriously and on top of providing safe and clean lodging and working environments, we also host specific occupational safety training in the native languages of the foreign workers on a regular basis. Our foreign workers are also invited to take part in our key annual event - "Compal's End of the Year Party" - so that regardless of our employees' gender, language or nationality, the Company will have an opportunity to express its gratitude to each and every employee who has made a contribution to Compal's success.

- o **Foreign Worker Employment Management Procedure:** In accordance with the Company's recruitment process as spelled out in our Personnel Regulation, the Company may only employ foreign workers after obtaining approval from competent authority and going through relevant application processes.
- o **Food and Lodging Management for Foreign Workers:** In addition to installing a kitchenette for the use of foreign employees at the dormitory, it is equipped with four dehumidifiers, dryers, spin dryers, washing machines, and refrigerators. Each room is also fitted with air conditioning and electric fans. Food and accommodation for foreign migrant migrant workers at the plant are processed and managed in accordance with the "Foreign Workers Living/Caring Service Planning Book" as required by law.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

6.1.3 Talent Retention

Remuneration Policy for Directors and Independent Directors

- Compal’s independent directors receive fixed compensation and do not participate in the distribution of directors’ remuneration. The remaining directors do not collect fixed compensation but participate in the distribution of directors’ remuneration. The Remuneration Committee reports and makes substantive recommendations on the remuneration of individual directors to the Board of Directors based on the operating performance results. All Compal directors and independent directors draw travel allowances in accordance with regulations.
- The Company Articles of Incorporation stipulates that no more than 2% of Company profits in each financial year before the deduction of employees’ and directors’ remuneration may be subsequently allocated towards directors’ remuneration. Reasonable remuneration should be given based on the Company’s operating results as well as their contributions.

Remuneration Policy for Managers

- Manager remuneration must be submitted to the Remuneration Committee for review and to the Board of Directors for approval. The ratio of annual total compensation for the organization’s highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) was 26.91 (only for Taiwan). The ratio between the percentage increase in remuneration for the highest-paid individual in the organization, and median percentage increase in total annual compensation for other employees of the organization (not including the highest-paid individual in the organization) was 98.75% (only for Taiwan).
- Compal has instituted clawback policy for managerial remuneration. If a manager is found by the Company to have violated their employment contract or work rules, exhibited significantly poor work performance, or been involved in major risk incidents, the Company reserves the right to withdraw unfulfilled variable compensation or, at its discretion, reclaim variable compensation that has been already granted.

Remuneration Policy for Employees

- Compal has defined work rules and HR management regulations that encompass employee compensation, work hours, leave, pension payments, labor and national health insurance payments, and compensation for occupational injuries in accordance with the provisions of the Labor Standards Act. Compal’s employee compensation is based on the principles of equal pay for equal work and performance orientation. In principle, employee compensation includes 12 months of salary and mid-year bonuses. Year-end bonuses and employee remuneration are distributed based on the Company’s operating results and individual employee performance. Salaries are adjusted annually based on factors such as industry salary levels and consumer price index fluctuations. In accordance with Compal’s Articles of Incorporation, if the Company generates profit each year, not less than 2% of the pre-tax net profit for the current period, after deducting employee and director remuneration, shall be allocated as employee remuneration. The aforementioned salary adjustments, bonuses, and employee remuneration are all submitted to the Remuneration Committee for review and approval by the Board of Directors.
- The “mean salary” declared by Compal in 2024 for full-time, non-managerial employees (excluding directors and managers) was NT\$1,467,000. Median salary was NT\$1,348,000. (Taiwan headquarters only).

←

☰

CHAPTER

➤

...

...

...

01

02

03

04

05

06

➤

6.1

6.2

6.3

6.4

07

08

...

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

Incentive Scheme and Linkage to Sustainability Performance

Key performance indicators (KPI) are linked to the sustainability strategy in day-to-day management to encourage the president, senior executives and employees to practice the Company's sustainability policy. KPIs and the annual evaluation outcome serves as the basis for raises, bonuses, and dividends. Managers' performance indicators encompass financial indicators (e.g. revenue, gross profit, net profit, return on assets, return on equity) and, non-financial indicators (e.g. leadership of internal process reforms, promotion of sustainable corporate development, and management of operating risks). The weighting for financial indicators is around 70% while non-financial indicators is around 30%.

Employee Welfare

Compal allocates 0.05% of annual revenue to employee benefits each year. Employee welfare committees have also been set up to organize employee benefits such as subsidies for marriage, bereavement, childbirth and emergency assistance, subsidies for club activities, subsidies for company holidays, holiday and festival gift vouchers, birthday gift vouchers, as well as subsidies for art, culture, and recreation. In addition to statutory worker benefits, we also periodically organize activities beneficial to employee health such as the establishment of employee leisure and fitness centers, infirmaries, regular employee health exams, recreational team competitions, family activities, travel, art & culture, recreation, and various clubs. We also offer employee benefits such as scholarships for employees and their children.

Childbirth Subsidies

In response to Taiwan's government policy encouraging childbirth, since 2011, Compal has provided a subsidy of NT\$66,000 per birth to employees in Taiwan. This incentive also extends to the childbirth of employees' spouses and children. With the Company's full promotion, Compal has paid out NT\$239.71 million in subsidies for a total of 3,632 newborn babies between 2011 and 2024. Compal also contracted with child care institutions to provide more child care options at discounted prices and reduce the burden on employees.

Childbirth Subsidy in Past Years

Year	2021	2022	2023	2024
Number of Births	251	186	233	203
Subsidy Amount (10,000 NTD)	1,657	1,228	1,538	1,340

Rewarding Outstanding and Veteran Employees

To reward long-serving employees and acknowledge their outstanding contributions, Compal presents eligible senior employees in Taiwan with a plaque and between NT\$3,000 – NT\$250,000 in bonuses depending on their years of service; outstanding employees are nominated by each unit then picked by senior executives. Winners receive NT\$20,000 in bonuses and an award plaque.

No. of Senior and Outstanding Employees in Past Years

Year	2021	2022	2023	2024
No. of Senior Employees (persons)	1,039	753	1,149	1,061
No. of Outstanding Employees (persons)	92	92	85	86

Pension System

Taiwan: Executed in accordance with Taiwan's relevant retirement regulations. Compal has established labor retirement regulations that clearly define employee retirement conditions, pension payment standards, etc. Monthly contributions to the labor retirement reserve fund are made to a dedicated account at the Bank of Taiwan in accordance with the law, thus safeguarding employee rights. The new pension regulations were introduced in parallel from July 1, 2005 onwards. For employees that qualify under the new law, a contribution equal to 6% of their salary is paid to the employee's personal pension account each month; if voluntary pension contributions were made and then monthly deductions at the same rate of the voluntary contributions are made by the Company and paid into their personal pension account at Bureau of Labor Insurance.

China: Executed in accordance with China's relevant retirement regulations. Employees who have contributed to statutory social insurance for 15 years can receive monthly pension payments after retirement. The retirement age for male workers is 60 years, for female supervisors is 55 years, and for female workers is 50 years.

Other locations: Executed in accordance with relevant local retirement regulations.

←

☰

< CHAPTER >

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

>

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Maternity Leave and Parental Leave

In Compal's Taiwan region and various overseas facilities, female employees can apply for maternity leave in accordance with the law after childbirth. Employees in Taiwan who complete six months of service are entitled to apply for unpaid parental leave for every child under the age of three, in accordance with the "Act of Gender Equality in Employment" and "Regulations for Implementing Unpaid Parental Leave for Raising Children." The leave period is a maximum of two years. Upon completion, employees will be arranged to return to their original or related departments, and necessary skill training will be provided to ensure a smooth transition into their roles.

2024 Maternity Leave Across Compal Sites and Unpaid Parental Leave Status	Taiwan		China (excl. Chongqing)	China (Chongqing)	Vietnam	Brazil	America	Mexico
	M	F	F	F	F	F	F	F
Statutory maternity leave (days)	N/A	56	158	178	180	180	84	84
No. of employees eligible for maternity/ parental leave in 2024	441	157	165	55	426	10	0	0
No. of applications for maternity (Overseas / parental leave (Taiwan) in 2024	14	32	165	55	426	10	0	0
Expected No. of employees reinstated in 2024 (A)	13	32	160	57	426	10	0	0
Actual No. of employees reinstated in 2024 (B)	10	22	116	35	426	10	0	0
Actual No. of employees who stayed for one year after reinstatement in 2023 (C)	6	22	59	21	231	2	0	N/A
Actual No. of employees reinstated in 2023 (D)	7	27	115	38	231	2	0	N/A
Reinstatement rate in 2024 (E) = (B)/(A)*100%	76.92%	68.75%	72.50%	61.40%	100.00%	100.00%	N/A	N/A
Retention rate in 2024 (F) = (C)/(D)*100%	85.71%	81.48%	51.30%	55.26%	100.00%	100.00%	N/A	N/A

M: Male F: Female

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

➤

6.1 Attracting & Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Gender Pay Gap Analysis

Employee compensation at Compal is based on experience, background, professional expertise, and competency. The starting salary for the employees will not be different due to gender, race, religion, political status, marriage status, or labor union. At Compal, gender pay differences exist at various job grades due to variations in employees’ experience, expertise, skills, contributions, and performance within the same organizational level (difference is expressed with the average compensation of men as 1).

Entry-Level Wage to Local Minimum Wage

Compal’s starting salary for entry-level employees can reach up to 2.00 times the local minimum wage mandated by law. To protect the rights of temporary workers, Compal implements strict reviews for the temporary worker agencies. We also make sure that the Company does not violate local laws on minimum wage.

M: Male F: Female

Gender Pay Differences (Monthly Salary)	Taiwan		China		Vietnam		Other Plants Mean		Global Mean	
	M	F	M	F	M	F	M	F	M	F
Senior Management	1.00	0.94	N/A	N/A	N/A	N/A	N/A	N/A	1.00	0.94
Manager	1.00	0.90	1.00	0.92	1.00	0.87	1.00	0.84	1.00	0.88
Indirect Employees	1.00	0.96	1.00	1.02	1.00	1.06	1.00	0.79	1.00	0.96
Direct Employees	1.00	0.96	1.00	0.95	1.00	1.00	1.00	0.87	1.00	0.94

Gender Pay Differences (Annual salary)

Senior Management	1.00	0.83	N/A	N/A	N/A	N/A	N/A	N/A	1.00	0.83
Manager	1.00	0.87	1.00	0.90	1.00	0.88	1.00	0.83	1.00	0.87
Indirect Employees	1.00	0.93	1.00	0.92	1.00	0.87	1.00	0.81	1.00	0.88
Direct Employees	1.00	0.93	1.00	0.94	1.00	0.99	1.00	0.92	1.00	0.94

Ratio of the Standard Wage for Entry-Level Employees to the Local Minimum Wage

Region	Taiwan	China						Vietnam	Brazil		America	Mexico
		Kunshan	Chengdong	Nanjing	Chengdu	Chongqing CQ	Chongqing CQA		CEB	CEA		
Male	1.00	1.00	1.00	1.00	1.11	1.00	1.43	1.12	1.77	1.30	2.00	1.00
Female	1.00	1.00	1.00	1.00	1.11	1.00	1.43	1.12	1.77	1.30	2.00	1.00

Note 1: Entry-level employees refer to “direct employees.”

Note 2: Standard salary is the minimum compensation set by Company regulations, and does not include overtime and other stipends that vary in amount depending on position.

Note 3: Local minimum wage is the lowest amount of salary according to the local laws.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting and Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

6.2 Talent Cultivation and Development

Compal's talent cultivation and development has been established to support the Company's overall strategies, talent plans, organization structure, and corporate vision. Development focus and tasks are defined for organizational and departmental goals. The requirements of competency development shape the construction of a comprehensive learning/development system and roadmap that provides employees with a rich and varied selection of learning channels. An individual development plan is also provided to employees. Cross-evaluation of performance indicators and potential assessment indicators is used to select key talent.

In response to the rapid changes in the tech industry, Compal actively promotes a learning-oriented organizational culture, to enhance employees' self-directed learning capabilities and implement a credit-based system to manage learning outcomes across job grades. With the promotion of corporate transformation in 2024, Compal continues to deepen transformation-related knowledge and skills, to create a more agile and forward-looking learning environment to support employee growth and advance toward a sustainable corporate future with them. To this end, Compal has designed comprehensive competency courses for all employees (including part-time and contract workers) to build immediate work skills, strengthen required skills and traits, and address learning gaps. In total, more than NT\$40 million was invested towards the cultivation of talent across the world during 2024. Total training hours also reached 680,000 hours. The human capital return on investment rate (HC ROI) for Compal was 2.38 in 2024.

2024 Training Statistics for Taiwan Plants

766

Total sessions

205,000

Person-Hours of Training

137,000

Number of Trained Employees

9.34/10

Average Course Satisfaction

Note: This data only counts the 289 courses with satisfaction surveys.

Human Capital Return on Investment (HC ROI)

Year	2021	2022	2023	2024
a) Total Operating Revenue	1,235,682,015,000	1,073,245,915,000	946,714,800,000	910,253,024,000
b) Total Operating Expenses	1,194,190,441,000	1,032,881,736,000	904,317,906,000	864,881,775,000
c) Total Employee-related Expenses (Salaries + Benefits)	36,374,615,000	39,485,139,000	35,917,363,000	32,823,332,000
Human Capital Return on Investment (HC ROI) (a - (b - c)) / c	2.1407	2.0223	2.1804	2.38229
Total Employees	109,709	73,120	58,249	43,216

Note 1: Expense is denominated in NTD
Note 2: Total operating revenue, total operating expenses, and total employee-related expenses are sourced from the Company's annual report and compound consolidated financial statement in scope of Compal Electronics, Inc. and its subsidiaries.
Note 3: Total employee count covers Compal Electronics, Inc., and its subsidiaries.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth**
 - 6.1 Attracting and Retaining Talent
 - > 6.2 Talent Cultivation and Development**
 - 6.3 Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Training & Development Data : Hours and Expenses

Plant	Hours of Training		Total Training Cost	
	Total Training Hours	Average Hours per Person	Training Expenses	Average Cost per Person
Taiwan	204,997.30	24.92	31,482,983.00	3,826.79
China	261,664.74	19.13	4,513,106.32	330.03
Vietnam	189,056.00	18.89	3,320,000.00	331.73
Brazil	22,741.00	32.72	854,860.78	1,230.02
America	872.00	8.00	141,684.38	1,299.86
Mexico	1,280.00	32.82	1,126,572.14	28,886.47
Total	680,611.04	20.78	41,439,206.61	1,265.20

Note 1: Data covers January 1, 2024, to December 31, 2024.
Note 2: Average Hours per Person = Total Training Hours / Total Employees;
Average Cost per Person = Total Training Expenses / Total Employees (Currency: NTD)

Training & Development Data: By Gender

Type		Hours of Training	Total Training Cost
Taiwan	Male	153,784.26	27.58
	Female	51,213.04	19.32
China	Male	165,723.63	20.12
	Female	95,941.11	17.64
Vietnam	Male	114,352.00	19.80
	Female	74,704.00	17.64
Brazil	Male	14,799.00	49.17
	Female	7,942.00	20.16
America	Male	344.00	8.00
	Female	528.00	8.00
Mexico	Male	698.00	33.24
	Female	582.00	32.33
Total		680,611.04	20.78

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- Corporate Governance
- Climate Action
- Environmental Sustainability
- Inclusive Growth**
 - Attracting and Retaining Talent
 - Talent Cultivation and Development**
 - Human Rights Management and Advocacy
 - Workplace Health and Safety
- Social Engagement
- Sustainability Partners
- Appendixes

Training & Development Data : Direct Employee and Indirect Employee, Management and Non-Management

Type		Direct employees		Indirect Employees		Management Level		Non-management Level	
		Total Training Hours	Average Hours per Person	Total Training Hours	Average Hours per Person	Total Training Hours	Average Hours per Person	Total Training Hours	Average Hours per Person
Taiwan	Male	270.80	3.61	153,513.46	27.91	93,294.17	27.47	60,490.09	27.75
	Female	1,316.00	1.95	49,897.04	25.24	21,680.73	25.04	29,532.31	16.54
China	Male	100,705.34	24.14	65,018.29	15.99	31,553.82	19.97	134,169.81	20.15
	Female	52,755.83	19.44	43,185.28	15.85	24,472.70	19.80	71,468.41	17.01
Vietnam	Male	94,688.00	18.69	19,664.00	27.77	7,008.00	78.74	107,344.00	18.88
	Female	65,504.00	17.51	9,200.00	18.70	2,048.00	25.92	72,656.00	17.49
Brazil	Male	6,505.00	43.37	8,294.00	54.93	1,357.00	42.41	13,442.00	49.97
	Female	6,095.00	20.73	1,847.00	18.47	72.00	7.20	7,870.00	20.49
America	Male	104.00	8.00	240.00	8.00	32.00	8.00	312.00	8.00
	Female	368.00	8.00	160.00	8.00	8.00	8.00	520.00	8.00
Mexico	Male	619.00	77.38	79.00	6.08	19.00	4.75	679.00	39.94
	Female	556.00	50.55	26.00	3.71	0.00	0.00	582.00	32.33
Total		329,486.97	19.42	351,124.07	22.24	181,545.42	24.88	499,065.62	19.61

Training & Development Data: Age, Nationality and Type of Training

Category		Male		Female		Total (Male + Female)	
		Total Employees Trained	Total Training Hours	Total Employees Trained	Total Training Hours	Total Employees Trained	Total Training Hours
Age	Under 30 years old	86,079	216,900.20	50,544	121,815.45	136,623	338,716
	31-50 years old	111,245	213,553.67	48,896	102,923.37	160,141	316,477
	51 years old and above	12,226	19,402.20	3,823	6,016.15	16,049	25,418
Nationality	Taiwan	103,108	157,309.73	33,890	50,312.77	136,998	207,623
	China	51,291	169,953.80	28,894	96,835.63	80,185	266,789
	Vietnam	53,042	106,074.89	38,203	74,234.50	91,245	180,309
	Other	2,109	16,413.45	2,276	9,476.27	4,385	25,890
Type of Training	Internal Training	208,026	431,375.86	102,588	223,652.18	310,614	655,028
	External Training	1,509	18,320.00	473	7,263.00	1,982	25,583

Note 1: Definition of training type: Internal training is defined as training planned and held by the Company; external training is defined as training undertaken at external training units by employees.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

6.1

Attracting and Retaining Talent

➤

6.2

Talent Cultivation and Development

6.3

Human Rights Management and Advocacy

6.4

Workplace Health and Safety

07

Social Engagement

08

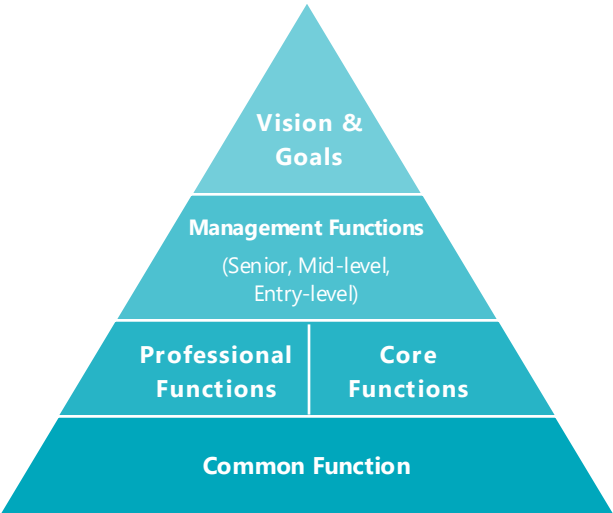
Sustainability Partners

...

Appendixes

6.2.1 Systematic Training System

Talent cultivation is one of the key means by which businesses can maintain their competitive advantage. Compal is continuing to construct the critical knowledge required for each role through a variety of systematic methods in today’s fast-moving environment. We introduced diversified learning channels to eliminate time and space constraints on learning. A complete learning system was also developed to define clear learning directions for Compal employees. A range of program courses were developed as a result including language programs, specialist programs, common programs, and so on. We hope to cultivate the sustainable working ability of Compal employees and foster a constructive atmosphere of self-initiated learning within the organization.

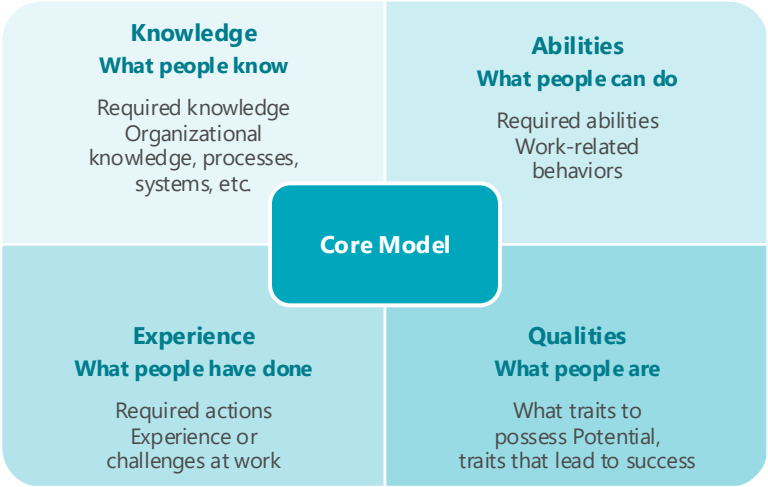


Competency-oriented Learning Roadmap

Continued upgrades to the core competitiveness of human resources is emphasized at Compal in response to rapid pace of globalized competition. Core competitiveness is in turn based on the integration of work and competency. Employee literacy and ability must also be constantly enhanced to achieve a win-win outcome for both the organization and the employee. To this end, Compal conducts an employee survey on training requirements in Q4 each year. A training roadmap for all employees is then developed based on the core competencies of “Core, Management, Common, Specialization” to enhance our overall human resources and build a fully learning-based organization.

Core Model

The Compal talent management system is built around key processes for “Recruitment of Elites”, “Definition of Key Talent”, “Development of Essential Competencies”, and “Retention of Key Talent.” An inventory and analysis of each position and each grade is conducted with respect to the four dimensions of “Knowledge”, “Experience”, “Ability”, and “Trait” then integrated them with Compal’s vision of “Teamization”, “Systematization”, “Creativity”, and feedback from managers at each level. This is then used to define the critical abilities for each role, clarify the talent pool for each critical role, take stock of skill gaps, as well as develop and track the elite talent development plan. Extensive training courses are also introduced based on the competencies required.



- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- Corporate Governance
- Climate Action
- Environmental Sustainability
- 06 Inclusive Growth**
 - 6.1 Attracting and Retaining Talent
 - 6.2 Talent Cultivation and Development**
 - 6.3 Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety
- Social Engagement
- Sustainability Partners
- Appendixes

2024 Education and Training System

Subject	Off Job Training					On Job Training	Self Develop
	General Training	Common Competency Training	Core Competency Training	Unit Supervisor Training	Management Competency Training	Functional Skills Training	Specialist Skills Training
Senior Management	Language Course Information Security Trade Secrets Quality Awareness Occupational Safety	Inter-personal Relationships Communication And Coordination Agility/Flexibility Market Trends Productivity Diversity, Equity, & Inclusion, Etc.	Problem Solving Quality Orientation Team Work Innovative Thinking	Targeted Talent Selection	Senior Management Curriculum	Individual Instruction Skill Set Shen-Geng Training Program Unit-level On Job Training	Individual Development Plan (IDP) In-service Continuing Education Subsidy Language Training Subsidy External Training
Middle Management				Subordinate Development	Middle Management Curriculum		
Junior Management				Employee Care Employee Coordination	Basic Management Curriculum		
Entry-level Employees				Labor And Management Relations			
New Employees	New Employee Core Course Orientation Training, Workplace Adjustment Training, New Employee No Problem Series, Quality Awareness, Legal Education (OHS, Fire Safety)					Mentor System	

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

6.1

Attracting and Retaining Talent

➤ 6.2

Talent Cultivation and Development

6.3

Human Rights Management and Advocacy

6.4

Workplace Health and Safety

07

Social Engagement

08

Sustainability Partners

...

Appendixes

6.2.2 Diverse Learning Channels

E-learning Online Learning Platform:

Compal has developed a comprehensive internal learning management system for talent cultivation. The Company's learning resources are integrated through e-learning so that employees across all our global facilities have shared access to a wealth of knowledge. The platform offers personalized learning for employees so they know their exact academic progress. The learning roadmap can also be used to track progress., Big data analysis is even used by Compal to obtain a full picture of learning & development by employees. With our continuous promotion of digital learning, global login sessions reached 800,000 in 2024.



Promotion Credit System

To ensure that every Compal employee possesses the knowledge and skills required for their role when they are appointed to a new management position, hierarchical learning courses were developed for different competencies. By enhancing the employee's character and ability, we can satisfy the needs of organizational development and maximize training perform through more effective use of training resources. The skill requirements for each position are clearly defined. Open and transparent mechanisms for continuing education have been drawn up to align employees' growth with performance targets and business development.

- Establishing a common Compal lexicon from top-down promotion of training system

Compal responded to the market trend by continuing to enhance the soft power of employees through internal optimizations so they can adapt to the new changes. We rethought and reorganized the key skills required for each position to focus on the core talent development model. The course content framework was also optimized and rebuilt to better align with Compal's common language. Between 2017 and 2024, 30,639 persons-time have been trained for a total of 210,680 hours. Compal will continue to implement this program in the future to cultivate sustainable talent development.

The promotion credit system is an initiative that has been running for more than seven years so far. Through the program, every employee making the transition from individual worker to manager receives practical and realistic training from the Company to improve their sustainable employability. In 2024, 30.5% of all employees improved the skills required for their new position through the promotion credit system. The system also played a part in the promotion of 39.1% employees. It now continues to construct a positive feedback loop between the promotion of Compal's business development and corporate culture. The goal is to establish a common language for our talent pool.

800,000
Global login sessions in 2024

30.5%
Employee Participation

39.1%
Promotion Rate

Note: Employees Trained in 2024/ Total Employees in 2024

Note: Program Participants Promoted in 2024 / Employees Trained in 2024

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- Corporate Governance
- Climate Action
- Environmental Sustainability
- 06 Inclusive Growth**
 - 6.1 Attracting and Retaining Talent
 - > 6.2 Talent Cultivation and Development**
 - 6.3 Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety
- Social Engagement
- Sustainability Partners
- Appendixes

Management Talent Leadership Development Program

Compal has developed a series of management courses aimed at helping company talent realize their work goals as well as improve their productivity and performance. The courses cover all the different abilities required by junior, and middle/senior managers. Training focus in 2024 was as follows:

Mid-to-Senior Management Training in Business Operations

- o Sandbox Simulation and Financial Acumen Training

Compal is actively pursuing diversification. To help our mid-to-senior managers overcome management blind spots and conventional thinking when facing challenges in new fields, technologies, and market changes, we hosted four sessions of the Business Operations & Sandbox Strategy course in 2024. Through simulated business operations, this program cultivated managers' financial thinking and gave them a holistic perspective of what it takes to be a successful leader. Concurrently, we arranged four sessions of the Financial Acumen Workshop to strengthen managers' capabilities in financial statement analysis and resource allocation. Through these training programs, we continuously empower our mid-to-senior managers enable them to respond more flexibly to market changes, formulate more forward-looking strategies, facilitate organizational innovation, and ensure the Company maintains its competitive edge.



Cultivation Programs

Management Training Programs

Exceptional Leadership - Inspire trust, develop vision, execution strategy, unlocks potential

Middle Management Leadership Training

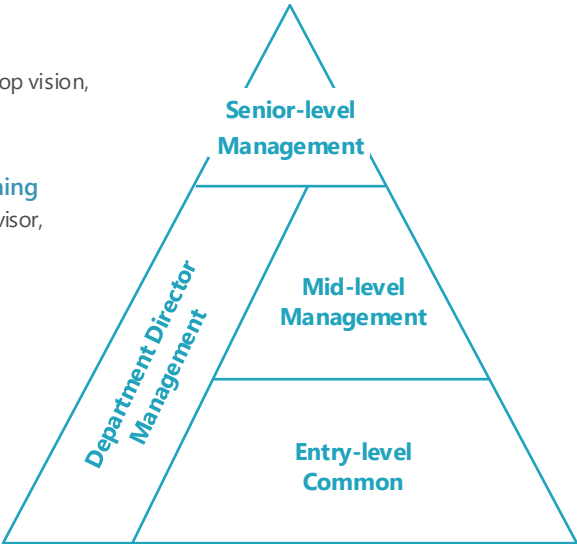
Keys to team leadership, Coach-style supervisor, Scenario-based leadership

Department Director Development

Management knowledge and techniques, Employee care

Entry-level Common Training

Accountability in action, Workplace recharging station



Business Operations & Sandbox Strategy

- o 4 sessions, 120 participants
- o Average satisfaction: 9.70

Financial Acumen Workshop

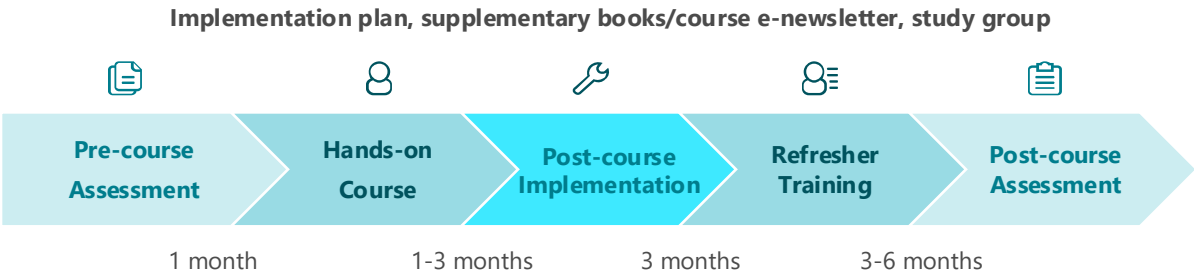
- o 4 sessions, 108 participants
- o Average satisfaction: 9.41

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
 - 6.1 Attracting and Retaining Talent
 - 6.2 Talent Cultivation and Development
 - 6.3 Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

R&D Leadership Development Course (15 classes; average satisfaction was 9.66)

- Coaching-style leadership training: To help mid-to-senior managers build high-performance teams, we reinforce their leadership thinking, coaching knowledge, skills, and techniques. This training incorporates practical case studies for in-depth discussion, allowing managers to examine departmental strategies for talent selection, development, utilization, and retention. Guided by external consultants and peer interaction, managers learned to lead their teams more effectively. Beyond in-class learning, a structured learning journey is planned post-course to ensure practical application and encourage greater engagement in leadership roles.
- Accountable team execution: Compal launched a series of accountability-themed courses to establish a common accountability mindset and language among front-line managers. In this way, managers can set a positive example for team members, work together to accomplish key departmental and company results, and enforce accountability management at Compal.

To ensure the effectiveness of talent development, Compal designed learning journeys lasting three months to half a year, which incorporated diverse learning resources to help managers effectively apply what they have learned. The Kirkpatrick Model is adopted to track effectiveness of reaction, learning, behavior, and results during training. Simultaneously, our R&D unit planed phased learning roadmaps to help managers continuously improve and achieve talent development goals.



15 classes

9.66
Average Satisfaction



Chengdu Leadership Talent Development Program

We offer a series of courses for front-line managers, including "8 Disciplines for Professional Managers," "Emotional Intelligence Leadership — Mastering Your Emotions," "DEI: Diversity, Equity, and Inclusion," "Innovative Thinking and Problem Solving," and "HR Management for Non-HR Managers". The multi-faceted training with diverse topics aims to train management skills, stimulate self-driven awareness and potential, and achieve comprehensive improvement in mindset and practical skills. In 2024, a total of 36 participants, average learning satisfaction score of 4.59 (out of 5).

::: Introduction to ESG Report

::: Sustainability Accolades

::: Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 **Inclusive Growth**

6.1 Attracting and Retaining Talent

> 6.2 **Talent Cultivation
and Development**6.3 Human Rights Management
and Advocacy

6.4 Workplace Health and Safety

07 Social Engagement

08 Sustainability Partners

::: Appendixes

Common Program

To empower employees to fully keep abreast of and leverage external information for effective suggestions or plans, Compal has launched a series of training programs focused on capturing the latest industry developments, including:

Digital transition program

○ Mid-to-Senior Management – AI Literacy Consensus Camp

To enhance our management team's digital leadership, Compal specifically hosted an "AI Literacy Consensus Camp". The CEO and mid-to-senior managers from both domestic and overseas facilities participated to deepen their understanding and application of AI. This event brought together industry experts to analyze the latest AI trends and simultaneously keep abreast of relevant regulatory compliance points, while ensuring that the Company's AI applications are both innovative and responsible. Furthermore, through sharing corporate practical cases and analyzing AI project implementation, the program helped the management team stay updated on key aspects of digital transformation, thus laying a solid foundation for Compal's future AI development and further promoting company-wide digital transformation. This course involved 219 participants for 1,533 training hours, with a course satisfaction of 9.18 (out of 10).

○ All employees - AI-related skill improvement training

In 2024, facing the rapid changes of the digital era, Compal actively enhanced all employees' digital capabilities. Through diverse learning channels, every employee can master key digital skills. In 2024, we offered five online learning courses, covering core topics, such as AI fundamental concepts, sustainable development, digital transformation, and smart manufacturing, allowing employees to learn independently anytime and anywhere. In addition, through five seminars, we invited industry experts to analyze the latest technology trends, along with practical case studies, to help employees integrate digital thinking into their daily work. These training programs not only improved employees' digital literacy but also fostered inter-departmental collaboration and innovation. In 2024, digital skills-related training involved 4,378 participants for 8,278 training hours. Looking ahead to 2025, we will continue to invest more resources in digital skills training to ensure every employee remains competitive in the digital era and grows with the Company.

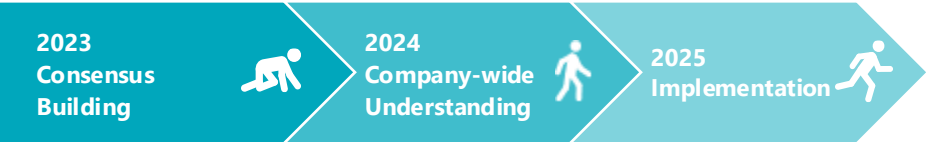


- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
 - 6.1 Attracting and Retaining Talent
 - 6.2 Talent Cultivation and Development
 - 6.3 Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Multicultural Enhancement Program

At Compal, we believe in giving everyone the same opportunities and strive to create a diverse, friendly workplace in order to recruit the best talent. We are committed to incorporating workplace equality into every action and decision we take. We aim to build a workplace where everyone can unleash their potential. We strive to realize this ideal and make a contribution to workplace equality. We will begin by creating a diverse, equitable, and inclusive environment, starting with ourselves. By embracing and accepting everyone’s diversity and differences, listening to varied perspectives, and embracing challenges, we aim to strengthen all employees’ multicultural awareness through a series of training programs from 2023 to 2025, expecting to deliver substantive contributions and benefits to the Company.

Promoting multiculturalism is a shared responsibility for all employees. To ensure everyone works together in the implementation, promotion is carried out in three phases:



Establish consensus and collaborate

At the end of 2023, internal HR workshop was held to build consensus, spark communication, and foster collaboration, while building bridges for diversity and inclusion.

Deliver basic knowledge of diverse cultures

A series of training programs are offered to promote multiculturalism as a key aspect of the enterprise, encouraging all employees to learn how to apply it in daily work and raise fundamental awareness.

Embrace diversity and inclusion

Continuously promote and reinforce multiculturalism through activities and training; demonstrate it through practical actions; and integrate it with policies into the corporate culture.

2024 Highlighted Achievements

Stage	Trainees	Training Content and Effectiveness
Establishing fundamental multicultural awareness	All employees	Through the company-wide online course "Embracing Diversity and Inclusion," all employees gained an understanding of multiculturalism and established foundational knowledge, and identified common unconscious biases in the workplace with the aim of gradually shifting individual mindsets. Trained 6,804 employees for a total of 3,402 hours.
Promoting inclusive communication and collaboration	All employees	Through an online workplace communication course, employees analyze common communication scenarios, learn to adjust non-verbal cues to adapt to different communication styles, and address bias and discriminatory behaviors, thus enhancing their problem-solving and relationship repair skills. Trained 1,245 employees for a total of 1,868 hours.
	Management position	Two online courses for supervisors were planned to help them understand the importance of cross-generational communication, learn workplace value and communication differences, and apply non-violent communication strategies to resolve conflicts. Additionally, these courses aimed to equip supervisors with the ability to navigate uncertainty and complex challenges at a higher level and through a holistic perspective and also thoroughly assess environmental and decision-making pain points, while aligning their own and their team’s future goals. Trained 1,670 employees for a total of 3,285 hours.
Building employer brand	Department heads	One mandatory course for department heads was planned. It emphasizes the importance of multiculturalism to the enterprise from a managerial perspective and allows them to understand its impact on the employer brand. The course guided managers to identify improper issues and behaviors during the talent selection and hiring process to ensure fair recruitment, thereby fostering an excellent and attractive employer brand. Trained 446 employees for a total of 446 hours.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- Corporate Governance
- Climate Action
- Environmental Sustainability
- 06 Inclusive Growth**
 - 6.1 Attracting and Retaining Talent
 - 6.2 Talent Cultivation and Development
 - 6.3 Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety
- Social Engagement
- Sustainability Partners
- Appendixes

Specialist Curriculum

The “Skill Set Program” for the R&D career track at Compal was set up in 2003 in response to rapid expansion of the organization. The “Fun Fu” platform was also set up as a learning platform for specialist learning and knowledge management in RD. The heads and Knowledge Learning Department of each R&D unit defined the responsibilities for engineers at each grade along with the requisite specialist knowledge, skills and competency courses to develop their own Function Skill Set Roadmap. For specialist competency courses, teaching materials are authored by managers or senior employees in the department. These are then produced and published in the “Learning Section” of the Fun Fu website by the Knowledge Learning Department. The number of online courses have surpassed 1,000 since the program was launched in 2003.



Language Proficiency Enhancement Plan

In today's global competitive environment, language proficiency has become a crucial factor in connecting markets and strengthening team collaboration. Compal has continuously promoted language training for many years, including online English courses, online TOEIC simulation tests, official TOEIC group tests, English presentation skills, English live seminars, and basic Vietnamese online courses. In 2024, an online 1-on-1 live English tutor was specifically introduced, offering flexible class schedules and tailored lessons based on each employee's capability. This allowed employees to practice communication in real-life scenarios, strengthening their speaking and application skills.



New Employee Development

We hope that new employee can adapt to their new role and master the required skills and concepts as quickly as possible so they immediately undergo a series of new hire training courses once they join the Company. The mentor system also provides one-to-one training to help new hires adapt to the Compal culture and shorten the learning curve. New hires are offered a new hire support survey one month after they start work to ensure timely assistance if necessary. We also reach out to all new employees in R&D units through e-newsletters. In addition to providing new employees with useful resources and guides, we also continue to emphasize their importance and welcome them to the Company one, two and three months after their arrival through the e-newsletter.

Classroom Courses	New Employee Orientation	Introduction to the company, human resources system, benefits, explanation of information operations etc.
	Compal Employee Development Course	Workplace roles, workplace culture, emotional management, workplace communications etc.
Online Courses	New Employee In-service Seminar	Quality management, information security, Employee Code of Ethics, preventing workplace violence etc.
	Workplace Adjustment Training	Career planning, top-down/bottom-up management, peer relationship management etc.
	Occupational Health and Safety Seminar	Introduction to laws and regulations, Labor work safety rules, safety awareness etc.
	General Fire Safety Knowledge	Fire prevention, evacuation plan, introduction to equipment etc.
Employee Care	Mentor System	One-to-one mentoring system, help new hires adjust to their work
	New Employee Online Questionnaire	Survey on adaptation upon arrival
	New Employee E-Newsletter	Resources and guides for new hires

- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth**
 - 6.1 Attracting and Retaining Talent
 - > 6.2 Talent Cultivation and Development
 - 6.3 Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

6.2.3 Key Talent Development

Potential Talent Assessment and Individual Development Plan (IDP)

The Compal Individual Development (IDP) is a personalized development plan based on the Compal Core Model supplemented by professional assessment tools. An objective and systematic mechanism is used to identify key talents at all levels.

3,258

People Participation
in Talent Development

39.6%

Talent Development Ratio

Note: Total program participation / 2024 total employees

94.7%

Retention Rate

Note: No. of in-service employees in program /
2024 total employees in program

To cultivate and establish a pool of quality talent in a more comprehensive manner, two-way communication and discussions with key talent and their direct supervisors are conducted to co-develop key development targets for the year. Different development methods are utilized (including: training courses, regular one-to-one interviews, long-term coaching, or task assignments) and auxiliary systems used to conduct follow-ups and reviews of development outcomes and plan progress each year (mid-year and end-of-year). A positive feedback mechanism is encouraged and enforced. Through this year-long program, potential talent and managers under development can hone their own strengths or target areas, demonstrate the key behaviors sought by the Company, and ultimately produce changes in behavior. In response to talent requirements of long-term organizational development, supervisors may also increase the IDP planning and review frequency for general employees, and adjust the development plan as necessary. Sustained development planning and skills cultivation will contribute to the overall talent pool at Compal.

A total of 3,258 employees took part in this program in 2024. The retention rate of participating employees reached 94.7% as well. The program is therefore conducive to the continued forging of quality talent, building of key knowledge, and improving of overall competitiveness at Compal.

個人發展計畫(IDP)

Individual Development Plan 2024

2024即將啟動

為什麼要做 ?

協助員工與主管，發掘員工的個人潛力並讓其持續成長，進而提升內部整體競爭力。

何時要做

每年1月~11月
經過現況盤點、目標設定、任務執行及期中期末檢視。

由誰來做

主管/Coach
評估、說明、設定發展目標，持續提供輔導與支援

被發展人/Member
自我評估，接受發展所需任務，接受回饋自我提升

在哪裡做

透過系統執行
HCM / ESS員工自助服務 / 個人發展計畫

個人發展計畫流程

各階段作業進程陸續進行通知，請留意相關訊息

被發展人
Member

現況盤點

自評自述 他評意見

主管
Coach

目標設定

制定發展重點

主管
Coach

進度檢視

進度回報 輔導回饋

聯繫窗口：【PCBG】學習發展部 Ally Lee #11319
【SDBG】訓練發展部 JenniferMS Chen #13206

::: Introduction to ESG Report

::: Sustainability Accolades

::: Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

6.1 Attracting and Retaining Talent

> 6.2 Talent Cultivation
and Development6.3 Human Rights Management
and Advocacy

6.4 Workplace Health and Safety

07 Social Engagement

08 Sustainability Partners

::: Appendixes

Digital transition program

Cultivation Program Internal (external) speakers from different functions were invited to host seminars on pioneering, trends, market and academic information in the spirit of experience sharing. In addition to the implementation of competency development for employees in R&D-related unit, promotion of lifelong learning and growth, and inspiring the passing on and exchange of R&D experience, we also encouraged employees to engage in trans-function learning, which allows ideas to collide and encourages innovation, and their knowledge and experience can be reused and preserved. A total of 43 classes were held during 2024 with a total attendance of 5,711 people. 61 internal (external) instructors were invited to share their professional knowledge. Up to 71.39% of employees were engaged in trans-function learning. At the same time, a competition to select and publicly recognize good instructors is held in December every year to encourage employees to become instructors.

Cultivation of Specialists at Kunshan Plant Through systematic and standardized courses, we enhance our employees' professional technical skills. Our customized training programs quickly match job skill levels. Courses, such as "AI Trainer" and "Industrial Vision System Operations & Maintenance Specialist," were highly popular among employees in 2024, with 438 individuals voluntarily enrolling and obtaining Jiangsu Province Vocational Skill Certificates. Over two months of learning, participants actively explored new fields and empowered themselves with new skills, achieving a course satisfaction rate of 98%. Looking ahead to 2025, we will deepen our technical capabilities, seek more resources, and offer diverse learning models to attract more employees to join our digital learning initiatives, thereby supporting corporate development.



- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
 - 6.1 Attracting and Retaining Talent
 - 6.2 Talent Cultivation and Development
 - 6.3 Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

6.2.4 Diverse Evaluation Modes

Periodic Performance Appraisal

Periodic performance appraisal are conducted to enforce company-wide, departmental and individual goals. These include annual performance evaluations, employee probation period evaluations, project evaluations, and so on. Employee performance is measured through the definition of fair and impartial metrics. Through the performance reviews, Compal can ensure that employee performance meets the company’s expectations and standards. Problems can also be identified and improved upon in a timely manner. At the same time, reviews promote two-way communication between the company and the employees so managers can provide subordinates with guidance and assistance more quickly. Overall productivity is improved and the long-term development goals of Compal can be realized.

Performance Appraisal Items	Trainees	Description	Frequency
Probation Review for New Employees	New Employees	Probation reviews are used to establish the suitability of new hires for their current position. Suitable personnel are offered “formal employment” while unsuitable personnel receive either “extended probation” or “termination of probation” in accordance with the probation system.	Two months after start of employment
Intern Review	Interns	The supervisor and intern jointly set targets based on the type of internship. One to three performance reviews are then conducted.	One to three reviews
Annual Performance Appraisal	All Employees	Performance appraisals are designed to enforce Company/departmental/individual targets/strategies/approach and establish a performance-oriented evaluation system. The system assists teams with realizing their performance targets, promotes proper employment and application of talent within the organization, and enhances the overall quality and professionalism of employees in order to create business growth for the Company. Additionally, we launched a performance improvement program that provides personalized coaching for employees who need more assistance. This strengthens their capabilities and boosts their performance, and ensures every employee can reach their maximum potential and grow with the Company.	Once or twice a year
Project Appraisal	R&D Project Team	A series of evaluations are conducted by the organizational supervisor for that project based on the project’s strategic objectives and the actual performance, as well as the overall professionalism and competency demonstrated by project team members during the project.	Once every two months
360-degree Feedback Appraisal	Managers in Taiwan (including expatriates)	The evaluation is aimed at strengthening teamwork between departments and breaking down inter-departmental barriers/parochialism. Department and division heads assess and provide feedback on each other from a diverse, multi-disciplinary perspective each year. Obtaining more objective and substantive metrics helps supervisors overcome management blind spots. The metrics can also be used in the annual performance evaluation.	Once per year
Team Performance Appraisal	Designated Business Units and Their Employees	KPIs are defined for designated business units and linked to the performance system every year to promote organizational development, realize organizational targets, and implement technological development. These encompass business-related indicators (e.g. profits, profitability) and organizational development indicators (e.g. innovation). Business units with a higher completion rate receive a higher quota of better performance evaluations. Supervisors also evaluate performance distribution of teams when evaluating the performance of individual team members.	Once per year
Individual Development Plan	Potential Talent as well as Managers or Employees Slated for Development	Development targets are jointly set by the development candidate and their supervisor at the start of the year. Development outcomes and progress undergo two reviews (mid-year and end-of-year) each year. A positive feedback mechanism is encouraged and enforced. Supervisors interact and provide feedback to candidates at any time throughout the year-long personal development plan. This enables candidates to hone their own strengths or target areas. The process and outcomes of the IDP can also be used as key references during their performance evaluation to realize the strategy of combining talent cultivation with performance.	Ongoing

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting and Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

Periodic Appraisal of Performance Data

Category		Taiwan			China			Vietnam			Brazil			America			Mexico		
		(A)	(B)	%	(A)	(B)	%	(A)	(B)	%	(A)	(B)	%	(A)	(B)	%	(A)	(B)	%
Direct Employees	M	69	75	92.00%	4,170	4,172	99.95%	0	5,066	0.00%	150	150	100.00%	13	13	100.00%	6	8	75.00%
	F	168	674	24.93%	2,691	2,714	99.15%	0	3,742	0.00%	294	294	100.00%	46	46	100.00%	9	11	81.82%
Indirect Employees	M	5,431	5,501	98.73%	4,051	4,065	99.66%	654	708	92.37%	151	151	100.00%	30	30	100.00%	10	13	76.92%
	F	1,943	1,977	98.28%	2,721	2,724	99.89%	466	492	94.72%	100	100	100.00%	20	20	100.00%	3	7	42.86%
Non-management Level	M	2,133	2,180	97.84%	5,991	6,657	90.00%	567	5,685	9.97%	269	269	100.00%	39	39	100.00%	12	17	70.59%
	F	1,246	1,785	69.80%	3,719	4,202	88.51%	390	4,155	9.39%	384	384	100.00%	65	65	100.00%	12	18	66.67%
Management Level	M	3,367	3,396	99.15%	1,566	1,580	99.11%	87	89	97.75%	32	32	100.00%	4	4	100.00%	4	4	100.00%
	F	865	866	99.88%	1,230	1,236	99.51%	76	79	96.20%	10	10	100.00%	1	1	100.00%	0	0	0.00%
Total		7,611	8,227	92.51%	12,506	13,675	91.45%	1,120	10,008	11.19%	695	695	100.00%	109	109	100.00%	28	39	71.79%

M: Male F: Female
A) Number of employees that undergo periodic performance and professional development reviews
(B) Number of employees in that category

Note 1: Percentage= (A)/(B) *100%
Note 2: Some foreign direct labor employees in Taiwan sites are not included in the annual performance appraisal system, as their performance evaluations are conducted on a three-year cycle. Therefore, certain foreign workers did not undergo performance review in 2024.
Note 3: Direct employees at the Vietnam sites are not currently covered by the company's standardized periodic performance appraisal and career development review system.

::: Introduction to ESG Report

::: Sustainability Accolades

::: Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

6.1 Attracting and Retaining Talent

6.2 Talent Cultivation
and Development> 6.3 Human Rights Management
and Advocacy

6.4 Workplace Health and Safety

07 Social Engagement

08 Sustainability Partners

::: Appendixes

6.3 Human Rights Management and Protection

Compal is committed to fostering a work environment that respects human rights and considers it one of our core values. We consistently adhere to local labor laws throughout all our business operations, and we act in accordance with international standards, such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the Ten Principles of the UN Global Compact (UNGC). Our actions are also consistent with the Responsible Business Alliance (RBA) Code of Conduct, treating all persons with dignity and respect.

Human Rights Policy

1. Any form of forced labor and human trafficking is prohibited. Employees are free to resign or terminate their employment relationship with prior notice abide by local laws and regulations.
2. Prohibition of child labor and protection of underage workers.
3. Respect employees' rights to freedom of association and collective bargaining, and provide communication channels for free expression of opinions.
4. Comply with applicable laws and regulations related to salary and working hours, promote equal remuneration, provide fair and reasonable remuneration and working conditions, integrate overall economic development trends and implement assessment and improvement continuously.
5. Eliminate all forms of discrimination and inhuman treatment, and ensure that all personnel enjoy equal job opportunities.
6. Provide a safe and healthy working environment to help maintain the physical and mental health of employees.
7. Commitment to responsible sourcing of minerals.
8. Compliance with local regulations and recognized international standards.
9. Provide an independent grievance mechanism, so that all internal and external stakeholders can provide feedback immediately.
10. Conduct due diligence periodically, including review and assessment of human rights risk topics, establish effective remedial and mitigation measures, promote human rights education and training for employees, and communicate human rights risk management outcome with the external.
11. Ensure the harmony and interests of stakeholders and establish proper two-way communication channels, in order to convey human rights policies to stakeholders.

Sexual harassment prevention

Compal strictly prohibits any form of visible or invisible sexual harassment in the workplace and has established relevant measures, including:

Regulations for [Anti-Discrimination and Harassment Policy](#), Sexual Harassment Prevention Measures, and Grievance and Penalties Procedure. There is also a complaints mailbox for unlawful infringements in the workplace. Any incidents of sexual harassment will be dealt with severely; Taiwan Headquarters also made training on "prevention of sexual harassment" a compulsory part of in-service seminars for new hires.



- ::: Introduction to ESG Report
- ::: Sustainability Accolades
- ::: Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth**
 - 6.1 Attracting and Retaining Talent
 - 6.2 Talent Cultivation and Development
 - > 6.3 Human Rights Management and Advocacy**
 - 6.4 Workplace Health and Safety
- 07 Social Engagement
- 08 Sustainability Partners
- ::: Appendixes

6.3. 1 Human Rights Management

Human Rights Management

Compal has established human rights management processes and regularly assesses human rights risks at our operational sites and across our value chain. Based on the findings of Salient human rights issues, we develop corresponding management measures and follow-up procedures to ensure Compal's human rights policy and commitments are continuously enforced and refined. Compal conducts a human rights risk assessment at least once every three years. The related human rights risk assessment process, management measures, and follow-up results are publicly disclosed in both the Chinese and English versions of our Sustainability Report and on our Sustainability website. This communicates Compal's progress in human rights management to external stakeholders, and details how we continuously improve our human rights management processes.

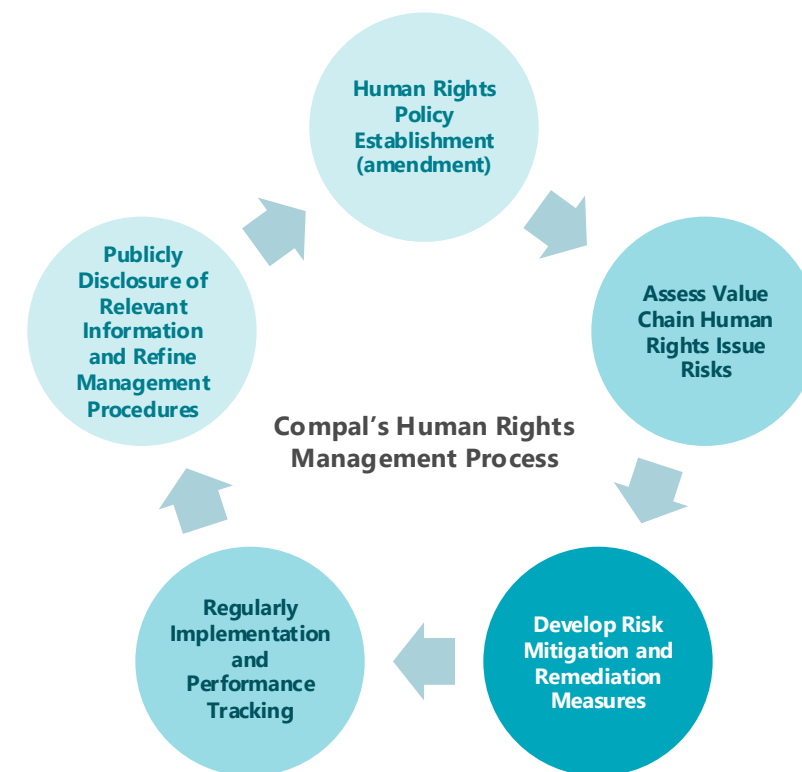
Please refer to the latest [Human Rights Report](#) for details.

Human Rights Issue Risk Assessment

Compal references the RBA Code of Conduct and the latest trends in international electronics industry human rights issues and regularly reviews and adjusts its list of potential human rights issues as the basis for designing human rights risk assessments. Compal's mechanism for assessing human rights risk issues covers value chain stakeholders, including our own operational scope, Tier 1 suppliers, contractors, and joint ventures. The assessment process also incorporates evaluating the potential risks of these issues for diverse groups, including children, women, indigenous people, and foreign migrant workers. For identified salient human rights issues, we develop risk mitigation and remediation measures.

Compal's Human Rights Management Process

Human Rights Policy Establishment (amendment) > Assess Value Chain Human Rights Issue Risks > Develop Risk Mitigation and Remediation Measures > Regularly Implantation and Performance Tracking > Publicly disclosure of Relevant Information and Refine Management Procedures.



←

☰

CHAPTER

➤

...

...

...

01

02

03

04

05

06

6.1

6.2

➤ 6.3

6.4

07

08

...

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Attracting and Retaining Talent

Talent Cultivation and Development

Human Rights Management and Advocacy

Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

6.3.2 Human Rights Risk Assessment

Human Rights Topic

In 2024, Compal conducted a human rights issues assessment. The assessed parties included direct employees, indirect employees (covering issues related to female employees, indigenous employees, and foreign migrant workers), subsidiaries, Tier 1 suppliers, contractors, and joint ventures. In 2024, no child labor was used at any of Compal's operational sites, and no incidents of infringement on indigenous rights or forced labor occurred. The salient human rights issues identified were excessive working hours, occupational health and safety, freedom of association, and the right to collective bargaining. Compal has developed human rights mitigation and remediation measures for these salient human rights issues and incorporated them into subsequent management and tracking to minimize related human rights risks. For details, please refer to the latest [Human Rights Report](#).

2024 Human Rights Issue Risk Assessment Results

Human Rights Risk Issue	Value Chain Stakeholders	Assessment Scope (%)	Percentage at Risk (%)	Risk Mitigation Measure Coverage (%)
Forced Labor Human Trafficking Freedom of Association The Right to Collective Bargaining Unequal Pay for Equal Work Discrimination and Inequality	Direct/Indirect Employees	100%	40%	100%
	Subsidiaries			
Workplace Harassment and Sexual Harassment Excessive Working Hours Occupational Health and Safety	Tier 1 Suppliers, Contractors	100%	73%	100%
Child and Minor Labor	Joint Ventures	100%	36%	100%

Covered Sites for Mitigation Measures: Headquarters and global plants

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth**
 - 6.1 Attracting and Retaining Talent
 - 6.2 Talent Cultivation and Development
 - > 6.3 Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

2.Value Chain Nodes: Tier 1 Suppliers, Contractors, Joint Ventures

Salient Human Rights Issue	Mitigation Measures	Remediation Measures
Occupational Health and Safety Excessive Working Hours Freedom of Association Collective Bargaining Right	<ul style="list-style-type: none">Compal’s Human Rights Policy ensures a safe and healthy work environment, compliance with applicable working hour regulations, and respect for employees’ rights to freedom of association and collective bargaining. This policy explicitly applies to all employees, suppliers, partners, joint ventures, and other stakeholders.Compal has established a Supplier Code of Conduct, requiring suppliers to ensure compliance with all aspects of the RBA sustainability standards and requirements. This code is publicly available on our supplier education and training platform.Every year, Compal distributes a "Supplier ESG Risk Assessment Questionnaire". Based on significant violations or compliance rates identified in the questionnaire, suppliers are categorized as high, medium, or low risk, and managed accordingly based on their risk level.Compal's supplier onboarding process includes ESG performance evaluations, which encompass occupational health and safety aspects.Each year, Compal communicates with suppliers at supplier conferences and collaborates with them to continuously enhance ESG performance.The Pingzhen and Kunshan Plants have formulated "Contractor Environmental, Safety, and Health Management Procedures", "Contractor Commitment Affidavits", and "Contractor Violation Penalty Clauses" to ensure that outsourced projects are in compliance with all relevant safety, health, and environmental regulations.We review the public information or sustainability reports of our joint ventures to understand their management of human rights issues, such as occupational health and safety, excessive working hours, freedom of association, and the right to collective bargaining.	<ul style="list-style-type: none">Compal requires suppliers to devise and execute improvement plans for all levels of defects. Suppliers receive support on the execution of improvement plans including guidance and recommendations.If a high-risk supplier is notified three consecutive times but made no substantive improvements, Compal will consider reducing the number of new projects that the supplier receives or cut back on future purchases. In serious cases, the supplier will be removed from the qualified suppliers list.

Human Rights Mitigation and Remediation Tracking

Compal regularly tracks the implementation progress of risk mitigation and remediation measures to ensure the effectiveness of our management actions. For 2023, the high-risk and salient human rights issues were working hours, occupational safety, work-related injuries, and occupational diseases. For details of the tracking of related risk mitigation and remediation measures, please refer to the latest [Human Rights Report](#).

- 6.1 Attracting and Retaining Talent
- 6.2 Talent Cultivation and Development
- 6.3 Human Rights Management and Advocacy
- 6.4 Workplace Health and Safety



Channel	Main Communication Contents
Physical Mail box	Physical mailboxes used at plant sites for feedback and suggestions.
Unlawful Infringement in the Workplace Mail Box	Sexual harassment and bullying in the workplace: sh@compal.com
Email ©Plant Emails, Employee Suggestion Boxes, IT/General Admin Maintenance	E-mail addresses at each plant: Opinion@compal.com , Careyou CQ@compal.com for feedback (Employees can write signed or anonymous letters to the suggestion box. Priority is given to signed correspondence that allows for direct responses.)
Telephone Communication	Plant telephone
Compal 580	Employees can register for 580 online consultations to make inquiries and provide feedback/suggestions.
WeChat 580	Employees can register for WeChat 580 online consultations to make inquiries, and provide feedback/suggestions.
© Consultation Hotline	Employees can use our employee hotline to make inquiries, and provide feedback/suggestions.
Home of Hope	We have set up counseling room at the employee dormitory to provide interview and consultation services.
Designated Production Line Supervisor	Production line employees can also talk to their production line supervisor at any time, whether to make an enquiry or to provide feedback/suggestions.
Interview Room	We have set up interview room at our corporate HR office where employees can easily locate the responsible personnel for their feedback/suggestion to guarantee protection of their personal privacy.
Forum	The Company hosts seminars for new hires, special employees, and all employees.
Line Inspection	Employee counselors and SR personnel periodically visit the shop floor.
Employee Care Zone Roster	Personnel are rostered to answer employee inquiries at the Employee Care Zone.
580 Mailbox	Employees can send in their opinions/suggestions: 580@compal.com
Other	Government Unit
Intranet Bulletin	Company-related information, such as activities or personnel changes, is announced in real-time.
Compal Newsletter	A bi-monthly electronic journal is published for Taiwan-based employees, featuring literary and artistic creations by colleagues, covering company events, photography, comics, travel, poetry, ESG column, and workplace announcements.
Town Hall Meeting	The CEO personally briefs global senior executives on the new year's operational development direction.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

6.1

Attracting and Retaining Talent

6.2

Talent Cultivation and Development

➤ 6.3

Human Rights Management and Advocacy

6.4

Workplace Health and Safety

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Special Cases

Item	Number of Cases Accepted	Number of Cases Filed	Plant	Follow-up
Sexual Harassment	2	0	Taiwan	Increased prevention and awareness-raising
Workplace Bullying	8	1	Taiwan	Concluded cases are disciplined according to employee reward/punishment regulations.
Discrimination	-	-	-	

Labor Relations and Collective Bargaining

Freedom of Association

With regards to the freedom of association, pursuant to the Ministry of Labor “Regulations for Implementing Labor-Management Meeting” and our company “Procedure Governing Employees’ Freedom of Association and Right to Collective Bargaining”, our employees are entitled to freedom of association, participation in collective bargaining and peaceful negotiations and the right to not take part in such activities. There are no unions in Taiwan but “Labor-Management Meetings” are held in accordance with government regulations. Unions have been established in China, Vietnam, and Brazil. Employee union participation rates : **Union employees/Total employees (%)**



Union and Labor-Management Conferences

The Company prioritizes the healthy development of labor-management relations. Through union and labor-management negotiation mechanisms, we safeguard the rights to employee and foster two-way communication. Below are the details of union and labor-management conferences and key discussion points across various plants in 2024:

Item	Plant	Number of Sessions	Discussion Topics	Number of Representatives	
				Labor	Management
Union Meetings	Kunshan	1	Review: Human Resources Regulations and Management Procedures.	120	5
	Chengdu	1	Review: Difficult Employee Assistance Management Procedures, Employee Performance Evaluation Management Procedures, Human Resources Regulations, Special Collective Bargaining Agreement for Wages.	106	3
	Chengdong	6	Employee benefits and holiday gifts, employee activities, environmental improvements, employee care	8	8
	Vietnam	2	Production and operations planning, salary and incentive systems, employee benefits and leave policies, improvement of work-life balance, response to employee feedback.	100	16
	Brazil	2	Profit and achievement sharing.	5	4
Labor-Management Conference	Taipei	4	Personnel and organizational adjustments, labor rights and working environment.	5	5
	Pingzhen	5	Leave and working conditions, personnel and organizational adjustments, labor rights and work environment, company administration and activities.	5	5

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting and Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

6.4 Workplace Health and Safety

6.4.1 Health at Compal

Happiness at Work and Enjoyment of Life

○ **Employee Benefits and Activities**

Employees are an important asset to the Company so taking care of employees in one of our top priorities. Compal not only provides employees with various benefits but also hosts activities that encourage employees to be happy in their work and enjoy the good things in life. In addition to subsidies for marriage, bereavement, childbirth, emergency assistance, and holiday bonuses (gift vouchers), as well as providing retirement fund contributions and group insurance in accordance with the law. Ensure the safety and security of employees in their work and personal lives. Furthermore, we continually promote activities related to sports, well-being, health, arts and culture, education, and social charity to enrich the life experience of our employees.

Overview of the Benefits Offered at Various Compal Sites in 2024:

Benefit type	Taiwan	China	Vietnam	America	Remarks
Employee Group Insurance	v	v	v	v	Employee group insurance / social insurance
Health Benefits	v	v			Employee health check-up
Vouchers/Cash Gifts	v	v	v	v	Dragon Boat Festival, Mid-Autumn Festival, Lunar New Year gifts, year-end bonus
Marriage, Childbirth, Bereavement, Emergency Assistance	v	v	v	v	
Additional Paid Leave	v	v			Taiwan: Happiness companionship leave, volunteer leave China: Only-child care leave
Other	v	v	v	v	Employee activities: dinners, carnivals, family days, holiday celebrations, etc.

Employee Support Programs

All Compal plants around the world provide parental leave and suitable nursing facilities and times based on local conditions to help employees achieve work-life balance and improve their quality of work. All global plants also offer flexible working hours and paid parental leave to support employees in balancing their work and childcare responsibilities.

Comprehensive support for working mothers: Up to 90 days of paid parental benefits

To create a more women-friendly workplace, Compal's Taipei headquarters has pioneered a supportive policy. To ease the inconvenience of commuting during late pregnancy, employees can apply for 30 days of remote work prior to delivery, allowing them to choose their work location and feel more at ease during pregnancy. Furthermore, after childbirth, the Company provides 60 days of maternity and parental leave, exceeding legal requirements and totaling up to 90 days of paid parental benefits, ensuring employees are at ease before birth and have ample time for recovery and bonding with their newborn. In addition, employees can apply for a NT\$66,000 childbirth subsidy after their child's birth, encouraging them to confidently raise a baby while working at the Company.

We believe that balancing work and family is a right every employee should confidently possess. Through these thoughtful policies, we aim to reduce employee stress and enhance well-being, enabling every mother to work without worry and raise children with ease, thus collectively fostering a more family-friendly workplace culture.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting and Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

Employee Support Programs



Paid Childcare Leave

Taiwan Primary caregivers can apply for 60 days of paid parental leave, along with maternity leave. Additionally, both primary and secondary caregivers can apply for up to 6 months of parental leave and receive childcare subsidies.

China (Kunshan, Chengdong, Chengdu, Nanjing Plants): Both primary and secondary caregivers are eligible for 10 days of paid parental leave annually until their child turns three years old.

Brazil: Primary caregivers can take 180 days of paid parental leave, along with maternity leave. For secondary caregivers, paternity leave is combined with paid parental leave, totaling 20 days of paid parental leave.



Flexible Working Hours

Taiwan Employees can choose to start work flexibly between 7: 30 AM and 9: 00 AM.

China (Kunshan, Chengdong, Chengdu, Nanjing Plants): Managerial employees can arrange their own flexible start and end working times to meet daily working hour requirements.

Brazil: Employees can arrange their own flexible start and end working times to meet weekly working hour requirements.



Paid Family Leave

Taiwan All employees are entitled to 3 days of paid "happiness companionship leave which can be used flexibly for any family care needs. Additionally, managerial staff can combine this with personal leave for an extra 14 days of paid family care leave.

China (Kunshan, Chengdong, Chengdu, Nanjing Plants): an only child whose parents have reached the age of 60 can take up to 5 days of paid family care leave annually during their parents' hospitalization due to illness.

Brazil: Employees can apply for 3 days of family care leave annually if a family member is hospitalized or if they need to attend school meetings for their child. For those with children under 6 years old, an additional day can be requested, bringing the maximum to 4 days of paid family care leave per year.

Note: Managerial level refer to employees above the grade of section chief



Part-Time Option

Taiwan Certain positions allow employees to work part-time. If an employee requires family care, they can also apply to work part-time for a specific period.



Breastfeeding and Childcare Facilities

All our global facilities provide suitable lactation rooms and times, enabling female employees to balance work and childcare.

Taiwan, China, and Vietnam: Employees have 60 minutes of breastfeeding (or pumping) time daily. For multiple births at Kunshan Plant, an additional 30 minutes is added per extra infant. At Chengdu Plant, an additional 60 minutes is provided for each additional infant.

Brazil: Employees can enjoy two breastfeeding (or pumping) sessions per day, with times arranged by themselves. Additionally, training is offered to new parents to help them manage daily life and reduce stress, along with childcare subsidies to support families from various backgrounds.



Remote Work

Taiwan Employees can apply for remote or off-site work if they are nearing childbirth or if their health condition affects their commute. This measure aims to provide more flexible work location arrangements, ensuring employee health and safety while maintaining work efficiency.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- Corporate Governance
- Climate Action
- Environmental Sustainability
- 06 Inclusive Growth**
 - 6.1 Attracting and Retaining Talent
 - 6.2 Talent Cultivation and Development
 - 6.3 Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety**
- Social Engagement
- Sustainability Partners
- Appendixes

Employee Assistance Program (EAP)

EAP was introduced by Compal in 2019. Professional external consultants work with Compal to provide free phone and email consultation services (fully confidential). Through these consultants, employees receive support and care for various issues, including work, family, interpersonal relations, physical and mental wellbeing, mental illness, finance, legal studies and management. Employees are provided with a wide range of support that safeguards their physical and mental wellbeing, to further improve work performance and productivity and reduce human-caused work accidents due to emotional factors. In 2024, a total of 224 individuals sought EAP assistance, for 229 hours. The goal is to help employees and supervisors reduce communication barriers in their work and management roles, making organizational operations smoother.

Employee Health Management

The Company regularly conducts health check-ups and has a medical room that provides emergency injury and illness treatment, doctor consultations, health tracking, and related health services. Through a health management platform, we monitor employees' health conditions and conduct risk assessments and health management based on examination data. To strengthen preventive medicine, we organize health seminars, health promotion activities, and clubs, to encourage employees to develop good health habits and integrate these into the workplace culture. Through diverse health initiatives, we help employees maintain good health in both work and life. In addition, the Company works with external organizations to conduct health check-ups, doctor consultations, and EAP, to ensure employees receive comprehensive health support during their employment, further enhancing workplace health, safety, and overall well-being.

Health Check-up

In Taiwan, health check-ups are regularly conducted based on the work environment of each plant and job characteristics of each role. In addition to meeting legal requirements, additional examination subsidies are provided, covering common disease screenings, to enhance the effectiveness of preventive medicine. To increase employee health awareness and participation, regular awareness-raising events are held to improve the utilization and accessibility of health check-ups.

Number of Participants	👤	5236
Health Check-up Rate	🔍	99.1%
Satisfaction Rate	🏆	90%

Health Care and Management

The Company formulates and implements health care plans in accordance with Ministry of Labor regulations, to ensure the prevention, identification, and investigation of occupational diseases. We regularly track employee health status with professional consultation and follow-up management to ensure employees receive appropriate health support.

Occupational Disease Prevention, Identification, and Investigation Mechanism in Taiwan

Health Hazard and Risk Identification	Risk and Hazard Reduction Initiatives	Regular Inspections and Assessment of Outcomes
Health check-up reports are classified into Level 1,Level 2,Level 3,and Moderate-to-High Cardiovascular Risk Group for management. Health education and guidance is provided to those in the Moderate-to-High Cardiovascular Group, Level 3 (Three Highs e.g., high blood pressure, high blood sugar, high cholesterol), and Level 2 (Hypertension/High Blood Sugar) categories. Employees with significant anomalies are assessed by physicians then provided with support and follow-up.	I. Health check-up report : We prioritize screening high-risk groups, offer health guidance, and assess work-related stress for those at high cardiovascular risk using a load scale to understand the impact of workload.	o Health management was achieved for 87.1% of employees in the moderate-to-high risk group for cardiovascular disease (execution ongoing, expected completion by early 2025).
	II. Implementation of MOL protective measures: 1. Maternal Health Protection Program. 2. Ergonomic Hazard Prevention Program. 3. Prevention of Illness Triggered by Abnormal Workload Program. 4. Health Protection for Middle-Aged and Elderly Workers.	o Maternal health protection implementation rate: 100%; follow-up management reached 78%. (Execution ongoing). o Ergonomic prevention, abnormality management rate: 100%. o Middle-aged and elderly workers, abnormal management rate: 100%. o Number of physician consultations and health education sessions: 960 times. o Medical room assistance: 712 times.

← ⋮ < CHAPTER >

- 




Establish Platform
Establish platform for health management



CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting and Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

Wellness Activities

We encourage employees to cultivate healthy lifestyle habits, to enhance their physical and mental health and comfort. A total of 29 events were held, at which massage services accumulated 1,742 participants with a satisfaction rate of 99.9%. In addition, a total of 196 people in Taiwan participated in the voluntary weight loss activity, and the total weight loss was 570.6kg over the course of three months through weekly information on weight loss, healthy diets, and sports. A satisfaction survey (conducted at the Taipei headquarters) showed that 96.7% of participants changed their eating habits after the event, and 100% stated that the event raised their awareness of health.

Team Physical Sports

Team sports events promote teamwork and workplace cohesion, while also enhancing physical fitness. In 2024, Taiwan organized the Grid Challenge and Basketball Challenge, with 177 participants. To meet employees' diverse exercise needs, the Company has established various sports clubs, such as badminton, basketball, boxing aerobics, fitness yoga, ballet sculpting, and Tai Chi. Through club activities and continuous participation, we promote employee exchange, create a healthy atmosphere in the workplace, and cultivate regular exercise habits, thus improving overall physical and mental health.

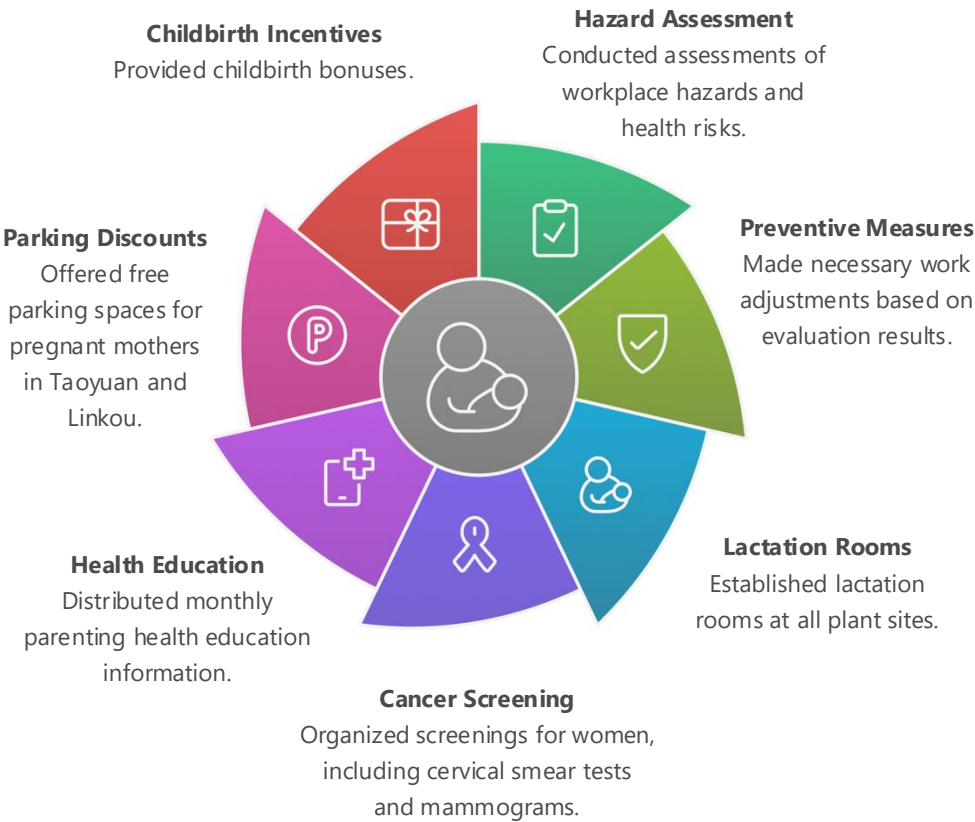
Disease Prevention

Through vaccination and cancer screening and awareness campaigns, we enhance employee health awareness and enable early detection of potential health risks, to reduce disease incidence. A total of 11 sessions were held for 1,129 employees to ensure that they received the necessary health protection.

Maternal Support and Care Resources

To support employees in balancing work and family, the Company provides maternity care and health support, including a maternal health protection program. Through health monitoring, workplace risk assessment, and guidance for postpartum return-to-work adjustment, we ensure female employees receive appropriate care during their employment. In addition, to promote parenting support and flexible work arrangements, such as parental leave, lactation rooms, flexible working hours, and remote work options, we assist employees in balancing family and workplace demands. Through the EAP, we offer psychological counseling, stress management, and family support resources to help employees cope with parenting and work challenges, to ensure a smooth return to work and maintain stable employment.

Maternal Services and Care in Taiwan



←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

6.1

Attracting and Retaining Talent

6.2

Talent Cultivation and Development

6.3

Human Rights Management and Advocacy

➤ 6.4

Workplace Health and Safety

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Employee Engagement Survey

Compal aims to provide employees with sound and health development in their careers, understand their physiological and psychological impressions, and realize true improvements to employee happiness in the workplace. Starting in 2022, we conducted an employee well-being survey with coverage rates of 11.9%, followed by 69% in the subsequent survey in 2023. However, the survey results primarily focused on aspects like employee care, benefits, and mental health. To increase employee survey coverage to 100% and enhance the practical utility of the survey results for actual management strategies, in 2024, we transitioned from the original employee well-being survey to an employee engagement survey. This new survey includes more dimensions (such as working conditions, work relationships, and organizational factors) to enable more precise management strategy formulation, boost employee performance, and enhance the Company's overall competitiveness.

Survey Year	2022	2023	2024
Questionnaire Content	Employee Well-Being		Employee Engagement
Participants	Indirect employees in Taiwan	Direct/ Indirect employees in Taiwan and China	Global Direct/ Indirect Employees
No. of Surveys Distributed	7,254	32,536	32,753
Number Recovered	2,832	23,386	17,022
Recovery Rate	39.04%	71.88%	51.97%
Questionnaire Survey Coverage	11.5%	69.0%	100%
Average Score	69.64	72.92	73.9

In 2024, we continued and optimized the previous employee well-being survey by transforming it into an employee engagement survey, covering 70 questions across six dimensions and twelve facets (as shown in the diagram below). This year's questionnaire was provided in 8 languages, covering our global operations. We collected 17,022 questionnaires, with 13,404 valid responses and an effective response rate of 78.6%. Through the survey analysis, the Company can learn about employees' perceptions of the Company and set improvement targets for the following year (the 2025 target is set at 74 score). Based on the 2024 engagement survey results, the Company will propose individualized improvement plans, tailored to the specific needs of different plants. We will also conduct regular reviews and follow-ups through cross-departmental/plant project meetings, to demonstrate the Company's commitment to valuing employee opinions and its determination to create a high-quality work environment.



CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting and Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

6.4.2 Occupational Health and Safety

Occupational Safety Policy and Goals

Compal knows that employees, contractors, suppliers and workers are all important assets in the sustainable development of a company. Compliance with Occupational Safety and Health Act and other applicable requirements is therefore mandated during the development, testing, and mass production of company products. We also hope that all employees can grow in a safe working environment. We have therefore defined an Environmental Safety and Health Policy, which was approved by the Board of Directors and publicly announced on our official website. With this policy established, we have built an occupational safety management system, regularly conduct disaster prevention and fire drills, promote environmental safety training, and provide employees with recreational spaces to relax their minds and bodies after work. In addition to policy promotion, our dedicated occupational health and safety management units at each plant supervise and implement related activities. Each plant sets applicable performance targets in accordance with the Company's occupational health and safety policy, **with the overall goal being zero occupational diseases and zero major occupational accidents**, such as fires (fatal accidents are defined as major occupational accidents).

Compal Environmental Safety and Health Policy

Occupational Health and Safety Management System

To protect the occupational safety of employees at work, we have not only established the Environmental Safety and Health Policy but also established relevant procedures and documents of the "Occupational Safety and Health Management" at each plant site in order to rigorously control details of each work place, thus ensuring that all employees and workers stationed in the plant sites are not exposed to hazards at work or sustain injuries due to erroneous operations. Our Occupational Safety and Health Management System covers all workers, including employees and on-site personnel. Compal operates under the ISO 45001 or equivalent international standards, with a top-down and horizontally integrated approach implemented by all occupational safety and health personnel in each region. These teams are responsible for planning, promoting, supervising, and auditing the system's operations. Through procedural document control and regular monitoring, we implement the P-D-C-A cycle to achieve comprehensive management synergy. This ensures the implementation of employee work safety, prevents occupational accidents, and ultimately safeguards employee safety and health. Currently, our production sites are certified, including Taiwan (Pingzhen Plant), China (Kunshan, Chengdong, Chengdu, Chongqing Plants), and Vietnam Plant. While plants in other regions are not main production sites, we are actively and progressively planning for ISO 45001 certification there as well.

Workers Covered by Occupational Health and Safety Management System

Compal manages each plant in accordance with ISO 45001 or equivalent international standards. The scope of covered workers includes employees, on-site personnel (such as dispatched staff, interns, security guards, and cafeteria staff), and contractors, ensuring a safe and healthy work environment for everyone within the facilities.

Region	Taiwan	China	America	Vietnam
Total Plant Personnel	8,246	15,797	872	11,236
Security/Guards	24	193	85	84
Cleaning Personnel	53	109	27	11
Catering Staff	31	278	0	83
Other On-Site Workers (e.g. construction contractors)	16	1598	5	0
Average Number of Contractors per Month	124	523	117	190
Ratio of Workers Covered by the OSH Management System (%)	100%	100%	100%	100%

Note 1. Average number of contractors per month =(Sum of contractors each month in 2024)/12 months
Note 2. The ISO 45001 certification for each plant can be found at Compal website / Stakeholder Communications / Quality Certification
<https://www.compal.com/stakeholder-communication-area/>

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

6.1

Attracting and Retaining Talent

6.2

Talent Cultivation and Development

6.3

Human Rights Management and Advocacy

> 6.4

Workplace Health and Safety

07

Social Engagement

08

Sustainability Partners

...

Appendixes

Occupational Safety and Health Committee

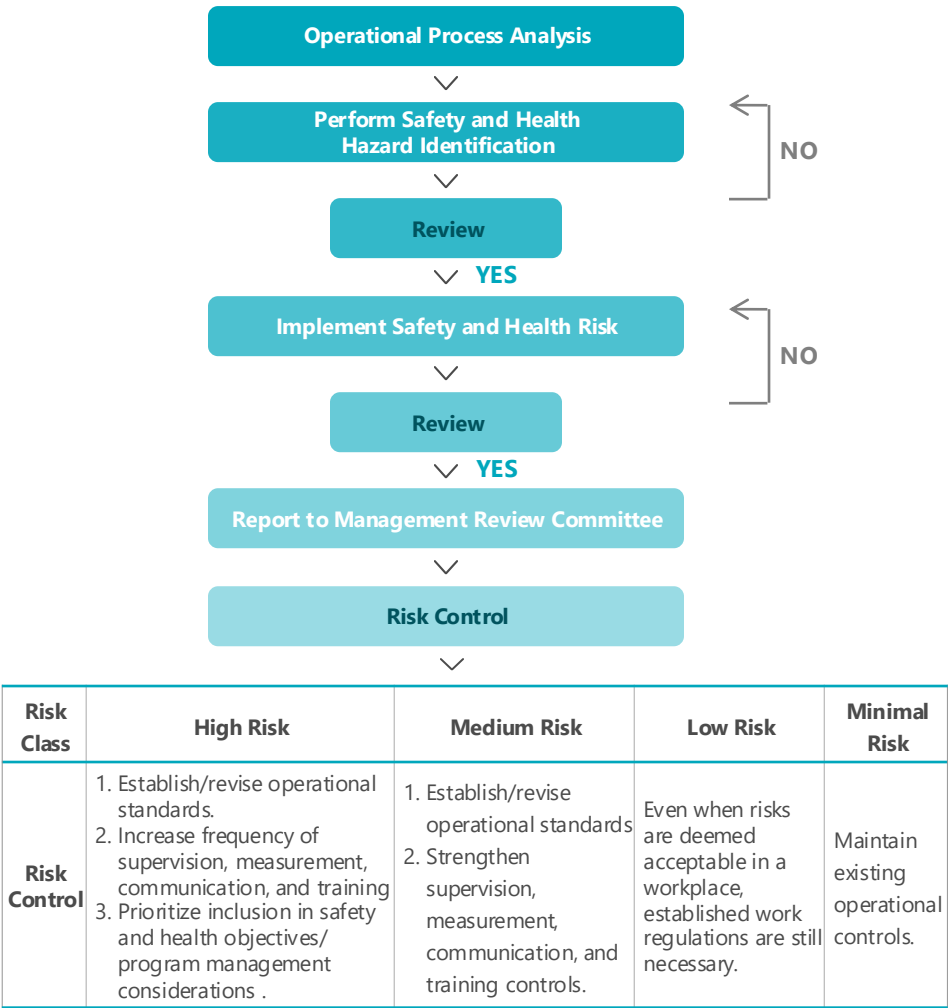
In accordance with legal regulations, each plant in Taiwan has designated occupational safety and health management personnel who collectively plan and oversee all occupational safety and health matters. They regularly discuss various safety and health issues, including safety and health management, education and training plans, health management, occupational disease prevention and health promotion, automatic inspections and safety and health audits, prevention measures for machinery, equipment, raw materials, and materials, and occupational accident investigation reports. In adherence to the "Regulations Governing the Occupational Safety and Health Management," an "Occupational Safety and Health Committee" is formed, comprising the employer/chair, heads of various departments, safety and health management personnel, relevant safety and health operation staff, and labor representatives. The committee convenes quarterly meetings. Committee members are responsible for providing suggestions on the Company's proposed safety and health policies, and for reviewing, coordinating, and recommending related safety and health matters, followed by necessary improvements to operational procedures. Overseas plants also hold regular meetings in accordance with their Occupational Safety and Health Management Systems.

Occupational Hazard Identification and Risk Assessment

The prevention of occupational injuries depends on protecting the physical health and safety of employees as well as the prevention and mitigation of negative OSH impacts. Hazard identification and risk assessment is conducted by Compal on employee work areas and any designated hazard factors on the shop floor are closely monitored to ensure their impact on employees is minimized. The scope of hazard identification and risk assessment include all health and safety hazards that may affect the inside and outside of the plant, but also include routine and non-routine activities, all personnel (including contractors and visitors) entering the plant, and outside contractors in the workplace. OSH hazard identification and risk assessments are conducted by the relevant task force (identification team). Moderate/high-risk or urgent hazards from the assessment findings are reported to the management review committee. The level of risk is then used to formulate the priority action plan for the year as well as devise the corresponding targets, specifications and management plans.

At the Pingzheng Plant in Taiwan, for example, the risk assessment taskforce conducts annual and ad hoc hazard identification operations, in accordance with the "Safety and Health Hazard Identification Form." The results are recorded on the "Risk Assessment Form" to serve as a basis for policy formulation and hazard management. A management review meeting is convened periodically, and the promotion taskforce discusses newly identified risks before formulating and improving prevention and mitigation strategies. For risks already identified and content requiring revision, revision is further made.

Safety and Health Hazardous Risk Identification, Assessment and Control Operation Process



Note: Article 18 of "Occupational Safety and Health Act" in Taiwan stipulates that When there is a concern of a potential imminent danger at a workplace, the employers or people responsible for the worksite shall immediately issue orders to halt work and withdraw laborers to a safe location. The employers shall not dismiss, reassign, forego payment of wages for the period of work, or otherwise impose unfavorably treatment on laborers taking actions prescribed in the preceding paragraph. Overseas plants are not subject to the laws and regulations of R.O.C., however, their operational standards adhere to local legal requirements, including China, Brazil, America and Mexico operation sites.

Local labor or occupational safety and health regulations explicitly guarantee workers the right to refuse work and retreat to a safe location when they have reason to believe the work is unsafe or dangerous. Employers are prohibited from taking adverse actions against employees for exercising this right. All company operational sites comply with legal requirements and strengthen internal management standards to implement a consistent global safety management principle.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

6.1 Attracting and Retaining Talent

6.2 Talent Cultivation and Development

6.3 Human Rights Management and Advocacy

6.4 Workplace Health and Safety

Social Engagement

Sustainability Partners

Appendixes

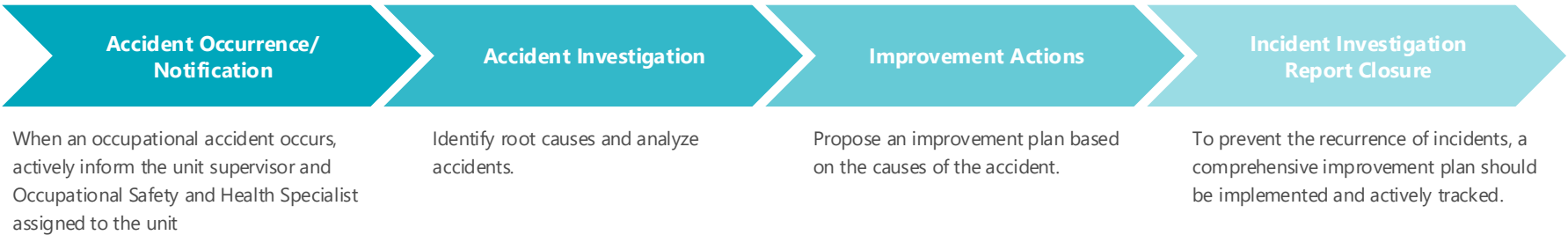
Emergency Response Measures and Occupational Disaster Investigation

Each plant area is equipped with Emergency Preparedness and Response Measures, and the documents explain, in detail, risk description, emergency organization and responsibility, prevention and internal notifications, emergency response, external information release, follow-up measures, etc. The handling procedures for various risks are further explained in detail.

In the event of any injuries due to occupational or natural disasters at a Compal plant, the unit involved must follow procedure and notify the head of the unit and other relevant units in accordance with the OSH management system. An investigation form must also be filled out to activate the investigation mechanism. An occupational disaster investigation should cover a minimum of two areas, namely the environment (environment and equipment configuration, medium of injury, OSH measures, location of disaster), people (how the disaster happened and rescue efforts, the state of any victims at the time, normal or routine operating procedures/methods, whether there were witnesses, description of the situation and opinions). Handling of traffic accidents: If a vehicle transporting Compal products is involved in an accident off-site, this should be reported to the transportation department immediately and the Occupational Safety

Office are to be notified as well. If there is any damage or injury to the vehicle or personnel, the local police should be notified. Handling of accident injuries (including death, disability injury, minor injury, and traffic accident injury when commuting): The direct supervisor should be notified first and then the involved individual taken to hospital for examination and first-aid. The head of the involved unit must notify the Occupational Safety Office within 3 hours, no matter how light or severe the injury. In Taiwan, the occupational disaster statistics are compiled on a monthly basis and reported online to the local inspection mechanism by the Occupational Safety Office in accordance with regulations. A detailed reporting process is executed according to the procedural documents.

According to regulations, all plants of Compal only sign cooperation contracts with legitimate Human Resource agency companies, and all of the hired security, kitchen, cleaning personnel etc. shall be protected by the contract. In case where the workers are subject to accidents, the reports to their direct team leader or management personnel are made first, following which the plant supervisor shall conduct a field confirmation, in order to assist the injured personnel with the hospital treatment and insurance claim.



::: Introduction to ESG Report

::: Sustainability Accolades

::: Letters From the Executive Officers

01 About Compal

02 Compal and Stakeholders

03 Corporate Governance

04 Climate Action

05 Environmental Sustainability

06 Inclusive Growth

6.1 Attracting and Retaining Talent

6.2 Talent Cultivation
and Development6.3 Human Rights Management
and Advocacy

> 6.4 Workplace Health and Safety

07 Social Engagement

08 Sustainability Partners

::: Appendixes

Occupational Safety Management Procedures

Compal plants employ the following OSH management procedures to strengthen their safety management and minimize occupational.



Access Control Implementation

To comply with the ISMS (Information Security Management System) regulations, employees are required to wear employee identification badges at all times on the plant site. The access card system at each entrance and exit controls personnel access authority. For clients, suppliers, and other visitors, a security system is used to record the time of visit, the number of visitors, and regulate the areas and time open to visitors. Compal's security personnel work 24 hours a day to control entry of personnel and objects, perform safety inspections day and night inside and outside plants, monitor the presence of visitors and overtime workers, check incoming/outgoing vehicles, and perform traffic control.

Workplace Environmental Monitoring

To provide a safe workplace and community for our staff and residents, each plant is staffed with a unit responsible for routine inspection and maintenance, as well as identifying hazardous factors in the work environment. For example, transportation and electrical safety measures, safety inspection measures, drinking water testing, emergency lighting testing, smoke detector testing, and firefighting equipment inspection. Environmental monitoring in the workplace is arranged by each plant twice a year to measure the chemicals present or used on-site. Testing covers office illumination, CO2 concentration, and chemical monitoring.

OSH-Compliance in Procurement Management

To ensure a safe and healthy environment for employees, the procurement of all machinery, equipment, raw materials and personal protection equipment used by the Company, as well as all building and construction work, must stipulate supplier or contractor compliance with laws, regulations, and OHS specifications. Compliance must be verified during acceptance and before start of construction to reduce employee exposure to OSH hazards in the environment.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
 - 6.1 Attracting and Retaining Talent
 - 6.2 Talent Cultivation and Development
 - 6.3 Human Rights Management and Advocacy
 - > 6.4 Workplace Health and Safety
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes

Occupational Safety and Health Education and Training

To foster employee safety and health awareness and strengthen their understanding of possible hazardous risks in workplace. Compal regularly offers training courses tailored to each job, including general safety and health knowledge, specialized knowledge and skills training, and emergency response training. For example, general in-service training for workers, basic chemical hazard training, participation in emergency response drills, education and training of workplace elevator, hazardous operation supervisor training, and in-service training for managerial personnel. In addition, we cooperate with the regional fire department to implement fire prevention training and annual fire education. We designed teaching materials on the proper response to fire, storms, flooding and earthquakes for online e-learning or physical classes. After completing the course, participants must pass a test to be considered fully trained. In 2024, a total of 117,243 persons completed the training. For non-employee workers, Compal provides pre-entry hazard notification, safety and health education and training, work safety analysis, and safety reminders. By implementing safety supervision throughout the operation period, we periodically convey insights and knowledge related to health and safety, fostering a greater awareness of safety culture among workers.

2024 Occupational Accident Statistics- Employee

Region	Taiwan	China	Vietnam	America
Total Work Hours	16,454,000	27,459,400	24,259,392	1,807,560
Main Category of Occupational Injury	Falls	Falls/Crushing Injuries	-	Cuts
Number of Work Related Injury Cases	7	22	-	4
Occupational Injury Rate	0.09	0.16	0	0.44
Severe Occupational Injury Rate	0	0	0	0
Occupational Disease Rate	0	0	0	0
Number of Work-Related Fatalities	0	0	0	0
Work-Related Fatality Rate	0	0	0	0
Work Stoppages	0	0	0	0

Note:

1. Total Recordable Incident Rate (TRIR) = (Frequency of Occupational Injuries/Total work hours) * 200,000
2. Occupational Disease Rate (ODR) = (Frequency of Occupational Injuries/Total work hours) * 200,000
3. Severe Occupational Injury Rate = It refers to an injury where a worker cannot recover to their pre-injury health status within six months, excluding fatalities.
4. Occupational disease is primarily defined by occupational medical professionals or relevant government authorities.
5. The above data excludes commuting accidents to and from work.
6. There are no dispatched personnel in the Americas region.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- Corporate Governance
- Climate Action
- Environmental Sustainability
- Inclusive Growth**
 - Attracting and Retaining Talent
 - Talent Cultivation and Development
 - Human Rights Management and Advocacy
 - 6.4 Workplace Health and Safety**
- Social Engagement
- Sustainability Partners
- Appendixes

2024 Occupational Disaster Statistics- Non-employee Workers

Region	Taiwan	China	Vietnam	America
Total Work Hours	38,000	4,260,976	1,881,024	0
Main Category of Occupational Injury	-	-	-	-
Number of Work Related Injury Cases	0	0	0	0
Occupational Injury Rate	0	0	0	0
Severe Occupational Injury Rate	0	0	0	0
Occupational Disease Rate	0	0	0	0
Number of Work-Related Fatalities	0	0	0	0
Work-Related Fatality Rate	0	0	0	0
Work Stoppages	0	0	0	0

Note:

- Total Recordable Incident Rate (TRIR) = (Frequency of Occupational Injuries/Total work hours) * 200,000
- Occupational Disease Rate (ODR) = (Frequency of Occupational Injuries/Total work hours) * 200,000
- Severe Occupational Injury Rate = It refers to an injury where a worker cannot recover to their pre-injury health status within six months, excluding fatalities.
- Occupational disease is primarily defined by occupational medical professionals or relevant government authorities.
- The above data excludes commuting accidents to and from work.
- There are no dispatched personnel in the Americas region.

Employee Absenteeism Rate

We are committed to establishing and maintaining a safe and healthy work environment to reduce employee absenteeism due to illness and injury, thereby stabilizing organizational productivity.

2024 Target: 2% absenteeism rate with 100% global coverage. The absenteeism rate did not meet the target.

Region	2021	2022	2023	2024
Absence Rate	2%	6%	2%	5%
Global Coverage	100%	100%	100%	100%

Note:

- Absenteeism calculations do not include leave that was planned by employees or approved in advance, including national public holidays, maternity leave, paternity leave, special leave, and annual travel leave; all other applications for leave due to employee injury, illness, or personal reasons. All other employee applications of leave due to employee injury, illness, or unexpected personal reasons. These include: work-related injury leave, case leave, sick leave, maternity leave, abortion leave, and menstrual leave.
- Absenteeism equation: No. of absentee days from global employees / No. of days worked by global employees during the accounting period x 100%
- COVID-19 led to strict restrictions in some of the Company's regions in 2022. Due to regional quarantine policies, the absenteeism rate was somewhat higher.
- In 2024, due to business adjustments, there were changes in manpower utilization across various plants. Some employee leave patterns were correspondingly adjusted, leading to an increase in applications for certain unplanned leave types.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement**
 - 7.1 Social Care - Influence
 - 7.2 Distribution of Social Investments
 - 7.3 Philanthropy at Compal
- 08 Sustainability Partners
- Appendixes

7 Social Engagement

KEY PERFORMANCE

- 1. In Taiwan, a total of 5,538 participants engaged in community care initiatives (including 591 university reading volunteers sponsored by Compal), with a total investment of NT\$45,566,990, benefiting approximately 322,548 individuals.
- 2. Compal donated NT\$10,000,000 for Hualien earthquake relief. In response to the Hsu Chauing Social Welfare Charity Foundation, 1,491 individuals contributed funds or materials totaling NT\$4,786,970.
- 3. In its 17th year, the Compal Reading Volunteer Program has partnered with 249 university clubs, engaging 5,813 student volunteers and benefiting 24,185 schoolchildren cumulatively.
- 4. The “Kangaroo Project”, now in its 6th year, provides in-person tutoring for underprivileged children in local communities.
- 5. In its 5th year, Compal collaborated with the Kaohsiung Public Library to promote the “ESG Rural Reading Program”, benefiting 34,844 participants in total.
- 6. Since 2011, Compal has donated 6,806 portable digital devices and 15 desktop computers to support digital inclusion.
- 7. In its 4th year, 1,083 employees participated in the “Donate Mooncakes for Charity” initiative, donating 4,292 mooncakes produced by the Kanner Foundation of Taiwan.
- 8. Through the “Good Reading Project”, Compal donated 165 wireless desk lamps, benefiting 650 schoolchildren over two years.
- 9. Compal organized four environmental education events, with a total participation of 240 employees and their family members.



- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement**
 - 7.1 Social Care - Influence
 - 7.2 Distribution of Social Investments
 - 7.3 Philanthropy at Compal
- 08 Sustainability Partners
- Appendixes

Compal’s Vision for Social Inclusion

By harnessing the compassion and dedication of every Compal employee, we strive to build a “caring enterprise” that brings about a “new happiness” in society.

Compal recognizes the powerful influence of education on both society and the environment. We provide employees with comprehensive professional development opportunities and encourage them to contribute their expertise through volunteer service, fostering a spirit of community engagement and social inclusion. We have long invested in enhancing information and reading literacy among disadvantaged and rural schoolchildren. At the same time, we continue to advance innovation and the research and development of smart digital technologies and smart healthcare solutions to improve quality of life. Compal is committed to balancing economic growth with environmental sustainability, ensuring that development efforts contribute positively to both people and the planet. We believe in empowering individuals with inclusive and diverse access to knowledge, while preserving local cultures and regional identities to strengthen the global competitiveness of both individuals and communities.

In its 17th year, the "Compal Reading Volunteer Program" sponsored 22 university student clubs, delivering reading services across Taiwan (including offshore islands) and extending outreach to northern Thailand and northern Philippines. Following the Hualien 0403 Earthquake, Compal responded immediately with disaster relief donations, demonstrating a strong sense of solidarity and social responsibility. In 2024, Compal collaborated with National Kaohsiung Normal University to promote science education through the “NKKU General and Special Education Student Science Task Force” initiative. Every year, Compal mobilizes employees to take compassionate action, reflecting its core values of care and social engagement. The company collaborates with the Hsu Chauing Social Welfare Foundation, subsidiaries, affiliates, customers, and supply chain partners to promote corporate philanthropy and contribute to a more caring and connected society. Through its philosophy of being a “caring enterprise,” Compal strives to create a society of “new happiness” and fulfill its sustainability commitment of “giving back to society.”

Short-, Mid-, and Long-term Goals

Social Participation and Public Welfare		
Strategy	Target of FY-2025-2030	Target of FY-2035
Supported the Hsu Chauing Social Welfare Charity Foundation and active participation in ecological conservation.	By 2030, increase 10% of the social investment in comparison with the year of 2020.	By 2035, increase 15% of the social investment in comparison with the year of 2020.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

➤

7.1 Social Care - Influence

7.2 Distribution of Social Investments

7.3 Philanthropy at Compal

08

Sustainability Partners

...

Appendixes

🌐

☎

@

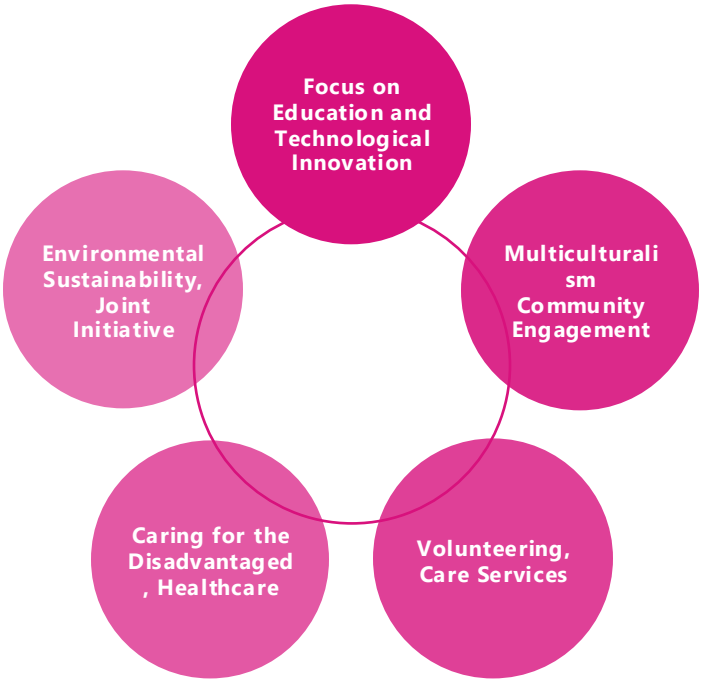
f

7.1. Social Care - Influence

Influence

Compal is committed to promoting quality education, protecting ecological systems, and addressing hunger and poverty through dedicated social engagement. We actively implement climate change mitigation and adaptation policies to support the achievement of all 17 United Nations Sustainable Development Goals (SDGs) by 2030, along with our net-zero carbon emissions target by 2050. To further our sustainability efforts, we encourage employees to adopt green commuting habits by participating in the “Keelung-Taipei-New Taipei-Taoyuan My Carbon Reduction Savings Account” program. Measures include promoting the use of public transportation and extending flexible working hours to ease traffic congestion in the Neihs Technology Park—contributing to energy conservation and carbon reduction. We are dedicated to creating a society that fosters shared prosperity, inclusiveness, and peace—grounded in the values of respect, fairness, and equity.

Social Inclusion - Sustainability Strategy
Digital transformation and bridging of the education gap.
Conservation of cultural heritage and respect for cultural diversity.
Emphasis on environmental sustainability and support for joint initiatives.
Life and health care, caring for the disadvantaged.
Promotion of care services and encouragement of volunteer contribution.



Compal's Social Engagement Contributions in 2024

- Cash donations: NT\$27,712,677 (including NT\$4,544,200 donated by employees to the Hsu Chauing Social Welfare Charity Foundation)
- Donations in kind: NT\$2,378,249
- Program and activity expenses: NT\$15,476,064

Number of beneficiaries: 303,557 person-times; manpower input: 5,538 person-times (including 216 university reading volunteers sponsored by Compal)

Total Compal social engagement investment in 2024: NT\$45,566,990

Cumulative Compal social engagement investment from 2010 to 2024: NT\$508,782,176

Total investment in the Hsu Chauing Social Welfare Charity Foundation in 2023: NT\$14,222,670

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

7.1 Social Care - Influence

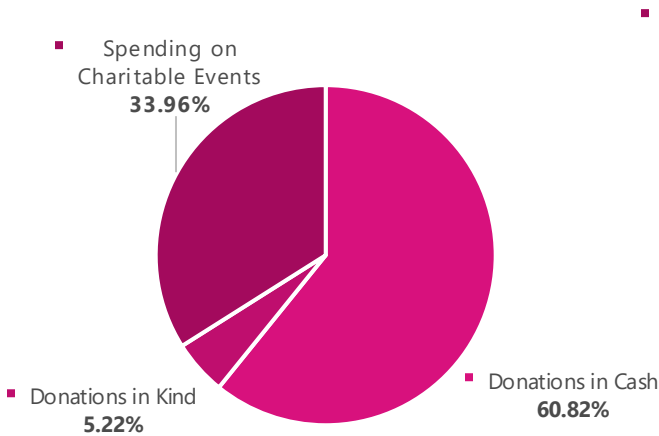
7.2 Distribution of Social Investments

7.3 Philanthropy at Compal

Sustainability Partners

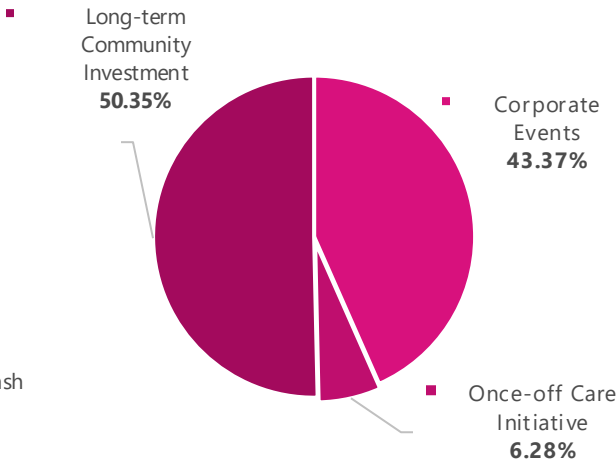
Appendixes

Distribution of Investments in Public Welfare in 2024 (excl. overseas)



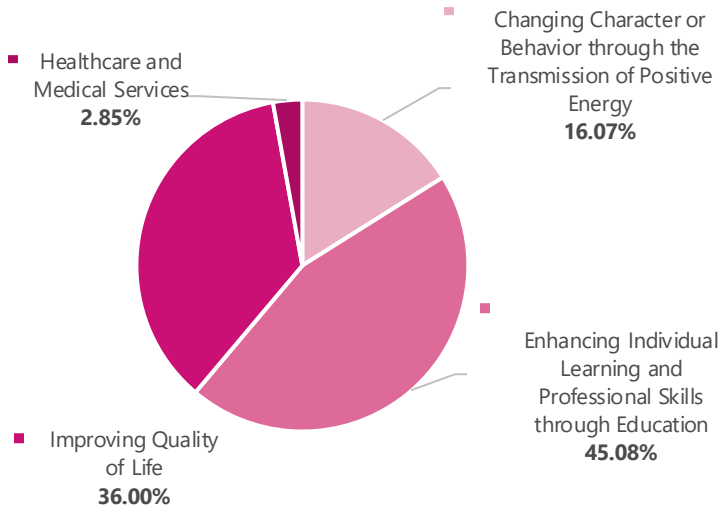
Item	Amount (NTD)	Percentage
Donations in Cash	27,712,677	60.82%
Donations in Kind	2,378,249	5.22%
Spending on Charitable Events	15,476,064	33.96%
Total	45,566,990	100%

Distribution of Influence from Investments in 2024 (excl. overseas)



Item	Amount (NTD)	Percentage
Corporate Events	19,763,795	43.37%
Once-off Care Initiative	2,860,649	6.28%
Long-term Community Investment	22,942,546	50.35%
Total	45,566,990	100%

Distribution of Social Engagement Influence Types in 2024 (excl. overseas)



Item	Amount (NTD)	Percentage
Changing Character or Behavior through the Transmission of Positive Energy	7,324,811	16.07%
Enhancing Individual Learning and Professional Skills through Education	20,539,652	45.08%
Improving Quality of Life	16,405,862	36.00%
Healthcare and Medical Services	1,296,665	2.85%
Total	45,566,990	100%

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

7.1

Social Care - Influence

7.2

Distribution of Social Investments

7.3

Philanthropy at Compal

08

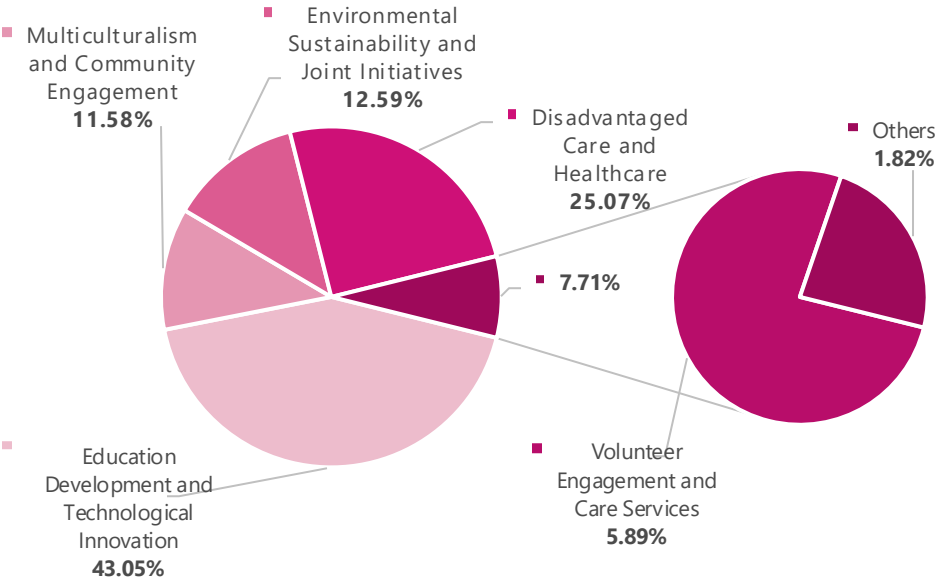
Sustainability Partners

...

Appendixes

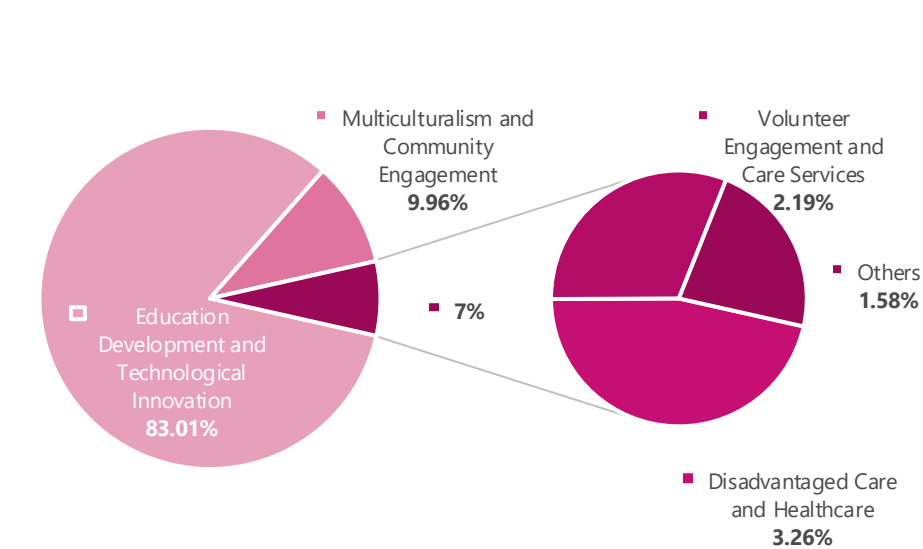
7.2 Distribution of Social Investments

Distribution of Compal Social Engagement Events in 2024
(excl. overseas)



Item	Amount (NTD)	Percentage
Education Development and Technological Innovation	19,615,760	43.05%
Multiculturalism and Community Engagement	5,275,741	11.58%
Environmental Sustainability and Joint Initiatives	5,738,698	12.59%
Disadvantaged Care and Healthcare	11,421,475	25.07%
Volunteer Engagement and Care Services	2,685,316	5.89%
Others	830,000	1.82%
Total	45,566,990	100.0%

Distribution of Charity Investments by Hsu Chauing Social Welfare Charity Foundation in 2024 (excl. overseas)



Item	Amount (NTD)	Percentage
Education Development and Technological Innovation	11,806,196	83.01%
Multiculturalism and Community Engagement	1,416,622	9.96%
Environmental Sustainability and Joint Initiatives	0	0.00%
Disadvantaged Care and Healthcare	464,032	3.26%
Volunteer Engagement and Care Services	311,059	2.19%
Others	224,761	1.58%
Total	14,222,670	100%

←

☰

< CHAPTER >

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

7.1

Social Care - Influence

> 7.2

Distribution of Social Investments

7.3

Philanthropy at Compal

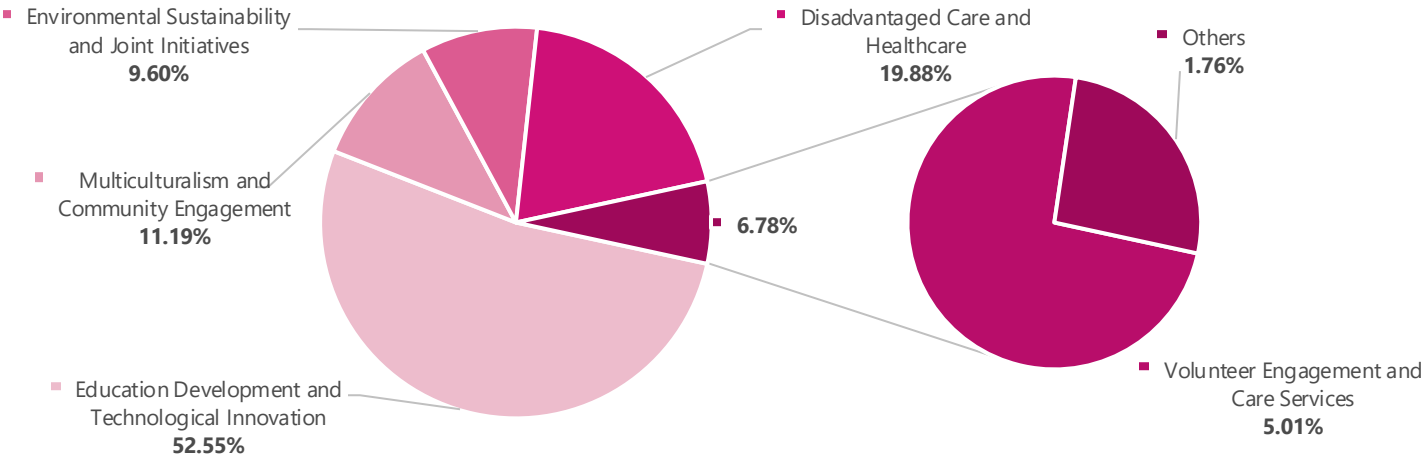
08

Sustainability Partners

...

Appendixes

Distribution of Charity Investments by Compal and Hsu Chaung Social Welfare Charity Foundation in 2024 (excl. overseas)



Item	Amount (NTD)	Amount from Foundation (NTD)	Total	Percentage
Education Development and Technological Innovation	19,615,760	11,806,196	31,421,956	52.55%
Multiculturalism and Community Engagement	5,275,741	1,416,622	6,692,363	11.19%
Environmental Sustainability and Joint Initiatives	5,738,698	0	5,738,698	9.60%
Disadvantaged Care and Healthcare	11,421,475	464,032	11,885,507	19.88%
Volunteer Engagement and Care Services	2,685,316	311,059	2,996,375	5.01%
Others	830,000	224,761	1,054,761	1.76%
Total	45,566,990	14,222,670	59,789,660	100%

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

7.1

Social Care - Influence

7.2

Distribution of Social Investments

7.3

Philanthropy at Compal

08

Sustainability Partners

Appendixes

7.3 Philanthropy at Compal

Philanthropy at Compal (1/6)



2024 Sustainable Development Project Results	Beneficiaries and Implementation	2025 SDGs	2030 SDGs	Social Influence
Education Development and Technological Innovation (1/2)				
In its 17th year, Compal continued the "Compal Reading Volunteer Program" to promote quality education, environmental awareness, and community culture	<div>591 university student volunteers from 22 student clubs provided reading education to 3,425 schoolchildren, delivering a total of 951 hours of service. Implementation method:</div> <div><div>o Providing services to remote and local communities through student club camps</div><div>o Conducting international volunteer work and health education outreach clinics</div><div>o Promoting mobile learning and teamwork sharing</div><div>o Advancing reading, maker education, environmental education, and character development</div><div>o Offering tutoring and planning courses on indigenous culture and diversity inclusion.</div><div>o Maintaining community ecology</div></div>	<div>o In its 18th year, the "Compal Reading Volunteer Program" continues to promote reading education in rural communities and advance the UN SDGs.</div> <div>o No decrease in sponsorship compared to the previous year</div>	No decrease in sponsorship compared to the previous year.	Compal Reading Volunteer Program" has cumulatively engaged 249 university student clubs, with a total of 5,813 student volunteers participating, benefiting 24,185 schoolchildren. <div><div>o Enhanced reading, character development, self-growth, and communication skills among rural schoolchildren.</div><div>o Promoted the UN SDGs.</div><div>o Encouraged university students to participate in community service.</div><div>o Preserved and passed on local community culture.</div><div>o Promoted health and hygiene knowledge.</div></div>
Kangaroo Project" in its 6th year <div><div>o A total of 7,079 student class hours.</div><div>o 44 participations by Fu Jen Catholic University student volunteers, with 156 training hours, serving 2,318 schoolchildren.</div></div>	<div>In-person tutoring was provided to 370 schoolchildren at Master and Servant Care Station of Dayuan Catholic Church in Taoyuan · Yuli Bookstore of Tayu Church in Hualien County</div> <div><div>o Fu-Hsing School of Martial Arts, Miaoli · Quaker Shulin Church · Incarnate Word Roman Catholic Church – Taiping · Mustard Service Garden in Fengshan, Kaohsiung. Total 89 participations from local teachers and volunteers.</div></div>	<div>o Collaborated on the "Kangaroo Project" with the Center of Care Services for Rural Area Education in Taiwan, Fu Jen Catholic University for the 7th year.</div> <div>o The total hours of in-person tutoring for schoolchildren did not decrease compared to the previous year.</div>	No decrease in sponsorship compared to the previous year.	Over the past six years, the "Kangaroo Project" has been deeply rooted in community education, nurtured local teaching talent, and promoted local revitalization. It has improved academic support and living care programs for disadvantaged schoolchildren in the community, enhancing both tutoring and learning quality.
In its 13th year, 283 employees participated in the Hsu Chaung Social Welfare Charity Foundation's "Dream Come True Program," with a total sponsorship amount of NT\$2,808,200.	Employee-sponsored scholarships supported one year of talent development programs for 156 schoolchildren, enabling disadvantaged students with special talents and needs to continue advancing their learning.	<div>o 14th year of employee participation in the "Dream Come True Program".</div> <div>o No decrease in the number of participants compared to the previous year."</div>	No decrease in the number of participating employees.	Over the past six years, there have been 1,478 employee participations, with Compal employees pledging NT\$14,488,900. <div>These efforts reduce inequality, emphasize diverse education, help disadvantaged children develop their gifts and talents, improve learning quality, and cultivate professional talent from an early age.</div>

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
 - 7.1 Social Care - Influence
 - 7.2 Distribution of Social Investments
 - > 7.3 Philanthropy at Compal
- 08 Sustainability Partners
- Appendixes



Philanthropy at Compal (2/6)

2024 Sustainable Development Project Results	Beneficiaries and Implementation	2025 SDGs	2030 SDGs	Social Influence
Education Development and Technological Innovation (2/2)				
2024 Compal x Hsu Chauing Social Welfare Charity Foundation "Maker Education" support program	Compal donated 80 tablet computers to support schools in promoting digital learning methods. This initiative specifically supported Ding She Elementary School with its "Ding She Elementary School Cloud High-Fly" program; ZhongXing Elementary School with its "Water-Like Digital Sustainability ZhongXing" program; Hai Feng Elementary School with its "Teacher Can Play, Student Can Create" program; Chao Tung Primary School with its "Maker and Bilingual Education" program; and Chaohe Elementary School with its "Ecological and Campus Environmental Sustainability Improvement" program.	No decrease in innovation and education funding compared to the previous year.	No decrease in innovation and education funding compared to the previous year.	Since 2017, in collaboration with the Hsu Chauing Social Welfare Charity Foundation, Compal has promoted information learning projects, cumulatively donating 1,166 portable digital devices for maker education. These efforts advance digital learning and information education for schoolchildren in rural communities, while supporting bilingual teaching, food and agriculture education, and environmental and ecological conservation.
Participated in the KPMG-initiated "Charity Month – Tablet Donation for Rural Care" campaign for the 6th year.	Compal donated eight used laptop computers to the Chaozhuang Culture and Education Association in Chaozhou Township, Pingtung County, to improve the quality of digital education in the community.	No decrease in investment in innovation and education compared to the previous year.	No decrease in investment in innovation and education compared to the previous year.	Donated 108 tablets over six years to promote digital learning and information education among rural community residents, schoolchildren, and the elderly.
In its first year, Compal supported the "NKNU General and Special Education Student Science Task Force" initiative to promote science.	The Special Education Center and Career Services Office of National Kaohsiung Normal University organized counselor training and four sessions of the "Remote Elementary School General and Special Education Student Hermit Crab AR Camp." A total of 68 general and special education students participated from Neishi Elementary School and Saijia Elementary School in Pingtung County, as well as Municipal Padan Tribe Junior and Elementary School and Laonong Elementary School in Kaohsiung City.	No decrease in investment in innovation and education compared to the previous year.	No decrease in investment in innovation and education compared to the previous year.	Enhancing national scientific literacy by integrating natural science with AR technology to help students learn about environmental organisms and foster an interest in science. Promoting inclusive education by enabling general and special education students to learn together, build teamwork skills, and improve interpersonal interactions.
Promoted the GOLF (Gap of Learning and Field) Alliance professional talent development program for the 8th year, with 490 participants attending in-person training sessions.	Held 10 industry internship briefing sessions, attended by over 1,000 students. Provided university students with opportunities to explore the workplace, plan their careers, and leverage their professional skills.	No decrease in investment in innovation and education compared to the previous year.	No decrease in investment in innovation and education compared to the previous year.	Promote tailored learning and youth professional empowerment through industry-academia co-creation and collaboration. This enables students to keep pace with technological innovation, maximize their learning opportunities, realize their talents, and give back to society.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
 - 7.1 Social Care - Influence
 - 7.2 Distribution of Social Investments
 - > 7.3 Philanthropy at Compal
- 08 Sustainability Partners
- Appendixes

Philanthropy at Compal (3/6)



2024 Sustainable Development Project Results	Beneficiaries and Implementation	2025 SDGs	2030 SDGs	Social Influence
Multiculturalism and Community Engagement				
Sponsored the children's play "Finding Lost Courage" by Shuiyuan Village Theater, providing schoolchildren in rural communities with the opportunity to experience live theater while learning how to face extreme climate risks and develop problem-solving skills.	Two charity performances of the "Compal Star Guardian Program" were held. One at Taoyuan Dahua Elementary School for 260 teachers and students, and another at Changhua Daxing Elementary School, with 280 schoolchildren invited to watch an interactive live play. The performances provide local theatre talent with room for development and performance opportunities.	No decrease in cultural development sponsorship compared to the previous year.	No decrease in charitable spending compared to the previous year.	Over the past two years, Compal held four charity performances, reaching a total audience of 957. We prioritize community development in our operating locations, cultivate rural and local talent, and promote arts and cultural activities to drive cultural development.
Sponsored two performances of 2024 Taiwan Xuan Yin Ya Ji.	2024 Taiwan Xuan Yin Ya Ji : "Listening – Taiwan Image III" and "New Taiwan Music: Vivid Sounds and Vivid Image II," with approximately 700 participants.	No decrease in sponsorship of cultural development from the previous session.	No decrease in charitable spending compared to the previous year.	These concerts featured Taiwanese performers presenting works by Taiwanese composers, allowing audiences to hear and understand Taiwan through music. They promoted the development of local arts and culture, created opportunities for local talent, and facilitated cultural development through artistic activities.
<ul style="list-style-type: none">Sponsored the 4th "Taipei Technology Cup Love the Earth Charity Road Run" event.In 2024, Compal's health philanthropy included forming a team of 65 employees to represent the company in the 10K charity road run.	<ul style="list-style-type: none">Nearly 10,000 people registered for the "Taipei Technology Cup Love the Earth Charity Road Run."The 65 employees in Compal's 10K charity run team collectively completed over 100 hours of self-training before the race.	Emphasizing connection with and development of the communities where we operate. Co-hosted the 5th "Taipei Tech Cup Love the Earth Charity Road Run" and sponsored community charity initiatives promoted by the Neihu Technology Park Development Association.	Continue participating in community care initiatives, ensuring charitable funding does not decrease compared to the previous year.	Over four years, approximately 30,000 people have registered for the charity run, with a cumulative total of 195 participants from the Compal 10K Charity team. Supporting community development and health promotion, Compal emphasizes employee health, encourages technology professionals to engage in healthy recreational activities, promotes SDG 3 (Good Health and Well-being), and implements social care initiatives.
In its 26th year, the "Compal Sunshine Scholarship" has cumulatively awarded the "Outstanding Computer Talent Scholarship" and the "Computer Excellence Scholarship" to a total of 197 students with outstanding computer skills.	Compal has partnered with the Sunshine Social Welfare Foundation to establish the Compal Sunshine Scholarship, which supports students with excellent computer skills who have suffered burns or facial disfigurements. Since 2020, Compal has also participated in the Sunshine Social Welfare Foundation's "Children with Burns and Facial Disfigurements Support Project."	<ul style="list-style-type: none">Continue to provide the Compal Sunshine Scholarship for the 27th year.Sponsored the Sunshine Social Welfare Foundation's "Children with Burns and Facial Injuries Support Project" for the 6th year. No decrease in charitable spending compared to the previous year.	No decrease in sponsorship compared to the previous year	NT\$2,350,000 in cumulative investments over 6 years. Emphasizing quality education, encouraging disadvantaged students to develop their talents, and promoting the social concept of "face equality."
Collaborated with the Taiwan D.B. Art Collective for the 6th year.	Compal respects diverse lives, supports the social integration of individuals on the autism spectrum, and encourages autistic youth artists to develop their talents.	Continue participation in community diversity and inclusion initiatives with frequency of involvement not decreased compared to the previous year.	Continue participation in community diversity and inclusion initiatives with frequency of involvement not decreased compared to the previous year.	We value community development at our operating locations, nurture rural and local talent, and promote arts and cultural activities to foster cultural development.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- Corporate Governance
- Climate Action
- Environmental Sustainability
- Inclusive Growth
- Social Engagement**
 - Social Care - Influence
 - Distribution of Social Investments
 - Philanthropy at Compal**
- Sustainability Partners
- Appendixes



Philanthropy at Compal (4/6)

2024 Sustainable Development Project Results	Beneficiaries and Implementation	2025 SDGs	2030 SDGs	Social Influence
Environmental Sustainability and Joint Initiatives				
Compal is responding to the "Keelung-Taipei-New Taipei-Taoyuan My Carbon Reduction Savings Account" initiative in the Neihu Technology Park.	A total of 991 Compal employees registered to participate, encouraging greater use of public transportation for commuting or outings. In addition, flexible working hours were extended by 1.5 hours to ease traffic congestion in Neihu.	This marks our second consecutive year participating in the "Carbon Reduction Alliance – Keelung-Taipei-New Taipei-Taoyuan My Carbon Reduction Savings Account".	We continuously promote personal plastic reduction, carbon reduction, and energy conservation, and encourage employees to participate voluntarily.	Compal's efforts to promote public transportation use within Neihu Technology Park earned first place in both Q2 and Q3 of the "Keelung-Taipei-New Taipei-Taoyuan My Carbon Reduction Savings Account" initiative. We also implement corporate initiatives to reduce plastic use and carbon emissions, encouraging individuals to lower their personal carbon footprints.
Compal, together with its group companies, organized a coastal cleanup initiative, conducting a joint beach cleanup with AcBel Polytech and Kinpo Electronics.	62 Compal employees joined a total of 162 volunteers from various companies to remove approximately 663.9 kg of marine waste from Zhuziwan Beach, Tamsui.	Continue to engage in environmental education outreach and advocate taking action to protect the oceans.	Continue to engage in environmental education outreach and conduct at least 15 ocean protection actions within 10 years.	This marks our second consecutive year collaborating with group companies on joint beach cleanups, with a cumulative total of 302 participant instances. We place importance on addressing climate change and protecting marine ecosystems.
Compal responded to Acer's e-waste recycling campaign and launched its own "2024 Environmental Protection Mission" to jointly promote environmental sustainability.	92 employees participated in e-waste recycling, collecting a total of 378 kg of discarded electronics. The proceeds from this initiative will be donated to the Orphan Welfare Foundation.	This marks our seventh consecutive year of organizing the "Environmental Protection Mission – 3C Waste Recycling" campaign, supporting the environmental initiatives of our corporate partners.	We continuously promote personal plastic reduction, carbon reduction, and energy conservation, and encourage employees to participate voluntarily.	Over six years, there have been a cumulative 922 employee participations, with a total of 4,054.1 kg of waste recycled. Practicing a lifestyle of plastic reduction and energy conservation while advocating SDG 12: Responsible Consumption and Production.
In support of the UN 30x30 initiative (30% Ocean, 30% Land), Compal organized two wetland environmental education events and one wetland conservation volunteer activity.	A total of 119 participations by Compal employees and their families in wetland environmental education courses, and 59 people participated in wetland conservation volunteer activities at Guandu Nature Park.	Continue to support the UN 30x30 initiative (protecting 30% of oceans and land by 2030), provide education on wetland biodiversity and ecology, and promote the conservation of native species.	Conduct wetland ecological and environmental education, emphasize biodiversity, and protect blue carbon ecosystem plants.	We continue to support the UN 30x30 initiative to protect native species. Over the years, we have collaborated with organizations such as the Society of Wilderness, Kenting National Park Headquarters, the Wild Bird Society of Taipei, and the Guandu Nature Park Management Office.
Compal participated in the Agriculture and Food Agency's "Understanding Local Pineapples: Food and Agriculture Education" program.	In 2024, 60 employees participated in a Food and Agriculture Education lecture hosted by the Liu-Kung Agriculture Foundation and the Agriculture and Food Agency. Compal promoted the consumption of local pineapples, supported local brands with production traceability and carbon footprint labeling, and demonstrated our commitment to ecological sustainability.	We continue to source local ingredients and consume seasonal produce to reduce our carbon footprint.	We continuously promote personal plastic reduction, carbon reduction, and energy conservation, and encourage employees to participate voluntarily.	We promote and practice plastic reduction and energy conservation in daily life, while advocating SDG 12 on responsible consumption and production.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement**
 - 7.1 Social Care - Influence
 - 7.2 Distribution of Social Investments
 - > 7.3 Philanthropy at Compal**
- 08 Sustainability Partners
- Appendixes



Philanthropy at Compal (5/6)

2024 Sustainable Development Project Results	Beneficiaries and Implementation	2025 SDGs	2030 SDGs	Social Influence
Disadvantaged Care and Healthcare				
<p>This is the fifth year of our collaboration with the Kaohsiung Public Library on the ESG Rural Reading Charity Program.</p>	<p>Sponsorship of community activities at a rural Kaohsiung library, launching the Compal Joy Network at the Qishan Branch. In 2024, Compal sponsored the Kaohsiung Liugui, Qishan, and Meinong Branches, supported AR interactive learning, community cultural preservation, and quality education, with a total of 34,556 schoolchildren and community residents participating.</p> <p>Implementation method:</p> <ul style="list-style-type: none">Promoting quality reading and diverse learning in communities.Interactive environmental education using AR picture books.Mobile library services and children's theater performances.Local experiential learning tours, such as visits to Hakka villages; exploring Qishan, the hometown of bananas; geological exploration at Shiba Luohan Mountain; understanding forest ecology on the Baolai Ridge Trail; and exploring the Baolai Sulopo District 59 ecological trail.	<p>In its sixth year, Compal has partnered with the Kaohsiung Public Library on the ESG Rural Reading Program, and continues to promote diverse reading and learning initiatives. These include mobile libraries, story theater groups, parent-child AR themed book fairs, and the establishment of the Meinong Literature Corner.</p> <p>Beneficiaries of the reading initiative in remote areas: Library branches and schools in Meinong, Qishan, and Shanlin regions.</p>	<p>No decrease in sponsorship compared to the previous year.</p>	<p>We emphasize rural community development, bridge the urban-rural divide, promote information technology development, and preserve local cultural heritage.</p> <p>We are committed to enhancing education for local schoolchildren and providing care services for the elderly.</p> <p>We promote the preservation and inheritance of local community culture.</p> <p>We encourage residents to value the natural ecology of their communities and to cultivate deeper connections with themselves and their surroundings.</p>
<p>In its third year, Compal donated 165 wireless desk lamps through the "Good Reading Project" to support students' learning in New Taipei City, Taoyuan, Taichung, Miaoli, Pingtung, and Kaohsiung.</p>	<p>Compal donated wireless desk lamps to 165 students to improve their reading environment and prevent potential eyesight and health issues caused by insufficient lighting.</p>	<p>Continue to support healthcare initiatives for the disadvantaged.</p>	<p>No decrease in sponsorship compared to the previous year</p>	<p>650 students have benefited to date.</p> <p>Improve the learning environment, protect schoolchildren's eyesight, encourage healthy learning.</p> <p>Deeply engaged in local children's education and community reading.</p>
<p>In the first and second semesters of 2024, a total of 611 children of Compal employees received educational scholarships, amounting to NT\$1,296,600.</p>	<p>Scholarships are awarded annually to encourage employees' children from junior high to university to study diligently, explore their interests, and develop their talents.</p>	<p>Scholarships are awarded annually to encourage Compal employees and their families to pursue personal development, learning, and growth.</p>	<p>No decrease in sponsorship compared to the previous year</p>	<p>Promote quality education and encourage learning.</p>
<p>In 2024, Kunshan Baomin disbursed RMB 28,000 in tuition assistance.</p>	<p>Compal provides scholarships and tuition assistance each year to support employees and their children in their learning.</p>	<p>Compal provides scholarships and tuition assistance each year to support employees and their children in their learning.</p>	<p>No decrease in sponsorship compared to the previous year</p>	<p>Promote quality education and encourage learning.</p>

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- About Compal
- Compal and Stakeholders
- Corporate Governance
- Climate Action
- Environmental Sustainability
- Inclusive Growth
- 07 Social Engagement**
 - 7.1 Social Care - Influence
 - 7.2 Distribution of Social Investments
 - > 7.3 Philanthropy at Compal**
- Sustainability Partners
- Appendixes

Philanthropy at Compal (6/6)



2024 Sustainable Development Project Results	Beneficiaries and Implementation	2025 SDGs	2030 SDGs	Social Influence
Volunteer Engagement and Care Services				
47 participant-times (Compal Volunteer and Guitar Club) in 3 volunteer service events, serving a total of 48 beneficiaries.	Compal Volunteer Club held a camp for schoolchildren at Baoshan Elementary School in Hsinchu. Members of the Volunteer and Guitar Clubs visited Bali Psychiatric Center twice to offer musical companionship.	Encourage employees to continue voluntarily participating in volunteer activities for the 16th consecutive year.	Encourage employees to continue volunteering.	Over the past 15 years, the Volunteer and Guitar Clubs have served 8,017 beneficiaries through 1,725 participations, supporting the physical, mental, and spiritual development of rural and underprivileged schoolchildren.
In 2024, the "Children's Day Dream Fulfillment" event marked its 8th year, with 98 Compal employees preparing gifts for 98 schoolchildren.	Employees from the Kinpo Group collaborate with the Hsu Chauing Social Welfare Charity Foundation every year on public welfare initiatives, raising wish gifts for schoolchildren from disadvantaged families to support the foundation's long-term care efforts and to convey care and encouragement.	Encourage employees to continue voluntarily participating in the "Children's Day Dream Fulfillment" care initiative for the ninth consecutive year.	Encourage employees to continue voluntarily participating in care and service activities.	Promote the physical and mental health of schoolchildren, advance SDG 3 (Good Health and Well-being), and implement social care initiatives.
2024 Compal Employee Goods Collection for Charity	In 2024, 21 employees donated used laptops and stationery to support Sundoor Academy's recovery efforts after Typhoon Gaemi.	Continue to support initiatives for caring for the disadvantaged and promoting healthcare.	Encourage employees to continue proactively engaging in social care and donation activities.	Assist disadvantaged schoolchildren and low-income families, reduce inequalities, promote SDG 3 (health and well-being), and put social care initiatives into action.
In its 4th year, the Compal "Non-Stop Charity" Mooncake Donation Project included donations from 1,038 employees.	Compal employees independently purchased and donated 4,292 boxes of Mid-Autumn Festival mooncakes from the Taiwan Kanner Autism Foundation to 4,292 disadvantaged schoolchildren across Taiwan.	Encourage employees to continue participating in the "Non-Stop Charity" charity project for the 5th year on their own initiative.	Encourage employees to continue proactively engaging in social care and donation activities.	Support sheltered workshops and offer jobs to youths with autism and disabilities. Provide care to social welfare groups and underprivileged children.
SDBG Purchasing employees took a three-day trip to Hualien and Taitung, completing the "Cycling for Charity" event for the 9th consecutive year.	Led by Senior VP Wen-Da Hsu, a 29-member charity cycling team delivered goods to six charitable groups in Hualien and Taitung.: New Dawn Happy Farm of Mennonite Christian Hospital, Andrew Intellectual Development Center, Taitung Christian Hospital, the Hualien Branch Office and Taitung Branch Office of the Taiwan Fund for Children and Families, and the Eastern Region Office of World Vision Taiwan. Compal also made a corporate donation to support the initiative.	Encourage employees to continue to participate in volunteer services.	Encourage employees to continue to participate in volunteer services.	Encourage more employees to embody Compal's social inclusion vision by showing care and taking action, creating "new happiness" through our caring enterprise.
<ul style="list-style-type: none">Compal employees' three "Year-End Blessings - Christmas Gift Delivery" initiatives.Compal's CEO and employees donated books to children of the Hsu Chauing Social Welfare Charity Foundation as Christmas blessings.	<ul style="list-style-type: none">16 Compal employees participated in three events to deliver year-end blessings to Shangtian Elementary School, Dongshi Elementary School, and Luzhu Elementary School in Taoyuan.Compal's Santa Claus, along with Christmas sisters and brothers, partnered with the Hsu Chauing Social Welfare Charity Foundation to bring Christmas gifts and joy to 425 schoolchildren.	Delivering positive energy to diligent students and encouraging employees to actively participate in social care and volunteer activities.	Encourage employees to continue participating in care and service activities on their own initiative.	This marks the third year of collaborating with the Hsu Chauing Social Welfare Charity Foundation to share the joy of the festive season with both adults and children. We prioritize the physical and mental health development of schoolchildren, promote SDG 3 (good health and well-being), and put social engagement initiatives into action.
Donation from the Chongqing Plant to the Chongqing Children's Welfare Institute	Leverage corporate strength to bring warmth to children.	Continue to support healthcare initiatives for the disadvantaged.	Encourage employees to continue voluntarily participating in social care and donation activities.	Support disadvantaged children and families, reduce inequality, promote SDG 3 (health and well-being), and advance social engagement.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

7.1

Social Care - Influence

7.2

Distribution of Social Investments

➤

7.3 Philanthropy at Compal

08

Sustainability Partners

...

Appendixes

“Compal Reading Volunteer Program” - 2007~2024 (17th year)

- **Partners:** In 2024, the Compal Reading Volunteer Program partnered with 22 student volunteer clubs from various universities, including National Taiwan University of Science and Technology, Taipei Medical University, National Taiwan Normal University, National Taipei University, Takming University of Science and Technology, Fu Jen Catholic University, Tamkang University, Fooyin University, National Yunlin University of Science and Technology, National Pingtung University of Science and Technology, Chung Yuan Christian University, and Mackay Medical College.
- **Beneficiaries:** National Kinmen Senior High School, Zhong Jheng Elementary School and Jinhu Elementary School in Kinmen County; Kenting Elementary School in Pingtung County; Guangyuan Elementary School and Da Wang Elementary School in Taitung County; Sikou Elementary School in Chiayi County; Gukeng, Sihua, and Yang Ming Elementary Schools in Yunlin County; Tanwen Elementary School in Miaoli County; Puma Elementary School and L'olu in Taichung City; Tan Nan, Faxiang, Toda, and Yu Ying Elementary Schools in Nantou County; Yu Ying Elementary School in Yilan County; ShuangXi, Jisui, and Tamsui Elementary Schools in New Taipei City; Zhongtai Community in New Taipei City; ZhongZhi Taiwan Presbyterian Church; Dacheng Township in Changhua County; Mailiao, Dongshi, and Taixi Townships in Yunlin County; the Northern Philippines Community; and Jing Xin School of Chinese Education and Yutang Elementary School in Thailand.
- **Long-term Goals:** Promote reading and environmental education in rural schools and communities, advance the SDGs, and support volunteer training to deepen community service and provide care and companionship.
- **Implementation Details:**

1.

Promote local community services and international volunteer activities. Encourage university volunteer clubs to carry out grassroots education based on local needs, promote the SDGs, and implement long-term programs for community cultural continuation and preservation.

2.

Broaden and deepen university students' volunteer experiences to leverage their expertise. Plan diverse course activities to cultivate empathy, enable meaningful interaction with schoolchildren, and foster mutual care and growth.

Compal Reading Volunteer Program - Achievements Since 2007

Year	2007-2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Number of People Served	2,515	685	988	1,407	1,420	1,390	1,410	1,550	1,016	1,894	2,267	143	1,091	2,984	3,425	24,185
Volunteer Count	896	291	453	492	362	456	382	279	401	378	245	54	311	216	591	5,813
Number of Participating Clubs	31	11	16	24	17	18	18	16	19	21	13	2	10	11	22	249

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
 - 7.1 Social Care - Influence
 - 7.2 Distribution of Social Investments
 - > 7.3 Philanthropy at Compal
- 08 Sustainability Partners
- Appendixes

6th year of Compal x FJU “Kangaroo Project” (2019 ~ 2024)

- **Partner:** Fu Jen Catholic University - FJU Center of Care Services for Rural Area Education, university student volunteers provided in-person tutoring 44 times and serviced 2,318 schoolchildren.
- **Beneficiaries:** In-person tutoring provided to 370 students at Master and Servant Care Station of Dayuan Catholic Church in Taoyuan, Yuli Bookstore of Tayu Church in Hualien County, Fu-shing School of Mart Arts in Miaoli, Quaker Shulin Care Center, Incarnate Word Roman Catholic Church - Taiping, and Mustard Service Garden in Fengshan, Kaohsiung.
- **Long-term Goals:** Embed community-based education and cultivate local teaching talent. Assist disadvantaged and rural schoolchildren by improving their quality of education, quality of life, and learning capabilities.
- **Implementation Details:**
 1. Cultivating local tutoring teachers for rural communities by arranging online study groups, story writing training, and community engagement empowerment workshops, totaling 20 hours of instruction.
 2. In addition to academic tutoring through in-person community classes, the program includes bilingual teaching, food and agriculture education, moral education, and character education through storytelling, as well as strengthening students' ability to discern the authenticity of online information. These diverse courses help schoolchildren develop critical thinking skills and foster their willingness to serve more disadvantaged groups. In-person courses use adaptive teaching to give each student the opportunity to learn and build self-confidence, ensuring that all children gain basic learning capabilities and self-motivation.
 3. Arranging life education, environmental ecology, and tribal culture courses to ensure the passing on of unique local cultures.
 4. Providing learning experiences in music, dance, and sports. University volunteers foster teamwork through group games or sports and encourage students to develop regular exercise habits.
 5. Arranging family growth camps and summer school medical camps.
 6. Continuing to encourage student volunteers to participate in in community in-person mentoring sessions, building meaningful communication and companionship between older and younger.
 7. Training corporate volunteers in community service and collaborating with the Fu Jen Catholic University student volunteer team to share love and compassion.

Outcomes

Community tutoring center	In-person tutoring in 2024				
	No. of School children Participations	No. of Mentor Service Participations	Total Instruct-ion Hours	Training Hours	Local teachers & volunteers
Yuli Bookstore of Tayu Church in Hualien County	49	0	2,370	0	16
Master and Servant Care Station of Dayuan Catholic Church in Taoyuan	55	0	908	0	8
Quaker Shulin Care Center	722	26	2,273	154	4
Fu-Hsing School of Martial Arts, Miaoli	1,316	13	292	0	44
Incarnate Word Roman Catholic Church - Taiping	58	0	542	0	7
Mustard Service Garden in Fengshan, Kaohsiung	46	0	674	0	7
Double A Plus Love Center	72	5	20	2	3
Total	2,318	44	7,079	156	89

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
 - 7.1 Social Care - Influence
 - 7.2 Distribution of Social Investments
 - 7.3 Philanthropy at Compal
- 08 Sustainability Partners
- Appendixes

Compal “Endless Blood Donations, Endless Love” for Shared Happiness

- **Partner:** Blood Donation Centers of local governments and the Red Cross at each plant.
- **Long-term Goals:** To alleviate blood shortages in blood banks and support patients in need of blood transfusions.
- **Implementation Details:** 611 Compal employees across various plants enthusiastically participated, donating a total of 184,400 cc of blood to help those in need, continuously giving through blood donations and spreading love. The results of blood donation drives at each plant in 2024 are listed below:

Area	Number of Participants	Frequency	Blood Donations (cc)
Taipei Headquarters	314	Three times a year	120,550
Kunshan Plant	67	Once per year	21,300
Vietnam Plants	230	Once per year	42,550
Total	611	Twice a year	184,400



Employees at Compal plants participated in volunteer services, emergency assistance, supporting the education and welfare of disadvantaged schoolchildren, taking care of senior citizens, and donation of needed supplies.

Plant	Item	Session	Number of Participants Persons	Explanation
Kunshan	99 Charity Day in Luchen	1	302	Donation of RMB 2,211 to the Suzhou Charity Foundation to support people experiencing hardship in Suzhou.
	Love and Peace Foundation	1	56	Donation of RMB 175,500 to the Love and Peace Foundation in Kunshan to support employees with serious illnesses.
	Voluntary donations by plant employees	11	4,603	RMB 275,702 (emergency donations to help employees through hardships)
	Caring for the Elderly – Summer Cooling, Winter Warming Initiatives	2	45	Donation of supplies –refreshing drinks to Kunshan Welfare Institute and Development Zone Welfare Institute; warm winter clothing and pants to Development Zone Welfare Institute and Zhangpu Nursing Home.
	Baomin Scholarship	1	125	RMB 28,000

Total Amount of Donation: RMB 481,413



←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

7.1

Social Care - Influence

7.2

Distribution of Social Investments

➤

7.3 Philanthropy at Compal

08

Sustainability Partners

...

Appendixes

Plant	Activity Name	Number of Participants	Amount of Donation	Description
Chengdu	Compassionate Hearts, Boundless Love" event	20	RMB 10,000	20 employees purchased and donated supplies for disadvantaged elementary schools in Tibet, while the company organized an internal donation drive. A total of 196 individuals benefited.
	Protecting the Environment, a Compal Responsibility" Spring Cultivation Program	60	RMB 5,000	60 employees helped plant 140 fruit trees, including peach, lemon, orange, and pomelo.
	2024 Summer Cooling Relief Program	6	RMB 2,000	Brought cooling relief to 200 sanitation workers with over 400 bottles of refreshing drinks.
	Emergency Assistance, Heartwarming Care	90	RMB 94,453	Extended warmth and care to 90 employees, with total care funds reaching RMB 94,453 in 2024.

Total Amount of Donation: RMB 111,453

Vietnam	Spring Festival Care Initiative	100	VND 100 million	Provided New Year care packages to 100 underprivileged employees.
	Emergency Assistance	8	VND 108 million	Raised funds and provided supplies for 8 employees suffering from serious illnesses or accidents.
	"New Year Warmth, Community Care" Initiative	454	VND 454 million	Donated to support the Vinh Phuc Province Social Work Center and the Vinh Phuc Province Psychiatric Patient Care and Rehabilitation Center.

Total Amount of Donation: VND 260 million

Brazil	Food Basket Donation Activity	26	BRL 3,551	Donated 53 food baskets to shelters including Janell Doyle Baptist Home, Hope Farm Children's House, and Sao Filipe Neri, sharing care and blessings.
--------	-------------------------------	----	-----------	---

Total Amount of Donation: BRL 3,551



Other Donations

In addition to charitable contributions, the Company actively supports academic and industry-related organizations.

- Taipei NeiHu Technology Park Development Association
- Chengdian Education and Culture Foundation
- Institute for Biotechnology and Medicine Industry
- Taiwan Image-Guided Intervention Biotechnology Society
- Taiwan Institute for Sustainable Energy
- Sinocon Foundation Taiwan
- Management Institute in Taipei Foundation
- Taoyuan Enterprise Chamber
- General Association of Chinese Culture
- Taiwan D.B. Art Collective
- New Life Association for Disability Employment, Taipei
- Taipei City Police Association - NeiHu Division
- Taoyuan City Volunteer Fire Brigade - Fourth Branch

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners**
 - 8.1 Customer Services
 - 8.2 Responsible Supply Chain
- Appendixes

8 Sustainability Partners

KEY PERFORMANCE

- 1. Key customer satisfaction achieved 90.3%.
- 2. Expanded the annual SAQ (Sustainability Assessment Questionnaire) supply chain survey to cover 80% of Tier 2 suppliers by transaction value.
- 3. Completed 22 annual supplier audits (100%); invited 450 suppliers to join CDP, with the surveys of 246 suppliers completed.
- 4. 176 critical suppliers (including MRO) have signed the Supplier Code of Conduct, which includes environmental sustainability.
- 5. As of 2024, cumulative carbon reduction reached 9,092.7 tCO₂e (82.85%) out of an anticipated total reduction of 10,975 tCO₂e under the IDA One+N Net-Zero Project.



- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners**
 - 8.1 Customer Services
 - 8.2 Responsible Supply Chain
- Appendixes

Short-, Mid-, and Long-term Goals

Topic	Strategy	Target of FY-2025	Target of FY-2030	Target of FY-2035
Customer Service Management	1.Diversify into emerging products and markets to expand business scope. 2.Strengthen client engagement and deepen long-term partnerships aligned to sustainability goals. 3.Strengthen geopolitical risk mitigation strategies and improve supply chain resilience.	1.Key customer satisfaction > 90% 2.100% customer satisfaction survey overage	1.Key customer satisfaction > 90% 2.100% customer satisfaction survey overage	1.Key customer satisfaction > 90% 2.100% customer satisfaction survey overage
Supplier Assessment & Development	1.Optimization of sustainable supply chain workflows and systems. 2.Assist suppliers with implementing capacity building projects and provision of in-depth mentoring.	1.More than 90% of suppliers have adopted the management system. Control the proportion of high-risk suppliers to remain below 5%. 2.Audit 10% of the total number of suppliers to mitigate supplier sustainability risks. 3.Defined high-carbon emission suppliers and invited them to join CDP.	1.More than 95% suppliers have adopted the management system. Control the proportion of high-risk suppliers to remain below 5%. 2.Audit 15% of the total number of suppliers to mitigate supplier sustainability risks. 3.Incorporate the Supplier Code of Conduct as a mandatory criterion for vendor selection; require high-carbon emission suppliers to comply with Compal's SBTi Scope 3 reduction targets.	1.100% of suppliers used the management system. Control the proportion of high-risk suppliers to remain below 5%. 2.Audit 20% of the total number of suppliers to mitigate supplier sustainability risks. 3.Require high-carbon emission suppliers to comply with Compal's SBTi Scope 3 reduction targets.

←

☰

< CHAPTER >

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

>

8.1 Customer Services

8.2 Responsible Supply Chain

...

Appendixes

8.1 Customer Services

Customer Relations Management

Compal is customer-centric and has established a highly efficient and responsive service model through diverse communication methods and an internal customer management system. We ensure timely information dissemination through daily phone and email exchanges, track project progress with weekly team meetings, conduct QBR (Quarterly Business Reviews) for in-depth analysis of collaboration effectiveness, and collect feedback through annual surveys, along with irregular audits for comprehensive understanding of customer needs and strengthened partnerships.

To enhance service efficiency and accuracy, we have implemented an internal customer management system and combined regular internal evaluations and analysis to ensure information accuracy and optimize decision-making processes. This not only improves problem response quality but also strengthens internal resource allocation, to enable customers to receive more timely and precise support, thereby optimizing the overall collaboration experience. Through this service model, Compal ensures the long-term development of customer relationships and continuously strives toward more efficient and sustainable customer service.

Furthermore, Compal integrates its ESG sustainability commitments into customer service. We ensure our supply chain meets sustainability standards and maintains excellent quality. In 2024, no major quality incidents occurred. This demonstrates our shared commitment to social responsibility with our clients. In addition, we work with clients to achieve carbon neutrality goals and assist them in reducing their environmental footprint. We are committed to developing low-power technologies and green energy management, applied in smart communications such as 5G small cells, NTN satellite IoT, and ESG SaaS solutions. Our smart satellite IoT supports clients in building sustainable supply chains and data management, facilitates intelligent low-carbon transformation, continuously enhances satisfaction, and creates value for clients.

Customer Satisfaction Survey

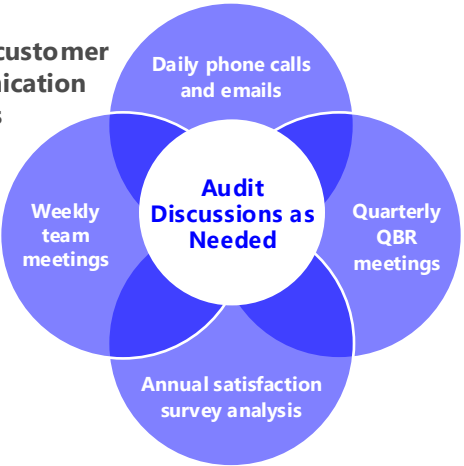
Compal is dedicated to providing highly competitive and high-quality products and services, and considers enhancing customer satisfaction a crucial part of its sustainable development strategy. We believe that maintaining close interaction and transparent communication with customers not only ensures stable business growth but also helps establish a responsible corporate governance structure.

Starting in 2024, Compal has strengthened its customer satisfaction survey mechanism to more accurately understand client needs and improve service quality. Our survey is divided as below:

1. Quarterly business reviews (QBR) for key customers
2. Annual satisfaction questionnaires

To increase coverage of customer feedback, we conducted a new satisfaction questionnaire for customer who do not participate in QBRs (such as new customers, regional customers, and industry-academia partners). This ensures that the understanding of various client types are evaluated, thus optimizing our products and services

Diverse customer communication methods



The questionnaire is designed based on the QBR framework, covering six major dimensions: cost, R&D, operations, quality, service, and sustainability, to ensure that our products and services align with sustainable development goals.

Customer Satisfaction Survey Areas

Cost	15%	Pricing Support capability Cost control for product introduction and maintenance
R&D	20%	Completion rate of project indicators
Operations	25%	Continuity and accuracy of supply Achievement rate of application engineering project indicators
Quality	20%	Completion rate of quality management indicators Implementation rate of quality improvement plan
Service	10%	Completion rate of project indicators
Sustainability	10%	Sustainable procurement and green supply chain management Corporate social responsibility and customer privacy protection

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

8.1

Customer Services

8.2

Responsible Supply Chain

...

Appendixes

8.2 Responsible Supply Chain

Sustainable Supply Chain
Management Hierarchy

Sustainable supply chain management is important to Compal. The Board of Directors is the top responsible unit and oversees the Sustainability Committee. The Committee is convened at least once every year. Its responsibilities include providing leadership on sustainability matters, external communication of policies and positions, internal definition of targets and direction, consolidation of resources, approval of action plans, performance reviews, and reporting to the Board of Directors to enhance sustainability practices.

Industry Supply Chain Overview

Compal's R&D products span multiple fields and supply chain involves hundreds of suppliers of panels, touch screens, camera modules, fingerprint recognition modules, batteries, chargers, charging cables, electronic components, electromechanical parts (printed circuit boards, flexible circuit boards, acoustic components, etc.), and structural parts. We have established close partnerships with these hundreds of suppliers to ensure product quality and performance. Through this close collaboration, we integrate diverse expertise and technology to create excellent products that meet customer demands.

Customer Satisfaction Score

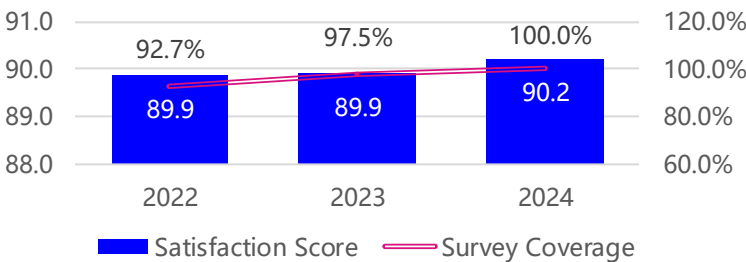
In 2024, Compal distributed satisfaction questionnaires to 21 other customers who did not provide QBR evaluations and successfully collected all responses, achieving a 100% response score. Integrating the QBR evaluation results from key clients, Compal achieved 100% coverage in its satisfaction surveys.

The satisfaction score is calculated using a weighted average based on each customer's percentage of our annual revenue. The overall satisfaction score reached 90.2, enabling us to successfully achieve our annual target of 90.

2024 Customer Satisfaction (100% Coverage)

Revenue Contribution 89%	Key Customers 90.3	All Customers 90.2
Revenue Contribution 11%	Other Customers 89.1	

Customer Satisfaction over the Past Three Years



Upstream	Midstream	Downstream
Component Suppliers	Compal Assembly Plant	Customers
Panels, touch screens, camera modules, fingerprint recognition modules, batteries, chargers, charging cables, electronic components, electromechanical components (printed circuit boards, soft boards, acoustic components, etc.)	Notebook and desktop computers, Internet of Things (IoT), wearable devices, mobile devices, healthcare, automotive electronics, servers and information processing systems, smart display products, and network communications.	Brand customers, mass merchandisers, end consumers

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

8.1

Customer Services

>

8.2 Responsible Supply Chain

...

Appendixes

Industry Supply Chain Overview

Distribution of Supplier Production Regions

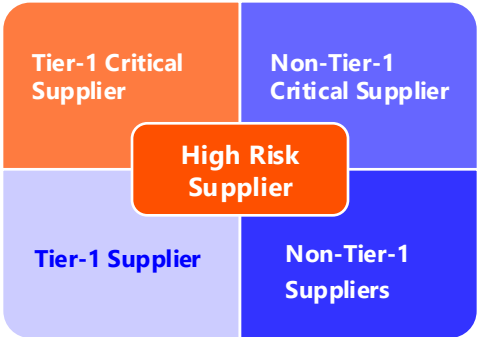
Compal is promoting local procurement to improve production and supply efficiency for raw materials, support the local economy and reduce carbon emissions from the transportation process. Local suppliers are being mentored to strengthen the local supply chain, improve in-house manufacturing, and reduce dependence on overseas procurement. The majority of suppliers are located in Compal’s key production region such as Taipei Headquarters, production bases in Sichuan and along the coast in Eastern China, and northern Vietnam. In 2024, local procurement by supplier count for each plant was Taiwan plants at 74%, China plants at 64%, and Vietnam plants at 17%. The total local procurement ratio for all Compal plants was 52%.

Country	Ratio
China	68.2%
Taiwan	21.7%
Other Asia	8.7%
America	1.3%
Europe	0.1%

Supplier Classification

Compal suppliers are distributed across the world and involve a complex range of materials. Suppliers are classified by transaction patterns, procurement value, and various risk assessment standards for the effective management of ESG issues. Sustainable supply chain issues are managed according to the following supplier definitions, Tier 1 Significant suppliers account for 68% of total procurement value.

(Tier-1) Significant Suppliers



Supplier Category	Definition	Total Number of Suppliers
Tier 1 suppliers (with and without factories)	Suppliers that Compal trades with directly includes suppliers of electronic parts, mechanical materials and parts, modular materials, and key auxiliary materials.	757
Tier-1 Critical Supplier	Tier 1 suppliers accounting for top 80% of annual procurement value are identified as having advanced technological capabilities and being key business partners.	84
Non-Tier-1 Critical Supplier	Defined as suppliers whose annual procurement value through agents accounts for the top 80%.	23
Tier-1 Significant Suppliers	Tier-1 Critical Supplier + High-risk Supplier with Factories.	115
Significant Suppliers (Tier-1& Non-Tier-1)	Tier-1 Critical Supplier + Tier-1& Non-Tier-1High-risk Supplier with Factories. ^{No te1}	116

^{No te1}*Note 1: Includes 1 ESG High-risk Non-tier-1 supplier.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners**
 - 8.1 Customer Services
 - > 8.2 Responsible Supply Chain**
- Appendixes

Supplier Chain Management
Mechanism

As a global leader in professional contract manufacturing and RBA member, Compal views sustainable supply chain management as a key to corporate development. We are committed to ensuring that all products and services meet the highest ethical, environmental, and human rights standards. In our procurement process, we require suppliers to sign Compal's procurement contract and adhere to international quality and environmental regulations. ESG performance is also incorporated into supplier selection, and we are progressively adopting ISO international standards to enhance overall supply chain performance.

Furthermore, to continuously strengthen our sustainable supply chain capabilities, we conduct internal training for Compal's procurement colleagues on an irregular basis. We invite external consultants to share the latest trends, enhance our procurement colleagues' ability to communicate on sustainability issues and ESG performance management with suppliers, while encouraging suppliers to jointly promote ESG and sustainable development. Through multi-party collaboration, we aim to build a resilient and sustainable supply chain for a better future.

Sustainable Supply Chain Management Measures and Goals

Management Process	Management Measures	2024 Outcomes	2025 Goals
Standards Commitment	Signing of "Compal Purchase Agreement."	100% of new suppliers signed the contract.	100% of new suppliers signed the contract.
	Signing of "Commitment Letter Of Undertaking For Compliance With Responsible Business Alliance(RBA) By Vendor"	100% response rate	100% response rate
	Signing of "Non-Use Of Conflict Minerals Commitment Letter."	100% response rate	100% response rate
	Signing of the Compal Supplier Code of Conduct	Tier-1 critical suppliers, including general affairs procurement, achieved a 100% response rate.	Expanded the number of suppliers surveyed.
Risk Assessment	Annual Supplier ESG Risk Assessment Questionnaire	100% response rate	100% response rate
	Annual due diligence on conflict minerals (CMRT/EMRT)	100% response rate	100% response rate
	Suppliers use qualified smelters compliant with RMI standards.	100% free of conflict minerals	100% free of conflict minerals
	On-site audits or document reviews	24	Audit coverage: 10% of total suppliers
Improvement and Mentoring	Follow-up and mentoring of defect remediation	24	Audit coverage: 10% of total suppliers
	Supplier online training – ESG GO Training platform	39 classes	50 classes

The scope of each management measure varies based on the type of the questionnaire. The RBA Commitment Letter and ESG Assessment Questionnaire are distributed to active Tier-1 suppliers and Tier-2 80% of the transaction amount suppliers in the previous year. The Conflict Minerals Survey and Declaration are targeted at suppliers who provided metal-related parts with transactions in the previous year.

←

☰

< CHAPTER >

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

8.1

Customer Services

>

8.2 Responsible Supply Chain

...

Appendixes

New Supplier Evaluation

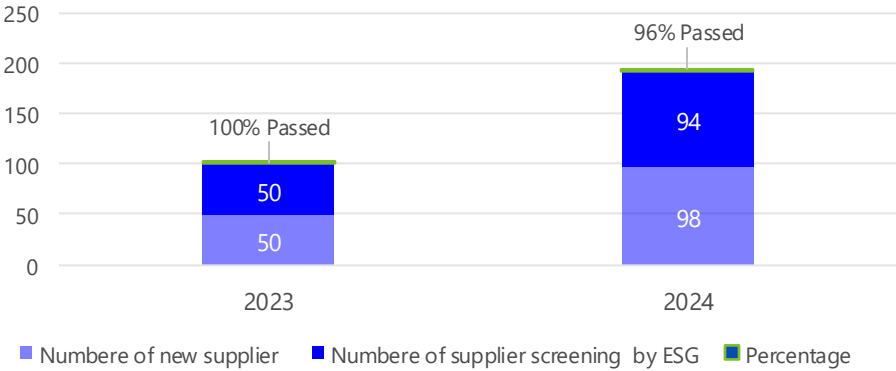
The sustainability performance and record of suppliers can indirectly affect Compal's reputation or interests. To reduce potential risk, we engage in proactive screening for risk reduction when potential new suppliers are being assessed. Assessment factors include environmental, social, and governance (ESG) performance, operational status, country of origin, industry background, and product relevance. To further strengthen our supplier screening process, if there is a major international event, the regions, industries, and sources of supply involved are also investigated and analyzed to ensure the stability and continuity of the supply chain, while safeguarding the Company's reputation and interests. This ultimately enhances overall supply chain efficiency and resilience.

New Supplier Evaluation Flowchart

1	2	3	4
Submit Information	Follow-up and Improvement	Supplier Classification and Evaluation	On-site Audit Evaluation Result
Profile Management Function Questionnaire Environmental Management RBA SAQ ISO Documentation	Type A Supplier Document Audit Type B Supplier On-site Audit	Class A (Score>76) Approved manufacturer Class B (Score 60~75) Provisional approved manufacturer Class C (Score<59) Nonapproved manufacturer	Class B (Score 60~75) must submit improvement proposal within 3 months and have it approved before they can be added to list of approved suppliers

Note 1: Type A Suppliers: 1. Leading Vendor manufacturer 2. IC design 3. Customer-designated Type B supplier: Manufacturers that must be audited by the relevant units.

Compal has established specific ESG thresholds for supplier onboarding and incorporates suppliers' ESG performance into the evaluation process, with ESG-related criteria accounting for 19% of the total weight. Environmental factors include environmental management and policies, and waste management; social factors include occupational safety and health; governance factors encompass business strategy, information security protection, and supplier selection. Procurement, R&D, and Supplier Quality Engineering (SQE) units form an investigation team to conduct on-site, document, or other forms of audits of suppliers. Suppliers rated Grade A (score over 75) are immediately included in our list of qualified suppliers after evaluation. Grade B suppliers (score between 60~75) are monitored by relevant departments for improvement. If a supplier is still unable to achieve grade "A" after improvements are made, they are added to the list of annual assessments for improvement tracking. Suppliers receiving a "C" grade will also be directly disqualified. Grade C suppliers are not approved. Contract signing can proceed only after all units complete the scoring process. New suppliers successfully screened during 2023–2024 are listed below.



*Four new suppliers are currently undergoing review for their 2024 applications; their application process is still being tracked.

- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners**
 - 8.1 Customer Services
 - > 8.2 Responsible Supply Chain**
- Appendixes

Supplier Code of Conduct

Compal has established and publicly issued a Supplier Code of Conduct as a basis for supplier compliance to ensure that suppliers strictly adhere to international sustainability regulations and standards. The code aligns with the RBA Code of Conduct, covering aspects of labor rights, health and safety, environmental protection, business ethics, and management systems. To ensure the code meets the latest international standards, we regularly review and optimize it based on evolving international sustainability issues.

In 2024, Compal updated its code in accordance with the latest RBA 8.0 Code of Conduct by integrating 14 internal sustainability policies, to specifically emphasize the importance and management of biodiversity and natural ecological protection for environmental sustainability. In 2024, we achieved a 100% signing rate for Tier-1 critical suppliers (including general affairs procurement). The complete code is publicly available on our ESG official website: [Compal SCC 2024 v0.tc](#). In the future, we will continue to encourage our supply chain partners to align with international standards, to ensure that as the supply chain develops, it also takes care of environmental sustainability and ecological balance.

RBA 8.0	+ Compal Sustainability Policy (14 items)	> 2024 Implementation Outcomes
<ul style="list-style-type: none">o Laboro Health and safetyo Environmento Ethicso Management Systems	<ul style="list-style-type: none">o Human Rights Policyo Labor Policyo Ethics Policyo Environment Health and Safety Policyo Anti-Corruption Policyo Raw Material Policy of Green Producto Conflict Minerals Policyo Environment Sustainability Policyo Information Security Policyo Non-Discrimination and Anti-Harassment Policyo CSR Policyo Tax Policy and Management Guidelineso Biodiversity and No Deforestation Policyo Personal Data and Privacy Protection Policy	<p>Supplier Code of Conduct</p> <p>Tier-1 Critical suppliers (including MRO procurement) 100% signing and response rate</p>

Sustainable Risk Management

Risk Level Identification and Inventory

The SAQ self-assessment questionnaire was designed by Compal using the RBA Code of Conduct as its reference to investigate supplier performance in the aspects of labor, health and safety, environment, code of ethics, and management system. In 2024, it also include issues to greenhouse gas inventory and international initiatives, accepting RBA SAQ, VAP, Non-VAP, or equivalent audit reports specified by CMA customers. Considering business relevance, a total of 780 suppliers were assessed, covering all of Compal's Tier-1 suppliers and 80% of the procurement value from non-Tier-1 critical suppliers. This also includes 116 of Compal's significant suppliers, with a 100% questionnaire response rate. Suppliers failing to cooperate with the investigation will be reported to relevant units, with recommendations to revoke their approved status.

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

08 Sustainability Partners

8.1 Customer Services

8.2 Responsible Supply Chain

Appendixes

Scope of Supplier ESG Risk Assessment Survey:

E Environment	S Society	G Governance
<div>o Environmental Compliance</div> <div>o Energy Management</div> <div>o Water Management</div> <div>o Waste and Emissions Management</div> <div>o Chemical Management</div> <div>o GHG management (newly added)</div>	<div>o Labor and Management Relations</div> <div>o Remuneration and Welfare</div> <div>o Human Rights Issues</div> <div>o Health and Safety</div> <div>o Conflict Minerals</div>	<div>o Ethical Management</div> <div>o Country Location</div> <div>o Government or NGO Exposure or Sanctions</div> <div>o Sector Type</div> <div>o Risk Assessment</div> <div>o International Initiatives/ISO Certifications</div>

The ESG Risk Assessment Questionnaire categorizes suppliers into high, medium, and low risk based on the importance of issues, while considering inherent risks ^{Note 3} for inclusion in the audit sampling list. In 2024, following risk analysis, 5% of suppliers proceeded to the next stage for management and underwent internal or third-party document and on-site audits and coaching to ensure compliance with Compal's ESG standards and reduce supply chain risks. For supply risk management, we regularly review the resilience of suppliers' global production sites to ensure appropriate measures are taken to maintain supply chain resilience during international geopolitical risks.

Note 3: Inherent risks: Employee density, use of hazardous chemicals or radioactive materials, and generation of toxic or regulated waste, industrial wastewater, or industrial exhaust gas.

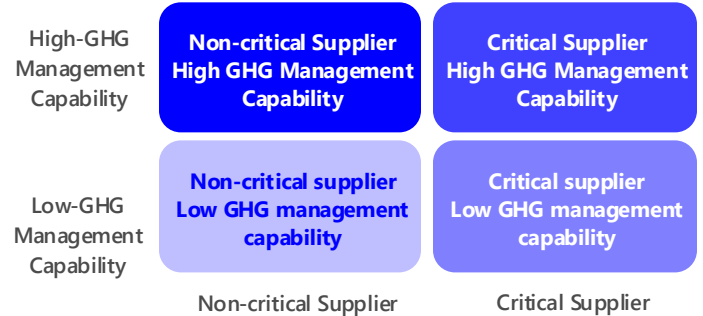
Critical supplier ISO certification goals

Management Measures and Related Management Systems	Management Goal
Governance	
Obtain ISO 9001 Quality Management System certification.	100% (new suppliers)
Obtain ISO/IEC 27001 Information Security Standard Certification	>30%
Environment	
Obtain ISO 14001 Environmental Management System	100% (new suppliers)
Obtain ISO 14064-1 GHG Inventory Standard or Other Third-Party Certification	>45%
Obtain ISO 14067 Product Carbon Footprint	>10%
Obtain ISO 50001 Energy Management System	>30%
Society	
Pass RBA VAP and equivalent third-party audits	>50%
Obtain ISO 45001 Occupational Health and Safety Management System	>50%

Greenhouse Gas Management Capability Identification

To achieve Compal's Scope 3 greenhouse gas reduction targets, we analyze high-carbon-emission industries, suppliers' greenhouse gas management capabilities, and the criticality of their transactions. This helps us identify suppliers with carbon reduction potential and then plan and negotiate future collaborations on greenhouse gas management and carbon reduction projects. Key evaluation criteria include:

1. Greenhouse gas inventory: Whether a greenhouse gas inventory has been conducted, its scope, and if it has been verified by a third party.
2. International initiatives: Participation in international carbon reduction initiatives, such as the CDP, SBTi, or RE100.
3. ISO international certifications: Whether relevant ISO international certifications have been obtained, such as ISO 14064-1 GHG inventory, ISO 50001 energy management system, ISO 14067 product carbon footprint inventory.
4. Criticality of transaction with Compal: Suppliers with direct transactions representing the top 80% of Compal's annual procurement value.



CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

08 Sustainability Partners

8.1 Customer Services

> 8.2 Responsible Supply Chain

Appendixes

Supplier Audit

Compal has long-term promotion plan for sustainable supply chain development through the implementation of a Business Continuity Plan (BCP). This ensures that suppliers comply with ESG and environmental standards, thus strengthening their sustainable management. Meanwhile, we have established a systematic and data-driven audit mechanism. This mechanism uses risk identification, graded management, and impact analysis for comprehensive evaluation, to ensure that suppliers meet RBA standards. For high-risk and high-impact suppliers, we implement in-depth evaluations and risk control to continuously enhance supply chain stability and competitiveness.

Supplier Audit Key Points

Audit Screening Criteria	Description
High Annual Transaction Value	Critical suppliers with a high transaction value proportion and significant impact on supply chain stability, to ensure their ability to meet sustainability standards.
High Supply Chain Disruption Risk	For critical material suppliers, risk assessments and preventive measures are conducted to ensure an uninterrupted supply chain.
High Inherent Sustainability Risk	Suppliers involved in using hazardous chemicals, high pollutant emissions, or having high employee density are included in the key monitoring scope.
Low ESG Questionnaire Score	Through questionnaire screening, suppliers with low scores undergo auditing, coaching, and enhanced supervision to mitigate operational and environmental risks.

Compal conducts supplier audits based on RBA standards and encourages suppliers to obtain international certifications and undergo independent third-party audits (such as RBA VAP). A total of 252 suppliers have passed RBA VAP and RBA non-VAP audits. 24 suppliers completed both document and on-site audits. Compal requires suppliers to formulate and implement corrective action plans for all non-conformances. Beyond requesting timely corrective actions and submission of non-conformance reports, we provide coaching and supervision, conduct annual spot checks for such high-risk suppliers. For priority non-conformances such as excessive working hours, we continuously enhance tracking and supervision. If a high-risk supplier fails to provide concrete corrective action in response to three consecutive non-conformance notifications, Compal will take steps like reducing procurement volume or terminating our partnership. This helps ensure our supply chain remains stable and compliant.

Compal will expand its audit scope starting in 2025, to increase the proportion of audited suppliers to over 10% of the total. We will also adopt AI and data analytics to predict supply chain risks. This allows us to formulate response strategies early. Concurrently, we will continuously monitor supplier improvement progress to ensure compliance with environmental and social responsibility standards.

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

8.1

Customer Services

8.2

Responsible Supply Chain

...

Appendixes

Supplier Audit

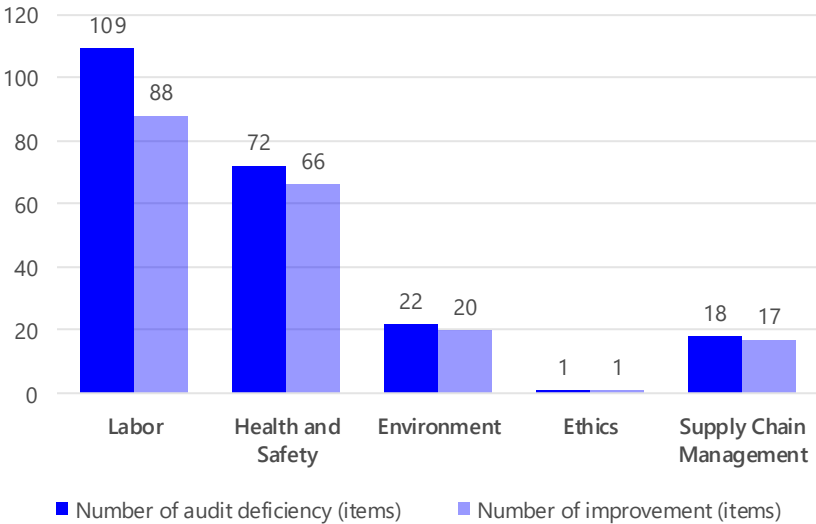
Supplier Audit Results

2024 KS+CQ	
Number of suppliers identified as high-risk in ESG assessment	32
Passed RBA Third-party audit	252
Document Review audit	5
Number of On-site Audits	19
Number of suppliers implementing CAP for identified non-conformances	24
Deficiency improvement rate	86.1%
Ratio of suppliers with improved non-conformances	100%
Suppliers terminated due to non-conformances	N/A

Note: The above data is calculated as of the report submission date, with ongoing tracking and improvement efforts.



Number of Audit Deficiency Items and Improvements



CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

8.1 Customer Services

8.2 Responsible Supply Chain

Appendixes

Supplier Audit

Supplier Corrective Action Plans

Audit Non-conformance Items	Number of Non-conformances	Non-conformance Details	Corrective Actions Taken	Non-conformance Closure Rate	Overall Non-conformance Closure Rate
Labor	109	Major Non-conformances include excessive working hours, failure to ensure one day off in seven, and incomplete contributions to the five social insurance schemes for all staff	1.Establish automated processes and optimize work schedules to reduce working hours 2.Establish early warning mechanisms for excessive working hours, increase budget to gradually ensure full contribution to the five social insurance schemes and housing fund for all staff. 3.Provide multi-skill training to improve production efficiency.	80.7%	86.1%
Health and Safety	72	Lack of occupational safety protection equipment, expired certifications/reports, inadequate first aid facilities, and insufficient identification of occupational safety hazards.	1.Increase protective measures and strengthen supervision and promotion. 2.Regularly audit and inspect safety equipment in the plant, increase first aid equipment and personnel allocation. 3.Organize occupational safety training to enhance employees' and suppliers' understanding of RBA standards and relevant knowledge.	91.7%	
Environment	22	Incomplete environmental monitoring mechanisms, no absolute emission reduction targets, no significant categories of Scope 3 greenhouse gas inventory, and inadequate related training.	1.Establish an environmental management plan. 2.Promote annual emissions reduction targets and greenhouse gas inventory. 3.Regularly track improvement results; and enhance employees' environmental management awareness and training.	90.9%	
Ethics	1	Incomplete internal documents and management systems.	1.Strengthen document establishment and management mechanisms. 2.Enhance ethics training for employees and suppliers.	100.0%	
Supply Chain Management	18	Insufficient communication of RBA standards, and inadequate management of subcontractors and on-site service providers.	1.Implement RBA requirements and communicate them to all suppliers. 2.Strengthen review and Suppliers working hour management.	94.4%	

Building Supply Chain Sustainability Capabilities

Supplier conference

Compal actively promotes sustainable supply chain development by inviting third-party consulting firms to co-host supplier conferences. These events, held both in-person and online, deepen suppliers' understanding and implementation of green sustainability practices. In 2024, two supplier conferences were held, with a total of 458 suppliers participating. The focus was on updates of global green product regulations and key implementation points, with an emphasis on supply chain responsibility, including conflict minerals policy management and system optimization. During the conferences, Compal also shared its short-, medium-, and long-term carbon reduction targets, analyzed international initiatives and changes in European and U.S. hazardous substance regulations, and discussed application strategies for the circular economy, to help suppliers stay up to date on market trends and enhance their environmental competitiveness.

Compal will consistently convey the latest regulations and requirements, increase supply chain transparency, promote sustainable product design, and collectively build a low-carbon, highly efficient, and resilient global supply chain.

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

8.1

Customer Services

➤

8.2 Responsible Supply Chain

...

Appendixes

Building Supply Chain Sustainability Capabilities

Smart Sustainable Supply Chain

Since 2015, Compal has established a Supplier Opinion communication channel within its CPS (Compal Procurement System) platform, creating an efficient and smooth communication pipeline. To further enhance supply chain management effectiveness, we officially launched VIP 1.0 (Vendor Integration Portal 1.0) in 2024, with plans to upgrade it further by launching VIP 2.0 in 2025 and include it in an AI smart supplier management system. This new system is expected to integrate machine learning and automation technology, enabling suppliers to interact more closely with Compal, thus improving communication efficiency. Through AI-driven management, we aim to continuously optimize the implementation of our ESG sustainable supply chain management policies, driving the supply chain towards smart, digitized, and sustainable development.



Supplier Capability Building Plan

Since its launch in 2023, the " ESG GO Training platform" has been dedicated to strengthening the partnership between Compal and its suppliers through information and knowledge sharing. It offers online courses, covering topics, such as environmental sustainability, social responsibility, corporate governance, and green manufacturing technology. Through the courses and sharing on this platform, we aim to promote Compal's sustainability goals and actions for carbon reduction and net-zero emissions. Simultaneously, it assists suppliers in enhancing their professional knowledge and capabilities, fostering their consensus and practical implementation of carbon reduction and net-zero goals.

In 2024, we continued to enhance the " ESG GO Training platform " and expanded the number of courses to 39. The content is more focused on practical applications and professional depth, thus enhancing suppliers' competitiveness in sustainable management and innovative manufacturing. We have strengthened two-way communication with suppliers and expanded learning resources, to enable more stakeholders to participate and collectively enhance sustainability actions.

In the future, we will further expand the course scope, enhance training on industry standards and regulations, and continuously optimize the learning experience through data analysis, while collaborating with suppliers to jointly build a development model that integrates economic growth and sustainability.

Learning Platform - ESG GO Training platform

<https://www.compal.com/esg/go/>

Number of Courses	39 (courses)
Suppliers registered online	531 (companies)
Cumulative Views	4199 (times)
Cumulative Views of Designated Courses	3670 (times)
Course Satisfaction	94.6% / 4.73 points

←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

8.1

Customer Services

➤

8.2 Responsible Supply Chain

...

Appendixes

Building Supply Chain Sustainability Capabilities

Mentor-Based Approach to Carbon Reduction

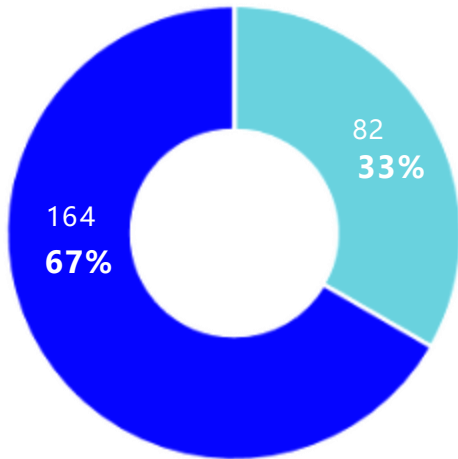
To actively address global climate change challenges and move toward the 2050 net-zero emissions goal, Compal adopts a “Lead-supplier strategy” model to motivate supply chain partners in taking carbon reduction actions, thus demonstrating its commitment to leading the industry toward low-carbon transition. In the ONE+N Electronic Supply Chain Net-Zero Project, we have partnered with 34 suppliers who have committed to achieving net-zero goals. Notably, Compal collaborated with 9 key suppliers with higher carbon emissions (covering industries like panels, motherboards, and bearings). While the original target was to achieve a carbon reduction of 10,000 tCO₂e within two years, the final results exceeded expectations as they successfully achieved a carbon reduction of 12,879 tCO₂e in 2024, demonstrating significant effectiveness. To ensure supply chain partners can effectively execute carbon reduction strategies, Compal has integrated internal and external expert resources to form a low-carbon coaching team. Through sharing benchmark cases, carbon footprint monitoring, and technology adoption coaching, this team assists suppliers in optimizing system performance and reducing energy consumption and carbon emissions. At the same time, Compal actively promotes a value chain carbon inventory by assisting suppliers with data management through a carbon data management platform, to ensure that all data is third-party verified to enhance data transparency and accuracy. Furthermore, Compal organizes ESG and circular economy themed lectures, to enhance suppliers' understanding of international sustainability trends and strengthen their low-carbon transition mindset and actions.

	2023 Outcomes	2024 Outcomes	2025 Goals
Actual carbon reductions and on-site energy-efficiency/carbon reduction mentoring (No. of suppliers)	7	9	9
Carbon inventory mentoring and carbon management system registration (No. of suppliers)	22	34	34
Production of promotional video on material carbon reductions at suppliers (No. of suppliers)	NA	4	9
Actual carbon reductions jointly achieved by Compal and key suppliers	NA	12,879 tCO ₂ e	10,000 tCO ₂ e

Inviting Suppliers to Join the CDP

Compal actively encourages suppliers to participate in the CDP to help the suppliers to implement scientific carbon management. In 2024, Compal formally invited 450 Tier-1 and key suppliers to join the CDP. Through proactive engagement and professional coaching, Compal successfully assisted 246 suppliers in submitting and disclosing environmental data. This demonstrates our strong commitment to promoting sustainable development with supply chain partners. Looking ahead to 2025, Compal plans to strengthen management and coaching for high-emission suppliers, expand CDP participation, and provide stronger support in carbon reduction strategies, data management optimization, technical assistance, and carbon inventory training. By systematically enhancing suppliers' environmental management and carbon reduction capabilities, Compal aims to build a resilient and sustainable green supply chain with its suppliers.

246 Suppliers Submitted and Disclosed Environmental Data



- Number of suppliers disclosing for the first time due to Compal's invitation
- Number of suppliers not disclosing for the first time

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

08 Sustainability Partners

8.1 Customer Services

> 8.2 Responsible Supply Chain

Appendixes

Conflict Minerals Management

To ensure that minerals, such as tantalum (Ta), tin (Sn), tungsten (W), gold (Au), cobalt (Co), and mica, used in Compal’s products comply with conflict-free standards, Compal follows the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas; and has established a due diligence management process and internally developed the Supplier Conflict Minerals Management Procedure Document, to proactively investigate mineral and smelter sources, while having issued a “Conflict Minerals Policy”. Suppliers are also required to sign “Non-Use Of Conflict Minerals Commitment Letter”. Compal evaluates the necessity of using conflict minerals with internal units and suppliers and requires gradual reduction or replacement or cessation of the use of such minerals when necessary, while encouraging suppliers to select minerals from non-high-risk regions.

In 2024, Compal conducted CMRT and EMRT conflict minerals surveys for 752 suppliers, achieving a 100% response rate. Compal thoroughly reviews supplier-provided information on minerals, smelter names, and countries of origin to track and manage mineral sourcing in the supply chain. After the investigation concludes, we regularly monitor the Responsible Minerals Initiative (RMI) Conformant Facilities List and communicate with our suppliers. We immediately disseminate the latest RMI updates through our conflict minerals questionnaire system. This ensures that 100% of supplier procurement complies with RMI, customer, and regulatory requirements, thereby prohibiting the use of metals sourced from armed conflict or controlled areas. We also encourage the selection of conflict-free smelters certified by the Responsible Minerals Assurance Process (RMAP) or other equivalent independent third-party audit programs. By providing relevant verification, we ensure our products use reliably sourced, conflict-free minerals, to further safeguard mineral security in our supply chain.

Conflict Minerals Management Procedure



←

☰

CHAPTER

➤

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

8.1

Customer Services

➤

8.2 Responsible Supply Chain

...

Appendixes

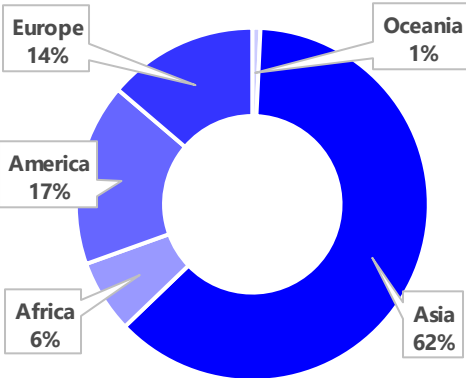
Conflict Minerals Management

Topic	Measures	Goal	2024 Outcomes
Suppliers' Commitment	Signing of "Non-Use Of Conflict Minerals Commitment Letter."	100% response rate	100% response rate
Conflict Minerals Management Procedure	Develop a "Conflict Minerals Policy"	Develop a conflict minerals policy.	Compal's conflict minerals policy is publicly available on our ESG website and regularly reviewed: Conflict Minerals Policy .
Management Procedure	Develop internal conflict minerals management procedures.	Develop conflict minerals management procedures.	We have established and regularly reviewed the "Supplier Conflict Minerals Management Procedures Document".
Due Diligence	Survey suppliers' use of conflict minerals by distributing CMRT & EMRT conflict minerals survey questionnaires.	We achieve a 100% response rate from suppliers for our conflict minerals survey questionnaires (CMRT & EMRT) <small>Note .</small>	100% response rate
Non-compliant Suppliers	We send system notifications and regularly track smelters, and require suppliers to respond with improvements within a deadline. We suggest stopping the use of conflict minerals and selecting new mineral sources.	100% conflict-free procurement.	100% conflict-free procurement.
Disclosure	Publish/disclose conflict minerals management results and measures.	Publish conflict minerals report before June every year	In June 2024, Compal published its conflict minerals report and disclosed relevant information on conflict minerals on ESG website or ESG report.

Note : CMRT Questionnaire - The Conflict Minerals Reporting Template (abbreviated as CMRT) and Extended Minerals Reporting Template (EMRT) have a list of forms collected and filled out by the Company to serve as a document for self-inspection and whether conflict minerals are being used The contents record the 3TG, Cobalt and Mica supplied by the corporation's suppliers. The document is compared with the list of approved conflict-free minerals smelters list announced by RMI to determine whether a supplier was in compliance or not.

Distribution of CMRT-Approved Smelters and Refiners, 2024

We analyzed the distribution of approved suppliers in the distribution. Most were located in Asia, followed by the Americas. Compal and customers will continue to require suppliers to ensure that all products in the Compal supply chain are free of conflict minerals.



- Introduction to ESG Report
- Sustainability Accolades
- Letters From the Executive Officers
- 01 About Compal
- 02 Compal and Stakeholders
- 03 Corporate Governance
- 04 Climate Action
- 05 Environmental Sustainability
- 06 Inclusive Growth
- 07 Social Engagement
- 08 Sustainability Partners
- Appendixes**
 - GRI Content Index
 - SASB Index: Electronic Manufacturing Services and Original Design Manufacturing
 - Errata
 - SDGs Comparison Table
 - Independent Assurance Opinion Statement

Appendixes

- 1. GRI Content Index
- 2. SASB Index: Electronic Manufacturing Services and Original Design Manufacturing
- 3. SDGs Comparison Table
- 4. Errata
- 5. Independent Assurance Opinion Statement



GRI	Disclosure Item	Chapter	Page
2-12	Role of the highest governance body in overseeing the management of impacts	<u>Sustainable Operation</u>	<u>14</u>
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability reporting		
2-15	Conflicts of interest	<u>Corporate Governance</u>	<u>47</u>
2-16	Communication of critical concerns	<u>Risk Management</u>	<u>57</u>
2-17	Collective knowledge of the highest governance body	<u>Corporate Governance</u>	<u>47</u>
2-18	Evaluation of the performance of the highest governance body		
2-19	Remuneration policies	<u>Corporate Governance</u> <u>· Talent Retention</u>	<u>47</u>
2-20	Process to determine remuneration		<u>136</u>
2-21	Annual total compensation ratio	<u>Talent Retention</u>	<u>136</u>
2-22	Statement on sustainable development strategy	<u>Letters From the Executive Officers · Sustainable Operation</u>	<u>6</u> <u>14</u>
2-23	Policy commitments	<u>Sustainable Operation</u>	<u>14</u>
2-24	Embedding policy commitments		
2-25	Processes to remediate negative impacts	<u>Risk Management</u>	<u>57</u>
2-26	Mechanisms for seeking advice and raising concerns		
2-27	Compliance with laws and regulations	<u>Compliance, Ethical Management and Anti-Corruption</u>	<u>68</u>
2-28	Membership associations	<u>Policy Influence and Participation in External Industry Associations</u>	<u>43</u>
2-29	Approach to stakeholder engagement	<u>Stakeholder Communication and Engagement</u>	<u>23</u>
2-30	Collective bargaining agreements	<u>Labor Relations and Collective Bargaining</u>	<u>161</u>

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

GRI Content Index

SASB Index: Electronic Manufacturing Services and Original Design Manufacturing

Errata

SDGs Comparison Table

Independent Assurance Opinion Statement

GRI Content Index (2-3)

GRI Standards		Disclosure Item		Chapter	Page
Material Topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Analysis		27
	3-2	List of material topics			
	3-3	Management of material topics	Materiality Analysis 、 Sustainability Development Core Objectives		27 15
Topic-specific Disclosures for Material Topics					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy-saving Production		109
	302-2	Energy consumption outside of the organization			
	302-3	Energy intensity			
	302-4	Reduction of energy consumption			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Climate Transition Plan		81
	305-2	Energy indirect (Scope 2) GHG emissions			
	305-3	Other indirect (Scope 3) GHG emissions			
	305-4	GHG emissions intensity			
	305-5	Reduction of GHG emissions.			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Global Recruitment		124
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Health at Compal		162
	401-3	Parental leave	Talent Retention		136
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety		168
	403-2	Hazard identification, risk assessment, and incident investigation			
	403-3	Occupational health services			
	403-5	Worker training on occupational health and safety			
	403-8	Workers covered by an occupational health and safety management system			

GRI Standards		Disclosure Item		Chapter	Page
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Talent Cultivation and Development		140
	404-2	Programs for upgrading employee skills and transition assistance programs			
	404-3	Percentage of employees receiving regular performance and career development reviews			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Corporate Governance 、 Talent Cultivation and Development		47 140
	405-2	Ratio of basic salary and remuneration of women to men	Talent Retention		136
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Human Rights Management and Advocacy 、 Responsible Supply Chain		155 193
GRI 414: Supplier Social Assessment 2016 Production	414-1	New suppliers that were screened using social criteria	Responsible Supply Chain		193
	414-2	Negative social impacts in the supply chain and actions taken			
GRI 416: Customer Health and Safety 2016 Production	416-1	Assessment of the health and safety impacts of product and service categories	Use and Waste Recycling		120
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy and Information Security		74

← ⋮ < CHAPTER >

- ::: **Appendixes**
- :: **GRI Content Index**
- :: SASB Index: Electronic Manufacturing Services and Original Design Manufacturing
- :: Errata
- :: SDGs Comparison Table
- :: Independent Assurance Opinion Statement

GRI Standards		Disclosure Item	Chapter	Page
Voluntary Disclosures				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Business Performance	49
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Action	79
	201-3	Defined benefit plan obligations and other retirement plans	Talent Retention	136
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Talent Retention	136
	202-2	Proportion of senior management hired from the local community	Inclusivity and Diversity	129
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Responsible Supply Chain	193
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Compliance, Ethical Management and Anti-Corruption	68
	205-2	Communication and training about anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken		
GRI 207: Tax 2019	207-1	Approach to tax	Taxation	50
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Raw Material Management	106
	301-2	Recycled input materials used		
	301-3	Reclaimed products and their packaging materials		

GRI Standards		Disclosure Item	Chapter	Page
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Reduction	<u>112</u>
	303-2	Management of water discharge related impacts		
	303-3	Water withdrawal		
	303-4	Water discharge		
	303-5	Water consumption		
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<u>Biodiversity</u>	<u>93</u>
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	<u>Waste Management and Source Reduction</u>	<u>116</u>
	306-2	Management of significant waste-related impacts		
	306-3	Waste generated		
	306-4	Waste diverted from disposal		
	306-5	Waste directed to disposal		
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	<u>Human Rights Management and Advocacy</u> 、 <u>Responsible Supply Chain</u>	<u>155</u> <u>193</u>
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<u>Human Rights Management and Advocacy</u> 、 <u>Responsible Supply Chain</u>	<u>155</u> <u>193</u>

CHAPTER

Introduction to ESG Report

Sustainability Accolades

Letters From the Executive Officers

About Compal

Compal and Stakeholders

Corporate Governance

Climate Action

Environmental Sustainability

Inclusive Growth

Social Engagement

Sustainability Partners

Appendixes

GRI Content Index

SASB Index: Electronic Manufacturing Services and Original Design Manufacturing

Errata

SDGs Comparison Table

Independent Assurance Opinion Statement

SASB Index: Electronic Manufacturing Services & Original Design Manufacturing (1-2)

Disclosure Topics	No.	Index Description	Corresponding Chapters	Compal’s responses in 2024						
Water Management	TC-ES-140a.1	(1) Total water withdrawn (2) Total water consumed of each in regions with extremely high baseline water stress	<u>Responsible Manufacturing and Resource Optimization</u>	1) 1,597,409 m³ 2) 319,482 m³ 3) 53.4%						
Waste Management	TC-ES-150a.1	(1) Amount of hazardous waste from manufacturing, (2) percentage recycled	<u>Responsible Manufacturing and Resource Optimization</u>	900.5 tons of hazardous industrial waste was produced by production processes and 94.1% were recycled.						
Labor Practices	TC-ES-310a.1	(1) Number of work stoppages and (2) Total days idle	N/A	(1) 0 work stoppages. (2) 0 days in total.						
Working Conditions, Health and Safety	TC-ES-320a.1	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	<u>Occupational Health and Safety</u>	1.a) 9% 1.b) 0% 2.a) 2% 2.b) 6%						
	TC-ES-320a.2	Percentage of (1) Compal plants and (2) Tier 1 supplier plants audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	<u>Responsible Supply Chain</u>	1) Percentage of Compal plants audited in the RBA VAP or equivalent. a) All plants: 62.5% b) High-risk plants: N/A ^{Note 1} 2) Percentage of Tier-1 supplier plants audited in the RBA VAP or equivalent. a) All plants: 35% b) High-risk plants: 0% ^{Note 2}						
	TC-ES-320a.3	(1) Non-conformance rate or equivalent ^{Note 3} and (2) associated corrective action rate ^{Note 4} with the RBA Validated Audit Process (VAP) for (a) priority non-conformances and (b) other nonconformances, broken down for (i) Compal’s facilities and (ii) the Compal’s Tier 1 supplier facilities	<u>Responsible Supply Chain</u>	(i) Compal plants						
				Audit aspect	Labor	Health and Safety	Environment	Ethics Management	Management System	
				1.a)	0	0	0	0	0	
				2.a)	NA	NA	NA	NA	NA	
				1.b)	1.8	1.2	0.2	0	0	
				2.b)	100%	100%	100%	NA	NA	
				(ii) Tier-1 supplier plant						
				1.a)	0.17	0.16	0.02	0.01	0.05	
2.a)	81%	85%	100%	100%	92%					
1.b)	2.27	1.08	0.40	0.12	0.50					
2.b)	79%	83%	87%	83%	83%					

←

☰

CHAPTER

→

...

Introduction to ESG Report

...

Sustainability Accolades

...

Letters From the Executive Officers

01

About Compal

02

Compal and Stakeholders

03

Corporate Governance

04

Climate Action

05

Environmental Sustainability

06

Inclusive Growth

07

Social Engagement

08

Sustainability Partners

...

Appendixes

...

GRI Content Index

...

SASB Index: Electronic Manufacturing Services and Original Design Manufacturing

...

Errata

...

SDGs Comparison Table

...

Independent Assurance Opinion Statement

SASB Index: Electronic Manufacturing Services & Original Design Manufacturing (2-2)

Disclosure Topics	No.	Index Description	Corresponding Chapters	Compal’s Responses in 2024
Product Lifecycle Management	TC-ES-410a.1	Weight of end-of-life products and e-waste recovered, percentage recycled	Disposal and Recycling	As a OEM, once products are sold to a brand client, the client leads the management of product repair, disposal, and recycling.
Materials Sourcing	TC-ES-440a.1	Description of the management of risks associated with the use of critical materials	Risk Management and Responsible Supply Chain	Please refer to the corresponding chapters on management actions taken by Compal for critical materials (e.g. conflict minerals, critical raw materials).
Activity Indicators	TC-ES-000.A	Number of manufacturing facilities ^{Note 5}		16
	TC-ES-000.B	Area of manufacturing facilities		1,337,768
		Number of employees		36,122

Note 1: Compal had no high-risk plants.

Note 2: There were 41 tier-1 suppliers ranked as high-risk that did not undergo VAP or equivalent procedural audit.

Note 3: Non-conformity rate
(1a.) Priority non-conformities/Tier-1 supplier factories that underwent RBA VAP or CMA
(1b.) (Major non-conformities + Minor non-conformities)/Tier-1 supplier factories that underwent RBA VAP or CMA

Note 4: Remediation rate
(2a.) No. of priority non-conformity improvement actions/Total no. of priority non-conformities
(2b.) No. of (Major non-conformities + Minor non-conformities) improvement actions / Total No. of (Major non-conformities + Minor non-conformities)

Note 5: There were Compal plants actively operating and registered in Taiwan, China, Vietnam, the United States, and Mexico.

Note 6: The scope of Tier-1 supplier screening covers the number of factory-owning suppliers with direct transactions with Compal in 2024.

Errata

Page	Description
2 (page number in 2023 Sustainability Report)	The publication of the report should be corrected to reflect the data as follows: Current version: July 2024 Previous Version: June 2023 Next Version: August 2025



FROM VISION TO REALITY

Innovation Empowered

