

2023 ESG INSIGHT REPORT



ENVIRONMENTAL

SUSTAINABILITY INITIATIVES

CLIMATE GROUP RE100

Joined RE100 Member
June 2024

ONE+N

ONE+N Supply Chain
NetZero acceleration plan



CDP Management grade
for Climate Change and
Water Security



Approved targets in 2024



TCFD (Since 2021)



SASB (Since 2021)



ESG Ratings
OCT 2023



ESG RISK rating **12.4**
Low Risk



ESG Score **71**
(CSA)
2022 **38** 2023 **71**

INNOVATION | HARMONY | TRANSCENDENCE

In 2024, Compal marks its 40th anniversary, continuing to uphold our principles of innovation, harmony, and transcendence. Over the past year, the Company Sustainability Committee has set clear short, medium, and long-term goals to reflect our commitment. In 2023, we introduced the ONE+N Supply Chain Net Zero Accelerator Program, collaborating with 34 key suppliers to advance carbon accounting and establish reduction targets. Our own carbon reduction goals, aligned with the 1.5°C scenario, have been approved by the Science Based Targets Initiative, providing a detailed carbon roadmap for the years ahead. We also launched our Diversity, Equity, and Inclusion (DEI) policy and integrated diversity clauses into Board policies to enhance our commitment to diversity and gender equality. Compal is dedicated to sustainability in our business practices and supply chain, addressing environmental, labor, management, ethical, and social issues to fulfill our corporate responsibility as a global citizen, respond to the expectations of all stakeholders, and strive to create a sustainable future.

Chairman of the Board
Ray Chen

President & CEO
Anthony Peter Bonadero

GREEN DESIGN AND PATENTS

Compal is committed to managing and utilizing raw materials in accordance with the principles of sustainable development, while actively engaging with both internal and external stakeholders. The Board approved “Raw Material Policy of Green Product” in Aug 2024.

2023 Green Product Outcomes



69%

Products voluntarily comply Ecolabel requirements 69%



More than 5%

Recycled materials in all business notebook computers



12%

Notebook projects and ESG-related patents



36.9%

FSC-compliant packaging

Green Products Goals	FY2024	FY2025	FY2030
Recycled Plastic Material Rate	>30%	>40%	>60%

Patent Statistics

Item	Category	2021	2022	2023
Patent Applications	Invention	202	171	149
	New model	9	12	16
	Design	49	82	41
Patent Awarded	Invention	236	231	238
	New model	18	13	9
	Design	83	71	35

ESG x Innovation Bonus

Introduced in 2022 to inspire employee interest in corporate ESG goals, encourage sustainable design, and promote cross-department collaboration. Employees can propose practical concepts for helping the Company realize the goal of net zero emissions.

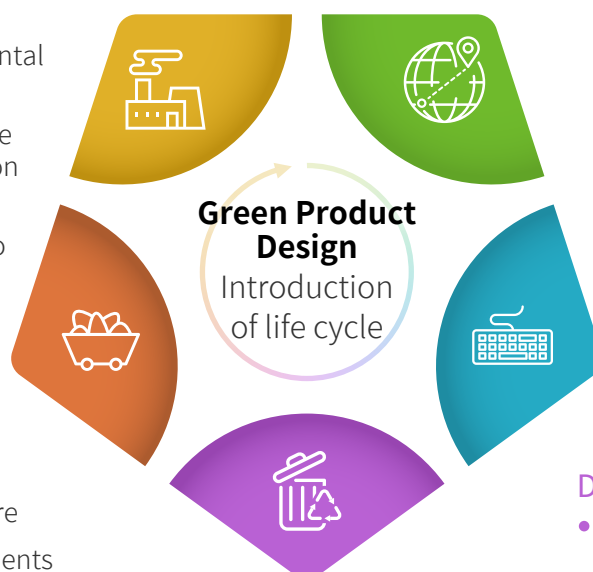
DESIGN APPROACH

Manufacturing

- ISO 14001-Environmental Management System
- ISO 14064-Greenhouse Gas Inventory Pollution Prevention
- UL 2799 Zero Waste to Landfill

Raw materials

- EU RoHS
- EU REACH
- Conflict minerals
- Full material disclosure
- Halogen-free components



Transportation

- Optimized packaging
- Green transportation

Usage

- EU Directive on Eco-design requirements for energy products
- ENERGY STAR
- Human Factors Design/ Use Safety

Disposal/Recycling

- EU Waste Electrical and Electronic Equipment Directive

KEY PERFORMANCE OF PRODUCT SUSTAINABILITY STEWARDSHIP

Product Life Cycle	Key Performance Indicators (KPI)	2021	2022	2023
Green Product Design	Total Products Covered by Life Cycle Assessment (Simplified and Full Life Cycle Assessment)	-	90.11%	96.34%
	Total: Products Acquired Type I Ecolabels or Type II Environmental Claims	-	73.13%	92.60%
Manufacturing and Usage	Percentage of Revenue Contributed by Low Carbon Products	-	63.30%	76.18%
	Estimated Avoided GHG Emissions Contributed by Low Carbon Products (tCO ₂ e)	-	2,029,291	1,368,038
Disposal/ Recycling	Percentage of Products That Can Be Recycled	78%	78%	78%
	Percentage of Products and Materials Actually Reused or Recycled	12.49%	12.41%	12.36%

FULL MATERIAL DISCLOSURE

FMD encourages the supplier to disclose all materials in their part rather than just the items specified in the Compal controlled material standard. All chemical materials and their proportions within the product must be listed. Once there is FMD for all parts in a product, a full picture of the product's chemical composition emerges so that changes in material regulations and requirements can be responded to in a timely manner.

Hazardous Substance Management

To manage hazardous substances more effectively, reduce the risk of fraudulent reports, as well as improve management quality and efficiency, we now upload digital hazardous substance reports to the database of third-party certification bodies. Digital reports accounted for 44% in 2023. Continued efforts should see this ratio increase to 60% in 2024.

EU REACH

Compal requires suppliers to make full disclosure of SVHC contents in all supplied parts, and encourages them to take step towards reducing and eliminating uses of such substances as early as possible. Compal also includes the hazardous chemicals listed in Annex XIV of the EU chemicals policy into its environmental management regulations, restricting their usage.

RoHS

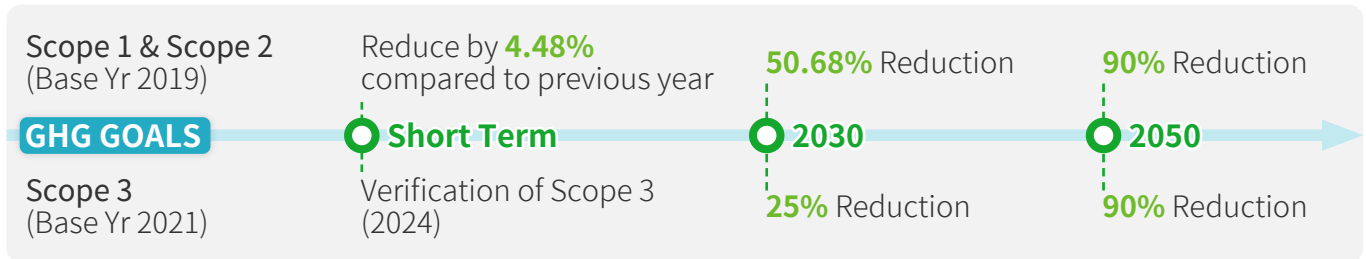
Compal products are 100% compliant with all limits set by the RoHS directive.

Halogen Free

Compal voluntarily adopted halogen-free products and processes back in 2007 to regulate halogen (chlorine/bromine) content. Compal is constantly improving its production systems to eliminate halogen altogether and all major brand customers are now transitioning to Halogen-free eco-friendly specifications.

GHG MANAGEMENT

Compal officially joined RE100 in June 2024. Compal and its invested subsidiaries aim to achieve 100% renewable energy usage by 2050 and reach net-zero emissions by 2050.



Note: The final SBTi approved target for Short Term and 2030 is 4.48% and 50.68% respectively (original preliminary target was 4.2% and 46.2%).

By continuously introducing GHG reduction programs and measures covering three scopes within the company and the value chain, it is estimated that residual emissions will be neutralized through carbon offsets.

GHG INVENTORY

In 2023, the market-based emissions intensity decreased by 0.03 to the previous year.

2023 The scope of GHG inventory organization-based verification has expanded to include all subsidiaries in consolidated financial report. All of our plants have obtained third-party ISO 14001 certification, and are obtaining ISO 14064-1 and ISO 50001 certifications in separate stages.

	Unit	2021	2022	2023
Scope 1	tCO ₂ e	22,445	20,437	19,863
Scope 2	tCO ₂ e	220,618	156,320	104,416
MARKET-BASED Total Emissions (Scope 1+2)	tCO ₂ e	243,063	176,757	124,278
Intensity	tCO ₂ e/million NTD	0.197	0.165	0.131
Scope 2	tCO ₂ e	-	239,027	195,402
LOCATION-BASED Total Emissions (Scope 1+2)	tCO ₂ e	-	259,464	215,265
Intensity	tCO ₂ e/million NTD	-	0.242	0.227
Revenue Coverage of Entity Financial Statements		99.97%	99.78%	98.84%

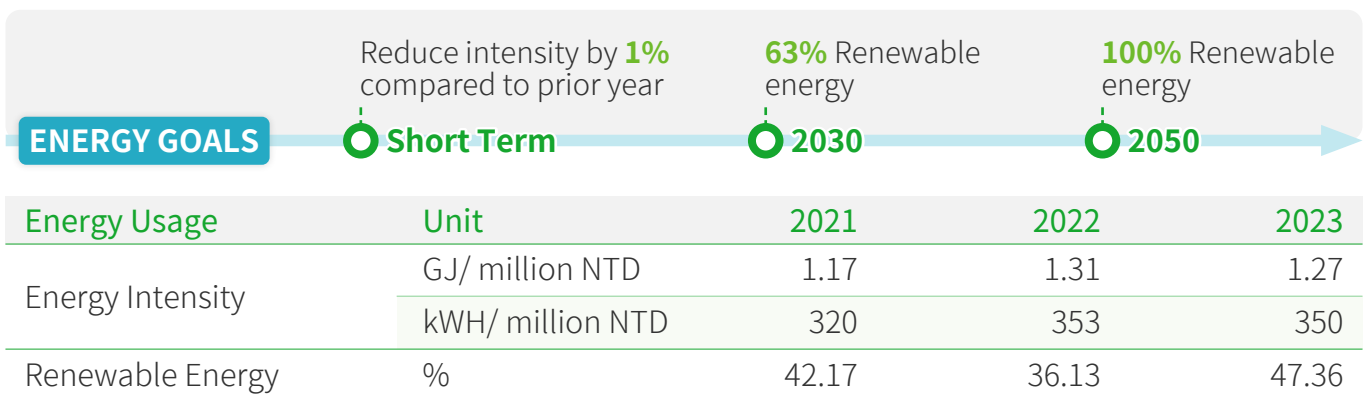
The nature of the industry means most of Compal's GHG emissions are concentrated in externally purchased energy. To reduce GHG emissions, Compal decreased energy consumption, enhanced energy efficiency, procured 7,709.8 MWh of solar power, 75,451.2 MWh of hydropower, and 75,243 renewable energy certificates to reduce actual emissions by 90,337.8 tCO₂e.

SCOPE 3

Beginning 2021, Compal has included scope 3 of GHG emissions in the inventory, we confirmed that significant emission sources in Scope 3 belonged to categories 1 (purchased goods and services) and 11 (use of sold products).



ENERGY MANAGEMENT



VOCs

The tracking of VOC emissions at plants was progressively introduced from 2021 onwards. Reduction action plans were also rolled out resulting in a 77.8% reduction in 2023 compared to the previous year.

China Plant	Unit	2021	2022	2023
Direct VOC Emissions	metric tonnes	1,674.56	158.34	35.12
Audit Coverage Rate	%	88.75	83.99	92.41

CLIMATE CHANGE MANAGEMENT

Compal follows the TCFD framework, the Sustainability Development Scenarios (SDS) and Stated Policies Scenario (STEPS) proposed by the International Energy Agency (IEA), as well as the SSP1-2.6 and SSP-2-4.5 scenarios proposed by IPCC to examine the risks and opportunities for the Company under each scenario.

15 risks and 10 opportunities topics were determined and assessed for possibility and degree of impact. Further analysis of potential financial impact and management action are conducted for material climate change risks (4) and opportunities (3), for details see Compal's [ESG website on TCFD](#).



To motivate the CEO and other senior executives (including other C-Level management) in promoting and implementing climate change management and sustainability strategies, we integrate key performance indicators (KPIs) with sustainability strategies in daily management. The KPIs and annual assessment results will serve as the basis for salary adjustments, bonuses, and other incentives.

TNFD

During 2023-2024, Compal completed the analysis phase of the LEAP methodology recommended by TNFD. Compal has listed out the opportunity issues and continuously plans to achieve no net loss (NNL) by following the steps of avoidance, impact reduction, restoration and regeneration, and transformation. For details see Compal's [ESG website on TNFD](#).



BIODIVERSITY

Compal is calling upon our value chain and partners to join us in supporting biodiversity and forest conservation in response to the environmental and ecological challenges brought by climate change. We have issued our Biodiversity and No-Deforestation Policy. The Policy is applicable to Compal and all global subsidiaries in which we hold more a stake of more than 50% and operational control.

WATER MANAGEMENT

Goal 1% reduction in water usage intensity compared to the previous year.

	Unit	2021	2022	2023
Water Use Intensity	m ³ / million NTD	2.17	2.33	2.18

WASTE AND HAZARDOUS SUBSTANCE MANAGEMENT

Goal 1% reduction in waste intensity compared to the previous year.

	Unit	2021	2022	2023
Total		7,529.40	9,323.70	7,696.90
General Waste	tonne	6,046.50	8,321.50	6,275.20
Hazardous Industrial Waste		1,482.90	1,002.20	1,421.70
Waste Intensity	tonne /million NTD	6.09	8.69	8.12

UL2799 Zero Waste to Landfill Environmental Claim Certification

Certification Level	Landfill Waste Diversion Rate	Plants
Platinum	100%	Kunshan Plant 2 (including 6% incineration with heat recovery)
Gold	95% - 99% or greater	The Vietnam (CVC and CWV) Plants

Chongqing (CQA), Nanjing, Kunshan Plant 1, and Kunshan Plant 3 continue to meet UL2799 Platinum Level management standards.

SOCIAL

PRODUCT AND CONSUMER SAFETY AND HEALTH

*There were **no** violations of product safety specifications in 2023.*

All plants have obtained ISO 9001: 2015 international certification and introduced the QC 080000 hazardous substance management process.

The product safety concept is incorporated by the Compal product safety department during the design phase for notebook, AIO desktop computer, and tablet PC products in accordance with the IEC 60950-1 and IEC 62368-1 international standards developed by the International Electrotechnical Commission (IEC).

Additionally, in 2023 the Safety Certification department partnered with Compal's Automation Working Group and other departments to co-develop the "RCEM Certificate Management System". The advantages of the system include a more intuitive operating and inspection interface, fool-proofing mechanisms, high level of automation and auxiliary management functions, and the ability to cross-link existing information across plants and platforms.

HUMAN RIGHTS

Compal abides local laws and regulations in all countries and regions where we operate, upholds the human rights of all employees of Compal by following the articles of the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact Ten Principles (UNGC).

We also align our actions with the RBA and its Code of Conduct. Human Rights Policy was formulated and passed by the Compal Board of Directors. Headquarters and plants each have established "Regulation for No Enforcement, Discrimination, and Harassment". For details of the Human Rights Due Diligence Report, please refer to [Compal ESG website](#).



Prohibit child labor



Prohibit forced labor and human trafficking



Prohibit sexual harassment



Weekly working hours shall not exceed 60hrs



Zero-tolerance for discrimination and ensure equal opportunity



Freedom of association and collective bargaining



Labor Unions **63.33%** (China, Vietnam and Brazil)



Comply with applicable wage and working hours regulations

EMPLOYEE STRUCTURE

The Compal global employees are comprised of 61.44% men and 38.56% women.

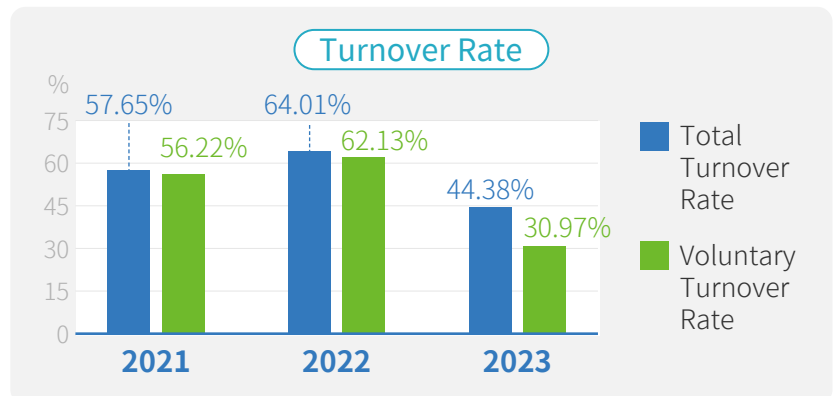
2023 Employee Structure	Taiwan	China	Vietnam	Brazil	US	World-wide
Total Employees	8,667	23,869	13,893	615	130	47,174
Temporary Employees	2	3,871	6,936	2	0	10,811
Employees with Disabilities	66	169	0	9	0	244

LOCAL HIRE OF MANAGEMENT POSITIONS

Year	Taiwan	China	Vietnam	Brazil	US
2021	99.49%	88.97%	21.94%	95.31%	-
2022	99.50%	90.68%	22.42%	93.10%	-
2023	99.71%	93.58%	23.45%	93.75%	85.71%

TURNOVER

For separating employees, we conduct in-depth separation interviews to understand their reason for leaving and their suggestions for the Company. Such dialog helps us identify problems and take the corresponding improvements in a timely manner.



EMPLOYEE WAGES

The starting salary for the employees will not be different due to gender, race, religion, political status, marriage status, and labor union. The starting salary for entry-level workers at Compal is up to 2.00 times higher than the local minimum wage. To protect the rights of temporary workers, Compal implements strict reviews for the temporary worker agencies.

Full-time, non-managerial employees in Taiwan (excluding directors and managers), the 2023 mean salary was **NT\$ 1,402,000** and median salary was **NT\$1,255,000**.

CLAWBACKS FOR MANAGERS

Compal has instituted clawbacks for management remuneration. If a manager is determined by the Company to have violated their labor contract or work rules, or their work performance is significantly below par, the Company reserves the right to revoke any variable remuneration that the manager has not fulfilled the contractual obligations for.

GENDER PAY EQUALITY

Compal respects equal pay for equal work regardless of gender and adhere strictly to the principle of equity. Differences in ratio are due to differences in employee competency, contribution, performance, and ratio of men to women within each grade of the Company organization.

Pay Ratio (Male:Female) Monthly Salary + Bonus	2023 Global Mean
Senior Management	1: 0.80
Manager	1: 0.87
General Staff	1: 0.88
Foreman, Supervisor	1: 0.97
General Operator	1: 0.96

TALENT CULTIVATION, DEVELOPMENT, AND RETENTION

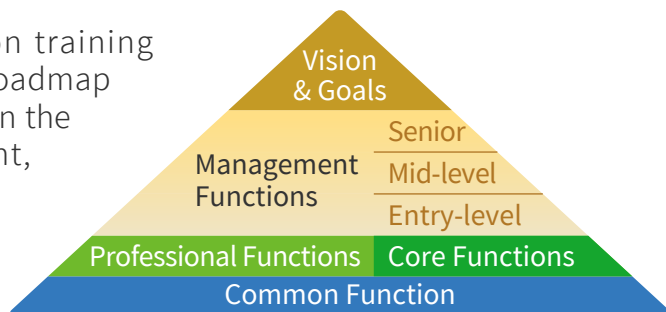
Campus recruitment, social networks and internal referrals are the main methods used by Compal to recruit quality talent in our team. Through Gap of Learning and Field (GOLF) Compal provided internship positions for 613 students in 2023.

New employees immediately undergo a series of training courses once they join the Company. The mentor system also provides one-to-one training to help new employees adapt to the Compal culture and shorten the learning curve. New employees are offered a support survey one month after they start work to ensure timely assistance if necessary.

Compal joined “2023 TALENT in Taiwan”, Taiwan Talent Sustainability Development Alliance. Together with more than 450 institutions in the alliance, to advocate diversity, equity and inclusion.

	Taiwan	China	Vietnam	Brazil	US
2023 Average Training Hours per Person	24.06	29.17	193.7	18.05	-

Compal conducts an employee survey on training requirements in Q4 each year. A training roadmap for all employees is then developed based on the core competencies of “Core, Management, Common, Function” to enhance our overall human resources and build a fully learning-based organization.




EMPLOYEE DEVELOPMENT PROGRAMS

Promotion Credit System

The promotion credit system is an initiative that has been running for more than six years. Through the program, every employee making the transition from individual worker to manager receive the most practical and realistic training.

The skill requirements for each position are clearly defined. Open and transparent mechanisms for continuing education have been drawn up to align employees’ growth with performance targets and business development.

 **19.9%**
Promotion Rate

 **56.9%**
Employee Participation

Individual Development Plan

Compal IDP is a personalized development plan based on the Compal Core Model supplemented by professional assessment tools. An objective and systematic mechanism is used to identify key talents (including potential talent, junior/middle management).



2,207 People
Participation in Talent Development

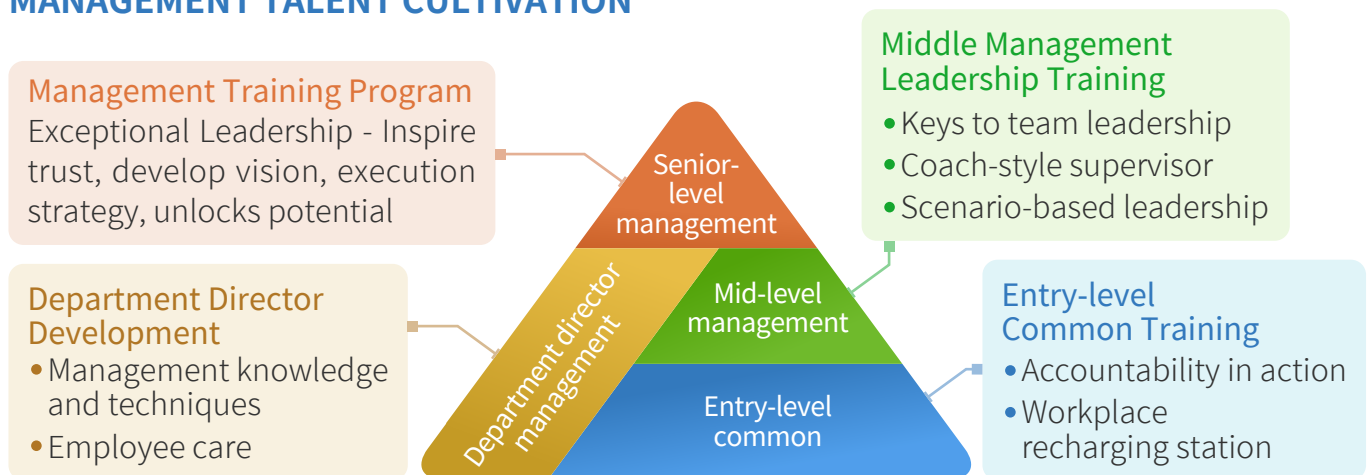


25.5%
Talent Development Ratio



98.4%
Retention Rate

MANAGEMENT TALENT CULTIVATION



PERFORMANCE APPRAISAL MODES

Items	Subject	Frequency
Probation Review for New Employees	New Employees	Two months after start of employment
Intern Review	Interns	1-3 reviews per year
Annual Performance Appraisal	All Employees	Once per year
Project Appraisal	R&D Project Team	Once every two months
360-degree Feedback Appraisal	Managers in Taiwan (including expatriates)	Once per year
Team Performance Appraisal	Designated BUs and Their Employees	Once per year
Individual Development Plan	Potential or Specific Talent Pending Managerial Development	At least twice a year

EMPLOYEE WELL-BEING SURVEY

To provide employees sound development in their careers and realize a physiological and psychological well-being workplace, we began conducting the Employee Happiness Survey in 2022.

For improvement plans aimed at employee happiness, the Company selected the three topics with the lowest satisfaction from the survey findings for in-depth analysis and improvement suggestions are then proposed to review and follow-up. The Employee Assistance Program counseling system hotline was used 1,355 times.

Year	2022	2023
Subject	Indirect Employees in Taiwan	Direct/Indirect Employees at Taiwan and China Plants
Average Happiness Score	69.64	72.92

Note: Questionnaire survey coverage for 2022 and 2023 is 11.5% and 69.0% respectively.

OCCUPATIONAL HEALTH AND SAFETY

Each plant has obtained ISO45001 certification. An Occupational Safety and Health Committee is established in Compal Taiwan. Overseas plants hold regular meetings under the occupational safety and health management system. A total of 37 labor-management meetings and occupational health and safety committee meetings were convened by each plant.

Workplace Injury

		2021	2022	2023
Total Recordable Incident Rate (TRIR)	Direct Employees	23%	29%	37%
	Contract Employees	2%	1%	0%
Near Miss Frequency Rate (NMFR)	Direct Employees	2%	2%	0%
	Contract Employees	6%	0%	0%

CONFLICT MINERALS POLICY

Compal's Conflict Minerals Policy was established in 2016 and actively investigates the source of minerals, refiners and smelters. In 2018, Compal began actively communicating our policy on non-use of conflict minerals through the corporate website and requiring supplier compliance.

2023 Compal Conflict Minerals Report is available on our website, and covers accomplishments in supplier conflict minerals management for the year 2023 and list of all smelters and refiners provided by our suppliers (as of June 7, 2024). Compal uses the CMRT and EMRT templates defined by the RMI to directly investigate the source smelters and refines used for 3TG, Cobalt, and Mica.



SUPPLY CHAIN MANAGEMENT

99% Supplier completion rate for ESG risk assessment survey and RBA Commitment Letter
100% Conflict Mineral Survey Recovery Rate

SUPPLIER SUSTAINABILITY



Supplier Conference

Physical conference held on Sep 13, 2023. Compal invited 34 key suppliers to join Compal's ONE+N electronic industry supply chain net zero acceleration program.



Procurement System Platform

An upgrade leading to more efficient fulfilment of due diligence on the various management policies in the ESG sustainable supply chain.



Supplier Capability Building Plan

Set up the "ESG GO Training platform" online system to provide a platform for supplier education and training.



Mentor Carbon Reduction

Compal adopted a mentor-based approach to promote material carbon reduction actions by suppliers, The 9 higher carbon emitters were invited to aim for joint reduction of 10,000 tCO₂e within two years.



Promotion of Compal Environmental Policy

Compal plans to invite tier-1 suppliers to take part in the CDP in 2024. Key suppliers will also be issued an environmental Sustainability Commitment Letter that is to be signed.

SUPPLIER CODE OF CONDUCT

The "Compal Supplier Code of Conduct" is published on the Compal ESG website. Suppliers must sign and put the Code of Conduct into practice to become an approved supplier.



SUPPLIER AUDIT

The audits will be conducted by the CSR audit task force. Suppliers will be audited using the RBA standard in accordance with the “Supplier CSR Evaluation and Identification Procedure”.

Risk analysis of the 2023 survey identified 42 high-risk suppliers for further management. These will undergo document/on-site audits and counseling by Compal’s audit unit or a third-party to ensure supplier compliance with Compal ESG standards and to reduce the level of risk.

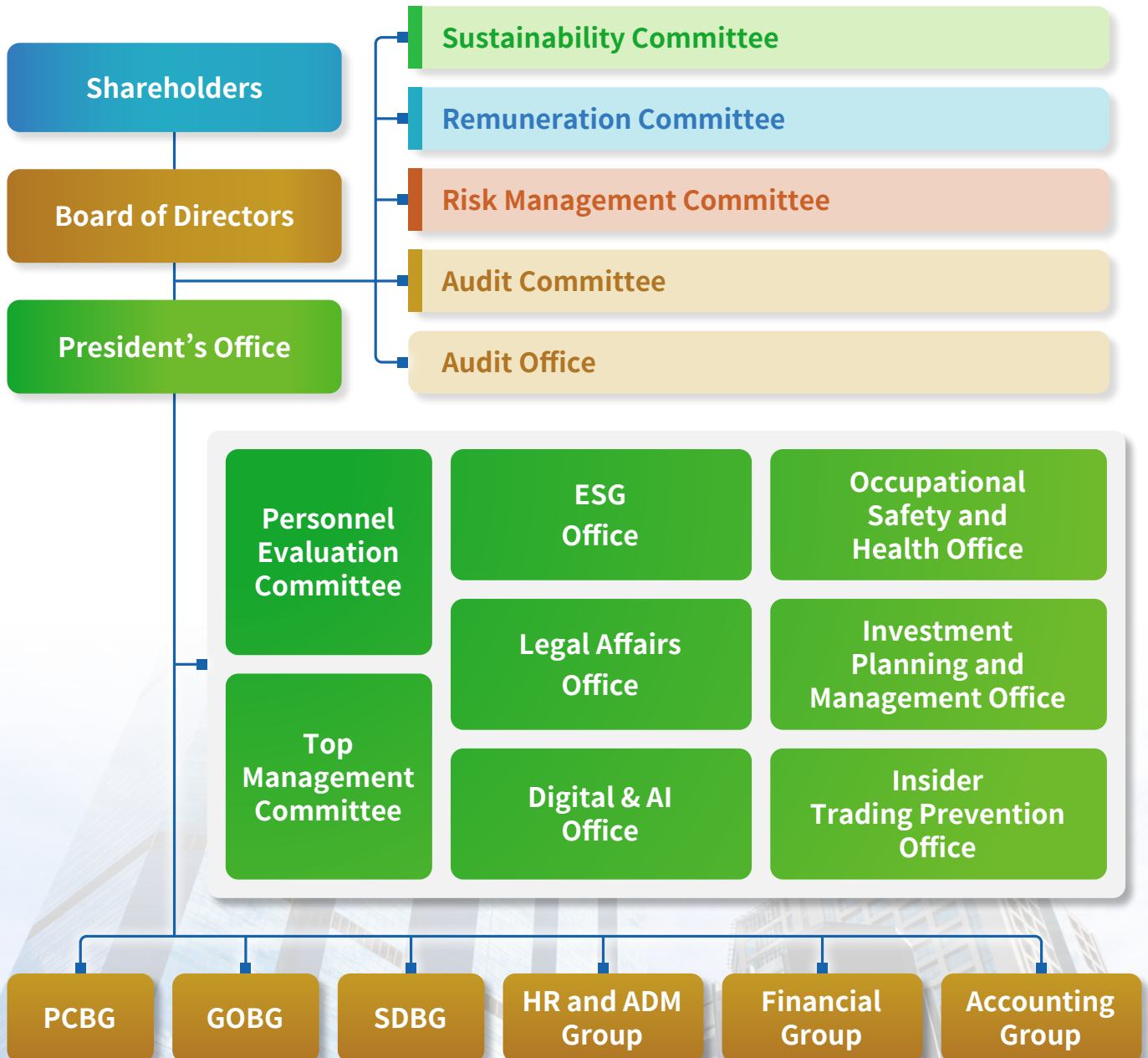
Compal’s Kunshan Plant and Chongqing Plants completed on-site audits for 18 suppliers. The audits found existing social risks at all 18 suppliers with the main deficiencies being labor-related such as excessive work hours, social insurance, and expired certifications, with 64 major non-conformance identified.

Onsite Audits for Kunshan Plant and Chongqing Plants	2022	2023
High-Risk List from SAQ Assessment	82	42
Passed RBA Third-Party Audit	137	150
Document Review	23	19
No. of On-Site Audits	12	18
No. of Suppliers Facilitated to Implement Improvement Plan	12	18
Defect Improvement Rate	92%	92%
Number of Defects		
Labor	58	64
Health and Safety	53	59
Environment		15
Ethics	0	3
Supply Chain Management	27	18
Suppliers Terminated Over Defects	0	0



GOVERNANCE

ORGANIZATIONAL STRUCTURE



BOARD OF DIRECTORS

Achieved goal for diversification with **1/3 independent directors** and **1 female director** in 2024.



In 2023, 7 board meetings were held with average attendance of 88.57%. Reelection took place in 2024, the new (15th) term (2024/5/31-2027/5/30) comprises of 15 directors including an increase of 3 to 5 independent directors. 8 directors, including 1 independent director were reelected.

Title	Name	Gender	Functional Committees				2023 Board Attendance Rate (%)
			Sustainability	Remuneration	Risk Management	Audit	
Chairman	Jui-Tsung Chen [●]	M					71.43%
Director	Kinpo Electronics, Inc Wei-Chang Chen	M					
Director	Taiwan Venture Capital Co., Ltd. Chang-Chyi Ko [●]	M					100%
Director	Sheng-Chieh Hsu [●]	M					85.71%
Director	Chieh-Li Hsu [●]	M					100%
Director	Binpal Investment Co.,Ltd. Wu-Chun Hsu	M					
Director	Chung-Pin Wong [●]	M					100%
Director	Chiung-Chi Hsu	M					
Director (President & CEO)	Anthony Peter Bonadero [●]	M					71.43% [●]
Director	Sheng-Hua Peng [●]	M	□		■		100%
Independent Director	Duh Kung Tsai	M	■	■	■	□	
Independent Director	Wen-Chung Shen [●]	M	■	□	□	■	100%
Independent Director	Lee-Chiou Chang	M	■	■	■	■	
Independent Director	Shui-Shu Hung	M	■	■	■	■	
Independent Director	Tzu-Ting Huang	F	■	■	■	■	

● Members who were reelected from last term of BoD.

● Foreign director Anthony Peter Bonadero was not present for 2 of 7 board meetings due to scheduling and timezone differences.

2023 MEETINGS

Item	Sessions	Attendance Rate
Board of Directors	7	88.6%
Remuneration Committee	4	83.3%
Audit Committee	6	88.9%
Sustainability Committee	2	100%
Risk Management Committee	2	75.0%
Shareholders' Meeting	1	73.0%

AUDIT COMMITTEE

The newly appointed audit committee comprises of 5 independent board members, of which Mr Lee-Chiou Chang is a financial industry expert with notable experiences such as Chairman of Yuanta Securities Co., Ltd., Supervisor (convener) of Taiwan Securities Association, and Team leader of Securities and Futures Bureau, FSC.

SUSTAINABILITY COMMITTEE

Committee Organizational Structure



The Sustainability Committee is chaired by Sheng-Hua Peng, Chief Sustainability Officer (appointed Aug 13, 2024) and Executive Vice President. The other committee members are comprised of 5 individual directors, including Tzu-Ting Huang, former COO of Acer, who carries valuable experience in sustainability leadership such as RE100 pathway.

ESG Office assists with managing committee affairs. Targets and strategies are proposed by each functional team to the Sustainability Committee. Once approved by the Chair and CSO, the targets and strategies are submitted to the Board. Our commitment is rooted in our “Environmental Sustainability Policy” approved by the Board in May 2024.

2 routine meetings each year are used to keep Sustainability Committee members up to date on the progress and outcomes of each functional team.

Compal Climate Governance Structure



RISK MANAGEMENT COMMITTEE

The Risk Management Committee shall be convened at least twice a year to discuss the annual risk management targets and plan, and the implementation of risk management tasks during the year. The relevant proposals are then submitted to the Board for review.



ETHICAL MANAGEMENT AND ANTI-CORRUPTION

*Compal has made **NO** contributions towards lobbying or any political campaigns/organizations/candidates.*

Compal is committed to the establishment of the corporate culture of ethical management and upholds the principle of “zero tolerance” for unethical conduct, including bribery and corruption. See relevant policies on Compal website.

 Risk Management Practice Principles •

 Risk Management Policy and Procedures •

 Anti-Corruption Policy

• Policies passed by the Board in May 2023.

A Compal ethical management and anti-corruption system has been established using the ISO 37001 international standard on anti-bribery management systems.

Annual risk assessment is conducted on three risk factors of **operating risk, compliance, and internal controls** for formulation of management plan. The analysis and response strategies for material corruption risks identified were confirmed by Board of Directors meeting on March 12, 2024.

The ethical management and anti-corruption management team periodically strengthens internal management and audit procedures in line with best practice at international benchmark companies, the US Foreign Corrupt Practices Act (FCPA), and the UK Bribery Act (UKBA) of 2010.

TRAINING ON ETHICAL STANDARDS

2023 Ethical Management and Anti-Corruption Training Attendance	Taiwan	China	Vietnam	Brazil
Manager	99.08%	30.49%	86.40%	91.67%
Non-Manager	86.19%	41.90%	27.75%	84.96%

Note: Ethical management and anti-corruption training was not provided at the US Plant since overview concept are included on new hire orientation training. The internal training program of ethical management and anti-corruption training are scheduled to be implemented in 2024 to educate and raise awareness among employees.

GRIEVANCE REPORTING AND WHISTLEBLOWING

Compal formulated the “Procedure Governing the Protection of Whistleblower and Prevention of Retaliation” and Employee Code of Conduct (Articles 11 and 12) to ensure that whistleblowers will be free from the threats of retaliation. Cases are sent to subordinate units for processing within 24 hours of being received then assigned to the dedicated unit for action. Employees can write signed or anonymous letters. The communication channels can be found on our website and ESG report.

Internal	Feedback/complaints from employees	 Intranet  opinion@compal.com  Careyou_CQ@compal.com  Plant telephone, online consultations (Compal 580, Wechat 580, consultation hotline)
	Workplace illegal infringement, sexual harassment	 sh@compal.com
External	Ethical management, various channels for whistleblowing and supplier communication	 ethics@compal.com  (02) 8797-8599 #16055

TAX POLICY

Compal's Tax Policy and Management Guidelines was approved by the Board in 2023 and amended in April 2024, available on Compal website. The Board of Directors is the highest unit for establishing an effective tax management mechanism and is responsible for the approval of tax policies and effective supervision of operation.



Information disclosure



Relationship with tax authorities



Compliance with laws and regulations



Avoid improper tax planning:
meet economic substance and not use tax havens



Related party transactions:
follow OECD transfer pricing guidelines



Tax risk assessment:
during significant operational decision-making

PRIVACY AND INFORMATION SECURITY

Compal's "Personal Data and Privacy Protection Policy" was adopted by BOD in August 2024. Compal conducts management review meetings twice a year to enforce the requirements of the ISO 27001 information management system. Compal information security system is certified ISO 27001 by BSI. The scope of certification continually expands and the Company conducts regular follow-ups twice a year and a review audit once every three years. Internal auditing includes the NIST CSF, ISO/IEC 27001: 2022 and TISAX standards; external third-party audits are based on the ISO/IEC 27001: 2022 standards as well as the information security requirements of our customers.

