

20  
23

Ace Pillar Co., Ltd.

# ESG REPORT

SUSTAINABILITY REPORT



ACE PILLAR

# 01

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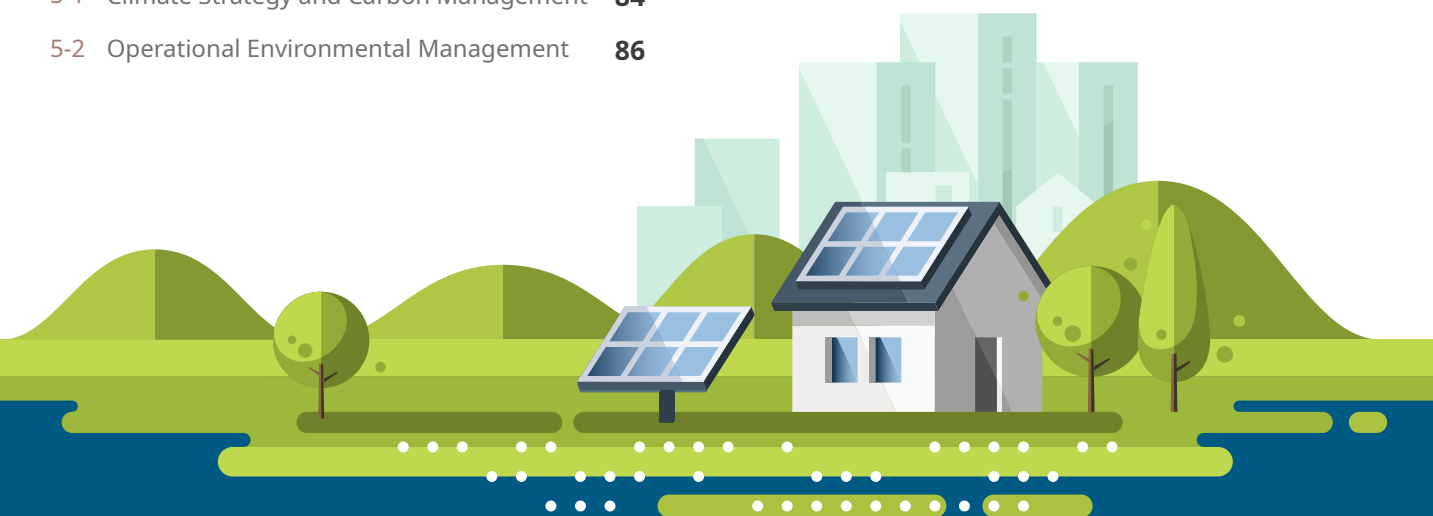
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## 1-1 About This Report

Welcome to Ace Pillar Co., Ltd.'s (hereinafter referred to as "Ace Pillar") Sustainability Report/ ESG Report. We hope that through the publication of this report, we can demonstrate Ace Pillar's efforts and achievements in 2023 under the goal of sustainable management, including building integrity governance, pursuing steady operations, strengthening product competitiveness, improving employee benefits, and implementing environmental protection management. We look forward to the continuous attention and valuable suggestions from stakeholders, so that Ace Pillar can continue to refine its corporate sustainable development.

### ■ Report Publication Date and Cycle

This report was published in June 2024. Ace Pillar published its first "Sustainability Report" in 2023, and will continue to disclose and regularly publish it in June every year. The next report is scheduled to be published in August 2025.

### ■ Report Scope and Boundary

Geographical Scope: The scope of disclosure covers Ace Pillar's business activities in Taiwan.

Time Scope: From January 1, 2023 to December 31, 2023.

### ■ Report Management Department

The report is managed by the company's Sustainability Department.

### ■ Data Collection and Calculation

According to the aforementioned reporting scope, data for the entire year of 2023 was collected, and the calculation formulas for indicators and data have been explained in detail in the chapter notes.







## ■ External Verification Process

This report was compiled and completed by each group of Ace Pillar's Sustainable Development Committee through their own data collection and compilation. It was then submitted to the Sustainable Development Committee for confirmation. It has not been assured by an external third-party organization.



## ■ Internal Management Process

The company has a Sustainability Management Department, and it is responsible for formulating, planning and promoting relevant content compilation and writing. Relevant personnel conduct internal audits to compare the consistency, completeness and accuracy of the data. For any omissions, the unit supervisor is requested to supplement and confirm. In the final stage, it is approved for disclosure by the Sustainable Development Committee.



### Feedback and Contact



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#### Company Website

<http://www.acepillar.com.tw>



## 1-2 Message from the President

2023 was a year full of challenges. Affected by the global economy and geopolitics, the automation industry faced many uncertainties. Under this background, although Ace Pillar did not achieve the expected performance in operations, in terms of corporate governance, we reanalyzed corporate values, adjusted strategic directions, and enhanced Ace Pillar's support for overall solutions. Ace Pillar's gross profit margin has been gradually increasing year by year, reflecting that the company's operations are moving in the right direction.

2023 was the first year of AI for the automation industry. Ace Pillar also invested more technical resources in the first wave of technologies combined with AI, such as packaging and stacking, robotic arms, and machine vision. In terms of software and hardware integration, Ace Pillar also strengthened software implementation and talent investment in 2023. In MES (Manufacturing Execution System)/EMS (Energy Management System), we are committed to providing multi-brand, multi-site, and compound site software and hardware integration services, aiming to provide customers with value-added services that connect with AI.

At the end of the year, Ace Pillar experienced an information security crisis. This was a test for us and made us more prudently examine ourselves. With the efforts of the IT department and various external consulting agencies, we took timely measures to control information security losses within a range that did not affect operations. The occurrence of this incident also made us pay more attention to information security issues. We not only conducted comprehensive information security education and training for our colleagues, but also strengthened the current system's vulnerability inspections and the construction of information security systems, in order to better prevent problems before they occur in the future.

As always, Ace Pillar attaches great importance to a healthy workplace environment. In terms of employee benefits, in addition to employee stock ownership trusts, we also provide flexible daily work hours and early release by one hour every Friday in response to commuting and family needs. In terms of social care, we encourage employees to actively participate in social services, with annual service hours increasing to 133 hours. In terms of environmental sustainability, Ace Pillar achieved over 30% energy savings in water and electricity this year, and continues to align with international trends, combining our main business to develop green energy and assist enterprise automation. We will also strive for sustainable development and lead our subsidiaries to continue strengthening corporate governance and legal compliance systems.

Finally, I would like to thank all our employees for their hard work and the care and support from all sectors of society. It is because of you that Ace Pillar can continue to move forward amidst challenges. Looking ahead, Ace Pillar will continue to adhere to the development concept of being customer-centric and innovation-driven, striving to become a leading enterprise in the automation industry with global competitiveness.

Driving customer prosperity, creating and enhancing economic value, and creating greater value for customers, employees and society is the most important thing for us.



**Ace Pillar  
Co., Ltd.**  
President

木下 長 隆



## 1-3 Introduction of Ace Pillar

### Company Profile

Ace Pillar Co., Ltd.	
Location	12F., No. 558, Zhongyuan Rd., Xinzhuang Dist., New Taipei City
Capital	NT\$1.123 billion
2023 Revenue	Consolidated NT\$3.052 billion, Taiwan: NT\$869 million
Number of Employees in Taiwan	118
Business Locations	Taipei, Taoyuan, Hsinchu, Taichung, Tainan, Kaohsiung

### About Ace Pillar

#### Professional Automation Technology Service Provider

Ace Pillar was established in 1984 with its headquarters located in Xinzhuang District, Taiwan. It is an Asian automation electromechanical component distributor and professional automation technology service provider. In response to customers' needs for automation and components for setting up factories at home and abroad, it has an extensive marketing and service network covering Taiwan and mainland China. In October 2019, it became a member of the Qisda Group's joint fleet through joining Uchi, combining with Qisda's Intelligent Solutions Business Group to provide customers with more complete intelligent manufacturing solutions.

#### One-Stop AI Intelligent Manufacturing Solutions

Ace Pillar has established close cooperative relationships with the world's leading automation manufacturers, introducing advanced international products and technologies. With diversified brands and complete product lines, customers can make one-stop shopping to reduce downstream customers' inventory risks and capital accumulation. We also provide integrated application solutions, including mechanical and electrical engineering, systems, robotic arms, AOI machine vision, software (MES/EMS), technical consulting and production line evaluation and design, quality inspection, loading and unloading, packaging and stacking, and other multi-faceted solutions.

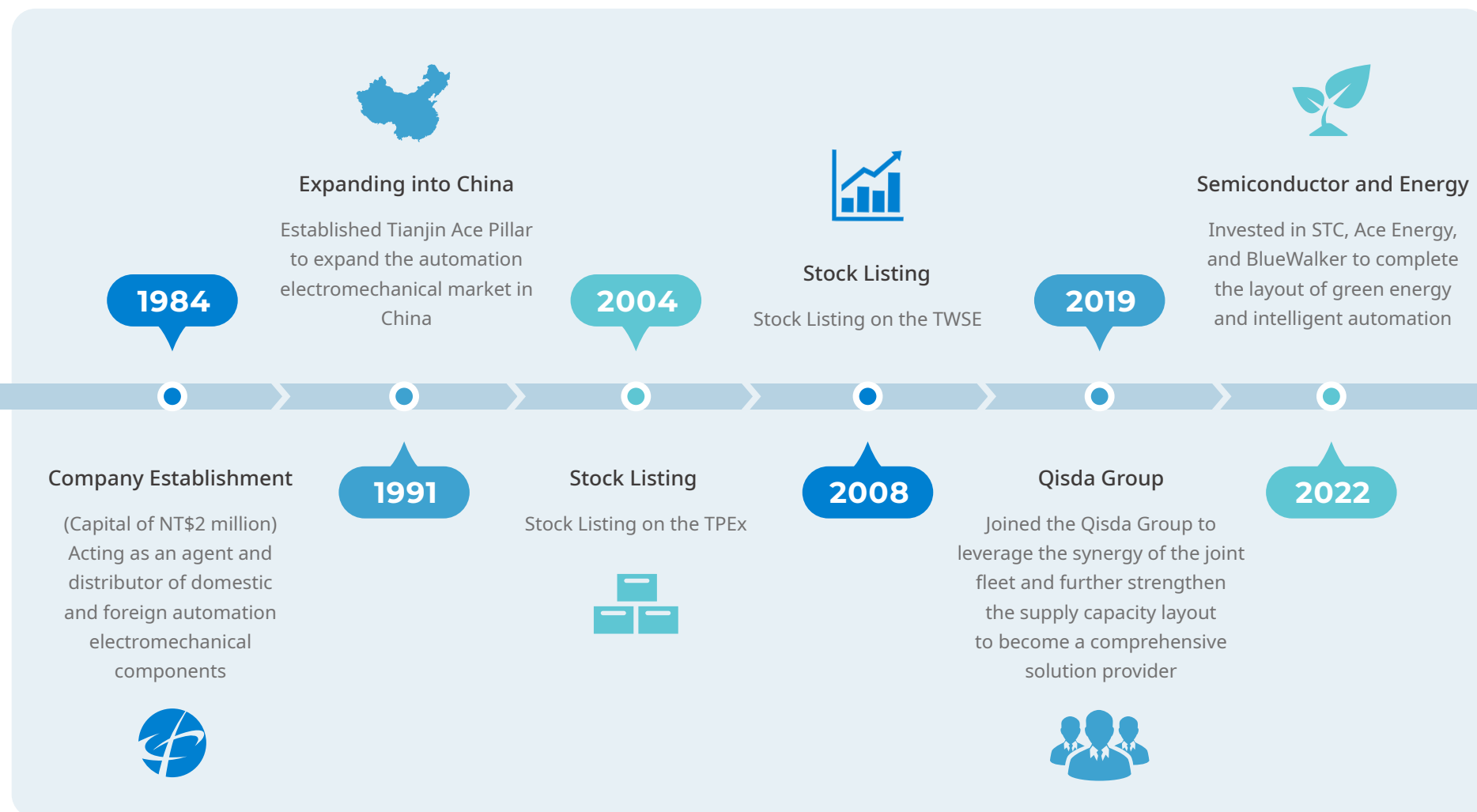
#### Pursuing the Highest Quality Technology and Service

All employees of Ace Pillar will continue to stand firm at their posts and adopt the strategy of being based in Taiwan, connecting with the world, having complementary advantages, and creating win-win situations. In addition to being committed to business growth, we will also continue to improve our technical R&D and design capabilities, actively cultivate professional technical talents, expand overseas markets, and assist customers in enhancing value. We provide faster overall solutions, products and technical services in pursuit of the highest quality as the company's highest goal of operation.





## Company History





## ■ Business Philosophy

Ace Pillar adheres to a righteous and steady business philosophy, adopting people-oriented management and full authorization, allowing employees to operate their work as their own enterprise and strive for excellence together.

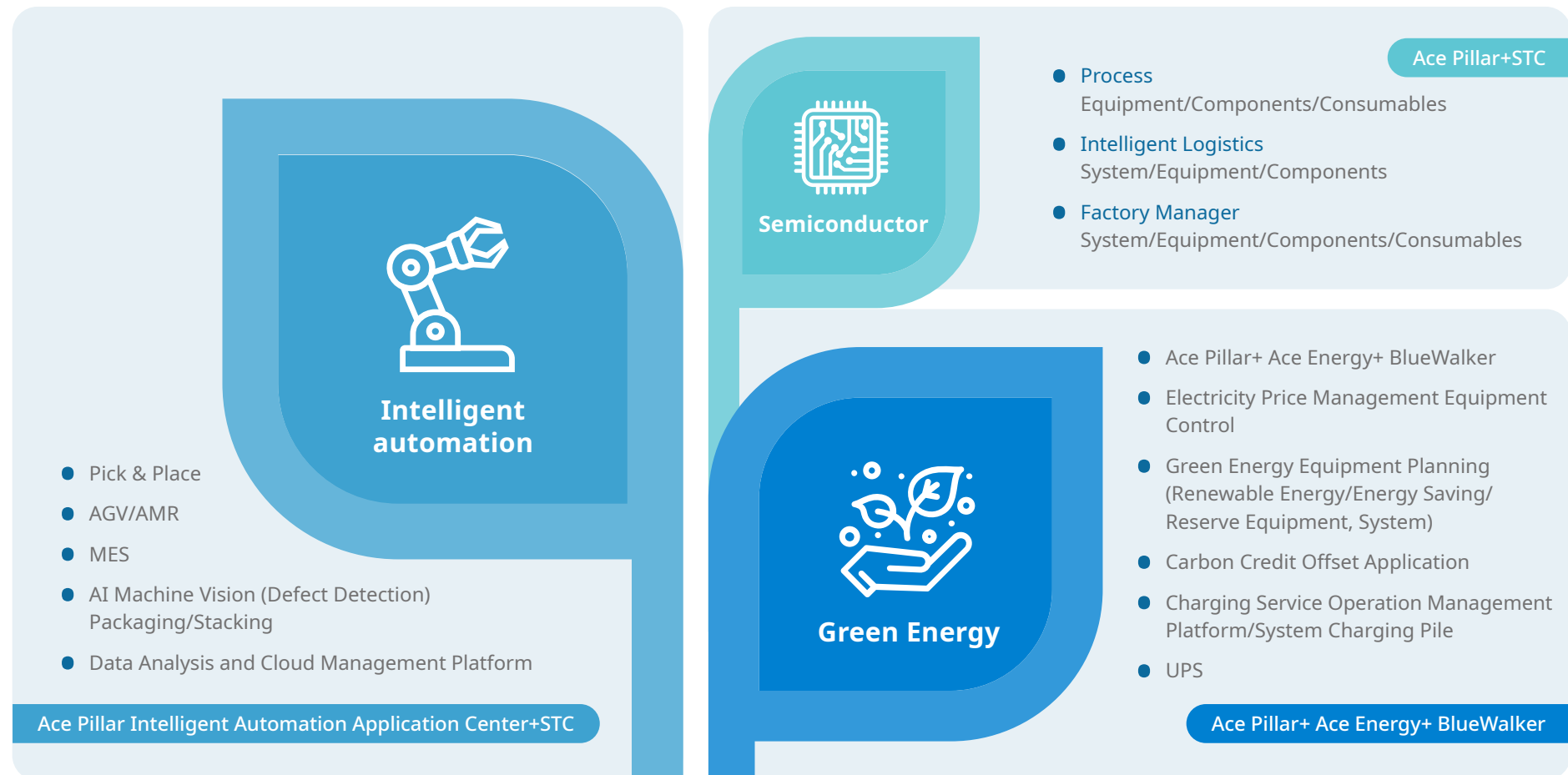






## ■ Product Application Fields

Ace Pillar develops in accordance with the company's mission, vision and goals, and continues to stand firm at its post, adopting the strategy of being based in Taiwan, connecting with the world, having complementary advantages, and creating win-win situations.





## Partners





## ■ Associations

Ace Pillar actively participates in various associations related to the machine tool and electronic technology industries. Through exchanges with various enterprises in the associations, it strengthens the vertical and horizontal development of the industries invested in, and optimizes the advantages of industrial competition. In addition, whether interacting with associations or their corporate members, it is beneficial for Ace Pillar to integrate relevant markets and further refine various aspects of development through exchanges, always maintaining at the forefront of the industry!





## 1-4 Ace Pillar's Sustainable Development

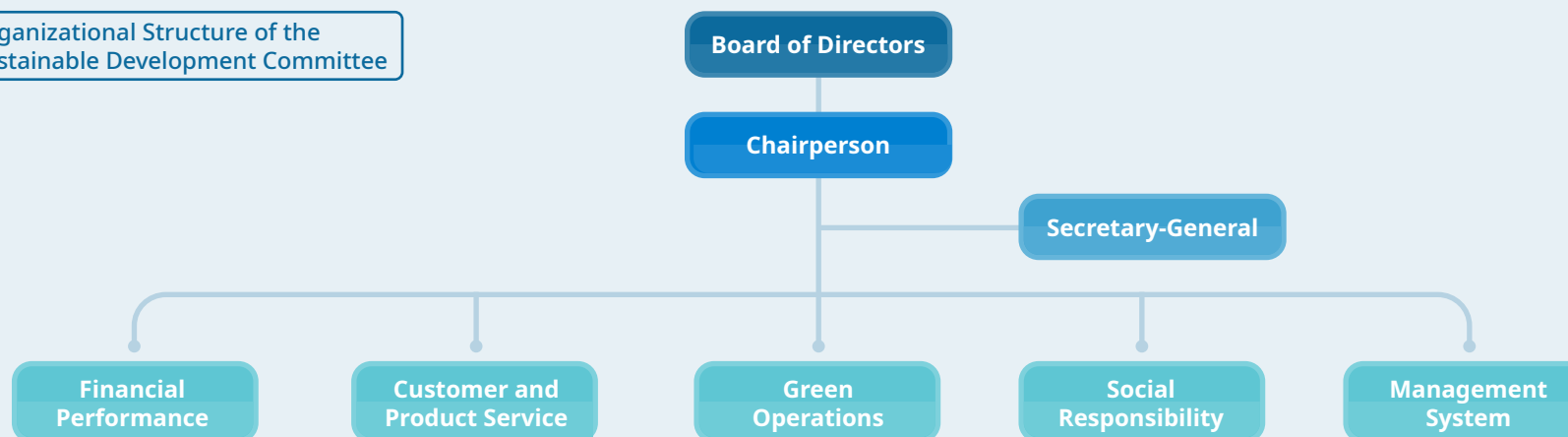
### ■ Corporate Sustainability Management Strategy

The purpose of corporate operations is to create value for all relevant stakeholders, and in the process, continuously enhance the company's sustainable management and competitiveness. Since its establishment, Ace Pillar has pursued the corporate management philosophy of "innovation and change, quality first, sincerity and mutual trust, and affirming contributions". While developing the company's core competitiveness, it has not forgotten to value and implement corporate social responsibility. In 2016, Ace Pillar officially released the "Ace Pillar Co., Ltd. Corporate Social Responsibility Best Practice Principles", which was renamed the "Sustainable Development Best Practice Principles" in 2022. This serves as a strategy for corporate management and implementation of sustainable development, promoting Ace Pillar's sustainable management in an organized manner.

### ■ Corporate Sustainable Development Committee

In order to smoothly promote various corporate sustainable development affairs and ensure that the opinions of stakeholders related to the organization's business can be communicated and reflected, Ace Pillar integrates relevant departments to establish a Sustainable Development Committee. The President, Chris Li, serves as the chairperson, and the senior executives of each center serve as members of each aspect. The secretary-general is responsible for coordinating and promoting cross-departmental corporate sustainable development affairs, and is also responsible for convening meetings quarterly. Each aspect member reports on performance indicators and the progress of the corporate social responsibility report.

Organizational Structure of the Sustainable Development Committee





## Four Commitments of CSR



## Ace Pillar Value Creation Process

### Input

#### Financial Capital

Ace Pillar, through financial management, invests the accumulated financial capital in various related products and services.

#### Intellectual Capital

Aligning with the world and moving towards Industry 4.0, actively cultivating professional technical talents and continuously improving technical capabilities to enhance soft power.

#### Human Capital

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

#### Social Capital

Actively invest in various social participation to enhance long-term cooperative relationships with stakeholders and care about various important issues.

#### Natural Capital

In response to sustainable development, from upstream suppliers to internal enterprises and customers, actively reduce the environmental impact of the supply chain, operations and products to implement sustainable development.





## Creating Value



Ace Pillar is committed to corporate sustainable development and responds to the United Nations Sustainable Development Goals (SDGs). Based on the corporate implementation recommendations in the United Nations SDG Compass Guide published by the UN, it sets corporate strategies that progress with sustainability. Through strategies that echo the SDGs, the current situation of the company is examined from different aspects, and the aspects touched by stakeholders are correspondingly explored. Each exploration and revision of the strategic direction is to achieve the vision of a sustainable enterprise and also find Ace Pillar's priority management items for the SDGs in the future. We focusing on the four major aspects of "Green Operations", "Green Supply Chain", "Social Responsibility", and "Financial Performance", the priority management direction for implementing the SDGs is set, and the organizational operation of the Corporate Sustainable Development Committee (ESG Committee) is synchronized to achieve the vision of a sustainable enterprise.

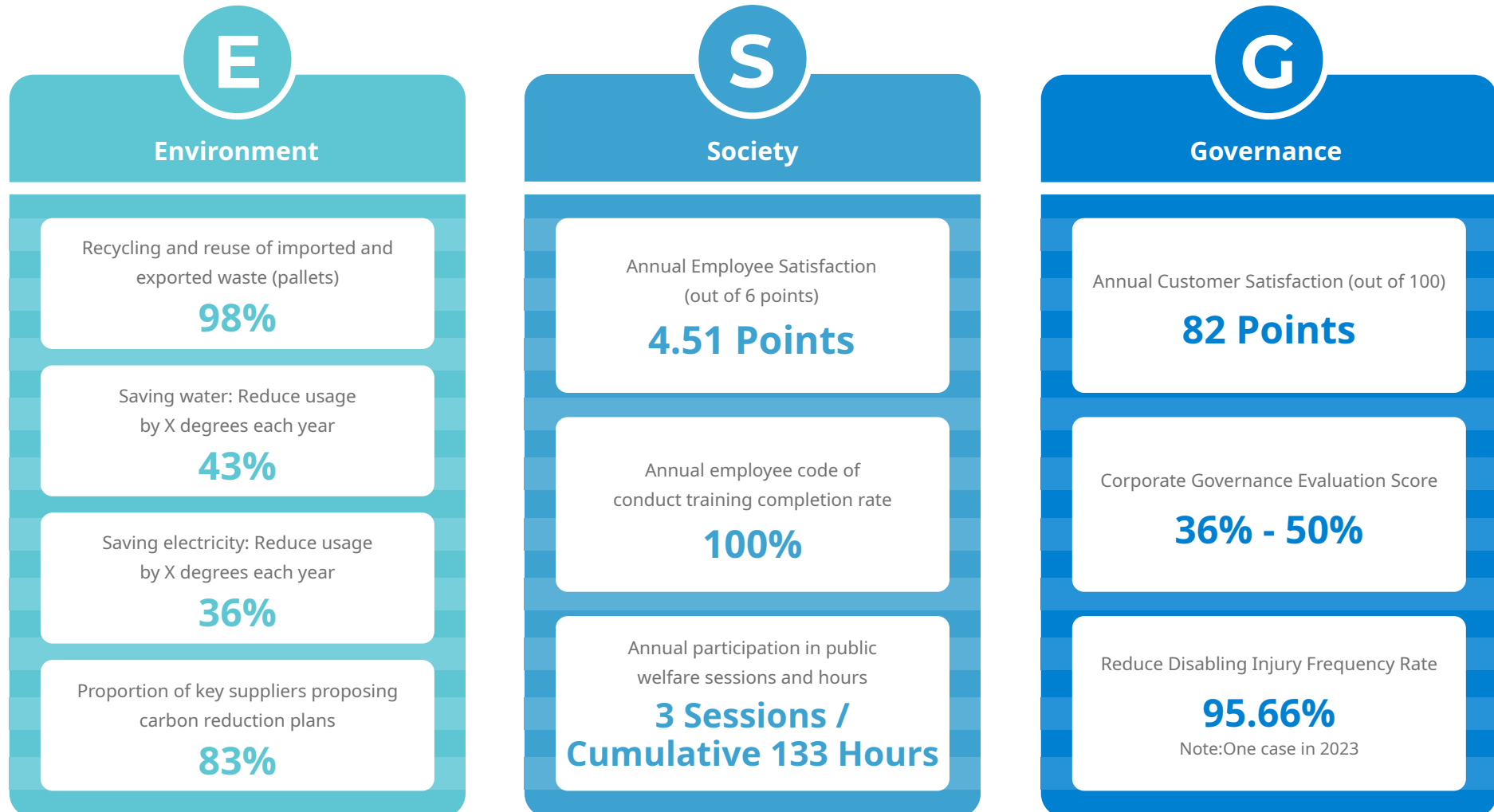
## Output



Based on the foundation of the four major aspects, Ace Pillar strives for excellence and enhances the friendly relationship between the company and stakeholders. It further sets short-, medium- and long-term management goals, regularly reviews the relevant goal directions and progress, so that it can progress towards sustainable management in economic, social and environmental aspects. In the future, it will also set annual target items for major issues of concern to stakeholders through regular interaction with them.








## Ace Pillar's 2023 Output

















## Ace Pillar's 2024 Target Indicators







Strategies	Short-term Goals (Desired Annual Achievement)	Medium-term Goals (Desired Achievement by 2035)	Long-term Goals (Desired Achievement by 2050)	Corresponding SDGs
 <b>Annual employee code of conduct training completion rate</b>	Annual employee code of conduct training completion rate <b>95%</b>	Annual employee code of conduct training completion rate <b>98%</b>	Annual employee code of conduct training completion rate <b>100%</b>	SDG8
 <b>Employee satisfaction</b>	Annual employee satisfaction <b>4.2 Points</b>	Annual employee satisfaction <b>4.8 Points</b>	Annual employee satisfaction <b>5.4 Points</b>	SDG8
 <b>Customer satisfaction</b>	Annual customer satisfaction <b>80 Points</b>	Annual customer satisfaction <b>85 Points</b>	Annual customer satisfaction <b>90 Points</b>	SDG12
 <b>Corporate Governance Evaluation Score</b>	Corporate Governance Evaluation Score <b>36 - 50%</b>	Corporate Governance Evaluation Score <b>6 - 20%</b>	Corporate Governance Evaluation Score <b>6 - 20%</b>	SDG8
 <b>Reduce Disabling Injury Frequency Rate</b>	Reduce Disabling Injury Frequency Rate <b>80%</b>	Reduce Disabling Injury Frequency Rate <b>90%</b>	Reduce Disabling Injury Frequency Rate <b>95%</b>	SDG3



Strategies	Short-term Goals (Desired Annual Achievement)	Medium-term Goals (Desired Achievement by 2035)	Long-term Goals (Desired Achievement by 2050)	Corresponding SDGs
 <b>Public Service Hours and Sessions</b>	Public service hours: <b>120</b> hours Public service sessions: <b>3</b>	Public service hours: <b>240</b> hours Public service sessions: <b>4</b>	Public service hours: <b>394</b> hours Public service sessions: <b>5</b>	
 <b>Recycling and Reuse</b>	Pallets: <b>100</b> % Packaging materials: <b>75</b> %	Pallets: <b>100</b> % Packaging materials: <b>85</b> %	Pallets: <b>100</b> % Packaging materials: <b>100</b> %	 
 <b>Energy Saving and Carbon Reduction (Water Resources)</b>	Per capita water consumption based on 2022 <b>Reduction of 1%</b> of a year	Per capita water consumption based on 2022 <b>Reduction of 10%</b>	Per capita water consumption based on 2022 <b>Reduction of 20%</b>	 
 <b>Energy Saving and Carbon Reduction (Electricity Resources)</b>	Per capita electricity consumption based on 2022 <b>Reduction of 1%</b> of a year	Per capita electricity consumption based on 2022 <b>Reduction of 10%</b>	Per capita electricity consumption based on 2022 <b>Reduction of 20%</b>	
 <b>Building Green Suppliers</b>	Number of suppliers with carbon emission target data / Number of first-tier suppliers <b>&gt;= 80%</b> (Desired achievement by 2025)	Number of suppliers with carbon emission target data / Number of first-tier suppliers <b>&gt;= 90%</b>	Number of suppliers with carbon emission target data / Number of first-tier suppliers <b>100%</b>	











## ■ Ace Pillar's Products and Services in Response to UN Sustainable Development Goals

Solutions	Description	Hardware Application	Software Application	Corresponding SDGs
 Smart Manufacturing	<p>The intelligent manufacturing solutions provided by Ace Pillar integrate IoT, big data, artificial intelligence and automation technologies to achieve intelligent, efficient and data-driven production processes. Enterprises can improve efficiency and quality through data-driven flexible scheduling, and increase the transparency and collaboration efficiency of the supply chain to enhance enterprise competitiveness. Intelligent manufacturing not only brings more business value to enterprises, but also has a positive impact on sustainable environmental and social development.</p>	<p>Provide new production line equipment integration (robotic arms, replacement of energy-saving variable frequency motors, automatic loading and unloading, etc.) to increase production capacity, reduce defect rates and avoid resource waste.</p>	<p>Data-driven production methods, through IoT linking production equipment with green energy and energy storage systems, real-time monitoring of various indicators and energy management in the production process, reducing energy consumption, waste and negative environmental impact.</p>	
 Smart Energy	<p>Ace Pillar uses intelligent applications to control lighting and air conditioning, which can be remotely monitored for usage. During lunch breaks and evenings, timed switches are set to avoid unnecessary energy waste, and the lowest adjustable temperature for air conditioning is set to achieve energy saving and carbon reduction.</p>	<p>Intelligent application control devices, PLCs and human-machine switches Office automation, Daikin total heat exchangers.</p>	<p>Energy-saving automatic monitoring system for air conditioning and lighting, VRV variable frequency air conditioning system, temperature control settings.</p>	  





Solutions	Description	Hardware Application	Software Application	Corresponding SDGs
 Smart Education	Through flipped classrooms as the main method and digital learning as a supplement, regularly provide employees with workplace-related training online courses, and conduct assessments through digital learning platforms to understand employees' workplace training status in a timely manner.	Set up projectors for teaching use	Complete cloud-based teaching system	 4 QUALITY EDUCATION
 Smart Healthcare	Set up a bacteriostatic lamp at the entrance of the corporate headquarters. Anyone entering and exiting passes through the bacteriostatic device to establish a high-quality and healthy workplace environment, effectively reducing the risk of colleagues being affected by health issues at work.	Delta U+ bacteriostatic lamp	The bacteriostatic lamp is controlled by software, automatically turned on by human body sensing, and automatically turned off after continuous sensing.	 3 GOOD HEALTH AND WELL-BEING
 Smart Retail	Except to direct sales visits to customers, Ace Pillar combines one-stop navigation sales on the website, and keeps up with the times by using the Line business account to directly answer customer inquiries, providing timely responses to customer needs.	None	One-stop product navigation official website, Line business account	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
 Smart Enterprise	Ace Pillar introduces the enterprise management system of its affiliated company Benq Uelead to improve the overall efficiency of enterprise operations and establish smooth operations with customers.	Delta U+ bacteriostatic lamp	Human Capital Management (HCM), Supply Relationship Management (SRM), and Business Process Management (BPM)	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



## 1-5 Stakeholder Communication

In order to communicate with stakeholders in a timely manner, incorporate the material topics of concern to them into sustainable development policies, and establish a smooth and transparent response mechanism. Ace Pillar adopts the "AA 1000 Accountability Principle Standard (AA 1000APS)" and complies with four principles: Inclusivity, Materiality, Responsiveness, and Impact, to help us identify and respond to sustainability issues and increase the rigor of disclosing sustainability information.

### Inclusivity

The inclusivity means that when implementing sustainable development strategies, stakeholders should be included in decision-making considerations. Therefore, Ace Pillar adopts the spirit of inclusivity through the following three steps:

**1****Define stakeholders:**

Individuals or groups that have a significant impact on operations or are significantly impacted by Ace Pillar's operations.

**2****Identify stakeholders:**

Based on the stakeholders defined in Ace Pillar's sustainable development framework and the definition of stakeholders, seven main stakeholder groups are identified: employees, shareholders/investors, government agencies, customers, suppliers, social groups and non-profit organizations, and media.

**3****Establish a mechanism for incorporating stakeholder perspectives into the company's sustainable development:**

After identifying the company's six main stakeholder groups in the second step, through each group's exclusive internal corporate communication channel unit, collect and reflect stakeholders' opinions, and analyze and explore the material issues of concern to them. Based on their issues of concern, make corresponding decisions for the corporate sustainability and environmental sustainability aspects, and maintain and enhance the relationship with stakeholders.



## ■ Materiality

Materiality refers to the fact that decision-makers should identify and implement sustainability issues and determine the material content to be included in the corporate sustainability report. Ace Pillar follows the materiality identification method of the GRI Standards and regularly determines the material topics of concern to stakeholders every year. Ace Pillar mainly conducted discussions and analysis through interviewing the communication channel targets of the six main stakeholders. The interviewees were mainly the targets of the company's internal direct communication channels with stakeholders, and the corresponding topics were identified for their impact on Ace Pillar. A total of 8 people were interviewed. After discussion and resolution by Ace Pillar's ESG Committee, a total of 5 major topics were selected.



## ■ Responsiveness

Responsiveness refers to managing and responding to material topics through participation in various aspects of corporate operations during the period. For material topics, note only to existing communication channels, but also they are responded to in the annual corporate sustainability report. Secondary material topics are responded to through existing communication channels. Moreover, to the above methods, Ace Pillar has also established a "Corporate Sustainable Development" website to publicly announce important information about corporate sustainable development in a timely, transparent, and open manner for reference by all parties.

## ■ Impact

Impact is the further impact on the company in the process of identifying material topics, and based on this, the scope of impact is monitored and measured. For the material topics identified by Ace Pillar in the current year, the significance and scope of impact on Ace Pillar are reviewed, and according to the degree of impact, annual management goals are set for the topics to control them. The goals are checked annually and the results of the management goals are disclosed.



## Stakeholder Communication



### Employees

Employees are the foundation of an enterprise. Ace Pillar values the feelings of every employee, manages them in a friendly manner, trains employees, and establishes smooth communication channels, striving to retain excellent talents to enhance the company's competitiveness.



Communication Overview	Topics of Concern	Communication and Interaction Channels	Frequency
<ul style="list-style-type: none"> <li>100% of employees completed basic code of conduct training</li> <li>4 labor-management meetings and 2 employee welfare committee meetings</li> <li>0 human rights incidents</li> <li>100% resolution rate for 8374 mailbox</li> <li>0 complaints</li> </ul>	Employee benefits	Education and training (including drills), new employee training	Irregular
		HR mailbox	Irregular
		Health checkups	Once a year
	Labor-management relations	Reporting mailbox	Irregular
		Labor-management meetings	Once a quarter
	Promotion channels	Employee welfare committee meetings	Four times a year
	Dispatch opportunities	Electronic newsletters, emails, phone calls	Irregular
	Salary increases	Performance communication system	Once a quarter
	Energy saving and carbon reduction		
	Employee health		
	Learning and Development		



## Shareholders / Investors

Protecting shareholders' rights and interests is one of Ace Pillar's most important priorities. Regular shareholder meetings are held to explain the company's operations and financial status to shareholders, and strive to maximize shareholders' rights and interests. Actively participate in banks' ESG-related activities to understand banks' awareness and expectations of ESG.

Communication Overview	Topics of Concern	Communication and Interaction Channels	Frequency
<ul style="list-style-type: none"> <li>Irregularly publish financial and business-related information in the form of announcements or press releases</li> <li>Publish financial statements quarterly</li> <li>Completed 1 shareholder meeting, 1 investor conference held in 2023</li> <li>Respond to financial questions raised by banks quarterly</li> <li>Establish an internal control system</li> </ul>	Financial Performance  Risk Management  Legal Compliance  Profitability	Spokesperson and acting spokesperson system	Irregular
		Investor relations	Irregular
		Investor mailbox	Irregular
		Company official website	Irregular
		Shareholder meetings	Once a year
		Investor conferences	At least once a year
		Market Observation Post System(MOPS)	Irregular



## Media

Ace Pillar values external perceptions and humbly accepts external comments. Relevant marketing departments are established to respond to the media aspect, and relevant information is disclosed from time to time.

Communication Overview	Topics of Concern	Communication and Interaction Channels	Frequency
<ul style="list-style-type: none"> <li>4 press releases issued in 2023</li> </ul>	Financial Performance	Email	Irregular
	Operational management	Phone	Irregular
	Employee benefits Innovative products	Visits	Irregular





## Government Agencies

Complying with government regulations is the minimum requirement for corporate operations. Ace Pillar, through internal control mechanisms and audit measures, strictly ensures that business execution complies with regulations.

### Communication Overview

- About 1 inspections, visits, official documents and labor inspections.
- Environmental safety and health and energy: No deficiencies
- Labor conditions: No major deficiencies
- No major fines

### Topics of Concern

Legal Compliance  
Energy management  
Waste management  
Human Rights Management  
Occupational safety and health

### Communication and Interaction Channels

Inspections

Visits

Official documents

Labor inspections

### Frequency

Irregular

Irregular

Irregular

Irregular



## Customer

We value the perception and feelings of each customer, and take improving customer satisfaction as the primary consideration. Establish an after-sales service department to grasp customer needs in a timely manner and provide effective and correct services.

### Communication Overview

- 2023 annual customer satisfaction of 82 points

### Topics of Concern

Customer privacy protection  
Human rights  
Labor-management relations  
Product quality  
After-sales service  
Legal Compliance  
Service efficiency  
Product delivery  
Personal data privacy management

### Communication and Interaction Channels

Customer service hotline

Product repair hotline

Customer service mailbox

Customer ratings and questionnaires

Phone/email interactions

Regular and irregular topic reports

### Frequency

Irregular

Irregular

Irregular

Irregular

Irregular

Irregular



## Suppliers

It is our responsibility to work with suppliers to maintain the environment, human rights and other aspects. We actively establish a sustainable supply chain and maintain good cooperative relationships with each other to achieve corporate sustainable development.

### Communication Overview

- None

### Topics of Concern

Corporate Governance

Legal Compliance

Customer Commitment

Inventory management

### Communication and Interaction Channels

Internal training

Phone, email

Audit

Visits

### Frequency

Irregular

Irregular

Irregular

At least once a month



## Social Groups and Non-Profit Organizations

Ace Pillar actively cultivates employees' positive energy, encourages employees to show love, and irregularly organizes or participates in relevant charity activities to give back to the general public. It also actively responds to any sustainable development activities of the group in the environmental and social aspects.

### Communication Overview

- 2023 participation in public welfare sessions: 3
- 2023 cumulative public service hours: 133 hours

### Topics of Concern

Social care

Corporate Governance

Legal Compliance

### Communication and Interaction Channels

Phone/email

Volunteer service

Corporate website

Volunteer service

Corporate website

Media news

### Frequency

Irregular

Irregular

Irregular



Irregular

Irregular

Irregular

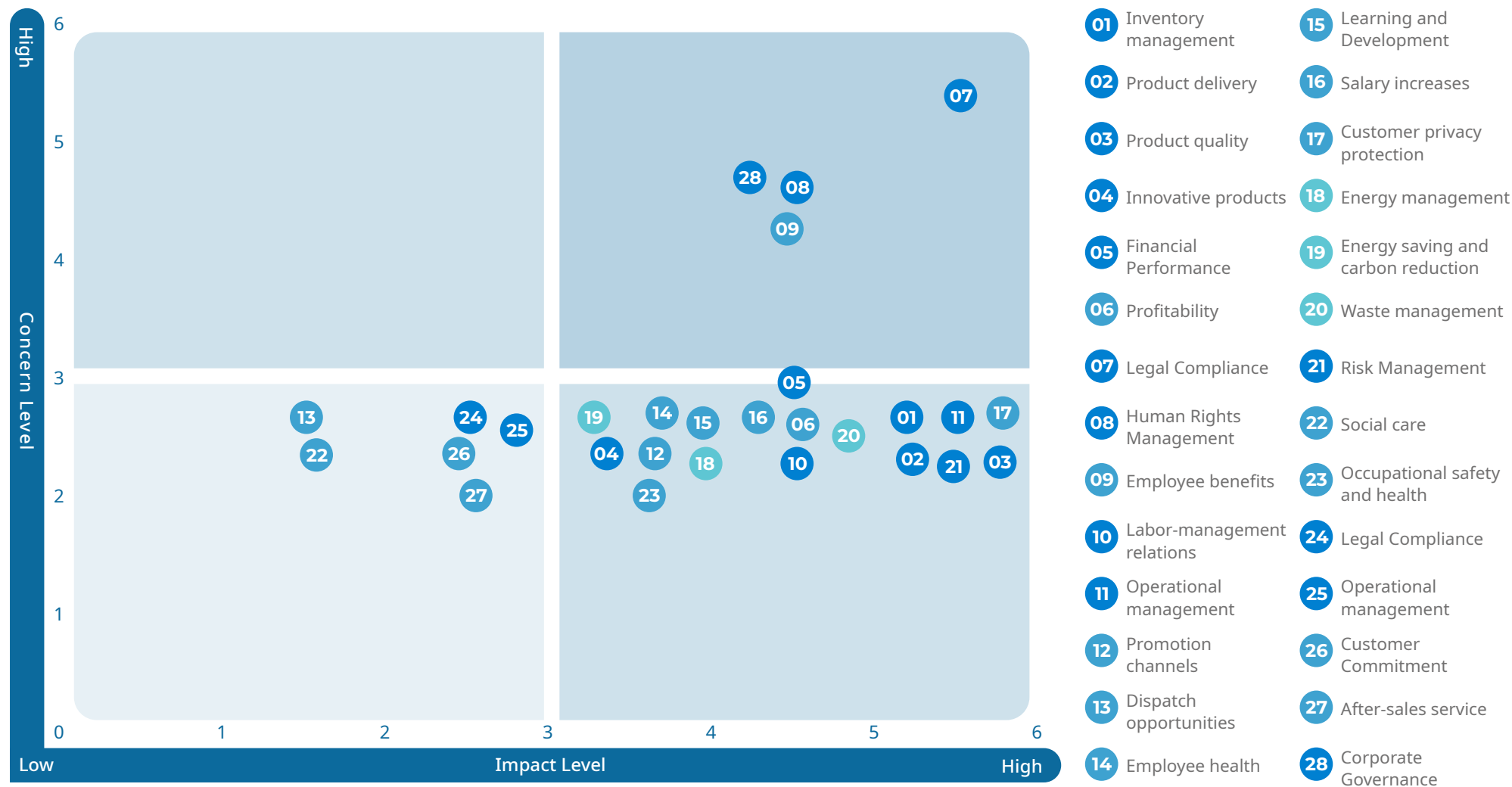


## Ace Pillar's 2023 Material Topics

Category	Topic	Significance to Ace Pillar	Boundaries			Corresponding Chapter of the Management Approach
			Within the Organization	Outside the Organization		
				Customer	Suppliers	
 Governance	Legal Compliance	To ensure that employees do not violate international laws and regulations when conducting business, Ace Pillar has formulated relevant measures for employees to follow, and continues to track and pay attention to policies and regulations that may affect our business.	✓			Legal Compliance
	Corporate Governance	Good corporate governance and integrity management are the foundation of the company's operations. Ace Pillar is committed to implementing legal requirements such as the "Corporate Governance Best Practice Principles" to protect shareholders' rights and interests.	✓			Corporate Governance
	Financial Performance	Only good operating performance can maintain the company's stable growth, provide employees with a good working environment and benefits, meet investors' expectations, and obtain the best benefits for customers and suppliers.	✓	✓	✓	Financial Performance
 Society	Human Rights Management	In order to fulfill corporate social responsibility and protect labor human rights, Ace Pillar declares to protect employee rights and interests, and also complies with local labor laws and international standards in human rights management.	✓	✓	✓	Human Rights Management
	Employee benefits	Ace Pillar is committed to creating a happy and healthy workplace, and plans diverse employee benefits to let all colleagues experience a high-quality workplace environment and a healthy and happy corporate culture.	✓			Building a Happy and Healthy Workplace



## Ace Pillar's 2023 Materiality Matrix





# 02

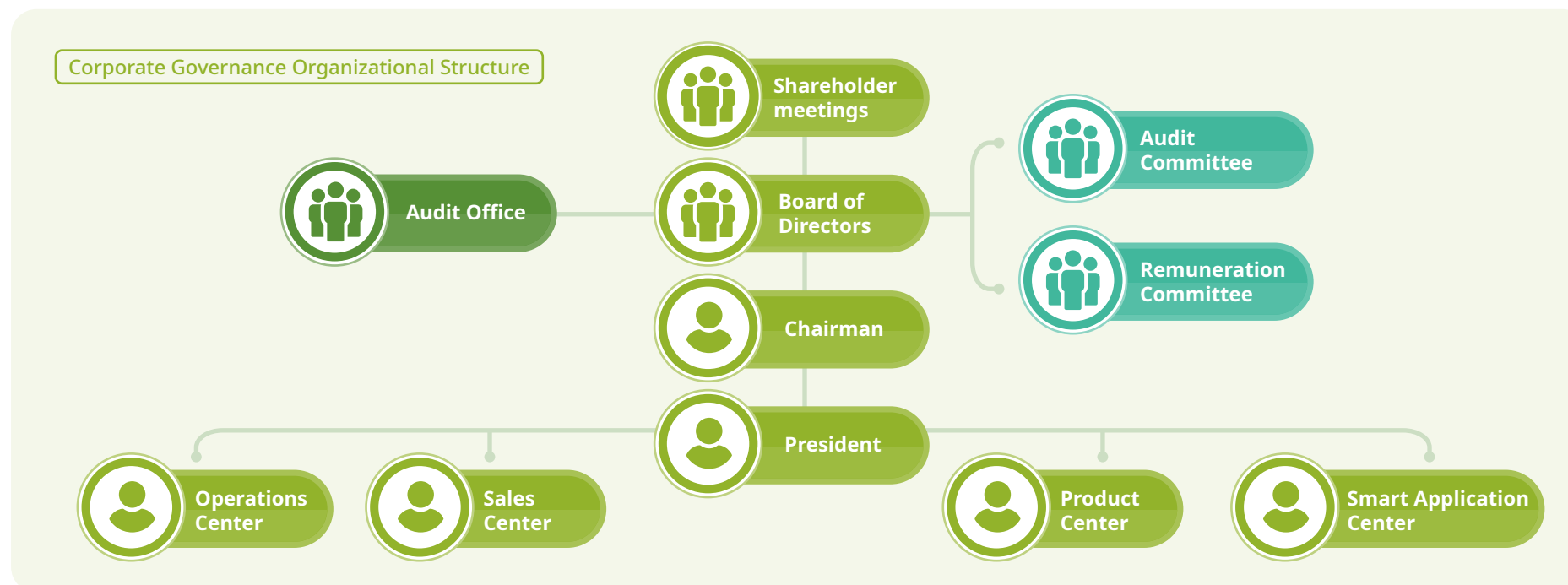
## Implementing Corporate Governance

- 2-1 Corporate Governance
- 2-2 Legal Compliance and Code of Conduct
- 2-3 Risk Management
- 2-4 Financial Performance
- 2-5 Information Security



## 2-1 Corporate Governance

Ace Pillar is committed to protecting shareholders' rights and interests, and follows the Corporate Governance 3.0 Sustainable Development Blueprint promulgated by the Financial Supervisory Commission to continuously enhance the company's sustainable development. The company's Board of Directors is the highest governance and decision-making unit. To strengthen corporate governance, the "Remuneration Committee" and "Audit Committee" were established in 2011 and 2019 respectively to assist the operation and functions of the Board of Directors. The members of both committees are composed of all independent directors. Besides, in accordance with regulations, a corporate governance officer is appointed, with main duties including handling matters related to Board of Directors and shareholders' meetings in accordance with the law, preparing minutes of Board of Directors and shareholders' meetings, assisting directors in taking office and continuing education, providing information required by directors to carry out their duties, assisting directors in complying with laws and regulations, and other matters stipulated in the company's articles of incorporation or contracts.





## Board of Directors Operations

In accordance with the "Procedures for Election of Directors", the company held the annual shareholders' meeting on June 14, 2022 to elect the 13th-term directors (including independent directors) with a term of 3 years. The current Board of Directors is composed of 6 directors and 3 independent directors. Matters related to the Board of Directors are handled in accordance with the Rules of Procedure for Board of Directors Meetings. Meetings are held at least once a quarter, and a total of 4 meetings were held in 2023 with an attendance rate of 100%.

According to the company's "Rules of Procedure for Board of Directors Meetings" and other relevant regulations, for matters discussed at the meeting, directors who have a stake in themselves or the legal entity they represent shall explain the important content of their interest at the current Board of Directors meeting. If there are concerns of harm to the company's interests, they shall not participate in discussion and voting, and shall recuse themselves from discussion and voting, and shall not exercise voting rights on behalf of other directors.

## Diversity and Expertise of Board Members

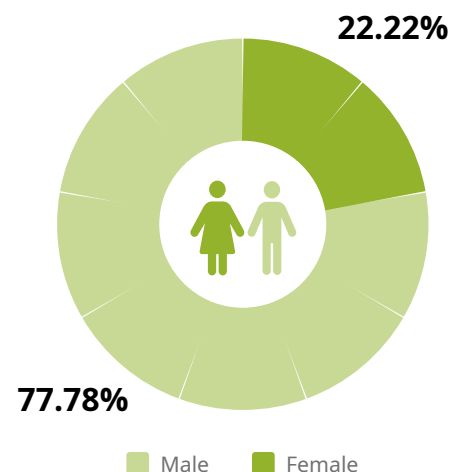
All members of Ace Pillar's Board of Directors, in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", receive continuing education for at least 6 hours per person per year. In 2023, the average continuing education hours of the Board of Directors members reached 6.3 hours, covering aspects such as information security, corporate competitiveness, and sustainable information and risk management.

Among the current Board of Directors members, 2 are employees of the company, accounting for 22.22%; 2 are female directors, with female directors accounting for 22.22%, achieving the company's set diversity policy and specific management goals of (1) directors concurrently serving as company managers not exceeding one-third of the director seats and (2) the Board of Directors including at least one female director.

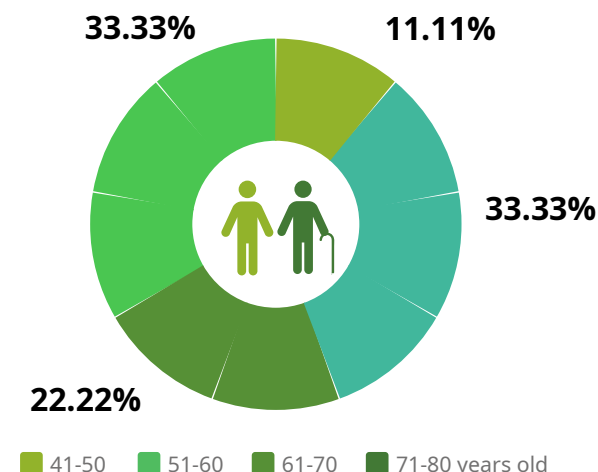
### Diversity Policy Management Goals

Goal	Achievement Status
Directors concurrently serving as company managers not exceeding one-third of the director seats	✓
The Board of Directors includes at least one female director	✓

### Gender Distribution of Board Members



### Age Distribution of Board Members





## Diversity Policy Management Goals

Name	Title	Gender	Independent Director Tenure		Professional Background and Capabilities						Age				Employee Status
			3~6 years	6~9 years	Business Management	Leadership and Decision-making	Industry Knowledge	Information Technology	Finance	International Market	41-50 years old	51-60 years old	61-70 years old	71-80 years old	
Michael Lee	Chairman	Male			✓	✓	✓	✓		✓	✓				
Chris Li	Director	Male			✓	✓	✓	✓		✓		✓			✓
Chih-Chen Lin	Director	Male			✓	✓	✓			✓				✓	✓
Alexander Su	Director	Male			✓	✓	✓	✓		✓		✓			
Milly Huang	Director	Female			✓	✓	✓		✓	✓		✓			
Hwei-Ling Yang	Director	Female			✓	✓	✓		✓	✓			✓		
Frank Lee	Independent Director	Male		✓	✓	✓	✓	✓		✓				✓	
Nick Yeh	Independent Director	Male	✓		✓	✓	✓		✓	✓			✓		
Joseph Yang	Independent Director	Male	✓		✓	✓	✓			✓				✓	

**Note** For the latest information on Board of Directors members, please refer to Ace Pillar's [official website](#).





## Functional Committees



### Audit Committee

The company established an Audit Committee in 2019, which is composed of all independent directors in accordance with legal requirements. The Audit Committee mainly plays a supervisory role, prudently reviewing the company's and Board of Directors' execution of business.

#### Main Responsibilities

The Audit Committee's key focus areas are:

- Establishing or amending the internal control system and evaluating its effectiveness
- Reviewing the appropriate presentation of the company's financial statements
- Supervising the company's legal compliance with relevant laws and regulations and the control of existing or potential risks.

The company's internal audit reports to the Audit Committee quarterly, and the accountants, risk management, and finance and accounting units report to the Audit Committee from time to time, inquiring about internal audit results, the latest financial statement audit situation, financial and business overview and other information. This enables the Audit Committee to also assist investors in ensuring the company's credibility in corporate governance and information transparency to protect shareholders' rights and interests.

#### Members

3  
independent  
directors

#### 2023 Meeting Status

4 meetings held  
**100%** attendance rate



### Remuneration Committee

The company established a Remuneration Committee in 2011, which exercises relevant powers faithfully in accordance with the law with the care of a good administrator, and submits the proposed recommendations to the Board of Directors for discussion.

#### Main Responsibilities

The Remuneration Committee's main function is to evaluate the company's policies and systems for the remuneration of directors and managers from a professional and objective standpoint, and propose recommendations to the Board of Directors for reference in decision-making to strengthen corporate governance and establish a sound remuneration system for the company's directors and managers.

#### Members

3  
independent  
directors

#### 2023 Meeting Status

2 meetings held  
**100%** attendance rate



## Board Performance Evaluation

### Internal Self-Evaluation

Ace Pillar established the Board of Directors Performance Evaluation Measures in August 2016 and revised them in November 2020. Internal self-evaluations of the Board of Directors, board members, and functional committees are conducted regularly every year, and an external evaluation is conducted once every three years by an external professional independent institution or expert team. The company completed the self-evaluation for the current year at the end of 2023. The evaluation results of the Board of Directors and the two functional committees were all "Excellent", which is sufficient to show that the functions and operational efficiency of the company's Board of Directors and functional committees are sound. The evaluation results have been reported to the Board of Directors in February 2024.



### External Evaluation

In November 2022, the company commissioned the Taiwan Corporate Governance Association to evaluate the effectiveness of the Board of Directors. In addition to document review of the company's evaluation indicator item descriptions and related documents, interviews were conducted on January 10, 2023, with interviewees including the Chairman, conveners of functional committees, President, corporate governance officer, and audit supervisor. The Association issued a Board of Directors performance evaluation report on January 19, 2023, evaluating eight major aspects including the composition, guidance, authorization, supervision, communication, internal control and risk management, and self-discipline of the Board of Directors. The evaluation results were reported to the Board of Directors in March 2023.

**Overall Evaluation Summary** - The Board of Directors members have fully communicated and reached a consensus on the company's future business plans and major strategic directions before resolving them at the Board of Directors meeting, effectively improving the efficiency of the Board of Directors' meeting matters and implementing risk identification and control. The overall risk management mechanism is complete.

The company also reviewed and integrated existing reporting policies and systems based on the Taiwan Corporate Governance Association's recommendations, set up an independent director's direct email inbox, used audit quality indicator (AQI) information as a reference for CPA appointment decisions and audit fee deliberations, and invited the certifying CPA to attend Board of Directors or Audit Committee meetings. We will also formulate an "Orientation System for New Directors" to assist new directors in quickly grasping the company's operating conditions and facilitate their performance of director duties.

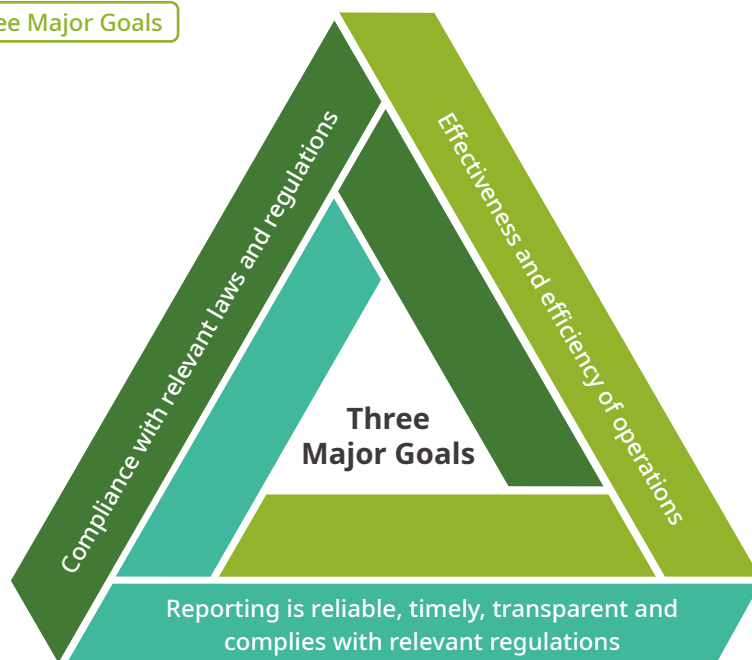


## Internal Control

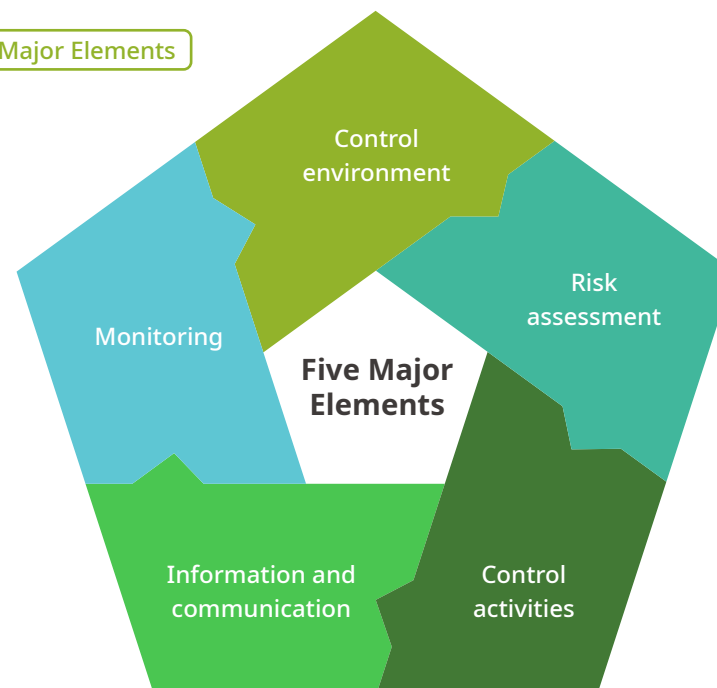
Ace Pillar has a sound internal audit system. The Audit Office is subordinate to the Board of Directors to ensure independence and objectivity. It regularly attends Board of Directors meetings to report, and communicates and reports internal audit results and internal control operations to the Audit Committee and independent directors at least once a quarter. Audit Office personnel participate in audit-related courses of professional training institutions every year in accordance with regulations to continuously improve their professional knowledge and skills. They also propose recommendations and improvements for deficiencies or abnormalities found in audits, and follow up on the improvement status.

The Audit Office carries out audit work in accordance with the annual audit plan to confirm that the company's internal operations comply with laws and regulations and the internal control system. It also conducts projects as needed and provides timely information to the Board of Directors to understand the potential risks in operations, objectively and timely provides improvement recommendations, and reasonably ensures the achievement of the three major goals and five major elements of internal control to create a sustainable operating environment.

Three Major Goals



Five Major Elements





## 2-2 Legal Compliance and Code of Conduct

### Employee Code of Conduct - Legal Compliance

#### Integrity Management

Integrity management is the most basic social responsibility of an enterprise. One of Ace Pillar's business philosophies is sincerity and mutual trust - "Sincerity" is the basic principle of conduct, treating everyone inside and outside the company with sincerity and mutual trust.



#### Legal Compliance

To ensure that the company and employees comply with the laws and regulations of Taiwan and other countries when conducting business, Ace Pillar has formulated relevant policies and measures for Taiwan and other countries' laws and regulations, including personal data protection, confidentiality, anti-bribery, anti-discrimination, intellectual property protection, insider trading prevention, anti-unfair competition, and labor protection, and promotes corporate social responsibility. To ensure the promotion of internal legal compliance policies, a control system is established, and audit measures are used to ensure that business execution meets relevant requirements.



### Employee Code of Conduct

The company has established the "Integrity Management Best Practice Principles", "Procedures for Handling Cases of Illegal, Unethical or Dishonest Conduct" and other measures, which are announced on the company's website. In addition, the company's Integrity Handbook is the highest code of conduct for all employees in conducting business activities. In addition to providing education and training to employees upon arrival, the importance of integrity conduct is also promoted to company employees from time to time, reminding employees to comply with and implement it.

The "Integrity Handbook" formulated by the company serves as a code of conduct for employees, and the importance of integrity is strengthened through formal education and training courses that regularly train all global employees to participate. The content covers "Conflicts of Interest", "Legal Compliance", "Business Secrets and Company Assets", and "Participation in Political Activities".



## ■ Policies and Regulations

Ace Pillar has established four relevant policies and regulations to prevent company members from directly or indirectly providing, accepting, promising or requesting any improper benefits, or engaging in other acts that violate integrity, illegality or fiduciary duty, including extortion, bribery, money laundering and insider trading, in order to obtain or maintain benefits in the process of conducting business, and to avoid conflicts of interest. When engaging in transactions with suppliers, the company's integrity management policy and relevant regulations are appropriately explained to suppliers, and the direct or indirect provision, promise, request or acceptance of any form or name of improper benefits is clearly refused. Transactions with agents, suppliers, customers or other business partners involved in dishonest conduct should be avoided, and business dealings with them may be terminated depending on the situation.



## ■ Promotion of the Integrity Handbook

In recent three years, Ace Pillar has had no major fines and has fully implemented the execution of the company's internal integrity management best practice principles. Every year, it conducts ethical handbook promotion and training for all colleagues, including topics such as integrity promotion, avoidance and conflict of interest, legal compliance, business secrets and company assets, and participation in political activities, and conducts online tests. In 2023, the training completion rate reached 100%, and the company's internal system also announces the integrity management best practice principles for all colleagues to be aware of. To improve the management of integrity management, the company has established an integrity management unit, allocated sufficient resources and suitable personnel, and is responsible for the formulation and supervision of the implementation of integrity management policies and prevention programs, and reports to the Board of Directors on a regular basis (first quarter) every year. In addition, in response to the regulations prohibiting insider trading (Securities and Exchange Act §157-1), Ace Pillar has implemented education and training on the prohibition and prevention of insider trading within the company, with a training completion rate of 100% in 2023, and there have been no insider trading-related violations by Ace Pillar in the past three years.

## ■ Reporting and Suggestion Communication Mechanism

The company has established the "Procedures for Handling Cases of Illegal, Unethical or Dishonest Conduct". For serious misconduct that violates the principles of integrity, conflicts of interest and avoidance, fair trade, bribery, etc., or illegal and improper treatment, there is a complete set of procedures for handling complaints and reports. Once it is discovered that a person or matter does not conform to the spirit of integrity or violates the norms in the integrity management best practice principles, internal and external personnel can report any improper business conduct through the reporting mailbox.

1

Code of Ethical Conduct

2

Procedures for Handling Cases of Illegal, Unethical or Dishonest Conduct

3

Integrity Management Best Practice Principles

4

Procedures for Handling Material Inside Information and Preventing Insider Trading



## Communication and Complaint Channels

Target: Internal colleagues of the company and external suppliers, customers, or other stakeholders.

Channel: Email: 8374@acepillar.com.tw for reporting or complaints, and a dedicated unit will investigate and handle, and prepare an investigation report. Ace Pillar strictly guarantees the confidentiality of the reporter's identity to ensure their safety and avoid retaliation.

Ace Pillar has not received any reported cases  
in the past **3** years.



## Education, Training and Promotion

Ace Pillar requires all colleagues to strictly abide by laws and regulations and follow the code of conduct and norms through the formulation of relevant rules and measures, and strengthens promotion through various channels such as education and training, internal company emails, and meetings.

Ace Pillar conducts integrity policy promotion for employees every year and provides training to enhance employees' awareness of integrity and accountability. To prevent any dishonest conduct, employees are required to take the initiative to explain to the company and follow the norms of the "Integrity Management Best

Practice Principles" and "Integrity Handbook" when encountering ethical concerns and conflicts of interest. The Company except to strengthening the promotion of the code of conduct such as "not accepting external gifts" before important holidays every year to enhance colleagues' awareness of integrity. The company also conducts online integrity training for all employees to ensure that each employee understands the key points of the code of conduct and implements them. For the 2023 training completion rate, please see the table below. With the promotion and advocacy of ethical code of conduct training, there were no cases of violations of integrity principles in 2023.

### 2023 Integrity Handbook Training Completion Rate

Completed  
Trainees  
**137**  
people

Completed  
Training Hours  
**137**  
hours

Completion  
Rate  
**100 %**

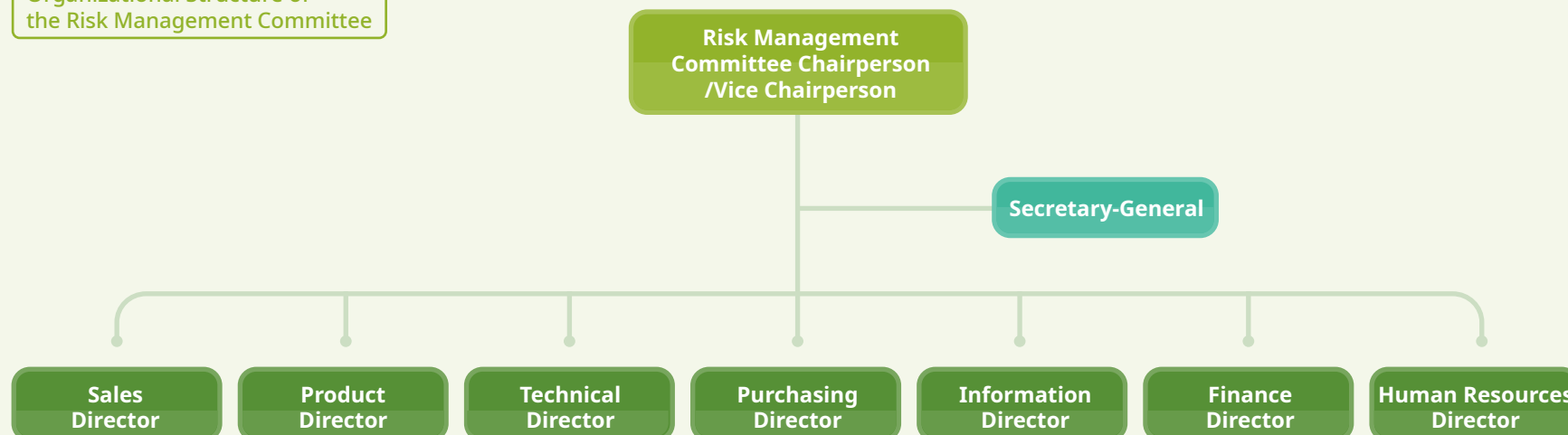


## 2-3 Risk Management

### ■ Establishment of the Risk Management Committee

Since 2020, Ace Pillar has participated in the Sustainability and Risk Control Quarterly Meeting held by the parent company Qisda's risk management organization to continuously pay attention to potential risks that the group may face. In November 2020, the "Risk Management Committee" (RMC) was officially established to establish a proactive risk management mechanism to facilitate relevant units to respond to risk events in a timely manner through risk management procedures, reduce or avoid the impact of risk events, and increase personnel's risk awareness to ensure Ace Pillar's sustainable operation. The company's risk management focuses on the risk management system and risk transfer planning of corporate governance: strategic, financial, operational and hazard risks are managed by the Risk Management Committee. The company's risk management vision and policies and procedures are clearly stipulated to effectively manage risks that exceed the company's risk tolerance, and risk management tools are used to optimize the total cost of risk management.

Organizational Structure of the Risk Management Committee





## Risk Management Vision

Committed to continuously providing products and services to create long-term value for customers, shareholders, employees, and society.

Risk management requires a systematic organization and risk management procedures to identify, assess, handle, report, and monitor significant risks that affect the company's viability in a timely and effective manner, and strengthen the risk awareness of all employees.

Risk management is not the pursuit of "zero" risk, but the pursuit of maximum benefits under acceptable risk conditions to optimize risk management costs.

## Risk Management Policy

- 1 To ensure the company's sustainable operation, the Risk Management Committee shall regularly identify, assess, handle, report, and monitor risks that may have a negative impact on the company's operational goals every year.
- 2 Before an incident occurs, risks should be identified and controlled, losses should be suppressed when an incident occurs, and the provision of products and services should be quickly restored after an incident occurs. For major risk scenarios identified by the Risk Management Committee, a business continuity plan shall be formulated.
- 3 For risks that do not exceed the risk tolerance, risk management tools may be used to handle them considering risk management costs, but the following situations are not limited to this.

Negative impact on employee life safety

Leading to violation of laws and regulations

Negative impact on the company's reputation







## ■ Risk Management Framework and Procedures

Ace Pillar's Risk Management Committee is chaired by the President, with the CFO as the Vice Chairperson and first-level executives of each unit as members. They discuss and determine Ace Pillar's risk management strategies, set annual goals and risk items, and integrate risk management mechanisms into daily operational processes. Furthermore, a Risk Management Secretary General is appointed to pay attention to internal and external events, identify potential risks, draw risk radar charts, plan risk management meetings, track risk goals and items quarterly, confirm the implementation of improvement plans, and coordinate cross-departmental communication. The operation of the Risk Management Committee is supervised by the Board of Directors, and the implementation of risk operations is reported to the Board of Directors every year.



### Risk Management Committee Operating Process

Establishment of the Risk Management Committee

Formulation of RMC Operating Procedures

Regular RMC Meetings

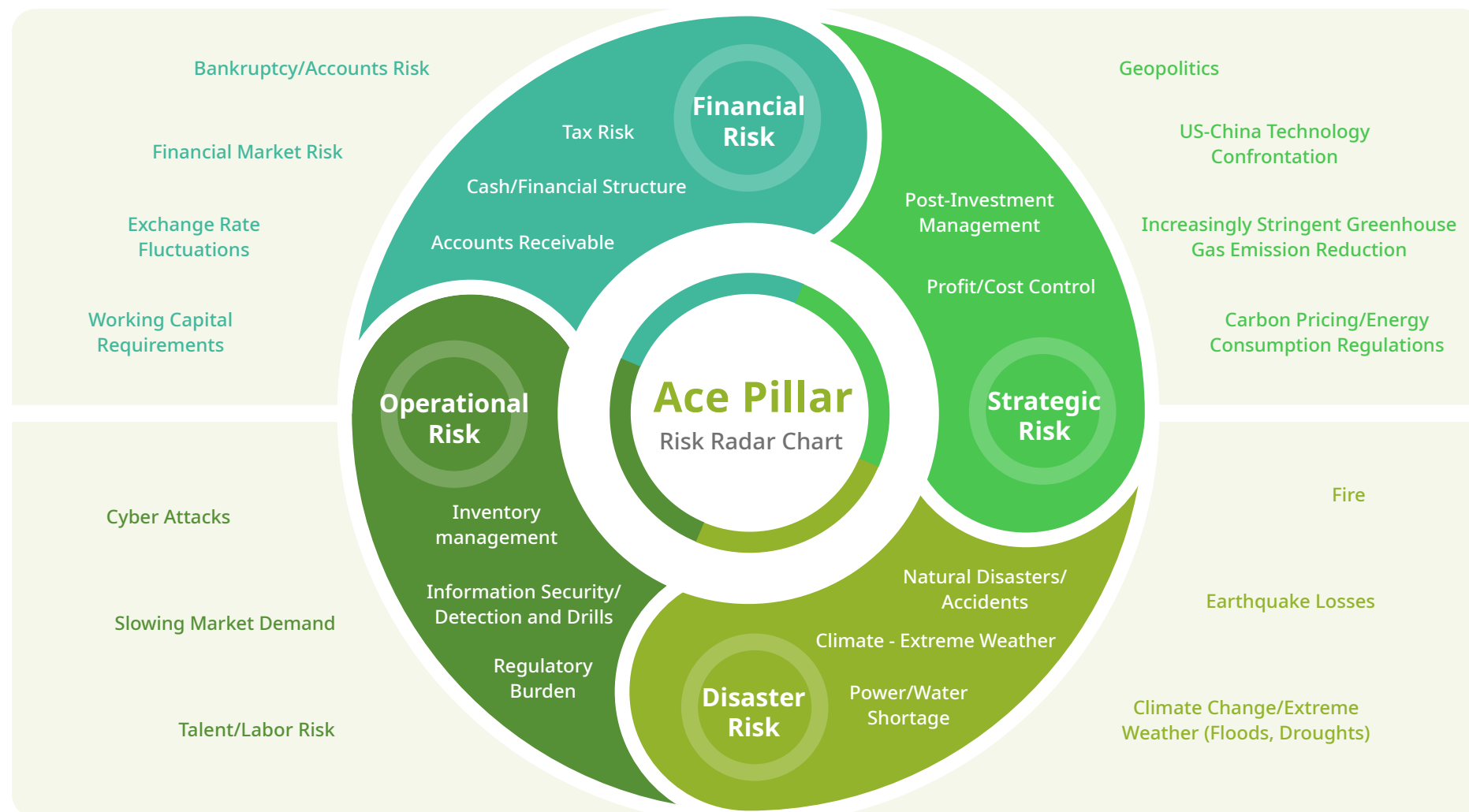
Risk Identification

Implementation/Tracking of Meeting Resolutions

Reporting of Risk Handling Results



## 2023 Ace Pillar Identified Risk Radar Chart





## 2023 Risk Setting Summary Table

Responsible Unit	Risk Item	Risk Category	Before Handling	After Handling
HR	Organizational Talent Needs	O	● High	● Medium
IT	Information Security	O	● Medium	● Low
Warehouse	Temperature and Humidity Management in Warehouses	O	● High	● Medium
FIN	Financial Risks Brought by External Factors	F	● Medium	● Low
Sales	Key Customer Management	S	● High	● Medium
Product	Product Industry Integration	S	● Medium	● Low
FAE	Customer In-Warranty Maintenance	S	● Medium	● Low

Note

O : Operation | F : Finance | S : Strategy

## Group Joint Defense Mechanism

With Qisda as the center, a joint defense mechanism is established for over 180 companies in the group, holding regular meetings, establishing reporting channels, and setting up an information exchange platform to integrate group resources and leverage the spirit of unity and strength. In 2023, the Qisda Group held a total of 5 regular meetings, introducing emergency response, business continuity plans, CSR/ESG, etc. into group companies through the platform. Through education and training and drill operations, the ability of group companies to quickly respond to and handle crisis events is established. The mechanism of resource and information sharing and experience sharing also allows group companies to conduct preventive management and start from the source before risk events occur, reducing the probability of accidents. From time to time, through the explanations and sharing of external expert consultants, the participating executives and colleagues become more familiar with the relevant provisions of laws and regulations, as well as the information and related regulations and information impact that listed companies must disclose.



## 2-4 Financial Performance

In the overall business environment in 2023, affected by geopolitical trade wars, the ongoing Russia-Ukraine war, and the impact of global inflation, the economy still has high uncertainty; the old economic order of the past decade is facing reconstruction. The digestion speed of accumulated supply chain inventory continues to slow down, and inflation suppresses demand, posing challenges to the company's operational capabilities. The company strives to refine existing businesses and improve internal processes, and continues to lay out the intelligent automation, green energy and semiconductor industries through alliances with STC, Ace Energy and Bluewalker, implementing group integration benefits to ensure that the company can properly control risks and create higher value under diversified development and operations.

Ace Pillar's consolidated revenue in 2023 was NT\$3.052 billion, a decrease of NT\$710 million compared to the previous year. The consolidated operating net loss was NT\$13 million, and the consolidated after-tax net loss was NT\$17 million, of which the net loss attributable to owners of the parent company was NT\$21 million, with an after-tax loss per share of NT\$0.19. Other detailed operating results have been disclosed in the "Financial Overview" chapter of the 2023 Annual Report. Moreover, the consolidated and individual entities included in the company's consolidated financial statements are disclosed in the company's 2023 financial statements.

### Financial Performance (Consolidated Report Data)

Unit: NT\$ thousands

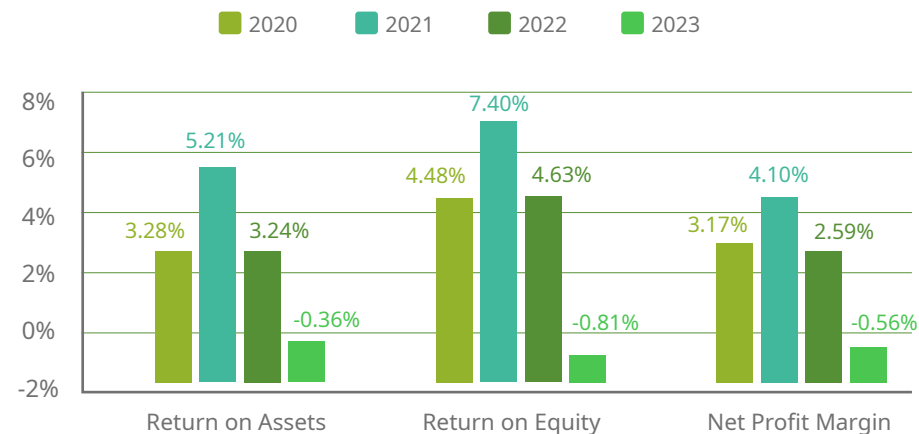
Item \ Year	2020	2021	2022	2023
Operating Revenue	2,754,448	3,658,704	3,762,421	3,051,803
Operating Gross Profit	480,381	658,342	739,227	622,660
Operating (Loss) Profit	125,189	190,021	95,726	(13,473)
After-tax Net Profit (Loss)	87,180	149,851	97,574	(17,080)
Net Profit (Loss) Attributable to Owners of the Parent Company	87,180	147,895	78,953	(20,946)
Earnings (Loss) Per Share (Unit: NT\$)	0.78	1.32	0.70	(0.19)



## Profitability (Consolidated Report Information)

Unit: %

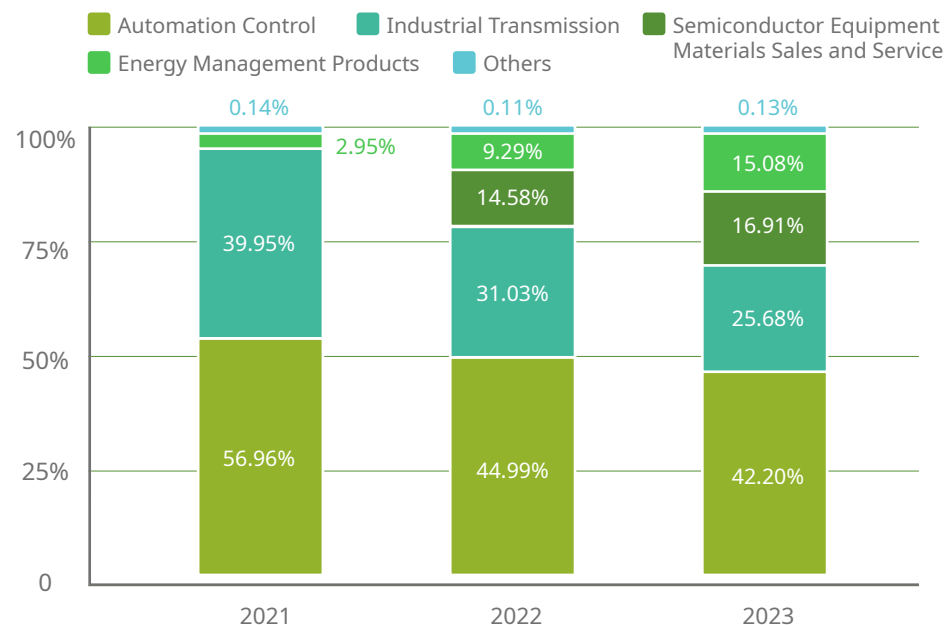
Item \ Year	2020	2021	2022	2023
Return on Assets (%)	3.28%	5.21%	3.24%	-0.36%
Return on Equity (%)	4.48%	7.40%	4.63%	-0.81%
Net Profit Margin (%)	3.17%	4.10%	2.59%	-0.56%



## Revenue Overview by Product (Consolidated Report Information)

Unit: NT\$ thousand

Item \ Year	2021	2022	2023
Automation Control	2,083,880	1,692,653	1,287,813
Industrial Transmission	1,461,821	1,167,569	783,648
Semiconductor Equipment Materials Sales and Service	-	548,580	516,026
Energy Management Products	107,812	349,631	460,206
Others	5,191	3,988	4,110
Total	3,658,704	3,762,421	3,051,803





## Ace Pillar Taiwan Parent Company 2023 Economic Value Distribution Table

Unit: NT\$ thousand

Item	Amount	Note
<b>A. Directly Generated Economic Value</b>		
a. Taiwan Parent Company Revenue	869,025	
<b>B. Distributed Economic Value</b>		
b. Operating Costs	698,502	
c. Employee Salaries and Benefits	126,504	
d. Interest Payments or Dividend Distributions	57,460	Bank Loan Interest Paid NT\$1,335 thousand; Dividends Distributed to Shareholders NT\$56,125 thousand
e. Taxes Paid	(9,889)	Income Tax
f. Community Investment	NA	
<b>Retained Economic Value = A-b</b>		
<b>Total Retained Economic Value</b>	<b>170,523</b>	





## 2023 Three Major Operating Policies

### Ace Pillar Main Body



#### Optimizing the Automation Business Transforming into a System Integration Service Provider

The main products introduced in 2023 are laid out with an orientation towards industry solutions and system integration. In terms of motion control, collaborating with major international manufacturers such as Akribis and Delta to integrate upper control axis cards, PLCs, linear drives, optical sensors, and mechanical transmission to launch high-speed, high-precision motion platforms for applications in semiconductor equipment, manufacturing, new energy batteries, PCBs, LEDs, machine tools and other industries. In terms of variable frequency energy, integrating Delta's high-efficiency IE5 reluctance motors with high-power variable frequency control, ABB charging piles and energy management product solutions with modular software and hardware for energy management, building automation, EV charging systems, fluid machinery and air compressor energy saving solutions; combining the advantages of Ace's Energy deep cultivation in the energy saving field, air compressor energy saving, waste heat recovery and IOT construction with the new energy management platform (PowerGlow).

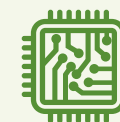
### Subsidiary Synergy



#### Expanding the Green Energy Business

BlueWalker also expands its product line with larger power ( 5KVA) and data center products, expands UPS sales in Southwest Europe, and achieves ESG policy goals of energy saving transformation and net zero carbon emissions.

### Subsidiary Synergy



#### Laying out the Semiconductor Industry

In the semiconductor field, STC introduces stochastic error measurement solutions, which are widely adopted by major memory manufacturers. In terms of wafer transfer equipment, non-contact vacuum suction pens have been independently developed and adopted by semiconductor and precision optics manufacturers. Packaging plants have also successfully introduced automatic wafer transfer sorting machines and RFID projects to assist customers in achieving automation upgrades.



## 2024 Business Policy







## 2-5 Information Security

### ■ Information Security Policy

In the era of information explosion, Ace Pillar attaches great importance to the issue of information security. To ensure corporate information security, relevant information operating guidelines are formulated in accordance with the ISO9001 international standard to avoid risks caused by information leakage and ensure the confidentiality, integrity, availability and legality of corporate assets, and avoid internal and external intentional or accidental threats to avoid risks and achieve sustainable corporate management.

### ■ Information Security Management

Through the establishment of an information security management system, Ace Pillar implements information security policies, protects customer data and company intellectual property, strengthens the response capabilities of information security incidents, and achieves information security policy measurement indicators, as well as meets the expectations of stakeholders for the company.

An information security officer and dedicated personnel are appointed to be responsible for information security operations. The Information Department leads the promotion of the company's information security, and effectively protects the security of the company's intellectual property through the specifications and tools of information assets, and enhances colleagues' information security awareness.



#### Information System Management Process

According to the internal information system management procedures of the company, information management is implemented, and every step is implemented to maintain the normal operation of internal computers and networks, and avoid critical information system abnormalities or data loss due to accidents.



**Management Measures****Information Personnel Training & Education**

Information personnel receive internal and external training and education from time to time to improve their professional skills.

**Regular Meetings**

Hold monthly information meetings and quarterly risk management committee meetings to assess risks and responses.

**Information Security Drills**

Conduct social engineering drills every year.

**Information Security Promotion**

Promote various information security issues to internal colleagues from time to time to strengthen information security awareness.

**Establish Management Processes**

Establish information management processes in accordance with information management regulations.

**BCP Drills**

Schedule and execute disaster recovery drills for each system every year.



Plan



Do



Check



Action

Continuously enhance the company's information security control mechanisms through the PDCA mechanism



### Account Security Control

#### Independent Accounts

Each internal employee has their own network account and password, and accounts are promptly closed when employees leave the company.

#### Authority Division

Access to information is granted according to job duties and levels, and employee system access is regularly reviewed annually.

#### Password Security

The passwords of system accounts are required to meet complexity and length requirements, and are regularly forced to be updated.

#### Multi-factor Authentication

Enhance user identity verification.

### System Security Control

#### Detection & Monitoring

Regularly perform vulnerability scanning on various systems, and irregularly detect whether the firewall has been invaded to ensure the security of the company's systems.

#### Backup & Restoration

The data used internally by the company is backed up according to the 3 (sets of backup data), 2 (types of different storage media), 1 (off-site or cloud) principle to ensure secure data storage.

#### Protection Measures

Regularly update relevant antivirus software and firewall versions.



## Measures for Major Information Security Incidents

In October 2023, Ace Pillar discovered that the system was invaded by hackers and quickly activated emergency measures, cooperating with information security companies to find the cause and strengthen vulnerabilities. The system was rebuilt within 3 days to restore daily operations. Through this information security incident, network security management practices were adjusted to reduce the chance of external detection and intrusion, and various information security prevention measures were introduced to strengthen the security protection of information systems. Avoiding the recurrence of incidents and reducing the company's losses.



# 03

## Managing Partnership Relations

- 3-1 Customer Commitment
- 3-2 Sustainable Supplier Management



## 3-1 Customer Commitment

Ace Pillar values the feelings and perceptions of every customer, from pre-purchase to after-sales, meticulously. We promise customers the quality of products and services, and do our utmost to strictly control them to meet the expectations of every customer. Good communication and service with customers help achieve the vision of sustainable corporate management. We actively fulfill every commitment and explore every petition to let every customer feel Ace Pillar's serious treatment of service and products.





## Ace Pillar's Customer Services

### Pre-sales Service

#### Professional Product Consultation

Dedicated personnel for actual visits by appointment, online instant response

#### Online Product Website

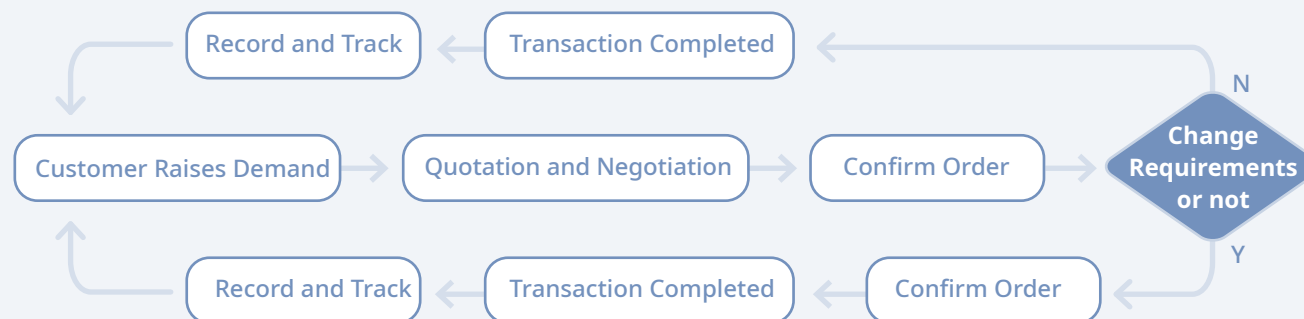
Clear browsing of related products on the official website

#### Instant Messaging Service

Keeping up with the times, setting up related social software and official accounts

### Pre-sales Service Process

To check whether the company's handling of the sales process complies with the system requirements, Ace Pillar has established customer-related management procedures and conducts appropriate management of various income operations, while tracking whether various regulations are followed and tracking the progress of various sales targets and analyzing differences to ensure the company's operating quality and management implementation.



### Relevant Responsible Units

**Sales Planning to Customer Communication:**  
Sales Department

**Delivery Operations:**  
Purchasing Department

**Returns:**  
Sales Department, Product Department, Purchasing Department



## After-sales service

**After-sales Service Department**

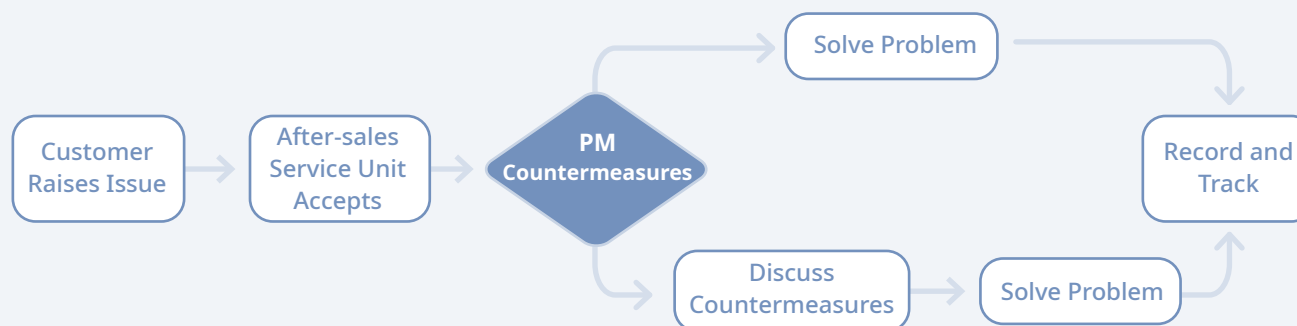
Establish a dedicated after-sales service department to provide customers with the most professional service

**Regular Questionnaire Survey**

Regularly conduct satisfaction questionnaire surveys every year to care about customer feelings from time to time

**After-sales Service Process**

Ace Pillar values the feelings of every customer. To provide products and services that meet customer expectations, it takes a cautious and highly concerned attitude in responding to petitions. The service department promptly contacts the customer to understand their demands and actively solves the problems raised by the customer. The records of customer complaints are discussed at internal meetings to avoid the possibility of recurrence in the future, so that every customer in the future can receive the most complete products and services to achieve the concept of sustainable corporate development.

**Relevant Responsible Units**

**Execution of After-sales Service Operations & Establishment of Relevant Technical Data:**

Technical Personnel

**Assignment of After-sales Service Tasks/Performance Appraisal/Cost Control:**

Technical Director



## Customer Satisfaction Survey

Adhering to the core business philosophy of customer-oriented, in order to understand customer needs and provide better services, Ace Pillar conducts customer satisfaction surveys regularly every year in accordance with the ISO procedure P-14 Customer Satisfaction Measurement Procedure, and uses an objective testing system to comprehensively evaluate customers' satisfaction with the company's products and services. Through the survey results, listen to the voices of customers and grasp market trends. When collecting feedback and suggestions, examine the gap between customer needs and expectations, so as to serve as a basis for the company to adjust its business strategy and development direction. In addition to developing the most appropriate solutions and improvement measures for lower-rated items, the market dynamics and user opinions analyzed in depth are also the basis for improving the technical R&D, system design and solution conception of upstream manufacturers. Transform products and optimize services to once again exceed customer expectations and achieve the concept of sustainable corporate management.

### Survey Time and Operating Procedures

In July every year, the company's internal and relevant units discuss and formulate the survey items of the customer satisfaction survey plan, and issue customer satisfaction questionnaires to the survey targets in the plan. Afterwards, summarize and compile the collected questionnaires into a report, which needs to analyze the items with low satisfaction, and after review, submit it to the relevant responsible units to formulate countermeasures and make improvements.

### Recovery Rate

The survey results show that the sales amount of customers sent questionnaires is NT\$477 million, and the sales amount of customers who returned questionnaires is NT\$291 million, with a recovery rate of 61%. On the other hand, the ratio of the sales amount of customers who returned questionnaires to the sales amount of the survey population is 29%.

### Survey Targets and Sampling Methods

To accurately grasp customer expectations, Ace Pillar conducts satisfaction surveys on the top 50 customers in revenue every year. This year, customers who had transactions from July 2022 to June 2023 were used as the survey population, with a sales amount of NT\$1.007 billion. According to the sales amount ranking, the top 50 domestic customers were sampled and surveyed using Google Forms and fax or email questionnaires (to maintain neutrality, affiliated companies are not included in the survey targets).

Transaction Time	Survey Population	Customers Sent Questionnaires	Customers Returned Questionnaires	Recovery Rate	Representative Number
Sales Amount from July 2022 to June 2023	1,006,848,182	476,890,138	290,999,009	61%	29%



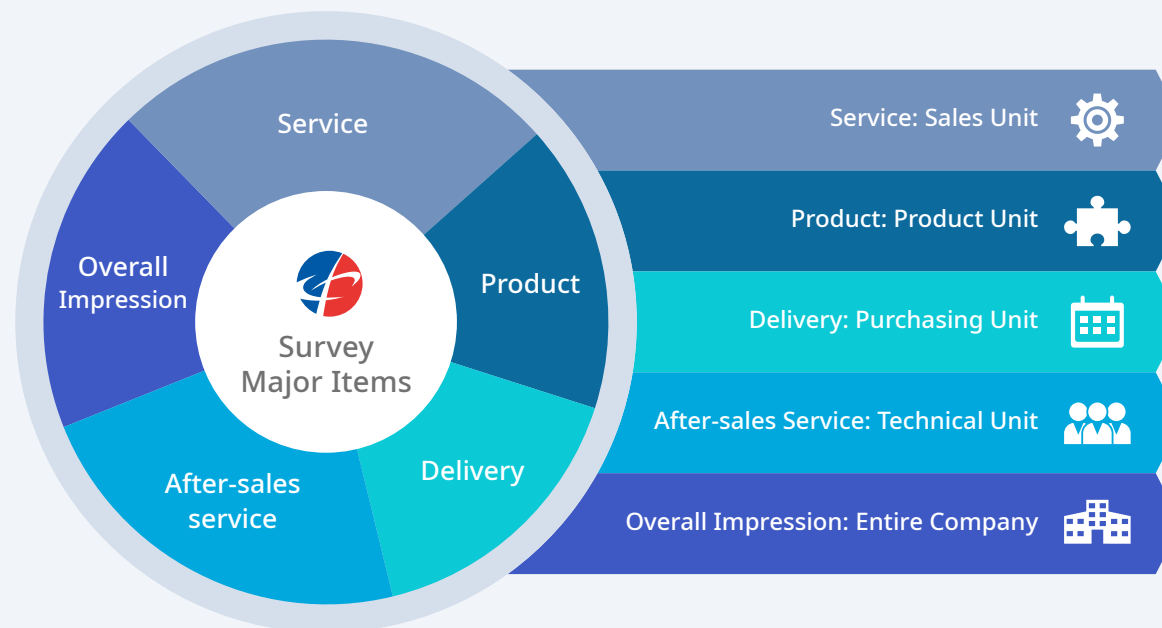


#### Scoring Method Description

The satisfaction assessment method adopts a "ten-point scale", with satisfaction measured in ten levels according to very satisfied (10-9 points), satisfied (8-7 points), fair (6-5 points), dissatisfied (4-3 points), and very dissatisfied (2-1 points). The average score is multiplied by 10 and listed as the total score, with the target score being 75 points.

#### Survey Major Items and Responsible Units

The survey major items are service, product, delivery, after-sales service and overall evaluation.

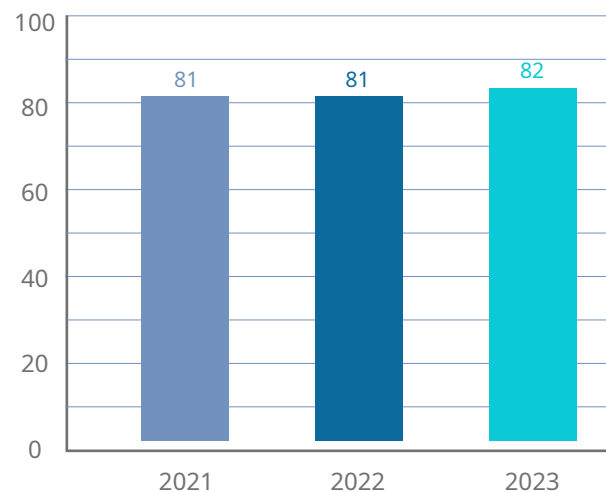


## Annual Customer Satisfaction

Ace Pillar values every customer who has dealings with the company, whether individuals or corporate entities. We highly value and humbly accept any feedback. The customer satisfaction score in 2023 was 82 points, which not only exceeded the target score of 75 points in the ISO procedure P-14 Customer Satisfaction Measurement Procedure, but also steadily increased by 1 point compared to 81 points in 2022. Additionally, if we look at the satisfaction scores by customer, 25 customers scored 75 points (inclusive) or above, accounting for 78.12% of the returned questionnaires. With the continuous efforts of all Ace Pillar employees, we have not only achieved the short-term goal of 80 points set each year from 2021 to 2023, but also continued to obtain ISO9001-2015 certification through the verification of the external audit institution "AFNOR Group from France" at Ace Pillar, demonstrating our firm implementation of various ISO procedure requirements and continuous pursuit of excellence.

## 3-1 Customer Commitment 3-2 Sustainable Supplier Management

## Annual Customer Satisfaction



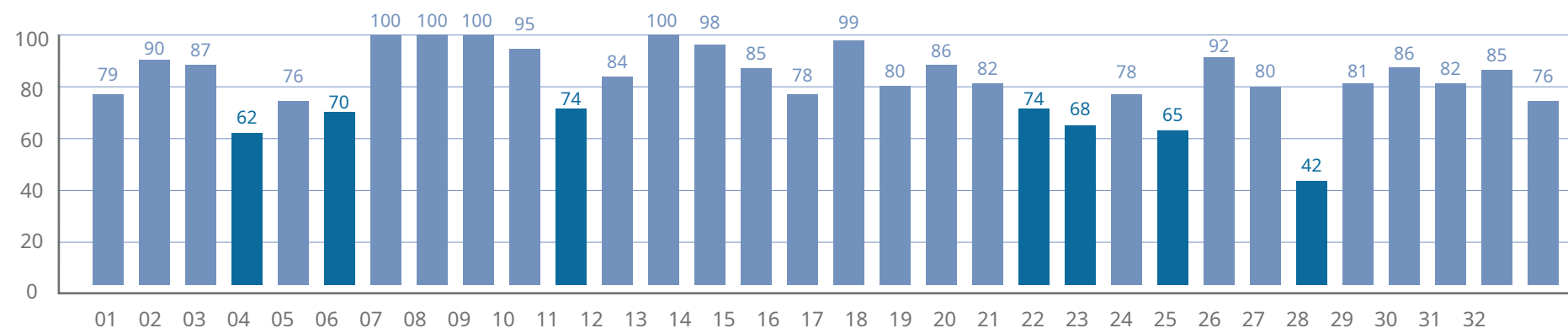
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2022-10-28 Ace Pillar  
Passes ISO9001-2015  
Verification/Certification  
Review Affirmation

Right

2024-01-30 Ace Pillar  
Obtains ISO9001-2015  
Certification Certificate

### Satisfaction by Customer

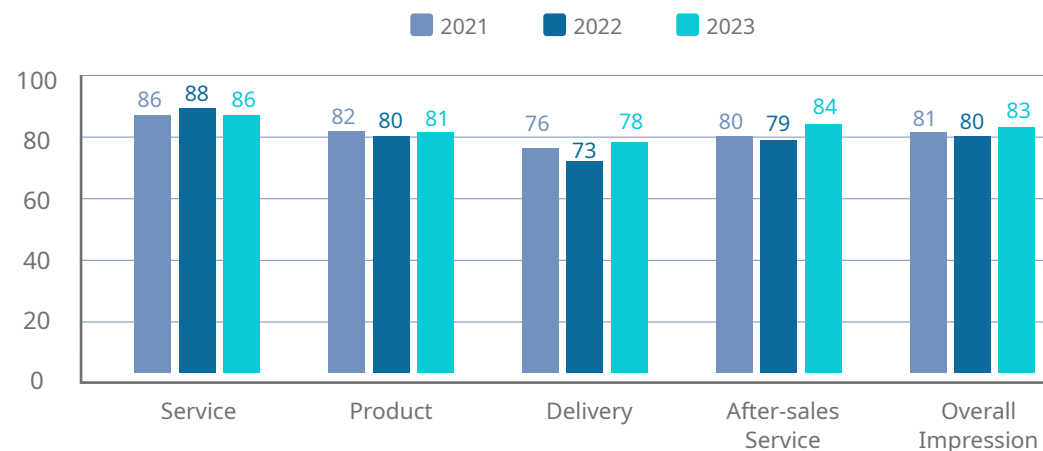




## ■ Analysis by Survey Category

The customer satisfaction survey is divided into five major aspects: "service, product, delivery, after-sales service, and overall impression". To provide customers with better services and improve service levels, and to clearly identify areas for improvement, we summarize and compare the categories of service, delivery, and after-sales service in 2023 and 2022.

Satisfaction	2021	2022	2023
Service	86	88	86
Product	82	80	81
Delivery	76	73	78
After-sales Service	80	79	84
Overall Impression	81	80	83



### Service Aspect

Customer service is an indispensable part of an enterprise's customer value system. Ace Pillar has always cultivated loyal customers with good service quality. However, in the Taoyuan and Hsinchu area in 2023, due to the excessive short-term personnel turnover, and the lack of established customer relationships with new employees, only 1/6 of the customers in the Hsinchu area filled out the satisfaction questionnaire, affecting the score of 86 points in 2023, a decrease of 2.2 percentage points compared to 88 points in 2022. To fill this gap, the establishment of a digitized business card database has been gradually launched to strengthen customer information and customer service, reducing customer loss caused by personnel mobility. Furthermore, to accelerate the integration of new employees' job competencies, the establishment of a new employee education and training database has been proposed and prepared. The expected benefits include not only a basic understanding of Ace Pillar's overall business, but also the ability to quickly take practical actions (solve cases) while providing a sense of stability, which will help enhance personalized customer service experiences in the future and increase customer stickiness to the Ace Pillar brand.

**Delivery Aspect**

Due to the implementation of the following measures and improvements, the score of 78 points in 2023 increased by 6.8 percentage points compared to 73 points in 2022.

**1**

For inventory control, regularly hold meetings with major suppliers to communicate and discuss, and pull in delivery dates. For products with longer delivery times, establish basic inventory.

**2**

Coordinate and persuade customers to provide forecasts to help ensure that product forecast numbers are close to actual demand.

**3****Make various adjustments to safety stock**

Increase safety stock levels for hot-selling models to 60-90 days  
Review Annual Total Usage Specifications and Top 20 Customer Usage Specifications

Guide customers to use best-selling models and reduce inventory specification types

Screen short lead time and long lead time (including import projects) inventory specifications

Analyze specifications that are often forced to cancel orders due to long lead times

Recent KA-level customer usage specifications forecast

Production project requirements submitted in advance

Conduct market research and inventory issues for variable frequency high horsepower motors

**After-sales Service Aspect**

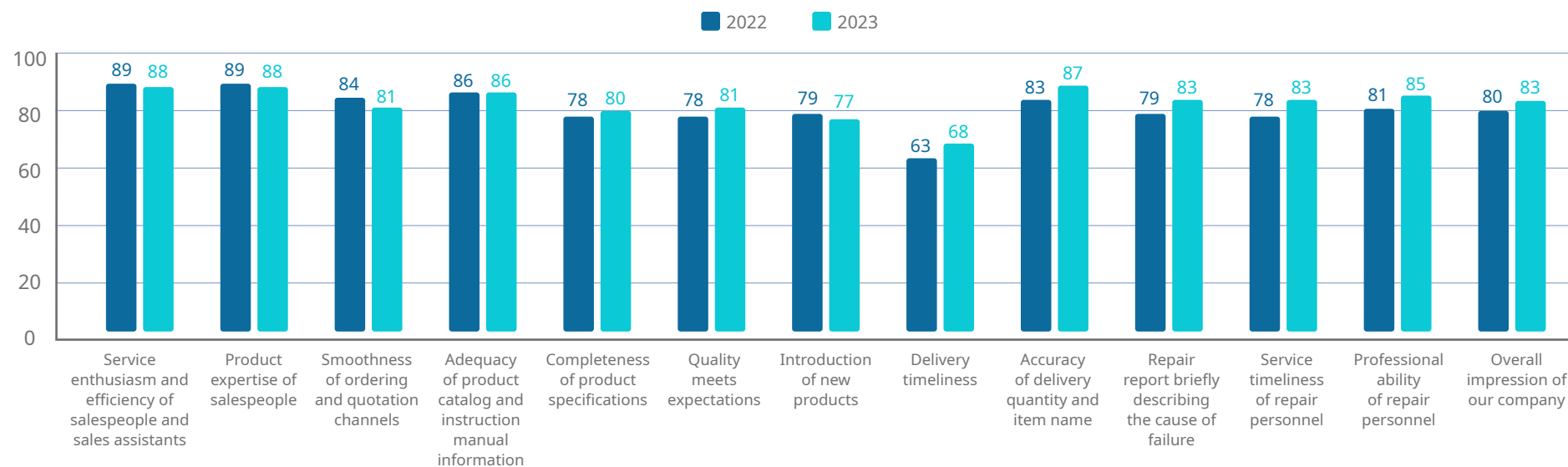
Quality after-sales service is the product of a brand economy. Good after-sales service is the best promotion before the next sale, the main way to improve customer satisfaction and loyalty, and an important channel to establish corporate reputation and spread corporate image. To achieve this goal and provide customers with the best service quality, Ace Pillar takes "achieving the best customer satisfaction" as the highest guiding principle. In 2023, we re-established the after-sales service SOP to shorten internal processes (with a short-term goal of three-day repair completion). As a result, the score in 2023 was 84 points, an increase of 6.3 percentage points from 79 points in 2022. This remarkable growth is due to the joint efforts and maintenance of all Ace Pillar employees.



## ■ Analysis Based on Survey Details

Comparing the details of 2023 and 2022, there are increases and decreases in each satisfaction rating. We are pleased that our dedicated efforts and persistence have finally been recognized by customers, but there are still areas for improvement that require our reflection and review. The following is a comparative analysis of 2023 and 2022 from three aspects: smoothness of ordering and quotation channels, delivery timeliness, and after-sales service.

Satisfaction	Service			Product				Delivery		After-sales Service			Overall Impression
	Service enthusiasm and efficiency of salespeople and sales assistants	Product expertise of salespeople	Smoothness of ordering and quotation channels	Adequacy of product catalog and instruction manual information	Completeness of product specifications	Quality meets expectations	Introduction of new products	Delivery timeliness	Accuracy of delivery quantity and item name	Repair report briefly describing the cause of failure	Service timeliness of repair personnel	Professional ability of repair personnel	Overall impression of our company
2022	89	89	84	86	78	78	79	63	83	79	78	81	80
2023	88	88	81	86	80	81	77	68	87	83	83	85	83
Difference between 2022 vs 2023	-1	-1	-3	0	2	3	-2	5	4	4	5	4	3





### Smoothness of ordering and quotation channels

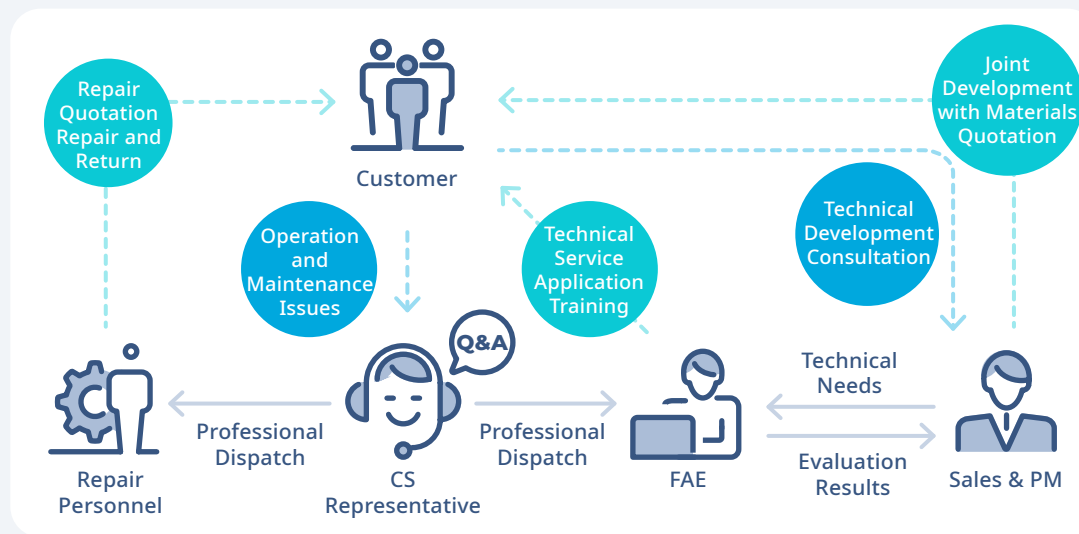
From 2022 to 2023, Ace Pillar has successfully implemented an IT-based intelligent quotation system. This advancement has significantly reduced the pressure of tedious paperwork on the sales side and gained more time to practice deep customer maintenance. But there are still some areas for improvement. Due to strict audit restrictions, the quotation channels are blocked at multiple levels. When the customer's expected price cannot be met in a timely manner, dissatisfaction with "slow quotation response" follows. Therefore, the score in 2023 was 81 points, a decrease of 3.5 percentage points from 84 points in 2022. To secure compliance with company systems and meet the timeliness of quotations, optimizing necessary control restrictions and speeding up approval process are promoted, with the short-term goal of responding to quotations and customer orders within two working days every year.

### Delivery Achievement

Although there was improvement in 2023 compared to 2022, the score of 68 points for this item is still 9.3 percentage points lower than the target score of 75 points. Delivery and other customer complaint issues are common problems encountered. Therefore, in addition to formulating a model of cooperation with major suppliers and developing countermeasures for delivery requirements, the key is to implement, regularly review and revise them as the primary task for future improvement.

### After-sales service

Ace Pillar is committed to providing customers with comprehensive after-sales service and guarantees. To ensure more convenient and faster after-sales service for products and to satisfy a wide range of users, in 2023, Ace Pillar's Technical Service Department implemented the P-12 after-sales service management procedure in accordance with ISO procedures. Relevant organizational structure adjustments and process improvement plans were made for product technical applications and repair services. With conditions such as product salespeople, technicians, and repair personnel, and in cooperation with the original manufacturer's repair service and technical support, the Ace Pillar after-sales service team was restructured.





### Diversified After-Sales Service Communication Channels

To maximize customer satisfaction through diversified after-sales service communication channels, we have opened an official LINE account for after-sales service, providing fast CS consultation services (including all product repairs, repair progress inquiries, warranty inquiries, support file content, etc.), using AI responses combined with real-time text conversations to provide customers with warm, convenient, and consistent service. Moreover, based on standardized after-sales service management processes, through the CRM (Customer Relationship Management) system, we refine the timeliness of repair cases from acceptance, handling, satisfaction survey to case closure. Through the case closing mechanism of independent personnel, it is ensured that each repair case is properly handled. In addition, we have also set up an intelligent customer service on the official website, integrating various channel inquiries (quotation delivery, after-sales service, others) and uniformly directing them back to the inquiry form on the official website. The inquiry form data is automatically imported into the CRM system, improving data filing and subsequent case progress tracking. Finally, through regular CRM integration of business opportunity data, supplemented by data analysis, it helps discover future optimization opportunities and comprehensively enhance the value of Ace Pillar's after-sales service system. To this end, with Ace Pillar's efforts in 2023, we have gained positive recognition from customers compared to 2022 in the three details of "repair report briefly describing the cause of failure", "service timeliness of repair personnel", and "professional ability of repair personnel" in the after-sales service category.





## 3-2 Sustainable Supplier Management

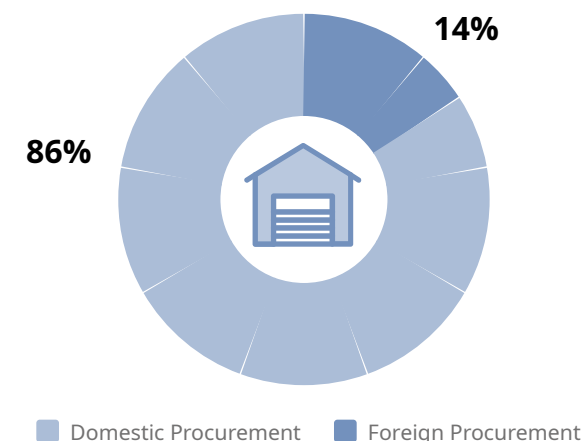
As a distributor of automation electromechanical components and a provider of professional automation technical services, Ace Pillar has about 200 suppliers, which can be divided into three major categories: components, machines, and outsourcing.

### ■ Localized and Sustainable Corporate Development

Ace Pillar values cooperation and growth with suppliers, based on sustainable procurement and in response to customer needs. To this end, we actively engage in multi-faceted communication and discussions with key suppliers and hold meetings with them from time to time to promote closer cooperation. To implement localized and sustainable corporate development, we closely cooperate with domestic manufacturers with sincerity and a proactive attitude, upholding the spirit of giving back to the source and supporting local economic development.

After review, in 2023, the proportion of procurement from domestic manufacturers in Taiwan was about 86%, and the proportion of procurement from foreign manufacturers was about 14%.

Proportion of Procurement from Domestic and Foreign Suppliers



### ■ Supplier Engagement

Ace Pillar's supplier engagement procedure follows the ISO 9001 standard and takes into account corporate outlook and market trends. In procurement strategy discussions, the capabilities of potential suppliers in various aspects are investigated. Such as production capacity, quality, integrity, and service management systems, to see if they meet the standards set by Ace Pillar and serve as a basis for possible engagement.

When evaluating a new supplier, it must pass the supplier evaluation form, which is a questionnaire designed for the various capabilities of the supplier. After rigorous internal evaluation, it is finally confirmed by the unit supervisor. Only suppliers that pass the supplier engagement procedure can become qualified suppliers of Ace Pillar and start new product verification.

The review aspects cover: business overview, delivery capability, quality management, financial status, and production capacity to confirm whether the current status of the supplier meets Ace Pillar's expectations and standards.





## Supplier Management Procedure

Ace Pillar has established supplier management procedure regulations to select qualified suppliers that meet the company's requirements, thereby stabilizing the quality of incoming materials, customer satisfaction, and Ace Pillar's external reputation, further maintaining stable cooperative relationships between suppliers and customers, and enabling Ace Pillar to move more solidly on the path of sustainable development.

### Definition of Suppliers

**Suppliers**  
Suppliers that provide spare parts, finished products and after-sales service.

**Processing Plant**  
Contractors entrusted to process part of the manufacturing process.

**Qualified Manufacturer**  
Qualified suppliers or processing plants.

### Management Procedure

Each operating location of the company has supplier management regulations in accordance with local laws and regulations and production needs. The principles are as follows:

#### Require Suppliers to Sign the "Supplier Code of Conduct"

In the process of the company's continued growth, business strategies must consider the impact and shock brought by society and the environment. Therefore, Ace Pillar invites all suppliers to work together on sustainable development. The Supplier Code of Conduct is formulated as the basis for suppliers to follow, covering five major aspects: labor, health and safety, environment, ethical norms and management systems.

#### Supplier Evaluation

The company sets additional evaluation criteria for different types of procurement cases and stipulates relevant terms in the contract to ensure that suppliers meet the requirements. The product unit conducts written or on-site evaluations of new suppliers, classifying suppliers as a basis for selection. Together with the procurement unit, major suppliers are evaluated annually, and the evaluation results serve as the standard for whether to continue procurement in the following year.

Year	Number of Signed Agreements	Proportion
2022	183	86%
2023	198	93%



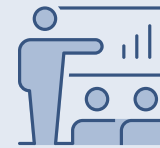


## ■ Communication with Suppliers

Ace Pillar values communication with suppliers. Through smooth communication channels and regular meetings and discussions, good communication relationships are maintained to obtain accurate feedback and opinions from stakeholders in a timely manner, thereby establishing a firm and stable cooperative relationship. This enables both parties to achieve sustainable corporate development and allows Ace Pillar to self-examine and make adjustments on the path of sustainable development, responding to the expectations of the general public and demonstrating social influence. To implement sustainable corporate management, good communication with suppliers cannot be ignored. Therefore, in addition to having good communication channels, there are also irregular direct visits and meetings to maintain a longer-term and better cooperative relationship.



### Diversified Communication Channels



#### Meetings and Discussions:

Irregular meetings and discussions are held with key suppliers.



#### Dedicated Contact:

Product departments are established to provide instant professional responses to suppliers.



#### Communication Software:

Combining social media software and LINE official account for instant response.



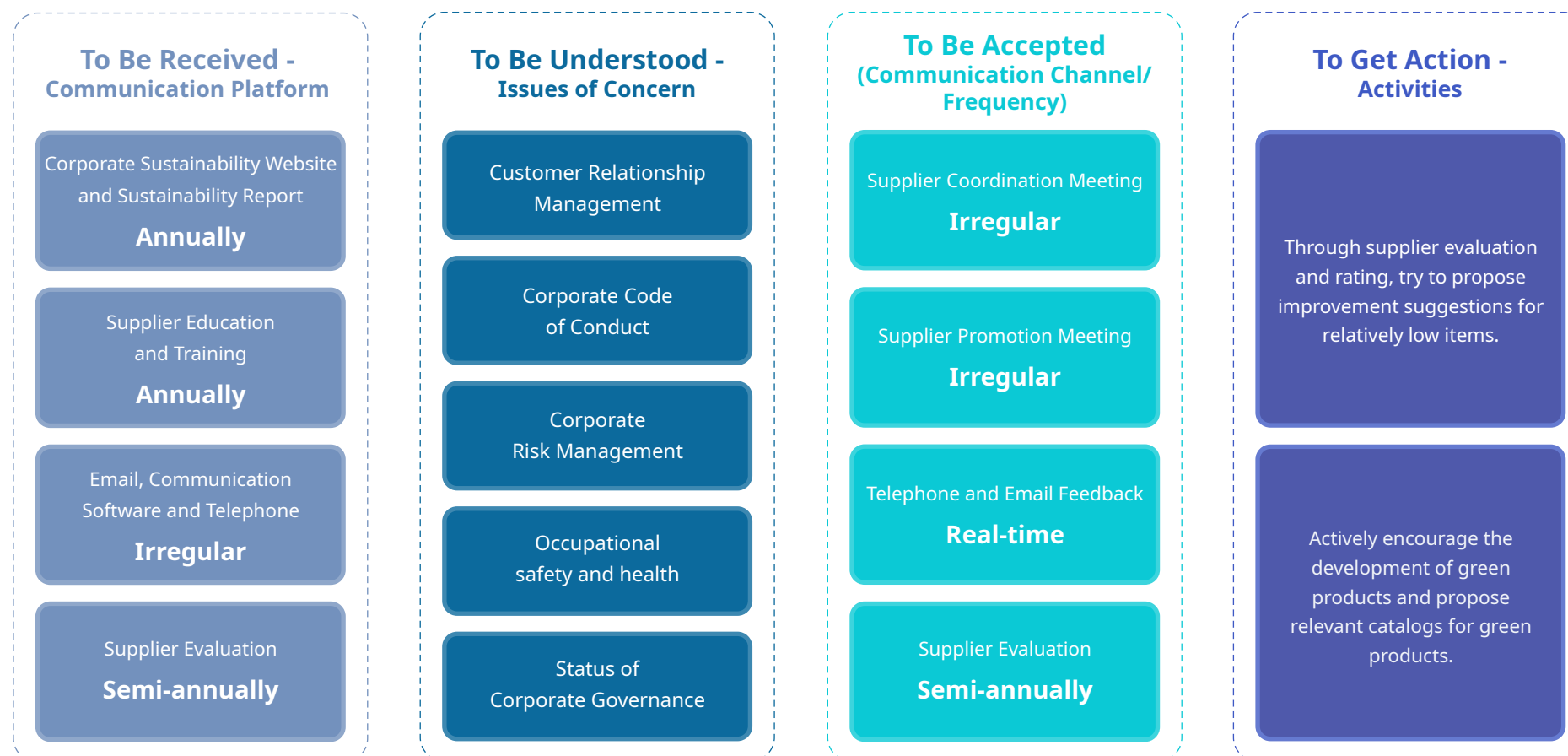
#### Regular Visits:

Stable relationships with suppliers are maintained through regular visits by dedicated personnel from product departments.



## ■ Four Major Goals of Communication with Suppliers

Ace Pillar communicates with suppliers through diversified channels and combines materiality analysis to identify the material issues that suppliers, one of Ace Pillar's important stakeholders, value. Necessary measures are taken to strengthen information disclosure content. The following uses the four goals of communication skills - to be received, to be understood, to be accepted, and to get action - to explain the progress and response of key suppliers in sustainable management.





## ■ Green Supply Chain Plan for Major Suppliers

Ace Pillar is a company that values sustainable development, and major suppliers play an important role. Therefore, a green supply chain plan is planned and formulated to ensure that our major suppliers can implement environmentally friendly and socially responsible practices. Ace Pillar's green supply chain plan aims to ensure that major suppliers provide us with high-quality and sustainable products and services while following environmentally friendly and socially responsible practices.

The green supply chain plan is divided into three main stages

### Stage One Plan - Assessment

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

Energy Management

Working Conditions

Waste Management

Labor Rights

Carbon Footprint Inventory

### Stage Two Plan - Improvement

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

Reduce Carbon Emissions

Increase Energy Efficiency

Improve Waste Management

Enhance Labor Rights

Improve Working Conditions

### Stage Three Plan - Communication

We will publicly disclose the progress of these plans to suppliers and external stakeholders, establishing a transparent monitoring mechanism to ensure that suppliers fulfill their commitments in the plan.

Disclose Goals and Improvements

Transparent Monitoring Mechanism

# 04

## Creating Shared Value

- 4-1 Employee Profile
- 4-2 Learning and Development
- 4-3 Human Rights Management
- 4-4 Building a Happy and Healthy Workplace





## 4-1 Employee Profile

Ace Pillar has always adhered to the management philosophy of "people-oriented" and regards employees as the company's long-term capital and the cornerstone of the company's innovation. To this end, we are committed to providing colleagues with a complete work environment, establishing a compensation system that rewards high-performance employees, and paying great attention to employee benefits, hoping that employees can work with peace of mind and happiness under multiple life guarantees. Besides, to promote good labor-management relations, Ace Pillar also actively creates a fair, healthy, and diverse workplace environment. As of the end of 2023 (12/31), the workforce of Ace Pillar in Taiwan is 118 people. The gender ratio is approximately male: female = 6:4. In terms of employee education, most of them are university or college graduates.

### Employee Structure Overview

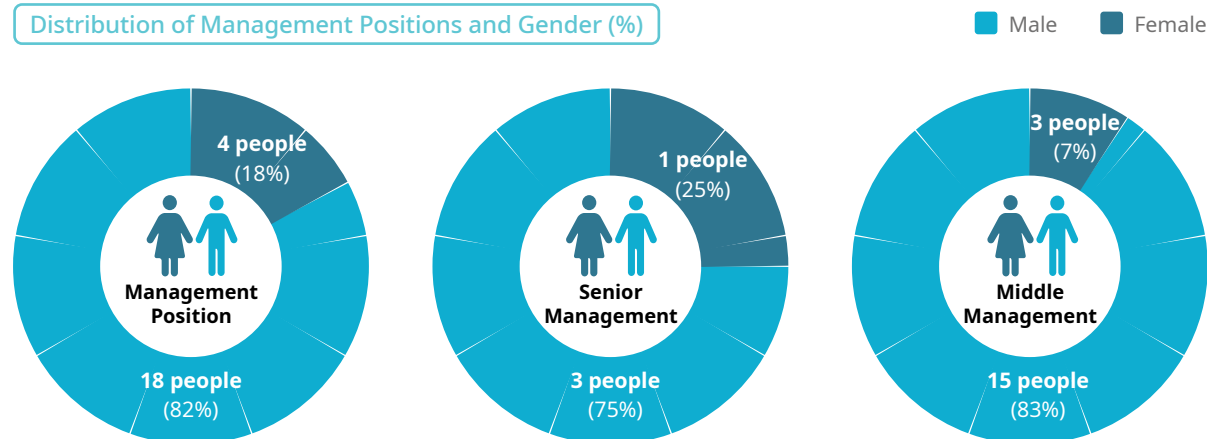
Item	Category	Male	Male Percentage	Female	Female Percentage	Total	Total Ratio
Title	Management	18	82%	4	18%	22	19%
	General Employees	60	63%	36	38%	96	81%
Age	21-30 years old	5	63%	3	38%	8	7%
	31-40 years old	19	61%	12	39%	31	26%
	41-50 years old	34	65%	18	35%	52	44%
	51-60 years old	17	74%	6	26%	23	19%
	Over 60 years old	3	75%	1	25%	4	3%
Education	PhD	0	0%	0	0%	0	0%
	Master	15	75%	5	25%	20	17%
	Bachelor/College	61	65%	33	35%	94	80%
	High School	2	50%	2	50%	4	3%
	Below High School	0	0%	0	0%	0	0%



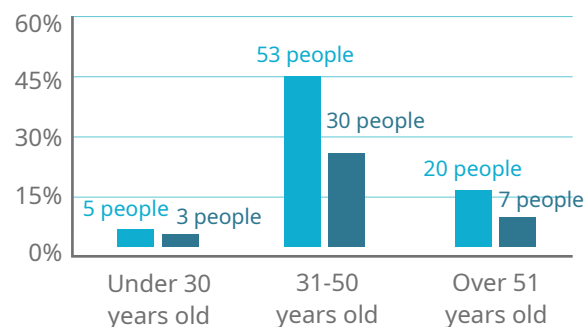
## Talent Recruitment

Ace Pillar recruits and selects talents based on business needs, striving to develop diverse channels, adhering to the principle of suitable talent for suitable positions and internal talents having priority over external recruitment, and constructing selection principles that do not discriminate based on race, religion, skin color, nationality, gender and other factors, and prohibit the employment of child labor.

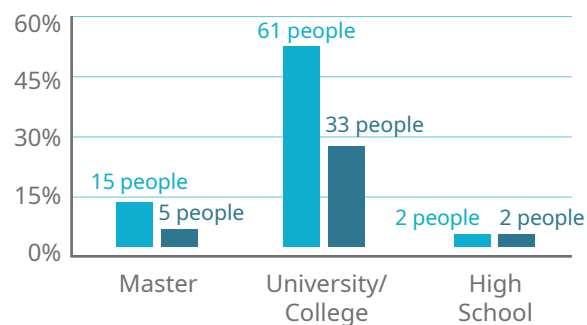
Distribution of Management Positions and Gender (%)



Ratio of Age and Gender Distribution (%)



Ratio of Education and Gender Distribution (%)

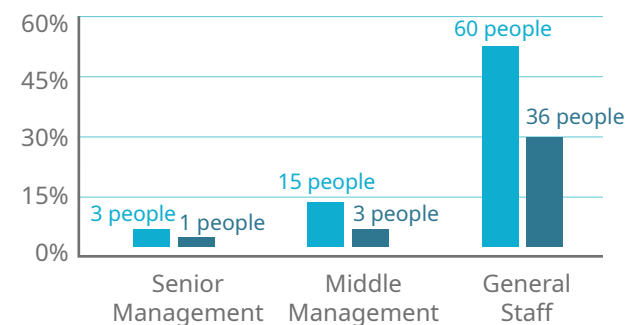


## Local Hiring

Ace Pillar prioritizes the employment of local labor in personnel recruitment.

Region	Ratio of Local Labor Hired by Ace Pillar Taiwan
Sanzhong	82%
Xinzhuang	47%
Taoyuan	100%
Hsinchu	60%
Taichung	77%
Tainan	71%
Kaohsiung	67%

Ratio of Employee Rank and Gender Distribution (%)





## 4-2 Learning and Development

### Talent Development

Ace Pillar attaches great importance to employee training and development. The company invests sufficient resources to provide employees with diversified courses and studies. Through providing colleagues with comprehensive cultivation, it is expected that employees' learning and development will be more enriched and diversified.

Main Focus  Employees, suppliers and customers	2023 Training Goals	2023 Training Goal Achievement	Medium and Long-term Actions	Management Approach
	Clarify common job competency training for new employees	<b>100%</b> completion rate for new employee common competency courses	Introduce digitalized courses and increase course ratio	<ul style="list-style-type: none"> <li>● <b>Responsibility:</b> HR and relevant unit supervisors</li> <li>● <b>Resources:</b> Support from senior management/System aspect/External consulting resources</li> <li>● <b>Actions:</b> Introduce digitalized courses and increase course ratio/Clarify core management competency system/Implement talent development plans based on Individual Development Plans (IDP)</li> </ul>
	Implement management competency training for supervisors	<b>95%</b> completion rate for supervisor courses	Clarify core management competency system	
	Strengthen mandatory job competencies for laws and policies	<b>100%</b> completion rate for laws and policies courses	Implement talent development plans based on Individual Development Plans (IDP)	

#### New Employee Education and Training

Number of new employee general training participants **22 participants**

Total hours of new employee general training  
**66 hours**

#### Average Training by Employee Rank

Management Position **152 hours**

General Staff **326 hours**

All Staff **478 hours**

#### Other Policy Training Courses

Integrity Handbook Training  
**118 participants/118 hours**

Insider Trading Prohibition and Prevention  
**120 participants/120 hours**

Workplace Illegal Infringement  
**22 participants/22 hours**

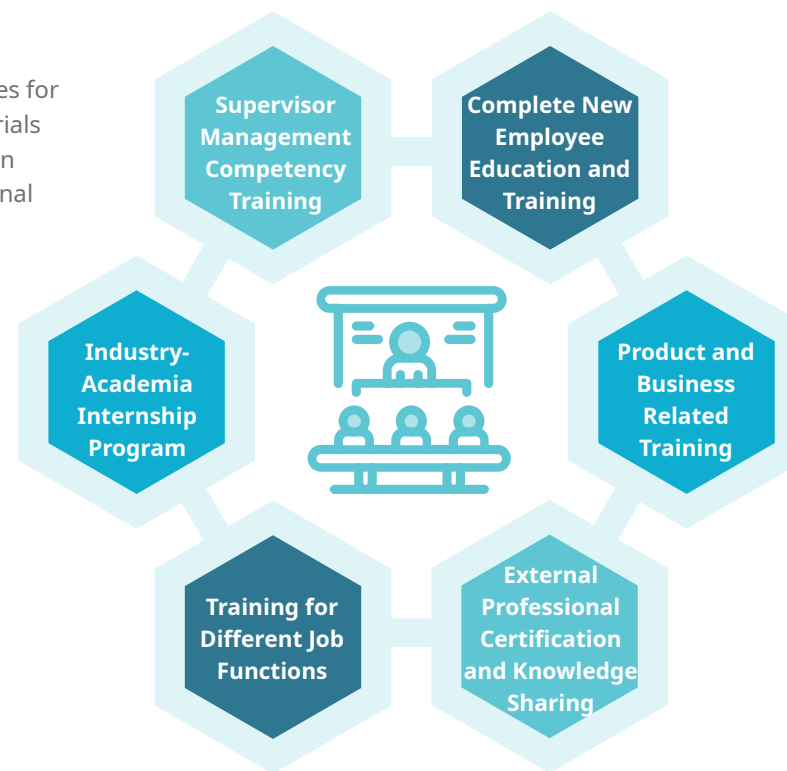




## Training Courses

Except to providing a complete new employee training system and offering professional courses for different job functions, Ace Pillar also provides product technical personnel with training materials and courses on various product professional skills and knowledge. Furthermore, employees can also learn and acquire new knowledge through external channels, including external professional certification and external professional knowledge lecture sharing.

To cultivate the important leadership and management competencies required by supervisors at different levels, and to respond to the challenges of future strategic directions and organizational growth, a training system related to supervisors' management competencies is planned. From entry-level supervisors, leadership skill courses that new managers should have are provided. For middle and senior-level supervisors, according to their exclusive management competencies, benchmark leaders' leadership and management skills are systematically learned through the implementation of progressive training courses.



To implement ESG sustainable management and improve ESG sustainable management performance, Ace Pillar spares no effort in cultivating ESG professionals within the company. In 2023, employees were sent to participate in the ESG Sustainable Management Certification Training Program of the Taiwan Institute for Sustainable Energy (TAISE), and all of them obtained the Sustainable Management Certification from the TAISE Foundation.



## 4-3 Human Rights Management

### ■ Human Rights Policy

To fulfill corporate social responsibility and protect the basic human rights of all employees, customers and stakeholders, the company follows the principles set forth in the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, and the International Labor Organization of the United Nations, respecting internationally recognized basic human rights.

Care for disadvantaged groups, prohibit the use of child labor, eliminate all forms of forced labor, eliminate discrimination in employment and occupation, eradicate any acts that infringe upon and violate human rights, protect gender equality, and treat all employees fairly.

The company's human rights policy advocates



#### Diversity, inclusiveness and emphasis on equal opportunities

There shall be no discriminatory language, attitudes or behaviors based on gender, race, class, age, marriage, language, thought, religion, party affiliation, place of origin, place of birth, appearance, facial features, disability, etc., and jointly strive to create a workplace environment with dignity, safety, equality, free from discrimination and harassment.



#### Reasonable remuneration and equal working conditions

Provide employees with reasonable remuneration conditions and related welfare measures in accordance with laws and regulations. Regardless of gender, they have equal pay for equal work and equal promotion opportunities.



#### Healthy and safe workplace

Establish a safe and healthy working environment, implement various employee safety, health and health protection measures, jointly reduce workplace safety and health risks, promote employees' physical and mental health, and achieve a balance between work and life.



#### Harmonious labor-management relations

The company provides diverse communication channels internally, allowing employees to fully express their voices and reflect problems, such as regular labor-management meetings, employee welfare committee meetings, etc., to collect and solve employees' difficulties. Under the mechanism of joint participation and full communication, develop harmonious and good labor-management relations.



## Human Rights Management Plan

The company's remuneration policy also ensures that employees' salary and rank are not affected by personal gender, age, race, religion, or political stance. The company's human rights policy is announced on the official website for colleagues and stakeholders to follow.

## Human Rights Risk Mitigation Measures

To ensure a safe working environment, the company provides a comfortable, safe and healthy working environment and provides the necessary protective equipment for work to protect the safety and health of all employees. For situations that employees may encounter in the workplace, different safety training is provided, such as fire drills, emergency response promotion, etc. In addition, the company has established the "Prevention Plan for Illegal Infringement in the Execution of Duties" to prevent harm from internal and external workplace violence due to the execution of duties, allowing employees to work with peace of mind in the workplace. Management also signs a "Written Statement on the Prohibition of Workplace Violence" and announces it to all employees. At the same time, through labor-management meetings at least four times a year, management responds to issues raised by employees. Moreover, the company also provides reporting channels, which are accepted by the human resources unit and investigated, and the personal information of the reporter is kept confidential. If it is verified to be true, the company promises to protect the confidentiality of the reporter's identity and not to treat the reporter adversely. Ace Pillar had no records of human rights violations in 2023. The company continues to conduct integrity and other related training for all employees, providing education and training courses on anti-corruption, the highest code of business conduct, workplace health and safety, and other issues to create a healthy and safe working environment for employees.

Ace Pillar had **no records**  
of human rights violations in 2023.





## 4-4 Building a Happy and Healthy Workplace

Upholding the concept of creating a happy and healthy workplace, Ace Pillar plans diverse employee benefits to let all colleagues experience a high-quality workplace environment and a healthy and happy corporate culture.

### Employee Salaries



To attract and retain excellent talents, Ace Pillar's major global locations all comply with the labor laws of each country, and never offer salaries lower than the basic legal wages. There is no difference based on gender, religion, race, nationality or party affiliation. To provide employees with a competitive remuneration policy, individual education and experience, professional skills, and employee performance will be considered to adjust employee salaries to ensure that employee salaries are in line with market conditions and fairness. For the remuneration of senior executives, the achievement of annual remuneration-related performance indicators is reviewed and their annual remuneration is regulated at the Remuneration Committee meeting.

### Retirement Fund Contributions



Ace Pillar's retirement fund contributions apply to the years of service of all formal employees before the implementation of the "Labor Pension Act" on July 1, 2005, and have all been fully settled in accordance with the provisions of the Labor Standards Act. To take care of employees' retirement life and promote good labor-management relations, Ace Pillar has adopted a defined contribution system in accordance with the Labor Pension Act, and contributes retirement funds to the labor pension personal accounts established by the Labor Insurance Bureau on a monthly basis. For those who voluntarily contribute to the retirement fund, the company withholds the funds from the employee's monthly salary based on the voluntary contribution rate and remits them to the personal retirement fund account of the Labor Insurance Bureau.

### Quality Benefits



Upholding the concept of creating a happy and healthy workplace, Ace Pillar plans diverse employee benefits to let all colleagues experience a high-quality workplace environment and a healthy and happy corporate culture. Ace Pillar cares about employees' hard work and provides many welfare systems, employee facilities and employee activities that are superior to legal requirements, allowing employees to relax and relieve stress while working hard. The welfare funds come from regular contributions from revenue and employee salaries, and are used for employee activities, children's education scholarships, three festival bonuses, travel subsidies, wedding gifts, etc.





## Average and Median Annual Salaries of Full-time Non-managerial Employees in Taiwan

Unit: NT\$ thousand

Item	2020	2021	2022	2023
Number of General Staff (A)	101	109	103	107
Total Full-time Salary (B)	82,852	103,110	92,229	92,275
Average Salary (C=B/A)	820	946	895	862
Median Salary	724	836	816	801

## Description

1. In response to the amendment of the "Regulations Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies" implemented by the Taiwan Stock Exchange since 2019, the median annual salary of full-time non-managerial employees is disclosed.
2. Annual salary: includes full-year base salary and full-year bonuses.
3. In 2023, Ace Pillar had a total of 107 full-time non-managerial employees, with a total salary of NT\$92,275 thousand.

## Employee Health Care and Safety

Upholding the concept of creating a happy and healthy workplace, Ace Pillar insists that sustainable health management is a commitment to caring for employees. We care about employees' physical and mental health and provide thoughtful health care to employees. We believe that only healthy employees can increase the company's competitiveness. Therefore, through providing complete and thoughtful health care activities, all colleagues can experience a high-quality workplace environment and a healthy and happy corporate culture.





### Employee Health Management

#### Annual Free Health Checkup for All Employees

Ace Pillar provides annual free health checkups for all employees, and arranges on-site medical experts for special cases to provide case consultations and professional medical advice. At the same time, on-site medical staff also track special cases, providing the convenience of health consultations for colleagues at work. So far, Ace Pillar has not had any cases of occupational diseases caused by work reasons, nor has it engaged in any work with high risk or high incidence of specific diseases.

#### On-site Health Service

Since the introduction of on-site health services in 2022, professional medical staff have understood the health conditions of the protected subjects and their relationship with operations, conducted health risk assessments for high-risk employees, and taken necessary prevention and health promotion measures. This has also improved the analysis and evaluation of labor physical (health) examination results, health management and data preservation, tracking management and health guidance for those with abnormal health examination results. And case management for workers with maternal health hazards and occupational injury and illness.

#### On-site Medical Service Items

Service Frequency: Physician 3 times/year, Nurse 3 times/month  
Health consultation, four major health plans, covering: Ergonomic hazard prevention, maternal health protection, illegal infringement and abnormal workload prevention.



### Occupational Safety and Health of Employees

To ensure the safety and health of the company's workers in workplace operations, Ace Pillar has established occupational safety and health management regulations in accordance with Article 12-1 of the Occupational Safety and Health Management Measures. To prevent occupational disasters and protect the safety and health of all employees, in accordance with the Occupational Safety and Health Management Guidelines, we strengthen the improvement of occupational safety and health facilities and the working environment, prevent occupational disasters, implement occupational safety and health management plans, and aim to achieve zero major occupational disasters. Meanwhile, occupational safety and health education and training promotion courses are regularly conducted for all new and current employees. In order to provide the company with guidelines to follow for internal and external reporting and communication procedures in the event of an emergency, emergency event reporting operating procedures have also been established to maintain the property and life safety of the company and related personnel when responding to emergency situations.





## Company Benefits

Ace Pillar cares for employees and provides employee benefits that comply with legal requirements, including health insurance, labor insurance, retirement fund contributions, occupational disaster insurance contributions, on-site health care services, parental leave, paternity leave (for male colleagues), etc. In addition, it also provides many welfare items that are superior to legal requirements, including Employee Welfare Committee scholarship subsidies, three festival bonuses, birthday gifts, Labor Day bonuses, department gatherings. Moreover, to allow employees to enjoy work more and relieve stress during work, the company also provides free coffee/drinks/snacks and a flexible working hours system, hoping that each employee can achieve a balance between work and life.





Quality Welfare Items



**Bonuses and  
Welfare Subsidies**



Quarterly Bonus

Employee Stock  
Ownership Trust

Three Festival, Birthday,  
Labor Day Bonuses

Children's Scholarship  
Subsidies

Travel Points Subsidies



**Employee  
Activities**



Group Family Day

Group Charity Activities:  
Beach Cleanup, Tree  
Planting

Group Sports  
Competitions

Department Gathering  
Activities

Group Year-end Party



**Work Stress Relief  
and Balance**



Bright and Comfortable  
Employee Lounge

Free Snacks/Drinks/  
Coffee

Ergonomic Office Desks  
and Chairs

Flexible Working Hours



**Health Care  
Management**



On-site Health Care  
Services

Annual Free Health  
Checkup

Implementation of  
Workplace Violence  
Prevention Promotion



**Employee  
Feedback**



Employee Satisfaction  
Survey

Labor-Management  
Meetings at Least Four  
Times a Year

Implementation of  
Workplace Violence  
Prevention Promotion

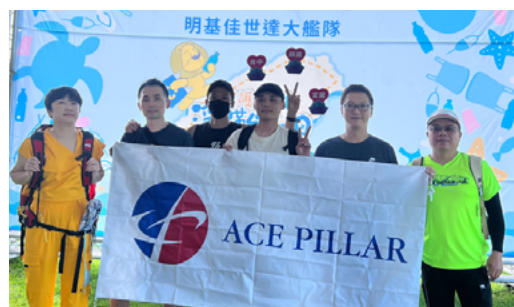




## Caring for the Earth and Society

Ace Pillar has always valued the "people-oriented" management philosophy, not only implementing it in providing a comprehensive working environment for colleagues but also extending the concept of caring for society to local communities. Upholding the spirit of being friendly to society, Ace Pillar gathers the love of many employees, combines the strength of the company, encourages colleagues to actively participate in various local care programs and employee-initiated activities, and concretely implements the company's contribution to society.

The company encourages all employees to actively participate in the group's ESG-related activities. In 2023, they participated in tree planting activities on Arbor Day, as well as three beach cleanup activities, with locations covering the north, central and coastal areas of Taiwan, including Zhuyuan in Taoyuan and Zhuangwei in Yilan. Together with the group, we respond to protecting the ocean and work together for nature and our next generation, calling on colleagues to practice and realize the concept and action of environmental sustainability.





## Employee Satisfaction Survey

Starting from 2023, Ace Pillar conducts employee satisfaction surveys. Through online questionnaires, employees' satisfaction with various aspects of the workplace is investigated to understand employees' opinions. According to the survey, the top three employee satisfaction items are direct supervisor, colleague relationships, and sustainable management. In terms of compensation and benefits, corporate culture, and learning and development, there is room for improvement. Ace Pillar will continue to optimize existing welfare items, plan activities that combine public welfare and enhance employee cohesion, and plan relevant education and training according to the competency needs of employees' positions, hoping to enhance employee satisfaction with the workplace.

### Top Three Employee Satisfaction Items



## Good Labor-Management Communication Channels and Relations

To maintain good labor-management relations between the company and employees, smooth communication channels are established within the company, such as employee welfare committee meetings, labor-management meetings, etc., to allow colleagues to promptly understand company information and encourage everyone to make suggestions for reference by decision-making units. Comprehensive communication channels not only promote labor-management relations but also allow the company to fully understand employee needs and provide a more complete workplace environment.

	2023 Management Goals	2023 Management Goal Achievement	2024 Management Goals	Medium and Long-term Goals	Management Approach
<div>Main Focus</div> <div>Employees</div>	Internally announce labor dynamics and business overview quarterly	All achieved	Internally announce labor dynamics and business overview quarterly	Maintain labor-management communication at least 4 times a year	<ul style="list-style-type: none"> <li>● <b>Responsibility:</b> Human Resources Center</li> <li>● <b>Resources:</b> Labor-Management Meetings/Employee Welfare Committee</li> <li>● <b>Actions:</b> Provide employees with diverse communication channels and promptly understand company information through communication channels.</li> <li>● <b>Evaluation:</b> Report labor dynamics and business overview at labor-management meetings quarterly.</li> </ul>



# 05

## Sustainable Environment

- 5-1 Climate Strategy and Carbon Management
- 5-2 Operational Environmental Management



## 5-1 Climate Strategy and Carbon Management

The world is facing the threat and impact of climate change, and various countries are actively carrying out climate change-related management and measures, which shows that climate-related issues are significant to the future global development and corporate operations. As a corporate citizen, Ace Pillar is also actively and gradually planning to manage climate change-related issues. We take the impact of climate change seriously and refer to the TCFD (Task Force on Climate-related Financial Disclosures) recommendation framework to gradually carry out climate risk and opportunity management actions and responses.

### Ace Pillar's Strategies and Actions

#### Governance

- Board of Directors: As the highest unit to supervise climate change management, responsible for reviewing sustainable management strategies, key policies, risk management, annual implementation results, etc.
- Sustainable Development Committee: Chaired by the President, with senior executives of each center serving as members of each aspect, operating on different issues of concern to stakeholders and coordinating with relevant company departments to promote planned work, including planning, promotion, execution, etc. of relevant businesses. Meetings are held at least four times a year, and operating status is reported to the Board of Directors at least once.

#### Strategies

- Based on internal identification, short-, medium-, and long-term climate-related risks and opportunities and their impact on the organization's operations, strategies, and financial planning are identified.
- The short-term for climate-related risks is defined as less than 5 years, medium-term as 5-10 years, and long-term as greater than 10 years.
- Based on internal identification of material climate risks and opportunities, their potential operational impact on Ace Pillar is assessed and future management measures and strategies are planned.

#### Risk Management

- Ace Pillar incorporates the concept of climate risk into various operations and business contents, and identifies potential climate risks/opportunities, analyzes the impact of risks/opportunities, evaluates and determines countermeasures, and based on the characteristics and impact level of risks/opportunities, conducts centralized management and hierarchical execution to effectively control risks and opportunities.

#### Indicators and Targets

- Comply with government environmental protection and energy laws, regulations and requirements, pay attention to the impact of climate change on corporate operating activities, regularly review environmental and energy-saving targets, and continuously improve environmental management performance.



## Climate Change Risk and Opportunity Assessment and Response

Ace Pillar assesses climate change risks and opportunities based on the company's internal risk identification process, and divides them into climate-related risks and financial impacts, and climate-related opportunities and financial impacts and response descriptions as follows:

Risk Type	Climate-Related Risk		Likelihood of Occurrence	Financial Impact Level	Impact Level	Estimated Time of Occurrence	Adaptation Management Strategy and Targets
Transition Risk	Policies and Regulations	Customer demand for green electricity	● High	● Low	● Low	1- 5 years	Conduct in-depth research on government policies regularly to develop relevant solutions for products and services, and actively strive for 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 replaced by competitors with lower carbon products	● Low	● Low	● Low	10 years	Actively understand market trends and pay attention to customer needs to adjust products and services in a timely manner.
Physical Risk	Immediacy	Typhoon	● Medium	● Medium	● Medium	1- 5 years	Cooperate with the emergency response joint defense mechanism set up by the group to assess and analyze possible future impacts as a basis for major natural disaster risk management decisions, and regularly track and manage them in the Risk Management Committee.
	Long-term	Flooding or power shortage	● Medium	● Medium	● Medium	1- 5 years	
Opportunity Type	Climate-Related Opportunity		Likelihood of Occurrence	Financial Impact Level	Impact Level	Estimated Time of Occurrence	Adaptation Management Strategy and Targets
Resource Efficiency	Solar panel installation		● High	● Low	● Low	1- 5 years	Combine with subsidiary Ace Energy Co., Ltd. to actively develop green products and services to increase revenue.
	Recycling and Reuse		● High	● Low	● Low	1- 5 years	Logistics centers implement pallet & packaging material recycling and reuse; continue to record recycling statistics data.





## 5-2 Operational Environmental Management

### ■ Climate Strategy and Carbon Management

In the process of sustainable development, Ace Pillar will uphold the concept of cherishing the earth's resources and fulfilling the social responsibility of a people-oriented enterprise. It is expected that through this report and the planning of greenhouse gas inventory and verification-related operations, the implementation status will be reported to the Board of Directors quarterly. All the company's plants completed the inventory of Scope 1 and 2 in 2023, and are expected to complete third-party verification in 2024.

Establish a dedicated (part-time) unit, the number of dedicated (part-time) personnel and their scope of duties	Ace Pillar Company	Consolidated Company
	✓ Completed	In progress / Expected to be completed in December 2024 (4 companies completed; 12 companies should be completed; completion rate 33.3%)
Conduct education and training for inventory team members	Ace Pillar Company	Consolidated Company
	✓ Completed	In progress / Expected to be completed in December 2024 (4 companies completed; 12 companies should be completed; completion rate 33.3%)
Complete greenhouse gas inventory (by December 2025)	Ace Pillar Company	Consolidated Company
	✓ Completed	In progress / Expected to be completed in December 2025 (4 companies completed; 12 companies should be completed; completion rate 33.3%)
Complete external verification (by December 2027)	Ace Pillar Company	Consolidated Company
	Not yet started / Expected to be completed in December 2026	Not yet started / Expected to be completed in December 2026 (0 companies completed; 12 companies should be completed; completion rate 0)

**Note** As of December 2023, the schedule for greenhouse gas inventory and assurance of the company's individual entities and consolidated report individual companies and consolidated report subsidiaries.

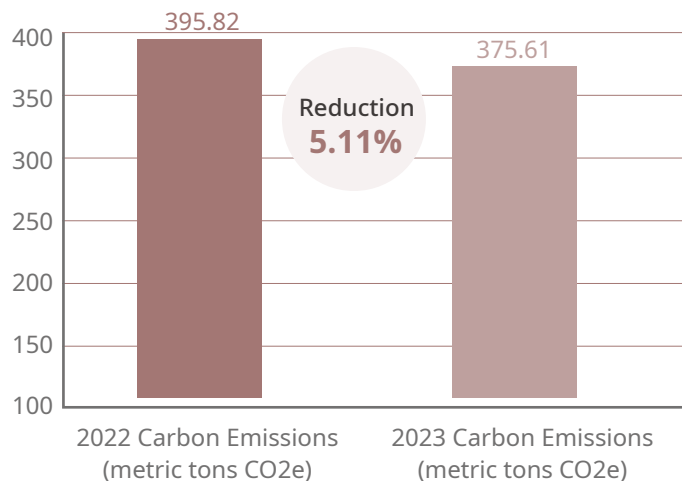


## Greenhouse Gas Inventory

As a distributor and not a manufacturer, Ace Pillar does not belong to a high-carbon emission industry, but the issue of carbon emissions still requires attention. In 2023, the company conducted an internal inventory of the environmental impact of energy use within the organization. The main sources are the carbon dioxide generated during the power generation process of purchased electricity required for office operations and the greenhouse gases caused by the gasoline used by the company's private cars for business travel. The statistics show that the total greenhouse gas emissions in 2023 were approximately 375.61 metric tons of CO<sub>2</sub>e, a decrease of 5.11% compared to the total carbon emissions of 395.82 metric tons in 2022.



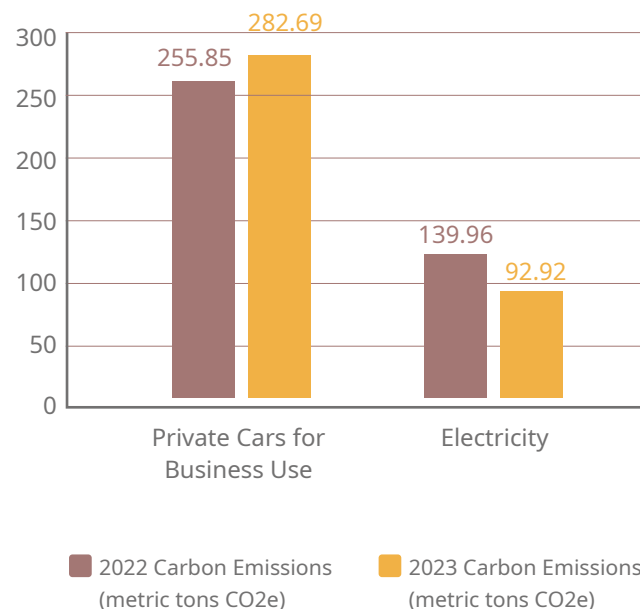
Figure 1: Annual Greenhouse Gas Emissions



### Note

1. Data is Ace Pillar's self-inventory of energy use within the organization, including: office electricity, business vehicle fuel (gasoline)

Figure 2: Comparison of Greenhouse Gas Carbon Emissions in 2022/2023 Reduction



### Note

1. Calculated by multiplying the reported annual gallons of private cars for business use (119.717 gallons) by the sum of the relevant carbon emission coefficients. Assuming the annual total amount of gasoline (gallons) = N, the annual CO<sub>2</sub>e emissions (metric tons/year) =  $N * \text{Co}_2 \text{ emission coefficient} + N * \text{CH}_4 \text{ emission coefficient} * \text{GWP} + N * \text{N}_2\text{O emission coefficient} * \text{GWP}$  = Annual CO<sub>2</sub>e emissions. (GWP = Global Warming Potential.)

2. Based on the total operating activity electricity usage (185,103 kWh) listed on the Taiwan Power Company's bill, multiplied by the sum of the relevant carbon emission coefficients. Assuming the annual total operating activity electricity usage (1,000 kWh) = E, the annual CO<sub>2</sub>e emissions (metric tons/year) =  $E * 0.502$



Although the sum of Scope 1 and 2 decreased by 20.2066 metric tons of CO<sub>2</sub>e compared to 2022 and the revenue in 2023 decreased by 33 compared to 2022, the carbon emissions per million NTD increased by 41.5%, indicating that business colleagues' sales activities did not decrease but rather they visited customers more frequently, resulting in increased oil consumption compared to 2022, but did not bring sufficient revenue.

#### Emission Sources

##### Direct Emission Sources

- Fuel used by business vehicles
- Drinking water equipment refrigerant
- Fire extinguisher gas leakage
- Refrigerator refrigerant

##### Indirect Energy Emission Sources

- Purchased electricity



#### Concrete Action Plans

- Utilize video conferences
- Reduce colleagues' use of transportation
- Promote carpooling to reduce the number of vehicles used
- Advocate turning off lights when not in use and other concrete actions to reduce electricity waste

As a distributor and not a manufacturer, Ace Pillar will uphold the concept of cherishing the earth's resources and fulfilling corporate social responsibility in the process of sustainable development, and continuously improve sustainable corporate management. We hope to make a little more effort for the sustainable energy of the earth's environment. Through this report, we hope that all stakeholders will better understand our dedication and efforts, gain more recognition from relevant parties, and we also ask all experts to give us guidance and suggestions. Thank you for your support of Ace Pillar.





## Water Resource Management

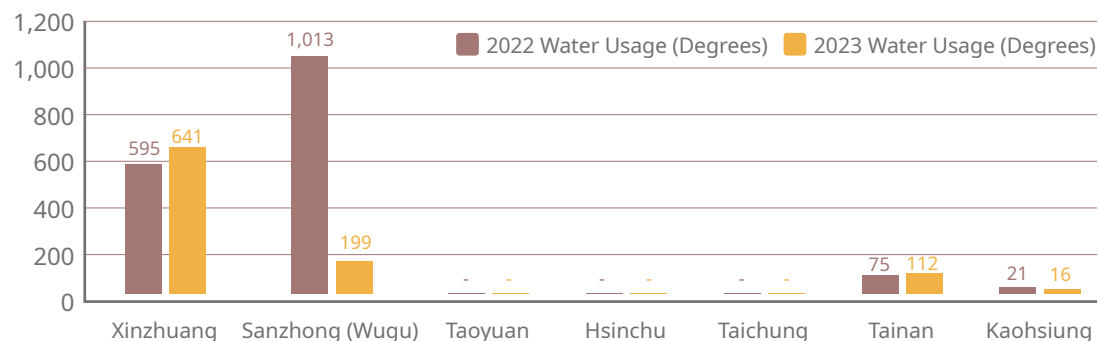
As a distributor and not a manufacturer, Ace Pillar does not belong to a high water consumption industry, but the issue of water usage still requires attention. The water sources for Ace Pillar's various operating locations in Taiwan are 100% from the Taiwan Water Corporation, with the main uses being the circulating water for air conditioning in the logistics center and the daily water use of employees. Therefore, the water usage of each operating location from January to December 2023 was disclosed based on the statistics from the water bill, and the total water usage was calculated to be 968 tons, which significantly saved 736 tons (43.19%) compared to the total water usage of 1,704 tons in 2022. The per capita water usage in 2023 was 8.20 degrees, a significant decrease of 7.29 degrees (47.04%) compared to 15.49 degrees in 2022.

Year	Total Usage	Per Capita Usage
112	968	8.20

Unit: Degrees

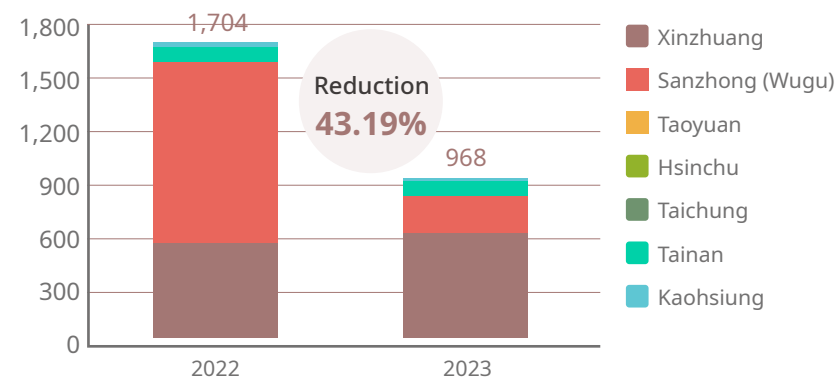
**Note** 1. The number of employees at the end of 2023 was 110. 2. Water usage statistics began in 2023.

Figure 3: Comparison of Water Usage by Unit in 2022/2023



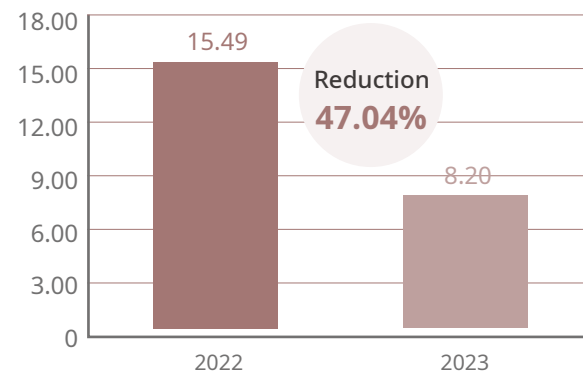
**Note** 1. Only data from Taipei, Taoyuan, Hsinchu, Taichung, Tainan and Kaohsiung locations are disclosed.  
 2. As a distributor, water resources are not a major environmental issue for Ace Pillar.  
 3. The company's water usage is 100% tap water.

Figure 1: Comparison of Total Water Usage (Degrees)



**Note** 1. The water usage degrees recorded on the Water Corporation's payment slip are used for statistics.  
 2. The water fees for Taoyuan, Hsinchu, and Taichung operating locations are included in the rent, and it is not possible to reasonably calculate the actual water usage, so they are not included.

Figure 2: Comparison of Per Capita Water Usage (Degrees)



**Note** 1. Calculated number of employees: 110 at the end of 2022, 118 at the end of 2023



## Analysis of the Reasons for the Increase and Decrease in Water Usage in 2023

Unit: Degrees

- 1 Except for the logistics center, the per capita water usage of each operating location did not show a significant increase or decrease compared to the previous year due to factors such as the epidemic and personnel changes.
- 2 The water usage (including shared public water usage) of the old logistics center (Wugu) accounted for 59.45% of the total water usage in 2022. After moving to the new location in Sanzhong at the end of 2022, the main water usage was for employees and air conditioning, without the need to share public water usage. In June 2023, after the air conditioning was installed and following the principle of energy saving and carbon reduction, it was only turned on when needed, so the water usage of the Sanzhong logistics center in 2023 was able to be greatly reduced by 80.36%.

## Note

1. Public water usage includes the building's central air conditioning water usage and the water usage of various facilities

## Note

1. The number of employees at the end of 2022 was calculated as 100 for various operating locations and 10 for the logistics center
2. The number of employees at the end of 2023 was calculated as 106 for various operating locations and 12 for the logistics center

Business Locations		2022	2023
Ace Pillar's Various Operating Locations	Total Degrees	691	769
	Per Capita Degrees	6.91	7.25
Logistics Center	Total Degrees	1013	199
	Per Capita Degrees	101.3	16.58

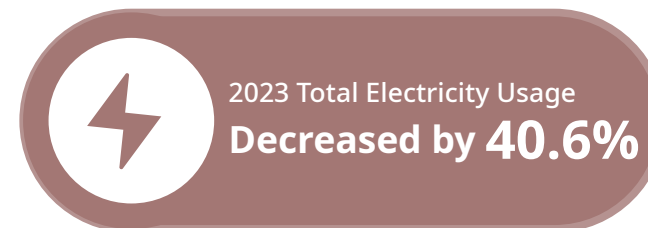


Water is a very important resource for the earth, but it is not inexhaustible. As the problem of global warming becomes increasingly serious, Ace Pillar is committed to sustainable corporate management and also focuses on sustainable environmental issues. We cherish the earth's resources, fulfill social responsibilities, meet social needs, and make contributions to protect the environment. We will continue to promote water conservation and set a target to reduce per capita water consumption **by 1% annually based on 2022.**



## Electricity Usage

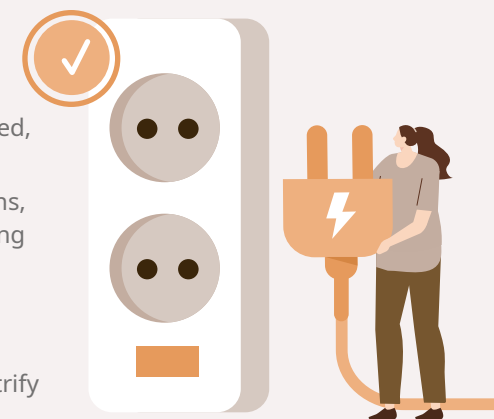
As a distributor, Ace Pillar's main business locations are offices and logistics centers. In 2023, the company's total electricity usage was 165,477 kWh, a decrease of 40.6% compared to the total electricity usage of 256,590 kWh in 2022. The specific reasons are the differences in electricity usage data caused by the relocation of the "Logistics Center" and "Taoyuan Office". After the Taoyuan office moved into the Qisda headquarters, the electricity usage is no longer calculated separately. The old logistics center used the building's central air conditioning, which required turning on the air conditioning chiller regardless of the size of the usage space, resulting in energy waste. Since moving to the new location in 2023, independent box-type water-cooled air conditioners are used, which can effectively control the cooling effect of each area and save electricity consumption.



However, from Figure 3, it can be seen that after excluding the electricity usage data of the warehouse (logistics center), the electricity usage of Xinzhuang, Hsinchu, Tainan and other units in 2023 showed a slight increase compared to 2022, mainly due to the increased office operating hours to meet the needs of business activities, resulting in more electricity demand for lighting and air conditioning. In 2024, measures have been taken for Xinzhuang (operations headquarters) to monitor the actual electricity usage of each circuit through IoT devices such as digital electricity meters. The electricity usage data is transmitted back to the central control platform, and then the peak and off-peak electricity usage of each office's power circuits is analyzed. Based on the electricity demand, the electricity-consuming equipment is unloaded in real-time to achieve the effect of electricity energy management, and it will be further deployed to various offices and logistics centers.

### Related Energy Saving Measures

- Personnel sensing and natural lighting - The main electricity usage in the office environment comes from air conditioning and lighting. Through natural lighting, the need to turn on artificial lighting can be effectively reduced, and combined with personnel sensing, regional lighting can be automatically turned off to save electricity.
- Air conditioning temperature control (Xinzhuang, Taichung: Glass curtain walls with heat insulation film or curtains, additional circulating fans) - Mandatory fixed air conditioning temperature setting at 25~26 degrees, strengthening indoor air circulation, improving air conditioning efficiency, and turning off air conditioning at 19:00.
- Turn off office lights during the daily lunch break (12:00-13:00), and strengthen the promotion of turning off unnecessary power sources and computer peripherals.
- Encourage the use of video conferencing equipment to reduce the energy consumption of personnel travel; electrify employee business travel and commuting shuttle buses.
- Use environmentally friendly, energy-saving, and first-class energy-efficient household appliances to reduce standby power consumption.





■ 2022 Electricity Usage (kWh) ■ 2023 Electricity Usage (kWh)

■ Xinzhuang ■ Sanzhong (Wugu) ■ Taoyuan ■ Hsinchu ■ Taichung ■ Tainan ■ Kaohsiung

Figure 1: Comparison of Electricity Usage by Unit in 2022/2023

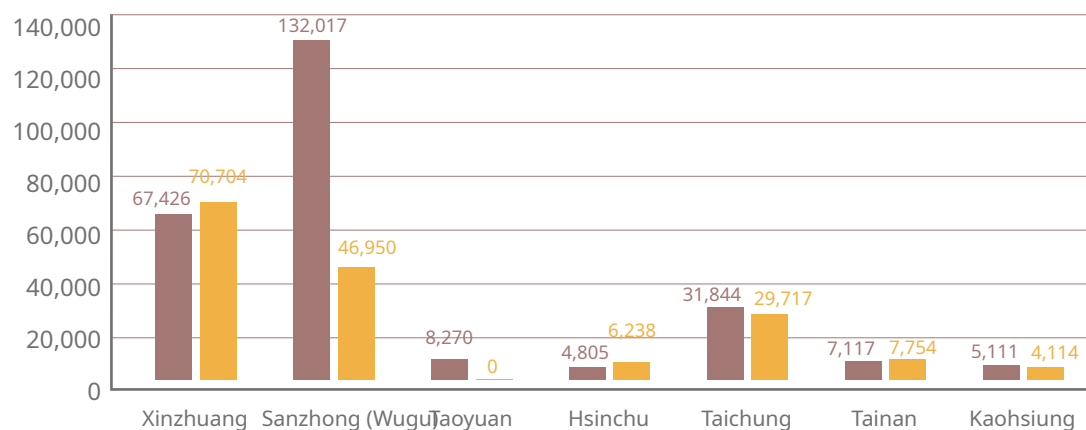


Figure 2: Comparison of Total Electricity Usage (kWh)

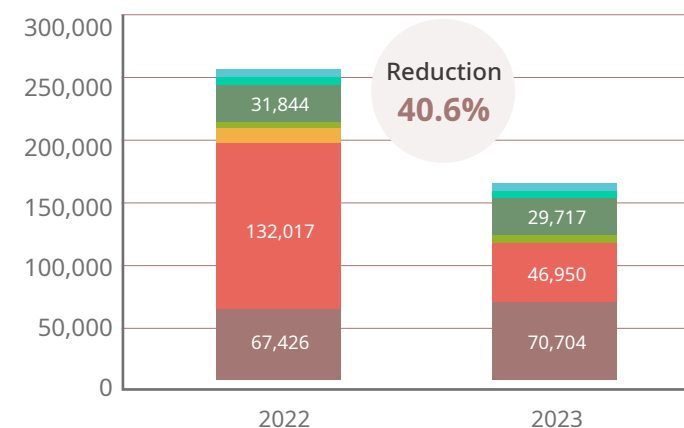


Figure 3: Comparison of Electricity Usage by Unit Excluding Warehouse (Logistics Center) in 2022/2023

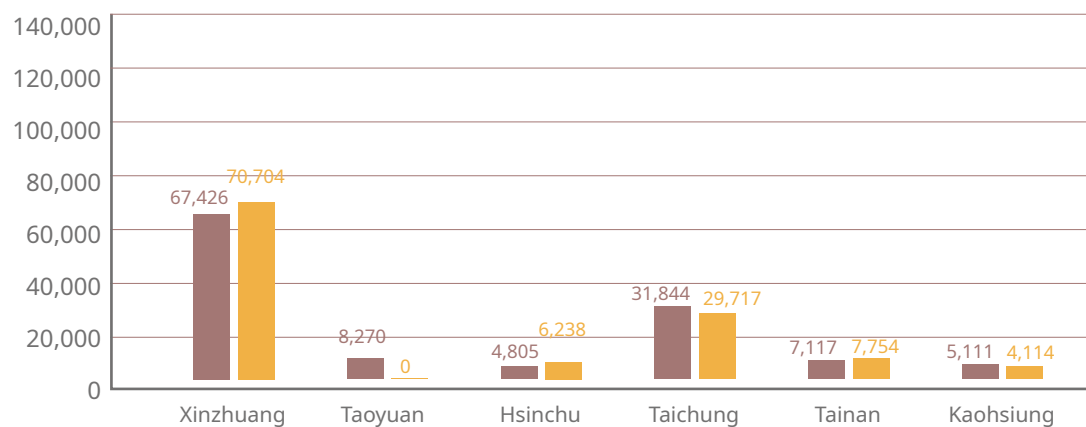
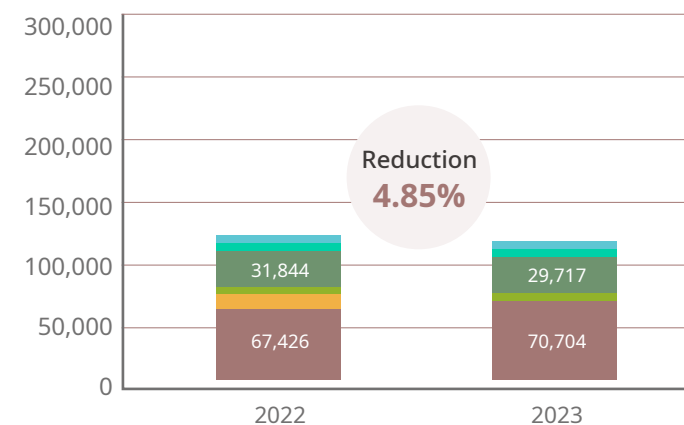


Figure 4: Comparison of Total Electricity Usage Excluding Warehouse (Logistics Center)(kWh)



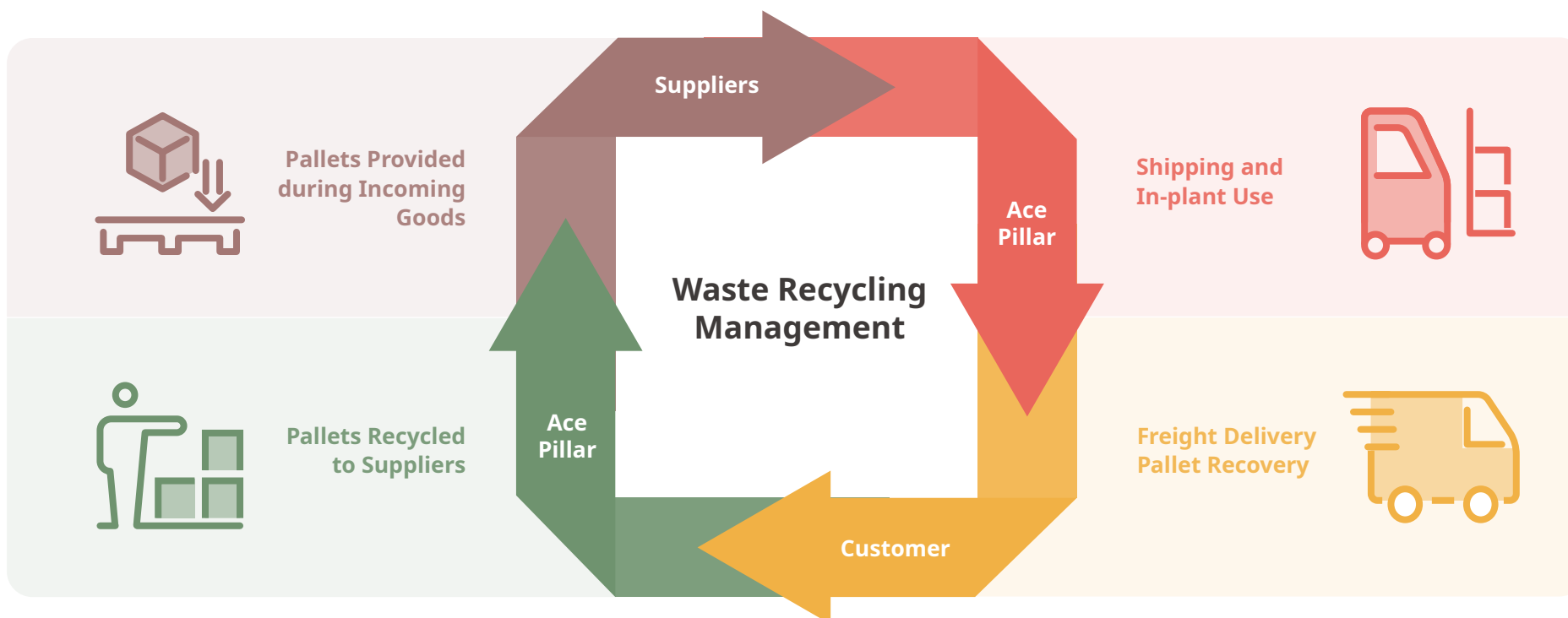


## Waste management

Pallets and packaging materials are recycled and reused, with a ratio reaching 98.15%. The target for 2024 is a recycling and reuse ratio of 99%.

Year	Pallet + Packaging Material Weight	Recycled and Reused Weight	Reuse Ratio
112	12,734	12,494	98.15

**Note** Collection time: March to December 2023, no such data was collected before Unit: Kilograms





### Resource Recycling and Reuse

Ace Pillar is not a manufacturing industry, so the waste generated during the operation process is all packaging resources from suppliers' incoming goods, which are classified into three major categories: pallets, packaging materials, and unusable resources.

Currently, the recycling and reuse rate has reached 98%. In the future, the various packaging materials provided by suppliers during incoming goods should be actively recycled and reused repeatedly, not only to truly achieve resource recycling, but also to optimize and prolong the sustainable development of the environment.

#### 2023 Waste Reuse Statistics

Unit: Kilograms

Month	Pallet Reuse	Packaging Material Reuse	Resource Recycling
March	1640	60	60
April	974	50	60
May	740	70	30
June	860	60	30
July	1320	130	30
August	1620	100	30
September	1600	60	0
October	1230	100	0
November	800	150	0
December	1740	90	30
Total	12524	870	270
Proportion	92%	6%	2%



#### Pallet Resource Recycling and Reuse

The pallets provided by suppliers during incoming goods are largely used for in-plant storage of goods and repeated recycling during shipping, accounting for 91% of the total waste, avoiding the use of disposable pallets to facilitate resource recycling and reuse and avoid unnecessary waste.



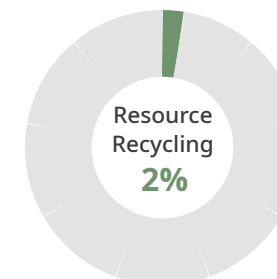
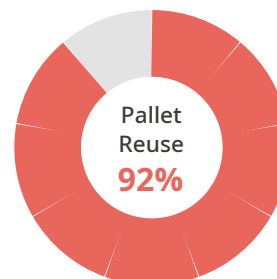
#### Packaging Material Recycling and Reuse

The packaging materials provided by suppliers during incoming goods are reused to replace the packaging fillers needed for shipping and transformed into usable resources, accounting for 7% of the total waste, to facilitate resource recycling and reuse and avoid unnecessary waste.



#### Unusable Resources

Unusable resources are collected as recyclable resources and recycled and reused by the landlord's outsourced resource recycling vendor, accounting for 2% of the total waste, to facilitate resource recycling and reuse and avoid unnecessary waste.





# 06

## Appendix

- 6-1 GRI Content Index
- 6-2 SASB Content Index



## 6-1 GRI Content Index

Disclosure Item	Report Content or Description	Corresponding Chapter	Page Number
2-1 Detailed Organizational Information	a. Report the legal name	Introduction of Ace Pillar	7-12
	b. Report the nature and legal form of ownership	Introduction of Ace Pillar	7-12
	c. Report the location of headquarters	Introduction of Ace Pillar	7-12
	d. Report the countries of operation	Introduction of Ace Pillar	7-12
2-2 Entities Included in the Organization's Sustainability Reporting	a. List all entities included in the sustainability report	Introduction of Ace Pillar	7-12
	b. If the organization publishes audited consolidated financial statements or publicly recorded financial information, explain the differences in the list of entities included in the financial report and sustainability report	Financial Performance	44-48
	c. If the organization consists of multiple entities, explain the method used to integrate information, including:		
	i. Whether the method involves adjusting information for minority shareholder interests ii. Whether the method considers the consolidation, acquisition and disposal of entities or partial entities iii. Whether and how the method differs for each disclosure item and each material topic in this standard	Financial Performance Financial Performance NA	44-48 44-48
2-3 Reporting Period, Frequency and Contact Person	a. Indicate the reporting period and frequency of the sustainability report	About This Report	4-5
	b. Indicate the reporting period of the financial report, and if different from the sustainability reporting cycle, explain the reason	About This Report Financial Performance	4-5 44-48
	c. Report the publication date of the report or reported information	About This Report	4-5
	d. Indicate the contact person for questions about the report or reported information	About This Report	4-5
2-4 Information Restatements	a. Report restated information from previous reporting periods and explain:		
	i. The reasons for the restatement ii. The impact of the restatement	NA NA	





Disclosure Item	Report Content or Description	Corresponding Chapter	Page Number
2-5 External Assurance	a. Describe the policies and practices for seeking external assurance/verification, including whether and how the highest governance body and senior management are involved	NA	
	b. If the organization's sustainability report has been externally assured/verified:		
	i. Provide a link or reference to the external assurance/verification report or assurance/verification statement	NA	
	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 of the assurance/verification process	NA	
	iii. Describe the relationship between the organization and the assurance/verification provider	NA	
2-6 Activities, Value Chain and Other Business Relationships	a. Report its current industry	Introduction of Ace Pillar	7-12
	b. Describe its value chain, including:		
	i. The organization's activities, products, services, and markets served	Introduction of Ace Pillar	7-12
	ii. The organization's supply chain	Introduction of Ace Pillar	7-12
	iii. Downstream entities of the organization and their activities	Introduction of Ace Pillar	7-12
	c. Report other relevant business relationships	Introduction of Ace Pillar	7-12
	d. Describe significant changes in 2-6-a, 2-6-b, 2-6-c compared to the previous reporting period	NA	
2-7 Employees	a. Report the total number of employees and the total by gender and region	Employee Profile	70-71
	b. Report the following totals:		
	i. Permanent employees by gender and region	Employee Profile	70-71
	ii. Temporary employees by gender and region	NA	
	iii. Employees without guaranteed hours by gender and region	NA	
	iv. Full-time employees by gender and region	Employee Profile	70-71
	v. Part-time employees by gender and region	NA	
	c. Describe the method and assumptions used to compile the data, including whether the following data were reported:		
	i. By headcount, full-time equivalent (FTE) or using another method	Employee Profile	70-71
	ii. Values as of the end of the reporting period, average values for the entire reporting period, or using another method	Employee Profile	70-71



Disclosure Item	Report Content or Description	Corresponding Chapter	Page Number
2-7 Employees	d. Report the contextual information needed to understand the data reported in 2-7-a and 2-7-b	Employee Profile	70-71
	e. Describe significant fluctuations in employee numbers during this reporting period and between different reporting periods	NA	
2-8 Workers Who Are Not Employees	a. Report the total number of workers who are not employees and whose work is controlled by the organization, and describe: <ul style="list-style-type: none"> <li>i. The most common types of workers and their contractual relationship with the organization</li> <li>ii. The types of work they perform</li> </ul>	NA NA	
	b. Describe the method and assumptions used to compile the data for non-employee workers, including whether the following data were reported: <ul style="list-style-type: none"> <li>i. By headcount, full-time equivalent (FTE) or using another method</li> <li>ii. Values as of the end of the reporting period, average values for the entire reporting period, or using another method</li> </ul>	NA NA	
	c. Describe significant fluctuations in the number of non-employee workers during this reporting period and between different reporting periods	NA	
2-9 Governance Structure and Composition	a. Describe its governance structure, including the committees of the highest governance body	Corporate Governance	30-35
	b. List the committees of the highest governance body responsible for decision-making and overseeing the management of the organization's economic, environmental and social impacts	Corporate Governance	30-35
	c. Describe the composition of the highest governance body and its committees:		
	i. Executive and non-executive directors	Corporate Governance	30-35
	ii. Independent Director	Corporate Governance	30-35
	iii. Terms of members of the governance body	NA	
	iv. Number and nature of other significant positions and commitments held by each member of the governance body	Corporate Governance	30-35
	v. Gender	Corporate Governance	30-35
	vi. Disadvantaged social groups	NA	
	vii. Competencies relevant to the organization's impacts	Corporate Governance	30-35
	viii. Stakeholder representatives	Corporate Governance	30-35



Disclosure Item	Report Content or Description	Corresponding Chapter	Page Number
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	30-35
	b. Describe the criteria for nominating and selecting members of the highest governance body, including whether and how the following are considered:		
	i. Stakeholder (including shareholder) views	Corporate Governance	30-35
	ii. Diversity	Corporate Governance	30-35
	iii. Independence	Corporate Governance	30-35
	iv. Competencies relevant to the organization's impacts	Corporate Governance	30-35
2-11 Chair of the Highest Governance Body	a. Report whether the chair of the highest governance body is also a member of the executive management	Corporate Governance	30-35
	b. If yes, explain their function in the organization's management and the reasons for this arrangement, and how conflicts of interest are avoided and mitigated	Corporate Governance	30-35
2-12 Role of the Highest Governance Body in Overseeing Impact Management	a. Describe the role of the highest governance body and senior management in developing, approving, and updating the organization's purpose, values or mission, strategies, policies, and goals related to sustainable development	Ace Pillar's Sustainable Development	13-20
	b. Describe the role of the highest governance body in overseeing the organization's due diligence and other processes 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 processes	Ace Pillar's Sustainable Development	13-20
	ii. How the highest governance body considers the results of these processes	Ace Pillar's Sustainable Development	13-20
2-13 Person Responsible for Impact Management	c. Describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review	Ace Pillar's Sustainable Development	13-20
	a. Describe how the highest governance body delegates responsibility for managing the organization's economic, environmental and social impacts, including:		
	i. Whether senior management has been assigned responsibility for impact management	NA	
	ii. Whether other employees have been delegated responsibility for impact management	NA	
	b. Describe the process and frequency with which senior management or other employees report to the highest governance body on the management of the organization's economic, environmental and social impacts	NA	



Disclosure Item	Report Content or Description	Corresponding Chapter	Page Number
2-14 Role of the Highest Governance Body in Sustainability Reporting	a. The organization should report whether the highest governance body has the responsibility to review and approve reported information (including the organization's material topics), and if so, describe the process for reviewing and approving reported information	NA	
	b. If the highest governance body does not have the responsibility to review and approve reported information (including the organization's material topics), explain the reason	NA	
2-15 Conflicts of Interest	a. Describe the processes used by the highest governance body to ensure conflicts of interest are avoided and mitigated	Corporate Governance	30-35
	b. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum:		
	i. Cross-board membership	Corporate Governance	30-35
	ii. Cross-shareholding with suppliers and other stakeholders	NA	
	iii. Existence of controlling shareholder	NA	
	iv. Related party disclosures	NA	
2-16 Communication of Critical Concerns	a. Describe whether and how critical concerns are communicated to the highest governance body	Corporate Governance	30-35
	b. Report the total number and nature of critical concerns communicated to the highest governance body during the reporting period	NA	
2-17 Collective Knowledge of the Highest Governance Body	a. Report measures taken to enhance the highest governance body's collective knowledge, skills, and experience in sustainable development	Corporate Governance	30-35
2-18 Performance Evaluation of the Highest Governance Body	a. Describe the processes for evaluating the performance of the highest governance body in overseeing the organization's management of economic, environmental and social impacts	Corporate Governance	30-35
	b. Report whether the evaluation is independent and the frequency of the evaluation	Corporate Governance	30-35
	c. Describe actions taken in response to the evaluation, including changes to the composition of the highest governance body and organizational practices	Corporate Governance	30-35
2-19 Remuneration Policies	a. Explain the remuneration policies for the highest governance body and senior management, including:		
	i. Fixed and variable remuneration	NA	
	ii. Sign-on bonuses or recruitment incentives	NA	
	iii. Termination payments	NA	
	iv. Clawbacks	NA	
	v. Retirement benefits	NA	



Disclosure Item	Report Content or Description	Corresponding Chapter	Page Number
2-19 Remuneration Policies	b. Explain how the remuneration policies for the highest governance body and senior management relate to the organization's goals and performance on economic, environmental and social impacts	NA	
2-20 Remuneration Determination Process	a. The organization should describe the process for designing its remuneration policies and determining remuneration, including:		
	i. Whether there are independent members of the highest governance body or an independent remuneration committee overseeing the remuneration determination process	Corporate Governance	30-35
	ii. How stakeholder (including shareholder) views are sought and considered in remuneration-related matters	NA	
	iii. Whether remuneration consultants are involved in the determination of remuneration, and if so, whether they are independent of the organization, the highest governance body and senior management	NA	
	b. If applicable, report the voting results of stakeholders (including shareholders) on remuneration policies and proposals	NA	
2-21 Annual Total Compensation Ratio	a. Report the ratio of the annual total compensation of the organization's highest-paid individual to the median annual total compensation of all other employees (excluding the highest-paid individual)	NA	
	b. Report the ratio of the percentage increase in annual total compensation of the organization's highest-paid individual to the median percentage increase in average annual total compensation of all other employees (excluding the highest-paid individual)	NA	
	c. Report the contextual information necessary to understand the data, as well as how the data was compiled	NA	
2-22 Statement of Sustainable Development Strategy	a. Report the statement of the organization's highest governance body or most senior level of management and their relationship with sustainable development and their investment in sustainable development strategies	Ace Pillar's Sustainable Development	13-20
2-23 Policy Commitments	a. Describe policy commitments regarding responsible business conduct, including:		
	i. Authoritative intergovernmental instruments referenced in the commitments	Human Rights Management	74-75
	ii. Whether the commitments require conducting due diligence	NA	
	iii. Whether the commitments require applying the precautionary principle	Human Rights Management	74-75
	iv. Whether the commitments require respecting human rights	Human Rights Management	74-75



Disclosure Item	Report Content or Description	Corresponding Chapter	Page Number
2-23 Policy Commitments	b. Describe specific policy commitments to respect human rights, including:		
	i. Internationally recognized human rights covered by the commitments	Human Rights Management	74-75
	ii. Categories of stakeholders that the organization commits to pay special attention to, including groups or populations at risk or vulnerable groups	Human Rights Management	74-75
	c. If policy commitments are publicly available, provide a link; if policy commitments are not publicly available, explain the reason	Human Rights Management	74-75
	d. Report the level at which each policy commitment is approved within the organization, including whether it is at the highest level	Human Rights Management	74-75
	e. Report the extent to which these policy commitments are applied to the organization's economic activities and business relationships	Human Rights Management	74-75
	f. Describe how policy commitments are communicated with workers, business partners and other relevant parties	Human Rights Management	74-75
2-24 Embedding Policy Commitments	a. Describe how each policy commitment regarding responsible business conduct is embedded into its activities and business relationships, including:		
	i. How the responsibility for implementing commitments is allocated to different levels within the organization	NA	
	ii. How commitments are integrated into the organization's strategies, operational policies, and operational procedures	NA	
	iii. How commitments are implemented through business relationships	NA	
	iv. Training provided by the organization on implementing commitments	NA	





## 6-2 SASB Content Index

Disclosure Topic	Indicator Code	Description			Corresponding Chapter	Page Number	
Product Safety	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products			Information Security	49-51	
Employee Diversity and Inclusion	TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for: (1) management (2) technical staff (3) other employees			Employee Profile	70-71	
		Percentage of gender representation of global employees (%)		Female			Male
		Management		18%			82%
		Technical Personnel		0%			100%
		Other Employees		37.5%			62.5%
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances			NA		
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent			NA		
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria			NA		
	TC-HW-410a.3	Weight of end-of-life products and e-waste recovered, percentage recycled			NA		
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities			NA		
	TC-HW-430a.2	Tier 1 suppliers' non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and associated corrective action rate for (a) priority non-conformances and (b) other non-conformances			NA		
Materials Sourcing	TC-HW-440a.1	Discussion of the management of risks associated with the use of critical materials			Sustainable Supplier Management	64-68	
Activity Metrics	TC-HW-000.A	Number of units produced by product category			Confidential Business Information Not Disclosed		
	TC-HW-000.B	Area of manufacturing facilities					
	TC-HW-000.C	Percentage of production from owned facilities					