

# 2026 Promote Sustainable Development and the Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies								
	Y	N	Summary									
i. Has the Company established a governance structure and a designated (part time) unit for promoting sustainable development? Is the Board of Directors authorizing the senior management to handle and report the supervising situation to the Board of Directors?	V		<p>This Company has promulgated “Sustainable Development Best Practice Principles”, the designated (part-time) unit to promote corporate social responsibility is the Chairman’s Office in 2018. In 2021, it was repurposed as the designated (part-time) unit for promoting sustainable development, and a Sustainability Implementation Committee has been established in 2023, which is responsible for the presentation and implementation of sustainable development policies, systems or related management policies and specific promotion plans. In 2025, the Sustainable Development Committee was established, chaired by the Chairman, while the original Sustainable Implementation Committee was reorganized into a Sustainable Promotion Task Force. Throughout 2025, the Task Force convened meetings according to its established work plan schedule. The Corporate Governance Officer serves as the chairperson of the Task Force, collaborating with other members to integrate sustainability issues into the Company’s operations. The Task Force reports to the Sustainable Development Committee twice a year to ensure the continuous optimization and implementation of the sustainable development strategy.</p> <p>The Sustainable Promotion Task Force held a total of eight meetings in 2025 (including two consultation/guidance meetings). Discussions covered various topics, including ESG management objectives and programs related to company operations and stakeholders, as well as the management of potential risks.</p> <p>The Company’s Sustainable Development Committee reported its performance results and future goals to the Board of Directors on August 6, 2025, and March 4, 2026, respectively. The Board regularly reviews reports from the management team (including ESG reports) each year to monitor management performance and provide timely guidance, ensuring that the Company’s sustainable development direction remains aligned with its long-term strategy.</p>	No significant difference								
ii. Does the Company execute risk assessment of environment, society and company management related to company operation and set up related policies or strategies based on the principle of materiality?	V		<p>1. In 2026, the Company mainly disclosed the performance in terms of sustainability in major plant areas. The risk evaluation was made for Songshang Plant, Taichung Plant, Tainan Plant, Gue-Jen Station, Tainan Maintenance Base, Pingtung Plant, 3 NASC out-stations (Kaohsiung, Hualien, Taitung Airport), Line Maintenance (Taoyuan, Taichung, Tainan, Kaohsiung Airport) and Chiayi Asia UAV AI Innovation Application R&amp;D Center.</p> <p>2. The Company’s Sustainability Implementation Committee investigates internal and external stakeholders in accordance with the materiality principle of the sustainability report, conducts risk assessments on important ESG issues on the information, and formulates relevant risk management based on the assessed risks. The policy or strategy is as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Major Issue</th> <th style="width: 35%;">Item of Risk Assessment</th> <th style="width: 50%;">Management Strategies</th> </tr> </thead> <tbody> <tr> <td rowspan="2"></td> <td>Increased waste and decreased recycling rates</td> <td>Promote waste reduction work, allocate qualified waste professionals to perform waste management work, and entrust the Ministry of Environment to approve qualified removal and treatment manufacturers. All business waste can be perfectly managed, removed, processed, and reused, effectively preventing negative impacts on the environment.</td> </tr> <tr> <td>Greenhouse gas emissions continue to increase</td> <td>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</td> </tr> </tbody> </table>	Major Issue	Item of Risk Assessment	Management Strategies		Increased waste and decreased recycling rates	Promote waste reduction work, allocate qualified waste professionals to perform waste management work, and entrust the Ministry of Environment to approve qualified removal and treatment manufacturers. All business waste can be perfectly managed, removed, processed, and reused, effectively preventing negative impacts on the environment.	Greenhouse gas emissions continue to increase	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	No significant difference
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			<p>emissions. Specific measures such as replacing energy-saving lamps and replacing old air-conditioners with energy-saving models. When replacing old facilities with new ones, prioritize energy-saving measures. Taking safety into consideration and installing solar green energy power generation equipment and other measures.</p> <p>Unable to effectively save energy</p> <ol style="list-style-type: none"> <li>Promote energy conservation and manage from three aspects: developing new energy sources, saving energy, and strengthening energy use.</li> <li>Year by year, lighting, power, electric heating, air conditioners, refrigerators or other energy-consuming electrical appliances and equipment in the factory are replaced with energy-saving products to save energy at the source and then improve energy efficiency.</li> <li>Equipment that requires maintenance and replacement of filter materials should be maintained regularly and cleaned frequently to maintain its performance and avoid abnormal loads.</li> </ol> <p>Wastewater discharge continues to increase</p> <p>Promote domestic water conservation to employees, and reduce wastewater discharge from three aspects: developing new energy, saving energy, and strengthening energy management through facility improvement and operation process optimization.</p>	
			<p>Society</p> <p>Employee turnover rate is too high (faced with shortage of workers)</p> <ol style="list-style-type: none"> <li>Adopt a localized employment policy and recruit local graduates from Tainan through industry-university cooperation to reduce transportation and rental factors and increase the willingness to stay. In addition, through the Veterans Service, we recruit experienced maintenance personnel from Hualien and Taitung areas to join NASC Hualien and Taitung Outstations have increased their willingness to stay. Due to the emergence of companies competing for manpower at the NASC Taitung Outstation, the Company has specially provided dormitories to increase its competitiveness.</li> <li>The Company continues to organize training courses for maintenance students and cooperates with industry and academia, recruits experienced people, replenishes retiring positions, and rewards employees who improve their functions according to the original plan. We also offer aircraft model training courses to improve maintenance quality.</li> </ol> <p>An occupational disaster occurs</p> <ol style="list-style-type: none"> <li>Implement independent management of occupational safety and health, strengthen preventive measures, establish safe working methods and prepare safety equipment and necessary handling measures to prevent disasters in advance to prevent disasters and effectively reduce the incidence of occupational disasters. A total of 71 operating procedures have been evaluated in 2025.</li> <li>The Company provides influenza vaccines to employees and strengthens various preventive measures such as epidemic prevention publicity.</li> </ol> <p>Overwork (long working hours)</p> <ol style="list-style-type: none"> <li>Limit overtime hours to no more than 46 hours per month.</li> <li>Appropriate manpower replenishment will be provided according to the needs of each unit.</li> </ol>	
			<p>Corporate Governance</p> <p>Information disclosure is insufficiently transparent</p> <p>The Company has a spokesperson and agent system. The spokesperson's contact number is disclosed on MOPS and the Company website. It also has smooth communication channels for employees. It also discloses relevant information on the stock exchange website in accordance with regulations to provide stakeholders with sufficient information. Make judgments based on the</p>	

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			<p>An information security incident occurred</p> <p>information to safeguard their rights and interests. The Company will promptly announce relevant information on the MOPS website in accordance with relevant regulations; the Company also has spokespersons, acting spokespersons and stock management personnel to answer investors' questions about the company at any time to maintain a good relationship with investors. The Company has established the [Information Security Committee], with the Vice President serving as the Director. Regularly formulate/review various information security management measures and indicators, and supervise the implementation of information security. The performance of the previous year will be reported regularly to the Board of Directors at the beginning of each year. The 2025 Information Security Risk Management Report was submitted to the Board of Directors on March 4, 2026. The Company obtained ISO 27001 certification in 2021 and successfully completed the transition to the ISO 27001:2022 standard in October 2024. The certification remains valid until November 2027. We completed the first surveillance audit in October 2025 to continuously strengthen our information security management. Furthermore, the annual re-inspection for the "Periodic Safety Review of Military Products Manufacturers Scheduled by the Ministry of National Defense" was completed in November 2025. The Company performs annual information security risk assessments and security audits, developing risk treatment plans for high-risk items to improve security. We conduct annual business continuity and system recovery drills, as well as execute backup plans in accordance with regulations. Furthermore, we perform annual cybersecurity health checks, vulnerability scans, and host penetration testing to continuously strengthen our information security defenses. We regularly conduct information security briefings and arrange annual training sessions, complemented by social engineering drills, to enhance employees' cybersecurity awareness. For the 2025 implementation details, please refer to the Company website:</p> 	
<p>iii. Developing a sustainable environment</p> <p>(i) Does the Company establish a suitable environmental management system based on its industrial characteristics?</p> <p>(ii) Is the Company committed to improving the efficiency of the use of energy and using recycled materials that have a low impact on the environmental load?</p>	V		<p>(i) 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.</p> <p>(ii) In the spirit of "cherishing natural resources", we combine the core business of environmental protection with the trust of our customers to create the concept of "sustainable operation" and "reward the society", continue to implement energy reduction measures. We have adopted energy-efficient equipment and renewable energy to optimize the energy efficiency.</p>	<p>No significant difference</p> <p>No significant difference</p>

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(iii) Does the Company assess the potential risks and opportunities of climate change for companies now and in the future, and take measures to address climate-related issues?	V		<p>In 2024, the electricity intensity was 1,339.4493 kWh per million in revenue, which decreased to 1,287.1414 kWh in 2025. This represents a year-on-year reduction of 52.3079 kWh (-3.91%). For 2026, the Company has set a target to reduce electricity intensity by 0.5% compared to 2025 levels. Additionally, a solar energy power generation system has been installed at the Tainan Plant. In 2024, the total power generation was 1,889.93 thousand kWh, resulting in 895,978.07 kg of carbon reduction. In 2025, the power generation reached 2,336.06 thousand kWh, with a carbon reduction of 990,491.07 kg. Compared to 2024, the 2025 figures show an increase of 446.13 thousand kWh in power generation (23.61%) and 94,513 kg in carbon reduction (10.55%). We will continue to enhance the efficiency of our renewable energy utilization.</p> <p>Concerning the project of administration building under the plan of the Company, the design and planning will abide by nine indicators of green building: energy savings, water conservation, water soil content, biodiversity, indoor environmental quality, CO<sub>2</sub> emissions reduction; construction waste reduction, garbage and sewage improvements, all things considered, conduct adaptive design, construct environment-friendly building and put the spirit of sustainable development into practice.</p> <p>(iii) 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 devote to reducing greenhouse gas emission and promoting eco-friendly services to mitigate the impact from climate change on our operation. Our measure are as below:</p>	No significant difference		
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			<p>How management assesses and manages climate-related risks and opportunities</p> <p>Under the supervision of the Sustainable Development Committee and the Risk Management Committee, the Company manages action plans related to climate-related issues.</p> <p>To incentivize the President and senior management to collectively achieve ESG goals, the Remuneration Committee has established short-term (carbon reduction) and medium-to-long-term sustainability indicators (climate change mitigation). These indicators link ESG performance results with executive compensation. The Remuneration Committee reviews these achievements annually and submits them to the Board of Directors for approval.</p>	
			<p>Strategy Short-, medium-, and long-term climate-related risks and opportunities identified by company</p> <p>Short-term (Under 3 years)</p> <p>Physical Risks: Enhance greenhouse gas (GHG) emissions reporting.</p> <p>Transition Risks: Transition to low-emission technologies (low-carbon services).</p> <p>Risk Mitigation: Improve equipment energy efficiency and implement energy-saving systems across plants. Capital expenditures (CAPEX) will increase due to the procurement or retrofitting of factory equipment.</p> <p>Market Opportunities: Strengthen green procurement of raw materials to meet customer demands and enhance corporate competitiveness.</p> <p>Medium-term (3 to 5 years)</p> <p>Physical Risks: Extreme weather events (e.g., floods, storms).</p> <p>Transition Risks: Rising energy costs and carbon pricing.</p> <p>Risk Mitigation: Plan flood control measures, such as installing floodgates and procuring water pumps at factory sites to prevent asset losses from flooding.</p> <p>Market Opportunities: Participate in renewable energy projects and adopt energy-saving measures to reduce high-carbon energy consumption and bolster corporate image.</p> <p>Long-term (Over 5 years)</p> <p>Transition Risks: Shifts in customer preferences and market demand.</p> <p>Risk Mitigation: Adopt Sustainable Aviation Fuel (SAF) or eco-friendly materials. Continuously monitor market trends to adjust products and services. Utilize low-carbon energy and optimize maintenance workflows to enhance competitiveness. Strengthen brand sustainability and attract environmentally conscious customers through transparent ESG disclosure and supply chain collaboration.</p> <p>Market Opportunities: Evaluate the adoption of low-carbon energy, recyclable or renewable materials, and optimize supply chain management to ensure stable supply and mitigate operational risks.</p>	
			<p>The impact of climate-related risks and opportunities on business, strategy and financial planning</p> <p>Financial Impact of Physical Risks (Extreme Weather Events) Extreme weather events, such as heavy rainfall and typhoons, may lead to operational disruptions, compromise workplace safety, or cause supply chain interruptions. Flooding resulting from these events can lead to facility shutdowns and equipment damage, temporarily disabling the Company's ability to provide maintenance services or conduct production. Such disruptions affect aircraft delivery schedules and incur property losses, ultimately leading to an increase in operating costs.</p> <p>Financial Impact of Transition Risks The transition to a low-carbon economy involves navigating extensive changes in policy, regulation, technology, and market dynamics.</p>	

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				<p>Depending on the nature, pace, and focus of these shifts, factors such as carbon fees, greenhouse gas (GHG) cap-and-trade systems, renewable energy regulations, and shifting customer demands may result in higher operating costs or a reduction in business volume.</p> <p>Given that our core business is aircraft maintenance which is not classified as a high-energy-intensive industry the Company focuses its analysis on operating costs. Under low-carbon transition scenarios, the financial impact of transitioning to low-carbon services will primarily manifest as an increase in the Company's operational expenditures.</p>	
			Scenario analysis (including 2°C or more severe scenarios)	<p>Scenario Analysis (SSP5-8.5 Very High Emissions Scenario)</p> <p>Under the SSP5-8.5 (Very High Emissions) scenario, the frequency of extreme weather events due to climate change is projected to increase. Facilities may experience shutdowns and equipment damage caused by flooding from heavy rainfall and typhoons, affecting aircraft delivery schedules and resulting in property losses.</p> <p>Considering the potential increase in future flooding events, the Company has assessed its flood risk exposure and planned various mitigation measures:</p> <p>Mitigation Actions: We have installed floodgates and procured water pumps. Furthermore, engineering controls, such as repaving low-lying areas with asphalt and improving roofing and drainage systems, are being re-evaluated and implemented to prevent asset losses caused by flooding.</p> <p>Financial Impact: The increase in operating costs associated with these mitigation actions and potential losses is estimated to be approximately 0.26% of annual revenue in 2025.</p>	
			Risk Management	<p>Processes for identifying and assessing climate-related risks</p> <p>Following the identification of corporate risks by the Environmental Team within the Sustainability Promotion Task Force, the team collaborates with various business units to explore relevant response strategies. Based on the analysis results, the Task Force develops a Risk Management Strategic Plan as the core of the Company's climate action, which serves as the basis for estimating management costs and financial impacts. By collecting the aforementioned data, the Company strengthens its climate change governance and systematically evaluates financial interdependencies, aiming to mitigate risks and seize market opportunities.</p>	
				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 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	<p>2025 Annual Performance:</p> <p>Electricity intensity: 1,287.1414 kWh/million turnover</p> <p>Water intensity 10.0478 metric tons/million turnover</p> <p>Waste intensity 0.0588metric tons/million turnover</p>

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			Greenhouse gas emission intensity: 1.2327 metric tons CO <sub>2</sub> e/million turnover 2026 Goals: The above items will be reduced by 0.5% each year																																																																																													
(iv) Does the Company make statistics on the greenhouse gas emission, water usage and total weight of waste in the past 2 years and set up policies for energy saving and carbon reduction, decreasing of greenhouse gas emission and usage of water and other waste management?	V		<p>(iv) The Company has introduced a greenhouse gas inventory system in accordance with the "ISO14064-1:2018" standard guidelines. The "Operational Control Approach" is used to check the boundaries including "Operational Control Law" including Songshang Plant, Taichung Plant, Tainan Plant, Gue-Jen Station, Tainan Maintenance Base, Pingtung Plant, 3 NASC out-stations (Kaohsiung, Hualien, Taitung Airport), Line Maintenance (Taoyuan, Taichung, Tainan, Kaohsiung Airport) and Chiayi Asia UAV AI Innovation Application R&amp;D Center.</p> <p>In 2024, the greenhouse gas (GHG) emissions intensity was 1.2297 metric tons of CO<sub>2</sub>e per million in revenue. This was based on a total emission volume of 6,394.3896 metric tons of CO<sub>2</sub>e, which included Scope 1 (708.0288 tCO<sub>2</sub>e), Scope 2 (3,440.7299 tCO<sub>2</sub>e), and Scope 3 (2,245.6309 tCO<sub>2</sub>e).</p> <p>In 2025, the GHG emissions intensity was 1.2327 metric tons of CO<sub>2</sub>e per million in revenue. The total emission volume reached 6,723.3085 metric tons of CO<sub>2</sub>e, comprising Scope 1 (660.4962 tCO<sub>2</sub>e), Scope 2 (3,414.6840 tCO<sub>2</sub>e), and Scope 3 (2,648.1283 tCO<sub>2</sub>e).</p> <p>The breakdown of emissions is as follows:</p> <table border="1"> <thead> <tr> <th colspan="4">Greenhouse Gas (GHG) Emissions Summary</th> </tr> <tr> <th>Category</th> <th>Category Description</th> <th>Emissions in 2024 (tCO<sub>2</sub>e)</th> <th>Emissions in 2025 (tCO<sub>2</sub>e)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Category 1: Direct GHG emissions and removals</td> <td>708.0288</td> <td>660.4962</td> </tr> <tr> <td>1.1</td> <td>Direct emissions from stationary combustion</td> <td>44.9555</td> <td>31.6610</td> </tr> <tr> <td>1.2</td> <td>Direct emissions from mobile combustion</td> <td>173.8732</td> <td>158.3602</td> </tr> <tr> <td>1.3</td> <td>Direct emissions and removals from industrial processes</td> <td>0.0733</td> <td>2.8558</td> </tr> <tr> <td>1.4</td> <td>Direct fugitive emissions of GHG from the release from anthropogenic systems</td> <td>489.1268</td> <td>467.6192</td> </tr> <tr> <td>1.5</td> <td>Direct emissions and removals from land use, land use change and forestry</td> <td>Immaterial</td> <td>Immaterial</td> </tr> <tr> <td>2</td> <td>Category 2: Indirect GHG emissions from imported energy</td> <td>3,440.7299</td> <td>3,414.6840</td> </tr> <tr> <td>2.1</td> <td>Indirect emissions from imported electricity</td> <td>3,440.7299</td> <td>3,414.6840</td> </tr> <tr> <td>2.2</td> <td>Indirect emissions from imported energy</td> <td>Immaterial</td> <td>Immaterial</td> </tr> <tr> <td>3</td> <td>Category 3: Indirect GHG emissions from transportation</td> <td>2,245.6309</td> <td>1,830.4847</td> </tr> <tr> <td>3.1</td> <td>Emissions from upstream transportation and distribution of goods</td> <td>1,892.1637</td> <td>1,034.5948</td> </tr> <tr> <td>3.2</td> <td>Emissions from downstream transportation and distribution of goods</td> <td>0.4127</td> <td>0.0406</td> </tr> <tr> <td>3.3</td> <td>Emissions from employee commuting</td> <td>255.4763</td> <td>637.7603</td> </tr> <tr> <td>3.4</td> <td>Emissions from the transport of clients and visitors</td> <td>Immaterial</td> <td>Immaterial</td> </tr> <tr> <td>3.5</td> <td>Emissions from business travel</td> <td>97.5782</td> <td>158.0890</td> </tr> <tr> <td>4</td> <td>Category 4: Indirect GHG emissions from products used by organization</td> <td>Immaterial</td> <td>817.6436</td> </tr> <tr> <td>4.1</td> <td>Emissions from purchased goods</td> <td>Immaterial</td> <td>Immaterial</td> </tr> <tr> <td>4.2</td> <td>Fuel- and energy-related activities</td> <td>Immaterial</td> <td>700.6017</td> </tr> <tr> <td>4.3</td> <td>Emissions from capital goods</td> <td>Immaterial</td> <td>Immaterial</td> </tr> <tr> <td>4.4</td> <td>Emissions from solid and liquid waste disposal</td> <td>Immaterial</td> <td>117.0419</td> </tr> <tr> <td>4.5</td> <td>Emissions from leased assets</td> <td>Immaterial</td> <td>Immaterial</td> </tr> </tbody> </table>	Greenhouse Gas (GHG) Emissions Summary				Category	Category Description	Emissions in 2024 (tCO <sub>2</sub> e)	Emissions in 2025 (tCO <sub>2</sub> e)	1	Category 1: Direct GHG emissions and removals	708.0288	660.4962	1.1	Direct emissions from stationary combustion	44.9555	31.6610	1.2	Direct emissions from mobile combustion	173.8732	158.3602	1.3	Direct emissions and removals from industrial processes	0.0733	2.8558	1.4	Direct fugitive emissions of GHG from the release from anthropogenic systems	489.1268	467.6192	1.5	Direct emissions and removals from land use, land use change and forestry	Immaterial	Immaterial	2	Category 2: Indirect GHG emissions from imported energy	3,440.7299	3,414.6840	2.1	Indirect emissions from imported electricity	3,440.7299	3,414.6840	2.2	Indirect emissions from imported energy	Immaterial	Immaterial	3	Category 3: Indirect GHG emissions from transportation	2,245.6309	1,830.4847	3.1	Emissions from upstream transportation and distribution of goods	1,892.1637	1,034.5948	3.2	Emissions from downstream transportation and distribution of goods	0.4127	0.0406	3.3	Emissions from employee commuting	255.4763	637.7603	3.4	Emissions from the transport of clients and visitors	Immaterial	Immaterial	3.5	Emissions from business travel	97.5782	158.0890	4	Category 4: Indirect GHG emissions from products used by organization	Immaterial	817.6436	4.1	Emissions from purchased goods	Immaterial	Immaterial	4.2	Fuel- and energy-related activities	Immaterial	700.6017	4.3	Emissions from capital goods	Immaterial	Immaterial	4.4	Emissions from solid and liquid waste disposal	Immaterial	117.0419	4.5	Emissions from leased assets	Immaterial	Immaterial	No significant difference
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1.4	Direct fugitive emissions of GHG from the release from anthropogenic systems	489.1268	467.6192																																																																																													
1.5	Direct emissions and removals from land use, land use change and forestry	Immaterial	Immaterial																																																																																													
2	Category 2: Indirect GHG emissions from imported energy	3,440.7299	3,414.6840																																																																																													
2.1	Indirect emissions from imported electricity	3,440.7299	3,414.6840																																																																																													
2.2	Indirect emissions from imported energy	Immaterial	Immaterial																																																																																													
3	Category 3: Indirect GHG emissions from transportation	2,245.6309	1,830.4847																																																																																													
3.1	Emissions from upstream transportation and distribution of goods	1,892.1637	1,034.5948																																																																																													
3.2	Emissions from downstream transportation and distribution of goods	0.4127	0.0406																																																																																													
3.3	Emissions from employee commuting	255.4763	637.7603																																																																																													
3.4	Emissions from the transport of clients and visitors	Immaterial	Immaterial																																																																																													
3.5	Emissions from business travel	97.5782	158.0890																																																																																													
4	Category 4: Indirect GHG emissions from products used by organization	Immaterial	817.6436																																																																																													
4.1	Emissions from purchased goods	Immaterial	Immaterial																																																																																													
4.2	Fuel- and energy-related activities	Immaterial	700.6017																																																																																													
4.3	Emissions from capital goods	Immaterial	Immaterial																																																																																													
4.4	Emissions from solid and liquid waste disposal	Immaterial	117.0419																																																																																													
4.5	Emissions from leased assets	Immaterial	Immaterial																																																																																													

Evaluation items	Operation situation				The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																															
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			<p>The greenhouse gas (GHG) emissions intensity in 2025 increased by 0.0030 metric tons of CO<sub>2</sub>e per million in revenue (0.25%) compared to 2024. This increase was primarily due to the addition of new items in the Scope 3 inventory, specifically emissions from fuel- and energy-related activities and the disposal of solid and liquid waste.</p> <p>With 2025 serving as the base year, the Company has set a target to reduce GHG intensity by 0.5% in 2026. In the long term, we will continue to implement various reduction projects in alignment with government policies to achieve maximum energy efficiency, aiming for a total reduction of 2.5% by 2030.</p> <p>The greenhouse gas emission intensity target for 2026 is to be reduced by 0.5% compared to 2025. The execution results are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th colspan="4">Year</th> </tr> <tr> <th>2023</th> <th>2024</th> <th>2025</th> <th>2026 goals</th> </tr> </thead> <tbody> <tr> <td>Electricity consumption (kWh)</td> <td>6,856,638</td> <td>6,965,212</td> <td>7,020,211</td> <td>6,796,467</td> </tr> <tr> <td>Water consumption (metric tons)</td> <td>46,501</td> <td>48,454</td> <td>54,802</td> <td>53,055</td> </tr> <tr> <td>Waste volume (metric tons)</td> <td>332.052</td> <td>354.998</td> <td>320.804</td> <td>310.580</td> </tr> <tr> <td>Greenhouse gas emissions (metric tons CO<sub>2</sub>e)</td> <td>9,531.2000</td> <td>6,394.3896</td> <td>6,723.3085</td> <td>6,509.0272</td> </tr> </tbody> </table>	Item	Year				2023	2024	2025	2026 goals	Electricity consumption (kWh)	6,856,638	6,965,212	7,020,211	6,796,467	Water consumption (metric tons)	46,501	48,454	54,802	53,055	Waste volume (metric tons)	332.052	354.998	320.804	310.580	Greenhouse gas emissions (metric tons CO <sub>2</sub> e)	9,531.2000	6,394.3896	6,723.3085	6,509.0272				
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			<p>In 2024, the water intensity was 9.3180 metric tons per million in revenue, which increased to 10.0478 metric tons in 2025. This represents an increase of 0.7299 metric tons (7.83%) compared to 2024. The growth was primarily driven by an increase in aircraft maintenance cycles, cleaning operations for the plant and hangar floors, and water usage supported for solar energy contractors.</p> <p>Moving forward, priority will be given to using harvested rainwater. We will also continue to promote environmental awareness and require employees to practice water conservation. For 2026, our target is to reduce water intensity by 0.5% relative to 2025 levels.</p> <p>In 2024, the waste intensity was 0.0683 metric tons per million in revenue, with a total waste volume of 354.998 metric tons (comprising 315.580 tons of general industrial waste and 39.418 tons of hazardous industrial waste). In 2025, the waste intensity decreased to 0.0588 metric tons per million in revenue, with a total waste volume of 320.804 metric tons (comprising 277.372 tons of general industrial waste and 43.432 tons of hazardous industrial waste).</p> <p>This represents a reduction in waste intensity of 0.0094 metric tons (-13.84%) in 2025 compared to 2024. For 2026, our target is to reduce waste intensity by 0.5% relative to 2025 levels.</p> <p>As for the ratio of emission contribution, the purchased electricity is primary with 50.79%. 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</p>																																	

Evaluation items	Operation situation		The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	
			<p>high-energy-consuming equipment with high-efficiency equipment, and setting improvement goals and tracking to effectively reduce greenhouse gas emissions. Actual measures such as install energy-saving lighting, replace old air-conditioners with energy-saving types, install solar power generator devices.</p> <p>In 2025, the Company invested NT\$2,745,154 and applied for subsidies for 37 air conditioners, 3 refrigerators, and 1 dehumidifier. Additionally, the factory's central HVAC chiller system was upgraded and replaced with 4 split-unit air conditioners. These measures resulted in a 5.49% reduction in annual electricity consumption, saving a total of 139,856 kWh.</p> <p>In 2023, the Company invested NT\$1,327,740 to replace an old boiler with a new BB-1000APG high-efficiency and energy-saving boiler system (equipped with a standard inverter device). Compared to the old model, the new boiler reduces hourly natural gas consumption by 55%.</p> <p>Replace industrial water pumps with higher-performance models, which can save 67.7% of electricity under the same usage conditions.</p> <p>Replace fire water pumps with higher performance models, which can save 6.4% of electricity under the same usage conditions.</p> <p>Replacing emergency fire generators with lower-power models can save 57.4% of diesel fuel for the same number of hours of use.</p> <p>Allocate qualified personnel to perform 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.</p> <p>In addition, we have encouraging our employees to conserve water in daily life, and we require manufacturing units to recycle and reuse chilled water. In terms of managing quality of emitted water, we reduce the water consumed during maintenance practices and reduce daily life water consumption of employees. We've hired qualified personnel to operate and maintain sewage water treatment equipment in the waste water treatment station in each of our factories. We entrusted water inspection institute that are recognized by EPA to examine the waste water in the factory and the emitted water to monitor our emitted water quality and keep normal functioning of our treatment equipment. Each of our factories has obtained the permission of water emission to fulfill the requirement of laws.</p> <p>In order to improve the efficiency of wastewater pollution prevention and control equipment, an investment of NT\$48,000 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 7.0 mg/L compared to 2024.</p>
<p>iv. Maintain social welfare</p> <p>(i) Does the Company formulate relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?</p>	Y		<p>(i) The Company follows "The United Nation Global Compact, UNGC," "Universal Declaration of Human Right," "ILO Declaration on Fundamental Principles and Rights at Work," and relevant international human right principles to realize fair treatment and respect for all employees. We care for human right policies and guidelines for practice and has established working rules and related personnel management regulations in accordance with the labor law regulations as the basis for company management. Relevant human right policies and practices have been disclosed on the Company's official website.</p> <p>This policy applies to all managers and employees, with the Board of Directors serving as the highest level of the human rights governance framework. The cross-departmental members of the Company's Sustainable Promotion Task Force are responsible for managing working conditions, employee relations, grievance mechanisms, and human rights training. Relevant performance results are included in the Sustainability Report and submitted to the Sustainable Development Committee for review. The Company's human rights policy and specific action</p>

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			<p>plans are summarized as follows:</p> <table border="1"> <thead> <tr> <th>Policy</th> <th>Practical Measures</th> </tr> </thead> <tbody> <tr> <td>Provide equal employment opportunities</td> <td> <ol style="list-style-type: none"> <li>In 2025, the Company recruited 155 new employees and conducted an aircraft maintenance technician training program with 15 participants. During the year, youth and middle-aged/senior hires accounted for 79% of the total, reflecting our commitment to providing equal employment opportunities.</li> <li>As of the end of 2025, the Company employed 27 indigenous people and 17 persons with disabilities, a figure that exceeds statutory requirements.</li> </ol> </td> </tr> <tr> <td>Implement human rights in the workplace</td> <td> <ol style="list-style-type: none"> <li>In 2025, the Company conducted training courses including "Legal Education Awareness," "Sexual Harassment Prevention," and "Workplace Bullying Prevention," with a total of 1,148 participants.</li> <li>In 2025, the "Privacy and Personal Data Protection Awareness" sessions were held, with a total of 1,166 participants.</li> <li>In accordance with the "Measures for Preventing, Complaining, and Punishing Sexual Harassment in the Workplace" and the "Plan for Preventing Unlawful Infringement during the Performance of Duties" outlined in the Work Rules, the Company handles all grievance procedures with fairness and integrity.</li> </ol> </td> </tr> <tr> <td>Prioritize a safe and healthy work environment</td> <td> <ol style="list-style-type: none"> <li>In 2025, the Occupational Safety and Health (OSH) Committee held four meetings and conducted various safety and health training courses, with a total of 1,022 trainees (man-times).</li> <li>In 2025, the Company conducted employee health examinations with items exceeding regulatory requirements. 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The Company complies with all national regulations and international labor human rights norms, including international labor conventions, the UN Universal Declaration of Human Rights and other norms. In 2025, the Company was elected as a good institution for labor-management harmony in Tainan City.</p>	Policy	Practical Measures	Provide equal employment opportunities	<ol style="list-style-type: none"> <li>In 2025, the Company recruited 155 new employees and conducted an aircraft maintenance technician training program with 15 participants. 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(ii) Does the Company regulate or implement reasonable employee welfare policy (including remuneration, leaves and other welfares) and properly reflect managerial performance or results on employee's	V		<p>(ii) Employee Compensation: The Company's year-end bonus policy is designed with the goal of "creating win-win outcomes and profit sharing." In accordance with the collective bargaining agreement signed with the labor union, the Company has established a mechanism to increase year-end bonus amounts and the quota for "excellent" performance ratings</p>	No significant difference										

Evaluation items	Operation situation		The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	
remuneration?			<p>once profit targets exceed specific thresholds. This approach serves to significantly boost employee morale.</p> <p>Welfare Measures: The Company has provided several welfare policies for employees, besides labor insurance, health insurance, retirement pension contribution and parental leave, which are regulated by law, yearly health examination, bonus and coupons for 3 national holidays, wedding subsidy and condolence and group insurance are also included.</p> <p>Friendly Leave System: To safeguard the physical and mental health of our employees, the Company has established a friendly leave system. Employees are allowed to take leave in flexible increments as small as 0.5 hours, encouraging them to manage their time based on individual needs.</p> <p>Retirement System: In order to truly take care of the living guarantee of employees after they leave the workplace, the Company has established a Labor Retirement Reserve Supervision Committee in accordance with the relevant provisions of the Labor Standards Act to coordinate and manage related businesses. The employees' pension seniority has been settled. From Dec. 18, 2018 to Jan. 31, 2020, a total of 259 people were fully settled in three stages, and the total settlement amount was NT\$330,424,742 (Taiwan Bank special account paid NT\$208,048,781; the Company paid NT\$122,375,961). The Tainan City Government issued a letter on Mar. 8, 2023 (Letter No. 1120285446 of Nanshi Labor Reeducation Code) to our Company, allowing the Labor Retirement Reserve Supervisory Committee to close its accounts. All employees of the Company are subject to the Labor Pension Act. 6% of the total salary of workers will be allocated to the employees' personal pension accounts; for those who voluntarily contribute to their pensions, additional voluntary contributions will be deducted from the employees' monthly wages to the Bureau of Labor Insurance's personal pension account. For employees who choose to make voluntary pension contributions, the Company deducts the specified amount from their monthly salary based on their voluntary contribution rate and remits it to their individual pension accounts at the Bureau of Labor Insurance. In 2025, the Company contributed a total of NT\$41,563 thousand in pension expenses to the Bureau of Labor Insurance.</p> <p>The number of employees for whom the Company's average monthly Labor Pension contribution rate exceeds the statutory 6% is 272, accounting for more than 23% of the total contributing participants.</p> <p>Employee Stock Ownership Trust: The "Employee Stock Ownership Trust Committee" was established in 2024. Full-time employees with at least one year of seniority are eligible to apply for membership. The Company provides matching contributions at a specific ratio, allowing employees to accumulate retirement funds through regular savings. This initiative enables staff to secure their future livelihood and share in the Company's growth, while also strengthening organizational cohesion and employee loyalty.</p> <p>Workplace Diversity and Equality: The Company implements a multi-dimensional hiring policy to ensure that employees are not subjected to discrimination, harassment, or unequal treatment based on race, gender, sexual orientation, religion, age, political affiliation, place of birth, disability, or any other status protected by applicable laws. We attract and retain top talent through transparent public recruitment channels and by providing equal employment opportunities. Furthermore, we have introduced various employment promotion measures to assist specific social groups, such as providing re-employment pathways for the unemployed. Our current workforce includes persons with disabilities, military veterans, previously unemployed individuals, indigenous people, and interns. Notably, the employment of indigenous people and persons with disabilities has exceeded the statutory targets by more than</p>

Evaluation items	Operation situation		Summary	The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N		
(iii) Does the Company provide a safe and healthy working environment for employees and regularly implement safety and health education for employees?	V		<p>100%.</p> <p>Regarding gender distribution, due to the specialized nature of the industry, as of the end of 2025, men accounted for 84.58% and women for 15.42% of the total workforce. In terms of management, there were 241 male managers and 21 female managers, with women representing approximately 8.02% of all management positions. Additionally, looking at the internal promotion ratios, 11.8% of the total female staff hold management roles, compared to 25.0% of the total male staff.</p> <p>The Company follows labor laws and has established intact occupational safety and health management measures. We provide secure and hygiene workplace and we care for employees' health at workplace. We build great working environment and take care of physical and mental health for workers with different backgrounds. Business performance is reflected in employee compensation and merit-based salary adjustments: According to the Company's "Articles of Incorporation" regulations, if there is a profit in the year, 1% to 3% should be allocated as employee compensation and 1% as compensation for non-executive employees. In 2025, the Board of Directors approved a resolution to allocate 3% of profits as employee compensation, with an additional 1% specifically designated for non-executive employee compensation.</p> <p>In 2025, we have offered an overall pay rise to a total of 1,331 employees, and we have signed a group contract with the labor union for better labor relation. It is also stipulates that if the profit target for the year is achieved by more than 120%, non-executive employees below a certain grade will enjoy special performance-based salary increases in the following year, achieving the goal of creating a win-win situation and sharing profits.</p> <p>Employee Opinion Survey: The Company's Personnel Department first conducted an Employee Opinion Survey in June 2025 (covering the period from July 2024 to June 2025, surveying 1,129 employees). The survey focused on five key areas: Leadership and Management, Working Conditions, Peer Relationships, Work Incentives, and Training and Development.</p> <p>The employee coverage rate was 73%, and the overall satisfaction score was 69 points. The Company has already initiated improvements based on the survey results, including raising professional certification allowances and revising the incentive bonus distribution system. The Employee Opinion Survey will be conducted annually every June moving forward.</p> <p>(iii) The Company's occupational safety and health policy: In order to implement safety, prevent occupational disasters, protect the safety and health of employees, reduce the damage caused by accidents and human negligence, and improve the productivity of the Company, we will be committed to protecting employees and property from disaster losses. The Company will provide and maintain a safety and health management system and working environment in line with the aviation industry practice and legal requirements, and try to reduce any danger from foreseeable fire, safety loss, property loss, personal injury or disease, etc. Our safety and hygiene policy is: <b>「Respect the value of life, Fulfill social responsibilities, Continuously improve the environment, and Pursue zero disasters」</b> Worker participation, consultation, and communication: A Safety and Health Committee has been established in accordance with the "Occupational Safety and Health Act". The Committee has 20 members in 2025. In order to expand labor participation, the Labor Union elected 7 (35%) labor representatives to participate in the meeting. Meetings are held every March, June, September and December. Its power and responsibility are to discuss and make decisions. The Company's safety and health strategies and proposals, including safety and health-related</p>	No significant difference

Evaluation items	Operation situation		The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
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			<p>regulations, education implementation plans, prevention of hazards of machinery, equipment or raw materials, measures to be taken based on work environment measurement results, health management and other matters, and regular review of safety and health business performance; The Safety and Health Committee also reviews abnormal safety and environmental accidents or occupational accidents of employees and contractors, analyzes the causes, and finds improvement measures to prevent similar accidents from happening again.</p> <p>Safety and health performance:</p> <p>The Company gives priority to “Staff Safety”, aiming at zero disaster in the workplace, arrange security team members to perform a variety of safety and health inspection regularly, e.g. inspection and maintenance of fire-fighting equipment, factory visit, control of special operation areas, qualification review of special operation personnel, control of smoking areas, security check on buildings, in order to ensure staff safety on work.</p> <p>Regarding the 2025 Safety and Health Indicators, there were two workplace accidents involving a total of two employees. A thorough investigation and analysis were conducted for each incident, and "An Warning of Occupational Safety" was issued for internal awareness to prevent similar occurrences.</p> <p>According to the target set by the Company's "Sustainable Promotion Task Force," the goal for the 2025 Disabling Injury Frequency Rate (FR) was to remain below 1.50. The actual FR for 2025 was 0.88, indicating that the target was successfully achieved. Furthermore, there were no fines or penalties related to safety violations in 2025.</p> <p>Health promotion and employee care:</p> <p>The Company has set up a medical office with 4 part-time doctors and 2 full-time nurses to provide on-site medical services. Annual health examinations are carried out. Periodic examination items are superior to regulations. A total of 1,043 people have been examined. Analyze health examination results and evaluate employee health examination records, provide care based on risk attributes, provide necessary on-site services, arrange interviews with doctors and employees, and provide health guidance and care. It includes general health examinations and special job health examinations. The types are divided into new employees, employees who remain on the job without pay, personnel who transfer to departments, and current employees. We also investigated those at high risk of diseases caused by abnormal workloads, identified 79 high-risk cases and arranged interviews with doctors, and worked with the human resources department and unit supervisors to select workers and make appropriate job adjustments. Assist employees to solve possible difficulties in work, workplace adaptation, work pressure adjustment, etc., establish a warm and caring work environment, and create an organizational culture with good interaction to improve work efficiency, and has been recognized by the Ministry of Health and Welfare with the “Health Promotion” badge. In order to ensure the safety of epidemic prevention personnel performing epidemic prevention and control work, N95 masks, surgical masks, isolation gowns, gloves, shoe covers, face shields and other epidemic prevention materials are provided, and the required quantity of related epidemic prevention equipment is maintained.</p> <table border="1" data-bbox="721 1230 1682 1460"> <thead> <tr> <th colspan="2">Employee Health Examination Statistics</th> <th>Number of Employees in 2025</th> </tr> </thead> <tbody> <tr> <td>General Health Examination</td> <td>Basic Screening ∙ Physical Examination ∙ Chest X-ray (CXR) Examination ∙ Vision Test ∙ Audiometry Test ∙ Body Fat Analysis ∙ Complete Blood Count (CBC) ∙ White Blood Cell (WBC) Differential Count ∙ Urinalysis (UA) ∙ Blood Glucose Test ∙ Liver Function Test (LFT) ∙ Blood Lipid Test ∙ Kidney</td> <td>1,043</td> </tr> </tbody> </table>	Employee Health Examination Statistics		Number of Employees in 2025	General Health Examination	Basic Screening ∙ Physical Examination ∙ Chest X-ray (CXR) Examination ∙ Vision Test ∙ Audiometry Test ∙ Body Fat Analysis ∙ Complete Blood Count (CBC) ∙ White Blood Cell (WBC) Differential Count ∙ Urinalysis (UA) ∙ Blood Glucose Test ∙ Liver Function Test (LFT) ∙ Blood Lipid Test ∙ Kidney	1,043
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	Y	N	Summary							
			<table border="1"> <tr> <td></td> <td>Function Test (KFT) 、Thyroid Function Test (TFT) 、Cancer Markers Screening (AFP, CEA, CA19-9) 、Electrocardiogram (ECG/EKG) 、Abdominal Ultrasound</td> <td></td> </tr> <tr> <td>Special Health Examination</td> <td>Ionizing Radiation Work 、Lead Work 、n-Hexane Work 、Dust Work 、Chromic Acid and Chromates Work 、Cadmium and its Compounds Work 、Nickel and its Compounds Work 、Formaldehyde Work</td> <td>113</td> </tr> </table> <p>Furthermore, the Company promotes health management and health promotion activities to actively mitigate health-related risk factors. Each year, we employ the PDCA (Plan-Do-Check-Act) cycle, utilizing physical examination data within the FRS (Framingham Risk Score) analysis to evaluate implementation effectiveness. Across the Company from 2023 to 2025, the 10-year cardiovascular risk profiles showed significant improvement: the proportion of low-risk cases increased by 7.2%, while medium-risk decreased by 6.8% and high-risk decreased by 0.4%. Additionally, the prevalence of metabolic syndrome within the Company dropped from approximately 32.2% in 2023 to 26.7% in 2025, a reduction of 5.4% (reflecting a positive trend of improvement).</p> <p>These results demonstrate AACL commitment to a people-oriented approach. By integrating scientific health risk assessments, implementing stratified management, and providing health care, we prioritize employee well-being to create a sustainable and happy workplace.</p> <p>For participating in public welfare activities, the Chairman not only called on colleagues in the Company to participate in this meaningful activity, but also personally rolled up his sleeves to donate blood. This year, a total of 607 bags of blood were raised.</p> <p>Safety and health education training and advocacy: The Company's computer system sets up a safety and health education and training system for employees or supervisors to inquire about personal training records, and conducts publicity through the Company's bulletin board, intranet safety and health column and e-Learning system, in active and passive ways, including environmental safety and health regulations, various safety and health course materials and specifications. In 2025, the Company followed the "Occupational Safety and Health Education and Training Rules" training including stationary crane, organic solvent line manager, hypoxia line manager, specified chemical substances line manager, dust line manager, first-aid personnel training, in-service staff education training, regarding dangerous and harmful materials, confined space, and other trainings, a total 1,022 person. As well as production of poster, warning of occupational safety, worksite safety and health announcement, in total 9 times the entire year.</p> <p>Working environment monitoring: In order to grasp the actual conditions of the labor working environment and assess the labor exposure status, we worked out a monitoring plan together with the Labor Union and on-site operators, and conducted monitoring of the working environment every six months. The monitoring results were announced to employees and reported to the Occupational Safety and Health Committee. A total of 234 monitoring points were monitored in the year, and the results were in compliance with regulations.</p> <p>Fire management: In 2025, there were no major industrial safety accidents, fire incidents, or casualties. To prevent fires, the Company has established a "Fire Protection Plan" and organized a "Self-Defense Firefighting Team" to conduct regular drills. Through disaster prevention education and training, we aim to enhance the disaster prevention knowledge and emergency response capabilities of all employees.</p> <p>To ensure the maintenance and management of fire safety equipment, the Company commissions a professional</p>		Function Test (KFT) 、Thyroid Function Test (TFT) 、Cancer Markers Screening (AFP, CEA, CA19-9) 、Electrocardiogram (ECG/EKG) 、Abdominal Ultrasound		Special Health Examination	Ionizing Radiation Work 、Lead Work 、n-Hexane Work 、Dust Work 、Chromic Acid and Chromates Work 、Cadmium and its Compounds Work 、Nickel and its Compounds Work 、Formaldehyde Work	113	
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Evaluation items	Operation situation		The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies								
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			<p>fire inspection agency annually to perform equipment inspections. The results are reported to the fire department for official filing and review.</p> <p>Safety and health audit: Safety and health audits are carried out from time to time, and the audit results are provided to the deficient units for improvement, and the implementation results of the audit deficiencies are reviewed at the Occupational Safety and Health Committee meeting. The internal audit ratio reaches 100%.</p> <p>Addressing Psychosocial Hazards such as Unlawful Infringement in the Workplace: In addition to establishing the "Plan for Preventing Unlawful Infringement during the Performance of Duties," the Company held three expert lectures on preventing workplace infringement in 2025, with a total of 136 participants. Furthermore, training courses on "Sexual Harassment Prevention" and "Workplace Bullying Prevention" were conducted, reaching a total of 1,148 attendees.</p> <p>The Company also utilizes risk assessment tools to provide care for individuals at high psychosocial risk and offers referrals for psychological counseling. In 2025, a total of seven such referrals were completed to support employee well-being.</p>								
(iv) Does the Company establish efficient training program of career competency for employees?	V		<p>(iv) To cultivate high-quality human resources, the Company has established a training system and competency models for talent development. In 2020, we implemented the "Talent Quality-management System (TTQS)" as our guiding framework for talent management. Our most recent assessment granted us a TTQS certificate valid until May 1, 2026.</p> <p>AACL regards competency development as the cornerstone of our training and education infrastructure. By aligning talent cultivation with corporate growth, we closely monitor industry and social trends and adjust our training strategies accordingly. This approach broadens the application of our human resource functions—recruitment, deployment, development, and retention—while enhancing maintenance standards and increasing the number of aircraft maintenance certifications held by our staff.</p> <p>We have established comprehensive employee training programs, including planned on-the-job training both domestically and abroad to strengthen professional skills. In line with business expansion needs, we prioritize developing the expertise of current employees in maintaining different aircraft models, thereby enhancing the Company's competitiveness and long-term development. Furthermore, the Company has established industry-academic cooperation and internship programs with multiple colleges and universities. These programs help students adapt quickly to the professional environment and ensure the effective transmission of the Company's corporate culture. Outstanding interns are offered employment and sign retention agreements to secure their long-term growth with the Company.</p> <p>The Company also plans relevant professional courses such as laws and regulations, information, finance, and quality assurance according to the operational needs of each unit's professional field to ensure that relevant employees have sufficient professional knowledge and technical capabilities to perform their jobs. The total number of education and training hours and number of participants in 2025 were 67,435.8 hours and 1,161 people respectively. In order to enhance the aircraft maintenance skills of our employees and encourage them to obtain certification in professional fields, The Company has established a certificate bonus system. In 2025, a total of NT\$1.81 million in certificate bonuses have been issued.</p> <table border="1" data-bbox="721 1334 1677 1471"> <thead> <tr> <th>Item</th> <th>Description</th> <th>Participants</th> </tr> </thead> <tbody> <tr> <td rowspan="2">New Employee Training</td> <td>1. Internship Training Program</td> <td>New Employees</td> </tr> <tr> <td>2. New Employee General Orientation</td> <td>New Employees</td> </tr> </tbody> </table>	Item	Description	Participants	New Employee Training	1. Internship Training Program	New Employees	2. New Employee General Orientation	New Employees
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Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
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(v) Does the Company follow related rules and international principles on products, health, safety, and privacy of the served customers and marketing and labeling and set up related policies and complaint process for protecting consumers or customers right?	V		<table border="1"> <tr> <td>Professional Training</td> <td> <ol style="list-style-type: none"> <li>1. Aircraft Maintenance Related</li> <li>2. Cybersecurity and IT</li> <li>3. Finance and Audit</li> <li>4. Quality Assurance</li> </ol> </td> <td>           Staff and Managers            Staff and Managers            Staff and Managers            Staff and Managers         </td> </tr> <tr> <td>General Orientation Courses</td> <td> <ol style="list-style-type: none"> <li>1. Occupational Safety and Health (OSH) Related</li> <li>2. Sustainability</li> <li>3. Ethical Management and Regulatory Compliance</li> </ol> </td> <td>           All Employees             All Employees            All Employees         </td> </tr> </table> <p>(v) The Company has established a "Marketing Manual" which regulates customer service, market and satisfaction surveys, warranty operations and other items. Because the business involves national defense secrets, all personnel must comply with confidentiality requirements. In addition to satisfying quality and lead time, the Company also implements satisfaction survey of customers regularly following the ISO qualification manual to maintain good relationships with customers. Aircraft repaired at the Company go through customs inspection, license inspection, quarantine of personnel, animal and plant, safety check and aviation security in accordance with aviation policy. The Company also provides health care for overseas technical representatives. The Company's maintenance services are subject to the relevant domestic civil aviation regulations and regulations and the provisions of the International Civil Aviation Administration. The Company was awarded the "AS9110" and "AS9100" certification representing a certain quality management system standard to ensure flight safety and reliability. And to contract with customers with a warranty and insurance terms to ensure consumer rights. The Company has established a Privacy and Personal Data Protection Policy. In 2025, we completed awareness training courses for this policy, each lasting 0.167 hours. A total of 1,166 participants attended, amounting to 194.722 training hours. No violations of the Personal Data Protection Act occurred during that year. In 2026, we will continue to conduct privacy and personal data protection training for new hires while regularly educating all employees on relevant regulations to strengthen compliance awareness. Furthermore, we will strictly implement the Company's "Privacy and Personal Data Protection Policy," remaining committed to safeguarding the data security and privacy rights of customers, contractors' employees, visitors, website users, investors, shareholders, and job seekers. The Company provides multiple communication channels for various stakeholders (including customer communication channels). In 2025, it accepted more than 120 customer performance supervision, audits and quality communication meetings. The customer satisfaction survey was 82% to 98%. After customers raised warranty complaints, they were identified by the Company's Quality Assurance Department. To ensure flight safety, the warranty response rate was 100%.</p>	Professional Training	<ol style="list-style-type: none"> <li>1. Aircraft Maintenance Related</li> <li>2. Cybersecurity and IT</li> <li>3. Finance and Audit</li> <li>4. Quality Assurance</li> </ol>	Staff and Managers Staff and Managers Staff and Managers Staff and Managers	General Orientation Courses	<ol style="list-style-type: none"> <li>1. Occupational Safety and Health (OSH) Related</li> <li>2. Sustainability</li> <li>3. Ethical Management and Regulatory Compliance</li> </ol>	All Employees  All Employees All Employees	No significant difference
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(vi) Does the Company regulate supplier management policy to demand suppliers to obey related standard on environment, job safety and sanitation or labor rights and tracking execution status?	V		<p>(vi) The Company has "Regulations for Supplier Management" and "Supplier Evaluation Procedure" to ensure the stability of material. Supplier evaluation takes place annually as well as random training for environment protection and job safety and sanitation to assist suppliers to obey regulations and company rules and improve public safety and sanitation performance. If the supplier involves violating CSR, environmental protection policies and integrity business activities have not improved, and the Company will terminate or stop the contract at any time. Furthermore, the "Supplier Evaluation Procedure" introduced in 2025 require suppliers to sign and commit to environmental protection, energy consumption, and other related issues through the "ESG Supplier Self-Assessment Questionnaire" and the "Supplier Code of Conduct." In 2025, the Company requests its suppliers to fulfill the following requirements:</p>	No significant difference?						

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
			<p>Evaluation of Suppliers</p> <p>All suppliers should pass the censorship of the Company, fill in required checklist tables, and provide relevant inspection certificates recognized in the industry. In 2025, a total of 360 supplier audits have been performed. The aviation materials and service suppliers should obtain third party quality certification, including international standards ISO9001, AS9100, ASA-100, FAA AC 00-56, or ISO/SAE, or they should obtain manufacturing permits from Civil Aeronautics Administrations, including TC, PC, PMA or TSOA. They should obtain the maintenance service provider certificate of Part 145, including FAA, EASA, or TCCA. For suppliers outside the aviation business field, they should obtain valid registration certificate for their factory / plant issued by the government.</p> <p>To pursue corporate sustainable development and assist suppliers in complying with laws and company regulations, in addition to the aforementioned regular supplier evaluations, the Company conducts an ESG sustainability performance assessment every two years for the top 15 suppliers by annual purchase amount of production materials. Examples of these assessments are as follows:</p> <ul style="list-style-type: none"> <li>● Whether an information security organization has been established to promote security activities; whether information security policies and regulations have been formulated; whether international certifications (such as ISO 27001) have been obtained; and whether disaster recovery drills for information systems are performed regularly to safeguard customer privacy.</li> <li>● Whether the Company's workforce is diversified, encompassing persons with disabilities, indigenous people, and foreign nationals; whether mechanisms have been established for gender or ethnic equality, freedom of association, prevention of forced labor, sexual harassment prevention, and fair grievance procedures; and whether regulations are in place to prohibit child labor (under 15 years of age).</li> <li>● Whether policies and systems are managed through an Occupational Safety and Health (OSH) committee, including measures such as environmental hazard assessments and risk hazard identification.</li> <li>● Whether appropriate work arrangements and regular employee training courses have been established to prevent physical and mental exhaustion (overwork).</li> </ul> <p>The results of these assessments are incorporated into the "Vendor Annual Evaluation Report" and published in the Company's Sustainability Report.</p> <p>Among the 23 suppliers evaluated in 2025, 17 submitted their questionnaires, representing a response rate of 74%.</p>	
			<p>Audit of Suppliers</p> <p>The Company follows the procedures for evaluating and managing suppliers to censor documents of aviation material and service providers and those of secondary contractors, or arrange on-site audit with audit team from department of quality assurance according to relevant laws. We request suppliers to improve quality of their components and service to fulfill requirements on the components and services. This year, 427 suppliers were audited.</p>	
			<p>Training of suppliers</p> <p>The Company emphasizes laborers' rights and workplace safety and hygiene. We devoted to building a partnership with stakeholders to realize mutually beneficial collaboration, to pursue</p>	

Evaluation items	Operation situation			The Difference Situation and Reason to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Summary	
			<p>profit and value for all parties, and to ensure sustainable operation. We have established "Air Asia Safety and Hygiene Association" to offer our contracted suppliers assistance and guidance in improving our workplace environment. We follow "Labor Safety and Health Act" to establish the Safety and Hygiene Committee. Its duty is to review accidents related to abnormal functioning of employees and contractors or occupational accidents to find out causes and figure out measures to improve the conditions to keep similar accidents from happening again.</p> <p>This year, we provided guidance to a total of 20 suppliers, issuing six recommendations for improvement. The contractors achieved a 100% completion rate for these improvements, and no occupational accidents involving contractors occurred during the 2025 reporting period.</p> <p>We will continue to build a safe and healthy work environment for our employees and partners, working together towards sustainable development.</p>	
v. Does the Company use international common criterion or indication as reference to compose sustainable development report or reports that disclose non-financial related info of the Company? Does the report acquire assure or confirmed opinions from a third-party certification unit?		V	<p>AACL has prepared the "2024 Sustainability Report" in accordance with the Universal Standards, Sector Standards, and Topic Standards released by the Global Reporting Initiative (GRI). The report discloses identified material topics and impacts related to the economy, environment, and people (including human rights), as well as specific disclosure items and reporting requirements. Furthermore, we have referenced the Sustainability Accounting Standards Board (SASB) standards to disclose industry-specific indicators, with an index provided for SASB indicator alignment.</p> <p>In the future, we aim to obtain the AA1000 Type 1 Moderate Assurance level. All implementation of sustainable development initiatives is carried out in compliance with the regulations of the competent authorities and relevant laws.</p> <p>The Company has established a "Corporate Social Responsibility" (CSR) section on its website, where relevant information will be disclosed on the official website and the Market Observation Post System (MOPS) based on actual operations.</p>	The Company published the "2024 Air Asia Sustainability Report" in August 2025.
vi. If this company promulgate its own rules for corporate governance practice according to "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe the difference between its operation and these rules: To fulfill our corporate social responsibility, the Company has established the "Sustainable Development Practice Principles" In response to the latest amendments to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," a revision to our own principles was approved by the Board of Directors in November 2025. We will continue to implement these regulations and their spirit alongside all employees.				
vii. Other important information that helps to understand the operation of sustainable development: The Company has set up a corporate social responsibility zone on the website, and will disclose relevant information to the Company's website and MOPS in the future according to the actual operation situation.				

# The Company's climate-related information

## Implementation status of climate-related information

Item	Execution situation
<p>1. Describe the Board's oversight of climate-related risks and opportunities, and management's role in assessing and managing these issues.</p>	<p>Climate change is a critical global issue, and the aviation maintenance industry must integrate it into operational decision-making and risk assessment when promoting sustainable development. As a key player in maintaining global aircraft, the Company profoundly understands the challenges and impacts that extreme weather may bring to energy costs, facility and personnel safety, and regulatory requirements.</p> <p>Accordingly, following the four core pillars of the Task Force on Climate-related Financial Disclosures (TCFD) framework, the Company comprehensively identifies operational risks and opportunities. We implement responsive measures—such as improving energy efficiency, installing flood control facilities, and strengthening supply chain resilience—to ensure robust business operations and sustainable development.</p> <p>The Company has established a Sustainable Development Committee (SDC), consisting of the Chairman and two Vice Presidents, with the Chairman serving as the Convener. The primary responsibilities of the committee include:</p> <ol style="list-style-type: none"> <li>1. Formulating and promoting sustainable development policies, annual plans, and strategies.</li> <li>2. Reviewing, tracking, and revising the implementation and effectiveness of sustainability initiatives.</li> <li>3. Supervising sustainability information disclosure and reviewing the Sustainability Report.</li> <li>4. Overseeing the execution of sustainability operations or other related tasks resolved by the Board of Directors.</li> </ol> <p>Under the SDC, a Sustainable Promotion Task Force has been established as a management-level working group. It comprises four specialized teams: Governance, Economy, Environment, and Social. These teams advance operations based on specific topics, including economic performance, customer relations, carbon emission management, energy management, training and education, labor-management relations, occupational safety and health, cybersecurity, business partners, and customer health and safety (product safety).</p> <p>The Task Force convenes meetings irregularly to discuss sustainability issues, goals, and achievement status. It reports to the SDC twice a year to receive strategic guidance, ensuring the continuous optimization and practice of sustainability strategies. Subsequently, the SDC reports performance results and future goals to the Board of Directors annually, keeping directors informed of management actions and allowing for timely advice to ensure the Company's sustainable direction remains aligned with its long-term strategy.</p> <p>The Company has established a Risk Management Committee and formulated the "Risk Management Best Practice Principles" and "Risk Management Policies and Procedures," which have been approved by the Board of Directors and serve as the Company's highest guiding principles for risk management.</p> <p>The Company conducts regular risk assessments annually (with quarterly reports submitted to the Board) and formulates specific risk management policies for various risks. These policies encompass mechanisms such as management objectives, organizational structure, allocation of roles and responsibilities, and risk management procedures. These are strictly implemented to effectively identify, measure, and control the Company's various risks, ensuring they are maintained within acceptable levels.</p> <p>Under the supervision of the Company's Sustainable Development Committee and Risk Management Committee, we continuously manage action plans related to climate-related issues.</p> <p>Furthermore, the Remuneration Committee, aiming to incentivize the President and other Managers to collectively realize ESG sustainability goals, has established both short-term (carbon reduction) and medium-to-long-term sustainable development indicators (climate change mitigation). The execution results and performance of these ESG initiatives are linked to compensation, subject to annual review by the Remuneration Committee and subsequent approval by the Board of Directors.</p>

Item	Execution situation			
2. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning (short, medium, and long term).	<p>The Company actively develops mitigation plans to reduce the operational and financial impacts of climate change and enhance the organization's climate resilience. We define the short term as within three years, the medium term as three to five years, and the long term as more than five years. These time horizons are used to assess the potential operational and financial impacts of climate-related risks and opportunities and plan corresponding actions.</p>			
		Short-term (Within 3 years)	Medium-term (3 to 5 years)	Long-term (More than 5 years)
Risk Classification	<ul style="list-style-type: none"> <li>■ <b>【Physical Risk】</b> Enhancing emissions reporting</li> <li>■ <b>【Transition Risk】</b> Transitioning to low-emission technologies (low-carbon services)</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>【Physical Risk】</b> Extreme weather events</li> <li>■ <b>【Transition Risk】</b> Increase in energy costs</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>【Transition Risk】</b> Shifts in customer preferences</li> </ul>	
Opportunity Categories	<ul style="list-style-type: none"> <li>■ <b>【Market Opportunity】</b> Developing low-carbon services</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>【Market Opportunity】</b> Utilizing low-carbon renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>【Market Opportunity】</b> Use of Sustainable Aviation Fuel (SAF) or Eco-friendly Materials</li> </ul>	
Risk Management Strategies	<ul style="list-style-type: none"> <li>■ Establishing carbon fee pricing and the increase in costs due to payment of carbon fees.</li> <li>■ The requirement for the plant to improve energy efficiency and introduce energy-saving equipment, which will increase the Company's capital expenditures for purchasing or repairing factory equipment.</li> </ul>	<ul style="list-style-type: none"> <li>■ Planning various flood control measures, such as installing flood barriers throughout the plant and purchasing water pumps, to prevent asset losses caused by flooding.</li> </ul>	<ul style="list-style-type: none"> <li>■ Transition to more efficient, energy-saving products; introduce energy-saving equipment; retire high-energy consumption equipment; enhance energy efficiency; and reduce carbon emissions.</li> <li>■ Continuously monitor market trends and customer demands to adjust products and services. Utilize low-carbon energy and optimize maintenance workflows to enhance competitiveness. Strengthen the brand's sustainable image by providing transparent ESG information and collaborating with the supply chain to attract environmentally conscious customers.</li> </ul>	
Strategic Actions for Opportunities	<ul style="list-style-type: none"> <li>■ Strengthen green procurement of raw materials to meet customer requirements and enhance the Company's competitive advantage.</li> </ul>	<ul style="list-style-type: none"> <li>■ Participating in renewable energy projects and adopting energy-saving measures will facilitate the reduction of high-carbon energy consumption, enhance energy efficiency, and improve the corporate brand image.</li> </ul>	<ul style="list-style-type: none"> <li>■ The Company will evaluate the adoption of low-carbon energy along with recyclable or renewable materials, while simultaneously optimizing supply chain management to ensure stable supply and mitigate operational risks and costs.</li> </ul>	

Item	Execution situation				
3. Describe the financial impacts of extreme weather events and transition actions.	Financial Impact				
	Category	Climate-Related Risks and Opportunities	Revenue	Costs and Expenses	Cash Flow
	Risk	Enhancing emissions disclosure	-	▲	▽
	Risk	Transitioning to low-emission technologies (low-carbon services)	-	▲	▽
	Risk	Extreme weather events	-	▲	▽
	Risk	Increase in energy costs	-	▲	▽
	Risk	Shifts in customer preferences	-	▲	▽
	Opportunities	Utilizing low-carbon and renewable energy	▲	▲	▲
	Opportunities	Renewable Energy Projects	▲	▲	▲
	Opportunities	Use of Sustainable Aviation Fuel (SAF) and Eco-friendly Materials	▲	▲	▲
3. Describe the financial impacts of extreme weather events and transition actions.	▲ : Increase   ▽ : Decrease				
4. Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system.	<b>Financial Impact of Extreme Weather Events</b>				
	<p>The Company has identified that extreme weather events (such as torrential rain and typhoons) may lead to operational disruptions, compromise workplace safety, or result in supply chain interruptions. Flooding caused by heavy rainfall and typhoons can lead to facility shutdowns and equipment damage, temporarily hindering our ability to provide maintenance services or conduct production. Such events negatively affect aircraft delivery schedules and cause property losses, ultimately increasing the Company's operating costs.</p> <p>Regarding the risks associated with flooding, changes in precipitation patterns, and extreme climate variations, the Company has analyzed the operational and financial impacts on our facilities. This analysis is based on data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) and references the SSP5-8.5 (very high greenhouse gas emissions) scenario from the IPCC Sixth Assessment Report (AR6). Under this scenario, it is projected that by the mid-21st century, the number of typhoons affecting Taiwan will decrease by 15%, but the proportion of strong typhoons will increase by 100%, with typhoon-related rainfall intensity rising by approximately 20%. The analysis results indicate that the risks faced by the Company are expected to rise. <a href="https://tccip.ncdr.nat.gov.tw/km_abstract_one.aspx?kid=20210810134743">https://tccip.ncdr.nat.gov.tw/km_abstract_one.aspx?kid=20210810134743</a></p>				
	<p><b>Financial Impact of Transition Actions</b></p> <p>Under transition risks, the shift toward a low-carbon economy may involve extensive changes in policies and regulations, technology, and markets. Depending on the nature, speed, and focus of these shifts, factors such as carbon fees, greenhouse gas (GHG) cap-and-trade systems, renewable energy regulations, and evolving customer preferences could increase operating costs or reduce business volume within the analyzed timeframe. Given that the Company primarily provides aircraft maintenance services and is not classified as a high-energy-intensive industry, our analysis focuses on the impact on operating costs. In a low-carbon transition scenario, the shift toward low-carbon services is expected to increase the Company's overall operating expenses.</p> <p>Furthermore, the Company is enhancing the energy efficiency of its facilities by introducing energy-saving equipment and purchasing or retrofitting plant machinery. These actions aim to reduce the climate impact of our energy consumption, water usage, and waste generation. However, these initiatives will lead to an increase in the Company's capital expenditure (CapEx) and ongoing operating costs.</p>				
4. Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system.	<p>The Board of Directors serves as the highest decision-making body for the Company's risk control and directly oversees the risk governance framework. To strengthen risk assessment and management functions, the Board established the Risk Management Committee in 2022. Under this committee, a Risk Management Task Force—comprising the President, Vice President, the SRB meetings, and the Audit Office—is responsible for operational execution, including the monitoring, measurement, and assessment of risks through various regular meetings.</p>				
	<p>The scope of risk management covers various hazards that may impact operations and profitability, including natural disaster risks arising from climate change, as</p>				

Item	Execution situation
<p>5. If scenario analysis is used to assess resilience against climate-related risks, describe the scenarios, parameters, assumptions, analytical factors, and the primary financial impacts identified.</p> <p>6. If there are transition plans in place to manage climate-related risks, describe the content of such plans, as well as the metrics and targets used to identify and manage physical and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, describe the basis on which the price was determined.</p> <p>8. If climate-related targets are set, describe the activities covered, greenhouse gas (GHG) emission scopes, planned timeframes, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, specify the sources and quantities of the carbon credits offset or the number of RECs utilized.</p> <p>9. GHG Inventory and Assurance Status, along with Reduction Targets, Strategies, and Concrete Action Plans (Please refer to Tables 1-1 and 1-2 for details)</p>	<p>well as potential operational, financial, strategic, information security, compliance, and integrity risks. By evaluating the frequency of risk events and the severity of their impact on operations (with the highest severity level defined as losses exceeding NT\$10 million), the Company defines risk priorities and levels. Corresponding management strategies are implemented based on these levels, with systematic financial correlation assessments conducted to mitigate risks. The Task Force compiles and submits a risk management execution report to the Risk Management Committee at least once a year. The Committee reviews the implementation, provides necessary improvement recommendations, and reports to the Board of Directors on a regular basis (at least annually).</p> <p>The Company has assessed the potential risks and opportunities presented by climate change and has integrated climate-related factors into its operational strategic planning and decision-making processes, as well as the overall risk management policy. We are actively promoting various environmental protection, energy conservation, and carbon reduction measures, reducing greenhouse gas (GHG) emissions, and advancing green services to mitigate and adapt to the operational impacts caused by climate change.</p> <p>To align with international climate change frameworks, we are continuously refining our climate change management and disclosing climate-related information. We use the results of our analyses to establish a risk management strategic plan that serves as the core of our climate action, enabling us to estimate both management costs and financial impacts. The collection of the aforementioned data strengthens the Company's climate governance and allows for the systematic assessment of financial implications to mitigate risks and seize business opportunities.</p> <p>Scenario Analysis (SSP5-8.5 Very High Emissions Scenario):</p> <p>Affected by climate change, the frequency of extreme weather events is increasing. Equipment damage and facility shutdowns caused by flooding from torrential rain and typhoons may impact aircraft delivery schedules and result in property losses.</p> <p>The Company has assessed the level of flood risk faced by considering the future probability of flooding. In response to this risk, various flood prevention and mitigation measures have been planned. These include the installation of waterproof gates, the purchase of water pumps, and the reassessment and implementation of engineering controls in low-lying areas—such as laying asphalt, repairing roofs, and improving drainage systems—to prevent asset losses caused by inundation. The projected increase in operating costs for these measures is approximately 0.26% of annual revenue in 2025.</p> <p>The Company has established reduction targets using greenhouse gas (GHG) emissions, water consumption, and waste generation as key management metrics, while actively increasing the amount of green procurement. To achieve the goal of environmental sustainability, we implement various energy-saving and carbon-reduction initiatives, regularly review environmental protection issues, and continuously promote improvement measures to reach our GHG emission reduction targets.</p> <p>The Company currently has no plans to implement an internal carbon pricing mechanism. However, we have already conducted self-inventories and implemented emission reduction measures.</p> <p>Short- to Medium-Term Target:</p> <p>To reduce electricity intensity by 0.5% compared to the 2025 baseline.</p> <p>Long-Term Target:</p> <p>In alignment with government policies, the Company will continuously advance various reduction initiatives to achieve maximum energy efficiency. With 2025 as the base year, our goal is to achieve a 2.5% reduction by 2030.</p> <p>2025 GHG Inventory Results:</p> <p>2025 Inventory: 6,723.3085 metric tons of CO<sub>2e</sub>.</p> <p>Verification: Third-party verification is scheduled to be completed in 2026.</p> <p>Please refer to the detailed descriptions below.</p>

# 1-1 Greenhouse gas inventory and verification status for the past two years

## 1-1-1 Information about greenhouse gas inventory

Describe the greenhouse gas (GHG) emissions for the most recent two years (metric tons of CO <sub>2</sub> e), emission intensity (metric tons of CO <sub>2</sub> e per NT\$ million), and the scope of the data covered.			
As a listed company with a paid-in capital of less than NT\$5 billion, the Company will disclose the 2025 GHG inventory data for the parent company starting in 2026. Furthermore, starting in 2027, we will disclose the consolidated GHG inventory data for the parent company and its subsidiaries for the 2026 fiscal year.			
I t e m	Y e a r	2024	2025
Emissions (metric tons of CO <sub>2</sub> e)		6,394.3896	6,723.3085
Emission Intensity (metric tons of CO <sub>2</sub> e / NT\$ million)		1.2297	1.2327
The data coverage encompasses the Company's Songshang Plant, Taichung Plant, Tainan Plant, Gue-Jen Station, Tainan Maintenance Base, Pingtung Plant, 3 NASC out-stations (Kaohsiung, Hualien, Taitung Airport), Line Maintenance (Taoyuan, Taichung, Tainan, Kaohsiung Airport) and Chiayi Asia UAV AI Innovation Application R&D Center.			

## 1-1-2 Information about Greenhouse Gas Verification

Description of Assurance Status for the Most Recent Two Years Up to the Annual Report Publication Date, including the Assurance Scope, Assurance Provider, Assurance Criteria, and Assurance Opinion.	
As a listed company with paid-in capital under NT\$5 billion, the Company is required by regulation to complete assurance for the parent company's 2027 data starting in 2028, and assurance for consolidated 2028 data starting in 2029. The Company has chosen to apply the assurance procedures two years in advance of the regulatory requirements. We have commissioned KPMG to conduct limited assurance on Scope 1 and Scope 2 emissions data for the 2025 fiscal year, with the verification process initiated in March 2026.	

## 1-2 Objectives, strategies, and specific action plans for greenhouse gas reduction

Describe the greenhouse gas (GHG) reduction base year and its associated data, reduction targets, strategies, and concrete action plans, as well as the status of achievement toward these reduction targets.	
<p><b>GHG Reduction Base Year and Targets:</b></p> <p>The Company is a listed company with a paid-in capital of less than NT\$5 billion. According to the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies," we are required to set a base year no later than 2026 and disclose our reduction targets, strategies, and concrete action plans starting from 2027.</p> <p>The Company has proactively designated 2025 as the base year, with a target to reduce emissions by 0.5% in 2026. In the long term, we will continuously advance various reduction initiatives in alignment with government policies to achieve maximum energy efficiency, aiming for a total reduction of 2.5% by 2030.</p>	
<p><b>GHG Reduction Strategies and Concrete Action Plans:</b></p> <p>The Company's greenhouse gas emissions are primarily derived from purchased electricity, which accounts for 50.79% of total emissions. To effectively reduce emissions, we will continue to advance our energy-saving and carbon-reduction strategies and establish improvement targets for regular tracking.</p> <p>Concrete measures include replacing conventional lighting with energy-efficient LED fixtures, upgrading older air conditioning units to energy-saving models, and prioritizing energy efficiency during the procurement and replacement of various facilities. Furthermore, we are implementing solar energy and green power generation systems to further decarbonize our energy mix.</p> <p>In 2025, the Company's GHG emission intensity increased by 0.0030 metric tons of CO<sub>2</sub>e per NT\$ million in revenue (a 0.25% increase) compared to 2024. This was primarily due to the inclusion of Scope 3 categories, specifically energy procurement and solid and liquid waste disposal, into our inventory scope. For 2026, the Company has set a target to reduce GHG intensity by 0.5% compared to 2025.</p> <p>The Company has installed a solar power generation system at the Tainan Plant. The performance is summarized below:</p> <p>2024: Generated 1,889.93 MWh of electricity, resulting in a carbon reduction of 895,978.07 kg.</p> <p>2025: Generated 2,336.06 MWh of electricity, resulting in a carbon reduction of 990,491.07 kg.</p> <p>Compared to 2024, the power generation in 2025 increased by 446.13 MWh (23.61%), and the carbon reduction increased by 94,513 kg (10.55%).</p>	