

**(V) Implementation status of sustainable development, deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and reason for such deviations**

Implementation items	Implementation status (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
1. Has the Company established a governance framework to promote sustainable development and a dedicated department (or have another department be responsible for related efforts) for fulfilling sustainable development, with the board of directors authorizing high-level managers to handle such efforts, and having relevant progress be supervised by the board of directors?	✓		<p>1. AIDC has always been committed to promoting corporate governance, developing a sustainable environment, and safeguarding social welfare. To make the implementation of sustainability efforts more effective, AIDC established the "Corporate Social Responsibility Advisory Committee" in 2018 as the highest level decision-making center for sustainable development. The chairman of the Board of Directors serves as the chair of the committee, and the president, vice presidents and level-1 executives responsible for the Company's ESG-related issues serve as members. The Committee assesses major economic, environmental, and social issues, formulates mid-term and long-term sustainable development plans, and provides advice on the implementation of ESG. In response to international development trends and to expand CSR to sustainability, the committee was renamed the ESG Committee in December 2021.</p> <p>2. Implementation status in 2024:</p> <p>(1) The president convenes a meeting of senior managers (tier 1 and above) each month to review carbon neutrality work items.</p> <p>(2) Identified climate change related risks and opportunities (TCFD) in 2025 and response measures for material issues, which were submitted to the Board of Directors for approval.</p> <p>(3) Completed the GHG inventory and third-party verification for the entire group (parent company, U.S. subsidiary, and Hsiang Yuan Co., Ltd.), and submitted the inventory and verification plan to the board of directors.</p> <p>(4) Published the sustainability report in</p>	No significant deviation.

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			<p>Chinese and English.</p> <p>(5) Continue to monitor international trends in net zero carbon emissions, and make rolling adjustments to the Company's short-term, mid-term, and long-term goals.</p> <p>3. The ESG Committee has 5 work groups, namely the Corporate Governance Work Group, Employee Care Work Group, Social Participation Work Group, Carbon Neutrality Work Group, and ESG Work Group. The work groups are all cross-departmental task forces that identify sustainability issues of concern to stakeholders, and formulate and implement strategies. The ESG Work Group is the secretarial unit of the Committee and held by the Company's management department. The ESG Work Group is responsible for formulating implementation plans, systems, and management approach, and reports the implementation status to the Board of Directors each quarter, including implementation results sustainability issues, communication with and management of stakeholders, and response measures for TCFD and material issues. The Company's matters supervised, urged, guided, and recommended by the board of directors in 2024 and the first quarter of 2025 include (1) Implementation status of sustainable development matters each quarter. (2) Added sustainability information management to the "AIDC Internal Control System." (3) Supervised the Company in completing a review report on results of the 9th Corporate Governance Evaluation in 2023; (4) Material topic identification results in the Company's sustainability report; (5) The Company's climate change risk and opportunity (TCFD) image.</p> <p>4. The Company's sustainable development governance framework is disclosed on the company website:  <a href="http://www.aidc.com.tw/tw/cse">http://www.aidc.com.tw/tw/cse</a>.</p>	

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2. Does the company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies accordingly? (Note 2)	✓		<div>1. The data disclosed covers the sustainable development performance of main locations between January and December 2024. The risk assessment boundary is mainly limited to operations of the parent company in Taiwan, including Taichung, Sha-Lu, and Kang-Shan Complexes.</div> <div>2. The ESG Committee conducts analysis based on the materiality principle of the sustainability report, communicates with internal and external stakeholders, and references international trends and characteristics of the defense and aerospace industries. The Committee evaluates the materiality of ESG issues on this basis, formulates risk management policies, and takes specific actions to reduce the impact of related risks.</div> <table><tr><th>Material issue</th><th>Risk assessment item</th><th>Risk management policy or strategy</th></tr><tr><td rowspan="2">Corporate governance</td><td>Operation and financial performance</td><td><div>● Continuous growth in revenue and net profit.</div><div>● Optimization of the Company's financial structure.</div></td></tr><tr><td>Product quality and technology R&amp;D</td><td>Uphold AIDC's quality policy of "quality assurance by all personnel for customer satisfaction", and ensure that the business development, design, R&amp;D, manufacturing, assembly, maintenance and repairs, and services of aerospace products meet the customers' quality requirements, AS9100 quality management system standards, and civil aviation regulations.</td></tr></table>	Material issue	Risk assessment item	Risk management policy or strategy	Corporate governance	Operation and financial performance	<div>● Continuous growth in revenue and net profit.</div> <div>● Optimization of the Company's financial structure.</div>	Product quality and technology R&D	Uphold AIDC's quality policy of "quality assurance by all personnel for customer satisfaction", and ensure that the business development, design, R&D, manufacturing, assembly, maintenance and repairs, and services of aerospace products meet the customers' quality requirements, AS9100 quality management system standards, and civil aviation regulations.	No significant deviation.
Material issue	Risk assessment item	Risk management policy or strategy										
Corporate governance	Operation and financial performance	<div>● Continuous growth in revenue and net profit.</div> <div>● Optimization of the Company's financial structure.</div>										
	Product quality and technology R&D	Uphold AIDC's quality policy of "quality assurance by all personnel for customer satisfaction", and ensure that the business development, design, R&D, manufacturing, assembly, maintenance and repairs, and services of aerospace products meet the customers' quality requirements, AS9100 quality management system standards, and civil aviation regulations.										

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				Continue innovation and development of smart manufacturing to attain the ultimate goals for customer satisfaction and expectations.
			Cybersecurity and Customer Privacy	<ul style="list-style-type: none"> <li>● Continue to improve information security and customer privacy protection. All related operations must meet international requirements and standards. The Company shall also review whether they comply with regulatory compliance trends.</li> <li>● The Company obtained ISO/IEC 27001 Information Security Management certification for the first time in 2008. Reviews are regularly reviewed by the IAF/TAF every year, and renewal audits are conducted every three years to maintain the validity of the certificate.</li> <li>● Passed the periodic audit of ISO/IEC 27001 in 2024.</li> </ul>
			Supplier management	<ul style="list-style-type: none"> <li>● Assist contractors in obtaining</li> </ul>

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				AS9100 certification. <ul style="list-style-type: none"> <li>● Assist in process certification.</li> <li>● Use green participation in the supplier conference to gradually create a sustainable supply chain.</li> </ul>
			Indigenous production of aircraft	<ul style="list-style-type: none"> <li>● Set important milestones for each phase based on contracts.</li> <li>● The Company convenes internal management meetings, and external project management meetings and construction progress review meetings with customers to facilitate prompt reviews, solutions, and implementation.</li> </ul>
			Environment	Green product/services design and development <ul style="list-style-type: none"> <li>● Expand the participation of ADIC's solar power and energy storage systems in electricity trading services.</li> <li>● Develop renewable energy electricity generation and energy storage facilities for major electricity users.</li> <li>● In response to the government policy to increase gas and reduce coal use, encourage</li> </ul>

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				domestic power plants to transition to gas-fired power plants.
			Climate change response	<ul style="list-style-type: none"> <li>● Based on the evaluation procedures for climate related risks and opportunities (TCFD), complete an "image of climate-related risks and opportunities" and response measures to material issues before the end of each year, report it to the Risk Management Committee for review, include it in the business plan submitted to the Board of Directors for approval, and then follow up on implementation results.</li> <li>● Implemented energy conservation and carbon reduction measures, improved energy use according to ISO 50001, and carried out GHG inventory and third party verification for all complexes of the Company and subsidiaries in 2024.</li> </ul>
			Waste Management	Carry out waste management

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				according to government regulations, and set the goal to reuse 35% and above of waste in each complex.
			Social	<p>Talent recruitment and retention</p> <ul style="list-style-type: none"> <li>● An open selection is held for talent recruitment, different education requirements are set for different positions, and there are no gender restrictions for all positions.</li> <li>● Continue to develop a diverse workplace environment, establish the Company's training quality system according to the TTQS, assist employees with improving their job skills, and provide a friendly work environment.</li> </ul>
			Occupational safety and health	Comply with government regulations and meet international standards to continue to improve health and safety performance. Set up a health management system to provide early warning information and launch health promotion activities to enhance employees' work and life balance.

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			The data above is disclosed on the company website: <a href="http://www.aidc.com.tw/tw/cse">http://www.aidc.com.tw/tw/cse</a> .	
3. Environmental issues (1)Has the company developed an appropriate environmental management system, given its distinctive characteristics?	✓		<p>1. The Company's environmental management measures comply with the environmental policy, all complexes implement ISO 14001 and carry out follow-up audits every year to maintain the system's effectiveness. The GHG inventory is compiled according to ISO 14064-1 and third party verification is also carried out.</p> <p>2. The implementation status is as follows:  (1)The Company obtained the ISO 14001 qualification certificate for the first time in 1999, and passed SGS verification for reissuance of the ISO 14001 Environmental Management Systems certificate in September 2024; the certificate is valid until September 2027.  (2)The Company completed the ISO 14064-1 GHG inventory (for GHG emissions in 2023) for the entire group (parent company, U.S. subsidiary, and Hsiang Yuan Co., Ltd.) and obtained third-party verification certificates in 2024.</p> <p>3. The Company's environmental management results and data are disclosed in the Sustainability Report and on the company website. Website:  <a href="https://www.aidc.com.tw/tw/cse/environment">https://www.aidc.com.tw/tw/cse/environment</a>.</p>	No significant deviation.



Implementation items	Implementation status (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
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(2) Is the company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	✓		<p>The Company has established an energy policy and implements a variety of energy conservation and carbon reduction measures, such as purchasing energy-efficient products. The Company set the following goals in coordination with its sustainable development policy.</p> <ul style="list-style-type: none"> <li>● Electricity consumption intensity: Company-wide electricity consumption intensity in 2025 decreases 5% compared to 2024.</li> <li>● Waste reuse rate: Reuse rate in each complex increases to 35% and above in 2025.</li> <li>● Continue to support the EPA in promoting green purchasing.</li> <li>● Install solar power generation facilities (Phase IV in Taichung) and increase renewable energy use in the Company.</li> </ul> <p>Dedicate efforts to the development of eco-friendly processes, use non-toxic materials, and reduce the environmental load from hazardous substances generated in processes.</p>	No significant deviation.
(3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		<p>The "ESG Committee" is the Company's highest level organization for managing climate change. The chairman serves as the chair of the committee, and the president, vice presidents and level-1 executives responsible for the Company's ESG-related issues serve as members for reviewing climate-related strategies. Climate change identification, assessment, and response plans are carried out by the Carbon Neutrality Work Group according to the TCFD framework. The work group in 2025 and response measures for material issues, which were submitted to the Board of Directors for approval. See (VII) Climate-related Information of TWSE/TPEX Listed Companies and the company website for details:  <a href="https://www.aic.com.tw/tw/cse/environment.analyzes">https://www.aic.com.tw/tw/cse/environment.analyzes</a>  the governance, strategies, risk management, indicators, and goals related to climate change risks and opportunities.  The Company identified climate change related</p>	No significant deviation.

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(4) Does the company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for energy conservation & carbon reduction, greenhouse gas emission, water use reduction, and other waste management?	✓		<p>risks and opportunities (TCFD) image</p> <p>1. The Company began compiling its GHG inventory and carrying out third party verification according to ISO 14064-1:2018 in 2022 (the data is from 2021). For detailed information on the GHG inventory in 2023 and 2024, please see (VII) Climate-related Information of TWSE/TPEX Listed Companies.</p> <p>2. Water consumption: The Company's water consumption mainly consists of tap water, rainwater, groundwater, and recycled water. Tap water accounted for 44.6% of water resource consumption of the Taichung Complex (including Sha-Lu Complex) in 2024. Tap water accounts for 100% of the Kang-Shan Complex's water use. Install a storage tank for process wastewater that goes through RO treatment, in order to increase the percentage of water recycling and reuse.</p> <p>Unit: Tons</p> <table> <tr> <th>Complex</th> <th>2023</th> <th>2024</th> </tr> <tr> <td>Taichung (including Sha-Lu)</td> <td>1,204,597</td> <td>1,305,283</td> </tr> <tr> <td>Kang-Shan</td> <td>198,966</td> <td>194,080</td> </tr> <tr> <td>Total</td> <td>1,403,563</td> <td>1,499,363</td> </tr> </table> <p>3. Waste recycling: The Company established "Industrial Waste Disposal Regulations" to reduce the potential environmental hazards of waste, and irregularly conducts internal environment audits. All complexes obtained the ISO 14001 Environmental Management System certification in 2024, which will remain effective until 2027. The Company also set the goal for reuse rate in each complex to increase to 35% and above in 2025, in order to reduce resource waste. The waste intensity (cubic meters/tons per million sales revenue) was</p>	Complex	2023	2024	Taichung (including Sha-Lu)	1,204,597	1,305,283	Kang-Shan	198,966	194,080	Total	1,403,563	1,499,363	No significant deviation.
Complex	2023	2024														
Taichung (including Sha-Lu)	1,204,597	1,305,283														
Kang-Shan	198,966	194,080														
Total	1,403,563	1,499,363														

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			<p>0.0688 in 2024.</p> <p style="text-align: right;">Unit: cubic meters/tons</p> <table><tr><th>Type</th><th>2023</th><th>2024</th></tr><tr><td>General industrial waste</td><td>1,807.96</td><td>2,173.11</td></tr><tr><td>Waste with hazardous substances</td><td>671.26</td><td>530.52</td></tr><tr><td>Total</td><td>2,479.22</td><td>2,703.63</td></tr></table> <p>Related information is disclosed in the Sustainability Report: <a href="http://www.aidc.com.tw/tw/cse/report">http://www.aidc.com.tw/tw/cse/report</a>.</p>	Type	2023	2024	General industrial waste	1,807.96	2,173.11	Waste with hazardous substances	671.26	530.52	Total	2,479.22	2,703.63	
Type	2023	2024														
General industrial waste	1,807.96	2,173.11														
Waste with hazardous substances	671.26	530.52														
Total	2,479.22	2,703.63														
4. Social issues (1) Has the Company formulated management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?	✓		<p>1. The Company continues to abide by the Labor Standards Act, Employment Service Act, and Act of Gender Equality in Employment, and has established rules and various communication e-mails and hotlines to protect employees' rights and interests. Employees can use any of the channels to express their opinions. Labor-management meetings and Employee Welfare Committee meetings are periodically held to ensure smooth communication channels. AIDC referenced international human rights conventions such as the "United Nations Global Compact," "United Nations Universal Declaration of Human Rights," and "International Labour Organization Declaration of Fundamental Principles and Rights at Work" when establishing the AIDC Human Rights Policy, in order to respect the value and spirit of human rights. Implementation guidelines are as follows:</p> <p>(1) Diversity, inclusion, and equal opportunity.</p> <p>(2) Provide a safe and healthy work environment.</p> <p>(3) Respect employees' freedom of assembly and association.</p> <p>(4) Assist employees in maintaining physical and mental health and attaining balance between work and life.</p>	No significant deviation.												

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			<p>(5) Ban on the use of child labor and forced labor.</p> <p>2. The Company's human rights management policies and specific programs are as follows:</p> <table><tr><th>Human rights management policy</th><th>Specific programs</th></tr><tr><td>Provide a safe and healthy work environment</td><td><ul style="list-style-type: none"><li>● Comply with government regulations and meet international standards to continue to improve health and safety performance.</li><li>● Set up a health management system to provide early warning information and launch health promotion activities to enhance employees' work and life balance.</li><li>● Involvement of all employees, continuous improvement, build happiness, and friendly workplace.</li></ul></td></tr><tr><td>Eliminate discrimination and ensure equal employment opportunity</td><td>Recruitment of new employees is carried out according to Article 5 of the Employment Service Act, and recruitment personnel receive training to eliminate unlawful discrimination and ensure equal opportunity for job applicants.</td></tr><tr><td>Prohibit the use of child labor</td><td>The Company does not hire any child labor under the age of 16 referred to in Article 44 of the Labor Standards Act.</td></tr><tr><td>Human rights protection training</td><td>Promotion of compliance includes topics related to employee rights, such as gender equality, sexual harassment prevention, workplace bullying, theft, and secretly filming. A total of 113 training courses were provided for 7,507 participants who received a total of 18,723 hours of training in 2024.</td></tr><tr><td>Ban on forced labor</td><td><ul style="list-style-type: none"><li>● Comply with the labor rights standards in ILO No. 29 Forced Labour Convention</li></ul></td></tr></table>	Human rights management policy	Specific programs	Provide a safe and healthy work environment	<ul style="list-style-type: none"><li>● Comply with government regulations and meet international standards to continue to improve health and safety performance.</li><li>● Set up a health management system to provide early warning information and launch health promotion activities to enhance employees' work and life balance.</li><li>● Involvement of all employees, continuous improvement, build happiness, and friendly workplace.</li></ul>	Eliminate discrimination and ensure equal employment opportunity	Recruitment of new employees is carried out according to Article 5 of the Employment Service Act, and recruitment personnel receive training to eliminate unlawful discrimination and ensure equal opportunity for job applicants.	Prohibit the use of child labor	The Company does not hire any child labor under the age of 16 referred to in Article 44 of the Labor Standards Act.	Human rights protection training	Promotion of compliance includes topics related to employee rights, such as gender equality, sexual harassment prevention, workplace bullying, theft, and secretly filming. A total of 113 training courses were provided for 7,507 participants who received a total of 18,723 hours of training in 2024.	Ban on forced labor	<ul style="list-style-type: none"><li>● Comply with the labor rights standards in ILO No. 29 Forced Labour Convention</li></ul>	
Human rights management policy	Specific programs															
Provide a safe and healthy work environment	<ul style="list-style-type: none"><li>● Comply with government regulations and meet international standards to continue to improve health and safety performance.</li><li>● Set up a health management system to provide early warning information and launch health promotion activities to enhance employees' work and life balance.</li><li>● Involvement of all employees, continuous improvement, build happiness, and friendly workplace.</li></ul>															
Eliminate discrimination and ensure equal employment opportunity	Recruitment of new employees is carried out according to Article 5 of the Employment Service Act, and recruitment personnel receive training to eliminate unlawful discrimination and ensure equal opportunity for job applicants.															
Prohibit the use of child labor	The Company does not hire any child labor under the age of 16 referred to in Article 44 of the Labor Standards Act.															
Human rights protection training	Promotion of compliance includes topics related to employee rights, such as gender equality, sexual harassment prevention, workplace bullying, theft, and secretly filming. A total of 113 training courses were provided for 7,507 participants who received a total of 18,723 hours of training in 2024.															
Ban on forced labor	<ul style="list-style-type: none"><li>● Comply with the labor rights standards in ILO No. 29 Forced Labour Convention</li></ul>															

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			and No. 105 Convention Concerning the Abolition of Forced Labour. ● Comply with Article 5 of the Labor Standards Act: "No employer shall, by force, coercion, detention, or other illegal means, compel a worker to perform work".	
			Assist employees in maintaining physical and mental health and attaining balance between work and life. ● Provide personalized Employee Assistance Program (EAP). ● Provide group assistance programs for employees. ● Please see "Labor-Management Relations" in Chapter 5 Business Overview of this annual report for details.	
(2) Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	✓		<p>1. The Company views employees as its assets and partners in sustainable growth. We take employee benefits and training very seriously, and are committed to implementing gender equality. There are no differences in employees' salary, performance evaluation, and opportunities for promotions due to gender, and we ensure that employees are not discriminated against, harassed, or treated unfairly due to their race, gender, religious belief, age, political inclination, and other conditions protected by applicable laws. Female employees accounted for 23.0% of all employees in 2024. Female managers accounted for approximately 23.5% of all managers and 11.9% of senior managers in 2024, in which 2 were vice presidents, accounting for 40% of all vice presidents (5 in total). Furthermore, the Company provides the underprivileged with employment opportunities and creates a friendly employment environment; the number of people with disabilities hired already exceeded the goal.</p>	No significant deviation.

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(3) Does the company provide employees with a safe and healthy work	✓		<p>2. The Company attaches importance to releasing employees' stress in the workplace, and has thus created a diverse and happy workplace environment that offers extensive and in-depth care. This allows employees to take care of their families and mental health when they are not focused on their work, achieving work-life balance. Please see "Labor-Management Relations" in Chapter 5 Business Overview of this annual report for details on the Company's employee benefits, such as parental leave, employee shareholding trust, allowances, and retirement system, which is also disclosed in "Labor-Management Relation" and "Employee Care" on the company website:  <a href="http://www.aidc.com.tw/tw/cse/employee">http://www.aidc.com.tw/tw/cse/employee</a>.</p> <p>3. Article 28 of the Company's Articles of Incorporation stipulates that if the Company makes a profit for the year, it shall allocate no less than 0.58% and no more than 4.65% as employee bonuses. In 2023, 4.65% or NT\$127,108,361 was allocated as employee bonuses, which was reported to the shareholders' meeting on May 27, 2024, and distribution was completed on June 26, 2024.</p> <p>4. The Company established the AIDC Performance Bonus Implementation Guidelines, and calculates and distributes employee evaluation bonuses and performance bonuses based on the business performance that year. The principle for allocating and distributing performance bonuses is pre-tax profit × 30%; distribution of evaluation bonuses and performance bonuses was completed on April 30 and May 31, 2024.</p>	No significant deviation.
			<p>1. The Company complies with health regulations and policies promulgated by the government, and provides employees with a</p>	

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environment? Are employees trained regularly on safety and health issues?			<p>healthy and safe work environment. We implemented the safety and health management system and management plan, and obtained the ISO 45001 Occupational Health and Safety Management Systems certification and Taiwan Occupational Safety and Health Management System (TOSHMS) certification.</p> <p>(1) ISO 45001 certification validity period: valid for the Taichung and Sha-Lu Complexes until October 16, 2027; valid for the Kang-Shan Complex until September 19, 2026.</p> <p>(2) TOSHMS certification validity period: valid for the Taichung and Sha-Lu Complexes until October 15, 2027; valid for the Kang-Shan Complex until September 19, 2026.</p> <p>2. Employee education and training:</p> <ul style="list-style-type: none"> <li>● In 2024, AIDC trained 5,015 employees in 195 classes that took its safety and health training courses.</li> <li>● Self-defense fire safety team organization training: The Company organized 6 sessions in Taichung Complex, Sha-Lu Complex, and Kang-Shan Complex for a total of 1,006 participants in 2024.</li> <li>● Fire safety emergency response drills: The Company organized 56 drills in Taichung Complex, Sha-Lu Complex, and Kang-Shan Complex with a total of 695 participants in 2024.</li> </ul> <p>3. A total of 5,297 employees completed general health examinations in 2024; related health examinations and follow-up examinations were provided to employees involved in special operations.</p> <p>4. The disabling injury frequency rate in Taichung (including Sha-Lu) Complex was 1.51 and Kang-Shan Complex was 0 in 2024. Transportation outside complexes, transportation within complexes, and within the workplace totaled 84 employees, accounting for 1.39% of employees at the end of 2024.</p>	

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			<p>5. Onsite management: The Company completed the regular inspections of hazardous machinery and equipment in 2024 to ensure the safety of equipment and personnel. The Company has 31 fixed cranes with hoisting capacity of 3 tons or more, 18 sets of special high-pressure gas equipment, 2 type one pressure containers, and 1 small boiler.</p> <p>6. Work environment control: The Company appoints institutions approved by the Council of Labor Affairs to conduct inspections on dust, noise, carbon dioxide, organic solvents, and specific chemical substances in the work environment. Two rounds of operating environment inspections were implemented in Taichung, Sha-Lu, Taiwan Advanced Composite Center, and Kang-Shan in 2024.</p> <p>7. Number of fire accidents, number of casualties, and the ratio of number of casualties to the total number of employees, and related improvement measures in response to fire accidents: In 2024, there was one fire accident with no casualties. In addition to reviewing the cause of the accident, we also referenced accidents in Taiwan and overseas, conducted in-depth reviews of potential risks, and proposed a total of 2,108 improvement measures in nine major areas, as described below.</p> <ul style="list-style-type: none"> <li>● Review the safety management practices of continuously operating heating equipment and add safety devices.</li> <li>● Refer to the National Fire Agency's "Guiding Principles for Self-Identification of Factory Fire Risks and Disaster Mitigation and Response Measures" and use fire risk assessment tools to identify building fire risks and take preventive measures.</li> <li>● For corrosive, humid, and dusty places, check the maintenance of electrical switch boxes and the jacket or replacement of wiring.</li> <li>● Comprehensively perform infrared thermal imaging inspections of electrical switch boxes</li> </ul>	



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	Yes	No	Summary	
(4) Does the company set up effective career development and training programs for its employees?	✓		<p>to identify abnormalities and improve them.</p> <ul style="list-style-type: none"> <li>● Establish an automatic inspection system for machinery and equipment to simplify the inspection process and improve troubleshooting, tracking, and auditing efficiency.</li> <li>● Compile information on chemical hazards in complexes, prepare hazard identification cards (H-Cards), and provide the fire department with a correct layout of chemicals in complexes, as well as necessary information for rescue.</li> <li>● Strengthen the safety protection measures for contractors' hot work, underground work, and electricity requirements, and conduct various inspections before construction.</li> </ul> <p>The Company has planned complete professional training for managers and employees, including new employee training, advanced professional training, and manager training, and trains management trainees according to the AIDC Managerial Talent Reserve and Utilization Guidelines. The Company organized 1 senior management strategy camp in 2024, offering courses and engaging in discussions on future strategy planning. In addition, the Company reviews competency gaps annually based on its business plan and business expansion goals, and provides resources to improve competencies. Internal and external training courses are provided to improve the competencies of personnel. In 2024, AIDC provided 4,054 training courses (including online learning courses) with 156,317 person-times participated and that amounted to a total of 357,055 training hours. Furthermore, the Company adopted the "Talent Quality-management System (TTQS)" of the Ministry of Labor in 2015 as the guidelines for the Company's talent development. We received the corporate version gold medal in the most recent evaluation and the certificate is valid until December 19, 2025. We will apply for evaluation according to the TTQS evaluation mechanism in</p>	No significant deviation.

Implementation items	Implementation status (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection or customer rights protection and grievance procedure policies implemented?	✓		<p>2025.</p> <p>The Company is in the aircraft and parts manufacturing industry. AIDC has obtained ISO 9001:2015 &amp; AS9100:D quality management system certification and has obtained the quality system certification of world-class aerospace quality systems such as Boeing D6-82479, Airbus AP2190 and GEAE S-1000, United Technologies Aerospace Supplier Quality Requirement (ASQR-01) (including Pratt &amp; Whitney engines), Sikorsky Supplier Quality Requirements (SSQR-01), Honeywell Aerospace Supplemental Purchase Order Conditions (SPOC), MITAC MRJ-SQC-01, KHI KQMS-7100, Leonardo IAYC 05C, Bell Flight Supplier Quality Requirements Manual (SQRM-001), and Bombardier QD 4.6-40. Military aircrafts have obtained military aviation quality system certifications, such as INST 8210.1B of the U.S. Defense Contract Management Agency, and Lockheed Martin's Appendix QX and SQRM-001. The Company established the quality policy of "quality assurance by all personnel for customer satisfaction," and provides a variety of complaint channels, including e-mail, satisfaction survey, and customer visits. we also established a 24-hour customer compliant response mechanism to protect customers' rights and interests.</p>	No significant deviation.
(6) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights,	✓		<p>1. The Company established Supplier Management Guidelines, and supplier evaluations not only include quality and delivery, but also ethics and sustainability issues. If a qualified supplier has obtained ISO 14001 (Environmental Management System), ISO 50001 (Energy Management System), ISO 45001 (Occupational Health and Safety Management System), and TOSHMS (Taiwan Occupational Safety and Health Management</p>	No significant deviation.

Implementation items	Implementation status (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
and what is its implementation status?			<p>System) or other certifications that contribute to society and the environment, the supplier will be included in the list of prioritized suppliers and have the opportunity to receive invitations to participate in the Company's procurement.</p> <p>2. The Company continues to provide suppliers with training and assistance for process improvements and advancements to help them improve quality, engineering technologies, and management capabilities, so as to reduce cost and increase competitiveness for winning purchase orders.</p> <p>3. The Company evaluated 132 suppliers in 2024 and provided contract performance supervision and technical assistance to 27 suppliers a total of 552 times. The Company also audited 55 suppliers in 2024.</p>	
5. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third-party assurance or guarantees for the reports above?	✓		The Company prepared the 2023 AIDC Corporate Sustainability Report according to international standards (the GRI Standard published in 2021), and the report obtained third party assurance from SGS.	No significant deviation
<p>6. If the company has established Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies," describe any discrepancy between the principles and their implementation:  "AIDC Corporate Social Responsibility Best Practice Principles" was amended to "AIDC Corporate Sustainability Best Practice Principles" and passed by the board of directors on May 6, 2022. There is no significant deviation in the amended version from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.</p>				
<p>7. Other important information helpful in understanding the implementation of sustainable development:</p> <p>(1) Social care:</p>				

Implementation items	Implementation status (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>A. After the privatization of AIDC, the Company seeks to provide substantive care for employees and stabilize management rights. After considering the business environment and financial conditions of the Company, we formally began to organize the employee shareholding trust in September 2016 for employees to join at their discretion and select the employee contribution amount. The Company shall provide the company contribution amount proportionally based on the employee contribution amount, and employees have enthusiastically participated.</p> <p>B. The Company used a modified and certified aircraft to execute a mission to deploy a sensor (dropsonde) in the outer ring of a typhoon, in order to measure atmospheric information on the typhoon. After academic research and actual implementation results, the accuracy of predictions of typhoon intensity and path has significantly improved. The Central Weather Bureau obtained more accurate forecasts from AIDC's Typhoon Observation Project, focusing on key areas in the radius of winds over 50km/hr and the path of typhoons such as Krathon and Typhoon Kong-rey. AIDC executed 88 flights under the Typhoon Observation Project and observed 72 typhoons starting from Typhoon Dujuan in 2003 to the end of 2024. This has allowed the government to take more effective disaster prevention measures and significantly reduce the loss of citizens' lives and assets.</p> <p>C. The Company utilizes aviation resources to provide aerial medical rescue services. The scope of services for emergency medical flights includes Southeast Asia, Northeast Asia, and China. Flights to destinations at greater distances include Hokkaido, Ulaanbaatar, Chengdu, Bangkok, and Jakarta. The Company completed 163 missions to airports in 47 cities in Mainland China (including Hong Kong/Macau), Japan, South Korea, Cambodia, Thailand, Vietnam, and Malaysia from June 2013 to 2024.</p> <p>D. The Company provides comprehensive volunteer services through the "AIDC Volunteer Team," and has worked with government agencies and disadvantaged groups for many years, paying attention to the human rights of the elderly, youth, the disabled, and new immigrants to enhance their ability to assimilate and adapt to society. We also attach importance to environmental and ecological protection issues, engage in environmental protection education and beach cleaning, and organize aerospace education activities, assisting in the promotion of various public welfare activities and volunteer services. Regular on-duty services include accompanying visually impaired students at Hueiming Education and Nursing Institute and Taiwan Association for MDVI in walking/running/music classes to help them develop professional skills, Central Park guide/consultation, and Jiading Wetland ecological conservation/environment development to raise citizens' environmental protection awareness, visiting and providing better care for the elderly living alone, accompanying elderly people with dementia during eco-friendly paper art DIY classes, which slow down degeneration and dementia, and a variety of other activities to fulfill the Company's social responsibilities. AIDC participated in 31 charity events in 2024, providing 3,008 volunteers that served 474,005 participants and 40 organizations. We made announcements online and promoted charity events through volunteers in units to encourage employees to make donations, directly</p>				

Implementation items	Implementation status (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			and indirectly helping underprivileged groups.	
E.			To let students better understand aircrafts and aviation, the Company organized aerospace education promotion activities in 2024, including: (1) On March 27, Huei-Ming School for Blind Children arranged a visit to AIDC's complex for its aerospace care education, and we tailored the experience by editing various sounds of aircraft taking off and landing, using the help of hearing and touch to let students experience the beauty of airplanes, opening the window to their hearts. AIDC provided 4 volunteers and benefited 6 blind children. (2) On June 7, an aerospace education activity was held with 8 volunteers at Gangshan Shouten Elementary School and benefited 140 students. (3) On July 22, an aerospace care education visit was organized with 3 volunteers at the Affiliated High School of Tunghai University Elementary Division and benefited 12 students. (4) On September 26, AIDC provided 1 volunteer for the aerospace care education visit for gifted students from Zhongshan Elementary School in Yilan County, and benefited 3 students.	
F.			A donation event was organized among employees before Chinese New Year, and the funds were donated to Kids' Bookhouse Foundation, Kaohsiung Autism Foundation Dashu Development Center, Kaohsiung City Life Source Comprehensive Care Association, and the Sino-AIDC Hundred Dollars Youngster Assistance Association at the beginning of 2025 to fulfill our responsibility to care for society.	
G.			Community risk assessment and corresponding measures will be disclosed in the sections "Friendly Neighbor" and "Stakeholder Identification and Communication" in the Sustainability Report.	
(2) Environmental protection:				
A.			The Company continues to perform environmental protection work, and the entire company (Taichung, Sha-Lu, and Kang-Shan Complexes), Hsiang Yuan Co., Ltd., and U.S. subsidiary obtained ISO 14064 GHG Inventory (for GHG emissions in 2023) and verification in 2024. We follow the ISO14001 environmental management system when carrying out source control and process waste reduction, clean production, green procurement, air pollution control, waste water treatment, waste disposal and treatment, toxic chemical substance management, energy conservation, carbon reduction, waste reduction, resource recovery, dedicating our efforts to achieve environmental sustainability.	
B.			The Company is committed to energy conservation and carbon reduction, and upholds the spirit of ISO 50001 Energy Management Systems in energy conservation, such as improving the production process and taking electricity saving and water conservation measures. The Company has thus been recognized with the Silver Award in the 2024 Energy Saving Benchmark Award of the Bureau of Energy, Ministry of Economic Affairs and the "Top 100 Carbon Competitiveness" of Business Weekly.	

Note 1: If "Yes" was selected, please describe important policies, strategies, measures, and implementation status; If "No" was selected, please explain the reason for discrepancies and describe future policies, strategies, and measures in "Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons". For implementation items 1 and 2, public companies must describe their sustainable development governance and supervision framework, including but not limited to formulating the management approach, strategies, and goals, as well as review measures. Describe the Company's risk

management policy or strategy and evaluation of ESG issues related to its operations.

Note 2: The principle of materiality means that ESG issues have a material effect on the Company's investors and other stakeholders.