COMPAL ESG

2025 Sustainability Report

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About the Sustainability Report

Since 2010, Compal has published a Corporate Social Responsibility Report annually, which was renamed the Sustainability Report in 2020. As of 2026, a total of 16 reports (including this report) have been issued. All past reports are available on the Compal ESG website.

This report summarizes the Company's major initiatives and performance during the previous year in areas including corporate governance, supply chain management, environmental protection, employee relations, and social engagement. The report is available in both Traditional Chinese and English for stakeholders' reference.

Report Publication

Current edition: Published in August 2026

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Publisher: Chairman

Editor-in-Chief: Chairperson of the Sustainability Committee

Editorial Team: Global HR Center, Accounting Group, Auditing Office, Risk Management Office, Corporate Development Office, Intelligence & Technology Center, Compliance, Quality Group, SGRD, Sales Group, Global Supply Chain Office , Occupational Safety and Health Office, Taiwan/overseas Factory Affairs Departments, and other related departments; the report content was coordinated and compiled by the ESG Office.

Reporting Period

This report has been prepared in accordance with the GRI Standards and covers the period from January 1, 2025 to December 31, 2025.

Report Scope

The financial data and greenhouse gas inventory and reduction results disclosed in this report include, but are not limited to, subsidiaries within the scope of the consolidated financial statements disclosed in the annual report, such as Arcadyan Technology Corporation, Compal Broadband Networks, Inc., and Henghao Technology Co., Ltd. The scope of non-financial data and related performance disclosures covers Compal and its major operating sites, including Taiwan operations (Taipei, Taoyuan, and Kaohsiung), manufacturing sites in China (Kunshan, Chongqing, and Chengdu), and sites in Vietnam and the Americas (the United States, Brazil, and Mexico).The parent company's revenue accounted for 90.17% of the consolidated revenue reported in the annual report. Compared with the 2024 reporting period, three sites were excluded from this year's reporting scope: Compal Electronics (Chongqing) Co., Ltd., Compal Wireless Communications (Nanjing) Co., Ltd. and Compal Wise Electronic (Vietnam) Co., Ltd., primarily due to the consolidation and adjustment of operating locations. If the disclosure scope of any chapter differs from the above description, such differences will be separately noted in the relevant section.

- Compal Electronics, Inc. (Taipei, Taoyuan and Kaohsiung City)
- Compal Electronics Technology (Kunshan) Co., Ltd.(CET)
- Compal Information (Kunshan) Co., Ltd. (CIC)
- Compal Information Technology (Kunshan) Co., Ltd. (CIT)
- Compal Digital Technology (Kunshan) Co., Ltd. (CDT)
- Compal Display Electronics (Kunshan) Co., Ltd. (CDE)
- Compal Smart Device (Chongqing) Co., Ltd. (CSD)
- Compal Electronics (Chengdu) Co., Ltd. (CEC)
- Compal (Vietnam) Co., Ltd. (CVC)
- Compal USA (Indiana) ,Inc. (CIN)
- Compal Techchnologia do Brasil Ltda.(CTB)
- Compalead Eletronica do Brasil Industria e Comercio Ltda. (CEM)
- Compal Mexico Electromex S.A de C.V. (CMX)

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Principles for Preparing the Sustainability Report

Compal's Sustainability Report is prepared in accordance with the GRI Standards issued by the Global Reporting Initiative (GRI) in 2021 as the reporting framework. The report is developed based on the Company's annual sustainability goals and actions, as well as topics of concern to stakeholders, and incorporates eight reporting principles. The reporting standards adopted and assurance providers for this report are presented below.

	Sustainability Report	Financial Statements	Environmental Management System	Occupational Safety and Health Management System	Information Security Management System
Applicable Standards	GRI Standards SASB Standards – Electronic Manufacturing Services & Original Design Manufacturing Industry	International Financial Reporting Standards (IFRS)	ISO 14001:2015 ISO 14064:2018 ISO 50001	ISO 45001:2018	ISO 27001:2013
Assurance Provider	SGS Taiwan Ltd.	KPMG Taiwan	SGS Taiwan Ltd. China Quality Certification Centre GCL International (GCL)	China Quality Certification Centre (CQC) UNIVERSAL CERTIFICATION SERVICE CO., LTD. (UCS)	British Standards Institution (BSI)

Sustainability Report Process

1. Editing	2. Compilation	3. Review	4. Publication, Tracking, and Feedback
Actual and potential impacts are identified, the significance of these impacts is assessed, and material topics are determined. The ten functional teams manage the material topics within their respective areas of responsibility, collect relevant management outcomes, and prepare the corresponding sections of the Sustainability Report.	The ESG Office is responsible for consolidating relevant information and ensuring its completeness.	SGS Taiwan Ltd. conducts an independent assurance engagement in accordance with the AA1000 Assurance Standard v3 (AA1000AS v3) at the Type 2 Moderate Assurance level to ensure the accuracy, transparency, and compliance of the Sustainability Report. Following the independent assurance process, the assurance statement is included in the appendix of this report, and the Sustainability Report is submitted to the Board of Directors for approval.	The Company publicly releases the Sustainability Report and communicates its contents to stakeholders through the ESG website, social media platforms, and other communication channels. The Company strives to ensure the accuracy, transparency, and compliance of the report, continuously reviews its impact and effectiveness, and actively seeks stakeholder feedback to support ongoing improvement.

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Previous Published

Please download the previous published reports from the website.
https://www.compal.com/esg/en/reports/

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

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

2020 2021 2022 2023 2024

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Sustainability Accolades

2025-2026 Awards, Recognitions, and Ratings

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

Selected into
FTSE4GOOD Index and
TIP Taiwan ESG Index
TIP Taiwan ESG RATING AAA

12th
CommonWealth Magazine
Taiwan Top 2000

Gold Award
2025 Resource Circulation
Outstanding Enterprise

Top 5%
The 11th Round
Corporate nance
Evaluation.

7th
CommonWealth
Magazine's Top 2000
Enterprises in Taiwan

Happiness Enterprise
1111 Job Bank - **Gold**

Top 12
iF Design Global Ranking

Sustainable Supply Chain
Leadership
Circular Economy Leadership,
Information Security Leadership
In 2025 TCSA

Taiwan Corporate Sustainability A-wards
Taiwan Top 100 Sustainable Companies
Corporate Sustainability Reporting
Awards – Platinum
In 2025 TCSA

Top 5% (THQ)
2026 S&P Global
Sustainability Yearbook

Top 100
2025 Business Weekly
Carbon Competitiveness

Bronze Medal
2026 EcoVadis

A- Leadership Level
In 2025

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Letters From the Executive Officers

The year 2025 marked a pivotal milestone for Compal Electronics, Inc. (hereinafter referred to as Compal) in accelerating transformation, upgrading its business model, and delivering on its sustainability commitments. Amid profound changes in the global geopolitical and economic landscape, together with heightened uncertainty in the international trade environment, global supply chains faced unprecedented challenges. Against this backdrop, Compal demonstrated strong revenue resilience and organizational agility through disciplined operational restructuring, the maximization of manufacturing efficiency, and the strategic optimization of its product portfolio. At the same time, as industries worldwide enter the era of artificial intelligence (AI), Compal recognized that traditional OEM and manufacturing models alone are no longer sufficient to sustain long-term growth momentum. Compal launched a large-scale transformation initiative in response to expand investment in high-value businesses and emerging growth engines, thereby laying a solid foundation for Compal's sustainable development over the next decade.

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Strategic Transformation: Five Emerging Businesses and AI as the Core Growth Driver

In response to the profound restructuring of global industries, Compal has demonstrated a clear commitment to transformation by redefining Artificial Intelligence Applications, Cloud Servers, Auto Electronics, Advanced Communication, and MedTech as the five strategic pillars that will drive future revenue growth. Compal believe that the dual engines of digital transformation and AI applications represent not merely a technological upgrade but a critical source of resilience that enables enterprises to maintain sustainable growth and long-term competitiveness in increasingly uncertain market environments.

Building on its outstanding design and R&D capabilities, 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. This recognition not only affirms our design excellence on the global stage but underscores Compal's commitment to integrating technological innovation with user experience.

Governance Excellence: A New Milestone in Sustainability Assessment

Integrity, accountability, and sound corporate governance form the cornerstone of Compal's sustainable development. In 2025, Compal achieved considerable progress in both governance performance and external sustainability assessments, reflecting our continued efforts to strengthen board effectiveness, enhance information transparency, and safeguard shareholder rights and stakeholder interests.

Through the continuous optimization of board diversity, the strengthening of independent directors' supervisory functions, and the establishment of a comprehensive risk management framework, Compal was recognized in 2025 as being among the top 5% in the Corporate Governance Evaluation. This distinction validates our ongoing commitment to governance excellence and demonstrates our concrete commitment to responsible management for all stakeholders.

In recognition of our comprehensive and excellent performance in environmental, social, and governance dimensions, Compal's rating in the TIP Taiwan Sustainability Ratings was upgraded from AA to the highest rating of AAA. This achievement highlights our ability to transform sustainability governance into a core corporate strength and reinforces our role as a benchmark for sustainable development in the capital market in Taiwan.

Compal's consistently strong ESG performance has also led to its consecutive inclusion in the FTSE4Good Index and the FTSE4Good TIP Taiwan ESG Index. In the global assessment of the Dow Jones Best-in-Class Index (DJBIC) [Note], Compal's score rose significantly to 89 points, placing it among the industry leaders. In addition, Compal was included in the 2026 S&P Global Sustainability Yearbook and recognized among the Top 5% in the Computers, Peripherals and Office Electronics industry.

Note: Dow Jones Best-in-Class Index (DJBIC, formerly the Dow Jones Sustainability Index, DJSI)

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Climate Action and Circular Innovation: Driving the Green Transformation of Industry

In the face of escalating climate-related challenges, Compal continues to actively fulfill its responsibilities as a corporate citizen. Compal has formally joined RE100 and committed to achieving 100% renewable electricity use by 2050. In addition, our decarbonization targets have been validated by the Science Based Targets initiative (SBTi), indicating that our emissions reduction pathway is aligned with the goal of limiting global warming to 1.5°C under the Paris Agreement.

Recognizing the environmental impact of electronic waste, Compal has advanced circular innovation at the product level. Through its Modular Laptop design, Compal has redefined the conventional product life cycle by enabling easier disassembly, upgrade, and repair, thereby significantly improving component reusability and resource efficiency. This industry-leading innovation earned Compal the Gold Award for Resource Circulation of the Ministry of Environment, reflecting our ongoing commitment to realizing a cradle-to-cradle vision.

By improving production efficiency, implementing green building standards, and actively procuring renewable energy, Compal has achieved significant reductions in the combined emissions of Scope 1 and Scope 2 compared with the data of the base year. In recognition of these efforts, Compal was selected for Business Weekly's 2025 Carbon Competitiveness Top 100. Beyond our own operations, Compal continues to extend climate action across the value chain through the ONE+N Supply Chain Net-Zero Acceleration Program. Through this initiative, Compal collaborates with supply chain partners to build decarbonization capacity and accelerate collective progress toward net zero. By now, the program has achieved cumulative carbon reductions of 14,761 tCO_2e, demonstrating our commitment to amplifying sustainability impact across the whole value chain.

Honors in 2025: Broad-Based Recognition for Sustainability Leadership

The year 2025 was a year of significant achievement for Compal in the field of sustainability. At the 8th Global Corporate Sustainability Forum (GCSF), Compal once again demonstrated comprehensive ESG leadership and were honored with the Taiwan Top 100 Sustainable Model Enterprises Award, the Taiwan Sustainability Report Platinum Award, the Global Corporate Sustainability Award (GCSA) – Sustainability Report Bronze Award, as well as three individual performance excellence awards: Circular Economy Leader, Information Security Leader, and Sustainable Supply Chain Leader. In addition, Compal ranked 12th among the Top 100 in the 2025 CommonWealth Sustainability Citizen Awards, maintaining its position among the leading sustainability performers in Taiwan.

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Social Inclusion: Advancing Volunteerism, Ocean Stewardship, and Cultural Continuity

Compal believes that long-term corporate value is inseparable from care for people, communities, and the environment. Compal integrates public welfare into daily operations and promotes social inclusion through diverse initiatives.

Compal is committed to fostering a workplace rooted in social responsibility and provides employees with one day of paid volunteer leave each year. In 2025, the employees of Compal participated in a broad range of volunteer activities, including the Taiwan D.B. Art Collective for children with autism, Mid-Autumn Festival charitable service in support of the sheltered workplace of Taiwan Kanner Autism Foundation, and the long-standing ecological restoration volunteer program at Guandu Nature Park. These initiatives not only strengthen employees' awareness of social issues but further embed a culture of empathy, participation, and shared responsibility into the organization.
The characteristics of Compal's public welfare initiatives are continuity and collective influence. The Compal Charity Cycling Tour officially entered its tenth year in 2025. Organized by the procurement team of Compal in collaboration with supply chain partners and volunteer cyclists, the initiative included a ride from Taipei to Hualien, visiting seven social welfare organizations and personally delivering donations and supplies. This decade-long effort exemplifies how shared values across the supply chain can generate meaningful and lasting social impact.
To raise public awareness of marine conservation, Compal organized the 2025 Group Joint Beach Cleanup at Longmen Beach in Gongliao District, New Taipei City. At the same time, Compal promoted the Pinglin Organic Tea Adoption Program in Pinglin area upstream of the Feitsui Reservoir. By supporting organic agriculture as a practical approach to biodiversity conservation, Compal has demonstrated that environmental stewardship and local agricultural development can be promoted in parallel.
In 2025, the Hsu Chao-Ying Charity Foundation, which Compal has long supported, received the Cultural Equity Award from the Ministry of Education. This recognition reflects the results of our sustained commitment to arts education and the preservation of local culture. Meanwhile, our ESG Rural Reading Program, which is conducted in partnership with the Kaohsiung Public Library, has continued to narrow the disparities in access to educational resources.

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. Compal provides 90 days of paid parental leave, exceeding statutory requirements, as well as childbirth subsidies of up to NT$66,000 per single birth. In addition, Compal strengthens talent competitiveness through diversified talent development and training programs.

Looking ahead, Compal will continue to uphold its corporate spirit composed of innovation, harmony, and transcendence while deepening its dual-axis AI transformation strategy and delivering industry-leading integrated solutions to customers. As Compal pursues profitable growth, Compal will remain equally committed to talent development, employee well-being, and environmental sustainability. Facing the next stage of transformation, Compal will continue to translate commitments into action, generating more positive and lasting impacts on society and the environment. Compal will continue to advance a new chapter of sustainable development and shared value creation together with all stakeholders.

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1 About Compal

Stick to the Original Intention

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

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

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

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1.1 Company Overview

Compal Electronics, Inc. was founded in Taoyuan in 1984. With a professional management team and strong research and development capabilities, the Company has evolved from a computer peripheral manufacturer into its current scale of operations. In 1992, the Company was approved for primary listing on the Taiwan Stock Exchange. In response to the trend of globalized supply chains, Compal established its manufacturing base in Kunshan, China in 1996. Beginning in 2009, the Company successively invested in and established manufacturing centers, R&D centers, and service centers in Sichuan Province of China, Vietnam, Brazil, Mexico, Poland, and other locations, enabling it to provide localized services to customers through its global operational network.

Compal's corporate headquarters is located in Neihu District, Taipei City, serving as the center for business operations, procurement, finance, accounting, and management, while also functioning as the Company's primary R&D hub. In 2011, an additional R&D base was established in Linkou, Taoyuan. Compal's manufacturing facilities are located in Pingzhen, Taiwan, and in Kunshan, Nanjing, Chongqing, and Chengdu, China. The Company also established a manufacturing facility in Vietnam in 2007 and a notebook computer manufacturing facility in Brazil in 2008.

In response to the impact of the U.S.-China trade tensions and in alignment with government economic policies, Compal launched its Taiwan reinvestment plan in 2019 and actively expanded its Vietnam plant project, creating additional employment opportunities for local economies. In 2021, Compal further strengthened its investments in Taiwan by establishing a 5G AIoT Application Innovation Base in the Asia New Bay Area of Kaohsiung and collaborating with Kaohsiung Medical University to build the largest cell therapy laboratory in Southern Taiwan. The Company also participated in investments in the Taipei Beitou-Shilin Technology Park under five major development pillars—smart economy, smart healthcare, smart transportation, smart environment, and smart buildings—with plans to establish a group corporate headquarters and foster a future smart innovation cluster. In terms of manufacturing operations, Compal continues to expand its regional production capacity. The Company established a new facility in Indiana, U.S.A. in 2021 and added a new facility in Mexico in 2023 to reduce the risk of overconcentrated production and to provide customers with the most suitable service and manufacturing solutions. In 2024, Compal established a new automotive electronics plant in Poland, with Phase I construction completed in June 2025. In October 2025, the Company signed a plant lease agreement in Texas, U.S.A., demonstrating Compal's commitment to strengthening its presence in the North American market and enhancing the resilience of its global supply chain.

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

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

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

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

Personal Computer BG (PCBG)

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

Smart Device BG (SDBG)

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

Infrastructure Solutions BG (ISBG)

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

Auto Electronics Products BU (AEPBU)

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

Medical BU (MBU)

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

Corp. Innovation & Research Institute

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

Compal Milestones

1984
- Establishment of Compal

2011
- Establishment of Chengdu and Chongqing plants in Sichuan
- Compal's netbook obtained Carbon Footprint Label certificatio from the Environmental Protection Administration in Taiwan

2013
- Acquisition of the Toshiba LCD assembly plant in Kobierzyce, Wroclaw Special Economic Zone, Poland, to increase production capacity.

2014~2016
- Merger with Compal Communication Inc.(2014)
- Entered smart medicine industry(2015)
- Strategic investment in IoT(2016)

2017
- Became the first automotive electronics system vendor in Taiwan to achieve SGS ISO 26262 road vehicle safety process certification

2018
- Annual output of 40 million notebook computers accounted for 24% of global market share
- Revenue grew to NT$967.7 billion

2019
- ISO 50001 certification of plants
- Added new plant in Guanying, Taoyuan, and expansion of production capacity in Vietnam
- Revenue reached record high of NT$980.435 billion

2020
- Official opening of a 5G laboratory focusing on solutions in four fields: industrial, agricultural, medical, and e-sports.
- Shipped more than 100 million 5C-related products to set a record revenue of NT$1,048.929 billion

2021
- Investment in innovative R&D center in Taiwan, and establishment of PCBG R&D center and 5G AIoT innovation base in Kaohsiung; establishment of the largest cell therapy laboratory in southern Taiwan in partnership with Kaohsiung Medical University; investment in Beitou Shilin Technology Park in Taipei
- New Indianapolis Plant in the US to accelerate the expansion of auto electronic production capacity.

2022
- Expansion of industrial computer portfolio through acquisition of "Poindus System."
- Contracted with New Taipei City Government on investment of medical and long-term care facility in Ruifang
- Investment in innovative R&D center in Taiwan, and establishment of PCBG R&D center and 5G AIoT innovation base in Kaohsiung
- Secured rights to 40 hectares of land in Vietnam's Thai Binh Province to construct a third plant for Compal Vietnam

2023
- Construction begins on Smart Innovation Park at Group Headquarters in BSTP
- New Mexico Plant to accelerate the expansion of auto electronic production capacity

2024
- Compal's subsidiary, Poindus Systems Corp., acquired Varlink Limited, a UK-based hardware channel distributor.
- In November 2024, Compal's Ruifang medical and long-term care facility held a groundbreaking ceremony, with an investment of nearly NT$1 billion. It is expected to be completed and launched in 2028.

2025
- Completed Phase I of the Poland automotive electronics plant.
- Invested in a Texas server manufacturing center to strengthen North America presence.

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1.2 Sustainable Operation

Compal Business Philosophy

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

Sustainability Vision and Promise

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

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

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

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

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Sustainability Development Core Objectives (1-2)

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

Topic	Strategy	Target of FY-2026	Target of FY-2030	Target of FY-2035
Green Product	Develop eco-friendly products based on the principles of environmental protection, sustainability and regenerative design.	○ 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.	○ Adopt recycled plastic material with a recycling rate >55% in green products. ○ Incorporating four types of recycled materials in green product design.	○ Adopt recycled plastic material with a recycling rate >65% in green products. ○ Incorporating five types of recycled materials in green product design.
Improving Climate Resilience	Based on the SBT roadmap, implement energy-saving measures, expand the use of renewable energy, and carry out Scope 3 inventory to achieve greenhouse gas reduction target.	Scope 1+2 to reduce by 32.25% compared to 2019	○ Scope 1+2 to reduce by 50.68% compared to 2019 ○ Scope 3 to reduce by 25% compared to 2021	○ Scope 1+2 to reduce by 73.08% compared to 2019 ○ Scope 3 to reduce by 41.25% compared to 2021
	Integrate Governance: Embed climate risks into decision-making and investments with cross-functional governance.	Internal Carbon Pricing (ICP): Implement an internal carbon pricing 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
Supplier Assessment & Development	○ Optimization of sustainable supply chain workflows and systems. ○ Assist suppliers with implementing capacity building projects and provision of in-depth mentoring.	○ Control high risk supplier in 5%, and increase on-site audit rate yearly to reduce supplier sustainability risk. ○ Expand annual SAQ to Tier-1 MRO Critical Supplier. ○ Encourage high-emission suppliers to complete 2026 CDP.	○ More than 95% suppliers have adopted the management system. Control the proportion of high-risk suppliers to remain below 5%. ○ Audit 15% of the total number of suppliers to mitigate supplier sustainability risks. ○ Incorporate the Supplier Code of Conduct as a mandatory criterion for vendor selection; require high-carbon emission suppliers to comply with Compal's SBTi Scope 3 reduction targets.	○ 100% of suppliers used the management system. Control the proportion of high-risk suppliers to remain below 5%. ○ Audit 20% of the total number of suppliers to mitigate supplier sustainability risks. ○ Require high-carbon emission suppliers to comply with Compal's SBTi Scope 3 reduction targets.
Compliance, Ethical Managementan and Anti-Corruption.	Implement education and training, shape a corporate culture of integrity, and strengthen supervision and management mechanisms.	○ Conduct ethical corporate management relevant training for all new employees. ○ Ethical corporate management audit will be conducted and the implementation status will be reported to the Board of Directors annually in compliance of the ISO 37001 framework and methodology.	○ The training assignment rate for conducting ethical corporate management relevant training for new employees remains at 100%. ○ Keep conducting ethical corporate management audit annually and report the implementation status to the Board of Directors.	○ The training assignment rate for conducting ethical corporate management relevant training for new employees remains at 100%. ○ Keep conducting ethical corporate management audit annually and report the implementation status to the Board of Directors.

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Sustainability Development Core Objectives (2-2)

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

Topic	Strategy	Target of FY-2026	Target of FY-2030	Target of FY-2035
Talent Development and Retention	Establish diverse recruitment channels, optimize precise talent selection mechanisms, and strengthen the cultivation of leadership skills to consolidate the talent pool of organizational management and promote the sustainable development of Compal's talent.	○ Retention rate of key positions : 90% ○ The average training hours of per manager is 17.5 hours.	○ Retention rate of key positions : 90% ○ The average training hours of per manager is 20 hours.	○ Retention rate of key positions : 90% ○ The average training hours of per manager is 22.5 hours.
Occupational Safety and Health	Implementing the ISO 45001 management system to enhance employee safety and health education and raise health awareness, creating a safe working environment.	○ Global record of 0 occupational diseases and 0 fire incidents. ○ Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. *Note: Excluding traffic-related occupational accident.*	○ Global record of 0 occupational diseases and 0 fire incidents. ○ Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. *Note: Excluding traffic-related occupational accident.*	○ Global record of 0 occupational diseases and 0 fire incidents. ○ Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. *Note: Excluding traffic-related occupational accident.*
Customer Service Management	○ Diversify into emerging products and markets to expand business scope. ○ Strengthen client engagement and deepen long-term partnerships aligned to sustainability goals. ○ Strengthen geopolitical risk mitigation strategies and improve supply chain resilience.	○ Customer satisfaction rating > 90% or Top 2 in customer QBR ○ 100% customer satisfaction survey overage	○ Customer satisfaction rating > 90% ○ 100% customer satisfaction survey overage	○ Customer satisfaction rating > 90% ○ 100% customer satisfaction survey overage
Information Security and Privacy Management System	Through active defense, internal and external information security audits, incident monitoring analysis, corrective and improvement measures, and management review, Compal continue to track improvements and maintain the effectiveness of the information security management system.	○ Availability of critical system>99.44% ○ Click-through rate for employee social engineering drills < 5% ○ No complaints involving violations of information security or personal data protection resulted in judicial action.	○ Availability of critical system>99.44% ○ Click-through rate for employee social engineering drills < 3% ○ No complaints involving violations of information security or personal data protection resulted in judicial action.	○ Availability of critical system>99.44% ○ Click-through rate for employee social engineering drills < 3% ○ No complaints involving violations of information security or personal data protection resulted in judicial action.

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Sustainable Development Milestones

2010
- Establishment of **CSR Committee and Office**
- Establishment of **Green Committee/ Green Sustainability Taskforce**

2011
- First **Report** Published
- Membership of **Responsible Business Alliance (RBA)**
- Establishment of **Independent Directors**
- Establishment of **Remuneration Committee**

2013
- First-ever win of **Sustainability Report Award**
- Adopt shareholders' **Electronic Voting** for AGN

2014
- Formulation of **Corporate Governance, Ethical Management,** and **Corporate Social Responsibility Best Practice Principles**

2015~16
- Establishment of **Audit Committee**
- Launch **CSR** and **Sustainability** website

2017
- Introduction of **GRI standards** for CSR report

2020
- **Supplier Management Platform** goes live for strengthening supply chain relationships

2021
- Introduction of **SASB** and **TCFD** disclosure standards for ESG Report

2022
- Establishment of **Sustainability Committee**
- Signed onto Science-based Targets Initiative (**SBTi**)

2023
- Establishment of **ESG Office**
- Participation in **DJSI** survey
- Implementation of **Supplier Net Zero** acceleration plan

2024
- Appoint a **female director**
- Verification from **SBTi**
- Official member of **RE100**

2025
- Adopted **IFRS** Sustainability Disclosure Standards

Note: Dow Jones Best Category Index (DJBIC, formerly the Dow Jones Sustainability Index DJSI)

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Structure of Sustainability Organization

Compal Board of Directors

Sustainability Committee

ESG Office
CSO / Deputy CSO

Economy

01. Innovation
- Green Products
- Innovative Applications
- Hazardous Substance Management

02. Customer Relationship
- Customer Service Management
- Customer Satisfaction

03. Sustainable Supply Chain
- Raw Material Management
- Conflict Minerals Management
- Supplier RBA Auditing
- Supplier Environmental Management

Environment

04. Environment
- Sustainable Environmental Commitment
- Climate Change Strategies
- GHG Management

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

Social

06. Human Resources
- Employee Care
- Talent Development

07. Social Participation
- Social Welfare
- Contribute to Community
- Environmental Conservation

Governance

08. Corp. Governance
- Board of Directors' Functions
- Integrity and Anti- Corruption
- Tax Policy
- ESG Communication

09. Info. Security
- Information Security Training and Promotion
- Cyber Security
- ISO27001

10. Risk Management
- Risk Management Policy
- Risk Identification and Measurement
- Risk Reporting and Disclosure
- ISO31000 Compliance

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Sustainability Committee

Compal established the Sustainability Committee in 2022. In 2024, due to the re-election of directors, the Board of Directors resolved to appoint six members, more than half (five) of whom are independent directors, and all members elected one director to serve as the Commissioner. The committee held six meetings in 2025, and its responsibilities include providing leadership on sustainability matters, external communication of policies and positions, internal definition of targets and direction, consolidation of resources, approval of action plans, performance reviews, and reporting to the Board of Directors. At the same time, the Committee is also establish various communication mechanisms for stakeholders and responding proactively to expectations, criticism, and suggestions from all parties. For detailed information, please refer to the Company's official website. Sustainability Committee

ESG Function Team

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

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

Sustainability Policy and Sustainable Development Charter

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

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

ESG Office

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

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1.3 Sustainable Achievements in 2025

Sustainable Achievements in 2025 (1-4)

Sustainability Axes	Topic	2025 Targets	2025 Outcomes	Targets Accomplished
Environmental Sustainability	Improving Climate Resilience	1. Scope 1+2 to reduce by 4.48% compared to 2024. 2. Renewable energy in electricity consumption ratio 44%. 3. Complete the establishment of an internal carbon pricing mechanism and define the governance framework. 4. Continuing to promote carbon reduction in the supply chain and achieving the target of 10,000 tCO_2e.	1. Scope 1 and Scope 2 greenhouse gas emissions decreased by 33.5% compared with the previous year. The Company will continue to implement decarbonization measures in pursuit of its net-zero target. 2. Renewable energy accounted for 57.2% of energy use within the Company's operational boundary. The Company will continue to increase renewable energy use in line with its energy planning and market conditions.[note] 3. The calculation methodology and governance framework for internal carbon pricing (ICP) have been established. Further optimization and integration into management practices will be carried out. 4. The MOEA Industrial Development Administration ONE+N Net Zero Project has been completed, achieving a cumulative carbon reduction of 14,761 tCO_2e, exceeding the original target.	✓
	Green Product Design and Innovation	1. Focus on green product design by incorporating recycled plastic materials with a recycling rate of over 40%. 2. Expanding the scope of recycled material, introducing diverse regenerated materials to achieve sustainable product design materials to achieve sustainable product design. 3. More than 5~10% of all patent application with ESG-related patents.	1. Out of 62 new projects, 35 projects (56%) have adopted recycled plastic materials with a recycling rate of over 40%. 2. Incorporating three different types of recycled materials, including plastic, steel, and magnets into product design, 34% of projects that include two or more types of recycled materials. 3. Achievement rate: 22.8%. (A total of 114 ideas had been filed patents, of which 26 are related to ESG concept.)	✓

Note: The data in this table is calculated based on the standalone financial statement boundary and is not directly comparable with other data in this report prepared on a consolidated financial statement basis.

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Sustainable Achievements in 2025 (2-4)

Sustainability Axes	Topic	2025 Targets	2025 Outcomes	Targets Accomplished
Employees and Society	Friendly and Happy Workplace	1. Global proportion of female employees : 40%, Female managements : 32%. 2. Global employee satisfaction survey coverage rate reaches 100%.	1. Global proportion of female employees : 41.05%, Female managements : 31.18%. 2. Global employee satisfaction survey coverage rate reaches 100%.	
	Talent Development and Retention	1. Retention rate for key positions: 90%. 2. Average 16 hours of training per person in management position.	1. Retention rate of key positions : 89% 2. The average training hours of per manager is 26.03 hours.	
	Occupational Safety and Health	1. Global record of 0 occupational diseases and 0 fire incidents. 2. Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. [note1]	1. Global record of 0 occupational diseases and 0 fire incidents. 2. Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. [note1]	
	Community Involvement and Social Welfare	Actively support charity projects, track charity investment over a 10-year period and increase financial investment by more than 10% by 2030 with 2020 charity spending as the baseline.	Investment in Social Engagement in 2025 is NT17,235,334.	
Sustainable Supply Chain	Supplier Assessment & Development	1. Control high risk supplier in 5% . 2. Conducted 3rd party assurance audit for two DJBIC[note2] indicators 3. 100% significant PCB suppliers completed 2025 CDP survey. 4. ESG GO platform course invitation and optimization to 50 courses	1. Control high risk supplier in 4.1% (target: <5%), and completed on-site audits for 26 suppliers. 2. Conducted EY 3rd party assurance audit for two DJBIC[note2] indicators 3. CDP Carbon Disclosure: 500 suppliers participated / submission rate 60.4%; 82 high-carbon suppliers / submission rate 86.6%. 4. ESG GO Platform (50 courses): Course invitation and optimization completed, 100% achieved.	
	Conflict Mineral	Cooperate with customer policy, increase due diligent scope more than 3TG, cobalt and mica.	Conducted Conflict Mineral Training; 749 suppliers has responded the survey in 2025.	
	Enhance Green Product Management Processes	1. To ensure 100% compliance with hazardous substances regulations and customer specifications. 2. Integrate supplier interfaces and optimize questionnaires through the QMS (Question Management System) to complete investigation and analysis of newly added hazardous substances. 3. Implement the second and third phase evaluations of the product carbon footprint system (include manufacturing, transportation, usage, and disposal) to build the capability of carbon emissions inventory throughout the product lifecycle.	1. 100% compliance with hazardous substance regulations for products and customer specifications 2. Conducted a survey based on the REACH SVHC Lists (Batch 33 and 34), covering 505 suppliers and 20 major substance categories, to support customers in ensuring product compliance. 3. Phase III of the Product Carbon Footprint System will officially launch on February 2026. By integrating with the existing Phase I and II frameworks, the system will achieve full life-cycle coverage, increasing the efficiency of carbon data collection by 30% across all stages.	

Note1: Excluding traffic-related occupational accident. Note2: Dow Jones Best-in-Class Index (DJBIC, formerly the Dow Jones Sustainability Index, DJSI)

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Sustainable Achievements in 2025 (3-4)

Sustainability Axes	Topic	2025 Targets	2025 Outcomes	Targets Accomplished
Corporate Governance	Sustainability Performance	Improve long-term performance in sustainability evaluations to reach Top 20% in the Corporate Governance Evaluation.	1. The 11th TWSE CG evaluation advanced two levels, achieving a Top 5% ranking among listed companies. 2. FTSE Russell ESG score increased to 4.5—the highest among industry peers. 3. S&P Global ESG score improved to 89.	✓
	Regulatory Compliance, Ethical Magement and Anti-Corruption[note]	1. Major penalties imposed by the government: 0 2. No violations of ethics or anti-corruption rules among global employees: 0	1. The major penalty event: 0 2. Violation against honest operation or anti-corruption by employees in any country: 0	✓
Risk Management	Keep Controlling Medium and High Risks	1. Control the number of medium and high risks : o High-risk maintain 0 item. o Moderate risk reduced to 9 items. 2. Risk management audit will be conducted every two years in compliance of the ISO 31000 framework and methodology. 3. 100% implement the risk management course in HQ.	1. In 2025, two high risks—overseas expansion and supply chain shortages—were mitigated by the responsible units through appropriate measures to achieve risk control. In addition, nine medium risks were managed with mitigation measures, thereby achieving effective risk management. 2. In 2025, a risk management audit was conducted. The information technology risk, classified as medium in 2024 and showing an upward trend, was reviewed for mitigation measures, with no significant issues identified. 3. 100% participation achieved in 2025. (The risk management course was implemented for all employees at the Taiwan plants who had been employed for three months or more and were at or below the division level.)	✓
	Risk Management of Sustainability Issues	1. Incorporate sustainable information management into the annual audit plan and conduct audit programs based on the Company's Internal Control System of "Management of Sustainable Information." 2. Conduct important operational audits of overseas subsidiaries, identify risks, and establish effective controls. 3. Track the implementation progress of the IFRS Sustainability Disclosure Standards introduction plan and establish relevant internal control systems by the end of 2025.	1. The management of sustainability Information has been incorporated into the 2025 annual audit plan and audited, with no significant issues identified. 2. Operational audits of overseas subsidiaries, including those in China, Vietnam, the United States, and Mexico, were carried out to identify risks and implement appropriate control measures. 3. The implementation progress of the IFRS Sustainability Disclosure Standards and the relevant results (including the identification of sustainability risks and opportunities as well as financial quantification) have been completed in accordance with the planned schedule and in conjunction with the revision of the internal control system "Sustainability Information Management Operations," have been submitted to the Board of Directors.	✓

Note: Fines refer to penalties of NTD 1 million or above.

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Sustainable Achievements in 2025 (4-4)

Sustainability Axes	Topic	2025 Targets	2025 Outcomes	Targets Accomplished
Customer Relations	Customer Service Management	1. Achieve over 90% customer satisfaction or rank in the top 2 of customer QBR assessments. 2. Customer satisfaction survey coverage reached 100%.	1. Customer satisfaction rating : 90.5% 2. Customer satisfaction survey coverage reached 100%.	✓
Information Security	Information Security and Privacy Management System	1. Availability of critical system> 99.44% 2. Third-party enterprise information security risk rating score exceeds 90 points. 3. Click-through rate for employee social engineering drills < 5%. 4. No complaints involving violations of information security or personal data protection resulted in judicial action.	1. Availability of critical system> 99.9% 2. Third-party enterprise information security risk rating score is 96.7 points. 3. Click-through rate for employee social engineering drills : 1.4%. 4. No complaints involving violations of information security or personal data protection resulted in judicial action.	✓

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2 Compal and Stakeholders

Key Performance

- Customer satisfaction survey coverage reached 100%, with an overall customer satisfaction score of 90.5.
- Multiple communication channels were maintained across Taiwan and overseas sites to ensure open and effective communication with employees, resulting in a total of 44,117 communication cases in 2025. The coverage rate of orientation training on the Code of Conduct for new employees reached 100%.
- Approximately 104 in-person and online meetings were held to engage with nearly 200 investors. A total of 34 inquiries were received and formally responded to through the investor communication mailbox.
- Key suppliers participated in Compal ONE+N Electronic Supply Chain Net-Zero Acceleration Program for the electronics industry, achieving an actual carbon reduction of 14,761 metric tons, with an achievement rate of 147.6%.
- The Company maintained effective communication with the Resource Circulation Administration, Ministry of Environment and received the "2025 Gold Award for Circular Economy Excellence Awards."
- A total of 38 media press releases were issued, and product launches and corporate partnership press conferences were held to enhance public understanding of the Company's business developments.
- A total of 93 posts were shared with stakeholders through the latest news section of the Compal Sustainability Website, while the Facebook fan page published 137 posts and recorded 144,261 page views.
- Number of reports involving fraud or violations of professional ethics: 0

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2.1 Stakeholder Communication and Engagement

Purpose of Stakeholder Communication

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

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

Compal reports to the Board of Directors regularly once a year in accordance with the "Sustainable Development Best Practice Principles" and the "Corporate Governance Evaluation" regulations. The communication with stakeholders in 2025 is as follows and was reported to the Board of Directors on March 27, 2026. For relevant contact information, please refer to: stakeholder comm.

Stakeholder Engagement Status (1-8)

Stakeholder

Customers

The Significance of Stakeholders

To strengthen long-term partnerships, Compal places great importance on customer rights. We actively appreciate customer needs and accurately fulfill their requirements, providing high-quality products and services to enhance our product competitiveness and customer reliance.

2025 Key Concerns

- Privacy and Information Security
- Integrity Management
- Customer Relations
- Business and Human Rights
- Occupational Safety and Health

2025 Communications	Channel and Method	Frequency
○ 100% survey coverage; overall satisfaction score: 90.5; improvement actions implemented. ○ 100% complaints responded within 24 hours; zero major product quality incidents. ○ Promoted low-carbon and circular design; 33 iF Design Awards received and top 10 enterprises recognized among the world in 2025. ○ Participated in 3 international exhibitions (including CES); at least 5 customer sustainability rating improvement cases achieved. ○ Discussion of certification-related activities during project and audit meetings. Collaborating with customers to address global climate action challenges, working together to promote localized net-zero carbon reduction measures, and investing in or procuring local green energy. ○ Tracking, impact analysis, and response plans for new regulations. ○ Analysis and internalization of customer requirements as Compal's own supplier management requirements to ensure 100% compliance with customer specifications on hazardous substance restrictions. ○ Complete the customer factory audit and the company's quality system QC080000 audit to ensure that the hazardous substance management is implemented in compliance with relevant regulation. ○ Compal continues to pass ISO/IEC 27001 3rd party certification audit,and identification of internal external issues with the information security management is conducted every six months to establish stakeholder expectations of the information security management system (including customer requirements on information security). ○ Amount of major complaints in 2025: 0.	Customer Satisfaction Survey	Annually
	Customer Service Mechanism	Real-time
	Technical and Innovation Seminars	Ad-hoc
	International Trade Exhibitions	Annually/ When necessary
	Regular Communication and Discussion Conference	Ad-hoc
	Email Discussion	Ad-hoc
	Attend Customers' Supplier Conferences and Ask Related Questions	Ad-hoc
	Third Party & Customer Audits	Scheduled Ad-hoc
	Fraud or Violation of Ethical Conduct Report	Ad-hoc

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Stakeholder Engagement Status (2-8)

Stakeholder

Employee

The Significance of Stakeholders

Employees are the core of the company, and Compal emphasizes talent development and the improvement of professional skills, ensuring their ongoing contributions to the company's success. Through labor-employer communication channels, the company delivers internal and external information and values the voices and opinions of employees to strengthen two-way communication between the company and employees.

2025 Key Concerns

- Talent Development
- Product Quality
- Talent Attraction and Retention
- Occupational Safety and Health
- Privacy and Information Security

2025 Communications	Channel and Method	Frequency
○ A total of 4,809 employees and 2,725 managers participated in the Core Values Training Program respectively. ○ 100% coverage of on-the-job training (employee code of conduct) for new employees. ○ HR briefed supervisors at all levels on the revised performance appraisal system. Total: 9 sessions / 930 participants ○ Conducted educational training programs in Taiwan on the prevention of unlawful workplace violence and sexual harassment, with a total of 5,428 participants and an average course satisfaction score of 9.03 (out of 10). ○ Carried out the annual Global Employee Engagement Survey. ○ A total of 65 labor-management meetings and occupational health and safety committee meetings were convened by each plant. ○ The EAP counseling system hotline was used 203 times. Professional psychological counseling services at the Kunshan plant, with colleagues receiving one-on-one guidance, a total of 49 participants. ○ Unlawful infringement in the workplace complaint mailbox: A total of 23 cases were handled. ○ Maintaining open and effective communication with employees across Taiwan and overseas sites through multiple channels, including phone, email, and online consultations. In 2025, a total of 44,117 communication cases were recorded. ○ Promotion and feedback through social media platforms such as Facebook and Instagram. ○ A total of 1,347 employee responses were received from the survey on material topics for stakeholders. ○ "Pop-up window of threat Intelligence on employee computer" is communicated once new threat intelligence "Social engineering drills" and "information security education" are conducted every quarter and education and training conducted every year to enhance employee information security awareness. Internal/external audits are conducted on a regular basis along with continuous improvement. ○ Personal privacy education and audits. ○ Number of major complaints related to fraud or ethical conduct violations: 0	Green Product Design and Compliance	Ad-hoc
	Supervise Communication Activities	Ad-hoc
	Conference of Labor-Management Communication/Occupational Safety and Health Committee	Quarterly
	Convening of Welfare Committee	
	Internal Publications Welcome Employee's Life Creation	Bi-monthly
	Global Employee Engagement Survey	Annually
	Education Training	Ad-hoc
	Employee Assistance Programs (EAP)	
	Intranet and Employee Opinion Box, Illegal Infringement (incl. Sexual Harassment) in the Workplace Complaint Mailbox, Fraud or Violation of Ethical Conduct Report Mailbox	
	Internal Website and Email Campaigns, Promotion and Feedback via Facebook Fan Page / Instagram, etc.	

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Stakeholder Engagement Status (3-8)

Stakeholder

Investors/Shareholders

The Significance of Stakeholders

Ensuring the rights and interests of shareholders and investors is crucial for Compal's stability. A comprehensive understanding of the company's operational performance and long-term strategic direction is essential. We commit to announcing and responding to information related to operational results, finance, and stock affairs in accordance with regulations and investor requests, guaranteeing integrity and transparency.

2025 Key Concerns

- Financial Performance
- Integrity Management
- Risk Management
- Research and Innovation
- Product Quality

2025 Communications	Channel and Method	Frequency
○ Hosting of annual Shareholders' Meeting chaired personally by the Chairman. ○ Hosted institutional investor conferences or took part in investment forums a total of 13 times in 2025. ○ The Company participated in approximately 104 in-person and online meetings, engaging with nearly 200 investors. ○ The investor communication mailbox received, opened and responded to 34 cases during 2025. ○ Amount of major complaints in 2025: 0.	Shareholders' Meeting	Annually
	Investor Seminar	Quarterly
	In-Person & Online Meeting	Ad-hoc
	Shareholders' Hotline / Mailbox	
	Periodic publication of the Company's annual reports, quarterly reports, and monthly revenues	Scheduled
	Fraud or Violation of Ethical Conduct Report	Ad-hoc

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Stakeholder Engagement Status (4-8)

Stakeholder

Suppliers

The Significance of Stakeholders

Suppliers are essential long-term partners of Compal, and we believe that collaboration with them in engaging with ESG issues is vital to continuously enhancing our green supply chain, collectively strengthening the international competitiveness of the entire industry and promoting sustainable development.

2025 Key Concerns

- Product Quality
- Sustainable Supply Chain
- Integrity Management
- Customer Relations
- Occupational Safety and Health

2025 Communications	Channel and Method	Frequency
○ "ESG GO" online platform offering a series of courses on environmental sustainability, social responsibility, corporate governance, and green energy manufacturing technologies. ○ Supplier management system with periodic announcements of important matters. ○ Invited 9 suppliers for IDA One+N Program, total carbon emission reduction 14760.75 ton achieving 147.6% of the target. ○ Issue Supplier ESG Risk Assessment Questionnaire to identify suppliers risk ○ Complete 26 suppliers on-site audits. ○ Organize Product Carbon Footprint (PCF) briefing sessions and invite high-emission suppliers to participate in training. These sessions aim to strengthen suppliers' understanding of PCF through comprehensive explanations of the inventory process. ○ Collaborate with third-party certification bodies to audit supplier carbon emission survey forms, ensuring all provided data complies with ISO 14067 requirements. ○ Implementation of Risk Assessment for Outsourcing Information Equipment and Implementation of outsourcing supplier audits to enforce the information security management. Conduct the supplier information security self-assessment survey. A total of 10 suppliers were completed in 2025. ○ In 2025, conducted two supplier safety training seminars. ○ Amount of major complaints in 2025: 0.	Communication of the latest relevant regulations via the internal supplier system, Sustainability website	Ad-hoc/ Annually
	Email Discussion	Ad-hoc/ Annually
	Supplier Complaints Mailbox	Ad-hoc
	Conduct Supplier Training	Ad-hoc/ Semiannually
	Fraud or Violation of Ethical Conduct Report	Ad-hoc

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Stakeholder Engagement Status (5-8)

Stakeholder

Government

The Significance of Stakeholders

Compal is actively transforming its operational sites into components of "healthy cities" by partnering with local governments and embracing sustainable development principles.
Schools and talent development
Hospitals and medical care
Government agencies and civic responsibility
Waste management and green environmental protection
Community offices or committees

2025 Key Concerns

- Integrity Management
- Talent Development
- Risk Management
- Privacy and Information Security
- Research and Innovation
- Energy Management
- Air Pollution and Waste

2025 Communications	Channel and Method	Frequency
1. Receive and handle government regulations and official documents from the Environmental Protection Bureau.	Official Document	Ad-hoc
2. Receive relevant power outage/water outage information and related policy information from the Power Supply Bureau/Water Company.	Proactive Visit	
3. Receive and handle official government policy documents from the Government Administration Bureau. ○ Circular Economy Policy Alignment: Maintain communication with the Resource Circulation Administration (Ministry of Environment), share practical experience in modular laptop design and the application of sustainable materials, and enhance product ease of disassembly and material recyclability. Furthermore, the company was honored with the "2025 Resource Circulation Excellence Enterprise - Gold Award." ○ Industrial Upgrading and Global Presence: In collaboration with the Industrial Development Administration (Ministry of Economic Affairs), the company participated in the SATELLITE 2025 exhibition in the United States. Alongside 18 other Taiwanese manufacturers, we jointly showcased Low Earth Orbit (LEO) satellite communication products to increase international visibility and align with digital and green transformation policies. ○ Strengthening Policy Consistency: Continuously provide industry feedback through trade associations and project consultation meetings to ensure the company's circular design and low-carbon technology development remain consistent with national policy directions.	Government Policy Consultation and Dedicated Channel Communication	

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Stakeholder Engagement Status (6-8)

Stakeholder

Media

The Significance of Stakeholders

Maintain effective communication with the media to convey the company's vision and comprehensive information, enhancing the corporate image.

2025 Key Concerns

- Privacy and Information Security
- Financial Performance
- Integrity Management
- Product Quality
- Research and Innovation

2025 Communications	Channel and Method	Frequency
○ Hosting of annual press conference hosted personally by the Chairman. Explanation of the Company's annual results, future outlook, and communication of material topics of concern to the media. ○ A total 38 press releases were issued in 2025. Product launches or press conferences on business partnerships were also held. Media announcements gave the outside world a better understanding of the Company's business developments and activities.	Press Conference Press Release Media Mailbox/Telephone	Ad-hoc

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Stakeholder Engagement Status (7-8)

Stakeholder

Community

The Significance of Stakeholders

By harnessing the compassion and dedication of every Compal employee, we strive to build a "caring enterprise" that brings about a "new happiness" in society.

- Digital transformation and bridging of the education gap.
- Conservation of cultural heritage and respect for cultural diversity.
- Emphasis on environmental sustainability and support for joint initiatives.
- Life and health care, caring for the disadvantaged.
- Promotion of care services and encouragement of volunteer contribution.

2025 Key Concerns

- Integrity Management
- Climate Strategy
- Sustainable Products
- Privacy and Information Security
- Risk Management

2025 Communications	Channel and Method	Frequency
○ Employees from the Kunshan plant participated in four community volunteer initiatives, including service activities at senior care institutions and environmental clean-up efforts. ○ Annually sponsor the Neihu Technology Park Charity Run, organizing a Compal charity running team to participate, and take part in community blood donation drives involving thousands of participants. ○ Encourage Compal employees to adopt low-carbon lifestyles and jointly support the "Keelung–Taipei–New Taipei–Taoyuan Carbon Reduction Alliance" initiative. ○ Sponsor in-person after-school tutoring programs for students in rural communities in New Taipei, Taoyuan, Miaoli, Kaohsiung, and Hualien–Taitung. Support mobile library services in rural Kaohsiung, sponsor the "Hakka Corner" cultural section at Meinong Library in Kaohsiung, and fund library renovation at Ciwen Elementary School in Taoyuan. ○ Sponsor wetland environmental education programs for students to promote biodiversity conservation, and co-organize beach clean-up activities as well as environmental protection and circular economy education seminars with group affiliates. ○ Compal ESG website shared 93 posts through Latest News with all stakeholders, and published 137 posts on the FB Meta fan page, reaching 144,261 views.	Participation in Community Activities	Scheduled
	Compa ESG FB fan page push notification and opinions response	Scheduled /Ad-hoc
	Email Correspondence	Ad-hoc
	Telephone Discussion	Ad-hoc

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Stakeholder Engagement Status (8-8)

Stakeholder

Non-profit Organizations

The Significance of Stakeholders

By harnessing the compassion and dedication of every Compal employee, we strive to build a "caring enterprise" that brings about a "new happiness" in society.

- Digital transformation and bridging of the education gap.
- Conservation of cultural heritage and respect for cultural diversity.
- Emphasis on environmental sustainability and support for joint initiatives.
- Life and health care, caring for the disadvantaged.
- Promotion of care services and encouragement of volunteer contribution.

2025 Key Concerns

- Integrity Management
- Climate Strategy
- Sustainable Products
- Privacy and Information Security
- Risk Management

2025 Communications	Channel and Method	Frequency
○ Partnered with the Taipei Wild Bird Society to carry out wetland conservation and environmental education activities at the Guandu Nature Park. ○ Partnered with Hsu Chauing Social Welfare Charity Foundation to assist disadvantaged students with improving their quality of learning and provide support services for impoverished families. ○ Partnered with universities, colleges as well as rural junior high schools/elementary schools throughout Taiwan on providing volunteer services. ○ Responded to and established long-term partnerships with various non-profit organizations, including the Hsu Chauing Social Welfare Charity Foundation, Sunshine Social Welfare Foundation, the Society of Wilderness, Taiwan D.B. Art Collective, Taiwan Foundation for Autistic Children and Adults (Kanner Foundation), Ander Development Center, Dawn Happiness Center, Jia Li Li Foundation, World Vision Taiwan, Taiwan Fund for Children and Families, Taiwan Environmental Information Association, Taipei Wild Bird Society, and Tzu Chi Foundation, among others. ○ Supported the development of arts and culture through sponsorship of the Taiwan D.B. Art Collective documentary production. Organized four volunteer service events and diversity and inclusion sharing seminars for employees. ○ Compal employees participated in the end-of-year fundraiser and Mid-Autumn mooncakes donations to 4,346 students. Moreover, employees took part in 23 caring activities including 4 events from the Volunteer and Guitar Club. ○ Compal ESG website shared 93 posts through Latest News with all stakeholders, and published 137 posts on the FB Meta fan page, reaching 144,261 views.	Sponsoring Charity Events	Scheduled/Ad-hoc
	Email Correspondence	Monthly
	In-Person Visits	Ad-hoc
	ESG social media updates and response to feedback	Scheduled/Ad-hoc

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2.2 Materiality Analysis

Materiality Analysis

Compal has established a systematic materiality assessment process in accordance with the GRI Standards and the AA1000 Standards. The process comprises four key stages: organizational context assessment, identification of actual and potential impacts, prioritization of significant impacts, and determination of impact boundaries. Through this comprehensive assessment mechanism, the Company effectively identifies its material topics and determines the scope of sustainability information disclosure. Based on this process, the headquarters identified nine material topics for the 2025 Sustainability Report, namely: **Sustainable Supply Chain, Talent Attraction and Retention, Customer Relationships, Climate Strategy, Talent Development, Sustainable Products, Integrity and Ethics, Occupational Safety and Health, and Privacy and Information Security.** These material topics also serve as the basis for establishing the Company's long-term sustainability objectives.

In addition, the Company's materiality assessment process was independently assured by SGS Taiwan Ltd. in accordance with AA1000AS v3 to ensure its reliability and completeness. The Company identifies sustainability topics through multiple channels, including the Taiwan Depository & Clearing Corporation (TDCC) Investor Relations Platform (TDCC IR Platform), to gather industry-specific sustainability topics with potential financial materiality. The evaluation also references international sustainability assessments, including S&P CSA (DJBIC Note), CDP, FTSE, and Sustainalytics. Integrating its sustainability strategies, goals, and stakeholder engagement insights, the Company regularly holds sustainability working meetings to conduct internal and external analyses. After benchmarking against domestic and international peers, the Company ultimately identified 22 key sustainability topics.

Note: Dow Jones Best-in-Class Index (DJBIC), formerly the Dow Jones Sustainability Index (DJSI).

Materiality Identification Process

Step 1 Understanding the organizational context	**Step 2** Identifying actual and potential impact	**Step 3** Identifying and prioritizing significant impacts	**Step 4** Defining the scope of impact
Determine communication targets Eight major stakeholders	Questionnaire 1 Level of concern to stakeholders	Filtering principle **1** Results of three questionnaires	Upstream supply chain
Collect sustainability Issues 22 key sustainability topics	Questionnaire **2** Impact on company operations	Filtering principle **2** Material issues from the past three years and establishment of long-term targets.	Compal manufacturing & OEM
	Questionnaire **3** Impact on external sustainable development	Filtering principle **3** External monetary impact	Customer usage
		Filtering principle **4** Company risk assessment results	Broad societal stakeholders
		Filtering principle 5 External sustainability ratings	

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Step 1: Understanding the Organizational Context

Steps	Process	Results
Step 1: Communication Targets	Compal identified eight stakeholder groups by applying the AA1000 Stakeholder Engagement Standard (AA1000SES), based on the five principles of dependency, responsibility, tension/concern, influence, and diverse perspectives. These stakeholder groups include employees, investors/shareholders, customers, suppliers, government agencies, media, non-profit organizations, and local communities. They serve as the Company's primary engagement targets and reflect Compal's commitment to corporate sustainability.	8 Key Stakeholder
Step 2: Sustainability Topics	In 2025, Compal maintained the previous year's sustainability topic framework and continued to review and refine material sustainability topics relevant to its operations. Considering sustainability standards and initiatives, stakeholder feedback, business strategies, management feedback, industry characteristics, and peer practices, the Company confirmed that the 22 sustainability topics remained unchanged from 2024.	22 Sustainability topics

Step 2: Identification of Actual and Potential Impacts

The Company conducts materiality analysis from three perspectives: internal and external stakeholder concerns, impacts on business operations, and sustainability impacts. Based on GRI 3: Material Topics 2021 under the GRI Universal Standards 2021 and the double materiality concept introduced by the European Financial Reporting Advisory Group (EFRAG), the Company integrates impact assessment methodologies for economic, environmental, and social dimensions developed by organizations including the Value Balancing Alliance (VBA), the Harvard Business School's Impact-Weighted Accounts (IWA) research initiative, and the London Benchmarking Group (LBG). Through a systematic review of the relationships among material topics, business impacts, and external economic, environmental, and human rights impacts, the Company also incorporates non-monetary impact assessment methodologies into sustainability impact evaluations and has established an impact-based materiality analysis process.

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Step 2: Identification of Actual and Potential Impacts

Steps	Process	Results
Questionnaire 1: Level of Stakeholder Concern	An online survey was conducted to assess key stakeholders' concerns regarding various sustainability topics. A total of 1,731 valid responses were collected, including customers (16), suppliers (315), shareholders/investors (22), employees (1,347), media representatives (11), government agencies (4), non-profit organizations (3), communities (11), and others (2).	1731 valid responses
Questionnaire 2: Level of Business Impact (Internal)	The impact of sustainability topics on the Company's operations was assessed based on four operational impact factors: revenue growth, employee engagement, customer satisfaction, and operational risk. A total of 17 senior executives from the Sustainable Development functional groups participated in the assessment.	17 senior executives
Questionnaire 3: Sustainability Impacts (External)	○ Define External Sustainability Impacts: The Company applied methodologies developed by the Value Balancing Alliance (VBA), the Harvard Business School's Impact-Weighted Accounts (IWA) research initiative, and the London Benchmarking Group (LBG). Taking into account its operating conditions and development context, the Company identified 19 external sustainability impacts, comprising 12 positive and 7 negative impacts, across economic, environmental, and human rights dimensions. ○ Define Significance: For each external economic, environmental, and human rights impact, 22 employees and managers responsible for ESG affairs, projects, and related topics within the Company established quantitative thresholds based on the actual and potential impacts, the remediability of impacts, the location of impacts within the value chain, and their linkage to internal sustainability topics to determine the Company's significant external sustainability impacts. ○ Identification of Significant Impacts: Based on the thresholds established through the above process, the Company identified 12 significant external sustainability impacts, including: Positive – Company products and designs contributing to technological advancement; Positive – Procurement generating upstream economic value; Positive – Green design creating environmental benefits during product use; Positive – Renewable energy use, water recycling, and resource recovery mitigating environmental impacts; Positive – Employee compensation and salary increases supporting decent living and well-being; Positive – Increased direct employment and job opportunities enhancing purchasing power; Positive – Employee training improving professional skills and employability; Negative – Consumption of energy and resources affecting human health and ecosystems; Negative – Greenhouse gas emissions; Negative – Use of non-renewable materials contributing to natural resource scarcity; Negative – Environmental impacts arising from procurement activities; and Negative – Human rights impacts related to labor condition violations in the Company's operations or supply chain. ○ Linkage to Internal Sustainability Topics: In accordance with the disclosure requirements of GRI 3: Material Topics, the Company identified 12 significant external sustainability impacts related to its operations and further linked them to corresponding ESG topics within its operational processes. These linkages serve as the basis for prioritizing ESG topics and determining the report's material topics. ○ Monetization of External Impacts: The Company also adopts a Profit & Loss perspective and impact valuation methodologies to measure the positive (benefits) and negative (costs) impacts that value chain activities directly or indirectly generate for human well-being and socio-economic development. The monetized impact valuation analysis indicates that "Sustainable Supply Chain," "Climate Strategy/Energy Management," "Talent Attraction and Retention/Talent Development," "Customer Relationships," and "Sustainable Products" have the most significant impacts. Major positive impacts include procurement activities that create upstream value, employment opportunities, and income; product sales that generate value across the industry value chain; compensation and benefits that enhance employee well-being and purchasing power; employee training that strengthens professional skills, employability, and future earning potential; and the use of renewable energy and environmentally friendly product design (energy efficiency and recycled materials) that avoids the social cost of carbon associated with greenhouse gas emissions. Major negative impacts include supply chain environmental footprints, greenhouse gas emissions from manufacturing processes, impacts arising from end-product use, occupational injuries, gender opportunity gaps, harassment, and human rights risks in the Company's operations and supply chain. For further details, please refer to the "Sustainability Impact" section.	12 external sustainability impacts

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Step 3: Identification and Prioritization of Significant Impacts

Steps and Process	Results
Screening and Confirmation of Material Topics ○ Screening Criterion 1: Based on the analysis of the three questionnaires developed in Step 2: Identification of Actual and Potential Impacts, the Company identified topics that are of concern to stakeholders, have impacts on its operations, and have external sustainability impacts. ○ Screening Criterion 2: Material topics carried forward from the previous year for which long-term objectives have been established. ○ Screening Criterion 3: Based on the sustainability impact valuation analysis, topics with significant external impacts were identified after linking them to the Company's internal ESG topics. The screening criteria included Gross Value Added (GVA) exceeding NT$10 billion, environmental and social external costs or benefits exceeding NT$1 billion, or irreversible negative impacts. For further details, please refer to the "Sustainability Impact" section. ○ Screening Criterion 4: The Company integrated its Enterprise Risk Management (ERM) process to identify the linkages between sustainability topics and risk factors and prioritize risk management based on the likelihood and impact of risks, as well as the Company's risk appetite. For further details, please refer to the "Risk Management" section. ○ Screening Criterion 5: The Company referenced the topic weightings used in external sustainability assessments and considered its sustainability context. Based on the five screening criteria above, the Company identified significant topics and, following discussions between the ESG Office and senior management, determined nine material topics: Sustainable Supply Chain, Talent Attraction and Retention, Customer Relationships, Climate Strategy, Talent Development, Sustainable Products, Integrity and Ethics, Occupational Safety and Health, and Privacy and Information Security. These topics were subsequently reported to and approved by the Board of Directors. In 2025, the prioritization of the Company's material topics changed slightly from the previous year. Among the existing topics, the rankings of Sustainable Supply Chain, Climate Strategy, Talent Attraction and Retention, and Talent Development increased, while the priority of Customer Relationships, Sustainable Products, Occupational Safety and Health, and Privacy and Information Security declined slightly. Following in-depth discussions and evaluations by internal and external experts, Integrity and Ethics was added as a material topic, while Diversity and Inclusion was reclassified as a general disclosure and outcome-oriented topic. Although it is no longer categorized as a material topic, the Company will continue to disclose related initiatives and achievements in the Sustainability Report to ensure transparency and accountability.	9 material sustainability topics

Step 4: Definition of Impact Boundaries

Steps and Process	Results
The nine identified material sustainability topics correspond to nine topic-specific standards under the GRI Standards. Based on these topics, the Company defined the disclosure boundaries for its value chain—including supply chain management, operations, and products—as well as broader societal impacts, which form the basis for sustainability reporting.	9 GRI topics
To ensure that sustainability initiatives respond to stakeholder expectations and serve as internal benchmarks for performance evaluation, the Company established 19 long-term sustainability targets for 2035 based on its material topics.	19 long-term targets

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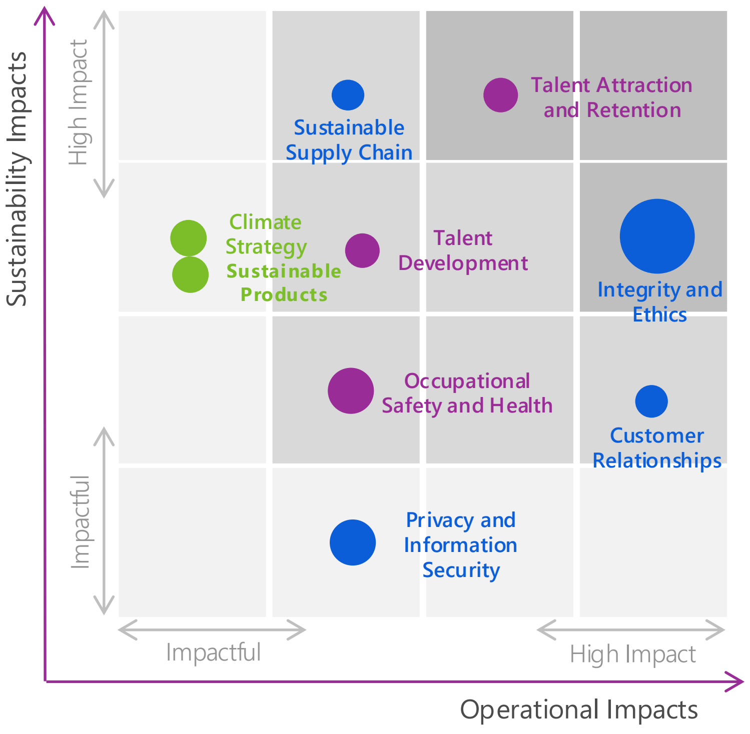
Material Topics and Value Chain Impacts

Aspect	Material Topic	GRI Topic	Value Chain			Society
			Supply Chain	Operations	Products	
Economic	Integrity and Ethics	Anti-corruption (205)	◎	●		○
	Privacy and Information Security	Customer Privacy (418)		●	◎	
	Sustainable Supply Chain Management	Supplier Social Assessment (414)	◎	●		
	Customer Relationships	Customer Health and Safety (416), Customer Privacy (418)			◎	
Environmental	Climate Strategy	Climate Change (102)	◎	●	◎	○
	Sustainable Products	Energy (103), Customer Health and Safety (416)	◎	●	◎	
Social	Talent Attraction and Retention	Employment (401)		●		○
	Talent Development	Training and Education (404)		●		
	Occupational Safety and Health	Occupational Health and Safety (403)	◎	●		

● Direct Impact ◎ Business Relationship ○ Indirect Impact

Material Sustainability Topics Analysis Matrix



1) Sustainable Supply Chain
2) Talent Attraction and Retention
3) Customer Relationships
4) Climate Strategy
5) Talent Development
6) Sustainable Products
7) Integrity and Ethics
8) Occupational Safety and Health
9) Privacy and Information Security

Degree of Stakeholder Concern

High → Low

E Environmental
S Social
G Governance

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Ranking of Material Sustainability Topics

Ranking[9]	Material Topics	Degree of Impact on Organizational Operations[1]	Level of Stakeholder Concern[2]	Sustainability Impact[3]	Existing Material Topic with Long-term Targets[4]	ERM Risk Ranking[5]	Impact Measurement & Valuation (IMV)[6]	External Sustainability Assessment (DJBIC Weighting)[7]	Total Number of Stars[8]
1	Sustainable Supply Chain	*	*	***	***	***	***	**	16
2	Talent Attraction and Retention	**	*	***	**	*	***	***	15
3	Customer Relationships	***	*	*	*	**	***	**	13
4	Climate Strategy		*	**	***	*	***	***	13
5	Talent Development	*	*	**	**	*	**	***	12
6	Sustainable Products			**	***	*	***	***	12
7	Integrity and Ethics	***	***	**		*		**	11
8	Occupational Safety and Health	*	**	*	**	*	*	*	9
9	Privacy and Information Security	*	**		***	**		*	9

*Note 1 : Among the four operational impact factors—revenue growth, employee engagement, customer satisfaction, and operational risk—*** indicates that the topic is associated with three or more impact factors; ** indicates association with two impact factors; and * indicates association with one impact factor.*

*Note 2 : Among the eight major stakeholder categories, *** indicates that the topic is of concern to four or more stakeholder groups; ** indicates concern from two to three stakeholder groups; and * indicates concern from one stakeholder group.*

*Note 3 : Among the 19 sustainability impacts, *** indicates that the topic may generate five to seven sustainability impacts; ** indicates three to four sustainability impacts; and * indicates one to two sustainability impacts.*

*Note 4 : *** indicates that the topic is an existing material topic with quantified long-term targets; ** indicates that the topic is an existing material topic with established long-term targets; and * indicates that the topic is either an existing material topic or has established long-term targets.*

*Note 5 : *** indicates that the topic is a priority risk requiring mitigation under the Enterprise Risk Management (ERM) process; ** indicates a secondary risk requiring mitigation; and * indicates a risk subject to monitoring under the ERM process.*

*Note 6 : *** indicates that the monetized value of external impacts exceeds NT$10 billion; ** indicates a monetized value ranging from NT$100 million to NT$10 billion; and * indicates a monetized value below NT$100 million.*

*Note 7 : *** indicates that the weighting of the relevant topic category in the Dow Jones Best-in-Class Index (DJBIC) assessment is ≥ 8 points; ** indicates a weighting of 4–7 points; and * indicates a weighting of ≤ 3 points. DJBIC was formerly known as the Dow Jones Sustainability Index (DJSI).*

Note 8 : The total number of stars is calculated by aggregating the ratings for Impact on Operations, Stakeholder Concern, Sustainability Impact, Existing Material Topics with Long-term Targets, ERM Risk Ranking, IMV, and External Sustainability Assessments.

Note 9 : Topic ranking was determined as follows: (1) first, whether the topic simultaneously generated impacts or concerns under the screening criteria specified in Note 8 (i.e., the greatest overlap among the criteria); and (2) second, the total number of stars assigned to the topic.

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Compal Double Materiality | Material Topics and Risk Management

Aspect				Economic				Environmental		Social		
Material Topics				Integrity and Ethics	Privacy and Information Security	Sustainable Supply Chain	Customer Relationships	Climate Strategy	Sustainable Products	Talent Attraction and Retention	Talent Development	Occupational Safety and Health
Operational Impacts (Internal)			Revenue Growth				O			O		
			Customer Satisfaction	O		O	O					
			Operational Risk	O	O		O					
			Employee Engagement	O						O	O	O
External Sustainability Impacts	Positive Impacts	Economic	Company products and designs contributing to technological advancement			O	O			O		
			Procurement generating upstream economic value	O		O						
		Environmental	Green design creating environmental benefits during product use			O			O			
			Renewable energy use, water recycling, and resource recovery mitigating environmental impacts			O		O				
		Social	Employee compensation and salary increases supporting decent living and well-being							O	O	
			Increased direct employment and job opportunities enhancing purchasing power	O						O	O	
			Employee training improving professional skills and employability							O	O	O
	Negative Impacts	Environmental	Consumption of energy and resources affecting human health and ecosystems			O		O				
			Use of non-renewable materials contributing to natural resource scarcity			O						
			Greenhouse gas emissions contribute to extreme climate conditions			O		O	O			
			Environmental impacts arising from procurement activities; and Negative			O		O				
		Social	Human rights impacts related to labor condition violations in the Company's operations or supply chain.	O						O		O

O: Indicates that the ESG topic has a material impact on organizational operations or sustainability development impacts.

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Material Topics and Risk Management (1–7)

Aspect	Material Topic	Risk Description	Risk Attribute[1]	Risk Assessment	Mitigation Measures	Risk Severity[2]	Risk Occurrence Probability[3]
Economic	**Sustainable Supply Chain Management**	Supply Chain Material Shortage Risk	Operational	Fluctuations in raw material prices, production reductions, or transportation delays may result in material shortages, reducing supplier shipments and, consequently, the Company's product shipments and profitability.	Implemented o Designed the Self-Assessment Questionnaire (SAQ) based on the Responsible Business Alliance (RBA) Code of Conduct and incorporated SASB-based questions into the "Supplier ESG Risk Assessment Questionnaire" to conduct supplier risk assessments. o Accepted other RBA self-assessment questionnaires, the Validated Assessment Program (VAP), Non-Validated Assessment Program (Non-VAP), and Customer Managed Audits (CMA), as well as equivalent customer-designated audit reports, as substitutes for the Company's SAQ. For suppliers unable to complete the questionnaire, the Company has established a supplier disqualification mechanism. o Implemented a supplier classification system and corresponding management measures based on the severity of identified issues. For further details, please refer to the "Responsible Supply Chain" section.	3	3
		Supplier Non-compliance Risk	Operational	Suppliers' violations of contractual obligations or the Supplier Code of Conduct, or the concealment of such non-compliance, may result in reputational damage to the Company, non-compliant products, product returns, penalties, and operational losses.	Implemented o Conduct continuous supplier evaluations to enhance supplier capabilities and maintain a merit-based supplier management mechanism. o Provide guidance and support to lower-rated suppliers to help them meet the Company's requirements. o Utilize both internal and customer management tools to monitor and improve supplier quality.	2	2

Note 1: In accordance with the Company's risk management framework, risks are classified into five categories: Strategic, Financial, Operational, Compliance, and Environmental.
Note 2: Risk severity is assessed on a six-point scale: 1 – No impact on the Company's operations; 2 – Impacts only one department and does not involve the Company's core business; 3 – Impacts a few departments and does not involve the Company's core business; 4 – May affect nearly half of the departments and slightly involve the Company's core business; 5 – Impacts most departments and involves the Company's core business; and 6 – Impacts the Company as a whole and involves its core business
Note 3: Risk likelihood is assessed on a six-point scale: 1 – Probability close to 0%; 2 – Approximately 10%; 3 – Approximately 30%; 4 – Approximately 50%; 5 – Approximately 70%; and 6 – Approximately 90%.

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Material Topics and Risk Management (2–7)

Aspect	Material Topic	Risk Description	Risk Attribute[1]	Risk Assessment	Mitigation Measures	Risk Severity[2]	Risk Occurrence Probability[3]
Economic	**Customer Relationships**	Customer Relationship Risk	Strategy	The Company provides product development support, manufacturing, and after-sales services. Failure to meet customer expectations and market needs or maintain strong customer relationships may result in customers shifting orders to competitors.	Implemented o Continuously invest in R&D to strengthen innovation capabilities and enhance product competitiveness. o Continue implementing smart manufacturing and integrating AI applications into manufacturing processes to improve product quality. o Strengthen customer communication and continuously confirm customer requirements. o Establish zero-trust architectures for internal and external operations to strengthen cybersecurity and customer data protection. Planned (Future Implementation) o Promote digital transformation through the Customer Relationship Management (CRM) system to manage customer feedback and continuously improve products and services, thereby enhancing customer trust and loyalty.	3	3
		Changing Consumer Product Requirements	Strategy	In addition to its core OEM business, the Company has expanded into emerging markets such as 5G and smart home healthcare. Failure to successfully develop these new markets in response to evolving industry trends may result in operational losses.	Implemented o Conducted in-depth market research and analysis. o Extended core technologies into new product development. o Provide customized and diversified products to meet the needs of different markets and customer segments. Planned (Future Implementation) o Continuously evaluate market trends, strengthen product technologies, and adjust development strategies accordingly.	3	3
		Consumer Trend Changes Driven by Natural Resource Constraints and Regulatory Requirements	Strategy	Increasing natural resource scarcity and price volatility may heighten supply chain risks. Failure to adapt to environmental regulations and evolving consumer demand for green products may weaken customer relationships and erode competitiveness.	Implemented o Strengthened supply chain management to reduce carbon emissions and transportation risks. o Maintained internationally recognized environmental certifications and ratings while meeting customer requirements. o Pursued strategic partnerships with customers to advance green and climate action initiatives. Planned (Future Implementation) o Continue meeting customers' environmental requirements and strengthening market competitiveness.	2	2

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Material Topics and Risk Management (3–7)

Aspect	Material Topic	Risk Description	Risk Attribute[1]	Risk Assessment	Mitigation Measures	Risk Severity[2]	Risk Occurrence Probability[3]
Economic	**Privacy and Information Security**	Information Technology Risk	Compliance	Increasingly sophisticated cyberattacks may compromise the Company's central information systems, resulting in operational disruptions, data loss, data tampering, and the unauthorized disclosure of confidential information.	Implemented o Continuously strengthened employee information security education and awareness training. o Verified the implementation of information security management procedures, risk identification, and sensitive data protection requirements through internal and external audits and assessments. o Conducted information security compliance and contract reviews and continuously updated internal policies and procedures. o Established threat detection and prevention systems. o Conducted regular information security and critical system operational drills. Planned (Future Implementation) o Gradually expand the scope of Managed Detection and Response (MDR) to strengthen threat detection and prevention capabilities. o Evaluate appropriate endpoint compliance requirements, including privileged access management, to prevent the download of malicious or spoofed software. o Address security risks associated with AI and cloud applications.	3	3
	Integrity and Ethics	Legal Dispute Risk	Compliance	Increasingly stringent regulations on corporate governance, business integrity, antitrust, taxation, and director compensation, together with growing expectations for corporate transparency, may expose the Company to litigation, penalties, and reputational damage if it fails to comply with these requirements or adopts tax avoidance strategies.	Implemented o Provided ethical management training for Board members. o Conducted ethical management and anti-corruption training for employees. o Required directors and senior management to sign statements of compliance with the Ethical Management Policy, committing to actively uphold ethical business practices. o Conducted corruption risk assessments for global operating sites at least once annually. Depending on operational risks and materiality, either on-site or documentary assessments were performed. o Incorporated risk factors related to unethical conduct into the annual audit plan and conducted relevant audit procedures based on the assessment results. Planned (Future Implementation) o By December 31, 2027, integrate relevant codes and guidelines in response to international political and economic developments and the Company's global operational needs, with the aim of establishing policies and management measures that better address internal and external risks and cross-functional collaboration requirements. o Strengthen the internal reporting and whistleblowing mechanism, including anonymous reporting channels, confidentiality protection measures, and anti-retaliation policies, to encourage employees and stakeholders to raise concerns. o Regularly report the implementation results and major incidents related to ethical management to the Board of Directors or the Sustainability Committee to strengthen governance oversight.	2	2

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Material Topics and Risk Management (4–7)

Aspect	Material Topic	Risk Description	Risk Attribute[1]	Risk Assessment	Mitigation Measures	Risk Severity[2]	Risk Occurrence Probability[3]
Environmental	**Climate Strategy**	Carbon Emission Risk	Environment	Low-carbon transition initiatives aimed at improving asset and resource efficiency, including upgrading to high-efficiency equipment, adopting electric vehicles, promoting green buildings, and increasing renewable energy use, may result in additional operating costs.	Implemented o Improve building energy efficiency. All newly planned headquarters and manufacturing facilities comply with green building standards and indicators. In addition, all newly purchased or integrated major energy-consuming equipment has been planned with the installation of smart meters for real-time monitoring. Compal has joined RE100 and committed to achieving 100% renewable electricity by 2050. The Company is progressively implementing this initiative across its self-owned manufacturing sites and headquarters in China, Taiwan, and Vietnam and expects to achieve the target by 2050. Planned (Future Implementation) o Gradually install electric company vehicle charging stations and increase the proportion of electric company vehicles to reduce greenhouse gas emissions. o When replacing energy-intensive equipment, prioritize energy-efficient alternatives and implement an internal carbon pricing mechanism to evaluate investment benefits and payback periods.	2	2
		Carbon Tax Cost Risk	Financial	Although electronic products are not currently covered by the Carbon Border Adjustment Mechanism (CBAM), increasing global attention to carbon emissions may lead to their future inclusion in carbon pricing mechanisms. This could increase carbon tax and compliance costs and require enhanced product carbon footprint accounting capabilities to meet customer requirements, resulting in higher operating costs.	Implemented o The Company has initiated product carbon footprint data collection and calculations and established dedicated carbon emission tracking systems to address potential future carbon border adjustment requirements and enhance product carbon footprint transparency. o The Company has joined international initiatives such as RE100 and is committed to improving energy efficiency and advancing decarbonization strategies to proactively respond to global climate policies and mitigate future carbon tax and compliance risks. o Collaborate with suppliers to progressively enhance carbon emissions inventory capabilities and strengthen green supply chain management. Planned (Future Implementation) o Continue strengthening the carbon footprint calculation system by progressively expanding its application across the Company's product lines and promoting green product design to effectively reduce product carbon footprints. o Incorporate the internal carbon pricing mechanism into product and project cost evaluations to prepare for the potential impacts of future Carbon Border Adjustment Mechanism (CBAM) or carbon tax policies. o Strengthen customer collaboration and reporting by jointly developing customized carbon footprint calculation methodologies and reporting approaches to help customers address potential future compliance requirements and mitigate risks arising from increasing compliance costs.	2	3

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Material Topics and Risk Management (5–7)

Aspect	Material Topic	Risk Description	Risk Attribute[1]	Risk Assessment	Mitigation Measures	Risk Severity[2]	Risk Occurrence Probability[3]
Environmental	**Climate Strategy**	Climate Change Risk	Environment	Climate change may increase the frequency and severity of extreme weather events, such as heavy rainfall and typhoons, resulting in disruptions to supply chains and production operations, including impacts on IT facilities and interruptions in raw material supply, which may lead to operational losses.	Implemented o All of the Company's manufacturing sites have completed facility elevation improvements and continue to maintain waterproof facilities, drainage systems, and building structures to reduce damage to facilities and equipment caused by extreme weather events such as heavy rainfall and typhoons and ensure uninterrupted operations. o The Company has deployed Uninterruptible Power Supply (UPS) systems and emergency generators for critical equipment to ensure operational continuity during disasters and significantly reduce the risk of business interruption. o The Company has implemented a supply chain diversification strategy and established multiple sourcing channels, particularly for critical raw materials and components. The Company has further strengthened supplier risk management and contingency planning to reduce dependence on single suppliers and mitigate associated risks. Planned (Future Implementation) o The Company plans to strengthen disaster recovery and business continuity planning (BCP) to ensure the rapid recovery of production and services following extreme weather events and minimize operational losses. o The Company will further enhance supply chain risk assessment and management and establish additional contingency plans, including supplier risk assessments, to enable the rapid activation of emergency measures during supply chain disruptions and maintain a stable supply of production materials.	2	2
		Carbon Disclosure Risk	Compliance	Increasingly stringent climate regulations require companies to expand the scope and categories of carbon inventories, resulting in higher data collection and external assurance costs. Failure to accurately disclose carbon emissions or errors in carbon inventories may result in penalties and reputational damage, undermining brand image and stakeholder trust. Concerns raised by the public, investors, and business partners may adversely affect customer relationships and investor confidence.	Implemented o Transparent carbon emissions disclosure and external assurance: The Company has implemented transparent public disclosure of carbon emissions data and regularly conducts third-party assurance to ensure data accuracy and reduce legal and reputational risks. o Internal carbon inventory mechanisms and data accuracy enhancement: The Company has established a robust internal carbon inventory mechanism and reviews and validates inventory results to ensure the accuracy of carbon emissions data and reduce disclosure risks. o Regulatory compliance management: The Company continuously monitors and complies with climate-related regulatory requirements worldwide and regularly reviews changes in climate regulations to maintain compliance in an increasingly stringent regulatory environment. Planned (Future Implementation) o Expand inventory boundaries and categories: Promote the digitalization of Scope 3 data collection and strengthen data collection systems to improve efficiency and prepare for potential future compliance requirements. o Strengthen system collaboration to support all consolidated subsidiaries: The Company will establish a collaborative system platform to assist all consolidated subsidiaries in centrally managing carbon emissions data and ensuring Company-wide compliance with carbon emissions monitoring and reporting requirements.	2	2

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Material Topics and Risk Management (6–7)

Aspect	Material Topic	Risk Description	Risk Attribute[1]	Risk Assessment	Mitigation Measures	Risk Severity[2]	Risk Occurrence Probability[3]
Environmental	Sustainable Products	Low-Carbon Technology Transition Risk	Operational	Growing consumer concern over climate change has increased customer demand for environmental certifications and eco-labels, making low-carbon transition a key strategic priority. However, the transition process may require additional investments and result in higher operating costs.	Implemented o Strengthened R&D capabilities and introduced environmentally friendly materials while maintaining production yield and output, thereby advancing the green transformation of products. Planned (Future Implementation) o Collect supplier carbon emissions data and provide the "Compal ESG Go Academy" to enhance suppliers' understanding of carbon management and related strategies, while progressively requiring suppliers to establish their own carbon inventory mechanisms.	2	3
		Product Cost Risk	Operational	Evolving international product energy efficiency standards and regulatory requirements may require further adjustments to product design and assembly processes to reduce energy consumption, potentially resulting in higher production and operating costs.	Implemented o Established automated systems to monitor manufacturing process emissions and product carbon footprints and conduct risk assessments and management based on data analysis. Planned (Future Implementation) o Establish an internal carbon pricing mechanism to identify high-carbon-emission manufacturing processes and products and formulate corresponding decarbonization strategies.	2	2
Social	**Talent Attraction and Retention**	Human Capital Development Risk	Strategy	To develop emerging technologies and comply with new regulatory standards, the Company is actively expanding its talent needs. However, declining birth rates have made talent recruitment increasingly difficult, which may result in insufficient succession of technical expertise and consequently lead to a decline in the Company's competitiveness.	Implemented o Strengthened talent recruitment strategies. o Engaged with potential talent early through campus recruitment activities and exchanges with university professors to establish long-term partnerships. o Provided competitive compensation packages, such as sign-on bonuses, to enhance employer attractiveness. o Utilized social media to increase corporate visibility and showcase the Company's culture and development opportunities to attract outstanding talent. Planned (Future Implementation) o Enhance candidate experience throughout the recruitment process. o Establish internal talent mobility and career development mechanisms. o Continue strengthening industry-academia collaboration and partnerships.	3	3

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Material Topics and Risk Management (7–7)

Aspect	Material Topic	Risk Description	Risk Attribute[1]	Risk Assessment	Mitigation Measures	Risk Severity[2]	Risk Occurrence Probability[3]
Social	**Talent Development**	Talent Development Risk	Strategy	Employees have different learning needs at different stages of their careers. Failure to continuously develop and enhance employees' capabilities in accordance with their needs and characteristics may prevent them from keeping pace with evolving trends, thereby reducing the Company's overall competitiveness.	Implemented o Provided learning programs tailored to the needs and competency development plans of different job levels. o Established a comprehensive learning and development framework and learning roadmap to ensure employees continuously enhance their capabilities and adapt to a changing market environment. For further details, please refer to the "Talent Development and Growth" section.	2	2
	Occupational Safety and Health	Mental Health Risk	Strategy	Employee productivity may be negatively affected by mental health conditions. If the Company fails to prioritize employee mental health, it may lead to lower employee engagement, increased absenteeism, and higher turnover, ultimately resulting in reduced productivity.	Implemented o Implemented the Prevention Plan for Illegal Infringement Arising from the Performance of Duties to safeguard employees' workplace safety and physical and mental well-being. o Provided an Employee Assistance Program (EAP) to assist employees and supervisors in addressing productivity issues arising from personal factors. Employees may consult with professional advisors through dedicated hotlines or email. o Conducted employee engagement surveys to assess engagement levels and formulate corresponding improvement strategies. For further details, please refer to the "Occupational Health and Safety" section. Planned (Future Implementation) o Based on the results of annual employee engagement surveys, provide improvement recommendations to each site and request each site to develop corresponding action plans.	2	2

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2.3 Sustainability Impact

While pursuing technological innovation and industrial excellence, Compal firmly believes that the true value of an enterprise lies not only in its operational achievements and financial performance, but also in the positive and lasting impacts it creates for society, the environment, and human well-being. As advocated by the concept of Double Materiality under the European Sustainability Reporting Standards (ESRS), the Company applies the principles of Impacts, Risks, and Opportunities (IRO) to move beyond a singular focus on financial performance. This approach enables the Company to evaluate both the impacts of its operations on the environment and society and how these issues, in turn, affect corporate resilience and growth potential, thereby supporting the development of more forward-looking strategies. In response to this trend, the Company has adopted double materiality as its core framework and introduced an Impact Measurement and Valuation (IMV) mechanism.

From an outside-in perspective, the Company combines profit-and-loss-based impact accounting with cause-and-effect impact pathways to comprehensively assess how value chain activities—from supply chain management and operations to product applications—affect human well-being. Through a systematic analytical process, environmental and social externalities that are not fully reflected in market prices are quantified and converted into consistent monetized indicators. In addition, the Company adopts an Integrated Profit and Loss (IP&L) perspective to evaluate financial performance and non-financial impacts using a unified measurement basis, generating more diversified and forward-looking insights for decision-making. This enables the Company to pursue long-term, stable financial growth while creating shared value for society and promoting human well-being.

Impact Pathway

Inside-Out		Outside-In	
Inputs	**Outputs**	**Outcomes**	**Impacts**
Financial, human, material, and resource inputs used in operational activities. Examples include raw materials, energy, and working hours.	Products, services, or resource consumption/emissions directly generated from operational activities. Examples include energy-saving benefits, number of beneficiaries, and pollutant emissions.	Changes directly or indirectly caused by operational activities to people, society, and environmental conditions. Examples include employee skill enhancement through training and respiratory illnesses caused by air pollution	The extent to which human well-being is ultimately affected over the short, medium, and long term. Examples include health, knowledge and skills, income and wealth, subjective well-being, environmental quality, and social connectedness.

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Impact Pathway

In 2025, Compal generated operating revenue of NT$757.5 billion. For every NT$1 of revenue generated, the Company created NT$1.89 in Net Positive Impact (NPI) for stakeholders, comprising NT$1.6 trillion in positive impacts (social benefits) and NT$147.8 billion in negative impacts (social costs). Among these, the most significant impacts were associated with sustainable supply chain management, customer relationships, sustainable products, climate strategy, energy management, talent attraction and retention, and talent development. From an operational perspective, contributions from operating profit, taxes, interest, employee compensation, depreciation and amortization, and investments in new technology development generated a total Gross Value Added (GVA) of NT$58.5 billion for stakeholders. From an environmental perspective, energy and resource consumption and pollutant emissions during production processes generated approximately NT$1.3 billion in social costs related to socio-economic impacts, human health, and ecosystems. However, through proactive renewable energy deployment, the Company also created approximately NT$850 million in environmental benefits. From a social perspective, the Company created employment opportunities for local communities through talent recruitment and enhanced employees' salary growth potential through comprehensive training and promotion mechanisms. In addition, by integrating diversified health management initiatives and employee support programs, the Company promoted physical and mental well-being and work-life balance, generating a total positive employment impact valued at NT$840 million. However, due to industry characteristics, disparities in opportunities for female employees to access high-paying positions resulted in potential salary compensation costs. Together with the physical, psychological, and medical costs arising from occupational accidents and workplace harassment incidents, these factors generated a negative employment impact valued at NT$690 million. Furthermore, the Company's continued investment in social care initiatives and volunteer activities created social value amounting to NT$17.24 million.

From a value chain perspective, the Company's procurement activities generated NT$426 billion in output value across the global supply chain, creating more than 75,000 employment opportunities and NT$14.2 billion in wage income. However, the environmental footprint and potential human rights risks associated with supply chain activities generated NT$5.6 billion in social costs. On the product side, the Company's personal computers and smart devices generated NT$1.1 trillion in industrial output value for customer industries. However, greenhouse gas emissions arising from energy consumption during product use and end-of-life treatment generated NT$140.3 billion in carbon-related social costs. Meanwhile, energy-efficient product designs and the use of recycled materials avoided 670,000 metric tons of greenhouse gas emissions, generating environmental benefits valued at NT$5.1 billion. These efforts further supported customers in achieving decarbonization targets and promoted shared growth across the value chain.

By incorporating impact-oriented thinking into its decision-making processes, the Company no longer focuses solely on short-term performance and cost efficiency but also evaluates the long-term environmental and social impacts of its decisions, thereby redefining the meaning of growth. This approach enables the Company to consider broader and longer-term implications and identify the risks and opportunities that sustainability issue management may bring to future development. Through more sustainable, innovative, and ambitious actions, the Company is committed to achieving a Net Positive impact and fostering mutually beneficial partnerships between business and society through its core technologies and collaboration with stakeholders.

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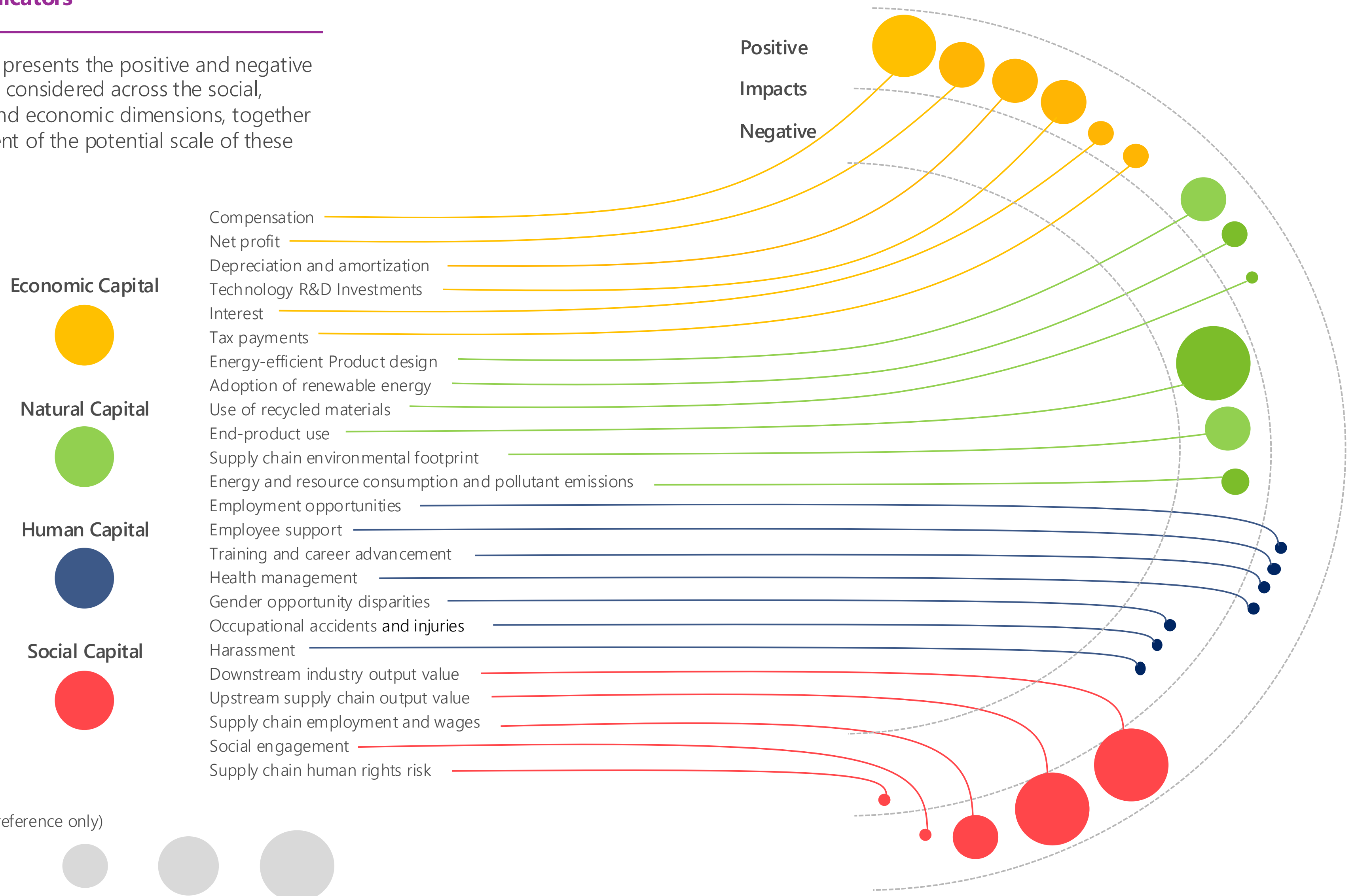
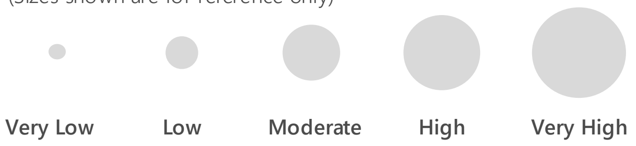
Our Impact Indicators

The figure below presents the positive and negative impact indicators considered across the social, environmental, and economic dimensions, together with an assessment of the potential scale of these impacts.



Impact Scale

(Sizes shown are for reference only)



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Compal Sustainability Impact Pathway (1-3)

Cause of Impact	Sustainability Topic	Operational Inputs and Outputs			IRIS Metric	Boundary Coverage	Impact Items		Capital Type	Attri-bute	Monetary Value (KNTD)		Affected Entities
Supply Chain	Sustainable Supply Chain	Number of suppliers providing products and services	Manufactured Capital	776 suppliers	PI9566	PCBG SDBG	Social Externalities	Driving industrial supply and demand, thereby increasing supply chain output value	Social Capital	+	425,980,791	●●●●●●	Society
								Creating supply chain employment and worker income	Social Capital	+	14,170,760	●●●●●○	External Employees
								Risk of workers being subjected to forced labor, resulting in loss of freedom and adverse impacts on physical and mental well-being	Social Capital	-	199,008	●●●○○○	External Employees
								Risk of child labor limiting access to quality education and reducing future earning potential	Social Capital	-	103,680	●●●○○○	External Employees
							Environmental Externalities	Social cost of carbon arising from greenhouse gas emissions	Natural Capital	-	2,612,691	●●●●○○	Environment
								Air pollutant emissions impacting human health and ecosystems	Natural Capital	-	2,639,077	●●●●○○	Environment
Company Operations	Financial Performance	Operating revenue	Financial Capital	757,513,030 KNTD	FP6510	Consolidated Group (Financial Statements)	Gross Value Added (GVA)	Net profit after tax generates returns for investors and contributes to economic growth.	Financial Capital	+	7,900,483	●●●●○○	Shareholders/ Investors
		Tax payments	Financial Capital	2,547,854 KNTD	FP5261			Tax payments support government infrastructure development and the expansion of social welfare.	Financial Capital	+	2,547,854	●●●●○○	Society
		Interest	Financial Capital	2,837,692 KNTD	FP1012			Interest expenses generate income for customers	Financial Capital	+	2,837,692	●●●●○○	Customers
		Depreciation (tangible assets)	Manufactured Capital	6,605,139 KNTD	FP9462			Capital expenditures on fixed assets generate income for suppliers.	Manufactured Capital	+	6,605,139	●●●●○○	Suppliers
		Amortization (intangible assets)	Intellectual Capital	540,473 KNTD	FP9462			Knowledge-based intangible assets contribute to industrial technological development and application.	Intellectual Capital	+	540,473	●●●○○○	Customers
	Talent Attraction and Retention*	Compensation and benefits	Financial Capital	32,310,146 KNTD	OI5887			Compensation and benefits enhance employee well-being and purchasing power	Financial Capital	+	32,310,146	●●●●●○	Employees
	R&D and Innovation	New technology R&D Investments	Intellectual Capital	5,745,770 KNTD	-			Investments in new technology R&D contribute to industrial technological development and application.	Intellectual Capital	+	5,745,770	●●●●○○	Customers
	Climate Strategy / Energy Management*	Greenhouse gas emissions–Scope 1	Natural Capital	10,100 tCO_2e	OI4112	Taiwan / China / United States / Vietnam / Brazil	Environmental Externalities	Greenhouse gas emissions generate carbon-related social costs	Natural Capital	-	1,228,413	●●●●○○	Environment
		Greenhouse gas emissions–Scope 2	Natural Capital	151,783 tCO_2e	OI9604								
		Purchased Renewable Electricity Consumption	Natural Capital	157,652.6 MWh	OI3324			Renewable energy use avoids carbon-related social costs arising from greenhouse gas emissions.	Natural Capital	+	851,828	●●●○○○	Environment
	Water Resource Management	Water consumption	Natural Capital	1,461,773 m^3	OI0263		Environmental Externalities	Water withdrawal increases pressure on agricultural and domestic water resources, affecting human health.	Natural Capital	-	53,557	●●○○○○	Environment
		Wastewater discharge	Natural Capital	1,169,418 m^3	OI0386			Environmental footprints associated with domestic wastewater treatment affect human health.	Natural Capital	-	3,518	●○○○○○	Environment
	Air Pollution and Waste	Gasoline and Diesel Consumption	Natural Capital	220,090 L	-			Fuel-related air pollution impacts human health and ecosystems	Natural Capital	-	5,990	●○○○○○	Environment
		Waste Incineration and Landfill Disposal	Natural Capital	1,665 ton	OI6192			Incineration and landfill disposal generate carbon-related social costs and adversely affect human health and ecosystems.	Natural Capital	-	9,045	●○○○○○	Environment

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Compal Sustainability Impact Pathway (2-3)

Cause of Impact	Sustainability Topic	Operational Inputs and Outputs			IRIS Metric	Boundary Coverage		Impact Items	Capital Type	Attri-bute	Monetary Value (KNTD)		Affected Entities
Company Operations	Talent Attraction and Retention*	Number of Employees	Human Capital	6,806 employees	OI3160	Taiwan	Social Externalities	Creating employment opportunities and incremental wage income for local workers and communities	Human Capital	+	331,513	●●●○○○	Employees, Society
		Employees Receiving Wages Below the Living Wage		0 employees	OI4724			Wages below living wage standards reduce quality of life.		-	0	○○○○○○	Employees
		Employee Support Programs		Paid Leave and Childcare-Related Benefits Beyond Regulatory Requirements	OI2742			Paid leave and family-friendly support contribute to work-life balance.		+	107,618	●●●○○○	Employees
	Talent Development*	Average Training Hours per Employee		22 hr/employees	OI7877	Taiwan/ China/ United States/ Vietnam/ Brazil/ Mexico		Enhanced employability and increased future earning potential.		+	383,521	●●●○○○	Employees, Society
		Internal Job Vacancy Fill Rate		1,051 participants	OI6995	Taiwan		Internal promotion and job transfer opportunities increase income potential.		+	4,829	●○○○○○	Employees
	Diversity and Inclusion	Employee Gender Pay Ratio		Salary Distribution and Representation of Male and Female Employees Across Job Functions	OI1855			Potential salary compensation costs arising from unequal opportunities for female employees to access high-paying positions.		-	682,680	●●●○○○	Employees
	Occupational Safety and Health	Lost Workdays Due to Employee Occupational Injuries		1,621 days	OI3757	Taiwan/ China/ United States/ Vietnam/ Brazil/ Mexico		Occupational accidents result in physical, psychological, and emotional impacts on workers and increased medical expenditures.		-	5,328	●○○○○○	Employees, Society
		Lost Workdays Due to Contractor Occupational Injuries		0 days	OI3757					-	0	○○○○○○	External Employees, Society
		Number of Employees Benefiting from Health Management Initiatives		1,716 employees	OI4061			Health education improves lifestyles and health conditions.		+	10,828	●●○○○○	Employees, Society
		Incidents of Verbal and Physical Harassment		2 cases	OI9077	Taiwan		Physical and psychological harm results in medical costs and losses in future well-being.		-	3,161	●○○○○○	Employees, Society
	Social Engagement	Resources and Expenditures Invested in Social Engagement	Social Capital	17,235 KNTD	OI1619			Strengthening local community relationships and improving quality of life.	Social Capital	+	17,235	●●○○○○	Society
Products and Services	Customer Relationships*	Product Sales Revenue	Financial Capital	>NT$650 billion	PI1775	PCBG SDBG	Social Externalities	Driving industrial value chain output growth	Social Capital	+	1,076,573,999	●●●●●●	Society
	Sustainable Products*	Greenhouse Gas Emissions Avoided Through Energy-Efficient Product Design	Natural Capital	651,255 tCO_2e	PI5376		Environmental Externalities	Product energy efficiency benefits mitigating carbon-related social costs	Natural Capital	+	4,941,902	●●●●○○	Environment
		Greenhouse gas emissions avoided through the adoption of recycled materials		19,016 tCO_2e	PI5376			Recycled and circular materials mitigating carbon-related social costs		+	144,295	●●●○○○	Environment
		Greenhouse Gas Emissions Generated During Product Use		18,487,303 tCO_2e	PD9427			Carbon-related social costs arising from product use and end-of-life treatment		-	140,286,797	●●●●●●	Environment

\+ Positive – Negative

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Compal Sustainability Impact Pathway (3-3)

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

Note 2: Externalities refer to the positive or negative impacts on human well-being arising from the interdependent interactions between Compal operational activities and various forms of capital, where the Company does not directly receive benefits from or bear the costs of such impacts. Compal follows assessment frameworks including the Natural Capital Protocol, the Social & Human Capital Protocol, and ISO 14008:2019 Environmental Management — Monetary Valuation of Environmental Impacts and Related Environmental Aspects. The Company also integrates the Impact-Weighted Accounts (IWA) methodology developed by Harvard Business School and the valuation methodologies of the Value Balancing Alliance (VBA) to convert various environmental and social externalities into a common monetary language that are easier to understand and evaluate.

Note 3: Among the impacted stakeholders, "Society" refers to interpersonal networks characterized by shared norms, values, and consensus that facilitate cooperation within and between groups (Social & Human Capital Protocol, 2019). "Environment" refers to the stock of renewable and non-renewable natural resources on Earth (such as plants, animals, air, water, soil, and minerals) and the resulting flows of benefits or services provided to humans (Natural Capital Protocol, 2016). "External Employees" refers to employees of suppliers or contractors, while "Internal Employees" refers to employees of Compal.

Note 4: Gross Value Added (GVA) evaluates the difference between intermediate inputs and final outputs generated during corporate operations, while also considering original inputs and public expenditures, thereby reflecting the benefits created for different stakeholders through economic activities.

Note 5: The increase in supply chain output value is calculated using the Input-Output Model, including economic benefits generated by supply and demand effects across industrial value chains resulting from procurement demand, as well as employment opportunities and salary income created, together with associated environmental and human rights issues. Reference sources include the OECD Input-Output Tables (2025), EXIOBASE 2, and databases from UNICEF and Walk Free.

Note 6: Environmental externalities are calculated using the Environmental Profit and Loss (EP&L) methodology, taking into consideration carbon-related social costs, human health damage costs, and ecosystem damage costs arising from greenhouse gases, air pollution, waste, and water resource consumption. Reference sources include the United States Environmental Protection Agency (US EPA, 2023), Organisation for Economic Co-operation and Development (OECD, 2012), and CE Delft (2018).

Note 7: The social costs arising from occupational accident incidents are calculated based on employees' willingness-to-pay value for avoiding occupational accidents, as well as the medical resource expenditures associated with such incidents. The methodology references UK Health and Safety Executive (UK HSE, 2017), Jiune-Jye Ho (2005), and the Institute of Labor, Occupational Safety and Health (2013).

Note 8: Health management refers to the early identification of groups with conditions such as hypertension, hyperlipidemia, hyperglycemia, and obesity through regular health examinations, followed by the implementation of various programs to appropriately control employees' risks of cardiovascular diseases. The relevant coefficients reference Chieh-Hsien Lee (2009).

Note 9: Employability and future earnings evaluate how employees acquire professional skills and knowledge through Company training programs, thereby enhancing productivity and improving employability for career development. The reference source is the Value Balancing Alliance (VBA, 2021). Since productivity improvements resulting from employee training have already been reflected in the Company's financial statements, this indicator only evaluates the contribution to well-being arising from income changes after employees who received Company training change jobs.

Note 10: Employment opportunity indicators include incremental wages generated for workers, employee support programs promoting work-life balance, salary growth resulting from internal promotion opportunities, potential salary compensation arising from gender opportunity gaps, and physical, mental, and losses in well-being resulting from workplace harassment. The reference source is Impact-Weighted Accounts (IWA, 2021).

Note 11: The value of social participation is based on the community investment evaluation mechanism developed by the London Benchmarking Group (LBG). It calculates cash contributions, materials, time, and management costs invested in public welfare activities to evaluate and allocate the quantified benefits of various projects. For further details, please refer to the "Social Engagement" section.

Note 12: Products and services focus on the Personal Computer Business Group (PCBG) and Smart Device Business Group (SDBG). By considering the supply-demand relationship between sales revenue and customer industry output value, the Company evaluates the indirect economic value created by product sales, as well as the environmental external benefits and costs arising from environmentally friendly product design and the product use and end-of-life disposal stages.

Note 13: Considering differences in economic conditions among countries, valuation coefficients are adjusted using Gross National Income (GNI) per capita measured by Purchasing Power Parity (PPP) for each region. Inflation and exchange rate factors are also considered to align time boundaries to the monetary value of the base year. The methodology references Organisation for Economic Co-operation and Development (OECD, 2012) and PwC UK (2015). Due to methodological updates, the base year has been adjusted from 2021 to 2023.

Monetary Value (KNTD)	Impact Level
100,000-1,000,000	●●●●●●
10,000-100,000	●●●●●○
1,000-10,000	●●●●○○
100-1,000	●●●○○○
10-100	●●○○○○
0-10	●○○○○○

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2.4 Participation in Policy Initiatives and Industry Associations

Compal has incorporated sustainable development into its core operational strategy and has long participated in domestic and international climate-related initiatives and industry associations. Through systematic management mechanisms, the Company ensures that such participation aligns with its sustainable development objectives.

As climate change issues become increasingly important, Compal supports the goals of the Paris Agreement and the objective of limiting global warming to within 1.5°C. The Company has completed its carbon reduction pathway planning and committed, together with all consolidated subsidiaries, to achieving net-zero emissions by 2050. For all initiatives and industry associations in which the Company participates, evaluations and regular reviews are conducted in accordance with internal mechanisms to confirm alignment between the organizations' policy positions and the Company's climate goals. If significant discrepancies exist and cannot be resolved in the short term, Compal will provide feedback through communication mechanisms and, where necessary, assess adjustments to or withdrawal from the relevant participation.

In addition, Compal has established management mechanisms for policy advocacy and public policy engagement, covering all interactions related to communicating the Company's climate policy positions. The relevant management procedures include prior assessment of the alignment between relevant policy issues and the Company's climate goals, documentation of communication processes, periodic reviews of the consistency between policy positions and the Company's climate goals, and escalation to senior management for approval when necessary. Where significant discrepancies with the Company's climate goals exist and cannot be resolved in the short term, Compal provides feedback through established communication channels and, where appropriate, evaluates adjustments to or withdrawal from participation in the relevant organizations or initiatives to ensure overall strategic alignment.

Note 1: Organizations shown in black font indicate organizations in which membership participation fees are paid.
Note 2: Organizations shown in blue font indicate organizations participating in initiatives.

List of Sustainability-Related Industry Associations and Initiative Platforms Participated in by Compal

Sector Exchanges & Development & Corporate Governance

- Chief Information Officer Association
- Importers and Exporters Association of Taipei
- Taiwan Electrical and Electronic Manufacturers' Association, TEEMA
- Taipei Computer Association
- Chinese National Association of Industry and Commerce, Taiwan(CNAIC)
- Neihu Technology Park Development Association
- Taoyuan Enterprise Chamber
- Institute for Information Industry
- The Taiwan Bar Association
- Taipei Bar Association
- LOTNetwork Membership
- TAICS
- 5G Industrial Innovation and Development Alliance
- Intelligent Computer & AIoT Association

Sustainability Management & Social Engagement

- Taiwan Institute for Sustainable Energy/Center for Corporate
- Sustainability (CSS)
- Responsible Business Alliance, RBA
- Responsible Minerals Initiative, RMI
- EcoVadis
- Taoyuan City Nurses Association
- Taipei City Nurses Association
- Gap of Learning & Field
- Acer Earthion
- Hsu Chauing Social Welfare Charity Foundation
- Guandu Nature Park

Innovative Technology

- SD Card Association
- USB Implementers Forum
- The Global Certification
- Forum (GCF)
- WiFi Alliance
- Taiwan Automation Intelligence and Robotics Association
- HDMI Licensing
- Administrator, Inc.
- DIGITAL HDCP
- VIDEO ELECTRONICS STANDARDS ASSOCIATION
- DVD Copy Control Association
- SD-3C LLC
- Massachusetts Institute of Technology
- Global Semiconductor Alliance
- Standard Performance Evaluation Corporation
- World Design Organization
- Institute for Biotechnology and Medicine Industry
- Taiwan Digital Medicine Association
- SAE International

Note 3: Organizations shown in purple font indicate NGO groups in which the Company participates or collaborates.

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Records of Compal's Participation in Climate Policy Initiatives and Related Activities

To enhance sustainability governance awareness and response capabilities, departments across Compal leverage seminars, training programs, and project-based initiatives to build organizational alignment. These efforts strengthen the Company's ability to respond to climate and sustainability challenges and promote shared responsibility throughout the value chain.

Activity / Platform	Organizing Institution	Compal's Participation	Topics Involved
RE100 Taiwan Members' Meeting	RE100 Taiwan	Member participation	Renewable energy, RE100, energy transition
CDP Taiwan Presentation	CDP / BCSD Taiwan	Member participation	Climate disclosure, supply chain carbon management, water resources
"1.5°C Forum: Safeguarding the Global Warming Threshold"	CommonWealth Magazine	Participation in awards ceremony and forum exchanges	Net-zero transition, climate action
Asia Pacific Circular Economy Roundtable 2025	Circular Taiwan Network / Ministry of Environment / Ministry of Agriculture / Ministry of Economic Affairs	Forum participation	Circular economy, resource efficiency, waste reduction
Transition Risks and Corporate Responses under the Net-Zero Context	Taiwan Electrical and Electronic Manufacturers' Association	Participation in thematic seminar	Climate transition risks, policies and regulations
Seminar on the "Second Edition of the Reference Guidelines for Sustainable Economic Activities"	Financial Supervisory Commission / College of Business, National Taipei University	Invited participation and sharing of corporate practical experience	Sustainability taxonomy standards, sustainable finance, climate transition
"Latest Revision Briefing on the GHG Protocol Scope 2 Guidance"	Ernst & Young	Participation in technical briefing session	Greenhouse gas inventories, Scope 2 methodology
Taiwan Center for Corporate Sustainability (TCCS)	Taiwan Institute for Sustainable Energy (TAISE)	Attendance by governing unit	ESG governance, sustainable development

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2.5 Responding to International Advocacy and Cooperative Actions

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

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

The Science Based Targets initiative (SBTi) is a carbon reduction framework, which aims at encouraging businesses to devise science-based reduction targets and help keep the increase in average global temperature under 1.5°C. In 2022, Compal and all subsidiaries included in its consolidated report completed a GHG inventory and carbon reduction plans. In 2024, the company officially joined the Science Based Targets (SBT) initiative, submitting short-, medium-, and long-term carbon reduction targets that encompass all subsidiaries within the consolidated financial statements. The official SBTi approval represents a key milestone on the path to sustainability.

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

RE100 is a global renewable energy initiative led by the Climate Group in partnership with CDP, aimed at encouraging the world's most influential companies to commit to 100% renewable electricity. Compal and its invested subsidiaries aim to achieve 100% renewable energy usage by 2050.
In 2024, Compal officially joined RE100, committing to achieve 100% renewable energy usage by 2050 across its invested subsidiaries covered by the consolidated financial statements. Meanwhile, the Company initiated a renewable energy procurement strategy, invested in green power funds, and implemented a mechanism for green energy transfer and Energy Attribute Certificates (EACs) to achieve this goal in phases.

In light of relevant risks arising from climate changes, international organizations have come to realize that daily operations of different industries are now exposed to potential impacts that could in turn lead to investment risks and affect their performance. And as such, the Carbon Disclosure Project was created. The goal of CDP is to integrate climate change-related information into business and investment decisions to accelerate the materialization of climate change solutions. CDP-related information is voluntarily disclosed by Compal every year. Compal received an A- rating in the 2025 Climate Change and Water Management questionnaires.

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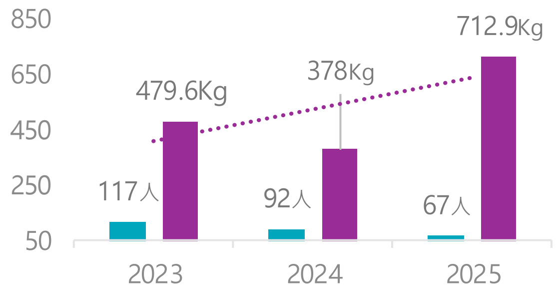
Sustainable Development Goals, SDGs

World leaders gathered at the UN headquarters in New York on September 25, 2015, to hold the 70th annual "United Nations Conference on Environment and Development." The conference announced "Transforming our World: The 2030 Agenda for Sustainable Development" based on the parts of unfulfilled millennium development goals. This agenda practiced equality and human rights and planned 17 sustainable development goals and 169 targets as guiding principles for international cooperation of member states within the next 15 years (before 2030). As a leading company in the industry, Compal has a responsibility and duty to participate in the SDGs' mission. We are continuing to inject even more SDG concepts into our future goals and combine them with the core values of Compal so that we can help more people and the environment, reduce environmental burdens, and provide a better living environment for our children. For relevant information, please refer to: https://www.un.org/sustainabledevelopment/

Participation Acer e-Waste Recycling Program

To work with our supply chain to do our part for the planet, Compal joined our customer Acer's "ACER Takeback Program" in 2019 for the recovery of old batteries and e-waste. In 2025, 67 employees took part in the program and collected 712.9 kg of e-waste. After six years, the Takeback Program has accumulated 989 participants and collected 4,767 kg of waste. All proceeds were passed onto Acer and donated to the Orphan Welfare Foundation Taipei to help the children combat poverty and loneliness.



Participation in Gap of Learning and Field Alliance

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

Compal holds annual school–industry internship information sessions, each attracting over 1,000 students. In 2025, a total of 305 participants attended in-person training sessions. In the future, Compal will continue to actively promote the seamless connection between campus and workplace and proactively cultivate high-quality talent for society, thus implementing the principle of applying learned knowledge in practice and creating a triple win for schools, students, and enterprises. Compal will also fulfill its corporate social responsibility by calling on schools and more companies to participate, thereby expanding the benefits of industry-academia cooperation and contributing to the development of education and industry.

SUSTAINABLE DEVELOPMENT GOALS

acer

GOLF
Gap of Learning & Field
學用接軌聯盟

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3 Corporate Governance

Key Performance

- The 11th TWSE CG evaluation advanced two levels, achieving a Top 5% ranking among listed companies.
- FTSE Russell ESG score increased to 4.5—the highest among industry peers.
- S&P Global CSA score improved to 89.
- 100% participation achieved in 2025. (The risk management course was implemented for all employees at the Taiwan plants who had been employed for three months or more and were at or below the division level.)
- Third-party enterprise information security risk rating score is 96.7 points.
- Major Government Fines and Penalties: 0
  Complaints Resulting in Legal Actions Due to Material Information Security Breaches: 0
  Material Incidents of Violations of Ethical Business Conduct or Anti-Corruption Policies by Global Employees: 0

8 DECENT WORK AND ECONOMIC GROWTH — 8.2
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — 9.5
12 RESPONSIBLE CONSUMPTION AND PRODUCTION — 12.6
17 PARTNERSHIPS FOR THE GOALS — 17.8

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Short-, Mid-, and Long-term Goals

Topic	Strategy	Target of FY-2026	Target of FY-2030	Target of FY-2035
BOD (Bord of Director) Functions	Strengthen the structure of the BODin line with the global corporate governance trends to enhance the functions of Board of Directors.	Independent Director seats accounts for 1/3, and with one BOD seat for the different genders.	Independent Director seats accounts for 1/3. The number of directors of different genders increased compared to the previous term.	Independent Director seats accounts for 1/3. The number of directors of different genders increased compared to the previous term.
Sustainability Performance	Continuously review ESG assessment items, and set the annual improvement plan.	Improve the TWSE ESG Evaluation score compared with the previous year	Improve the TWSE ESG Evaluation score compared with the previous year	Improve the TWSE ESG Evaluation score compared with the previous year
Keep Controlling Medium and High Risks	Under the condition of no new risks, Control the existing risks, and reduce the level of existing risks.	○ Control the number of medium and high risks 1. High-risk maintain 0 item. 2. Moderate risk reduced to 8 items. ○ Risk management audit will be conducted annually in accordance with the ISO 31000 framework and methodology. ○ 100% implement the risk management course in the China Plants.	○ Control the number of medium and high risks 1. High-risk maintain 0 item. 2. Moderate risk reduced to 8 items. ○ Risk management audit will be conducted every years in compliance of the ISO 31000 framework and methodology. ○ 100% implement the risk management course in the Compal group.	○ Control the number of medium and high risks 1. High-risk maintain 0 item. 2. Moderate risk reduced to 5 items. ○ Risk management audit will be conducted every half year in compliance of the ISO 31000 framework and methodology.
*Compliance, Ethical Management and Anti-Corruption	Implement education and training, shape a corporate culture of integrity, and strengthen supervision and management mechanisms.	○ Conduct ethical corporate management relevant training for All new employees. ○ Ethical corporate management audit will be conducted and the implementation status will be reported to the Board of Directors annually in compliance of the ISO 37001 framework and methodology.	○ The training assignment rate for conducting ethical corporate management relevant training for new employees remains at 100%. ○ Keep conducting ethical corporate management audit annually and report the implementation status to the Board of Directors.	○ The training assignment rate for conducting ethical corporate management relevant training for new employees remains at 100%. ○ Keep conducting ethical corporate management audit annually and report the implementation status to the Board of Directors.
*Information Security and Privacy Management System	Through active defense, internal and external information security audits, incident monitoring analysis, corrective and improvement measures, and management review, Compal continue to track improvements and maintain the effectiveness of the information security management system.	○ Availability of critical system>99.44% ○ Click-through rate for employee social engineering drills < 5% ○ No complaints involving violations of information security or personal data protection resulted in judicial action.	○ Availability of critical system>99.44% ○ Click-through rate for employee social engineering drills < 3% ○ No complaints involving violations of information security or personal data protection resulted in judicial action.	○ Availability of critical system>99.44% ○ Click-through rate for employee social engineering drills < 3% ○ No complaints involving violations of information security or personal data protection resulted in judicial action.

** Indicates material topics.*

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3.1 Business Performance

In the post-pandemic era, Compal has demonstrated steady profit growth through operational restructuring, enhanced efficiency, and optimization of its product portfolio. However, as industry competition intensifies and technologies evolve rapidly, although Compal continues to benefit from its solid computer and smart device businesses, contributions from a third growth pillar have yet to fully materialize, resulting in limited revenue growth momentum. Therefore, in 2024, the Company redefined five key emerging business areas—Artificial Intelligence Applications (AI Applications), Cloud Servers, Automotive Electronics, Advanced Communication, and Medical Technology (MedTech)—and actively allocated resources to accelerate their development. In addition, Compal launched its transformation initiative to further expand its investment in high-value businesses and future growth engines. These strategic initiatives will lay a solid foundation for the Company's long-term development.

One of the key pillars of this transformation is the comprehensive promotion of digitalization and AI applications, with strategies centered on three major directions:

- Internal AI Applications: Integrating AI into the Company's internal management processes, including R&D, procurement, smart manufacturing, supply chain management, and finance and administrative functions, to enhance management transparency, improve operational efficiency, and reduce human error.
- AI Product Development: Accelerating AI deployment across both cloud and edge computing domains, including the design and manufacturing of AI servers, AI PCs, AI smartphones, and networking products. In particular, Compal has established close collaborations with multiple semiconductor partners in the AI PC sector to maintain its market-leading position.
- Cross-Domain AI Technology Applications: Introducing AI technologies into emerging business investments and portfolio companies, such as smart healthcare and intelligent long-term care, positioning Compal as an active participant in AI-driven transformation.

In terms of sustainable development, we continue to advance our ESG initiatives comprehensively and strengthen the implementation of sustainability practices across the organization, resulting in significant improvements in our sustainability performance in external ESG assessments and ratings. Looking ahead, we aspire to further expand our influence on industry and society, actively participate in international initiatives, respond to the expectations of our stakeholders, and create long-term sustainable value for the Company.

Item	2023	2024	2025
Revenue	9,467	9,103	7,575
Employee compensation and benefits[Note1]	359.2	328.2	323.1
Operating profit	120.5	148.4	106.4
Net Profit Attributable to Owners of the Parent Company	76.7	100.4	60.30
Earnings per share (NT$)	1.76	2.3	1.38
Dividend per share (NT$)	1.2	1.4	1.1
Assets	4,368	4,635	4,389
Liabilities	3,040	3,071	2,912
Shareholders' equity	1,328	1,564	1,477
Unit: NT$ thousand, except for earnings per share and dividend per share, which are presented in NT$.			
Revenue Breakdown by Product Category			
Notebook Computer Products	69%	75%	71%
Non-Computer Products[Note2]	31%	25%	29%
Consolidated Revenue (NT$100 Million)	9,467	9,103	7,575
Revenue Breakdown by Region			
Americas	45.2%	43.6%	44.9%
Europe	22.2%	21.3%	24.2%
Asia	29.9%	32.3%	27.8%
Other regions	2.7%	2.8%	3.1%

Note1: Includes director compensation and transportation allowances.
Note2: Non-computer products include smart devices and other products.

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3.2 Taxation

Tax Information for 2024–2025

Compal upholds the principles of sustainable corporate operations and innovative transformation, fulfills its corporate social responsibilities, promotes local economic development, and is committed to regulatory compliance in order to implement sound tax governance and risk management.

- Compal complies with the tax laws and regulations, as well as the legislative intent, of the countries and jurisdictions in which it operates to ensure effective tax governance and oversight.
- Tax considerations are incorporated into major operational decision-making processes, and investment structures and transaction models are carefully evaluated to ensure compliance with economic substance requirements and legitimate business purposes.
- The Company does not use tax havens for tax planning purposes aimed at tax avoidance, nor does it intentionally shift profits to low-tax jurisdictions.
- Compal follows the transfer pricing guidelines issued by the Organisation for Economic Co-operation and Development (OECD) to ensure that related-party transactions comply with the arm's-length principle and applicable transfer pricing regulations.
- Tax information disclosures comply with relevant laws, regulations, and standards to ensure transparency.
- The Company maintains relationships of mutual respect and constructive engagement with tax authorities.

For further information on related tax policies and management guidelines, please refer to the official website of Compal Electronics, Inc.: Tax Policy and Management Guidelines.

Item	2024	2025	Average
Profit Before Tax	15,348,188	10,448,337	12,898,263
Income Tax Expense	3,653,527	2,547,854	3,100,691
Income Tax Rate (%)	23.80%	24.39%	24.04%
Income Taxes Paid	3,818,023	1,982,934	2,900,479
Cash Tax Rate (%)	24.88%	18.98%	22.49%

Unit: NT$ thousand ; Note: Please refer to the 2025 Consolidated Financial Statements of Compal Electronics, Inc. for further information.

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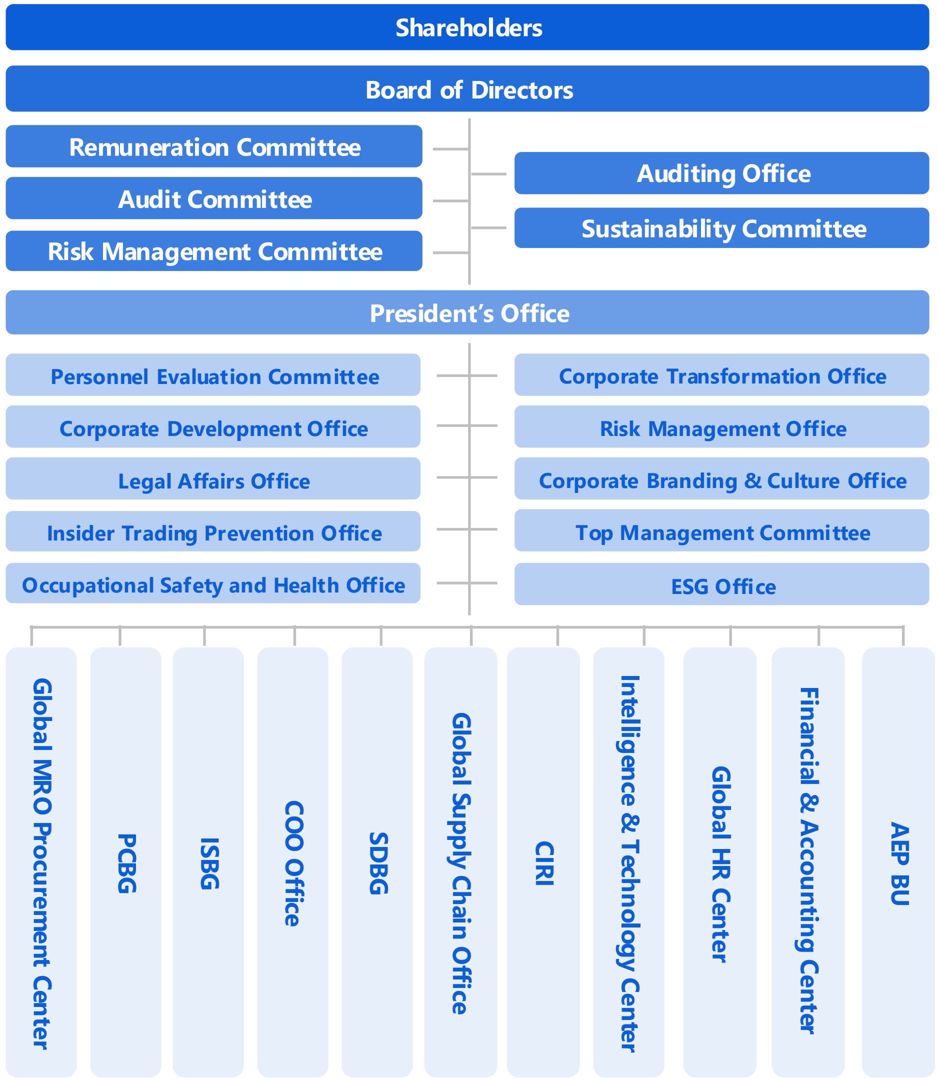
3.3 Corporate Governance

Compal Organization

Compal places great importance on operational transparency and corporate governance. Through its organizational structure, the Company clearly defines the responsibilities of each function and, in accordance with the Company Act, the Securities and Exchange Act, and other relevant laws and regulations, has established an effective corporate governance framework. The Company strengthens the supervisory functions of the Board of Directors, safeguards shareholders' rights and interests, respects and protects stakeholder rights, enhances information transparency, and adheres to the principles of ethical management by formulating various systems and policies to implement sound corporate governance practices. These efforts aim to enhance operational performance and achieve sustainable corporate development. Furthermore, pursuant to Article 277 of the Company Act, amendments to the Articles of Incorporation must be approved by shareholders at a shareholders' meeting to ensure shareholders' participation in major decision-making. In addition, in accordance with the relevant provisions of the Company Act, no limitations are imposed on the scope of directors' responsibilities.

In 2011, the Company established the Remuneration Committee. During the 2012 Annual General Meeting, when the 11th Board of Directors and Supervisors was elected, three independent directors were appointed, and all independent directors concurrently served as members of the Remuneration Committee. In addition, during the 2015 Annual General Meeting, the Company elected the 12th Board of Directors (including independent directors) and established the Audit Committee to replace the Supervisors system, with all independent directors serving as members of the Audit Committee. In 2019, in accordance with the Taiwan Stock Exchange Corporation Directions for the Establishment and Exercise of Powers of Boards of Directors by TWSE Listed Companies and the Company Act, the Company not only revised the Rules of Procedure for Board Meetings but also established the position of Corporate Governance Officer, who serves as the highest-ranking executive responsible for corporate governance affairs. In 2020, to further implement corporate governance, enhance Board functionality, establish performance objectives, and improve the operational efficiency of the Board and its functional committees, the Company adopted the Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees. In 2022, to fulfill its commitment to sustainable development and enhance the Company's overall capability in managing ESG risks, the Sustainability Committee was established. In 2023, to further strengthen corporate governance and risk management functions, the Risk Management Committee was established.



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Board of Directors and Functional Committees

Compal upholds the principles of integrity, transparency, and accountability in its operations. The Company has established integrity-based policies and sound corporate governance and risk management mechanisms to fulfill its corporate sustainability responsibilities. To effectively enhance Board functions and decision-making quality, the Company has established the Remuneration Committee, Audit Committee, and Sustainability Committee under the Board of Directors. These committees are responsible for formulating and reviewing relevant policies and systems, promoting and implementing related initiatives, strengthening Board operations, fulfilling their supervisory responsibilities, and regularly reporting their implementation status and resolutions to the Board of Directors. The Board of Directors, Remuneration Committee, and Audit Committee perform their duties in accordance with the regulations prescribed by the relevant competent authorities. Information regarding their operations, as well as the relevant regulations governing the organization and operation of the internal audit function, is available on the Company's official website. https://www.compal.com/investor-relations/corporate-governance/

Board of Directors

The Board of Directors comprises members with diverse backgrounds and distinguished expertise and extensive experience in fields including industry, business, management, and academia. The Board consists of 15 directors, including five independent directors. Its responsibilities are to exercise its powers in accordance with applicable laws and regulations, the Articles of Incorporation, and resolutions adopted by shareholders' meetings; formulate the Company's business strategies and policies; supervise the performance of the management team; safeguard the interests of stakeholders; and maximize shareholder value. When Board meetings are convened, in addition to reports presented by the Chief Audit Executive on the execution of audit activities, personnel responsible for relevant agenda items are invited to attend the meetings to provide reports and respond to inquiries as necessary based on the content of the proposals. In principle, the Company's Board of Directors convenes five meetings each year, and directors are required to maintain a minimum attendance rate of 50%. In 2025, a total of six Board meetings were held, and the average attendance rate of directors was 84.44%.

Nomination and Election of Directors

Pursuant to the Articles of Incorporation, the Company shall have between seven and fifteen directors, each serving a term of three years. Directors (including independent directors) are elected under a candidate nomination system and cumulative voting system in accordance with the Articles of Incorporation and the Regulations for Election of Directors. The professional qualifications, work experience, shareholding requirements, restrictions on concurrent positions, and independence of independent director candidates shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Prior to the book closure date for shareholders' meetings, the Company publicly announces, in accordance with applicable laws and regulations, the period for accepting nominations of director candidates (including independent directors), the number of positions to be filled, the place for submission, and other necessary matters. The nomination acceptance period shall not be less than ten days. Qualified nominees for directors (including independent directors) are included in the candidate list upon approval by the Board of Directors and subsequently submitted to the shareholders' meeting for election. At the 2024 Annual General Meeting, the Company elected the 15th Board of Directors, consisting of 15 directors (including five independent directors). The average tenure of directors was 11.05 years, and independent directors represented 33% of the Board.

Corporate Regulations

- Articles of Incorporation
- Rules of Procedure for Shareholders' Meetings
- Regulations for the Election of Directors
- Board of Directors Meeting Guidelines
- The Responsibilities and Rules for Independent Directors
- Organizational Regulations of the Audit Committee
- Organizational Regulations of the Remuneration Committee
- Sustainability Committee Procedures
- Risk Management Committee Procedures
- Corporate Governance Best-Practice Principles
- Code of Conduct for Directors and Managers
- Employee Code of Conduct of Compal Electronics, Inc.
- Ethical Corporate Management Best Practice Principles
- Business Integrity Procedures and Behaviors
- Insider Trading Prevention Procedures
- Sustainable Development Best Practice Principles
- Risk Management Best Practice Principles
- Risk Management Policy of Compal Group
- Business Continuity Management Policy
- Rules for Performance Evaluation of Board of Directors
- Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises
- Tax Policy and Management Regulations

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Board Composition

Item		Director	Independent Director
Age	51~65	5	1
	65~80	4	4
	>80	1	0
Gender	Male	10	4
	Female	0	1
Nationality	R.O.C.	9	5
	United States	1	0
Employee	Compal	3	0
Shareholder Status	Yes	9	1
	No	1	4
Independent Director Tenure	First term	-	4
	Second term	-	1

Meeting Attendance in 2025

Item	Times	Attendance Rate
Board of Directors	6	84..44%
Remuneration Committee	5	80%
Audit Committee	6	83.33%
Sustainability Committee	4	87.50%
Risk Management Committee	2	91.67%
Shareholders' Meeting	1	77%

Term of the 15th Board of Directors: May 31, 2024 to May 30, 2027

Title	Name	Gender	Sustainability Committee	Remuneration Committee	Risk Management Committee	Audit Committee	Attendance Rate
Chairman	Jui-Tsung Chen	Male					100%
Director	Kinpo Electronics Inc. Representative: Wei-Chang Chen	Male					83.33%
Director	Taiwan Venture Capital Co., Ltd. Representative: Chamg-Chyi Ko	Male					100%
Director	Sheng-Chieh Hsu	Male					100%
Director	Chieh-Li Hsu	Male					66.67%
Director	Binpal Investment Co., Ltd. Representative: Wu-Chun Hsu	Male					83.33%
Director	Chung-Pin Wong	Male					66.67%
Director	Chiung-Chi Hsu	Male					83.33%
Director	Anthony Peter Bonadero	Male					66.67%
Director	Sheng-Hua Peng	Male	□		■		100%
*Independent Director	Duh-Kung Tsai	Male	■	■	■	□	100%
*Independent Director	Wen-Chung Shen	Male	■	□	□	■	100%
*Independent Director	Lee-Chiou Chang	Male	■	■	■	■	83.33%
*Independent Director	Shui-Shu Hung	Male	■	■	■	■	50%
*Independent Director	Tzu-Ting Huang	Female	■	■	■	■	83.33%

Note 1: The five independent directors concurrently serve as members of the Remuneration Committee and the Audit Committee.
Note 2: Please refer to the Company's official website for The Introdution of Directors and Directors' Attendance Records and Diversification of the Board Members. Note 3: □Convener ■Member

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Conflict of Interest Management

Compal Electronics, Inc. stipulates in its Regulations Governing Procedure for Board of Directors Meetings, Audit Committee Charter, and Remuneration Committee Charter that where a director (committee member) has an interest in a matter under discussion at a meeting, either personally or on behalf of a legal entity represented by the director (committee member), the director (committee member) shall explain the material aspects of such interest at the meeting. If such matter is likely to prejudice the interests of the Company, the director (committee member) shall not participate in the discussion or voting, shall recuse himself or herself during deliberation and voting, and shall not exercise voting rights on behalf of another director (committee member). In addition, where the spouse, a blood relative within the second degree of kinship, or a company having a controlling or subordinate relationship with a director (committee member) has an interest in a matter under discussion at the meeting as described above, such interest shall be deemed to constitute a personal interest of the director (committee member) in the relevant matter. The Company fully and accurately records the names of directors and committee members, the contents of agenda items, the reasons for recusal, and the participation in voting, and includes such information in the meeting minutes and annual reports. For the implementation status of directors' recusals from conflict-of-interest agenda items in 2025, please refer to the 2025 Annual Report.

Corporate Governance Officer

The Board of Directors has appointed Vice President Cheng-Chiang Wang as the Corporate Governance Officer. The Board Secretariat serves as the department responsible for corporate governance affairs and is responsible for planning and promoting corporate governance-related matters. Its primary responsibilities include matters related to shareholders' meetings, Board meetings, meetings of the Audit Committee and other functional committees; preparation of meeting minutes; director nomination, election, and assumption of office; assistance with directors' continuing education; provision of information required for directors to perform their duties; assistance with directors' compliance with applicable laws and regulations; planning for corporate governance evaluations; enhancement of information disclosure transparency; protection of shareholders' rights and interests; and promotion of sound corporate governance practices. For the implementation status of corporate governance in 2025, please refer to the Company's official website.

Continuing Education for Directors

In accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies, and to enhance directors' professionalism, enable them to faithfully perform their duties and exercise the duty of care of prudent managers, and strengthen their decision-making, leadership, and supervisory functions, courses compliant with applicable regulations are organized by Kinpo Group Management Service Co., Ltd., an affiliated company of the Group, or diversified training programs are arranged through external professional institutions by the Company. In 2025, directors completed a total of 117 hours of continuing education.

Performance Evaluation of the Board of Directors and Functional Committees

In accordance with the Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees, performance evaluations of individual directors, the Board of Directors, the Audit Committee, and the Remuneration Committee are conducted annually during the second quarter. The responsible unit compiles and summarizes the evaluation results and submits them to the Remuneration Committee for analysis during the third quarter, after which the results, together with specific recommendations, are reported to the Board of Directors. The evaluation results are also used as references for individual directors' compensation and nominations for re-election.

On November 10, 2023, the Board of Directors approved amendments to the Company's Regulations Governing Performance Evaluation of the Board of Directors, introducing an external performance evaluation mechanism. In 2023, the Company engaged EY Business Advisory Services Inc. to conduct its first external performance evaluation of the overall Board of Directors, and the evaluation results were reported to the Board of Directors on February 29, 2024. For the 2025 evaluation results, please refer to the Company's official website.

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Remuneration Committee

The Company's Remuneration Committee consists of five independent directors: Independent Director Wen-Chung Shen (the sixth-term Convener), Independent Director Duh-Kung Tsai, Independent Director Lee-Chiou Chang, Independent Director Shui-Shu Hung, and Independent Director Tzu-Ting Huang. The responsibilities of the Remuneration Committee are to assist the Board of Directors in evaluating and determining the remuneration levels of directors and managerial officers, ensuring that compensation is linked to individual and Company performance, thereby promoting reasonable remuneration practices and attracting and retaining outstanding talent. A total of five meetings were convened in 2025, and the average attendance rate of committee members was 80%. The Committee's discussions included the following:

- Establishing and periodically reviewing the policies, systems, standards, and structures governing the performance evaluation and remuneration of directors (including independent directors) and managerial officers.
- Periodically evaluating and determining the remuneration of directors (including independent directors) and managerial officers. Financial performance indicators related to the Company's revenue and profitability are incorporated into the annual performance targets of senior management, including the President, and are linked to variable compensation for senior executives. Compensation for senior management is primarily paid in cash. The payment of short-term performance bonuses and a portion of variable compensation is subject to deferred payment arrangements of up to one year. For further details, please refer to: Remuneration Committee.pdf

Audit Committee

The Company's Audit Committee consists of five independent directors: Independent Director Duh-Kung Tsai (the fourth-term Convener), Independent Director Wen-Chung Shen, Independent Director Lee-Chiou Chang, Independent Director Shui-Shu Hung, and Independent Director Tzu-Ting Huang. The responsibilities of the Audit Committee are to strengthen supervisory functions and management mechanisms by assisting the Board of Directors in reviewing matters related to financial statements, internal control systems, audit operations, accounting policies and procedures, material asset transactions, the appointment (or dismissal), independence, and competence of certified public accountants, as well as the appointment and dismissal of accounting and internal audit executives, thereby ensuring that the Company's operations comply with applicable regulations and relevant laws.

Following the approval of audit reports and follow-up reports, the head of internal audit submits the reports to each independent director for review no later than the end of the month following the completion of each audit project. If independent directors require further information regarding the audit and follow-up results, they may contact the head of internal audit at any time. The internal audit department reports audit activities to the Audit Committee on a quarterly basis and conducts in-person discussions during committee meetings. The Audit Committee maintains effective communication with the head of internal audit. Independent directors and the signing certified public accountants communicate at least once a year regarding the results of financial statement audits and other matters required by applicable laws and regulations. They also review the appointment, independence, and competence of the certified public accountants. For details regarding the communication among independent directors, the head of internal audit, and the certified public accountants in 2025, please refer to the Company's official website: Status of communication between independent directors, internal audit supervisor and CPA.pdf

The major matters reviewed by the Audit Committee in 2025 were as follows:

- Annual and interim financial reports, business reports, and proposals for profit distribution.
- The appointment, dismissal, and compensation of the certified public accountants.
- Evaluation of the independence and competence of the certified public accountants.
- Communication and exchanges with the Company's certified public accountants.
- Matters involving conflicts of interest of directors.
- Material loans of funds, endorsements and guarantees, and issuance of letters of guarantee.
- Material asset transactions.
- The offering, issuance, or private placement of equity securities.
- Amendments to the internal control system.
- Evaluation of the effectiveness of the design and implementation of the internal control system.
- Deficiencies, irregularities, and remediation status of the internal control system.
- The 2026 annual audit plan.
- The Company's compliance with applicable laws and regulations.

A total of six meetings were convened in 2025, and the average attendance rate of committee members was 83.33%. For details regarding the operation of the Audit Committee in 2025, please refer to the Company's official website: Audit Committee.pdf

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Sustainability Committee

To fulfill its commitment to sustainable development and enhance the Company's overall capability in managing ESG risks, Compal Electronics, Inc. established the Sustainability Committee with the approval of the Board of Directors in March 2022. Following the reelection of directors, the Board of Directors resolved on May 31, 2024, to appoint six members to the second-term Sustainability Committee, five of whom are independent directors. The Committee members elected Sheng-Hua Peng as the Convener and Chairperson. The Committee convenes at least once a year to lead the promotion of sustainability-related initiatives, communicate the Company's policies and positions externally, define objectives and strategic directions internally, integrate resources, review action plans, oversee implementation effectiveness, and report implementation results to the Board of Directors. The responsibilities of the Sustainability Committee are as follows:

- Formulate sustainability policies.
- Establish annual sustainability plans and strategic directions.
- Review, monitor, and assess the implementation status and effectiveness of sustainability initiatives and report to the Board of Directors.
- Oversee sustainability-related disclosures and review the Sustainability Report.
- Oversee matters related to the Company's Sustainable Development Best Practice Principles and other sustainability-related matters as resolved by the Board of Directors.

Board Oversight of the Sustainability Committee

Directors shall exercise the duty of care of prudent managers by promoting sustainable corporate development, regularly reviewing implementation effectiveness, and continuously improving relevant practices to ensure the effective implementation of sustainability policies. The Sustainability Committee regularly reports to the Board of Directors on the progress of greenhouse gas inventories and assurance, annual stakeholder engagement activities, the implementation status of sustainability initiatives and greenhouse gas-related matters, as well as the identification of material topics for the annual Sustainability Report and the formulation of annual sustainability plans and strategies. The Board of Directors evaluates the likelihood of success of the annual sustainability plans and strategies proposed by the Sustainability Committee, periodically reviews implementation progress, and, when necessary, urges the management team to make appropriate adjustments. A total of four meetings were convened in 2025, and the average attendance rate of committee members was 87.50%. For details regarding the operation of the Sustainability Committee in 2025, please refer to the Company's official website: Sustainability Committee.pdf

To safeguard investors' interests, the Chairman of the Board does not concurrently serve as a managerial officer of the Company. In addition, the Company maintains directors' and officers' liability insurance for all directors, supervisors, and key officers. Following each annual renewal, important information regarding the insured amount, coverage, and premium rate of the liability insurance is reported to the most recent meeting of the Board of Directors.

Since 2013, Compal has adopted electronic voting as one of the methods for exercising voting rights at shareholders' meetings, enabling shareholders who are unable to attend in person to exercise their voting and election rights via the Internet. This allows shareholders to participate in major corporate matters, including amendments to the Articles of Incorporation, approval of annual financial statements, issuance of securities, amendments to the Procedures for Acquisition or Disposal of Assets, amendments to the Procedures for Trading in Derivative Financial Products, amendments to the Procedures for Lending Funds to Others, amendments to the Procedures for Endorsements and Guarantees, removal of non-compete restrictions for directors, and the election of directors and independent directors.

In 2025, the attendance rate at Compal's Annual General Meeting was 77%, and the proportion of shareholders voting electronically reached 66.88%. All acknowledgment items and discussion items were voted on individually after thorough discussions among attending shareholders. The results of shareholder approvals, objections, and abstentions for each proposal were recorded in the meeting minutes and disclosed on the Market Observation Post System (MOPS), ensuring that the resolutions adopted at shareholders' meetings fully reflected shareholders' views.

The Company has established the "Code of Conduct for Directors and Managers", "Employee Code of Conduct of Compal Electronics, Inc." and "Ethical Corporate Management Best Practice Principles", explicitly prescribe conflict-of-interest avoidance requirements. In addition, relevant complaint and whistleblowing mechanisms are established under the Procedures for Ethical Management and Guidelines for Conduct. Furthermore, to prevent insider trading, the Company has "CO10 Administration of Insider Trading Prevention" and "Implementation Rules for Administration of Insider Trading Prevention" into its internal control system. These documents are publicly disclosed on the Company's website and linked to the official website of the Taiwan Stock Exchange for employee reference.

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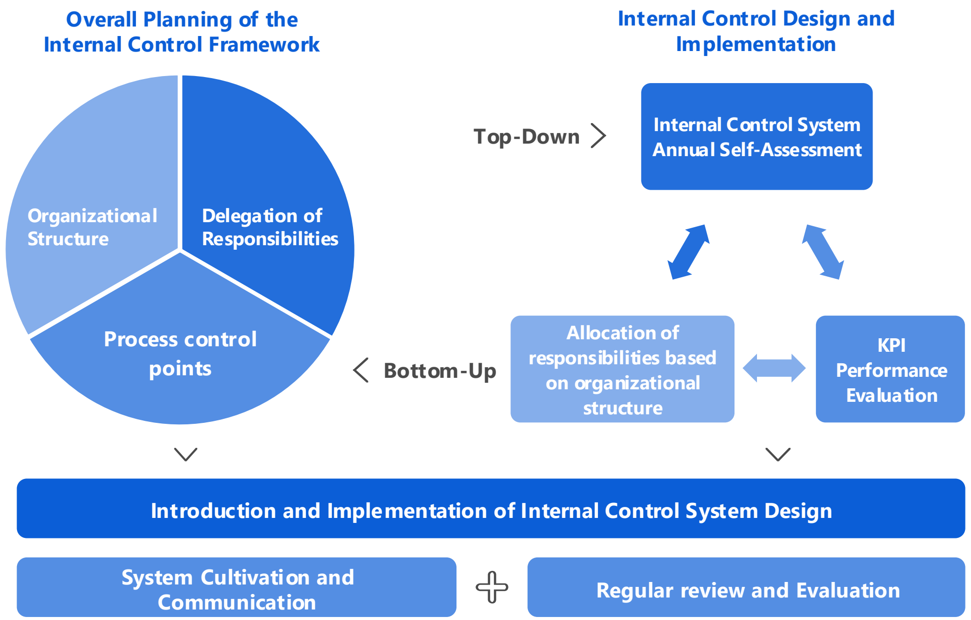
3.4 Risk Management

3.4.1 Risk Management System and Framework

- Compal has established a Risk Management Policy, which was approved and became effective upon Board approval on March 15, 2022, serving as the highest guiding principle for the Company's risk management practices. The core principle of the policy is to follow international standards and benchmark against leading enterprises while ensuring regulatory compliance to achieve sustainable corporate operations.
- The Company follows the Regulations Governing Establishment of Internal Control Systems by Public Companies issued by the Financial Supervisory Commission to establish financial, operational, and accounting management systems, and to evaluate and monitor operational risks. The management team actively participates in formulating risk management policies and corresponding guidelines to ensure that operational risks remain within acceptable levels.
- The Company also complies with local laws and regulations applicable to its major production sites. For example, it follows the guidance related to the "Basic Norms for the Internal Control of Enterprises" jointly issued by the Ministry of Finance of the People's Republic of China, the China Securities Regulatory Commission, the National Audit Office, the China Banking Regulatory Commission, and the China Insurance Regulatory Commission.

3.4.2 Internal Control Design with Full Employee Participation

- Based on organizational structure, delegated responsibilities, and process control points, the Company has established an internal control framework. Through internal control self-assessments and performance evaluations, the Company ensures effective implementation of internal controls.
- The Company promotes internal control self-assessment covering both entity-level and operational-level controls. In 2025, a total of 380 units (department-level units or independent units) conducted self-assessments, with 249 individuals completing the self-evaluation process, including the Chairperson, President, independent directors, and related managerial personnel. The comprehensive coverage was sufficient to ensure the effective introduction and implementation of internal control procedures.



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3.4.3 Ethical Management and Risk Management Organizational Structure

- Compal has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and the Procedures for Ethical Management and Guidelines for Conduct published by the TWSE.
- The Company has also formulated its risk management organization and processes by referencing the Three Lines Model framework published by The Institute of Internal Auditors (IIA), while incorporating practical operational considerations based on the Company's organizational structure.
- To promote risk management, each department head establishes responsible units according to their duties and responsibilities. These units are responsible for day-to-day risk management and, through communication, coordination, and collaboration among departments, jointly promote and execute annual plans and projects to implement comprehensive risk management across all business operations.
- Risk Management Training: To cultivate employees' awareness of risk management and reinforce information security concepts among all employees, the Company provides educational training programs and seminars on Compal's sustainable development, risk management, information security, and confidentiality awareness for all employees. These initiatives aim to strengthen employees' risk awareness and vigilance.

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

The Risk Management Committee operates under the Board of Directors and is specifically responsible for supervising risk management mechanisms. Its primary functions are as follows:

- Reviewing risk management policies and procedures, organizational regulations, and guidelines, and periodically reviewing their applicability and effectiveness of implementation.
- Approving risk appetite (risk tolerance) and guiding resource allocation.
- Reviewing management reports on major risk issues.
- Determining the priority and classification of risk control measures based on the risks faced by the Company.
- Reviewing the implementation status of risk management and proposing improvement recommendations.
- Executing risk management-related resolutions adopted by the Board of Directors.

The Risk Management Committee convenes at least twice annually to discuss annual risk management objectives and plans, as well as the implementation status of annual risk management initiatives. Relevant proposals are subsequently submitted to the Board of Directors for review and approval.

Audit of Risk Management Processes

The risk management processes of Compal are audited at least once annually by the internal audit department and external signing CPAs. The Company's internal control system policies and procedures—including financial, operational, risk management, information security, R&D, and regulatory compliance control measures—are also evaluated by the Audit Committee to assess the effectiveness of the Company's risk management and internal control systems. The Company has adopted necessary control mechanisms to monitor and correct violations.

The Company shall establish an internal audit system to provide management and the Audit Committee with a basis for evaluating the Company's risk management operations and internal control systems. The Company has established its internal control and internal audit systems in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies," which are consistent with governance guideline requirements. The Audit Committee evaluates the effectiveness of the Company's internal control system policies and procedures and reviews periodic reports from the internal audit department, signing CPAs, and management. The Audit Committee concluded that the Company's risk management and internal control systems are effective, and that the Company has adopted necessary control mechanisms to supervise and correct non-compliant conduct.

Following the comprehensive reelection of the Board of Directors and functional committee members on May 31, 2024, all Board members of Compal have regularly participated in annual risk management training programs. The risk management and ESG continuing education status of all incumbent and newly appointed directors (including non-executive directors) is summarized as follows:

Title	Name	Appointment Date	Training Date	Organizing Institution	Course Title	Training Hours	Relevant to Risk Management	ESG-Related Courses
Chairperson	Ray Chen	2024/05/31	2025/03/29	Importers And Exporters Association Of Taipei	Outlook For Global Economic And Industrial Trends In 2025 And Taiwan's Industrial Transformation Strategies	3	Yes	
			2025/05/14	Taiwan Institute Of Directors	New U.S. Tariff Storm – Supplier Survival Strategies	3	Yes	
			2025/11/12	Taiwan Institute Of Directors	Corporate Digital Transformation – AI And Emerging Technology Application Cases	3	Yes	
Director	Anthony Peter Bonadero	2024/05/31	2025/08/14	Taiwan Corporate Governance Association	Corporate Governance And Securities Regulations	3	Yes	Yes
			2025/12/10	Taiwan Corporate Governance Association	AI Artificial Intelligence And Corporate Governance	3	Yes	
Director	Chieh-Li Hsu	2024/05/31	2025/03/29	Importers And Exporters Association Of Taipei	Outlook For Global Economic And Industrial Trends In 2025 And Taiwan's Industrial Transformation Strategies	3	Yes	
			2025/05/14	Taiwan Institute Of Directors	New U.S. Tariff Storm – Supplier Survival Strategies	3	Yes	
			2025/08/14	Taiwan Corporate Governance Association	Sustainability Performance And Executive Compensation	3	Yes	Yes
			2025/11/13	Taiwan Corporate Governance Association	Corporate Resilience Governance: Risk Management And Business Continuity Management	3	Yes	Yes
Director	Sheng-Chieh Hsu	2024/05/31	2025/05/14	Taiwan Institute Of Directors	New U.S. Tariff Storm – Supplier Survival Strategies	3	Yes	
			2025/11/12	Taiwan Institute Of Directors	Corporate Digital Transformation – AI And Emerging Technology Application Cases	3	Yes	
Director	Chiung-Chi Hsu	2024/05/31	2025/05/14	Taiwan Institute Of Directors	New U.S. Tariff Storm – Supplier Survival Strategies	3	Yes	
			2025/11/12	Taiwan Institute Of Directors	Corporate Digital Transformation – AI And Emerging Technology Application Cases	3	Yes	
Director	Chung-Pin Wong	2024/05/31	2025/05/14	Taiwan Institute Of Directors	New U.S. Tariff Storm – Supplier Survival Strategies	3	Yes	
			2025/11/12	Taiwan Institute Of Directors	Corporate Digital Transformation – AI And Emerging Technology Application Cases	3	Yes	
Representative Of Institutional Director	Charng-Chyi Ko	2024/05/31	2025/05/14	Securities And Futures Institute	Economic Outlook For U.S.-China Relations And Taiwan Industries Under Trump 2.0	3	Yes	
			2025/08/14	Taiwan Corporate Governance Association	Sustainability Performance And Executive Compensation	3	Yes	Yes
			2025/11/13	Taiwan Corporate Governance Association	Corporate Resilience Governance: Risk Management And Business Continuity Management	3	Yes	Yes

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Title	Name	Appointment Date	Training Date	Organizing Institution	Course Title	Training Hours	Relevant to Risk Management	ESG-Related Courses
Representative of Institutional Director	Wei-Chang Chen	2024/05/31	2025/03/29	Importers and Exporters Association of Taipei	Outlook for Global Economic and Industrial Trends in 2025 and Taiwan's Industrial Transformation Strategies	3	Yes	
			2025/05/14	Securities and Futures Institute	Economic Outlook for U.S.-China Relations and Taiwan Industries under Trump 2.0	3	Yes	
			2025/08/14	Taiwan Corporate Governance Association	Sustainability Performance and Executive Compensation	3	Yes	Yes
			2025/11/13	Taiwan Corporate Governance Association	Corporate Resilience Governance: Risk Management and Business Continuity Management	3	Yes	Yes
Representative of Institutional Director	Wu-Chun Hsu	2024/05/31	2025/05/14	Taiwan Institute of Directors	New U.S. Tariff Storm – Supplier Survival Strategies	3	Yes	
			2025/05/20	Importers and Exporters Association of Taipei	Challenges and Responses to the New Global Economic and Trade Landscape	3	Yes	
			2025/10/01	Taiwan Project Management Association	ESG Investment and Corporate Social Responsibility	3	Yes	Yes
Director	Sheng-Hua Peng	2024/05/31	2025/05/14	Taiwan Institute of Directors	New U.S. Tariff Storm – Supplier Survival Strategies	3	Yes	
			2025/11/12	Taiwan Institute of Directors	Corporate Digital Transformation – AI and Emerging Technology Application Cases	3	Yes	
Independent Director	Wen-Chung Shen	2024/05/31	2025/05/14	Taiwan Institute of Directors	New U.S. Tariff Storm – Supplier Survival Strategies	3	Yes	
			2025/05/20	Importers and Exporters Association of Taipei	Challenges and Responses to the New Global Economic and Trade Landscape	3	Yes	
			2025/07/09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6	Yes	Yes
Independent Director	Tzu-Ting Huang	2024/05/31	2025/05/14	Taiwan Institute of Directors	New U.S. Tariff Storm – Supplier Survival Strategies	3	Yes	
			2025/11/12	Taiwan Institute of Directors	Corporate Digital Transformation – AI and Emerging Technology Application Cases	3	Yes	
Independent Director	Shui-Shu Hung	2024/05/31	2025/06/25	Taiwan Corporate Governance Association	Trend Risk Management of Digital Technology and Artificial Intelligence	3	Yes	
			2025/08/26	Taiwan Corporate Governance Association	How to Conduct Successful Investment and M&A Negotiations: Practical Case Sharing	3	Yes	
Independent Director	Duh-Kung Tsai	2024/05/31	2025/05/14	Taiwan Institute of Directors	New U.S. Tariff Storm – Supplier Survival Strategies	3	Yes	
			2025/11/12	Taiwan Institute of Directors	Corporate Digital Transformation – AI and Emerging Technology Application Cases	3	Yes	
Independent Director	Lee-Chiou Chang	2024/05/31	2025/08/12	Securities and Futures Institute	Trump 2.0 Reshaping the Global Economic Order – Impacts and Response Strategies	3	Yes	
			2025/11/11	Taipei Foundation of Finance	How AI Enhances Operational Efficiency and Service Quality, and AI Transformation Case Sharing	2	Yes	
			2025/12/05	Taipei Foundation of Finance	Understanding ESG in One Hour: A Corporate Sustainability Starter Course	1	Yes	Yes

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Compal established the Risk Management Committee with approval from the Board of Directors on May 10, 2023. On May 31, 2024, all members of the Risk Management Committee were reelected. The Committee consists of all independent directors—Duh-Kung Tsai, Wen-Chung Shen, Lee-Chiou Chang, Shui-Shu Hung, and Tzu-Ting Huang—as well as Director Sheng-Hua Peng. Independent Director Wen-Chung Shen was elected by all committee members to serve as Convener and Chairperson of the meetings. The risk management qualifications of the relevant committee members are summarized as follows:

Title	Name	Appointment Date	Current Principal Position	Major Experience	Possession Of Risk Management Expertise	Nature Of Risk Management Expertise
Independent Director	Tzu-Ting Huang	2024/05/31	Advisor, Acer Incorporated	Co-chief Operating Officer, Acer Incorporated President, Global Brand Marketing And Strategic Operations Center, Acer Incorporated Intellectual Property And Marketing Services, Acer Incorporated Director, Acer Cyber Security Incorporated Director, Highpoint Service Network Corporation Independent Director, FLYTECH TECHNOLOGY CO., Ltd. Independent Director, Auo Corporation	Yes	Operational Risk Market Risk R&D Risk
Independent Director	Shui-Shu Hung	2024/05/31	Chairman, Catcher Technology Co., Ltd.	Chairman And President, Catcher Technology Co., Ltd.	Yes	Operational Risk Market Risk
Independent Director	Wen-Chung Shen	2024/05/31	Chairman, Her Tuo Co., Ltd.	Director, Compal Electronics, Inc. Executive Vice President, Compal Electronics, Inc.	Yes	Operational Risk Market Risk R&D Risk
Independent Director	Duh-Kung Tsai	2024/05/31	Chairman, Powertech Technology Inc. Director, Greatek Electronics Inc.	Chairman And Chief Strategy Officer, Powertech Technology Inc. Director, Greatek Electronics Inc.	Yes	Operational Risk Market Risk
Independent Director	Lee-Chiou Chang	2024/05/31	Chairman, Panion & BF Biotech Inc. Chairman, Shun Tian International Investment Co., Ltd. Chairman, Herbiotek Co., Ltd. Chairman, Yh Bio Co., Ltd. Chairman, Viarich Biotechnology Co., Ltd. Chairman, Ho Tung Chemical Corp. Chairman, Cheng Fong Chemical Co., Ltd.	Division Chief, Securities And Futures Bureau President, Grand Cathay Securities Corporation Chairman, Yuanta Securities Co., Ltd. Supervisory Convener, Taiwan Securities Association	Yes	Operational Risk Market Risk Financial Risk
Director	Sheng-Hua Peng	2024/05/31	Executive Vice President, Compal Electronics, Inc.	Executive Vice President, Compal Electronics, Inc.	Yes	Operational Risk Market Risk R&D Risk Procurement Risk

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3.4.4 Fostering a Risk Management Culture

Incorporating Risk Management Indicators into Product Design and Development Processes

Compal has incorporated risk management considerations into the product development stage by adopting project management methodologies to evaluate and prevent related risks. This approach is implemented to effectively manage R&D design risks, quality risks, and mass production risks, ensure on-time delivery, and avoid potential losses such as impacts on customer relationships and missed business opportunities. From the product quotation stage through completion of mass production, risk identification and improvement plans proposed by each department must be reviewed to ensure that all project risks and opportunities are reduced to controllable levels and managed through contingency plans. To further strengthen the integration of risk management into product development processes, the Company has also included risk assessment and response management as performance evaluation indicators for senior executives within product R&D departments.

Performance Evaluation and Incentives

The Company places great emphasis on enhancing the risk awareness capabilities of all employees. Performance evaluation indicators and assessment standards are established for employees at different organizational levels and business functions, thereby integrating risk culture into daily operational activities.

Senior Management	In addition to general work performance objectives, the Company places particular emphasis on risk management capabilities, including risk identification, risk analysis, risk assessment, risk control and response, supervision, and review of implementation status and effectiveness, all of which are incorporated into performance evaluations.
	To effectively reduce corporate risks, senior executives are expected to possess the ability to accurately assess the level of risk tolerable for each operational task and establish detection and prevention systems to avoid the occurrence of issues.
	In addition to regular evaluations of management performance outcomes, achievement rates of relevant performance indicators are also used as a basis for compensation calculations. Considering business characteristics and operational needs, the Company places particular emphasis on the management of risks associated with overseas factory expansion. In daily operations, overseas expansion risks are managed primarily through audits, process optimization, integration, and procedural revisions to strengthen consistency in Group operational compliance. Through precise assessment of the risk tolerance level for each task, the Company also incorporates the effectiveness of overseas operational risk management into the performance evaluations and compensation assessments of relevant department managers to maintain stable overseas operations more effectively.
Middle and Junior Management	In addition to general work performance objectives, the Company also places special emphasis on risk management capabilities, including risk identification, risk analysis, risk assessment, risk control and response, supervision, and review of implementation status and effectiveness, which are incorporated into performance evaluations.
	In addition to regularly evaluating management performance outcomes, the achievement rates of relevant performance indicators are also included as a basis for compensation calculations. Taking into account business characteristics and operational needs, the Company places particular emphasis on managing risks related to overseas factory expansion. In daily operations, the Company regularly reviews geopolitical issues related to overseas operational sites, establishes comprehensive command structures, and conducts periodic risk assessments. The results of related risk management efforts are also incorporated into the performance evaluations and compensation assessments of relevant department managers to more effectively prevent risk occurrences.
General Employees	Employees are expected to identify and assess potential risks within their professional functions, remain informed of market developments, and ensure the accuracy and timeliness of operational objectives.

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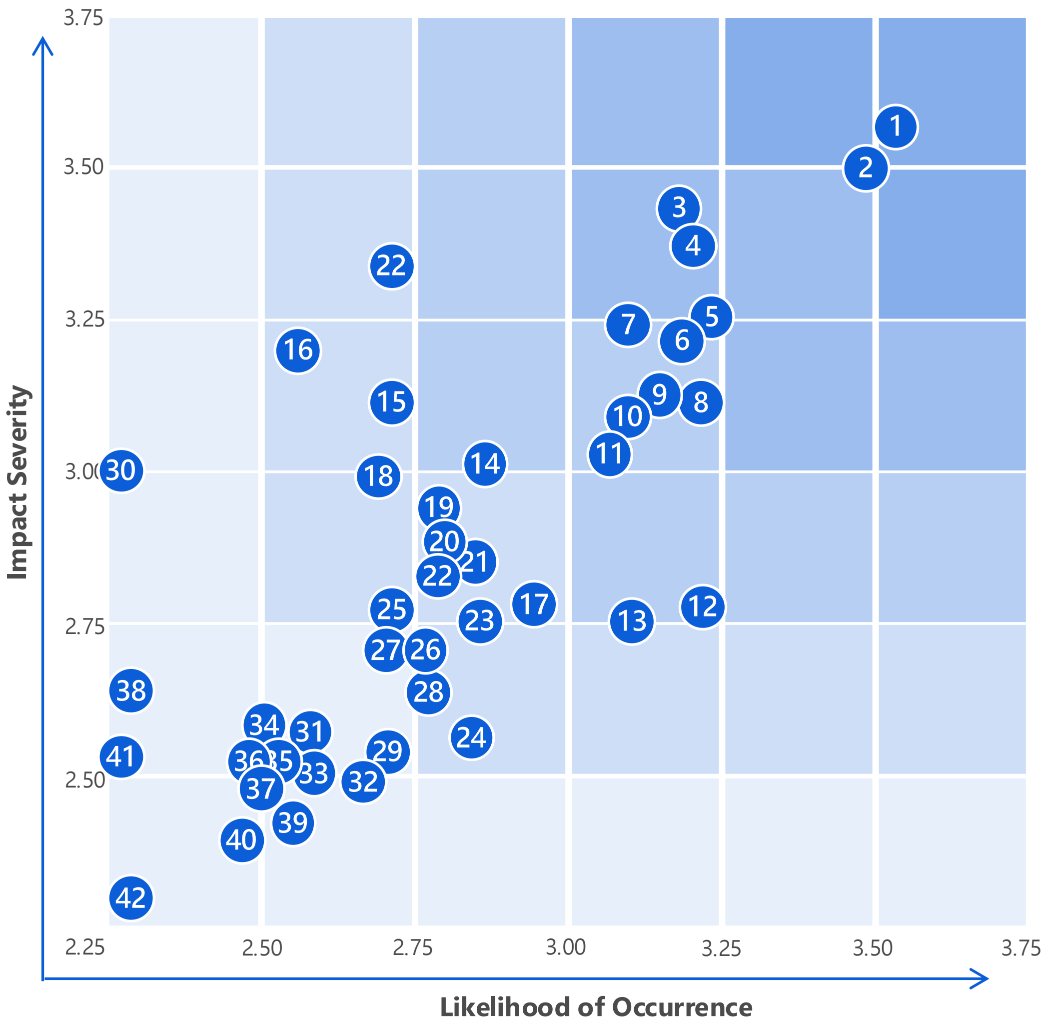
3.4.5 Risk Identification and Prioritization in 2026

Compal Electronics, Inc. follows the ISO 31000 framework and methodology to conduct processes including risk identification, analysis, and evaluation. A total of 42 risk issues were categorized into five major dimensions: Strategy, Finance, Operations, Compliance, and Environment. The Company then applies a Risk Analysis Matrix, taking into account available corporate resources, to determine the priority order for risk management.

Risk Matrix



Risk Value (Likelihood × Impact Severity)

1) Risk of Overseas Expansion 12.76
2) Supply Chain Material Shortage Risk 12.35
3) Product Quality Risk 10.82
4) Information Technology Risk 10.80
5) Procurement or Sales Concentration Risk 10.61
6) Customer Relationship Management Risk 10.34
7) Technology R&D Risk 10.22
8) Capital Market Volatility Risk 10.10
9) Talent Development Risk 10.00
10) Investment Risk 9.72
11) Changes in Consumer Product Requirements 9.36
12) Low-carbon Technology Transition 8.97
13) Carbon Tax Cost Risk 8.63
14) Infectious Disease Transmission 8.59
15) Merger and Acquisition Risk 8.53
16) Tax Risk 8.20
17) Corporate Social Responsibility Risk 8.16
18) Supplier Non-Compliance Risk (with Compal or Regulatory Requirements) 8.04
19) Intellectual Property Protection Risk 8.04
20) Risk Management Risk 7.94
21) Talent Cultivation Risk 7.87
22) Environmental Advocacy Risk 7.87
23) Product Cost Risk 7.85
24) Carbon Emission Risk 7.59
25) Climate Change Risk 7.56
26) Changes in Consumer Trends Resulting from Natural Resource Crises and Regulatory Developments 7.54
27) Labor-Management Dispute Risk 7.44
28) Legal Case Risk 7.42
29) Energy Management Risk 7.05
30) Working Capital Turnover Risk 6.92
31) Mental Health Risk 6.91
32) Waste Management Risk 6.81
33) Renewable Energy Management Risk 6.76
34) Change of Control Risk 6.69
35) Carbon Disclosure Risk 6.67
36) Occupational Safety Risk 6.67
37) Employee Diversity Risk 6.47
38) Fraud Risk 6.30
39) Water Management Risk 6.27
40) Human Rights Risk 6.07
41) Reputation Risk 5.89
42) Biodiversity Risk 5.65

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Risk Response Strategies

Based on the results of the Risk Analysis Matrix, Compal analyzed internal and external environments for the top three risks, identified specific risks, and formulated corresponding response strategies, as detailed below.

Risk Item / Description	Risk Level	Potential Impact on the Company	Response Actions
Risk of Overseas Expansion Compal faces potential operational risks arising from factors such as the U.S.-China trade war and difficulties in recruiting talent for overseas expansion projects.	High	Trade conflicts and talent recruitment challenges may disrupt supply chain operations, thereby increasing overseas expansion risks and affecting the Company's production flexibility and responsiveness.	1. Continue promoting the "diversified production capacity deployment" strategy by establishing operational sites across Asia, the Americas, and Europe to diversify regional risks. 2. Conduct comprehensive and rigorous investment evaluation analyses. Overseas expansion decisions are made only after risk assessments and financial feasibility analyses, with risk considerations prioritized over profitability. Local government policies and reports from professional institutions (e.g., geopolitical risk indices) are also referenced to ensure operational resilience and supply stability. 3. Strengthen talent pipelines through localized recruitment channels. 4. Collaborate with strategic partners to establish "agglomeration economies," improving productivity and reducing production costs through resource sharing. Increase supply chain localization and coordinate with existing suppliers to establish logistics and distribution centers near new production sites.
Supply Chain Material Shortage Risk Due to fluctuations in the raw material market, shortages may reduce suppliers' shipment volumes, resulting in decreased product shipments and lower revenue and gross margins.	High	To reduce the risk of obsolete inventory and improve profitability, the Company has implemented just-in-time production and precise inventory management. However, the increasing frequency of natural disasters and unexpected incidents has heightened the risk of supply disruptions and production shutdowns associated with lean inventory management.	In response to global supply chain restructuring trends, the Company has adopted the following measures: 1. Continuously strengthen supply chain information systems to enhance demand forecasting, inventory inquiry, and delivery instruction management mechanisms. 2. Strengthen strategic partnerships with key component suppliers. 3. Utilize big data analytics to monitor raw material market trends. 4. Continue planning and promoting online bidding (quotation and negotiation) and modular procurement systems. 5. Irregularly review suppliers' global production sites to maintain supply chain resilience.
Product Quality Risk Failure to detect defective products before shipment may result in customer losses, damage corporate reputation, reduce customer satisfaction, and potentially lead to significant compensation liabilities.	Medium	The Company actively implements quality value practices across technology, manufacturing, and service dimensions. However, semi-automated production and quality management systems remain subject to human limitations, and therefore still face potential risks arising from operator error and undetected defective products.	1. Establish rigorous supplier review and tiered management systems. 2. During new product introduction stages, quality engineers conduct durability validation and systematic testing based on customer specifications to ensure product safety and reliability. 3. After mass production begins, inspections are conducted throughout the process from material receipt to product shipment. Incoming quality control personnel inspect incoming materials, while quality assurance personnel conduct testing based on customer specifications. Inspection standards are aligned with customer requirements, and after 100% testing qualification, random sampling through unpacking inspections is conducted to prevent defective products from being released. 4. To prevent durability issues caused by component and process changes, continuous reliability testing is conducted on mass-produced products, and defective findings are reported back to front-end quality engineers and production lines for improvement. 5. On-site customer representatives, together with quality control and audit personnel, conduct testing of finished products on production lines in accordance with U.S. General Services Administration certification standards to verify shipment quality. 6. Regular reviews are conducted with customers, and factory inspection items are adjusted and improved based on customer feedback.

Risk Exposure Assessment

The Company's monthly risk management tracking activities focus on monitoring and reporting indicators related to risk mitigation actions undertaken by responsible departments, as well as assessing risk exposure conditions. These activities include timely reviews of whether objectives align with market development trends and corporate vision, management of target achievement progress, and rolling forecasts of expected quarterly and annual outcomes to confirm that adopted actions are effectively implemented and that risk events remain within controllable ranges.

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3.4.6 Identification of Emerging Risks (1/2)

Risk Item	Category	Description of risks	Potential Impact on the Company	Mitigation Actions
Geopolitical and Supply Chain Restructuring Risk	Geopolitical	Through the tariff protection policies strengthened by the newly elected U.S. President Trump in 2025, global industries may undergo further restructuring. Rising capital expenditures and production costs may prompt manufacturers to pass additional costs on to consumers, which could in turn trigger inflationary pressures and pose severe challenges to the current high interest rate environment.	The escalation of U.S.-China strategic competition and Trump's 2025 tariff policy, which imposed a 10% duty on Chinese imports, have resulted in multifaceted impacts on Compal, whose largest production base is located in China. o Increased Production Costs: China remains the primary manufacturing hub for many products. As companies continue to rely on Chinese factories to meet market demand, tariff increases have weakened product price competitiveness. To maintain market share, many factories are unable to fully absorb or pass on tariff adjustment costs, thereby facing operational risks. o Supply Chain Restructuring: To avoid U.S. tariffs, some companies have shifted production lines to countries with lower tariffs or established new overseas facilities. Such restructuring has affected the operations of factories in China, with some facing the risk of downsizing or closure.	Risks of geopolitical changes and supply chain restructuring leading to increased costs
Geopolitical Risk – Taiwan Relations	Geopolitical	As Taiwan has become a focal point of geopolitical tension, Compal faces heightened operational risks due to political instability and security concerns. The uncertainty surrounding cross-strait relations may affect the Company's R&D, manufacturing, and customer confidence, making geopolitical risk management a key factor in long-term operations. o Geopolitical and security concerns may lead to disruptions in supply chains, sanctions, or restrictions on cooperation, directly affecting R&D and production activities. If key components or technologies are restricted from export, production schedules and customer deliveries may be impacted, potentially resulting in order losses or reduced customer confidence, thereby creating significant operational challenges. o In the event of military conflict or blockade in the Taiwan Strait, transportation and logistics disruptions could increase operational uncertainty. Rising shipping and insurance costs may affect supply chain stability and delivery schedules, while production models may need adjustment to satisfy customer requirements for geographically diversified manufacturing, further increasing operational pressure. o Escalating geopolitical tensions may also increase cybersecurity threats. Compal's AI and IoT systems could become targets of cyberattacks, creating information security risks that may lead to internal data breaches, system downtime, or customer service disruptions, thereby affecting customer trust and long-term partnerships.	o Interruptions in technology R&D and production may affect product delivery capabilities. o Delays in technology R&D may impact product innovation and testing progress, weakening competitiveness in emerging technology sectors. o Leakage or compromise of technical data and research and development outcomes may affect the security of the Company's technological assets.	o Establish cross-regional supply chain deployment to strengthen manufacturing capabilities in the U.S., Vietnam, India, and other regions, ensuring continued operations of core technologies and production capacity. o Adopt diversified procurement strategies to diversify supply sources, deepen partnerships with suppliers in non-sensitive regions, and implement supply chain risk monitoring systems through localized procurement and production deployment to reduce supply disruption risks and ensure operational resilience. o Conduct irregular reviews of suppliers' global production deployment and localization capabilities, and implement CPS (Cyber-Physical Systems) for raw material traceability and management. o Strengthen cybersecurity protection and establish abnormal behavior detection and response mechanisms.

3.4.6 Identification of Emerging Risks (2/2)

Risk Item	Category	Description of risks	Potential Impact on the Company	Mitigation Actions
Talent Shortage Risk Driven by Demographic and Emerging Industry Trends	Social	In recent years, the rapid growth and industrialization of AI technologies have continuously expanded the AI application market. According to industrial and commercial registration statistics from the Ministry of Economic Affairs, Taiwan's electronic component manufacturing industry output value in 2025 is estimated to reach approximately NT$10,468,977,384 thousand. As the Company actively expands AI Server and AI PC businesses, the growing AI Server and AI industries may create talent acquisition risks due to shortages in labor supply and intensified competition. According to a survey by 104 Job Bank, 61.5% of companies in 2025 indicated insufficient demand for AI talent. In addition, according to statistics from Taiwan's Ministry of the Interior, the working-age population in Taiwan is projected to decrease to 67% by 2030. The low birthrate trend and declining labor participation may further exacerbate labor shortages and intensify competition for talent. If the Company's current salary and benefits are not sufficiently competitive compared with international enterprises, it may become more difficult to recruit and retain emerging technology talent.	The Company has actively expanded its AI Server and AI PC businesses in recent years. To maximize business scale, the Company requires the recruitment of the latest technology talent. In addition, due to Taiwan's declining birthrate and talent outflow under remote work trends, the supply and demand imbalance for AI emerging technology talent has intensified. This may result in declining competitiveness in talent recruitment and retention, thereby affecting the Company's operational development. As AI PC and AI-related applications continue to mature and business expands, the Company's profitability may also be affected. Younger generations have relatively lower willingness to remain in traditional industries, which may prevent the Company from recruiting and retaining competitive talent. This could lead to uncertainty in human resource availability and impact the Company's long-term operations.	Risks of talent shortages caused by declining birthrates and emerging industry trends
AI Introduction and Information Security Risk	Technological	Compal actively promotes AI-driven transformation and digitalization, but the rapidly changing external environment also brings cybersecurity challenges. As global digitalization accelerates, the Company faces the following risks: o Data Governance Challenges: Differences in regulations and standards across regions may create inconsistencies in data governance, increasing the risk of data breaches and misuse. o AI Model Access to Sensitive Information: As AI technologies become widespread, model training and deployment processes may involve sensitive or confidential data. If external attackers exploit technical vulnerabilities, information security may be compromised. Furthermore, biased or inaccurate AI-generated outputs may adversely affect decision-making and operational risks. o Supply Chain Cybersecurity Risks: As global supply chain digitalization advances, differing cybersecurity maturity among overseas partners may create vulnerabilities, increasing uncertainty in operational management. o Risks Arising from AI-assisted Decision-making: As AI technologies are increasingly applied to operational analysis and decision support, Compal has developed internally trained AI models to support forecasting, planning, and analysis. However, AI models rely on historical data and existing assumptions. Rapid changes in market trends, supply chain structures, customer requirements, or geopolitical conditions may reduce the accuracy and reliability of AI-assisted decision-making, potentially increasing operational risks.	o Insufficient data quality or authorization management may result in incorrect decision-making or data leakage, leading to legal disputes, reduced customer trust, and increased legal risks. o AI technology applications may become entry points for cyberattacks. As Compal serves many international brands, large-scale supply chain impacts could occur if vulnerabilities spread. o AI systems may be monitored or attacked, disrupting manufacturing and R&D processes, interrupting operations or delaying R&D progress, thereby affecting operational stability.	o Establish comprehensive data governance frameworks to ensure data completeness, consistency, and traceability. In response to emerging global AI regulations and governance trends, establish AI governance and control mechanisms. o Develop AI usage policies restricting sensitive data input into external platforms. Promote the use of internal AI platforms and establish data governance standards within internal environments. Strengthen employee cybersecurity training to enhance security awareness. o Enhance system monitoring and establish anomaly detection and rapid response mechanisms for cybersecurity incidents to ensure system resilience.

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3.4.7 Medium and Long-Term Development Plans

Continuous Management of "Emerging Risks" with Reference to the WEF GRPS Report: Based on the Global Risks Perception Survey (GRPS) conducted annually by the World Economic Forum (WEF), Compal evaluates key issues across economic, geopolitical, environmental, social, and technological dimensions from the perspectives of both "likelihood" and "impact." Emerging risks such as climate change and infectious diseases are also incorporated into the Company's risk management scope.

Digital Transformation to Enhance Corporate Governance Standards: As business models become increasingly complex, traditional post-event inspection methods relying on manual processes have become outdated. Compal will continue leveraging information systems to achieve proactive risk warning capabilities. In addition to reducing labor costs, such initiatives also enhance the effectiveness of internal controls.

Talent Development Program for Risk Management under the Third Line of Defense Implementation Status in 2025:

a. In accordance with regulatory requirements, the number of personnel and training hours completed by the Audit Office over the past three years are listed in the table below:

b. Based on the competencies required by employees, appropriate training topics were planned, and personnel attended training programs offered by the following institutions:

	Year	2023	2024	2025
a	No. of Personnel	6	7	11
	Training Hours	72 Hours	84 Hours	138 Hours
	Organizing Institution	Training Topics (Elective Courses)		
b	Institute of Internal Auditors	Practical Seminar on "Digital Transformation of Internal Auditing"; Practical Discussion and Response Strategies for "Insider Trading" and "False Financial Reporting"; Key Internal Control and Internal Audit Topics for "Regulatory Compliance"; Audit Ethics and Professional Decision-Making in the AI Era: Technology Risks, Ethical Dilemmas, and New Governance Challenges; Key Considerations and Impacts of IFRS S1/S2 on Internal Control and Internal Auditing; Analysis of Sustainability Reports and Sustainability Information Auditing Practices; Interpretation of Financial Analysis Indicators and Prevention of Operational Risks; New Positioning of Internal Auditing Through Case Studies—The Intersection of Ethics and Law; Intelligent Auditing Era: AI System Audits and AI-Assisted Auditing; Analysis of Illegal Cases Involving Audit and Finance Personnel and Corresponding Response Strategies; and Focus Areas in Operational System Audits and Integration Across Cycles and Operations.		

3.4.8 Analysis of Potential Opportunities

Community Engagement and Stakeholder Interaction

Compal operates business locations across multiple countries worldwide. Based on the principle of meeting stakeholder expectations, the Company thoroughly evaluates risks and opportunities related to local communities and adopts corresponding measures to ensure that its business operations generate positive impacts on both communities and the environment. To enhance social well-being and strengthen corporate image, Compal has implemented the following initiatives:

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Hospitals and Healthcare Services

- **Compal Headquarters** has established the "Sunshine Vitality Clinic" and recruited physicians with extensive clinical experience. The clinic not only serves Compal employees but also aims to provide comprehensive physical and mental healthcare services to professionals working throughout the Neihu Science Park. Compal also seeks to integrate medical technology into primary healthcare clinics by offering innovative smart healthcare services.
- **Compal iCare**

  Compal iSystem: A cloud-based solution developed for daycare centers and home care service providers, integrating cloud intelligence, IoT, big data, and professional caregiving technologies. Featuring smart scheduling, caregiver attendance tracking, payroll calculation, reimbursement reporting, and mobile interfaces, as well as support for the evolving Long-Term Care 2.0 policies of both central and local governments, the system has helped long-term care institutions improve administrative efficiency by 85%, operational performance by 22.6%, and management performance by 15.7%. It reduces administrative workload while enhancing operational performance. Currently, nearly 1,500 long-term care institutions use the system, with approximately 80,000 caregivers providing online services to 550,000 elderly individuals.

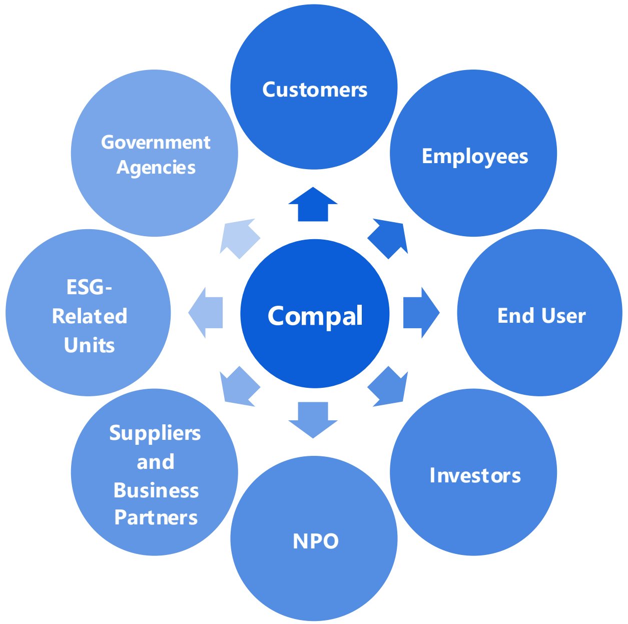
  Compal iLearning: Compal launched continuing education courses required for long-term care personnel every six years, covering mandatory long-term care subjects, professional caregiving, regulations, and other specialized topics. The platform offers more than 100 professional courses taught by renowned instructors and has accumulated over 50,000 professional caregiving members, with more than 400,000 online views. Care personnel can access learning resources anytime and anywhere via computers, tablets, or smartphones. The platform also provides attendance tracking, intelligent recording of training hours, one-click credit applications, and rapid learning record inquiries.
- **Compal has undertaken the BOT+BTO project** for a medical and long-term care facility building in Ruifang District, New Taipei City. The project is expected to be completed in 2026 and will enhance healthcare capacity within the local community, demonstrating Compal's commitment to giving back to society.
- **Compal continues to deepen its investment in smart healthcare**. In 2024, Compal signed a Memorandum of Understanding with Shin Kong Wu Ho-Su Memorial Hospital to officially launch a collaborative medical AI development initiative aimed at accelerating the deployment of AI-driven healthcare services globally. In 2025, Compal further signed a strategic cooperation memorandum with Mackay Memorial Hospital and National Pingtung University, under which the three parties will jointly develop AI- and quantum-inspired computing-driven precision healthcare solutions.

Government Agencies and Civic Responsibility

In alignment with policies promoted by government authorities—including tax authorities, customs agencies, the Ministry of Economic Affairs, and social affairs departments—Compal assists in improving the surrounding community environment and advancing toward safe, law-abiding, clean, and environmentally sustainable communities. Compal also complies with disaster prevention regulations established by government authorities such as police and fire departments by regularly conducting emergency drills (including fire prevention, flood prevention, earthquake preparedness, and freeze prevention), establishing related SOPs, and forming emergency response teams. In addition to complying with legal requirements, these measures help reassure surrounding communities while protecting employee safety and safeguarding company assets.

Waste Management and Green Environmental Protection

Compal considers waste reduction and resource reuse from the product design stage through the end-of-life disposal stage. Through internal R&D projects, the Company actively introduces recycled materials and low-pollution alternative materials, continuously innovating green product design to improve product recyclability and reuse rates. These efforts reduce waste generation at the end of product life cycles and minimize negative environmental impacts.



Through the steady implementation of the above initiatives, Compal effectively safeguards its corporate reputation and brand image while ensuring that its value creation and risk management mechanisms meet stakeholder expectations.

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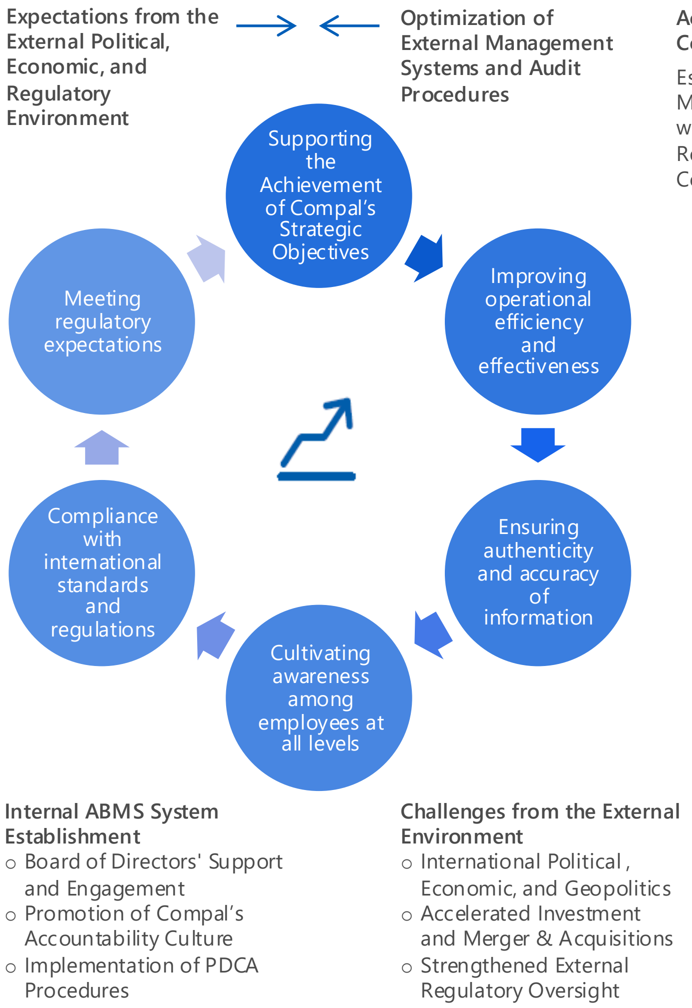
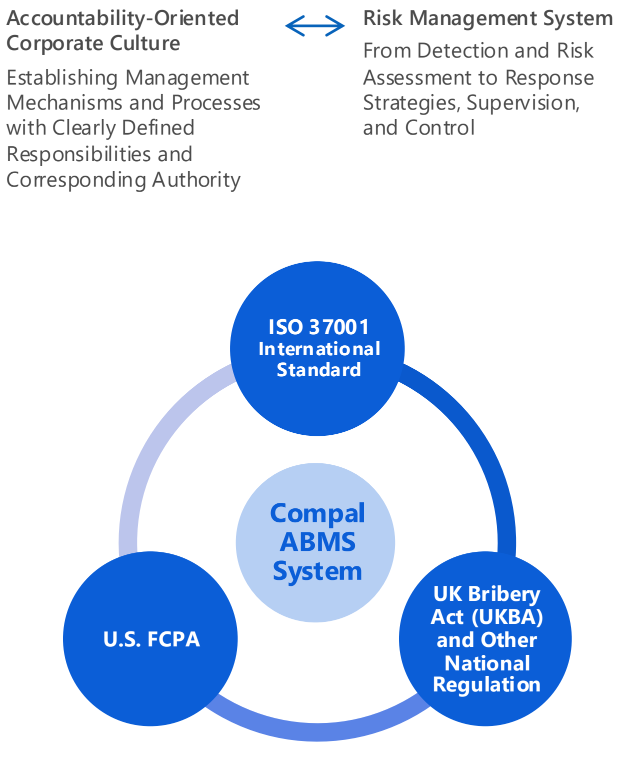
3.5 Regulatory Compliance, Ethical Management, and Anti-Corruption

3.5.1 Ethical Management and Anti-Corruption

I. Management System

- Compal maintains a zero-tolerance policy toward corruption and bribery at all times. To strengthen the Company's standards of business integrity and effectively address risks related to conflicts of interest and other associated matters, 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.
- The Ethical Management and Anti-Corruption management team regularly 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. These efforts enable the Company to effectively respond to challenges arising from the external environment and establish a solid foundation for global expansion and advancement toward becoming a world-class enterprise.





Core Principles

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II. Core Principles

- Based on Compal's organizational structure and scale of operations, and taking into consideration the international political and economic environment, the governance body (the Board of Directors) and the management team (management personnel at all levels under the leadership of the President) jointly plan and establish the anti-corruption and anti-bribery management system and procedures.
- The primary objective is to ensure that accountability awareness is deeply embedded in the mindset of all employees. In accordance with protection principles, whistleblowers are safeguarded to ensure that individuals reporting evidence of corruption or bribery will not feel intimidated or fear retaliation or reprisals. The Company continuously optimizes the three lines of defense for risk management, as well as the internal audit and internal control systems, while strengthening the whistleblowing and reporting mechanisms.
- Taking into consideration the causes of fraud under the Fraud Triangle theory, the Company prudently evaluates potential corruption and bribery risks associated with business partners and promotes the following seven initiatives to ensure the adequacy and effectiveness of its risk management and monitoring mechanisms:
  - Strong support and commitment from the Board of Directors and management team.
  - Integration with the development plans of the three lines of defense risk management framework to strengthen supervision and process controls.
  - Up-to-date, clear, and comprehensive anti-corruption policies and ethical management regulations.
  - Regular annual implementation of risk assessments, measurement, and response measures to ensure internal audit coverage and audit trail retention.
  - Joint promotion of anti-corruption and anti-bribery practices with business partners.
  - Company-wide training and communication to establish a management culture with clear rewards and disciplinary measures.
  - Establishment and public disclosure of whistleblowing procedures, along with regular management reviews and supervision.

III. Operational Procedures

- Compal has implemented a global operational presence. In developing and overseeing anti-corruption and anti-bribery initiatives, the Company has taken into consideration the regulatory requirements of various countries to ensure compliance. At the same time, the Board of Directors has assigned the Audit Office to monitor both the "design" and "execution" aspects of internal control procedures and to report on the effectiveness of the system to the Board of Directors at least once annually, thereby ensuring continuous improvement of related processes.
- When employees, business partners, or other stakeholders of the Compal Group discover any violations of anti-corruption policies or ethical management regulations, they shall notify the Compal Group through the designated reporting channels. The Compal Group is committed to handling all reported cases with strict confidentiality and to making every effort to protect whistleblowers from retaliation.
- To better hear the voices of stakeholders from multiple channels, the Company has established diversified complaint and reporting channels. The whistleblowing mailbox has been published on the Company's official website and Compal's ESG website, and relevant training regarding the use of reporting channels has been provided to both internal and external stakeholders.
- Whistleblowing Mailbox: ethics@compal.com

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Procedures for Handling Fraud and Corruption Whistleblowing Cases

1. The Company's Audit Office shall establish clear handling principles and division of responsibilities for reports involving corruption and fraud.
2. Upon receiving a fraud or corruption report, the Audit Office shall analyze the reported content and record the information provided by the whistleblower.
3. The credibility of the reported content shall be evaluated to prevent malicious accusations or abusive complaints. If the allegations are supported by specific facts and the evidence provided is objectively reviewable and verifiable, the Audit Office will, after evaluation, form a special task force to conduct an investigation.
4. After accepting a whistleblowing case, the Audit Office shall review the case details, consult relevant departments, examine applicable external laws and regulations as well as internal operational procedures, and formulate an audit plan. Upon approval by the responsible supervisors, the investigation will commence. Audit methods may include system audits, confirmation procedures, review of relevant forms and supporting documents, interviews, consultations, and on-site inspections.
5. The Audit Office shall maintain accurate and complete file records for whistleblowing cases. At the same time, all cases shall be handled prudently based on the principles of confidentiality, legality, reasonableness, promptness, and proper resolution.

Procedures for Protecting Whistleblowers and Informants

1. Ensure that whistleblowers are protected in terms of compensation, personal safety, and psychological well-being. The Company encourages individuals to report illegal or improper conduct, thereby strengthening risk management and monitoring practices, enhancing Compal's culture of integrity, and ensuring sustainable corporate development.
2. Full protection is provided to whistleblowers and informants who use the complaint and reporting channels. Individuals reporting improper conduct such as bribery, corruption, coercion, or extortion by the reported party shall not need to fear exercising their right to report, thereby safeguarding the legitimate rights and interests of the parties concerned. If Compal Electronics becomes aware of any department or individual retaliating against a whistleblower or informant, the Company will initiate an investigation. Where violations are confirmed, severe disciplinary actions will be imposed on the responsible parties. Violations of laws or regulations shall be referred to judicial authorities for legal action.
3. Whistleblowers may submit reports anonymously and shall provide truthful information, including the name, department, position, and address of the reported individual, or the name of the reported entity, as well as the basic facts, leads, or evidence regarding the improper conduct. Upon receiving a whistleblowing case, the Audit Office shall comply with confidentiality principles. For in-person reports, interviews shall be conducted in a confidential location, documented by designated personnel, and no unauthorized individuals may attend or inquire about the case.
4. Personnel who become aware of a whistleblower's identity through the execution of duties or business operations shall not disclose any information sufficient to identify the whistleblower. Information capable of identifying the whistleblower, as well as whistleblowing reports, interview records, and supporting evidence, shall be encrypted and protected with restricted access permissions. Unauthorized transcription or duplication is prohibited.
5. During the investigation process, information provided by the whistleblower shall be handled prudently. The contents of the report shall not be disclosed arbitrarily to avoid enabling the reported party to infer the whistleblower's identity. Prior to the conclusion of the investigation, no information sufficient to identify the whistleblower, nor any reported content or evidence provided, may be disclosed or published.
6. Upon completion of the investigation, information sufficient to identify the whistleblower, together with whistleblowing reports, interview records, or evidence, shall be separately retained and shall not be attached to the investigation files unless absolutely necessary.
7. If a whistleblower suffers improper treatment as a result of making a report, the Compal Group shall recommend that the responsible department take corrective actions, restore the whistleblower's rights, or provide appropriate compensation. When publicly recognizing individuals for meritorious whistleblowing, no information sufficient to identify the whistleblower may be disclosed without the whistleblower's consent.

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IV. Coverage Locations

Compal conducts corruption risk assessments for all global operating locations at least once annually. Depending on operational risk levels and materiality, either on-site assessments or written assessments are conducted accordingly. Coverage locations include Taiwan headquarters, China, Vietnam, North America, Central and South America, and Europe. The coverage rate has remained at 100% over the past three years.

Coverage Regions	2023			2024			2025		
	On-site	Written	Ratio	On-site	Written	Ratio	On-site	Written	Ratio
Taiwan HQ	●		100%	●		100%	●		100%
China	●		100%	●		100%	●		100%
Vietnam	●		100%	●		100%	●		100%
North America		●	100%	●		100%	●		100%
Central and South America		●	100%	●		100%	●		100%
Europe		●	100%		●	100%		●	100%

Compal conducts annual risk assessments based on three major risk factors—operational risk, regulatory compliance, and internal control mechanisms—and formulates annual management plans accordingly. When preparing the annual audit plan, the Audit Office has incorporated risk factors related to unethical conduct into the overall assessment scope and performs corresponding audit procedures based on the assessment results. The analyses and response strategies related to significant corruption risks identified through the risk assessment process were approved by the Board of Directors on February 26, 2026. All 15 attending directors unanimously agreed that the Company's completed risk assessment, internal control management, and response strategies are sufficient to effectively address significant corruption and fraud risks.

Risk Assessment Items for Internal Control, Anti-Corruption, and Fraud Prevention	Operational Risk	Regulatory Compliance	Internal Control Mechanisms
Processes ranging from sales planning to customer credit management and after-sales services	Controllable	Controllable	Controllable
Processes ranging from product planning to mass production, acquisition and application of intellectual property rights, technology R&D, and management and retention of R&D information records	Controllable	Controllable	Controllable
Processes ranging from production planning to environmental health and safety management, waste management, and supplier management	Controllable	Controllable	Controllable
Processes ranging from procurement operations to acceptance and payment, general purchasing, and VMI operations	Controllable	Controllable	Controllable
Controls ranging from system development and program modification to program and data access, file and equipment security, and cybersecurity inspections	Controllable	Controllable	Controllable
Processes ranging from budget management to financing plans, stock and dividend distribution, and management related to the adoption of International Financial Reporting Standards (IFRS)	Controllable	Controllable	Controllable
Investment evaluations, management of investee companies, and supervision and management of subsidiaries	Controllable	Controllable	Controllable
Processes ranging from real estate, plant and equipment, and mold management procedures to engineering management	Controllable	Controllable	Controllable
Processes ranging from human resource planning to recruitment, development, utilization, retention, and personal data protection management procedures	Controllable	Controllable	Controllable
Compliance matters ranging from contract management, seal management, approval authority management, job delegation arrangements, insider trading prevention, and adherence to relevant laws and regulations	Controllable	Controllable	Controllable

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The Company has established a whistleblowing and complaint mailbox (ethics@compal.com) to allow stakeholders to report or file complaints regarding employee misconduct involving unethical behavior. In addition, the Audit Office conducts annual special investigations on ethical management, with the following results:

- In 2025, no employees in the Taiwan, China, or Vietnam were disciplined for violations of the Ethical Corporate Management Best Practice Principles.
- The Company regularly conducts ethical management training programs in the Taiwan. In 2025, the training recorded 11,886 participant attendances and 9,121 total training hours. Sample inspections confirmed that all participants completed the required training hours and achieved passing scores.
- All 776 suppliers that conducted transactions with the Company in 2025 were required to complete commitment letters and self-assessment questionnaires. Sample inspections confirmed that the relevant documentation had been properly retained.

V. Implementation Results

Achievements Completed in 2025

- **Integrity management training for directors:** The Company encourages and assists directors in enhancing their ethical management concepts and management capabilities through training programs. Relevant courses are either organized by the Group's affiliated enterprise, KINPO GROUP MANAGEMENT SERVICE COMPANY, in compliance with regulatory requirements, or conducted by external professional institutions. As of December 31, 2025, directors had completed a total of 117 training hours.
- **Ethical management and anti-corruption training for employees:** The Company conducts regular annual ethical management and anti-corruption training programs. The implementation status for 2025 is shown in the table below:

Planned Initiatives for the Next Three Years

Compal adopted its ethical management policy through a Board resolution in 2019, and directors as well as senior management personnel signed declarations of compliance with the ethical management policy, committing to actively implementing ethical management practices.

For the next three years, the Company plans to integrate relevant operational guidelines from various departments by December 31, 2027, in accordance with the international political and economic environment and the operational needs arising from the Company's global expansion strategy, in order to establish a more comprehensive set of policies and management procedures better aligned with internal and external risks and cross-functional collaboration requirements.

	Taiwan HQ				China				Vietnam			
	Total Training Hours	Planned Number of Participants (A)	Actual Number of Participants (B)	Completion Rate (B/A×100%)	Total Training Hours	Planned Number of Participants (A)	Actual Number of Participants (B)	Completion Rate (B/A×100%)	Total Training Hours	Planned Number of Participants (A)	Actual Number of Participants (B)	Completion Rate (B/A×100%)
Management	3,965.65	4,041	3,796	93.94%	2,102.00	2,675	2,206	82.47%	122.50	245	245	100.00%
Non-management	5,155.00	3,516	2,799	79.61%	6,489.00	8,662	6,489	74.91%	5,673.50	11,347	11,347	100.00%
	Brazil				U.S.				Mexico			
Management	193	41	41	100.00%	36	5	5	100.00%	10	5	5	100.00%
Non-management	4,126	786	786	100.00%	786	130	130	100.00%	68	34	34	100.00%

Note 1: Actual number of employees completing training (B) refers to all active employees who completed the courses as of 2025 (inclusive of the 2025 reporting year).

Note 2: Number of employees required to receive training (A) refers to the total number of employees at each location as of December 31, 2025. (For Vietnam, the number of management personnel includes expatriate managers of various nationalities assigned to Vietnam.)

Note 3: Training courses in the Taiwan region include orientation programs for new employees, on-the-job training for new employees, pre-employment training for new hires, Compal Sustainability Development and Risk Management, trade secrets and confidentiality agreements, information security and confidentiality awareness training, and Compal Electronics' insider trading prevention management program.

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3.5.2 Regulatory Compliance

In accordance with Article 13 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies," Compal includes regulatory compliance matters as part of annual audit items. In compliance with applicable laws and regulations, the Company's Internal Audit Office issued a total of 29 audit reports in 2025 and identified no violations of laws or regulations. Relevant details are summarized in the table below.

Applicable Laws and Regulations	Audit Report Reference Number	Audit Topics
Regulations Governing the Acquisition and Disposal of Assets by Public Companies	2025-01, 2025-06, 2025-07, 2025-08, 2025-15, 2025-16, 2025-17, 2025-28, 2025-29, 2025-30, 2025-40, 2025-41	Management of derivative financial instruments
	2025-22	Management of related-party transactions
Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies	2025-02, 2025-09, 2025-18, 2025-33	Endorsements and guarantees and lending of funds to others
Regulations Governing Establishment of Internal Control Systems by Public Companies	F-2025-03, F-2025-14, F-2025-19, F-2025-23, F-2025-27, F-2025-39	Follow-up on improvement progress for audit findings
	2025-05	Sustainability information management
	2025-35, 2025-36	Management of Board meeting operations and management of Audit Committee meeting operations
	2025-38	Regulatory compliance matters
Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange	2025-37	Management of Remuneration Committee operations
Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers	2025-37	
Sample Template for XXX Co., Ltd. Remuneration Committee Charter	2025-37	
Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds	2025-22	Management of related-party transactions
Regulations Governing the Preparation of Financial Reports by Securities Issuers	2025-21, 2025-22	Management of financial statement preparation processes and management of the adoption of International Financial Reporting Standards, as well as management of related-party transactions
IAS 1 "Presentation of Financial Statements", IAS 7 "Statement of Cash Flows", IAS 21 "The Effects of Changes in Foreign Exchange Rates", IFRS 7 "Financial Instruments: Disclosures", and IFRS 16 "Leases"	2025-21	
FSC Letter Jin-Guan-Zheng-Shen-Zi No. 1130380455 dated February 15, 2024, Jin-Guan-Zheng-Shen-Zi No. 1140381191 dated March 19, 2025, and Jin-Guan-Zheng-Shen-Zi No. 1140381482 dated April 9, 2025	2025-21	
Regulations Governing Procedure for Board of Directors Meetings of Public Companies	2025-35, 2025-36	Management of Board meeting operations and management of Audit Committee meeting operations
Regulations Governing the Exercise of Powers by Audit Committees of Public Companies	2025-01, 2025-06, 2025-07, 2025-08, 2025-15, 2025-16, 2025-17, 2025-28, 2025-29, 2025-30, 2025-40, 2025-41	
Securities and Exchange Act	2025-22	

3.5.3 Mechanisms for Implementing Ethical Management and Codes of Conduct

- **Compliance with the Codes of Ethical Conduct for Directors and Managers and the Employee Code of Conduct of Compal Electronics, Inc.:** The Company has established reward and disciplinary measures for compliance with the codes of conduct, which are incorporated into performance evaluations and linked to compensation. If an employee violates the Company's Code of Conduct and such misconduct results in significant risk events—such as poor strategic judgment or internal misconduct—that materially affect the Company's reputation or profitability, disciplinary actions will be imposed upon verification of the violation. In serious cases, the employment contract will be terminated.
- **Regular Review and Evaluation:** Compal obtained Responsible Business Alliance certification in 2025, which includes regular review and evaluation of the corporate employee code of conduct and identification of areas requiring improvement to ensure continued relevance, effectiveness, and alignment with current standards. Compliance certification also covers the employee code of conduct and related compliance systems, including violation reporting, investigation, follow-up, review of internal control systems, and implementation of corrective actions to prevent recurrence. Other related procedures have likewise been independently certified for compliance by the RBA as a third-party organization.

In 2025, Compal was not subject to any penalties imposed by competent authorities for violations related to ethical management or anti-corruption regulations, nor were there any material regulatory violations (defined as fines or penalties exceeding NT$1 million or cases reported in the media).

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3.6 Information Security and Privacy

ISO 27001 Information Security Management System

To protect the confidential information of the Company and its customers, Compal became the first company in the industry to obtain BS7799 certification in 2005. The Company maintains two internal audits and two external audits conducted by independent third parties annually, along with comprehensive recertification audits by external third parties every three years. Compal was certified to ISO 27001:2005, ISO 27001:2013, and ISO 27001:2022 in 2008, 2015, and 2023, respectively. Internal audits are conducted in accordance with standards including the NIST Cybersecurity Framework, ISO 27001, and TISAX, while external third-party audits are conducted in accordance with ISO 27001 and customer information security requirements, ensuring the continued validity of its ISO 27001 certification.

The certification scope covers R&D for notebook computers, all-in-one computers, automotive electronics, servers, and mobile devices, as well as IT Headquarters, the Smart Device Business Group IT Division, and the IT divisions of five manufacturing sites in Kunshan and Vietnam. In 2024, Compal achieved TISAX AL3 certification, an international automotive cybersecurity standard, thereby gaining customer trust, strengthening cybersecurity capabilities, and enhancing data and prototype protection.

Information Security Policy and Governance

The Information Security Management Organization is one of the ten functional committees under Compal's sustainability governance framework. Externally, it communicates policies and positions; internally, it defines objectives and strategic directions, integrates resources, and reviews action plans to ensure fair and objective decision-making and long-term operational stability. It also oversees the effectiveness of information security initiatives and regularly reports to the Board of Directors. The Company has established mechanisms for stakeholder communication to actively respond to expectations and recommendations from various parties. Leveraging its core cybersecurity capabilities, Compal integrates information security into corporate objectives, enhances information security awareness and technical capabilities, strengthens information security management systems, and establishes and maintains institutionalized and systematic management mechanisms. Continuous supervision and review are conducted to ensure effective information security management and business continuity.

Compal Information Security Policy

To achieve the information security strategy objective of "ensuring business continuity and enhancing customer satisfaction," the Company has established an information security management system and defined information security functions and responsibilities, with participation from all employees and contracted vendors. The Company identifies information assets, conducts information security risk assessments, complies with laws and regulations, meets customer security requirements, and evaluates overall information security risks and defines risk acceptance criteria.

In response to the evolving digital environment and rapidly advancing technologies, Compal strengthens digital resilience by proactively implementing information security controls across identification, protection, detection, response, and recovery, thereby safeguarding the confidentiality, integrity, and availability of key information assets. Through management reviews and performance evaluations, the Company continuously improves the effectiveness of its information security management system to gain customer trust, fulfill its commitments to shareholders, and achieve sustainable operations.


bsi.
Certificate of Registration


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Personal Information and Privacy Protection Policy and Regulations

Compal has established the Personal Information and Privacy Protection Policy and Regulations, which clearly stipulate the procedures, scope of application, corrective measures, and disciplinary actions that employees must comply with in handling and protecting personal information. The Personal Information and Privacy Protection Policy and Regulations apply to all personnel within the Compal Group. To implement its privacy protection framework, Compal has established a cross-functional Personal Information Management Team (the "Personal Information Management Team") responsible for privacy-related matters. The Company has also established a privacy protection hotline at +886-2-8797-8588 ext. 14385 and an email contact at Compal_PIR@compal.com to receive complaints and reports of violations. Compal adopts a zero-tolerance policy toward privacy violations. With respect to the use of personal information, Compal does not collect any personal data unless the data subject has explicitly consented to such collection.

Compal strictly complies with privacy policy requirements regarding customer information and prohibits any secondary use of personal data. Internal monitoring in 2025 confirmed a 0% rate of secondary use, and no substantiated complaints of customer privacy breaches or data loss have been reported during the past three years. If any relevant personnel are found to be negligent or engaged in misconduct, Compal will impose disciplinary actions and corrective measures to protect data privacy.

Information Security Management Framework

To safeguard operational information security and comply with national laws and regulations as well as the information security control requirements of competent authorities, Compal coordinates and oversees matters related to information security plans, policies, objectives, and resource allocation, and has established the Charter of the Information Security Management Organization to govern the operations of the Information Security Management Office. The Company appoints a Director and a Deputy Director for the Information Security Management Office. The Director is a member of the Board of Directors, while the Deputy Director serves as the Chief Information Security Officer (CISO) approved by the Board of Directors. Additional members are appointed based on operational needs, with department heads and above serving as ex officio members. Under the Information Security Management Office, an Information Security Execution Team is established and staffed by personnel assigned from the information security team. The team is responsible for information security implementation, deployment, maintenance, auditing, and training activities, and one member is designated as the team leader. The outcomes of information security meetings and the implementation status are reported to the Board of Directors annually.

The Information Security Management Office convenes two management review meetings annually. The information security policy serves as the primary guiding principle for maintaining the Company's competitive advantages and valuable intellectual property, ensuring appropriate protection of information and information systems supporting product operations, and ensuring the suitability, adequacy, and effectiveness of the ISMS. The Office conducts risk assessments and risk management activities, determines acceptable levels of risk, and coordinates various information security control measures and response procedures. The Company promotes awareness of information security policies and objectives (including AI governance and privileged account management policies) and implements information security education and training. In accordance with the Company's sustainability governance framework, it reports information security governance KPIs and objectives twice a year at sustainability meetings. These efforts support sustainability goals and align with global sustainability trends.

The main topics covered in the 2025 Information Security Management Review Report included:

- Information security audit and risk reporting (performance and trend analysis of information security)
- Internal issues (updates to information security management policies and procedures)
- External issues (customer information security requirements)

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Information Security Awareness and Training

Compal provides eLearning courses and conducts quarterly social engineering drills that simulate phishing attacks to assess employees' awareness of information security risks. These efforts are supplemented by daily system startup awareness messages, quarterly email campaigns, and training programs to enhance employees' information security awareness. To reinforce information security concepts, all new employees are required to complete information security training, while existing employees are required to complete annual refresher information security training. Training content includes the Company's information security policies and procedures. Upon completion, effectiveness evaluations are conducted and records are maintained. Information security personnel participate in cybersecurity intelligence and technical forums to stay informed of the latest cybersecurity trends and threat intelligence. Five members of the information security team have obtained ISO 27001 Lead Auditor certification, and one member holds a CISSP certification. In addition to supporting customer and independent third-party audits, the team also conducts internal audits to ensure the effective implementation of the information security management framework. In 2025, designated personnel obtained the ISO/IEC 42001:2023 (AIMS) Lead Auditor Transition Training Certificate applicable to information security controls for internal AI applications.

6 Major Information Security Objectives

- Prevent malicious disruption to information services
- Protect and retain critical data
- Enhance information security awareness
- Meet employees' information services needs, including data transmission, execution of electronic workflows, and data storage
- Require suppliers to implement appropriate information security practices
- Ensure compliance with legal and contractual requirements, including intellectual property laws and confidentiality agreements

Continuous Enhancement of Information Security

- Compal measures the six major information security objectives on a monthly basis to monitor information security management control measures.
- Every six months, the Company identifies internal and external issues related to the information security management system and confirms stakeholders' requirements for the system, including customers' information security requirements.
- The Company conducts backup and restoration testing for critical systems every six months and performs annual Business Continuity Plan (BCP) recovery drills for core operations to ensure the effectiveness of the BCP and compliance with system recovery objectives.
- Annual information security incident response drills are conducted to ensure the rapid isolation of information security incidents, elimination of threats, and reduction of the scope and severity of impacts.
- To enhance employees' information security awareness, the Company conducts quarterly social engineering drills and information security awareness campaigns, as well as annual education and training programs.
- Network and system vulnerabilities are identified through regular vulnerability scanning, and annual penetration testing conducted by independent third-party organizations is used to verify the effectiveness of information security protections.
- Internal and external audits are conducted regularly, with continuous improvements made based on audit findings.
- Risk assessments are conducted regularly based on asset value and business processes, and appropriate risk treatment measures are implemented for identified high-risk items.

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Strengthening Cybersecurity

Since 2020, Compal has conducted third-party cybersecurity assessments. According to the 2025 evaluation results by SecurityScorecard, the Company achieved an average score of 96, which is higher than the global manufacturing industry average. SecurityScorecard's proprietary security rating technology closely aligns with multiple cybersecurity frameworks, such as the NIST Cybersecurity Framework (CSF) 2.0 and ISO 27001, ensuring compliance through continuous, non-intrusive data collection and real-time alerts. The platform is widely used for enterprise risk management, third-party risk management, Board reporting, due diligence, cyber insurance underwriting, and regulatory compliance. Compal adopts this mechanism to maintain an A rating with scores above 90 and continuously adjusts control measures to maintain a high level of security protection.

Compal continues to strengthen information security controls by implementing multi-layer access controls at factories, including facial recognition and card access systems. Environmental control systems are in place to ensure the stability of data center physical environments. The Company has strengthened password policies and established a database of weak passwords to prevent their use by employees. Privileged Access Management (PAM) has been implemented to prevent unauthorized or abnormal privileged-account activities, and account authentication mechanisms have been strengthened. Multi-factor authentication and device compliance verification are implemented to enhance the security of remote access to internal resources, preventing unauthorized access to Company resources or customer information. Threat detection and defense systems, including MDR (EDR+NDR), NGFW, and WAF, have been implemented to conduct anomaly detection and incident response against cybersecurity threats. Access to sensitive data is controlled based on authorization levels, and passwords are updated regularly in accordance with the Company's password policy. Compal continuously reviews its network security architecture and enforces compliance requirements for all devices connected to the Company's network.

Strengthening Cybersecurity Intelligence Sharing

Compal has established procedures for information security incident reporting, including incident impact assessment, damage assessment, and reporting procedures. Incidents may be reported through the dedicated hotline at +886-2-8797-8588 ext. 14385, after which the Information Security Execution Team carries out follow-up actions in accordance with established procedures. In response to the "Cybersecurity Governance Guidelines for TWSE/TPEx Listed Companies" issued by the government, Compal applied to become a member of the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) in 2022. Through membership, the Company obtains early warning intelligence, cybersecurity threat intelligence, and vulnerability information to enhance incident reporting and response capabilities, strengthen cybersecurity situational awareness, and improve cybersecurity intelligence analysis and information sharing capabilities. The Company has introduced a threat intelligence management framework covering strategic, tactical, and operational levels. Information security controls are implemented through multi-layer controls across different stages to strengthen digital resilience, enabling systems to adapt to changing environments and quickly recover from malicious attacks, incidents, or natural threats. In response to evolving cyber threat trends, in addition to backup and recovery drills, Compal has implemented early detection mechanisms for Advanced Persistent Threats (APTs) through the MxDR framework. The Company also collaborates with TWCERT/CC and Trend Micro to obtain the latest threat intelligence and implement appropriate response measures.

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3.7 Responsible Investment

Strategic Objectives

Compal leverages its core competencies to formulate new growth strategies amid three major global trends: shifts in global economic power, demographic changes, and accelerated technological advancement. In addition to continuously pursuing vertical integration across upstream and downstream operations, Compal also extends its ICT experience and advantages into other fields, including industrial computers, industrial/service automation, Internet of Things (IoT)-related industries, smart healthcare, biotechnology, AI servers, automotive electronics, and 5G applications. Through strategic investments, Compal continues to fulfill its corporate social responsibility and promote sustainable development. In 2021, Compal established Kinpo&Compal Group Assets Development Corporation to acquire the surface rights development project in the Beitou-Shilin Technology Park. In 2025, Compal further invested NT$2.8 billion in Kinpo&Compal Group Assets Development Corporation. The funds are primarily allocated to the construction of the Kinpo-Compal headquarters building, which will serve as the Group's long-term operational and management hub, supporting stable business operations and sustainable economic development. From the environmental (E) perspective, the Beitou-Shilin Technology Park headquarters building incorporates energy-saving designs and green building concepts during the planning and construction stages to improve space utilization and energy efficiency, while striving to reduce energy consumption and carbon emissions during operations in response to climate change and environmental sustainability goals. From the social (S) perspective, the project aims to enhance employee well-being and work efficiency by creating a comprehensive and safe working environment, thereby supporting stable operations and talent retention. From the governance (G) perspective, the centralized operational site and comprehensive management systems strengthen internal controls, risk management, and decision-making efficiency, thereby improving overall operational stability and governance quality. Overall, through its investment in the construction of the Kinpo-Compal headquarters building at the Beishi Sci-Tech Park, the Company simultaneously addresses environmental protection, social responsibility, and corporate governance, concretely demonstrating its commitment to ESG and laying a solid foundation for long-term corporate value and sustainable development.

Compal Investment Procedures

Prudent Evaluation Prior to Investment

- Industries aligned with the Company's investment strategies are identified and screened in accordance with the aforementioned investment strategies.
- Industry development trends, market supply and demand trends, and competitive dynamics are evaluated.
- The core competencies and competitiveness of investment targets are assessed, including technology, talent, and financial capabilities.
- On-site visits and reputation investigations of target companies are conducted.
- Investments are handled in accordance with the Company's Procedures for Acquisition or Disposal of Assets.

Rigorous Post-Investment Management

- Following the execution of an investment project, planning procedures will be carried out for subsidiaries or investee companies over which the Company has a certain degree of influence, including: planning of directors and supervisors, review of management teams, CPA planning and certification, review of employee incentive program, review of Articles of Incorporation and required procedures in accordance with regulatory requirements, review of approval authority structures and related regulations and procedures, among other matters.
- Regular management review meetings, management report analyses, and performance reviews will be conducted for subsidiaries or investee companies over which the Company has a certain degree of influence.
- In accordance with relevant regulations and procedures, the investment management unit monitors operational warning signs of affiliated enterprises and investee companies. It regularly participates in meetings and visits involving subsidiaries, affiliated enterprises, and investee companies, while collecting supervisory reports, interview reports, meeting minutes, and related information for review and filing. In coordination with the finance and accounting units, valuations are conducted in accordance with applicable financial accounting standards, and exit mechanisms for investee businesses are established.

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Future Investment Planning

Compal adheres to the principle of prudent management, maintaining its core business as the foundation while seeking further expansion based on its existing strengths. In addition to actively expanding its core operations, the Company will also pursue appropriate vertical integration across upstream and downstream sectors, as well as horizontal expansion into related business areas. Compal and its affiliated enterprises within the Kinpo Group will pursue such expansion based on comprehensive considerations, including strengthening overall Group capabilities and assessing reasonable risk levels. With respect to investments in affiliated and investee companies, the Company will continue to follow the aforementioned principles and proceed based on the three major strategic directions illustrated below. All three investment principles are founded on sustainable investment considerations, incorporating environmental, social, and governance (ESG) factors into investment evaluation methodologies while also taking financial considerations into account in pursuit of enhanced returns and risk management. In terms of implementation, in addition to organic growth within existing business structures, the Company may also pursue bilateral or multilateral cooperative relationships through mergers, acquisitions, joint ventures, technical collaborations, equity investments, or other forms of cooperation with external business entities.

Responsible Investment Principles

- Vertical integration across upstream and downstream component-related industries
- Horizontal integration and expansion into related products and services, as well as other industries with significant synergies or growth potential
- Other investments that are beneficial to enhancing the technological development of the Company and its affiliated enterprises, or that may generate additional synergies and growth opportunities

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4 Climate Action:
Empowering the Net-Zero Transition Through Technology

Key Performance

- Scope 1 and Scope 2 greenhouse gas emissions decreased by 33.5% compared with the previous year. The Company will continue to implement decarbonization measures in pursuit of its net-zero target.
- Renewable energy accounted for 57.2% of total energy consumption within the operational boundary, demonstrating continued efforts to optimize the energy mix. The company will further increase renewable energy usage in line with its energy transition roadmap and market mechanisms.
- Completed the implementation of an Internal Carbon Pricing (ICP) mechanism, including the establishment of its governance framework. Continuous optimization and integration into management decision-making processes will be carried out going forward.
- Successfully completed the ONE+N Program, achieving carbon reductions of 14,761 tCO_2e, surpassing the original target.

Data in this table are based on the standalone financial reporting boundary and are therefore not directly comparable with data elsewhere in this report that are based on the consolidated financial reporting boundary.

7.2 | 13.1, 13.2, 13.3, 13.a | 14.1 | 15.1~2, 15.a~b

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In response to the global low-carbon transition, increasingly frequent extreme climate events, and rising customer expectations for supply chain decarbonization, climate-related issues have become key factors influencing Compal's business strategy, financial planning, resource allocation, and long-term competitiveness. Compal incorporates climate-related risks and opportunities into its sustainable development and risk management framework and continues to advance greenhouse gas (GHG) inventory, third-party verification, energy efficiency improvements, renewable energy adoption, and value chain decarbonization to strengthen the Company's resilience against both the low-carbon transition and the physical impacts of climate change.

Compal supports the objective of the "Paris Agreement" to limit the global temperature increase to within 1.5°C and has adopted "Technology Upgrade × Carbon Reduction" as the central theme of its climate action strategy. Following the Science Based Targets (SBT) carbon reduction pathway, the Company has established short-, medium-, and long-term goals, incorporating Scope 1, Scope 2, and Scope 3 emissions reductions, climate risk governance, internal carbon pricing, and climate resilience enhancement as key priorities of its transition initiatives. This chapter is prepared with reference to the IFRS S2 Climate-related Disclosures framework and presents the four core pillars of governance, strategy, risk management, and metrics and targets. It also draws upon the IFRS S2 climate-related disclosure examples issued by the competent authorities and the Accounting Research and Development Foundation (ARDF) to enhance the completeness of disclosures regarding climate governance, value chain management, financial impacts, scenario analysis, climate resilience, and decarbonization performance.

In addition to climate-related disclosures, this chapter also covers climate transition topics, including internal carbon pricing, nature-related management, and just transition. It further incorporates the climate disclosure requirements of the competent authority, as well as key assessment criteria from ESG ratings and international frameworks, including the Corporate Sustainability Assessment (CSA) and CDP, to enhance transparency and provide decision-useful information. Unless otherwise specified, the reporting boundary for this chapter is consistent with that of the consolidated financial statements. Any differences in reporting scope or boundary are disclosed in the relevant sections.

Short-, Mid-, and Long-term Goals

Topic	Strategy	Target of FY-2026	Target of FY-2030	Target of FY-2035
*Improving Climate Resilience	Based on the SBT roadmap, implement energy-saving measures, expand the use of renewable energy, and carry out Scope 3 inventory to achieve greenhouse gas reduction target.	Scope 1+2 to reduce by 32.25% compared to 2019	○ Scope 1+2 to reduce by 50.68% compared to 2019 ○ Scope 3 to reduce by 25% compared to 2021	○ Scope 1+2 to reduce by 73.08% compared to 2019 ○ Scope 3 to reduce by 41.25% compared to 2021
	Integrate Governance: Embed climate risks into decision-making and investments with cross-functional governance.	Internal Carbon Pricing (ICP): Implement an internal carbon pricing 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

*Note: *correspond to the material.*

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4.1 Governance: Climate Governance and Transition Framework

In response to climate change, the low-carbon transition, and increasing supply chain decarbonization requirements, climate-related risks and opportunities have become critical factors influencing Compal's business strategy, risk management, and long-term competitiveness. With reference to IFRS S2, Compal has established a climate governance framework comprising oversight by the Board of Directors, review by functional committees, coordination by management, and execution by responsible departments. Climate-related risks and opportunities are integrated into corporate governance, risk management, and business decision-making. Through initiatives such as energy management, renewable energy adoption, greenhouse gas (GHG) management, low-carbon product development, and value chain collaboration, the Company advances its low-carbon transition and science-based emissions reduction targets. The respective roles and responsibilities of the governance body and management are summarized in the table below.

(1-2)

Level	Organization	Convener	Primary Responsibilities	Reporting Frequency	Reporting / Operational Activities
Governance	Board of Directors	Chairman	Serves as the highest governing body for Compal's climate-related risks and opportunities, responsible for overseeing climate-related strategies, material risks and opportunities, target setting, and implementation progress.		Oversees climate-related strategies, material risks and opportunities, target setting, and implementation progress.
	Sustainability Committee	Chief Sustainability Officer	Assists the Board in reviewing sustainability- and climate-related policies, annual plans, results of risk and opportunity identification, carbon management strategies, progress of GHG inventories and verification, and the achievement of climate-related targets.	Reports to the Board at least once every quarter.	Reports sustainability- and climate-related policies, annual plans, results of risk and opportunity identification, carbon management strategies, and target achievement to the Board.
	Risk Management Committee	Independent Directors	Oversees the enterprise risk management framework, reviews material risks, risk appetite, and risk control priorities, incorporates sustainability- and climate-related risks into the enterprise risk management (ERM) process, and supervises implementation in accordance with the Company's risk management system to ensure effective integration of climate-related risks into the overall risk management framework.	Reports on risk management implementation to the Board at least once a year.	Supervises the incorporation of sustainability- and climate-related risks into the ERM process in accordance with the Company's risk management system and monitors the identification, assessment, prioritization, and mitigation of material risks.
	Audit Committee	Independent Directors	Reviews audit findings and recommendations related to sustainability management through reports from the Chief Audit Executive, including sustainability information management under the internal control system and the appropriateness of Sustainability Report disclosures, thereby supporting the Board's oversight of internal controls and the quality of information disclosure.	Reports sustainability-related audit findings to the Audit Committee at least once a year.	Reviews audit findings and recommendations on sustainability management presented by the Chief Audit Executive and oversees sustainability information management, Sustainability Report disclosures, and the implementation of related internal control systems.
	Remuneration Committee	Independent Directors	Assists the Board in appropriately incorporating sustainability- and climate-related performance into executive compensation evaluations, thereby linking climate governance responsibilities with management performance.	Reports on the linkage between executive compensation and sustainability performance to the Compensation Committee at least once a year.	Evaluates the linkage between sustainability- and climate-related performance and executive compensation to promote the Company's long-term sustainable value.

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Level	Organization	Convener	Primary Responsibilities	Reporting Frequency	Reporting / Operational Activities
Management	ESG Office	Chief Sustainability Officer	Coordinates climate-related strategies and implementation, and collaborates with functional task forces and responsible departments to advance climate risk and opportunity management, GHG inventory, decarbonization targets, energy management, value chain collaboration, and sustainability information disclosure.	Reports to the Sustainability Committee at least once every quarter.	Tracks the implementation progress and achievements of functional task forces, consolidates relevant information, and supports the operation of the Sustainability Committee.
	Risk Management Office	Chief Risk Officer	Operates in accordance with the Company's risk management framework by: ○ Managing enterprise risk management activities across the Group. ○ Assisting in consolidating and prioritizing sustainability- and climate-related risks and opportunities for submission to the ESG Office. ○ Developing and revising the internal control system for "Management of Sustainability Information" to support sustainability information management, risk identification, and internal control activities.	Reports risk objectives and implementation status to the Risk Management Committee annually.	○ Integrates climate- and sustainability-related risks into the enterprise risk management framework, conducts risk identification, assessment, prioritization, and follow-up on ERM implementation, and regularly reports to the Risk Management Committee. ○ Assists in consolidating the identification, assessment, and prioritization results of sustainability- and climate-related risks and opportunities for submission by the ESG Office to the Sustainability Committee.
	Ten Functional Teams	Heads of Functional Teams	Responsible for day-to-day risk management and implementation, including the execution of relevant control and improvement measures.	Report the achievement of sustainability targets to the Sustainability Committee twice a year.	Collect qualitative and quantitative information on climate-related risks and opportunities, operational impacts, cost-effectiveness, implementation progress, and target achievement for review by the Sustainability Committee.
Oversight	Audit Office	Chief Audit Executive	Conducts audit activities (including the management of sustainability information) in accordance with applicable regulations, risk assessments, and the annual audit plan; issues audit findings and improvement recommendations; and follows up on the implementation of corrective actions.	Reports to the Audit Committee and the Board at least once every quarter.	Reports to the Audit Committee and the Board to support their oversight of the effectiveness of internal control and risk management systems.

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2025 Sustainability and Climate Governance Oversight Achievements

Compal continues to oversee the management of sustainability- and climate-related risks and opportunities through its governance mechanisms, including the Board of Directors, the Sustainability Committee, the Risk Management Committee, the Audit Committee, and the Remuneration Committee. During 2025, the responsible departments reported to the relevant committees and the Board, in accordance with the established governance procedures, on matters including the progress of greenhouse gas (GHG) inventory and verification, the implementation of carbon reduction targets, energy management, renewable energy adoption, the identification of climate-related risks and opportunities, sustainability information disclosures, and internal control mechanisms.

The respective governance bodies reviewed or received reports on matters within their respective responsibilities, including corporate governance, sustainable development, risk management, internal controls, financial reporting, executive compensation, and the operation of functional committees. Among these, the Sustainability Committee also reviewed or received reports on sustainability- and climate-related topics, including the material topics of the Sustainability Report, sustainable development goals and action plans, the progress of IFRS Sustainability Disclosure Standards adoption, and the implementation progress of GHG inventory and verification, before submitting these matters to the Board in accordance with the governance procedures.

In 2025, Directors completed a total of 117 hours of continuing education. Training topics covered global economic trends and supply chain resilience, U.S. tariff policies, digital transformation and AI applications, corporate governance, sustainability performance and executive compensation, corporate resilience governance, risk management and business continuity, ESG investment and corporate social responsibility, as well as trends in digital technologies and artificial intelligence. To further strengthen directors' expertise and oversight capabilities in relation to climate-related risks and opportunities, Compal will continue to arrange relevant sustainability training programs based on actual needs.

4.1.1 Roles of Governance Bodies in the Oversight of Climate-Related Risks and Opportunities

The Board of Directors serves as the highest governing body for Compal's climate-related risks and opportunities and is responsible for overseeing climate-related strategies, material risks and opportunities, target setting, and implementation progress. Under the Board, the ESG Committee, Risk Management Committee, Audit Committee, and Compensation Committee have been established to support the Board in advancing climate governance and oversight in accordance with their respective responsibilities.

The Sustainability Committee assists the Board in reviewing sustainability- and climate-related policies, annual plans, the results of risk and opportunity identification, carbon management strategies, the progress of GHG inventory and verification, and the achievement of climate-related targets. The Risk Management Committee oversees the enterprise risk management framework to ensure that climate-related issues are effectively integrated into the Company's overall risk management system. Through its oversight of financial reporting, the internal control system, and internal audit activities, the Audit Committee helps strengthen the reliability of sustainability information preparation and disclosure processes. The Remuneration Committee assists the Board in incorporating sustainability- and climate-related performance into executive compensation evaluations, thereby linking climate governance responsibilities with management performance.

In accordance with the risk management policy and related procedures, Compal incorporates climate-related risks and opportunities into its enterprise risk management process. Through mechanisms for risk identification, assessment, prioritization, response, and monitoring, the Company strengthens the integration of climate-related issues with its corporate strategy, operational management, and resource allocation. Material climate-related risks and opportunities are consolidated by the responsible departments and reported to the relevant governance bodies according to the nature of the issues and established governance procedures, ensuring that these governance bodies remain informed of the potential operational and financial impacts of climate-related issues and the progress of corresponding response measures.

When reviewing climate-related policies, annual plans, material climate-related risks and opportunities, carbon reduction targets, and other significant decisions, the governance bodies evaluate these matters from the perspectives of the Company's overall strategy, business growth, cost control, resource allocation, risk management processes, and long-term resilience. They also consider the potential short-, medium-, and long-term impacts and trade-offs associated with different alternatives to ensure that the climate strategy remains aligned with the Company's long-term development objectives.

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4.1.2 Management's Role in the Governance of Climate-Related Risks and Opportunities

Under the direction of the governing body, the ESG Office, Risk Management Office, relevant management units, and Functional Team Leads are responsible for implementing and managing climate-related risks and opportunities. The ESG Office coordinates the Company's climate-related strategies and implementation by collaborating with functional teams and responsible departments to advance climate risk and opportunity management, greenhouse gas (GHG) inventory, carbon reduction targets, energy management, value chain collaboration, and sustainability information disclosure. It also consolidates implementation progress and results for reporting to the Board of Directors.

The Risk Management Office operates in accordance with the Company's risk management framework and assists the Chief Risk Officer in overseeing enterprise-wide risk management. Individual departments are responsible for risk identification, analysis, assessment, response, and monitoring within their respective areas of responsibility. For material climate-related risks and opportunities, the ESG Office regularly monitors the implementation of response measures and incorporates the results into strategic planning, resource allocation, and risk management processes.

The ESG Office coordinates the collection of qualitative and quantitative information through the ten functional teams, including information on climate-related risks and opportunities, operational impacts, cost-effectiveness, implementation progress, and target achievement, while ensuring that relevant control and improvement measures are effectively implemented. The consolidated information is submitted to the Sustainability Committee for review and serves as the basis for strategic evaluation, resource allocation, and decision-making.

In accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, Compal has established an internal control system for the management of sustainability information and incorporated into the Company's annual internal audit plan. The Internal Audit function conducts annual audits under the oversight of the Audit Committee. The Audit Committee convenes quarterly to review sustainability-related matters and receives reports from the Chief Audit Executive on the effectiveness of the design and operation of internal controls over sustainability-related risks and opportunities, together with the corresponding audit findings.

4.1.3 Linking Climate Performance to Compensation Incentives

To strengthen senior executives' accountability for climate-related risks and opportunities and to support the Company's Sustainable Development strategy, Compal has incorporated climate-related performance indicators into the annual performance evaluation framework for senior executives and linked them to annual variable compensation.

The annual performance evaluation for senior executives takes into account the Company's overall business performance, departmental operating results, individual performance, and ESG-related performance. Achievement of ESG- and climate-related objectives accounts for 5% of the overall annual performance evaluation weighting.

The relevant performance indicators are established based on the Company's annual sustainable development strategy and climate management objectives. They encompass greenhouse gas emissions reduction, energy management, carbon emissions management, and other climate-related management indicators approved by the Company. Implementation progress and performance against these indicators are reviewed on a regular basis.

When reviewing the annual variable compensation of senior executives, the Remuneration Committee considers not only the Company's overall operating performance and individual performance but also the achievement of climate-related performance targets. The Committee then submits its recommendations to the Board of Directors to ensure that the compensation system remains aligned with the Company's Sustainable Development strategy, climate governance direction, and medium- to long-term climate objectives.

Looking ahead, the Company will continue to review the appropriateness and weighting of climate-related performance indicators and further refine its compensation framework in line with the Sustainable Development strategy and climate governance objectives, thereby strengthening management's accountability for creating long-term corporate value and advancing Sustainable Development.

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4.1.4 Transition Action Framework: Implementing Decarbonization Levers

To ensure that Compal's climate governance framework is translated into effective action, the Company has adopted "Technology Upgrade × Carbon Reduction" as the cornerstone of its climate transition strategy and established decarbonization levers as the primary mechanism for implementing its transition strategy. Based on business activities, emissions sources, and value chain impacts, the Company systematically implements decarbonization initiatives aligned with the management of Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, providing the foundation for advancing its Science Based Targets (SBT) pathways and enhancing climate resilience.

- **Scope 1 – Direct Emissions:** Compal focuses on improving equipment efficiency and adopting low-carbon technologies to reduce direct emissions generated from operations.
- **Scope 2 – Indirect Emissions:** The Company prioritizes improvements in energy efficiency and the transition of energy mix through energy conservation initiatives, renewable electricity procurement, and RE100 roadmap planning, thereby steadily reducing the carbon intensity of electricity consumption.
- **Scope 3 – Value Chain Emissions:** Compal continues to promote supply chain carbon management, green product design, and circular economy initiatives, extending the impact of decarbonization efforts across the upstream supply network and the product use phase.

4.1.5 Strategic Integration and Decision-Making Mechanism

Compal has established short-, medium-, and long-term decarbonization pathways aligned with Science Based Targets (SBT) and is committed to achieving net-zero emissions and 100% renewable energy usage by 2050. The Company's decarbonization initiatives have been progressively integrated into its day-to-day operational management and are supported by actions including energy management, greenhouse gas (GHG) inventory, supply chain decarbonization, and low-carbon product design, forming the foundation of its climate transition plan.

In addition, Compal integrates the results of climate-related risk and opportunity into strategic planning, resource allocation, and management decision-making assessments, ensuring that its climate transition extends beyond target setting and is effectively embedded in investment evaluation, operational management, and value chain collaboration. Internal carbon pricing as a tool for carbon cost management and the evaluation of low-carbon investments. Its objectives, pricing methodology, and application mechanisms are described in detail in Section 4-5, "Internal Carbon Pricing."

4.1.6 Governance Oversight of a Just Transition

In advancing its climate transition, Compal incorporates the potential impacts on employee capabilities, supply chain partner capacity, and stakeholders in the communities where it operates into its governance and management considerations. As responsible departments implement decarbonization targets, the energy transition, low-carbon products, supply chain decarbonization, and operational resilience initiatives, they also evaluate the potential effects of these transition efforts on employee competency requirements, supplier management capabilities, and engagement with local communities. Through employee training, supplier communication, and stakeholder engagement mechanisms, the Company seeks to mitigate any potential adverse impacts arising from the transition process.

During the reporting period, Compal's climate transition initiatives did not result in any significant site closures, large-scale workforce reductions, or substantial job reassignments. The Company will continue to assess the social impacts of its climate transition initiatives and review the effectiveness of the corresponding management measures as implementation progresses.

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4.2 Strategy: Climate Strategy and Transition Plan

In response to the global net-zero transition, carbon pricing mechanisms, renewable energy requirements, increasingly frequent extreme climate events, and customers' growing expectations for low-carbon supply chain management, climate-related risks and opportunities have progressively influenced Compal's business model, value chain management, product strategy, investment planning, and financial resource allocation. Compal incorporates climate-related issues into its medium- and long-term business planning and advances its climate transition plan through initiatives such as improving energy efficiency, increasing renewable energy use, strengthening greenhouse gas (GHG) management, enhancing value chain collaboration, developing low-carbon products, and implementing data-driven management practices. These efforts enhance the Company's resilience to both the low-carbon transition and the physical risks associated with climate change.

In line with Science Based Targets (SBT) and RE100 commitment, Compal has established short-, medium-, and long-term decarbonization pathways and incorporated reductions in Scope 1, Scope 2, and Scope 3 greenhouse gas emissions into its climate transition plan. The Company’s transition strategy focuses on energy and carbon management across operational sites while extending decarbonization efforts to upstream suppliers, product design, customer requirements, and value chain collaboration thereby addressing international customers' expectations for low-carbon products, carbon transparency, and supply chain decarbonization capabilities.

4.2.1 Strategic Implications of Climate-Related Risks and Opportunities

Based on its business characteristics, industry trends, regulatory developments, customer requirements, international standards and assessment frameworks, and evolving climate scenarios, Compal climate-related risks and opportunities that could reasonably be expected to affect the Company's prospects. The identification process is conducted with reference to the IFRS S2 Climate-related Disclosures framework, SASB industry metrics, customer supply chain decarbonization requirements, key CDP and Corporate Sustainability Assessment (CSA) evaluation criteria, internal operational data, and the results of sustainability risk and opportunity assessment questionnaires. The assessment focuses on issues most relevant to the Company's environmental management, energy use, greenhouse gas (GHG) emissions, low-carbon product transition, and value chain collaboration.

In alignment with the Company's strategic planning, operational management cycle, and climate target implementation timeline, the impacts of climate-related risks and opportunities are classified into short-, medium-, and long-term time horizons. These time horizons serve as the basis for evaluating the potential impacts of climate-related risks and opportunities on the Company's operations, strategy, and financial planning.

Time Horizon	Compal Definition	Strategic Linkage
Short Term	Within 2 years	Annual operating plans, response to customer requirements, regulatory compliance, and short-term cost management
Medium Term	More than 2–4 years	Decarbonization pathway, energy transition, supply chain collaboration, and development of low-carbon product capabilities
Long Term	More than 5 years	Low-carbon transition, climate resilience, capital allocation, and long-term competitiveness

In evaluating climate-related risks and opportunities, Compal considers their potential impacts on business operations, financial planning, the value chain, customer relationships, and long-term strategy. Initial prioritization is conducted based on factors including likelihood of occurrence, magnitude of impact, and manageability. This section presents the principal risks and opportunities that are most closely associated with environmental management and the Company's climate strategy. For detailed information on the identification, assessment, prioritization, and monitoring processes, please refer to Section 4-3, "Climate Risk and Opportunity Management.”

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Climate-Related Risks and Opportunities and Their Time Horizons

Category	Key Risk / Opportunity	Time Horizon			Strategic Implications for the Company's Prospects
		Short	Med	Long	
Transition Risks	Restrictions on greenhouse gas emissions or increased emissions-related costs	O	O	O	May increase carbon fees, carbon costs, GHG inventory and verification expenses, and carbon disclosure management costs, while affecting the Company's decarbonization pathway, energy management, and resource allocation.
	Restrictions on or shortages of energy supply	O	O	O	May affect energy availability, electricity costs, and operational stability, prompting the Company to strengthen energy conservation initiatives, improve energy efficiency, and expand renewable energy deployment.
	Growing demand for sustainable products and services	O	O		Failure to meet customer requirements for low-carbon products, energy-efficient design, and product carbon information may reduce order competitiveness and limit opportunities for customer collaboration.
Physical Risks	Increasing frequency and severity of acute and chronic climate events	O	O	O	Extreme rainfall, flooding, typhoons, high temperatures, and water shortages may affect plant operations, equipment maintenance, supply chain deliveries, and business continuity management.
Climate Opportunities	Growing demand for low-carbon products and services	O	O	O	Increasing customer expectations regarding responses to nature- and climate-related issues are driving demand for low-carbon products and services.
	Wider availability of low-carbon energy		O	O	The development of renewable energy markets and expanded access to low-carbon energy sources support the Company's energy transition while reducing long-term carbon costs and energy-related risks.
	Business opportunities arising from circular resource innovation		O	O	The use of recycled materials, plastic-reduction packaging, circular resource management, and waste reduction initiatives can enhance product sustainability while responding to customer and market demand.

Based on a comprehensive evaluation of the environmental assessment questionnaire results, the relevance to the Company's strategy, and the availability of financial impact data, the following sections focus on three representative topics: restrictions on greenhouse gas emissions or increased emissions-related costs, the increasing frequency and severity of acute and chronic climate events, and growing customer demand for low-carbon products and services driven by responses to nature- and climate-related issues. These topics are further discussed in terms of their impacts on the Company's business model, value chain, strategic decision-making, and financial planning.

4.2.2 Impacts of Climate-Related Risks and Opportunities on the Business Model and Value Chain

Compal is a global provider of electronics manufacturing services and product research, development, and manufacturing. Its business model encompasses the entire value chain, including research and development, procurement of raw materials and components, manufacturing operations, logistics and transportation, customer delivery, and product use. The impacts of climate-related risks and opportunities on the Company's business model and value chain are primarily reflected in customers' low-carbon supply chain requirements, the climate resilience of its operational sites, and evolving demand for low-carbon products and services.

Based on the results of its climate-related risk and opportunity assessment, this section selects one transition risk, one physical risk, and one climate opportunity to illustrate their current and anticipated impacts on the Company's business model and value chain. These representative cases also serve as the basis for subsequent financial impact assessments and the development of response strategies.

The "Time Horizon" presented in the table is based on the Company's short-, medium-, and long-term time horizons and indicates the period during which each climate-related risk or opportunity is expected to affect the Company's business model and value chain. Some issues may span multiple time horizons, indicating that their impacts are already occurring and are expected to continue or intensify over the medium to long term.

Overall, climate-related risks and opportunities have progressively influenced the Company's product design, supply chain management, energy and carbon management, operational resilience of manufacturing sites, and customer collaboration models. Going forward, Compal will continue to evaluate the significance of these risks and opportunities and assess their implications for corporate strategy, resource allocation, and financial planning. The financial impact assessment of the representative topics is presented in Section 4-2-4.

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4.2.3 Impacts of Climate-Related Risks and Opportunities on Strategy, Decision-Making, and the Transition Plan

Compal incorporates climate-related risks and opportunities into its strategic planning, operational management, resource, and transition planning. Guided by the theme "Technology Upgrade × Carbon Reduction," the Company addresses the impacts of the low-carbon transition and physical climate risks through initiatives including low-carbon product design, improved energy efficiency, renewable energy adoption, supply chain decarbonization collaboration, greenhouse gas (GHG) management, and enhanced operational resilience.

Based on the transition risk, physical risk, and climate opportunity identified in Section 4-2-2, the Company develops corresponding strategic actions and resource allocation priorities according to their current and anticipated impacts on its business model and value chain. These actions provide the basis for short-term operational management, responses to customer requirements, medium- to long-term decarbonization pathways, and enhanced climate resilience.

(1-2)

Risk / Opportunity	Category	Key Risk / Opportunity	Impacts on Strategy and Decision-Making	Current Response Measures	Strategic Direction
GHG Emissions Risk	Transition Risk	Restrictions on greenhouse gas emissions or increased emissions-related costs	Increasing GHG emissions restrictions, carbon fees, carbon pricing, renewable energy requirements, and customer supply chain decarbonization expectations may increase operating costs, energy costs, investments in emissions reduction, and carbon information management costs. These developments also influence decisions regarding energy procurement, equipment investments, decarbonization projects, renewable energy deployment, and resource allocation. They have further prompted the Company to incorporate its SBT decarbonization pathway, long-term RE100 roadmap, GHG inventory, internal carbon pricing, and carbon data governance into its climate transition plan and operational management. Across the value chain, carbon pricing mechanisms may significantly increase suppliers' operating costs, resulting in higher procurement costs for the Company. Downstream customers may likewise face increased purchasing costs as suppliers pass through the additional carbon-related costs.	Continues to conduct GHG inventory and third-party verification, implement energy conservation initiatives, improve energy efficiency, increase renewable energy use, monitor progress toward SBT targets, respond to customer carbon data requests, participate in international assessments such as CDP and the Corporate Sustainability Assessment (CSA), and strengthen carbon and sustainability information management.	Strengthen decarbonization pathway management, carbon cost assessment, renewable energy procurement planning, energy-efficiency investment evaluation, the application of internal carbon pricing, and GHG data management capabilities. Carbon costs and decarbonization benefits will be progressively integrated into decisions related to equipment investment, energy procurement, operational management, and resource allocation.

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Risk / Opportunity	Category	Key Risk / Opportunity	Impacts on Strategy and Decision-Making	Current Response Measures	Strategic Direction
Climate Change Risk	Physical Risk	Increasing frequency and severity of acute and chronic climate events	Extreme climate events may affect the stability of plant operations, equipment maintenance, logistics and delivery, and business continuity management, thereby impacting production scheduling and delivery capabilities. Across the value chain, both upstream suppliers and downstream customers may be affected by extreme weather events, such as heavy rainfall, flooding, and typhoons, resulting in damage to assets, business disruptions, and increased operating costs	Integrates extreme climate events into plant operations and business continuity planning while continuing to maintain drainage systems, establish equipment redundancy, improve plant facilities, and conduct risk assessments.	Strengthen climate resilience assessments, infrastructure improvements, backup systems, and business continuity planning at major operating sites to reduce the impacts of climate events on production and delivery.
Market Demand for Low-carbon Products and Services	Climate Opportunity	Growing customer demand for low-carbon products and services driven by responses to nature- and climate-related issues	Increasing customer and market demand for low-carbon products, energy-efficient designs, environmental labels, recycled materials, reduced-plastic packaging, and product carbon information creates opportunities for product upgrades, enhanced competitiveness of low-carbon products, and stronger customer collaboration. Across the value chain, the Company's green procurement requirements encourage upstream suppliers to adopt green design principles and improve the environmental performance of their products. Downstream customers may increasingly prefer Compal's low-carbon products and services, manufactured through low-carbon production processes, to reduce the overall carbon footprint of their products.	Incorporates energy efficiency, plastic reduction, recycled materials, and environmental labeling requirements into the product design stage while strengthening low-carbon product management through green design specifications, product specification enhancements, low-carbon product certification, and customer response processes.	Continue to enhance low-carbon product design capabilities, product carbon footprint management, the proportion of products obtaining environmental labels, the application of low-carbon materials, and the Company's ability to respond to customers' nature- and climate-related requirements, thereby capturing market opportunities arising from growing demand for low-carbon products and services.

The strategic and decision-making impacts presented above affect Compal's own operations, upstream suppliers, and downstream customers across the value chain. These impacts are concentrated in specific geographic locations, facilities, and asset types within the Company's business model and value chain.

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Climate Transition Plan and Strategic Action

In line with Science Based Targets (SBT) pathway and long-term RE100 commitment, Compal is implementing its climate transition plan by integrating Scope 1, Scope 2, and Scope 3 decarbonization initiatives into operational management and value chain collaboration. The transition plan focuses on energy transition, low-carbon products, value chain collaboration, climate resilience, and carbon cost management as its principal strategic actions, progressively linking these initiatives to the Company's operational decision-making, resource allocation, and financial planning.

Transition Focus	Key Strategic Actions	Linkage to Decision-Making and Resource Allocation
Energy Transition	Expand the use of renewable energy and renewable energy procurement planning to support the Company's long-term RE100 roadmap.	Integrated into energy procurement, cost management, and medium- to long-term decarbonization pathway planning.
Low-Carbon Products	Strengthen energy-efficient design, low-carbon materials, environmental labeling, and product carbon information management.	Integrated into product design, R&D investment, customer collaboration, and order competitiveness management.
Value Chain Collaboration	Continuously promote supplier carbon data collection, supply chain communication, and collaborative decarbonization initiatives.	Integrated into procurement management, supplier management, and Scope 3 decarbonization strategies.
Climate Resilience	Strengthen site adaptation measures, backup systems, drainage facilities, and business continuity management.	Integrated into facility infrastructure improvements, risk management, and business continuity planning.
Carbon Cost Management	Gradually introduce internal carbon pricing as a tool for evaluating low-carbon investments and carbon costs.	Integrated into investment evaluations, capital expenditure planning, and decarbonization project decision-making. For details, see Section 4-5, "Internal Carbon Pricing."

The key assumptions underpinning the transition plan include increasing customer demand for low-carbon products and the gradual increase in domestic carbon fees.

Overall, climate-related risks and opportunities have progressively influenced the Company's product strategy, energy strategy, supply chain management, operational resilience, and resource. Going forward, Compal will continue to refine its transition plan and management measures based on the results of climate risk and opportunity assessments while strengthening the integration of strategy execution with financial planning.

Compal has also progressively incorporated climate transition-related expenditures into its management review process. These expenditures include greenhouse gas inventories and third-party verification, energy efficiency improvements, renewable energy procurement, carbon information management, supply chain decarbonization collaboration, low-carbon product research and development, and climate resilience enhancement initiatives.

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4.2.4 Financial Impacts of Climate-Related Risks and Opportunities

Climate-related risks and opportunities may affect the Company's current and future financial position, financial performance, and cash flows through factors such as operating costs, capital expenditures, revenue and customer orders, asset resilience, and cash flow. Based on the representative climate-related risks and opportunities identified, Compal has conducted a preliminary assessment of their financial impacts with reference to available management information and financial data. The assessment serves as a basis for future financial planning, budgeting, resource allocation, and capital expenditure evaluation.

This section continues the discussion of the representative transition risk, physical risk, and climate opportunity introduced in the previous sections.

Risk / Opportunity (1-2)

Risk / Opportunity	Category	Description	Financial Position, Financial Performance, and Cash Flows During the Reporting Period	Expected Financial Position, Financial Performance, and Cash Flows	Management Direction
Carbon Emissions Risk	Transition Risk	Restrictions on greenhouse gas emissions or increased emissions-related costs	During the reporting period, expenditures primarily related to GHG inventories and verification, energy conservation improvements, renewable energy procurement, carbon information management, consulting services, participation in international initiatives, and responses to customer carbon data requests amounted to approximately NT$3,130 thousand, recognized as operating expenses and operating cash outflows.	Carbon fees, carbon pricing, emissions management requirements, renewable energy requirements, and customer supply chain decarbonization expectations are expected to continue increasing. This may result in higher investments in decarbonization, energy procurement, energy-efficient equipment upgrades, carbon information systems, verification and compliance management, leading to increased capital expenditures, higher investing cash outflows, and increased depreciation expense. In addition, consulting fees, verification fees, and other operating expenses are expected to increase, resulting in higher operating cash outflows. Failure to respond effectively may also adversely affect customer relationships, order competitiveness, operating costs, and financing competitiveness. However, future carbon fee expenditures remain subject to significant uncertainty due to factors such as the potential tightening of environmental regulations, the expansion of carbon fee coverage, and increases in carbon fee rates. In addition, electricity consumption at each operating site will depend on future production capacity planning and overall customer demand. Accordingly, the financial impacts described above cannot currently be reasonably quantified.	Strengthen GHG inventory and verification, SBT pathway management, renewable energy procurement planning, energy conservation initiatives, carbon information management, the application of internal carbon pricing, and the capability to respond to customer carbon data requests. Carbon costs and decarbonization benefits will be progressively incorporated into investment evaluation and operational decision-making.

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Risk / Opportunity (1-2)

Risk / Opportunity	Category	Description	Financial Position, Financial Performance, and Cash Flows During the Reporting Period	Expected Financial Position, Financial Performance, and Cash Flows	Management Direction
Climate Change Risk	Physical Risk	Increasing frequency and severity of acute and chronic climate events	During the reporting period, the Company invested approximately NT$19,718 thousand in capital expenditures to establish backup systems and maintain drainage facilities, thereby enhancing infrastructure resilience. Upon completion, these projects significantly reduced losses associated with acute and chronic climate events. However, they also resulted in additional repair expenses and miscellaneous purchases of NT$39,520 thousand (recognized as operating expenses) and depreciation expense of NT$13,335 thousand. In addition, repair costs of approximately NT$1,178 thousand were incurred due to asset damage caused by extreme weather events. Total operating cash outflows amounted to NT$40,698 thousand.	To address extreme climate events, the Company will continue investing in infrastructure improvements, including backup systems, drainage projects, equipment maintenance, and business continuity management to mitigate climate-related operational impacts. These initiatives are expected to increase capital expenditures, investing cash outflows, depreciation expense, repair expenses, miscellaneous procurement costs, and operating cash outflows. However, the severity and occurrence of climate-related hazards remain subject to significant uncertainty, while the availability and reliability of relevant data are currently limited. Accordingly, the financial effects described above cannot currently be reasonably quantified.	Strengthen climate risk identification at operating sites, enhance infrastructure resilience, improve backup systems, maintain drainage facilities, and reinforce business continuity management.
Growing Demand for Low-Carbon Products and Services	Climate Opportunity	Increasing customer requirements for responses to nature- and climate-related issues are driving demand for low-carbon products and services.	During the reporting period, the Company completed 70 notebook computer product development and mass production projects, 59 of which obtained relevant low-carbon product certifications. Certification fees amounted to approximately NT$6,301 thousand, while project personnel costs totaled approximately NT$4,257 thousand, both recognized as operating expenses. In addition, depreciation expense related to the product carbon footprint management system amounted to approximately NT$235 thousand, and system maintenance personnel expenses were approximately NT$550 thousand, resulting in total operating cash outflows of NT$11,108 thousand. In 2025, revenue from green products reached NT$411,384 million, accounting for approximately 54% of consolidated revenue, demonstrating that growing demand for low-carbon products and services has made a positive contribution to the Company's product portfolio and revenue mix.	Customer requirements related to nature and climate are expected to continue increasing, driving growth in revenue from low-carbon products and services while creating additional customer collaboration opportunities and enhancing market competitiveness. At the same time, investments in product carbon footprint systems, R&D equipment, product certification, the adoption of low-carbon materials, and supply chain collaboration are expected to increase, resulting in higher capital expenditures, greater investing cash outflows, increased system amortization expense, higher R&D expenses, miscellaneous procurement costs, and operating cash outflows. However, the financial effects described above cannot currently be reasonably quantified, as the impact on revenue depends on future customer order volumes, product mix, and commercially sensitive information.	Strengthen low-carbon product design, product carbon footprint management, the acquisition of environmental labels, the adoption of low-carbon materials, and the capability to respond to customers' climate-related requirements.

Based on the current assessment results, the Company does not expect the above climate-related risks and opportunities to give rise to a significant risk of material adjustments to the carrying amounts of assets and liabilities in the financial statements for the next fiscal year. Nevertheless, certain expected financial impacts remain subject to uncertainties, including future climate events, regulatory developments, customer demand, technological maturity, and market changes. Quantitative disclosures will be progressively enhanced as data availability improves and management systems continue to mature.

The Company has incorporated transition-related expenditures—including greenhouse gas management, energy efficiency improvements, renewable energy, carbon information management, supply chain decarbonization, low-carbon product research and development, and climate resilience enhancement—into its management review process. It also continues to strengthen its data collection, classification, and management mechanisms to improve the integration of its climate transition plan with financial resource allocation.

Going forward, the Company will continue to refine its methodologies for quantifying the financial impacts of climate-related matters and progressively incorporate these assessments into budgeting, capital expenditure evaluation, low-carbon investment decisions, and resource allocation processes.

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4.2.5 Climate Resilience and Scenario Analysis

To assess the impacts of climate-related risks and opportunities on the Company's strategy, business model, and value chain, Compal conducts annual scenario analyzes with reference to internationally recognized climate scenarios published by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). These analyzes are supplemented by domestic and international regulatory trends, customer requirements, key sustainability assessment criteria, and internal operational data. Both physical and transition risks are evaluated, and the results are used to support the identification of climate-related risks and opportunities, financial impact assessments, risk management decision-making, and adjustments to the Company's climate transition plan. The scenario analysis uses the same time horizons as those applied in the assessment of climate-related risks and opportunities.

Using a range of scenario assumptions, the Company evaluates the potential impacts of climate change and the low-carbon transition on its operating sites, supply chain, product demand allocation, energy consumption, capital consumption, and financial performance. The analyzes also evaluate the resilience of the Company's existing strategy and business model under a range of climate scenarios. These scenarios are based on the latest internationally recognized climate pathways and are aligned with the Company's commitment to supporting the goals of the Paris Agreement, providing a comprehensive basis for evaluating and responding to climate-related risks and opportunities.

Scenario Selection and Application

Risk Category	Reference Source	Scenario/ Reference Information	Application of the Scenario
Physical Risks	IPCC	SSP1-2.6 SSP2-4.5	Evaluates the potential impacts of physical climate events—including extreme rainfall, high temperatures, typhoons, and flooding—on operating sites, equipment, logistics, and supply chain delivery under different emissions pathways.
Transition Risks	IEA	SDS/STEPS	Evaluates the potential impacts of the low-carbon transition, continuation of existing policies, carbon costs, energy transition, and customer low-carbon supply chain requirements on operating costs, strategic planning, and financial planning.
Regulatory and Market Trends	Domestic and international regulations, customer requirements, and key CDP/ Corporate Sustainability Assessment (CSA) evaluation criteria	Not based on a single scenario	Serves as reference information for identifying requirements related to climate disclosures, carbon fees, renewable energy, product sustainability, and supply chain decarbonization.

Under both the intermediate GHG emissions scenario (SSP2-4.5) and the low GHG emissions scenario (SSP1-2.6), the key sources of uncertainty associated with physical risks relate to the frequency and severity of extreme weather events. These uncertainties arise from the inherent variability in climate projections and the evolving nature of climate models and weather patterns, which may result in unforeseen changes in future extreme weather events. The key sources of uncertainty associated with transition risks primarily relate to changes in net-zero policies, including future carbon fee rates and the design and evolution of preferential carbon pricing mechanisms and related regulatory measures.

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Climate Resilience Assessment Results and Strategic Applications

Based on the results of the scenario analysis, the Company evaluates the potential impacts of climate-related risks and opportunities on its business model, value chain, and financial planning, and incorporates the findings into its climate strategy, risk management, and transition plan.

Assessment Area	Key Focus of Analysis	Strategic Application
Resilience to Physical Risks	Evaluates the impacts of extreme rainfall, flooding, typhoons, high temperatures, and water shortages on operating sites, equipment, logistics, and supply chain delivery.	Strengthens climate risk identification at operating sites, drainage system maintenance, backup systems, infrastructure improvements, and business continuity management.
Resilience to Transition Risks	Evaluates the impacts of carbon fees, carbon pricing, climate-related disclosure requirements, renewable energy requirements, and customer supply chain decarbonization requirements on operating and management costs.	Strengthens greenhouse gas inventories, carbon information management, renewable energy adoption, supply chain decarbonization collaboration, and disclosure compliance capabilities.
Market and Product Opportunities	Evaluates the impacts of growing demand for low-carbon products, energy-efficient design, environmental labels, and product carbon information on revenue and customer collaboration opportunities.	Strengthens low-carbon product design, product carbon footprint management, acquisition of environmental labels, and the adoption of low-carbon materials.
Financial Planning and Resource Allocation	Evaluates the potential impacts of climate-related risks and opportunities on operating revenue, operating costs, capital expenditures, and cash flows.	Uses the results of scenario analysis as input for budgeting, capital expenditure evaluation, low-carbon investment decisions, and the application of internal carbon pricing.

Overall, the scenario analysis indicates that both the low-carbon transition and physical climate events may affect the Company's operating costs, capital expenditures, product strategy, supply chain management, and customer relationships. Over the short, medium, and long term, Compal will continue to review the climate scenario assumptions, data sources, and assessment methodologies and will incorporate the analysis results into its risk management, strategic planning, financial assessments, and transition plan to strengthen its ability to adapt to different climate scenarios and enhance its long-term resilience. The Company's existing operating cash flows and financing arrangements provide sufficient financial resources and flexibility arrangements to support the implementation of the response actions described above, including the reallocation, repurposing, upgrading, or retirement of existing assets.

Climate Change Adaptation Plan

To address physical climate risks—including extreme rainfall, flooding, typhoons, high temperatures, water shortages, and the stability of electricity supply—Compal is progressively strengthening climate adaptation management across its operating sites. Key initiatives include maintaining drainage facilities, managing backup power supplies and critical equipment, implementing business continuity plans, improving water and energy efficiency, monitoring environmental conditions at operating sites, and conducting climate risk assessments for both new and existing facilities. Based on the results of its scenario analyses, Compal continues to evaluate the adaptation needs of high-risk operating sites and is progressively establishing mechanisms to monitor adaptation actions, resource investments, and implementation progress.

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4.3 Risk Management: Climate Risks and Opportunities Management

The Company has established a Risk Management Policy and Procedures and integrates climate-related risks and opportunities into the enterprise risk management (ERM) process. Through a systematic approach that includes data collection, risk and opportunity identification, questionnaire-based assessment, prioritization, development of response measures, implementation tracking, and governance reporting, the Company manages the impacts of climate-related issues on its operations, financial performance, value chain, and long-term strategy.

These processes are jointly implemented by the ESG Office, Risk Management Office, management units, and functional task forces in accordance with their respective responsibilities. Based on the materiality of each issue and the Company's governance procedures, climate-related matters are reported to the relevant governance bodies to ensure their effective integration into the Company's overall risk management framework and operational decision-making. There were no material changes to the Company's process for identifying and assessing climate-related risks and opportunities during the reporting year.

4.3.1 Climate Risk and Opportunity Management Process

The Company's climate risk and opportunity management process consists of data collection, issue identification, questionnaire-based assessment, prioritization and classification, development of response measures, implementation tracking, and governance reporting. Through this process, the Company is able to assess the potential impacts of climate-related risks and opportunities on its operations, value chain, financial planning, and strategic objectives, and to develop appropriate management measures accordingly.

Management Process	Description	Key Output
Data Collection	Collect international standards, regulatory requirements, international assessment criteria, customer requirements, internal operational data, and external climate information.	Foundation for identifying climate-related risks and opportunities
Issue Identification	Identify climate-related risks and opportunities that may affect the Company's prospects based on industry characteristics, business model, value chain activities, and environmental issues.	Preliminary list of climate-related risks and opportunities
Questionnaire Assessment	Collect assessments from various departments regarding the likelihood of occurrence, magnitude of impact, and current management status through the Sustainability Risk and Opportunity Assessment Questionnaire.	Consolidated questionnaire results
Prioritization and Classification	Prioritize risks and opportunities based on factors including likelihood of occurrence, magnitude of impact, time horizon, operational impact, financial impact, and manageability.	Climate Risk and opportunity prioritization results
Development of Response Measures	Responsible departments formulate management measures, improvement plans, or strategic actions according to the nature of each risk or opportunity.	Management measures and action plans
Implementation Tracking	Regularly monitor the implementation of management measures and progress toward targets, and adjust response strategies as necessary.	Implementation progress and tracking records
Governance Reporting	Report to the ESG Committee, Risk Management Committee, and Board of Directors for oversight based on issue materiality and governance procedures.	Governance review and oversight records

4.3.2 Sources for Identifying Climate-Related Risks and Opportunities

The Company identifies climate-related risks and opportunities using multiple sources of information. The assessment covers all entities within the consolidated financial reporting boundary as well as upstream and downstream activities across the value chain. The identification process draws upon internationally recognized standards, regulatory requirements, international assessments and initiatives, customer supply chain decarbonization requirements, internal operational data, external climate information, and questionnaire internal results. The primary sources are summarized below.

Source of Identification	Description
International Standards and Disclosure Requirements	References frameworks such as IFRS S2, SASB, GRI, and TCFD to identify climate-related disclosure requirements and industry-specific issues.
Regulatory Requirements	References requirements related to climate information in annual reports, sustainability reports, ESG assessments, and sustainability information management to identify regulatory and disclosure risks.
International Assessments, Initiatives, and Customer Requirements	References CDP, Corporate Sustainability Assessment (CSA), RE100, SBTi, customer supply chain decarbonization requirements, and customer questionnaires to identify risks and opportunities related to climate disclosures, renewable energy, decarbonization targets, and value chain management.
Internal Operational Data	References data related to greenhouse gas inventories, energy, water resources, waste, supply chain management, and products to identify operational and environmental management risks and opportunities.
External Climate and Market Information	References information from the IPCC, IEA, regulatory trends, and industry risk analyses to identify physical risks, transition risks, and market developments.
Internal Questionnaire	Collects assessments from various departments regarding the likelihood of occurrence, magnitude of impact, and current management status of climate-related risks and opportunities through the Sustainability Risk and Opportunity Assessment Questionnaire.

Scenario analysis was not used as part of the Company's process for identifying climate-related risks and opportunities.

4.3.3 Assessment and Prioritization of Climate-Related Risks and Opportunities

The assessment of climate-related risks and opportunities primarily considers the likelihood of occurrence and magnitude of impact, supplemented by factors including time horizon, operational impact, financial impact, value chain impact, and manageability. Through questionnaires and the consolidation of internal data, the Company evaluates the relative significance of each risk and opportunity, providing a basis for subsequent strategic planning, resource allocation, financial impact assessment, and the monitoring of management actions.

During the reporting year, the assessment was primarily based on two dimensions: "Likelihood of Occurrence" and "Magnitude of Impact". Likelihood of occurrence evaluates the probability that a risk or opportunity will arise or continue to have an impact over the short, medium, or long term. Magnitude of impact assesses the potential effects on operations, financial performance, reputation, regulatory compliance, customer relationships, the value chain, and strategic objectives. The assessment results are presented in a matrix format to facilitate the identification of high-priority management issues.

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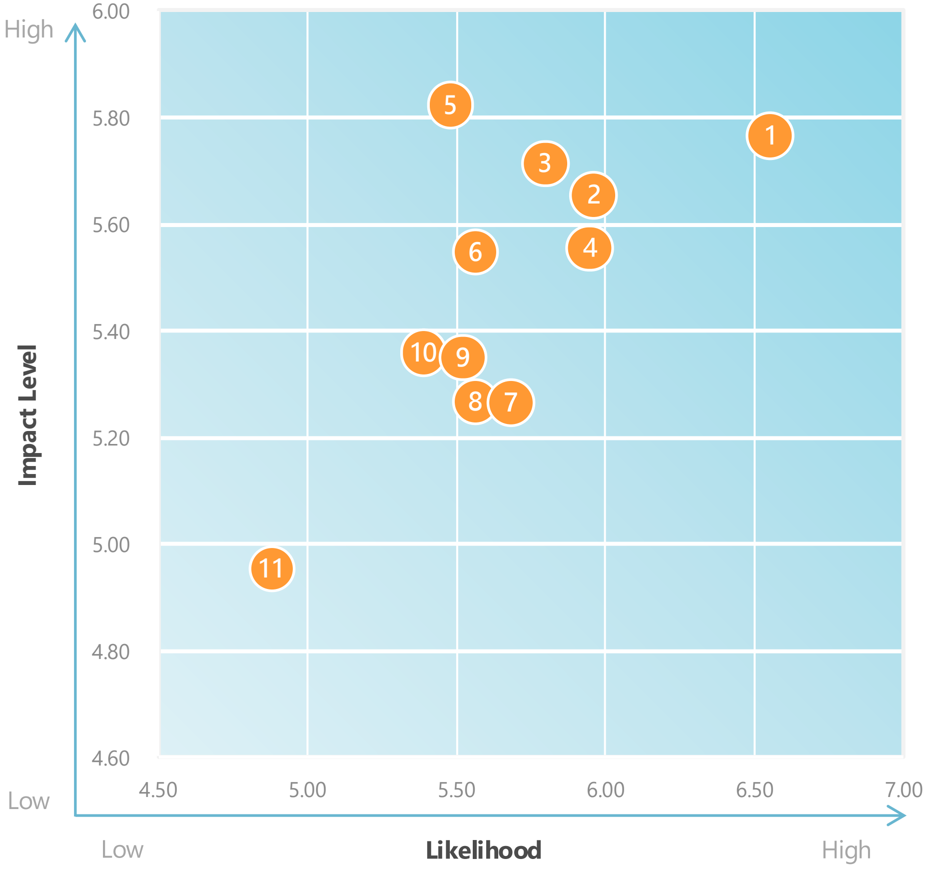
Climate Risk Matrix

The Climate Risk Matrix uses “Likelihood of Occurrence” and “Magnitude of Impact” as the primary axes to evaluate the relative priority of climate-related risks. Risks located in the high-likelihood/high-impact quadrant are designated as priority management issues, for which responsible departments develop response measures and monitor implementation effectiveness.



No.	Description of Sustainability Risks
1	Low-carbon Technology Transition Risk
2	GHG Emissions Risk
3	Product Cost Risk
4	Carbon Pricing Risk
5	Environmental Initiative Risk
6	Climate Change Risk
7	Waste Management Risk
8	Renewable Energy Management Risk
9	Energy Management Risk
10	Carbon Disclosure Risk
11	Water Management Risk

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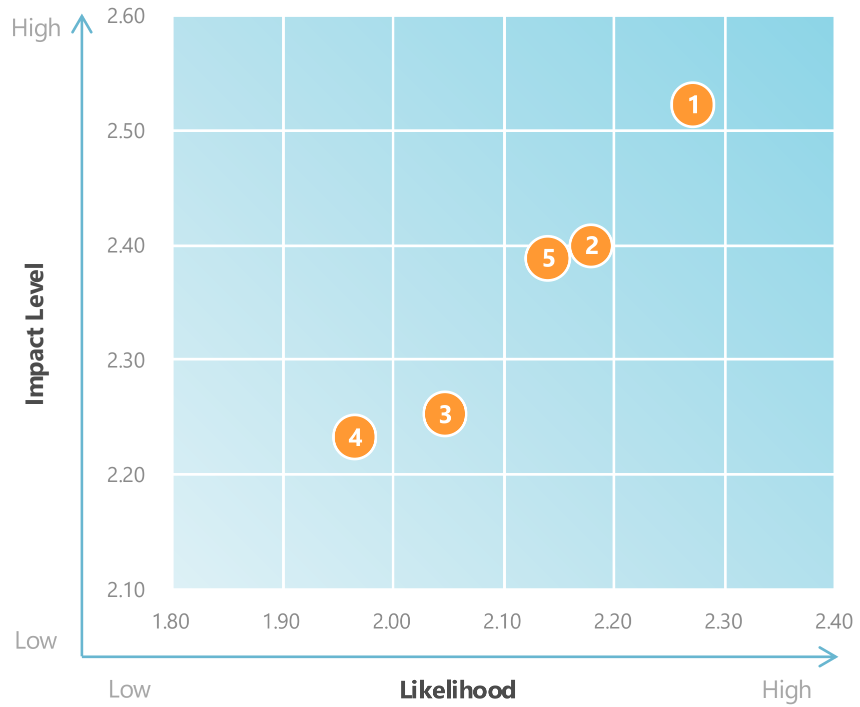
Climate Opportunity Matrix

The Climate Opportunity Matrix likewise uses "Likelihood of Occurrence" and "Magnitude of Impact" as the primary axes to evaluate the potential contributions of climate-related opportunities to the Company's strategy, products, customer collaboration, revenue resilience, and value chain management. Opportunities located in the high-likelihood/high-impact quadrant serve as key references for strategic initiatives, resource allocation, and market development.

No.	Sustainability Opportunity
1	Growing Demand for Low-Carbon Products & Services
2	Low-carbon Energy Opportunities
3	Carbon Market Opportunities
4	Climate Resilience Opportunities
5	Circular Economy Innovation Opportunities



Based on the results of the climate-related risk and opportunity assessment matrix, and taking into consideration the nature of the climate-related risks and opportunities, financial effects, strategic relevance, and data availability, the Company selected the following climate-related matters for further disclosure. These matters are considered the most relevant for illustrating the Company's climate-related financial effects and corresponding management actions during the reporting period. Other identified climate-related risks and opportunities continue to be monitored by the responsible management units. Management priorities are continuously reviewed and updated in response to changes in the external environment, regulatory developments, customer requirements, actual events, and the results of the annual assessment.

Transition Risk | GHG Emissions Management and Rising Carbon-related Costs: Although Low-carbon Technology Transition Risk ranked highest in the climate risk assessment matrix, the GHG Emissions Management and Rising Carbon-related Costs risk was selected as the representative transition risk because it is directly associated with carbon fees and carbon pricing, renewable electricity procurement, comply with targets set under the SBTi, and customer decarbonization requirements. In addition, identifiable expenditures related to this risk were incurred during the reporting period.

Physical Risk | Extreme Weather Events and Long-term Climate Change: This risk was selected as the representative physical risk because it reflects both acute and chronic physical climate impacts that may affect facility safety, infrastructure, and business continuity. During the reporting period, the Company incurred identifiable expenditures related to infrastructure improvements, equipment maintenance, and repair activities.

Climate Opportunity | Growing Demand for Low-carbon Products and Services: This opportunity received the highest ratings for both likelihood of occurrence and potential impact in the Company's climate-related opportunity assessment. It is also reflected in increased revenue from green products, investment in low-carbon product development, product certification, and product carbon information management. Accordingly, this matter was selected for further disclosure as the Company's representative climate-related opportunity.

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4.3.4 Climate-Related Risk and Opportunity Response and Monitoring

Based on the results of the identification and prioritization process, the Company develops corresponding management measures for each identified risk and opportunity. Transition risks are primarily managed through the Company's decarbonization pathway, greenhouse gas (GHG) inventories and third-party verification, carbon cost assessment, renewable energy procurement, energy efficiency improvements, responses to customer requests for carbon information, and systematic data management. Physical risks are addressed through site adaptation, infrastructure improvements, backup systems, and business continuity management to reduce potential impacts. Climate-related opportunities are pursued through low-carbon product design, environmental labels, product carbon information management, and responses to customer requirements.

Category	Primary Management Approach	Key Monitoring Items
Transition Risks	Strengthen management of the Company's decarbonization pathway, GHG inventories and third-party verification, carbon cost assessment, renewable energy procurement, energy efficiency improvements, responses to customer requests for carbon information, and systematic data management.	Changes in GHG emissions, decarbonization progress, changes in carbon costs, renewable energy use, verification results, responses to customer requests for carbon information, and changes in regulatory requirements.
Physical Risks	Strengthen site adaptation, drainage system maintenance, backup systems, infrastructure improvements, and business continuity management.	Site risk assessment results, progress of improvement measures, equipment maintenance status, and business interruption risks.
Climate-Related Opportunities	Promote low-carbon product design, environmental labels, product carbon information management, low-carbon materials, plastic reduction in packaging, and responses to customer requirements.	Progress in low-carbon product development, certification status, responses to customer requirements, and revenue performance of green products.
Value Chain Management	Promote supplier carbon data collection, supply chain communication, supplier decarbonization collaboration, and Scope 3 emissions management.	Completeness of supplier data, participation in supply chain decarbonization, and the quality of Scope 3 emissions data.

Each responsible department monitors the implementation of the relevant management measures and reports significant implementation progress, exceptional circumstances, or matters requiring cross-functional coordination to the appropriate management and governance bodies in accordance with the Company's governance procedures. The management of material climate-related risks and opportunities also serves as an important reference for subsequent strategic adjustments, resource allocation, and financial impact assessments.

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4.3.5 Integration with Enterprise Risk Management

Climate-related risks and opportunities are not managed separately from the Company's enterprise risk management (ERM) framework. Instead, they are progressively integrated into the ERM process through collaboration among the ESG Office, the Risk Management Office, management units, and functional teams. Climate-related risks and opportunities that are assessed as material or may affect the Company's medium- to long-term operations, financial performance, or strategic objectives are incorporated into the overall ERM framework in accordance with the Company's risk management mechanism. Depending on the nature of the issue, they are reported to the Risk Management Committee, the Sustainability Management Committee, the Sustainability Committee, and the Board of Directors for oversight.

Integration Area	Description
Integration of Risk Identification	Climate-related risks and opportunities are incorporated into the annual risk and opportunity identification process and reviewed together with other operational, financial, regulatory, and strategic risks.
Integration of Assessment and Prioritization	Risks and opportunities are prioritized based on factors including likelihood of occurrence, magnitude of impact, and strategic relevance, serving as a reference for ERM prioritization.
Integration of Response Measures	Responsible departments develop corresponding management measures according to the nature of each identified risk and integrate them into day-to-day operations, resource allocation, and improvement plans.
Integration of Monitoring and Reporting	The monitoring results of material climate-related risks and opportunities are reported to management and relevant governance bodies in accordance with the Company's governance procedures.
Integration into Decision-Making	The results of risk and opportunity assessments are incorporated into strategic planning, financial planning, investment evaluation, transition planning, and the application of internal carbon pricing.

Through integration with the enterprise risk management (ERM) process, the Company is able to more comprehensively understand the impacts of climate-related risks and opportunities on its operations, value chain, and financial planning, while strengthening cross-functional collaboration, governance oversight, and long-term resilience.

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4.4 Metrics and Targets: Greenhouse Gas Management and Decarbonization

With reference to the IFRS S2 disclosure framework for metrics and targets, the Company describes its management approach to climate-related metrics and targets for monitoring the effectiveness of climate-related risk and opportunity management. The primary metrics include greenhouse gas (GHG) emissions, Science Based Targets (SBTs), emissions intensity, renewable energy use, and progress toward climate-related targets. These metrics provide the Board of Directors and management with key information to oversee the implementation of the Company's climate strategy, monitor progress toward its decarbonization allocation targets, and support resource allocation decisions. Industry-specific SASB metrics are presented in the "SASB Index" in the Appendix of this report.

4.4.1 Inventory Methodology and Management Scope

To ensure the completeness, consistency, and traceability of greenhouse gas (GHG) data, the Company has established a GHG inventory management system and conducts regular GHG inventory, data consolidation, verification, and disclosure activities in accordance with international standards and internal management procedures. GHG emissions are quantified using the emission factor approach, which calculates GHG emissions based on activity data, emission factors, Global Warming Potential (GWP) values, and other relevant assumptions and input values. As this is the most widely adopted quantification methodology, this approach to measure its GHG emissions. During the reporting period, there were no changes to the methodologies, assumptions, or input values used to quantify GHG emissions.

Item	Description
Inventory Standards	Greenhouse gas inventories are conducted in accordance with ISO 14064-1, supported by a third-party verification mechanism.
Emission Factors	Emission factors published by the relevant local governments or official authorities are adopted. Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report (AR6).
Organizational Boundary	The Company's GHG inventory is prepared using the operational control approach. The inventory boundary covers operating sites within the consolidated financial statement boundary over which the Company has operational control. The disclosure scope is updated annually based on the results of the GHG inventory and third-party verification.
Scope 1	Direct GHG emissions, primarily including stationary combustion, mobile combustion, fugitive refrigerant emissions, and other direct emission sources.
Scope 2	Indirect GHG emissions from purchased electricity and other purchased energy, disclosed using both the location-based and market-based methods.
Scope 3	Value chain GHG emissions, gradually expanded under the established inventory framework to cover relevant categories, including purchased goods and services, transportation, business travel, product use, and end-of-life treatment.
Third-Party Verification	The Company's GHG inventory results are verified by SGS Taiwan Ltd. Scope 1 and Scope 2 emissions are verified at the reasonable assurance level, while Scope 3 emissions are verified at the limited assurance level, enhancing the reliability and credibility of the Company's GHG data.

Scope 1 and Scope 2 GHG emissions are disclosed in the relevant tables of this report. Scope 3 value chain emissions are disclosed and updated through the Company's ESG website and other sustainability-related disclosures in accordance with the Company's sustainability disclosure plan.

Note: As the inventory year, data availability, and the scope of included value chain categories continue to expand, Scope 3 emissions should be interpreted based on the disclosure boundary and calculation methodology applicable to each reporting year.

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4.4.2 Science Based Targets (SBT)

To support the Paris Agreement goal of limiting global warming to 1.5°C, the Company has established short-, medium-, and long-term decarbonization pathways aligned with its Science Based Targets (SBT). Progress is regularly monitored against these pathways, and the results are used to inform decarbonization measures, resource allocation, and the implementation of the Company's climate transition plan.

Category	Base Year	Base-Year Emissions tCO_2e	2030 Target	2050 Target	Management Approach
Scope 1 Scope 2	2019	369,033.14	50.68% reduction from the base year	90% reduction from the base year and assess the use of carbon offsets to neutralize the remaining emissions.	Energy conservation, energy efficiency improvement, renewable energy use, fuel management, and refrigerant management.
Scope 3	2021	28,337,097.88	25% % reduction from the base year	90% % reduction from the base year	Supply chain decarbonization collaboration, product design optimization, and value chain carbon data management.

For Scope 1 and Scope 2, 2019 serves as the base year. The Company annually monitors actual emissions against the established decarbonization pathway and annual reduction targets. For Scope 3, 2021 serves as the base year, with ongoing efforts to enhance value chain emissions data collection, calculation methodologies, and supply chain collaboration.

The key decarbonization initiatives include:

Decarbonization Focus	Key Measures	Decision-Making Integration
Scope 1 Reduction	Strengthen fuel management, refrigerant leakage management, equipment efficiency, and the replacement of equipment with low-carbon alternatives.	Integrated into site operations management, equipment upgrades, and annual decarbonization project planning.
Scope 2 Reduction	Improve energy efficiency while progressively expanding renewable energy procurement and use.	Integrated into energy procurement, cost management, the RE100 roadmap, and medium- and long-term decarbonization planning.
Scope 3 Management	Strengthen GHG emissions inventories covering purchased goods and services, transportation, business travel, product use, and end-of-life treatment.	Integrated into supply chain management, product design, customer response, and value chain decarbonization strategies.
Data Management	Integrate emissions and energy data from operating sites through a digital platform to improve data collection efficiency and consistency.	Serves as the basis for annual performance monitoring, management review, and sustainability disclosures.
Carbon Cost Assessment	Use the internal carbon pricing mechanism to progressively incorporate carbon costs into investment and operational decision-making.	Integrated into equipment investment, energy efficiency projects, renewable energy procurement, and low-carbon transition decisions.

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4.4.3 Greenhouse Gas Emissions Trends and Decarbonization Progress

To provide a comprehensive overview of the Company's greenhouse gas emissions management, this section discloses GHG emissions for both the standalone financial statements boundary and the consolidated financial statement boundary. All disclosed data have been verified by an independent third party. The standalone financial statements boundary primarily reflects emissions from the Company's parent company operating sites, while the consolidated financial statement boundary covers operating sites within the consolidated financial statement boundary over which the Company has operational control. The latter serves as the primary basis for tracking the Company's overall decarbonization pathway and conducting management reviews.

Standalone Financial Statements Boundary

Unit: tCO_2e

Indicator	2019 (Base Year)	2023	2024	2025
Scope 1				
Carbon Dioxide (CO_2)	8,720.6807	7,066.7578	5,594.7087	3,694.3531
Methane (CH_4)	9,529.0570	8,959.1742	3,076.5989	2,043.5294
Nitrous Oxide (N_2O)	36.0879	25.4040	21.6612	8.9107
Hydrofluorocarbons (HFCs)	149.5600	3,811.5080	3,603.0520	4,352.8582
Perfluorocarbons (PFCs)	0.0000	0.0000	0.0000	0.0000
Sulfur Hexafluoride (SF_6)	0.0000	0.0000	0.0000	0.0000
Nitrogen Trifluoride (NF_3)	0.0000	0.0000	0.0000	0.0000
Total Scope 1 Emissions	**18,435.386**	**19,862.844**	**12,296.021**	**10,099.651**
Scope 2 (Location-based)				
Carbon Dioxide (CO_2)	283,035.9657	195,432.5010	NA	151,777.8384
Methane (CH_4)	NA	0.0000	NA	2.2473
Nitrous Oxide (N_2O)	NA	0.0000	NA	3.2004
Total Scope 2 (Location-based) Emissions	**283,035.966**	**195,432.501**	**161,413.398**	**151,783.286**
Scope 2 (Market-based)				
Carbon Dioxide (CO_2)	283,035.9657	104,415.5400	NA	61,640.0309
Methane (CH_4)	NA	0.0000	NA	2.2473
Nitrous Oxide (N_2O)	NA	0.0000	NA	3.2004
Total Scope 2 (Market-based) Emissions	**283,035.966**	**104,415.540**	**95,584.549**	**61,645.479**
Scope 1 Biogenic Emissions	**NA**	**NA**	**15.296**	**14.761**
Scope 3				
C1 Purchased Goods and Services: Water	NA	436.412	379.547	128.141
C3 Fuel- and Energy-Related Activities	NA	NA	101,155.099	27,119.257
C5 Waste Generated in Operations	NA	NA	NA	67.148
C6 Business Travel	NA	NA	NA	1,490.894
C9 Downstream Transportation and Distribution	NA	NA	NA	29,668.509

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

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Consolidated Financial Statements Boundary

Unit: tCO_2e

Indicator	2019 (Base Year)	2023	2024	2025
Scope 1				
Carbon Dioxide (CO_2)	NA	NA	NA	5,714.8664
Methane (CH_4)	NA	NA	NA	2,420.2529
Nitrous Oxide (N_2O)	NA	NA	NA	10.2690
Hydrofluorocarbons (HFCs)	NA	NA	NA	8,063.0663
Perfluorocarbons (PFCs)	NA	NA	NA	0.0000
Sulfur Hexafluoride (SF_6)	NA	NA	NA	0.0000
Nitrogen Trifluoride (NF_3)	NA	NA	NA	0.0000
Total Scope 1 Emissions	**19,361.274**	**21,131.008**	**13,114.880**	**16,208.455**
Scope 2 (Location-based)				
Carbon Dioxide (CO_2)	NA	NA	NA	220,354.0225
Methane (CH_4)	NA	NA	NA	2.4697
Nitrous Oxide (N_2O)	NA	NA	NA	3.5158
Total Scope 2 (Location-based) Emissions	**349,671.863**	**262,190.985**	**205,280.209**	**220,360.008**
Scope 2 (Market-based)				
Carbon Dioxide (CO_2)	NA	NA	NA	119,116.4822
Methane (CH_4)	NA	NA	NA	2.4697
Nitrous Oxide (N_2O)	NA	NA	NA	3.5158
Total Scope 2 (Market-based) Emissions	**349,671.863**	**168,142.003**	**136,917.714**	**119,122.468**
Scope 1 Biogenic Emissions	**NA**	**NA**	**15.296**	**14.761**
Scope 3				
C1 Purchased Goods and Services: Water	NA	436.412	379.547	258.468
C3 Fuel- and Energy-Related Activities	NA	NA	101,155.099	40,602.404
C5 Waste Generated in Operations	NA	NA	NA	67.148
C6 Business Travel	NA	NA	NA	1,490.894
C9 Downstream Transportation and Distribution	NA	NA	NA	29,668.509

Note 1: Only items that have been verified by an independent third party and have obtained a verification opinion are presented.

Note 2: The Company applies the operational control approach to account for GHG emissions from its associates. As none of these associates are under the Company's operational control, the associated GHG emissions included in the total emissions are zero.

The 2025 GHG emissions results indicate that Scope 1 and Scope 2 emissions for both the Standalone Financial Statement Boundary and the Consolidated Financial Statement Boundary remain consistent with the phased decarbonization pathway established using 2019 as the base year. Overall emissions performance remains aligned with the Company's Science Based Targets (SBT) pathway and continues to progress toward its 2030 medium-term emissions reduction target. 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, while emissions within the Standalone Financial Statement Boundary decreased by 33.5% year over year. These reductions were 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. The Company will continue to monitor emissions trends and incorporate energy consumption, renewable electricity allocation, production capacity changes, and the implementation of decarbonization projects into its annual management review to ensure continued progress toward its medium- and long-term emissions reduction targets. For further information on target tracking and decision-making integration, please refer to Section 4.4.4, "Target Tracking and Decision-Making Integration."

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4.4.4 Target Tracking and Decision-Making Integration

To ensure continued progress toward its decarbonization targets, the Company has incorporated greenhouse gas (GHG) emissions, energy consumption, renewable energy use, energy conservation projects, and the implementation of decarbonization initiatives into its annual management and performance monitoring mechanisms. Actual emissions are regularly reviewed against the Company's Science Based Targets (SBT) decarbonization pathway, and the results serve as the basis for adjusting management measures, allocating resources, and advancing the Company's climate transition plan. Target tracking results are analyzed through cross-functional review and management review mechanisms. Variations in emissions, progress toward reduction targets, energy efficiency, renewable electricity allocation, and changes in electricity demand at specific operating sites are evaluated to identify the underlying causes and opportunities for improvement. Based on the results, the responsible departments implement measures, including appropriate energy conservation improvements, optimization of energy allocation, renewable energy procurement, equipment replacement, and enhancements to operational management.

The Company’s decarbonization targets are also progressively integrated into its resource allocation and investment evaluation processes. Decisions related to equipment investments, energy conservation projects, renewable energy procurement, and other low-carbon transition initiatives take into consideration emissions reduction benefits, energy costs, carbon costs, and investment feasibility, thereby strengthening the integration of decarbonization actions into operational decision-making. In addition, the internal carbon pricing mechanism will be progressively adopted as a management tool for carbon cost assessment and low-carbon investment decision-making, enabling responsible departments to incorporate carbon emission costs into project planning and investment evaluations. For details regarding the internal carbon pricing mechanism and its implementation, please refer to Section 4.5, “Internal Carbon Pricing.” As the Company's digital platform continues to integrate emissions and energy data from operating sites, the Company will continue to enhance the efficiency of data collection, improve data timeliness, and strengthen cross-functional management capabilities. This will enable target tracking results to be incorporated into operational management, budgeting, capital expenditure planning and evaluation, and the execution of the climate transition plan, thereby reinforcing the alignment between decarbonization targets and the Company's long-term strategy.

4.4.5 Greenhouse Gas Removals and the Use of Carbon Credits

During the reporting period, Compal did not include value chain greenhouse gas removals in the calculation of its decarbonization performance, nor did it use carbon credits to offset Scope 1, Scope 2, or Scope 3 greenhouse gas emissions. The Company prioritizes actual emissions reductions in accordance with the mitigation hierarchy by avoiding emissions, reducing emissions, improving energy efficiency, and expanding the use of renewable energy.

Should the Company utilize carbon credits or greenhouse gas removals in the future, it will disclose the relevant project type, quantity, retirement status, quality standards, and applicable scope, while ensuring that such use is clearly distinguished from actual emissions reductions.

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4.4.6 Just Transition Management Indicators

The Company considers just transition to be an integral part of its climate transition management. The Company continues to monitor the potential impacts of low-carbon technologies, the energy transition, product carbon information, and supply chain decarbonization requirements on employee organizational competencies, supplier capabilities, and local communities. During the reporting period, the Company's climate transition initiatives did not result in any significant site closures, large-scale workforce reductions, or significant job reallocations. Going forward, the Company will continue to strengthen capabilities and support the participation of its value chain partners in the low-carbon transition through employee training, supplier communication, and stakeholder engagement.

Item	2025 Management Status
Significant Site Closures Resulting from the Climate Transition	None
Large-scale Workforce Reductions Resulting from the Climate Transition	None
Significant Job Reallocations Resulting from the Climate Transition	None
Low-carbon, Energy, and Carbon Management-related Training	The Company enhances employees' understanding of climate transition, energy efficiency, and carbon data management through training on low-carbon transition, energy management, GHG inventories, carbon management, renewable energy, and sustainability disclosures, thereby supporting the implementation of energy conservation, emissions reduction, and low-carbon transition initiatives.
Supplier Climate and Carbon Management Communication / Training	Through supplier communication, questionnaires, carbon data collection, and collaborative projects, the Company communicates its expectations regarding climate change, GHG inventories, carbon management, and decarbonization requirements to suppliers, providing the foundation for Scope 3 emissions management and supply chain decarbonization collaboration.

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4.5 Internal Carbon Pricing: Carbon Cost Management and Decision-Making

Internal Carbon Pricing (ICP) has become a key financial tool for implementing the Company's low-carbon transition strategy. Following the validation of its Science Based Targets (SBTi) in 2024, the Company introduced the ICP mechanism to internalize carbon costs within business operations, encouraging each business unit to proactively identify climate-related risks and opportunities. 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.

4.5.1 Objectives and Strategic Positioning

Internal Carbon Pricing (ICP) is applied across four core dimensions to enhance capital allocation efficiency and value chain resilience:

- **Drive Low-Carbon Investment Initiatives:** ICP is integrated into the investment evaluation process to incorporate carbon pricing into cost-benefit analyses. By assigning a cost to carbon emissions, the mechanism enhances the investment attractiveness of energy-efficient equipment and low-carbon materials, thereby encouraging capital expenditures (CapEx) that deliver energy-saving and decarbonization benefits.
- **Strengthen Business Decision-Making and Risk Assessment:** By linking ICP to the performance management system, carbon cost factors are incorporated into financial planning and decision-making. In addition, potential risks associated with carbon taxes, carbon fees, and emissions trading schemes are assessed across global operations through scenario analysis, enhancing the Company's resilience to evolving climate policies and regulatory changes.
- **Drive Value Chain Decarbonization:** The Company plans to leverage ICP to strengthen the management of embedded carbon costs across the supply chain and identify emissions hotspots throughout research and development and procurement processes. By leveraging its industry influence, the Company aims to promote collaborative emissions reductions across the value chain.
- **Support the Implementation of the Decarbonization Pathway:** By evaluating external carbon-related risks alongside internal abatement costs, the Company prioritizes resources toward initiatives with higher emissions reduction benefits, ensuring that SBT milestones are achieved on schedule.

4.5.2 Calculation Methodology and Pricing Mechanism

To support emissions management and decarbonization planning, Compal applies an Implicit Carbon Pricing approach and has established 2030 as its near-term planning horizon.

- **Pricing Basis:** The carbon price is determined with reference to multiple factors, including the Marginal Abatement Cost Curve (MACC) across global operations, regional carbon pricing regulations and market trends, international climate scenario analysis, and renewable energy procurement premiums.
- **Initial Carbon Price:** Based on a systematic assessment, the initial carbon price was set at USD 19/tCO_2e. The carbon price serves as a reference for evaluating renewable energy procurement, energy efficiency initiatives, and other decarbonization projects. Compal currently adopts an Implicit Carbon Pricing approach as the basis for its internal carbon pricing mechanism. The framework is further complemented by shadow pricing concepts to support long-term carbon cost assessments, climate scenario analysis, and low-carbon investment decisions.
- **Governance and Periodic Review:** The Sustainability Committee oversees the ICP mechanism and conducts regular reviews to adjust carbon pricing in response to technological advancements, market developments, and regulatory changes, ensuring that the mechanism continues to provide effective incentives for decarbonization and climate-related decision-making.

Implicit Carbon Pricing

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4.5.3 Integrated Applications and Management Practices

The ICP mechanism has been embedded into key business decision-making processes, ensuring that carbon cost considerations are translated into measurable management data.

Application Area	Implementation Approach
Capital Expenditure Evaluation	In evaluating equipment replacement and new investment projects, anticipated carbon costs throughout the asset lifecycle are taken into account to enhance the quality of financial analysis.
Energy Efficiency Management	Reflect the actual cost impact of energy consumption and accelerate the replacement of energy-intensive equipment to reduce unnecessary resource use.
Low-Carbon Energy Procurement	Provide economic incentives for the procurement of renewable energy and high-efficiency power equipment, supporting the achievement of renewable energy transition goals.
Value Chain Emissions Management	Integrate carbon cost considerations into procurement and R&D decision-making processes, identify value chain hotspots, and incentivize suppliers to reduce emissions intensity.
Performance Management and Incentive Mechanisms	Assess carbon emission risks under different operating scenarios and progressively link the results to compensation and incentive mechanisms, encouraging proactive emissions reduction efforts across business units.

4.5.4 Implementation Progress and Future Outlook

The Company has established an ICP assessment model, a periodic review mechanism, and cross-functional communication channels, and began linking ICP to the internal performance management system in 2025. Future development efforts will focus on the following areas:

- Enhance Value Chain Management Applications: Continue to assess value chain emissions and explore the integration of carbon pricing mechanisms into procurement and logistics management processes, encouraging suppliers to implement low-carbon measures.
- Strengthen the Linkage Between Strategy and Business Operations: Deepen the integration of ICP with performance evaluation mechanisms, encouraging business units to incorporate carbon emissions considerations into routine business assessments and supporting the implementation of decarbonization strategies.
- Maintain the Effectiveness of the Pricing Mechanism: Continuously monitor global market, regulatory, and technological developments, and periodically update carbon pricing levels to ensure the mechanism continues to guide the establishment and development of low-carbon business models.

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4.6 Nature-related Management: TNFD and Biodiversity

Climate change and ecosystem degradation are recognized as key global risks over the coming decade. Natural capital is not only the foundation of human well-being, but also a critical driver of business continuity and resilience. To advance its vision of living in harmony with nature, the Company has aligned with the LEAP approach recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) since 2024. Through a systematic assessment of the value chain's dependencies and impacts on nature, the Company translates its environmental commitments into concrete actions that strengthen operational resilience and support sustainable development.

4.6.1 Nature Risk Management Process: LEAP Assessment Results

Nature-related issues have been incorporated into the Company's overall transition and development framework. Through the implementation of the LEAP approach, a science-based management foundation has been established throughout the process, from location identification to action preparation:

4.6.2 Scope 3 Decarbonization Strategy

Through in-depth analysis of different business groups and the supply chain, the Company identified the interactions between its value chain and natural capital. The assessment results indicate that all business groups demonstrate significant dependencies on hydrological regulation ecosystem services, while resource consumption and emissions generated throughout operations also contribute to specific ecosystem impact drivers.

- Nature Dependency Analysis: Operational stability is highly dependent on ecosystem services such as water supply, flood control, storm mitigation, and water flow regulation.
- Nature Impact Analysis: Key impact drivers include water consumption, greenhouse gas emissions, disturbances (such as noise and light pollution), and toxic emissions to soil and water.

LEAP Step	Locate	Evaluate	Assess	Prepare
Implementation Approach and Key Outcomes	Utilized Geographic Information System (GIS) tools and spatial analysis to establish 2.5 km and 5 km buffer zones. The assessment identified three Company-operated sites (CEA, CEB, and Compal USA) located within Key Biodiversity Areas and completed risk prioritization for key upstream suppliers.	Applied the ENCORE database and EXIOBASE model to assess nature-related dependencies and impacts. Key dependencies were identified in ecosystem services such as water purification, flood control, and storm mitigation, while key impact drivers were associated with water consumption, greenhouse gas emissions, and pollutant releases.	Supplemented the assessment with the WWF Biodiversity Risk Filter for a systematic review of nature-related risks. A total of four physical risks and two transition risks were identified, providing a basis for subsequent risk management and capital allocation decisions.	Published the Biodiversity and No Deforestation Policy in 2024, establishing conservation principles for both operations and the value chain. Initial identification results were disclosed through the Annual Report and Sustainability Website to enhance transparency.

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4.6.3 Nature-Related Risks, Opportunities and Response Measures

Through the assessment of material nature-related issues, the Company translates identified risks into opportunities to enhance operational resilience and aligns its assessment approach with the financial materiality principles of IFRS S2.

Value Chain Position	Risk and Opportunity Category	Potential Financial Implications	Management Approach and Key Outcomes	Implementation Results
Supply Chain Upstream	Physical Risk：Extreme Weather Events and Supply Chain Disruptions	Climate disasters and changing environmental conditions may affect supplier production capacity and supply stability, increasing procurement costs and supply disruption risks.	Through supplier sustainability management and environmental issue engagement, the Company encourages suppliers to assess their energy, greenhouse gas, water resource, and waste management practices, and to enhance their resilience to climate- and nature-related risks.	Continued engagement with suppliers on environmental management and sustainability issues, incorporating energy use, greenhouse gas management, water resources, and environmental management into sustainability-related risk assessments. These actions help strengthen suppliers' resilience to nature-related risks.
Compal Operations	Opportunity：Circular Economy and Environmental Management Benefits	Continuous improvement in resource and environmental management enhances operational efficiency, reduces compliance risks and operating costs, and strengthens customer and stakeholder confidence.	Promote pollution prevention, waste segregation, resource recovery, energy conservation management, and regulatory compliance, while advancing resource circularity initiatives based on the operational characteristics of each site.	Continuously monitor waste generation, resource recovery, and environmental regulatory compliance across operational sites, while promoting waste reduction, recycling and reuse, and compliant waste transportation and disposal to reduce the potential environmental impacts of operational activities.
Downstream Customers	Opportunity：Circular Design and Low-Impact Products	Brand customers are placing greater emphasis on recycled materials, circularity, and low-impact products, creating opportunities to strengthen product differentiation and enhance order competitiveness.	Integrate recycled materials, design-for-disassembly principles, and product recyclability into product design and lifecycle assessments to reduce natural resource consumption and environmental burdens.	Continue incorporating recycled materials, low-impact materials, and design-for-disassembly principles into product development and evaluation processes. In response to customer requirements, applications of recycled plastics, recycled metals, and circular materials have been expanded, enhancing product circularity and reducing lifecycle environmental impacts.

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4.6.4 Management Strategy and the AR3T Action Framework

Management practices are guided by the AR3T Framework—Avoid, Reduce, Restore & Regenerate, and Transform—to support the Company's long-term vision of achieving a Nature Positive future.

- Ecosystem Protection and Digital Enablement:
  - FMM Smart Monitoring (Amazon Rainforest): Leveraging edge computing and sensing technologies, the Company has established a monitoring network around its operations in Brazil to support the detection of illegal deforestation, demonstrating the tangible contribution of digital technologies to environmental protection.
  - Curumim Youth Empowerment: Supporting Indigenous communities in the Amazon in establishing self-managed monitoring and patrol mechanisms, closely integrating ecosystem conservation with a just transition.
- Water Resource Risk Management：
  - Applied the WRI Aqueduct tool for ongoing water risk assessment, with the objective of reducing water consumption.
- Environmental Education and Community Engagement:
  - Pinglin Organic Tea Initiative: Integrating ecosystem conservation with sustainable agriculture practices to protect watershed conservation areas and promote the harmonious development of industry and the environment.
  - Longmen Beach Cleanup Initiative: Integrating environmental education with on-site beach cleanup activities to enhance stakeholder understanding of marine ecosystems and resource circularity.

Future Outlook

Looking ahead, the Company will continue to strengthen data-driven management and enhance its capability to quantitatively assess nature-related risks. The Company is committed to progressively advancing toward the goals of No Net Loss and Zero Net Deforestation, ensuring that business growth and the natural environment remain in balance while upholding the core values of sustainable development.

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4.7 Just Transition: Stakeholder and Value Chain Transition

The climate transition process places significant emphasis on safeguarding the interests of employees, supply chain partners, and other stakeholders. By adopting the core principles of a Just Transition, the Company seeks to ensure that efforts to align with the global 1.5°C pathway are implemented in a manner that also supports social equity and value chain resilience, integrating environmental sustainability with social responsibility. This section focuses on the social and value chain dimensions of the climate transition. Through workforce transition initiatives, supply chain capacity building, and stakeholder communication, the Company is progressively enhancing Just Transition-related management information and quantitative indicators.

Following the climate transition plans and greenhouse gas reduction actions presented earlier in this chapter, Compal also considers their implications for workforce capabilities, supplier management capacity, and stakeholder expectations in the course of advancing low-carbon operations, renewable electricity adoption, and value chain decarbonization initiatives. Through employee training, supply chain capacity building, and stakeholder engagement, potential transition-related impacts are managed and mitigated to ensure that climate transition actions remain aligned with the principles of a Just Transition. Given that purchased electricity accounts for the majority of Compal's energy consumption, while direct fossil fuel use represents a relatively small proportion, the Company has not established a standalone fossil fuel phase-out target at this stage. Instead, current management efforts focus on improving energy efficiency, increasing the share of renewable electricity consumption, and progressively reducing the dependence of operational activities on fossil-based energy sources.

4.7.1 Identification of Potential Social Impacts of Climate Transition

To minimize the potential impacts of the transition to a low-carbon economy across the value chain, Compal has established a systematic assessment framework to identify potential social impacts in advance and develop corresponding response actions for affected groups, thereby mitigating potential transition-related impacts:

- **Workforce Resilience Impacts :** Potential impacts of automation and low-carbon technological transformation on existing job functions are identified, and potential structural changes in job roles and shifts in workforce demand arising from the transition are assessed in advance. In response, Compal provides low-carbon competency training, product carbon footprint courses, and digital workshops to strengthen employees' professional capabilities required for low-carbon and digital transformation.
- **Supply Chain Partner Vulnerability Assessment :** Potential operational cost pressures and technological transition challenges faced by small and medium-sized suppliers under carbon pricing mechanisms and increasingly stringent international environmental regulations are assessed. In response, Compal supports suppliers in establishing a foundation for carbon management through CDP Supply Chain Climate Disclosure, the ONE+N Electronics Supply Chain Net-Zero Accelerator Program, and ISO 14067 Product Carbon Footprint training, thereby reducing gaps in transition capabilities.
- **Local Community Economic and Resource Stability :** Potential impacts arising from adjustments to energy and water resource strategies at operational sites on community resource allocation, environmental quality, and local ecological balance are identified and assessed. In response, Compal continues to incorporate considerations of the relationship between its operational sites, surrounding communities, and natural resources into its environmental management, biodiversity-related initiatives, and stakeholder communication efforts, thereby mitigating potential impacts associated with changes in resource utilization.

4.7.2 Just Transition Measures and Professional Capacity Building

In response to the social impacts identified above, Compal has implemented specific actions and management measures aimed at mitigating potential adverse effects of the transition while transforming them into opportunities for professional growth and capability development.

- **Talent Empowerment and Career Transition Program :** To support employees potentially affected by technological and low-carbon transitions, Compal proactively provides education and training opportunities. Through ISO 14067 Product Carbon Footprint verification training, transition risk workshops, and digital transformation programs, the Company equips employees with interdisciplinary low-carbon competencies, supports internal career transition opportunities, and strengthens their long-term competitiveness in the labor market.
- **Organizational Resilience Enhancement :** Through cross-functional collaboration mechanisms, Compal encourages business functions to integrate climate-related considerations into day-to-day decision-making. This approach strengthens organizational adaptability to climate and technological transitions, while helping maintain operational stability and supporting employees' career development throughout the transition process.

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4.7.3 Supply Chain Collaboration and Capacity Building

The supply chain is positioned as a key strategic partner in Compal's climate transition. Through a systematic capacity-building mechanism, the Company encourages value chain partners to actively participate in climate action and mitigates vulnerabilities that may arise during the transition process.

- **Emissions Transparency and Management Foundation Building :** In 2025, Compal expanded value chain climate disclosure efforts by engaging 500 key suppliers in the CDP Supply Chain Climate Disclosure Program, thereby enhancing data transparency and establishing a foundation for climate risk management.
- **Value Chain Collaborative Transition Support :** Through the ONE+N Electronics Supply Chain Net-Zero Accelerator Program, Compal provides technical support and guidance for carbon reduction initiatives. In addition, suppliers are invited to participate in ISO 14067 Product Carbon Footprint training, enabling partners to obtain foundational certifications and strengthen consistency in product-level carbon management across the value chain. These efforts help enhance value chain resilience and reduce future transition pressures related to regulatory compliance, customer expectations, and energy cost fluctuations.

4.7.4 Stakeholder Communication and Ecosystem Engagement

Through diverse communication channels, Compal engages continuously with investors, customers, employees, and the broader public, integrating stakeholder priorities into its strategic management processes.

- **Alignment with International Initiatives and Policy Trends:** Through active participation in industry collaborations and international sustainability initiatives, Compal monitors emerging policy developments, regulatory requirements, and market trends. This proactive approach strengthens the Company's agility in responding to climate-related challenges and opportunities while supporting informed and timely decision-making throughout the transition process.
- **Extending Social Impact and Empowering Local Communities:** Through environmental education and local engagement initiatives, Compal continues to strengthen the connection between the Company and society:
  - Local Biodiversity Conservation Initiatives: By combining employee volunteer engagement with local conservation initiatives, Compal continues to promote the Guandu Wetland Conservation and Pinglin Organic Tea Sustainability Development programs. These initiatives translate climate- and nature-related issues into tangible actions while helping local communities strengthen their climate resilience.
  - Environmental Awareness and Educational Empowerment: Compal organizes a series of water resource and environmental education activities, engaging both employees and external partners to enhance public awareness and action for natural resource conservation, putting its vision of harmonious coexistence between business and nature into practice.

4.7.5 Transition Plan Integration and Future Outlook

Just Transition initiatives have been formally integrated into the overall framework of the Compal Climate Transition Plan and are closely linked with decarbonization pathways, supply chain management, and risk assessment mechanisms. This integrated approach ensures that climate actions focus not only on achieving absolute emissions reductions, but also on supporting workforce development, social inclusion, and the long-term resilience and prosperity of the value chain.

Looking ahead, Compal will continue to advance the implementation of Just Transition, with strategic efforts focused on the following priorities:

1. Workforce Capability Development: Continue strengthening employees' core competencies to navigate the dual transition toward a low-carbon and digital future.
2. Supply Chain Collaboration Enhancement: Expand supplier participation in decarbonization initiatives while strengthening technical capabilities across the value chain.
3. Stakeholder Engagement Optimization: Establish a more forward-looking and dynamic stakeholder engagement approach, progressively building a sustainable transition model that balances environmental protection with social equity.

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5 Environmental Sustainability

Key Performance

1. Energy Conservation and Renewable Energy :
   - Renewable energy consumption reached 567,549.35 GJ in 2025, accounting for 57.2% of total energy consumption, demonstrating Compal's continued efforts to optimize its energy mix and reduce dependence on non-renewable energy source.
   - Energy intensity was 1.45 GJ/million in revenue, supported by energy monitoring, equipment efficiency improvements, and renewable energy procurement to advance low-carbon operations.
2. Water Conservation :

   Total water consumption was 1,461.77 million liters in 2025, representing a 29.3% reduction compared with 2,068.11 million liters in 2023. The reduction reflects the effectiveness of water monitoring systems, abnormal usage inspections, and water-saving initiatives.
3. Waste Management :
   - Compal continued to implement the principles of source reduction, waste segregation, resource recovery, and disposal minimization, strengthening waste traceability and circular resource management.
   - Under the UL 2799 Zero Waste to Landfill Certification, the Vietnam site achieved Gold Certification, while the Kunshan site attained Platinum Certification.
4. External Recognition :

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

6 CLEAN WATER AND SANITATION — 6.3 / 6.4 / 6.b
7 AFFORDABLE AND CLEAN ENERGY — 7.2 / 7.3 / 7.a
12 RESPONSIBLE CONSUMPTION AND PRODUCTION — 12.2 / 12.4 / 12.5

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Building upon the overall direction of the Compal Climate Transition Plan, the Company has established an environmental management framework covering both operational sites and the product lifecycle. Through structured governance, data monitoring, and performance tracking, Compal continuously reduces environmental impacts and supports the achievement of its transition objectives.

Short-, Mid-, and Long-term Goals

Topic	Strategy	Target of FY-2026	Target of FY-2030	Target of FY-2035
*Green Product	Develop eco-friendly products based on the principles of environmental protection, sustainability and regenerative design	o 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. o Three key design initiatives were selected to improve sustainability through better design and materials, aiming to reduce lifecycle carbon emissions and enhance environmental accountability.	o Adopt recycled plastic material with a recycling rate >55% in green products. o Incorporating four types of recycled materials in green product design.	o Adopt recycled plastic material with a recycling rate >65% in green products. o Incorporating five types of recycled materials in green product design.

Note: *correspond to the material.

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5.1 Overview of Environmental Sustainability Management Policy

Based on the results of materiality assessments and stakeholder engagement mechanisms, Compal has established comprehensive environmental management policies and commitments, the full text of which is publicly disclosed on the Company's official website.

- Core Strategy and Policy Implementation: The Company's environmental policy is centered on reducing environmental impacts, enhancing resource efficiency, and promoting a circular economy. Environmental considerations are integrated into operational decision-making and product design processes. All operational sites have implemented the ISO 14001 Environmental Management System, combined with quantitative performance indicators and compliance audits to ensure the traceability and verifiability of management measures and to achieve the objective of zero regulatory violations.
- Management Scope and Data Boundary: The management scope covers all operational sites and extends to the supply chain and product lifecycle. While the Company's digital governance capabilities provide a foundation for expansion to the consolidated financial reporting boundary, the environmental performance indicators disclosed in this Sustainability Report are currently focused on the operational sites included within the scope of the parent-company-only financial statements. The Company will continue to advance data integration and expand reporting boundaries over time.
- Dynamic Adjustment Mechanism: Material topic assessments, customer requirements, investor concerns, and feedback from international sustainability ratings and evaluations are incorporated into the policy review process, serving as the basis for rolling adjustments to ensure that management practices continue to align with external expectations.
- Target Setting and Transition Alignment: In accordance with the Science Based Targets (SBT) and the RE100 commitment, the Company has established short-, medium-, and long-term targets with defined base years and quantitative indicators. Through its management mechanisms, Compal supports the implementation of these strategies, facilitating the transformation of traditional manufacturing operations into a low-carbon, resource-efficient business model while ensuring that implementation progress remains closely aligned with its climate strategy.

Through the framework described above, environmental issues are systematically integrated into operational decision-making, forming a comprehensive linkage between strategic planning and practical implementation.

5.2 Environmental Management Strategy

Compal has established an implementation framework centered on governance structures, process standardization, data monitoring, and financial integration to ensure that environmental initiatives are effectively translated from strategic objectives into operational performance and continuous improvement.

- Governance Structure and Division of Responsibilities: The Sustainability Committee under the Board of Directors oversees environmental policies and performance, while the ESG Office coordinates implementation across functions. Manufacturing, procurement, R&D, and finance functions execute management actions according to their respective responsibilities, ensuring that environmental management strategies are effectively implemented from the decision-making level through operational execution.
- Process Standardization and Risk Management: Environmental and climate-related risks have been incorporated into the Enterprise Risk Management (ERM) framework. Through the adoption of internationally recognized standards, including ISO 14001, ISO 50001, and ISO 14064-1, the Company has established standardized management processes. In addition, Compal promotes UL 2799 Zero Waste to Landfill Certification to ensure the rigor of resource circularity management and the credibility of third-party verification, while maintaining consistent implementation standards across all sites.
- Digital Monitoring and Performance-Driven Management: The "Compal Cloud for Sustainability" platform is utilized to integrate data on energy consumption, water resources, and greenhouse gas emissions (including Scopes 1, 2, and 3) across all operational sites, enhancing data timeliness and accessibility. Monitoring data are directly linked to operational indicators and serve as a scientific basis for performance tracking, anomaly alerts, and capital expenditure (CAPEX) investment decisions.
- Financial Integration and Investment Evaluation: Environmental indicators have been internalized as factors in financial evaluation. The Company utilizes its Internal Carbon Pricing (ICP) mechanism to assess the effectiveness of energy-saving projects and asset allocation decisions, ensuring that capital investments are aligned with the long-term decarbonization transformation pathway.
- Full Value Chain Management Approach: The management scope extends throughout the upstream and downstream value chain. Upstream, Compal empowers supply chain partners through supplier management mechanisms, training programs, and guidance on CDP disclosures to enhance suppliers' carbon management maturity. Downstream, product carbon footprint assessments and circular economy principles are incorporated into the design phase to reduce environmental impacts during product use and end-of-life stages.

Through KPI tracking and rolling improvement mechanisms, the Company continuously enhances management effectiveness, forming a complete sustainability management loop that links the identification of risks and opportunities discussed in Chapter 4 with strategic implementation and execution.

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5.3 Energy Management

5.3.1 Energy Management Policy and Commitment

Energy governance has evolved beyond simple cost control to encompass climate risk management, operational resilience, and financial materiality. Through systematic management and data-driven monitoring, Compal advances energy efficiency improvements and energy transition pathways while deeply embedding energy-related considerations into operational decision-making.

The Company's energy management policy is centered on enhancing energy productivity and advancing the energy transition. 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. Governance oversight is provided by the Board-level Sustainability Committee, which monitors performance and incorporates energy-related indicators into management performance evaluations.

5.3.2 Organizational Energy Consumption and Digital Governance

Compal has integrated the “Compal Cloud for Sustainability,” energy and environmental management systems, and localized operational dashboards across its sites to establish a global energy consumption and emissions monitoring framework. Through this integrated platform, the Company implements a closed-loop management process of “Monitor – Analyze – Improve – Verify,” strengthening the effectiveness and timeliness of energy data collection, anomaly identification, and management decision-making. The platform also serves as the foundation for energy efficiency improvement initiatives, renewable energy procurement, and the monitoring of carbon reduction performance.

In 2025, renewable energy accounted for 57.2% of total energy consumption within the operational boundary. Compal primarily enhances its renewable energy utilization through renewable electricity procurement and Energy Attribute Certificates (EACs). The Company will continue to optimize its renewable energy sourcing strategy in response to regional renewable energy supply conditions, regulatory frameworks, cost considerations, and customer requirements, while continuously refining its renewable energy procurement approach to steadily advance its low-carbon operational objectives.

5.3.3 Energy Intensity and Analysis of Variations

In 2025, the Company's energy intensity was 1.45 GJ/million in revenue. The increase in energy intensity compared with the previous year was primarily attributable to changes in revenue structure and, more significantly, the expansion of the inventory boundary to include all operational sites disclosed in the parent-company-only financial statements. As a result, the data coverage became more comprehensive and does not indicate a deterioration in energy-use efficiency. Going forward, the Company will continue to reduce energy consumption per unit of output through process optimization and the enhancement of its monitoring systems.

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		Diesel	Petrol	Natural Gas	LPG	Purchased Nonrenewable Electricity	Renewable Electricity	Energy Intensity (GJ/ Million NTD in Revenue)	Total Nonrenewable Energy Consumption (GJ)	Total Renewable Energy Consumption (GJ)	% of Renewable Energy
2025	MWh	1,197.8	1,142.2	862.6	107.7	114,638.7	157,652.6				
	GJ	4,312.0	4,111.9	3,105.3	387.9	412,699.2	567,549.3	1.45	424,616.3	567,549.3	57.20%
2024	MWh	2,905.4	1,367.6	903.8	1,268.3	152,414.0	130,744.6				
	GJ	10,459.3	4,923.4	3,253.6	4,566.0	548,690.4	470,680.6	1.24	571,892.7	470,680.6	45.15%
2023	MWh	1,419.9	1,232.9	203.0		173,205.8	158,404.0				
	GJ	5,111.6	4,438.4	730.8		623,541.0	570,254.4	1.38	633,821.8	570,254.4	47.36%

Note: The 2023 data covered the Taiwan headquarters and operations in China, Vietnam, and Brazil. The 2024 and 2025 data encompassed the production and R&D sites included in the standalone financial statements. Energy intensity was calculated using revenue reported in the standalone financial statements.

Management Actions, Performance, and Financial Linkages

The Company's strategy focuses on replacing equipment with high-efficiency alternatives and implementing intelligent monitoring systems. Energy-saving projects executed in 2025 included energy optimization initiatives for AI server production lines and variable-frequency upgrades to HVAC systems. The cumulative benefits of these projects were directly reflected in improved energy consumption performance per unit of product. Energy performance has also been closely integrated with the Company's operating cost structure and procurement strategy. Short-term fluctuations in the proportion of renewable energy were primarily attributable to limited renewable electricity supply in certain regional markets and rising procurement costs. Going forward, Compal will strengthen portfolio resilience through diversified Power Purchase Agreements (PPAs) and other renewable energy procurement mechanisms to ensure that progress remains aligned with its transition pathway.

Value Chain Energy Management

The scope of energy management extends throughout the product lifecycle (Scope 3). Upstream, Compal supports supply chain partners in improving carbon management maturity through the CDP Supply Chain Program. Downstream, the Company incorporates energy-efficient design principles, including compliance with standards such as ENERGY STAR, to identify and maximize carbon reduction opportunities during the product use phase.

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5.4 Water Resource Management

Against the backdrop of climate change-driven extreme weather events and the increasingly uneven distribution of global water resources, securing a stable water supply has become a critical factor in maintaining operational continuity and fulfilling environmental responsibilities. Given the nature of the electronics assembly industry, which does not involve process water consumption, the Company's water use is primarily concentrated in employee domestic use and the operation of general facilities such as cooling towers and air-conditioning systems. Although water resources were not identified as a highest-priority material topic through the materiality assessment process due to their relatively limited direct environmental impact, nearly half of the Company's production capacity is located within watersheds experiencing extremely high water stress. In addition, key customers are imposing increasingly stringent requirements regarding water risk disclosure across the value chain. Accordingly, the Company's management approach adopts a multidimensional framework of "Watershed Perspective × Regional Resilience × Supply Chain Collaboration," recognizing water resources as an integral component of operational resilience management.

5.4.1 Environmental Governance and Impact Identification

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.

- Risk-Oriented Governance Approach: The Company's water management focus is not driven by the impacts of water-intensive manufacturing processes, but rather by analyses of the environmental carrying capacity of the watersheds in which its facilities are located. By incorporating water-related risks into the Enterprise Risk Management (ERM) framework, the Company has established dynamic response mechanisms to address water scarcity and water supply reliability risks.
- Management Boundary and Value Chain Extension: The management scope covers all water withdrawal, water consumption, wastewater discharge, and treatment activities at operational sites included within the parent-company-only financial reporting boundary. In addition, for key suppliers located in regions with high water stress, the Company promotes water risk assessments and supports water-related data disclosure to reduce potential vulnerabilities throughout the value chain.
- Application of Digital Monitoring Systems: The Company utilizes the Compal Cloud for Sustainability platform to integrate water-use indicators across its global operations, enabling end-to-end monitoring from water withdrawal sources to final discharge points. This ensures both data timeliness and scientifically informed decision-making.

5.4.2 Dynamic Water Risk Assessment and Regional Analysis (1-2)

The Company utilizes the WRI Aqueduct international water risk assessment tool to evaluate all global operational sites using two indicators: Water Stress and Overall Water Risk.

- Identification and Concentration of Extremely High-Risk Areas: 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. These regions face significant risks associated with water withdrawal restrictions and supply fluctuations due to factors such as intensive urbanization, increasing pressure on infrastructure, changing precipitation patterns, and increasingly stringent environmental regulations.
- Multi-Dimensional Risk Classification and Response: Although the Vietnam plants exhibit a relatively lower water stress index, its overall water risk is nevertheless classified as High due to local infrastructure conditions and climate-related factors. For such high-risk locations, the Company has established a priority management list and implemented assessments of alternative measures, including backup water supply solutions, rainwater harvesting technologies, and alternative water source feasibility studies. These measures are intended to mitigate the operational impacts of regional water shortages.

Water Stress Index	Definition	% of total water withdrawal
Extremely High (>80%)	Areas with intense competition for water resources	46.8%
High (40–80%)	Areas with high water stress	0.0%
Medium-High (20–40%)	Areas with medium-high water stress	0.6%
Low-Medium (10– 20%)	Areas with medium-low water stress	38.0%
Low (<10%)	Areas with relatively stable water resources	14.5%

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5.4.2 Dynamic Water Risk Assessment and Regional Analysis (2-2)

Facility	Watershed	Water Provider	Wastewater Treatment Facilities	Receiving Water Bodies	Overall Water Risk	Water Stress
Taipei HQ	Beishi River	Taipei Water Department	Neihu Sewage Treatment Plant	Keelung River	Low-Medium (1-2)	Low-medium (10-20%)
Linkou R&D Center	Dahan River	Taiwan Water Corporation	Guishan Water Resource Recovery Center	Dahan River	Low-Medium (1-2)	Low-medium (10-20%)
Pingzhen Plant	Dahan River	Taiwan Water Corporation	Municipal Sewer System	Dahan River	Low-Medium (1-2)	Low-medium (10-20%)
Kunshan Plant	Taihu River Basin	Kunshan Water Group Co., Ltd.	Kuncheng Optoelectronic Water Purification Co., Ltd. In Kunshan Development Zone	Wusong River	High (3-4)	Extremely high (>80%)
Chongqing Plant	Yangtze River	Chongqing Sino French Water Supply Co., Ltd. Yubei Branch	Yubei Chengnan Wastewater Treatment Plant	Yangtze River	Low-Medium (1-2)	Low (<10%)
Chengdu Plant	Min River	Chengdu Mingjiang Waterwork	Huayang No. 2 Wastewater Treatment Plant	Fu River	Low-Medium (1-2)	Low (<10%)
Vietnam Plants	Red River	Vinhphuc Water	Compal (Vietnam) Wastewater Treatment System	Yun River	High (3-4)	Low - Medium (10-20%)
Brazil CTB Plant	Jundiaí River Basin	DAE Jundiaí	Jundiaí Municipal Sewage Treatment Plant	Jundiaí-Mirim sub-basin	Medium-high (2-3)	Medium-high (20-40%)
Brazil CEM Plant	Alter do Chão aquifer-Puraquequara river basin	Condominium's own underground water collection-Licensed	Treatment carried out by Compal	Compal's Own Treatment Plant	Medium-high (2-3)	Medium-high (20-40%)
U.S. CIN Plant	Wabash River Basin	Logansport Municipal Water	Logansport Municipal Sewage Treatment Plant	Wabash River	Low-Medium (1-2)	Medium-High (20-40%)
Poland Plant	Warta	ZWIK Zakład Wodociągów i Kanalizacji	Zakład Wodociągów i Kanalizacji Sp. z o.o.-Grupowa Oczyszczalnia Ścieków w Łodzi	River Ner	High (3-4)	Extremely High (>80%)

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

5.4.3 Water Resource Management Strategy and Roadmap

With a core focus on "Watershed Perspective × Prioritization of High Water-Risk Areas × Supply Chain Collaboration," the Company has established a tiered water resource management strategy. The management scope extends beyond on-site water use to encompass regional watersheds, with strategic emphasis on improving resource utilization efficiency and expanding management boundaries from facility-level operations to watershed-level coexistence, thereby ensuring that water resource allocation aligns with the principles of equity and efficiency.

Effluent Compliance and Receiving Water Body Protection: The Company has established a dual mechanism of "Regulatory Compliance × Preventive Management." All wastewater discharges from operational sites are directed to municipal wastewater treatment systems or qualified centralized treatment facilities, ensuring that effluent quality exceeds local regulatory discharge standards. For sites equipped with in-house wastewater treatment systems, rigorous water quality monitoring is conducted to minimize potential impacts on receiving water bodies.

Site-Specific Technology Deployment and Water Conservation Achievements:

- **Vietnam Plants:** Rainwater harvesting systems and reverse osmosis wastewater recycling facilities have been installed. Treated water is reused for landscape irrigation. The adoption of these alternative water sources has effectively reduced dependence on municipal water supplies.
- **Brazil Plants:** In response to local water supply conditions, the Company has legally obtained groundwater extraction permits and established dedicated water treatment and monitoring systems to ensure that water withdrawal volumes and water quality comply with local environmental management requirements.
- **Taipei Headquarters:** The Company promotes watershed-friendly practices by exclusively using environmentally certified biodegradable cleaning products. This approach reduces pollution loads in domestic wastewater at the source and minimizes ecological impacts on surrounding rivers.

Value Chain Collaborative Management: The Company is currently planning to introduce a "Watershed Collaborative Management" approach to assess the cumulative impacts of water use by operational sites and key suppliers located within the same watershed. Through its supplier management platform, the Company promotes transparency in water-use information and strengthens the supply chain's resilience to water-related risks and crises.

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5.4.4 Water Use Efficiency Performance and Data Resilience Analysis

Total water withdrawal in 2025 amounted to 1,461.77 million liters, continuing a year-over-year downward trend since 2023, demonstrating the effectiveness of water conservation technologies and data governance mechanisms.

- Analysis of Intensity Indicators and Boundary Effects: Water use intensity in 2025 was 2.14 tons /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. As a result, the scope of data coverage became more comprehensive. Although the intensity indicator fluctuated due to boundary effects, the continued decline in total water withdrawal demonstrates that management initiatives have achieved tangible improvements in resource consumption efficiency.
- Dynamic Adjustment of Target Management: The Company has adjusted its management approach to emphasize long-term trend improvement. Through its digital management platform, abnormal data alerts are generated to ensure that management measures can be flexibly adjusted in response to changes in operational scale.
- Water Balance and Consumption Monitoring: In 2025, total wastewater discharge amounted to 1,169.42 million liters, while total water consumption was 292.36 million liters. Through effective water flow management, the Company strives to maximize the efficiency of every unit of water used. Water consumption data also serve as an important basis for evaluating Scope 3 greenhouse gas emissions.

Region (Unit: ML)		2023	2024	2025	2025 Wastewater Discharge	2025 Water Consumption
China	Kunshan Plant	791.84	717.36	684.75	547.80	136.95
	Chongqing Plant	523.32	191.12	115.78	92.62	23.16
	Chengdu Plant	132.82	133.35	96.44	77.15	19.29
Vietnam	Vietnam Plant	365.43	368.7	406.83	325.46	81.37
Taiwan	Pingzhen Plant	77.52	86.91	91.42	73.14	18.28
	Taipei R&D Center	59.88	63.22	57.73	46.18	11.55
Others		117.30	32.12	8.83	7.07	1.77
Total		2068.11	1592.78	1461.77	1169.42	292.36
Water Use Intensity (Tonnes/Million NTD)		2.36	1.90	2.14	-	-

5.4.5 WASH Practices and Social Responsibility

The Company implements the principles of WASH (Water, Sanitation and Hygiene) in alignment with United Nations Sustainable Development Goal (SDG) 6, ensuring that all operational sites provide safe and reliable sanitation and drinking water facilities. All operational locations are equipped with water supply facilities and handwashing stations that comply with hygiene standards, safeguarding employees' fundamental rights to water access and demonstrating the Company's commitment to worker health, human rights, and responsible workplace management.

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5.5 Waste Management and Resource Circularity

Against the backdrop of increasing global resource constraints and tightening environmental regulations, waste management has evolved from a traditional end-of-pipe disposal approach to a model centered on source reduction 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. Through a closed-loop process encompassing source reduction → waste segregation and management → resource recovery → optimization of final disposal, the Company continuously enhances resource utilization efficiency and minimizes the potential environmental impacts of its operations.

5.5.1 Issue Identification and Management Boundary

Waste management involves resource consumption, landfill burdens associated with final disposal, emissions from incineration, and environmental risks arising from improper handling and disposal.

- Identification of Physical Impacts: The Company identifies potential risks of soil and water contamination associated with operational activities and incorporates these considerations into its overall environmental management decision-making process.
- Management Scope and Value Chain Extension: The management boundary covers all operational sites within the consolidated financial reporting scope and extends to the impacts associated with transportation and waste treatment processes. Waste-related data are also utilized in the assessment of Scope 3 greenhouse gas emissions (Category 5: Waste Generated in Operations), strengthening the Company's value-chain carbon management capabilities.
- Financial and Compliance Linkage: Waste treatment costs and evolving regulatory requirements are incorporated into operational risk assessments to address the potential impacts of disposal resource constraints on operating costs. At present, related data are primarily used for internal decision-making purposes, while data quality continues to be enhanced to support more comprehensive disclosures in the future.

5.5.2 Waste Generation Structure and Physical Characteristics

The volume of waste generated is influenced by the scale of operations and the degree of process optimization.

- Non-Hazardous Waste: Non-hazardous waste primarily arises from daily operations, office activities, and facility maintenance, constituting the majority of total waste generation.
- Hazardous Industrial Waste: Although hazardous industrial waste accounts for a relatively small proportion of total waste generated, it presents higher environmental risks. Such waste is primarily generated from electronics assembly and surface-mount technology (SMT) processes and includes PCB scrap and offcuts, organic solvents, chemical-contaminated wiping cloths, cleaning agents, waste batteries, used solvent containers, waste fluorescent lamps and lighting tubes, and other hazardous process-related materials.

5.5.3 Waste Reduction Initiatives and UL 2799 Certification Benchmark

The Company adopts differentiated management strategies based on waste characteristics, with the objective of minimizing final disposal requirements while maximizing resource value.

- Risk-Oriented Management Strategy: For hazardous waste generated from SMT (Surface Mount Technology) processes, the Company has established rigorous procedures covering waste classification, storage, and transportation. Considering the potential for metal recovery and solvent regeneration, recycling and reuse mechanisms are prioritized wherever feasible, provided that appropriate risk control measures are in place.
- Zero Waste to Landfill (ZWTL) Practices: The Company uses UL 2799 certification as a key management benchmark for waste circularity performance. In 2025, the Kunshan Plant achieved UL 2799 Platinum Certification, while two facilities in Vietnam obtained Gold Certification. The resource recovery data verified through the certification process significantly enhance data reliability and serve as an important basis for evaluating circular economy performance.
- Disposal Monitoring and Compliance: Waste disposal activities are entrusted exclusively to legally qualified treatment providers, with final treatment destinations explicitly specified in contractual agreements. The Company currently does not engage in any cross-border waste transfers. All waste management activities are conducted within legally authorized local systems, thereby avoiding environmental risks associated with transboundary transportation.

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5.5.4 Treatment Performance and Waste Flow Trend Analysis

Compal's waste management principle is "Resource Recovery First, Final Disposal Last." Waste generated is categorized into "Diverted from Disposal" and "Off-Site Disposal" based on its actual treatment method after leaving the facility.

- Extremely Low Landfill Rate Performance: 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. Waste was primarily managed through recycling and recovery, incineration, and other treatment methods, demonstrating the Company's continued efforts to reduce the proportion of waste requiring final landfill disposal.

Unit: Tons

Diverted from Disposal (Off-Site)	Hazardous	Non-Hazardous
Preparation for Reuse	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		
Incineration (with Energy Recovery)	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

- Resource Recovery Performance: Total waste diverted from disposal in 2025 amounted to 27,812.27 tons. The data indicates that waste diverted from disposal remained the primary waste management pathway at Compal. Through waste segregation, recycling programs, and the tracking of outsourced treatment flows, the Company continues to enhance resource recovery and circular resource utilization.
- Waste Reduction Trends and Improved Classification: The amount of waste directly disposed of declined from 5,801.79 tons in 2023 to 1,439.92 tons in 2025, demonstrating the tangible effectiveness of source reduction initiatives and process improvements. To improving data consistency and align with the "Second Edition of the Reference Guidelines for Sustainable Economic Activities", the Company revised its waste classification methodology during the reporting year by incorporating reuse activities into the recycling category.

Waste Generation (tons)	2023	2024	2025
Total Recycled/ Reused Waste	32,439.02	29,082.34	27,812.27
Disposal			
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
Total	5,801.79	2,451.48	1,439.92

5.5.5 SASB Waste Management Metrics

- In accordance with the SASB Electronic Manufacturing Services (EMS) Industry Standard, the Company discloses specific information regarding the weight and recycling rate of hazardous waste generated from manufacturing processes to assess resource circularity performance and environmental compliance risks.
- Hazardous Waste Generated from Manufacturing Processes: In 2025, the total amount of hazardous waste generated from manufacturing processes was 507.7 tons. The primary sources of this waste were electronics assembly and SMT processes, including PCB scrap materials, waste solvents, chemical-contaminated wiping cloths, and other materials posing elevated environmental risks.
- Percentage of Manufacturing Hazardous Waste Recycled: Through the "Resource Recovery First" management strategy, the Company achieved a manufacturing hazardous waste recycling rate of 88.3% in 2025. This performance was made possible through stringent waste segregation practices and the use of qualified third-party recycling technologies, maximizing the value recovered from metals and regenerated solvents while ensuring that all recycling activities are conducted under appropriate environmental and safety controls.

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5.6 Air Pollution Management and Environmental Expenditures

5.6.1 Air Pollutant Management Practices

The Company's operations are not classified as a highly polluting industry. Air emissions primarily arise from volatile organic compounds (VOCs) generated through the evaporation of organic solvents used in production-line cleaning and equipment maintenance, as well as trace amounts of fumes generated during soldering processes. Due to the nature of its 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.

- Dual-Track Management Strategy: The Company adopts a dual-track management approach of "Source Control × End-of-Pipe Treatment." At the source, a controlled issuance system for organic solvents is implemented to accurately manage consumption and minimize evaporation losses. For end-of-pipe treatment, activated carbon adsorption systems have been installed at major manufacturing facilities in China and Vietnam to effectively remove pollutants from exhaust gases.
- Equipment Maintenance and Regulatory Compliance: Maintenance teams conduct monthly inspections and preventive maintenance of pollution control equipment to ensure stable system performance. All operational sites have obtained the required air emission permits in accordance with applicable regulations and conduct periodic air pollutant monitoring to ensure emissions remain below local regulatory limits.
- Expansion of Management Scope: 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.

5.6.2 Emission Performance Analysis and Reduction Pathway

Total VOC emissions in 2025 declined significantly to 8.78 metric tons, demonstrating the effectiveness of the Company's enhanced management initiatives.

- Historical Performance and Regional Results: Compared with the 2022 baseline year and 2024 levels, total emissions have declined significantly. In 2025, the disaggregated data indicate that emissions from the China plants totaled 5.45 metric tons, while the Vietnam plants recorded 3.33 metric tons, with all regions achieving their structural emissions reduction targets.
- Medium- and Long-Term Reduction Roadmap: Using 2022 as the baseline year, the Company established clear reduction milestones. Short-term target (2025): Total VOC emissions not exceeding 118.72 metric tons (achieved); Medium-term target (2030): Reduce emissions by 50% from the baseline year, maintaining total emissions below 79.17 metric tons.
- Performance Integration and Decision Support: Emission reduction performance has been incorporated into environmental performance indicators for operational sites and is implemented in parallel with the Company's broader climate transition and decarbonization strategies. Going forward, the Company will continue to improve the accuracy and completeness of emissions data to support equipment investment decisions and process optimization initiatives.

Direct VOC Emissions (metric tonnes)	2022 (Base Year)	2024	2025
China Plants	158.34	10.80	5.45
Vietnam Plants	-	23.45	3.33
Total	158.34	34.25	8.78

5.6.3 Perfluorocarbon (PFC) Emissions Management

The Company's manufacturing processes do not utilize process gases primarily composed of perfluorocarbons (PFCs). Based on a comprehensive assessment, potential PFC emissions are primarily associated with leakage from fire suppression system equipment.

- Quantification and Data Enhancement: PFC emissions have been included within the Company's greenhouse gas inventory boundary. Based on existing equipment configurations and usage scenarios, current PFC emissions are considered minimal or near zero. Beginning in 2025, the Company formally adopted a leakage-based quantification methodology and established a comprehensive data foundation through its digital monitoring platform to progressively improve data coverage and accuracy. Detailed calculation methodologies and quantification results are disclosed in Chapter 4 – Climate Action.
- Risk Prevention and Alternative Evaluation: The Company's management strategy focuses on engaging qualified maintenance contractors to improve gas recovery rates and reduce leakage risks. At the same time, research into alternative fire suppression solutions is actively underway. The Company is evaluating extinguishing agents with lower Global Warming Potential (GWP) to reduce long-term environmental emission risks at the source.
- Integration with Climate Transition Strategy: Looking ahead,, PFC management will remain integrated into the Company's overall greenhouse gas management strategy and climate transition pathway to ensure that the management of non-CO_2 greenhouse gases remains aligned with the Company's net-zero objectives.

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5.6.4 Environmental Protection Expenditures

To continuously strengthen environmental protection and operational compliance capabilities, Compal continues to invest in pollution prevention and resource management initiatives. In 2025, total environmental protection expenditures (excluding routine maintenance and green product-related expenditures) amounted to NT$9,226 thousand.

Expenditure Item	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**

Through these investments, Compal continues to ensure compliance with applicable regulations across all operating sites while enhancing pollution prevention capabilities and the maturity of its environmental management practices.

5.6.5 Green Procurement

In alignment with the spirit of SDG 12 – Responsible 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. The management framework focuses on two key dimensions: “Label-First” and “Circular Services.” Through supplier environmental assessments (GRI 308) and sustainable product evaluations, Compal seeks to reduce environmental impacts across the value chain from the source and ensure that resource procurement aligns with its environmental sustainability commitments.

In 2025, total green procurement expenditures amounted to NT$129,991 thousand, demonstrating the Company’s tangible commitment to energy transition and resource efficiency. 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. Due to considerations of commercial confidentiality and competitive strategy, detailed transaction values and supplier contract information relating to individual green assets are disclosed on an aggregated basis. All data have been systematically compiled and reviewed to ensure the accuracy, quantifiability, and compliance of the disclosed information.

5.6.6 Compliance and Future Outlook

No significant environmental violations occurred at any operating site in 2025, demonstrating the effectiveness and robustness of the Company's environmental management system.

Going forward, Compal will continue to strengthen environmental, health, and safety (EHS) monitoring and regulatory tracking mechanisms, while progressively expanding the implementation of energy conservation, emissions reduction, and pollution prevention measures. By integrating supply chain management and product lifecycle management initiatives, the Company will further advance responsible manufacturing practices and support the achievement of its net-zero transition objectives.

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5.7 Sustainable Product Design and Material Innovation

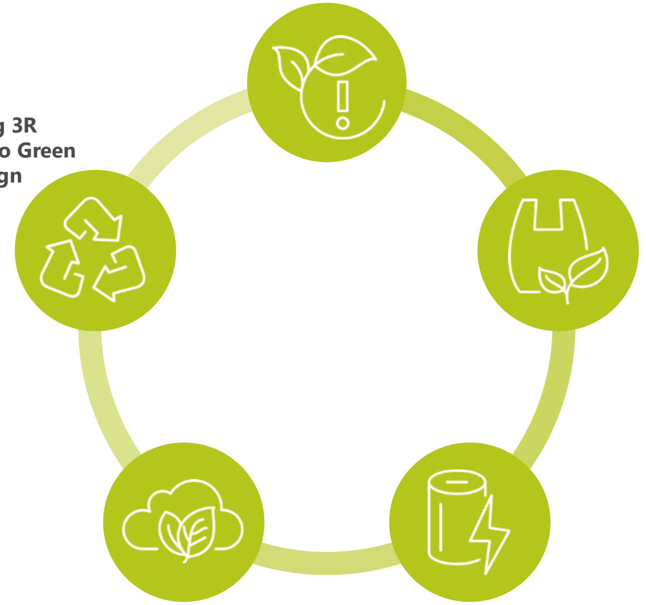
Through digital governance framework, Compal integrates the Integrated System for Product Development (ISPD) and the COMPAL Supplier Design Collaboration Portal System (CSDCPS) to implement green governance throughout the entire product life cycle from the design stage. This digital architecture comprehensively manages the use of raw materials and ensures compliance with international regulations, including the EU REACH Regulation, RoHS Directive, the Stockholm Convention on Persistent Organic Pollutants (POPs), and the U.S. Toxic Substances Control Act (TSCA). Through systematic verification and risk monitoring mechanisms, Compal strengthens real-time control over hazardous substances and supports low-carbon transformation objectives across the value chain.

Achievements:

- **Use of recycled materials:** All notebook product lines are required to incorporate recycled plastics containing more than 40% recycled content. As of 2025, 35 product models meeting this requirement had been successfully developed.
- **Promotion of recycled plastic materials:** In 2025, a total of 21 product components incorporated two or more different types of recycled materials, effectively reducing the use of virgin resources.
- **Energy efficiency:** A total of 48 consumer and commercial computer products obtained Energy Star 9.0 certification in the United States, with energy performance exceeding certification requirements by more than 15%, demonstrating energy-saving benefits during the product use phase.

Compal will continue to leverage data-driven management mechanisms and product innovation capabilities to further advance green design and circular economy applications, thereby minimizing environmental impacts throughout the entire product life cycle.

ISPD: Integrated System for Product Development
CSDCPS: COMPAL Supplier Design Collaboration Portal System
REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals
RoHS: Restriction of Hazardous Substances Directive
POPs: Persistent Organic Pollutants
TSCA: Toxic Substances Control Act
Prop 65: California Proposition 65



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5.7.1 Raw Material Management

Compal is committed to providing healthy, safe, and high-quality products while actively responding to global human rights and environmental issues. To ensure that products embody sustainability principles from the source, the Company has implemented a systematic management mechanism beginning at the product design and development stage. Through the Integrated System for Product Development (ISPD) and the COMPAL Supplier Design Collaboration Portal System (CSDCPS), Compal comprehensively manages the use of product raw materials to ensure compliance with international regulations, customer requirements, and the Company's green product policies. The principal regulations and standards followed by Compal include, but are not limited to, the EU Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, the EU Restriction of Hazardous Substances (RoHS) Directive, the Stockholm Convention on Persistent Organic Pollutants (POPs), the U.S. Toxic Substances Control Act (TSCA), California Proposition 65 (Prop 65), and restrictions on the use of mineral oils under the French Circular Economy Law. To strengthen hazardous substance risk control during manufacturing processes, certain facilities have also implemented the QC 080000 Hazardous Substance Process Management System (HSPM), enhancing process standardization and pollution prevention mechanisms to ensure environmentally friendly production processes and product compliance.
In 2024, Compal's Board of Directors approved the Green Product Raw Material Policy, which clearly defines sustainability principles governing the development, procurement, and application of product raw materials. The policy focuses on five key commitments: strict compliance with international standards, increased use of recycled materials, avoidance of sourcing from biodiversity-sensitive areas, enhanced resource efficiency and packaging plastic reduction, and the promotion of stakeholder co-creation. Climate, biodiversity, and social responsibility management mechanisms have also been incorporated into the policy, providing a framework for both internal governance and external collaboration.
Upholding its commitment to customer health and safety, Compal actively develops halogen-free products and ensures that raw materials comply with global environmental regulations and human rights requirements. The Company's raw material management framework is built around three core pillars: Full Material Disclosure, Hazardous Substance Management, and Risk Substance Monitoring. By integrating international requirements with internally developed digital tools, Compal continues to enhance supply chain transparency and responsiveness.

Full Material Disclosure

In response to increasing international attention to chemical substance management, Compal launched Full Material Disclosure (FMD) program in 2015. Moving beyond the traditional "negative list" approach to substance control, the Company now requires suppliers to disclose complete ingredient information, thereby establishing a transparent and traceable database that strengthens its ability to respond promptly to regulatory changes. Compal continues to enhance the verification mechanisms of its green product management system by requiring suppliers to provide hazardous substance test reports, Material Safety Data Sheets (MSDS), and Full Material Disclosure (FMD) documents for raw materials. The Company has also expanded its material database and control lists and implemented an automated comparison function between supplier FMD data and the internal management system, enabling the rapid identification of high-risk substances and improving response efficiency.
When the system was first launched, three projects were included in the initial implementation of the Full Material Disclosure program, with a disclosure rate equivalent to 25% of product weight. Through continuous communication with suppliers, internal training programs, and ongoing system enhancements, Compal achieved a disclosure rate equivalent to 90% of product weight for 36 notebook and handheld device projects in 2025. This achievement demonstrates that the program has established a solid foundation. Going forward, Compal will continue to consolidate component information and proactively identify high-risk materials.

MSDS: Material Safety Data Sheet
FMD: Full Material Declaration

5.7.2 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. To strengthen regulatory compliance and internal awareness, Compal promotes online training courses and email communications and has implemented digital reporting through third-party verification platforms. In 2025, 66.7% of reports were submitted digitally, effectively reducing risks and improving operational efficiency.
In addition to its internal design teams, Compal communicates updates to hazardous substance management requirements to suppliers through its supplier collaboration platform and periodic notifications. Suppliers are required to submit material composition reports and third-party verification documentation based on the latest regulatory requirements. When necessary, online briefings and technical support are also provided to ensure that suppliers understand and comply with the latest regulations and management requirements.
These initiatives help ensure product safety and environmental compliance while enhancing transparency and traceability throughout the supply chain.

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EU REACH Regulation

REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is the European Union's comprehensive regulatory framework governing chemical substances entering the EU market. Through mechanisms including registration, evaluation, authorization, and information disclosure, REACH regulates the use and importation of chemical substances. 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. Hazardous chemicals included in Annex XIV (Authorization List) of the REACH Regulation are also restricted under Compal's environmental hazardous substance management requirements. Furthermore, Compal periodically revises its environmental controlled substance management requirements in response to updates in international hazardous substance regulations and requirements.

EU Restriction of Hazardous Substances (RoHS) Directive

In response to the increasing environmental impacts associated with waste electrical and electronic equipment, the European Union issued the Restriction of the Use of Certain Hazardous Substances (RoHS) Directive in 2002. The Directive restricts the concentrations of six hazardous substances: lead (Pb), mercury (Hg), cadmium (Cd), hexavalent chromium (Cr^{6+}), polybrominated biphenyls (PBB), and polybrominated diphenyl ethers (PBDE). **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

Incomplete combustion of halogen-containing compounds may generate toxic substances that are harmful to the environment and living organisms. Accordingly, chlorinated and brominated flame retardants are subject to regulatory control under the RoHS Directive. In response to voluntary international initiatives promoting "halogen-free components and manufacturing processes" and increasing customer demand for environmentally friendly products, Compal is committed to reducing environmental impacts and minimizing risks to human health. The Company has clearly defined chlorine and bromine content limits and control scopes for halogen-free products within its environmental and controlled substance management requirements and has progressively developed manufacturing capabilities for halogen-free products.

Compal began introducing halogen-free components and manufacturing processes in 2007. Today, major brand customers are moving toward fully halogen-free environmental specifications, and mature alternative materials that do not compromise product performance have become available. Compal will continue enhancing its component control and design capabilities and accelerate the phase-out of halogen-containing components in line with market trends.

In 2017, Compal initiated the research, development, and mass production of halogen-free devices and has continuously developed products that are more environmentally friendly. 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%.

Compliance Management and Sustainable Transition Planning in Response to the Phase-Out of RoHS Exemptions

On November 21, 2025, the European Union published three amendments to the RoHS Directive, updating the exemptions for lead contained in steel alloys, aluminum alloys, copper alloys, high-melting-temperature solders, and glass or ceramic materials used in electronic components. The amendments establish three exemption expiration dates, which will take effect on December 11, 2026, June 11, 2027, and June 30, 2027, respectively. These updates demonstrate the EU's continued tightening of environmental requirements for electronic products. As a result, companies must initiate research and response measures in advance to ensure compliance and mitigate associated risks.

Compal has reviewed the impact of each exemption individually. For example, with the exception of aluminum casting alloys produced from recycled lead-containing aluminum scrap, extensions for lead content exemptions in aluminum alloys will no longer be available, requiring the Company to proactively plan alternative solutions. As for copper alloys, high-melting-temperature solders, and glass or ceramic materials used in electronic components, although the relevant exemptions remain valid and applications for renewal have been submitted, Compal continues to closely monitor the EU's review outcomes to avoid potential future compliance risks.. Following completion of the impact assessment, Compal implements systematic management measures, including announcing exemption status updates through its hazardous substance management system, incorporating revised exemption requirements into the GP BOM program, revising green design specifications by removing or retaining relevant requirements as appropriate, and notifying R&D and procurement teams to adjust material selection criteria. These actions help prevent the use of materials subject to RoHS exemptions and ensure that newly launched projects will not be affected by future exemption expirations. At the same time, GP BOM reviews are conducted for both products currently in mass production and newly developed products to ensure continued compliance with RoHS requirements after the relevant exemptions expire.

In addition, for exemptions that remain valid and are currently under renewal review, Compal will continue monitoring the outcomes of the EU assessment process and update its compliance strategies following December 30, 2026, and June 30, 2027. Overall, the gradual expiration of RoHS exemptions reflects the EU's ongoing strengthening of environmental regulations. Only through proactive research and the implementation of corresponding action plans can Compal maintain an appropriate balance between compliance and sustainability, ensuring a smooth transition in response to regulatory changes while preserving its market competitiveness.

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5.7.3 Material Innovation and Circular Application Practices

Material innovation serves as a key driver of product design. During the research and development stage, Compal incorporates an environmentally friendly material evaluation mechanism that systematically assesses materials based on their source, carbon emissions, structural suitability, reliability, and recycling potential.

Compal regards material innovation as a critical driver of sustainable product design. An environmental material assessment mechanism is incorporated into the product life cycle development process, enabling systematic evaluations of material sources, carbon emissions, structural suitability, reliability, and recycling potential. This ensures that sustainability considerations are embedded in decision-making from the earliest design stages and are validated alongside product performance and mass-production stability.

From a research and development perspective, Compal focuses on two core objectives: waste reduction and carbon reduction. Priority is given to increasing the use of recycled materials while integrating diverse sources such as industrial waste, post-consumer materials, and agricultural by-products to develop circular materials that offer strength, appearance consistency, and manufacturing compatibility. This approach reduces dependence on virgin petrochemical materials and materials with high carbon emission intensity. Through material engineering, product structural design, and collaborative development with suppliers, Compal also ensures that new materials can be applied reliably under mass-production conditions.

In terms of application achievements, Compal has incorporated high-content recycled plastics into product housings and structural components while maintaining mechanical performance, impact resistance, and aesthetic quality. A representative example is "OysterPlas," an engineering plastic material derived from recycled oyster shells, which has been successfully commercialized and adopted in customer products. OysterPlas has received international recognition through awards including the iF Design Award, CES Innovation Award, Computex Best Choice Award, and Red Dot Design Award. Compal continues to expand its portfolio of sustainable materials. For example, "BioHusk," which combines agricultural waste reutilization with product aesthetics, received the 2025 iF Design Award. In addition, "Semiconductor Waste Slurry Plastic" and "Recycled Textile Fiber Plastic" were shortlisted as finalists for the 2026 iF Design Award, demonstrating the Company's ongoing innovation capabilities and international influence in the field of circular materials. These efforts have gradually established a portfolio of materials with competitive differentiation, enhancing product uniqueness and market recognition.

Through the integration of material innovation and circular design, Compal not only reduces environmental impacts throughout the product life cycle but also enhances product value-added benefits and strengthens the sustainability competitiveness of its brand customers. These initiatives complement the Company's value-chain decarbonization strategy. Going forward, Compal will continue to advance the development and application of sustainable materials, expand the scale and impact of material circularity, and progressively incorporate these materials into a broader range of product applications.

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5.7.4 Green Product Design Case Studies - Design Highlights (1-2)

Lenovo Yoga Slim 7 (14Q8Y11)

A project that obtained third-party verified and certified Carbon Footprint (ISO 14067:2018) and Carbon Neutrality (ISO 14068-1:2023) certifications.

- Adoption of high-content recycled materials:
  - D-cover made with 50% recycled aluminum alloy
  - Black 65W adapter housing made with 90% PCC recycled plastic
  - Keyboard keycaps made with 50% PCC recycled plastic
  - Keyboard base made with 60% PCC recycled plastic
  - Battery pack made with 30% PCC recycled plastic
- Plastic-free packaging

Source: Website

Dell Pro Education 14 (PE14260)

- The Dell Pro Education 14 PE14260 is a notebook computer specifically designed for the education sector. The product combines durability with sustainability principles by incorporating a certain proportion of post-consumer recycled (PCR) plastics, while its packaging is also primarily composed of recyclable recycled materials, demonstrating a strong commitment to environmental sustainability.
- In addition, the Dell Pro Education 14 PE14260 complies with various international energy-efficiency and environmental standards, including energy performance requirements and eco-label certifications. By balancing performance with optimized energy consumption, the product helps educational institutions improve teaching quality while reducing environmental impacts throughout the product life cycle, making it a smart educational device that delivers both learning effectiveness and sustainability value.

Source: Website

ASUS ExpertCenter P600 AiO (PM640KA)

- Outstanding energy performance and use of environmentally friendly materials
- This product has obtained third-party certification and earned the ENERGY STAR® label, demonstrating outstanding energy-saving performance that reduces environmental impacts associated with electricity consumption while providing consumers with a superior energy-efficient user experience. In addition, approximately 55% of the product enclosure is made from post-consumer recycled (PCR) plastics, further reducing environmental impacts throughout the product life cycle and actively supporting sustainable development goals.

Source: Website

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Green Product Design Case Studies - Design Highlights (2-2)

Google Pixel 9a

The Pixel 9a is designed in accordance with the 3R principles—Reduce, Reuse, and Recycle—and is developed as an environmentally friendly product that is non-toxic, easy to assemble, easy to disassemble, and energy-efficient, incorporating a comprehensive environmental strategy covering design, materials, packaging, energy, carbon management, and certifications.

- Material Selection: At least 23% of the total product weight consists of recycled materials; the device enclosure is made with 100% recycled aluminum; the back cover contains at least 81% recycled plastic; and lead-free copper alloys and lead-free solder paste are used.
- Packaging Design: Features 100% plastic-free packaging, using fully recyclable paper-based materials to replace conventional plastic packaging materials.
- Material Safety: Completely free of PVC and brominated flame retardants (BFRs), reducing the risks associated with hazardous substances during manufacturing, disposal, or incineration.
- Energy Management: Equipped with intelligent power management and low-power modes, with annual electricity consumption of only approximately 8 kWh.
- In addition, the Pixel 9a has achieved UL ECOLOGO Gold Certification, demonstrating compliance with rigorous health, safety, and sustainability criteria.

Source: Website

Montblanc Digital Paper

Compal's first collaboration with a luxury brand to launch an ePaper reader. Compared with smartphones and tablet computers, ePaper readers generate significantly lower carbon emissions during the use phase and offer environmental advantages in terms of energy efficiency, carbon reduction, and durability.

- Material Selection:
  - The back cover is made of aluminum alloy with an ultra-slim thickness of only 4.9 mm, achieving a lightweight design while enhancing metal recyclability and reuse.
  - The digital pen supports wireless charging, requiring only replacement of worn pen tips, thereby extending the product's service life.
- Ultra-Low-Power Design:
  - The ePaper reader consumes power only when pages are turned, with virtually no energy consumption during normal reading, and provides a battery life of up to seven days.
  - The ePaper display utilizes reflected ambient light, eliminating the need to increase brightness even under strong lighting conditions, thereby reducing energy consumption.
- Low Carbon Footprint:
  - By replacing printed books with electronic reading, the device significantly reduces deforestation and carbon emissions associated with printing processes.

Source: Website

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5.7.5 User Safety and Compliance with International Standards

As a global provider of electronic product design and manufacturing services, Compal recognizes that product safety and customer health are material issues that directly affect end-user well-being, customer trust, regulatory compliance, and the Company's long-term business sustainability. Any product-related incident that compromises customer health or safety may lead to user injury, product recalls, consumer compensation claims, regulatory consequences, and reputational damage to customer brands, potentially resulting in legal, financial, and operational impacts on the Company. To safeguard customer health and safety, Compal incorporates product safety requirements into product safety management process. Through product safety assessments, in-house testing, third-party witness testing, product safety certifications, and certificate validity management, the Company ensures all products comply with international standards and regulatory requirements in customer sales markets. To ensure that all products manufactured by Compal are safe under normal operating conditions and to prevent major categories of hazards—including accidental electric shock, energy hazards, mechanical injuries, radiation, chemical hazards, and burns caused by high temperatures that may arise from product enclosures, internal materials, and components—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.

Upon successful completion of in-house testing by the Compal safety Lab, products are submitted to accredited third-party certification bodies for independent witness testing to verify compliance with international safety standards and obtain the necessary product safety certifications.

In accordance with customers' market strategies and applicable regulatory requirements, international safety certifications are converted into product safety certifications required by specific countries or regions, including Korea, India, Taiwan, North America, Europe, and the Middle East. These efforts help ensure timely product launches while meeting local customs clearance, regulatory compliance, and market access requirements. Product safety certifications are critical requirements for product shipment from Compal's manufacturing facilities and for gaining access to global markets. Therefore, certificate validity management is a critical component of the Company's product safety management system. To support this effort, 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. The system enhances certificate management efficiency and reduces shipment delays and compliance risks arising from expired certifications or information gaps.

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, testing, certification activities, and certification management to ensure ongoing compliance across target markets.

In the event of a product safety-related issue, Compal follows established quality management and customer support procedures to conduct root cause analysis and implement corrective and preventive actions (CAPA). Findings are incorporated, where appropriate, into product design, verification and validation activities, and certification management processes, thereby strengthening risk prevention and reducing the likelihood of recurrence.

In 2025, 100% of the notebook computers, AIO desktop computers, tablet computers, and other products manufactured by Compal completed IEC 62368-1 safety assessments. No incidents involving violations of product safety regulations or standards occurred.

European Union Common Charging Standard

According to the European Union's Common Charger Directive (Directive (EU) 2022/2380 and Regulation (EU) 2023/1717), tablet computers and notebook computers will be required to comply with the relevant specifications beginning April 28, 2026.

The regulation aims to reduce the number of chargers circulating within the EU and address the long-standing issue of inconsistent charging standards among electronic products. It requires electronic devices with charging power ratings below 240W to:

- Be equipped with at least one USB Type-C charging port.
- Allow consumers to purchase the product without an accompanying charger.
- Provide information on the safe and universal charging specifications of the Type-C port in product packaging and user manuals.

Accordingly, in 2025, Compal and its brand customers began updating user manuals and product packaging labels to comply with these requirements and verified the functionality of Type-C charging ports, enabling consumers to use chargers flexibly and safely under standardized charging conditions.

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6 Inclusive Growth

Key Performance

- Global engagement survey coverage rate reaches 100%
- Global proportion of female employees 41.05% ; Proportion of female managers: 31.18%
- Retention rate of key positions : 89%
- A total of 250 employees with disabilities were employed by plants in Taiwan and overseas.
- The average training hours of per manager is 26.03 hours
- Global record of 0 occupational diseases and 0 fire incidents.
- Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. (Note: Excluding traffic-related occupational accident.)
- Joined the "2025 TALENT, in Taiwan" alliance to promote six key indicators.

5.2 | 8.5 / 8.8 | 10.3 | 16.b

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Our Visions for Employee care

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

Short-, Mid-, and Long-term Goals

Topic	Strategy	Target of FY-2026	Target of FY-2030	Target of FY-2035
Friendly and Happy Workplace	○ Establish diversity awareness and build an equal and inclusive working environment. ○ Value human rights and support diverse talents.	○ Global proportion of female employees: 40% Proportion of female managers: 32% ○ Global engagement survey response rate reached 60%.	○ Global proportion of female employees: 40% Proportion of female managers: 32% Proportion of female in junior managements: 36% Proportion of female in STEM -related: 27.5% ○ Global engagement survey coverage rate reaches 100%, response rate reached 75%.	○ Global proportion of female employees: 40% Proportion of female managers: 32% Proportion of female in junior managements: 36% Proportion of female in STEM -related: 27.5% ○ Global engagement survey coverage rate reaches 100%, response rate reached 80%.
***Talent Development and Retention**	Establish diverse recruitment channels, optimize precise talent selection mechanisms, and strengthen the cultivation of leadership skills to consolidate the talent pool of organizational management and promote the sustainable development of Compal's talent.	○ Retention rate of key positions : 90% ○ The average training hours of per manager is 17.5 hours.	○ Retention rate of key positions : 90% ○ The average training hours of per manager is 20 hours.	○ Retention rate of key positions : 90% ○ The average training hours of per manager is 22.5 hours.
***Occupational Safety and Health**	Implementing the ISO 45001 management system to enhance employee safety and health education and raise health awareness, creating a safe working environment.	○ Global record of 0 occupational diseases and 0 fire incidents. ○ Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. Note: Excluding traffic-related *occupational accident.*	○ Global record of 0 occupational diseases and 0 fire incidents. ○ Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. Note: Excluding traffic-related *occupational accident.*	○ Global record of 0 occupational diseases and 0 fire incidents. ○ Taiwan's Frequency-Severity Indicator (FSI) is better than the industry standard published by the public sector. *Note: Excluding traffic-related occupational accident.*

*Note: *correspond to the material.*

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6.1 Talent Attraction and Retention

Talent Strategy

Compal regards talent as a cornerstone of sustainable corporate development. Through a global talent deployment strategy, youth talent development programs, and diversified recruitment channels, the Company builds a competitive workforce. Compal continuously strengthens its employer brand, deepens collaboration with academic institutions, and promotes talent development mechanisms to attract and retain individuals with strong potential and professional expertise, thereby supporting the Company's long-term development in forward-looking fields such as artificial intelligence (AI), cloud computing, and smart applications.

We continue to advance innovative technology research and development and expand our global presence while actively investing in emerging fields such as artificial intelligence. To support long-term business growth and evolving talent needs, the Company 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.

At the same time, we continue to strengthen partnerships with universities and academic institutions through campus recruitment activities, internship programs, and industry-academia collaboration projects, enabling us to cultivate high-potential young talent at an early stage and provide opportunities for practical industry experience. Through diversified talent sourcing channels and continuously optimized recruitment strategies, the Company is committed to building an innovative and competitive workforce while promoting organizational rejuvenation and sustainable talent development to support long-term operations and sustainable growth.

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6.1.1 Global Talent Recruitment

Global Recruitment Results

In 2025, Compal hired a total of 16,824 new employees worldwide. Analysis of the workforce structure indicates that the majority of new hires were under the age of 30, reflecting the Company's continued efforts to promote organizational rejuvenation through campus recruitment and youth talent development programs. This talent strategy helps strengthen the Company's innovation capabilities and supports its long-term development in forward-looking fields such as artificial intelligence, cloud computing, and smart applications.

Number of New Hires by Job Level

2025 New Hire Job Level	Number of Employees
Senior Management	32
Middle Management	189
First-line Management	118
General Employees	16,485

Note: Senior Management: Department Director level and above; Middle Management: Manager level and above; First-line Management: Section Supervisor level and above.

Average Hiring Cost

Year	2022	2023	2024	2025
Number of New Hires	93,809	35,321	17,943	16,824
New Hire Rate (%)	187%	98%	61%	45.6%
Internal hire rate (%)	31.6%	35.5%	51.7%	17.3%
Average Recruitment Cost	12,583	9,376	10,156	13,093

** New Hire Rate = Number of new hires during the year ÷ Total number of employees during the year*
** Internal Vacancy Fulfillment Rate = Percentage of vacancies filled by internal employees*
** Recruitment costs are denominated in New Taiwan Dollars (NT$).*

2022–2025 New Hire Analysis

New Hires	Direct Employees						Indirect Employees					
	Under 30 Years Old		31–50 Years Old		Above 51 Years Old		Under 30 Years Old		31–50 Years Old		Above 51 Years Old	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2025	6,889	4,237	2,105	1,781	19	92	494	623	393	156	26	9
2024	7,831	4,464	2,502	1,753	6	10	475	306	365	196	28	7
2023	17,574	8,061	4,467	3,152	6	18	797	502	514	203	26	1
2022	50,434	16,967	13,086	9,463	7	8	1,698	1,078	755	278	30	5

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Annual New Hire and Turnover Statistics

Age	Under 30		31–50		Above 51		Under 30		31–50		Above 51		Under 30		31–50		Above 51	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Nation	Taiwan						China						Vietnam					
New Employees Hired in 2025 (A)	159	346	153	87	10	6	4183	1994	1298	637	4	0	2965	2390	924	1071	10	35
2025 New Employees Who Resigned Within the Same Year (B)	6	18	28	19	2	3	3259	1423	1119	490	1	0	3473	1651	1056	1005	5	9
Employee Departures in 2025 (C)	211	210	569	257	91	28	4887	2331	2079	1078	20	16	4425	2360	1352	1176	5	9
Employees in the Age Group	758	763	3594	1600	628	224	3642	2180	4113	2909	99	31	6576	4768	1905	2007	14	55
New Hire Rate (D)	21.0%	45.3%	4.3%	5.4%	1.6%	2.7%	114.9%	91.5%	31.6%	21.9%	4.0%	0.0%	45.1%	50.1%	48.5%	53.4%	71.4%	63.6%
Turnover Rate (E)	27.0%	25.2%	15.1%	14.9%	14.2%	11.2%	44.7%	41.7%	23.3%	20.2%	19.2%	51.6%	14.5%	14.9%	15.5%	8.5%	0.0%	0.0%
Nation	Brazil						United States						Mexico					
New Employees Hired in 2025 (A)	62	117	62	114	11	41	9	11	59	27	10	19	5	2	2	1	0	0
New Employees Who Resigned Within the Same Year (B)	13	18	9	19	1	0	3	6	0	5	1	8	1	1	1	0	0	0
Employee Departures in 2025 (C)	39	46	62	91	10	9	12	17	4	14	7	24	5	5	2	0	0	0
Employees in the Age Group	101	164	202	301	29	30	12	14	17	33	21	38	11	13	11	4	0	0
New Hire Rate (D)	61.4%	71.3%	30.7%	37.9%	37.9%	136.7%	75.0%	78.6%	347.1%	81.8%	47.6%	50.0%	45.5%	15.4%	18.2%	25.0%	0.0%	0.0%
Turnover Rate (E)	25.7%	17.1%	26.2%	23.9%	31.0%	30.0%	75.0%	78.6%	23.5%	27.3%	28.6%	42.1%	36.4%	30.8%	9.1%	0.0%	0.0%	0.0%

Note 1: New Hire Rate = Number of New Employees Hired (A) ÷ Total Number of Employees in the Age Group.

Note 2: Turnover Rate = [Total Number of Employee Departures (C) − Number of New Employees Who Resigned Within the Same Year (B)] ÷ Total Number of Employees in the Age Group.

Note 3: In 2025, due to the intelligent upgrading of manufacturing production lines, employee departures were primarily direct labor personnel at the China and Vietnam manufacturing sites. Compal will continue integrating intelligent manufacturing technologies into its production lines to reduce the impact of workforce turnover on production operations.

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Integrated Online and Offline Talent Attraction Strategy

Compal continues to expand its talent pool and strengthen its employer brand through an integrated online and offline recruitment strategy. By leveraging official social media platforms, campus activities, and corporate culture promotion initiatives, we enhance employer brand visibility and enable prospective candidates to gain a deeper understanding of the Company's culture and working environment. 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, providing opportunities for face-to-face interactions with students. These events introduced the Company's culture, industry developments, and career opportunities, while project managers and R&D professionals shared practical experiences to help students gain a deeper understanding of job responsibilities and career development paths.

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. Through diversified recruitment channels and an integrated talent acquisition strategy, Compal continues to attract high-potential talent to join the organization.

Diversified Recruitment Channels and Results		Results
Campus Recruitment Fairs and Information Sessions	Through campus recruitment activities, R&D managers share career experiences and provide job opportunities, event information, and résumé consultation services to attract professional talent.	Taiwan: 19 events China: 9 events
Government Employment Matching Events	In support of government-sponsored employment matching programs, Compal provides on-site consultation services and résumé reviews to help job seekers identify employment opportunities.	China: 1 event
Online Job Platforms	Public and transparent job vacancy information is posted through online recruitment platforms, enabling job seekers to search for positions of interest.	104 Job Bank/ 1111 Job Bank/ Yourator/ CakeResume/ LinkedIn/ Catho Headhunter/ 51job/ Zhaopin Limited/ Kunshan Talent Network/ BOSS Zhipin/ Liepin
Social Media Channels	Social media platforms are used to share Compal's people-oriented corporate culture, employee benefits, and working environment, attracting like-minded talent.	Facebook: Compal Career; Compal (Vietnam) Instagram: Compal Career LinkedIn: Compal WeChat: Compal Recruitment
Employee Referral Program	Job vacancies are regularly announced internally, encouraging employees to recommend qualified candidates.	Taiwan: 39 successful referrals China: 27 successful referrals Brazil: 28 successful referrals
Deepening Campus Partnerships Through Industry-Academia Collaboration		**Results**
Student Corporate Visits	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.	China: 15 visits
Student Internship Programs	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.	Taiwan: 52 students admitted to the Golf Internship Program China: 57 students were hired Vietnam: 100 students were hired
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.	Collaboration with National Kaohsiung Normal University on a Vietnam Industry-Academia Master's Program

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Maintaining a Stable Employee Turnover Rate

Compal conducts regular onboarding care interviews with new employees to understand their adaptation status and work-related needs, while providing the necessary support and resources to help them integrate smoothly into the organization and improve retention. At the same time, the Company systematically collects resignation reasons and employee feedback through its exit interview mechanism, using the information as an important basis for continuously enhancing human resource management practices and the workplace environment.

In 2025, the overall employee turnover rate decreased significantly compared with the previous year, indicating that the Company's retention initiatives have gradually delivered positive results. A further review of the voluntary turnover rate shows a decline from 28.57% to 17.68%, reflecting continued improvement in employee retention and workforce stability.

From a regional perspective, China and Vietnam facilities remained the primary sources of employee turnover, mainly attributable to production line automation upgrades and workforce restructuring. Meanwhile, turnover rates in Taiwan remained relatively stable. Going forward, Compal will continue to review and optimize relevant measures through its human resource management mechanisms and employee communication channels to further strengthen organizational resilience and talent retention.

Employee Turnover	2022		2023		2024		2025	
Total Turnover (%)	64.01%		44.38%		45.87%		21.15%	
Voluntary Turnover (%)	62.13%		30.97%		28.57%		17.68%	
	Total Turnover	Voluntary Turnover	Total Turnover	Voluntary Turnover	Total Turnover	Voluntary Turnover	Total Turnover	Voluntary Turnover
Male	40.80%	39.64%	27.56%	19.08%	26.61%	17.64%	13.03%	12.80%
Female	23.21%	22.49%	16.82%	11.90%	19.25%	10.92%	8.13%	6.75%
Under 30 Years Old	41.3%	40.70%	27.43%	20.93%	25.67%	19.74%	12.68%	11.38%
31–50 Years Old	22.54%	21.39%	16.44%	9.85%	19.53%	8.61%	7.96%	6.05%
Above 51 Years Old	0.15%	0.03%	0.51%	0.19%	0.67%	0.21%	0.51%	0.25%
Taiwan	3.37%	2.99%	2.89%	2.45%	3.15%	2.70%	3.50%	3.11%
China	57.07%	56.05%	35.12%	22.95%	31.56%	15.49%	11.17%	8.61%
Brazil	0.45%	0.04%	0.36%	0.05%	0.51%	0.07%	0.53%	0.07%
Vietnam	3.11%	3.05%	5.80%	5.36%	10.55%	10.22%	5.77%	5.77%
United States	-	-	0.22%	0.16%	0.10%	0.08%	0.15%	0.11%
Mexico	-	-	-	-	0.01%	0.01%	0.02%	0.02%
Direct Employees	56.18%	55.46%	34.13%	25.13%	35.56%	22.15%	13.86%	13.03%
Indirect Employees	7.82%	6.66%	10.25%	5.84%	10.31%	6.41%	7.34%	4.65%
Department Head & Above	-	-	0.09%	0.07%	0.15%	0.06%	0.09%	0.06%
Manager Level	-	-	1.43%	0.63%	1.90%	0.81%	1.32%	0.75%
Section Supervisor Level	-	-	0.78%	0.35%	1.03%	0.55%	0.98%	0.71%
General Staff	-	-	7.96%	4.79%	7.24%	5.00%	18.76%	16.16%

Note 1: The above data exclude employees who joined and left the Company within the same reporting year.
Note 2: Turnover Rate = Number of Employees Leaving in Each Category ÷ Total Number of Employees in the Company.

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6.1.2 Inclusion and Diversity

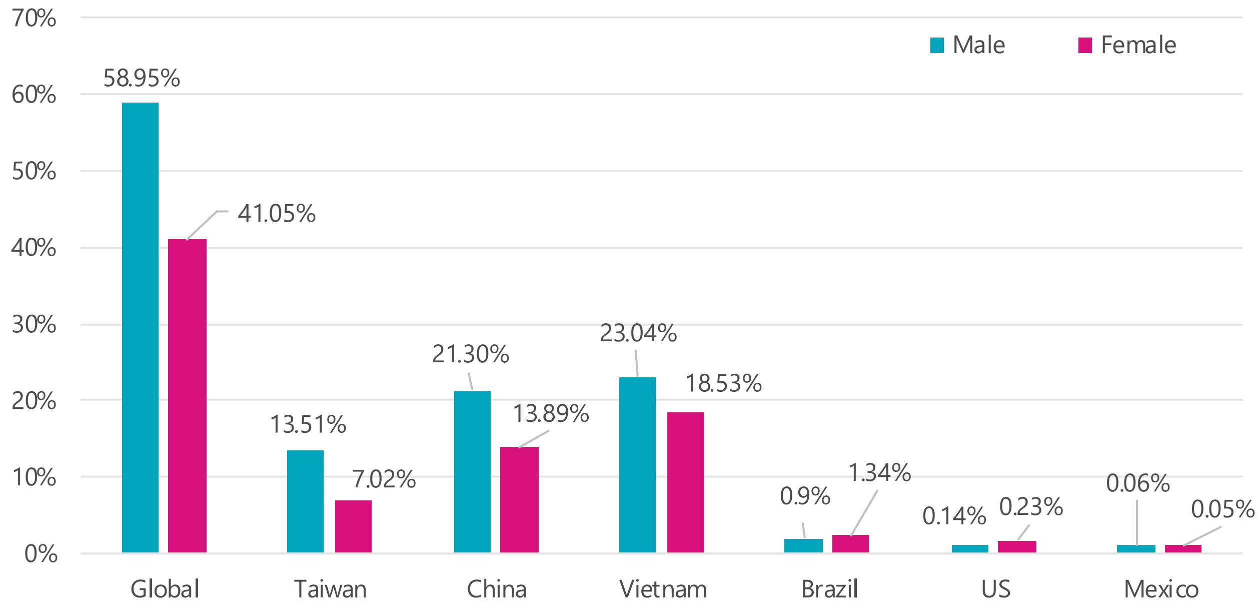
As of the end of December 2025, Compal had a total workforce of 36,867 employees (including dispatched personnel), comprising employees at the Taiwan R&D Headquarters (including expatriates) and overseas operations. The workforce consisted of 7,567 employees in Taiwan, 12,974 in China, 15,325 in Vietnam, 827 in Brazil, 135 in the United States, and 39 in Mexico. The Company maintained a stable workforce structure, with no material changes in workforce size or composition compared with 2024.

In recent years, in response to market changes and industry challenges, Compal has flexibly adjusted its global production capacity to align with operational and production requirements, enhancing corporate resilience and building a more competitive and sustainable enterprise.

Employee Distribution

Region	Taiwan	China	Vietnam	Brazil	United States	Mexico	Total
Total No. of Employees	7,567	12,974	15,325	827	135	39	36,867
Percentage of Total Employees	20.53%	35.19%	41.57%	2.24%	0.37%	0.11%	100%
Male (%)	13.51%	21.3%	23.04%	0.9%	0.14%	0.06%	58.95%
Female (%)	7.02	13.89%	18.53%	1.34%	0.23%	0.05%	41.05%

Note: Total number of employees includes dispatched employees.



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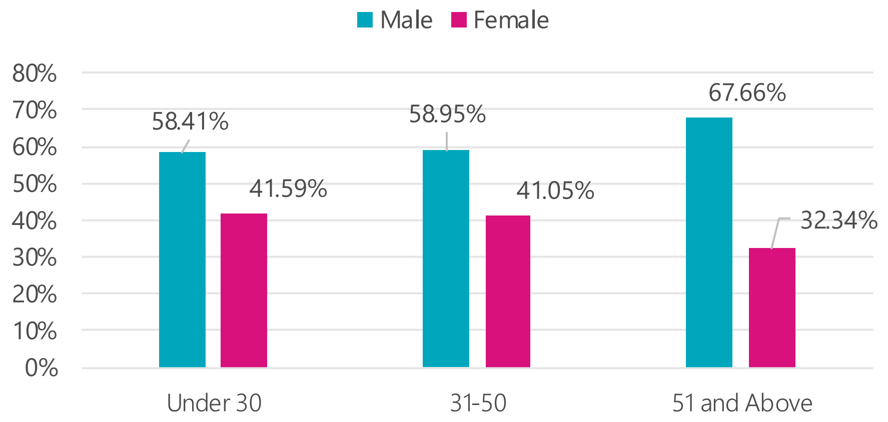
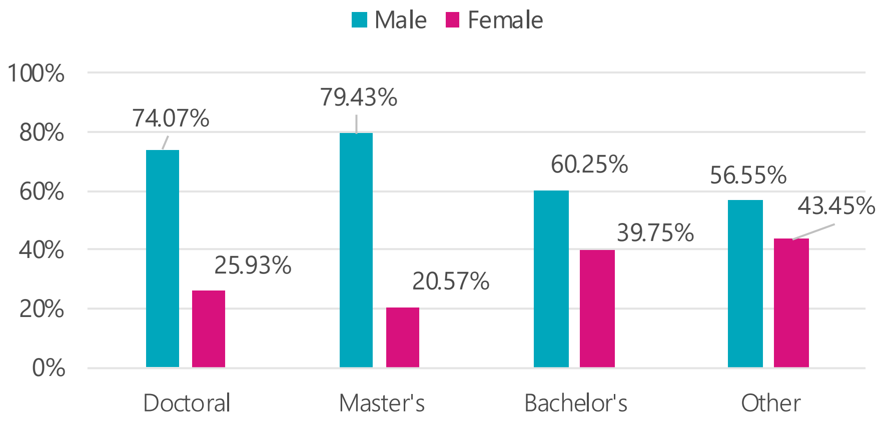
Employee Employment Types

Region / Number of Employees		Taiwan		China		Vietnam		Brazil		United States		Mexico	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Direct Employees		86	763	3,337	2,205	4,776	4,473	178	405	21	60	7	8
Indirect Employees	Supervisors (Section Manager Level & Above)	3,178	863	1,515	1,197	117	128	32	9	4	1	5	0
	General Employees	1,684	935	1,838	1,165	1,264	788	122	80	25	24	10	9
	Fixed-Term Contract Employees	20	14	0	0	0	0	0	0	0	0	0	0
	Interns	7	7	79	43	10	36	0	1	0	0	0	0
	Dispatched Employees	5	5	1,085	510	2,328	1,405	0	0	0	0	0	0
Total		4,980	2,587	7,854	5,120	8,495	6,830	332	495	50	85	22	17

Global Gender Distribution by Age Group



Global Gender Distribution by Education



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Commitment to Workplace Equity

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. 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. We will continue striving to achieve this vision and contribute to the advancement of workplace equity.
By cultivating and appointing local talent, Compal enhances decision-making efficiency while strengthening connections between the Company and local communities. We will continue to optimize our talent development mechanisms and strengthen local leadership capabilities across all regions, building management teams that combine local insight with a global perspective. This approach ensures that we can respond flexibly to changing circumstances in different countries and further enhance our competitiveness.

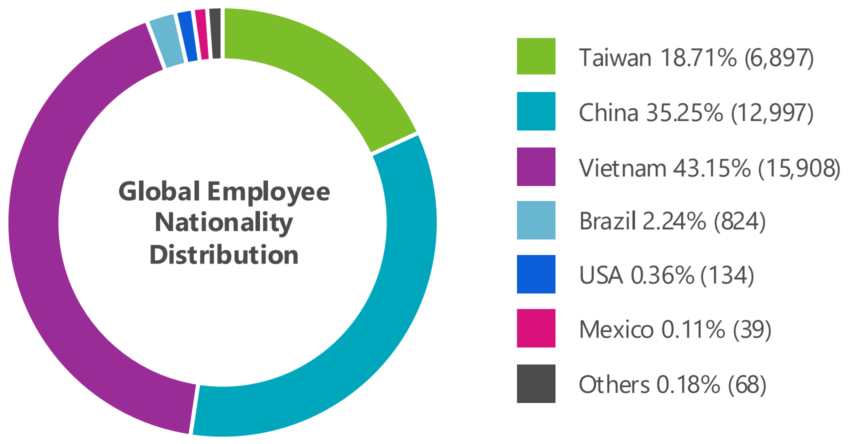
Category	2022	2023	2024	2025
Number of Employees with Disabilities	800	244	243	250

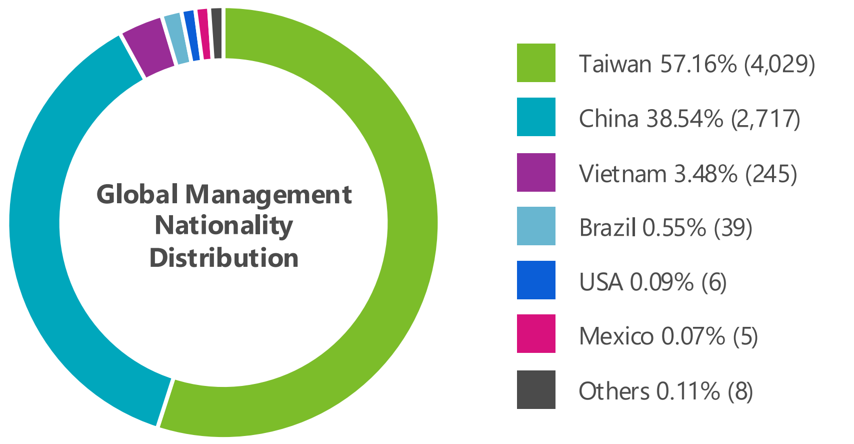
Percentage of Local Residents Employed in Management Positions

Year	2022	2023	2024	2025
Taiwan	99.50%	99.71%	99.81%	99.72%
China	90.68%	93.58%	92.14%	91.5%
Vietnam	22.42%	23.45%	30.00%	32.24%
Brazil	93.10%	93.75%	92.86%	95.12%
United States	-	85.71%	80.00%	80%
Mexico	-	-	33.33%	0%

Note: Management positions refer to employees at the Section Manager level and above.

Employee Nationality Distribution





Note: "Others" includes employees from 11 additional nationalities, including Thailand, Malaysia, and other countries.

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DEI Strategic Action Roadmap

Compal is committed to promoting Diversity, Equity, and Inclusion (DEI) by integrating DEI principles into its corporate culture and daily operations through a series of strategic initiatives. We continuously enhance employees' awareness of DEI through training programs, workshops, and related activities, while actively addressing unconscious bias to ensure fairness and inclusiveness in the workplace, recruitment processes, and decision-making.

In addition, we organize inclusive activities that foster communication and mutual understanding, continuously optimize workplace policies and environments, and strive to create a more welcoming and supportive workplace. Through diverse communication channels, including internal announcements and social media platforms, we broaden the impact of DEI initiatives and embed DEI as an integral part of our corporate culture, driving a more diverse and inclusive future.

Diversity,Equity,Inclusion
COMPAL

Key Strategies

2025 Short-Term Targets

- Female Employee Ratio: 40% (Achieved)
- Female Manager Ratio: 32%

2030 and 2035 Medium- and Long-Term Targets

- Female Manager Ratio: 32%
- Female First-Line Manager Ratio: 36%
- Female in STEM Positions: 27.5%

Women Power in Tech

We are committed to enhancing the influence of women in the technology sector and have established phased targets to support this objective. Through training programs, career development support, and equitable promotion mechanisms, we create more opportunities for women to grow and succeed, thereby fostering greater diversity within the technology industry. In 2025, the proportion of female employees reached 41.05%, successfully achieving the Company's target. At the same time, the proportion of women in STEM positions increased to 29.47%, surpassing the anticipated 2030 target ahead of schedule. While the proportion of female managers remains slightly below the target of 32%, historical data indicate a steady year-over-year upward trend in this indicator.

We will continue to refine our DEI strategies and strengthen equitable promotion mechanisms to build a more inclusive future for the technology industry.

Diversity Indicator (%)	2023	2024	2025	% Change
Share of women in total employees	38.56%	38.45%	★ 41.05%	↑2.6%
Share of women in all management positions	29.63%	30.04%	31.18%	↑1.14%
Share of women in junior management positions	35.08%	35.46%	37.89%	↑2.43%
Share of women in top management positions	8.52%	9.22%	9.92%	↑0.7%
Share of women in management positions in revenue-generating functions	63.27%	65.53%	65.02%	↓ 0.51%
Share of women in STEM related positions	28.28%	27.13%	★ 29.47%	↑2.33%

Note: Managerial employees refer to employees at the Section Manager level and above.

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Diversity Cinema

Breaking Bias Through Film, Making Diversity Part of Everyday Life: In 2025, Compal organized a DEI Cinema series across its Taiwan sites, featuring screenings of "Out of My Mind." To deepen employees' understanding of cerebral palsy, the Company invited the Cerebral Palsy Association of the Republic of China to deliver an introductory session. Through insightful sharing and discussion, participants were encouraged to rethink the importance of diverse abilities and inclusion, while being reminded that every individual possesses unique potential and irreplaceable value.

Pride Month

Through workplace-themed decorations and a four-week series of progressive online and offline activities, Compal enhanced employees' understanding of the LGBTQ+ community. The program began with "Opening Our Curiosity," introducing the meanings behind the rainbow flag and LGBTQ+ acronym. Subsequent activities included quizzes to deepen understanding and opinion polls designed to encourage reflection on diversity-related topics. The final week, themed "Spreading Positive Energy," encouraged employees to express their support through written messages to LGBTQ+ colleagues and to anyone striving to be their authentic selves.

International Day of Sign Languages – Silent Café

In support of the International Day of Sign Languages on September 23, employees were invited to learn sign language together. This activity provided a firsthand experience of non-verbal communication while enabling participants to better understand how individuals with hearing impairments communicate. Through this experience, employees developed greater empathy, understanding, and inclusiveness toward colleagues with disabilities.

International Gratitude Day – Expressing Appreciation and Making It Visible

Through authentic stories and personal experiences, we sought to deepen employees' understanding of DEI. Gratitude was extended beyond performance and achievements to include appreciation for inclusion and support—"Thank you for helping me feel seen, accepted, and warmly embraced."

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Intergenerational Communication Workshop

In a workplace where multiple generations work side by side, differing backgrounds and values often result in diverse working styles and communication approaches. This workshop invited expert speakers to share key concepts and practical experiences in intergenerational communication, helping employees better understand the mindsets and expectations of different generations. Through effective communication techniques, participants were encouraged to build mutual trust and collaboration, fostering greater understanding and inclusion across teams while enhancing workplace interactions and organizational cohesion.

CEO Unplugged Talk

Designed as an open and informal dialogue session, the CEO Unplugged Talk promoted DEI culture through authentic and transparent communication. The CEO personally shared the rationale and key considerations behind transformation decisions and responded directly to employees' questions and concerns. Through real-time interaction and employee participation, the event encouraged meaningful dialogue and alignment across organizational levels. By creating a safe and respectful environment, employees were empowered to participate, express their views, and feel heard and understood.

Work–Life Balance

In addition to organizing a wide range of DEI activities, Compal implemented policies that provide employees with an additional day off for Labor Day and allow employees to leave work 4 hours early on New Year's Eve. These initiatives enable employees to rest, recharge, and maintain a healthy work–life balance. Furthermore, the Company offers 3 days of "Happiness Companion Leave," which employees may freely use either to spend quality time with family members or to pursue personal interests and self-development, enriching both their personal and professional lives.

Inclusive Culture

We firmly believe that every employee possesses unique talents and value and should be provided with equal employment opportunities and an appropriate working environment in which they can leverage their strengths and realize their full potential. To support this commitment, sites around the world have organized a variety of activities to foster understanding and support among employees. In addition, comprehensive workplace accommodations and support measures have been established to address the diverse needs of employees and promote an inclusive and accessible working environment.

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6.1.3 Talent Retention

Compensation Policy for Directors and Independent Directors

- Compal's independent directors receive fixed compensation and do not participate in the distribution of directors' remuneration. Other directors do not receive fixed compensation but are eligible to participate in the distribution of directors' remuneration. Based on the results of performance evaluations, the Remuneration Committee reports to the Board of Directors and provides specific recommendations as references for determining the remuneration of individual directors. Both directors and independent directors of Compal receive attendance fees in accordance with applicable regulations.
- Pursuant to the Company's Articles of Incorporation, if the Company records a profit in a given fiscal year, no more than 2% of the profit before tax, prior to the distribution of employee compensation and directors' remuneration, shall be allocated as directors' remuneration. Such remuneration is determined with consideration of the Company's operating performance and each director's contribution to overall performance, ensuring reasonable compensation.

Compensation Policy for Managers

- The compensation of managers is reviewed by the Remuneration Committee and approval by the Board of Directors. The ratio of the annual total compensation of the highest-paid individual within the reporting organization to the median annual total compensation of all other global employees (excluding the highest-paid individual) was 61.43. The ratio of the annual growth rate of that individual's total compensation to the median annual growth rate of total compensation for employees in Taiwan was 20.92. Note: The median salary adjustment rate for employees in other regions in 2024 was not disclosed due to the unavailability of complete compensation statistics.
- 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.
- To reinforce Ethical Management and strengthen ESG governance practices, all senior executives are required to sign an Integrity Commitment Statement, pledging to adhere to business ethics standards and to conduct operations with integrity and transparency in order to maintain sound management and high standards of corporate governance.

Compensation Policy for Employees

Compal has established work rules and related human resources regulations covering employee compensation, working hours, leave, pension benefits, labor and health insurance benefits, occupational accident compensation, and other employment matters. All policies comply with the requirements of the Labor Standards Act and other applicable regulations. Employee compensation is determined based on the principles of equal pay for equal work and performance-based remuneration. In principle, employee compensation includes 12 months of salary and a mid-year bonus. Year-end bonuses and employee compensation are granted based on the Company's operating performance and individual employee performance. Salaries are reviewed and adjusted annually with reference to industry compensation levels and changes in consumer price indices. According to the Company's Articles of Incorporation, if the Company records a profit in a given fiscal year, no less than 2% of profit before tax, prior to the distribution of employee compensation and directors' remuneration, shall be allocated as employee compensation. Of the total employee compensation amount, no less than 8% shall be allocated to non-executive employees. Salary adjustments, bonuses, and employee compensation distributions are all subject to review by the Remuneration Committee and approval by the Board of Directors.

Compensation of Full-Time Non-Managerial Employees in Taiwan

The median salary, average salary, and year-over-year changes in compensation for full-time non-managerial employees (excluding directors and managers) reported in Taiwan by Compal in 2025 are presented below:

Full-Time Non-Managerial Employees	2025	2024	% of Change
Number of Employees	7,526人	8,131	-7%
Median Salary (NT$)	1,418 (in thousands)	1,348 (in thousands)	5%
Average Salary (NT$)	1,592 (in thousands)	1,467 (in thousands)	9%

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Linkage Between Incentive Programs and Sustainability Performance

To encourage the CEO, senior executives, and employees to support the implementation of the Company's sustainability strategy, Compal incorporates sustainability objectives into key performance indicators (KPIs) promoted through day-to-day management practices. KPI performance and annual evaluation results serve as the basis for salary adjustments, bonuses, and profit-sharing distributions. Performance indicators for managers include both financial and non-financial metrics. Financial metrics include revenue, gross profit, net profit, return on assets (ROA), and return on equity (ROE), while non-financial metrics include leading internal process transformation, promoting Sustainable Development, and managing operational risks. Financial indicators account for approximately 70% of the overall evaluation, while non-financial indicators account for approximately 30%.

Recognition Programs for Outstanding and Long-Service Employees

Compal has established employee recognition programs across its operating regions to acknowledge long-term service and outstanding performance. In Taiwan, long-service employees receive commemorative plaques and cash awards ranging from NT$3,000 to NT$250,000 based on their years of service. The Company also operates an Outstanding Employee Recognition Program, under which each department nominates candidates based on an annual quota ratio. Award recipients are selected in accordance with the Company's established evaluation and approval process and receive a cash award of NT$20,000 along with a commemorative plaque. In China, an Outstanding Employee Recognition Program is also implemented to encourage innovation and active participation in community service activities. Candidates are nominated by individual departments and selected by management. Award recipients receive a cash award of RMB 1,200 in recognition of their contributions to the Company's development and social responsibility initiatives.

Year	2022	2023	2024	2025
Number of Long-Service Employees in Taiwan	753	1,149	1,061	1,211
Number of Outstanding Employees in Taiwan	92	85	86	77
Number of Outstanding Employees in China	14	14	18	12

Employee 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. These programs include marriage, funeral, childbirth, and hardship assistance; subsidies for employee clubs and recreational activities; travel subsidies; holiday gift vouchers; birthday gift vouchers; and cultural and leisure activity subsidies. In addition to statutory labor benefits, Compal regularly organizes employee wellness initiatives, including employee fitness and recreation centers, on-site medical clinics, periodic health examinations, team-building and recreational competitions, family-oriented activities, travel programs, cultural and leisure events, and a variety of employee clubs. The Company also provides scholarships for employees and their children as part of its employee welfare programs.

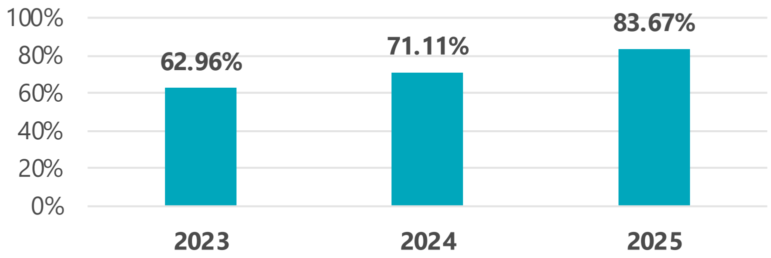
Pension and Retirement System

- **Taiwan**: Retirement programs are implemented in accordance with applicable retirement regulations in Taiwan. The Company has established employee retirement regulations that clearly specify retirement eligibility criteria and pension payment standards. Labor pension reserves are contributed monthly and deposited into a dedicated account with the Bank of Taiwan in accordance with legal requirements to safeguard employee rights. Since July 1, 2005, the Company has also adopted the Labor Pension Act pension scheme. Under this scheme, the Company contributes 6% of each eligible employee's monthly salary to the employee's individual pension account. Employees who elect to make voluntary pension contributions may do so through payroll deductions, which are remitted to their individual pension accounts administered by the Bureau of Labor Insurance.
- **China**: Retirement programs are implemented in accordance with applicable retirement regulations in China. Employees who have participated in the statutory social insurance program for at least 15 years are eligible to receive monthly pension benefits upon retirement. The statutory retirement age is 60 for male employees, 55 for female managerial employees, and 50 for female employees.
- **Other Locations**: Retirement programs are administered in accordance with the retirement-related regulations applicable in each respective jurisdiction.

Maternity Leave and Parental Leave

Female employees at Compal's Taiwan operations and overseas sites are entitled to apply for maternity leave in accordance with applicable laws and regulations following childbirth. In Taiwan, employees who have completed at least six months of service may also apply for parental leave without pay before their child reaches the age of three, in accordance with the "Act of Gender Equality in Employment" and the "Regulations for Implementing Parental Leave Without Pay for Raising Children." The maximum duration of parental leave without pay is two years. Upon completion of parental leave, employees are reinstated to their original positions or assigned to related positions. Necessary training programs are provided to facilitate a smooth transition back to work. Over the past three years, the return-to-work rate of employees taking parental leave without pay has shown a year-over-year increase, demonstrating the Company's continued commitment to supporting employees in balancing family caregiving responsibilities and career development.

Reinstatement Rate After Parental Leave



Childbirth Subsidy

In support of the Taiwanese government's pro-natality policy, Compal has provided a childbirth subsidy of NT$66,000 per newborn to employees in Taiwan since 2011. This benefit is provided to eligible employees upon the birth of a child in accordance with the Company's policy. Through active promotion of this program, Compal provided subsidies for a cumulative total of 3,783 newborns between 2011 and 2025, distributing a total of NT$249.67 million in childbirth incentives. In addition, Compal has entered into agreements with childcare service providers to offer employees preferential childcare programs, helping to ease the burden of childcare responsibilities.

Parental Leave Applications in Taiwan in 2025

Item	Male	Female	Total
Number of employees eligible for parental leave applications in 2025	481	160	641
Number of parental leave applications in 2025	23	29	52
Expected No. of employees reinstated in 2025 (A)	18	31	49
Actual number of employees reinstated in 2025 (B)	14	27	41
Actual number of employees reinstated from parental leave in 2024 and have stayed on for at least one full year (C)	7	21	28
Actual number of employees reinstated in 2024 (D)	10	23	33
Reinstatement rate in 2025 (E) = (B) / (A) × 100%	77.78%	87.10%	83.67%
Retention rate in 2025 (F) = (C) / (D) × 100%	70.00%	91.30%	84.85%

Note 1: Employees eligible to apply for parental leave without pay in 2025 are defined as those who applied for maternity leave or paternity leave at any time between January 1, 2023 and December 31, 2025.
Note 2: Except for Taiwan, other operating regions currently do not have statutory regulations governing parental leave without pay.

Year	2022	2023	2024	2025
Number of Newborns	186	233	203	151
Subsidy Amount (in NT$10,000)	1,228	1,538	1,340	996

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Analysis of Gender Pay Differences

Compal determines employee compensation based on factors such as professional experience, educational background, expertise, and competencies. Compensation standards are not differentiated based on gender, race, religion, political affiliation, marital status, or union membership. Differences in average compensation between male and female employees may exist across certain job grades (with the average male compensation set as the baseline value of 1 for comparison purposes). Such differences are attributable to variations in employees' experience, professional knowledge, competencies, contributions, and performance within the same organizational level.

Region	Taiwan		China		Vietnam		Other Plants Mean		Global Mean	
Gender	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Monthly Salary										
Senior Executives	1.00	0.95	-	-	-	-	-	-	1.00	0.95
Managers	1.00	0.95	1.00	0.90	1.00	1.02	1.00	0.88	1.00	0.94
Indirect Employees	1.00	0.96	1.00	0.99	1.00	0.99	1.00	0.92	1.00	0.97
Direct Employees	1.00	0.96	1.00	0.99	1.00	1.02	1.00	0.90	1.00	0.97
Annual Salary										
Senior Executives	1.00	0.94	-	-	-	-	-	-	1.00	0.94
Managers	1.00	0.85	1.00	0.85	1.00	0.94	1.00	0.88	1.00	0.88
Indirect Employees	1.00	0.88	1.00	0.89	1.00	0.81	1.00	0.86	1.00	0.86
Direct Employees	1.00	0.88	1.00	0.94	1.00	1.04	1.00	0.90	1.00	0.94

Local Minimum Wage

The starting salary for entry-level employees at Compal may reach up to 1.74 times the statutory minimum wage required by local regulations. To safeguard the rights and interests of dispatched workers, Compal conducts rigorous reviews of staffing agencies and verifies that such agencies comply with all applicable laws and regulations regarding local minimum wage requirements.

Region	Taiwan	China						Vietnam	Brazil		United States	Mexico
Site		Kunshan	Chengdong	Nanjing	Chengdu	Chongqing CQ	Chongqing CQA		CTB	CEM		
Male	1.00	1.00	1.00	-	1.11	1	1.39	1.27	1.74	1.29	1.66	1.03
Female	1.00	1.00	1.00	1.00	1.11	1	1.39	1.27	1.74	1.29	1.66	1.03

Note 1: Entry-level employees refer to "direct employees".
Note 2: Standard salary refers to the minimum salary established by the Company and excludes overtime pay or other allowances that vary based on job responsibilities.
Note 3: Local minimum wage refers to the statutory minimum wage established by the applicable jurisdiction.

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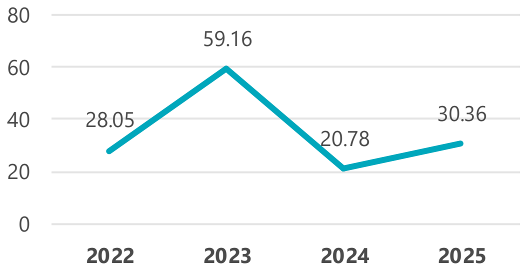
6.2 Talent Development and Growth

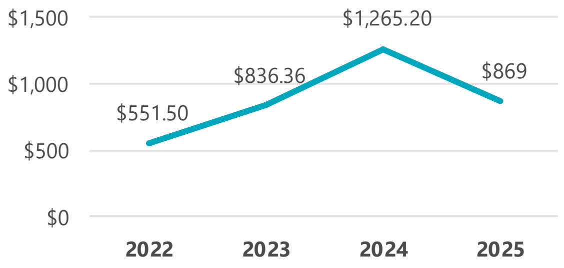
Compal's talent development and growth framework is built upon the Company's overall strategy and talent deployment plans, aligned with its organizational structure and vision. Development priorities and initiatives are established based on organizational and departmental objectives, while a comprehensive learning and development framework and roadmap are constructed according to competency development needs. Through diverse learning channels and individualized development plans, employees are provided with abundant learning opportunities. Key talent is identified through a cross-evaluation process that combines performance indicators and potential assessment metrics.

In response to the rapid transformation of the technology industry, Compal actively promotes a learning-oriented organizational culture, strengthens employees' self-directed learning capabilities, and implements a credit-based learning system to manage learning outcomes across different job levels. As the Company's transformation continued to deepen in 2025, the focus of learning and development was further expanded to encompass cultural transformation. We are committed to embedding our core values into daily work practices, strengthening the organization's intrinsic motivation, and helping employees remain adaptable and competitive in a dynamic environment as we move together toward a sustainable future. To support these objectives, we have developed a comprehensive range of competency-based training programs covering all Compal employees, including part-time and contract employees. These programs are designed to build workplace readiness and strengthen the capabilities and attributes required for future success. In 2025, Compal invested more than NT$30 million globally in talent development. Total training hours exceeded 1.11 million hours, and the Company's Human Capital Return on Investment (HC ROI) reached 2.32.

Average Training Hours per Employee Over the Past 4 years



Average Training Expenditure per Employee Over the Past 4 years



Note 1: Amounts are presented in New Taiwan Dollars (NT$).

Human Capital Return on Investment (HC ROI)

Year	2022	2023	2024	2025
a) Total Operating Revenue	1,073,245,915,000	946,714,800,000	910,253,024,000	757,513,030,000
b) Total Operating Expenses	1,032,881,736,000	904,317,906,000	864,881,775,000	714,766,359,000
c) Total Employee-Related Expenses (Salaries+Benefits)	39,485,139,000	35,917,363,000	32,823,332,000	32,310,146,000
HC ROI (a- (b-c)) /c	2.0223	2.1804	2.38229	2.32301
Total Number of Employees	73,120	58,249	43,216	39,756

Note 1: Amounts are presented in New Taiwan Dollars (NT$).
Note 2: Total operating revenue, total operating expenses, and total employee-related expenses are derived from Compal's annual report and consolidated financial statements. The reporting scope covers Compal Electronics, Inc. and its subsidiaries.
Note 3: The total number of employees includes employees of Compal Electronics, Inc. and its subsidiaries.

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2025 Training Statistics Across All Sites

6,010	1.119 Million	238,000	9.26 / 10
Total Training Sessions	Total Training Hours	Total Training Participants	Average Course Satisfaction Score[Note]

Note: This data covers only the 239 training courses conducted in Taiwan sites for which satisfaction surveys were administered.

Training Hours and Expenses

Site	Training Hours		Training Expenses	
	Total Training Hours	Average Hours Per Employee	Total Training Expenses	Average Expenses Per Employee
Taiwan	182,496.66	24.12	$25,307,607	$3,344.47
China	718,298.50	55.36	$3,607,999	$278.09
Vietnam	202,801.50	13.23	$2,028,146	$132.34
Brazil	13,800.82	16.69	$794,190	$960.33
United States	786.00	5.82	$157,150	$1,164.07
Mexico	990.00	25.38	$157,978	$ 4,050.72
Total	**1,119,173.48**	**30.36**	**$32,053,070**	**$ 869.42**

Note 1: Data covers January 1, 2025 to December 31, 2025.
Note 2: Average Training Hours per Employee = Total Training Hours ÷ Total Number of Employees
Average Training Expenses per Employee = Total Training Expenses ÷ Total Employees (Currency: NTD)

Global Employee Training Hours: By Gender

Category		Total Training Hours	Average Training Hours per Employee
Taiwan	Male	134,994.35	27.11
	Female	47,502.31	18.36
China	Male	528,681.75	67.31
	Female	189,616.75	37.03
Vietnam	Male	111,936.00	13.18
	Female	90,865.50	13.30
Brazil	Male	6,644.74	20.01
	Female	7,156.08	14.46
United States	Male	213.00	4.26
	Female	573.00	6.74
Mexico	Male	601.00	27.32
	Female	389.00	22.88
Total		**1,119,173.48**	**30.36**

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Global Employee Training Hours

		Direct Employees		Indirect Employees		Management Level		Non-Management Level	
		Total Training Hours	Average Training Hours	Total Training Hours	Average Training Hours	Total Training Hours	Average Training Hours	Total Training Hours	Average Training Hours
Taiwan	Male	109.90	1.28	134,884.45	27.56	88,648.33	27.89	46,346.02	25.72
	Female	1,422.45	1.86	46,079.86	25.26	21,604.65	25.03	25,897.66	15.02
China	Male	455,785.50	136.59	72,896.25	16.14	33,360.75	22.02	494,563.50	78.02
	Female	135,527.00	61.46	54,089.75	18.56	26,569.00	22.20	163,805.25	41.76
Vietnam	Male	86,839.50	18.18	25,096.50	6.75	9,190.50	78.55	102,745.50	12.26
	Female	78,408.00	17.53	12,457.50	5.29	3,201.00	25.01	87,664.50	13.08
Brazil	Male	2,892.56	16.25	3,752.18	24.36	595.72	18.62	6,049.02	20.16
	Female	5,392.84	13.32	1,763.24	19.59	206.96	23.00	6,949.12	14.30
United States	Male	195.00	9.29	18.00	0.62	0.00	0.00	236.00	5.13
	Female	550.00	9.17	23.00	0.92	0.00	0.00	550.00	6.55
Mexico	Male	268.00	38.29	333.00	22.20	95.00	19.00	506.00	29.76
	Female	236.00	29.50	153.00	17.00	0.00	0.00	389.00	22.88
Total		**767,626.75**	**47.04**	**351,546.73**	**17.11**	**183,471.91**	**26.03**	**935,701.57**	**31.38**

		Male		Female		Total	
		Total Training Participants	Total Training Hours	Total Training Participants	Total Training Hours	Total Training Participants	Total Training Hours
Age	Under 30	57,502	471,785.13	30,741	178,679.52	88,243	650,465
	31-50	89,258	289,163.48	43,407	153,290.26	132,665	442,454
	Above 51	11,443	18,731.93	5,649	7,523.16	17,092	26,255
Nationality	Taiwan	76,397	137,289.41	28,399	46,587.71	104,796	183,877
	China	60,572	536,037.36	31,937	192,053.38	92,509	728,091
	Vietnam	18,528	101,831.24	16,247	88,970.50	34,775	190,802
	Others	2,757	7,935	3,163	8,469	5,920	16,404
Training Type	Internal	157,702	770,996.51	79,497	329,633.47	237,199	1,100,630
	External	552	12,096.50	151	6,447.00	703	18,544

Note: Training type definitions: Internal training refers to training programs organized and conducted by the Company; external training refers to training attended by employees at external training institutions.

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6.2.1 Systematic Training Framework

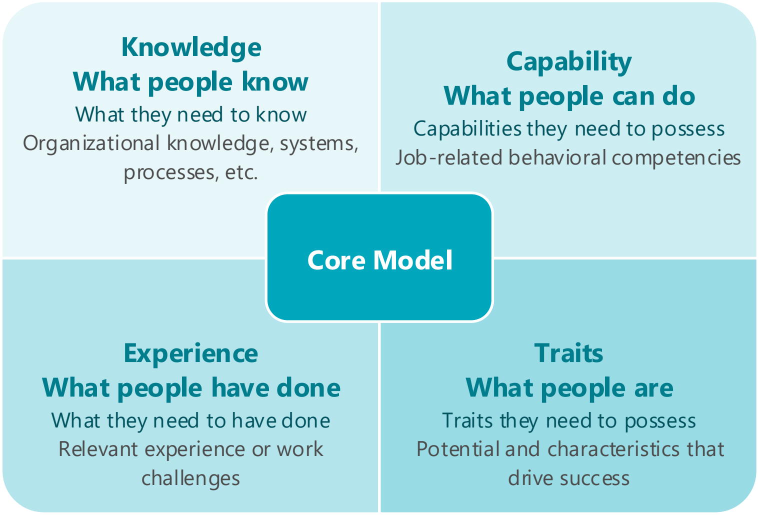
Talent development is one of the key drivers for maintaining a company's competitive advantage. In today's rapidly evolving environment, Compal continuously builds the critical knowledge required for various positions through systematic approaches. We have introduced diversified learning channels that enable learning without the constraints of time or location, while establishing a comprehensive learning framework that provides employees with clear learning directions. Based on this framework, various learning programs have been developed, including language programs, professional programs, and common competency programs. Through these initiatives, Compal aims to cultivate a sustainable workforce and foster a positive culture of self-directed learning throughout the organization.

Competency-Oriented Learning Roadmap

To remain competitive in a rapidly globalizing environment, knowledge and capabilities must be continuously enhanced. Compal places strong emphasis on strengthening the core competitiveness of its talent, recognizing that such competitiveness is built upon the integration of job-related competencies. Only through this alignment can employee capabilities create a win-win outcome for both the organization and its employees. To achieve this objective, 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—thereby promoting overall human resource development and building a comprehensive learning organization.

Core Development Model

To support Compal's Talent Management system and effectively implement key processes such as "Recruitment of Elites", "Definition of Key Talent", "Development of Essential Competencies", and "Retention of Key Talent." Compal conducts analyses of positions at all organizational levels based on four dimensions: "Knowledge", "Experience", "Capability", and "Traits". Incorporating Compal's vision of Teamwork, Systemization, and Innovation, together with input from managers at all levels, the Company has established the Core Model. This model serves to define key job competencies, clarify talent succession status for critical positions, identify competency gaps, and formulate and track development plans potential talent. Based on the competencies required, a wide range of training programs are provided.



COMPALESG

COMPAL ESG Report
2025

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2025 Training Framework

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

New Employee Development Program

Compal aims to help new employees become productive in the shortest possible time by enabling them to acquire the necessary professional knowledge and correct work-related concepts. From the moment they join the Company, employees participate in a series of onboarding programs supported by a mentoring system, through which mentors provide one-on-one guidance to help new hires quickly adapt to Compal's culture and reduce the challenges associated with joining a new organization. After completing one month of service, new employees are invited to complete an onboarding survey to assess their adaptation and work status, allowing timely support and assistance to be provided as needed.

Classroom Training	**New Employee Orientation**	Company introduction, human resources policies and systems, employee benefits programs, information systems and operational procedures, etc.
	Compal Employee Development Program	Compal corporate culture, workplace communication, and related topics.
Online Courses	**New Employee On Job Training**	Quality management, information security, the Employee Code of Ethical Conduct, workplace violence prevention, etc.
	Workplace Adaptation Courses	Career planning, top-down/bottom-up management, peer relationship management, and related topics.
	Occupational Safety and Health Training	Regulatory overview, occupational safety work rules, safety awareness, etc.
	Fire Safety Awareness	Fire prevention, evacuation planning, equipment introduction, etc.
Employee Care	**Mentoring System**	One-on-one mentoring and assistance to help new employees adapt to their job responsibilities.
	Online New Employee Survey	Assessment of employees' adaptation during the onboarding period.

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6.2.2 Diverse Learning Channels

To support corporate transformation and long-term sustainable development, Compal has established a comprehensive and diversified learning and development system that integrates classroom-based training, digital learning platforms, and cross-functional knowledge-sharing mechanisms to foster a diverse learning ecosystem. In addition to learning through internal and external professional instructors via coaching or mentorship, employees are encouraged to engage in collaborative learning and community-based knowledge exchange within teams and networks to promote knowledge sharing and practical application. The Company also leverages its e-learning platform to enhance learning flexibility and accessibility. Through tailored course design and diversified learning channels, Compal ensures that all employees—including full-time, part-time, and contract employees—can continuously strengthen their professional capabilities and future-critical competencies.

E-learning Platform

To advance talent development, Compal has established a comprehensive internal learning management system and integrated various learning resources through its E-learning platform, enabling employees across all global sites to share a wealth of knowledge and learning resources. The platform also provides personalized learning functions that allow employees to clearly track their learning journeys and independently plan their learning progress through designated learning roadmaps. In addition, Compal leverages big data analytics to gain insights into the learning and development status of employees across the organization.

Employee Participation Rate 30.3%

Number of Employees Trained in Taiwan (2025) ÷ Total Number of Employees in Taiwan (2025)

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

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Promotion Credit System

To ensure that every Compal employee possesses the knowledge and capabilities required when assuming a new management position, the Company has developed learning programs for different organizational levels based on competency requirements. These programs are designed to enhance employee capabilities and professionalism, support organizational development needs, and maximize training effectiveness through the efficient utilization of training resources. Compal clearly defines the competency requirements for each position and has established an open and transparent development mechanism that aligns employee growth with performance objectives and the Company's development goals.

- The Promotion Credit System serves as a company-wide training framework that establishes a common language throughout the organization and is implemented at all levels.

In response to evolving market trends, Compal continuously optimizes its internal development programs to strengthen employees' soft skills and adaptability to change. The Company regularly reviews and reorganizes the critical competencies required for different positions, focusing on its Core Model and enhancing course structures to better align with Compal's common language framework. Between 2017 and 2024,, the Promotion Credit System has provided training to 35,478 participants, totaling 244,553 training hours. Compal will continue to promote this program to strengthen the sustainable employability and long-term development capabilities of its workforce.

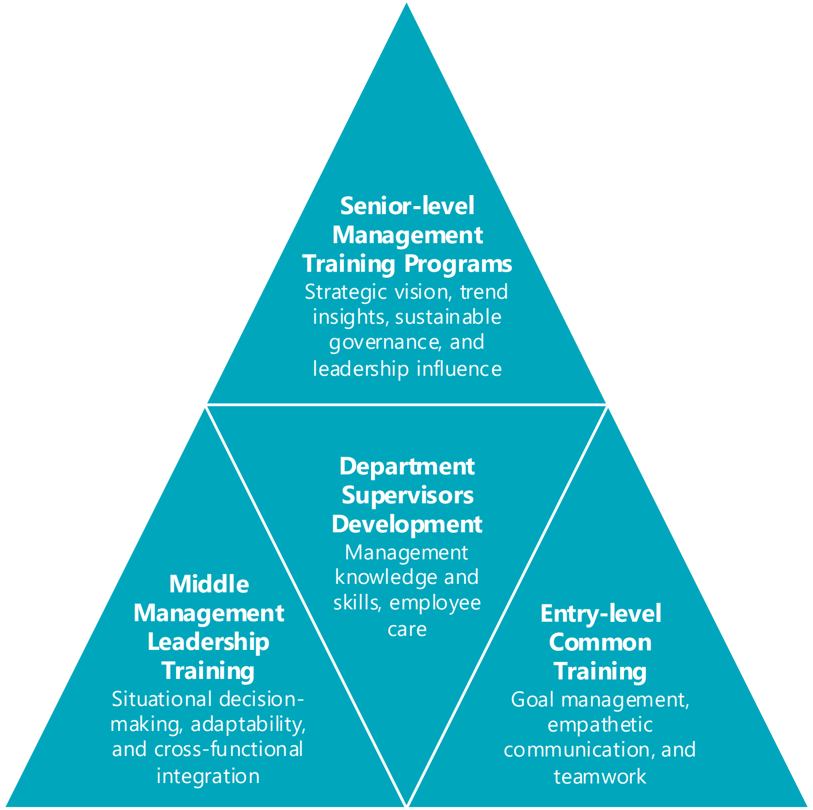
After more than 8 years of implementation, the Promotion Credit System has enabled employees to receive timely, practical, and job-relevant training as they transition from individual contributors to managerial roles. The program has enhanced employees' long-term career sustainability within Compal. In 2025, 30.3% of employees in Taiwan improved the competencies required for their new positions through the Promotion Credit System, while the promotion rate among participating employees reached 39.3%. The program continues to create a positive cycle that supports business development and reinforces Compal's corporate culture, while advancing the objective of establishing a common language across the talent pool.

Promotion Rate 39.3%

Number of Employees Trained in Taiwan Who Were Promoted in 2025 ÷ Number of Employees Trained in Taiwan in 2025

Leadership Development for Management Talent

To help employees achieve work objectives and enhance both efficiency and effectiveness, Compal develops a series of management training programs based on managerial competencies required at different organizational levels, including first-line supervisors, middle management, and senior management. In 2025, the Company focused on the following key training initiatives:



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Entry-level Management Training (Chengdu Facility)

To strengthen the management capabilities of first-line supervisors, Compal offers a series of thematic training courses, including AI Knowledge and Workplace Applications, Eight Practices for Outstanding Managers, and Goal Management and Plan Execution. Through a systematic learning framework, the program inspires self-awareness, growth motivation, and continuous development among supervisors while comprehensively strengthening management capabilities from both mindset and methodology perspectives.

Mid-level Management Succession Program (Taiwan Region)

To enhance succession readiness among middle managers, Compal organized the "Flinta Island" business simulation training program in 2025. Through simulated business scenarios, participants developed decision-making agility and holistic thinking in dynamic environments, while strengthening cross-functional integration and resource coordination capabilities to support managerial role transitions and leadership development.

Leadership Development for Middle and Senior Level Management (Taiwan Region)

To further strengthen the leadership and decision-making capabilities of middle and senior managers, Compal introduced the curriculum framework of the Commonwealth Leader Campus in 2025. The program focuses on cultivating strategic vision, trend insights, sustainable governance, and leadership influence. Course topics include CEO perspectives, ESG issues, artificial intelligence, and industry trends, enhancing the management team's ability to lead change and make effective decisions in a rapidly evolving business environment.

4,710
Training Participants

2,856.8
Training Hours

Common Competency Programs

To enable employees to effectively understand and leverage external information in order to develop beneficial recommendations and plans, Compal provides a series of training programs focused on gaining insights into the latest industry developments and market trends.

Digital Skills Training

AI Literacy Program for All Employees (Taiwan Region)

The Company continues to promote digital capability enhancement across the workforce in response to the rapid changes of the digital era. In 2025, all employees were assigned the online course "AI Literacy: Generative AI Overview". In addition, 11 elective courses related to AI and digital skills were made available, along with two technology trend seminars designed to help employees apply digital thinking in their daily work. A total of 16,335 participations were recorded in digital skills training during the year, accumulating 23,426 training hours. In 2026, Compal will continue to invest in digital skills development resources to further strengthen employees' digital capabilities and support the Company's ongoing growth and transformation.

Cross-Disciplinary Learning Program – Empowering the Future with AI (Kunshan Facility)

In 2025, Compal organized the course "Data Analysis and Visualization: Unlocking the Secrets of Manufacturing and Empowering the Future with AI to Illuminate Organizational Intelligence." Through site visits and experiential learning, participants gained a deeper understanding of metaverse technologies, their applications, and future development potential, while gaining clearer insights into the core value of AI-enabled business transformation in addressing efficiency challenges in research, development, innovation, and manufacturing operations. The program also helped participants develop core Python-based data analysis skills, learn to use visualization tools to transform complex information into intuitive insights, and understand the application logic behind predictive maintenance, production capacity optimization, and other intelligent manufacturing scenarios, thereby building a technological foundation for organizational smart manufacturing.

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DEI Improvement Programs

At Compal, we believe that everyone should have equal opportunities and are committed to creating a diverse and inclusive workplace that attracts outstanding talent. We are dedicated to integrating workplace equity into every action and decision, fostering an environment where every individual can realize their full potential, and continuously striving to contribute to workplace equality. Our efforts begin with creating a diverse, equitable, and inclusive environment by encouraging individuals to recognize and embrace differences, listen to diverse perspectives, and welcome various challenges. From 2023 to 2025, Compal planned a series of training programs to continuously strengthen multicultural awareness among all employees, with the goal of delivering meaningful contributions and tangible benefits to the Company. Promoting multiculturalism is a shared responsibility across the organization. To ensure collective commitment and alignment, the initiative has been implemented in three stages:

2023 Consensus Building

Establish consensus and collaborate

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

2024 Company-wide Understanding

Deliver basic knowledge of diverse cultures

Through a series of training programs, employees learned why multiculturalism is a critical business element and how to apply these concepts in their daily work, thereby enhancing foundational awareness.

2025 Implementation

Embrace diversity and inclusion

Through ongoing activities and training, multicultural values are reinforced through concrete actions and integrated into systems, policies, and corporate culture.

2025 Highlight Achievements of Taiwan Region

Stage	Trainees	Training Content and Results
Establishing Fundamental Multicultural Awareness	**All Employees**	○ Soft engagement activities were organized in conjunction with international observances such as Pride Month and the International Day of Sign Languages, encouraging employees to learn about different communities and cultures, understand diverse backgrounds and values, foster empathy, and reduce bias, thereby creating a respectful and inclusive workplace. A total of 8 events were held, attracting 818 participants. ○ 2 sessions of the "My Happiness Imprint – Silk-Screen Printing Workshop" were conducted, allowing employees to learn about symbols representing Taiwan's diversity and inclusion through hands-on creative experiences. A total of 66 participants attended, accumulating 99 training hours.
Promoting Inclusive Communication and Collaboration	**All Employees**	An online workplace communication course was provided to address common communication blind spots and help employees develop communication skills rooted in respect and understanding in workplaces characterized by diverse backgrounds and perspectives. Participants also learned to express viewpoints logically and effectively, facilitating constructive dialogue. The training attracted 951 participants and accumulated 1,902 training hours.
	Management Position	1 seminar and 1 online management course were designed to help managers understand the importance of intergenerational communication, recognize the values of different generations, initiate empathetic dialogue, and maintain positive team relationships. The program also developed managers' capabilities in conflict analysis, negotiation strategies, and communication skills to facilitate cross-functional consensus building. A total of 852 participants attended, accumulating 1,303 training hours.
Women's Leadership	**All Employees**	An online Women's Leadership course was offered, focusing on professional performance, leadership presence, and visibility enhancement. The course helped employees understand the importance of professional expression and influence among female talent in diverse and multicultural environments, further supporting women's leadership development. The training attracted 1,450 participants and accumulated 2,900 training hours.

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Transition Programs for Retiring and Departing Employees

Compal values employee support throughout every stage of their careers. For employees facing resignation, retirement, or career transitions, the Company continues to provide comprehensive transition support programs to help them navigate change smoothly while maintaining career value and quality of life. Our efforts focus on the following three areas:

- **Pre-Retirement Planning and Support:** To assist employees in preparing for retirement, Compal provides retirement benefits in accordance with applicable regulations and offers resources related to retirement planning. In 2025, two pre-retirement planning seminars were held in Taiwan, covering topics such as retirement cash flow management, asset allocation, and risk preparedness. A total of 328 participations were recorded, with an average satisfaction score of 9.23 (out of 10). In addition, one-on-one consultation services with banking professionals were made available to provide personalized retirement planning support and help employees confidently transition to the next stage of their lives.
- **Internal Talent Mobility Program:** To support employees' continued development at different career stages, Compal has established an internal talent mobility mechanism. Job openings are publicly posted through internal platforms, while HR assists with talent matching and interview arrangements to facilitate cross-functional mobility and appropriate talent deployment. Employees enrolled in a Performance Improvement Plan (PIP) are also provided with job suitability assessments and internal transfer opportunities, avoiding reliance on separation as the sole solution and helping employees continue their career development while improving organizational talent utilization.
- **Employee Assistance Program (EAP) for Career Transition Support:** Since 2019, Compal has implemented an Employee Assistance Program (EAP) in collaboration with external professional service providers. The program offers a range of services, including psychological counseling, career planning support (including resignation and retirement planning), and retirement financial consultation. Employees may voluntarily apply for these services as needed to obtain appropriate support and adjustment resources during career transitions, thereby reducing physical and psychological stress and enhancing transition stability.

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6.2.3 Key Talent Development

Potential Talent Assessment and Individual Development Plans (IDP)

Compal's Individual Development Plan (IDP) program is based on the Compal Core Development Model and supported by professional assessment tools. Through objective and systematic evaluation mechanisms, key talent at various organizational levels is identified and provided with tailored development plans.
Since 2018, Compal Taiwan has been committed to cultivating and maintaining a robust talent pipeline, key talents and their direct supervisors jointly discuss and establish annual development objectives. Development activities are carried out through various approaches, including training courses, regular one-on-one discussions, long-term coaching and mentoring, assigned developmental projects, etc. Throughout the development process, system-based support tools are utilized, and mid-year and year-end reviews are conducted annually to assess development outcomes and monitor progress. Positive feedback mechanisms are actively encouraged and embedded into the program. Through this year-long development process, both potential employees and their supervisors are able to deliberately strengthen individual strengths and development areas, demonstrate targeted key behaviors, and ultimately achieve meaningful behavioral change. To address the organization's long-term talent development needs, managers may also establish Individual Development Plans for general employees, increase the frequency of reviews as necessary, and adjust development plans based on actual circumstances. Through continuous development planning and capability building, Compal continues to strengthen its high-quality talent pool.

In 2025, a total of 1,936 employees in Taiwan participated in the program, and the retention rate among participants reached 87.1%, helping Compal continuously cultivate outstanding talent, build critical organizational knowledge, and enhance overall corporate competitiveness.

1,936 Participants
in talent development programs (Taiwan Region)

25.6% Talent Development Rate
(In Taiwan Region, total program participants ÷ Total active employees)

87.1% Retention Rate
(In Taiwan Region, number of active employees participating in the program ÷ Total program participants)

Professional and Technical Talent Development - Cultivation Program

To strengthen the professional capabilities of R&D teams and promote cross-functional collaboration, Compal has established an R&D knowledge-sharing and exchange mechanism. R&D departments plan sharing topics and select speakers based on their areas of expertise, while internal and external expert seminars and cross-functional technical exchange sessions are held regularly. These initiatives build robust teams and networks that facilitate the systematic transfer and reuse of technical knowledge and experience. The diverse range of topics covers emerging technologies, industry trends, and academic applications, helping R&D personnel stay informed of key technological developments while promoting cross-departmental knowledge sharing and integrated application capabilities. These initiatives further enhance R&D effectiveness and overall organizational innovation. In 2025, a total of 42 courses were conducted in Taiwan, attracting 5,641 participant attendances, with 52 internal and external speakers invited to share their professional expertise. To encourage employees to serve as internal instructors, the Company also holds an annual Outstanding Instructor Selection Program every December, with award recipients publicly recognized and honored.

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6.2.4 Diverse Evaluation Approaches

Periodic Performance Appraisal

To ensure the effective execution of Compal's corporate, departmental, and individual objectives, regular performance reviews are conducted, including annual performance evaluations and probationary period assessments for new hires. Through fair and objective evaluation standards, the Company assesses employees' job performance and identifies areas for improvement. Performance reviews enable Compal to ensure that employees' performance aligns with organizational expectations and standards while facilitating the timely identification and resolution of issues. In addition, they promote two-way communication between the Company and employees, allowing supervisors to provide timely guidance and support to their team members. This process enhances overall work performance and supports the achievement of Compal's long-term development goals.

Items	Target Group	Description	Frequency
Probationary Assessment for New Hires	**New employees**	Through probationary assessments, the suitability of newly hired employees for their current positions is evaluated. Employees who meet performance expectations are formally appointed, while those who do not may have their probation extended or their employment terminated, ensuring effective implementation of the probationary evaluation system.	Upon completion of two months of employment
Intern Evaluation	**Interns**	Supervisors and interns jointly establish objectives based on the type of internship, followed by performance review and evaluation of outcomes.	Upon completion of one month of internship
Annual Performance Appraisal	**All Employees**	To support talent identification and organizational development, Compal has established a performance-oriented evaluation system. Through objective assessment mechanisms, supervisors are able to provide effective feedback and support employees' career development, thereby enhancing overall employee quality and professional capabilities while contributing to team performance and business growth. In addition, a Performance Improvement Program is implemented to provide tailored coaching and support for employees requiring additional assistance, strengthening competencies and improving performance to ensure that every employee can realize their full potential and grow together with the Company.	Once or twice a year
Team-based Performence Appraisal	**Specific business units and all employees within those units**	To promote organizational development, achieve business objectives, and facilitate technology implementation, annual KPIs are established for specific business units and linked to the performance management system. These KPIs include operational indicators (such as profit and revenue) as well as organizational development indicators (such as innovation capability). Business units with higher achievement rates are allocated a greater proportion of top performance ratings, and supervisors evaluate team members based on the performance distribution of their respective teams.	Annually
Multidimensional Performance Appraisal	**R&D Departments and Their Employees**	To enhance the fairness and comprehensiveness of performance evaluations, a multi-source assessment mechanism has been established for R&D project teams. In addition to evaluations conducted by direct supervisors, feedback is also collected from project managers, cross-functional managers, and cross-functional peers. This approach ensures that performance results more comprehensively reflect individual professional performance and contributions to cross-functional collaboration. By incorporating multiple perspectives, the mechanism reduces subjective bias from any single evaluation source and strengthens the objectivity and transparency of performance management.	Annually
Individual Development Plans (IDP)	**Potential talent and designated managers or employees requiring further development**	At the beginning of each year, development objectives are jointly established by the participant and their supervisor. Mid-year and year-end reviews are conducted to evaluate development outcomes and track progress, while positive feedback is encouraged and reinforced throughout the process. Supervisors may provide ongoing coaching and feedback at any time during the year. Through this year-long development process, participants deliberately strengthen both their existing strengths and identified development areas. The process and outcomes of the IDP also serve as one of the key reference factors in performance evaluations, integrating talent development with performance management.	Ongoing

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Periodic Appraisal of Performance Data

Category		Taiwan			China			Vietnam			Brazil			United States			Mexico		
		(A)	(B)	%	(A)	(B)	%	(A)	(B)	%	(A)	(B)	%	(A)	(B)	%	(A)	(B)	%
Direct Employees	Male	70	86	81.40%	3,335	3,337	99.94%	4,610	4,776	96.52%	178	178	100.00%	21	21	100.00%	7	7	100.00%
	Female	318	763	41.68%	2,196	2,205	99.59%	3,011	4,473	67.32%	405	405	100.00%	60	60	100.00%	8	8	100.00%
Indirect Employees	Male	4,811	4,894	98.30%	3,163	4,517	70.02%	776	3,719	20.87%	154	154	100.00%	29	29	100.00%	10	15	66.67%
	Female	1,777	1,824	97.42%	2,237	2,915	76.74%	553	2,357	23.46%	90	90	100.00%	25	25	100.00%	8	9	88.89%
Non-Management Level	Male	1,722	1,802	95.56%	5,059	6,339	79.81%	5,284	8,378	63.07%	300	300	100.00%	46	46	100.00%	15	17	88.24%
	Female	1,240	1,724	71.93%	3,281	3,923	83.63%	3,466	6,702	51.72%	486	486	100.00%	84	84	100.00%	16	17	94.12%
Management Level	Male	3,159	3,178	99.40%	1,439	1,515	94.98%	102	117	87.18%	32	32	100.00%	4	4	100.00%	2	5	40.00%
	Female	855	863	99.07%	1,152	1,197	96.24%	98	128	76.56%	9	9	100.00%	1	1	100.00%	0	0	0.00%
Total		**6,976**	**7,567**	**92.19%**	**10,931**	**12,974**	**84.25%**	**8,950**	**15,325**	**58.40%**	**827**	**827**	**100.00%**	**135**	**135**	**100.00%**	**33**	**39**	**84.62%**

(A) Number of employees receiving periodic performance and career development reviews

(B) Total number of employees in the category

Note 1: Percentage (%) = (A) / (B) × 100.

Note 2: Some direct employees in Taiwan did not participate in the performance evaluation system because they were foreign production-line workers whose performance evaluations are conducted once every three years. Therefore, some foreign production-line workers did not undergo performance reviews in 2025.

Note 3: Direct employees at the Vietnam plants are not included in the Company's standardized periodic performance and career development review system.

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6.3 Human Rights Management, Due Diligence and Protection

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. In all operational and business activities, Compal complies with applicable labor laws and regulations in the jurisdictions where it operates and references internationally recognized human rights and labor standards, including the International Bill of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, and the Ten Principles of the United Nations Global Compact (UNGC). Compal also adopts management practices aligned with the Responsible Business Alliance (RBA) Code of Conduct to ensure that all individuals work in an environment where their rights are respected and protected.

Compal’s human rights management scope covers its operating sites and value chain stakeholders, including employees, subsidiaries, tier-one suppliers, contractors, and joint ventures.

Human Rights Policy

This policy applies to all employees working at the Group’s offices and manufacturing sites, including full-time employees, part-time personnel, interns, and contract workers. It also extends to subsidiaries, suppliers, customers, business partners, joint ventures, and other institutions or legal entities over which the Company exercises substantial control. Compal has also established a Supplier Code of Conduct, requiring supply chain partners to adhere to the same standards and prohibiting any actions that infringe upon or violate human rights. Compal continuously reviews its human rights management systems and policies and conducts rolling updates and improvements based on operational needs and evolving international human rights trends.

In 2025, the Company further reviewed and enhanced its Human Rights Policy to strengthen the human rights management framework and reinforce the protection of the rights of all employees and stakeholders. The policy enhancements also referenced the requirements of the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Responsible Business Alliance (RBA) Code of Conduct, further improving the comprehensiveness of the Company’s human rights management system. The Company also regularly conducts human rights-related training and awareness programs to enhance employees’ understanding of human rights issues and strengthen a human rights-focused corporate culture. Details of the Compal Electronics “Human Rights Policy” are available on the ESG website.

Key Enhancements to the Human Rights Policy in 2025

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

Prevention of Discrimination, Workplace Harassment, and Corruption

Compal is committed to creating a fair, respectful, and ethical workplace and maintains a zero-tolerance approach toward discrimination, workplace harassment, corruption, and other inappropriate conduct. Such matters are governed by the Anti-Discrimination and Anti-Harassment Policy, Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct for Directors and Managers, Employee Code of Conduct of Compal Electronics, Inc., and the Code of Integrity.

The Company has established complaint and whistleblowing mechanisms and conducts investigations and handling procedures in accordance with the Whistleblowing Policies and Procedures. Through ongoing training and awareness initiatives, Compal continues to strengthen human rights protection and a culture of ethical management, thereby maintaining a positive working environment and sound operational order.

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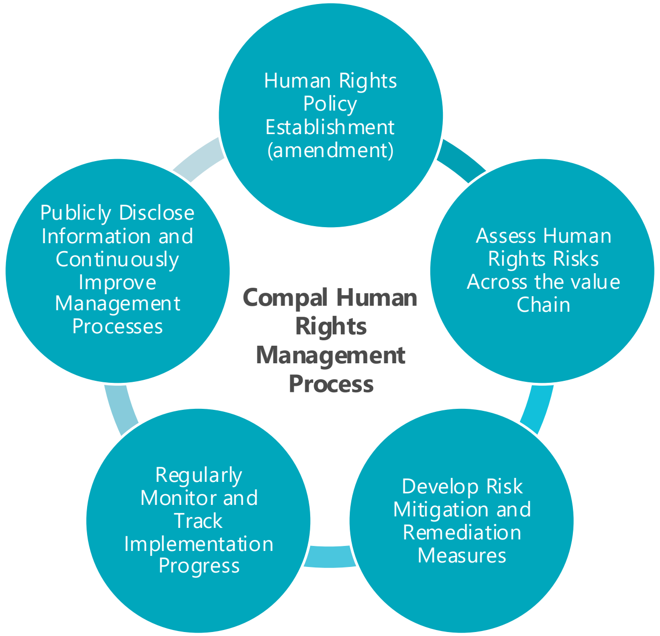
6.3.1 Human Rights Management, Due Diligence and Governance

Compal has established a human rights management system that incorporates respect for human rights into its corporate governance and operational management framework. In accordance with the principles of human rights due diligence, the Company has developed a human rights management process to continuously identify, manage, and monitor human rights issues that may arise from its operations and value chain activities. Compal conducts a human rights risk assessment at least once every three years and discloses the assessment results and related management measures in both Chinese and English through its Sustainability Report and official ESG website to enhance transparency and strengthen stakeholder communication. 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".

In 2025, the Company continued to follow its established human rights management process to monitor the effectiveness of the management measures implemented for the salient human rights issues identified in the previous year. It also regularly reviewed the implementation status of relevant management measures to further strengthen its human rights risk management mechanism.

Responsible Units

To ensure the effective implementation and execution of this policy, Compal has incorporated human rights issues into its overall sustainability governance framework. Human rights-related policies, programs, and management matters are governed by the Board of Directors. Under the four dimensions of Economic, Environmental, Social, and Governance (EESG), the Board is responsible for oversight, while the Sustainability Committee supervises the implementation of related policies and management initiatives. Functional teams, including Human Resources, Responsible Manufacturing, and Sustainable Supply Chain Management, serve as the responsible units for managing and executing human rights-related matters. These units jointly promote human rights management initiatives, consolidate implementation results, and report regularly to the Sustainability Committee. The Sustainability Committee and the Board of Directors are responsible for overseeing the overall operation and effectiveness of human rights governance.



6.3.2 Human Rights Risk Assessment

Compal identifies actual and potential human rights issues arising from its operational activities and value chain management through human rights risk assessments and incorporates these issues into its human rights management framework. In 2024, the Company completed a new human rights risk assessment and evaluated issues based on their Likelihood of occurrence and Severity of human rights impacts. Salient human rights issues were identified through a matrix analysis approach. Details of the assessment methodology and results are provided in the 2024 Human Rights Report. During the assessment process, the Company considered various stakeholder groups, including direct employees and specific groups such as female employees, indigenous employees, and migrant workers. Potential human rights risks were identified through existing management systems and information collection mechanisms. The 2024 assessment results identified the following salient human rights issues: excessive working hours, occupational health and safety, freedom of association, and the right to collective bargaining. In 2025, the Company continued to monitor and manage the salient human rights issues identified in the previous year. Through relevant policies, management measures, and questionnaire surveys, Compal reviewed changes in human rights risks and assessed the effectiveness of implemented mitigation measures.

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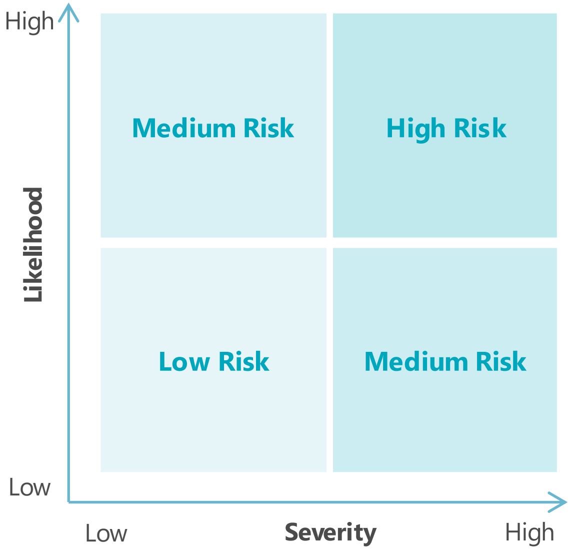
Compal adopts a zero-tolerance approach toward child labor, forced labor, and human trafficking and incorporates these issues into its annual human rights risk assessment and management mechanisms in accordance with the Responsible Business Alliance (RBA) Code of Conduct and other relevant international standards.

The Company has established the Guidelines for Remediation Measures to Prevent the Employment and Misuse of Child Labor and the Policy on No Forced Labor, Non-Discrimination, and Anti-Harassment, which clearly define remediation measures for child labor and prohibit forced labor and related practices. Prevention and management efforts are further strengthened through grievance mechanisms and employee training programs.

Within the supply chain, suppliers are required to comply with the RBA Code of Conduct and the Supplier Code of Conduct. Risk management is conducted through supplier self-assessment questionnaires (SAQs) and other relevant management mechanisms.

Based on the 2025 human rights risk questionnaire surveys covering employees and contractors, as well as supply chain management assessments, no incidents of child labor, forced labor, human trafficking, retention of identity documents, forced overtime, or other improper labor practices were identified.



Salient Human Rights Issues Identified in 2024

- Excessive Working Hours
- Occupational Health and Safety
- Freedom of Association
- Right to Collective Bargaining

Salient human rights issues were identified based on a comprehensive assessment of both the likelihood of occurrence and the severity of potential human rights impacts.

Follow-up Status of Salient Human Rights Issues (2024 Assessment / 2025 Follow-up)

In 2025, the Company continued to monitor and manage the salient human rights issues identified through the previous year's assessment. Human rights risk monitoring questionnaires were conducted among employees, contractors, and suppliers, supplemented by existing management systems and due diligence processes. The Company reviewed changes in human rights risks and tracked the implementation progress and effectiveness of relevant management measures.

	Salient Human Rights Issue	Stakeholders Involved (Value Chain)	2025 Follow-up Results
Employees	Excessive Working Hours	Direct employees, indirect employees	Overall risk level assessed as low to medium
	Occupational Health and Safety	Direct employees, indirect employees	Overall risk level assessed as low to medium
	Freedom of Association	Direct employees, indirect employees	Overall risk level assessed as low to medium
	Right to Collective Bargaining	Direct employees, indirect employees	Overall risk level assessed as low to medium
Value Chain (Contractors and Joint Ventures)	Excessive Working Hours	Tier-1 contractors, joint ventures	Overall risk level assessed as low to medium
	Occupational Health and Safety	Tier-1 contractors, joint ventures	Overall risk level assessed as low to medium
	Freedom of Association	Tier-1 contractors, joint ventures	Overall risk level assessed as low to medium
	Right to Collective Bargaining	Tier-1 contractors, joint ventures	Overall risk level assessed as low to medium
Value Chain (Suppliers) Please refer to 8.2 Responsible Supply Chain.	The overall follow-up results indicate that all salient human rights issues currently remain at a low-to-medium risk level, and no significant human rights incidents were identified. The Company will continue to adjust relevant management measures and risk management practices on a rolling basis in accordance with follow-up results, thereby continuously strengthening its human rights risk management framework.		

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Risk Mitigation and Remediation Measures

For the salient human rights issues identified through the human rights risk assessment, Compal has developed corresponding risk mitigation and remedial measures based on the assessment results and continues to implement related management actions through its existing management systems.

In 2025, the Company continued to monitor the implementation of these measures through established management mechanisms and adjusted relevant management practices on a rolling basis according to follow-up results in order to continuously strengthen human rights risk management. If potential human rights risks or related grievance cases are identified, the Company will address and remediate them through its established grievance and investigation mechanisms.

Value Chain Nodes	Salient Human Rights Issue	Mitigation Measures (Applicable to Headquarters and Global Sites)	Remedial Measures
(1) Direct Employees, Indirect Employees, and Subsidiaries	Excessive Working Hours	○ Maintain effective communication with customers and establish reasonable delivery schedules. ○ Optimize production planning based on existing orders and workforce availability to minimize working hours whenever possible. ○ Ensure weekly working hours do not exceed 60 hours through management communication and internal audits conducted by departmental assistants. ○ Utilize system-based working-hour monitoring with daily email alerts for overtime situations. Additional site-specific measures include displaying accumulated and projected monthly overtime hours on overtime application forms (Taipei HQ), adjusting operational schedules at the CEM facility (Brazil), complying with SA8000 standards (Mexico), weekly monitoring by Human Resources (Brazil and the U.S.), and automated warning notifications during employee time-entry reporting (Pingzhen Plant).	○ The system is configured with a maximum weekly working-hour limit of 60 hours, and overtime applications cannot be submitted once the limit is exceeded. ○ Certain sites also send weekly email notifications to department managers listing employees who have reached the maximum overtime limit (Taipei HQ).
	Occupational Health and Safety	○ Employees are required to follow operating procedures, hold valid certifications, and wear appropriate personal protective equipment during work activities. ○ Hazardous equipment is inspected regularly to ensure operational safety. ○ Annual hazard identification and risk assessments are conducted, with priority given to substituting hazardous substances or processes. ○ High-risk employees undergo periodic health examinations, while general employees receive annual health checkups and follow-up monitoring.	○ Dedicated professionals are assigned to conduct pre-operation, during-operation, and post-operation inspections to reduce incidents associated with high-risk work activities. ○ Safety education is reinforced, incidents are reviewed promptly after occurrence, and regular inspections are conducted to prevent health-related risks. ○ Necessary assistance is provided for occupational injuries, traffic accidents, serious illnesses, and other emergencies to ensure employees receive timely support and care.
	Freedom of Association	○ In compliance with the Ministry of Labor's "Regulations for Implementing Labor-Management Meeting," employees are entitled to freely and voluntarily form and join associations. Labor unions have been established at certain sites, and all employees may join without paying membership fees (Kunshan Plant). ○ Internal support measures, including grievance channels and suggestion boxes, are provided to facilitate constructive dialogue.	○ External mediation may be sought when necessary to protect employee rights. Information transparency is enhanced, and specific solutions are proposed for disputed issues to avoid misunderstandings, interference, or conflict.
	Right to Collective Bargaining	○ Labor-management committees or labor unions are established to facilitate negotiations with employees. Multiple communication channels are provided to respond promptly to employee feedback and foster positive labor-management relations. ○ Negotiation mechanisms are reviewed regularly, communication methods are optimized, and preventive measures are implemented to minimize future conflicts.	

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Value Chain Nodes	Salient Human Rights Issue	Mitigation Measures (Applicable to Headquarters and Global Sites)	Remedial Measures
(2) Tier-1 Suppliers, Contractors, and Joint Ventures	Excessive Working Hours Occupational Health and Safety Freedom of Association Right to Collective Bargaining	o The Human Rights Policy states the commitment to ensuring a safe and healthy workplace, complying with applicable working-hour regulations, and respecting employees' rights to freedom of association and collective bargaining. The policy explicitly applies to all employees, suppliers, business partners, joint ventures, and other stakeholders. o Compal has established a Supplier Code of Conduct, requiring suppliers to comply with sustainability standards and requirements across all dimensions of the Responsible Business Alliance (RBA) Code of Conduct. The Code is publicly available through the supplier training platform. o Compal distributes an annual Supplier ESG Risk Assessment Questionnaire and classifies suppliers into high-, medium-, or low-risk categories based on major issue violations and compliance performance. Corresponding management measures are implemented according to the assigned risk level. o ESG performance evaluations have been incorporated into Compal's supplier management framework, including occupational health and safety performance indicators. o Through annual supplier conferences, Compal communicates and engages with suppliers to jointly enhance ESG performance on an ongoing basis. o The Pingzhen and Kunshan facilities have established Contractor Environment, Safety and Health Management Procedures and Contractor Commitment Agreements, together with Contractor Violation Penalty Provisions, to ensure that contracted engineering activities comply with applicable occupational safety, health, and environmental regulations. o Public disclosures and sustainability reports of joint ventures are reviewed to understand their management practices relating to occupational health and safety, excessive working hours, freedom of association, and collective bargaining rights.	o Compal requires suppliers to develop and implement corrective action plans for all identified deficiencies. The Company also provides guidance, recommendations, and follow-up on supplier corrective actions to support the effective implementation of improvement plans. o For high-risk suppliers For high-risk suppliers that fail to provide substantive responses or corrective actions after three consecutive notifications, Compal may discuss reducing the number of new projects awarded to the supplier or decreasing existing procurement volumes. Suppliers involved in serious cases may be removed from the approved supplier list.

6.3.3 Open Communication Channels

Compal values stakeholder feedback and provides diverse communication channels. All feedback is reviewed and addressed in accordance with relevant policies and procedures, ensuring that stakeholders' voices are heard, respected, and duly considered.

External Communication Channels

Item	Description	E-mail
Ethical management, various channels for whistleblowing	Reporting of corruption, issues of business reputation or human rights violations and so forth.	ethics@compal.com
Supplier Communication Window/Supplier conference	Supplier-related issues and collaboration matters	ethics@compal.com
Channel for customer communication	Clarifications for customer inquiries and collaborations and so forth.	NBServices@compal.com
Liaison for investor communications	Investor-related inquiries	investor@compal.com
ESG Office	Sustainability-related inquiries and collaboration	ESG@compal.com

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Internal Communication Channels

Compal respects employees' rights to free expression and open communication. Through diverse and accessible communication and consultation mechanisms, the Company fosters positive labor-management relations and encourages employees to share their opinions and suggestions. All employee feedback is handled confidentially and addressed in a timely manner, with follow-up actions taken to ensure appropriate resolution. In 2025, Compal maintained multiple employee communication channels (See table on the right) across global operations, receiving a total of 44,117 employee comments, inquiries, suggestions, and feedback through these platforms.

Global Employee Communication Channels

Channel	Key Communication Topics
Physical Suggestion Boxes	Physical suggestion boxes located at plant sites for collecting employee feedback and suggestions.
Unlawful Infringement in the Workplace	Reporting of sexual harassment, workplace bullying, and other workplace misconduct concerns: sh@compal.com.
Email Mailboxes (Plant Emails, Employee Suggestion Mailboxes, IT/General Affairs Maintenance)	Plant-specific email channels, including opinion@compal.com and Careyou_CQ@compal.com, are available for employees to submit feedback and suggestions. Employees may submit their feedback anonymously or under their real names. While both options are accepted, submissions made under real names are preferred to facilitate case handling and follow-up communication.
Telephone Communication	Dedicated telephone communication channels available at each plant site for employee inquiries, feedback, and suggestions.
Compal 580	Employees may submit inquiries, feedback, and suggestions through the Compal 580 online consultation platform.
WeChat 580	Employees may submit inquiries, feedback, and suggestions through the WeChat 580 platform.
Consultation Hotline	Employees may call designated consultation hotline to inquire about workplace-related matters, raise concerns, or provide feedback and suggestions.
On-site Production-Line Counselors	Employees may consult production-line counselors at any time to raise questions, discuss concerns, and provide feedback or suggestions.
Interview Rooms	HR offices are equipped with dedicated interview rooms, enabling employees to conveniently seek assistance, raise concerns, and provide feedback in a confidential environment that safeguards personal privacy.
Employee Forums	The Company conducts discussion forums for new employees, specific employee groups, and all employees to understand employee needs and collect feedback.
Shop-Floor Visits	Employee Care Representatives and Social Responsibility (SR) personnel conduct regular shop-floor visits to understand employee concerns and gather feedback.
Employee Shop-Floor Visits	On-duty personnel at employee care stations provide on-site consultation and respond to employee questions, feedback, and suggestions.
580 Mailbox	Employees may submit feedback, concerns, and suggestions via 580@compal.com
Other	Employees may also raise concerns or submit feedback through relevant government authorities.
Intranet Bulletin	Timely announcements of company-related information, including employee activities, personnel changes, and other important updates.
Compal Newsletter	An electronic publication for employees in Taiwan that showcases literary and artistic works contributed by employees. The publication features a wide range of content, including company activities, photography, comics, travel, poetry and prose, ESG topics, and workplace-related columns.
Town Hall Meeting	The CEO personally presents the Company's operational priorities and development direction for the coming year to senior executives worldwide.

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Number of Special Cases

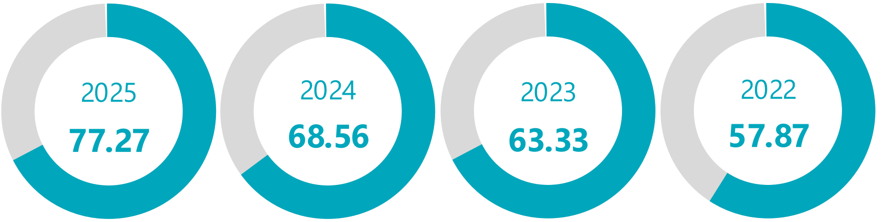
Item	Cases Reported	Filed Cases	Site	Follow-up Actions
Sexual Harassment	4	1	Taiwan	○ Strengthen preventive measures and awareness programs ○ Confirmed cases are handled in accordance with the Company's employee reward and disciplinary regulations.
Workplace Bullying	26	14	China/ Vietnam / Brazil	
Discrimination	-	-	-	

Labor Relations and Collective Bargaining - Freedom of Association

In accordance with the Ministry of Labor's Regulations for Implementing Labor-Management Meetings and the Company's internal Freedom of Association and Collective Bargaining Procedures, all Compal employees have the right to freely and voluntarily form and join associations, participate in collective bargaining and peaceful labor-management consultations, or choose not to participate in 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. Labor unions have been established in China, Vietnam, Brazil, and Mexico.

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



Labor Unions and Labor-Management Meetings

The Company is committed to fostering harmonious labor-management relations. Through labor unions and labor-management consultation mechanisms, Compal protects employees' rights and interests while promoting effective two-way communication. The labor unions and labor-management meetings held at various sites in 2025, along with their key discussion topics, are summarized below.

Item	Plant	Meetings Held	Discussion Topics	Employee Representatives	
				Labor	Management
Labor Union Meeting	Kunshan	6	Employee clubs and welfare activities	35	3
	Chengdu	1	Review and discussion of the Employee Performance Evaluation Management Regulations, the Special Collective Wage Bargaining Agreement, and motions proposed by employee representatives.	105	3
	Chengdong	5	Labor conditions, working environment, and employee benefits.	10	10
	Vietnam	2	Production and business planning; compensation and incentive systems; employee benefits and leave policies; improvements to working and living environments; and responses to employee feedback	93	16
	Brazil	8	Profit and achievement sharing.	5	3
	Mexico	3	Labor union establishment; review of compensation and benefits; and sharing of business profits and achievements.	9	5
Labor-Management Conference	Taipei	3	Attendance and leave management; labor conditions; employee rights; and the working environment.	5	5
	Pingzhen	3	Attendance and leave management; labor conditions; employee rights and the working environment; changes in employee and management representatives; and recruitment procedures for foreign workers.	5	5

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6.4 Occupational Health and Safety

6.4.1 Employee Health Care

Caring for and supporting employees is one of Compal's top priorities. Guided by the core principles of prevention first, timely support, and continuous care, the Company has established a tiered employee health care and support framework. For day-to-day work support, employees are assisted in understanding their health conditions through health examinations, risk identification, and health consultations. For situations involving stress or elevated risk, timely support is provided through psychological counseling, professional referrals, and follow-up services. For life and family support, flexible policies, health promotion activities, and diverse welfare programs help employees achieve a healthy work-life balance.

Daily Work Support

Health examinations, risk identification, and health consultations to help employees understand and manage their health conditions

Stress or Risk Situation Support

Employee Assistance Program (EAP), professional referral services, and follow-up support

Life and Family Support

Flexible work arrangements, health promotion activities, and diverse employee welfare programs and benefits

Daily Work Support | Health Management and Risk Identification

Health examinations serve as the starting point for health management and risk identification. Examination items are planned according to the working environment and job characteristics of each site. In addition to meeting regulatory requirements, the Company provides additional examination subsidies and preventive measures such as cancer screening and influenza vaccinations. Beginning in 2025, health examinations were upgraded to an annual basis to further strengthen employee health risk prevention and management.

Following the completion of health examinations, assessment of examination reports is conducted to identify high-risk groups as a priority and provide health guidance. Employees identified as having moderate to high cardiovascular risk are scheduled for physician consultations and workload assessment evaluations to understand the impact of work demands on their health. Based on physicians' evaluations, care and follow-up measures are initiated according to individual circumstances, and adjustments to job responsibilities or workloads are assessed when necessary.

Through the health management platform, health examination records and related health data are integrated to support health risk assessment and tiered health management. Health consultation and follow-up services are provided by the medical office to enhance the appropriateness of health management measures and reduce the impact of chronic diseases and occupational health risks on employees. The systematic data integration mechanism enables timely monitoring of employee health conditions, providing an important basis for subsequent preventive and management measures and facilitating effective health management.

Stress or Risk Situation Support | Psychological Care and Professional Assistance

When employees experience work-related stress, physical or mental distress, or life-related risk situations, Compal collaborates with external professional consultants to provide timely and confidential telephone and email consultation services. These services assist employees in addressing a wide range of issues, including work, family, interpersonal relationships, physical and mental health, financial matters, and legal concerns. In 2025, the Employee Assistance Program (EAP) provided preliminary assessments and support through telephone and email services, serving a total of 2,965 cases. For employees requiring additional assistance, one-on-one consultations with professional counselors were arranged, totaling 205 hours of consultation services. This mechanism is integrated with the Company's health management and workplace safety systems, serving as a supplementary tool within the overall occupational health and employee care framework and supporting employees in maintaining physical and mental well-being as well as workplace stability.

Health Management and Risk Identification in Taiwan

Health Examinations

- Health Check participants : 7,114 people
- Participation Rate: 99.1%

Health Protection

- Conducted 5 cancer screening/vaccination events, with a total of 403 participants
- Physician consultations and health guidance: 1,277 person-times
- Medical office assistance services: 795 person-times

Tiered Health Management

- Achievement rate of health management for medium- and high-risk cardiovascular groups: 100%
- Maternal health protection implementation rate: 100%
- Ergonomic hazard prevention implementation rate at the Pingzhen Plant: 100% (other plants will be implemented according to the 2026 plan)
- Abnormality management rate for middle-aged and senior workers at the Pingzhen Plant: 100%

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Life and Family Support | Welfare Programs and Flexible Policies

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

The Company provides a wide range of employee benefits, including marriage, bereavement, and childbirth subsidies, emergency assistance, holiday gift certificates and cash gifts, legally required pension contributions, and group insurance coverage, ensuring employee security and protection both at work and in daily life. In addition, Compal continues to promote activities related to sports, wellness, health, arts and culture, education, and public welfare, enriching employees' life experiences. Through diverse welfare programs, the Company supports employees in meeting the needs of different life stages and personal circumstances. Employee health activities and health seminars are organized to enhance health awareness and self-care capabilities, serving as part of the overall health promotion and employee care framework and supporting employees in maintaining stable physical and mental well-being as well as effective work arrangements. In 2025, 17 health promotion activities and 36 health education publications were provided in Taiwan, while 26 related activities were conducted at overseas plants. The Company also continues to promote healthy workplace initiatives. Following the Pingzhen Plant's achievement of Healthy Workplace Certification, the Taipei SDBG Building obtained the Health Promotion Self-Assessment Compliance Certificate in 2025, demonstrating the ongoing effectiveness of Compal's health promotion efforts.

Blood Donation Campaigns

The Company encourages employees to participate in blood donation drives, to actively support medical needs through practical action.

- **6** events held; total participation: **400**; total blood donated: **148,000 cc**

Health Seminars

Health seminars are organized to enhance employee health awareness, covering topics such as stress management, nutrition, safety, and infectious disease prevention.

- **30** seminars conducted; total participation: **4,173** person-times; average satisfaction rate: **97.5%**

Health Promotion Activities

Through diverse health promotion activities, employees are encouraged to develop healthy lifestyle habits, enhance physical and mental well-being, and strengthen daily self-care practices.

- **7** activities conducted; including a walking program with **355** participants
  - **84%** indicated that the activity provided significant benefits to their daily lives
  - **97%** expressed willingness to continue walking and participate in similar future activities
- Massage services provided to **1,241** person-times; overall satisfaction rate: **99.9%**

Group Physical Activities

Strengthen workplace cohesion and cultivate regular exercise habits through team sports and club participation.

- Team competitions organized, including table tennis, go-kart racing, and urban treasure hunts, with a total of **231** participants
- Established a variety of sports clubs, including badminton, basketball, football, and other recreational activities.

% for the walking program are based on completed survey responses.

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Maternity Care and Support Resources

To support employees in balancing work and family responsibilities, the Company continues to provide comprehensive maternity care and health support measures, including a Maternal Health Protection Program. Through workplace risk assessments and pre- and post-natal return-to-work health evaluations, the program helps female employees during pregnancy, postpartum recovery, and breastfeeding periods remain confidently engaged in the workplace. In addition, the Company extends support for women's health and family-friendly parenting through cancer screening programs, parental leave, lactation rooms, flexible working hours, and remote work options. Combined with psychological counseling and family support resources available through the Employee Assistance Program (EAP), these initiatives help employees maintain a stable and high-quality work-life balance while caring for their families.

Employee Support Programs

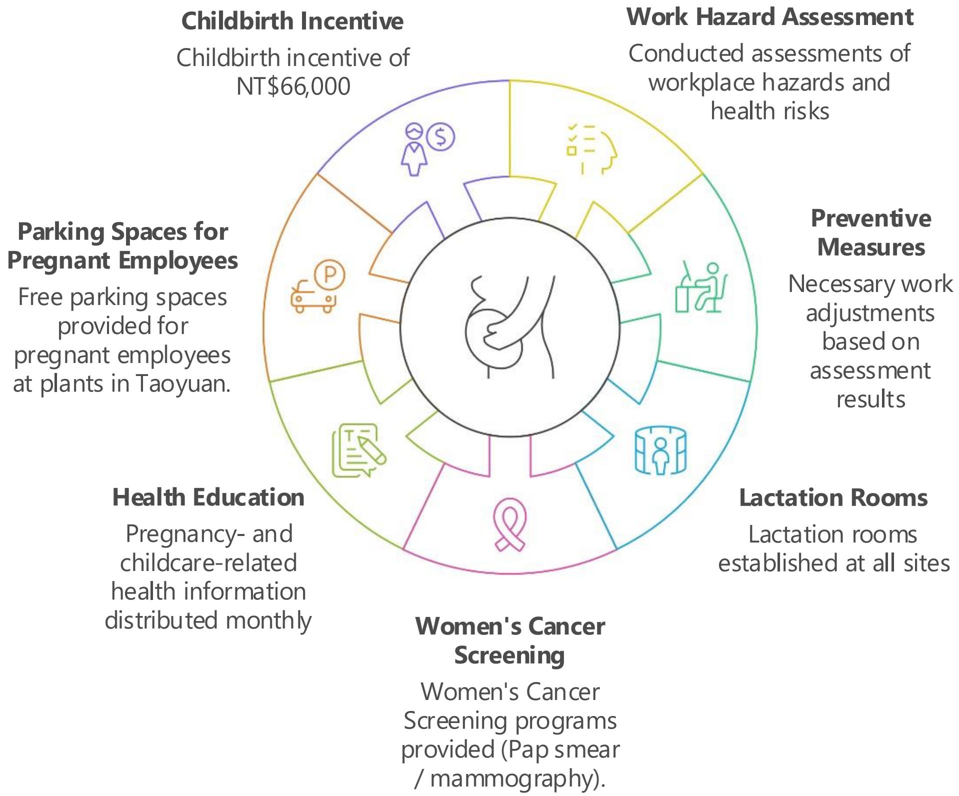
To help employees balance work and personal life while enhancing overall work quality, Compal's global sites provide parental leave in accordance with local regulations in each country. The Company also offers appropriate lactation facilities and nursing breaks, flexible working hours, and paid parental leave, enabling employees to effectively balance work and childcare responsibilities.

Comprehensive Support for Working Mothers: Up to 90 Days of Paid Parental Benefits

To create a more women-friendly workplace, the Taipei Headquarters has taken the lead in implementing family-friendly policies. To reduce commuting difficulties during the later stages of pregnancy, employees may apply for up to 30 days of remote work prior to childbirth, allowing flexibility in choosing their work location and providing greater peace of mind during pregnancy. In addition, following childbirth, the Company provides a total of 60 days of maternity and parental leave beyond statutory requirements. Combined with the 30-day pre-delivery remote work arrangement, employees may benefit from up to 90 days of paid parental support, enabling them to prepare for childbirth with confidence and devote sufficient time to postpartum recovery and newborn care. Furthermore, 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 at Compal.

We believe that achieving a balance between work and family is a right that every employee should be able to enjoy with peace of mind. Through these thoughtful policies, we aim to reduce employee stress, enhance well-being, and create an environment in which every mother can thrive professionally while confidently caring for her family, thereby fostering a more family-friendly workplace culture.

Maternal Health Support Measures in Taiwan



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Employee Support Programs

Paid Parental Leave

Taiwan: In addition to statutory maternity leave, **primary caregivers** may apply for up to **60 days of paid parental leave**. Furthermore, both primary and secondary caregivers may apply for parental leave of up to 6 months and receive childcare subsidies in accordance with applicable regulations.

China: At the Kunshan, Chengdong, Chengdu, and Nanjing plants, both primary and secondary caregivers are entitled to **10 days of paid parental leave annually** until their child reaches 3 years of age.

Brazil: **Primary caregivers may receive up to 180 days of paid parental leave**, combining maternity leave and paid parental leave benefits. **Secondary caregivers are entitled to 20 days of paid parental leave** through the integration of paternity leave and paid parental leave benefits.

Paid Family Leave

Taiwan: **Each employee is entitled to 3 days of paid Companion Leave**, which may be used flexibly whenever family care is needed. **Managerial employees may additionally receive up to 14 days of paid family care leave** in conjunction with personal leave arrangements.

China: At the Kunshan, Chengdong, and Nanjing plants, employees who are only children may take up to **5 days of paid family care leave annually** when their parents, aged 60 or above, are hospitalized due to illness.

Brazil: Employees may apply for up to three days of family care leave annually when family members are hospitalized or when attending school-related activities for their children. Employees with children under 6 years of age may apply for one additional day, for a maximum of **4 days of paid family care leave per year.**

Lactation and Childcare Facilities

All global sites provide appropriate lactation facilities and designated nursing breaks, enabling female employees to balance work and childcare responsibilities.

Taiwan, China, and Vietnam: Employees are entitled to 60 minutes of lactation time each day. For multiple births, additional nursing time is provided for each additional child. At the Kunshan plant, each nursing session may be extended by 30 minutes, while at the Chengdu plant, an additional 60 minutes of lactation time is granted.

Brazil: Employees are entitled to two lactation breaks per day, with scheduling flexibility determined by the employee. In addition, parenting training programs are offered to help new parents better manage daily responsibilities and reduce stress. Childcare subsidies are also provided to support families with diverse needs and backgrounds.

Flexible Working Hours

Taiwan: Employees may choose flexible starting times between 7:30 a.m. and 9:00 a.m.

China: At the Chengdu and Chongqing plants, managerial employees may arrange their own flexible working hours, provided that the required daily working hours are fulfilled.

Brazil: Employees may flexibly arrange their working hours to fulfill their required weekly working hours.

Part-Time Work Options

Taiwan: Certain positions are available on a part-time basis. Employees with family caregiving responsibilities may also apply to temporarily transition to part-time work arrangements for a specified period.

Remote and Flexible Work Locations

Taiwan: Employees approaching childbirth or experiencing health conditions that affect commuting may apply for remote work arrangements from alternative locations. This measure is intended to provide greater flexibility in workplace arrangements, safeguard employee health and safety, and maintain work productivity.

Note: Managerial employees refer to employees at the Section Manager level and above.

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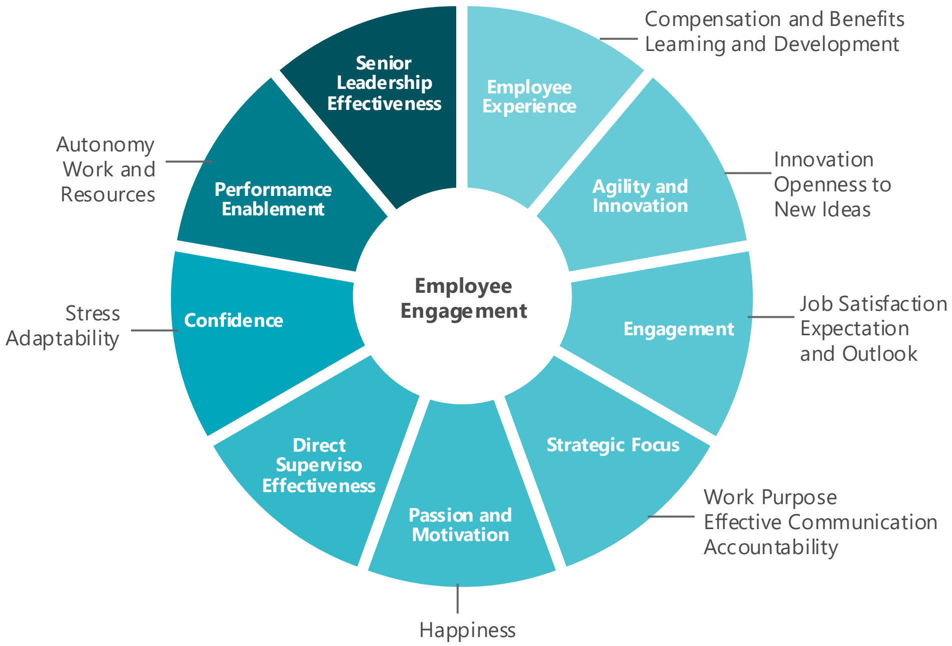
Employee Engagement Survey

Compal is committed to fostering healthy and sustainable career development for employees. By understanding employees' physical and psychological experiences at work, the Company seeks to develop initiatives and management practices that genuinely enhance workplace well-being. Since 2022, Compal has conducted Employee Well-being Surveys. In 2024, the survey was redesigned as an Employee Engagement Survey to enable more precise management strategies, enhance employee performance, and strengthen the Company's overall competitiveness.

The 2025 Employee Engagement Survey consisted of 54 questions across nine dimensions and was offered in 7 languages. The survey covered employees across all global sites. A total of 21,278 questionnaires were collected, of which 21,278 were valid responses, resulting in a valid response rate of 100%. The overall engagement score was 78.45 points (the 2025 target of 74 points). Through survey analysis, the Company gains insights into employee perceptions and establishes improvement targets for the following year (the target for 2026 is set at 74.7 points). Based on the 2025 survey results, each site developed corresponding improvement measures according to its specific circumstances. Through regular review and follow-up mechanisms, the Company continues to refine these initiatives, demonstrating its commitment to listening and responding to employee feedback while continuously enhancing the overall work environment.



Survey Type	Employee Well-being		Employee Engagement	
Survey Year	2022	2023	2024	2025
Participants	Taiwan Indirect Employees	Taiwan and China Direct/Indirect Employees	Global Direct/Indirect Employees	
Number of Surveys Distributed	7,254	32,536	32,753	31,529
Number 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	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.

Based on the survey findings, the Company has identified four key improvement priorities to enhance employee experience and organizational effectiveness:

Strategic Focus	Key Objectives	Major Initiatives
Employee Benefits Experience Enhancement	Improve employee well-being and employee benefits experience	○ Introduce diversified meal services and dining improvements ○ Organize holiday benefits and employee care activities ○ Strengthen communication and visibility of employee benefits
Compensation and Performance Governance	Enhance perceived fairness and trust in compensation systems	○ Conduct market salary benchmarking and internal compensation reviews ○ Promote differentiated reward and incentive mechanisms ○ Introduce a performance calibration mechanism
Leadership Effectiveness and Organizational Culture	Foster a supportive and high-trust culture	○ Provide management and communication training for supervisors ○ Promote team interaction and employee care activities ○ Establish diverse communication and feedback channels
Job Design and Workload Management	Optimize workforce allocation and prevent overwork	○ Promote IE process optimization and working-hour analysis ○ Establish workload monitoring mechanisms ○ Continue advancing HR process digitalization

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6.4.2 Occupational Health and Safety

Occupational Safety Policy and Goals

Compal recognizes that employees, contractors, suppliers, and all workers are critical assets for sustainable business development. Therefore, in addition to ensuring compliance with occupational health and safety regulations and other applicable requirements throughout the processes of product research and development, testing, and mass production, the Company is committed to providing a safe and secure working environment in which all employees can grow and thrive. To this end, 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. Through this policy, the Company has established Occupational Health and Safety (OHS) Management System, conducts regular disaster prevention and fire drills, promotes environmental safety training, and provides recreational facilities where employees can relax and maintain their physical and mental well-being outside of work. In addition to policy communication and awareness programs, dedicated occupational safety and health management units at each site are responsible for supervision and implementation. Each site establishes applicable performance objectives in accordance with the Company's occupational health and safety policy, while the Company's overarching goal is to achieve zero occupational diseases and zero fire incidents and other major occupational safety incidents, across all global operations (fatal accidents are classified as major occupational safety incidents). For details of the Environmental, Safety, and Health Policy, please refer to Compal's ESG website.

Occupational Health and Safety Management System

To safeguard employees' occupational safety, Compal has not only established its Environmental, Safety, and Health Policy but has also developed Occupational Health and Safety Management procedures at each site. These procedures rigorously control workplace operations and details to ensure that employees and all on-site workers are not exposed to hazardous conditions or injured due to improper operations. The Occupational Health and Safety Management System covers both employees and on-site personnel. The system is implemented throughout the organization, from corporate management to regional occupational health and safety personnel, and is managed in accordance with international standards such as ISO 45001 or equivalent frameworks. Responsible personnel oversee the planning, implementation, supervision, auditing, and continuous operation of the system. Through procedural controls, regular monitoring and follow-up management, and the application of the Plan–Do–Check–Act (PDCA) management approach, the Company effectively strengthens workplace safety, prevents occupational injuries and illnesses, and safeguards employee health and well-being. Certified production sites currently include the Pingzhen Plant in Taiwan; the Kunshan, Chengdong, Chengdu, and Chongqing plants in China; the Vietnam Plant; and the Mexico Plant. Although other locations are not major production sites, Compal continues to actively plan for the gradual implementation and certification of ISO 45001.

Region	Taiwan	China	Americas	Vietnam
Number of Personnel at Site	7,567	12,974	1,001	15,325
Security Guards	24	194	34	112
Cleaning Personnel	53	124	32	20
Catering Staff	31	227	27	123
Other On-site Workers (e.g., Engineering Contractors)	4	5,333	0	0
Average Monthly Number of Contractors	169	2,227	76	255
Percentage of Workers Covered by the OHS Management System (%)	100%	100%	100%	100%

Note 1: Average monthly number of contractors = (Total number of contractors for each month in 2025) ÷ 12.

Note 2: ISO 45001 certificates for each site are available on the Compal official website under Stakeholder Comm. → Quality Certification: https://www.compal.com/zh-hant/stakeholder-communication-area/#quality-certification

Workers Covered by Occupational Health and Safety Management System

Compal manages its operations at each site in accordance with ISO 45001 or equivalent international standards. The workers covered by the Occupational Health and Safety Management System include employees, on-site personnel (including agency workers, interns, security guards, cafeteria staff, and other support personnel), contractors, and other relevant workers, ensuring that everyone working within Company premises is provided with a safe and healthy working environment.

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Occupational Health and Safety Committee

In accordance with legal regulations, each plant in Taiwan has designated occupational safety and health management personnel who collectively plan and oversee all occupational safety and health matters. The sites regularly discuss occupational health and safety management, implementation plans for education and training, health management, occupational disease prevention and health promotion, self-inspections and safety audits, preventive measures for hazards associated with machinery, equipment, raw materials and substances, and occupational accident investigation reports, among other safety and health-related matters. In accordance with the "Regulations of Occupational Safety and Health Management to established an Occupational Health and Safety Committee composed of the employer/chairperson, department managers, occupational health and safety personnel, personnel responsible for occupational safety and health operations, and labor representatives. The Committee convenes once every quarter. Committee members provide recommendations on the Company's occupational health and safety policies, review, coordinate, and advise on safety and health-related matters, and promote necessary improvements to operating procedures. Overseas sites also convene meetings regularly in accordance with their Occupational Health and Safety Management Systems.

Hazard Identification and Risk Assessment

To prevent occupational accidents, safeguard employees' health and safety, and mitigate occupational health and safety impacts, Compal conducts hazard identification and risk assessments within employee work environments. Hazard factors present in operational areas are subject to stringent monitoring and control to ensure that risks to employees are minimized. The scope of hazard identification and risk assessment covers all anticipated occupational health and safety hazards both inside and outside the facilities, including routine and non-routine activities, all personnel entering Company premises (including contractors and visitors), and contractors working within the workplace. Hazard identification and risk assessments are conducted by a designated task force (assessment team). Hazards assessed as medium-risk, high-risk, or priority-action items are reported to management review meetings for discussion. Based on the level of risk, annual priority action plans are established, along with corresponding objectives, targets, and management programs.

Taking the Pingzhen Plant in Taiwan as an example, hazard identification and risk assessments are conducted annually or whenever necessary by the task force in accordance with the "Safety and Health Hazard Identification Checklist," with findings documented in the "Risk Assessment Form" as the basis for policy formulation and hazard management. Management review meetings are held regularly, during which the task force discusses, revises, and approves newly identified risks, while also updating previously identified risks requiring modification.

Occupational Health and Safety Hazard Identification, Risk Assessment, and Control Process

Note: Pursuant to Article 18 of Taiwan's "Occupational Safety and Health Act," when there is an immediate danger in the workplace, the employer or workplace supervisor must immediately suspend operations and arrange for workers to evacuate to a safe location. Employees shall not be subject to dismissal, reassignment, withholding of wages during the work stoppage period, or any other unfavorable treatment as a result. Although overseas sites are not subject to Taiwan's regulations, their operating procedures comply with applicable local laws and regulations. In operating locations including China, Vietnam, Brazil, the United States, and Mexico, local labor or occupational health and safety regulations explicitly protect workers' rights to refuse unsafe work and evacuate to a safe location when faced with imminent danger. Employers are prohibited from taking adverse actions against employees who exercise such rights. All Company operating sites comply with applicable laws and reinforce internal management requirements to implement consistent global safety management principles.

Risk Level	Risk Control Measures
High Risk	○ Establish or revise operating procedures and standards. ○ Increase the frequency of monitoring, measurement, communication, and training activities. ○ Prioritize inclusion in occupational health and safety objectives and management programs.
Medium Risk	○ Establish or revise operating procedures and standards. ○ Strengthen monitoring, measurement, communication, and training controls.
Low Risk	○ Acceptable risk; relevant work rules and procedures shall should be established.
Minor Risk	○ Maintain existing operational control measures.

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Pingzhen Plant Hazard Identification and Improvement Case Study – Electrical Safety and Extension Cord Usage Improvement Project

During the 2025 hazard identification and risk assessment process, the Pingzhen Plant identified improper use of electrical equipment and extension cords as a medium-risk hazard. The assessment determined that such practices could potentially result in electrical fires and electric shock incidents. Accordingly, the issue was designated as a priority improvement item.

1. Hazard Identification

- Overloaded extension cords
- Shared use of extension cords for high-power electrical appliances
- Unauthorized purchase and use of non-compliant extension cords

2. Risk Assessment

Risk Level: Medium

3. Corrective Measures

2025：
- Establish usage guidelines
- Conduct inspections and affix compliance labels
- Establish an inventory register
- Perform regular inspections

2026-2028：
- Install dedicated power circuits in high-power consumption areas
- Implement an electricity monitoring system

4. Control Objective

Reduce the risk of fire and electric shock incidents

In accordance with Company requirements, all Compal sites enter into contracts only with legally authorized labor service agencies. On-site personnel, including security guards, cafeteria staff, cleaning personnel, and other contracted workers, are protected under the terms of such contracts.

If an incident involving on-site personnel occurs, the incident shall first be reported to the individual's direct team leader or manager, followed by notification of the site supervisor for on-site verification. Assistance will then be provided to facilitate medical treatment and insurance claims for the injured individual.

1. Incident Occurrence / Reporting

Upon occurrence of an incident, the responsible department notifies the department supervisor and occupational safety personnel.

2. Incident Investigation

Conduct an analysis to determine the root causes of the incident.

3. Improvement Plans

Develop and implement improvement plans addressing the identified causes of the incident.

4. Closure of Incident Investigation Report

Track and verify implementation of corrective actions to prevent recurrence before formally closing the case.

Emergency Response Measures and Occupational Accident Investigations

All Compal sites maintain Emergency Preparedness and Response Procedures, which provide detailed documentation covering risk descriptions, emergency response organizations and responsibilities, preventive measures and internal reporting procedures, emergency incident response actions, external communications, and post-incident follow-up actions. The procedures also specify response processes for various types of risk events.

In the event of an occupational accident or injury resulting from a natural disaster within a Compal facility, the incident shall be handled in accordance with the Occupational Health and Safety Management System procedures. The responsible department must notify its supervisor and relevant personnel in accordance with established procedures and complete an incident investigation form to initiate the investigation process. Occupational accident investigations shall include, at a minimum, both environmental and human factors. Environmental factors include the workplace environment and equipment layout, the object or medium causing the injury, occupational health and safety measures in place, and the location where the incident occurred. Human factors include the circumstances surrounding the incident and rescue efforts, the condition of the injured person at the time of the incident, normal operating procedures and practices, and witness accounts and observations, if any. Traffic Accident Management: If a vehicle transporting Compal products is involved in an accident outside Company premises, the incident must be immediately reported to the transportation company responsible for the vehicle, which shall then notify the Occupational Safety Office. If the accident involves vehicle damage or personal injury, the local police authority must also be notified. Occupational Injury Management (including fatalities, disabling injuries, minor injuries, and commuting-related traffic injuries): The injured employee must first report the incident to their immediate supervisor and seek medical examination and emergency treatment. Regardless of the severity of the injury, the supervisor of the responsible department must notify the Occupational Safety Office within three hours of the incident. Taiwan sites are required to compile monthly occupational accident statistics and submit them online to the competent labor inspection authority through the Occupational Safety Office in accordance with applicable regulations. Detailed reporting procedures are implemented in accordance with relevant procedural documents.

In accordance with Company requirements, all Compal sites enter into contracts only with legally authorized labor service agencies. On-site personnel, including security guards, cafeteria staff, cleaning personnel, and other contracted workers, are protected under the terms of such contracts.

If an incident involving on-site personnel occurs, the incident shall first be reported to the individual's direct team leader or manager, followed by notification of the site supervisor for on-site verification. Assistance will then be provided to facilitate medical treatment and insurance claims for the injured individual.

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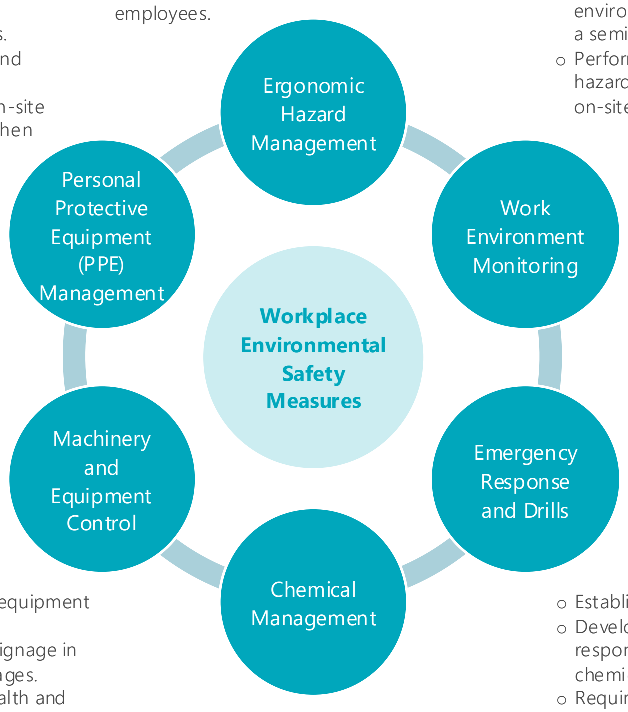
Workplace Environmental Safety Measures

Compal's facilities strengthen safety management and minimize workplace hazards through the following occupational health and safety management practices.

- Establish ergonomic hazard assessment and tiered management systems.
- Conduct ergonomic hazard assessments through on-site work observations.
- Identify high-risk operations and implement continuous improvements.
- Conduct musculoskeletal disorder surveys for employees.

- Establish PPE identification mechanisms to meet operational requirements.
- Verify PPE functionality and validity periods.
- Provide compliant PPE on-site and ensure proper use when required.

- Conduct and plan work environment monitoring on a semi-annual basis.
- Perform environmental hazard assessments through on-site work observations.



- Conduct machinery and equipment risk assessments.
- Provide machine safety signage in employees' native languages.
- Perform occupational health and safety inspections and periodic maintenance of machinery and equipment.
- Conduct relevant training programs.

- Establish emergency response teams.
- Develop communication, emergency response, incident investigation, and chemical emergency drill programs.
- Require all employees to participate in emergency response drills.

- Establish chemical inventories and conduct risk assessments.
- Install prominent safety facilities and fail-safe warning signs in employees' native languages.
- Implement workplace controls and regular inspections.
- Conduct relevant training programs.

Access Control

To comply with the requirements of the Information Security Management System (ISMS), employees are required to wear employee identification badges at all times within company. Access control card systems are installed at entrances and exits on each floor, with entry permissions managed according to personnel classifications. For customers, suppliers, and other visitors, detailed records are maintained, including visit times and visitor numbers, and restrictions are imposed on accessible areas and permitted visiting periods. Compal's security personnel provide 24-hour coverage, implementing security control procedures for personnel and material access, conducting day and night security patrols of internal and external facility areas, monitoring visitors who remain on-site and employees working overtime, and overseeing vehicle inspections and traffic safety controls.

Workplace Environment Monitoring

To provide employees with a safe working environment and support the well-being of surrounding communities, each facility is equipped with dedicated units responsible for inspection and maintenance activities. Workplace hazard factors are subject to regular inspection and maintenance, including traffic and electrical safety measures, security inspections, drinking water quality testing, emergency lighting inspections, smoke detector testing, and firefighting equipment inspections. Each facility conducts work environment monitoring twice annually, measuring environmental conditions and chemicals used on-site. Monitoring items include office illumination levels, carbon dioxide concentrations, chemical exposure monitoring, and other relevant environmental parameters.

Procurement Management for Occupational Health and Safety Compliance

To maintain a safe and healthy working environment, the procurement of machinery, equipment, raw materials, personal protective equipment, and construction or renovation services is subject to occupational health and safety requirements. Prior to receiving procurement requests and operational requirements, suppliers and contractors are required through contractual provisions to strictly comply with applicable laws, regulations, and occupational health and safety requirements. Compliance is verified during acceptance inspections and prior to project commencement to minimize employee exposure to occupational health and safety risks.

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Occupational Health and Safety Training

To cultivate employees' occupational health and safety awareness and strengthen their understanding of job-related hazards, Compal regularly conducts general occupational health and safety training, professional knowledge and skills training, and emergency response training based on job responsibilities. Training programs include general occupational safety training for employees, chemical hazard communication training, emergency response drills, aerial work platform operation training, and training for supervisors of hazardous operations. In addition, fire safety training is conducted in accordance with the guidance of local fire departments. Disaster prevention awareness programs are provided annually to employees. Training materials are developed and delivered through the E-learning platform or in-person instruction, covering appropriate response measures for fire, typhoons, flooding, earthquakes, and other emergency situations. Employees are required to complete assessments after training, and only those who achieve a passing score are deemed to have successfully completed the training. In 2025, a total of 110,470 training attendances were recorded.

For non-employee workers, occupational health and safety awareness is reinforced through pre-entry hazard communication training, job safety analysis, safety briefings, and ongoing safety supervision during work activities. These measures help promote greater awareness of occupational health and safety culture among all workers.

2025	Employee Occupational Injury Statistics				Non-Employee Occupational Injury Statistics			
Region	Taiwan	China	Vietnam	Americas	Taiwan	China	Vietnam	Americas
Total Working Hours	14,721,036	22,575,936	28,006,272	2,053,413	19,480	3,164,480	9,018,928	0
Major Types of Occupational Injuries	Falls/Cuts	Falls/Crush Injuries	Falls	Falls	-	-	-	-
No. of Occupational Injury Incidents	6	11	10	1	0	0	0	0
Total Recordable Injury Rate (TRIR)	0.08	0.10	0.07	0.10	0	0	0	0
Severe Occupational Injury Rate	0	0	0	0	0	0	0	0
Occupational Disease Rate	0	0	0	0	0	0	0	0
No. of Work-Related Fatalities	0	0	0	0	0	0	0	0
Work-Related Fatality Rate	0	0	0	0	0	0	0	0
Number of Lost-Time Incidents	0	0	0	0	0	0	0	0
Near Miss Frequency Rate	0.34	0.09	0	0	0	0	0	0

- *Total Recordable Injury Rate (TRIR) = (Number of occupational injury incidents ÷ Total working hours) × 200,000.*
- *Occupational Disease Rate (ODR) = (Number of occupational disease cases ÷ Total working hours) × 200,000.*
- *Severe occupational injury rate refers to injuries that prevent a worker from returning to their pre-injury health condition within 6 months, excluding fatalities.*
- *Occupational diseases are those identified by occupational medicine specialists or recognized by competent authorities or relevant government agencies.*
- *The above data exclude commuting traffic accidents.*
- *Near miss frequency rate (NMFR)=(Number of Near Miss Incidents ÷ Total Working Hours)*1000000*

Employee Absenteeism Rate

We are committed to establishing and maintaining a safe and healthy workplace environment to reduce employee absenteeism resulting from illness and injury and to sustain organizational productivity.
2025 Target: Absenteeism rate of 5%, with 100% global coverage. The absenteeism rate target was achieved.

Region	2022	2023	2024	2025
Absenteeism Rate	6%	2%	5%	5%
Global Coverage Rate	100%	100%	100%	100%

- *The absenteeism rate excludes pre-planned or approved leave, such as public holidays, maternity leave, paternity leave, annual leave, and company travel leave. Other absences resulting from injury, illness, or unexpected personal reasons are included in the calculation, such as occupational injury leave, personal leave, sick leave, pregnancy-related leave, miscarriage leave, and menstrual leave.*
- *Absenteeism Rate = (Total employee absence days during the reporting period ÷ Total scheduled working days of employees during the reporting period) × 100%.*
- *The absenteeism rate was relatively high in 2022 due to the increasing severity of the COVID-19 pandemic across operating regions.*
- *In 2024, workforce utilization adjustments were made across facilities in response to business realignment. Changes in employee leave arrangements resulted in an increase in certain categories of unplanned leave applications.*

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7 Social Engagement

Key Performance

- In Taiwan, a total of 5,000 volunteer participations were dedicated to social care initiatives (including 465 university reading volunteers sponsored by Compal), with total investments reaching NT$17,235,334 and benefiting approximately 73,961 individuals.
- The Hsu Chauing Social Welfare Charity Foundation received the 2025 "Social Education Contribution Award" and "Culture Equity Award." A total of 1,416 Compal employees supported the Foundation's charitable initiatives, contributing NT$4,583,800.
- The 18th year of the Compal Reading Volunteer Program continued to encourage university volunteer service. Since its inception, 268 university clubs and 6,272 student volunteers have participated in the program, benefiting a cumulative total of 35,700 participant.
- For the 9th consecutive year, Compal and the Hsu Chauing Social Welfare Charity Foundation jointly promoted maker education, environmental education, and bilingual education programs in underserved communities. From 2007 to 2025, a cumulative total of 6,987 portable digital devices and 15 desktop computers were donated.
- The 7th year of the "Kangaroo Project" continued to provide in-person after-school tutoring for underprivileged children and support the cultivation of local teaching talent. By 2025, student volunteers had contributed a cumulative total of 57,125 service participations, benefiting 37,043 children.
- For the 7th consecutive year, Compal partnered with and sponsored the Taiwan Curio Art Association in producing the documentary "The Shape of Life – Finding One's Place and Purpose," while promoting local arts and cultural creation. A total of 56 employees participated in 4 volunteer service activities at D.B. Art Collective.
- For the 6th consecutive year, Compal collaborated with the Kaohsiung Public Library on the ESG Rural Reading Program, benefiting a cumulative total of 93,778 participants.
- In the 5th year of the "Mooncakes for Charity" initiative, 982 employees participated by donating 4,346 boxes of mooncakes from the Kanner Village to disadvantaged children throughout Taiwan.
- In the 2nd year of collaboration with National Kaohsiung Normal University on the NKNU Science Task Force Program, science education learning opportunities were arranged for 40 students enrolled in centralized special education classes at elementary schools.
- In 2025, 119 Compal employees applied for paid volunteer leave, totaling 952 paid volunteer hours. Throughout the year, 4,535 employee participations contributed a total of 13,670 volunteer service hours.

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	10 REDUCED INEQUALITIES	14 LIFE BELOW WATER	15 LIFE ON LAND
1.4	2.1	3.3	4.7	10.3	14.1 / 14.2	15.9

COMPALESG

COMPAL ESG Report
2025

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Compal Electronics' Vision for Social Inclusion

Through the compassion of every Compal employee and a commitment to making a difference, we leverage the power of corporate care to build a "corporate caring" and "new happiness" in society.

Compal recognizes the profound impact of education on society and the environment. We have long been committed to supporting children's learning, literacy development, and aptitude-based growth. By investing resources in information and reading education for disadvantaged and rural communities, we seek to extend the benefits of quality education and digital technology to all. Our goal is to help individuals discover their interests and aspirations, cultivate ethical citizenship and lifelong learning capabilities, and acquire the shared knowledge and competencies required in the future world. We aspire to nurture talent equipped with creativity, digital literacy, compassion, critical thinking, problem-solving abilities, and cross-disciplinary skills.

Compal provides employees with comprehensive professional development opportunities to help them realize their full potential while encouraging voluntary participation in community service and social inclusion initiatives. We continue to invest in innovative research and development in intelligent digital technologies, prioritize environmental sustainability, and advance smart healthcare solutions to improve quality of life. At the same time, we emphasize maintaining a balance between economic development and environmental sustainability. Through these efforts, we aim to empower people with the knowledge and capabilities needed to embrace diversity and inclusion, preserve local culture and regional characteristics, and enhance the international competitiveness of both individuals and communities.

Short-, Mid-, and Long-term Goals

Strategy	Target of FY-2025-2030	Target of FY-2035
Supported the Hsu Chauing Social Welfare Charity Foundation and active participation in ecological conservation.	By 2030, increase 10% of the social investment in comparison with the year of 2020.	By 2035, increase 15% of the social investment in comparison with the year of 2020.

In 2025, a charitable cycling team organized by Compal employees and value-chain partners celebrated its tenth anniversary through a cycling tour across Hualien and Taitung alongside seven nonprofit organizations. During the year, 1,416 Compal employees participated in and supported initiatives organized by the Hsu Chauing Social Welfare Charity Foundation, including the "Worry-Free General Store Pen Pal Program," "Children's Day Dream Gift Program," "Dream Come True Program," and year-end fundraising campaign. In the 18th year of the Compal Reading Volunteer Program, Compal sponsored 19 university student clubs, supporting student volunteers in providing community services in rural Taiwan, as well as in Tanzania, Vietnam, and the Philippines. Through these initiatives, volunteers promoted reading and digital literacy education, healthcare awareness, and cultural heritage preservation while learning and growing through mutual engagement and communication. These efforts contribute to the sustainability of communities and human settlements and support the realization of peaceful, inclusive societies in alignment with the Sustainable Development Goals.
Together with the Hsu Chauing Social Welfare Charity Foundation, group subsidiaries, affiliated enterprises, customers, and supply chain partners, Compal demonstrates a genuine "corporate caring spirit" to spread positive energy throughout society. Through the power of a "Heart of Happiness," we seek to create a "New Happiness" society and fulfill our sustainable development mission of "giving back to society what we have gained from society."

Social Inclusion Strategy

- Digital transformation and bridging of the education gap
- Preserving cultural heritage across generations and respecting diverse cultures
- Promoting environmental sustainability and supporting collective initiatives
- Advancing health and well-being while caring for disadvantaged communities
- Promotion of care services and encouragement of volunteer contribution

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7.1 Social Care

Impact

Compal promotes initiatives that advance quality education and address hunger and poverty, thereby helping reduce inequalities. We are committed to protecting the environment and ecosystems and implementing climate change mitigation and adaptation measures in support of the 17 United Nations Sustainable Development Goals (SDGs) by 2030 and the net-zero emissions target by 2050. Compal participates in Maker Education and environmental education programs organized by the Hsu Chauing Social Welfare Charity Foundation and supports the in-person after-school tutoring services of the "Kangaroo Project" operated by the Rural Service Center of Fu Jen Catholic University. In collaboration with the Kaohsiung Public Library, Compal continues to implement the ESG Rural Reading Program. In 2025, the Company supported the launch of the Hakka Literature Corner at Meinong Library to promote local arts and culture within the community. By 2025, the program had cumulatively served schoolchildren and community residents in Shanlin, Qishan, Meinong, Alian and Tianliao, Jiaxian, Mituo Park, and Neimen Library communities. Compal also continues to support Kanner Village and D.B. Art Collective in helping autistic and neurodiverse young adults pursue greater independence and self-reliance.

Compal employees and their families actively protect the environment through beach and wetland clean-up activities. For the second consecutive year, employees voluntarily participated in the Keelung–Taipei–New Taipei–Taoyuan Carbon Reduction Alliance initiative. The Company also encourages the use of public transportation to reduce carbon emissions, conserve energy, and put Compal's sustainable green actions into practice. Between 2020 and 2025, Compal invested a cumulative total of NT$266,310,502 in charitable and community care initiatives. Together, we strive to create a more inclusive and harmonious society while advancing a peaceful community founded on respect, fairness, and inclusion.

Compal's Social Engagement in 2025

Cash Donations	NTD 13,193,800
In-Kind Donations	NTD 2,372,007
Program and Activity Expenses	NTD 1,669,527
Number of Beneficiaries	733,961 person-times
Volunteer Participation	5,000 person-times
Total Charitable and Community Care Investment in 2025	NTD 17,235,334
2010-2025 Cumulative Charitable and Community Care Investment	NTD 526,017,510
Total Investment by the Hsu Chauing Social Welfare Charity Foundation in 2025	NTD 25,130,323

Note1. Cash Donations : Including NT$4,583,800 donated by employees to the Hsu Chauing Social Welfare Charity Foundation

Note2. Volunteer Participation: 5,000 person-times (including 465 university reading volunteers sponsored by Compal)

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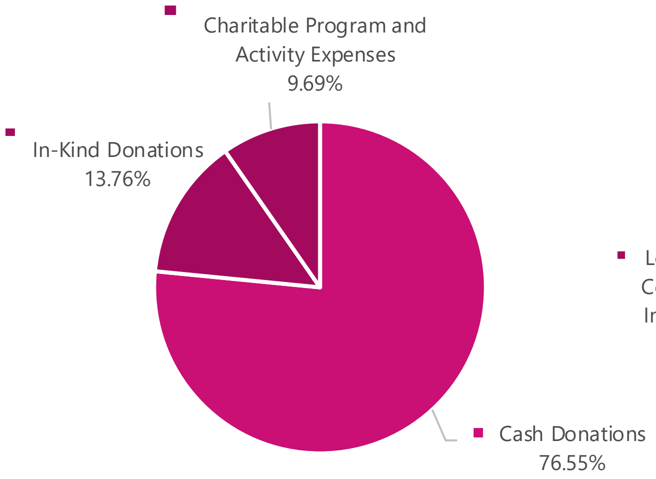
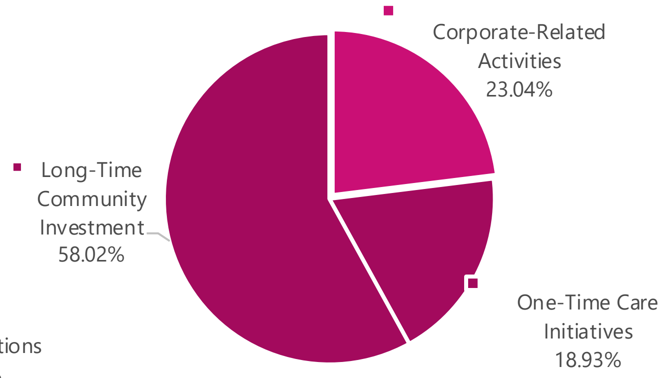
7.1 Social Care – Impact

Distribution of Resources Invested in Philanthropic Activities in 2025 (Excluding Overseas Operations)



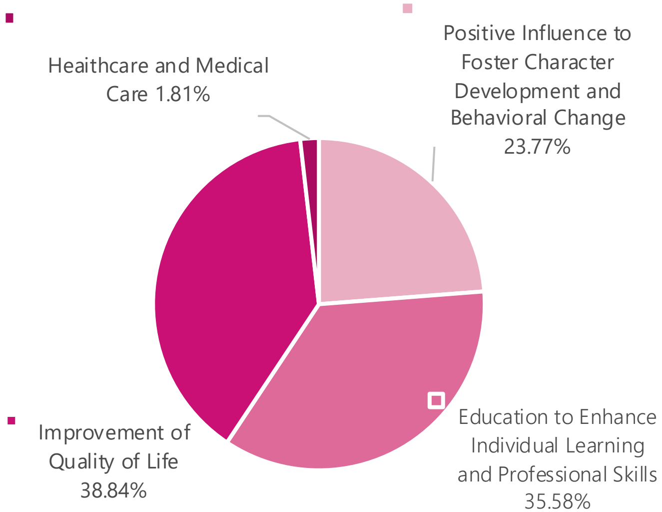
Item	Amount (NT$)	%
Cash Donations	13,193,800	76.55%
In-Kind Donations	2,372,007	13.76%
Charitable Program and Activity Expenses	1,669,527	9.69%
Total	**17,235,334**	**100%**

Distribution of Social Impact Investments in 2025 (Excluding Overseas Operations)



Item	Amount (NT$)	%
Corporate-Related Activities	3,971,231	23.04%
One-Time Care Initiatives	3,263,503	18.93%
Long-Term Community Investment	10,000,600	58.02%
Total	**17,235,334**	**100%**

Distribution of Social Care Impact Categories in 2025 (Excluding Overseas Operations)



Item	Amount (NT$)	%
Positive Influence to Foster Character Development and Behavioral Change	4,096,623	23.77%
Education to Enhance Individual Learning and Professional Skills	6,133,144	35.58%
Improvement of Quality of Life	6693,567	38.84%
Healthcare and Medical Care	312,000	1.81%
Total	**17,235,334**	**100%**

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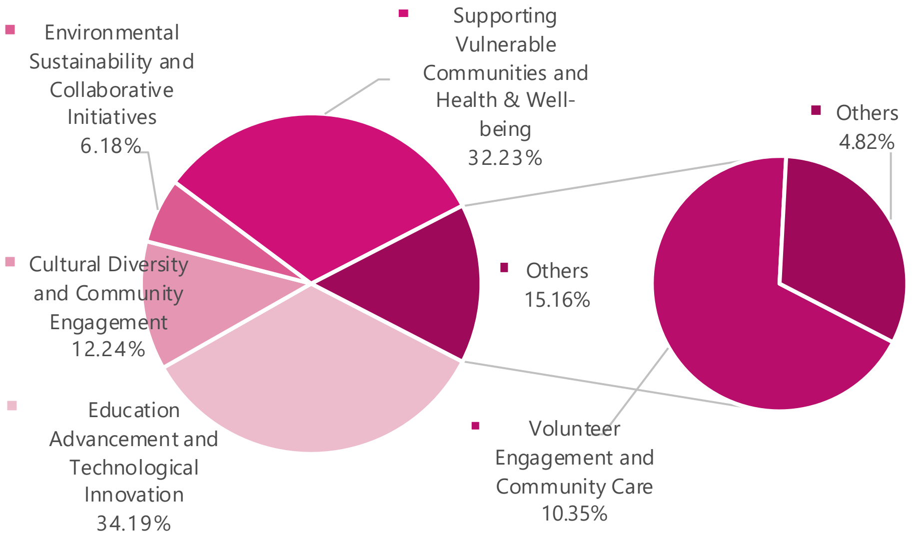
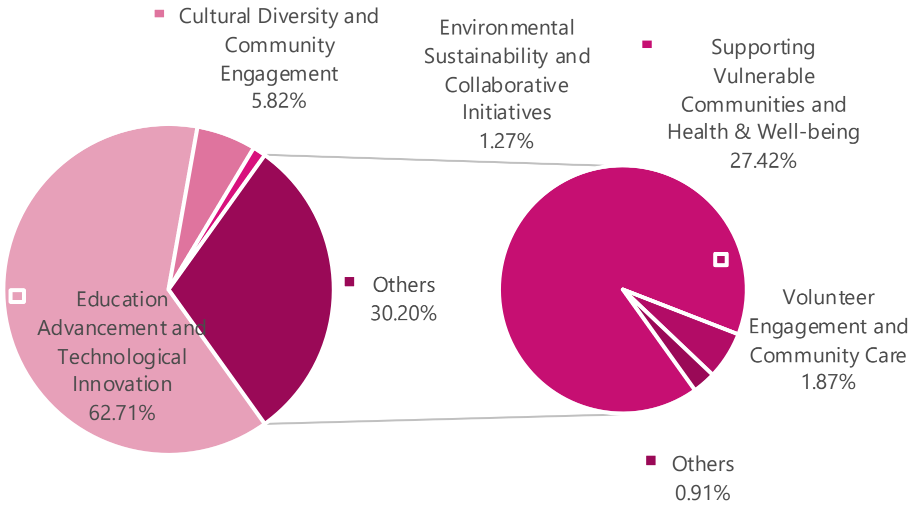
7.2 Distribution of Philanthropic Investments

Distribution of Social Care Activities in 2025 (Excluding Overseas Operations)



Item	Amount (NT$)	%
Education Advancement and Technological Innovation	5,893,144	34.19%
Cultural Diversity and Community Engagement	2,109,486	12.24%
Environmental Sustainability and Collaborative Initiatives	1,064,865	6.18%
Supporting Vulnerable Communities and Health & Well-being	5,554,123	32.23%
Volunteer Engagement and Community Care	1,783,716	10.35%
Others	830,000	4.82%
Total	**17,235,334**	**100%**

Distribution of Investments by Hsu Chauing Social Welfare Charity Foundation in 2025 (Excluding Overseas Operations)



Item	Amount (NT$)	%
Education Advancement and Technological Innovation	15,759,365	62.71%
Cultural Diversity and Community Engagement	1,462,097	5.82%
Environmental Sustainability and Collaborative Initiatives	320,000	1.27%
Supporting Vulnerable Communities and Health & Well-being	6,890,500	27.42%
Volunteer Engagement and Community Care	470,150	1.87%
Others	228,211	0.91%
Total	**25,130,323**	**100%**

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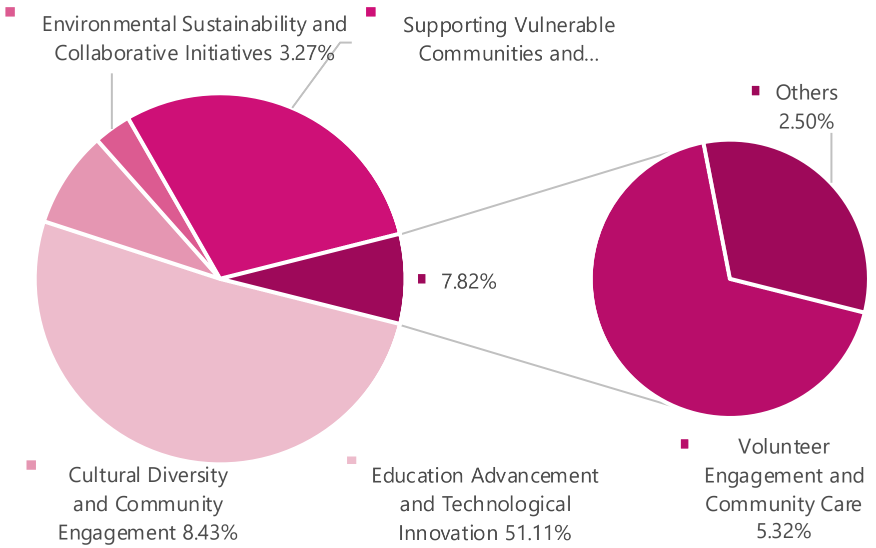
Distribution of Investments by Compal and Hsu Chauing Social Welfare Charity Foundation in 2025 (Excluding Overseas Operations)



Item	Amount by Compal (NT$)	Amount by the Foundation (NT$)	Total	%
Education Advancement and Technological Innovation	5,893,144	15,759,365	21,652,509	51.11%
Cultural Diversity and Community Engagement	2,109,486	1,462,097	3,571,583	8.43%
Environmental Sustainability and Collaborative Initiatives	1,064,865	320,000	1,384,865	3.27%
Supporting Vulnerable Communities and Health & Well-being	5,554,123	6,890,500	12,444,623	29.37%
Volunteer Engagement and Community Care	1,783,716	470,150	2,253,866	5.32%
Others	830,000	228,211	1,058,211	2.50%
Total	**17,235,334**	**25,130,323**	**42,365,657**	**100%**

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7.3 Philanthropy at Compal

Compal's Philanthropic Practices (1/6)

SDGs	2025 Sustainability Project Performance	Beneficiaries and Implementation Approach	2026 SDGs	2030 SDGs	Social Impact
Education Advancement and Technologica l Innovation (1-2)	18th Year of the "Compal Reading Volunteer Program", promoting quality education, environmental awareness, and community cultural	456 university student volunteers from 19 student clubs provided reading education to 11,515 schoolchildren, delivering a total of 1,651 hours of service. Implementation Approach: • Volunteer camps serving disadvantaged rural and remote communities in Taiwan and abroad. • International volunteer programs providing digital literacy education, health education, and free medical consultation services. • Mobile learning and teamwork experience sharing. • Promotion of reading, science, gender equality, and character education. • After-school tutoring, indigenous cultural education, and diversity and inclusion curriculum planning. • Environmental education and community ecological conservation.	• Continue the 19th year of the Compal Reading Volunteer Program, promoting reading education in rural communities and the United Nations SDGs • Maintain investment in innovation and education at no less than the previous year's level.	Maintain investment in innovation and education at or above the previous year's level.	Over 18 years, the program has involved 6,272 student volunteers from 268 university student clubs, and benefited a cumulative 35,700 schoolchildren. • Enhances reading literacy, information technology and science knowledge, moral character, self-development, teamwork, and communication skills among children in underserved areas. • Advances the SDGs. • Encourages university students to participate in community service. • Supports local cultural preservation. • Promotes healthcare knowledge and senior care awareness.
	7th Year of the "Growing Up with You – Kangaroo Project". • Total student learning hours: 3,937 hours. • 312 student volunteers from Fu Jen Catholic University, 75 training hours, and 2,199 student beneficiaries.	Provided in-person after-school tutoring services for 407 children at the following locations: Dayuan Catholic Parish Servant Care Center (Taoyuan), Dayu Catholic Church Yuli Reading House (Hualien), Fuxing Martial Arts School (Miaoli), Quaker Huilong Disadvantaged Family Care Center, Taiping Incarnate Word Roman Catholic Church (Taichung), Fengshan Mustard Seed Garden (Kaohsiung), and Double A Plus Love Center. A total of 85 local teachers and volunteers supported tutoring activities.	• Collaborated on the "Kangaroo Project " with the Center of Care Services for Rural Area Education in Taiwan, Fu Jen Catholic University for the 8th year. • Maintain total in-person tutoring hours for students at no less than the previous year's level.	Maintain investment in innovation and education at or above the previous year's level.	Over 7 years, the project has benefited 37,043 student participations and engaged 57,125 university volunteer participations. The program strengthens community-based education, cultivates local teaching talent, promotes community revitalization, and enhances both academic support and life-care services for disadvantaged children.
	14th Year of employee participation in the Hsu Chauing Social Welfare Charity Foundation's "Dream Come True Program." A total of 274 employees participated, contributing NT$2,756,800 in sponsorship funding.	Employees donated scholarship to support 153 children in pursuing talent-development and enrichment learning opportunities for one year, helping disadvantaged children with special talents and needs continue their personal growth and learning.	• Continue the 15th year of employee participation in the Hsu Chauing Social Welfare Charity Foundation's "Dreams Dream Come True Program." • Maintain participation levels at no less than the previous year.	Maintain employee participation at or above the previous year's level.	From 2020 to 2025, a total of 1,584 employee participations contributed NT$15,559,700 in sponsorship funding. The program helps reduce inequality, promotes diverse educational opportunities, supports disadvantaged children in developing their talents, enhances learning quality, and fosters the long-term cultivation of future professionals from an early age.

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Compal's Philanthropic Practices (2/6)

SDGs	2025 Sustainability Project Performance	Beneficiaries and Implementation Approach	2026 SDGs	2030 SDGs	Social Impact
Education Advancement and Technologica l Innovation (2-2)	2025 Compal × Hsu Chauing Social Welfare Charity Foundation "Maker and Bilingual Education Support Program"	Compal donated 100 iPads and 1 notebook computer to support ten elementary schools in advancing learning objectives through Maker Education, bilingual education, and digital reading. The program supported ten elementary schools—Shangtian Elementary School, Dapo Elementary School, Zhongpu Elementary School, Yongan Elementary School, Dongshi Elementary School, Yuanshulin Elementary School, Shoushan Elementary School, Fuan Elementary School, and Dingshe Elementary School—in promoting maker technology, digital reading and creative projects, bilingual instruction, food and agricultural education, and environmental education.	Maintain investment in innovation and education at or above the previous year's level.	Maintain investment in innovation and education at or above the previous year's level.	Since 2017, Compal has partnered with the Hsu Chauing Social Welfare Charity Foundation to promote digital learning initiatives, donating a cumulative total of 1,267 portable digital devices for Maker Education programs. The initiative promotes digital learning, maker technology, and information education for students in rural and underserved communities, while also supporting bilingual education, food and agricultural education, and environmental conservation.
	7th Year of Participation in KPMG's "Charity Month – Tablet Donation for Rural Care" campaign	Donated 30 refurbished notebook computers to the Nanao Township Office in Yilan and the Fucheng Community Development Association in Toucheng Township, Yilan, helping improve the quality of digital education within local communities.	Maintain investment in innovation and education at or above the previous year's level.	Maintain investment in innovation and education at or above the previous year's level.	Over the past 7 years, Compal has donated a cumulative total of 138 tablets and notebook computers through this initiative. The program promotes digital learning and information education for rural residents, schoolchildren, and senior citizens.
	2nd Year of the "Compal Supports Science – NKNU Science Task Force" Program	The Special Education Center and Career Development Office of National Kaohsiung Normal University organized facilitator training sessions and arranged four science education programs for self-contained special education classes at elementary schools. Approximately 40 students from Gaoshu Elementary School in Pingtung, Xinwei Elementary School, Minzu Elementary School in Kaohsiung, and Renwu Elementary School participated.	Maintain investment in innovation and education at or above the previous year's level.	Maintain investment in innovation and education at or above the previous year's level.	The program enhances scientific literacy by integrating natural science education with AR technology applications, helping students understand environmental biology and develop an interest in science learning. It also promotes inclusive education by encouraging collaborative learning, teamwork, and interpersonal interaction between general education and special education students.
4 QUALITY EDUCATION	9th Year of Promoting the "GOLF Gap of Learning & Field" for Professional Talent Development All iance	Annual school–industry internship briefings attracted more than 1,000 student participants each year. In 2025, a total of 305 participant-times attended in-person training programs. The initiative provides university and college students with opportunities to explore career planning and develop their professional talents.	Maintain investment in innovation and education at or above the previous year's level.	Maintain investment in innovation and education at or above the previous year's level.	The program promotes aptitude-based learning and professional development for young people. Through industry–academia collaboration and co-creation, students gain exposure to emerging technologies and innovation trends, enabling them to maximize their learning opportunities, develop their talents, and contribute to society.

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Compal's Philanthropic Practices (3/6)

SDGs	2025 Sustainability Project Performance	Beneficiaries and Implementation Approach	2026 SDGs	2030 SDGs	Social Impact
Cultural Diversity and Community Engagement	7th Year of Project Collaboration with Taiwan Curio Art Association. 1st Year of the "Compal Meets D.B. Art Collective" Arts for Social Good Initiative.	A total of 56 Compal employees applied for paid volunteer leave to participate in four "Compal Meets D.B. Art Collective" events. Employees engaged with young artists from D.B. Art Collective and assisted in organizing the D.B. 2Plus Creative Space. In the same year, Compal sponsored the production of the documentary "The Shape of Life – Finding One's Place and Purpose" by D.B. Art Collective.	Participate in community diversity and inclusion initiatives, respect diverse lives, support the social inclusion of individuals on the autism spectrum, and encourage young artists of D.B. Art Collective to develop and showcase their talents.	Maintain philanthropic investment at or above the previous year's level.	Integrates the social dimension of ESG with cultural development to promote cultural diversity and cultural equity while providing life education opportunities for employees. The initiative supports local community development in areas where Compal operates, promotes local arts and cultural development, creates opportunities for local talent, and advances cultural development through arts and cultural activities.
	Sponsorship of the 5th Taipei Tech Earth-Loving Charity Run. Compal Health and Charity Initiative 2025: A 65-member Compal 10K Charity Running Team participated in the event.	Nearly 10,000 participants registered for the Taipei Tech Earth-Loving Charity Run. The 65 members of the Compal 10K Charity Running Team completed more than 100 hours of self-directed training prior to the race.	Strengthen community engagement and support the development of communities where Compal operates. Co-organize the 5th Taipei Tech Earth-Loving Charity Run and support community service initiatives promoted by the Neihu Science Park Development Association.	Continue participating in community care initiatives and maintain philanthropic investment at or above the previous year's level.	Over 5 years, the charity run has attracted approximately 40,000 participants, while the Compal 10K Charity Running Team has accumulated 260 participant-times. The initiative promotes community development and health enhancement, encourages technology professionals to engage in healthy recreational activities, supports SDG 3: Good Health and Well-Being, and demonstrates Compal's commitment to social care.
	27th Year of the "Compal Sunshine Scholarship Program." A cumulative total of 202 students with outstanding computer-related skills have received the Outstanding Computer Talent Scholarship or the Computer Excellence Scholarship.	In partnership with the Sunshine Social Welfare Foundation, Compal provides the Compal Sunshine Scholarship to students with burn injuries or facial differences who demonstrate excellence in computer-related skills. Since 2020, Compal has also participated in the Foundation's "Children with Burn s and Facial Disfigurements Support Project."	○ Enter the 28th year of providing the Compal Sunshine Scholarship. ○ Continue supporting the 7th year of the "Children with Burn s and Facial Disfigurements Support Project." ○ Maintain philanthropic investment at or above the previous year's level.	Maintain philanthropic investment at or above the previous year's level.	Over 27 years, cumulative investment has reached NT$2,450,000. The program supports quality education and encourages disadvantaged students to develop their talents and strengths while promoting the concept of facial equality and fostering a more inclusive society.

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Compal's Philanthropic Practices (4/6)

SDGs	2025 Sustainability Project Performance	Beneficiaries and Implementation Approach	2026 SDGs	2030 SDGs	Social Impact
Environmental Sustainability and Collaborative Initiatives 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER 15 LIFE ON LAND	Compal Participated in the "Carbon Reduction Alliance – My Carbon Reduction Savings Account" Green Transportation Initiative in the Neihu Technology Park.	A total of 707 employees registered to participate. Employees were encouraged to use public transportation for commuting and business travel. In addition, flexible working hours were expanded to a 1.5-hour flexible start/end time window to help alleviate traffic congestion in Neihu.	Continue promoting corporate initiatives for carbon reduction and plastic reduction while encouraging employees to lower their personal carbon footprints. Continue participation in the Carbon Reduction Alliance and support the third consecutive year of the "My Carbon Reduction Account" initiative.	Continuously promote personal carbon reduction, plastic reduction, and energy conservation, while encouraging voluntary employee participation.	By encouraging employees to use public transportation, Compal helps alleviate traffic congestion in Neihu. Compal ranked No. 1 in the Neihu Technology Park "My Carbon Reduction Savings Account" initiative in Q2 and Q3 of 2024 and No. 2 in 2025. Reinforces corporate commitment to carbon and plastic reduction while encouraging lower personal carbon emissions.
	Third Consecutive Year of Joint Beach Cleanup Activities with Group Companies in collaboration with AcBel Polytech Inc. and Kinpo Electronics, Inc.	An environmental education seminar was organized in partnership with ReThink. A total of 52 Compal employees participated, joining approximately 150 participants from other companies. Together, they removed approximately 116 kg of marine debris from Longmen Beach.	Continue environmental education initiatives and joint advocacy efforts for ocean conservation.	Maintain ongoing environmental education programs and conduct at least 15 ocean conservation actions within the next 10 years.	Over the past three years, 354 participants have joined the group-wide beach cleanup initiative. Demonstrates commitment to addressing climate change and protecting marine ecosystems.
	Participation in Acer's Waste Electronics Recycling Campaign through the "2025 Environmental Protection Mission", jointly promoting green climate action.	67 employees participated, collecting 712.9 kg of waste electronic devices for recycling. The initiative also supported the welfare programs of the Orphan Welfare Foundation.	Continue the 8th year of the "Compal Environmental Protection Mission – 3C Waste Recycling" campaign and support environmental initiatives with corporate partners.	Continuously promote personal carbon reduction, plastic reduction, and energy conservation while encouraging employee participation.	Over the past seven years, 989 employee participations have contributed to the recycling of 4,767 kg of electronic waste. The initiative promotes sustainable lifestyles and supports SDG 12: Responsible Consumption and Production.
	Support for UN 30x30 Initiative (30% Ocean, 30% Land) through two wetland environmental education programs and one wetland conservation service activity.	A total of 105 employees and family members participated in wetland ecology and environmental education programs, while 51 participants joined wetland conservation activities at Guandu Nature Park.	Continue supporting the UN 30x30 Initiative by promoting wetland biodiversity and environmental education, while advancing native species conservation.	Continue wetland ecology and environmental education initiatives, emphasizing biodiversity conservation and the protection of blue-carbon ecosystems.	Ongoing support for the UN 30x30 Initiative and native species conservation. Long-term collaboration with organizations such as The Society of Wilderness, the Kenting National Park Headquarters, Wild Bird Society of Taipei, and the Guandu Nature Park Administration.
	"Pinglin Organic Tea ｜ Kinpo Group Sustainable Environmental Education Experience"	Organized by Compal in 2025, the one-day sustainability-themed program attracted 60 Compal employees and a total of 120 participants from Compal, Kinpo Electronics, Inc., and AcBel Polytech Inc. Participants visited Pinglin in New Taipei City to learn about biodiversity, support local brands with product traceability and carbon-footprint certifications, and gain a deeper appreciation of environmental conservation.	Continue supporting local food sourcing, reducing carbon footprints, protecting water resources, and preserving regional biodiversity.	Encourage employees to participate voluntarily in environmental initiatives while promoting biodiversity and water-resource conservation education.	By integrating local organic tea culture with ecological education through tea-picking, tea-making, and guided ecological tours, participants gained first-hand experience of the importance of environmental sustainability and biodiversity. Encourages sustainable lifestyles and supports SDG 12: Responsible Consumption and Production through reduced plastic use and energy conservation.

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Compal's Philanthropic Practices (5/6)

SDGs	2025 Sustainability Project Performance	Beneficiaries and Implementation Approach	2026 SDGs	2030 SDGs	Social Impact
Supporting Vulnerable Communities and Health & Well-being 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION	Sixth Year of Collaboration with the Kaohsiung Public Library on the "ESG Rural Reading Charity Program"	Sponsored community programs at rural libraries in Kaohsiung and established the Meinong Hakka Literature Corner. In 2025, Compal supported the Shanlin, Qishan, and Meinong branches, promoting AR interactive learning, cultural heritage preservation, and quality education, benefiting 38,666 community residents and schoolchildren. Implementation Approaches: o Community reading and diversified learning programs, including two "ESG Environmental Sustainability" themed book exhibitions and kamishibai storytelling sessions. o AR picture-book interactive environmental education. o Mobile library services and children's theater performances, including Thank You, My Good Friend by the Hanji Story Theater. o Local heritage tours and film appreciation activities, such as exploring Meinong and the hometown of Chung Li-ho. o Experiential local learning activities, including the "Qishan Banana Farmer Style" agricultural experience program.	Continue the seventh year of cooperation with the Kaohsiung Public Library through the ESG Rural Reading Program, promoting diversified reading and learning approaches and bringing educational resources to rural communities through mobile libraries, children's theater programs, and parent-child AR-themed book exhibitions. Support the Kaohsiung Public Library in hosting the Second Taiwan International Children's Book Fair.	Annual charitable investment shall be maintained at no less than the previous year's level.	Supports the development of rural communities, reduces urban-rural disparities, promotes information technology education, and preserves local culture. Deepens educational support for rural children and care services for senior citizens. Promotes preservation of local cultural heritage. Encourages public awareness of local ecosystems and strengthens connections among individuals, communities, and the natural environment.
	Fourth Year of the "Study Well Program" – Donation of 2,270 wireless speakers to support student learning in the Taoyuan area.	Wireless speakers were donated to assist 2,270 students with bilingual learning and flexible educational applications suited to local needs.	Continue investing in initiatives supporting vulnerable groups and healthcare-related care programs.	Continue investing in healthcare and social care initiatives.	As of 2025, the program has benefited a cumulative total of 2,920 students. Improves learning environments, helps protect students' eyesight, and encourages healthy learning habits. Supports local education and community reading initiatives.
	Compal Employee and Dependent Scholarship Program: In 2025, a total of 616 employees' children received scholarships during the first and second academic semesters, with total awards amounting to NT$1,293,000.	Scholarships are awarded annually to encourage employees and their children, from junior high school through university, to pursue academic excellence and explore their interests and talents.	Continue awarding scholarships annually to encourage employees and their families to pursue lifelong learning and personal growth.	Annual sponsorship funding shall be maintained at no less than the previous year's level.	Promotes quality education and encourages continuous learning.
	Kunshan Baomin Scholarship Program	Scholarships are awarded annually to encourage employees and their children to pursue education and personal development.	Continue awarding scholarships annually to encourage employees and their families to pursue lifelong learning and personal growth.	Annual sponsorship funding shall be maintained at no less than the previous year's level.	Promotes quality education and encourages continuous learning.

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Compal's Philanthropic Practices (6/6)

SDGs	2025 Sustainability Project Performance	Beneficiaries and Implementation Approach	2026 SDGs	2030 SDGs	Social Impact
Volunteer Engagement and Community Care 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING	In 2025, 102 employee volunteer participations from Compal's Volunteer Club and Guitar Club took part in four volunteer service activities, providing services to a total of 267 beneficiaries throughout the year.	Supported the UN SDGs by organizing camp activities for students at Shulin Elementary School, Dingshe Elementary School, and Wuhan Elementary School in Taoyuan. Members of the Compal Volunteer Club and Guitar Club provided music companionship services at the Bali Development Center.	Encourage employees to continue participating voluntarily in community service activities for the 17th consecutive year.	Encourage employees to continue voluntarily participating in community service activities.	Over the past 16 years, members of the Compal Volunteer Club and Guitar Club have accumulated 1,827 volunteer participations, benefiting 8,284 individuals. The program supports the physical, mental, and emotional development of disadvantaged and rural children through educational and healthcare-related initiatives.
	2025 Children's Day Wish Fulfillment Program (9th Year): 50 Compal employees prepared gifts for 50 children.	Through annual collaboration between employees of the Kinpo-Compal Group and the Hsu Chauing Social Welfare Charity Foundation, wish-list gifts are collected to encourage and support children from underprivileged families cared for by the Foundation.	Encourage employees to continue participating in the 10th year of the Children's Day Wish Fulfillment Program.	Encourage employees to continue participating voluntarily in care and service activities.	Supports the healthy physical and emotional development of children, advances SDG 3: Good Health and Well-being, and demonstrates social care in action.
	Fifth-Year "Charity Never Stops" Mid-Autumn Festival Donation Campaign	A total of 982 employees voluntarily purchased and donated 4,346 boxes of Mid-Autumn Festival mooncakes produced by the Kanner Foundation of Taiwan, benefiting 4,346 disadvantaged children across Taiwan.	Encourage employees to continue participating voluntarily in the sixth year of the "Charity Never Stops" initiative.	Encourage employees to continue voluntarily participating in charitable giving and social care activities.	From 2021 to 2025, 5,051 employee participations contributed 17,634 Mid-Autumn Festival gift boxes. The initiative supports social welfare organizations, cares for disadvantaged children, and promotes employment opportunities for individuals with autism and young people with disabilities.
	10th Anniversary Charity Cycling Tour to Eastern Taiwan by SDBG Procurement Employees and Value Chain Partners	Initiated by Senior Vice President Wen-Da Hsu, a charity cycling team of 31 participants delivered employee donation funds and Compal corporate contributions to seven charitable organizations in Hualien and Taitung, including: the Shalom Home affiliated with the Mennonite Church Taiwan, Anders Development Center, Taitung Christian Hospital, Galilee Foundation, the Hualien and Taitung branches of the Taiwan Fund for Children and Families, and the Eastern Regional Office of World Vision Taiwan.	Encourage employees to continue voluntarily participating in volunteer service activities.	Encourage employees to continue voluntarily participating in volunteer service activities.	Encourages more employees to put Compal's social inclusion vision into practice by demonstrating compassion and purposeful action, leveraging the power of heart to create a happier society.
	Compal × Fu Jen Catholic University Hospital – "Love in the Light: Caring for the Visually Impaired Day"	Compal supported the 2025 Care for Vulnerable Groups Day, joining approximately 80 participants from the Institute for the Blind of Taiwan, the Eden Social Welfare Foundation, and Fu Jen University's visually impaired support program in a Christmas celebration. The event also promoted healthcare education and proper assistance methods for visually impaired individuals and guide dogs.	Continue sharing positive energy with visually impaired individuals and volunteers while expressing appreciation for participation in social care service activities.	Encourage employees to continue voluntarily participating in social care service activities.	In the third year of collaboration with the Hsu Chauing Social Welfare Charity Foundation, the event shared the joy of the holiday season with children and adults alike. It supports the healthy growth of children, advances SDG 3: Good Health and Well-being, and promotes meaningful social care initiatives.
	Care Initiatives for Disadvantaged Children at China Manufacturing Sites	Leveraging corporate resources to bring warmth and support to children: ○ Chengdu Plant organized the "Books Bring Warmth" campaign, donating books to underprivileged schools in Tibet and toys to kindergartens. ○ Chongqing Plant conducted the "Warmth for Children" campaign, donating school bags, knitted hats, and gloves.	Continue investing in programs supporting vulnerable groups and healthcare-related initiatives.	Encourage employees to continue voluntarily participating in social care and donation activities.	Supports disadvantaged children and low-income families, reduces inequality, advances SDG 3: Good Health and Well-being, and demonstrates commitment to social care and community support.

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"Compal Reading Volunteer Program"- 18th Year (2007–2025)

- **Partner Organizations:** In 2025, the Compal Reading Volunteer Program collaborated with 19 student volunteer organizations from the following institutions: National Taiwan University of Science and Technology, Taipei Medical University, National Taiwan Normal University, National Taipei University, National Tsing Hua University, Fu Jen Catholic University, Tamkang University, Fooyin University, National Yunlin University of Science and Technology, Chaoyang University of Technology, Takming University of Science and Technology, Mackay Medical College, and China Medical University.
- **Beneficiaries:** Kinmen Senior High School, Jhongjheng Elementary School, and Jinhu Elementary School in Kinmen County; Jhongjheng Elementary School and Magong Elementary School in Magong City, Huxi Elementary School and Xixi Elementary School in Huxi Township, Wenguang Junior High School, and 23 villages in Penghu County; Fuli Township in Hualien County; Dawang Elementary School in Taimali Township and Fuyuan Elementary School in Chishang Township, Taitung County; Jhuci Elementary School in Chiayi County; Shigui Elementary School in Douliu, Yunlin County; Jisui Elementary School in Zhonghe District; Zhongtai Community in Wulai District, New Taipei City; communities in Tanzania, Africa; Lalitpur, Nepal; northern communities in the Philippines and the San Pablo region; and Loc Hoa B Elementary School in the Long Ho area of Vinh Long Province, Vietnam.
- **Long-Term Goals:** To promote reading education and environmental education in rural schools and communities while advancing the SDGs. The program also aims to support volunteer training and encourage long-term community engagement, service, and companionship.
- **Program Description:**
  - Promote local community service and international volunteer service. University volunteer organizations are encouraged to develop educational programs tailored to local needs, advance the SDGs, and implement long-term community cultural preservation initiatives.
  - Expand both the depth and breadth of university students' participation in volunteer service by leveraging their individual strengths and expertise. Through diversified program planning and activities, volunteers are encouraged to practice empathy, engage meaningfully with children, foster mutual care and support, and grow together through the experience.

Historical Achievements of the Compal Reading Volunteer Program

Year	2007-2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Number of Beneficiaries	2,515	685	988	1,407	1,420	1,390	1,410	1,550	1,016	1,894	2,267	143	1,091	2,984	3,425	11,515	35,700
Volunteer Participation	896	291	453	492	362	456	382	279	401	378	245	54	311	216	591	465	6,272
Number of Participating Clubs	31	11	16	24	17	18	18	16	19	21	13	2	10	11	22	19	268

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Fu Jen University "Kangaroo Project"- 7th Year (2019–2025)

- **Partner** : Taiwan Rural Education Support Center, Fu Jen Catholic University. In 2025, a total of 312 university volunteer participations provided tutoring services to 2,199 student beneficiaries.
- **Beneficiaries** : Double A Plus Love Center After-School Program, Dayuan Catholic Church Servant Care Center (Taoyuan), Yuli Reading House of Dayu Catholic Church (Hualien County), Fuxing Martial Arts School (Miaoli County), Quaker Huilong Disadvantaged Family Care Center, Taiping Incarnate Word Roman Catholic Church, and Kaohsiung Fengshan Mustard Seed Garden.
- **Long-Term Goals** : To strengthen community-based education, cultivate local teaching resources, and support disadvantaged children and students in rural areas by improving educational quality, quality of life, and learning capabilities.

- **Program Description:**
  - Cultivate teaching resources in remote communities by training local after-school tutors. Activities include online reading clubs, story-writing workshops, and community engagement capacity-building programs.
  - In addition to academic tutoring, community-based in-person programs provide bilingual education, food and agricultural education, character education, and critical thinking development through storytelling and media literacy training. Diversified learning experiences help students develop analytical thinking skills and foster a willingness to serve more disadvantaged groups. Through individualized instruction tailored to each student's learning level, the program helps rebuild confidence and encourages self-directed learning.
  - Offer courses on life education, environmental ecology, and indigenous and local cultural heritage to preserve local traditions and promote environmental conservation.
  - Implement intergenerational learning activities through the "Community Learning Together" model, where senior community members and children participate in activities together and build meaningful relationships through companionship and care.
  - Provide learning experiences in music, dance, and sports (such as ukulele, violin, and cello). University volunteers foster teamwork through group games and sports activities while encouraging healthy exercise habits.
  - Organize Family Day Exploration Camps and Summer Medical Service Camps, enabling children to develop self-care skills and participate in character education activities focused on caring for individuals with hearing and speech impairments.
  - Continue encouraging university student volunteers to participate in in-person tutoring activities under the Kangaroo Project, promoting mutual learning, communication, and growth between university volunteers and younger students.
  - Train corporate volunteers to participate in community service activities and collaborate with Fu Jen University volunteer teams to share care, support, and compassion within local communities.

Community Learning Centers	2025 In-Person Learning and Tutoring Results				
	Student Beneficiaries	University Volunteer Service Participations	Total Instruction Hours	Training Hours	Local Teachers & Volunteers
Yuli Bookstore of Tayu Church in Hualien County	405	0	1,444	0	16
Master and Servant Care Station of Dayuan Catholic Church in Taoyuan	301	0	912	0	9
Quaker Shulin Care Center	862	246	144	31	22
Fu-Hsing School of Martial Arts, Miaoli	225	14	239	20	15
Incarnate Word Roman Catholic Church - Taiping	61	0	192	0	12
Mustard Service Garden in Fengshan, Kaohsiung	296	0	987	0	7
Double A Plus Love Center	49	52	20	24	4
Total	**2,199**	**312**	**3,937**	**75**	**85**

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Compal × NKNU "Compal Supports Science – FUN Hands-on Science Camp for Elementary School Special Education Classes" — 2nd Year (2024–2025)

- **Partner** : Department of Special Education and Special Education Center in NKNU, together with instructors and student volunteers from elementary school special education programs.
- **Beneficiaries** : Kaohsiung Minzu Elementary School, Kaohsiung Renwu Elementary School, Pingtung Gaoshu Elementary School, and Pingtung Xinwei Elementary School.
- **Long-Term Goals** : To promote science education and provide equitable and diverse learning opportunities. The program aims to offer students with disabilities and low academic achievement appropriate science learning experiences tailored to their individual differences, while emphasizing the humanistic aspects of science education and fostering scientific literacy. It also seeks to cultivate local teaching talent, assist teachers in assessing the learning needs of students with moderate to severe intellectual disabilities, adapt curricula based on competency indicators, and progressively support students in achieving learning goals, appreciating the enjoyment of scientific activities, and enhancing their science learning capabilities.

Program Outcomes

Science Camp Locations	2025 NKNU Science Task Force				
	Sessions	Instruction Hours	Beneficiaries	Pre-Camp Training	Facilitators
Kaohsiung Minzu Elementary School	2	5.3	6~12	1.5	6
Kaohsiung Renwu Elementary School	2	5.3	6~12	1.5	6
Pingtung Gaoshu Elementary School	2	5.3	6~12	1.5	6
Pingtung Xinwei Elementary School	2	5.3	6~12	1.5	6
Total	**8**	**21.2**	**40**	**6**	**24**

- **Program Description:**
  - Through practical, hands-on, and engaging activities rooted in everyday life, students learn how scientific knowledge and skills can be applied in daily living, thereby enhancing students' understanding of and experience with science education and activities in the Kaohsiung region.
  - Enrich the content and formats of science camp activities to make learning more diverse and enjoyable. Through games and hands-on experiments, students in centralized special education classes develop scientific knowledge, cultivate interest in science, increase their willingness to explore independently, and strengthen their problem-solving abilities. Courses on life education, environmental ecology, and indigenous cultural heritage are also incorporated to preserve local culture and promote environmental conservation.
  - Adopt a learning-cycle approach and design science camp curricula based on the constructivist POE instructional strategy—Prediction, Observation, and Explanation—to encourage students to practice self-expression and scientific reasoning.
  - Organize physics exploration activities focusing on topics such as friction and centrifugal force. Instructors and facilitators (university or graduate students) participate in six hours of pre-camp training, and instructors deliver courses in natural science and technology.
  - Continue encouraging student volunteers to serve as facilitators. Through training and participation, facilitators enhance their interest in science, communication skills, and ability to guide students with moderate to severe intellectual disabilities in scientific exploration activities.
  - Provide reference models and practical examples for school teachers when planning science outreach activities for students with moderate to severe intellectual disabilities.
  - Promote special education and support disadvantaged and underserved communities in rural areas.

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Compal "Give Blood, Share Love, Share Happiness"

- **Partner** : Local Blood Donation Centers and Red Cross organizations in the regions where Compal's facilities are located.
- **Long-Term Goals** : To help alleviate blood shortages, support individuals in need of blood transfusions, and contribute to addressing blood supply shortages.
- **Program Description** : A total of 400 Compal employees across various plants participated in blood donation campaigns, donating 148,000 cc of blood to support individuals with medical needs and spread compassion through voluntary blood donation.

2025 Blood Donation Campaign Results by Site

Region	Number of Participants	Frequency	Blood Donation Volume (cc)
Taipei Headquarters	305	Three times per year	116,750
Pingzhen Plant	51	Twice per year	17,250
Kunshan Plant	44	Once per year	14,000
Total	**400**		**148,000**

Employees at various sites contributed donations, participated in volunteer services, provided emergency assistance, supported the education of disadvantaged children, and cared for senior citizens.

Item	Sessions	Participants	Description (Number of donors not tracked)
Kunshan - Total Donations : RMB 182,391			
Employees Participate in Community Service Activities and Environmental Clean-Up Around the Plant	1	20	Voluntary community service activities to maintain the local environment and ecological sustainability.
Community Senior Care Services	2	24	In 2025, two visits to elder care facilities were conducted. A total of 24 employees participated and provided companionship and support to 25 senior citizens.
Voluntary Employee Donations			Employees made anonymous voluntary donations totaling RMB 182,391, including emergency assistance that helped 5 employees overcome financial hardship.

Item	Beneficiaries	Donation Amount	Description
Chengdu - Total Donations : RMB 92,600			
Compal Chengdu – Delivering Warmth Through Books	250	10,000	Books were donated to underprivileged rural schools in Tibet, while educational toys and children's cushions were donated to kindergartens. Twenty employees purchased and donated supplies, benefiting 250 individuals.
"Protect the Environment – Compal Employees Take Action" Spring Tree-Planting & Summer Cooling Initiative	200	57,000	60 employees participated in planting 140 fruit trees, including peach, lemon, orange, and pomelo trees. Cooling beverages were also distributed to 200 community sanitation workers.
Emergency Relief and Compassionate Assistance Program	90	25,600	Support and assistance were provided to 90 employees experiencing financial hardship in 2025.
Chongqing - Total Donations : RMB 4,800			
Warm Journey for Children – Charitable Donation Program	66	4,800	Donated school backpacks, winter hats, and gloves to 66 children living in remote mountainous areas.
Vietnam - Total Donations : VND 461,030,000			
Emergency Relief Donations and Material Assistance	182	461,030,000	Donated supplies to 177 individuals facing financial hardship or serious illness and provided financial assistance to 5 employees affected by critical illnesses or accidents.

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Plants in America	Item	Beneficiaries	Donation Amount
United States	Christmas Supply Donation	Donation Amount US$ 640	Participated in the Emmaus Mission Center Cereal Drive charitable care initiative.
	Sponsorship of a High School Robotics Team	Donation Amount: US$ 1,000	Sponsored students from the Lewis Cass High School Robotics Club in designing, building, and programming industrial-grade robots to participate in science- and technology-themed robotics competitions.
Mexico	Charitable Donation of Essential Supplies	Donation Amount: Mex$ 5,243	Donated water and food supplies to volunteers participating in local wildfire relief efforts. Also provided donations of supplies for Three Kings Day celebrations. (Number of beneficiaries not tracked.)
Brazil	Community Care Through In-Kind Donations	NA	Donated food to children at a children's home in Manaus and provided winter clothing and Christmas food baskets to underprivileged families in the local community. (The value of donated goods was not tracked.)

Other Donations

In addition to its investments in social welfare initiatives, the Company also provides strong support to academic, industry-related, and public-interest organizations, including:

- Taipei Neihu Technology Park Development Association
- Institute for Biotechnology and Medicine Industry
- Chinese National Association of Industry and Commerce
- Taiwan Institute for Sustainable Energy
- SINOCON Industrial Standards Foundation
- Chen-Yung Foundation
- NLDEPA
- Neihu Office of the Taipei Police Friends Association
- The 4th Division, Taoyuan City Fire Department Volunteer Firefighter Brigade

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8 Sustainability Partners

Key Performance

- Key customer satisfaction achieved 90.5%.
- Expanded the annual SAQ (Sustainability Assessment Questionnaire) supply chain survey to cover MRO Suppliers
- Completed 85 annual supplier audits (100%); invited 500 suppliers to join CDP, with the surveys of 302 suppliers completed.
- A total of 1,067 suppliers (include MRO supplier), signed the Supplier Code of Conduct.
- Achieved a cumulative carbon reduction of 14,761 tCO_2e through the IDA One+N Project, achieving 147% of the target.
- 2025 TCSA OUTSTANDING PERFORMANCE IN SUSTAINABLE PRACTICES-Supply Chain Leadership Award

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Short-, Mid-, and Long-term Goals

Topic	Strategy	Target of FY-2026	Target of FY-2030	Target of FY-2035
Customer Service Management	○ Innovation to Enable Smart and Sustainable Solutions ○ Enhancing Corporate Resilience and Operational Excellence ○ Implementing Low-Carbon Design and Green Manufacturing	○ Customer satisfaction rating>90% or top 2 in customer QBR ○ 100% customer satisfaction survey overage	○ Key customer satisfaction>90% ○ 100% customer satisfaction survey overage	○ Key customer satisfaction>90% ○ 100% customer satisfaction survey overage
Supplier Assessment & Development	○ Sustainable supply chain process optimization ○ Support suppliers to apply Capacity building program and provide complete guidance	○ Control high risk supplier in 5% , and increase on-site audit rate yearly to reduce supplier sustainability risk ○ Expand annual SAQ to Tier-1 MRO Critical Supplier ○ Encourage high-emission suppliers to complete 2026 CDP	○ More than 95% suppliers have adopted the management system. Control the proportion of high-risk suppliers to remain below 5%. ○ Audit 15% of the total number of suppliers to mitigate supplier sustainability risks. ○ Incorporate the Supplier Code of Conduct as a mandatory criterion for vendor selection; require high-carbon emission suppliers to comply with Compal's SBTi Scope 3 reduction targets.	○ 100% of suppliers used the management system. Control the proportion of high-risk suppliers to remain below 5%. ○ Audit 20% of the total number of suppliers to mitigate supplier sustainability risks. ○ Require high-carbon emission suppliers to comply with Compal's SBTi Scope 3 reduction targets.

*Note: *correspond to the material*

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8.1 Customer Service

Customer Relationship Management

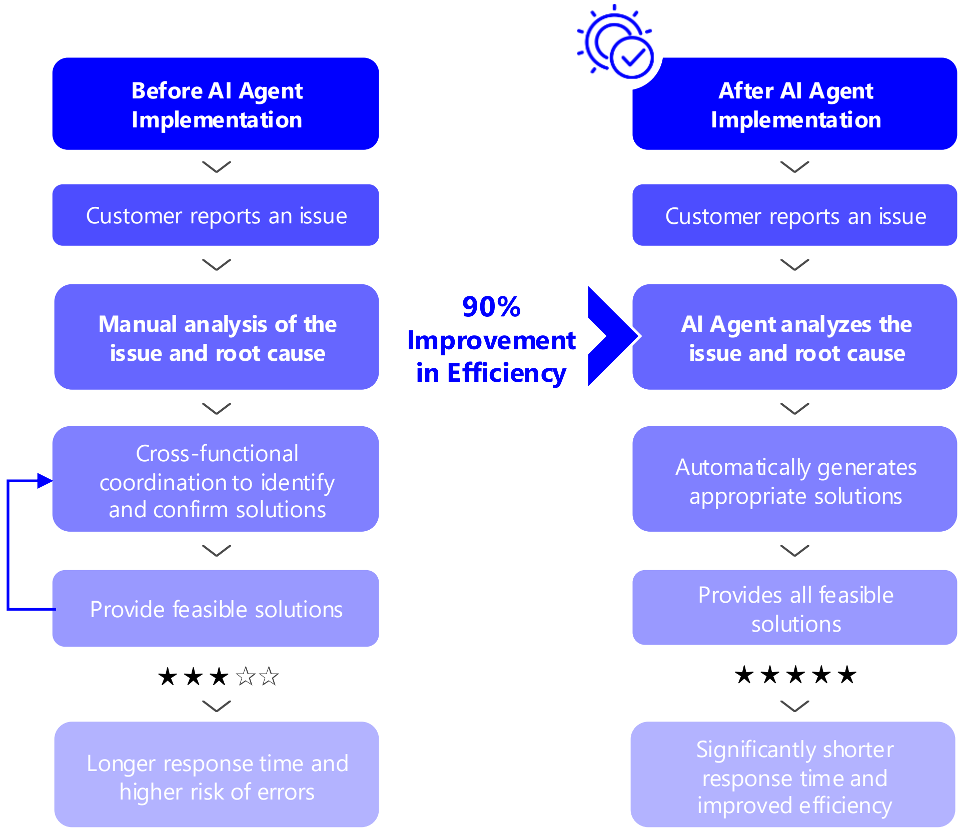
Compal maintains stable partnerships with its key customers and continuously enhances product quality, service efficiency, and technical capabilities. By strengthening operational performance while creating greater added value for customers, the Company reinforces long-term strategic partnerships.

As industry environments evolve and technical issues become increasingly complex, Compal faces challenges in customer service related to knowledge transfer, information integration, and human resource management. The Company is committed to building an accessible and responsive customer engagement framework. In addition to dedicated service hotlines and email channels, Compal actively engages with customers through both virtual and face-to-face meetings to better understand their needs. All customer feedback is systematically recorded, tracked, and addressed in a timely manner, ensuring responsive service and reinforcing the Company's commitment to customer satisfaction. To further enhance service capabilities, the Company initiated a transformation program in 2025 by developing digital and intelligent solutions. Leveraging its in-house AI computing power, engineering knowledge databases, and proprietary training models, Compal has begun deploying customer-specific in-house AI agent systems while ensuring customer privacy and information security. This initiative is designed to comprehensively improve customer service effectiveness.

The system is powered by a Large Language Model (LLM) trained on an integrated knowledge base of issue diagnostics and solution repositories. It is capable of analyzing customer inquiries instantly, analyzing potential causes of customer issues, and generating tailored solution recommendations. Through chatbot functions and automated content-generation mechanisms, the system provides optimized information to engineering teams and customer service representatives, improving operational efficiency by 90%. This significantly enhances service quality and accuracy while reducing manual workload and minimizing the risk of human error.

The implementation of the AI agent system not only strengthens technical support and knowledge management capabilities but also serves as a key strategy in Compal's customer service digital transformation. Through the integration of human-machine interfaces and standardized processes, the Company continues to optimize issue-resolution workflows and improve cross-functional collaboration efficiency, ensuring consistency and stability in service quality.

At the same time, the AI agent system has delivered tangible benefits to customers by enabling faster and more accurate responses to end users, thereby further enhancing customer satisfaction and trust. Compal will continue to deepen its application of AI technologies to build a more efficient and intelligent customer service ecosystem and further strengthen long-term partnerships with its customers.



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Customer Complaint Handling Process

Compal is committed to enhancing service quality through standardized management systems. Upon receiving customer feedback or complaints, the Quality Assurance (QA) function promptly confirms receipt to the customer and initiates an investigation. Relevant departments collaborate to formulate both short-term and long-term corrective actions and track their effectiveness to prevent recurrence. Compal strictly ensures that all stages—from research and development, product design, and mass production to after-sales service—comply with established quality standards, thereby continuously improving operational efficiency and customer satisfaction.

A. Quality Issue Identification: A quality review meeting is convened within 24 hours of identifying a quality issue.
B. Definition of QA Responsibilities and Issue Classification: The QA function defines responsibilities and classifies the complaint according to applicable handling principles and response timelines. The root cause of the customer complaint is clarified within 48 hours.
C. Root Cause Analysis and Corrective Action Development: Corrective actions and validation requirements are proposed within one week.
D. Corrective Action Verification: Relevant testing and verification activities are arranged and completed within one week.
E. Corrective Action Implementation and Standardization:
   1. Communicate the issue and corrective actions to the customer.
   2. Monitor the effectiveness of corrective actions and update work instructions accordingly.
   3. Implement supplier corrective actions and improvement measures.

Within 24 Hours

Quality issue identified: Quality management meeting convened

Within 48 Hours

Define responsibilities and classify the issue: Clarify the root cause of the customer complaint

Within 1 Week

Root cause analysis and corrective action planning: Propose corrective actions and verification requirements

Within 1 Week

Corrective action verification: Arrange and complete relevant testing

Within 1 Week

Corrective action implementation and standardization: Customer communication, effectiveness tracking, and supplier corrective actions

Customer Satisfaction Survey

Compal is committed to providing market-competitive, high-quality products and services, and regards customer satisfaction enhancement as a key component of its sustainable development strategy. Through close customer engagement and transparent communication mechanisms, the Company not only ensures stable business growth but also strengthens corporate governance and responsible management practices, thereby reinforcing long-term customer relationships. The 2025 customer satisfaction assessment integrated the Quarterly Business Review (QBR) scores provided by key customers with the results of annual satisfaction surveys completed by new customers and other customers not participating in the QBR process. The final customer satisfaction score was calculated using a weighted methodology based on each customer's revenue contribution.

In response to the Company's strategic transformation, geopolitical developments, and the expansion of new product lines and customer segments, including servers, data centers, and automotive electronics, Compal will further refine its customer satisfaction evaluation criteria and weighting methodology. These enhancements are intended to ensure that products and services continue to align with sustainable development objectives while strengthening the linkage between performance indicators, operational realities, and sustainable value creation. Beginning in 2026, Compal will introduce a phased target-setting mechanism for medium- and long-term growth. The annual customer satisfaction survey will also incorporate new dimensions of Foresight and Resilience, providing important references for customer relationship management decision-making and continuous improvement initiatives.

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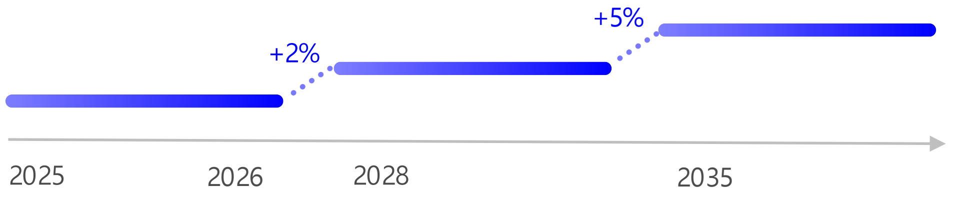
Customer Satisfaction Survey

Customer Satisfaction Evaluation Criteria		
Cost	15%	Quotation support capability
		Cost control and maintenance during product introduction
R&D	20%	Achievement rate of project performance indicators
		Mass-production stability following the introduction of new technologies
Operations	20%	Continuity and accuracy of supply
		Achievement rate of application engineering project indicators
Quality	20%	Achievement rate of quality control indicators
		Execution rate of quality improvement plans
Service	10%	Achievement rate of project performance indicators
		System integration maturity
Sustainability	5%	Sustainable procurement and green supply chain management
		Corporate social responsibility and customer privacy protection
Resilience (New in 2026)	5%	Multi-source supply coverage rate
		Risk management
Foresight (New in 2026)	5%	Customer evaluation of technological foresight capabilities
		Innovation and long-term value creation

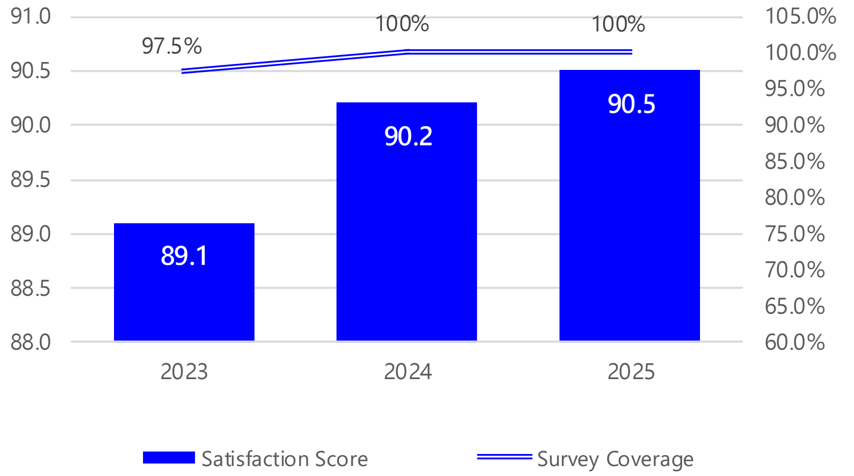
Annual Customer Satisfaction Target



Customer Satisfaction Score

In 2025, Compal conducted customer satisfaction surveys with 20 customers that did not provide QBR evaluations, achieving a 100% response rate. After integrating the QBR assessment results from key customers, the overall coverage rate of the customer satisfaction survey reached 100%. Based on a weighted-average calculation using each customer's annual revenue contribution, the overall customer satisfaction score reached 90.5 points, exceeding the annual target of 90.

Customer Satisfaction Over the Past Three Years



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8.2 Responsible Supply Chain

Sustainable Supply Chain Management Structure

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 Committee is responsible for communicating policies and positions externally, defining objectives and strategic directions internally, integrating resources, reviewing action plans, and overseeing implementation performance. The ESG Office coordinates and reports annually to the Board of Directors on the execution status and achievements of sustainable supply chain management objectives.

Up-stream — **Component Suppliers**

Panels, touch screens, camera modules, fingerprint recognition modules, batteries, chargers, charging cables, electronic components, electromechanical components (printed circuit boards, soft boards, acoustic components, etc.)

Mid-stream — **Compal Assembly Plants**

Notebook and desktop computers, Internet of Things (IoT) devices, wearable devices, mobile devices, healthcare products, automotive electronics, servers and information processing systems, smart display products, and networking and communications equipment.

Down-stream — **Customers**

Brand customers, retail chains, and end consumers

Industry Supply Chain Overview

Compal's product portfolio spans a wide range of sectors. Its supply chain involves hundreds of suppliers providing panels, touch screens, camera modules, fingerprint recognition modules, batteries, chargers, charging cables, electronic components, electromechanical parts (printed circuit boards, flexible circuit boards, acoustic components, etc.), as well as mechanical components. The Company has established close and long-term partnerships with hundreds of suppliers to ensure product quality and performance. Through close collaboration with suppliers, Compal integrates diverse expertise and technological capabilities across the value chain to develop outstanding products that meet customer needs and expectations.

Supplier Production Location Distribution

To improve raw material sourcing, manufacturing, and supply efficiency, support local economic development, and reduce carbon emissions associated with transportation, Compal continues to promote its local procurement strategy. The Company supports and develops local suppliers, strengthens regional supply chains, enhances local manufacturing capabilities, and reduces dependence on overseas sourcing. Most suppliers are located near Compal's major production bases, including its Taipei headquarters, manufacturing hubs in Sichuan and Eastern China, and northern Vietnam. Through these efforts, Compal is progressively building a comprehensive and resilient regional supply chain network. Based on the number of suppliers in 2025, the local procurement by supplier for each operations was 64% in Taiwan, 62% in China, and 18% in Vietnam. The total local procurement across Compal plants was 48%.

Country	China	Taiwan	Other Asian Countries	Vietnam	Americas	Europe
Percentage	66%	23%	4.3%	6%	0.5%	0.2%

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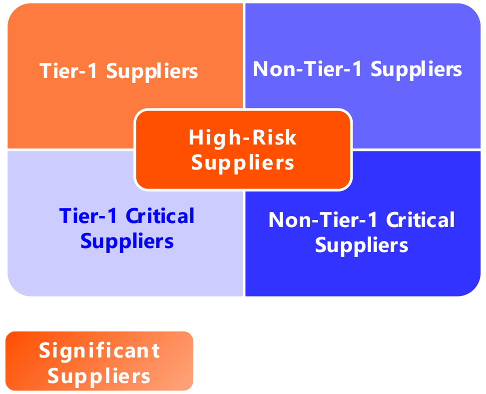
Supplier Classification

Compal's suppliers are distributed worldwide and provide a wide range of materials and components. To effectively manage ESG-related issues, suppliers are classified according to transaction models, procurement value, and various risk assessment criteria. Sustainable supply chain management activities are conducted based on the following supplier classifications. In 2025, Tier-1 Significant Suppliers accounted for 70.5% of the Company's total procurement spending.



Supplier Category	Definition	Total
Tier-1 Suppliers (including suppliers with and without manufacturing facilities)	Suppliers that transact directly with Compal, including providers of electronic components, mechanical parts, modular materials, and critical auxiliary materials.	752
Tier-1 Critical Suppliers	Tier-1 suppliers that collectively account for the top 80% of annual procurement spending and are considered technology leaders, strategic business partners, or otherwise key suppliers.	86
Non-Tier-1 Critical Suppliers	Suppliers that collectively account for the top 80% of annual procurement spending but transact only through distributors or agents.	24
Tier-1 Significant Suppliers	Tier-1 Critical Suppliers and Tier-1 suppliers with manufacturing facilities identified as ESG high-risk suppliers.	105
Significant Suppliers (including Tier-1 and Non-Tier-1 suppliers)	Tier-1 Critical Suppliers, Tier-1 and Non-Tier-1 suppliers with manufacturing facilities identified as ESG high-risk suppliers.[1]	107

Note 1: Includes two Non-Tier-1 suppliers with manufacturing facilities classified as ESG high-risk suppliers.

Supply Chain Management Mechanism

As a global leader in electronics manufacturing services and a member of the Responsible Business Alliance (RBA), Compal regards sustainable supply chain management as a critical element of its corporate development strategy. The Company is committed to ensuring that its products and services comply with international standards relating to ethics, environmental protection, and human rights. As part of its procurement process, Compal requires suppliers to sign the Compal Procurement Agreement and comply with international quality and environmental management standards. ESG performance is incorporated into supplier selection and management mechanisms, while internationally recognized ISO standards are progressively introduced to continuously enhance overall supply chain management performance.

To strengthen sustainable supply chain management capabilities, Compal conducts regular internal training programs for procurement personnel to enhance their understanding of the Company's sustainability objectives, as well as the frameworks and requirements of the RBA, the RMI, and CDP-related topics. A total of 215 procurement employees in Taiwan completed the relevant training programs, enhancing the procurement team's professional capabilities in ESG communication and supplier management. Through these efforts, Compal collaborates with suppliers to advance sustainable development and build a resilient and sustainable supply chain.

Sustainable Supply Chain Management Measures and Objectives

Management Process	Management Measures
Commitment to Compliance	o Sign the "Compal Purchase Agreement". o Sign the "Compal Supplier Code of Conduct". o Sign the "Non-use Of Conflict Minerals Commitment Letter"
Risk Assessment and Identification	o Annual Supplier ESG Risk Assessment Questionnaire o Annual Due Diligence on conflict minerals (CMRT/EMRT) o Verification that suppliers utilize qualified smelters and refiners in compliance with RMI requirements. o On-site audits or document reviews.
Corrective Actions and Supplier Development	o Follow-up and guidance on corrective actions for identified deficiencies. o Supplier online training- ESG GO Training platform

**The scope of each management measure varies according to the purpose of the questionnaire or assessment. The RBA commitment letter and ESG assessment questionnaire are distributed to Tier-1 suppliers with transactions in the previous year and Tier-2 suppliers representing 80% of transaction value. Conflict minerals surveys and declaration requirements apply to suppliers that provided metal-containing materials or parts during the previous year.*

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New Supplier Evaluation

The sustainability performance and operational practices of suppliers can have an indirect impact on Compal's reputation and business interests. To mitigate potential risks, Compal implements a supplier screening mechanism when evaluating prospective suppliers, with particular consideration given to environmental, social, and governance (ESG) performance, operational status, country of operation, industry background, and product relevance. To further strengthen the supplier selection process, Compal also conducts investigations and analyses of affected regions, industries, and sourcing channels whenever significant international events occur. These efforts help ensure supply chain stability and continuity, safeguard the Company's reputation and interests, and enhance overall supply chain efficiency and resilience.

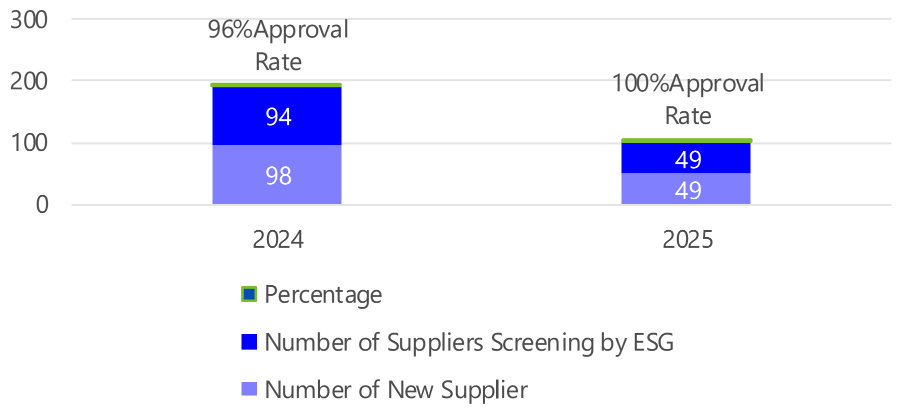
New Supplier Evaluation Process

1 Submission of Required Documentation	2 Follow-up and Improvement	3 Supplier Classification and Evaluation	4 On-Site Audit Results
○ Profile ○ Management Function Questionnaire ○ Environmental Management ○ Compal Supplier Code of Conduct ○ ISO Documents	Category A Suppliers: Document-based audit Category B Suppliers: On-site audit	Grade A (>75) Approved supplier Grade B (60-75) Approval temporarily suspended Grade C (<60) Not approved	Grade B (60-75) Corrective action plans must be submitted within three months. Upon approval of the corrective actions, the supplier may be included in the approved supplier list.

Note 1: Category A Suppliers include: 1. Leading Vendor manufacturer; 2. IC design companies; 3. Customer-designated category B suppliers (Category B Suppliers refer to manufacturers that require evaluation and approval by relevant functional departments.)

Compal has established ESG qualification requirements as part of its supplier onboarding process and incorporates ESG performance into supplier evaluation criteria, with ESG-related factors accounting for 19% of the overall supplier evaluation weighting. The ESG assessment covers environmental factors, including environmental management systems and policies as well as waste management; social factors, including occupational health and safety performance; and governance factors, including business strategy, information security protection, and supplier selection practices. An evaluation team composed of representatives from Procurement, R&D, Supplier Quality Engineering (SQE), and other relevant departments conducts supplier assessments through on-site audits, document reviews, or other appropriate evaluation methods. Suppliers rated as Grade A (Score>75) are included directly in the Approved Supplier List following evaluation. Grade B suppliers (Score 60~75) are subject to corrective action tracking by the relevant departments, and those that do not achieve Grade A status are included in the annual evaluation program for continuous improvement monitoring. Grade C suppliers are not approved. Supplier contracts may only be executed after all relevant departments have completed their evaluations and ratings.

New Suppliers Successfully Screened During 2024–2025



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Supply Chain Management Mechanism

Supplier Code of Conduct

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—Compal has established and publicly disclosed the Compal Supplier Code of Conduct (Compal COC) on its official ESG website as the core framework governing sustainable supply chain management. Compal regularly reviews and ensures that its supply chain partners remain highly aligned with the Company's sustainability strategy and continuously updates the Code in response to international trends and material sustainability issues.

To enhance management efficiency and strengthen implementation, Compal fully adopted a digitalized management mechanism in 2025 by introducing an electronic signature process through its Vendor Integration Portal (VIP). The implementation achieved a 99% signing rate among Tier-1 Suppliers, Non-Tier-1 Critical Suppliers, and Tier-1 Critical Suppliers under MRO Procurement. The system automates document distribution, signature tracking, version control, and record retention, significantly improving document management efficiency and information transparency while strengthening internal audit capabilities and supply chain risk management.

RBA 8.0	Compal Sustainability Policies (14 items)	2025 Performance Highlights
Labor Rights Health and Safety Environmental Protection Business Ethics Management Systems	○ Human Rights Policy ○ Labor Policy ○ Ethics Policy ○ Environmental, Health and Safety Policy ○ Anti-Corruption Policy ○ Raw Materials Policy of Green Product ○ Conflict Minerals Policy ○ Environmental Sustainability Policy ○ Information Security Policy ○ Non-Discrimination and Anti-Harassment Policy ○ CSR Policy ○ Tax Policy and Management Guidelines ○ Biodiversity and No-Deforestation Policy ○ Personal Data and Privacy Protection Policy	Supplier Code of Conduct Fully digitalized implementation 99% Signing rate

Sustainability Risk Management

Risk Identification and Assessment

Based on the Responsible Business Alliance (RBA) Code of Conduct, Compal has developed a self-assessment questionnaire to evaluate supplier performance across labor practices, health and safety, environmental management, ethics, and management systems. In 2025, information security risk-related questions were incorporated into the assessment, and suppliers were also required to provide RBA SAQ, VAP, Non-VAP, CMA, or other equivalent customer-designated audit reports. Considering business relevance, a total of 776 suppliers were assessed, including Compal's Tier 1 suppliers and Non-Tier 1 critical suppliers representing 80% of procurement spending, as well as 107 significant. The questionnaire achieved a 99% response rate. For the first time, the survey scope was expanded to include 293 MRO procurement suppliers, achieving a 100% response rate, thereby enabling a more comprehensive understanding of ESG risks across the supply chain. Suppliers that fail to cooperate with the assessment process are reported to the relevant departments, and the revocation of their approved supplier status may be recommended.

Scope of the Supplier ESG Risk Assessment Questionnaire

E – Environmental	S – Social	G – Governance
○ Environmental Regulatory Compliance ○ Energy Management ○ Water Resource Management ○ Waste and Air Emissions Management ○ Chemical Management ○ Greenhouse Gas Management	○ Labor Relations ○ Compensation and Benefits ○ Human Rights Issues ○ Health and Safety ○ Conflict Minerals	○ Ethical Management ○ Country Location ○ Government or NGO Exposure / Penalties ○ Sector Category ○ Risk Assessment ○ International Initiatives / ISO Certifications ○ Information Security

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The ESG Risk Assessment Questionnaire classifies suppliers into high-, medium-, and low-risk categories based on the significance of ESG issues, while also taking inherent risks into consideration when selecting suppliers for audit sampling. Following the 2025 risk assessment, 5% of suppliers were advanced to the next stage of management and underwent internal or third-party document reviews, on-site audits, and improvement guidance to ensure compliance with Compal's ESG requirements and to mitigate supply chain risks. In terms of supply risk management, Compal regularly reviews the resilience of suppliers' global manufacturing footprints to ensure appropriate response measures can be implemented to maintain supply chain resilience in the event of geopolitical risks.

Note: Inherent risks include labor-intensive operations; the use of hazardous chemicals or radioactive materials; the generation of toxic or regulated waste; industrial wastewater discharge; and industrial air emissions.

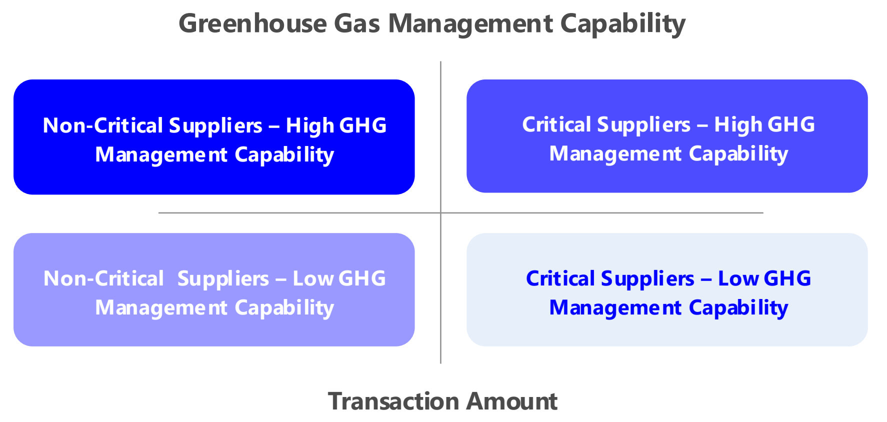
ISO Certification Coverage of Critical Suppliers

Topic	Management Measures and Related Management Systems	2025 Coverage Rate
Governance	ISO 9001 Quality Management System Certification	100% (new suppliers)
	ISO/IEC 27001 Information Security Management System Certification	50%
Environment	ISO 14001 Environmental Management System Certification	100% (new suppliers)
	ISO 14064-1 GHG Standard Certification or Other Third-Party Verification Certification	57%
	ISO 14067 Product Carbon Footprint Certification	8.1%
	ISO 50001 Energy Management System Certification	37%
Social	RBA VAP or equivalent third-party audit certification	49%
	ISO 45001 OHS Management System Certification	66%

Greenhouse Gas Management Capability Assessment

To achieve Compal's Scope 3 greenhouse gas emission reduction targets, the Company analyzes suppliers based on the carbon intensity of their industries, their greenhouse gas management capabilities, and the strategic importance of their business relationship with Compal. Through this assessment, suppliers with significant decarbonization potential are identified, enabling the Company to develop future collaboration plans and engagement strategies related to greenhouse gas management and carbon reduction initiatives. In 2025, critical suppliers were invited to participate in the CDP environmental disclosure questionnaire. The primary assessment criteria included:

- Greenhouse Gas Inventory Management : Greenhouse gas inventories, inventory boundaries, and third-party verification.
- International Initiatives : Participation in international carbon reduction initiatives, such as CDP, Science Based Targets initiative (SBTi), and RE100.
- ISO Certifications : Relevant international certifications, including ISO 14064-1 Greenhouse Gas Verification, ISO 50001 Energy Management Systems, and ISO 14067 Product Carbon Footprint Assessment.
- Criticality of transaction with Compal: Suppliers ranked within the top 80% of annual procurement spending among direct suppliers to Compal.



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Supplier Audits

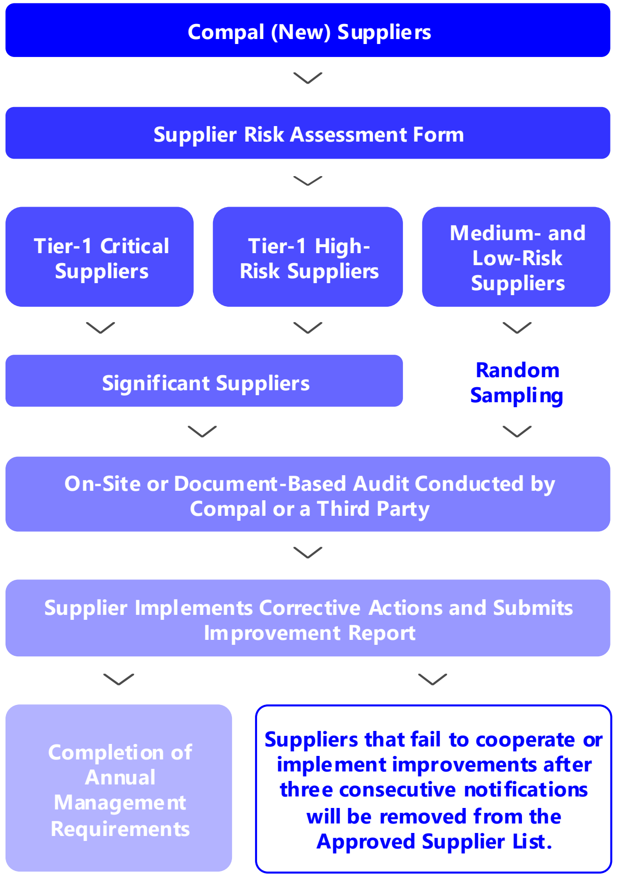
Compal has established a supplier audit mechanism centered on risk management, integrating the RBA Code of Conduct, ESG risks, and Business Continuity Planning (BCP) into its governance framework. Through systematic risk identification and data analysis, suppliers are categorized and managed according to transaction significance, supply disruption risks, and ESG assessment results. Suppliers that have been rated as high-risk for two consecutive years, particularly core suppliers, are designated as priority audit targets for the annual audit program. This risk-based approach enables Compal to identify and include high-risk or high-impact suppliers in its annual audit plan, thereby strengthening supply chain stability and sustainability management capabilities.

In 2025, Compal completed ESG/RBA audits for a total of 85 suppliers, including 26 comprehensive on-site audits and 59 document-based audits. Among these, 12 core suppliers identified as continuously high-risk or medium-to-high-risk were prioritized for auditing to ensure audit resources were effectively allocated to focused on critical risk areas. For audit findings, Compal has established an "Identify–Improve–Track" corrective action management mechanism requiring suppliers to submit Corrective Action Plans (CAPs) with a 100% submission rate, accompanied by regular progress reporting. Management guidance and technical recommendations are provided when necessary. Suppliers that fail to implement effective corrective actions after repeated notifications may be subject to procurement volume reductions or termination of business relationships in accordance with Compal's supplier management procedures. 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.

Looking ahead, Compal will continue to adopt a risk-based approach to supplier audit management, progressively increasing audit coverage in line with its phased targets of 10% of total suppliers by 2025 and 15% by 2030. Priority will continue to be placed on high-risk and critical suppliers, while further enhancing audit coverage and corrective action effectiveness for high-risk suppliers, with a target of maintaining an overall improvement rate above 85% to drive improvement and strengthen management maturity across the supply chain . In addition, data analytics will be leveraged to strengthen risk early-warning capabilities and further enhance the maturity of its supply chain risk management framework.

Screening Criteria	Description
High Annual Transaction Volume	Critical suppliers representing a significant proportion of procurement spending and having a substantial impact on supply chain stability are prioritized to ensure their ability to meet sustainability requirements.
High Supply Disruption Risk	Risk assessments and preventive measures are conducted for critical material suppliers to ensure supply chain continuity and resilience.
High Inherent Risk	Suppliers associated with hazardous chemicals, high pollution emissions, labor-intensive operations, or other high-risk characteristics are designated as priority audit targets.
Low ESG Questionnaire Score	Suppliers with low assessment scores are selected for audits, corrective guidance, and enhanced monitoring to mitigate operational and environmental risks.

Supplier Audit Process



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Supplier Risk Categories and Audit Strategies

Risk Category	Identification Criteria	2025 Audit Strategy	Implementation Results
Core High-Risk	○ Rated as high-risk for two consecutive years. ○ Critical component suppliers classified as medium-to-high risk.	Dedicated audit program incorporating comprehensive on-site audits and document reviews.	○ Audits completed for 12 priority core suppliers. ○ 100% corrective action follow-up rate. ○ All audit findings were incorporated into CAPs and tracked through completion.
Potential High-Risk	○ ESG questionnaire scores below the established benchmark. ○ Suppliers with high inherent risk.	Annual sample audits combining third-party RBA VAP certifications and Compal-conducted audits.	○ Included in the annual audit pool of 85 suppliers. ○ 100% corrective action follow-up rate. ○ All audit findings were incorporated into CAPs and tracked through completion.
General / Low-Risk	○ Consistently strong ESG performance. ○ Hold internationally recognized ESG-related certifications.	Dynamic monitoring through periodic reviews of ESG/SAQ self-assessment questionnaires and adverse media monitoring.	○ A cumulative total of 255 suppliers passed third-party audit.

Supplier Audit Results

2025	
Suppliers that passed RBA or equivalent third-party audits	255
Document-based audits completed	59
Number of suppliers subject to on-site audits	26
Number of suppliers implementing CAP for identified non-conformances	85
Deficiency improvement rate	81.2%
Supplier corrective action completion rate	100%
Suppliers terminated due to nonconformances	None

Note: The above figures are calculated as of the date this report was prepared. Follow-up and corrective actions are still ongoing.

Supplier Corrective Action Programs

Audit Area	Major Findings	Key Corrective Actions	Overall Corrective Action Rate
Labor	○ Inadequate working hours management and labor compliance. ○ Labor management systems not yet established.	○ Implement working hours monitoring and early-warning mechanisms. ○ Optimize shift scheduling and strengthen labor compliance management. ○ Establish labor management systems, including risk assessment, internal audits, and management reviews.	81.20%
Health and Safety	○ Insufficient occupational safety equipment. ○ Expired safety certifications. ○ Inadequate hazard identification and first-aid arrangements.	○ Strengthen occupational safety protection equipment. ○ Conduct regular inspections of safety facilities and certifications and improve first-aid equipment deployment. ○ Enhance occupational safety education and training programs.	
Environment	○ Insufficient environmental monitoring certifications. ○ No established carbon reduction targets and Scope 3 inventory mechanisms.	○ Establish environmental management systems. ○ Implement annual carbon reduction targets and greenhouse gas inventory programs. ○ Strengthen environmental management training and corrective action follow-up.	
Ethics	○ Incomplete management systems and documentation. ○ Lack of ethics management training and internal audit mechanisms.	○ Establish ethics management systems. ○ Conduct ethics training programs for employees and suppliers. ○ Perform regular internal audits and management reviews.	
Supply Chain Management	○ Insufficient communication and promotion of RBA requirements. ○ Inadequate management mechanisms for contractors and service providers.	○ Fully communicate and implement RBA requirements. ○ Establish audit and management mechanisms for contractors and service providers. ○ Strengthen supplier compliance management.	

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Building Sustainable Supply Chain Capabilities

Compal is committed to advancing responsible supply chain management by systematically integrating sustainability principles into supply chain governance framework. Through a combination of management mechanisms, including policy development, supplier engagement, and capability building, the Company continuously enhances supply chain performance across environmental, social, and governance (ESG) dimensions. Guided by the Supplier Code of Conduct as the foundation of governance framework, Compal has established digitalized operational and management mechanisms through the VIP (Vendor Integration Portal) Smart Supplier Management System, enhancing consistency in supply chain governance and improving information transparency. At the same time, through supplier conferences, the Compal ESG Go Training Platform, and supply chain carbon reduction collaboration projects, Compal continues to enhance suppliers' ESG management capabilities and works closely with supply chain partners to drive the low-carbon transition and the development of a sustainable value chain.

Supplier Conferences

Compal leverages supplier conferences as a sustainability communication and capability-building mechanism with supply chain partners, systematically communicating the Company's sustainability policies, responsible supply chain management requirements, and international sustainability trends. These efforts help suppliers strengthen governance capabilities and enhance risk management maturity. The conferences also serve as an important platform for supplier engagement and capability enhancement, encouraging suppliers to participate collectively the sustainable transition.

In 2025, Compal hosted three online supplier conferences, with a total of 972 suppliers participating. The conferences focused on key topics including responsible minerals management, ESG risk assessment, climate-related disclosures, energy conservation and carbon reduction trends, and best practices in climate management approaches. In addition, through the CDP Supplier Training Workshops, Compal helped suppliers gain a better understanding of climate disclosure frameworks and carbon management methodologies, thereby improving climate information transparency and strengthening supply chain carbon management capabilities.

Compal will continue to utilize supplier conferences and capability-building initiatives to enhance supply chain performance in responsible governance, environmental management, and climate action. Through ongoing communication and collaboration, the Company aims to support supply chain partners in advancing toward the low-carbon transition and sustainable development.

Intelligent Sustainable Supply Chain

To improve supply chain management efficiency and information transparency, Compal continues to promote the digital transformation of supply chain management. The VIP Smart Supplier Management System (Vendor Integration Portal) serves as a key digital platform for supply chain governance. The platform integrates supplier quotations, order management, ESG questionnaires, and sustainability policy communications into a unified system, enabling comprehensive digitalized and systematic supply chain management.

In addition, the platform incorporates automation and data analytics capabilities that transform supply chain data into real-time monitoring and risk management information, significantly enhancing data management efficiency and anomaly detection capabilities. From a governance integration perspective, the online Supplier Code of Conduct (COC) signing mechanism was successfully integrated into the system in 2025. Through the VIP platform, traceable digital signature records are established to ensure consistency and transparency in supply chain governance.

Looking ahead, Compal will continue to deepen the application of AI and data governance to further embed sustainability compliance management into procurement decision-making processes and progressively building an intelligent and sustainable supply chain framework integrating data governance, risk early-warning capabilities, and operational resilience.

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Compal ESG Go Training Platform

Embracing the spirit of "Growing together by supporting smaller partners with larger ones," Compal established the Compal ESG Go Training Platform, a supplier learning platform designed to enhance the maturity of sustainable supply chain governance through a systematic online empowerment mechanism. The curriculum is closely aligned with international sustainability trends and covers key topics including climate change and carbon management, environmental regulations, responsible minerals, and human rights protection. Compal is committed to transforming sustainability requirements into practical capabilities for suppliers. In 2025, the platform was further optimized and expanded to offer 50 thematic and modularized courses. In addition to providing in-depth professional content, the platform also features videos showcasing the carbon reduction achievements of the "ONE+N Net-Zero Project." Through the sharing of successful industry-leading practices, suppliers are able to progressively establish management systems aligned with international standards according to their own levels of management maturity.

Compal removes geographical barriers and enables efficient dissemination of sustainability values while strengthening supply chain resilience through the digital platform. By incorporating scenario-based learning and practical case studies, the platform enhances suppliers' self-management capabilities in environmental and social topics Compal ESG Go Learning Platform

Number of Courses	50
Registered Supplier Users	529
Cumulative Course Views	18,371
Cumulative Views of Assigned Learning Courses	17,488
Course Satisfaction Rate	93% / 4.65 points

Mentor-Based Approach to Carbon Reduction

To proactively respond to global climate resilience challenges and advance toward the vision of net-zero emissions by 2050, Compal launched its "Lead-supplier strategy(One+N) " initiative, guiding supply chain in accelerating decarbonization transformation. Through the ONE+N Electronic Supply Chain Net-Zero' program, 34 suppliers jointly committed to net-zero targets, while 9 suppliers with higher carbon emissions received in-depth carbon reduction guidance and support. Originally targeting a reduction of 10,000 tCO_2e within two years, the program significantly exceeded expectations through close collaboration between Compal and its suppliers. By 2025, the project achieved a total reduction of 14,761 tCO_2e, representing 147% of the original target, demonstrating the remarkable effectiveness of collaborative supply chain decarbonization efforts.

Compal assembled a Low Carbon Guidance Team by integrating internal and external experts. Through the deployment of carbon data management platforms and technical solutions, the team assisted suppliers in optimizing energy management performance while ensuring that all carbon emission and inventory data were verified by independent third parties to enhance transparency and credibility. To further amplify the impact of the initiative, Compal invited the 9 participating suppliers to document their successful carbon reduction and energy-efficiency improvement projects, highlighting key technologies and implementation experiences through video presentations. These videos were subsequently made available on the Compal ESG Go Training Platform for all suppliers to access and learn from. Through benchmarking and the broad dissemination of professional knowledge, Compal aims to transform individual success stories into shared competitive advantages across the entire supply chain, thereby fostering a resilient and low-carbon collaborative ecosystem.

Leading Supply Chain Transparency: CDP

Compal actively promotes supplier alignment with international climate assessment frameworks by inviting g suppliers to participate in the CDP, thereby advancing scientific environmental data management practices. In 2025, Compal expanded its influence by formally inviting 500 Tier-1 and key suppliers to participate in environmental disclosure, successfully supporting 302 suppliers in submitting environmental data. For the 82 suppliers with the most significant carbon emission impacts, Compal implemented an intensive engagement strategy, resulting in 71 suppliers completing disclosures, ensuring environmental data transparency across critical hotspots within the value chain. In addition, Compal successfully guided 57 suppliers to complete their first-ever CDP disclosures, demonstrating the Company's strong capability to empower suppliers and drive broader participation in climate disclosure initiatives.

Looking ahead to 2026, Compal will shift its governance focus from "disclosure participation" to "qualitative improvement", deepening data quality management and providing technical support to high-carbon-emitting suppliers. Through more systematic carbon emission and inventory training programs and carbon reduction strategy guidance, Compal aims to help participating suppliers transition from passive compliance to proactive climate management, thereby improving the accuracy, reliability, and decision-making value of environmental data. By establishing a data-driven green supply chain governance framework, Compal will continue to work closely with suppliers to strengthen global competitiveness in climate resilience and decarbonization transformation, while jointly fulfilling the long-term commitment of achieving net-zero emissions across the value chain.

Technical Support and On-Site Consulting	Completed energy-efficiency improvement consultations for 9 suppliers and carbon management system data registration for 34 suppliers
Digitalization of Benchmarking Experiences for Wider Impact	Produced carbon reduction achievement videos for 9 suppliers and uploaded them to the Compal ESG Go Learning Training Platform for supplier learning
Actual Carbon Reduction Achieved by Compal and 9 Participating Suppliers	14,761 tCO_2e, achieving 147% of the target

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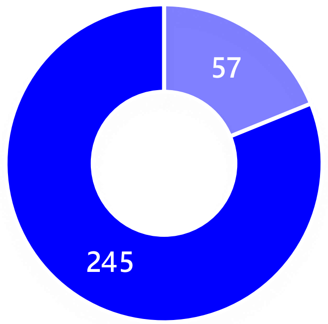
Leading Supply Chain Transparency: CDP

Management Indicator	2025 Results: Quantitative Disclosure and Transparency	2026 Target: Data Enhancement and Systematic Empowerment
Overall Submission Rate	Formally invited 500 suppliers, with 302 suppliers successfully submitting disclosures (61% submission rate)	Achieve a submission rate of over 65% and further enhance environmental information transparency
High Carbon-Emission Supplier Management	82 key suppliers with higher carbon emissions, 71 suppliers completed disclosures (87% disclosure rate)	Achieve a 90% disclosure rate and deepen strategic guidance and risk management efforts
Number of First-Time Disclosers	Assisted 57 suppliers in completing their first-ever CDP disclosures	Continue increasing the number of first-time disclosing suppliers and expand the impact of climate disclosure initiatives

302 Suppliers Submitted and Disclosed Environmental Data



Conflict Minerals Management

To ensure that minerals used in Compal products—including tantalum (Ta), tin (Sn), tungsten (W), gold (Au), cobalt (Co), and mica—comply with conflict-free mineral standards, Compal continuously strengthens responsible minerals management practices. In response to updates from the Responsible Minerals Initiative (RMI) and evolving international regulations, including the EU Battery Regulation, 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). To address specific customer requirements, Compal also conducted pilot surveys using the Additional Minerals Reporting Template (AMRT) for selected suppliers to further enhance transparency regarding additional minerals within the supply chain.

In accordance with the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas," Compal has established a due diligence management framework. Internally, the Company has implemented a Supplier Conflict Minerals Management Procedure to proactively investigate the sources of minerals and smelters, and has published its Conflict Minerals Policy. In addition, suppliers are required to sign "Non-use Of Conflict Minerals Commitment Letter". Through the investigation process, Compal works closely with internal stakeholders and suppliers to assess the necessity of using conflict minerals. Where appropriate, suppliers are required to gradually reduce, replace, or eliminate the use of conflict minerals, seek alternative mineral sources, and prioritize minerals sourced from regions that are not classified as high-risk areas.

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. The Company thoroughly reviewed information provided by suppliers, including mineral types, smelter names, and countries of origin, to monitor and manage mineral sourcing throughout the supply chain. Following completion of the survey process, Compal continues to monitor updates published by the Responsible Minerals Initiative (RMI), including information from the RMI Public List, smelter operating status, and international regulatory developments, while maintaining ongoing communication with suppliers. Updated RMI information is promptly communicated through the conflict minerals survey system. Compal ensures that suppliers source minerals in compliance with RMI requirements and meet customer and regulatory expectations by avoiding metals originating from areas affected by armed conflict or controlled by armed groups. The Company also encourages suppliers to source from conflict-free smelters validated through the Responsible Minerals Assurance Process (RMAP) or other equivalent independent third-party audit programs and to provide relevant verification documentation. Through these measures, Compal seeks to ensure that products are manufactured using responsibly sourced, conflict-free minerals and to further strengthen the security and sustainability of its mineral supply chain.

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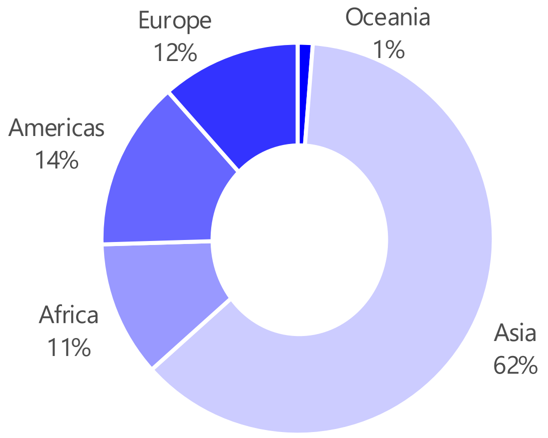
Conflict Minerals Management

Topic	Measures	Target	2025 Results
Supplier Commitment	Signing of "Non-use Of Conflict Minerals Commitment Letter"	100% response rate	Achieved a 100% response rate
Management Policy	Establish and maintain a Conflict Minerals Policy	Establish and maintain Conflict Minerals Policy	The Conflict Minerals Policy has been published on the ESG website and is subject to regular review and updates: Conflict Minerals Policy
Management Procedures	Establish internal conflict minerals management procedures	Establish conflict minerals management procedures	"Supplier Conflict Minerals Management Procedures Document" has been established and is reviewed periodically
Due Diligence	Conduct supplier conflict minerals investigations and distribute CMRT and EMRT surveys	100% supplier response rate for CMRT and EMRT surveys	Achieved a 100% response rate
Non-Compliant Suppliers	Notify suppliers through the system and regularly monitor smelters; require corrective actions within a specified timeframe; recommend discontinuing the use of conflict minerals and sourcing from alternative mineral sources	100% conflict-free procurement	Achieved 100% conflict-free procurement
Disclosure	Publish and disclose conflict minerals management measures and performance	Publish a Conflict Minerals Report by the end of June every year	Released the Compal Conflict Minerals Report in June 2025 and disclosed conflict minerals-related information through the Compal ESG website and ESG Report

2025 Smelter Distribution

Compal analyzed the geographic distribution of qualified smelters within its supply chain and found that the majority are located in Asia, followed by the Americas. Compal will continue working closely with customers and suppliers to verify that products throughout its supply chain are sourced from conflict-free minerals.



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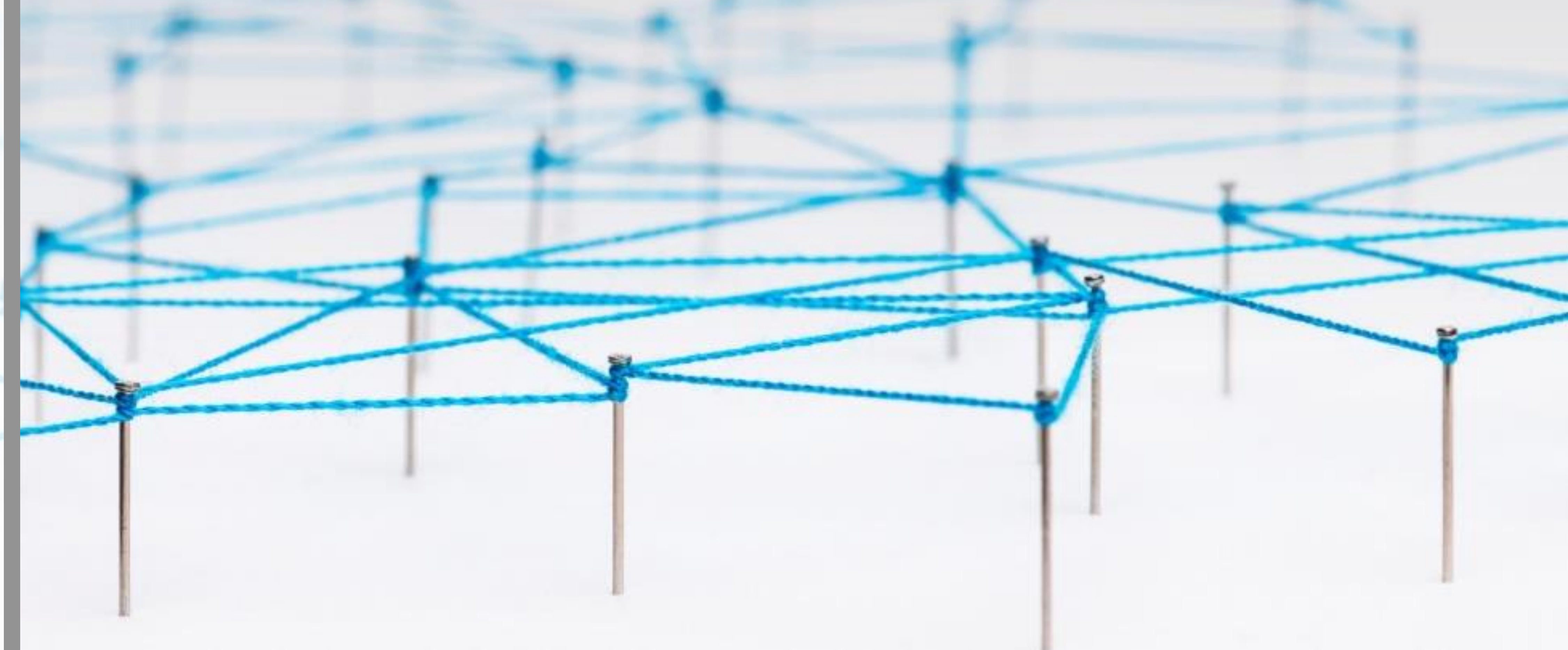

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Statement of Use	The contents of this disclosure, covering the period from January 1, 2025, to December 31, 2025, were reported by Compal in accordance with the GRI Standards.
Use of GRI 1	GRI 1: Foundation 2021
Applicable GRI Sector Standards	The relevant GRI Sector Standards for the company has not been released yet.

GRI		Disclosure Item	Chapter	Page
General Disclosure				
GRI 2: General Disclosures 2021	2-1	Organizational details	Company Overview	11
	2-2	Entities included in the organization's sustainability reporting	About the Sustainability Report	2
	2-3	Reporting period, frequency and contact point	About the Sustainability Report	2
	2-4	Restatements of information	Appendixes - Errata	230
	2-5	External assurance	Appendixes - Independent Assurance Opinion Statement	235
	2-6	Activities, value chain and other business relationships	Company Overview	11
	2-7	Employees	Talent Attraction and Retention	147
	2-8	Workers who are not employees	Workers Covered by Occupational Health and Safety Management System	187
	2-9	Governance structure and composition	Corporate Governance	57
	2-10	Nomination and selection of the highest governance body		
	2-11	Chair of the highest governance body		
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Operation	14
	2-13	Delegation of responsibility for managing impacts		
	2-14	Role of the highest governance body in sustainability reporting		
	2-15	Conflicts of interest	Corporate Governance	57

GRI		Disclosure Item	Chapter	Page
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	Risk Management、Corporate Governance	67 57
	2-17	Collective knowledge of the highest governance body	Corporate Governance、Risk Management	57 67
	2-18	Evaluation of the performance of the highest governance body		
	2-19	Remuneration policies	Corporate Governance、Talent Attraction and Retention	57
	2-20	Process to determine remuneration		147
	2-21	Annual total compensation ratio	Talent Attraction and Retention	147
	2-22	Statement on sustainable development strategy	Letters From the Executive Officers、Sustainable Operation	6 14
	2-23	Policy commitments	Sustainable Operation	14
	2-24	Embedding policy commitments		
	2-25	Processes to remediate negative impacts	Risk Management	67
	2-26	Mechanisms for seeking advice and raising concerns		
	2-27	Compliance with laws and regulations	Regulatory Compliance, Ethical Management and Anti-Corruption	79
	2-28	Membership associations	Participation in Policy Initiatives and Industry Associations	53
	2-29	Approach to stakeholder engagement	Stakeholder Communication and Engagement	25
	2-30	Collective bargaining agreements	Labor Unions and Labor-Management Meetings	181

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GRI Standards		Disclosure Item	Chapter	Page
Material Topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Analysis	33
	3-2	List of material topics		
	3-3	Management of material topics	Materiality Analysis、Sustainability Development Core Objectives	33 15
Topic-specific Disclosures for Material Topics				
GRI 102: Climate Change 2025	102-1	Transition plan for climate change mitigation	Climate Action	91
	102-2	Climate change adaptation plan		
	102-3	Just transition		
	102-4	GHG emissions reduction targets and progress		
	102-5	Scope 1 GHG emissions		
	102-6	Scope 2 GHG emissions		
	102-7	Scope 3 GHG emissions		
	102-10	Carbon credits		
GRI 103: Energy 2025	103-1	Energy policies and commitments	Energy Management	129
	103-4	Energy intensity		
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Regulatory Compliance, Ethical Management, and Anti-Corruption	79
	205-2	Communication and training about anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken		

GRI Standards		Disclosure Item	Chapter	Page
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Global Talent Recruitment	148
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Attraction and Retention、Occupational Health and Safety	147, 182
	401-3	Parental leave	Talent Retention	158
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety	182
	403-2	Hazard identification, risk assessment, and incident investigation		
	403-3	Occupational health services		
	403-4	Worker participation, consultation, and communication on occupational health and safety		
	403-5	Worker training on occupational health and safety		
	403-6	Promotion of worker health		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8	Workers covered by an occupational health and safety management system		
	403-9	Work-related injuries		
	403-10	Work-related ill health		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Talent Development and Growth	162
	404-2	Programs for upgrading employee skills and transition assistance programs		
	404-3	Percentage of employees receiving regular performance and career development reviews		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Responsible Supply Chain	214
	414-2	Negative social impacts in the supply chain and actions taken		
GRI 416: Customer Health and Safety 2016 Production	416-1	Assessment of the health and safety impacts of product and service categories	User Safety and Compliance with International Standards	144
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security and Privacy	85

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Voluntary Disclosures				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Business Performance	59
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Action	91
	201-3	Defined benefit plan obligations and other retirement plans	Talent Retention	158
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Talent Retention	158
	202-2	Proportion of senior management hired from the local community	Inclusivity and Diversity	152
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Responsible Supply Chain	214
GRI 207: Tax 2019	207-1	Approach to tax	Taxation	60
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Resource Management	131
	303-2	Management of water discharge related impacts		
	303-3	Water withdrawal		
	303-4	Water discharge		
	303-5	Water consumption		

GRI Standards		Disclosure Item	Chapter	Page
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management and Resource Circularity	134
	306-2	Management of significant waste-related impacts		
	306-3	Waste generated		
	306-4	Waste diverted from disposal		
	306-5	Waste directed to disposal		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Corporate Governance、Talent Development and Growth	57 162
	405-2	Ratio of basic salary and remuneration of women to men	Talent Retention	158
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Human Rights Management, Due Diligence and Protection、Responsible Supply Chain	175 214
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights Management, Due Diligence and Protection、Responsible Supply Chain	175 214
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Management, Due Diligence and Protection、Responsible Supply Chain	175 214

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<table>
<tr><th>Disclosure Topics</th><th>No.</th><th>Index Description</th><th>Corresponding Chapters</th><th>Compal's responses in 2025</th></tr>
<tr><td>Water Management</td><td>TC-ES-140a.1</td><td>1) Total water withdrawn
2) Total water consumed of each in regions with extremely high baseline water stress</td><td>Water Resource Management</td><td>1) 1,461,773 m3
2) 292.355 km3
3) 46.8%</td></tr>
<tr><td>Waste Management</td><td>TC-ES-150a.1</td><td>1) Amount of hazardous waste from manufacturing,
2) percentage recycled</td><td>Waste Management and Resource Circularity</td><td>507.7 tons of hazardous industrial waste was produced by production processes and 88.3% were recycled.</td></tr>
<tr><td>Labor Practices</td><td>TC-ES-310a.1</td><td>1) Number of work stoppages
2) Total days idle</td><td>N/A</td><td>1) 0 work stoppages.
2) 0 days in total.</td></tr>
<tr><td rowspan="3">Working Conditions, Health and Safety</td><td>TC-ES-320a.1</td><td>1) Total recordable incident rate (TRIR)
2) near miss frequency rate (NMFR) for
a) direct employees
b) contract employees</td><td>Occupational Health and Safety</td><td>1.a) 8%
1.b) 0%
2.a) 10%
2.b) 0%</td></tr>
<tr><td>TC-ES-320a.2</td><td>Percentage of (1) Compal plants and (2) Tier 1 supplier plants audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities</td><td>Responsible Supply Chain</td><td>1) Percentage of Compal plants audited in the RBA VAP or equivalent.
a) All plants: 53.8%
b) High-risk plants: N/A Note 1
2) Percentage of Tier-1 supplier plants audited in the RBA VAP or equivalent.
a) All plants: 42%
b) High-risk plants: 0% Note 2</td></tr>
<tr><td>TC-ES-320a.3</td><td>(1) Non-conformance rate or equivalent Note 3 and (2) associated corrective action rate Note 4 with the RBA Validated Audit Process (VAP) for (a) priority non-conformances and (b) other nonconformances, broken down for (i) Compal's facilities and (ii) the Compal's Tier 1 supplier facilities</td><td>Responsible Supply Chain</td><td>
<table>
<tr><th>Plant</th><th>Audit aspect</th><th>Labor</th><th>Health and Safety</th><th>Environment</th><th>Ethics Management</th><th>Management System</th></tr>
<tr><td rowspan="4">Compal</td><td>1.a)</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>2.a) Note6</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>1.b)</td><td>0.86</td><td>1</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>2.b) Note6</td><td>100%</td><td>100%</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td rowspan="4">Tier-1 supplier</td><td>1.a)</td><td>0.03</td><td>0.02</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>2.a) Note6</td><td>57%</td><td>100%</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>1.b)</td><td>2.81</td><td>1.48</td><td>0.57</td><td>0.05</td><td>0.29</td></tr>
<tr><td>2.b)</td><td>79%</td><td>84%</td><td>80%</td><td>62%</td><td>74%</td></tr>
</table>
</td></tr>
</table>

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Disclosure Topics	No.	Index Description	Corresponding Chapters	Compal's Responses in 2025
Product Lifecycle Management	TC-ES-410a.1	Weight of end-of-life products and e-waste recovered, percentage recycled	Waste Management and Resource Circularity	As a OEM, once products are sold to a brand client, the client leads the management of product repair, disposal, and recycling.
Materials Sourcing	TC-ES-440a.1	Description of the management of risks associated with the use of critical materials	Risk Management Responsible Supply Chain	Please refer to the corresponding chapters on management actions taken by Compal for critical materials (e.g. conflict minerals, critical raw materials).
Activity Indicators	TC-ES-000.A	Number of manufacturing facilities[Note 5]		13
	TC-ES-000.B	Area of manufacturing facilities		945,834
	TC-ES-000.C	Number of employees		36,867

Note 1: Compal had no high-risk sites.
Note 2: A total of 22 suppliers were identified as high-risk suppliers through the Compal Supplier ESG Risk Assessment Questionnaire. These suppliers will undergo improvement guidance in accordance with Compal's supplier audit procedures. For further details, please refer to the "Sustainable Supply Chain" section.
Note 3: Non-conformity rate
(1a.) Priority non-conformities/Tier-1 supplier factories that underwent RBA VAP or CMA
(1b.) (Major non-conformities + Minor non-conformities)/Tier-1 supplier factories that underwent RBA VAP or CMA
Note 4: Remediation rate
(2a.) No. of priority non-conformity corrective actions/Total no. of priority non-conformities
(2b.) No. of (Major non-conformities + Minor non-conformities) corrective actions/ Total No. of (Major non-conformities + Minor non-conformities)
Note 5: Compal has registered operating sites in Taiwan, China, Vietnam, Brazil, the United States, and Mexico.
Note 6: No Priority (Other) non-conformities were identified during the reporting year. As a result, the denominator was zero and is therefore presented as "–".
Note 7: The scope of Tier-1 supplier screening comprises supplier factory sites that had direct transactions with Compal in 2024.

Errata

Page	Description
41 (page number in 2024 Sustainability Report)	In Compal's sustainability impact pathway, the unit for product sales was incorrectly labeled as KNTD and should be corrected to NTD.

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Sustainability Disclosure Metrics

Metrics	Metric Category	Annual Disclosure Status (Corresponding Chapters)	Unit	Remarks
Total Energy Consumption, Percentage of Purchased Electricity, and Renewable Energy Usage Rate	Quantitative	Energy Management	Gigajoules (GJ), Percentage (%)	-
Total Water Withdrawal and Total Water Consumption	Quantitative	Water Resource Management	Thousand Cubic Meters (1,000 m^3)	-
Weight of Hazardous Waste Generated and Recycling Percentage	Quantitative	Waste Management and Resource Circularity & SASB Index	Metric Tons (t), Percentage (%)	-
Description of Occupational Injury Categories, Number of Cases, and Incident Rates	Quantitative	Occupational Health and Safety & SASB Index	Number, Rate (%)	-
Disclosure of Product Life Cycle Management, Including the Weight of End-of-Life Products and Electronic Waste and Their Recycling Percentage	Quantitative	Waste Management and Resource Circularity	Metric Tons (t), Percentage (%)	As a OEM, once products are sold to a brand client, the client leads the management of product repair, disposal, and recycling.
Description of Risk Management Related to the Use of Critical Materials	Qualitative	Risk Management & Responsible Supply Chain	Not Applicable	-
Total Monetary Losses Resulting from Legal Proceedings Associated with Anti-Competitive Conduct Regulations	Quantitative	Regulatory Compliance, Ethical Management, and Anti-Corruption	Reporting Currency	Compal had no legal proceedings related to anti-competitive conduct regulations in 2025.
Production Volume of Major Products by Product Category	Quantitative	Business Performance	Varies by Product Category	-

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Taiwan Sustainable Taxonomy

Assessment Steps	Description of Economic Activity
(1) Identify the Company's principal economic activities and the proportion of total revenue in the previous year.	Products Certified with ENERGY STAR
	54 %
(2) Determine whether the principal economic activity falls within the scope of "General Economic Activities" or "Enabling Economic Activities" under these Guidelines.	General Economic Activities
(3) Assess whether the activity qualifies as a sustainable economic activity based on the following three criteria:	
Criterion 1: Whether the activity meets the Technical Screening Criteria for making a Substantial Contribution to at least one environmental objective.	Environmental Objective: Climate Change Mitigation
Criterion 2: Whether the activity complies with the Do Not Significant Harm (DNSH) principle to the six environmental objectives.	Compliant
Criterion 3: Whether the activity complies with the Minimum Safeguards.	Compliant
If any of the above criteria are not met, is there a transition plan?	
Assessment Result: Taxonomy Alignment and Sustainability Performance of the Individual Economic Activity	Compliant
Explanation of Compliance: The products have obtained energy efficiency certifications, such as ENERGY STAR, demonstrating improved energy efficiency and reduced energy consumption during the use phase, thereby contributing to climate change mitigation. The assessment confirmed that the products do not cause significant harm to other environmental objectives and comply with the minimum social safeguards. Therefore, they are considered to qualify as sustainable economic activities.	

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SDGs Comparison Table (1-2)

Chapter	SDGs	Article
Corporate Governance	8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
	9.5	Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.
	12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
	17.8	Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology.
Climate Action	7.a	By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.
	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
	13.2	Integrate climate change measures into national policies, strategies and planning.
	13.3	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
	14.1	By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.
	15.1	By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
	15.2	By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.
	15.a	Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.
	15.b	Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation.
Environmental Sustainability	7.2	By 2030, increase substantially the share of renewable energy in the global energy mix.
	7.3	By 2030, double the global rate of improvement in energy efficiency.
	7.a	By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology.
	6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
	6.4	By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
	6b	Support and strengthen the participation of local communities in improving water and sanitation management.
	12.2	By 2030, achieve the sustainable management and efficient use of natural resources.
	12.4	By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.
	12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

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SDGs Comparison Table (2-2)

Chapter	SDGs	Article
Inclusive Growth	5.2	Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.
	8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
	8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
	10.3	Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.
	16.b	Promote and enforce non-discriminatory laws and policies for sustainable development.
Social Engagement	1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
	2.1	By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.
	3.3	By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.
	4.7	By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development
	10.3	Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.
	14.1	By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.
	14.2	By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.
	15.9	By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.
Sustainability Partners	13.2	Integrate climate change measures into national policies, strategies and planning.
	13.3	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
	17.16	Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.
	17.17	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

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ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE COMPAL ELECTRONICS INC.'S SUSTAINABILITY REPORT FOR 2025

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by COMPAL ELECTRONICS INC. (hereinafter referred to as COMPAL) to conduct an independent assurance of the Sustainability Report for 2025. The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 2 Moderate level during 2026/3/25 to 2026/7/15. The boundary of this report includes COMPAL Taiwan and oversea operational and production or service sites.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all COMPAL's stakeholders stated in the Sustainability Report for 2025.

RESPONSIBILITIES

The sustainability information in the COMPAL's Sustainability Report of 2025 and its presentation are the responsibility of the directors or governing body (as applicable) and management of COMPAL. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP,2018).

Assurance has been conducted at a type 2 moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (In Accordance with)
3	SASB Electronic Manufacturing Services & Original Design Manufacturing, EMS & ODM Standard, version 2023-12

- The evaluation of the reliability and quality of specified sustainability performance information in COMPAL's Sustainability Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a moderate level of scrutiny for COMPAL and moderate level of scrutiny for its subsidiaries.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

The specified performance information includes the data for 2025, which is related to GRI 2, GRI3, GRI 200, 300, 400 series aimed in the GRI content index as material, as well as information claim in the content index of the SASB Electronic Manufacturing Services & Original Design Manufacturing, EMS & ODM Standard, version 2023-12; and the following disclosure metric under the S&P Global Corporate Sustainability Assessment (CSA) 1.7.5 KPIs for Supplier Assessment and Development: "Number of unique significant suppliers assessed via desk assessments/on-site assessments," as presented in COMPAL's Sustainability Report.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop research, interviews with relevant employees, superintendents, Sustainabilitycommittee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. (insert details)

LIMITATIONS

Financial data drawn directly from independently audited financial accounts, has not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from COMPAL, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

COMPAL has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, COMPAL may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

MATERIALITY

COMPAL has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT

COMPAL has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

On the basis of the verification work performed, we checked minutes of meetings, management documents, ISO certification. We have confidence that the specified performance information included in the scope of assurance is reliable at a moderate level of scrutiny for COMPAL and at a moderate level of scrutiny for its subsidiaries.

ADHERENCE TO GRI

The report, COMPAL's Sustainability Report of 2025, is reporting in accordance with the GRI Universal Standards 2021. The significant impacts were assessed and disclosed in accordance with the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to COMPAL's contributions to sustainability development.

ADHERENCE TO SASB

COMPAL has referenced with SASB's Standard, Electronic Manufacturing Services & Original Design Manufacturing, EMS & ODM Standard, version 2023-12 to disclose information of material topics that are vital for enterprise value creation. The reporting boundary is the same as COMPAL's Sustainability report. COMPAL used SASB accounting and activity metrics to assess and manage the topic-related risks and opportunities, where relevant quantitative information was assessed for its accuracy and completeness to ensure the comparability of the data reported. COMPAL has determined which disclosure topics and associated metrics are financially material to its business and has illustrated appropriately in the content index. By using both GRI and SASB standards together, the efficiency of communication and the identification of material issues are substantially increased during the whole reporting preparation process. Besides, it is best practice to implement a gap analysis and comparison of reported issues and benchmark within or across sectors in next reporting.

Signed:
For and on behalf of SGS Taiwan Ltd.

Stephen Pao
Business Assurance Director
Taipei, Taiwan
30 July, 2026
WWW.SGS.COM

AA1000
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FROM VISION TO REALITY

Innovation Empowered