

(VI) Sustainable Development implementation and deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the 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 2022:</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) Established and announced the Sustainability Report Compilation and Verification Operating Procedures</p> <p>(3) Identified climate change related risks and opportunities (TCFD) in 2023 and response measures for material issues, which were submitted to the Board of Directors for approval.</p> <p>(4) Completed the GHG inventory and third party verification for a complexes, and reported the GHG inventory and verification plans of the parent company and subsidiaries to the Board of Directors.</p> <p>(5) Published a Sustainability Report and carried out material issue identification once every 2 years.</p> <p>(6) 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</p>	No significant deviation

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			<p>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. After board supervision, urging, and recommendations, the Company completed the following sustainability related matters in 2022 and 2023 Q1: (1) Promotion of ESG reports in the Company to provide instructions related to ESG regulations and implementation. (2) Revised contents of the "AIDC Sustainable Development (ESG) Best Practice Principles": (3) Supervised the Company in completing a review report on results of the 8th Corporate Governance Evaluation in 2021, and provided improvement recommendations and instructions. (4) Instructed material issue identification results in the Company's sustainability report.</p> <p>4. The Company's sustainable development governance framework is disclosed on the company website: http://www.aidc.com.tw/tw/cse</p>	
2. Does the company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and	✓		<ol style="list-style-type: none"> 1. The data disclosed covers the sustainable development performance of main locations between January and December 2022. The risk assessment boundary is mainly limited to Taiwan, including Taichung, Sha-Lu, and Kang-Shan Complexes. 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 	No significant deviation

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devise risk management policies and strategies accordingly? (Note 2)			actions to reduce the impact of related risks.		
			Material issue	Risk assessment item	Risk management policy or strategy
			Corporate governance	Operation and financial performance	<ul style="list-style-type: none"> ● Continuous growth in revenue and net profit ● Optimization of the Company's financial structure
				Ethical Corporate Management and Compliance	<ul style="list-style-type: none"> ● Communication of the ethics policy. ● Request suppliers to comply with the Company's ethics policy and ethical standards before they may submit bids. Implement supplier questionnaire surveys each year to evaluate related corruption risks. ● The Company set up the "anti-corruption whistleblowing mailbox" for employees and external individuals to file anonymous reports and publish results on the Company's internal and external websites.
				Product quality/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. 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"> ● 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 				

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			<ul style="list-style-type: none"> regulatory compliance trends. ● Successfully passed the periodic audit of ISO 27001 in 2022. 	
			<ul style="list-style-type: none"> Supplier management ● Assist contractors in obtaining AS9100 certification ● Assist in process certification ● Use green participation in the supplier conference to gradually create a sustainable supply chain 	
			<ul style="list-style-type: none"> indigenous production of aircraft ● Set important milestones for each phase based on contracts ● 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. 	
		Environment	<ul style="list-style-type: none"> Green product /services design and development ● Expand the participation of ADIC's solar power and energy storage systems in electricity trading services. ● Develop renewable energy electricity generation and energy storage facilities for major electricity users. ● In response to the government policy to increase gas and reduce coal use, encourage domestic power plants to transition to gas-fired power plants. 	
			<ul style="list-style-type: none"> Energy and GHG management Implement energy conservation and carbon reduction measures, improve energy use according to ISO 50001, and carry out GHG inventory and third party verification for all complexes. 	
			<ul style="list-style-type: none"> Waste Management Carry out waste management according to government regulations, and set the goal to reuse 35% and above of waste in each complex. 	
			<ul style="list-style-type: none"> Climate change response Based on the evaluation procedures for climate related risks and opportunities (TCFD), complete an "image of climate-related risks and opportunities" 	

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			<p>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.</p> <table border="1"> <tr> <td>Social</td> <td>Talent recruitment and retention</td> <td> <ul style="list-style-type: none"> ● An open selection is held for talent recruitment, different education requirements are set for different positions, there are no gender restrictions, and people with disabilities and indigenous peoples are given additional points to provide the underprivileged with employment opportunities. ● 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. </td> </tr> <tr> <td></td> <td>Occupational safety and health</td> <td>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.</td> </tr> </table> <p>The data above is disclosed on the company website: http://www.aidc.com.tw/tw/cse</p>	Social	Talent recruitment and retention	<ul style="list-style-type: none"> ● An open selection is held for talent recruitment, different education requirements are set for different positions, there are no gender restrictions, and people with disabilities and indigenous peoples are given additional points to provide the underprivileged with employment opportunities. ● 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. 		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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	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.								
3. Environmental issues (1) Has the company developed an appropriate environmental management	✓		<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: (7)The Company obtained the ISO 14001 qualification</p>	No significant deviation						

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<p>system, given its distinctive characteristics ?</p> <p>(2) Is the company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?</p>	✓		<p>certificate for the first time in 1999, and passed SGS verification for reissuance of the ISO 14001 Environmental Management Systems certificate in October 2021; the certificate is valid until October 2024.</p> <p>(8) Completed ISO 14064-1 GHG inventory and obtained third-party verification certificates all complexes (Taichung, Sha-Lu, and Kang-Shan) in 2022.</p> <p>3. The Company's environmental management results and data are disclosed in the Sustainability Report and on the company website. Website: https://www.aidc.com.tw/tw/cse/environment</p> <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"> ● Electricity consumption intensity: Company-wide electricity consumption intensity in 2023 decreases 5% compared to 2022 (4,516; Unit: kWh/sales value in NT\$ million). ● Waste reuse rate: Reuse rate in each complex increases to 35% and above in 2023. ● Continue to engage in green procurement in coordination with the Environmental Protection Administration, and make green procurements for 100% of green procurement items in 2022. ● Install solar power generation facilities and increase renewable energy use in the Company to 100%. ● Dedicate efforts to the development of eco-friendly processes, use non-toxic materials, and reduce the environmental load from hazardous substances generated in processes. 	No significant deviation
<p>(3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the</p>	✓		<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 analyzes the governance,</p>	No significant deviation

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<p>present and future of its business, and take appropriate action to counter climate change issues?</p> <p>(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>	✓		<p>strategies, risk management, indicators, and goals related to climate change risks and opportunities.</p> <p>The Company identified climate change related risks and opportunities (TCFD) in 2023 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. https://www.aidc.com.tw/tw/cse/environment</p> <p>1. Since 2012, AIDC has established environmental accounting regulations in accordance with ISO 14064-1 and the GHG Protocol to facilitate greenhouse gas inventories. 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). GHG emissions in the past two years are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="3" style="text-align: right;">Unit: Tons</th> </tr> <tr> <th>Scope</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td style="text-align: right;">4,781.17</td> <td style="text-align: right;">2,293.9</td> </tr> <tr> <td>Scope 2</td> <td style="text-align: right;">62,246.11</td> <td style="text-align: right;">23147.7</td> </tr> <tr> <td>Scope 3</td> <td style="text-align: right;">23,304.16</td> <td style="text-align: right;">7,823.53</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">90,331.44</td> <td style="text-align: right;">33,265.14</td> </tr> </tbody> </table> <p>Note: Total emissions in 2021 is the total for AIDC (Taichung Complex, Sha-Lu Complex, and Kang-Shan Complex). The Taichung Complex and Sha-Lu Complex were still carrying out operations, so only the inventory for the Kang-Shan Complex is listed in 2022 emissions.</p> <p>Scope 2 emissions from electricity are the main source of the Company's GHG emissions, accounting for nearly 70% of GHG emissions. The Company has formulated energy conservation and carbon reduction measures for reducing GHG emissions. The Company has obtained the certificate for third party verification of GHG emissions from all complexes in 2021, and third party verification of GHG emissions in 2022 is currently being carried out. As of March 31, 2023, preliminary GHG inventory data completed by the Company's Kang-Shan Complex is shown in the table above (data for activities in 2022). GHG data for the Taichung and Sha-Lu Complexes was still being prepared and not</p>	Unit: Tons			Scope	2021	2022	Scope 1	4,781.17	2,293.9	Scope 2	62,246.11	23147.7	Scope 3	23,304.16	7,823.53	Total	90,331.44	33,265.14	No significant deviation
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			<p>listed in the table. After data for the year passes third party verification, the data will be disclosed on the company website. https://www.aidc.com.tw/tw/cse/environment °</p> <p>2. Water consumption: The Company's water consumption mainly consists of tap water, rainwater, groundwater, and recycled water. Tap water accounted for 39% of water resource consumption of the Taichung Complex (including Sha-Lu Complex) in 2022. 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 style="text-align: right;">Unit: Tons</p> <table border="1"> <thead> <tr> <th>Complex</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>Taichung (including Sha-Lu)</td> <td>1,164,189</td> <td>1,299,909</td> </tr> <tr> <td>Kang-Shan</td> <td>160,604</td> <td>175,181</td> </tr> <tr> <td>Total</td> <td>1,324,793</td> <td>1,475,090</td> </tr> </tbody> </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 passed the ISO 14001 Environmental Management System certification in 2021, which remains effective in 2022. The Company also set the goal for reuse rate in each complex to increase to 35% and above in 2023, in order to reduce resource waste. Business bounced back as the pandemic subsided in 2022. Even though total waste increased compared with the previous year, waste intensity (metric tons/NT\$1 million in sales value) decreased 13.7% compared with the previous year.</p> <p style="text-align: right;">Unit: cubic meters/tons</p> <table border="1"> <thead> <tr> <th>Type</th> <th>2021</th> <th>2022</th> </tr> </thead> <tbody> <tr> <td>General industrial waste</td> <td>1,660.16</td> <td>1,898.08</td> </tr> <tr> <td>Waste with hazardous substances</td> <td>456.48</td> <td>429.29</td> </tr> <tr> <td>Total</td> <td>2,116.64</td> <td>2,327.37</td> </tr> </tbody> </table> <p>Related information is disclosed in the Sustainability Report. http://www.aidc.com.tw/tw/cse/report</p>	Complex	2021	2022	Taichung (including Sha-Lu)	1,164,189	1,299,909	Kang-Shan	160,604	175,181	Total	1,324,793	1,475,090	Type	2021	2022	General industrial waste	1,660.16	1,898.08	Waste with hazardous substances	456.48	429.29	Total	2,116.64	2,327.37	
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4. Social issues	✓		1. The Company continues to abide by the Labor Standards																									

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(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>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> <ol style="list-style-type: none"> (1) Diversity, inclusion, and equal opportunity. (2) Provide a safe and healthy work environment. (3) Respect employees' freedom of assembly and association. (4) Assist employees in maintaining physical and mental health and attaining balance between work and life. (5) Ban on the use of child labor and forced labor. <p>2. The Company's human rights management policies and specific programs are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #ffffcc;">Human rights management policy</th> <th style="background-color: #ffffcc;">Specific programs</th> </tr> </thead> <tbody> <tr> <td>Provide a safe and healthy work environment</td> <td> <ul style="list-style-type: none"> ● 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. ● Involvement of all employees, continuous improvement, build happiness, and friendly workplace. </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</td> <td>The Company does not hire any child labor under the age of 16 referred to in Article 44 of</td> </tr> </tbody> </table>	Human rights management policy	Specific programs	Provide a safe and healthy work environment	<ul style="list-style-type: none"> ● 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. ● Involvement of all employees, continuous improvement, build happiness, and friendly workplace. 	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	The Company does not hire any child labor under the age of 16 referred to in Article 44 of	No significant deviation
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(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?	✓		labor	the Labor Standards Act.
			Human rights protection training	<ul style="list-style-type: none"> Promotion of compliance, including topics related to employee rights, such as gender equality, sexual harassment prevention, workplace bullying, theft, and secretly filming. A total of 145 training courses were provided for 4,606 participants who received a total of 4,900 hours of training in 2022.
			Ban on forced labor	<ul style="list-style-type: none"> Comply with the labor rights standards in ILO No. 29 Forced Labour Convention 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.	<ul style="list-style-type: none"> 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.
			<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 21% of all employees in 2021. Female managers accounted for approximately 19.56% of all managers and 14.08% of senior managers in 2022, 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> <p>2. The Company attaches importance to releasing employees' stress in the workplace, and has thus created</p>	

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(3) Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and	✓		<p>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. http://www.aidc.com.tw/tw/cse/employee</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 2021, 4.65% or NT\$28,432 thousand was allocated as employee bonuses, which was reported to the shareholders' meeting on May 27, 2022, and distribution was completed on July 21, 2022.</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 the portion of pre-tax profit under NT\$1.5 billion × 30% and the portion of pre-tax profit above NT\$1.5 billion × 25%; distribution of evaluation bonuses and performance bonuses was completed on June 16 and 30, 2022.</p> <p>1. The Company complies with health regulations and policies promulgated by the government, and provides employees with a 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, which is valid until October 16, 2024.</p> <p>2. Employee education and training:</p> <ul style="list-style-type: none"> ● In 2022, AIDC trained 2,914 employees in its safety and health training courses. ● Self-defense fire safety team organization training: The 	

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health issues?			<p>Company organized 6 sessions in Taichung Complex, Sha-Lu Complex, and Kang-Shan Complex for a total of 1,256 participants.</p> <ul style="list-style-type: none"> ● Emergency response drills: The Company organized 36 sessions of the self-defense fire safety emergency response drills for a total of 2,240 participants. ● Since the outbreak of COVID-19 in 2020, the Company made rolling adjustments to the direction of epidemic prevention so that employees can work in a safe and healthy work environment. A total of 78 epidemic prevention announcements were made in 2022. <p>3. A total of 5,242 employees completed general health examinations in 2022; 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) was 4.8 and Kang-Shan Complex was 1.33 in 2022. Number of occupational injuries includes transportation, work, and transportation within complexes, and totaled 118 employees, accounting for 1.72% of employees at the end of 2022.</p> <p>5. Onsite management: The Company completed the regular inspections of hazardous machinery and equipment in 2022 to ensure the safety of equipment and personnel. The Company has 16 fixed cranes with hoisting capacity of 3 tons or more and 17 sets of special high-pressure gas equipment.</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 2022.</p>	
(4) Does the company set up effective career development and training programs for	✓		<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 2022, offering courses and engaging in discussions</p>	No significant deviation

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	Yes	No	Summary	
its employees?			on future strategy planning. Furthermore, the Company reviews and trains personnel with crucial skills each year based on its business plan and business expansion goals. The Company offered a total of 4,716 physical and online courses for 212,927 participants who accumulated a total of 394,200 hours in 2022.	
(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?	✓		The Company is in the aircraft and parts maintenance and manufacturing business, and products sold domestically are required to meet contractual requirements of the ROC Armed Forces. Products that are exported must obtain world class aviation quality standards, including Boeing D6-82479, Airbus AP2190, GEAE S-1000, United Technologies ASQR-01, Honeywell SPOC, MITAC MRJ-SQC-01, Alenia IAYC 05C, Bell QPS100/200/300m and Bombardier QD 4.6-40. 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.	No significant deviation
(6) Does the company have a supplier management policy, require suppliers to comply with	✓		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	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	
regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?			<p>(Taiwan Occupational Safety and Health Management 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 surveyed 10 suppliers with the environmental and safety and health management questionnaire in 2022. The Company maintained overall supervision of positive actions of suppliers and continues to support the sustainable development of the environment.</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 2022 AIDC Corporate Sustainability Report according to international standards (the GRI Standard published in 2016), and the report obtained third party assurance from SGS.	No significant deviation
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:				

Implementation items	Implementation status (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			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.	
7. Other important information helpful in understanding the implementation of sustainable development:				
(1) Social care:				
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.				
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, which executed 85 flights and observed 69 typhoons from Typhoon Dujuan in 2003 to the end of 2022. This has allowed the government to take more effective disaster prevention measures and significantly reduce the loss of lives and assets of citizens.				
C. The Company utilizes aviation resources to provide aerial medical rescue services. During the COVID-19 pandemic in 2022, the Company completed 7 international emergency flights. The Company completed a total of 136 missions in 44 airports of China (including Hong Kong/Macau), Japan, South Korea, Cambodia, Thailand, the Philippines, Vietnam, and Malaysia between June 2013 and the end of 2022.				
D. The Company promotes comprehensive volunteer services through the AIDC Volunteer Team, and continues to assist the charity events organized by government agencies and organizations for the underprivileged, periodically engaging in wetland ecological conservation, environment development, and care for elderly people living alone in Qieding. We worked with the Dementia Care Association in 2022, and accompanied elderly people with dementia in paper crafts DIY activities to increase their confidence and sense of participation, in order to fulfill our corporation social responsibility. AID participated in 31 charity events in 2022, providing 1,434 volunteers that served 39 organizations and 91,166 participants. We made announcements online and promoted charity events through volunteers in units to encourage employees to make donations, directly and indirectly helping underprivileged groups.				
E. To let students better understand the Company's efforts in improving local education and fulfilling its corporate social responsibility, the Company invited students of Taichung City Fengyuan District Fu Chuen Primary School and Taichung Municipal Hoping Junior High School to visit the Company, and continues to let aerospace education strike root among students in rural areas. AIDC upholds the mission of passing on experience with early aerospace education for children to open up their horizons.				

Implementation items	Implementation status (Note 1)			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
F. A donation event was organized among employees before Chinese New Year, and the funds were donated to Abundant Blessings Community Association of Taiwan, TSZ-Ai Intelligence in Taichung Catholic Development Center, Kaohsiung Autism Foundation, and Exist for Love at the beginning of 2023 to show care for society.				
G. The Company supports domestic cultural development, and sponsorships and results in 2022 are as follows: (A) Provided gifts for "LOHAS New Taipei Anti-Drug Comic Contest" organized by Chinese Art and Cultural Creative Industries Association, and 321 out of the 1,886 works won prizes. (B) Provided gifts for Kaohsiung Energy Conservation and Anti-Drug Comic Contest organized by Taiwan Comic Culture and Art Development Association, and 336 out of the 2,507 works won prizes. (C) Provided gifts to Taichung City Government for Taichung City Music Town – Shalu Starry Night Concert (D) Sponsored the 2022 Charity Concert of Taichung City Faith, Hope, Love Intelligence Development Center (E) Sponsored the 2022 Performance in Schools in Rural Areas for Youth Sexual Exploitation Prevention of Taiwan Social Care and Charity Service Association, which had 1,602 participants and performed at 10 elementary schools in New Taipei City. (F) A total of 51 excellent works in the "Children Drawing Contest" of Huagang Community Development Association, Gangshan District, Kaohsiung City (G) Provided work to Kaohsiung Museum of History for display in the special exhibition "Measuring A-kong-tiam."				
H. 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 implement environmental protection work, and the entire company (Taichung, Sha-Lu, and Kang-Shan Complexes) obtained ISO 14064 GHG Inventory in 2022. We follow the ISO14001 environmental management system to carry out source control and process waste reduction, clean production, green procurement, air pollution prevention, waste water treatment, waste disposal and treatment, toxic chemical substance management, energy conservation, carbon reduction, waste reduction, resource recovery, environmental education, social engagement, and green procurement. We thus won the bronze award in the manufacturing category in the 4th National Enterprise Environmental Protection Award, working together with the government for 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 using low-carbon fuel as alternatives, improving the production process, increasing air and water treatment efficiency, and taking electricity saving and water conservation measures. The Company has thus been recognized with the Silver Award in the 2022 Energy Saving Benchmark Award of the Bureau of Energy, Ministry of Economic Affairs.				

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.

(VII) Climate-related Information of TWSE/TPEX Listed Companies

Item		Implementation status
1.	Describe supervision and governance of climate-related risks and opportunities by the board of directors and management.	Supervision and guidance role of the board of directors in sustainable development (ESG) management strategies. The management department completes an image of TCDF risks and opportunities and response measures for material issues each year, which are submitted to the Risk Management Committee for review and included in the business plan. The business plan is then submitted to the board of directors for approval. A review of implementation results in the previous year are submitted to the board of directors in the first quarter for future reference. Furthermore, the implementation status of ESG (including climate change) related issues are periodically reported to the board of directors along with business reports.
2.	Describe how the climate risks and opportunities identified affect the Company's business, strategies, and financial position (short-term, mid-term, long term).	<p>Material issues of the Company's short-term, mid-term, and long-term climate risks and opportunities in 2022 are as follows:</p> <ul style="list-style-type: none"> ● Short-term risks: Carbon fees/taxes being levied in Taiwan, rising electricity prices, and carbon taxes being levied overseas has resulted in an increase in the cost of raw materials. ● Short-term opportunities: Development or expansion of low carbon products and services, and improvement of corporate image ● Mid-term risks: Carbon taxes being levied overseas, green electricity accounts for 15% of the manufacturing industry's electricity consumption in 2030, broken domestic and overseas supply chains due to natural disasters such as extreme weather events, which may cause potential losses due to suspended operations. ● Long-term risks: Changes in customer behavior. ● Financial impact: Potential financial risks include increase in operating costs and impact on revenue. Opportunities are from expansion to new business, such as the transition to gas-fired power generation by domestic power plants, to increase the Company's revenue. ● Strategy and business direction: The Company began installing solar panels in 2022 to increase the percentage of green electricity; implemented energy conservation and carbon reduction projects to reduce GHG emissions; internal senior manager meetings control work items for achieving carbon neutrality; expand market share in the domestic gas turbine generator market; three energy storage sites are participating in the trading platform of Taiwan Power Company and generates revenue; form alliances with outstanding companies in Taiwan to

	Item	Implementation status
		seize business opportunities.
3.	Describe the impact of extreme weather events and transition actions on the Company's financial position.	<ul style="list-style-type: none"> ● Extreme weather events: After analyzing the 4°C temperature rise scenario, drought, flood, average temperature rise, and sea level rise has a low impact on the locations of complexes. However, the probability of asset loss due to strong typhoons is medium low, but the financial impact level is still low. The impact on supply chains is medium low due to safety stock. ● Transition actions: The Company's transition actions include the Solar Panel Project and replacement of major equipment with high energy consumption, which has increased the Company's costs. However, after comprehensively considering the savings in future carbon tax and carbon fees overseas, transition actions have a low financial impact.
4.	Describe how the identification, assessment, and management process of climate risks is integrated in the overall risk management system.	The management department began operations in the middle of the year. The cross-departmental ESG Work Group set the scenarios and proposed climate change-related topics for discussion, and then called together related units to identify and assess the overall impact and financial impact of climate risks and opportunities. It then completed the short-term, mid-term, and long-term image of climate-related risks and opportunities, as well as response measures for material issues, and then included them in the risk management section of the business plan for the following year. The business plan is submitted to the board of directors before the end of the year for approval.
5.	If scenario analysis is carried out to evaluate resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and main financial impact.	<ul style="list-style-type: none"> ● Climate scenario analysis is conducted when assessing climate-related risks and opportunities according to the guidelines of the Task Force on Climate-related Financial Disclosures. ● Principles of settings: The worst case scenario for transition and physical risks is used. ● Transition scenario: The Company set the internal goal to achieve carbon neutrality by 2050, i.e., RCP1.9. (1.5°C temperature rise) ● Physical scenario: RCP8.5 (4°C temperature rise) ● Period parameters: Short-term is 2022-2025; mid-term is 2026-2030; long-term is 2031-2050. ● Analysis items are as follows: <ul style="list-style-type: none"> - Transition risks: policy and regulatory risks, technology risks, market risks, and reputation risks. - Physical risks: immediate risks and long-term risks. - Opportunities: Resource efficiency, source of energy, products and services, market, and resilience. ● Quantified financial impact is divided into 5 levels: An impact of less than NT\$100 million of revenue is level 1, and an impact of NT\$700 million and above is level 5. ● Tools used: Includes IPCC AR6, 3D disaster potential map of the National Science and Technology Center for Disaster Reduction, and TCCIP – Climatic Atlas.
6.	If there is a transition	None

Item		Implementation status
	plan in place in response to climate-related risks, describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transition risks.	
7.	If internal carbon pricing is used as a planning tool, describe the basis for pricing.	None
8.	If climate-related goals were set, describe the activities covered, scope of GHG emissions, schedule, and progress each year. If carbon offset or RECs are used to achieve goals, describe the source and amount of offset quota or the number of RECs.	<ul style="list-style-type: none"> ● Set the phase 1 (2025) goal to reduce Scope 1 and Scope 2 GHG emissions by 15% compared with the baseline year, and make rolling adjustments each year. ● Reduce the electricity consumption intensity of departments with the highest GHG emissions in 2023 by 5% compared to the previous year.
9.	GHG inventory and assurance.	For details on assurance of GHG emissions in 2021, please see the table below.

GHG inventory and assurance

<p>Basic information on the Company</p> <p><input type="checkbox"/> Company with capital of NT\$10 billion and above, steel industry, cement industry</p> <p><input checked="" type="checkbox"/> Company with capital of NT\$5 billion and above but less than NT\$10 billion</p> <p><input type="checkbox"/> Company with capital less than NT\$5 billion</p>	<p>Pursuant to the sustainable development roadmap of TWSE/TPEx-listed companies, at least the following shall be disclosed</p> <p><input type="checkbox"/> Individual inventory of the parent company</p> <p><input type="checkbox"/> Inventory of subsidiaries in the consolidated financial statements</p> <p><input type="checkbox"/> Individual assurance for the parent company</p> <p><input type="checkbox"/> Assurance for subsidiaries in the consolidated financial statements</p>
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Scope 1	Total emission (Ton CO2e)	Intensity(Note 2) (Ton CO2e/ NT\$ million)	Certification body	Description of assurance(Note 3)
Parent company	4,781.17	0.20	SGS Taiwan	GHG emissions of the Taichung Complex, Sha-Lu Complex, and Kang-Shan Complex from January 1 to December 31, 2021 were inspected according to ISO16064-1:2018, and the scope of application and consistency and suitability of goals and standards are guaranteed based on results. Reasonable assurance is provided for category 1 and category 2, and limited assurance is provided for categories 3 to 6. No qualified opinions were given.
Subsidiaries (Note 1)	N/A	N/A		
Total	4,781.17	0.20		

Scope 2	Total emission (Ton CO2e)	Intensity(Note 2) (Ton CO2e/ NT\$ million)	Certification body	Description of assurance (Note 3)
Parent company	62,246.11	2.62	SGS Taiwan	GHG emissions of the Taichung Complex, Sha-Lu Complex, and Kang-Shan Complex from January 1 to December 31, 2021 were inspected according to ISO16064-1:2018, and the scope of application and consistency and suitability of goals and standards are guaranteed based on results. Reasonable assurance is provided for category 1 and category 2, and limited assurance is provided for categories 3 to 6. No qualified opinions were given.
Subsidiaries (Note 1)	N/A	N/A		
Total	62,246.11	2.62		
Scope 3	23,304.16			

How to fill out the form:

- Information on Scope 1 and Scope 2 in this table shall be prepared according to the schedule specified in Article 10, Paragraph 2 of these Guidelines, and information on Scope 3 emissions may be voluntarily disclosed by the company.
- The Company may compile a GHG inventory according to the following standards:
 - Greenhouse Gas Protocol (GHG Protocol).
 - ISO 14064-1 of the International Organization for Standardization (ISO).
- The certification body shall comply with regulations of Taiwan Stock Exchange Corporation and Taipei Exchange for sustainability report assurance.
- Subsidiaries may be filled in separately, summarized (e.g. by country or region), or consolidated (Note 1).
- The intensity of GHG emissions may be calculated per unit product/service or revenue. However, at a minimum, data calculated using revenue (NT\$ million) must be disclosed (Note 2).
- Business locations or subsidiaries not included in the inventory may not account for more than 5% of total emissions, which refers to emissions within the mandatory scope according to description 1.
- The description of assurance should summarize contents of the assurance report issued by the certification body, and the complete assurance opinion must be attached to the annual report (Note 3).