

2023 EGAT ESG REPORT



00		04	
About the Report	P.3	Creating Sustainable Quality	
Message from the Executive	P.5	4.1 Product Safety and Quality	P.60
Highlights of the Year	P.7	4.2 Supply Chain Management	P.63
01		4.3 Customer Rights and Service Quality	P.65
Navigating to Sustainability Future		05	
1.1 About EGAT	P.9	Fostering Inclusive Communities	
1.2 Corporate Sustainability Governance	P.12	5.1 Attracting and Retaining Talent	P.69
02		5.2 Human Rights and Workers' Rights	P.74
Building Sound Governance		5.3 Talent Development and Cultivation	P.76
2.1 Composition of the Board of Directors	P.28	5.4 Occupational Safety and Health	P.79
2.2 Remuneration Policy	P.34	5.5 Charitable Contributions and Social Participation	P.88
2.3 Business Integrity	P.34	<hr/>	
2.4 Legal Compliance	P.37	Appendix 1	
2.5 Risk Management	P.38	GRI Standards - Metrics Reference Table	P.91
03		Appendix 2	
Fulfilling Green Initiatives		Task Force on Climate-related Financial Disclosures (TCFD) and Index of Climate-related Information for TWSE Listed Companies	P.97
3.1 Environmental Sustainability Governance	P.46	Appendix 3	
3.2 Pollution Prevention Management	P.54	Verification Opinion Statement	P.99



About the Report

GRI 2-2、2-3、2-5、2-14、2-22

Evergreen Aviation Technologies Corporation (hereinafter referred to as the “Company” or “EGAT”) issued its first Sustainability Report for 2024. Through this report, the Company aims to showcase its commitment, actions, and achievements in sustainability issues, and to establish a sound communication and interaction model with stakeholders, demonstrating its proactive approach to sustainable business operations. In alignment with the ethos of promoting environmental sustainability through reduced paper usage, this report is made available in electronic book format via the Company's website.

Principles for Compilation of the Report

This Report is compiled based on the Global Reporting Initiative (GRI) Standards 2021, referencing the guidelines for sustainability reporting, and incorporates recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). The financial data presented in this Report is derived from publicly available information audited by attesting CPAs and is denominated in New Taiwan Dollars (NT\$). Other data and information are obtained from internal surveys and investigations.

Scope and Boundaries of the Report

The scope of this report encompasses Evergreen Aviation Technologies Corporation and is consistent with the financial reporting scope announced by the Company.



Report Management

1. Management Unit

The management unit responsible for this report is the Sustainability Committee Executive Team (hereinafter referred to as the “Executive Team”). The Executive Team is composed of department heads, with the President serving as the Chief Executive.

2. Internal Review and Audit

During the materiality analysis conducted by the Executive Team, sustainability issues were meticulously pinpointed in terms of their impact on the economy, environment, and human rights, both internally and externally. The team took into account the level of stakeholder concern with sustainability matters to identify and prioritize these material issues. These identified issues form the cornerstone for disclosing sustainability information in this Report. Each section of this Report corresponds to these material issues, encompassing Operational Performance / Integrity Management, Risk and Opportunity Management / Pollution Prevention and Control Management / Product Safety and Quality, Sustainable Supply Chain Management, Customer Rights and Service Quality / Compensation and Benefits and Labor-Management Communication, Occupational Safety and Health Management / Talent Development and Cultivation. To ensure the accuracy and completeness of the report contents and to meet stakeholder expectations, the Executive Team supervises and manages the preparation and issuance of the Report. The data and content disclosed in the Report are compiled and collaboratively edited by various departments within EGAT. After review and confirmation by the Executive Team, the content of this report (including materiality analysis) is submitted to the Sustainability Committee and the Board of Directors. Upon approval by the Board of Directors, the report is authorized for publication.

Issuing Unit and Time

This Report is the first corporate sustainability report issued by Evergreen Aviation Technologies Corporation, with the disclosed data and content primarily based on the fiscal year 2023 (January 1, 2023, to December 31, 2023). However, for the sake of completeness and comparability of information, some data may be traced back to years prior to 2023 or extended to 2024 to present relevant trends and changes.

Release Date of this Report: June 2024

Scheduled Release Date of Next Report: June 2025

3. External Certification

Financial Data

KPMG Taiwan conducted an audit and issued an unqualified opinion audit report.

Environmental Management System

BVC Taiwan conducted an ISO 14064-1 Certification.

Occupational Safety and Health Management System

BVC Taiwan conducted an ISO 45001 Certification.

Quality Assurance Management System

BVC Taiwan conducted ISO 9001, AS 9110, AS 9100 Certification.

Sustainability Report Content

The content of this Report is verified by Bureau Veritas Certification (BVC) Taiwan, using AA1000 AS v3 TYPE I moderate assurance level. The independent assurance statement issued by BVC is included in the appendix of this Report.

Contact Information

長榮航太科技股份有限公司
Evergreen Aviation Technologies Corporation

Address:

No. 6, Hangzhan South Road, Dayuan District,
Taoyuan City, Taiwan

Tel: 03-3519477

Company Website:

<https://www.egat.com.tw/zh-hant/>

Contact Window:

Sustainability Committee Executive Team

E-mail: egatesg@egat.com.tw



Message from the Executive

As the pandemic abates, the aviation market has started to recover. This rebound has led to increased demand for new aircraft and aircraft maintenance. As a result, our involvement in aircraft maintenance and parts manufacturing saw a resurgence in business in 2023, leading to a year-on-year revenue increase of 24%. EGAT is committed to providing high-quality, efficient services to meet customer needs while also fulfilling our corporate social responsibility and environmental impact.

Despite facing numerous headwinds over the past year, including the impact of the COVID-19 pandemic followed by regional military conflicts and climate change, and further exacerbated by the global shortages of raw materials, disruptions in the supply chain, and domestic labor shortages, EGAT has remained committed to our sustainability goals. We uphold a policy of “Safety First, Quality is Everything”, with sustainability integrated as a top priority. We continue to promote the integration and implementation of ESG principles, aiming to create greater value for our customers, employees, shareholders, society, and the planet.

EGAT actively responds to the government's sustainable development goals, fulfilling corporate social responsibility to promote economic, environmental, and social progress, establishing a comprehensive management system, and striving to shape a corporate culture of sustainable development.

In terms of environmental protection, we completed our greenhouse gas inventory in 2023 and obtained ISO 14064 certification. We introduced solar photovoltaic systems and installed energy storage system to continuously enhance the use of renewable energy, contributing to the stability of Taiwan's power supply. In terms of energy management, strategic plans have been devised to gradually phase out high-energy-consuming equipment. Additionally, a comprehensive array of measures has been put into action to conserve water, minimize waste, fortify waste management and recycling efforts, enhance energy efficiency, curtail carbon emissions, and foster the advancement of a circular economy.

In terms of social inclusivity, prioritizing the health, safety, welfare, training, and diverse development of employees remains our core focus. EGAT goes above and beyond by providing extensive medical services, regular health check-ups, occupational safety education, employee support programs, and diverse career development training initiatives. These endeavors create an environment where employees can thrive, fostering a culture of safety, health, harmony, and continuous growth. We also respect the human rights, labor rights, and diversity of our employees, prohibiting any form of discrimination, harassment, or unfair treatment, fostering an equal and inclusive workplace environment. Additionally, we care about the rights of communities and stakeholders, actively participating in various charitable activities to support the underprivileged, conducting educational collaborations, providing diverse learning opportunities, to give back to society and promote harmony and progress.

Chairman
Nan-Horang Huang

黃南宏



President
Wei-Chang Lee

李彥章



In terms of corporate governance, we adhere to ethical norms and integrity principles, ensuring the timeliness and accuracy of information disclosure. We have established effective mechanisms for risk management, internal control systems, and internal audits to ensure compliance with policies, regulations, and international standards. We have also established an effective governance framework to strengthen corporate governance. In 2023, the EGAT established the “Sustainability Committee” under the Board of Directors, with the participation of all employees through the Board of Directors, various functional committees, and executive team set up by the committee, to effectively promote and implement ESG-related sustainable development action plans, safeguarding the interests of stakeholders.

In terms of product and service, we are committed to providing the highest quality maintenance services for customer aircraft, as well as manufacturing aviation components. We have set up committees with different technical expertise to enhance the airworthiness of aircraft and respond to flight emergency repairs around the clock. In manufacturing, we continuously analyze data to improve process efficiency and achieve low-carbon manufacturing goals. We are progressively replacing Company equipment and facilities with environmentally friendly, low-carbon certified products to reduce resource consumption and carbon emissions. Furthermore, we plan to collaborate with upstream and downstream suppliers to advance sustainable development. We also place a strong emphasis on information security, intellectual property rights, and customer privacy, implementing strict protective measures to prevent any potential infringements or losses.

Moving forward, we remain committed to ESG principles, collaborating with stakeholders to collectively address global challenges and opportunities, thus creating a brighter future for all.



E Environmental

- Proactively adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework, identifying climate risks and opportunities, and formulating response strategies.
- Expanded the scope of greenhouse gas inventory to include company-owned operating sites, leased office spaces, and Taipei Songshan Airport (TSA) Maintenance Department, comprehensively managing greenhouse gas emissions.
- Installed solar photovoltaic power generation systems, with solar power generation reaching 854,384 kWh in 2023.
- Implemented various energy-saving and emission reduction measures in office buildings and plants, resulting in a total energy saving of approximately 4,614,439 kWh in 2023.
- Implemented circular economy practices, recycling 55.49 metric tons of scrap metal in 2023, which were sold to recycling facilities for smelting and reuse.
- Conducted regular reviews of water pollution and waste disposal regulations to ensure compliance with current operations.



S Social

- Increased employee headcount by 200 compared to 2022, resulting in an 8.23% decrease in turnover rate.
- Total employee training hours amounted to 223,819, with an average of approximately 75.08 hours per employee.
- All employees underwent regular performance evaluations.
- Organized 65 sessions of occupational safety-related education and training, with a total of 2,580 participants.
- Non-occupational medical service subsidies amounted to NT\$1,976,860.



G Governance

- EGAT achieved a pre-tax net profit of NT\$2.239 billion and earnings per share of NT\$4.95.
- The Board of Directors consists of nine members (including three independent directors), with women accounting for 22.22%.
- Total training hours for board members amounted to 85 hours, with an average of approximately 9.44 hours per member.
- Since September 2023, EGAT has incorporated ethical behavior and integrity standards into pre-employment training for new hires, with a total of 2,945 participants, representing approximately 98.79% of all employees.
- Both the Board of Directors and functional committees received an “Excellent” performance rating for its self-assessments.



P Product

- Over 867 cases established in the SMS system, with a total reward of NT\$726,600 issued.
- There were 20 newly qualified suppliers, all of whom have signed the Supplier Code of Conduct.
- Overall customer satisfaction averaged at 9.69.
- A total of 3,235 employees completed information security-related training, covering essential topics such as information security awareness for new employees, basic information security concepts, and company information security regulations.

Corresponding Material Issue:
Operational Performance

Policies and Commitments

EGAT places significant emphasis on promoting internal product innovation and efficiency improvements, resulting in robust operational performance. We will continue to devote ourselves to quality management technology innovation, improve customer satisfaction, and continue to pursue excellence to ensure that EGAT maintains a leading position in the supply and demand of new markets in the future.

2023 Actions and Performance

EGAT achieved a pre-tax net profit of NT\$2.239 billion and earnings per share of NT\$4.95.

01 Navigating to Sustainability Future

1.1 About EGAT

- 1.1.1 Company Profile
- 1.1.2 Products and Services
- 1.1.3 Operations and Financial Status
- 1.1.4 Participation in Industry Associations

1.2 Corporate Sustainability Governance

- 1.2.1 Sustainability Commitment and Organizational Operations
- 1.2.2 Identification of Material Issues and Stakeholder Communication
- 1.2.3 Short, Medium, and Long-term Goals and Action Plans



1.1 About EGAT

GRI 2-1、2-6、2-28、201-1、201-4

1.1.1 Company Profile

Evergreen Aviation Technologies Corporation (Stock Code: 2645)

Date of Establishment	November 10, 1997	Branches	Dayuan Maintenance Business, Taipei Songshan Airport (TSA) Maintenance Department, Guanyin Manufacturing Business
Chairman	Huang, Nan-Horang		
President	Lee, Wei-Chang		
Headquarters	No. 6, Hangzhan South Rd., Dayuan District, Taoyuan City, Taiwan (Country of Operations: Republic of China)	Market Capitalization	NT\$3,745,709,620
		Number of Employees	2,981

Originally established as the Engineering & Maintenance Division of EVA Air Corporation, EGAT was founded in 1997, initially named “Chang An Aviation Technologies Corporation”, before being renamed “Evergreen Aviation Technologies Corporation” in 1999. Evergreen Aviation Technologies Corporation’s primary business scope involves aircraft airframe, parts and components, and engine maintenance.

EGAT’s hangar facilities are located near the Taoyuan International Airport, adjacent to the third terminal. All hangar facilities comply with the U.S. TSA C-TPAT (Transportation Security Administration Customs-Trade Partnership Against Terrorism) certification standards. The company currently employs hundreds of licensed aircraft maintenance engineers to provide repair services.

EGAT currently holds maintenance certifications from the Civil Aviation Administration of the Republic of China (CAA), as well as from major civil aviation authorities including the Federal Aviation Administration (FAA) of the United States, the European Union Aviation Safety Agency (EASA), the UK Civil Aviation Authority (CAA), the Japan Civil Aviation Bureau (JCAB), and the Ministry of Land, Infrastructure, and Transport (MOLIT) of South Korea.

EGAT has today become a company with a comprehensive talent pool and mature systems. We have been repeatedly recognized as the best MRO (Maintenance, Repair, Overhaul) facility in the Asia-Pacific region. Not only do we embody the spirit of “challenge, innovation, and teamwork”, but also exemplify the policy of “Safety First, Quality is Everything”. Providing excellent maintenance services to airline operators worldwide, we will continue to uphold the outstanding management philosophy of the Evergreen Group for sustainable development in the future.

1.1 About EGAT

1.1.2 Products and Services

EGAT Products and Services

EGAT primarily engages in two main categories of products and services: aircraft maintenance and the manufacture and sale of aircraft parts and components. Approximately 80% of our business is attributed to aircraft maintenance, while the remaining 20% is related to the manufacture and sale of aircraft parts and components.

After an aircraft is introduced from the original manufacturer (Boeing or Airbus), to ensure flight safety and airworthiness, maintenance work must be performed regularly or from time to time, leading to maintenance activities for airframes, engines, and related parts and components. The aviation maintenance business primarily involves maintenance, repair, and overhaul services (MRO), and include the following main activities:



Maintenance

Conducting aircraft maintenance in accordance with the prescribed procedures and schedules outlined in equipment manufacturer's maintenance manuals.



Repair

Replacement of parts and components or outsourced repairs requiring inspection, repair, assembly, balancing, and calibration capabilities.



Overhaul

Mainly to improve or restore the performance of system components, necessitating higher levels of technical expertise.

With a solid foundation in aircraft and engine maintenance, EGAT expanded into the research, development, and manufacturing of parts and components, producing original equipment manufacturer (OEM) products such as aircraft engine components and airframe structural assemblies, supplied to Boeing, Airbus, and other aircraft manufacturers.

Market Analysis

Aircraft serve as a global mode of transportation with an indispensable market position. The development of the aviation-related industry, including aircraft-centric design, manufacturing, and maintenance services, significantly impacts a country's economic competitiveness, national defense capabilities, and technological advancement in foundational industries. This prompts governments worldwide to fully support the sustainable development of this critical sector. Benefiting from sustained government backing, EGAT has attained remarkable levels of aviation manufacturing and maintenance technology expertise, quality management, and delivery standards. As a result, we have emerged as a crucial partner for leading international aircraft manufacturers such as Boeing, Airbus, Bombardier, and GE Aviation. Our increasing prominence within the global aviation supply chain not only enhances our technological prowess and market competitiveness of related industries but also generates ancillary advantages.

EGAT has established an extensive supply chain network for related civil aviation products and forged partnerships with renowned aviation manufacturers worldwide, including Boeing, Airbus, Bombardier, GE Aviation, Pratt & Whitney, and Snecma (now Safran Aircraft Engines). With the aviation industry recovering post-pandemic, there is a resurgence in global aviation transportation demand, consequently driving an increase in the total output value of the aviation-related industry.

1.1 About EGAT

Value Chain and Risk Analysis

EGAT's primary products are aircraft maintenance services and the manufacture and sale of aircraft parts and components, positioning it within the midstream and downstream sectors of the industry.

Maintenance of Aircraft

Upstream	Airlines
Midstream	Aircraft maintenance plant Parts maintenance plant
Downstream	Parts suppliers

Manufacturing and Sales of Aircraft Parts and Components

Upstream	Aircraft manufacturers Engine manufacturers
Midstream	Parts manufacturers Parts suppliers
Downstream	Outsourced contractors

Relationship with the Upstream Sector

The domestic aviation market demand is primarily driven by civilian passenger traffic demand, military defense needs, airline investment plans, and international market development. Factors influencing this sector include international investment, industry policies/legislation, and globalization (linkages/alliances/consolidation).

Competitive Advantages and Future Outlook

1. EGAT has developed composites repair technology in sync with the latest aircraft models. In response to the future demand for environmental protection, weight reduction, and fuel efficiency in next-generation aircraft, the trend of diversified applications of composite materials in aircraft has increased. EGAT has long established maintenance capabilities for next-generation aircraft composite materials, including aircraft bodies and large composite parts. Furthermore, the manufacturing business of EGAT is equipped with high-performance machinery and facilities compliant with customer specifications, such as clean rooms, autoclaves, automated ultrasonic testing, and phosphoric acid anodizing surface treatment lines, for the production process of large aircraft composite parts.

2. Asia has become an important hub of the global aviation industry. In recent years, airlines in Europe and North America have considered saving maintenance and operating costs and have begun to send aircraft to Asian aircraft maintenance facilities for maintenance. EGAT will leverage the fleet development plan of its parent company, Evergreen Airlines, to expand aircraft type maintenance capabilities. By combining maintenance capabilities with accumulated fleet experience and timing of other customer executions, EGAT seeks to strengthen its market position.

3. Global aircraft manufacturers are currently adopting a global division of labor. Global aircraft manufacturing companies currently adopt a global division of labor approach. The aviation manufacturing industry involves a complex division of labor covering design, manufacturing, and assembly processes across various locations worldwide. Supply chains typically span multiple countries and regions, requiring high levels of coordination and cooperation to achieve specialization in division of labor, thereby reducing costs. Emerging countries, supported by their governments, are competing for component processing projects at lower production costs, posing a threat of price war competition. To address this threat, EGAT actively seeks higher-value assembly products and utilizes its extensive experience during product development to maximize efficiency. Simultaneously, it continues to pursue aviation process certifications to improve processes, reduce costs, and enhance market competitiveness.

1.1 About EGAT

1.1.3 Operations and Financial¹

In 2023, EGAT exceeded expectations with revenue surpassing forecasts, achieving a pre-tax net profit of NT\$2.239 billion, representing a YoY growth of approximately 13.7% compared to 2022. Moreover, the earnings per share reached a new high of NT\$4.95. Apart from the post-pandemic market recovery, EGAT's commitment to internal product innovation and efficiency enhancement has contributed to its robust operational performance. Moving forward, the Company will continue to prioritize product quality and customer satisfaction, aiming to create maximum value for stakeholders.

	FY2022	FY2023
Profitability	Return on Assets (%)	7.63 8.72
	Return on Equity (%)	15.32 15.36
	Net Profit Margin (%)	13.35 12.40
	Pre-tax Net Profit to Paid-in Capital (%)	55.81 59.77
	Earnings per Share (NT\$)	4.48 4.95
Pre-tax Net Profit (NT\$ thousand)		1,969,003 2,238,859

¹

Source of data: EGAT's individual financial statements which are verified and audited by an independent certified public accountant, and the company's own survey statistics.



■ Government Subsidies

EGAT has been approved by the Ministry of Economic Affairs and has signed the "A+ Industrial Innovation R&D Program". The program theme is "Advanced Manufacturing Technology Development for Aircraft Engine Combustor Modules" and is scheduled from 2022 to 2023, lasting for two years. Additionally, EGAT has been selected as the Lead Integrator of Military/Commercial-grade Land Surveillance Unmanned Aerial Vehicle (UAV) Systems, demonstrating the government's recognition of the Company's technology and capabilities. The amount of government grants received in the past two years is as follows:

1.1 About EGAT

Program/Project Name	Description	Total Monetary Value of Government Grants and Subsidies	
		FY2022	FY2023
Advanced Manufacturing Technology Development Program for Aircraft Engine Combustor Modules	This project aims to develop electrochemical machining technology for closed airfoil vanes, integrating electrical discharge machining with electrochemical machining processes, to be applied in the manufacturing of diffusers for next-generation aircraft engines. The project also involves the development of electrical discharge machining process deviation warning system with AI, electrochemical machining parameter optimization system with AI, and intelligent scheduling system for ECM & EDM production lines, aimed at enhancing EGAT's international competitiveness in manufacturing critical modules for aircraft engine combustion.	10,932	11,068
Land Surveillance Unmanned Aerial Vehicle (UAV) Development Program	This project aims to develop military-grade commercial specification land surveillance UAVs using a single rotor configuration. Compared to multi-rotor UAVs, these UAVs offer higher energy efficiency, stronger wind resistance, and superior maneuverability compared to fixed-wing models. The UAVs are equipped with a four-stroke gasoline engine to effectively increase flight time. They are configured with Electro-Optical (EO)/ Infra-Red (IR)/ Laser rangefinder (LRF) three-light gimbal modules, providing enemy surveillance intelligence to commanders and can be used for resource exploration, logistics transportation, traffic flow monitoring, agriculture, fisheries, animal husbandry applications, mapping, and route inspections. Due to the execution of this project, EGAT has elevated its manufacturing capabilities from the development of key modules to the integration of entire systems.	–	9,500

Unit: NT\$ thousand

1.1.4 Participation in Industry Associations

EGAT actively participates in regular or aperiodic meetings organized by industry associations to engage with industry members, seizing opportunities for collaboration and exchange with peers.

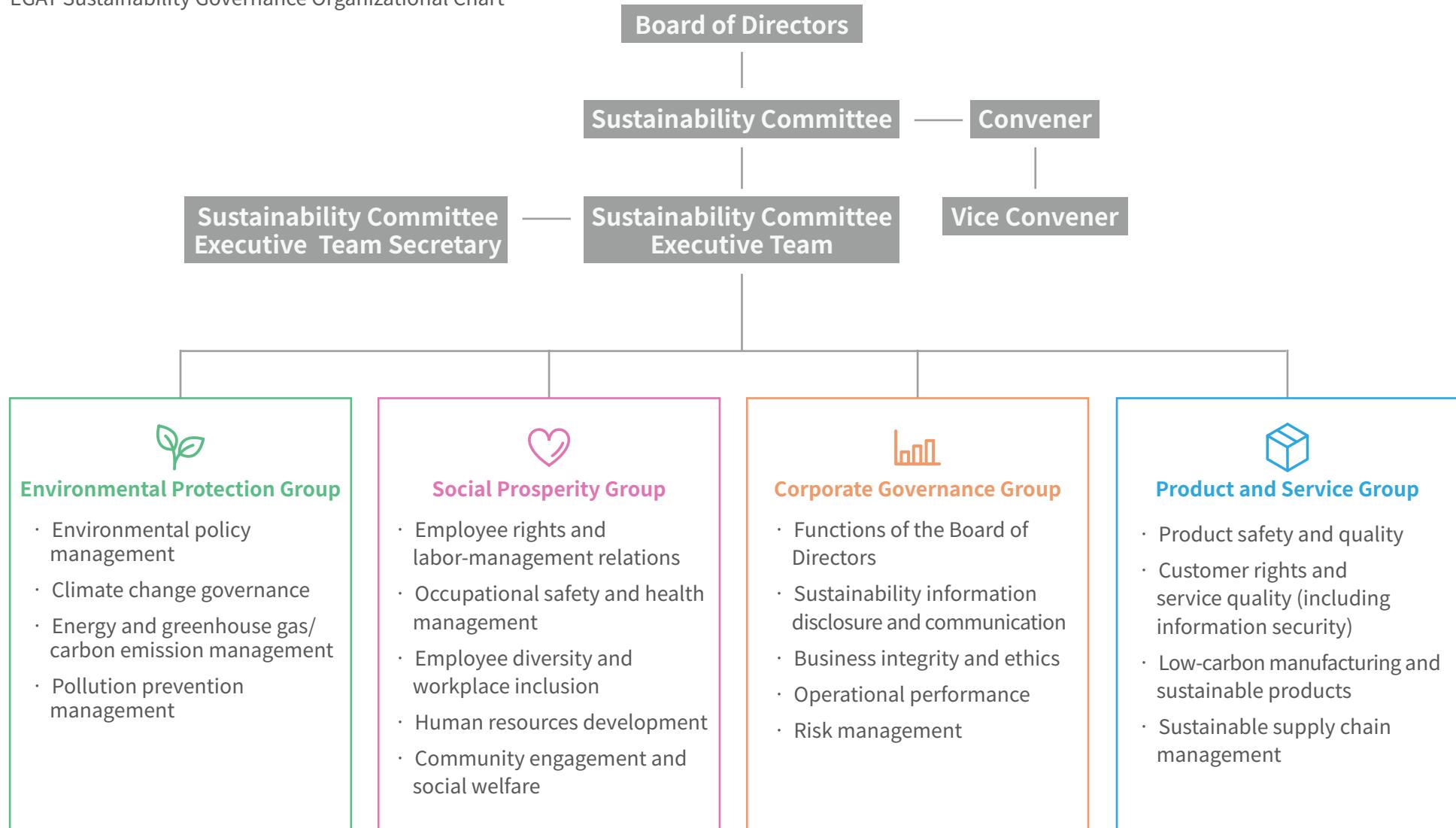
Name of Industry Association	Association's Purpose	EGAT's Role
Taiwan Aerospace Industry Association	Assist member companies in seeking support from various sectors to develop a favorable industrial environment.	EGAT President Wei-Chang Lee serves as Executive Director of the International Cooperation Committee.

1.2 Corporate Sustainability Governance

GRI 2-12、2-13、2-16、2-26、2-29、3-1、3-2、3-3

1.2.1 Sustainability Commitment and Organizational Operations

EGAT Sustainability Governance Organizational Chart



1.2 Corporate Sustainability Governance

To enhance sustainable development management, EGAT established a dedicated unit for promoting sustainable development in November 2023, namely the Sustainability Committee, as one of its functional committees. This committee is responsible for reviewing and overseeing the formulation of sustainable development policies, strategies, objectives, or management guidelines, as well as supervising specific implementation plans. The Sustainability Committee is convened by the Chairman of the Board, with three independent directors and the President serving as committee members. The committee has set up an executive team, which in turn has four issue focus groups based on the four major identified issues: Environmental Protection, Social Prosperity, Corporate Governance, and Product and Service. The Executive Team, led by the President as the chief executive, consists of the heads from various departments. It aims to effectively integrate resources and implement the Company's sustainable strategies, jointly promoting environmental protection, social participation, corporate governance, and achieving sustainable development and net-zero goals. The principles for appointing members to the Executive Team mainly consider whether their capabilities can effectively integrate resources and implement the company's sustainable strategies. Executive team members are required to participate in various discussions and educational training sessions intermittently to continuously enhance relevant capabilities.

In 2023, the Sustainability Committee held one meeting to formulate the “2024 Sustainable Development Work Plan”, “Policy of Sustainable Development”, and “Policies and Procedures of Risk Management”. The “2024 Sustainable Development Working Plan” has been reported to the Board of Directors. Going forward, issues related to sustainable development, progress and outcomes of risk management strategies, and strategic objectives will be regularly reported to the Board of Directors.

EGAT plans to incorporate the “Procedures for the Preparation and Verification of Sustainability Reports” into its internal control system in 2024 to ensure the accuracy and completeness of sustainability reports.

1.2.2 Identification of Material Issues and Stakeholder Communication

EGAT follows the latest edition of the GRI Sustainability Guidelines, domestic and international sustainability trends, and the development of benchmark aviation sector enterprises in identifying major sustainability issues and stakeholder concerns. The Executive Team collects professional insights on the positive and negative impacts of sustainability issues in economic, environmental, and social aspects, including human rights, as well as the level of concern from seven categories of external stakeholders. These factors are considered in assessing the impacts of sustainability issues on EGAT and external economic, environmental, and social aspects. After identification and assessment, EGAT prioritizes the top 10 material topics for 2023. In the future, EGAT will annually identify material topics based on the context of materiality, stakeholder inclusiveness, sustainability context, and completeness. These material topics will be integrated into Enterprise Risk Management (ERM) to more effectively and precisely manage organizational risks and plan short, medium, and long-term sustainable development strategies.

1.2 Corporate Sustainability Governance

Step1 Identification

7 Categories of Stakeholders

Adopting the AA1000SES: 2015 (AccountAbility 1000 Stakeholder Engagement Standard: 2015), stakeholders are categorized based on the five major principles of dependency, responsibility, influence, diversity of perspectives, and tension of concerns, and further defined into 7 major categories: Government/Competent Authorities, Investors/Shareholders, Employees, Customers, Suppliers, Community (including NGOs/NPOs, and Academic Institutions).

15 Sustainability Issues

Referencing international sustainability standards such as the United Nations Sustainable Development Goals (SDGs), United Nations Global Compact (UNGC), Global Reporting Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD), and industry-specific sustainability reports and concerns, 15 sustainability issues are identified.

Environmental

- Climate change governance
- Energy and greenhouse gas/carbon emission management
- Pollution prevention management

Governance

- Business integrity and ethics
- Sustainable supply chain management
- Operational performance
- Risk management

Social

- Compensation, employee welfare, and labor-management communication
- Occupational safety and health management
- Employee diversity and workplace inclusion
- Talent development and cultivation
- Community engagement and social welfare

Products and Services

- Product safety and quality
- Customer rights and service quality
- Low-carbon manufacturing and sustainable products

Step2 Assessment

78 Questionnaires on Positive and Negative Impacts

EGAT's management and Executive Team quantitatively assess the probability and magnitude of positive and negative impacts of sustainability issues on the economy, environment, and people (including human rights) to evaluate the associated impacts.

260 Questionnaires on Stakeholder Concerns

Stakeholders from the 7 categories rate their level of concern regarding the issues on a scale of 1-5, providing insight into the concerns of each stakeholder category. 260 questionnaires were collected, including 187 from employees, 18 from suppliers, 15 from investors/shareholders, 15 from academic institutions, 12 from customers, 7 from communities (including NGOs/NPOs), and 6 from government/competent authorities. Based on statistical analysis, the top 5 major topics of concern for external stakeholders, ranked by score, are product safety and quality, occupational health and safety management, customer rights and service quality, operational performance, and risk management.

1.2 Corporate Sustainability Governance

Step3 Prioritization

The questionnaires on positive and negative impacts are prioritized based on importance, and the results of the stakeholder concern questionnaires are considered to identify 10 sustainability issues as material topics for the current year.



Step4 Review

The results of the major themes are reviewed and approved by the Company's highest sustainability governance body — the Board of Directors. Management policies for each major sustainability topic are established, and the statuses of action plans and goals are periodically reviewed.

█ Positive score
█ Negative score

Note:
 The pink words indicate the top 5 major topics of concern for external stakeholders, ranked by score, as product safety and quality, occupational health and safety management, customer rights and service quality, operational performance, and risk management.

Material Issues and Organizational Impact Boundaries

1. Product Safety and Quality

(GRI 416 / Corresponding Sections: 4.1 Product Safety and Quality)

Stable product quality management enhances customer satisfaction, increases revenue, and builds brand image. It also ensures flight safety, promotes healthy industry chain development, and further enhances national export earnings. Failure to control product quality effectively may lead to severe impacts on customer health and safety. For instance, if an information security incident occurs resulting in casualties and cargo loss, the Company would face high liability costs, loss of reputation, and hindrance to industry chain development.

Within the Organization

✓ Evergreen Aviation Technologies Corp (EGAT)

Outside of the Organization

✓ Upstream (Airlines / Aircraft manufacturers / Engine manufacturers)

✓ Mid-stream (Aircraft maintenance facility / Parts maintenance facility / Parts manufacturer / Parts suppliers)

Downstream (Parts suppliers / Outsourced contractors)

1.2 Corporate Sustainability Governance

2. Compensation, Employee Welfare, and Labor-management Mommunication

(GRI 401-402 / Corresponding Sections: 5.1 Attracting and Retaining Talent)

Providing a good workplace environment attracts and retains talent, promotes workplace harmony, enhances company identity, and solidarity. However, talent loss can lead to capability and knowledge gaps, causing operational disruptions and revenue losses. Deterioration of labor-management relations and increased turnover rates can tarnish the Company's reputation.

3. Occupational Safety and Health Management

(GRI 403 / Corresponding Sections: 5.4 Occupational Safety and Health)

Providing a people-oriented healthy and safe working environment safeguards employees' safety and health rights, reduces the likelihood of work-related injuries, accidents, and occupational diseases, and fulfills the employer's social responsibility. Failure to implement occupational health and safety policies may lead to additional costs, compromise corporate reputation, reduced employee retention, and loss of talent recruitment opportunities.

4. Operational Performance

(GRI 201 / Corresponding Sections: 1.1 About EGAT)

Robust operational performance not only benefits shareholders and investors but also enhances the company's image among the public, job seekers, and other stakeholders, leading to market growth. Poor operational performance can reduce shareholder and investor interests, damage the company's image, and potentially cause market downturns and mass unemployment.

Within the Organization

- ✓ Evergreen Aviation Technologies Corp (EGAT)

Outside of the Organization

- ✓ Upstream (Airlines / Aircraft manufacturers / Engine manufacturers)
- ✓ Mid-stream (Aircraft maintenance facility / Parts maintenance facility / Parts manufacturer / Parts suppliers)
- ✓ Downstream (Parts suppliers / Outsourced contractors)

Within the Organization

- ✓ Evergreen Aviation Technologies Corp (EGAT)

Outside of the Organization

- ✓ Upstream (Airlines / Aircraft manufacturers / Engine manufacturers)
- ✓ Mid-stream (Aircraft maintenance facility / Parts maintenance facility / Parts manufacturer / Parts suppliers)
- ✓ Downstream (Parts suppliers / Outsourced contractors)

Within the Organization

- ✓ Evergreen Aviation Technologies Corp (EGAT)

Outside of the Organization

- ✓ Upstream (Airlines / Aircraft manufacturers / Engine manufacturers)
- ✓ Mid-stream (Aircraft maintenance facility / Parts maintenance facility / Parts manufacturer / Parts suppliers)
- ✓ Downstream (Parts suppliers / Outsourced contractors)

1.2 Corporate Sustainability Governance

5. Talent Development and Cultivation

(GRI 404 / Corresponding Sections: 5.3 Talent Development and Cultivation)

Establishing employee training and performance evaluation systems can enhance employee competencies and work efficiency, thereby increasing company revenue. Comprehensive education and training, along with career development planning, contribute to boosting employee identification with the Company and fostering organizational solidarity. Failure to implement employee training may result in insufficient employee skills and expertise, potentially impacting work efficiency and output, leading to decreased company revenue and reduced competitiveness. Furthermore, the absence of comprehensive career development plans for employees may diminish their sense of belonging, potentially increasing turnover rates.

6. Business Integrity and Ethics

(GRI 205-206 / Corresponding Sections: 2.3 Business Integrity)

Practicing operational integrity and adhering to business ethics helps build a positive corporate image, increases stakeholder trust, and maintains a stable market order, thereby safeguarding stakeholder interests. Instances of unethical conduct or actions that undermine market fairness can damage the Company's reputation, harm stakeholder interests, and expose it to risks such as lawsuits or divestment of equity.

7. Customer Rights and Service Quality

(GRI 418 / Corresponding Sections: 4.3 Customer Rights and Service Quality)

Establishing robust information security measures prevents customer data and privacy breaches, while maintaining open communication channels with customers allows for timely collection of feedback and adjustment of service content, thereby enhancing overall service quality. Failure to establish comprehensive information security measures may result in data breaches or loss, undermining customer trust. Similarly, inadequate communication channels with customers may lead to delayed response to customer needs, thereby compromising service quality.

Within the Organization

- ✓ Evergreen Aviation Technologies Corp (EGAT)

Outside of the Organization

- ✓ Upstream (Airlines / Aircraft manufacturers / Engine manufacturers)
- ✓ Mid-stream (Aircraft maintenance facility / Parts maintenance facility / Parts manufacturer / Parts suppliers)
- ✓ Downstream (Parts suppliers / Outsourced contractors)

Within the Organization

- ✓ Evergreen Aviation Technologies Corp (EGAT)

Outside of the Organization

- ✓ Upstream (Airlines / Aircraft manufacturers / Engine manufacturers)
- ✓ Mid-stream (Aircraft maintenance facility / Parts maintenance facility / Parts manufacturer / Parts suppliers)
- ✓ Downstream (Parts suppliers / Outsourced contractors)

Within the Organization

- ✓ Evergreen Aviation Technologies Corp (EGAT)

Outside of the Organization

- ✓ Upstream (Airlines / Aircraft manufacturers / Engine manufacturers)
- ✓ Mid-stream (Aircraft maintenance facility / Parts maintenance facility / Parts manufacturer / Parts suppliers)
- ✓ Downstream (Parts suppliers / Outsourced contractors)

1.2 Corporate Sustainability Governance

8. Risk Management

(GRI NA / Corresponding Sections: 2.5 Risk Management)

A robust risk and opportunity management mechanism enables enterprises to identify and plan responses to risks early, effectively avoiding or mitigating their impact. It also allows for the timely identification of new business opportunities, increasing long-term profitability. Failure to properly plan risk and opportunity management may make it difficult to preemptively address risks or handle emergency situations, leading to significant customer loss, legal challenges, or missed profit and transition opportunities.

9. Pollution Prevention Management

(GRI 303、306 / Corresponding Sections: 3.2 Pollution Prevention Management)

Effectively managing water resources and waste throughout the value chain (upstream and downstream) entails reducing resource extraction and increasing resource recirculation rates. This helps to lower resource acquisition costs, mitigate the risk of resource depletion, and safeguard natural ecosystems. Additionally, it can prevent penalties from environmental pollution incidents and enhance the Company's environmental reputation. Failure to manage water resources, waste disposal, and noise control effectively may result in fines, increased operating costs, and missed opportunities for resource recovery and reuse initiatives. This could lead to higher operational and procurement costs and the loss of opportunities in emerging markets.

10. Sustainable Supply Chain Management

(GRI 204、308、414 / Corresponding Sections: 4.2 Supply Chain Management)

Implementing sustainable management across the supply chain not only enhances the resilience of raw material supply but also reduces the negative impacts of products. It improves the overall sustainability performance of the supply chain, enhances corporate reputation, and reduces the risk of legal violations. Improper supply chain management may lead to a raw material supply crisis, which can reduce profitability and tarnish corporate reputation. It may also result in environmental degradation and human rights violations.

Within the Organization

- ✓ Evergreen Aviation Technologies Corp (EGAT)

Outside of the Organization

- Upstream (Airlines / Aircraft manufacturers / Engine manufacturers)
- ✓ Mid-stream (Aircraft maintenance facility / Parts maintenance facility / Parts manufacturer / Parts suppliers)
- Downstream (Parts suppliers / Outsourced contractors)

Within the Organization

- ✓ Evergreen Aviation Technologies Corp (EGAT)

Outside of the Organization

- ✓ Upstream (Airlines / Aircraft manufacturers / Engine manufacturers)
- ✓ Mid-stream (Aircraft maintenance facility / Parts maintenance facility / Parts manufacturer / Parts suppliers)
- ✓ Downstream (Parts suppliers / Outsourced contractors)

Within the Organization

- ✓ Evergreen Aviation Technologies Corp (EGAT)

Outside of the Organization

- ✓ Upstream (Airlines / Aircraft manufacturers / Engine manufacturers)
- ✓ Mid-stream (Aircraft maintenance facility / Parts maintenance facility / Parts manufacturer / Parts suppliers)
- ✓ Downstream (Parts suppliers / Outsourced contractors)

1.2 Corporate Sustainability Governance

Stakeholder Communication

1. Employees

Priority Issues of Concern

- Occupational safety and health management
- Product safety and quality
- Customer rights and service quality
- Operational performance
- Risk management

Engagement Methods and Frequency

- Department meetings (monthly)
- Labor-management meetings (quarterly)
- Employee welfare committee (quarterly)
- Occupational safety and health committee (monthly)
- Performance evaluation and interviews (twice a year)
- Employee feedback box, confidential complaint hotline

Communication Frequency and Results

1. Each department conducted a department meeting once a month.
2. Conducted 4 labor-management meetings, 4 employee welfare committee meetings, 12 occupational safety and health committee meetings.
3. Performance evaluations and interviews were conducted twice.

Specific Contact Information

Human Resources Division egathrd@egat.com.tw

Sexual harassment and sexual discrimination complaint channels:

Human Resources Division

- Maintenance Business:
03-3519437 ameliasung@egat.com.tw
- Manufacturing Business:
03-2826030 susanlin@egat.com.tw

Bullying incident complaint channel:

Occupational Safety and Health Division

- Maintenance Business:
03-3519980 9980@egat.com.tw
- Manufacturing Business:
egatgSHE@egat.com.tw

2. Investors/Shareholders

Priority Issues of Concern

- Product safety and quality
- Customer rights and service quality
- Operational performance
- Occupational safety and health management
- Business integrity and ethics

Engagement Methods and Frequency

- Annual general shareholders' meeting (annually)
- Investor conferences (as needed)
- Investor mailbox/spokesperson mailbox (as needed)
- Announcement of material financial and business information according to regulatory requirements on Market Observation Post System (MOPS)
- Investor relations section on the Company website

Communication Frequency and Results

1. Conducted 1 annual general shareholders' meeting.
2. Conducted 1 investor conference.
3. A shareholder Q&A mailbox and a dedicated hotline was established to respond to shareholders' inquiries.
4. 27 material information was announced.

Specific Contact Information

Spokesperson: Lee, Wei-Chang

Position: President
03-3833268

Acting spokesperson: Chen, Chi-Min

Position: Assistant Vice President
03-3833268 spokesman@egat.com.tw

1.2 Corporate Sustainability Governance

3. Customers

Priority Issues of Concern

- Customer rights and service quality
- Product safety and quality
- Sustainable supply chain management
- Risk management
- Operational performance

Engagement Methods and Frequency

Electronic surveys/TCM technical meetings/QRM quality management meetings (irregular)

Communication Frequency and Results

1. After major maintenance is completed, electronic surveys are randomly sent to customers for feedback. A total of 13 customer responses were received.
2. Regular face-to-face, video, or online meetings are held with customers every week.

Specific Contact Information

Maintenance Business:

Business Coordination Division
03-3519473 marinachu@egat.com.tw

Manufacturing Business:

Technologies Development Department
Business Unit
03-2826013 kevinliu@egat.com.tw

4. Suppliers

Priority Issues of Concern

- Business integrity and ethics
- Product safety and quality
- Sustainable supply chain management
- Operational performance
- Customer rights and service quality

Engagement Methods and Frequency

Digital questionnaire (annual)

Communication Frequency and Results

At the end of the year, electronic surveys are used to communicate significant sustainability issues with suppliers, and a total of 18 supplier responses were received.

Specific Contact Information

Maintenance Business:

Procurement Department
eliotwu@egat.com.tw

Manufacturing Business:

Materials Department
ericlin@egat.com.tw

5. Community (Including NGOs/NPOs)

Priority Issues of Concern

- Operational performance
- Occupational safety and health management
- Talent development and cultivation
- Pollution prevention management
- Business integrity and ethics

Engagement Methods and Frequency

Government agency official documents, emails, phone calls (as needed)

Communication Frequency and Results

Implementing friendly neighborly relations, participating in social welfare activities.

Specific Contact Information

General Affairs Department

- Maintenance Business:
03-3519417 davischen@egat.com.tw
- Manufacturing Business:
03-2826041 itsaisung@egat.com.tw

1.2 Corporate Sustainability Governance

6. Government/Competent Authorities

Priority Issues of Concern

- Customer rights and service quality
- Operational performance
- Product safety and quality
- Sustainable supply chain management
- Risk management

Engagement Methods and Frequency

Government agency official documents, emails, phone calls, meetings, site visits (as needed)

Communication Frequency and Results

At least 12 quality coordination meetings are held annually with civil aviation authorities.

Specific Contact Information

Maintenance Business:

Quality Assurance Department
qadmail@egat.com.tw

Manufacturing Business:

Quality Assurance Department
03-2826090 richardchen@egat.com.tw

7. Academic Institutions

Priority Issues of Concern

- Business integrity and ethics
- Talent development and cultivation
- Occupational safety and health management
- Employee diversity and workplace inclusion
- Customer rights and service quality

Engagement Methods and Frequency

Company- teacher/student meetings (monthly)

Communication Frequency and Results

1. Monthly meetings are conducted to understand student needs, feedback, and responses, making students feel valued and increasing their willingness to stay.
2. Teachers from various schools conducted a total of 36 on-site visits during the 2023 academic year to understand the internship environment, actual internship situations, exchange opinions with the Company, and jointly guide students according to the schedule planned by each school.

Specific Contact Information

Human Resources Division
egathrd@egat.com.tw

1.2 Corporate Sustainability Governance

1.2.3 Short, Medium, and Long-term Goals and Action Plans

Since 2023, EGAT has set short (1-3 years) and medium to long-term (over 3 years) goals and tracked management to develop and continuously improve its sustainability blueprint in response to identified material issues.

Short-term Goals (1-3 Years)	Medium to Long-term Goals (Over 3 Years)
<p>Product Safety and Quality</p> <ul style="list-style-type: none"> For every one million work hours, the number of occurrences disciplined by civil aviation authorities due to maintenance problems is less than 1.850 per million work hours. The First Pass Yield should be maintained at greater than 99%. (Note 1) ISO 9001, AS 9110, and AS 9100 certifications remain valid. Effective quality systems as required by customers are maintained. 	<ul style="list-style-type: none"> For every one million work hours, the number of occurrences disciplined by civil aviation authorities due to maintenance problems is less than 1.665 per million work hours. The First Pass Yield should be maintained at greater than 99%. (Note 1) ISO 9001, AS 9110, and AS 9100 certifications remain valid. Effective quality systems as required by customers are maintained.

Compensation, Employee Welfare, and Labor-management Communication

- Introduction of employee satisfaction surveys to regularly understand employee demands and use them as a reference for optimizing management measures to increase employee identification.
- In addition to providing Lunar New Year red envelopes for rotating staff during the Lunar New Year period, New Year red envelopes for on-duty staff will also be provided during the New Year period starting from 2024.
- Adjustment of the standard meal allowance for business trips, applicable home leave air ticket and visa fee reimbursements, and relocation subsidies for personnel from 2024 to reflect inflation and the consumer price index.
- Adjustment of shift meal fees for on-duty personnel and dinner expenses for areas without provided meals starting from 2024 to alleviate economic pressure on employees.
- Adjustment of housing subsidies and home leave subsidies for domestic transfer personnel starting from 2024.
- Annual assessment of salary structures, considering the consumer price index, salary adjustment rates for civil servants, and industry conditions, adjusting salaries as appropriate based on the Company's annual operating revenue.

- Employee satisfaction surveys are conducted biennially.
- Continuous evaluation of existing benefits, considering the consumer price index and market conditions, and timely adjustment of allowances and benefits.
- Addition of relevant allowances and benefits based on business development and operational conditions if permitting.
- The Company's salary competitiveness holds a benchmark position within the industry.

1.2 Corporate Sustainability Governance

Short-term Goals (1-3 Years)	Medium to Long-term Goals (Over 3 Years)
<p>Occupational Safety and Health Management</p> <ul style="list-style-type: none"> Disabling injury frequency rate (FR) < 6 cases per million work hours. Annual completion rate of employee health check-ups: 100%. Conduct at least 1 diverse health lecture or other health promotion activities: 20 sessions. ISO 45001: Annual regular follow-up audits conducted by certification bodies. 	<ul style="list-style-type: none"> Disabling injury frequency rate (FR) < 0 cases per million work hours. Annual completion rate of employee health check-ups: 100%. Conduct at least 1 diverse health lecture or other health promotion activities: 20 sessions. ISO 45001: Comprehensive audits conducted by certification bodies every three years for re-certification.
<p>Operational Performance</p> <ul style="list-style-type: none"> Annual regular review of budget and operational objectives reported to the Board of Directors. 	<ul style="list-style-type: none"> Annual regular review of budget and operational objectives reported to the Board of Directors.
<p>Talent Development and Cultivation</p> <ul style="list-style-type: none"> Conduct at least 1 specific education course annually. Estimated annual investment of NT\$10 million in employee education and training expenses. Continuous provision of English online learning platforms and subsidies for employees, and continuous encouragement for employees to obtain diverse certifications. 	<ul style="list-style-type: none"> Conduct at least 2 specific education courses annually. Estimated annual investment of NT\$15 million in employee education and training expenses. Continuous provision of English online learning platforms and subsidies for employees, and continuous encouragement for employees to obtain diverse certifications.
<p>Business Integrity and Ethics</p> <ul style="list-style-type: none"> Zero cases of violations of ethical conduct and Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies. Conduct employee integrity and ethical training courses once a year. Employee participation rate: 98%. (Note 2) Upon receiving reported cases, process and report according to procedures, and complete internal investigations within 7 days. Conduct relevant courses for long-term contractors annually. Corporate Governance <ul style="list-style-type: none"> Organize director training courses twice a year, each lasting 3 hours. Conduct internal board performance evaluation operations once a year. 	<ul style="list-style-type: none"> Zero cases of violations of ethical conduct and Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies. Conduct employee integrity and ethical training courses once a year. Employee participation rate: 99%. (Note 2) Upon receiving reported cases, process and report according to procedures, and complete internal investigations within 5 days. Conduct relevant courses for all contractors annually. Corporate Governance <ul style="list-style-type: none"> Organize director training courses twice a year, each lasting 3 hours. Conduct internal board performance evaluation operations once a year.

1.2 Corporate Sustainability Governance

Short-term Goals (1-3 Years)	Medium to Long-term Goals (Over 3 Years)
<p>Customer Rights and Service Quality</p> <ul style="list-style-type: none"> Customer satisfaction average score >9.69 (out of 10 points). Zero cases of violating customer privacy or data leakage. Obtain ISO 27001 certification. All employees must complete a 3-hour general information security awareness course annually. 	<ul style="list-style-type: none"> Customer satisfaction average score >9.74 (out of 10 points). Zero cases of violating customer privacy or data leakage. Expand ISO 27001 certification scope. All employees must complete a 3-hour general information security awareness course annually.
<p>Risk Management</p> <ul style="list-style-type: none"> Regularly inventory and refine internal control systems in each department. Audit deficiencies are addressed within the required deadlines. 	<ul style="list-style-type: none"> All potential operational risks are within manageable ranges.
<p>Pollution Prevention Management</p> <ul style="list-style-type: none"> Quarterly execution of identification of toxic substances and air pollution regulations. Conduct water resource inventory in 2024 through water meter installation to understand water resource flow and direction. For example, statistics on rainwater recycling, process, and domestic water usage. Maintenance Business: Waste recycling rate 28%. (Note 3) Manufacturing Business: Waste recycling rate 31%. (Note 3) 	<ul style="list-style-type: none"> Quarterly execution of identification of toxic substances and air pollution regulations. Maintenance Business: Waste recycling rate 31%. (Note 3) Manufacturing Business: Waste recycling rate 34%. (Note 3)
<p>Sustainable Supply Chain Management</p> <ul style="list-style-type: none"> Supplier Code of Conduct (SCoC) signing rate: 80%. Supplier sustainability risk assessment investigation SAQ recovery rate (maintenance parts and components procurement): 70%. <p>Tier 1 suppliers with SAQ scores below 70 are defined as “high-risk suppliers”.</p>	<ul style="list-style-type: none"> Supplier Code of Conduct (SCoC) signing rate: 90%. Supplier sustainability risk assessment investigation SAQ recovery rate (maintenance parts and components procurement): 80%. <p>Tier 1 suppliers with SAQ scores below 75 are defined as “high-risk suppliers”.</p>

Note 1: (Number of qualified items/Total number of completed items) x 100%.

Note 2: Participation rate = Number of employees who have completed training/Total number of current employees.

Note 3: Annual resource recovery volume (metric tons)/Annual output of domestic and business waste (metric tons) x 100%.

Corresponding Material Issues:
Business Integrity, Risk, and Opportunity Management

Policies and Commitments

EGAT believes that sound governance is the cornerstone of stable business development. In addition to establishing a clear governance framework and continuously strengthening the functions of the Board of Directors, EGAT has also formulated policies such as the “Corporate Governance Best Practice Principles”, “Ethical Corporate Management Best Practice Principles”, and “Codes of Ethical Conduct” to ensure transparent and robust governance mechanisms. In addition, EGAT has established regulations and layered mechanisms for risk management and internal audit, including the “Policies and Procedures of Risk Management” and the “Regulations Governing Internal Audit Operations”. These frameworks aim to anticipate opportunities and navigate steadily in the constantly changing business environment.

Annual Actions and Performance

- The Board of Directors consists of nine members (including three independent directors), with women accounting for 22.22%.
- Total training hours for board members amounted to 85 hours, with an average of approximately 9.44 hours per member.
- Since September 2023, EGAT has incorporated ethical conduct and integrity regulations into pre-employment orientation training for new hires, with a total of 2,945 participants, representing approximately 98.79% of all employees.
- Both the Board of Directors and functional committees received an “Excellent” in performance evaluations for the year 2023.

02 Building Sound Governance

2.1 Composition of the Board of Directors

- 2.1.1 Corporate Governance Framework
- 2.1.2 Functional Committees
- 2.1.3 Composition and Functioning of the Board of Directors
- 2.1.4 Members of the Board of Directors
- 2.1.5 Performance Evaluation of the Board of Directors

2.2 Remuneration Policy

- 2.2.1 Remuneration Policy for Directors
- 2.2.2 Remuneration Policy for Senior Managerial Officers

2.3 Business Integrity

- 2.3.1 Business Integrity and Ethical Code of Conduct
- 2.3.2 Enforcement of Business Integrity

2.4 Legal Compliance

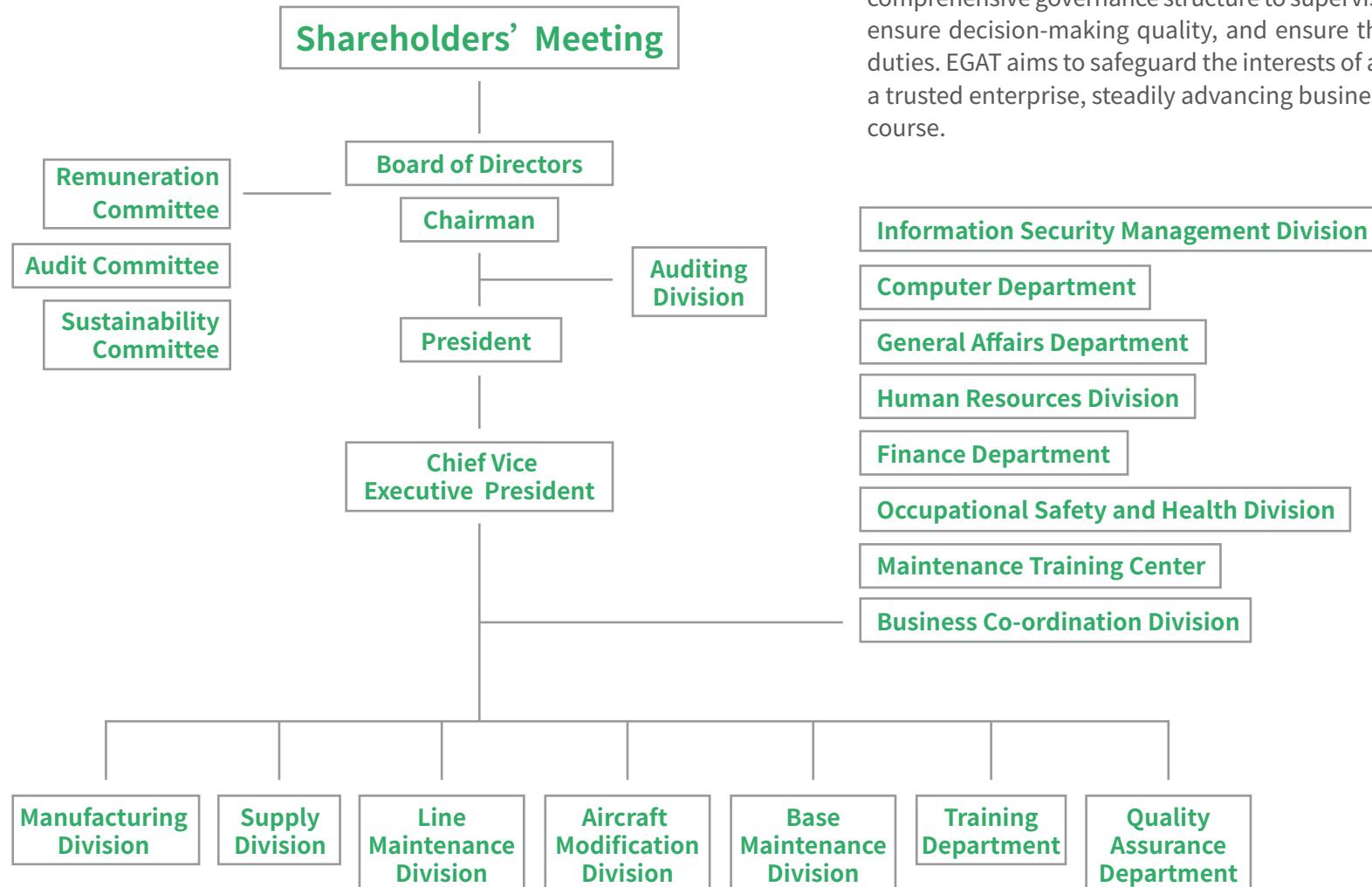
2.5 Risk Management



2.1 Composition of the Board of Directors

GRI 2-9, 2-10, 2-11, 2-15, 2-17, 2-18

2.1.1 Corporate Governance Framework



Sound corporate governance is the foundation for creating sustainable value and trust. EGAT has always operated with integrity and constructed a comprehensive governance structure to supervise organizational operations, ensure decision-making quality, and ensure that all personnel fulfill their duties. EGAT aims to safeguard the interests of all stakeholders and become a trusted enterprise, steadily advancing business development on the right course.

2.1 Composition of the Board of Directors

2.1.2 Functional Committees

EGAT has established three functional committees under the Board of Directors: the Audit Committee, the Remuneration Committee, and the Sustainability Committee. All three committees include independent directors to ensure independent oversight of the company's financial, remuneration, and sustainability operations.

Audit Committee

To strengthen corporate governance and enhance the functions of the Board of Directors, EGAT established the Audit Committee on January 12, 2022. The committee consists of all independent directors, totaling 3 members, with at least 1 member possessing accounting or financial expertise, serving a term of 3 years.

The main deliberations of the Audit Committee include ensuring the proper presentation of the company's financial statements, appointing CPAs and assessing their independence, and ensuring the effective implementation of the Company's internal control system.

In 2023, the Audit Committee held 5 meetings with a 100% average attendance rate.

Remuneration Committee

To enhance the integrity of the Company's director and executive remuneration system, EGAT established the Remuneration Committee on January 13, 2022. The committee consists of three members appointed by the Board of Directors, all of whom are independent directors. They possess professional qualifications and independence, and no additional remuneration consultants are hired. The term of office for committee members is the same as that of the appointing the Board of Directors.

The main responsibilities of the Remuneration Committee include assisting in the formulation and periodic review of policies, systems, standards, and structures for evaluating the performance and compensation of directors and executives.

In 2023, the Remuneration Committee held 2 meetings with a 100% average attendance rate.

Sustainability Committee

To fulfill corporate social responsibilities and establish a comprehensive risk management system to achieve sustainable development goals, EGAT established the Sustainability Committee under the Board of Directors through the Board of Directors' resolution on November 7, 2023. The committee members are appointed by the Board of Directors, with five members, and more than half of them are independent directors. The term of office for committee members is the same as that of the appointing the Board of Directors.

The main responsibilities of the Sustainability Committee include reviewing policies, strategies, objectives, or management guidelines related to sustainable development (including risk management), and reviewing annual work plans for sustainable development, supervising, tracking progress, and related matters.

In 2023, the Sustainability Committee held 1 meeting with a 100% average attendance rate.

2.1 Composition of the Board of Directors

2.1.3 Composition and Functioning of the Board of Directors

Nomination and Election of Board Members

The Board of Directors is the highest governing body of EGAT, responsible for deciding important matters related to the Company's business execution and being accountable to shareholders and stakeholders. According to the Company's Articles of Incorporation, the Board consists of seven to nine members, including three independent directors, with a term of three years. The election process for directors follows the nomination system as stipulated in Article 192-1 of the Company Act, the EGAT Articles of Incorporation, and the Regulations for Electing Directors. Shareholders holding more than one percent of EGAT's total issued shares can submit a list of director candidates in writing during the nomination period. Shareholders are required to elect directors from the list of candidates announced by EGAT.

Functioning of the Board of Directors

The operation of the Board of Directors ensures that the overall operation of EGAT is carried out in accordance with the directives of the Board of Directors. The Chairman of EGAT's Board of Directors does not concurrently hold the position of President.

EGAT's Board of Directors convenes at least once every quarter, adhering to the Company Act, Securities and Exchange Act, the Company's Articles of Incorporation, and the Rules of Procedure for Board of Directors Meetings, to discuss and resolve on the Company's operational plans and various proposals.

To avoid conflicts of interest, no director of EGAT shall have spousal or second-degree relatives among themselves. In cases where proposals discussed in board meetings involve potential conflicts of interest for a director, the concerned director shall state the significant content of such interest during that meeting. If the involvement of a director could harm EGAT's interests, he/she is not allowed to participate in the discussion and voting. He/She shall also recuse him/herself from discussion and voting, and cannot act as proxies for other directors, ensuring that the Board of Directors can independently and objectively execute its duties.

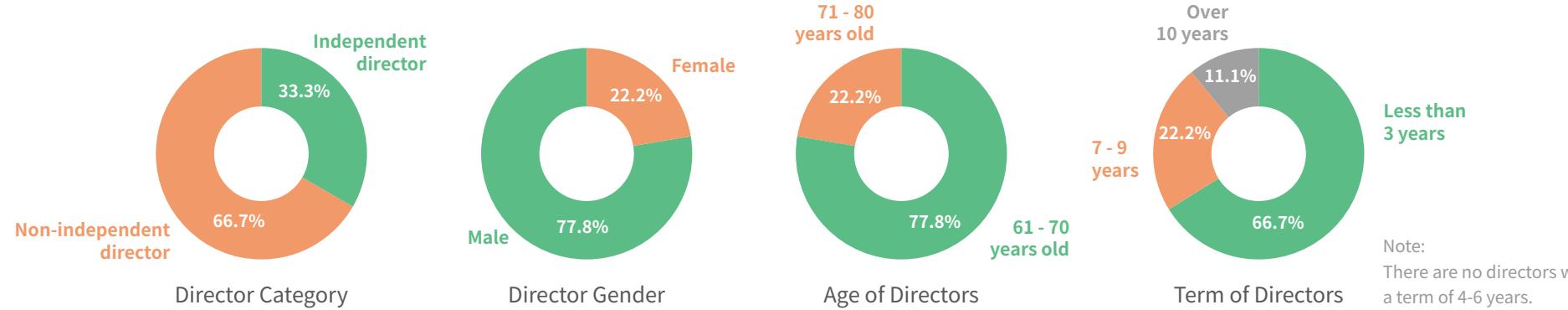
To strengthen the independence and efficiency of the Board of Directors, EGAT has established the "Rules Governing the Duties of Independent Directors" to guide independent directors in their duties. Throughout their tenure, independent directors have not established any relationships that would be detrimental to the interests or would impair their judgment with management or related parties of EGAT, and their performance is justifiable. All three independent directors possess the capability to independently and effectively oversee the operations of the Board of Directors.

2.1 Composition of the Board of Directors

2.1.4 Members of the Board of Directors

According to Paragraph 3, Article 23 of EGAT's "Corporate Governance Best Practice Principles", the composition of the Board of Directors shall take diversity into consideration. Paragraph 4 of the same Article stipulates that the members of the Board of Directors shall generally have the knowledge, skill, and ability required to perform their duties.

EGAT's Board of Directors consists of nine members, including three independent directors accounting for 33.33% of total board members. Currently, there are 2 female directors on the Board of Directors, representing 22.22%. The age of the directors is all above 60, with an average continuous tenure of 5.3 years. Their backgrounds and expertise span not only the relevant industry but also areas such as finance/accounting, insurance, risk management, law, government and supervision, and information technology. This diverse background provides different perspectives for the company's operation and decision-making, effectively addressing the constantly changing operational needs. Details regarding the directors' backgrounds, concurrent positions, and other information can be found on pages 21-26 of the 2023 Annual Report.



Continuing Education for Directors

In response to the ever-changing external environment, the directors' continuous understanding of emerging risks, opportunities, and regulations is key to strengthening the board's capabilities. In 2023, board members participated in 12 training courses, totaling 85 hours. The courses covered various topics including corporate governance, climate change, ESG-related laws, AI applications, crisis management, etc.

2.1 Composition of the Board of Directors

Continuing Education Courses and Course Hours Attended by Directors

ESG Aspects	Course Title	Course Date	Organizer	Number of Participants	Course Hours
 Environmental	Risk and Opportunity of Climate Change and Net-Zero Emissions Policy to Corporate Operation	2023/7/14	Taiwan Corporate Governance Association	8	24
	2023 Cathay Sustainable Finance and Climate Change Summit	2023/7/4	Taiwan Stock Exchange Corporation	2	12
	The Latest ESG Laws and Regulations, Trends, Impacts, and Responses	2023/6/2	Taiwan Corporate Governance Association	1	3
	Sustainable Development Action Plans for TWSE- and TPEx- Listed Companies	2023/4/27	Taiwan Stock Exchange Corporation and Taipei Exchange	1	3
 Social	The Application of AI in Law and Auditing	2023/10/30	Taiwan Corporate Governance Association	8	24
	Fair Hospitality and Financial Consumer Protection	2023/9/28	Securities and Futures Institute	1	3
	How does the Director and Supervisor monitor the company's Management of Enterprise Risk and the Crisis Handling	2023/7/13	Taiwan Corporate Governance Association	1	3
 Governance	2023 Annual Insider Equity Transaction Legal Compliance Publicity Briefing	2023/11/22	Securities and Futures Institute	1	3
	The Impact of IFRS17 on Insurance Industry Business Strategies	2023/11/21	Taiwan Insurance Institute	1	3
	2023 Seminar on Insider Trading	2023/10/13	Securities and Futures Institute	1	3
	Financial Technology and Supervision Technology Trends and Practices	2023/9/28	Securities and Futures Institute	1	2
	Discussion on the Practice of Money Laundering Prevention and Combating Capital Terrorism	2023/9/28	Securities and Futures Institute	1	2

Total Training Hours : 85

2.1 Composition of the Board of Directors

2.1.5 Performance Evaluation of the Board of Directors

To enhance the functionality and efficiency of the Board of Directors, EGAT has established the “Rules for Performance Evaluation of Board of Directors” according to Article 37 of the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”. This mandates that the board conducts an internal performance evaluation at least once a year, with the Finance Department overseeing the process. The evaluation scope encompasses performance evaluation of the board, self-performance evaluation of the board members, and performance evaluation of functional committees (Audit Committee, Remuneration Committee, Sustainability Committee). Evaluation is conducted through questionnaires filled out by board members and committee members, with the Finance Department collecting and analyzing the results. These results are then reported to the Board of Directors in the following year, serving as a basis for reviewing and improving board performance.

Performance Evaluation Criteria of the Board of Directors

Performance Evaluation of the Board

Participation in the Operation of the Company | Quality of the Board of Directors’ Decision Making | Composition and Structure of the Board of Directors
 Election and Continuing Education of Directors | Implementation of Sustainable Management (ESG) | Internal Control

Self-Performance Evaluation of the Board members

Alignment of Goals and Missions of the Company | Awareness of the Duties of a Director | Participation in the Operation of the Company
 Management of Internal Relationship and Communication | Director’s Professionalism and Continuing Education | Internal Control

Performance Evaluation of the Functional Committees (Audit Committee, Remuneration Committee, Sustainability Committee)

Participation in the Operation of the Company | Awareness of the Duties of the Committee | Quality of Decisions Made by the Committee
 Composition of the committee and election of its members | Internal control

Results of Performance Evaluation of the Board of Directors

The 2023 self-evaluation results for the performance evaluation of the board, performance evaluation of the board members, and performance evaluation of functional committees (Audit Committee, Remuneration Committee, and Sustainability Committee) are as follows:

Evaluation Items	Overall Average Score (out of 5)	Self-Evaluation Result
Performance Evaluation of the Board	4.98 points	Excellent
Performance Evaluation of the Board members	4.94 points	Excellent
Performance Evaluation of the Audit Committee	5.00 points	Excellent
Performance Evaluation of the Remuneration Committee	5.00 points	Excellent
Performance Evaluation of the Sustainability Committee	5.00 points	Excellent

Remarks:

A score of 4.5 or above is regarded as excellent, a score of 3.5 or above but less than 4.5 is regarded as good, a score of 2.5 or above but less than 3.5 is regarded as acceptable, and a score less than 2.5 is regarded as improvement needed .

2.2 Remuneration Policy

GRI 2-19 2-20

EGAT's Remuneration Committee establishes and periodically reviews policies, systems, standards, and structures for evaluating the performance and remuneration of directors and executives, and regularly evaluates and determines the remuneration of directors and executives to ensure the fairness of remuneration payments

2.2.1 Remuneration Policy for Directors

In accordance with EGAT's "Articles of Incorporation" and "Payment Regulation of Directors", if the Company is profitable, directors' remuneration shall not exceed two percent of net profits. Within the total director remuneration, consideration shall be given to the participation and contribution value of individual directors to the company's operations. Additionally, the Company may provide reasonable compensation based on the participation and contribution value of individual directors to the company, taking into account the standard among industry peers. The aforementioned directors' participation in and contribution to the Company's operations are based on the results of performance evaluations of individual directors and the board as a whole (including directors' attendance and continuing education, participation in the Company's operations, interaction with the management team, promotion of sustainable development, implementation of corporate governance, etc.). The remuneration of directors is subject to review by EGAT's Remuneration Committee and approval by the Board of Directors.

2.2.2 Remuneration Policy for Senior Managerial Officers

In accordance with the Company's Articles of Incorporation, if the Company makes a profit in a year, no less than one percent of the net profit shall be set aside as employee profit-sharing remuneration. Remuneration for managerial officers shall be governed by the Regulations Governing the Remuneration of Managerial Officers, which shall consist of fixed remuneration and variable remuneration. Fixed remuneration includes salary and allowances. Job titles are determined in accordance with the Company's organizational structure, business nature, and job nature. Salary standards for each rank are established with reference to internal and external factors. Various remuneration includes year-end bonuses and employee profit-sharing remuneration. Year-end bonuses for managerial officers are based on performance evaluation, which includes job performance, leadership, adaptability, creativity, knowledge and experience, planning and cost concepts, etc. Bonus amounts are reviewed by the Remuneration Committee of the Company and submitted to the Board of Directors for approval.

2.3 Business Integrity

GRI 2-23 2-24 2-25 2-26 205-2 205-3 206-1

In the ever-changing business environment, faced with complex decisions, enterprises must constantly make the right choices based on the highest ethical standards. This is to fulfill corporate responsibilities to employees, investors, and society, while complying with legal regulations and establishing a trustworthy image. In light of this, EGAT refers to relevant domestic laws and international standards to formulate regulations such as the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", and "Supplier Code of Conduct". These guidelines serve as reference points for all employees of the Company in conducting business operations and also guide interactions with distributors/agents, suppliers, and other business partners based on the "Supplier Code of Conduct". This collective effort aims to construct a fair and transparent industry environment.

2.3 Business Integrity

2.3.1 Business Integrity and Ethical Code of Conduct

Related Regulations and Policies	Key Summary
<ul style="list-style-type: none"> • Ethical Corporate Management Best Practice Principles • Procedures for Ethical Management and Guidelines for Conduct 	<p>Measures to prevent the following behaviors: bribery and corruption, illegal political donations, improper charitable donations or sponsorships, providing or accepting unreasonable gifts, entertainment, or other undue benefits, infringement of trade secrets, trademarks, patents, copyrights, and other intellectual property rights, engaging in unfair competition, and direct or indirect harm to the rights and interests of consumers or other stakeholders in the development, procurement, manufacturing, provision, or sale of products and services, health, and safety.</p>
Code of Ethical Conduct	<p>Avoidance of conflicts of interest, prohibition of seeking personal gain, obligation to maintain confidentiality, prohibition of receiving undue benefits, protection and proper use of company assets, and regulations on handling violations of the code.</p>
Supplier Code of Conduct	<p>Suppliers, contractors, subcontractors, and service providers supplying products or services to EGAT must guarantee human rights and labor conditions, maintain occupational safety and health, protect the environment, comply with business ethics, implement sustainable supply chains, maintain confidentiality and information security, and establish management systems in line with this code.</p>

2.3.2 Enforcement of Business Integrity

To implement ethical operations effectively, the Human Resources department is responsible for formulating and supervising the implementation of integrity management policies and prevention plans, reporting to the Board of Directors at least annually. The “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Code of Ethical Conduct” are published on the employee portal for compliance, ensuring that EGAT personnel’s behavior aligns with ethical standards and integrity regulations. Additionally, heads of departments disseminate these principles and viewpoints through regular or ad-hoc meetings or emails to their subordinates.

Starting from September 2023, ethical behavior and integrity management-related regulations have been included in the pre-employment orientation training program for new employees, and E-learning training courses have been provided for existing employees. The themes include the “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, “Code of Ethical Conduct”, and “Prevention of Insider Trading”. A total of 2,945 individuals, including new and existing employees, have undergone training, accounting for approximately 98.79% of the total workforce.

In 2023, EGAT did not engage in either dishonest behavior or unfair competition practices.

2.3 Business Integrity

Complaints and Whistleblowing System

Directors, managers, employees, appointees, and individuals with substantial control within EGAT and its affiliated companies and organizations are prohibited from directly or indirectly offering, promising, requesting, or accepting any improper benefits or engaging in other dishonest behaviors, such as violating integrity, engaging in unlawful acts, or breaching entrusted duties, in order to obtain or maintain benefits. If there are any violations of integrity in business operations, they can be reported in writing or verbally. Dedicated hotlines and email addresses are provided for both internal and external individuals to use, and rewards may be granted based on the severity of the reported misconduct.

Complaint Reporting Channels

- Reports can be made in writing or verbally
- Email: egathrd@egat.com.tw
- Hotline: 03-3519437

Responsible Units

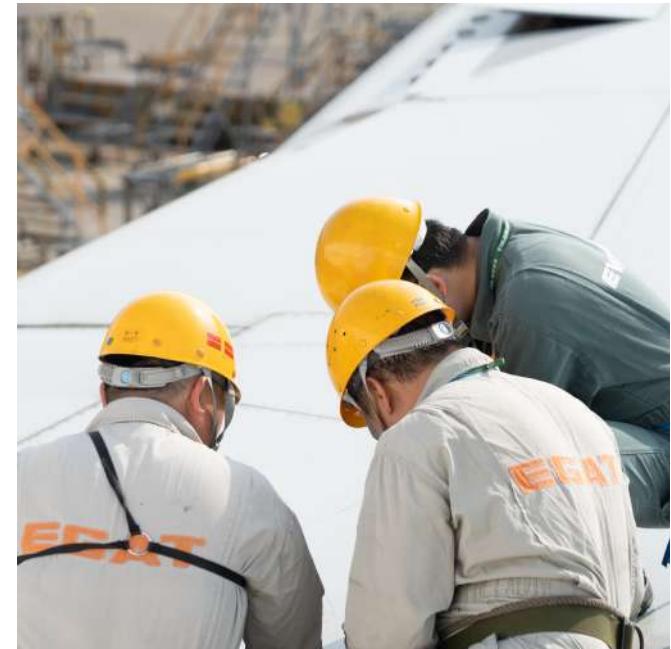
- Reports involving general employees: Notify department heads
- Reports involving directors or senior executives: Report to independent directors

Acceptance Process

- The Company's dedicated unit and notified supervisors or personnel should immediately investigate the relevant facts, with assistance from other relevant departments if deemed necessary.
- If the reported misconduct is confirmed to violate relevant laws or EGAT's integrity management policies and regulations, the reported individual should be immediately instructed to cease the relevant behavior and appropriate actions should be taken. This may include reporting to supervisory authorities, referring the matter to judicial authorities for investigation, or seeking compensation through legal procedures to uphold the Company's reputation and lawful rights.
- Upon verification of the reported misconduct, relevant internal control systems and operating procedures should be reviewed by the Company's related units, and improvement measures should be proposed to prevent the recurrence of similar behavior.

Protection Mechanisms

The identity of the whistleblower and the content of the report will be treated confidentially and responsibly, and anonymous reporting is permitted. Whistleblowers (Complainants) will be protected from any improper actions or retaliation due to their whistleblowing activities.



2.4 Legal Compliance

GRI 2-23、2-24、2-27、416-2

EGAT is committed to reducing its operational impact on the environment, society, and human rights. It has established various codes of conduct, a whistleblowing system, and internal audit mechanisms to ensure regulatory compliance.

In 2023, EGAT was not involved in any major litigation cases, but it had six incidents of regulatory violations. Among these, two were related to product regulations, and five were related to environmental regulations, resulting in a total fine of NT\$181,000. Improvement measures have been implemented to prevent similar incidents in the future.

>List of Violations in 2023

In 2023, EGAT did not have any major violations (with fines exceeding NT\$1 million).

However, there were two incidents related to customer maintenance, for which penalties were imposed. Please refer to the following table for details:

- Failure to remove the nose wheel steering bypass pin upon completion of the aircraft towing operation for EVA Airways flight BR-192 operated by an A330-300 aircraft (registration number B-16335).

ESG Aspect	Applicable Regulations	Competent Authority
P (Product)	Civil Aviation Act	MOTC Civil Aviation Administration

Follow-up Improvement/Corrective Measures

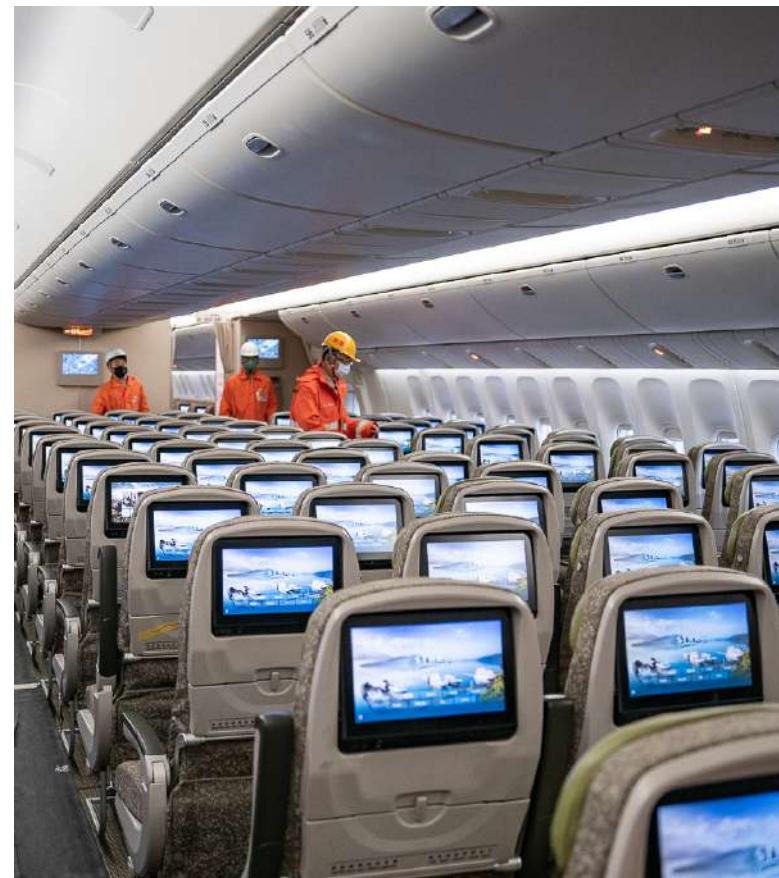
Supervisors to enhance training for operational staff.

- Main cargo door clamped onto the waterproof cloth (PE-SHEET) for EVA Airways flight BR-692 from Taoyuan (TPE) to Anchorage (ANC), resulting in the aircraft returning to the ground.

ESG Aspect	Applicable Regulations	Competent Authority
P (Product)	Civil Aviation Act	MOTC Civil Aviation Administration

Follow-up Improvement/Corrective Measures

Supervisors to reinforce communication and ensure visual confirmation procedures for operational staff.



2.5 Risk Management

EGAT's operational management procedures and regulatory measures encompass the establishment of clear corporate policies, quality management procedures, implementation of internal control mechanisms, and conducting risk assessments to ensure the company's compliance and effectiveness. These procedures vary according to the specific requirements of each department. Apart from focusing on enhancing safety, quality, and efficiency, they are supported by comprehensive execution strategies. They are continuously updated to address the evolving civil aviation regulations and customer demands.

Risk Management Framework



Board of Directors

As the highest governance body for risk management in EGAT, the Board of Directors is primarily responsible for the following:

1. Approving risk management policies, procedures, and frameworks.
2. Ensuring alignment between operational strategies and risk management policies.
3. Ensuring the establishment of appropriate risk management mechanisms and risk management culture.
4. Supervising and ensuring the effective operation of the overall risk management mechanisms.
5. Allocating and assigning adequate and appropriate resources to ensure effective risk management.

Sustainability Committee

The Sustainability Committee, functioning at the level of the Board of Directors, is responsible for coordinating and supervising various risk management matters. It primarily handles the following:

1. Reviewing risk management policies, procedures, and frameworks.
2. Approving the execution status of risk management and providing necessary improvement recommendations, reporting to the Board of Directors at least annually.
3. Implementing risk management decisions made by the Board of Directors.

Sustainability Committee Executive Team

The Sustainability Committee Executive Team, under the Sustainability Committee, is responsible for executing risk management-related tasks, including:

1. Reviewing risk management policies, procedures, and frameworks.
2. Reporting the execution status of the company's risk management annually to the Sustainability Committee for approval.
3. Assisting and supervising the implementation of risk management activities across departments.
4. Coordinating inter-departmental interactions and communications related to risk management operations.
5. Planning risk management-related training to enhance overall risk awareness and culture.

Executive Units

1. Executive units are responsible for identifying, analyzing, evaluating, and responding to risks within their respective units. They are required to establish relevant crisis management mechanisms where deemed necessary.
2. Report risk management information to the Sustainability Committee Executive Team.
3. Ensure the effective implementation of risk management and related control procedures in accordance with risk management policies.

2.5 Risk Management

Risk Management Process

EGAT's risk management process includes: risk identification, risk analysis, risk assessment, risk response, risk supervision and review mechanisms, and risk disclosure and communication.

Risk Identification	<ul style="list-style-type: none"> Each executive unit should identify risks associated with its business operations based on the Company's strategic objectives and the risk management policies and procedures approved by the Board of Directors. Additionally, risks related to economic (including corporate governance), environmental, social, and other dimensions that may arise during operations should be identified using appropriate methods.
Risk Analysis	<ul style="list-style-type: none"> After identifying potential risk factors, each department analyzes the probability and impact of these factors to assess their effect on the company. This assessment serves as a basis for prioritizing risk management and selecting response measures.
Risk Assessment	<ul style="list-style-type: none"> For quantifiable risks, rigorous statistical analysis methods and techniques should be employed for management and analysis. For risks that are difficult to quantify, qualitative methods should be used through text to describe the likelihood of occurrence and the extent of its impact.
Risk Response	<ul style="list-style-type: none"> EGAT should develop relevant action plans for risk response to ensure that relevant personnel fully understand and execute them, and continuously monitor the implementation of these plans. EGAT should consider corporate strategic objectives, perspectives of internal and external stakeholders, risk tolerance, and available resources when selecting risk response methods, aiming to strike a balance between achieving objectives and cost-effectiveness.
Risk Supervision and Review	<ul style="list-style-type: none"> Each department should monitor the risks associated with its business operations, propose response plans, and strive to mitigate risks to an acceptable level.
Risk Disclosure and Communication	<ul style="list-style-type: none"> The Sustainability Committee should ensure the effective implementation of risk management policies, monitor risk management operations, and convey risk management information to the Board of Directors at least annually.

2.5 Risk Management

Risk Identification Items

Strategic Risks

Changes in international political and economic situations, industry technological trends, market demand fluctuations, and reliance on a single or few customers may affect the company's operational planning.

Response Measures

1. Expand into new markets and service scopes to reduce reliance on a single or few major customers, diversifying the customer base to mitigate business risks.
2. Monitor changes in international geopolitical developments and economic situations, industry technological trends, and market demand fluctuations closely, adjusting business strategies and operational plans promptly. Conduct market analysis and gather competitive intelligence to respond to changes promptly.
3. Invest in research and development and technological innovation to keep pace with industry trends, maintaining high technical standards and service quality.

Operational Risks 1

Fluctuations in prices of materials, parts, and equipment required for aircraft maintenance or supply chain issues. This may lead to cost increases or supply disruptions, affecting maintenance operations.

Response Measures

Establish sound relationships with suppliers to ensure stable supply of materials and equipment. Besides maintaining regular contact with manufacturers and actively monitoring order delivery status, increase inventory levels for aircraft materials that may affect aircraft release or have longer delivery periods, and place orders in advance according to maintenance plan requirements to secure order sequencing. In emergency situations, besides purchasing from aircraft manufacturers or original equipment manufacturers (OEMs), simultaneously explore alternative sources in the aircraft material market to address urgent needs.

Operational Risks 2

Technological advancements: Continuous development and updates in aircraft technology and equipment may result in changes in maintenance methods and processes. Failure to keep abreast with technological changes may lead to efficiency reduction and customer loss, among other cost risks.

Response Measures

Continuously invest in R&D and technological innovation, adopting advanced technologies, and closely collaborating with international aviation manufacturers, domestic academia, and research institutions to respond to technological changes, enhance competitiveness, and cultivate EGAT's technical capabilities in the aviation industry.

2.5 Risk Management

Operational Risks 3

Regulatory and compliance risk: Aircraft maintenance must comply with strict regulations and standards, requiring resource investment to ensure compliance. Non-compliance may lead to risks such as fines, lawsuits, and reputational damage.

Response Measures

The responsible units should regularly update regulatory and compliance requirements and have obtained ISO 9001, AS 9110, and AS 9100 quality system certificates. Additionally, pass quality system certifications from international aviation majors such as Boeing and Airbus to ensure the Company complies with strict regulations and standards. Moreover, they undergo regular third-party audits by the International Civil Aviation Organization (ICAO) to ensure impartial assessment. EGAT has established a dedicated quality assurance unit responsible for overseeing the quality and legality of aircraft maintenance and aviation product manufacturing inspections.

Operational Risks 4

Labor market changes: Aircraft maintenance requires skilled workers, which may lead to increased labor costs. Furthermore, there may be instances of workforce instability.

Response Measures

1. Develop systematic training programs and recruit high-quality employees to maintain the professional workforce needed for aircraft maintenance operations and improve efficiency and quality.
2. Implement comprehensive compensation and benefits policies, provide a conducive work environment, promote labor-management communication, and offer career development plans to maintain workforce stability.
3. Continuously expand and stabilize recruitment channels for human resources, such as strengthening cooperation with vocational education institutions, rehiring retirees, and hiring professional personnel who have resigned, to ensure a stable and qualified workforce.
4. Collaborate with multiple domestic universities and colleges for corporate internship programs and actively research automation and smart production lines to use advanced technology to replace manual labor, enabling employees to focus on high-value-added production operations.

Compliance Risks

Failure to comply with relevant laws, regulations, and requirements of the International Civil Aviation Organization (ICAO), national civil aviation authorities, and regulatory agencies during business operations may result in potential losses. Risks related to the integrity and effectiveness of contracts, such as the legality of service undertakings and awareness of international laws, also exist.

2.5 Risk Management

Response Measures

1. Develop standard operating procedure (SOP) documents such as procedural manuals and work instructions in accordance with the requirements of civil aviation authorities, obtaining maintenance facility licenses verified by aviation authorities, conducting initial and regular recurrent regulatory training for authorized maintenance personnel, and ensuring that aircraft maintenance releases are legally executed.
2. Conduct regular internal audits and undergoing annual external audits by aviation authorities to maintain certification validity and enhance compliance risk management in accordance with legal requirements.

Financial Risks

International exchange (currency) risk, interest rate risk, credit risk, revenue concentration risk, procurement concentration risk, cost risk, etc., pose potential risks of losses.

Response Measures

1. International exchange (currency) risk: We adopt a prudent and conservative approach to international currency fund management and hedging strategies. Relevant financial personnel maintain close contact with banks at all times and gather market information related to exchange rates to fully understand exchange rate trends. We also aim to reduce the amount of international currency holdings to mitigate the potential adverse effects of exchange rate fluctuations.
2. Interest rate risk: Regular assessment of borrowing interest rates and maintaining good relationships with financial institutions to obtain lower financing costs. Strengthening working capital management to reduce dependence on bank borrowing and diversify the risk of interest rate fluctuations.
3. Credit Risk: EGAT has established procedures for customer credit investigation and approval. By collecting information on customers' financial status and credit ratings, we manage credit risks effectively. Standardized review processes and risk monitoring allow us to assess customer risks, set credit limits, and monitor changes in risk. Through accounts receivable management, we monitor customer payment status, optimizing the company's creditworthiness.
4. Revenue concentration risk: Prior to providing maintenance services, obtaining certification from civil aviation authorities is necessary to meet stringent customer requirements for product safety standards. Currently, the Company's aircraft maintenance clientele spans across all continents globally. In addition to maintaining stable and favorable relationships with existing clients, efforts are being made to actively explore new markets and attract new clients domestically and internationally to ensure continued stable business growth.
5. Procurement concentration risk: To mitigate the risk of concentrated procurement, the company actively seeks qualified suppliers to diversify risk. Specifically, for materials critical to aircraft operation or with longer lead times, inventory levels are increased, and orders are placed in advance according to maintenance schedules to secure a favorable position in order prioritization. Furthermore, EGAT has established procedures for vendor evaluation, vendor management, and inventory control to ensure the most appropriate control operations and maximize the effectiveness of inventory management.
6. Cost risk: The Company mitigates cost risk by implementing comprehensive standard operating procedures and internal control systems. These measures effectively address various factors that could lead to increased operational costs. By diligently managing risk and controlling costs, the company ensures the stability and sustainable development of its business.

2.5 Risk Management

Information Risks

Information system security management, operation, and risks resulting from backup failures. Risks such as data leakage, cyberattacks, information system failures, and knowledge management.

Response Measures

1. Conduct confidential information asset inventories in accordance with information asset management regulations to protect the integrity and availability of the Company's confidential information assets.
2. Implement endpoint protection detection management, vulnerability detection, and penetration testing for critical systems to strengthen information security.
3. Regularly conduct social engineering drills and information security awareness courses to enhance employee awareness of information security.
4. Regularly conduct disaster recovery drills to ensure that disaster recovery mechanisms can quickly return to normal or acceptable operating levels at critical moments.
5. Upon receiving information security intelligence, assess the impact, risks, and resources of the information and determine the most appropriate response, making records accordingly.
6. Establish procedures for reporting information security incidents to ensure the effectiveness of related operations when information security incidents occur.

Environmental and Climate Change Risks

Address risks related to climate change and natural disasters, such as greenhouse gas emission management, carbon rights management, energy management, and compliance with new environmental regulations and requirements.

Response Measures

The Sustainability Committee Executive Team has identified four climate risks and three climate opportunities facing EGAT through the risk management process. After analyzing the financial impacts of issues on the company and the time frame of their effects (short, mid, long term), corresponding management measures and goals were proposed. The execution of various management measures and the achievement of goals are regularly reviewed by the Sustainability Committee and submitted to the Board of Directors for resolution. For detailed information, please refer to Chapter 3 - Fulfilling Green Initiatives.

2.5 Risk Management

Other Risks

Includes risks not described above but could cause significant losses to the company, such as long-term emerging risks, occupational safety risks, significant external, uncontrollable, or non-human-induced hazards, etc. Establish appropriate risk control and management procedures based on the characteristics and degree of impact of the risks.

Response Measures

Occupational safety risks involve the health and safety of employees, which also affect work efficiency and quality. Therefore, the following response measures have been formulated:

1. Provide appropriate environmental control measures to ensure the comfort and safety of employees under various environmental conditions.
2. Provide sufficient occupational safety training and education for employees to identify and respond to potential hazards and risks in their work.
3. Convene monthly Occupational Safety Promotion Group meetings and comprehensive safety management meetings to review various occupational safety and health management items, occupational disaster improvement results, and conduct regular and irregular safety and health inspections every month to ensure compliance with safety regulations.

Provide high-quality maintenance, assembly, and component services for aircraft, engines, and components is the core business of EGAT. To ensure product safety and quality, a complete management system and operating instructions have been established to implement product safety and quality control. For detailed information, please refer to Chapter 4 - Creating Sustainable Quality.

Internal Audit Regulations and Processes

EGAT has established the “Regulations Governing Internal Audits” and established an Auditing Division to conduct regular audits in the areas of legal compliance, information security, finance, and company operations. These audits aim to examine any deficiencies in internal control systems, measure operational performance, provide timely improvement recommendations, and develop annual audit plans based on the results of risk assessments to ensure the company’s sustainable operation.

According to the “Regulations Governing Internal Audits”, internal auditors are required to have attended internal audit-related professional training courses organized by professional training institutions recognized by the competent authority. In addition, the Company has established a Quality Inspection Section within the Quality Assurance Department specifically for maintenance operations. This section is staffed with several professional auditors who possess extensive maintenance experience, and they conduct annual audits of relevant departments according to established procedures.

Corresponding Material Issue:
Pollution Prevention Management

Policies and Commitments

Water Pollution Management:

We have established the “Regulations Governing Water Pollution Prevention and Control” and relevant work instructions to implement pollution prevention and control operations.

Waste Management:

We have developed a working manual on waste cleaning procedures and implemented waste cleaning operations.

Actions and Performance

- Proactively adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework, identifying climate risks and opportunities, and formulating response strategies.
- Expanded the scope of greenhouse gas inventory to include company-owned operating sites, leased office spaces, and TSA Maintenance Department, comprehensively managing greenhouse gas emissions.
- Installed solar photovoltaic power generation systems, with solar power generation reaching 854,384 kWh in 2023.
- Implemented various energy-saving and emission reduction measures in office buildings, plants, and facilities, resulting in a total energy saving of approximately 4,614,439 kWh in 2023.
- Implemented circular economy practices, recycling 55.49 metric tons of scrap metal in 2023, which were sold to recycling facilities for smelting and reuse.
- Conducted regular reviews of water pollution and waste disposal regulations to ensure compliance with current operations.

03 Fulfilling Green Initiatives

3.1 Environmental Sustainability Governance

- 3.1.1 Climate Change Governance
- 3.1.2 Energy and Greenhouse Gas/Carbon Emission Management

3.2 Pollution Prevention Management

- 3.2.1 Water Resource Management
- 3.2.2 Circular Economy and Waste Management



3.1 Environmental Sustainability Governance

GRI 201-2、302-1、302-3、302-4、305-1、305-2、305-4、305-5

3.1.1 Climate Change Governance

To actively strengthen the sustainability management philosophy and environmental sustainability governance of EGAT, in 2023, the Board of Directors established the “Sustainability Committee” as the highest-level authority for EGAT’s sustainability governance. It is committed to integrating climate change-related governance policies, management systems, and business processes into the company’s existing governance framework.

The Environmental Protection Group of the Sustainability Committee is responsible for managing climate change issues, regularly identifying climate impacts, discussing climate risks and opportunities, formulating and implementing response measures. The execution and effectiveness of relevant issues are reported to the Board of Directors annually to reduce the impact of climate issues on EGAT’s operations and enhance corporate operational resilience.

To identify the impact of climate change on EGAT’s operations and strategic management, in 2023, the Sustainability Committee’s task force conducted the following risk management processes, identifying four climate risks and three climate opportunities facing EGAT. After analyzing the financial impacts of issues on the company and the time frame of their effects (short, mid, long term), corresponding management measures and goals were proposed. The execution of various management measures and the achievement of goals are regularly reviewed by the Sustainability Committee and submitted to the Board of Directors for resolution.

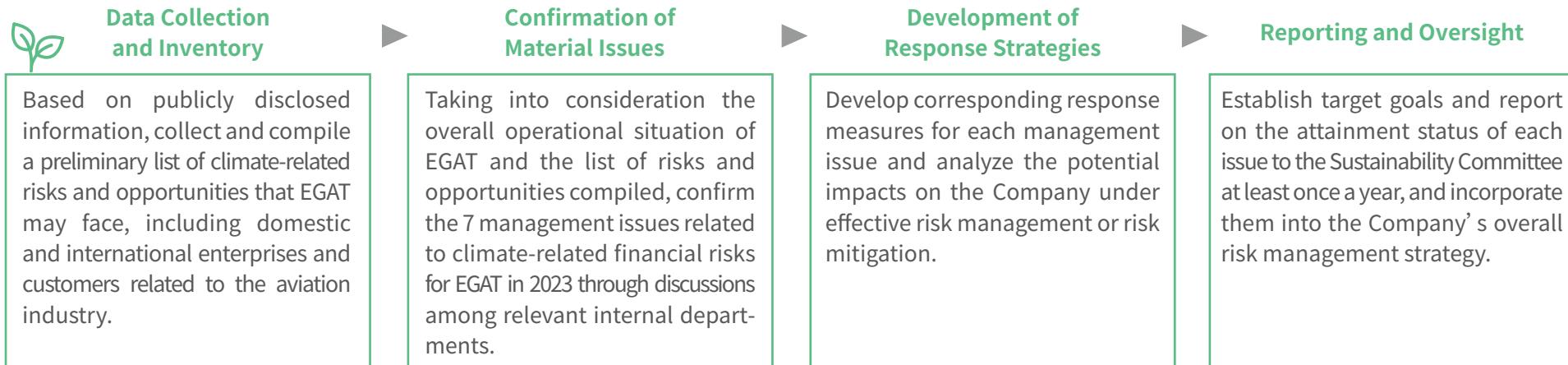
Climate risks and opportunities according to the process were addressed through workshops involving senior executives from various units such as production, operations, and processes. The potential impact timeframes, financial impacts, and response measures were identified for each risk and opportunity. The impact timeframes were defined as short-term (1-3 years), mid-term (3-10 years), and long-term (over 10 years). The compilation of risks and opportunities is presented in Table 3.1.

Board of Directors

Report to Higher-level Authority (for Reference)

Approval Risk Management Process

Sustainability Committee



3.1 Environmental Sustainability Governance

 **Table 3.1: Compilation of Climate Risks and Opportunities**

R1 Policy and Regulatory Risk - Changes in the Measures and Supervision of the Carbon Rights Market

Description of Risk/Opportunity

Due to government requirements for overall emission control, companies need to purchase carbon credits through carbon market transactions to offset emissions, or pay fines for exceeding emission limits. The price per tCO₂e may increase annually, causing cost pressures for businesses.

Financial Impact

- Increased operating costs due to carbon fees.
- Increased costs from installing green energy equipment and replacing high-energy-consuming equipment.
- Increased costs for verification and subsequent updates.

Affected Parties	Location	Timing of Impact
The Company's operating activities	Taiwan	Short-term
Response Measures <ul style="list-style-type: none"> Implementation of ISO 14064-1 greenhouse gas inventory mechanism. Replacement of high-energy-consuming equipment (including LED lighting equipment, etc). Installation of green energy equipment (including solar panels and energy storage equipment, etc). 		

R2 Technological Risk - Uncertainty in Energy Transition Power Supply

Description of Risk/Opportunity

As a result of climate change, there's a growing preference in the market for sustainable processes and maintenance services. If a company fails to effectively implement energy transition measures, it could face risks like unstable power supply in the electrical grid, resulting in potential power outages or shortages. This, in turn, could disrupt operations, particularly for equipment with extended startup and shutdown times.

Financial Impact

- Operational interruptions due to power outages or shortages.
- Increased costs from installing green energy equipment and replacing high-energy-consuming equipment.

Affected Parties	Location	Timing of Impact
Upstream supply chain	Taiwan	Short-term
Response Measures <ul style="list-style-type: none"> Adjusting the usage and charging times of high-energy-consuming equipment to off-peak hours (e.g., late at night) to avoid power outages caused by unstable supply and reduce electricity costs. Installing solar photovoltaic systems on the roof of manufacturing business's plants in the second phase for self-generation and self-use. 		

3.1 Environmental Sustainability Governance

R3 Reputational Risk - Unrealized Climate Goals

Description of Risk/Opportunity

If climate issues are not adequately addressed and customer demands for sustainability are not actively met, it may lead to project acquisition hurdles and revenue impacts. Changes in investor attitudes may also reduce access to funding.

Financial Impact

- Failure to actively respond to customers, leading to potential customer loss and reduced revenue.
- Increased costs from installing green energy equipment and replacing high-energy-consuming equipment.
- Increased operational expenditures for additional verification and subsequent updates.

Affected Parties	Location	Timing of Impact
Investment	Taiwan	Short-term
Response Measures		
<ul style="list-style-type: none"> Implementation of ISO 14064-1 greenhouse gas inventory mechanism. Replacement of high-energy-consuming equipment (including LED lighting system, etc). Installation of green energy equipment (including solar panels and energy storage system, etc). 		

R4 Immediate Risk - Extreme Weather Events that Impact Supply Chains

Description of Risk/Opportunity

Intensified extreme weather events, such as polar cyclones causing heavy snowfall in the Midwestern United States or typhoons resulting in flight cancellations or diversions, may disrupt supply chains and transportation networks, causing delays in the delivery of aircraft materials.

Financial Impact

- Increased raw material costs, increasing operating costs.
- Disruption in the transportation of raw materials due to extreme weather conditions may lead to delayed deliveries, customer demands for compensation, or loss of orders, increasing operating costs; or reduced orders, resulting in decreased revenue.
- Damage to operational equipment and assets due to extreme weather impact.

Affected Parties	Location	Timing of Impact
The Company's operating activities	Americas / Europe Taiwan / China	Short-term
Response Measures		
<ul style="list-style-type: none"> Seeking and procuring alternative sources of supply to minimize the risk of manufacturing schedule disruption due to delayed aircraft material deliveries. Developing alternative maintenance methods, such as adjusting maintenance sequences to prioritize aircraft with all parts and materials ready, to mitigate the impact of delayed aircraft material deliveries on maintenance schedules. Preparing for hurricanes in accordance with typhoon preparedness guidelines to reduce equipment, personnel, and financial losses caused by typhoon impacts. 		

3.1 Environmental Sustainability Governance

01 Resource Use Efficiency - Improvement of Energy Efficiency

Description of Risk/Opportunity

Reduce energy waste in operations, replace outdated/aging equipment in office buildings, or introduce smart energy management systems to reduce overall greenhouse gas emissions generated by the Company.

Financial Impact

- Increase energy efficiency to reduce the energy costs generated by the Company's operations.

Affected Parties	Location	Timing of Impact
The Company's operating activities	Taiwan	Short-term
Response Measures		
<ul style="list-style-type: none"> · Replace outdated high-ceiling lights in the Company's factories/facilities. · Replace outdated chillers. 		

02 Resource Use Efficiency - Development of Circular Economy

Description of Risk/Opportunity

Through reliability assessment technology improvements on the maintenance side, accurately assess the safe operating time of aircraft equipment to avoid premature scrapping. On the manufacturing side, recycle metal scraps and other resources to improve resource utilization efficiency and reduce carbon emissions from waste disposal.

Financial Impact

- Enter the waste recycling market to increase revenue.

Affected Parties	Location	Timing of Impact
The Company's operating activities	Americas Taiwan	Short-term
Response Measures		
<ul style="list-style-type: none"> · Recycling and selling scraps left over from processing for reuse. 		

03 Renewable Energy Development - Renewable Energy Development

Description of Risk/Opportunity

Increase the proportion of renewable energy use. Increase the use of renewable energy through self-generation and self-use or procurement, or sell renewable energy to create additional business income for the Company.

Financial Impact

- Use solar energy for self-generation and self-use to reduce energy purchase costs.
- Enter the renewable energy market to increase revenue.

Affected Parties	Location	Timing of Impact
The Company's operating activities	Taiwan	Short-term
Response Measures		
<ul style="list-style-type: none"> · Construct new solar photovoltaic system and transition from "selling surplus electricity" to investing in self-generation and self-use solar energy development starting from 2024, to reduce energy costs and increase income. 		

3.1 Environmental Sustainability Governance

In light of the severity of climate risks, EGAT has autonomously set carbon reduction targets, currently setting short, mid, and long-term emission reduction targets based on emission intensity, expecting to gradually reduce operational carbon emissions in the future, steadily moving towards a net-zero future.

Target Year	CO ₂ Emissions Reduction Target (tCO ₂ e/NT\$ million in revenue)
Short-term 2026	1.12
Mid-term 2030	1.06
Long-term 2050	0.00

To utilize the use of rooftops in various plants and facilities and realize the sustainable green energy value of the enterprise, EGAT has begun to plan the installation of solar photovoltaic systems in phases. In 2022, a total of 696.52 kW of solar photovoltaic systems were installed on the rooftops of the new engine factory and the fourth floor of the manufacturing business' plant. In 2023, a 499 kW solar photovoltaic system was installed and interconnected to the grid on the roof of the fourth aircraft maintenance hangar.

In 2023, the solar photovoltaic capacity reached 854,384 kWh, mainly for surplus electricity sales, generating a total revenue of NT\$4.28 million. Subsequent plans include the installation of a 499.29 kW solar photovoltaic system on the third-floor rooftop of the manufacturing business' plant in 2024, with the newly installed renewable energy for self-use. This will increase the stability of electricity supply in the manufacturing business and reduce carbon emissions. After completion, EGAT's total solar photovoltaic system installation capacity across the entire business area will reach 1,694 kW, with an estimated annual power generation of 1,700,000 kWh.



The 4th aircraft maintenance hangar rooftop installed a solar photovoltaic system.



Solar photovoltaic system installed on the rooftop of the manufacturing business.

3.1 Environmental Sustainability Governance

3.1.2 Energy and Greenhouse Gas/Carbon Emission Management

In 2022, Taiwan released the “Sustainable Development Guidemap for TWSE- and TPEx-Listed Companies” while also devising a 2050 net-zero strategy to oversee carbon emissions. Concurrently, the White House formed the National Climate Task Force in 2021 and is enacting the Clean Competition Act (CCA). The European Union also introduced the Carbon Border Adjustment Mechanism (CBAM) in 2023. In response to potential carbon control measures in countries where the Company and its customers are located, EGAT proactively adopted ISO 14064-1:2018 organizational carbon inventories in 2022 and gradually planned carbon reduction measures based on this, continuing to move forward on the path of carbon reduction.

According to the inventory results, EGAT’s greenhouse gas emissions are primarily from Scope 2 (purchased electricity). This is mainly due to EGAT’s business scope involving aircraft maintenance and parts manufacturing, with no significant use of fossil fuels. Subsequently, based on the results of this inventory, greenhouse gas inventories and reduction measures will continue to be promoted. Furthermore, EGAT is actively conducting preparatory work for Scope 3 greenhouse gas inventory and expanding the scope of greenhouse gas reduction measures, hoping to move towards a vision of sustainable development with the supply chain.



Status of Greenhouse Gas Emissions	2022	2023
Scope 1 (Note 1) (Unit: tCO ₂ e)	2,985.73	2,978.91
Scope 2 (Note 2, Note 3) (Unit: tCO ₂ e)	15,109.78	14,975.67
Scope 1+Scope 2 emissions (Unit: tCO ₂ e)	18,095.51	17,954.58
Carbon emissions intensity (Note 4) (Unit: tCO ₂ e/NT\$ million in revenue)	1.53	1.22

Note 1: Greenhouse gas emissions were calculated using the operational control method for inventory, with the calculation method being activity data * emission factor * GWP value (emission factor values refer to the 2019 Environmental Protection Administration’s greenhouse gas emission factor management table version 6.0.4, and GWP values refer to the IPCC Sixth Assessment Report (2021)). GHG gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

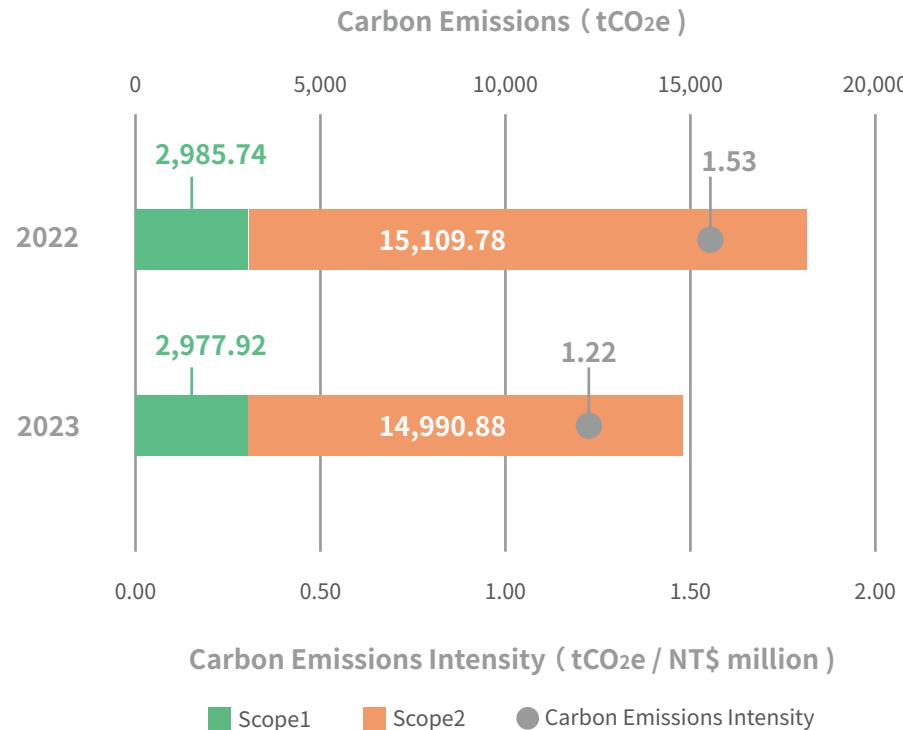
Note 2: 2023 EGAT’s Scope 2 greenhouse gas inventory and assurance refers to the Energy Administration’s announcement of the 2023 annual electricity carbon emission factor of 0.494 kg CO₂e/kWh. For 2022 EGAT’s Scope 2 greenhouse gas inventory and assurance, the manufacturing business refers to the Energy Administration’s announcement of the 2021 annual electricity carbon emission factor of 0.509 kg CO₂e/kWh, and the maintenance business refers to the Energy Administration’s announcement of the 2022 annual electricity carbon emission factor of 0.495 kg CO₂e/kWh. Because the 2022 electricity carbon emission factor has not been published when the manufacturing business conducted its 2022 greenhouse gas inventory, the 2021 factor was adopted as the inventory standard.

Note 3: The 2022 EGAT manufacturing business’s Scope 2 inventory scope includes the electricity consumption of the investee company (Ever Superior Technologies Corporation), and the 2023 scope has excluded the electricity consumption of the investee company (Ever Superior Technologies Corporation), and included the greenhouse gas emissions from the leased office spaces inside Taoyuan International Airport and TSA on-site maintenance facility.

Note 4: Emissions intensity = Scope 1 plus Scope 2 carbon emissions/NT\$ million revenue.

3.1 Environmental Sustainability Governance

Comparison of Greenhouse Gas Emissions and Carbon Intensity



In 2023, EGAT's total energy consumption was 135,282.81 gigajoules (GJ), including purchased electricity, natural gas, oil, and diesel. Among them, the consumption of purchased electricity was the largest, mainly used for facility lighting, assembly production, maintenance, and HVAC systems. According to the Company's energy consumption data statistics for the most recent two years, various energy consumption volumes increased slightly in 2023 due to business growth and expanded inventory scopes. However, energy intensity decreased from 11.36 (GJ/NT\$ million) in 2022 to 9.15 (GJ/NT\$ million) in 2023, demonstrating the effectiveness of energy-saving improvements and equipment replacement measures at various operating locations.

The Company's Energy Consumption Data for the Most Recent Two Years

Item (Note 1)	2022	2023
Purchased Electricity (GJ) (Note 2, Note 3)	108,519.99	109,270.15
Gasoline (GJ)	4,373.05	4,966.30
Diesel (GJ)	13,682.39	13,513.21
Liquefied Natural Gas (GJ)	10,334.96	10,609.62
Green Electricity Sold (GJ)	2,286.58	3,076.48
Total Energy Consumption (GJ)	134,623.81	135,282.81
Energy Intensity (GJ/NT\$ million revenue)	11.36	9.15

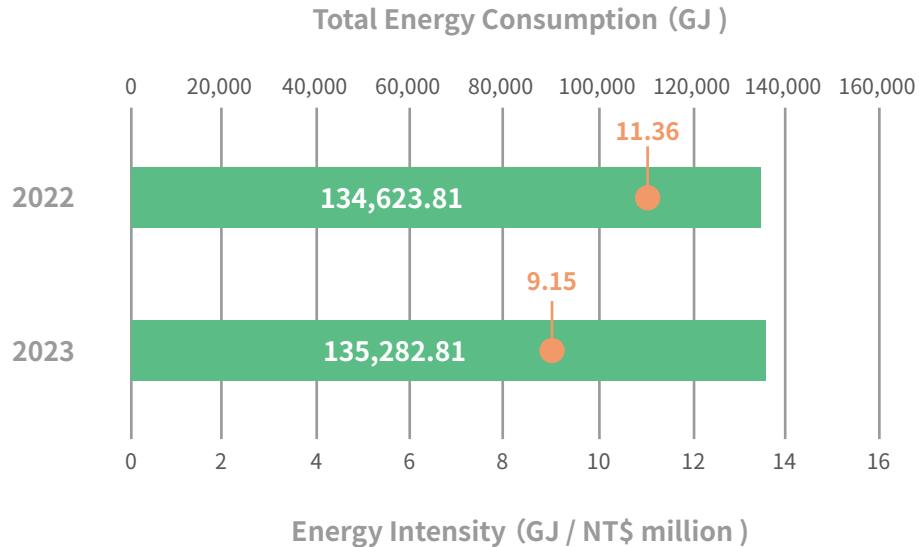
Note 1: Unit calorific value source: Greenhouse gas emission coefficient management table version 6.0.4.

Note 2: GJ refers to gigajoules.

Note 3: In 2022, the energy consumption of EGAT manufacturing business was the same as the Scope 2 inventory scope of greenhouse gas inventory, so the electricity usage of Ever Superior Technologies Corporation is included in the statistics. The 2023 scope excluded the electricity consumption of Ever Superior Technologies Corporation and included the greenhouse gas emissions from the leased office spaces inside Taoyuan International Airport and TSA on-site maintenance facility.

3.1 Environmental Sustainability Governance

Comparison of EGAT's Total Energy Consumption and Intensity



Note:

Energy intensity calculation covers electricity, gasoline, diesel, and natural gas consumption.

EGAT is committed to promoting various greenhouse gas reduction measures. In 2022, a greenhouse gas inventory project was launched to identify the operational emission hotspots within the Company, pinpointing purchased electricity as a significant contributor. In response to this finding and to mitigate the Company's environmental footprint, a range of carbon reduction initiatives were set in motion. In 2023, initiatives included regulation of chillers, replacement of high-energy lighting systems, introduction of smart energy systems, and equipment replacement and improvement. Specifically, for the maintenance and manufacturing businesses, switching time and temperature settings of chillers were regulated, resulting in an annual energy saving of approximately 3,083,696.00 kWh, accounting for approximately 10.16% of the total electricity consumption in 2023. Through the implementation of the aforementioned measures, the total energy savings in 2023 amounted to 4,614,438.80 kWh, equivalent to a total greenhouse gas reduction of 2,279.53 tCO₂e. EGAT will continue to refine its carbon reduction measures in the future.

Annual Carbon Reduction Measures and Results

		2023 Carbon Reduction Measures	Annual Energy Saving (kWh)	Greenhouse Gas Reduction (mt CO ₂ e)
Maintenance Business	Regulate chillers		2,983,230.00	1,473.72
	Improvement of air compression pipelines		1,282,253.80	633.43
	Replacement of lighting systems - replacement of high ceiling lights with LED lighting systems		195,052.00	96.36
	Replacement of argon welding machines		2,258.00	1.12
Manufacturing Business	Regulate chillers		100,466.00	49.63
	Replacement of lighting systems - replacement with high-efficiency LED lighting systems		1,752.00	0.87
	Adjustment of lighting in the material warehouse		6,541.00	3.23
	Improvement of vacuum furnace cooling water mode		45,144.00	22.30
		Total	4,614,438.80	2,279.53

Note: The figures for annual energy savings and greenhouse gas reductions have been rounded to the second decimal place.

3.2 Pollution Prevention Management

GRI 303-1、303-2、303-3、303-4、303-5、306-1、306-2、306-3、306-4、306-5

3.2.1 Water Resource Management

In recent years, faced with increasingly frequent extreme weather events, it is imperative to implement water resource management to address the risk of water scarcity in Taiwan. To avoid potential risks to local ecosystems and residents' water use from sourcing water from areas with high water resource pressure, EGAT employs the Aqueduct Water Risk Atlas tool developed by the World Resources Institute (WRI) to conduct an overall water risk assessment for each operational site. The results show that both the maintenance and manufacturing businesses are at low to moderate risk. To prepare for significant emergencies or natural disasters, emergency response procedures have been established to guide business personnel in mitigating overall disaster losses.

Currently, all plant water sources are sourced from tap water, and water consumption includes domestic water, on-site process water, and cooling tower circulating water, with the water source being the Shimen Reservoir. To optimize water efficiency at the plants, rainwater recycling equipment has been installed in both the maintenance and manufacturing businesses for non-contact purposes such as cleaning the floors of cooling towers.

Plant emissions are collected according to local regulations. The drainage from the maintenance business is divided into independent discharge outlets into the Puxin River and collected for centralized treatment at the airport sewage treatment plant before discharge, while the manufacturing business' drainage is collected via industrial zone sewage pipelines and discharged after treatment at the industrial zone sewage treatment plant.



Note:

This is the result of the overall water risk assessment for each operational site of EGAT using the Aqueduct Water Risk Atlas tool by the World Resources Institute (WRI).
(Query date: February 2024).

The Water Consumption Data for the Past Two Years is as Follows:

Unit: million liters

Water Usage Item	2022	2023
Water source: Third party (tap water)	236.53	249.98
Water intake	236.53	249.98
Water discharge	83.22	102.00
Water consumption	153.31	147.98

Note 1: Water usage information does not include the TSA on-site maintenance facility.

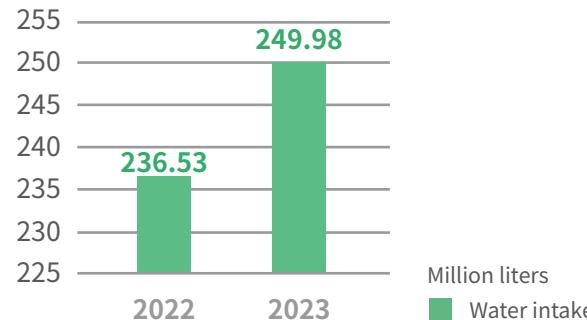
Note 2: None of our operational sites use seawater-derived sources of water.

Note 3: All wastewater undergoes treatment before being discharged into receiving water bodies, ensuring compliance with regulatory standards.

Note 4: Water consumption is estimated based on the difference between water intake and wastewater discharge, representing non-recyclable water.

3.2 Pollution Prevention Management

Water Resource Consumption Data



EGAT's wastewater is partially regulated, so the discharge water quality standards are divided into "regulated discharge water standards" and "effluent water standards". Regarding wastewater discharge management, the goal is to minimize the concentration of pollutants in water quality to the greatest extent possible while complying with regulatory standards. From 2021 to 2023, the concentrations of COD and SS suspended solids emitted by EGAT have both been better than the regulatory requirements to avoid river pollution.

The Wastewater Discharge Control Standards for EGAT are as Follows:

Maintenance Business Regulated Water Quality Standard:
 COD \leq 150 mg/L; SS \leq 180 mg/L; pH 6 - 9

Maintenance Business Effluent Water Quality Standard:
 COD \leq 100 mg/L; SS \leq 30 mg/L; pH 6 - 9

Manufacturing Business Regulated Water Quality Standard:
 COD \leq 560 mg/L; SS \leq 480 mg/L; pH 5 - 9

Wastewater Quality Discharge Data

Discharge Outlet	Year	pH	SS	COD	Copper	Nickel	Zinc	Ammonia Nitrogen
Maintenance Business Regulated Outlet	2021	8.58	126.10	166.85	0.02	0.01	0.08	46.03
	2022	8.35	110.75	90.80	0.02	0.01	0.07	53.90
	2023	7.63	131.78	101.78	0.01	0.00	0.08	54.90
Maintenance Business Effluent Outlet	2021	7.88	5.85	8.55	0.02	0.06	0.04	0.08
	2022	7.83	7.53	15.48	0.02	0.07	0.08	0.10
	2023	7.40	4.18	7.83	0.02	0.07	0.06	0.04
Manufacturing Business Regulated Outlet	2021	7.85	12.10	66.05	0.12	0.00	0.00	7.64
	2022	7.65	19.90	30.35	0.13	0.00	0.00	11.55
	2023	7.75	7.80	60.60	0.00	0.00	0.00	10.70

Note: EGAT has three wastewater discharge outlets, including the regulated discharge outlet, effluent outlet, and regulated discharge outlet of the manufacturing business.

Unit: mg/L



3.2 Pollution Prevention Management

3.2.2 Circular Economy and Waste Management

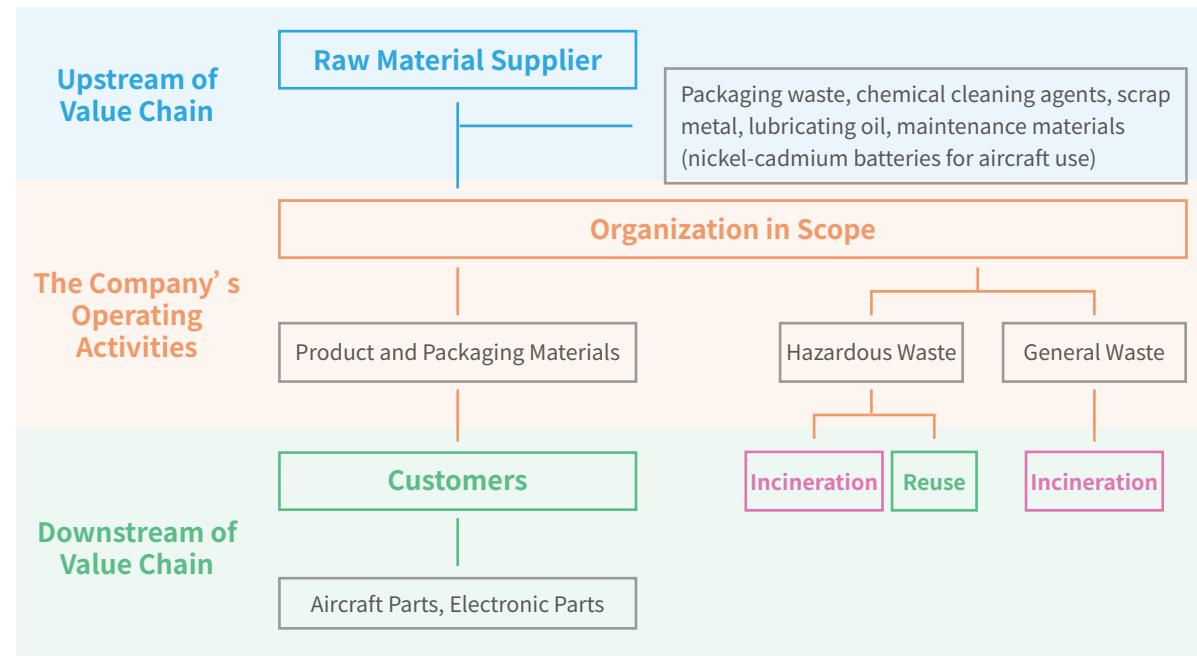
EGAT complies with local government regulations regarding waste disposal, implementing waste declaration and disposal procedures, and strictly executing resource recycling plans. Business waste is regularly cleared by appointed carriers and, depending on the specific circumstances of waste generation in the plant, qualified disposal companies are responsible for recycling and reuse. In 2023, the appointed carriers did not violate any regulations, and all clearance data were recorded and retained.

To reduce waste output, EGAT collects metal scraps generated during the manufacturing process and sells them to domestic and international recyclers through appropriate channels for smelting and repurposing into other products, thus realizing the benefits of a circular economy and reducing waste generation.

The plant strictly adheres to waste disposal regulations and implements resource recycling mechanisms, while promoting waste reduction among all employees. In the future, EGAT will continue to reduce waste emissions from the source through process design, technological improvements, and continuous advocacy for material reuse.

EGAT evaluates the impact of waste on the environment in three stages: upstream, its own operations, and downstream of the value chain, and establishes management practices to mitigate the impact of waste on the environment.

EGAT's Waste Management Flow in 2023



2023 EGAT Waste Management Process



3.2 Pollution Prevention Management

EGAT's waste is categorized into general business waste and hazardous business waste. General business waste includes common office waste, waste oil emulsions, and mixed plastic waste. Hazardous business waste mainly consists of chemical mixtures. EGAT's waste classification and disposal methods are as follows: EGAT recycles metal scraps, with a total of 55.49 tons recycled in 2023, accounting for 7.02% of the total non-hazardous business waste.

Waste Management Statistics for 2023

	Waste Name	Generation (tons)	Outsourced Third-Party Processing (tons)	Percentage of Processing Method Adopted(%)	Processing Method
Non-hazardous Business Waste	General garbage	490.64	490.64		
	Waste oil mixtures	38.83	38.83		
	Waste plastic mixtures	11.60	11.60	69.67%	Incineration (non-energy recovery)
	Inorganic sludge	8.06	8.06		
	Non-hazardous waste alkali	1.80	1.80		
	Waste oil mixtures	115.74	115.74	23.31%	Physical treatment
Hazardous Business Waste	Used lubricant oil	68.62	68.62		
	Scrap metal	55.49	55.49	7.02%	Recycled
	Sodium dichromate	17.02	17.02		
	Organic solvents and wipes	7.28	7.28		
	Waste liquid (Flash point smaller than 60°C)	62.19	62.19	89.10%	Incineration (non-energy recovery)
	Other flammable waste mixtures	79.10	79.10		
	Infectious waste mixtures	0.05	0.05		
	Waste liquid with pH ≤ 2.0	19.71	19.71	10.60%	Chemical treatment
	Cadmium-containing batteries	0.55	0.55	0.30%	Overseas processing

Note: Waste production and processing information does not include the TSA on-site maintenance facility.

3.2 Pollution Prevention Management

Most Recent 3-year Waste Data Statistics

Waste Attribute Category		2021		2022		2023	
		Onsite	Offsite	Onsite	Offsite	Onsite	Offsite
Non-hazardous Waste (ton)	Disposal transfer (Regeneration and reuse)	0.00	61.90	0.00	64.80	0.00	55.49
	Direct disposal (Incineration, landfill)	0.00	818.56	0.00	745.11	0.00	735.29
Hazardous Business Waste (ton)	Disposal transfer (Regeneration and reuse)	0.00	0.00	0.00	0.00	0.00	0.00
	Direct disposal (Incineration, landfill)	0.00	187.64	0.00	179.46	0.00	185.90
Total Amount of Waste Collected for Disposal (ton)		0.00	1,068.10	0.00	989.37	0.00	976.68

Note: Waste collected for disposal information does not include the TSA on-site maintenance facility.

2023 Circular Economy/Waste Reduction Measures

Metal Scrap and Metal Waste Recycling

2023 Achievements

- The manufacturing business recycles various types of metal scraps, including aluminum, nickel, titanium, and steel alloys, and sells them to recycling companies for smelting and returning to the metal raw material market, creating a circular economy market. In 2023, a total of 53.07 tons of metal waste were recovered, generating revenue benefits of 5.76 million NT dollars for EGAT.
- The maintenance business recycles various processed metals and other waste materials, which are then handed over to recycling companies. In 2023, a total of 2.42 tons of processed metals and other waste materials were recovered.



Aluminum Alloy



Inconel

Reuse of Packaging Materials

2023 Achievements

- Evaluation of the condition of various packaging materials collected when receiving imported equipment for reuse, aiming to reduce the consumption of PE packaging materials.
- Despite a 10% annual growth in unit performance for 2023, the procurement of packaging materials decreased by 10% compared to 2022.



Corresponding to Material Issues:

Product Safety and Quality

Sustainable Supply Chain Management

Customer Rights and Service Quality

Policies and Commitments

EGAT upholds a governance policy of “Safety First, Quality is Everything”, which stands as our paramount commitment to customers. Every stage of operations, from the materials and services provided by suppliers to the internal quality and safety management within the Company, to meeting customer demands, impacts the quality of products and services we deliver. Through robust policies, systematic management, and the active participation of every employee, EGAT continually refines its practices, striving towards its objectives.

Our relevant policies and certifications are outlined:

- Quality Management System: ISO 9001/AS 9110/AS 9100
- Supplier Code of Conduct
- Information Security Policy

Actions and Performance

- Over 867 cases established in the SMS system, with a total reward of NT\$726,600 issued.
- There were 20 newly qualified suppliers, all of whom have signed the Supplier Code of Conduct.
- Overall customer satisfaction averaged at 9.69.
- A total of 3,235 employees completed information security-related training, covering essential topics such as information security awareness for new employees, basic information security concepts, and company information security regulations.

04 Creating Sustainable Quality

4.1 Product Safety and Quality

4.1.1 Corporate Quality Policy

4.1.2 Aviation Safety and Sustainability

4.2 Supply Chain Management

4.3 Customer Rights and Service Quality

4.3.1 Sound Communication Mechanisms

4.3.2 Safeguarding Customer Rights



4.1 Creating Sustainable Quality

GRI 416-1

4.1.1 Corporate Quality Policy

Aviation safety is paramount in the aviation industry, and EGAT is committed to ensuring rigorous aviation safety, both in-flight, on-ground, and for personnel. Leveraging professional and standardized maintenance operations and a dedicated, well-trained professional workforce, EGAT delivers professional technical services and high-quality maintenance of aircraft, engines, and components, as well as component manufacturing and assembly services. EGAT adheres to the policy of “Safety First, Quality is Everything”, carrying out relevant procedures to continuously strengthen internal management, enhance quality and performance, and provide customers with the best service and assurance.

In line with the International Civil Aviation Organization (ICAO) guidelines, EGAT has established a Safety Management System (SMS), establishing, implementing, and continuously improving strategies and processes to ensure all maintenance operations meet safety and quality standards under appropriate resource allocation, in pursuit of the “Safety First, Quality is Everything” policy. EGAT's maintenance business-related procedures/manuals, such as the Repair Station Quality Control Manual (RSQCM) and Maintenance Organization Exposition (MOE), have been duly audited and approved by both the Federal Aviation Administration (FAA) and the European Union Aviation Safety Agency (EASA), demonstrating the Company's capability to perform relevant maintenance with the assurance of dual certifications. In addition to RSQCM and MOE, EGAT also holds ISO 9001, AS 9110, and AS 9100 certifications to ensure the rigorous enforcement of quality management practices.

EGAT's manufacturing business has established operational guides for product safety to regulate quality control at various stages of the product manufacturing process, ensuring that customer expectations for product safety requirements are accurately conveyed and realized in the products.

All maintenance and manufactured products in 2022 and 2023 adhered to the quality and safety management system operation procedures required by certification bodies.

4.1.2 Aviation Safety and Sustainability

Aviation Safety

To ensure that EGAT's emphasis on quality resonates with every employee and translates into tangible actions, several mechanisms are in place. Under the leadership of the responsible manager (President), the Safety Advisory Board (SAB) and Quality Assurance Committee (QAC) convene to review maintenance governance, resource allocation, advocate safety, instill a culture of fairness, and assure quality. Middle management participates in quarterly Safety Implementation Coordination Meetings (SIC) to ensure the availability and integrity of various policies, guidelines, and maintenance practices. Additionally, the aircraft maintenance unit holds monthly Safety Action Group (SAG) meetings to disseminate quality and safety notifications, policies, and resource allocation to frontline managers and staff, ensuring the circulation of quality and safety information.

4.1 Creating Sustainable Quality

Responsibility Units	Responsibility Content	Related Meetings	Frequency
President	Decision-making and supervision unit for the quality and safety management system	Safety Advisory Board (SAB) meetings Quality Assurance Committee (QAC) meetings	Quarterly
Middle Management	Ensures the availability and integrity of practical actions for the safety management system	Safety Implementation Coordination (SIC) meetings	Quarterly
Aircraft Maintenance Unit	Implements actual quality and safety actions, serving as the frontline gatekeeper	Safety Action Group (SAG) meetings	Monthly

Every EGAT employee shoulders the responsibility of promoting quality and safety. To ensure that employees are suitably positioned to assume responsibilities within the safety management system, a safety management system training plan is devised and maintained. Upon employment, employees receive safety management system training and education, followed by regular refresher training, to deepen their understanding of hazard identification and reporting responsibilities. Courses related to the safety management system include: Advanced Safety Management System Supervisor Training Course, Safety Management System Training Course (General), Safety Management System Enhancement Course, Risk Management Training Course, and Investigator Training Course.

Since 2019, EGAT has also implemented the Safety Management System (SMS), encouraging all employees to proactively report any safety issues to identify actual or potential hazard factors and mitigate or reduce potential disasters.

After employees submit safety reports, they undergo a series of review processes. If the report indeed identifies hazard factors and improvement actions proposed by relevant responsible units are implemented, the report is considered closed. Employees whose reports meet the closure criteria are rewarded with NT\$200 gift vouchers. Those with excellent reports receive internal attendance rewards or gift vouchers ranging from NT\$1,000 to NT\$3,000, as well as annual safety bonuses ranging from NT\$2,000 to NT\$10,000. The number of closed cases and the equivalent value of rewards distributed over the past five years are as follows:



Over the past five years, the increase in rewards reflects the gradual internalization of “Safety First, Quality is Everything” into the daily work routine of EGAT employees. In the future, EGAT will continue to enhance its quality and safety management practices, contributing to aviation safety.

4.1 Creating Sustainable Quality

Aviation Sustainability

In pursuit of global net-zero carbon goals, EGAT is undertaking process improvements, including transitioning to electronic work orders and adjusting work processes, to enhance manufacturing and maintenance efficiency. Moreover, EGAT is committed to using recyclable materials and packaging to reduce environmental impacts throughout the product lifecycle. The following summarizes EGAT's sustainability efforts regarding products and services:

	Aviation Sustainability Initiatives	Description
Workflow Optimization	Systematically implementing electronic orders to replace paper-based operations.	Reduce paper usage and carbon emissions, procurement/maintenance/service orders are transitioned to digital format.
	Improvement of air compression pipelines	Rectification of air leakage in air compression pipelines to reduce ineffective compressor work.
	Regulate chillers	Regulation control of switching time and temperature settings of chillers to reduce energy consumption.
	Replace gas-powered tractors with EV models	In line with government net-zero emissions and green airport policies, gradual replacement of fuel tractors within our facilities.
Equipment and Operational Apparatus Updates	High-efficiency LED lighting system	Gradual replacement of traditional lighting with lower energy-consuming LED lighting system.
	Replacement of argon welding machines	Replacement of argon welding machines with lower energy-consuming electric welding machines.
	Improvement of vacuum furnace cooling water mode	Switch from chillers to facility water cooling in winter, reducing the electricity consumption of chillers.
Introduction of New Systems	Adjustment of lighting in the material warehouse	Cancelation of automatic activation of lighting during unmanned night shifts in the material warehouse.
	Recycling of metal scrap, machined metal, and otherwaste materials	Recycling of various metal scraps, including aluminum, nickel, titanium, steel alloys, etc., sold to downstream manufacturers for smelting and return to the metal raw material market, creating a circular economy market.
Waste Reduction Measures	Reuse of packaging materials	Evaluation of the condition of various packaging materials collected when receiving imported equipment for reuse, aiming to reduce the consumption of PE packaging materials.

4.1 Creating Sustainable Quality

Feature Topic: Digitalization of Orders

EGAT is dedicated to lowering carbon emissions from its products and services. Since 2018, we have shifted our procurement, repair, and service orders to digital formats. By utilizing the capabilities of the ERP system, AMOS, we have streamlined the order management process. This includes setting up profiles for qualified suppliers, consolidating and assessing maintenance and regular stocking needs, and placing orders with chosen suppliers. This initiative not only achieves carbon reduction goals but also facilitates effective electronic management to track order delivery status and swiftly retrieve historical order data for relevant analytical applications.

In 2023, a total of 92,718 orders were processed. Assuming each order saves approximately 10 sheets of A4 paper (Note), the total carbon emissions saved amount to approximately 16,689 kilograms.

Note: Calculated based on each sheet of A4 paper reducing 18 grams of carbon emissions.

4.2 Supply Chain Management

GRI 2-6、204-1、308-1、414-1

EGAT primarily relies on suppliers of aircraft repair parts. The aircraft parts, components, and raw materials provided by suppliers are crucial to the quality of EGAT's maintenance services and products delivered. Therefore, the Company places great importance on the qualification screening and management of suppliers.

To select qualified and excellent suppliers, EGAT has established guidelines such as "Supplier Reviewing Management Instruction" and "Supplier Performance Management Instruction". In addition to complying with relevant regulations from civil aviation authorities, suppliers are required to carefully read and sign the "Supplier Code of Conduct". This code includes specific requirements related to labor rights, business ethics, environmental protection, occupational health and safety, as well as sustainable supply chain management. After a rigorous evaluation by responsible units of supplier qualifications, quality, and adherence to integrity requirements, suppliers who meet the criteria are added to the "Qualified Supplier List". Once on this list, they become official suppliers for procurement or outsourced services.

In 2023, a total of 20 new suppliers were qualified, all of whom have signed the Supplier Code of Conduct. Additionally, for suppliers with transaction amounts exceeding NT\$6 million in 2023, a re-signing of the Supplier Code of Conduct is conducted every three years. Fifty-two suppliers signed this recommitment, achieving a response rate of 91.23%. EGAT continues to advocate and demand adherence to the Company's commitment to corporate sustainability from its suppliers. This includes practices concerning ethical standards, labor rights, environmental sustainability, and other pertinent aspects, aiming to achieve mutual progress in corporate sustainability.

4.2 Supply Chain Management

ESG Aspects	Code of Conduct Requirements
 Environmental	<p>Environmental Protection: Preserve natural resources, minimize or eliminate harmful substances, reduce energy consumption and greenhouse gas emissions, promote resource recycling and reuse. Efficient Operations: Implement efficient operational methods to minimize adverse environmental impacts, and strive to maintain and protect forests and biodiversity, achieving climate and natural ecosystem stability and balance.</p>
 Social	<p>Human Rights and Labor Conditions: Commit to upholding labor rights and providing workers with necessary safeguards and respect.</p> <p>Occupational Safety and Health: Enhance awareness and capabilities in occupational safety and health to prevent workplace accidents, assess workplace safety, provide and maintain safety equipment, ensuring a safe and healthy work environment.</p>
 Corporate Governance	<p>Business Ethics: Adhere to the highest ethical and moral standards, maintain integrity and reliability to uphold business ethics.</p> <p>Sustainable Supply Chain: Implement measures to ensure supply chain sustainability and compliance to reduce the risk of business interruptions, moving towards sustainable business operations continuously.</p> <p>Confidentiality and Information Security: Uphold the duty of protecting information to foster productive business relationships, ensuring that no information is leaked.</p>

Supplier Evaluation

The Procurement Department conducts an annual supplier evaluation, focusing on the top 20% of suppliers based on transaction amounts and counts. Evaluation criteria include: On-time delivery performance (30% weight), abnormal invoice ratio (30% weight), order delivery quality (30% weight), reporting of exceptional cases by suppliers (10% weight). In 2023, out of 353 suppliers, 51 were evaluated based on the above criteria. Feedback and improvement requests were provided to the lowest-scoring 5 suppliers. Additionally, one underperforming supplier that consistently appeared in watchlists was required to submit an improvement plan and was scheduled for a face-to-face interview to determine potential replacement based on its 2024 performance.

Local Procurement

With Taiwan being the main base of business operations, EGAT primarily engages in cooperation with local suppliers to create local employment opportunities. In 2023, local procurement in Taiwan accounted for approximately 15.53% of total procurement (Note).

Note: EGAT's main procurement items include raw materials, equipment, and services, with raw materials comprising about 85% of total procurement. However, due to the majority of raw material procurement coming from aircraft manufacturers in Europe and the United States, the overall proportion of local procurement is relatively low.

4.3 Customer Rights and Service Quality GRI 418-1

4.3.1 Sound Communication Mechanisms

Customer satisfaction and service quality are the cornerstones of EGAT's continued development. Through routine work meetings, we communicate various needs and collect feedback from customers. After service completion, customer representatives are sent online "customer satisfaction surveys" to evaluate various maintenance service aspects and provide feedback. The results of the customer satisfaction surveys over the past two years (rated out of 10) are as follows:

Detailed Rating Items	2022	2023
Overall Impression of Maintenance Service Delivery	8.62	9.75
Satisfaction with On-site Service and Non-technical Support	9.31	9.83
Timeliness of Maintenance and Aircraft Redelivery	8.77	9.83
Parts Supply Status	8.42	9.17
Communication Status	8.62	9.92
Employee and Mechanics' Competence (Technical and Non-technical)	8.77	9.67
Responsiveness to Customer Feedback	8.23	9.83
Document Quality and Accuracy	8.62	9.50
Product Reliability	8.92	9.42
Accuracy of Invoices/Billing	8.42	10.00
Overall Average	8.67	9.69

By surveying customer opinions and feedback, EGAT gains insights from customer evaluations of services and products, continuously improving and enhancing quality and service standards. The 2023 customer satisfaction survey results demonstrate significant progress in all service aspects, motivating the Company to strive for maximum customer satisfaction in the future.

4.3.2 Safeguarding Customer Rights

In recent years, due to the prevalence of global hacking, incessant information security threats may not only lead to significant financial losses for companies but also cause irreparable damage to their reputation. In response to information security risks, EGAT established the Information Security Management Division in 2023. It is responsible for formulating and implementing information security policies, personal data management, enhancing information security awareness, and managing responses to information security incidents. Representatives from various departments assist in promoting and implementing information security policies. Additionally, the Company has established information security policies and related management procedures as the basis for daily operations, regularly reviewing and revising rules and procedures.

To implement information security policies, the Company has deployed various protective measures, including firewalls, email antivirus, spam filtering, and endpoint protection software. These measures enhance the overall security of the information environment. Through internal information security advocacy and educational training, the Company continuously improves the awareness of information security among its employees.

EGAT plans to introduce the ISO 27001 Information Security Management System in 2024 to further implement information security policies and the concept of business continuity.

4.3 Customer Rights and Service Quality

Specific Measures for Information Security

Network Security

- Advanced technologies are introduced to perform computer scanning and system software updates.
- Strengthen firewalls and network access controls to detect and block suspicious threat connections.
- Regularly assess or test network system security, promptly rectifying security risks and vulnerabilities in the network operating environment.
- Deploy devices for Internet behavior management and filtering to control internet access, prohibiting access to harmful or policy-prohibited network addresses and content.
- Implement threat detection and management for information security by providing advanced threat warnings and conducting multidimensional correlation analysis of critical equipment logs (such as firewalls, Intrusion Prevention System (IPS), and AD servers). This process helps issue alerts regarding potential ongoing attack threats in real-time, while also offering recommendations for post-event defense or emergency response.

Device Security

- A network connection mechanism for computer devices is deployed to prevent unauthorized devices from entering the Company's network.
- Endpoint antivirus measures are deployed to enhance detection of malicious software behavior.
- Implement threat detection and response managed services, conducting comprehensive risk assessments of computer equipment, including user account behavior investigations, program memory forensics, and network activity analysis.
- Restrict administrator privileges for terminal devices to prevent misuse of privileged accounts and thwart the spread and installation of malicious software.

Application System Security

- Assign system users access based on the principle of least privilege (PoLP), providing the minimum authorization access required to perform job functions and deleting them after personnel changes or resignations.
- Regularly conduct source code inspections to identify web program security vulnerabilities and ensure the security of online system services.
- Implement procedures for system account password changes, access monitoring, and log audits.

Data Protection Security

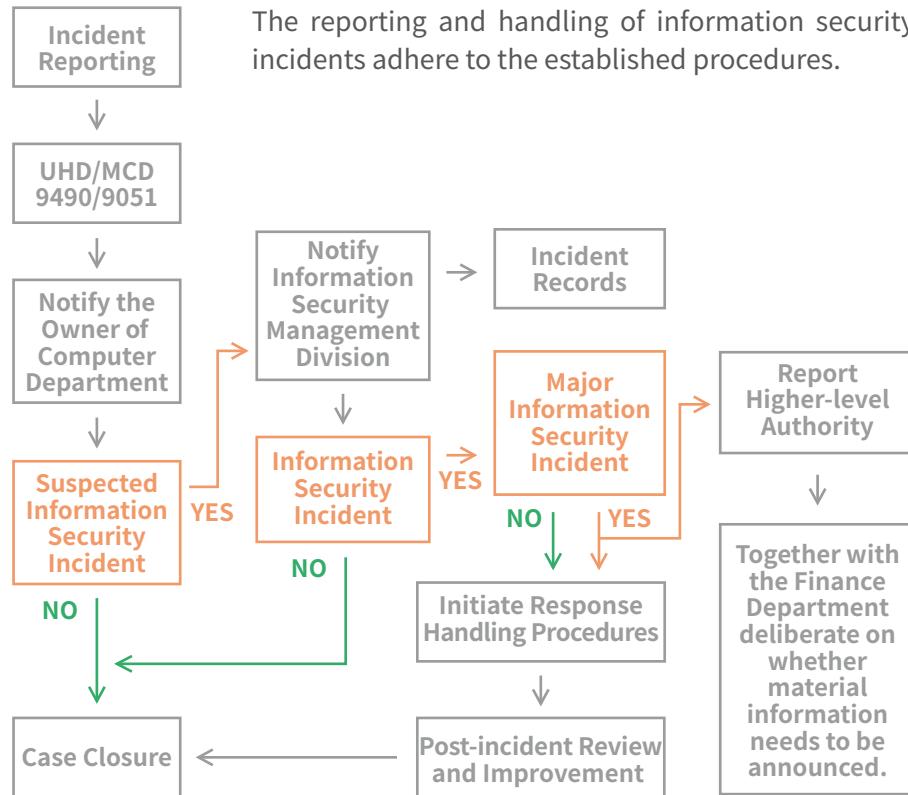
- Establish processing regulations for managing and storing classified and sensitive data and set up appropriate protective measures such as outgoing mail control, access permissions, and data encryption and masking.
- Strengthen control over portable storage media, usage rules, and regular review mechanisms.
- Before decommissioning data equipment, remove storage media and physically destroy them to prevent leakage of personal data and business confidentiality, then process them according to relevant procedures.

Contingency and Recovery Mechanism

- Regularly review emergency response plans.
- Conduct regular system recovery drills for important systems every year.
- Establish a system backup mechanism and implement off-site backups.

4.3 Customer Rights and Service Quality

Information Security Incident Reporting Procedures



Personal Data Protection

To protect customer rights and ensure compliance with data protection laws and regulations, EGAT has established a “Personal Data File Security Maintenance Plan” outlining operational procedures for personal data protection. In 2023, EGAT did not experience any financial or operational losses due to information security incidents, nor were there any complaints regarding privacy infringements or loss of customer data.

Investment in Information Security Management

In 2023, EGAT's investment in information security management included:

1. Participation in five information security conferences.

Legal Matters and Audit of AI Applications

Discussion on the privacy legal risks and challenges in the era of AI and ensuring user privacy within legal frameworks.

CMMC Industry Supply Chain Compliance Exchange Forum

Providing guidance and sharing experiences on CMMC implementation through collaboration with AIDC and supply chain vendors, focusing on understanding compliance processes, government assistance policies, and relevant tools.

2023 IMPACT World Tour | Identity Security Seminar

Gathering insights on emerging trends and best practices related to identity security.

Threat Analyst Summit

Reviewing significant cybersecurity threats in 2023, analyzing the latest trends in ATP network attacks, and discussing techniques for threat mitigation.

HITCON CMT 2023

Focusing on the evolution of AI in cybersecurity, discussing hacking techniques, and presenting over 20 of the latest cybersecurity research papers.

2. Issued a total of 21 major cybersecurity notifications to keep employees informed of the latest cybersecurity-related information.
3. 3,235 employees completed information security-related training, including orientation training for new employees, online education courses on information security protection, covering topics such as cybersecurity threats during the pandemic, fundamental concepts of information security, and company information security regulations.
4. Conduct annual social engineering drills to strengthen employees' protection awareness and vigilance against phishing emails.
5. Complete the information asset inventory and risk assessment.

Corresponding Material Issues:
Compensation, Benefits,
and Labor-management Communication
Occupational Safety and Health Management
Talent Development and Cultivation

Policies and Commitments

EGAT is committed to creating a positive work environment. In addition to adhering to the “Occupational Safety and Health Management Handbook” to ensure workplace safety and security for employees, we provide salaries and benefits that exceed those mandated by labor laws. We also conduct promotions and salary adjustments based on the “Regulations Governing Evaluation Operations”. Additionally, we have established transparent channels for employee communication and complaints, allowing employees to express their suggestions to the company promptly. In order to cultivate talent, EGAT has a professional and comprehensive training system for employees to improve on a regular basis, so that each employee has the opportunity to learn and realize his or her value in life.

Actions and Performance

- Increased the number of employees by 200 and reduced the turnover rate by 8.23% compared to 2022.
- Employee training totaled 223,819 hours, with an average of 75.08 hours per person.
- All employees received regular performance evaluations.
- A total of 65 training sessions on occupational safety and health were held, with 2,580 participants.
- Non-occupational healthcare subsidies amounted to NT\$1,976,860.

05 Fostering Inclusive Communities

5.1 Attracting and Retaining Talent

- 5.1.1 Talent Recruitment
- 5.1.2 Compensation and Benefits

5.2 Human Rights and Workers' Rights

5.3 Talent Development and Cultivation

- 5.3.1 Competency Development
- 5.3.2 Performance Evaluation

5.4 Occupational Safety and Health

- 5.4.1 Occupational Safety and Health Data
- 5.4.2 Promoting Employee Health

5.5 Charitable Contributions and Social Participation



5.1 Attracting and Retaining Talent

GRI 2-7、2-8、2-21、201-1、201-3、401-1、401-2、401-3、405-1、405-2

Amidst Taiwan's declining birthrate trend, talent attraction and retention have become focal points for enterprises. With the post-pandemic aviation industry witnessing increased demand, EGAT, positioned within the aviation industry chain, needs to actively deploy human resources strategies to maximize its capabilities, contribute to flight safety, and gain a competitive edge in the industry. EGAT values employee rights and well-being, fostering an equitable and inclusive workplace and offering benefits that are better than those required by law. This is aimed at recruiting and retaining the highest quality talent to build a culture of safety-first and quality-first service.

5.1.1 Talent Recruitment

EGAT aims to create a workplace where all employees, regardless of age, gender, nationality, or race, are treated with equal respect. As of December 31, 2023, EGAT had a total of 2,981 employees, including 2,798 permanent employees and 183 contract employees, all working full-time. Additionally, there were 398 non-employee workers, including 30 security guards, 23 construction contractors, and 345 dispatched personnel assisting with basic maintenance and manufacturing.

Distribution of Human Resources

Classification by Labor Contract Type and Gender

Labor Contract Type	Temp (Contract) Employee		
	Ful-time	Total	
Male	2,616	180	2,796
Female	182	3	185
Total	2,798	183	2,981

Employees by Employment Type and Gender

By Employment Type	Ful-time	Part-time	Total
	Male	Female	Total
Male	2,796	0	2,796
Female	185	0	185
Total	2,981	0	2,981

Note: Temp (Contract) employees stand for interns, re-employment of retirees, operators and medical personnel.

EGAT's operations are primarily based in Taiwan, with Taiwanese nationals accounting for 98.79% of the total workforce. Due to the nature of the aviation industry, which involves manufacturing and maintenance, the majority of employees are male, with females comprising only 6.21% of the total workforce. Female executives account for approximately 2.86% of all senior management positions and 7.92% of mid-level management positions. EGAT values the diverse experiences of its employees across generations. Currently, the majority of employees are aged between 30 and 49, constituting 56.56% of the total workforce. Employees under 30 and those aged 50 and above make up 23.18% and 20.26% of the total workforce, respectively. EGAT is committed to safeguarding the rights and interests of all ethnic groups. It employs a total of 65 individuals with disabilities and indigenous backgrounds.

5.1 Attracting and Retaining Talent

Employee Diversity Statistics

Employee numbers by job grade, gender, and age

Employee Category	<30 Years Old		30-49 Years Old		≥50 Years Old		Total
	Male	Female	Male	Female	Male	Female	
Senior executive	0	0	0	0	34	1	35
Mid-level supervisor	0	0	7	0	86	8	101
General staff	638	53	1,571	108	460	15	2,845
Subtotal	638	53	1,578	108	580	24	2,981

Note: The data statistics are based on the number of employees as of December 31, 2023. Senior executives are defined as AVP level or above. Mid-level executives are defined as managerial level. General employees are defined as below the level of section chief.

Statistics on the Number of Disadvantaged/Vulnerable Employees

Employee Category	Gender			Counted Number (Note)
	Male	Female	Total	
People with Disabilities	23	4	27	35
Indigenous	29	1	30	30
Subtotal	52	5	57	65

Note: According to regulations, for persons with severe/profound disabilities, each person will be counted as two people.

Classification of Employees by Nationality and Gender

Employee Category	Male	Female	Total
Taiwanese	2,764	181	2,945
Vietnamese	22	3	25
Filipino	6	0	6
Malaysian	2	0	2
Indonesian	2	0	2
Hong Kong SAR	0	1	1
Subtotal	2,796	185	2,981

New Employee Turnover Statistics

In 2023, EGAT's proportion of new employees was 17.51%, showing a growth of 2.84% compared to 2022. The turnover rate was 10.40%, decreasing by 8.23% compared to 2022. Among male employees under 30 years old, the turnover rate was relatively high. This was primarily due to some departing employees being interns. In 2022, there were 285 male employees under 30 who left, out of which 118 were interns. After excluding interns, the turnover rate for male employees decreased from 60.64% to 35.53%. In 2023, the number of male employees under 30 who separated from the Company was 198, with 131 being interns. After excluding interns, the turnover rate for male employees decreased from 34.20% to 11.57%. EGAT's total workforce grew from 2,781 employees in 2022 to 2,981 employees in 2023, indicating that EGAT's recruitment and retention efforts have been well-received by workers, allowing the Company to continue expanding its workforce.

5.1 Attracting and Retaining Talent

Number and percentage of new separated employees by gender and age

Year	2022						2023					
	Target	Total	New Employees		Separated		Total	New Employees		Separated		
Male			Number of Employees	Ratio	Number of Employees	Ratio		Number of Employees	Ratio	Number of Employees	Ratio	
<30	470	306	65.11%	285	60.64%	579	400	69.08%	198	34.20%		
30-49	1,591	68	4.27%	197	12.38%	1,597	70	4.38%	64	4.01%		
≥50	564	9	1.60%	22	3.90%	620	12	1.94%	36	5.81%		
Female	Total	2,625	383	14.59%	504	19.20%	2,796	482	17.24%	298	10.66%	
	<30	33	21	63.64%	6	18.18%	51	32	62.75%	9	17.65%	
	30-49	101	4	3.96%	7	6.93%	108	8	7.41%	3	2.78%	
	≥50	22	0	0.00%	1	4.55%	26	0	0.00%	0	0.00%	
All Employees	Total	156	25	16.03%	14	8.97%	185	40	21.62%	12	6.49%	
	Total	2,781	408	14.67%	518	18.63%	2,981	522	17.51%	310	10.40%	

5.1.2 Compensation and Benefits

EGAT provides stable salary protection, offering employees' salaries that exceed the legal minimum wage, and adjusts salaries according to job grades and responsibilities, without differentiation based on factors such as age, gender, nationality, or race. Annually, promotions and salary adjustments are based on performance evaluations, and year-end bonuses are distributed based on the company's operating conditions, linking employee efforts with compensation. In 2023, EGAT employed 2,765 full-time employees who were not in supervisory positions. The average salary was NT\$1,260,000, and the median salary was NT\$1,199,000. The ratio of the total annual salary of the highest-paid individual in the organization to the median total annual salary of other employees (excluding the highest-paid individual) was 3.93.

Due to the nature of the industry, core operations such as maintenance and manufacturing are mainly carried out by male employees. As job characteristics vary, salaries are planned accordingly based on different job levels and operations, resulting in gender-based salary differences. Detailed data is provided in the table below.

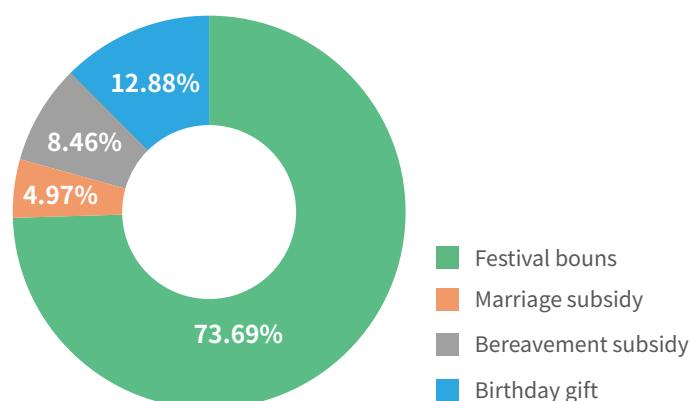
5.1 Attracting and Retaining Talent

Male-to-female ratio for basic salary and total remuneration across different job levels in 2023

Employee Category	Male/Female Ratio	
	Basic Salary	Remuneration
Senior Executives	1.13	1.13
Middle Managers	1.01	1.00
General Staff	1.04	1.12

Note: The ratio of starting salary for men and women of the same job grade is 1:1.

2023 Welfare Expense Ratio of Welfare Committee (%)



EGAT provides its employees with a diverse range of benefits, including festival bonuses, marriage subsidies, bereavement subsidies, birthday gifts, and other fixed allowances. In 2023, the total amount of these allowances reached NT\$21,571,825. In order to care for the health and leisure life of our employees, in addition to providing group insurance as a back-up for our employees, EGAT also plans for benefits such as discounted airfare, parent-child visits, and departmental dinners. Among these benefits, parent-child visits allow employees to have more channels to balance their lives in the midst of their busy work schedules, and also provide more opportunities for interaction among colleagues, families, and the company.

◆ Pension

EGAT places a high priority on the post-retirement life of its employees. Each year, an adequate amount of retirement pension funds is calculated by CPAs to ensure sufficient provision for employees' retirement needs. Although the Company's balance in the Bank of Taiwan Bank Labor Pension Reserve Account exceeds the obligations for payout, it is crucial for safeguarding employee rights. Presently, the allocation rate for labor retirement funds is set at the statutory 2%, with an additional provision rate of 6% under the new labor pension scheme. Employees under both the old and new labor pension schemes are fully integrated into the retirement pension fund system. As of December 31, 2023, the balance of Bank of Taiwan's Labor Pension Reserve Account amounted to NT\$2,196,324,952, which is actuarially sufficient to meet the retirement needs of employees.

◆ Parental Leave

EGAT employees are entitled to parental leave in accordance with the law. Employees may apply for parental leave according to their family needs. In 2023, a total of 27 employees utilized parental leave, comprising 21 males and 6 females. Moreover, the average reinstatement rate for the year was 82.61%. Remarkably, the retention rate for female employees reached 100%. This underscores the Company's provision of a supportive parenting environment, enabling employees to balance both their family and career responsibilities.

5.1 Attracting and Retaining Talent

Item	Males	Female	Total
Total number of employees entitled to parental leave in 2023	118	8	126
Total number of employees who actually took parental leave in 2023	21	6	27
Total number of employees applying for reinstatement in 2023	17	6	23
Total number of employees actually reinstated in 2023	15	4	19
Total number of staff reinstated after parental leave in 2022	22	1	23
Total number of employees who continued to work for one year after reinstatement from parental leave in 2022	20	1	21
Application rate for parental leave without pay	17.80%	75.00%	21.43%
Reinstatement rate	88.24%	66.67%	82.61%
Retention rate	90.91%	100.00%	91.30%

Note:

Parental leave without pay application rate =
 Total number of employees who utilized parental leave in 2023/Total number of employees eligible for parental leave in 2023

Reinstatement rate =
 Total number of employees actually reinstated in 2023/total number of employees applying for reinstatement in 2023

Retention rate =
 Total number of employees who continued to work for one year after reinstatement from parental leave in 2022/Total number of employees who were reinstated after parental leave in 2022



Family Day



Family Day

5.2 Human Rights and Workers' Rights GRI 2-23, 2-24, 2-25, 2-26, 2-30, 402-1, 406-1

EGAT explicitly states in its “Sustainable Development Policy” its commitment to respecting the human rights of employees and striving to promote a diverse and inclusive workplace environment. Equal opportunities are provided to all employees in terms of employment, promotion, assessment, deployment, training, career development, and remuneration, regardless of gender, religion, race, or any other factors. The aim is to ensure that all employees can unleash their professional expertise without constraints, contributing to the Company’s growth and sustainable development. To achieve this, EGAT establishes open and transparent channels of communication between labor and management. Regular assessments and performance reviews are conducted to ensure accountability and effectiveness in these communication channels.

Labor-Management Communication Channels

Labor-management Meeting Quarterly

Disseminate information on the Company’s future development, operational strategies, significant updates, and measures to ensure that employees understand and provide feedback. Also, facilitating communication, coordination, and resolution of labor-management related issues and grievances.

Departmental Meeting Monthly

Conducted monthly to disseminate Company operational strategies and major updates, allowing employees to provide feedback.

Employee Welfare Committee Quarterly

Employee welfare planning, coordination, and utilization.

Occupational Safety and Health Committee Quarterly

Meets quarterly to review, coordinate, and suggest occupational health and safety-related matters.

Performance Evaluation and Interview Twice a year

Through performance interviews, employees can reflect on their work issues so that the Company can clearly express work requirements and expectations and provide timely counseling and assistance.

EGAT values the employees’ right to association. However, due to the absence of a request from the labor union to negotiate a collective bargaining agreement, one has not been signed to date. Additionally, in the event of changes in company operations, EGAT adheres to legal requirements by providing different notice periods for employees with varying lengths of service: 10 days’ notice for those with over 3 months but less than a year, 20 days for those with over one year but less than three years, and 30 days for those with three years or more.

Respect for Diversity and Inclusion

In addition to providing equal protection regardless of gender, religion, or race, EGAT actively promotes inclusivity and respect through various systems, activities, and training programs. To uphold gender equality, EGAT has implemented a flexible working hours system, allowing employees with children under the age of three to request adjustments to their work schedules as needed.

In 2023, EGAT organized a Vietnamese Employees Care Day for Vietnamese employees, inviting foreign labor agency representatives and Vietnamese colleagues to participate together, aiming to enhance understanding of different cultures. Approximately 30 employees from the Manufacturing Business participated in this event. Furthermore, EGAT also hosted a Family Day, allowing employees to bring their family and friends to visit the company, bridging the gap between the workplace and home. Around 1,400 people attended the Family Day event.



Vietnamese Employees Care Day

5.2 Human Rights and Workers' Rights

Prevention and Handling of Sexual Harassment, Sex Discrimination, and Bullying

To prevent and address workplace harassment, gender discrimination, and bullying, EGAT has established regulations and procedures such as the “Directions for Prevention and Management of Unlawful Infringement in the Performance of Duties”. New employees also receive training on gender equality and sexual harassment prevention, with a total of 339 participants in 2023. In 2023, EGAT did not record any instances of sexual harassment or gender discrimination. However, two cases of bullying were reported and handled according to internal procedures.

Sexual Harassment and Sex Discrimination Complaints and Handling Procedures

Responsible Unit	HR Office	
Complaint Channel	Maintenance Business	Manufacturing Business
Complaint Hotline	03-3519437	03-2826030
Complaint Mailbox	ameliasung@egat.com.tw	susanlin@egat.com.tw

1. Investigation

If necessary, a “Sexual Harassment Investigation Task Force” will be established within seven days of the date of the complaint, and the investigation and deliberation will begin.

2. Follow-up and Notification Resolution

For sexual harassment cases, if the complainant is an employee of the Company and the complaint is found to be substantiated, the complainant will be subject to disciplinary measures or otherwise dealt with in accordance with the relevant provisions of the Company’s management rules and regulations.

A decision should be made within one month from the date of receiving the complaint, with a possible extension of ten days, if necessary, limited to two extensions, and the parties involved should be notified.

3. Objections and Appeals

If the complainant or the person against whom the complaint is filed has any objections to the resolution of the complaint, he/she may file a written complaint within 20 days from the day after he/she receives the written notice.

Bullying Complaint Procedures

Responsible Unit	Occupational Safety and Health Division	
Complaint Channel	Maintenance Business	Manufacturing Business
Complaint Hotline	03-3519980	No
Complaint Mailbox	9980@egat.com.tw	egatgSHE@egat.com.tw

Handling of Bullying Cases

Handling Result
 The Anti-bullying Committee intervened, interviewed, and appropriately adjusted the workplace, and closed the cases after confirming the elimination of harmful factors.



5.3 Talent Development and Cultivation

GRI 404-1, 404-2, 404-3

Talent development and cultivation are pivotal aspects of EGAT's continued growth and development. Employees must continually upgrade their core competencies to meet the ever-changing demands of customers and deliver quality output. To achieve this, EGAT has established three major professional training systems tailored to employees from the grassroots level to the management level. Additionally, through regular assessment mechanisms, transparent dialogues with employees, and guidance to enhance their performance and advance their careers, EGAT aims to create a win-win situation for both the company and its employees.

5.3.1 Competency Development

All new employees of EGAT must undergo new employee training. The HR Division, Training Department, and respective departments provide various types of training to new hires upon their arrival, aiming to familiarize them with Company regulations, job-specific competencies, and departmental integration training in the shortest possible time. The common training system is also conducted via e-learning for regulatory compliance or Company-wide course requirements, allowing relevant departments or all employees with competency needs to receive timely training in a convenient manner. In addition, a re-employment system is open for employees who have reached retirement age or have applied for retirement or resigned on their own, and are assigned to appropriate positions based on their skills and suitability, so that they can leverage their expertise and experience.

In addition to the general training for new employees and the common training system, EGAT has three comprehensive training systems: the Vocational Training System, the Quality Capability Training System, and the Leadership Management System. These systems cater to various aircraft maintenance requirements, certification needs, project development, management competencies, and company regulations, aiming to assist employees in developing their skills and maximizing their effectiveness in their roles. The detailed components, frequency, and benefits of these three major training systems are outlined below:

Professional Training System

1. Various Aircraft Type Training

Maintenance personnel from different departments undergo training courses planned by the Training Department to increase the number of authorized personnel for each aircraft type, facilitating on-site operations.

Frequency/Number of Sessions

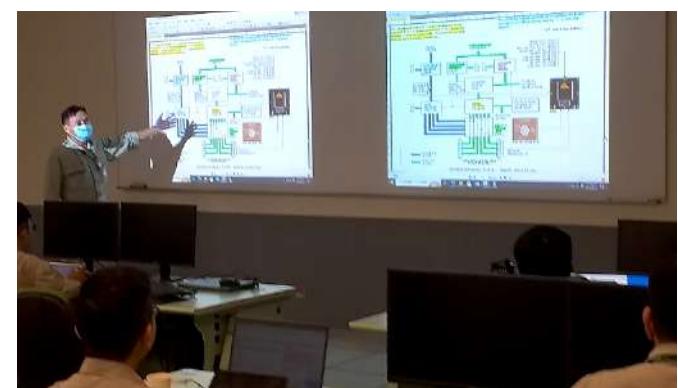
Offered irregularly every year

Course Benefits

Training courses are tailored based on departmental maintenance capacity requirements, enhancing personnel training completion.

Implementation

Employees from various departments are dispatched for training according to annual plans



5.3 Talent Development and Cultivation

2. NDT Recertification and Points Training

Non-destructive testing (NDT) personnel from the Engine Maintenance Department participate to meet certification requirements.

Frequency/Number of Sessions	Implementation
------------------------------	----------------

4-5 times per year on an irregular basis	100% execution rate
--	---------------------

Course Benefits

Participants meet the occupational qualifications for NDT testing personnel.



3. Structural Training

Structural training for maintenance engineers of the Structural Maintenance Department to improve their professional knowledge of maintenance.

Frequency/Number of Sessions	Implementation
------------------------------	----------------

3 times/year	100% execution rate
--------------	---------------------

Course Benefits

Enhanced understanding of aircraft maintenance and repair manual usage, fostering the development of structural repair design skills among personnel.



4. Other Departmental Specialized Training

Maintenance personnel from relevant departments participate in specialized training courses as per operational requirements to enhance their professional competencies.

Frequency/Number of Sessions	Implementation
------------------------------	----------------

Scheduled annually based on departmental needs	Employees are dispatched for training according to annual plans
--	---

Course Benefits

Completion of training enhances professional competence, meets regulatory requirements, and improves on-site work proficiency.



5.3 Talent Development and Cultivation

leaf Quality Competency Training System

Training according to the functions of each department and office

Each department cultivates the necessary capabilities required for executing tasks based on project development needs. In order to comply with the relevant laws and regulations or the requirements of the competent authorities, and for the purpose of professional teacher training or qualification maintenance, relevant courses are arranged.

Frequency/Number of Sessions	Implementation
Scheduled annually based on departmental needs.	Employees are dispatched for training according to annual plans.

Course Benefits
Upon completion of training, personnel from each department execute their respective tasks according to the training objectives.

leaf Employee Training Hours

In 2023, the total training hours for employees reached 223,819 hours, with an average of approximately 75 hours per person. The average training hours for male employees were 76.46 hours, while for female employees, it was 54.26 hours. All employees, regardless of job grade, received comprehensive training. General employees, including section chief level and below, received an average of 77.46 hours of training, while middle and senior-level managers received 31.66 and 7.20 hours of training, respectively.

Employee Training Hours by Gender

	Male	Female	Total
Total Training Hours	213,781.16	10,037.63	223,818.79
Total Number of Employees	2,796	185	2,981
Average Hours of Training Per Employee	76.46	54.26	75.08

leaf Leadership Management System

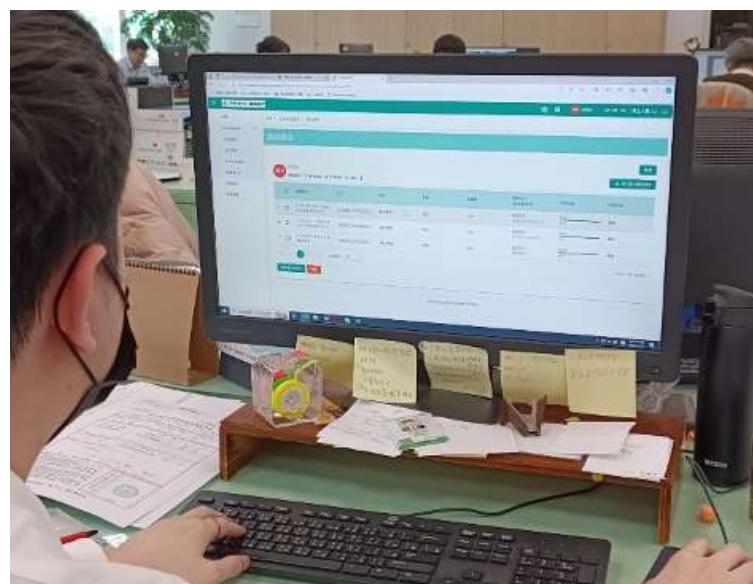
Supervisor Training

The HR Office arranges training courses for promoted junior managers to enhance their management functions.

Frequency/Number of Sessions	Implementation
1 time/year	Good execution rate

Course Benefits

Effective, the supervisors have a clearer understanding of their duties after promotion.



5.3 Talent Development and Cultivation

Employee training hours by rank

	Senior Executives	Middle Managers	General Staff	Total
Total Training Hours	251.90	3,197.95	220,368.94	223,818.79
Total Number of Employees	35	101	2,845	2,981
Average Hours of Training Per Employee	7.20	31.66	77.46	75.08

Note: The data statistics are based on the number of employees as of December 31, 2023. Senior executives are defined as AVP level or above. Mid-level executives are defined as managerial level. General employees are defined as section chief level and below.

5.3.2 Performance Evaluation

EGAT has established an internal “Evaluation Procedure” that conducts evaluations twice a year. Supervisors evaluate the performance and attendance of their subordinates and use this as a basis for promotions, year-end bonuses, salary adjustments, transfers, and workforce training. Different evaluation items are designed for supervisors and non-supervisors. In order to maintain fairness, each employee is independently evaluated by two or more supervisors to avoid subjective influence on performance. Employees with lower rankings or poor attendance undergo interviews to facilitate two-way communication, understand their situations, provide assistance, and regularly monitor subsequent performance to address employee issues and enhance job performance. In 2023, all employees underwent regular appraisals, enabling them to regularly assess their job performance and adjust their work patterns and pace accordingly.

5.4 Occupational Safety and Health

GRI 403-1~9

EGAT upholds the policy of “Safety First, Quality is Everything” and is committed to providing all employees with a safe and hygienic workplace environment in order to minimize the negative impact of occupational safety and health disasters on employees. EGAT has established the Occupational Safety and Health Management Handbook, which primarily cover labor safety and health management and the allocation of responsibilities, equipment maintenance and inspection, work safety and health standards, training, health guidance and management, first aid and rescue, and the preparation, maintenance, and use of protective facilities. Additionally, in compliance with occupational safety and health regulations, the Company has formed an Occupational Safety and Health Committee. The committee is chaired by the Chairman and consists of 4 committee members (employers), 15 labor representatives, and 10 duty participants (including Occupational Safety and Health Division personnel, supervisors, and physicians). The committee convenes once a month to discuss the statistics of occupational accidents, safety audits and improvements, health management information, safety and health laws and regulations, and compliant occupational safety and health training. The decisions are made at the meeting and then implemented.

5.4 Occupational Safety and Health

5.4.1 Occupational Safety and Health Data

Occupational Safety and Health Management System

EGAT obtained Taiwan ISO 45001 Occupational Safety and Health Management System certification in 2022, affirming its adherence to occupational safety and health regulations and fulfillment of related responsibilities and obligations. In addition to continuous improvement of the work environment and ongoing implementation of occupational environment testing and automatic inspection of hazardous machinery equipment, EGAT ensures occupational safety and health training for employees, along with relevant certification. These measures aim to eliminate workplace hazards, reduce false alarms, prevent occupational accidents, and actively promote employee physical and mental health, progressing towards the goal of a healthy and safe workplace. EGAT's occupational safety and health management system covers all workplaces, including Taoyuan, Guanyin, and TSA maintenance department and their affiliated domestic and international outstations, totaling 3,379 personnel, including 2,981 employees and 398 workers such as security guards, construction contractors, and maintenance/manufacturing workforce dispatch personnel.

Hazard Identification, Risk Assessment, and Accident Investigation

To ensure effective operation of hazard identification and risk assessment related to occupational safety, EGAT follows the "Regulations Governing Safety and Health Hazard Identification and Risk Assessment Management" for management. The management process includes:

1. Departmental personnel analyze potential hazards and risks inherent in their work responsibilities and record them in the "Safety and Health Hazard Identification and Risk Assessment Form", considering factors such as operating conditions, frequency, and environment.
2. Units conduct safety and health risk assessments based on the "Safety and Health Hazard Identification and Risk Assessment Form", considering the severity and likelihood of hazard events. Severity factors include potential injury or impact areas, number of casualties, and severity of injuries, while likelihood factors include the effectiveness of existing protective facilities and the functionality and usage of personal protective equipment. EGAT conducts regular annual hazard risk identification assessments, with departments conducting risk assessments periodically as needed.



5.4 Occupational Safety and Health

3. Based on the severity and likelihood of hazard events, risk matrices are generated, and identified risks are classified into five levels for control. Corresponding response measures are then implemented based on the risk level, as per the department's risk control plan reviewed by department heads and consolidated by the Occupational Safety and Health Division for implementation.

Risk Level	Risk Type	Response Measures
5	Very High Risk (Unacceptable Risk)	Promptly assess the effectiveness of current protection measures and swiftly execute engineering or management improvement plans, operational controls, or bolster response capabilities.
4	High Risk (Unacceptable Risk)	Promptly review the effectiveness of current protection measures and implement engineering or management improvement plans, operational controls, or enhance response capabilities within a reasonable timeframe.
3	Moderately High Risk (Temporarily Acceptable Risk)	While temporarily acceptable, it is essential to ascertain if more robust protection measures are available or if appropriate operational protocols, controls, and safety measures are in place. This has been identified as an area for improvement during the risk assessment meeting. Address the effectiveness of current protection measures and implement engineering or management improvement plans, operational controls, or enhance response capabilities within a reasonable timeframe.
2	Moderate Risk (Temporarily Acceptable Risk)	Temporarily acceptable.
1	Low Risk (Acceptable Risk)	Acceptable.

4. Each department implements risk control plans based on the hazards identified, following the “Safety and Health Hazard Identification and Risk Assessment Form”. These plans are then reviewed by department supervisors before being submitted to the Occupational Safety and Health Division for consolidation. The submitting departments then implement the plans according to the agreed-upon content.

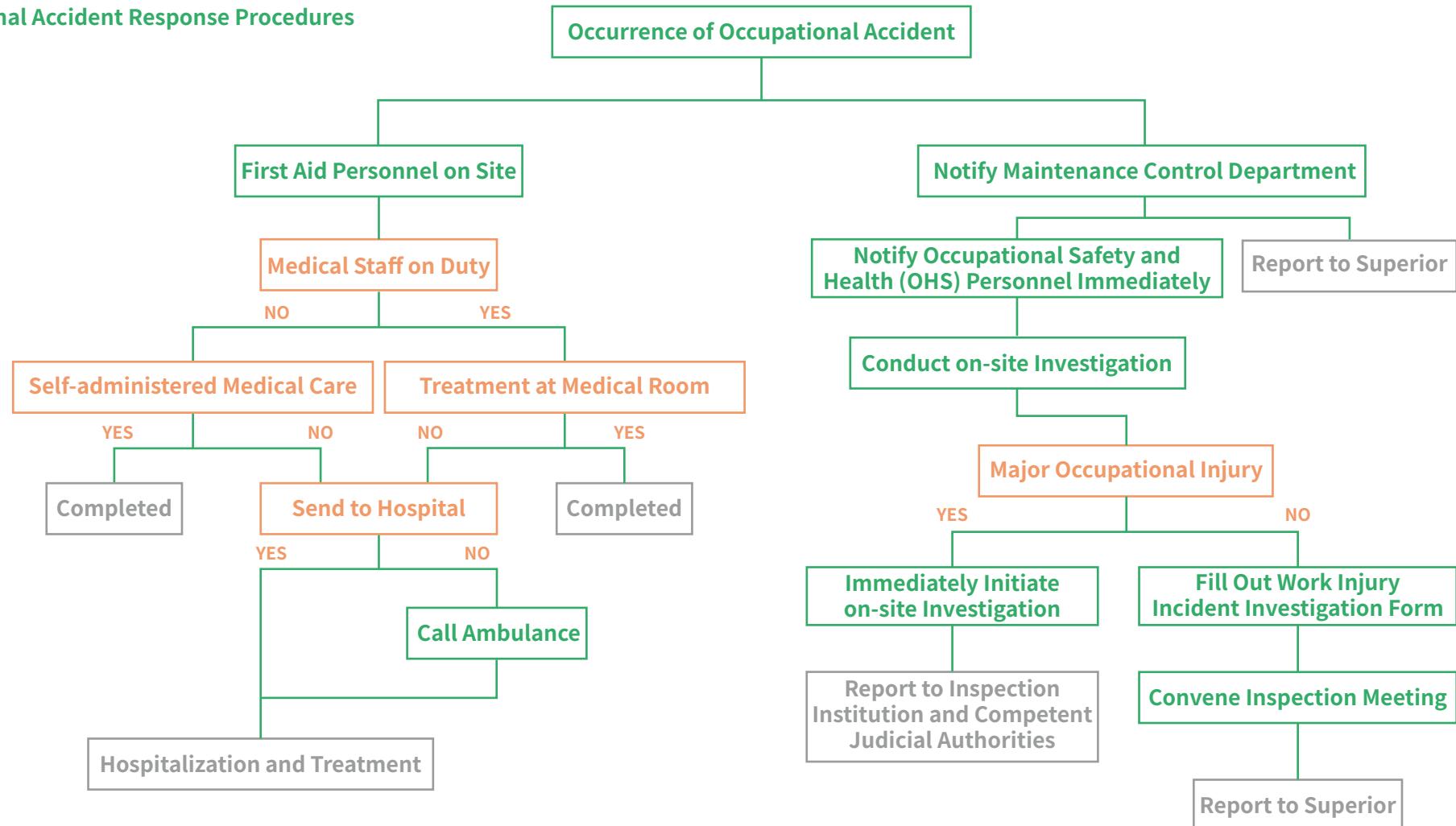
In 2023, one high-risk operation was identified:

Identified Hazard Category	Level 4 High Risk: Maintenance of facility
Description of Risk Factors	If the installation is not carried out according to regulations, contractors may encounter situations such as personnel injuries or property losses, thereby affecting the corporate reputation of the original business entity.
How the Company Responds to the Identified Hazards (Control Measures)	As the project is carried out by a contractor, contractor management is implemented in accordance with Articles 26 and 27 of the Occupational Safety and Health Act, with enhanced workplace inspections.

5.4 Occupational Safety and Health

In addition, EGAT has established the “Regulations Governing Occupational Disaster Accident Investigation and Handling, and Work Injury Leave Review Operations” to ensure the proper investigation and management of accidents. When an occupational accident occurs, the notification and improvement process is carried out according to the following instructions:

Occupational Accident Response Procedures



5.4 Occupational Safety and Health

Occupational Safety and Health Participation, Consultation and Communication

If supervisors, employees, or external personnel and related organizations have any communication and consultation needs regarding the development, implementation, and evaluation of the occupational safety and health management system, the Occupational Safety and Health Task Force will coordinate and notify the relevant departments to answer the comments, and may convene meetings to discuss the issues if necessary. The Occupational Safety and Health Task Force will also publicize the relevant policies and objectives through training, meetings, posters, or announcements on the company's web site, so that all employees and external stakeholders can understand them. The Task Force will also compile internal and external communication information on a monthly basis, so as to ensure that the Occupational Safety and Health Management System is adjusted in response to changes in both the internal and external environments.

Occupational Safety and Health Training

In addition to establishing a comprehensive occupational safety management system, EGAT provides comprehensive occupational safety and health training to ensure the quality of this management process and internalize employees' occupational safety awareness. The training targets include employees and workers to prevent potential impacts of occupational safety risks. In 2023, a total of 65 sessions of occupational safety-related training were held, with 2,580 participants.

	Training Course Name	Description of Training Courses	Target Participants	Number of Sessions	Number of Participants
Maintenance Business	Tail stand safety training	Tail stand safety regulations and personal protective equipment (PPE) introduction	Maintenance personnel Contractors Dipatched personnel	20	1,473
	Crane refresher training	Crane operation safety regulations	Employees who have obtained operating qualifications	2	60
	Forklift refresher training	Forklift operation safety regulations	Employees who have obtained operating qualifications	1	88
	General occupational safety and health training	Training for new employees before executing work	New employees	10	471
	Annual training for contractors	Annual occupational safety and health law information and safety regulations	Fixed collaboration with contractor representatives	1	78

5.4 Occupational Safety and Health

Training Course Name	Description of Training Courses	Target Participants	Number of Sessions	Number of Participants
Forklift operations initial training	Forklift operation safety regulations	New employees	1	3
Forklift refresher training	Forklift operation safety regulations	Employees who have obtained operating qualifications	4	7
Crane operations initial training	Crane operation safety regulations	New employees	3	11
Crane refresher training	Crane operation safety regulations	Employees who have obtained operating qualifications	4	16
Crane lifting operations initial training	Crane operation safety regulations	Employees with operational requirements	1	3
Crane lifting refresher training	Crane operation safety regulations	Employees who have obtained operating qualifications	1	8
Manufacturing Business	General occupational safety and health training	Training for new employees before executing work	New employees	9
	General occupational safety and health training	Annual refresher training during employment	All employees	1
	First aid personnel initial training	Labor health protection regulations requirements	Employees with night shift scheduling requirements	2
	First aid personnel refresher training	Labor health protection regulations requirements	Employees with relevant certifications	2
	Hazardous operations supervisor initial training	Chemical and dust safety professional training	Employees with operational requirements	1
	Hazardous operations supervisor refresher training	Chemical and dust safety professional training	Employees with relevant certifications	1
	Industrial Hygiene and Safety Training	Industrial hygiene and safety regulations	Employees with relevant certifications	3
	Emergency Response and Safety Training	Emergency response and safety procedures	Employees with relevant certifications	2
	Environmental Compliance Training	Environmental compliance and regulations	Employees with relevant certifications	1
	Quality Management Systems	Quality management systems and processes	Employees with relevant certifications	1

Total

65

2,580

5.4 Occupational Safety and Health

2023 Occupational Injury Statistics

	Employees	Non-employee Workers
Total number of hours worked	8,707,440	721,240
General occupational injury cases	16	4
Severe occupational injury cases	0	0
Number of fatalities	1	0
Total Recordable Injury Frequency Rate (times)	17	4
Lost workdays	6,076	7
Occupational injury fatality rate	0.11	-
Severe occupational injury rate	-	-
Disabling Injury Frequency Rate (FR)	1.95%	5.55%
Disabling Injury Severity Rate (SR)	697.79%	9.71%
Frequency Severity Index	1.17	0.2

Note 1: Occupational injury cases refer to instances where workers sustain injuries or illnesses resulting in death, permanent total disability, permanent partial disability, temporary total disability, or other disabilities with a loss of one or more days of work (including commuting accidents).

Note 2: Disabling Injury Frequency Rate (FR) = $\text{number of occupational accidents} \times 10^6 / \text{total number of hours worked}$.

Note 3: Disabling Injury Severity Rate (SR) = $\text{total number of days lost in occupational accidents} \times 10^6 / \text{total number of hours worked}$ (the number of days lost is calculated in calendar days, excluding the day of injury and the day of return to work).

Note 4: Severe occupational injuries refer to injuries where workers cannot recover to their pre-injury health status within six months, excluding fatalities.

Note 5: Serious occupational injury rate = $(\text{number of major occupational injuries}) \times 10^6 / \text{total number of hours worked}$.

Note 6: A fatality is considered as 6,000 workdays lost.

The Major Types of Occupational Injuries in 2023 are Listed Below:

Collision

While driving duty vehicles, collisions occurred with vehicles from other airport units.

Subsequent Improvement

- Administrative Management: Advocate and educate employees to develop defensive driving habits.
- Engineering Controls: Confirm the functionality of safety belts in duty vehicles and require drivers to fasten seat belts throughout the journey.

5.4 Occupational Safety and Health

Clamp Injuries

Personnel operating overhead cranes for lifting operations had their fingers caught when the load detached from the lifting gear.

Subsequent Improvement

Increase gap fillers and change gripping methods to prevent foreign objects from entering, inspect the positions of other clamping devices to prevent similar incidents from recurring.

To mitigate the probability of future occupational accidents among employees, occupational accident incidents have been promptly identified and appropriate response and disposal measures have been implemented. Additionally, when workers performing their duties discover an immediate danger, they may stop work and retreat to a safe place without endangering the safety of other workers, and immediately notify the responsible supervisor. EGAT will protect colleagues who exercise the right of withdrawal from unnecessary consequences.

5.4.2 Promoting Employee Health

EGAT is committed to promoting a “safety-first, health-priority” work environment, establishing a sustainable healthy workplace, implementing labor health protection, and providing services such as superior health examinations and full-time physician consultations that exceed regulatory requirements. Efforts are made to promote health, aiming to become a “healthy, safe, and happy” workplace.

Non-Occupational Medical Services

1. Health tracking checkups: In addition to labor safety checkups that comply with regulations, EGAT also provides items that are superior to regulations, including: lipid checks, cardiovascular checks, liver and kidney function checks, rheumatoid arthritis checks, and cancer checks. In 2023, a total of 872 people participated in health examinations, with a subsidy amount of NT\$1,686,870.
2. Physician on-site service: To perform injury and illness rehabilitation for colleagues, work suitability assessments, work-related injury prevention, and health counseling services. Assess the injuries and illnesses of employees to determine their condition. If necessary, provide medical prescriptions, conducting functional assessments to evaluate their ability to perform tasks, and offering recommendations for modifying their job responsibilities or work environment to accommodate their health needs. The subsidy amount for 2023 was NT\$195,000.
3. Influenza vaccine: Provide influenza vaccination every year. In 2023, a total of 431 people received the vaccination, and the subsidy amount was NT\$94,990.

Hit Injuries

Personnel performing fixture calibration on machinery had their heads struck when the fixture slipped off.

Subsequent Improvement

Before the fixture is secured, assist in lifting with overhead cranes to prevent the fixture from slipping during adjustment.

5.4 Occupational Safety and Health

Occupational Health Services

2023 Occupational Health and Safety Workplace Measures	Service Targets	Program Description
Specialized medical examinations	On-site aircraft maintenance personnel	Special medical examinations arranged based on the results of environmental monitoring by the Occupational Safety and Health Division, with health management and classification based on examination results.
Disease prevention for abnormal workloads	Company-wide	Identify high-risk employees based on workload questionnaires and physical examination results, and arrange interviews.
Rehabilitation program for selected workers and workers with occupational injuries and illnesses.	Company-wide	<ul style="list-style-type: none"> Physical examination report for new employees Occupational Disaster Recovery Program for Employees
Workplace maternal health protection program	Female employees	Arranging interviews with physicians for female employees during pregnancy or during the first year of labor.
Prevention of human factor hazards	Company-wide	Investigate workplaces or employees with musculoskeletal injuries or potential musculoskeletal injuries and implement prevention and improvement measures.
Physiological evaluation of respiratory protection program	On-site aircraft maintenance personnel	Conduct respiratory protection physiological health assessment

Health Promotion Activities

2023 Health Promotion Activities	Activity Description	Frequency	Number of Participants
Musculoskeletal health exercise	Arrange for 5-minute gymnastics workouts	1 year/2 sessions	212 employees
Tobacco and betel nut cessation program	Co-organized with health center staff to promote smoking and betel nut cessation.	1 year/1 time	136 persons
Regular occupational health service-related topics	Monthly health-related topics promoted by physicians at the monthly comprehensive safety meeting.	Monthly	Irregularly
Updating medical journals for employees to read	Medical magazines are available in the medical room for staff to borrow.	Monthly magazineupdates	Irregularly
Monthly health education and infectious disease prevention campaigns	E-mail announcements	Once a month	All employees

5.5 Charitable Contributions and Social Participation

EGAT upholds a sustainable vision of making society better, emphasizing various philanthropic investments and participation in social activities. The aim is to contribute substantively to society by mobilizing internal and external resources, thereby creating a win-win situation and mutual prosperity. EGAT primarily promotes social engagement through the following approaches:

Industry-academia Cooperation and Campus Visits

Collaboration with academic institutions to provide students with co-operative education programs and career development opportunities tailored to their needs.

Fostering Good Neighborly Relations and Giving Back to the Local Community

Interaction with neighboring communities to enhance community relations. Contribution to community beautification through green initiatives in industrial parks, bringing positive impacts to the community.

Industry-academia Cooperation and Campus Visits

EGAT leverages its industry advantages and collaborates with academic institutions to provide students with tailored career development platforms, assisting students in discovering their own value and enhancing employment opportunities in the aviation industry.

In 2023, EGAT collaborated with Vanung University and China University of Science and Technology for industry-academia cooperation, enriching students' knowledge of aircraft-related topics and cultivating professional talents in aircraft repair and maintenance. A total of 81 students participated in these programs. EGAT also assisted two co-operative education students from Vanung University to participate in the National Skills Competition - Aircraft Maintenance category. EGAT colleagues provided personal guidance, covering areas such as structural repair, explanation of circuit diagrams, and clarification of fuel and flight control systems. Ultimately, the two students achieved honors, with one obtaining the 2nd place in the North District and 8th place nationally, while the other secured the 4th place in the North District and 9th place nationally in the Aircraft Maintenance category.

In 2023, four company visits were held to stimulate students' interest in the aviation industry through on-site exchanges.



Internship Seminar for China University of Science and Technology's co-operative education students

Assistance to Charitable Organizations for the Disadvantaged

Investing resources in charitable organizations for the disadvantaged to improve the lives of disadvantaged groups.



Two students from Vanung University's co-operative education program participated in the National Skills Competition - Aircraft Maintenance

5.5 Charitable Contributions and Social Participation

Assistance to Charitable Organizations for the Disadvantaged

In addition to investments related to EGAT's core capabilities, it also continues to plan and participate in regular and irregular charity events, extending resources to every corner of society, fulfilling corporate social responsibility through concrete actions. In 2023, EGAT purchased goods totaling NT\$2,310,000 from the Children Are Us Foundation, Qin Xin Xiao Zhan Sheltered Workshop, and the Down Syndrome Foundation of the Republic of China. Through these purchases, EGAT assisted members of charitable organizations in obtaining a community-based, barrier-free work training platform. During the same year, EGAT also sponsored the Taiwan Autism Rights Advocacy Association with NT\$30,000 to demonstrate support for promoting services related to adult autism.



Award presented to the Company by the Taoyuan City Government for purchasing products from social welfare organizations



Certificate of Appreciation from the Star Hand

Fostering Good Neighborly Relations and Giving Back to the Local Community

EGAT is committed to actively participating in community care activities, aiming to establish a strong network of connections with the local community. In the future, EGAT also hopes to engage with the community in more diverse ways, continuing to bring about positive impacts for local residents.

In 2022, EGAT sponsored the Puxin Village Environmental Protection Volunteer and Environmental Green Beautification Tour with a total of NT\$50,000. Volunteers of the Environmental Volunteer Team under the Puxin Village Office in Taoyuan City assisted in picking up litter, helping to maintain the safety and cleanliness of the surroundings of the motorcycle parking lot. Through sponsoring their environmental education observation activities, EGAT aims to achieve the goal of promoting neighborly harmony and community bonding.



Puxin Village Environmental Volunteer Team and Environmental Greening visit

Since 2015, EGAT's manufacturing business has been gradually adopting the maintenance of trees along the pedestrian walkways and surrounding green areas within the factory premises. The adopted areas are maintained during designated periods for planting and landscaping maintenance. Activities include lawn trimming, typhoon-resistant pruning, and other maintenance projects. An annual investment of approximately NT\$150,000 is allocated for this purpose. By maintaining the adopted areas, the landscape is enhanced, promoting pedestrian safety and environmental comfort. Additionally, this initiative fosters cooperation in landscape maintenance within the industrial park and supports the concept of zero carbon emissions in the work area.

APPENDIX

Appendix 1

GRI Standards -
Metrics Reference Table

Appendix 2

Task Force on Climate-related
Financial Disclosures (TCFD) and
Index of Climate-related Information
for TWSE Listed Companies

Appendix 3

Verification Opinion Statement



GRI Standards Index Table

Statement of Use	This Report by EGAT is prepared in accordance with the GRI Standards, covering the information disclosure period from January 1, 2023, to December 31, 2023.
GRI Standard Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	GRI has not yet announced standards for the Company's sector

General Disclosures

GRI Standards	Disclosure Items	Corresponding Sections	Pages
The Organization and its Reporting Practices			
2-1 Organizational details	1.1 About EGAT	P.9	
2-2 Entities included in the organization's sustainability reporting	About the Report	P.3	
2-3 Reporting period, frequency and contact point	About the Report	P.3	
2-4 Restatements of information	Not Applicable	-	
2-5 External assurance	About the Report	P.3	
Activities and workers			
2-6 Activities, value chain and other business relationships	1.1 About EGAT 4.2 Supply Chain Management	P.9 P.63	
2-7 Employees	5.1 Attracting and Retaining Talent	P.69	
2-8 Workers who are not employees	5.1 Attracting and Retaining Talent	P.69	
Governance			
2-9 Governance structure and composition	2.1 Composition of the Board of Directors	P.28	
2-10 Nomination and selection of the highest governance body	2.1 Composition of the Board of Directors	P.28	
2-11 Chair of the highest governance body	2.1 Composition of the Board of Directors	P.28	
2-12 Role of the highest governance body in overseeing the management of impacts	1.2 Corporate Sustainability Governance	P.12	
2-13 Delegation of responsibility for managing impacts	1.2 Corporate Sustainability Governance	P.12	

**GRI 2:
General
Disclosures
2021**

GRI Standards Index Table

GRI Standards	Disclosure items	Corresponding sections	Pages
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	About the Report	P.3
	2-15 Conflicts of interest	2.1 Composition of the Board of Directors	P.28
	2-16 Communication of critical concerns	1.2 Corporate Sustainability Governance	P.12
	2-17 Collective knowledge of the highest governance body	2.1 Composition of the Board of Directors	P.28
	2-18 Evaluation of the performance of the highest governance body	2.1 Composition of the Board of Directors	P.28
	2-19 Remuneration policies	2.2 Remuneration Policy	P.34
	2-20 Process to determine remuneration	2.2 Remuneration Policy	P.34
	2-21 Annual total compensation ratio	5.1 Attracting and Retaining Talent	P.69
	Strategy, policies, and practices		
	2-22 Statement on sustainable development strategy	About the Report	P.3
	2-23 Policy commitments	2.3 Business Integrity 2.4 Legal and Regulatory Compliance 5.2 Human Rights and Workers' Rights	P.34 P.37 P.74
	2-24 Embedding policy commitments	2.3 Business Integrity 2.4 Legal and Regulatory Compliance 5.2 Human Rights and Workers' Rights	P.34 P.37 P.74
	2-25 Processes to remediate negative impacts	2.3 Business Integrity 5.2 Human Rights and Workers' Rights	P.34 P.74
	2-26 Mechanisms for seeking advice and raising concerns	1.2 Corporate Sustainability Governance 2.3 Business Integrity 5.2 Human Rights and Workers' Rights	P.12 P.34 P.74
	2-27 Compliance with laws and regulations	2.4 Legal Compliance	P.37
	2-28 Membership associations	1.1 About EGAT	P.9
	Stakeholder engagement		
	2-29 Approach to stakeholder engagement	1.2 Corporate Sustainability Governance	P.12
	2-30 Collective bargaining agreements	5.2 Human Rights and Workers' Rights	P.74

GRI Standards Index Table

Material Topics

GRI Standards	Disclosure Items	Corresponding Sections	Pages
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.2 Corporate Sustainability Governance	P.12
	3-2 List of material topics	1.2 Corporate Sustainability Governance	P.12
	3-3 Management of material topics	1.2 Corporate Sustainability Governance Section Cover Pages	P.12 -

Specific Topic Standards_Economy

GRI Standards	Disclosure Items	Corresponding Sections	Pages
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	1.1 About EGAT 5.1 Attracting and Retaining Talent	P.9 P.69
	201-2 Financial implications and other risks and opportunities due to climate change	3.1 Environmental Sustainability Governance	P.46
	201-3 Defined benefit plan obligations and other retirement plans	5.1 Attracting and Retaining Talent	P.69
	201-4 Financial assistance received from government	1.1 About EGAT	P.9
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	4.2 Supply Chain Management	P.63
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Not Started	-
	205-2 Communication and training about anti-corruption policies and procedures	2.3 Business Integrity	P.34
	205-3 Confirmed incidents of corruption and actions taken	2.3 Business Integrity	P.34
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3 Business Integrity	P.34

GRI Standards Index Table

Specific Topic Standards_Environment

GRI Standards	Disclosure Items	Corresponding Sections	Pages
GRI 302: Energy	302-1 Energy consumption within the organization	3.1 Environmental Sustainability Governance	P.46
	302-3 Energy intensity	3.1 Environmental Sustainability Governance	P.46
	302-4 Reduction of energy consumption	3.1 Environmental Sustainability Governance	P.46
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	3.2 Pollution Prevention Management	P.54
	303-2 Management of water discharge-related impacts	3.2 Pollution Prevention Management	P.54
	303-3 Water withdrawal	3.2 Pollution Prevention Management	P.54
	303-4 Water discharge	3.2 Pollution Prevention Management	P.54
	303-5 Water consumption	3.2 Pollution Prevention Management	P.54
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	3.1 Environmental Sustainability Governance	P.46
	305-2 Energy indirect (Scope 2) GHG emissions	3.1 Environmental Sustainability Governance	P.46
	305-4 GHG emissions intensity	3.1 Environmental Sustainability Governance	P.46
	305-5 Reduction of GHG emissions	3.1 Environmental Sustainability Governance	P.46
	306-1 Waste generation and significant waste-related impacts	3.2 Pollution Prevention Management	P.54
GRI 306: Waste	306-2 Management of significant waste-related impacts	3.2 Pollution Prevention Management	P.54
	306-3 Waste generated	3.2 Pollution Prevention Management	P.54
	306-4 Waste diverted from disposal	3.2 Pollution Prevention Management	P.54
	306-5 Waste directed to disposal	3.2 Pollution Prevention Management	P.54
	308-1 New suppliers that were screened using environmental criteria	4.2 Supply Chain Management	P.63
GRI 308: Environmental Assessment	308-2 Negative environmental impacts in the supply chain and actions taken	Not Started	-

GRI Standards Index Table

Specific Topic Standards_Social

GRI Standards	Disclosure Items	Corresponding Sections	Pages
GRI 401: Employment	401-1 New employee hires and employee turnover	5.1 Attracting and Retaining Talent	P.69
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1 Attracting and Retaining Talent	P.69
	401-3 Parental leave	5.1 Attracting and Retaining Talent	P.69
GRI 402: Labor / Management Relations	303-1 Interactions with water as a shared resource	5.2 Human Rights and Workers' Rights	P.74
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	5.4 Occupational Safety and Health	P.79
	403-2 Hazard identification, risk assessment, and incident investigation	5.4 Occupational Safety and Health	P.79
	403-3 Occupational health services	5.4 Occupational Safety and Health	P.79
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.4 Occupational Safety and Health	P.79
	403-5 Worker training on occupational health and safety	5.4 Occupational Safety and Health	P.79
	403-6 Promotion of worker health	5.4 Occupational Safety and Health	P.79
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Occupational Safety and Health	P.79
	403-8 Workers covered by an occupational health and safety management system	5.4 Occupational Safety and Health	P.79
	403-9 Work-related injuries	5.4 Occupational Safety and Health	P.79
	403-10 Work-related ill health	None	-
GRI 404: Training and Education	404-1 Average hours of training per year per employee	5.3 Talent Development and Cultivation	P.76
	404-2 Programs for upgrading employee skills and transition assistance programs	5.3 Talent Development and Cultivation	P.76
	404-3 Percentage of employees receiving regular performance and career development reviews	5.3 Talent Development and Cultivation	P.76

GRI Standards Index Table

GRI Standards	Disclosure Items	Corresponding Sections	Pages
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	5.1 Attracting and Retaining Talent	P.69
	405-2 Ratio of basic salary and remuneration of women to men	5.1 Attracting and Retaining Talent	P.69
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	5.2 Human Rights and Workers' Rights	P.74
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	4.2 Supply Chain Management	P.63
	414-2 Negative social impacts in the supply chain and actions taken	Not Started	-
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	4.1 Product Safety and Quality	P.60
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.4 Legal Compliance	P.37
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.3 Customer Rights and Service Quality	P.65



TCFD Disclosures Index

TCFD Disclosures	TCFD Recommended Disclosures	Climate-related Information for TWSE Listed Companies	Corresponding Sections/ Chapters and Supplementary Notes
Governance	(a) Describe the board's oversight of climate-related risks and opportunities	1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	3.1 Environmental Sustainability Governance
	(b) Describe management's role in assessing and managing climate related risks and opportunities.		3.1 Environmental Sustainability Governance
Strategy	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	3.1 Environmental Sustainability Governance
	(b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	3. Describe the financial impact of extreme weather events and transformative actions.	3.1 Environmental Sustainability Governance
	(c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Not Started
Risk Management	(a) Describe the organization's processes for identifying and assessing climate related risks.		3.1 Environmental Sustainability Governance
	(b) Describe the organization's processes for managing climate-related risks.	4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.1 Environmental Sustainability Governance
	(c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.		3.1 Environmental Sustainability Governance

TCFD Disclosures Index

TCFD Disclosures	TCFD Recommended Disclosures	Climate-related Information for TWSE Listed Companies	Corresponding Sections/ Chapters and Supplementary Notes
Metrics and Targets	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	-	3.1 Environmental Sustainability Governance
	-	6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Not Started
	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	9. Greenhouse gas inventory and assurance status.	3.1 Environmental Sustainability Governance
	(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<ul style="list-style-type: none"> EGAT has set climate-related goals for the current year using greenhouse gas and energy intensity, where the boundary and inventory for greenhouse gas goals are the same. EGAT has not implemented carbon offsetting or renewable energy certificates (RECs) this year to achieve the related goals. EGAT has not implemented an internal carbon pricing mechanism for the current year.
		7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	

Verification Opinion Statement



INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of EVERGREEN AVIATION TECHNOLOGIES CORP.

Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by EVERGREEN AVIATION TECHNOLOGIES CORP. to conduct an independent assurance of its EVERGREEN AVIATION TECHNOLOGIES CORP. 2023 Sustainability Report. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the EVERGREEN AVIATION TECHNOLOGIES CORP. 2023 Sustainability Report are the sole responsibility of the management of EVERGREEN AVIATION TECHNOLOGIES CORP. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard V3, Type I - AccountAbility Principles. The scope of work included:

- Data and information included in EVERGREEN AVIATION TECHNOLOGIES CORP. 2023 Sustainability Report;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 AccountAbility Principle (2018)¹
 - Inclusivity
 - Materiality
 - Responsiveness
 - Impact
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Standards.

The levels of assurance have been applied as Moderate assurance.

Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of EVERGREEN AVIATION TECHNOLOGIES CORP.;
2. Review of documentary evidence produced by EVERGREEN AVIATION TECHNOLOGIES CORP.;
3. Review performance data listed in report with sampling basis;
4. Visits to 2 sites located in Taiwan (Taoyuan City);
5. Review of EVERGREEN AVIATION TECHNOLOGIES CORP. data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide reasonable, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in EVERGREEN AVIATION TECHNOLOGIES CORP. 2023 Sustainability Report are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of EVERGREEN AVIATION TECHNOLOGIES CORP.'s activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over EVERGREEN AVIATION TECHNOLOGIES CORP.'s performance and status;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard V3 principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;
- EVERGREEN AVIATION TECHNOLOGIES CORP. has established appropriate systems for the collection, aggregation and analysis of relevant information;

Alignment with the principles of AA1000 AccountAbility Principle (2018)

Inclusivity

EVERGREEN AVIATION TECHNOLOGIES CORP. has processes in place for engaging with key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a number of formal stakeholder engagement activities in 2023 covering a range of material topics such as Economic, Social and Environment.

Materiality

¹ Published by AccountAbility: The Institute of Social and Ethical Accountability
<http://www.accountability.org>



Verification Opinion Statement



The Report addresses the range of environmental, social and economic issues of concern that **EVERGREEN AVIATION TECHNOLOGIES CORP.** has identified as being of highest material importance. The identification of material topics has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.

Responsiveness

EVERGREEN AVIATION TECHNOLOGIES CORP. is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.

Impact

EVERGREEN AVIATION TECHNOLOGIES CORP.'s management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.

Report Structure

EVERGREEN AVIATION TECHNOLOGIES CORP. does fully provide the information to achieve the GRI Standards in accordance, and the performance indices do correspond and can be cross referenced to the content of relevant GRI Standards.

Key areas for ongoing development

Based on the work conducted, we recommend **EVERGREEN AVIATION TECHNOLOGIES CORP.** to consider the following:

- Relationship between highest governance body and ESG aspects. (Responsiveness)

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by **EVERGREEN AVIATION TECHNOLOGIES CORP.**) and statements of future commitment.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with more than 195 years history in providing independent assurance services. Bureau Veritas 2023 full year revenues reached 5.9 billion euros. The Group's adjusted net profit for 2023 reached 930.2 million euros.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.



No member of the assurance team has a business relationship with **EVERGREEN AVIATION TECHNOLOGIES CORP.**, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Bureau Veritas Certification Taiwan

3F-B, No. 16, Nanjing E. Rd., Sec. 4, Songshan District, Taipei 10553, Taiwan R.O.C.

12 June 2024



Technical Reviewer: Carter

Date: 12/June/2024

Lead Verifier: Ava Liu

Date: 12/June/2024



長榮航太
EGAT
<https://www.egat.com.tw/zh-hant/>

