

Compal's Supplier Code of Conduct

Compal Electronics, Inc. (hereinafter "Compal") firmly believes that the fulfillment of Corporate Social Responsibility (CSR), respect for human rights, and environmental protection are the cornerstones of business continuity and supply chain resilience. As essential long-term partners, Compal is committed to partnering with suppliers to collaborate on the implementation of Responsible Business Conduct (RBC) throughout the supply chain, thereby enhancing global industry competitiveness and advancing sustainable development.

Compal requires suppliers to strive to foster a safe, healthy, diverse, equitable, and inclusive (DEI) working environment, ensuring that all workers are treated with dignity and respect. In their business operations, suppliers shall strictly adhere to applicable laws and regulations, uphold the highest standards of ethics, and proactively implement environmental protection requirements.

This "Supplier Code of Conduct" (hereinafter the "Code") is formulated in accordance with the "Responsible Business Alliance (RBA) Code of Conduct." It also references international standards including the "UN Guiding Principles on Business and Human Rights," ILO "Declaration of Fundamental Principles and Rights at Work," "The Universal Declaration of Human Rights," and the "Responsible Minerals Initiative (RMI)."

In addition to compliance with this Code, Compal encourages suppliers to extend the principles and requirements herein to their own downstream supply chain partners. Compal will drive continuous improvement within the supply chain through close collaboration, communication, and ongoing assessment mechanisms. A supplier's compliance with this Code shall serve as a critical factor in Compal's supplier performance rating, risk assessment, and procurement decision-making.

This Code comprises five key sections: (A) Labor, (B) Health and Safety, (C) Environmental Standards, (D) Business Ethics, and (E) Management Systems, which serve as the foundation for suppliers to implement the Code and related management requirements.

A. LABOR

Suppliers shall commit to upholding the human rights of workers, and to treat all workers with dignity and respect, as understood by the international community. This Code applies to all workers, including but not limited to temporary, migrant, student, contract workers, direct employees, and any other type of worker. The recognized standards, as set out in the annex, were used as references in preparing this Code and may serve as important supplementary sources of guidance for suppliers in implementing this Code.

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 reimbursed 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, a assistance/remediation program 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 shall align with the Living Wage standards. 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 shall recognize that in addition to minimizing the incidence of work-related injury and illness, establishing and maintaining 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 shall serve as important supplementary sources of guidance for suppliers in implementing this Code.

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 8 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 an integral part of producing world-class products. Suppliers shall identify and assess both actual and potential environmental impacts arising from their manufacturing operations, and shall take appropriate measures to minimize adverse impacts on the community, the environment, and natural resources, while safeguarding public health and safety.

The environmental standards are as follows:

C1. Environmental Permits and Reporting

All required environmental permits (e.g., discharge monitoring), approvals, and registrations shall be obtained, maintained, and kept current, and all associated operational and reporting requirements shall be complied with.

C2. Pollution Prevention and Resource Conservation

Emissions, discharges of pollutants, and the generation of waste shall be minimized or eliminated at the source through practices such as adding pollution control equipment, or modifying production, maintenance, and facility processes. The use of natural resources, including water, fossil fuels, minerals, and virgin forest products, shall be conserved through process modification, material substitution, reuse, conservation, recycling, or other effective measures. Suppliers shall strive to enhance the sustainability of raw materials and products, increase the use of recycled materials, and promote environmentally friendly product design and circular economy initiatives. Green transportation and logistics practices, optimized packaging design, reduced packaging volume, plastic reduction (deplasticization), and improved transportation efficiency shall be implemented to minimize environmental impact.

For more information on Compal's Raw Material Policy of Green Product, please refer to Compal's official website: <https://www.compal.com/esg//zh-hant/environment/green-product/>

C3. Hazardous Substances

Suppliers shall adhere to international environmental management standards for hazardous substances and applicable customer requirements to ensure that product design and manufacturing processes comply with relevant regulatory requirements.

Chemicals, waste, and other materials posing hazards 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, documented, and retained as required.

C4. Solid Waste

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

C5. Air Emissions

Air emissions of volatile organic compounds (VOCs), aerosols, corrosives, particulates, ozone-depleting substances, and combustion by-products generated from operations shall be characterized, routinely monitored, controlled, and treated as required prior to discharge.

Suppliers shall routinely monitor the performance and effectiveness of air emission control systems. Ozone-depleting substances shall be managed in accordance with the Montreal Protocol and applicable regulations.

C6. Materials Restrictions

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

C7. Water Management

Suppliers shall implement a water management program that documents, characterizes, and monitors water sources, usage, and discharge; identifies opportunities for water conservation; and controls contamination pathways. All wastewater shall be characterized, monitored, controlled, and treated as required prior to discharge or disposal. Suppliers shall conduct routine monitoring of wastewater treatment and containment systems to ensure regulatory compliance and optimal operational performance.

C8. Energy Consumption and Greenhouse Gas Emissions

Suppliers shall establish and publicly report corporate-wide greenhouse gas (GHG) reduction targets. Energy consumption and GHG emissions across Scope 1, Scope 2, and relevant categories of Scope 3 shall be tracked, documented, and disclosed. Suppliers shall seek cost-effective opportunities to improve energy efficiency and reduce overall energy consumption and GHG emissions.

C9. Biodiversity, No Deforestation and Land Conservation

Suppliers should avoid establishing facilities or conducting operations in or near key biodiversity areas. Where operations are located adjacent to such areas, suppliers shall aim for No Net Loss (NNL) and apply the mitigation hierarchy, including avoidance, minimization, restoration, and compensation, to reduce ecological impacts.

Suppliers shall comply with international and local forest and environmental laws and regulations, uphold the principle of Zero Net Deforestation, and commit to the conservation and restoration of global ecosystems.

Suppliers are encouraged to enhance land conservation practices, promote sustainable land use, raise biodiversity awareness, and actively support international initiatives such as the United Nations Convention on Biological Diversity (CBD).

C10. Product Life Cycle Assessment

To more comprehensively assess environmental impacts, suppliers shall progressively enhance Product Life Cycle Assessment (LCA) practices to identify and optimize carbon emission hotspots throughout the product life cycle, suppliers aim to improve production efficiency and reduce overall environmental impacts.

D. ETHICS

To meet social responsibilities and achieve sustainable growth, Suppliers and their agents shall 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 applicable 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 the 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, and 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 shall have a clearly 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 that products comply with international regulations and customer requirements. Suppliers shall apply due diligence on the source and supply

chain of custody of these minerals and shall make relevant due diligence information available upon request by Compal or its customers.

For more information on Compal's statement on non-use of conflict minerals, please refer to Compal's official website: <https://www.compal.com/esg//zh-hant/supply-chain-management/conflict-minerals-management/>

D8. Privacy

Suppliers shall commit to protecting the reasonable privacy expectations and personal data of all parties 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 shall avoid any possible conflict of interest when trading with Compal. Conflicts of interest include situations where a Compal 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 overly 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 identified, the Supplier shall immediately report such situation to Compal and take appropriate corrective actions to prevent any improper conduct.

E. Management Systems

Suppliers shall adopt or establish a management system appropriate to their operations and aligned with 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 legal, operational, and sustainability-related risks associated with this Code. It shall also support and 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 the organization's commitment, endorsed by executive management, to due diligence and continual improvement. Policy statements shall be made public and communicated to workers through accessible channels in a language they understand.

E2. Management Accountability and Responsibility

The suppliers shall clearly identify senior executives and company representatives responsible for ensuring implementation of the management system and associated programs. Senior management shall review 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, shall be established.

E4. Risk Assessment and Risk Management

Suppliers shall adopt or establish a process to identify legal compliance, environmental, health and safety, labor, and ethics risks, including risks of severe human rights and environmental impacts, associated with the Supplier's operations. Suppliers shall determine the relative significance of each risk and implement appropriate procedural and physical controls to mitigate 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 shall be established to improve the supplier's social, environmental, and health and safety performance, including periodic reviews of performance in achieving those objectives.

E6. Training

Training programs shall be established for managers and workers to implement the supplier's policies, procedures, and improvement objectives, and to ensure compliance with applicable legal and regulatory requirements.

E7. Communication

A process shall be established for communicating clear and accurate information regarding the 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 engagement with workers, their representatives, and relevant stakeholders. Workers shall be provided with a safe environment to raise grievances and provide feedback without fear of retaliation or reprisal.

E9. Audits and Assessments

Periodic self-evaluations shall be conducted to ensure conformity with legal and regulatory requirements, this Code, and customer contractual requirements related to social and environmental responsibility.

E10. Corrective Action Process

Suppliers shall establish a process to ensure the timely corrective action of deficiencies identified through internal or external assessments, inspections, investigations, and audits.

E11. Documentation and Records

Documents and records shall be created and maintained to ensure regulatory compliance and conformity with company requirements, while appropriately protecting confidentiality and privacy.

E12. Supplier Responsibility

Suppliers shall establish processes to communicate the requirements of this Code to their suppliers and to monitor compliance. Suppliers shall develop sustainable procurement-related policies and implement sustainable supply chain management practices in accordance with this Code, and extend these requirements to their upstream suppliers.

REFERENCES:

- **RBA Web** Code of Conduct (responsiblebusiness.org)
- **Compal ESG web** (compal.com)
- **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)
- **Universal Declaration of Human Rights** Universal Declaration of Human Rights | United Nations
- **United Nations Convention Against Corruption** Learn about UNCAC (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** OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas | OECD
- **ISO 14001** ISO 14001:2015 - ISO 14001 - Environmental management systems
- **ISO 45001** <https://www.iso.org/iso-45001-occupational-health-and-safety.html>