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Employee Recruitment and Hiring

Expanding recruitment management to attract external talents

AIDC has actively expanded all channels for talent recruitment and selected outstanding talents for retention. The recruitment results in 2021 are as follows. The Company shall progress toward AI development, streamline human resource management procedures, and actively expand recruitment channels by working with entities such as the Workforce Development Agency, Veterans Service Center, Employment Service Center, and TaiwanJobs.

2021 recruitment results

Type	Work Item	Results
Selection/test	MA and PhD scholarship selection	Recruited 3 individuals
	dispatched laborers transfer to full-time employees	157 individuals transferred
	Contracted employees transfer to full-time employees	10 individuals transferred
	Technical and vocation school students transfer to full-time employees	74 individuals transferred
	Entry-level employees promoted to professional personnel	46 individuals transferred
Recruitment and selection	Technical and vocation school students	49 students recruited from National Formosa University, China University of Science and Technology, and Vanung University

◆ Improve the welfare system and increase employee retention

AIDC continues to improve the welfare system to increase employees' sense of solidarity and cohesion. The measures include a salary and leave system that is superior to requirements in the Labor Standards Act, annual health examinations for all employees, generous bonuses and rewards for employees, overseas assignment and business travel opportunities to Europe and the United States, training programs, employee care and counseling, preferential insurance policies and subsidies, and an independent employee committee to plan employees' leisure and health life and diverse club activities. We have established a safe and comfortable workplace environment for employees to enjoy their work.



Employee Hiring













◆ Overview of hiring

The Company organizes employee hiring based on open tests, and specifies different requirements for academic achievements based on the job description. The minimum requirement is senior high (vocational) school in Taiwan or overseas recognized by the Ministry of Education. The Company does not hire child labor below the statutory age. The Company does not impose gender restrictions in the job description. However, the Company provides special bonus points for persons with disabilities and indigenous people in the tests to provide job opportunities for disadvantaged groups. The Company is committed to implementing gender equality and there are no gender-based differences for the employees' salary, performance evaluation, and opportunities for promotions.

Employee hiring distribution

Category	Gender	Taichung Complex & Sha-Lu Complex		Kang-Shan Complex		Total	
		2020	2021	2020	2021	2020	2021
Full-time employees	Male	2903	2965	1105	1106	4008	4071
	Female	964	975	206	217	1170	1192
	Number of people	3867	3940	1311	1323	5178	5263
Dispatched employees	Male	1252	1090	257	172	1509	1262
	Female	246	210	55	37	301	247
	Number of people	1498	1300	312	209	1810	1509
Total	Male	4155	4055	1362	1278	5517	5333
	Female	1210	1185	261	254	1471	1439
	Number of people	5365	5240	1623	1532	6988	6772









Composition of employees								
Complex	Item	Management personnel			Professional personnel	Entry-level personnel	Total	
		Entry level	Mid-level	Senior level				
Taichung Complex & Sha-Lu Complex	Age 30 and under	Male 	0	0	0	97	293	390
		Female 	0	0	0	45	27	72
	30-50 years old	Male 	47	10	0	368	687	1112
		Female 	11	4	0	159	216	390
	Age 50 and above	Male 	41	72	52	489	809	1463
		Female 	9	14	11	175	304	513
	Total number of people		108	100	63	1333	2336	3940
	Ratio (%)		2.74%	2.54%	1.60%	33.83%	59.29%	100.00%
Kang-Shan Complex	Age 30 and under	Male 	0	0	0	16	206	222
		Female 	0	0	0	9	18	27
	30-50 years old	Male 	19	5	0	86	459	569
		Female 	5	0	0	55	44	104
	Age 50 and above	Male 	9	18	6	57	225	315
		Female 	4	7	0	19	56	86
	Total number of people		37	30	6	242	1008	1323
	Ratio %		2.80%	2.27%	0.45%	18.29%	76.19%	100.00%

Note 1: Ratio = number of full-time employees of the same job category in the complex / total number of full-time employees in the complex

Note 2: Entry-level managers: Level 3 managers (Title: Manager)

Mid-level managers: Level 2 managers / deputy managers (Titles: Team Leader / Deputy Leader, Plant Director / Deputy Plant Director)







Senior-level managers: Level 1 managers / deputy managers (individuals with higher ranks included; titles: Division Chief / Deputy Division Chief, Chief Auditor, etc.)

Number of new employees					
Age group	Gender	Taichung Complex & Sha-Lu Complex		Kang-Shan Complex	
		Number of people	Ratio	Number of people	Ratio
Age 30 and under	Male 	110	28.2%	10	4.5%
	Female 	10	13.9%	8	29.6%
	Subtotal	120	26.0%	18	7.2%
30-50 years old	Male 	100	9.0%	42	7.4%
	Female 	31	7.9%	7	6.7%
	Subtotal	131	8.7%	49	7.3%
Age 50 and above	Male 	8	0.5%	4	1.3%
	Female 	3	0.6%	0	0.0%
	Subtotal	11	0.6%	4	1.0%
Total		262	6.6%	71	5.4%

Note: Ratio = number of new employees of the same age group and gender in the complex / total number of full-time employees of the same age group and gender in the complex.



According to the turnover conditions at the Company, the Company's turnover is low as most employees identify with the values of the Company. Upon closer examination, we found that the employee turnover is slightly higher for those aged 50 and above. It is the result of retirement or participation in preferential retirement plans and it shows the high approval rate of employees for the happy workplace environment.

Number of employee turnover					
Age group	Gender	Taichung Complex & Sha-Lu Complex		Kang-Shan Complex	
		Number of people	Ratio	Number of people	Ratio
Age 30 and under	Male 	52	13.3%	37	16.7%
	Female 	8	11.1%	3	11.1%
	Subtotal	60	13.0%	40	16.1%
30-50 years old	Male 	28	2.5%	10	1.8%
	Female 	12	3.1%	1	1.0%
	Subtotal	40	2.7%	11	1.6%
Age 50 and above	Male 	72	4.9%	11	3.5%
	Female 	12	2.3%	1	1.2%
	Subtotal	84	4.3%	12	3.0%
Total		184	4.7%	63	4.8%

Note: Ratio = number of employee turnover of the same age group and gender in the complex / total number of full-time employees of the same age group and gender in the complex.

◆ Hiring of persons with disabilities and indigenous people

To protect the equal opportunities to employment of disadvantaged groups, AIDC implements the regulations in the "People with Disabilities Rights Protection Act" and "Indigenous Peoples Employment Rights Protection Act" for hiring persons with disabilities and indigenous people. The Company hired 104 employees with disabilities in 2021, which exceeded the required amount. The Company hired 48 indigenous employees and has made a cash payment to the employment fund of the Aboriginal Comprehensive Development Fund.

Number of persons with disabilities and indigenous people hired		
Category	Required hiring	Actual hiring
Number of persons with disabilities	51	104
Number of indigenous people	51	48





Talent Cultivation and Development

AIDC adopted competence development as the critical foundations for overall talent cultivation and development. The Company has completed the modeling and establishment of the core competencies, management competencies, and general competencies of the Company. AIDC promotes talent cultivation based on the established functions along with the Company's development. We continue to pay attention to changes in R&D and strategy development and adjust training strategies in a timely manner. We also gradually improved the competency management mechanisms to retain big data for the Company's human resources and increase competencies for talent selection, hiring, and retention in HR operations.

◆ Employee training and talent development

In addition to training for competency development, the Company remains focused on training necessary for the implementation of the overall strategy and business objectives, including courses in general knowledge, occupational safety and health, audit and certification, manufacturing, product maintenance, material management, quality management, R&D and engineering, information software, flight safety, finance and accounting, and business administration and economics. These courses are provided to ensure that relevant business executives and employees have the necessary professional skills. The Company organized 4,478 sessions (4,194 company courses and 284 external courses) of employee training with 120,694 attendances (119,816 attendances in company courses and 878 attendances in external courses) in 2021, totaling 257,268 training hours (243,127 hours in company courses and 14,141 hours in external courses). The Company also encourages employees to use diverse learning channels and opened 193 digital courses for employees, which registered 67,188 attendances and accumulated 80,614 hours of training. The Company organized 4,671 sessions of employee training with 187,882 attendances in 2021, totaling 337,882 training hours (calculated based on the cumulative number of course hours for 2021 before deducting the resigning or retiring employees).

The Company also divided employees by title and gender to calculate the average training hours per person.

Training hours									
Category		Male 			Female 			Total	
		Training hours (A)	Number of employees (B)	Average hours per employee (A/B)	Training hours (A)	Number of employees (B)	Average hours per employee (A/B)	Training hours (A)	Average hours per employee (A/B)
Direct employees		207,039	4,299	48.16	37,886	866	43.75	244,925	47.42
Indirect employees	Managers	10,411	283	36.79	2,708	65	41.66	13,119	37.70
	Specialists	26,448	751	35.22	17,011	508	33.49	43,459	34.52
Subtotal		243,898	5,333	45.73	57,604	1,439	40.03	301,503	44.52

Note 1: Scope of the number of employees and employee training hours: Full-time and non-full-time employees still employed as of December 31, 2021.

Note 2: Employees who resigned or retired in 2021 were not included in the statistics.



◆ Industry-academic cooperation

AIDC has focused on the aerospace industry for many years and has created a solid foundation as well as technologies in the aerospace industry. We combine technical and vocational education with the aerospace industry to develop outstanding aerospace talents. We signed strategic alliance agreements with multiple institutions, jointly planned courses and faculty, and provided students with internship opportunities. We use cooperation to work together and develop elites in the aerospace industry. The partnership format is as follows:

(I) Strategic alliances: The Company has signed strategic alliance agreements with 27 academic institutions in Taiwan.

List of academic institutions with strategic alliance agreements				
Academic institution	Universities		Technical and vocational institutions	
Name of institution	National Cheng Kung University	National Tsing Hua University	National Taiwan University of Science and Technology	National Taipei University of Technology
	National Chung Hsing University	Tamkang University	National Kaohsiung University of Science and Technology	Chienkuo Technology University
	National Changhua University of Education	Mingdao University	National Formosa University	Overseas Chinese University
	National Chung Cheng University	Da-Yeh University	National Chin-Yi University of Technology	Shu-Te University
	Tunghai University	Kainan University	National Taichung University of Science and Technology	Ling Tung University
	Feng Chia University	Yuan Ze University	China University of Science and Technology	Vanung University
	Providence University		Chaoyang University of Technology	Cheng Shiu University
Total	13		14	

(II) Off-campus internship programs: Students in different years of study (junior and senior year) participate in one semester of laboratory internship program and are assigned to different internship programs. Students spend 1 to 2 evenings at an AIDC Complex from the start of the semester for one semester of training.

➤ 2021 partnership: Feng Chia University

(III) Internships during winter and summer vacation: Regular students from freshman to senior year. The internship is organized during winter and summer vacation and is mostly 1 to 2 months.

➤ 2021 partnerships: Feng Chia University, Tunghai University, Cheng Shiu University

(IV) Long-term internship: The Company plans work for each profession and level and uses course internships, actual operations, and a mentor system to lead and familiarize students with work.

➤ 2021 partnerships: National Formosa University, China University of Science and Technology, Vanung University



(V) MA and PhD scholarships: The scholarship is provided for students who have been accepted in graduate institutes and postgraduate programs.

- Since 2014, the scholarship has been distributed to 3 individuals, including 3 individuals in doctoral degree programs and 29 individuals in master degree programs. The total amount of scholarship distributed was NT\$9.45 million.

Labor-Management Relations

AIDC abides by Article 83 of the Labor Standards Act and the Regulations for Implementing Labor-Management Meeting and convenes a labor-management meeting to discuss labor issues every 3 months. The Company convened 11 labor-management meetings in 2021 (4 meetings each in Taichung complex and Sha-Lu complex; 3 meetings in Kang-Shan complex as both labor and management representatives agreed to cancel 1 meeting due to the pandemic). The Company also organized 5 seminars with the labor union to ensure harmonious communication between labor and management. As of the end of 2021, 78.13% of all employees have joined the union. The Company has signed a collective bargaining agreement with the corporate union in accordance with laws and continues to track the implementation of the collective bargaining agreement.

Employee Rights and Benefits

AIDC continues to abide by the Labor Standards Act, Employment Service Act, Act of Gender Equality in Employment, and related regulations. We pay close attention to employee training and maintain the physical and mental health of employees and their families. We established the "Sexual Harassment Complaint and Review Committee" and the head of the Ethics & Security Division serves as the chair. We respect human rights and gender equality to create an environment with substantial gender equality.

◆ AIDC Human Rights Policy

AIDC abides by labor and related regulations, protects employees' rights and interests, and abides by the spirit and principles of 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" to treat all employees with dignity.

**AIDC Human Rights Policy
Implementation Guidelines**

- I. Diversity, inclusion, and equal opportunity.**
- II. Provide a safe and healthy work environment.**
- III. Respect employees' freedom of assembly and association.**
- IV. Assist employees in maintaining physical and mental health and attaining balance between work and life.**
- V. Ban on the use of child labor and forced labor.**



In addition, the Employee Welfare Committee also upholds its position for taking care of employees and actively organizes leisure and educational outings, skill contests, ball games, seminars, and cultural and entertainment activities to enhance their physical and mental health. We offer group insurance for employees, gifts for retired employees, birthday gifts, and gift coupons for the three festivals. We also provide subsidies for club activities, marriage, childbirth, and funerals, and set up cafeterias and cooperative stores and sign contracts with stores to provide employees with discounts.

◆ Freedom of association

AIDC encourages employees to establish and participate in club activities. The Employee Welfare Committee has established clear guidelines for club management and subsidies and subsidizes the events of the clubs. Taichung and Kang-Shan Complex now have a total of 51 clubs. When the level 3 alert was issued in Taiwan in 2021, the Company supported the government's epidemic prevention measures and temporarily suspended club activities. Once the epidemic subsided, the activities were restarted and real-name contact tracing records were used to protect employees' health and safety.

◆ Friendly childcare environment



To help employees take care of their careers and family, the Company complies with the policies of the government and is committed to providing a friendly childcare environment and related measures, such as breastfeeding rooms, family care leave, maternity leave for female employees, paternity leave for male employees, childbirth subsidies, and unpaid parental leave (including allowances). The Company also provides pregnancy care and postpartum care for female employees. The Company provides employees with the "marriage subsidies", "childbirth subsidies", and "childcare subsidies" in accordance with the "Guidelines for Emergency Relief and Marriage and Childcare Subsidies" of the Employee Welfare Committee. Employees may file applications based on their personal or family needs and the benefits are the same for all genders and positions.

◆ Parental leave

After AIDC employees are employed for six months, they may apply for unpaid parental leave before each child is three years old. The unpaid parental leave ends when the child reaches three years old but may not exceed two years. If the parents have two children under the age of three, both parents may apply for parental leave (not limited to twins/multiple births). When an employee applies for reinstatement before the expiry of the unpaid parental leave, the Company shall assist in making arrangements for the employee to return to the original unit or providing guidance for taking on a new role.

In 2021, 24 employees applied for unpaid parental leave and 19 of the 30 employees eligible for reinstatement were reinstated (4 were reinstated ahead of schedule in 2019 and 2020). The reinstatement rate in 2021 was 63.3%. 25 employees were reinstated from unpaid parental leave in 2020, and 23 remained on the job for more than one year after reinstatement. The retention rate was 92%.



Item	Male 	Female 	Total
Number of employees eligible for unpaid parental leave in 2021 (A) *	262	98	360
Number of employees who applied for unpaid parental leave in 2021 (B)	7	17	24
Unpaid parental leave application rate in 2021 (B/A)	2.7%	17.3%	6.7%
Number of employees expected to be reinstated from unpaid parental leave in 2021 (C)	9	21	30
Number of employees reinstated from unpaid parental leave in 2021 (D)	6	13	19
Reinstatement rate from unpaid parental leave in 2021 (D/C)	66.7%	61.9%	63.3%
Number of employees reinstated from unpaid parental leave in 2020 (E)	6	19	25
Number of employees reinstated in 2020 who have continuously worked for more than one year (F)	4	19	23
Retention rate of employees on unpaid parental leave in 2021 (F/E)	66.7%	100%	92%

* Number of employees who applied for maternity leave and paternity leave from 2019 to 2021

Note: Employees may apply for unpaid parental leave before each child reaches the age of three.

◆ Employee insurance

All employees are enrolled in labor insurance, health insurance, and group accident insurance. The Employee Welfare Committee also enrolls employees in group accident insurance, life insurance, medical insurance, and cancer insurance to help employees recover with peace of mind.

◆ Pension

Old pension system: The Company allocates 2% to 15% of employees' monthly salary to the labor pension reserve fund account in accordance with the regulations of the Labor Standards Act and the actuary report. The labor pension reserve fund account currently has a balance of approximately NT\$2.842 billion, which is sufficient for covering payments to employees who meet the criteria for retirement in accordance with the Labor Standards Act.

New pension system: The Company allocates 6% of the employee's salary to the dedicated personal pension account set up at the Bureau of Labor Insurance in accordance with the Labor Pension Act.

The current ratio of the eligibility of the Company's employees for the new and old pension systems is 1.31 for new to old. The Company sets aside sufficient pension and labor pension reserve fund for both the new and old pension system.

◆ Compensation payment

The Company shall pay compensation in accordance with the compensation regulations upon the death of an employee.

◆ Bonus payment

The performance bonus includes two parts, namely the appraisal bonus and performance bonus. The maximum amount of the appraisal bonus is 2.4 months of the



total salary. The appraisal bonus includes the year-end bonus, annual appraisal bonus, and full attendance bonus; the performance bonus shall be paid only if the Company has earnings.

◆ Ensuring labor conditions

AIDC abides by the requirements in the conventions of the International Labour Organization. We do not use any form of forced or compulsory labor. When employees are required to work overtime, they may apply for overtime pay in accordance with regulations. In addition, the Company abides by the regulations in the Labor Standards Act and related laws, and protects the employees' right to work. There have been no cases of leave without pay.

◆ Employee shareholding trust

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 continued to organize the employee shareholding trust 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.

◆ Further education subsidies

AIDC encourages employee learning and development for them to improve technical and language skills. The Company prepares budgets for subsidizing self-funded studies after work, technical license acquisition, and language skill tests for the first and second halves of the year.

◆ Company activities

When the level 3 alert was issued in Taiwan in 2021 due to the new COVID-19 variant, the Company supported the epidemic prevention policy and suspended large-scale activities of the year such as the New Year dinner party, Family Day, and Sports Day. We opted for the distribution of gift boxes and supply of epidemic prevention materials to each employee to reduce clustering of crowds and protect employees' health and safety.

Organization of Unit Care Volunteers

Care providers play the role of the bridge between entry-level employees and supervisors in the unit. They implement the care mechanisms in the Employee Assistance System and use various "personalized employee assistance programs" and "group employee assistance programs" to provide employees with care and assistance. They effectively detect employees' problems and report findings and provide effective companionship and care as well as effective referral services. They also provide information and resources for the physical and mental health care of employees and their family members, and strengthen the care and support services for employees and their families in case of injury or illness. They maintain the physical and mental health of

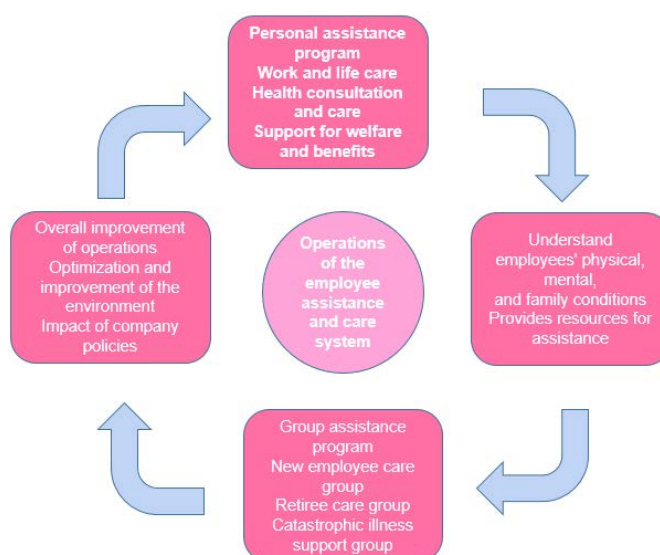


employees and their families, and reduce employee absenteeism. These measures improve the physical and mental health of employees, reduce unsafe conduct, prevent human error, reduce the risks and cost of health hazards, and improve mental health and workplace safety. The up-close care initiatives help employees receive the caring support of the Company, which provided 1,952 hours of employee care services and provided services in 14,038 cases in 2021.

The units visit the hospital or homes of employees with injuries and illnesses based on the information provided through the reporting channels of the care network. They learn about the conditions and recovery and the status of resources of employees and family members. They also remind them of their benefits and how to exercise their rights, and track their recovery progress from time to time.

Implementation of the Employee Assistance System

Purpose: The Company integrated internal and external resources to provide AIDC employees with assistance for work, health, emotional needs, and stress.



◆ Contents and results of the Employee Assistance System (EAS):

● Psychological consultation

The psychological consultation is provided in one-on-one meetings to protect the privacy of employees. Employees are provided with psychological consultation services to resolve employees' troubles and issues in management efficiency, work environment, mental state, health, legal issues, economic issues, family interactions, children's education, career development, and interpersonal relations to help them concentrate on work with peace of mind and increase work efficiency and quality.

● Care services for injuries, illnesses, and accidents

The contents of the program include visits to the hospital or homes of employees to express the care of the Company's senior management to the employee. The care providers learn about the conditions and recovery and the status of resources of



employees and family members. They also provide or verify their exercise of rights and benefits to ensure that all rights and benefits are provided.

● Guidance services for new employee care

When the care volunteers of units provide care for new employees, those who are unable to adapt are referred to the professional personnel at the Employee Assistance Center who provide necessary assistance for new employees to experience the thoughtful care and services of the Company. It helps build cohesion in the Company and helps them adapt to the environment and new work faster. The Training Center provided 50 sessions of general knowledge training for new employees in 2021. 316 employees attended the training, totaling 3,229 training hours (including dispatched employees but excluding professional competency training courses).

● Care services for employees eligible for age-based/special retirement plan

- Assistance for retired employees upon reaching retirement age: The Company learns about employees' retirement plans and matters for which they require assistance, and provides career development consultation services. AIDC also provides opportunities for volunteer services to enrich their life after retirement.
- Care for retired employees: The Company mails greeting cards signed by senior managers at the end of the year and invites them to return for the year-end party and anniversary events.

● Group plans for catastrophic illness support

Purpose: Use mutual support and care between employees to provide emotional relief and support, alleviate the uncertainty and anxiety about illnesses and treatments, improve employees' psychological adaptability, help them view life from a positive perspective, and make their lives complete and fulfilling.

Goals: Use support groups to help employees receive emotional support to face the process of cancer diagnosis and treatment. Help them actively seek the meaning and value of life goals and their existence.

Results: The Company organized 17 group sessions in Taichung and Kang-Shan Complexes in 2021 for professional instructors to provide systematic support. The programs provided services to employees with major injuries or illnesses in 197 cases.

Safe and Healthy Work Environment

Employees are the most important assets of the Company. AIDC cares about employee health and continues to create a healthy, safe, sanitary, and comfortable work environment for every employee to work with peace of mind and create a bright future with the Company.



◆ Safety and health policy

AIDC has established a safe and friendly work environment to protect the work safety and physical and mental health of employees in its organization. We established the "Safety and Health Policy" and use risk management and continuous improvement to actively improve the work environment, manufacturing equipment, and work procedures, and protect the safety and health of workers and stakeholders.

AIDC Safety & Health Policy

AIDC is fully committed to providing a safe and healthy working environment, which protects and safeguards both physical and mental healthiness of all our valued employees, by actively promoting the following three principles:

1. Implement the AIDC Safety & Health Management Plan and maintain an effective Safety and Health management system.
2. Develop a safe and friendly workplace to promote both physical and mental health of AIDC employees.
3. Total involvement at all levels; continued improvement; creating a positive atmosphere at workplace to foster a sense of community among the employees.

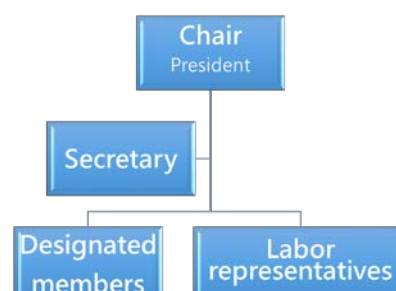
President W.J. MA

Date: Apr. 03, 2019

◆ Safety and Health Committee

The Company established the Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Act and the Regulations Governing Occupational Safety and Health. The President serves as the chair of the Committee and the Vice President of the unit responsible for supervising occupational safety and environmental protection serves as the deputy chair. The role of the secretary is filled by a manager of the occupational safety and environmental protection unit. The President may designate managers or personnel of related units as committee members based on actual requirements. The members of the Committee who represent the union shall be elected by the corporate union. The organization of the Occupational Safety and Health Committee of AIDC is as follows:

The Occupational Safety and Health Committee convenes 1 meeting every quarter. Its duty is to propose recommendations for the Safety and Health Policy and review and coordinate safety and health matters. In 2021, the Committee had 24 members, including 3 labor representatives for Kang-Shan Complex and 9 labor representatives for Taichung/Shalu Complex. Labor representatives account for 50% of the members.



◆ Operations of the safety and health management system

All AIDC complexes have received the occupational health and safety management system (ISO 45001) certification. The scope of management includes all workers under the jurisdiction of the organization, those responsible for business operations, and those who participate in related operation activities. We use risk management and continuous improvement to reduce the occurrence of occupational injuries. We also organize occupational safety and health promotion activities, training, and emergency response drills to help all workers develop correct safety and health awareness knowledge, reduce operational risks for employees, implement environmental safety and health management, and create a high-quality workplace environment.

AIDC implements labor health protection plans for maternity health protection at the workplace, abnormal work load, illegal infringement of physical and mental health, and ergonomic hazards to promote the physical and mental health of employees. Risk identification, evaluation, and control shall be implemented for all plans in accordance with related guidelines of the central competent authority.



◆ Hazard identification, risk assessment, and incident investigation

AIDC has established, implemented, and maintained the occupational health and safety management system to identify hazards in the work environment or operational activities, evaluate occupational safety and health risks, and determine the impact of hazards on the Company's personnel. AIDC also considers occupational safety and health opportunities for eliminating hazards or reducing occupational safety and health risks and improving occupational safety and health performance. The Company seeks to protect the safety and health of employees and prevent the occurrence of occupational hazards and occupational diseases.



◆ Safety and health training

AIDC provides employees with safety and health training programs to ensure that every employee is familiar with occupational safety and health regulations and the Company's safety and health management mechanisms. In 2021, AIDC trained 4,901 employees in its safety and health training courses. AIDC also has 423 qualified first-aid personnel to increase the prevalence of first aid knowledge in the Company.

Statistics on training for safety and health personnel in 2021

Course name	Number of sessions	Number of trainees	Course name	Number of sessions	Number of trainees
General safety and health training for new employees	72	993	Type A occupational safety and health supervisor training	8	48
Fire prevention management personnel training	4	4	Security supervisor refresher training	1	1
Hazardous operations supervisor training	20	165	Training for operators of fixed cranes with hoisting capacity of 3 tons or more	17	47
General hazard training	27	3,170	Special high-pressure gas equipment operator training	4	20
Acetylene operation personnel training	1	1	Training for operators of forklifts with a capacity of 1 ton or more	9	66
Training for operators of fixed cranes with hoisting capacity of under 3 tons	10	269	First-aid personnel training	2	116
On-the-job training for operators of Type I pressure vessel	1	1			
Total	135	4,603	Total	41	298



◆ Onsite management

Equipment safety management: The Company completed the regular inspections of hazardous machinery and equipment in 2021 to ensure the safety of equipment and personnel. The Company has 20 fixed cranes with hoisting capacity of 3 tons or more and 3 sets of special high-pressure gas equipment.

Emergency response drills:

1. Self-defense fire safety team organization training: The Company organized 4 sessions in Taichung Complex, Sha-Lu Complex, and Kang-Shan Complex for a total of 1,970 participants.
2. Emergency response drills: The Company organized 36 sessions of the self-defense fire safety emergency response drills for a total of 1,970 participants.

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, and Taiwan Advanced Composite Center in 2021.

◆ Occupational hazards

The occurrence rate of occupational hazards at AIDC in 2021 is calculated based on the "Ministry of Labor Announcement on the Disabling Frequency Rate of Each Industry (Other Transportation Vehicles and Parts Manufacturing Industry)". The average value in the last three years is 1.65. There have been no major occupational incidents from 2019 to 2021. However, there was a fire involving the Hangar #8 dust collector due to unknown causes on December 29, 2021. The competent authority has not yet issued an official report on the incident.

Dust collector fire incident in 2021

1. Date of occurrence: 2021/12/29
2. Reason of occurrence: An explosion caused by dust occurred at the dust collection area at Hangar #8 at Shui-Nan Complex of AIDC at 10:15 a.m. The metal particles created in the production process were accidentally ignited which caused an explosion and fire and resulted in a fire and dense smoke. One employee died and six workers were injured as a result. The operation area of the Complex has suspended operations based on a request of the labor inspection authority and investigations on the cause of the accident are currently underway.
3. Response measures: Quickly clarify the causes of the accident and formulate prevention and improvement measures.
4. Other matters that require explanation: The bench work at Hangar #8 has been suspended. The Company has comprehensive operation dispatch measures and continues normal operations in other plant areas. The Company's overall operations are not affected.

Please refer to the Material Information announcements on the MOPS
<https://mops.twse.com.tw/mops/web/t05st01>



Average FR & SR in 2021

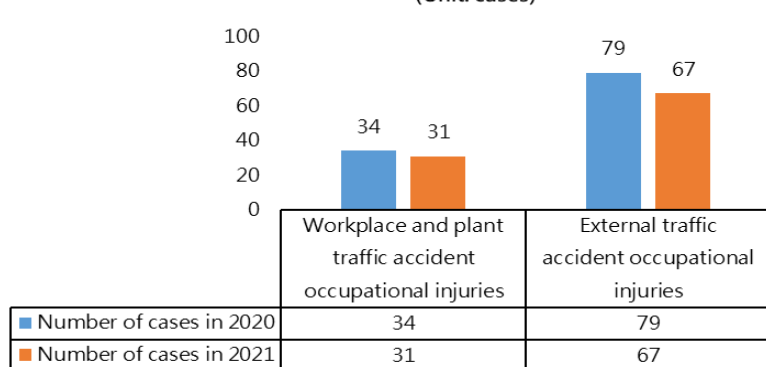
	Taichung complex & Sha-Lu complex	Kang-Shan Complex	The average value in the last three years among industry
FR	2.17	0.99	1.65
SR	632.91	32	19
FSI	1.17	0.18	0.18

1. Average Injury Frequency Rate, $FR = \text{person} / \text{total time of work} \times \text{million hours worked}$

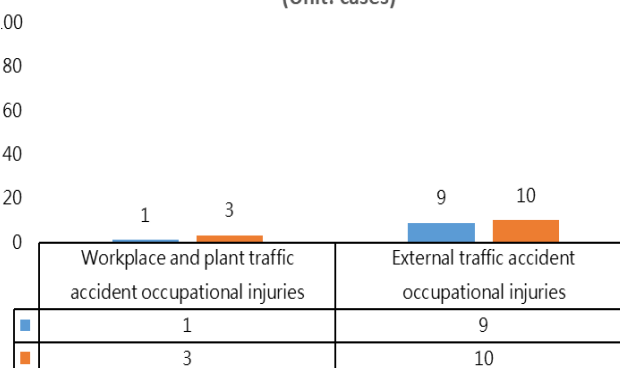
2. Average Injury Severity Rate, $SR = \text{days} / \text{total time of work} \times \text{million hours worked}$

3. Frequency-Severity Indicator, $FSI = \sqrt{FR \times SR / 1000}$

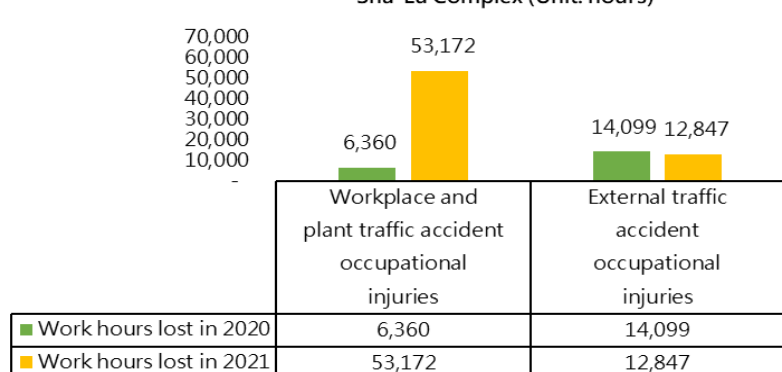
Number of occupational injuries at Taiching & Sha-Lu Complex (Unit: cases)



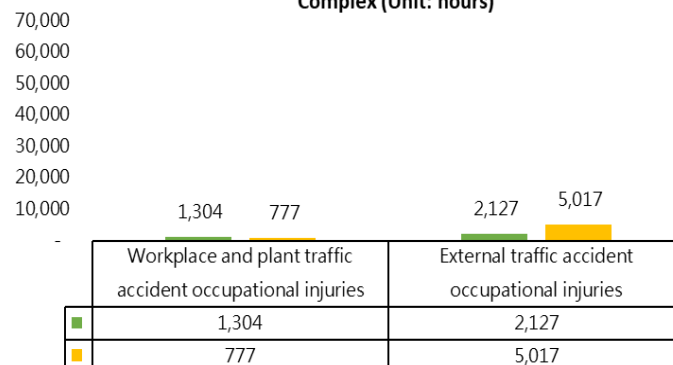
Number of occupational injuries at Kang-Shan Complex (Unit: cases)



Work hours lost due to occupational injuries at Taichung & Sha-Lu Complex (Unit: hours)



Work hours lost due to occupational injuries at Kang-Shan Complex (Unit: hours)



Number of employees deceased due to work in past years

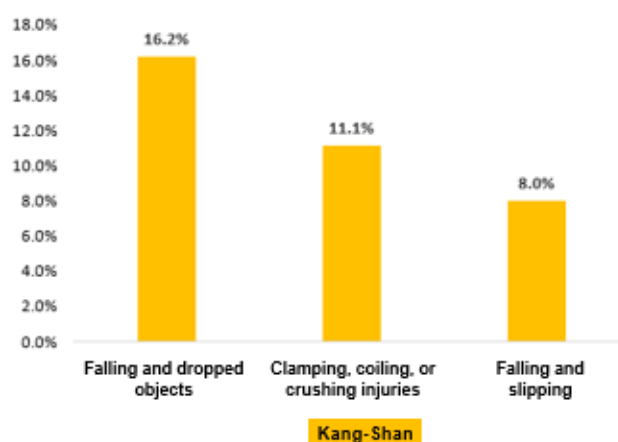
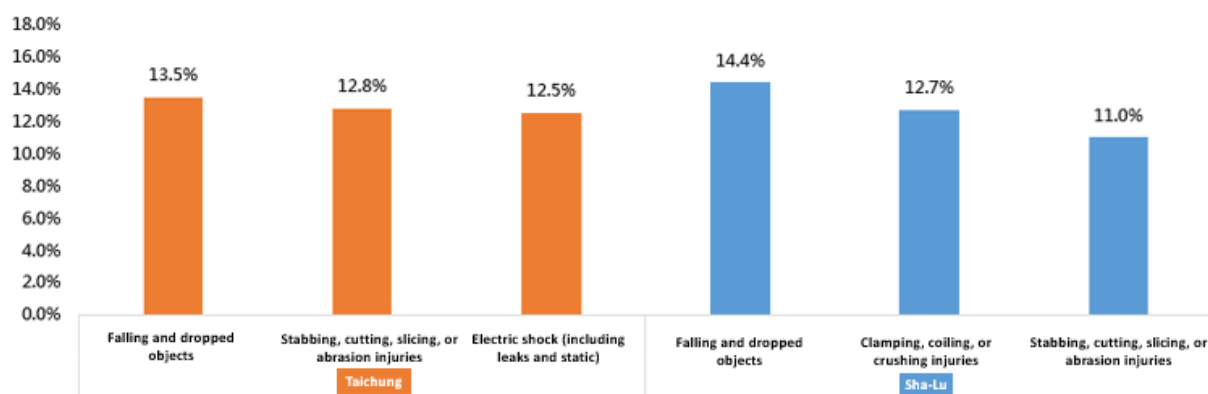
Item/Year	2017	2018	2019	2020	2021
Number of employees deceased due to work	0	0	0	0	1



Occupational hazard statistics and prevention

The types of occupational accidents that occurred at AIDC in 2021 consisted mostly of falling and dropping objects, which are followed by cutting, slicing, and abrasion injuries. The main causes are failure to comply with safe operating procedures in machinery operations and inspections and failure to obtain training in advance.

To prevent occupational accidents, the Company has proposed preventive measures for the causes of the hazards. They include strengthening employee safety and health training, implementing safety and health inspections and assistance, enhancing safety and health management inspections, establishing a safe operating environment, and implementing safety and health self-management to reduce the occurrence of occupational hazards.



The number and rate of fatalities as a result of work-related injury in 2021

=Number of occupational injury death / working hours (total hours worked) x 1,000,000

Complex	Number	Rate
Taichung & Sha-Lu	1	0.10
Kang-Shan	0	0
Contractor of Tahichung and Sha-Lu	0	0
Contractor of Kang-Shan	0	0

The total number of employees is calculated based on the total number of employees as of December 31, 2021 :

- The total number of male working hours is 7,482,912 hours in Taichung and Sha-Lu complex.
- The total number of female working hours is 2,186,745 hours in Taichung and Sha-Lu complex.
- The total number of contractor working hours is 302,312 hours in Taichung and Sha-Lu complex.
- The total number of male working hours is 2,543,488 hours in Kang-Shan complex.
- The total number of female working hours is 496,000 hours in Kang-Shan complex.
- The total number of contractor working hours is 20,218 hours in Kang-Shan complex.



The number and rate of high-consequence work-related injuries (excluding fatalities) in 2021

= Number of serious occupational injuries (excluding deaths)/working hours (total hours worked) x 1,000,000

Complex	Number	Rate
Taichung & Sha-Lu	0	0
Kang-Shan	0	0
Contractor of Tahichung and Sha-Lu	0	0
Contractor of Kang-Shan	0	0

The number and rate of recordable work-related injuries in 2021

= Number of recordable work-related injuries/Number of hours worked x 1,000,000

Complex	Number	Rate
Taichung & Sha-Lu	21	2.17
Kang-Shan	3	0.99
Contractor of Tahichung and Sha-Lu	1	3.30
Contractor of Kang-Shan	0	0

High-consequence work-related injuries :

work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

Recordable work-related injury or ill health :

results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

Contractor safety and health management:

AIDC established the "Contractor Occupational Safety and Environmental Protection Management Regulations" to prevent occupational accidents of contractors. Before construction, the Company provides occupational safety and environmental protection training for construction workers and set up a consultative organization. AIDC designates the person in charge of the work site to implement supervision and coordination and prepare records. In the event of an accident, the Contract shall immediately respond in accordance with related regulations in the Occupational Safety and Health Act and immediately notify the person in charge of the work site and the occupational safety and environmental protection unit of the Company. There was one occupational injury in 2021 as a result of an accident involving a contractor.

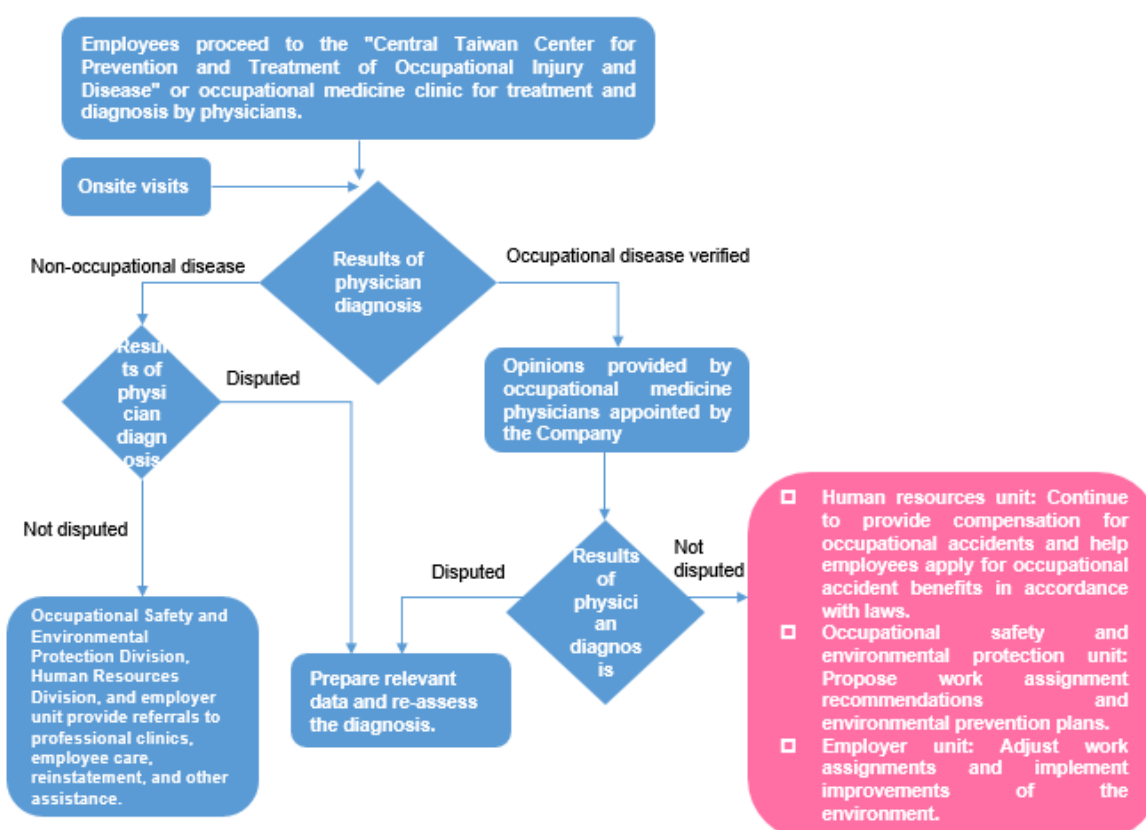
Chemical materials supplier management:

AIDC requires suppliers to provide safety data sheets and related documents when purchasing chemical materials. To prevent the hazards of toxic substances, suppliers are required to label the containers and provide the safety data sheets for the toxic chemical substances when they supply the chemical materials. The Company also requires suppliers to obtain the permit for the import, production, or sales of toxic chemical substances issued by the Environmental Protection Administration in accordance with the "Toxic Chemical Substances Control Regulations". In addition, the unit that requires the materials must consult the occupational safety and environmental protection unit before requesting the purchase. These measures are implemented to ensure compliance with environmental protection regulations.



◆ Occupational disease prevention, diagnosis, and treatment

AIDC organizes seminars on hearing protection, vision care, and prevention of musculoskeletal injuries from time to time and works with occupational safety and employer units in inspections of the work environment and operating procedures as well as improvements of the environment. The Company established the "Diagnosis and Treatment Procedures for Suspected Occupational Diseases" to provide employees suspected of occupational diseases with sufficient information for diagnoses by doctors and help employees with diagnosis of occupational diseases. The Company currently does not have employees who suffer from occupational diseases.



◆ Employee healthcare

Health promotion policies:

- The Company has the responsibility and obligation to take care of employees' health.
- Comply with health regulations and policies promulgated by the government.
- Continue to focus on improving the work environment, control hazardous substances, and prevent accidents and injuries.
- Enhance physical activities, adaptation to pressure, and tobacco hazard prevention, and organize diverse health promotion activities and training.
- Prevention is more important than treatment. The Company shall implement regular and irregular health examinations, chronic disease control, women's cancer screening, and prevention of communicable diseases.



COVID-19 epidemic prevention measures and actions

1. The Company continues to amend the "AIDC Guidelines for COVID-19 Emergency Response Measures and Conduct of Personnel" and the "AIDC Emergency Response Standard Operating Procedures for COVID-19" to protect the health of all employees.
2. The Company published 371 epidemic prevention announcements in 2021.
3. We organized vaccination of employees in different rounds based on the plan and provide 2 days of paid vaccination leave, which is superior to the policy of the competent authority.
4. We distributed epidemic prevention supplies such as alcohol and face masks to all employees.
5. We provided employees with irregular body temperature with official leave for them to rest and we implement follow-up management.
6. The Company implements health management for employees who have contact with confirmed cases announced by the government for contact tracing.
7. The Company adjusted the separate rotations for office work and remote work based on the development of the epidemic.
8. We supported the vaccine service Taichung City Government and provided Hsiang Yuen venues as vaccination stations.
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15. The Company adjusted the separate rotations for office work and remote work based on the development of the epidemic.
16. We supported the vaccine service Taichung City Government and provided Hsiang Yuen venues as vaccination stations.

Health promotion management and health education services:

AIDC values the health of employees. In 2021, it actively promoted and implemented health promotion management and health education services with the following results:

1. Health education services:

- (1) Gastroscopy health training: 290 cases (2) Hearing protection health training: 237 persons
- (3) Health and health education during pregnancy: 45 cases

2. Health promotion: The Company organizes regular employee health examinations each year and 4,746 participants (3,474 in Taichung and 1,272 in Kang-Shan) completed health examinations in 2021. The Company added hepatitis B and C screening to



ensure early discovery and early treatment. The Company also provided self-paid inspection items including hepatobiliary functions, pancreatitis screening, helicobacter pylori, thyroid, and cardiovascular pathology for blood tests at the health examination for employees to choose.

- (1) High-risk individuals: The Company shall investigate the connection between labor health conditions and operations based on the health examination results. It shall also assess the health of workers with high health risks, implement health promotion measures, and assign doctors to provide services onsite.
 - A. We identified 250 employees with high risks of brain and cardiovascular diseases and assigned doctors to provide follow-up healthcare services onsite.
 - B. The Company completed personal health training education for 42 cases of level 2 noise operation management; 22 cases of level 2 ionizing radiation operation management; 62 cases of level 2 lead management; 1 case of benzene operation management; 5 cases of 2,4 toluene diisocyanate operation management; 60 cases of level 2 dust operation management; 49 cases of level 2 chromic acid management; 9 cases of level 2 cadmium management; 5 cases of nickel operation management; 33 cases of bromopropane operation management; 27 cases of formaldehyde operation management.
 - C. 14 employees were included in overload prevention and the Company continues to provide personal health training.
- (2) Seminars/activities:

A. Preventing communicable diseases: Administered flu vaccine for 747 people	E. 8 health seminars for 261 participants
B. 75 health information announcements / viewed 16,583 times	F. 3,125 blood pressure tracking cases
C. 274 COVID-19 disease prevention publications	G. 890 bags in blood donation drives
D. Conducted women's cancer screening for 273 participants	H. 95 people included in fitness examinations

◆ Safety and health management system certification

AIDC's measures for processing risks and opportunities, occupational safety and health targets, and plans for attaining these goals are processed in accordance with the occupational safety and health management system. The Company also appoints third-party certification institutions to conduct audits every year to maintain effectiveness of the certification.

- Taichung Complex obtained CNS 45001/ISO 14001/ISO 45001 certification in 2021. The effective period is from October 16, 2021 to October 16, 2024.



◆ Safety and health management achievements

- Received the "Workplace Health Enterprise Award" and "Healthy Workplace Excellence Implementation Personnel Award" from Taichung City Government for three consecutive years.

AIDC uses occupational health screening to protect employees' health. The contents include the Pap test, mammography, fecal occult blood test, and other screening items. The Company organized 6 inspections in 2020 and received the "Healthy Workplace Enterprise Award" and "Healthy Workplace Excellence Implementation Personnel Award" in the 2020 "Your Occupational Health" cancer screening contest for a healthy workplace.

- AIDC actively implemented tobacco-free and health promotion measures at the workplace and received the "Healthy Workplace Certification" from the Health Promotion Administration of the Ministry of Health and Welfare.

