



2024 AIDC SUSTAINABILITY REPORT



Published in August, 2025

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Editor's Note

Scope of the Report

Aerospace Industrial Development Corporation (AIDC) refers to the relevant international standards (as per the 2021 GRI Universal Standard Guidelines) and uses the sustainability metrics from the Sustainability Accounting Standards Board (SASB) to present the “2024 AIDC Sustainability Report” to all stakeholders. This report details AIDC’s sustainable management and performance in operational and corporate governance, environmental protection, and social responsibility. The entities disclosed in the report include AIDC’s headquarters (Taichung Complex), Sha Lu Complex, and Kang Shan Complex. The subsidiaries (AIDC USA LLC and Hsiang Yuan Co., Ltd.) are only disclosing background information due to their business development and service oriented operational models.

The information and statistical data revealed in this report are compiled by AIDC, with some derived from annual reports. The 2023 greenhouse gas inventory data have been verified by a third party, and the financial data are based on publicly disclosed information verified by accountants.

Report Assurance

This report was verified by an independent third party, SGS Taiwan Ltd., in accordance with the assurance applications at a Type 1 Moderate level under the AA1000AS v3 (AccountAbility 1000 Assurance Standard). It focuses on verifying the GRI framework to ensure the report meets the quality principles of accuracy, balance, clarity, comparability, reliability, and timeliness. The “Independent Assurance Statement” is included in the appendix of this report.

Disclosure Period

January 1, 2024 to December 31, 2024

Issuance Period

The sustainability report is issued annually.

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Message from the Chairman

To reduce the impact of climate change and global warming, more than 150 countries worldwide have declared or planned to achieve net-zero emissions of the greenhouse gas by 2050. In Taiwan, the “Climate Change Response Act” was promulgated and implemented on February 15, 2023, incorporating the goal of net-zero emissions by 2050. As a leading company in the domestic aerospace industry, AIDC realizes its significant responsibility and has mapped out the paths and phased goals toward achieving carbon neutrality by 2050. We have established the “Carbon Neutrality Promotion Group” under the “ESG Committee” to promote initiatives, such as energy conservation and emission reduction, solar power installation, and waste reduction projects by a top-down approach thoroughly to actively confront the challenges of achieving net-zero emissions.

In response to the global goal of net-zero emissions achievement by 2050, Taiwanese government works for energy transformations as well as renewable energy development that additionally has driven a rapid growth in demand for energy storage technologies and quick-start power generation equipment. In alignment with national policies, AIDC has leveraged its technological strengths applying its advanced aerospace technologies to energy-related businesses, which includes energy storage systems, microgrids (power islands), combined cycle power plants, gas turbine power generation, and other green energy fields. In 2021, we established a 5MW energy storage system, which successfully joined Taiwan Power Company’s electricity trading platform to provide ancillary services. By the end of 2023, AIDC had independently built three energy storage sites that continue to contribute stable revenue. Moreover, AIDC has built a solid reputation and visibility through turnkey projects of power plants for Taiwan Power Company (Tongxiao) and CPC Corporation (Yongan and Wuci). Furthermore, AIDC has collaborated with General Electric to build gas turbine generator units and signed a memorandum of understanding with Fluence Energy Inc., which is a global market leader of energy storage products and solutions. With the support of top energy storage system suppliers, AIDC is able to promote and to deploy microgrid (power island) applications and behind-the-meter energy storage solutions for large electric power users. Meanwhile, we are investing in independent development of energy and battery management systems and aiming to assist more domestic enterprises in their transitions, expecting that these investments could serve to improve the stability and flexibility of domestic power grid.

AIDC understands all impacts on the stakeholders and is fully committed to the ESG core values of the “Corporate Governance”, the “Social Responsibility”, and the “Environmental Friendliness” in pursuit of sustainable operations. In 2024, our ongoing efforts received wide recognition, including being selected as the constituent stock in the “Taiwan Corporate Governance 100 Index” and the “Taiwan Employment 99 Index” by the Taiwan Index Plus Corporation, and being awarded the Silver Award of the “Energy Efficiency Benchmark Award” by the Ministry of Economic Affairs, and the “Excellence Award in the Go-Healthy-at-Work program”. Furthermore, a collective agreement was signed with the Shalu plant labor union for favorable labor-management communications. AIDC will continue to focus on sustainable development by integrating innovative technologies and green solutions in the future to promote the transformation and upgrade in the aerospace industry. In addition, we will also collaborate with our supply chain partners closely to build a better resilient and sustainable industrial ecosystem. One of our missions is to practice ESG values. AIDC will contribute to social inclusion, environmental sustainability, and flexibility of corporate development to create a better future for next generations.



Moudy Hu

Chairman

Business Philosophy and Sustainability Policy

Aerospace Industrial Development Corporation (AIDC) aligns with government sustainable development policies, covering aspects such as corporate governance, sustainable environment, social welfare, and information disclosure. responsibility for corporate governance and information disclosure extend to the government, shareholders, employees, customers, and suppliers; environmental sustainability responsibilities include natural ecology, environmental resources, and green products, promoting the company's path to carbon neutrality to achieve an eco-friendly environment and the national 2050 net-zero goal; social welfare responsibility is directed towards the company's employees, the community, disadvantaged groups, and public affairs related to society.

AIDC implements its internal and external ESG policies according to operational processes, including human resources crafting and managing the "AIDC Human Rights Policy" to protect internal employee rights, and materials management creating and overseeing the "Vendor Declaration" and the "Supplier Code of Conduct" which require domestic and international suppliers to comply with laws, human rights, and environmental standards. For detailed implementation, please refer to the "Supplier Management" section.

AIDC Sustainable Development Policy

1. Comply with laws related to sustainable corporate development and fulfill corporate social responsibility.
2. Emphasize corporate governance, transparency in management information, and protect stakeholders' rights.
3. Focus on environmental protection, energy conservation and carbon reduction, committed to protecting the Earth.
4. Provide a safe and healthy working environment to maintain the physical and mental health of employees.
5. Care for disadvantaged groups and actively participate in social welfare activities.

AIDC Mission, Vision, and Business Philosophy

Mission: Defend our nation while leading the way for the domestic aerospace industrial upgrade.

Vision: Establish a complete domestic aerospace Industry chain to consolidate a self-reliant national defense. Become a high level provider both in the aerospace industry and in the derivative business of energy creation,

energy storage, and energy control that helps industries meeting the ESG challenges.

Business Philosophy:

- **Accountability:** Active involvement and responsiveness toward duties and responsibilities.
- **Innovation:** Continuous improvement and innovation.
- **Dedication:** Full-hearted devotion with proficiency and abilities. Do not compromise corporate benefit for personal gain.
- **Customer Orientation:** Maintain customer satisfaction and create corporate revenue by team work and positive competition.

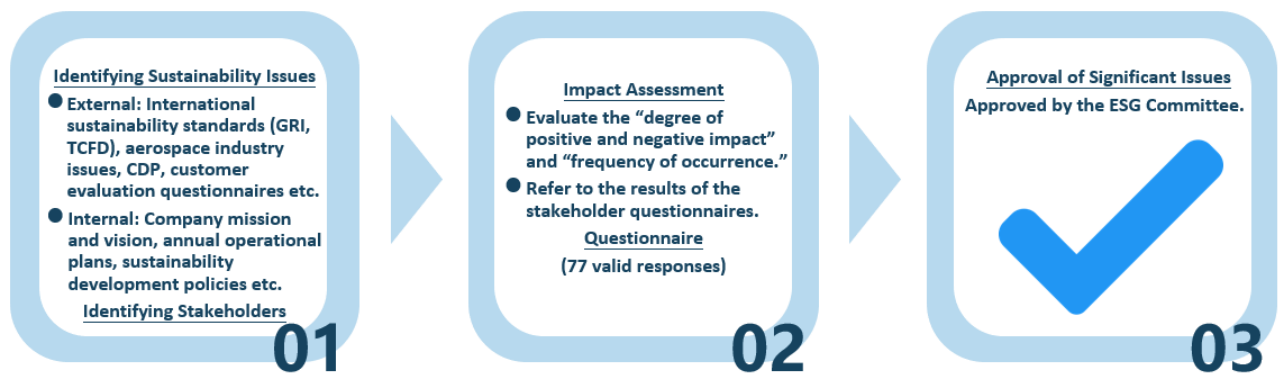
AIDC ESG Performance in 2024

<p>Member of the 2024 Rolls-Royce High Performing Supplier Group</p> <p>▼</p>		<p>Most Improved Supplier Award by Rolls-Royce</p> <p>▼</p>	<p>112 年度公司治理評鑑系統</p> <p>【評鑑結果列為 6%至 20%，計 142 家上市公司】</p> <table><tr><th>代號</th><th>簡稱</th><th>代號</th><th>簡稱</th><th>代號</th><th>簡稱</th></tr><tr><td>2104</td><td>國際中環</td><td>2207</td><td>和泰車</td><td>2211</td><td>長榮鋼</td></tr><tr><td>2317</td><td>鴻海</td><td>2331</td><td>精英</td><td>2337</td><td>旺宏</td></tr><tr><td>2352</td><td>佳世達</td><td>2353</td><td>宏基</td><td>2356</td><td>英業達</td></tr><tr><td>2371</td><td>大同</td><td>2382</td><td>廣達</td><td>2385</td><td>群光</td></tr><tr><td>2504</td><td>國產</td><td>2515</td><td>中工</td><td>2530</td><td>華建</td></tr><tr><td>2609</td><td>陽明</td><td>2615</td><td>萬海</td><td>2634</td><td>漢翔</td></tr></table>	代號	簡稱	代號	簡稱	代號	簡稱	2104	國際中環	2207	和泰車	2211	長榮鋼	2317	鴻海	2331	精英	2337	旺宏	2352	佳世達	2353	宏基	2356	英業達	2371	大同	2382	廣達	2385	群光	2504	國產	2515	中工	2530	華建	2609	陽明	2615	萬海	2634	漢翔
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	<p>▲</p> <p>The fourth Diamond Supplier Award by Bombardier Inc.</p>		<p>▲</p> <p>The top 6-20% of the 10th Corporate Governance Evaluation of TWSE-listed companies</p>																																										
<p>Constituent stock in Corporate Governance 100 Index/Taiwan Employment 99 Index</p> <p>▼</p>		<p>Outstanding ESG Suppliers in Domestic Part Development by Metro Taipei</p> <p>▼</p>																																											
<p>「公司治理100指數」成分股 審核結果 2024/7/16 17:00</p> <table><tr><th>證券代號</th><th>公司名稱</th></tr><tr><td>2631</td><td>漢翔</td></tr></table> <p>「臺灣就業99 指數」成份股 臺灣指數股份有限公司函 113年7月16日 臺指字第1130030016號</p>	證券代號	公司名稱	2631	漢翔	<p>▲</p> <p>Business Weekly 2024 Top 100 Carbon Competitiveness Award</p>		<p>▲</p> <p>Silver Medal of Energy Efficiency Benchmark Award by MOEA</p>																																						
證券代號	公司名稱																																												
2631	漢翔																																												
<p>Excellence in Occupational Safety and Health Award by Kaohsiung City Government</p> <p>▼</p>		<p>The 10th National Award for Outstanding Labor Volunteer Service Teams by Ministry of Labor</p> <p>▼</p>																																											
	<p>▲</p> <p>Excellence in disability recruitment by Taichung City Government</p>		<p>▲</p> <p>Excellence in Employee Occupational Health Award by Department of Health, Kaohsiung City Government</p>																																										

Identification of Material Topics

Identification Process

Referring to the GRI Universal Standards (2021) Material Topic Guidelines, sustainability issues were collected during business operations and interactions with various stakeholders. These issues were assessed based on the principles of “likelihood,” “degree of impact,” and “relevance to human rights,” considering both actual and potential positive or negative impacts. Meanwhile, the feedback of stakeholder questionnaire was used to confirm material topics, which were then approved by the chair of the ESG Committee. Additionally, the identification process is conducted every two years. With regular reviews of issue impacts, the management is able to adjust the short-, medium-, and long-term sustainability strategies based on resource allocation, in accordance with AIDC's “Sustainability Reporting Preparation and Verification Procedures.”



Identification of Sustainability Issues

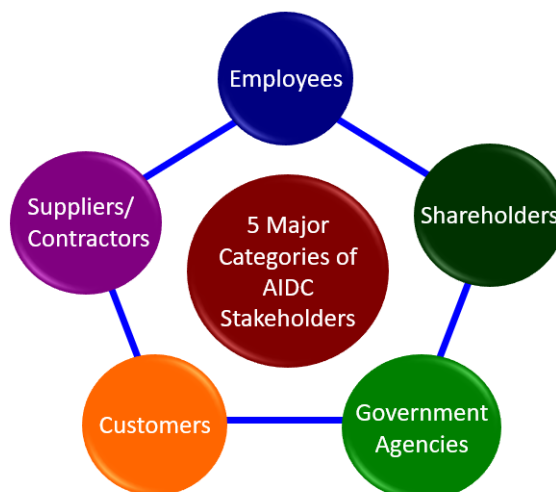
In 2024, our sustainability theme included internal and external issues and a questionnaire was designed for sustainability issues in a total of 20 items, to cover 3 aspects of governance, environment, and society.

- External issues: International sustainability standards GRI criteria, Sustainability Accounting Standards Board SASB (Aerospace and Defense), CDP projects, customer evaluation questionnaires, United Nations Sustainable Development Goals (SDGs), and aerospace manufacturing disclosure situations etc.
- Internal issues: AIDC's annual operational plans, AIDC mission and vision, sustainability policies etc.

2024 Sustainability Issues	
Governance Aspect	G-1 Cybersecurity and Customer Privacy G-2 Quality Management and Tech R&D G-3 Supplier Management G-4 Ethical Corporate Management & Compliance G-5 Operation and Financial Performance G-6 Indigenous Production of Aircraft G-7 Corporate Governance and Risk Management G-8 Customer Service Management G-9 Smart Manufacturing
Environment Aspect	E-1 Climate Change Response E-2 Waste Management E-3 Green Product/Services Design and Development E-4 Water Resource Management E-5 Hazardous Substance Management
Society Aspect	S-1 Talent Recruitment and Retention S-2 Occupational Safety and Health S-3 Career Development and Training S-4 Labor-management Relations S-5 Employee Rights and Benefits S-6 Community Engagement and Social Welfare

Stakeholder Identification and Evaluation

AIDC's "ESG Working Group" members referred to 5 principles (i.e. Dependency, Responsibility, Tension, Influence and Diverse Perspectives) of the AA1000 "Stakeholder Engagement Standard" (SES), to identify 5 major categories of AIDC stakeholders, considering the company's operational relevance. The 5 major categories are employees, shareholders, government agencies, customers and suppliers/contractors.



Oversee the Issues of Concern to Stakeholders, Communication Methods Adopted, and Track Records

We adopted the questionnaire approach to understand the concerned issues to our major stakeholders. A total of 77 valid questionnaires were collected. After analyzing the results, we found that stakeholders were most concerned about economic issues. Additionally, diverse channels were used regularly and irregularly for communication exchanges to understand the stakeholders' expectations and to serve as sources for the assessment of sustainability issues.

Stakeholder	Government Agencies
Concerned Issues	<ul style="list-style-type: none"> ● Operation and Financial Performance ● Quality Management and Tech R&D ● Indigenous Production of Aircraft ● Water Resource Management ● Hazardous Substance Management ● Cybersecurity and Customer Privacy
Communication Methods and Frequencies	<ul style="list-style-type: none"> ● Method: Official documents ● Frequency: Irregularly ● Method: Government shareholder management and supervision team ● Frequency: Irregularly ● Method: Policy promotions and regulatory briefing sessions ● Frequency: Irregularly ● Method: Annual report and financial report ● Frequency: Once every year
Communication Track Records	<ul style="list-style-type: none"> ● Delivery of 8 advanced jet trainers (Brave Eagles). ● Joined the national cybersecurity defense organization for information security incident notification drills and strengthening cybersecurity resilience.
Stakeholder	Shareholders
Concerned Issues	<ul style="list-style-type: none"> ● Corporate Governance and Risk Management ● Operation and Financial Performance ● Cybersecurity and Customer Privacy ● Quality Management and Tech R&D ● Ethical Corporate Management & Compliance ● Indigenous Production of Aircraft
Communication Methods and Frequencies	<ul style="list-style-type: none"> ● Method: TWSE "Market Observation Post System" ● Frequency: If required ● Method: AIDC website: "Investor Relations" section ● Frequency: If required ● Method: Investor conferences and shareholders' meetings ● Frequency: At least once every year ● Method: Annual report and financial report ● Frequency: Once every year ● Method: Conference calls and e-mails ● Frequency: If required
Communication Track Records	<ul style="list-style-type: none"> ● In 2024, 4 investor conferences and 1 shareholders' meeting were convened, disclosing AIDC's financial conditions and future prospects effectively. The annual report and the ESG report in Chinese and English were published. The information on the website was updated regularly.

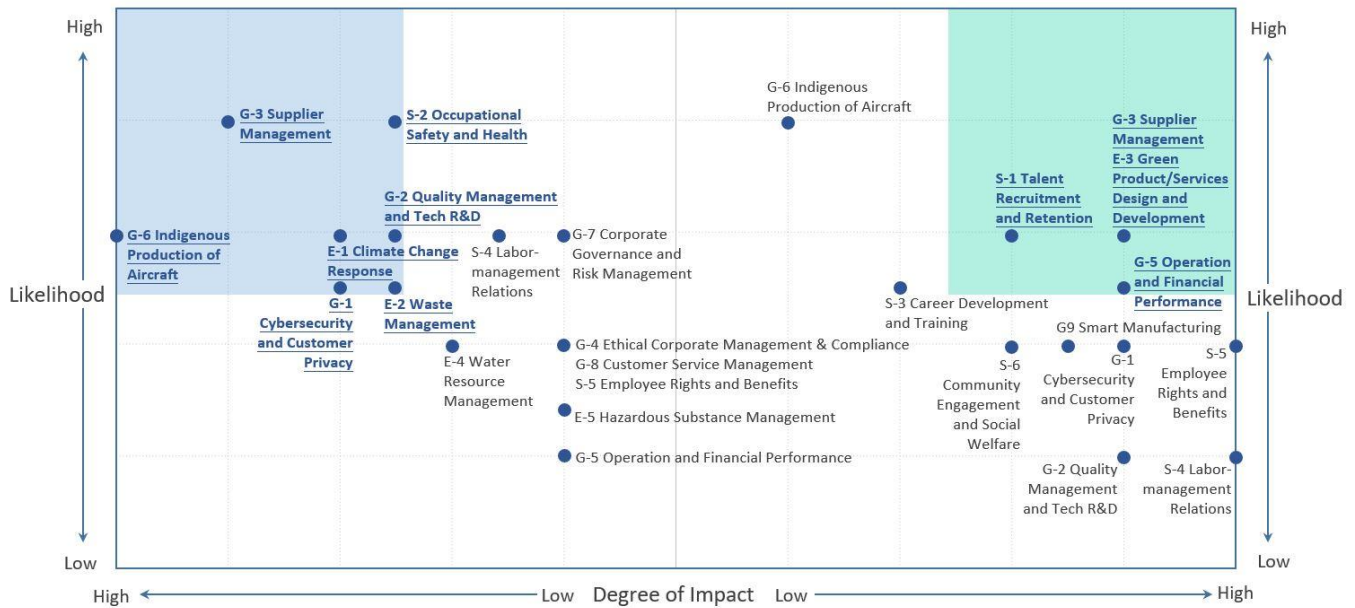
Stakeholder	Customers
Concerned Issues	<ul style="list-style-type: none"> ● Customer Service Management ● Cybersecurity and Customer Privacy ● Supplier Management ● Occupational Safety and Health ● Hazardous Substance Management ● Quality Management and Tech R&D
Communication Methods and Frequencies	<ul style="list-style-type: none"> ● Method: Visiting customers ● Frequency: If required ● Method: Customer questionnaires or onsite audits ● Frequency: If required ● Method: Project review meetings ● Frequency: If required ● Method: Customer satisfaction surveys ● Frequency: Once every year ● Method: Prompt communications with customers' representatives in AIDC ● Frequency: If required ● Method: 24-hour customer service notification system for requirements and questions ● Frequency: If required
Communication Track Records	<ul style="list-style-type: none"> ● To meet or to exceed customer expectations from our services and products, various aspects, such as the customer communication, the production environment, the process control, the product quality, and the employee health and safety are approached to respond promptly and effectively to customer needs and to constantly improve the management performance in business operations (Critical information system recovery plans and drills). ● Completed the transition to ISO 27001:2022, which is reviewed yearly, verified and recertificated every three years.

Stakeholder	Employees
Concerned Issues	<ul style="list-style-type: none"> ● Ethical Corporate Management & Compliance ● Customer Service Management ● Indigenous Production of Aircraft ● Labor-management Relations ● Employee Rights and Benefits ● Operation and Financial Performance
Communication Methods and Frequencies	<ul style="list-style-type: none"> ● Method: AIDC Internal information network ● Frequency: If required ● Method: Employee care system ● Frequency: If required ● Method: General meetings of labor representatives ● Frequency: Once every year ● Method: Sit in on senior executive meetings ● Frequency: Once every month ● Method: Employee Welfare Committee ● Frequency: Once every quarter ● Method: Labor-management meetings ● Frequency: Once every quarter ● Method: Labor safety and health meetings ● Frequency: Once every quarter

Communication Track Records	<ul style="list-style-type: none"> ● In 2024, 12 labor-management meetings (4 meetings each at Taichung, Sha Lu and Kang Shan complex) were convened and 2 labor union seminars were held to ensure harmonious communication between labor and management. ● A collective agreement was signed by AIDC and the labor union.
Stakeholder	Suppliers/Contractors
Concerned Issues	<ul style="list-style-type: none"> ● Supplier Management ● Indigenous Production of Aircraft ● Cybersecurity and Customer Privacy ● Ethical Corporate Management & Compliance ● Customer Service Management ● Career Development and Training
Communication Methods and Frequencies	<ul style="list-style-type: none"> ● Method: Supplier audits and onsite presence ● Frequency: If required
	<ul style="list-style-type: none"> ● Method: Supplier evaluations ● Frequency: Once every month
	<ul style="list-style-type: none"> ● Method: Contractor communication meetings ● Frequency: If required
	<ul style="list-style-type: none"> ● Method: Investment briefings ● Frequency: If required
	<ul style="list-style-type: none"> ● Method: Supplier cybersecurity audits ● Frequency: If required
Communication Track Records	<ul style="list-style-type: none"> ● The “Supplier Questionnaire” was conducted in 2024. The suppliers responded positively to AIDC’s administrative efficiency, service attitude, and overall integrity.

Analysis and Determination of Material Topics

The AIDC ESG Working Group evaluated the substantive and potential positive/negative impact of 20 sustainability topics on economic, environmental, and society (human rights) aspects, calculating the “likelihood” and the “degree of impact” of each issue. The criteria for defining material topics were set as: both likelihood and impact score of at least 2.5 and referring to the issues of high concerns from the stakeholder questionnaires. The 10 material topics of year 2024 were identified (as shown below diagram in blue underlined texts). Based on the “likelihood” as the vertical axis and the “positive/negative impacts on economy, environment, and society” as the horizontal axis, a material topic matrix was completed and submitted to “the ESG Committee” for final assessments and approvals.



Differences in Material Topics from the Previous Year

Referring to the GRI Universal Standards (2021) guidelines for material topics, the principles of topics identifications included human rights in 2024.

New Material Topics Added:

No new material topics added in 2024.

Material Topics from the Previous Year Not Included This year:

- Ethical Corporate Management and Compliance: AIDC has established relevant standards, regulations, and directions for management and employees to follow, and also established a diverse complaint mechanism (including a whistleblower system) for various stakeholders. For more details, please refer to the “Guidelines for Handling Grievance and Whistleblower Cases. In the past three years, the complaint and reporting cases, handled from the anti-corruption whistleblower mailbox, have been investigated well and found no substantial evidence to prove the reported matters authentically. Therefore, the ethical corporate management and compliance are well-managed.

Although the above “Ethical Corporate Management and Compliance” was not included as the material topic, it is still disclosed in this report moderately.

Descriptions of Material Topics

We confirmed the material topics corresponded to the topics of GRI Universal Standards, described the importance of the material topics to AIDC, and evaluated their impact boundaries shown below.

Material Topic			Operation and Financial Performance
GRI Topic			201 Economic Performance
Importance to AIDC			AIDC is committed to stable growth in operation, to maintain strong economic performance and profitability, and to uphold the shareholders’ and employees’ confidence in company operations so as to create sustainable value.
Impact Boundaries	Within Organization	AIDC	●
	Stakeholders	Shareholders	●
		Government	
		Customers	
		Suppliers	
		Employees	●
Related Chapter			Financial Performance

Material Topic			Quality Management and Tech R&D
GRI Topic			Other Topics
Importance to AIDC			Facing the impacts of global aerospace industry changes and intense product competitions, there are higher demands for domestic and global aerospace products which are developed independently or collaboratively. Customers’ demands for quality, cost, and delivery timelines are increasingly stringent. Consequently, it is essential to continuously deepen strategic partnerships with major international companies and actively utilize technologies such as AI, 5G, and smart systems to improve product quality to meet customer needs, to further enhance customer satisfactions and to strengthen our overall competitiveness.
Impact Boundaries	Within Organization	AIDC	●
	Stakeholders	Shareholders	
		Government	
		Customers	●
		Suppliers	●
		Employees	
Related Chapter			Quality Management/Smart Manufacturing

Material Topic			Cybersecurity and Customer Privacy
GRI Topic			418 Customer Privacy
Importance to AIDC			AIDC, a leader in the high-tech aerospace industry domestically, serves for major global aerospace customers, including Airbus, Boeing, and Lockheed Martin, and is responsible for national aircraft productions. Our business is focused on diverse development to provide thoughtful customer services and actively improving our information security management to ensure the confidentiality, completeness, and availability of the company’s information assets. By doing so, we can respond to severe information security challenges, to reduce cyber risks, and to protect the information security between AIDC and its customers.
Impact Boundaries	Within Organization	AIDC	●
	Stakeholders	Shareholders	
		Government	●
		Customers	●
		Suppliers	●
		Employees	●
Related Chapter			Cybersecurity Management/Trade Secret Protection

Material Topic			Supplier Management
GRI Topics			204 Procurement Practices 308 Supplier Environment Assessment
Importance to AIDC			By sustainable supply chain promotions and supplier management strengthening, AIDC is able to maintain a strong supplier network. This is not only improving the material quality and reducing the risks associated with procurements but also ensuring that the products are delivered on time and on quality, thus fulfilling customer satisfactions.
Impact Boundaries	Within Organization	AIDC	●
	Stakeholders	Shareholders	
		Government	
		Customers	
		Suppliers	●
		Employees	
Related Chapter			Supplier Management

Material Topic			Indigenous Production of Aircraft
GRI Topic			Other Topics
Importance to AIDC			The advanced jet trainer project represents the beginning of the “national aircraft production” initiative, which is a key indicator of revitalizing the national defense industry and achieving defense autonomy in our country. Through the development of the entire advanced trainer aircraft system, it helps to strengthen the capability for self-research and manufacturing of the next generation of fighter jets. This initiative also supports the transfer of aerospace expertise within the country, the integration of military and civilian development, and stimulates the industrial chain, transformation, upgrading, and economic development. Together with the Executive Yuan, it propels the 5+2 innovative industries initiative, serving as the core driver for the growth of Taiwan’s next-generation industries, achieving the goals of defense autonomy and economic prosperity.
Impact Boundaries	Within Organization	AIDC	●
	Stakeholders	Shareholders	●
		Government	●
		Customers	●
		Suppliers	●
		Employees	●
Related Chapter			Indigenous Production of Aircraft

Material Topic			Green Product/Services Design and Development
GRI Topic			Other Topics
Importance to AIDC			AIDC is on the mission to aerospace industry development, not only enhancing the domestic aerospace technologies and strengthening the economic structures but also adjusting our paths in the sustainable development, according to the carbon reduction trends associated with climate changes. We promote a diversified layout of green products (such as energy storage systems and biogas power generation) to practice sustainable visions.
Impact Boundaries	Within Organization	AIDC	●
	Stakeholders	Shareholders	
		Government	●
		Customers	●
		Suppliers	
		Employees	
Related Chapter			Green Products

Material Topic			Waste Management
GRI Topic			306 Waste
Importance to AIDC			We pay attention to environmental protection issues. After the Environmental Protection Administration upgraded to the Ministry of Environment, the regulatory authority has actively amended and enacted laws and regulations to industrial waste reduction and resource recycling/recovery for implementing energy conservation, waste reduction, and resource reuse. Meanwhile, AIDC promotes recycling practices to collect the resource properly and to give new values to recycled materials.
Impact Boundaries	Within Organization	AIDC	●
	Stakeholders	Shareholders	
		Government	
		Customers	
		Suppliers	
		Employees	●
Related Chapter			Waste Management

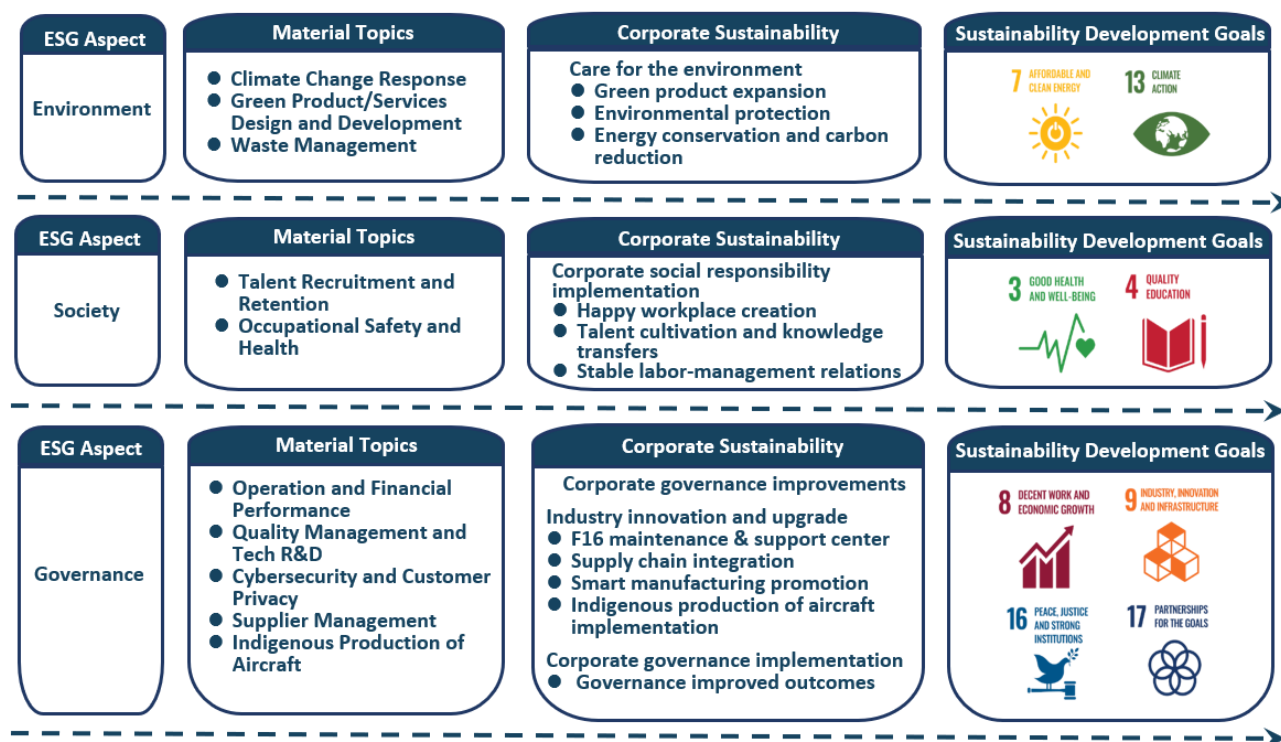
Material Topic			Climate Change Response
GRI Topic			201-2 Climate Financial Risks 302 Energy 305 Emissions 307 Environmental Law Compliance
Importance to AIDC			In response to the international 2050 net-zero emission target and the domestic law and regulation amendments, we have accordingly adjusted our environmental management and energy policies, and planned a carbon neutral path to strengthen the risk management in the climate changes, to reduce environmental impacts, and to promote sustainable transformations.
Impact Boundaries	Within Organization	AIDC	●
	Stakeholders	Shareholders	
		Government	
		Customers	
		Suppliers	●
		Employees	●
Related Chapter			Energy Management/GHG Emissions Inventory/ Climate Change Response


Material Topic			Talent Recruitment and Retention
GRI Topic			401 Employment
Importance to AIDC			In response to intense market competition for talent and the impact of a declining birth rate, attracting and retaining outstanding talent is essential for AIDC to achieve the strategic and business goals and maintain the competitive advantage.
Impact Boundaries	Within Organization	AIDC	●
	Stakeholders	Shareholders	
		Government	
		Customers	
		Suppliers	
		Employees	●
Related Chapter			Employee Recruitment and Hiring


Material Topic			Occupational Safety and Health
GRI Topic			403 Occupational Safety and Health
Importance to AIDC			AIDC complies with occupational safety and health laws and regulations, implements safety and health policies, and fosters a strong safety culture. We continuously strengthen safety engineering improvements, reduce the incidence of workplace accidents, and improve health and safety management performance. Furthermore, we have established various safety operation procedures and built a talent pool of occupational safety professionals for supporting on-site projects, according to our international customer requirements and the expansion of energy-related projects.
Impact Boundaries	Within Organization	AIDC	●
	Stakeholders	Shareholders	
		Government	
		Customers	
		Suppliers	
		Employees	●
Related Chapter			Occupational Safety and Health

Management Policies, Elements, and Sustainable Development Goals for Material Topics (SDGs)

According to the “Material Topics” identified by ESG three aspects in 2024, our corporate sustainability themes were developed and linked to 8 United Nations Sustainable Development Goals (SDGs). By integrating with our significant operation policies, AIDC has planned short-, medium-, and long-term ESG strategies and goals to manage each material topic.



Material Topic/SDGs	Operation and Financial Performance	8 DECENT WORK AND ECONOMIC GROWTH 
Management Strategies	<ul style="list-style-type: none"> Continuous growth in revenue and net profit Continuous improvements in the financial structure 	
Short-Term (1-2 years) Development Direction	Strengthen the link between departmental key performance indicators (KPIs) and company revenue and profit targets, regularly evaluate the performance of short-term goals, provide strategic feedback, and continuously review and reassess, initiating management measures. Additionally, continue to enhance inventory and accounts receivable management to increase asset utilization efficiency and improve financial health.	
Medium-Term (2-5 years) Development Direction	Create higher economic values to benefit shareholders, investors, and other stakeholders.	

Long-Term (over 5 years) Development Direction	Create higher economic values to benefit shareholders, investors, and other stakeholders.
Performance in 2024	<ul style="list-style-type: none"> ● In 2024, AIDC's revenue and net profit reached the highest and second-highest levels respectively, since its listing. ● Follow up actively on accounts receivable with monthly reviews, and improve the payment terms in procurement contracts proactively, to further optimize the financial structure.
Material Topic/SDGs	Quality Management and Tech R&D 
Management Strategies	<ul style="list-style-type: none"> ● AIDC declared its first year of generative AI in the declaration meeting and clarified the warnings and goals for each task by project reporting to ensure that the tasks, schedules and goals have been understood well and that the practice of the application. ● The Generative AI Promotion Committee was established: to plan three phases of generative AI applications, to promote project executions and implementations, to apply both commercial software and self-built platforms, and to apply for government grants, and to carry out talent trainings and development. Meanwhile, the generative AI promotion is listed in the KPIs as a way of active management. ● Regular meetings are held weekly to ensure the tasks and projects are on schedule, and check the overall progress monthly to ensure the projects proceed as planned. ● AI certification promotions and talent retentions/cultivations: We have established a job level promotion program for AI-related certifications, to retain/attract outstanding employees by job level and salary adjustments, as motivation for the employees.
Short-Term (1-2 years) Development Direction	<ul style="list-style-type: none"> ● Maintain and improve ISO 9000 and AS9100 quality management systems, customer quality management requirements and NADCAP process certifications, enhance quality inspection capabilities and techniques, and improve the inspector professional skills. ● Continuously promote a Zero Defects Culture, Advanced Product Quality Planning (APQP), and Intelligent automated inspections to achieve the zero defect goal by "Do it right at first time" as well as to proactively eliminate quality risks and to effectively reduce carbon emissions. ● Continuously promote supplier quality monitoring, provide technical guidance, identify potential risks, and apply analytical methods to identify problems with optimal and efficient solutions, to enhance the supplier quality and to reduce carbon emissions. ● Set up multi-faceted quality performance goals and apply a team approach with multiple perspectives to continuously promote Quality Improvement Plans (QIP) for achieving the total quality assurance, increasing customer satisfactions, and enhancing our competitiveness. ● Continuously promote quality escape management plans,

	<p>implement rolling improvements, and prevent from quality defect escape to achieve the zero defects and effective carbon reduction goals.</p> <ul style="list-style-type: none"> ● Adopt current AI tools to achieve real-time performance, and to accelerate the implementations and applications, such as immersive translation, law and regulation search, project document retrieval, meeting records, and code generation to accelerate program developing capabilities. ● Plan for aerospace generative AI on-premises platform to ensure information security and practical implementation. ● 16 demonstrative application themes have shown phased outcomes and expanded applications will be promoted continuously. ● AIxWARE standardization, modularization and commercialization transformation services.
<p>Medium-Term (2-5 years) Development Direction</p>	<ul style="list-style-type: none"> ● Actively enhance the overall design of military aircraft, the technology development of aerospace key components, and expand emerging businesses such as power islands, drones and aerospace product distributions. Simultaneously, promote new processes and improve the quality of new products, not only to increase revenue and to enhance global competitiveness, but also to reduce carbon emissions and cost loss associated with non-conforming materials. ● Continuously promote quality management systems and special process certifications, to implement control procedures for Zero Defects Culture and Advanced Product Quality Planning (APQP), to enhance supplier quality management and monitoring, and to deepen Quality Improvement Plan (QIP) procedures and quality escape management for reducing carbon emissions and enhancing quality management efficiency, quality standards, and customer satisfactions. ● AIxWARE+AI: Cloud-based delivery architecture.
<p>Long-Term (over 5 years) Development Direction</p>	<ul style="list-style-type: none"> ● On the basis of quality management of medium-term development direction, we continuously improve the overall design of military aircraft, the technology development and processes of aerospace key components, energy project constructions, drone system development, and maintenance and repair services of aircraft in service; furthermore, improve the quality of the current products and services to achieve higher quality standards so as to meet with customers' requirements and standards and the goals of safe and low-carbon emissions and zero defect products and services. ● AIxWARE modules+AI cloud-based: On the basis of digitalization and smart manufacturing for commercial business, we fully expand our business into cross-industry chain by applying Industrial Artificial Intelligence (IAI), move toward mature smart manufacturing by using generative AI, and acquire smart maintenance and repair and smart management technologies, thus further improving our overall efficiency and optimizing our competitive advantages.

Performance in 2024

- The average customer satisfaction score for military/civil aircraft and engine projects was 95.6, achieving the customer satisfaction goal.
- Each complex successfully passed ISO9001:2015, AS9100:D and AS9110:C and other aerospace quality management system certifications.
- Our military/civil aircraft and engine projects completed the customer's quality system/process/product verification audits, and successfully passed the reviews and audits, with a 100% achievement rate.
- Nadcap special process certifications: Taichung/Shan Lu Complex passed 8 items and Kang Shan Complex passed 7 items.
- Support for production line instruments calibration demands completed with a 100% achievement rate in the instrument calibration executions and controls.
- Quality assurance inspections, Skill Matrix improvements, knowledge transfers, and Skill Matrix evaluations completed with a 100% achievement rate.
- Improved supplier management, enhanced supplier quality, implemented domestic supplier delivery quality monitoring and improvement initiatives, and achieved a delivery yield rate of 99.8% or greater.
- New supplier evaluations for military/civil/technology business projects completed with a 100% achievement rate.
- Reduced non-conforming materials and failure costs.
- Applied AI to manufacturing workflows, developed assistant/backup/support application development, and achieved efficiency/technology and saved costs/manpower improvements.
- Workflow implementations: Completed the tests and the implementations of 17 commercial application services, including the on-premises language model platform "AnythingLLM" for all departments.
- 16 application themes: Reduced repetitive workload, shortened the time required for manual document processing, enabled rapid access to/transfer of professional knowledge, and improved programming efficiency.
- Completed quality and environment for 5G private frequency and network in casing machining.
- Completed the key system of the automatic multi-point delivery.
- Completed the key system of the automatic casing production line.
- The environmental safety and the utilization rate of energy efficiency: Established 6 health monitoring and warm-up application services in response to global climate changes, and to reduce warm-up operating time by over 30%-50% for enhancing the utilization rate of energy efficiency and improving the sustainable value of the environmental safety.
- Obtained field cybersecurity certifications.
- Organized 1 large event for 5G achievement, demonstration and promotion, and 3 on-site observation activities for knowledge exchanges between industry peers and cross-industry participants.


Material Topic/SDGs	Cybersecurity and Customer Privacy
Management Strategies	<ul style="list-style-type: none"> ● AIDC is committed to establishing an Information Security Management System (ISMS) in compliance with the international information security standards. Information security policies, procedures and operational standards are included in the ISMS to completely enhance the aspects of systems, management, and technologies in the cybersecurity. Since 2008, AIDC has successfully obtained ISO/IEC 27001 international information security management certification and has passed the annual surveillance audits and the audit for a triennial recertification by IAF/TAF accredited bodies to continuously maintain the validity of certificate. ● We also adopt the NIST CSF 2.0 cybersecurity framework to follow its 6 core functions “Govern, Identify, Protect, Detect, Respond, and Recover” to enhance our cybersecurity foundation, and to continue the cybersecurity improvements by the PDCA (Plan-Do-Check-Act) cycle. Furthermore, AIDC enhances its cybersecurity maturity through red team exercises, penetration testing, cybersecurity health checks, and third-party risk assessments, and aims to reach Level 2 (Advanced) of the Cybersecurity Maturity Model Certification (CMMC 2.0). ● We comply with the “Personal Data Protection Act” to process and to use personal data. Each project receives regular security audits by customers, and performs security checks for confidential project personnel, facility, and information security in cooperation with the Ministry of National Defense, Air Force Command Headquarter, and National Chung-Shan Institute of Science and Technology.
Short-Term (1-2 years) Development Direction	<ul style="list-style-type: none"> ● Complete the transition to ISO 27001:2022 and receive verification by a third party (IAF/TAF) accredited body. ● Complete the cybersecurity audits and assessments required by domestic and international customers. ● Promote cybersecurity grading to outsourced suppliers. ● Ensure compliance with Level 2 (Advanced) of the Cybersecurity Maturity Model Certification (CMMC 2.0). ● Continue to cooperate with the Ministry of National Defense, Air Force Command Headquarter, National Chung-Shan Institute of Science and Technology, and other customers for regular and irregular audits to fulfill their security requirements. ● Promote Zero Trust Architecture.
Medium-Term (2-5 years) Development Direction	<ul style="list-style-type: none"> ● Establish a full cybersecurity governance system, continuously improve cybersecurity protections, and maintain the validity of the ISO/IEC 27001:2022 certificate. ● Complete the cybersecurity audits and assessments required by domestic and international customers. ● Promote and strengthen the cybersecurity of the outsourced suppliers. ● Maintain the compliance at Level 2 (Advanced) of the



	<p>Cybersecurity Maturity Model Certification (CMMC 2.0).</p> <ul style="list-style-type: none"> ● Continue to cooperate with the Ministry of National Defense, Air Force Command Headquarter, National Chung-Shan Institute of Science and Technology, and other customers for regular and irregular audits to fulfill their security requirements. ● Continuously promote Zero Trust Architecture. ● Apply AI technology to strengthen cybersecurity measures.
Long-Term (over 5 years) Development Direction	<ul style="list-style-type: none"> ● In cybersecurity governance, continue to improve the cybersecurity maturity, to strengthen the cybersecurity resilience, and to ensure the stability and advantages of future business development. ● Complete the cybersecurity audits and assessments required by domestic and international customers. ● Continuously promote and strengthen the cybersecurity incident reporting and collaborative defense to the outsourced suppliers. ● Maintain the compliance at Level 2 (Advanced) of the Cybersecurity Maturity Model Certification (CMMC 2.0). ● Continue to cooperate with the Ministry of National Defense, Air Force Command Headquarter, National Chung-Shan Institute of Science and Technology, and other customers for regular and irregular audits to fulfill their security requirements. ● Continuously promote Zero Trust Architecture. ● Apply AI technology to strengthen cybersecurity measures and automate cybersecurity protection.
Performance in 2024	<ul style="list-style-type: none"> ● Achieved the annual quantitative goals for information security management. ● Completed social engineering email and advanced persistent threat drills. ● Completed cybersecurity trainings for all employees. ● Completed the certificate transition to ISO 27001:2022 and maintain the validity of the ISO/IEC 27001:2022 certificate. ● Successfully passed the audit (CPA audit) and attestation of financial statement, associated with information system operations. ● Passed the cybersecurity assessment and audit requirements by the domestic customers (such as Ministry of National Defense, National Chung-Shan Institute of Science and Technology, National Defense Industrial Development Foundation) and international customers (such as Rolls Royce and GE). ● Passed the cybersecurity assessments (at high confidence level) by Defense Contract Management Agency (DCMA), to comply with the supply chain cybersecurity requirements, and the assessment results were registered on its Supplier Performance Risk System (SPRS) website. ● Cooperated with the Security Office of the Ministry of National Defense, Air Force Command Headquarter and National Chung-Shan Institute of Science and Technology, and jointly conducted the information and communication security inspections in AIDC's confidential and sensitive operations areas. No significant defects were found in 2024.




Material Topic/SDGs	Supplier Management
Management Strategies	<ul style="list-style-type: none"> ● Coach outsourced suppliers to obtain AS9100 certificate. ● Provide training courses, processes, and quality certification guidance. ● Gradually building a sustainable supply chain through green initiatives at the supplier conference. ● Promote the cybersecurity grading mechanism to ensure cybersecurity capabilities among AIDC suppliers.
Short-Term (1-2 years) Development Direction	<ul style="list-style-type: none"> ● Conduct a survey using Environmental, Safety and Health Management questionnaire for 11 suppliers. ● Complete cybersecurity assessment guidelines for outsourced suppliers by Information Technology Department. ● Promote sustainable procurements and assess the suppliers on the basis of ethical and sustainability issues.
Medium-Term (2-5 years) Development Direction	<p>In compliance with the government policies, complete questionnaires for carbon footprint verification to over 10 Listed/Over-The-Counter suppliers by the end of 2027, and encourage the supplier to establish labor, safety, environment, and energy management systems. Regarding green products, define regulations and standards by future phases and request all suppliers to comply with the regulations and standards, including energy conservation, easily recycling, low toxicity, battery usage, material labeling, packaging materials etc., and further to include these regulations and standards into the Supplier Code of Conduct and contract terms.</p>
Long-Term (over 5 years) Development Direction	<p>Collaborate with specialized departments to audit and to guide suppliers, and assist them with “large helping small” strategy, encouraging large companies to support smaller companies for carbon reduction. Promote sustainable supply chain management and sustainable procurements, as well as cooperate with the suppliers to structure cooperation models for green products, energy conservation, carbon reduction, and pollution prevention in the future, to move forward with the sustainable supply chain together.</p>
Performance in 2024	<ul style="list-style-type: none"> ● By 2024, a total of 459 vendors engaged in contractual transactions have passed international quality certifications for AS9100/AS9110/AS9120. ● In 2024, 183 supplier evaluations were conducted, 49 suppliers were supervised in contract performance, and we provided technical guidance to suppliers for a total of 701 participants. The annual supplier audits were performed to 37 suppliers. ● In 2024, we visited and performed cybersecurity assessments to 6 suppliers, to understand and to evaluate their cybersecurity status.


Material Topic/SDGs	Indigenous Production of Aircraft <div data-bbox="1299 197 1439 331">  </div>
Management Strategies	<ul style="list-style-type: none"> ● Establish important milestones for each phase, according to the contract. ● The company regularly holds internal management meetings at various levels (weekly meetings, risk management meetings), external project management meetings with clients, and engineering progress review meetings to timely review, resolve, and promote actions.
Short-Term (1-2 years) Development Direction	Deliver 25 aircraft of the advanced jet trainers on time and with quality.
Medium-Term (2-5 years) Development Direction	Deliver a total of 66 aircraft of the advanced jet trainers completely by 2026.
Long-Term (over 5 years) Development Direction	<ul style="list-style-type: none"> ● Promote for developing next generations of the military aircraft. ● Secure our critical technologies to implement the self-reliant national defense. ● Upgrade industrial technologies. ● Create benefits from production value multiplier.
Performance in 2024	<ul style="list-style-type: none"> ● Completed the delivery of 11 aircraft of the advanced jet trainers with quality to the Taitung base. ● Assisted 304 domestic suppliers in passing supplier assessments to the production, tool making, and testing tasks of aircraft structural components for the advanced jet trainers, and completed 441 contracts signed with the suppliers. ● Effectively drove the technological transformation and upgrading of the domestic aerospace industry, and created an overall economic benefit of nearly NT\$10 billion for local suppliers.
Material Topic/SDGs	Green Product/Services Design and Development <div data-bbox="1187 1308 1439 1442">   </div>
Management Strategies	<ul style="list-style-type: none"> ● Establish important milestones for each phase, according to the contract. ● Regularly holds meetings for project progress reviews (every week, every two weeks, every month), external project management reviews (PMR) with costumers, engineering progress reviews, onsite progress verification, and participate in customers' PMR, to timely review and to improve the progress, to resolve problems, and to promote project actions so as to fulfill the contract schedules and performance objectives.
Short-Term (1-2 years) Development Direction	<ul style="list-style-type: none"> ● Completion and activation of one self-use power generation unit, exceeding 30MW, at each of the CPC Corporation's Yongan and Taichung natural gas receiving stations. ● Promote behind-the-meter energy storage services for large electricity consumers and microgrid projects in offshore islands and remote areas.

Medium-Term (2-5 years) Development Direction	<ul style="list-style-type: none"> ● Expand consulting capabilities in energy engineering. ● Participate in domestic energy transformation initiatives. ● Engage with industrial development of hydrogenic energy applications. ● Secure our critical technologies to implement the local repair and maintenance.
Long-Term (over 5 years) Development Direction	<ul style="list-style-type: none"> ● Upgrade energy industry technologies. ● Create benefits from local talent cultivation in Engineering, Procurement, and Construction (EPC) for energy projects. ● Create benefits from the energy market expansions. ● Create benefits from energy economics.
Performance in 2024	<ul style="list-style-type: none"> ● Signed a contract for the installation project of the biogas power generation system (195KW) at Innolux Corporation Plant 8. ● Signed a contract with Delta Electronics Inc. for 2MW microgrid engineering project at Taipower Xiaonan Substation. ● Signed a contract with Delta Electronics Inc. for 40MW behind-the-meter energy storage project at Innolux Corporation Plant 7.
Material Topic/SDGs	Climate Change Response <div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>13 CLIMATE ACTION</div>   </div>
Management Strategies	<ul style="list-style-type: none"> ● In compliance with the government environmental policies, we promote industrial waste reduction and resource recycling, implement energy conservation, waste reduction, and pollution control, and effectively manage the industrial waste produced by AIDC. We have established the internal procedural document (Industrial Waste Management Procedures, SP-NR-019) and implemented the procedures in the company, to ensure that AIDC is comply with relevant waste disposal laws and regulations. ● To increase the value of waste and non-recyclable materials, and to implement waste valorization, we have established the internal procedural document (AIDC Waste (Scrap) Sale Procedures, SP-LR-040) to enhance the value of waste and to extend the service life of the equipment by bid and sale projects, regarding the devices or components being replaceable or functionally degraded. ● The ESG Committee convenes executive-level meetings to set and to review the company's climate change policies. ● Implement climate-related risk and opportunity (TCFD) procedures. ● Conduct the greenhouse gas inventory and inspection to the entire business group. ● Install photovoltaic (PV) systems for self-generation and self-consumption.
Short-Term (1-2 years) Development Direction	<ul style="list-style-type: none"> ● Achieve a waste reuse rate of 35% at Taichung and Sha Lu Complex. ● Achieve a waste reuse rate of 45% at Kang Shan Complex. ● By 2025, the business group reduces greenhouse gas emissions by 5% compared to the baseline in 2023. ● Conduct the greenhouse gas inventory and inspection to the entire business group. ● Implement the installation of solar photovoltaic panels.

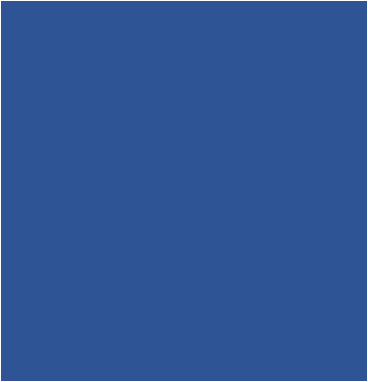
Medium-Term (2-5 years) Development Direction	<ul style="list-style-type: none"> ● Collaborate with waste treatment plants to proactively study the reuse feasibility. Under cost-effective conditions, outsource waste disposal contractors to convert waste into resources to increase the waste reuse rate. ● By 2025, the business group reduces greenhouse gas emissions by 5% compared to the baseline in 2023. ● Implement the installation of solar photovoltaic panels.
Long-Term (over 5 years) Development Direction	<ul style="list-style-type: none"> ● Establish waste reduction plans, prioritize in-plant reuse, and reduce raw material consumption to implement waste reduction goals. ● Continuously move toward the goals of eco-friendly plants. ● By 2030, the business group reduces greenhouse gas emissions by 18% compared to the baseline year. ● Achieve the carbon neutrality by 2050.
Performance in 2024	<ul style="list-style-type: none"> ● Completed energy conservation projects for chillers, lighting, and air handling unit replacements. ● In 2024, Taichung Complex achieved an average annual electricity savings of 1.32% approximately. ● In 2024, Sha Lu Complex achieved an average annual electricity savings of 3.33% approximately. ● Taichung and Sha Lu Complex achieved a waste reuse rate of 35%. ● Kang Shan Complex achieved a waste reuse rate of 45%. ● Regularly report carbon neutrality development and performances at executive-level meetings. ● Completed AIDC's climate-related risks, opportunity assessments and TCFD risk map, and reported to the Board of Directors. ● Installed and commissioned the photovoltaic system (1,222Wp) for self-generation and self-consumption at Taichung Complex.
Material Topic/SDGs	Waste Management <div>   </div>
Management Strategies	<ul style="list-style-type: none"> ● Established the internal procedural document (Industrial Waste Management Procedures, SP-NR-019) and implemented the procedures in the company, to ensure that AIDC is comply with relevant waste disposal laws and regulations. ● Established the internal procedural document (AIDC Waste (Scrap) Sale Procedures, SP-LR-040) to enhance the value of waste and to extend the service life of the equipment by bid and sale projects, regarding the devices or components being replaceable or functionally degraded.
Short-Term (1-2 years) Development Direction	<ul style="list-style-type: none"> ● Achieve a waste reuse rate of 35% at Taichung and Sha Lu Complex. ● Achieve a waste reuse rate of 45% at Kang Shan Complex.
Medium-Term (2-5 years) Development Direction	Collaborate with waste treatment plants to proactively study the reuse feasibility. Under cost-effective conditions, outsource waste disposal contractors to convert waste into resources to increase the waste reuse rate.

Long-Term (over 5 years) Development Direction	<ul style="list-style-type: none"> ● Establish waste reduction plans, prioritize in-plant reuse, and reduce raw material consumption to implement waste reduction goals. ● Continuously move toward the goals of eco-friendly plants.
Performance in 2024	<ul style="list-style-type: none"> ● Taichung and Sha Lu Complex achieved a waste reuse rate of 35%. ● Kang Shan Complex achieved a waste reuse rate of 45%.

Material Topic/SDGs	Talent Recruitment and Retention 
Management Strategies	<ul style="list-style-type: none"> ● Strengthen measures to human resource talent management. ● Improve measures to incentive compensation, performance assessment, promotion and retention.
Short-Term (1-2 years) Development Direction	<ul style="list-style-type: none"> ● Improve strategies to specialized talent recruitment. ● Design salary structures for new positions.
Medium-Term (2-5 years) Development Direction	<ul style="list-style-type: none"> ● Continue to implement specialized talent recruitment strategies (industry-academia collaboration, campus recruitment, and talent acquisition from various specialties.) ● Fully transfer core and critical technologies to ensure the company's talent competitiveness.
Long-Term (over 5 years) Development Direction	<ul style="list-style-type: none"> ● Continue to improve incentive compensation, career development, and other retention measures. ● Integrate creative concepts into human resource management from both operational and strategic perspectives.
Performance in 2024	<ul style="list-style-type: none"> ● Award bonuses to various projects (advanced jet trainer and Tongxiao/CPC projects), and to specialized talents (robotic arms) to boost morale. ● Hired specialized talents through strategic talent acquisition initiatives. ● Implemented transparency in employee evaluations, interviewed and coached the underperforming employees by their supervisors to improve and to record their performances. ● Since October 2023, we have implemented a certification-based incentive program to reward employees obtaining professional certificates, reviewed the program procedures yearly from April to June and from October to December, and established a system for employees to provide their comments on certification adjustments. ● Initiated knowledge transfer two years before employee retirement, and completed technical knowledge transfer 6 months before retirement.

Material Topic/SDGs	Occupational Safety and Health 
Management Strategies	<ul style="list-style-type: none"> ● Comply with occupational safety and health laws and regulations, and instill the concept of "Safety" deeply into every employee's daily operations by various supervision and inspection measures. ● Promote the safety culture based on "Accountability

	<p>Management” and assign safety management responsibilities to all supervisors.</p> <ul style="list-style-type: none"> ● Invest resources in facility improvements and equipment upgrades for enhancing workplace safety and providing health promotion services to prevent and to reduce any negative impacts on the occupational safety and health directly.
Short-Term (1-2 years) Development Direction	<ul style="list-style-type: none"> ● Zero major safety incidents. ● Maintain the number of disabling injuries (Disabling Injury Frequency Rate), per one million total work hours, below 0.92. ● Establish an automatic inspection control system to optimize operational processes and to increase audit efficiency. ● Optimize the contractor information management system to strengthen control operations. ● Strengthen the responsibilities of full-time occupational safety personnel, enhance the inspection and supervision intensity, and identify core safety issues thoroughly. ● Implement various electrical fire preventions, the inspection of low-voltage electrical equipment, and the elevation of electrical systems. ● Implement AI management models to improve the operational efficiency. ● Organize occupational safety professionals to energy service projects.
Medium-Term (2-5 years) Development Direction	<ul style="list-style-type: none"> ● Zero major safety incidents. ● Maintain the number of disabling injuries (Disabling Injury Frequency Rate), per one million total work hours, below 0.7. ● Integrate and optimize the management system of the occupational safety and health to improve the operational efficiency. ● Carry out priority tasks for the occupational safety and health and compete for outstanding awards in occupational safety management and health promotion services. ● Enhance the language proficiency of the occupational safety personnel for international tasks and arrange occupational safety trainees specialized in for energy service projects.
Long-Term (over 5 years) Development Direction	<ul style="list-style-type: none"> ● Zero major safety incidents. ● Maintain the number of disabling injuries (Disabling Injury Frequency Rate), per one million total work hours, below 0.5. ● Complete the safety culture based on “Accountability Management.” ● Implement the operational automation and disaster reduction technology to improve workplace safety for employees.
Performance in 2024	<ul style="list-style-type: none"> ● Completed 51 management improvement projects and 146 engineering improvement projects, coached by the occupational safety specialists. ● To prevent fire incidents, we reviewed domestic and international accident cases and examined long-standing potential risk items thoroughly. A total of 2,108 improvement measures were found and classified into 9 aspects. ● Completed 36 safety audits with all required improvements. ● In response to the joint venture project with GEV Inc., we received



a score of 96 assessed by the third-party ComplyWorks compliance system.

- Taichung Complex has been awarded the “Healthy Workplace Certification Logo” by the Health Promotion Administration, Ministry of Health and Welfare.
- Established and optimized various occupational safety systems, including the annual machinery inspection system and chemical management system.
- Successfully passed the certification renewal audit for ISO/CNS 45001 Occupational Health and Safety Management System.

Governance

Corporate Governance Improvements

Material Topic Management

The corporate governance is a mechanism of enterprise management. As a leader in the domestic aerospace manufacturing industry, AIDC is committed to complying with relevant corporate governance regulations and procedures, implementing corporate social responsibility, and protecting the rights and interests for all stakeholders (including employees, shareholders, customers, suppliers, environment, and society).

Scope of Material Topics

- Operation and Financial Performance
- Quality Management and Tech R&D
- Cybersecurity and Customer Privacy
- Supplier Management
- Indigenous Production of Aircraft

Policy and Commitment

To continuously strengthen corporate governance and sustainable management, AIDC has established the “AIDC Corporate Governance Guidelines” and the “AIDC Sustainable Development (ESG) Practice Principles” in compliance with government laws and regulations by referring to the “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies” and the “Best Practice Principles for Sustainable Development of TWSE/GTSM Listed Companies.” During bidding and contracting procedures with suppliers/vendors, signing the “Vendor Declaration” and the “Supplier Code of Conduct” are mandatory for both domestic and international suppliers/vendors to ensure the integrity and compliance in the partnership, and the implementation of relevant policies.

Impact and Influence

Our business areas include manufacturing the components for military and commercial aircraft, and executing the classified/confidential projects, such as the advanced jet trainer project. Accordingly, Information security and the protection of trade secrets are our top priorities. Through the Information Security Committee established under the Board of Directors, and the internal Risk Management Committee, we have capabilities to reduce potential risks to fulfill our missions “to consolidate a self-reliant national defense, to lead industrial upgrades, to develop aerospace industry, and to promote economic prosperity,” meanwhile to support the national defense security.

Actions Taken

We implement corporate governance, closely monitor global industry trends, and timely adjust our goals of short-, medium-, and long-term business development and management strategies to reduce potential risks.

Stakeholder Engagement

Through the employee mailboxes, the investor hotlines, the investor conferences, the CSR mailboxes, the anti-corruption whistleblower mailbox, and the 24-hour customer service notification system, stakeholders can instantly contact and communicate with AIDC.

Corporate Governance

Company Background

AIDC was originally founded in March 1969 as Aerospace Industrial Development Corporation under Air Force Command Headquarter, and then transferred to the National Chung-Shan Institute of Science and Technology under the Ministry of National Defense in January 1983. Over the years, AIDC has collaborated with foreign manufacturers to produce UH-1 helicopters, F-5E/F fighters, T-53 engines, TFE731 engines, and has independently developed and completed trainers, such as the trainers of Chieh Shou, Chung Hsing, and Tzu Chung models, as well as new model fighters.

In July 1996, AIDC was reformed into a company under the Ministry of Economic Affairs, named “Aerospace Industrial Development Corporation,” moving towards commercialization, privatization, and globalization. Accordingly, our business strategy changed from military aviation application only to both military and civil aviation applications, and orientated as “defense technology company for aerospace industrial development.” To reduce market concentration risks, to fully utilize our technical skills, and demonstrate our capabilities and performances, AIDC’s main businesses now include “military operations,” “commercial aviation,” and “industrial technology services.”

Given the high tech intensive nature of the aerospace industry, AIDC faced fierce competitions in the international aerospace market and successfully transformed into a private-owned company on August 21, 2014, as well as officially listed on the stock market on August 25 in the same year. Additionally, AIDC declared the establishment of “Taiwan Aerospace Industry A-Team 4.0 Alliance” in June 2016 to create a way for “Taiwan Aerospace A-Team becoming a significant part of the global aerospace supply chain.” Following the government's policy of indigenous production of aircraft, AIDC signed a commissioned contract for manufacturing 66 new advanced jet trainers with the National Chung-Shan Institute of Science and Technology in April 2017. The rollout and naming ceremony for the new trainer was revealed in September 2019 and the first flight of the trainer was demonstrated in June 2020. By the end of 2024, we delivered 38 trainers and expected all 66 trainers to be delivered by 2026. Furthermore, AIDC signed a strategic alliance agreement with Lockheed Martin Corporation in December 2019, to implement our mission of self-reliant national defense. We established F-16 maintenance and support center in August 2020 accordingly and signed a significant “Basic Ordering Contract for F-16 Maintenance and Support” with ROC Air Force in January 2021 to perform the maintenance and repair for the F-16 fleet by the end of 2025. To extend our aerospace core technologies and capabilities in

the energy industry, AIDC signed a memorandum of understanding (MOU) with General Electric (GE) Company in 2022, for “maintenance localization” and “Hydrogen-integrated power generation applications” of aero-derivative gas turbine generator sets.

AIDC is one of the few aerospace industry suppliers in the Asia-Pacific region, with complete capabilities of research and development, system integration, testing, and manufacturing. We are proud to be recognized and appreciated by the global aerospace industry, and also to make significant contributions to the development of the national aerospace industry.

Basic Information

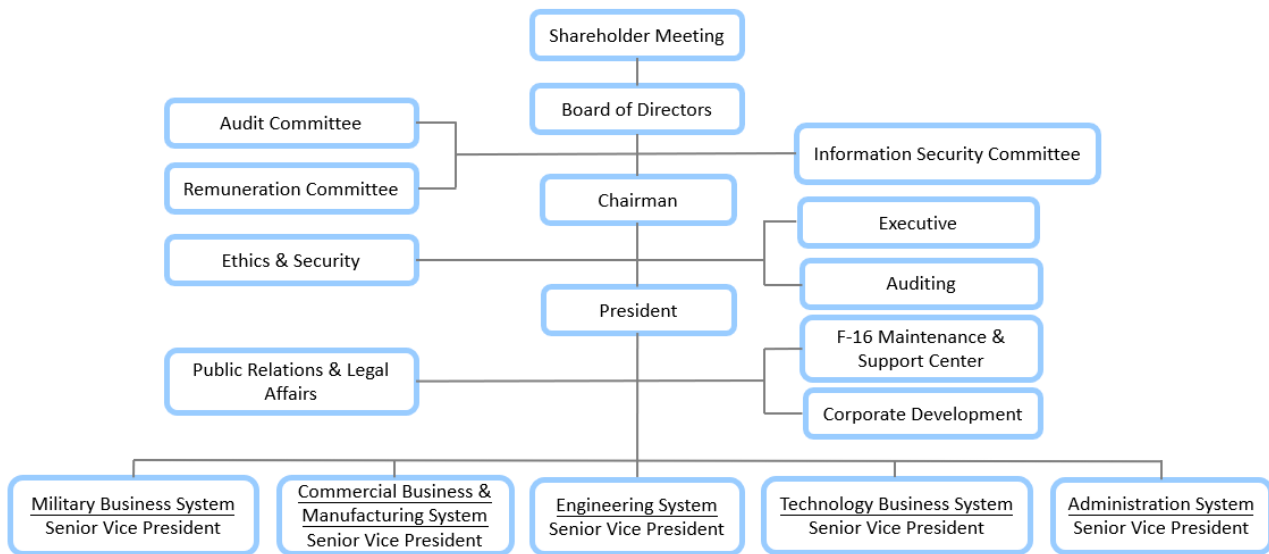
- **Company Name:** Aerospace Industrial Development Corporation
- **Company Address:** No. 1, Hanxiang Rd., Xitun Dist., Taichung City 40760, Taiwan
- **Date of Incorporation:** July 1, 1996 ■ **Date of Listing:** August 25, 2014
- **Number of Employees:** 6,421 ■ **Capital:** NT\$9.419 billion
- **Chairman:** Moudy Hu ■ **President:** W. J. Ma
- **Largest Shareholder:** Ministry of Economic Affairs (35.18%)
- **Facilities:**



Affiliates:

Company name	Date of Incorporation	Address	Main Business Item
US subsidiary of AIDC (AIDC USA LLC)	March 2, 2016	565 W Chandler Blvd, STE 212, Chandler, AZ 85225-7537	Supply of project management services, trading of components and raw materials for aircraft, engines, related sub power systems, logistics, and other labor services.
Hsiang Yuan Co., Ltd.	December 21, 2022	No. 176, Lane 20, Zhongzhen Rd., Shalu District, Taichung City	Training event services, venue and building lease, retail of cultural creative products, assistive medical devices, and catering.

Organization Structure



■ Military Business System

Responsible for military business operations related to aircraft, avionics, flight services, and government-owned and privately operated business.

■ Commercial Business & Manufacturing System

Responsible for commercial business operations related to market analysis, business strategies, business development, and contract performances of projects, as well as the manufacturing, assembly, testing, and after sales service of aircraft and engine components, and engine business.

■ Engineering System

Responsible for engineering design and system integration, information technology and services, procurement, supplier integration, outsourcing, and materials warehousing.

■ Technology Business System

Responsible for business operations of technology services, quality improvements and quality assurance policies, and occupational health and safety matters.

■ Administration System

Responsible for finance, accounting, human resources, general affairs, and environmental matters.

Governance Organization

AIDC places great importance on corporate governance and established the “AIDC Corporate Governance Guidelines” based on the “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.” In August 2021, these governance guidelines were revised, approved by the board of directors, and disclosed on the TWSE Market Observation Post System. Additionally, following the “Corporate Governance 3.0 Sustainable Development Blueprint,” AIDC continuously promotes governance improvements to ensure the protection of shareholder rights and the effective functioning of the Board of Directors. Our vision, mission, and strategy are supervised and approved by the Board of Directors. These vision, mission, and strategy are promoted through a top-down approach by the management team, which reports on the business progress to the Board regularly. If any negative events affect our stakeholders, our responsible unit will report them with solutions and response plans to the Board. Furthermore, the management team also regularly reports on the stakeholder communication and engagement to the Board.

Note: Please refer to page 9 for our communication methods and track records with the stakeholders.

Board Members

AIDC’s Board of Directors consists of 11 members (including 3 independent directors), appointed through a comprehensive nomination system on the basis of our bylaws. Please refer to the “Director Appointment Information” section of our website for more information. In response to AIDC's business operating models and developmental needs, the Board has established diverse policies and specific management objectives. The capabilities of the Board members include business operating judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market insights, leadership, and decision making skills etc. Additionally, their industry experience and professional qualifications cover business management, aerospace industry, government and regulatory affairs, financial accounting, laws, and risk management. Board members currently have (previously had) significant positions in industry, government, academia, research, and law, and possess diverse and complementary professional expertise and experiences. With these professional expertise and practical experiences, the Board members jointly bear the responsibilities for AIDC’s strategies, operations and oversights, to ensure that we are committed to progressing toward the sustainable goals. According to the “AIDC Management Personnel Code of Conduct,” every Board member adheres

to a high standard of self-discipline to avoid conflicts of interest. Please refer to the Section II of Corporate Governance Report in AIDC's annual report 2024, for their expertise, educations, experiences, and trainings.

Core Diversity Element Position/Name		Basic Composition						Industry Experience			Professional Competence		
		Gender	Age (years old)					Business Management	Aerospace Industry	Government Supervision	Finance and Accounting	Law	Risk Management
			<40	41-50	51-60	61-65	>65						
Chairman	Hu, Kai-Hung	Male				V		V	V	V			V
Executive Director	Ma, Wan-June	Male				V	V	V	V	V			V
Director	Chang, Ming-Pin	Male			V			V		V		V	V
Director	Liu, Sung-Yu	Male			V			V		V	V		V
Director	Liu, Hans I. J.	Male					V	V	V	V			V
Director	Hsiao, Mu-Lai	Male			V		V	V	V	V			V
Director	Yu, Cheng-Tao	Male			V		V	V	V	V			V
Director	Huang, Chih-Wei	Male			V			V	V	V			V
Executive and Independent Director	Chan, Chia-Chang	Male				V		V			V		V
Independent Director	Chen, Yin-Chin	Female					V	V		V		V	V
Independent Director	Wang, Yi-Shen	Male	V					V		V		V	V
Note: No independent director has served more than three consecutive terms, and the number of AIDC's managers serving concurrently as the directors is less than one-third of the total number of Board seats.													

Board Performance Evaluation

To implement corporate governance and to enhance the functionality of the Board, AIDC, on August 12, 2019, established the "Board Performance Evaluation Measures" approved by the Board. Annual performance evaluations are conducted for the entire Board, individual Board members, and respective functional committees. The results are reported to the Board and the Remuneration Committee. The performance evaluation metrics are as follows:

Entire Board: The evaluation focuses on 5 major aspects, including involvement in company operations, decision making quality, board composition and structure, director selection and ongoing education, internal controls.

Individual Board Members: The evaluation focuses on 6 major aspects, including understanding of the company's goals and mission, awareness of directors' responsibilities, involvement in company operations, management and communication of internal relationships, directors' professional expertise and ongoing training, and internal control.

Functional Committees: The evaluation focuses on 5 major aspects, including involvement in company operations, awareness of the responsibilities of the functional committees, decision making quality, composition and member selection of the committees, and internal controls.

AIDC has conducted a 2024 Board performance evaluation, including the entire Board, individual Board members, and functional committees (Audit/Remuneration/Information and Communication Security), and the evaluation results were nearly at the level of “Strongly Agree” (an average score of 5). The execution, results, and improvement methods of the evaluation are disclosed in our annual report and website:

<https://www.aidc.com.tw/tw/investor/governance/board>

Link between Board Remuneration and Sustainable Performance

The Remuneration Committee evaluates the performance targets of AIDC's directors by considering the link between remuneration bonuses and their sustainable performance, which covers the economic, social, environment aspects, and involvement in operations. According to AIDC's bylaws, if there are profits in the year under evaluation, up to 0.58% of the pre-tax profits can be allocated for the director remuneration, with the actual distribution ratio and amount assessed by the Remuneration Committee and approved at the shareholders' meeting following a resolution by the Board of Directors.

Link Between the Corporate Governance Officer's Initiatives and Sustainability Performance

On August 12, 2019, the Board appointed the head of the Chairman's Office, Chen Zonghong, as the governance officer (dedicated role starting in 2020). He supervises and manages matters related to convening of Board of Directors and Shareholders' meetings in accordance with laws, preparing meeting minutes, providing directors with necessary information for the execution of their duties, assisting with director onboarding, legal compliance, ongoing training, and Board performance evaluations. He also reports to the Board on the compliance status of independent directors with relevant laws and regulations at the time of nomination, appointment, and during their term, handles matters related to director changes, and is dedicated to corporate governance affairs of AIDC. Following the "Corporate Governance 3.0 Sustainable Development Blueprint," AIDC continuously promotes governance improvements to ensure the protection of shareholder rights and the effective functioning of the Board of Directors.

The details about the appointment of the corporate governance officer and the implementation of governance responsibility are disclosed in our annual report and website:

<https://www.aidc.com.tw/tw/investor/governance/board>

The Remuneration Committee

In accordance with the AIDC Remuneration Committee organizational regulations, approved by the Board of Directors, the ninth Board Remuneration Committee was composed by three independent directors: Chan Chia-Chang, Chen Yin-Chin and Lien Li-Jen. The independent director Chan Chia-Chang was unanimously elected as the chair of the Remuneration Committee. A total of 1 regular meeting was held in 2024, with a 100% attendance rate by all the committee members. The tenth Board Remuneration Committee was composed by three independent directors: Chan Chia-Chang, Chen Yin-Chin and Wang Yi-Shen. The independent

director Chan Chia-Chang was unanimously elected as the chair of the Remuneration Committee. A total of 2 regular meetings were held in 2024, with a 100% attendance rate by all the committee members.

Audit Committee

To embody the spirit of corporate governance, AIDC's "Audit Committee" was established in June 2015 and composed entirely by the independent directors to assist the Board in overseeing the proper presentation of the company's financial statements, the independence and performance of the certified public accountants, the effective implementation of internal controls, the company's compliance with relevant laws and regulations, and risk management. In 2024, the Audit Committee meetings were held in accordance with regulations, with a 100% attendance rate by all the committee members.

Information Security Committee

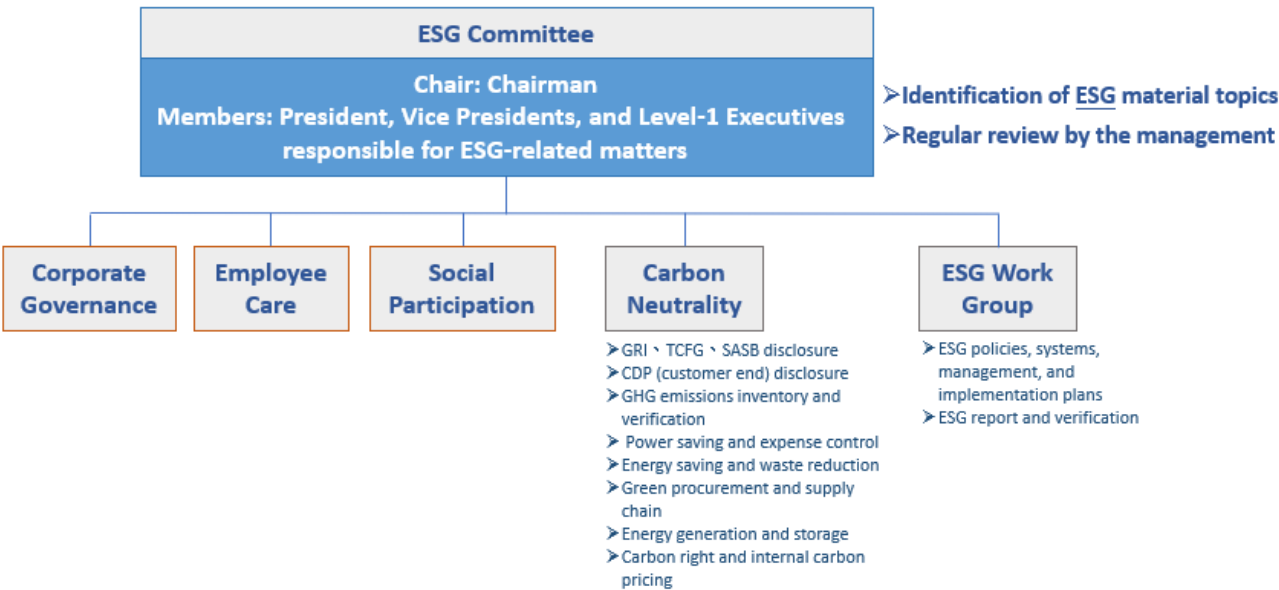
AIDC places great importance on Information and communication security for executing the classified/confidential projects, such as the advanced jet trainer project. On December 18, 2020, an "Information Security Committee" was established at the Board level. The committee meetings were convened and chaired by the independent directors. A total of 2 meetings of the Information Security Committee were held, during which 4 reporting items and 3 proposals were reviewed and approved in 2024.

Organization and Operations of the ESG Committee

AIDC has long been proactive in promoting corporate governance, developing a sustainable environment, and supporting social welfare initiatives. To enhance the efficiency of sustainability efforts, "Corporate Social Responsibility Advisory Committee" was established in 2018. In response to international development trends and to expand corporate social responsibility to emphasize sustainability. The Corporate Social Responsibility Advisory Committee was renamed in December 2021 as "ESG Committee," led by the Chairman as the chair of the committee, with the President, Vice Presidents, and Level-1 Executives responsible for ESG-related matters serving as committee members. The committee is responsible for identifying sustainability topics relevant to AIDC, evaluating the "degree of impact" on economic, environmental, and social aspects, and advising on ESG implementations.

In response to the global trend towards carbon reduction, AIDC restructured the committee at the end of 2021, and merged the “Energy Conservation and Carbon Reduction” and the "Green Products/Procurement" groups into the “Carbon Neutrality Work Group.” This group initiates internal carbon management mechanisms and reviews “Carbon Neutrality” projects regularly at executive meetings led by the President, such as projects for solar photovoltaic installations, energy conservation, carbon reduction, and electricity intensity control to demonstrate our commitment to carbon neutrality implementations.

The “ESG Work Group” is responsible for proposing and executing sustainability development policies, systems, management, and specific implementation plans, and reporting the outcomes quarterly to the Board. The outcome report includes (1) the quarterly progress on sustainability actions; (2) regulations of sustainability information management to be added in the “AIDC Internal Control System;” (3) the result of Corporate Governance Evaluation; (4) the result of material topic identification for the sustainability report; (5) the climate change risk and opportunity (TCFD) map. In the first quarter of 2025, the results of the material topic identification for the sustainability report (a total of 10 material topics) were reported to the Board of Directors. If any negative events affect our stakeholders, our responsible unit will report them with solutions and response plans to the Board.



Risk Management

To effectively identify and manage risk events that may impact the achievement of corporate goals and sustainable operations, AIDC established the “Risk Management Committee” in 2010. The committee not only establishes response policies of risk management and regularly reviews risk levels and appoints risk owners to plan and implement risk management, but also plans the next year’s risk management (including risk policies, risk map, risk management items, risk response measures, and identification



of material topics and response strategies for climate-related risks and opportunities) by the end of this year, according to the business strategies, goals and risk management policies. After being reviewed and approved by the Risk Management Committee, the risk management plan is incorporated into the “Risks Response Measures” section of the business plan, which is hence submitted to the Audit Committee for review, and then is forwarded to the Board of Directors for approval. Additionally, the results of the previous year’s implementation review are reported to the Board for reference in the first quarter of each year.

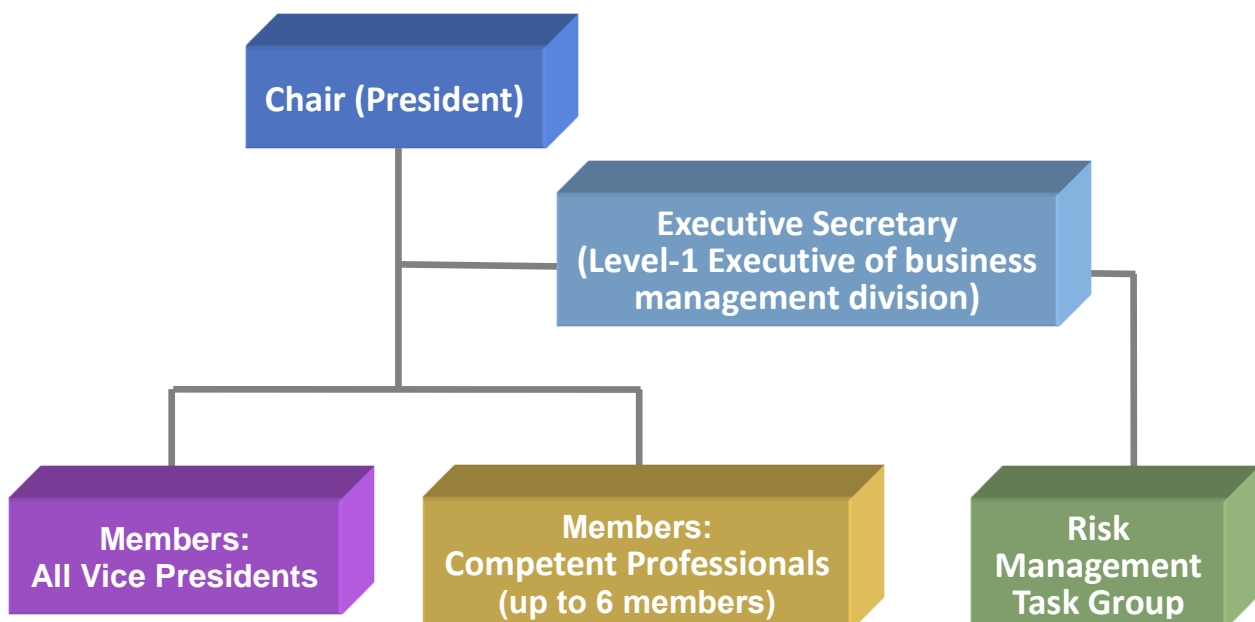
Risk Management Policy

To promote the corporate governance systems, to strengthen the significant risk management, and to cultivate the risk management culture, AIDC’s risk management policy is shown as follows:

- Emphasize environmental, social, and corporate governance issues related to business operations, conduct risk assessments, and pursue sustainable development.
- Continuously improve risk management practices and systems, and reduce operational risks.
- Enhance employee risk awareness and cultivate a strong risk management culture.

Organization of the Risk Management Committee

The Risk Management Committee is chaired by the President, with all Vice Presidents serving as ex officio members. The Chairperson may select up to 6 competent professionals as members, and Level-1 Executive of business management division serves as the executive secretary. Depending on operational requirements, the business management division may select competent professionals to organize a risk management task group to assist in the annual risk management tasks. The risk management task group convenes meetings based on risk levels to review the implementation status of response measures.



Risk Response Strategies and Goals

The risk management and control focus on strategic risk, operational risk, financial risk, hazard risk, and other risks. Risk items are categorized and managed by the responsible departments.

Strategic Risk Management and Control

- Global demand for air passenger transportation remains strong to continually drive the need for new aircraft. In addition, the global trend toward carbon reduction is prompting airlines to accelerate fleet renewals. As a result, commercial aviation orders and deliveries are steadily recovering. Contracts for commercial aircraft and engines, such as those with Boeing, Rolls-Royce,

and GE, continually contribute to revenue in the coming years. However, it is important to note that the industry's supply chain has yet to return to pre-pandemic levels and requires ongoing monitoring.

- In defense business, the delivery of advanced trainer jets continues at a plateau stage. Although the shortage of materials has delayed the delivery schedule, the annual delivery goal remains unchanged. In addition, a maintenance contract for the advanced trainer jets has been secured from the Ministry of National Defense, with expectations to further pursue logistics support and supply contracts in the future. We are also developing alliances with major international defense system manufacturers to promote technical exchange and business development in areas such as counter-drone systems, F-16V external fuel tank maintenance, and joint helmet-mounted cueing systems. These businesses encompass reconnaissance, defense, and attack operations, from the ground to the sky, with the goal of providing comprehensive support to the armed forces and contributing to national defense self-sufficiency.
- In response to technological and industrial changes, a research and development budget of NT\$600 million is planned for 2025. The R&D will focus on military aircraft development, new product design and management, and technology development in maintenance, repair and manufacturing.
- In response to the business gap expected after the completion of the advanced trainer jet program in 2026, operational transformation plans will begin in 2025 and assess the feasibility and strategy of expanding the current business into non-aerospace business.

Operational Risk Management and Control

- To manage and to control the changes in commercial aircraft and engine orders as well as the supply chain capacity, we continue to negotiate and adjust procurement contracts according to production schedules. This flexible approach aims to reduce cash outflow and backlogged inventory while avoiding supply chain disruptions. In addition, to continue securing new orders, cost efficiency is optimized to enhance competitiveness.
- Continually strengthen contract performance management for military projects to complete on time and on quality goals for the aircraft delivery.
- In compliance with cybersecurity standards for the level A suppliers under the Defense Industry Development Act, we reinforce cybersecurity of networks,

computer hardware and software, and sensitive data to prevent cyberattacks and establish backup mechanisms that supports our future development in the defense industry and ensures ongoing business operations. These actions include: real-time internal network monitoring and protection systems, Layer 7 firewalls, Intrusion Detection and Prevention Systems (IDP), email APT attack protection and spam filtering and prevention, Microsoft System Update Services (WSUS), antivirus software, SecurityScorecard cybersecurity risk management platform, vulnerability scanning systems, cloud-based sandbox analysis platforms, Security Operations Center (SOC) log collection and analysis, network packet intrusion detection, and Managed Detection and Response (MDR) services for endpoint threat detection and response etc.

Financial Risk Management and Control

- Exchange Rates: As the inflation in the U.S. and Europe has eased, their central banks have begun cutting interest rates at different paces. As a result, exchange rate fluctuations remain unstable due to the changing financial environment. We continue to monitor international development and exchange rate trends, and maintain an appropriate level of foreign exchange risk exposure based on foreign exchange demands and the USD value, to reduce the impact of currency fluctuations and to ensure the long-term financial interests.
- Interest Rates: We have issued unsecured bonds and planned medium- to long-term loans in the long-term, to avoid risks from the interest rate volatility. We have established unsecured commercial paper underwriting limits with multiple securities firms in the short-term, seeking lower financing rates through competitive market mechanisms. We also manage and control the drawdown ratios of bank credit lines, as well as negotiate short-term financing case by case, to reduce the risk of interest rate fluctuations by the competitive market mechanisms.
- AIDC's foreign exchange operations are not aimed at profit-making, but rather at risk prevention. A quarterly report on performance of the foreign exchange operations is submitted to and reviewed by the President. We continually develop operational strategies and operating ranges for the upcoming quarter according to national and international political and economic changes. If AIDC encounters significant exchange rate volatility, meetings are required to discuss countermeasures.

Hazard Risk Management and Control

- AIDC continues to promote incident preventions for major aviation safety and quality aviation safety awareness improvements, to strengthen aviation safety awareness, and to develop an aviation safety consensus among all employees and enhanced by audit plans. We comply with commercial aviation regulations, develop security plans, organize a joint aircraft control center with a command management system clearly defined the scene and environment, and develop annual emergency response plans practiced by drills.
- Supervision and implementation of occupational safety improvements and preventions to avoid future hazards, management and control actions include:
 1. Develop inspection plans for electrical switchboxes in older buildings, and list corrective actions and preventive measures for any abnormalities found during the inspections. In addition, we develop a phased replacement plan for outdated wirings based on high/low risk assessments.
 2. Hazard Identification and Inventory: Referring to buildings equipped with chemical hazard identification cards (H-cards), identify the high-risk items of the buildings, and monitor the items with corresponding improved actions.
 3. Invite experts to assist in “Comprehensive Planning and Design Project for Local Exhaust Ventilation Systems” in certain areas to enhance workplace safety.
- We continue to perform Internal and external quality audits for ensuring fully compliance with the quality management system, to promote quality enhancement, to raise quality awareness, and to reduce quality defects.

Ethical Corporate Management & Compliance

Integrity Management

Integrity is the most fundamental social responsibility of a corporation. To establish a corporate culture of integrity and to ensure sound development, AIDC has clearly defined regulations of the “Code of Ethical Business Conduct,” the “Code of Ethical Conduct for Management Personnel,” the “Procedures for Handling Material Inside Information and Preventing Insider Trading,” and the “Employee Code of Conduct” for the management and employees to follow.

AIDC’s chairman has explicitly declared the integrity policy on the global information website:

- 1. We Commit to maintaining excellent work ethics and traditional business integrity, to fulfilling corporate social responsibility, and to ensuring that the board members and managers at all levels will not engage in or accept bribery.**
- 2. Adherence to company ethics regulations in business operations, including integrity, transparency, and avoidance of conflicts of interest.**
- 3. The company will rigorously deal with anyone involved in bribery according to the laws.**



Integrity Management Website

AIDC has established a diverse complaint mechanism (including a whistleblower system) for various stakeholders, including the Chairman’s mailbox, the investor hotline, the investor conferences, the CSR mailboxes, the anti-corruption whistleblower mailbox, and the “Stakeholder Section” on the official website. Both internal and external stakeholders as well as the general public (non-stakeholders) can instantly contact and communicate with AIDC via these channels, to convey their concerns or to provide any suggestions related to AIDC’s business practices. For examples, internal and external persons can report our employees’ illegal or unethical behaviors (including corruptions).

The complaint or reporting cases are handled by the internal formal procedures from the filing dates. Our relevant departments are notified about the complaint or reporting cases through the official memos or the joint procedures. The responsible departments accordingly communicate and engage with the complainants or whistleblowers. The cases are officially closed only when both parties successfully reach the mutual consensus. Please refer to AIDC’s “Guidelines for Handling Grievance and Whistleblower Cases” for more details on our website. <https://www.aidc.com.tw/tw/about/ethical>

The following table presents the analysis and statistics of anti-corruption reporting cases in the past three years from the anti-corruption whistleblower mailbox. These cases have been investigated well and found no substantial evidence to prove the reported matters authentically.

Analysis and Statistics of Reporting Cases from Anti-Corruption Whistleblower Mailbox					
Year	Case Description		Internal Reporting Quantity (Note)	External Reporting Quantity	Percentage of Case Processed
2022	Reported		0	1	100%
	Under Investigation		0	0	0
	Investigation Results	True	0	0	0
		False	0	1	100%
	Closed		0	1	100%
2023	Reported		0	2	100%
	Under Investigation		0	0	0
	Investigation Results	True	0	0	0
		False	0	2	100%
	Closed		0	2	100%
2024	Reported		1	2	100%
	Under Investigation		0	0	0
	Investigation Results	True	0	0	0
		False	1	2	100%
	Closed		1	2	100%

Note: Internal reporting refers to reports filed by employees or individuals who claim to be employees.

Supplier Survey

AIDC adopted a “clean governance questionnaire” approach to query our suppliers and subcontractors, with the questionnaire focusing on “administrative services,” “overall integrity,” and “anti-corruption regulations” etc. After collecting and analyzing their responses, we are able to understand the suppliers’ perceptions and opinions about AIDC from the findings which would effectively assist us in anti-corruption implementations. The questionnaire findings indicate that over 90% of the suppliers responded positively to AIDC’s administrative efficiency, service attitude, and overall integrity.


In 2024, we distributed 400 supplier questionnaires and received 196 completed responses. The statistics of the overall impressions are shown below.


Unit: Percentage of Total Responses

Overall Impression	Level of Integrity	Level of Professionalism	Procedure	Quality Requirement	Schedule Requirement
Above Average	98.97%	97.95%	95.90%	99.49%	98.97%
Below Average	1.03%	2.05%	4.10%	0.51%	1.03%

Code of Conduct Practices

Since 2015, AIDC has required all employees to sign the Employee Code of Conduct at the beginning of each year, pledging to understand its contents and complying with company regulations. We have the “Supplier Code of Conduct” published on the global information website and it is required signed document for the domestic vendors enclosed in their bid applications. All suppliers are committed to complying with the “Supplier Code of Conduct” as well.

 AIDC Employee Code of Conduct
<ol style="list-style-type: none"> 1. Perform duties with integrity and ethics. 2. Safety first. Quality is the priority. Report problems immediately upon discovery. Concealment is not allowed. 3. Avoid interest conflicts. Not use business authorities to grant undue benefits to anyone other than AIDC. 4. Not collect or disclose the classified national security information, AIDC's trade secrets and business-related sensitive information. 5. Safeguard AIDC's properties and avoid theft, loss, damages and waste. 6. Implement 5S (Sort, Set in order, Shine, Standardize, Sustain). Avoid FO (Foreign Objects) in aircraft and products. 7. Understand contracts and specifications thoroughly. Perform tasks in accordance with standard operating procedures (SOP). Fulfill customer requirements. Safeguard AIDC's rights and interests. 8. Be loyal and diligent in the duties. Comply with laws and AIDC's regulations. 9. Do not engage in insider trading. 10. Do not request or accept gifts, bribes, and other undue benefits. 11. Report violation of any above requirements to the senior manager of the Prevention Group of the Ethical & Security Division (extension: 2373).

 AIDC Supplier Code of Conduct
<ol style="list-style-type: none"> 1. Comply with the laws and regulations of the Republic of China and those of the countries related to the subject matter of the contract. 2. Respect human rights and public order and good morals. Do not employ or engage in any illegal labor. 3. Provide a friendly workplace environment where all employees are respected and protected, and free from harassment, humiliation, discrimination, violence, threats, or intimidation. 4. Do not obtain competitive advantages directly or indirectly through illegal means, dishonesty, or any other improper conduct. 5. Transactions with AIDC must not involve personal interests of AIDC's responsible persons, managers, handling personnel, or any relatives within three degrees of kinship of the aforementioned individuals. 6. All documents and records related to the subject of the contract must be complete and accurate, with no falsification, alteration, or concealment. 7. Respect intellectual property rights and properly safeguard any confidential information required to be kept under contracts or laws. 8. Conserve natural resources, comply with occupational safety and environmental protection laws, and maintain a healthy and safe working environment to prevent harm to employees and all individuals entering the workplace for business purposes. 9. Comply with import/export regulations and embargo directives issued by international organizations; do not directly or indirectly procure materials produced or extracted through illegal means or in ways that violate human rights. 10. Encourage employees to demonstrate ethical behaviors and a sense of justice. Ensure the protection of whistleblowers to shield them from fear and retaliation.

Integrity Education and Training

To ensure that all employees understand and effectively implement the company's integrity policies, in 2024 a total of 11 AIDC's directors and independent directors received training, of whom 8 participated in the integrity and the anti-corruption related educations and trainings, accounted for 73% of all directors. These training courses amounted to a total of 27 hours, representing

26% of the total 104 training hours. New employees are required to complete 0.5 hours of training on the integrity, ethics, and safety (anti-corruption). A total of 374 new employees completed this training, representing approximately 6% of all employees.

AIDC Whistleblower Hotline: 04-22842373 Email: clean@ms.aidc.com.tw

Anti-Corruption Certification CERTIFIED

On April 15, 2024, we successfully obtained the Tcertification of anti-corruption due diligence certification from Ethixbase360 Inc./TRACE, demonstrating our commitments to integrity, transparency, and anti-corruption practices.

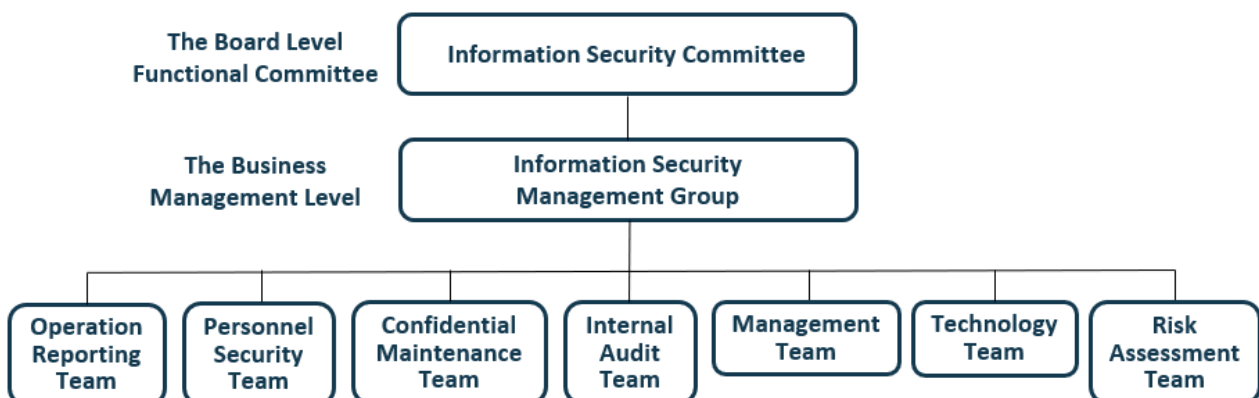
Cybersecurity Management & Customer Privacy

Cybersecurity

Cybersecurity Security Governance

AIDC has established an “Information Security Committee” at the board level, chaired by an independent director. This committee has a total of 5 members, 2 of whom have specialized expertise in information and communication security. The committee meets at least twice a year and may convene additional meetings based on management development of the information and communication security as the high-tech aerospace leader in Taiwan.

We have established an “Information Security Management Group” at the management level. The group is led by the senior vice president who supervises the information technology division, and the group members include the information security officers from each level-1 division (concurrently held by the deputy supervisors) and the information security staffs. The group meeting is convened every 6 months (additional meetings held as necessary) to review information and communication security management issues.



Cybersecurity Security Strategy

In compliance with international information security standards, AIDC has established an Information Security Management System (ISMS) and information security policies, procedures, and operational guidelines. From the perspectives of “institutional,” “management,” and “technical, we continuously improve the information and communication security management system and strengthen our defenses to ensure the confidentiality, integrity, and availability of information systems and data, and to achieve our goals of annual information security management.

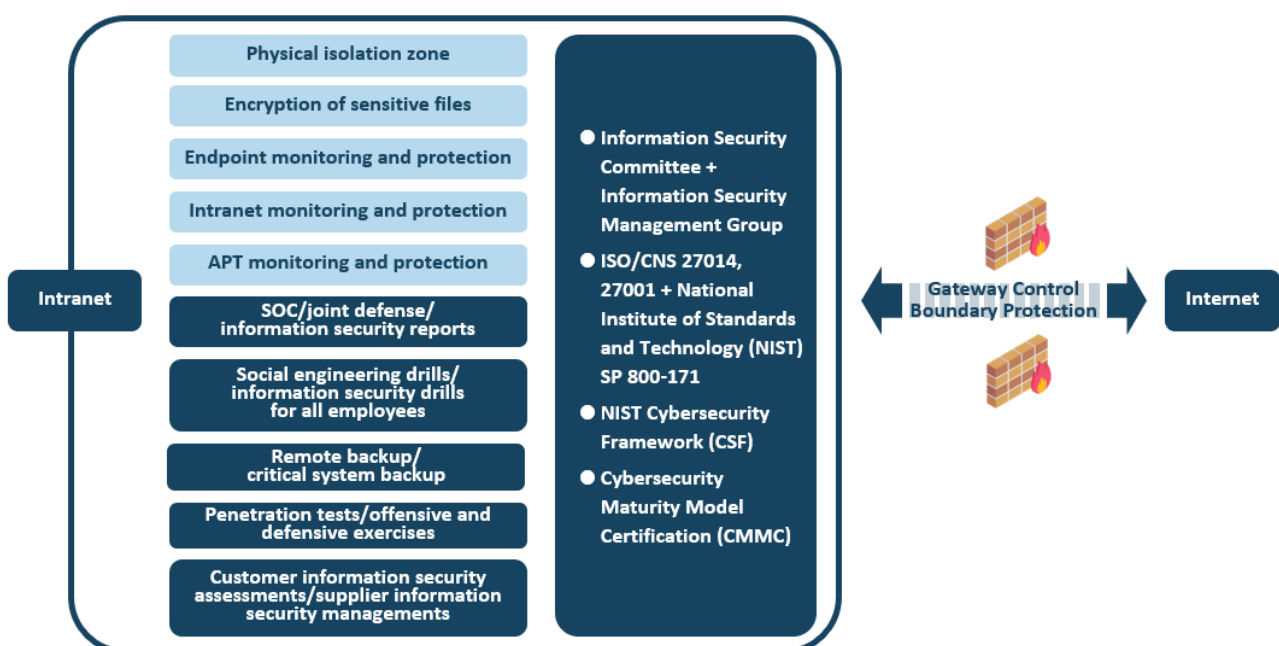
In 2008, AIDC obtained the first ISO/IEC 27001 international information security certification, which has been consistently maintained through regular annual surveillance audits and recertification audit every three years by the IAF/TAF accredited bodies (We completed the transition and recertification for ISO 27001:2022 and CNS 27001:2023 on September 3, 2024, and will continuously maintain the validity of the certificate, effective until August 25, 2026).

We have adopted the NIST CSF Cybersecurity Framework and established the foundation of cybersecurity defense upon the 6 core functions: Govern, Identify, Protect, Detect, Respond, and Recover. This is complemented by the continuous improvement cycle of Plan, Do, Check, and Act (PDCA). In addition, our cybersecurity maturity is enhanced through red team exercises, penetration testing, security assessments, and third-party cybersecurity risk rating tools to achieve and maintain Level 2 (Advanced) compliance of the Cybersecurity Maturity Model Certification (CMMC) 2.0.

Furthermore, AIDC has adopted cybersecurity control measures based on the Taiwan Stock Exchange's "Guidelines for Information and Communication Security Control for Listed and OTC Companies" and is gradually implementing the Zero Trust Architecture.

Specific Information Security Management Plans

Cybersecurity architecture management and maintenance—The cybersecurity architecture diagram is shown below.



Information Security System Architecture and Defense Structure

AIDC has built a comprehensive information security foundation and defense system that covers gateway control, endpoint protection, internal network monitoring and protection, joint defense, and control over isolated zones for national defense-related operations.

For gateway control, AIDC uses a global threat intelligence analysis and defense system, next generation firewalls, web application firewalls, email Advanced Persistent Threat (APT) protection, spam prevention, intrusion detection and protection systems, internet access control, and network content and threat analysis, to block hackers and viruses at our network boundary.

In endpoint protection, antivirus software, Microsoft System Update, asset management/USB control systems, OS and application vulnerability scanning systems, and file encryption are used to protect endpoint computers from hacking and to prevent leaks of sensitive information and data.

For internal network monitoring, AIDC has implemented various security protection systems, including a network packet intrusion detection system, cloud sandbox analysis platform, local network usage control system, privileged access management system, and a log collection and analysis system. These systems help detect hacker intrusion early and prevent lateral spread of hacking events.

In terms of collaborative cybersecurity defense mechanisms, we establish own Security Operations Center (SOC) to monitor and to handle cybersecurity events, and also outsource to a professional cybersecurity company which provides jointly with 24/7 monitoring services. If signs of a hacking attempt are detected, the SOC immediately notifies our dedicated security staff to initiate defensive measures against the intrusion.

We apply physical isolation zones to the national defense sensitive business operations, associated with preventive measures to ensure physical security.

In addition to having a comprehensive security protection system in place, AIDC has built a remote backup mechanism for the critical systems and conducts annual emergency drills for each critical system to ensure that they can be quickly restored during the security events.

Business Continuity and Incident Handling and Reporting Drills

AIDC uses multi-layered drills to ensure business continuity that includes business continuity and emergency recovery drills, emergency response drills for the critical systems, and comprehensive emergency incident reporting, response, and recovery tabletop exercises.

Trade Secret Protection

To fulfill AIDC's confidentiality obligations to customers and partners, we comply with confidentiality clauses in the contracts, our "Trade Secrets Management Guidelines" and "Confidentiality Maintenance Guidelines," and applicable laws and regulations for the technical support agreements. We also comply with the "Personal Data Protection Act," to process and to use personal data and each project receives regular security audits by the customers.

Departments involved in sensitive matters conduct their own security inspections voluntarily, and also coordinate with the Ministry of National Defense, Air Force Command Headquarters, and National Chung-Shan Institute of Science and Technology for regular and ad hoc audits to ensure all security requirements are met. In 2024, AIDC obtained the Ministry of National Defense's qualified certifications of military suppliers for AT-3, IDF, and Brave Eagle trainers, AH-1W, F-16 fighters, IDF flight simulator, 8 items of electronic wire harness assemblies, ejection system wire harnesses and other items. Our staff, facilities, and information and communication systems successfully passed the Ministry of National Defense's security audits.

Business Performance

Financial Performance



Financial Information

Revenue, Profit and Loss Over the Years

In 2024, despite the disturbances caused by quality incidents of Boeing commercial aircraft and labor strikes at Boeing, as well as material shortages across the global aerospace supply chains that affected the delivery schedule of the Brave Eagle advanced jet trainers, AIDC still responded well and proactively through flexible management mechanisms. By coordinating with the suppliers closely and expediting the delivery of the critical components, the impacts on material shortages and delivery delays were effectively reduced. Throughout the year, the defense business revenue remained stable, as the revenue from the advanced jet trainer program was recognized based on the percentage-of-completion. Although energy storage and generation businesses are affected by policy and electricity market supply constraints, and major projects are still under development, these businesses relatively remain the same. With the commercial aviation business continuing to rebound, we made gains in airframe and engine services, helping support revenue growth throughout the year.

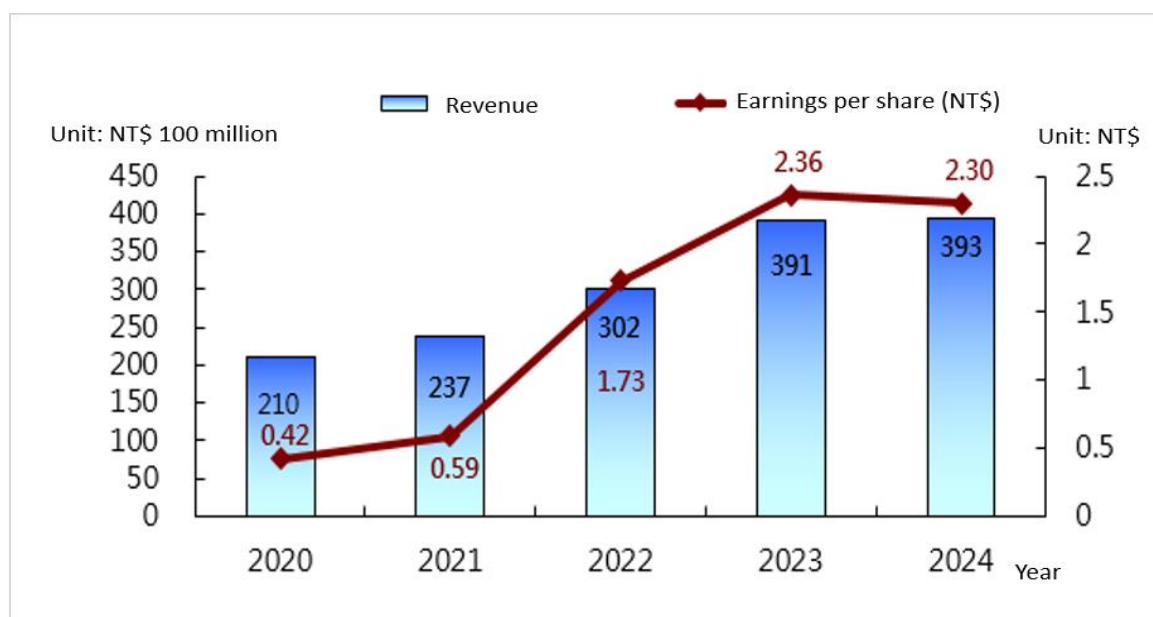
In 2024, our consolidated operating revenue amounted to NT\$39.33832 billion, representing a 0.6% increase compared to NT\$39.1 billion in the previous year. The gross profit was NT\$3.72445 billion, representing a 14.5% decrease compared to NT\$4.35795 billion in the previous year. The operating profit totaled NT\$2.21862 billion, representing a 20.5% decrease compared to NT\$2.79066 billion in the previous year. The net profit after tax was NT\$2.16807 billion, representing a 2.6% decrease compared to NT\$2.22590 billion in the previous year. The earnings per share (EPS) stood at NT\$2.3. The retained economic value in 2024 was NT\$285.25 million.

Unit: NT\$ million

Item \ Year	2020	2021	2022	2023	2024
Operating revenue	21,043	23,735	30,242	39,100	39,338
Gross profit	1,402	1,771	2,911	4,358	3,724
Operating profit	180	491	1,507	2,791	2,219
Net profit before tax	480	675	2,035	2,842	2,780
Net profit for the year	396	558	1,627	2,226	2,168
Earnings per share (NT\$)	0.42	0.59	1.73	2.36	2.30

Note: Information for 2020 to 2024 is from the consolidated financial report.

Revenue and Profitability in Past Years



Economic Value Distributed to Stakeholders

Unit: NT\$ thousand

Item \ Year	2020	2021	2022	2023	2024
Operating costs	19,640,836	21,963,093	27,331,310	34,742,053	35,613,870
Employee salary and benefits	5,752,627	5,820,145	6,773,125	7,246,866	7,259,201
Payment made to investors (interest expenses and cash dividends)	1,300,847	321,616	493,149	1,277,080	1,596,370
Payment of government fees (income tax)	137,310	102,288	119,804	418,056	964,863
Community investment	1,189	1,005	1,223	2,996	1,595

Note: Information for 2020 to 2024 is from the consolidated financial report.

Financial Assistance Received from Government

Unit: NT\$ thousand

Item \ Year	2020	2021	2022	2023	2024
Subsidies	627,546	470,484	25,446	1,293	2,881
R&D and investment grants	52,106	52,587	45,561	87,440	43,041
Incentives	-	1,722	1,379	104	-

Industry Overview

Military Industry

The Air Force is the major customer in our defense business which depends on the government's defense budget planning. It is difficult for our country to procure defense weapon systems from abroad so the military adopts an operational strategy on creating relative advantages, and allocates a stable budget according to its force buildup schedule to establish the self-reliant national defense capabilities.

In response to rising regional tensions in recent years and to strengthen Taiwan's defense capabilities, the government has actively allocated special budgets. For example, in 2019, a "Special Budget for the New Fighters Procurement" was approved, allocating nearly NT\$250 billion for the purchase of 66 F-16V fighter jets. Additionally, on November 23, 2021, the Legislative Yuan passed the "Sea-Air Combat Power Improvement Plan Purchase Special Regulation," which allocated a special budget of NT\$240 billion to gradually and annually acquire various precision missiles, air defense systems, unmanned combat platforms, high-performance naval vessels, and wartime weapon systems for the coast guard ships. This aims to improve the overall naval and air defense capabilities of the military and indicates significant business opportunities.

Commercial Aviation Business

According to market data from the International Air Transport Association, the global airline passenger load factor has exceeded 80%, indicating strong demand for air travel.

To reduce the impact of fuel prices on airline operating costs and achieve the industry's goal of reaching net-zero carbon emissions by 2050, major aerospace companies are actively developing more fuel-efficient, lower-emission aircraft and engines. They are also adopting advanced manufacturing technologies that are more environmentally friendly, which is expected to drive the industry toward another wave of transformation and upgrading.

Product Categories and Markets

Our business areas include 3 major categories: military (including military aircraft, military engines, and aircraft maintenance and repair businesses), commercial aviation (including commercial aircraft and engines), and industrial technologies. The main products (services) are sold (provided) to the following regions and customers:

Product Category	Region	Customer
Military Businesses	Domestic	Ministry of National Defense, National Chung-Shan Institute of Science and Technology, Lockheed Martin, etc.
Commercial Aviation Businesses	Overseas	Aircraft fuselage manufacturing: Major aviation manufacturers in Europe, the United States, and Japan such as Bombardier Inc., Airbus, Leonardo, PFW Aerospace GmbH, The Boeing Company, Honeywell Aerospace, ShinMaywa Industries Ltd., Kawasaki Heavy Industries (KHI), and Spirit AeroSystems etc. Engines: Major engine manufacturers in Europe, the United States, and Japan such as GE Aviation, Rolls Royce, Honeywell Aerospace, Pratt & Whitney (P&W), Safran Aircraft Engines and IHI Corporation etc.
Industrial Technology Services	Domestic	GE Vernova International LLC – Taiwan Branch, Taiwan Power Company, Taiwan Space Agency, Industrial Technology Research Institute, Delta Electronics, Inc., Great Wing Airlines.

AIDC is an important member of the global aerospace industry system, and our customers are world-class aerospace manufacturers across North America, Europe, and Asia.



Competitive Advantages

Military Business

AIDC has capabilities of developing and producing the Indigenous Defense Fighter (IDF) and the AT-3 advanced trainer aircraft previously, and is currently undertaking the manufacture of the Advanced Jet Trainer (AJT) Brave Eagle project that gives us competitive advantages to perform their upgrades, maintenance and repair services. Additionally, we have participated in the privatized operation of military aircraft maintenance and military factory services, demonstrating our operational experiences, excellent performances and strong competitiveness. Moreover, we have successfully completed the F-16A/B upgrade project on time and on quality, and have been selected as the main contractor for the F-16 maintenance center to assist the Air Force with the maintenance and repair challenges of high-cost, high-failure-rate, and long-lead-time. Meanwhile, we also lead the domestic companies in pursuing opportunities for military aircraft manufacture and maintenance.

Commercial Aviation Business

Major aircraft and engine manufacturers in Europe and the United States have adopted a global division of labor to establish component supply chain systems. Emerging countries, supported by their governments, are entering the market by focusing on single-part processing with lower production costs, posing a threat of low-price competition. Additionally, the leading international commercial aviation companies now require suppliers not only to meet their quality and delivery requirements but also to accept continuous price reduction terms during new business negotiations. As a result, the global suppliers are facing challenges of rising costs. Furthermore, with the Trump administration's emphasis on "Made in the USA" and trade protectionism, the U.S. has been actively building a non-red supply chain to reduce the dependent on Chinese industries. However, the current situation remains unstable and needs further observations.

In recent years, AIDC has developed and is leading the Taiwan Aerospace Industry A-Team 4.0 Alliance, aiming to promote "cross-industry alliances, intra-industry specialization, lean corporate structure, and enhanced competitiveness." By integrating the aerospace supply chain across raw materials, machinery, manufacturing, and logistics, and uniting like-minded companies with shared values and visions, the Alliance fosters efficient specialization and strategic cooperation to accumulate capabilities from military aircraft development and to transfer this expertise to the civil aviation for strengthening the alliance partners'

capabilities. Additionally, we introduce the alliance partners to the major international aerospace customers and assist them in becoming qualified suppliers of the global aerospace supply chain. These initiatives seek to upgrade the transformation of Taiwan's aerospace supply chain, and strive to tap into blue ocean markets such as civil aircraft system manufacturing, maintenance and repair as well as to expand global market share.

Industrial Technology Service Business

AIDC applies its existing aerospace technologies in this business, complies with government's policies, and develops products and services according to the significant industry development and trends, and demands for large-scale system engineering in the private sectors that demonstrates our competitive advantages.

Investment Businesses

AIDC's investment businesses include 5 companies: AIDC USA LLC, Jung Sheng Precision Ind. Co., Ltd, AeroVision Avionics Inc., Metro Consulting Service Ltd., and Hsiang Yuan Co., Ltd. The main businesses and products, investment purposes, and shareholding ratios are shown below.

Name of Investee	Main Business and Product	Investment Purpose	Shareholding Ratio
US subsidiary of AIDC (AIDC USA LLC)	Providing project management and services related to procurements and logistics of aircraft, engines, and relevant secondary power system components and raw materials.	Considering the company's long-term business development and the advantages of expanding operations overseas.	100%
Jung Sheng Precision Ind. Co., Ltd	Manufacturing services of precision-machined parts, molds, and stamping subcontracting.	Expanding the production capacity to ease the current low-tier production constraints and to establish a new supply chain system.	20%
AeroVision Avionics Inc.	Manufacturing commercialized products for cabin information systems.	Enhancing domestic civil aviation electronics capabilities and entering related markets with a vertical division of labor, by participating in national science and technology projects, collaborating with leading domestic IT companies.	13.09%
Metro Consulting Service Ltd.	Providing plans for rail-based mass transportation systems, consultation of operations, maintenance and repair, and operational management services.	Accelerating the enhancement of the company's technological capabilities and expanding into rail engineering-related businesses.	6%
Hsiang Yuan Co., Ltd.	Providing aerospace industry education and training services, facility/property rentals, catering services, medical assistive devices, and cultural and creative products.	Through a service business operated by a professional team, to activate Hsiang Yuan assets and to promote the aerospace industry knowledge.	100%

Participation in Domestic and International Organizations

In addition to engaging in our core business operations, we also participate in relevant public and industry associations to strengthen the relationship with the industry and promote sustainable development, as the below table shown:

Organization	Member	Director/ Supervisor	Organization	Member	Director/ Supervisor
SAMPE (Society for the Advancement of Material and Process Engineering) Taiwan	•	•	Taiwan Composites Association	•	•
Aeronautical and Astronautical Society of the Republic of China	•		Taiwan Stock Affairs Association	•	
Taiwan Employee Assistance Professionals Association (TEAPA)	•	•	Taiwan Aerospace Additive Manufacturing Industry Association	•	
Taiwan Guidance and Counseling Association	•		Taiwan Electrical and Electronic Manufacturers' Association	•	
The Institute of Internal Auditors Chinese Taiwan	•		Chung-Hwa Railway Industry Development Association	•	•
Chinese Society for Quality	•		Taiwan Biomass Energy Industry Association	•	•
Taiwan Accreditation Foundation (TAF)_EMI/Length and Electrical Calibrations/Electric Component/Material Processing Laboratory	•		Taiwan Space Industry Development Association	•	
Flight Safety Foundation Taiwan	•		Taichung Computer Association	•	
Taiwan Foundry Society	•		Oracle Taiwan LLC, Taiwan Branch, User Membership Fee	•	
National Toxic Disaster Joint Prevention Organization (Kang Shan Complex/Taichung Complex)	•		IPC Association Connecting Electronics Industries (Asia Pacific Member)	•	
Taiwan Aerospace Industry Association	•	•	SEMI Taiwan	•	
Taiwan Association of Machinery Industry	•		Taiwan E-intelligent Vehicle & Green Energy Tech Association	•	

Organization	Member	Director/ Supervisor	Organization	Member	Director/ Supervisor
Taiwan Defense Industry Development Association	•	•	The Entrepreneur Club, Taichung	•	
Taichung City Industrial Association	•		Taiwan Industry-Academia Technology Alliance for Energy Digital Transformation	•	
Academia-Industry Consortium for Science Parks in Central Taiwan	•	•	Association of Sustainable Social Enterprise of Taiwan	•	
Academia-Industry Consortium for Southern Taiwan Science Park	•	•	Taiwan Cogeneration Association	•	
Taiwan Corporate Governance Association	•		Chinese Industrial Machinery Association	•	

Indigenous Production of Aircraft

The new advanced jet trainer is the pioneering project for Taiwan's "Indigenous Production of Aircraft," demonstrating the significant milestone in revitalizing our nation's defense industry. Since the project was finalized in February 2017, AIDC's project team has worked diligently towards three missions, entrusted by President Tsai Ing-wen at the Ministry of Defense and the Advanced Jet Trainer Commissioned Contract Ceremony, and they are: "Self-manufacture of the trainer, cultivating domestic aerospace talent, and strengthening the industrial chain." Our outstanding team successfully completed the first flight of the initial prototype in June 2020 that was nearly impossible to develop, to manufacture and to complete a military aircraft in just three years based on the military aircraft development experience of other countries. AIDC took these missions and fully prepared for meeting the schedule demands and functional specifications, cultivating the domestic talent and strengthening the defense industry to stimulate the national economy.

To meet Air Force requirements, the mass production models had initiated during the medium- to late-stage testing of the prototype. During the early stage of the mass production, we planned a "small batch production" of 12 units to accommodate the prototype testing and to allow adjustments slightly to the blueprint design and the software development until a stable aircraft configuration was achieved.

After delivering the first 2 Brave Eagle trainers (1101 and 1102) in 2021, AIDC subsequently delivered 8 trainers (1103-1110) in 2022 to meet the delivery goal. This represented the end of the "small batch production" and the beginning of the "official mass production." Delivering 28 trainers is the goal for 2023-2024. The project currently reaches its peak period of the mass production. Assembly and testing are in progress intensively so as to complete the delivery goal of all 66 trainers by 2026.



In addition to completing the mission of the new advanced jet trainers on time and with high quality, we also aim to achieve the following goals to establish a foundation for the sustainable development of the aerospace industry.

Industrial Technology Upgrades

AIDC continues to promote the government's policy of Indigenous Production of Aircraft and to assist the domestic aerospace supply chains and A-Team 4.0 Alliance members in enhancing their capabilities of the aerospace system integration. The integration of raw materials, equipment, and manufacturing has strengthened the industrial chain and driven the overall development of the domestic aerospace industry. As the new advanced jet trainer-Brave Eagle project reaches its peak period of the mass production, AIDC has assisted 304 domestic suppliers in passing supplier assessments according to production, tool making/testing and other tasks of the aircraft structural components, and currently completed 441 contracts signed with the suppliers. We also effectively drove the technological transformation and upgrading of the domestic aerospace industry, and created an overall economic benefit of nearly NT\$10 billion for local suppliers.

Benefits of Talent Development

Cultivating talent and creating job opportunities are also our goals. AIDC and its partner companies have hired over 1,000 engineers for this project so as to transfer experiences, and to strengthen the talent chain for subsequent projects to the indigenous production of aircraft. We expect to create 2,000 job opportunities in the domestic aerospace industry.

Securing Critical Technologies to Ensure Self-Reliant National Defense

Securing Critical Technologies to Ensure Self-Reliant National Defense: AIDC and National Chung-Shan Institute of Science and Technology are collaborating with domestic industries to plan in advance on design and manufacture of next generation aircraft. For the outsourced system parts of the advanced jet trainers, we aim to develop and to manufacture them locally, and expect to achieve a 95% domestic production rate in future fighters.

Market Expansion Benefits

We entered the aviation industry through the military aircraft and will continuously strengthen our capabilities to enter the international aerospace supply chain. One of our goals is to enter the global commercial market as a major supplier.

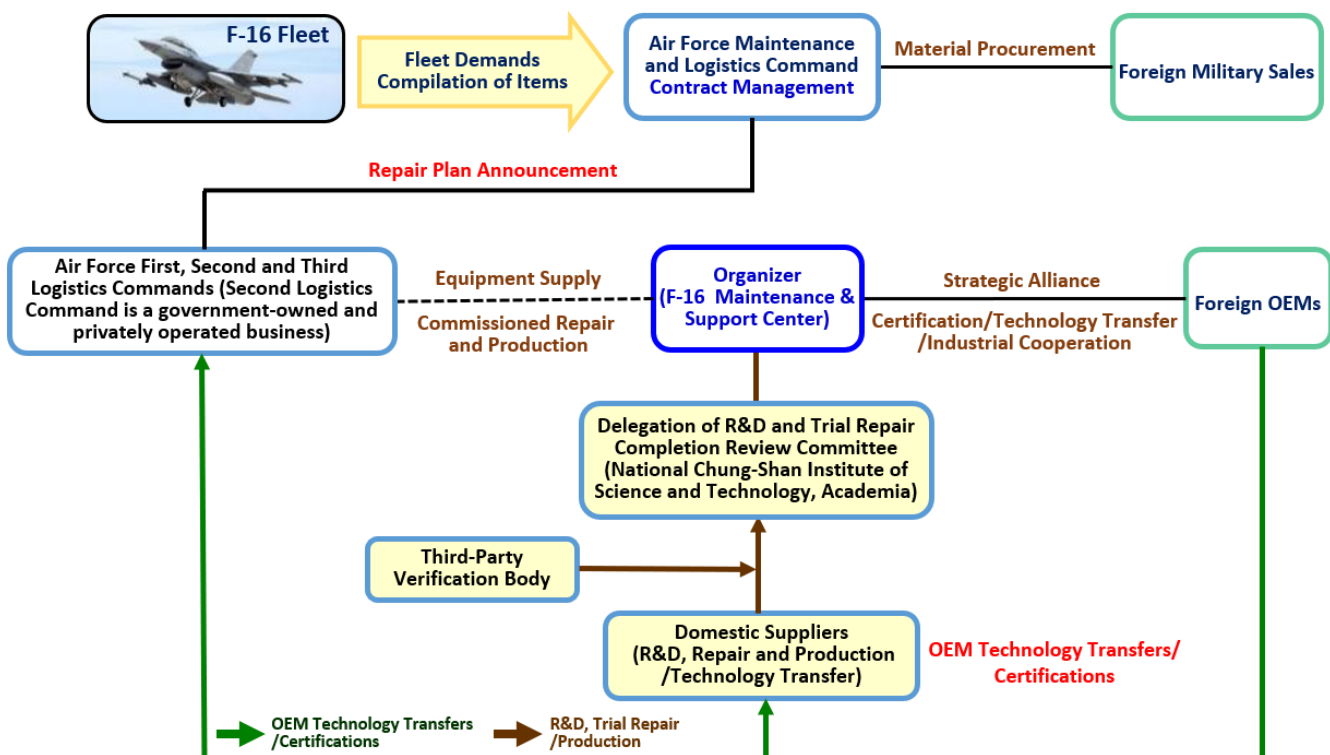
Benefits from Production Value Multiplier

Beyond the original investment, the gross industry output value is expected to expand by more than 2.5 times, considering R&D, mass production, lifecycle maintenance and performance upgrades demands for the indigenous production of aircraft.

Operations of the F-16 Maintenance & Support Center

F-16 maintenance & support center was established in 2020. Considering the F-16 fleet's two-phase demands for "Three Highs" and "Overall Aircraft Capability" proposed by the Air Force, we have invited domestic companies to willingly participate in F-16 related repair/production through public announcements and exhibitions. Through an airworthiness certification mechanism, certificates were issued to qualified companies. Additionally, a five-year "F-16 Maintenance Center Basic Ordering Contract" (BOC) was signed with the Ministry of National Defense in 2021. Through R&D, trial repair delivery and parts procurement approaches, the fleet's availability is fully ensured. Now, 23 domestic companies have been successfully integrated and the capabilities for 372 items are developed completely to meet the two-phase demands for the Air Force. We also lead the industry participants in negotiating technology transfers/certifications with the aircraft/engine OEMs, and 107 OEM-transferred/certified items are obtained.

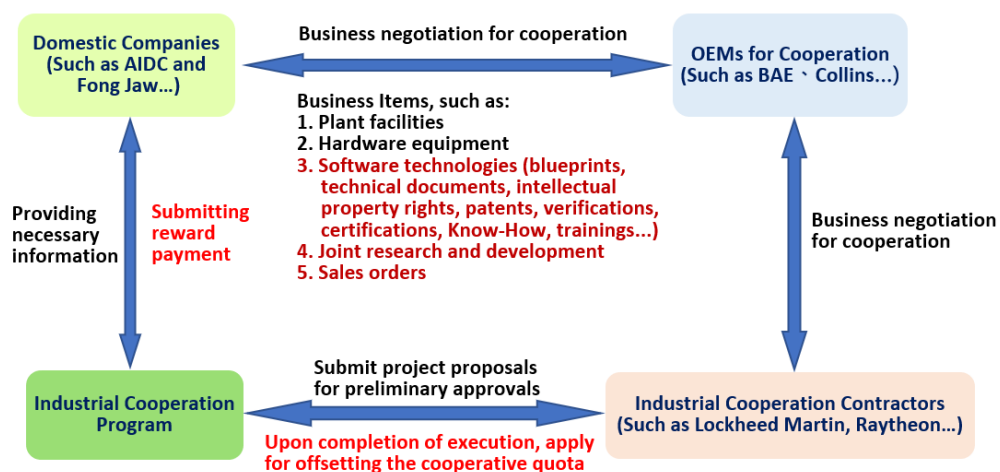
Procedures for Operations of F-16 Maintenance & Support Center



In response to the Legislative Yuan's Incidental resolution adopted on October 29, 2019, under the Special Act for F-16V fighters Acquisition, the establishment of the F-16 Asian Maintenance Center is required after the delivery of the fighters. This requirement aims to increase items for production, maintenance and repair domestically, to build a complete F-16 maintenance and repair supply chain, to strengthen each technological level and industrial output value for the domestic

aerospace companies, and to lead our domestic suppliers actively acquiring more international business. However, most F-16 fighters and its related parts and components are subject to U.S. export controls and restrictions, we are still working on such significant challenges as the organizer of the maintenance and repair center. Currently, AIDC continuously works on industrial cooperation (IC) channels to obtain more technology transfers/certifications. We have 7 additional items were certified last year (AIDC and Fong Jaw are repair approved vendors), and will continue to expand the items for technology transfers/certifications. Additionally, the F-16 Maintenance & Support Center is continuously selecting eligible items to include under IC for technology transfers/certifications, to meet the Air Force's expectations, to establish a F-16 maintenance and repair team, to enhance national aerospace technology capabilities, and to implement the Center's founding purposes and goals "to enhance the availability for F-16 fleet, further to strengthen national defense, to achieve independent capabilities, and to implement the maintenance and repair localization."

Procedures for Industrial Cooperation Projects



Procedures for Industrial Cooperation Projects



In recent years, the cross-Strait military threat from China has intensified. Following a National Security Council meeting convened by President Lai, a special budget was prioritized and drafted to raise the defense budget to over 3% of GDP. Meanwhile, the Legislative Yuan proposed a draft amendment to the National Defense Act on February 24, for mandating the implementations of technology transfers and certification acquisitions from original equipment manufacturers in foreign procurements of military equipment and international cooperation in research, development, manufacturing, maintenance and repair. This amendment

aims to obtain the critical technologies, to strengthen national defense industry, to expand markets, and to enhance national defense capabilities through international collaborations and investments, on the basis of national security and development in the long run. If the proposed amendment is implemented, it will promote the technology transfer and certification processes.

Beyond the Air Force maintenance and repair contracts, the Industrial Development Administration, Ministry of Economic Affairs initiates thematic R&D programs, under the Taiwan Industry Innovation Platform Program, for industrial upgrade and innovation promotions. The thematic R&D programs includes “F-16 and Military Aircraft Maintenance and Repair Promotion Project” to support various domestic F-16 development projects. The project was successfully approved at the end of 2024, with grants to the F-16 Maintenance & Support Center. AIDC will continuously enhance maintenance and repair capabilities and technologies to strengthen the nation's fighting capacities associated with maintenance and repair.

The validity period of the current contract is at the end of this year. We will negotiate with the Air Force for a renewal of the “F-16 Maintenance Center Basic Ordering Contract” to maintain our national independent capabilities and to support the F-16 fleet’s availability, in response to the threats from across the strait. Our goals are continuously strengthening the policy of maintenance and repair localization, promoting the aerospace industry development, enhancing domestic supply chain system, and expanding into the global market.

Supplier Management, Quality Management, and Tech R&D

Supplier Management

AIDC understands that the industrial cluster is the advantage of Taiwan's aerospace supply chain. We actively establish long-term and stable partnerships with members of the supply chain by helping suppliers to establish quality management systems, guiding of special-process certifications, assisting with process technology transfer, establishing capabilities of aerospace tooling design and manufacture, and enhancing aerospace inspection abilities etc. These efforts aim to strengthen the overall competitiveness of Taiwan's aerospace industry supply chain and to expand the scope of Taiwan's aerospace industry.

Supplier Selection and Evaluation

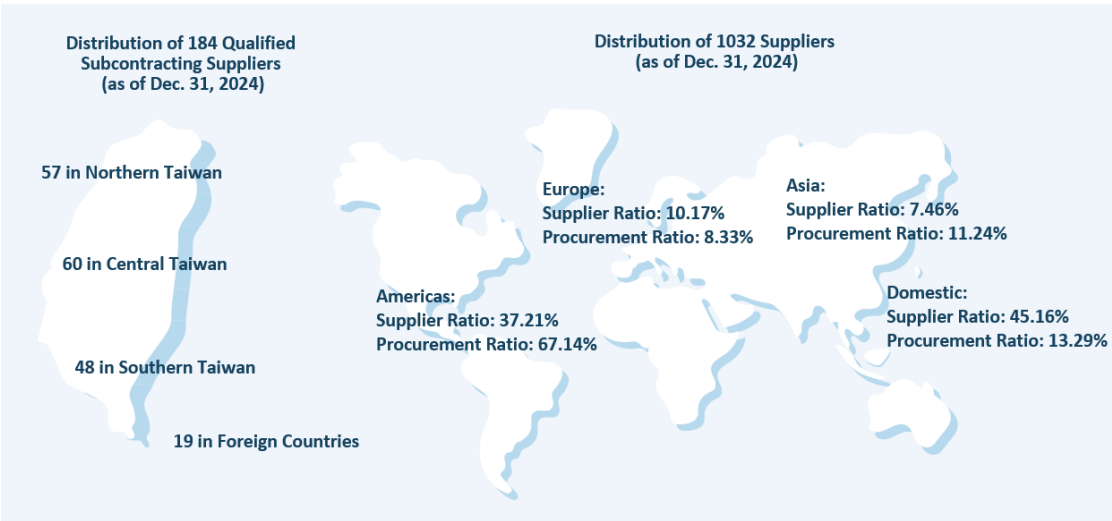
The supplier assessment and evaluation are primarily based on the suppliers' quality and delivery performance. To implement the corporate social responsibility between AIDC and its suppliers, if the suppliers have certificates of ISO 14001 (Environmental Management System), ISO 50001 (Energy Management System), ISO 45001 (Occupational Health & Safety Management System), TOSHMS (Taiwan Occupational Safety & Health Management System), or other certificates associated with society and environment contributions, we will include such suppliers into our priority vendor list and invite them for our future procurement opportunities. Our sustainability criteria for supplier selection are described below.

- **Quality:** quality management, quality assurance, quality improvement awareness, level of all staff participation, resource management, inspection, instrument and testing equipment inspection.
- **Delivery:** delivery management, management system, delivery speed and reliability, product defect rates, equipment availability, RDR Return shipment, and logistics.
- **Cost:** cost structure, cost rationalization, competitive advantages, price competitiveness, procurement capabilities, geographic location, green procurement, energy conservation, and carbon reduction.
- **Philosophy:** management philosophy, sustainable management, medium- to long-term planning, employee morale, management, systems, creditworthiness, reliability, occupational safety & health, social responsibility and environment aspect.

- Willingness: Willingness to cooperate (suppliers with shared values and collaborative intent), service attitude, communication and coordination.
- Management: Management methods, business performance, business management, vendor/customer relations, financial structure (financial and budget analysis), strategic quality, production, marketing and coordination, logistics support, value-added services, and responsiveness.
- Scale: Production capacity, equipment, trading ability, and market competitiveness.
- Technical Capability: manufacturing technical skills, design innovation, and R&D capabilities.

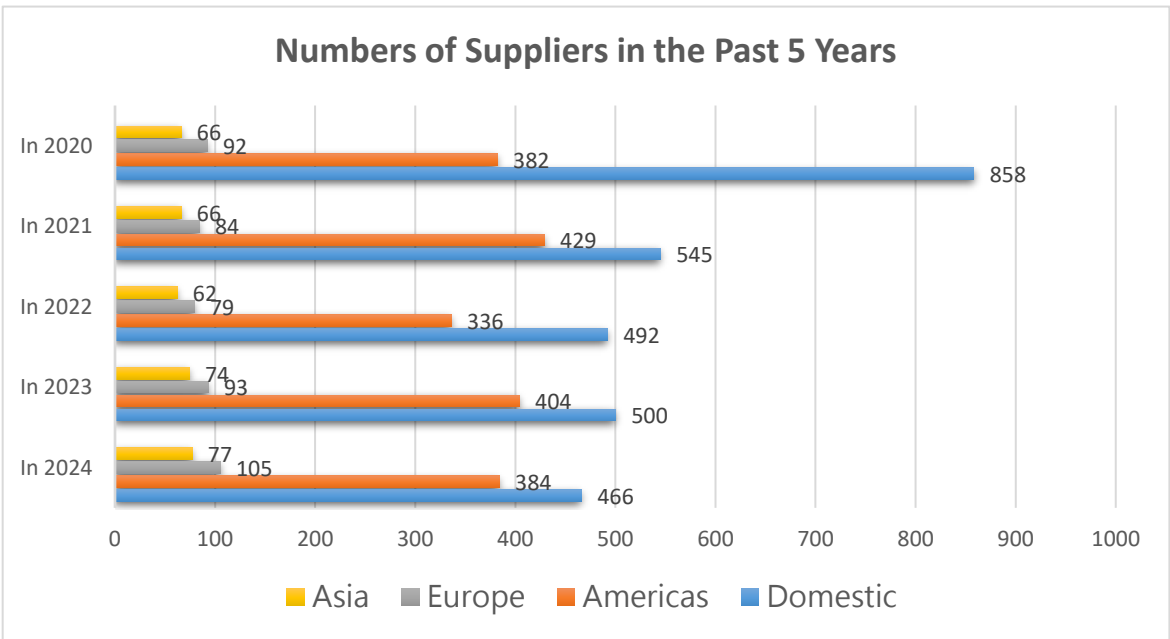
Global Procurement Distribution

In 2024, AIDC maintained stable partnerships with approximately 1,032 domestic and international suppliers and subcontractors. Among them, purchases and outsourcing from overseas accounted for approximately 86.71%, while those from domestic sources accounted for around 13.29%.

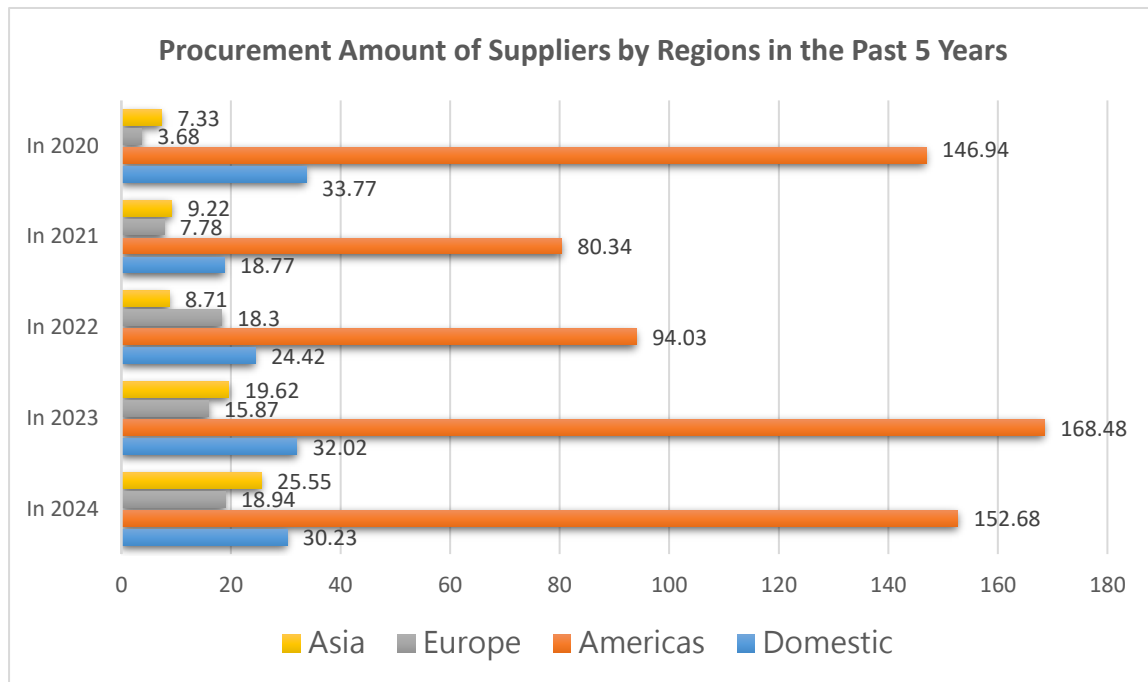


In 2024, a total of 79 new suppliers were added, of which 20 underwent environmental assessments, representing an assessment ratio of 25.32%. Among the suppliers identified as having potential negative environmental impacts, none had their partnerships terminated after evaluation.

In the past 5 years, domestic suppliers have consistently accounted for the highest proportion by regions. In 2024, the number of domestic suppliers reached 466, as illustrated in the chart below.



Regarding the contract amount by regions in the past 5 years, the suppliers from Americas accounted for the highest contract amount, reaching a total amount of NT\$15.268 billion in 2024. With the continued implementation of the “Indigenous Production of Aircraft” project, the contract amount for the domestic suppliers reached at NT\$3.023 billion, as illustrated in the chart below.



Supply Chain Management Goals and Strategies

Supply Chain Management Goals:

- Achieve 0% defect rate in quality.
- Ensure 100% on time delivery.
- Enhance customer satisfaction to strengthen competitiveness.
- Create reasonable profit for the partnership system.

Supply Chain Management Strategies:

- Share risks and benefits.
- Integrate and enhance suppliers' capabilities to grow together.
- Combine the strengths of each company for specialized roles.
- Apply joint quotations to increase opportunities of order acquisitions.
- Build long term and stable partnerships.
- Develop and enhance the competitiveness of the regional aerospace industry.

Quality Improvements with the Supply Chain

Quality system development for customer satisfaction

1. Understand and relay customer quality requirements and technical documents.
2. Comply with AS9100 quality system procedures.
3. Address quality issues transparently without concealing them.
 - Enhance quality yield rates effectively.
 - Enhance Supply Chain Management.
 - Establish and implement critical indicators to quality.
 - Improve the completeness and effectiveness of corrective actions.
 - Increase audit frequency and completeness.



Supplier Support to Supply Chain

AIDC supports suppliers in quality, engineering, technology, and management improvements, through continuous education, training, process improvement and enhancement, so as to reduce costs and to increase competitiveness for order acquisitions. At the same time, we promote lean projects and organize project achievement presentations to support supply chain improvements. With the support of Japanese lean consultants, the suppliers can practice the lean projects accordingly. By organizing lean achievement presentations, the supply chain partners can learn from cross-industry experiences as exemplary models in lean practices.

Supporting Domestic Suppliers to Join the Industrial Sustainable Supply Chain

Our strategies of the sustainable supply chain management are continuing to comply with the government policies in the future. In the technical aspect, we request energy conservation, low-pollution, and high-recyclability designs. In the aspect of labor, safety, environment, and energy management systems, we encourage the suppliers to establish management systems for labor, safety, environment, and energy. In the aspect of the green product standards, we request the suppliers to comply with the standards and to proceed by stages in the future. These standards include energy efficiency, recyclability, low toxicity,

battery usage, material labeling, and packaging materials etc. and are added to our Supplier Code of Conduct and the contracts. AIDC is committed to developing a comprehensive domestic aerospace sustainable supply chain, enhancing the competitiveness, becoming one of major suppliers in the global aerospace industry supply chain, and leading Taiwan's aerospace industrial sustainable supply chain from Taiwan to the global industry.



Negative Environmental Impacts on the Supply Chain and Response Actions

1. Environmental changes caused by climate change, such as extreme rainfall, droughts, rising average temperatures, super typhoons/hurricanes, and sea level rise and other extreme climate events, may impact business operational activities such as procurement and business functions. These events could affect our financial performance and the health and safety of employees. We analyzed and identified risks by using RCP8.5 (4°C) scenario to assess potential impacts, based on the information from the website of Climate Central (<https://coastal.climatecentral.org/>). The scope covers the top 10 suppliers of outsourcing, domestic procurement, and foreign procurement, a total of 30 suppliers. The results are summarized below.
 - Top 10 Outsourcing Suppliers: Located respectively in Kaohsiung and Taichung Cities. Under the 4°C warming scenario with a projected 1.2 meter sea level rise, the risk of production or operational disruption due to rising average temperatures were assessed as low risk. To avoid potential future risks, the selective tendering was adopted to establish multiple supply sources, and high-risk suppliers were asked to conduct climate risk assessments.

- Top 10 Suppliers of Domestic Procurement: 9 suppliers were assessed as no climate-related impact; however, 1 supplier, located in Sanchong District, New Taipei City, may be affected by sea level rise and have the production or operational disruption. After contacting the supplier, it was clarified that “Sanchong District in New Taipei City is the location of the company’s headquarter, which is mainly used for office operations. Although the area is low-lying, it has been no flood in the past ten years. The manufacturing facility is located in Miaoli without such impact.” Therefore, the climate risk is considered low.
 - Top 10 Suppliers of Foreign Procurement: 9 suppliers were assessed as no climate-related impact; however, 1 supplier may be affected by rising temperatures and sea level and have the production or operational disruptions. As this supplier is an exclusive source supplier and we have requested a climate risk assessment, but have no response from the supplier yet. This indicates a potential risk of the negative impact and the backup parts are considered to reduce the risk.
2. If a supply chain interruption lasts 1 month, most materials have their sufficient safety stock/buffer inventory to avoid the risk. However, if the disruption exceeds 3 months, material shortages may occur, potentially affecting revenue. The financial impact will be assessed as moderate to low.
 3. To prevent supply chain disruptions due to changing weather patterns, we are reviewing suppliers’ procurement plans and diversifying sourcing across different regions for risk diversifications. We further promote for local manufacturing, sourcing and services, that will form a shortened supply chain to reduce transportation and carbon emissions. In addition, we also promote digital transformation and artificial intelligence to improve processes and enhance efficiency. We value trust-based partnerships within the supply chain on the basis of ethical and mutual collaborations, and accomplish the sustainable supply chain development jointly. AIDC actively works with supply chain partners to promote the sustainable supply chain and to ensure that the suppliers meet social and ethical standards, understand and comply with laws and regulations, and proactively engage in the environmental and social related subjects. Therefore, the financial impacts of these actions are estimated as low impacts.

Sustainable Supply Chain Management

AIDC is committed to promoting sustainable supply chain management and sustainable procurement. During bidding and contract signing with suppliers, domestic and foreign suppliers are required to sign the “Vendor Declaration” and “Supplier Code of Conduct.” We progressively audit suppliers on ethical and sustainability issues to support better procurement decisions and risk management, and to further enhance the impacts on economic, environmental, and social aspects. In the future, we continue to work with suppliers to jointly develop a collaborative model for green products/energy conservation and carbon reduction/pollution prevention toward the sustainable supply chain together.

The implementation items and results for 2024 are described below.

Item	2024
Questionnaire Design and Supplier Self-Assessment	Following the ease of the pandemic, we conducted the CSR questionnaires. Additionally, suppliers were requested for carbon footprint assessments to comply with international standards. We also collaborated with suppliers to jointly develop a collaborative model for green products/energy conservation and carbon reduction/pollution prevention toward the sustainable supply chain together. Meanwhile, we also included topics such as climate change, human rights, and gender equality in the questionnaire to monitor compliance.
Sustainability Practices as Supplier Evaluation and Assessment Criteria	Suppliers with management systems in environment, energy, health, information security, occupational health and safety, or those actively demonstrating continuous improvement, we will include such suppliers into our priority vendor list and invite them for our future procurement opportunities.
Supplier Code of Conduct Added to Contracts	The Supplier Code of Conduct has been added to our contracts as a part of regulations-including Vendor Declaration for their bid applications and other mandatory compliance requirements.

Customer Service

Meeting customer requirements for quality, delivery schedule, and service is one of AIDC's core businesses. We continuously monitor customer complaints and corrective actions, evaluate customer satisfaction through aspects such as quality ratings, on-time delivery scores, customer complaints, and corrective action requests. These are converted into an overall score, and any discrepancies found in the evaluation results are promptly addressed through improvement plans, with follow-up evaluations to ensure the effectiveness of these improvements.

Quality Management

Quality Management System Certifications

In addition to obtaining ISO 9001:2015, AS 9100:D, and AS 9110:C aerospace quality management certifications, AIDC has also passed numerous world-class aerospace quality system certifications, including U.S. Defense Contract Management Agency INST 8210.1, Boeing D6-82479, Airbus AP2190, GEAE S-1000, UTC ASQR-01 (including Pratt & Whitney), Sikorsky SSQR-01, Honeywell SPOC, MITAC MRJ-SQC-01, KHI KQMS-7100, Leonardo IAYC 05C, Bell SQRM-001 and Bombardier QD 4.6-40. These certifications enable AIDC to successfully participate in both international military and commercial aerospace design, manufacture, maintain and repair supply chains, with our sufficient experience and capability to meet customer needs.

Testing Capabilities

AIDC possesses comprehensive testing capabilities to meet various inspection requirements. Our main testing facilities include large coordinate measuring machines, arm-type measuring stand, laser tracking measurement system, hardness and conductivity testing equipment, and non-destructive testing equipment (such as ultrasonic, X-ray, magnetic particle, eddy current, and fluorescent inspections).

Special Process Certifications

AIDC has passed NADCAP (National Aerospace and Defense Contractors Accreditation Program) certifications for 11 categories of special processes, including non-destructive testing, coating, surface enhancement (shot peening), composites, heat treatment, non-conventional machining (laser and EDM),

conventional machining (special processes), chemical processing, welding, materials testing laboratory and measurement and inspection. We also continuously maintain the validity of these certifications.

Quality Escape Management

To enhance quality and customer satisfaction, AIDC's main quality policy emphasizes "Total Quality Management, Customer Satisfaction," and we keep up with the times in quality performance. AIDC continuously promotes "Quality Escape Management Plan" to analyze, to review and to summarize the root causes of quality escape issues, based on customer complaint statistics.

Starting from the customer needs, integrating supplier services or products as the external management, and combining our internal workflow management such as department designs, processes, procurements, production, inspection, and flight testing, we develop short-, medium-, and long-term improvement measures for quality escapes.

Regarding the short-term (individual) measures, we focus on types of deficiencies in specific complaints, plan improvement actions, such as inventory, in-process checks, case communication, promotion, education and training, and apply the case actions to examine the same processes/parts of the same category to prevent recurrence.

Regarding the medium-term (systematic) measures, we review feasible systemic actions according to the root causes of deficiencies, develop project supervision mechanisms, update SOPs, and apply self-inspection/checklists, and error-proofing mechanism to prevent recurrence by controlling the root cause.

Regarding the long-term (human-related) measures, we identify the root causes of quality escape issues, analyze human-related root causes, implement Inspection Aid and Skill Matrix improvements to plan well self-inspection and quality control throughout the value chain and to ensure the quality of products and services.

Understanding customer needs is the beginning of the actions. We combine internal operations and external collaboration across the supply chain to improve

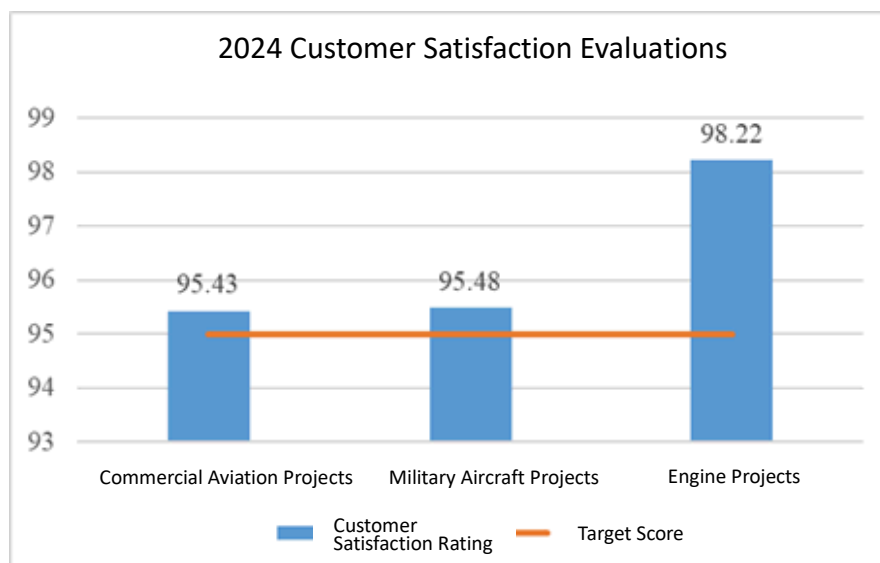
our quality so as to meet customer expectations. We ensure our competitive advantages and accomplish the zero-defect quality by close integration and cooperation among departments for unified quality performance.

Customer Satisfaction

Satisfaction Evaluation

To meet customer expectations, we strengthen our quality, delivery and each management measure internally, and also conduct satisfaction evaluations regularly, based on critical concerns of domestic and international customers. We establish the 24-hour response information system to timely handle customer reported issues for maintaining strong customer relations.

- Domestic customer satisfaction evaluations are conducted via questionnaires, we focus on military customers and evaluate main aspects of “product conformity”, “delivery accuracy”, “customer complaints”, and “corrective action requests”. Results are analyzed for service enhancements and future improvements.
- International customer satisfaction evaluations are conducted based on customer specified, concerned and measurable items, and the evaluation aspects mainly include “product conformity”, “delivery accuracy”, “customer complaints”, and “corrective action requests”. The evaluation results are based on objective data provided by international customers.



Research and Development

The research and development expenses invested for the past 2 years are shown in the table below. AIDC will continue to invest in R&D to enhance its core competitiveness in the future.

Unit: NT\$ thousand		
Item	2023	2024
Research and Development Expenses	655,683	624,161
Net Revenue	39,100,002	39,338,315
R&D as a Percentage of Net Revenue	1.68%	1.59%

Research and Development Projects in 2024

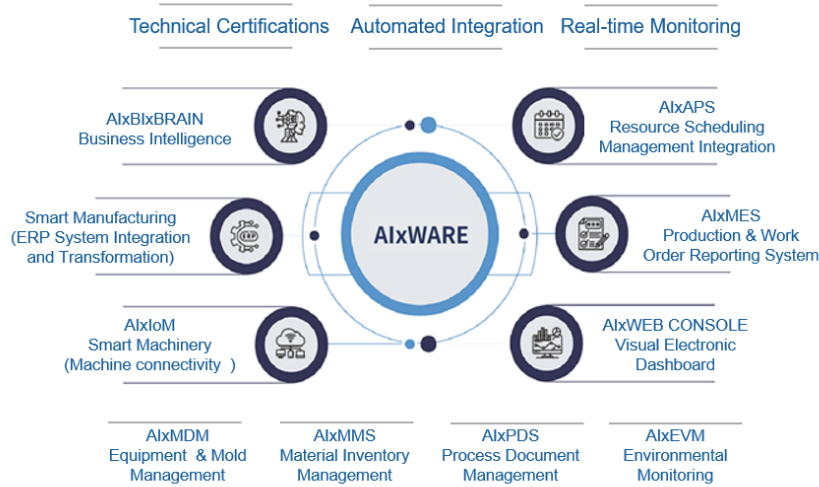
Development and integration of new technologies for multi-functional End Effector	Application of AI-optimized manufacturing, maintenance and repair technologies
Certification study of metal bonding processes	Development of energy storage and energy management system (EMS) technologies
Preliminary study and development of forging technology and capability planning	Development of key technologies for aerial imaging, data recording, and ground debriefing systems
Development of large hollow low-pressure turbine vane casting technology	Integrated development of aircraft structural design and analysis tools
Development of intelligent automated precision grinding technology	Indigenous R&D and production of next-generation military aircraft system components (AJCU, Radome)
Development of key technologies for next-generation military aircraft avionics systems	

Smart Aerospace Manufacturing

Phased Objectives

Starting with [Smart Manufacturing], followed by AI Value-Added Transformation [AlxWARE Smart Manufacturing with the integration of Cloud Platform], and the adoption of Additive Manufacturing.

AlxWARE Smart Manufacturing with the integration of Cloud Platform



AlxWARE Standard Features

AlxWARE is an enterprise-grade smart manufacturing solution that integrates machine connectivity with AI-powered management.

Beyond core functions, it offers value-added modules such as :

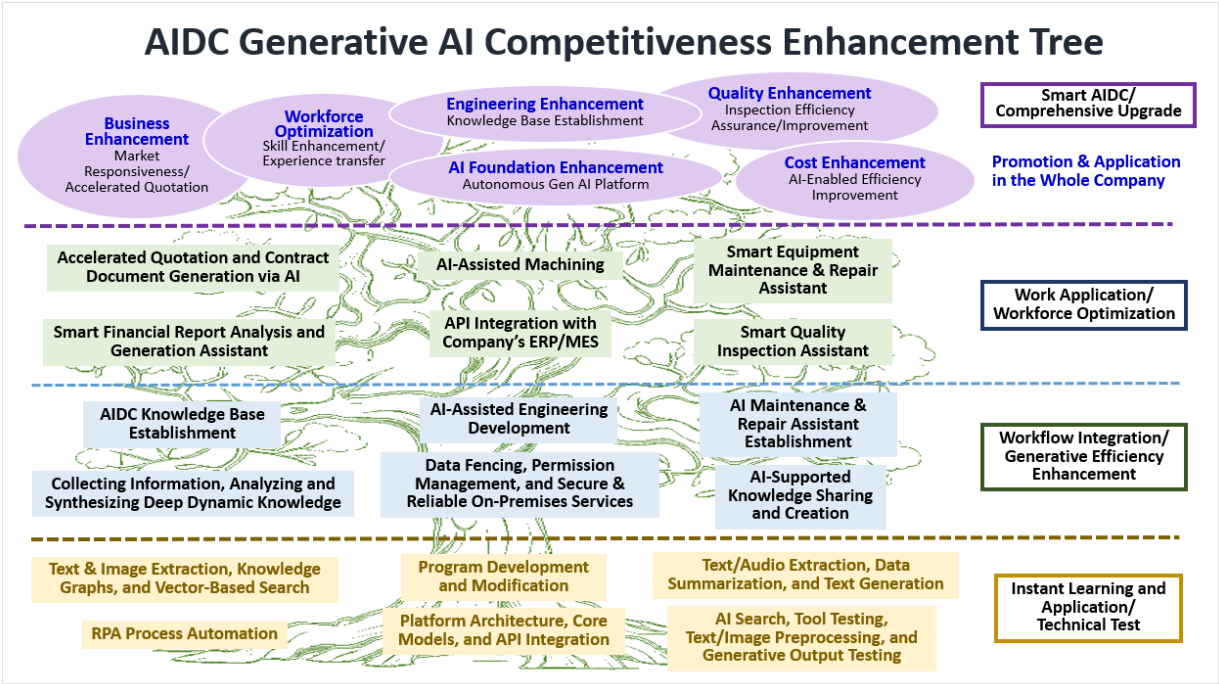
- Equipment and Mold Management
- Material Inventory Management
- Process Management
- Environmental Monitoring

Through advanced machine integration, cross-platform web architecture, and compatibility with heterogeneous systems, AlxWARE provides scalable and reliable solutions for modern manufacturing.

This section displays a collection of AlxWARE promotional materials:

- Central Hexagonal Diagram:** A diagram with six hexagons representing different modules: IOT Machine Connectivity, APS Advanced Planning & Scheduling System, MES Manufacturing Execution System, QC Quality Control, EMS Energy Management System, and AI Business Intelligence. Below this is the "AIDC AIoT SOLUTION" logo and the text "Integrated AI and Smart Manufacturing Platform".
- Two Large Vertical Posters:**
 - The left poster is titled "AlxWARE THE BEST AI + SMART MANUFACTURING PLATFORM" and lists features like CAPTURING 20000+ data points, INTEGRATING 60+ systems, and SIMULATING 20+ scenarios. It also mentions "Real-time Design for Tailored AI & EMS Smart Factories".
 - The right poster is titled "AlxWARE THE BEST AI + SMART MANUFACTURING PLATFORM" and lists features like "Step-by-Step" implementation, "IoT Connected", "MES System", "Scheduling", and "AI Prediction". It also mentions "Integrating 60+ Equipment Brands" and "Connected to over 2,000 Connections".
- Six Smaller Horizontal Posters:**
 - IOT & EMS:** Focuses on IOT Machine Connectivity and EMS Energy Management System.
 - APS & MES:** Focuses on APS Advanced Planning & Scheduling System and MES Manufacturing Execution System.
 - BI & AI:** Focuses on AI Business Intelligence and BI & AI.

Generative AI Value-Added



Additive Manufacturing (AM) Applications

Engineering + AM: Focus on design support/rapid validation. Additive manufacturing enables physical validation, which improves communication and development efficiency.

Manufacturing + AM: Focus on rapid manufacturing/mold-free production to reduce tooling costs and ease production burden.

Maintenance & Repair + AM: Focus on the development/restoration of parts with diminishing manufacturing sources, using laser cladding technology co-developed with the Industrial Technology Research Institute.

Testing & Validation + AM: Focus on validating printing equipment/processes. Integrate external resources to build aerospace AM certification capabilities and expand application and business opportunities.

Engineering+AM Design Support/Rapid Validation

Additive manufacturing enables physical validation, which improves communication and development efficiency.

- 94 items of cockpit simulator parts of the new basic jet trainer.
- 6 items of AJT throttle lever human-factor interface validations.



Cockpit simulator parts of the new basic jet trainer

Throttle lever human factor interface validations

Intake duct human factor engineering assessments

LATCH combination design verifications

Manufacturing+AM Rapid Manufacturing/Mold-free Production

Reduce tooling costs and ease production burden.

- Developed 9 aerospace production tools and 5 technical application solutions, manufacturing a total of 160 tooling and fixtures.
- Taking CMM fixture as an example, each unit is estimated to reduce production costs by 80% (approximately NT\$8,000 for a metal tool, NT\$1,200 for a printed tool).



Close tolerance bolts for assembly

B-777X cutting tool plates mold line positioning blocks

AJT front panel weighing support tools

Special rotary tool for launcher box

Blade clamping tool for CMM measurement

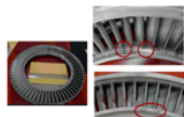
Maintenance & Repair+AM Development/Restoration of Parts with Diminishing Manufacturing Sources

Using laser cladding technology co-developed with the Industrial Technology Research Institute.

- Completion of weld seam crack repair validation for the oil tank.
- Developed engine casting repair and process technical capabilities, to recover 2 items of Honeywell parts with an estimated manufacturing cost savings of NT\$9-10 million annually.



Weld seam crack repair for the oil tank



Defect repair of nickel-based engine castings

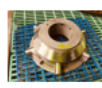
Testing & Validation+AM Validating Printing Equipment/Processes

Integrate external resources to build aerospace AM certification capabilities and expand application and business opportunities.

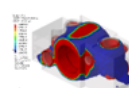
- Completion of F124-GA-200 engine [pre-swirler support bracket] certification plan.
- Establishment of work instructions and process certification documentation for additive manufacturing.
- Completion of print trial production and validation of titanium/nickel-based alloy parts.



Design verification of pre-swirler support bracket



Printed titanium alloy bearing housing




Optimized design of titanium alloy hydraulic manifold



Printed titanium alloy hydraulic manifold

The Future: Advancing in Three Dimensions—Digital Transformation, AI, and ESG

Digital Transformation: Smart Manufacturing/AI Assistance



ISO 14064 Carbon Inventory

Calculate the total carbon emissions of a factory (an organization)

ISO 14067 Carbon Footprint

Calculate the total carbon emissions of a product

Smart Factory
Energy Saving
Digital Tools

Cost Reduction

Enhancing Quality

Improving Competitiveness

Green & Sustainability

Less Carbon, More Money!

Environment

Care for the Environment

Management of Material Topics

AIDC is actively responding to the global trend toward net-zero carbon emissions. We have outlined our roadmap toward “carbon neutrality” by 2050, including phased targets to accelerate the low-carbon transition, strengthen operational resilience and achieve our sustainable development and environmental goals.

Scopes of Material Topics

- Climate Change Response
- Green Product/Services Design and Development
- Waste Management

Policies and Commitments

- AIDC Environmental Policy
- AIDC Energy Policy

Impact and Influence

AIDC’s core operations are centered around manufacturing, which may pose potential negative impacts on the environment and stakeholders (e.g., nearby communities). We not only comply with relevant environmental laws and regulations but also plan and implement energy conservation and carbon-reduction projects to minimize the environmental impact.

AIDC Environmental Policy
AIDC is fully committed to environmental resources protection, sustainable management and corporate social responsibility by actively promoting the following three principles:
1. Comply with the environmental laws and regulations to implement environmental protection tasks.
2. Focus in cleaner production, resources recycling, and making the environment sustainable.
3. Promote energy conservation and carbon reduction, environmental education, corporate social responsibility.
President W.J. MA
Date: 2019.Apr.03

AIDC Energy Policy
The Company is committed to the principles for reducing energy consumption and energy management and protection for product design, use, procurement, and services:
1. Continue to reduce energy usage volume.
2. Ensure continuous increase in energy efficiency.
3. Continue to invest resources to reduce energy consumption.
4. Comply with laws and other energy-related requirements.
5. Consider energy efficiency in the design and repairs of facilities and equipment.
6. Effectively purchase and use efficient products and services.
President W.J. MA
Date: Mar.22, 2019

Actions Taken

- We implement energy conservation projects each year, in line with our carbon neutrality roadmap. These include the installation of solar photovoltaic panels, enhancement of waste reutilization, and process optimization. The progress is regularly reviewed in executive-level meetings.
- We implement the TCFD framework, conduct greenhouse gas inventories and verifications, and respond to international ESG assessments to enhance transparency in sustainability disclosures.

Stakeholder Engagement and Communication

AIDC engages stakeholders through various channels, including the CSR mailbox, third-party audits, communication with environmental authorities, visits to regulatory agencies, and outreach to local communities.

Climate Change Response

In April 2021, Taiwan committed to achieving net-zero emissions by 2050. In January 2022, the Legislative Yuan passed the “Climate Change Response Act” in its third reading, formally stipulating that Taiwan must reach net-zero greenhouse gas emissions by 2050. This act has become the main legal basis for future climate governance to align with international carbon management trends.

Facing climate change, international regulations, domestic legislative amendments, and evolving industry trends, low-carbon transformation has become essential for sustainable corporate operations. AIDC’s “ESG Committee,” chaired by the Chairman, is the highest authority for the climate change management. The committee reviews carbon neutrality strategies and goals, manages actions related to climate risks and opportunities, monitors implementation progress, discusses future plans, and reports to the Board of Directors. AIDC follows the framework of the TCFD recommendations published by the Financial Stability Board to assess transition and physical risks and to identify climate-related opportunities for reducing operational impacts and supporting sustainable growth.

TCFD Key Element-Governance

Description of the Board’s Oversight of Climate-Related Risks and Opportunities:

The Board of Directors plays a supervisory and guiding role in the sustainability (ESG) strategies. The management integrates climate change issues into the operational risk assessment of the business plan every year and reports the results to the Board. The performance review of the previous year’s climate-related actions is submitted in the first quarter of the current year. ESG-related (including climate change) topics are included in the quarterly operational report submitted to the Board.

Description of Management’s Role in Assessing and Managing Climate-Related Risks and Opportunities:

AIDC’s management division supervises the planning and accomplishment of climate-related goals. In 2022, we established a “Climate-Related Risk and Opportunity Assessment Procedures,” which involves convening relevant

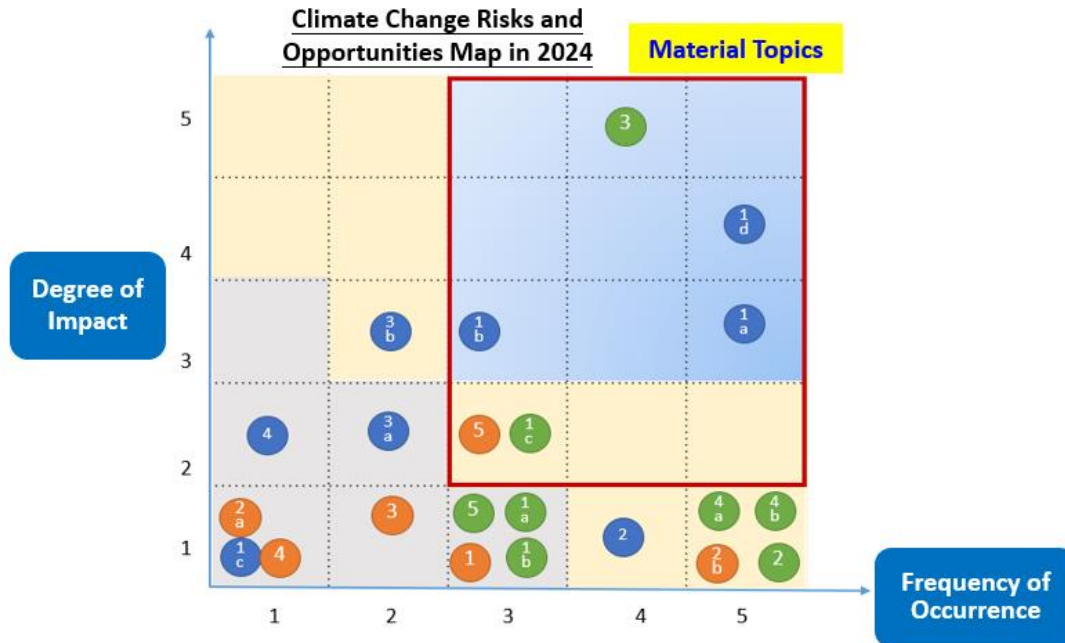
departments to evaluate the risks and opportunities. The Risk Management Committee, chaired by the President, reviews the TCFD risk and opportunity map and corresponding response strategies. The TCFD risk and opportunity map is incorporated into the operational risk assessment plan and, after the Board approval, is reviewed and tracked in “Carbon Neutrality” meetings chaired by the President. In 2024, carbon neutrality tasks include solar photovoltaic installations, energy conservation and carbon reduction projects, and product carbon footprint assessments.

TCFD Key Element-Strategy

Description of Identification of Short-, Medium-, and Long-Term Climate-Related Risks and Opportunities:

According to the factors recommended by TCFD on climate risks and opportunities, AIDC assesses them based on frequency of occurrence and degree of impact to determine their risk and opportunity values. Priority physical and transition risks are identified accordingly. We also identify our short-term (2024-2025), medium-term (2026-2030), and long-term (2031-2050) major climate risks and opportunities based on our internal carbon neutrality targets and timelines.

- Transition Scenario: AIDC's 2050 "Carbon Neutrality" Goal, corresponding to RCP1.9 (1.5°C warming)
- Physical Scenario: RCP8.5 (4°C warming)



Climate Scenario: RCP1.9 (1.5°C warming)

- 1a. Domestic carbon fee collection/cap-and-trade systems.
- 1b. Imposition of foreign carbon taxes.
- 1c. Regulations requiring electricity users with contracted capacity above a certain threshold to install renewable energy facilities exceeding 10% of usage.
- 1d. Rising electricity and water costs.
2. Low-carbon manufacturing processes.
- 3a. Changes in customer behaviors.
- 3b. Rising raw material costs.
4. Failure to meet stakeholder expectations, leading to reputational damage.

Climate Scenario: RCP8.5 (4°C warming)

1. Increased severity of typhoons and extreme weather incidents, affecting and disrupting production or operations.
2. Changes in rainfall (water) patterns and extreme climate patterns, affecting and disrupting production or operations (2a floods, 2b droughts).
3. Rising average temperatures, affecting and disrupting production or operations.
4. Rising sea levels, affecting and disrupting production or operations.
5. Potential losses due to operational interruptions caused by domestic and international supply chain disruptions resulting from natural disasters and extreme weather events.

Climate Scenario: RCP1.9 (1.5°C warming)

- 1a. Improve water resource efficiency and use of reclaimed water.
- 1b. Promote low-carbon manufacturing by adopting more efficient production processes.
- 1c. Enhance energy efficiency.
2. Increased use of low-carbon energy sources.
3. Develop or expand low-carbon products and services.
- 4a. Utilize public sector incentive programs to proactively respond to regulations.
- 4b. Enter new markets.
5. Strengthen sustainable supply chain management to enhance defense capabilities to natural disasters.

Transformation Risks

Physical Risks

Opportunities

Description of Climate-Related Impacts of Risks and Opportunities on Business, Strategy, and Financial Planning:

Short-Term Risks: Increase in electricity and water costs

Short-Term Opportunities: Improving energy efficiency; developing or expanding low-carbon products and services

Medium-Term Risks: Domestic carbon fee collection/cap-and-trade systems, the imposition of foreign carbon taxes, and potential losses due to operational interruptions caused by domestic and international supply chain disruptions resulting from natural disasters and extreme weather events.

Financial Impacts: Following an assessment of various risks and opportunities, the potential financial risks identified are increased operational costs and decreased revenue. On the opportunity side, new business development will increase the revenue. Take the short-term risks as example and describe below.

Risk Item	Domestic Carbon Fee Collection/Cap-and-Trade Systems	Increase in Electricity and Water Costs	Rising Raw Material Costs Due to Foreign Carbon Taxes
Risk Type	Transformation risks-policy and regulations	Transformation risks-policy and regulations	Transformation risks-market
Potential Financial Impact/Amount	Taiwan's carbon fee system will be officially implemented in 2025. According to the "Regulations Governing the Collection of Carbon Fees" and the government's planned fee schedule (NT\$300 per metric ton in the short term; NT\$1,200-1,800 per metric ton after 2030), operational costs are estimated to rise by approximately NT\$570,000 in the short term, and around NT\$40 million after 2030.	The government is expected to raise electricity rates to ensure stable power supply and to promote energy conservation through the price adjustments. The price adjustment is estimated to increase AIDC's electricity costs by approximately NT\$60 million.	AIDC mainly manufactures aerospace components and parts, using raw materials such as nickel alloys, titanium alloys, aluminum alloys, stainless/alloy steels and other metals. If raw material costs increase by 1.1% due to carbon taxes, and it is assumed that the tax is imposed globally on a non-discriminatory basis, which is meaning all exporters to the U.S. are subject to the same carbon tax. This would only affect exporters if the cost of local production in the importing country is more than 1.1% lower than the cost of imports.
Risk Response Measure	1. Install solar photovoltaic systems for on-site self-consumption. 2. Implement energy conservation projects and optimize production processes to reduce greenhouse gas emissions.	Implement energy conservation projects, apply for new time slots from Taiwan Power Company to reduce electricity usage during peak hours, and promote the use of renewable energy and electricity conservation.	Develop low-carbon plans for raw material procurement within the supply chain and production processes, and continue to promote sustainable procurement and supply chain.

Strategic and Business Direction:

Since 2022, AIDC has installed solar photovoltaic panels to increase the proportion of green electricity for self-consumption. We implement energy conservation and carbon-reduction projects to reduce GHG emissions, monitor carbon neutrality goals and its tasks through executive-level meetings. We also target the domestic gas turbine generator market to expand our market share, explore opportunities in the energy storage market, and pursue further business opportunities through alliances with outstanding domestic companies.

Description of the Resilience of Organization's Strategy, taking into Consideration Different Climate-Related Scenarios (Including a 2°C or More Stringent Scenarios):

AIDC follows the guidelines of the "Task Force on Climate-Related Financial Disclosures" to evaluate climate-related risks and opportunities, and utilizes climate scenario analysis. We have identified the most severe scenario under two categories which are transformation risk scenario as RCP1.9 (1.5°C warming) and physical risk scenario as RCP8.5 (4°C warming).

TCFD Key Element-Risk Management

Description of the Organization's Processes for Identifying and Assessing Climate-Related Risks:

Our management department initiates the annual process in mid-year. The cross-functional "Carbon Neutrality Work Group" identifies and assesses the climate-related risks, and completes the draft of "Climate-Related Risks & Opportunities (TCFD) Map" for the following year. Responsible departments propose response strategies, according to the significant risks and opportunities. The TCFD map and response strategies are incorporated into the Risk Management section, reviewed by the Risk Management Committee, then included in the company's operational plan for the following year and submitted to the Board of Directors for final approval before the end of the year.

Descriptions of Climate-Related Risk Management Procedures:

AIDC's climate change risk management procedures:



Once the climate-related risk and opportunity map is approved, it is integrated into the company's risk management system along with other operational risk items. The Risk Management Committee convenes at least once a year to establish risk management policies, review performance, approve the annual risk management plan, and report to the Committee. Furthermore, carbon neutrality related actions are also regularly monitored in high-level management meetings.

Description of How the Procedures for Identifying, Assessing, and Managing Climate-Related Risks Are Integrated into the Organization's Overall Risk Management System:

AIDC's "ESG Committee," chaired by the Chairman, serves as the highest authority for climate change management. The committee is responsible for reviewing sustainable and climate-related strategies and monitoring implementation progress. Reporting to the committee, the "Carbon Neutrality Work Group" is responsible for executing climate-related actions and submitting the annual "Climate-Related Risks and Opportunities Matrix" to the "Risk Management Committee" for approval.

The Risk Management Committee, chaired by the President, is the highest authority for risk management. The committee regularly reviews risk levels (including climate change risks and opportunities), approves risk items of the following year before the end of the current year, and adds them into the operational plan. Additionally, the previous year's implementation performance is reviewed and reported to the Board for reference in the first quarter of the following year.

TCFD Key Element—Metrics and Targets

Disclosure of Metrics Used to Assess Climate-Related Risks and Opportunities in Line with the Organization’s Strategy and Risk Management Procedures:

The metrics used to assess climate-related risks and opportunities include: (1) absolute targets: reduction in carbon emissions and (2) relative targets: electricity intensity (electricity consumption per NT\$1 million in sales revenue), and waste reuse rate (reused waste divided by total waste).

Disclosure of Scope 1, Scope 2, and Scope 3 (if applicable) Greenhouse Gas Emissions and Related Risks:

In 2024, the entire AIDC Group (including Taichung, Sha Lu and Kang Shan Complexes, U.S. subsidiary, and Hsiang Yuan Co., Ltd.) completed a greenhouse gas inventory according to ISO 14064-1:2018, and obtained a third-party verification. Please refer to the “Greenhouse Gas Inventory” section for more information.

Description of the Targets Used by the Organization to Manage Climate-Related Risks and Opportunities, and Performance Against These Targets:

- (1) Absolute Target: Our baseline year is updated to 2023, from the original base year (2019) under the parent company, according to the Financial Supervisory Commission requirements for the group-based disclosure to the listed companies. The group’s phase 1 target (by 2025) is to reduce GHG (Categories 1 & 2) emissions by 5% compared to the baseline year of 2023.
- (2) Relative Target: Based on hotspot analysis, we have set a target for departments with major GHG emissions to reduce electricity intensity (electricity consumption per NT\$1 million in sales revenue) by 5% compared to the previous year. In addition, waste reuse rates (reused waste divided by total waste) are targeted within a range of 35%-45%, depending on the plant location.

AIDC’s targets will continue to be disclosed in the Sustainability Report and we will adjust our carbon reduction strategies on a rolling basis, according to development of domestic and international trends, laws and regulations, to continually enhance our resilience.

Energy and GHG Management

Environmental Management System

Since 1999, AIDC has continuously maintained the validity of ISO 14001 Environmental Management System. Through standardized management and continuous improvement mechanisms, we reduce environmental impacts and actively fulfill our environmental protection responsibility.

In 2024, AIDC passed ISO 14001 Environmental Management System certification. None of our activities, products, or services caused significant environmental impacts, demonstrating our commitment to sustainable development.

AIDC is committed to protecting environmental resources under its organizational control, ensuring sustainable operations, and fulfilling corporate social responsibility by actively promoting the following three principles:

- Compliance with environmental protection laws and regulations and implementation of related environmental protection tasks.
- Commitment to clean production and resource recycling to ensure environmental sustainability.
- Promotion of energy conservation, carbon reduction, and environmental education to fulfill corporate social responsibility.

Greenhouse Gas Inventory

Since 2020, AIDC has conducted greenhouse gas (GHG) inventories and verification in accordance with ISO 14064-1:2018. Our organizational boundaries are defined based on operational control, and GHG emissions are calculated across categories 1 to 6. The primary GHG emissions include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). The verification scope covers the Taichung, Shalu and Kang Shan Complexes, and the U.S. subsidiary. At the end of 2021, AIDC established a carbon neutrality goal and developed a GHG emission reduction plan and reported to the highest-level management for effectively monitoring the status of the GHG inventory. In 2024, AIDC completed the third-party verification of GHG emissions in accordance with ISO 14064-1:2018. Our

total carbon emissions (based on 2023 data) amounted to 103,065.129 metric tons of CO₂ equivalent. The related data will be updated on our official website.

<https://www.aidc.com.tw/tw/cse/environment>

GHG Emissions in 2023 (tons CO ₂ e)	Direct Emissions (Category 1)	Indirect Emissions (Category 2)	Other Indirect Emissions (Categories 3-6)	Total Emissions
Taichung Complex	1,153.5379	25,670.9130	12,873.8249	39,698.276
Sha Lu Complex	1,709.7341	18,520.7111	5,315.7154	25,546.161
Hsiang Yuan Co., Ltd.	143.5747	512.9202	140.9081	797.403
AIDC USA LLC	0.0000	8.2631	7.9475	16.211
Kang Shan Complex	3,756.328	23,297.8541	9,952.8959	37,007.078
Note: The IPCC AR6 was referenced for the GWP value (2021).				

GHG Emissions in 2024 (tons CO ₂ e)	Direct Emissions (Category 1)	Indirect Emissions (Category 2)	Other Indirect Emissions (Categories 3-6)	Total Emissions
Taichung Complex	531.8121	25591.1396	14594.6383	40717.5900
Sha Lu Complex	1015.2970	18262.6550	6825.0843	26103.0363
Hsiang Yuan Co., Ltd	662.1517	491.3484	1186.2058	2339.7059
AIDC USA LLC	8.8043	134.0773	45.9770	188.8586
Taitung Dormitory	0.0000	17.8224	0.0236	17.8460
Kang Shan Complex	2927.0726	23561.4782	10247.1449	36735.6957
Note 1: The 2024 emissions data will be published on our official website following the completion of external verification, which is expected in the third quarter.				
Note 2: The GWP values are based on the IPCC Sixth Assessment Report (AR6, 2021).				
Note 3: Due to regional expansion, 2024 has been designated as the new baseline year.				

GHG Reduction Baseline Year, Data, and Targets

AIDC initially adopted its parent company's baseline year (2019) and carbon reduction target. However, to comply with the Financial Supervisory Commission's requirements, the reporting boundary was changed to align with the consolidated financial statements. In 2023, we completed a group-wide GHG inventory (covering the scope of the consolidated financial statements) and adjusted the baseline year to 2023. The total Scope 1 and Scope 2 emissions amounted to

74,774 metric tons of CO₂ equivalent (CO₂e). The AIDC Group's carbon reduction targets are: 5% reduction by 2025 (short-term), 18% reduction by 2030 (medium-term).

GHG Reduction Strategies and Action Plans

AIDC's reduction strategy focuses on enhancing energy efficiency and adopting renewable energy. Since 2022, we have been installing solar photovoltaic (PV) systems annually to increase the ratio of green electricity for self-consumption and implementing energy conservation and carbon reduction projects to reduce GHG emissions.

- Short-term plan: In 2022-2025, install solar PV systems (a total capacity of 3,658 kWp), and improve or replace of energy-consuming facilities.
- Medium-term plan: In 2026-2030, install solar PV systems (a total capacity of 6,504 kWp), and optimize manufacturing process to reduce energy consumption.

Progress Toward GHG Reduction Targets

According to the group-wide inventory data, GHG emissions in 2024 decreased by 2.1% compared to the baseline year (2023), meeting the annual target of a 1.6% reduction. However, the data has not yet been verified by a third party. The target achievement status will be updated following verification.

Energy Management

According to the Intergovernmental Panel on Climate Change (IPCC) global climate assessment synthesis report, there is a 90% probability that global warming is caused by greenhouse gas emissions resulting from human activities. In response, AIDC has established an Energy Conservation and Carbon Reduction Promotion Group, along with a Technical Subgroup, to further implement energy conservation and carbon reduction strategies. The Taichung Complex obtained ISO 50001 certification in 2013 and continues to improve energy use practices to achieve the goals of sustainable corporate operations.

Energy Usage Review

AIDC primarily uses electricity, diesel, natural gas (NG), gasoline, liquefied petroleum gas (LPG), solar energy, and aviation fuel. In 2024, the total energy consumption at the Taichung Complex was 384,257 gigajoules (GJ), with electricity accounting for 87.92% of the total. At the Kang Shan Complex, the total energy consumption was 209,984 GJ, with electricity accounting for 85.24%. Detailed usage over the past 3 years is shown below.

Unit: GJ

Complex	Year	Category	Electricity Purchased	Diesel	Natural Gas	Gasoline	Liquefied Petroleum Gas	Solar Energy	Aviation Fuel
Taichung + Sha Lu	2022	Usage	310,874	4,278	6,840	4,202	1	48	10,724
		Ratio	92.04%	1.30%	2.09%	1.28%	0.00%	0.01%	3.27%
	2023	Usage	325,844	4,952	7,337	4,375	0	5,167	13,346
		Ratio	90.26%	1.37%	2.03%	1.22%	0.00%	1.43%	3.70%
	2024	Usage	337,828	4,409	11,039	4,182	0	13,670	13,128
		Ratio	87.92%	1.15%	2.87%	1.09%	0.00%	3.56%	3.42%
Kang Shan	2022	Usage	166,079	838	17,049	224	—	—	4,465
		Ratio	88.03%	0.44%	9.04%	0.12%	—	—	2.37%
	2023	Usage	169,821	765	15,177	225	—	1,703	11,389
		Ratio	85.30%	0.38%	7.62%	0.11%	—	0.86%	5.72%
	2024	Usage	178,989	759	17,937	201	—	2,049	10,049
		Ratio	85.24%	0.36%	8.54%	0.10%	—	0.98%	4.79%

Heating Value Coefficient (Unit: kcal/liter):

Electricity Purchased 860, Diesel 8,400, Natural Gas (NG) 9,000, Gasoline 7,800, Liquefied Petroleum Gas (LPG) 6,635, Solar Energy 860, Aviation Fuel 8,000.

Electricity Intensity

- In 2023, the parent company’s total electricity intensity (including green electricity) was 3,576 and the non-renewable electricity intensity was 3,529.
- In 2024, the parent company’s total electricity intensity (including green electricity) was 3,742 and the non-renewable electricity intensity was 3,631.
- Although the total electricity intensity in 2024 did not meet the target of a 5% reduction compared to 2023, our self-generated and self-consumed green electricity in 2024 increased by 2,457 MWh compared to 2023. AIDC continuously implements its carbon neutrality goals and has set a target to reduce the parent company’s total electricity intensity by 5% in 2025 compared to 2024.

【Note】Calculation Formula:

- (1) Total electricity intensity = total electricity consumption/million NT\$ in sales revenue
- (2) Non-renewable electricity intensity = non-renewable electricity consumption /million NT\$ in sales revenue

Installation of Power Management System

To effectively manage the total electricity usage of AIDC’s plants and buildings, we apply a Power Management System (PMS) to monitor, to collect, and to analyze real-time electricity data and manage real-time electricity usage information of major equipment.

Energy Conservation Performance

To enhance energy efficiency and support the government’s energy conservation goals, AIDC implemented 17 energy conservation measures in 2024, resulting in a total electricity saving of 4,521.032 MWh.

Complex	2024 Energy Conservation Project	Implementation Area
Taichung	Adsorption dehumidification air-handling systems, air conditioning equipment improvement projects, cooling towers, and chiller replacements.	TACC22 plant site, Yunhan building, Zhongzheng hall, reception room, administration building, Testing building #1.

Complex	2024 Energy Conservation Project	Implementation Area
Kang Shan	Manufacturing process enhancement for labor efficiency.	<ol style="list-style-type: none"> 1. Process improvements in the first and second half of 2024. 2. Casting assemble area dust collecting inverter exhaust systems.
	Improvement projects for air conditioning equipment.	<ol style="list-style-type: none"> 1. New chillers in the large factories. 2. Replacement of the precision casting constant temperature and humidity box unit and the associated chillers. 3. Replacement of the cooling tower in machining section #2, as a total of 6 items. 4. Replacement of the box-type air conditioner in the quality control area of machining section #1, as a total of 12 items. 5. Replacement of TCF 5000 kVA transformers.

Note: The electricity saving calculations were based on various methods, including equipment rated values, calculations based on existing machine data, clamp meter measurements, and estimation based on external literature. The appropriate estimation method was selected based on actual on-site conditions. In addition, the above-mentioned energy conservation measures have been submitted to the Energy Administration for review and approval.

Green Electricity and Solar Power

AIDC places great importance on green electricity. In 2024, the total electricity generated by our solar photovoltaic systems was 25,543,494.4 kWh. Aligned with our carbon neutrality path and in compliance with government regulations for large electricity consumers, AIDC plans to install an additional 1,119 kW of self-consumed solar photovoltaic capacity in 2025.

Complex	Installed Capacity (kWp)	Current Status	2024 Total Electricity Generation (kWh)	Percentage of Self-consumption (%)	Percentage of sales (%)
Taichung	9.36	Construction Completed	6,768	100%	0%
Taichung	1,996	Construction Completed	2,741,076	100%	0%
Taichung	1,222	Construction Completed	1,048,557	100%	0%
Taichung	12,789.825	Construction Completed	16,835,411	0%	100%
Kang Shan	440.64	Construction Completed	569,022.4	100%	0%
Kang Shan	3412.32	Construction Completed	4,342,960	0%	100%

Water Resource Management

In recent years, AIDC has regarded water resource utilization as an important issue. Efforts such as enhancing water-saving awareness among employees and encouraging water reuse in production units are actively implemented across departments. To minimize water loss, we continuously review and improve employee water conservation and recycling plans for achieving the percentage of the minimal water usage and the maximum reuse.

Overview of Water Resource Usage

AIDC mainly uses tap water, rainwater, and groundwater. In 2024, the Taichung Complex (including Sha Lu) consumed a total of 1,305,283 tons of water, with tap water accounted for 41.5%. The Kang Shan Complex consumed 194,080 tons of water, with tap water accounted for 100%. Detailed water consumption in the past three years is shown below.

Unit : Tons

Complex	Year	Category	Water Consumption			
			Tap Water	Groundwater	Rainwater	Total
Taichung + Sha Lu	2022	Usage	502,252	794,185	3,472	1,299,909
		Ratio	38.64%	61.10%	0.27%	100.01%
	2023	Usage	577,235	624,321	3,041	1,204,597
		Ratio	47.92%	51.83%	0.25%	100.00%
	2024	Usage	541,662	760,103	3518	1,305,283
		Ratio	41.50%	58.23%	0.27%	100.00%
Kang Shan	2022	Usage	175,181	—	—	175,181
		Ratio	100.00%	—	—	100.00%
	2023	Usage	198,966	—	—	198,966
		Ratio	100.00%	—	—	100.00%
	2024	Usage	194,080	—	—	194,080
		Ratio	100.00%	—	—	100.00%

Note: The water intensity in 2024 was 38.2, demonstrating an increase compared to 2023.

Definition of water intensity: total water consumption (tons)/sales revenue (million NT\$).

Water Conservation Performance

RO wastewater is collected and reused in heat treatment processes/scrubbers, and reducing agent configuration of the wastewater plant. Cooling water from production processes is recycled for landscape irrigation. A sand filtration system and a recycled water reservoir have been added at the end of the wastewater treatment facility. Our wastewater is treated in compliance with the “recommended water quality standards for recycling and reuse” by the Ministry of Environment. Except on rainy days when irrigation is not needed, all reclaimed water is used for landscape irrigation. A membrane bioreactor (MBR) wastewater treatment system is installed to treat domestic wastewater generated by employees. After the treatment, the effluent complying with discharge standards is fully used for irrigation.

Complex	Item	Water Source	Recycled/Saved Water Volume (Tons)	Total Water Consumption Ratio (%)
Taichung	Rainwater Recycling	Rainwater	42,612	1,347,895
	RO wastewater recycling	RO wastewater		3.16%
Kang Shan	RO wastewater recycling	RO wastewater	4,298	198,378 2.17%

Pollution Control and Waste Management

Water Pollution Control

Water pollution control is a top environmental protection priority for all enterprises and is an important aspect of the corporate social responsibility. The process wastewater at AIDC can be briefly categorized into vibratory grinding wastewater, alkaline miscellaneous wastewater, acidic miscellaneous wastewater, cyanide-containing wastewater, paint removal alkaline wash wastewater, chemical conversion coating wastewater, chromium-containing wastewater, water-blasting cleaning water, laboratory cleaning wastewater, organic wastewater, tartaric acid wastewater, boric-sulfuric acid wastewater, other miscellaneous wastewater, and foodservice wastewater. Regarding the diverse characteristics of the wastewater, ranging from organic to acidic/alkaline and heavy metal types, treatment technologies are applied accordingly. Combined technologies of biological treatment and chemical coagulation and sedimentation processes are adopted, based on the specific characteristics of each wastewater type, to ensure compliance with effluent discharge standards. In 2024, the total volume of wastewater was 175,700 tons, with the Taichung Complex accounted for 99,500 tons about 56.6%, Sha Lu Complex accounted for 2,800 tons about 1.6%, and Kang Shan Complex accounted for 73,400 tons about 41.8%.

Complex Effluent Port	Total Effluent Volume (tons)	Effluent Receiving Water Body	Whether Test Results Meet the Standards (V)
Taichung Complex D01	80,773	Fazi River	V
Taichung Complex D02	338	Fazi River	V
Taichung Complex D03	18,408	Fazi River	V
Sha Lu South Complex D01	2,270.55	Zhulin North River	V
Sha Lu South Complex D02	569.51	Zhulin North River	V
Kang Shan Complex D01	27,718	Baijia Canal	V
Kang Shan Complex D02	9,181	Baijia Canal	V
Kang Shan Complex D03	36,481	Baijia Canal	V

Soil and Groundwater Pollution Prevention

In May 2012, AIDC was announced as a groundwater pollution remediation site due to the trichloroethylene concentration in groundwater reaching 0.183 mg/L, exceeding the groundwater pollution control standards of 0.05 mg/L. To effectively control the groundwater remediation project, AIDC promoted and implemented various measures in accordance with the remediation plan approved by the Environmental Protection Bureau, Taichung City Government. These efforts led to the successful delisting of the site in July 2020. Subsequent routine monitoring, jointly conducted with the Environmental Protection Bureau, Taichung City Government in February and September 2021, and February 2022, confirmed that all groundwater monitoring data remained below the regulatory (groundwater pollution monitoring standards) limits. In November 2022, AIDC received official acknowledgment from the Environmental Protection Bureau confirming the completion of the 2-year post-delisting monitoring, thereby closing the case. To maintain control over soil and groundwater pollution, AIDC continues to conduct groundwater monitoring to ensure water quality and to prevent recurrence of contamination.

Air Pollution Management

Effective Treatment of Pollution Control

To effectively control air pollutants, AIDC conducts feasibility and applicability assessments based on manufacturing process types, pollutant characteristics and treatment efficiency before installing air pollution control equipment. After completing the installation of the control equipment, a third-party certified organization was commissioned to verify its treatment efficiency to ensure the effectiveness of the control equipment, so we can control the pollutants discharged into the atmosphere to comply with relevant regulations.

Equipment Maintain Stable Operations

We establish and implement the operations, maintenance and maintenance mechanisms of air pollution control equipment to ensure stable operations of the equipment and to reduce the risks of abnormal events.

Regular Monitoring and Compliance Reporting

In addition to actively maintaining the treatment efficiency of the control equipment, AIDC also commissions a third-party certified organization to conduct regular air pollutant inspection and test every year, and reports the inspection and

test results to the environmental protection authority. The results over the years have all complied with the “Stationary Pollution Source Air Pollutant Emissions Standards” set by the Ministry of Environment, and no abnormal events reported to the competent authorities in 2024.

AIDC Air Pollutant Emissions in 2024 (Unit: Metric Tons)					
<div>Pollutant Type</div> <div>Complex</div>	Taichung Complex	Sha Lu North Complex	Sha Lu South Complex	TACC	Kang Shan Complex
Volatile Organic Compounds (VOCs)	104.951	11.628	13.594	8.988	5.524
Nitrogen Oxides (NOx)	0.234	0.006	0.058	0.125	1.408
Sulfur Oxides (SOx)	0.000	0.000	0.000	0.000	0.886
Particulate Pollutants (Par.)	0.035	0.002	0.003	0.004	0.396

Note 1: The air pollutant emissions reported by AIDC are based on required items of laws and regulations.

Note 2: Source of data: Emission data submitted to local environmental authorities.

Note 3: The data for the Kang Shan Complex are retrieved from the Ministry of Environment’s Stationary pollution sources of information disclosure management platform and currently only available up to the third quarter of 2024.

Toxic and Concerned Chemical Substance Management

To prevent environmental pollution and potential health hazards caused by toxic and concerned chemical substances, AIDC manages all stages of chemical handling to import, to storage, and to use in accordance with relevant domestic regulations, and also strengthens our chemical substance management mechanisms. In addition, we are actively reducing our use of toxic chemicals, such as replacing trichloroethylene with bromopropane and adopting environmentally friendly processes by using tartaric acid instead of partial chromic acid.

REACH Substances of Very High Concern (SVHC)

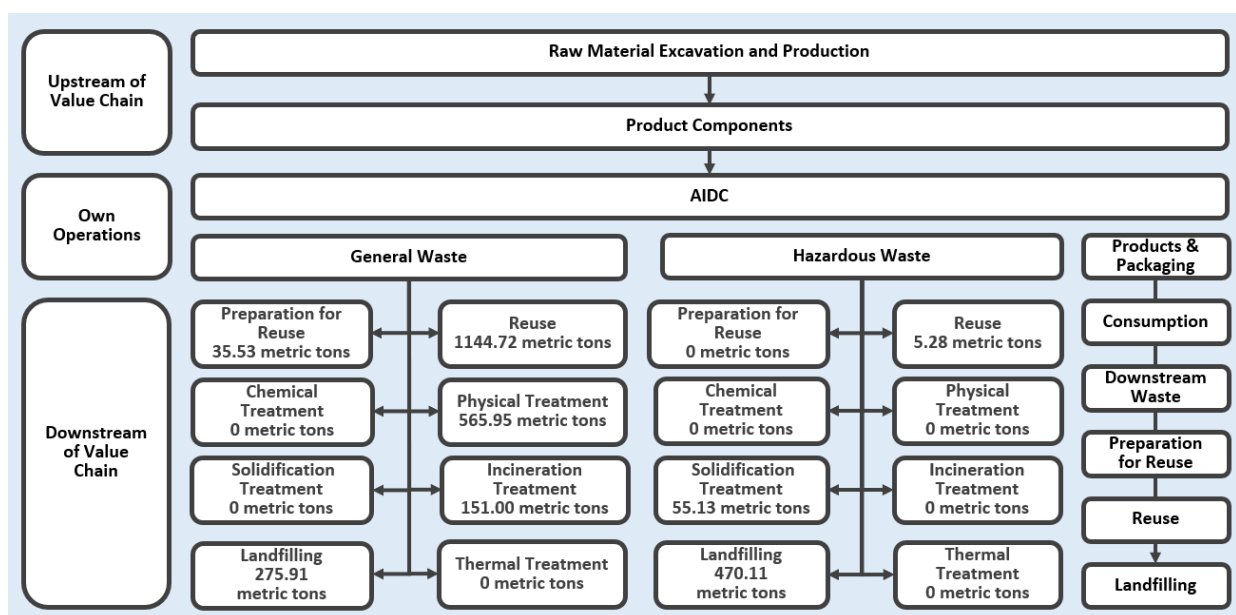
Concerning our finished components and parts sold to customers in the European Union, we need to comply with REACH regulations by testing whether the products contain any substances of very high concern, and to report the test results to the customers to ensure that all products meet basic environmental and safety requirements.

Waste Management

AIDC is committed to environmental protection and to reduce the environmental impact of waste by establishing the internal management documents such as the “Industrial Waste Operational Regulations” and “Industrial Waste Disposal Working Instructions” to comply with the Ministry of Environment’s Waste Disposal Act and Resource Recycling Act. Based on the characteristics of the waste, proper classification and centralized storage in designated temporary storage areas are implemented. Irregular internal environmental audits are conducted to ensure comprehensive waste management, removal, disposal, and reuse for preventing environmental pollution.

AIDC categorizes industrial waste into two types: general industrial waste and hazardous industrial waste. Hazardous industrial waste includes hazardous waste liquids and sludge from manufacturing processes such as metal surface treatment and non-destructive quality inspections. General industrial waste includes industrial waste other than the aforementioned such as scrapped cutting fluids, waste paint, waste resin, waste wood, and waste aluminum. These wastes are classified and stored according to their characteristics and entrusted to certified contractors approved by the Ministry of Environment for appropriate removal, disposal, recycling and reuse. To ensure our industrial waste handled properly, we adopt waste disposal triplicate forms, keep disposal records, and irregular track the waste flow.

Flowchart of Activities with Significant Waste-Related Impacts in 2024



Waste Recycling and Reuse

Regarding the waste recycling and reuse, we collect and dispose resource waste regularly; furthermore, we sell by bidding and entrust outsourcing services for reusing the majority proportion of our industrial wastes, such as waste aluminum, waste iron, and waste wood, to increase the recycling rate of waste, to reduce resource waste, and to implement the spirit of the environmental sustainability.

Unit: Ton

Complex		Taichung and Sha Lu Complex			Kang Shan Complex		
Year		2022	2023	2024	2022	2023	2024
General Industrial Waste	Preparation for Reuse	15.51	18.91	22.78	12.98	9.82	12.75
	Reuse	392.44	494.2	649.64	492.98	405.579	495.08
	Chemical Treatment	0	0	0	0	0	0
	Physical Treatment	34.14	146.35	272.33	288.40	284.473	293.62
	Solidification Treatment	20.35	0	0	0	0	0
	Incineration Treatment	454.5	0	0	131.18	127.29	151.00
	Landfilling	0	245.5126	217.83	55.6	75.83	58.08
	Thermal Treatment	0	0	0	0	0	0
	Total Volume	916.94	904.9726	1162.58	981.14	902.992	1010.53
Hazardous Industrial Waste	Preparation for Reuse	0	0	0	0	0	0
	Reuse	0	22.07	0	6.52	0	5.28
	Chemical Treatment	351.56	0	0	0	0	0
	Physical Treatment	0.4	0	0	0	9.07	0
	Solidification Treatment	47.33	0	34.56	21.62	29.21	20.57
	Incineration Treatment	1.86	0	0	0	0	0
	Landfilling	0	610.9096	470.11	0	0	0
	Thermal Treatment	0	0	0	0	0	0
	Total Volume	401.15	632.9796	504.67	28.14	38.28	25.85
Total Amount of Waste		1318.09	1537.9522	1667.25	1009.29	941.272	1036.38

Ingot Recycling

During the production process of castings, the Kang Shan Complex sends the non-casting body parts back to the original ingot supplier for re-smelting and re-making them into ingots, which will return to the Complex to continue producing more castings for reducing waste output and improving effective recycling.

Green Products and Procurement

Green Products

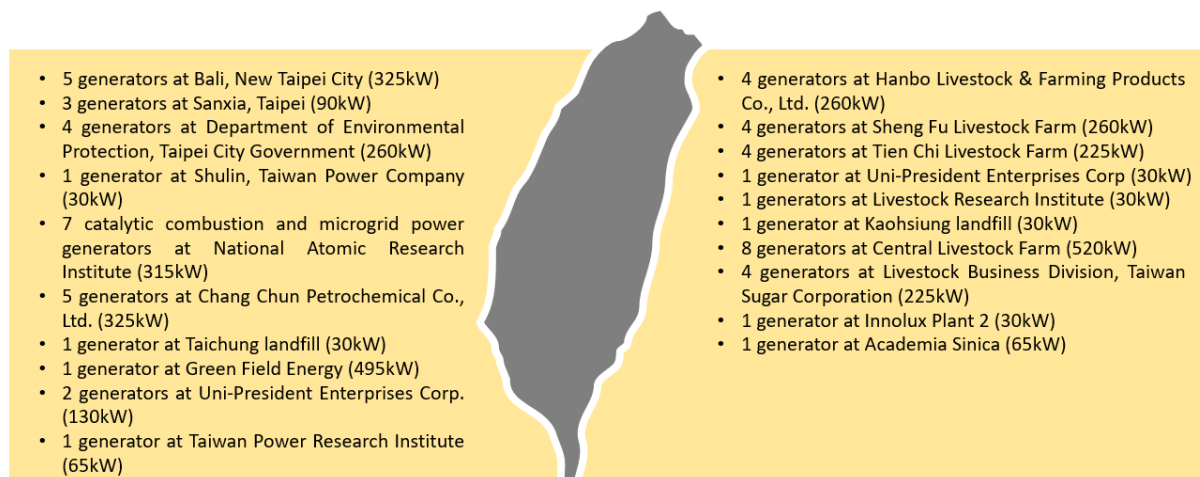
As global warming becomes more and more serious, reducing greenhouse gas emissions has become a mutual goal for the entire world. To reduce greenhouse gas emissions, Taiwan is committed to energy transformation. Renewable energy such as solar and wind power are inherently limited by natural conditions, which has driven the rapid growth in demand for energy storage solutions and fast-response power generation systems. In line with national policies, AIDC adopts its advanced aerospace technologies to expand into the energy business, applying its expertise to biogas power generation, energy storage systems, and gas turbine units.

Biogas Micro Turbine Generator Units

Methane (CH₄) generated from livestock waste in the animal husbandry industry has a global warming potential 23 to 25 times greater than that of carbon dioxide (CO₂). By adopting the expertise in the aerospace industry, AIDC has applied its core technologies of gas turbine units to the field of bioenergy. By converting biogas from landfills, livestock farms, chemical plants, and food processing factories into electricity, this waste gas is transformed into a source of green energy. To date, over 50 generator units have been installed across Taiwan, from north to south. Each unit is capable of generating 400,000 kWh of electricity, contributing a total of approximately 20 million kWh of green electricity per year. In 2022, new installations included two units (130 kW) at Uni-President, one unit (30 kW) at Innolux Corporation Plant 2, one unit (65 kW) at Taiwan Power Research Institute, and one unit (65 kW) at Academia Sinica.

AIDC's biogas power generation units have a total installed capacity of 3,740 kW. Considering biogas production fluctuations and period of maintenance, and assuming a 50% operational rate over 7,000 hours annually, we estimated the annual green electricity generation= $3,740 \times 7,000 \times 50\% = 13,090,000$ kWh. This is estimated to reduce Taiwan's carbon emissions by approximately 71,275 metric tons each year.





Energy Storage System

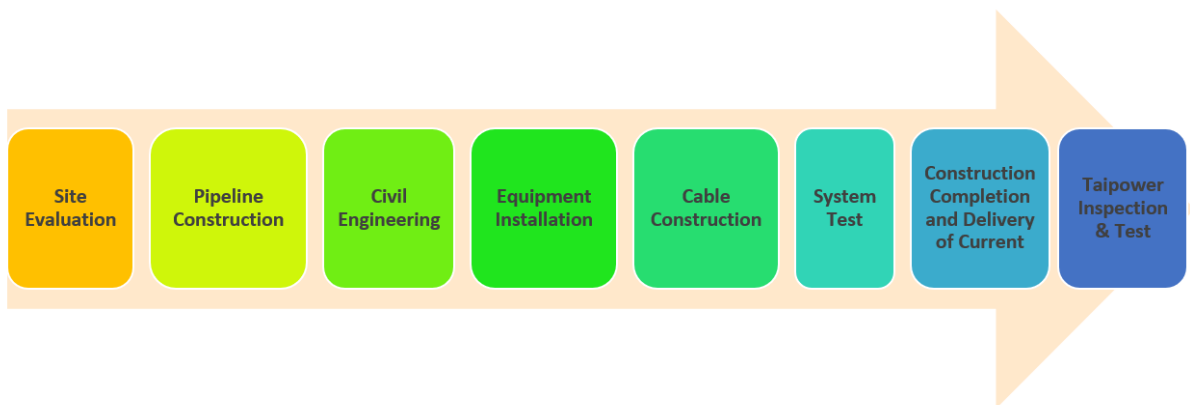
In recent years, the rapid growth of renewable energy has highlighted its intermittent nature, which heavily depends on weather conditions. With abnormal climate changes and natural disasters leading to frequent power outages, energy storage has become widely recognized worldwide as the most effective and economically viable solution to enhance power quality, to ensure a stable electricity supply, and to achieve a low-carbon lifestyle and sustainable development. On the user side, energy storage systems can provide benefits such as uninterruptible power supply, peak shaving and load leveling, reduction of contract demand, and electricity cost savings.

Recognizing the global trend of carbon reduction and energy transformation, AIDC has adopted its aerospace expertise and power plant experience from turnkey projects to participate in infrastructure system planning, design, integration, construction, operations and maintenance. In addition to constructing 3 units of 5MW energy storage demonstration sites for participation in Automatic Frequency Control (AFC) ancillary services, AIDC continues to develop EMS (Energy Management System) capabilities. A 2MW power island (microgrid) demonstration site has been established at the Taichung Complex for verification. This system can be tailor-made to enterprise's needs and used for demand bidding, electricity trading, peak shaving and load leveling, UPS, and more to enhance energy efficiency, to improve grid stability, to reduce electricity costs, and to lower carbon emissions.

AIDC now possesses comprehensive engineering, procurement, and construction capabilities for energy storage systems and has relevant achievement and experience.

Looking ahead, AIDC plans to form alliances with outstanding partners to jointly provide services such as electricity trading platform support, photovoltaic energy storage, power islands (microgrids), and behind-the-meter solutions. This will help us to expand domestic and international energy storage opportunities and to contribute to the stability and safety of power supply within the grid.

Energy Storage System Construction Procedures



Gas-Fired Power Generation

To achieve the long-term plan of net-zero emissions by 2050, countries have expanded the amount of renewable energy installations such as solar energy and wind power generation. Regarding gas-fired power generation, it can be achieved by technologies of hydrogen combustion, carbon capture and carbon sequestration so as to fulfill the ultimate goal of zero carbon emissions. Gas-fired power generation will play an important role in stabilizing the frequency of the power grid and power dispatching because renewable energy is intermittent. In the future, the Taiwan government also plans to increase the proportion of gas-fired power generation to 50% and the proportion of renewable energy to increase 20%.

The aero-derivative fast power generation unit (LM2500 gas turbine) produced by GE can generate electricity quickly and flexibly, and a single unit can generate 30,000 kWh of electricity in 1 hour of operation, which can support the electricity consumption of about 100 households for 1 month. It is suitable for backup power supply during off-peak electricity consumption, and to make up for the gap in renewable energy during peak hours, thereby enhancing the operational flexibility of the power grid. We cooperate with GE to develop gas turbine generator units to seize the huge green energy business opportunities in the future. Currently, we are installing gas turbine generator units at Taiwan Power Company's Tongxiao Power Plant, CPC's Wuci Plant, and Yongan Plant. In the future, we plan to promote more enterprises in the country to replace coal-fired generator units with gas-fired units, and continue to be committed to implement the goal of energy transformation, and to cooperate with various outstanding companies. Through the relevant applications of gas-fired power generation, we can not only effectively solve the power problem, but also make more substantial contributions to the green economy.

Green Procurement

Green procurement refers to the purchase of products that have the least harm to the environment and human health. Based on the mission of sustainable supply chain, AIDC gives priority to purchase products with less impact on the environment, and promotes the production of green products and the use of recyclable, low pollution, and resource saving products. On the one hand, we promote and demonstrate the practices of the green consumption to achieve environmental protection and to educate general consumers. On the other hand, we expand our market for green products and reduce the price of green goods. We fully implement the green procurement policies. For office administrative supplies, stationery, information equipment, and electrical equipment etc., we request the procurement division to purchase products with Eco-Labels as the first choice for supporting and promoting the green procurement and consumption.

Enhancing Green Procurement Awareness and Promoting Environmental Protection Products

Training of Procurement Specialists:

We continue to carry out internal green procurement promotion and training to enhance the awareness of procurement specialists on environmental protection products and understanding the current situation and development of green procurement nationally and internationally.

Green Procurement Principles:

- Procurement should consider the environmental impacts throughout the product's life cycle-from raw material acquisition to post-use disposal.
- Priority should be given to products that have been granted government recognized Eco-Labels, and a price difference of up to 10% may be acceptable for the product performance being equivalent or similar.
- When purchasing products that are subject to domestic energy efficiency regulations, those that meet such standards should be prioritized.
- Collect environmental information about products and suppliers.
- Choose suppliers that are committed to environmental responsibility.

Green Procurement Promotion Directions:

- Strengthen the promotion of sustainable development through green procurement: Drive improvements in social sustainability by purchasing high energy efficiency products.

- Reduce acquisition costs through joint procurement, and consider features such as lower usage and disposal costs, which means the total cost of green products may not necessarily be higher than regular products.
- Gradually promote the green supply chain, while also reinforcing the green thinking within the supply chain.

Effectiveness of Green Procurement Implementation

According to the articles of “Regulations for Priority Procurement of Eco-Products,” environmental protection products are categorized into three types, as described below.

- Category I Products:

Products have obtained permission to use an Eco-Label from the Ministry of Environment of Executive Yuan or have obtained permission to use an Eco-Label from a foreign country that has mutual recognition agreement with this nation.

- Category II Products:

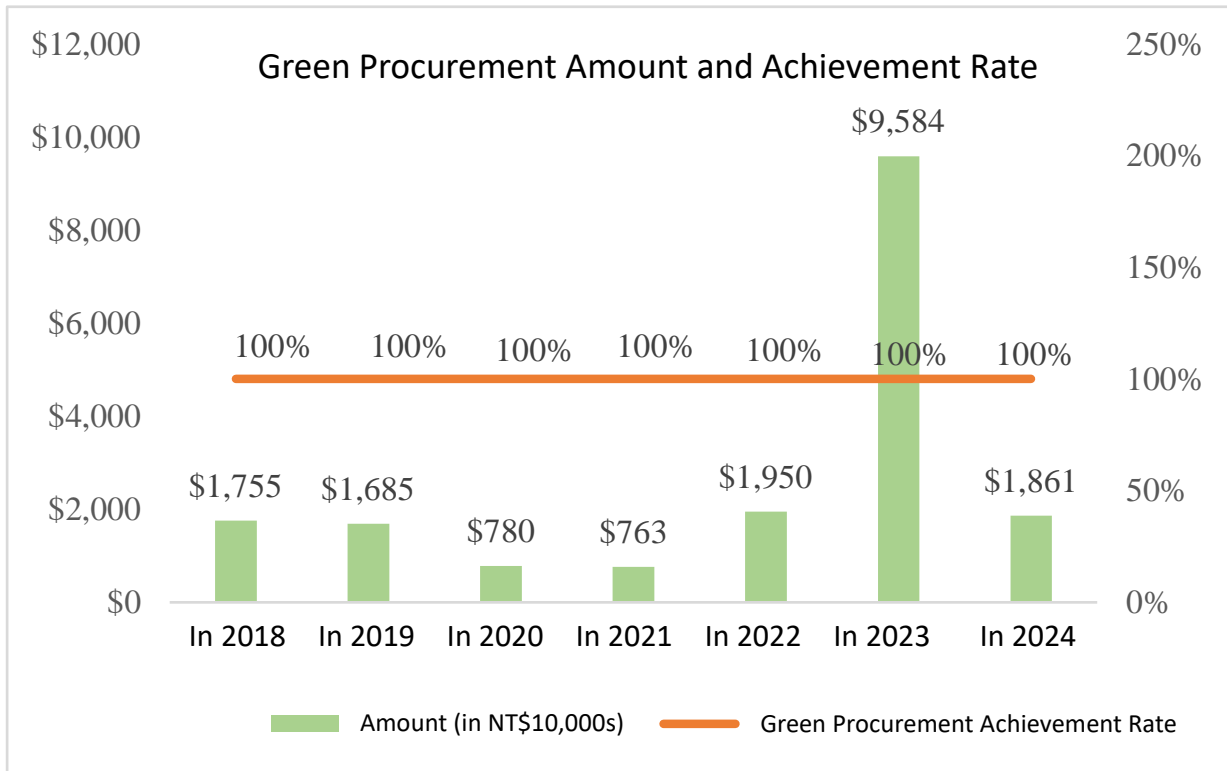
A product that is not one of the Eco-Label products announced by the Ministry of Environment but has been approved by the Ministry of Environment as satisfying the condition such as conforming to recycled material, returnable product, low pollution, or energy conservation requirement, and been issued with a certificate.

- Category III Products:

Products which “increase social benefit or reduce social cost” that have been approved by the competent entity responsible for such products as satisfying the condition and been issued with a certificate. Energy Label products is under this category.

100% Achievement Rate in Green Procurement Targets

We continuously promote the green supply chain and achieved a 100% procurement rate for designated green procurement items by government agencies in 2023. Additionally, the construction and installation of the solar photovoltaic power generation system for self-consumption at the Taichung Complex have a total procurement amount of NT\$95.84 million. In 2024, the total green procurement amount reached NT\$18.61 million, while the procurement achievement rate for green procurement items was maintained at 100%.



Society

Fulfill Social Responsibility

Management of Material Topics

AIDC actively implements sustainable development (ESG) while conducting corporate operations to meet international trends for balanced environment, society and governance development, improves the quality of life for its employees, communities, and the society as a whole, and promotes the sustainable development (ESG) as the basis of its competitive advantages. AIDC values employee rights and interests, and also harmonious relations between employees and management. We are committed to creating a friendly and safe workplace environment, engaging with communities, and caring for society to achieve mutual prosperity and benefits with our stakeholders.

Scope of Material Topics

- Talent Recruitment and Retention
- Occupational Safety and Health

Policies and Commitments

- Article 2 of AIDC's sustainable development (ESG) Practice Guidelines: AIDC actively implements sustainable development (ESG) while conducting corporate operations to meet international trends for balanced environment, society and governance development, improves the quality of life for its employees, communities, and the society as a whole, and promotes the sustainable development (ESG) as the basis of its competitive advantages.
- AIDC's Human Right Policies: Embracing diversity and inclusion, and ensuring equal employment opportunities, providing a safe and healthy working environment, respecting employees' freedom of association, supporting employees' physical and psychological wellness and work-life balance, prohibiting child labor and forced labor.
- Occupational Health and Safety Policy: Through principles of "Risk Management" and "Continuous Improvements", we actively enhance workplaces, manufacturing equipment, processes and procedures to protect the safety and health of our workers and stakeholders.

Impacts

Employees are a vital asset and significantly influence the company's operation and development. AIDC develops a diverse workplace, builds competency models, and provides relevant training programs to enhance employee skills, to invigorate human resources, and to transfer core knowledge.

Actions Taken

- Talent development and knowledge transfer programs
- Employee Assistance System
- Signing collective agreements
- Occupational Health and Safety Management System
- Additional Employee Benefits: Offering health checkups exceeding regulatory standards, employee stock ownership trust, sponsorship for clubs, and family-friendly work arrangements.

Stakeholder Communications and Engagements

- Regular labor-management meetings to ensure smooth communication and harmony.
- Providing Chairman's mailbox and internal/external whistleblower mailboxes, and conducting annual satisfaction surveys.

Talent Recruitment and Retention

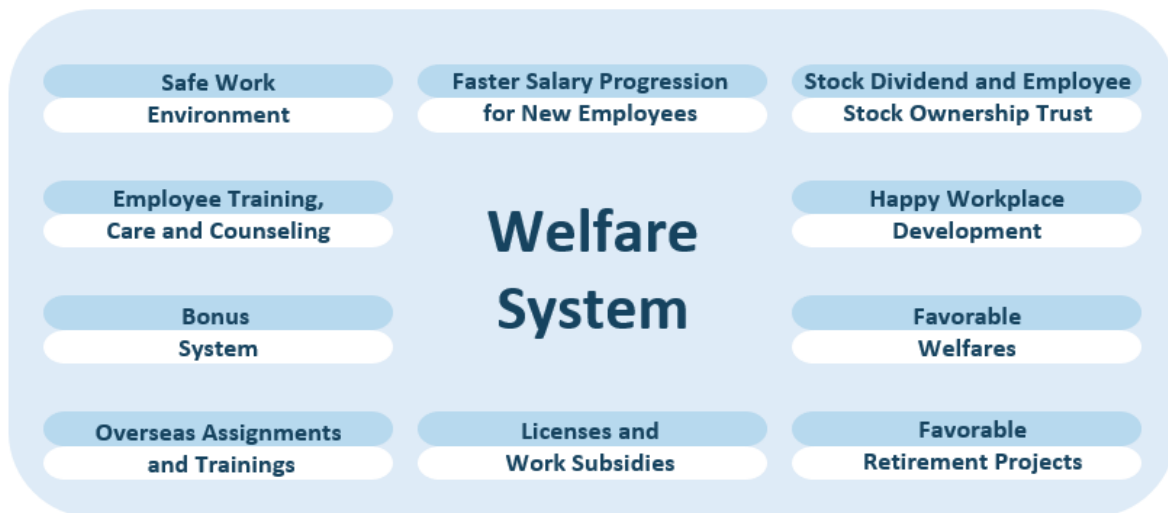
Expanding Recruitment Management to Attract External Talents

AIDC actively adopts various talent recruitment expanding approaches to attract external talents. In 2024, our talent recruitment performance listed below, and we will further enhance the HR management processes via AI systems. The recruitment approaches include cooperation with the vocational training program of the Workforce Development Agency, Region Employment Services Center, TaiwanJobs, 104 Job Bank, and the Aviation Career Development Association.

Talent Recruitment Performance in 2024		
Type	Project	Result
Selection/Test	Graduate Scholarship Selection	3 individuals accepted
	R&D Alternative Military Service	9 individuals accepted
	Personnel Transferred from Dispatched or Contracted Labor Services	130 personnel transferred
	Personnel Transferred from Technical Interns	93 personnel transferred
Recruitment Selection	Industry-Academia Program Students	Recruiting students from China University of Science and Technology, Vanung University, Cheng Shiu University, and other universities.

Enhanced Welfare system to Retain Employees

AIDC continues to enhance its welfare system to strengthen employees' sense of belonging and cohesion. For example, offering salaries and leave policies exceeding regulations of the Labor Standards Act, annual health checkups for all employees, generous bonuses and employee remuneration incentives, leave without pay application during military service for technical trainees, overseas assignment opportunities in Europe and the United States, education and training programs, employee care and counseling, various favorable insurance and subsidy program, establishment of an independent employee committee, planning of employees' recreational and wellness activities, diverse club programs, and the development of a safe and comfortable working environment, enabling employees to enjoy their work with happiness in it.



Employee Hiring

Overview of Employment

AIDC adopts an open recruitment process for employee hiring and Educational requirements depend on job category and specialty, with the minimum qualification being graduation from a domestic or overseas senior high school (vocational or academic) recognized by the Ministry of Education. We do not employ child labor below the legal minimum age. All job categories are open to all genders without restriction. However, in order to provide employment opportunities for disadvantaged groups, additional points are given during recruitment exams to the candidates with disabilities and indigenous status. We are committed to implementing gender equality, and salaries, performance evaluations, and promotion opportunities are not affected by genders.

Distribution of Employee Employment Type							
Type	Gender	Taichung Complex		Kang Shan Complex		Total	
		2023	2024	2023	2024	2023	2024
Regular Employees (Non-Fixed Term)	Male	2,967	2,829	1,118	1,149	4,085	3,978
	Female	1,023	976	223	231	1,246	1,207
	Subtotal	3,990	3,805	1,341	1,380	5,331	5,185
Regular Employees (Fixed Term)	Male	84	26	62	42	146	68
	Female	7	0	4	3	11	3
	Subtotal	91	26	66	45	157	71
Non-Regular Employees (Dispatched)	Male	868	771	173	167	1,041	938
	Female	190	177	39	50	229	227
	Subtotal	1,058	948	212	217	1,270	1,165
Total of All Employees	Male	3,919	3,626	1,353	1,358	5,272	4,984
	Female	1,220	1,153	266	284	1,486	1,437
	Subtotal	5,139	4,779	1,619	1,642	6,758	6,421

Note 1: Date Dates: 2023 as of 2023/12/31; 2024 as of 2024/12/31.

Note 2: Regular employees (fixed-term) includes employees via fixed-term contracts, industry-academia program students (technical interns), and R&D alternative military service personnel.

Employee Composition Structure								
Complex	Item		Management Personnel			Professional Personnel	Entry-Level Personnel	Total
			Entry-Level	Mid-Level	Senior-Level			
Taichung Complex	Age 30 and Under	Male	1	1	0	57	240	299
		Female	0	0	0	21	22	43
	30-50 Years Old	Male	54	23	3	439	917	1436
		Female	15	13	0	203	235	466
	Age 50 and Above	Male	31	60	50	335	644	1120
		Female	12	17	8	158	272	467
	Sum of Employees		113	114	61	1,213	2,330	3,831
	Ratio %		2.95%	2.98%	1.59%	31.66%	60.82%	100.00%
Kang Shan Complex	Age 30 and Under	Male	0	0	0	27	198	225
		Female	0	0	0	10	13	23
	30-50 Years Old	Male	27	10	1	104	543	685
		Female	7	2		59	52	120
	Age 50 and Above	Male	7	11	5	49	209	281
		Female	5	8		19	59	91
	Sum of Employees		46	31	6	268	1,074	1,425
	Ratio %		3.23%	2.18%	0.42%	18.81%	75.37%	100.00%

Note 1: Percentage=Number of regular employees in each job category at each Complex/Total number of regular employees at each Complex.

Note 2: Entry-Level Supervisors: Company level-3 supervisors (Job Title: Manager)

Mid-Level Supervisors: Company level-2 supervisors (Job Titles: Section Chief/Deputy Section Chief, Plant Manager/Deputy Plant Manager)

Senior-Level: Company level-1 and above supervisors (Job Titles: Director/Deputy Director, Chief Auditor, etc.)

Nots 3: Data as of December 31, 2024

Number of New Employee					
Age Group	Gender	Taichung Complex		Kang Shan Complex	
		Number of Employee	Ratio	Number of Employee	Ratio
Age 30 and Under	Male	57	19.1%	42	18.7%
	Female	9	20.9%	6	26.1%
	Subtotal	66	19.3%	48	19.4%
30-50 Years Old	Male	48	3.3%	31	4.5%
	Female	10	2.1%	8	6.7%
	Subtotal	58	3.0%	39	4.8%
Age 50 and Above	Male	3	0.3%	1	0.4%
	Female	0	0.0%	1	1.1%
	Subtotal	3	0.2%	2	0.5%
Total		127	3.3%	89	6.2%

Note: Ratio=Number of new employees of the same gender and age group at each Complex/Total number of regular employees of the same gender and age group at each Complex.

From our low employee turnovers, it indicates that the majority of employees has a strong identification with the company.

Number of Employee Turnover					
Age Group	Gender	Taichung Complex		Kang Shan Complex	
		Number of Employee	Ratio	Number of Employee	Ratio
Age 30 and Under	Male	50	16.7%	19	8.4%
	Female	10	23.3%	3	13.0%
	Subtotal	60	17.5%	22	8.9%
30-50 Years Old	Male	30	2.1%	8	1.2%
	Female	12	2.6%	1	0.8%
	Subtotal	42	2.2%	9	1.1%
Age 50 and Above	Male	222	19.8%	38	13.5%
	Female	51	10.9%	4	4.4%
	Subtotal	273	17.2%	42	11.3%
Total		375	9.8%	73	5.1%

Note 1: Ratio=Number of resigned employees of the same gender and age group at each Complex/Total number of regular employees of the same gender and age group at each Complex.

Note 2: Data as of December 31, 2024

Employment of People with Disabilities and Indigenous People

AIDC aims to comply with the “People with Disabilities Rights Protection Act” and the “Indigenous Peoples Employment Rights Protection Act” and to ensure equal employment opportunities for disadvantaged and underrepresented groups. In 2024, we employed 101 persons with disabilities, exceeding the legally required quota. We also employed 47 indigenous persons, where the shortfall in meeting the required quota, compensation payments were made in accordance with regulations.

Employment of People with Disabilities and Indigenous People		
Category	Required Employed Number	Actual Employed Number
People with Disabilities	52	101
Indigenous People	52	47

Note: Each severely disabled employee hired is counted as two persons.

Salary Information for Full-Time Non-Supervisory Employees

The average and median salary of full-time employees not in supervisory positions, along with changes compared to the previous year, are disclosed on the Market Observation Post System. Please refer to the official site below.

<https://mopsov.twse.com.tw/mops/web/t100sb15>

Non-Employee Workers

The most common types of non-employee workers at AIDC are dispatched workers, outsourced cleaning staff, and security personnel. In 2024, the total number of non-employee workers was 1,296 (including: 1,165 dispatched workers, 71 cleaning staff, and 60 security personnel).

Note: All figures are based on data as of the end of December 2024.

Talent Training and Development

Since 2015, AIDC has adopted the “Talent Quality-Management System (TTQS)” promoted by the Ministry of Labor as our guideline for talent development management. In recent evaluation, AIDC received the TTQS “Gold Medal of Enterprise Version”, with the valid certificate until December 19, 2025.

Accordingly, AIDC has adopted competency development as a fundamental framework for overall talent cultivation and development. We have completed the construction of competency models for core, managerial, and general competencies across the entire organization. Based on these established competencies, we promote talent development in alignment with the company’s growth, continuously monitoring trends in R&D and strategic direction to adjust training strategies accordingly. We are also gradually enhancing our competency management mechanism to manage human resources big data and to expand the application of competencies in talent selection, utilization, and retention.

Employee Training and Talent Cultivation

In addition to promoting training based on competency development, our training efforts are primarily focused on meeting the overall strategy and business objectives. These include courses in general knowledge, occupational safety and health, audit certification, production & manufacturing, product maintenance & repair, material management, quality management, R&D engineering, information software, aviation safety, finance and accounting, and business management and trade. These are designed to ensure that relevant supervisors and employees possess the necessary job-related knowledge and skills. In 2024, a total of 3,842 training courses were conducted (3,463 internal courses, 379 external courses), with a total of 75,933 employee attendees (74,568 internal attendees, 1,365 external attendees). The total training hours amounted to 316,650 hours (296,016 internal hours, 20,634 external hours). In addition, we encourage diverse learning channels and offered 456 digital learning courses, with 81,425 employee attendees and a total of 73,791 learning hours. Overall, 4,298 courses were held, with 157,358 total attendees and 390,441 cumulative hours of training (including all classes held in 2024, not deducting resigned or retired employees).

Furthermore, based on job category and gender, the average training hours per employee are shown below.

The Overall Employee Training Hours										
Category		Male			Female			Total		
		Training Hour (A)	Number of Employee (B)	Average Hour/Employee (A/B)	Training Hour (A)	Number of Employee (B)	Average Hour/Employee (A/B)	Training Hour (A)	Number of Employee (B)	Average Hour/Employee (A/B)
Direct Labor		263,815	3,945	66.87	55,058	868	63.43	318,873	4,813	66.25
Indirect Labor	Supervisory Staff	11,238	309	36.37	3,704	89	41.61	14,942	398	37.54
	Professional Staff	33,243	730	45.54	16,552	480	34.48	49,795	1,210	41.15
Subtotal		308,296	4,984	61.86	75,314	1,437	52.41	383,609	6,421	59.74

Note 1: Employee count and training hours are based on regular and non-regular employees still employed as of December 31, 2024.

Note 2: Employees who resigned or retired during 2024 are excluded from the statistics.

Industry-Academia Collaboration

AIDC has been long and deeply engaged in the aerospace industry, possessing a strong foundation and advanced R&D capabilities. To integrate vocational education with the aerospace industries and cultivate outstanding aerospace talents, AIDC has developed strategic alliances with numerous educational institutions, and jointly design curricula, provide teaching resources, and offer internship opportunities, working hand in hand to nurture future elites in the field of aviation.

Strategic Alliance: AIDC has currently signed strategic alliance agreements with 28 domestic universities and colleges.

List of Partner Institutions in Strategic Alliance				
University and Institution	University		Technical and Vocational Institution	
Names of Universities and Institutions	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
			Chaoyang University of Technology	Cheng Shiu University
			Taipei City University of Science and Technology	Kun Shan University
Total	12		16	

Winter and Summer Internship Programs

Targeted at undergraduate students from first to fourth year, these internships are conducted during the winter and summer breaks, typically lasting 1 to 2 months.

2024 Partner Institutions: National Tsing Hua University, China Medical University,

Chung Shan Medical University, National Taichung University of Education, Tunghai University, Feng Chia University and Providence University.

Long-Term Internship Programs

Internship programs are designed based on different fields of study and academic levels and include coursework-based training, hands-on machine operation, and mentorship to help students become familiar with and competent in their roles.

2024 Partner Institutions: China University of Science and Technology, Cheng Shiu University and Vanung University.

Master and Doctoral Scholarship Programs

The scholarship programs are offered to students who have been admitted to or are currently enrolled in master or doctoral programs.

In 2024, 3 students were awarded scholarships. Since 2014, a total of 4 doctoral and 37 master students have been awarded scholarships, amounting to NT\$11.73 million in total funding.

Happy Workplaces

Harmonious Labor-Management Relations

AIDC fully complies with Article 83 of the Labor Standards Act and the Regulations for Implementing labor-management meeting, and holds labor-management meetings once every three months to discuss labor-related issues. In 2024, a total of 12 meetings (4 meetings each at the Shuinan, Sha Lu, and Kang Shan Complexes) were held. Additionally, 2 forums were conducted with the labor union and employees to implement effective labor-management communications. As of 2024, approximately 81.24% of all employees are union members, representing a 2.03% increase compared to the previous year. AIDC and the corporate union have signed a collective agreement in accordance with labor laws to protect the rights of union members and to monitor the implementation of the collective agreement regularly. Those non-union employees are protected under the Labor Standards Act and other relevant labor laws and regulations.

The company was privatized in 2014, transitioning from a government-owned enterprise under the Ministry of Economic Affairs to a private company. Following privatization, the first collective agreement was concluded after 13 months and 28 rounds of negotiations, and was officially signed on August 21, 2014, the day of privatization. The second collective agreement was signed on May 22, 2018, after 8 months and 13 rounds of negotiations. The third agreement was concluded on December 4, 2023, following 15 months and 8 rounds of negotiations. In addition, the Sha Lu Complex Union was reactivated on April 9, 2024. Based on the third collective agreement, 1 negotiation was held on June 26, 2024, and the agreement was officially signed on August 13, 2024.

The current (third) collective agreement has benefits exceeding the regulations of the Labor Standards Act, such as the union members applying for special sick leave entitled to 50% of their salary for the first 6 months, and 25% of their salary for the following 6 months, with a minimum payment of NT\$15,000; on national holidays, in addition to regular wages, union members entitled to 1.6 days of overtime pay; for union members joined as of August 20, 2024 and their contracts terminated under Article 11 situations of the Labor Standards Act, requiring a 1 month notice given along with additional 1 month of severance pay (salary);

annual scholarships and financial aid provided for children of union members; accident insurance coverage for union members no less than NT\$4 million; for union members under the new labor pension fund, employed prior to August 21, 2014, the employer's contribution rate adjusted to 9%; established an Employee Stock Ownership Trust Committee; female union members entitled to 8 days of paid prenatal checkup leave.

Employee Rights and Benefits

AIDC continues to fully comply with the Labor Standards Act, the Employment Services Act, the Gender Equality in Employment Act, and other relevant laws and regulations. We care employee training, protect both physical and psychological wellness of employees and their families, and promote gender equality. The “Sexual Harassment Complaints Committee” has been established, chaired by the Director of the Ethics & Security Division, to develop a workplace environment of substantive equality on the basis of human rights and gender equity. In addition to all legally mandated benefits for fixed-term employees, we also offer certain welfares exceeding the statutory requirements.

AIDC Human Rights Policy

AIDC abides by labor laws and related regulations to protect employee 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,” “International Labor Organization Declaration on Fundamental Principles and Rights at Work,” and other international human rights covenants to treat and respect our employees with dignity. In 2024, AIDC conducted a series of human rights training programs, covering topics such as “Understanding and Preventing Workplace Misconduct,” “Developing Diversity and Gender Equality in the Workplace,” “Preventing Workplace Misconduct (including Sexual Harassment),”



AIDC Human Rights Policy

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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.

Chairman Hu, Kai-Hung

“Sexual Harassment Awareness for All Staff (including Board Members), “Workplace Misconduct and the Gender Equality in Employment Act,” and other relevant programs. A total of 8,350 participants completed these training programs.

Additionally, our Employee Welfare Committee, dedicated to supporting employee wellness, actively organizes a wide range of activities such as recreational and cultural trips, skill competitions, sports tournaments, lectures, and wellness events to help employees maintain work-life balance. Additional welfares include group insurance plans, retirement gifts, birthday and holiday gift vouchers, various subsidies for clubs, marriage, child-rearing, funerals, life and accident insurance, and disaster relief, on-site facilities such as cafeterias, employee stores, and partner merchant discounts, and other employee perks.

Freedom of Association

AIDC encourages employees to organize and participate in club activities. The Employee Welfare Committee has established club management and subsidy regulations to support club activities. As of now, there are 52 active employee clubs across Taichung and Kang Shan Complexes.

Family-Friendly Workplaces

To support employees in balancing work and family responsibility, AIDC complies with national policies and provides a family-friendly working environment through measures such as breastfeeding rooms, family care leaves, maternity checkup leaves and maternity leaves for female employees, paternity checkup leaves and paternity leaves for male employees, childbirth allowances and unpaid parental leaves without pay. In addition, we carry out pregnancy and postpartum support programs for female employees. According to the Welfare Committee’s “Regulations of Emergency Relief and Family Subsidies,” our employees may apply for “wedding subsidies”, “childbirth subsidies,” and “childcare subsidies,” with equal access regardless of gender or job position.

Parental Leave

AIDC employees who have served for at least 6 months are eligible to apply for unpaid parental leave until their child reaches the age of 3. The maximum duration of leave is 2 years per child. If an employee is raising two children under the age of 3, both parents may take parental leaves simultaneously (twins/multiples are allowed). Employees who apply for reinstatement before the end of the leave period will be supported by the company to return to their original department and position.

In 2024, 50 parental leave applications were submitted, with 47 expected to return and 34 actually returning to work, resulting in a return-to-work rate of 72.3%. In 2023, 38 employees returned from parental leave, and 36 remained employed for at least one year, representing a retention rate of 94.7%.

Item	Male	Female	Total
Number of employees eligible for parental leave in 2024 (A) *	315	87	402
Number of actual parental leave applicants in 2024 (B)	22	28	50
Parental leave application rate in 2024	7.0%	32%	12.4%
Number of employees expected to return from leave in 2024 (C)	25	22	47
Number of employees actually returned in 2024 (D)	15	19	34
Return-to-work rate (D/C)	60.0%	86%	72.3%
Number of returned employees from parental leave in 2023 (E)	21	17	38
Number of returned employees remaining employed for one year in 2023 (F)	19	17	36
Retention rate after returned in 2023 (F/E)	90.5%	100%	94.7%

Note 1: Number of employees who applied for maternity or paternity leave between 2022 and 2024.

Note 2: Each parent may apply for unpaid parental leave before their child reaches the age of 3.

Employee Insurance

All employees are insured in labor insurance, national health insurance, and are additionally insured in group accident insurance. Furthermore, the Employee Welfare Committee assists our employees in matters of group accident insurance, life insurance, medical insurance, and cancer insurance so as to meet their needs. They also can feel comfortable with peace of mind during their sick leave.

Labor Pension Fund

- Old Pension System: In accordance with the Labor Standards Act and actuarial reports, AIDC contributes 2% to 15% of employees' monthly salary to the pension fund.
- New Pension System: According to the Labor Pension Act, AIDC contributes 6% (for union members, employed before August 21, 2014 under the collective agreement, the monthly contribution rate is 9%) of monthly salary to individual pension accounts managed by the Bureau of Labor Insurance.

The current ratio of eligible employees under the new and old labor pension systems is 2.33:1. Contributions for both the new labor pension and the old labor reserve fund are fully funded.

Survivor's Compensation

In the event of an employee's death, survivor's compensation is granted in accordance with AIDC's regulations.

Bonus Payments

Performance-based bonuses include assessment bonuses and performance bonuses. The assessment bonus is capped at a maximum of 2.4 months' salary and includes year-end, annual assessment, and perfect attendance bonuses. The performance bonus can only be issued if there is a confirmed profit after the fiscal year accounting has been finalized.

Labor Protection

AIDC complies with international labor organization conventions and strictly prohibits any form of forced or compulsory labor. Employees working overtime due to job demands are eligible for overtime compensation in accordance with internal policies. Additionally, we fully comply with the Labor Standards Act and other labor laws and regulations to protect employees' labor rights, and has no record of unpaid leave situation.

Employee Stock Ownership Trust

Following privatization, AIDC established an Employee Stock Ownership Trust to support employees and maintain operational stability. Considering the company's operational environment and financial capacity, the employee stock ownership trust program will continue to proceed. Employees may voluntarily enroll and

determine their own contribution amounts, while the company will provide matching contributions based on a fixed ratio of each member's voluntary contribution.

Continuing Education Subsidy

To enhance corporate competitiveness and respond to the industry trends, AIDC continues to invest in talent development and is flexibly adjusted the training budgets based on employee learning needs to provide sufficient development resources. We encourage diverse learning for improving skills, languages and professional works, and accepts annual education subsidy applications for off-duty learning, professional certifications and language proficiency accreditations. In 2024, a total of 117 applications for education subsidies were approved to support our employees in diverse vocational competencies.

AIDC not only supports training plans for business goals but also rewards employees who pursue advanced certifications, recognizing their commitment to professional growth. Through diversified training resources, we can enhance our employees' skills and technical innovation, as well as provide outstanding services to our customers.

Looking ahead, AIDC will continuously respond to employee development needs, optimize training systems, and support both individual career growth and organizational capabilities so as to create greater value for the company and to implement sustainable development.

Company Activities

In 2024, AIDC organized various activities and distributed gifts for all employees, such as family day, outdoor events, the Mid-Autumn Festival celebration, and themed seminars, festival gifts and movie tickets to express the gratitude for employees' efforts and to enhance organizational solidarity.

Employee Assistance Service Center

AIDC prioritizes employees' physical and psychological health through our policies of "Protecting Employees' Health, Enriching Their Career Life". We continuously develop diverse psychological health alert and management programs according to the company operations, to aim for early detection, management, and support, and to assist with parallel care plans for helping employees return to work effectively, to enhance our operational performance. We established the Employee Assistance Service Center with professionals who oversee the employee assistance system and build a caring network. Through comprehensive Employee Assistance Programs (EAPs), we've implemented psychological counseling protocols, care systems, and volunteer service regulations to fully promote employee psychological wellness.

Implementation of Employee Assistance System

Objective: Integrate internal and external resources to support AIDC employees in areas such as work, health, emotions, and stress.

Content and Performance of Employee Assistance System (EAS)

■ Employee Assistance Program knowledge & Psychological Health Promotion

Irregularly promote information on personal development courses/activities, psychological wellness, health care, volunteer services, gender mainstreaming, and public welfare activities through the company's internal Notes system under the EAS section. In 2024, 481 information shared and 166 employee assistance program knowledge training courses organized with a total of 2,274 participants.

■ Implementation and operation of the employee support system

Our volunteer team has established internally with trained caring volunteers to assist in the implementation of the Employee Assistance Program. The team serves as a bridge between frontline employees and its management, promotes various "personalized employee assistance project" and "group-based employee assistance project" for their physical and psychological wellness. These volunteers provide caring and support to employees and their

families for their overall wellness, reducing employee absenteeism and unauthorized leaves, enhancing physical and psychological health and reducing unsafe behaviors, and preventing human errors. These efforts help to lower the risks and costs associated with health hazards, and to improve psychological wellness and workplace safety. Such internal caring allows employees to genuinely feel our commitment to their wellness.

In 2024, a total of 675 employee caring participations were recorded. The caring volunteers provided 1,962 service hours, and helped 11,682 service receivers. These volunteers accomplish effective identifying (reporting), accompanying (caring), and referral (support). Their caring and support services described below.

1. Individual employee (Including new employees) caring and referrals to the employee assistance department, other responsible professionals, and external support systems as needed.
2. Proactive reporting and caring for the employees who suffer from hospitalizations, bereavements, and other incidents or emergencies.
3. Promotions of physical health and employee assistance information.
4. Identifying the employee's need for group counseling, and proactively facilitate and assist in the group counseling within the organization.
5. Sending birthday wishes actively and caring provided by the responsible volunteers on the employee's birthday.
6. Assisting and supporting AIDC's large events or charity activities.
7. Other employee assistance services as needed.

New Employee Caring and Support Program

Department-based caring volunteers are responsible to mentor and to care new employees in their departments respectively. For those new employees encountering adjustment problems in their workplaces, the responsible volunteers assist and referred them to the Employee Assistance Service Center for necessary professional counseling and assistance so as to further help the new employees feeling our thoughtful care and recognition, developing a sense of belonging and enabling them to adapt more quickly to the work environment and their work. In 2024, the education and training center conducted 35 general orientation courses for 87 new employees, with a total

of 656.5 hours (including dispatched or contracted personnel, excluding professional job training courses).

■ **Psychological Consultation Programs**

The programs offer confidential and individual psychological consultation to help our employees handling with their worries or problems related to management effectiveness, work environment, mental/psychological health, legal issues, financial concerns, family relations, child education, career development, and interpersonal relationships; therefore, the employees can feel at ease and stay focused at work, to further enhance their work efficiency and quality.

■ **Injury or Illness Caring and Support Programs**

The programs include visiting the injured or hospitalized employees at hospitals or their homes to convey the management's or supervisor's greetings, to understand their health, recovering and nursing situations, their family needs, and to ensure their entitled welfare, benefits and rights not being overlooked.

■ **Serious Injury or Illness Group Support Programs**

Purpose: The programs are provided to achieve emotional release and mutual support through colleagues' encouragement and caring, to ease uncomfortable and anxious illness and treatments to the injured or hospitalized employees, and to strengthen their psychological adaptability, positive views on life so they can have fulfilling and meaningful life.

Goal : Through participation in support groups, the employees receive emotional support to help them facing the challenges of the cancer and its treatment, while actively seeking life goals and discovering the meaning and value of self-existence.

Result : In 2024, under the systematic guidance of professional instructors, a total of 22 group sessions were held at the Taichung and Kang Shan Complexes.

■ **Retirement Caring Service Programs for Age-Based and Project-Based Retirees**

- Age-Based Retiree Consultations: To understand employees' retirement readiness and needs, we provide career development counseling services, and offer volunteer opportunities to enrich the quality of post-retirement life.
- Retirement Life Planning Education: Providing courses on retirement entitlements and caregiving knowledge.
- Farewell Tea Parties for Retiring Employees: A quarterly farewell tea party hosted by the President to express gratitude to retiring employees, and to listen to their feedbacks.
- Post-Retirement Caring: A year-end greeting card signed by senior management is mailed the year following retirement, to express continued care.

Occupational Safety and Health

Safe and Healthy Working Environment

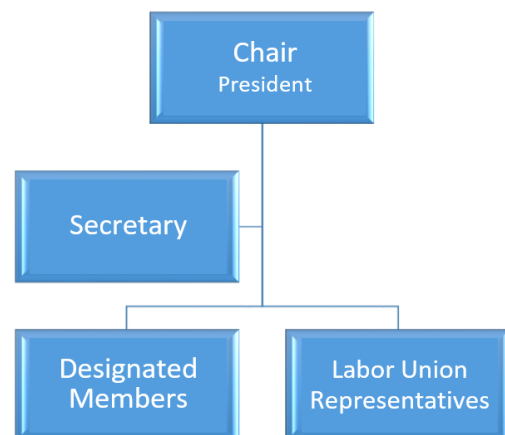
Employees are our greatest asset. AIDC cares about the health of its employees and continuously develops a healthy, safe, hygienic and comfortable working environment, so that every employee can work comfortably in the company and create a better future together.

Occupational Safety and Health Committee

In accordance with the Occupational Safety and Health Act and the Occupational Safety and Health Management Regulations, we have established the Occupational Safety and Health Committee. The President serves as the chair of the Committee and the Senior Vice President, who supervises the occupational safety and health division, serves as the deputy chair. The committee's secretary is concurrently served by the supervisor of the occupational safety and health division. The President designates managers or personnel of relevant divisions as committee members as needed. The committee members also include labor union representatives, recommended by the corporate union. The organization chart of AIDC's Occupational Safety and Health Committee is shown below.

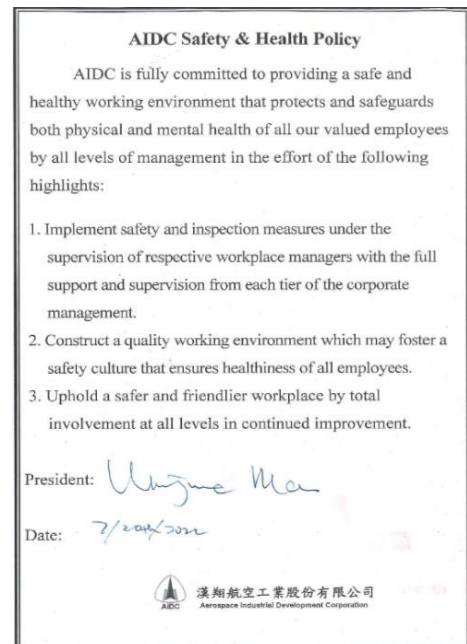
The Occupational Safety and Health Committee convenes once per quarter. Its responsibility includes proposing recommendations for safety and health policies and reviewing and coordinating matters related to safety and health. In 2025, the 15th Occupational Safety and Health Committee consists of 26 members. Its term is from January 1, 2025, to

December 31, 2026. Among them, there are 13 management representatives and 13 labor representatives (including 6 labor representatives from Taichung Complex, 3 from Sha Lu Complex, and 4 from Kang Shan Complex), with labor representation accounting for 50%.



Operations of Occupational Safety and Health Management System

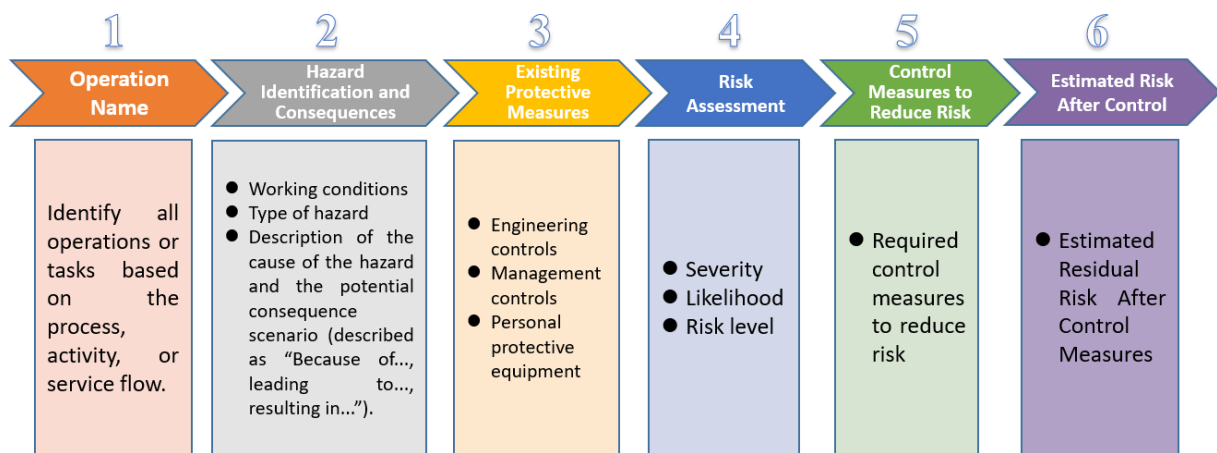
All AIDC Complexes have passed ISO 45001 Occupational Safety and Health Management System certification. Both internal and external audits cover all company Complexes. The scope of the management system includes all 5,189 employees and 820 non-employee workers. Through “risk management” and “continuous improvement,” occupational injuries are reduced. In addition, activities such as occupational safety and health promotion, education and training, and emergency response drills are conducted to establish correct safety and health concepts and knowledge for all workers, reduce operational risks for employees, implement environmental safety and health management, and create high-quality workplaces.



To promote the physical and mental wellness of employees, AIDC implements labor health protection programs such as maternity protection in the workplace, excessive workload management, prevention of unlawful physical and mental harm, and human-related hazards. Each program is carried out in accordance with relevant guidelines issued by government authority, including hazard identification, assessment, and control.

Hazard Identification, Risk Assessment, and Incident Investigation

AIDC has established, implemented, and maintained the occupational Safety and health management system to identify hazards in the working environment or operational activities, to assess occupational safety and health risks, in order to determine the degree of impact on our employees. At the same time, the system assists in eliminating the hazards or reducing the occupational safety and health risks, and enhancing the occupational safety and health opportunities for its performance so as to protect employee safety and health and to prevent occupational accidents and diseases.



Risk assessments are carried out or revised according to the timing defined in the safety and health risk assessment procedures. The criteria for determination are based on the risk level in the assessment results to decide how to address the "risk" or the "opportunity." According to the risk rating table, the severity and likelihood of hazard incidents are combined (risk matrix) and classified as 5-Critical Risk, 4-High Risk, 3-Medium Risk, 2-Low Risk, and 1-Minor Risk. After risk control measures are defined, actions such as elimination, substitution, engineering controls, and work reorganization are taken accordingly. Relevant personnel are assigned to plan and to implement improvements and to regularly monitor their implementation status.

Occupational Safety and Health Education and Training

To ensure that our employees are familiar with occupational safety and health laws and regulations, and our safety and health management mechanisms, AIDC regularly provides safety and health training courses. In 2024, a total of 195 safety

and health training classes were held, with a total of 5,015 participants. Details are show below.

2024 Safety and Health Personnel Training Statistics					
Course Name	Number of Class	Number of People	Course Name	Number of Class	Number of People
General Safety & Health Education and Training for New Employees	56	312	Forklift Operator Training	6	29
Safety & Health Education and Training for Supervisors	5	10	Aerial Work Platform Operator Training	1	12
Hazardous Work Education and Training for Supervisors	23	190	Safety & Health Training for Dangerous Goods Transportation and Handling	1	51
Health Promotion Activities: Lectures	27	862	High-Pressure Gas Special Equipment Operator Training	3	17
Construction Work Safety & Health Education and Training for Supervisors	4	4	General Hazard Awareness Education and Training	16	1,825
Acetylene Work Operator Training	2	4	Fixed Crane Operation Training (Over 3 Tons)	5	164
High Pressure Gas Supply and Use Training for Supervisors	2	3	Safety & Health Promotions, Briefings or Lectures	26	919
Crane Operation Safety and Health Training for Operators	5	197	ISO 45001 Standards Training	3	94
Mobile Crane Operation Training (Over 3 Tons)	1	2	Construction Work Education and Training for Supervisors	1	2
Labor Law Workshop: Workplace Misconduct Lectures	3	200	Fixed Crane Operation Training (Under 3 Tons)	4	96
Level A Occupational Safety and Health Training for Supervisors	2	24			

On-Site Management

Equipment Safety Management

In 2024, regular inspections of various dangerous machinery and equipment were completed to ensure the safety of both machinery and personnel. These included 31 units of fixed cranes over 3 tons, 18 units of high-pressure gas special equipment and 1 unit of a small boiler.

Emergency Response Drills

In-House Firefighting Group Training: Conducted at Taichung, Sha Lu, and Kang Shan Complexes, 6 sessions held with approximately 1,006 participants.

Emergency Response Drills: A total of 56 firefighting emergency response drills conducted, with 695 participants in total.

Workplace Environment Control

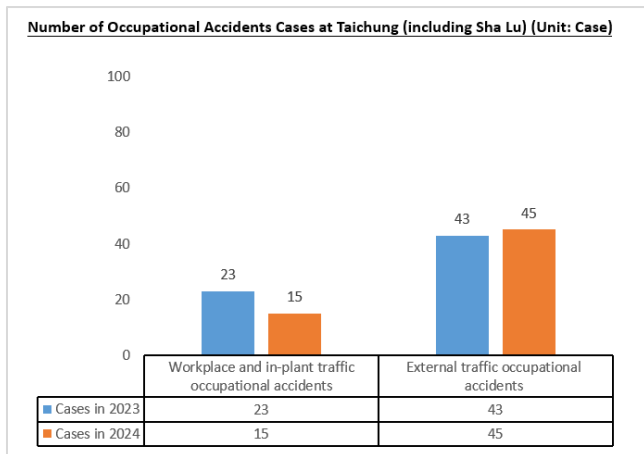
For work environments involving dust, noise, carbon dioxide, organic solvents, designated chemical substances, and lead at each Complex, inspections were commissioned to institutions approved by the Ministry of Labor. In 2024, workplace environment monitoring was conducted twice respectively at Taichung, Sha Lu, Taiwan Advanced Composite Center, and Kang Shan.

Occupational Accident Occurrence Overview

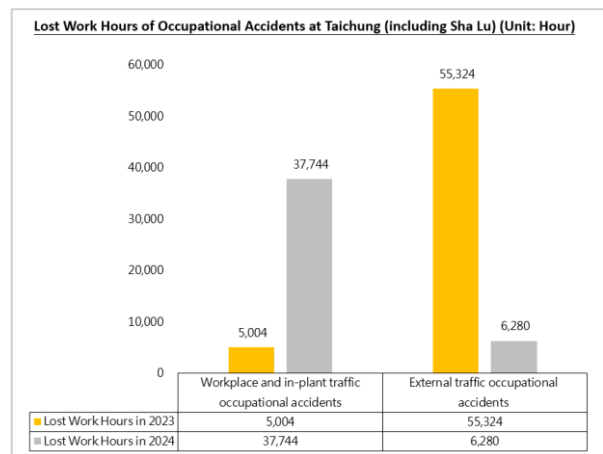
In 2024, AIDC's occupational accident frequency rate was calculated based on the "Disabling Injury Frequency Rate by Industry, announced by the Ministry of Labor (as manufacture of other transport equipment and parts)". The average in the past 3 years is 1.85. There were no major occupational safety incidents reported at AIDC in either 2023 or 2024.

Occupational Accidents Statistics in 2024	Taichung	Kang Shan	Industry 3-Year Average
Disabling Injury Frequency Rate (FR) (Number of disabling injuries per million working hours)	1.37	0	1.85
Disabling Injury Severity Rate (SR) (Number of lost workdays due to disabling injuries per million working hours)	528	0	106
Frequency Severity Index (FSI) $\sqrt{(FR \times SR)} \div 1000$	0.85	0	0.44

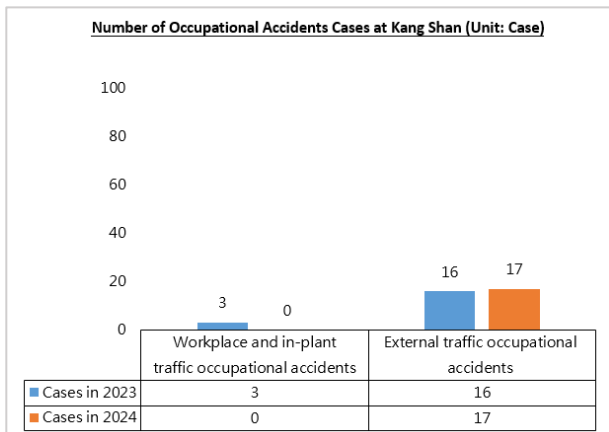
Number of Occupational Accidents Cases at Taichung (including Sha Lu)



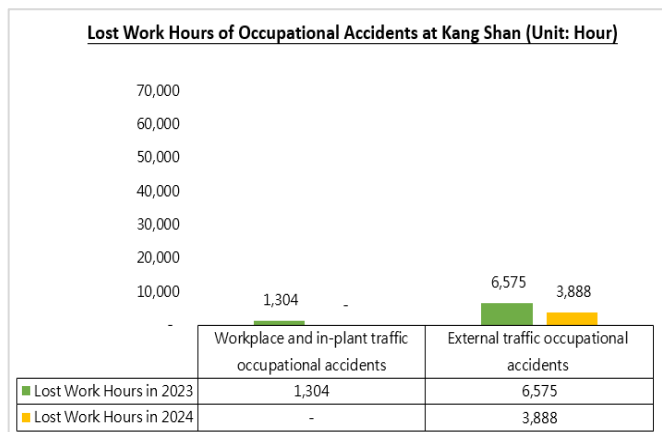
Lost Work Hours of Occupational Accidents at Taichung (including Sha Lu)



Number of Occupational Accidents Cases at Kang Shan



Lost Work Hours of Occupational Accidents at Kang Shan



Number of Work-Related Deaths Over the Years

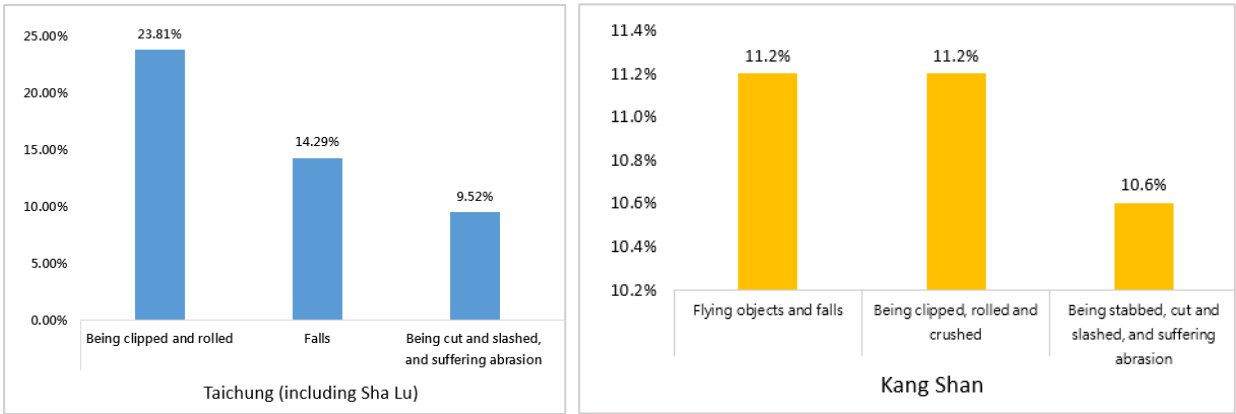
Item/Year	2020	2021	2022	2023	2024
Work-Related Employee Deaths	0	1	0	0	0

Occupational Accident Statistics and Prevention

A total of 12 occupational accident cases occurred at AIDC in 2024. After each case, the responsible department was required to review standard operating procedures and risk assessments. Based on relevant regulations, the risk level of operations was managed and controlled accordingly. A fishbone diagram was used to analyze root causes and to identify appropriate preventive and corrective actions.

Regarding types of risk, the most frequent causes were being clipped and rolled, and followed by falls at Taichung (including Sha Lu) Complex; the most frequent causes were flying objects or falls, followed by being clipped, rolled and crushed.

To prevent occupational accidents, we have proposed a series of preventive measures targeting possible causes. First, employees are informed and required to follow equipment operating procedures strictly. Repairs or adjustments during machine operation are prohibited to reduce operational risks. Additionally, we actively improve the workplace environment, such as installing handrails and reinforcing the stability of ladders and platforms to ensure safe access and passage. Furthermore, to reduce the occupational accident rate, we enforce autonomous occupational safety and health management, and conduct regular safety inspections to continuously enhance the workplace environment, to ensure employees can work under safe and secure environment.



Number and Rate of Fatal Occupational Injuries in 2024

=Fatal occupational injuries/Working hours (total work hours)
× 1,000,000

Complex	Number of People	Rate
Taichung and Sha Lu	0	0
Kang Shan	0	0
Taichung and Shalu Contractors	0	0
Kang Shan Contractors	0	0

Number and Rate of Serious Occupational Injuries in 2024 (Excluding Fatalities)

=Serious occupational injuries (excluding deaths)/Working hours
(total work hours) × 1,000,000

Complex	Number of People	Rate
Taichung and Sha Lu	1	0.13
Kang Shan	0	0
Taichung and Shalu Contractors	0	0
Kang Shan Contractors	0	0

Note: A serious occupational injury refers to an injury that results in death, or an injury from which the worker is unable or unlikely to recover to their pre-injury health condition within six months.

Number and Rate of Recordable Occupational Injuries in 2024

=Number of recordable occupational injuries/Working hours
× 1,000,000

Complex	Number of People	Rate
Taichung and Sha Lu	7	1.07
Kang Shan	0	0
Taichung and Shalu Contractors	4	3.15
Kang Shan Contractors	0	0

Total Work Hours of Each Complex in 2024:

- In Taichung and Sha Lu Complexes, the total working hours of male employees are 5,581,302 hours.
- In Taichung and Sha Lu Complexes, the total working hours of female employees are 1,852,541 hours.
- In Taichung and Sha Lu Complexes, the total working hours of contractors are 1,267,885 hours.
- In Kang Shan Complex, the total working hours of male employees are 2,719,112 hours.
- In Kang Shan Complex, the total working hours of female employees are 551,080 hours.
- In Kang Shan Complex, the total working hours of contractors are 21,456 hours.

Definition of Serious Occupational Injury:

A serious occupational injury refers to an injury that results in death, or causes the worker to be unable or unlikely to return to their pre-injury health condition within six months.

Definition of Recordable Occupational Injury:

A recordable occupational injury or illness is one that results from a work-related incident and involves any of the following conditions, such as death, away from workplace position, restricted work or job transfer, medical treatment beyond first aid or loss of consciousness, or the significant injury or illness diagnosed by a physician or other licensed healthcare professional.

Contractor Occupational Health and Safety Management

In the aerospace industry, quality assurance is a basic requirement. AIDC's contractors are essential partners in achieving a joint industrial development, and their performances has had significant impacts on us. In accordance with the Occupational Safety and Health Act and based on our operational needs, AIDC has established the "Contractor Management Implementation Regulations." Before

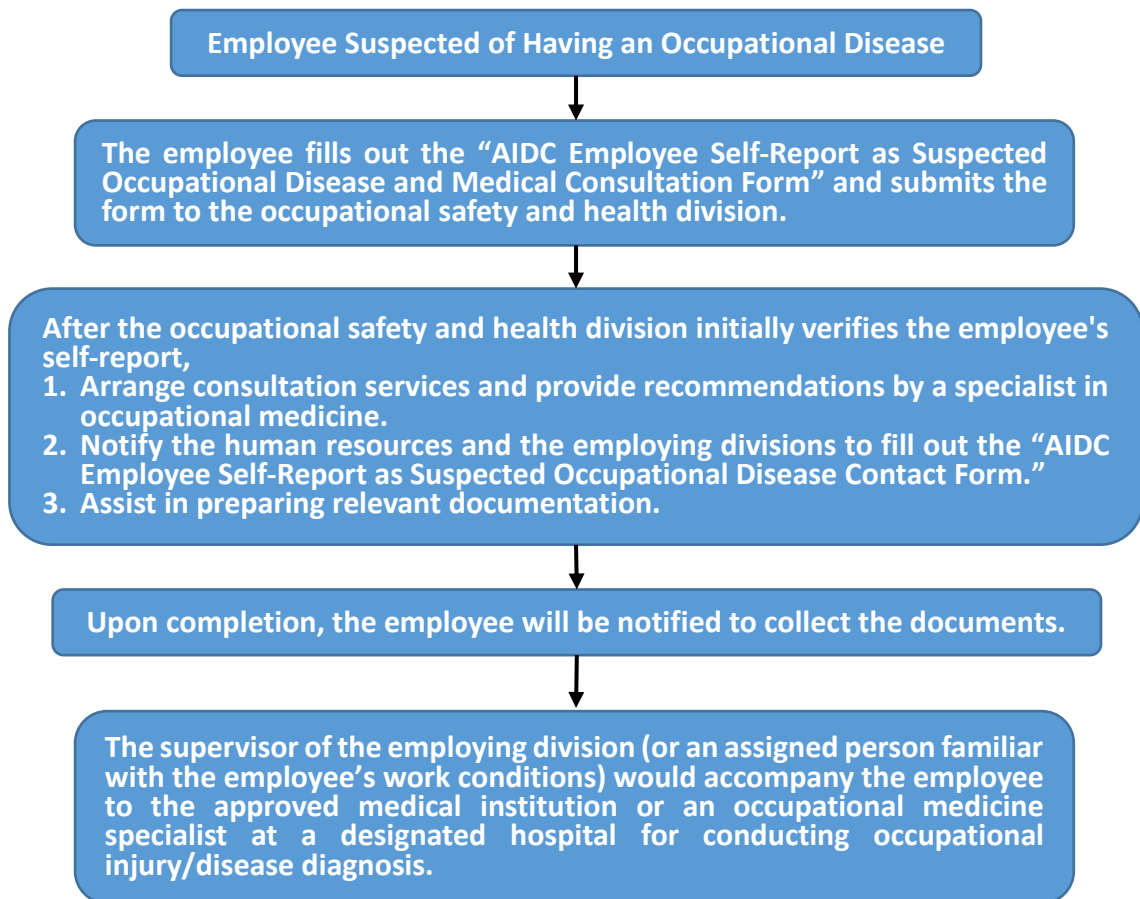
any contracted work begins, contractors must undergo occupational safety and health education and training or briefings. A coordination organization meeting is held and a designated on-site supervisor is appointed to oversee and coordinate commissioned matters, with records kept accordingly. In the event of an accident, the contractors are required to comply with relevant occupational health and safety regulations, and must immediately notify AIDC's on-site supervisor. In 2024, AIDC conducted a total of 152 unscheduled inspections of the contractors.

Chemical Material Supplier Management

When procuring chemical materials, AIDC strictly requires suppliers to provide safety data sheets and relevant documentation. To preventing hazardous exposure of toxic chemicals, suppliers must provide proper labeling on containers and submit the safety data sheets for any toxic substances delivered. In addition, suppliers must hold valid import, manufacture, or sales permits for toxic chemical substances issued by the Ministry of Environment, in accordance with the "Regulations for Control of Toxic Chemical Substances." Before procurement, the requisition department must consult with the Environmental Protection and Occupational Safety and Health departments to ensure compliance with environmental laws, regulations, and policies.

Occupational Disease Prevention and Diagnosis

AIDC regularly conducts preventive seminars on hearing protection, vision care, and musculoskeletal injury prevention. In collaboration with the occupational health and safety and human resource divisions, workplace visits and process/environmental improvements are carried out. To assist employees who may have occupational diseases, AIDC has established a "Medical Consultation and Diagnosis Process for Suspected Occupational Diseases" to ensure that sufficient and relevant work-related information is provided to physicians for accurate diagnosis.



Employee Health Care

Health Promotion Management and Health Education Services

AIDC places great importance on employee health. In 2024, the company actively promoted and implemented various health promotion and education services. Execution and performance are shown below.

Health Education Services

- Gastrointestinal endoscopy health education: 472 participants.
- Hypertension group health guidance: 182 participants.
- Hearing protection program: 228 participants.
- Prenatal health education for pregnant employees: 42 participants.

Health Promotion

AIDC organizes annual employee health checkups. In 2024, a total of 5,286 employees completed health examinations (3,952 employees in Taichung and 1,334 employees in Kang Shan). An item of carotid sonography was newly added in 2024 to assist in early detections and treatments. During the checkup events,

optional self-paid blood tests were offered on-site, including liver and gallbladder function, pancreatitis screening, helicobacter pylori, thyroid, cardiovascular diseases, and others.

1. High-Risk Groups: Based on physical exam results, employees with high health risks were identified and assessed for correlations with their job roles. Health promotion and on-site physician visits were provided:

- Cardio-cerebrovascular risk prevention-blood pressure monitoring with 1,847 participants, with on-site physician follow-up.
- We provide post-special-operation health education programs, a total of 214 participants received education after completing health checkups for specific operations such as noise, ionizing radiation, lead, n-hexane, benzene, 2,4-toluene diisocyanate, manganese, dust, chromic acid, cadmium, nickel, formaldehyde, and bromopropane exposure.
- Overload prevention with 36 participants, received continued personal health education.
- Musculoskeletal injury prevention management with 15 participants.

2. Lectures/Activities:

- | | |
|---|---|
| ■ Influenza vaccination with 861 participants. | ■ Health lectures for 8 sessions with 554 participants. |
| ■ Health education publications for 151 articles with 58,761 views. | ■ Blood pressure tracking with 1,867 participants. |
| ■ Injury/illness treatment with 1,990 cases. | ■ Blood donation with 610 bags. |
| ■ Hearing protection fit testing with 228 participants. | ■ Physical fitness assessment with 102 participants. |
| ■ Vision screening with 406 participants. | ■ CPR training with 369 participants. |
| ■ Maternal protection and cancer screening with 211 participants. | ■ Suitable and fitness for work with 100 participants. |
| ■ Epidemic prevention announcements with 20 articles. | |

Outstanding Achievements in Health Promotion

- AIDC has actively implemented a smoke-free workplace and health promotion measures, and has continuously been awarded the badge of “Accredited Healthy Workplace” by the Health Promotion Administration, Ministry of Health and Welfare. Sha Lu Complex’s badge is valid from 2023/01/01 to 2025/12/31, and Kang Shan Complex’s badge is valid from 2022/01/01 to 2024/12/31.
- Taichung Complex has been certified by an iSports Enterprise Certificate (2023-2026).
- AIDC was awarded the 2024 Excellent Occupational Health Nurse Award.

Occupational Safety and Health Management System Certification

AIDC manages its response to risks and opportunities, occupational safety and health objectives, and related implementation planning in accordance with its occupational safety and health management system. Third-party verification audits are conducted annually to maintain certification validity.

- Taichung Complex passed the CNS/ISO 45001 and TOSHMS recertification audit by SGS in 2024, and its certification is valid from 2024/10/16 to 2027/10/15.
- Kang Shan Complex passed the CNS/ISO 45001 and TOSHMS recertification audit by SGS in 2023, and its certification valid from 2023/09/27 to 2026/09/19.

Social Care

Natural Disaster Prevention

Taiwan is situated along the main path of typhoons in the northwest Pacific region. In recent years, due to climate and environmental changes, the frequency of extreme weather incident has increased. In response to this phenomenon, AIDC upholds the concept of “resource integration and cross-industry sharing,” applying its core aviation engineering capabilities to execute the “Typhoon Observation Project and Southwest Airflow Heavy Rainfall Observation Experiment.” The goal is to contribute more to national policies for disaster prevention and relief.

Typhoon Observation Project

This project focuses on observing typhoons that may impact Taiwan. Aircraft participating in the project takes off from Taichung Ching-Chuan-Kang Airport and flies above typhoon cloud systems to deploy “dropsondes” along planned flight paths. These dropsondes collect atmospheric data, which is then transmitted via satellite to the Central Weather Administration system. After data assimilation and analysis, this information enhances the accuracy of typhoon path forecasts, thereby reducing potential disaster losses in Taiwan. The collected data is also shared with international meteorological and academic institutions, enhancing Taiwan’s international status in the field of typhoon research.

In 2024, 2 typhoon observation missions were carried out. The missions focused on Typhoons Krathon and Kong-Rey, targeting the periphery of each storm’s level-7 wind radius (approximately 70 km and 320 km from the storm centers respectively), along key regions in their paths. The data collected was transmitted in real time via satellite to the Central Weather Administration and integrated into its forecasting systems. In addition to providing immediate situational analysis of the typhoons, the data was incorporated into numerical prediction models. These 2 missions helped reduce the 72-hour typhoon path forecast error by approximately 5.5%. From the first flight during Typhoon Dujuan in 2003 to the end of 2024, the “Typhoon Observation Project” has conducted 88 flights and observed 72 typhoons, accumulating 438 hours of typhoon reconnaissance. The results have become a crucial reference for future aircraft observation programs both domestically and internationally, and have helped to improve the accuracy of typhoon track forecasts affecting Taiwan. According to actual forecast results from the Central Weather Administration, incorporating dropsonde data reduces the

72-hour typhoon track forecast error by an average of about 6.2%, enabling the government to implement more effective disaster prevention measures and significantly reduce the loss of lives and properties.

Air Medical Rescue Services

To make good use of company resources and to fulfill humanitarian efforts, AIDC obtained emergency medical aircraft operation approval from the Civil Aviation Administration in May 2013. In August of the same year, we signed a contract for “Emergency Medical Air Transport” with the Tungs’ Taichung MetroHarbor Hospital. In 2014, AIDC expanded its partnerships with various medical organizations, including Inter Partner Assistance, Chang Bing Show Chwan Memorial Hospital, and International SOS (ISOS, now renamed International SOS Taiwan Company Limited). In 2015, a partnership was formed with Executive Aviation Taiwan Corp, and in 2019, with the Taiwan International Tourist Aid Rescue Association and Landseed Taoyuan International Airport Clinic. These collaborations provide “Emergency Medical Air Transport” services to overseas Taiwanese citizens and foreigners residing in Taiwan, helping them return to their home countries for medical treatments.

The emergency medical air transport service covers Southeast Asia, Northeast Asia, and Mainland China, with flight ranges extending as far as Hokkaido, Ulaanbaatar, Chengdu, Bangkok, and Jakarta. From June 2013 to 2024, a total of 163 missions were completed across 47 city airports in countries including Mainland China (including Hong Kong/Macau), Japan, South Korea, Cambodia, Thailand, the Philippines, Vietnam, and Malaysia.



Community Engagement and Neighborhood Harmony

Developing with Our Communities to Build a Sustainable Future:

AIDC's major Complexes are located in Taichung, Sha Lu, and Kang Shan. We are committed to promote social care, local collaboration, and to create a good living environment. We have developed strong bonding with our communities over the years, and have planned annual budgets to implement our neighborhood engagement initiatives with practical actions. Furthermore, with the Brave Eagle project, namely the advanced trainer's logistics support contract, a large number of our employees have been stationed long-term in Taitung County. As a result, our community engagement efforts have extended to Taitung County as well.

In 2024, we built deep and meaningful relationships with local communities through various events, including activity and event sponsorships, provision of living subsidies to low-income/lower-middle-income families, gift-giving, participation in community activities and events, and company-hosted visits. These interactions helped to maintain strong bonding with neighborhoods surrounding our Complexes, and the interactions include subsidies or support for solitary and low-income families, disadvantaged groups, environmental cleanups, equipment maintenance, Mother's Day health checkups, community cultural, recreational/bonding events, celebratory events, local agricultural product promotions, evening concerts, Senior Citizens' Day celebrations, and energy conservation promotions. Through these multifaceted events, we have developed a warm, supportive social network together with our neighbors.

While carrying out these community relation efforts, we have also explored ways to integrate public welfare into our social approach. For example, in this year, we procured gift boxes for Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival from social welfare organizations, and distributed them to disadvantaged families in our neighborhoods. This approach allowed us to spread love across society and to create a virtuous cycle of goodwill.

Additionally, in our corporate visit and reception program, we work with the local school for the visually impaired, and host students of the Taichung Huei-Ming School on a company visit. Our colleagues designed an accessible experience to include tactile interaction with aircraft parts, listening to engine sounds, and hands-on exploration of aircraft at our airplane park. These events helped the

children overcome physical barriers and opened a window of imagination for making the dream of flight real and tangible. Their heartfelt reactions affirmed that we are on the right approach.

Moreover, we have designated employees to regularly communicate with local community chiefs and residents, to conduct face-to-face conversations, and to understand their actual needs and expectations from AIDC. These communications have helped us to build long-term, trusting partnerships and strong foundation of goodwill.

Regarding AIDC’s community engagement and neighborhood harmony, our interactions and connections with local neighborhoods and social care in 2024 are listed below.

Item	Event Name	Event Date	Description
1	Chinese New Year gift distribution to AIDC’s surrounding neighborhoods.	2024/1/3	Combined with a public welfare, we procured “nut gift boxes” from the Jixian sheltered workshop of the New Taipei Luzhou Yu-Cheng Social Welfare Foundation. These not only conveyed our wishes for good health but also symbolized steady friendships and a commitment to maintain strong neighborhood bonding in the coming year.
2	Subsidy for environmental cleanup promotion and meetup at Xidun Village, Xitun District, Taichung.	2024/2/7	Regarding the traditional year-end cleanup, we provided funding to support promotion of environmental awareness among residents, to improve their sanitation conditions, and to beautify their living environment.
3	Host company tour for visually impaired students of Taichung Huei-Ming School.	2024/3/28	We host visually impaired students of Taichung Huei-Ming School visited for a company tour. After over a month of planning, a customized experience was created to involve hearing and tactile sensations to explore aircraft. Their visit was deeply meaningful and memorable, as photos taken during the visit were selected and edited in AIDC’s 2025 calendar which later gifted to the students in the end of 2024. Their joy upon seeing themselves in the calendar was a touching moment that reflected the genuine connections established. It was as if the hands we once extended were now gently held back by their warm smiles.

Item	Event Name	Event Date	Description
4	Dragon Boat Festival gift distribution to AIDC's surrounding neighborhoods.	2024/5/2	We procured dried fruit gift boxes from "Taiwan Foundation for the Blind" workshop in Xindian District, New Taipei City were distributed to nearby neighbors along with handwritten greeting cards, delivering both health and heartfelt wishes. Such distribution received warm community appreciation from the neighbors.
5	Subsidy for low-income families in Fengfu Village, Xitun District, Taichung.	2024/5/17	We provided financial assistance to 10 low-income families to show our concern and care for disadvantaged residents.
6	Subsidy for surveillance equipment maintenance in Gongming Village, Taichung.	2024/6/1	We sponsored regular maintenance of surveillance systems for Gongming Village to enhance the neighborhood security. Our Sha Lu Complex is near Gongming Village so our commuting employees can also benefit from the well-functioning systems.
7	Zongzi (rice dumpling) distribution for Dragon Boat Festival in Gongming Village, Taichung.	2024/6/8	We distributed 500 Zongzis (rice dumplings) to low-income families and volunteers in the village to share our festival care.
8	Subsidy for elderly club events in Xishi Village, Shalu District, Taichung.	2024/6/13	For adequate care providing for the young and the elderly and respecting the elderly, we subsidized events for the elderly club in Xishi Village to promote elder participation and strengthen community bonding.
9	Dragon Boat Festival celebration and invitation in Gangwei Village, Xitun District, Taichung.	2024/6/13	We subsidized the Dragon Boat Festival celebration, distributed Zongzis (rice dumplings) and invited local elders in Gangwei Village to participate in Zongzi (rice dumpling) making events to enhance social interactions.
10	Subsidy for Mother's Day health screening in Pengcheng Village, Xitun District, Taichung.	2024/6/19	As being grateful for mother's love and celebrating Mother's Day, we subsidized an integrated health checkup event organized and performed by Taichung Veterans General Hospital to benefit approximately 250 people.
11	Congratulatory gift to the newly village chief via the by-election in Dazhuang Village, Kangshan District, Kaohsiung.	2024/7/5	For the by-election in Dazhuang Village, we presented congratulatory flower gift to the newly village chief to maintain good relations.

Item	Event Name	Event Date	Description
12	Subsidy for solitary elderly, low-income and lower-middle-income families in Xiping Village, Xitun District, Taichung.	2024/7/15	We subsidized for supporting solitary elderly, low-income and lower-middle-income families, expressing our corporate community contribution and social care.
13	Subsidy for cultural and recreational events in Gangwei Village, Xitun District, Taichung.	2024/7/15	We subsidized for cultural and recreational events to enrich the events content, to attract more community participation, and to enhance community bonding. The events were highly praised.
14	Subsidy for community bonding trip for residents in Huagang Village, Kangshan District, Kaohsiung.	2024/8/20	We subsidized the community bonding trip for village residents to promote mutual communications. The residents also had a good impression of our friendly interactions to result in mutual benefits.
15	Subsidy for agricultural products, civil affairs and low-carbon promotions by Shalu District Office, Taichung City.	2024/8/29	We subsidized raffle prizes that was a triple win interaction to increase public participation, to enhances the effectiveness of policy promotion, and to win the prizes for those participants.
16	Mid-Autumn Festival gift boxes for neighbors.	2024/9/3	We procured pomelo gift boxes from local farmers in Ruisui Township, Hualien and distributed to over 200 disadvantaged families for sharing the warm and family reunion joy during Mid-Autumn Festival.
17	Subsidy for Mid-Autumn night concert and energy conservation promotion by Shalu District Office.	2024/9/4	We subsidized raffle prizes that was a triple win interaction to increase public participation, to enhances the effectiveness of policy promotion, and to win the prizes for those participants.
18	Subsidy for Mid-Autumn Festival celebration in Qingquan Village, Taichung City.	2024/9/7	We subsidized raffle prizes for the festival celebration in Qingquan Village, to share joy with local residents and to cultivate a strong and friendly relationship between the company and the community.
19	Subsidy for Mid-Autumn celebration in Xishi Village, Taichung City.	2024/9/7	We subsidized raffle prizes for the festival celebration in Xishi Village, to share joy with local residents and to cultivate a strong and friendly relationship between the company and the community.

Item	Event Name	Event Date	Description
20	Donation for Mid-Autumn Festival care and support to disadvantaged families in Qingquan Village, Taichung City.	2024/9/13	We donated 50 packs of rice and 100 bottles of cooking oil to lower-middle-income and disadvantaged families for offering practical assistance for daily necessities.
21	Subsidy for Mid-Autumn celebration in Gongming Village, Taichung City.	2024/9/15	We subsidized raffle prizes for the festival celebration in Gongming Village, to share joy with local residents and to cultivate a strong and friendly relationship between the company and the community.
22	Pomelo Distributions in Qingquan, Xishi, and Gongming Villages, Taichung City.	2024/9/16	For supporting local farmers in Taiwan and creating a virtuous cycle of goodwill, we purchased hundreds of boxes of pomelos from small farmers in Douliu, Yunlin, ahead of the Mid-Autumn Festival. Upholding our commitment to local community engagement, we personally delivered the pomelos with the help of village chiefs near AIDC's Sha Lu Complex and distributed them to disadvantaged families and to benefit over a hundred families.
23	Subsidy for "Community Forum with Residents" in Fengfu Village, Xitun District, Taichung City.	2024/9/20	We subsidized for the community forum and encouraged resident participation to have better effectiveness of the forum. Through the forum, community issues were discussed collectively to build consensus and to raise community awareness, and to develop a strong connection between the company and the local community.
24	Congratulatory floral gifts for the inauguration tea party of the joint service office of legislator Liao Wei-Hsiang and Xitun District councilor Huang Hsin-Hui	2024/9/26	We sent congratulatory flowers to the joint service office for developing positive relations and friendly interactions between AIDC and the legislator/councilor.
25	Subsidy for emergency family relief fund in Xiping Village, Xitun District, Taichung City.	2024/9/26	We provided financial aid in support of emergency relief for families to maximize the effectiveness of subsidies while showing our empathy and care for the village families in urgent need. This initiative also aims to strengthen community mutual aid awareness and to develop a closer connection between the company and the local community.

Item	Event Name	Event Date	Description
26	Subsidy for the elderly care and Mid-Autumn Festival celebration in Gangwei Village, Xitun District, Taichung City.	2024/9/26	We subsidized for the elderly care and festival celebration to enhance the resident participation and to add more meaning of allowing residents to share the festive joy together while improving the quality of life for the elderly.
27	Subsidy for environmental greening and beautification visits to environmental protection volunteers in Xidun Village, Xitun District, Taichung City.	2024/10/22	We subsidized for supporting community environmental events and ensuring the execution of the events. The visits aim to enhance environmental awareness, to develop a lifelong commitment to volunteer service, and to create positive outcomes for both the environment and society.
28	Subsidy for Double Ninth Festival celebration as respecting the elderly, energy conservation and carbon reduction promotions in Jiaxing Village, Kangshan District, Kaohsiung City.	2024/11/6	We subsidized for respecting the elderly and supporting community festival events, while the organizers also took the opportunity to promote eco-friendly practices. Over 700 participants benefited from the events, which proved to be highly effective overall. The events not only brought practical benefits to the elderly but also conveyed meaningful messages of respect for seniors, environmental protection, and dengue fever prevention.
29	Subsidy for Double Ninth Festival celebration as respecting the elderly in Pengcheng Village, Xitun District, Taichung City.	2024/11/6	We subsidized for respecting the elderly and supporting community festival events. Through a banquet, the event encouraged seniors to step outside and to interact with others, and promoted awareness of water resource recycling and reuse. These efforts improved the overall living environment.
30	Subsidy for maintaining and repairing the broadcasting equipment in Gongming Village, Taichung City.	2024/11/12	We subsidized for upgrading the broadcasting equipment in Gongming Village to enhance real-time communication among the residents, to strengthen friendly interactions between the company and the local community, and to further develop the cohesion in the community.

Item	Event Name	Event Date	Description
31	Subsidy for the municipal policy promotion and year-end appreciation banquet in Xian Village, Xitun District, Taichung City.	2024/12/2	We subsidized for supporting the successful execution of the municipal policy promotion and year-end appreciation banquet in Xian Village. Through the banquet, heartfelt thanks were expressed to neighborhood leaders and volunteers for their dedicated service. The banquet also served as an opportunity to promote Taichung's municipal policies, further to present and to convey our goodwill and feedback toward the community.
32	Subsidy for 2024 energy conservation and carbon reduction promotion, education tour in Dazhuang Village, Kangshan District, Kaohsiung City.	2024/12/16	We subsidized for promoting environmental awareness within the community by combining education with leisure, encouraging residents to develop eco-friendly habits in their daily lives, such as saving electricity, fuel, water, and paper. These efforts reflect our commitment to energy conservation and carbon reduction. Such interactions also received positive response and recognition from the participants in Dazhuang Village.
33	Subsidy and donations for Warming Winter-Tribal Care Program, organized by the Nantian Community Development Association in Taitung County.	2024/12/28	As our military business operations extend to Taitung, particularly associated with the aircraft delivery, we have established a full professional team in Taitung. Accordingly, our community commitments have expanded into Taitung County. We provided financial support, donated essential goods, and delivered care for disadvantaged groups in the community. By having lunch with the community residents, we truly understand their culture, customs, and actual needs.

Warm Connections Between Corporations, Parliament, and Communities:

AIDC has maintained a close and deep relationship with the Parliament, and also frequent interactions with legislators. We know and feel their concerns for local community affairs, and actively respond and support to those affairs. We truly understand that every event/activity referred by the legislators is aimed at enhancing the local environment, promoting cultural development, and improving public health and well-being, all of which hold significant value. We are honored to have the opportunity to participate in and committed to doing our part and responding positively to every opportunity to give back.

In 2024, we received a total of 15 community sponsorship events referred by the legislators. Each event was carefully evaluated by our team to ensure we could

provide the most effective support as possible. We believe that the development of the company is closely associated with the prosperity of the local community. We grow stronger by prospering and sharing with the local community. We are committed to taking practical actions and working hand in hand with Parliament and local communities to create mutual benefits. The community sponsorship events referred by the legislators in 2024 are listed below.

Item	Organizer	Event Name	Event Date	Type of Sponsorship
1	Taichung City Health Promotion Association for Disabled People	Friendship Cup Gateball Tournament	2024/04/13	Financial Sponsorship
2	Taichung City Progressive Association for Disabled People	Progressive Cup Gateball Tournament	2024/04/14	Financial Sponsorship
3	Taichung City Gateball Sports Promotion Association for Disabled People	Happy Cup Gateball Tournament	2024/04/28	Financial Sponsorship
4	Eden Social Welfare Foundation	Children's Happiness Festival of Eden Social Welfare Foundation	2024/06/15	Financial Sponsorship
5	Taiwan National Fudezhengshen Association	Fudezhengshen Road Tour	2024/09/18 2024/10/05- 2024/10/15	Financial Sponsorship
6	Taichung City Xitun District West-Datun Community Development Association	Rice Dumpling Making and Care for the Disadvantaged Event	2024/06/09	Financial Sponsorship
7	Chinese Comic Cultural and Art Development Association	Comic Competition & Awards, and Energy Conservation & Carbon Reduction Promotion	2024/08/10	1,200 facial masks and 400 note paper sets
8	Chinese Arts and Cultural Creative Industries Association	Comic Competition & New Taipei Arts and Cultural Tourism Awards	2024/07/20	1,200 facial masks & 400 note paper sets
9	Taichung Luming Charity and Arts Association	Elderly Health and Care Seminar	2024/09/27	Financial Sponsorship
10	Taichung City Qingshui District Dingnan Community Development Association	The Dingnan Community Elderly Club's Double Ninth Festival Celebration as Respecting the Elderly and Environmental Protection Promotion	2024/10/12	Financial Sponsorship
11	Taichung City Daan District New Immigrant Family Care Association	Daan District New Immigrant Family Care Interaction	2024/10/12, 10/13	Financial Sponsorship

Item	Organizer	Event Name	Event Date	Type of Sponsorship
12	Kinmen County Lifeline Association Foundation	"Golden Memories, Life Online" 10th Anniversary Gratitude Event	2024/10/5	Financial Sponsorship
13	Taichung City Daokas Youth Association	2024 Taibai Village's Double Ninth Festival Celebration and Elderly Care Event	2024/09/28	Financial Sponsorship
14	Danza de Mariposa	2024 Tribal Ritual Culture Workshop and Marine Ecology Experience	2024/10/27, 10/28	Financial Sponsorship
15	Taichung City Qingshui District Gaodong Community Development Association	Care for Disadvantage Families and River Protection Event	2024/12/04	Financial Sponsorship

Assisting Disadvantaged Public Welfare Organizations

AIDC advocates fulfilling corporate social responsibility through its in-service human resources. Throughout the years, we have mobilized our "Aerospace Industrial Development Corporation Volunteer Team" to initiate social care and mutual aid actions from time to time, and have established the "Care System and Volunteer Service Regulations" to promote social welfare activities. In addition to the internal Care Volunteer Team which assists our employees, a General Service Volunteer Team was also established to assist the external community for public welfare events. These efforts enrich the lives of volunteers, enhance life values, and promote the spirit of kindness and support for the disadvantaged. AIDC actively organizes community services and public welfare events, upholding the empathy of "regard others' suffering as one's own," supporting the poor and helping the needy. We have long partnered with government agencies and disadvantaged groups to focus on the human rights of the elderly, youth, disabled people, and new immigrants, to help them integrated into the society and to improve their adaptability. We also focus on environmental and ecological protection by participating in environmental promotion and education, and beach cleanup events. Furthermore, we organize aerospace education programs, support various charity events, and promotes volunteer services. Our regular volunteer duties include accompanying and assisting visually impaired children in institutions and associations, such as the Huiming Visually Impaired Reformatory and the Association for the Multiple Disabilities with Visual Impairment. We

accompany the visually impaired children for walks/runs/participating in music classes to assisting them develop professional skills. We also provide guided tours/consultation services at Central Park, and promote ecological conservation and environmental development at the Jiading Wetland to enhance the environmental awareness. We visit and care for the solitary elderly to improve care services of the solitary elderly. We accompany the elderly with dementia and teach them via eco-friendly paper craft DIY program to reducing the effects of cognitive aging and dementia. We continue to provide diverse community services as part of our dedication to social contribution. In 2024, AIDC participated in 31 external public welfare events, with a total of 3,008 volunteer attendees, benefiting 474,005 individuals and serving 40 organizations. Our detailed volunteer services in 2024 are listed below, along with photos of the activities, awards, certificates of appreciation, and media coverage.

Long-Term Volunteer Events

Event Date	Event Name	Partner Organization	Number of Volunteer
Every Wednesday	Caiyi DIY Paper Craft Workshop for Seniors at the West District Community Care Center	Dementia Care Association, Taiwan, R.O.C.	97
Every Tuesday-Sunday Fixed Duty	Jiading Wetland Ecological Conservation and Environmental Education and Promotion	Public Works Bureau Maintenance Engineering Office, Kaohsiung City Government, and Kaohsiung City Jiading Tourism Development Association	226
Monthly	Cijin Beach Coastal Cleanup	Environmental Protection Bureau Kaohsiung City Government	109
Monthly	Care for the Solitary Elderly	Evergreen Senior Service Center, Social Affairs Bureau, Kaohsiung City Government	168
Year-Round	Accompanying Services of Walks, Runs and Music Classes for Visually Impaired Social Integration	Huiming Blind Welfare Association Taichung attached Private Huiming Visually Impaired Reformatory, and Taiwan Association for MDVI	660
Year-Round	Central Park Guided Tours, Consultation Services & Environmental Education Event	Construction Bureau of Taichung City Government, Central Park Office	1294

Irregular Volunteer Events

Event Date	Event Name	Partner Organization	Number of Volunteer
2024/01/22	"Social Care Year-End Fundraising" Donation Event	1. Kaohsiung City Autism Foundation Dashuyangzhi Development Center Home for Stars 2. Kaohsiung City Life Source Holistic Care Association, Craftsmanship Home	29
2024/02/01	"Social Care Year-End Fundraising" Donation Event	1. Abundant Blessing Community Association of Taiwan 2. Taichung City Xin An Home for Special Education Children 3. The Sino-AIDC Hundred Dollars Youngster Assistance Association	
2024/03/03	North District Dementia Care Center Caiyi Home Maintenance	Dementia Care Association, Taiwan, R.O.C.	18
2024/03/10	Minari Garden Little Knights Baseball Event for Young Children with Disabilities	Taiwan Minari Garden Family and Child Project	12
2024/04/14	The 8th O Harm Finish Meal E Together	Taiwan Sunshine Women Association, Ying Xi Education Foundation, Taiwan Ying Xi Family Development Association	29
2024/04/14	Minari Garden Little Knights Baseball Event for Young Children with Disabilities	Taiwan Minari Garden Family and Child Project	17
2024/04/28			
2024/05/05	Minari Garden Little Knights Baseball Event for Young Children with Disabilities	Taiwan Minari Garden Family and Child Project	25
2024/05/26			
2024/06/07	Gangshan District Elementary School Aerospace Rooting Education Event	Gangshan Shou Tian Elementary School	8
2024/06/23 2024/06/30	Minari Garden Little Knights Baseball Event for Young Children with Disabilities	Taiwan Minari Garden Family and Child Project	18
2024/07/06	Scheduled Farm Maintenance for the Furui Community Care Center	Furui Community Care Association	5
2024/08/14~ 2024/08/15 2024/08/21~ 2024/08/23	Minari Garden Little Knights Summer Camp Field Trip for Young Children with Disabilities	Taiwan Minari Garden Family and Child Project	28
2024/09/07	Taichung City Volunteer Service Promotion Event	Social Affairs Bureau, Taichung City Government	27

Event Date	Event Name	Partner Organization	Number of Volunteer
2024/09/08	Minari Garden Little Knights Baseball Event for Young Children with Disabilities	Taiwan Minari Garden Family and Child Project	6
2024/09/21	2024 Embrace the Ocean with Love Beach Cleanup Event	Bliss & Wisdom Foundation of Culture and Education, Topkey Foundation	30
2024/09/22	Minari Garden Little Knights Baseball Event for Young Children with Disabilities	Taiwan Minari Garden Family and Child Project	6
2024/10/05	2024 Empowering Women, Celebrating Vibrant Youth, Taiwan Girls' Day Highlight Event	Taiwan Sunshine Women Association	14
2024/10/13 2024/10/27	Minari Garden Little Knights Baseball Event for Young Children with Disabilities	Taiwan Minari Garden Family and Child Project	12
2024/11/06~ 2024/11/22	Collecting [Mustard Seed Mission] Christmas Gifts for Disadvantaged Families	The Mustard Seed Mission	5
2024/11/09	The 20th Scholarship Award Ceremony and Achievement Presentation	Ying Xi Education Foundation, Taiwan Sunshine Women Association	20
2024/11/10	2024 Taichung Citizens' Picnic Day	Construction Bureau of Taichung City Government, Central Park Office	12
2024/11/10	13th Taiwan Central and Southern District Art Cup Mental Disability Games	Association for Sports and Leisure Service for the Disabled, Taipei Association for Promotion of Services for the Disabled	32
2024/11/10 2024/11/17	Minari Garden Little Knights Baseball Event for Young Children with Disabilities	Taiwan Minari Garden Family and Child Project	10
2024/11/30	From Eternal Love to the Voice of Kings_The 14th Love in Action Charity Concert	Taiwan Sunshine Women Association	30
2024/11/30	Sorting Donated Supplies for the Food Bank	Taiwan Sunshine Women Association	5
2024/11/30	[Mustard Seed Mission] Christmas gifts [Reindeer Angels], Pay It Forward	The Mustard Seed Mission	4
2024/12/01	2024 LLB Challenger Cup for Children with Disabilities Charity Baseball Game	Taiwan Minari Garden Family and Child Project	12
2024/12/01~ 2024/12/02	Taichung City 2024 Volunteer Service Reward and Recognition Event	Social Affairs Bureau, Taichung City Government	40

Note: The number of volunteers includes our full-time employees and the retired colleagues or their families as they were invited to participate in some events.

GRI Universal Standards (2021) Comparison Table

Use Statement: AIDC's 2024 Sustainability Report refers to the GRI Standards and the reporting period is from January 1, 2024 to December 31, 2024.

Use GRI 1: Foundation 2021

Application of GRI Sector Standards: Not Applicable

GRI 2

GRI Standard	Disclosure Requirements	Chapter or Description	Description of Omissions	Page Number
The organization and its reporting practices				
2-1	Organizational details	Basic Information		35
2-2	Entities included in the organization’s sustainability reporting	Editor’s Note		1
2-3	Reporting period, frequency and contact point	Editor’s Note		1
2-4	Restatements of information	No changes in merger or acquisition, reporting period, nature of business, and measurement methods		-
2-5	External assurance	Editor’s Note		1
		Assurance Statement		179
Activities and workers				
2-6	Activities, value chain and other business relationships	Company Background		33
		Product Categories and Markets		58
		Global Procurement Distribution		73
2-7	Employees	Employee Hiring		121
2-8	Workers who are not employees	Employee Hiring		121
Governance				
2-9	Governance structure and composition	Organization Structure		36
		Organization and Operations of the ESG Committee		41
2-10	Nomination and selection of the highest governance body	Governance Organization		37
2-11	Chair of the highest governance body	Governance Organization		37
2-12	Role of the highest governance body in overseeing the management of impacts	Governance Organization		37

GRI 2

GRI Standard	Disclosure Requirements	Chapter or Description	Description of Omissions	Page Number
2-13	Delegation of responsibility for managing impacts	Organization and Operations of the ESG Committee		41
2-14	Role of the highest governance body in sustainability reporting	Material topics of 2024 have been approved by the “ESG Committee” in December 2024 and included in the operating report submitted to the board of directors in January 2025.		11
2-15	Conflicts of interest	Governance Organization		37
2-16	Communication of critical concerns	21 items of critical concerns were communicated by the Board of Directors in 2024. (9 items of business operations, 7 items of corporate governance, 4 items of people and human rights, and 1 item of environment issue.)		-
2-17	Collective knowledge of the highest governance body	Governance Organization		37
2-18	Evaluation of the performance of the highest governance body	Board Performance Evaluation		38
2-19	Remuneration policies	Link between Board Remuneration and Sustainable Performance		40
		Employee Rights and Benefits		130
2-20	Process to determine remuneration	Link between Board Remuneration and Sustainable Performance		40
		The Remuneration Committee		40
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Message from the Chairman		2

GRI 2

GRI Standard	Disclosure Requirements	Chapter or Description	Description of Omissions	Page Number
2-23	Policy commitments	Business Philosophy and Sustainability Policy		4
		Corporate Governance Improvements		31
		Care for the Environment		87
		Fulfill Social Responsibility		117
2-24	Embedding policy commitments	Business Philosophy and Sustainability Policy		4
		Supplier Management		71
2-25	Processes to remediate negative impacts	Oversee the Issues of Concern to Stakeholders, Communication Methods Adopted, and Track Records		9
		Integrity Management		48
		Corporate Governance Improvements		31
		Care for the Environment		87
		Fulfill Social Responsibility		117
2-26	Mechanisms for seeking advice and raising concerns	Integrity Management		48
		Customer Satisfaction		81
2-27	Compliance with laws and regulations	No major violations. Note: Major violations are determined based on matters reported to the Board of Directors in the project report.		-
2-28	Membership associations	Participation in Domestic and International Organizations		63
Stakeholder engagement				
2-29	Approach to stakeholder engagement	Oversee the Issues of Concern to Stakeholders, Communication Methods Adopted, and Track Records		9
2-30	Collective bargaining agreements	Harmonious Labor-management Relations		129

GRI 2

GRI Standard	Disclosure Requirements	Chapter or Description	Description of Omissions	Page Number
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GRI 3

GRI Standard	Disclosure Requirements	Chapter or Description	Description of Omissions	Page Number
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The organization and its reporting practices

3-1	Process to Determine Material Topics	Identification of Material Topics		7
3-2	List of material topics	Analysis and Determination of Material Topics		11
3-3	Management of material topics	Management Policies, Elements, and Sustainable Development Goals for Material Topics (SDGs)		18
		Corporate Governance Improvements		31
		Care for the Environment		87
		Fulfill Social Responsibility		117

Material Topics

GRI Topics	Disclosure Requirements	Chapter or Description	Description of Omissions	Page Number
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Operation and financial performance

GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed business performance	Business Performance		56
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change Response		89
	201-3 Defined benefit plan obligations and other retirement plans	Employee Rights and Benefits		130
	201-4 Financial assistance received from government	Financial Assistance Received from Government		57

Supplier management

GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Global Procurement Distribution		73
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Material Topics

GRI Topics	Disclosure Requirements	Chapter or Description	Description of Omissions	Page Number
GRI 308 Supplier Environment Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Negative Environmental Impacts on the Supply Chain and Response Actions		76
Waste Management				
GRI 306 Waste 2020	306-1 Waste generation and significant waste related impacts	Waste Management		107
	306-2 Management of significant waste-related impacts	Waste Management		107
	306-4 Waste diverted from disposal	Waste Management		107
	306-5 Waste directed to disposal	Waste Management		107
Climate change response				
GRI 201 Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change Response		89
GRI 302 Energy 2016	302-1 Energy consumption within the organization	Energy Management		99
	302-3 Energy intensity	Energy Management-Electricity Intensity		100
	302-4 Reduction of energy consumption	Energy Management-Energy Conservation Performance		100
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Inventory		96
	305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Inventory		96
	305-3 Other indirect (Scope 3) GHG emissions	Greenhouse Gas Inventory		96
Talent recruitment and retention				
GRI 201 Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	Employee Rights and Benefits		130
GRI 401 Employment 2016	401-1 Report the total number and rate of new employee hires/employee turnover during the reporting period, by age group, gender, and region	Employee Hiring		121

Material Topics

GRI Topics	Disclosure Requirements	Chapter or Description	Description of Omissions	Page Number
	401-2 Benefits which are standard for full time employees of the organization (but are not provided to temporary or part time employees), by significant locations of operation	Employee Rights and Benefits		130
	401-3 Parental leave	Employee Rights and Benefits		130
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Governance Organization		37
		Employee Hiring		121
	405-2 Ratio of basic salary and remuneration of women to men	Employee Hiring		121
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		No such incidents	-
GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	AIDC Human Rights Policy	No such incidents	-
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		No such incidents	-
Occupational safety and health				
GRI 403 Occupational Safety and Health 2018	403-1 Occupational health and safety management system	Operations of Occupational Safety and Health Management System		140
	403-2 Hazard identification, risk assessment, and incident investigation	Hazard Identification, Risk Assessment, and Incident Investigation		141
		Contractor Occupational Health and Safety Management		146
	403-3 Occupational health services	Employee Health Care		148
		Implementation of Employee Assistance System		135

Material Topics

GRI Topics	Disclosure Requirements	Chapter or Description	Description of Omissions	Page Number
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health Committee		139
		Occupational Accident Occurrence Overview		144
		Contractor Occupational Health and Safety Management		146
	403-5 Worker training on occupational health and safety	Occupational Safety and Health Education and Training		141
	403-6 Promotion of worker health	Employee Health Care		148
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safe and Healthy Working Environment		139
	403-8 Workers covered by an occupational health and safety management system	Operations of Occupational Safety and Health Management System		140
	403-9 Work-related injuries	Occupational Accident Occurrence Overview		144
	403-10 Work-related ill health	Employee Health Care		148
Product quality/technology R&D				
-	Quality control system certification Inspection capacity Special process certification Quality escape management	Quality Management		79
	Research and Development	Research and Development		82
	Smart Manufacturing for Aerospace	Smart Manufacturing for Aerospace		83
Cybersecurity management and customer privacy				
-	Cybersecurity	Cybersecurity		52
	Trade Secret Protection	Trade Secret Protection		55

Material Topics

GRI Topics	Disclosure Requirements	Chapter or Description	Description of Omissions	Page Number
Indigenous production of aircraft				
-	Indigenous production of aircraft	Indigenous Production of Aircraft		65
	Operations of the F-16 Maintenance & Support Center	Operations of the F-16 Maintenance & Support Center		68
Green product/services design and development				
-	Biogas Micro Turbine Generator Units Energy storage system Gas-fired Power Generation	Green Products		109

Sustainability Accounting Standards Board (SASB) Index

Category: AEROSPACE & DEFENSE

Topic/Number	Calculation Indicators	Measurement Unit	AIDC Response
Energy Management RT-AE-130a.1	1. Total energy consumed 2. Percentage grid electricity 3. Percentage renewable	Gigajoules (GJ), Percentage (%)	1. Total energy consumption: 594, 242 GJ. 2. Percentage of grid electricity supply: 86.97%. 3. Renewable energy: 2.65% (installed capacity exceeded 9.36kWp). 4. Refer to page 99 for more information.
Hazardous Waste Management RT-AE-150a.1 RT-AE-150a.2	Amount of hazardous waste generated, percentage recycled Number and aggregate quantity of reportable spills, quantity recovered	Metric tons (t), Percentage (%) Number, Kilograms (kg)	1. 530.52 metric tons 2. 0% 3. Refer to page 108 for more information. 1. Zero(0) 2. Zero(0) 3. Refer to page 108 for more information.
Data Security RT-AE-230a.1 RT-AE-230a.2	1. Number of data breaches 2. Percentage involving confidential information Description of approach to identifying and addressing data security risks in company operations and products	Number, Percentage (%) N/A	Our company's operations involve classified military information and will not be disclosed. 1. Our company continuously enhances information security measures across "organizational", "managerial", and "technical" dimensions to ensure the confidentiality, integrity, and availability of information and communication systems and data. We implement the NIST Cybersecurity Framework 2.0, using the PDCA approach and continuously improve information security through periodic inspections and corrective actions. 2. We maintain the validity of our certification by transitioning to ISO 27001:2022, undergoing regular annual surveillance audits, and performing triennial recertification audits.

Topic/Number	Calculation Indicators	Measurement Unit	AIDC Response
			<p>We aim to continuously strengthen our cybersecurity resilience by benchmarking against the CMMC 2.0 Level 2 standard.</p> <p>3. We have built a comprehensive cybersecurity infrastructure and protection system that covers gateway control, endpoint protection, internal network monitoring and defense, collaborative cybersecurity defense mechanisms, and access control in physically isolated zones for defense-related operations. These are complemented by social engineering drills, company-wide information security awareness training and promotions, security testing and audits, joint cyber defense exercises, business continuity and emergency recovery drills, incident reporting and response mechanisms, and scenario planning, to prevent intrusions, to minimize losses, and to ensure uninterrupted business operations.</p> <p>4. Refer to pages 52 to 55 for more information.</p>
Product Safety RT-AE-250a.1	Number of recalls issued, total units recalled	Number	Our company's products involve classified military information and will not be disclosed.
RT-AE-250a.2			
RT-AE-250a.3	Number of counterfeit parts detected, percentage avoided	Number, Percentage (%)	No counterfeit part incidents in 2024.
RT-AE-250a.4	Number of Airworthiness Directives received, total units affected	Number	In 2024, we received 9 Airworthiness Directives (AD) from the Civil Aeronautics Administration (CAA) and received 1 AD from the Federal Aviation Administration (FAA). After evaluation, all 10 directives were found to be not applicable to our aircraft, and no action is required. The total number of affected units was zero(0).

Topic/Number	Calculation Indicators	Measurement Unit	AIDC Response
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Reporting currency	N/A
Product Lifecycle	Revenue from alternative energy-related products	Reporting currency	NT\$476,307,186
Management RT-AE-410a.1 RT-AE-410a.2	Description of approach and discussion of strategy to address fuel economy and greenhouse gas emissions of products	N/A	<p>Our Gulfstream G100 (Astra SPX) aircraft completed 98 flights in 2024, with a total flight time of 219.3 hours and a cumulative fuel consumption of 208,774 liters. From the perspective of aircraft users, fuel-saving strategies can be implemented in 5 aspects:</p> <ol style="list-style-type: none"> 1. Payload Calculation: The takeoff weight of an aircraft directly affects its fuel consumption. By effectively controlling the weight before takeoff (such as reducing non-essential equipment and personnel onboard, and accurately assessing the required fuel for the mission), fuel usage can be reduced while maintaining flight safety. 2. Flight Route Planning: Aligning flight missions with the aircraft's optimal cruising profile can effectively lower fuel consumption. 3. Flight Consolidation: As we operate for profit and cannot reduce flight hours requested by customers, other missions such as training or maintenance flights can be optimized through effective management (such as mission consolidation, combining tasks etc.), thereby reducing the number of flights or total flight hours and, in turn, saving fuel. 4. Aircraft Maintenance: Proper and thorough maintenance according to technical orders ensures that the aircraft remains in optimal condition,

Topic/Number	Calculation Indicators	Measurement Unit	AIDC Response
			<p>which also contributes to fuel efficiency.</p> <p>5. Pilot Communication: By reviewing mission feedback and analyzing average fuel consumption per mission, the impact of flight operations on fuel usage can be evaluated. This enables discussions among pilots to identify and to promote the most effective fuel-saving practices.</p>
Materials Sourcing RT-AE-440a.1	Description of the management of risks associated with the use of critical materials	N/A	<p>The risk management of critical aerospace materials involves ensuring that these essential materials are handled in a way that minimizes risks throughout their production, use, and handling processes in the aerospace field. This is crucial to ensure the safety, performance, and reliability of aerospace products. These critical materials include aluminum alloys, titanium alloys, nickel-based alloys, stainless/alloy steels, composite materials, and electronic component materials, all of which are vital to the performance of aerospace products. Therefore, their management strategies must be handled with great care. Below are the main risk management measures:</p> <p>1. Material Supply Chain Management: (1) Suppliers are evaluated, assessed, rated, and audited to ensure they meet high standards and can provide materials that meet the required specifications. (2) Develop shadow suppliers to ensure multiple reliable sources. (3) Establish safety stock of critical materials to respond to sudden supply disruptions or market fluctuations.</p>

Topic/Number	Calculation Indicators	Measurement Unit	AIDC Response
			<p>2. Compliance with Regulations and Standards: (1) Require compliance with standards such as the AS9100 aerospace quality system, which emphasizes product safety throughout the entire product life cycle. (2) Establish a supply chain risk alert mechanism to monitor and to respond to potential material issues, such as fluctuations in the global supply chain, political risks, or natural disasters that may affect material production and supply.</p> <p>3. Environmental and Safety Risk Management: (1) Assessments of Environmental Impacts: Many aerospace materials have environmental impacts during production, such as toxic substances, high energy consumption, and waste emissions. Environmental impact assessments should be conducted, and corresponding mitigation measures implemented. (2) Material Recycling and Disposal: Given the high cost and scarcity of aerospace materials, implement material recycling programs to ensure that expired or damaged materials can be effectively recovered and disposed of, thus reducing environmental impact.</p>
Business Ethics RT-AE-510a.1 RT-AE-510a.2 RT-AE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, and/or illicit international trade	Reporting currency	NT\$0
	Revenue from countries ranked in the "E" or "F" Band of Transparency	Reporting currency	NT\$ 427,098,624

Topic/Number	Calculation Indicators	Measurement Unit	AIDC Response
	International's Government Defense Anti-Corruption Index		
	Discussion of processes to manage business ethics risks throughout the value chain	N/A	Refer to pages 48-51 for more information and visit our website https://www.aidc.com.tw/tw/about/ethical
Activity Indicators RT-AE-000.A RT-AE-000.B	Production by reportable segment	Number	<p>The delivered items include various products such as in-house manufactured components, spare parts, support equipment, documents, software, and technical services. Due to the nature of the business being order-based production with no standard products, production capacity and output cannot be calculated. However, the output value of the 3 major product categories for the year 2024 is provided below.</p> <ol style="list-style-type: none"> 1. Aircraft and aerospace maintenance and repair: NT\$22,818,382 thousand. 2. Engines: NT\$12,056,653 thousand. 3. Industrial technical services: NT\$972,955 thousand. <p>Total output value: NT\$35,847,990 thousand.</p>
	Number of employees	Number	6,421 persons

Assurance Statement



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE AEROSPACE INDUSTRIAL DEVELOPMENT CORPORATION'S SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Aerospace Industrial Development Corporation. (hereinafter referred to as AIDC) to conduct an independent assurance of the Sustainability Report for 2024. The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level during 2025/01/06 to 2025/04/21. The boundary of this report includes Aerospace Industrial Development Corporation Taiwan and oversea operational and production or service sites as disclosed in AIDC's Sustainability report of 2024. The boundary is not the same as AIDC's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all AIDC's Stakeholders.

RESPONSIBILITIES

The information in the AIDC's Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of AIDC. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP,2018).

Assurance has been conducted at a type 1 moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Select specific reporting criteria included in the contract

Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (With Reference to)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standard.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB have not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from AIDC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 Accountability Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

AIDC has demonstrated a commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement channels available for stakeholders such as to employees, customers, investors, suppliers, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. Going forward, AIDC may consider submitting the results of each stakeholder engagement to management and maintaining complete records of these communications.

MATERIALITY

AIDC has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

AIDC has established various regular and ad-hoc channels for stakeholder engagement, and some of these channels include the mechanisms to document and manage communication outcomes.

IMPACT

AIDC has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. In the future, AIDC may consider establishing management indicators for each material topic to fully demonstrate the due diligence process.

ADHERENCE TO GRI

The report, AIDC's Sustainability Report of 2024, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to AIDC's contributions to sustainability development.

In the future, AIDC may consider translating the identified impacts of material topics into management indicators and setting appropriate targets accordingly, in order to demonstrate comprehensive impact management.

Signed:

For and on behalf of SGS Taiwan Ltd.



Stephen Pao
Business Assurance Director
Taipei, Taiwan
27 May, 2025
WWW.SGS.COM



AA1000
Licensed Report
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