

Compal's Supplier Code of Conduct

Compal Electronics, Inc. (abbreviation form as "Compal") believes that the sustainability of social and environment represents the foundation of Compal. Compal takes it seriously with our suppliers as important and long-term partnerships. We hope our suppliers can work with us towards mutual growth of international competitiveness as well as global sustainability development. we will showcase the efforts and achievements of both parties to the broader community.

Compal suppliers are expected to provide a healthy, safe, diverse, equitable, and inclusive working environment, ensuring that employees are treated with respect and dignity. Suppliers must genuinely promote environmental protection, adhere to legal and ethical standards in their business operations, and demonstrate a strong commitment to social and environmental responsibility. Compal follows Responsible Business Alliance Code of Conduct and refers to the " UN Guiding Principles on Business and Human Rights " and the International Labour Organization's " Declaration of Fundamental Principles and Rights at Work " and "the Universal Declaration of Human Rights " and "the Responsible Minerals Initiative" and other international norms, we have formulated this code of conduct for the supply chain (hereinafter referred to as the "Code").

Compal requires that the supply chain comply The Code also complies with the laws and regulations of the countries and regions where it operates, and encourages the supply chain to require its downstream supply chain to recognize and implement this Code. Compal expects to continue to advance through close cooperation, communication and evaluation with the supply chain. The extent to which the supply chain complies with this standard will be one of Compal's considerations in evaluating purchasing decisions.

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The Code is made up of five sections. Sections A, B, and C outline standards for Labor, Health and Safety, and the Environment, respectively. Section D adds standards relating to business ethics; Section E outlines the elements of an acceptable system to manage conformity to this Code.

A. LABOR

Suppliers are committed to uphold the human rights of workers, and to treat them with dignity and respect as understood by the international community. This applies to all workers including temporary, migrant, student, contract, direct employees, and any other type of worker. The recognized standards, as set out in the annex, were used as references in preparing the Code and may be a useful source of additional information.

A1. Prohibition of Forced Labor

Forced labor in any form, including but not limited to, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company- provided facilities including, if applicable, workers' dormitories or living quarters. As part of the hiring process, all workers must be provided with a written employment agreement in their native language, or in a language the worker can understand, that contains a description of terms and conditions of employment. Foreign migrant workers must receive the employment agreement prior to the worker departing from his or her country of origin and there shall be no substitution or change(s) allowed in the employment agreement upon arrival in the receiving country unless these changes are made to meet local law and provide equal or better terms. All work shall be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given, which shall be clearly stated in workers' contracts. Suppliers shall maintain documentation on all leaving workers. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Notwithstanding the foregoing, employers can only hold documentation if necessary to comply with the local law. In this case, at no time shall workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

A2. Young Workers

Child labor shall not be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Workers under the age of 18 (Young Workers) shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Suppliers shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations. Suppliers shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Suppliers shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation shall be provided.

A3. Working Hours

Working hours shall not exceed the maximum set by local law. Further, a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime shall be voluntary. Workers shall be allowed at least one day off every seven days.

A4. Wages and Benefits

Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. All workers shall receive equal pay for equal work and qualification. Workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor shall be within the limits of the local law.

The minimum wages should meet the overall requirement of living costs. Also, workers have the right to enjoy fair and appropriate salaries to ensure a dignified life for themselves and their families, including food, recreation, housing, medical care and necessary social services.

A5. Non-Discrimination/Non-Harassment/Humane Treatment

Suppliers shall commit to providing a workplace free from all forms of harassment and unlawful discrimination, ensuring a fair, safe, diverse, and inclusive environment. There shall be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity or expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers. Workers shall be provided with reasonable accommodation for religious practices and disability. In addition, workers or potential workers should not be subjected to medical tests, including pregnancy or virginity tests, or physical exams that could be used in a discriminatory way. This was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).

A6. Freedom of Associations and collective bargaining

Open communication and direct engagement between workers and management are the most effective ways to resolve workplace and compensation issues. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment. In alignment with these principles, Suppliers shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Where the right of freedom of association and collective bargaining is restricted by applicable laws and regulations, workers shall be allowed to elect and join alternate lawful forms of worker representations.

B. HEALTH AND SAFETY

Suppliers recognize that in addition to minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production and worker retention and morale. Suppliers also recognize that ongoing worker input and education are essential to identifying and solving health and safety issues in the workplace. Recognized management systems such as ISO 45001 and ILO Guidelines on Occupational Safety and Health were used as references in preparing the Code and may be useful sources of additional information.

The health and safety standards are:

B1. Occupational Health and Safety

Worker potential for exposure to health and safety hazards (chemical, electrical and other energy sources, fire, vehicles, and fall hazards, etc.) shall be identified and assessed, mitigated using the Hierarchy of Controls. Where hazards cannot be adequately controlled by these means, workers shall be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards. Gender-responsive measures shall be taken, such as not having pregnant women and nursing mothers in working conditions, which could be hazardous to them or their child and to provide a reasonably convenient environment.

B2. Emergency Preparedness

Potential emergency situations and events are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures including emergency reporting, employee notification and evacuation procedures, worker training, and drills. Emergency drills must be executed at least annually or as required by local law, whichever is more stringent. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

B3. Occupational Injury and Illness

Procedures and systems shall be in place to prevent, manage, track and report occupational injuries and illnesses, including provisions to encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work. Suppliers shall allow workers to remove themselves from imminent harm, and not return until the situation is mitigated, without fear of retaliation.

B4. Industrial Hygiene

Worker exposure to chemical, biological, and physical agents shall be identified, evaluated, and controlled according to the Hierarchy of Controls. When hazards cannot be adequately controlled, workers shall be provided with and use appropriate, well-maintained, personal protective equipment free of charge. Suppliers shall provide workers with safe and healthy working environments, which shall be maintained through ongoing, systematic monitoring of workers' health and working environments. Suppliers shall provide occupational health monitoring to routinely evaluate if workers' health is being harmed from occupational exposures. Protective occupational health programs shall be ongoing and include educational materials about the risks associated with exposure to workplace hazards.

B5. Physically Demanding Work

Worker exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks is to be identified, evaluated, and controlled.

B6. Machine Safeguarding

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.

B7. Sanitation, Food, and Housing

Workers are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by the supplier or a labor agent are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting and heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

B8. Health and Safety Communication

Suppliers shall provide workers with appropriate workplace health and safety information and training in the language of the worker or in a language the worker can understand for all identified workplace hazards that workers are exposed to, including but not limited to mechanical, electrical, chemical, fire, and physical hazards. Health and safety related information shall be clearly posted in the facility or placed in a location identifiable and accessible by workers. Health information and training shall include content on specific risks to relevant demographics, such as gender and age, if applicable. Training shall be provided to all workers prior to the beginning of work and regularly thereafter. Workers shall be encouraged to raise any health and safety concerns without retaliation.

B9. Natural Disaster Risk Mitigation

Suppliers shall be aware of the natural disasters, such as earthquakes, droughts, floods, typhoons, etc. relevant to its facilities, and assess their likelihood and impact of personnel injury, property damage, and operational disruptions. The risks should be mitigated through establishing hardware protection, developing emergency response procedures, training and drills, and conducting emergency plans.

C. ENVIRONMENT

Across all business functions, Suppliers recognize that environmental responsibility is integral to producing world-class products. They shall identify and assess both the actual and potential environmental impacts of their manufacturing processes, and minimize any adverse effects on the community, environment, and natural resources while safeguarding the health and safety of the public.

The environmental standards are as follows:

C1. Environmental Permits and Reporting

All required environmental permits (e.g. discharge monitoring), approvals, and registrations are to be obtained, maintained, and kept current and their operational and reporting requirements are to be followed.

C2. Pollution Prevention and Resource Conservation

Emissions and discharges of pollutants and generation of waste shall be minimized or eliminated at the source or by practices such as adding pollution control equipment; modifying production, maintenance, and facility processes; or by other means. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, shall be conserved by practices such as modifying production, maintenance and facility processes, materials substitution, re-use, conservation, recycling, or other means.

Committed to enhancing the sustainability of raw materials and products, increasing the use of recycled materials, and promoting the research and development of environmentally friendly products and the circular economy. Implementing green transportation and logistics, optimizing packaging design to reduce packaging volume, eliminate plastics, and improve transportation efficiency.

For more information on Compal's Raw Material Policy of Green Product, please refer to Compal's official website:

<https://www.compal.com/ESG/Upload/ArticleImages/2024/08/13/2024081313485094.pdf>

C3. Hazardous Substances

Chemicals, waste, and other materials posing a hazard to humans or the environment shall be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal. Hazardous waste data shall be tracked and documented.

Adhere to international hazardous substance environmental management standards and customer specifications to ensure that product design and manufacturing comply with relevant regulatory requirements.

C4. Solid Waste

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). Waste data shall be tracked and documented.

C5. Air Emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, routinely monitored, controlled and treated as required prior to discharge. Suppliers shall conduct routine monitoring of the performance of its air emission control systems.

C6. Materials Restrictions

Suppliers are to adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

C7. Water Management

Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, use and discharge; seeks opportunities to conserve water; and controls channels of contamination. All wastewater is to be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Suppliers shall conduct routine monitoring of the performance of its wastewater treatment and containment systems to ensure optimal performance and regulatory compliance.

C8. Energy Consumption and Greenhouse Gas Emissions

Suppliers shall establish and report against an absolute corporate-wide greenhouse gas reduction goal. Energy consumption and all Scopes 1, 2, and significant categories of Scope 3 greenhouse gas emissions shall be tracked, documented, and publicly reported. Suppliers shall look for methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

C9. Biodiversity, No Deforestation and Land Conservation

Suppliers should avoid important biodiversity protection areas and its outskirt areas when setting up factories or engaging in operating activities. If operating activities are close to vital biodiversity areas, suppliers should aim for No Net Loss(NNL) , and sequentially implement Mitigation Hierarchy such as avoidance, minimization, rehabilitation, and compensation to minimize ecological impacts.

Suppliers shall obey international and local forest and environmental laws and regulations, follow the principle of Zero Net Deforestation, and commit to the conservation and maintenance of the global ecological environment. Suppliers shall improve various technologies to improve land conservation, promoting sustainability of land use.

At the same time, suppliers should promote the concept of biodiversity, enhance public awareness of ecological conservation, encourage conservation actions, and actively support international initiatives such as the United Nations Convention on Biological Diversity (CBD) to protect biodiversity.

C10. Product Life Cycle Assessment

To more comprehensively evaluate the environmental impact of products, suppliers will gradually improve their product life cycle assessment. By identifying and optimizing carbon emission hotspots throughout the entire product life cycle, they aim to enhance production efficiency and reduce environmental impact.

D. ETHICS

To meet social responsibilities and to achieve sustainable growth, Suppliers and their agents are to uphold the highest standards of ethics including.

D1. Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

D2.No Improper Advantage

Bribes or other means of obtaining undue or improper advantage are not to be promised, offered, authorized, given, or accepted. This prohibition covers promising, offering, authorizing, giving or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. Monitoring, record keeping, and enforcement procedures shall be implemented to ensure compliance with anti-corruption laws.

D3. Disclosure of Information

All business dealings should be transparently performed and accurately reflected on the Supplier's business books and records. Information regarding Supplier's labor, health and safety, environmental practices, business activities, structure, financial and tax management status, and performance shall be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain are unacceptable.

D4. Intellectual Property

Intellectual property rights are to be respected, transfer of technology and know-how is to be done in a manner that protects intellectual property rights, and customer and supplier information is to be safeguarded.

D5. Fair Business, Advertising and Competition

Standards of fair business, advertising, and competition shall be upheld. Suppliers shall be in compliance with all applicable antitrust laws, and shall not engage in collusive bidding, price fixing, price discrimination, or other unfair trade practices in violation of antitrust laws.

D6. Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers are to be maintained, unless prohibited by law. Suppliers should have a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

D7. Responsible Sourcing of Minerals

Suppliers shall adopt a policy and exercise due diligence on the source and chain of custody of the Tantalum, Tin, Tungsten, Gold, Cobalt and Mica in the products they manufacture to reasonably assure that they are sourced in a way consistent with the Organization for Economic Co-operation and Development (OECD) Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas or an equivalent and recognized due diligence framework

Compal requires suppliers to sign a declaration of prohibition/non-support/non-use of conflict minerals to ensure the productions are complied with international regulations and customer requirements. Suppliers shall apply due diligence on the source and supply chain of custody of these minerals. Make sure their due diligence measurements are available all the time for Compal or their customer requests.

For more information on Compal's statement on non-use of conflict minerals, please refer to Compal's official website:
<https://www.compal.com/csr/zh/page.aspx?Id=29>

D8. Privacy

Suppliers shall commit to protecting the reasonable privacy expectations of personal information of everyone they do business with, including suppliers, customers, consumers, and employees. Participants shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

To prevent unauthorized use and sharing of data, suppliers are required to establish an information security management system, which includes regular reporting on associated risks, issues, and management performance. Suppliers should also actively pursue relevant certifications (e.g., ISO 27001) and aim to broaden their scope. Through the implementation of this system, both the company and its customers will be safeguarded. Continuous efforts must be made to enhance the capacity to respond to information security incidents, meeting the growing demands for information security.

D9. Avoiding Conflicts of interest

Suppliers should avoid any possible conflict of interest when trading with Compal. Conflicts of interest, such as situations where a employee or a close relative (parent, child, spouse or sibling) is a significant investor or shareholder in Supplier (as non-publicly traded stock). Excessive or over ly-frequent socializing with your Compal business contacts may also create a conflict of interest, or the appearance of a conflict of interest. Social contact must be within accepted cultural business norms. If a potential conflict is discovered, Supplier should report such incident immediately to Compal and take corrective actions to ensure that no inappropriate actions to prevent possible misconduct.

E. Management Systems

Suppliers shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations and customer requirements related to the Supplier's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement.

The management system should contain the following elements

E1. Company Commitment

Suppliers shall establish human rights, health and safety, environmental and ethics policy statements affirming Participant's commitment to due diligence and continual improvement, endorsed by executive management. Policy statements shall be made public and communicated to workers in a language they understand via accessible channels.

E2. Management Accountability and Responsibility

The suppliers clearly identifies senior executive and company representative[s] responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management system on a regular basis.

E3. Legal and Customer Requirements

A process to identify, monitor and understand applicable laws, regulations and customer requirements, including the requirements of this Code.

E4. Risk Assessment and Risk Management

Suppliers shall adopt or establish a process to identify the legal compliance, environmental, health and safety³, labor practice and ethics risks, including the risks of severe human rights and environmental impacts, associated with Participant's operations. Participants shall determine the relative significance for each risk and implement appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

(Areas to be included in a risk assessment for environmental health and safety are production areas, warehouse and storage facilities, plant/facilities support equipment, laboratories and test areas, sanitation facilities (bathrooms), kitchen/cafeteria and worker housing/dormitories.)

E5. Improvement Objectives

Written performance objectives, targets and implementation plans to improve the supplier's social, environmental, and health and safety performance, including a periodic assessment of supplier's performance in achieving those objectives

E6. Training

Programs for training managers and workers to implement supplier's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements

E7. Communication

A process for communicating clear and accurate information about supplier's policies, practices, expectations, and performance to workers, suppliers, and customers

E8. Worker/Stakeholder Engagement and Access To Remedy

Suppliers shall establish processes for ongoing two-way communication with workers, their representatives, and other stakeholders where relevant or necessary. The process shall aim to obtain feedback on operational practices and conditions covered by this Code, and to foster continuous improvement. Workers shall be given a safe environment to provide grievance and feedback without fear of reprisal or retaliation.

E9. Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility

E10. Corrective Action Process

Suppliers shall establish a process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

E11. Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy

E12. Supplier Responsibility

Compal should set up protocols to deliver the requirements to suppliers and at the same time supervise them to comply with the protocols. Suppliers should formulate sustainable procurement-related policies and implement sustainable supply chain management actions based on the protocols, and establish procedures to deliver the requirements of the protocols to its suppliers and ask for their compliance.

REFERENCES:

- **RBA Web**

Code of Conduct (responsiblebusiness.org)

- **Compal ESG web**

<https://www.compal.com/esg/zh/default.aspx>

- **ILO Fundamental Conventions**

Conventions, Protocols and Recommendations | International Labour Organization (ilo.org)

- **United Nations (UN) Guiding Principles on Business and Human Rights**

GuidingPrinciplesBusinessHR_EN.pdf ([ohchr.org](https://www.ohchr.org))

- **Universal Declaration of Human Rights**

Stories - South-South Cooperation Day | United Nations

- **United Nations Convention Against Corruption**

Learn about UNCAC ([unodc.org](https://www.unodc.org))

- **United Nations Convention on the Rights of the Child**

Convention on the Rights of the Child | OHCHR

- **United Nations Convention on the Elimination of All Forms of Discrimination Against Women**

Convention on the Elimination of All Forms of Discrimination against Women New York, 18 December 1979 | OHCHR

- **United Nations Global Compact**

Homepage | UN Global Compact

- **Eco Management & Audit System**

Eco-Management and Audit Scheme (EMAS) (europa.eu)

- **Ethical Trading Initiative**

Home | Ethical Trading Initiative (ethicaltrade.org)

- **RMI (Responsible Minerals Initiative)**

<https://www.responsiblemineralsinitiative.org/>

- **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas**

<http://www.oecd.org/corporate/mne/mining.htm>

- **ISO 14001**

www.iso.org

- **ISO 45001**

<https://www.iso.org/iso-45001-occupational-health-and-safety.html>