

(VIII) 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 (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>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, 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. https://www.aidc.com.tw/tw/about/ethical</p>	No significant deviation
<p>(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed</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. Prevention plans are taken 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

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Companies?				
(3) Does the company provide clearly the 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?	✓		The Company has established operating procedures, code of conduct, and a penalty and complaint system to prevent unethical conduct. Please see the company website for details on AIDC's implementation of the Ethical Corporate Management Best Practice Principles. https://www.aidc.com.tw/tw/about/ethical	No significant deviation
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
(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?	✓		The Company established an Ethics & Security Division directly 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.	No significant deviation
(3) Has the company established policies to prevent conflicts of interests, implemented such policies, and	✓		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	No significant deviation

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provided adequate channels of communications?			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.	
(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 with the prevention programs accordingly or commissioned a CPA to conduct the audit?	✓		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
(5) Does the Company provide regular internal and external training on ethical corporate management?	✓		<ol style="list-style-type: none"> 1. External training: The Company invites a lawyer, prosecutor, or investigator to complexes to provide ethical corporate management seminars at least once a year. (Suspended in 2022 due to the COVID-19 outbreak) 2. Internal training: <ol style="list-style-type: none"> (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 2022. (2) Provide the board of directors with examples of ethical corporate management, and update the "Ethical Corporate Management 	No significant deviation

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			<p>Policy" on the company website each quarter. http://www.aidc.com.tw/tw/about/ethical</p> <p>(3) To help new employees begin to take part in production as soon as possible and create a 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 46 courses were completed in 2022 with 573 participants.</p> <p>(4) Employees registered 34 instances of gifts received in 2022 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 as follow-up actions and relevant post-investigation confidentiality measures?</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 prevention system for continuous management to prevent recurrence.</p>	No significant deviation
<p>(3) Does the Company take measures to protect whistleblowers from</p>	✓		<p>The Company is committed to protecting whistleblowers from retaliation. If an employee feels that his/her rights or interests are damaged,</p>	No significant deviation

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inappropriate treatment or retaliation?			there are clear remedy and grievance channels according to the Regulations for Handling Employee Complaints of the Human Resources Division.	
4.Enhancing information disclosure Does the company disclose information regarding the company's ethical corporate management principles and implementation status on its website and the Market Observation Post System?	✓		The Company announced the contents and implementation results of the Code of Ethical Conduct for Business Management Personnel, Ethical Corporate Management Best Practice Principles, and Code of Ethical Conduct for Employees on the company website, and irregularly promotes related rules.	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) The Company announces its ethics policy and anti-corruption policy during supplier conferences, explicitly stating that the Company's employees do not accept gifts. The whistleblowing number 04-2284 2373 and e-mail clean@ms.aidc.com.tw are announced during the conference, and suppliers can use the channels to report illegal conduct. The Company will take measures to ensure the confidentiality of the identity of whistleblowers. (Suspended in 2021 due to the COVID-19 pandemic)				