

2024 ESG INSIGHT REPORT



ENVIRONMENTAL

SUSTAINABILITY INITIATIVES



Compal believes true corporate value lies not only in financial growth but also in environmental sustainability and social inclusion. In 2024, Compal joined RE100, committing to 100% renewable energy by 2050, and obtained SBTi certification to advance its net-zero target. We drive green transformation across product design, manufacturing, and supply chain management, including the launch of our first third-party-certified product under ISO 14067:2018 and PAS 2060:2014 standards.

That same year, Compal integrated 14 internal sustainability policies in line with the RBA Code of Conduct (Version 8.0), emphasizing biodiversity and ecological protection. We achieved a 100% signing rate with key suppliers, including general affairs procurement, reinforcing our responsible supply chain practices.

Compal fosters a resilient and inclusive workplace through its DEI policy, enabling equal growth opportunities. In 2024, female employees reached 38.45%, and 30.04% of management positions were held by women. We remain committed to advancing gender equity and talent diversity. Key position retention reached 94%, reflecting strong employee stability and recognition. Management training hours rose to 24.88, and continued investment in the GOLF program (Gap of Learning and Field) underscores our long-term dedication to talent development.

In governance, we strengthened the pillars of transparency, integrity, and accountability through our Remuneration, Audit, Risk Management, and Sustainable Development Committees. Board independence and diversity also improved, with five independent directors (including one female), now representing 33% of the board.

GREEN DESIGN

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.

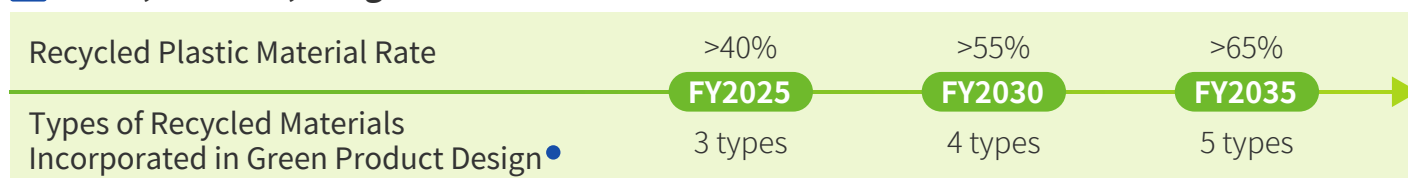


Green Product
section

Environmental, sustainable, and renewable designs Compal has put in place:

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

Short, Medium, Long-term Green Product Goals



● Compal currently incorporates 2 types of recycled materials, aluminum and plastic.

2024 Green Product Goals and Performance

2024 Goals	2024 Performance
Use >30% of recycled plastic materials in green products.	✓ 81% of Projects incorporates recycled plastic (recycling rate > 30%)
Increase the recovery and recycling rate of plastic tapes/ packaging by 15%.	✓ 16%
Introduce and formally activate the product carbon footprint management system in 2024 Q4.	✓ Phase I Supplier Upload (Live 2024)
Establish PCF and EPD evaluation capability and complete more than one Environmental Product Declaration.	✓ Completed and reviewed by IDA
Product energy efficiency performance is better than the statutory standard or 15% more energy efficiency than previous generation of products.	✓ 94% of Products > Energy Star 8.0 or 15% more efficient than previous generation

2024 Goals

2024 Performance

100% compliance on national and customer-specified environmental/ EMC/RF/safety regulations.	✓ All Projects 100% Compliance
Increase the proportion of ESG-related patent applications to more than 5% of total patents.	✓ 14% (Up from 12% in 2023)
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.	✓ > 5 Projects Engaged
Increase cost savings from innovations in production processes by 50% compared to 2023.	✓ 53% Cost Savings
Reduce actual carbon emissions from products by 2,000 tCO ₂ e.	✓ 3,786 tCO ₂ e Product Carbon Reduction

2024 Green Product Outcomes

 Minimum 5% Recycled Content for all commercial laptops (11 models in 2024)	 Over 30% Recycled Plastic for 62 components in 2024	 14% of Total Patents are environment-related patents
 US ENERGY STAR® 8.0 Compliant For 60 consumer and commercial personal computer products (76.3% of 2024 laptop revenue compliant)	 U.S. EPEAT Eco-label Certified For 60 laptop products (70.8% of 2024 laptop revenue certified)	

Patent Statistics

Compal encouraged employees to devote themselves to the research, development, and innovation of related products. 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.

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

Design Approach

Incorporating 3R Principles into Green Product Design

- Reduce
- Reuse
- Recycle

Extend Product Life cycle

- Modular design
- Component reuse
- Easy disassembly and repair



Prohibition of Hazardous Substances in Raw Materials

- Compliance with EU RoHS/REACH
- Compliance with Battery Directive and Packaging Directive regarding substance restrictions

Environmentally Friendly Materials

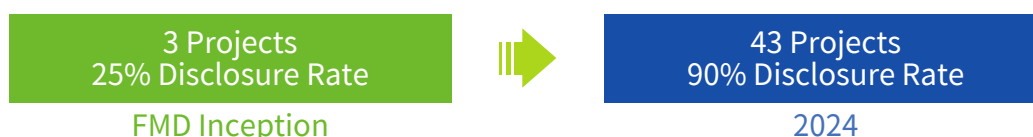
- Reduce plastic packaging
- Use ocean-bound recycled materials
- Enhance packaging material recyclability

Increase Energy Efficiency

- Energy-saving design
- Improve battery life/endurance

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.



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 continue to collect FMD for more parts and component data and engage in the proactive identification high-risk materials.

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.

EU REACH

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.

Halogen Free

Compal began introducing Halogen-free parts and production processes in 2007.

Research, development, and mass production of Halogen-free wearable devices was launched in 2017. 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.

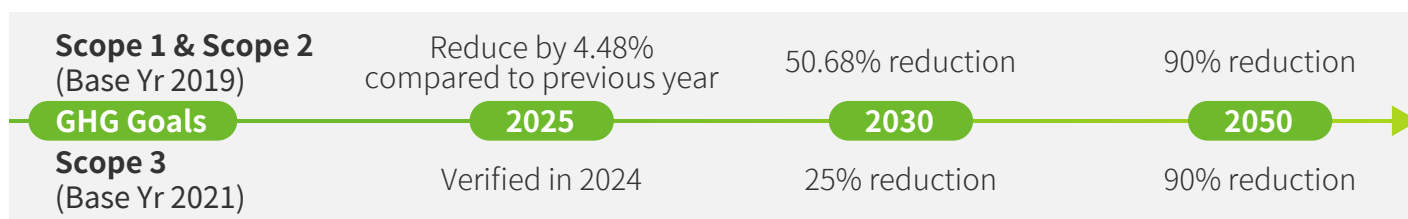
RoHS

Compal products are 100% compliant with all limits set by the RoHS directive. There were no returns due to RoHS violations.

GHG MANAGEMENT

Officially joining RE100 in 2024, Compal and its invested subsidiaries aim to achieve 100% renewable energy usage and reach net-zero emissions by 2050. In the same year, Compal has set its greenhouse gas reduction targets in alignment with Science Based Targets (SBT), which have been validated by SBTi.

Short, Medium, Long-term Green Product Goals



2024 GHG Management Goals and Performance

2024 Goals	2024 Performance
Reduce Scope 1 + 2 carbon emissions by 21% compared to 2019.	✓ 53.9% reduction compared to 2019
44% regenerated electricity usage.	✓ 46.2% regenerated electricity usage
Join SBTi and commit to realizing net zero.	✓ Targets Verified by SBTi (September 2024)
Verification of Scope 3.	✓ Targets Verified by SBTi (September 2024)
Become a member of RE100 and commit to use of renewable energy.	✓ RE100 Member (June 2024)
Implement the ONE+N net zero program of the Industry Development Administration (2023-2025).	✓ Achieved reduction of 14,761 tCO ₂ e, ahead of project targets of 10,000 tCO ₂ e. (As of March 2025)

GHG Inventory

In 2024, Compal completed a comprehensive GHG inventory for all subsidiaries within its consolidated reporting scope, in compliance with ISO 14064-1:2018. The results were verified by an independent third party, underscoring Compal's commitment to information transparency and sustainability responsibility.

In 2024, the market-based emissions decreased by 64.2% compared to 2019 baseline.

Standalone Financial Statements

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).

Item		Unit	2022	2023	2024
Market-Based	Scope 1	tCO ₂ e	20,437	19,863	12,296
	Scope 2		156,320	104,416	95,585
	Total Emissions (Scope 1+2)		176,757	124,278	107,881
	Intensity	tCO ₂ e/Million NTD	0.165	0.131	0.119
Location-Based	Scope 2	tCO ₂ e	239,027	195,433	161,413
	Total Emissions (Scope 1+2)		259,464	215,295	173,709

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.

Item	Unit	2024
Market-Based	Scope 1	13,115
	Scope 2	tCO ₂ e136,918
	Total Emissions (Scope 1+2)	150,033
	Intensity	tCO ₂ e/Million NTD0.165
Location-Based	Scope 2	205,280
	Total Emissions (Scope 1+2)	tCO ₂ e218,395

Scope 3

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.



The Company has prioritized emission reductions in two major high-emission categories (accounting for 90% of total Scope 3 emissions):

Purchased Goods and Services (Category 1) – Measures and Achievements

- 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 12,879 tCO₂e, 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 (Category 11) – Measures and Achievements

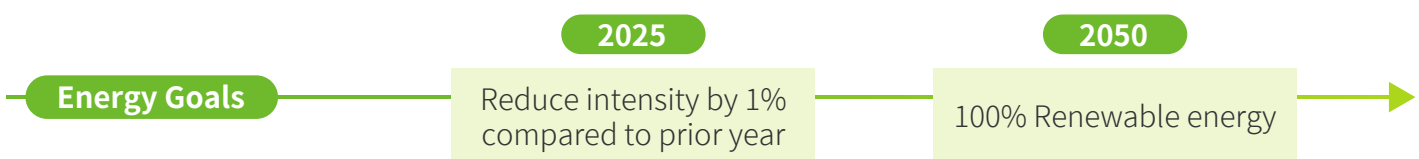
- Designed in accordance with ENERGY STAR energy efficiency standards to enhance energy performance throughout the product use phase.
- Estimated carbon emissions reduction during the use phase based on energy consumption improvements across product generations and corresponding sales volumes.

For measures and achievements of all Scope 3 categories, please refer to the Compal ESG Report (Page 90).

ENERGY MANAGEMENT

In 2024, Compal increased ISO 50001 certification to cover 7 sites, improving energy efficiency. Furthermore, renewable electricity procurement in 2024 totals 130,744.6 MWh.

Short, Medium, Long-term Energy Management Goals



Energy Usage	Unit	2022	2023	2024
Energy Intensity	GJ/ million NTD	1.31	1.27	1.15
	kWH/ million NTD	353	350	311
Renewable Energy	%	36.13	47.36	45.15

VOCs

Since 2021, Compal has systematically managed VOC emissions, expanding its inventory in 2024 to include Vietnam and other sites for more comprehensive air pollution control. VOC reduction targets are now integrated into site-level environmental performance metrics, aligned with energy-saving and carbon reduction plans.

From 2025, Compal will adopt a leakage-based method to calculate PFC emissions, using its Sustainability Cloud platform to enhance data accuracy. The Company will also engage certified contractors to boost recycling rates and begin replacing fire suppression systems with lower-GWP alternatives to reduce long-term GHG risks.

China & Vietnam Plants	Unit	2022	2023	2024
Direct VOC Emissions	metric tonnes	158.34	35.12	34.25

CLIMATE CHANGE MANAGEMENT

Compal follows the TCFD framework, the Sustainability Development Scenarios (SDS) and Stated Policies Scenario (STEPS) proposed by the International Energy Agency (IEA), as well as the SSP1-2.6 and SSP2-4.5 scenarios proposed by IPCC to examine the risks and opportunities for the Company under each scenario.

16 risks and 10 opportunities topics were determined and assessed for possibility and degree of impact. Further analysis of potential financial impact and management action are conducted for material climate change risks and opportunities.



TCFD section

WATER MANAGEMENT

In 2024, Compal's total water consumption was 1,597.4 million litres, 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.

Achieved goal of 1% reduction in water usage intensity compared to the previous year.

Item	Unit	2022	2023	2024
Water use Intensity	m ³ / million NTD	2.33	2.18	1.75

WASTE AND HAZARDOUS SUBSTANCE 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.

Achieved goal of 1% reduction in waste intensity compared to the previous year.

Item	Unit	2022	2023	2024
Total		9,323.70	7,696.90	3,544.40
General Waste	tonnes	8,321.50	6,275.20	2,643.80
Hazardous Industrial Waste		1,002.20	1,421.70	900.50
Waste Intensity	tonnes/ million NTD	8.69	8.12	3.89

UL2799 Zero Waste to Landfill Environmental Claim Certification

Certification Level	Landfill waste diversion rate	Plants
Platinum	100%	Chongqing (CQA), Nanjing, Kunshan Plant 1, Kunshan Plant 2, and Kunshan Plant 3
Gold	95% - 99%	The Vietnam (CVC and CWV) plants



Green Factories
Management
section

For more information on green factories management, please visit the Compal website.

EXTERNAL CERTIFICATION

Certification	Verification Body	Scope
ISO 14001 Environmental Management System	SGS	100%
ISO 14064-1:2018 Greenhouse Gases	SGS	100%
ISO 14067:2018 Carbon Footprint	TUV Rheinland	First Product Launched (2024)
PAS2060:2014 Carbon Neutrality	SGS	
ISO 50001 Energy Management	SGS	7 Sites Certified

SOCIAL

PRODUCT AND CONSUMER SAFETY AND HEALTH

There were no violations of product safety specifications in 2024.



Green Product
section

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. Focusing on five key commitment areas:



Adhering to
International Standards



Increasing Use of
Recycled Materials



Engaging Stakeholders in
the Co-creation Process



Enhancing Resource Efficiency
and Packaging De-plastification



Avoid Procurement from
Biodiversity-sensitive Areas

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).



"RCES 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.

EMPLOYEES

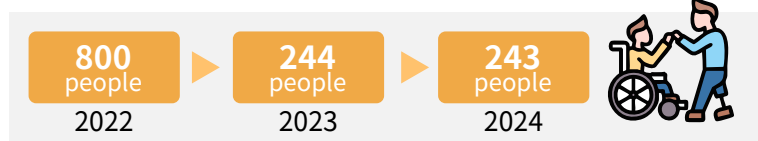
- The Compal global employees are comprised of 61.55% men and 38.45% women.
- Up to 71.36% of managers hired locally.
- Up to 30.04 % of management positions were held by women.
- A total of 243 employees with disabilities were employed by plants in Taiwan and Overseas.



2024 Employee Structure

	Taiwan	China	Vietnam	Brazil	US	Mexico	Worldwide
Total Employees	8,246	15,797	11,236	695	109	39	36,122
Temporary Employees	19	2,122	1,228	0	0	0	3,369

Employees with Disabilities

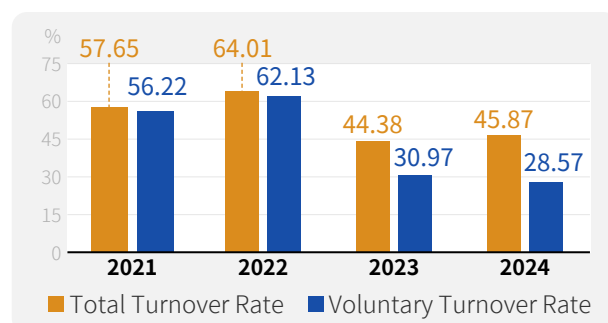


Local Hire in Management Positions

	2022	2023	2024
Taiwan	99.50%	99.71%	99.81%
China	90.68%	93.58%	92.14%
Vietnam	22.42%	23.45%	30.00%
Brazil	93.10%	93.75%	92.86%
US	-	85.71%	80.00%
Mexico	-	-	33.33%

Turnover

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. For 2024, key position retention rate reached 94%, achieving the goal of >90%.



Employee Wages

Employee compensation is 1~2 times higher than the local minimum wage.

The starting salary for the employees will not be different due to gender, race, religion, political status, marriage status, and labor union. 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.

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).

Gender Pay Equality

Compal respects equal pay for equal work regardless of gender and adhere strictly to the principle of equity. Gender pay differences exist at various job grades due to variations in employees' experience, expertise, skills, contributions, and performance within the same organizational level.

Pay Ratio (Male: Female) Annual salary	2024 Global Mean
Senior Management	1:0.83
Manager	1:0.87
Indirect Employees	1:0.88
Direct Employees	1:0.94

Short, Medium, Long-term Diversity Goals & 2024 Performance

	2024 PERF	FY2025	FY2030	FY2035
Global proportion of female employees	38.45%	40%	40%	40%
Proportion of female managers	30.04%	32%	32%	32%
Proportion of female in junior management position	35.46%	-	36%	36%
Proportion of female in STEM-related positions	27.13%	-	27.5%	27.5%

TALENT CULTIVATION, DEVELOPMENT, AND RETENTION

Campus recruitment, social networks and internal referrals are the main methods used by Compal to recruit quality talent in our team. New employees 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.

Management-specific training reached 24.88 hours per manager in 2024, reaching the 2024 goal of >16 hours per manager.

	Taiwan	China	Vietnam	Brazil	US	Mexico	Total
2024 Average Training Hours	24.92	19.13	18.89	32.72	8.00	32.82	20.78

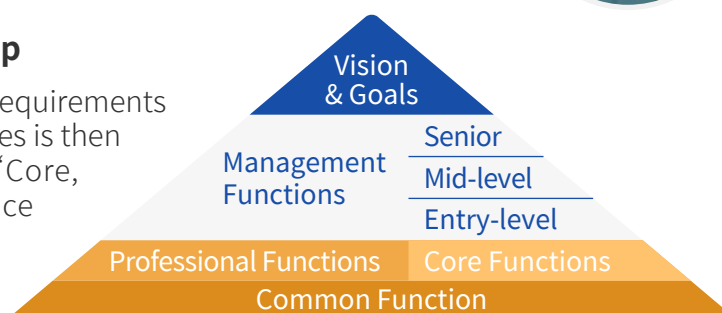
2024 Taiwan Talent Sustainability Action Alliance

In 2024, COMPAL will continue to participate in the "2024 Taiwan Talent Sustainability Action Alliance," collaborating with partners such as Tianxia Learning, Cheer Happy Workers, and over 400 other allied companies to advocate diversity, equity and inclusion.



Competency-oriented Learning Roadmap

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.



Employee Development Programs

More than NT\$40 million was invested towards worldwide training in 2024, with 680,000 total training hours.

Compal has designed comprehensive competency courses for all employees (including part-time and contract workers) to build immediate work skills, such as:

Promotion Credit System

Employees transitioning to managerial roles receives targeted practical and realistic training.



30.5%

Employee Participation



39.1%

Promotion Rate

Potential Talent Assessment and Individual Development Plan (IDP)

Key talent (at all levels) identification, personalized development plan based on the Compal Core Model.



3,258

Employees Participation



39.6%

Talent Development Ratio



94.7%

Retention Rate

Industry-academia Collaborations

GOLF Alliance

To bridge the gap between education and employment, Compal launched the Through Gap of Learning and Field (GOLF) Alliance Project with AUO and Wistron in 2018, fostering industry-academia collaboration. By 2024, 624 students had been trained. Compal will continue promoting practical learning, talent development, and broader participation to create shared value for schools, students, and industry. Through GOLF, Compal provided internship positions for 52 students in 2024.

Industry-University Collaboration on Campus

Student Visit to Enterprise

Students from key schools and departments were invited to visit the Company to help them understand the Company's corporate culture and work environment.

Outcome: 9 sessions in China.

Student Internship Program

University students looking for a career in technology application are offered the opportunity to apply what they learned and gain workplace experience through semester and year-long internships.

Outcome: 52 students from the Golf internship program were hired in Taiwan, 45 were hired in China.

Industry-university In-service Master's Program

Compal engages with domestic and overseas universities, a joint industry-university in-service Master's program was set up to cultivate professional talent from different nationalities.

Outcome: Kaohsiung Normal University on industry Master's program for Vietnamese students.

Diverse Evaluation Modes

Performance Appraisal Items	Subject	Frequency
Probation Review for New Employees	New Employees	Two months after start of employment
Intern Review	Interns	1-3 reviews per year
Annual Performance Appraisal	All Employees	Once or twice a year
Project Appraisal	R&D Project Team	Once every two months
360-degree Feedback Appraisal	Managers in Taiwan (including expatriates)	Once per year
Team Performance Appraisal	Designated BUs and their employees	Once per year
Individual Development Plan	Potential Talent as well as Managers or Employees Slated for Development	Ongoing

NON-COMPENSATION BENEFITS

Compal offers employee protections that meet or exceed local legal standards, tailored to each region's laws and practices, and 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.

100% Worldwide Compal Sites offer Employee Group Insurance, Holiday Vouchers and Cash Gifts, and Various Employee Activities (dinners, carnivals, family days, holiday celebrations). Flexible working hours and paid parental leave to support employees in balancing their work and childcare responsibilities are also universally offered.

Compal Taiwan Group Insurance Program

In Taiwan, Compal provides a comprehensive and above-standard group insurance program, and all insurance premiums are fully covered by the company. This group insurance plan goes well beyond the basic protections outlined in Taiwan's Labor Insurance Act and Labor Standards Act:

Life Insurance	In the unfortunate event of a fatal accident, this benefit offers financial support to the employee's family, helping to ease the economic burden and provide peace of mind.
Accidental Injury Insurance	Offers financial assistance when employees suffer injury or disability due to an accident, supporting recovery and life adjustment.
Hospitalization Insurance	Covers expenses related to hospitalization caused by illness or accidents including room charges, surgery fees, and miscellaneous medical costs significantly reducing the financial impact on employees.
Cancer Insurance	Provides additional medical coverage and subsidies in the event of a cancer diagnosis, ensuring employees have access to comprehensive treatment resources.
International Insurance	For employees on overseas assignments or business travel, international insurance is offered that includes accident coverage, medical protection, and emergency assistance services, ensuring timely and effective care anywhere in the world.

Maternity and Parental Leave

All 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."

Compal Taiwan 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.

Childbirth Subsidies

Since 2011, Compal has provided a subsidy of NT\$66,000 per birth to employees in Taiwan (for children and grandchildren). This incentive also extends to the childbirth of employees' spouses and children. Compal totaled NT\$239.71 million in subsidies for a total of 3,632 newborn babies between 2011 and 2024.

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.

Pension

Pensions for Taiwan, China, and other regions are executed in accordance with relevant local retirement regulations.

Taiwan

For employees that qualify under the new pension law (2005), 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

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.

EMPLOYEE ENGAGEMENT SURVEY

Transitioned employee well-being survey to employee engagement survey with 100% coverage in 2024.

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.

Survey Year	2022	2023	2024
Questionnaire Content	Employee Well-Being		Employee Engagement
Participants	Indirect Employees in Taiwan	Direct/ Indirect Employees at Taiwan and China Plants	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

HUMAN RIGHTS

Compal adheres to local labor laws throughout all business operations, and acts 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). As a member of the Responsible Business Alliance (RBA), our actions are consistent with the RBA's Code of Conduct, treating all persons with dignity and respect.

Human rights risk assessment conducted at least once every three years.



Human Rights
Protection and
Health Care

The related human rights risk assessment process, management measures, and follow-up results are publicly disclosed in both the Chinese and English versions of Compal's Sustainability Report and on the Sustainability website.

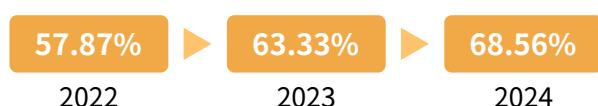
Human Rights Policy

-  Prohibit forced labor and human trafficking
-  Eliminate all forms of discrimination and inhuman treatment
-  Provide an independent grievance mechanism
-  Prohibit child labor
-  Provide a safe and healthy working environment
-  Conduct human rights due diligence periodically
-  Freedom of association and collective bargaining
-  Commitment to responsible sourcing of minerals
-  Human rights education, training, and external communication
-  Compliance with wage and working hours regulations
-  Compliance with local regulations and recognized international standards
-  Establish proper two-way communication channels

FREEDOM OF ASSOCIATION

In accordance with the Ministry of Labor's relevant regulations, employees are entitled to freedom of association, collective bargaining, peaceful negotiation, and the right to abstain from such activities. While no unions are present in Taiwan, Labor-Management Meetings are held as required by law. Unions have been established in China, Vietnam, and Brazil, with employee participation rates as follows:

Union Participation Rate



OCCUPATIONAL HEALTH AND SAFETY

Compal operates under the ISO 45001 (SGS verified) or equivalent international standards, with a top-down and horizontally integrated approach implemented by all occupational safety and health personnel in each region. Currently, production sites including Taiwan (Pingzhen Plant), China (Kunshan, Chengdong, Chengdu, Chongqing Plants), and Vietnam Plant are certified. While plants in other regions are not main production sites, Compal is actively and progressively planning for ISO 45001 certification there as well.



SUPPLY CHAIN MANAGEMENT

Conflict Minerals Policy

Compal committed to sourcing minerals that adhere to the due diligence framework recognized by the Organization for Economic Cooperation and Development (OECD) in their "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and devising the "Supplier Conflict Minerals Management Procedure" for the conflict minerals investigation 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".

In 2024, Compal conducted CMRT and EMRT conflict minerals surveys for 752 suppliers, achieving a 100% response rate. Compal also actively assesses and manages supply chains, and encourages sourcing from smelters verified by the Responsible Minerals Assurance Process (RMAP) or equivalent independent thirdparty audits. Suppliers are encouraged to provide relevant verification to ensure the use of conflict-free minerals in our products, thereby ensuring mineral safety within the supply chain.

Compal published its annual conflict minerals report for 2024 in July and disclosed relevant information on conflict minerals on ESG website or ESG report.



Conflict Mineral
Section

Responsible Supply Chain

Compal 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, with critical suppliers ISO certification goals in place. Suppliers must also sign and adhere to the published "Compal Supplier Code of Conduct" (encompasses all RBA aspects) to become an approved supplier.

There were 98 new suppliers in 2024, 94 of which passed evaluation screening (96%); the remaining four suppliers are still in the review process.



Responsible
Supply Chain
section

2024 Sustainable Supply Chain Management Measures and Goals

Standards Commitment

Measures	2024 Performance	2025 Goals
Signing of "Compal Purchase Agreement"	100% new suppliers signed	100% new suppliers signed
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	100% response rate from Tier-1 critical suppliers (incl. general procurement)	Expand the number of suppliers surveyed

Risk Assessment

Measures	2024 Performance	2025 Goals
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

Measures	2024 Performance	2025 Goals
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

Supplier Audit

The audits will be conducted by the CSR audit task force. Suppliers will be audited using the RBA standard in accordance with the “Supplier CSR Evaluation and Identification Procedure”.

Supplier Audit Results in 2024 identified 32 high-risk suppliers for further management. These will undergo document/on-site audits and counseling by Compal’s audit unit or a third-party to ensure supplier compliance with Compal ESG standards and to reduce the level of risk.



Supplier Audit section

Onsite Audits for Kunshan Plant and Chongqing Plants	2023	2024
High-risk List from SAQ Assessment	42	32
Passed RBA Third-party Audit	150	252
Document Review	19	5
No. of On-site Audits	18	19
No. of Suppliers Facilitated to Implement Improvement Plan	18	24
Defect Improvement Rate	92%	86.1%

Number of Defects

Labor	64	109
Health and Safety	59	72
Environment	15	22
Ethics	3	1
Supply Chain Management	18	18
Suppliers Terminated over Defects	0	0

GOVERNANCE

ORGANIZATIONAL STRUCTURE








BOARD OF DIRECTORS





































Achieved goal for diversification with 1/3 independent directors and 1 female director in 2024.

In 2024, 7 board meetings were held with average attendance of 92.38%. Reelection took place in 2024, the new (15th) term (2024/5/31-2027/5/30) comprises of 15 directors including 5 independent directors. 9 directors, including 1 independent director were reelected. The seven new members, including four independent directors, offers additional risk management, regulation, legal, and strategic perspectives to the Compal board.



Board of Directors
Overview

 Audit Committees
  Sustainability Committees
  Convener
  Remuneration Committees
  Risk Management Committees

Title	Name	Gender	Functional Committees				2024 Board Attendance Rate (%)
							
Chairman	Jui-Tsung Chen 	M					100%
Director	Kinpo Electronics, Inc Wei-Chang Chen	M					100%
Director	Taiwan Venture Capital Co., Ltd. Charng-Chyi Ko 	M					100%
Director	Sheng-Chieh Hsu 	M					71.43%
Director	Chieh-Li Hsu 	M					85.71%
Director	Binpal Investment Co.,Ltd. Wu-Chun Hsu	M					100%
Director	Chung-Pin Wong 	M					100%
Director	Chiung-Chi Hsu 	M					100%
Director (President & CEO)	Anthony Peter Bonadero 	M					71.43% 
Director	Sheng-Hua Peng 	M					100%
Independent Director	Duh-Kung Tsai	M					100%
Independent Director	Wen-Chung Shen 	M					100%
Independent Director	Lee-Chiou Chang	M					100%
Independent Director	Shui-Shu Hung	M					100%
Independent Director	Tzu-Ting Huang	F					100%

 Members who were reelected from last term of BOD.

 Foreign director Anthony Peter Bonadero was not present for 2 of 7 board meetings due to scheduling and timezone differences.

FUNCTIONAL COMMITTEES

Committee	2024 Meetings	Attendance
Audit Committee	7	96.30%
Remuneration Committee	6	95.83%
Risk Management Committee	3	100.00%
Sustainability Committee	6	100.00%

Renumeration Committee

Sustainability Linked Pay Policies

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.

Remuneration Policy for Managers (Clawback Policy)

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.

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%.

Sustainability Committee



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.

TCFD Risk and Opportunity Identification Process



ETHICAL MANAGEMENT AND ANTI-CORRUPTION

*Compal has made **NO** contributions towards lobbying or any political campaigns/organizations/candidates.*

To uphold a high standard of business integrity, Compal has always adhered to a zero-tolerance policy toward corruption and bribery. See relevant policies on Compal website.

Compal 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.



Risk Management Practice Principles



Risk Management Policy and Procedures



Anti-Corruption Policy

• Policies passed by the Board in May 2023.

Corporate integrity management policies, promotion, and progress is reported to the Board of Directors at least once a year.

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. 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).

Training on Ethical Standards

The Company conducts annual training on ethical business practices and anti-corruption. For 2024, Board members have completed 128 hours of continuing education (including ethical standards). For managers and non-managers, annual training is also conducted regarding ethical business practices and anti-corruption.

Ethical Management and Anti-corruption Training (Includes part-time employees and interns)

Worldwide Manager & Non Managers Training Metrics

Region	Participants	Total Training Hours
Taiwan	7,455	10,199
China	5,834	12,751
Vietnam	10,008	20,016
Brazil	695	2,310
US	109	109
Mexico	35	18

GRIEVANCE REPORTING AND WHISTLEBLOWING

Whistleblowing Channels are Available in Local Languages (Where Applicable), and is Proactively Communicated to Employees in accordance with RBA Guidelines.

Compal formulated the “Procedure Governing the Protection of Whistleblower and Prevention of Retaliation” and Employee Code of Conduct (Articles 11 and 12) to ensure that whistleblowers will be free from the threats of retaliation. Cases are sent to subordinate units for processing within 24 hours of being received then assigned to the dedicated unit for action. Employees can write signed or anonymous letters. The communication channels can be found on our website and ESG report.

Internal	Feedback/complaints from employees	Intranet opinion@compal.com , Careyou_CQ@compal.com , 580@compal.com Plant telephone, online consultations (Compal 580, Wechat 580, consultation hotline)
	Workplace illegal infringement, sexual harassment	sh@compal.com
External	Ethical management, various channels for whistleblowing and supplier communication	ethics@compal.com (02) 8797-8599 #16055

TAX POLICY

Compal's Tax Policy and Management Guidelines was enacted on August 11th, 2023 and amended in April 2024, available on Compal website. The Board of Directors is the highest unit for establishing an effective tax management mechanism and is responsible for the approval of tax policies and supervising the effective operation of the tax management mechanism. For metrics, please see Tax Policy under Financial Releases on the Compal website.



Compal Tax Policy and Management Guidelines



Avoid Improper Tax Planning:

Tax havens are not used during tax planning for tax avoidance. Nor are profits deliberately shifted to countries or regions with low tax rates.



Related Party Transactions:

Follow OECD transfer pricing guidelines.



Compliance with Laws and Regulations



Information Disclosure:

Tax disclosures must comply with the relevant laws, regulations, and standards to ensure transparency.



Relationship with Tax Authorities:

Establish mutual respect and positive interactions with tax authorities.



Tax Risk Assessment:

During significant operational decision-making.

PRIVACY AND INFORMATION SECURITY

Zero cybersecurity incidents (2024)

No Customer Privacy Breaches or Data loss (Substantiated Complaints, past three years)

Compal obtained ISO 27001 certification in 2005 (BSI Group verified). The automotive electronics products division has officially passed the TISAX Information Security level 3 Very High certification in 2024. 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.