

## **Statement on Compal's Participation in Climate-Related Initiatives and the Management of Industry Associations**

In response to the global challenge of climate change, Compal strongly supports the Paris Agreement. We have completed a decarbonization pathway aligned with the 1.5°C scenario and set Science-Based Targets (SBTs). Compal and all global operational sites covered under its consolidated boundary are committed to achieving net-zero emissions by 2050.

To ensure that our climate actions remain consistent with our external engagements, this mechanism establishes governance principles covering participation criteria, internal evaluation, decision-making procedures, and exit mechanisms for climate-related initiatives, industry associations, policy advocacy, and lobbying activities.

### **1. Principles of Participation**

Compal gives priority to initiatives and organizations that meet the following characteristics:

1. Support the international consensus on limiting global warming to 1.5°C and align with initiatives such as SBT and RE100.
2. Actively promote net-zero transition, energy efficiency, and renewable energy policies.
3. Encourage open dialogue and cooperation with governments and value chains on decarbonization.
4. Contribute positively to low-carbon transition in regions where Compal operates.

### **2. Internal Governance and Evaluation Procedure**

Any proposed formal participation in initiatives, industry associations, policy advocacy, or lobbying activities related to climate change shall be subject to a preliminary evaluation conducted by the Sustainability Office. The purpose of the evaluation is to confirm whether the organization's policy positions align with Compal's decarbonization goals and commitments under the Paris Agreement. Participation may proceed only upon approval by the Chief Sustainability Officer.

For existing affiliations, a consistency review shall be conducted annually prior to membership renewal or fee payment to assess alignment with the company's climate position. For organizations that do not require fees, periodic reviews will also be performed.

Evaluation results shall be submitted to the Chief Sustainability Officer as a reference for material decisions. The overall governance process will be reviewed at least once per year and adjusted as necessary.

**Evaluation criteria include:**

- Whether the organization supports the 1.5°C temperature target.
- Whether it promotes climate-related disclosure.
- Whether it potentially hinders corporate climate action.
- Whether it supports decarbonization in operational locations.

If major inconsistencies are identified, the responsible unit shall proactively communicate and propose corrective actions. If needed, escalation to senior management is required. The following actions may be taken:

- Public statement clarifying Compal's differing stance.
- Timeline and engagement for improvement, with escalation if unresolved.
- Withholding payments, temporary observation, or formal withdrawal.
- Forming coalitions with like-minded organizations aligned with the Paris Agreement.

All actions shall be documented and incorporated into Compal's annual sustainability governance review to ensure consistent alignment.

### **3. Scope and Governance Responsibilities**

This mechanism applies to all global operational sites under Compal's consolidated boundary, and provides centralized management of all relevant engagements. To ensure executive accountability, the Chief Sustainability Officer or authorized representatives will attend key meetings, participate in policy dialogues, and oversee disclosures.

If a new initiative is proposed, the relevant unit must conduct consistency evaluation following internal procedures. Major decisions shall be reviewed by the Sustainability Office and submitted to the Chief Sustainability Officer for approval to ensure policy alignment and transparency.

This statement becomes effective upon approval by the President.