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Introduction

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About the Report

This is a corporate sustainability report published by Ace Pillar Co., Ltd. (Ace Pillar). This report illustrates Ace Pillar's efforts and achievements in its commitment to sustainable operations in 2022, including establishing integrity governance, pursuing stable operations, enhancing product competitiveness, improving employee benefits, and implementing environmental management. We hope stakeholders will continue to follow our achievements and provide valuable suggestions for Ace Pillar to improve its sustainable development continuously.

Disclosure Period and Scope

- The disclosure period of this report covers the operational activities in 2022. To ensure the completeness of the sustainability data disclosed, we may include certain content from other annual periods, for which an explanation is provided in the report.
- The content of this report focuses on the business operations of Ace Pillar in Taiwan. The data is compiled by responsible departments, verified by supervisors, and presented using internationally recognized calculation methods and standards. The financial data is sourced from the data audited and attested by KPMG Taiwan in accordance with the International Financial Reporting Standards (IFRS). This data aligns with the publicly available consolidated financial statements; the calculation unit is NT\$1,000.

Report Basis and Verification

- This report follows the standards of the Global Sustainability Standards Board (GSSB). This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards published by the GSSB. The report complies with the requirements of the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies." The index of the GRI Standards is provided in the appendix as a reference for stakeholders.
- This report was independently compiled by various teams of Ace Pillar's Sustainability Development Committee. The completed report was then submitted to the Committee for approval. This report has not been assured or verified by an external third party.

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Frequency

This report is published annually. The current report was published in July 2023. The next report will be published in July 2024. To enhance the transparency and accessibility of the information disclosed in this report, we will also publish the report on Ace Pillar's official website.

Contact Us

If you have any comments or suggestions about the content of this report, please contact us at:

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From the President

The COVID-19 epidemic has a significant impact on work and lifestyle in recent years. In reaction to this transition, corporations have accelerated their efforts in automation and digitization. Ace Pillar has broadened the scope and value of its diversified products and services in response to these changing industry conditions.

Ace Pillar was ranked in the top 50% of corporate governance evaluations in 2022. Furthermore, the consolidated revenue for fiscal year 2022 exceeded 37.62 billion, representing a 2.83% annual growth rate. The holding company's consolidated net income after taxes was 0.79 billion, resulting in earnings per share (EPS) of NT\$ 0.7 after taxes. The average full-time pay for non-managerial employees was NT\$895,000.

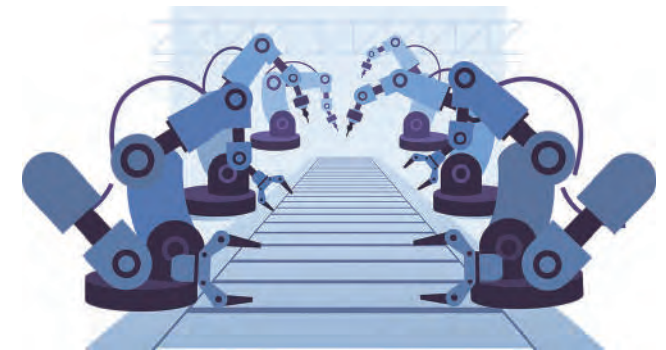
Ace Pillar offered an employee stock ownership plan in 2022. Employees may hold a certain number of shares each month, and the company will also provide the same amount for employees. Ace Pillar believes that employee engagement and team spirit are critical to the company's success, as seen by its steadily rising stock price. Therefore, Ace Pillar will continue to invest in employee well-being, compensation standards, and environmental, social, and governance (ESG). Create a win-win situation for both stakeholders and employees. In the future, technological breakthroughs will alter the industry structure, resulting in fierce competition across industries and a more challenging business environment. Therefore, in 2022, Ace Pillar officially introduced "Ace Pillar 2.0," indicating the company's future focus on three major fields: smart automation, green energy, and semiconductors.

Smart Automation

Taiwan's total population has been declining since 2020, signaling the country's slow transition to an elderly society. Ace Pillar established the Center for Smart Automation Applications in 2022 in response to the challenges created by an aging workforce and a labor shortage in the manufacturing sector. This center focuses on addressing the workforce gap challenges of manufacturing industry clients at the factory level. It provides Pick & Place, AI machine vision, packaging/stacking, AGV/AMR, and other services. We strive to meet our customers' most difficult workforce requirements. Furthermore, we offer software services such as data analysis and cloud management platforms for core modules. Based on the state of their industrial production, customers can make modifications and enhancements.

Ace Pillar Co., Ltd.

President 李長臣



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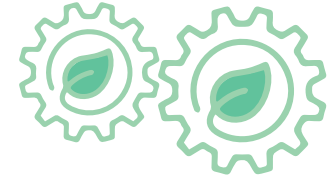
Green Energy

Ace Pillar represents leading energy-saving and energy-storage brands such as Delta, ABB, Panasonic, and others. Ace Pillar further complete the picture of green-energy strategy by investments in Ace Energy and Blue Walker which make us agency's represented brands span across Taiwan, Japan and Europe. Carbon footprint audits and energy-saving solutions (including renewable energy conservation, energy-storage, and systems), equipment management, electricity prices, planning, carbon offset, charging solutions and UPS (Uninterruptible Power Supply) are the areas of attention for us. Our goal is to provide a total solution that includes audits, planning, deployment, and digitized tracking.

Semiconductors

Using Ace Pillar's transmission and automation skills, as well as Standard Technology's extensive experience and fundamental understanding in the semiconductor industry. We seek to provide customers a more complete one-stop solution. This covers facility management, operations, and intelligent logistics systems, as well as the provision of equipment, components, and consumables. The collaborative initiative is purposefully created to assist semiconductor industry clients in their digitization journey.

The pandemic has ushered in a new era in ESG considerations, in which corporate sustainability is more than just a responsibility, but a crucial aspect in business longevity. Ace Pillar is committed to connecting its processes with the objectives of sustainable development while driving operational excellence. Our dedication to continuous improvement extends to all parts of our operations.



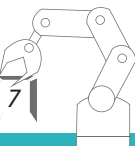
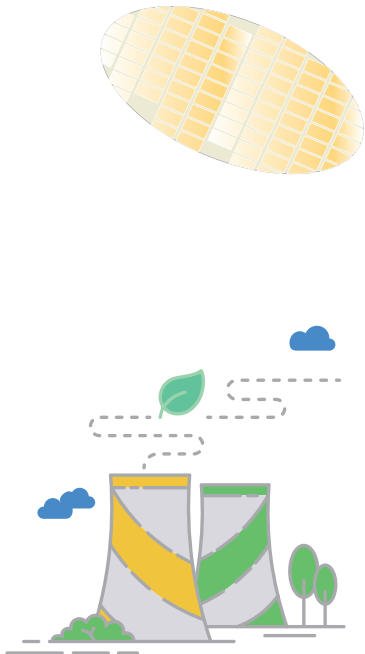
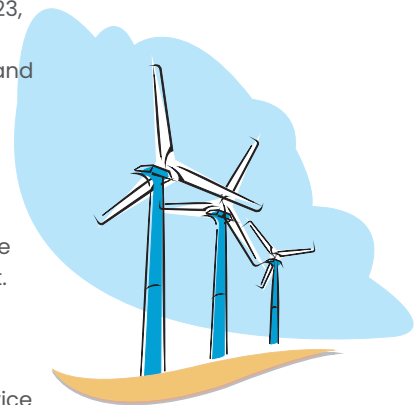
In terms of social inclusion, we regard our employees as our most valuable asset. Our ongoing goal is to provide a peaceful and stable work atmosphere. We prioritize employee health by going beyond basic health checks and developing on-site medical and health service programs, as well as ensuring our colleagues have access to daily health consultations.

On the social care front, we actively encourage our staff to engage in charity events organized by the BenQ Foundation, a Bestcom Group member. Through these concrete efforts, we actively contribute to societal welfare. In terms of environmental sustainability, we implement green economic practices and energy efficiency into our core business development, in line with global trends.

Our commitment to corporate governance is strong, and we are striving for Corporate Governance 3.0. This involves improving governance assessments and directing our subsidiaries toward institutionalized corporate governance and legal compliance.

As part of our increased attention on ESG issues in 2023, Ace Pillar has formed the "Sustainable Development Committee." This group is devoted to assessing risks and opportunities while developing a long-term strategy. Our commitment to continual improvement includes enhancing the board's oversight of ESG performance.

Ace Pillar is devoted to the ideals of resource conservation and corporate social responsibility as we embark on our road toward sustainable development. We are constantly working to improve our long-term business plan. By releasing this report, we hope to provide our stakeholders with a more in-depth understanding of our dedication and efforts. Your advice and recommendations are vital to us, and we are grateful for your continuous assistance.



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About Ace Pillar



Company

- Address: 12F., No. 558, Zhongyuan Rd., Xinzhuang Dist., New Taipei City
- Capital: NT\$1.123 billion
- 2022 Revenue: Consolidated: NT\$3.762 billion
Taiwan: NT\$1.297 billion
- Taiwan Workforce: 110 employees
- Locations: Taipei, Taoyuan, Hsinchu, Taichung, Tainan, Kaohsiung

Primary products and services

Ace Pillar's business in automation control and industrial transmission systems includes testing, processing, trading, maintenance, electromechanical integration, and professional automation technical services. In semiconductor products, our core business includes agency sales and technical services of semiconductors, optoelectronic and solar equipment, consumables, and components. In energy products, we provide energy services for air conditioning, air compressor, heat recovery, lighting, power management, energy storage, and electrical equipment monitoring. By sharing energy-saving benefits and establishing green energy systems, we have built long-term partnerships with our customers. Our "PowerWalker" brand in Europe provides UPS as the core power protection solution and peripheral products and services for personal electronics, business IT equipment, industrial manufacturing, and data centers.

Company Profile

Provides marketing channels both domestically and internationally. The best supplier of factory automation components.

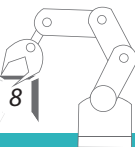
Ace Pillar was founded in 1984. Our headquarters is currently located in Xinzhuang District, Taiwan. We are an Asian electromechanical automation components distributor and professional automation technology service provider. In response to customer demands for components and automation solutions for their domestic and international facilities, we have established an extensive network of marketing channels in Taiwan, China, and Hong Kong. In October 2019, we joined DFI and became a member of Qisda's grand fleet. We collaborated with Qisda's Smart Solution Business Group to provide customers with more comprehensive smart manufacturing solutions.

An expert in one-stop smart manufacturing services. Provides comprehensive smart manufacturing solutions.

Ace Pillar works closely with the world's leading automation manufacturers. We have introduced advanced global products and technologies, and our services go beyond being a distributor. We offer upstream suppliers insights into regional market trends and product development suggestions. We also provide downstream customers with a variety of brands and a complete product line, offering them one-stop shopping and reducing their inventory risks and backlog of funds. Furthermore, we offer integrated technical services to help customers save time and costs in product development. To meet various customer demands, we use the knowledge gained from years of collaboration with domestic and international companies. We provide the best total solution encompassing consulting, design, trial run, and after-sales services for electromechanical automation engineering, mechanisms, systems, and technology.

Follows the global trend towards Industry 4.0 Pursues the highest quality technology and services.

All employees at Ace Pillar remain committed to their work, adhering to a strategy that is rooted in Taiwan, connected with the world, complementary in advantages, and mutually beneficial. In addition to growing our business, we will continuously enhance our technical research and design capabilities, cultivate technical personnel, develop new product lines, expand into overseas markets, assist clients in upgrading to smart factories, strive towards Industry 4.0, and provide products and technical services for faster comprehensive solutions. Pursuing the highest quality has always been the goal of our operations.



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Ace Pillar was established

(Capital: NT\$2 million)
Distributor of domestic and foreign electromechanical automation components.

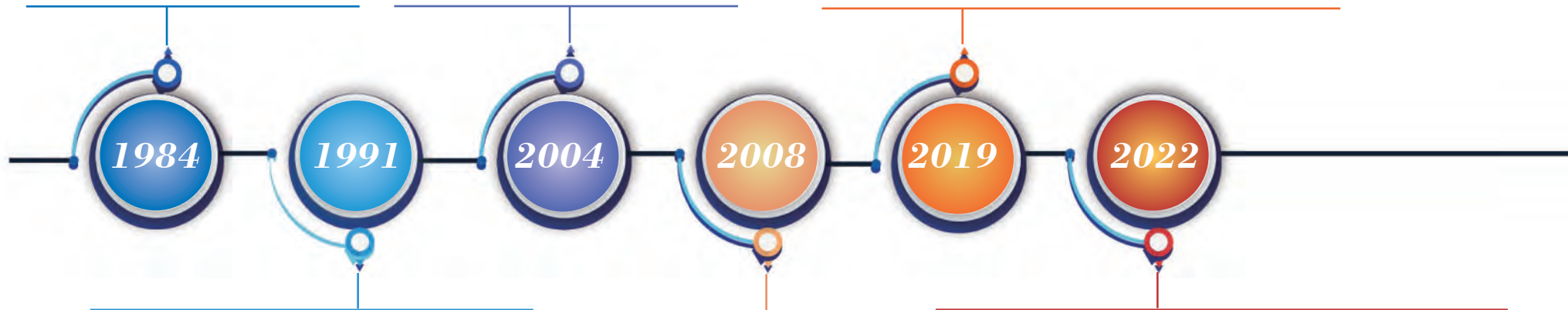
Listed on TPEX



Ace Pillar's stocks listed on TPEX.

Qisda Qisda Group

Joined the Qisda Group and became a member of the grand fleet, which further enhanced our supply capabilities and helped establish ourselves as a comprehensive solution provider.



Ventured into China

Expanded into China's electromechanical automation market and established Tianjin Ace Pillar.



Listed on TWSE

Ace Pillar's stocks listed on TWSE.



Semiconductor and Energy

Investments STC expanded its presence in the semiconductor industry. PowerWalker expanded its presence in the energy industry. Ace Energy expanded its green energy applications.

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Business Philosophy

Ace Pillar's business philosophy is rooted in integrity and robust management. We implement humanized management and fully empower our employees, allowing them to treat their work as if they were running their own business. We strive for excellence in every aspect with our employees.



Innovation

Be innovative to meet both internal and external environmental needs.



Quality First

Our quality speaks for itself.



Sincerity and Mutual Trust

"Sincerity" is the fundamental principle. We treat everyone with sincerity and mutual trust both inside and outside the company.



Recognizing Contributions

Reward contributions and incentivize performance.



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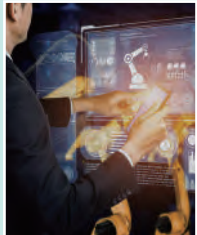
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Product Applications and Partnerships

Ace Pillar adheres to its mission, vision, and goals in development. We have held on to our philosophy and strategy that is rooted in Taiwan, connected with the world, complementary in advantages, and mutually beneficial.

Product Applications

Smart Automation



Ace Pillar smart automation application center +...

- Pick & Place
- AI machine vision (defect detection)
- Packaging/stacking
- AGV/AMR
- MES
- Data analysis and cloud management platforms

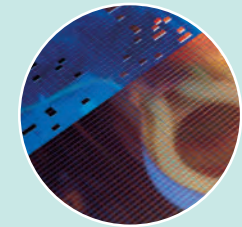
Green Energy



Ace Pillar + Ace Energy + Bluewalker

- Carbon inventory and energy-saving solutions
- Electricity price management and equipment control
- Green energy equipment planning (renewable energy, energy conservation, energy-storage equipment, and systems)
- Carbon offset registration
- Charging service management platforms and systems
- Charging stations
- UPS

Semiconductor



Ace Pillar + STC

- Facility: systems/equipment/components/consumables
- Process: equipment/components/consumables
- Smart Logistics: systems/equipment/components

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Partnerships

To meet various customer demands, we use the knowledge gained from years of collaboration with leading domestic and international companies. We provide the best total solution encompassing consulting, design, trial run, and after-sales services for electromechanical automation engineering, mechanisms, systems, and technology.



Associations

Ace Pillar is a member of various associations related to the machine tool and electronics industries. Through interactions with other members of these associations, we have increased our contributions to the vertical and horizontal development of the industry and enhanced our competitive advantages. Interacting with these associations or their members allows us to integrate related markets and enhance our development on all levels so we remain at the forefront of the industry!





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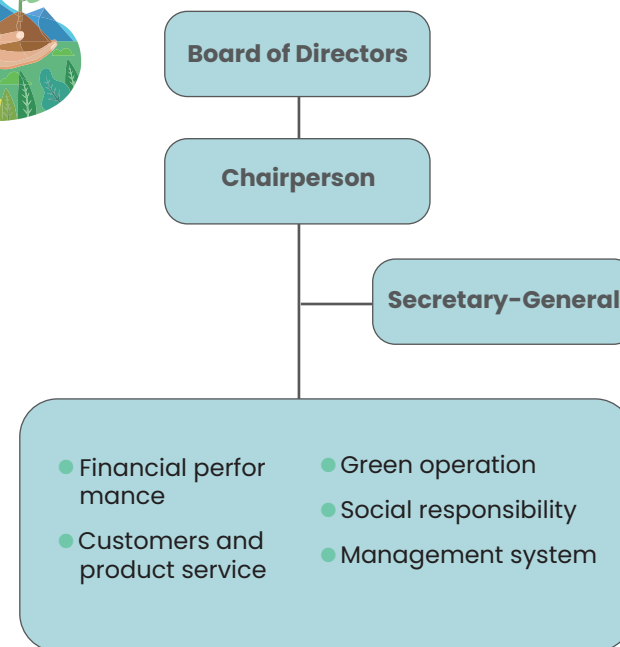
Corporate Sustainability Management Strategy

The purpose of a business is to create value for stakeholders, thereby continuously enhancing the sustainability and competitiveness of the business. Since its establishment, Ace Pillar has pursued its philosophy of "innovation, quality first, sincerity and mutual trust, and recognizing contributions." While developing core competencies, we also highly value and fulfill corporate social responsibilities. In 2016, we officially released the "Ace Pillar Corporate Social Responsibility Best Practice Principles," which was renamed "Sustainable Development Best Practice Principles" in 2022. It is a strategic framework for corporate operation and sustainable development, allowing the organized implementation of sustainability.



Corporate Sustainable Development Committee

To facilitate corporate sustainable development and ensure effective communication and response to stakeholders related to organizational operations, Ace Pillar has established the cross-departmental Sustainability Development Committee. President Chris Li serves as the chairman, and senior executives from each center serve as committee members representing different dimensions. The Secretary-General coordinates and promotes cross-departmental corporate sustainability initiatives and convenes quarterly meetings. Progress reports on performance indicators and corporate social responsibility are provided by committee members of each dimension.



CSR Commitments

Ensure legal compliance

We implement corporate governance; comply with local labor, occupational health and safety, and environmental regulations; and continuously manage and improve the company.

Promote sustainable environment

We strictly adhere to environmental and energy regulations; implement energy-saving, waste-reduction, and non-hazardous substance policies; and develop green products that comply with international environmental standards. We have obtained many certifications in this regard.

Create an optimal working environment

We create a safe and comfortable working environment, regularly provide employee health checks, and have the highest certification for a healthy working environment.

Participate in social welfare

We adhere to the philosophy of receiving and giving back to the community. Therefore, we actively participate in charity activities organized by the BenQ Foundation.

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Value Creation Process

Input

Ace Pillar's sustainable development encompasses five capitals, forming the foundation of the Company's sustainability.



Value Creation

Ace Pillar is committed to corporate sustainable development and responds to the United Nations Sustainable Development Goals (SDGs). We follow the corporate implementation recommendations in the United Nations SDG Compass Guide to formulate sustainable business strategies. Through strategies corresponding to SDGs, we examine our status from different perspectives and explore the aspects relevant to stakeholders. Each discussion and strategy adjustment brings us closer to sustainability. We also prioritize management items for future alignment with SDGs. We prioritize managing SDGs in four dimensions: green operations, green supply chain, social responsibility, and financial performance. Coupled with the organizational operation of the ESG Committee, we strive to become a sustainable business.



Output

Based on these four dimensions, Ace Pillar constantly strives for excellence and strengthens the relationship between the Company and its stakeholders. In addition, we will set short-, medium-, and long-term management goals and regularly review the direction and progress of these goals to ensure sustainable management in economic, social, and environmental dimensions. We will also regularly engage with stakeholders to address their concerns on material issues and set annual targets accordingly.



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Financial capital

Through financial management, Ace Pillar invests accumulated financial capital into various related products and services.

Intellectual capital

Ace Pillar remains connected to the world and strives toward Industry 4.0. We cultivate technical professionals and continuously enhance our technical capabilities and soft power.

Human resource capital

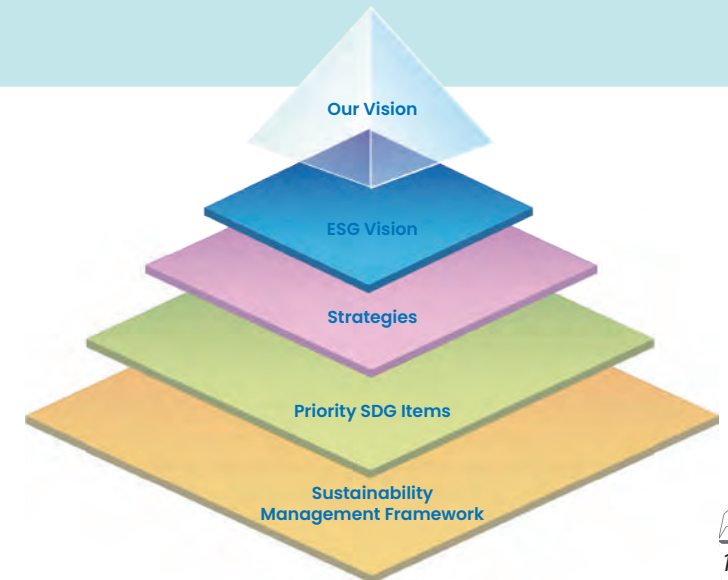
Through comprehensive internal education and training, our employees can handle various tasks impartially and complete assigned tasks with a positive attitude.

Social capital

We actively engage in social initiatives, strengthen long-term relationships with stakeholders, and attach importance to various material issues.

Natural capital

In response to sustainability, from suppliers to internal operations and customers, we work to reduce environmental impacts across the supply chain, operations, and products to ensure sustainable development.





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Value Creation

- Implement corporate sustainability
- Enhance cooperation with stakeholders
- Develop strategies aligned with sustainability
- Meet international expectations for environmental sustainability
- Increase the sustainability investment value of the Company

Achievements in 2022

Green Operation 	Lost Day Rate (LDR) (%)	0%	SDG8
	Injury Rate (IR) (%)	0%	SDG8
	Electricity Consumption (kWh)	278,814 kWh	SDG12 SDG13
	Water Consumption (tons)	1,704 tons	SDG6
Green Supply Chain 	Supplier Evaluation	100%	SDG8 SDG13 SDG15
	Social Responsibility 	Employee Basic Education and Training Rate (%)	100%
Financial Performance 	Total Hours of Taiwan Employees' Participation in Charity Activities	4 hours	SDG8
	Customer Satisfaction Survey Results	90 points	NA
	Company Governance Evaluation Percentage (%)	36~50 %	NA



SUSTAINABLE DEVELOPMENT GOALS



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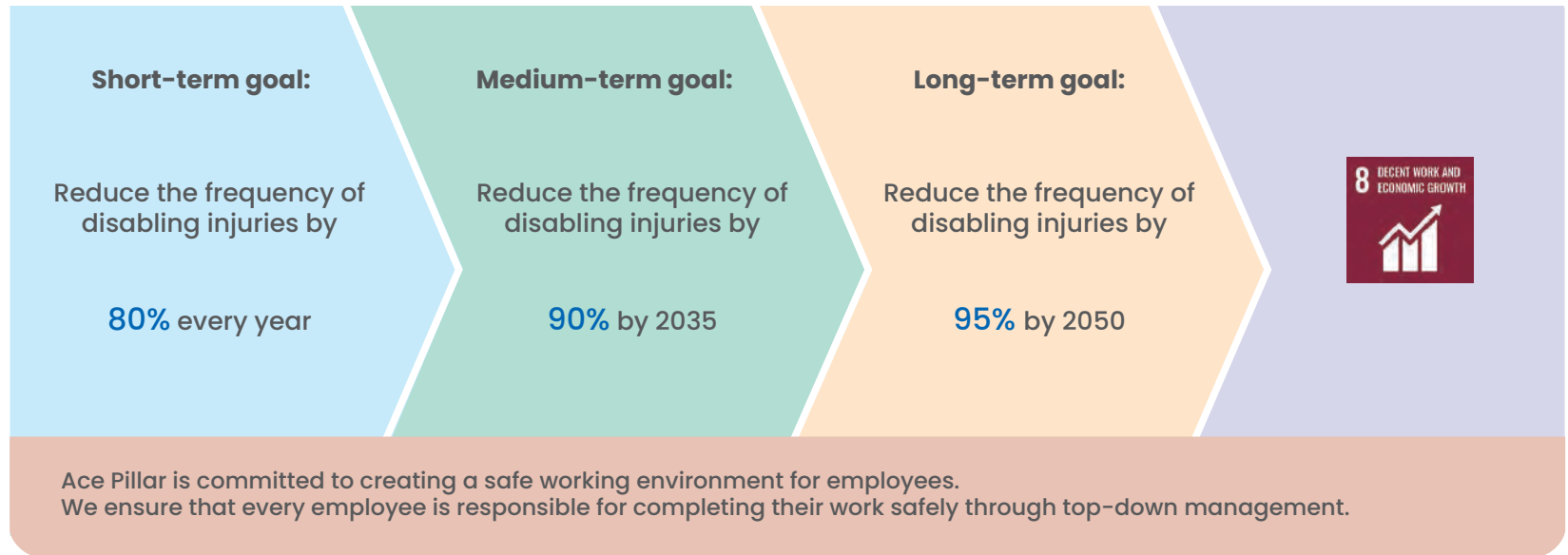
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■ Short-, Medium-, and Long-Term Corporate Sustainable Development Performance Indicators



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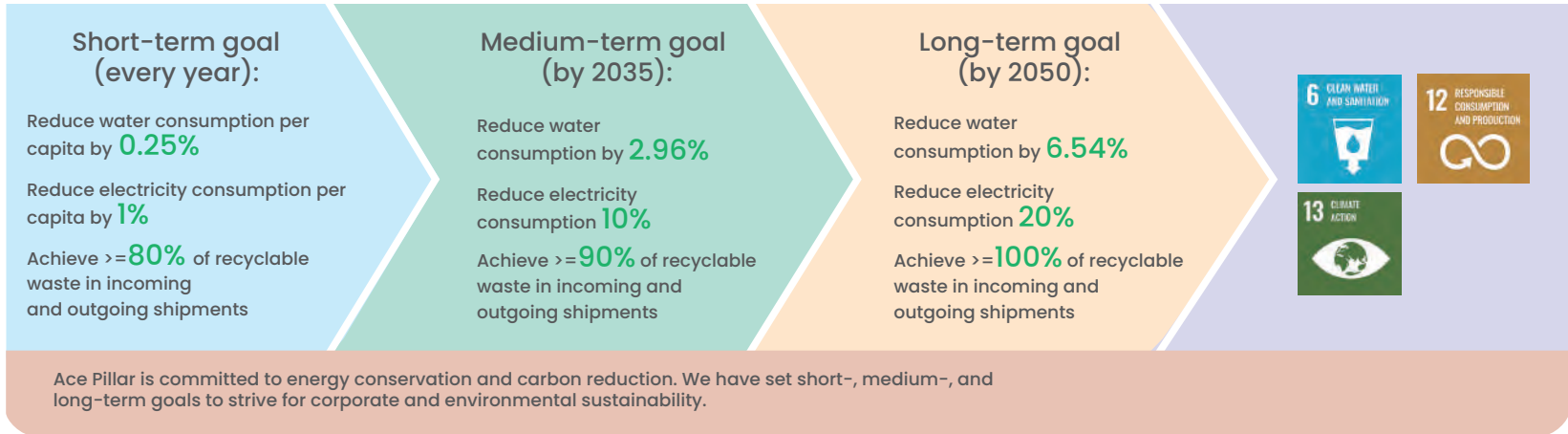
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Short-, Medium-, and Long-Term Corporate Sustainable Development Performance Indicators

Ace Pillar's Sustainable Development Dimension - Green Operation (Energy Conservation and Carbon Reduction)

Stakeholders: General public, customers, employees, government



Ace Pillar's Sustainable Development Dimension - Building a Green Supply Chain

Stakeholders: suppliers, customers



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Short-, Medium-, and Long-Term Corporate Sustainable Development Performance Indicators

Ace Pillar's Sustainable Development Dimension - Social Responsibility

Stakeholders: General public, customers, employees, government

Short-term goal:
Achieve ___ every year

Employee satisfaction score **4.2**
Total employee participation hours in charitable activities **120**
Number of sustainability events per **3**
Employee code of conduct training rate (%) **95%**

Medium-term goal:
Achieve ___ by 2035

Employee satisfaction score **4.8**
Total employee participation hours in charitable activities **240**
Number of sustainability events per **4**
Employee code of conduct training rate (%) **98%**

Medium-term goal:
Achieve ___ by 2050

Employee satisfaction score **5.4**
Total employee participation hours in charitable activities **394**
Number of sustainability events per **5**
Employee code of conduct training rate (%) **100%**



Ace Pillar nurtures a positive attitude among its employees towards sustainability and social responsibility issues through comprehensive education and training programs and organizing activities that contribute to society.

Ace Pillar's Sustainable Development Dimension - Financial Performance

Stakeholders: shareholders, general public

Short-term goal:
Achieve ___ every year

Customer satisfaction survey score **(80)**
Corporate governance evaluation (%) Top **50%**

Medium-term goal:
Achieve ___ by 2035

Customer satisfaction survey score **(85)**
Corporate governance evaluation (%) Top **35%**

Medium-term goal:
Achieve ___ by 2050

Customer satisfaction survey score **(90)**
Corporate governance evaluation (%) Top **20%**

Correspondence to SDGs NA

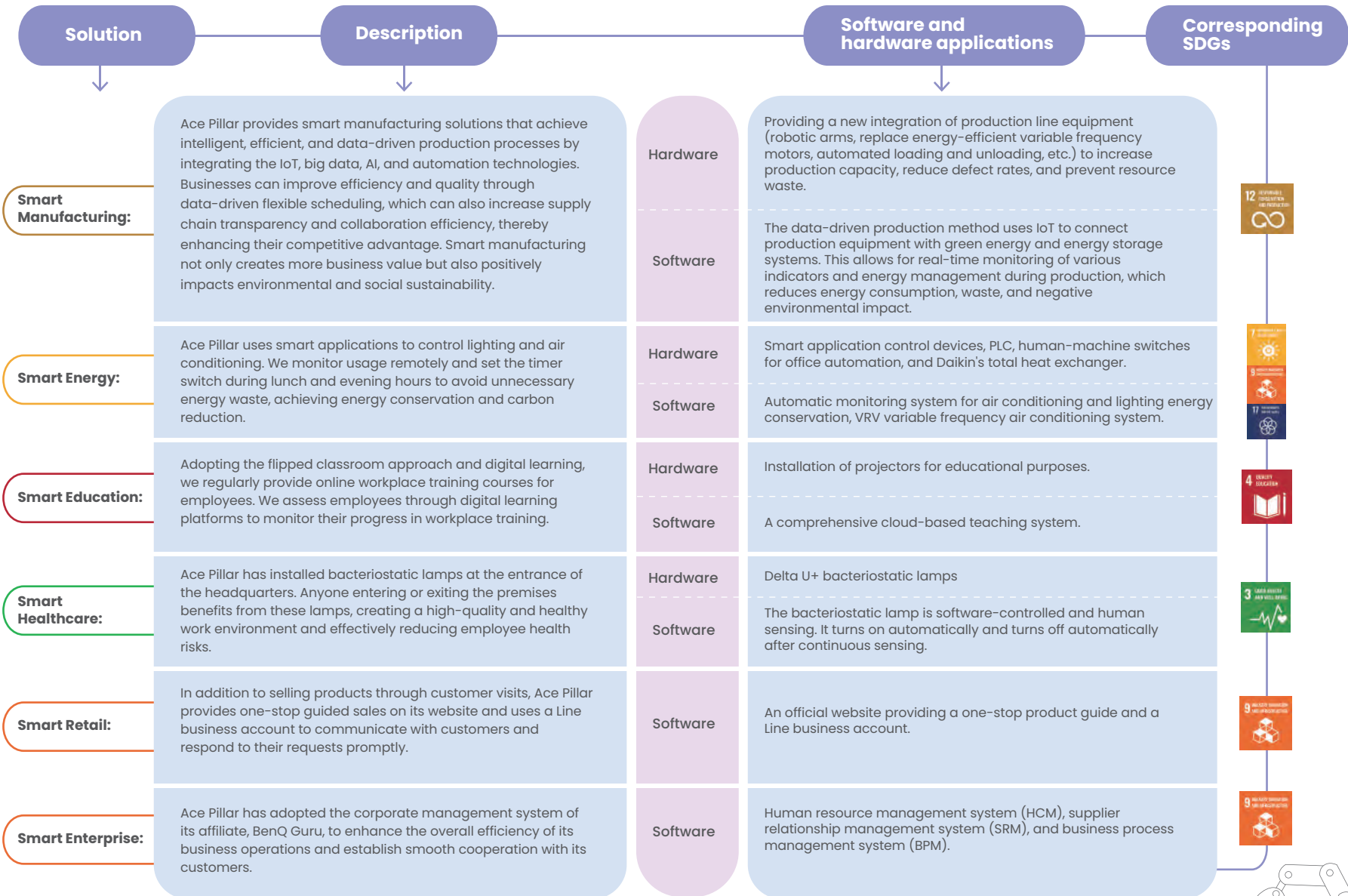
This section of the disclosure does not have corresponding SDGs, but it significantly impacts corporate management. Therefore, we have established this indicator for regular review and management.



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Products and services that respond to the United Nations Sustainable Development Goals



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Our goal is to communicate with stakeholders promptly, incorporate the material topics they are concerned with into our sustainability policy, and establish an open and transparent response mechanism. To achieve this goal, Ace Pillar adopts the "AA 1000 Accountability Principle Standard (AA 1000APS)" and adheres to the four principles:

inclusivity, materiality, responsiveness, and impact. These principles help us identify and address sustainability issues and enhance the rigor of sustainability disclosure.

Inclusivity

Inclusivity refers to the consideration of stakeholders in the decision-making of sustainability strategies.

Ace Pillar carries out inclusivity through the following three steps:

1. Define stakeholders: Individuals or groups that have a significant impact on our operations or are significantly affected by our operations.
2. Identify stakeholders: Based on the affiliated persons defined by Ace Pillar's sustainable development framework and the definition of stakeholders, we have identified six primary stakeholder groups: employees, customers, shareholders, government, suppliers, and the general public.
3. Create a mechanism for incorporating stakeholder perspectives into the company's sustainable development: Ace Pillar has established dedicated internal communication channels for each stakeholder group identified in Step 2. Through these channels, we collect and respond to stakeholders' opinions and analyze the material issues of concern to stakeholders.

Materiality

Materiality means decision-makers should identify and implement sustainability issues and determine the substantial content that should be included in the company's sustainability report. Ace Pillar follows the GRI Standards to identify materiality, assessing the materiality of issues that are of concern to stakeholders on an annual basis.

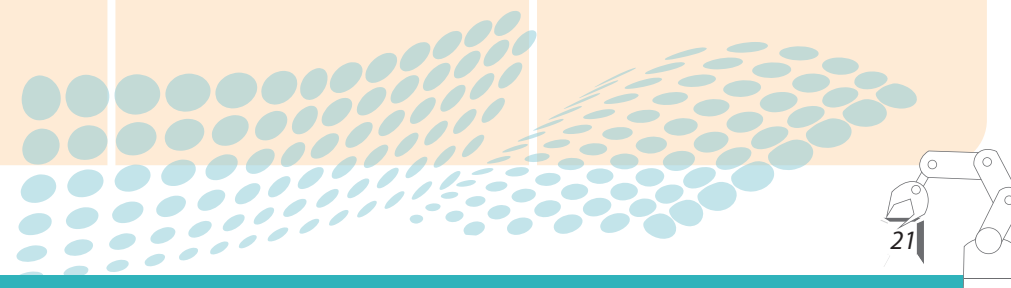
Ace Pillar conducted discussions and analyses through interviews with the six major stakeholders. The interviewees were primarily the stakeholders of internal communication channels through which we identified the corresponding topics' impact on Ace Pillar. A total of eight people were interviewed. We selected eight material topics based on the resolutions of the ESG Committee.

Responsiveness

Responsiveness refers to managing and responding to material topics by participating in various aspects of business operations. After identifying material topics, Ace Pillar addresses them in the annual CSR report in addition to existing communication channels. Minor material topics are addressed through existing communication channels. In addition to the above methods, Ace Pillar has established a "Corporate Sustainable Development" website, where important information regarding corporate sustainable development is promptly, transparently, and openly disclosed to the public.

Impact

Impacts are assessed during the identification process of material topics to further evaluate their effects on the company, and the scope of their influence is monitored and measured accordingly. Ace Pillar examines the significance and scope of impact of the material topics identified for the year. Based on their level of influence, we set annual management targets for control. We review these targets annually and disclose the results.



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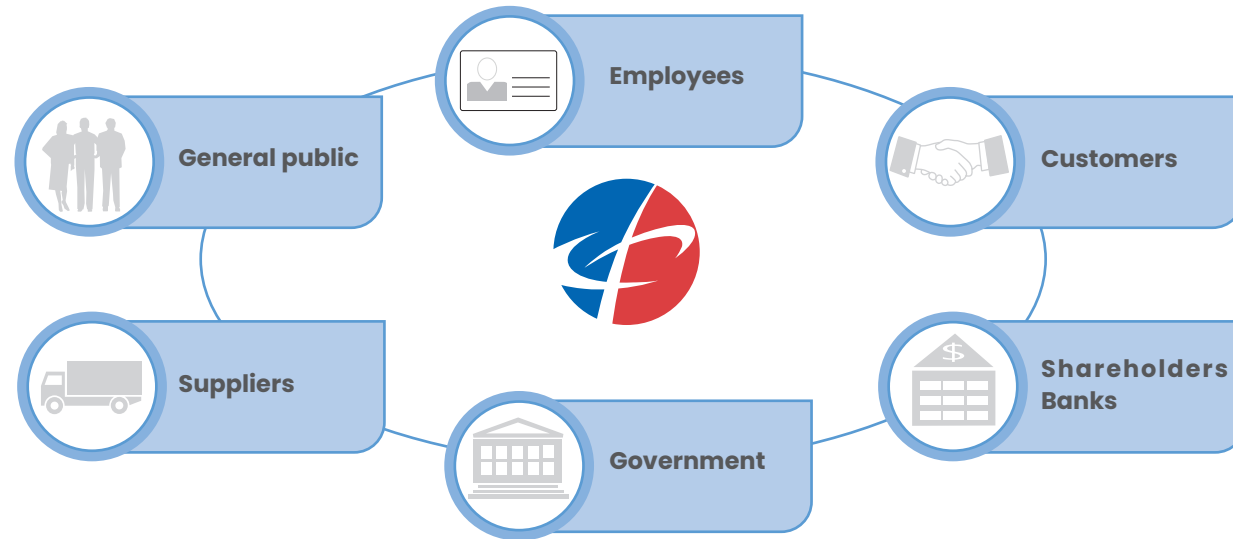
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Compliance With the AA 1000APS



Inclusivity

- Define stakeholders
- Identify stakeholders
- Issues of concern to stakeholders
- Create a sustainable development mechanism

Materiality

- Material topics that significantly impact the company
- Material topics of concern to stakeholders
- Topics with a reasonable level of control
- Identify > Prioritize > Validate > Review

Responsiveness

- Manage and respond to material topics
- Address material topics in the report

Impact

- Set annual management targets for control
- Assess whether the targets have been achieved each year
- Disclose the results of management targets

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Employees

1. 100% of employees completed the Code of Conduct training.
2. Four labor-management and two welfare committee meetings.
3. Zero human rights incidents.
4. Resolution rate of 100% for 8374 e-mails.
5. Zero complaints.

Employees are the foundation of a company. At Ace Pillar, we value the feelings of every employee. We are thoughtful in managing our employees. We train them well, and we provide open communication channels. Ace Pillar is committed to retaining outstanding employees to increase our competitiveness.

Current Employees/Topics of Concern/Communication Channels Frequency

● Benefits	Education and training (including practices), orientation on an ad hoc basis
● Labor relations	HR mailbox on an ad hoc basis
● Promotion channels	Health checkup yearly
● Dispatch opportunities	Complaint mailbox on an ad hoc basis Labor-management meetings quarterly
● Salary increase	Welfare committee meetings twice a year
● Energy conservation and carbon reduction	Newsletter, e-mail, telephone on an ad hoc basis Performance communication system quarterly



Shareholders Banks

1. Release financial and business-related information on an ad hoc basis through announcements or press releases.
2. Publish financial statements on a quarterly basis.
3. One shareholder meeting and one corporate briefing.
4. Respond to financial inquiries from banks on a quarterly basis.
5. Internal control system.

Protecting the rights and interests of shareholders is one of the top priorities of Ace Pillar. We regularly hold shareholder meetings to present the company's operations and financial overview to shareholders. We are committed to maximizing shareholder rights and interests. We participate in bank ESG-related activities to understand banks' perceptions and expectations of ESG.

Shareholders and Banks/Topics of Concern/Communication Channels Frequency

● Financial Performance	Spokesperson and proxy spokesperson system on an ad hoc basis
● Risk Management	Investor relations on an ad hoc basis
● Compliance	Investor mailbox on an ad hoc basis
● Code of Conduct	Investors section on official website on an ad hoc basis Shareholders' meeting yearly
● Innovation Management	Corporate briefings quarterly

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Government Agencies

1. Sampling inspections, visits, correspondence, and labor inspections around 2 times.
2. No deficiencies in environment, health, safety, and energy.
3. No material weakness in labor conditions.
4. No material penalties.

Compliance with government regulations is the minimum requirement for business operations. Ace Pillar ensures compliance through internal control mechanisms and strict audit measures.

Government/Topics of Concern/Communication Channels Frequency

● Compliance	Sampling inspections	on an ad hoc basis
● Greenhouse gas & Energy management	Visits	on an ad hoc basis
● Water stewardship	Correspondence	on an ad hoc basis
● Waste management	Labor inspections	on an ad hoc basis
● Human rights		
● Occupational health and safety		



Customers

1. Average satisfaction rate of 86% in the past three years.
2. Communicate with customers on an ad hoc basis.

We value the feelings of each customer. Improving customer satisfaction is one of our top priorities. We have established an after-sales service office that promptly addresses customer needs and provides effective and appropriate services.

Customers/Topics of Concern/Communication Channels Frequency

● Customer privacy protection	Customer service hotline	on an ad hoc basis
	Product repair hotline	on an ad hoc basis
● Human rights	Customer service mailbox	on an ad hoc basis
● Labor relations	Customer satisfaction surveys	on an ad hoc basis
● Product quality	Telephone/e-mail	on an ad hoc basis
● After-sales service	Regular and ad-hoc thematic reports	

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Suppliers

Working with suppliers to protect the environment and human rights is our responsibility. We actively establish a sustainable supply chain and maintain a mutually beneficial relationship with our suppliers to achieve sustainable business development.

Current Employees/Topics of Concern/Communication Channels Frequency

<ul style="list-style-type: none"> ● Sustainable supplier management ● Quality/hazardous substance management 	<p>Supplier social responsibility and environment on an ad hoc basis</p> <p>Internal training on an ad hoc basis</p> <p>Telephone/e-mail on an ad hoc basis</p> <p>Audit on an ad hoc basis</p>
---	---



General Public

1. Release financial and business-related information on an ad hoc basis through announcements or press releases.
2. Publish financial statements on a quarterly basis.
3. One shareholder meeting and one corporate briefing.
4. Respond to financial inquiries from banks on a quarterly basis.
5. Internal control system.

Ace Pillar encourages employees to be positive and compassionate. We organize charitable events on an ad hoc basis to give back to the community. We also participate in environmental and social sustainability activities organized by the Group.

Environmental Organizations/Topics of Concern/Communication Channels Frequency

<ul style="list-style-type: none"> ● Social care 	<p>Telephone/e-mail on an ad hoc basis</p> <p>Volunteer on an ad hoc basis</p>
---	--

Government Organizations/Topics of Concern/Communication Channels Frequency

<ul style="list-style-type: none"> ● Social care 	<p>Corporate website on an ad hoc basis</p> <p>Volunteer on an ad hoc basis</p>
---	---

Other/Topics of Concern/Communication Channels Frequency

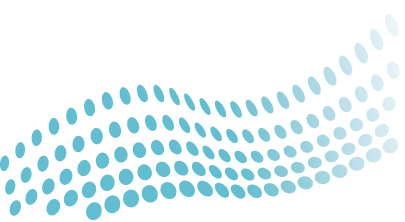
<ul style="list-style-type: none"> ● Social care 	<p>Corporate website on an ad hoc basis</p> <p>Media news on an ad hoc basis</p> <p>Internal and external communication</p>
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● Exceeds target ○ Achieved ○ Not achieved

Item	Category	Topic	Significance	Boundary			Corresponding Chapter for Management Approach
				Within the organization	Outside the organization		
					Customer	Supplier	
1	Economic/ Governance	Compliance Sustainability	To ensure our employees' business operations do not violate international laws, Ace Pillar has established relevant measures for employees to follow. We also continue to monitor policies and laws that may affect our business.	○	○		Compliance
2	Economic/ Governance	Strategy	We pay close attention to environmental sustainability issues and plan relevant strategies, ensuring Ace Pillar is socially and environmentally responsible. Only with a sustainable environment can we have the opportunity to establish a sustainable business and contribute to the betterment of society.	○			Sustainable Environment
3	Economic/ Governance	Code of Conduct	We establish relevant regulations for employees to follow during business activities to prevent dishonest behavior that could lead to distrust among business partners, compromised employee ethics, or losses to the Company.	○	○	○	Code of Conduct
4	Society	Customers	If customer privacy is compromised, it could lead to reduced customer loyalty and satisfaction, negative impacts on business and reputation, and serious consequences like lawsuits. Therefore, ensuring customer privacy protection is a promise we keep to our customers.	○	○		Commitment to Customers
5	Society	Human Rights	To fulfill corporate social responsibility and protect labor rights, Ace Pillar declares its commitment to protecting employee rights. We also comply with local labor laws and regulations and international standards in human rights management.	○	○	○	Human Rights Management
6	Society	Labor Relations	To maintain healthy labor relations, we have established open and uninhibited communication channels that allow employees to stay informed about the Company. We also encourage employees to provide suggestions for business operations and development that are considered by decision-making units.	○			Happy and Healthy Workplace
7	Society	Human Resource Development	Employees are the cornerstone of a company's sustainable development and the foundation of its innovation. At Ace Pillar, we carefully manage and train our employees, fostering open and effective communication channels. We value and retain top talents to increase our competitiveness.	○			Learning and Development
8	Environment	Energy Conservation and Carbon Reduction	Ace Pillar conducts source management to manage waste. Through consistent energy-saving and waste-reduction activities, we implement resource recycling and classification from the source. We have significantly reduced waste generation and increased the amount of resources recycled, achieving our waste reduction goal.	○			Sustainable Environment

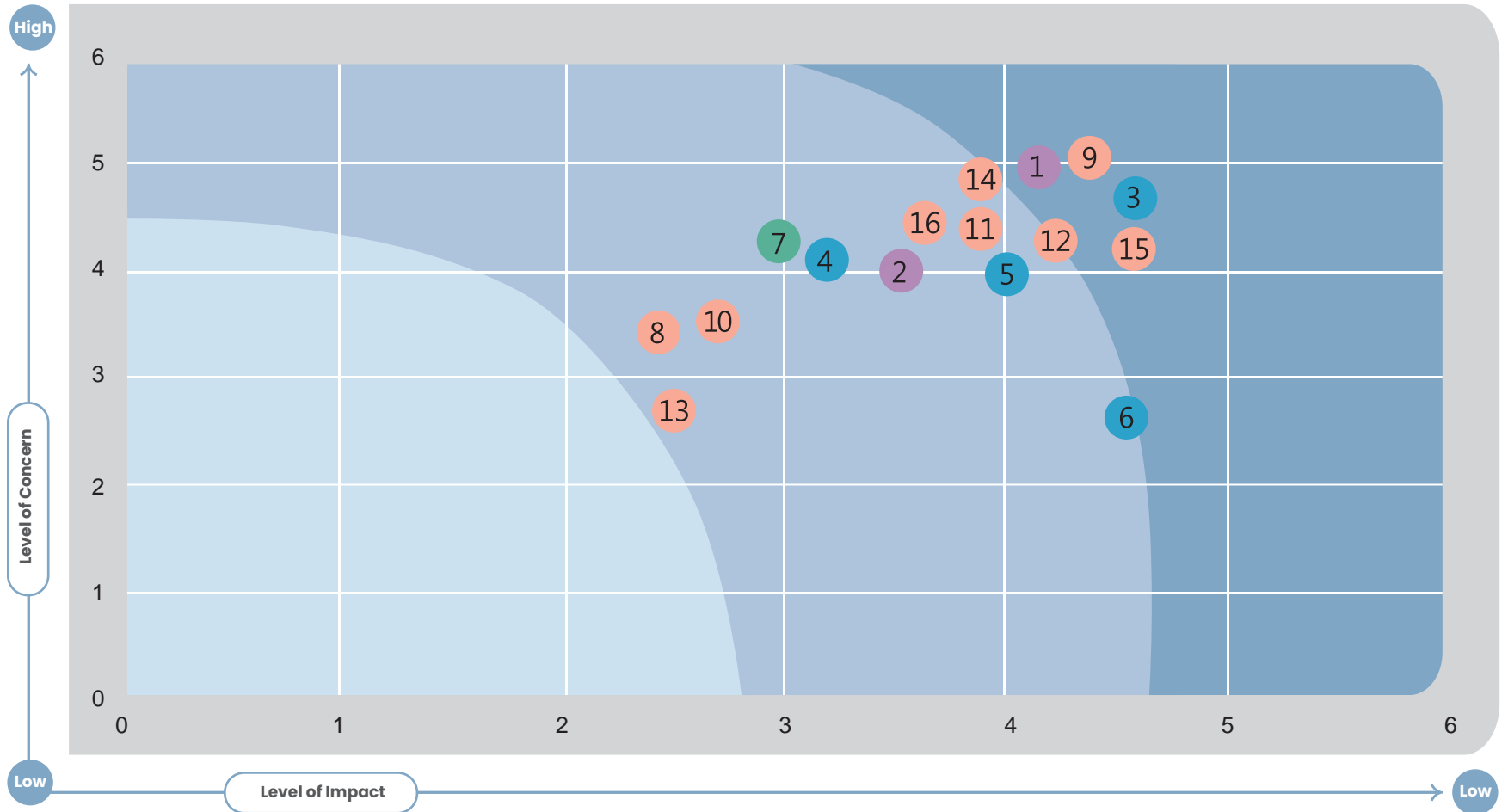




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Material Topic Matrix



- | | | | |
|-------------------------------|------------------------------|---------------------------------------|--------------------------------------|
| 1 Compliance | 5 Labor Relations | 9 Financial Performance | 13 GHG Management |
| 2 Code of Conduct | 6 Human Resource Development | 10 Social Care | 14 Risk Management |
| 3 Customer Privacy Protection | 7 Waste Management | 11 Occupational Health and Safety | 15 Employee Attraction and Retention |
| 4 Human Rights | 8 Water Stewardship | 12 Supplier Sustainability Management | 16 Innovation Management |

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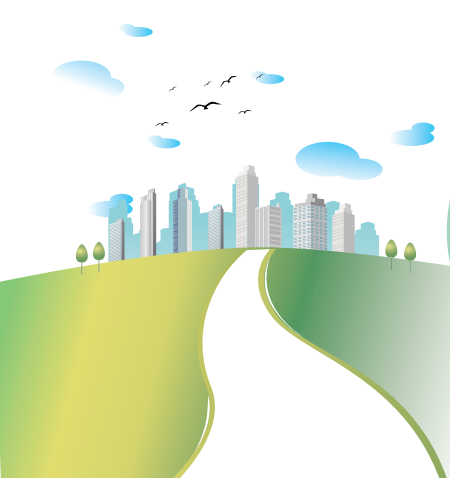
Sustainable Development

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Impact Assessment of Material Topics at Each Stage of the Value Chain

○ Indirect Impact ● Direct Impact

	Material Topics	Employees	Value Chain		Energy Conservation and Carbon Reduction	Corresponding Chapter
			Suppliers	Company Operations		
<p>Economic/ Governance</p>	Compliance	○	○	●		Compliance
	Code of Conduct		○	●		Code of Conduct
<p>General Public</p>	Customer Privacy Protection			●		Customer Privacy Protection
	Human Rights	○	○	●		Human Rights Management
	Labor Relations			●		Happy and Healthy Workplace
	Human Resource Development			●		Learning and Development
<p>Environment</p>	Waste Management			●	○	Sustainable Environment



2. Corporate Governance Implementation

- ▶ Corporate Governance
- ▶ Compliance
- ▶ Risk Management
- ▶ Code of Conduct
- ▶ Financial Performance
- ▶ Information Security



Corporate Governance Implementation

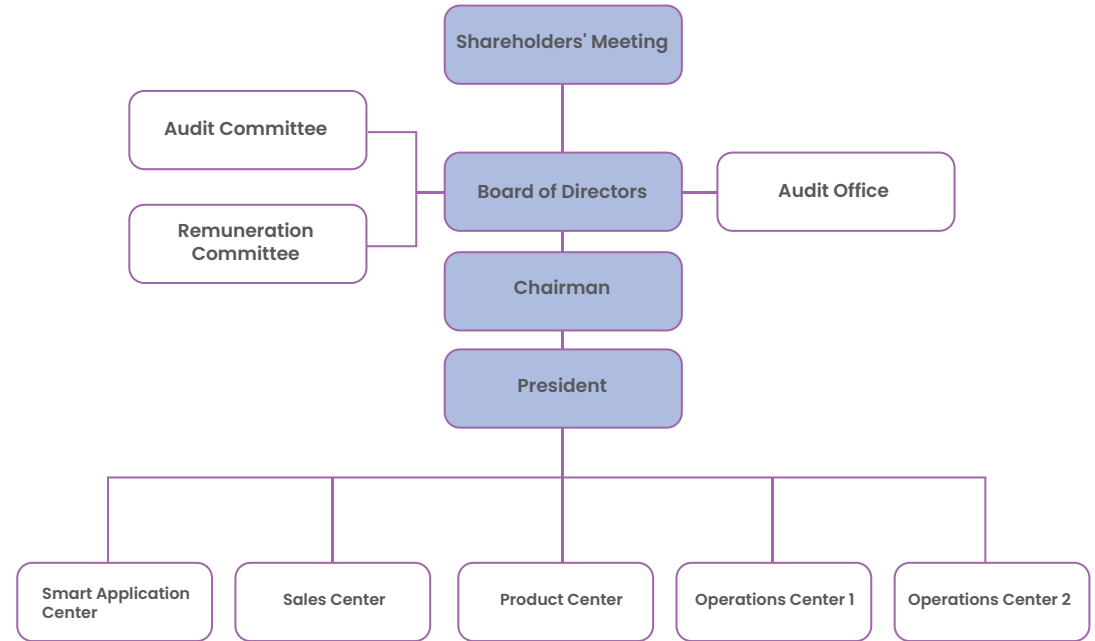
- Corporate Governance
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Corporate Governance

Organizational Structure of Corporate Governance

Ace Pillar created its corporate governance structure and practices in compliance with the Company Act, Securities and Exchange Act, and other relevant R.O.C. laws and regulations. In accordance with the "Director Election Regulations," Ace Pillar held the 13th Board of Directors election (including independent directors) at the shareholders' meeting on June 14, 2022. The term of office for the directors is three years. The current board of directors comprises six directors and three independent directors. Independent directors account for 33.33% of the board, and female directors account for 22.22%.

There are two functional committees under the board of directors, the "Audit Committee" and the "Remuneration Committee," to assist in the operation and functioning of the board. Furthermore, Ace Pillar has appointed a corporate governance officer in accordance with the regulations. The main responsibilities include handling matters related to board and shareholders' meetings in accordance with the law, preparing minutes for board and shareholders' meetings, assisting directors in taking office and pursuing continuing education, providing directors with the information required for carrying out their duties, assisting directors in complying with laws and regulations, and other matters stipulated in Ace Pillar's Articles of Incorporation or contracts.





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Board of Directors' Operations

Composition

In the "Director Election Regulations" and "Corporate Governance Best Practice Principles," Ace Pillar specifies a diverse approach in director composition (gender, age, nationality, etc.) and professional knowledge and skills (professional background, expertise, industry experience, etc.) for nominating suitable director candidates, who are then elected through the shareholders' meeting. This ensures the effective functioning of the board of directors.

Conflict of Interest Management

According to Ace Pillar's "Guidelines for Board of Directors Meeting" and other relevant provisions, if a director has a conflict of interest in matters discussed at a board meeting, whether personally or on behalf of a legal person, they must disclose the significant details of their interest in that particular meeting. If there is a risk of harming the Company's interests, they are prohibited from participating in the discussion and voting. They shall avoid the discussion and voting and shall not exercise voting rights on behalf of other directors.

Continuing Education for Directors

Each year, all directors of Ace Pillar complete training in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies." This ensures they stay up-to-date with the latest trends in corporate governance, sustainable development, and information security. In 2022, we arranged three training courses for directors, namely "Group Corporate Governance," "ESG Trends and Their Implications for Information Disclosure," and "Enhancing Digital Resilience: Developing Strengthening Strategies for Information Security Governance of TWSE Listed Companies." The directors had the option to choose which courses to attend. All nine directors completed the required training in 2022.

Female Directors 2/9



		Michael Lee	Chris Li	Chih-Chen Lin	Alexander Su	Milly Huang	Hwei-Ling Yang	Frank Lee	Nick Yeh	Joseph Yang
Composition	Diverse Core Items	Note 1:					Note 2:	Independent Directors		
	Nationality	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.
	Gender	Male	Male	Male	Male	Female	Female	Male	Male	Male
	Age	46-50	51-55	71-75	51-55	51-55	65-70	71-75	65-70	71-75
	Tenure of independent directors	-	-	-	-	-	-	6-9	3-6	3-6
Skill	Management	●	●	●	●	●	●	●	●	●
	Leadership decision-making	●	●	●	●	●	●	●	●	●
	Finance					●	●		●	
	Industry Knowledge	●	●	●	●	●	●	●	●	●
	Information technology	●	●		●			●		●
	International market	●	●	●	●	●	●	●	●	●

Note 1: Representative of juristic-person directors of DFI Inc.

Note 2: Representative of juristic-person directors of Han-Yu Investment Co., Ltd.

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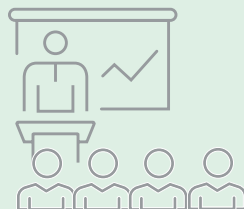
External Evaluation of Board Performance

In November 2022, Ace Pillar appointed the Taiwan Corporate Governance Association (TCGA) to evaluate the effectiveness of its board of directors. In addition to reviewing written statements and relevant documents of the Company's evaluation indicators, TCGA conducted an on-site assessment on January 10, 2023. The assessment included interviews with the Chairman of the Board, the conveners of functional committees, the President, the Director of Corporate Governance, and the Director of Auditing. TCGA issued the Board Performance Evaluation Report on January 19, 2023. The evaluation covers eight dimensions of the board, including composition, guidance, authorization, supervision, communication, internal control, risk management, and self-discipline.

Summary of Evaluation and Recommendations:

Evaluation:

The board members thoroughly discuss and reach a consensus on Ace Pillar's future business plans and strategies before passing a resolution in board meetings. This approach effectively enhances the efficiency of board meetings and ensures the implementation of risk identification and control, thereby establishing a comprehensive risk management mechanism.



Recommendations:

Reviewing and integrating existing reporting policies and systems and establishing a mechanism where independent directors personally receive emails or receive emails simultaneously with the handling unit is suggested.

The annual performance of the Audit Manager is commented on by the Audit Committee and then submitted to the Chairman for approval. The Audit Quality Indicators (AQI) information is used as a reference for the appointment decision of auditors and deliberation of their fees. Certified public accountants are invited to attend board meetings (Audit Committee).

Establish an "orientation program for newly appointed directors" to assist new directors in quickly grasping the Company's operational status. The Corporate Governance Officer will coordinate the program and establish a written system to facilitate the fulfillment of directorial responsibilities.



Ace Pillar has made improvements based on the recommendations and presented the evaluation results to the board on March 1, 2023.



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Audit Committee Operations

In 2019, Ace Pillar established the Audit Committee comprised entirely of independent directors in accordance with laws and regulations. The Audit Committee primarily plays a supervisory role in carefully examining the Company's and the Board's business operations.

The Audit Committee focuses on formulating or revising internal control systems and assessing their effectiveness, reviewing the fair presentation of the Company's financial statements, overseeing the Company's compliance with relevant laws and regulations, and managing existing and potential risks. Ace Pillar conducts an internal audit on a quarterly basis. Accountants, risk management, financial accounting, and other units report to the Audit Committee on an ad hoc basis. They also answer inquiries about internal audit results, the latest financial statement audit findings, financial business overviews, and more. This practice allows the Audit Committee to help investors ensure the credibility of Ace Pillar in corporate governance and information transparency, thereby protecting shareholders' rights.

Ace Pillar's Audit Committee holds meetings at least once every quarter. We held six Audit Committee meetings in 2022, with an average attendance rate of 100%.



Remuneration Committee Operations

Our company established a Remuneration Committee in 2011. The Committee fulfills its stewardship duties with due care in accordance with the law and submits its recommendations to the board of directors for discussion.

The main function of the Remuneration Committee is to professionally and objectively evaluate the remuneration policies and systems for the directors and executives of Ace Pillar. The Committee provides recommendations to the board of directors for their decision-making to strengthen corporate governance and improve the remuneration system for the directors and executives.

For committee members to better understand the relevant laws and regulations and the actual operations of the Company, Ace Pillar arranges meetings to brief the committee members on the laws and regulations related to the Remuneration Committee and the current remuneration and benefits for senior executives.

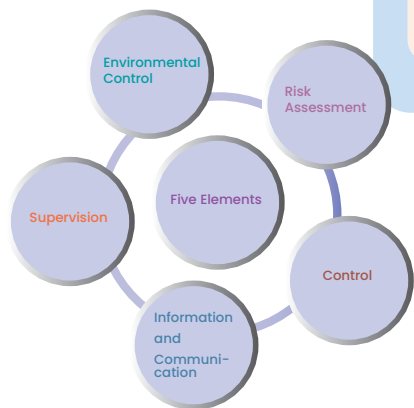
Ace Pillar's Remuneration Committee holds meetings at least twice a year. We held two Remuneration Committee meetings in 2022, with an average attendance rate of 100%.



Internal Control

Ace Pillar has a well-established internal audit system. The Audit Department operates under the board of directors to ensure independence and objectivity. The Department regularly attends board meetings to make reports. Additionally, the Department communicates and reports internal audit results and internal control status to independent directors through the Audit Committee at least once every quarter.

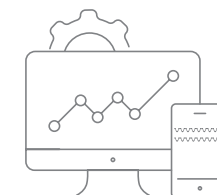
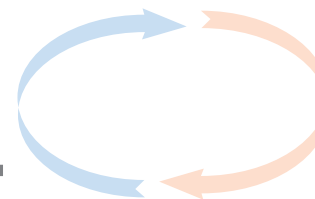
The Audit Department conducts audits according to the annual audit plan, ensuring various internal operations comply with laws and regulations and internal control systems. Additionally, the Department undertakes projects as needed and promptly informs the board of directors about potential operational risks. The Department provides objective and timely improvement suggestions to reasonably ensure the achievement of the three goals and five elements of internal control, thereby fostering a sustainable business environment.



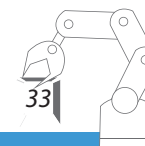
Reliable and transparent reporting
Timeliness and compliance with relevant regulations



Compliance



Operational Effectiveness and Efficiency



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Ethical Management

Ethical management is the most fundamental social responsibility of a company. One of the core principles of Ace Pillar's business philosophy is sincerity and mutual trust. "Sincerity" is the fundamental principle in any interaction. We treat everyone with sincerity and mutual trust inside and outside the Company. To shape Ace Pillar's core cultural values, we established the "Ethical Management Best Practice Principles" and "Code of Ethics" to facilitate the Company's operations and long-term development. Ace Pillar is committed to avoiding dishonest practices that cause losses for the Company. Dishonesty also leads to lower ethical standards among employees and mistrust between customers and business partners. It potentially involves illegal activities such as lobbying and bribery that could undermine the company's governance structure and deteriorate the overall business environment.

Compliance

To ensure Ace Pillar's operations comply with relevant laws and regulations in various countries, we regularly monitor domestic and international policies and regulations that may impact the Company's operations and finances. We notify relevant departments of the latest laws and regulations to ensure these departments can effectively implement them.

To ensure Ace Pillar and its employees abide by the laws in various countries when conducting business, we have established relevant policies and measures for Taiwan and other countries. These include personal data protection, confidentiality, anti-bribery, anti-discrimination, intellectual property protection, anti-insider trading, anti-unfair competition, labor protection, and other regulations. We also promote corporate social responsibility. To ensure the implementation of internal legal compliance policies, we have established a control system and employ audit measures to ensure that business operations meet relevant requirements.

All members of Ace Pillar participate in legal compliance policies. We increase implementation performance through cooperation between various departments. Internally, we require employees to uphold integrity. We also provide a safe and healthy working environment to increase occupational safety and health. Through regular group meetings, Ace Pillar announces, promotes, and shares information to convey the concepts and requirements of legal compliance to various departments. The goal is for each employee to meet the standards of legal compliance.



Personal data protection



Confidentiality



Anti-bribery



Anti-discrimination



Intellectual property protection



Anti-insider trading



Anti-unfair competition



Labor protection regulations



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Promotion and Training on the Integrity Handbook

Ace Pillar has not incurred any material penalties in the past three years. We have fully implemented the Ethical Management Best Practice Principles within the Company. Every year, we conduct promotion and training on the Integrity Handbook for all employees. The training covers integrity promotion, conflict of interests and avoidance, legal compliance, business confidentiality and corporate assets, political activity engagement, and other topics. We also conduct online assessments. Our training rate for 2022 reached 100%. The Company's internal systems also published the Ethical Management Best Practice Principles to ensure all employees are well-informed. To ensure robust ethical management, Ace Pillar established an Ethical Management Department. This Department is equipped with adequate resources and qualified personnel. It is responsible for formulating and overseeing the execution of ethical management policies and preventive measures. The Department reports to the board of directors in the first quarter of each year.

In response to the regulations prohibiting insider trading (Securities and Exchange Act §157-1), Ace Pillar has conducted internal training on the prohibition and prevention of insider trading. The training rate for 2022 reached 100%. Furthermore, Ace Pillar has not had any insider trading violations in the past three years.

Integrity Declaration

1. We hold all ethics to the highest standards.
2. We respect both official laws and company regulations.
3. We act with integrity in everything we say and do.
4. We strictly prohibit the abuse of privileges for any illegal conduct.
5. We make every effort to avoid any suspicion of benefit transfer.
6. We will never engage in any ethical violations.
7. We seek assistance when we are unsure how to proceed.
8. We fully cooperate in investigations of violations.
9. If we discover illegal activities, we must report them to higher authorities immediately.
10. We extend the Ethical Management Best Practice Principles to our business partners.
11. We unwaveringly protect the rights and interests of honest employees.





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Risk Management

Risk Management Committee Risk Management Vision

Since 2020, Ace Pillar has participated in the sustainability and risk control monthly meetings organized by the risk management team of our parent company Qisda. We have continuously monitored potential risks that may impact our Group. In November 2020, we established the Risk Management Committee (RMC) to implement a proactive risk management mechanism. This allows relevant departments to promptly respond to risk events through risk management procedures, thereby reducing or avoiding the impact of risk events. This has also increased employee risk awareness, ensuring the sustainable operation of Ace Pillar.

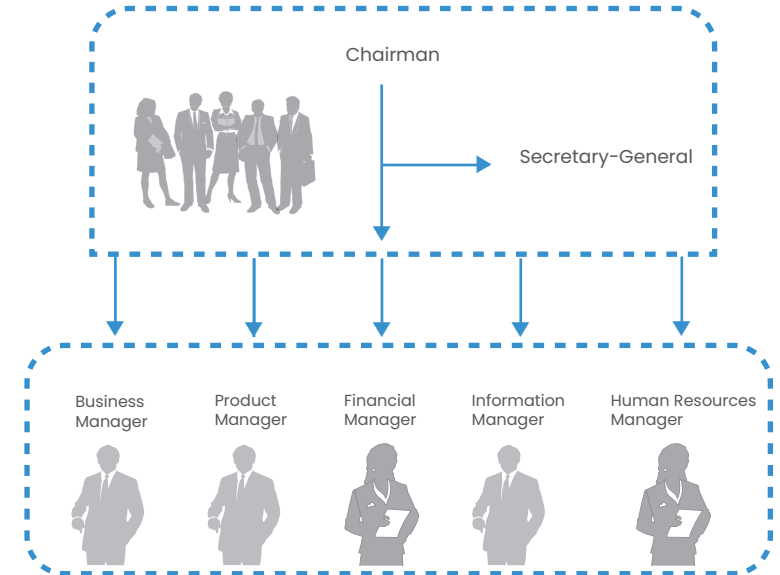
Ace Pillar's risk management emphasizes the risk management system of corporate governance and risk transfer planning. Strategic, financial, operational, and hazard risks are managed by the Risk Management Committee. We have clearly established Ace Pillar's risk management vision, policies, and procedures to effectively manage risks that exceed the Company's risk tolerance. We also use risk management tools to optimize the total cost of risk management.

We promise to continuously provide products and services to create long-term value for customers, shareholders, employees, and society.

Risk management requires systematic organization and operational procedures for prompt and effective identification, assessment, handling, reporting, and monitoring of material risks that impact the Company's survival capability. This process also increases employee risk awareness.

Risk management is not about pursuing "zero" risks but rather aiming for maximum benefit within acceptable risk levels to optimize the cost of risk management.

Risk Management Committee Organizational Chart



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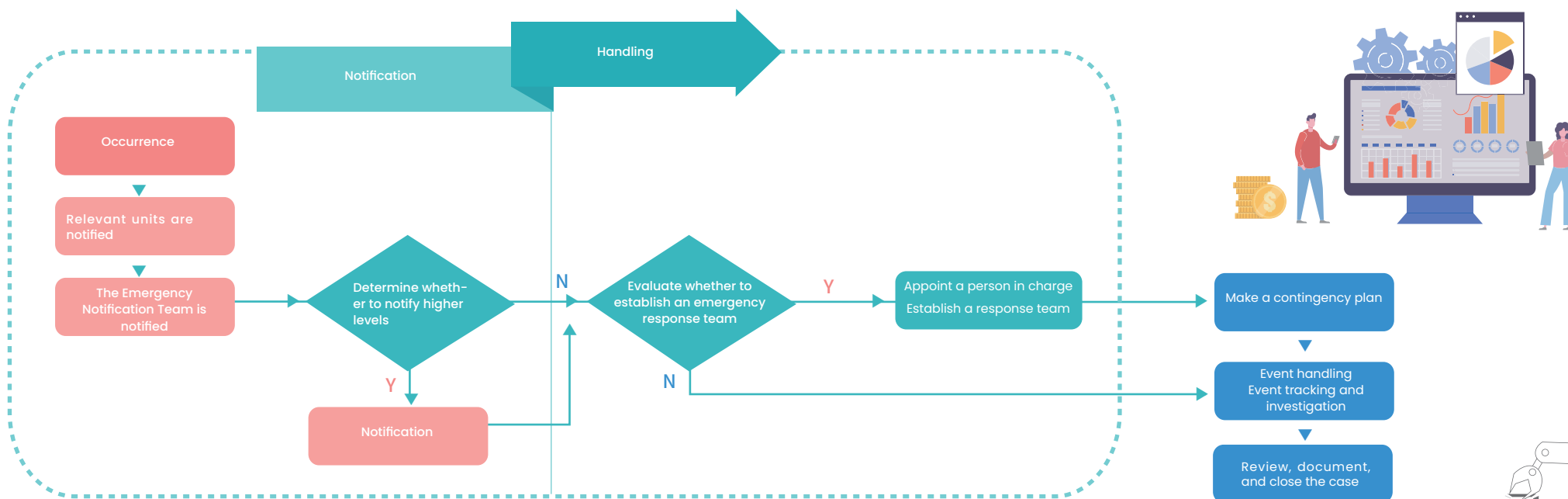
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Risk Management Policy

- To ensure the Company's sustainable operation, the Risk Management Committee should regularly identify, assess, handle, report, and monitor risks that could negatively impact the Company's operational goals on an annual basis.
- Risk should be identified and controlled before events occur. Losses should be mitigated when events happen. The provision of products and services should be promptly restored after events have occurred. Business continuity plans (BCPs) should be established for material risk scenarios identified by the Risk Management Committee.
- For risks that do not exceed the risk tolerance, the cost of risk management should be considered, and various management tools can be used to handle the risks, except in the following situations:
 - Having a negative impact on employee safety.
 - Resulting in violation of laws and regulations.
 - Having a negative impact on the company's reputation.

Risk Management Procedure

- Establish the Risk Management Committee (RMC) and formulate RMC operational procedures in accordance with the Company's risk management policy. In general, RMC meetings are held every quarter. In the event of serious situations, ad-hoc meetings can be convened.
- Make a risk radar chart of the four major risk categories: strategy, finance, operation, and hazard.
- The Chairman of the RMC formulates the annual company-level significant risks. RMC members identify risks and formulate risk counter measures within their respective units. They report, discuss, make resolutions, and track implementation results during RMC meetings.
- Report the status of risk operations to the Audit Committee and the board of directors every year.

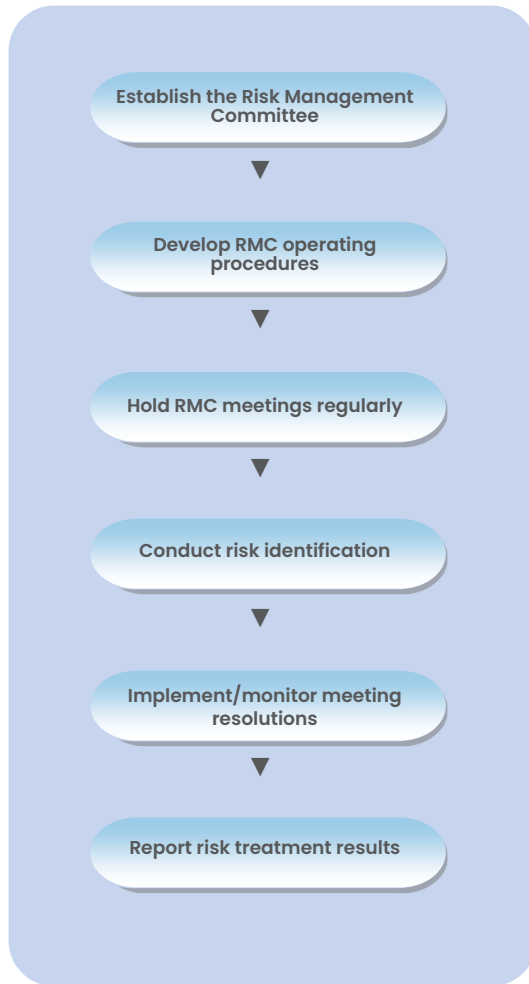




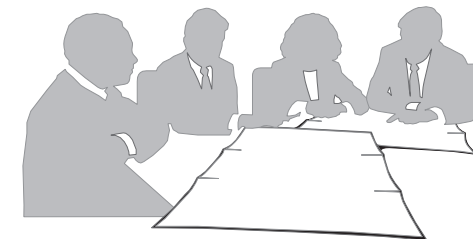
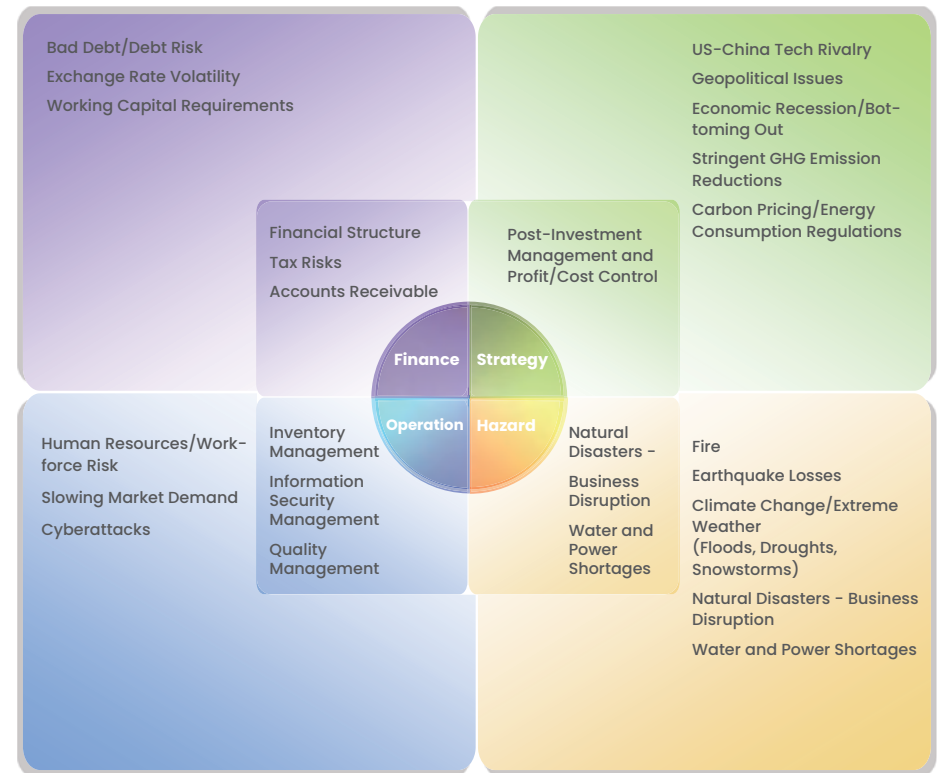
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Risk Management Committee Operation Process



Radar Chart of Risks Identified by Ace Pillar in 2022



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● Group Joint Defense Mechanism

Qisda has established a group-wide joint defense mechanism centered on Qisda, encompassing more than 180 companies. Qisda holds regular meetings, has established communication channels, and has created an information exchange platform. Qisda has integrated the group's resources, maximizing the strength of the group as a whole.

In 2022, Qisda Group held nine regular meetings, using the platform to introduce emergency response, BCPs, CSR/ESG, and other initiatives into its companies. Through education, training, and practices, Qisda enhances its companies' ability to respond rapidly and handle crisis events. Sharing resources, information, and experience allows Qisda's companies to carry out preventive management before the risk events occur. Managing from the source reduces the probability of event occurrence.

Furthermore, on December 6th, 2022, external advisors specializing in TCFD climate change opportunities and risks were invited to lecture on "Post-COP27: How Businesses Should Address Carbon Issues - TCFD Framework Assisting in Assessing Corporate Carbon Reduction Challenges." Participants included employees responsible for risk management across the entire group.

The explanation and insights of external advisors helped the attending executives and employees better understand the relevant laws and regulations, as well as the financial impact information regarding the opportunities and risks of TCFD that TWSE and TPEX listed companies must disclose.





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Code of Conduct

Ace Pillar has established the "Ethical Management Best Practice Principles," "Procedures on Handling Reports of Illegal, Unethical, or Dishonest Conduct," and other measures, which are published on the Company's website. Ace Pillar's Integrity Handbook is the highest code of conduct for all employees in conducting business activities. In addition to providing education and training on an ad hoc basis to employees upon joining the Company, we regularly promote the importance of ethical behavior to remind employees to adhere to it.

Ace Pillar's "Integrity Handbook" is a guideline for employee behavior. We regularly train our employees worldwide through education and training courses. The content covers areas such as "conflict of interest," "legal compliance," "business confidentiality and company assets," and "participation in political activities."

Code of Conduct Training

To prevent dishonest behavior, we require employees to inform the Company when faced with moral doubts or conflicts of interest and to abide by the "Ethical Management Best Practice Principles" and "Integrity Handbook." Every year, on the eve of important holidays, we promote ethical behavior more strongly, such as "not accepting external gifts," and enhance employee awareness of integrity. We also conduct online training on integrity for all employees to ensure that each employee understands the key points of the code of conduct and implements them.

Please refer to the table below for the training completion rate in 2022. Under the training and promotion of the code of ethical conduct, there were no violations of ethical principles in 2022.

Whistleblowing and Mechanism for Communicating Suggestions

Ace Pillar has established the "Procedures on Handling Reports of Illegal, Unethical, or Dishonest Conduct." For serious misconduct that violates integrity, conflict of interest and avoidance, fair trade, and bribery, as well as any unlawful behavior and improper treatment, we have established a comprehensive set of procedures for reporting and handling complaints. Upon discovering someone or something does not align with integrity or violates the Ethical Management Best Practice Principles, internal and external individuals can report such improper business practices through the whistleblowing mailbox.

Communication and Complaints Channel

For: The Company's employees and external suppliers, customers, or other stakeholders.

Channel: Email: 8374@acepillar.com.tw.

Reports or complaints sent to this email will be investigated and handled by the responsible department, and an investigation report will be prepared. Ace Pillar ensures strict confidentiality of the whistleblower's identity to guarantee their safety and protect them from retaliation.



Ace Pillar has not received any whistleblower cases in the past three years.

Integrity Handbook training completion rate



	Number of trainings	Number of training hours	Completion rate
Ace Pillar Taiwan	137	137	100%



Corporate Governance Implementation

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Definition of Employee Code of Conduct

In addition to the "Ethical Management Best Practice Principles" and "Procedures on Handling Reports of Illegal, Unethical, or Dishonest Conduct," we have established the "Service Rules" in the employee handbook to define employee behavior more specifically.

• Service Rules

1. Definition of Employee Code of Conduct
2. Employees must strictly observe the confidentiality of salaries, bonuses, and all forms of compensation. Disclosure to external parties or discussing this information among employees is strictly prohibited.
3. Unless approved by the Company, employees are not allowed to hold external positions or engage in part-time work unrelated to the Company's business during working hours.
4. Employees must strictly avoid conflicts of interest. They shall not take advantage of their positions to benefit themselves, their spouses, relatives within the third degree, or individuals with whom they have significant personal interests.
5. When performing tasks, employees should demonstrate professional ethics, balancing the interests of the Company and the public good. They must not be biased and must not seek business through bribery or other improper means.
6. Employees must strictly observe the confidentiality of the Company's business (including various related technologies, product planning, strategic planning, marketing plans, human resources, financial data, customer lists, etc.) and interactions between customers and the Company. Unauthorized disclosure or publication to external parties is strictly prohibited.

• Definition of Material Violations

For material violations, we define violations with varying impact levels and scopes based on the risk identification assessment and manage the potential risks associated with them accordingly.

	Financial Loss NTD	Impact of Fraudulent Events NTD	Building Damage	Casualties	Impact on Company Operations	Impact on Company Reputation
Minor	<200,000	<5,000	<1 internal section	1 person with minor injuries	No impact on production or daily operations	Not reported by the media
Low	200,000~1 million	5,000~10,000	1 internal section~1 floor	1 person with moderate injuries	Delays production or daily operations but does not delay services/business	One-time negative report by the local media
Medium	1 million~5 million	10,001~50,000	1 floor~2 floors	1 person with severe injuries	Interrupts daily operations for 4 hours	Negative reports by the local media for 2 consecutive days
High	5 million~10 million	50,001~100,000	2 floors~1 building	1 or more fatalities	Interrupts daily operations for 1 working day	Negative reports by major media outlets for more than one week (non-consecutive) or causing a sustained relative decline in stock price
Catastrophic	10 million	>100,000	>1 building	3 or more fatalities	Interrupts daily operations for 3 working days	Negative reports by three major media outlets for more than two weeks (non-consecutive) or causing a sustained relative decline in stock price

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Ace Pillar's Consolidated Revenue Increased by 3% in 2022. Earnings Per Share: NT\$0.70.

In the post-pandemic era of 2022, the global economy is experiencing a rapid decline in pandemic-related advantages. Supply chain inventories have accumulated. Coupled with the Russo-Ukrainian War, squeezed consumer budgets, suppressed demand due to inflation, geopolitical tensions, and the US-China technology war, Ace Pillar's operating capacity is facing significant challenges.

However, Ace Pillar continues to carry out organizational adjustments and business transformation. We are shifting our development from representing automation and transmission-related products to smart automation, green energy, and semiconductor technologies.

In 2022, Ace Pillar's consolidated revenue was NT\$3.762 billion, an increase of NT\$207 million from the previous year and 3% from 2021. Ace Pillar's individual revenue was NT\$1.297 billion. However, because of the impact of China's COVID-19 policies transitioning from zero-COVID to relaxed restrictions, the consolidated operating income was NT\$96 million, and the consolidated net profit after tax was NT\$98 million, a 35% decrease from the previous year. Among this, the net profit attributable to the owners of the parent company was NT\$79 million, with an earnings per share of NT\$0.7.

Ace Pillar's Consolidated Operating Results Over the Past Three Years

Please refer to the table on the right for Ace Pillar's operating results over the past three years. The details are disclosed in the Financial Overview chapter of the Company's annual report. The consolidated financial statements, including consolidated and individual financial information, are disclosed in the Company's 2022 financial statements.



Consolidated Comprehensive Income Statement - International Financial Reporting Standards

Financial data over the past three years.

In NT\$ thousands

	▶ 2020	▶ 2021	▶ 2022
Operating revenue	2,754,448	3,658,704	3,762,421
Operating costs	2,274,067	3,000,362	3,023,194
Gross profit	480,381	658,342	739,227
Operating expenses	355,192	468,321	643,501
Operating profit	125,189	190,021	95,726
Non-operating income and expenses	-16,044	972	32,897
Pre-tax income	109,145	190,993	128,623
Income tax expense	21,965	41,142	31,049
Net income	87,180	149,851	97,574
Net profit attributable to owners of the parent company.	87,180	147,895	78,953
Earnings per share	0.78	1.32	0.7
Total assets	2,759,980	3,134,862	3,318,266
Total liabilities	789,565	1,057,298	1,180,757
Total equity	1,970,415	2,077,564	2,137,509
Total	2,759,980	3,134,862	3,318,266

Corporate Governance Implementation

- Corporate Governance
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Economic Value Allocation of Stakeholders

Ace Pillar and its subsidiaries operate in Taiwan, China, and Germany. Each operating location complies with the tax regulations of their respective regions and regularly files tax returns and payment of tax. Ace Pillar established the Risk Management Committee to help the management effectively perform risk control and assessment, facilitating swift evaluation and response. By considering various factors, the Committee makes informed decisions that enhance operational resilience.

In NT\$ thousands	2020	2021 (restated)	2022
Revenue of the Taiwanese parent company	1,357,780	1,626,561	1,296,748
Operating costs (b)	1,090,445	1,296,544	1,024,809
Employee salaries and benefits	129,984	156,262	142,123
Cash dividend	33,668	67,350	101,025
Payment of bank loan interest	109	108	1,131
Payment of government dues (income tax)	20,521	37,474	10,515
Retained economic value = a - b			
Retained Economic Value	267,335	330,017	271,939

Three Key Operational Focuses in 2022

Ace Pillar

Optimizing automation business Comprehensive service for transformation and system integration

Key products Ace Pillar introduced in 2022: DeltaGrid Energy Management Solution, DELTA Motor Mounted Pump Drive (MPD), DELTA W3 Servo, Motion Controllers AX3 and AX8 series, Digital Force Sensor MSR series, 2nd generation CNC NC5 series; DFI ES220 industrial computer series, Mactech ESD protection system, etc.

To expand our business model from spare parts trading to comprehensive services in automated system integration, we established the Smart Application Center and recruited top talents in the industry. In 2022, robot peripherals and system project sales grew significantly. We also secured automation system projects from reputable domestic biotech health food and electronics industries. We expect these developments will contribute substantially to future revenue and profits.

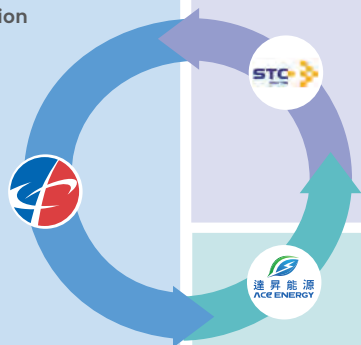
Subsidiaries

Venturing into the semiconductor industry

In addition to the existing agency sales of semiconductor, optoelectronic, and solar-related equipment and consumable components, we have introduced solutions for measuring random errors, which have been adopted by leading memory manufacturers. Currently, we are promoting these solutions to logic IC factories.

Expanding green energy business

Regarding energy products, in Taiwan, we are deepening energy-saving and carbon-reduction services, expanding the integration of green energy, and implementing remote control through cloud management platforms. In Europe, we have launched solar energy storage systems to seize opportunities in decentralized power grids.



Product Revenue Overview

In NT\$ thousands	2021	2022
Automation control	2,083,880	1,692,653
Industrial transmission	1,461,821	1,167,569
Sales and services of semiconductor equipment and materials	0	548,580
Energy management products	107,812	349,631
Other	5,191	3,988
Total	3,658,704	3,762,421



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Information Security Policy

In the era of information explosion, Ace Pillar attaches great importance to information security. To ensure corporate information security, Ace Pillar has established information security guidelines in accordance with the ISO 9001 international standards to prevent risks caused by information leakage. We ensure the confidentiality, integrity, availability, and legality of corporate assets and safeguard against intentional or accidental threats from internal and external sources. We are committed to avoiding risks and achieving sustainable business operations.

Responsible Unit

IT Department

Ace Pillar has a dedicated information security manager and personnel. The IT department is in charge of promoting information security within the company. Using regulations and tools of information assets, we effectively safeguard the security of our intellectual property and increase employee awareness of information security.

Regularly Assess Information Security Risks

To implement information security management, Ace Pillar regularly holds meetings to assess and respond to relevant risks to effectively reduce, transfer, or eliminate these risks.

Information security monthly meetings:

We hold monthly group information security meetings to review the current security status.

Risk management committee quarterly meetings:

The Risk Management Committee holds meetings quarterly to review internal risks.



Information Security Management

Ace Pillar has established an information security management system to implement information security policies, protect customer data and company intellectual property, strengthen incident response capabilities, and meet information security policy metrics. This ensures we meet the expectations of our stakeholders.

Management Measures

PDCA cycle

Plan→Do→Check→Action→Plan

Vulnerability scanning system

We conduct ad hoc vulnerability scans on each system to ensure the security of our systems.

Information monitoring system

We continuously conduct system analysis of information security risks for each risk level.

Training and continuing education for specialists

Information specialists receive training and continuing education on an ad hoc basis both internally and externally to enhance their professional skills.

Regular meetings

Group information meetings are held monthly. Risk management committee meetings are held quarterly.

Establish management processes

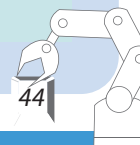
We establish information management processes in accordance with information management guidelines.

Promote information security.

We educate internal employees on an ad hoc basis on various information security issues to strengthen their awareness of information security

Promote information security

In Q4 of every year, we conduct information security drills such as internal tests on phishing emails.



Corporate Governance Implementation

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Information Security

Account Security Control

- Individual account: Each internal employee has their own employee account and password.
- Division of permissions: Grant information access permissions based on the job level.
- Password update: The password for each account must be updated every six months.

Countermeasures to Material Information Security Events

In establishing the information security management system, Ace Pillar has strengthened the internal emergency response SOP and drills. We continue to simulate various information security attack scenarios and arrange for relevant personnel to participate in these drills. This ensures we can initiate the emergency response SOP when an event occurs, effectively reducing response time and minimizing the Company's losses.



No significant disasters have occurred in the past three years.

System Security Control

- Anti-virus software: Regularly update the version of anti-virus software.
- Intrusion detection: check whether the firewall has been compromised on an ad hoc basis.
- Data control: All internal computers must use company-controlled disks, and virus scanning must be performed immediately each time a disk is used.
- Regular backup: Data used within the company is regularly backed up to ensure information security.



Information System Management Flow Chart

According to the flowchart of the information system management procedures we established, we implement information management and follow each step to maintain the normal operation of internal computers and networks, preventing computer crashes or data loss due to unexpected events.



3. Business Partnerships

- ▶ Commitment to Customers
- ▶ Supplier Sustainability Management



Business Partnerships

Commitment to Customers

Supplier Sustainability Management

Commitment to Customers

Ace Pillar values the feelings and feedback of every customer. We provide meticulous service from pre-sales to after-sales. We promise to make every effort to rigorously control the quality of our products and services to meet the expectations of every customer. We maintain good communication with our customers and provide them with the best service to achieve our vision of corporate sustainability. We fulfill every commitment and address every complaint to show customers our dedication to quality service and products.

Ace Pillar's Customer Services

Pre-Sales Service

- Professional product consultation: Customers can schedule a visit with a staff member and communicate with our staff online.
- Product website: Customers can browse the products on our official website.
- Instant messaging: We have set up social media apps and official accounts.

After-Sales Service

- After-sales service department: A dedicated after-sales service department to provide customers with the most professional service.
- Regular surveys: We conduct satisfaction surveys every year for customer feedback.



Innovation and Change

We encourage innovation to meet the needs of the Company and our customers.

Sincerity and Mutual Trust

"Sincerity" is our fundamental principle. We treat both internal and external parties with sincerity, fostering mutual trust.

Commitment to Customers

Ace Pillar commits to managing the company based on four principles: "Sincerity and Mutual Trust," "Innovation and Change," "Recognition of Contributions," and "Quality First." We care for our employees and customers based on these principles to achieve sustainable operations.

Recognition of Contributions

We reward contributions and incentivize performance to ensure our customers receive the best service quality.

Quality First

We believe that quality speaks for itself. We insist on providing services and products with the highest quality.

Business Partnerships

Commitment to Customers

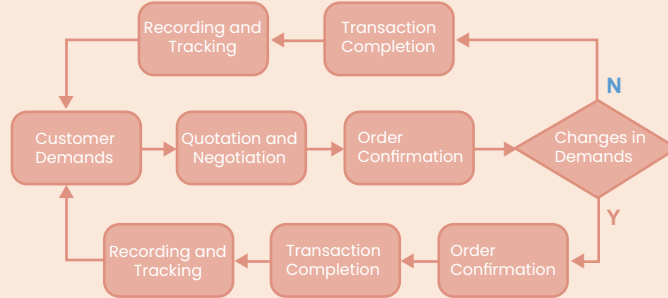
Supplier Sustainability Management



Pre-Sales Service Process

To verify whether the Company's sales process complies with the system regulations, Ace Pillar has established customer-related management procedures and properly managed various income operations. We also ensure adherence to various regulations, monitor the progress of sales targets, and analyze differences to ensure the quality of operations and effective management.

Diagram of Pre-Sales Service Process



Responsible Units

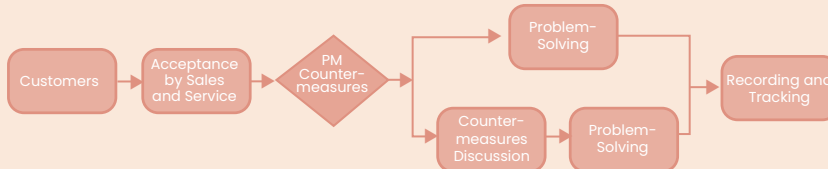
- From sales planning to customer communication: Sales Unit
- Delivery operations: Materials Unit
- Returns: Sales Unit, Product Unit, Materials Unit



After-Sales Service Process

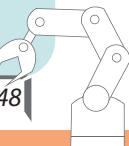
Ace Pillar values the feelings of every customer. To provide products and services that meet customer expectations, we are cautious and attentive in responding to all complaints. We contact the customer through our Service Department as a first step to understand the customer's demands and resolve the issues raised by the customer. We document customer complaints and discuss them in internal meetings to prevent any potential recurrence in the future. This ensures every customer receives the best products and services, achieving sustainable business development.

Diagram of After-Sales Service Process



Responsible Units

- Execution of after-sales services and establishment of relevant technical data: technical service engineer
- Task assignment, performance appraisal, and cost control for after-sales service: technical service supervisor



Business Partnerships

Commitment to Customers

Supplier Sustainability Management

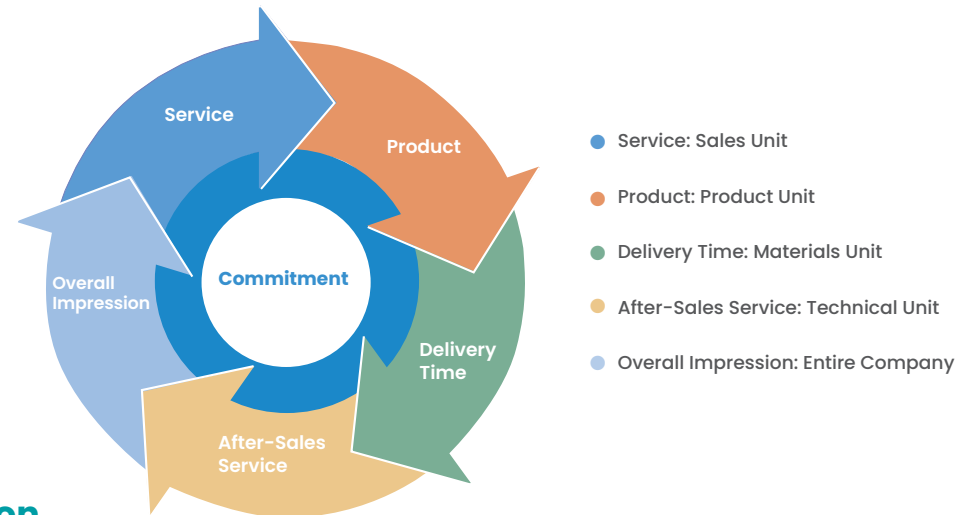
Regular Customer Satisfaction Surveys

Ace Pillar adheres to a customer-oriented business philosophy. We conduct annual customer satisfaction surveys to provide customers with the best products and services. The surveys use an objective evaluation system to comprehensively evaluate customer satisfaction with our products or services. We also review areas with lower satisfaction ratings in the surveys and implement corresponding improvement measures. Through this approach, we enhance the quality of our services and achieve sustainable business operations.

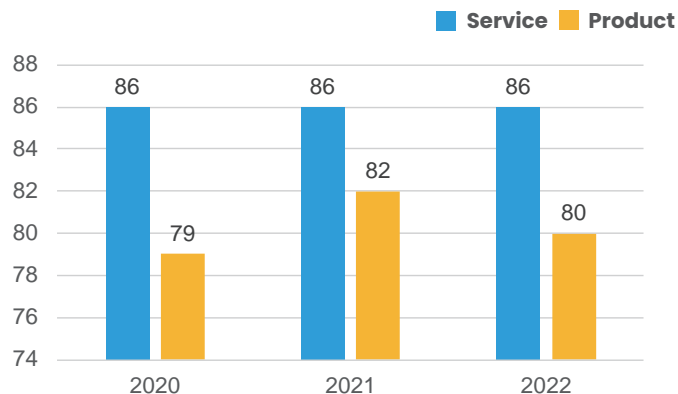
Customer Satisfaction Survey As-

- Scope: Ace Pillar values each customer, whether they are individuals or businesses. We highly appreciate and humbly accept any feedback and respond accordingly.
- Definition of customer satisfaction: The level of satisfaction with the products or services the customer has purchased and the likelihood of repeated purchasing in the future.
- Operational process: In July of each year, Ace Pillar's internal and relevant departments discuss and formulate the items for the customer satisfaction survey plan. The customer satisfaction survey is then distributed to the subjects identified in the plan.

Responsible Units



2020-2022 Customer and Product Satisfaction



Target Score: 75
We have met the Company's internal requirements for three consecutive years. We remain steadfast in our customer-oriented approach, treating every customer with care.



Business Partnerships

Commitment to Customers

Supplier Sustainability Management

Customer Privacy Protection

Customer privacy protection is a common goal of national regulations and company policies. If customer privacy is compromised, it may lead to decreased customer loyalty and satisfaction, negative impacts on business and reputation, and serious consequences such as lawsuits. Ace Pillar is committed to ensuring the respect and protection of customer privacy.

Ace Pillar continues to promote employee awareness of information security through internal emails and an e-learning platform. Regarding the protection of confidential documents and access restrictions, employees who are not directly involved in the tasks must obtain approval from their immediate supervisors to be granted certain permissions. We protect customer privacy and company assets to prevent improper copying and leakage of data.

Data Protection	Set access permissions, and if non-relevant personnel require data, they must obtain approval from a supervisor before certain permissions can be granted. Regularly review accounts and permissions to ensure data access meets job requirements.
Internal Control	Educate employees on the importance of information security on an ad hoc basis.
System Management	Install third-party software on the computer to record its operation process and audit for any non-compliant operations.

- Customers with account credentials can access the system website to view data, but only within the relevant business scope.
- The system will request a password change when logging in for the first time with a new account. This ensures that the account is used solely by the applicant.
- We strengthen education and training by providing courses on the e-learning platform and requiring employees to complete tests. This ensures every employee understands the importance of protecting customer privacy.



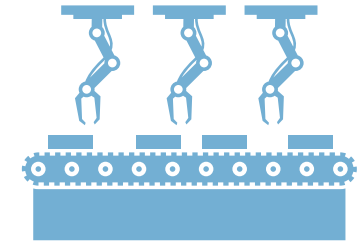
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Commitment to Customers

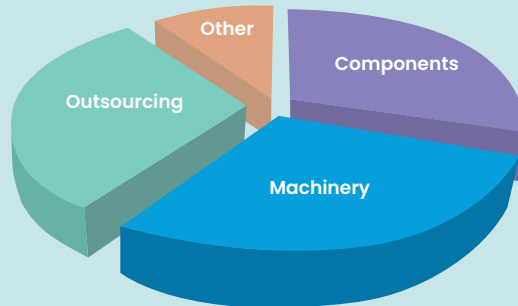
Supplier Sustainability Management

Supplier Sustainability Management

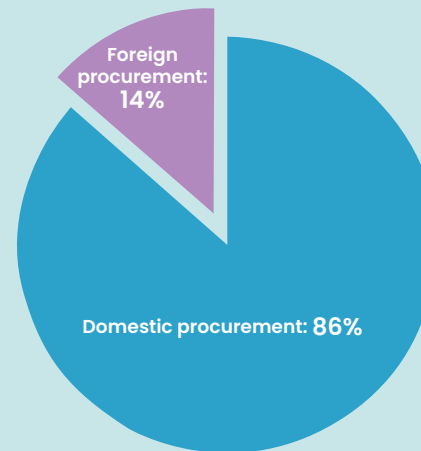
Ace Pillar is an electromechanical automation component distributor and professional automation technology service provider. We collaborate with over 200 suppliers worldwide, divided into three categories: components, machinery, and outsourcing.



Key Supplier Categories



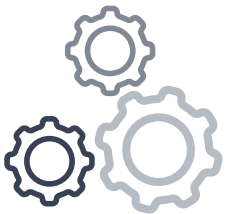
Procurement by Domestic and Foreign Suppliers



Local Sustainable Development for Businesses

While we run our business, we are also committed to local sustainable development. Therefore, we place great emphasis on supplier management. We discuss various issues with key suppliers and hold meetings with these suppliers on an ad hoc basis to foster closer collaboration.

To achieve local sustainability, we work closely and steadily with domestic manufacturers in a sincere manner. We are committed to repaying the community and supporting local sustainable development. In 2022, procurement from domestic suppliers accounted for approximately 86%, and procurement from foreign suppliers accounted for approximately 14%.



Business Partnerships

Commitment to Customers

Supplier Sustainability Management

Supplier Selection

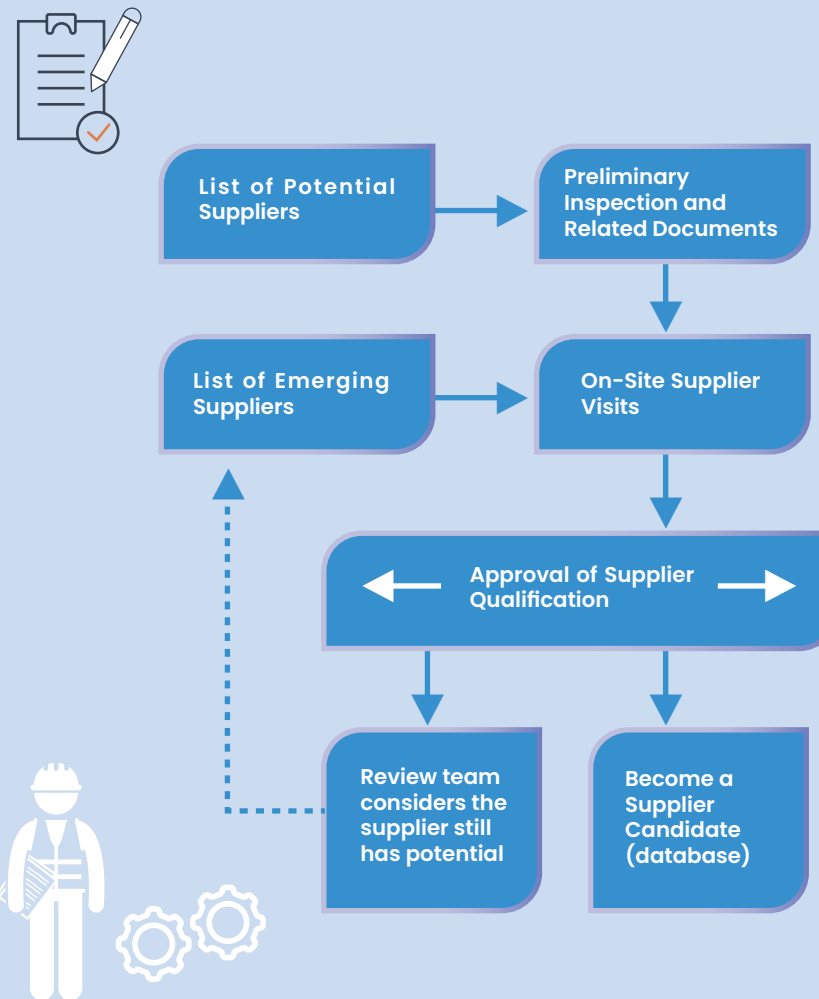
Ace Pillar's supplier selection process is based on the ISO 9001 standard and takes into account the Company's prospects and market trends. The process involves discussing procurement strategies and assessing the potential supplier's capabilities across various dimensions. We assess management systems such as production capacity, quality, integrity, and service to determine whether they meet our standards. This assessment serves as a basis for potential supplier collaboration.

When we evaluate a new supplier, we use a supplier assessment questionnaire to assess the various capabilities of the supplier. After a thorough internal evaluation, the final result is then confirmed by the unit supervisor. Only suppliers who pass the supplier selection process can become qualified suppliers of Ace Pillar and undergo verification for new products.

The review covers operational overview, delivery capacity, quality management, financial status, and production capacity to confirm whether the supplier's current status meets Ace Pillar's expectations and standards.



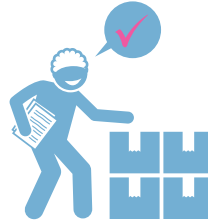
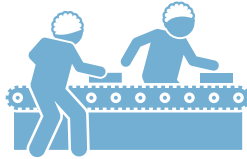
Supplier Selection Flow Chart



Business Partnerships

Commitment to Customers

Supplier Sustainability Management



Supplier Management Procedure

Ace Pillar has established a supplier management procedure to select qualified suppliers through evaluation that meets the Company's requirements. This ensures stable procurement quality, customer satisfaction, and the Company's reputation. It also helps stabilize the collaboration between suppliers and customers. Through this approach, we can move more steadily toward corporate sustainability.

Definition of a supplier

- Supplier: Provider of spare parts, finished products, and after-sales services.
- Processing Plant: Contractor entrusted with certain manufacturing processes.
- Qualified Manufacturer: Supplier or processing plant that has passed the evaluation.

Supplier Evaluation

After a supplier is approved by Ace Pillar, they still need to be evaluated regularly. The evaluation dimensions are factory equipment, production capacity, quality planning, shipping capacity, and management capability. After each supplier performance evaluation, the results will be an important basis for the procurement strategy. Procurement meetings will be held with relevant departments to make a list of strategic suppliers for key components. By analyzing the dimensions of supplier evaluation, we identify the most suitable potential suppliers for collaboration with Ace Pillar.

Five Aspects of Supplier Evaluation



Business Partnerships

Commitment to Customers

Supplier Sustainability Management



Supplier Communication

Multiple Communication Channels

Ace Pillar highly values communication with its suppliers. Through open channels of communication and regular meetings, we maintain good communication with our suppliers. We promptly obtain accurate feedback from stakeholders to establish firm and stable partnerships. This facilitates mutual progress towards sustainable development and helps us constantly self-assess and improve in pursuing corporate sustainability. We always respond to public expectations and demonstrate our social impact.

Maintaining good communication with suppliers is essential to implementing corporate sustainability. In addition to having effective communication channels, we visit our suppliers and hold meetings periodically to establish longer-term and stronger cooperative

Meetings on an ad hoc basis

Communication through Messengers Immediate Responses

Dedicated Contact for Suppliers

Regular Visits

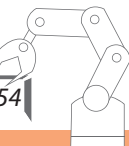
Communication Channels

Meetings: Hold meetings for key suppliers on an ad hoc basis.

Dedicated Contact: Established the Product Department to provide immediate and professional responses to suppliers.

Messengers: Provide immediate responses through social media and the official LINE account.

Regular Visits: Maintain stable relationships with suppliers through regular visits by dedicated personnel of the Product Department.



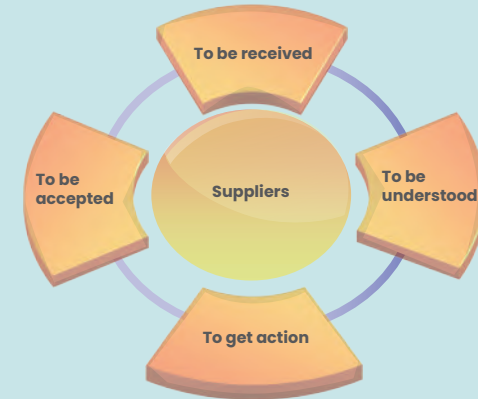
Business Partnerships

Commitment to Customers

Supplier Sustainability Management

Four Goals of Supplier Communication

Ace Pillar communicates with suppliers through various channels and, through materiality analysis, identifies suppliers who are important stakeholders to Ace Pillar and the material issues they are concerned with. We then take corresponding measures to strengthen information disclosure. Using the four communication goals—to be received, to be understood, to be accepted, and to get action—the progress and responses of key suppliers in sustainable management are explained as follows:



To Be Received: Communication Platforms

1. Corporate sustainability web site and sustainability report/annually
2. Supplier education and training/annually
3. Mail, messenger, telephone/ on an ad hoc basis
4. Supplier evaluation/every six months

To Be Understood: Issues of Concern

1. Customer relationship management
2. Corporate code of conduct
3. Corporate risk management
4. Occupational safety and health
5. Corporate governance

To be accepted Communication Channels/ Frequency

1. Supplier coordination meeting/ on an ad hoc basis
2. Supplier promotion meeting/on an ad hoc basis
3. Phone and email feedback/im mediately
4. Supplier evaluation/every six months

To Get Action: Initiatives

1. Examine areas with lower scores through supplier evaluations and make suggestions for improvement.
2. Encourage the development of green products and provide relevant catalogs for green products.



Business Partnerships

Commitment to Customers

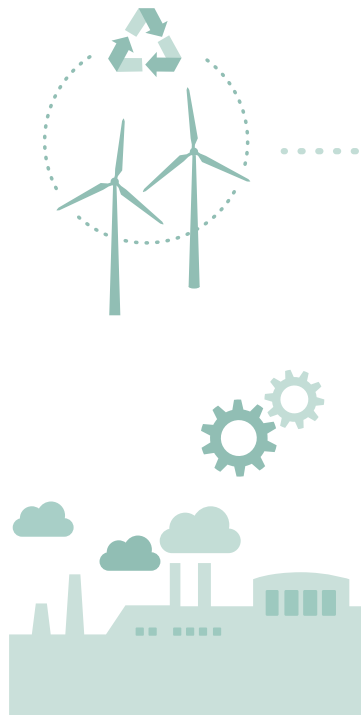
Supplier Sustainability Management

Green Supply Chain Program for Key Suppliers

Ace Pillar highly values sustainable development, and our key suppliers play an important role in this development. We are establishing a green supply chain program to ensure our main suppliers adhere to environmentally friendly and socially responsible practices. We are establishing a green supply chain program to ensure our main suppliers adhere to environmentally friendly and socially responsible practices while providing us with high-quality, sustainable products and services.



Three Phases of the Green Supply Chain Program



Phase 1 – Assessment

We will conduct surveys and assessments of all key suppliers to determine their environmental and social responsibility performance. This will include assessing suppliers' performance in carbon footprint, energy management, waste management, labor rights, and working conditions.

Assessment

- Carbon footprint
- Energy management
- Waste management
- Labor rights
- Working conditions

Phase 2 – Improvement

Based on the assessment results, we will work with the key suppliers to identify areas for improvement, assist in improvement plans, and monitor the progress. These improvements will include reducing carbon emissions, increasing energy efficiency, enhancing waste management, increasing labor rights, and improving working conditions.

Improvement

- Reduce carbon emissions
- Increase energy efficiency
- Enhance waste management
- Increase labor rights
- Improve working conditions

Phase 3 – Communication

We will disclose the program's progress to suppliers and external stakeholders and establish a transparent monitoring mechanism to ensure suppliers carry out their commitments.

Communication

- Disclose goals and improvement progress
- Transparent monitoring mechanism

4. Value Creation

- ▶ Employee Status
- ▶ Learning and Development
- ▶ Human Rights Management
- ▶ Happy and Healthy Workplace
- ▶ Caring for the Earth and Society



Value Creation

Employee Status

Learning and Development

Human Rights Management

Happy and Healthy Workplace

Caring for the Earth and Society

Employee Status

Employee Status

Ace Pillar has always adhered to the "people-oriented" business philosophy. We regard employees as our long-term capital and the cornerstone of innovation. We are committed to providing employees with a sound working environment and have established a remuneration system that rewards high-performance employees. We highly value the welfare of our employees, and we hope they can work safely and happily with multiple benefits.

To foster good labor relations, Ace Pillar strives to create a fair, healthy, and diverse working environment. As of December 31, 2022, Ace Pillar Taiwan's workforce is 110. The gender ratio is approximately 6:4 (male to female). Regarding the educational background, most employees hold a bachelor's or associate degree.

Employment Principles

Ace Pillar openly recruits and selects candidates based on actual business needs. The Company is committed to developing diverse channels and projects in recruiting personnel, with a principle of selecting candidates based on their qualifications and prioritizing internal appointments over external hires. There is no discrimination based on race, religion, skin color, nationality, gender, or any other factors. The Company also strictly prohibits the employment of child labor.

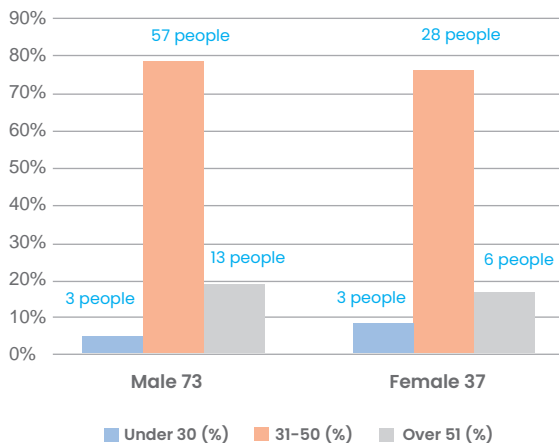


Employee Structure

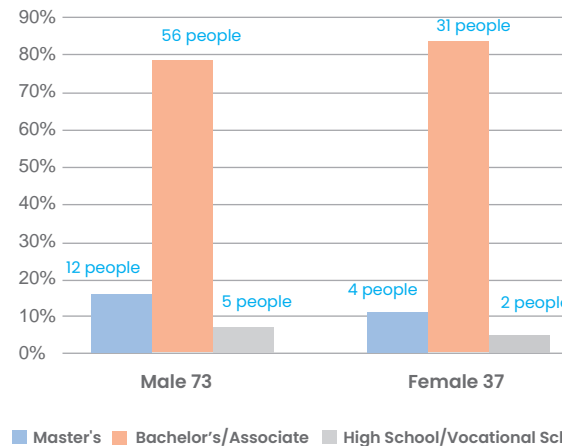
Managerial Positions by Gender (%)



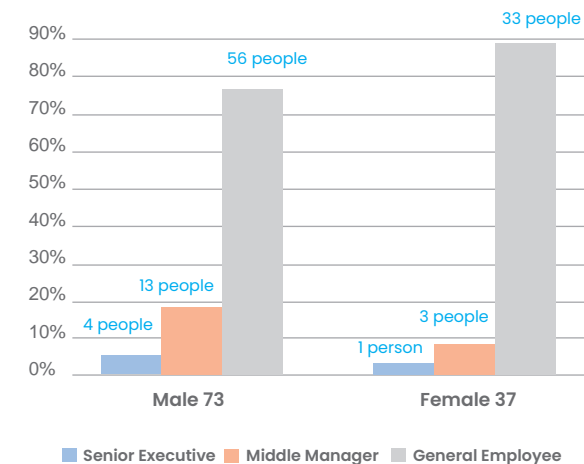
Age Distribution by Gender (%)



Educational Background by Gender (%)



Employee Rank by Gender (%)



Note: 1. Senior executives: M8 and above 2. Middle Managers: M4-M7 3. General employees: non-managerial employees

Value Creation

Employee Status

Learning and Development

Human Rights Management

Happy and Healthy Workplace

Caring for the Earth and Society

Learning and Development

Human Resource Development

Ace Pillar places great importance on employee training and development. We invest ample resources to provide employees with diverse training programs. By offering employees comprehensive training, we enrich and diversify their learning and development.

Main Targets



Employees, suppliers, and customers

2022 Training Goals

1. Improve sales management concept for sales personnel
2. Define common competency training for new employees
3. Strengthen mandatory regulatory and policy-related competencies

2022 Achievement

1. Sales and business courses completion rate: 95.6%
2. Common competency training for new employees completion rate: 100%
3. Regulatory and policy courses completion rate: 100%

Medium- and Long-Term Actions

1. Introduce digital courses and increase their proportion
2. Define the core management competency system
3. Implement human resource development plans based on individual development plans (IDP)

Management Approach



Responsibility

HR and relevant unit supervisors

Resources

1. Support from senior executives
2. System resources
3. External management consulting resources

Action

1. Introduce digital courses and increase their proportion
2. Define the core management competency system
3. Implement human resource development plans based on individual development plans (IDP)

Orientation



Number of general trainings for new employees 10 trainings

Total hours of general training for new employees 30 hours

Average Training Hours Based on Employee Rank

Supervisors	349 hours
General Employees	299 hours
All Employees	648 hours

Other Policy Courses

Integrity Handbook training	137 trainings/137 hours
Prohibition and prevention of insider trading	120 trainings/120 hours
Workplace aggression	112 trainings/112 hours



Value Creation

- Employee Status
- Learning and Development
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- Happy and Healthy Workplace
- Caring for the Earth and Society

Training Courses

In addition to providing a comprehensive training system for new employees, Ace Pillar offers various professional courses for career development. We also provide training materials and courses for product technical staff to enhance their product-specific skills and knowledge. Furthermore, employees can learn new knowledge through external channels, including external training for professional certifications and attending external professional seminars.

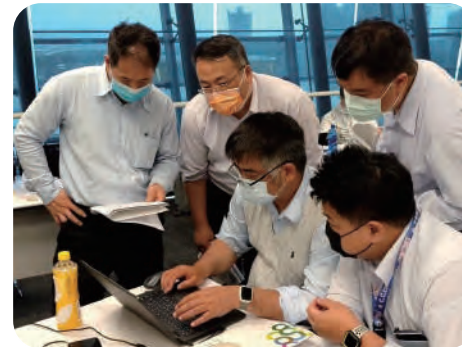
Comprehensive training system for new employees

Professional courses for various competencies

Product technology specialization system

External training for professional certifications and seminar participation

Since 2020, Ace Pillar has participated in industry-academia internship programs every year. In the summer of 2022, in collaboration with the Taiwan Automation Intelligence and Robotics Association and schools, we organized the "2022 AI Smart Machine Vision Application Technology Training Camp." This camp provides students with summer internship opportunities to cultivate them in the field of machine vision application technology.





Value Creation

- Employee Status
- Learning and Development
- Human Rights Management
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Human Rights Management

Human Rights Policy



To fulfill corporate social responsibility and protect the human rights of employees, customers, and stakeholders, Ace Pillar adheres to the principles outlined in the International Bill of Human Rights, such as the "Universal Declaration of Human Rights," "Guiding Principles on Business and Human Rights," "United Nations Global Compact," and "International Labor Organization." We respect internationally recognized fundamental human rights.

We care for the disadvantaged, prohibit child labor, eliminate all forms of forced labor, prevent employment discrimination, and prevent any violation of human rights. We also ensure gender equality and treat all employees fairly.

Human Rights Management Approach

Ace Pillar's compensation policy ensures employee salary levels are not affected by gender, age, race, religion, or political affiliation. Ace Pillar's human rights policy is posted on the official website for employees and stakeholders to follow.



Ace Pillar's Human Rights Policies

Diversity, inclusion, and equal opportunity

There shall be no discrimination in language, attitude, or behavior based on gender, race, class, age, marital status, language, beliefs, religion, political affiliation, ancestry, birthplace, appearance, facial features, physical or mental disabilities, etc. We are committed to creating a working environment that is dignified, safe, equal, and free from discrimination and harassment.

Fair salary and equal working conditions

We provide employees with reasonable salary conditions and relevant benefits in accordance with laws and regulations. We ensure pay equity and equal opportunities for promotion regardless of gender.

Safe and healthy workplace

We create a safe and healthy working environment by implementing various safety and health protection measures to reduce workplace safety and health risks, promoting employee well-being and work-life balance.

Harmonious labor relations

We provide diverse internal communication channels, allowing employees to fully express their opinions and raise issues. These channels include regular labor-management meetings, employee welfare committee meetings, and more. We collect and address employees' concerns through cooperation and open communication, fostering harmonious and positive labor relations.

Measures to Mitigate Human Rights Risks



Ace Pillar provides a comfortable, safe, and healthy working environment. We offer the necessary protective equipment to ensure the safety and health of all employees. We provide various safety training programs for situations that employees may encounter in the workplace, including fire training and emergency response. In addition, we have established the "Plan for Preventing Workplace Aggression in the Execution of Duties" to prevent internal and external workplace violence that employees may encounter while performing their duties, ensuring a safe working environment. Furthermore, the management has signed the "Prohibition of Workplace Violence" written statement and announced it to all employees. Through labor-management meetings held at least four times a year, the management addresses issues raised by employees.

Furthermore, Ace Pillar provides a whistleblowing channel where the Human Resources Department conducts investigations upon receiving reports. The personal information of the whistleblower is kept confidential. If the report is verified to be true, we will protect the whistleblower's identity and ensure they do not face any adverse consequences. There was no record of human rights violations at Ace Pillar in 2022. We continue to provide integrity and related training to all employees, offering education and training programs on anti-corruption, the highest standards of business conduct, workplace health and safety, and more. We strive to create a healthy and safe working environment for employees.

Value Creation

- Employee Status
- Learning and Development
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- Happy and Healthy Workplace
- Caring for the Earth and Society

Happy and Healthy Workplace

Ace Pillar is committed to creating a happy and healthy workplace. We offer a variety of employee benefits for employees to work in a high-quality environment and enjoy a healthy and happy company culture.

Employee Salary

To attract and retain outstanding talents, Ace Pillar abides by labor laws in all major locations worldwide. We ensure that we meet the legal minimum wage requirements. We do not differentiate based on gender, religion, race, nationality, or political affiliation. To offer employees a competitive compensation policy, we adjust salaries based on individual qualifications, professional skills, and performance to ensure fairness and competitiveness. The compensation for senior executives is reviewed during the Compensation Committee meetings, considering the attainment of annual performance indicators and setting guidelines for their annual remuneration.

Pension Contribution

Ace Pillar's pension contribution applies to the years of service of all regular employees before the implementation of the "Labor Pension Act" on July 1, 2005. It has been fully settled in accordance with the provisions of the Labor Standards Act.

At Ace Pillar, we care for our employees' lives after retirement and also foster good labor relations. Therefore, we offer a defined contribution plan in accordance with the Labor Pension Act. We deposit monthly retirement contributions into the individual retirement accounts established by the Bureau of Labor Insurance. If employees voluntarily contribute to their retirement funds, deductions are made from their monthly salaries and transferred to their individual retirement accounts of the Bureau of Labor Insurance based on their voluntary contribution rates.

Benefits

Ace Pillar is committed to creating a happy and healthy workplace. We offer a variety of employee benefits for employees to work in a high-quality environment and enjoy a healthy and happy company culture. We care for our employees and provide various benefits, facilities, and activities beyond legal requirements so employees can feel relaxed while working hard. The welfare fund comes from regular contributions based on revenue and employee salaries. These funds are used for employee activities, children's scholarships, holiday bonuses, travel allowance, wedding bonus, and more.



Annual average and median salaries of full-time non-managerial employees in Taiwan.

In NT\$ thousands	2020	2021	2022
Number of general employees (A)	101	109	103
Gross full-time salary (B)	82,852	103,110	92,229
Average salary (C=B/A)	820	946	895
Median salary	724	836	816

Note: 1. In response to the amendments to the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" implemented in 2019, we have disclosed the annual median salary of full-time non-managerial employees.
 2. The annual salary includes the annual base salary and annual bonus.
 3. In 2022, the total number of full-time non-managerial employees at Ace Pillar was 103; the total salary was NT\$92,229,000. We share the fruits of Ace Pillar's growth with our employees.

Amount of employee salaries and benefits expenditure over the past three years

In NT\$ thousands	2020	2021	2022
Employee salaries and benefits	129,984	156,262	142,123



Value Creation

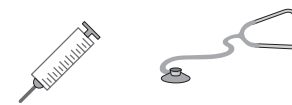
- Employee Status
- Learning and Development
- Human Rights Management
- Happy and Healthy Workplace
- Caring for the Earth and Society

Employee Health Management

At Ace Pillar, we take care of our employees' physical and mental well-being and provide them with good health care. In addition to health check-ups and vaccinations, we have introduced on-site health services.

On-site health services:

Since the introduction of on-site health services in 2022, professional health care providers have assessed the relationship between the health status of employees and their work. They have assessed the health risks of employees at high risk and have taken necessary preventive and promotion measures. This has improved the analysis and evaluation of physical examinations, health management, and data storage. We also provide follow-up management and health guidance for employees with abnormal examination results. We provide care and case management for employees at risk of maternal health hazards and occupational injuries and diseases.



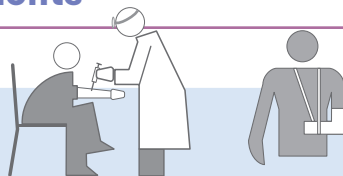
Medical Services

Service frequency • Physician: 3 times/year • Nurse: 3 times/month

Health consultation and four major health plans, including:

Ergonomic hazards prevention, maternal health protection, prevention of workplace aggression and abnormal workload.

Company Benefits



Benefits in Accordance with the Law

Health insurance, labor insurance, retirement pension contribution, occupational accident insurance contribution, on-site health services, maternity leave, paternity leave, and vaccination leave.

Other Benefits

Bonuses and allowances • Welfare Committee scholarships and grants • Holiday, birthday, and Labor Day bonuses • Department gatherings

Employee activities • Group competitions • Year-end banquet

Employee break room • Free coffee, drinks, and snacks

Flexible working hours • Workday ends at 16:00 every Friday • Flexible work schedule

Health care • On-site health services • Free annual health check-up



Value Creation

Employee Status

Learning and Development

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Happy and Healthy Workplace

Caring for the Earth and Society

Promoting the Prevention of Workplace Violence

To maintain a positive and friendly work environment, we promote the prevention of workplace violence. We update relevant information on an ad hoc basis to ensure our employees take note of workplace violence, increasing harmony in the workplace.



Workplace violence posters in the lounge



Sterilization lamps at the entrance of the Ace Pillar headquarters

Sterilization Lamps at the Entrance

After the pandemic, we are deeply aware of its impact on health and businesses. We have installed sterilization lamps to ensure everyone entering and exiting is effectively sterilized, maintaining a healthy workplace.

Comfortable Working Environment

To create a comfortable working environment, we provide ergonomic office desks and chairs, as well as meeting rooms and leisure areas that are bright and spacious, allowing employees to work in a pleasant mood with increased efficiency.



Comfortable and spacious meeting room



Bright and comfortable reception area



Ergonomic chairs



Value Creation

- Employee Status
- Learning and Development
- Human Rights Management
- Happy and Healthy Workplace
- Caring for the Earth and Society

Employee Break Room

Ace Pillar values the physical and mental health of its employees. We provide a relaxing environment for employees during breaks. We have also set up comfortable social spaces and welfare measures.



● Employee break room



● Unlimited coffee



● Tea provided daily



● Sweets and cookies provided daily



Value Creation

Employee Status

Learning and Development

Human Rights Management

Happy and Healthy Workplace

Caring for the Earth and Society

Diverse Employee Activities

Ace Pillar is committed to creating a happy and healthy workplace. We offer a variety of employee activities so employees can work in a high-quality environment and enjoy a healthy and happy company culture.



- Caring for the Earth: Tree planting activity to support the local community



Value Creation

- Employee Status
- Learning and Development
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- Caring for the Earth and Society

Group Activities for Team Bonding

● Fun and lively family day activities



● Joyful and touching employee gatherings



Value Creation

- Employee Status
- Learning and Development
- Human Rights Management
- Happy and Healthy Workplace
- Caring for the Earth and Society

High-Quality Environment



• Cafeteria in the building



• Fitness room at the headquarters



• Social spaces





Value Creation

Employee Status

Learning and Development

Human Rights Management

Happy and Healthy Workplace

Caring for the Earth and Society

Good Communication and Relationship between Employers and Employees

To maintain good labor relations, Ace Pillar has established open and effective internal communication channels, such as Welfare Committee meetings and labor-management meetings. These channels allow employees to stay updated on the Company and encourage everyone to provide suggestions for consideration by decision-makers. A well-established communication channel not only strengthens labor relations but also allows the company to fully understand the needs of its employees to improve the workplace environment.

Main Targets

Employees

2022 Management Goals

Announce labor dynamics and business overview internally every quarter
2022 Achievement
All completed

2023 Management Goals

Announce labor dynamics and business overview internally every quarter

Medium and Long-Term Goals

Labor-management communication at least four times a year

Management Approach

Responsibility:
Human Resources Center

Resources:
1. Labor-management meetings
2. Welfare Committee

Action:
Provide employees with diverse communication channels and use these channels to keep employees informed about the Company.

Evaluation:
Report on labor dynamics and business overview at the labor-management meeting every quarter.

Disease Prevention and Care

We provide employees with information on domestic and global epidemics and infectious diseases. We also promote accurate epidemic prevention concepts based on CDC's information. Furthermore, we have established an epidemic reporting system to monitor inventory levels at our branches and the health status of employees. In addition, we periodically send newsletters on epidemic prevention and health to remind employees of their importance. To protect employees' health, we encourage employees to get the COVID-19 vaccine and provide paid vaccination leave to increase the vaccination rate.

2022 Vaccination

COVID-19 first dose vaccination rate: 97%

COVID-19 second dose vaccination rate: 96%



Maintaining Employee Health

Health checkup Once a year, free health checkup for employees

Professional health care On-site health interviews with doctors and nurses

Anti-pandemic measures Prevention supplies: Masks, rapid test kits, etc.
Office disinfection
Pandemic prevention education

Health promotion Internal newsletters



Value Creation

Employee Status

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Happy and Healthy Workplace

Caring for the Earth and Society

Caring for the Earth and Society

Caring for the Earth and Society

At Ace Pillar, we place great importance on caring for society. In 2021, as Taiwan suffered from COVID-19, we monitored the pandemic's development and coordinated company resources. Together with our group affiliate, BenQ Healthcare Corporation, we donated protective clothing to frontline healthcare workers. By contributing to frontline healthcare efforts and supporting pandemic prevention across Taiwan, we have demonstrated our commitment to corporate social responsibility.



- 2021 Pandemic Relief Donation: Donated NT\$300,000 to the Taipei Hospital of the Ministry of Health and Welfare.



- 2021 Pandemic Relief Donation: Donated 1,200 pieces of protective clothing to Shuang Ho Hospital



Value Creation

Employee Status

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Happy and Healthy Workplace

Caring for the Earth and Society

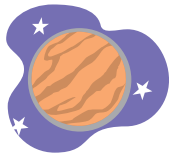
Caring for the Earth and Society

Ace Pillar has always followed a "people-oriented" business philosophy. This philosophy is reflected in improving the working environment for employees and caring for local communities. Ace Pillar contributes to society by harnessing the compassion of our employees and the Company's resources. We encourage employees to participate in community care projects and volunteer activities, fulfilling our corporate social responsibility.

Mr. Chih-Chen Lin, the founder of Ace Pillar, is dedicated to supporting local arts, culture, and educational activities. He has shown unwavering dedication to philanthropic endeavors and is a long-time volunteer at the National Taiwan Science Education Center. This commitment reflects Ace Pillar's strong support for educational and philanthropic activities. In the future, under the philanthropic spirit of our founder, we will continue to support cultural and educational activities and encourage employees to participate in such initiatives.



- Mr. Chih-Chen Lin, the founder of Ace Pillar, is wholeheartedly dedicated to promoting cultural and educational activities.



5. Sustainable Environment

- ▶ Climate Strategy and Carbon Management
- ▶ Operational Environment Management





Sustainable Environment

Climate Strategy and Carbon Management

Operational Environment Management

Climate Strategy and Carbon Management

Climate change poses many threats and impacts to the world. Various countries have implemented climate change management and measures. Climate-related issues will significantly impact future global development and business operations. As a responsible corporate citizen, Ace Pillar has also planned and implemented climate change management. We acknowledge the impacts of climate change and are gradually implementing actions and responses to climate risks and opportunities in accordance with the TCFD framework.



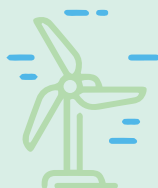
Ace Pillar Corporate Management Actions

Governance

The board of directors is the highest supervisory unit of our climate change governance framework. The control mechanism for relevant issues is established under the ESG Sustainable Operations Committee. Various functional teams under the Committee address the concerns of different stakeholders and work with relevant departments to plan, promote, and execute relevant initiatives. These teams hold meetings at least twice a year and report on their operations to the board at least once a year.

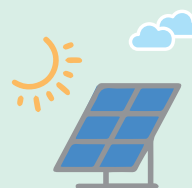
Strategy

According to Ace Pillar's internal goal management schedule, short-term goals have an impact of fewer than five years, medium-term goals have an impact of five to ten years, and long-term goals have an impact of more than ten years. Based on internal identification of material climate risks and opportunities, we assess their potential operational impacts and develop future management measures and strategies.



Risk Management

Ace Pillar incorporates the concept of climate risk into various operations and business activities. We identify potential climate risks and opportunities, analyze the impacts of these risks and opportunities, evaluate and decide on countermeasures, and implement central management and hierarchical execution based on their characteristics and impact levels for effective control.



Metrics and Targets

We comply with government environmental and energy laws, regulations, and requirements. We also monitor the impact of climate change on business operations, regularly review environmental and energy goals, and continuously improve environmental management performance.



Sustainable Environment

Climate Strategy and Carbon Management

Operational Environment Management

Assessment and Response to Climate Change Risks and Opportunities

Ace Pillar assesses climate change risks and opportunities based on the internal risk identification process, which is categorized into climate risks and their financial impacts, climate opportunities and their financial impacts, and responses, explained as follows:

Assessment and Response to Climate Change Risks and Opportunities

Risk Type	Climate Risks	Likelihood of Occurrence	Financial Impact	Magnitude of Impact	Estimated Time of Occurrence	Adaptation Management Strategies and Goals
Policies and Regulations	Customer demand for green energy	High	Low	Low	1-5 years	Conduct regular in-depth research on government policies to develop solutions for products and services and seek relevant incentives.
	Mandatory regulations on product energy consumption	Low	Low	Low	10 years	
	Regulations requiring the use of renewable energy	Low	Low	Low	10 years	
Technology	Products are replaced by competitors with lower carbon alternatives.	Low	Low	Low	10 years	Monitor market trends and pay attention to customer needs to adjust products and services promptly.
Immediate	Typhoon	Medium	Medium	Medium	1-5 years	Follow the emergency response and prevention mechanism established by the Group to assess and analyze potential impacts. This serves as a basis for decision-making on material natural disaster risk management. It is regularly monitored and managed by the Risk Management Committee.
Long-Term	Flooding or power outages	Medium	Medium	Medium	1-5 years	

Climate Opportunities and Financial Impacts

Opportunity Type	Opportunity Risks	Likelihood of Occurrence	Financial Impact	Magnitude of Impact	Estimated Time of Occurrence	Adaptation Management Strategies and Goals
Resource Efficiency	Solar panel installation	High	Low	Low	1-5 years	Work with our subsidiary Ace Energy to develop green products and services to increase revenue.



Sustainable Environment

Climate Strategy and Carbon Management

Operational Environment Management

Operational Environment Management

Water Stewardship

Ace Pillar is committed to sustainable business practices and highly values environmental sustainability. As global warming worsens, we continue to contribute to the country's environmental efforts and comply with environmental protection and GHG reduction policies. Since 2022, we have assessed internal GHG emissions, water consumption, and electricity consumption to monitor our energy use and emissions. We have also set reduction targets and improvement measures. We have established energy-saving goals to reduce water consumption per capita by 0.25% annually and electricity consumption per capita by 1% annually.

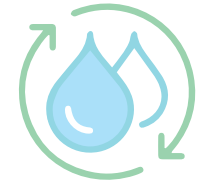
Electricity Consumption

Reduce by 1% annually



Water Consumption

Reduce by 0.25% annually



Total Electricity and Water Consumption of Ace Pillar Offices in Taiwan

2022

Electricity consumption (kWh) — 278,814

Tap Water Consumption (m3) — 1,704

- Note: 1. Only the data on activities at the Taipei, Taoyuan, Hsinchu, Taichung, Tainan, and Kaohsiung offices are disclosed.
2. Ace Pillar is an agent, and water resources are not a material environmental issue.
3. Ace Pillar's water consumption is 100% tap water.

Electricity and Water Consumption per Capita

Ace Pillar is an agent-based business with offices as its primary operating locations. In 2022, the average electricity consumption of Ace Pillar's employees was 2,534.67 kWh, and the water consumption was 15.49 m3. Compared to Taiwan Water Corporation's statistics for the domestic water consumption per capita in 2022, which was 102.186 m3, Ace Pillar's water consumption per capita accounted for only 15% of that figure.

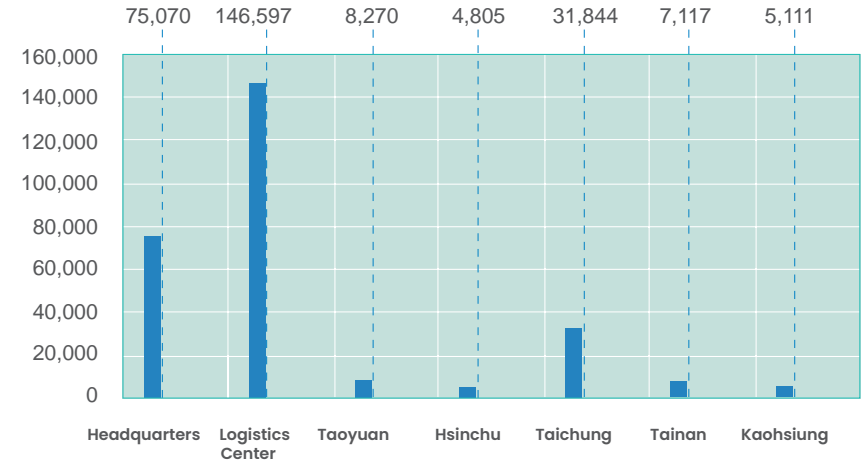
2022

Electricity consumption (kWh) — 2,534.67

Tap Water Consumption (m3) — 15.49

Note: As of the end of 2022, the total number of employees was 110.

Electricity Consumption of Ace Pillar Offices in 2022 in kWh





Sustainable Environment

Climate Strategy and Carbon Management

Operational Environment Management

GHG Management

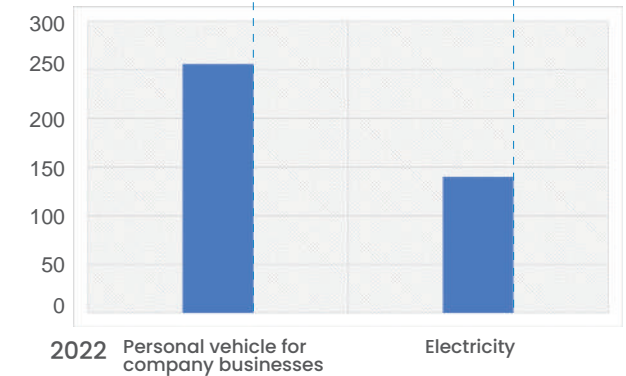
Ace Pillar addresses global GHG issues in response to government and United Nations carbon reduction initiatives, fulfilling its corporate social responsibility. We have established a GHG inventory and verification schedule and will provide quarterly reports on the progress to the board of directors.



Direct emissions: 255.85
Note 1



Indirect emissions: 139.96
Note 2



Note: The data is based on Ace Pillar's inventory of energy consumption within the Company. Including: Office electricity, company vehicle fuel (gasoline)

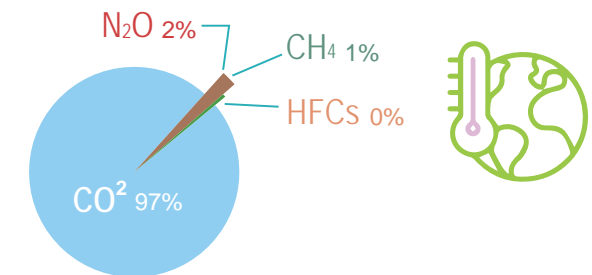
	Ace Pillar	Merged Companies
Establish the number and scope of (part-time) positions and (part-time) personnel.	Completed	Not yet commenced/estimated completion by December 2024
Educate and train members of the inventory team.	Completed	Not yet commenced/estimated completion by December 2024
Complete the GHG inventory by December 2025.	Completed	Not yet commenced/estimated completion by December 2025
Complete external verification by December 2027.	Not yet commenced Estimated completion by December 2026	Not yet commenced/estimated completion by December 2026

2022 GHG Inventory

In 2022, the GHG emissions inventory for Ace Pillar only includes emissions from offices and the logistics center. The total internal GHG emissions were approximately 395.81 tCO2e. The main emission sources were the carbon dioxide from the electricity generation process of purchased electricity required for company operations and the GHGs from gasoline used in business transportation.

Emission Source	Direct Emission Source	Indirect Emission Source
	<ul style="list-style-type: none"> Company vehicle fuel Refrigerant in drinking water equipment Fire extinguisher leakage Refrigerant in refrigerators 	<ul style="list-style-type: none"> Purchased electricity

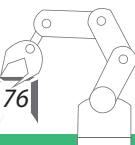
Total carbon emissions: 395.81 tCO2e.



Note 1: Calculated by multiplying the reported annual mileage of personal vehicle for company businesses (108,35 miles) by the sum of relevant carbon emission coefficients.

Assuming the annual total amount of gasoline (gallons) = N, the annual CO2e emissions (metric tons/year) = N*CO2 emission coefficient + N*CH4 emission coefficient*GWP+N*N2O emission coefficient*GWP = annual CO2e emissions. (GWP = global warming potential)

Note 2: Calculated by multiplying the total electricity consumption for operational activities listed in Taiwan Power Company's bills (278,814 thousand kWh) by the sum of relevant carbon emission coefficients. Assuming the annual total electricity consumption for operational activities (in thousand kWh) = E, the annual CO2e emissions (in metric tons/year) = E*0.502.



Sustainable Environment

Climate Strategy and Carbon Management

Operational Environment Management

Energy-Saving and Carbon Reduction Measures

Ace Pillar is committed to caring for the environment and implementing sustainability. We are an agent for green products and have established various energy-saving and carbon-reduction measures. Based on the GHG inventory data, the largest source of GHG emissions is electricity under Scope 2 (indirect emissions). Therefore, we will continue to reduce electricity consumption to achieve our internal energy-saving and carbon-reduction targets.

Smart control panel



Note: Human-machine interface + programmable logic controller (PLC) + technicians write the programs

Energy-saving measures

Smart control panel

Scheduled lighting and air conditioning controls. All lighting and air conditioning can be turned off with one button.

Replace LED light source:

Use efficient LED lighting products.

Promote eco-friendly utensils:

Encourage employees to use eco-friendly utensils and reduce the use of disposable utensils.

Energy-saving appliances:

Use inverter air conditioners

Paper reduction:

Use electronic forms to reduce daily paper use.

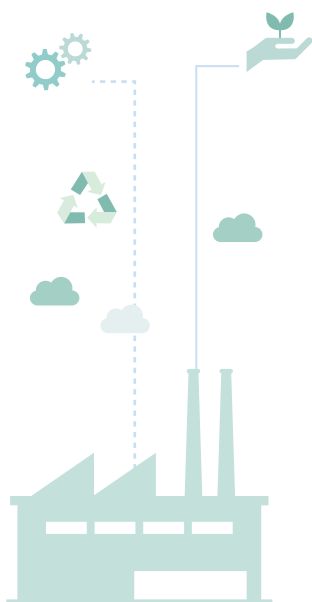
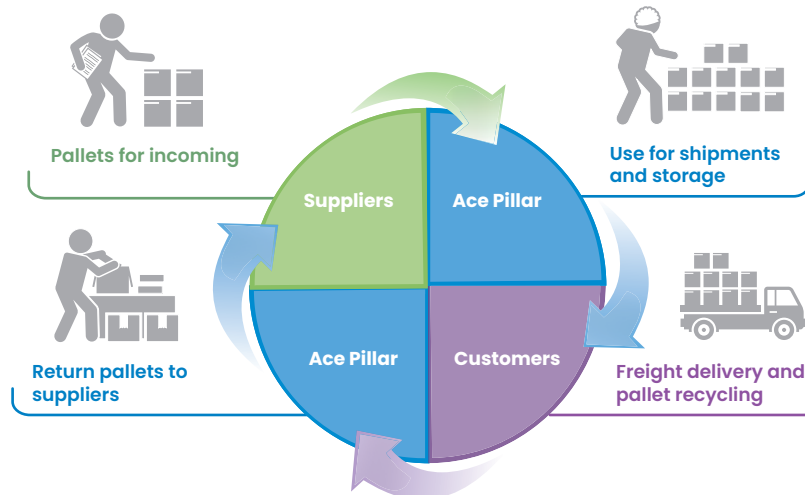
Waste Recycling

The types of waste generated at the Ace Pillar logistics center are pallets, packaging materials, and paper. Recyclable paper is moved to a recycling area, and the landlord arranges a contractor to handle the recycling. To improve recycling and waste reduction, we use the pallets that suppliers provide for incoming goods as stacking and storage materials for shipments and in-house storage. We avoid using disposable pallets to prevent unnecessary waste.

Electronic forms



Recycle and reuse packaging materials and pallets



Sustainable Environment

Climate Strategy and Carbon Management

Operational Environment Management

Health and Safety Management

Ace Pillar has established the ESG Committee and Occupational Health and Safety Management Unit to promote occupational health and safety matters. Employees at each level are responsible for completing their work safely and carrying out various health and safety requirements through green operational activities. To create an accident-free workplace environment, we formulate, plan, supervise, and promote health and safety management. We have also established the Occupational Health and Safety Management Committee to provide recommendations, review, and coordinate occupational health and safety policies. We educate and train new and existing employees on occupational health and safety matters.

1. Compliance with national laws and regulations

Compliance with legal requirements and their respective frequencies

- Occupational health and safety education and training
- Self-inspection of production equipment and operations
- Monitoring of the workplace environment
- Employee health check-ups
- Fire system inspections
- Emergency response drills

General health and safety education and training content



The Occupational Health and Safety Unit conducts regular inspections or inspections on an ad hoc basis to confirm the performance of each responsible unit. The Occupational Health and Safety Unit monitors every aspect to reduce the risk factors in the office environment.

2. Occupational health and safety education and training

To ensure employees are aware of potential workplace hazards and reduce the risk of occupational accidents, we provide "general occupational health and safety education and training" for new and existing employees. In addition, to increase employees' awareness and prevention management of workplace health and safety, we designate personnel to participate in CPR and AED training, first aid training, and occupational health and safety management training, thereby maintaining a safe working environment. Ace Pillar provides occupational health and safety training for all new and existing employees. The completion rate for occupational health and safety training for new employees in 2022 was 100%.



Overview of laws and regulations related to occupational health and safety



Occupational health and safety concepts and work rules



Self-inspections before, during, and after work



Standard operating procedures



Emergency response procedures



Firefighting and first aid knowledge and drills



Other health and safety knowledge related to labor operations



Sustainable Environment

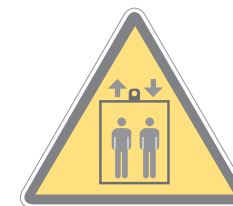
Climate Strategy and Carbon Management

Operational Environment Management

3. Occupational safety performance and disaster statistics

Every month, Ace Pillar compiles statistics on occupational injuries. In the event of an occupational injury, we will investigate, analyze, and make a record in collaboration with labor representatives. We will also carry out management controls or improvements.

Most of the work-related injuries that Ace Pillar employees experience are commuting accidents to and from work. They are mainly minor injuries that do not require leave. However, in some cases, work-related injuries may require leave for recovery. There have been no fatalities, and those with injuries that result in more than one day of absence are included in the calculation of the occupational injury rate and lost workdays.



Occupational injury statistics over the past two years

	2021	2022
Number of occupational injury cases	0	0
Number of occupational fatalities	0	0
Disability injury frequency	0	0
Severe disability frequency	0	0
Commuting accidents	1	0

Note: In the case of injuries from commuting accidents where the employee fully recovers on the same day or can return to work the next day, they are not included in the calculation of disability injuries.



6. Appendix

- ▶ GRI Standards Comparison Table
- ▶ SASB Comparison Table



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Disclosure Item	Content or Description	Corresponding Chapter	Page
2-1 Organization information	a. Report the legal name.	About Ace Pillar	8-12
	b. Report the nature and legal form of ownership.	About Ace Pillar	8-12
	c. Report the location of the headquarters.	About Ace Pillar	8-12
	d. Report the country where operations are located.	About Ace Pillar	8-12
2-2 Entities included in the organization's sustainability report	a. List all entities included in the sustainability report;	About Ace Pillar	8-12
	b. If the organization publishes audited consolidated financial statements or financial information in publicly available records, explain any differences between the list of entities in the financial report and the sustainability report.	Financial Performance	42-43
	c. If the organization is composed of multiple entities, explain the methods used to consolidate information, including: <ul style="list-style-type: none"> i. Whether the method involves adjusting information for minority shareholder interests. ii. Whether the method considers mergers, acquisitions, and disposals of entities or portions of entities. iii. Whether and how the method differs between disclosures and material topics covered by the Standard. 	Financial Performance Financial Performance N/A	42-43 42-43 N/A
2-3 Reporting period, reporting frequency, and contact information	a. Indicate the reporting period and frequency of the sustainability report.	About the Report	4-5
	b. Indicate the reporting period of the financial report. If it differs from the sustainability report, explain the reason.	About the Report Financial Performance	4-5 42-43
	c. State the publication date of the report or report information.	About the Report	4-5
	d. Provide contact information for inquiries regarding the report or report information.	About the Report	4-5
2-4 Information restatement	a. Restate information from previous reporting periods and explain: <ul style="list-style-type: none"> i. The reason for restatement. ii. The impact of the restatement. 	N/A N/A	N/A N/A
2-5 External assurance/ verification	a. Describe the policies and practices for seeking external assurance/verification, including whether and how the highest governance body and senior management are involved.	N/A	N/A
	b. If the organization's sustainability report is externally assured/verified: <ul style="list-style-type: none"> i. Provide a link or reference to the external assurance/verification report or statement. ii. Describe the content and basis of the assurance/verification, including the assurance/verification standards used, the level of assurance/verification obtained, and any limitations in the assurance/verification process. iii. Describe the relationship between the organization and the assurance/verification provider. 	N/A N/A N/A	N/A N/A N/A

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Disclosure Item	Content or Description	Corresponding Chapter	Page	
2-6 Activities, value chains, and other business relationships	a. Report its current industry.	About Ace Pillar	8-12	
	b. Describe its value chain, including: <ul style="list-style-type: none"> i. Organizational activities, products, services, and the markets where services are provided. ii. The organization's supply chain. iii. Entities downstream of the organization and their activities; 	About Ace Pillar About Ace Pillar About Ace Pillar	8-12 8-12 8-12	
	c. Report other relevant business relationships.	About Ace Pillar	8-12	
	d. Describe the significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.	N/A	N/A	
2-7 Employees	a. Report the total number of employees and the total number by gender and region.	Employee Overview	58	
	b. Report the following totals: <ul style="list-style-type: none"> i. Permanent employees by gender and region. ii. Temporary employees by gender and region. iii. Casual employees by gender and region. iv. Full-time employees by gender and region. v. Part-time employees by gender and region. 	Employee Overview N/A N/A Employee Overview N/A	58 N/A N/A 58 N/A	
	c. Describe the methods and assumptions used to compile the data, including whether the following data are reported: <ul style="list-style-type: none"> i. Headcount, full-time equivalent (FTE), or other methods. ii. The value on the last day of the reporting period, the average value of the entire reporting period, or other methods. 	Employee Overview Employee Overview	58 58	
	d. Provide contextual information required for understanding the data reported in 2-7-a and 2-7-b.	Employee Overview	58	
	e. Describe significant fluctuations in headcount between this reporting period and different reporting periods.	N/A	N/A	
2-8 Non-employee workers	a. Report the total number of non-employee workers whose work is controlled by the organization and describe: <ul style="list-style-type: none"> i. The most common types of workers and their contractual relationships with the organization. ii. The types of work they perform. 	N/A N/A	N/A N/A	
	b. Describe the methods and assumptions used to compile the data, including whether data on non-employee workers are reported. <ul style="list-style-type: none"> i. Headcount, full-time equivalent (FTE), or other methods. ii. The value on the last day of the reporting period, the average value of the entire reporting period, or other methods. 	N/A N/A	N/A N/A	
	c. Describe significant fluctuations in the number of non-employee workers between this reporting period and different reporting periods.	N/A	N/A	

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Disclosure Item	Content or Description	Corresponding Chapter	Page	
2-9 Governance structure and composition	a. Describe its governance structure, including the committees of the highest governance body.	Corporate Governance	30-33	
	b. List the committees of the highest governance body responsible for decision-making and oversight of the organization's economic, environmental, and social impacts.	Corporate Governance	30-33	
	c. Describe the composition of the highest governance body and its committees, including:	i. Executive and non-executive directors.	Corporate Governance	30-33
		ii. Independent directors.	Corporate Governance	30-33
		iii. Term of office of members of the governance body.	N/A	N/A
		iv. Other important positions and the number of commitments held by members of the governance body and the nature of these commitments.	Corporate Governance	30-33
		v. Gender.	Corporate Governance	30-33
		vi. Vulnerable social groups.	N/A	N/A
vii. Capabilities related to organizational impact.		Corporate Governance	30-33	
viii. Stakeholder representation.		Corporate Governance	30-33	
2-10 Nomination and selection of the highest governance body	a. Describe the nomination and selection process for the highest governance body and its committees.	Corporate Governance	30-33	
	b. Describe the criteria for the nomination and selection of members of the highest governance body, including whether and how the following considerations are taken into account:	i. Stakeholder perspectives (including shareholders).	Corporate Governance	30-33
		ii. Diversity.	Corporate Governance	30-33
		iii. Independence.	Corporate Governance	30-33
iv. Capabilities related to organizational impact.		Corporate Governance	30-33	
2-11 Chairman of the highest governance body	a. Report whether the chairman of the highest governance body is also a member of the organization's senior management.	Corporate Governance	30-33	
	b. If yes, explain their role in the organization's management, the reasons for this arrangement, and how conflicts of interest are avoided or mitigated.	Corporate Governance	30-33	
2-12 Supervisory role of the highest governance body in impact management	a. Describe the role of the highest governance body and senior management in developing, approving, and updating the organization's purpose, values, vision, strategies, policies, and sustainability-related goals.	Ace Pillar's Corporate Sustainability	13-20	
	b. Describe the role of the highest governance body in overseeing the organization's due diligence and other procedures for identifying and managing the organization's economic, environmental, and social impacts, including:	i. Whether and how the highest governance body engages with stakeholders to support these procedures.	Ace Pillar's Corporate Sustainability	13-20
		ii. How the highest governance body considers the results of these procedures.	Ace Pillar's Corporate Sustainability	13-20
	c. Describe the role of the highest governance body in reviewing the effectiveness of the organization's procedures, as described in 2-12-b, and report the frequency of this review.	Ace Pillar's Corporate Sustainability	13-20	

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Disclosure Item	Content or Description	Corresponding Chapter	Page	
2-13 Person in charge of impact management	a. Describe how the highest governance body delegates responsibilities for managing the organization's economic, environmental, and social impacts, including: i. Whether senior management is assigned responsibility for impact management; ii. Whether other employees are assigned responsibilities for impact management;	N/A N/A	N/A N/A	
	b. Describe the procedure and frequency with which senior management or other employees report to the highest governance body on the organization's economic, environmental, and social impact management.	N/A	N/A	
	2-14 Role of the highest governance body in sustainability reporting	The organization should: a. Report whether the highest governance body is responsible for reviewing and approving the reported information (including material topics of the organization), and if so, describe the procedure for reviewing and approving the reported information. b. If the highest governance body is not responsible for reviewing and approving the reported information (including material topics of the organization), explain the reasons.	N/A N/A	N/A N/A
2-15 Conflict of interest	a. Describe the process by which the highest governance unit ensures that conflicts of interest are avoided and mitigated.	Corporate Governance	30-33	
	b. Report whether conflicts of interest are disclosed to stakeholders, including at least: i. Serving on other boards of directors. ii. Cross-shareholdings with suppliers or other stakeholders. iii. The presence of controlling shareholders. iv. Stakeholder groups and their relationships, transactions, and outstanding balances.	Corporate Governance N/A N/A N/A	30-33 N/A N/A N/A	
	2-16 Communicating key material events	a. Describe whether and how key material events are communicated with the highest governance body.	Corporate Governance	30-33
		b. Report the total number and nature of key material events communicated with the highest governance body	N/A	N/A
2-17 Collective intelligence of the highest governance body	a. Report measures taken to enhance the collective intelligence, skills, and experience of the highest governance body in sustainability development.	Corporate Governance	30-33	
2-18 Performance evaluation of the highest governance body	a. Describe the procedures for assessing the performance of the highest governance body in overseeing the organization's management of economic, environmental, and social impacts.	Corporate Governance	30-33	
	b. Report whether this assessment is conducted independently and the frequency of such assessments.	Corporate Governance	30-33	
	c. Describe the actions taken in response to this assessment, including changes in the composition of the highest governance body and organizational practices.	Corporate Governance	30-33	

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Disclosure Item	Content or Description	Corresponding Chapter	Page
2-19 Remuneration policy	a. Describe the remuneration policy for the highest governance body and senior management, including: <ul style="list-style-type: none"> i. Fixed salary and variable salary. ii. Signing bonus or recruitment incentive. iii. Severance pay. iv. Clawback provisions. v. Retirement benefits. 	N/A	N/A
	b. Explain how the remuneration policy of the highest governance body and senior management is related to the organization's goals and performance in economic, environmental, and social impacts.	N/A	N/A
2-20 Remuneration determination process	The organization should: <ul style="list-style-type: none"> a. Describe the organization's process for designing its remuneration policy and remuneration decisions, including: <ul style="list-style-type: none"> i. Whether there are independent members of the highest governance body or an independent remuneration committee overseeing the remuneration decision process. ii. How stakeholder (including shareholder) input is sought and incorporated into remuneration considerations. iii. Whether remuneration consultants are involved in setting remuneration, and if so, whether they are independent of the organization, the highest governance body, and senior management. b. If applicable, report the results of stakeholder (including shareholder) votes on the remuneration policy and proposal. 	Corporate Governance	30-33
		N/A	N/A
		N/A	N/A
2-21 Annual total compensation ratio	a. Report the ratio of the annual total remuneration of the organization's highest-paid individual to the median annual total remuneration of the organization's other employees (excluding the highest-paid individual).	N/A	N/A
	b. Report the ratio of the percentage increase in the annual total remuneration of the organization's highest-paid individual to the median percentage increase in the average annual total remuneration of the organization's other employees (excluding the highest-paid individual).	N/A	N/A
	c. Provide contextual information required for understanding this data and how it is compiled.		
2-22 Statement on sustainability strategies	a. Report the opinions of the organization's highest governance body or top-level management on the relationship with sustainability and sustainability strategies.	Ace Pillar's Corporate Sustainability	13-20

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Disclosure Item	Content or Description	Corresponding Chapter	Page
2-23 Policy commitment	a. Describe the policy commitment regarding responsible business conduct, including: i. Official government documents cited in the commitment. ii. Whether the commitment stipulates the performance of due diligence. iii. Whether the commitment stipulates the application of the precautionary principle. iv. Whether the commitment stipulates respect for human rights.	Human Rights Management N/A Human Rights Management Human Rights Management	61 N/A 61 61
	b. Describe specific policy commitments to respect human rights, including: i. Internationally recognized human rights covered by the commitment. ii. Categories of stakeholders to which the organization pays special attention, including at-risk or vulnerable groups.	Human Rights Management Human Rights Management	61 61
	c. Provide a link if the policy commitment is publicly available; if not, explain why.	Human Rights Management	61
	d. Report the level at which each policy commitment is approved in the organization, including whether it is the highest level;	Human Rights Management	61
	e. Report the extent to which the policy commitment applies to the organization's economic activities and its business relationships.	Human Rights Management	61
	f. Describe how the organization communicates its policy commitment to workers, business partners, and other relevant groups.	Human Rights Management	61
	2-24 Included in policy commitment	a. Describe how each policy commitment of responsible business conduct is integrated into its activities and business relationships, including: i. How responsibilities for implementing the commitment are assigned to different levels within the organization. ii. How the commitment is integrated into the organization's strategies, operational policies, and operational procedures. iii. How to implement the commitment through business relationships. iv. Training provided by the organization on implementing the commitment.	N/A N/A N/A N/A
The organization should: a. Describe the organization's commitments to provide or cooperate in remedial measures for negative impacts it determines as causing or contributing to.		Human Rights Management	61
b. Describe the methods for identifying and addressing complaints, including complaint mechanisms the organization has established or participates in.		Human Rights Management	61
c. Describe other procedures the organization provides or cooperates with to remediate negative impacts it determines as causing or contributing to.		Human Rights Management	61
2-25 Procedures for addressing negative impacts	d. Describe how stakeholders who might use the complaint mechanisms can participate in the design, review, operation, and improvement of these mechanisms;	Human Rights Management	61
	e. Describe how the organization tracks the effectiveness of these complaint mechanisms and other remediation procedures. Provide examples of their effectiveness and stakeholder feedback.	N/A	N/A

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Disclosure Item	Content or Description	Corresponding Chapter	Page
2-26 Mechanisms for seeking advice and raising concerns	The organization should: a. Describe mechanisms for individuals to: i. Seek policies and practical advice for the organization's implementation of responsible business conduct. ii. Raise concerns about the organization's business conduct.	Code of Conduct Human Rights Management	40-41 61
	The organization should: a. Report the total number of material regulatory violations that occurred during the reporting period and break it down as follows: i. Fines. ii. Non-monetary sanctions.	N/A N/A	N/A N/A
2-27 Regulatory compliance	b. Report the total number and amount of fines paid for regulatory violations during the reporting period, and break it down as follows: i. Fines for violations that occurred during the current reporting period. ii. Fines for violations that occurred during the previous reporting period.	N/A N/A	N/A N/A
	c. Describe material violations.	Code of Conduct	40-41
	d. Describe how the organization determines material violations.	Code of Conduct	40-41
2-28 Membership qualification of unions and associations	The organization should: a. Report on industry associations, other member associations, and national or international advocacy organizations in which the organization plays a significant role.	About Ace Pillar	8-12
2-29 Stakeholder engagement policy	The organization should: a. Describe the policy for engaging with stakeholders, including: i. Categories of stakeholders engaged and how they are identified. ii. The purpose of stakeholder engagement. iii. How the organization ensures meaningful engagement with stakeholders.	Stakeholder Communication Stakeholder Communication Stakeholder Communication	21-28 21-28 21-28
2-30 Collective agreement	The organization should: a. Report the percentage of the total workforce covered by the collective agreement.	N/A	N/A
	b. For employees not covered by the collective agreement, report whether the organization determines their terms and conditions of employment based on the collective agreement that covers other employees or the collective agreement of other organizations.	N/A	N/A

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Indicator Description

Code	Description	Corresponding Chapter	Page
Product Safety			
TC-HW-230a.1	Description of methods for identifying and addressing data security risks in products	Information Security	44
Employee Diversity and Inclusion			
TC-HW-330a.1	Percentage breakdown of employee gender, race/ethnicity in (1) management, (2) technical staff, and (3) other employees.	Employee Status	44
Product Lifecycle Management			
TC-HW-410a.1	Percentage of revenue from products containing IEC 62474 declared substances	NA	NA
TC-HW-410a.2	Percentage of qualified products meeting EPEAT registration or equivalent requirements, calculated by revenue.	NA	NA
TC-HW-410a.3	Percentage of qualified products meeting ENERGY STAR® specifications, calculated by revenue.	NA	NA
TC-HW-410a.4	Weight of end-of-life products and electronic waste recycled and the percentage recycled	ESG Indicator: "Promoting Recycling and Reuse Rates"	
Supply Chain Management			
TC-HW-430a.1	(a) Percentage of all facilities and (b) high-risk facilities that are Tier 1 supplier facilities in the RBA Validated Assessment Program (VAP) or equivalent audit process	NA	NA
TC-HW-430a.2	Assessment Program (VAP) or equivalent audit process and (2) relevant correction and improvement rate for (a) priority deficiencies and (b) other deficiencies.	NA	NA
Material Procurement			
TC-HW-440a.1	Risk management description related to the use of critical materials	Supplier Management	51-56

Description of Activity Indicators

TC-HW-000.A	Number of units produced by product category	Business secrets will not be disclosed
TC-HW-000.B	Area of production facility	Business secrets will not be disclosed
TC-HW-000.C	Percentage of production in owned facilities	Business secrets will not be disclosed

Gender Ratio of Employees in Taiwan (%)

	Female	Male	N/A
Management	19%	81%	
Technical personnel	4%	96%	
Other employees	37%	63%	

N/A = Not applicable or not disclosed