

(VII) Implementation of ethical corporate management and measures and departure from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons

Evaluation Items	Operations			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Summary	
<p>1. Establishment of ethical corporate management policy and plans.</p> <p>(1) Has the company established an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?</p>	✓		<p>1. The Company established the Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct for Business Management Personnel, and Management Guidelines for Handling Material Information and Prevention of Insider Trading, which were approved by the board of directors, as well as the "Regulations for the Prevention of Insider Trading" approved by the president, to effectively implement the ethical corporate management policy for board members and managers. Furthermore, the chairman and president have clearly declared and signed Chinese and English versions of the ethical corporate management policy, which is announced on the company website. http://www.aidc.com.tw/tw/about/ethical</p> <p>2. In addition to regulations related to ethical corporate management approved by the Board of Directors, the Company also actively promotes the core values of ethical corporate management and integrity, preventing corruption incidents and demonstrating the organization's commitment to raising awareness of integrity and complying with anti-bribery laws. To deeply embed the culture of integrity and ethics among employees, understand and promote the group's integrity and moral standards, and effectively comply with the standards, the Company established the "AIDC Employee Code of Ethical Conduct." Starting in 2015, the Company requires all employees to sign a commitment online or in writing in early January to uphold integrity and ethics, not violate laws and regulations, prohibit insider trading, and not accept bribes or gifts and other improper benefits. The signing rate was 99.97% in 2024.</p>	No significant deviation.

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(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities	✓		<p>3. In 2024, the Company held internal and external education and training related to ethical corporate management issues (including courses related to compliance with ethical corporate management regulations, regulations, inspections, risk management, and anti-money laundering) with a total of 373 attendees. The Company's chairman and president have clearly declared and signed Chinese and English versions of the ethical corporate management policy, which is announced on the company website: https://www.aidc.com.tw/tw/about/ethical.</p> <p>The Company established Ethical Corporate Management Best Practice Principles that was approved by the board of directors, and it is included in analysis and assessment during the Company's risk meetings each year, during which it has been determined to be a low risk item. Hence, it is not reviewed during monthly risk meetings. Prevention plans are adopted for operating activities with relatively high risk of unethical conduct. Personnel are assigned to monitor the Company's procurements that exceed 10% of the announced amount. The Company also audits procurements and conducts supplier questionnaire surveys. Aspects of business that have high risk of unethical conduct are inspected.</p>	No significant deviation.
(3) Does the company provide clearly the	✓		<p>The Company has established operating procedures, code of conduct, and a penalty and complaint system to prevent unethical conduct. Please see the company</p>	No significant deviation.

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operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?			website for details on AIDC's implementation of the Ethical Corporate Management Best Practice Principles: http://www.aidc.com.tw/tw/about/ethical .	
2. Implementation of ethical corporate management (1) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		The Company attaches great importance to integrity, and aside from announcing the Supplier Code of Conduct on the company website, the payment of commission and gifts and treats that exceed customs are explicitly prohibited in commercial contracts. Suppliers with a poor record are restricted from participating in the Company's procurements.	No significant deviation.

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(2) Does the company have a dedicated unit responsible for business integrity under the board of directors which reports the ethical management policy and programs against unethical conduct regularly (at least once a year) to the board of directors while overseeing such operations?	✓		<p>The Company established an Ethics & Security Division supervised by the chairman. The division is responsible for "Ethical Corporate Management and Prevention of Corruption" and "Formulation and Promotion of Code of Ethical Conduct for Managers and Employees." The division reports its implementation status to the board of directors at least 4 times a year, either quarterly or irregularly, and announces it on the company website. The implementation status in 2024 is as follows:</p> <ol style="list-style-type: none"> 1. Training programs: The Company's board members planned a series of courses on regulations, audits, risk management, and anti-money laundering prevention to learn the legal knowledge, service principles and code of conduct that financial personnel should have (88 hours). Education was also provided to new employees (186.5 hours), receiving a total of 274.5 hours of training. During the course, cases were shared to strengthen the concept and implementation of integrity, ethics, and compliance, so as to effectively manage and prevent unethical conduct. 2. Compliance promotion: The Prevention Section of the Ethics & Security Division is responsible of the implementation of the value of integrity and anti-corruption education among all employees. It compiled actual cases through the Company's electronic bulletin board, including 64 cases involving insider trading, anti-bribery, avoidance of conflicts of interest, and government ethics, to educate employees on how to avoid breaking the law when performing their duties. 3. Periodic audits: Once a year, a risk assessment of corruption-related matters is conducted on all of the Company's operating activities. The self-inspection and self-assessment of compliance achieves effective control and implementation, and the audit unit conducts 	No significant deviation.

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			<p>independent audits to ensure the operation of the overall mechanism, joint managing and preventing unethical conduct. There were no corruption cases and anti-competitive behavior in 2024.</p> <p>4. 4. Whistleblowing system and whistleblower protection: The Company has established "Guidelines for Handling Whistleblower Cases," and has a whistleblower system in place to actively prevent unethical conduct and encourage internal and external personnel to report unethical or inappropriate conduct. The Prevention Section of the Ethics & Security Division is appointed as the dedicated unit for accepting reports of employees involved in unethical conduct. The Ethical Corporate Management Policy section on AIDC's official website proves an effective communication method for employees, shareholders, stakeholders, and outsiders. If a report involves a director or senior manager, it will be reported to independent directors. The Company also established a whistleblower protection system to keep the identity and contents of the report strictly confidential, and promises to protect whistleblowers from mistreatment due to whistleblowing. In 2024, a total of 17 external reports were accepted, and none involved unethical conduct. The reports mainly included corporate corruption, procurement objections, contract performance disputes, violations of laws and regulations, and administrative management. Under the premise of keeping the whistleblower's identity confidential, the cause was investigated and appropriate measures were taken to implement ethical and transparent conduct.</p>	

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(3) Has the company established policies to prevent conflicts of interests, implemented such policies, and provided adequate channels of communications?	✓		The Company has policies and regulations on avoiding conflict of interest, including Article 16 of the Ethical Corporate Management Best Practice Principles, Chapter 2 Article 4 of the Code of Ethical Conduct for Business Management Personnel, Article 21 of the Guidelines for Employee Work Rules, 6.2.4 of the Transfer Rules, 3.1.1 of the Code of Conduct for Procurement Personnel, and 6.6 of the Procurement Notices. The Ethics & Security Division irregularly visits human resources and procurement units to remind them to avoid conflict of interest and also provide reporting channels.	No significant deviation.
(4) Has the company established effective accounting systems and internal control systems to implement ethical corporate management and designated its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance	✓		The Company has established an accounting system and internal control system according to regulations to implement ethical corporate management. Each department performs its duties according to the systems. Audit units regularly and irregularly audit the implementation status, and accountants are commissioned to periodically conduct review and certification, providing improvement recommendations to ensure lawfulness and safety.	No significant deviation.

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with the prevention programs accordingly or commissioned a CPA to conduct the audit?				
(5) Does the Company provide regular internal and external training on ethical corporate management?	✓		<p>1. External training: Board members planned a series of courses on regulations, audits, risk management, and anti-money laundering prevention to learn the legal knowledge, service principles and code of conduct that financial personnel should have, and 11 participants received 88 hours of training.</p> <p>2. Internal training: (1) The Company has employees sign the "AIDC Employee Code of Ethical Conduct" to create a corporate culture of integrity and effectively remind employees to abide by the Employee Code of Ethical Conduct; the signing rate reached 99.97% in 2024. In addition, statistics of "ethics and safety" training for new employees are updated and announced on the Company's website every quarter. (2) Provided the board of directors with examples of ethical corporate management, and has announced the "Ethical Corporate Management Policy" on the company website. http://www.aidc.com.tw/tw/about/ethical (3) To help new employees begin to take part in production as soon as possible and create a</p>	No significant deviation.

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			<p>corporate culture of ethical corporate management, the Company's Ethics & Security Division sends lecturers to provide "ethics and security seminars" for new employees; a total of 52 courses were completed in 2024 with 373 participants.</p> <p>(4) Employees registered 64 instances of gifts received in 2024 in accordance with the Employee Code of Ethical Conduct.</p>	
<p>3. Implementation of the Company's whistleblowing system</p> <p>(1) Does the company provide incentives and means for employees to report malpractices? Does the company assign dedicated personnel to investigate the reported malpractices?</p>	✓		<p>According to the Company's Rules for Distribution of Bonuses by the Principal Investigator, individuals that have made special contributions may be immediately rewarded. External whistleblowers also receive rewards after approval. The Company has appointed the Team Leader of the Prevention Team of the Ethics & Security Division to handle reports, and made an announcement on the company website encouraging internal and external personnel to report illegal (including corruption) and unethical conduct of employees in their own names. The reports are handled in accordance with the Guidelines for Handling Whistleblower Cases, mailbox: clean@ms.aidc.com.tw, complaint hotline: Team Leader of the Prevention Team of the Ethics & Security Division 04-22842373.</p>	No significant deviation.
<p>(2) Does the company have in place standard operating procedures for investigating and processing reports, as well</p>	✓		<p>The Company upholds the principle of not disclosing investigations after receiving a report, and participants are required to strictly maintain confidentiality when conducting investigation. If there are issues that require review and improvement after the investigation is concluded, the Ethics & Security Division will include preventive measures into the</p>	No significant deviation.

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as follow-up actions and relevant post-investigation confidentiality measures?			prevention system for continuous management to prevent recurrence.	
(3) Does the Company take measures to protect whistleblowers from inappropriate treatment or retaliation?	✓		The Company is committed to protecting whistleblowers from retaliation. If an employee feels that his/her rights or interests are damaged, there are clear remedy and grievance channels according to the Regulations for Handling Employee Complaints of the Human Resources Division.	No significant deviation.
5. Describe the deviations, if any, between actual practice and the ethical corporate management principles, if the company has formulated such principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies: None.				
6. Other important information to facilitate a better understanding of the company's implementation of ethical corporate management: (e.g., review and amendment of the Ethical Corporate Management Best Practice Principles) None.				