

5

Employees Relationship and Cultivation of Industrial Talents

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5.1 Industry Talent Cultivation and Development

5.1.1 Talent Attraction and Retention

Talent Attraction

Under the challenges of the post-pandemic era and the transformation of talents from the new generation, Advantech has gradually adjusted and developed diverse and flexible recruitment methods to cope with changes in the talent market. We take "Right People on the Bus" as the core concept of recruiting talents, and emphasize the trait of "Altruism". We adopt the strategy of "we first find the right person and then decide what he or she should do", and let the right key talents work with Advantech to create a vision together. Also, professionals who possess innovative potential across a range of fields and functions by means of diversified recruitment channels and flexible recruitment projects are attracted to join the Advantech family. Advantech's goal is to attract, cultivate and retain altruistic and enthusiastic talents by providing outstanding talents with unlimited development space and diverse possibilities.

Advantech Featured Recruitment Program - Elite Series

With the core idea of "Right People on the Bus," Advantech utilizes the Elite Program to foster a deeper mutual understanding between the company and talented individuals. The Elite Program aims to identify critical talents (A Talents) and offers tailored recruitment activities based on different talent backgrounds. These activities range from industry-academic internships and entry-level positions to experienced industry professionals. Through a diverse range of Elite Program recruitment activities, Advantech invites targeted key talents to join the company.

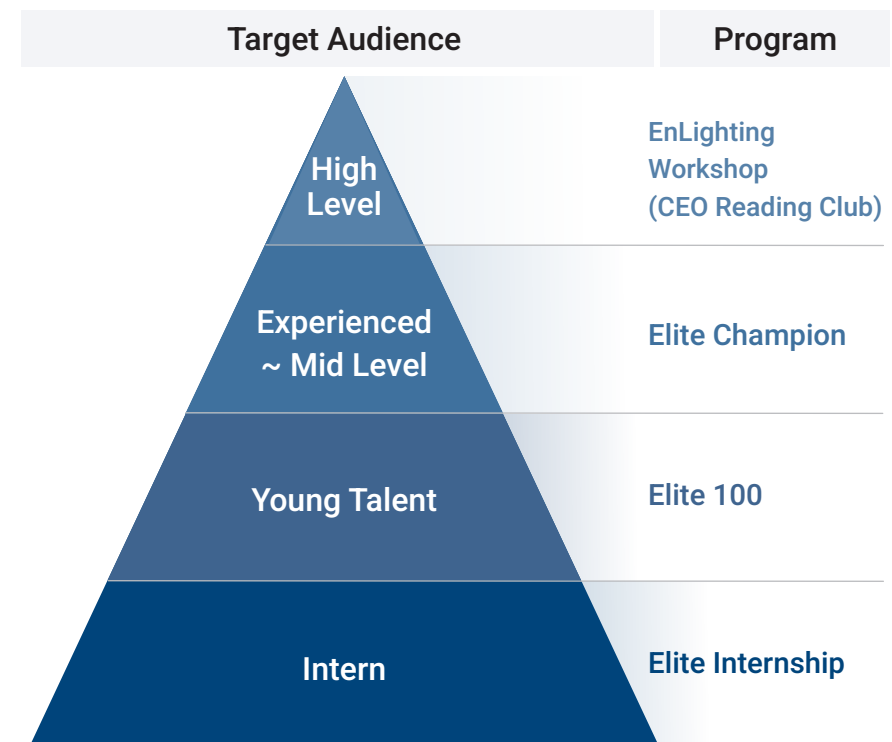
Elite program

- Elite Champion - Recruiting high-potential talents for more than 3 years
- Elite100 - Reserve young talents with work experience of under 3 years
- Elite Internship - Internship for third-year university students and above as well as graduate students
- EnLighting Workshop - Connect with high-level strategic talents

Results of Elite Series Recruitment Campaigns

| Results of Elite Series Recruitment Program (data of headquarters only) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|--------|--------|--------|--------|--------|
| | Actual | Actual | Target | Target | Target |
| Elite Champion | 22% | 13% | 20% | 20% | 20% |
| Elite 100 | 10% | 8% | 10% | 10% | 10% |
| Elite Internship | 17% | 22% | 25% | 25% | 25% |
| Overall Results of Elite Activities | 16% | 17% | 20% | 20% | 20% |

Figure 5.1.1 Elite program



Employee Referrals

By virtue of the high recognition enjoyed by Advantech's industrial development and corporate culture among current employees, experts and talented individuals from a variety of fields can be spontaneously invited to join Advantech's open development platform. The talent recruitment strategy improvement plan encounters several challenges, including the post-pandemic era, the evolving preferences of the new generation of talents, and the difficulties in recruitment. Analysis of recruits in the pipeline and their subsequent performance reveals that candidates recommended by internal employees tend to exhibit more excellent stability compared to other recruitment channels. Consequently, an enhanced version of the internal employee recommendation reward mechanism was introduced in 2022. In that year, 28% of new hires joined Advantech through internal recommendations, reflecting a 24% growth rate compared to 2021.

New Employees

2022 New Employees

| Region | Item | Number and percentage (% of male) | | Number and percentage (% of female) | | Total number of new employees | Total number of Region Employees | Region New Employee Ratio(%) | New Employee Ratio(%) |
|--------|-----------------------|--------------------------------------|-----|--|-----|----------------------------------|-------------------------------------|---------------------------------|-----------------------------|
| Taiwan | Below 30 years | 134 | 19% | 176 | 25% | 713 | 3488 | 20% | 19% |
| | 31 - 49 years old | 190 | 27% | 199 | 28% | | | | |
| | 50 years old and over | 9 | 1% | 5 | 1% | | | | |
| China | Below 30 years | 178 | 27% | 140 | 21% | 669 | 3718 | 18% | |
| | 31 - 49 years old | 171 | 26% | 173 | 26% | | | | |
| | 50 years old and over | 2 | 0% | 5 | 1% | | | | |
| Japan | Below 30 years | 5 | 22% | 1 | 4% | 23 | 231 | 10% | |
| | 31 - 49 years old | 10 | 43% | 2 | 9% | | | | |
| | 50 years old and over | 5 | 22% | 0 | 0% | | | | |
| Korea | Below 30 years | 17 | 36% | 13 | 28% | 47 | 128 | 37% | |
| | 31 - 49 years old | 10 | 21% | 5 | 11% | | | | |
| | 50 years old and over | 2 | 4% | 0 | 0% | | | | |
| Europe | Below 30 years | 20 | 18% | 12 | 11% | 113 | 490 | 23% | |
| | 31 - 49 years old | 41 | 36% | 28 | 25% | | | | |
| | 50 years old and over | 10 | 9% | 2 | 2% | | | | |
| USA | Below 30 years | 25 | 22% | 13 | 12% | 105 | 512 | 21% | |
| | 31 - 49 years old | 31 | 27% | 22 | 19% | | | | |
| | 50 years old and over | 12 | 11% | 2 | 2% | | | | |

* **Note:** New employee ratio by region = Number of new employees in the region in the current year / total number of employees in the region; Overall new employee ratio = Number of new employees in the current year / total number of employees.

Ratio of Internal Employee Referrals

| Ratio of Employee Referrals (data of headquarters only) | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|--------|--------|--------|--------|--------|
| | Actual | Actual | Target | Target | Target |
| Direct employees | NA | 22% | 25% | 28% | 30% |
| Indirect employee | 24% | 34% | 35% | 35% | 35% |
| All employees | 24% | 28% | 30% | 30% | 30% |

* **Note:** Ratio of Internal Employee Referrals = Number of new employees recommended by internal employees / total number of new employees.

New Recruits in the Past Four Years

| Region | 2019 | | 2020 | | 2021 | | 2022 | | |
|-----------------------------------|--------------|-------------------------|--------------|-------------------------|--------------|-------------------------|--------------|--------------------------------------|-------------------------|
| | New Recruits | Proportion of New Hires | New Recruits | Proportion of New Hires | New Recruits | Proportion of New Hires | New Recruits | Total number of employees of regions | Proportion of New Hires |
| Taiwan | 412 | 13% | 383 | 12% | 487 | 15% | 713 | 3488 | 20% |
| China | 826 | 25% | 549 | 17% | 1010 | 28% | 669 | 3718 | 18% |
| Japan | 32 | 14% | 26 | 11% | 14 | 6% | 23 | 231 | 10% |
| Korea | 21 | 21% | 14 | 13% | 44 | 37% | 47 | 128 | 37% |
| Europe | 91 | 20% | 45 | 12% | 63 | 17% | 113 | 490 | 23% |
| USA | - | - | - | - | - | - | 105 | 512 | 21% |
| Total of Six Major Regions | 1382 | 19% | 1017 | 14% | 1618 | 21% | 1670 | 8567 | 19% |

Average Recruiting Cost per New Employee

| Region | 2019 | | 2020 | | 2021 | | 2022 | |
|---------------------------------|----------------|--------|----------------|--------|----------------|--------|----------------|--------|
| | Local Currency | NTD | Local Currency | NTD | Local Currency | NTD | Local Currency | NTD |
| Taiwan | 1450 | 1450 | 971 | 971 | 1126 | 1126 | 1912 | 1912 |
| China | 333 | 1483 | 650 | 2900 | 676 | 3013 | 838 | 3736 |
| Japan | 231469 | 53238 | 380231 | 87453 | 309643 | 71218 | 1012304 | 232830 |
| Korea | 710957 | 16352 | 433547 | 9972 | 614898 | 14143 | 346618 | 7972 |
| Europe | 3170 | 104610 | 3556 | 117348 | 4165 | 137445 | 2725 | 89925 |
| USA | - | - | - | - | - | - | 1257 | 37710 |
| Total average cost (NTD) | 9778 | | 9458 | | 8572 | | 13568 | |

***Note:**

- Unit: NTD/person, Formula: Average Recruiting Cost per New Employee = Annual recruitment expense / number of new recruits
- Recruitment fees include advertising, recruitment bonuses, and recruitment activities.

Talent Retention

Advantech products are available in small quantities and are diverse, emphasizing the industrial characteristics of innovation and flexibility. In addition, we have global operations to provide cross-field transfers, cross-border cooperation, and overseas work opportunities. Therefore, our employees are provided with multiple choices in their career path. Also, mechanisms such as promotion, performance appraisal, and employee development plans are continuously optimized to provide a stage for career development. Advantech launches a comprehensive of education and training courses to cultivate and cultivate outstanding talents. Also, we participate in market salary surveys to provide market competitive salaries. The selection of outstanding employees is held every year to affirm the outstanding performance of employees and enhance their sense of belonging. Moreover, Advantech is also committed to supporting employees' lives. Our colleagues are encouraged to learn with innovation, experience life, and give back to the society after working (please refer to Section 5.2 Employee Communication and Benefits) through Advantech's Happy Life ABLE Club. Employees are supported to meet the needs of long-term development and growth through rich and diverse programs.

Diversified career development opportunities

• Multinational Cooperation/Overseas Job Opportunities

Advantech's operations around the world can support the international development of our employees, and encourage our employees to post job vacancies at locations around the world. In addition, our employees at the headquarters can also cooperate with colleagues from different countries around the world to connect with international standards. Employees are provided with opportunities to broaden their international horizons and accumulate international perspectives in terms of working environment and development. Besides colliding with the perspectives of international teams, talents who embrace diversity and open their minds are cultivated to become more creative problem solvers and value creators. Advantech also encourages the conduct of cross-border projects so that participating employees can gain valuable experience.

• Internal Transfers – My Career +

Advantech supports the long-term career development of our colleagues internally within the Company. Senior management leads and shapes a corporate culture that encourages internal transfers. In May 2022, an upgraded version of the internal transfer mechanism, "My Career +," was launched. The pipeline for our employees' functional growth and expansion is provided with a more open and transparent mechanism. Our employees are helped to expand their personal horizons and enhance diverse experiences to be cultivated as cross-departmental talents. My Career+ makes the transition process smoother. In addition to promoting the flow of internal talents and cultivating comprehensively excellent talents, it further achieves the goal of cherishing and retaining talents.

Number of Employee Transfers and Promotion

| Transfer or Promotion | 2019 | | | 2020 | | | 2021 | | | 2022 | | |
|-----------------------|--|-----------------------------------|------------|--|-----------------------------------|------------|--|-----------------------------------|------------|--|-----------------------------------|------------|
| | Number of Employee Transfers and Promotion | Total Number of Indirect employee | Ratio (%) | Number of Employee Transfers and Promotion | Total Number of Indirect employee | Ratio (%) | Number of Employee Transfers and Promotion | Total Number of Indirect employee | Ratio (%) | Number of Employee Transfers and Promotion | Total Number of Indirect employee | Ratio (%) |
| Taiwan | 344 | 2262 | 15% | 412 | 2276 | 18% | 296 | 2282 | 13% | 824 | 3488 | 24% |
| China | 317 | 1602 | 20% | 389 | 1648 | 24% | 410 | 1675 | 24% | 361 | 1784 | 20% |
| Japan | 22 | 229 | 10% | 29 | 238 | 12% | 12 | 231 | 5% | 13 | 231 | 6% |
| Korea | 7 | 83 | 8% | 18 | 86 | 21% | 22 | 95 | 23% | 5 | 99 | 5% |
| USA | - | - | - | - | - | - | - | - | - | 58 | 512 | 11% |
| Total | 690 | 4176 | 17% | 848 | 4248 | 20% | 740 | 4283 | 17% | 1261 | 6114 | 21% |

*Note: Unit: Person, Formula: Number of Individuals Transferred and Promoted in the Year / Number of Employees in the Current Year.

Performance Incentive System

Advantech participates in market salary surveys to provide employees competitive compensation aligned with the market standards. The compensation framework includes year-end bonuses, individual performance bonuses, team profit-sharing bonuses, sales performance bonuses, and rewards such as stock options or cash dividends for outstanding talents. By developing diverse reward mechanisms, Advantech aims to motivate employees from different groups, attract, cultivate, and retain talents, and effectively reward individuals who consistently contribute to creating value alongside Advantech. Advantech regularly reviews salary and reward indicators across regions, job categories, and worldwide positions to ensure a diverse and equitable work environment.

Gender Pay Gap Analysis

Advantech's Compensation Policy is based on employees' job responsibilities. It complies with local labor laws and regulations, such as the "Labor Standards Act of the R.O.C," "Gender Equality in Employment Act," and "Employment Service Act." The company ensures that there is an equal gender pay gap. The table below shows the gender pay gap at Advantech for each job level, with the average male wage set the ratio as one as the benchmark for comparison.

1. In the headquarters (Taiwan), the gender pay gap is small, with female executives earning higher wages than their male counterparts.
2. Generally, the executive level has a higher representation of males in revenue-generating functions. Since performance bonuses are factored into total compensation, the average total compensation for males is higher than that of females.
3. Within the category of general employees (indirect employees), there is a higher proportion of males in R&D engineering roles, while females predominantly hold administrative support roles. This concentration of gender in specific job roles contributes to a slightly more significant gender pay gap.
4. In Europe, the gender pay gap primarily arises from the diverse composition of employees from different countries and is not primarily caused by gender disparities.

| Region | Taiwan | | China | | Kunshan factory, China | | Japan | | Korea | | Europe | | Average of Six Major Regions | |
|--|--------|------|--------|------|------------------------|------|--------|------|--------|------|--------|------|------------------------------|------|
| Job ranking classification | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male |
| Executive level (base salary only) | 1.02 | 1 | 1 | 1 | - | - | 1.01 | 1 | 0.82 | 1 | 0.61 | 1 | 0.90 | 1 |
| Executive level (base salary + other cash incentives) | 1.07 | 1 | 0.89 | 1 | - | - | 0.96 | 1 | 0.84 | 1 | 0.52 | 1 | 0.85 | 1 |
| Management level (base salary only) | 0.94 | 1 | 1.01 | 1 | 0.93 | 1 | - | 1 | 0.88 | 1 | 0.74 | 1 | 0.84 | 1 |
| Management level (base salary + other cash incentives) | 0.98 | 1 | 0.87 | 1 | 0.93 | 1 | - | 1 | 0.85 | 1 | 0.69 | 1 | 0.84 | 1 |
| General employees (base salary) | 0.88 | 1 | 0.73 | 1 | 0.92 | 1 | 0.8 | 1 | 0.92 | 1 | 0.81 | 1 | 0.83 | 1 |
| General employees (base salary + bonus/allowance) | 0.87 | 1 | 0.92 | 1 | 0.92 | 1 | 0.77 | 1 | 0.9 | 1 | 0.75 | 1 | 0.83 | 1 |
| Direct labor employees (base salary) | 0.93 | 1 | - | 1 | 0.88 | 1 | 0.86 | 1 | 1.33 | 1 | 0.94 | 1 | 0.85 | 1 |
| Direct labor employees (base salary + bonus/allowance) | 0.91 | 1 | - | 1 | 0.88 | 1 | 0.75 | 1 | 1.33 | 1 | 0.97 | 1 | 0.83 | 1 |

***Note:**

1. Advantech has calibrated the Global Job Band in 2022. Job grades are graded globally from A to H. management level (manager level) are grade E, while senior management (including director and above) are grade F (inclusive) or above.
2. Due to the Privacy Act, salary information in the United States cannot be provided. Therefore, the average pay difference between men and women does not include the United States.
3. Due to the different composition of employees and different salary structure, the Kunshan factory in China is listed separately.

Improvement Plans

Advantech's recruitment strategy is adjusted according to the changing market. Also, Advantech continues to optimize various mechanisms, including promotion, internal transfer, performance evaluation, employee development, education and training, commendation of outstanding employees, salary and benefits, employee care, etc. More agile and fast-response digital tools are required to cope with the rapid changes in the talent market and industry. In addition, the importance and urgency of establishing a complete global talent pool has been gradually increased with the continuous expansion of global operations. We focus on investing in the digital transformation of human resources. In September 2022, the introduction of the global human capital management system (Human Capital Management) was launched, with a view to realizing Advantech's global talent visualization needs in 2024 Q4.

Employee Turnover Rate

2022 Turnover Rate

| Region | Classification | Item | Number and Percentage of Turnover (% of male) (excluding involuntary resignation) | | Number and Percentage of Turnover (% of female) (excluding involuntary resignation) | | Total Number of Turnover | Total Number of Employees | Voluntary Turnover Rate by Region (%) | Overall Turnover Rate (%) |
|--------|----------------|-----------------------------|--|--------|--|--------|--------------------------|---------------------------|---------------------------------------|---------------------------|
| Taiwan | Employee age | Below 30 years | 111 | 3.18% | 68 | 1.95% | 585 | 3488 | 17% | 22% |
| | | 31 - 49 years old | 211 | 6.05% | 165 | 4.73% | | | | |
| | | 50 years old and over | 12 | 0.34% | 18 | 0.52% | | | | |
| | Job ranking | Senior executive | 4 | 0.11% | 2 | 0.06% | 585 | | | |
| | | Management level supervisor | 20 | 0.57% | 4 | 0.11% | | | | |
| | | General staff | 310 | 8.89% | 245 | 7.02% | | | | |
| China | Employee age | Below 30 years | 291 | 7.83% | 160 | 4.30% | 1101 | 3718 | 30% | |
| | | 31 - 49 years old | 394 | 10.60% | 247 | 6.64% | | | | |
| | | 50 years old and over | 9 | 0.24% | 0 | 0.00% | | | | |
| | Job ranking | Senior executive | 0 | 0.00% | 0 | 0.00% | 1101 | | | |
| | | Management level supervisor | 0 | 0.00% | 1 | 0.03% | | | | |
| | | General staff | 694 | 18.67% | 406 | 10.92% | | | | |
| Japan | Employee age | Below 30 years | 0 | 0.00% | 2 | 0.87% | 25 | 231 | 11% | |
| | | 31 - 49 years old | 3 | 1.30% | 9 | 3.90% | | | | |
| | | 50 years old and over | 0 | 0.00% | 11 | 4.76% | | | | |
| | Job ranking | Senior executive | 0 | 0.00% | 1 | 0.43% | 25 | | | |
| | | Management level supervisor | 0 | 0.00% | 0 | 0.00% | | | | |
| | | General staff | 3 | 1.30% | 21 | 9.09% | | | | |
| Korea | Employee age | Below 30 years | 5 | 3.91% | 2 | 1.56% | 18 | 128 | 14% | |
| | | 31 - 49 years old | 5 | 3.91% | 5 | 3.91% | | | | |
| | | 50 years old and over | 1 | 0.78% | 0 | 0.00% | | | | |
| | Job ranking | Senior executive | 0 | 0.00% | 0 | 0.00% | 18 | | | |
| | | Management level supervisor | 3 | 2.34% | 2 | 1.56% | | | | |
| | | General staff | 8 | 6.25% | 5 | 3.91% | | | | |
| Europe | Employee age | Below 30 years | 10 | 2.00% | 7 | 1.40% | 87 | 490 | 18% | |
| | | 31 - 49 years old | 30 | 6.10% | 25 | 5.10% | | | | |
| | | 50 years old and over | 11 | 2.20% | 4 | 0.80% | | | | |
| | Job ranking | Senior executive | 1 | 0.20% | 0 | 0.00% | 87 | | | |
| | | Management level supervisor | 18 | 3.70% | 13 | 2.60% | | | | |
| | | General staff | 38 | 7.70% | 17 | 3.50% | | | | |
| USA | Employee age | Below 30 years | 15 | 2.00% | 11 | 1.40% | 106 | 512 | 21% | |
| | | 31 - 49 years old | 33 | 6.10% | 22 | 5.10% | | | | |
| | | 50 years old and over | 19 | 2.20% | 6 | 0.80% | | | | |
| | Job ranking | Senior executive | 4 | 0.20% | 1 | 0.00% | 106 | | | |
| | | Management level supervisor | 4 | 3.70% | 1 | 2.60% | | | | |
| | | General staff | 59 | 7.70% | 37 | 3.50% | | | | |

*Note:

1. Advantech has calibrated the Global Job Band in 2022. Job grades are graded globally from A to H. management level (manager level) are grade E, while senior management (including director and above) are grade F (inclusive) or above.
2. Number of turnover in region / total number of employees in region (differentiated by age and seniority)

Employee Turnover Rate in the past four years

| Region | 2019 | | 2020 | | 2021 | | 2022 | |
|--------------|---|-------------------------|---|-------------------------|---|-------------------------|---|-------------------------|
| | Total Number of Resigned Employees (excluding involuntary turnover) | Voluntary Turnover Rate | Total Number of Resigned Employees (excluding involuntary turnover) | Voluntary Turnover Rate | Total Number of Resigned Employees (excluding involuntary turnover) | Voluntary Turnover Rate | Total Number of Resigned Employees (excluding involuntary turnover) | Voluntary Turnover Rate |
| Taiwan | 435 | 13.80% | 405 | 12.80% | 434 | 13.60% | 585 | 16.77% |
| China | 155 | 14.10% | 127 | 11.30% | 1597 | 43.60% | 1101 | 29.61% |
| Japan | 31 | 14.40% | 15 | 6.60% | 21 | 8.90% | 25 | 10.82% |
| Korea | 8 | 7.80% | 3 | 2.90% | 2 | 1.70% | 18 | 14.06% |
| Europe | NA | | | | | | 87 | 18.00% |
| USA | NA | | | | | | 106 | 20.70% |
| Total | 629 | 13.80% | 550 | 11.90% | 2054 | 26.80% | 1922 | 22.43% |

*Note: Turnover rate (including involuntary turnover) is an estimate. It was 14.5% in 2019, 12.5% in 2020, 28.2% in 2021, and 23.6% in 2022.

5.1.2 Development Program

Talent is the key dynamic of enterprise growth. Advantech regards employee cultivation and development as an important development project. We are committed to creating a working environment which can stimulate the enthusiasm of colleagues, develop the potential of individuals and teams to encourage employees to actively explore their potential and create an environment for continuous self-learning. The physical training program includes LEAP Camp, Elite LEAP Workout, reading club, and other physical training and development activities. In addition, Advantech continues to improve its comprehensive digital learning platform "Advantech Academy". In order to strive for excellence, the courses on the digital platform are diversified. It includes training courses for various levels of functions, inheritance and sharing of business philosophy, and training for middle and high-level management personnel. Advantech's staff create exclusive learning lists to be able to study anytime and anywhere according to individual needs.

2022 Employee training List

| Item | Content overview | Participants | Coverage rate |
|---|--|---|---|
| Talent Radar Review(Global 50) | Annual development plans are established for executives with high development potential in the Company. HR regularly tracks the status and effectiveness of its implementation. | Executives above the manager level | 100% coverage of high-potential executives above the manager level |
| Elite Mentoring Program | Advantech's first-level executives and mid-to-high-level potential talent are matched via the mentoring system to help mid- and high-level talent improve their management and leadership skills and accelerate their career development. The innovative thinking of talents is stimulated through half-year interdisciplinary and inter-unit mentor-mentee exchanges and interaction. | Executives above the manager level | 28% coverage of high-potential executives above the manager level |
| e-Learning Advantech Institute Online Learning Platform | Global employees can learn about Advantech's business philosophy and corporate culture through online learning. Meanwhile, they may learn according to their own needs. The latest study information is also available. Therefore, learning is not limited by region and time, and colleagues from all over the world can learn and communicate with each other simultaneously. | General employees (indirect employees) | 75.10% of global indirect employees are covered |
| LEAP Workout/DX project | Under the Executive Coach system, senior executives are directly involved in the company's development and highly relevant cross-departmental issues. It has become an important project for Advantech to raise talents and put it into practice. In 2022, we focused more on issues in the field of digital transformation. Talents are accelerated and promoted through customized personal development plans. Therefore, the practice of promote within has assisted Advantech in its growth in digital transformation. Also, we look forward to promoting high potential executives to the next management position. | High-potential executives above the manager level | 18.2% coverage of high-potential executives above the manager level |

| Item | Content overview | Participants | Coverage rate |
|--|---|---|---|
| ART(Advantech Reading Together) 100 Club | In 2022, the CommonWealth Leader Campus was introduced. Executives interested in using the platform are invited to join the learning program. A physical reading club was held every quarter. Reading sessions are held prior to assigned reading units. In the reading club, participants and interdepartmental supervisors exchanged and shared experiences. After the reading session, participants can apply the discussion to management work. | Colleagues above executive level | Covering 13.1% of the users of CommonWealth Leader Campus (CWLC) |
| Education training for Code of Integrity Management | Advantech's concept of integrity management and relevant regulations are provided to employees in the form of online courses. | General employees (indirect employees) | Online courses cover 96.8% of global indirect employees (excluding direct employees) |
| Educational training for occupational safety and health | Employees regularly take online courses for training every year, including the concept of occupational safety and health, rules and knowledge of safety and health work, emergency response, common sense and drills of firefighting and first aid, etc. | All employees (direct and indirect employees) | Covering 99.8% of employees in Taiwan (including direct employees and indirect employees) |
| Information Security Advocacy Course | Employees regularly take online courses for training every year, including common information security risks and cases, basic principles of information security, information security regulations that employees should abide by, and other information security-related content. | General employees (indirect employees) | Covering 99.8% of indirect employees in Taiwan (excluding direct employees) |

Global 50

In order to continuously develop high-potential talents, Advantech's HR selects 50 high-potential talents from various business units around the world through the talent nine-square grid and related inventory mechanisms. Every year, high-potential talents are assisted to improve their personal capabilities through IDP (Individual Development Plan), Elite LEAP Workout, Mentoring Program and other special projects. In this way, career development is accelerated to strengthen Advantech's corporate identity.

Elite LEAP Workout

Outstanding high-potential talents are assigned to participate in cross-functional, cross-departmental projects that are highly relevant to company strategy with the support of senior executives and mentors. The Elite LEAP Workout program accelerates the individual performance of high potentials and supports the competencies these high potentials need to advance to their positions. Meanwhile, the concept of promotion within the Company was implemented to nurture the next generation of leaders who will lead Advantech in the future. A total of 11 high-potential talents participated in 2022, and a total of 4 individuals were promoted with a promotion rate of 36.4% ($4/11 = 36.36\%$). We expect to expand the capabilities of high-potential senior talents through the LEAP Workout program, so that the growth of enterprises is further promoted. The improvement of the Company's management level includes the development of new products and applications to promote the deep cultivation of vertical industries, the evolution of sales and service models, the innovation of R&D processes, and the improvement of internal digital system functions.

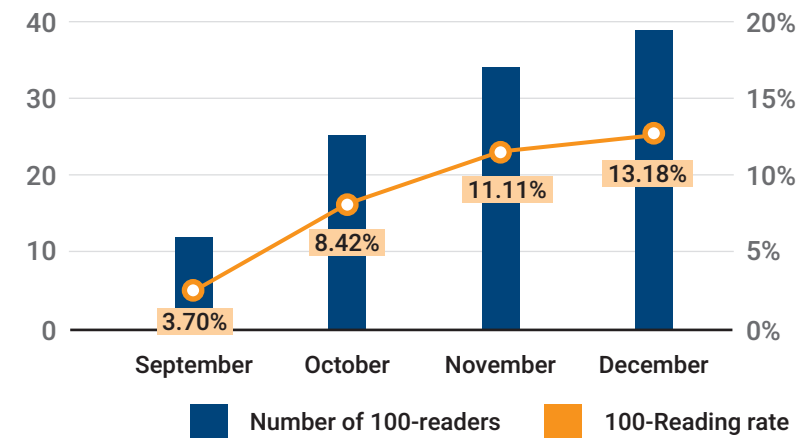
Mentoring Program

Advantech's Mentoring Program is one of the important talent development strategies. Directors and senior executives are invited to serve as mentors. Also, high potential talents are selected from Global 50. Through the matching process, talents are assisted to build self-confidence, improve job satisfaction, loyalty and management leadership, and their career development is therefore accelerated. The innovative thinking of talents is stimulated through half-year interdisciplinary and inter-unit mentor-student exchanges and interaction. In 2022, a total of 14 high-potential talents participated in the project.

Advantech Read Together 100 plan (ART-100 Plan)

Advantech hopes to strengthen the eight core competencies (digital competence, strategic competence, leadership competence, management competence, international vision, market competence, management competence, and innovation competence) of grassroots and mid-level executives. Therefore, the Commonwealth Leader Campus was officially introduced in September 2022. The platform provides more than 2,000 learning units, including articles, audio files, videos and other content. It also provides website and app versions, so that supervisors are not limited by time and place, and can improve their abilities anytime and anywhere. Advantech launched a one-year ART-100 Plan to encourage supervisors to read. We expect our supervisors to complete the goal of reading 100 articles within a year by making full use of this platform. By the end of December, more than 40 supervisors had completed the goal of ART-100 Plan. The number of active users is 238 individuals (2.78% of FTEs). In 2023, supervisors are expected to regard ART-100 Plan as a goal, and then improve the management capabilities of Advantech executive-level colleagues through different activities.

Figure 5.1.2 100-reading achievement indicators



Average training hours for employees

| Region | Gender | Total hours of e-Learning training | Total number of employees* | Average number of e-Learning training hours per employee |
|--------|--------|------------------------------------|----------------------------|--|
| Taiwan | Male | 150176 | 1942 | 77.3 |
| | Female | 100300 | 1546 | 64.9 |
| | Total | 250475 | 3488 | 71.8 |
| China | Male | 82015 | 2063 | 39.8 |
| | Female | 67318 | 1655 | 40.7 |
| | Total | 149333 | 3718 | 40.2 |
| Japan | Male | 1749 | 160 | 10.9 |
| | Female | 431 | 71 | 6.1 |
| | Total | 2180 | 231 | 9.4 |
| Korea | Male | 1540 | 91 | 16.9 |
| | Female | 1111 | 37 | 30.0 |
| | Total | 2651 | 128 | 20.7 |

| Region | Gender | Total hours of e-Learning training | Total number of employees* | Average number of e-Learning training hours per employee |
|---------------|--|------------------------------------|----------------------------|--|
| Europe | Male | 4587 | 325 | 14.1 |
| | Female | 1448 | 165 | 8.8 |
| | Total | 6035 | 490 | 12.3 |
| USA | Male | 2090 | 331 | 6.3 |
| | Female | 885 | 181 | 4.9 |
| | Total | 2975 | 512 | 5.8 |
| Total | Male | 242157 | 4912 | 49.3 |
| | Female | 171493 | 3655 | 46.9 |
| | Total | 413649 | 8567 | 48.3 |
| Data Coverage | Throughout the whole year of 2022, and covering more than 80% of employees in Advantech Headquarters (including headquarters business units, office units and Advantech Taiwan), China, Japan, South Korea, Europe and North America, total training expenses were NT\$ 8,355,024; average training expense per person was NT\$ 975; total online training time amounted to 413,649 hours, and the average online training time per person was 48.3 hours. | | | |

*Note: As of 2022/12/31, the total number of employees can be expressed in headcount or full-time equivalent (FTE).

Average Education and Training Hours by Job Category

| Region | Duty | Total hours of e-Learning training | Total number of employees * | Average number of e-Learning training hours per employee |
|--------|--------------------------|------------------------------------|-----------------------------|--|
| Taiwan | R&D employees | 123300 | 1398 | 88.2 |
| | Marketing business | 22027 | 257 | 85.7 |
| | Administrative employees | 38101 | 362 | 105.3 |
| | Manufacturing employees | 67047 | 1471 | 45.6 |
| | Total | 250475 | 3488 | 71.8 |
| China | R&D employees | 8589 | 630 | 13.6 |
| | Marketing business | 6074 | 469 | 13.0 |
| | Administrative employees | 2367 | 439 | 5.4 |
| | Manufacturing employees | 132303 | 2180 | 60.7 |
| | Total | 149333 | 3718 | 40.2 |
| Japan | R&D employees | 919 | 10 | 91.9 |
| | Marketing business | 529 | 93 | 5.7 |
| | Administrative employees | 242 | 25 | 9.7 |
| | Manufacturing employees | 490 | 103 | 4.8 |
| | Total | 2180 | 231 | 9.4 |
| Korea | R&D employees | 356 | 5 | 71.2 |
| | Marketing business | 1014 | 50 | 20.3 |
| | Administrative employees | 849 | 30 | 28.3 |
| | Manufacturing employees | 432 | 43 | 10.0 |
| | Total | 2651 | 128 | 20.7 |

| Region | Duty | Total hours of e-Learning training | Total number of employees * | Average number of e-Learning training hours per employee |
|---------------|--|------------------------------------|-----------------------------|--|
| Europe | R&D employees | 1130 | 54 | 20.9 |
| | Marketing business | 2680 | 370 | 7.2 |
| | Administrative employees | 2225 | 66 | 33.7 |
| | Manufacturing employees | 0 | 0 | 0 |
| | Total | 6035 | 490 | 12.3 |
| North America | R&D employees | 900 | 119 | 7.6 |
| | Marketing business | 1174 | 135 | 8.7 |
| | Administrative employees | 638 | 141 | 4.5 |
| | Manufacturing employees | 263 | 117 | 2.2 |
| | Total | 2975 | 512 | 5.8 |
| Total | R&D employees | 135194 | 2216 | 61.0 |
| | Marketing business | 33498 | 1374 | 24.4 |
| | Administrative employees | 44422 | 1063 | 41.8 |
| | Manufacturing employees | 200535 | 3914 | 51.2 |
| | Total | 413649 | 8567 | 48.3 |
| Data Coverage | Throughout the whole year of 2022, and covering more than 80% of employees in Advantech Headquarters (including headquarters business units, office units and Advantech Taiwan), China, Japan, South Korea, Europe and North America, total training expenses were NT\$ 8,355,024; average training expense per person was NT\$ 975; total online training time amounted to 413,649 hours, and the average online training time per person was 48.3 hours. | | | |

*Note: As of 2022/12/31, the total number of employees can be expressed in headcount or full-time equivalent (FTE).

Average Education and Training Hours by age range

| Region | Age | Total hours of e-Learning training | Total number of employees * | Average number of e-Learning training hours per employee |
|--------|-----------------------|------------------------------------|-----------------------------|--|
| Taiwan | Below 30 years | 48731 | 552 | 88.3 |
| | 31 - 49 years old | 174790 | 2421 | 72.2 |
| | 50 years old and over | 26955 | 515 | 52.3 |
| | Total | 250475 | 3488 | 71.8 |
| China | Below 30 years | 23469 | 740 | 31.7 |
| | 31 - 49 years old | 121877 | 2886 | 42.2 |
| | 50 years old and over | 3987 | 92 | 43.3 |
| | Total | 149333 | 3718 | 40.2 |
| Japan | Below 30 years | 337 | 16 | 21.1 |
| | 31 - 49 years old | 506 | 108 | 4.7 |
| | 50 years old and over | 1337 | 107 | 12.5 |
| | Total | 2180 | 231 | 9.4 |
| Korea | Below 30 years | 626 | 47 | 13.3 |
| | 31 - 49 years old | 1493 | 65 | 23.0 |
| | 50 years old and over | 532 | 16 | 33.3 |
| | Total | 2651 | 128 | 20.7 |

| Region | Age | Total hours of e-Learning training | Total number of employees * | Average number of e-Learning training hours per employee |
|---------------|--|------------------------------------|-----------------------------|--|
| Europe | Below 30 years | 1039 | 50 | 20.8 |
| | 31 - 49 years old | 3288 | 308 | 10.7 |
| | 50 years old and over | 1708 | 132 | 12.9 |
| | Total | 6035 | 490 | 12.3 |
| North America | Below 30 years | 1368 | 79 | 17.3 |
| | 31 - 49 years old | 504 | 235 | 2.1 |
| | 50 years old and over | 1103 | 198 | 5.6 |
| | Total | 2975 | 512 | 5.8 |
| Total | Below 30 years | 75570 | 1484 | 50.9 |
| | 31 - 49 years old | 302457 | 6023 | 50.2 |
| | 50 years old and over | 35622 | 1060 | 33.6 |
| | Total | 413649 | 8567 | 48.3 |
| Data Coverage | Throughout the whole year of 2022, and covering more than 80% of employees in Advantech Headquarters (including headquarters business units, office units and Advantech Taiwan), China, Japan, South Korea, Europe and North America, total training expenses were NT\$ 8,355,024; average training expense per person was NT\$ 975; total online training time amounted to 413,649 hours, and the average online training time per person was 48.3 hours. | | | |

*Note: As of 2022/12/31, the total number of employees can be expressed in headcount or full-time equivalent (FTE).

Improvement Plans

In order to further promote internal talent flow, the transfer, rotation, and secondment mechanisms will be optimized in 2023 to increase employees' career horizontal development opportunities and enhance their horizontal development experience for the sake of cultivating composite talent.

In 2022, the usage rates of our digital e-Learning The platform increased steadily. Moreover,) Advantech College is expected to be transformed to enhance the user experience, and the external learning management system (LMS) are evaluated and imported simultaneously to enhance the utilization rate of the digital learning platform in 2023.

5.2 Employee Communication and Benefits

5.2.1 Employee Relations

ABLE Club teams up with Advantech Beautiful LiFE to create an Altruistic Happy Enterprise

"Talent Invigoration" stands as Advantech's core value, and "Working & Learning Toward a Beautiful Life" fuels Advantech's growth momentum. Through Advantech's "ABLE Club", which combines employee relations ES&R, the Foundation, and the Welfare Committee, we encourage colleagues to pursue innovative learning opportunities, experience life, and contribute to society in their spare time. Through different aspects such as sports, LOHAS, health, art, education, public welfare, and so on, we hope to deepen the emotional communication between colleagues, their family members, and society, and thereby boost our team spirit! In addition, we also support colleagues from the workplace to society, caring for the community and promoting public welfare. Through sharing and mutual assistance, we can tangibly practice the concept of altruism and create a happy life together!

Employee Relations and Communication

Advantech has set up multiple two-way communication channels in order to maintain smooth and harmonious employee relations. In addition to disseminating information, we also immediately listen and respond to the voices of colleagues. Through our colleagues' suggestions, we improve and optimize employee service content and workplace harmony and thereby ensure employees' rights.

Means of employee communication

| | |
|------------------------------|---|
| 1 Website | <ul style="list-style-type: none"> Employee Zone: We have "Corporate News," "Office Bulletin," and "Regional News" sections to promptly announce and communicate important Company information with colleagues. The website also provides detailed listings of the Company's rules, regulations, and management measures for convenient employee reference. ABLE Club website: Set up eight thematic areas, covering employee support, Welfare Committee and Foundation activity information, club information, appointed stores, ABLE news and tidbits, serving as a comprehensive digital platform for the happy life of employees. |
| 2 Videos | <p>We publish Executive Talk videos on internal platforms, featuring 5-10 minute presentations by senior executives in Chinese and English. Topics covered include annual strategy, finance, sustainability, innovation, and new market strategies. This enables effective and transparent communication of corporate strategy to Advantechers.</p> |
| 3 Email announcements | <ul style="list-style-type: none"> HR: Important company information, courses, pay and leave related information ER Team: Benefits related to activities; issuance of weekly ABLE Club e-newsletter and monthly health reports |

| | |
|--|---|
| 4 In-person meetings | <ul style="list-style-type: none"> Twice a year, we hold a Kick-Off Meeting for employees to announce the Company's development strategies and vision. This helps colleagues understand the Company's prospects and foster growth with Advantech. Each division holds internal communication meetings to discuss division direction, work progress, and knowledge exchange. This promotes smooth communication and interaction within the department. |
| 5 Domestic and overseas periodical publications | <p>Edited and issued by the PR unit, content includes the vision of the Company's senior executives and focuses on thematic business examples, and so on.</p> |
| 6 Social Media | <ul style="list-style-type: none"> ABLE events promotion, video and albums for activities highlights. LINE Community: We use this platform for event announcements, key information sharing, immediate support for colleagues, and communication of emergency contact information during the pandemic prevention period. |
| 7 Others | <ul style="list-style-type: none"> Internal digital signage to convey spirit and informational announcements concerning the Company's culture In addition to learning courses on our e-Learning website, we also recorded many videos to convey the Company's core values and culture. |

Employee complaints

Complaint channels: Complaint hotline, email, suggestion box (EZ) with HR department for different business groups; see 5.4.1 Reporting and Complaint Mechanisms for details.

Employee Care and Welfare

We prioritize the well-being of our employees and their families, recognizing that life extends beyond work. Therefore, we provide a range of benefits, including marriage, maternity, hospital, and bereavement condolence allowances, emergency relief funds, and festival and holiday benefits (Dragon Boat Festival, Mid-Autumn Festival, birthdays). Additionally, the Company offers insurance benefits in compliance with the law, including pensions and group insurance, to ensure the security of colleagues' work and personal lives. We also promote activities related to sports, LOHAS, health, art, education, and public welfare.

List of Benefits by Region

| | Taiwan | China | Japan | Other Regions |
|--|--|--|--|---|
| Employee group insurance | <ul style="list-style-type: none"> • Term life insurance • Medical insurance • Injury insurance | <ul style="list-style-type: none"> • Accident insurance • Public transport accident insurance • Employer liability insurance | There is no employee group insurance (the government provides labor insurance), but health insurance benefits are provided | Group insurance is provided |
| Health benefits | <ul style="list-style-type: none"> • Annual employee health check • A subsidized health check for executives at the manager level or above every two years | <ul style="list-style-type: none"> • Annual employee health check • AKMC: Employees at the assistant manager level and above are entitled to additional items for physical examination of health check | Annual employee health check | Health check benefits that comply with local regulations and needs are provided to all employees to use according to the location of Advantech subsidiaries. |
| Marriage allowances | ✓ | ✓ | ✓ | ✓ |
| Childbirth allowances | ✓ | ✓ | ✓ | ✓ |
| Hospital condolence allowances | ✓ | ✓ | ✓ | ✓ |
| Bereavement condolence subsidies | ✓ | ✓ | ✓ | ✓ |
| Emergency relief funding | Emergency relief funding is provided with the support of the Foundation (within NT\$200,000) | <ul style="list-style-type: none"> • ACN: Support with Assistance Funds (RMB 2000-20000) for official employees and direct family members are provided. • AKMC: In the event of serious injury, illness, or emergencies among employees, their children, or spouses, the Foundation will provide support for emergency relief funding (within RMB10,000) | - | <ul style="list-style-type: none"> • The emergency relief fund will be established through cross-department collaboration within Advantech, with volunteer donation campaigns initiated. • Advantech's local subsidiaries and HR department provide emergency relief funds for affected employees in natural disasters. |
| New Year's festival and holiday benefits(Dragon Boat Festival/ MidAutumn Festival/Birthdays) | ✓ | ✓ | - | ✓ |

Marriage and Childbirth Allowance

In addition to the policies mentioned above, Advantech offers marriage and childbirth allowances that exceed legal requirements. All Advantech employees are eligible to apply. Employees must submit a wedding invitation or marriage certificate, including same-sex marriages, to apply for the marriage allowance. Each person will receive a subsidy of NT\$10,000. In 2022, the headquarters received 72 applications for the marriage allowance, totaling NT\$720,000.

For the childbirth allowance, employees need to submit a birth certificate. Since September 26, 2022, the childbirth allowance has been increased from NT\$3,600 to NT\$10,000 per child. In 2022, the headquarters received 85 applications for the childbirth allowance, totaling NT\$498,800.

Parental Leave

According to Article 16 of the Act of Gender Equality in Employment in Taiwan, Advantech provides parental leave to its employees in Taiwan. After completing six months of employment, staff members are eligible to apply for parental leave until each of their children reaches the age of three. The maximum duration of the leave period is two years. However, there are no specific regulations regarding parental leave in China besides statutory maternity and paternity leave. In Japan, labor laws allow for parental leave applications for children under one year old, with salary subsidies provided by the Japanese government during the leave period.

At Advantech Headquarters (Taiwan), the parental leave application rate for all employees (including both male and female employees) in 2022 was 10.46%, with a reinstatement rate of 41.18%. In 2021, the retention rate of employees who continued to work for more than one year after returning from childcare leave was 73%. Both the application rate and the rate of employees continuing to work for more than one year after reinstatement have increased compared to 2021*. Female employees' application and reinstatement rates are significantly higher than male employees.

At Advantech Japan (including the Japanese factory), six employees applied for parental leave in 2022, all of which were reinstated upon their return.

***Note:** In 2021, the parental leave application rate of all employees was 7.85% and the reinstatement rate was 53.85%. Those who continued to work for more than one year after reinstatement from childcare leave in 2020 (retention rate) was 71.43%.



Table 5.2.1 Overview of parental leave of Advantech headquarters (Taiwan)

| Advantech Headquarters (Taiwan) | Male | Female | Total |
|--|--------------|---------------|---------------|
| (a) 2022 Eligibility for parental leave (2021-2022 maternity/paternity leave) | 200 | 125 | 325 |
| (b) 2022 actual number of individuals applying parental leave | 5 | 29 | 34 |
| (c) Expected number of individuals reinstated from parental leave in 2022 | 2 | 22 | 24 |
| (d) Actual number of individuals reinstated from parental leave in 2022 | 0 | 14 | 14 |
| (e) Actual number of individuals reinstated from parental leave in 2021 | 0 | 15 | 15 |
| (f) Number of individuals who have continued to work for one year after reinstated from parental leave in 2021 | 0 | 11 | 11 |
| Parental leave application rate (b/a) | 2.50% | 23.20% | 10.46% |
| Parental leave reinstatement rate (d/c) | 0% | 63.64% | 58.33% |
| Parental leave rate (f/e) | 0% | 73.33% | 73.33% |

Table 5.2.2 Overview of parental leave of Advantech Japan

| Advantech Japan | Male | Female | Total |
|--|-----------|-------------|-------------|
| (a) 2022 Eligibility for parental leave (2021-2022 maternity/paternity leave) | 2 | 2 | 4 |
| (b) 2022 actual number of individuals applying parental leave | 0 | 2 | 2 |
| (c) Expected number of individuals reinstated from parental leave in 2022 | 0 | 2 | 2 |
| (d) Actual number of individuals reinstated from parental leave in 2022 | 0 | 2 | 2 |
| (e) Actual number of individuals reinstated from parental leave in 2021 | 0 | 2 | 2 |
| (f) Number of individuals who have continued to work for one year after reinstated from parental leave in 2021 | 0 | 2 | 2 |
| Parental leave application rate (b/a) | 0% | 100% | 50% |
| Parental leave reinstatement rate (d/c) | 0% | 100% | 100% |
| Parental leave rate (f/e) | 0% | 100% | 100% |

Family Care Leave/ Working-from-home Arrangements

Taiwan has been affected by a local pandemic outbreak in the past two years. Many employees have had to bear the dual responsibility of work and family caregiving, resulting in significant pressure. To assist our colleagues in managing the demands of family caregiving and work within the social framework, Advantech has actively supported employees in applying for family care leave and work-from-home arrangements to adapt to the new work models during the pandemic. In 2022, which marked the pandemic's peak in Taiwan, the proportion of Advantech employees applying for family care leave also increased.

Table 5.2.3 Overview of Advantech's family care leave by region

| Region | Annual | 2021 | 2022 |
|------------------------|--|-------|--------|
| Advantech Headquarters | Proportion of employees applying for family care leave (%) | 2.71% | 15.95% |
| | Proportion of employees applying for work from home (%) | 4.76% | 76.31% |
| Advantech Japan | Proportion of employees applying for family care leave (%) | 0% | 0% |
| | Proportion of employees applying for work from home (%) | 0% | 0% |
| Advantech Europe | Proportion of employees applying for family care leave (%) | NA | 3.87% |
| | Proportion of employees applying for work from home (%) | NA | 55.19% |
| Advantech America | Proportion of employees applying for family care leave (%) | NA | 3% |
| | Proportion of employees applying for work from home (%) | NA | 14% |

***Note:** Advantech China and the Advantech China Kunshan factory do not have mechanisms for family care leave or work-from-home applications. Work from home was mandatorily implemented only in response to the pandemic in accordance with local government regulations.

Retirement Policy

Headquarters: The pension system is divided into two categories. We comply with the legal requirement for monthly contributions and ensure full allocation.

(Taiwan)

1. Those retirement reserves allocated monthly in accordance with the provisions of the old pensions system are managed by the Labor Retirement Reserve Supervision Committee and deposited into a particular bank account in Taiwan in the name of the Committee.
2. The new system of pensions allocates 6% of employees' monthly salaries to their pension accounts. Employees also have the flexibility to allocate between 0% to 6% of their salaries to their pension accounts based on personal preferences. The company deducts the allocated amount from employees' salaries each month.

Advantech China: In accordance with the relevant laws and regulations for retirement in mainland China. Employees who have paid into the statutory social insurance for 15 years can receive monthly pensions after retirement. Retirement age according to labor law: the retirement age for male employees is 60. The retirement age for female executives is 55, while the retirement age for female employees is 50 years old.

Advantech Japan: In accordance with the law, 9.15% is allocated to the government annuity account on a monthly basis. In addition, 1.73~2% of total monthly salaries are paid to the bank pension accounts.

Other Advantech overseas operations: The labor retirement policy is implemented in accordance with local laws and regulations.

Employee Stock Ownership

In order to attract and retain outstanding talent to the Company, and to enhance employee motivation and commitment to the Company, so as to jointly create benefit for the Company and its shareholders, pursuant to Article 28-3 of the Securities and Exchange Act and of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers issued by the Financial Supervisory Commission and other relevant regulations, we have formulated the Company's procedures for issuance of employee stock option certificates and for stock subscription. For relevant information, please refer to the Annual Report.

Employee Assistance Programs (EAPs)

Recently, "Employee Assistance Programs (EAPs)" plays a very important role for companies on assisting employees with their work, life and health issue through systematic services and resource integration.

Advantech had imported EAP services since December 2021, providing 24-7 free and unlimited telephone and email consultation services with complete confidentiality.

Therefore, Advantechers can obtain consultation and assistance regardless of difficulties from mentality, health, legality, finance, etc.

Advantech
Employee Assistance Program (EAP)

The world is progressing so people can't stop moving forward.
Face your troubles bravely, and you will no longer feel alone and helpless.
We welcome the new future with professional, confidential and one-on-one consulting services.

How to make an appointment for EAP consultation

24-hour toll free tel
0800-025-008

Email
service@ffceap.com.tw

Employee Health Initiatives

- Advantech provides colleagues with free health checks every year (exceeding regulatory requirements by providing extraordinary checks such as fecal occult blood, cancer screenings, etc.). The number of people in each examination round was reduced in 2022 in consideration of the need for pandemic prevention to ensure that medical examiners maintain a social distance. Furthermore, clean-up operations are strictly implemented so that colleagues can undergo examinations with peace of mind. A total of 16 health checks were performed in 2022 for a total of 3,698 individuals (including dependents).
- We recognize the need to minimize the risk of infection for colleagues entering and leaving medical institutions, and consider the fact that that many colleagues are busy with their work and are unable to take time to go to the pharmacy to collect chronic prescription medications. Starting from January 2021, Advantech has therefore specially cooperated with the "Call a Pharmacist" drug delivery platform to provide in-company drug delivery and drug collection services every month (including collections on behalf of dependents), so that colleagues can receive their medications quickly and conveniently. About 20 colleagues benefit from this service every year to reduce the risk of entering and leaving the hospital.
- In 2022, the weight loss competition of the health initiatives activity "Gorgeous Appearance in Hot Summer" was held. A total of 515 people participated, and a total of 845.5 kg was lost. Good eating concepts and regular exercise habits of colleagues were cultivated during the promotion period of the event.
- In 2022, a total of two health lectures were held (onsite and online) to care about the brain health of colleagues, as well as self-care and coping issues under the pandemic.

Table 5.2.4 Advantech's Health Lectures in 2022

| Lecture Date | Activity name | Number of participants |
|-------------------------|---|------------------------|
| 2022/03/30 (Wed.) 12:00 | <u>"Save Brain Health! Do this to prevent degradation"</u> | 128 |
| 2022/12/26 (Mon.) 12:00 | <u>"Using Positive Power to Make Life More Powerful ~ Self-Care and Coping During the Pandemic"</u> | 102 |

Diverse and Enriching Community Activities

Advantech has encouraged colleagues to set up and develop diverse community activities to promote more interaction among colleagues and achieve work-life balance. In 2022, a total of 21 associations were established in Taiwan including those encompassing sports, LOHAS, arts and culture, and charities with more than 1,000 participants. In the mainland China region (including all offices), there are 75 associations with more than 1,900 participants; 7 associations have been established in Advantech Kunshan Factory with 229 participants.

2022 Blood Donation Activities of Charity Club



Sporting Club Activities



Corporate volunteers in 4 Areas

"Taking from the society, giving back to the society." Advantech encourages our colleagues to participate in volunteer activities and contribute to others. Meanwhile, we hope that our colleagues can obtain experiences and skills that cannot be accumulated in the general working environment from volunteer activities. In 2022, Advantech has accumulated a total of 326 hours of volunteer service. Advantech and Eden Volunteer in Cloud thereof contributed a total of 29 hours to accompany the people with disabilities from all over Taiwan. ACT Dreamers is an important project of Advantech to practice sustainable education. ACT Education Program implemented by Advantech Foundation to promote sustainable education. In 2022, we accumulated 18 hours of educational volunteering. Collaborating with high-quality educational partners, we jointly create ACT Education Action, which introduces children to the United Nations Sustainable Development Goals (SDGs) and fosters their care for the environment from an early age. Through practical actions, we aim to cultivate the global citizenship competencies that children should possess.

2022 Beach Cleanup Activities



In order to encourage more employees to participate in volunteer services, Advantech formulated “voluntary leave” system by the end of 2022. It provides 2 days of paid volunteer leave per person per year (16 hours in total). Also, there are four volunteer topics: Energy Conservation, Public Welfare (including environment), Education, Arts and Culture. Our employees can participate these four topics accordingly. The above policy has been formally implemented since January 2023.

2022 Volunteer service at Guandu Wetland



COVID-19 Response

Each item of Advantech's pandemic prevention actions are not only guided by the Central Epidemic Command Center but also adjusted at any time by a rolling response mechanism according to the Company's circumstances. In 2022, the Company sought to sustain the physical and mental health of colleagues through the following pandemic prevention measures:

1. Establishment of Advantech Epidemic Prevention Response Team
2. Pandemic prevention information is immediately announced on the Employee Zone bulletin board and [the Covid-19 employee zone](#).
3. Establishment of the WFH (Work from Home) system provided for colleagues in need to apply
4. Colleagues took out pandemic prevention insurance and vaccine insurance
5. The registration and implementation methods of rapid screening reagents are established on a weekly basis. It provides colleagues to register and distribute home-based rapid screening reagents with a total of 25,734 doses distributed.
6. Report forms and reporting channels for internal confirmed cases and close contacts have been established. Also, the floor pandemic prevention commander is set in units of floors to instantly grasp the development trend of the pandemic within the Company.
7. In order to let colleagues know information quickly, we also used the LINE community as a channel for instant messaging. We used this channel to remind colleagues of various pandemic prevention measures and update colleagues' health statuses and other information.



5.2.2 Living Wages

Advantech recognizes the importance of a living wage in improving the living conditions of workers and ensuring fair compensation for their basic needs. Workers can meet the necessary expenses for food, clothing, and housing by providing a fair wage, promoting economic growth and sustainability. Advantech adheres to the living wage code and actively participates in related alliances to uphold this principle. Advantech is committed to respecting human rights and continues to engage in discussions and explore opportunities related to implementing a living wage. In 2022, we introduced a methodology to establish a living wage across 6 significant regions, including Advantech Headquarters, Advantech China, Advantech Japan, Advantech Korea, Advantech America, and Advantech Europe. Through internal cross-functional living wage workshops, we develop promotional plans aligned with national living standards. Continuous training on living wage setting and implementation is provided to our internal staff.

Advantech defines the living wage as the minimum wage our employees earn for basic working hours, excluding bonuses and overtime pay. It ensures that workers and their families can meet their basic needs, including essential expenses for food, clothing, housing, and other necessary living costs. The living wage standards at Advantech are formulated using relevant data from competent authorities, such as the Household Income and Expenditure Survey Report of the Directorate-General of Budget, Accounting, and Statistics, Executive Yuan, R.O.C.(Taiwan). By comparing the company-specific living wage with prevailing wages, we determine that our employees receive sufficient compensation to support the local standard of living.

At Advantech, we take pride in leading the industry by surpassing living wage assessments and making commitments beyond industry standards. In 2022, we covered 6,064 employees under the living wage trial, with 99% of our businesses included. We have committed to providing all our employees with a living wage. Furthermore, we aim to gradually extend this practice to include Advantech's internal full-time contractors, major suppliers, and service providers.

Living Wage Methodology

We leveraged the calculation formula agreed by the Directorate-General of Budget, Accounting and Statistics 2021, Executive Yuan, R.O.C.(Taiwan) to promote knowledge and information regarding living levels.

The average monthly consumption expenditure per person X average monthly food, clothing and housing consumption per person X (1 + average number of people who are borne by the household)

Process of Living Wage Application

1. Advantech introduced the calculation of living wages in October 2022, which is now included in the Company's salary and annual salary adjustment for new recruits. Based on the basic monthly consumption expenses of families residing in each employee's location, a specific living wage is determined for that respective market area.
2. The determined living wage is then compared to prevailing wages to ensure that employee salaries are sufficient to support the local standards of living. The current salary includes fixed salary, but does not include variable rewards (such as overtime pay, production incentives, etc.).
3. In Taiwan, the calculation considers the annual household income and expenditure survey conducted by the Directorate-General of Budget, Accounting, and Statistics, Executive Yuan. It involves calculating the average monthly consumption expenditure per person and multiplying it by the average monthly consumption of food, clothing, and housing per person, along with the average number of dependents in the household. For other countries or regions, we refer to relevant information released by local governments or conduct employee income and expenditure surveys.
4. The living wage calculation primarily considers essential expenses such as food, clothing, and housing. However, including other expenses such as health, transportation, and education depends on the specific circumstances of each location.
5. In the yearly salary adjustments are made to ensure that the wages of employees are sufficient to support the local living standard. The Living Wage is established to ensure that both new and existing Advantech employees enjoy a standard of living wage with their region.

Table 5.2.5 Overview of Advantech's Living Wage by Region

| Region | Amount (NTD) | Exchange rate of each region | Number of employees | Coverage rate of business scope | Coverage rate of assessment of living wage |
|---------|--------------|------------------------------|---------------------|---------------------------------|--|
| Taiwan | 29054 | 1 | 3459 | 100% | 100% |
| China | 14602 | 4.46 | 1260 | 100% | 100% |
| Japan | 42502 | 0.23 | 225 | 100% | 100% |
| Korea | 52086 | 0.23 | 123 | 100% | 100% |
| Europe | 50474 | 32.67 | 480 | 100% | 98% |
| America | 79140 | 30.74 | 517 | 100% | 84% |



***Note:**

1. The living wage of Advantech Europe includes Netherlands, Germany, Poland, France, Italy, Spain, the United Kingdom, Austria, Belgium, Jack, Ireland and the five Nordic countries (Denmark, Finland, Iceland, Norway, and Sweden).
2. Living wages of Advantech USA include Milpitas, Irvine, Illinois, Ohio.

Mid and long-term plans to promote living wages

Advantech's commitment to our employees' living wages includes the following:

1. As a result of extensive discussions on the method and framework for living wages in 2021, we have progressively extended the principle of living wages to the 6 significant regions in 2022. The following commitments are made:
 - Employees were paid for a basic salary that meets or exceeds the legal minimum wage in their country. We are also committed to ensure that all employees are paid a living wage standard. This will ensure that our employees in the top six regions apply the living wage standard by 2025.
 - The internal salary management team will be actively engaged in discussions to formulate the salary structure for direct employees, including technical and manufacturing staff. Furthermore, we are dedicated to promoting a 100% achievement rate of the living wage in Europe and America.
2. The concept of living wages has been introduced across all of Advantech's overseas and domestic country/region, ensuring its application to all our employees. By 2030, we will have all Advantech employees (including direct employees and indirect employees) will enjoy the guarantee of living wages in the country/region where they are located.
3. Through collaborative efforts with business partners, consultants, and private organizations, Advantech has spearheaded a comprehensive promotional campaign for implementing a minimum living wage in various operations. We actively advocate for the development of a living wage that benefits individuals and societies and contributes to the growth of businesses and the overall economy.

5.3

Employer-employee Relationship and Diverse and Inclusive Workplaces

Advantech Global Diversity and Equality Policy

Advantech has been actively promoting gender equality in the global workplace for a long time to promote diversity in the workplace and equality at work. It includes: a salary system without gender differences, a fair and just performance appraisal and promotion system, flexible working hours to support women in management positions, and family care for women, etc.

When hiring, we ensure that gender, race, religion, political affiliation, marital status do not affect the employment conditions, or have differential treatment in terms of salary. Advantech has established a clear recruitment strategy around the world to strengthen the diversity of employees. Also, internal multiple training and talent development channels are used to gradually eliminate the impact of employees' basic differences resulting from physical or psychological conditions. Moreover, the relevant indicators of salaries and rewards between districts, types of work and ranks are regularly reviewed to ensure that a diverse and equal workplace environment is implemented and created.

Employee composition

Advantech Global

| Country | Number of employees | Proportion of number of employees | Number of supervisors (above the assistant manager level) | Proportion of number of supervisors (above the assistant manager level) |
|--------------|---------------------|-----------------------------------|---|---|
| Australian | 28 | 0.31% | 4 | 0.42% |
| Brazil | 62 | 0.69% | 3 | 0.32% |
| Burkina Faso | 2 | 0.02% | - | - |
| China | 3676 | 41.18% | 143 | 15.07% |
| Colombia | 1 | 0.01% | - | - |
| Hong Kong | 3 | 0.03% | - | - |
| India | 59 | 0.66% | 18 | 1.90% |
| Indonesia | 14 | 0.16% | 1 | 0.11% |
| Ireland | 1 | 0.01% | - | - |
| Israel (ISR) | 6 | 0.07% | 2 | 0.21% |
| Japan | 205 | 2.30% | 35 | 3.69% |
| Korea | 128 | 1.43% | 12 | 1.26% |
| Macau | 1 | 0.01% | - | - |
| Malaysia | 45 | 0.50% | 8 | 0.84% |

| Country | Number of employees | Proportion of number of employees | Number of supervisors (above the assistant manager level) | Proportion of number of supervisors (above the assistant manager level) |
|--------------------------|---------------------|-----------------------------------|---|---|
| Mexico | 17 | 0.19% | 3 | 0.32% |
| Nicaragua | 1 | 0.01% | - | - |
| Philippines | 299 | 3.35% | 1 | 0.11% |
| Russia | 7 | 0.08% | 2 | 0.21% |
| Singapore | 29 | 0.32% | 7 | 0.74% |
| Taiwan | 3257 | 36.48% | 549 | 57.85% |
| Thailand | 30 | 0.34% | 14 | 1.48% |
| Turkey | 25 | 0.28% | 8 | 0.84% |
| United Kingdom | 3 | 0.03% | 1 | 0.11% |
| United States of America | 494 | 5.53% | 68 | - |
| Vietnam | 40 | 0.45% | 7 | 0.74% |
| Others | 494 | 5.53% | 63 | 6.64% |
| Total | 8927 | 100% | 949 | 10.63% |

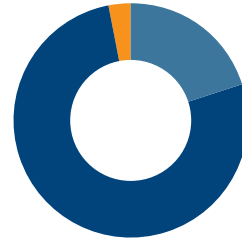
Diversity Hiring

Headquarters (Taiwan)



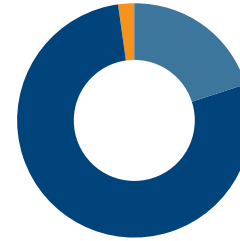
| Age distribution | Number of employees | Proportion of number of employees |
|-------------------------|---------------------|-----------------------------------|
| Below 30 years old | 552 | 15.83% |
| 30~ 50 years old | 2421 | 69.41% |
| 50 years old and over | 515 | 14.76% |
| Staff with disabilities | 23 | 0.66% |

Advantech China



| Age distribution | Number of employees | Proportion of number of employees |
|-------------------------|---------------------|-----------------------------------|
| Below 30 years old | 246 | 19.81% |
| 30~ 50 years old | 960 | 77.29% |
| 50 years old and over | 36 | 2.90% |
| Staff with disabilities | 0 | 0.00% |

Advantech Kunshan factory



| Age distribution | Number of employees | Proportion of number of employees |
|-------------------------|---------------------|-----------------------------------|
| Below 30 years old | 494 | 19.95% |
| 30~ 50 years old | 1926 | 77.79% |
| 50 years old and over | 56 | 2.26% |
| Staff with disabilities | 0 | 0.00% |

Advantech Japan



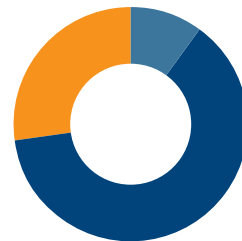
| Age distribution | Number of employees | Proportion of number of employees |
|-------------------------|---------------------|-----------------------------------|
| Below 30 years old | 16 | 6.93% |
| 30~ 50 years old | 108 | 46.75% |
| 50 years old and over | 107 | 46.32% |
| Staff with disabilities | 3 | 1.30% |

Advantech Korea



| Age distribution | Number of employees | Proportion of number of employees |
|-------------------------|---------------------|-----------------------------------|
| Below 30 years old | 47 | 36.72% |
| 30~ 50 years old | 65 | 50.78% |
| 50 years old and over | 16 | 12.50% |
| Staff with disabilities | 2 | 1.56% |

Advantech Europe



| Age distribution | Number of employees | Proportion of number of employees |
|-------------------------|---------------------|-----------------------------------|
| Below 30 years old | 50 | 10.20% |
| 30~ 50 years old | 308 | 62.86% |
| 50 years old and over | 132 | 26.94% |
| Staff with disabilities | - | - |

Advantech America



| Age distribution | Number of employees | Proportion of number of employees |
|-------------------------|---------------------|-----------------------------------|
| Below 30 years old | 79 | 15.43% |
| 30~ 50 years old | 235 | 45.90% |
| 50 years old and over | 198 | 38.67% |
| Staff with disabilities | - | - |

*Note: No investigation and disclosure on physical and mental disabilities is available due to EU [GDPR](#) Regulations.

Employment of People with Disabilities

According to Taiwan's People with Disabilities Rights Protection Act, the number of persons with disabilities employed by an enterprise shall not be less than 1% of the total number of employees. If the weighted total value does not meet the standard, the Company is required to make regular "difference subsidy" payments into the employment fund for people with disabilities overseen by the competent labor authority.

Advantech applied for employment of 35 persons with disabilities according to law, and by the end of 2022 employed 29 persons with disabilities. The employment weighted ratio has not yet reached 1% of the total headcount ratio. The main reason for undertaking a manpower policy review is that resume conditions do not meet vacancy requirements, and the difference subsidy has been paid according to law. Furthermore, we will continue to actively pay attention to the resumes of people with disabilities through government employment counseling agencies, and expected that the required number will be filled in the first half of 2023.

In addition, all employees with disabilities are employees who actually participate in the Company's work and business. Before onboarding, Advantech focuses on an individual's physical or mental disabilities to assist colleagues in understanding actual conditions such as commuting lines, work flow, and so on. Furthermore, we provide appropriate personnel, equipment, and working environment assistance after their onboarding so that these colleagues may work with peace of mind.



Proportion of Female Employees/Female Management

Advantech is a manufacturer in an industry dominated by high tech. In the past 2 years, the proportion of female employees in Advantech headquarters has increased slightly. The regions counted in 2022 have been expanded to Advantech's six major regions, where the proportion of female senior executives has grown to 13%. There are two main reasons for the decrease in the proportion of female executives in 2022 and the proportion of female executives in profit-oriented units. In addition to the fact that the disclosed regions have been expanded from the three regions of headquarters, China, and Japan to the six regions (Korea, Europe, and the United States have been additionally included), the definition of supervisors was also stricter than in 2021 due to grass-roots/manager-level supervisors were adjusted from grade D (division supervisor/assistant manager) to E (manager-level) or above. It is estimated that in 2025, the proportion of female employees in Advantech Taiwan will remain between 40% and 45%; and the proportion of female supervisors will remain between 20% and 26%.

More than one-fifth of Advantech's global headquarters management team is made up of female executives ([Executive Team - Advantech](#)). In 2017, Ms. Linda Tsai was promoted to President of Industrial-IoT Group, becoming the top female executive among the three co-governing presidents. This reflects the generational heritage and gender equality among our professional managers.

| Region | Item | 2022 |
|-----------|---|------|
| Advantech | Proportion of female employees | 43% |
| | Proportion of female supervisors | 21% |
| | Proportion of female basic/management level supervisors | 24% |
| | Proportion of female senior executives | 13% |
| | Proportion of female supervisors in profit center units (excluding HR, IT, legal and other support units) | 16% |
| | Proportion of female employees with STEM positions (science/technology/engineering/ mathematics) | 25% |

***Note:**

- Advantech has calibrated the Global Job Band in 2022. Job grades are graded globally from A to H. basic/management level supervisors (manager level) are grade E, while senior management (including director level and above) are grade F (inclusive) or above.
- Advantech has disclosed the three major regions of headquarters, China, and Japan in 2021, and has expanded the disclosure to the six major regions additionally including Korea, Europe, and the United States in 2022.

Performance Appraisal System

- Management by objectives: The goal of Advantech's annual performance evaluation is the organizational strategy. Performance evaluations are held twice a year at the middle and end of the year.
- Multidimensional performance appraisal: The performance evaluation system includes multiple feedback questionnaires, which are used in supervisor performance evaluation. Feedback from multiple parties was included as a reference for the immediate (evaluation) supervisor. Through the integrate opinions from multiple parties, more objective and fair assessment results is obtained.
- Agile conversations: Supervisors conduct performance evaluation with employees at least once a year. At the end of the year, employees and supervisors conduct performance talks and formulate personal development plans after self-assessment. In this way, our colleagues are ensured to receive appropriate performance feedback. Also, performance evaluation results and personal development plans are properly recorded in the system. The performance review cycle throughout the year encourages our supervisors to communicate with our employees at any time. The focusing of the direction is performed periodically. Employee feedback is processed. Timely support is given. The purpose of sufficient two-way communication and mutual understanding of the assessment results is achieved.
- Team-based performance appraisal:
 - Annual type: Advantech's performance evaluation not only focuses on individual work performance, but also emphasizes teamwork. The key performance indicators and incentive system that the team is jointly responsible for are set up to implement the core values of the ability to fully demonstrate and teamwork. Advantech's group goals are set to apply to all employees. Also, incentive bonuses are offered. Benchmarks for group goals are set through affiliated business units and back office units. Colleagues belonging to the business unit are given corresponding rewards based on the achievement rate of final assessment. In this way, our colleagues are motivated to achieve the team's common goals.
 - Project type: The project plans of the Company's material issues include ESG projects, digital transformation projects, etc. In addition to the individual responsibility goals of the task force members, common group goals are set, and corresponding rewards are provided. In addition to the goals of their respective business units and back office units, senior executives at the management level have common key performance indicators. They also have to be responsible for key performance indicators at the corporate strategic level.

Performance Appraisal Acceptance Rates among Employees in Four Major Professional Categories

| Region | Four major professional categories | Males, performance appraisal acceptance rates(%) | Females, performance appraisal acceptance rates(%) |
|----------------|------------------------------------|--|--|
| Taiwan | R&D | 92.9% | 89.8% |
| | Marketing business | 87.8% | 90.1% |
| | Administrative | 85.5% | 88.3% |
| | Manufacturing | 90.7% | 90.0% |
| | Total Ratio | 91.4% | 89.7% |
| China (ACN) | R&D | 92.7% | 95.0% |
| | Marketing business | 94.6% | 94.2% |
| | Administrative | 58.6% | 93.9% |
| | Total Ratio | 92.2% | 94.5% |
| Kunshan (AKMC) | Administrative | 75.8% | 68.5% |
| | Manufacturing | 98.4% | 99.8% |
| | Total Ratio | 96.2% | 95.3% |
| Japan | R&D | 90.2% | 100.0% |
| | Marketing business | 92.2% | 89.5% |
| | Administrative | 100.0% | 92.9% |
| | Manufacturing | 100.0% | 100.0% |
| | Total Ratio | 95.1% | 95.7% |
| Korea | R&D | 83.3% | 100.0% |
| | Marketing business | 93.1% | 100.0% |
| | Administrative | 84.6% | 85.7% |
| | Manufacturing | 90.9% | - |
| | Total Ratio | 89.2% | 95.0% |

*Note:

1. The above performance appraisal acceptance rates are calculated based on the total number of individuals actually participating in the appraisals (excluding those who do not complete the three-month probationary period or the numbers of individuals who resigned and did not complete the assessment during the assessment period), divided by the total number of individuals in 2021.
2. Advantech's Japan and Advantech Korea comprise mostly direct labor employees, who are not included in the evaluation statistics.
3. No disclosure on the data of Advantech USA and Advantech Europe due to personal data protection.

Performance Appraisal Acceptance Rates among Employees in Two Major Occupational Functions

| Region | Job categories | Males, performance appraisal acceptance rates(%) | Females, performance appraisal acceptance rates(%) |
|----------------|--------------------|--|--|
| Taiwan | Senior executive | 97.33% | 97.00% |
| | General employees | 89.80% | 89.21% |
| | Total Ratio | 91.40% | 89.72% |
| China (ACN) | Senior executive | 94.67% | 88.89% |
| | General employees | 91.89% | 94.92% |
| | Total Ratio | 92.16% | 94.48% |
| Kunshan (AKMC) | Senior executive | 94.44% | 100.00% |
| | General employees | 96.21% | 95.25% |
| | Total Ratio | 96.18% | 95.28% |
| Japan | Senior executive | 100.00% | 100.00% |
| | General employees | 94.29% | 95.52% |
| | Total Ratio | 95.06% | 95.65% |
| Korea | Senior executive | 83.33% | 100.00% |
| | General employees | 91.49% | 94.74% |
| | Total Ratio | 89.23% | 95.00% |

***Note:**

1. The above performance appraisal acceptance rates are calculated based on the total number of individuals actually participating in the appraisals (excluding those who do not complete the three-month probationary period or the numbers of individuals who resigned and did not complete the assessment during the assessment period), divided by the total number of individuals in 2021.
2. Advantech has calibrated the Global Job Band in 2022. Job grades are graded globally from A to H. Management level supervisor are grade E, while senior executive are grade F (inclusive) or above.
3. Advantech's Japan and Advantech Korea comprise mostly direct labor employees, who are not included in the evaluation statistics.
4. No disclosure on the data of Advantech USA and Advantech Europe due to personal data protection.

Employee Satisfaction Survey

Advantech adheres to the business philosophy of actively caring for our employees, and values our employees' thoughts and opinions. The goal is to provide an open, inclusive, safe and healthy working environment for all employees. We actively start from our core values. Based on the four aspects of human-oriented environment, honesty, excellence and innovation, and altruistic contribution, we look forward to enhancing mutual understanding between the Company and employees through the annual employee satisfaction survey, and creating an environment that values our employees. Therefore, a more comprehensive welfare system is provided.

Since 2018, Advantech has taken the lead in promoting an annual Employee Engagement Survey of all employees in China. Furthermore, we expanded the survey area in 2021 to add Advantech Headquarters (with 50 people sampled for the survey) and the European region (a full survey of non-management colleagues). Since the survey began, the annual satisfaction rate has exceeded 90%. Furthermore, we plan to continue to expand the survey region; by 2021, the global survey coverage was about 72.1%. This was taken as a reference for Advantech to continuously improve and strengthen employee relations.

In 2022, the Employee Satisfaction Survey of each district was integrated. Its content is to design seven main axes with a total of 30 questions (Figure 5.3.2) for the following purposes (Figure 5.3.1). The main axes are company image and quality, working environment, communication, teamwork, management and supervision, training and development, and content of works. The scope of the investigation was extended to the whole world. The first global "Employee Satisfaction Survey" is available in 4 languages. The scope of the survey covers 20 countries/regions, including Advantech's 6 major operations (Advantech Headquarters, Advantech China, Advantech Japan, Advantech Korea, Advantech Europe, and Advantech America). In the future, the annual survey frequency and the scope covering the six major operations will also be maintained. The opinions and feedback of our employees in all factories/units around the world were surveyed. Also, the goals and results of relevant investigation and analysis will be disclosed publicly.



Figure 5.3.1 Purpose of Employee Satisfaction Survey

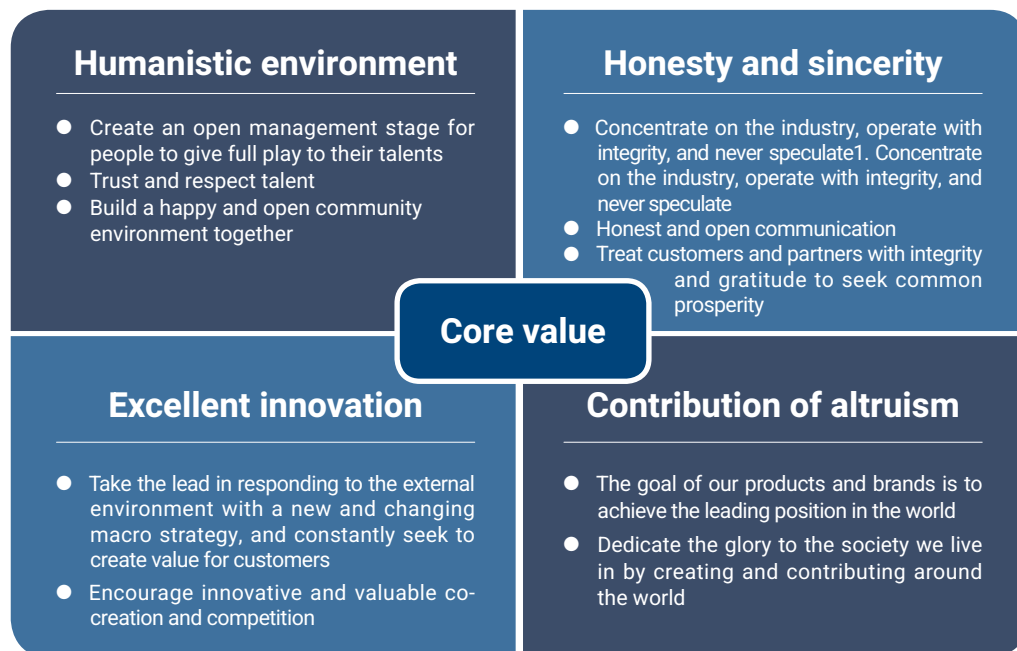


Figure 5.3.2 Seven Axis of Employee Satisfaction Survey



In 2022, the regional coverage rate of the employee satisfaction survey reached 100%. The number of participants was 8584 individuals and the number of respondents was 7085 individuals. The response rate was 83%, and the satisfaction statistics were 89%^{*1}.

Regarding the improvement plan for employee satisfaction, the Company conducts review and tracking in the form of cross-department/factory project meetings. In this way, it demonstrates the Company's emphasis on our employees' opinions and its determination to create a high-quality working environment. Please refer to Table 5.3.1 and 5.3.2 for the answers of each region. Please refer to Table 5.3.3 for the total survey score and follow-up feedback.

Table 5.3.1 Responses to Employee Satisfaction Survey of Each Region: by Gender

| Region | Number of people who should respond ^{*2} | Number of people responding | Male | Female | Non-disclosure on gender | Response rate | Satisfaction |
|---------------|---|-----------------------------|------|--------|--------------------------|---------------|--------------|
| Taiwan | 3138 | 2477 | 1380 | 1097 | - | 79% | 82% |
| China(ACN) | 1195 | 977 | 587 | 390 | - | 80% | 93% |
| Kunshan(AKMC) | 2500 | 2380 | 1259 | 1121 | - | 95% | 99% |
| Japan | 225 | 188 | 119 | 48 | 21 | 84% | 69% |
| Korea | 123 | 103 | 71 | 23 | 9 | 84% | 79% |
| USA | 508 | 307 | 180 | 85 | 42 | 60% | 81% |
| Europe | 549 | 345 | 214 | 104 | 27 | 63% | 79% |
| Other Regions | 346 | 308 | 178 | 102 | 28 | 85% | 81% |

***Note:**

1. The statistics of the overall satisfaction is the result of weighted calculation: sum of (satisfaction in each region * number of people responding in each region) / total number of people responding.
2. Number of people who should respond refers to full-time employees, excluding foreign migrant workers, interns, and student participants in the cooperative education program.

Table 5.3.1 Responses to Employee Satisfaction Survey of Each Region: by Age

| Region | Number of people who should respond | Number of people responding | Below 30 years old | 31 - 49 years old | 50 years old and over | Non-disclosure on age |
|-------------------------|-------------------------------------|-----------------------------|--------------------|-------------------|-----------------------|-----------------------|
| Headquarters | 3138 | 2477 | 398 | 1717 | 362 | - |
| Advantech China(ACN) | 1195 | 977 | 214 | 743 | 20 | - |
| Advantech Kunshan(AKMC) | 2500 | 2380 | 481 | 1848 | 51 | - |
| Advantech Japan | 225 | 188 | 10 | 80 | 81 | 17 |
| Advantech Korea | 123 | 103 | 28 | 63 | 6 | 6 |
| Advantech America | 508 | 307 | 36 | 119 | 95 | 57 |
| Advantech Europe | 549 | 345 | 45 | 199 | 68 | 33 |
| Other Regions | 346 | 308 | 86 | 177 | 17 | 28 |



Table 5.3.3 Total Score of Employee Satisfaction Survey and Follow-up Feedback

| Region | Total score of the survey | Topics tracked |
|---|---------------------------|--|
| Headquarters | 4.08 | The score of the staff training and development question group is 3.86 points. In the future, an annual training plan will be drawn up to strengthen the proportion of employee training and fully plan the development path of employees. |
| Advantech China(ACN) | 4.65 | The score of employee training and development question group is 4.52 points. In the future, the content of training will be increased: the increase of professional training, such as cutting-edge technology, product knowledge, training of the company's various system software, job professional skills, and personal skills. Diversification of training forms: Appropriate increase in external training opportunities, offline training, factory visit arrangements for outstanding employees or other employees in need of on-site communication and learning. |
| Advantech Kunshan(AKMC) | 4.95 | The score of the task group of work content and communication is 4.93 points. Subsequently, the smoothness of the communication channel between supervisors and employees must be strengthened. |
| Overseas business group (Including Advantech Japan, Advantech Korea, Advantech America, Advantech Europe and other regions) | 3.95 | The employee training and development subgroup scored the lowest overall. To minimize employee turnover and strengthen people development strategies, we recommend providing employees with a 7-2-1 (70% on-the-job training, 20% through feedback and coaching, and 10% coursework) training plan for our employees. |

The findings revealed that our employees lack clarity about "growth opportunities" in the current development environment. Also, collaboration and communication between business units is challenging. These are important indicators (risks) that our employees face in their career development. Therefore, Advantech makes the following commitments to the talent development of our employees:

- Continuous performance evaluation methods, clear communication channels and career development paths need to be established to improve employee satisfaction and retention.
- Advantech transformational development programs need to be promoted, such as Career+/TCAP, to coordinate development and growth opportunities.
- Comprehensive development programs need to be designed and initiated to meet the individual needs of our employees and their needs for career development.
- A new development program for global first-time talent leaders needs to be expanded to enhance human resource management skills.
- A comprehensive newcomer training workshop needs to be designed and launched, including systematic learning and communication training.
- Advantech's self-learning and development platform needs to be designed and launched to realize the full potential of employees.

5.4 Human Rights Protection

5.4.1 Employee Human Rights and Employee Rights Protection

Human Rights Management and Commitment

Advantech has formulated the "Advantech Human Rights Policy and Commitment", which was reviewed and approved by top management, to protect the fundamental human rights of all employees, suppliers, customers and stakeholders. We consider the international human rights framework, corporate development strategies and external trends, including "Universal Declaration of Human Rights," the "United Nations Global Compact," and the International Labour Organization's "Declaration on Fundamental Principles and Rights at Work." We comply with the laws and regulations of the locations in which the Company operates, and we formulate human rights policies in accordance with the "United Nations Guiding Principles on Business and Human Rights."

Advantech also has a human rights risk investigation process, which involves regular assessments and management improvements for identified areas of concern. The process entails the selection of relevant risk topics (including "Human Rights Risks") by Audit Committees. Risk ratings are reviewed for each issue, and high-risk groups are identified for appropriate management. No cases of discrimination or harassment complaints were reported in 2022. Additionally, Advantech employees must adhere to the "Advantech Business Conduct," which encompasses labor standards, humane treatment, prohibition of child labor, and non-discrimination against employees. It strictly prohibits any form of discrimination or violation of human rights. To ensure employees' understanding and compliance with these policies, the company conducts annual education and training on the Code of Integrity Management and legal compliance. This training includes providing employees with proper channels for reporting and disciplinary actions while ensuring the confidentiality of whistleblowers' identities and reported content. In 2022, the education and training coverage rate for the "[Advantech Code of Ethics and Business Conduct](#)" was 100% for indirect employees, with a training completion rate of 96.8% (5,627 indirect global employees). In cases where employees still need to complete the training, the system notifies them and their line managers at the beginning of each month, prompting the managers to ensure their direct reports complete the training promptly. Additionally, the Advantech Taiwan Manufacturing Center (factory) conducts mandatory education and training sessions on the "Advantech Business Conduct," which covers non-discrimination and anti-harassment topics, with a coverage rate of 100% for direct employees.

Freedom of Association

We support various employee self-organized associations and trade union activities at different levels in each region. (For example, Advantech's branches in Germany, the Netherlands, and Japan all have labor unions, and our branch in Japan and France also has labor representatives) promoting equal rights and interests of employees everywhere. In 2022, Advantech's global coverage of freedom of association has reached 88.8%.

- In Europe, Advantech Germany (Advantech Europe B.V. and Advantech GmbH.) and Advantech Netherlands have worker councils initiated by employees. These councils, consisting of elected representatives, engage in regular labor-management meetings with the company to discuss employee-related matters. Similarly, Advantech France regularly elects labor representatives who voice employee concerns and participate in labor-management meetings.
- In Asia, all Advantech employees in Japan have the freedom to form voluntary associations. Advantech Technologies Japan Corp. has established a union organization, and Advantech Japan Co., Ltd. regularly elects labor representatives who advocate for employee-related issues and participate in labor-management meetings. In China (including the manufacturing facilities), employee welfare committees serve as representatives to discuss and decide on employee welfare matters. Advantech Headquarters also has organized and operates an Employee Welfare Committee. In addition, the areas where the Headquarters locates (Ruiguang headquarter, Taipei Sunny Building, Donghu and Linkou factories) hold regular labor-management meetings on a quarterly basis to communicate issues of labor rights and interests (including salaries, attendance and benefits, etc.), listen to the voices of colleagues, and discuss and make decisions on key issues.

Advantech hopes to minimize human rights conflicts. Therefore, the following management measures are implemented among employees, suppliers and customers; we publicly disclose the relevant methods. After investigation, Advantech currently has no operation or suppliers face the risk of freedom of association and group negotiation.

Whistle-blowing and Grievance Mechanisms

Since 2015, Advantech has formulated the "Prevention Plan for Prevention of Unlawful Acts against Executing Duties" based on the Occupational Safety and Health Administration guidelines of the Ministry of Labor. This plan aims to prevent employees from experiencing unlawful acts by employers, supervisors, colleagues, or service recipients in the workplace or during work-related activities (including commuting), which may result in physical or mental harm, such as workplace violence, including physical, verbal, psychological, or sexual harassment.

- **Complaint Mechanism:** When employees encounter incidents of physical or mental unlawful acts while executing their duties, they should complete the "Workplace Unlawful Acts Reporting and Handling Form" and report it to their respective supervisors (or the HR department). Alternatively, they can use the complaint channels established on the company's internal website's policy page (phone, fax, email) for reporting, and dedicated personnel will handle the complaints.
- **Handling of Reports:** Handling complaints or reports must ensure objectivity, fairness, and impartiality while safeguarding the rights and privacy of victims, complainants, and reporters. Upon receiving a report, supervisors, HR personnel, and occupational safety personnel must complete the "Workplace Unlawful Acts Reporting and Handling Form" within 24 hours. The process follows the procedures outlined in the "Handling Process for Incidents of Physical or Mental Unlawful Acts against Executing Duties" (refer to Figure 5.4.2 Whistle-blowing and Complaint Process).

Figure 5.4.1 Process and mechanism of human rights management

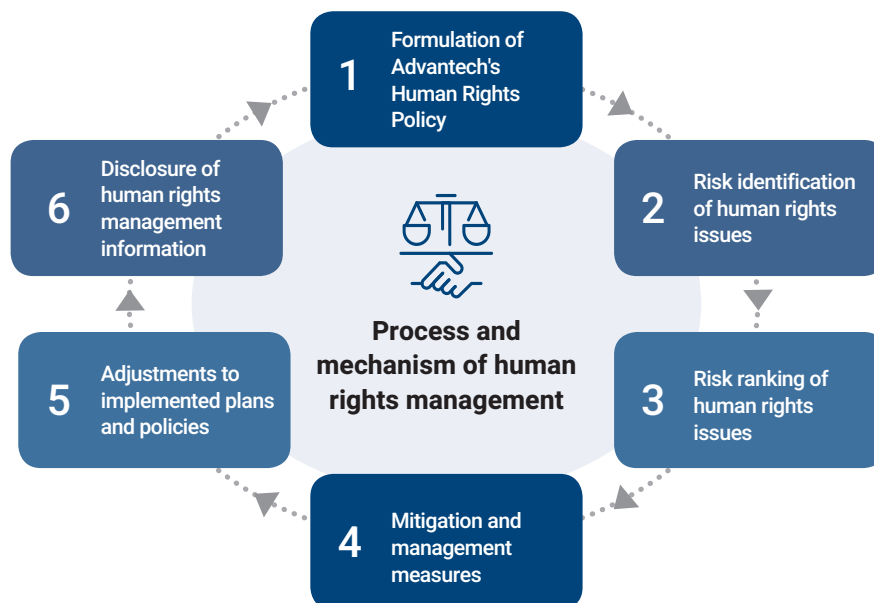
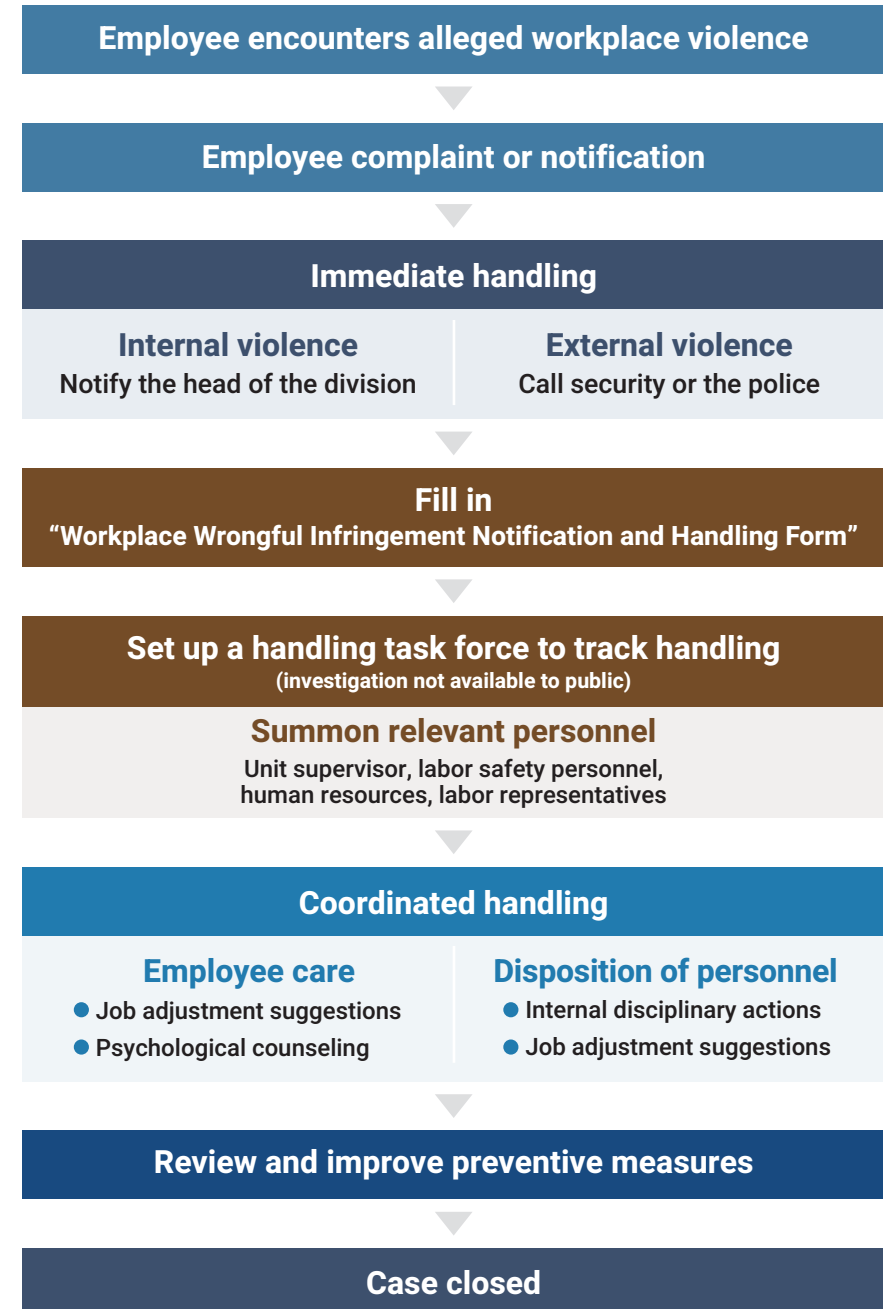


Figure 5.4.2 Reporting and Appealing Mechanism



5.4.2 Human Rights Due Diligence

Human Rights Due Diligence: Employees

Investigation Method

First, Advantech identified the list of human rights risk issues related to stakeholders with reference to the United Nations and international related human rights issues. The 11 risks are as follows:

- | | | |
|--------------------------|--|---|
| 1 Forced labor | 5 Equal remuneration | 9 Privacy right |
| 2 Human trafficking | 6 Non-Discrimination and Diversity Inclusion | 10 Freedom of speech (Right to collective bargaining) |
| 3 Child labor | 7 Guarantee of working conditions | 11 Personal liberty and security |
| 4 Freedom of Association | 8 Health right | |

Investigation Frequency

- We comply with international human rights conventions, including the "Universal Declaration of Human Rights," "The UN Global Compact," "UN Guiding Principles on Business and Human Rights," International Labor Organization's "Declaration on Fundamental Principles and Rights at Work" to avoid any infringement and violations of human rights.
- Based on the above documents, we conduct regular reviews of our human rights management every three years as part of our due diligence investigation. This includes examining human rights management issues, developing and implementing mitigation plans, and issuing human rights impact assessments. (In 2022, we conducted our first human rights due diligence investigation.)

Questionnaire Design

We collaborate with the Sustainability Advisory team to design the questionnaire, which consists of the following two parts. In addition, Advantech conducts human rights risk assessment and identifies issues of high-risk human rights.

- Occurrence probability and severity of human rights risks: Executives of each department identify the occurrence probability of the above 11 issues of human rights and the severity of the impact.

***Note:** The probability of occurrence is graded (1 = will not happen, 2 = low probability (1% - 30%), 3 = certain probability (31% - 60%), 4 = high probability (above 61%)). Severity is graded (1 = no impact, 2 = not serious, 3 = serious, 4 = very serious).

Respondents/Coverage

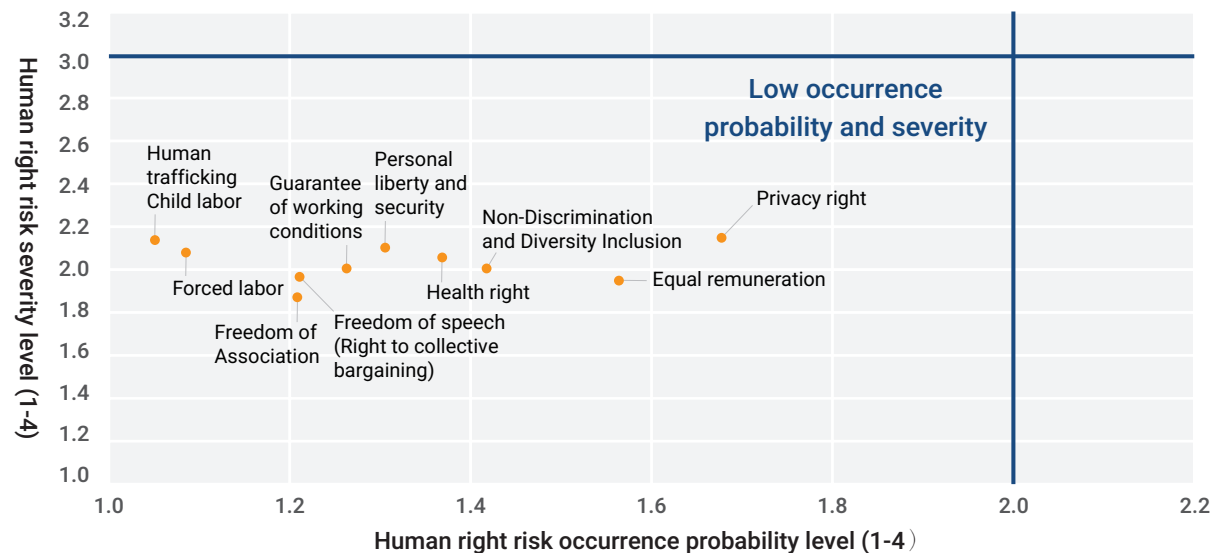
- The survey was conducted among senior executives at Advantech headquarters and HR representatives from subsidiary companies, serving as representatives of all employees. A total of 31 executive representatives were selected for the survey, and 24 responses were collected, resulting in a response rate of 77%.
- The survey achieved a global coverage rate of 94.8%.

Identification of Risk Issues (Possibilities and Impacts)

According to the results of the questionnaire, the probability and severity of human rights risks to employees are low.

Figure 5.4.3 Human rights due diligence

*Note: Points in the high-risk quadrant with a probability of 2 (inclusive) or above represent a possible probability of occurrence. The severity of occurrence is 3 points (inclusive) or above, which means it has a certain degree of severity.



Statistics & Survey Results

The occurrence probabilities of various human rights risks are summed up and then averaged as numbers on the X-axis. The severity of human rights risks is summed up and averaged as a number on the Y-axis. The intersection of the two conditions can locate the relative position of each human rights risk in the risk matrix.

The human rights risks of Advantech's employees are relatively low (on average below level 2 of the probability of occurrence) and not serious (on average below the level of severity 3). However, the ranking of the top three according to the risk ratio is as follows:

- Top three human rights high-risk cognitive projects (scenarios):
1. Right to Privacy: Leakage of our employees' personal information due to system loopholes, security lapses, or failure to fulfill disclosure obligations.
 2. Equal remuneration: Differential treatment by employers based on gender, age, ethnicity, or region, resulting in different remuneration for employees with similar technical skills and job proficiency, despite performing the same type of work.
 3. Non-discrimination and Diversity & Inclusion: Unfair in employee recruitment, promotion, and compensation based on factors unrelated to job performance. This includes unfair treatment based on nationality, race, gender, age, political affiliation, physical disabilities, or other criteria.

- To achieve the purpose of mitigating and managing human rights risks, Advantech has established complete policy and procedures for handling human rights incidents. It covers Advantech's value chain and all operating locations.
- In 2022, there was no relevant human rights disputes or violations of relevant laws and regulations, and therefore no compensation actions was taken.

Meanwhile, Advantech found in the 2022 Global Employee Satisfaction Survey that our employees' positive feedback is higher than the average score in an anti-discrimination and anti-sexual harassment work environment. This is basically higher than the overall average which is consistent with the feedback from the questionnaires of senior executives and human resources units in various places (please see the table below for details).

| | Work Environment Free from Discrimination and Sexual Harassment | Overall Employee Satisfaction |
|-------------------|---|-------------------------------|
| Taiwan | 4.23 | 4.08 |
| China | 4.72 | 4.65 |
| Overseas branches | 3.96 | 3.93 |

Human Rights Due Diligence: Suppliers

Investigation Method

- The procurement department identified a list of human rights risk issues relevant to the supply chain, based on references from the United Nations and international human rights topics (Advantech ESG Risk Assessment Audit Form).
 - A0. Commitment, management system and regulatory compliance
 - A1. Freedom of career choice
 - A2. Young labors
 - A3. Working hours
 - A4. Wages and Benefits
 - A5. Humane treatment and non-discrimination.
- The risk of potential human rights issues has been integrated in the supplier's ESG self-evaluation form. The management methods and improvement actions taken by suppliers on human rights issues have been further grasped.

Investigation Frequency

Advantech needs to re-evaluate suppliers' human rights risks every three years. (In 2022, we conducted our first human rights due diligence investigation.)

We developed an online questionnaire that includes the following:

- Self-assessment by PVL (Preferred Vendor List) suppliers on their preventive measures and mitigation actions for high-risk issues.
- Self-assessment by PVL suppliers on their human rights-related measures, accompanied by supporting document names.
- Advantech Corporate Quality ESG Team conducts individual audits and reviews.

Respondents/Coverage

In 2022, 270 preferred vendor list (PVL) suppliers underwent evaluation, accounting for 100% of the total number of PVL suppliers in that year.

Survey Results and Improvements

- Among the surveyed suppliers, two were identified as high human rights risk factories, representing 0.74% of the sample. The main reasons for this classification are as follows:
 - A1.1 There are no provisions prohibiting the use of coercion, bondage (including debt bondage), or binding labor with compulsory indenture, and prohibiting the use of involuntary or exploitative prison labor, slavery, or human trafficking requirements.
 - A2.1 The work rules do not fully propose the relevant requirements for prohibiting child labor.
 - A2.2 The work regulations do not fully address the relevant requirements for the protection of young workers.
- All non-compliances mentioned above have been effectively addressed and closed through improvement actions.
- In the future, Advantech will continue to conduct on-site audits for high-risk suppliers to ensure the implementation of human rights risk improvement measures.



Human Rights Due Diligence: Contractors

Investigation Method

- First, Advantech's quality management department identified a list of human rights risks related to contractors with reference to human rights issues related to the United Nations and the world.

A0. Commitment, management system and regulatory compliance

A1. Freedom of career choice

A2. Young labors

A3. Working hours

A4. Wages and Benefits

A5. Humane treatment and non-discrimination.

- Risks of potential human rights issues have been integrated in the contractor's ESG self-evaluation form. The management methods and improvement actions taken by contractors on human rights issues have been further grasped.

Investigation Frequency

Advantech needs to re-evaluate contractors' human rights risks every three years. (2022 is the first due diligence)

Human Rights Due Diligence - Joint Venture (JV)

Investigation method

- First, the quality management department of Advantech identified the list of human rights risk issues related to joint ventures with reference to the United Nations and international related human rights issues

A0. Commitment, management system and regulatory compliance

A1. Freedom of career choice

A2. Young labors

A3. Working hours

A4. Wages and Benefits

A5. Humane treatment and non-discrimination.

Investigation Frequency

Advantech needs to re-evaluate joint venture' human rights risks every three years. (In 2022, we conducted our first human rights due diligence investigation.)

We developed an online questionnaire that includes the following:

- Self-assessment by contractors regarding their preventive measures and mitigation actions for high-risk issues.
- Self-assessment by contractors regarding their human rights-related measures, accompanied by the names of supporting documents.
- Advantech Corporate Quality ESG Team conducts individual audits and reviews.

Respondents/Coverage

In 2022, 17 contractors were evaluated, which accounted for 8.9% (17 companies / 192 companies) of the number of contractors in 2022.

Survey Results and Improvements

All contractors had no risks related to human rights.

We developed an online questionnaire that includes the following:

- Self-assessment by joint ventures regarding their preventive measures and mitigation actions for high-risk issues.
- Self-assessment by joint ventures regarding their human rights-related measures, accompanied by the names of supporting documents.
- Advantech Corporate Quality ESG Team conducts individual audits and reviews.

Respondents/Coverage

In 2022, Advantech's investment department chooses these targets by first selecting 10 joint ventures with a certain shareholding ratio (10%) and a certain investment amount (over 10 million NTD). These VJs were accepted for evaluation, accounting for 37% of the number of joint ventures in 2022.



Survey Results and Improvements






All joint ventures had no risks related to human rights.

Management of Human Rights Risk (Mitigation & Remediation)

The scope covers the whole world, where the supplementary notes are specific to the region

Table 5.4.1 Management of Human Rights Risk (Mitigation & Remediation)

| Groups of Concern | Identification of Issues | Status of Human rights issue | Mitigation/Management Actions (Mitigation Actions) | Target management | Actively Disclosure of Location |
|--|--|---|---|---|--|
|  Employees | Right of Privacy | Applicable Worldwide Advantech Business Conduct (Protection of Identity and Prevention of Retaliation & Confidentiality of Information) | Applicable Worldwide <ul style="list-style-type: none"> Online education and training of annual information security In order to enhance the security of VPN connection, please install Forescout information security software. | Applicable Worldwide The private information of employees and customers is not leaked. | Applicable Worldwide <ul style="list-style-type: none"> Advantech's Official Website Human Rights Commitment Advantech Business Conduct Personal Data Protection Management Policy |
| | Equal Remuneration | Applicable Worldwide Advantech's remuneration policy is based on the duties and responsibilities of colleagues and adheres to labor laws stipulated by local governments. Salary rates do not differ by gender. In Taiwan, for example, this includes the Labor Standards Act of the Republic of China, the Gender Equality in Employment Act, and the Employment Service Act | Applicable Worldwide <ul style="list-style-type: none"> When formulating the position grades and reviewing salaries of new recruits with work experience, the existing staff of the Company who have similar education background and work experience can be referred. Annual Salary Adjustment & Bonus: Human Resources Department formulates the annual salary budget and operating principles. After the approval of the general manager, it is handed over to the heads of various departments to adjust the salary fairly and evaluate it according to individual performance. | Applicable Worldwide The salary rank system is to match the Company's long-term strategy. It also provides a larger space for supervisors to give full play to performance and ability when paying salary. This system is an evaluation of work rather than people. Equal remuneration is achieved by considering seven factors | Applicable to Taiwan <ul style="list-style-type: none"> Advantech Sustainability Report Advantech's announcement on recruitment website (104 website, etc.) Management and implementation of salary and bonus Recruitment and Appointment Management Measures Performance management and evaluation (ranking) measures |
| | Non-Discrimination and Diversity & Inclusion | Applicable Worldwide In the Global Employee Satisfaction Survey, colleagues gave higher than average scores in the anti-discrimination and anti-sexual harassment work environment. Applicable to Taiwan The HR Dashboard monitors job diversity and workforce distribution data (such as: ratio of males and females, age distribution of labor force, distribution of job types, etc.) | Applicable Worldwide <ul style="list-style-type: none"> In accordance with the provisions of nondiscrimination in human rights standards, public recruitment and internal transfers are to be carried out on the basis of equal opportunity Advantech respects employees' equal opportunities for appointment and career development, and these will not be subject to differential treatment based on factors such as personal gender, race, religion, political affiliation, sexual orientation, job ranking, nationality, age, nor will any form of discrimination affect hiring opportunities | Applicable Worldwide Hiring appointments are to be based on the applicant's academic experience and ability, and not affected by differences in gender, race, religious belief, party affiliation, sexual orientation, rank, nationality, or age. | Applicable Worldwide <ul style="list-style-type: none"> Advantech's Official Website Human Rights Commitment Advantech Co., Ltd.'s anti-discrimination and anti-harassment policy Global Employee Satisfaction Survey RBA Validated Assessment Program (VAP) operation manual Applicable to Taiwan <ul style="list-style-type: none"> Act of Gender Equality in Employment Labor Standards Act |
|  Female | Prevention of Sexual Harassment & Zero Discrimination in the Workplace | Applicable Worldwide Advantech complies with the instructions of the RBA Validated Assessment Program (VAP) operation manual, carrying out regular internal and external audits of the Company as well as supplier audits Applicable to Taiwan Annual Employee Workplace Health Questionnaire- This includes questions related to the "Workplace Violence Hazard and Risk Survey" to monitor the risk of workplace sexual harassment and workplace discrimination violence | Applicable to Taiwan <ul style="list-style-type: none"> There is a Gender Work Equality Committee organized under "the Act of Gender Equality" in Employment; and we have formulated Guidelines for Handling Complaint and Punishment of Workplace Sexual Harassment for Handling Complaints and Disciplinary Measures; and we have promoted these initiatives through assemblies, e-mail, and so on. Through labor (occupational) safety and security as well as occupational care personnel organizations, in order to ensure the implementation of "Occupational Safety and Health" norms and the implementation of the Wrongful Infringement Prevention Plan | Applicable Worldwide No complaints of discrimination and harassment occurred in 2022. | Applicable Worldwide Employee Code of Conduct Applicable to Taiwan <ul style="list-style-type: none"> Guidelines for Handling Complaint and Punishment of Workplace Sexual Harassment Wrongful Infringement Prevention Plan and Workplace Wrongful Infringement Notification and Handling Form |

| Groups of Concern | Identification of Issues | Status of Human rights issue | Mitigation/Management Actions (Mitigation Actions) | Target management | Actively Disclosure of Location |
|---|---|---|---|---|---|
|  Indigenous peoples | Non-Discrimination and Diversity & Inclusion | Applicable to Taiwan Advantech's remuneration policy is based on the duties and responsibilities of colleagues and adheres to labor laws stipulated by local governments. Salary rates do not differ by gender | Applicable to Taiwan In accordance with the Labor Standards Act, Advantech provides employees of indigenous peoples with the opportunity to apply for official leave for the harvest festival of indigenous peoples | Applicable to Taiwan No cases of complaints such as discrimination by indigenous peoples occurred | Applicable to Taiwan Labor Standards Act |
|  Children & Forced Labor | Prohibition of Child Labor & No Forced Labor/Trafficking in Persons | Applicable Worldwide Advantech complies with the instructions of the RBA Validated Assessment Program (VAP) operation manual, carrying out regular internal and external audits of the Company as well as supplier audits | Applicable Worldwide <ul style="list-style-type: none"> Advantech internally checks resumes and actual ages before recruitment. If a person is under the age of 18, he or she will not be accepted All members of Advantech's Preferred Vendor List and new suppliers are required to sign the "Advantech Supplier Code of Conduct" which includes required commitments for suppliers to safeguard labor rights in accordance with internationally recognized standards | Applicable Worldwide <ul style="list-style-type: none"> In 2022, Advantech and Advantech's suppliers achieved zero child labor and zero forced labor In 2022 all members of Advantech's Preferred Vendor List and new suppliers were required to sign the "Advantech Supplier Code of Conduct" In 2022, the Company conducted internal and external audits, and existing suppliers passed the audits | Applicable Worldwide <ul style="list-style-type: none"> Advantech's Official Website Human Rights Commitment Advantech's Supplier Code of Conduct RBA Validated Assessment Program (VAP) operation manual |
|  People with Disabilities | Employment of People with Disabilities | Applicable to Taiwan We regularly track the number of employees with disabilities every month in accordance with labor laws and regulations | Applicable Worldwide Advantech respects employees' equal opportunities for appointment and career development, and these will not be subject to differential treatment based on factors such as personal gender, race, religion, political affiliation, sexual orientation, job ranking, nationality, age, nor will any form of discrimination affect hiring opportunities | Applicable Worldwide According to Taiwan's People with Disabilities Rights Protection Act, the number of persons with disabilities employed by an enterprise shall not be less than 1% of the total number of employees. If the weighted total value does not meet the standard, the Company is required to make regular "difference subsidy" payments into the employment fund for people with disabilities overseen by the competent labor authority. | Applicable Worldwide Advantech's Official Website Human Rights Commitment |
|  Migrant workers | 1. Non-Discriminatory Hiring 2. Compliance with Legal Requirements | Applicable Worldwide Advantech complies with the instructions of the RBA Validated Assessment Program (VAP) operation manual, carrying out regular internal and external audits of the Company as well as supplier audits | Applicable Worldwide Advantech's recruitment of foreign migrant workers is evaluated according to standards of individual ability. It is not subject differential treatment, or any form of discrimination that affects employment opportunities, including those involving personal gender, race, religious belief, political affiliation, sexual orientation, rank, nationality, or age. | Applicable Worldwide <ul style="list-style-type: none"> Recruiting foreign migrant workers with zero discrimination Externally audited by RBA | Applicable Worldwide Advantech's Official Website Human Rights Commitment |
|  Third-party employees (contractors) | Compliance with Advantech Supplier Code of Conduct | Applicable Worldwide Advantech complies with the instructions of the RBA Validated Assessment Program (VAP) operation manual, carrying out regular internal and external audits of the Company as well as supplier audits | Applicable Worldwide <ul style="list-style-type: none"> Comply with different social responsibility standards and with regulations of local authorities Prohibit of child labor and forced labor Provide a healthy and safe working environment Promote labor-management cooperation Do not accept metals (Au, Ta, Sn, W, Co) from conflict mining countries, and trace metal sources and smelters used in components Reject any form of corruption, extortion, blackmail, and bribery | Applicable Worldwide Sign the supplier code of conduct supplier letter with third-party contractors | Applicable Worldwide Advantech's Supplier Code of Conduct |

5.5 Occupational Health & Safety

Implementation of workplace safety management policy

Internal Organization and Environmental, Health, and Safety Principles

Advantech strictly adheres to occupational safety and health regulations and other relevant laws. In addition to meeting legal requirements, we aim to foster a growth-oriented environment for all employees. To achieve this, we have established an occupational safety and health management system, comply with occupational safety and health regulations, and embrace a spirit of continuous improvement, pollution prevention, and disaster prevention. We conduct OHS education and training to increase awareness and reduce the risk of accidents. Following the guiding principles of our OHS policy, we strive to create a "Zero-Accident Workplace" environment.

Verification of Occupational Health and Safety Management System (ISO 45001:2018)

Advantech is committed to global occupational health and safety issues. At our headquarters and Advantech China and Advantech USA, we follow the Plan-Do-Check-Act (PDCA) approach of the Occupational Health and Safety Management System to implement occupational health and safety practices. We have obtained ISO 45001 certification. To safeguard the well-being of our employees, we have established an Occupational Health and Safety Policy. We require strict compliance with the Occupational Health and Safety Management System in all regions to ensure our employees are not exposed to hazardous working environments. We also emphasize the importance of self-protection among employees. In the event of immediate danger in the workplace, employees are encouraged to retreat to a safe place and report to their immediate supervisors.

Occupational health and safety personnel in each region plan, promote, monitor, and audit the Occupational Health and Safety Management System. Advantech China organizes monthly safety meetings with factory managers, supervisors, and environmental and safety management personnel from various departments. At the headquarters, high-level executives, factory managers, occupational health and safety personnel, and labor representatives form the Occupational Health and Safety Committee, which meets quarterly to review, coordinate, and provide recommendations on safety management matters.

Occupational Health and Safety Education and Training

The concept of sustainable business operation and compliance with occupational safety and health laws and regulations are implemented to ensure the validity of the certificates of the executive personnel of the occupational safety and health management system. Regarding internal occupational safety and health education and training for new recruits and incumbents, each factory plans to conduct annual safety education training courses. The content of the courses includes organic solvent operations, operation of mechanical equipment, 6S, fire drills, explosion-proof and other related courses.



Safety and Health Performance Indicators

To effectively drive the implementation of safety and health initiatives, we have established safety and health performance indicators to track the progress and performance of our programs. The headquarters reports the progress of safety and health implementation and performance management to senior executives, factory managers, occupational safety and health personnel, and labor representatives through the Occupational Safety and Health Committee, facilitating cross-functional communication.

Through annual internal audits, procedural documents control, and regular monitoring, we continuously review and strengthen our environmental, health, and safety system, promoting a culture of employee safety and prioritizing the value of life. We are committed to achieving sustainable OHS management and expect our suppliers and contractors to fulfill their rights and obligations regarding environmental, health, and safety. They are required to comply with occupational safety and health laws, environmental protection laws, and relevant regulations and are asked to sign the Supplier Code of Conduct. Regular supplier evaluations are conducted to ensure compliance with OHS standards, safeguarding all individuals' safety within the work environment.

Table 5.5.1 Management of safety and health performance

| Items of performance management | Performed behavior |
|---------------------------------------|--|
| Regulatory Compliance | Regular quarterly assessments are conducted to ensure compliance with applicable regulations, track improvements, and confirm compliance. |
| Occupational Accident Prevention | Monthly reporting of occupational accidents, conducting investigations and records for incidents occurring within the month, reviewing assessments, and confirming relevant protective measures. |
| Regulatory Authority Audits | Periodic audits by supervisory authorities to confirm improvements and timelines and continuous monitoring of requirements from supervisory authorities. |
| Internal and External Audits | During this year, internal audits identified a total of 10 deficiencies and 30 observations, while external audits identified 3 deficiencies and 21 observations. Responsible units continue to promote and complete improvement actions. |
| Risk and Hazard Identification | Based on the risk identification process for all products, activities, and services conducted by headquarters, regular checks are conducted yearly to assess and identify risks. A total of 630 risk identifications and assessments were carried out. |
| Change Management | This year, 12 change management processes were implemented for changes in occupational health and safety personnel and production machinery. No accidents or false alarms occurred due to change management. |
| Operational Environmental Monitoring | In accordance with regulations, the headquarters conducts semi-annual assessments of the actual working environment and the exposure status of workers. This includes monitoring chemical factors such as carbon dioxide, isopropanol, acetone, xylene, and n-heptane, as well as physical factors such as noise and illumination. |
| Contractor Management | Contractors must comply with the company's contractor health and safety management regulations during the pre-and post-construction phases. Audit items related to occupational health and safety management systems are incorporated. |
| Occupational Health & Safety Training | Confirm the validity of certifications for supervisors and professionals at all levels (including occupational safety managers, waste management personnel, healthcare providers, first aiders, supervisors for organic solvent operations, fire prevention and control managers, and forklift operators). Headquarters provides training for new hires and ongoing training for employees (courses include organic solvent handling, machinery operation, 6S, fire drills, explosion prevention, etc.), with a total of 6,448 training participants and 7,546 training hours. |
| Fire Prevention Management | Adhere to relevant fire safety regulations, establish fire management systems, regularly review protection plans, conduct self-defense fire drills, and continuously promote fire management measures. |
| Chemical Management | Regularly verify the inventory, addition, and changes of chemicals, conduct PPE management inspections based on relevant changes, as well as conduct voluntary inspections of organic solvent operations at work sites. |
| Regular Equipment Inspection | Periodic inspections, prioritized inspections, and machinery and equipment operational checks must be conducted. By implementing periodic inspections to detect deficiencies early and taking preventive measures, occupational accidents can be prevented, ensuring worker safety and health. |
| Health Care | Regularly conduct employee health checks, on-site physicians consult for colleagues monthly, offering health guidance to high-risk individuals, and continuously caring for employee health. |

Occupational Hazard Identification and Risk Assessment

Regarding the safety and health of employees in their work environment, we conduct hazard identification and risk assessment. A designated team performs safety and health hazard identification and risk assessment, analyzing environmental and occupational health impacts based on identification parameters. After calculating the risk factors and categorizing the risk assessment values, we set monitoring, control, and improvement targets. When conducting risk identification and assessment, we follow the "Environmental aspects, health and safety risk identification SOP" to analyze environmental and occupational health impacts. In 2022, we carried out 630 environmental considerations and occupational health and safety risk items related to acquiring new equipment, process changes, regulatory updates, and operational activities associated with our products, services, and workplace. The risk assessment values for these items were all 0, indicating a low level of risk. Advantech strives to optimize a friendly workplace by classifying risk assessment values to ensure that equipment functions and other environmental, safety, and health aspects meet company requirements and standards.

Chemical Management

Hazardous chemicals used in various plant processes are stored in designated areas. Safety Data Sheets (SDS) are prominently displayed for immediate access by on-site personnel. A chemical inventory is established, and risk assessments are conducted to implement necessary control measures. Storage areas and containers are labeled in both Chinese and English, following the "Regulations for the Labeling and Hazard Communication of Hazardous Chemicals" and the "Globally Harmonized System of Classification and Labeling of Chemicals, GHS". Management follows the Hazardous Chemicals Safety Management Regulations for personnel requiring access to the organic solvent room, and organic solvent operation supervisors are notified for on-site supervision.

Regarding the general education training on hazardous chemicals, new recruits are provided with the necessary general education training on the operation of handling hazardous chemicals when they report for duty. The education and training of hazardous chemicals is conducted annually for our employees on the job to strengthen their awareness of safety. In addition, the necessary special physical examination and special health examination shall be carried out regarding operation content particularly hazardous to health in accordance with the provisions of the "Regulations of the Labor Health Protection". If the health of the operating staff is diagnosed as abnormal, the assessment of the suitability for operation shall be carried out immediately. When necessary, the worker's exposure time needs to be reduced or the worker shall be relocated to other tasks. The health status of operating workers should be monitored at all times.

Operational Environmental Monitoring

We strictly abide by the relevant regulations on occupational safety and health to implement the periodic inspections plan for machines, equipment and the environment of various operations. Periodic repairs and maintenance of machinery are carried out, and related education and training are provided to maintain safe and health conditions of the working environment. Thus, the occurrence of accidents is expected to be eliminated. When purchasing new production machinery or equipment, we strictly adhere to ISO 45001, related contractor access control procedures, and occupational safety and health modification management measures in addition to following the acceptance process. Together with occupational safety and health personnel, we rigorously enforce these measures to ensure that the equipment functions in line with the company's production needs and to ensure the occupational safety and health of our workers.

In addition to monitoring the workplace environment to meet safety and health standards, Advantech pays further attention to employee health issues and regularly measures and maintains drinking water quality, noise levels, temperature and humidity, and lighting. In terms of air-conditioning equipment, we commission a professional inspection company every six months to measure the carbon dioxide concentration of the central air-conditioning building, in order to ensure the quality of the working environment, and protect the health of employees.

2022 Occupational Injuries and Occupational Illnesses Statistics

Advantech takes "Zero-Accident Workplace" as its safety goal, and the "Occupational Accidents and Incidents Investigation and Management Procedures" was formulated to clearly regulate accident reporting, responsibilities of accident investigation, investigation levels, procedures, and accountability. After the accident, the group asked the on-site personnel and unit supervisors to report immediately. Also, unit supervisors, occupational safety and health personnel, and health care personnel are required to investigate, deal with, and write accident reports.

The Company's occupational accident statistics are calculated in accordance with the relevant laws and regulations on occupational safety and health. In 2022, the total working hours of Advantech's global employees exceeded 16 million hours. The statistics of occupational injuries in each region are shown in the table below. The severity rate of occupational injuries in Advantech China (43) is higher than that in the headquarters (1). The types of injuries in each factory are mainly fall, collision, and crushing. In order to prevent harm to personnel, the safety awareness of our employees is actively improved through safety educational training and promotion of literature. The supervision and inspection of the environment and safety by the management unit has been strengthened to reduce safety incidents related to walking and collision. The goal of the Company's continuous efforts is to achieve zero accidents.



Table 5.5.2 Statistics of Occupational Injury of Advantech's Employees

| 2022 | Taiwan | China | Japan | Korea | Europe | USA |
|--|------------------------------|-------------------------|--------|--------|--------|--------|
| Total working hours | 6539808 | 7436000 | 443520 | 300960 | 901600 | 917940 |
| Total number of occupational injuries | 4 | 6 | 0 | 0 | 1 | 0 |
| Category of Work Injury | fall/collision/incision, cut | fall/collision/crushing | None | None | Other | None |
| Days lost due to occupational injury | 8 | 322 | 0 | 0 | 1 | 0 |
| Disabling Injury Frequency Rate | 0.61 | 0.81 | 0 | 0 | 1.11 | 0 |
| Disabling Severity Rate | 1 | 43 | 0 | 0 | 1 | 0 |
| Mortality rate of occupational injury | 0 | 0 | 0 | 0 | 0 | 0 |
| Absentee Rate of occupational injury | 0.001% | 0.035% | 0% | 0% | 0.002% | 0% |
| Mortality rate of occupational disease | 0 | 0 | 0 | 0 | 0 | 0 |

***Note:**

1. Total working hours (headquarters): The total working hours are based on the data declared by Occupational Safety and Health Administration, Ministry of Labor every month.
2. Other regions/total working hours = number of people in each region * annual working days * daily working hours
3. Disabling Injury Frequency Rate (FR) = (Total number of individuals injured and lost × 1,000,000) ÷ Total working hours (to two decimal places)
4. Disabling Severity Rate (SR) = (Total lost days of disability injury × 1,000,000) ÷ Total working hours (calculated up to the last integer)
5. Mortality rate of occupational injury = Occupational injury deaths ÷ Total number of individuals suffering occupational injuries
6. Mortality rate of occupational disease = number of deaths from occupational illness deaths ÷ occurrences of occupational illness
7. Occupational diseases: Identification was made by doctors of occupational medicine, local labor authorities or Occupational Safety and Health Administration, Ministry of Labor.
8. Absentee Rate of occupational injury = (Total days of absence due to occupational injuries/total working days) × 100%
9. The above data excludes commuting traffic accidents.

Table 5.5.3 Categories of Occupational Injury of Advantech's Employees

| 2022 | Taiwan | | China | | Europe | |
|-------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|
| Category of Work Injury | Number of Injuries | Proportion of Injuries | Number of Injuries | Proportion of Injuries | Number of Injuries | Proportion of Injuries |
| Fall | 2 | 0.065% | 2 | 0.054% | 0 | 0.000% |
| Collision | 1 | 0.032% | 2 | 0.054% | 0 | 0.000% |
| Incision, cut | 1 | 0.032% | 0 | 0.000% | 0 | 0.000% |
| Crushing | 0 | 0.000% | 2 | 0.054% | 0 | 0.000% |
| Other | 0 | 0.000% | 0 | 0.000% | 1 | 0.204% |

***Note:**

1. Proportion of injuries at headquarters: number of injuries/average number of people per month
2. Proportion of Injuries of Advantech China and Advantech Europe: Number of Injuries/number of employees
3. No occupational injuries occurred in other regions..

Table 5.5.4 Statistics of Occupational Injury of Non-Advantech's Employees

| 2022 | Taiwan | China | Japan | Korea | Europe | USA |
|--|--------|--------|--------|-------|--------|------|
| Total working hours | 236544 | 174000 | 168960 | 3250 | 3680 | 5720 |
| Main Category of Work Injury | None | None | None | None | None | None |
| Total number of occupational injuries | 0 | 0 | 0 | 0 | 0 | 0 |
| Days lost due to occupational injury | 0 | 0 | 0 | 0 | 0 | 0 |
| Disabling Injury Frequency Rate | 0 | 0 | 0 | 0 | 0 | 0 |
| Disabling Severity Rate | 0 | 0 | 0 | 0 | 0 | 0 |
| Mortality rate of occupational injury | 0 | 0 | 0 | 0 | 0 | 0 |
| Absentee Rate of occupational injury | 0% | 0% | 0% | 0% | 0% | 0% |
| Mortality rate of occupational disease | 0 | 0 | 0 | 0 | 0 | 0 |

***Note:**

1. Absentee Rate of occupational injury = (Total days of absence <occupational injury leave>/total working days) × 100%
2. Workers who are not Advantech employees: Workers of security, cleaning, group meals, dispatched personnel, etc.
3. The deadline for counting the number of people was 2022/12/31

Employee Absentee Rate Statistics

The COVID-19 pandemic emerged at the end of 2019 and rapidly spread to numerous countries worldwide in 2020. The absentee rates for 2019-2022 encompassed work-related injuries, sick leave, and days off taken at home due to infection. To comply with local government regulations on epidemic prevention and ensure their implementation, the global target absentee rate in 2022 was set at 0.9%, based on the average absentee rate over the previous three years. Through statistical analysis, it was observed that certain regions had higher absentee rates due to employees taking leave for COVID-19 infection and recovery. Nevertheless, Advantech's overall global absentee rate for 2022 stood at 0.79%. As the pandemic improves in 2023, the absentee rate for the year is anticipated to decrease accordingly. We will also monitor employees' absence status from work-related injuries or illnesses.

Table 5.5.5 Employee Absentee Rate Statistics

| 2022 | Taiwan | China | Japan | Korea | Europe | America | Total |
|---|-----------|-----------|----------|----------|-----------|-----------|------------|
| Total working days | 817476.00 | 929500.00 | 54395.50 | 29530.00 | 104302.00 | 917940.42 | 2853143.92 |
| Lost Days of Absence from Work-related Injury Leave | 74.00 | 322.00 | 0.00 | 0.00 | 1.00 | 0.00 | 397.00 |
| Lost Days of Absence Due to Sickness | 15637.75 | 4700.87 | 173.00 | 380.50 | 852.00 | 365.00 | 22109.12 |
| Total Lost Days of Absence | 15711.75 | 5022.87 | 173.00 | 380.50 | 853.00 | 365.00 | 22506.12 |
| Absentee Rate | 1.92% | 0.54% | 0.32% | 1.29% | 0.82% | 0.04% | 0.79% |

***Note:** Absentee rate calculation method: (Total number of days absent < Work-related injury leave + Sick leave + Menstrual leave + Epidemic prevention leave> / Total person-days of work) x 100%

Emergency Response Measures

Each plant complies with local regulations and provides necessary occupational health and safety education and training to new employees upon their employment. The company regularly conducts occupational health and safety education and training courses for existing employees to enhance their awareness of safe operating procedures and potential hazards, thereby improving safety consciousness.

Every six months, regular fire drills are conducted with the local fire brigade to assist colleagues in understanding the facility's disaster level, response, and evacuation routes. Fire safety training is also provided to ensure colleagues are familiar with appropriate handling and response methods for various situations, including fires, storms, floods, earthquakes, and other events. Regular dissemination of disaster prevention knowledge among colleagues is carried out to establish a sense of disaster preparedness in their daily lives, effectively minimizing risks.



We regularly cooperate with the fire brigade in the district to conduct fire drills every six months



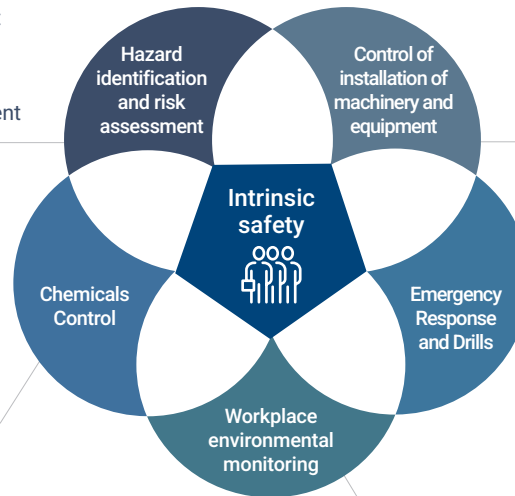
Publicity lecture on fire protection knowledge

Intrinsic Safety

Each plant continuously injects resources into planning and creating a healthy workplace and cultivates a safety culture that puts people first to construct a work environment based on intrinsic safety. This promotes employees' physical and mental well-being, achieves work-life balance, and reduces safety hazards during operations, preventing accidents. This is accomplished through implementing control measures in mechanical equipment, emergency response and drills, workplace environmental monitoring, chemical control, hazard identification, and risk assessment, embodying the optimization of safety.

- Scope of hazard identification and risk assessment
- Parameters are identified for environmental and security impact analysis
- Goals are set for monitoring control and improvement

- Establishment of chemical checklist and execution of risk assessment
- Setting of safety facilities and hazard signs (Chinese and English)
- Workplace regulation and regular inspections
- Implementation of relevant educational training



- Risk assessment of mechanical equipment, and machine safety signs (Chinese and English)
- Plan of periodic inspection, regular repair and maintenance of machinery and implementation of relevant educational training

- Establishment of the Emergency Response Team
- Participation of all employees in emergency response drills

- Implementation and planning of operational environmental monitoring (semi-annually)
- Conducting environmental hazard assessments through on-site job observations
- Checklist items: carbon dioxide, lighting, noise, organic solvent checks

Comprehensive Healthcare

Establishing a high-quality workplace healthcare environment, the headquarters gradually enhance the standards of healthcare services for employees. With diversified and specialized healthcare service needs, it aims to systematically manage and address health risks in the work environment, safeguarding employees' physical and mental well-being. This allows colleagues to develop a preventive medicine mindset, convey accurate health information, bring the concept of health into their families, and influence their family members, achieving work-life balance and expanding the benefits of health promotion.

The health benefits provided exceed the statutory frequency of the Occupational Health and Safety Act, offering regular health check-ups to employees of all ages. Additionally, various health promotion activities are conducted annually, including health lectures, blood donation drives, first aid training, parent-child activities, and the implementation of a smoke-free workplace policy. Regular environmental monitoring is conducted, and facilities such as lactation rooms and safe and hygienic employee dining areas are provided.



Employee health checks were held regularly every year



AED educational training lectures

Establishment of Healthcare Resource Map

Employees are the most important assets of a company. Health promotion can provide our colleagues with good health and hygiene concepts and living habits. Therefore, the quality of life and work performance of our colleagues can be improved. The "Electronic Health News" is sent monthly to provide our colleagues with instant and practical health and wellness concepts and knowledge according to solar terms and epidemics.

Major government agencies or public places are beginning to be required to install AEDs (Automated External Cardiac Devices) with the recent sudden death of many young performing artists. Advantech is one step ahead of the regulations by deploying and installing AEDs in each factory ahead of time before the companies or businesses are required to set up one. Afterwards, every local and foreign colleague who has received training can hold up a protective umbrella, so that all Advantech colleagues can live happily and work with peace of mind under the umbrella.

In response to the digital trend of health in workplace, smart medical products have been introduced since September 2022. Our colleagues can view personal health examination reports, make online appointments for consultations with resident physicians, view consultation records, and view physiological measurements through LINE. In addition, on-site physicians provide monthly health consultations for colleagues and give guidance on the health of high-risk colleagues to continuously take care of the health of our employees.

Employee Assistance Programs, EAPs

Advantech's core value is "Talent Invigoration". The working environment of intrinsic safety is constructed and the four major plans are implemented to provide sufficient services to our colleagues. From 2022, Advantech headquarters introduced EAP to help our employees solve work-related personal problems through "employee consultants". In this way, the work performance and productivity of our employees are improved to reduce work accidents caused by human errors. Psychological, legal, financial and health consulting services are provided to meet the work and life needs of our employees and their families.

Table 5.5.6 Advantech Headquarters' Healthy Multicare Platform in 2022

| Category | Various items | Description of performed behavior |
|-----------------------------------|--|--|
| Employee care | Consulting services of physicians in the factories | Each factory regularly provides physician consultation services and health education guidance according to the number of workers. In 2022, there were 78 consultations with a total of 224 participants. |
| | Multifunctional medical room, physiological measurement station, digital platform tracking | Services such as consultation on health care, treatment of emergency injuries, and guidance on diseases are provided. Sphygmomanometers, scales, blood glucose machines and trauma treatment equipment are ready in some factories. |
| | Promotion of healthy concepts | Health news is distributed through E-mail and ABLE weekly newsletter to deliver correct health information. |
| Health Promotion | Health lecture | In 2022, a total of 4 special lectures was held with topics including "weight loss through exercise" and "nutrition through diet". It also includes aspects of psychological relief such as "music therapy" and "post-pandemic psychological adjustment" with a total of 268 people participated. |
| | Blood donation activities | There are blood donation activities 2-3 times a year in each region. |
| | Healthy activities (weight loss classes and fitness) | Related health-promoting activities are administered, such as: yoga classes during lunch breaks, walking, running, weight loss programs, etc. A total of 515 people participated in the weight loss activities in 2022 with a total weight loss of 845.5 kg. |
| | In search for pharmacists | Our colleagues with chronic diseases and their family members need to maintain good regular medication habits. Therefore, we offer the service of calling a pharmacist. After our employees register online and upload prescriptions, pharmacists will deliver medicines to the factory to take care of our colleagues and their families. |
| Health management | Health checks, prevention of occupational diseases | In accordance with labor health protection rules and concern for our employees' health, we provide annual health checks and special health checks, which is superior to regulations. There were 12 health checks in 2022 with a total of 2097 participants. |
| | Cardiovascular risk group | Consultation from specialized physicians and nurses is provided for the prevention of cardiovascular high-risk groups. |
| Four major plans | Prevention of etiological musculoskeletal, abnormal work load, and illegal violations in the workplace | According to the relevant guidelines of the Ministry of Labor, prevention of etiological musculoskeletal, abnormal work load, and illegal violations in the workplace were formulated. The questionnaire survey is thereof designed to include the list of medium and high risks into the list of consulting management. From the collected data and survey results, it is convenient for effective tracking and management. |
| | Maternal health protection | A health protection plan is developed, and nursing rooms and health checks are provided under the guidelines of the Workers' Health Service Program. |
| Enterprise Health Care System | Health management system | The health management system is used to manage health check reports and various measurement data. Healthcare workers use it for tracking and management. |
| Emergency Injury Services | Treatment of emergency injuries | According to the stipulations of the law, the nurses stationed in the factory are arranged to provide our colleagues with emergency treatment of injuries and related health education instructions. |
| | AED setup | Regarding the setting and maintenance of AED equipment, and related educational training courses, a total of 5 educational training sessions were conducted, and a total of 334 people were trained. |
| Food Safety and Dietary Nutrition | Dining in the restaurant | Regarding the nutritional checks of our employees' meals, group meal vendors are asked to provide calorie labels for each meal. Vegetable lunch boxes, fruit lunch boxes, low-calorie lunch boxes, etc. |
| Employee Assistance Programs | Introduction of EAP | We hope to help solve personal problems that affect our colleagues' work performance and work safety by integrating the Company's internal and external resources and establishing the Company's EAP. It helps the Company and the colleagues grow together stably, thereby enhancing the competitiveness of the organization. Aspects designed for counseling includes physical and mental health, interpersonal management, self-growth, financial and legal affairs. Also, services that maintain physical and mental balance are committed to facilitating assistance with care resources for our employees. |

5.6 Appendix: Employee Structure

Employee Structure

2022 Advantech's Number of Employees

| Region | Headquarters | China | | Japan | Korea | Europe | USA | Other Region | Global Total |
|---------------------|--------------|-------|----------------------|-------|-------|--------|-----|--------------|--------------|
| | | ACN | AKMC (Kunshan) | AJP | | | | | |
| Number of employees | 3488 | 1242 | 2476 | 231 | 128 | 490 | 512 | 360 | 8927 |
| Note | - | - | Manufacturing Center | - | - | - | - | - | - |

*Note:

1. The number of employees does not include affiliated companies.

2. The scope of this report only discloses the information of the six major regions. The "Global Total" in this table includes the total number of Advantech global's employees in the six regions and other regions.

| Region | Item | | Number and percentage (% of male) | | Number and percentage (% of female) | | Total Number of people |
|--------------------------|--|---------------------------------|-----------------------------------|--------|-------------------------------------|--------|------------------------|
| Headquarters (Taiwan) | Staff employed | Number of people in the company | 1942 | 55.68% | 1546 | 44.32% | 3488 |
| | Number of supervisors above the level of manager and assistant manager | | 412 | 80.47% | 100 | 19.53% | 512 |
| | Employee age | Below 30 years | 242 | 43.84% | 310 | 56.16% | 552 |
| | | 31 - 49 years old | 1403 | 57.95% | 1018 | 42.05% | 2421 |
| | | 50 years old and over | 297 | 57.67% | 218 | 42.33% | 515 |
| | Full-time and contract | Full-time | 1886 | 55.32% | 1523 | 44.68% | 3409 |
| | | Contract | 32 | 60.38% | 21 | 39.62% | 53 |
| | | Student participants | 24 | 92.31% | 2 | 7.69% | 26 |
| | Functional classification | R&D | 1085 | 77.61% | 313 | 22.39% | 1398 |
| | | Marketing business | 115 | 44.75% | 142 | 55.25% | 257 |
| | | Administrative | 131 | 36.19% | 231 | 63.81% | 362 |
| | | Manufacturing | 611 | 41.54% | 860 | 58.46% | 1471 |

| Region | Item | | Number and percentage (% of male) | | Number and percentage (% of female) | | Total Number of people |
|--------|--|---------------------------------|-----------------------------------|---------|-------------------------------------|--------|------------------------|
| China | Staff employed | Number of people in the company | 2063 | 55.49% | 1655 | 44.51% | 3718 |
| | Number of supervisors above the level of manager and assistant manager | | 124 | 68.89% | 56 | 31.11% | 180 |
| | Employee age | Below 30 years | 429 | 57.97% | 311 | 42.03% | 740 |
| | | 31 - 49 years old | 1555 | 53.88% | 1331 | 46.12% | 2886 |
| | | 50 years old and over | 79 | 85.87% | 13 | 14.13% | 92 |
| | Full-time and contract | Full-time | 2045 | 55.39% | 1647 | 44.61% | 3692 |
| | | Contract | 11 | 68.75% | 5 | 31.25% | 16 |
| | | Student participants | 7 | 70.00% | 3 | 30.00% | 10 |
| | Functional classification | R&D | 411 | 65.24% | 219 | 34.76% | 630 |
| | | Marketing business | 313 | 66.74% | 156 | 33.26% | 469 |
| | | Administrative | 157 | 35.76% | 282 | 64.24% | 439 |
| | | Manufacturing | 1182 | 54.22% | 998 | 45.78% | 2180 |
| Japan | Staff employed | Number of people in the company | 160 | 69.26% | 71 | 30.74% | 231 |
| | Number of supervisors above the level of manager and assistant manager | | 36 | 94.74% | 2 | 5.26% | 38 |
| | Employee age | Below 30 years | 14 | 87.50% | 2 | 12.50% | 16 |
| | | 31 - 49 years old | 58 | 53.70% | 50 | 46.30% | 108 |
| | | 50 years old and over | 88 | 82.24% | 19 | 17.76% | 107 |
| | Full-time and contract | Full-time | 157 | 69.47% | 69 | 30.53% | 226 |
| | | Contract | 3 | 60.00% | 2 | 40.00% | 5 |
| | | Student participants | 0 | - | 0 | - | 0 |
| | Functional classification | R&D | 10 | 100.00% | 0 | 0.00% | 10 |
| | | Marketing business | 76 | 81.72% | 17 | 18.28% | 93 |
| | | Administrative | 15 | 60.00% | 10 | 40.00% | 25 |
| | | Manufacturing | 68 | 66.02% | 35 | 33.98% | 103 |

| Region | Item | | Number and percentage (% of male) | | Number and percentage (% of female) | | Total Number of people |
|--------|--|---------------------------------|-----------------------------------|---------|-------------------------------------|--------|------------------------|
| Korea | Staff employed | Number of people in the company | 91 | 71.09% | 37 | 28.91% | 128 |
| | Number of supervisors above the level of manager and assistant manager | | 11 | 91.67% | 1 | 8.33% | 12 |
| | Employee age | Below 30 years | 25 | 53.19% | 22 | 46.81% | 47 |
| | | 31 - 49 years old | 52 | 80.00% | 13 | 20.00% | 65 |
| | | 50 years old and over | 14 | 87.50% | 2 | 12.50% | 16 |
| | Full-time and contract | Full-time | 76 | 69.72% | 33 | 30.28% | 109 |
| | | Contract | 12 | 75.00% | 4 | 25.00% | 16 |
| | | Student participants | 3 | 100.00% | 0 | 0.00% | 3 |
| | Functional classification | R&D | 5 | 100.00% | 0 | 0.00% | 5 |
| | | Marketing business | 25 | 50.00% | 25 | 50.00% | 50 |
| | | Administrative | 20 | 66.67% | 10 | 33.33% | 30 |
| | | Manufacturing | 41 | 95.35% | 2 | 4.65% | 43 |
| Europe | Staff employed | Number of people in the company | 325 | 66.33% | 165 | 33.67% | 490 |
| | Number of supervisors above the level of manager and assistant manager | | 56 | 88.89% | 7 | 11.11% | 63 |
| | Employee age | Below 30 years | 27 | 54.00% | 23 | 46.00% | 50 |
| | | 31 - 49 years old | 196 | 63.64% | 112 | 36.36% | 308 |
| | | 50 years old and over | 102 | 77.27% | 30 | 22.73% | 132 |
| | Full-time and contract | Full-time | 299 | 69.21% | 133 | 30.79% | 432 |
| | | Contract | 26 | 44.83% | 32 | 55.17% | 58 |
| | | Student participants | 0 | - | 0 | - | 0 |
| | Functional classification | R&D | 45 | 83.33% | 9 | 16.67% | 54 |
| | | Marketing business | 261 | 70.54% | 109 | 29.46% | 370 |
| | | Administrative | 21 | 31.82% | 45 | 68.18% | 66 |
| | | Manufacturing | 0 | - | 0 | - | 0 |

| Region | Item | | Number and percentage (% of male) | | Number and percentage (% of female) | | Total Number of people |
|--------|--|---------------------------------|-----------------------------------|--------|-------------------------------------|--------|------------------------|
| USA | Staff employed | Number of people in the company | 331 | 64.65% | 181 | 35.35% | 512 |
| | Number of supervisors above the level of manager and assistant manager | | 52 | 69.33% | 23 | 30.67% | 75 |
| | Employee age | Below 30 years | 46 | 58.23% | 33 | 41.77% | 79 |
| | | 31 - 49 years old | 149 | 63.40% | 86 | 36.60% | 235 |
| | | 50 years old and over | 136 | 68.69% | 62 | 31.31% | 198 |
| | Full-time and contract | Full-time | 330 | 64.83% | 179 | 35.17% | 509 |
| | | Contract | 1 | 33.33% | 2 | 66.67% | 3 |
| | | Student participants | 0 | - | 0 | - | 0 |
| | Functional classification | R&D | 102 | 85.71% | 17 | 14.29% | 119 |
| | | Marketing business | 99 | 73.33% | 36 | 26.67% | 135 |
| | | Administrative | 39 | 27.66% | 102 | 72.34% | 141 |
| | | Manufacturing | 91 | 77.78% | 26 | 22.22% | 117 |

***Note:**

- 1.The denominator of the ratios in the above table is the total number of employees in the region.
- 2.The deadline for counting the number of people was 2022/12/31, and there was no significant fluctuation compared with the total number of people in 2021.
- 3 Permanently employed employees are full-time employees in the above table. Temporary employees are contract employees in the above table. Full-time employees are permanent employees in the above table. Part-time employees are students of cooperative education in the above table. Employees without unlimited hours guarantee.
- 4.The executives in the above form are of the same grade, but the job titles are different due to regional factors. Advantech headquarters includes the executives of manager level and above, while it includes manager/assistant manager and above in other regions.

