

Implementation of Ethical corporate management in 2024

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1). Does the company formulate an ethical corporate management policy approved by the board of directors and clearly state the policies and practices of Ethical Corporate management in the regulations and external documents and the commitment of the board of directors and management to actively implement the business policy?</p>	V		<p>The inaugural edition of AblereX's Ethical Corporate Management Best-Practice Principles received approval from the Board of Directors on May 12, 2014. Since its inception, these principles have undergone revisions to align with evolving regulations from competent authorities. Furthermore, the Corporate Governance and Development Committee conducted an assessment on December 1, 2018, in adherence to Corporate Governance Evaluation standards.</p> <p>This commitment to ethical corporate governance extends to the active coordination of relevant indicators, highlighting the implementation status on the company's webpage corporate governance zone, annual report, and during board of directors' meetings. This approach ensures a transparent and comprehensive integration of these principles into both internal management and external business activities, aligning seamlessly with the company's ethical corporate management code.</p> <p>The English-language Corporate Governance Zone on the company's website is an ongoing project, continually refined to present a detailed overview of the company's operations. This strategic effort aims to facilitate a comprehensive understanding for international stakeholders regarding the company's implementation strategies and specific measures.</p> <p>In compliance with legal requirements, all directors elected on or after June 27, 2023, as well as senior management, are obligated to sign a statement confirming their adherence to the Ethical Corporate Management Policy. This underscores the company's unwavering commitment to ethical business practices and governance.</p>	In accordance with Article 4, 5, 8, 18 and 21 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
<p>(2). Does the company establish an evaluation mechanism for the risk of unethical, regularly analyze and evaluate business activities with a</p>	V		<p>On August 5, 2019, the board of directors of the company endorsed revisions to the "Ethical Corporate Management Best-Practice Principles." Subsequently, on March 19, 2020, the "Procedures for Ethical Corporate Management and Guidelines for Conduct" underwent a revision to articulate specific measures aimed at risk</p>	In accordance with Article 7 of “the Ethical Corporate Management

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higher risk of unethical in the business scope and formulate a plan to prevent unethical, at least listed activities stated in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?			<p>assessment and the prevention of both ethical and unethical operations.</p> <p>In a proactive stance, on December 1, 2018, the Corporate Governance and Sustainable Development Committee, guided by corporate governance evaluation indicators, assumed responsibility for coordinating efforts to forestall illegal situations. This involved establishing communication channels for external stakeholders and implementing various mechanisms to preclude unethical behaviors. The ongoing monitoring of implementation status is coupled with an annual audit plan, incorporating inspection items that ensure the efficacy of these measures, providing a foundation for subsequent reviews and improvements.</p> <p>In a further commitment to ethical practices, the company revised its approach to bribery risk assessment and control. This includes the provision of avenues for anonymous reporting, shielding whistleblowers from reprisals, and ensuring that they are not subjected to improper treatment for their reporting. These initiatives collectively fortify the company's dedication to ethical corporate conduct and its robust preventive measures against malpractices.</p>	Best-Practice Principles for TWSE/TPEX Listed Companies”
(3). Does the company clearly set out the operating procedures, behavior guidelines, punishment and appeal system for violations in the prevention of unethical behavior, implementation and regularly review and revision of the plan before it is revealed?	V		<p>In alignment with the stipulations outlined in the "Ethical Corporate Management Best-Practice Principles" and in compliance with pertinent laws and regulations, the Company has developed comprehensive documents such as the "Procedures for Ethical Corporate Management and Guidelines for Conduct." Moreover, specific codes, namely the "Code of Ethical Conduct for Directors, Supervisors, and Managers" and the "Code of Ethical Conduct for Employees," have been established. These documents serve to define dishonest behaviors and provide clear directives for the company's personnel, outlining what they should be attentive to, prohibiting certain actions, and detailing procedures for addressing issues during business operations.</p> <p>To ensure the effective implementation of these regulatory measures, the company's website features an investor connection platform, stakeholder contact information, and customer service pages. These avenues facilitate communication for various information seekers and feedback contributors, allowing them to reach out to the relevant personnel within the company. Regular tracking of the implementation</p>	In accordance with Article 2, 6, 10-17 and 26 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”

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			status is conducted, with the annual audit plan incorporating these aspects as audit items. The Corporate Governance Development Committee diligently reports the outcomes of this implementation to the board of directors, ensuring a thorough review of effectiveness and providing a basis for continuous improvement. This comprehensive approach underscores the company's commitment to transparency, ethical conduct, and continuous enhancement of its corporate governance practices.	
<p>2. Fulfill operations ethical corporate management policy</p> <p>(1). Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p>	V		<p>In the course of conducting business activities, the company consistently monitors industry transactions and meticulously assesses potential partners in financial and other relevant aspects. This scrutiny aims to identify any history of dishonesty and, where possible, establish a foundation of integrity in all contracted agreements. To fortify its stance against unethical practices, the company has implemented penalty-related provisions. These provisions serve the dual purpose of averting losses stemming from dishonest conduct and ensuring the utmost integrity throughout the company's claims and transaction processes.</p> <p>While not yet fully integrated into bilateral sales contracts, the company has been proactive since 2016 in encouraging new supplier partners to endorse the "Supplier/Subcontractor's Social Responsibilities Letter of Commitment." Simultaneously, the company has publicly disclosed "Ethical Corporate Management Best-Practice Principles " along with the " Code of Ethical Conduct for Employees" and other relevant specifications. This collective effort is designed to foster compliance and emphasizes the company's commitment to ethical business practices. Through these initiatives, the company seeks to promote a culture of honesty, transparency, and responsible conduct throughout its supply chain and internal operations.</p>	In accordance with Article 9 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
(2) Does the company set up a dedicated unit to promote corporate ethical management under the board of directors and	V		The Company, under the guidance of the Board of Directors, established the "Corporate Governance and Sustainable Development Committee" in accordance with the Corporate Governance Evaluation Indicators on December 1, 2018. Furthermore, a Corporate Governance Officer was appointed on August 5, 2019,	In accordance with Article 17 of “the Ethical Corporate Management

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regularly (at least once a year) report to the board of directors on its ethical corporate management policy and plans to prevent unethical and monitor implementation?			responsible for reviewing the "Ethical Corporate Management Best-Practice Principles" and overseeing related initiatives. Following the announcement, the Company has been conducting educational training and awareness campaigns to ensure that all employees and relevant stakeholders are well-informed about and committed to the ethical corporate management policy. These efforts are ongoing and serve to promote the successful implementation of ethical corporate management. To maintain transparency and accountability, the Company commits to reporting annually to the Board of Directors on the progress and implementation of ethical corporate management. These reports are presented in December every year, ensuring that the principles and practices of ethical corporate management continue to be upheld within the organization.	Best-Practice Principles for TWSE/TPEX Listed Companies”
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels and implement it?	V		To avoid conflicts of interest, AblereX has stipulating both Chinese and English version of “Procedures for Ethical management and Guidelines for Conduct”, “Guidelines for the Adoption of Codes of Ethical Conduct for Directors, Supervisors and Managers”, “Guidelines for the Adoption of Codes of Ethical Conduct for Employees” and “Rules of Procedure for Board of Directors Meetings”, which clearly stated the managerial procedures and communication channels. The website provides the stakeholder area, the investor area, etc. and also informs the stakeholders of the presentation and communication in the Corporate Social Responsibility Report (page 17 of the 2022 ESG Report). The Directors, Supervisors and Managers are also highly self-discipline that they express opinions and answer questions while absent in discussion and voting when the discussion issues are related to their own interests. ESG report as per https://www.ablerex.com.tw/esg/ESG2023.pdf	In accordance with Article 19 and 23 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
(4) Whether the company has established an effective accounting system and internal control system for the implementation of ethical corporate management and the	V		The Company has implemented a robust accounting system and internal control system. Regular self-evaluations are conducted annually to assess the effectiveness of the internal control system, ensuring that its design, implementation, and execution align with established standards. To ensure the proper implementation of ethical corporate management, the annual	In accordance with Article 20 of “the Ethical Corporate Management Best-Practice Principles

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internal audit unit based on the results of the assessment of the risk of unethical behavior, draws up relevant audit plans and checks the compliance with the plan to prevent unethical, or commission a CPA to perform the audit?			audit plan includes a review of this aspect as one of the audit items. The Corporate Governance and Development Committee provides reports to the board of directors regarding the implementation status, thus ensuring that the implementation is monitored, reviewed, and serves as a reference for potential improvements.	for TWSE/TPEX Listed Companies”
(5). Does the company regularly hold internal and external educational trainings on ethical corporate management policy?	V		The company actively sends personnel to participate in external education training and advocacy meetings related to external related integrity operations. Internally, it promotes and guides the annual newcomer’s education and actively promotes employees in various meetings (Increased policy advocacy, human rights and Ethical Management, corporate social responsibility for report items in labor-management conferences) from time to time. Foster a clean, honest, fair and responsible attitude. Please refer the Chinese web site : https://www.ablerex.com.tw/ch/csr.php	In accordance with Article 22 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
3. Operation of the impeachment channel				
(1) Does the company establish both a reward system and an impeachment hotline, as well as pointing an appropriate person to follow-up for the accused?	V		The company has stipulated reporting, reward systems and dedicated personnel in the "Procedures for Ethical Management and Guidelines for Conduct". The company's website also discloses the contact information and email addresses of the company's supervisors, spokespersons and internal auditors (path: https://www.ablerex.com.tw/esg/3.7.2.pdf), if any If any company personnel are found to have violated ethics, they may be reported directly.	In accordance with Article 23 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”

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(2) Has the company established standard operating procedures for investigations to receive reports, follow-up measures to be taken after the investigation is completed and related confidentiality mechanisms?	V		AblereX has established a reporting system in Article 21 of the “Guidelines for the Operational Procedures and Conduct of Honest Business Conduct”, which describes the prosecution channels, information that should be provided and the handling procedures after receiving the reports. Upon receipt of the report, the designated personnel will follow the prescribed procedures. Processing, written statements keep the identity of the prosecutor and the contents of the prosecution confidential. If the investigation is true, the prosecutor is immediately required to stop the relevant actions and after the confirmation, it is appropriate to dispose of articles 21 to 23 of the code and if necessary, seek compensation for damages through legal proceedings. Will be punished according to relevant company regulations	In accordance with Article 23 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
(3) Does the company take measures to protect prosecutors from improper disposition due to the report?	V		The “Code of Ethical Conduct for Employee” stipulates those colleagues has the reporting responsibilities and obligations. If any violation of laws, regulations, or the Code is discovered, it should be reported and reported to the supervisor. During the investigation of the company’s handling of the report, it will Full confidentiality and protection of the parties' privacy rights and their personal interests and promised to protect the prosecutors from improper treatment due to the prosecution. The personnel participating in the investigation shall be responsible for the confidentiality of the content of the complaint. Violators shall be transferred by the competent authority to the Personnel Supervisor for discussion.	In accordance with Article 23 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V		AblereX discloses “Ethical Corporate Management Best-Practice Principles” and the related measures “Procedures for Ethical Management and Guidelines for Conduct” as per https://www.ablerex.com.tw/esg_5.php The implementation of Ethical Corporate Management as per https://www.ablerex.com.tw/esg/4.2.7.pdf Although the company's 10th (2023) score has improved slightly, it only won the	In accordance with Article 25 of “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX

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			<p>top 6-20% of the "Corporate Governance Evaluation". In summary, in the 10 evaluations, a total of 5 top 5% and 5 top 6-20% results were obtained. We will make persistent efforts to improve corporate governance performance and strive for good results.</p> <p>There have been no irregularities records or reports of the company and will continue to communicate adequately and convey the correct business philosophy.</p>	Listed Companies”
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation.</p> <p>AblereX stipulated “Procedures for Ethical Management and Guidelines for Conduct”, “Codes of Ethical Conduct for Directors, Supervisors and Managers” based on “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”, the related regulations and the mission statement of honesty, transparency and responsibility as the regulations of daily operations for all employees. There is no discrepancy between regulations and implementations.</p>				
<p>6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies.</p> <p>AblereX stipulated “Operational Procedures for Handling Material Inside Information” and “Procedures for the Prevention of Insider Trading” which stated the directors, managers, employees and consultants to exercise the due care of a good administrator and signed the confidential agreements as the requests of the Ethical Corporate Management Best-Practice Principles. Directors, managers, employees and consultants, who are aware of the inside information, shall not reveal the inside information. Directors, managers, employees and consultants shall not ask or collect the undisclosed inside information which is not relevant to their duties.</p> <p>In order to enable insiders to follow and refer to, the relevant insiders (directors, supervisors, managers, employees, etc.), insider trading and insider equity-related laws and regulations and applicable precautions, etc., are referred to the competent authority's publicity manual in this manual The company's Chinese website (AblereX Electronics Co., Ltd.) is subject to advocacy.</p>				