2024 Environmental and Energy Sustainability Implementation Report

Environmental Policy

In order to ensure that environmental performance can be achieved, meet the requirements of laws and regulations and the Company's environmental policy, and pursue continuous improvement, we refer to the specifications of the ISO14001 environmental management system and establish our company's "Environmental Management Manual" to manage the aircraft sales, maintenance and service operations, and effectively manage any negative impact or non-compliance with regulations on the environment.

In order to meet the requirements of environmental management and recognize that environmental management is an indispensable factor for the sustainable operation of enterprises, the Company will be committed to improving education and training, enhancing employees' knowledge and awareness of environmental management, and establishing an environmental management system to provide clarity and comfort, safe working environment. Our environmental stewardship declaration is:

『Fulfilling obligations, High quality and environmental protection, Continuous improvement, and Customer satisfaction』

In order to meet the requirements of environmental management, we are committed to:

1. Understand the impact of sales and maintenance services on the environment, and formulate environmental goals and plans to continuously improve environmental performance.
2. Comply with the requirements of environmental protection laws and regulations, and formulate independent standards when technically and economically feasible.
3. Implement waste classification and recycling, and improve resource recycling and reuse.
4. Publicly promote our environmental management system, measures and performance to gain the trust of our employees, customers, owners, social groups, government agencies and stakeholders.

Water Resource Management

The Company has been paying attention to the issue of water conservation and environmental protection for many years. Starting from the comprehensive implementation of water conservation in daily life, the available water resources can be used to maximize the benefits. We continue to promote the saving of domestic water to employees, and vigorously promote the recycling and reuse of water resources and cooling water in production units. In the management of discharge water quality, in addition to reducing the water consumption during aircraft maintenance and reducing the domestic water consumption of employees, each plant has set up a waste water treatment plant, and qualified full-time personnel are responsible for the operation and maintenance of waste and sewage treatment equipment, and entrust the testing approved by

the Environmental Protection Administration. The organization uses raw wastewater and discharge water for testing, effectively supervises the control of discharge water discharge, and makes the treatment equipment operate normally. Wastewater treatment plants in each plant area have obtained discharge permits from local competent authorities to meet regulatory requirements.

In order to improve the efficiency of wastewater pollution prevention and control equipment, an investment of NT$118,000 was made to replace the activated carbon filter materials in the wastewater treatment plant, improve the filtration efficiency of wastewater treatment, and effectively reduce the amount of wastewater pollution discharged. In 2025, the suspended solids have been reduced by 4.0 mg/L compared to 2024.

Air Pollution Control

Reduce the use of organic solvents, chemical substances and dust pollution in aircraft maintenance procedures, set up air pollution control equipment, achieve effective control of environmental pollution factors, reduce pollutant emissions, and set up air pollution control personnel responsible for air pollution management.

Waste Management

In line with the entrepreneurial spirit of “cherishing natural resources”, combining the core business of environmental protection with the trust of customers, jointly creating the concepts of “sustainable operation” and “giving back to the society”, continuing to implement waste reduction work, and allocate qualified waste professionals carry out waste management work, and entrust the Ministry of Environment to approve qualified removal and treatment manufacturers. All can improve the management, removal, treatment and reuse, and effectively prevent the negative impact on the environment. The waste disposal is as shown in Table 1.

In order to improve the waste reduction effect, an investment of NT$350,000 was made to replace the plate and frame dehydrator with a higher dehydration efficiency to reduce the amount of sludge generated in the wastewater treatment plant. In 2024, the amount of sludge generated in the wastewater treatment plant has been reduced by 600 kilograms compared to 2023.

Table 1. Waste disposal situation

2024	General industrial waste		Hazardous industrial waste	
	On site	Leave	On site	Leave
Weight (metric tons)	0	315.580	0	39.418

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Climate Change Assessment and Response Measures and Financial Impact Analysis

The Company has been evaluating the potential risks and opportunities that climate change could bring to the Company and had considered such factors when making our operation strategies and relevant decisions. We have established climate change risk management procedure and mechanism by incorporating overall risk management policies and actively promoting eco-friendly and energy-conserving measures. We are devoted to reducing greenhouse gas emission and promoting eco-friendly services to mitigate the impact that climate change had on our operation. Our measures are as show in Table 2:

Table 2. Climate-related financial disclosure (TCFD) framework

Aspect	TCFD Proposes Disclosure Project	Climate-related financial disclosure (TCFD) response
Governance	Board oversight of climate-related risks and opportunities	The Company has established a "Sustainability Implementation Committee", with the Chairman of the Board as the convener. The Committee implements activities based on actual work, including economic performance/customer relations/carbon emission management/energy management/training and education/ labor-employer relations/occupational safety and health/information security protection/social participation, etc. The "Sustainability Implementation Committee" reports implementation results to the "Board of Directors" every year
	How management assesses and manages climate-related risks and opportunities	Under the supervision of the Company's "Sustainability Implementation Committee" and "Risk Management Committee", we manage action plans on climate-related issues
Strategy	Short-, medium-, and long-term climate-related risks and opportunities identified by company	Transition risks: Short term: Policies and Regulations_ The government requires strengthened emission reporting obligations, and has set a carbon fee price. Paying the carbon fee will increase the cost Medium to long term: Technology_ Transition to low-emission technologies (low-carbon services): Transitioning to low-carbon services will increase costs Market_ Increase in energy costs: Purchasing renewable energy and installing carbon reduction equipment will lead to increased costs Physical risks: The severity and frequency of extreme weather events are increasing: typhoons, extreme rainfall and other disasters may cause disruption to company operations or affect work safety Opportunities and responses: Short term: Energy efficiency_ Switch to more efficient energy-saving products: introduce energy-saving equipment, replace energy-consuming equipment, improve energy efficiency, and reduce carbon emissions Medium to long term: Products/Services_ Develop low-carbon services: Strengthen green

Aspect	TCFD Proposes Disclosure Project	Climate-related financial disclosure (TCFD) response
		procurement of raw materials to meet customer needs and increase the Company's competitiveness Energy Source_ Use low-carbon energy: Participate in renewable energy projects and adopt energy-saving measures to reduce high-carbon energy consumption and enhance corporate image Prevention of extreme weather_ Plan various flood prevention measures: install floodgates in the factory area and purchase pumps to prevent asset losses caused by flooding
	The impact of climate-related risks and opportunities on business, strategy and financial planning	Transition risks: Paying carbon fees, transitioning to low-carbon services, purchasing renewable energy, and building carbon reduction equipment have increased costs Physical risks: Extreme weather events may cause disruptions to company operations, affect work safety, or disrupt supply chains
	Scenario analysis (including 2℃ or more severe scenarios)	Due to climate change, the frequency of extreme weather is increasing. Equipment may suffer from flooding due to heavy rains and typhoons, affecting the delivery schedule of aircraft and causing financial losses. Taking into account the probability of future flooding and assessing the degree of risk faced, various flood prevention measures will be planned accordingly. Waterproof gates have been installed, pumps have been purchased, and low-lying areas have been re-evaluated for asphalt paving and ditch installation to prevent asset losses caused by flooding
Risk Management	Processes for identifying and assessing climate-related risks	After the environmental team of the Sustainability Implementation Committee identified the Company's risks, it discussed relevant response measures with the Company's various business units. Based on the analysis results, the Sustainability Implementation Committee established a risk management strategy plan as the core of the action to respond to climate change, and used it to estimate management costs and financial impacts. Through the collection of the aforementioned data, we can strengthen the Company's climate change governance and systematically evaluate financial relationships to reduce risks and seize business opportunities
	Processes for managing climate-related risks	Incorporate climate-related risks into the existing emerging risk management mechanism, identify and measure the possible losses caused by climate risks, and incorporate control of emerging risk management situations for comprehensive management
	Explain how the above-mentioned risk identification and management process is integrated into the Company's overall risk management system	The Company's risk management mechanism is based on the "PDCA" framework, effectively exerting risk management and promoting the diversification of aircraft maintenance
Metrics and Targets	Assess whether the indicators are consistent with the Company's strategy and risk management	Using greenhouse gas emissions, water consumption and waste generation as management indicators, set various reduction targets and increase the amount of green purchases. In addition, in order to achieve the goal of a sustainable environment, through various energy-saving and carbon-reduction actions, regular review of environmental protection issues, and continuous promotion of improvement measures

Aspect	TCFD Proposes Disclosure Project	Climate-related financial disclosure (TCFD) response
		to achieve the goal of greenhouse gas reduction
	Disclose Scope 1, Scope 2 and Scope 3 (if applicable) GHG emissions and associated risks	The Company has carried out greenhouse gas inventory for many years, through the changes in greenhouse gas emissions over the years, to confirm the effectiveness of energy saving and carbon reduction, and actively seek opportunities for reduction
	Management objectives and related performance	2024 Annual Performance: Electricity intensity: 1,339.4493 kWh/million turnover Water intensity 9.3179 metric tons/million turnover Waste intensity 0.0683metric tons/million turnover Greenhouse gas emission intensity: 1.2297 metric tons CO_2e/million turnover 2025 Goals: The above items will be reduced by 0.5% each year

Greenhouse Gas Management

The earth's climate and environment are gradually deteriorating due to the influence of greenhouse gases. As a member of the global citizens, we should fulfill our corporate responsibility to protect the environment and care for the earth. AACL's greenhouse gas reduction management policy:

1. Committed to the Company's internal greenhouse gas inventory to truly understand the status of greenhouse gas emissions.
2. Based on the inventory results, further reduce greenhouse gases.
3. Continue to promote energy conservation and carbon reduction measures, maintain sustainable operations, and fulfill corporate responsibilities.

In order to meet the requirements of customers and clients and respond to government laws and regulations as soon as possible, the Company has introduced a greenhouse gas inventory system in accordance with the "ISO14064-1:2018" standard guidelines. The greenhouse gas inventory time has been from Jan. 1, 2024 to Dec. 31, 2024. The "Operational Control Approach" is used to check the boundaries including "Operational Control Law" including Songshang Plant, Taichung Plant, Tainan Plant (including Gue-Jen station), Pingtung Plant, 3 NASC out-stations (Kaohsiung, Hualien, Taitung Airport) and Line Maintenance (Taoyuan, Taichung, Tainan, Kaohsiung Airport).

According to the statistics of the inventory and calculation results, the total greenhouse gas emissions intensity in 2024 are 1.2297 metric tons of carbon dioxide equivalents (CO_2e)/million turnover (Total emissions are 6,394.390 metric tons of carbon dioxide, including 708.029 metric tons of carbon dioxide equivalent (CO_2e) in scope 1, 3,440.730 metric tons of carbon dioxide equivalent (CO_2e) in scope 2 and 2,245.631 metric tons of carbon dioxide equivalent (CO_2e) in scope 3). The contribution ratio of each scope of greenhouse gas emissions is shown in Figure 1, among which purchased electricity (scope 2) accounts for 54% of greenhouse gas emissions. Therefore, if we want to achieve the international 2050 net-zero carbon

emissions target, as many emerging energy-saving technologies are still under research and development, the most feasible way to reduce carbon emissions at this stage is through improvements in energy efficiency. Through factory equipment testing, we can clearly understand the equipment utilization rate, conduct energy analysis, and then replace high-efficiency equipment, digitize operations, or carry out other carbon reduction actions. This is the company's current main direction to achieve greenhouse gas reduction goals. It can also reduce long-term operating costs.

In addition, the details of emissions from Category 3 to Category 6 in Scope 3 are as follows:

Indirect greenhouse gas emissions items	Emissions (metric tons CO_2e)
Category 3: Indirect greenhouse gas emissions from transport	2,245.631
3.1 Emissions from upstream transportation and cargo distribution	1,892.164
3.2 Emissions from downstream transportation and cargo distribution	0.413
3.3 Emissions from employee commuting	255.476
3.4 Emissions from transportation of customers and visitors	Not significant
3.5 Emissions from business travel	97.578
Category 4: Indirect greenhouse gas emissions from the use of products	Not significant
4.1 Emissions from purchased goods	Not significant
4.2 Emissions from capital goods	Not significant
4.3 Discharges from treatment of solid and liquid waste	Not significant
4.4 Emissions from use of assets	Not significant
4.5 Emissions from the use of services not described in the above subcategories	Not significant
Category 5: Indirect greenhouse gas emissions associated with the use of the product	Not significant
5.1 Emissions or disposal during the product use phase	Not significant
5.2 Emissions from downstream leased assets	Not significant
5.3 Emissions at the end of product life	Not significant
5.4 Emissions from investments	Not significant
Category 6: Indirect greenhouse gas emissions from other sources (not in the above categories 3 to 5)	Not significant

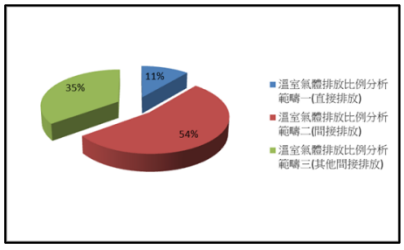

Figure 1. The proportion of greenhouse gas emissions in each scope

Energy Saving and Carbon Reduction Strategies and Measures

In order to mitigate the environmental impact caused by greenhouse gas emissions from the Company’s operations, the Company continues to promote energy conservation and carbon reduction strategies, such as replacing high-energy-consuming equipment with high-efficiency equipment, and setting improvement goals and tracking to effectively reduce greenhouse gas emissions. The energy conservation and carbon

reduction measures are summarized as follows:

1. Post a “Please turn off the light when you leave” sign.
2. The security guards patrol the factory at any time and turn off unnecessary lights.
3. Replace T5 energy saving lamps with T8 lamps in each factory area.
4. Replacement of LED lamps in the office area: An investment of NT$390,600 was made to replace the lighting fixtures in the aircraft maintenance area of the No. 2 hangar with LED fixtures. In 2024, LED fixtures have saved 18,432 kWh of electricity compared to older fixtures.
5. Reduce boiler natural gas usage: Starting from Nov. 2023, an investment of NT$1,327,740 has been made to replace the old boiler with a new BB-1000APG high-efficiency and energy-saving (inverter standard device) boiler system. The new boiler uses 38% less gas than the old ones on average, and save 55% of natural gas per hour. In 2024, the new boiler has saved 32.61% of natural gas usage compared to the old boiler.
6. Dosing the cooling water system.
7. Replacement of cooling material of air conditioning water tower.
8. The factory street lights adjust the switching time according to seasonal changes.
9. The ice water host adjusts the number of operating units according to seasonal changes.
10. The temperature setting of the ice water main unit is increased by 2℃.
11. The air conditioner in the public area of the factory is set to the energy saving mode.
12. Regularly clean the water tank of the air-conditioning water tower.
13. The air conditioner in the office area is turned on from 0700 to 1800, and it is closed at other times and holidays.
14. Year by year, the old air conditioners are replaced with energy saving models: In 2024, an investment of NT$2,273,660 has been made to scrap 31 high-energy-consuming fixed-frequency air conditioners, replace 24 old ones with new ones, and add 9 new ones. The total number of replaced and newly added air conditioners is 33, all of which are energy-saving air conditioners that meet the Level 1 energy efficiency standards issued by the Ministry of Economic Affairs. In 2014, energy-saving air conditioners saved a total of 11,802 kWh of electricity.
15. Set up solar green power generation equipment.
16. When replacing bathroom equipment, use products with water-saving labels announced by the Ministry of Economic Affairs.
17. Control the application of raw materials and reduce the generation of expired products to reduce the amount of waste.
18. Implement resource recycling and reuse to reduce waste generation.
19. Replace industrial water pumps with higher-performance models, which can save 67.7% of electricity under the same usage conditions.

20. Replace fire water pumps with higher performance models, which can save 6.4% of electricity under the same usage conditions.
21. Replacing emergency fire generators with lower-power models can save 57.4% of diesel fuel for the same number of hours of use.

Display of Results and Future Goals

The use of energy not only consumes the earth's resources, but also produces carbon dioxide and causes the greenhouse effect. In order to effectively reduce the environmental impact of the greenhouse effect, reducing energy consumption is the key issue of the Company's sustainable operation. At present, energy conservation is mainly aimed at the reduction of electricity, water, waste and greenhouse gas emissions. The implementation results of the past years are shown in Table 3 and Table 4. The electricity intensity, water intensity, waste intensity and greenhouse gas emission intensity all show a downward trend in energy saving results (as shown in Figures 2, 3, 4 and 5). The Company's inventory shows that the electricity intensity in 2023 is 1,409.7627 kWh/million turnover, and the electricity intensity in 2024 is 1,339.4493 kWh/million turnover; the electricity intensity in 2024 is 70.3134 kWh less than in 2023/million turnover (-4.99%); the electricity intensity target for 2025 is to be reduced by 0.5% compared to 2024.

Year / Items	2022 actual	2023 actual	Ratio (%)	2024 goals
Electricity intensity (kWh/million turnover)	1,409.7627	1,339.4493	-70.3134 (-4.99%)	1,332.7521 (-0.5%)
Electricity consumption (kWh)	6,856,638	6,965,212	108,574 (1.58%)	6,930,386 (-0.5%)

The water intensity in 2023 is 9.5609 metric tons/million turnover, and the water intensity in 2024 is 9.3179 metric tons/million turnover; the water intensity in 2024 is 0.2430 metric tons/million turnover (-2.54%) lower than that in 2023; the water intensity target for 2025 is to be reduced by 0.5% compared to 2024.

Year / Items	2022 actual	2023 actual	Ratio (%)	2024 goals
Water intensity (metric tons/million turnover)	9.5609	9.3179	-0.2430 (-2.54%)	9.2713 (-0.5%)
Water consumption (metric tons)	46,501	48,454	1,953 (4.20%)	48,212 (-0.5%)

The waste intensity in 2023 is 0.0683 metric tons/million turnover (The total amount of waste is 332.052 metric tons, including 309.633 metric tons of general industrial waste and 22.419 metric tons of hazardous industrial waste), and the waste intensity in 2024 is 0.0683 metric tons/million turnover (The total amount of waste is 354.998 metric tons, including 315.580 metric tons of general industrial waste and 39.418 metric

tons of hazardous industrial waste); the annual waste intensity in 2024 remains at 0.0000 metric tons/million turnover compared to 2023 (0.00%); the waste intensity target for 2025 is to be reduced by 0.5% compared to 2024.

Year / Items	2022 actual	2023 actual	Ratio (%)	2024 goals
Waste intensity (metric tons/million turnover)	0.0683	0.0683	0.0000 (0.00%)	0.0680 (-0.5%)
Waste consumption (metric tons)	332.052	354.998	22.946 (6.91%)	353.223 (-0.5%)

The greenhouse gas emission intensity in 2023 is 1.9597 metric tons of carbon dioxide equivalent (CO_2e)/million turnover, and the greenhouse gas emission intensity in 2024 is 1.2297 metric tons of carbon dioxide equivalent (CO_2e)/million turnover; the greenhouse gas emission intensity in 2024 has decreased by 0.7300 metric tons of carbon dioxide equivalent (CO_2e)/million turnover (-37.25%) compared to 2023; the greenhouse gas emission intensity target for 2025 is to be reduced by 0.5% compared to 2024.

Year / Items	2022 actual	2023 actual	Ratio (%)	2024 goals
Greenhouse gas emission intensity (metric tons/million turnover)	1.9597	1.2297	-0.7300 (-37.25%)	1.2236 (-0.5%)
Greenhouse gas emissions (metric tons CO_2e)	9,531.200	6,394.390	-3,136.810 (-32.91%)	6,362.418 (-0.5%)

The Company will continue to promote the implementation of energy conservation management plans in offices, public areas and maintenance lines, supplemented by publicity activities and education and training to improve colleagues' concepts and habits in energy conservation and greenhouse gas reduction, so as to achieve the results of energy conservation and carbon reduction.

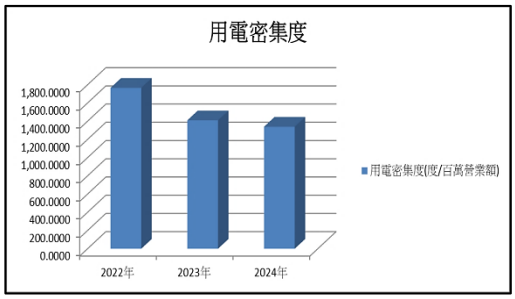

Figure 2. Distribution of electricity intensity over the years

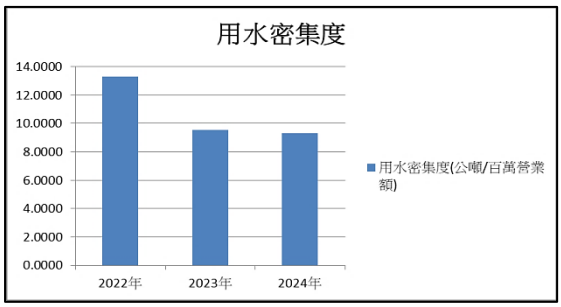

Figure 3. Distribution of water intensity over the years

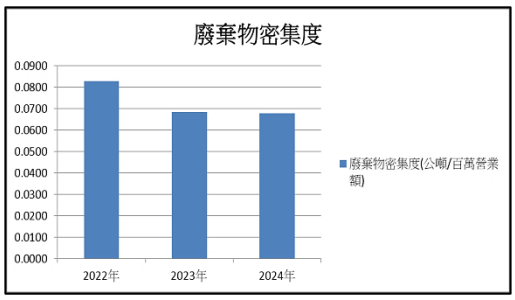

Figure 4. Distribution of waste intensity over the years

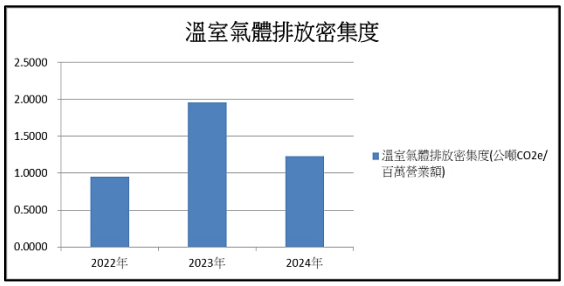

Figure 5. Distribution of greenhouse gas emission intensity over the years

Table 3. Implementation status of energy conservation

Items \ Year	2022 actual	2023 actual	2024 actual	2025 goals
Electricity intensity (kWh/million turnover)	1,766.5715	1,409.7627	1,339.4493	1,332.7521
Water intensity (metric tons/million turnover)	13.3052	9.5609	9.3179	9.2713
Waste intensity (metric tons/million turnover)	0.0828	0.0683	0.0683	0.0680
Greenhouse gas emission intensity (metric tons/million turnover)	0.9482	1.9597	1.2297	1.2236

Table 4. Emissions implementation status

Items \ Year	2022	2023	2024	2025 goals
Electricity consumption (kWh)	7,188,584	6,856,638	6,965,212	6,930,386
Water consumption (metric tons)	54,142	46,501	48,454	48,212
Waste volume (metric tons)	336.800	332.052	354.998	353.223
Greenhouse gas emissions (metric tons CO_2e)	3,858.600	9,531.200	6,394.390	6,362.418

In recent years, climate change and extreme climate phenomena caused by man-made greenhouse gases have become more and more prominent, making the issue of climate change management more and more attention from all walks of life. The impact of climate change brings many risks and challenges to business operations. The Company is optimistic about the development of renewable energy, and in line with the government's green energy policy, actively invests in solar power generation to implement green energy and environmental protection policies. The Company rents out a solar power plant supplier on the rooftop of its Tainan Plant to build a solar power generation systems to reduce pollution and reduce carbon emissions. In 2023, the power generation amounted to 1,910.01K kilowatt-hours, saving 945,453 kilograms of carbon emissions. In 2024, the power generation amounted to 1,889.93K kilowatt-hours, saving 895,978.07 kilograms of carbon emissions. The power generation and energy saving and carbon reduction in 2024 have decreased by 20.08K kilowatt-hours of power generation (-1.05%) and 49,475 metric tons of energy saving and carbon reduction (-5.23%) compared to 2023. The efficiency of renewable energy use will continue to be improved. Please refer to Table 5 and Figure 6 for the benefits of the solar power system.

Table 5. Solar power generation

Year / Items	2022	2023	2024
Power generation (1,000kWh)	1,910.09	1,910.01	1,889.93
Energy saving and carbon reduction (kg)	972,237	945,453	895,978.07

Figure 6. Building solar panels