

# 5

## Talent and Employee Relations

- 5.1 Cultivation and Development of Industrial Talents
- 5.2 Employee Communication and Benefits
- 5.3 Diversity, Equality and Inclusive Workplace
- 5.4 Human Rights Protection
- 5.5 Occupational Health and Safety (OHS)



## 5.1

## Cultivation and Development of Industrial Talents

| Item  | Explanation   |                                      |            |                       |   |     |        |  |     |        |
|---|---|--------------------------------------|------------|-----------------------|---|-----|--------|--|-----|--------|
| Policy or commitment  | <p><b>“Advantech employee development statement”</b></p> <p>The essence of Advantech's employee cultivation and development is to enhance their sense of self-worth, support their career development, and provide them with sufficient resources for continuous growth, thereby allowing them to unleash their potential. Through the annual Organization &amp; People Review (O&amp;PR) and performance evaluation, Advantech can assist supervisors and employees in integrating the Company's strategic development direction and personal career planning to gain insight into the developmental needs of employees. Advantech provides employees with comprehensive development opportunities through resources such as promotions, rotations, and training courses. The training courses cover diverse topics including new employee hires orientation, job function enhancement, management skill training, and business acumen development.</p> <p>Advantech encourages employees to vigorously chase their potential and creates an environment conducive to self-motivated continuous learning. Besides physical training programs such as supervisor management training courses, APEX Program, 100 reading club, practical seminars on labor laws, career sharing lectures, and technical forums, Advantech constantly updates its all-round digital learning platform "Advantech Academy," and strives for excellence. The digital platform provides diverse courses, including various professional skill development courses, business philosophy inheritance and sharing, and training for middle and high-level management talents. Create an exclusive learning list to facilitate learning anytime, anywhere.</p>   |                                      |            |                       |   |     |        |  |     |        |
| Impact description  | <p>Advantech helps supervisors and colleagues gain a full understanding of the Company's strategic development direction and personal career development plans. This is to ensure the identification of competency gaps and items awaiting development, thereby offering comprehensive support and assistance. Furthermore, the Company strives to enhance individual capabilities and accumulate experience via resources such as promotions, rotations, and training programs. The training courses cover new employee hires orientation, job function enhancement, management skill training, and business acumen development, hoping that colleagues can give full play to their strengths, grow together with Advantech, and enhance workplace competitiveness. At present, the Company's employee development has no negative impact on the economy, environment, and people (including their human rights).</p> <p>If Advantech does not proactively develop and cultivate employees, it will lead to 1) talent drain, 2) declines in both productivity &amp; work quality, 3) talent shortages and increasing recruitment costs, 4) hindered innovation - employees will lack innovative thinking and problem-solving skills, in turn affecting the Company's competitiveness in the market. Therefore, Advantech employs the following measures to vigorously train and develop key talents:</p> <ol style="list-style-type: none"><li>1. A sound cultivation and development plan is the key to maintaining a competitive advantage in the market. Through the annual Organization &amp; People Review (O&amp;PR), Advantech helps supervisors and colleagues understand the Company's strategic development direction and individual career plans. By identifying personal development needs, Advantech can provide them with comprehensive training and refine employee development plans accordingly.</li><li>2. Training courses were gradually developed including new employee hires orientation, job function enhancement, management skill training, and business acumen development, hoping that colleagues can showcase their strengths, grow together with Advantech, and enhance workplace competitiveness.</li><li>3. Incentives for internal promotions and career development: Enhance personal ability and accrue experience through resources such as promotions, rotations, and training courses.</li></ol> <p>Talent cultivation and development are extremely important for the Company because they promote organizational development, reduce costs, increase competitiveness, and shape the Company's corporate image. In light of this, Advantech not only prioritizes talent cultivation and development but also formulated corresponding strategies and plans.</p> |                                      |            |                       |   |     |        |  |     |        |
| 2023 Goal achievement status                                      | <p>Goals achieved:</p> <table><tr><th>Development project management goals</th><th>2023 goals</th><th>2023 achievement rate</th></tr><tr><td>E-Learning global employee (indirect employee) participation rate</td><td>65%</td><td>82.68%</td></tr><tr><td>Promotion success rate of the LEAP Workout</td><td>20%</td><td>46.67%</td></tr></table> <p><b>*Note:</b> LEAP Workout promotes outstanding supervisors at the managerial level and above.</p>  | Development project management goals | 2023 goals | 2023 achievement rate | E-Learning global employee (indirect employee) participation rate | 65% | 82.68% | Promotion success rate of the LEAP Workout | 20% | 46.67% |
| Development project management goals                              | 2023 goals  | 2023 achievement rate                |            |                       |   |     |        |  |     |        |
| E-Learning global employee (indirect employee) participation rate | 65%   | 82.68%                               |            |                       |   |     |        |  |     |        |
| Promotion success rate of the LEAP Workout                        | 20%   | 46.67%                               |            |                       |   |     |        |  |     |        |
| 2024 Goals  | <ul style="list-style-type: none"><li>• The E-Learning global employee (indirect employee) participation rate reached 85%</li><li>• LEAP Workout promotion success rate reached 40%</li></ul>   |                                      |            |                       |   |     |        |  |     |        |
| 2025 Goals  | <ul style="list-style-type: none"><li>• The E-Learning global employee (indirect employee) participation rate reached 85%</li><li>• LEAP Workout promotion success rate reached 40%</li></ul>   |                                      |            |                       |   |     |        |  |     |        |

|   |   |   |   |   |
|---|---|---|---|---|
| 2030 Goals  | <ul style="list-style-type: none"><li>E-Learning global employee (indirect employee) participation rate reached 90%</li><li>LEAP Workout promotion success rate reached 40%</li></ul>   |   |   |   |
| Key actions or programs   | To enable talents to maintain a competitive edge, Advantech plans diverse training programs to enhance their capabilities and experience. The training courses cover new employee hires orientation, job function enhancement, management skill training, and business acumen development, hoping that colleagues can give full play to their strengths, grow together with Advantech, and enhance workplace competitiveness. Relevant trainings are listed below:  |   |   |   |
|   | Item  | Overview  | Participants  | Coverage rate   |
|   | E-Learning Advantech academy online learning platform   | Through online learning, employees around the world can understand Advantech's business philosophy and corporate culture, and at the same time, learn on their own terms and obtain the latest learning information. This enables employees to transcend geography and time restraints to engage in synchronous learning and exchange with colleagues across the globe.                                     | General employees (Indirect employees)                  | Covered 82.68% of global indirect employees   |
|   | 100 reading club  | Invite supervisors who are interested in using the Commonwealth Leader Campus (CWLC) platform to join the learning plan. Every month, a physical book club is held where participants read designated sections beforehand. During the meeting, there is an exchange of experiences and sharing among department supervisors. Thereafter, participants can then apply new insights to their management work. | Colleagues at the supervisory level and above           | Covered 31.76% of CWLC users  |
|   | Integrity business code education and training  | Advantech's philosophy of integrity management and related regulations are provided to employees through online courses.  | General employees (Indirect employees)                  | Online courses covered 98.12% of global indirect employees (excluding direct employees)   |
|   | Occupational health and safety education and training   | Employees receive annual online training on the concepts of occupational health and safety, safety regulations and knowledge, emergency response procedures, common knowledge of fire safety, first aid, and drills. Employees receive regular annual training annually through online courses.   | All employees (Direct employees and indirect employees) | Covered 80.87% of employees in Taiwan (Including direct employees and indirect employees)   |
|   | Information and cyber security promotion course   | Common information and cyber security risks and case studies, basic principles of information and cyber security, as well as information and cyber security regulations that employees should comply with, are offered through online courses annually.   | General employees (Indirect employees)                  | Covered 86.48% of indirect employees in Taiwan (Excluding direct employees)   |
| In addition to internal employee cultivation, recruiting outstanding talents is also one of the drivers of corporate growth. Advantech has created the "Elite" recruitment project inspired by the core concept of "Right People on the Bus", by inviting outstanding talents who are highly compatible with and identify with Advantech's corporate spirit to join. It is expected that full-time colleagues recruited through this program will successfully adapt to the Company's corporate culture, achieve a retention rate of over 80%, and demonstrate better-than-average performance in performance appraisals. Advantech will begin reviewing the program's effectiveness in 2024. |   |   |   |   |
| Effectiveness assessment  | Item  | Effectiveness assessment mechanism  | 2023 assessment results                                 | 2024 management policy adjustments  |
|   | E-Learning Advantech Academy online learning platform   | Utilization rate and course satisfaction are used to control course quality   | Utilization rate 82.68%                                 | Restructure the academy (management, professional, general education, new hires) and adjust the curriculum based on various academies' plans to increase the utilization rate of the platform by global indirect employees. |
|   | LEAP Workout  | Promotion rate  | Promotion rate 46.67%                                   | The plan will continue to be promoted at Advantech headquarters and Advantech China   |
|   | Integrity business code education and training  | Indirect employee coverage rate   | Covered 98.12% of global indirect employees             | Continue to implement digital courses   |
|   | Occupational health and safety education and training   | Indirect employee coverage rate   | Covered 80.87% of indirect employees in Taiwan          | Continue to implement digital courses   |
|   | Information and cyber security promotion course   | Indirect employee coverage rate   | Covered 86.48% of indirect employees in Taiwan          | Continue to implement digital courses   |
| Stakeholder engagement  | Employees are Advantech's most important asset and the driving force behind the Company's sustainable development. Consequently, Advantech values employee suggestions and feedback on talent development and training. The company understands employees' ideas and needs through post-class questionnaires in training courses and annual performance interviews, and also uses the performance evaluation system to formulate Individual Development Plans (IDPs). Subsequently, annual satisfaction surveys are used as quantitative indicators to evaluate improvement efforts and assess their effectiveness. |   |   |   |

## 5.1.1 Talent Attraction and Retention

### Talent Attraction

In response to various impacts and challenges, such as the aging population structure and the low birth rate, as well as values and career changes of the new generation of talents, Advantech has upheld the core concept "Right People on the Bus" to develop diverse and flexible recruitment methods. "First Who, Then What": The right key talents will work with Advantech to create the vision. Apart from professional competence, Advantech places even greater emphasis on the "altruistic passion" of talents. The Company attracts innovative professionals from diverse fields to join the Advantech family via diverse recruitment channels and flexible recruitment projects. The goal is to provide outstanding talents with unrestricted room for development and diverse career possibilities. Advantech will continue to optimize and promote different initiatives to attract, nurture, and retain talents with altruistic passion.

#### Advantech's featured recruitment program - the Elite series

The Elite recruitment activities are inspired by the theme "Right People on the Bus", allowing Advantech and talents to gain a deeper mutual understanding, with the goal of finding key talents (A talent). Programs catering to varying levels of expertise, are designed to accommodate everyone from interns to academia-industry collaborations, graduates entering the workforce, as well as seasoned industry elites. These Elite programs are designed to target key talents needed by Advantech, inviting them to join the Company through diverse recruitment initiatives.

##### Elite program

- **Elite Champion:** Recruit high-potential elites with more than three years of experience

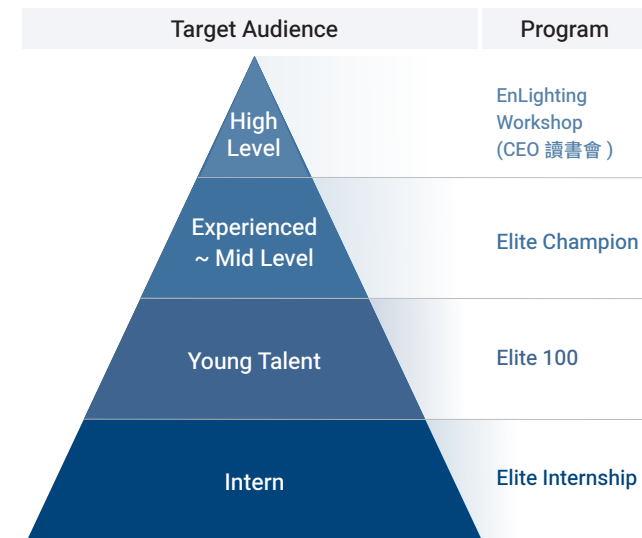
For the recruitment of high-potential industrial elites with more than three years of experience, talent identification will be conducted via phone interviews and pre-ranking before the event, and executive level supervisors will be invited to participate in on-site interviews on the day of the event to identify and recruit A Talents.

- **Elite100 - Training and recruitment of talents with less than three years of work experience**

For the training and recruitment of entry-level talents or graduates with less than three years of work experience, executive level supervisors will share Advantech's cultural values and career directions. The session will be conducted in the form of group interviews (preliminary face-to-face interviews) to discover outstanding talents for various job positions. Thereafter, a secondary interview will be carried out to select outstanding talents.

- **Elite100 internship - Undergraduate junior, senior, and graduate internship project**

The internship program for undergraduate juniors, seniors, and graduates allows Advantech to reach out to promising students in advance. By observing their performance during the internship, the Company can consider whether to extend their internship or offer them full-time positions.



#### Effectiveness of the Elite recruitment campaign

| Year |        | Region                         | Effectiveness of the Elite recruitment campaign |           |                  |   |
|------|--------|--------------------------------|---|-----------|------------------|---|
|      |        |                                | Elite Champion                                  | Elite 100 | Elite Internship | Overall effectiveness of Elite activities |
| 2021 | Actual | Headquarters                   | 22%   | 10%       | 17%              | 16%                                       |
| 2022 | Actual | Headquarters                   | 13%   | 8%        | 22%              | 17%                                       |
| 2023 | Target | Headquarters                   | 20%   | 10%       | 25%              | 20%                                       |
|      | Actual | (Headquarters and China) Total | NA  | 11%       | 25%              | 21%                                       |
|      |        | Headquarters                   | NA  | 11%       | 27%              | 22%                                       |
|      |        | Advantech China                | NA  | NA        | 8%               | 8%  |
| 2024 | Target | (Headquarters and China) Total | 20%   | 10%       | 25%              | 20%                                       |
| 2025 | Target | (Headquarters and China) Total | 20%   | 10%       | 25%              | 20%                                       |

##### \*Note:

1. The effectiveness ratio of the Elite recruitment activities = number of targeted key talents joined through the Elite recruitment activities/total number of targeted key talents
2. Headquarters data for 2021 and 2022 In 2023, the scope of the statistics was expanded to include Advantech China, thus the data in 2023 includes the effectiveness of the Elite recruitment activities of the headquarters and Advantech China.
3. In 2023, the Elite Champion recruitment event was originally scheduled for the second half of the year, but it was canceled due to a mismatch between the nature and quantity of job openings in the latter half of the year.

## Internal employee referral

In response to the challenges of talent transformation among the new generation and the difficulty in manpower recruitment, Advantech also strives to diversify its talent recruitment channels and has devised improvement plans for its recruitment strategies. Recognizing the high suitability of candidates referred by internal employees, Advantech substantially increased the internal talent referral bonus at its headquarters in Taiwan in 2023. The referral bonus was raised from NTD 10,000~20,000 to NTD 15,000~30,000 (depending on the job position of the referred candidate).

Despite the increase in the referral bonus, the success rate of internal referrals at the headquarters in Taiwan decreased from 34.5% in 2022 to 19.3% in 2023 due to diminished job demand as a result of the economic downturn. Generally speaking, the new employee hires referred by internal employees were better suited to their jobs than those recruited via other channels, making internal referrals an important talent source for the Company. Consequently, Advantech will continue to promote the program.

Advantech believes that through current employees' high degree of recognition of industry development and corporate culture, as well as the spontaneous invitation of professionals from diverse disciplines to join the Company's open development platform, besides showcasing employees' recognition of the company, the analysis of the performance of new hires who come through internal referrals reveals that they tend to be more stable compared to new hires from other channels. The employee referral ratio in the past three years is illustrated in the table below. In 2023, the statistical internal referral data was expanded to cover six major regions. The percentage of internally referred employees in the six major regions was 13%, and the target is for internal referrals to reach 15% by 2025.

## Internal employee referral bonus

|                | Assistant project manager/<br>assistant managers and below | Project manager/<br>managers and above |
|----------------|--|--|
| 2023 bonus     | NTD 15,000   | NTD 30,000                             |
| Original bonus | NTD 10,000   | NTD 20,000                             |

## Percentage of internal employee referrals

| Region |        |  | Direct employee (DL) | Indirect Employees (IDL) | All employees |
|--------|--------|--|----------------------|--------------------------|---------------|
| 2021   | Actual | Headquarters                           | NA                   | 24%                      | 24%           |
| 2022   | Actual | Headquarters                           | 22%                  | 34%                      | 28%           |
|        | Target | Headquarters                           | 25%                  | 35%                      | 30%           |
|        | Actual | Six significant locations of operation | 24%                  | 13%                      | 16%           |
| 2023   | Actual | Headquarters                           | 13%                  | 21%                      | 19%           |
|        |        | Advantech China                        | 26%                  | 0%                       | 12%           |
|        |        | Advantech Japan                        | NA                   | 10%                      | 10%           |
|        |        | Advantech Korea                        | 0%                   | 0%                       | 0%            |
|        |        | Advantech Europe                       | 100%                 | 0%                       | 12%           |
|        |        | Advantech USA                          | 0%                   | 33%                      | 32%           |
| 2024   | Target | Six significant locations of operation | 25%                  | 15%                      | 15%           |
| 2025   | Target | Six significant locations of operation | 25%                  | 15%                      | 15%           |

### \*Note:

- Percentage of internal employee referrals = number of new employee hires referred by internal employees/total number of new employee hires.
- Total number of new employee hires only includes full-time employees (full-time and contract employees), excluding part-time employees (interns).
- In 2023, the statistical scope of the internal referral ratio was expanded to include the six significant locations of operation (including Advantech Headquarters, Advantech China, Advantech Japan, Advantech Korea, Advantech USA, and Advantech Europe), so the target value of internal employee referrals for 2024 and 2025 will be updated concurrently.

## New Employee Hires

### New employee hires in 2023

| Region           | Item               | Number and percentage of males |       | Number and percentage of females |       | Number and percentage of people with undisclosed gender |       | Number of qualified new employee hires | Total number of employees | New employee hires ratio by region (%) | New employee hires ratio (%) |
|------------------|--------------------|--------------------------------|-------|----------------------------------|-------|---|-------|--|---------------------------|--|------------------------------|
| Headquarters     | below 30 years old | 82                             | 11.2% | 72                               | 12.6% | 0   | —     | 367                                    | 3,588                     | 10%                                    | 11%                          |
|                  | 31 - 49 years old  | 109                            | 3.2%  | 88                               | 3.3%  | 0   | —     |  |                           |  |                              |
|                  | over 50 years old  | 9                              | 1.0%  | 7                                | 1.7%  | 0   | —     |  |                           |  |                              |
| Advantech China  | below 30 years old | 97                             | 13.3% | 57                               | 10.0% | 0   | —     | 283                                    | 3,357                     | 8%                                     |                              |
|                  | 31 - 49 years old  | 71                             | 2.1%  | 55                               | 2.1%  | 0   | —     |  |                           |  |                              |
|                  | over 50 years old  | 2                              | 0.2%  | 1                                | 0.2%  | 0   | —     |  |                           |  |                              |
| Advantech Japan  | below 30 years old | 3                              | 0.4%  | 4                                | 0.7%  | 0   | —     | 31                                     | 232                       | 13%                                    |                              |
|                  | 31 - 49 years old  | 8                              | 0.2%  | 9                                | 0.3%  | 0   | —     |  |                           |  |                              |
|                  | over 50 years old  | 4                              | 0.5%  | 3                                | 0.7%  | 0   | —     |  |                           |  |                              |
| Advantech Korea  | below 30 years old | 10                             | 1.4%  | 8                                | 1.4%  | 0   | —     | 42                                     | 129                       | 33%                                    |                              |
|                  | 31 - 49 years old  | 8                              | 0.2%  | 15                               | 0.6%  | 0   | —     |  |                           |  |                              |
|                  | over 50 years old  | 1                              | 0.1%  | 0                                | 0.0%  | 0   | —     |  |                           |  |                              |
| Advantech Europe | below 30 years old | 14                             | 1.9%  | 5                                | 0.9%  | 0   | —     | 104                                    | 525                       | 20%                                    |                              |
|                  | 31 - 49 years old  | 40                             | 1.2%  | 30                               | 1.1%  | 0   | —     |  |                           |  |                              |
|                  | over 50 years old  | 12                             | 1.4%  | 3                                | 0.7%  | 0   | —     |  |                           |  |                              |
| Advantech USA    | below 30 years old | 15                             | 2.1%  | 10                               | 1.7%  | 1   | 100%- | 77                                     | 536                       | 14%                                    |                              |
|                  | 31 - 49 years old  | 27                             | 0.8%  | 14                               | 0.5%  | 0   | —     |  |                           |  |                              |
|                  | over 50 years old  | 8                              | 0.9%  | 1                                | 0.2%  | 1   | NA    |  |                           |  |                              |
| Other regions    | below 30 years old | 29                             | 4.0%  | 14                               | 2.4%  | 0   | —     | 87                                     | 462                       | 19%                                    |                              |
|                  | 31 - 49 years old  | 19                             | 0.5%  | 17                               | 0.6%  | 0   | —     |  |                           |  |                              |
|                  | over 50 years old  | 6                              | 0.7%  | 1                                | 0.2%  | 1   | 1%    |  |                           |  |                              |

**\*Note:**

1. New employee hires ratio by region = Number of new employee hires of various ethnic groups in the region/total number of employees of that ethnic group; Overall new employee hires ratio = Number of new employee hires in the current year/ total number of employees.
2. The number of new employee hires only includes full-time employees (full-time and contract employees), and excludes part-time employees (interns).
3. The denominator of the new employee hires ratio is the number of employees in service as of December 31, 2023, excluding those who have resigned.
4. For Advantech USA, new employee hires aged 50 years and above who did not disclose their gender also resigned in the same year, thus the ratio could not be calculated.

## New employee hires in the past four years

| Region           | 2020               |                                  | 2021               |                                  | 2022               |                                  | 2023               |  |                                  |
|------------------|--------------------|----------------------------------|--------------------|----------------------------------|--------------------|----------------------------------|--------------------|--|----------------------------------|
|                  | New employee hires | Proportion of new employee hires | New employee hires | Proportion of new employee hires | New employee hires | Proportion of new employee hires | New employee hires | Total for the six significant locations of operation | Proportion of new employee hires |
| Headquarters     | 383                | 12%                              | 487                | 15%                              | 713                | 20%                              | 367                | 3,588  | 10%                              |
| Advantech China  | 549                | 17%                              | 1,010              | 28%                              | 669                | 18%                              | 283                | 3,357  | 8%                               |
| Advantech Japan  | 26                 | 11%                              | 14                 | 6%                               | 23                 | 10%                              | 31                 | 232  | 13%                              |
| Advantech Korea  | 14                 | 13%                              | 44                 | 37%                              | 47                 | 37%                              | 42                 | 129  | 33%                              |
| Advantech Europe | 45                 | 12%                              | 63                 | 17%                              | 113                | 23%                              | 104                | 525  | 20%                              |
| Advantech USA    | NA                 | NA                               | NA                 | NA                               | 105                | 21%                              | 77                 | 536  | 14%                              |
| Other regions    | NA                 | NA                               | NA                 | NA                               | NA                 | NA                               | 87                 | 462  | 19%                              |
| <b>Total</b>     | <b>1,017</b>       | <b>14%</b>                       | <b>1,618</b>       | <b>21%</b>                       | <b>1,670</b>       | <b>19%</b>                       | <b>991</b>         | <b>8,829</b>   | <b>11%</b>                       |

## The average cost of new employee hires

| Region                          | 2020         | 2021         | 2022          | 2023          |
|---------------------------------|--------------|--------------|---------------|---------------|
|                                 | NTD          | NTD          | NTD           | NTD           |
| Headquarters                    | 971          | 1,126        | 1,912         | 15,848        |
| Advantech China                 | 2,900        | 3,013        | 3,736         | 3,523         |
| Advantech Japan                 | 87,453       | 71,218       | 232,830       | 40,564        |
| Advantech Korea                 | 9,972        | 14,143       | 7,972         | 7,822         |
| Advantech Europe                | 117,348      | 137,445      | 89,925        | 71,859        |
| Advantech USA                   | —            | —            | 37,710        | 17,961        |
| Other regions                   | —            | —            | —             | 12,802        |
| <b>Total average cost (NTD)</b> | <b>9,458</b> | <b>8,572</b> | <b>13,568</b> | <b>18,536</b> |



### \*Note:

1. Unit: NTD/person; formula: average cost of new employee hires = annual recruitment cost/number of new employee hires
2. The recruitment fee includes advertising, recruitment bonus, and recruitment activity funds.

## Talent Retention

Advantech's industrial characteristics of small volume and diverse products, emphasis on innovation, and flexibility, as well as its global presence, offer employees opportunities for cross-field transfers, cross-border collaboration, and overseas work, allowing them to benefit from diverse career choices. The Company will continue to optimize its promotion, performance evaluation, and employee development plan-related mechanisms to provide employees with a platform to pursue their careers; it will also develop comprehensive education and training courses to nurture and train outstanding talents; furthermore, Advantech will engage in market salary surveys to provide employees with competitive remuneration; the outstanding employee selection event is held annually to acknowledge employees' exceptional performance and enhance their sense of belonging. Advantech is also committed to supporting employees' lives. Through the Advantech ABLE Club, employees are encouraged to innovate, learn, experience life, and give back to society after work (please refer to 5.2 Employee communication and benefits). Support employees' long-term development and growth through diverse programs.

## Diverse career development opportunities

### • Cross-border cooperation/overseas job opportunities

Advantech boasts locations around the world to support the international development of employees and encourage employees to apply for vacancies at various global locations. In addition, they can keep up with the rest of the world by collaborating with colleagues from different countries, enriching their professional career and personal interests. Through engaging with international teams and sharing viewpoints, Advantech can foster talent that embraces diversity and broadens horizons, in turn becoming more innovative problem solvers and value creators. Advantech also encourages the implementation of cross-border projects that enable employees to gain valuable experiences.

### • Internal transfers - My Career +

Advantech supports employees in their long-term career development within the Company. The senior management has taken the initiative to shape a corporate culture that encourages internal transfers. Since the official implementation of the global human capital management system, Workday, in 2023, the internal transfer mechanism, My Career+, has become more streamlined, providing employees with channels for skill growth and expansion through a more open and transparent process. In turn, this helps them to broaden their horizons, thereby cultivating cross-departmental talent. My Career+ facilitates the transition process, not only promoting internal talent mobility and training all-round outstanding talents but also furthering the objective of talent retention.

## Number of Employees Transferred and Promoted

| Transfer/<br>promotion %                                    | 2020                                      |                          |              | 2021                                      |                          |              | 2022                                      |                          |              | 2023                                      |                           |              |
|---|---|--------------------------|--------------|---|--------------------------|--------------|---|--------------------------|--------------|---|---------------------------|--------------|
|   | Number of people transferred and promoted | Total indirect employees | Percentage % | Number of people transferred and promoted | Total indirect employees | Percentage % | Number of people transferred and promoted | Total indirect employees | Percentage % | Number of people transferred and promoted | Total number of employees | Percentage % |
| Headquarters  | 412                                       | 2,276                    | 18%          | 296                                       | 2,282                    | 13%          | 824                                       | 3,488                    | 24%          | 740                                       | 3,588                     | 21%          |
| Advantech China   | 389                                       | 1,648                    | 24%          | 410                                       | 1,675                    | 24%          | 361                                       | 1,784                    | 20%          | 1,502                                     | 3,357                     | 45%          |
| Advantech Japan   | 29  | 238                      | 12%          | 12  | 231                      | 5%           | 13  | 231                      | 6%           | 12  | 232                       | 5%           |
| Advantech Korea   | 18  | 86                       | 21%          | 22  | 95                       | 23%          | 5   | 99                       | 5%           | 11  | 129                       | 9%           |
| Advantech Europe  | —   | —                        | —            | —   | —                        | —            | —   | —                        | —            | 56  | 525                       | 11%          |
| Advantech USA   | —   | —                        | —            | —   | —                        | —            | 58  | 512                      | 11%          | 64  | 536                       | 12%          |
| <b>Total for the six significant locations of operation</b> | <b>848</b>                                | <b>4,248</b>             | <b>20%</b>   | <b>740</b>                                | <b>4,283</b>             | <b>17%</b>   | <b>1,261</b>                              | <b>6,114</b>             | <b>21%</b>   | <b>2,385</b>                              | <b>8,367</b>              | <b>29%</b>   |

\*Note: Unit: Person; Formula: Number of employees transferred or promoted in the year/number of employees in the year

## Performance Reward System

Advantech engages in market salary surveys and provides employees with competitive remuneration. The remuneration structure can include year-end bonuses, personal performance bonuses, team bonuses, business performance bonuses, outstanding talent shares or cash dividends, etc., developing diverse rewards and applying various remuneration methods to motivate employees of different groups. This is to attract, develop, retain, and effectively reward talents who will continue to generate value alongside Advantech.

Advantech regularly reviews salary and remuneration-related indicators for various job categories and bands in different regions worldwide to ensure a diverse and equal workplace.

## Gender compensation gap analysis

Advantech's remuneration policy is based on job responsibilities and duties, and complies with all local government laws and regulations. Taking Taiwan as an example: This includes complying with laws such as the "Labor Standards Act", the "Gender Equality in Employment Act", and the "Employment Service Act". The salary structure is designed to prevent any pay gap. In line with global talent management practices, the Company engages in external salary surveys and takes into consideration salary data from other market reports to align its compensation packages with market salary trends. This involves designing pay ranges based on parameters such as job functions and positions. By doing so, its talent selection and retention measures can be aligned more closely with prevailing market salary levels to ensure fair and competitive remuneration. The headquarters started developing and optimizing pay range tables (focusing on job functions and positions) in 2022, with plans to gradually incorporate all six significant locations of operation over the coming years. Advantech establishes pay range standards based on functions and positions to prevent gender pay gaps. However, it has been observed that many key roles are held by male employees. In the future, more internal emphasis will be placed on promoting female employees into such positions and encouraging female employees to take on these key roles. For external recruitment, efforts will focus on the diversity of candidates for these key positions, so as to increase the diversity of employee composition and facilitate the Company's diverse developments.

The following table illustrates Advantech's average gender pay gap at different job bands, with male average salaries serving as the benchmark at 1 for comparison purposes.

1. Among executive level supervisors, there are more males with roles directly related to profit-making, and performance bonuses are reflected in the bonus component of compensation, hence the overall compensation tends to be higher on average for males.
2. Among general employees, there are more male R&D engineers than females, while there are more females in administrative support-related roles. The gender pay gap is attributed to gender concentration within job functions.
3. The gender pay gap at the headquarters is minimal, with female executives earning higher salaries than their male counterparts.
4. The direct employees of the headquarters included foreign migrant workers who were mostly female, which accounted for the gender pay gap.
5. The sales locations in the five major regions are China, Japan, Korea, Europe, and the US. The employee competency category is predominantly profit-related, with higher salaries for profit-related roles, which are more often held male employees.
  - For the general indirect employees of the Kunshan plant in China, the pay gap originates from job function. The remuneration of key job functions (such as product engineering and intelligent automation technology) is higher than that of administrative functions. Moreover, critical functions have a higher proportion of male employees.
  - Among the general indirect employees in Japan, there are more male employees in positions related to profit, and the pay gap is attributed to this.
  - In Korea, all supervisor-level administrative function supervisors are female, and profit-related functional supervisors are all male. The pay gap comes from job function differences.
  - Due to the wide range of employees in Europe, pay gaps not only stem from differences in job functions but also include factors such as employees coming from different countries, leading to variations in salary based on nationality.
6. In the US, among executive level supervisors and management-level supervisors, there is a predominance of male individuals in profit-related management roles which leads to the pay gap.

| Average                     |                                     | Headquarters                              |   | China                                     |   | Kunshan plant, China                      |   | Japan                                     |   | Korea                                     |   | Europe                                    |   | United States                             |   |
|-----------------------------|-------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Job band classification     | Base salary only/annual salary      | Average annual salary of female employees | Average annual salary of male employees | Average annual salary of female employees | Average annual salary of male employees | Average annual salary of female employees | Average annual salary of male employees | Average annual salary of female employees | Average annual salary of male employees | Average annual salary of female employees | Average annual salary of male employees | Average annual salary of female employees | Average annual salary of male employees | Average annual salary of female employees | Average annual salary of male employees |
| Executive level supervisor  | Base salary only                    | 1.08                                      | 1.00                                    | 0.99                                      | 1.00                                    | —   | —                                       | 1.19                                      | 1.00                                    | 0.85                                      | 1.00                                    | 0.68                                      | 1.00                                    | 0.87                                      | 1.00                                    |
|                             | Base salary + other cash incentives | 1.12                                      | 1.00                                    | 1.09                                      | 1.00                                    | —   | —                                       | 1.11                                      | 1.00                                    | 0.89                                      | 1.00                                    | 0.62                                      | 1.00                                    | 0.55                                      | 1.00                                    |
| Management-level supervisor | Base salary only                    | 0.96                                      | 1.00                                    | 0.86                                      | 1.00                                    | 0.92                                      | 1.00                                    | —   | 1.00                                    | 0.76                                      | 1.00                                    | 0.74                                      | 1.00                                    | 1.00                                      | 1.00                                    |
|                             | Base salary + other cash incentives | 1.00                                      | 1.00                                    | 0.86                                      | 1.00                                    | 0.94                                      | 1.00                                    | —   | 1.00                                    | 0.74                                      | 1.00                                    | 0.72                                      | 1.00                                    | 0.73                                      | 1.00                                    |
| General indirect employees  | Base salary only                    | 0.88                                      | 1.00                                    | 0.93                                      | 1.00                                    | 0.88                                      | 1.00                                    | 0.76                                      | 1.00                                    | 0.95                                      | 1.00                                    | 0.92                                      | 1.00                                    | 0.93                                      | 1.00                                    |
|                             | Base salary + other cash incentives | 0.86                                      | 1.00                                    | 0.87                                      | 1.00                                    | 0.85                                      | 1.00                                    | 0.77                                      | 1.00                                    | 0.94                                      | 1.00                                    | 0.86                                      | 1.00                                    | 0.91                                      | 1.00                                    |
| General direct employees    | Base salary only                    | 0.90                                      | 1.00                                    | —   | —                                       | 0.89                                      | 1.00                                    | —   | —                                       | —   | —                                       | —   | —                                       | —   | —                                       |
|                             | Base salary + other cash incentives | 0.87                                      | 1.00                                    | —   | —                                       | 0.91                                      | 1.00                                    | —   | —                                       | —   | —                                       | —   | —                                       | —   | —                                       |

### \*Remarks:

1. Advantech conducted the Global Job Band alignment in 2022, where global job bands were divided into A to H. Management-level supervisors (manager level) were classified as Job Band E, while executive level supervisors (including Assistant Vice President level and above) were classified as Job Band F and above.
2. The Kunshan plant in China is listed separately due to the difference in employee composition and salary structure.

The table below presents an analysis of male and female employee compensation across six significant locations of operation, displayed in terms of average and median. Male compensation is set as 1 to serve as the benchmark for illustrating the difference.

| Analysis of male and female compensation |                                     | Average for six significant locations of operation |   | Mean for six significant locations of operation |   |
|--|-------------------------------------|--|---|---|---|
| Job band classification                  | Base salary only/annual salary      | Average annual salary of female employees          | Average annual salary of male employees | The median annual salary for female employees   | The median annual salary for male employees |
| Executive level supervisor               | Base salary only                    | 0.94   | 1.00                                    | 1.08  | 1.00  |
|  | Base salary + other cash incentives | 0.87   | 1.00                                    | 1.12  | 1.00  |
| Management-level supervisor              | Base salary only                    | 0.89   | 1.00                                    | 0.96  | 1.00  |
|  | Base salary + other cash incentives | 0.85   | 1.00                                    | 1.00  | 1.00  |
| General indirect employees               | Base salary only                    | 0.87   | 1.00                                    | 0.88  | 1.00  |
|  | Base salary + other cash incentives | 0.84   | 1.00                                    | 0.86  | 1.00  |
| General direct employees                 | Base salary only                    | 1.04   | 1.00                                    | 0.90  | 1.00  |
|  | Base salary + other cash incentives | 1.01   | 1.00                                    | 0.87  | 1.00  |

**\*Remarks:**

1. Advantech conducted the Global Job Band alignment in 2022, where global job bands were divided into A to H. Management-level supervisors (manager level) were classified as Job Band E, while executive level supervisors (including Assistant Vice President level and above) were classified as Job Band F and above.

## Improvement Plan

Advantech's talent recruitment strategy is continuously adjusted according to market fluctuations, and it also continuously optimizes mechanisms including promotion, internal transfers, performance evaluations, employee development, education and training, outstanding employee commendation, compensation and benefits, and employee care. To adapt to rapid changes in the talent market and industry, there is a need for more agile and responsive digital tools. Furthermore, to constantly expand global locations, establishing a comprehensive global talent pool is gradually becoming more important and urgent. Emphasizing investment in the digital transformation of human resources, Advantech launched the Global Human Capital Management System in September 2022 and Workday in May 2023, while the Talent Optimization module was launched in January 2024 to progressively form a visualization of Advantech's global talent needs.

## Employee Turnover/Resignation Rate

### Turnover rate in 2023

| Region          | Classification   | Item                        | Male             |            | Female           |            | Non-disclosure of gender |            | Total number of employees who have resigned | Total number of employees | 自願離職率  | Turnover rate by region | Overall turnover rate |
|-----------------|------------------|-----------------------------|------------------|------------|------------------|------------|--------------------------|------------|---|---------------------------|--------|-------------------------|-----------------------|
|                 |                  |                             | Number of people | Percentage | Number of people | Percentage | Number of people         | Percentage |   |                           |        |                         |                       |
| Headquarters    | Age of employees | below 30 years old          | 52               | 7.13%      | 38               | 6.64%      | 0                        | —          | 346   | 3,529                     | 9.49%  | 9.80%                   | 13.91%                |
|                 |                  | 31 - 49 years old           | 113              | 3.27%      | 115              | 4.32%      | 0                        | —          |   |                           |        |                         |                       |
|                 |                  | over 50 years old           | 17               | 1.98%      | 11               | 2.72%      | 0                        | —          |   |                           |        |                         |                       |
|                 | Job band         | Executive level supervisor  | 5                | 2.96%      | 1                | 3.33%      | 0                        | —          | 346   |                           |        |                         |                       |
|                 |                  | Management-level supervisor | 13               | 2.25%      | 3                | 1.66%      | 0                        | —          |   |                           |        |                         |                       |
|                 |                  | General staff               | 164              | 3.82%      | 160              | 4.66%      | 0                        | —          |   |                           |        |                         |                       |
| Advantech China | Age of employees | below 30 years old          | 121              | 16.60%     | 95               | 16.61%     | 0                        | —          | 631   | 3,355                     | 17.97% | 18.81%                  |                       |
|                 |                  | 31 - 49 years old           | 212              | 6.13%      | 189              | 7.09%      | 0                        | —          |   |                           |        |                         |                       |
|                 |                  | over 50 years old           | 9                | 1.05%      | 5                | 1.23%      | 0                        | —          |   |                           |        |                         |                       |
|                 | Job band         | Executive level supervisor  | 3                | 1.78%      | 0                | 0.00%      | 0                        | —          | 631   |                           |        |                         |                       |
|                 |                  | Management-level supervisor | 7                | 1.21%      | 0                | 0.00%      | 0                        | —          |   |                           |        |                         |                       |
|                 |                  | General staff               | 332              | 7.72%      | 289              | 8.42%      | 0                        | —          |   |                           |        |                         |                       |

| Region           | Classification   | Item                        | Male             |            | Female           |            | Non-disclosure of gender |            | Total number of employees who have resigned | Total number of employees | 自願離職率  | Turnover rate by region | Overall turnover rate |
|------------------|------------------|-----------------------------|------------------|------------|------------------|------------|--------------------------|------------|---|---------------------------|--------|-------------------------|-----------------------|
|                  |                  |                             | Number of people | Percentage | Number of people | Percentage | Number of people         | Percentage |   |                           |        |                         |                       |
| Advantech Japan  | Age of employees | below 30 years old          | 3                | 0.41%      | 1                | 0.17%      | 0                        | —          | 23  | 212                       | 10.38% | 10.80%                  | 13.91%                |
|                  |                  | 31 - 49 years old           | 6                | 0.17%      | 5                | 0.19%      | 0                        | —          |   |                           |        |                         |                       |
|                  |                  | over 50 years old           | 6                | 0.70%      | 2                | 0.49%      | 0                        | —          |   |                           |        |                         |                       |
|                  | Job band         | Executive level supervisor  | 1                | 0.59%      | 0                | 0.00%      | 0                        | —          | 23  |                           |        |                         |                       |
|                  |                  | Management-level supervisor | 2                | 0.35%      | 0                | 0.00%      | 0                        | —          |   |                           |        |                         |                       |
|                  |                  | General staff               | 12               | 0.28%      | 8                | 0.23%      | 0                        | —          |   |                           |        |                         |                       |
| Advantech Korea  | Age of employees | below 30 years old          | 5                | 0.69%      | 6                | 1.05%      | 0                        | —          | 25  | 114                       | 21.93% | 21.92%                  |                       |
|                  |                  | 31 - 49 years old           | 9                | 0.26%      | 5                | 0.19%      | 0                        | —          |   |                           |        |                         |                       |
|                  |                  | over 50 years old           | 0                | 0.00%      | 0                | 0.00%      | 0                        | —          |   |                           |        |                         |                       |
|                  | Job band         | Executive level supervisor  | 0                | 0.00%      | 0                | 0.00%      | 0                        | —          | 25  |                           |        |                         |                       |
|                  |                  | Management-level supervisor | 0                | 0.00%      | 0                | 0.00%      | 0                        | —          |   |                           |        |                         |                       |
|                  |                  | General staff               | 14               | 0.33 %     | 11               | 0.32%      | 0                        | —          |   |                           |        |                         |                       |
| Advantech Europe | Age of employees | below 30 years old          | 0                | 0.00%      | 1                | 0.17%      | 0                        | —          | 44  | 522                       | 6.13%  | 8.40%                   |                       |
|                  |                  | 31 - 49 years old           | 22               | 0.64%      | 10               | 0.38%      | 0                        | —          |   |                           |        |                         |                       |
|                  |                  | over 50 years old           | 9                | 1.05%      | 2                | 0.49%      | 0                        | —          |   |                           |        |                         |                       |
|                  | Job band         | Executive level supervisor  | 3                | 1.78%      | 0                | 0.00%      | 0                        | —          | 44  |                           |        |                         |                       |
|                  |                  | Management-level supervisor | 5                | 0.86%      | 0                | 0.00%      | 0                        | —          |   |                           |        |                         |                       |
|                  |                  | General staff               | 23               | 0.54%      | 13               | 0.38%      | 0                        | —          |   |                           |        |                         |                       |
| Advantech USA    | Age of employees | below 30 years old          | 13               | 1.78%      | 7                | 1.22%      | 0                        | —          | 63  | 523                       | 9.56%  | 12.02%                  |                       |
|                  |                  | 31 - 49 years old           | 12               | 0.35%      | 6                | 0.23%      | 0                        | —          |   |                           |        |                         |                       |
|                  |                  | over 50 years old           | 18               | 2.09%      | 7                | 1.73%      | 0                        | —          |   |                           |        |                         |                       |
|                  | Job band         | Executive level supervisor  | 2                | 1.18%      | 1                | 3.33%      | 0                        | —          | 63  |                           |        |                         |                       |
|                  |                  | Management-level supervisor | 1                | 0.17%      | 2                | 1.10%      | 0                        | —          |   |                           |        |                         |                       |
|                  |                  | General staff               | 40               | 0.93%      | 17               | 0.50%      | 0                        | —          |   |                           |        |                         |                       |
| Other regions    | Age of employees | below 30 years old          | 13               | 1.78%      | 12               | 2.10%      | 0                        | —          | 77  | 434                       | 14.98% | 17.74%                  |                       |
|                  |                  | 31 - 49 years old           | 28               | 0.81%      | 17               | 0.64%      | 0                        | —          |   |                           |        |                         |                       |
|                  |                  | over 50 years old           | 5                | 0.58%      | 1                | 0.25%      | 1                        | NA         |   |                           |        |                         |                       |
|                  | Job band         | Executive level supervisor  | 0                | 0.00%      | 0                | 0.00%      | 0                        | —          | 77  |                           |        |                         |                       |
|                  |                  | Management-level supervisor | 7                | 1.21%      | 1                | 0.55%      | 0                        | —          |   |                           |        |                         |                       |
|                  |                  | General staff               | 39               | 0.91%      | 29               | 0.85%      | 1                        | 100%       |   |                           |        |                         |                       |

**\*Note:**

- Advantech conducted the Global Job Band alignment in 2022, where global job bands were divided into A to H. Management-level supervisors (manager level) were classified as Job Band E, while executive level supervisors (including Assistant Vice President level and above) were classified as Job Band F and above.
- Individual turnover rate by age, job band, and gender = number of employees who have resigned in that area and group/total number of employees in that group.
- Total turnover rate = total number of employees who have resigned/total number of employees.
- Only full-time employees who have resigned were included in the statistics, excluding contracted and part-time employees (interns).
- For years before 2022 (inclusive), only voluntary severance was disclosed, while 2023 is for global data (other regions are additionally disclosed), and includes voluntary and involuntary severance.
- In 2023, the disclosure of other regions was added to include all of Advantech.
- Regions that are not considered significant locations of operation (Headquarters, Advantech China, Advantech Japan, Advantech Korea, Advantech Europe, and Advantech USA) are Indonesia, Mexico, India, Czech Republic, Australia, Malaysia, Singapore, Thailand, Russia, Turkey, Brazil, the Emirates, Vietnam, Canada, and Israel. "Other regions" mentioned below all have the same definition.

## Four-year employee turnover rate

| Region           | 2020   |                                       | 2021   |                                       | 2022   |                                       | 2023                               |               |
|------------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|------------------------------------|---------------|
|                  | Total number of resigned employees (Voluntary resignation) | Turnover rate (Voluntary resignation) | Total number of resigned employees (Voluntary resignation) | Turnover rate (Voluntary resignation) | Total number of resigned employees (Voluntary resignation) | Turnover rate (Voluntary resignation) | Total number of resigned employees | Turnover rate |
| Headquarters     | 405  | 12.8%                                 | 434  | 13.6%                                 | 585  | 16.8%                                 | 346                                | 9.8%          |
| Advantech China  | 127  | 11.3%                                 | 1,597  | 43.6%                                 | 1,101  | 29.6%                                 | 631                                | 18.8%         |
| Advantech Japan  | 15   | 6.6%                                  | 21   | 8.9%                                  | 25   | 10.8%                                 | 23                                 | 10.8%         |
| Advantech Korea  | 3  | 2.9%                                  | 2  | 1.7%                                  | 18   | 14.1%                                 | 25                                 | 21.9%         |
| Advantech Europe | 0  | —                                     | 0  | —                                     | 87   | 18.0%                                 | 44                                 | 8.4%          |
| Advantech USA    | 0  | —                                     | 0  | —                                     | 106  | 20.7%                                 | 63                                 | 12.0%         |
| Other regions    | 0  | —                                     | 0  | —                                     | 0  | —                                     | 77                                 | 17.7%         |
| <b>Total</b>     | <b>550</b>   | <b>11.9%</b>                          | <b>2,054</b>   | <b>26.8%</b>                          | <b>1,922</b>   | <b>22.4%</b>                          | <b>1,209</b>                       | <b>13.9</b>   |

**\*Note:**

1. The total turnover rate (involuntary resignation) for 2020-2022 is estimated. The 2020, 2021, and 2022 turnover rates were 12.5%, 28.2%, and 23.6%, respectively.
2. In 2023, global data was disclosed (other regions were also disclosed), which includes voluntary and involuntary resignations.
3. Only full-time employees who have resigned were included in the statistics, excluding contracted and part-time employees (interns).
4. The voluntary turnover rate for 2023 was 14.9%.

## 5.1.2 Employee Development Plan

Employees are the key to the momentum behind corporate growth. Advantech values the training and development of its employees and regards it as one of the Company's most critical development programs. The Company is committed to creating a workplace that inspires passion and enables employees to unleash their individual and team potential fully. Advantech encourages its employees to actively explore their potential and it has created an environment conducive for autonomous and continuous learning. The Company offers a variety of physical training courses such as supervisor management training courses, APEX Program, 100 reading club, practical lectures on labor laws and regulations, career sharing lectures, and technical forums. Meanwhile, Advantech continues to enhance the all-round digital learning platform, the "Advantech Academy." Advantech pursues excellence by meticulously designing digital platform courses with diverse content. These courses encompass training programs for various job functions, the passing and sharing of corporate philosophies, as well as training for middle and senior management talents. At Advantech, employees can formulate their exclusive learning checklists to facilitate learning anytime, anywhere.

### 2023 employee training overview

| Item  | Overview  | Participants                                  | Coverage rate                               |
|---|---|---|---|
| E-Learning Advantech Academy online learning platform | Through online learning, employees around the world can understand Advantech's business philosophy and corporate culture, and at the same time, learn on their own terms and obtain the latest learning information. This enables employees to transcend geography and time restraints to engage in synchronous learning and exchange with colleagues across the globe.                                     | General employees (Indirect employees)        | Covered 82.68% of global indirect employees |
| 100 reading club                                      | Invite supervisors who are interested in using the CommonWealth Leader Campus (CWLC) platform to join the learning plan. Every month, a physical book club is held where participants read designated sections beforehand. During the meeting, there is an exchange of experiences and sharing among department supervisors. Thereafter, participants can then apply new insights to their management work. | Colleagues at the supervisory level and above | Covered 31.76% of CWLC users                |

| Item  | Overview  | Participants  | Coverage rate   |
|---|---|---|---|
| Integrity business code education and training        | Advantech's philosophy of integrity management and related regulations are provided to employees through online courses.  | General employees (Indirect employees)                  | Online courses covered 98.12% of global indirect employees (excluding direct employees)   |
| Occupational health and safety education and training | Employees receive annual online training on the concepts of occupational health and safety, safety regulations and knowledge, emergency response procedures, common knowledge of fire safety, first aid, and drills. Employees receive regular annual training annually through online courses. | All employees (Direct employees and indirect employees) | Covered 80.87% of employees in Taiwan (including direct employees and indirect employees) |
| Information and cyber security promotion course       | Common information and cyber security risks and case studies, basic principles of information and cyber security, as well as information and cyber security regulations that employees should comply with, are offered through online courses annually.   | General employees (Indirect employees)                  | Covered 86.48% of indirect employees in Taiwan (excluding direct employees)               |

## Management Courses

To strengthen the professionalism of the management, improve competitiveness, and foster long-term organizational development, Advantech continues to plan and implement management courses including leadership techniques - coaching-based counseling, labor laws and management application practices required for supervisors, the 100 Reading Plan, and Leadership M'golf, etc. These courses aim to improve the management skills of supervisors, including leadership, communication skills, problem-solving skills, and decision-making skills. Through these courses, supervisors can learn and improve these key skills to more effectively manage the team, achieve goals, and unleash the potential of team members, thereby bolstering Advantech's corporate structure.

### Leadership technique - Coaching-based counseling

Advantech strives to establish an effective management style to motivate and guide team members to achieve the long-term success of the organization. The management and leaders play crucial roles, and their management styles have a direct impact on the performance of the team and the organization. Consequently, Advantech has continuously cultivated the communication and counseling skills required for team management and leadership. In 2023, the Company introduced the leadership technique, coaching-based counseling. The course aims to improve the personal communication and counseling skills of mid- and entry-level supervisors using a logical and systematic teaching method. The course endows supervisors with key expression skills tailored to different situations, helping mid- and entry-level supervisors to be more effective in managing and guiding their teams. The course includes numerous practical case studies and hands-on exercises, enabling mid- and entry-level supervisors to flexibly apply what they have learned, broaden their perspectives, and reinforce leadership within diverse teams. Through this training, Advantech strives to maximize the leadership influence of mid- and entry-level supervisors as well as facilitate the long-term development and success of the organization. In 2023, two training sessions were held for 63 mid- and entry-level supervisors. The training will be arranged annually for supervisors who have yet to receive the training. It is hoped that Advantech will foster a more stable and competitive organization in a bid to realize its sustainable development goals.



## Labor laws and management application practices required for supervisors

In 2023, to ensure the compliance of Advantech's supervisors in management leadership, minimize legal risks, improve supervisors' understanding of and response to labor laws, and protect Advantech's interests and image, the labor laws and management application practice course required for supervisors was introduced. Directors of prominent domestic law firms were invited to engage in exchanges and discussions with on-site and online supervisors and colleagues. The course focuses on practical management problems and case studies to ensure that supervisors can comply with all relevant labor laws and regulations to avoid illegal conducts or legal risks. At the same time, the course aims to raise supervisors' awareness of labor law issues and teach supervisors how to adequately address and solve these problems in their daily work. In 2023, a total of 833 supervisors participated in this course. Among them, 807 supervisors passed the post-course test, achieving a pass rate of 96.9%. The course content has been uploaded to the Advantech Academy (digital learning platform) on a chapter-by-chapter basis to expand the learning benefits. The course has successfully enhanced supervisors' understanding of and response to labor laws, established a corporate culture at Advantech that respects legal regulations and values legal compliance, as well as improved employees' compliance awareness and behavior. The measure will lay a solid foundation for Advantech's sustainable development in the future, allowing the Company to continue complying with the highest legal standards to protect its interests and goodwill.

### 100 reading plan

To fortify the eight core competencies (digital competency, strategic competency, leadership, operational competency, international perspectives, market insight, management competency, and innovation) of entry- and mid-level supervisors, Advantech introduced CWLC in 2022, providing over 2,000 learning modules containing articles, audio files, videos, and other contents. The modules are available in website and app versions, allowing supervisors to improve themselves anytime, anywhere. To encourage supervisor to read, Advantech has introduced the 100 Reading Plan, aiming to achieve the goal of reading 100 articles within a year. In 2023, a total of 59 supervisors completed the target of reading 100 articles. In 2024, the program was expanded to include all employees, where diverse activities will be conducted to encourage them to achieve the goal of reading 100 articles to improve the management and general knowledge of Advantech's supervisors.

## Technical Sharing Forum (Advantech China)

Advantech China (ACN) organizes technical forums annually to strengthen internal technical exchange and collaboration, promote organizational innovation and improvement, enhance employees' professional capabilities and job satisfaction, and ultimately enhance competitiveness and sustainable development capabilities. The aim is to achieve the following objectives:

- **Benefits of technical training:** Advantech is dedicated to elevating the professional skills and standards of its R&D personnel through technical training and expanding cross-departmental technical knowledge. The measure not only increases design efficiency and work quality but also indirectly bolsters the competitiveness of the Company's products.
- **Overcome technical barriers:** Technical forums are held to overcome technical barriers among business groups, ensure the passing of design experience, as well as minimize and avoid design traps. The knowledge sharing and exchange help to improve the overall R&D efficiency and product quality.
- **Continuous improvement awareness:** Enhance the R&D unit's awareness of continuous improvement in new technologies and processes through technical training. Advantech encourages and facilitates a positive atmosphere for internal technical discussion and sharing, which is conducive to the development and improvement of the professional skills of R&D personnel.

In 2023, six technical forums were held, covering nine technology-sharing topics that lasted nine hours. These efforts not only improve the technical level and efficiency within the organization but also promote the sustainable development of the entire industry, thereby achieving long-term economic and social impact.

| Event time  | Topic   | Participants   | Number of participants | Effectiveness   |
|-------------|---|----------------|------------------------|---|
| June 21     | "DDR5 Design Experience Sharing"  | Hardware PM&RD | Around 60 people       | The achievement rate of 2023Q1 results was 120.9%, with a growth of 14.7%   |
| December 22 | "Zhaoxin, Glenfly, and UnionTech Software Technology"   | PM&RD&SW       | Around 120 people      | DMS invests in localization projects, with a 2023 annual performance achievement rate of 118% and a growth of 13% |
| August 18   | "Power over Ethernet (PoE) technology sharing"<br>"Case study of commonly Used BUS-DMS on the X86 platform" | Hardware PM&RD | Around 80 people       | 94.7% achievement rate for 2023   |
| October 25  | "Analysis of optical modules"<br>"AI & NVIDIA AI module application"<br>"CRPS application sharing"          | Hardware PM&RD | Around 50 people       |   |
| December 21 | "SI/DQA/Power/EMC Design Validation Case Interpretation"  | Hardware PM&RD | Around 100 people      |   |
| December 28 | "Introduction to Open VPX"  | Hardware PM&RD | Around 100 people      |   |

## Average Training Hours Per Employee

| Region           | Gender  | Total training hours | Total number of employees <sup>Note</sup> | Average training hours per employee |
|------------------|---|----------------------|---|-------------------------------------|
| Headquarters     | Male  | 190,446              | 1,953                                     | 97.5                                |
|                  | Female  | 111,911              | 1,576                                     | 71.0                                |
|                  | Total   | 302,357              | 3,529                                     | 85.7                                |
| Advantech China  | Male  | 285,613              | 1,883                                     | 151.7                               |
|                  | Female  | 162,810              | 1,472                                     | 110.6                               |
|                  | Total   | 448,422              | 3,355                                     | 133.7                               |
| Advantech Japan  | Male  | 4,056                | 143                                       | 28.4                                |
|                  | Female  | 1,761                | 69  | 25.5                                |
|                  | Total   | 5,817                | 212                                       | 27.4                                |
| Advantech Korea  | Male  | 2,088                | 78  | 26.8                                |
|                  | Female  | 1,113                | 36  | 30.9                                |
|                  | Total   | 3,201                | 114                                       | 28.1                                |
| Advantech Europe | Male  | 6,538                | 344                                       | 19.0                                |
|                  | Female  | 2,612                | 178                                       | 14.7                                |
|                  | Total   | 9,150                | 522                                       | 17.5                                |
| Advantech USA    | Male  | 4,510                | 339                                       | 13.3                                |
|                  | Female  | 2,942                | 183                                       | 16.1                                |
|                  | Not Declared  | 0                    | 1   | 0.0                                 |
|                  | Total   | 7,452                | 523                                       | 14.3                                |
| Total            | Male  | 493,251              | 4,740                                     | 104.1                               |
|                  | Female  | 283,148              | 3,515                                     | 80.6                                |
|                  | Not Declared  | 0                    | 1   | 0.0                                 |
|                  | Total   | 776,399              | 8,255                                     | 94.1                                |
| Data coverage    | In 2023, employees at Advantech headquarters (including headquarters business units, logistics units, and Advantech Taiwan), China, Japan, Korea, Europe, and the US accounted for over 80% of the Company's global workforce (excluding contract and intern staff). The total training expenditure amounted to NTD 23,179,814, with an average training cost per employee of NTD\$2,807.97. The total course training hours (both online and offline) were 776,399 hours (offline education and training included headquarters and Advantech Korea), with an average of 94.1 hours of online course training per employee. |                      |   |                                     |

\*Note: The total number of employees is expressed in full-time equivalents (FTE) as of December 31, 2023.

## Average Education and Training Hours by Job Category

| Region          | Job category             | Total training hours | Total number of employees <sup>Note</sup> | Average training hours per employee | Region           | Job category   | Total training hours | Total number of employees <sup>Note</sup> | Average training hours per employee |
|-----------------|--------------------------|----------------------|---|-------------------------------------|------------------|--|----------------------|---|-------------------------------------|
| Headquarters    | R&D personnel            | 170,314              | 1,504                                     | 113.2                               | Advantech Europe | R&D personnel  | 2,107                | 100                                       | 21.1                                |
|                 | Marketing and sales      | 33,495               | 310                                       | 108.0                               |                  | Marketing and sales  | 4,675                | 228                                       | 20.5                                |
|                 | Administrative personnel | 43,963               | 471                                       | 93.3                                |                  | Administrative personnel   | 1,354                | 113                                       | 12.0                                |
|                 | Manufacturing personnel  | 54,585               | 1,244                                     | 43.9                                |                  | Manufacturing personnel  | 1,014                | 81  | 12.5                                |
|                 | Total                    | 302,357              | 3,529                                     | 85.7                                |                  | Total  | 9,150                | 522                                       | 17.5                                |
| Advantech China | R&D personnel            | 27,594               | 623                                       | 44.3                                | Advantech USA    | R&D personnel  | 2,207                | 105                                       | 21.0                                |
|                 | Marketing and sales      | 12,492               | 512                                       | 24.4                                |                  | Marketing and sales  | 2,838                | 202                                       | 14.0                                |
|                 | Administrative personnel | 17,095               | 373                                       | 45.8                                |                  | Administrative personnel   | 1,363                | 118                                       | 11.6                                |
|                 | Manufacturing personnel  | 391,242              | 1,847                                     | 211.8                               |                  | Manufacturing personnel  | 1,044                | 98  | 10.7                                |
|                 | Total                    | 448,422              | 3,355                                     | 133.7                               |                  | Total  | 7,452                | 523                                       | 14.2                                |
| Advantech Japan | R&D personnel            | 1,117                | 31  | 36.0                                | Total            | R&D personnel  | 204,004              | 2,385                                     | 85.5                                |
|                 | Marketing and sales      | 2,434                | 84  | 29.0                                |                  | Marketing and sales  | 57,576               | 1,394                                     | 41.3                                |
|                 | Administrative personnel | 423                  | 31  | 13.6                                |                  | Administrative personnel   | 64,491               | 1,120                                     | 57.6                                |
|                 | Manufacturing personnel  | 1,843                | 66  | 27.9                                |                  | Manufacturing personnel  | 450,328              | 3,356                                     | 134.2                               |
|                 | Total                    | 5,817                | 212                                       | 27.4                                |                  | Total  | 776,399              | 8,255                                     | 94.1                                |
| Advantech Korea | R&D personnel            | 665                  | 22  | 30.2                                | Data coverage    | In 2023, employees at Advantech headquarters (including headquarters business units, support units, and Advantech Taiwan), China, Japan, Korea, Europe, and the US accounted for over 80% of the Company's global workforce (excluding contract and intern staff). The total training expenditure amounted to NTD 23,179,814, with an average training cost per employee of NTD 2,807.97. The total course training hours (both online and offline) were 776,399 hours (offline education and training included headquarters and Advantech Korea), with an average of 94.1 hours of online course training per employee. |                      |   |                                     |
|                 | Marketing and sales      | 1,642                | 58  | 28.3                                |                  |  |                      |   |                                     |
|                 | Administrative personnel | 293                  | 14  | 20.9                                |                  |  |                      |   |                                     |
|                 | Manufacturing personnel  | 600                  | 20  | 30.0                                |                  |  |                      |   |                                     |
|                 | Total                    | 3,201                | 114                                       | 28.1                                |                  |  |                      |   |                                     |

\*Note: The total number of employees is expressed in full-time equivalents (FTE) as of December 31, 2023.

## Average Education and Training Hours by Age Group

| Region          | Age                | Total training hours | Total number of employees <sup>Note</sup> | Average training hours per employee | Region           | Age  | Total training hours | Total number of employees <sup>Note</sup> | Average training hours per employee |
|-----------------|--------------------|----------------------|---|-------------------------------------|------------------|--|----------------------|---|-------------------------------------|
| Headquarters    | below 30 years old | 43,447               | 463                                       | 93.8                                | Advantech Europe | below 30 years old   | 543                  | 49  | 11.1                                |
|                 | 31-49              | 210,268              | 2,464                                     | 85.3                                |                  | 31-49  | 5,653                | 324                                       | 17.4                                |
|                 | over 50 years old  | 48,642               | 602                                       | 80.8                                |                  | over 50 years old  | 2,954                | 149                                       | 19.8                                |
|                 | Total              | 302,357              | 3,529                                     | 85.7                                |                  | Total  | 9,150                | 522                                       | 17.5                                |
| Advantech China | below 30 years old | 67,427               | 567                                       | 118.9                               | Advantech USA    | below 30 years old   | 335                  | 68  | 4.9                                 |
|                 | 31-49              | 361,965              | 2,645                                     | 136.8                               |                  | 31-49  | 4,758                | 254                                       | 18.7                                |
|                 | over 50 years old  | 19,030               | 143                                       | 133.1                               |                  | over 50 years old  | 2,359                | 201                                       | 11.7                                |
|                 | Total              | 448,422              | 3,355                                     | 133.7                               |                  | Total  | 7,452                | 523                                       | 14.2                                |
| Advantech Japan | below 30 years old | 273                  | 10  | 27.3                                | Total            | below 30 years old   | 112,804              | 1,190                                     | 94.8                                |
|                 | 31-49              | 2,629                | 97  | 27.1                                |                  | 31-49  | 587,196              | 5,850                                     | 100.4                               |
|                 | over 50 years old  | 2,915                | 105                                       | 27.8                                |                  | over 50 years old  | 76,399               | 1,215                                     | 62.9                                |
|                 | Total              | 5,817                | 212                                       | 27.4                                |                  | Total  | 776,399              | 8,255                                     | 94.1                                |
| Advantech Korea | below 30 years old | 778                  | 33  | 23.6                                | Data coverage    | In 2023, employees at Advantech headquarters (including headquarters business units, support units, and Advantech Taiwan), China, Japan, Korea, Europe, and the US accounted for over 80% of the Company's global workforce (excluding contract and intern staff). The total training expenditure amounted to NTD 23,179,814, with an average training cost per employee of NTD 2,807.97. The total course training hours (both online and offline) were 776,399 hours (offline education and training included headquarters and Advantech Korea), with an average of 94.1 hours of online course training per employee. |                      |   |                                     |
|                 | 31-49              | 1,924                | 66  | 29.2                                |                  |  |                      |   |                                     |
|                 | over 50 years old  | 499                  | 15  | 33.3                                |                  |  |                      |   |                                     |
|                 | Total              | 3,201                | 114                                       | 28.1                                |                  |  |                      |   |                                     |

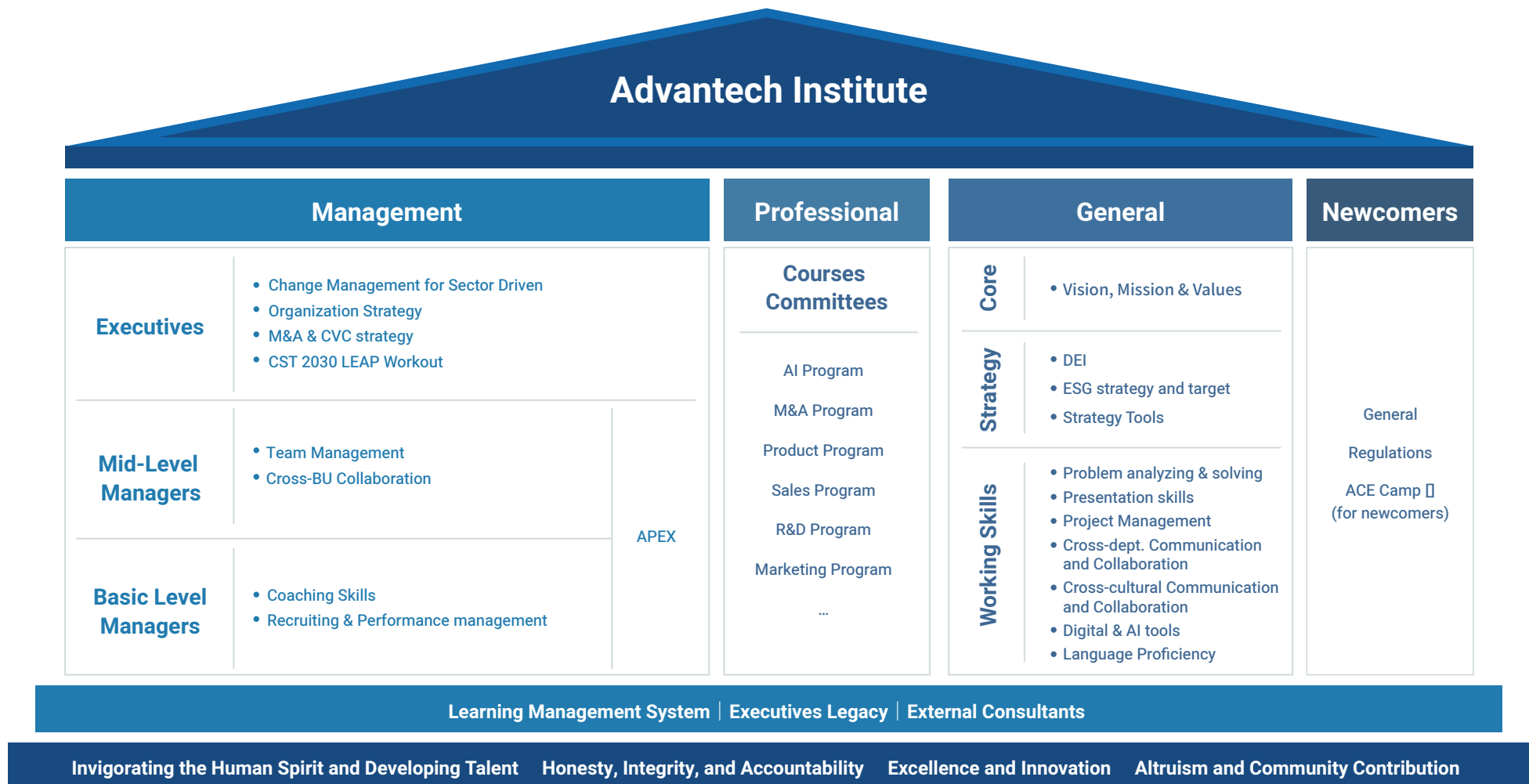
\*Note: The total number of employees is expressed in full-time equivalents (FTE) as of December 31, 2023.

## Improvement Plan

To further promote internal talent mobility, the Company will continue to optimize the transfer, rotation, and secondment mechanisms in 2024 to increase employees' opportunities for horizontal growth and enhance their experience in this regard, while cultivating versatile talents under the IDP (Individual Development Plan).

In 2023, the utilization rate of the e-learning platform continued to rise. The HR department will integrate Advantech's Corporate Strategy Transformation 2030 (CST 2030) vision and focus on four major education and training aspects of "leadership management, professional competence, general corporate knowledge, and new hires orientation" to formulate a structured training system based on job functions. Furthermore, the Advantech Academy will be transformed and restructured to further enhance the user experience. In 2024, in addition to increasing the utilization rate of the digital learning platform, the Company will plan and launch more diverse and enriched offline training activities.

圖 5.1.1 結合 CST 2030 願景，以職能為基礎發展結構化訓練體系



## 5.2 Employee Communication and Benefits

### 5.2.1 Employee Relations

#### ABLE Club Collaborates with Advantech Beautiful LiFE to Create an Altruistic and Happy Enterprise

"People orientation" is the essence of Advantech, while "work, study, and love" are the driving forces behind the growth of Advantech employees. Advantech's "ABLE Club" consolidates employee relations (ES&R), the foundation, and the welfare committee to encourage employees to engage in innovative learning, experience life, and contribute to society. From various aspects such as sports, wellness, health, arts and culture, education, and public welfare, the Company aims to enhance interactions among employees, their families, and the community, thereby fostering a sense of cohesion! In addition, Advantech supports colleagues in extending their influence from the workplace to society, caring for communities, and promoting public welfare. Through sharing and mutual assistance, the Company strives to practice the philosophy of altruism and manifest a fulfilling life!

2023 coincides with Advantech's 40th anniversary. Advantech firmly believes that the Company's success is attributed to the endeavors and dedication of every employee. Consequently, the 40th-anniversary happiness project was kicked off in 2023 to provide each employee around the world with a subsidy of USD1,000. At the headquarters, the ABLE platform was used to distribute points (a total of 668 points), hoping that employees and their families can spend quality time together, enjoy journeys, visit exhibitions, immerse themselves in the lively atmosphere of concerts, indulge in delicious food, and share happiness while celebrating Advantech's birthday together through the project.

#### Employee Relations and Communication

To foster harmonious and smooth employee relations, Advantech has established several two-way communication channels. Besides disseminating information, the Company also listens to and responds to colleagues' feedback in real-time in order to improve and optimize employee services, maintain harmony in the workplace, as well as protect the rights and well-being of employees.

| Channel                |         | Description   |
|------------------------|---------|---|
| Employee communication | Website | <ul style="list-style-type: none"> <li><b>Employee Zone:</b>To disseminate critical company information to colleagues, columns such as Corporate News, Office Bulletin, and Regional News were created based on information gathered from the employees. Additionally, detailing company policies and various management procedures on the website facilitates easy access for employees at any time.</li> <li><b>ABLE Club website:</b> Eight major sections covering the topics of employee care, welfare committee, foundation event information and registration, club information, employee health management system, authorized shops, event reports and highlights were set up to provide employees with an all-round digital platform to enjoy a happy life.</li> </ul> |
|                        | Video   | Published the Executive Talk video on the internal platform, featuring executive level supervisors delivering a concise 5-10 minutes message in Chinese and English. Topics include annual strategic development, financial trends, sustainability vision, innovative mechanisms, and new market strategies to communicate corporate strategies to global Advantech employees, thereby achieving effective and transparent communication.   |

| Channel                |  | Description   |
|------------------------|--|---|
| Employee communication | Email announcements  | <ul style="list-style-type: none"> <li>• HR: Important company information, courses, salaries, and attendance-related information.</li> <li>• ES&amp;R: Employee benefits and events-related information. The ABLE Club e-newsletter is distributed weekly, the health report is distributed monthly, and the ES&amp;R e-newsletter is distributed quarterly.</li> <li>• ESG: Advantech's ESG quarterly highlights in each country, the ESG key points for the next quarter, and international sustainability trends are shared in the quarterly ESG e-newsletter.</li> </ul>   |
|                        | Physical meetings  | <ul style="list-style-type: none"> <li>• Kick-off meetings are held for employees to disseminate the Company's important strategies and visions, making sure that all colleagues understand the Company's future vision and are able to grow with Advantech.</li> <li>• Quarterly labor-management meetings are held at the Advantech headquarters (Neihu)</li> <li>• Various departments convene their internal communication meetings on departmental directions, work progress updates, and sharing of new knowledge, thereby realizing smooth communication and interactions within different departments.</li> </ul>           |
|                        | Regular domestic and foreign periodicals   | Edited and distributed by the PR unit, the content includes executive level supervisor's visions, key business practices, case studies, etc.  |
|                        | Social media   | <ul style="list-style-type: none"> <li>• ABLE Club FB: Announcement of event information, event photo albums, employee happiness feedback, and other text, audio and video highlights.</li> <li>• LINE community: Event information sharing and announcements, push notification of important information, and consultation for colleagues' urgent needs.</li> </ul>  |
|                        | Other  | <ul style="list-style-type: none"> <li>• Communicate Advantech's corporate culture, spirit, and announcements on the Company's internal digital bulletin boards.</li> <li>• In addition to learning courses, the e-Learning website also features numerous videos that convey the Company's core values and culture.</li> <li>• Communication with migrant workers: Important messages from the Company are posted in English in the migrant workers' dormitory to increase message exposure, and keep migrant workers informed of the Company's policies. They are also encouraged to sign up for ABLE Club activities.</li> </ul> |
| Employee grievance     | Grievance channels: Grievance hotline, e-mail, suggestion box (EZ), or the HR unit of the business group. Please refer to Figure. 5.4.2 Whistleblowing and grievance mechanism |   |

## Employee Care and Benefits

Life is not just about work. We hope that our employees are healthy and happy, and that they can enjoy a good life with their families. Therefore, we provide a variety of benefits, including marriage allowance, childbirth allowance, hospitalization condolence allowance, bereavement condolence allowance, emergency aid, and benefits for the Dragon Boat Festival, Mid-Autumn Festival, and birthday. In addition, the Company provides pension contributions and group insurance in accordance with the law to ensure the safety of employees at work and in life. We also continue to promote various activities, such as sports, LOHAS, health, arts and culture, education and public welfare, to enrich the life experience of employees.



## Overview of benefits by region

|  | Headquarters  | Advantech China  | Advantech Japan  | Other regions   |
|--|---|--|--|---|
| Employee group insurance   | <ul style="list-style-type: none"> <li>Term life insurance</li> <li>Medical insurance</li> <li>Injury insurance</li> </ul>  | <ul style="list-style-type: none"> <li>Accident Insurance</li> <li>Public transport accident insurance</li> <li>Employer liability insurance</li> </ul>  | No employee group insurance (the government offers labor insurance), but health insurance subsidies are provided | Group insurance provided  |
| Health benefits  | <ul style="list-style-type: none"> <li>Provide annual employee health checkups that are better than legal requirements*</li> <li>One health checkup for supervisors at the manager level or at least every two years</li> </ul> | <ul style="list-style-type: none"> <li>Annual employee health checkup</li> <li>Kunshan: Employees at the assistant manager level and above are entitled to additional health checkup items</li> </ul>  | Annual employee health checkup   | Statutory health checkup benefits are provided to all Advantech employees based on the location of the Company's subsidiaries   |
| Marriage allowance   | ✓   | ✓  | ✓  | ✓   |
| Maternity allowance  | ✓   | ✓  | ✓  | ✓   |
| Hospital condolence allowance  | ✓   | ✓  | ✓  | —   |
| Bereavement condolence allowance   | ✓   | ✓  | ✓  | ✓   |
| Emergency assistance fund  | Supported by the Foundation's emergency fund (within NTD 200,000)   | <p>Advantech China:</p> <ul style="list-style-type: none"> <li>Poverty relief fund: A one-time subsidy of RMB 2,000-20,000 is given to employees or their immediate family members who are in financial difficulty due to a critical illness.</li> <li>Emergency relief fund for critical illnesses: Employees, their spouses, or children suffering from critical illnesses are provided with assistance ranging from RMB 10,000 to 100,000, depending on the severity of their conditions. In the event of death due to illness or accident, employees, their spouses, or children will receive a relief fund of RMB 10,000 per person.</li> </ul> <p>Advantech Kunshan: The foundation will provide emergency relief funds (within RMB 10,000) to support employees, their children, or spouses suffering from serious injuries, illnesses, or emergencies.</p> | Accident/sickness allowance: 15% of daily salary x number of days  | <p>Internal units in Advantech collaborate to launch the volunteer donation activity.</p> <p>In the event of a natural disaster, Advantech's local subsidiaries and the Human Resources Department will provide disaster relief funds for employees affected by the disaster.</p> |
| New Year festival benefits (Dragon Boat Festival/ Moon Festival/ birthday) | <p>Indigenous employees can also apply for the "Indigenous peoples' ceremony leave" according to the time of the tribal ceremonies.</p>   | ✓  | —  | ✓   |

**\*Note:**

1. According to Taiwan's Regulations Governing Labor Health Protection, employers should conduct regular general health checkups for in-service workers based on the following regulations: (a) One checkup for workers over 65 years old annually. (b) Employees over 40 but under 65 years old are subject to a checkup every three years. (c) Those under 40 years old are receive a checkup every five years.

2. Regions that are not considered significant locations of operation (Headquarters, Advantech China, Advantech Japan, Advantech Korea, Advantech Europe, and Advantech USA) are Indonesia, Mexico, India, Czech Republic, Australia, Malaysia, Singapore, Thailand, Russia, Turkey, Brazil, the Emirates, Vietnam, Canada, and Israel. "Other regions" mentioned below all have the same definition.

## Marriage and Maternity Cash Gifts

Aside from the above policies, Advantech also provides marriage and maternity cash gifts that are better than legal requirements. All full-time Advantech employees, regardless of gender, are protected by gender diversity and marriage equality. As long as colleagues are legally married, they may apply for the gift.

A wedding invitation or a marriage certificate is required to apply for the marriage cash gift of NTD 10,000 per person; in 2023, 70 people applied for the wedding cash gift worth NTD 700,000.

Maternity cash gift applications, on the other hand, require the submission of a birth certificate. The amount of cash gift per child was NTD 10,000 (NTD 20,000 for twins). In 2023, 101 people applied to the headquarters for maternity cash gifts worth NTD 1,030,000.

## Parental Leave

According to Article 16 of the Gender Equality in Employment Act in Taiwan, after being in service for six months, employees may apply for parental leave before any of their children reach the age of three. The period of this leave is until their children reach the age of three but may not exceed two years in length. Advantech headquarters (Taiwan) employees are entitled to parental leave by law, which shall not exceed two years. In China, in addition to statutory maternity leave and paternity leave, employees can apply for up to six months of paid breastfeeding leave (at 75-80% salary) until their children reaches one year old. In Japan, labor laws allow for parental leave until the child turns two, during which the salary is subsidized by the government. In Korea, employees can apply for parental leave for up to two years until their children reach eight years old.

In 2023, 12% of all employees (including male and female employees) at Advantech headquarters (Taiwan) applied for parental leave, with a return to work rate of 78%. In 2022, the retention rate of employees who returned to work after taking parental leave and continued working for more than one year was 91%. Compared to 2022, there has been a significant increase in both the application rate and the ratio of employees who continue working for more than one year after returning to work\*.

The application status of Advantech China, Advantech Japan, and Advantech Korea in 2023 is shown in the table below.

**\*Note:** In 2022, the application rate for parental leave of all employees was 10.46%, and the return to work rate was 41.18%. In 2021, the retention rate for those who had worked for more than one year after returning from parental leave was 73%.



The application status of Advantech China, Advantech Japan, and Advantech Korea in 2023 is shown in the table below. Relevant data tables are illustrated below:

| 研華總部   | Headquarters | Advantech China | Advantech Japan | Advantech Korea |
|--|--------------|-----------------|-----------------|-----------------|
| (a) Number of employees eligible for parental leave in 2023 (2021-2023 maternity leave/paternity leave)                | 211          | 31              | 13              | 14              |
| (b) Number of people who applied for parental leave in 2023  | 25           | 31              | 4               | 5               |
| (c) Number of people expected to return to work after parental leave in 2023   | 36           | 24              | 2               | 2               |
| (d) Number of people who returned to work after parental leave in 2023   | 28           | 24              | 2               | 2               |
| (e) Number of people who applied for parental leave and returned to work after parental leave in 2022                  | 22           | 32              | 2               | 3               |
| (f) Number of employees who applied for parental leave and continued working for one year after returning work in 2022 | 20           | 27              | 2               | 1               |
| <b>Application rate for parental leave b/a</b>   | <b>12%</b>   | <b>100%</b>     | <b>31%</b>      | <b>36%</b>      |
| <b>Return to work rate for parental leave d/c</b>  | <b>78%</b>   | <b>100%</b>     | <b>100%</b>     | <b>100%</b>     |
| <b>Retention rate for parental leave f/e</b>   | <b>91%</b>   | <b>84%</b>      | <b>100%</b>     | <b>33%</b>      |



## Family Care Leave/WFA (Work from Anywhere) System

As countries around the world announced the lifting of lockdown measures, the impact of the COVID-19 pandemic in Taiwan also came to an end, ushering in a new era of post-pandemic life. Advantech has formulated the WFA mechanism to help employees maintain the flexibility to balance work and family responsibilities as society returns to normal routines. Indirect employees may apply for WFA for one day per week. Under special circumstances, the supervisors can adjust the number of WFA days based on the team's manpower conditions. As for the provisional family care leave system established during the pandemic, after the pandemic prevention mechanism was withdrawn, the family care leave categories will be listed in accordance with the law in 2024 and incorporated into personal leave for the colleagues' convenience.

| Region           | Year   | 2021  | 2022   | 2023   |
|------------------|--|-------|--------|--------|
| Headquarters     | Percentage of employees applying for family care leave (%) | 2.71% | 15.95% | 0.27%  |
|                  | Percentage of employees applying for WFA (%)               | 4.76% | 76.31% | 42.05% |
| Advantech Japan  | Percentage of employees applying for family care leave (%) | 0%    | 0%     | 19.6%  |
|                  | Percentage of employees applying for WFA (%)               | 0%    | 0%     | 42.71% |
| Advantech Europe | Percentage of employees applying for family care leave (%) | N/A   | 3.87%  | 0      |
|                  | Percentage of employees applying for WFA (%)               | N/A   | 55.19% | 52.6%  |
| Advantech USA    | Percentage of employees applying for family care leave (%) | N/A   | 3%     | 0      |
|                  | Percentage of employees applying for WFA (%)               | N/A   | 14%    | 0      |

**\*Note:**

1. Advantech China (including Kunshan) did not have a family care leave or work-from-home (WFH) application mechanism. Due to the impact of the pandemic, a mandatory WFH system was implemented in accordance with local government regulations.
2. The percentage (%) in the above table refers to the number of applicants/total number of indirect employees in the region.

## Retirement Provision

**Headquarters:** There are two types of pension contributions. The monthly contributions shall be made in full according to the law.

1. Old pension scheme: 2% of the pension fund is appropriated monthly into a special account held in Taiwan Bank.
2. New pension scheme: The Company contributes 6% of the employee's monthly salary to the special account of the Labor Insurance Bureau.

**Advantech China:** Implemented according to retirement laws and regulations in China. Employees who have paid the statutory social insurance for 15 years can collect a monthly pension after retirement. The retirement age is regulated by the Labor Standards Act: 60 for male employees, 55 for female management, and 50 for female employees. Furthermore, Advantech China has a "Deferred Retirement Management Policy": Non-management female employees can delay retirement until the age of 55. After completing the retirement process at the age of 55, female management and non-management employees can apply for re-employment. Executive level supervisors can apply for re-employment after the age of 60.

**Advantech Japan:** Contributes 9.15% of the employee's monthly salary to the government pension account according to the law, and contributes an additional 1.73%-2% of the total monthly salary to the bank's pension account.

**Other overseas Advantech locations:** Employee retirement is processed according to local laws and regulations.

## Employee Stock Ownership

To attract and retain outstanding talents in the Company, as well as to enhance employees' sense of belonging and loyalty to the Company, and to foster benefits for Advantech and shareholders, the issuance and subscription rules for employee stock options were formulated in accordance with relevant regulations such as Article 28-3 of the Securities and Exchange Act and the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" promulgated by the Securities and Futures Bureau of the Financial Supervisory Commission (Taiwan, ROC), Executive Yuan. Please refer to the annual report for relevant information.

## Employee Health Promotion

- Advantech offers employees a free annual health checkup (which is better than the legal requirement as it includes non-routine checkups such as fecal occult blood and cancer screening). In consideration of the post-pandemic era in 2023 and the importance of lung health for its colleagues, the Company has added lung function tests to the health checkup program. A total of 14 sessions of health checkups were conducted for 3,784 people (including their families).
- Moreover, a "Foot Health Testing Event" was held in conjunction with the health checkup in 2023, allowing employees to understand their physical fitness and take care of their foot health. A total of 68 people participated in four sessions.
- To reduce the risk of infection for the Company's colleagues visiting hospitals and clinics, and considering that many colleagues are preoccupied with work and unable to pick up chronic prescription drugs from pharmacies, Advantech began collaborating with the "Call the Pharmacist" drug delivery platform in January 2021, offering monthly drug delivery and collection services (family members can pick them up on behalf of employees) in the Company for the colleagues' convenience. In 2023, 21 employees made use of the service.
- In 2023, 238 people participated in the "Yanyan 40, Health+U" weight loss competition, which resulted in a total weight loss of 448.5 kg. The goal of the event is to let colleagues start and maintain good habits like healthy eating and regular exercise.
- "Metabolic Syndrome" was the number one cause of physical examination abnormalities in 2022. Consequently, three health lectures (physical+online) were conducted in 2023, focusing on topics such as weight loss and diet. Also, muscle massage and stretching workshops were arranged to look after employees who sit or stand for long periods at work.

| Lecture date     | Activity name                                 | Number of participants |
|------------------|---|------------------------|
| 2023/03/30 (Thu) | "Self Pain Relief"                            | 176                    |
| 2023/08/30 (Wed) | "Stay Healthy by Eating Right (Diet Lecture)" | 102                    |
| 2023/09/27 (Wed) | "The Office is My Gym (Exercise Lecture)"     | 206                    |

## Diverse Club Activities

To promote more interactions among employees and allow them to achieve work-life balance, Advantech has encouraged them to establish various clubs over the years. In 2023, 25 clubs including sports, LOHAS, arts and culture, and charity were formed at the headquarters, attracting more than 1,000 participants. There were 83 clubs in China (including various offices) with more than 2,600 participants, and seven clubs in Kunshan with 151 participants.

### 2023 Charity club blood drive



### Sports club activities



## Four Major Categories Of Corporate Volunteers

"Give back to society". Advantech encourages employees to engage in volunteer activities and contribute to the benefit of others. The Company also hopes employees can gain experience and skills from volunteering that they wouldn't normally be exposed to in a conventional work environment. In 2023, Advantech accrued more than 1,062 volunteer hours, including biannual blood drives, ecological farm habitat maintenance, food banks, stone weir restoration, ecological trail restoration, and beach cleanup day. Advantech pursues sustainability with employees, their families, and friends.

In addition, to encourage more employees to engage in volunteer services, Advantech has implemented a volunteer leave system since 2023, providing employees with two days of paid volunteer leave a year. Four major volunteer activity themes were devised: energy conservation, public welfare (including environment), education, and arts. In 2023, 125 employees from the headquarters applied for volunteer leave. It is expected that the volunteer leave system will be applied to other overseas subsidiaries starting in 2024.

### Volunteer activities for the restoration of "great wall on the sea, century-old stone weirs" in 2023



## 2023 Beach cleanup



## Volunteer activities at Alibang Ecological Farm wetlands in 2023



## Volunteer activities for the restoration of Xiaogukeng ancient trail in Taoyuan in 2023



## Volunteer with Andrew Charity Association for Food Bank activity in 2023



## 5.2.2 Employee Living Wage

Advantech believes that taking the living wage into account is an important measure to improve the living conditions of workers. By ensuring that workers receive a fair wage to maintain their basic needs, it can promote economic growth and sustainable development. Therefore, Advantech follows the living wage guidelines and has established alliances to promote the living wage concept.

As a people-oriented company that respects human rights, Advantech continues to explore opportunities to introduce a living wage. Since 2022, Advantech had promoted the living wage methodology to six significant locations of operation, including the headquarters, Advantech China, Advantech Japan, Advantech Korea, Advantech USA, and Advantech Europe. Through internal cross-functional living wage seminars, we develop promotion plans that meet the living standards of various countries and conduct living wage training for internal employees.

Advantech defines a living wage as the minimum wage an employee earns within their basic working hours, excluding bonuses and overtime pay. This wage must ensure that the worker and their family can meet basic needs, including food, clothing, and housing expenses, and cover the minimum costs of living. In 2023, Advantech's living wage standards adopted relevant data from 2022 provided by regulatory authorities. For example, in Taiwan, the benchmark is based on the Household Income and Expenditure Survey Report from the Directorate-General of Budget, Accounting and Statistics (DGBAS). This helps to establish a living wage standard that meets local living conditions and compares it with the prevailing wage to ensure that employees' wages are sufficient to support the local standard of living.

As a leading company in the IoT industry, Advantech provides living wage assessments and commitments that are better than the industry standard. In 2023, Advantech conducted an internal survey to examine the living wage of 8,285 employees at six significant locations of operation to fulfill our commitment to paying a living wage for all employees. This commitment is gradually extended to Advantech's internal full-time employees, major suppliers and contractors.

### The Living Wage Methodology

The latest living wage trial formula is derived from DGBAS's 2022 data:

Average monthly consumption expenditure per capita X percentage of average monthly food, clothing, and accommodation-related consumption per capita X (1 + number of people in the average household)

#### Living wage implementation process:

1. Advantech continues to implement a living wage mechanism for employees and upholds its commitment to fair remuneration, demonstrating that it values employee wages and benefits.
2. Compare the prevailing wage and the living wage to confirm if the employee's wage is sufficient to support the local living standards. In particular, the prevailing wage includes fixed salaries but excludes variable remuneration (such as overtime pay, production bonuses, and so on).
3. For the basic living expenses of households, Advantech Taiwan refers to the Household Income and Expenditure Survey conducted by the DGBAS every year to calculate the average monthly consumption expenditure per capita, multiplied by the average monthly consumption of food, clothing, and accommodation per capita before adding the average number of people in a household. For other countries/regions, Advantech refers to information released by the local government, or employee income and expenditure surveys are conducted.
4. When calculating the living wage, at the very least the expenses of food, clothing, and accommodation are considered, but whether other expenses (such as health, transportation, and education) will be included depends on the actual situation of various locations.
5. Calculate and set the living wage during the salary adjustment month each year to ensure that the salary of employees is sufficient to support local living standards. The living wage system is established to make sure that all new and existing Advantech employees can earn a living wage that can support the standard of living in the country/region where they are located.

| Region           | NTD\$  | Exchange Rate as of 15 March 2023 | Number of Employee | % of the operations cover in the assessment | Coverage of living wage assessment (%) |
|------------------|--------|-----------------------------------|--------------------|---|--|
| Headquarters     | 29,868 | 1                                 | 3,529              | 100%  | 100%                                   |
| Advantech China  | 11,218 | 4.42                              | 3,357              | 100%  | 100%                                   |
| Advantech Japan  | 42,519 | 0.21                              | 236                | 100%  | 100%                                   |
| Advantech Korea  | 55,964 | 0.024                             | 128                | 100%  | 100%                                   |
| Advantech Europe | 58,231 | 34.61                             | 518                | 100%  | 100%                                   |
| Advantech USA    | 85,455 | 31.93                             | 517                | 100%  | 100%                                   |

**\*Note:**

1. Advantech Europe's living wage framework encompasses the Netherlands, Germany, Poland, France, Italy, Spain, the United Kingdom, Austria, Belgium, Czech Republic, and Ireland, and the five Nordic countries (Denmark, Finland, Iceland, Norway, and Sweden).
2. Advantech USA's living wage framework encompasses Milpitas, Irvine, Illinois, Ohio.

6. Advantech conducted a living wage survey on our tier 1 suppliers and a total of 1,127 tier 1 suppliers were returned. According to the analysis of these tier 1 suppliers, 36% (403) had already assessed the living wage of their employees. The survey results show that our suppliers are working hard to raise their employees' living wages. Currently, only less than 1% of suppliers have employees below the market living wage standard. We will encourage more suppliers to implement the living wage system through continuous publicity and improving the living wage achievement rate.

## Medium- and long-term planning for the promotion of the living wage concept

Living wage enhancement plan in 2024:

1. Advantech will team up with WTW to develop a robust framework for fair/competitive compensation to guide the Company's global practices. The framework is consistent with Advantech's business principles and supports its commitment to providing employees with a living wage.
2. Regional implementation plans: Expand the living wage promotion territory and develop an implementation plan to ensure the effective integration of the living wage concept and address the specific challenges and opportunities of the market.
3. Employee engagement and training: Strengthen internal and external training programs to promote awareness and understanding of the living wage principles among employees, contractors, and part-time workers.
4. Advocacy and collaboration: The Company will continue to collaborate with stakeholders to advocate for a national living wage movement that emphasizes the benefits of a living wage to individuals, businesses, and the economy.

Promote the concept of living wage to all of Advantech's domestic and overseas operating locations by 2025. By 2030, all Advantech employees (direct and indirect) will be entitled to a guaranteed living wage in the country/region where they are located. Advantech will continue collaborating with stakeholders and implementing living wage initiatives at various locations to promote the concept of living wage and practice with industry partners and supply chain partners.

## Conclusion

Advantech dedicates itself to foster fair compensation practices globally and progressively implement a living wage system for all employees worldwide. We achieve this through ongoing assessment, strategic planning, and collaboration with stakeholders. Our commitment extends to establish and integrate global fair wage standards across Advantech's operational sites worldwide, as well as advocate for these standards with our supply chain partners. This comprehensive effort aims to foster inclusive economic growth and ensure equitable compensation for all Advantech employees.

## 5.3

## Diversity, Equality and Inclusive Workplace

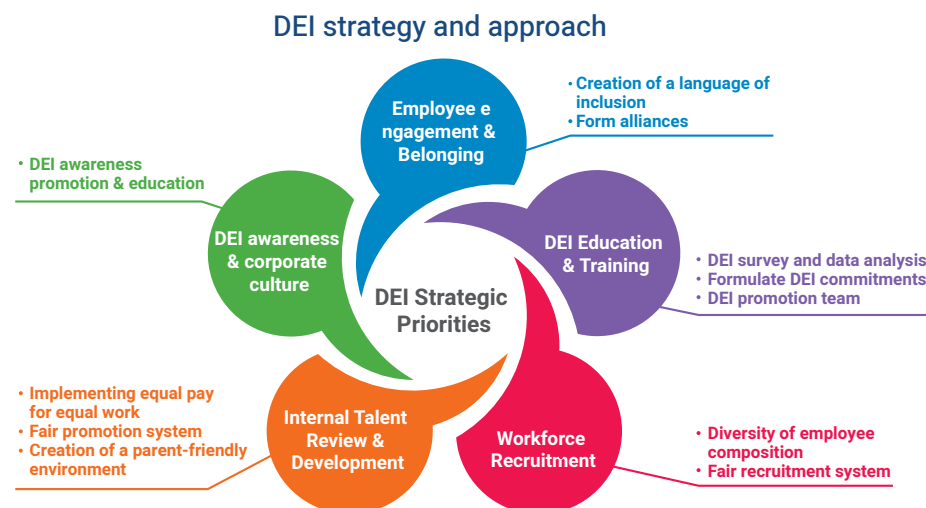
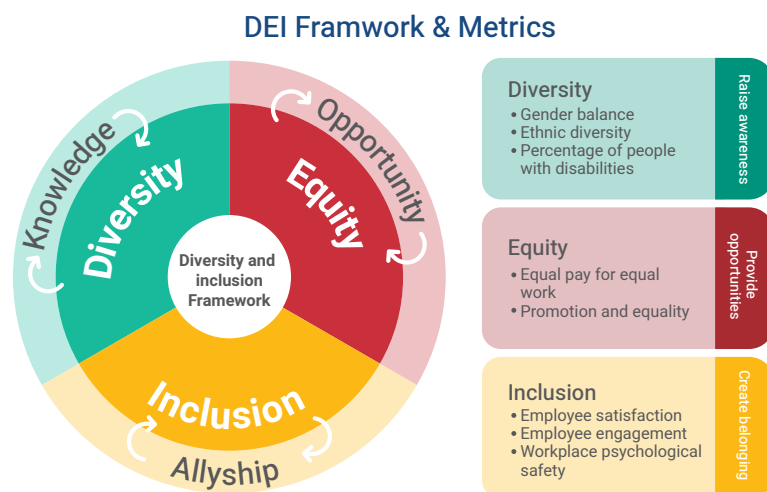


| Item                    | Explanation   |
|-------------------------|---|
| Policy or commitment    | <ul style="list-style-type: none"> <li>By establishing diverse two-way communication channels, besides disseminating information, the Company also listens to and responds to colleagues' feedback in real-time in order to improve and optimize employee services, maintain harmony in the workplace, as well as protect the rights and well-being of employees</li> <li>Carried out the annual employee satisfaction survey to understand various aspects of the Company and employees' opinions over the past year</li> <li>Formed the DEI team to promote, implement, and materialize Advantech's DEI development.</li> <li>Bolstered support for employees to settle in and start their families</li> <li>Improved employee health and well-being</li> <li>Increase employee volunteer hours</li> </ul>  |
| Impact description      | <p>DEI has become a sustainable development trend for businesses, and many competitors in the market are implementing relevant system reforms. Since Advantech is not among the forerunners in this regard, and the development speed of DEI remains to be improved, failure to engage in proactive actions or adequate management will lead to a negative impact on the Company. Besides lagging behind the market, it is also detrimental to talent recruitment and may result in talent loss.</p> <p>In addition to the blueprint drawn up by the DEI team to facilitate implementation, the consensus of top-level decision-makers and employees is crucial to the sustainability of DEI and maintaining Advantech's market competitiveness. The formulation of a policy to help employees settle in and start their families requires the Company's support and the infusion of more funds and human resources in the short term. The policy is a necessary measure for Advantech's sustainable operation and to ensure employees' livelihoods. At the same time, it also fosters a good employer brand that is conducive for recruiting more outstanding talents to join the Company.</p>   |
| 2023 achievement status | <ul style="list-style-type: none"> <li>Employee satisfaction survey: A 75% response rate was achieved at Advantech headquarters, and the coverage area has been expanded to include Advantech's significant locations of operation (six major regions, achieving a coverage rate of 100%)<br/>→ <b>Completed.</b> an 80% response rate was achieved at Advantech headquarters this year, and the questionnaire coverage rate has reached 100%</li> <li>Advantech headquarters maternity leave/competitor paternity leave/market survey<br/>→ <b>Completed and submitted Advantech's "maternity leave/paternity leave" proposal, which offers better benefits than legal requirements</b></li> <li>Advantech headquarters' ABLE healthcare connectivity platform has reached 60% utilization rate<br/>→ <b>Completed.</b> Advantech's dual health platforms are operating currently. Besides the corporate employee health management system that has reached 100% coverage at Advantech headquarters, the blood pressure, blood oxygen levels, body temperature, and other metrics of 342 employees are also regularly monitored through the iTeleMed physiological measurement station</li> <li>More than 1,000 employees participated in healthcare activities/lectures at Advantech headquarters<br/>→ <b>Completed.</b> In 2023, 2,710 employees participated in health care activities (health checkups), 68 employees took the foot health test, and 238 people partook in weight loss activities, leading to a total weight reduction of 448.5kg; also, 484 people attended the annual health lectures</li> <li>Advantech headquarters accumulated a total of 500 volunteer service hours<br/>→ <b>Completed.</b> In 2023, Advantech accumulated more than 1,062 hours of volunteer service, attaining a completion rate of 112%</li> <li>Advantech achieved a 100% performance appraisal participation rate globally<br/>→ <b>Completed.</b></li> </ul> |
| 2024 Goals              | <ul style="list-style-type: none"> <li>Employee satisfaction survey: Global completion rate reached 84% with 84% satisfaction rate</li> <li>Optimization of the maternity leave and paternity leave systems at Advantech headquarters</li> <li>Evaluate and provide a childcare subsidy plan for Advantech headquarters</li> <li>Gradually establish paid volunteer leave at Advantech's significant locations of operation (six major regions) and increase the number of volunteer service hours worldwide to 1,500.</li> <li>Advantech headquarters' response to DEI promotion and development: Organize biannual career lectures for women and parenting education sessions, as well as an annual cultural diversity and inclusion activity.</li> <li>Up to 3,000 employees from Advantech headquarters participated in sports/health activities</li> <li>Advantech achieved a 100% performance appraisal participation rate globally</li> </ul>  |

|                          |   |
|--------------------------|---|
| 2025 Goals               | <ul style="list-style-type: none"> <li>Employee satisfaction survey: Achieve 85% global satisfaction rate</li> <li>Optimize the paid family care leave and paid parental leave systems at Advantech headquarters</li> <li>Advantech headquarters provide a monthly childcare subsidy for children aged 0-3 years</li> <li>100% paid volunteer leave coverage for Advantech's significant locations of operation (six major regions) and achieve 1,800 hours of volunteer service for the Company's global employees</li> <li>Advantech achieved a 100% performance appraisal participation rate globally</li> </ul>   |
| 2030 Goals               | <ul style="list-style-type: none"> <li>Employee satisfaction survey: Achieve a global completion rate of 85% with 86% satisfaction rate</li> <li>Advantech headquarters will provide a monthly childcare subsidy for children aged 0-6 years</li> <li>The number of employees with disabilities at Advantech headquarters will be higher than the legal requirement</li> <li>Advantech headquarters will launch telemedicine services and health activities for employees and their families and increase participation to 3,500 individuals</li> <li>Advantech employees worldwide will contribute 2,000 hours of volunteer service</li> <li>Advantech achieved a 100% performance appraisal participation rate globally</li> </ul>  |
| Key actions or programs  | <ul style="list-style-type: none"> <li>For the employee satisfaction survey, in addition to formulating an implementation plan based on the feedback every year, the Company will continue to monitor and develop an incentive system through its regional human resource business partners (HRBPs) to encourage employees to offer their feedback, in the hope of increasing the response rate and satisfaction rate</li> <li>Advantech headquarters will implement and promote maternity leave and paternity leave systems that are better than legal requirements in Q1</li> <li>Progressively promote and implement paid volunteer leave at Advantech's significant locations of operation (six major regions), and assist various regions to start volunteer activities in a bid to increase the number of global volunteer service hours to 1,500</li> <li>2024 is Advantech's inaugural Sports and Health Year, and a series of activities to raise employees' health awareness will be organized. The ABLE healthcare platform has joined forces with EHS and iTeled to facilitate the digital presentation of employee health checkup statistics and monitor abnormal values. Furthermore, it is possible to make an appointment with the on-site physician or receive telemedicine service, as well as conduct workplace health monitoring and linking physiological measurement values</li> <li>The effectiveness of Advantech's global performance appraisal is controlled and managed by the human resources information digital management platform, where supervisors, HR, and colleagues are reminded and monitored to achieve 100% participation rate in required assessments</li> </ul> |
| Effectiveness assessment | <ul style="list-style-type: none"> <li>To increase the employee satisfaction survey response rate, Advantech will regularly monitor the progress of various departments and utilize the Company's internal communication channels to promote the survey</li> <li>Statistics on the number of applications before and after the optimization of maternity leave and paternity leave</li> <li>One to two quarterly company-sponsored volunteer activities are planned, and Advantech's significant locations of operation (six major regions) are contacted to kick off local volunteer campaigns to ensure that volunteer hours are logged, volunteer leave is utilized, visibility is increased, and gradually encourage more employees to join the initiative</li> <li>Reduce the number of people with hypertension, hyperglycemia, and hyperlipidemia in 2024 by 5% through the implementation of various types of sports, health activities, and competitions</li> </ul>  |
| Stakeholder engagement   | <p>Advantech discloses various policies and systems through diverse communication channels, and gauges employee feedback through employee satisfaction surveys; meanwhile, the Company evaluates the impact of various systems on talent retention and recruitment.</p> <p>The Company has also set up an employee grievance channel to respond to, take care of, and protect the rights and interests of Advantech employees.</p>  |

## Advantech Global Diversity and Equality Policy

To foster workplace diversity and equality, Advantech has long been proactively promoting gender equality in the global workplace. Measures implemented include a gender-neutral pay system, fair and impartial performance appraisal and promotion systems, flexible working hours to support women in management positions, and a strong emphasis on women's family care responsibilities. Advantech ensures that hiring conditions are not influenced by gender, race, religion, political stance, or marital status, nor are there disparities in salary or treatment. Advantech has stipulated clear recruitment strategies globally to enhance employee diversity. Additionally, through internal diversity training and talent development channels, the Company has progressively mitigated fundamental differences that stem from physiological or psychological conditions affecting employees. Moreover, Advantech regularly reviews salary and remuneration-related indicators across different regions and job categories or job bands to ensure the creation of a diverse and equitable workplace. Advantech formed the Diversity, Equity, Inclusion (DEI) team in 2023 and launched its DEI promotion strategy and blueprint.



## Review of Current Initiatives by Advantech's DEI Team

| DEI category        | Indicator   | Solution  |
|---------------------|---|---|
| Diversity           | "Ethnic Diversity" LGBT   | Regardless of gender, employees who marry are entitled to a wedding gift subsidy in accordance with the law   |
| Diversity Equity    | "Parent-friendly" Measures to help employees settle in and start their families | Through flexible working hours and the WFA policy, Advantech helps employees increase their working hour flexibility/provides practical support for employees to settle in and start their families, thereby ensuring they can achieve a balance between family and career.   |
| Inclusion           | "Employees' sense of belonging" Migrant workers                                 | For the hiring and care of migrant workers in Advantech's manufacturing centers, the Company subsidizes relevant pre-employment expenses (including handling fees and airfare) for foreign migrant workers to alleviate the financial burden of applying for a job in Taiwan.<br>A bilingual policy has been implemented in factories to maintain smooth communication with foreign colleagues<br>Organize special national holiday activities in factories for migrant workers based on their home countries (Philippines)<br>Some factories have established a Muslim prayer room in consideration of employees' religious diversity. |
| Inclusion           | "Employees' sense of belonging" Indigenous peoples                              | Indigenous employees can apply for leave according to the time of their respective tribal festivals   |
| Diversity Inclusion | "Ethnic diversity" "Employees' sense of belonging" People with disabilities     | Advantech hires or exceeds the full quota of employees with disabilities as required by law. Furthermore, the Company also encourages and facilitates their career development.   |

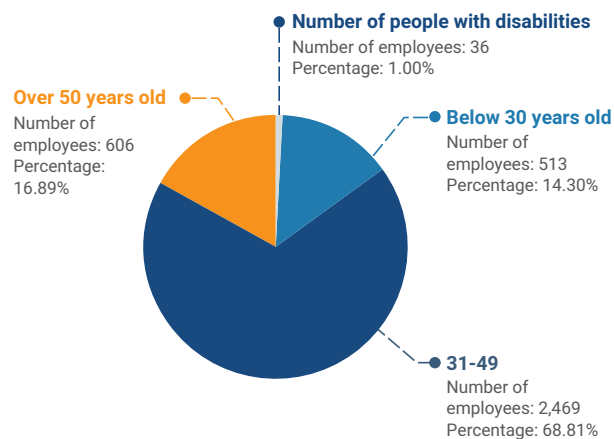
## Employee Composition

| Country                | Number of employees | Percentage of employees | Number of supervisors<br>(Manager level and above) | Percentage of supervisors<br>(Manager level and above) | Country              | Number of employees | Percentage of employees | Number of supervisors<br>(Manager level and above) | Percentage of supervisors<br>(Manager level and above) |
|------------------------|---------------------|-------------------------|--|--|----------------------|---------------------|-------------------------|--|--|
| Not Declared           | 155                 | 1.76%                   | 40   | 4.15%  | Indonesia            | 20                  | 0.23%                   | 4  | 0.41%  |
| Afghanistan            | 1                   | 0.01%                   | 1  | 0.10%  | Iran                 | 2                   | 0.02%                   | —  | —  |
| Australia              | 27                  | 0.31%                   | 4  | 0.41%  | Ireland              | 3                   | 0.03%                   | —  | —  |
| Belarus                | 1                   | 0.01%                   | —  | —  | Israel               | 5                   | 0.06%                   | 1  | 0.10%  |
| Belgium                | 1                   | 0.01%                   | —  | —  | Israelis             | 1                   | 0.01%                   | —  | —  |
| Bosnia and Herzegovina | 1                   | 0.01%                   | —  | —  | Italy                | 40                  | 0.45%                   | 5  | 0.52%  |
| Brazil                 | 61                  | 0.69%                   | 4  | 0.41%  | Japan                | 210                 | 2.38%                   | 26   | 2.70%  |
| British Virgin Islands | 1                   | 0.01%                   | —  | —  | Kosovo               | 1                   | 0.01%                   | —  | —  |
| Bulgaria               | 3                   | 0.03%                   | —  | —  | Lithuania            | 3                   | 0.03%                   | —  | —  |
| Burkina Faso           | 1                   | 0.01%                   | —  | —  | Malaysia             | 54                  | 0.61%                   | 10   | 1.04%  |
| Cameroon               | 1                   | 0.01%                   | —  | —  | Mexico               | 20                  | 0.23%                   | 4  | 0.41%  |
| Canada                 | 11                  | 0.12%                   | 4  | 0.41%  | Morocco              | 3                   | 0.03%                   | —  | —  |
| China                  | 3334                | 37.76%                  | 110  | 11.41%   | Myanmar              | 2                   | 0.02%                   | —  | —  |
| Colombia               | 2                   | 0.02%                   | —  | —  | Netherlands          | 98                  | 1.11%                   | 21   | 2.18%  |
| Croatia                | 1                   | 0.01%                   | —  | —  | Netherlands Antilles | 1                   | 0.01%                   | —  | 0.00%  |
| Czech Republic         | 72                  | 0.82%                   | 7  | 0.73%  | Nicaragua            | 1                   | 0.01%                   | 1  | 0.10%  |
| Denmark                | 2                   | 0.02%                   | 1  | 0.10%  | North Macedonia      | 1                   | 0.01%                   | —  | —  |
| Dubai                  | 1                   | 0.01%                   | —  | —  | Norway               | 1                   | 0.01%                   | —  | —  |
| Finland                | 2                   | 0.02%                   | —  | —  | Oman                 | 1                   | 0.01%                   | —  | —  |
| France                 | 17                  | 0.19%                   | 5  | 0.52%  | Pakistan             | 2                   | 0.02%                   | —  | —  |
| Germany                | 129                 | 1.46%                   | 15   | 1.56%  | Peru                 | 1                   | 0.01%                   | —  | —  |
| Greece                 | 5                   | 0.06%                   | —  | —  | Philippines          | 302                 | 3.42%                   | 1  | 0.10%  |
| Haiti                  | 1                   | 0.01%                   | —  | —  | Poland               | 57                  | 0.65%                   | 3  | 0.31%  |
| Hong Kong              | 4                   | 0.05%                   | —  | —  | Portugal             | 2                   | 0.02%                   | —  | —  |
| Hungary                | 2                   | 0.02%                   | —  | —  | Romania              | 4                   | 0.05%                   | 1  | 0.10%  |
| India                  | 86                  | 0.97%                   | 13   | 1.35%  | Russia               | 2                   | 0.02%                   | 2  | 0.21%  |

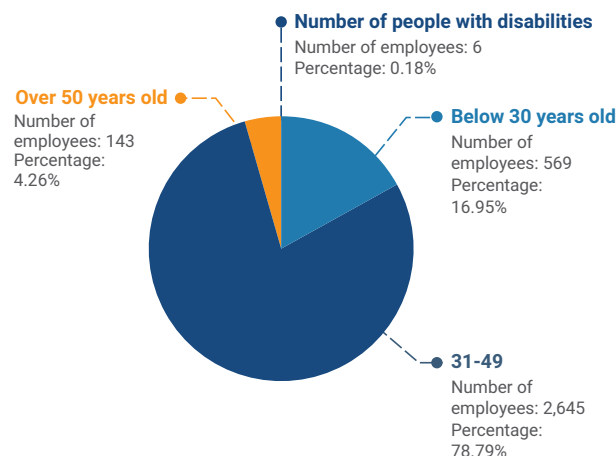
| Country            | Number of employees | Percentage of employees | Number of supervisors (Manager level and above) | Percentage of supervisors (Manager level and above) | Country                  | Number of employees | Percentage of employees | Number of supervisors (Manager level and above) | Percentage of supervisors (Manager level and above) |
|--------------------|---------------------|-------------------------|---|---|--------------------------|---------------------|-------------------------|---|---|
| Russian Federation | 8                   | 0.09%                   | 1   | 0.10%   | Turkey                   | 8                   | 0.09%                   | —   | —   |
| Singapore          | 31                  | 0.35%                   | 5   | 0.52%   | Türkiye                  | 21                  | 0.24%                   | 1   | 0.10%   |
| Slovakia           | 2                   | 0.02%                   | —   | —   | Ukraine                  | 4                   | 0.05%                   | —   | —   |
| Slovak Republic    | 2                   | 0.02%                   | —   | —   | United Arab Emirates     | 1                   | 0.01%                   | 1   | 0.10%   |
| Slovenia           | 1                   | 0.01%                   | —   | —   | United Kingdom           | 42                  | 0.48%                   | 9   | 0.93%   |
| South Korea        | 127                 | 1.44%                   | 21  | 2.18%   | United States            | 367                 | 4.16%                   | 106   | 11.00%  |
| Spain              | 10                  | 0.11%                   | 1   | 0.10%   | United States of America | 1                   | 0.01%                   | —   | —   |
| Sweden             | 10                  | 0.11%                   | —   | —   | Uruguay                  | 1                   | 0.01%                   | —   | —   |
| Syria              | 1                   | 0.01%                   | —   | —   | Venezuela                | 3                   | 0.03%                   | —   | —   |
| Taiwan             | 3358                | 38.03%                  | 528   | 54.77%  | Vietnam                  | 42                  | 0.48%                   | 3   | 0.31%   |
| Thailand           | 27                  | 0.31%                   | 4   | 0.41%   | Zambia                   | 1                   | 0.01%                   | —   | —   |
| Tunisia            | 1                   | 0.01%                   | 1   | 0.10%   | Zimbabwe                 | 1                   | 0.01%                   | —   | —   |

## Diverse Employment

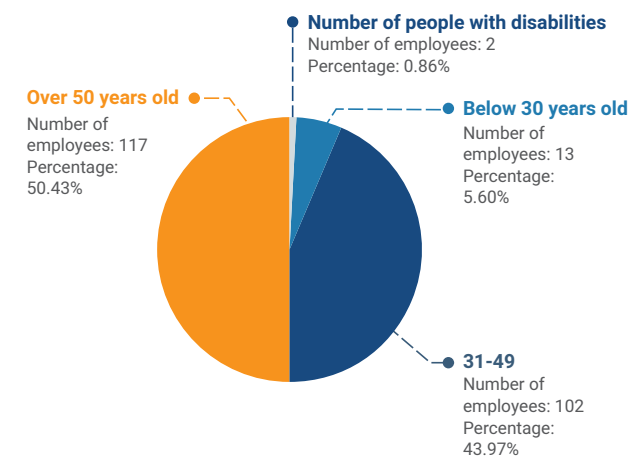
### Advantech Taiwan



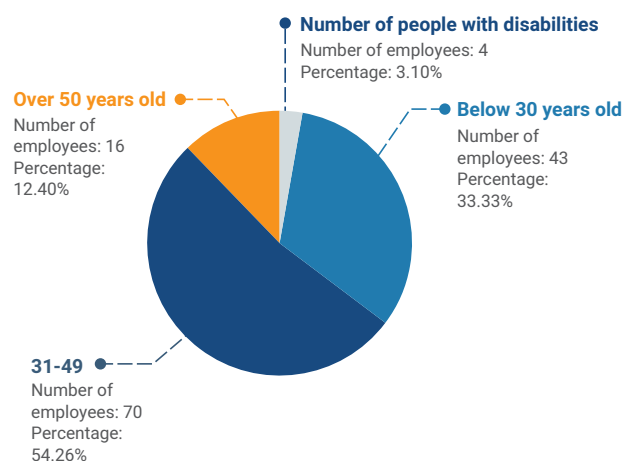
### Advantech China



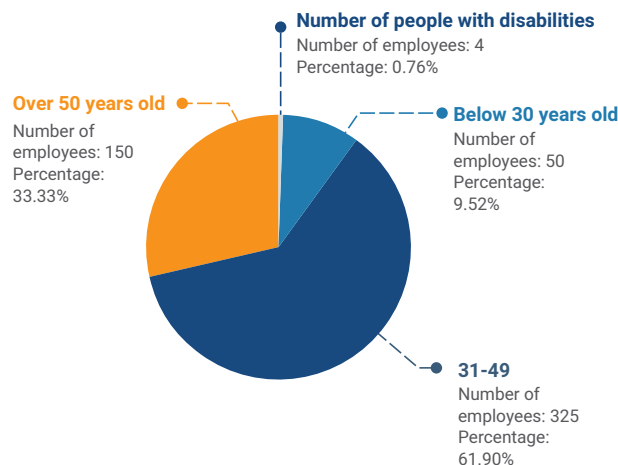
### Advantech Japan



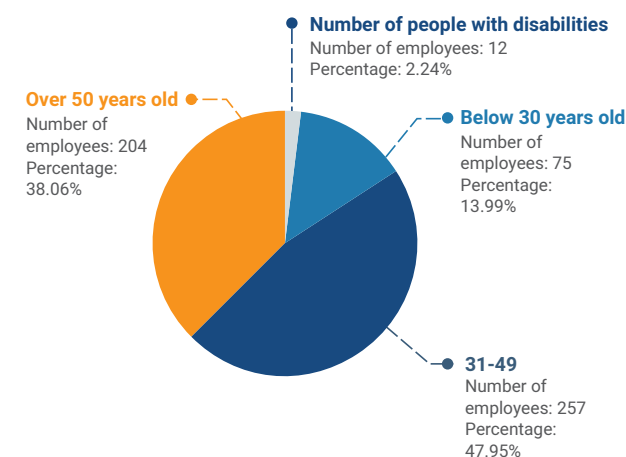
## Advantech Korea



## Advantech Europe



## Advantech USA



\*Note: To comply with GDPR regulations, data on people with disabilities are neither investigated nor disclosed.

## Employment of People with Disabilities

According to Taiwan's "People with Disabilities Rights Protection Act", the number of employees with disabilities with capability to work in a company shall be no less than 1% of the total number of employees. If the weighted total value fails to meet the standard, the Company must regularly pay the "shortfall allowance" to the disabled employment fund of the labor competent authority. Advantech is legally required to hire 36 people with disabilities and it has achieved the target in late 2023, which accounts for 1% of the total number of employees in the Company. In order to sustainably maintain the 1% ratio of employees with disabilities, the Company continues to vigorously monitor the resumes of people with disabilities through government employment counseling agencies.

In addition, all employees with disabilities actively engage in the Company's operations. Before reporting to work, Advantech offers colleagues assistance regarding commuting routes, work processes, and other practical aspects based on their respective disabilities. After reporting to work, adequate assistance in terms of personnel, equipment, and workplace is provided to them to ensure they can work with peace of mind and unleash their skills.

## Percentage of Female Employees/Supervisors

In Advantech's high-tech manufacturing industry, the proportion of female supervisors and executive level supervisor has increased slightly over the past two years. In 2023, the global coverage was expanded to include the statistical regions. In 2022, the statistical regions were expanded to include Advantech's six major regions (including Korea, Europe, and the U.S.), and the definition of supervisor is stricter than that in 2021. The level of entry-/management-level supervisors was adjusted from job band D (section manager/assistant manager) to job band E (manager level) and above. Currently, female employees account for 41.8% of all Advantech employees. In particular, female supervisors account for 22.1% of Advantech's supervisors. Advantech Taiwan expects to increase the percentage of female employees and supervisors to 42% and 24%, respectively by 2025.

More than one-fifth of Advantech's management team at its global headquarters ([management team - Advantech](#)) is female. In 2017, Ms. Shu-Yen Tsai was promoted to become the President of Advantech Industrial IoT, becoming one of the three Presidents and the highest-ranking female supervisor in the Company. Embody the spirit of the succession of professional managers and gender equality.

| Region    | Year  | 2021  | 2022  | 2023  | 2025  |
|-----------|---|-------|-------|-------|-------|
| Advantech | Percentage of female employees  | 41.8% | 42.7% | 41.8% | 42.0% |
|           | Percentage of female supervisors  | 28.0% | 21.2% | 22.1% | 24.0% |
|           | Percentage of female entry-/management-level supervisors  | 14.0% | 23.6% | 23.7% | 24.0% |
|           | Percentage of female executive level supervisor   | 2.0%  | 12.8% | 15.9% | 16.0% |
|           | Percentage of female supervisors in for-profit units (excluding HR, IT, legal affairs, and other support units) | 19.0% | 16.0% | 16.9% | 17.0% |
|           | Percentage of female STEM positions (science/technology/engineering/mathematics)                                | 22.0% | 25.1% | 23.4% | 23.5% |

**\*Note:**

- 1 In 2021, Advantech disclosed information from three major regions: headquarters, China, and Japan. In 2022, Advantech expanded the disclosure to six major regions including Korea, Europe, and the United States. In 2023, disclosure was expanded to include all global operating locations.
- 2 Advantech conducted the Global Job Band alignment in 2022, where global job bands were divided into A to H. Entry-/management-level supervisors (manager level) were classified as Job Band E, while executive level supervisors (including Assistant Vice President level and above) were classified as Job Band F and above.
- 3 In 2023, the scope of data disclosure was expanded to include other regions (including Indonesia, Mexico, India, Czech Republic, Australia, Malaysia, Singapore, Thailand, Russia, Turkey, Brazil, United Arab Emirates, Vietnam, Canada, and Israel). In these newly disclosed regions, the employee structure shows a relatively higher proportion of males in STEM positions, impacting two indicators compared to 2022: the overall percentage of female employees and the proportion of female employees in STEM positions, both of which decreased in 2023. Optimization efforts will be implemented annually across all regions to address this trend.

## Performance Appraisal and Promotion System

- **Management by objectives:** Advantech's annual performance appraisal is aligned with the organization's annual strategy and guidelines. Performance appraisal is conducted biannually, at mid-year and year-end.
- **Multidimensional performance appraisal:** The performance appraisal system includes diverse feedback questionnaires that supervisors can use to carry out performance appraisal. The feedback incorporates opinions from multiple parties and serves as a reference for the direct (evaluating) supervisor. By integrating the opinions of multiple parties, a more objective and fair performance appraisal outcome is expected.
- **Evaluation fairness:** Implemented in 2023, the performance evaluation is re-subdivided by various job levels. The purpose of this change is to improve the fairness and accuracy of horizontal comparisons among groups within the same job band and to ensure that each group receives appropriate incentives and rewards.
- **Agile conversations:** Supervisors conduct at least one performance evaluation with each employee annually. At year-end, after employees complete self-assessments, they engage in performance discussions with their supervisors to develop personal development plans. This process ensures that employees receive appropriate performance feedback, and that performance appraisal outcomes and personal development plans are adequately documented in the system. During the annual performance review cycle, supervisors are encouraged to communicate with employees at any time, regularly aligning directions and listening to employee feedback. By providing timely support, the goal is to achieve proper two-way communication and ensure that both parties have a mutual understanding of the performance appraisal results.
- **Team-based performance appraisal:**
  - **Year-based:** Advantech's performance appraisal not only focuses on individual job performance but also stresses the importance of teamwork. By setting KPIs and incentive systems that the team is jointly responsible for, the Company can uphold its core values of unleashing individual potential and teamwork. Advantech also sets group goals that applied to all employees and offered incentive bonuses. The group objectives were based on the performance of the respective business units and support units. The final evaluation determined the achievement rate and corresponding rewards were given to employees affiliated with those business units, motivating them to achieve the team's common goals.
  - **Project-based:** In response to the Company's material topics such as ESG projects and digital transformation projects, project team members not only set personal goals but also team goals and corresponding rewards. The management-level and executive level supervisor were also assigned common KPIs. In addition to the goals for their respective business units and support units, they were also responsible for the Company's strategic KPIs.

## Percentage of Employee Performance Appraisals Completed for Four Major Job Categories

| Region           | Four major job functions | Percentage of males receiving performance appraisals | Percentage of females receiving performance appraisals |
|------------------|--------------------------|--|--|
| Headquarters     | R&D                      | 97.9%  | 96.6%  |
|                  | Marketing and sales      | 95.1%  | 97.3%  |
|                  | Administration           | 92.2%  | 94.5%  |
|                  | Manufacturing            | 99.4%  | 99.2%  |
| Advantech China  | R&D                      | 96.6%  | 98.6%  |
|                  | Marketing and sales      | 95.7%  | 96.2%  |
|                  | Administration           | 92.2%  | 93.6%  |
|                  | Manufacturing            | 95.4%  | 96.5%  |
| Advantech Japan  | R&D                      | 100.0%   | 100.0%   |
|                  | Marketing and sales      | 100.0%   | 100.0%   |
|                  | Administration           | 100.0%   | 100.0%   |
|                  | Manufacturing            | 100.0%   | 100.0%   |
| Advantech Korea  | R&D                      | 84.2%  | 33.3%  |
|                  | Marketing and sales      | 77.4%  | 74.1%  |
|                  | Administration           | 77.8%  | 60.0%  |
|                  | Manufacturing            | 78.9%  | 100.0%   |
| Advantech Europe | R&D                      | 100.0%   | 88.9%  |
|                  | Marketing and sales      | 97.2%  | 98.8%  |
|                  | Administration           | 97.8%  | 95.6%  |
|                  | Manufacturing            | 98.4%  | 94.4%  |

**\*Note:**

- Calculation of the above performance appraisal ratio
  - The numerator and denominator are all full-time employees (excluding contract personnel and interns).
  - The numerator is the total number of people who participated in the performance appraisal; China, Japan, Korea, and Europe were assessed annually, while the headquarters conducted both new employee performance appraisals and annual performance appraisals.
  - The denominator includes those who were in the three-month probation period, on leave without pay and people who have left the Company during the performance appraisal period without completing the performance appraisal.
- The participation rate of employees in the six major regions in 2023 was 100%
  - Headquarters: Some senior operating management is not required to participate in the annual performance appraisal, and the participation rate after deducting the said senior management was 100%.
  - Advantech China: Colleagues on probation were not required to participate in the annual performance appraisal, and the participation rate after deducting the said colleagues was 100%.
  - Advantech Korea: Colleagues on probation and those who have been full-time staff for less than six months were not required to participate in the annual performance appraisal, and the participation rate after deducting the said colleagues was 100%.
  - Advantech Europe: Colleagues on probation were not required to participate in the annual performance appraisal, and the participation rate after deducting the said colleagues was 100%.
- Advantech USA cannot disclose the information due to the lack of complete relevant statistics for 2023.

## Performance Appraisal Ratio for Employees in the Two Job Functions

| Region           | Job category                | Percentage of males receiving performance appraisals | Percentage of females receiving performance appraisals |
|------------------|-----------------------------|--|--|
| Headquarters     | Executive level supervisor  | 88.10%   | 83.33%   |
|                  | Management-level supervisor | 98.72%   | 95.56%   |
|                  | General employees           | 98.01%   | 97.83%   |
| Advantech China  | Executive level supervisor  | 90.91%   | 100.00%  |
|                  | Management-level supervisor | 98.53%   | 97.62%   |
|                  | General employees           | 95.37%   | 96.28%   |
| Advantech Japan  | Executive level supervisor  | 100.00%  | 100.00%  |
|                  | Management-level supervisor | 100.00%  | NA   |
|                  | General employees           | 100.00%  | 100.00%  |
| Advantech Korea  | Executive level supervisor  | 100.00%  | 100.00%  |
|                  | Management-level supervisor | 80.00%   | 100.00%  |
|                  | General employees           | 76.27%   | 67.65%   |
| Advantech Europe | Executive level supervisor  | 100.00%  | 100.00%  |
|                  | Management-level supervisor | 97.30%   | 87.50%   |
|                  | General employees           | 98.26%   | 97.02%   |

**\*Note:**

- Advantech conducted a global job band alignment in 2022, where global job bands were divided into A to H. Management-level supervisors were classified as Job Band E, while executive level supervisor was classified as Job Band F and above.
- Calculation of the above performance appraisal ratio
  - The numerator is the total number of people who participated in the performance appraisal; China, Japan, Korea, and Europe were assessed annually, while the headquarters conducted both new employee performance appraisals and annual performance appraisals.
  - The denominator is full-time employees (excluding contractors and interns. Full-time employees include those who were in the three-month probation period, on leave without pay and people who have left the Company during the performance appraisal period without completing the performance appraisal.)
- The participation rate of employees in the six major regions in 2023 was 100%
  - Some senior operating management at the headquarters is not required to participate in the annual performance appraisal, and the participation rate after deducting the said senior management was 100%.
  - In China, those who failed the probation period were not required to participate in the annual performance appraisal, and the participation rate after deducting the said colleagues was 100%.
  - Employees in Korea who failed the probation period and employees who have been full-time staff for less than six months were not required to participate in the annual performance appraisal, and the participation rate after deducting the said colleagues was 100%.
  - In Europe, those who failed the probation period were not required to participate in the annual performance appraisal, and the participation rate after deducting the said colleagues was 100%.
- Advantech USA cannot disclose the information due to the lack of complete relevant statistics for 2023.

## Employee Satisfaction Survey

Advantech upholds the management philosophy of proactively caring for its employees, valuing their feedback and opinions, and strives to provide an open, inclusive, safe, and healthy workplace for all employees. Inspired by Advantech's core values, which include a people-oriented environment, ethics, excellence in innovation, and altruistic contributions, the aim is to enhance mutual understanding between the Company and its employees through the annual employee satisfaction survey, thereby fostering an environment that values employees and offers a more comprehensive benefits system.

In 2018, China was the first region to launch the annual employee satisfaction survey. In 2021, the survey was expanded to include Europe (non-management staff survey) and Taiwan (50 randomly selected employees). Since the launch of the survey, the annual satisfaction rate has consistently reached above 90%. The Company plans to continue expanding the survey regions, with the global survey coverage rate reaching approximately 72.1% by 2021. The survey is used by Advantech as a reference for continuously enhancing employee relations.

In 2023, employee satisfaction surveys from different regions worldwide were integrated for the first time and optimized. A total of 35 questions (Figure. 5.3.2) across seven major themes were designed with the following objectives in mind (Figure. 5.3.1). The themes were corporate culture and management, work environment, job description, teamwork, management and supervision, communication effectiveness, performance appraisal and promotion, as well as training and development. This year's questionnaire was offered in four languages covering 20 countries/regions, including Advantech's six significant locations of operation (Advantech headquarters, Advantech China, Advantech Japan, Advantech Korea, Advantech Europe, and Advantech USA). In the future, the Company will maintain the frequency of annual surveys to cover the six significant locations of operation. Advantech will investigate the opinions and feedback from employees of all its global plants/units as well as disclose the goals and results of related surveys and analyses.

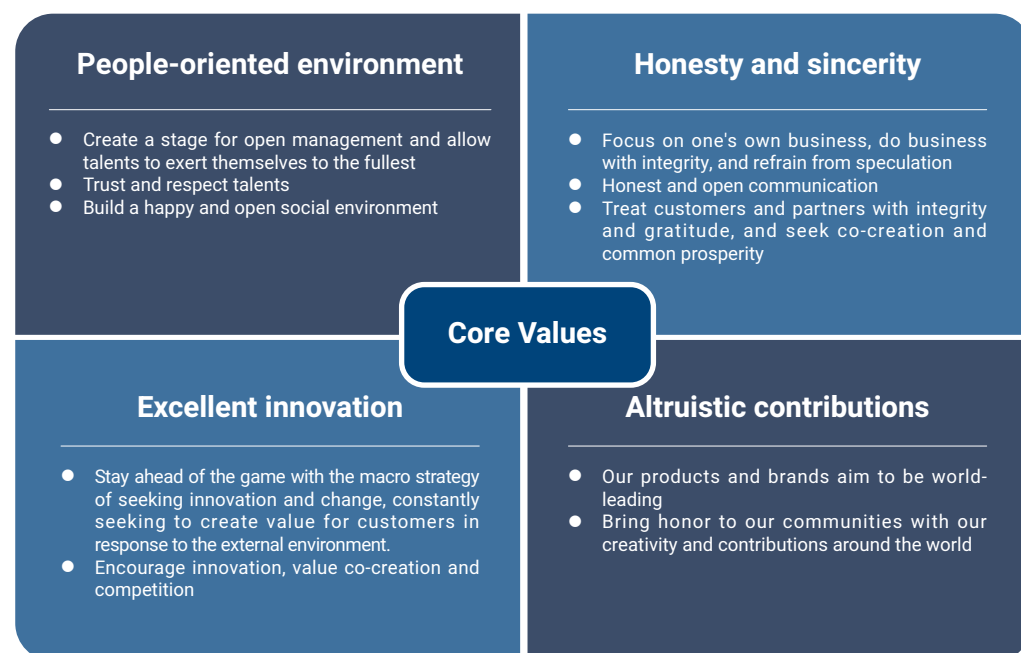


Figure. 5.3.1: Objectives of employee satisfaction survey



Figure. 5.3.2: Seven major themes of the 2023 employee satisfaction survey

The regional coverage rate of the 2023 employee satisfaction survey was 100%. 8,745 people participated in the survey and 7,006 people responded, achieving a response rate of 80%. The satisfaction rate was 83%<sup>Note 1</sup>.

The Company convened cross-department/plant project meetings to review and follow up on employee satisfaction improvement plans, in turn demonstrating the importance of employee opinions to the Company and Advantech's determination to foster a high-quality workplace. Please refer to Table 5.3.1 for response conditions of various regions and the total score, and Table 5.3.2 for the follow-up feedback of the survey.

| Region                              | The number of people who should fill out the questionnaire <sup>Note 2</sup> | Number of respondents | Male  | Female | Non-disclosure of gender | Response rate | Satisfaction level |
|-------------------------------------|--|-----------------------|-------|--------|--------------------------|---------------|--------------------|
| Headquarters                        | 3,549  | 2,847                 | 1,620 | 1,227  | 0                        | 80%           | 81%                |
| Advantech China                     | 1,206  | 1,029                 | 624   | 405    | 0                        | 85%           | 94%                |
| Advantech Kunshan <sup>Note 3</sup> | 2,127  | 1,832                 | 970   | 862    | 0                        | 86%           | 85%                |
| Advantech Japan                     | 250  | 191                   | 130   | 57     | 4                        | 76%           | 67%                |
| Advantech Korea                     | 131  | 114                   | 73    | 37     | 4                        | 87%           | 78%                |
| Advantech USA                       | 541  | 226                   | 131   | 77     | 18                       | 42%           | 80%                |
| Advantech Europe                    | 578  | 451                   | 299   | 131    | 21                       | 78%           | 78%                |
| Other regions                       | 363  | 316                   | 199   | 95     | 22                       | 87%           | 82%                |

**\*Note:**

1. The overall engagement statistics are the outcome of a weighted calculation: Sum of (engagement level by region\* number of respondents by region)/total number of respondents.
2. The number of respondents should be the number of full-time employees, excluding interns and cooperative education students.
3. Advantech Kunshan's satisfaction calculation method will be revised in 2024.

Table 5.3.1: Employee satisfaction survey response conditions of various regions: by gender

| Region  | Total score | Monitored issues  |
|---|-------------|---|
| Advantech Taiwan (ACL)  | 4.05        | The score for the performance appraisal and promotion as well as the training and development group was 3.82. Plans are underway to redesign the Advantech Academy focusing on four major dimensions including management, professionalism, general education, and new hires. Furthermore, communication between the Company and employees was bolstered to realize positive two-way feedback and elevate employee training percentage, as well as optimize employees' career development.  |
| Advantech China (ACN)   | 4.72        | The score for the performance appraisal and promotion as well as the training and development group was 4.59. In the future, the training content will be enriched to include vocational skills, product technology, Advantech product and competitive product comparison meetings, and experience sharing by external experts. The Company will also increase cross-departmental technical training and increase the frequency of personnel exchanges to provide more room for career development by clarifying employees' career development trajectory.  |
| Advantech Kunshan (AKMC)  | 4.27        | The score for the performance appraisal and promotion as well as the training and development group was 4.19. In the future, Advantech plans to improve and meet the learning needs of employees through the "Knowledge Learning and Sharing Circle", and assign learning courses according to personnel and job positions. In addition, the Company has planned training for entry-level supervisors along nine dimensions to improve supervisor roles and functions such as communication and collaboration, promotion and execution, emotion management, stress management, time management, problem-solving ability, talent selection, team cultivation, and innovative learning. |
| Overseas business group<br>(Include Advantech Japan, Advantech Korea, Advantech USA, Advantech Europe, and other regions) | 3.89        | Since the overall satisfaction level of the overseas business group is lower than that of other regions, in order to lower the employee turnover rate, strengthen personnel development strategies, and enhance employee happiness, the overseas business group will adopt four major improvement measures to improve employee satisfaction. These include improving interdepartmental communication and collaboration, bolstering leadership and management skills, improving employee welfare and life-work balance goals, and strengthening the implementation of the DEI concept.   |

Table 5.3.2: Employee satisfaction survey total score and follow-up feedback

Moreover, the survey results indicate that employees in different regions are less certain about performance appraisal, promotion, training, and development plans. Consequently, in line with the vision of Corporate Strategy Transformation 2030 (CST 2030), Advantech will begin to launch a function-based structured training system in 2024 to achieve better talent utilization.

## 5.4 Human Rights Protection

### 5.4.1 Employee Human Rights and Employee Rights Protection

#### Human Rights Management and Commitment

Advantech has established the "Advantech Human Rights Policy", which has been reviewed and approved by the top management to protect the fundamental human rights of all employees, suppliers, customers, and stakeholders. The Company takes the international human rights framework, corporate development strategies, and external trends, including the "Universal Declaration of Human Rights", the "United Nations Global Compact", and the International Labor Organization's "Declaration of Fundamental Principles and Rights at Work" into consideration and complies with the local regulations of the countries where it operates. Furthermore, Advantech has formulated human rights policies based on the UN's "Guiding Principles on Business and Human Rights".

Advantech has established a human rights risk survey procedure, which includes regular stakeholder impact assessments and management improvements. For the human rights risk survey, relevant risk topics (including "human rights risks") were selected by the Internal Audit Committee and other relevant units before reviewing the risk ratings of each issue, identifying high-risk groups, and implementing management measures accordingly. In 2023, there were no reported cases of discrimination or harassment.

Meanwhile, Advantech employees must also comply with the "Employee Code of Conduct", which includes labor standards, humane treatment, prohibition of child labor and discrimination against employees, and equal pay for equal work, clearly stating that employees are prohibited from engaging in any form of discrimination or other human rights violations. To make sure that all employees understand and comply with the above policies, the Company conducts the "Integrity Business Code" and compliance with laws education and training every year. These include provisions for the Company to offer legitimate whistleblowing channels and disciplinary actions. The identity of the whistleblower and the content of the report were kept confidential. In 2023, the education and training coverage rate of the "[Integrity Business Code](#)" was 100% (indirect employees), and the training completion rate was 98.1% (6,198 indirect employees worldwide). For employees who have not yet completed the training, the system will notify them and their immediate supervisors at the beginning of each month to allow the supervisor to request their subordinates to complete the tasks promptly.

In terms of direct employees, Advantech's Taiwan Manufacturing Center (plant) holds annual educational training on the "Employee Code of Conduct", including anti-discrimination and anti-harassment, achieving a coverage rate of 100%.

#### Freedom of Association

The Company supports all types of employee self-organized clubs and unions at different levels (for instance: Advantech has established labor unions in Germany, the Netherlands, and Japan, as well as labor representatives in Japan and France) to promote employee equality in various regions. In 2023, Advantech's global freedom of association coverage rate reached 94.7% (100% was not achieved due to no information having been collected for other regions<sup>note</sup> yet).

- In Europe, worker councils were started by employees in some regions of Advantech Germany (Advantech Europe BV and Advantech GmbH) and Advantech in the Netherlands. Employee representatives were elected regularly, and the council held regular labor-management meetings with the Company to discuss employee-related issues. Advantech France also regularly elects labor representatives to speak out on employee-related issues and partake in labor-management meetings.
- In the U.S., employees of Advantech USA are entitled to the freedom of association and are free to regions note join or form labor unions. However, since Advantech USA continues to treat its employees well, they have not exercised their right to form a union. The Company regularly communicates with employees and collects feedback through HR newsletters.

- In Asia, all employees of Advantech Japan are entitled to the freedom of association. In particular, ATJ (Advantech Technologies Japan Corp) has unionized while AJP (Advantech Japan. Co., Ltd.) regularly elects labor representatives to speak out on employee-related issues and partake in labor-management meetings. Advantech China (including plants) regularly discusses and resolves employee welfare-related issues through Employee Welfare Committee representatives. Advantech headquarters is equipped with an Employee Welfare Committee, and quarterly labor-management meetings were convened in various headquarters locations (Rui-guang Headquarters, Yang-guang Building, Donghu, and Linkou plants) to communicate labor rights and interests (including salary, attendance, and benefits), listen to employees' feedback, as well as discuss and decide on various key issues.

Advantech strives to minimize human rights conflicts; hence it has implemented the following management measures on employees, suppliers, and customers. The relevant regulations were also disclosed. After investigation, Advantech does not currently face any risks related to freedom of association and collective bargaining at any of its locations of operation or with any of its suppliers.

**\*Note:** Regions that were not considered significant locations of operation (Headquarters, Advantech China, Advantech Japan, Advantech Korea, Advantech Europe, and Advantech USA) were Indonesia, Mexico, India, Czech Republic, Australia, Malaysia, Singapore, Thailand, Russia, Turkey, Brazil, the Emirates, Vietnam, Canada, and Israel. "Other regions" mentioned below all have the same definition.



Figure. 5.4.1: Human rights management process and mechanism

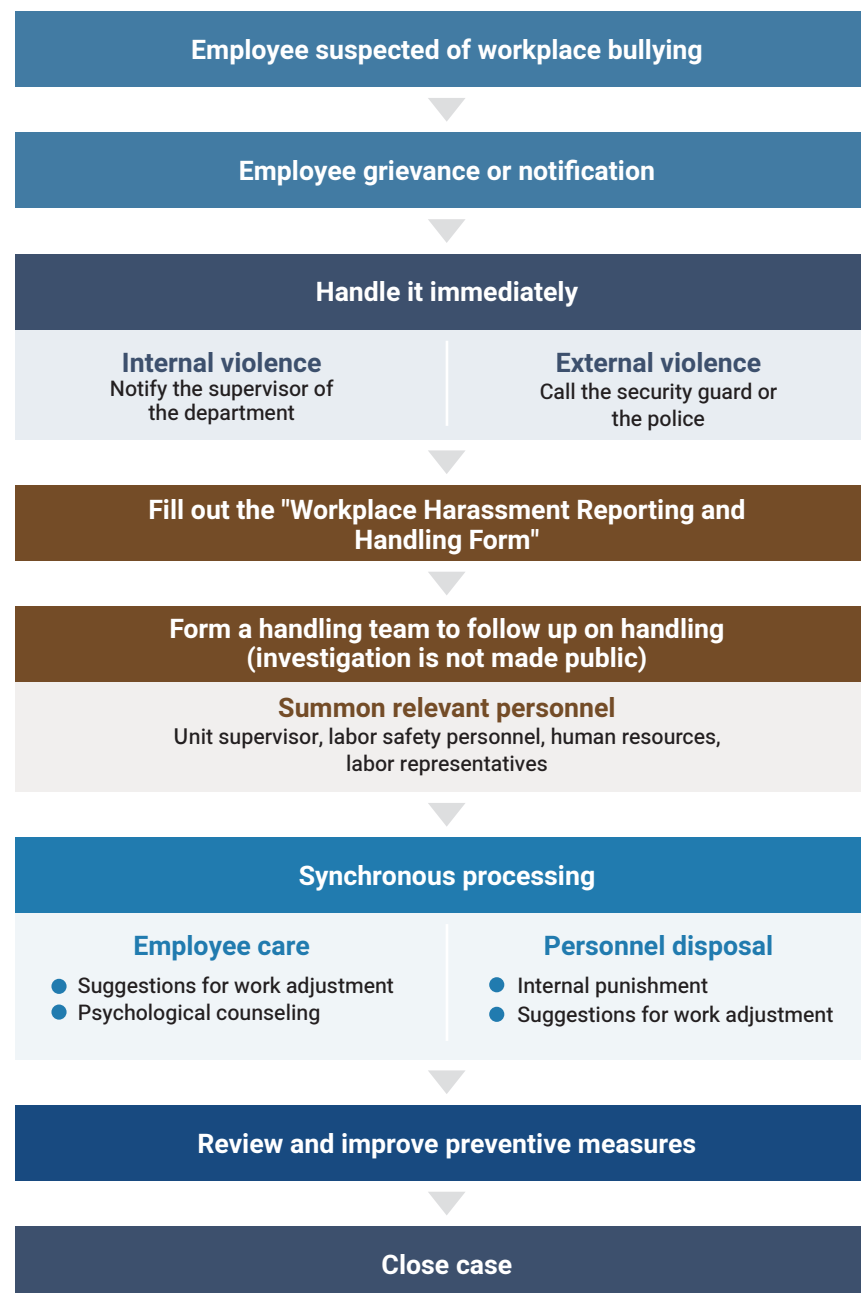
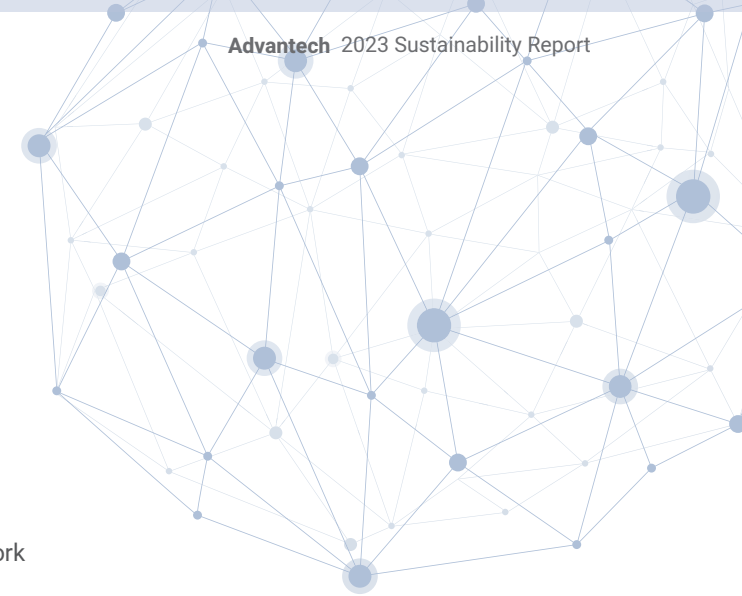


Figure. 5.4.2: Reporting and grievance process



## 5.4.2 Human Rights Due Diligence

Advantech must conduct a triennial re-evaluation of the human rights risks of employees, contractors, and joint ventures. Supplier human rights risks are evaluated biennially. (The first due diligence was carried out in 2022)

### Human Rights Due Diligence: Employees

#### Investigation methodology

First, Advantech identified a list of human rights risk issues relevant to stakeholders based on the UN and international human rights issues as a reference. The 11 risks are as follows:

- 1 Forced labor
- 2 Human trafficking
- 3 Child labor
- 4 Freedom of association
- 5 Equal pay for equal work
- 6 Non-discrimination, diversity, and inclusion
- 7 Protection of labor conditions
- 8 Right to health
- 9 Privacy
- 10 Freedom of expression (right to collective bargaining)
- 11 Personal liberty and safety (covers sexual harassment)

#### Investigation frequency

- Comply with international human rights treaties including the "United Nations Universal Declaration of Human Rights", "United Nations Global Compact", "United Nations Guiding Principles on Business and Human Rights", and the International Labor Organization's "Declaration of Fundamental Principles and Rights at Work" to eliminate any acts of human rights violations and abuses.
- Regularly review the human rights management status based on the above documents, and at least every three years, review human rights management issues, formulate and implement mitigation plans, and issue human rights identification reports. (The first due diligence was carried out in 2022)

#### Questionnaire design

Through the assistance of the DJSI sustainable development consulting team, a questionnaire was designed that includes the following two components. Advantech conducted a human rights risk assessment to identify high-risk human rights issues.

- Likelihood of occurrence and severity of human rights risks: the first-level supervisors of each department were asked to identify the likelihood of occurrence and the severity of impact for the 11 human rights issues above.

\*Note: The likelihood of occurrence is divided into (1 = will not occur, 2 = low probability (1% - 30%), 3 = moderate probability (31% - 60%), 4 = high probability (above 61%); the level of severity is divided into (1=no impact, 2=not severe, 3=severe, 4=very severe)

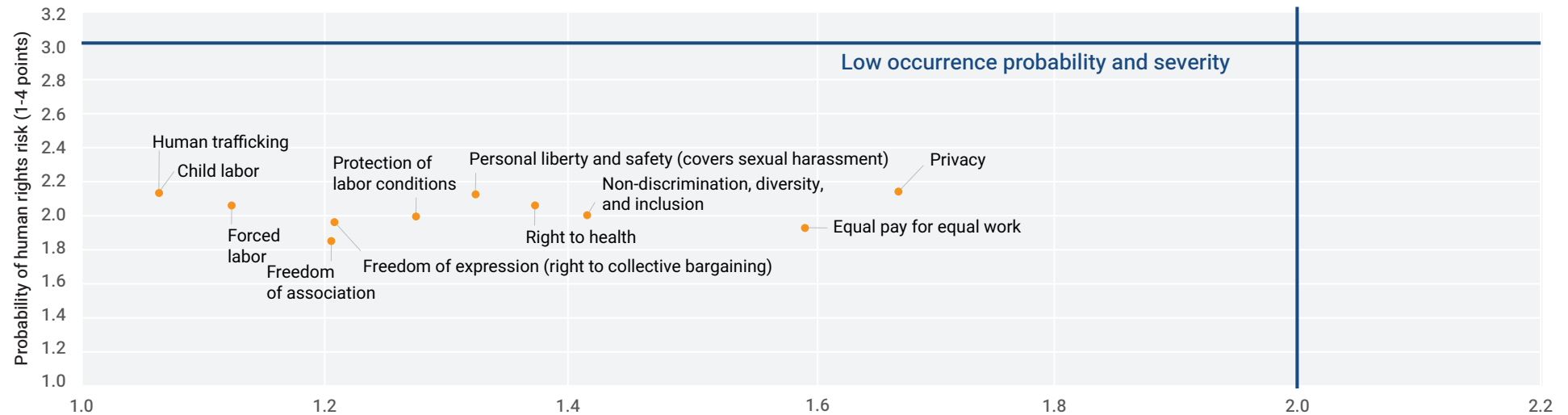
#### Respondents/coverage rate

- In the questionnaire survey, Advantech's executive level supervisors at the headquarters/branch office personnel received the questionnaire on behalf of all employees. Based on this definition, 31 supervisor representatives were selected, and 24 questionnaires were retrieved, achieving a recovery rate of 77%.
- The global and regional coverage rate of this questionnaire reached 94.8%

#### Risk topic identification (likelihood and impact)

The questionnaire revealed that the likelihood of human rights risks occurring for employees and the severity of the risks were both low. In particular, Advantech's manufacturing plants (ACL, AKMC, and AJP) have been certified by the Responsible Business Alliance (RBA) Code of Conduct, qualifying them as low-risk.

\*Note: High-risk quadrant points: The probability is two or more (representing a possible probability of occurrence); the severity of occurrence is three or more (representing a certain severity)



## Statistical method & survey results

The sum average of the likelihood of occurrence for various human rights risks is plotted on the X-axis, while the sum average of the severity of human rights risks is plotted on the Y-axis. The intersection of the two conditions determines the relative position of each human rights risk on the risk matrix.

Although the likelihood of occurrence of human rights risks among Advantech's employees is low (averaging below probability level 2) and not severe (averaging below severity level 3), the top three risks are ranked below according to the risk percentage:

- Top three perceived human rights risks (scenarios):
  1. Privacy: Employee personal information leakage due to system loopholes, security negligence, or failure to cover fulfill reporting obligations
  2. Equal pay for equal work: The employer treats workers with the same level of technical and labor skills who are performing the same type of work differently based on factors such as gender, age, ethnicity, or region. This leads to different compensations for the same amount of work.
  3. Non-discrimination, diversity, and inclusion: Providing unfair treatment unrelated to job performance during the recruitment, promotion, and compensation of employees. Treated unfairly based on criteria such as nationality, race, gender, age, political affiliation, and disability.
- To mitigate and manage human rights risks, Advantech has established comprehensive policies and procedures for handling human rights incidents that cover Advantech's value chain and all locations of operation.

- In 2023, there were no human rights disputes or legal violations, therefore no compensation actions were taken.

Meanwhile, in Advantech's annual global employee satisfaction survey, the 2023 survey found that employees' positive feedback on an anti-discrimination and anti-sexual harassment work environment is higher than the average score. A similar pattern was observed in feedback from executive level supervisor and local human resources departments, showing higher-than-average scores (refer to the table below for details).

|                                 | A workplace that is free from discrimination and sexual harassment | Overall average satisfaction |
|---------------------------------|--|------------------------------|
| Advantech headquarters          | 4.26   | 4.05                         |
| Advantech China (Kunshan plant) | 4.31   | 4.27                         |
| Advantech China branch office   | 4.81   | 4.72                         |
| Overseas branches               | 4.03   | 3.89                         |

## Human Rights Due Diligence: Suppliers

### Investigation methodology

- The Supplier Sustainable Management Sourcing Department identifies the list of supply chain-related human rights risk issues based on various UN and international human rights issues (Advantech Supplier ESG Risk Evaluation Form)
 

|  |  |
|--|--|
| A0. Commitment, management system, and compliance                            | A3. Working hours (includes forced labor issues) |
| A1. Freedom to choose an occupation (includes freedom of association issues) | A4. Salary and benefits                          |
| A2. Young workers (includes child labor issues)                              | A5. Humane treatment and non-discrimination      |
- Potential human rights issue risks have been integrated into the supplier ESG self-evaluation form to further understand the supplier's management methods and improvement actions concerning human rights issues.

### When designing the online questionnaire, the scope of investigation includes:

- Key tier 1 suppliers self-assess their prevention and mitigation measures for high-risk issues.
- Provide the name of documents supporting key tier 1 suppliers' self-assessments of their human rights-related measures.
- Advantech's supplier corporate quality and management department will conduct thorough audits and reviews.

### Respondents/coverage rate

- In 2022, a total of 271 significant tier 1 suppliers were evaluated, accounting for 100% of all significant tier 1 suppliers for that year.
- In 2024, a total of 1,127 tier 1 suppliers were evaluated, accounting for 100% of all tier 1 suppliers for that year.

### Survey results and improvements

- Two suppliers were evaluated with high human rights risks, accounting for 0.74% of all suppliers in the survey. The main reasons are as follows:
  - A1.1 There were no regulations prohibiting the use of forced, bonded (including debt bondage), or indentured labor, and against the use of involuntary or exploitative prison labor, slavery, or trafficking of persons.
  - A2.1 The work rules do not propose the full requirements of the prohibition of child labor.
  - A2.2 The work rules do not propose the full requirements of the protection of young workers.
- All the above nonconformities have been effectively rectified and closed.
- Advantech will continue to conduct on-site audits for high-risk suppliers to ensure they undertake actions to address human rights risks.



## Human Rights Due Diligence: Contractors

### Investigation methodology

- First, Advantech's corporate quality and management department identifies a list of contractor-related human rights risk issues by referring to the UN and relevant international human rights issues.

A0. Commitment, management system, and compliance

A1. Freedom to choose an occupation (freedom of association)

A2. Young workers (child labor)

A3. Working hours (forced labor)

A4. Salary and benefits

A5. Humane treatment and non-discrimination

- Potential human rights issue risks have been integrated into the Contractor ESG self-evaluation form to further understand the contractor's management methods and improvement actions concerning human rights issues.

### When designing the online questionnaires, including

- The contractor's self-assessment of its prevention methods and mitigation measures for high-risk issues.
- The contractor's self-assessment of human rights-related measures and the name of the supporting document is provided.
- Advantech's supplier corporate quality and management department will conduct thorough audits and reviews.

### Respondents/coverage rate

In 2022, 17 contractors were evaluated, accounting for 8.9% of all contractors in 2022 (17 of 192).

### Investigation results and improvements

All contractors do not have human rights-related risks.

## Human Rights Due Diligence - Joint Ventures (JV)

### Investigation methodology

- First, Advantech's corporate quality and management department identified the list of human rights risk issues of its joint ventures based on the UN and related international human rights issues.

A0. Commitment, management system, and compliance

A1. Freedom to choose an occupation (freedom of association)

A2. Young workers (child labor)

A3. Working hours (forced labor)

A4. Salary and benefits

A5. Humane treatment and non-discrimination

### When designing the online questionnaires, including

- Joint ventures' self-assessment of its prevention methods and mitigation measures for high-risk issues.
- Joint ventures' self-assessment of human rights-related measures and the name of the supporting document is provided.
- Advantech's supplier corporate quality and management department will conduct thorough audits and reviews.

### Respondents/coverage rate

In 2022, Advantech's investment department selected ten joint ventures for evaluation based on the shareholding of a certain percentage to a certain percentage (10%) and the investment amount reaching a certain scale (over NTD 100 million), accounting for 37% of all joint ventures in 2022.



### Investigation results and improvements






All joint ventures do not have human rights-related risks.



# Human Rights Risk Management (Mitigation and Remediation)

The table offers a global overview with supplementary information for specific regions.

| Target audience   | Topic identification   | Due Diligence  | Mitigation Actions  | Target management   | Voluntary disclosure of location  |
|---|--|--|---|---|---|
| <br>Employee | 1. Privacy   | <b>Applicable globally</b><br><a href="#">Employee Code of Conduct</a><br>(Identity protection, prevention of retaliation & data confidentiality)  | <b>Applicable globally</b> <ul style="list-style-type: none"> <li>Annual information and cyber security online education and training</li> <li>To enhance VPN connection security, employees were requested to install the Forestcut information and cyber security software.</li> <li>Personal data protection handbook</li> </ul>   | <b>Applicable globally</b><br>No leakage of employee and customer privacy data  | <b>Applicable globally</b> <ul style="list-style-type: none"> <li><a href="#">Advantech Human Rights Policy and Commitment</a></li> <li><a href="#">Employee Code of Conduct</a></li> <li><a href="#">Personal data protection and management measures</a></li> </ul>   |
|   | 2. Equal pay for equal work                                  | <b>Applicable globally</b><br>Advantech's remuneration policy is based on employees' duties and responsibilities. The Company complies with local labor laws and regulations, and salary standards do not vary based on gender. Take Taiwan as an example, the laws and regulations include: The "Labor Standards Act", "Gender Equality in Employment Act," and "Employment Service Act." Advantech has established the Diversity, Equity, and Inclusion (DEI) Team, which reports to the Sustainable Development Committee on a quarterly basis                        | <b>Applicable globally</b> <ul style="list-style-type: none"> <li>For new hires with work experience, their job band and salary can be determined by referencing the education and experience of current Advantech employees with similar backgrounds</li> <li>Annual salary adjustment &amp; bonus: The Human Resources Department formulates the annual salary budget and operational principles. After approval by the President, it will be submitted to various departmental supervisors for fair salary adjustments based on individual performance appraisals</li> </ul>   | <b>Applicable globally</b><br>The salary job band system is designed to complement the Company's long-term strategies and also provide supervisors with more room in rewarding performance and abilities. The system evaluates the job rather than the individual, taking into consideration seven factors to ensure equal pay for equal work | <b>Applicable to Taiwan</b> <ul style="list-style-type: none"> <li>Advantech sustainability report</li> <li>Advantech announces on recruitment websites (e.g. 104 Job Bank)</li> <li>Remuneration and bonus management and implementation regulations</li> <li>Recruitment and employment management regulations</li> <li>Performance management and rating regulations</li> </ul>  |
|   | 3. Non-discrimination, diversity, and inclusion              | <b>Applicable globally</b><br>In the global employee satisfaction survey, employee feedback on a workplace that is free from discrimination and sexual harassment is higher than average<br><br><b>Applicable to Taiwan</b><br>HR Dashboard monitors work diversity and workforce distribution data (e.g.: gender ratio, workforce age distribution, distribution by job category, etc.) <ul style="list-style-type: none"> <li>Maternity leave/paternity leave is better than the legal requirement</li> <li>Race and cultural communication training course</li> </ul> | <b>Applicable globally</b> <ul style="list-style-type: none"> <li>The non-discrimination clause in the Human Rights Guidelines provides for equal opportunities in terms of external public recruitment and internal transfers</li> <li>Advantech respects employees' equal opportunity in employment and career development, and employment opportunities will not be affected by discriminatory treatment or any form of discrimination based on an employee's gender, race, religious beliefs, political affiliation, sexual orientation, rank or position, nationality, or age</li> </ul>   | <b>Applicable globally</b><br>Candidates were hired based on their education, experience, and ability, the hiring decisions were not affected by gender, race, religious beliefs, political affiliation, sexual orientation, job band, nationality, or age  | <b>Applicable globally</b> <ul style="list-style-type: none"> <li><a href="#">Advantech Human Rights Policy and Commitment</a></li> <li><a href="#">Advantech Co., Ltd.'s anti-discrimination and anti-harassment policy</a></li> <li>Global employee engagement survey</li> <li>RBA Validated Assessment Program (VAP) operations manual</li> </ul><br><b>Applicable to Taiwan</b> <ul style="list-style-type: none"> <li>Act of Gender Equality in Employment</li> <li>Labor standards act</li> </ul> |
| <br>Female | Sexual harassment prevention & workplace Zero discrimination | <b>Applicable globally</b><br>Advantech regularly conducted internal and external audits and supplier audits in accordance with the guidelines in the RBA Validated Assessment Program (VAP) operations manual<br><br><b>Applicable to Taiwan</b><br>Annual employee workplace health survey - includes questions related to the "Workplace violence hazard and risk survey", which monitors the risk of sexual harassment, discrimination, and violence at the workplace  | <b>Applicable to Taiwan</b> <ul style="list-style-type: none"> <li>Established the Gender Equality in Employment Committee according to the "Act of Gender Equality in Employment" and formulated <a href="#">Advantech Co., Ltd. Guidelines for Handling Complaint and Punishment of Workplace Sexual Harassment</a>. Furthermore, the regulations were promoted through meetings and emails</li> <li>Implemented the "OHS" regulations and the Prevention plan for unlawful infringement during the performance of duties through the organization of labor (occupational) safety and health and occupational health personnel</li> </ul> | <b>Applicable globally</b><br>In 2023, there were no reported cases of discrimination or harassment   | <b>Applicable globally</b><br><a href="#">Employee Code of Conduct</a><br><br><b>Applicable to Taiwan</b> <ul style="list-style-type: none"> <li><a href="#">Advantech Co., Ltd. Guidelines for Handling Complaint and Punishment of Workplace Sexual Harassment</a></li> <li>Prevention plan for unlawful infringement during the performance of duties</li> <li>Prevention plan for unlawful infringement during the performance of duties</li> </ul>   |

| Target audience   | Topic identification  | Due Diligence   | Mitigation Actions  | Target management   | Voluntary disclosure of location   |
|---|---|---|---|---|--|
| <br>Indigenous peoples                     | Non-discrimination, diversity, and inclusion                              | <b>Applicable to Taiwan</b><br>Advantech's remuneration policy is based on employees' duties and responsibilities. The Company complies with local labor laws and regulations, and salary standards do not vary based on race | <b>Applicable to Taiwan</b><br>Advantech allowed indigenous employees to apply for public leave during the Indigenous Harvest Festival in accordance with the Labor Standards Act   | <b>Applicable to Taiwan</b><br>No complaints of discrimination against indigenous people were received  | <b>Applicable to Taiwan</b> <ul style="list-style-type: none"> <li>• Labor standards act</li> <li>• Advantech ESG Report 5.3 Diversity, equality and inclusive workplace</li> </ul>  |
| <br>Child & forced labor                   | Child labor was prohibited & there were no forced labor/human trafficking | <b>Applicable globally</b><br>Advantech regularly conducted internal and external audits in accordance with the guidelines in the RBA Validated Assessment Program (VAP) operations manual                                    | <b>Applicable globally</b> <ul style="list-style-type: none"> <li>• Advantech verifies the resume and actual age of applicants prior to recruiting and hiring employees. Individuals under the age of 18 will not be hired</li> <li>• All of Advantech's PVL suppliers and new suppliers must sign the "Advantech Supplier Code of Conduct", which stipulates that suppliers should strive to protect labor human rights according to internationally recognized standards</li> </ul>   | <b>Applicable globally</b> <ul style="list-style-type: none"> <li>• In 2023, Advantech and its suppliers achieved zero child labor and zero forced labor</li> <li>• In 2023, all of Advantech's PVL suppliers and new suppliers were required to sign the "Advantech Supplier Code of Conduct."</li> <li>• Passed internal and external audits and audits of existing suppliers in 2023</li> </ul>                                | <b>Applicable globally</b> <ul style="list-style-type: none"> <li>• <a href="#">Advantech Human Rights Policy and Commitment</a></li> <li>• Advantech supplier Code of Conduct</li> <li>• RBA Validated Assessment Program (VAP) operations manual</li> </ul>            |
| <br>People with disabilities               | Employment of people with disabilities                                    | <b>Applicable to Taiwan</b><br>Regularly monitored the number of employees with disabilities monthly according to labor laws and regulations  | <b>Applicable globally</b><br>Advantech respects employees' equal opportunity in employment and career development, and employment opportunities will not be affected by discriminatory treatment or any form of discrimination based on an employee's gender, race, religious beliefs, political affiliation, sexual orientation, rank or position, nationality, or age  | <b>Applicable globally</b><br>According to Taiwan's "People with Disabilities Rights Protection Act", the number of employees with disabilities with capability to work in a company shall be no less than 1% of the total number of employees. If the weighted total value fails to meet the standard, the Company must regularly pay the "shortfall allowance" to the disabled employment fund of the labor competent authority | <b>Applicable globally</b> <ul style="list-style-type: none"> <li>• <a href="#">Advantech Human Rights Policy and Commitment</a></li> <li>• Advantech ESG Report 5.3 Diversity, equality and inclusive workplace</li> </ul>  |
| <br>Migrant workers                      | 1. Zero discrimination in hiring<br>2. Hiring compliance                  | <b>Applicable globally</b><br>Advantech regularly conducted internal and external audits according to the guidelines in the RBA Validation Procedures (VAP) operation manual  | <b>Applicable globally</b><br>At Advantech, foreign migrant workers' employment opportunities are not affected by discriminatory treatment or any form of discrimination based on an employee's gender, race, religious beliefs, political affiliation, sexual orientation, job band, nationality, or age   | <b>Applicable globally</b> <ul style="list-style-type: none"> <li>• Zero discrimination in hiring foreign migrant workers</li> <li>• Passed external RBA audit</li> </ul>   | <b>Applicable globally</b> <ul style="list-style-type: none"> <li>• <a href="#">Advantech Human Rights Policy and Commitment</a></li> <li>• Advantech group employee handbook</li> <li>• Advantech ESG Report 5.3 Diversity, equality and inclusive workplace</li> </ul> |
| <br>Employees of third-party contractors | Comply with the Supplier Code of Conduct                                  | <b>Applicable globally</b><br>Advantech regularly conducted PVL suppliers and new supplier audits according to the guidelines in the RBA Validation Procedure (VAP) operation manual  | <b>Applicable globally</b> <ul style="list-style-type: none"> <li>• Comply with various social responsibility standards and the regulations of local competent authorities</li> <li>• Prohibition of child labor and forced labor</li> <li>• Provide a healthy and safe workplace</li> <li>• Promote labor-management cooperation</li> <li>• Do not accept metals (Au, Ta, Sn, W, Co) from countries with conflict mining areas and trace the sources and smelters of metals used in parts</li> <li>• Reject any form of corruption, extortion, blackmail, and bribery</li> </ul> | <b>Applicable globally</b><br>Sign a Supplier Code of Conduct Agreement with third-party contractors  | <b>Applicable globally</b><br>Advantech Supplier Code of Conduct   |

## 5.5 Occupational Health and Safety (OHS)

### Implementation of the Workplace Safety Management Guideline

#### Internal organization, environmental safety and health principles

Advantech is a global citizen that upholds the corporate objective of providing people with fulfilling lives. In addition to complying with occupational health and safety related regulations and other relevant requirements, the Company also pays attention to important global OHS issues, hoping that all employees can grow safely in a friendly environment. Consequently, the Company has established an occupational health and safety management system in a bid to foster a safe and healthy workplace, prevent unsafe conduct, minimize occupational disasters, and ensure that employees can enjoy work and lead healthy lives.

#### Occupational health and safety management system (ISO 45001:2018)

Advantech has obtained ISO 45001 certificates from third-party certification firms for the headquarters, Advantech China, and Advantech USA. Furthermore, it has formulated the "[Occupational health and safety policy](#)". The OHS policy is approved and decided by the board of directors of Advantech and implement the decision and announce it on the official website. The OHS management system covers both Advantech employees and non-employees. The Company adopted a hierarchical and parallel structure extending from top to bottom to various Occupational Health and Safety personnel in different regions. Adhering to the ISO 45001 management system and establish the OHS program, these personnel were responsible for planning, promoting, supervising, and auditing the operation of the system. Management synergy is achieved through procedural document control, regular follow-up management, and compliance with the PDCA approach. The OHS management system was reviewed and adjusted on a rolling basis during the period to reinforce employees' awareness of self-protection. This not only reduces workplace risks but also prevents occupational accidents, thereby ensuring employee safety and health. Although other regions are not the main production regions, the Company is still actively planning to progressively implement ISO 45001 system management.



## Health and safety performance indicators

To effectively promote the safety and health implementation plan, the safety and health performance indicators were set, and the implementation status was monitored. The headquarters regularly reported the progress of safety and health projects to the executive level supervisor, various organizational levels of the Company, and labor representatives through the occupational health and safety committee to achieve horizontal internal communication.

| Performance management projects of the headquarters in 2023 | Actions taken   |
|---|---|
| Regulatory identification                                   | Regulatory identification was carried out quarterly to identify new or revised regulations, ensure the suitability and compliance of plants, as well as monitor and verify the improvement status.  |
| Occupational accident prevention                            | The Company has stipulated the goal of "zero workplace accidents" and filed monthly reports. A total of five occupational disasters were reported in Taiwan this year. The internal investigation and improvement measures were completed within the month of each accident.  |
| Audits by competent authorities                             | Competent authorities conduct audits from time to time to confirm the improvement status and deadlines. Advantech will continue to pay attention to the matters set forth by competent authorities. During the year, there have been no instances of violations found during audits that required improvements to be carried out before deadlines or resulted in fines being issued.  |
| Internal and external audits                                | This year, internal audits revealed 12 minor nonconformity and 33 observation items; external audits resulted in zero deficiencies and 21 observation items, and the relevant responsible units continued to promote and complete the necessary improvements.   |
| Risk and hazard identification                              | Risk identification operations were checked annually based on plant operations, changes in management, and regulatory changes. Moreover, risk classification and determination were adjusted accordingly. 894 risk identifications and assessments were conducted.  |
| Management of change  | For newly purchased and replaced equipment and expansion projects, the risk assessment of change management has been formulated, which utilizes risk identification to enhance safety measures and ensure personnel safety.   |
| Operating environment monitoring                            | Every half year assessments were conducted regarding the working environment and the exposure of workers, including monitoring chemical factors such as isopropanol, acetone, xylene, hexane, and CO <sub>2</sub> , as well as physical such as noise and lighting.   |
| Contractor management                                       | Contractors were required to comply with the Company's contractor safety and health management regulations before, during, and after construction, organize contractor OHS education and training, and include audit items in the occupational safety and health management system. This year, there were no contractor-related accidents in the workplace.   |
| Fire safety management                                      | The Company has established a fire safety management system in accordance with fire safety-related laws and regulations. It also reviewed the protection plan regularly and conducted biannual self-defense fire drills to promote fire safety management affairs continuously.   |
| OHS education and training                                  | Confirmed the validity of the licenses of operations supervisors and professionals at all levels (including Occupational Health and Safety personnel, waste management personnel, health care personnel, first aid personnel, organic solvent operations supervisor, fire safety management personnel, and forklift operators). The headquarters organized safety and health education and training for new and in-service employees, including 6S management, hazardous chemical management, and AED education and training. A total of 7,534 participants received training, accumulating 8,498 training hours. |
| Chemical management   | Regularly confirmed existing, new, and modified chemicals, reviewed PPE management according to relevant changes, and conducted self-inspections of operations involving organic solvents at the work site.   |
| Regular inspection of equipment and machinery               | Implemented regular inspections, key inspections, and operational inspections of machinery and equipment, as well as operational inspections of operations-related matters, identifying defects in advance through automatic inspections, and taking preventive measures for occupational accidents to protect the safety and health of workers.  |
| Healthcare  | Advantech USA and Advantech China (Kunshan plant) go beyond the legal requirements by offering annual employee health checkups, and the headquarters has arranged for on-site physicians to provide consultations and guidance to high-risk employees every month as required by regulations. These measures aim to continuously take care of employee health.  |

In 2023, Advantech China also formulated relevant safety and health indicators such as major environmental accident control, employee occupational disease control, work-related injury accident control, and emergency response implementation rate. Since Advantech USA is primarily an office area, key indicators include the bolstering of company-wide employee education and training (e.g., environmental safety, CPR, AED, etc.)

## Occupational health and safety committee

Advantech headquarters (Taiwan) has established an occupational health and safety committee in accordance with the law, convening regular quarterly meetings. The Committee is composed of management and labor representatives, responsible for coordinating OHS-related affairs and promoting OHS management system development; Internal communication between all levels, relevant external units, and labor representatives to ensure a safe working environment for colleagues.

## Occupational hazard identification and risk assessment

All safety and health aspects and workplace operational activities that interact with the Company's activities, products, and services are within the scope of hazard identification and risk assessment. Safety and health hazard identification and risk assessment are carried out by the identification team. Environmental and safety and health impact analysis is conducted based on the identification parameters, risk factors and risk assessments are calculated, and the assessment value levels are divided into 0, 1, and 2. "2" is the risk that should be handled, and needs to be controlled using the priority order, such as eliminating hazards, substitute with less hazardous materials or equipment, engineering control, administrative control, education and training, PPE, and emergency response. Advantech has formulated management plans to improve OHS performance, and set goals for monitoring, control, and improvements. In 2023, Advantech headquarters implemented 894 environmental/OHS risk items for newly purchased equipment, expansion of production lines, and regulatory changes. The risk assessment results revealed a low level of risk. To continuously optimize a friendly workplace, Advantech categorizes risk assessment values to ensure that aspects such as equipment functionality and other aspects related to the environment, safety, and health (ESH) meet the Company's requirements and safety standards.

Besides promoting the safety and health obligations of employees, the importance of self-protection was also emphasized. In accordance with the criteria of "threat of imminent danger" in Article 18 of the Occupational Health and Safety Act and Article 25 of the Enforcement Rules of the Occupational Safety and Health Act, all employees are informed that if there is a threat of imminent danger on the job, apart from reporting it immediately, they may evacuate to a safe place and will not be disciplined by the Company. In 2023, there was no record of employees being disciplined for reporting safety hazards and evacuating to a safe location. For the reporting and grievance mechanism, see Figure 5.4.2 Whistleblowing and grievance mechanisms.

## Chemical management

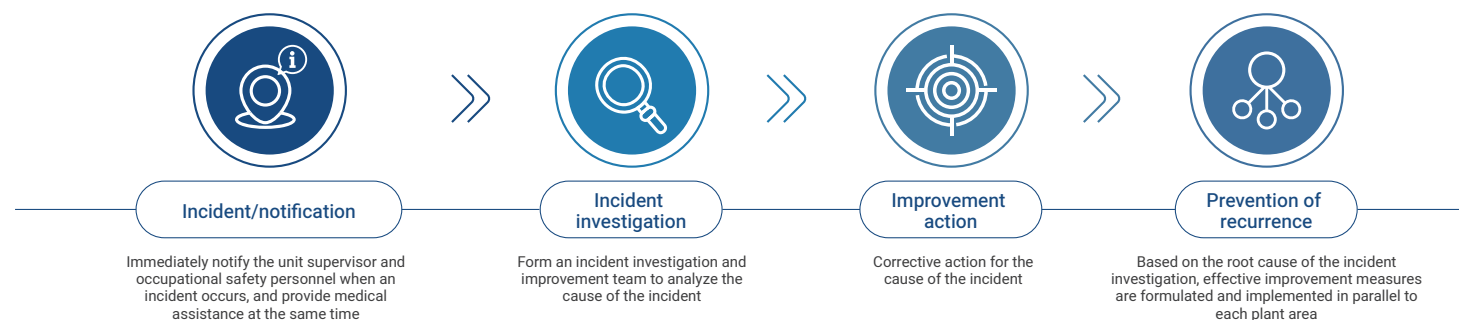
Although the risk assessment result revealed a low level of risk, there is still a certain degree of risk associated with evaluating the use of chemicals. Therefore, chemical management is considered one of the top priorities. Each plant stores all hazardous chemicals used in the process in specific locations. The SDS (Safety Data Sheet) is placed in a conspicuous and easily accessible place for the immediate reference of on-site personnel. A chemical manifest is created and a risk assessment is performed to implement the necessary control measures. The storage sites and containers are labeled in Chinese and English, and managed according to the "Regulations for the labeling and hazard communication of hazardous chemicals" and the "GHS globally harmonized system for classification and labelling of chemicals". The personnel requiring access to the organic solvent room must notify the supervisor of organic solvent operations for on-site supervision. Regarding general education and training for hazardous chemicals, new hires working with hazardous chemicals will be given the required general education and training when reporting for duty. In-service workers who have worked for the Company for three years will also be given the required safety and health education and training. In addition, if the work involves special health hazards, necessary special physical examinations and health checks will be conducted according to the "Regulations of the Labor Health Protection". When an employee is diagnosed with health abnormalities, a work suitability assessment will be conducted immediately, while the employee's exposure time will be reduced or adjusted if necessary. Also, the employee's health status will be monitored at all times.

## Disabling injury statistics analysis

Advantech aims to achieve "zero accidents in the workplace" and has established the "Job accident investigation and treating SOP" to regulate accident reporting, incident investigation responsibilities, investigation levels, procedures, and accountability. Following an accident, the group requires immediate reporting by on-site personnel and unit supervisors. Furthermore, unit supervisors, Occupational Health and Safety management personnel, and healthcare providers are tasked with investigating and handling the accident, as well as preparing an accident report.

## Incident notification and investigation procedures

Advantech strives to achieve the safety goal of "zero accidents in the workplace" and has established the "Job accident investigation and treating SOP" to regulate relevant procedures such as incident reporting, accident investigation responsibilities, subsequent improvement actions, and preventing similar accidents from occurring again.



## Statistics of Occupational Injury of Advantech's Employees

| 2023   | Headquarters           | Advantech China | Advantech Japan | Advantech Korea | Advantech Europe        | Advantech USA |
|--|------------------------|-----------------|-----------------|-----------------|-------------------------|---------------|
| Total working hours                            | 7,278,048              | 6,704,216       | 434,184         | 34,903          | 1,055,171               | 1,127,360     |
| Total number of occupational injuries          | 5                      | 4               | 0               | 0               | 6                       | 3             |
| Occupational injury categories                 | Falls/collisions/other | Others          | None            | None            | Falls/collisions/others | Contusion     |
| Working days lost due to occupational injuries | 9                      | 210             | 0               | 0               | 43                      | 50            |
| Disabling injury frequency rate (FR)           | 0.69                   | 0.60            | 0.00            | 0               | 5.69                    | 2.66          |
| Disabling injury severity rate (SR)            | 1                      | 30              | 0               | 0               | 41                      | 44            |
| Occupational injury fatality rate              | 0                      | 0               | 0               | 0               | 0                       | 0             |
| Occupational injury absentee rate              | 0.001%                 | 0.024%          | 0.000%          | 0.000%          | 0.033%                  | 0.037%        |
| Serious occupational injury rate               | 0                      | 0               | 0               | 0               | 0                       | 0             |
| Occupational disease fatality rate             | 0                      | 0               | 0               | 0               | 0                       | 0             |
| Number of occupational disease cases           | 0                      | 0               | 0               | 0               | 0                       | 0             |
| Occupational disease rate                      | 0                      | 0               | 0               | 0               | 0                       | 0             |

**\*Note:**

1. Total working hours (Advantech headquarters) = Total working hours are based on monthly reports from Occupational Safety and Health Administration (OSHA), Ministry of Labor.
2. Other regions/total working hours = Number of people in each region x number of working days per year x number of hours worked per day
3. Disabling injury frequency rate (FR) = (Total number of injuries x 1,000,000) ÷ total working hours (rounded to two decimal places)
4. Disabling injury severity rate (SR) = (Total number of days lost due to injuries x 1,000,000) ÷ total working hours (excluding decimals)
5. Occupational injury fatality rate = Number of fatal occupational injuries ÷ total number of occupational injuries
6. Occupational disease fatality rate = Number of occupational disease-related fatalities ÷ number of occupational disease cases
7. Occupational injury absentee rate = (Total absent days due to occupational injuries/total number of working days) x 100%
8. Occupational diseases: Certified by occupational medicine physicians, local labor competent authorities, or Occupational Safety and Health Administration (OSHA), Ministry of Labor.
9. Serious occupational injury rate = Injuries where workers are unable to recover to their pre-injury health status within six months, excluding fatalities.
10. The above data excludes commuting traffic accidents.

## Categories of Occupational Injuries for Non-Advantech Employees

| 2023   | Headquarters | Advantech China | Advantech Japan | Advantech Korea | Advantech Europe | Advantech USA |
|--|--------------|-----------------|-----------------|-----------------|------------------|---------------|
| Total working hours                            | 142,736      | 202,557         | 9,234           | 313.5           | 412              | 27,040        |
| Total number of occupational injuries          | 0            | 0               | 0               | 0               | 0                | 0             |
| Occupational injury categories                 | None         | None            | None            | None            | None             | None          |
| Working days lost due to occupational injuries | 0            | 0               | 0               | 0               | 0                | 0             |
| Disabling injury frequency rate (FR)           | 0            | 0               | 0               | 0               | 0                | 0             |
| Disabling injury severity rate (SR)            | 0            | 0               | 0               | 0               | 0                | 0             |
| Occupational injury fatality rate              | 0            | 0               | 0               | 0               | 0                | 0             |
| Occupational injury absentee rate              | 0%           | 0%              | 0%              | 0%              | 0%               | 0%            |
| Serious occupational injury rate               | 0            | 0               | 0               | 0               | 0                | 0             |
| Occupational disease fatality rate             | 0            | 0               | 0               | 0               | 0                | 0             |
| Number of occupational disease cases           | 0            | 0               | 0               | 0               | 0                | 0             |
| Occupational disease rate                      | 0            | 0               | 0               | 0               | 0                | 0             |

**\*Note:**

1. Non-Advantech employees: security personnel, janitors, caterers, and temporary workers.
2. Total working hours (Advantech headquarters) = Total working hours are based on monthly reports from Occupational Safety and Health Administration (OSHA), Ministry of Labor.
3. Other regions/total working hours = Number of people in each region x number of working days per year x number of hours worked per day
4. Occupational injury absentee rate = (Total absent days [injury leave]/total person-days) x 100%
5. Occupational injury rate = Injuries where workers are unable to recover to their pre-injury health status within six months, excluding fatalities.
6. Occupational diseases: Certified by occupational medicine physicians, local labor competent authorities, or Occupational Safety and Health Administration (OSHA), Ministry of Labor every month.
7. The headcount statistics are up to December 31, 2023

## Categories of occupational injuries for Advantech employees

| 2023  | Headquarters       |                       | Advantech China (Kunshan plant) |                       | Advantech Europe   |                       | Advantech USA      |                       |
|---|--------------------|-----------------------|---------------------------------|-----------------------|--------------------|-----------------------|--------------------|-----------------------|
| Occupational injury categories                          | Number of injuries | Injury incidence rate | Number of injuries              | Injury incidence rate | Number of injuries | Injury incidence rate | Number of injuries | Injury incidence rate |
| Falls   | 2                  | 0.05744%              | 0                               | 0.00000%              | 3                  | 0.57143%              | 0                  | 0                     |
| Collisions  | 1                  | 0.02872%              | 0                               | 0.00000%              | 1                  | 0.19048%              | 0                  | 0                     |
| Cut, laceration   | 0                  | 0.00000%              | 0                               | 0.00000%              | 0                  | 0.00000%              | 0                  | 0                     |
| Contusion   | 0                  | 0.00000%              | 0                               | 0.00000%              | 0                  | 0.00000%              | 3                  | 0.56%                 |
| Others  | 2                  | 0.05744%              | 4                               | 0.11915%              | 2                  | 0.38095%              | 0                  | 0                     |
| Monthly average number of employees/number of employees | 3,482              |                       | 3,357                           |                       | 525                |                       | 536                |                       |

**\*Note:**

- Headquarters injury incidence rate = (Injury incidence rate/average monthly headcount).
- Injury incidence rate for other regions = (Number of injuries/number of employees).
- There was no occurrence of occupational injury in Advantech Korea and Advantech Japan.
- The classification of work-related injuries is determined in accordance with the laws and regulations of local competent authorities.

## Absentee rate statistics of Advantech employees

| 2023                                  | Advantech headquarters | Advantech China (Kunshan plant) | Advantech Japan | Advantech Korea | Advantech Europe | Advantech USA | Total     |
|---------------------------------------|------------------------|---------------------------------|-----------------|-----------------|------------------|---------------|-----------|
| Total working days                    | 909,756                | 843,777                         | 54,273          | 43,420          | 131,896.35       | 133,464       | 2,118,080 |
| Working days lost due to injury leave | 9                      | 201                             | 0               | 0               | 0                | 0             | 210       |
| Working days lost due to sick leave   | 13047.31               | 6088.215                        | 0               | 122.5           | 5091.73          | 1615          | 25964.755 |
| Working days lost due to absences     | 13056.31               | 6289.215                        | 0               | 122.5           | 5091.73          | 1615          | 26174.755 |
| Absentee rate                         | 1.44%                  | 0.75%                           | 0.00%           | 0.28%           | 3.86%            | 1.21%         | 1.24%     |

**\*Note:**

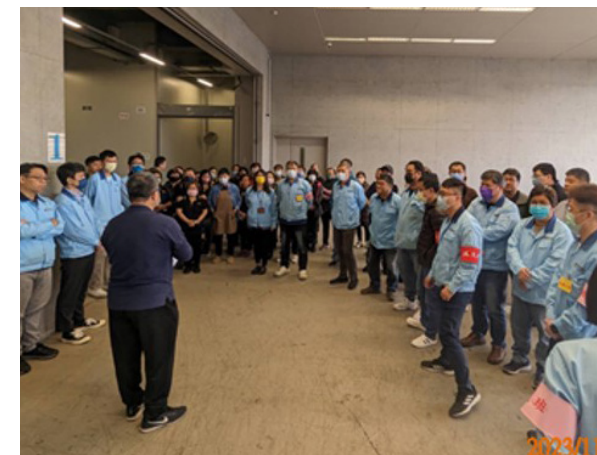
- Absentee rate calculation method: (Total number of absent days [injury leave + sick leave + menstrual leave + pandemic leave]/total person-days) x 100%
- The absentee rate target for 2023 is 0.9%. The absentee rate calculation includes occupational injury leave, sick leave, and menstrual leave. In 2023, Advantech saw a decrease in overall occupational injury leave through internal education, training, and enhanced awareness efforts. However, the provision of five days of paid sick leave and menstrual leave as employee benefits indirectly influences the overall absentee rate performance.



## Emergency Response Measures

Each plant complies with local laws and regulations and offers necessary safety and health education and training to new employee hires. The Company regularly organized OHS education and training courses for in-service personnel, allowing them to understand operating procedure safety as well as potential hazards and risks, in turn enhancing their occupational safety awareness.

Organized biannual fire drills in conjunction with the local fire brigade to help colleagues understand disaster levels within the plants, evacuation routes, and emergency response procedures. Moreover, Advantech provided training on disaster preparedness for fires, typhoons, floods, and earthquakes. The company regularly conducted disaster prevention awareness campaigns among employees to foster a culture of disaster preparedness in everyday life. Such proactive approaches effectively minimized risks and prevented the occurrence of fires in various plants this year.



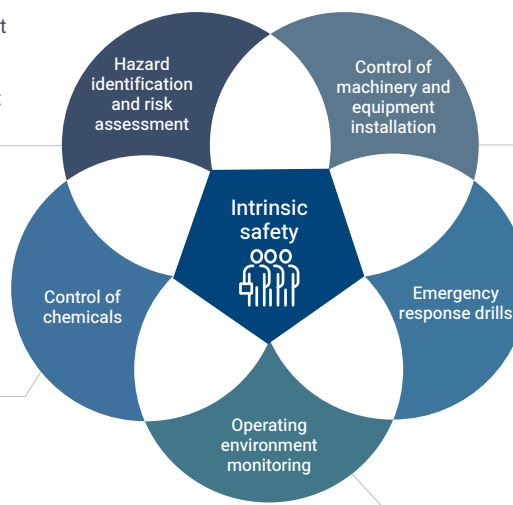
Regularly hold fire drills every six months in conjunction with the fire brigade under our jurisdiction to promote fire protection knowledge.

## Intrinsic Safety

Advantech's plants continue to inject resources into planning and creating a healthy workplace, and an intrinsically safe working environment is formed through a people-oriented safety culture in a bid to foster employees' physical and mental well-being, achieve work-life balance, and minimize potential safety concerns, thereby preventing safety accidents. Safety optimization is embodied through the control of machinery and equipment, emergency response and drills, operating environment monitoring, chemical control, as well as hazard identification and risk assessment.

- Scope of hazard identification and risk assessment
- Identify parameters for environmental and safety impact analysis
- Set goals for monitoring, control, and improvement

- Establish a chemical list and perform risk assessment
- Installation of safety facilities and hazard labeling (Chinese and English)
- Workplace control and periodic inspection
- Implement relevant education and training



- Risk assessment of machinery and equipment, machine safety labeling (Chinese and English)
- Automatic inspection plan, regular machinery repair and maintenance, and implementation of relevant education and training

- Form an emergency response team
- Full participation in emergency response drills

- Implementation and planning of operating environment monitoring (every six months)
- Environmental hazard assessment through on-site operation observation
- Inspection items: Carbon dioxide, lighting, noise, organic solvents

## Comprehensive Healthcare

To create a high-quality healthcare environment at the workplace, Advantech has progressively raised its standards for employee healthcare services. The demand for healthcare services is becoming more diverse and specialized, so it is hoped to systematically control the health risks in the workplace, safeguard the physical and mental well-being of employees, and foster a preventive medicine mindset among them. By conveying accurate health information and concepts to employees, they can influence their families, achieve a balance between work and life, and expand the benefits of health promotion.

In terms of health and welfare, Advantech headquarters (Taiwan) has appointed four occupational health nurses according to the law. Advantech China (Kunshan plant) has two occupational health management personnel. Furthermore, Advantech headquarters (Taiwan), Advantech USA, and Advantech China (Kunshan plant) all provide an annual health checkup for

in-service employees of all ages, which is better than the statutorily required frequency stipulated by the Occupational Safety and Health Act. Advantech headquarters also continues to organize health promotion activities such as annual health lectures, blood drives, first aid training, family activities, etc. (for details, see 5.2.1 Employee relations\_employee health promotion contents), as well as implementing a smoke-free workplace policy and regular environmental monitoring. The Company offers breastfeeding rooms, sports and leisure facilities, and a safe and healthy dining environment for employees.



Organize annual employee health checkups



## Implement A Healthcare Resource Map

Employees are the most important asset of an enterprise. Health promotion helps employees develop sound health concepts and lifestyle habits and improve their quality of life and work performance. Advantech headquarters distributed monthly "Health E-newsletters" to all employees based on the solar terms and pandemic conditions, in turn providing colleagues with the latest practical health and macrobiotics-related knowledge.

In recent years, sudden cardiac deaths have become more common among younger individuals, prompting government agencies and public venues to install AEDs (Automated External Defibrillators). Advantech headquarters took the initiative by installing AEDs across its Taiwan plants before such regulations were in place for companies. Additionally, training sessions were conducted for 49 employees in 2023.

In response to the trend of workplace health digitization, smart healthcare products were introduced by Advantech headquarters in September 2022 for employees to browse their health checkup reports, make online appointments for consultations with on-site physicians, check consultation records, and review physiological measurements via LINE. Moreover, on-site physicians offer monthly health consultations and guidance to high-risk employees, ensuring continuous care for their health. This year, 309 employees participated in occupational health consultations.

## 2023 Advantech headquarters diverse healthcare platform

| Category                             | Various items   | Description of actions taken   |
|--------------------------------------|---|--|
| Employee care                        | On-site physician consultation service  | Regular physician consultation services and health education instructions were provided based on the number of workers in various regions. In 2023, 309 people participated in the consultation.   |
|                                      | Multi-purpose infirmary, physiological measurement station, digital platform tracking                   | Provided health consultation, emergency injury and illness treatment, illness-related guidance, and other services. Some plants are equipped with blood pressure monitors, scales, body fat monitors, blood glucose meters, and trauma treatment supplies.   |
|                                      | Health concept promotion  | Health bulletins were distributed via e-mail or ABLE weekly reports to convey the correct health information.  |
| Health promotion                     | Health lectures   | Lectures on the lifestyle and common diseases among Taiwanese citizens were conducted  |
|                                      | Blood donation activities   | Each region organized two to three Blood donation activities annually.   |
|                                      | Health activities (weight loss classes and physical fitness programs)                                   | Organized relevant health promotion activities such as weight loss classes, lunchtime yoga classes, walking, running, etc.   |
| Health management                    | Health checkup  | Employees are provided with an annual health checkup that goes beyond the legal requirement based on labor health protection regulations and out of concern for their health. In 2023, a total of 2,684 people participated in 14 health checks.   |
|                                      | Occupational disease prevention   | Arranged physical examinations and provided recommendations on abnormalities based on hazardous jobs and hazardous factors from the EHS.   |
|                                      | High cardiovascular risk group  | Professional physicians and nurses provided consultation to prevent cardiovascular disease among high-risk groups  |
| Four major plans                     | Prevention of musculoskeletal disorders, abnormal workloads, and unlawful infringement in the workplace | A health protection program was formulated according to various guidelines from the Ministry of Labor to implement four major plans. In particular, a questionnaire was designed, and the collected data and survey outcome were used to identify individuals at medium to high risk, who were then included in the consultation management list for effective tracking and management.  |
|                                      | Maternity health protection   | Provided breastfeeding rooms and women's health checkups.  |
| Corporate healthcare system          | Health management system  | The health checkup report and various measurement data are managed by the health management system, which are in turn monitored and managed by the medical staff.  |
| Education and training               | First aid training course   | First aid training courses were organized to promote first aid skills. Colleagues' memories and learning performance were increased by combining theory with practice in teaching and through repeated drills.   |
| Emergency injury and illness service | Emergency injury and illness treatment  | On-site factory nurses were appointed according to laws and regulations to provide employees with emergency treatment for injuries and illnesses, as well as relevant health education instructions.   |
|                                      | AED installation  | AED equipment installation, maintenance, and conducted education and training courses  |
| Food safety and nutrition            | Restaurant dining   | Advantech safeguards the nutrition of employees' meals by requesting the caterer to provide the caloric value for each meal. Vegetable lunch box, fruit lunch box, low-calorie lunch box, etc.   |
| Employee Assistance Programs (EAPs)  | Introduction of EAP   | By integrating internal and external resources and establishing the Company's EAP, the aim is to help resolve personal problems affecting colleagues' work performance and safety, as well as facilitate the Company and colleagues to grow together steadily in a bid to elevate organizational competitiveness. The design encompasses physical and mental well-being, interpersonal relationship management, self-growth, financial and legal affairs, etc. Advantech is also committed to promoting various services to maintain their physical and mental balance and provide employees with care resources and assistance. |

## Employee Assistance Programs, EAPs

In recent years, enterprises have often applied the "Employee Assistance Program (EAPs)" to help employees cope with work, life, and health-related issues, hoping to help employees solve problems by establishing a service system and consolidating resources.

Advantech adheres to its "people-oriented" core value, builds an intrinsically safe working environment, and implements the four major plans to provide adequate services for its colleagues. Since 2022, Advantech headquarters has implemented an Employee Assistance Program (EAP) that provides unlimited 24-hour free telephone and email counseling services (completely confidential). Through "employee consultants," this program assists employees in resolving personal issues related to their work, offering support and guidance when facing emotional or psychological challenges. By caring for the "heart" health of employees, we can further improve the work performance and productivity of employees, and reduce human-induced work accidents due to emotional factors. In 2023, a total of 50 people sought assistance from the EAP, which used a total of 75 hours.

## Whistleblowing and Grievance Mechanism

Since 2015, Advantech has formulated the "Prevention Plan for Unlawful Infringement During the Performance of Duties" according to the Occupational Safety and Health Administration (OSHA), MOL's Guidelines for Preventing Unlawful Infringement During the Performance of Duties. To prevent employees from being subjected to illegal abuse by their employers, supervisors, colleagues, or clients while performing their duties in the workplace (including commuting), and to protect them from external attacks (hereinafter referred to as workplace violence), which include physical, verbal, psychological abuse, and sexual harassment that may lead to physical or mental harm.

- **Grievance or reporting mechanism:** When employees experience unlawful physical or mental harm while performing their duties, they shall fill out the Unlawful Infringement in the Workplace Reporting and Handling Form (hereinafter referred to as the "notification form") to report it to supervisors at all levels (or the HR unit). Alternatively, grievances can be submitted through the channels established by the Company (telephone, fax, email). Upon receiving a grievance, relevant personnel will fill out a notification form.
- **Reporting and handling:** The grievance or reporting process must ensure objectivity, fairness, and impartiality, as well as protect the rights, interests, and privacy of victims, complainants, and whistleblowers. Upon receiving a report, supervisors at all levels, personnel units, and labor safety personnel must complete the Unlawful Infringement in the Workplace Reporting and Handling Form within 24 hours. The process must follow the procedure for handling unlawful physical or mental harm while performing their duties (please refer to Figure 5.4.2 Reporting and grievance process).

Besides promoting the safety and health obligations of employees, the importance of self-protection was also emphasized. In accordance with the criteria of "threat of imminent danger" in Article 18 of the Occupational Health and Safety Act and Article 25 of the Enforcement Rules of the Occupational Health and Safety Act, all employees are informed that if there is a threat of imminent danger on the job, apart from reporting it immediately, they may evacuate to a safe place and will not be disciplined.