COMPAL ESG

2025
ESG Insight Report

COMPAL ELECTRONICS, INC.

The year 2025 marked a pivotal milestone for Compal Electronics, Inc. in accelerating transformation, upgrading its business model, and delivering on its sustainability commitments. Compal has defined five key emerging businesses to support corporate transformation and growth:

- Artificial Intelligence Applications
- Advanced Communication
- Cloud Servers
- Med Tech
- Auto Electronics

Compal has officially joined the RE100 initiative, committing to achieving 100% renewable electricity usage across all sites by 2050, while aligning its transition pathway with its Science Based Targets (SBT). Relevant decisions are linked to energy choices and carbon costs through the Internal Carbon Pricing (ICP) mechanism, ensuring that capital expenditures support a low-carbon and resilient future.

We are committed to integrating workplace equity into every action and decision we make, creating a work environment where everyone can realize their full potential. Compal emphasizes talent development and the improvement of professional skills, ensuring their ongoing contributions to the company's success.

Compal's published Supplier Code of Conduct is in alignment with the RBA Code of Conduct Version 8.0 and comprehensively integrating the Company's 14 sustainability policies covering five key dimensions—labor and human rights, health and safety, environmental protection, business ethics, and management systems. Regular reviews and updates ensure that our supply chain partners remain highly aligned with the Company's sustainability strategy.

The Company has established functional Remuneration, Audit, Risk Management, and Sustainable Development Committees. Independent directors represent a third of the board with female representation. Compal has extensive ethical management and relevant training policies, with corporate integrity policies, promotions, and progress reported to the board at least yearly. The Company institutes claw back policies for management, and sustainability-linked pay are integrated company-wide.

Sustainability Initiatives

CLIMATE GROUP RE100	Member Since 2024
SCIENCE BASED TARGETS — DRIVING AMBITIOUS CORPORATE CLIMATE ACTION	Validated targets
ONE+N	Supply Chain NetZero acceleration plan
CDP	Leadership Level A-
TCFD — TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	Adopted since 2021
SASB — SUSTAINABILITY ACCOUNTING STANDARDS BOARD	Adopted since 2021
SUSTAINALYTICS	ESG Risk Rating 12.4 Low Risk
S&P Global	CSA & ESG Scoring increased to 89

ENVIRONMENTAL

Climate Strategy and Transition Plan – Dual Axis Framework

To assess the potential impacts of climate-related risks and opportunities on Compal's strategy and business model, Compal conducts scenario analysis and climate resilience assessment in line with the spirit of IFRS S2 climate-related disclosures. The Company's transition strategy is built upon a dual-axis framework of "Technology Upgrade × Carbon Reduction".

Technology Upgrade

Integration of product innovation and smart manufacturing, to maximize resource efficiency. Leveraging data analytics and systematic management tools, energy utilization and production processes are continuously optimized.

Low-Carbon Transformation

Focusing on energy transition, GHG management, and value chain decarbonization. Implement decarbonization levers, while at the same time nature-related risk assessments are integrated into decision-making processes.

Compal has implemented decarbonization pathway aligned with its Science Based Targets (SBT). Furthermore scenario analysis and climate resilience assessment in line with the spirit of IFRS S2 climate-related disclosures incorporating: International Energy Agency (IEA), Sustainable Development Scenario (SDS), Stated Policies Scenario (STEPS), and Intergovernmental Panel on Climate Change (IPCC) SSP1-2.6 and SSP2-4.5 pathways.

For further details on Climate Strategy and Transition Plan, please refer to Compal ESG— Climate Action.

Climate Action

Sustainable Product Design and Material Innovation

Compal continues to develop eco-friendly products based on the principles of environmental protection, sustainability and regenerative design.

Prohibition of Hazardous Substances in Raw Materials

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

Incorporating 3R Principles into Green Product Design

- Reduce
- Reuse
- Recycle

Environmentally Friendly Materials

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

COMPAL

Extend Product Life Cycle

- Easy disassembly and repair
- Modular design
- Reuse of components

Increase Energy Efficiency

- Energy-efficient design
- Extended battery life

Short, Medium, Long-term Green Product Goals

	FY2030	FY2035
Recycled plastic material rate	>55%	>65%
Types of recycled materials incorporated in green product design	4 types	5 types

2026 (Short-term) Goals

- Initiate an investigation and declaration regarding the use of special metals in key product components such as batteries, display modules, and magnets, in order to reduce regulatory risks and enhance product compliance.
- Three key design initiatives were selected to improve sustainability through better design and materials, aiming to reduce lifecycle carbon emissions and enhance environmental accountability.

2025 Green Product Goals and Performance

2025 Goals	2025 Performance	
Incorporating recycled plastic materials with a recycling rate of over 40%.	56% (35/65) Projects achieved recycling rate of over 40% (All Notebook Product lines)	√
Expanding the scope of recycled material, introducing diverse regenerated materials.	34% of projects that include two or more types of recycled materials.	√
Formally activate the product carbon footprint management system.	Increasing the efficiency of carbon data collection by 30% across all stages. (Phase III launched on February 2026.)	√
Increase the proportion of ESG-related patent applications to more than 5-10% of total patents.	22.8%. (Up from 14% in 2024)	√

R&D and Innovation

Compal reached a new milestone at the iF Design Award 2025, winning 33 product design awards in a single year and ranking 10th among the world's most innovative companies.

Item	Category	2023	2024	2025
Patent Application	Invention	149	145	144
	New Model	16	17	28
	Design	41	27	31
Patent Awarded	Invention	238	176	136
	New Model	9	16	23
	Design	35	83	43

Compal Sustainable Material Innovation

OysterPlas	BioHusk	Semiconductor Waste Slurry Plastic and Recycled Textile Fiber Plastic
Blends recycled oyster shells with post-consumer recycled (PCR) plastics received: • iF Design Award • CES Innovation Award • Computex Best Choice Award • Red Dot Design Award	Combines agricultural waste reutilization with product aesthetics, received the 2025 iF Design Award.	Shortlisted as finalists for the 2026 iF Design Award.

GHG Management

Compal and its consolidated subsidiaries aim to achieve 100% renewable energy usage and reach net-zero emissions by 2050. In 2024, Compal has set its greenhouse gas reduction targets in alignment with Science Based Targets (SBT), which have been validated by SBTi; and officially achieved RE100 membership status. The Company also 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.

Short, Medium, Long-term GHG Management Goals (SBT Verified Roadmap)

GHG Goals	2030	2035	2050
Scope 1 & Scope 2 (Base Yr 2019)	50.68% reduction	73.08% reduction	90% reduction
Scope 3 (Base Yr 2021)	25% reduction	41.25% reduction	90% reduction

2025 GHG Management Goals and Performance

2025 Goals	2025 Performance	
Reduce Scope 1 + 2 carbon emissions by 4.48% compared to 2024.	33.5% reduction compared to 2024	√
44% Renewable energy in electricity consumption ratio.	57.2% renewable energy usage	√
Complete the establishment of an internal carbon pricing mechanism and define the governance framework.	ICP established. Further optimization and integration to be carried out.	√
Continuing to promote carbon reduction in the supply chain and achieving the target of 10,000 tCO_2e (ONE+N Program).	Achieved reduction of 14,761 tCO_2e, ahead of project targets of 10,000 tCO_2e.	√

GHG Inventory

Scope 1 and Scope 2 emissions under both the Company-only and consolidated reporting boundaries were in line with the emissions reduction pathway established from the 2019 base year.

In 2025, the market-based Scope 1+2 emissions decreased by 33.5% compared to 2024

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).

GHG Emissions		Unit	2023	2024	2025
Scope 1		tCO_2e	19,863	12,296	10,100
Scope 2	LOCATION-BASED	tCO_2e	195,433	161,413	151,783
	Total Emissions (Scope 1+2)		215,296	173,709	161,883
	MARKET-BASED	tCO_2e	104,416	95,585	61,645
	Total Emissions (Scope 1+2)		124,278	107,881	71,745
	Intensity	tCO_2e/Million NTD	0.142	0.128	0.105

Note: All intensity denominators have been amended to correctly reflect standalone financial statements.

Consolidated Reporting Boundary

Based on market-based emissions, Scope 1 and Scope 2 emissions within the Consolidated Financial Statement Boundary decreased by 9.8% compared with the previous year in 2025. The reduction was primarily driven by improvements in energy efficiency, the implementation of energy conservation projects, expanded use of renewable energy, and optimized renewable electricity allocation, all of which contributed to reducing GHG emissions from operating activities.

GHG Emissions		Unit	2024	2025
Scope 1		tCO_2e	13,115	16,208
Scope 2	LOCATION-BASED	tCO_2e	205,280	220,360
	Total Emissions (Scope 1+2)		218,395	236,568
	MARKET-BASED	tCO_2e	136,918	119,123
	Total Emissions (Scope 1+2)		150,033	135,331
	Intensity	tCO_2e/Million NTD	0.165	0.179

Note: Only items that have been independently verified and issued with a verification opinion are included.

Scope 3

The Company has established a targeted management approach for major value chain emission hotspots, prioritizing actions based on emissions contribution and reduction potential to accelerate the transition to a low-carbon value chain.

Reduction Topic	Implementation Pathways and Performance Metrics
Purchased Goods and Services	ONE+N Net-Zero Acceleration Program: Compal assists key supply chain partners in conducting GHG inventories and strengthening carbon management capabilities. CDP Supply Chain Program alignment: the Company further enhances data transparency and climate-related disclosures across the value chain.
Use of Sold Products	Apply ENERGY STAR energy efficiency design standards to enhance product energy performance.
Waste Generated in Operations	Achieve UL 2799 Zero Waste to Landfill certification: including Kunshan plant (KS2) (Platinum) and Vietnam plants (Gold).
Downstream Transportation and Distribution	Implement lightweight and low-carbon packaging solutions to improve transportation efficiency and minimize greenhouse gas emissions across logistics and distribution activities.
End-of-Life Treatment of Sold Products	Integrate circularity principles into product design to improve recyclability and disassembly efficiency, thereby minimizing end-of-life environmental impacts throughout the product life cycle.
Business Travel and Employee Commuting	The Company promotes remote collaboration to streamline business travel and implements low-carbon commuting programs.

For further details on Scope 3 greenhouse gas accounting methodologies, emission factor sources, and detailed emissions data, please refer to Compal ESG—GHG Management and Decarbonization.

Internal Carbon Pricing (ICP)

Short, Medium, Long-term Goals

ICP Goals	2030	2035
Implement an ICP mechanism to integrate climate risks into decision-making processes and strengthen carbon reduction performance management.	Complete the fund operation mechanism	Track, review and roll out adjustments to the fund mechanism

Beginning in 2025, the mechanism has been formally linked to the performance management system, ensuring that carbon reduction awareness is translated into tangible operational decisions and implementation outcomes. The assessment scope of Compal's internal carbon pricing mechanism covers Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. Based on data availability, management feasibility, and relevance to business decision-making, the mechanism is being progressively applied to energy use, renewable energy procurement, energy-saving improvements, and value chain carbon reduction initiatives.

ICP Applied Across Four Core Dimensions

- Drive Low-Carbon Investment Initiatives
- Drive Value Chain Decarbonization
- Support the Implementation of the Decarbonization Pathway
- Strengthen Business Decision-Making and Risk Assessment

Energy Management

In 2025, renewable energy accounted for 57.2% of total energy consumption

Compal will further increase renewable energy usage in line with its energy transition roadmap and market mechanisms. The Company primarily enhances its renewable energy utilization through renewable electricity procurement and Energy Attribute Certificates (EACs).

Short, Medium, Long-term Energy Management Goals

Energy Goals	2026	2050
	Reduce energy consumption by 1% compared to baseline year (2019)	100% Renewable energy

Energy Usage	Unit	2023	2024	2025
Nonrenewable Energy Consumption	GJ	633,821.80	571,892.70	424,616.31
Renewable Energy Consumption	GJ	570,254.40	470,680.60	567,549.35
% Renewable Energy	%	47.36%	45.15%	57.20%

Air Pollution Management

Due to the nature of the manufacturing processes, emissions of nitrogen oxides (NOx) and sulfur oxides (SOx) are relatively limited; therefore, management efforts are primarily focused on the reduction of VOC emissions.

Short, Medium-term Reduction Roadmap Goals

Air Pollution Goals	2025	2030
(Base Yr 2022)	Total VOC Emissions < 118.72 metric tons (achieved √)	Total VOC Emissions < 79.17 metric tons (50% from the baseline year)

The Company initiated a VOC inventory management program in 2021 and expanded the inventory boundary in 2024 to include overseas facilities such as those in Vietnam. These efforts continue to enhance the completeness and transparency of global air pollution management data.

China & Vietnam Plants VOC Emissions	2023	2024	2025
Direct VOC emissions (metric tonnes)	35.12	34.25	8.78

Perfluorocarbon (PFC) Emissions Management

Based on existing equipment configurations and usage scenarios, current PFC emissions are considered minimal or near zero. Potential PFC emissions are primarily associated with leakage from fire suppression system equipment. Beginning in 2025, the Company formally adopted a leakage-based quantification methodology and established a comprehensive data foundation through its digital monitoring platform. Furthermore, the Company is evaluating extinguishing agents with lower Global Warming Potential (GWP) to reduce long-term environmental emission risks at the source.

Water Management

The core objective of the Company's water management policy is to reduce reliance on local municipal water supplies while ensuring that wastewater discharge activities do not adversely affect local ecosystems. Analysis conducted in 2025 indicated that 46.8% of total water withdrawal occurred in areas classified as experiencing Extremely High Water Stress (>80%), with major facilities located in Kunshan and China. Total water consumption in 2025 amounted to 1,461.77 million liters, continuing a year-over-year downward trend since 2023.

Water Usage	Unit	2023	2024	2025
Water Use Intensity	tonnes /million NTD	2.36	1.90	2.14

Water use intensity in 2025 was 2.14 tonnes /million in revenue. The increase compared to the previous year was attributable not only to changes in the revenue mix but primarily to the expansion of the reporting boundary to include all operational sites disclosed in the parent-company-only financial statements, including multiple R&D, office, and warehouse facilities.

Waste Management and Resource Circularity

The Company's management framework utilizes the Compal Cloud for Sustainability as its core data governance platform, integrating waste classification, tracking, and treatment information across all sites to ensure a high level of traceability and data consistency throughout the waste lifecycle.

Achieved a manufacturing hazardous waste recycling rate of 88.3% in 2025

Waste Management	Unit	2023	2024	2025
Total waste recycled/ reused	tons	32,439.02	29,082.34	27,812.27
Total waste generated		5,801.79	2,451.48	1,439.92
Landfilled		458.09	565.25	494.32
Incinerate (with energy recovery)		2,535.18	1,389.17	174.34
Incinerate (without energy recovery)		1,386.82	382.87	751.44
Others		1,421.70	114.20	19.83

UL2799 Zero Waste to Landfill Environmental Claim Certification

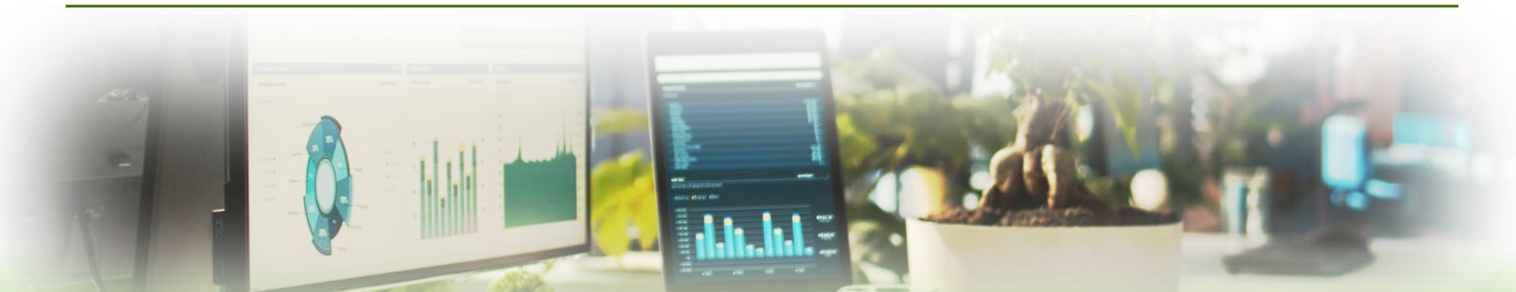
Certification Level	Landfill waste diversion rate	Plants
Platinum	100%	Kunshan Plant 2
Gold	95% - 99%	The Vietnam (CVC and CWV) plants

Treatment Performance and Waste Flow Trend Analysis

Waste generated is categorized into "Diverted from Disposal" and "Off-Site Disposal" based on its actual treatment method after leaving the facility. Amount of waste directly disposed of declined from 5,801.79 tons in 2023 to 1,439.92 tons in 2025. The overall landfill rate was maintained at 1.69%. Only 494.32 tons of non-hazardous waste were landfilled during the year, while hazardous waste continued to achieve zero landfill disposal.

Diverted from Disposal (Off-Site)	Unit	Hazardous	Non-Hazardous
Preparation for Reuse	tons	26.92	3,923.34
Recycling		471.72	23,270.08
Other Recovery Operations		-	120.20
Total		498.64	27,313.63

Off-Site Disposal	Unit	Hazardous	Non-Hazardous
Incineration (with Energy Recovery)	tons	38.84	135.50
Incineration (without Energy Recovery)		21.97	729.47
Landfill		0.00	494.32
Other Disposal Operations		8.98	10.85
Total		69.79	1,370.14



Environmental Protection Expenditures

Expenditure Item	Expenditure (NT$ thousand)
Air Pollution Control	1,520.158
Water Pollution Control	600.422
Disposal for Industrial Waste	3,878.191
Disposal for Hazardous Waste	694.930
Environmental Management System Maintenance	1,052.320
Environmental Monitoring	1,480.163
Total	9,226.184

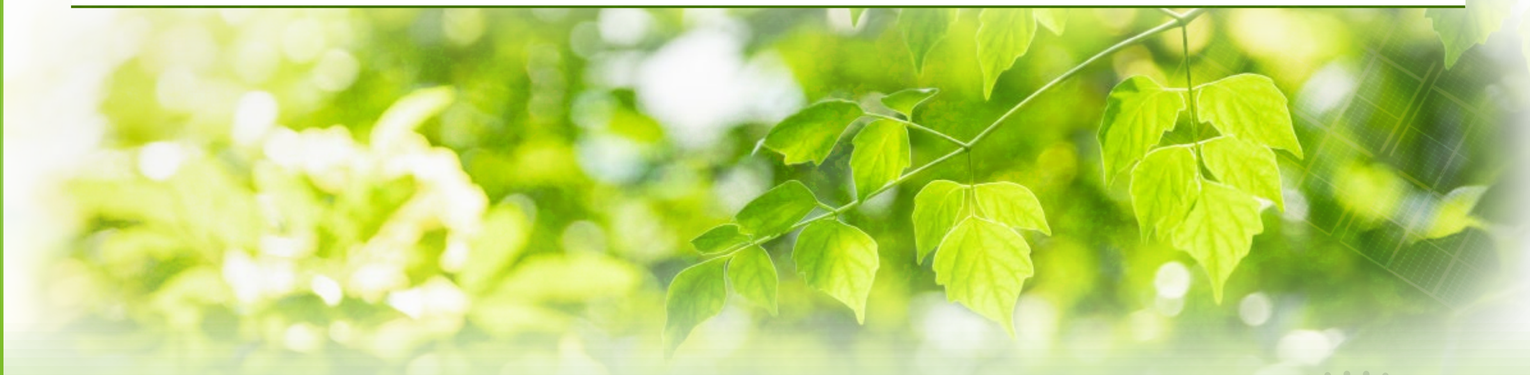
Green Procurement

In 2025, total green procurement expenditures amounted to NT$129,991 thousand

Consumption and Production, Compal incorporates environmentally friendly principles into its procurement decision-making processes, giving priority to products certified with environmental labels, energy-efficiency labels, and FSC certification. Green procurement primarily covered FSC-certified packaging materials, the leasing of office equipment bearing energy-efficiency labels, LED lighting replacement and upgrade projects, and Renewable Energy Certificates (T-RECs) supporting the development of renewable energy in Taiwan.

External Certification

Certification	Verification Body	Scope
ISO 14001 Environmental Management System	SGS/CQC	100%
ISO 14064-1 Greenhouse Gases	SGS/CQC	100%
ISO 14067 Carbon Footprint	TUV Rheinland	Relevant Products Since 2024
ISO 14068-1 Carbon Neutrality		
ISO 50001 Energy Management	SGS/CQC	7 Sites Certified



SOCIAL

Employees

Employees remain the most important asset of Compal. Compal has once again been included in both the Taiwan High Salary 100 Index and the Taiwan Employment 99 Index while continuing to promote workplace equality and family-friendly policies.

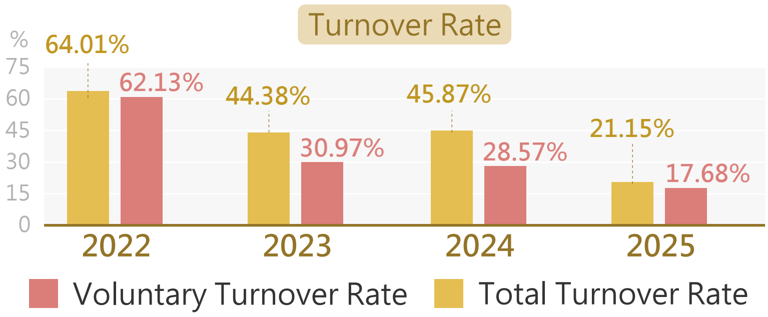
Board Approved the implementation of the Welfare Employee Stock Ownership Trust (ESOT) Plan starting from 2026

2025 Employee Structure

	Taiwan	China	Vietnam	Brazil	US	Mexico	Worldwide
Male as % of Total	13.51%	21.30%	23.04%	0.9%	0.14%	0.06%	58.95%
Female as % of Total	7.02%	13.89%	18.53%	1.34%	0.23%	0.05%	41.05%
Total Employees	7,567	12,974	15,325	827	135	39	36,867

Turnover

The voluntary turnover rate shows a decline from 28.57% to 17.68%, reflecting continued improvement in employee retention and workforce stability. China and Vietnam facilities remained the primary sources of employee turnover, mainly attributable to production line automation upgrades and workforce restructuring.



Diversity and Equality

Short, Medium, Long-term Diversity Goals & 2025 Performance

	2025 PERF	2026	2030	2035
Global proportion of female employees	41.05% √	40%	40%	40%
Proportion of female managers	31.18% -	32%	32%	32%
Proportion of female in junior management position	37.89%√	-	36%	36%
Proportion of female in STEM-related positions	29.47% √	-	27.5%	27.5%

At Compal, we firmly believe that everyone should have equal opportunities and are committed to fostering a diverse and inclusive workplace to attract the best talent. We do not tolerate differential treatment or discrimination based on gender, age, disability, religion, race, ethnicity, nationality, or any other characteristic.

2025 Achievement

- The Compal global employees are comprised of 58.95% men and 41.05% women, up from 38.45% in 2024.
- Up to 31.18% of management positions were held by women, up from 30.04%.
- Female in STEM positions reached 29.47%, up from 27.13%.
- A total of 250 employees with disabilities were employed by plants in Taiwan and Overseas.

Compal is committed to embedding Diversity, Equity, and Inclusion (DEI) into its corporate culture and business operations through comprehensive policies and initiatives.

- Training Programs
- Inclusion Activities
- DEI Workshop
- Diverse and Inclusive Workplace
- Elimination of Unconscious Bias
- Diverse Communication Approaches

Employee Pay and Gender Pay Equality

All full-time employees are eligible for variable performance bonus pay based on Company and individual performance

Compal offers entry-level salaries ranging from 1.00 to 1.74 times the local statutory minimum wage. Compensation is determined by employees' experience, expertise, competencies, contributions, and performance. Total remuneration generally includes 12 months of salary, a mid-year bonus, and performance-based year-end bonuses and employee compensation linked to Company and individual performance.

Pay Ratio (Male: Female) Annual salary	2024 Global Mean	2025 Global Mean
Senior Executives	1: 0.83	1: 0.94
Managers	1: 0.87	1: 0.88
Indirect Employees	1: 0.88	1: 0.86
Direct employees	1: 0.94	1: 0.94

Talent Cultivation, Development, and Retention

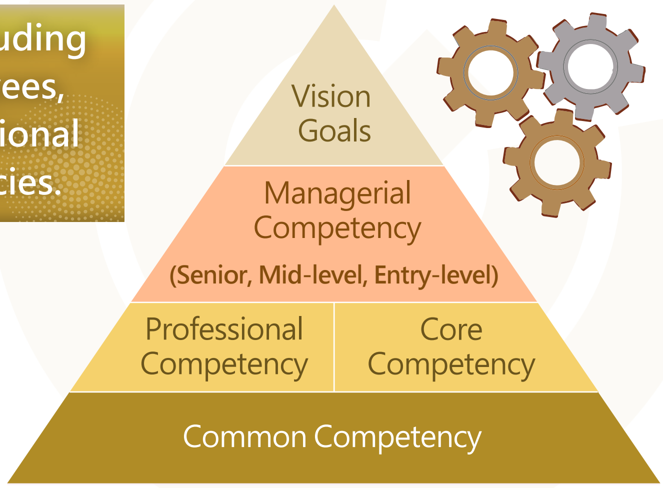
Short, Medium, Long-term Goals

	2025·PERF	2026	2030	2035
Retention rate of key positions	89% -	90%	90%	90%
The average training hours of per manager	26.03 √	17.5	20	22.5

Compal has established a comprehensive and diversified talent acquisition framework. Through multiple channels—including job search platforms, social media, campus recruitment programs, industry-academia collaboration initiatives, internship programs, and executive search consultants—we actively attract talent from diverse backgrounds and professional disciplines.

Employee Training Framework

Compal ensures that all employees — including full-time, part-time, and contract employees, can continuously strengthen their professional capabilities and future critical competencies.



Competency-oriented Learning Roadmap

Compal conducts annual training needs surveys in the fourth quarter and develops corresponding training roadmaps for all employees based on four competency categories—core, managerial, common, and professional competencies.

The Company has introduced diversified learning channels that enable learning without the constraints of time or location, while establishing a comprehensive learning framework that provides employees with clear learning directions.

<table>
<tr><th rowspan="2">Target Group</th><th colspan="5">Off Job Training</th><th>On Job Training</th><th>Self Develop</th></tr>
<tr><th>General Training</th><th>Common Competency Training</th><th>Core Competency Training</th><th>Managerial Competency Training</th><th>Unit Supervisor Training</th><th>Functional Skills Training</th><th>Professional and Technical Development</th></tr>
<tr><td>Senior Management</td><td rowspan="4">• Language Courses
• Information Security
• Trade Secrets Protection
• Quality Awareness
• Occupational Safety</td><td rowspan="4">• Interpersonal Relationships
• Communication and Negotiation
• Adaptability and Flexibility
• Market Trends
• Work Efficiency
• Diversity, Equity, and Inclusion (DEI)
• AI Transformation and Related Topics</td><td rowspan="4">• Excellence
• Empowerment
• Accountability
• Risk-Taking
• Teamwork
• Innovative Thinking
• Diverse Partnerships</td><td>Senior Management Development Program</td><td rowspan="3">• Talent Selection
• Employee Development
• Employee Care
• Employee Coordination
• Labor Relations</td><td rowspan="4">• Individual Coaching
• Advanced Development Courses
• Skill Set
• Department-Specific On Job Training</td><td rowspan="5">• Individual Development Plan (IDP)
• Continuing Education Assistance
• Language Training Subsidies
• External Training</td></tr>
<tr><td>Middle Management</td><td>Middle Management Development Program</td></tr>
<tr><td>Junior Management</td><td>Fundamental Management Development Program</td></tr>
<tr><td>General Employees</td><td colspan="2"></td></tr>
<tr><td>New Employees</td><td colspan="5">New Employee Core Course
Orientation Training, New Employee No Problem Series, Workplace Adaptation Training, Legal Education (OHS, Fire Safety), Quality Awareness Training, etc.</td><td>Mentor System</td></tr>
</table>

Integration with Classroom-based Training

In addition to learning through internal and external professional instructors via coaching or mentorship, all employees (full-time, part-time, and contract employees) are encouraged to engage in collaborative learning and community-based knowledge exchange within teams and networks to promote knowledge sharing and practical application.

<table>
<tr><th>Diverse Learning and Development</th><th>Learning Formats</th><th>Primary Categories</th><th>Business Impact</th></tr>
<tr><td>Promotion Credit System</td><td rowspan="7">Internal and external Instructors
Coaching/ Mentorship
Teams and Networks</td><td>Leadership development program</td><td rowspan="4">Promotion Credit System
Employee promotion rate reached 39.3%</td></tr>
<tr><td>Leadership Development for Management Talent</td><td>Leadership development program</td></tr>
<tr><td>Digital Skills Training</td><td>Digital transition program</td></tr>
<tr><td>DEI Improvement Programs</td><td>Cultural education</td></tr>
<tr><td>Transition Programs for Retiring or Departing Employees</td><td>Transition program for retiring and terminated employees</td><td rowspan="3">Potential Talent Assessment and Individual Development Plans (IDP)
Employee retention rate reached 87.1%</td></tr>
<tr><td>Potential Talent Assessment and Individual Development Plans (IDP)</td><td>• Key Talent Capability Development
• Leadership development program
• Digital transition program</td></tr>
<tr><td>Professional and Technical Talent Development</td><td>Key Talent Capability Development</td></tr>
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Training Hours

Average training hours per employee reached 30.36 in 2025, up from 20.78 in 2024. Management-specific training reached 26.03 hours per manager in 2025, reaching the 2025 goal of >16.

	Direct Employees	Indirect Employees	Management Level	Non-Management Level	Total Employees
2025 Average Training Hours	47.04	17.11	26.03	31.38	30.36

2025 Industry-Academia Collaboration

Student Visit to Enterprise

Students from key universities and academic departments are invited to visit Compal facilities to gain a better understanding of the Company' s culture and working environment.

Outcome: 15 visits in China.

Student Internship Program

Semester-based and academic-year internship programs provide university students interested in technology application and practical implementation with opportunities to apply their knowledge and gain workplace experience.

Outcome: 52 students from the Golf internship program were hired in Taiwan, 57 were hired in China, 100 students were hired in Vietnam.

Industry-Academia Master's Programs

Compal collaborates with domestic and international universities to foster dialogue between academia and industry and jointly establish industry-oriented master's programs to attract and cultivate professionals from diverse nationalities and fields of expertise.

Outcome: Collaboration with National Kaohsiung Normal University on a Vietnam Industry-Academia Master's Program

Diversified Recruitment Channels

Campus Recruitment Fairs and Information Sessions

Taiwan: 19 events, China: 9 events

Government Employment Matching Events

China: 1 event

Social Media Channels

Facebook: Compal Career; Compal (Vietnam)
Instagram: Compal Career
LinkedIn: Compal
WeChat: Compal Recruitment

Employee Referral Program

Taiwan: 39 successful referrals
China: 27 successful referrals
Brazil: 28 successful referrals

Online Job Platforms

104 Job Bank, 1111 Job Bank, Yourator, CakeResume, LinkedIn, Catho, Headhunter, 51job, Zhaopin Limited, Kunshan Talent Network, BOSS Zhipin, Liepin.

In 2025, the Company also shared content related to an inclusive workplace, employee benefits, and employee activities through its official social media channels, further increasing external talent awareness of Compal's corporate culture and workplace environment. For offline recruitment, the Company actively participated in campus recruitment events. In 2025, Compal participated in 11 campus career fairs and 8 campus recruitment presentations. In addition, the Company promotes an Employee Referral Program, encouraging employees to recommend qualified candidates and providing corresponding incentives for successful referrals, thereby expanding access to high-quality talent sources.

Diverse Evaluation Modes

Performance Appraisal Items	Subject	Frequency
Probation Review for New Employees	New Employees	Two months after start of employment
Intern Review	Interns	One month after start of employment
Annual Performance Appraisal	All Employees	Once or twice a year
Team-based Performance Appraisal	Specific business units and all employees within those units	Annually
Multidimensional Performance Appraisal	R&D Departments and Their Employees	Annually
Individual Development Plan (IDP)	Potential talent and designated managers or employees requiring further development	Ongoing

Non-compensation Benefits

Compal allocates 0.05% of its annual operating revenue to the Employee Welfare Fund and has established an Employee Welfare Committee to administer various employee welfare programs.

- Travel programs
- Periodic health examinations
- Cultural and leisure events
- On-site medical clinics
- Various employee clubs
- Family-oriented activities
- Employee fitness and recreation centers
- Team-building and recreational competitions
- Scholarships for employees and their children

Life and Family Support | Welfare Programs and Flexible Policies

Welfare Type	Taiwan	China	Vietnam	US	Remarks
Employee Group Insurance	√	√	√	√	Group insurance/social insurance coverage
Health Benefits	√	√		√	Employee health examinations (in the Americas, health examinations are provided in Brazil only)
Vouchers / Cash Gifts	√	√	√	√	Dragon Boat Festival, Mid-Autumn Festival, Lunar New Year gifts, and year-end bonuses
Marriage, Childbirth, Bereavement, and Emergency Assistance	√	√	√	√	
Additional Paid Leave	√	√			Taiwan: Happiness companionship leave, volunteer leave China: Only-Child Care Leave
Other	√	√	√	√	Employee activities: Team Gatherings, company fairs, Family Day, and holiday celebrations

Maternity Care Beyond Legal Requirements

To support work–life balance, Taipei Headquarters offers family-friendly benefits, including up to 30 days of pre-delivery remote work, 60 days of paid maternity and parental leave beyond statutory requirements, and a NT$66,000 childbirth subsidy, providing up to 90 days of paid parental support.

Childbirth Subsidies

After the birth of a child, employees may apply for a childbirth subsidy of NT$66,000, encouraging employees to start and raise families with confidence while pursuing their careers. Compal provided subsidies for a cumulative total of 3,783 newborns between 2011 and 2025.

Recognition Programs for Outstanding and Long-Service Employees

The Company recognizes employee contributions through long-service and outstanding employee awards. In Taiwan, long-service employees receive commemorative plaques and cash awards of NT$3,000–250,000, while outstanding employees receive a plaque and NT$20,000. In China, outstanding employees are recognized for innovation and community service with a cash award of RMB 1,200.

Type of Recognition	2022	2023	2024	2025
Long-Service Employees (Taiwan)	753	1,149	1,061	1,211
Outstanding Employees (Taiwan)	92	85	86	77
Outstanding Employees (China)	14	14	18	12

Employee Engagement Survey

	2025 PERF	2026	2030	2035
Global Engagement Survey Response Rate	67.49%	60%	75%	80%
Global Engagement Survey Coverage Rate	100%	-	100%	100%

Global engagement survey coverage rate reaches 100% in 2025. Engagement score was 78.45 points against a 74 points goal.

The 2025 Employee Engagement Survey consisted of 54 questions across nine dimensions and was offered in 7 languages. A total of 21,278 questionnaires were collected, of which 21,278 were valid responses, resulting in a valid response rate of 100%.

Survey year	2022	2023	2024	2025
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	31,529
No. of Responses Received	2,832	23,386	17,022	21,278
Response Rate	39.04%	71.88%	51.97%	67.49%
Survey Coverage Rate	11.5%	69.0%	100%	100%
Average Score	69.64	72.92	73.9	78.45
Percentage of Highly Engaged Employees[Note]	68.29%	74.44%	78.03%	84.21%

Note: The percentage of highly engaged employees is calculated as follows: Number of valid respondents scoring 65 points or above ÷ Total number of valid survey respondents.

Human Rights

Compal is committed to fostering a workplace that respects human rights and conducts Human Rights Due Diligence (HRDD) in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). Human rights protection is integrated into the Company's corporate governance and operational management framework.

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

In 2024, the Company completed a new human rights risk assessment, identifying salient human rights issues, and the related results were disclosed in the "2024 Human Rights Report".

2024 Human Rights Report

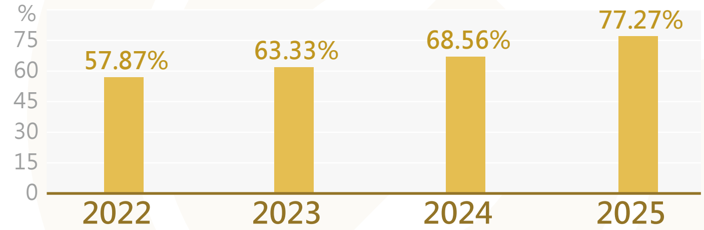
Key Enhancements to the Human Rights Policy in 2025

- Promoting pay equity and fair labor conditions
- Promoting employee human rights education and training
- Strengthening the protection of young workers and vulnerable groups
- Strengthening stakeholder engagement and human rights governance
- Establishing human rights due diligence and risk management mechanisms

Freedom of Association

Employees are entitled to freedom of association, collective bargaining, peaceful negotiation, and the right to abstain from such activities. In Taiwan, labor management meetings are established in accordance with applicable regulations, and employees are represented through this mechanism rather than through labor unions. Unions have been established in China, Vietnam, Brazil, and Mexico with union membership rates as follows:

Union Membership Rate



Note: The union membership rate is calculated as follows: Union Participation Rate (%) = Union employees/Total employees.

Occupational Health and Safety

Short, Medium, Long-term Goals	2026	2030	2035
Global occupational diseases and fire incidents		Global record of 0 occupational diseases and 0 fire incidents.	
Frequency-Severity Indicator (FSI)		**Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector.** (Excluding traffic-related occupational accident)	

Both global occupational diseases and fire incidents, and FSI goals achieved in 2025

Compal has established its Environmental, Safety, and Health (ESH) Policy, which has been approved by the Board of Directors and publicly disclosed on the Company's official website.

Occupational Health and Safety Policies, Systems and Metrics

Supply Chain Management

Responsible Supply Chain

Compal places great importance on sustainable supply chain management. The Board of Directors serves as the highest governing body responsible for supply chain sustainability matters. Under the Board, the Sustainability Committee leads the promotion and implementation of sustainable supply chain management initiatives. The Compal Supplier Code of Conduct (Compal COC) was fully digitalized in 2025, and achieved a 99% signing rate.

Responsible Supply Chain

Supplier Assessment & Development	2026	2030	2035
1. Sustainable supply chain process optimization 2. Support suppliers to apply Capacity building program and provide complete guidance	1. Control high risk supplier in 5%; increase on-site audit rate yearly. 2. Expand annual SAQ to Tier-1 MRO Critical Supplier. 3. Encourage high-emission suppliers to complete 2026 CDP.	1. Maintain high risk supplier < 5%; More than 95% suppliers to adopt the management system. 2. Audit 15% of total suppliers. 3. Supplier Code of Conduct as mandatory criterion for vendor selection; require high emission suppliers to comply with Compal's SBTi Scope 3 reduction targets.	1. Maintain high risk supplier < 5%; 100% suppliers to adopt the management system. 2. Audit 20% of total suppliers. 3. Require high emission suppliers to comply with Compal's SBTi Scope 3 reduction targets.

Annual Supplier Audits

In 2025, Compal completed ESG/RBA audits for a total of 85 suppliers, including 26 comprehensive on-site audits and 59 document-based audits. In 2025, the overall corrective action completion rate reached 81.2%, while the corrective action follow-up rate reached 100%, demonstrating effective control of key supply chain risks.

Full Material Declaration

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

FMD Inception	2025
3 Projects 25% Disclosure Rate	36 Projects 90% Disclosure Rate

Hazardous Substance Management

Compal has established a rigorous chemical substance management mechanism based on regulations and standards including the EU REACH Regulation, the RoHS Directive, and IEC 62474. Consideration of hazardous substances begins with raw material selection, and the Company further restricts the use of brominated and chlorinated flame retardants as well as Polyvinyl Chloride (PVC), while actively introducing halogen-free alternatives. In 2025, 66.7% of reports were submitted digitally (up from 56.7% in 2024), effectively reducing risks and improving operational efficiency.

EU REACH

Compal requires suppliers to disclose information regarding all Substances of Very High Concern (SVHCs) contained in components and encourages suppliers to proactively reduce and eliminate the use of such substances.

RoHS Directive

All Compal products are 100% compliant with the concentration limits specified under the RoHS Directive, and no product returns have occurred due to RoHS non-compliance.

Halogen-Free Products

In 2025, a total of 33 halogen-free computer products and 2 halogen-free handheld device products were successfully developed and entered mass production. Since the revised Compal Hazardous Substance Specification was implemented on April 12, 2024, the proportion of halogen-free components used in newly designed products has reached 77.3%.

2025 RoHS Updates

Following three amendments to the RoHS Directive in November 2025, Compal conducted impact assessments and implemented systematic management measures. These included updating exemption status in its hazardous substance management system, revising GP BOM requirements and green design specifications, and notifying R&D and procurement teams to align material selection with the revised requirements.

Conflict Minerals Policy

In 2025, Compal conducted conflict minerals surveys covering 749 suppliers using the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) issued by the RMI, achieving a 100% response rate. Compal expanded the scope of due diligence in 2025 by incorporating additional minerals covered under the Extended Minerals Reporting Template (EMRT), including copper (Cu), natural graphite, lithium (Li), and nickel (Ni).

Released the Compal Conflict Minerals Report in June 2025 and disclosed relevant information on conflict minerals on ESG website and ESG report.

Conflict Minerals Management

Conflict Minerals Performance

Measures	2025 Performance	2025 Goals
Signing of "Non-use of Conflict Minerals Commitment Letter"	Achieved a 100% response rate √	100% response rate
Establish and maintain a Conflict Minerals Policy	Published with regular review √	Establish and maintain Conflict Minerals Policy
Establish internal conflict minerals management procedures	Established, reviewed periodically √	Establish conflict minerals management procedures
Conduct supplier conflict minerals investigations and distribute CMRT and EMRT surveys	Achieved a 100% response rate √	100% supplier response rate for CMRT and EMRT surveys
Notify suppliers, regularly monitor smelters; require corrective actions within a specified timeframe; recommend discontinuing the use of conflict minerals and sourcing from alternative mineral sources	Achieved 100% conflict-free procurement √	100% conflict-free procurement
Publish and disclose conflict minerals management measures and performance	Released and published June 2025 √	Publish a Conflict Minerals Report by the end of June every year

User Safety and Compliance with International Standards

No incidents involving violations of product safety regulations or standards occurred in 2025.

Compal's Product Safety Department follows the international standard IEC 62368-1 established by the International Electrotechnical Commission (IEC). Product safety assessments are integrated into the research, development and design stages of all notebook computers, all-in-one (AIO) desktop computers, tablet computers, and other products manufactured by Compal.

Through cross-functional collaboration among the Product Safety Department and relevant R&D, manufacturing, and Sales, Compal continuously monitors developments in product safety regulations and international standards. In accordance with customer requirements and applicable market regulations, the Company performs product safety assessments, training, testing, certification activities, and certification management to ensure ongoing compliance across target markets.

Compal's Product Safety Department utilizes the RCEM Certificate Management System, which features automation, error-proofing mechanisms, and cross-site integration capabilities to manage the validity, expiration status, and related information of product safety certifications.

GOVERNANCE

Organizational Structure

- Shareholders
- Board of Directors
  - Audit Office
  - Audit Committee
  - Remuneration Committee
  - Sustainability Committee
  - Risk Management Committee
- President's Office

Personnel Evaluation Committee	Corporate Transformation Office	Corporate Development Office
Corporate Branding & Culture Office	Legal Affairs Office	Occupational Safety and Health Office
Insider Trading Prevention Office	ESG Office	Top Management Committee
Accounting & Financial Center	Intelligence & Tech. Center	Global Pro. & Strategic Supply Chain Office
COO Office	ISBG	CIRI
SDBG	Global HR Center	PCBG

Board of Directors

The Board is composed of 15 directors, including 5 independent directors. In 2025, a total of 6 Board meetings were held, with an average director attendance rate of 84.44%.

Board of Directors Overview

☐Convener ■Member

			Functional Committees				
Title	Name	Gender	Audit	Remuneration	Sustainability	Risk Management	2025 Board Attendance Rate (%)
Chairman	Jui-Tsung Chen	M					100%
Director	Kinpo Electronics, Inc						
	Wei-Chang Chen	M					83.33%
Director	Taiwan Venture Capital Co., Ltd.						
	Charng-Chyi Ko	M					100%
Director	Sheng-Chieh Hsu	M					100%
Director	Chieh-Li Hsu	M					66.67%
Director	Binpal Investment Co., Ltd.						
	Wu-Chun Hsu	M					83.33%
Director	Chung-Pin Wong	M					66.67%
Director	Chiung-Chi Hsu	M					83.33%
Director [President&CEO]	Anthony Peter Bonadero	M					66.67%[Note1]
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	■	■	■	■	83.33%
Independent Director	Shui-Shu Hung	M	■	■	■	■	50.00%
Independent Director	Tzu-Ting Huang	F	■	■	■	■	83.33%

Note: Foreign director Anthony Peter Bonadero was not present for 2 of 6 board meetings due to scheduling and timezone differences.

Functional Committees

Committee	2025 Meetings	Attendance
Audit Committee	6	83.33%
Remuneration Committee	5	80.00%
Risk Management Committee	2	91.67%
Sustainability Committee	4	87.50%

Remuneration Committee

Sustainability Linked Pay Policies – Management and Employees

To drive the achievement of climate transition objectives, Compal has formally incorporated climate-related performance indicators into the annual key performance indicators (KPIs) of senior management. These indicators cover green product innovation, low-carbon manufacturing transformation, and supply chain carbon management. Achievement of ESG- and climate-related targets accounts for 5% of the annual performance evaluation and is directly linked to annual variable compensation.

Financial indicators account for approximately 70% of the overall evaluation, non-financial indicators account for approximately 30%.

Remuneration Policy for Managers (Clawback Policy)

Compal has established a compensation clawback mechanism for managers. If a manager is found to have violated employment contracts, work rules, demonstrated significantly poor performance, or been involved in a major risk event, the Company may revoke unpaid variable compensation or recover variable compensation that has already been granted, as appropriate.

Sustainability Committee

Board of Directors

Sustainability Committee

Chief sustainability officer

Deputy sustainability officer

ESG Office

Economy

Innovation
- Green Products
- Innovative Applications

Customer Relationship
- Customer Service Management
- Customer Satisfaction

Supply Chain
- Raw Material Management
- Hazardous Substance Management
- Conflict Minerals Management
- Supplier RBA Auditing
- Supplier Environmental Management

Environment

Environment
- Sustainable Environmental Commitment
- Climate Change Strategies
- Greenhouse Gas Management

Responsible Production
- Renewable Energy
- Waste Management
- Water Use
- Labor and Human Rights
- Safety and Health

Social

Human Resources
- Employee Care
- Talent Development

Social Participation
- Social welfare
- Contribute to community
- Environmental Conservation

Governance

Governance
- Board of Directors' Functions
- Integrity and Anti-Corruption
- Tax Policy
- ESG Communica-tion

Risk Management
- Risk Management Policy
- Risk Identification and Measure-ment
- Risk Reporting and Disclosure
- Follow ISO31000

Info Security
- Information Security Training and Promotion
- Network Security
- ISO27001

Compal established the Sustainability Committee in 2022. The committee's 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.

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.

Corresponding Charters and Rules

Sustainability Policy

Sustainable Development Best Practice Principles

Sustainability Committee Charter

Ethical Management and Anti-Corruption

The Board of Directors is the highest governing body responsible for ethics, anti-corruption issues, systems, and procedures.

Compal maintains a zero-tolerance policy toward corruption and bribery at all times. Compal has established an Ethical Management and Anti-Corruption Management System with reference to the ISO 37001 international anti- bribery management standard, in response to international organizations' expectations regarding transparency and disclosure assessments, and in compliance with regulatory requirements and expectations. In 2025, no employees in the Taiwan, China, or Vietnam regions were disciplined for violations of the Ethical Corporate Management Best Practice Principles.

Anti-Corruption Policy

Risk Management Policy and Procedures

Risk Management Practice Principles

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

Annual Audits of Ethical Standards

Annually, the Ethical Management and Anti-Corruption management team benchmarks international best practices and references the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act 2010 (UKBA) to strengthen internal management and audit procedures.

Ethical Standards Training

Annual Ethical Management and Anti-corruption Training (Includes Part-time Employees and Interns)

Region	Participants	Total Training Hours
Taiwan	6,595	9,121
China	8,695	8,591
Vietnam	11,592	5,796
Brazil	827	4,319
US	135	822
Mexico	39	78

Grievance Reporting and Whistleblowing

Whistleblowers may submit reports anonymously.

The Company has established complaint and whistleblowing mechanisms and conducts investigations and handling procedures in accordance with the Whistleblowing Policies and Procedures. Whistleblowers are protected in terms of compensation, personal safety, and psychological well-being; with non-retaliation policies, and corrective measures if any improper treatment of whistleblowers are found (such as responsible department corrective actions, restoration of the whistleblower's rights, or appropriate compensation). Whistleblowing Channels are Available in Local Languages (Where Applicable) and is Proactively Communicated to Employees in accordance with RBA Guidelines.

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

2025 Whistleblowing Cases

Code of Conduct Reports / Cases Filed		2025		Follow-up
		Number of Cases Accepted	Number of Cases Filed	
Compliance, Ethical Management and Anti-Corruption	Conflicts of interest	0	0	
	Corruption or bribery	0	0	
	Money laundering or insider trading	0	0	
Human Rights Management and Protection	Sexual Harassment	4	1	1. Strengthen preventive measures and awareness programs. 2. Substantiated cases are subject to disciplinary actions in accordance with employee reward and disciplinary regulations.
	Workplace Bullying	26	14	
	Discrimination	0	0	
Total		**30**	**15**	

Privacy and Information Security

The Information Security Management Organization is one of the ten functional task forces under Compal's Sustainability Committee. Compal successfully obtained certification for ISO 27001:2005, ISO 27001:2013, and ISO 27001:2022 in 2008, 2015, and 2023, respectively. Internal audit operations incorporate standards including NIST Cybersecurity Framework, ISO 27001, and TISAX, while external third-party audits are conducted based on ISO 27001 standards and customer information security requirements, thereby continuously maintaining the validity of the ISO 27001 certification. In 2024, Compal further obtained the TISAX AL3 automotive cybersecurity international certification.

Information Security Training

All new employees are required to complete information security training courses, while existing employees are required to complete refresher information security training annually. In 2025, the information security task force assigned personnel to obtain the ISO/IEC 42001:2023 (AIMS) Lead Auditor Transition Training Certificate to provide guidance for information security controls related to the Company's internal AI applications.