ADVANTECH

2024 Sustainability Report



Table of Contents

About Advantech's Sustainability Report 03

Message from the Executive Management 04

1 Sustainability Vision and Goals

1.1 ESG Governance Structure 07
1.2 Stakeholder Engagement 10
1.3 Sustainability Goals and Material Topics 17

2 Corporate Management and Governance

2.1 Operational Performance and Corporate Governance Structure 28
2.2 Information Security Management 40
2.3 Sustainable Management of the Supply Chain 47
2.4 Risk Foresight and Crisis Management 62

3 Innovation and Services

3.1 Sustainable Intelligent Solutions 66
3.2 Innovative Mechanism 71
3.3 IoT Application Promotion and Education 78
3.4 Customers and Partners Co-Creation 79

4 Green Operations

4.1 Eco Design and Sustainability Liability of Product 92
4.2 Climate Change Strategy and Actions 104
4.3 4.3Greenhouse Gas (GHG) Inventory and Energy Management 116
4.4 Environmental Management 127

5 Talent and Employee Relations

5.1 Talent Cultivation and Development 141
5.2 Employee Communication and Benefits 171
5.3 Diversity, Equality and Inclusive Workplace 181
5.4 Human Rights Protection 188
5.5 Occupational Health and Safety 196

6 Altruism and Social Welfare

6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture 206
6.2 IoT Education and Industry-Academia Co-Creation 219
6.3 Summary of the Foundation's Achievements 225

Appendix

1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware) 230
2 GRI and Assurance Indicators Index 233
3 Basic Information of Affiliates 236
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs) 239
5 List of Public Associations Participated and Description of Investing in Resources 240
6 Employee Structure 251
7 Third Party Verification Statement 257
8 Third Party Assurance Report 259

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About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

About Advantech

2024 Corporate Sustainability Report

Report editorial principles

Advantech Co., Ltd. (hereinafter referred to as Advantech) has published its 2024 Corporate Sustainability Report, transparently presenting to stakeholders and the general public the company's strategies, management policies, achievements, and future aspirations in governance, environment, and social aspects. This report was issued in August 2025. The annual key tasks are based on the GRI (Global Reporting Initiative) Universal Standards 2021 Reference option, the Financial Supervisory Commission (Taiwan, ROC)'s requirement that certain industries disclose sustainability indicators (Industry category: computer and peripheral equipment industry), the Sustainability Accounting Standards Board (SASB) industry standards (applicable category: Hardware), and the reporting principles of AA1000.

Report boundaries and scope

This report's boundary includes significant locations of operation and main factory areas: Advantech has Ruiguang, Yangguang, and Linkou Taiwan (collectively referred to as ACL) and Advantech Kunshan Manufacturing Center (AKMC). Overseas bases include: Advantech Corporation (ANA), Advantech Europe B.V. (AEU), Advantech Japan Co., Ltd. (AJP), Advantech KR Co., Ltd. (AKR), Advantech China Co., Ltd. (ACN). The manufacturing capacity of the aforementioned bases accounts for 100% of Advantech's total manufacturing capacity, the consolidated revenue accounts for 92.8% of the overall Group, and the number of employees accounts for 94.8% of the total number of employees.

Sustainability information related to the aforementioned operational sites and major factory areas is disclosed in this report. Additionally, content regarding the Advantech Cultural and Educational Foundation is provided on a voluntary basis to highlight the Foundation's contributions to ESG initiatives during the reporting period. Any data scope adjustment or data boundary difference within the scope of this report will be marked in the relevant text or chart in each chapter of the report. Advantech's annual report follows International Financial Reporting Standards (IFRS) and covers Advantech along with its subsidiaries and affiliates. The reporting scope differs from that of this Sustainability Report. Only a portion of the companies listed in the consolidated financial statements are included in the list of companies covered by this report. The scope and boundary of this report are detailed in Appendix 3. Within that list, items indicated with an asterisk denote the report's boundary and scope.

Note: Some of the texts and graphs in this report have used abbreviations of their company codes, such as the aforementioned ACL, AKMC, ANA, AEU, AJP, AKR, and ACN. Please refer to the descriptions in "Report Boundaries and Scope" for the full names of the abbreviated names. If the word RBU appears in the chart mentioned above, it refers to the Regional business unit, i.e. AKMC, ANA, AEU, AJP, AKR, ACN. Any mention of headquarters in the text or chart refers to Advantech Ruiguang, Yangguang, and Linkou Taiwan (collectively referred to as ACL). If the information has been re-edited, it will also be explained in the relevant chapter.

Reporting period

This report mainly presents various performance data for 2024 (2024/1/1 - 2024/12/31). This report will also partially disclose previous information during this period, or on subsequent strategies, goals, and plans. Advantech's financial report and sustainability report share the same reporting period.

Reporting standards

This report follows the Reference option of the GRI Standards and discloses Advantech's strategy, management approach, projects, and performance in terms of corporate sustainability. The figures of the financial statements in this report are expressed in NTD, and the performance related to environment, safety and health is expressed in internationally accepted indicators. If there are any estimates or assumptions, they will be noted in the relevant chapters.

Report verification

This report has received assurance from the independent third-party unit SGS Taiwan Limited, conforming to the requirements for AA1000AS* Type 2 high-level assurance. Reporting follows the GRI (Global Reporting Initiative) Universal Standards 2021 Reference option, the sustainability indicators mandated by the Financial Supervisory Commission (Taiwan, ROC) for specific industries (Industry: computer and peripheral equipment industry), and SASB standards (Industry: Hardware). The Statement of Warranty is attached as the appendix to this Report.

Note: AA1000AS is the AA1000 Assurance Standard for Accountability Principles of Sustainable Development published by Accountability Organization in the UK. It is one of the international verification standards currently mainly for corporate sustainability reports.

Report assurance

In accordance with the Taiwan Standard on Assurance Engagements 3000 (TWSAE3000) "Assurance engagements that are not audits or reviews of historical financial information", PwC Taiwan conducted independent limited assurance on the implementation of the selected KPIs, and prepared the Limited Assurance Report, please refer to the appendix of this report. For assurance indicators, refer to Appendix: GRI, SASB, and Assurance Indicators Index.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Message from the Executive Management

With the unveiling of ChatGPT, generative AI (GenAI) has undoubtedly become the hottest global topic in 2024. The surge in AI applications is driven by the substantial increase in computing power and Large Language Models (LLMs). Numerous companies are now starting to explore using GenAI for copywriting and content generation, as well as intelligent virtual assistants and automated code development, aiming to boost corporate productivity. Aside from continuous innovation in Data Center AI applications, Gartner Group research indicates that the market size for Edge Computing & Edge AI is expected to expand from $131 Billion in 2023 to $511 billion. Edge Computing has long been Advantech's core strength and we plan to collaborate with major global AI chip vendors, focusing on renewable energy, smart manufacturing, smart healthcare, and smart cities to offer corresponding Edge AI solutions in conjunction with our partners, with specific implementation involving the establishment of an experience center in Linkou Industrial Park. Furthermore, at Computex in May 2025, Advantech will present our Edge AI hardware and software solutions to customers, allowing them to understand Advantech's evolution from a global leader in industrial computers to a global leader in edge computing and Edge AI.

In 2024, Advantech continued to improve in sustainability performance, retaining the fifth position among InterBrand Taiwan brands, with a brand value reaching US$912 million. In terms of Corporate Governance Evaluation for TWSE listed companies, Advantech has consistently maintained our standing within the top 5%. Furthermore, in 2024, the Company improved from 12th to 4th place in the Taiwan's Excellence in Corporate Social Responsibility Award and received the first prize in the 2024 Global Views ESG Corporate Sustainability Award. Overall score in the Dow Jones Sustainability Index (DJSI) improved by 3 points, ranking seventh in the Computers & Peripherals and Office Electronics sector.

As new sustainability issues emerge, specifically global climate change, corporate decarbonization, biodiversity and forestation protection, DEI (diversity, equity, inclusion), and supply chain carbon reduction, there remains many areas where Advantech can continue to improve. Looking forward to 2025, the ESG Corporate Sustainability Development Office has defined the following key issues. External experts, partners, and internal teams are engaged to continuously drive sustainable transformation:

Environmental

- **RE100 Progress :** Advantech aims to achieve 100% renewable energy usage by 2040. In Taiwan, we has signed renewable energy procurement contracts with partners, adopting an approach that integrates power plant investment, self-generated renewable energy, and third-party renewable energy transfer. Over the next six years, around 40 million kWh of renewable energy is expected to be supplied to support our Taiwan operations in reaching renewable energy goals. The Company's other overseas properties, including the North California building and the new South California headquarters in North America, as well as the Kitakyushu plant in Japan, have adopted self-installed solar panels to meet approximately 70–80% of our office electricity needs.
- **Pilot carbon pricing and strive for decarbonization :** To accelerate the move towards net zero, Advantech launched a project for our Japan and Korea subsidiaries to complete our GHG inventory in 2024. In 2025, these initiatives will be extended to the Netherlands subsidiary. Advantech also launched a carbon pricing project, starting with a pilot program in the IIoT business group and planning to extend it to all other business groups and operational units. We also developed the AI Product Carbon Footprint platform to accurately calculate product carbon footprints in response to the sustainable raw material policy, the introduction of carbon reduction designs into product planning, and other important projects aimed at materializing decarbonization.
- **Biodiversity and employee engagement :** Advantech began preparing TCNFD integrated report in Q4 of 2024. The report is expected to be released in 2025 to keep abreast of international developments and strengthen our response towards nature and climate impact. Advantech hosted over six volunteer events focusing on biodiversity and forest conservation. Furthermore, at the location of our operational office, Advantech's Netherlands subsidiary teamed up with a non-profit organization (NPO) to establish a bee eco hotel and organize employee engagement activities.

Social

- **Promote IoT industry-academia co-creation value chain :** Work together with industry, government, academia, and research institutions to support youth employment and entrepreneurship. Sustainability education initiatives are advanced via the ACT Dreamer Platform, the ESG Impact Project, and PBL (Program Based Learning). The former facilitates co-creation of potential ESG business opportunities projects with external stakeholders, while the latter integrates the spirit of the SDGs and PBL approaches to foster sustainability literacy from an early age. Advantech fosters social investment and shares prosperity through three main pillars: sustainable education, IoT innovation, and cultural literacy. Furthermore, the Company is evaluating social impact through monetization for the first time. ◦
- **DEI (diversity, equality and inclusive) workplace :** As an international corporation with operations spanning 27 countries, Advantech recognizes that talent from diverse generations and backgrounds forms the bedrock of our operations and innovation. In 2024, DEI activities were expanded to overseas subsidiaries, plant

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

staff, and migrant workers, and they were carried out in conjunction with key annual events, with an emphasis on the development of cultural intelligence. Additionally, the HCM (Human Capital Management) platform was also officially launched in the Kunshan plant. In 2025, we plan to expand the platform to five subsidiaries in Southeast Asia as well as the Japan subsidiary. From a high-level strategic perspective, Advantech has initiated a talent information digital transformation plan and implemented data visualization. These measures enhance our talent recruitment, development, and retention strategies, empowering Advantech' s global workforce to generate value for a sustainable and intelligent planet.

Governance

- **Information security and risk management:**High-risk items are defined and response strategies are devised through the Risk Management Committee. BCP (Business Continuity Planning) drills were also conducted in 2024. In 2025, the information and cyber security management framework is planned to be extended to product departments. This includes establishing the framework and highlights that two products, AFE-E350, a board dedicated to EV charging, and ARK-3534, an industrial automation system, have obtained IEC 62443-4-2 (Verification of Conformity, VoC) certification, reinforcing the information and cyber security defenses of edge computing equipment and IoT technology.
- **Development of Sustainable Intelligent Solutions :** With our core business as the focal point, we work with industry partners to roll out sustainable intelligent solutions like Intelligent Energy Management System (iEMS), smart healthcare, smart factory, and smart transportation. This will gradually raise Advantech's sustainable economic activities and their share of revenue. The revenue share from Advantech's sustainable intelligent solutions, calculated according to the EU Taxonomy framework, is 55.6%. This makes a positive contribution towards mitigating climate change and enhancing climate adaptation. Advantech will strive for low-carbon innovation and continue to move forward.
- **ESG sustainable governance :** In 2023, Advantech introduced a mechanism that links senior supervisors' sustainability performance with incentives. This approach involves analyzing domestic and international sustainability trends to set KPIs that integrate corporate operations, risk management, and ESG materiality. The goal is to establish actionable sustainability performance indicators that promote ESG accountability and deliver tangible results. In 2024, KPI and remuneration plans were also formulated specifically for the execution level. The aim is to use these incentive mechanisms to ensure ESG achievements are realized and to share the benefits of this progress.
- **Sustainable supply chain management :** To expedite the deployment of carbon reduction efforts, Advantech uses our Vendor Day to pursue carbon reduction and sustainability objectives with our partners. This involves acknowledging outstanding suppliers and continuing to conduct ESG empowerment education for suppliers. In 2025, Advantech will require specific supplier categories to carry out carbon footprint assessments to advance the net zero vision together.

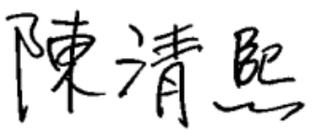
In conjunction with our value chain and internal/ external stakeholders, Advantech will put corporate sustainability actions into practice to achieve its vision of "Enabling an Intelligent and Sustainable Planet".



Chairman
KC Liu August, 2025



President of General Management
Eric Chen August,2025



About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

1 Sustainability Vision and Goals

1.1 ESG Governance Structure

1.2 Stakeholder Engagement

1.3 Sustainability Goals and Material Topics



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

1.1 ESG Governance Structure

Advantech's corporate mission is to enrich the smart world with IoT technology, and our sustainability mission is to "Enable an Intelligent and Sustainable Planet" by applying our core competences. As a multinational corporation based in Taiwan with a global perspective, Advantech adheres to policies of international responsible business conduct, which align with various declarations and guidelines including, but not limited to, the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy of the International Labour Organization (ILO), the Universal Declaration of Human Rights, and, despite not being a UN member state, also considers the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Responsible Business Alliance Code of Conduct (RBA Code of Conduct) in its operational management and implementation of ESG policies. For relevant policies and documents, please refer to: Sustainability Report - ESG (advantech.com)

Advantech's highest governance unit and ESG governance unit oversee due diligence. Through the identification of annual sustainability material topics, progress management, and tracking of goals, we aim to determine the level of positive and negative impacts of Advantech's operations on the economy, environment, and people (society). If there is no negative impact, the supervision will continue to be positive and preventive measures will be implemented. Adopt mitigation or remedial measures if there are negative impacts. Additionally, Advantech planned the "Procedures for Sustainability Information Management" in advance. This is in preparation for establishing an internal control system for "Sustainability Information Management" and incorporating it into the audit plan. The procedures cover the overall quality management of sustainability information, including ESG-related data disclosed for regulatory compliance or on a voluntary basis. Furthermore, through internal controls and multi-level reviews, the risk of misstatement is minimized, ensuring the disclosure of high-quality sustainability information and enabling effective stakeholder engagement. The measures also aim to reinforce sustainability governance and continue to enhance Advantech's performance.



For detailed information of this report, please refer to the descriptions in the management guideline tables within each material topic chapter to understand the Company's material sustainability performance.

Advantech's commitment:

- **Improve corporate governance performance and strictly comply with the business ethics plan and related laws and policies.**
- **Enhance the all-round value of the Company, continue to bring positive influence and create positive value to various stakeholders.**
- **By combining our core competences, we actively invest in innovative R&D to provide smart products and solutions that contribute to environmental development and social impact; the Company continues to increase revenue proportion from sustainable intelligent solutions, reduce environmental impact at operating locations, and improve its green operation performance.**
- **Focusing on the long-term development of employees, building a DEI workplace with Diversity, Equality, and Inclusion, and providing employees with a healthy and safe working environment, reasonable compensation, employee care and benefits, and promoting the added value of talent.**
- **Guided by a spirit of altruism, Advantech encourages employees to engage in public welfare, and we have established a volunteer leave system to promote employee contribution to communities and society. We also founded the Advantech Foundation to support arts and cultural activities, sustainability education, sports development, and industry-academia co-creation.**
- **Progressively enhance cooperation, education, and training on the three dimensions of ESG with external suppliers every year, and collaborate with suppliers to generate sustainable value and low-carbon business opportunities.**
- **Advantech has incorporated the spirit of due diligence into its sustainability governance, as well as the management of sustainability topics and the disclosure of human rights-related information. Identify and manage the actual and potential negative impact of Advantech's sustainability topics on the economy, environment, and people, and implement preventive and mitigation actions accordingly.**

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Advantech has published the Sustainability Report since 2013. In terms of ESG governance mechanisms, we strive to improve the governance mechanisms every year by researching domestic and international sustainability trends and the practices of industry benchmarks.

Organizational structure：

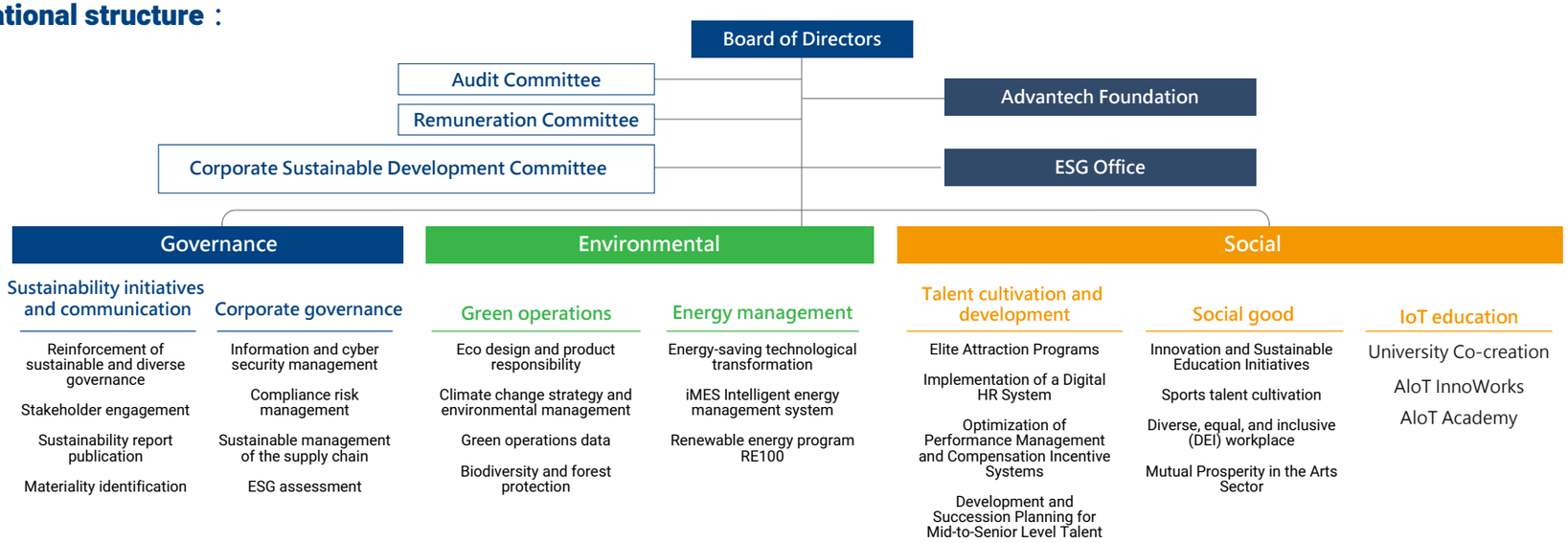


Figure 1.1.1 Advantech ESG Organizational Structure

Personnel or Units	Role
Chairman	The top leader responsible for sustainable development also spearheads Advantech's global corporate sustainability strategy and development.
Board of Directors	Regular review of corporate sustainability performance, review of sustainability materiality in the report, review of Sustainability Report publication, and discussion of material ESG topics.
Board of Directors Corporate Sustainability Committee at the Board of Directors Level-SDC (Sustainability Development Committee)	◆ Chairman K.C. Liu (convener), Director Jeff Chen, and Director Ji-Ren Lee, totaling three committee members. Annual discussion topics include climate change strategy, corporate carbon management and carbon pricing, voluntary carbon credits, response strategies and opportunities for the EU's new sustainability regulation (CSRD), diversity, equality and inclusive workplace development, low-carbon product planning and sustainable raw materials, ESG KPI performance review and incentive mechanism for middle and senior supervisors, waste management and UL-2799 certification, and the EU Taxonomy. Expected discussion topics in 2025 include the SBTi update application project, the internal carbon fee project, the TCNFD disclosure project, and others. ◆ Corporate Sustainability Committee at the Board of Directors Level-SDC (Sustainability Development Committee) is convened quarterly for a total of four meetings per year. ◆ Climate-related issues are included on the agenda of the Board of Directors at least once a year, and the Sustainability Committee is the responsible unit for managing climate change.
Executive-Level ESG Corporate Sustainability Office	◆ The main leader is the President of General Management, who gives instructions and suggestions to the ESG Corporate Sustainability Development Office. ◆ Responsible for identifying Advantech's sustainable development topics, formulating annual development goals and plans, and convening regular quarterly meetings. Depending on the topic, Board members, external experts, and industry benchmarks are invited to offer their suggestions. ESG projects will be implemented by responsible teams, and the ESG Corporate Sustainability Development Office will track their performance regularly and propose improvement plans. ◆ The ESG Corporate Sustainability Development Office reports to the Chairman the planning and progress of relevant projects from time to time. The Chairman gives direction and strategic advice, while the President is invited to participate in important meetings and decision-making.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Sustainability awards received in 2024：

The Sustainability Yearbook 2025, S&P Global Dow Jones Sustainability Indices (DJSI)
Top 10%

Electronic technology industry 2024 Global Views ESG Corporate
First prize

World's Best Employers 2024
594th place

World's Most Sustainable Companies 2024
Fortune Global 500

Interbrand
5th place

10th Corporate Governance Evaluation
Top 5%

Taiwan Best-in-Class 100
63rd place

Climate change questionnaire Carbon Disclosure Project, CDP
B Level

Large enterprise group 2024 CommonWealth Excellence in Corporate Social Responsibility
4th place

Large enterprise group 2024 CommonWealth Talent Sustainability Award
5th place

33rd Taiwan Excellence Awards
Silver Award

2024 M&A Awards
Exceptional Achievement Award

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

1.2 Stakeholders Engagement

The ESG Corporate Sustainability Development Office drew upon the Company's operational status, annual international sustainability trends, internal developments, and the sustainable development progress of relevant peers, along with input from the supervisor of the Sustainability Development Office, to lay the groundwork for reporting previous years' sustainability reports and related written documents. Based on the international AA1000 SES (Stakeholder Engagement Standard), the stakeholder groups remain unchanged from previous years. These include: Employees, customers, business partners, universities and research institutions, suppliers and contractors, media, public associations and government, shareholders and investors, as well as communities and NPOs, totaling eight major stakeholder categories.

We interact with stakeholders through various channels, including telephone communications, online customer service (Live Chat), offline and online meetings/forums, event satisfaction surveys, customer satisfaction surveys, customer visits, supplier audits, participation in public association initiatives, etc. Additionally, contact information is publicly available on the ESG Corporate Sustainability Official website Contact Us - ESG (advantech.com), where we can respond to stakeholder concerns and provide feedback.

Expanding the influence of sustainability topics

In 2024, Advantech's ESG Corporate Sustainability Development Office participated in multiple internal and external sustainability communication events to help communicate with major stakeholders on key sustainability issues. Advantech's ESG Corporate Sustainability Development Office participates in quarterly ESG meetings with key RBUs (Regional Business Unit) to promote global employee participation. The Advantech Group also publishes four quarterly ESG e-newsletters each year to enhance employees' awareness of sustainability issues and to help internal stakeholders understand Advantech's sustainability performance and offer suggestions for improvement.

Communication target	Form of communication	Sustainable communication topics
Employee	◆ Conduct ESG-related exchange meetings as needed ◆ Quarterly ESG newsletters ◆ Education and training ◆ Quarterly ESG meetings ◆ Conduct ESG-related exchange meetings as needed ◆ Written reports and exchanges ◆ ESG thematic meetings	**Environmental aspect:** Issues such as climate action, energy conservation and carbon reduction, RE100 and Net Zero target roadmap, internal carbon pricing (ICP), product carbon footprint, biodiversity, and Advantech's overall sustainable development strategy. **Social aspect:** Topics include increasing employee satisfaction, improving employee turnover rate, creating a workplace with Diversity, Equity, and Inclusion (DEI), and employee occupational health and safety. **Governance aspect:** Sustainability evaluation results, Advantech's future development strategies, and the diversity of the Board of Directors governance team were discussed.
Customers	◆ Conduct ESG-related exchange meetings as needed ◆ Written reports and exchanges ◆ ESG thematic meetings	
Business partners, universities, research institutions	◆ ESG-related exchange meetings ◆ Special sustainability seminar	
Suppliers and contractors	◆ ESG Vendor Day ◆ ESG-related education and training	
Media, public associations, government	◆ ESG thematic interviews ◆ ESG workshops ◆ Exchange meeting ◆ Sponsorship	
Shareholders and investment institutions	◆ ESG-related exchange meetings ◆ Written reports and exchanges	
Community, social groups, NPOs	◆ Thematic visits ◆ Exchange meeting ◆ Written reports and exchanges ◆ Sponsorship	
Chairman, Board member, middle and senior management	◆ Quarterly Board meetings ◆ Newsletter	

Table1.2.1：2024 Advantech Achievements and various stakeholders expanding sustainable influence

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Table1.2.2：Advantech's performance in communication and interaction with stakeholders in 2024

Note: The survey regarding stakeholders' concerns or topics is conducted at the end of each year and takes place after the routine projects planned and executed by the various departments earlier in the year. Consequently, the descriptions of Advantech's communication responses and engagement highlights in this table do not reflect the stakeholders' concerns or topics. The table presents the annual routine performance related to communication responses and engagement highlights, with corresponding details displayed in the respective chapters. Details on engagement with various stakeholder groups are available throughout the report. For employees, see Section 5.2, Employee Communication and Benefits. Information for customers can be found in Section 3.4, Customers and Partners Co-creation. While details regarding Business Partners, Universities, and Research Institutions are presented in Section 3.3, IoT Application Promotion and Education. Section 2.3, Sustainable Management of the Supply Chain, covers suppliers and contractors. Engagement with media, public associations, and government is detailed in the Appendix. Regarding to the list of Public Associations Participated and Description of Investing in Resources, shareholders and investors, please refer to Operational Performance and Corporate Governance Structure. Lastly, engagement with community, social groups and NPOs is discussed in Chapter 6, Altruism and Social Welfare. Information presented in the table is limited to Taiwan.

Stakeholders	Significance of stakeholders to Advantech	Methods of communication and negotiation with stakeholders	Frequency of communication	Content or topics of concern to stakeholders (Stakeholder topics of concern are derived from the stakeholder questionnaire, representing the top three topics of concern for each category of stakeholder)	Advantech's communication response and engagement highlights
Employee	Employees are Advantech's most important asset. Among Advantech's four core values, "People-oriented Environment" emphasizes the following： ◆ Create a stage for open management and allow talent to exert themselves to the fullest. ◆ Trust and respect talent. ◆ Build a happy and open social environment.	Advantech ABLE activity platform	Daily	◆ Information and cyber security management ◆ Occupational safety and health ◆ Eco Design and Sustainability Liability of Product	◆ Thanks to effective communication channels, employee participation in health and exercise activities reached 12,107 participations in 2024, setting a new record in recent years, in turn improving employee health. Examples of excellent performance include: the Taipei Technology Cup Love Earth Charity Road Run, which saw a record-breaking 1,454 participants. This marked the highest number of participants of any company in the Neihu Technology Park. ◆ Outdoor activity with parents: A total of 530 employees participated in outdoor activities and exercise together with their parents, promoting employee family health. ◆ Vigorous promotion of volunteer activities. A total of 12 volunteer activities were held, with 189 volunteer leave applicants accumulating 785.5 volunteer hours. ◆ The Company provides a 24-hour Employee Assistance Program (EAP) to help employees address emotional issues and psychological stress. According to statistics, 45 employees used the EAP hotline, accumulating 65 consultations and achieving an overall satisfaction score of 96. ◆ The Employee Welfare Committee's budget execution rate was 95%. ◆ Promoting workplace safety involves improving employees' ability to identify workplace hazards. Regular safety and health education and training are conducted by the Company for new and existing employees, alongside fire drills and organized safety lectures. Furthermore, a Group EHS Committee has been established to implement various safety and health action plans. Achievement: A total of 8,633 training participants and 14,446.5 total training hours. A total of 10 safety lectures (7 offline and 3 online) were conducted for 828 colleagues. ◆ To safeguard the rights and interests of all employees, we provide diverse communication channels to accept employee feedback and implement relevant measures. The Company complies with mechanisms such as grievance procedures and workplace misconduct prevention and management measures. Apart from quarterly labor-management meetings, employee suggestion boxes were established, and the ABLE Line community is used to address issues in real time to make sure our employees' voices are heard. Only one complaint was received in 2024, and was resolved successfully. ◆ Advantech also established a Suggestion Box. In 2024, a total of 99 feedback items were received, all of which have been addressed, resulting in a 100% response rate. ◆ We have established a LINE OpenChat to address situations in real time and gather feedback on policy implementations through the annual employee satisfaction survey. For more information, please refer to: 5.2 Employee Communication and Benefits, 5.5 Occupational Health and Safety
		Employee newsletter	Weekly/ quarterly		
		Suggestion Box, GA/IT help Desk, ABLE Line	As needed		
		Intranet, email, and global electronic bulletin boards	As needed		
		Offline and online Employee conference	Semiannually		
		Labor-management meeting, Occupational Health and Safety Committee, EHS Committee Meeting	Quarterly		
		Employee Welfare Committee	Quarterly		
		EHS education and training	New employee/ quarterly/as needed		

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Stakeholders	Significance of stakeholders to Advantech	Methods of communication and negotiation with stakeholders	Frequency of communication	Content or topics of concern to stakeholders (Stakeholder topics of concern are derived from the stakeholder questionnaire, representing the top three topics of concern for each category of stakeholder)	Advantech's communication response and engagement highlights
Customers	Operation revenue is generated by Advantech's clients. We are cognizant of industry developments and attentive to customer requirements. We are dedicated to delivering high-quality products and services to our valued customers, and we eagerly anticipate establishing productive partnerships with clients.	Comprehensive channels of communication are employed to facilitate understanding of customer needs and feedback. These channels include customer meetings, online seminars, customer satisfaction surveys, online and offline media platforms, customer audit communications, quarterly meetings with key accounts, dedicated customer service lines and customer email boxes.	Real-time communication and response	◆ GHG inventory and energy management ◆ Circular economy ◆ Information and cyber security management	By conducting numerous in-person meetings with clients to update them on our progress towards sustainable development and the carbon reduction of our products, we established ourselves as the foremost option for customers concerned with sustainability. Advantech is committed to developing and implementing sustainable intelligent solutions and products, aiming to positively impact climate change mitigation and adaptation. For more information, please refer to 3.1 Sustainable Intelligent Solutions, 3.4 Customers and Partners Co-creation
Business partners, universities, research institutions	With their R&D capabilities in cutting-edge technologies and expertise in a variety of fields, our business partners, universities, and research institutions are able to aid businesses in their innovative R&D efforts to increase their market competitiveness.	Directly communicate with partners or research institutions through a dedicated project liaison.	◆ Symposium (as needed) ◆ Cooperation in technology development (annually) ◆ Industry-academia collaboration project meeting (monthly) ◆ Campus promotion of IoT (annually)	◆ Talent cultivation and development ◆ GHG inventory and energy management ◆ Eco Design and Sustainability Liability of Product	◆ For the key technologies required by Advantech to improve product strength, we cooperate in industrial technology development through technology transfer or commissioned research. ◆ Cultivate the talent and technologies required by the enterprise with research institutions by providing research funding sponsorship or establishing joint R&D centers. ◆ Sponsor competitions and courses to jointly create and promote universal education on the IoT and cultivate industry talent. For more details, please refer to: 3.3 IoT Application Promotion and Education, 3.4, Customers and Partners Co-creation
Suppliers and contractors	Suppliers play a key role for Advantech in realizing the sustainable supply chain ecosystem of the IoT. By establishing smooth communication channels, we ensure the stability and quality of the supply chain and strengthen operational resilience.	◆ Regularly conduct supplier ESG evaluation ◆ Regular supplier ESG awareness campaigns ◆ Supplier conference ◆ Supplier evaluation ◆ Reporting mailbox	◆ Talent cultivation and development ◆ GHG inventory and energy management ◆ Eco Design and Sustainability Liability of Product	◆ Eco Design and Sustainability Liability of Product ◆ Customer and Partner Co-Creation ◆ Information and cyber security management ◆ Sustainable Management of the Supply Chain	◆ 100% PVL suppliers completed the Supplier Code of Conduct (CoC) ◆ The scope of the ESG sustainability risk assessment was expanded, identifying a total of 1,127 suppliers. Of the 790 suppliers selected for assessment, all completed the survey. ◆ Added 266 new suppliers and approved 257 new suppliers ◆ Overall local procurement ratio: 68% ◆ Hosted Advantech supply chain management forums, engaging in in-depth exchange across different industries focusing on the subject of "Sustainable supply chain". The event was attended by 113 suppliers. For more information, see: 2.3 Sustainable Management of the Supply Chain

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Stakeholders	Significance of stakeholders to Advantech	Methods of communication and negotiation with stakeholders	Frequency of communication	Content or topics of concern to stakeholders (Stakeholder topics of concern are derived from the stakeholder questionnaire, representing the top three topics of concern for each category of stakeholder)	Advantech's communication response and engagement highlights
Media, public associations, government	**Media:** ◆ Media serves as a vital channel for corporate-society communication. Conveying accurate information helps enhance information transparency, enabling consumers, investors, and other stakeholders to gain a thorough understanding of the Company's commitments and actions, and fostering the public's accurate understanding and awareness of Advantech. ◆ The media plays a key role in shaping corporate image and reputation. Advantech communicates with the media accurately and promptly, and its active media interaction helps build a responsible corporate image and enhances public trust. ◆ Media not only serves as an observer but also a watchdog that points out Advantech's blind spots in various aspects of corporate management, prompting refinements in internal management and increasing the value of corporate social responsibility. **Public associations:** ◆ Jointly promote important industry perspectives and regulations ◆ nteract with industry peers **Government：** ◆ Share future industry trends and perspectives ◆ articipate in sharing viewpoints from white papers	◆ In terms of media, communication channels used from time to time include: press releases, press conferences, media interviews, participation in forums and exhibitions, the official website, and the Advantech PR contact. Regular communication channels include: quarterly earnings call press releases, monthly revenue press releases, and annual shareholders' meeting press releases. ◆ In terms of public associations, diverse communication channels include quarterly or monthly meetings, participation in annual directors' meetings or annual exhibitions and forums. ◆ In terms of government communication, channels and activities include participation in the annual Corporate Governance Evaluation, regular updates to the Company's website, information on the Market Observation Post System (MOPS), annual and financial report publications, communication with different government agencies as needed, and arranging occasional park visits to engage in in-depth exchanges.	◆ Information and cyber security management ◆ GHG inventory and energy management ◆ Circular economy	**Media：** Advantech’ s PR team upholds the following principles to foster long-term, interactive relationships with the media, ensuring they receive accurate information on the Company’ s operations and corporate governance, thereby strengthening our corporate image. 1.Authentic and transparent 2.Fast and timely 3.Consistency and precision 4.Respect for professionalism 5.Compliance with legal and ethical standards **Achievements:** ◆ Press release: 34 press releases for the entire year ◆ Media interview: 21 media interviews for the entire year ◆ Press conference: 4 press conferences ◆ Earnings call: 4 investor conferences (2 in Chinese and English, respectively) **Public associations:** ◆ Providing insights from a corporate perspective by referencing industry trends, complying with regulations, or introducing new standards. ◆ Government: Ranked in the top 5% among TWSE-listed companies in the Corporate Governance Evaluation

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Stakeholders	Significance of stakeholders to Advantech	Methods of communication and negotiation with stakeholders	Frequency of communication	Content or topics of concern to stakeholders (Stakeholder topics of concern are derived from the stakeholder questionnaire, representing the top three topics of concern for each category of stakeholder)	Advantech's communication response and engagement highlights
Shareholders and investment institutions	Advantech's institutional investors are mainly domestic and foreign long-term investors who agree with the Company's strategic direction and operating philosophy, and who are willing to share valuable insights on topics such as international sustainability trends and industry observations. Such constructive two-way exchange contributes significantly to corporate strategy optimization and long-term development.	Annual shareholders' meeting	Yearly	◆ Information and cyber security management ◆ GHG inventory and energy management ◆ Talent cultivation and development	◆ Through regular and ad hoc engagement approaches, we communicate with investors regarding the Company's current operations and future development. Channels utilized include monthly and quarterly revenue/operational press releases, disclosures on the official website, public information disclosures, annual reports, earnings call presentations, etc., to ensure transparency and timely delivery of information on corporate operations performance and future plans. ◆ The internal intelligence-gathering mechanism consolidates investor and external feedback, which is reported quarterly to the Board of Directors and senior management. This process enhances the decision-making basis for corporate governance and establishes a two-way communication channel for market feedback. ◆ Annual shareholder meetings are convened. Shareholders and stakeholders are invited to participate in Q&A and discussions at the meetings to facilitate direct communication and interaction between the Company and its shareholders. (The statistics are disclosed on the MOPS and the official website) ◆ The Company hosts four earnings calls every quarter (two in Chinese and two in English) to ensure domestic and foreign investors can understand the Company's operational status. Audio and video recordings of the meetings are provided on the Company's official website after the conference to enhance information transparency. (The statistics are disclosed on the MOPS and the official website) ◆ Achievements of high-frequency and high-efficiency engagements: In 2024, 147 meetings were held, involving over 500 participants (Chinese/English speakers) (*according to internal meeting statistics). This includes meetings with senior managers and discussions on sustainability-related topics, demonstrating the Company' s commitment to shareholder activism. ◆ Positive feedback from investment institutions: Advantech's investor relations team has received strong recognition for its service quality and open communication channels. Investment institutions awarded the Company second place in both "Best Investor Relations" and "Best Investor Relations Programs" in the 2024 Asia Pacific (Ex-Japan) Executive Ranking by U.S. financial media outlet IIResearch. Additionally, Advantech was named one of the Top 100 Foreign-Invested Enterprises by the Taiwan Institute of Directors. Advantech' s executive level management team has consistently earned high praise from American and European foreign investors for its commitment to accessibility and information transparency. Notably, based on votes from multiple foreign institutional investors, Chairman K.C. Liu and President Eric Chen were honored with the "Best CEO" and "Best CFO" awards, respectively, in the 2024 Asia Pacific (Ex-Japan) Executive Ranking by IIResearch.
		Large earnings call	Quarterly		
		Seminar for domestic and overseas investment institutions	As needed		
		Physical/video corporate exchange meeting	Daily		
		Sustainability report/ sustainability website	Yearly		
		Corporate website/ financial reports/ corporate governance disclosures/ shareholder service mailbox	Normal state		
		Market observation post system	Normal state		
		Analyst report and communication	Monthly/ quarterly		

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Stakeholders	Significance of stakeholders to Advantech	Methods of communication and negotiation with stakeholders	Frequency of communication	Content or topics of concern to stakeholders (Stakeholder topics of concern are derived from the stakeholder questionnaire, representing the top three topics of concern for each category of stakeholder)	Advantech's communication response and engagement highlights
Community, social groups, NPOs	Advantech's mission is to "Enable an Intelligent and Sustainable Planet." We all regard it as our responsibility to promote environmental sustainability, encourage innovation, energy, education and sustainability, enhance the development of arts and cultural industries, and foster talent cultivation so that arts and businesses can co-prosper with cultural sustainability.	Exchange activities	Timely and routine response	◆ Talent cultivation and development ◆ Circular economy ◆ Customers and partners co-creation	**Education support:** ◆ Through the "ACT Dreamers Program," the Advantech Foundation continues to promote sustainability education for children and young people. In collaboration with schools, the Foundation implements Project-Based Learning (PBL) and integrates SDG-based actions, striving to cultivate global citizens with sustainability awareness. ◆ The 2nd "Sustainable Action for a Better Future! Annual Conference" was held, where 71 schools presented 78 sustainable action achievements, and 1032 individuals attended the conference to learn about sustainability solutions. ◆ Articles published in CommonWealth Magazine and Education Parenting Family Lifestyle, featuring our initiatives, garnered over 13,000 views in the month of publication. ◆ Advantech also supports the establishment of innovative education, sponsoring multiple non-profit organizations (NPOs) such as Junyi Academy, Chengzhi Educational Foundation, Yingguang Education Association, DFC Taiwan, and Pley School, among others. **Mutual prosperity of arts and industry:** ◆ The Company has organized the "Art Salon" for 13 consecutive years to support annual performances by performing art troupes. In 2024, we sponsored 140 performances, attracting a total audience of 6,020. ◆ The arts and culture podcast Easy Listening to Arts and Culture, independently funded for production and broadcast, is also aired on CSBC. To date, 114 episodes have been produced, reaching a total of 54,026 listeners. ◆ In collaboration with professional schools, we have developed the "Top-notch Program" for training top talent. This project seeks to nurture potential creative and performing talent and boost Taiwan's artistic soft power. In partnership with the Institute of Performing Arts at National Taiwan Normal University (NTNU), our musical theatre talent cultivation program has enabled cross-disciplinary collaboration among more than 100 students. Advantech offers long-term sponsorship to the National Taiwan College of Performing Arts (NTCPA) and GuoGuang Opera Company, aiming to support the training of young traditional opera talent and the preservation and continuation of this cultural heritage. ◆ To introduce art into the Company, Advantech has established a gallery in its lobby. In 2024, the gallery featured an exhibition of works in collaboration with artist AKIBO (Li Ming-tao) and the Paul Chiang Arts and Cultural Foundation. ◆ To promote reading, the Company held the Xinliu Four Seasons Cultural Lectures, inviting Chu Lu-hao, Yang Shih-i, Ho Pei-chun, and Wang Shih to share their insights.
		Financial sponsorship and support	Yearly		
		Exhibition and Media	Bi-weekly and monthly		

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Annual stakeholder survey

Through the annual stakeholder survey, we are able to understand the sustainability issues that concern our stakeholders. To obtain more comprehensive and in-depth insights, in 2024, our survey scope, questionnaire distribution, and collection scope were consistent with the boundaries of this report, and we will conduct an impact survey on Advantech's global middle and senior managers.

To encourage more stakeholders to participate in the questionnaire, a donation of NTD100 will be made to forest conservation and biodiversity activities for each valid questionnaire collected. A total of 2,078 responses were collected from the 2024 annual stakeholder survey, and NTD207,800 was donated to forest conservation organizations, fulfilling our sustainability commitments. Details are as follows:

Beneficiary	Use of donations	Amount (NTD)
The Society of Wilderness	◆ Advantech headquarters' operating sites in the Xizhi and Neihu regions (including Dagou River and Neigou River) ◆ Use of donations: 1. Ecological and environmental education activities x 2 sessions, totaling 100 persons 2. Biodiversity local volunteer training x 4 classes, totaling 60 persons 3. Aquatic fish survey and water quality testing x 3 sessions 4. Replacement of underwater camera and environmental monitoring equipment	103,900
Taiwan Forestry Restoration Association	◆ Donation focus area(s): Forest restoration in the shallow mountain area of Taichung's Dadu Mountain, adjacent to Advantech's Taichung Office. ◆ Use of donations: ◆ This project aims to cultivate 6,000 seedlings spanning 75 species, with over 70% comprising native tree species from Taichung' s coastal and shallow mountain regions. The seedlings will be provided to the Taichung City Government for forest restoration efforts and supplied to relevant public agencies for reforestation purposes, serving the broader goal of public welfare. 1. Seed collection for seedlings 2. Growing local native species seedlings 3. Mountain forest ecological education 4. Seedling growth monitoring ◆ Tree planting covered a total of 0.8 hectares, capable of sequestering 1.76 metric tons of carbon.	103,900

Survey boundary	Advantech Ruiguang, Yangguang, and Linkou Taiwan (collectively referred to as ACL) and Advantech Kunshan Manufacturing Center (AKMC). Overseas boundaries include: Advantech Corporation (ANA), Advantech Europe B.V. (AEU), Advantech Japan Co., Ltd. (AJP), Advantech KR Co., Ltd. (AKR), Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN).	
Stakeholders	**Survey aspects**	**Valid questionnaires collected**
Employee	◆ Positive and negative impact aspects ◆ Likelihood of occurrence of positive and negative impacts ◆ Topic concern level	1704
Customers		107
Business partners		46
Universities and research institutions		24
Suppliers and contractors		127
Media, public associations, government		26
Community, social groups, NPOs		13
Shareholders and investment institutions	◆ Positive and negative impact aspects ◆ Likelihood of occurrence of positive and negative impacts ◆ Financial impact ◆ Topic concern level	9
Chairman, Board member, middle and senior management		22
Total number of valid questionnaires collected	2,078	

Table 1.2.3: 2024 Annual stakeholder survey

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

1.3 Sustainability Goals and Material Topics

1.3.1 Process to Identify Material Topics

The Sustainability Report is an important method for Advantech to communicate with its stakeholders and clarify ESG topics. Besides engaging in in-depth communication through various channels during day-to-day business operations, Advantech collaborates with stakeholders in identifying, discussing, and prioritizing the most impactful sustainability topics through its annual material topics analysis process. By consistently listening to and addressing feedback from various stakeholders, Advantech is dedicated to implementing its corporate mission of "Enabling an Intelligent and Sustainable Planet" within its global IoT market deployment. This involves facilitating green transformation across industries as well as fostering social harmony and shared prosperity.

To ensure that the report content complies with international frameworks and accurately reflects the essence of the organization's business, Advantech follows the reporting principles of GRI 2021 Standards. Concurrently, it considers the Double Materiality perspective promoted by the EU Corporate Sustainability Reporting Directive (CSRD). Analysis is performed across two major dimensions: the impact on sustainable development (covering economy, environment, and human rights), as well as the impact on the organization's operations and financial performance. This approach allows for a more accurate identification of Advantech's risks and opportunities in areas including green transformation, smart manufacturing, energy conservation and carbon reduction, as well as human capital development. Furthermore, it helps clarify the strategic adjustments and resource allocation required by the organization in responding to global trends.

Every year, Advantech utilizes diverse tools such as questionnaires, interviews, and consultations with internal and external advisors to systematically review the positive and negative impacts of sustainability topics. These topics are further prioritized according to their level of impact and urgency. The analysis results are incorporated into the Sustainability Report, serving as a foundation for stakeholder communication. At the same time, they guide Advantech's ESG strategy formulation, project planning, and tracking of long-term sustainability goals. Dynamic review and annual iterative updates ensure timely and quick responses to external needs and industry shifts.

To ensure the completeness and objectivity of materiality analysis, Advantech not only incorporates stakeholder feedback but also includes the professional insights of internal and external experts and consultants. The results are reviewed by the Sustainable Development Committee before final submission to the Board of Directors for approval. This rigorous decision-making process ensures that Advantech's material topics is endowed with strategic depth and a forward-looking perspective.



Figure 1.3.1 Advantech's sustainability goal setting and strategy development process

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Collect/identify Advantech-related sustainability topics

Continuing last year's enhanced feedback-gathering method, we engaged a wide range of stakeholders before this year's questionnaire survey. This was achieved through extensive communication with investment firms and clients, as well as participation in external sustainability-related meetings. Building on this foundation, we have invited Advantech's middle and senior management to propose their professional insights and opinions on the preliminary draft of topics. This ensures that we can meet the needs of internal employees and external communities more comprehensively. This feedback allow us to reexamine the questionnaire content and integrate it in a more forward-looking and inclusive manner.

On the other hand, driven by Advantech's ESG vision of "Enabling an Intelligent and Sustainable Planet," we are convinced that through our commitment to IoT core technologies, innovative solutions, and an open co-creation business culture, Advantech can harness its core competences to address diverse challenges associated with the United Nations Sustainable Development Goals (SDGs). We will also continue to bolster IoT industry-academic cooperation, combining expertise from smart manufacturing, green transformation, energy conservation and carbon reduction, and other fields to promote industrial upgrading and sustainable development. For more specific management guidelines concerning various material topics, please refer to the subsequent sections.

Materiality Assessment Methodology for 2024 Sustainability Report

The ESG Corporate Sustainability Development Office conducted a comprehensive assessment of stakeholder perspectives, external benchmarks, and international sustainability frameworks (see Table 1.3.1, Advantech's Materiality Survey Context and Identification Process). This was integrated with the Company's internal strategic direction and long-term vision (refer to Table 1.3.2, Advantech ESG Vision: Enable an Intelligent and Sustainable Planet) to accurately identify and define 17 key sustainability topics for 2024 (see Table 1.3.3, 2024 Advantech's Sustainability Topic List). Based on the topic framework, a comprehensive survey was designed and implemented. The results of the stakeholder feedback survey and the prioritization of material topics were integrated for systematic analysis. The survey results were submitted to the Board of Directors for review and approval by the Sustainable Development Committee in Q1 of 2025.

Contextual evolution		Main content	
Step 1	**Identification of stakeholders**	Based on the operational nature and through the five principles of the Stakeholder Engagement Standard (AA1000 SES): Dependency, Responsibility, Tension, Influence, and Diverse Perspectives, 8 key stakeholder groups were identified: employees, customers, business partners, universities and research institutions, suppliers and contractors, media and public associations and government, shareholders and investment institutions, communities and NPOs.	8 key stakeholder groups
Step 2	**Sustainability topics collection**	Advantech refers to Global Reporting Initiative Standards (GRI Standards), United Nations Sustainable Development Goals (SDGs), Responsible Business Alliance (RBA), and Sustainability Accounting Standards Board (SASB); at the same time, the Company references information disclosure frameworks, including topic indicators emphasized by investment institutions, such as Dow Jones Sustainability Indices (DJSI), Carbon Disclosure Project (CDP), Task Force on Climate-related Financial Disclosures (TCFD), Task-force on Nature-related Financial Disclosures (TNFD), and benchmark companies, which serve as the basis for identifying sustainability topics. 1.Advantech reviewed material topics that have already been published in the 2023 Sustainability Report and continues to strengthen the Company's existing foundation on sustainable management 2.Advantech engages in comprehensive communication with its stakeholders such as shareholders, investment institutions, and customers to monitor their topics of concern and sustainability trends 3.Input was gathered through surveys and consultations with middle and senior management, Board members, Sustainable Development Committee members, and ESG Office members. These insights were combined with the Company's management strategy to identify material topics of high relevance and impact 4.Referencing material topics monitored and disclosed by international benchmark companies ensures the completeness of the internal topic list. This serves to maintain consistency with market dynamics and industry trends Lastly, a more comprehensive preliminary list of topics meeting practical needs can be generated through cross-referencing and optimization.	Source of diverse sustainability topics

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Contextual evolution		Main content	
Step 3	**Sustainability topics prioritization**	Members of the Sustainability Report Team under the Sustainable Development Committee identify and prioritize various topics in conjunction with external experts.	17 sustainability topics
Step 4	**Evaluate internal and external impacts and possibilities**	In 2024, we conducted an extensive online questionnaire survey targeting internal and external stakeholders, yielding 2,078 valid responses. Meanwhile, 17 global senior management (Director level and above) were invited to participate in an impact evaluation to verify the importance ranking of each topic from management's viewpoint. The questionnaire design took into account the principle of Double Materiality and collected stakeholders' assessment of "the impact/level of impact of material topics on society, the environment, and people." Institutional investors, Board members, and management evaluate the "impact/level of impact of material topics on Advantech's operations (financial)." This evaluation helps ensure the final topic prioritization accurately presents potential risks and opportunities across various dimensions, while also balancing various stakeholders' perspectives.	
Step 5	**Materiality identification and prioritization**	**"Adoption of Double Materiality Analysis"** Following the four-stage materiality identification process recommended by GRI Standards (2021), and incorporating the Double Materiality principle from the EU, Advantech systematically identifies material topics that have a significant impact on the Company's internal operations and the external environment (economy, environment, and society). "Double Materiality" stresses the need to simultaneously integrate stakeholders' perspectives when evaluating topics. It also considers the level of impact of these topics on the Company's operational and financial performance, as well as potential impact on its reputation and risk management, thereby prioritizing topics that should be managed first. Additionally, Advantech integrates the analysis results into its Enterprise Risk Management (ERM) framework (refer to Chapter 2, 2.4 Risk Foresight and Crisis Management in this report). This helps to ensure that the sustainability strategy is seamlessly linked with the Company's management guidelines, thereby allowing ESG performance to continuously contribute to the Company's long-term competitiveness. **"Material topics discussion and approval"** Advantech submitted the results of the materiality analysis in writing to middle and senior management, Board members, members of the Sustainable Development Committee (SDC), and the ESG Corporate Sustainability Development Office. Meetings were convened to conduct in-depth discussions and make necessary adjustments. After consolidating feedback from various parties, the annual material topics were finalized and will serve as the basis for the Company' s future sustainability initiatives and strategic planning. The findings were eventually presented to the Chairman and approved by the Board of Directors in Q2. In 2024, the Board of Directors decided to establish 10 sustainability-related material topics and 7 sub-topics.	10 sustainability-related material topics
Step 6	**Determining the list of material topics and the content of Advantech's 2024 Sustainability Report**	After in-depth analysis, we identified 10 material topics as the focus for disclosure in this Sustainability Report, and detailed disclosures are conducted based on the GRI Standards. Furthermore, 7 sub-topics will continue to be monitored by the Sustainable Development Committee for their progress and impact. All information is fully disclosed in detail in this report to meet the expectations of all stakeholders. Looking ahead, we will continue to review the materiality of various sustainability topics and, based on the valuable feedback from our stakeholders, adjust materiality accordingly to ensure the report content always remains reasonable, balanced, and transparent.	

Table 1.3.1 Advantech's Materiality Survey Context and Identification Process

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Advantech's ESG Vision: Enable an Intelligent and Sustainable Planet



AIoT Popularization and common good

- AIoT Academy
- AIoT InnoWorks Industry-academia co-creation
- Co-creation of IoT ecosystem partners

Employee and Community Enrichment

- Materialize employee care and common good for the community through the ABLE CLUB platform
- Implement the Diversity, Equity, Inclusion (DEI) strategic blueprint to create an inclusive, happy, and equal workplace
- Digitalization of talent development performance management and global talent training
- Digitalization of talent development performance management and global talent training
- Focused on educational innovation, sports development, and the mutual prosperity of arts and industries

Green Operations

- Climate change strategy and energy management
- Eco design and sustainable products
- Sustainable intelligent solutions

2021	Announced science-based carbon reduction targets (SBTi)
2022	Published climate-related financial disclosure reports (TFCD)
2023	Included in the Dow Jones Sustainability Index (DJSI)
2025	Achieve A for the CDP carbon disclosure score
2030	AKMC and ACL use at least 50% renewable energy
2040	Advantech's global renewable energy usage reaches 100%
2050	Net zero target

Table 1.3.2 Advantech ESG Vision: Enable an Intelligent and Sustainable Planet

2024 Survey on Advantech's Sustainability Topic List		
Environmental	**Social**	**Governance**
◆ Eco design and sustainability liability of product	◆ Application advocacy and education of IoT	◆ Information and cyber security management
◆ Climate change strategy and management	◆ Diversity, equality and inclusive workplace	◆ Sustainable intelligent solutions
◆ GHG inventory and energy management	◆ Human rights	◆ Customers and partners co-creation
◆ Biodiversity and forestation protection	◆ Talent cultivation and development	◆ Innovative mechanism
◆ Circular economy	◆ Neighborhood and community care	◆ Sustainable management of the supply chain
◆ Green manufacturing	◆ Occupational safety and health	

Table 1.3.3 2024 Advantech's Sustainability Topic List

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Stakeholder Survey, Impact Survey, Materiality Analysis

Before formally carrying out stakeholder engagement and the materiality questionnaire survey, the ESG Corporate Sustainability Development Office first consulted with relevant senior supervisors for their input and conducted a material topic inventory and adjustment (including consolidation, deletion, addition, and renaming). Based on the consolidated questionnaire results and stakeholder meeting discussions, it was finally decided to add two material sustainability topics in 2024: "Circular Economy" and "Green Manufacturing," and to delete the two items "Risk Foresight and Crisis Management" and "Policy and Public Campaign." Moreover, to broaden the scope of the topics, "Industry Talent Cultivation and Development" was renamed "Talent Cultivation and Development". For abovementioned adjustments, please refer to Table 1.3.4 "Changes in the Sustainability Topics List in 2024 (new additions, name changes, or consolidation)."

Reasons for including new sustainability topics in the questionnaire	**Circular economy** Circular economy emphasizes the continual recycling and reuse of resources in a bid to effectively minimize waste and pollution. For Advantech, this not only helps lower environmental burden but also, through efficient resource recycling and reuse, generates long-term and sustained value, responding to market expectations for sustainable development.
	Green manufacturing Green manufacturing centers on environmental protection and aims to achieve a synergistic balance between economic benefits and sustainability through measures such as energy conservation, consumption reduction, pollution control, and waste minimization. Advantech applies its technical advantages and abundant experience to continuously optimize production processes to help lower their environmental impact and enhance product quality and efficiency. In addition, we vigorously explore innovative eco-friendly solutions with our partners to facilitate green transformation and sound development in the industry.
Deleted sustainability topics and justifications	**Risk Foresight and Crisis Management** According to feedback from the external verification body in 2024, this topic pertains to the fundamental aspects of corporate operations and is closely tied to the Company’ s daily management. Consequently, it does not require separate identification as a material topic and was excluded from the questionnaire options.
	Policy and Public Campaign Considering Advantech's limited emphasis in this area, coupled with its lower impact on the Company's operations, the topic did not meet the priority threshold during the screening process and was therefore deleted.
Renamed sustainability topics and justifications	**Talent Cultivation and Development (former name: Industry Talent Cultivation and Development)** After deleting the term "industry," the scope of the topic becomes broader and more balanced, encompassing internal organizational talent development, as well as external industry collaboration needs. This in turn increases the topic's applicability and representativeness.

Table 1.3.4 Changes in the Sustainability Topics List in 2024 (new additions, name changes, or consolidation).

2024 Materiality impact assessment process and results description

In 2024, our materiality impact assessment was primarily based on "Advantech's impact on the economy, environment, and society through its various activities and business relationships in the process of providing products or services." At the same time, referencing the EU Double Materiality assessment framework, we conducted an independent and detailed quantitative analysis of the impact of environmental, economic, and social topics on the Company's internal financial reporting (i.e., financial materiality).

Materiality impact level
= Positive impact level + negative impact level

Likelihood of occurrence of materiality = Likelihood of occurrence of positive impact + likelihood of occurrence if negative impact

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Advantech's 2024 materiality analysis results were prioritized through the following three steps:

Step	Evaluation content and description
1. Sustainability Topic Probability Multiplication	1. The "probability of impact" and "level of impact" generated by each sustainability topic across the three major dimensions of economy, environment, and society are multiplied. 2. Based on the multiplication results, a preliminary prioritization is performed to intuitively present the risk and scale of impact of each issue at different levels.
2. Financial Impact Prioritization	Conduct an independent quantitative evaluation of various sustainability topics' impact on the Company's internal financial reports. Conduct prioritization based on the quantitative results and independently present the specific data and impact of financial materiality.
3. Double Materiality Matrix Cross-referencing	Cross-reference the sustainability topic scores with the prioritization results based on financial impact, and integrate them with the overall impact level presented in the double materiality matrix to identify the topics that should be prioritized and allocate appropriate resources.

In 2024, a total of 2,078 valid internal and external questionnaires were collected for data gathering and opinion integration. Additionally, we held numerous in-depth meetings with key external stakeholders—including customers, suppliers, and experts—as well as cross-departmental discussions within the internal Sustainable Development Committee. These efforts yielded extensive and valuable feedback from all parties, ensuring the representativeness of the assessment results. Through rigorous statistical and quantitative analysis, we were able to accurately identify the impact and its level of each topic, ultimately forming a preliminary materiality matrix.

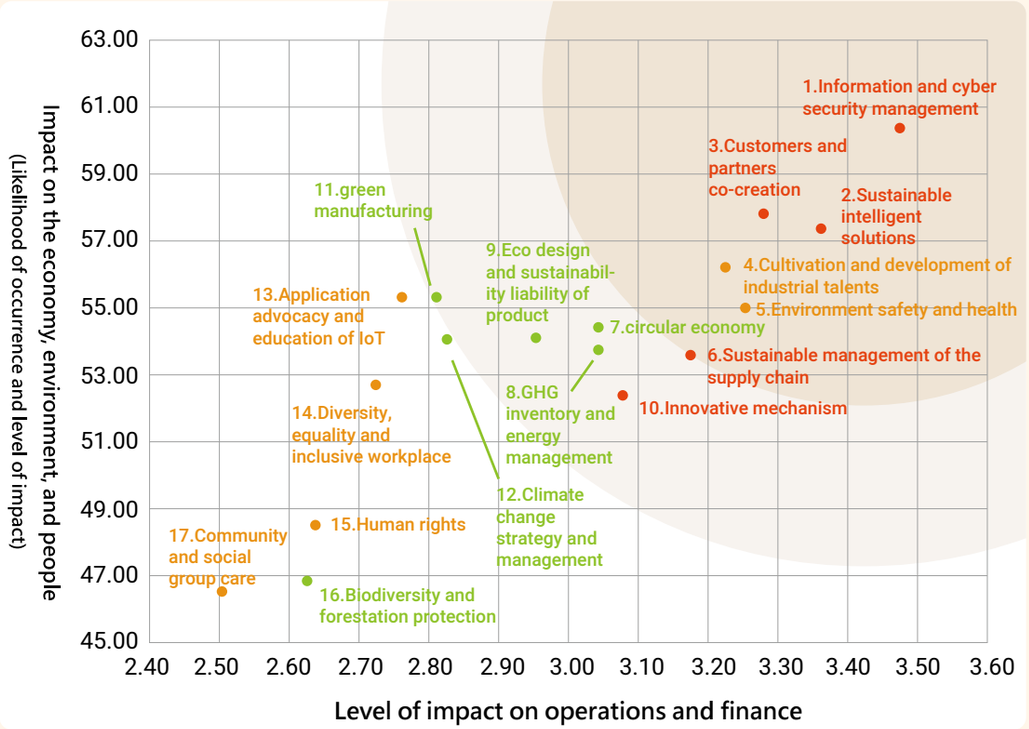


Figure 1.3.2 Material Topics matrix

List of 2024 materiality and description of changes

As described in 1.2 Stakeholder Engagement, Advantech's stakeholder survey and senior supervisor impact survey in 2024 collected 2,078 valid questionnaires. The survey content covered 17 sustainability topics (as shown in the table below) and detailed descriptions of each topic. To effectively assess the level of impact and likelihood of occurrence of material topics on the economic, environmental, and social (including human rights) front, we scored each item from 1 to 5 points, and these were compiled by the relevant units and submitted to the Sustainable Development Committee working group.

To make sure that our topics of concern are in line with global trends and the diverse needs of stakeholders, and to account for the disparity in the number of valid responses across stakeholder groups, we first averaged the survey results within each group before applying weighting based on each group' s relationship with Advantech. Lastly, through data analysis and discussions with senior supervisors, as well as by considering company and industry characteristics, we referred to the renaming and adjustments of material topics by benchmarks such as S&P's The Sustainability Yearbook 2024 and other industry leaders to finalize our material topics.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Prioritization of material topics	Name of material topics	Aspect of material topics	Changes in the priority of material topics	Significance to the organization	Note
1	Information and cyber security management	G	—	Advantech recognizes that information and cyber security issues are critical to the Company's operational stability, product safety, and brand value as a global leader in the IoT sector. These factors are critical for stakeholders such as employees, customers, and investors.	
2	Sustainable intelligent solutions		▲	Advantech's software/hardware products and integrated solutions can be applied to the growing markets of renewable energy, climate mitigation, climate adaptation, telemedicine, and education. Continuously developing products for sustainable applications not only enhances Advantech's corporate competitiveness but also contributes to sustainability.	
3	Customer and Partner Co-Creation		▼	Strong customer relationships enhance Advantech's corporate competitiveness, while high-quality partnerships contribute to the overall creativity of the IoT industry.	
4	Talent cultivation and development	S	▲	The characteristics of our industry (high-mix with low-volume, innovation, and high demand for flexibility) make the need for various professionals and cross-disciplinary talents essential. Attracting, nurturing, and retaining talent are crucial for Advantech's operations.	Renaming
5	Innovative mechanism	G	▲	Actively invests in product and technological innovations, fostering mechanisms for co-creation and shared prosperity with our R&D and sales partners.	
6	Sustainable management of the supply chain		▼	Advantech's primary manufacturing process involves purchasing components from upstream component manufacturers, assembling them in the Company, and delivering the finished products to customers. With a wide product range and a high level of customization, Advantech regularly conducts supplier evaluations and ESG management assessments. The Company incorporates the concept of "Corporate Social Responsibility and Sustainable Management of the Supply Chain" into its evaluation criteria to create win-win values in sustainability and service quality.	
7	Circular economy	E	–	The circular economy emphasizes the recycling and value extension of resources throughout the design, manufacturing, and usage process. For Advantech, this approach not only minimizes resource waste during production and operation processes but also helps unlock value and business opportunities throughout the product life cycle. By actively implementing the circular economy strategy, Advantech can reinforce collaboration with suppliers and customers, enhance corporate competitiveness, and respond to the expectations of society and the market toward sustainable development.	Addition
8	GHG inventory and energy management		▲	We are committed to reducing GHG emissions and using energy and resources more efficiently in order to meet our publicly stated carbon reduction targets. To ensure the co-existence and shared prosperity of environmental protection and corporate sustainable development.	
9	Eco design and sustainability liability of product		▲	Implement eco design standards and provide eco-friendly products. From raw materials, product design, manufacturing, to environmental management, we gradually set goals and introduce various standards. We are willing to do our best to improve the environment, reduce environmental impact, and produce eco-friendly products.	
10	Occupational safety and health	S	▲	Advantech is committed to achieving zero workplace accidents and considers the occupational safety and health of its employees as a significant priority. Internally, we promote occupational safety and health by providing education and training, setting issue-specific goals, and obtaining relevant occupational health and safety management system certifications.	
11	Green manufacturing	E	–	Green manufacturing centers on environmental protection and energy saving/emission reduction. Advantech is committed to continuously introducing eco-friendly and innovative technologies across product design, manufacturing processes, and supply chain management, while also strengthening pollution control and waste reduction measures. This approach not only decreases the environmental impact of our operations but also improves manufacturing efficiency and product quality, laying a solid foundation for Advantech and its partners to advance green transformation across the industry and achieve a balance between business growth and environmental sustainability, in turn fostering shared prosperity.	Addition
12	Climate change strategy and management		▼	Advantech has included climate change as one of the major risks in sustainable operation, and manages it according to two major aspects: "mitigation" and "adaptation." We actively identify risks, build adaptation capabilities, research and analyze opportunities for climate change, continue to invest in renewable energy, energy-saving products and solutions, and integrate energy management core business to promote energy conservation and sustainability.	

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

13	IoT Application Promotion and Education	S	▼	With the vision of popularizing and deepening IoT education, we have implemented various industry-academia projects. Achieve universal IoT education, IoT project-based learning and innovation, IoT career exploration, IoT research, and long-term collaborations to bridge the industry-academia gap and cultivate the next generation of IoT talent and innovation.	
14	Diversity, equality and inclusive workplace	S	▼	Advantech embraces talent diversity by integrating principles of equity, diversity, and inclusion (EDI) into the workplace. Pay attention to employee communication and welfare, respect the diversity and differences of each employee, support employees in suitable positions to give full play to their strengths, and give employees a sense of accomplishment and belonging.	
15	Human rights		▼	Fulfill our responsibilities for upholding corporate human rights and protect the fundamental human rights and related rights and interests of all employees, customers, and stakeholders. Comply with domestic and international human rights laws, regulations, norms, or standards.	
16	Biodiversity and forestation protection	E	▼	Biodiversity and forestation protection issues have gradually emerged as sustainability topics in response to global ESG developments. Aside from relying on the natural environment's operational resources, Advantech leverages its technological advantages, collaborates with ecological partners, explores potential business opportunities, and develops AIoT for Nature. This initiative aims to provide sustainable products and solutions, identify stakeholders in energy conservation and carbon reduction, and foster coexistence and prosperity with the planet.	
17	Neighborhood and community care	S	▼	Sustainability and altruism is a part of Advantech's corporate spirit. Advantech has applied IoT technology to advance smart healthcare, contributing to SDG 3 – Good Health and Well-being, while also supporting SDG 9 – Industry, Innovation and Infrastructure, and SDG 4 – Quality Education. This long-term support for IoT education and various innovative education aims to provide learning experiences and benefits to Taiwanese children and young people.	

Table 1.3.5 List of 2024 sustainability topics and description of changes

Description of materiality survey results in 2024

Every year, Advantech evaluates and updates its material topics through stakeholder questionnaires, senior management interviews/discussions, and by referencing international trends. This year, driven by the rapid shift in global sustainability priorities and adjustments to the Company's deployment strategy, the priority of some of the top 10 material topics from 2023 have changed. These include:

1. Climate Change Strategy and Material Topics

Advantech has integrated climate change strategy and management into its daily operations, continuously strengthening its efforts in GHG inventory, energy management, green manufacturing, and related areas. Consequently, although the priority in stakeholder assessments has changed slightly this year, it reflects Advantech's practices in carbon reduction, indicating that relevant measures are now embedded in daily operations and management. Going forward, Advantech will continue to regard climate change as a core issue, equally weighing both operational risks and opportunities. The Company will further optimize its response and adaptation strategies to ensure sustainable development and maintain market competitiveness.

2. IoT Application Promotion and Education

Advantech continues to promote IoT applications and talent cultivation through industry-academia projects and IoT education programs. Although its priority in stakeholder assessments has shifted this year, Advantech continues to vigorously promote IoT applications, ensuring that relevant technical developments remain closely aligned with market demand.

3. Diversity, Equality and Inclusive Workplace

Advantech has always valued employee diversity and inclusion. While the overall priority for this topic declined this year, establishing that a diverse and inclusive workplace culture remains the key for Advantech to maintain innovation and attract outstanding talent. In the future, the Company will continue to optimize internal mechanisms and employee development programs, ensuring that the diverse backgrounds and differing voices of employees are respected and heard within the organization.

Although the priority of topics may have shifted, this does not imply that Advantech's commitment to and focus on the previous top ten topics have diminished. On the contrary, the Company will continue to increase the depth of its management and enhance performance by building on the existing foundation. It will also disclose the progress and results for each topic in the next report, ensuring that Advantech maintains a stable and forward-looking management strategy within its long-term sustainable development framework.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Prioritization of material topics		Aspect	Changes	Prioritization of material topics		Aspect	Changes
01	Information and cyber security management	G	–	06	Sustainable management of the supply chain	G	▼2
02	Sustainable intelligent solutions	G	▲1	07	Circular economy	E	–
03	Customer and partner co-creation	G	▼1	08	GHG inventory and energy management	E	▲5
04	Talent cultivation and development	S	▲2	09	Eco design and sustainability liability of product	E	▲1
05	Innovative mechanism	G	▲10	10	Occupational safety and health	S	▲2

Table 1.3.6 10 Material topics Addressed by This Report

Description of 2024 material topics boundaries and corresponding GRI topics

For each material topics, based on the associated activities, products, services, and related impacts, we assess the extent of the impacts and whether impacts occur inside or outside the organization, and define the boundaries of the value chain. Table 1.3.7 Defines the relationship between each material topics, Advantech's value chain, and the corresponding GRI topic.

● May be fully disclosed in this report
○ May be partially disclosed in this report

Sustainability aspect	Material Topics	Importance to Advantech	Where the impact occurs in the value chain						GRI
			Advantech	Subsidiaries	Suppliers	Investors	Customers	Society	
Governance	Information and cyber security management	Advantech recognizes that information and cyber security issues are critical to the Company's operational stability, product safety, and brand value as a global leader in the IoT sector. These factors are critical for stakeholders such as employees, customers, and investors.	●	○			●		3-3
	Sustainable intelligent solutions	Advantech's software/hardware products and integrated solutions can be applied to the growing markets of renewable energy, climate mitigation, climate adaptation, telemedicine, and education. Continuously developing products for sustainable applications not only enhances Advantech's corporate competitiveness but also contributes to sustainability.	●	○	○		○	○	3-3
	Customer and partner co-creation	Strong customer relationships enhance Advantech's corporate competitiveness, while high-quality partnerships contribute to the overall creativity of the IoT industry.	●	○			●		3-3

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
1.1 ESG Governance Structure
1.2 Stakeholder Engagement
1.3 Sustainability Goals and Material Topics
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Sustainability aspect	Material Topics	Importance to Advantech	Where the impact occurs in the value chain						GRI
			Advantech	Subsidiaries	Suppliers	Investors	Customers	Society	
Governance	Innovative mechanism	Actively invests in product and technological innovations, fostering mechanisms for co-creation and shared prosperity with our R&D and sales partners.	●	●					3-3
	Sustainable management of the supply chain	Advantech's primary manufacturing process involves purchasing components from upstream component manufacturers, assembling them in the Company, and delivering the finished products to customers. With a wide product range and a high level of customization, Advantech regularly conducts supplier evaluations and ESG management assessments. The Company incorporates the concept of "Corporate Social Responsibility and Sustainable Management of the Supply Chain" into its evaluation criteria to create win-win values in sustainability and service quality.	●	●	●	○	○	○	3-3 204-1 308-1 414-1
Society	Talent cultivation and development	The characteristics of our industry (high-mix with low-volume, innovation, and high demand for flexibility) make the need for various professionals and cross-disciplinary talents essential. Attracting, nurturing, and retaining talent are crucial for Advantech's operations.	●	●				●	2-7、3-3 401-1、405-2
	Occupational safety and health	Advantech owns three major manufacturing centers and nearly 100 operating locations worldwide. Advantech is committed to achieving zero workplace accidents and considers the occupational safety and health of its employees as a significant priority. Internally, we promote occupational safety and health by providing education and training, setting issue-specific goals, and obtaining relevant occupational health and safety management system certifications.	●	●					2-7、3-3 403-1、403-2 403-3、403-4 403-5、403-6 403-7、403-9 403-10
Environment	Circular economy	The circular economy emphasizes the recycling and value extension of resources throughout the design, manufacturing, and usage process. For Advantech, this approach not only minimizes resource waste during production and operation processes but also helps unlock value and business opportunities throughout the product life cycle. By actively implementing the circular economy strategy, Advantech can reinforce collaboration with suppliers and customers, enhance corporate competitiveness, and respond to the expectations of society and the market toward sustainable development.	●	○	●		○	○	3-3 306-5 306-2 306-3
	GHG inventory and energy management	We are committed to reducing GHG emissions and using energy and resources more efficiently in order to meet our publicly stated carbon reduction targets. To ensure the co-existence and shared prosperity of environmental protection and corporate sustainable development.	●	○			○	○	3-3、302-1 302-2、305-1 305-2、305-3 305-4、305-7
	Eco design and sustainability liability of product	Implement eco design standards and provide eco-friendly products. From raw materials, product design, manufacturing, to environmental management, we gradually set goals and introduce various standards. We are willing to do our best to improve the environment, reduce environmental impact, and produce eco-friendly products.	●	●	○	●	○	○	3-3 301-1 416-2

Table 1.3.7 Relationships between material topics, Advantech's value chain, and corresponding GRI topics

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

2 Corporate Management and Governance

2.1 Operational Performance and Corporate Governance Structure

2.2 Information Security Management

2.3 Supply Chain Sustainability Management

2.4 Risk Foresight and Crisis Management



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

2.1 Operational Performance and Corporate Governance Structure

2.1.1 Company Profile

Since its establishment in 1983, Advantech has focused on the field of global Industrial Internet of Things (IIoT), providing corporate customers with a comprehensive range of services, including software and hardware system integration, customized design solutions, and localized global technical support. Now, we are the global leader in the IoT intelligent systems and embedded platforms industry, with "Enabling an Intelligent Planet" as our corporate brand vision.

Advantech is a TWSE listed company, listed and traded on the Taiwan Stock Exchange since 1999 (TWSE2395). Its operating headquarters is located in Neihu Technology Park, Taipei, Taiwan. It has business locations spanning a total of 27 countries across regions including Europe, the Americas, and Asia; the Company's three major manufacturing centers are located in Linkou, Taiwan; Kunshan, China; and Fukuoka, Japan. Furthermore, it has established four major logistics management centers and 21 local service centers, delivering real-time, comprehensive integrated services to global customers through a fully developed service system.

Advantech and its affiliates specialize in the manufacturing, assembly, sales, and after-sales service of industrial computer related products (details in 2.1.2 Organization Chart). Its main business groups include: the four major business sectors: Embedded Sector, Intelligent System Sector, IoT Automation Sector, and Intelligent Services Sector. The Company focuses on five major key markets including Edge Intelligent Systems, Smart Manufacturing, Energy and Utilities, Intelligent Healthcare, and Intelligent Retail and Services, providing diverse application solutions to meet the needs of customers across various industries. Embracing the trend of Edge Computing and Artificial Intelligence (AI), Advantech will focus its strategy on Edge Computing and Edge AI to bolster its global presence and enhance core competitiveness. By integrating our Edge Computing hardware platform products and the industrial IoT software platform WISE-IoT, with industry Edge AI solutions and industry knowledge, we will shift towards a co-creation-centered business model for integrated industry applications, helping our partners and customers to connect within the industry chain. Furthermore, we work closely with partners across different industries to "co-create" industry ecosystems, aiming to accelerate the realization of industrial intelligence.

⊙ Refer to: Advantech Co., Ltd. introduction film.

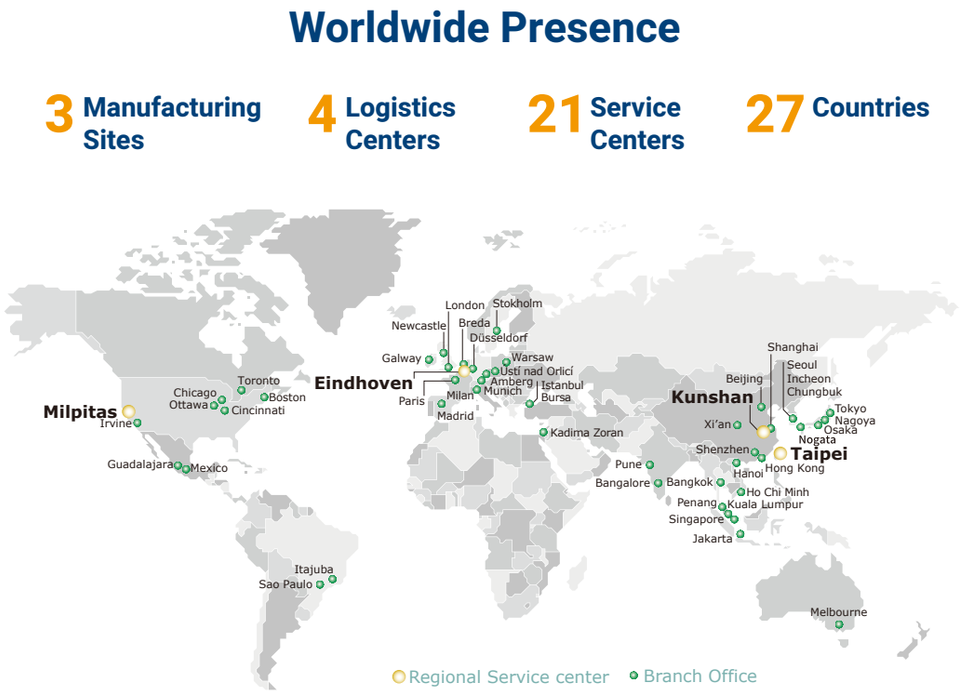


Figure 2.1.1 Distribution of Advantech operating locations

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

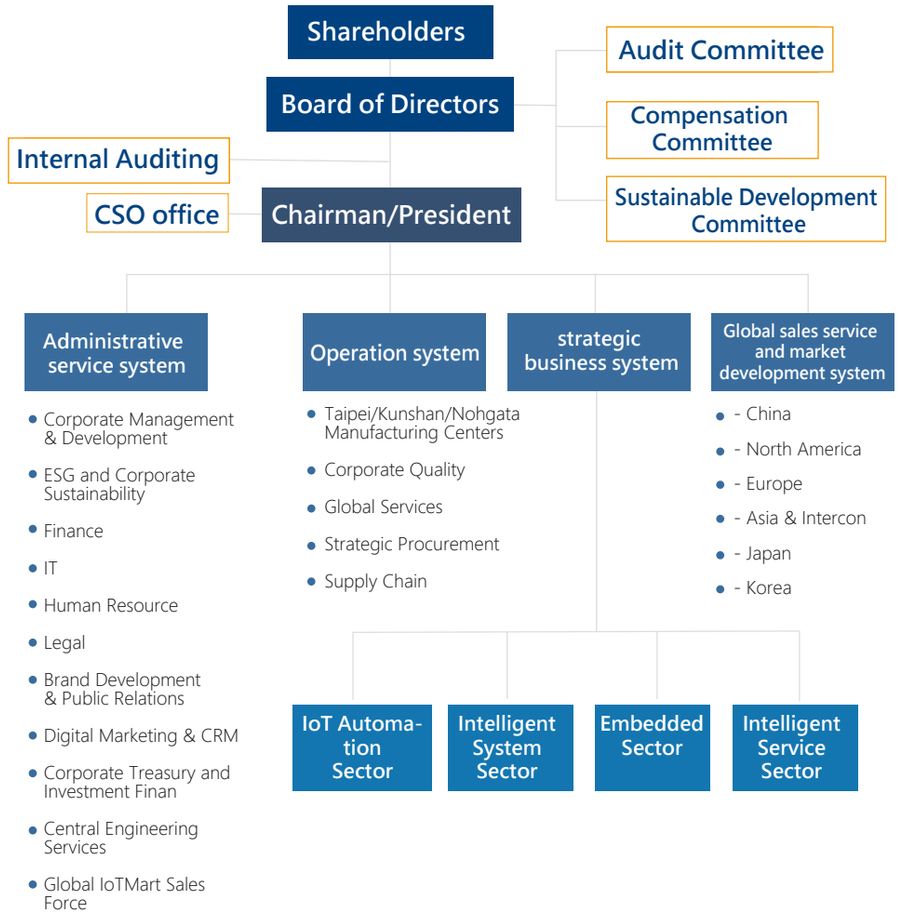


Figure 2.1.2 Organizational chart of Advantech

Management Performance and Brand Value

In 2024, Advantech's consolidated revenue declined by 7% year-on-year due to systemic factors such as global high inflation, geopolitics, and the U.S. Presidential election. While the gross profit margin saw a slight increase compared to the same period last year, both the operating and net profit margins declined due to the slowdown in revenue performance. The EPS for 2024 was NTD10.45

Advantech has long remained focused on its core business while building a strong financial foundation. The Company maintains a high dividend payout policy to share business results with shareholders. In 2024, a total cash dividend of NTD 8.4 was distributed, representing a payout ratio of over 80%, reflecting Advantech's commitment to delivering greater shareholder value. For the historical financial performance please refer to the Company's official website. Since its founding, Advantech has focused on building its own brand. In 2024, with a brand value of USD 851 million, Advantech was awarded 5th place in Branding Taiwan, and has steadily remained in the top 5 of Branding Taiwan for seven straight years.

* According to the 2024 evaluation results by Interbrand, an internationally renowned brand valuation agency commissioned by the Industrial Development Administration, Ministry of Economic Affairs (MOEA). For more details, please refer to the website

Main products	2024			
	Sales amount (NTD thousand)	%	Product output (set/piece)	Percentage of production at self-owned facilities (%)
Embedded board and system	24,481,581	41%	3,256,697	99%
Industrial computers and industrial controls	29,136,515	49%	3,170,338	100%
After-sales service and others	6,168,197	10%	492,624	100%
Total	59,786,293	100%	6,919,659	99%

Table 2.1.1 Advantech's Products, Revenue Proportion, and Production Output for 2024

Note: The area of production plants is as follows: Manufacturing Center in Linkou, Taiwan (553,030 ft²); Manufacturing Center in Kunshan, China (1,107,821 ft²); Manufacturing Center in Fukuoka, Japan (162,902 ft²)

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

2.1 Operational Performance and Corporate Governance Structure

2.2 Information Security Management

2.3 Sustainable Management of the Supply Chain

2.4 Risk Foresight and Crisis Management

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

Advantech Value Chain and Business Development

Advantech operates in the Industrial Computer (IPC) industry, which originated from factory automation and was first applied in the monitoring, testing, and control of instruments and mechanical equipment. However, with the integrated advancement of communication, networking, software, and optoelectronic technologies, industrial computers have expanded beyond traditional manufacturing to encompass diverse applications such as smart cities, retail, transportation, and healthcare. From MRT card readers and automated ticketing kiosks to POS systems, digital signage, and smart building management systems, this technological evolution has fueled the strong growth of the industrial PC (IPC) industry, ultimately prompting its renaming to "Intelligent Industry".

In terms of the upstream, midstream, and downstream relationships within the industry, the supply chain for industrial computers and embedded boards is as follows: In the upstream, there are components such as chipsets, CPUs, PCBs, DRAMs, logic ICs, connectors, passive components, and other components. The midstream sector includes I/O equipment, single board computers, barebone systems, industrial computers, and industrial computer peripherals. In the downstream, it includes system integrators, distributors, and end consumers. The upstream, mid-stream and downstream of the IoT are consolidated by the collaboration of different vendors to provide customers with effective services and form close partnerships. For more information, please refer to the chapter on Sustainable Supply Chain Management.

However, as the world is embracing the golden era driven by Edge Computing and AI, the rise of IoT and intelligent technology will reshape the industry landscape. As a global leader in industrial computers, Advantech launched a rebranding plan in 2024 with a forward-looking vision, evolving from a traditional IPC giant into a world-class leader in Edge Computing and Edge AI. Looking ahead, Advantech will focus its strategy on Edge Intelligent Systems, placing emphasis on five key markets including Smart Manufacturing, Energy and Utilities, Intelligent Healthcare, and Intelligent Retail and Services. By reinforcing its global presence as well as strengthening talent cultivation and the partner ecosystem, we strive to promote industry transformation and devise next-generation intelligent applications.

Advantech builds on its vision of "Enabling an Intelligent Planet", combining AIoT technology and industry ecosystem strategy to establish a solid foundation for sustained growth. In 2024, Advantech increased its focus on enhancing core competitiveness in the ASEAN region by expanding its operating location in Singapore and transforming it into an Asia-Pacific Business Development Center. The aim is to drive the comprehensive development of AI, strategic planning, brand, and PR. Advantech's Malaysia location will serve as a hub for after-sales maintenance services in the Asia-Pacific region, advancing its industry localization strategy, training local talent through industry-academia collaboration, and expediting the development of the AIoT industry. In 2024, Advantech also completed the first phase equity acquisition of AURES Technologies SA, a well-known French provider of retail POS and KIOSK equipment. The acquired entity will be officially renamed "ADVANTECH-AURES", and by inheriting AURES's brand spirit and value proposition while integrating Advantech's abundant industry expertise, it will be dedicated to gaining a global leadership position in integrated solutions and services within the smart retail and catering market, thereby bolstering Advantech's key role in the field of smart city services.

In the future, through sound technical innovation and market expansion strategies, Advantech will embody the spirit of "Enabling an Intelligent Planet", working towards the goal of becoming a global leader in intelligent industry.

Regional market performance in 2024

US$mn	2024	2023	YoY	Rev%
North America	573	657	-13%	31%
Europe	312	388	-20%	17%
China	422	431	-2%	23%
North Asia	197	217	-9%	10%
Taiwan	121	103	+18%	6%
Asia Pacific and Overseas Emerging Markets	173	184	-5&	9%
Other Regions	71	94	-25%	4%
Total	**1,869**	**2,074**	**-10%**	**100%**

Figure 2.1.3 2024 Advantech Revenue Breakdown by Region (USD)

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

2.1 Operational Performance and Corporate Governance Structure

2.2 Information Security Management

2.3 Sustainable Management of the Supply Chain

2.4 Risk Foresight and Crisis Management

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

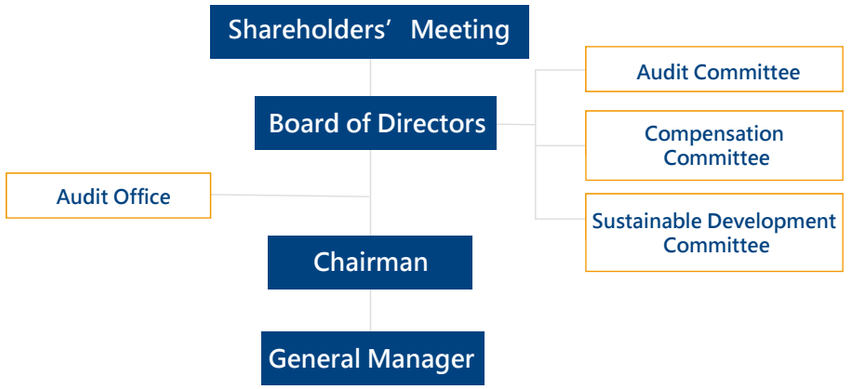
Appendix

2.1.2 Corporate Governance

Corporate governance is essential for long-term operations. Advantech values discussions and interactions with stakeholders. In terms of the Board of Directors' structure and functional committees, all self-expectations exceed the standards required by laws and regulations, and are reviewed and optimized annually.

For more details, please refer to the official website Audit system, Code of Ehtics and Business Conduct, and Guideline for Insider Trading Prevention Management, *Article of Incorporation(note 1).

Note 1: "In accordance with the Company Act, any amendments to Advantech's Articles of Incorporation must be approved by the shareholders' meeting."



Fgure 2.1.4 Advantech Corporate Governance Structure

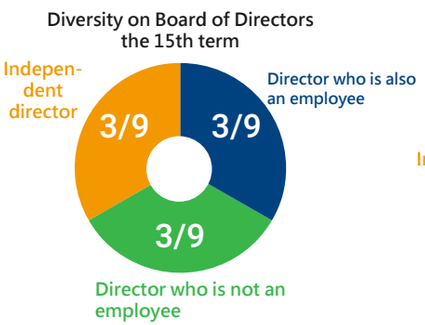
Composition and functioning of the Board of Directors

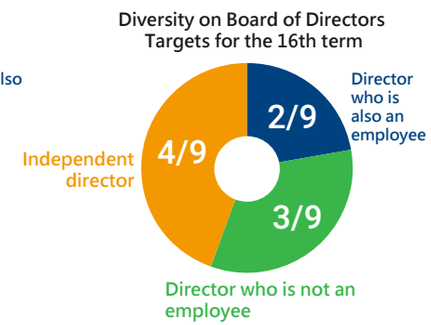
Advantech is committed to enhancing the effectiveness of its Board of Directors and has implemented a comprehensive director selection system. Board member appointments adhere to a diversity policy,with evaluations encompassing industry background, professional expertise, age, and gender balance to foster a broad range of perspectives. In addition to considering international market outlook, professional and academic achievements, and risk management capabilities, Advantech also plans to incorporate sustainability expertise into the evaluation criteria for Board members. The selection of director candidates follows the candidate nomination system under "Article 192-1 of the Company Act", and are elected by the shareholders' meeting from the list of candidates; independent directors are recruited in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. In addition, according to the Company Act, the Board of Directors shall execute its duties in accordance with applicable laws and regulations, the Articles of Incorporation, and resolutions of the shareholders' meeting. Should any resolution result in damage to the company due to violation of such provisions, the directors participating in the resolution may be held liable for compensation. However, those who expressed dissent and had it recorded in the meeting minutes shall be exempt from such liability. Advantech also procures Directors and Officers Liability Insurance (D&O Insurance) for all board members annually. For further details regarding the D&O Insurance policy, please refer to page 49 of the 2024 annual report.

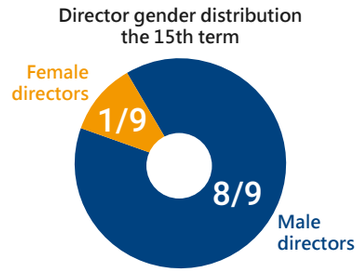
Advantech is currently in its 15th term of Board of Directors, consisting of nine members. The current board term spans from May 25, 2023, to May 24, 2026. The composition of the current Board of Directors and the developmental goals for the upcoming 16th term are illustrated in the figure below. One Board seat will be designated to the Advantech Cultural and Educational Foundation, ensuring representation of public welfare stakeholders in the Board's composition. Overall, the composition of Advantech's Board of Directors complies with the principle of diversity. The directors' diverse professional perspectives are constructive and beneficial to the Company's ability to cope with operational, industry, and sustainability impacts. The average tenure of the 15th Board of Directors as of the end of December 2024 was 9.8 years.

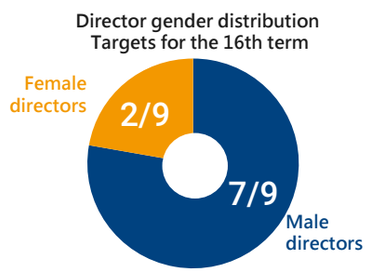
For more details, please refer to the official website:Board of Directors.

For details on the minimum seat requirements for independent directors and female directors, please refer to the official website Corporate Governance Best Practice Principles









About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

In terms of sustainability expertise, Director Jeff Chen previously served as Global Vice President and Asia President at Stanley Black & Decker. With extensive experience in managing large international corporations and expertise in M&A strategy and multinational operations, he brings valuable diverse and global perspectives to Advantech's sustainability governance decisions. Director Ji-Ren Lee, on the other hand, has professional experience in corporate strategy, talent development, and risk management across various companies. His wealth of practical experience in corporate governance is essential in establishing a strong governance framework and ensuring effective oversight of sustainability mechanisms. The current composition of the Board of Directors embodies the spirit of sustainability. In the future, efforts will be made to further enhance the sustainability functions of the Board. The Founder and Chairman, K.C. Liu, also serves as a CEO. The Company complies with the conflict-of-interest avoidance provisions set forth in the "Board of Directors Rules of Procedure" and has implemented a robust co-governance mechanism to enhance the balance of power and mitigate conflicts of interest.

⊙ The definition of Advantech's controlling shareholders is the same as that in the annual report. Refer to the official website for details Top ten shareholders.

Functional Committee of the Board of Directors

The setup of functional committees exceeds regulatory requirements. 2024committee composition and implementation status are as follows:

Functional Committee	Members	Attendance rate	Resolution items (Please refer to official website)	External expert consultants Provide opinions but have no voting rights
Compensation Committee (statutory)	Independent Director, Ming-Hui Chang (convener) Independent Director, Benson Liu Independent Director, Chan-Jane Lin	100%	2024	
Audit Committee (statutory)	Independent Director, Benson Liu (convener) Independent Director, Ming-Hui Chang Independent Director, Chan-Jane Lin	100%	2024	
Audit Committee (statutory)	Independent Director, Benson Liu (convener) Independent Director, Ming-Hui Chang Independent Director, Chan-Jane Lin	100%	2024	Ellen Lee/DDI Consultant (talent strategy)

Expanded Sustainable Development Committee (SDC) Mechanism

In July 2022, Advantech officially established the Sustainable Development Committee (SDC) at the board level to hold meetings quarterly to formulate the Company's long-term development strategy. Among them, the Q1 / Q3 SDC meeting is positioned as an "Expanded SDC", inviting all directors, external experts, consultants, and senior management on an expanded basis to discuss in-depth Advantech's business model innovation, business inheritance, medium and long-term vision, and other key development issues. In 2024, two expanded SDCs were convened. Discussion topics included the corporate operating structure and transition towards a Sector Driven model, which involves reforming the past business model centered on "products" , completely shifting to an "industry" focused approach, concentrating on industry-specific vertical markets, consolidating internal resources, targeting pioneering industries, and driving product innovation in response to industry demand. Guided by the diverse professional insights of external consultant teams and Sustainable Development Committee members, Advantech is streamlining its global organization, forming a talent pipeline and expert industry teams, in a bid to promote the long-term transformation of its corporate operating structure. Other topics discussed included the optimization of internal corporate management systems and talent training; revitalization of financial and investment issues including M&A; key AI industry technologies and trends; strategic topics such as Emerging Business Department development; and policies on compensation structures and incentive systems. This mechanism enables the broad integration of opinions from external consultants, fosters internal consensus, and drives reform, embodying the power of collective intelligence and execution.

⊙ For details, please refer to the official website Functional Committee.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Board of Directors Operations Status, Continuing Education, and Evaluation

Operating status: The Board of Directors convened five meetings in 2024. Board members demonstrated good attendance, the agenda proceeded smoothly, and proposals were thoroughly discussed and effectively resolved through active engagement. In general, the Board functioned efficiently.

⊙ For details, please refer to the official website Board of Directors' operating status:

Job Title	Name	Number of attendance	Number of absences	Attendance rate (%)
Chairman	K.C. Liu	5	0	100%
Director	Advantech Cultural and Educational Foundation Representative: Chaney Ho	5	0	100%
Director	K and M Investment Co., Ltd Representative: Wesley Liu	5	0	100%
Director	AIDC Investment Corp. Representative: Tony Liu	5	0	100%
Director	Jeff Chen	5	0	100%
Director	Ji-Ren Lee	5	0	100%
Independent director	Ming-Hui Chang	5	0	100%
Independent director	Benson Liu	5	0	100%
Independent director	Chan-Jane Lin	5	0	100%

Continuing education status and operating strategy

In 2024, each director received an average of 7.2 hours of training, higher than the statutory minimum requirement of 6 hours. Advantech encourages directors to pursue continuing education and keep abreast of international trends in their professional fields. Besides regularly disclosing information on governance courses offered by professional organizations such as the Taiwan Corporate Governance Association, Securities & Futures Institute (SFI), and Taiwan Institute of Directors for reference. The Company organized director training seminars, and topic selection is determined based on the broad operational risk map and material topic. In terms of lecturer selection, external industry consultants and experts from academia are invited according to topic. The course content balances theory and practice to maximize the strategic effect on business operations. In November 2024, Advantech held an internal professional development course for directors titled "Strategic Integration of Growth Objectives and M&A Activities." The course aimed to facilitate in-depth discussion among directors and managers on topics such as M&A strategy-related knowledge, risks, and management. For the course, David D.R. Wang, Chief Executive Officerand President of Yageo, was invited as a lecturer to share Yageo's M&A process and success stories through interactive discussions with directors and managers. Also invited was Dr. Allen Tsai, Founder of the Taiwan Institute of Directors, who contributed his insights and experience in the M&A market. Going forward, bespoke training plans will be developed for individual directors by considering the diversity of their backgrounds and areas of expertise, with the aim of boosting their core competencies. Continue to elevate the professionalism and international perspective of the directors through precision training. Recently, ESG has become an inevitable obstacle for companies, and Board members are vigorously absorbing ESG-related knowledge to make sure that their advice for Advantech's strategic development remain relevant and contributes to the Company's long-term growth.

Overview of directors' ESG continuing education for 2024

Director	Organizer	ESG continuing education	Total hours of continuing education
Wesley Liu	Taiwan Corporate Governance Association	An exploration of corporate employee remuneration strategy and tool application	3
Chaney Ho	TWSE	2024 Cathay Sustainable Finance and Climate Change Summit	6
Benson Liu	Taiwan Corporate Governance Association	20th (2024) Corporate Governance Summit	6
	Taiwan Corporate Governance Association	Seminar on Strengthening Resilience and Sustainability Governance	2
Chan-Jane Lin	Taiwan Corporate Governance Association	Co-Creating the Green Ecosystem: Megatrend and Vision-TCX Operations and Prospects	1
	Taiwan Corporate Governance Association	Seminar on Strengthening Resilience and Sustainability Governance	2

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Board of Directors evaluation mechanism:

Advantech has established a rigorous evaluation mechanism for the Board of Directors and functional committees. Annual self-evaluations are conducted and external evaluations conducted by third-party professional institutions every three years. The Board of Directors reports the evaluation results in the first quarter of each year. To address deficiencies, the management team coordinates resources and collaborates across departments to make improvements every year. Advantech has completed its 2024 internal self-assessment of the performance of the Board of Directors, individual directors, the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee. The specific assessment results and improvement plans were reported to the Board in Q1 of 2025.

CEO and senior managers compensation system

Policy objective: Regularly assess the salaries and compensation of managers to incentivize the CEO and senior managers to achieve the Company's goals, generate profits, and enhance business performance, as well as consider the reasonable correlation with future risks. Operations are carried out in accordance with Advantech's "Measures for the Management of Managers' Salary and Remuneration."

Governance unit: Advantech has established a functional "Compensation Committee" at the Board level. The 15th term comprises three independent directors serving as members, thereby ensuring its independence. External consultants are also called upon to improve decision-making quality: Third-partyconsulting firms are regularly appointed to investigate remuneration levels and trends; external expert consultants are invited to provide insight and analysis depending on the topic from time to time to assist the Remuneration Committee in making an overall assessment and proposing optimal remuneration policies.

Deliberation process: The Remuneration Committee is responsible for the periodic review of compensation policies, frameworks, and standards for managers, as well as the performance assessments and compensation systems for both directors and managers of the Company. In doing so, the committee considers factors like industry compensation levels, individual and corporate performance, and the reasonable association with future risks, submitting its findings to the Board for deliberation. Furthermore, Advantech values the participation and feedback of stakeholders, including shareholders. In addition to fully disclosing individual director remuneration information in the annual report, Advantech also reports on the "Allocation of Employee Remuneration and Director Remuneration" at the annual shareholders' meeting, informing shareholders and soliciting feedback. Advantech's 2024 Annual Shareholders' Meeting was held on May 30, with a shareholder attendance rate of 93.11%. The report proposal "Allocation of Employee Remuneration and Directors' Remuneration" has been submitted to shareholders for their attention, and no objections were raised during the meeting.

⊙ For details, please refer to the official website Remuneration Committee, 2024 Shareholders' Meeting minutes, 2024 Annual Report (P21~24) Director Remuneration

Remuneration structure and short-term and long-term incentive program

- **Fixed salary:** Includes base salary, various allowances, and a fixed annual bonus equal to one month's salary. This is determined according to their respective professional qualifications and market compensation benchmarks.
- **Variable salary:**
  - Short-term incentive program - Cash bonuses: The bonuses are awarded based on their performance achievements from the previous year and are divided into personal performance bonuses and team profit-sharing bonuses.
  - Long-term incentive program - Share Options / Stock Warrants (incl. ESOP, PSOP*): Long-term incentive program - Stock options (including ESOP and PSOP*): This is designed to retain top talent and incentivize long-term value generation. The program features a three-year performance appraisal period, with a five-year deferral period for disbursement.Progress towards targets is assessed annually on a rolling cumulative basis, culminating in a final performance evaluation at the end of the vesting period.

*ESOP: Employee Stock Option Plans, PSOP: Performance Stock Option Plans.

Performance metrics: Divided into financial and strategic metrics, these include qualitative and quantitative metrics for regular performance evaluations. The strong association between compensation and performance bolsters strategy execution and sustainable growth.

Financial Indicators	Performance metrics include revenue growth rate, profit growth rate, ROE, and the relative metric TSR (Total Shareholder Return). The relative metric TSR performance is tied to the CEO's performance and benchmarked against the annual average of the top 50 Taiwanese electronics companies (by market cap), with a direct correlation to CEO compensation.
Strategic Indicators	Growth-oriented KPIs and KPIs for project-based business transformation initiatives are developed based on key corporate strategies and broken down into detailed execution steps for continuous progress. In principle, the weighting between financial and strategic metrics is typically allocated 50/50 for the CEO and senior management.

Risk linkage: The clause stipulates that if a significant risk event occurs that materially damages the company's goodwill, if there is a substantial breach of labor contract or work regulations, or if performance expectations are impacted significantly, previously disbursed compensation—including bonuses and phantom stock (regardless of any deferral period)—may be subject to clawback from the CEO and management, thereby ensuring robust risk control.

Severance and retirement benefits: Advantech does not have a severance pay system in place. In terms of retirement benefits and contribution rates, directors are not entitled to retirement benefits. Senior management's retirement benefits and contribution rates are consistent with those of general employees, in compliance with regulations set by the Ministry of Labor and the Labor Pension Act.

⊙ Please refer to Ministry of Labor's official website-New Labor Pension System Introduction, 2024 annual report (P21~24) " Directors' Remuneration" and " Managers' Remuneration" form.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

ESG Performance and Incentive Mechanism

Advantech has continued to advance its vision of "Enable an Intelligent and Sustainable Planet". In 2022, they established and implemented an ESG KPI mechanism for senior executives, including the Chairman, Co-Governance President, senior management, responsible managers, members of the ESG Corporate Sustainability Development Office, and other accountable colleagues. This mechanism includes ESG sustainability indicators such as environmental, social, and governance aspects. Major performance evaluation items for 2024 are planned. The incentives and remuneration are mainly based on Employee Stock Option Plans (ESOPs) supplemented by performance bonuses. The calculation period is Q1 of each year, with distribution taking place in Q2 and Q3. At the same time, goals and promotion plans are set and regularly evaluated by benchmarking domestic and international sustainability trends, Advantech's operations and risk management mechanisms. Payments are made based on sustainable goals, quantitative indicators, and actual performance. In 2024, as part of the execution results, Advantech awarded over 14,000 shares and over NTD 3.4 million in cash incentives to senior management, junior and middle management, and frontline staff for their excellent ESG performance.



The ESG KPI incentive mechanism planning is outlined below:

KPIs setting method	Motivating groups	Incentive mechanism
Referencing domestic and international sustainability trends and Advantech's key sustainability themes, we integrated KPIs into corporate operations and risk management to plan E S G goals.	• CEO • Mid-level and junior managers • Executive colleagues	• Cash reward mechanism • Employee Stock OptionPlans (ESOP)

environmental orientation	Indicators include green products, water, electricity, waste and VOC reduction targets, renewable energy development goals, CDP, smart energy management system EMS layout of key operating locations, etc.
Social aspect	Indicators include turnover rate, talent development and retention, diverse and inclusive workace construction, loT innovation and education, occupational safety and health, etc
Governance-oriented	ndicators include the proportion of revenue from sustable smart solutions, benchmark-based ESG assesssments (such as corporpote governance assessments, EcoVadis, DUSI, etc.), information securty, tax policies, and board-wide diversifed ment.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Shareholding requirements of CEO and senior management

Advantech believes that the long-term ownership of the Company's shares by the senior management team can strengthen the concept of connecting with the long-term interests of shareholders. According to the "Salary and Remuneration Measures for the Management" published by Advantech's Remuneration Committee on October 28, 2022, it is specified that the number of shares held in the Company by the Chief Executive Officer / CEO and President of the Company shall not be less than 10,000 shares, in order to fulfill the commitment to sound corporate governance. In 2024, the Founder and Chairman of the Company, K.C. Liu, held shares equivalent to approximately 1,269.84 times his fixed salary, while the average shareholding for the three Co-Presidents was 8.38 times their respective fixed salaries (the calculation includes spouses' shareholdings).

Annual total compensation ratio

- In 2024, the ratio of the annual total compensation of the highest paid individual to the median annual total compensation of other employees of the organization: 12.1 (6 major regions)
- YOY ratio: The ratio of the annual percentage increase in the total compensation of the highest paid individual to the median annual total compensation percentage of other employees in the organization: -1.88

Description:

Calculation methods for salary types and definitions, annual total compensation, and the median for other employees, etc., follow the GRI Standard, based on a ranked sampling of the total annual compensation of all company employees.

1.In 2022, the annual salary multiple was calculated using 5 major regions. In 2023 and 2024, it was calculated using 6 regions. (In 2022, complete compensation statistics for the US, one of the 6 regions, were unavailable and thus could not be disclosed.)

2.Due to its high correlation with Advantech's overall operational performance, the highest individual annual compensation experienced a negative change, reflecting the impact of Advantech's overall results in 2024. Given that the Company's overall operational performance has a relatively limited impact on employee compensation levels, the median annual total compensation for other employees in the organization still recorded a positive increase. Consequently, YOY Ratio is negative.

3.Median annual salary: Since complete raw data is not available for some overseas regions, the following formula is used for calculation. The denominator is the median for the six major regions, calculated using the average total annual compensation within those regions and based on the formula for calculating the approximate median using grouped data.

$$\text{Medium approximation} = L + \frac{(N/2) - B}{G}$$

- L is the average of the group containing the median
- n is the total number of data transactions
- B is the cumulative number of transactions including each group before the median
- G is the number of transactions in the median group

Integrity management: Compliance with Laws, Anti-corruption, and Anti-competitive

Integrity management is an important part of the internal control mechanism of corporate governance. Advantech identifies applicable laws and regulations and coordinates with relevant internal units to assess, develop, and implement corresponding internal policies, thereby ensuring effective legal compliance with practical operations. The principles of compliance with laws, anti-corruption, anti-competition, and social responsibility in integrity management are closely tied to the Company's reputation, which is a key foundation of Advantech's commitment to sustainable operations.

Key Promotion Projects in 2024

- In compliance with the amendments to the Gender Equality in Employment Act, Advantech headquarters completely updated its "Measurement for Prevention, Correction, Complaint and Punishment of Sexual Harassment in Workplace of Advantech Co., Ltd."
- A more comprehensive sexual harassment response mechanism has been established, including the formation of a Sexual Harassment Committee and the engagement of external professionals to provide support.
- Provide holistic training programs, with a strong emphasis on employee well-being (mental, emotional, and physical health).
- Ensure full compliance with the latest regulatory requirements

Promotion and Implementation of Integrity Management

Advantech's integrity management education and training course is mandatory for all employees, designed to strengthen their awareness of corporate ethics, legal compliance, and the culture of integrity. The course includes the " Advantech Code of Ethics and Business Conduct" ," Advantech Business Conduct" , and the "Employee Integrity Commitment Letter," promoting the Company's policies on anti-bribery, anti-corruption, and the prohibition of improper benefit acceptance, demanding our employees to uphold the principles of fairness, transparency, and integrity.

The training also explained the company's comprehensive reporting system, allowing employees, suppliers, and external stakeholders to report suspicious behavior through a reporting mailbox or hotline. The company protects the identity of whistleblowers, and independent investigations and handling of reports by the audit department are conducted. The company protects the confidentiality of the identity and content of the whistleblower and strictly prohibits retaliation or unfair treatment. Advantech adheres to a zero-tolerance policy for retaliation. Relevant reporting channels and complaint resources are also publicly available for employees to use.

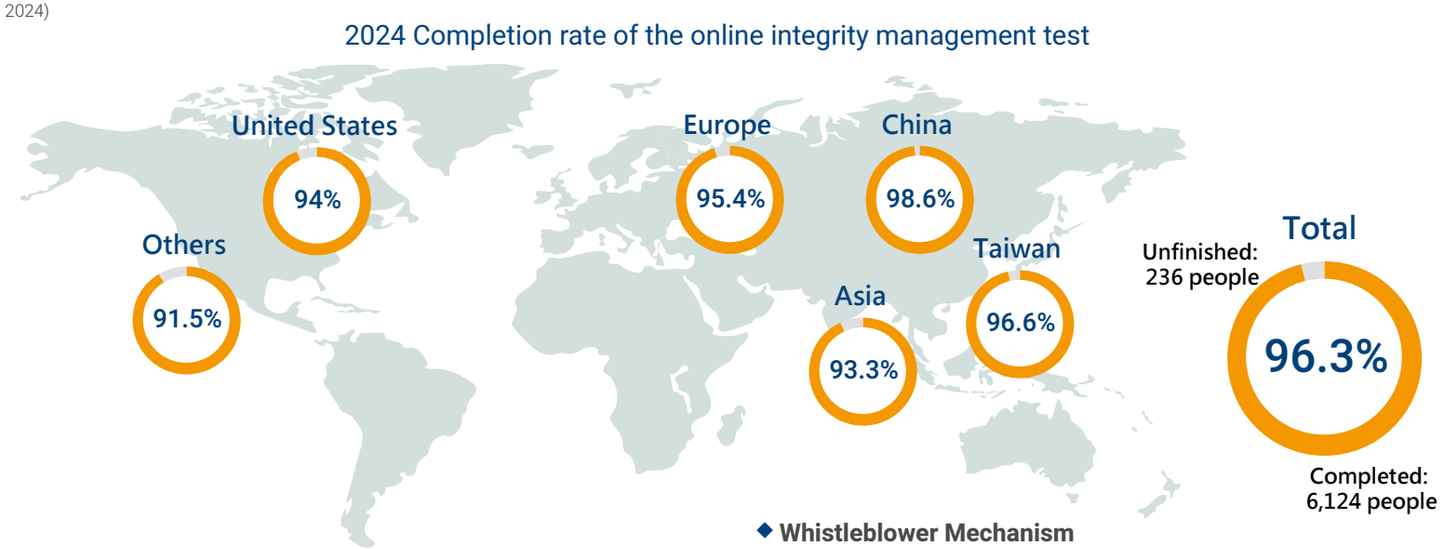
Through this training, we hope that every employee will become familiar with the Code of Conduct for Business Integrity, clearly define the boundaries of workplace behavior, effectively utilize reporting resources, and work together to maintain an honest and fair operating environment within the company.

Purchasing department	IT department	human resources department	Legal department	Audit department
Suppliers are required to sign the Integrity and Ethics Commitment Letter through the Supplier Management System. In 2024, the return rate reached 99%.	An education and training system has been established, which includes periodic reminders to complete training sessions and associated assessments.	Training programs are conducted covering topics such as the Code of Integrity and the Advantech Code of Conduct.	Regulatory compliance is ensured through annual reporting to the Board of Directors. Under the supervision of the Board, compliance with relevant regulations is strictly maintained.	Whistleblowing procedures have been established, along with effective accounting and internal control systems, to audit and prevent unethical behavior.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Integrity management education and training outcomes

(Data source: as of October 18, 2024)



Completion rate of online integrity test globally

Below are Advantech's material breach of laws and regulations in 2024:

*Definition of material breach of laws and regulations: Any breach of laws and regulations as per the material information listed by the Financial Supervisory Commission (Taiwan, ROC).

Material breach of laws and regulations (including incidents of fines and non-monetary sanctions) in 2024

- **Corruption and bribery incidents: 0**
- **Discrimination and harassment incidents: 0**
- **Breach incidents of customer privacy data:0**
- **Conflicts of interest incidents: 0**
- **Fraud, money laundering, and insider trading incidents: 0**
- **Anti-competitive behavior, Antitrust and Monopolistic Practices, and Market Manipulation incidents: 0**
- **Other incidents involving integrity management or material breach of laws and regulations: 0**
- **Significant pecuniary losses caused by relevant legal proceedings and penalties in 2024: 0 (including pecuniary losses during this report and during previous reporting periods)**

- **Whistleblower Mechanism**
  Advantech has established a comprehensive whistleblower mechanism for employees, suppliers, and stakeholders to report any violations of integrity or misconduct. Reports can be submitted either in writing or via email to the Audit Supervisor. All reported cases are independently investigated by a special task force appointed by the Chairman, and when necessary, the Audit Committee is informed. The company ensures confidentiality of the whistleblower's identity and the content of the report, strictly prohibiting any retaliation or unfair treatment. All investigation materials are securely maintained to guarantee a fair process and proper case follow-up. Relevant documents can be accessed on the company's official website. Advantech adheres to a zero-tolerance policy for retaliation." The company protects the confidentiality of the identity and content of the whistleblower and strictly prohibits retaliation or unfair treatment.
- **In 2024, the number of "anti-competitive behavior, antitrust and monopolistic practices, and market manipulation incidents" was 0, pecuniary losses from litigation amounted to NTD 0 (including pecuniary losses during this report and during previous reporting periods)**
- **Political donations in 2024: 0**

⊙ For compliance with laws and anti-corruption information, please refer to Advantech's official website: Significant internal regulations, Integrity Business Code, Insider Trading Prevention Management Policy

⊙ For internal audit system-related information, please visit Advantech's official website: Internal Audit - Investor Relations - Advantech

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

2.1 Operational Performance and Corporate Governance Structure

2.2 Information Security Management

2.3 Sustainable Management of the Supply Chain

2.4 Risk Foresight and Crisis Management

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

Tax policy

Advantech adheres to the spirit of altruism, aspires to, and is committed to giving back to society while the Company is thriving. In terms of tax policy, it is our responsibility to pay reasonable taxes to contribute to the social and economic environment of the countries where we operate, refrain from engaging in aggressive tax arrangements, and comply with all relevant tax laws and regulations. According to the Group's tax policy, Advantech headquarters and subsidiaries in Taiwan and abroad shall abide by the following principles:

- Act at all times in compliance with the spirit and the letter of the relevant tax laws and regulations in the countries in which we operate.
- Advantech complies with Organization for Economic Cooperation and Development (OECD) Transfer Pricing Guidelines to prepare three-tier transfer pricing documentation.
- Transfer pricing is set based on the "arm's length principle." Profits from each operating entity are reasonably remunerated for the risk and complexity of each entity's activities.
- Advantech's major decisions are made mainly based on business purposes, and then supplemented by tax analysis to search for optimal solutions.
- Do not engage in any arrangement that transfers value created to low tax jurisdictions or tax havens simply for reducing tax burden. Do not use tax havens or tax structures whose sole purpose is for tax avoidance.
- Assess tax risk periodically and reduce it by negotiating Advance Pricing Agreement (APA) with local tax authorities in the countries Advantech generates high income.
- Build mutually respectful relations with tax authorities based on mutual trust and communication, information transparency, and tax payment with integrity.

Tax Governance

Advantech is subject to tax laws and regulations in the various jurisdictions in which it operates or conducts business. Changes in tax laws and regulations could increase tax liabilities and compliance burdens, which will have an adverse impact on business operations. In order to effectively manage tax risks, Advantech complies with the tax laws and regulations, understands its tax liability and compliance status, identifies potential tax risks, prioritizes the issues, and handles them on a case-by-case basis. Technology tools are also being used for effective tax management. The aforementioned tasks and results are regularly reviewed by the management.

The strategy development of global finance and tax is led by the management, which delegates day-to-day responsibility to the headquarters' finance manager. Local accounting teams execute the tax filings in compliance with tax laws and regulations. In addition, Advantech has engaged external tax consultants and CPA firms for tax reporting and compliance services. Advantech's Audit and Risks Committee, delegated by the Board, oversees the quality and integrity of the accounting, auditing, and financial control practices of Advantech through periodic reviews of certain major matters. These include accounting policies and procedures, internal control systems, legal compliance, and corporate risk management, among others. Advantech's Tax Policy is reviewed by the Audit and Risks Committee and approved by the Board.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Tax Payment Status

(Unit: NTD thousand)

Country	Revenue	Net profit before tax	Current tax expense	Income tax paid	Number of employee
Taiwan	43,338,046	10,997,870	1,599,583	3,559,095	3,531
China	26,225,611	113,565	89,328	14,376	3,333
United States	18,518,902	743,537	181,895	111,672	533
Netherlands	9,526,209	-256,838	34,509	64,553	168
Japan	3,521,999	241,581	79,108	111,734	225
Korea	2,772,606	21,978	5,474	22,743	109
Other	4,214,041	863,167	96,413	103,554	950
Total	108,117,414	12,724,860	2,086,310	3,987,727	8,849

*Note:

1.The revenue, net profit before tax, and tax information in this table are aggregated amounts of audited local financial figures and intra-group related party transactions are not excluded.

2.The net profit before tax in the above table includes investment gain(loss) accounted using the equity method.

3.For the names of all constituent entities of the Group and their main business activities, please refer to the Appendix.

Table 2.1.2 2024 Revenue, net profit before tax, employee information and tax information (Unit: NTD thousand)

Effective tax rate

The Group's effective tax rate and cash tax rate for 2023 and 2024 are as follows:

Item	2023	2024	Average
Net profit before tax	13,266,699	10,974,528	12,120,614
Income tax expense	2,477,366	2,086,310	2,281,838
Income tax paid	3,315,259	3,987,727	3,651,493
Effective tax rate	18.67%	19.01%	18.83%
Case tax rate	24.99%	36.34%	30.13%

Source: pages 10 of the 2024 Advantech Co., Ltd. Consolidated Financial Statements; please refer to the "Consolidated Statements of Cash Flows" on page 13 for income tax payments.

*Note

1.Effective tax rate = Income tax expense ÷ net profit before tax

2.Cash tax rate = Income tax paid ÷ net profit before tax

3.Advantech's effective tax rate and cash tax rate for 2024 were 19.01% and 36.34%, respectively, while the average effective tax rate and cash tax rate over the past two years were 18.83% and 30.13%, respectively. Both rates are higher than the 2024 S&P Global CSA Handbook's average effective tax rate (15.39%) and cash tax rate (15.09%) for the "Technology Hardware & Equipment" industry group.

Table 2.1.3 Effective Tax Rates (unit: NTD thousand; %)

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

2.2 Information Security Management

Name of material topic	Description
Information Security Management	Advantech recognizes that information security issues are critical to the Company's operational stability, product safety, and brand value as a global leader in the IoT industry. These factors are critical for stakeholders such as employees, customers, and investors. Furthermore, the FSC also amended regulations to mandate information security requirements for TWSE / TPEx listed companies. In the event of a major information security incident, they are required to publicly disclose material information.
Management strategy	The National Institute of Standards and Technology's (NIST) Cyber Security Framework (CSF) serves as the foundation for the Company's information security management strategy. The framework has five main functions: Identification, protection, detection, response, and recovery primarily refer to the measures that need to be managed or adopted at each stage of a company being attacked: before the incident (identification and protection), during the incident (detection and response), and after the incident (recovery).
Policy or commitment	To safeguard Company and customer interests, we are dedicated to upholding information security, continuously evaluating the efficacy of information security management, and minimizing the frequency of information security incidents.
Positive impact	Recognizing the increasing importance of the positive impact of information security and supply chain information security in the technology industry, the Company's efforts in fortifying information security can raise customer confidence, enhance overall corporate risk management, and enhance resilience against operational risks.
Negative impact	Information security breaches can negatively impact business operations by leading to the breach of confidential information, system service disruptions, reputational damage, customer loss, and increased legal risks for the Company. ◆ The following actions and measures are implemented to respond to negative impacts: ◆ Implement a multi-layered defense-in-depth strategy through security mechanisms such as firewalls, endpoint protection, privileged account management, and two-factor authentication ◆ Continue to detect and monitor information security risks and establish an information security incident monitoring, response, and handling mechanism ◆ Implement 3-2-1 data backup for important systems and establish a remote disaster recovery mechanism. ◆ Introduce an information security management system to increase the overall sophistication of information security practices. ◆ Continue to organize information security awareness campaigns to reinforce employee information security awareness.
2024 target achievement overview	◆ Microsoft Security Score exceeds 70% ◆ Information security risk rating up to 78 ◆ The availability of key application systems reached 99.9% ◆ Conducted Information security awareness courses, achieving a completion rate of 91.7% ◆ Following social engineering email testing, headquarters and overseas subsidiaries achieved a pass rate of 84.3% and 77.4%, respectively ◆ Quarterly information security newsletters are distributed, with information security contests organized for Advantech's global IT departments. ◆ Target coverage rate of 100% for web security filtering and zero trust network access are implemented at headquarters and in Taiwan.

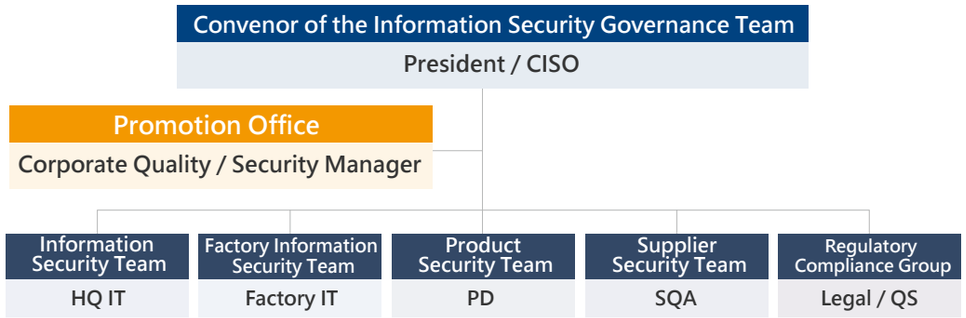
About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Name of material topic	Description
2025 Goals	◆ Information security risk rating up to 80 ◆ IT operations in Europe, North America, and China achieve ISO 27001 certification: 2022 revised standard ◆ Target coverage rate of 100% for web security filtering deployment in Japan and Singapore ◆ Target coverage rate of more than 80% for Zero Trust Network Access and NAC deployment at headquarters and in Taiwan ◆ Continue to expand the deployment of vulnerability patching tools on host systems within IT machine rooms, with a target coverage rate exceeding 80% ◆ The information security management dashboard system becomes operational, enabling centralized monitoring of key information security indicators across the four major regions: Taiwan, China, North America, and Europe. ◆ Azure cloud environment information security score exceeds 65% ◆ Complete the dual network project at Kunshan, China and major locations in Taiwan
2030 Goals	◆ Advantech introduces global web security filtering and zero trust network access ◆ The information security risk rating score remains higher than the industry standard, and is maintained at no less than 85 ◆ Certification to the ISO 27001:2022 standard for global factory operations
Key action plans or programs in 2024	◆ Headquarters IT server room operations and maintenance, the backbone network, and OT operations and maintenance at the Linkou plant complete the transition to ISO 27001: 2022 standard ◆ Introduce Security Access Service Edge (SASE), a cloud architecture that integrates network security and access control to enhance the security and performance of Internet use ◆ Fortify the digital asset management system to better understand and address Advantech's global information security risks, while also assessing the security posture of outsourced third-party suppliers. ◆ Develop the proprietary information security management dashboard system and complete preliminary testing and phased functional objectives by the end of 2024. ◆ Form a Security Committee for product information security and convene regular meetings to discuss relevant topics and monitor work progress.
Effectiveness assessment	◆ Continue to increase Microsoft Security Score to 70% ◆ Introduce information security risk rating tools, continuously monitor information security risk status, and take corresponding improvement measures to gradually improve the information security risk score to 78 ◆ Headquarters passed the external audit by a third-party certification body, maintaining compliance with the requirements of the ISO/IEC 27001:2022 standard for operations within the certified scope
Stakeholders impacted by the material topic and actions implemented by Advantech	◆ Employees: Provide mandatory online courses on information security and complete tests. ◆ Customers: Respond to customer questionnaires and audits, and provide relevant supporting records as needed. ◆ Suppliers and contractors: All suppliers are required to complete the Information Security Management Declaration. Suppliers of critical components and system services must also submit an risk self-assessment form and undergo regular information security audits. ◆ Shareholders and investment institutions: The Company's major action plans and results for improving information security are disclosed through the Company's annual and sustainability reports. ◆ Partners: Report and address information security issues together ◆ Government, public associations, and the media: Respond to inquiries from government units and relevant public associations, and provide supporting records as necessary.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Information Security Policy and Organization

To safeguard the interests of Advantech and customers, we are dedicated to upholding information security, continuously monitoring information security management performance, and minimizing the frequency of information security incidents. To demonstrate the Company's commitment to information security, Advantech has appointed the President as Chief Information Security Officer (CISO). A cross-departmental Information Security Governance Team has been formed, led by the Quality Control and Information Security teams. This team is in charge of promoting information security in various areas including computer information systems, physical environments, product security, supply chain management, and regulatory compliance. The Information Security Governance Team convenes a meeting every six months to review the management effectiveness, information security-related issues and directions. The Company also regularly reports the implementation status to the Risk Management Committee to integrate information security into the organization's risk management.



2.2.1 Information Security Governance Team Organizational Structure

Furthermore, to enhance the management of product-related security issues, the Company established a Security Committee in October 2024. The Committee is composed of representatives from the R&D departments of various business units, IT and cyber security, Quality Assurance, and other relevant functions, with the executive of the QA unit serving as Chairperson. The Committee convenes regularly to address matters related to the Company's products, including regulatory compliance, vulnerability management, development processes, and overall governance.



Figure 2.2.2: Security Committee Organizational Structure

Information Security Management Strategy

The National Institute of Standards and Technology's (NIST) Cybersecurity Framework (CSF) serves as the foundation for the Company's information security development roadmap. The framework has six main functions:

Identification, protection, detection, response, recovery and governance primarily refer to the measures that need to be managed or adopted at each stage of a company being attacked: before the incident (identification and protection), during the incident (detection and response), and after the incident (recovery).

In response to the United States Securities and Exchange Commission (SEC)'s rules governing cyber security risk management, governance, and disclosure of related events for Listed Companies, the Company has policies and relevant procedures for cyber security risk assessments; also supervise the cyber security risks of third-party service providers, and has contingency procedures and cyberattack recovery plans in place for cyber security incidents.

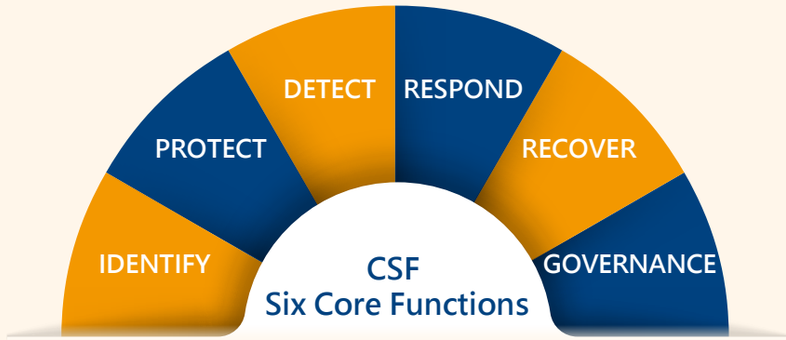


Figure 2.2.3: Cybersecurity Framework(CSF) 2.0 formulated by the US National Institute of Standards and Technology (NIST)

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Furthermore, the Company actively participates in information security information-sharing organizations such as the Taiwan Chief Information Security Officer Alliance (CISO Alliance) and the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) to obtain early warnings, threat intelligence, and vulnerability information related to information security. In collaboration with external security vendors and expert resources, the Company continues to monitors the latest trends, technologies, and developments in the field to strengthen its defense structure and measures, thereby effectively mitigating emerging threats.

In addition, the Company constantly assesses internal and external information security risks and trends to formulate corresponding information security management strategies accordingly. The current strategy focuses on reducing the attack surface, improving the visibility of information security risks, enhancing information security governance and risk awareness, as well as strengthening information security resilience. The information security-related action plans and key work achievements for 2024 are explained below.

Information security action plans and key achievements

Information security management system maintenance

Advantech obtained "Information Security Management System (ISMS) ISO/IEC 27001:2013" certification in 2019 and has continuously maintained the validity of the ISO/IEC 27001 certificate. In 2024, headquarters IT server room management and backbone network, as well as Linkou plant OT operations, achieved certification to the ISO/IEC 27001:2022 standard. By following the management framework and control requirements of international standards across the four dimensions of strategy, management, technology, and awareness, the Company continues to improve the depth and scope of its information security governance.

Reinforce employees' information security awareness

To enhance employees' awareness of information security, we have included information security as an annual compulsory course, providing e-Learning courses and online tests. In response to the increasing frequency of phishing mail attacks, the Company also simulates phishing mails from hackers through social engineering drills to test employees' awareness of information security risks. Furthermore, a quarterly information security e-newsletter is issued, which includes the latest information security trends, recent major domestic and international information, cyber security incidents, important announcements, etc., thereby raising employee awareness and vigilance regarding information security.

Information security education and training course	In 2024, general employees were given online or face-to-face courses. The courses mainly covered common information security risks and countermeasures, Advantech's information security policies and regulations, prevention of ransomware and phishing mails, software security control, and information security incident notification. 4,160 hours of employee information security training courses were completed throughout the Company, with a total of 6,241 employees participating. Moreover, to address the growing threat of social engineering attacks, an awareness seminar was held, featuring an external expert speaker who used real-world cases to illustrate attack methods and response strategies, with a total of 61 participants. In terms of product security, Advantech has successively obtained IEC 62443-4-1 (Secure process development lifecycle requirements) and IEC 62443-4-2 (Technical security requirements for IACS components) certification. To enhance relevant departments' understanding of the standard and strengthen internal implementation capabilities, the Company conducted four IEC 62443 training courses in 2024 for 230 participants, accumulating a total of 6,440 training hours.
Social engineering drill	To increase employees' vigilance and response capabilities regarding phishing mail attacks, the Company conducted two phishing mail simulation tests (initial and follow-up) targeting employees at headquarters and overseas subsidiaries. These were complemented by online courses and tests to bolster their effectiveness. In total, 27,486 test emails were sent. The test results indicated a pass rate of 81.7% and 77.4% for headquarters personnel and overseas subsidiary personnel, respectively.
Information security e-newsletter and information security rewards campaign	In addition to the ongoing information security education and training courses and social engineering drills, in 2024, quarterly information security e-newsletters were issued to global employees. The newsletters featured important announcements, case studies, key achievements, etc. Furthermore, in the information security competition organized by headquarters IT for global subsidiary IT Departments, regional IT Department experts formed teams to propose innovative ideas and implement solutions that improve the Company' s overall information security. A total of 9 teams signed up for the competition, and 4 teams were rewarded.

System and network security

In recent years, Advantech has continued to strengthen its information security framework, having completed the introduction of endpoint protection tools, multi-factor authentication mechanisms, privileged account management, and application firewalls, etc. We have also reinforced network security segmentation by upgrading network firewalls. In 2023, an endpoint management and security solution was implemented to enhance system vulnerability management and support patching operations. The solution has been deployed on over 10,000 computer devices, with plans for continued expansion. Target

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

coverage rate of 100% for web security filtering deployment at headquarters and in Taiwan, and WAF protection coverage for the Taiwan server farm reached 84%

To minimize exploitable vulnerabilities in the internal information operating environment, the Company conducts system vulnerability scans every six months and commissions a third-party expert organization to perform network and system penetration testing on an annual basis. The results of the 2024 penetration test did not reveal any high-risk vulnerabilities, and patching was completed for all identified vulnerabilities.

In addition, to increase the visibility of overall information security risk, Advantech has introduced an information security risk scoring tool. Using non-intrusive technology, this tool collects the digital footprints of the Company exposed on the Internet, then classifies and analyzes it based on ten major risk dimensions to derive a risk factor and rating. Through continuous detection and monitoring using the information security risk scoring tool, the Company completed the patching of 88 high-risk and 58 medium-risk vulnerabilities this year.

Business continuity management (BCM) and disaster recovery drill

Considering that information services may be impacted by internal or external disasters or human error, Advantech planned for a remote disaster recovery mechanism utilizing the Linkou plant, with Neihu and Linkou locations serving as mutual remote disaster recovery and remote data backup locations. Advantech's IT department completed a disaster recovery drill for critical network and system services this year, with all aspects of the exercise completed within the Recovery Time Objective (RTO), validating the effectiveness of the framework and system for disaster response.

In response to potential operational disruptions at the plant due to disasters, the Company's Linkou plant conducted a BCM plan drill this year, using fire as the scenario. During the drill, relevant response plans and actions were executed according to emergency response levels and chronological order. The drill included simulating the notification of external fire departments for disaster relief assistance.

Supply chain information security management

Addressing the risks to the supply chain information security ecosystem, which have increasingly emerged in recent years as hacker groups compromise suppliers or third-party vendors and use them as entry points to launch attacks on other companies. Advantech has integrated information security risk into supplier rating and management. Besides requiring all suppliers to submit an information security declaration form, for suppliers with potential information security risks, the Company employs methods such as self-assessment forms, information security risk rating tools, and online audits to assess partners' information security posture, enabling timely identification and response to potential risks. This year, 88 suppliers completed information security risk self-assessments, and a sample of nine suppliers was audited to assess the implementation status of their information security management measures.

Product security

Aside from continuously expanding its product lines certified to IEC 62443-4-2, Advantech's platform products such as Industrial Computers, servers, etc., have also collaborated with renowned domestic certification laboratories to obtain IEC 62443-4-2 VOC (Verification of Conformity) certification, thereby assisting system integrators in achieving IEC 62443-3-3 certification. Overall, we have maintained a steady pace in obtaining information security certification for our products.

As the EU Cyber Resilience Act (CRA) was passed by the Council of the European Union on October 10, 2024, and came into effect this year, it is expected that manufacturers providing relevant software and hardware services will need to be fully compliant before the end of 2027. Advantech will approach this cautiously and implement a three-step plan to ensure full compliance for its products sold in Europe.

I. Implement product security development best practices based on IEC 62443-4-1.

II. Continue to secure IEC 62443-4-2 or VOC certification for products.

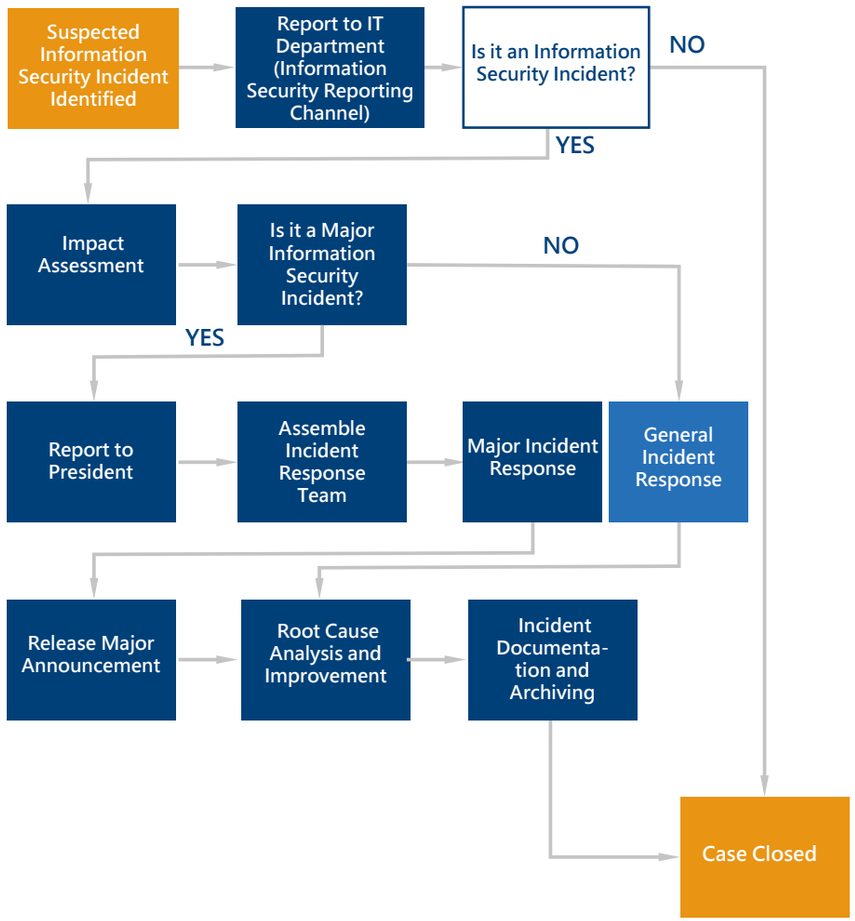
III. Once CRA compliance methods are announced, implement them on all products sold in Europe.

Lastly, in terms of product support policy, we will introduce a Security Advisory to disclose product security vulnerabilities and solutions, demonstrating a proactive, preventive, responsible, and reliable attitude towards product information security challenges.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Information security incident reporting and handling

Our company has established procedures for the reporting and handling of information security incidents. Upon receiving internal or external reports of a potential incident, the designated information security reporting contact is responsible for evaluating whether it qualifies as an incident and assessing its potential impact. If it is a major information security incident, it will be reported to the President (who also serves as the Chief Information Security Officer) and an incident response team will be established to handle it.



From 2021 to 2024, the company has not experienced any critical information security incidents, the number of information leakage incidents is 0, and there is no impact on customer rights or employee personal information due to information leakage. We experienced 14 cyber attacks this year; however, none had a significant impact on our operations. Of these, 12 were phishing mails, and two were suspected to be attacks by hackers or malicious software.

After identifying the causes of the incidents, particularly those involving computer viruses, the IT department not only continued to fine-tune and enhance the performance of endpoint protection and antivirus tools, but also bolstered employee awareness campaigns on phishing mail prevention to increase their vigilance through social engineering drills.

Type of information security incident	2021	2022	2023	2024	Total number of events by type
Cyber attacks experienced (e.g.: hackers or viruses)	3	0	1	14	18
Disruption of external services (e.g.: utility power, internet connection, cloud services)	1	0	1	0	2
Human error	1	3	0	0	4
Equipment failure	1	2	1	0	4
Total number of annual information security incidents	**6**	**5**	**3**	**14**	**28**

2.2.1 Information security Incidents in the Last Three Years

Internal Information Security Audit

Before preparing for the external ISO/IEC 27001 audit, our company arranges for the units within the scope to conduct self-audits. The audit items and schedule are clearly defined, and the audits are carried out by personnel designated by each department. During the audit, relevant documents and actual operations are inspected according to the standard requirements. Any non-conformities are identified and improvement suggestions are provided. After completion, an audit report is written, and corrective actions are developed to address the issues. The implementation of these actions is continuously monitored to ensure readiness for the external audit.

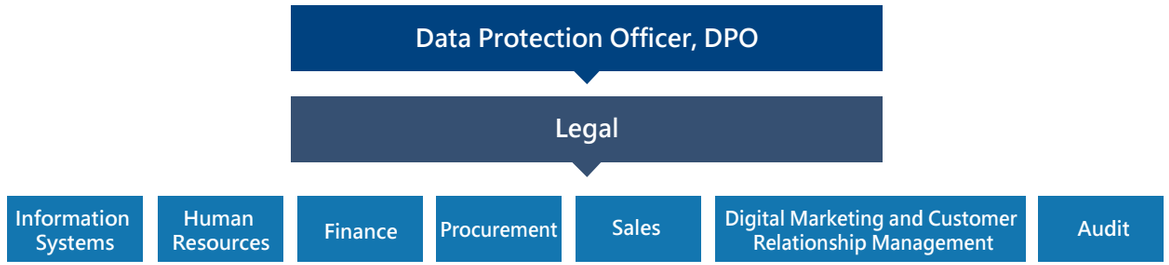
Additionally, in 2024, our company' s audit department conducted an audit of the current state of information security. Several deficiencies were identified, serving as directions for improvements in information security maintenance and operations. This also ensures management support and drives continuous improvement, thereby enhancing the overall maturity of our information security management.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Privacy protection

To ensure that everyone can use Advantech's various services with peace of mind, Advantech has formed a personal data protection team under the legal affairs organization and formulated the "Advantech Co., Ltd. Personal Data Protection Manual" and "Privacy Protection Policy". Protection of privacy rights by laws and the General Data Protection Regulation (GDPR).

Organizational chart of the personal data protection team



Privacy protection

- Access to internal data is controlled based on user privileges, and users must submit an internal application form to request access.
- New employee hires are entitled to privacy-related education and training.
- The Procurement Department announces Advantech's privacy policy in the SRM (Supplier Relationship Management) system every year, and requires suppliers to sign it during login before performing related operations.
- Privacy-related clauses in the standard contract that both parties are required to abide by.
- Establish Advantech's privacy policy and explain Advantech's processing and protection of personal data in detail. Please refer to Advantech's privacy policy for details:
  Chinese https://www.advantech.com/zh-tw/legal/privacy
  English https://www.advantech.com/en/legal/privacy

Privacy protection for digital marketing and customer management

- Implement access controls and data segregation based on user's geographical region and other relevant regulations, to ensure the accurate management and proper usage of customer data.
- The customer data source channel will request customers to read Advantech's Privacy Statement, and relevant consent will be recorded.
- Corresponding compliance principles have been developed based on the privacy requirements of various countries including Japan, Turkey, California (USA), and the EU GDPR, etc.

Privacy-related consent signed



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

2.3 Sustainable Supply Chain Management

Name of materiality	Importance of this materiality to Advantech
Sustainable supply chain management	As a global leader in IoT, Advantech's supply chain topics are not only closely related to its operational resilience and supply chain stability, but also have an impact on the Company's product quality, brand values, and long-term competitiveness. For stakeholders such as employees, customers, suppliers, and investors, a sustainable supply chain serves as the cornerstone of shared growth and sustainable development.
Management strategy	◆ Optimize the core competitiveness of the supply chain ◆ Strengthen the sustainability and resilience of the supply chain
Policy or commitment	Advantech is committed to promoting sustainable supply chain management and requires suppliers to comply with its "Supplier Code of Conduct" policy, continuously improve their performance in labor human rights, occupational safety and health, environmental protection, business ethics, and management systems to jointly form a responsible supply chain, reduce risks, and promote sustainable development.
Positive impact	The positive impact of a sustainable supply chain lies in the fact that promoting the sustainable transformation of a supply chain effectively mitigates environmental pollution, occupational safety, and labor rights risks, in turn increasing the entire supply chain's environmental and economic benefits. By establishing a responsible and transparent supplier management system, Advantech strives to enhance external stakeholders' trust in its commitment to corporate sustainable development and social responsibilities, thereby improving the Company's market competitiveness.
Negative impact	The negative impacts of a sustainable supply chain may originate from environmental pollution, occupational safety, and labor human rights problems caused by suppliers, all of which will weaken Advantech's brand value. Additionally, as suppliers undergo sustainable transformation, there may be increases in procurement costs, extended lead times, and inconsistent qualities, which can lead to additional pressure on product costs. Furthermore, when certain suppliers do not meet sustainability standards, it is necessary to replace them or re-evaluate the supply chain, which may lead to short-term operational instability and resource waste, in turn affecting the Company's operational stability. Advantech’ s countermeasures against negative impacts are outlined as follows: 1. Create a supplier sustainability assessment mechanism: Regularly evaluate suppliers' environmental and social performance and trace supplier information through questionnaires, on-site audits, and other means, and incorporate sustainability indicators into procurement decisions. 2. Establish a tiered management strategy for the supply chain: Engage in more intensive negotiations with PVL suppliers, such as signing codes of conduct, conducting capacity building, and assisting supplier transformation plans. On the other hand, streamline the management of non-PVL suppliers through screening and assessment. 3. Formulate response and backup plans: Establish backup sources for high-risk suppliers to mitigate the risk of single-source dependency, and implement a supply chain risk early warning system to prevent material shortages and regulatory violations. 4. Internal governance and cross-departmental integration: Establish a dedicated team responsible for the sustainable management of the supply chain within the organization, consolidate resources from procurement, quality, legal, and ESG departments, and incorporate sustainability goals into internal KPIs to strengthen organizational focus and execution.
2024 target achievement overview	**100% achievement of the 2024 targets:** ◆ 100% of Tier 1 suppliers comply with Advantech's Supplier Code of Conduct ◆ None of the PVL suppliers use conflict minerals ◆ Expanded the scope of the annual ESG audit to reach 77.5% of tier 1 suppliers, achieving the 60% target ◆ Completed 100% improvement for significant suppliers' deficiencies

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Name of materiality	Importance of this materiality to Advantech
2025 Goals	◆ 100% of Tier 1 suppliers comply with Advantech's Supplier Code of Conduct ◆ None of the PVL suppliers use conflict minerals ◆ Expand the scope of the annual ESG audit to reach 60% of tier 1 suppliers ◆ Completed 100% improvement for significant suppliers' deficiencies ◆ 100% of high-carbon emission suppliers complete the GHG inventory
2030 Goals	◆ 100% of Tier 1 suppliers comply with Advantech's Supplier Code of Conduct ◆ None of the PVL suppliers use conflict minerals ◆ Expand the scope of the annual ESG audit to reach 80% of tier 1 suppliers and ensure that 100% of the deficiencies of significant suppliers are addressed ◆ 100% of PVL suppliers complete the GHG inventory
2024 key action plans or programs	◆ Request suppliers to sign and comply with the "Advantech's Supplier Code of Conduct" ◆ Perform annual supplier conflict minerals due diligence in compliance with the OECD's third-party mechanism ◆ Regularly identify high-risk suppliers for audits and provide necessary counseling
Effectiveness Assessment	◆ Evaluate every year whether the achievement status (KPI) has improved compared to the previous year according to the set management policies and goals as a method of management improvement. ◆ Propose improvement solutions annually by referencing supply chain management best practices from DJSI and other benchmarking peers.
Stakeholders impacted by the material topic and actions implemented by Advantech	**Suppliers and contractors：** Advantech conducts annual evaluations of its suppliers, which include quality, procurement, and ESG sustainability management. Furthermore, the Company irregularly holds supplier conferences and exchanges to facilitate ongoing communication. Advantech is also actively involved in supplier development and training, providing resources to suppliers to support collaborative development across the supply chain. This collaboration promotes innovation in technology incubation and the use of novel materials. These efforts are detailed in the sustainability report, which provides a comprehensive overview of supply chain issues, allowing stakeholders to fully understand and evaluate the Company's supply chain practices.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Performance highlights

100%
100% of significant suppliers have completed the signing of the "Supplier Code of Conduct Consent".

100%
100% of new suppliers are evaluated for compliance with environmental standards

100%
100% of significant suppliers have signed the "Declaration of Non-Use of Conflict Minerals".

100%
100% of significant suppliers completed the counseling and improved their deficiencies.

Achieved
Expanded the scope of the annual ESG risk identification to reach 77.5% of tier 1 suppliers, totaling over 800 companies, achieving the 60% target

2.3.1 Overview of Advantech's Industrial Value Chain

Advantech is committed to building a sustainable supply chain ecosystem for the IoT with the concept of creating a win-win situation as the core. The Company offers services to the IIoT industry, sourcing components from upstream manufacturers, conducting in-house assembly and production, and delivering the finished products to customers. Due to the characteristics of the industry, the purchased products are diverse and highly customized. Currently, the supplier database contains tens of thousands of supply items. To ensure supply chain stability and quality, and to understand its manufacturing process, Advantech regularly conducts supplier evaluations that cover quality performance and implementation, technical process capability, commercial cost management, local supply chain priority, and sustainability. We also maintain ongoing communication with suppliers to integrate corporate social responsibility and the concept of sustainable supply chain management into our evaluation criteria. It is hoped that through Advantech's sustainable supply chain management, suppliers can improve their sustainability capabilities and become our long-term partners. Furthermore, Advantech's Chief Operation Officer/COO regularly reviews supply chain procurement practices and management performance during the Meeting of Quality Management (MQM) to achieve supply chain sustainability management goals.

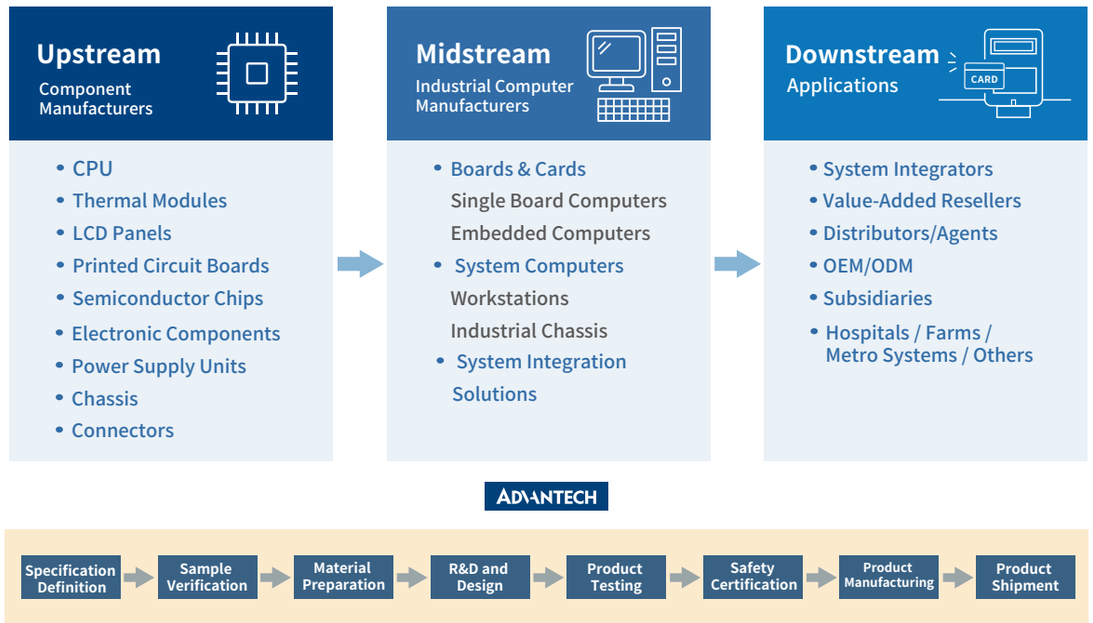


Figure 2.3.1 Advantech's industrial value chain

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Supplier composition and procurement layout

Advantech has a diverse and versatile product portfolio, with extensive product applications in fields such as IoT embedded computing, industrial computers and their peripherals, cloud computing, industrial automation, and communication systems. In response to the diverse product characteristics and applications, Advantech has developed a dynamic and highly interconnected supply chain system that encompasses a wide range of raw materials, including ICs, printed circuit boards (PCBs), electronic components, wires, plastic parts, metal parts, and packaging materials. Advantech's main supplier categories are divided into material suppliers and service-type contractors (such as security, cleaning, and engineering). In particular, material suppliers have a significant impact on operations and production. Consequently, Advantech defines material suppliers as tier 1 suppliers and categorizes them into two categories based on their attributes. These include direct material suppliers (materials directly related to production, such as main components and mechanical parts) and indirect material suppliers (materials not directly used for product production or auxiliary consumables, such as equipment, packaging materials, and alcohol).

To manage material suppliers and resource allocation effectively, Advantech subcategorizes suppliers to implement sustainability management. The supplier subcategories are: tier 1 suppliers and non-tier 1 suppliers, significant suppliers (including significant tier 1 and significant non-tier 1 suppliers), and high sustainability risk suppliers, as shown in the figure. In particular, suppliers with high annual procurement amounts, two types of suppliers, including those providing critical raw materials or irreplaceable items, and those identified as having high sustainability risks through ESG evaluations, are defined by Advantech as significant suppliers. To date, Advantech has identified 291 significant suppliers, which account for 82.5% of the total procurement amount.

Category		Number of suppliers		Procurement amount ratio
Significant suppliers	Significant tier 1 suppliers	291	291	82.5%
	Significant non-tier 1 suppliers		0	



- Tier 1 suppliers: Suppliers supplying Advantech with direct or indirect materials
- Non-tier 1 suppliers: Upstream suppliers who are Advantech's direct trading partners. In response to the introduction of recycled materials in 2025, a source investigation will be conducted on these suppliers, and based on these findings, they will be progressively included in the scope of sustainable supply chain management.
- PVL suppliers: These are tier 1 suppliers with a procurement amount of over 80% or a high level of strategic alignment.
- Significant suppliers: These are suppliers with high annual procurement amounts, those supplying critical and irreplaceable raw materials, and those identified as having high sustainability risks through ESG evaluations.

2.3.2 Supply Chain Management Goals and Strategies

Sustainable supply chain management goals

Optimize the core competitiveness of the supply chain	Strengthen the sustainability and resilience of the supply chain
Require suppliers to follow Advantech's Supplier Code of Conduct"" to improve labor, safety and health, environmental management, ethics and management system performance; actively provide counseling for suppliers to improve core competencies and reduce the risk of operational interruption.	Advantech actively reduces the environmental impact of the supply chain. We constantly monitor and evaluate the supply chain's performance, including the product lifecycle, to identify potential risks and opportunities. We also set electricity, water, waste, and carbon reduction goals in conjunction with our suppliers to mitigate climate change, thereby laying the foundation for the sustainable development of our supply chain.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Advantech believes that supply sustainability is a key commitment to corporate sustainable operation and recognizes the challenges to supply chain posed by factors such as geopolitics. Therefore, we aim to apply our consistent global brand strength to reinforce relationships with customers and partners worldwide, striving to create sustainable corporate value and build a mutually beneficial and thriving industry chain. Advantech has a global procurement unit and a quality management unit to implement supplier management. Based on the principle of cooperation and symbiosis, Advantech manages supplier selection criteria and processes, conducts risk assessments, performance evaluations, audit counseling, education and training, and hosts supplier conferences to incorporate sustainability requirements into day-to-day supply chain management. Advantech' s procurement strategy focuses on diversifying procurement risks and reducing costs. To ensure substitutability and maintain competitiveness, at least two suppliers are selected for materials. For electronic components with high commonality, a second source management mechanism has been established. Moreover, safety stocks of key materials are maintained to mitigate risks arising from supply shortages or quality issues. Advantech categorizes materials by tier and assigns dedicated procurement personnel to analyze market information. By regularly reviewing market trends and adopting a centralized procurement strategy, Advantech establishes a list of PVL suppliers and monitors their capabilities in cost, quality, delivery date, and supply continuity to enhance collaboration efficiency and obtain high-quality materials with stable delivery times.

In addition to evaluating the labor, environment, and business ethical management of Advantech's operations in accordance with the RBA Code of Conduct, Advantech also actively requests the sustainable management of the supply chain by requiring suppliers to sign the "Supplier Code of Conduct Consent." In addition to local laws and regulations, we also regulate business behavior in various aspects such as labor rights and interests, health and safety, environment, business ethics, and management systems. At the same time, Advantech requires suppliers to communicate sustainability requirements to their next-tier suppliers by signing the "Supplier Code of Conduct," so as to promote the implementation of sustainable practices throughout the supply chain and forge a more resilient and impactful supply chain by taking action.



Figure 2.3.3 Advantech supplier management strategy

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

New supplier management

In terms of new supplier selection, Advantech adopts a three-stage supplier screening and reviewing process. Suppliers must sign the purchase agreement and sustainability commitment documents such as the "Supplier Code of Conduct Consent" and the "Integrity and Integrity Commitment Letter." All new suppliers are subject to on-site audits unless they meet all of the following conditions: their products are already widely used in the industry, they are a sole and irreplaceable source, and they have been qualified through international standard certifications. In such cases, they may be listed as qualified vendors upon approval of certification documents by the evaluation team. These audits focus on quality management, procurement practices, and ESG sustainability performance. In 2024, applications were received from 266 potential new suppliers, of which 257 passed the review process and were approved as Advantech's official suppliers.

Stage one **Commitment documentation and international certification**	**Mandatory items:** Supplier Code of Conduct Consent, Declaration of Non-Use of Hazardous Substances, Integrity and Integrity Commitment Letter, and Supplier Information and Cyber Security Management Declaration	**Bonus items:** Possesses management system certifications such as ISO 9001, ISO 14001, ISO 45001, and has adopted a systematic HSF management
Stage two **Supplier review and sustainability evaluation**	**Management principles**	**2024 Implementation percentage**
	Perform a supplier profile review by signing the "Supplier Code of Conduct Consent"	100%
	Adopt ESG sustainability risk assessment to evaluate new suppliers (including labor, safety and health, environmental management, ethics, etc.)	100%
	Passed the "Supplier Audit Form" evaluation (on quality systems, design controls, procurement services, etc.)	100%
Stage three **Result determination and continuity management**	◆ Suppliers who meet Advantech's review and selection criteria will be officially qualified as trading partners and incorporated into the Company' s existing annual supplier management process to ensure ongoing compliance with Advantech' s requirements, promote continuous performance improvement, and implement exit mechanisms. ◆ Suppliers who fail to meet the review and selection criteria will not be included in Advantech's list of qualified suppliers to uphold supply chain quality and ensure sustainable operations.	

Existing supplier management

Through a comprehensive supplier management system, Advantech ensures that all its suppliers continue to meet the Company's demand in quality and sustainability. All significant suppliers are required to sign the "Supplier Code of Conduct Consent" and undergo a supplier profile review to ensure they meet the Company's supply chain management standards. To materialize sustainable management, Advantech also conducts ESG sustainability risk assessments for suppliers, covering aspects such as labor rights, environmental protection, safety and health, and business ethics, maintaining a 100% evaluation rate. Additionally, plans are in place to increase the percentage of on-site evaluations in the future to ensure continuous improvement in suppliers' operational and sustainability management performance.

Type	Management principles	Implementation percentage	Future management priorities
All significant suppliers **A total of 291 suppliers completed the implementation and signing**	Perform a supplier profile review by signing the "Supplier Code of Conduct Consent"	100%	Include the supplier code of conduct in the contract
	Adopt ESG sustainability risk assessment to evaluate suppliers (labor, safety and health, environmental management, ethics, etc.)	100%	Maintain the evaluation percentage
2024 audit of existing suppliers **Total planned ESG implementations: 790, 100% completion rate** **Total planned quality audits: 61, 100% completion rate**	Perform a supplier profile review by signing the "Supplier Code of Conduct Consent"	100%	Include the supplier code of conduct in the contract
	Adopted written/on-site ESG sustainability risk assessments for existing suppliers (covering labor, safety and health, environmental management, ethics, etc.).	100%	Maintain the evaluation percentage
	Passed the "Audit Form for Third-Party Suppliers" evaluation (on quality systems, design controls, procurement services, etc.)	100%	Increase the percentage of on-site evaluations

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Supplier Relationship Management (SRM)

Advantech implements supplier life cycle management and integrates supplier communication channels through the Supplier Relationship Management (SRM) platform. The platform's functions include contract formulation, price and quality management, new and existing supplier audits, and information announcements. By managing data online, we can realize offline improvements to effectively create a sustainable supply chain.



Contract management

- Procurement contract
- Supplier code of conduct
- Confidentiality agreement and ethics

Sustainable supply chain management

- Supply chain environmental responsibility principle
- Circular supply chain
- ESG risk assessment and management

Price management

- Smart quotation
- Bid management
- Cost and business conditions

Supplier quality management

- New supplier selection and audit
- Continuous improvement and elimination
- Tracking of abnormal quality indicators

Strategic sourcing

- Strategic classification and grading
- Sustainable procurement policy and target supplier selection

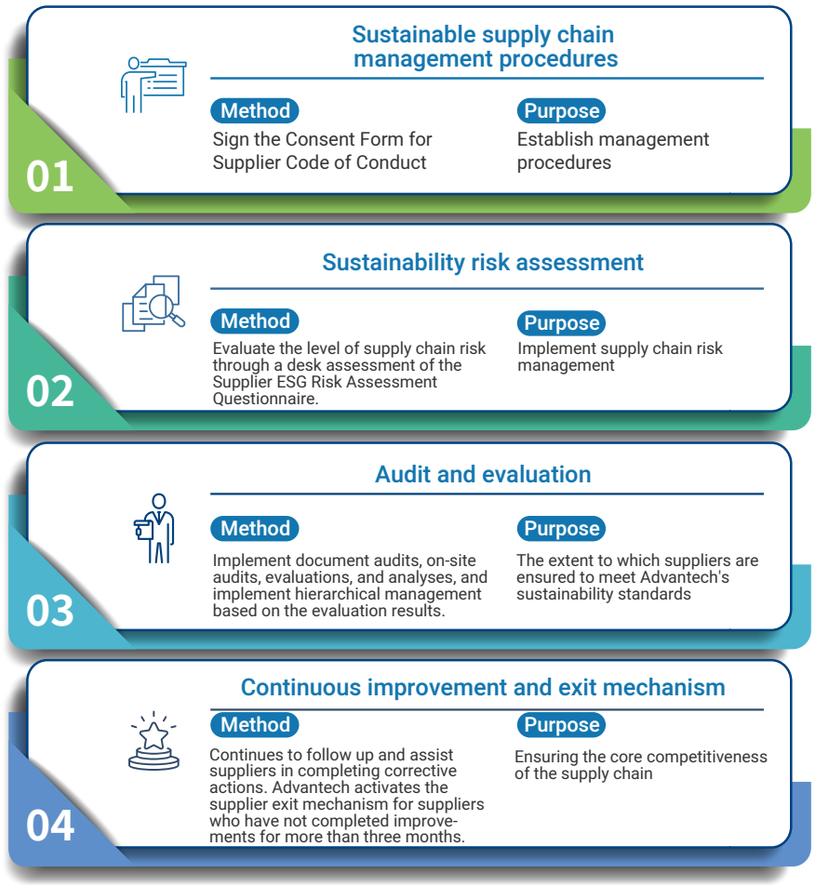
Order and delivery management

- Delivery date response
- Equal material preparation among suppliers
- Mid- to long-term demand planning

2.3.3 Sustainable Supply Chain Management Process and Achievements

Sustainable supply chain management implementation guideline

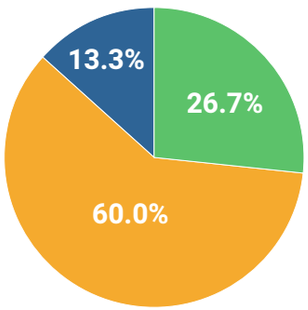
To implement Advantech's procurement and supply chain policy, a four-stage supply chain sustainability management process has been established. Through annual continuous improvement cycles and exit mechanisms, Advantech ensures that suppliers meet its standards and continuously enhance their sustainability performance.



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Supplier sustainability evaluation

Advantech has established ESG thresholds for its suppliers (including new suppliers and existing suppliers). To become an Advantech supplier, in addition to signing the supplier code of conduct, PCB suppliers are also required to pass ISO 9001 and ISO 14001 certification. In addition, in order to understand and identify potential risks in the supply chain, Advantech refers to the Supplier Selection Criteria when conducting supplier screening. During the screening process, factors such as sustainability or business operations are also considered to conduct supplier survey and evaluation. The ESG screening aspects include, but are not limited to, governance, environmental, social, national, industry, product collaboration, and business operation relevance. These factors account for 26.7% of the overall procurement evaluation and are considered a priority condition for becoming an Advantech supplier. The overall supplier screening items include the following:

Category	Aspect	Selection criteria	Percentage
ESG sustainability	Governance	◆ Business ethics, integrity management, information disclosure and intellectual property protection, and identity protection ◆ Publicly disclosed information or corporate governance evaluation records (e.g., annual report or sustainability report) ◆ Financial statement review and analysis	
	Environmental	◆ Compliance with environmental regulations, environmental management system (waste, air pollution, etc.), carbon management, hazardous substance management ◆ Local suppliers are prioritized to reduce transportation energy consumption and emissions	
	Social	◆ Labor regulation compliance, occupational health and safety management, human rights, labor practices ◆ Review public litigation records or media information reports to see if there is any risk of negative impact related to social topics, including but not limited to human and labor rights	
	Country	◆ Prohibition of the use of conflict minerals and the U.S. Prohibited Materials List ◆ Ensure compliance with existing international sanctions regulations to avoid accidental violations ◆ Monitor regulations prohibiting the import or export of specific goods or transactions involving countries under economic sanctions	
	Industrial	◆ RBA code of conduct, management of energy and resources consumption during the production process ◆ Manufacturing processes involve the intensity of resource usage and the risk of energy consumption (such as the supply stability and backup measures for the energy needed for production) ◆ Regional regulatory trends for industries with potential pollution (such as environmental regulations for the spray painting or electroplating industries, or whether there are trends of migration bans)	
Quality process	Product	◆ The resource intensity of the area where the product is manufactured, such as land use scalability, labor structure, integrity of upstream and downstream supply chains, and delivery lead time ◆ Suppliers who meet specific product certification requirements, such as choosing UL-certified factories to produce specific products	
Business cooperation	Operations related	◆ Industry investigation and business analysis: Survey of the suppliers' customers and brands, or the industry reputation of their technology and quality ◆ Whether production emergency response procedures have been formulated for their business operations	

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Supplier Risk Identification and Audit Counseling

To uphold the core principles of sustainable supply chain management, Advantech has been issuing the Advantech ESG Risk Assessment Audit Form, designed based on the RBA Code of Conduct 7.0 and SAQ, to existing suppliers every two years since 2021. Suppliers are required to indicate their implementation progress of the four sustainability aspects (labor, health and safety, environmental management, and business ethics) in the questionnaire and provide relevant supporting documents. These include management system certification or related operational records. The results of the suppliers' self-assessment serve as the basis for subsequent sustainability risk management.

Starting from 2024, Advantech expanded the scope of its ESG sustainability risk assessment from PVL suppliers to tier 1 suppliers to determine their sustainability risks. Meanwhile, to implement supplier sustainability risk management, enhance supply chain resilience, and promote co-creation of supply chain value, Advantech upgraded its sustainable supply chain management strategy in 2024, which included expanding the scope of investigation and investing more resources in empowering and training suppliers. The 2024 ESG sustainability risk assessment survey included written surveys of 284 PVL suppliers and expanded the scope to include 1,127 tier 1 suppliers. The overall response rate for PVL suppliers was 100%, and the response rate for tier 1 suppliers was 77.5% (achieving the 2023 target of 60%). In particular, the percentage of high sustainability risk suppliers (those with a total score below 80 or with critical items) accounted for 3.4% of tier 1 suppliers, and all of them have completed improvements.

Advantech has established that if a potential high-risk supplier scores below 80 points or has critical items in the written review, the supplier will be required to propose corrective action plans, complete the improvements, and respond within three months. If the issues are not resolved, their supplier qualification will be revoked. The desk assessments stage identified potential high-risk suppliers, a total of 38 suppliers with scores below 80 (out of 100) or have critical items. These suppliers were classified as potential high-risk. Advantech offers tiered support for suppliers identified with high sustainability risks, including online or on-site counseling, and formulates improvement plans with ongoing monitoring to ensure issues are addressed and risk levels are mitigated.

An analysis of the risk management performance of potential high-risk suppliers across various sustainability aspects revealed that 61% of suppliers had deficiencies due to inadequate understanding of the questionnaire content, while 39% failed to meet standards in the four major sustainability aspects. Further analysis showed that among suppliers with management deficiencies, 9% were related to labor management, 28% to health and safety, 34% to environmental management, and 28% to business ethics. To help potential high-risk suppliers improve their sustainability management capabilities, Advantech applies a counseling mechanism to enhance suppliers' understanding and implementation of ESG requirements. As a result, 36 suppliers met the low-risk standards. However, two suppliers failed to meet the standards or had critical items, resulting in a downgrade by Advantech.

According to the results of on-site audits, the most significant deficiencies were found in environmental management, accounting for 45%, primarily due to inadequate chemical management procedures or failure to implement them according to standards. Health and safety issues made up 27%, with the main concern being insufficient management of emergency safety equipment. Business ethics deficiencies also accounted for 27%, mainly related to the need for suppliers to upgrade their systems and mechanisms for personal data protection. No labor management deficiencies were identified in this audit, indicating a relatively high level of supplier compliance in this aspect. A total of nine deficiencies were found during the on-site audits, and 100% of the deficiencies have been completely rectified, demonstrating Advantech's proactive measures and effectiveness in promoting sustainable supply chain development.

All priority and other non-conformities have been addressed with corrective action plans in place, resulting in a **100%** implementation rate

Item	Number of suppliers		Percentage	
	Actual	Target	Actual	Target
ESG risk assessment survey distribution coverage (tier 1 suppliers)	1,127	1,127	100.0%	100%
Significant suppliers performing ESG audits	291	291	100.0%	100%
The percentage of significant suppliers with a total score below 80 points (or possesses critical items)	38	<50	13.0%	<15%
Implementation of improvement plans for potential high-risk significant suppliers	38	<50	100.0%	100%
Termination of cooperation with suppliers for serious violations	0	0	0.0%	0.0%
Assist potential high-risk significant suppliers in completing ESG counseling and implementing improvement measure	38	All	100.0%	100.0%/100%

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Classification	Primary deficiency uncovered	Cause of deficiencies	Improvement actions	Provide resources
Labor	There are no requirements prohibiting the use of forced, bonded (including debt bondage), or compulsory labor; nor are there prohibitions against involuntary or exploitative prison labor, slavery, or human trafficking.	Suppliers lack relevant management awareness	Suppliers are required to formulate relevant policies and measures and enhance their implementation performance.	Provide suppliers with suggestions on labor policies or measures for their reference and implementation.
Health and safety	Implementation of firefighting, notification, and evacuation training, as described in Article 15-5 of the "Enforcement Rules of Fire Services Act," has not been carried out. A drill shall be held at least once every six months and last for at least four hours. The local fire department shall be notified in advance.	Suppliers lack relevant management awareness	Suppliers are requested to enhance the promotion of environmental health and safety (EHS) management regulations and relevant regulatory requirements and strengthen their implementation.	Provide suppliers with recommendations for fire safety promotion and management for their reference and implementation.
Environment	Hazardous substance management standards and management measures have not been established (must comply with environmental regulations such as RoHS and REACH).	Suppliers lack relevant management awareness	Suppliers are required to establish hazardous substance management standards and conduct regular inspections to ensure the classification and storage of hazardous substances.	Provide suppliers with recommendations on hazardous substance management standards for their reference and implementation.
Business ethics	There are no relevant procedures or requirements prohibiting the promise, provision, authorization, giving, or receiving of bribes, as well as illegal or improper benefits, and the provision of other forms of benefits.	Suppliers lack relevant management awareness	Suppliers are required to formulate relevant policies and measures and enhance their implementation performance.	Provide suppliers with suggestions on policies or measures for reference and implementation.
	There are no established procedures or requirements to ensure that information required by laws and regulations is properly managed and disclosed without false or inaccurate content.	Suppliers lack relevant management awareness	Suppliers are required to formulate relevant policies and measures and enhance their implementation performance.	Provide suppliers with suggestions on policies or measures for reference and implementation.
	There are no established procedures or requirements in place to prevent intellectual property rights infringement or unauthorized duplication, including customer-related information.	The supplier has not documented the actual management mechanisms in place.	Suppliers are required to formulate relevant policies and measures and enhance their implementation performance.	Provide suppliers with suggestions on policies or measures for reference and implementation.
	Procedures or requirements have not been established to ensure that the Company's information complies with regulatory requirements and that it has not issued false or misleading public statements.	The supplier has not documented the actual management mechanisms in place.	Suppliers are required to formulate relevant policies and measures and enhance their implementation performance.	Provide suppliers with suggestions on policies or measures for reference and implementation.

Table 2.3.3 Significant suppliers ESG audit deficiencies and improvement actions taken in 2024

Implement the supplier evaluation and elimination mechanism

To implement supplier sustainability and performance management, Advantech has devised a supplier performance rating system that categorizes suppliers into four levels from A to D based on their scores (A is above 95, and D is below 70). This serves as a performance evaluation mechanism for managing suppliers. Relevant departments assess suppliers through quarterly Management Circle of Supplier (MCS) and evaluation results, applying a tiered rating system with corresponding reward, disciplinary, and elimination mechanisms. The management measures for suppliers with different evaluation results are as follows

	Levels	Management measures
Rewards	**A**	Suppliers who receive an A-level rating for four consecutive quarters are recognized with Excellent Supplier Awards and honored at the annual supplier conference. In terms of business cooperation, they are given priority for increased order allocation and opportunities to participate in new projects.
	B	Maintain existing partnerships
Disciplinary actions	**C**	Suppliers are placed on a watch list and required to submit relevant reviews and improvement measures.
Eliminations	**D**	Suppliers receiving a C rating for two consecutive quarters, or those found to have committed other serious violations of Advantech's policies, will be suspended from applying for new projects. Their order quantities will be reduced and switched to secondary supplier status. Since eliminating them immediately may affect shipments, the elimination mechanism will be implemented after alternative solutions are in place. For suppliers who remain uncooperative with improvement efforts within two years, Advantech will reduce or suspend purchase quantities and revoke their supplier qualifications.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Promote a low-carbon supply chain

Prioritize procurement locally

To bolster regional strategic cooperation and reduce CO_2 emissions generated from manufacturing and transportation processes, Advantech continues to implement a localized procurement strategy, prioritizing local suppliers in its procurement activities over the years. Advantech's global operations span six Regional Business Units (RBUs). Given that the main manufacturing bases are currently located in Taiwan and Kunshan, the procurement strategies and performance disclosed in this report focus primarily on these two regions. Overall, Advantech Taiwan's local procurement amount in 2024 was NTD 10.9 billion, with a ratio of approximately 82%. Due to Advantech Taiwan's centralized procurement of some electronic components and peripheral raw materials, Advantech Kunshan's local procurement ratio accounted for about 43% of the total amount*, a slight increase compared to 2023. The overall local procurement ratio in 2024 was 68%. The summarized local procurement amounts and ratios of the Company in recent years are shown in Figure 2.3.2.

Carbon inventory management plan

In 2024, Advantech officially announced its supply chain carbon reduction plan at the supplier conference, emphasizing that carbon reduction has become a crucial trend in global industrial development and a key factor in enhancing supply chain resilience and competitiveness. In response to international trends and external carbon management requirements, Advantech expects all PVL suppliers to complete organizational carbon inventory and obtain external verification by 2027, thereby building a greener, more sustainable, and competitive supply chain.

To help suppliers effectively address the challenges of carbon inventory and reduction, Advantech will invest dedicated counseling resources by providing professional training, technical guidance, and experience sharing. This support aims to assist suppliers who have not yet completed their carbon inventories in building carbon management capabilities and ensuring the smooth progress of their inventory and verification efforts. Additionally, Advantech encourages suppliers to adopt low-carbon technologies and solutions to reduce carbon emissions in their operations and manufacturing processes, achieving the overall carbon reduction goal for the supply chain.

Looking ahead, Advantech will continue to fortify its partnerships with suppliers, ensuring the implementation of carbon reduction actions through regular communication and progress reviews. This serves to create a more resilient green supply chain, working together towards a sustainable, net-zero future.

Procurement locally ratio of Advantech Taiwan and Advantech China-Kunshan from 2023 to 2024

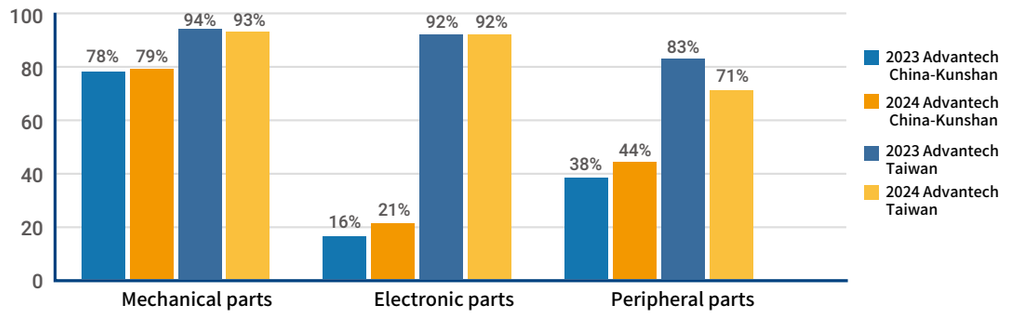


Figure 2.3.2 Local procurement ratio of Advantech Taiwan and Advantech Kunshan between 2023 and 2024

*Note:

1.Definition of procurement locally: Advantech Taiwan - the counterparty is a manufacturer with Taiwan's GUI number; Advantech Kunshan - the counterparty is a manufacturer in China.

2.The decrease in the percentage of local procurement of electronics materials at Kunshan is primarily attributed to the adoption of a self-purchasing strategy in 2020, under which most suppliers are agents registered in Taiwan.

Require

CO_2

GHG inventory check

Carbon inventory of the organization as a whole
Suppliers must obtain an external carbon inventory verification (ISO 14064-1))

CATEGORY	2025 年	2026 年	2027 年
PCB, Connector, Power supply, CPU	High carbon emission suppliers to complete carbon inventory (mandatory requirement)	Obtain external verification	
EE,Mechanical Packaging, Cable, Touch, LCD, Others		Complete carbon inventory (mandatory requirement)	Obtain external verification

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

2.3.4 Establish Supplier Sustainability Competencies

Supply chain sustainability improvement plan

In 2024, Advantech continued to advance its supplier improvement program by empowering and training its partners to enhance their sustainability capabilities, ensuring alignment with ESG requirements and strengthening sustainable supply chain management. Advantech plans multi-level training activities for different supplier categories and needs, including supplier code of conduct courses, supplier conferences, carbon management courses, and theme workshops, comprehensively covering environmental, social, and governance topics while emphasizing practical application and capacity building. In 2024, three themed workshops were held for 122 representatives from 64 significant suppliers (accounting for 22% of all significant suppliers). Counseling resources were planned based on supplier types, providing empowerment courses on intelligent energy solutions, SDG topics, as well as environmental, health, and safety (EHS) practices, laying a robust foundation for the sustainable development of the supply chain.

In 2025, Advantech will continue to strengthen the suppliers' sustainable development capabilities. To ensure precise allocation of counseling resources and continuously enhance fundamental sustainability literacy, Advantech will adopt a categorized management approach based on suppliers' characteristics and needs. Multi-level, theme-based learning and exchange mechanisms will be designed accordingly to different suppliers with adequate support. The new year plan encompasses core topics like renewable energy, carbon management, biodiversity, and sustainable information disclosure. It will provide more in-depth and targeted learning opportunities through medium and large-scale forums, small workshops, and project-based counseling for high-carbon emission suppliers. Furthermore, Advantech will join forces with industry benchmarks, government agencies, academic institutions, and research institutions to integrate diverse professional resources, share the latest industry trends and practical experiences, assist suppliers in understanding important development trends and sustainable implementation strategies, and ensure that both suppliers and Advantech achieve their long-term sustainable development goals (SDGs).

Advantech's ESG Training Program for Procurement Personnel and Internal Stakeholders (including Operations, ESG Office, R&D, Finance, Investor Relations, Senior Management, etc.) for 2024 The training courses covered the following areas：

1. Carbon Management: Accelerating Net Zero!Internal Carbon Pricing Governance Rules: Understanding governance practices for internal carbon pricing.Sustainability Initiatives: Defining sustainability goals and setting a scientific approach to carbon reduction.Corporate Sustainability Benchmarks: Advancing towards a net-zero emission, low-carbon transformation.
2. ESG General Awareness:Global Sustainability Commitments Review: A comprehensive overview of global progress on sustainability and net-zero targets.ESG Essentials From Concepts to Actions – A mandatory introduction to ESG principles and how to implement them in business operations.
3. Biodiversity: The Next Step in Corporate Sustainability!Trends and Frameworks in Biodiversity: Exploring the latest trends and frameworks in corporate biodiversity management. Carbon Credits and Forest Carbon Sequestration: Examining the real and illusory aspects of forest carbon credits, and whether tree planting alone can offset carbon emissions.
4. ESG Executive Courses:ESG Corporate Case Studies: Practical, real-world examples of ESG implementation in companies.New Business Opportunities in Sustainability: Understanding new business opportunities arising from the global shift toward sustainability.

2023~2024 annual improvement and empowerment results

Course/conference name	Course/conference content	Participants	Number of participants/ Number of companies	Training materials	
Supplier code of conduct	The courses covered the four major topics of labor and personnel, environmental management, health and safety, and business ethics to help suppliers understand Advantech's supplier sustainability regulations.	Tier 1 suppliers	856		This course aims to help suppliers understand Advantech's supplier sustainability regulations, which we uses as an indicator for supplier ESG risk assessment.
Advantech Supply Chain Management Forum	The 2024 Advantech Supply Chain Management Forum focused on the theme of "sustainable supply chain", aiming to upgrade supply chain management as well as accelerate the industry's green transformation and innovative development through in-depth cross-industry exchanges and trend analysis.	PVL suppliers	204 people/113 suppliers	 	The forum focuses on sustainable supply chain development and resilience enhancement, covering key topics such as carbon reduction management, digital transformation, and supplier sustainability strategies. Through the sharing of practical experiences and the analysis of corporate case studies, the forum aims to help suppliers understand global supply chain trends, improve their ESG compliance and operational efficiency, and work together to build a competitive, sustainable supply chain.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Course/conference name	Course/conference content	Participants	Number of participants/ Number of companies	Training materials	
Carbon management - RE100	The role of RE100 in achieving net zero and the analysis of the global and Taiwan renewable energy market.	PVL suppliers	384 people/285 suppliers		This course helps suppliers understand the positive impact of renewable energy on reducing carbon emissions from their operations, while also explaining its significance and addressing supplier-related questions regarding the use of renewable energy.
		Internal supply chain management/ product development/ ESG Corporate Sustainability Development Office/ investment unit	149 people		This course helps our colleagues understand the positive impact of renewable energy on corporate operational carbon emissions and highlights its importance in achieving carbon reduction goals within supply chain management.
Theme workshop: Sustainability Transformation on Two Fronts - Digitization and Decarbonization	Intelligent energy solutions	PVL suppliers	56 people		The workshop introduces the application of digital technology in sustainability management, such as energy monitoring, smart manufacturing, and supply chain digitization. Furthermore, it combines international carbon reduction trends with practical corporate case studies to help enterprises formulate transformation strategies that strike a balance between competitiveness and environmental sustainability.
Theme workshop: Corporate ESG GET MOVING	SDG-themed workshop	PVL suppliers	36 people		The course focuses on the United Nations SDGs and the ESG implementation framework, guiding enterprises to understand the key role of ESG in sustainable operations and assisting them in determining the strategic direction of sustainable development via practical case study analysis.
Theme workshop: In-Depth Look at Supplier EHS Risk Evaluation	An analysis of EHS regulations	PVL suppliers	30 people		The course covers environmental, health, and safety (EHS) risk assessment methods, provides an in-depth analysis of relevant Taiwanese regulatory requirements, and assists suppliers in bolstering their risk management capabilities to meet Advantech's management standards for a sustainable supply chain.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

2.3.5 Conflict Minerals Procurement Management

Tantalum, tin, tungsten, and gold (collectively known as 3TG minerals) are key materials for the operation of electronic products. Our global product portfolio, including industrial computers and peripherals, cloud computing and industrial automation, communication systems, IoT intelligent systems, and embedded platforms, relies heavily on these materials, especially electronic components. For example, tin is used in solder, tantalum in capacitors, tungsten in electrical contacts, and gold in electrical connection coatings. These components are crucial to our products.

To ensure the avoidance of minerals from Conflict-Affected and High-Risk Areas (CAHRAs), Advantech rigorously complies with the Responsible Business Alliance (RBA) Code of Conduct and implements a conflict-free minerals policy. Advantech not only refrains from procuring metals from CAHRAs but also requires its suppliers to comply with this policy, ensuring that the supply chain respects human rights and is not involved in conflict activities. As of 2024, 100% of Advantech's PVL suppliers have signed the "Declaration of Non-Use of Conflict Minerals," and all of Advantech's products are guaranteed to be conflict-free.

As a brand company, Advantech does not directly purchase raw ore or unrefined 3TG minerals. Due to the multiple tiers involved in the supply chain, once the raw ore is smelted, refined, and transformed into ingots, gold bars, or other mineral derivatives, its origin becomes difficult to trace. Smelters and Refiners (SORs) serve as key control points for raw ores and are best positioned within the supply chain to verify the origin of minerals. Suppliers who engage in direct collaboration with Advantech and influence procurement decisions are considered PVL suppliers. Advantech relies on them to identify and assess supply chain risks and provide relevant information on 3TG mineral SORs.

Advantech continues to comply with the "Due Diligence Guidance" of the Organisation for Economic Co-operation and Development (OECD) as the basis for its "Conflict Minerals Management Plan". The Company investigates the mineral sources of its suppliers through the Conflict Minerals Reporting Template (CMRT) to confirm whether the 3TG smelters have passed audits by independent third-party organizations such as RMI, LBMA, or RCJ. Moreover, Advantech has expanded its sources of component suppliers to minimize risk, avoid reliance on single suppliers, and demand the supply chain to establish diverse procurement channels. If a non-compliant smelter is identified in the supply chain, Advantech will require the supply chain to either switch to a compliant alternative smelter certified by the aforementioned audit organizations and submit a removal plan for the non-compliant smelter, or assist the relevant smelter in passing an independent third-party audit to ensure the compliance and sustainability of the entire supply chain.



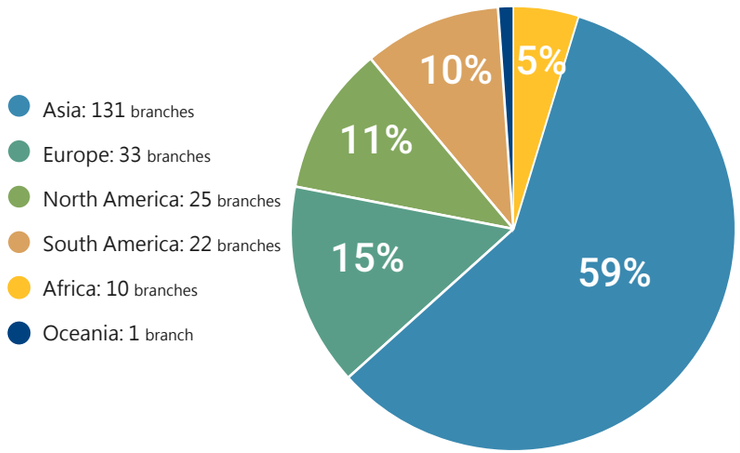
About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

According to the conflict minerals due diligence results for 2024, we identified 222 smelters in our supply chain. Among these, 215 smelters have been certified as meeting the "Responsible Minerals Assurance Process (RMAP)" standards (or equivalent cross-recognition assessments). There are currently seven smelters in the certification process, with qualified smelters achieving a compliance rate of 96.8%.

	2020	2021	2022	2023	2024
Qualified smelters	245	246	249	226	215
Smelters currently in the program*	0	9	10	6	7
Total	245	255	259	232	222
Percentage of qualified smelters	100.0%	96.5%	96.1%	97.4%	96.8%

*Smelters currently in the program: Refers to smelters that have committed to accepting the RMAP assessment, completing relevant documentation, and arranging an on-site evaluation. Currently in the pre-assessment, assessment, or corrective action stage. Advantech monitors the progress of these smelters participating in the program every quarter to ensure the compliance and sustainability of the supply chain.

2024 conflict minerals survey smelter distribution



In addition to 3TG, we have expanded the scope of our survey to include cobalt and mica in 2024. Cobalt is a key material for manufacturing batteries and magnetic alloys, while mica can be used in the exterior coatings of electronic products. This year's due diligence identified 83 cobalt smelters and seven mica smelters.



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

2.4 Risk Foresight and Crisis Management

Advantech defines various risks in alignment with its overall operational strategy and implements an Enterprise Risk Management System (ERM) to establish a structured mechanism for proactively identifying, precisely assessing, effectively monitoring, and strictly controlling risks. Prevent possible losses within the risk tolerance range and continuously adjust the best risk management practices according to changes in the internal and external environment. Major risks identified through Advantech's ERM process include economic, environmental, and social issues. Economic issues include business succession, management of overseas business subsidiaries, sustainable supply chains, information and cyber security, and cross-border tax issues. Environmental issues include low-carbon and eco products, climate transition risks, etc.; social issues include talent cultivation and retention, labor relations, personal data protection, etc.; the results of annual survey on material sustainability issues are also used to identify and assess major risk issues each year. Taking 2024 as an example, material sustainability issues were also considered as the main strategic or operational risk issues in ERM, for the proportion of up to 70%.

Advantech uses the ERM mechanisms to reduce or mitigate the potential impact of risks on the Company's revenue, costs, and reputation; at the same time, we proactively explore opportunities that may arise from sustainability risks, such as investing in solar energy, wind power, and electric vehicle-related applications, and developing energy management platforms that can be applied to different industries.

Risk management governance framework and organization

As the highest governance unit for risk management, the Board of Directors oversees the overall risk management mechanism and approves update of policy and procedures. The Board of Directors, and also by delegation to Sustainable Development Committee and Compensation Committee are responsible for the supervision and tracking of pan strategy risk topics and global risks, while Audit Committee are responsible for the supervision and tracking of operational risks.

The Risk Management Team ("the Team") serves as the Company' s highest risk management authority and is responsible for overseeing and enhancing the risk management processes. Each year in Q4, the Team launches a risk survey and identification process, and coordinating with responsible management units to finalize the assessment and mitigation plans for major risks by early the following year. Given rapid fluctuations in the business environments, a mid-year review is also conducted to reassess major risk exposures and adjust mitigation actions accordingly. Major risk topics and corresponding mitigation actions are incorporated into quarterly risk management meetings or senior management meetings to facilitate discussion and monitor implementation progress.

Functional managers are responsible for developing mitigation actions for identified risks and overseeing actions implementation. Internal Audit, meanwhile, closely monitors and also facilitates various risk management processes, while also providing enhancement suggestion. When necessary, Internal Audit conducts audits on specific risk topics. Generally, major risks with unclear implementation progress would be prioritized for annual project audits. Proposals for enhancing ERM mechanism are jointly developed by the Risk Management Team and Internal Audit through collaborative discussions. The Company also engages external consultants as needed to provide counseling, conduct audits, and offer recommendations on the risk management related mechanism and its operations.

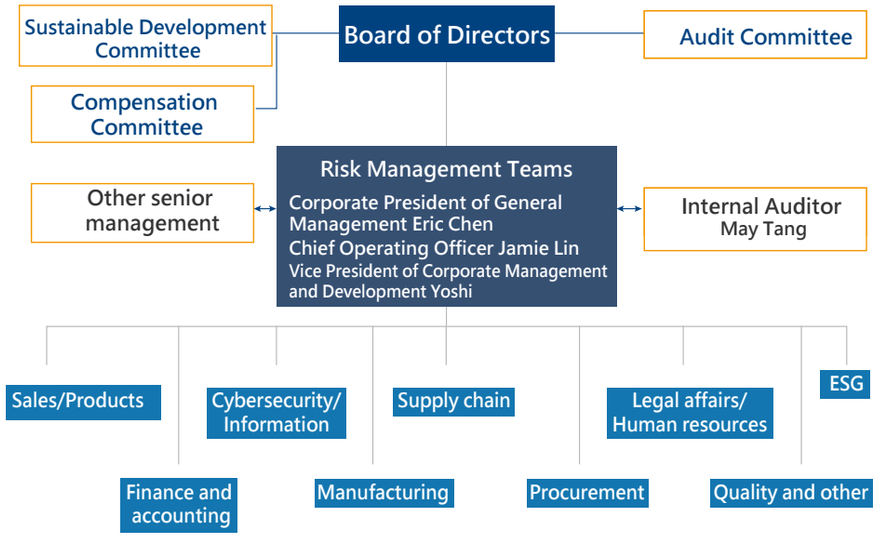


Figure 2.4.1 Risk Management Organization

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Three lines of defense model for risk management and others

Three lines of defense model	Corresponding unit	Role
First line: those responsible for risk	**Operational/functional unit manager in charge and front-line employee**	◆ The manager in charge is responsible for planning and implementing risk management mechanism at the first line. ◆ Manager in charge and front-line employee are accountable for proper completion of the response actions.
Second line: risk management and compliance oversight	**Risk management team:** ◆ Led by Corporate President of General Management and Chief Operation Officer (COO) ◆ Depending on the nature of risk topic, the Chairman, President of business units and other senior executives will be invited to join the discussion	◆ Supervise the implementation and effectiveness of risk management response measures. ◆ Supervise quality compliance with the quality unit, and supervise legal compliance with the legal unit.
Third line: independent Internal Audit	**Internal audit team**	◆ In-depth participation and supervision of risk management meetings and execution of risk management mechanism. ◆ Provide independent and objective assurance services to ensure the effectiveness of risk management and compliance processes. ◆ Perform comprehensive audits targeting significant risk issues

For the following information, please refer to the risk management page of the Company's website (Chinese/English)

- Risk management governance framework
- Risk management policy and procedures
- Risk management mechanism and processes
- Emerging risks
- Major risk sensitivity analysis

The high risks highlighted in orange area on the risk map have exceeded the Company' s tolerable risk appetite, and it is necessary to adopt respective risk mitigation strategies and actions as priority to reduce the probability of occurrence or the level of potential impact, and the actions progress shall be closely monitored.

Advantech's Risk Map

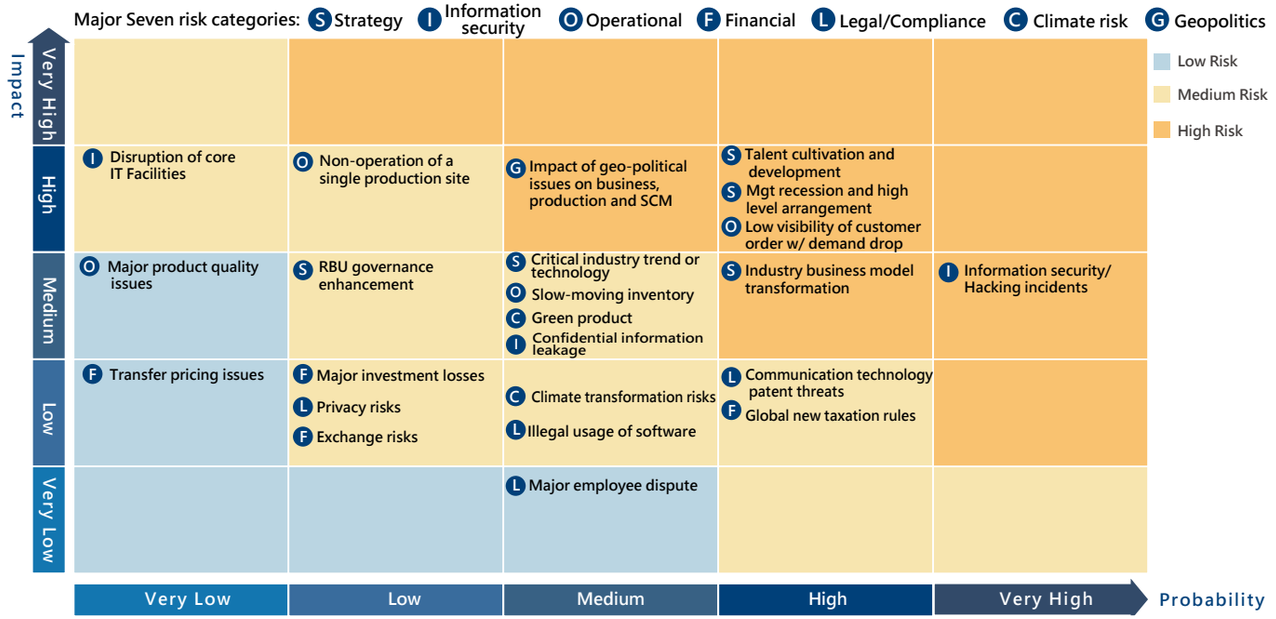


Figure 2.4.2 2024 Advantech's Risk Map

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
2.1 Operational Performance and Corporate Governance Structure
2.2 Information Security Management
2.3 Sustainable Management of the Supply Chain
2.4 Risk Foresight and Crisis Management
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Mitigation actions and risk appetite for major risk items

Major risk items	Main mitigation actions	Risk appetite and mitigation approach
Talent cultivation and development	◆ Optimization of salary and benefits structure to improve the recruitment rate of high-potential talent and the retention rate of internal A-level talent. ◆ Engage external consultants to conduct compensation analysis to optimize compensation competitiveness. ◆ Strengthen A talent cultivation and engage in IDP (Individual Development Plan) planning and execution ◆ Optimize the performance appraisal mechanism and provide training for leaders	Considered a high risk, it is necessary to reduce the likelihood of risk occurrence and reduce the losses that may be caused by potential incidents
Business succession and executive arrangement	◆ Establish a clear leadership succession plan and develop a strong leadership pipeline ◆ Improve internal job rotation mechanism and develop international management talent ◆ Identify critical position and arrange succession candidates, and formulate a three-year development plan ◆ Provide a platform for the succession pipeline and conduct deliberate practice	Considered a high risk, it is necessary to reduce the likelihood of risk occurrence and reduce the losses that may be caused by potential incidents
Impact of international disputes on production and logistics	◆ Expand the selection and use of materials from China ◆ Expand Fukuoka Japan office as a backup manufacturing site ◆ Establish an outsourcing partnership in Malaysia, and to conduct partial product trial production ◆ Expand CTOS assembly capability and capacity in major overseas regions	Considered a high risk, the negative impact of risks on revenue and profitability must be lowered
Transformation of industry business models	◆ Establish a cross-sectors collaboration mechanism for Solution Architects and industry experts ◆ Establish sector driven KPIs ◆ Cultivating new businesses and setting the direction for talent and new venture incubation	Considered a high risk, it is necessary to reduce the likelihood of risk occurrence and reduce the losses that may be caused by potential incidents
Customer demand has weakened, leading to limited order visibility	◆ Strengthen software and integration services to enhance customer loyalty ◆ Establish an approval mechanism for order postponements and cancelations, enhance order management, and improve flexibility in production and delivery ◆ Close tracking of unshipped orders, including customized and standard products	Considered a high risk, the negative impact of risks on revenue and profitability must be lowered
Cyber security/ hacking incidents	◆ Cyber security testing and strengthening of security awareness among employees ◆ Introduction of the confidential data protection mechanism ◆ IT hosts information security rewards campaign; cyber security newsletters are sent quarterly ◆ Introduction of cyber security service incident management platform ◆ Tracking of the patching execution for server vulnerability	Considered a high risk, it is necessary to reduce the likelihood of occurrence and reduce the losses that may be caused by potential incidents.

Figure 2.4.3 Major risk items and mitigation actions

Project highlight 1

Inclusion of strategic risks

In 2024, the Risk Management Team invited the newly established Corporate Management and Development Department to participate in the risk identification and assessment processes, conducting impact analyses and developing mitigation action plans for pan strategy risks. The risk map was also updated to encompass pan strategy and pan operation risks, thereby strengthening the Company' s overall risk management framework and expanding its coverage.

Project highlight 2

In 2024, two global management guidelines were formulated

The Risk Management Team, in collaboration with Internal Audit, conducted a comprehensive review of cross-functional workflows in the areas of "Sales Order Postponement and Cancellation" and "End-of-Life Material Procurement and Management.", and followed by optimization suggestions. Later, relevant global guidelines were jointly developed and subsequently communicated to applicable domestic and overseas units. These efforts contribute to mitigating the potential impact of the risk items: "customer demand has weakened, leading to limited order visibility" and "increase in slow-moving inventory".

Project highlight 3

Implementing Business Continuity Management System (BCMS) in 2024

A third-party organization has been engaged to provide counseling in the implementation and enhancement of the BCMS (Business Continuity Management System) at the Linkou plant. The two-year project was launched in 2024, and phase one of the project, including target and risk assessment, impact analysis, and recovery plan, has been completed. The project helps to ensure the Linkou plant may resume normal operations within a reasonable timeframe in the event of risks or natural disasters. This helps to mitigate the risk item "non-operation of a single production site" and avoid potential impact.

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

3 Sustainable Intelligent Solutions

3.1 Sustainable Intelligent Solutions

3.2 Innovative Mechanism

3.3 IoT Application Promotion and Education

3.4 Customers and Partners Co-Creation



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

3.1 Sustainable Intelligent Solutions

Name of materiality	Importance of this materiality to Advantech
Policy or commitment	Advantech's sustainable intelligent solutions are applied to different sectors such as: smart factory, renewable energy infrastructure, smart healthcare, smart retail, robotics applications, etc. In recent years, Advantech has introduced AI applications, collaborating with ecosystem partners to accelerate the adoption of AI edge computing across various industries. Advantech is committed to incorporating sustainability into the strategic blueprints of its business units for new product development and market expansion. Examples include focusing on product sustainability responsibility, expanding the objectives of relevant product departments (such as environmental protection and energy, smart healthcare, smart agriculture, and environmental monitoring), and expanding the impact of Advantech's sustainable intelligent solutions.
Positive impact	Advantech' s sustainable intelligent solutions generate a positive economic impact by enhancing convenience and improving efficiency across sectors such as smart factories, smart transportation, healthcare, energy management, and smart warehousing. In light of global labor shortages and Taiwan' s aging population, automation-driven transformation is an inevitable trend. This shift not only addresses workforce challenges but also actively facilitates economic transformation. While sustainability remains a top priority, Advantech' s iEMS solutions are designed in response to the global trend toward net-zero development by enabling businesses to effectively monitor energy resource-related data. This, in turn, helps them to identify carbon emission hotspots and devise effective energy saving and emission reduction strategies, ultimately creating a positive environmental impact.
Negative impact	Smart and AI technologies will replace some of the manual workforce, leading to corresponding social impacts. For negative impact countermeasures, please refer to 3.3 IoT Application Promotion and Education. Advantech is committed to cultivating IoT talent to ensure that the workforce is not displaced by AI or technology, but instead becomes proficient in applying technology to bring positive contributions to society.
2024 goals achievement status	In 2024, the revenue of sustainable intelligent solutions was 41%, and 55.6% was achieved (Note: In 2024, Advantech calculated the contribution of its sustainable intelligent solutions toward climate change mitigation and climate change adaptation based on EU Taxonomy indicators.)
2025 Goals	57% of revenue comes from the sale of sustainable products or solutions.
2030 Goals	62% of revenue comes from the sale of sustainable products or solutions.
Key action plans or programs in 2024	◆ Establish a clear blueprint for sustainable product R&D and improve product integration. With reference to sustainability-related indicators, those with high applicability are included in Advantech's existing eco products and related operating activities specification to gradually enhance sustainability. ◆ Forge ecosystem partnerships. By leveraging the value and technological advantages of our partners and the supply chain, we can provide users with better value, thereby fostering shared prosperity and sustainability for Advantech, ecosystem partners, customers (businesses or individuals), and the planet. ◆ Continue to monitor the development of domestic and international sustainability-related regulations, and incorporate relevant sustainable indicators, certifications, and technologies into the direction of product and solution development. ◆ Launched a pilot program for three products featuring sustainable raw materials to explore the carbon reduction performance of incorporating recycled plastics and metals into products. The aim is to achieve mass production and establish Advantech's image as a green enterprise.
Effectiveness assessment	◆ Regularly review revenues from smart energy management solutions, smart factory solutions, smart telemedicine, smart agriculture solutions, smart education solutions, smart transportation, and smart logistics. ◆ Each business group has monthly, quarterly, and annual review mechanisms to review strategies, plans, inventory, revenue, gross profit, net profit margin, and other revenue conditions on a regular basis. ◆ Regular meetings are conducted to review eco product development progress, and annual targets are stipulated to monitor the progress of eco products across four key aspects.
Stakeholders impacted by the material topic and actions implemented by Advantech	Addressing the potential social impact on employment resulting from its activities, Advantech's mitigation measures involve investing in industry talent cultivation, such as the IoT Industry-Academic Cooperation, the IoT Industry-Academic Internship Project, and the IoT Education Online Certification Course. Committed to bridging the gap between learning and application, and introducing more innovative IoT talents to the world. For the content of the IoT industry-academic education cooperation, refer to 3.3 IoT Application Promotion and Education. In response to investor and customer concerns about product sustainability performance, Advantech voluntarily engages in discussions on energy-saving and carbon reduction achievements, targets, and roadmaps. The outcomes of these discussions are forwarded to relevant units and incorporated into initiatives such as improving product sustainability and expediting product carbon footprint disclosure.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

With the vision of "Enable an Intelligent and Sustainable Planet," we are committed to achieving sustainable development in the world. By applying IoT technology and comprehensive product solutions, we can enhance customers' resource utilization and production efficiency and minimize energy waste and carbon emissions to promote sustainable development. This is achieved through the development of IoT software and hardware, as well as products and services in areas including energy management, transportation and logistics management, smart agriculture, smart factories, telemedicine, education, and maintenance services. Advantech also strives to gradually expand the revenue share from sustainable intelligent solutions.

Advantech voluntarily adopted the EU Taxonomy as a reference to refine the classification of its sustainability-related activities and disclose corresponding revenue and expenditures. In 2024, based on the EU Taxonomy reporting framework and by benchmarking against its climate change mitigation and climate change adaptation indicators, the revenue share from sustainable intelligent solutions was calculated to be 55.6%.

	Revenue		Capital expenditure		Operational expenditure	
Total amount	Total Amount (Currency: NTD)	100%	Total Amount (Currency: NTD)	100%	Total Amount (Currency: NTD)	100%
(Currency: NTD)	59,786,293K		1,475,070K		15,326,118K	
Total of which is Taxonomy-Eligible	Total Amount (Currency: NTD)	55.6%	Total Amount (Currency: NTD)	55.6%	Total Amount (Currency: NTD)	55.6%
Amount (Currency: NTD)	33,264,408K		820,712K		8,527,276K	
Total of which is not Taxonomy Eligible	Total Amount (Currency: NTD)	44.4%	Total Amount (Currency: NTD)	44.4%	Total Amount (Currency: NTD)	44.4%
Amount (Currency: NTD)	26,521,885K		654,358K		6,798,842K	

Note: The ratios of capital expenditure and operational expenditure are estimated based on revenue share.

Table 3.1.1: 2024 Advantech sustainable intelligent solutions financial disclosures in reference to the EU taxonomy



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Featured case study 1：

Upgrading of smart learning venues: Advantech's ePaper solution facilitates school campus digitization and carbon reduction efforts.



Case study location: Taiwan

Partner: National Taipei University Sanxia Campus

In responding to the trend of school campus digitization and sustainable development, Advantech has teamed up with National Taipei University Sanxia Campus to develop the "University Smart School Timetable " solution. The core of this system lies in the integration of Advantech's Wi-Fi ePaper with the school's academic affairs management platform. By harnessing real-time, secure wireless transmission technology, the system dynamically updates course information on electronic timetables and supports attendance tracking and course progress monitoring, thereby considerably improving the efficiency and accuracy of traditional paper-based processes. The system also features big data analytics, transmitting real-time attendance rates and course interaction data to optimize teaching schedules and track learning performance, further enabling campus digital transformation.

The project offers the following sustainability benefits：

Environmental impact	**Paperless operation to facilitate carbon reduction and resource conservation** According to tests, each piece of ePaper can reduce approximately 18g of real paper consumption daily. The system is used to update class timetables in 12 classrooms, saving about 1,419 kg of CO_2 emissions annually. This is equivalent to the carbon sequestration capacity generated by planting 47,304 trees or 0.09 hectares of forest in a year. Advantech's solution offers direct savings on paper, energy, and labor.
Social impact	**Support educational policy-making through data analysis：** Real-time attendance rates and course participation analysis in the system backend allows the academic affairs unit to optimize course scheduling based on empirical data, striking a balance between students' academic and extracurricular needs, in turn boosting overall learning performance. **Increase the efficiency and image of the school administration：** Automated class timetable updates and dynamic roll call mode significantly reduces errors and manual processes, showcasing the school's innovative image in proactively introducing intelligent solutions, thereby elevating its competitiveness in digital transformation and environmental sustainability. **Minimizes manual operations and adds value to the education sector：** Traditional class timetables require manual printing and replacement. In contrast, ePaper streamlines the process through digitization, enhancing campus management efficiency and allowing human resources to be reallocated to more value-added teaching activities or administrative planning.
Extended reading	Smart Timetable: Eco-Friendly School Solutions with ePaper Advantech ePaper Solution in Collaboration with National Taipei University

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Featured case study 2：

Upgrading the smart supply chain: Advantech's NFC ePaper logistics cards enable paperless and precise management

Case study location: Taiwan

Partners: Optical instrument manufacturing industry

In response to the high-precision requirements and variable production environment of optical instrument manufacturing, Advantech has provided a smart logistics card solution based on NFC ePaper. Once powered on and read for the first time, the solution maintains the most up-to-date label information even without power, eliminating battery usage and minimizing electronic waste. Real-time scheduling and dispatch can be performed via the smart logistics display, enhancing immediate control over material management and work order flow. The integrated digital automation system minimizes human error.

Environmental impact	**Paperless warehousing management：** For every 1,000 ePaper labels used annually, roughly 13,140 kg of CO_2 emissions can be decreased, equivalent to the annual carbon sequestration capacity of 0.87 hectares of forest or about 0.034 Daan Forest Parks. **Low energy consumption and waste reduction：** NFC power supply technology requires no battery replacement or recycling, which helps to reduce electronic waste generation. Since the label content can be displayed permanently, it effectively decreases the use of paper and plastic materials.
Economic impact	◆ Bolster digital transformation and production efficiency: Synchronized production information and visual management effectively reduce production delays and finished product defects caused by labeling errors, enhancing overall supply chain performance. ◆ Fosters employee operational safety and convenience: With its larger display area and clearer information, the NFC ePaper significantly lowers the risk of searching errors and misjudgments, in turn improving corporate performance and competitiveness.
Extended reading	Unveils Ultra-Slim Batteryless ePaper Solution for Smart Logistics and Factories Sustainable Manufacturing: Advantech & NFC ePaper Solution





About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

3.1 Sustainable Intelligent Solutions

3.2 Innovative Mechanism

3.3 IoT Application Promotion and Education

3.4 Customers and Partners Co-Creation

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

Featured case study 3：

Smart water resource management under extreme weather: Advantech participates in innovative river governance solutions in Japan

Partners:
Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Internal Affairs and Communications (Japan)

Nogata Municipal Government

Fukuoka University, Kyushu Institute of Technology

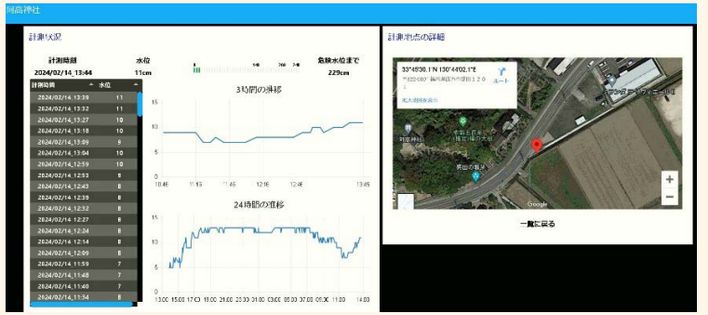
J-fils Co., Ltd., GLEAP Co., Ltd.

In the face of extreme weather and flood risk exacerbated by global warming, a real-time, reliable river management system capable of wide-area deployment becomes essential. With its expertise in IoT and edge computing, Advantech, in collaboration with its partners, developed a high-efficiency LoRa (LPWA) communication solution integrated with automated sluice gate monitoring and remote operation technology. Designed to collect real-time data on river water levels, flow rates, and meteorological conditions, the system operates in a low-power mode and can continue transmitting data even during public network (4G/LTE) outages. Through the remote automated operation of sluice gates, the system enables timely flood diversion and channeling. In addition, a versatile alarm system provides early warnings, helping to mitigate the threat that floods pose to life and property.

Environmental impact	◆ Decrease communication energy consumption: Compared to traditional 4G LTE communication, LoRa significantly reduces power consumption for long-distance transmissions and also lowers system equipment maintenance costs. Although specific carbon reduction values are difficult to quantify, it can still save substantial energy in the long term. ◆ Reduce indirect carbon emissions caused by disasters: Transport and equipment are often needed to travel to and from disaster areas. By issuing accurate early warnings and reducing the severity of disasters, carbon emissions during emergency response efforts can be lowered.
Social impact	◆ Protection of life and property: The implementation of this sustainable intelligent solutions eliminate the need for manual inspections, thereby reducing the risk of personnel casualties and property loss. ◆ A model of cross-sector collaboration: Through a trilateral partnership among industry, government, and academia, we can harness technological advantages to create replicable models for resilient disaster prevention and contribute toward the global response to extreme weather.
Extended reading	NHK TV 樋門遠隔管理制御の取組み ICTイノベーションフォーラム2024に出展







About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

3.2 Innovative Mechanism

Faced with the rapidly evolving global industry trends, as well as the emerging challenges and opportunities of sustainable transformation, Advantech systematically implements an "innovative mechanism" at the strategic level. Through approaches such as IMAX-C, EBO, TSU, industry-academia collaboration, and Innoworks, the Company seamlessly integrates organizational innovation, technological R&D, business model expansion, and co-creation with ecosystem partners, thereby accelerating the incubation and launch of new businesses, products, and technologies. This mechanism fully reflects our corporate vision of "Enabling an intelligent planet" in corporate governance and operational planning, proactively responding to market needs and stakeholder expectations while forging a sustainable development path that integrates economic impact, social value, and environmental contribution.

Name of material topic	Importance of this material topic to Advantech
Innovative mechanism	Advantech's systematic allocation of resources towards products and technology, business innovation, and a co-creation mechanism with ecosystem partners to generate shared prosperity is motivated by its corporate vision of "Enabling an intelligent planet".
Management strategy	Building on the vision defined in 2015 and the "AIoT Development Roadmap", Advantech considers AIoT as the main driver of future growth in the industry. Through diverse innovation approaches, the Company is transitioning from an industrial PC vendor to a technology supplier and service provider delivering comprehensive end-to-cloud solutions for IIoT. Advantech has implemented innovative mechanisms on six items across three categories including product, technology, and industry-academic collaboration. In 2025, Advantech strives to become a leading brand in Edge Computing & Edge AI, driving global innovation in five key domains: intelligent edge systems, smart manufacturing, energy and public service, smart healthcare, and smart retail/service. Innovative mechanisms are developed by targeting product, technology, industry-academia collaboration, and other dimensions.
Policy or commitment	Innovation management is elevated from being process-driven to the corporate development level, and this is used as a key approach for tapping into emerging business opportunities. By strategically communicating the concept of external strategic collaboration and co-creation to potential external partners, we can enhance the diversity of innovation proposals and their execution flexibility, thereby seizing opportunities arising from the development of the AIoT industry.
Positive impact	◆ Promoting innovation is an important strategy for the Company's continuous improvement and long-term sustainability. Innovation also reflects our investment in technology and knowledge to enhance competitiveness through R&D capabilities and the pursuit of new ventures. ◆ AIoT application solutions signify that we can meet the needs of diverse industrial and commercial scenarios with more effective and lower-cost means, leading to positive impacts such as process optimization and yield improvement, which can reduce waste, lower energy consumption, etc. ◆ Innovation solutions targeting specific application scenarios can more directly address challenges faced by businesses or users. For instance, a self-checkout IoT system can mitigate the problem of labor shortage in the industry and also help consumers enjoy a more convenient shopping experience.
Negative impact	Possibility of technical risks and failure. During the new technology or innovative mechanism implementation process, risks associated with technical failures or low market acceptance can lead to wasted capital and time. Advantech's response towards negative impacts are as follows： ◆ Promote internal business innovation and new business incubation: 3.2.2 Innovative Products and Technologies ◆ Form a Core Technology Committee to promote technology sharing and standardization: 3.2.2 Innovative Products and Technologies ◆ Promote open innovation and industry-academia collaboration: 3.2.1 Business Innovation and Emerging Business Opportunities

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Name of material topic	Importance of this material topic to Advantech
2024 target achievement overview	◆ No targets were set last year / description of key achievements in 2024: ◆ Mechanisms such as IMAX-C have been implemented for a number of years. We regularly and systematically conduct proposal discussions for innovative products and business strategies, as well as departmental technical innovation discussions on R&D, serving as the foundation of our innovative mechanism. ◆ Regarding the innovative development of new business opportunities, in continuation of the Vote for 2030 activity in 2023, we will conduct new business opportunity evaluation by focusing on six material topics. In response to the flourishing development of global robotics applications, we have formed the AS&R (Autonomous Systems & Robotics) business group. ◆ Starting in 2023-2024, Advantech launched a comprehensive sector driven strategic transformation with the establishment of four major sectors (iSystem, iAutomation, Service IoT, and Embedded IoT) to target different application markets. At the same time, we aim to strengthen our regional sales organizations and channel management capabilities to expedite product innovation and application implementation.
2025 Goals	◆ Through an internal platform for soliciting emerging business opportunity ideas, we will collect 10–20 proposals and launch a new business opportunity management system to conduct market research, mobilize internal and external resources, and develop products and business models. ◆ We aim to implement 10 collaborative innovation projects with academic and research institutions and startups.
2030 Goals	◆ Continue to invest in innovative mechanisms to expand our qualitative and quantitative goals. ◆ Consolidate more partners in the industry ecosystem to establish a resilient and innovative co-creation model.
Key action plans or programs in 2030	◆ Building on the existing mechanism and goals for emerging business opportunity management, specific resources are introduced to accelerate the incubation of innovative proposals. ◆ By reinforcing ties with external experts and consultants, the Company targets emerging innovation topics and effectively analyzes their value and feasibility. Guided by comprehensive information and expert insights, we can engage in resource allocation and implementation plans. ◆ Foster an internal corporate innovation culture through the internal platform for soliciting emerging business opportunity ideas. ◆ Improve the efficiency of corporate operations through AI technology, thereby optimizing resource utilization and lowering environmental impact.
Effectiveness assessment	Advantech evaluates the effectiveness of its innovative mechanisms through internal reviews and external validation. Internally, Advantech monitors key performance indicators such as the speed of new product launches, revenue growth, and patent output during quarterly and annual business group reviews. The results are fed back into programs such as IMAX-C, EBO, TSU, and industry-academia collaborations to continuously track and optimize the maturity of technologies and business models. Externally, the Company participates in major international awards and industry competitions, using these recognitions to validate its innovation standards and ensure that its sales and technological innovations generate significant economic, social, and environmental impact.
Stakeholders impacted by the material topic and actions implemented by Advantech	The Company’ s innovation strategy and direction are closely aligned with the decisions of the Board-level Sustainability Development Committee (SDC). To evaluate innovation proposals, the Company engages external experts, including specialized scholars and consultants. In executing the plans, we have applied co-creation with startups and academic research institutions, while also pursuing strategic collaborations and investments with relevant ecosystem partners. Internally, the Company has engaged in the horizontal integration of investment, strategy, innovation management, and the product and R&D units of various business units to promote innovation and co-creation-related efforts.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Advantech's innovative mechanisms include product, technology, business, and industry-academia collaborations. Under the leadership of the Chairman and senior supervisors, Advantech's innovation mechanisms include six items across three major categories：

Related to business innovation and emerging business opportunities

IMAX-C:
Includes business units' innovative strategies and practical plans such as product, sales, and organizational reform breakthroughs.

EBO:
Advantech colleagues around the world conducted rigorous analysis and planning for emerging opportunities observed to formulate business plans for Advantech's new growth trajectory.

Innovative products and technologies

MCT/TSU:
The Technical Committee was established by the R&D supervisor to engage in centralized and horizontal management of the core technologies of each business unit, as well as to implement the modularization of forward-looking technology sharing (TSU-Technical Sharing Unit).

Industry-academia research and co-creation

University co-creation:
Conduct in-depth R&D and practical field verification with domestic and foreign universities to build new technologies and application breakthroughs.

Innoworks:
Provided software, computing resources, and online teaching for colleges and universities globally to encourage the new generation of students to unleash their creativity and engage in practical development.

Advantech's innovation and development roadmap includes the IMAX-C mechanism, which brings new ideas and opportunities to its existing business units. This approach entails nurturing new organizations, collaborating with external partners, and developing new products and services. Advantech also emphasizes the consolidation and integration of internal resources. On the other hand, EBO explores new business opportunities, new markets, and new technologies from the perspective of new businesses with low market maturity or outside the scope of the original business, and nurtures these new opportunities for Advantech's future development. TSU serves a crucial role for technology integration management, supporting new product and business innovation initiatives across business units. Industry-academia co-creation and Innoworks: In terms of roadmap development, Advantech collaborates with academic and research institutions to spark new creativity, including next-generation ideas and future IoT product concepts, to facilitate preliminary ideation and exploration of AIoT integrated applications and services.

This innovative mechanism nurtures new business units and launches new products every year. Besides garnering accolades and achieving exceptional sales performance, the mechanism also allows Advantech's core business to grow quickly in response to mainstream trends and through innovations in state-of-the-art R&D technology. Examine the effectiveness and trends of innovation through internal innovation projects to stimulate the development of innovative products and make timely adjustments to product strategies.

Innovative and effective management

When implementing innovative mechanisms, corresponding and precise KPIs should be formulated based on the nature of the topics covered by the respective mechanisms. This involves defining clear Objectives, setting specific Success Criteria, and complementing them with effective Follow-up Actions to form a comprehensive performance management system. As an example, for industry-academia collaboration-related innovative mechanisms, the number of research projects can be stipulated, specifying that a specific proportion of achievements must meet conditions for technology transfer or continued collaboration. In terms of product design innovation, international industrial design awards are used as additional incentives, and the actual revenue benefits from new products on the market are tracked. As for the new business expansion (EBO) mechanism, an Executive Committee composed of senior supervisors is established to provide substantial strategic support for the planning and business model of innovative businesses. Furthermore, the committee regularly tracks the market expansion and business growth performance of business units to ensure the maximization of innovative measures' effectiveness and competitiveness.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

3.2.1 Business Innovation and Emerging Business Opportunities

IMAX-C

Goals

Advantech's organization is divided into Business Units, including the SBU (Strategic Business Unit), which focuses on strategy and product R&D, and the RBU (Regional Business Unit), which focuses on sales and regional expansion. Both units work together to facilitate the Company's operational management. The SBU benefits from the IMAX-C mechanism, which introduces innovation and business development. In particular, "I" stands for incubation, which involves nurturing new organizations; "M" and "A" represent Mergers & Acquisitions and Alliances, which are linked to external partners; "X" stands for X-Product, which emphasizes the development of new products and services; and "C" stands for Convergence & Consolidation, which involves the integration of internal resources to avoid redundancy in products or units.

Method

Each SBU submits IMAX-C proposals by adopting a bottom-up approach according to business level and market. Starting from individual Product Lines, the Product Division (formed by multiple Product Lines) and the Business Group (formed by multiple Product Divisions), through consolidation and integration, the overall strategic direction for SBU innovation and operations is formed.

After the product unit proposed IMAX-C innovation initiatives, Advantech teamed up with multiple units to conduct research, analysis, and discussions on product and service innovation, business model innovation, and organizational innovation. After the decision is finalized, the ABP (Annual Business Plan) of the SBU will be launched in succession, laying the foundation for its continued growth and development.

Results

In 2024, a total of 25 IMAX-C strategic guidelines were developed across various business units, targeting key market and technology trends such as IIoT, AI, 5G and Edge Computing, Green Technology, and Smart Cities. Through the IMAX process, new capabilities and BUs, including Edge AI, Edge Servers, and Automation Systems and Robotics, were developed internally. Additionally, we expanded our presence in the smart retail sector through the acquisition of Aures.

EBO (Emerging Business Opportunity) development

Goals

Advantech follows the "Niche Business Unit Cluster" growth model, promotes core business goals with a vision, focuses on industries, and centralizes business strategies. In 2023, Advantech expanded its original EBO (Emerging Business Opportunity) proposal management mechanism by integrating internal innovation incubation, external investment, and co-creation with academia and startups. This mechanism aims to identify innovative business opportunities beyond Advantech' s core businesses, validate new business models and technical feasibility, and ultimately expand the Company' s business footprint while pursuing sustainable corporate growth.

Method

In 2024, through the "Vote for 2030" global initiative, Advantech invited key clients and strategic partners worldwide to identify emerging business opportunities. The initiative focused on six major forward-looking topics including Generative Artificial (GenAI) industry application solutions, industrial robotics technology, green energy and energy storage solutions, intelligent healthcare, machine vision applications, and industrial wireless communication. After each topic undergoes in-depth market research and strategic evaluation, a concrete business plan is developed and submitted to the Executive Partner Committee Meeting (EPCM)—consisting of senior supervisors—for strategic review and confirmation of internal resource allocation and external investment planning. Depending on the maturity of the business opportunity, a decision is made whether to establish a dedicated Incubation Center or a new Business Unit (BU) for market deployment.

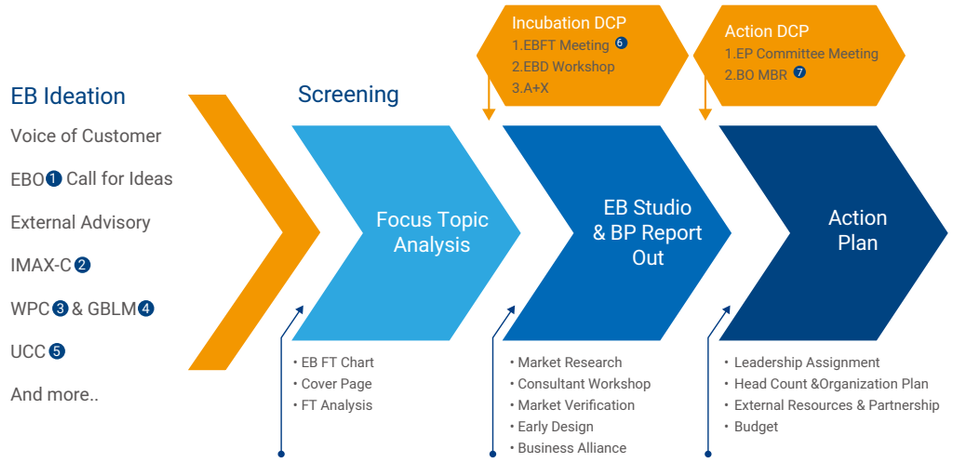


Figure 3.2.1: EBFT (EB Focus Topic) Promotion Process

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Results

GenAI industry application solutions

Developments in Generative AI (GenAI) have enabled the application of AI assistants across sectors such as manufacturing, commerce, education, healthcare, law, accounting, and banking. However, the growing demand for AI computing also leads to challenges such as energy consumption and carbon emissions. Advantech specializes in creating high-performance AI solutions for edge and industrial applications to reduce the hardware costs of AI infrastructure while improving computing efficiency. By optimizing hardware design and AI model computing processes, under the same AI training conditions, energy consumption and carbon footprint are decreased to meet ESG goals. This in turn assists industries in promoting green AI and materializing a sustainable future where intelligence and environmental protection go hand in hand.

Project Highlight

Reducing entry barriers and accelerating industry application implementation

Advantech and strategic partner Phison have joined forces to develop exclusive patented technology to help industrial control application customers in building safe, reliable, and affordable on-premise GenAI model equipment. By doign this, we are able to lower the entry barrier to AI adoption and accelerate the transition to Industrial 4.0 and even Industrial 5.0, ushering in a new generation of human-machine interaction.



Phison x Advantech - Creating a GenAI platform for industrial control applications

Industrial robots

In response to the booming development of global robotics applications, Advantech established the AS&R (Autonomous Systems & Robotics) business group in 2024, focusing on AGV (Automated Guided Vehicles), AMRs (Autonomous Mobile Robots), and large industrial unmanned vehicles (such as agricultural machinery, slow self-driving vehicles), and other diverse application scenarios. Considering the wide application scope and high demand variability for unmanned vehicles, AS&R is vigorously forming an industry ecosystem. Through collaboration with stakeholders, the BU integrates diverse application needs and continues to develop innovative products and services that meet the demand of various industries, contributing to the sustainable development goals of intelligence and automation.

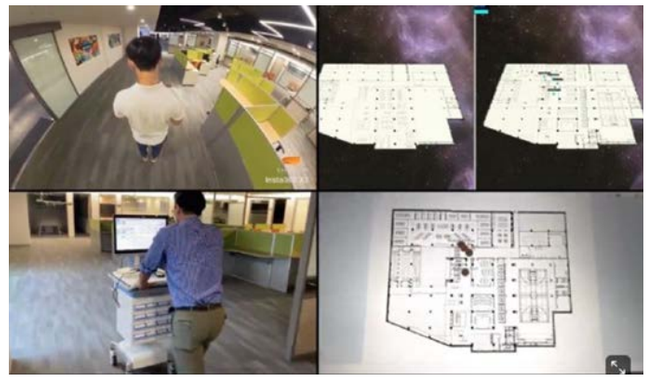
Intelligent Healthcare

Advantech's SIoT (Service IoT) BU has been dedicated to smart healthcare for numerous years, continuously collaborating with international medical device manufacturers, system integrators, and startups to help hospitals create patient-centered digital healthcare environments. Advantech offers a series of smart healthcare solutions by establishing a data-driven healthcare platform. In 2024, Advantech applied AI technology to launch innovative applications such as smart medication management, nursing control station, and smart wards. This effectively improves healthcare efficiency, optimizes patient service experience, promotes the intelligent allocation of healthcare resources, while assisting healthcare institutions in adopting a more efficient, safe, and sustainable development model.

Project Highlight

Infra-free RTLS solutions targeting the global healthcare market

Advantech has introduced an infra-free RTLS solution in conjunction with ecosystem partners, targeting the global healthcare market. Through a pure software-based positioning architecture, the solution significantly lowers the barriers to digital transformation for healthcare institutions while enhancing nursing workflow efficiency. For example, medical personnel can quickly locate specific mobile nursing workstations, freeing up time for more valuable patient care. Through asset and equipment location data, coupled with modular AI tools, the management unit can quickly realize a dynamic operational decision support system that maximizes key operational indicators such as resource allocation and utilization.



Infra-free RTLS solutions in the healthcare sector

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Green energy and energy storage

In 2024, driven by trends in ESG, net-zero, and carbon neutrality, Advantech upgraded its one-stop smart energy solution, the iEMS platform. Building on existing services such as energy management, HVAC energy efficiency management, air compressor energy efficiency management, and rotating machinery motor energy efficiency management, a carbon cost management function was added, and carbon emissions data was incorporated into the corporate decision-making system. Through GenAI technology, iEMS can automatically analyze energy usage trends and provide precise energy-saving strategy suggestions, allowing businesses to manage energy more intuitively and efficiently. In doing this, not only can we enhance businesses' visibility and control over energy consumption, but also a robust foundation is also laid for formulating proactive energy-saving and carbon reduction policies, thereby fast tracking the goal of sustainable operations.

Project Highlight

Promotion of ESG concepts on campuses to facilitate application implementation

Advantech participated in the "AIWave: Taiwan Generative AI Applications Hackathon" hosted by DIGITIMES, and invited participants to develop applications based on the iEMS platform, aiming to promote ESG and Generative AI technology and contribute to the development of the IoT industry. Using GenAI to integrate iEMS platform data, the first prize recipient developed the "Energy-Saving Conference AI Agent", which helps users gain insight into building electricity consumption and carbon reduction status, analyzes electricity usage trends, and identifies energy-saving opportunities. The AI Agent also generates charts and specific action plans for enhancing the effectiveness of corporate ESG performance.



AIWave: Taiwan Generative AI Applications Hackathon
The iEMS one-stop smart energy solution facilitates the deployment of corporate war rooms.

Knowledge bank functions including equipment maintenance and repair, work order dispatch and inspection system, and AI energy-saving assistant offer brand new user experiences and value.



Machine vision

With the development of high-end vision applications, Advantech is vigorously implementing AI-powered image identification technology and engaging in co-creation with partners to develop intelligent inspection solutions through integrated hardware, software, and services. Applied to high-speed automated inspection equipment, the technology accurately detects difficult-to-define or unexpected defects, improving detection accuracy and production yield while lowering reliance on manual labor and inspection costs. This helps businesses increase resource utilization rate, reduce material waste and energy consumption, and lower carbon emissions. Automated inspections help improve working conditions and enhance occupational safety.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

3.2.2 Innovative Products and Technologies

TSU

Goals

Senior R&D supervisors will form the MCT (Meeting of Corp. Technology and Engineering) to establish Advantech's TSU (Technical Sharing Unit) through the horizontal integration of core technologies across various business units. Focusing on three strategic priorities, including: advancing R&D digital transformation; establishing a cross-SBG (Strategic Business Group) technology sharing IP (Intellectual Property) platform; and building a co-creation platform for core technology management.

Method

Establish the Share TSU mechanism to enable sharing and interoperability among the R&D teams of each business group, facilitating synergy through horizontal integration of their respective core technologies. The subjects include "Engineering", which focuses on the growth and development of TSU R&D, including IP sharing; and "Innovation", which emphasizes forward-looking topics and advanced technology research, allowing business groups to co-create comprehensive designs, shorten R&D timelines, and foster product innovation.

Results

Currently, the MCT is convened every two months and chaired by senior R&D supervisors, focusing on three major technical strategic topics for long-term implementation. Please refer to the table below: MCT/TSU technical strategic topics

R&D interoperability mechanism	Intelligent material selection and parts development roadmap	Product development platform
AI Bug Solution System ◆ Automated bug inspection and solution, which ensures quality from the design source and integrates internal experience. ◆ Chatbot smart analysis, accurately diagnoses problems to decrease repair and reproduction time.	◆ Accurate mainstream material recommendations enable refined, high-precision mass production and help earn customer trust ◆ Centralizing material usage quickly achieves economy-of-scale consumption, resulting in a rapid reduction in material purchase costs	◆ Introduce GenAI into the new product development process to achieve time to market goals. ◆ From design and component layout to Gerber output and final verification, automated screening and recommendation capabilities throughout the entire process help prevent component EOL issues, shorten R&D testing time, and reduce the need for design revisions.

AI intelligent defect resolution system fast tracks time to market

Advantech actively implements AI technology to optimize the product development process, thereby fast tracking Time to Market (TTM) and meeting the market's need for timely innovation. Through the AI Bug Solution, Advantech takes into consideration potential defects from the design source, applying AI for automatic problem detection and prediction, proactively generating bug tickets and proposing solutions, in turn improving development efficiency and product quality. This innovative application can shorten development time by more than 2 months, reduce sample production costs and resource waste, ensure fast product launch, and increase competitiveness. At the same time, AI Bug Solution can decrease material and energy consumption, effectively lowering carbon footprints and demonstrating the Company' s commitment to ESG. Through continuous AI-driven developments, Advantech is committed to delivering greater values to its customers, allowing the industry to embrace a more efficient and sustainable future.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

3.3 IoT Application Promotion and Education

Capitalize on the resources of an IoT leading brand to promote Industry-academia co-creation and bridge the gap between education and application.

Advantech's industry-academia collaboration mechanism has invested industrial resources in the development of the "three main pillars" aimed at cultivating IoT talent and bridging the industry-academia gap. Advantech applies "Industry-academia co-creation" in the value chain to connect academia, internal employees, and industrial ecosystem partners to jointly develop applications and solutions. This initiative directs the integration of Advantech's core competencies and resources to benefit society while fostering strong growth in the IoT industry. It also allows the academic community to direct research toward industrial development, resulting in more job opportunities.

IoT and education are integrated with Advantech's core business strengths

Provide the WISE-IoTSuite platform with flexible deployment to respond to the needs of different fields and industries based on cutting-edge technologies such as device intelligence, digital twin, industrial big data analysis, and AI. We will collaborate with our partners to generate new value for the IoT industry and build an open and inclusive ecosystem together.

Responding to Advantech's co-creation business model

Advantech is committed to promoting the three-stage growth of AIoT through co-creation. The first stage focuses on hardware innovation, while the second centers on promoting IoT platform operations by integrating IT, OT, Cloud, and AI technologies to build the IoT cloud platform "WISE-IoTSuite." The Company is now advancing into the third stage, "AIoT solution development and ecosystem expansion," aimed at addressing the needs of diverse fields and providing integrated AIoT networking solutions. Advantech encourages internal product and service development teams to engage in industry-academia co-creation initiatives, aiming to develop high-quality application services and strengthen Advantech's ecosystem in the Industrial IoT sector.

Goals and visions

With the three pillars of "talent cultivation," "open innovation," and "alignment of learning with practical applications," Advantech partners with leading universities in key strategic regions worldwide to nurture top talent for the IoT and Edge Computing industries and serve as an incubation center for industrial innovation.

Alignment of learning with practical applications : Promoting the co-creation ecosystem by linking academic R&D capabilities with industry's technological development needs. Through a progressive approach, starting with "industry-academia collaboration projects," followed by the "integration of master's and doctoral students into corporate internships," and "transferring outcomes to the industry," the aim is to foster innovation and cultivate talent.

Industry-Academia Collaboration

- Advantech's annual industry-academia programs involve collaboration with leading universities on thematic topics centered on key IoT development trends. These programs aim to consolidate practical industry needs with academic research capabilities, fostering innovation and creating a positive industry-academia collaboration cycle through inside-out and outside-in approaches.
- Inside-out: Align the school's AIoT R&D plan with the Company's internal technology development roadmap. In-depth linkage between market demand and university R&D capabilities with the corporate test-driven model, as well as Advantech's internal and external (customer) field scenarios, to conduct proof of concept (POC) for innovative IoT applications, promoting industry-academia products and the market.
- Outside-in: Inventory university lab R&D projects and capabilities that have productization potential, and integrate external innovation concepts with internal commercialization resources. Development and planning roadmap for internal new products and new technologies with external innovations, which may further become an important source of innovation for new business units developed by the enterprise.
- Since Advantech founded the Intelligent System Research Center in Yang Ming Chiao Tung University in 2015, more than 62 projects have been carried out. In 2024, 10 industry-academia projects were matched, covering topics such as heat dissipation technology, GenAI applications, edge device technologies in antenna module design, AI application performance, and other key technologies in the IoT industry.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

From product orientation to long-term technology deployment: Extended TSU X Thermal

Advantech has maintained a long-term partnership with Professor Chi-Chuan Wang's lab in the Department of Mechanical Engineering at Yang Ming Chiao Tung University. Together, we have formulated effective mechanisms for interaction and knowledge exchange, with Advantech sharing industry trends and applying academic research to address industry pain points and train future industry talent.

Environmental aspect: Advancements in heat dissipation technology have a profound impact on environmental sustainable development, primarily reflected in three major areas including enhanced energy efficiency, reduced carbon emissions, and the extended lifespan of electronic products.

Social aspect: Provide opportunities for academia to participate in forward-looking technology development, and, through industry-academia collaboration, facilitate the training of talents for smart manufacturing and green technology.

Governance aspect: Through collaboration with academic institutions, businesses can reduce R&D-related risks, improve design verification efficiency, and ensure product compliance with global green standards.

Talent cultivation

Domain know-how and cross-industry applications are the keys to nurturing IoT talent. Therefore, Advantech has actively established the AIoT Academy, an online learning platform, and will combine regional certification centers in the future to cultivate key IoT talent and expand into the educational application market. (Refer to Chapter 6 IoT Education and Industry-Academia Co-Creation for more information on AIoT Academy.)

To bridge the industry-academia gap, Advantech continues to bolster collaboration with key universities in Taiwan, developing practice-oriented research topics addressing industry needs and working closely with academia to promote technology development. Advantech also organizes student internship programs that provide practical industry experience and train ready-to-deploy IoT talent. These programs promote technological innovation, enhance industry-academia collaboration, and facilitate the comprehensive development of the IoT ecosystem. (Refer to Chapter 6 IoT Education and Industry-Academia Co-Creation for more information on AIoT Innoworks.)

AIoT Innoworks Projects

Advantech provides online education and certification resources, an easy-to-use IoT platform, and industry mentor resources to recruit students interested in IoT to form teams to develop innovative IoT applications with Advantech platforms. In addition to cultivating IoT talents, it is easy to explore the potential innovative applications of IoT. (Refer to Chapter 6 IoT Education and Industry-Academia Co-Creation for more information on AIoT Innoworks.)

3.4 Customers and Partners Co-creation

Name of materiality	Importance of this materiality to Advantech
Customers and partners co-creation	As a global leader in the IoT industry, Advantech is dedicated to providing exceptional products and services. Customer satisfaction has a direct impact on Advantech's brand value, long-term market competitiveness, and customer loyalty. It also impacts the interests of key stakeholders, including employees, customers, shareholders, and partners. Consequently, maintaining strong customer relationships is essential to enhancing corporate competitiveness. In addition, cultivating high-quality partnerships contributes to advancing the overall innovation and creativity of the IoT industry.
Management strategy	◆ We view customers as partners and engage in market development through a co-creation mechanism. ◆ Improve channel distribution management, optimize the Global Customer Relationship Management (CRM) System, Technical Service Platform, and provide more diverse online training courses. ◆ Ensure comprehensive protection of customer privacy and safeguard customer rights and interests, even during the pandemic. ◆ We focus on the development of the IoT industry and continue to invest in IoT platforms and solutions. ◆ Improve customer feedback mechanism: Strengthen response speed through customer satisfaction surveys, AI analysis, and internal communication. ◆ Mitigate customer dissatisfaction risks: Make timely adjustments to products and services based on the data collected. ◆ Improve service quality: Enhance the technical support team to provide customized solutions. ◆ Reinforce internal performance mechanisms: Evaluate the possibility of organizing RBU customer satisfaction evaluations in the future to raise internal service awareness.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Name of materiality	Importance of this materiality to Advantech
Policy or commitment	Advantech is committed to maintaining high customer service standards and continues to monitor customer satisfaction indicators to enhance the customer experience and ensure corporate sustainable operations. Position customers as partners and collaborate with them through co-creation mechanisms to jointly develop the market. ◆ Improve channel distribution management, optimize the Global Customer Relationship Management (CRM) System, Technical Service Platform, and provide more diverse online training courses. ◆ Ensure the complete protection of customer privacy ◆ We focus on the development of the IoT industry and continue to invest in IoT platforms and solutions.
Positive impact	In terms of positive impact, Advantech leverages to apply its core business strengths, guided by ecosystem partnerships and a spirit of co-creation, to promote an intelligent and sustainable planet. In terms of society, IoT is applied to telemedicine and healthcare to reduce medical costs and improve medical precision. In terms of the economy, improvements in the efficiency and performance of production, along with the application of AI technology, significantly elevate industrial productivity. In terms of the environment, equipment monitoring and the deployment of a large number of sensor will effectively reduce energy consumption and environmental pollution. In recent years, due to the development of alternative energy, Advantech has also ventured into the business of charging piles and alternative energy. Through close collaboration with customers and ecosystem partners to achieve sustainability in various fields.
Negative impact	The potential negative impact of this issue is the risk of intangible damage to Advantech' s brand image and corporate reputation. Low customer satisfaction may increase the risk of market share loss, which could in turn affect the company' s revenue performance. Low customer satisfaction may also lead to customer complaints and legal disputes. Advantech addresses negative impacts by implementing action plans derived from customer satisfaction surveys, analyzing feedback to understand issues, and requiring relevant personnel to take corrective measures. Additionally, the Company promotes proactive prevention and care mechanisms and fosters healthy competition for customer satisfaction across different regions.
2024 goal achievement progress	**Distributor management：** ◆【2022】2022 unset goals/2022 achievements progress are as follows 1. The percentage of newly signed distributor partners reached 15%. The percentage of premium distribution partners reached 18%. 2. Customized product education and training lists were designed according to different distributor partner types and piloted in emerging countries, successfully inviting nearly 40 distributor partners to participate in the online training program. ◆【2023】goals achieved 1. The percentage of premium distribution partners reached 21% 2. In 2023, a total of 13 distribution partners in emerging countries completed the course and passed the evaluation. The localization courses in Korea have been launched online, the basic courses in Japan have been completed, and the advanced courses have been introduced in stages. 3. Held over four Advantech global partner conferences, attracting more than 6,500 Advantech customers and partners from 60 countries. ◆【2024】certain goals were achieved 1. In 2024, the overall revenue of global distributors declined by 9.6% compared to the same period last year. Although CSF's overall revenue performance fell short of expectations, it still slightly outperformed Advantech' s overall market performance for 2024, which recorded a gross revenue (GR) decline of 9.9%. The inability to achieve the originally targeted 14% GR growth was also influenced by broader market conditions. 2. The percentage of premium distribution partners and sector-focused distribution partners accounted for 46%. 3. A total of 12 Sector-Focused Partner Conferences / Advantech ADF events were held globally, engaging nearly 3,000 sector-focused partners.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

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2024 goal achievement progress	**Customer satisfaction survey：** ◆【2022】unset goals The customer satisfaction survey targeted customers representing the top 80% of cumulative sales in each region, with a total of 748 customers surveyed, 325 in Taiwan, 102 in Mainland China, 134 in North America, and 187 in Europe. The survey achieved a coverage rate of 60.76%, a response rate of 32.89%, and an average customer satisfaction score of 92.66 points. ◆【2023】goals achieved Revenue from sampled customers accounted for 76.73% of total revenue, and the customer satisfaction score was 93.16 points. ◆【2024】goals achieved Revenue from sampled customers accounted for 81.37% of total revenue, and the customer satisfaction score was 93.15 points. **Customer connection experience：** ◆【2022】goals achieved 1. Held 76 Advantech Connect global forums, uploaded 299 Video-on-Demand (VOD) videos, which were viewed 72,771 times and shared 1,899 times. 2. Advantech utilizes eStore and IoTMart to meet the purchasing needs of direct sales customers, with emphasis on optimizing the customer shopping experience and minimizing manual steps. ◆【2023】goals achieved A total of 68,748 customer feedbacks were collected from the official website and customer portal satisfaction, with an average satisfaction score of 4.03 points, and approximately 99% of the feedback had a satisfaction score of three or higher. ◆【2024】goals achieved 1. A total of 63,532 customer feedbacks were collected from the official website and customer portal satisfaction, with an average satisfaction score of 4.057 points, and approximately 99% of the feedback had a satisfaction score of three or higher. 2. The number of views for the 2024 A-Connect replay reached 19,324. **Digital service upgrade：** ◆【2022】unset goals 1. The Customer Relationship Management (CRM) system is progressively shifting to the cloud, Salesforce Sales Cloud was initial implemented in Taiwan and the AInterCon regions in 2022. 2. Introduced the CRM Salesforce CPQ quotation function in the European region, realizing the consolidation of CRM and quotation functionalities, decreasing the number of business operation platforms, and improving the real-time synchronization of customer data. ◆【2023】goals achieved 1. Introduced the cloud customer relationship management system to the Japan branch and the Korea branch 2. The marketing automation system has transitioned from a locally developed system platform to a cloud-based application 3. Achieved: Japan, Korea, and Brazil branches implemented the Salesforce Sale Cloud in 2023 4. Achievement: Introduced the Project Registration Module Version 2.0 to the European market in 2023, enabling real-time synchronization of complete CRM data and further breaking down data silos 5. Improved the Salesforce platform information and cyber security risk score by nearly 20% to effectively prevent phishing, credential stuffing, and account infringement attacks

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Name of materiality	Importance of this materiality to Advantech
2024 goal achievement progress	◆【2024】goals achieved 1. Integrated the CRM systems of the headquarters and the North American branch to improve business efficiency and facilitate management consistency. Achievement progress: The merger project was completed in May 2024, resulting in significant improvements to business efficiency and management consistency, optimized internal work processes, and mitigated operational risks. The digital upgrade project not only enhances data security and customer data protection but also demonstrates our commitment to corporate governance transparency. 2. Advantech will launch the Salesforce PRM operation program with specific partners in Europe, providing a new customer experience that includes electronic customer contract signing via DocuSign, product and marketing information retrieval, project registration and rebate mechanism. The program aims to cultivate potential business opportunities, improve communication efficiency with key partners by replacing email, and enrich downstream customer data within the CRM through the rebate mechanism. Achievement progress: Achieved. In 2024, the partnership management operating system program was launched with specific partners in Europe (roughly 20 distributors), using the Salesforce PRM platform to offer a new customer experience, including electronic customer contract signing via DocuSign and product and marketing information retrieval. Furthermore, the project registration and rebate mechanism will also be completed in 2025 and will be progressively made available to our distributor partners. We expect improved communication efficiency, increased information transparency and real-time availability, and enhanced collaboration on contracts, projects, and orders through the shared platform. 3. The Mexico branch introduced the Salesforce Sales Cloud to enhance customer information and cyber security and privacy protection. Achievement progress: The Mexico branch completed its relocation in October 2024 and has fully implemented multi-factor authentication, ensuring strict identity verification for all users accessing customer data. This further strengthens data security and demonstrates Advantech’ s commitment to data protection as part of its ESG strategy.
2025 goals	**Distributor management：** ◆ The total number of "premium distribution partners" and "sector-focused distribution partners" is expected to account for over 50% of the overall number, with a revenue growth rate of over 10% in 2025. ◆ Expand the online training and certification program, aiming to reach a cumulative total of over 100 distribution partners globally, with more than 500 individuals completing exclusive training and certification courses. **Digital service upgrade：** ◆ Using the Salesforce platform as the central hub, Advantech strives to promote its cloud-based CRM system by relocating branches in the ASEAN region and Australia to the new system to achieve over 85% coverage across overseas branches. This strategy will not only help realize standardization and transparency in data management, and enhance data security and decision-making efficiency, but will also facilitate corporate governance best practices. ◆ Implement Salesforce PRM in Europe and provide 70% of our partners with a brand-new customer experience, including customer electronic contract DocuSign signing, product and marketing information search, and the project registration and rebate mechanism. **Customer satisfaction survey：** ◆ The revenue of the sampled customers accounts for over 85% of the total revenue ◆ Achieve an average score of at least 92 points for customer satisfaction surveys ◆ Established a mechanism for collecting customer satisfaction and conducting visits for VIP (KA) customers (3 customers)

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Name of materiality	Importance of this materiality to Advantech
2030 goals	**Distributor management：** ◆ The overall revenue from global distribution channels is expected to continue expanding, with a target of surpassing USD 650 million and achieving a CAGR of over 10%. Efforts will focus on developing industry-specific and regional distribution partners, particularly premium distribution partners, who collectively contribute more than 50% of total revenue and volume. **Digital service upgrade：** ◆ Integrate supply chain management as part of Salesforce and consolidate key processes such as front-line operations and inventory management. This will materialize real-time digitalization and transparency in order processing, inventory monitoring, and logistics management, which is expected to improve operational efficiency while lowering resource waste and carbon emissions, thereby achieving the goals of environmental protection and corporate governance. Implement a 360-degree customer view within the CRM by integrating data from multiple systems and contact points, enabling the sales team to gain comprehensive insights into customer needs and deliver more precise, personalized services. This measure will not only help improve customer satisfaction but also provide strong support for Advantech at the corporate governance level in terms of data transparency and decision-making optimization. **Customer satisfaction survey：** ◆ Revenue from sampled customers accounts for at least 85% of total revenue, and the customer satisfaction score achieves an average of more than 93 points. ◆ Develop a global customer satisfaction benchmarking mechanism to ensure long-term competitiveness. ◆ Reinforce our ESG commitments to ensure transparency and sustainable customer service
2024 key action plans or programs	**Digital service upgrade：** ◆ The project to integrate the overall Salesforce environments of Advantech headquarters and the North American branch is expected to complete the system merger by May 2024. This integration involves technical evaluations, data migration, system configuration, and user training. Upon completion, it will enhance cross-regional business collaboration, enable data sharing, and standardize business processes. ◆ Provided European partners with a one-stop product and marketing information search platform, as well as developed project registration and rebate mechanisms to offer partners a more convenient and efficient collaboration experience, thereby enhancing customer satisfaction and sales effectiveness. **Customer satisfaction survey：** ◆ Utilized EDM pages via the Mailbee system to implement improvements in real time based on data analysis. ◆ Optimized supply chain management to ensure on-time product delivery. ◆ Strengthened the customer care mechanism by establishing VIP (KA) exclusive services.
Effectiveness assessment	**Digital service upgrade：** ◆ Partnered with Salesforce to become a B2B industry success case featured on the Salesforce global website, showcasing the business value and cloud-based innovations enabled by the Salesforce platform. This highlights Advantech's achievements in digital transformation and innovation, while also allowing customers, partners, and distribution channels to gain more insight into the Company' s sustainable practices in environmental protection, social responsibility, and corporate governance. ◆ A regular progress review mechanism has been created, including internal weekly meetings to monitor the progress of implementation and quarterly business reviews, ensuring its consistency with the Company's strategic transformation goals. **Customer satisfaction survey：** ◆ Evaluate customer satisfaction improvement based on the annual customer satisfaction scores. ◆ Establish a regular internal audit mechanism to ensure that service standards are upheld.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Name of materiality	Importance of this materiality to Advantech
Effectiveness assessment	◆ In the future, consider engaging an external institution to conduct an independent review of the effectiveness of customer satisfaction management. ◆ The results of the customer satisfaction survey and records of improvement actions are reviewed annually according to the "Q-005 Management Responsibility Communication and Review Procedure." A regular internal audit mechanism (conducted once a year) is in place to ensure the implementation of service standards and to support external disclosures.
Stakeholders impacted by the material topic and actions implemented by Advantech	Advantech will continue to collect, monitor, and respond to suggestions from key stakeholders, customers, and partners through existing communication channels; no corrective measures have been taken because the topic has not yet caused a significant negative impact on stakeholders or the environment, economy, and society

3.4.1 Customers and Partners Co-creation

Advantech's 2024 customer management and partner co-creation initiatives are guided by the principles of "altruistic cooperation and mutual benefit" as well as "digital service upgrade." The Company strives to strengthen customer connection experience, expand ecosystem partnerships, and institutionalize distribution authorization management. Meanwhile, Advantech continues to optimize digital platforms, including its CRM system and online technical services, to improve operational efficiency and service quality.

Partnering in the ecosystem

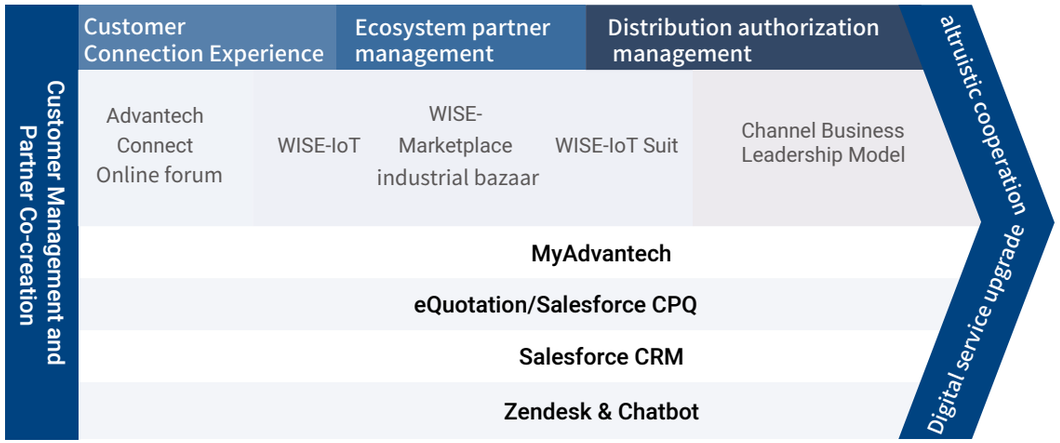


Figure 3.4.1: Advantech's 2024 customer management and partner co-creation highlights

Promote innovation	◆ Gather cross-disciplinary expertise to inspire innovative thinking and technical breakthroughs through resource sharing. ◆ Expedite product R&D and introduce innovative business models to elevate market competitiveness.
Bolster competitive edge	◆ Form a stable and mutually beneficial ecosystem to effectively respond to rapidly changing market needs and challenges. ◆ Increase supply chain efficiency through co-creation with partners to lower operating costs.
Expand market and business opportunities	◆ Achieve business diversification by entering new markets or niche areas through cooperation. ◆ Develop more application scenarios and services to create incremental revenue streams.
Resource integration and risk sharing	◆ Consolidate resources such as capital, technology, and human resources, share value within the ecosystem, and reduce the pressure borne by a single enterprise. ◆ Diversify business risks and enhance stability within a highly volatile environment.
Facilitate sustainable development	◆ Assist partners in achieving environmental, social, and governance (ESG) goals to generate sustainable values. ◆ Resolve shared industry challenges, such as carbon reduction or circular economy practices, through a co-creation model.
Improve brand image and trust	◆ Demonstrate the sense of responsibility shared by the Company and its partners in pursuing long-term value to enhance market trust and recognition. ◆ Cement the Company's role and position in the ecosystem to reinforce our leadership in the industry.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Advantech will also make direct investments and participate in external regional funds to explore emerging business opportunities. Through strategic agreements and investments, the Company supports startups in Taiwan, China, Europe, the United States, and other regions, enabling collaboration in areas such as products, market networks, and technology. These efforts aim to foster the development of local IoT ecosystems worldwide. Overview of investments in ecosystem funds: Regional fund (Aquila Capital), with a fund size of RMB 200 million. In 2024, investment projects included maglev technology for energy conservation and environmental protection, the intelligent equipment industry, and a company offering visual solutions using AI to reduce manufacturing costs. Direct investment projects include an RMB 20 million investment in the incubated startup Adveco, which specializes in solutions for smart spaces, smart buildings, and the energy-saving industry. Additionally, to support Advantech' s transition toward RE100, an investment was made in the construction of a 9.8 MW aquavoltaics facility by Yan Xu Green Electricity Co., Ltd.

Advantech supports incubators, accelerators, and startups

Advantech collaborated with experienced fund partners in the IoT industry to accelerate the growth of international ecosystems. Through dedicated funds, we invested in startups and connected our fund partners with Advantech' s industry expertise, technical platforms, and market networks, thereby accelerating the development of IoT ecosystems in key regions. Besides capital cooperation, for early-stage startups with products and market performance that are not yet scaled, Advantech strategically connects with incubators and accelerators to provide enterprise technical platforms, industry connections, and co-creation funding to expedite the development of growing startups.

Featured case study 1

2024 AAMA AIoT enterprise co-creation program

To advance the development of the AIoT industry ecosystem, Advantech has partnered with Chunghwa Telecom, and Asia America Multi-Technology Association (AAMA) to co-host the "AAMA AIoT Co-creation Program". Focusing on the application of Edge AI and Generative AI in areas such as autonomous robots, smart energy, manufacturing, healthcare, logistics, and retail, the program intends to identify promising startup teams through a structured selection process, co-develop AIoT solutions, and jointly explore application scenarios and market expansion opportunities.

Featured case study 2

The Pan Wen Yuan Foundation presents awards to recognize outstanding achievements in technology research

Advantech Technology has long supported the Pan Wen Yuan Foundation, which recognizes outstanding Chinese researchers and professionals in the fields of electronics, information, and communications, both in academia and industry, domestically and internationally. The research emphasis of the winning team of the 2024 "AIoT Innovation Award" is on the application of AI and GIoT systems in areas such as industrial sewage discharge tracing and product carbon footprint tracking, making significant contributions to smart water resource management in Taiwan, including intelligent flood control and precision water-saving irrigation.



「The "AIoT Innovation Award" recipients: Professor Chang Che-Hao (from left), Department of Civil Engineering at National Taipei University of Technology; Hank Li, Director of Advantech Technology; Huang Szu-Wei, Founder and Strategy Officer of AnaSystem Inc.; Associate Professor Wu Shiang-Jen, Department of Civil and Disaster Prevention Engineering, National United University.Courtesy of Pan Wen Yuan Foundation

Achievement demonstration

Beneficiary	Areas of support	Support benefits or co-creation model
Asia America Multi-Technology Association (AAMA)	Smart manufacturing, smart healthcare, smart environmental protection, and smart logistics	In partnership with Chunghwa Telecom, 11 startups were recruited through industry-specific proposals and counseling, with co-creation solutions actively explored in collaboration with five of them.
Garage+	IIoT and Industrial AI Applications	The Company supported Epoch School in conducting entrepreneurship training for university students. The program recruited 100 university students, organized 28 training events, and facilitated 110 one-on-one career consultations.
Pan WenYuan IoT Innovation Application Award	IIoT	Eight startups/school teams with IoT application projects were recruited. Among them, innovative teams focused on agricultural IoT applications were granted cash prizes and hands-on counseling from industry experts to support the industrial application of their technologies.
IMV ESG Technology Innovation Proposal Competition	Energy conservation, agriculture, forestry, fishery, and animal husbandry	Allied with seven industry partners to support sustainable startups and teams in Taiwan. A total of 114 teams were recruited, and 18 teams were awarded the prize.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

3.4.2 Customer Relationships, Distributors, and Channel Management

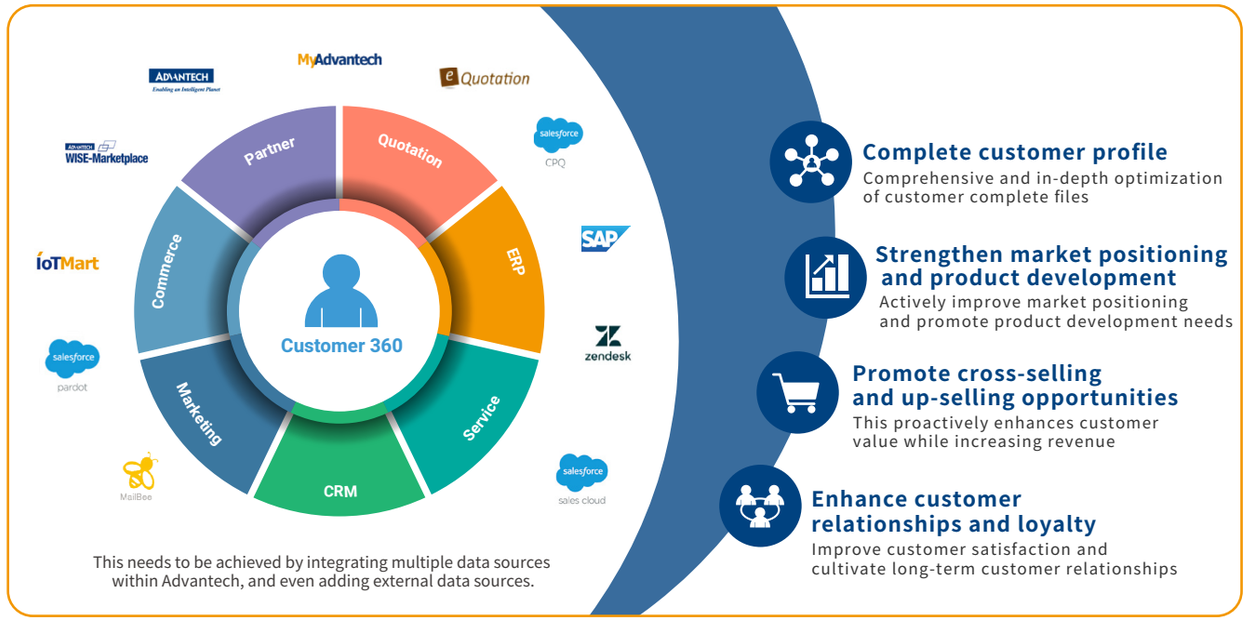
Global customer relationship management system

Advantech's CRM digital transformation has been successfully rolled out in rolled out in the United States, Europe, Taiwan, Japan, Korea, and Brazil. In 2024, we merged the headquarters' and North America's Salesforce systems and officially launched launched the Salesforce platform in the Mexico branch, further accelerating the global customer relationship management transformation. This initiative supports the digital upgrade blueprint of "ONE Advantech," fostering greater unification in customer data management and collaboration in information security, further demonstrating Advantech' s commitment to corporate governance and global expansion.

The CRM system is the cornerstone for business customer service. To ensure the company can effectively respond to customer needs and provide comprehensive services, we have taken advantage of the Salesforce platform's versatile architecture and are committed to building a more efficient and secure digital ecosystem. Through the following project plans, we aim to bolster information protection and regulatory compliance, implement ESG sustainability goals, and reinforce Advantech' s long-term competitiveness across the three pillars of ESG (environment, society, and governance).

I. Experimenting with Salesforce AI Tools: Enhancing Sales Decision-making and Data-driven Strategies

We are vigorously promoting Advantech Customer 360 by integrating multiple cloud platforms and proprietary systems, centralizing key data such as sales, quotations, and ERP into Salesforce, demonstrating a high degree of collaboration and transparency. This not only optimizes operational efficiency but also fulfills our responsibilities in corporate governance.



◆ **Long-term plan：**

Synchronize ERP data, including backlog and shipment details with Salesforce in real time, and present key customer indicators, including win rate, customer lifetime value, average discount, and number of ongoing opportunities, through multi-system integration. This not only reduces paper consumption but also enables precise tracking of sales performance, conserves resources and reduces carbon emissions, aligning with our environmental sustainability goals.

◆ **Realize full-perspective analysis：**

Import order information from the ERP system into the CRM, and import diverse data such as tax identification numbers, sales notes, account status, and contract details to help the sales team better understand customer needs and increase transaction efficiency. At the same time, strengthen the data management and compliance of corporate governance, enhancing the trust of internal and external stakeholders.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

II. Experimenting with Salesforce AI Tools: Enhancing Sales Decision-making and Data-driven Strategies

To further improve the intelligent applications of the CRM platform, we have taken the initiative in experimenting with Salesforce AI tools in different regions. By applying machine learning and AI technologies, we aim to provide comprehensive support to sales teams, thereby assisting them in focusing on high-value business opportunities. This not only optimizes the allocation of human resources and improves service efficiency but also enhances transparency and accountability in sales planning, which is consistent with the principles of corporate governance.

The experimental functions include lead scoring, pipeline charts, a data analysis center, and an an AI-powered chatbot assistant, and other intelligent features. The automated email logging function minimizes redundant data entry and paperwork, contributing to environmental benefits such as energy savings and carbon reduction while enhancing workflow accuracy.

By systematically reviewing sales performance and formulating optimization strategies, we leverage key data reports to ensure transparency in decision-making, realizing the concept of corporate governance as well as enhancing risk control and performance evaluation.



III. Data security and privacy protection: Continue to optimize data authorization and export control

We continue to enhance CRM access controls to protect sensitive customer data during inter-departmental transfers, using role- and permission-based settings to ensure data security and regulatory compliance.

Meanwhile, in terms of data export control, we carefully review all export pathways within the CRM system to minimize the risk of data leakage. These measures align with ongoing enhancements to GDPR compliance, strengthening trust in Advantech' s data privacy and cybersecurity practices and reinforcing our corporate governance standards.

◆ Dealer management platform

MyAdvantech provides global key partners with an integrated platform experience. Whether it's Advantech product information, one-stop order placement, order tracking, or global inventory inquiries, distributor partners can quickly find the information they need through MyAdvantech to enjoy a seamless user experience. MyAdvantech not only increases the convenience of operations for both parties but also reinforces the partnership and efficiency between Advantech and its distribution partners.

In 2024, the team remained committed to the Salesforce PRM cloud migration project. To enhance platform stability, boost information and cyber security, and ensure real-time data integration, an electronic signature function was introduced in 2024 to digitize and streamline the contract signing process between Advantech and its distribution partners, allowing for ongoing optimization of relevant functions.

In the latest version of DocuSign for Salesforce, slated to go live in 2025, the system will automatically select contract templates and generate contract files based on the fields completed by sales personnel. It will also feature contract preview and automatic saving, enabling sales staff to verify contract correctness before signing. Additionally, the new contract signing reminder email will shorten the time spent manually tracking signing progress and help forge a closer relationship between both parties.

Also, the distributor sales rebate program, scheduled to go live in the second quarter of 2025, will not only enable Advantech to better understand distributor sales behavior but also allow distributors to independently check relevant rebate information. By setting sales targets together and using real-time sales data on the system, both parties can drive mutual sales growth and foster a long-term partnership and shared prosperity.

Online Customers

	2022	2023	2024
% of total customers using your online services solutions/sales platform	23.66	27.9	15

Note: The 2024 target was 15%.

Online Revenues

	2022	2023	2024
% of revenues generated online (e.g. through direct sales, advertising, etc.)	18.4	14.8	19.4

Note: The 2024 target was 17%.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

3.4.3 Customer Satisfaction Survey

I. Customer satisfaction survey

◆ Survey objective

Conduct the annual survey based on the "S-002 Customer Service and Satisfaction Management Procedure". Advantech upholds the vision of "Enable an Intelligent and Sustainable Planet" to provide outstanding products and services. To continue enhancing customer experience, we perform customer satisfaction surveys to collect market feedback, optimize service strategies, benchmark against industry-leading companies, and increase competitiveness.

◆ Survey scope and target

1. **Survey target:** Includes customers of various regional business units (RBUs) such as distributors, system integrators, and end users.
2. **Survey content:** Includes sales service and pricing, delivery efficiency, product quality, technical services, and after-sales service

◆ Survey methodology and frequency

1. **Questionnaire survey:** Collect quantitative data through online and physical questionnaires.
2. **Customer interviews:** Conduct in-depth interviews with key customers to gather qualitative feedback.
3. **Third-party evaluation: R**eference the ratings of external market research institutions.
4. **Frequency:** A comprehensive survey is conducted annually, and a quarterly review mechanism is in place.

◆ Customer satisfaction data

In the 2024 customer satisfaction survey, Advantech sampled customers with sales orders from various regions across five dimensions (TQRDC: Technology, Quality, Responsiveness, Delivery, Cost), including 3,459 in Mainland China, 4,887 in North America, 3,097 in Europe, 4,327 in Taiwan, and new regions (1,544 in Korea and 541 in Japan), totaling 17,855 customers.

Using the PDCA tool to analyze this year' s survey, the average scores across all five dimensions in each region exceeded 4.0 points. Advantech will continue to optimize the customer satisfaction management mechanism and provide outstanding products and services to maintain its long-term market leadership.

2019-2024 customer satisfaction survey score and coverage rate

Year	2019	2020	2021	2022	2023	2024
Satisfaction (score)	94.59	95.16	94.83	92.66	93.16	93.15
Revenue from sampled customers as a percentage of total revenue (%)	16.80	16.98	17.45	60.76	76.73	81.37

*Revenue share statistics for 2024 are based on revenue from December of the previous year to November of the current year

Item	Sales service and pricing	Delivery efficiency	Product quality	Technical services	After-sales service
Average score (out of 5 points)	4.60	4.57	4.72	4.64	4.64
Satisfaction (%)	91.95	91.40	94.44	92.85	92.85

Future goals: Increase the coverage rate of customer satisfaction surveys year by year and maintain an average satisfaction score of more than 90 points

Table: 2024 Customer satisfaction survey scores

◆ Satisfaction improvement strategy

1. **Smart customer** satisfaction platform: Integrate data analysis to dynamically track customer satisfaction.
2. **Multi-layer customer care mechanism:** Provide VIP (KA) enterprise customers with exclusive technical support and prioritized services.
3. **Internal customer satisfaction contests:** Various RBUs regularly engage in customer satisfaction contests to facilitate positive internal competition.

◆ Expected benefits

1. **Enhance brand loyalty and customer stickiness.**
2. **Strengthen Advantech's market competitiveness and keep up with industry benchmarks.**
3. **Establish a data-driven decision-making mechanism to increase customer service efficiency.**

Through the foregoing strategies, Advantech will continue to optimize its customer satisfaction management mechanism and provide more outstanding products and services to maintain its long-term market leadership.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

II. Official website and customer portal satisfaction

To enhance customer digital experience, we have designed satisfaction survey mechanisms on our official website and customer digital portal, using a five-point scale to evaluate the key contact point experiences in the customer journey. We place special emphasis on feedback with scores below 3 points, inviting customers to offer improvement suggestions. Relevant units will propose optimization plans to ensure that improvements are completed within the designated timeframe. At the same time, business units will continue to follow up and verify the effectiveness of these improvements.

In the 2024 customer digital portal satisfaction survey, we collected 63,532 pieces of customer feedback. The overall average satisfaction score was 4.057, with 99% of the feedback achieving a satisfaction score of 3 or higher. Looking ahead, we will continue to optimize the digital portal's user experience, enhance the customer contact point mechanism, striving to deliver smoother, more intuitive, and more efficient online services to improve customer satisfaction and brand value.



Official website portal endpoint satisfaction survey illustration

◆ Introduction of AI applications to our official website

In 2024, we proactively integrated AI technology into our official website to enhance the global digital experience and improve the efficiency of content delivery. The primary applications include AI translation tools for multilingual conversion of product information and AI summarization technology to improve the readability and accuracy of website marketing content. This innovative application not only speeds up the content localization process for official websites in various regions but also ensures that visitors can quickly access clear, easy-to-understand, and engaging information, further enhancing customer experience and brand impact. The effectiveness data of AI applications is illustrated in the following two points:

1. Product information AI multilingual translation (backend platform: Product Information System)

With the implementation of AI translation technology, the conversion efficiency of global product information has increased considerably, allowing more markets to quickly access localized content and enhancing our product accessibility and information transparency in various regions.

- AI tool: ChatGPT-4o
- Implementation time: 2024/4/22
- Number of global product information translations before implementation: 1,210
- Number of global product information translations after implementation: 5,743 (a growth of 375%)
- Number of AI translated languages: 16 (Chinese-Traditional、Chinese-Simplified、Japanese、Korean、German、Spanish、Hebrew、Hindi、Indonesian、Malay、Portuguese、Russian、Turkish、Vietnamese、Mexico、Australia)

2. Marketing content AI summary generation (backend platform: Content Management System)

AI summary generation technology significantly increases writing efficiency, enabling the marketing team to focus on content strategy optimization while ensuring the accuracy and appeal of the summaries, thereby enhancing the audience's reading experience. As far as marketing content is concerned, we insist that Advantech employees write it themselves. AI tools are utilized solely to assist with generating headlines and summaries, ensuring content quality and brand consistency.

- AI tool: Copy.Ai
- Implementation time: 2024/5/27
- Number of articles published on the official website in 2024: 1,161
- Number of articles with AI-generated headlines: 91 (7.8%)
  - Final number of articles with AI-generated headlines: 33 (2.8%)
- Number of articles with AI-generated summaries: 290 (24.9%)
  - Final number of articles with AI-generated summaries: 227 (19.5%)

3.4.4 Customer Service

Global online technical service platform

Since the second quarter of 2024, Advantech has adhered to ESG principles to promote digitalization in environmental management, aiming to reduce its carbon footprint and improve energy efficiency through effective utilization of cloud resources. By optimizing the customer service chatbot, we have introduced an AI agent to provide customers with instant replies to product information queries and diverse services. In 2024, the monthly growth rate of AI Agent-assisted conversations reached 26.1%, accompanied by a 10% increase in conversation satisfaction.

Advantech continues to invest resources in developing chatbot technology. The team is designing a new AI-driven Sales Leads analysis model that automatically identifies potential business opportunities from all Live Chat conversations and generates Sales Leads for assignment to LDRs for follow-up, in turn considerably improving the sales team's efficiency. Since its implementation in August 2024, the system has generated

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
3.1 Sustainable Intelligent Solutions
3.2 Innovative Mechanism
3.3 IoT Application Promotion and Education
3.4 Customers and Partners Co-Creation
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

189 business opportunities by December of the same year, achieving a lead conversion rate of approximately 27.2% and resulting in a total profit of USD 108,301.

To continue enhancing product and service quality while considering the needs of stakeholders (social aspect), Advantech has actively introduced customer feedback mechanisms into its service processes. After each service, the system automatically invites customers to fill out a brief questionnaire to ascertain their satisfaction with the service and collect suggestions, which are compiled and analyzed through the system and transformed into tangible improvement plans. The Company also regularly reviews and analyzes the results, continuously optimizing product functions, service processes, and customer service personnel training based on common issues or suggestions. The real-time and convenient feedback mechanism facilitates a faster understanding of customer needs and allows for the timely incorporation of their feedback into product and service adjustments to protect customer rights and improve satisfaction.

Looking ahead to 2025, Advantech will concentrate on the technical services management platform migration project, with plans to implement Salesforce Service Cloud. The new platform will bolster centralized CRM data management, enhance cross-team communication efficiency, and streamline customer service processes, thereby laying a more robust foundation for after-sales service and customer relationship management. This will support ongoing improvements in service quality and efficiency, while also reinforcing data security and corporate governance.

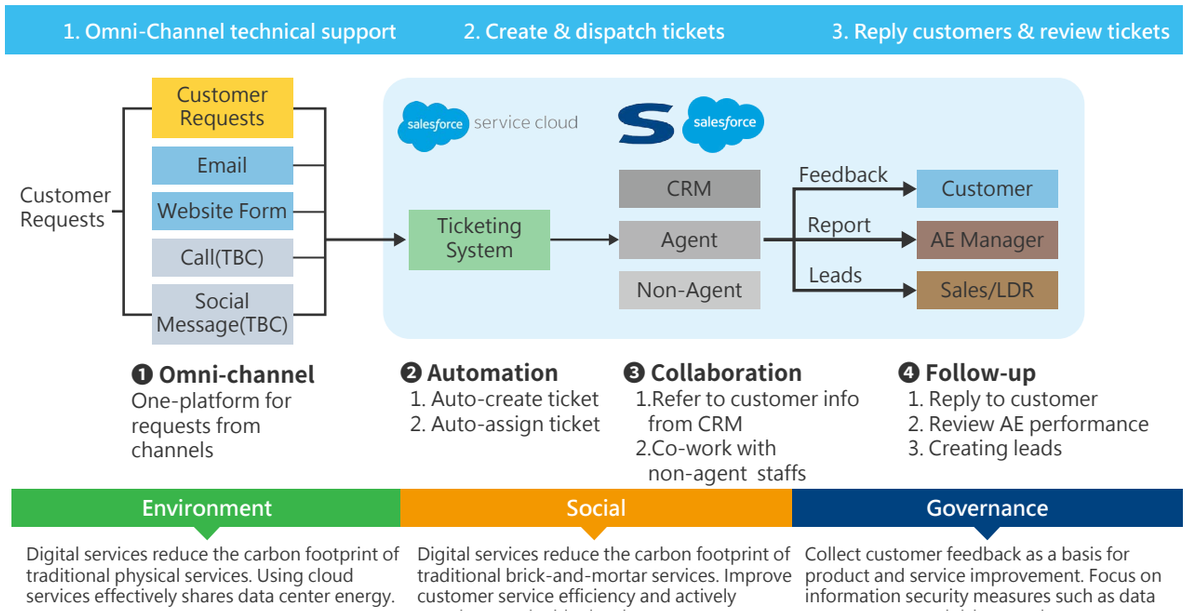


Figure 3.4.4.1 Advantech online technical service process

Advantech effectively increases service efficiency through an automated work order system and continuously optimizes products and services by gathering customer feedback through the CRM platform. Meanwhile, ESG principles are incorporated into the service process: in the environmental (E) aspect, digital technology is used to lower carbon footprint and cloud resources are utilized efficiently; in the social (S) aspect, efforts are made to elevate customer service experience and implement sustainable development; in the corporate governance (G) aspect, data security and risk control are the main focus, and customer feedback is integrated into the decision-making process.

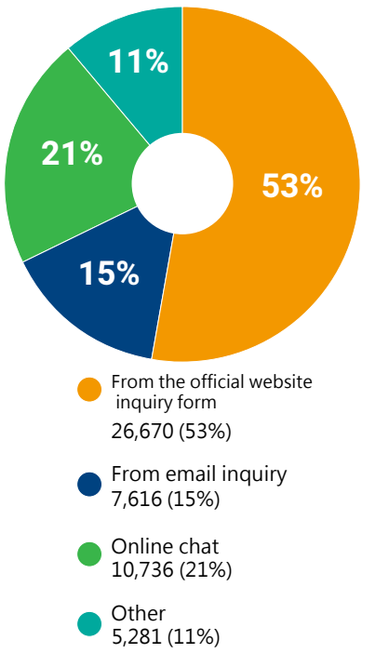


Figure 3.4.4.2 Technical services request form

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

4 Green Operations

4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

4.1 Eco Design and Sustainability Liability of Product

Name of materiality	Importance of this materiality to Advantech
Policy or commitment	Advantech responds to SDG 9 (Industry, Innovation and Infrastructure) and SDG 12 (Responsible Consumption and Production) by setting goals and implementing standards across product raw materials, design, manufacturing, and environmental management. We are committed to minimizing environmental impact and producing eco-friendly products.
Impact description	Advantech regards eco design and eco product sustainability as both a challenge and an opportunity. In the short term, in response to stringent regulations and evolving market demands, we are focused on strengthening R&D to overcome technical barriers. In the medium to long term, we strive to facilitate supply chain transformation to enhance overall competitiveness, generating both environmental benefits and economic benefits. **Positive impact：** ◆ Enhance corporate image: Low-carbon products help shape Advantech's sustainable image, meet the environmental sustainability requirements of international markets, strengthen marketing efforts, and expand the customer base. ◆ Implement product carbon footprint calculation: Promote carbon reduction through transparency in carbon footprint data and collaboration across the supply chain. Effectively address regional environmental regulations and carbon reduction requirements, while enhancing green competitiveness to support market expansion. ◆ Eco product innovation and sustainable raw material application: Effectively elevate brand value and attain long-term advantages by forming a green supply chain, choosing eco-friendly materials, optimizing logistics, and minimizing waste. **Negative impact：** ◆ Supply chain risks: Supply disruptions resulting from financial difficulties, natural disasters, political factors, or climate events impact production plans and delivery schedules, leading to a decline in customer trust and a weakening of market competitiveness. Adjustments made in response to energy-saving and carbon reduction requirements may lead to increased raw material costs and management complexity. ◆ R&D and technical risks: Eco product certification and low-carbon technology R&D demand high investment and long lead times. These are influenced by differences in certification standards and technological uncertainties, which may result in delayed market launches and weakened market competitiveness. At the same time, design costs may be affected due to the use of compliant materials. ◆ Post-launch sales impact: High costs and delays related to eco product certification and low-carbon technology R&D may result in low market acceptance and increased revenue dependency risks after launch, ultimately weakening brand competitiveness and sales performance. **Advantech's countermeasures to mitigate negative impacts：** ◆ Introduce green packaging materials and eco design, establish a green packaging material supply chain in conjunction with a recycled materials supply chain for mechanical components, supported by a dedicated material number classification system. Also, regularly review the environmental certifications of supply chain materials. ◆ The cost increase associated with using energy-saving key components will be managed through centralized selection and procurement by the procurement and parts management units, promoting component commonality and achieving cost reduction. ◆ Establish internal energy-saving standards by introducing x86 architecture systems with hardware energy-saving designs and energy-saving software development to meet the energy conservation and carbon reduction trend and requirements.
Key actions or programs	◆ Advantech product design standards: Continuously invest in eco design R&D using green materials (Advantech's low-halogen requirement) and product energy-saving design to increase the coverage of eco-friendly products. ◆ Increase the proportion of recycled materials and set targets for the use of recycled materials (plastic/metal) in eco design products. Green packaging materials feature reduction designs to achieve carbon reduction, demonstrating Advantech's commitment to environmental sustainability. ◆ Energy Star target setting: Choose appropriate product lines for design implementation ◆ Introduce energy-saving SW Utility into product design: Expand specific product lines to introduce Windows x86 products and increase the coverage of energy-saving products.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Name of materiality	Importance of this materiality to Advantech
Effectiveness assessment	◆ Eco Design Committee: The Project Process Management Department will convene relevant departments to formulate, implement, and manage standards, and revise the Advantech green ecologicaldesign standard guidelines according to international trends. ◆ Regular review and adjustment: The ESG-Environment team reviews target progress every two weeks to ensure the effectiveness of execution and strategy. ◆ External professional support: Invite consultants and lecturers to provide counseling and make sure that internal processes comply with policy and regulatory developments.
Stakeholder engagement	◆ Information disclosure and communication: Gather stakeholders' opinions through diverse channels and ensure transparency. ◆ Sustainability topic evaluation: Analyze operational impacts and risks, identify material topics and prioritize responses. ◆ Annual reporting and verification: Publish annual Sustainability Reports and undergo verification by external verification bodies. ◆ Continual internal communication: Strengthen the implementation and results of eco design and sustainability responsibility.

Annual initiatives, performances, and future goals

Integrate the Advantech eco design Silver medal standard to form internal regulations

Establish Advantech's energy-saving design and green material (Advantech's low-halogen requirements) internal regulations to effectively increase the coverage of eco products

Energy Star goal setting

Introduce Energy Star energy-saving design requirements for specific product lines and obtain the internal energy-saving Gold medal.

Optimization of eco design products

Continue to standardize the eco design product Silver medal standard guidelines as mandatory requirements for Advantech's new model development, as well as vigorously design and develop eco design product Gold medal models

Energy saving SW Utility development

By using energy-saving software to support hardware energy efficiency, introduce it into new x86 Windows specific product line models

2024 annual performance

60% new product percentage
The percentage of eco design system category products achieving the internal self-declared Silver medal certification

90% achievement rate
Products under 5kg use molded pulp packaging instead of EPE Achievement rate

14.04% revenue share
The revenue share of mass-produced products achieving eco design product Silver medal / Advantech Energy Saving Seal for the entire year.

91.2 %
Percentage of Advantech Low Halogen mechanical plastic parts used in products sold for the year

Achieved Goals	Description
2024	◆ Ensure that 100% of raw materials comply with international environmental protection regulations and Advantech Regulated Substance Standards. ◆ 60% of new eco design products attained Silver medal (successfully achieving the annual target) ◆ The revenue share of mass-produced products achieving eco design product Silver medal/Advantech Energy Saving Seal for the entire year reached 14.04% (successfully achieving the annual target) ◆ All new standard system is 100% compliant with ErP energy-saving design specifications ◆ The newly developed model's external mechanical components are required to comply with Advantech's low-halogen requirement.
2025	◆ Continuously ensure that 100% of raw materials comply with international environmental protection regulations and Advantech Regulated Substance Standards ◆ Over 80% of new eco design products achieve Silver medal ◆ Mass-produced products achieve Silver medal for eco design products/ Advantech Energy Saving Seal, accounting for 15% of annual revenue ◆ 20% of new products in selected product lines meet Energy Star reqirements or received Advantech internal Gold Label for energy-saving performance. ◆ For new products in specific product lines, the adoption rate of Software Utility in x86 Windows Image will reach 20%
2026	◆ Continuously ensure that 100% of raw materials comply with international environmental protection regulations and Advantech Regulated Substance Standards ◆ Over 90% of new eco design products achieve Silver medal ◆ Mass-produced products achieve Silver medal for eco design products/ Advantech Energy Saving Seal, accounting for 20% of annual revenue ◆ 25% of new products in selected product lines meet Energy Star reqirements or received Advantech internal Gold Label for energy-saving performance. ◆ Achieve Gold medal in four major aspects: Specific product line 5% ◆ For new products in specific product lines, the adoption rate of Software Utility in x86 Windows Image will reach 40%

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

4.1.1 Product Eco Design and Lifecycle Management

Advantech follows the concept of product lifecycle, using life-cycle assessment (LCA) and product carbon footprint to quantify the environmental impact analysis of Advantech products. The assessment covers carbon emissions across all stages, including raw material selection, manufacturing, transportation, usage, and final disposal. The Company will establish carbon reduction targets and implement corresponding actions, integrating these goals into its overall operational management strategy.

In addition, Advantech has established eco product design management and standard guidelines, integrated into the product lifecycle process to guide Product Departments in creating eco-friendly and innovative products.

Different stages of product lifecycle	綠色設計準則	Regulations, standards, guidelines	Results and benefits (Achievements as of 2024)
Raw material selection	Green materials Green packaging materials Product Recycling	1. Advantech GPM Controlled Substances Standard 2. Advantech Green Ecological Design Standard Guidelines 3. Advantech Green Policy-Hazardous Substances Reduction Plan	**Management and reduction of hazardous substances and the introduction of recycled materials** 1. By the end of 2024, all newly developed models are required to comply with the compulsory introduction of Advantech's low-halogen requirements. The proportion of mechanical plastic parts meeting the "Advantech Low-Halogen Control" reached 91.2%, representing a 4.2% increase. 2. Select representative products based on product type to incorporate recycled materials. Models to undergo pilot production in 2025 ◆ The external structural components of fanless embedded computers (ARK-1125C, ARK-1222) utilize metal steel containing 13% recycled content. Recycled materials are used in 3.2% of the products ◆ The external structural components of the all-in-one (AIO)computer (GSC-7153W) and medical devices (POC-6) utilize plastic containing 30% recycled content. (Medical equipment also undergoes rigorous chemical resistance testing). Recycled materials are used in 9.4% of the products
Product manufacturing process	Green materials Green packaging materials Product Recycling	1. Advantech GPM Controlled Substances Standard 2. Advantech Green Ecological Design Standard Guidelines 3. Environmental and Occupational Health and Safety Policy	**Process hazardous substance management and recycling** 1. The generation of waste and pollution is minimized during the production process, and harmful chemical substances are prohibited. 2. Waste solder dross recycling: ACL introduced a project for solder dross recycling in 2022. Using a solder dross separator, harmful waste solder dross has been successfully recycled, achieving a recycling rate of 70%. Nearly five tons of solder dross have been reused, thereby reducing the generation of hazardous waste. For details, please refer to 4.4.2. Energy Resource Use and Waste Management
Distribution and transportation	Green materials Green packaging materials	1. Advantech Green Ecological Design Standard Guidelines 2. Environmental and Occupational Health and Safety Policy	**Green packaging material optimization and logistics packaging material recycling** 1. According to the guidelines outlined in the Advantech Green Ecological Design Standard Guidelines, the Company will use at least 90% recycled fiber materials for cardboard boxes to lower packaging material usage, improve packaging design, and optimize packaging dimensions to minimize environmental impacts during transportation. 2. Recycle cardboard boxes used for supplier incoming, outgoing, and installation processes to reduce packaging material waste. For details, please refer to 4.4.2. Energy Resource Use and Waste Management 3. Advantech' s new products are designed to reduce size and weight through eco product design. Furthermore, beginning in 2025, the Company will utilize vehicles powered by 10% sustainable fuel for overseas air freight, aiming to reduce carbon emissions from product transportation.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Different stages of product lifecycle	綠色設計準則	Regulations, standards, guidelines	Results and benefits (Achievements as of 2024)
Product usage stage	**Product energy saving**	Advantech Green Ecological Design Standard Guidelines	In 2024, Advantech continued to advance green design by integrating energy-saving features into software modules during the R&D stage to enhance product energy efficiency. A new power-saving software suite was successfully developed based on existing utility modules and implemented on x86 Windows-based products (e.g., AIR-150). Energy consumption testing under maximum power-saving scenarios indicates that the product can reduce approximately 242.4 metric tons of carbon emissions annually starting in 2025. This achievement significantly reduces environmental impact and contributes to a broader adoption of energy-efficient solutions across the company.
Product waste recycling management	**Product Recycling**	Advantech Green Ecological Design Standard Guidelines	**The product's easy disassembly and recycling design, and waste management** 1. Design products for ease of recycling and disassembly. Based on product categories, conduct actual inventories and calculate the proportion of recyclable products. In 2024, the average recyclability rate reached approximately 97%, a 3% increase compared to the previous year, exceeding the requirements of the WEEE Directive. 2. 2. Product waste management: In response to WEEE specifications, Europe collaborates with product recyclers to reuse resources and prevent improper or illegal disposal. Comply with waste recycling regulations in various countries according to Extended Producer Responsibility (EPR), covering major markets including Asia, Europe, and the Americas.

Table 4.1.1 Eco design product LCA

Eco product design management and standards formulation

Advantech’ s standards are grounded in international environmental regulations and assessment tools, such as the U.S. Electronic Product Environmental Assessment Tool (EPEAT). These standards focus on four major aspects of products: (1) green materials, (2) green packaging materials, (3) product recycling, and (4) product energy saving. Environmental impacts are evaluated at different stages of the product lifecycle. Drawing on extensive experience in regulatory compliance and collaboration with global brand customers, Advantech has established the Green Ecological Design Standard Guidelines to enhance energy efficiency, promote ecological design, and reduce environmental toxicity and hazards.

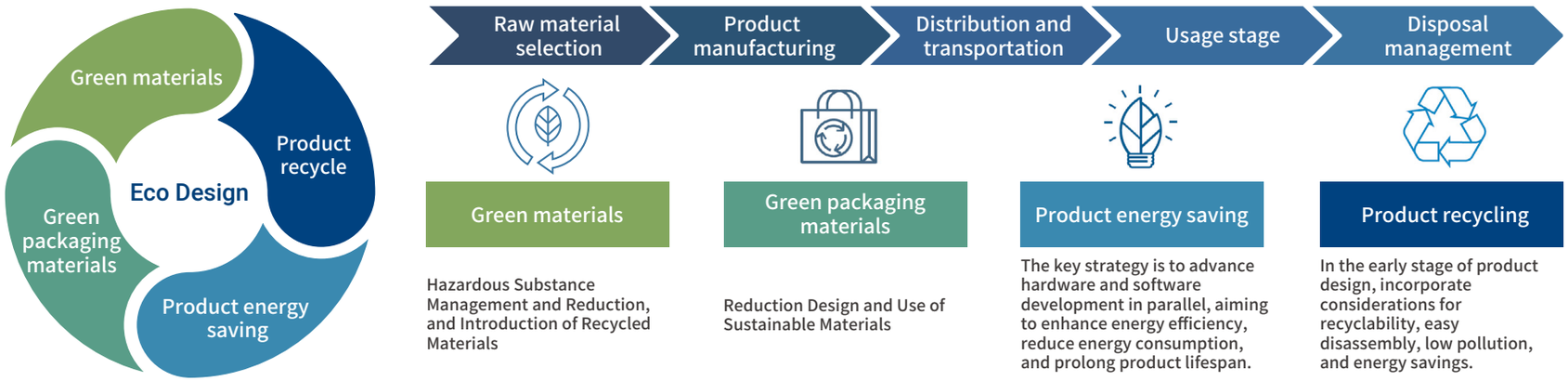


Figure 4.1.1 Product lifecycle and Advantech's eco product design aspects

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Advantech develops intelligent product carbon footprint solution to comprehensively manage product carbon footprint.

Amidst the global net zero and carbon neutral trend, the industrial PC industry must not only provide high-performance, low-power solutions but also actively implement carbon reduction measures to meet the sustainability requirements of customers, investors, and the international market. With the implementation of the EU's Carbon Border Adjustment Mechanism (CBAM), national carbon disclosure policies, and growing emphasis from major multinational corporations, transparency in carbon footprint disclosure has become a key factor in maintaining international competitiveness.

In light of this, Advantech launched a product carbon footprint inventory project in 2023 and, in the same year, obtained the first ISO 14067 verification for an integrated computer product's carbon footprint. Through product life-cycle assessment (LCA), we evaluated the depth of material selection and identified the top five key materials contributing to the carbon footprint. Additionally, in the same year, we completed the establishment of Advantech's product carbon footprint inventory methodology, laying the foundation for the internal development of product LCA. Starting in 2024, we successively completed carbon footprint inventories for representative products across various business units and initiated the construction of Advantech's internal Product Carbon Footprint Intelligence Platform, creating our intelligent solution for product carbon footprint calculation, which is applied to eco product design projects.

Advantech is actively developing a product carbon footprint calculation system, which will not only help determine the carbon footprint of each product on the market but also promote carbon pricing and product carbon footprint reduction strategies. This system adopts the LCA methodology, referencing international standards such as ISO14040, ISO 14067, and the GHG Protocol. By integrating Advantech's internal raw material, supplier information, and production management systems with external APIs, and incorporating AI technology to build a carbon footprint factors database for each raw material, the system can rapidly calculate product carbon footprint and generate carbon footprint reports. This allows for the evaluation of emissions during various stages of the product lifecycle. It is expected that the calculation of all products sold in 2024 will be completed by 2025, accounting for about 100% of the total revenue.

This system not only simplifies the complex manual calculation process but also enables Advantech to quickly identify product emission hotspots, laying a solid foundation for future reduction efforts. Through this system, Advantech can not only actively adjust design and production strategies by identifying products with high carbon emission risk in advance but also offer customers the necessary product carbon footprint information to meet global customer demands, further strengthening Advantech's leadership position in sustainability.

4.1.2 Product Liability

Advantech integrates eco design and circular design principles into the product lifecycle during the development process, emphasizing strategies, goals, and directions. The Company is committed to continuing to research and develop innovative eco products and solutions, delivering high-efficiency, reliable energy-saving integrated solutions and services, while minimizing waste generation at the source of design. We will continue to uphold the eco design philosophy by implementing strategies such as low-carbon material selection, product lifespan extension, and value enhancement. Our products will be free of hazardous substances, easy to disassemble and recycle, and designed to increase the use of recycled materials. Through these efforts, we actively practice the principles of Reduce, Reuse, and Recycle, promote corporate producer responsibility, and support the achievement of SDGs.

Raw material selection

To mitigate the negative environmental and social impact of raw material use, Advantech has established the "Hazardous Substances Reduction Plan" and the "Sustainable Raw Materials Management Policy" to implement sustainable procurement and optimize supply chain management efficiency, further contributing to the realization of the net zero by 2025 target. In line with this policy, we prioritize the use of raw materials with minimal environmental and social impact across all business activities, including R&D, procurement, production, operations, and services.

Green materials and hazardous substance management

Every year, Advantech reviews the current status of hazardous substance management in accordance with international regulations, the IEC 62474 electronic industry standard, customer requirements, and environmental trends. Based on this, the Company established the Advantech Green Policy (Hazardous Substances Reduction Plan), which goes beyond international regulatory requirements. By 2024, we had successfully controlled over 500 chemical substances. Furthermore, we regularly update the Advantech eco product hazardous substance management regulations, which are managed through the Green Product Management System (GPMS). Advantech is also a Sony Green Partner, and our main factories have implemented the IECQ QC 080000 system. Upholding the spirit of rigorous quality management, we continuously control every aspect of product responsibility, ensuring that all Advantech products comply with relevant regulatory requirements. In 2024, we introduced recycled materials for product pilot production to realize the SDGs. In 2024, Advantech products did not violate any international directives on prohibited and restricted substances, nor did they exceed the threshold limits for prohibited and restricted substances in any related incidents.

Furthermore, we have also implemented the concept of reducing per- and polyfluorinated alkyl substances (PFAS) according to US regulatory requirements in 2024. We also initiated a comprehensive PFAS inventory to assess the presence of PFAS in our products and supply chain, and are actively promoting a phased reduction plan to lower environmental and health impacts.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix



Figure 4.1.3 Advantech Green Policy - Hazardous Substances Reduction Plan

Note: For all relevant details on hazardous substance management, please refer to the-
Advantech' s Green Policy, which includes: Commitment to Hazardous Substance Management ; Hazardous Substance Reduction Plan ; Environmental and Human Health Risk Assessment

Performance presentation

Continue to achieve 100% compliance of raw materials with international environmental regulations

IEC 62474

Advantech GPM Regulatory Substance Standards

(All raw materials are disclosed and declared according to IEC 62474-related substance usage, accounting for 100% of product revenue)

Raw Material Source Management	◆ Select qualified suppliers, uploadinformation on Green Data platform. ◆ Establish Advantech's regulated substances standards. ◆ Component part compliance through approval processes and review by green reviewer.
Substance and Component Risk Assessment	◆ Assess substance usage in Advantech products ◆ Ensure component compliance with the latest regulations.
Product Compliance Reports	◆ Evaluate Advantech products for RoHS & REACH compliance. ◆ Assess compliance with other relevant regulations.
Information System Integration	◆ Green Mark management.
Supply Chain Information Communication	◆ Advantech information announcement. ◆ Notification of regulatory updates and customer requirements.
Conflict Minerals Investigation	◆ Completion of conflict minerals reporting forms as required by RBA. ◆ Maintain an up-to-date smelter registry , promptly initiate investigations, and generate compliant reports.

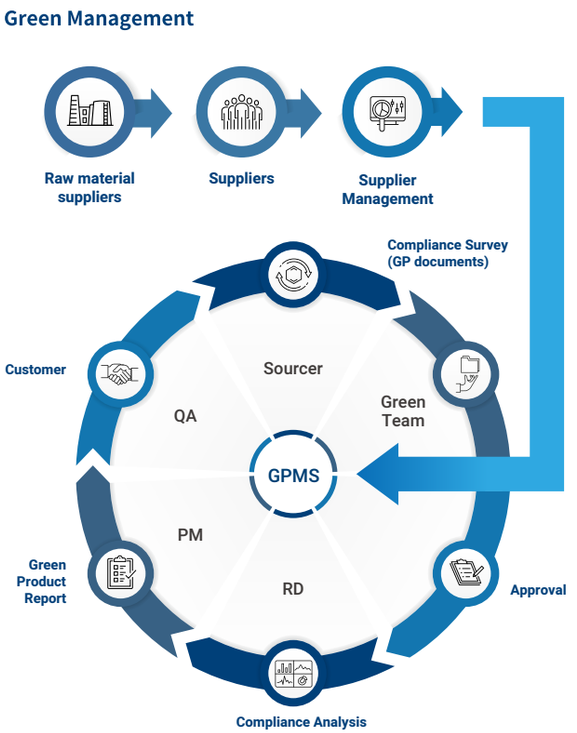


Figure 4.1.4 Green Product Management System (GPMS)

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Sustainable raw material management

As part of Advantech's raw material procurement strategy, we conduct sustainability risk assessments, in addition to cost-benefit considerations, to determine procurement priorities and ensure the effective implementation of sustainable management. We collaborate with suppliers to increase the transparency of raw material sources, assess the potential environmental and social impacts of their development and production processes, and select the most appropriate raw materials for Advantech based on the outcome of supplier sustainability risk assessments.

In the third quarter of 2024, Advantech launched the sustainable raw material project to evaluate the use of recycled materials by tracing the source of raw materials. Moreover, recycled materials were introduced to major business groups to conduct the pilot production plan. The project extends into the first quarter of 2025, and it has successfully achieved its phase goals, including compiling statistics on raw material traceability, evaluating the effectiveness of trial integration of recycled materials into product structural components, and drafting preliminary targets for future implementation. In terms of raw material traceability, considering the characteristics of Advantech's products, we prioritize the top three raw materials by usage volume for implementing control: plastics, steel/iron, and aluminum. These three recycled materials were introduced to the sustainable raw materials pilot program. Furthermore, in addition to managing product structural components, we also conducted a traceability survey for packaging materials. Currently, the implementation outcomes of recycled material usage ratios, categorized by product type, are detailed in Figure 4.1.4.

Raw material category		Raw material usage (ton, pcs)	Recycled material usage percentage (%)
Mechanical materials (ton)	Plastic	121.510	0
	Iron/steel material	599.095	0
	Aluminum material	170.244	0
Packaging material (pcs)	Plastic bags/ bubble bags	10,297,701	0
	Cardboard boxes	6,289,309	90
	EPE cushioning material	8,979,745	0

Table 4.1.2 2024 raw material usage overview

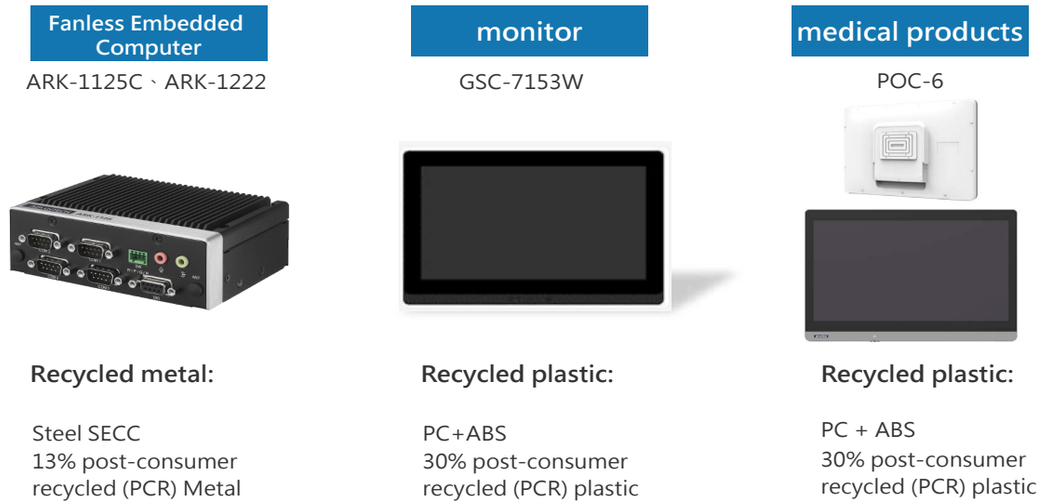


Figure 4.1.5 Sustainable raw material pilot program implementation effectiveness

Targets have been established for the use of recycled materials (plastic/metal) based on project analysis and international trends. In addition, specific recycled material content requirements have been defined for mechanism casings and components of selected models.

Year	Recycled Material Usage Targets for Mechanical Components (Plastic/Metal)					
	Plastic (Recycled Material Content Percentage)		Metal (Recycled Material Content Percentage)			
			Steel material		Aluminum material	
2025	External Mechanical Components	>30%	External Mechanical Components	>10%	–	
2026	Mechanical Components	>30%	Mechanical Components	>10%	Mechanical Components	>50%
2030	Mechanical Components	>50%	Mechanical Components	>20%	Mechanical Components	>80%
Note: The foregoing mechanism casing or component refers to Advantech-designed parts and follows Advantech's eco design product Gold medal criteria.						

Table 4.1.3 Target setting for recycled material (plastic/metal) usage in eco design products

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

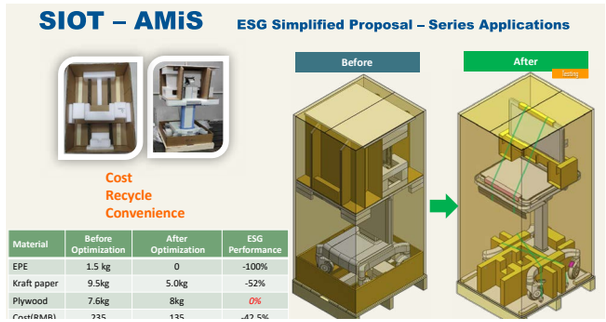
Green packaging materials

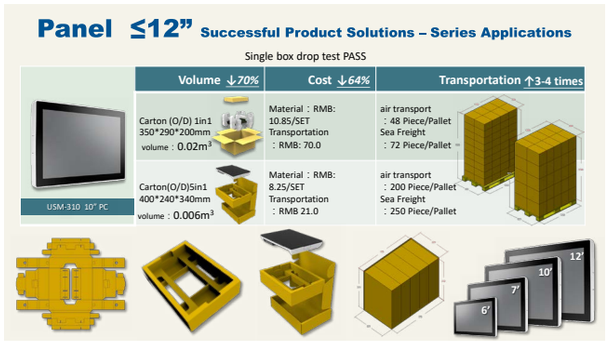
Reduction design and usage of sustainable materials

To make tangible contributions toward biodiversity, deforestation prevention, and land preservation, Advantech requires key packaging material suppliers to obtain FSC ™ CoC (Forest Stewardship Council Chain of Custody) certification. As of 2024, we have successfully applied FSC ™ certified paper materials to the packaging cardboard boxes of one Network model.

Since 2023, the product packaging design team has actively optimized green packaging by adopting honeycomb design dividers to replace traditional EPE cushioning materials and increasing the proportion of recycled materials used. At present, our packaging materials contain over 90% recycled fibers, achieving 100% of the target. For packaging materials of products weighing 5kg or less, molded pulp is used to replace EPE. The achievement rate reached 90% in 2024.

Additionally, the successful implementation of the product project in medical products and AIO computers has enhanced our green packaging design capabilities while maintaining product safety standards. Key optimizations include improved packaging design, redesigned stacking methods based on reduction principles, increased shipment efficiency through packaging adjustments, and the adoption of sustainable materials. These efforts have led to a downward trend in material usage and costs, as well as reduced transportation frequency, thereby effectively contributing to carbon reduction across several aspects and demonstrating Advantech's commitment to environmental sustainability.





Product energy saving

Product usage stage

Key strategies are implemented on hardware and software to improve energy efficiency, decrease energy consumption, and extend product lifespan.

Hardware: Continuing previous energy-saving targets, design internal regulation standards were officially adopted in new standard products with X86 architecture in 2024. Certain products are designed in alignment with Energy Star standards standard, serving as benchmark models that deliver greater carbon reduction benefits and progressively enhance overall emission reduction performance.

New Products

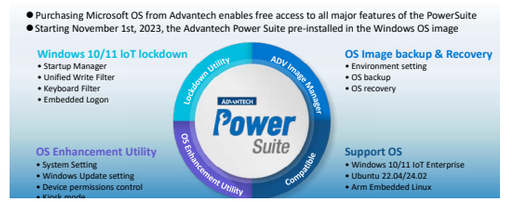
New Products Achieve Eco Design Silver Medal	Advancing Product Energy-saving Design
Standardization of Green Design Silver Criteria	Aiming for Energy Star Ready
◆ Introduce low-halogen into product design standard	◆ Each business group nominated Panel PC/ Box PC products
◆ Introduce energy-saving into product design standard	

Software: Starting in 2024, the EIoT Software and Hardware Team vigorously researched and developed energy-saving features for software modules, successfully implementing them in the Power Suite software module. Through BIOS energy-saving detection suggestions, OS energy-saving settings, and optimized power management, equipment energy consumption was lowered effectively. The introduction of model trial runs was completed for the X86 system product AIR-150 and the RISC platform EPC-R3720. Furthermore, a standardized energy consumption testing mechanism was developed to ensure the software energy-saving effectiveness. In maximum energy-saving mode, carbon emissions can be reduced by 242.4 tons annually. In 2025, this feature is expected to be introduced to new specific product lines, including Windows x86 products, significantly expanding the coverage of energy-saving solutions.

Software Power-Saving Module

Software-Assisted Power Efficiency for Products

Software developed for selected x86 & RISC platforms





EIoT AIR-150



EIoT EPC-R3720

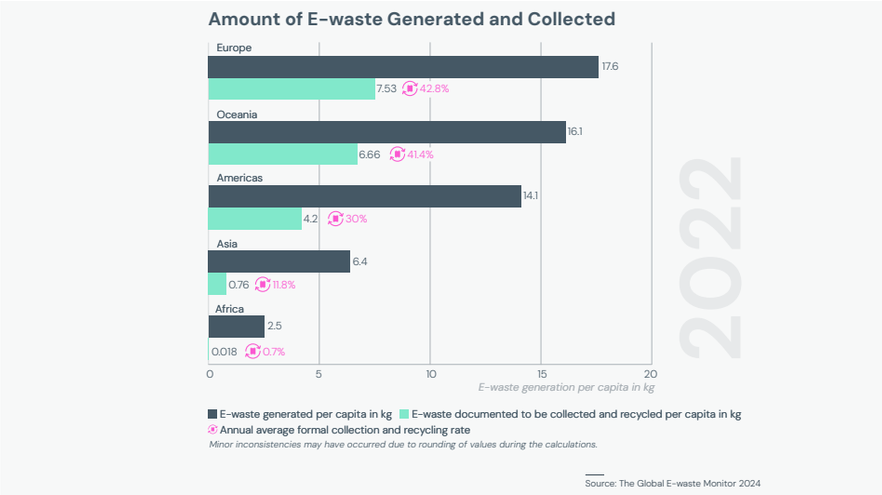
About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Product recycling

Extended producer responsibility

By incorporating design considerations for easy recycling from the initial product design phase, such as "recyclability, ease of disassembly, low pollution, and energy saving," Advantech has set a target recycling rate of 90% for its eco design products. Adhering to the principle of producer responsibility, we are committed to e-waste recycling management and, through legally required recycling programs, aim to promote the reuse and circularity of electronic products. The calculation of the proportion of recyclable products was carried out based on product category and inventory, and the average reached nearly 97% in 2024, an increase of 3% compared to last year. This is higher than the WEEE directive requirements.

Comply with local waste recycling laws and regulations in various countries, including Europe, the United States, Japan, Korea, Taiwan, and Kunshan. According to Global Transboundary E-waste Flows Monitor 2022 and 2024, the global e-waste reached 62 million tons, and the recycling rate was only 22.3%. In particular, the recycling rates for Asia, the United States, and Europe are 12%, 30%, and 42.8%, respectively. By utilizing these regional recycling rates, the percentage of global actual product recycled can be estimated, providing a basis for calculating realistic recycling data.



Source: Global Transboundary E-waste Flows Monitor 2024

	Global recyclable weight of products (Metric ton)	Total weight of actual product recycled (Metric ton)	Percentage of global actual product recycled (%)
2020	8,705	1,238	12.8%
2021	10,795	1,529	12.7%
2022	10,041	1,460	13.1%
2023	8365	1,026	11.5%
2024	7766	1136	14.2%

Table 4.1.5 Advantech's global actual product recycling ratio

For recycling in Europe, we comply with the WEEE directive. For customers within the EU, when products reach the end of their service life or when customers request the disposal of Advantech products, we can provide information on nearby registered recycling points to ensure proper waste disposal. In addition, customers can also notify us to arrange transportation of waste equipment to contracted recycling organizations for processing.

4.1.3 Eco Label and Self-Declared Environmental Statement

Advantech continues to invest in the R&D of eco products. By establishing internal regulations for product energy saving and green materials, improving product green packaging, and following guidelines such as reducing environmental toxicity hazards, ease of assembly and disassembly, and ease of material resource recycling, we can materialize product designs that are more energy-efficient and provide greater eco benefits. Advantech achieved an eco design Silver medal ratio of 60% for new products in 2024, and the revenue share of eco design Silver medal-certified products/ Advantech Energy Saving Seal products reached 14.04% , implementing eco design thinking in all aspects of the product lifecycle and effectively demonstrating circular economy performance. Additionally, we adhere to the Sustainable Accounting Standards Board (SASB) guidelines, calculating the proportion of our sales from products compliant with Type 1 eco label (such as Energy Star and CE ErP) as a percentage of total corporate revenue. This metric serves as one of the indicators for investors to assess our sustainability performance and demonstrates the green competitiveness of our products.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

1. Type 1 of eco-label：

Proportion of revenue from industry certification standard products

Certification standards	2022	2023	2024
Product have obtained CE ErP, or Energy Star certifications	0.75%	2.79%	3.05%
Products comply with EPEAT equivalent standards	3.1%	9.74%	14.04%

Obtained Energy Star energy-saving label and ErP European Energy-related Products Directive certification in the past 3 years.

Certification standards	Product category
Energy star energy-saving label	Certification completed for specific products such as embedded computers/Panel PC equipment, and BOX PCs
CE ErP European Energy-related Products Directive	Newly developed computer products based on the x86 architecture

2. Self-declaration eco declaration: The planning and implementation of Advantech's internal eco design seal and energy saving design seal classification declaration are as follows

Internal declaration label for the four major aspects of eco design

Description	Internally declared eco design product labels
The Gold medal is awarded to products that meet both the mandatory and optional criteria across the four major aspects defined in Advantech's ecological design guidelines and successfully pass the evaluation	
The Silver medal is awarded to products that meet all mandatory criteria across the four major aspects outlined in Advantech's ecological design guidelines and successfully pass the evaluation	

1.For the calculation of the new Eco Friendly Products ratio, please refer to the calculation standards for various environmental indicators
2.For the calculation of the revenue share achieved by eco design Silver medal products/Advantech Energy Saving Seal products, please refer to the calculation standards for various environmental indicators
3.For the calculation of the revenue share of product sales meeting Type 1 eco labeling criteria, please refer to the calculation standards for various environmental indicators
4.Advantech's eco design standard guidelines are formulated based on EPEAT. For more information, please refer to Chapter 4.1.1 Formulation of Eco Product Design Management Standards

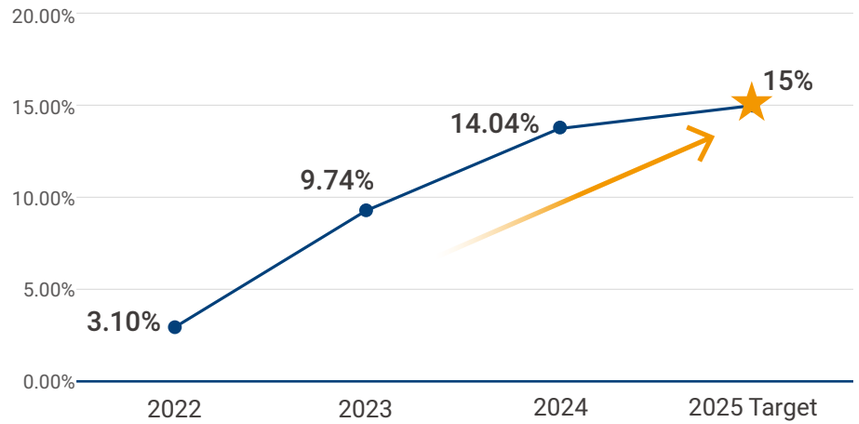
Number of new products eco design Silver medal/Gold medal

Year	2022	2023	2024
Silver medal	20%	37%	60%
Gold medal	-	-	Specific model ARK-1125C

Advantech energy-saving design classification declaration label

Description	Internal energy-saving label
The product's energy efficiency complies with the Energy Star testing standards	
The product's energy efficiency complies with the ErP testing standards	

2024 revenue share achieved by eco products/Advantech Energy Saving Seal products: 14.04%



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Advantech's eco design product Silver medal and Gold medal model

Advantech's eco design product Silver

Product categories include digital signage players and mini PCs, medical all-in-one systems, touch panel computers, embedded computers, fan less embedded industrial computers, and others.

Eco Product Design Management Mechanism

Advantech establishes standards from four major aspects of products: (1) green materials, (2) green packaging (3) Product Recycling, (4) product energy saving, to evaluate the environmental impact at all stages from raw material selection, manufacturing, transportation, and use stages until the final disposal, and design innovative green eco design products to comply with international regulations and customer needs.

(1) Green materials _ Substance Management

(If the product contains the following component, it meets the following requirements.)

- Conformance with provisions of European Union RoHS Directive, China RoHS, Taiwan BSMI RoHS, IEC62474, REACH, POPs...etc.
- Conformance with substance restriction requirements of the European Union Battery Directive. (If product contains batteries)
- No mercury is intentionally added to the light source. (If product contains LCD)
- External mechanical plastic parts (homogeneous parts) larger than 25 g do not contain brominated, chlorinated flame retardants, PVC.

(2) Green packaging

- Conformance with EU packaging Directive.
- The chlorine used as a bleaching agent in paper packaging materials is less than 1000 ppm. (Cl < 1000 ppm).
- Corrugated paper contains recycled fibers. (85%~90%)

(3) Product Recycling

- Conformance with EU WEEE Directive.
- External mechanical plastic parts larger than 100g do not contain plating and surface coating (except paint) that are not easy to be recycled and reused.
- All plastic parts larger than 25g are marked according to ISO 11469.
- All External mechanical plastic parts larger than 100g only use a single type of plastic pellets.
- The green products are designed to be recyclable, easy to disassemble, low in pollution, and energy-efficient, with a recycling rate of 90% or higher.
- WEEE Recyclability Assessment

  The actual inventory and calculation of the recyclable proportion of products based on product categories were conducted, reaching approximately 94%, which is higher than the WEEE directive requirements.

(4) product energy saving

- Conformance with ERP Directive. ENERGY

ITA-178



POC-4



TPC-100



TPC-307W



UNO-238 V2



UBX-110K



AIMB-308;IPC-320



UNO-137 V2



AMAX-5086



UBX-210K



ARK-1221L



MIC-770 V3



PPC-415W



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Advantech's eco design product Gold

Product category includes fan less embedded computers.

Eco Product Design Management Mechanism

Advantech establishes standards from four major aspects of products: (1) green materials, (2) green packaging (3) Product Recycling, (4) product energy saving, to evaluate the environmental impact at all stages from raw material selection, manufacturing, transportation, and use stages until the final disposal, and design innovative green eco design products to comply with international regulations and customer needs.

(1) Green materials _ Substance Management

(If the product contains the following component, it meets the following requirements.)

- Conformance with provisions of European Union RoHS Directive, China RoHS, Taiwan BSMI RoHS, IEC62474, REACH, POPs...etc.
- Conformance with substance restriction requirements of the European Union Battery Directive. (If product contains batteries)
- No mercury is intentionally added to the light source. (If product contains LCD)
- External mechanical plastic parts (homogeneous parts) larger than 25 g do not contain brominated, chlorinated flame retardants, PVC.
- Printed circuit board (PCB) do not contain brominated or chlorinated flame retardants.
- Cable/Wire do not contain PVC. (except for Power cord and power supply)
- External mechanical plastic parts larger than 100g use >10% recycled materials. (If product contains external mechanical plastic parts)

(2) Green packaging

- Conformance with EU packaging Directive.
- The chlorine used as a bleaching agent in paper packaging materials is less than 1000 ppm. (Cl < 1000 ppm).
- Corrugated paper contains recycled fibers. (85%~90%)
- Lightweight design and reduction in the use of plastic packaging materials.

(3) Product Recycling

- Conformance with EU WEEE Directive.
- External mechanical plastic parts larger than 100g do not contain plating and surface coating (except paint) that are not easy to be recycled and reused.
- All plastic parts larger than 25g are marked according to ISO 11469.
- All External mechanical plastic parts larger than 100g only use a single type of plastic pellets.
- The green products are designed to be recyclable, easy to disassemble, low in pollution, and energy-efficient, with a recycling rate of 90% or higher.
- WEEE Recyclability Assessment
  The actual inventory and calculation of the recyclable proportion of products based on product categories were conducted, reaching approximately 94%, which is higher than the WEEE directive requirements.

(4) product energy saving

- Conformance with ERP Directive.
- Conformance with ENERGY STAR.

ARK-1125



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

4.2 Climate Change Strategy and Actions

As the world’ s leading provider of industrial computers and business networking technologies and services, Advantech understands its responsibility to the global environment policy statement on climate change is consistent with the goal of Paris Agreement to limit the global temperature rise below 1.5° C. After passing the science-based target (SBT) in 2021 and committing to the SBT, we further joined the RE100 initiative in 2023 and committed to achieving the goal by 2040, considering renewable energy as an important strategy for moving towards net zero, and setting the goal of achieving net zero by 2050. Starting from 2025, to further accelerate our carbon reduction plans, we will adopt the 1.5° C SBT as our carbon reduction goal for the next decade and continue to promote global initiatives such as RE100 across all RBUs.

Advantech has included climate change as one of the major risks in corporate sustainable operation, and manages it according to two key aspects: “mitigation” and “adaptation.” At the same time, we also actively identify risks and build adaptation capabilities, further research and analyze climate change opportunities, accumulate and deepen R&D capacity, continue to invest in green energy, energy-saving products and solutions, and we are integrating them with the core business of energy management to promote energy saving and sustainability.

Advantech's climate change response process

2019
- Initiate the ISO 14064 GHG inventory and verification plan for Taiwan and Kunshan
- Base year for Advantech's SBT
- CDP climate change rating of “B”

2020
- Establishment of the ESG Corporate Sustainable Development Committee and ESG Corporate Sustainability Development Office
- Introduce the green product plan to produce low-carbon products
- CDP climate change rating of “B”

2021
- The SBT adopted to comply with the international below 2°C
- Commit to Task Force on Climate-related Financial Disclosures (TCFD)
- Low-carbon investment in a 10 MW solar power plant for ACL
- CDP climate change rating of “B”

2022
- Establishment of the Sustainable Development Committee (SDC) at the Board level
- Completion of TCFD risks and opportunities assessment
- Initiation of the inventory and verification plan for all categories of ISO 14064 Greenhouse Gas (GHG) Scope 3
- AKMC obtained green factory certification
- CDP climate change rating of “B”

2023
- Commitment to climate change strategy and net-zero vision
- Pass RE100 target commitment and actively promote the use of renewable energy in all RBUs around the world
- Link between the ESG KPI and the performance also approved by the Board
- Initiate the GHG inventory and verification plan of subsidiaries
- Activate iEMS in Taiwan and Kunshan to collect electricity consumption from main business bases
- ACL obtained green factory certification
- Taiwan and Kunshan operating locations obtained ISO 50001 certification
- Obtained the first product carbon footprint ISO 14067 verification
- CDP climate change rating of “B”

2024
- Link senior management compensation to ESG and climate change issues and achievements
- Implement the Internal Carbon Pricing (ICP) plan and define Advantech's carbon pricing
- Promote the GHG inventory and verification plan of subsidiaries in Asia
- Completed the global iEMS to monitor and analyze the electricity consumption of main operating locations around the world
- Increase the use of renewable energy across global RBU locations
- Calculate the representative product’ s carbon footprint of each business group and complete the application of Advantech's methodology
- Develop eco packaging materials, eco materials, and energy-saving design products by incorporating LCA assessments
- CDP climate change rating of “B”

2025
- Increase the coverage of the GHG inventory and verification at major overseas operational sites.
- Apply the latest IPCC assessment report to recalibrate climate scenarios and incorporated new assessments of nature-related risks and opportunities, resulting in the publication of Advantech’ s 2024 Climate- and Nature-related Financial Disclosures (TC(+N)FD) Report.
- Update SBT to align with the 1.5°C pathway and achieve net zero carbon emission.
- Continued to increase renewable energy usage across global RBUs to reach 20%.
- Implement a pilot Internal Carbon Pricing (ICP) program to strengthen carbon reduction efforts and achieve carbon reduction goals.
- Developed and launched the Product Carbon Footprint Calculation System 1.0 using AI technology, supporting the promotion of green products.
- Launch a supply chain carbon management capacity building program to empower key suppliers.

2026
- Complete the global ISO 14064 GHG inventory and verification.

2030
- Achieve Scope 1 and 2 carbon intensity decreased by 60%; Scope 3 product use carbon intensity decreased by 49% of SBT target.
- Achieve 50% renewable energy usage in Taiwan and Kunshan

2040
- Achieve the RE100 goal of 100% global renewable energy use

2050
- Achievement of net zero carbon emission.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

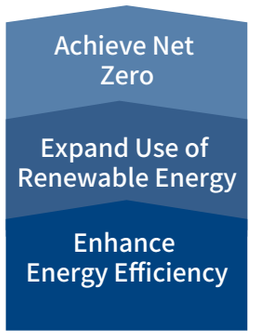
4.2.1 The Net-Zero Commitment

Advantech actively aligns with international initiatives and announced the SBT commitment in 2021, aiming to take concrete actions to reduce carbon emissions through scientifically grounded reduction goals. We plan to update our SBT to align with the 1.5° C pathway by 2025.

For our medium- and long-term climate goals, Advantech targets achieving a 50% renewable energy usage rate at our manufacturing centers in Taiwan and Kunshan by 2030, and reaching 100% renewable energy usage across all our global sites by 2040.

By 2050, we aim to achieve net-zero emissions not only through reductions in our Scope 1 and Scope 2 emissions, but also by strengthening Scope 3 reduction planning and execution, advancing green product development and design, collaborating with and empowering our supply chain partners to create low-carbon products and enable their transformation, as well as applying future low-carbon technologies and purchasing carbon credits to reach our long-term net-zero target.

Advantech's net-zero vision



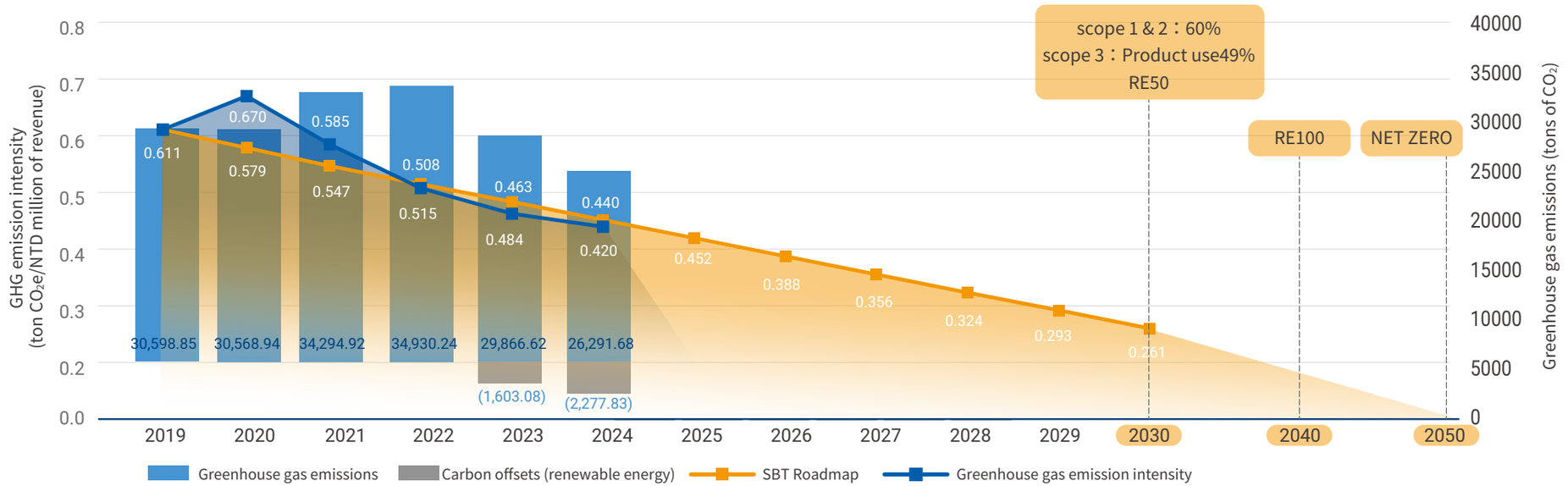
2050
Achieve net-zero carbon emissions

2030
50% renewable energy usage in Taiwan and Kunshan

2040 年
100% global renewable energy usage, achieve RE100 goal

2030
Scope 1 & 2 carbon intensity reduced by 60%
Product use (Scope 3) carbon intensity reduced by 49%

Advantech's net-zero roadmap



GHG reduction & net-zero strategy

Phase one: Advantech continues to expand its manufacturing capacity, leading to an increased energy consumption. We reduce GHG emissions by improving energy efficiency.

Phase two: Core production sites (Linkou AIoT Co-Creation Campus and Kunshan Manufacturing Center) continue to increase the use of renewable energy to reduce carbon emissions

Phase three: Implement greenhouse gas substitution solutions, adopt advanced low-carbon technologies, and obtain carbon credits to achieve net-zero target.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Reinforce internal carbon pricing and low-carbon product promotion strategy

Advantech is accelerating our journey towards net-zero targets by launching an Internal Carbon Pricing (ICP) project in 2024. By calculating and evaluating the cost of carbon emissions, Advantech has introduced an internal carbon price into our organizational cost-benefit assessment mechanisms, setting a shadow price of NT$1,700–3,000 per ton of CO_2e. In 2025, we plan to further integrate ICP into low-carbon production and investment decision-making to strengthen carbon risk management, prepare for future regulations and international carbon trading mechanisms, and enhance our carbon reduction efforts to achieve our reduction goals. Meanwhile, we will also adopt the SBT aligned with the 1.5° C pathway as our carbon reduction goal for the next decade, and continue to advance initiatives such as RE100 across all our global RBUs.

In terms of green products and sustainability responsibility, Advantech is applying AI technology to develop a product carbon footprint calculating system, which will be applied to the overall green product promotion plan. Additionally, a Sustainable Raw Materials Task Force is established to launch experimental projects across our four major business groups, introducing recycled materials and optimizing sustainable packaging. By collaborating with suppliers and the green product team to co-develope low-carbon products, Advantech aims to accelerate the realization of our net-zero targets and promote low-carbon economic growth together with our value chain partners.

4.2.2 TCFD Climate Governance and Management Strategy

Extreme weather events caused by climate change, the growing pressure for low-carbon transitions due to aggressive national carbon reduction goals, and carbon reduction demands from upstream and downstream value chain partners have already begun to pose potential operational challenges for enterprises. In response to the growing global emphasis on linking identified climate risks with financial impacts, Advantech has adopted the TCFD framework. We promote climate change management and disclosure based on the four core elements recommended by the TCFD: governance, strategy, risk management, and metrics and targets. This systematic approach allows Advantech to assess the climate risks and opportunities we face. We conduct in-depth evaluations of climate-related risks identified through our existing risk management processes and map them across our Pan-Operational Risk Map to ensure comprehensive coverage of our overall operational risk landscape. The assessment results and response plan has also been reported to the Senior management of the SDC for confirmation, and the SDC will report the progress of climate management to the Board of Directors on a regular basis to enhance the Company's resilience in responding to climate risks. For more details on our climate risk and opportunity disclosures and management actions, please refer to the "2024 Advantech Task Force on Climate- and Nature-related Financial Disclosures."

Advantech's climate governance framework		
Governance	**Board of Directors**	◆ The highest supervisory unit for risk management (including climate risk) ◆ Oversee climate risk management and strategy implementation results ◆ Review major climate-related goals and implementation budgets
	Chairman	◆ Chairing the Corporate Sustainable Development Committee (SDC) and leading the climate issue management mechanism ◆ Confirm climate-related KPIs and action plans
	Corporate Sustainability Development Committee (SDC)	◆ Responsibilities and and decision-making unit for climate risk management ◆ Regular reporting to the Board on climate management progress ◆ Approve the TC(+N) FD report ◆ Review climate-related risk and opportunity assessment results and response strategies ◆ Monitor the implementation of climate issues and review KPIs
	ESG Corporate Sustainability Development Office	◆ Coordinate the implementation of climate-related risk and opportunity analyses and integrate the disclosure reports ◆ Promote climate-related action plans and report the progress to the Corporate Sustainable Development Committee (SDC) on a quarterly basis ◆ Research and analyze policies on climate issues and scientific research development trends, and monitor climate risk events on a regular basis

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Advantech's climate governance framework		
Governance	**Board oversight**	◆ The Corporate Sustainable Development Committee (SDC) regularly reports climate-related management plans and results to the Board of Directors, while the Board of Directors reviews related major goals and budgets ◆ In 2021, the Board of Directors approved Advantech Taiwan's renewable energy goals, renewable energy PPA procurement budget, and the project of setting up solar power plants in collaboration with renewable energy providers ◆ In 2022, consulting companies and external experts were commissioned to attend the Board of Directors' training on topics such as how the ICT industry can help fight climate change, international sustainability trends, emerging trends in risk management, and response sharing. ◆ In 2023, the Board of Directors reviewed the annual comprehensive ESG performance, which included climate change-related aspects such as RE100 global workforce group and local target progress, product carbon footprint progress, annual GHG inventory, and EU carbon tariff response topics, etc. ◆ In 2024, besides reviewing the overall 2023 ESG performance, we also re-identified climate-related risks and opportunities, and selected four material risks and opportunities for scenario analysis. The Company also reported to the Board of Directors its plans to update SBT to keep up with industry benchmarks and international declarations regarding carbon reduction commitments in the coming year, as well as proactively address climate and nature-related risks and opportunities faced by Advantech. We expect to publish the 2024 Advantech Task Force on Climate- and Nature-related Financial Disclosures in 2025.
	Advanced management mechanisms	◆ Led by the Chairman, the SDC Committee holds meetings each quarter The ESG Corporate Sustainability Development Office reports on climate-related issue trends, strategic planning, and implementation progress The SDC supervises the achievement of goals and reviews the assessment results of relevant risks and opportunities and countermeasures.

	Disclosure aspect	Advantech's implementation progress
Strategy	**Short-, medium- and long-term risks and opportunities**	◆ By referencing the risk and opportunity topics and their financial impact case studies outlined in the TCFD guidelines, and integrating analyses of our operational sites and industry landscape, we identified a total of 13 risks and 10 opportunities. Based on the level of impact, Advantech identified 7 significant risks and 3 opportunities. Among these, 4 most significant items were selected for financial impact assessment that aligns with Advantech's future development direction. ◆ The short, medium, and long term are defined as within 3 years, 3 to 5 years, and more than 5 years, respectively. Each identified topic is assessed based on the timeframe in which it is most likely to occur.
	Potential impacts and financial planning	◆ Qualitatively assess the possible financial impacts of various major risks and opportunities, develop preventive and improvement measures, and set KPI targets accordingly.
	Scenario analysis	◆ We analyzed Advantech's carbon reduction and financial impact using the STEPS (Stated Policies Scenario) and the International Energy Agency (IEA)'s 1.5°C Scenario (1.5DS); In addition, we also applied the RCP4.5 (BAU scenario) and RCP8.5 (the most severe warming scenario) to assess the physical impacts on operations as part of our evaluation of adaptation strategy resilience.



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

	Disclosure aspect	Advantech's implementation progress
Risk management	**Evaluation and Management Process**	◆ ESG Corporate Sustainability Development Officeeach year convenes cross-departmental members to collect and review relevant the Company's climate risks and opportunities, assess material climate issues through the level of impact and likelihood, monitor changes in risk levels, review and develop response strategies, and report them to the SDC for resolution, as well as review relevant disclosures. The SDC regularly reports to the Board of Directors to oversee the progress of climate risk management and review relevant major decisions.
	Overall Risk System Integration	◆ At the beginning of each year, the risk management team evaluates the Company' s overall operational risks according to established risk management procedures, develops a comprehensive operational risk map, and reports the risk management processes and plans to the Board of Directors. ◆ Since 2021, climate change risks have been included in the assessment process, and risk levels are identified by the Auditing Office in conjunction with the ESG Corporate Sustainability Development Office. ◆ In 2022, a comprehensive TCFD assessment process was implemented. The assessment methodology and results have been applied to the climate change risk analysis within the foregoing risk map and consolidated into the overall risk management process. ◆ In 2023, the TCFD assessment process continued to be included in the overall risk management process. In 2024, we expected to adjust climate scenarios based on the latest IPCC assessment report and re-evaluate climate risks and responses. ◆ In 2024, we re-identified our climate-related risks and opportunities, selecting 4 most significant risks and opportunities for scenario analysis. A qualitative assessment of their potential financial impacts was conducted, along with the development of corresponding response measures.

	Disclosure aspect	Advantech's implementation progress
Indicators and targets	**Scope 1, 2, and 3 GHG emissions and targets**	◆ In 2021, we passed the review of SBT for the first time. In 2024, we initiated the recalculation of our SBT targets and plan to set and obtain approval for the 1.5°C target by 2025. ◆ Advantech Taiwan and Kunshan both complete the ISO 14064-1 GHG inventory, verification, and target tracking every year ◆ In 2024, a GHG inventory and verification for AJMC and AKSC was completed for the first time. We will continue to expand the coverage to other significant overseas operational sites in the future.
	Other climate-related management indicators and targets	◆ Commit to joining the RE100 initiative and set the net-zero target by 2050 ◆ We have set targets for power saving, renewable energy usage, water saving, waste reduction, percentage of green products in revenue, and energy efficiency improvement for product power supplies ◆ Already implemented the ISO 50001 energy management system to conduct energy efficiency management, while management indicators and targets will continue to be formulated for relevant strategies ◆ Already implemented life cycle assessment (LCA) and carbon footprint evaluation for our main products, as well as developed an internal product carbon footprint calculation system, which will be applied to our green low-carbon product project.

*Note: According to ISO 14064-1, the GHG scope names correspond to categories as follows: Scope 1 corresponds to Category 1, Scope 2 corresponds to Category 2, and Scope 3 corresponds to Categories 3~6.



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

4.2.3 Climate-Related Risks and Opportunities and Identification of Financial Impacts

Advantech identifies significant climate-related risks and opportunities by referencing the risk and opportunity definitions outlined in the TCFD framework, combined with multi-dimensional issue collection, cross-departmental discussions, and external consultations Through this process, we concretely identify significant risks and opportunities relevant to Advantech, their potential occurrence scenarios and impact levels, and analyze their possible financial implications.

We focus on operational aspects (reduction, natural disasters), product aspects (including the supply chain), and market aspects based on industry characteristics and international developments. This enables us to comprehensively inventory climate risks and opportunities at the organizational level and develop precise response strategies. Consequently, Advantech's climate risk management covers the entire value chain, including upstream, downstream, and our own operations. Advantech's climate-related risks and opportunities, financial impact evaluation process, items, and materiality assessment results are shown in Figure 4.2.1.

Collection of Risk and Climate Factors

- Refer to TCFD-defined topics and identify local regulations and market trends
- Analysis of international scientific research reports
- Analyze industry peer-related topics

Focus on 13 risks and 10 opportunities

Analysis of Materiality and Financial Impact

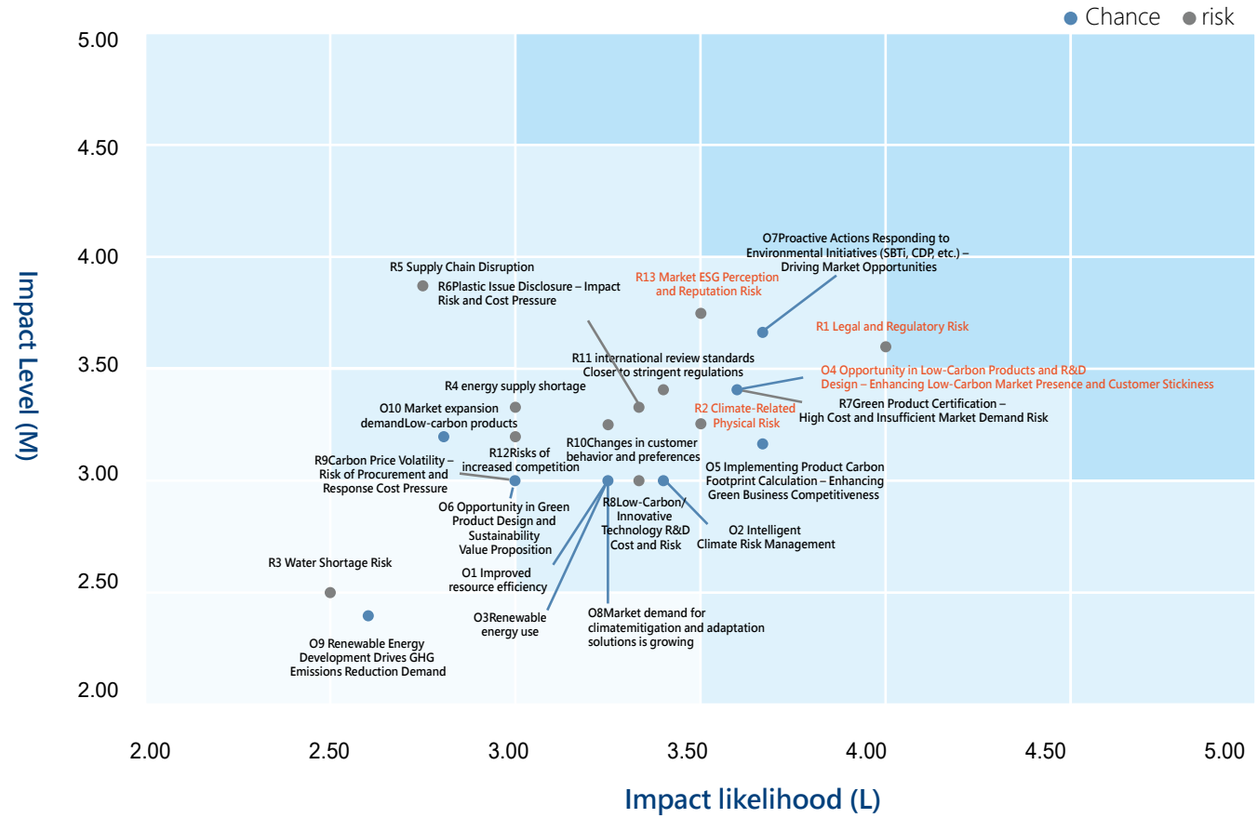
- Organize workshops to discuss the actual situation of various topics and evaluate their operational impact
- Assess the likelihood and extent of impact
- Refer to the views of outside experts

Converge 7 risks, 3 opportunities, and select 4 of them for scenario simulation analysis

Evaluation of Strategic Response and Improvement

- Take stock of measures to address risks or realize opportunities
- Engage in sustainability trend and industry benchmark analysis and adjust response strategies

Evaluate various strategy, oriented improvement programs to effectively manage the associated risks and opportunities



Risk and opportunity description:

1. Very high risk / opportunity: 16 < "Impact likelihood (L) X Impact extent (M)" < 25
2. High risk / opportunity: 9 < "Impact likelihood (L) X Impact extent (M)" < 16
3. Moderate risk / opportunity: 4 < "Impact likelihood (L) X Level of Impact (M)" < 9
4. Low risk / opportunity: 1 < "Impact likelihood(L) X Level of Impact (M)" < 4
5. Extremely low risk / opportunity: "Impact likelihood (L) X Level of Impact (M)" < 1

Figure 4.2.1 Materiality Matrix for Advantech's Climate Risks and Opportunities

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Results of a scenario analysis of Climate Change risks

(For detailed explanations on the quantitative financial assessments under the TCFD framework, please refer to the 2024 Advantech Task Force on Climate- and Nature-related Financial Disclosures Report)

Transition risk/opportunity scenario analysis results

Category	Scenario	Impact assessment	Financial impact
Risks	STEPS (Stated Policies Scenario)	Evaluated the potential impact of government regulations on the our overall operations from 2025 and 2035. This includes the tightening of regulations for large power consumers requiring a certain proportion of renewable energy, amendments to the Climate Change Interaction Act, and the implementation of carbon tax/fee-related laws. Failure to comply may require the payment of substitute fees or carbon emission-related charges, leading to an increase in the Company's operating costs.	Payment of renewable energy substitute fees and carbon charges increased operating costs by NTD 5,116,749 in 2025, NTD 68,663,138 in 2030, and NTD 227,265,171 in 2035; the estimated annual management cost is NTD 6,217,526.
	1.5DS (Net zero scenario)	Evaluated the potential impact of government regulations on the our overall operations from 2025 and 2035. This includes the tightening of regulations for large power consumers requiring a certain proportion of renewable energy, amendments to the Climate Change Interaction Act, and the implementation of carbon tax/fee-related laws. Failure to comply may require the payment of substitute fees or carbon emission-related charges, leading to an increase in the Company's operating costs	Payment of renewable energy substitute fees and carbon charges increased operating costs by NTD 184,749 in 2025, NTD 187,564,574 in 2030, and NTD 441,453,013 in 2035; the estimated annual management cost is NTD 6,217,526.
	ESG Image and Reputation Management scenario (Referencing historical scenarios)	Evaluated the impact of Advantech's market ESG image and reputation (including low-carbon or sustainability performance) on revenue and financing costs, including increased bank financing costs and revenue affected by environmental sustainability performance, i, which may lead to higher operational cost of company.	The increase in operating costs resulting from efforts to improve Advantech's ESG image and reputation is NTD 59,907,158; the estimated annual management cost is NTD 11,283,703.
Opportunities	Low-carbon products and market scenarios (Referencing historical scenarios)	Evaluate the revenue generated from our low-carbon product up to 2025 and 2030. as a financial opportunity related to low-carbon initiatives.	Advantech's low-carbon product-related revenue is expected to reach NTD 707,258,810 in 2025 and NTD 791,456,288 in 2030; the estimated annual management cost is NTD 57,792,607.

Physical risk scenario analysis results

Scenario	Impact assessment	Financial impact
RCP4.5 (BAU scenario)	Assessed the financial impact of extreme climate events (typhoons/tropical cyclones) on Advantech's overall operational production up to 2030 and 2050, excluding the impact of other physical risks (such as rising temperatures and droughts)	Damage to factory equipment, production disruptions, delayed attendance of personnel, and inventory losses have resulted in increased operating costs of NTD 21,348,542 in 2030, and NTD 22,692,369 in 2050; the estimated annual management cost is NTD 5,408,167.
RCP8.5 (The most severe warming scenario)	Assessed the financial impact of extreme climate events (typhoons/tropical cyclones) on Advantech's overall operational production up to 2030 and 2050, excluding the impact of other physical risks (such as rising temperatures and droughts)	Damage to factory equipment, production disruptions, delayed attendance of personnel, and inventory losses have resulted in increased operating costs of NTD 21,631,559 in 2030, and NTD 23,510,821 in 2050;the estimated annual management cost is is NTD 5,408,167.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Climate risks and opportunities and response strategies

■ Climate risks ■ Climate opportunities

Category		Risk or opportunity issues	Advantech encounters risk or opportunity	Affect schedule	Impact level	Financial impact	Advantech's response strategy
Operation	Transition risk	R1 Legal and policy risks	◆ Rising operating cost: More rigorous emissions regulations (such as Taiwan's carbon fee and the EU's CBAM) increase costs ◆ Equipment replacement and renewable energy investment pressure: To obtain international certifications and meet customers' sustainability needs, the Company replaces energy-intensive equipment and invests in renewable energy, resulting in increased expenditures ◆ System design and maintenance burden: To meet carbon data collection requirements, we must invest in resources to establish and maintain relevant systems ◆ Product pricing adjustment risk: After the implementation of carbon pricing, Advantech's financial system must be adjusted to reflect Internal Carbon Price. As a result, product prices are increased, and our market competitiveness is diminished.	Short-term	High	◆ Increased operating costs ◆ Increased capital expenditure ◆ Reduced revenue	◆ Introduce energy-saving and carbon reduction measures (energy-efficient equipment, LED lights, automatic temperature and humidity control, and recycling and reuse of consumables) ◆ Establish a systematic approach for collecting Scope 1, 2, and 3 emissions data to lower future carbon taxes through precise monitoring of carbon emissions data ◆ Building on the established shadow price, we will continue to finalize the Internal Carbon Pricing mechanism, integrating carbon emission costs into the Company's financial system to accurately reflect these costs in product pricing and cost structures ◆ Join the RE100 initiative and commit to achieving 100% renewable energy usage by 2040 to lower carbon emissions
	Physical risk	R2 climate-related physical risks	◆ Operational disruptions and production risks: Extreme weather events (such as typhoons and flooding) may lead to factory shutdowns, damage to equipment, increasing costs and delivery risks. ◆ Increased facility and equipment maintenance costs: In response to climate risks, it is necessary to bolster flood control and drainage systems, reinforce building structures, and address the potential acceleration of equipment aging due to high temperatures, all of which will increase costs. ◆ Inventory damage and financial losses: Typhoons and floods can damage inventory, leading to financial losses ◆ Increased expenditure in disaster prevention and insurance: To mitigate the impact of extreme weather, we must invest in disaster prevention equipment, improve our emergency response capabilities, and purchase additional insurance coverage to diversify financial risks ◆ Pressure from seismic construction and maintenance: New plants need to incorporate enhanced seismic design, while existing facilities require seismic retrofitting, leading to increased expenditures	Medium-term	High	◆ Increased operating costs ◆ Increased capital expenditure ◆ Reduced revenue ◆ Reduced assets	◆ Analyze the impact of climate change and develop emergency response plans ◆ Establish business continuity management procedures to respond to and manage major incidents, thereby mitigating and minimizing negative impacts ◆ Maintain emergency power systems through regular maintenance to prevent power outages from affecting operations. ◆ Upgrade emergency response equipment and install additional backup systems, such as standby generators, to improve resilience against unexpected events. ◆ Strengthen disaster prevention facilities, improve drainage systems, and install rainwater infiltration prevention measures to minimize natural disaster-related losses ◆ Risk transfers and diversification, purchase property insurance to transfer potential financial risks and ensure asset safety

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Category		Risk or opportunity issues	Advantech encounters risk or opportunity	Affect schedule	Impact level	Financial impact	Advantech's response strategy
Product	Transition risk	R5 Supply chain disruptions	◆ Increased operational and supply chain costs: In response to climate risks and political factors, we must allocate resources to establish alternative supply chains, which can lead to increased costs ◆ Inventory and capital pressure: Supply chain disruptions may result in capital and cash flow pressures and increased storage management costs ◆ Product development delays: Supply chain changes may require redesigning components or switching suppliers, which can extend product development timelines and delay market launch. ◆ Uncertainty in production and delivery: Supply chain disruptions can increase the risk of production plan interruptions and delay the delivery of products	Medium-term	High	◆ Increased operating costs ◆ Operational disruptions ◆ Reduced revenue	◆ Introduce eco packaging materials and eco designs to form a sustainable packaging material supply chain ◆ Develop a network of suppliers across different locations to enhance supply chain resilience ◆ Design backup mechanisms to prevent supply chain disruptions (such as advancing shipments, setting safety stock levels based on material categories, diversifying suppliers, and preparing alternative materials)
	Transition risk	R6 Regulatory penalty risks and increased cost pressure due to EU requirements for plastic content disclosure	◆ Regulatory and penalty risks: European countries require disclosure of plastic content, including the weight of structural components and external packaging. Non-compliance may result in fines ◆ Increased material and supply chain costs: In response to local regulations and sustainability trends, the use of sustainable materials and eco packaging will result in increased procurement and production costs ◆ Increased design and development costs: Regional regulatory compliance requires redesigning product packaging and external components, resulting in longer development timelines and higher costs ◆ Data transparency and management burden: To meet sustainability and compliance requirements, a cross-departmental database need to be established, increasing manpower, technical, and maintenance costs ◆ Risk of diminished market competitiveness: Rising material and design costs may diminish the Company's market competitiveness	Short-term	Medium	◆ Increased operating costs ◆ Increased compliance expenditures	◆ Introduce eco packaging materials and eco designs, and form a sustainable material supply chain ◆ Establish a component recycled material supply chain and regularly review environmental certifications of supply chain materials ◆ Develop dedicated part number classification rules for Cable, Plastic, Sheet Metal, and Metal, to distinguish between sustainable and conventional materials ◆ Establish relevant data, statistical, and statistical analysis platforms.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Category		Risk or opportunity issues	Advantech encounters risk or opportunity	Affect schedule	Impact level	Financial impact	Advantech's response strategy
Product	Transition risk	R7 Risk of increased costs and extended timelines due to testing and certification of eco products	◆ Increased costs due to differences in certification standards and compliance requirements: Meeting green and energy efficiency standards across various regions requires additional investment in testing and design modifications, leading to higher management, design, and material costs ◆ Risks of higher certification fees and delayed product launches: Acquiring green certification requires paying corresponding fees, and the lengthy certification process may have an impact on the product's time-to-market and market share ◆ Risks of delayed time-to-market and revenue concentration: If products fail to meet international energy efficiency standards, such as EU ErP and US Energy Star, they may be unable to enter key markets such like Europe and the United States, resulting in concentrated revenue sources and increasing vulnerability to regional policies and market fluctuations	Short-term	High	◆ Increased operating costs	◆ Establish a component recycled material supply chain and regularly review environmental certifications of supply chain materials ◆ Develop dedicated material number classification rules for Cable, Plastic, Sheet Metal, and Metal, to distinguish between sustainable and conventional materials ◆ Establish a product carbon footprint calculation system, which can be applied to the eco product program ◆ To comply with mandatory regulatory requirements in product design, we have created internal verification resources and implemented a management system to monitor external certification-related expenses
	Opportunities	O4 Low-carbon products shape Advantech's sustainability image, enhance marketing in the low-carbon market, and expand the customer base	◆ Enhance sustainability image and marketing: Develop low-carbon products to strengthen market positioning and showcase our achievements through energy-saving and carbon reduction solutions (e.g., WISE-IoT iEMS), thereby enhancing international buyers' awareness of and trust in Advantech ◆ Expand international customer base: Promote low-carbon products to meet the demands of the international market and thereby increase market share ◆ Market competitive advantages and internal innovation: Center on low-carbon products to strengthen sustainable supply chain partnership and promote cross-departmental collaboration through product design and promotion, creating brand differentiation advantages and enhancing product value	Medium-term	High	◆ Increased revenue ◆ Increased market value	◆ Introduce eco packaging materials and eco designs, and form a sustainable material supply chain ◆ Develop a product carbon footprint calculation system, and implement internal carbon pricing to facilitate the launch of low-carbon products ◆ Continue to invest resources in the R&D of low-carbon technologies in response to market needs. For instance, design products with higher performance and lower energy consumption. Also, establish relevant reward mechanisms to encourage low-carbon innovation and creative thinking. ◆ In addition to the R&D of low-carbon products, Advantech's technical advantages in IIoT and edge computing are combined to provide integrated low-carbon solutions, creating differentiation advantages in low-carbon products. ◆ Highlight the low-carbon products' sustainable values and environmental contributions in marketing activities, such as presenting the products' carbon footprint data and energy-saving effectiveness.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Category		Risk or opportunity issues	Advantech encounters risk or opportunity	Affect schedule	Impact level	Financial impact	Advantech's response strategy
Product	Opportunities	O5 Establish and engage in product carbon footprint calculations to elevate Company's competitiveness in green business opportunities	◆ Enhance market competitiveness and brand image: Meet market demands by establishing a carbon footprint calculation system, strengthen customer trust, enhancing product value, and creating green business opportunities. Moreover, compliance with environmental regulations further bolsters Advantech's sustainability image ◆ Support sustainable supply chain development: Use Advantech's CarbonR solution to simplify carbon footprint calculation process, assist supply chain partners in achieving carbon reduction goals, thereby enhancing the partnership	Short-term	High	◆ Increased revenue ◆ Increased market value	◆ Establish Advantech's product carbon footprint methodology and complete the carbon footprint inventory of various business groups' representative products ◆ Develop an internal product carbon footprint evaluation system and proactively provide customers with relevant information to improve carbon footprint disclosure transparency ◆ Assess material selection through product life cycle (LCA) evaluations to identify key materials contributing to the carbon footprint ◆ Promote Advantech's CarbonR solution, assist supply chain partners in calculating carbon emissions and product carbon footprint, as well as offer relevant training and technical support to reinforce collaborative partnership
Market	Transition risk	R11 Increasingly stringent international review standards and regulations	◆ Regulatory risks: Global regulations are becoming increasingly stringent, such as the CBAM and the CCA in the United States, failure to respond accordingly may lead to legal risks, fines, and even market entry restrictions ◆ Loss of market entry opportunities: If value chain partners are unable to provide solutions in response to relevant regulations, market entry opportunities may be reduced	Short-term	High	◆ Increased operating costs ◆ Reduced revenue ◆ Increased compliance expenditures	◆ Local laws and regulations are considered when procuring raw materials during the product design stage to ensure compliance with all relevant standards. ◆ Relevant regulations are incorporated into the new product development evaluation process to assess suitability in advance. ◆ Regularly audit factories and suppliers to ensure alignment with international trends and customer requirements ◆ Identify suitable existing ESG response solutions from internal BUs or external partners and offer them to strategic partners and invested companies to address carbon emission-related needs across the supply chain
	Transition risk	R13 Market ESG image and reputation risks	◆ Brand value and customer trust: Failure to effectively manage climate risks or demonstrate adequate ESG performance may negatively impact the company' s market reputation and erode stakeholders' trust, including that of customers, shareholders, and investors ◆ Climate risks: Inadequate assessment of climate risks may disrupt factory operations during natural disasters such as typhoons or earthquakes, thereby damaging the company' s reputation	Medium-term	Medium	◆ Increased operating costs ◆ Increased capital expenditure ◆ Reduced revenue	◆ Conduct regularly employee education and training on ESG developments and trends to enhance their ESG awareness and foster a culture of sustainability ◆ Introduce energy-saving and carbon reduction equipment with temperature and humidity regulation functions into hardware facilities ◆ By joining RE100, setting SBT, and participating in sustainability ratings such as DJSI, CDP, and EcoVadis, we aim to disclose our ESG performance and enhance our corporate sustainability value

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Category		Risk or opportunity issues	Advantech encounters risk or opportunity	Affect schedule	Impact level	Financial impact	Advantech's response strategy
Market	Opportunities	O7 Market opportunities derived from complying with international environmental initiatives (such as SBTi, CDP, etc.)	◆ Global market deployment: Participation in major evaluations and initiatives, along with voluntary compliance with local environmental regulations, facilitates the introduction of Advantech's ESG-rated products to the market and enhances our brand image ◆ Enhancing sustainability image and attracting sustainable investments: Enhance ESG performance through active engagement in international environmental initiatives, such as SBTi, CDP, and RE100, attract sustainable investment, and strengthens both brand image and supply chain stability	Medium-term	High	◆ Increased revenue ◆ Increased capital ◆ Increased market value	◆ Develop product solutions that comply with international environmental regulations, including energy management, ESG information integration systems, carbon emission inventory, raw material supply chain management, and carbon footprint system implementation, etc. ◆ Strategically invest in ESG-related fields through small equity investments to mitigate risks and explore market opportunities ◆ By joining RE100, setting SBT, and participating in sustainability ratings such as DJSI, CDP, and EcoVadis, we aim to disclose our ESG performance and enhance our corporate sustainability value

Note:
1.Affect schedule: Based on the potential occurrence, affect are categorized as "short-term (< 3 years), mid-term (3 – 5 years), and long-term (> 5 years)."
2.Impact level: An internal evaluation, based on the likelihood of occurrence and level of impact, categorizes the impact level as "high, medium, or low."



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

4.3 Greenhouse Gas (GHG) Inventory and Energy Management

Name of materiality	Importance of this materiality to Advantech
GHG inventory and energy management	Advantech is committed to reducing greenhouse gas (GHG) emissions and using energy and resources efficiently, striving to achieve our publicly committed carbon reduction targets to ensure the coexistence and shared prosperity of environmental protection and corporate sustainable development.
Management strategy	◆ Implement energy management system to increase energy efficiency ◆ Expand renewable energy usage to reduce GHG emissions ◆ Set more ambitious Science-Based Targets (SBT)
Policy or commitment	◆ We have adopted Science-Based Targets (SBT) and are committed to achieving them by 2030 ◆ Join the RE100 initiative and commit to achieving the goal of using 100% renewable energy by 2040 ◆ Set the goal of achieving net zero by 2050 ◆ We will set a more challenging SBT carbon reduction target (1.5°C pathway) by 2025 to demonstrate our commitment to carbon reduction
Positive impact	◆ Reduce carbon emissions: Gradually identify greenhouse gas emission sources and quantities with precision to establish effective carbon reduction targets. ◆ Reduce operating costs: Achieve reductions in energy consumption and operating costs through energy system introduction, energy policy implementation, target setting, and energy saving project implementation ◆ Reduce energy impact: Deploy renewable energy at various locations of operation, we not only gradually achieve the RE100 goal but also reduce reliance on external renewable energy sources, thereby further controlling and lowering operating costs ◆ Enhance corporate image: Participating in initiatives such as RE100 and CDP, and setting SBT, Advantech not only demonstrates its net-zero commitment but also enhances its international corporate image
Negative impact	◆ Increase in operational and financial costs: The management of GHG emission data, the installation of energy management systems, equipment replacement, and installation and procurement of renewable energy equipment may lead to an increase in operating costs ◆ Energy transition risks: Underestimation of renewable energy procurement may lead to a delay in achieving the RE100 goal, thus prolonging the Company's energy transition timeline ◆ Advantech's actions to address negative impacts are as follows. Please refer to 4.3.2 of this report for detailed information: - Enhancing energy management efficiency: Advantech utilizes internal iEMS (Intelligent Energy Management System) for energy monitoring and analysis to improve energy efficiency. Meanwhile, we have implemented ISO 50001 for comprehensive energy management, with energy-saving plans targeting core energy-consuming equipment such as chillers, laboratory equipment, production equipment, and air conditioning systems, effectively reducing operational costs. - Expanding renewable energy investments: Advantech vigorously invests in renewable energy. Its major production sites have adopted measures such as installing solar panels and promoting aquavoltaics. This is achieved through the purchasing of renewable energy certificates and directly procuring renewable energy from power suppliers, ensuring the attainment of the RE100 goal. At the same time, by formulating specific short-, medium-, and long-term renewable energy investment plans, we can progressively increase the percentage of renewable energy used and advance corporate sustainable development.
2024 goal achievement progress	◆ In 2024, the Company's overall GHG emissions per unit of revenue decreased by 4.9% compared to 2023, and it is 28.0% lower compared to the 2019 SBT baseline year. ◆ In 2024, Advantech received a B List rating in CDP Climate Change Questionnaire assessment. ◆ In 2024, Advantech expanded its GHG inventory and ISO 14064-1 verification were completed at AJMC in Japan and AKSC in South Korea ◆ Advantech Taiwan and the Kunshan plant continued to obtain the ISO50001 verification in 2024 ◆ In 2024, Advantech’ s sites in the United States began using renewable energy

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Name of materiality	Importance of this materiality to Advantech
2025 goals	◆ Renewable energy targets: Continue to increase renewable energy usage to 20% across Advantech's global RBUs ◆ GHG goals: Advantech's GHG emission intensity per unit of revenue decrease by 36% compared to 2019 ◆ Energy reduction targets: In 2024, achieve a 3% reduction in per capita office electricity consumption and a 5% reduction in electricity consumption per work hour at production sites
2030 goals	◆ Renewable energy targets: Achieve 50% renewable energy usage in Taiwan and Kunshan ◆ GHG goals: Reduce Scope 1 and Scope 2 carbon intensity by 60%; reduce the carbon intensity of Scope 3 products by 49%
Key action plans or programs in 2024	◆ Except for the Taiwan and Kunshan plants, we are progressively implemented the ISO 50001 energy management system at all operation sites. Energy consumption was lowered by setting energy KPIs and utilizing iEMS for monitoring and improving energy efficiency. ◆ Scope 2 emissions were decreased by increasing the use of renewable energy, thereby gradually achieving the RE100 goals. Regions currently using renewable energy include China, the United States, and Europe. ◆ Enhance the Group's monitoring of carbon data by gradually expanding the GHG inventory and the scope of ISO14064-1 verification. Conducted Scope 1 and 2 GHG inventories and verifications for overseas subsidiaries AJMC and AKSC in 2024 ◆ Implemented more challenging SBT carbon reduction goals (1.5°C pathway) during 2024-2025 to demonstrate our determination in carbon reduction
Effectiveness assessment	◆ Monitor energy usage at various locations of operation by implementing the ISO50001 energy management system, setting energy KPIs, and holding regular energy meetings ◆ Ensure the credibility of GHG emissions data from various locations of operation through ISO 14064-1 verification ◆ Improve the credibility of energy usage data through the AA1000 verification process in the report
Stakeholders impacted by the material topic and actions implemented by Advantech	◆ Employees: Provide GHG inventory personnel with relevant internal and external education and training. Additionally, distribute quarterly Advantech ESG e-newsletters to internal employees to improve their sustainability awareness ◆ Customers: Respond to customer questionnaires and audits, and provide relevant supporting documentations as needed ◆ Suppliers and contractors: Conduct on-site audits for selected suppliers to gain deeper insight into their implementation of GHG management practices. We also hold supplier conferences to communicate Advantech' s expectations for GHG management and provide free GHG inventory resources and channels. Moreover, as of 2025, Advantech plans to provide diverse education, training, and seminar resources based on supplier grading results to help suppliers continue to enhance their sustainable management skills ◆ Shareholder and Investors: Disclose our sustainability performance through our Sustainability Report and Advantech's official website ◆ Business partners: Respond to partners' inquiries and provide supporting records as necessary ◆ Government, public associations, and media: Respond to inquiries from government units and relevant public associations, and provide supporting records as necessary.

Adheres to the original devotion to the idea of being a global citizen. Advantech has completed third-party verification since 2019, in addition to the self-assessment required by ISO 14064-1:2018 and the GHG Protocol. In recent years, we have continued to implement GHG management based on the results of our annual inventory checks. We have also made efforts in product design, product material management, product energy efficiency improvement, and renewable energy use. Starting in 2023, other overseas significant locations of operation engaged in GHG inventory and verification. In the same year, Advantech joined the RE100 initiative, committing to 100% renewable energy by 2040. Currently, our sites in Kunshan, Europe, and the United States are already using renewable energy. This chapter's writing scope covers Advantech's main global operations and production factories, together accounting for 92.6% of total consolidated revenue.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

4.3.1 GHG Inventory and Management

To foster a low carbon emission business environment, Advantech has established the "Greenhouse Gas Inventory Promotion Committee." The committee follows the quantification, supervision, reporting, and verification procedures outlined in Taiwan' s Climate Change Response Act and the ISO 14064-1 standard to promote ongoing GHG inventory and reduction efforts, aiming to reduce both direct and indirect emissions year by year. Furthermore, we joined the Carbon Disclosure Project (CDP) since 2015 to disclose the Company's annual carbon reduction plans and performance.

GHG inventory

Beginning in 2024, except for Taiwan and the Kunshan plant, China, Advantech has progressively conducted GHG inventory at its overseas significant locations of operation and production sites. Two new sites, AJMC (Japan) and AKSC (Korea), were included in 2024. In the future, other overseas significant locations of operation and production sites will also be incorporated.

Since 2019, ACL has conducted self-verification according to ISO 14064-1 and the GHG Protocol, and has also undergone third-party on-site verification. The organizational boundary is defined based on operational control, in accordance with the requirements of ISO 14064-1:2018. The inventory scope includes both qualitative and quantitative assessments of Scope 1 (category 1: direct GHG emissions) and Scope 2 (category 2: indirect GHG emissions from energy), and also covers emission sources under Scope 3 (categories 3, 4, and 5: indirect GHG emissions). In 2024, the total emission of Scope 1 emissions from ACL was 804.39 metric tons of CO_2e. The 2024 inventory results for Advantech's Kunshan plant indicate that Scope 1 emissions were 2,531.42 metric tons of CO_2e, and this has been verified by a third party. Also, since 2024, Advantech has included AJMC (Japan) and AKSC (Korea) sites in the scope of ISO 14064-1 GHG inventory and verification for the first time. The Scope 1 emissions for the two sites were 150.32 and 9.77 metric tons of CO_2e, respectively. In addition, the United States and European sites continue to conduct GHG inventories for Scope 1 energy use, and starting in 2025, Advantech plans to progressively complete a comprehensive group-wide Scope 1 and Scope 2 inventory, accompanied by third-party verification. Emissions in each region are shown in Table 4.3.1.

Region \ GHG	CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3	Sum (Metric tons CO_2e)
Taiwan ACL	34.1186	0.0168	0.0273	770.2304	0	0	0	804.3931
China AKMC	1,410.4931	22.4155	3.1197	1,095.3910	0	0	0	2,531.4193
Japan AJMC	24.1837	11.5032	0.1365	114.4943	0	0	0	150.3177
Korea AKSC	2.0678	3.8446	0.0273	4.5306	0	0	0	9.7673
USA ANA	23.7649	0.0004	0	0	0	0	0	23.7654
Europe AEU	45.1591	0.0685	0.1492	0	0	0	0	45.3768
Total	1,539.7871	37.1461	3.4600	1,984.6463	-	-	-	3,565.0395

*Note: For ANA and AEU, only GHG emissions from energy use (natural gas, diesel, gasoline, and liquefied petroleum gas) are measured for Scope 1 emission.

Table 4.3.1 Scope 1 GHG emissions by Advantech's Main Global Operations and Production Factories in 2024

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Among Advantech's Taiwan factories (ACL), Scope 2 emissions are solely from purchased electricity. The carbon emissions are calculated using the 2023 Electricity Carbon Emission Factor of 0.494 kg CO_2e announced by the Bureau of Energy, Ministry of Economic Affairs, totaling 9,222.26 metric tons of CO_2e. For Advantech's Kunshan sites(AKMC), Scope 2 emissions include the use of purchased electricity and purchased steam, totaling 11,974.12 metric tons of CO_2e (Market-based). The electricity carbon emissions are calculated using the average national electricity carbon emission factor for 2022 (excluding non-fossil energy electricity from market-based transactions) of 0.5856kg CO_2/kWh, as stated in Table 4 of the "Announcement on the Electricity Carbon Emission Factor for 2022". The carbon emissions from steam are calculated using the emission factor for steam of 110 kg CO_2/GJ, as referenced in the "GHG Emission Accounting and Reporting Guidelines for Industrial and Other Sectors." In addition, AJP, AKR, ANA, AEU Scope 2 use purchased electricity only. Among these, AJP uses the electricity carbon emission factor of 0.4060 kg CO_2e/kWh provided by the manufacturer, Kyushu Electric Power; AKR and ANA use the nationally announced electricity carbon emission factors of 0.4781 kg CO_2e/kWh and 0.2075 kg CO_2e/kWh, respectively; and AEU's electricity carbon emission factor is 0 kg CO_2e/kWh as it uses 100% renewable energy.

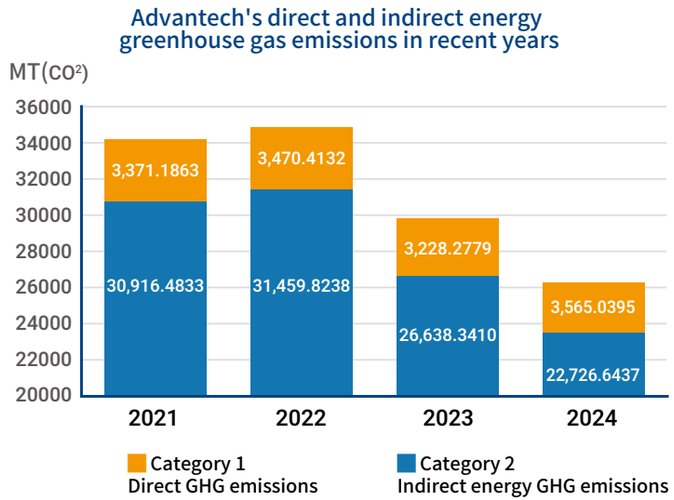
The Scope 1 and Scope 2 GHG emissions for Advantech's main operation and production sites are shown in Table 4.3.2. In 2024, the total combined emissions for Scope 1 and Scope 2 were 26,296.8217 metric tons of CO_2e (Market-based). Figure 4.3.2 shows the amount of Scope 1 and Scope 2 GHG emissions by Advantech's main operation and production plants in recent years.

Region	Scope 1 Direct GHG emissions	Scope 2 Indirect GHG emissions from energy		Sum	
		Market-based	Location-based	Market-based	Location-based
Taiwan ACL	804.3931	9,222.2612	9,222.2612	10,026.6543	10,026.6543
China AKMC	2,531.4193	11,974.1196	14,195.6172	14,505.5389	16,727.0365
Japan AJMC	150.3177	1,203.5099	1,203.5099	1,353.8276	1,353.8276
Korea AKSC	9.7673	158.4522	158.4522	168.2195	168.2195
USA ANA	23.7654	168.3008	168.3008	192.0662	192.0662
Europe AEU	45.3768	0	56.3275	45.3768	101.7043
Total (Ton CO_2e)	3,565.0395	22,726.6437	25,004.4689	26,291.6832	28,569.5084

*Note 1: ANA and AEU's GHG inventories have not yet undergone third-party verification.
*Note 2: In the market-based calculation, the GHG emissions from renewable energy sources in AKMC, AEU, and ANA were calculated with the electricity carbon emission factor as 0.

Table 4.3.2 Scope 1 and Scope 2 GHG emissions by Advantech's Main Global Operations and Production Sites in 2024

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix



*Note 1: The scope2 data are GHG emissions from "market-based" sources

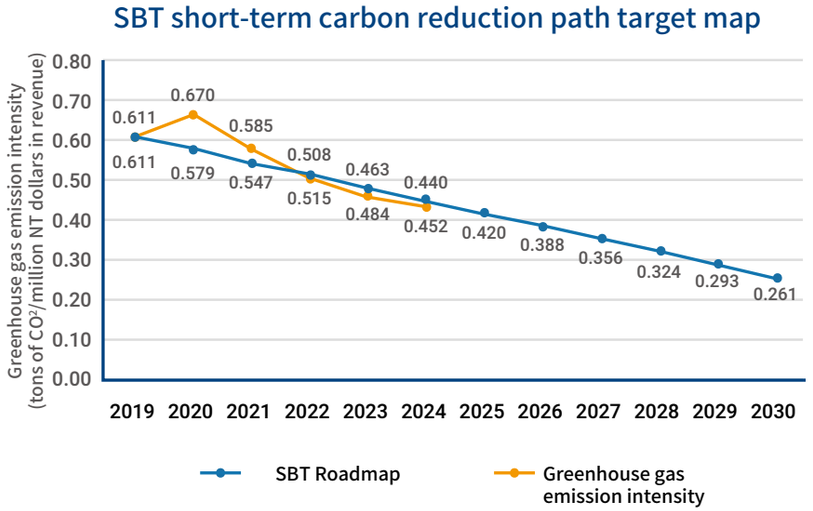
*Note 2: In 2024, the regions using renewable energy included AKMC, AEU, and ANA. AKMC utilized Green Energy Certificates (GEC); AEU sourced 100% renewable energy directly from supplier; and ANA partially used electricity generated by its solar power system.

Figure 4.3.1 Scope 1 and Scope 2 GHG emissions by Advantech' s main global operations and production sites in recent years

In 2024, the average GHG emissions (Scope 1 and Scope 2) per unit of revenue for Advantech's main global operations and production sites were 0.440 metric tons of CO_2e per NTD million, representing a decrease of 28.0% and 4.9% compared to the average GHG emissions per unit of revenue in 2019 and 2023, respectively. This demonstrates our continued progress towards the 2030 SBT of a 60% reduction, as shown in Figure 4.3.2.

In 2024, Advantech not only continued to manage and optimize its energy usage efficiency by following its energy management policy, the ISO 50001 energy management system, and iEMS, but also promoted experience sharing among its facilities, continuously improving energy usage efficiency through regular energy project meetings.

Looking ahead, we will continue to achieve our RE100 and carbon reduction goals through a combination of employee training, carbon reduction and energy-saving projects, energy target setting, increased adoption of renewable energy, setting more ambitious SBT targets aligned with the 1.5 ° C pathway, and the establishment of internal carbon pricing. Furthermore, we also committed to incorporating energy-saving and carbon reduction principles into our corporate culture, encouraging all employees to work together toward a net-zero and sustainable future.



*Note: The scope2 data are GHG emissions from "market-based" sources

Figure 4.3.2 GHG emission intensity and SBT carbon reduction roadmap of Advantech's main operating locations and production sites in recent years

Advantech has six major RBU sites in its global footprint, with Advantech Taiwan and Advantech Kunshan serving as the primary manufacturing bases. In order to identify the key factors for mitigating climate change, we have not only accounted for greenhouse gas emissions from our own operations but also, since 2019, conducted materiality assessments of other indirect emission sources based on the ISO 14064-1 standard. We have established corresponding inventory methodologies with the aim of identifying emission hotspots, setting reduction targets, and gradually implementing mitigation measures. The identification and emissions of Advantech Taiwan and China Kunshan, under Scope 3 for the year 2024 are shown in Table 4.3.3. Historical Scope 3 emissions are detailed in Figure 4.3.3.

Among them, Advantech's Scope 3 GHG emissions per unit of revenue in 2024 decreased by 16.9% compared to 2023. This is mainly attributed to a significant reduction of 22.6% in C11 (product use, which corresponds to a reduction of 202,927.42 metric tons of CO_2e.) In the future, we will continue to promote internal energy-saving labels, product energy-saving design, power efficiency enhancement, and the promotion of internal carbon pricing to further lower our Scope 3 emissions.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Category Item	Verification scope description	Emissions from ACL (Metric tons CO_2e)	Emissions from the AKMC (Metric tons CO_2e)
C1/Category 4	Purchased goods and services	170,478.9531	47,641.4656
C2/Category 4	Capital Goods	4,329.4307	1,281.4052
C3/Category 4	Upstream fuels and energy	1,825.8036	1,084.0499
C4/Category 3	Raw material transportation	35.6019	344.4792
C5/Category 4	Operational waste	40.0910	25.8684
C6/Category 3	Business travel	125.9435	36.2100
C7/Category 3	Employee commuting	466.4475	265.3049
C8/Category 4	Upstream leased assets	52.1071	0
C9/Category 3	Product transportation	1.4836	93.5695
C10/Category 5	Product processing	0	0
C11/Category 5	Product use	513,625.6319	Included in the headquarters in Taiwan
C12/Category 5	Product end-of-life treatment	9.6846	Included in the headquarters in Taiwan
C13/Category 5	Downstream leased assets	0	0
C14/Category 5	Franchises	0	0
C15/Category 5	Investments	9,178.8698	Included in the headquarters in Taiwan
Sum		750,942.4011	

*Note:

1.The GHG Protocol Scope 3 categories 1 to 15 correspond to ISO 14064-1:2018 categories 3 to 6

2.Product use and end-of-life treatment are the scope of the global inspection of Advantech.

Table 4.3.3 Scope 3 identification and emissions of greenhouse gases from Advantech Taiwan and Kunshan

Advantech's Scope 3 emissions statistics over the years

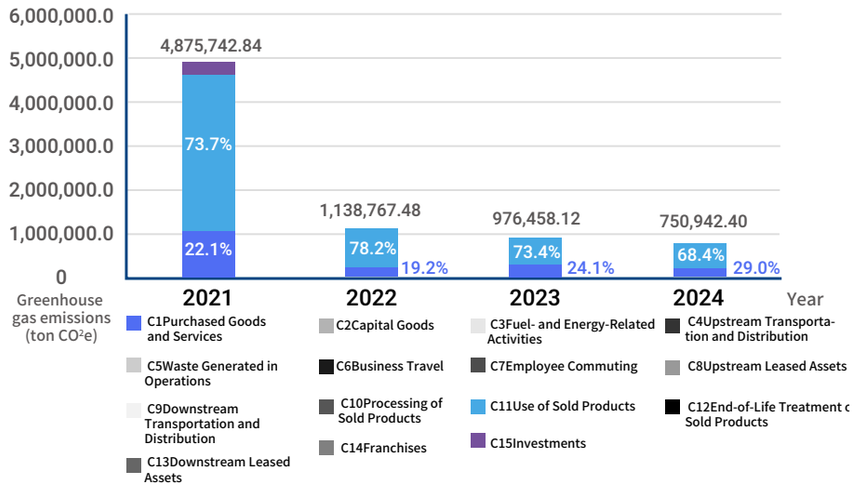


Figure 4.3.3 Advantech's Scope 3 emissions from 2021 to 2024

*Note: Certain 2021 data was assessed using the EEIO methodology through the GHG Protocol Scope 3 Evaluator. The data for 2022 to 2024 was inventoried in compliance with ISO 14064-1 and verified by an independent third party.

Highlighted Projects

Participation in the international Carbon Disclosure Project (CDP) evaluation

Advantech has been cooperating with customers in participating in the Carbon Disclosure Project (CDP) since 2015. CDP is the world' s largest climate change-related database and evaluates the risks and opportunities that climate change presents to companies through a detailed questionnaire every year. This process assesses each company' s response to climate change, including their GHG emissions and reduction efforts. Through the annual CDP information disclosure, Advantech systematically reviews climate regulations, climate disasters, and other climate-related issues and takes effective measures to reduce and eliminate potential risks in operation and management, thereby complying with international customers' requirements on GHG management requirements. In 2024, Advantech received a Level B rating from CDP.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Energy data management

The main source of GHG emissions from Advantech's factories is CO_2 emissions from the generation of purchased electricity necessary for the Company's operations, which accounted for over 80% of the Company's overall emissions in 2024. In 2024, the overall energy consumption (including electricity, steam, gasoline, diesel, and natural gas) at Advantech' s main operating locations and production sites was 197,853.39 GJ, with purchased electricity accounting for 95.92% of total energy consumption (including 9.46% from renewable energy sources), representing a 1.78% reduction compared to 2023.

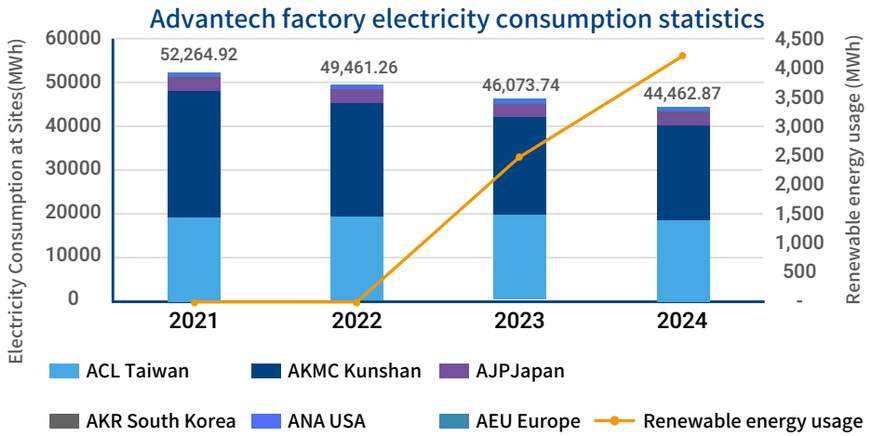
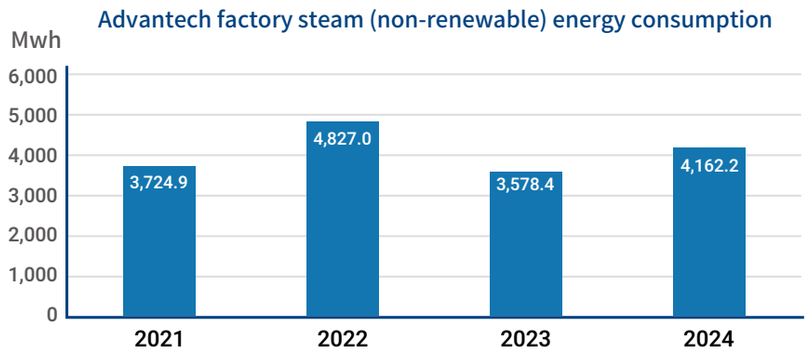


Figure 4.3.4 Electricity Consumption among Advantech's Main Operations and Production Sites in Recent



*Note: The scope covers Advantech's main global operations and production factories, but only the AKMC uses steam.

Figure 4.3.6 Non-renewable energy consumption (purchased steam) by Advantech's main operating locations and production factories in recent years

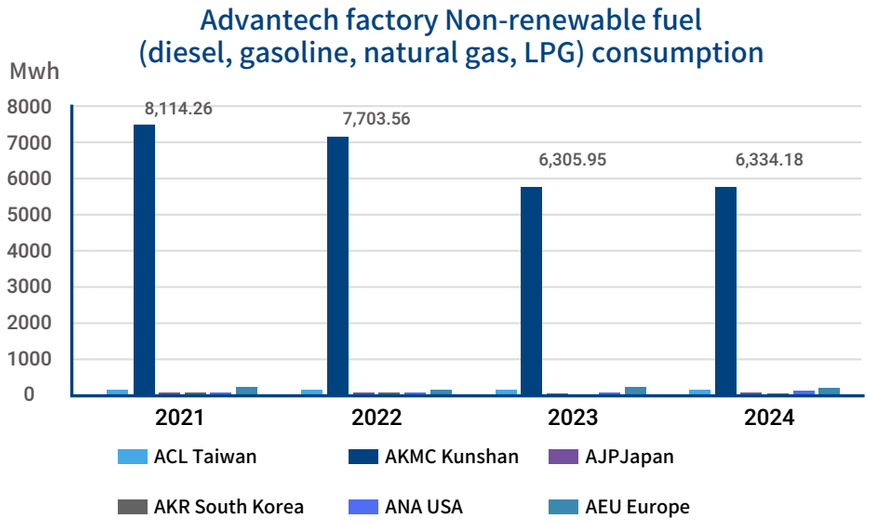


Figure 4.3.5 Non-renewable Fuels Consumption among Advantech's Main Operations and Production Sites in Recent Years

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

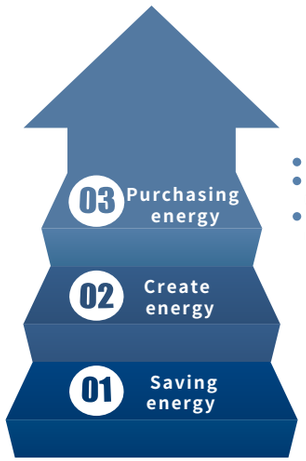
4.3.2 Energy Management Initiatives

Energy use overview

Electricity is Advantech's main energy source. To minimize the environmental impact of its products and production activities, Advantech has established an Energy Management Policy and implemented the ISO 50001 energy management system at its significant locations of operation in Taiwan and Kunshan, China, to systematically manage energy reviews, energy-saving solutions, and benefit analysis processes. Meanwhile, Advantech has established an intelligent energy management system (iEMS) that can monitor energy consumption in real-time, identify energy hotspots, and optimize equipment operation to improve electricity usage efficiency. Additionally, Advantech has established clear energy-saving indicators and targets, and the energy management unit regularly convenes project meetings to monitor implementation progress to continuously increase energy usage efficiency and the percentage of renewable energy used. Furthermore, in 2024, Advantech also monitored electricity consumption management indicators across its six global RBUs to further standardize and improve electricity management in its various operations. At the same time, we continue to launch global renewable energy initiatives, enhance the procurement and usage of renewable energy, and collaborate with all locations of operation to achieve RE100 goals and sustainable energy management.

Energy management strategy

In terms of energy management strategy, Advantech adopts a three-stage approach of energy saving, energy generation, and energy procurement to continue reinforcing energy management, optimizing resource allocation, and gradually achieving the goals of sustainable energy management and renewable energy transition.



- Procurement of renewable energy certificates
- Direct purchase and resale of renewable energy (Power Purchase Agreement, PPA)
- Investment in renewable energy power plants (for resale and own use)

- Self-built solar energy systems in factories and offices
- Self-built energy storage systems in factories (for peak shaving and valley filling)

- Introducing energy-saving management and monitoring systems
- Improve energy efficiency of machines and utility equipment
- Replace with high-efficiency equipment

Energy management process

Advantech has established an internal energy management mechanism and adopted the ISO 50001 energy management system. Through effective system operation, the Company manages energy from the source, beginning with procurement, and evaluates overall energy consumption through regular energy reviews to identify energy consumption hotspots. This effort is integrated with Advantech' s proprietary iEMS platform, which enables real-time monitoring through an energy dashboard. Significant energy uses (SEUs) equipment is closely managed to ensure optimal efficiency. Additionally, energy-saving solution benefit analyses are conducted as part of a continuous improvement cycle to optimize energy management practices and enhance energy efficiency over time.



Source management

Energy performance self-assessment is required for the purchase of large energy-consuming equipment (estimated annual total energy consumption > 9,000 kWh)

Energy review

Through the energy audit process, we will take stock of the energy-consuming equipment in the factory and define the major energy-consuming equipment based on the operating time, equipment age, equipment power, etc.



Major energy consumption equipment management

Carry out daily monitoring and management of identified major energy-consuming equipment (including operator capabilities, documented specifications, etc.)

Energy performance monitoring

Monitor the overall energy usage of the site throughout the year and implement energy management through regression analysis and comparison with the base year

Energy saving action

Formulate improvement actions for major energy-consuming equipment, or identify energy-saving technology improvement opportunities in public areas and process sections based on the company's energy policy and energy issues of stakeholders

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Management of significant energy uses (SEUs) equipment at major production sites in 2024

Advantech has six RBUs globally, with Advantech Taiwan and Advantech China-Kunshan serving as the primary production sites. As such, the implementation of the ISO 50001 energy management system is prioritized at these sites to enable systematic energy conservation and management.

Field	Significant energy uses (SEUs) equipment	Management method of significant energy uses (SEUs) equipment
ACL (Taiwan)	Chiller systems	Real-time monitoring of chiller system operations and inlet/outlet water temperature control is conducted using the SCADA system, along with regular maintenance activities specified in the SOP
	Laboratory equipment and process-related equipment	Regulate maintenance and management is carried out by following the SOP, including routine inspections, management, and regular maintenance
AKMC (China-Kunshan)	Production equipment (solder reflow oven, liquid baking line, solder pot)	Based on the qualification requirements of operators at each post, regular monitoring plans are formulated. The plans include monitoring methods, intervals, personnel, and records
	Air conditioning system	The air conditioning equipment is maintained, operated, and managed according to the SOP. The operation process is monitored by an air conditioning automatic control system, which also regulates the chiller's water temperature

Energy-saving management initiatives of various significant locations of operation in 2024

Field	Category	Energy saving topic	Energy saving
Taiwan ACL	Air conditioning system	Energy improvements of the air conditioner chiller system, energy-saving measures for the external air handling unit, air conditioner inverters, and temperature control of floor air-conditioning units	282,588 kWh
	Power systems	Elevator operating time control	2,244 kWh
	Power consumption of outlets	Public facility usage scheduling and management	32,940 kWh
	Lighting systems	Lighting fixture replacement and usage scheduling, and management	227,958 kWh
	Process improvement	Set up an EC automatic shutdown schedule for the production line auxiliary equipment	4,555 kWh
Kunshan, China AKMC	Lighting systems	Replace lights in plants	51,000 kWh
	Process improvement	Product manufacturing process and printing optimization	1,830M³

2024 process energy-saving management project highlights

- **For production electricity consumption (B1F~6F), we have set up an automatic EC shutdown schedule for eSOP computer mainframes**

To enhance energy efficiency in the production areas, an automatic shutdown schedule via EC (Energy Control) will be implemented for the eSOP computer servers on each floor from B1F to 6F. The system will automatically turn off equipment during non-production hours based on production shifts and actual operational needs, thereby reducing idle power consumption and strengthening the overall management of energy usage for production.

- **Implemented verification to shift from printing one product at a time to printing multiple products at once**

The shift from printing one product at a time to printing multiple products reduced the natural gas consumption of the screen printing machine. An evaluation by PE revealed that the number of product SKUs printed simultaneously could be increased to a total of 490 SKUs. This results in a natural gas saving of 0.003 m³ per piece. With a production volume of 610,000 pieces, the projected annual natural gas saving is 1,830 m³. According to statistics, in April 2024, the production of multiple products in one print job reached 72,852 pieces, resulting in an estimated natural gas energy saving of nearly 218.6 M³



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

◆ **Establish an intelligent energy monitoring system and continue to implement energy-saving projects**

Advantech effectively implemented the proprietary iEMS (Intelligent Energy Management System) across its locations of operation in the United States and Europe in 2023. Through digital professional integration technology, we provide functional solutions such as energy consumption monitoring and management, HVAC energy efficiency management, and air compressor energy efficiency management. These solutions feature advanced energy efficiency management capabilities, enabling organizations to optimize energy use, enhance efficiency, seize energy-saving opportunities, and support carbon trading. The objective is to drive low-carbon transformation through digitalization, thereby empowering businesses to conserve energy and reduce emissions by managing online data to facilitate offline improvements, ultimately assisting the Company to transition toward green operations.



Renewable energy promotion program

Advantech commits to 100% renewable energy by 2040 (RE100)

Since becoming an RE100 member in 2023, Advantech has actively promoted renewable energy development plans for its headquarters and overseas subsidiaries. The electricity consumption of Advantech's Taiwan headquarters and Kunshan, China, accounts for over 90% of Advantech's global electricity consumption. Consequently, Advantech's progress in implementing renewable energy will primarily focus on these two core manufacturing sites.

For the disclosure of renewable energy-related data, please refer to the chapter on energy data management in the report. The implementation timeline and management model are as follows:

Management model	◆ In the same year, Advantech officially established Advantech's global RE100 task force. The ESG Corporate Sustainability Development Office leads the coordination and progress review of renewable energy implementation, while the President of General Management conducts the review during the quarterly ESG regional meeting. ◆ The RBUs under this team span across Advantech headquarters and five countries/regions including China, the United States, Europe, Japan, and Korea. ◆ Each RBU has appointed renewable energy personnel to develop local plans that promote renewable energy compliance in line with local policies, regulations, and electricity price markets. ◆ The progress of achieving renewable energy targets in 2024 has been incorporated into the performance indicators of the Chairman and responsible management, and financial incentive mechanisms were also formulated and implemented.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Renewable energy promotion timeline and goals

Year	Core development progress
2021	Invest in aquavoltaics power plants
2022	Installation of solar photovoltaic panels in the Linkou plant and the Kunshan plant
2023	◆ Each RBU has established its renewable energy usage targets and implementation pathways for 2024-2040 ◆ Officially joined RE100 ◆ Form the RE100 global task force ◆ Include the achievement of renewable energy standards in the KPI review of middle and senior management and plan the financial incentive mechanism
2024	Advantech's headquarters signed a renewable energy procurement contracts with a general energy service provider. It is projected that within the next six years, micro-grid energy will supply approximately 40 million kWh of renewable energy through a long-term power purchase agreement model, assisting Advantech in achieving its future renewable energy usage targets.
2025	Advantech's AASC plant in the United States and AESC office in Europe achieve RE100
2030	Taiwan headquarters and the Kunshan, China manufacturing site achieve 50% renewable energy usage
2040	Achieve RE100 goals

Overseas significant locations of operation renewable energy project highlights

ANA	Installation of solar photovoltaic panels at AASC plants, achieving a renewable energy coverage rate of 14.6%
AKR	Local solar power installation projects have been initiated, and applications for government funding have been submitted
AJP	AJP has complied with the renewable energy policies of its host country and has identified suitable renewable energy suppliers. Procurement is expected to begin in the first quarter of 2025, once the relevant policies are clarified
AKMC	To increase the percentage of renewable energy by 5% annually, renewable energy is sourced from solar panel installations and the purchase of RE100-recognized renewable energy certificates. In 2024, the percentage of renewable electricity reached 17.7%.
AEU	Procure renewable energy directly from local suppliers to achieve the 100% renewable energy goal

Establish an intelligent energy monitoring system and continue to implement energy-saving projects

2In 2024, Advantech's iEMS demonstrated significant progress. Through digital professional integration technology, we provide functional solutions such as energy consumption monitoring and management, HVAC energy efficiency management, and air compressor energy efficiency management. These solutions feature advanced energy efficiency management capabilities, enabling organizations to optimize energy use, enhance efficiency, seize energy-saving opportunities, and support carbon trading. The objective is to drive low-carbon transformation through digitalization, thereby empowering businesses to conserve energy and reduce emissions by managing online data to facilitate offline improvements, ultimately assisting the Company to transition toward green operations. As of 2024, project implementation has been extended to ANA, AJP (Tokyo), AESC, AASC, AKMC, ACL, and ACN (Xian, Shanghai, and Beijing). Implementation in AJP Nogata is expected in 2025.

Training program

To raise awareness of energy conservation and carbon reduction among Advantech' s internal employees, the energy management unit periodically organizes training sessions or encourages external participation in relevant programs. These courses cover topics such as general energy knowledge and professional technical skills. A summary of each course and the participating units is provided below. Through these initiatives, we aim to support the professional development of energy management personnel and facilitate access to domestic and international resources, thereby enhancing knowledge acquisition and practical application in the field of energy management.

Category	Content	Training unit
Knowledge training	Energy knowledge introductory course Based on the P-D-C-A management system, concepts such as energy reviews, energy baselines, energy performance indicators, and energy procurement are explained. These concepts are combined with energy efficiency and management practice case studies to enhance the energy awareness of internal personnel	All employees, new employee hires
	RE100 technical standard training: Analysis of RE100 technical standards, along with an overview of the current conditions of the renewable energy market worldwide, in Europe, the United States, and Taiwan, as well as successful case studies of RE100 benchmark enterprises, and the role of RE100 in achieving net zero.	Energy management unit, investment unit, procurement personnel, ESG Corporate Sustainability Development Office, Product and Corporate Quality and Management Department, Intelligent Energy Management Product Planning and Design Department, overseas significant locations of operation (AKMC, ACN, ANA, AEU)
Technical training	Equipment technical training for significant energy uses (SEUs) equipment: Operating environment temperature and humidity control, equipment operation in the burn-in section, powder and liquid baking operations	Operator, burn-in operator, and spray coating technician
	Specific job technical training: Air compressor operation and maintenance, air conditioner chiller system operation	Engineering, plant facilities, general affairs

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

4.4 Environmental Management

Performance highlights

- 0 — No violations of environmental laws and regulations occurred, and no fines were incurred over the past 4 years
- NEW — The ISO14001 environmental management system was introduced to AEU, and a certificate was successfully obtained
- ACHIEVED — The new building at Advantech's Linkou plant in Taiwan has been awarded the Intelligent Building Label and the Gold-rated Green Building Label
- ACHIEVED — The Kunshan plant in Mainland China successfully renewed its green factory certificate in 2025

4.4.1 Environmental Responsibility

Advantech is well aware of the environmental impact of its product manufacturing processes. Consequently, in fulfilling our environmental responsibilities, we have adopted the ISO 14001 environmental management system to identify environmental risks and opportunities, and ensure that all our plants comply with local regulations and stakeholder expectations. To this end, we conduct internal audits annually and obtain third-party certification to implement the requirements of the ISO 14001 environmental management system. At the same time, to foster environmental awareness among our colleagues, we have developed training courses on the Company's policies and management measures for water conservation, waste reduction, and resource recycling, providing Advantech employees with environmental responsibility education. This requirement extends beyond new colleagues, as all our current colleagues are required to complete annual on-the-job training to make sure that all employees understand our latest environmental policies. The Company's environmental policy is confirmed and committed to by the Board of Directors before it is announced on the official website.

Environmental promotion procedures and actions

Implementation procedures	Management initiatives
Environmental management operating regulations, environmental management system (ISO 14001), GHG inventory (ISO 14064-1), and energy management system (ISO 50001)	◆ Pollution control and prevention ◆ Environmental responsibility training, such as: water conservation, waste reduction, and resource recycling, etc. ◆ Environmental management system maintenance ◆ GHG management ◆ Supervise and improve energy performance

Environmental promotion goals

Since 2022, aside from its Taiwan headquarters and Kunshan plant in China, Advantech has expanded the collection of environmental data to include facilities in AJP, AKR, ANA, and AEU. In 2023, the Company set environmental management targets for each RBU or production plant. Their achievement status in 2024 and targets for 2025 are outlined in the following table.

	2024 Goals	2024 execution results	2025 Goals
Water consumption (respective RBUs)	Decreased by 2% compared to 2023 (M^3/people)	All RBUs, except for AJP, achieved their targets An average decline of 3.01%	Decreased by 2% compared to 2024 (M^3/people)
Waste volume (respective RBUs)	Decreased by 5% compared to 2023 (ton/million production hours)	All RBUs, except for AJP, achieved their targets An average decline of 15.93%	Decreased by 5% compared to 2024 (ton/million production hours)
VOC emissions (Kunshan plant, China)	Decreased by 5% compared to 2023 (ton/million production hours)	Target achieved, decreased by 55.51%	Decreased by 5% compared to 2024 (ton/million production hours)

To fulfill its commitment to green operations and sustainable development, Advantech has established and follows the ISO environmental management system to develop environmental topics and achieve effective resource utilization. We establish Advantech environmental management framework through the "Environmental Safety and Health Committee" or "Management Review Meetings" at each production plant to promote green operations, implement pollution prevention, waste management, and green procurement, as well as energy saving, emission reduction, sustainable resource utilization, and circular economy. We vigorously seek third-party certification for environmental management systems, GHG inventories, and energy

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

management systems at our significant locations of operation and production plants worldwide. Locations and plants that have already obtained certification are listed in Table 4.4.1. Notably, AEU has recently obtained environmental management system certification, while AJP and AKR have obtained third-party certification for GHG inventories. The scope of this chapter covers Advantech's significant locations of operation and production plants worldwide, accounting for 92.8% of the total consolidated revenue.

Relevant certified plants / Environment Certification items	ACL	AKMC	AJP	AKR	ANA	AEU
ISO 14001:2015	V	V	V	V	V	V
ISO 14064:2018	V	V	V	V		
ISO 50001:2018	V	V				

Table 4.4.1 Environment at Advantech's significant locations of operation and production plants worldwide

No fines were incurred due to violations of environmental laws and regulations in 2024. The Company has compiled the environmental violations at Advantech's significant locations of operation and production plants worldwide in the past four years, as shown in Table 4.4.2.

Plant / Year	ACL	AKMC	AJP	AKR	ANA	AEU
2024	0	0	0	0	0	0
2023	0	0	0	0	0	0
2022	0	0	0	0	0	0
2021	0	0	0	0	0	0

Table 4.4.2 Environmental violation statistics of Advantech's significant locations of operation and production plants worldwide

Advantech's environmental/resource input/output (covering ACL, AKMC, AJP, AKR, ANA, and AEU)



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

4.4.2 Energy Resource Use and Waste Management

Water resource risk management and water consumption/sewage management

Advantech utilizes the World Resources Institute (WRI) Water Risk Atlas analysis tool to confirm the water resource risks at its significant locations of operation and production plants (as shown in Figure 4.4.1), and disclose the sources of water withdrawal and the receiving water bodies for discharge in each region, as detailed in Table 4.4.3. According to the analysis results, Advantech's significant locations of operation and production plants generally face low to medium water resource risks, except for the Kunshan plant in China, which faces a high water resource risk. Using the results of the water resource risk analysis, Advantech plans and manages its water resources according to the risk level at its significant locations of operation and production plants, ensuring effective and sustainable water use.

Factory	ACL	ATMC	AKMC	AJP	AKR	ANA	AEU
Water withdrawal source	Xindian River	Shimen Reservoir	Yangtze River	Onga River	Paldang Reservoir	Hetch Hetchy	Brabant Water
Wastewater Treatment Plant	Neihu Sewage Treatment Plant	Guishan Sewage Treatment Plant	North District Sewage Treatment Plant	Septic Tank	Bupyeong Water Purification Plant	San Jose - Santa Clar Regional Wastewater Facility	Connected to the municipal wastewater treatment plant
Receiving water body	Keelung River	Nankan River	Taicang Tang	Onga River	Han Rive	South San Francisco Bay	Municipal sewage system

Table 4.4.3 Water sources for intake and receiving water bodies for discharge at Advantech's significant locations of operation and production plants worldwide

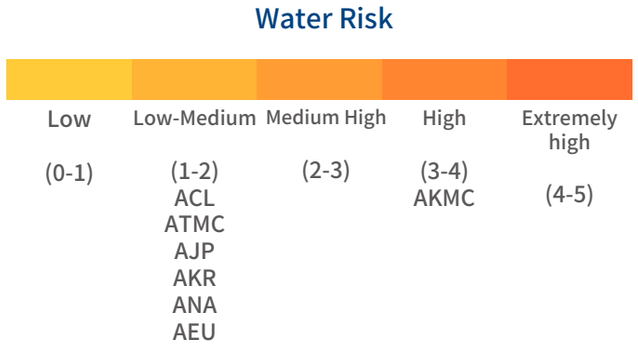


Figure 4.4.1 Water resource risk analysis map for Advantech's significant locations of operation and production plants worldwide

All of Advantech's offices and plants are situated in developed industrial zones or parks within metropolitan areas, utilizing tap water as their primary water source, without relying on groundwater or well water. Their production processes are primarily assembly-based rather than water-intensive, and water consumption is mainly for domestic purposes. As such, overall consumption is low and does not pose a significant environmental impact on water resources. Even so, Advantech still follows the ISO 14001 environmental management system to identify water consumption and sewage treatment processes, explore water conservation opportunities, actively promote water-saving management programs, and strive to reduce water consumption and sewage discharge to ensure the proper management of water resources. The total water consumption of Advantech's significant locations of operation and production plants worldwide for the last four years is shown in Figure 4.4.2.

Advantech's plants continue to explore water conservation possibilities. In employee activity areas, rainwater harvesting systems are installed for toilet flushing and park irrigation, and intelligent irrigation systems are also implemented to save water. In addition to using water-saving faucets and toilets, employees are required to participate annually in environmental responsibility education and awareness training on water efficiency management programs, which are embedded in Advantech’ s corporate culture. Regarding chiller systems used by ACL, intelligent temperature control is implemented to accurately regulate the temperature and humidity of the work areas, avoiding unnecessary water waste. ACL's total water consumption in 2024 decreased by approximately 4,666 m³ compared to 2023. As for the Kunshan plant in China, due to the higher water resource risk it faces compared to other plants, the plant has continued to implement projects such as reclaimed water reuse and overflow water reuse since 2022. The aim is to recycle sewage from the production process back to the plants for reuse as much as possible, thereby reducing the plant's reliance on tap water. In 2024, the Kunshan plant's total water consumption decreased by 14% compared to 2023, amounting to roughly 24,862 m³, while the sewage recycling rate was 30%. The United States AASC plant implemented a water-saving optimization plan for its irrigation system in 2023. To protect plant health, the system was continuously optimized and adjusted, resulting in an additional 15% water savings in 2024, amounting to about 632m³ of water. This goes to demonstrate the United States AASC plant's emphasis on water resource conservation. Water consumption of Advantech's significant locations of operation and production plants worldwide in recent years is summarized in Table 4.4.4.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

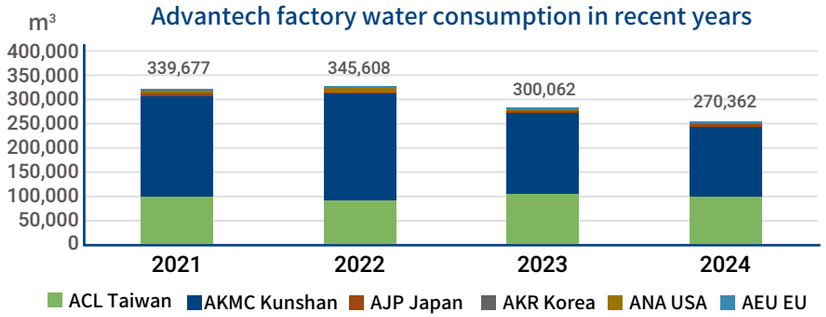
		2021	2022	2023	2024
Water withdrawal (m³)		339,677	345,608	300,062	270,362
Discharge volume	Domestic sewage (m³)	214,949	226,277	198,481	177,397
	Industrial sewage (m³)	22,825	15,649	11,563	11,856
Water consumption (m³)		101,903	103,682	90,019	81,108
Scope covers Advantech's consolidated revenue		92.3%	92.3%	92.6%	92.8%

*Note：

1. Domestic sewage is calculated by multiplying the water withdrawal by 70% and subtracting the industrial sewage.
2. Water consumption is calculated by subtracting water discharge from water withdrawal.
3. A correction has been made to Korea's water consumption data, as the 2021 figures were not recorded, and the 2022–2023 data contained errors.
4. Corrections have been made to the water consumption data between 2021 and 2023.

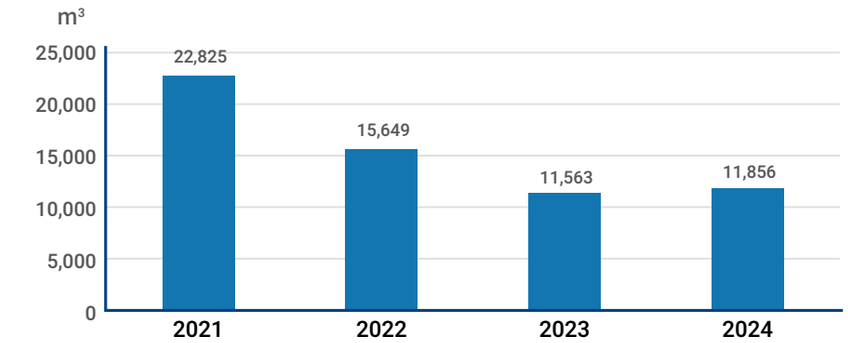
Table 4.4.4 Water consumption of Advantech's significant locations of operation and production plants worldwide in recent years

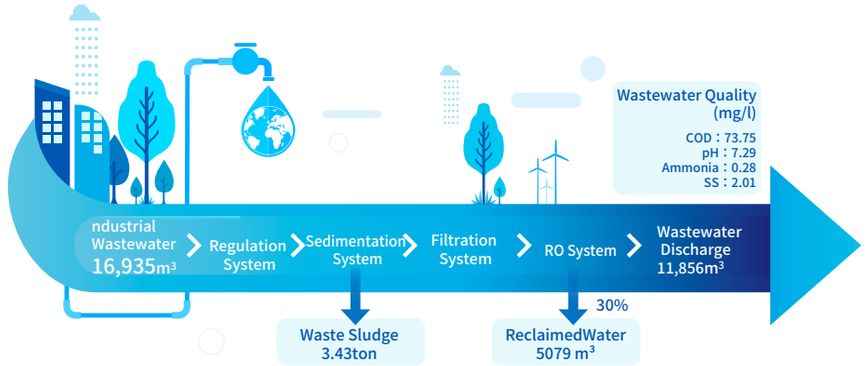
Among all Advantech's production plants, only the Kunshan plant in China discharges industrial sewage. The Kunshan plant in China has an internal sewage treatment system that adopts methods such as acid-base neutralization and biological treatment to pre-treat sewage on-site. It also utilizes the Company's proprietary product, the Advantech Smart Factory Solution-i-factory system, to monitor the quality of discharged sewage in real-time. This ensures that all sewage discharge meets standards before being discharged. The Kunshan plant's sewage treatment process and main water quality metrics are illustrated in Figure 4.4.3. No fines were issued in 2024 for non-compliance with water quality standards.



*Note: No water consumption statistics were recorded for Korea in 2021

Figure 4.4.2 Water consumption by Advantech' s significant locations of operation and production plants worldwide in recent years





*Note: Among all Advantech's significant locations of operation and production plants, only the Kunshan plant in China discharges industrial sewage

Figure 4.4.3 Industrial sewage discharge by Advantech's main production plants worldwide

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Waste management and circular economy

Name of materiality	Please describe the importance of this materiality to Advantech
Circular economy	Advantech is driven by the corporate vision of "Enabling an Intelligent Planet", reducing waste and carbon footprint through resource circulation. We also consider how waste can transition from linear processing to a closed-loop sustainable cycle to enhance environmental sustainability and resource utilization efficiency. This approach helps mitigate the environmental impact of product manufacturing while strengthening aspects such as energy efficiency and the use of sustainable materials, ultimately leading to improvements in environmental performance and product competitiveness.
Management strategy	◆ We have established a circular strategy that integrates eco product design and green production processes from the outset of new product development, in a bid to minimize waste generation and carbon footprint. ◆ The Company has introduced the UL 2799 management model for waste management. We prioritize waste reduction initiatives and strive to increase the conversion and recycling rates of disposable waste through methods such as recycling and reuse, thereby maximizing the benefits of resource recovery. Disposal methods such as incineration and landfill are only used as a last resort for waste that cannot be reused.
Policy or commitment	We are committed to making every effort to protect the environment, striving for zero pollution in our production processes, fulfilling our responsibilities as a global corporate citizen, and advancing corporate sustainable development. Advantech strives to promote green operations by implementing eco product design, pollution prevention, waste management, and green procurement. We collaborate with customers, suppliers, and contractors to build a green supply chain spanning design, manufacturing, product delivery, and service through the implementation of energy conservation, emission reduction, resource optimization, and circular economy practices.
Positive impact	Fostering a circular economy can increase product resource utilization efficiency, decrease the use of non-renewable resources, lower production costs, reduce waste, enhance the eco-friendliness and resource utilization efficiency of products, minimize environmental impact and product carbon footprint, as well as improve the environmental benefits and competitiveness of products.
Negative impact	The inability to keep up with the eco product trend will diminish the environmental benefits and competitiveness of products. In the long term, it may lead to panic buying of virgin resources and raw materials, increase procurement volumes and waste disposal expenses, and also directly impact corporate reputation and brand image. Advantech' s countermeasures against negative impacts are outlined as follows: ◆ Vigorously promote the introduction of recycled raw materials into production processes ◆ Prioritize green procurement of products featuring eco-friendly, energy-saving, water-saving, and green construction material labels ◆ Implement the UL2799 waste management model to pursue the sustainability of resources
2024 goal achievement progress	◆ Evaluated the introduction of recycled raw materials into the Company's product design. ◆ Previously incinerated plastic waste is now converted into reuse treatment. At the Linkou plant, the percentage of recycled plastic increased by 15%. ◆ Promote green procurement at the Linkou plant. For instance, the procurement of products featuring an eco label and recycled plastic pellets amounted to NTD 107 million. ◆ In 2024, Advantech's significant locations of operation and production plants achieved a 90% recycling rate for business waste outsourced for treatment. The incineration disposal rate was 10%, with no waste sent to landfills.
2025 goals	◆ The mechanism casings of Gold Medal design products incorporate recycled raw materials, with up to 30% recycled plastic and 10% recycled metal used, depending on the specific material ◆ The waste conversion rate at the Linkou plant and the Kunshan plant in China reaches 90%
2030 goals	◆ The mechanism casings of Gold Medal design products incorporate recycled raw materials, with up to 50% recycled plastic and 20% recycled steel / 80% aluminum used, depending on the specific material ◆ The waste conversion rate across Advantech's global plants reaches 90%
2024 key action plans or programs	◆ Formulate a sustainable raw material policy and promotion plan, and gradually introduce recycled materials to specific models. ◆ Apply the UL2799 management model to assess the waste reduction, recycling, and reuse situation in the Company.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Effectiveness assessment	◆ Present the progress report of the sustainable raw material plan to the Sustainable Development Committee (SDC), and suggestions are provided by the committee members ◆ The waste conversion rate is calculated regularly to verify the effectiveness of waste reduction, recycling, and reuse measures. The progress is reported to the Environmental Safety and Health Management Review Committee.
Stakeholders impacted by the material topic and actions implemented by Advantech	◆ Employee: The policy will be included in employee education and training courses, and HR will be requested to list it as a mandatory online course. Waste classification will also be promoted and audited irregularly. ◆ Customers: Respond to customer questionnaires and audits, and provide relevant supporting records as necessary. ◆ Suppliers and contractors: In 2024, a supplier conference was held for tier 1 suppliers, during which the concepts and goals of sustainable management were communicated. The conference aimed to encourage suppliers to collaborate with Advantech in implementing circular economy-related initiatives. ◆ Shareholders and investment institutions: Achievements are disclosed through the Company's Annual Report and Sustainability Report. ◆ Partners: Respond to partners' inquiries and provide supporting records as necessary. ◆ Government / public associations / media: Respond to inquiries from government units and relevant public associations, and provide supporting records as necessary.

Note: For details on sustainable raw material and recycled material-related chapters, please refer to 4.1 Eco Design and Sustainability Liability ofProduct

Advantech is dedicated to implementing the zero waste to landfill policy and the plant business waste reduction, recycling, and reuse program. As of 2024, Advantech has implemented the UL2799 zero waste to landfill standard management, beginning with our ACL facility. Currently, Advantech no longer uses landfills to dispose of the waste. Furthermore, we are optimizing our waste management, re-evaluating waste categories and flows, and exploring more opportunities for waste recycling to reduce the possibility of waste going directly to incineration plants, in turn improving the waste conversion rate. In 2024, the self-assessed waste conversion rate for Advantech's significant locations of operation and production plants worldwide was 74% (the calculations for ANA, AEU, AJP, and AKR only included the amount of business waste, and certain internally recycled resources were not included). Meanwhile, Advantech also adheres to the ISO 14001 management system standards to ensure that waste disposal contractors and their disposal methods comply with local regulations. To accurately understand the waste disposal situation, Advantech regularly conducts audits of waste disposal contractors according to the law to ensure that all outgoing waste is disposed of legally. During the waste disposal contractor selection process, factors such as whether they have obtained/passed relevant qualifications are included in the evaluation. After waste is transported off-site, the Company verifies its legal disposal through government reporting platforms or by reviewing disposal certificates provided by contractors. If necessary, Advantech also conducts on-site inspections of waste treatment facilities to ensure that waste handling processes and contractor service quality comply with Advantech’ s standards and regulatory requirements. In 2024, there were no major breaches of contract or legal violations by any of Advantech’ s waste contractors.

In terms of waste recycling and reduction, Advantech not only works with end-of-life recyclers to convert waste into recycled raw materials but also collaborates with upstream suppliers. This includes initiatives such as recycling and reusing packaging materials, reusing wooden pallets, and modifying PCB designs to reduce edge scraps. Waste generation is minimized in the plants by reusing solder dross. Through collaboration among the plant, suppliers, and waste disposal contractors, Advantech aims to minimize waste incineration, reduce environmental impact, and achieve sustainable resource circulation. In addition, Advantech's Kunshan plant in China launched a research project in 2023 to transition from liquid painting to powder coating. The project was fully implemented in 2024, resulting in a reduction of approximately 30 tons of lacquer residue waste. The Company's waste management model is shown in Figure 4.4.4.



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

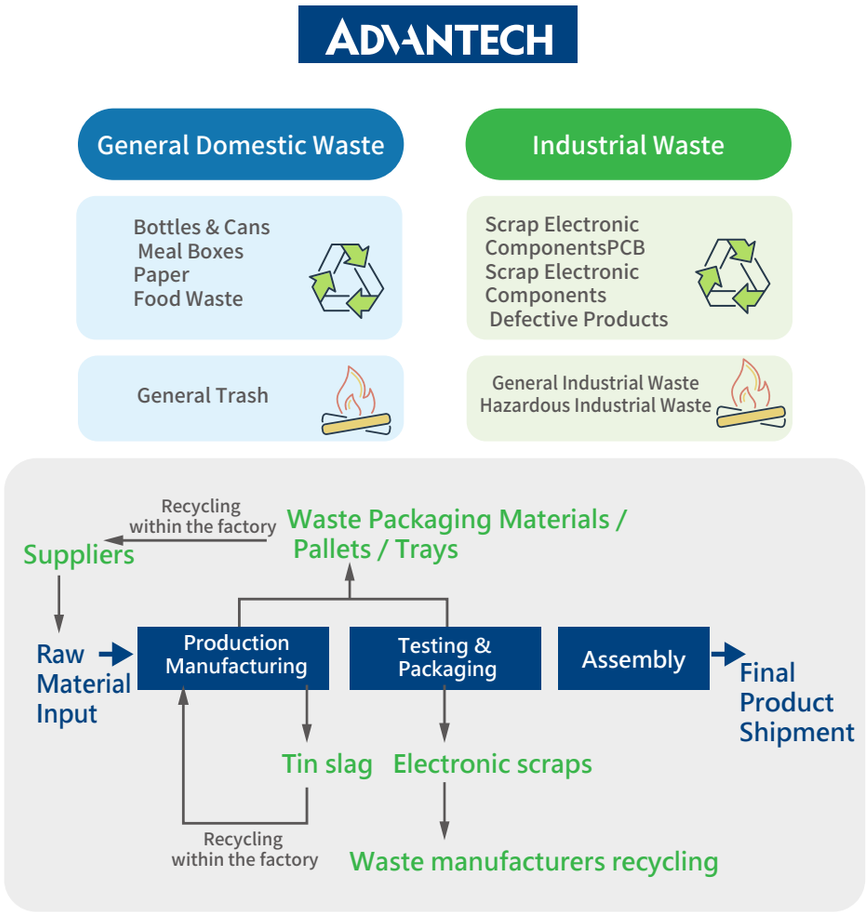


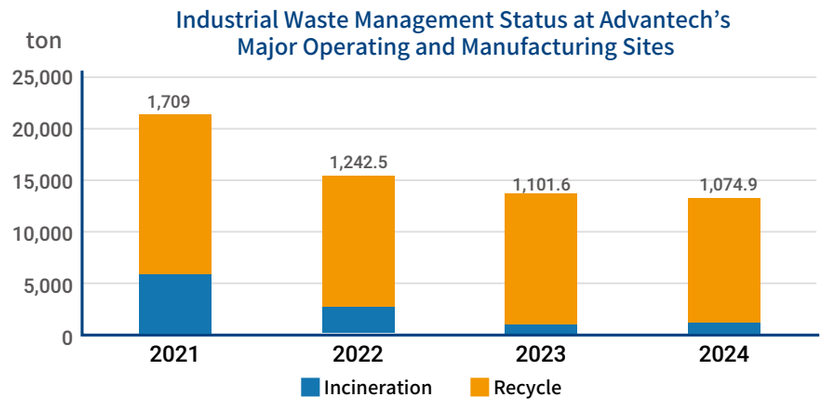
Figure 4.4.4 Advantech's waste management model

Statistics indicate that the total business waste disposal outsourced by Advantech's significant locations of operation and production plants in 2024 was about 1,074.92 metric tons, of which non-hazardous waste amounted to 919.61 metric tons (85.55%), and hazardous waste was 155.31 metric tons (14.45%). For hazardous business waste, the recycling rate was 41% (63.28 metric tons), while 59% (92.03 metric tons) was incinerated. As the weight of domestic waste is estimated based on the cleaning contract and lacks detailed classification of disposal methods, only the disposal information for business waste is disclosed. For waste disposal method, please refer to Table 4.4.5 and Figure 4.4.5.

	Waste generated	Disposal transfer: Recycling	Direct disposal: Incineration	Direct disposal: Landfill
Hazardous business waste (metric tons)	155.31	63.28	92.03	-
Non-hazardous business waste (metric tons)	919.61	899.03	20.58	-

*Note：
1.Waste weight statistics for ACL and AKMC are based on data reported by each plant to the competent authority, while statistics for AJP, ANA, and AEU are based on outsourced disposal data.

Table 4.4.5 Business waste disposal status of Advantech' s significant locations of operation and production plants in recent years



* Note：
1.Waste weight statistics for ACL and AKMC are based on data reported by each plant to the competent authority, while statistics for AJP, ANA, AEU, and AKR are based on outsourced disposal data.
2.No waste generation statistics were recorded for Korea between 2021 and 2023.

Figure 4.4.5 Business waste disposal status of Advantech' s significant locations of operation and production plants in recent years

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

亮點案例 1：
Circular economy activities at ACL

Introduction to the waste solder recycling project

Recently, ACL plants have embraced circular economy principles by emphasizing resource reuse, waste reduction, and minimization. As part of this initiative, a solder dross reuse project was implemented, utilizing a solder dross separation machine to recycle hazardous solder waste. In 2024, the project successfully recycled 5.01 tons of solder ingots, effectively reducing both the generation of solder dross within the plant and the demand for new tin purchases.



Introduction to the adoption of recycled materials



In addition to promoting the reuse of end-of-life waste as part of the circular economy, Advantech also evaluates the adoption of recycled materials during eco product design to enhance sustainability from the source. For detailed information, please refer to 4.1 Product Eco Design Management and Sustainable Responsibility.

Recycling of packaging materials

Concerning waste management, Advantech not only implements internal recycling but also collaborates with upstream suppliers to promote circular recycling and packaging material reduction. When suppliers deliver goods, they take back the packaging materials from the previous shipment (cardboard boxes, trays, etc.) and reuse them for shipping products to Advantech, thereby achieving the goals of reducing packaging material and promoting circular reuse. In 2024, Advantech worked with its suppliers to achieve the circular use of nearly 24 tons of packaging materials.







About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

亮點案例 2：
AEU environmental activities

Beginning from November 2024, AEU eliminated non-recyclable cups and promoted the use of reusable cups among employees to reduce single-use waste and implement sustainable environmental policies.



Advantech Europe proactively promotes environmental sustainability initiatives and hosts a cleaning day as part of its Environmental Day activities.

During these activities, to create a suitable environment for beehives and improve the park, the Advantech team repurposed damaged pallets to construct honeycomb planters and joined forces with AESC volunteers to plant flowers, in an effort to promote biodiversity and environmental aesthetics.



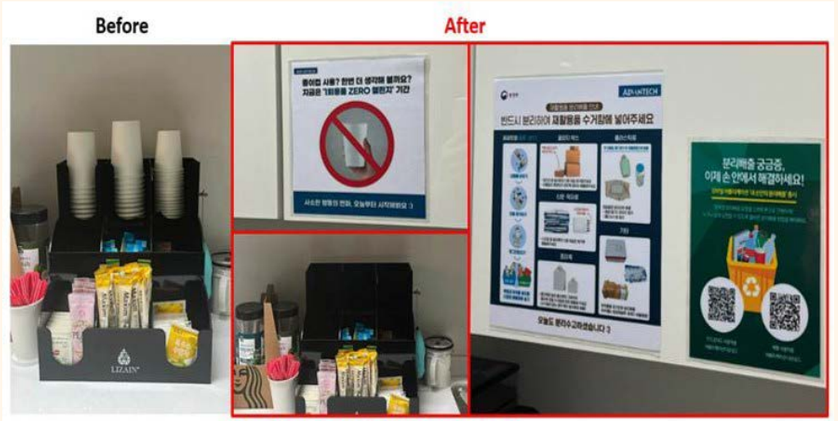




亮點案例 3：
AKR environmental activities

Since 2023, AKR has participated in the Korean government's Plastic-Free Day challenge, reducing the supply of single-use items within the plant. In 2024, the procurement volume was lowered by approximately 20% compared to 2023.





Single-Use Plastic Zero Challenge &
Poster for Proper Recycling Guidelines and Encouragement

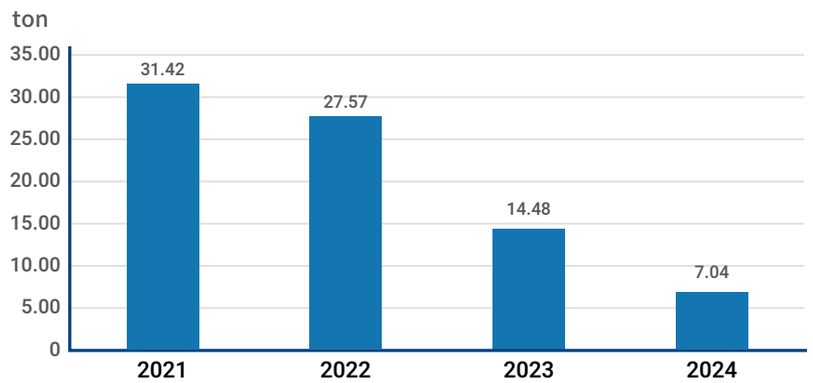
About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Air pollutant management

In terms of air pollution data and information disclosure, the following 3 key points are summarized below:

- Advantech's production process does not produce ozone depleting substances (ODS), and therefore there are no ODS emissions.
- The primary source of VOCs at the Kunshan plant in China is process emissions. The VOC emissions are uploaded to the government environmental reporting website according to local regulations. The annual VOC emissions comply with local regulatory requirements.
- Advantech's other production plants primarily focus on assembly processes, which generate minimal air pollution. As a result, these facilities do not emit significant levels of nitrogen oxides (NOx), sulfur oxides (SOx), or volatile organic compounds (VOCs).

Please refer to Figure 4.4.6 for the VOCs of Advantech's manufacturing plants in recent years.



*Note: Among all Advantech's significant locations of operation and production plants, only the Kunshan plant in China generates VOCs

Table 4.4.6 Emissions of VOCs by Advantech's significant locations of operation and production plants in recent years (unit: metric tons)

To implement environmental reduction targets, Advantech' s Kunshan plant in China has adopted effective VOCs control measures. These include real-time continuous online monitoring, outsourced testing for emission management, and improvements in equipment processing efficiency to lower overall emissions. In recent years, improvement projects have been implemented in succession, including the transformation of process technology, the switch from liquid painting to powder coating to address waste gas, and the enhancement of equipment processing efficiency on production lines, effectively minimizing the generation of energy, waste gas, and VOCs. In 2024, VOC emissions decreased by approximately 50% compared to 2023. The use of organic solvents in the relevant painting production lines was reduced by 81.3 tons, and as can be seen from Figure 4.4.6, VOC emissions from Advantech' s Kunshan plant in China exhibit a year-over-year downward trend.

4.4.3 Biodiversity and forest protection

In 2022, Advantech began focusing on biodiversity and forest protection topics and joined the Taiwan Nature Positive Initiative (TNPI) launched by the Business Council for Sustainable Development of the Republic of China. Advantech is taking more proactive actions on this topic to increase corporate resilience and apply its IoT expertise to foster nature conservation. In 2024, Advantech's headquarters and overseas subsidiaries launched various biodiversity-related activities.

Enhance the performance of the Taskforce on Nature-related Financial Disclosure (TNFD)

Advantech performs biennial biodiversity risk assessments. In 2023, Advantech conducted a biodiversity risk assessment of its locations of operation for the first time, as well as its supply chain (scope: Headquarters and Mainland China), to identify key risk items, affected locations, potential risks, and recommended risk management measures. In 2024, the scope of improvement efforts extended to include downstream customers. An integrated TCNFD (climate- and nature-related financial disclosures) report will be released ahead of schedule on the official website in 2025. Building on the results from the previous year, improvements will continue to be implemented. As publicly committed, the TCNFD report for the 2025 fiscal year will be published in 2026. Advantech' s biodiversity commitment will also be disclosed on the official website.

IoT for Biodiversity: Bird sound monitoring and AI identification solution

Building on the achievements of the previous project, this project combines Passive Acoustic Monitoring (PAM) and AI-powered SILIC (Sound Identification and Labeling Intelligence for Creatures) to enhance the efficiency of wildlife monitoring, reduce labor costs, improve spatiotemporal resolution, and improve the effectiveness of forestry in both monitoring and decision-making. Based on the validation conducted at the NTU Experimental Farm in 2023, the project was extended to the NTU Experimental Forest in 2024. Equipment was deployed in selected locations, including newly afforested areas, flux towers, aerial corridors, and the Guanshan parking lot, to further verify and expand the application of AIoT technologies in environmental monitoring.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix





In 2025, Advantech will continue addressing challenges in wildlife monitoring, including equipment power supply, data upload, and real-time transmission. Also, we will explore a wider range of smart forestry applications, such as wildfire prevention, soil carbon sequestration, and river hydrology management. Through large-scale deployment and implementation, Advantech aims to establish a comprehensive environmental monitoring framework. Based on this infrastructure, we can enhance predictive and preventive capabilities to minimize the occurrence of natural disasters and mitigate their potential impacts on biodiversity and society.

Besides soundscape ecology research, this project also offers practical application value for forestry:

Application one	The Chinese fir plantations in Xitou have long been affected by bark gnawing from red-bellied squirrels, resulting in widespread areas of trees with reddish or whitish crowns. By using autonomous audio recorders to detect squirrel vocalizations, researchers can monitor population density more effectively and implement targeted control measures in identified hotspot areas.
Application two	Longer audio recordings from autonomous sound recorders allow us to better understand the composition of bird species across various sites. By analyzing these recordings, we can assess variations in bird diversity and abundance in relation to differing levels of tourist disturbances. Such information helps to enhance visitor experiences by providing timely ecological recreational information.

Sustainable forests and green office

Advantech headquarters and major overseas business units have implemented the green office plan. We promote a paperless office environment by encouraging double-sided printing, implementing paper recycling practices, and prioritizing the use of FSC (Forest Stewardship Council)-certified sustainable paper or other recycled paper materials for office and household use. In terms of eco packaging material planning, Advantech utilizes recycled paper for all its shipping cardboard boxes and also provides FSC-certified sustainable forest cardboard boxes as a customer option to meet market requirements.

As part of its forest conservation efforts, Advantech sponsors the "Taichung Dadu Plateau Ecological Afforestation Project" led by the Taiwan Forestry Restoration Association. The project aims to cultivate 6,000 seedlings across 75 species, with over 70% consisting of native tree species from the Taichung coastal and shallow mountain regions. These seedlings will be provided to the Taichung City Government for forest restoration and tree planting purposes. In addition, with public welfare in mind, they will be made available to public agencies for ecological afforestation initiatives. The funding will be used for seed collection for seedlings, growing local native species seedlings, mountain forest ecological education, and seedling growth monitoring. The support project is expected to plant 0.8 hectares of trees and sequester 1.76 metric tons of carbon. The Company has also disclosed no-deforestation commitment on our ESG official website to implement our corporate commitment.

Biodiversity initiatives of Advantech's overseas subsidiaries



- **Advantech China Biodiversity and Plastic Reduction Family Day**: Advantech China (ACN & AKMC) incorporated the theme of biodiversity into its Family Day activities across six locations: Shanghai, Beijing, Shenzhen, Guangzhou, Xian, and Kunshan. The activities featured nature education and family interactions, including popular science education on animals and plants, a "Plastic-free Commitment" environmental creativity challenge, leaf recycling DIY projects, water resource experiments, and bird nest building. These engaging and educational activities helped Advantech employees and their families better appreciate the beauty of nature and the importance of ecology.
- **Advantech Europe created bee hotels for 20,000 bees:** Advantech's the Netherlands subsidiary used its office space to form a micro-ecosystem and installed Advantech monitoring equipment in the beehives to monitor honey production, bee sounds, and bee activities effortlessly. During the honey harvest season, Advantech Europe collaborates with local small farmers to harvest and package honey. The Company also invites employees and their families to design illustrations for the honey jars, fully showcasing local biodiversity engagement.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

- **Advantech Europe's involvement in local environmental education:** Advantech's the Netherlands subsidiary is situated adjacent to a public park. The local municipality plans to invite nearby businesses in the science park to collaborate on planning a biodiversity park project, focusing on the construction of insect hotels, to benefit local primary school science education.
- **Advantech Korea** Advantech Korea (AKR) held an "Advantech Volunteer Day" that combined biodiversity education and litter cleanup through the "City and Ecological Park Plogging" initiative, where participants jogged while picking up litter to protect the environment. Additionally, the "Advantech Creators Club (ACC)" led 25 employees in creating "Net-Zero Pop-Up Books" and "Environmental Jigsaw Puzzles," which were donated to local children's centers to embed carbon reduction and ecological awareness in the next generation's growth and development.





Biodiversity volunteer service

Each Advantech employee is entitled to two days of paid volunteer leave per year. In 2024, Advantech headquarters organized biodiversity-themed local volunteer service activities at various subsidiary locations. Allowing employees to experience ecological work-cations achieves public welfare and sustainability benefits.

Activity name	Location	Activity theme	Photos
Plant an Advantech Tree – One-Day Sustainable Forest Volunteering Activity	Pingtung	Collaborated with Yongzai Forestry to conduct on-site forest surveys, tree planting, and the making of FSC-certified growbags. A total of 20 volunteers contributed 160 hours of volunteer service. The volunteers participated in the sustainable forest volunteer activity for the first time, assisting with seedling survival rate surveys and planting. The team also completed 20 sustainable growbags and planted 20 trees on site.	
Gongliao Terraced Field Biodiversity and Beekeeping Experience – One-Day Volunteer Activity	New Taipei City	The activity focused on revitalizing the local community, biodiversity, and the local beekeeping experience, involving hands-on work in the paddy fields to help conserve water sources, prevent land degradation, and maintain the ecological functions of the terraced fields. A total of 48 volunteers contributed 384 hours of volunteer service.	
Forest Restoration and Native Seedling Cultivation One-Day Volunteer Activity	Taichung	Assisted in forest restoration efforts by weeding native seedlings, repotting and dividing them for use in ecological restoration planting in the shallow mountain region of Dadu Mountain. A total of 20 volunteers contributed 60 hours of volunteer service and nurtured 252 potted plants.	

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
4.1 Eco Design and Sustainability Liability of Product
4.2 Climate Change Strategy and Actions
4.3 Greenhouse Gas (GHG) Inventory and Energy Management
4.4 Environmental Management
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix

Activity name	Location	Theme	Photos
Marine Conservation One-Day Volunteer Activity	New Taipei City	Promoted marine conservation awareness, participated in beach cleanup activities, and implemented the ICC Marine Debris Monitoring Program.	
Yuanzhonggang Wetland Park Invasive Species Removal Volunteer Day	Kaohsiung	In support of World Environment Day, activities included removing invasive wetland species, conducting guided tours of wetland ecology, and creating natural, rustic charms using locally sourced wetland materials. A total of 12 volunteers contributed 36 hours of volunteer service. Offered NGOs substantial assistance in removing invasive species and enhancing our colleagues' understanding of local biodiversity.	
Guandu Nature Park Invasive Species Removal Volunteer Day	Taipei City	In support of World Environment Day, activities included removing invasive wetland species, weeding, and conducting guided tours of wetland ecology. A total of 40 volunteers contributed 120 hours of volunteer service.	
Fazi River Cleanup Activity	Taichung	In support of World Environment Day, activities included cleaning along the Fazi River, removing weeds, and classifying waste in accordance with ICC waste monitoring standards. Based on the cleanup analysis, the event also promoted the reduction of household waste. A total of 14 volunteers contributed 42 hours of volunteer service and removed 60kg of waste.	



About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

5 Employee Relations and Talent Cultivation

5.1 Talent Cultivation and Development

5.2 Employee Communication and Benefits

5.3 Diversity, Equality and Inclusive Workplace

5.4 Human Rights Protection

5.5 Occupational Health and Safety



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

5.1 Talent Cultivation and Development

Name of materiality	Please describe the importance of this materiality to Advantech
Talent cultivation and development	Advantech is dedicated to fostering a learning environment that empowers employees to grow and reach their full potential. From new employee hire orientation to the development of business management skills, we offer comprehensive training resources to support employees' steady development at every stage of their careers. Through the Advantech Academy's four academies (Management, Professional, General Education, and New Employee Hires) and a digital learning platform, employees can flexibly select courses based on their career needs to strengthen competencies, bolster expertise, and achieve personal growth. To highlight the importance of talent development, the Company's top HR management is also represented on the Board, directly involved in the formulation of relevant strategies. At the same time, to cultivate global talent, the Company also incorporates education and training indicators in the ESG KPIs of executive level supervisors in major overseas business units, focusing on the integration of sustainability and talent development.
Management strategy	Each year, through the O&PR (Organization & People Review) and performance appraisal system, we integrate our corporate strategy with individual development plans to systematically understand employee potential and development needs. By combining diverse resources such as promotions, job rotations, and training courses, we build a comprehensive talent development mechanism. This strategy helps boost organizational performance while reinforcing continuous leadership development and ensuring a strong succession pipeline.
Policy or commitment	◆ **【Advantech employee development statement】** Advantech is committed to creating an employee-centric approach culture, continuously investing in talent development and fostering a culture of self-management and continuous learning. The Company not only values the achievement of employees' individual career goals, but also actively pursues the continuation of its business philosophy and core values, cultivating professional talent with leadership qualities to ensure the sustainable growth of the Company and its employees.
Positive impact	Advantech considers talent cultivation and development the bedrock of corporate sustainable operations, delivering the following positive benefits for the Company and its employees through a systematic mechanism and abundant resources: **1.Improve employees' competitiveness at the workplace:** Continue to improve employees' expertise and leadership potential through courses such as new employee hire orientation, competency reinforcement, and management capabilities. **2.Foster individual and organizational growth:** By integrating the O&PR annual organization and talent review mechanism, we help employees define their career plans and development directions, achieving a win-win situation for individual success and organizational goals. **3.Form a positive corporate culture:** Encourage employees to engage in voluntary learning, be self-driven, and shape a learning organization to elevate overall adaptivity and resilience. **4.Lower operational risk and cost:** Effectively lower the cost of external recruitment and the risk of employee turnover through internal cultivation of key talent, thereby increasing the efficiency of human resources deployment. **5.Zero negative impact on the environment and human rights:** Current talent development behaviors do not pose a negative impact on the economy, environment, or human rights, and comply with the principle of responsible management.
Negative impact	If we fail to engage in proactive talent cultivation and development, the Company may be exposed to the following potential risks and negative impacts. To address this, Advantech will adopt corresponding measures to prevent negative impacts.

Impact aspect	Negative impact content	Prevention/handling method
Economy	Without an employee cultivation mechanism, the Company may experience talent loss, rising recruitment costs, and a decline in productivity.	Each year, through O&PR and performance evaluations, we identify development gaps and formulate individual development plans. These plans are supported by internal and external training resources to enhance talent cultivation and growth.
Environment	Insufficient awareness of sustainability-related topics among employees may impact the Company's ESG implementation efforts and its corporate image.	Incorporate sustainability-related knowledge into general education and competency-based courses to enhance our colleagues' environmental awareness and promote sustainable practices.
People /Human Rights	Neglecting employees' career developments can lead to workplace inequality, low morale, and negative impacts on their psychological well-being.	Offer equitable learning resources based on competency and career development needs; regularly conduct satisfaction surveys and feedback mechanisms; strengthen supervisors' responsibility and cultivation behaviors towards their subordinates' development.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

<table>
<tr><th>Name of materiality</th><th>Please describe the importance of this materiality to Advantech</th></tr>
<tr><td>2024 target achievement overview</td><td>Goals achieved:
<table>
<tr><th>Development project management goals</th><th>2023 Goals</th><th>2023 achievement rate</th><th>2024 Goals</th><th>2024 achievement rate</th></tr>
<tr><td>E-Learning global employee (indirect employee) participation rate</td><td>65%</td><td>82.68%</td><td>85%</td><td>70.95%</td></tr>
<tr><td>Global APEX promotion success rate</td><td>20%</td><td>46.67%</td><td>40%</td><td>33.33%</td></tr>
</table>
Note: APEX Workout promotes outstanding supervisors at the management level and above.
1.The e-learning completion rate declined slightly in 2024, mainly due to a shift towards more diverse employee learning participation patterns after the pandemic, increasing the percentage of physical course participation.
2.Global APEX promotion for excellent performance supervisors at management level and above.
3.In 2024, Advantech renamed the LEAP Workout project as the Global APEX project.</td></tr>
<tr><td>2025 goals</td><td>◆ The e-Learning global employee (indirect employee) participation rate reached 75%
◆ The physical course satisfaction score was 4 (out of 5), and the physical participation rate reached 90%
◆ Global APEX promotion success rate reached 40%
Note:
1.In response to the post-pandemic shift in talent development toward a combination of online and physical courses, the 2025 targets have been adjusted to more accurately reflect actual training participation.
2.In 2024, Advantech renamed the LEAP Workout project as the Global APEX project. Global APEX promotion for excellent performance supervisors at management level and above.
3.To improve online learning participation and respond to future learning trends, the Company will focus on three aspects: platform optimization, establishing learning maps for different job categories, and formulating AI academy courses to boost learning motivation and resource introduction.</td></tr>
<tr><td>2030 goals</td><td>◆ The e-Learning global employee (indirect employee) participation rate reached 80%
◆ The physical course satisfaction score was 4 (out of 5), and the physical participation rate reached 95%
◆ Global APEX promotion success rate reached 40%
* Note: In response to the post-pandemic shift in talent development toward a combination of online and physical courses, the 2030 targets have been adjusted to more accurately reflect actual training participation.</td></tr>
<tr><td>Key action plans or programs in 2024</td><td>Recruiting outstanding talent is 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 talent who is highly compatible with and identify with Advantech’ s corporate spirit to join. It is expected that full-time employees 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.
Additionally, to enhance employees' comprehensive capabilities and support the Company's long-term development, the Advantech Academy has established a four-academy framework: the Management Academy, the Professional Academy, the General Education Academy, and the New Employee Hires Academy. These academies focus on the learning needs of different fields, covering various career stages and development paths of employees. Key action plans of various academies are elaborated below:
<u>1. Management Academy: Cultivate competencies of senior, middle, and junior management.</u>
◆ Senior management: Corporate operating framework transformation counseling program
To assist the Company in business structure transformation, Advantech organizes the "CST (Corporate Structure Transformation) Workshop", aimed at providing executive level supervisors with a framework for strategic planning and problem-solving. The course focuses on helping Sector teams develop systematic and comprehensive program plans, and assisting executive level supervisors to explore and resolve corporate transformation challenges.
◆ Middle management: Managing down
The importance of middle management lies in managing down, effectively leading teams, motivating subordinates, and empowering them to reach their full potential. In light of this, Advantech has launched the Leadership M’ golf Program. Through hands-on, scenario-based training, the program equips middle management with the skills to deal with complex team dynamics and enhance their leadership effectiveness, enabling their teams to achieve corporate objectives.</td></tr>
</table>

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Name of materiality	Please describe the importance of this materiality to Advantech
Key action plans or programs in 2024	◆ **Junior management: Coaching-style counseling** The main challenge of junior management is team management and effective leadership. Advantech has implemented coaching-style counseling courses, focusing on applying coaching-style counseling techniques to build effective teamwork and help junior management improve their management skills. ◆ **Potential talent training program: Global APEX Program** Advantech continues to advance the Advantech People of Excellence (APEX) Program, elevating it to the Global APEX Program. Aimed at developing domestic and international high-potential leaders and professionals, the program improves participants' strategic thinking and problem-solving capabilities through learning Advantech' s core competencies and formulating solutions to real-world critical challenges. Taking the IoT Automation Sector as an example, by fostering consensus and focusing on strategies and action plans through the Global APEX Program, the Company delivered a 9.6% revenue growth for this business group in the second half of the year compared to the first half. To support participants in advancing their career development, the Program is integrated with Individual Development Plans (IDPs) to identify high-potential individuals, design personalized growth paths, and apply mentoring and coaching mechanisms that enhance the depth and practical impact of their continued development. Through this long-term cultivation mechanism, the Global APEX Program will serve as a main driver of key corporate talent development, laying a strong foundation for future leaders. * Note: In 2024, Advantech renamed the LEAP Workout project as the Global APEX project. **2. Professional Academy: Skills enhancement** To accelerate digital transformation and improve Advantech's core competitiveness, we have launched a professional academy to conduct in-depth training on AI technology and corporate growth strategies, ensuring the cultivation of key talent and internal application. Meanwhile, through systematic talent development programs, we help employees respond to digital transformation, mitigate the potential negative impacts of industrial transformations, and achieve the shared growth of the organization and our employees. ◆ **AI Academy and certification course** **AI technical talent cultivation:** Advantech collaborates with external organizations to launch a systematic AI certification program, providing employees with the opportunity to learn the latest AI technologies. Upon completing the program, employees can take a certification exam to obtain relevant credentials and elevate their professional competitiveness. ◆ **Internal AI social media platform:** Establish an interactive space for employees to exchange ideas on AI, Generative AI (GenAI), and IT applications, offering a platform for mutual support, learning, and co-creation, and fostering a company-wide advancement in AI capabilities. ◆ **Establishment of the M&A Academy** **Strengthen M&A and investment abilities:** To support corporate growth, the M&A (Mergers & Acquisitions) Academy was launched to offer professional training to enhance the team's capabilities in aspects including M&A transactions, investment valuation, and strategic planning. ◆ **Advantech China (ACN) technology forum:** Advantech China hosts annual technology forums to promote internal technical discussions and cross-departmental collaborations, breaking down technical barriers and increasing overall R&D efficiency. **3. General Education Academy: Promotion of a culture of DEI** **3.1 Promotion of a DEI Culture** At Advantech, we vigorously promote a culture of diversity and inclusion and offer various courses and activities aimed at enhancing employees' understanding and acceptance of diverse cultures. The aim is to foster collaboration and trust in the workplace. ◆ **Implicit bias course:** Through the course "Recognizing Implicit Bias and Shaping a Friendly Workplace", supervisors will be able to identify and minimize the impact of bias, thereby creating a more inclusive and equitable workplace. ◆ **Cross-cultural communication workshop:** Advantech organizes cross-cultural communication and management workshops to strengthen the cross-cultural collaboration skills of supervisors and employees, particularly their understanding and respect for colleagues from diverse backgrounds, an essential element of multinational teams. **3.2 Enhance Company-wide Sustainability Awareness** In responding to global environmental change and industrial transformation trends, Advantech continues to launch diverse sustainability courses such as eco product innovation, circular and renewable economy, and low-carbon manufacturing transition, to mitigate climate change and industrial transformation-related impacts. The course encompasses diverse aspects, including executive level supervisors ESG strategies, ESG general knowledge cultivation, carbon management, and biodiversity. The aim is to strengthen the organization's sustainability awareness and capacity for action through company-wide participation.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Name of materiality	Please describe the importance of this materiality to Advantech
Key action plans or programs in 2024	**4. New Employee Hires Academy: Fast assimilation and a strong start to career development** To help new employee hires quickly assimilate into Advantech and enhance their career development, the ACE Camp (Advantech Culture Experience Camp) has been upgraded. Besides introducing a corporate culture, organizational structure, vision and mission, the camp features career experience sharing by supervisors, enabling the new employee hires to understand the Company's core values. The ACE Camp also includes team-building activities and guided tours of the Company's facilities to foster cross-departmental integration and bolster their understanding of the Company's environment. Moreover, by integrating the Workday system, supervisors and new employee hires can track learning progress and probation assessment results in real-time, ensuring that new employee hire developments are in line with expectations. By introducing a mentor system, experienced supervisors and colleagues serve as counselors to help new employee hires adapt to the workplace more quickly. Combined with a probationary period assessment system and mandatory online courses, this system ensures that new employee hires can quickly deliver expected performances. Through these mechanisms, Advantech strives to provide new employee hires with a welcoming and efficient learning experience, helping them quickly assimilate and grow with the Company to embrace a sustainable future. **5. Promotion of Digital Learning: Increase platform performance and course participation effectiveness** To enhance digital learning effectiveness and employee user experience, Advantech launched an e-Learning optimization project in 2024, conducting a comprehensive review and reclassification of courses within Advantech Academy's four academies (Management, Professionalism, General Education, and New Employee Hires). Courses with outdated content or low participation rates were removed, core general knowledge and regulatory courses were re-established. At the same time, an automatic assignment system was implemented to assign mandatory content based on employees' job attributes, thereby elevating learning timeliness and accuracy. Through platform optimization and resource integration, management and employees can monitor learning progress and training outcomes in real time, thereby improving learning management efficiency. The overall optimization initiatives also contribute to increased platform usage and course participation, thereby laying a firm foundation for achieving the 2025 e-Learning goals.
Effectiveness assessment	To ensure the effectiveness of human resource management-related measures and sustainability goals, the Human Resources Department holds quarterly meetings to set targets for various departmental indicators, track progress, as well as explain and review implementation effectiveness. Through an ongoing evaluation and adjustment mechanism, we focus on goal-oriented management to ensure that relevant action plans are implemented effectively and improved continuously, thereby boosting overall sustainability management performance. Additionally, Advantech Academy's learning and development plans aim to facilitate the achievement of long-term sales goals and employee growth. To ensure the effectiveness and tangible impact of various learning programs, we have adopted the Kirkpatrick Model of Training Evaluation, which helps measure the success and benefits of training programs and implement continuous optimization and improvement. The specific levels evaluated are as follows: **L1 Reaction: Through the satisfaction survey, we aim to make sure that the course design meets participants' needs, thereby enhancing the learning experience.** ◆ Tools and methods: Post-course feedback questionnaire, satisfaction survey, and course evaluation indicators. ◆ Key indicator: Participant satisfaction with course content, the extent to which the course design meets learning needs, and feedback on instructors and learning methods. **L2 Learning: Confirm if participants have successfully grasped key knowledge and skills through tests and practical evaluations.** ◆ Tools and methods: Post-course tests, practical evaluations, learning logs, and case study discussions. ◆ Key indicator: Participants' performance in knowledge tests, skill proficiency, and practical evaluation results. **L3 Behavior: Monitor participants' ability to apply acquired knowledge to practical work scenarios transform it into actions.** ◆ Tools and methods: Supervisor's feedback, behavior observation, subordinate feedback (pre- and post-training). ◆ Key indicator: Whether employees have started to apply acquired leadership skills to their work, changes in their performance, and improvements in cross-departmental collaborations. **L4 Results: Analyze the training's impact on sales performance and talent development to ensure that positive values are created through learning.** ◆ Tools and methods: Implementation of key topics, KPI tracking, employee promotion and development progress. ◆ Key indicator: Improvements in employees' performance, achievement of sales targets, employee retention rate, as well as talent promotion and development status.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

<table>
<tr><th>Name of materiality</th><th>Please describe the importance of this materiality to Advantech</th></tr>
<tr><td>Effectiveness assessment</td><td>
<table>
<tr><th>Academy</th><th>Evaluation tools and indicators</th><th>L1</th><th>L2</th><th>L3</th><th>L4</th></tr>
<tr><td>Management</td><td rowspan="4">Numerous learning effectiveness evaluation tools are used based on the course requirements of various academies. Besides course satisfaction feedback questionnaires, post-course tests are also conducted, while pre- and post-training ability questionnaires are utilized to ensure the courses effectively improve participants' relevant skills. Also, the successful implementation of practical key topics and employee promotion results serve to demonstrate the value of training in corporate development.</td><td>●</td><td>●</td><td>●</td><td>●</td></tr>
<tr><td>Professional</td><td>●</td><td>●</td><td>●</td><td>●</td></tr>
<tr><td>General education</td><td>●</td><td>●</td><td></td><td></td></tr>
<tr><td>New employee Hires</td><td>●</td><td>●</td><td></td><td></td></tr>
</table>
【Comprehensive evaluation and optimization】
Based on the evaluation results from the four levels, Advantech Academy conducts a comprehensive review and reflection and makes course adjustments and optimizations in response to specific needs. Through a cycle of learning and feedback, the Advantech Academy will continue to enhance the impact of talent development to ensure that it can continuously generate value for employees and the Company in a dynamic market environment.
【Corresponding goal measurement methods】
1. Online learning participation rate: Regularly review learning progress through the digital learning platform's usage records and course completion rate data.
2. Physical course satisfaction and participation rate: This is monitored by consolidating feedback questionnaire data (L1 response level) and attendance records.
3. Global APEX promotion success rate: The "talent promotion and development status" from the L4 results level is used as the main indicator, complemented by the IDP mechanism.
</td></tr>
<tr><td>Stakeholders impacted by the material topic and actions implemented by Advantech</td><td>
◆ Employees: Professional training courses are offered, followed by post-course satisfaction surveys. Feedback and development needs are gathered through performance reviews and the O&PR (Objectives & Performance Review) system every year. Individual development plans are formulated based on performance evaluations, serving as the basis for ongoing improvement of training effectiveness and learning resource allocation.
◆ Customers: Education and training on product applications and solution implementation is provided to corporate customers to help increase operational efficiency and overall service experience. Satisfaction feedback and subsequent learning needs are gathered through questionnaires.
◆ Suppliers: Advantech regularly holds supplier conventions to communicate and exchange information on the Company’ s sustainability policies, operating procedures, and collaboration guidelines. These sessions aim to enhance suppliers’ understanding and execution of quality, environmental safety, and sustainability standards, fostering mutual growth and long-term partnerships.
</td></tr>
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About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

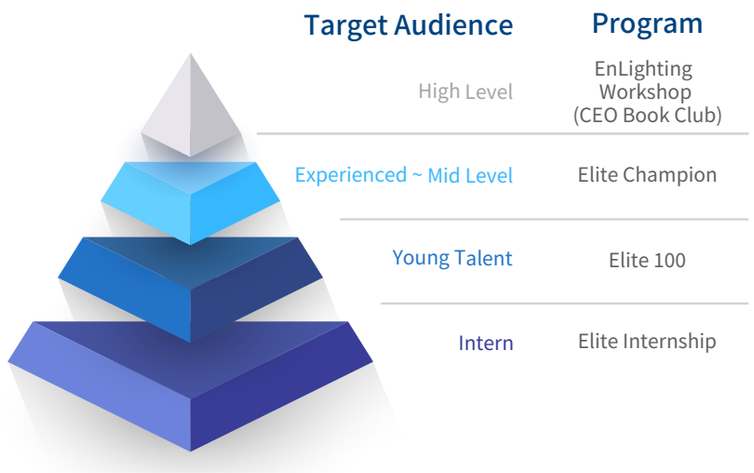
5.1.1 Talent Attraction and Retention

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 talent, 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 talent will work with Advantech to create the vision. Apart from professional competence, Advantech places even greater emphasis on the "altruistic passion" of talent. 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 talent with unrestricted room for development and diverse career possibilities. Advantech will continue to optimize and promote different initiatives to attract, nurture, and retain talent 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 talent to gain a deeper mutual understanding, with the goal of finding key talent (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 talent needed by Advantech, inviting them to join the Company through diverse recruitment initiatives.



■ **Elite program**

- Elite Champion: Recruit high-potential elites with more than 3 years of experience

For the recruitment of high-potential industrial elites with more than 3 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 talent.

- Elite100 - Recruitment and training of reserve talent with less than 3 years of work experience.

This is a recruitment and training program for junior talent or fresh graduates with under three years of work experience. The core focus is on executive level supervisors sharing Advantech's cultural values and career directions on the event day. Outstanding individuals from various job categories will be identified through group interviews (initial screening) to advance to the second interview, ultimately leading to the selection of top talent.

- 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.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Effectiveness of the Elite recruitment campaign

Year		區域	Elite Champion	Elite 100	Elite Internship	Overall effectiveness of Elite activities
			Elite Program conversion rate	Elite Program conversion rate	Elite Program conversion rate	Elite Program conversion rate
2021	Actual	Headquarters	22%	10%	17%	16%
2022	Actual	Headquarters	13%	8%	22%	17%
2023	Target	Headquarters	20%	10%	25%	20%
	Actual	Total (Headquarters and Advantech China)	-	11%	25%	21%
		Headquarters	-	11%	27%	22%
		Advantech China	-	-	8%	8%
2024	Target	Headquarters	20%	10%	25%	20%
	Actual	Headquarters	18%	15%	25%	24%
2025	Target	Headquarters	20%	10%	25%	20%

Note：
(1) The effectiveness ratio of the Elite recruitment activities = number of targeted key talent joined through the Elite recruitment activities/total number of targeted key talent.
(2) Considering that overseas locations have slightly different talent recruitment requirements compared to headquarters, the Elite recruitment activities are mainly held in Taiwan.
(3) Employees hired through the 2023 Elite recruitment activities achieved a retention rate of 100% in 2024, and their last performance appraisal results were slightly better than the average.

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).

We believe that, 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.

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 employee hires who come through internal referrals reveals that they tend to be more stable compared to new employee 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.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Internal employee referral bonus

	Assistant project manager/assistant managers and below	Project manager/ managers and above
Existing referral bonus	NTD 15,000	NTD 30,000
Original bonus	NTD 10,000	NTD 20,000



Percentage of internal employee referrals

Region			Direct employees	Indirect employees	All employees
2021	**Actual**	**Headquarters**	NA	24%	24%
2022	**Actual**	**Headquarters**	22%	34%	28%
2023	**Target**	**Headquarters**	25%	35%	30%
	Actual	**Six significant locations of operation**	24%	13%	16%
		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%
	Actual	**Six significant locations of operation**	22%	12%	17%
		Headquarters	3%	23%	18%
		Advantech China	24%	4%	22%
		Advantech Japan	0%	0%	0%
	Actual	**Advantech Korea**	0%	3%	3%
		Advantech Europe	92%	0%	24%
		Advantech USA	0%	11%	8%
2025	**Target**	**Six significant locations of operation**	25%	15%	15%

※Note：

(1) Percentage of internal employee referrals = number of new employee hires referred by internal employees/ total number of new employee hires

(2) The total number of new employee hires only includes full-time employees (full-time and contract employees), excluding part-time employees (interns).

(3) 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). The target value of internal employee referrals for 2024 and 2025 will be updated concurrently.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

New employee hires

New employee hires in 2024

Region	Item	Number and percentage of males		Number and percentage of females		Number and percentage of non-disclosed gender		Total number of qualified new employee hires	Total number of employees	New employee hires ratio by region	New employee hires ratio
		Number of new employee hires	Percentage	Number of new employee hires	Percentage	Number of new employee hires	Percentage				
Headquarters	Below 30 years old	56	8.8%	76	14.8%	-	-	344	3,531	10%	14%
	31 - 49 years old	100	2.9%	85	3.2%	-	-				
	Over 50 years old	18	1.9%	4	0.9%	-	-				
	Undisclosed	-	-	-	-	5	5.9%				
Advantech China	Below 30 years old	150	23.5%	91	17.7%	-	-	611	3,333	18%	
	31 - 49 years old	207	6.1%	157	5.9%	-	-				
	Over 50 years old	4	0.4%	1	0.2%	-	-				
	Undisclosed	-	-	-	-	1	1.2%				
Advantech Japan	Below 30 years old	1	0.2%	-	0.0%	-	-	34	225	15%	
	31 - 49 years old	10	0.3%	9	0.3%	-	-				
	Over 50 years old	11	1.2%	2	0.5%	-	-				
	Undisclosed	-	-	-	-	1	1.2%				
Advantech Korea	Below 30 years old	11	1.7%	7	1.4%	-	-	32	109	29%	
	31 - 49 years old	8	0.2%	6	0.2%	-	-				
	Over 50 years old	-	0.0%	-	-	-	-				
	Undisclosed	-	-	-	-	-	-				

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

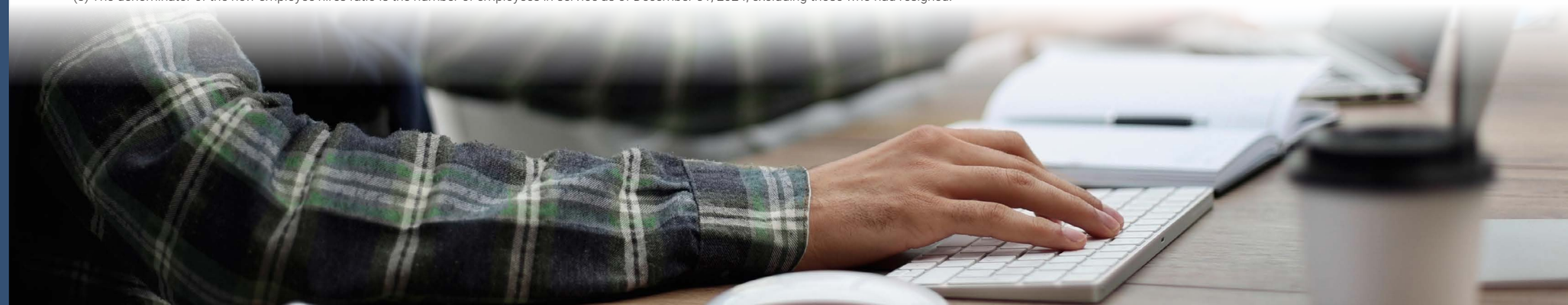
Region	Item	Number and percentage of males		Number and percentage of females		Number and percentage of non-disclosed gender		Total number of qualified new employee hires	Total number of employees	New employee hires ratio by region	New employee hires ratio
		Number of new employee hires	Percentage	Number of new employee hires	Percentage	Number of new employee hires	Percentage				
Advantech Europe	Below 30 years old	12	1.9%	8	1.6%	-	0.0%	50	516	10%	14%
	31 - 49 years old	17	0.5%	5	0.2%	-	0.0%				
	Over 50 years old	4	0.4%	3	0.7%	-	0.0%				
	Undisclosed	-	-	-	-	1	1.2%				
Advantech USA	Below 30 years old	4	0.6%	5	1.0%	3	75.0%	47	533	9%	
	31 - 49 years old	13	0.4%	13	0.5%	3	50.0%				
	Over 50 years old	4	0.4%	1	0.2%	1	20.0%				
	Undisclosed	-	-	-	-	-	0.0%				
Other regions	Below 30 years old	29	4.5%	17	3.3%	-	0.0%	94	436	22%	
	31 - 49 years old	26	0.8%	12	0.5%	-	0.0%				
	Over 50 years old	4	0.4%	2	0.5%	-	0.0%				
	Undisclosed	-	-	-	-	4	4.7%				

※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). Refer to "Appendix 6: Employee Structure" for relevant definitions.

(3) The denominator of the new employee hires ratio is the number of employees in service as of December 31, 2024, excluding those who had resigned.



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

New employee hires in the past four years：

Region	2021		2022		2023		2024		
	New Hire	Ratio of New Hire	New Hire	Ratio of New Hire	New Hire	Ratio of New Hire	New Hire	Total number of employees	Ratio of New Hire
Headquarters	487	15%	713	20%	367	10%	344	3,531	10%
Advantech China	1010	28%	669	18%	283	18%	611	3,333	18%
Advantech Japan	14	6%	23	10%	31	15%	34	225	15%
Advantech Korea	44	37%	47	37%	42	29%	32	109	29%
Advantech Europe	63	17%	113	23%	104	10%	50	516	10%
Advantech USA	-	-	105	21%	77	9%	47	533	9%
Other regions	-	-	-	-	87	22%	94	436	22%
Total	1618	21%	1670	19%	991	11%	1212	8683	14%

※Note：
(1) The number of new employee hires only includes full-time employees (full-time and contract employees), and excludes part-time employees (interns). Refer to "Appendix 6: Employee Structure" for relevant definitions.

Average recruitment cost of new employee hires ：

Region	2021	2022	2023	2024
	NTD	NTD	NTD	NTD
Headquarters	1,126	1,912	15,848	13,204
Advantech China	3,013	3,736	3,523	1,389
Advantech Japan	71,218	232,830	40,564	19,885
Advantech Korea	14,143	7,972	7,822	9,222
Advantech Europe	137,445	89,925	71,859	79,503
Advantech USA	-	37,710	17,961	28,511
Other regions	-	-	12,802	24,319
Total average cost (NTD)	8,572	13,568	18,536	11,521

※Note：
(1) Unit: NTD/person; formula: average recruitment cost of new employee hires = annual recruitment cost/number of new employee hires
(2) The recruitment expenses include advertising, recruitment bonus, and recruitment activity funds.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

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. The Company will also develop comprehensive education and training courses to nurture and train outstanding talent. Furthermore, Advantech will engage in market salary surveys to provide employees with competitive remuneration. An 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 employees 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. 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 broaden their personal horizon, thereby cultivating cross-departmental talent. My Career+ facilitates the transition process, not only promoting internal talent mobility and training all-around outstanding talent but also furthering the objective of talent retention.

Number of employees transferred and promoted

Region	2021			2022			2023			2024		
	Sum of Transfer & Promotion	Total Employee (IDL)	Percentage	Sum of Transfer & Promotion	Total Employee (IDL)	Percentage	Sum of Transfer & Promotion	Total Employee (IDL)	Percentage	Sum of Transfer & Promotion	Total Employee (IDL)	Percentage
Headquarters	296	2282	13%	824.00	3488	23.4%	740	3,588	21%	753	3,531	21%
Advantech China	410	1675	24%	361.00	1784	20.2%	1,502	3,357	45%	1,233	3,333	37%
Advantech Japan	12	231	5%	13.00	231	5.6%	12	232	5%	7	225	3%
Advantech Korea	22	95	23%	5.00	99	5.1%	11	129	9%	35	109	32%
Advantech Europe	-	-	-	0.00	491	0.0%	56	525	11%	70	516	14%
Advantech USA	-	-	-	58.00	512	11.33%	64	536	12%	29	533	5%
Other regions	-	-	-	-	-	-	-	-	-	44	436	10%
Total	740	4283	17.28%	1215.00	6176	19.67%	2,385	8,367	29%	2,171	8,683	25%

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

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Performance Appraisal and Promotion System

- **Goal management**
  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.
- **Diverse evaluation**
  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 appraisal is conducted according to various job bands and groups. 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 dialogue**
  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 outcome 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 goals and remuneration**
  - 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 apply to all employees and offers 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 supervisors 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.



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Percentage of employee performance appraisals completed for four major job categories

Region	Four Major Categories	Performance Appraisal Participation rate of Male %	Performance Appraisal Participation rate of Female %	Percentage of employee performance appraisals completed for non-disclosed gender
Headquarters	R&D	96.8%	94.9%	-
	Marketing/Sales	96.4%	95.6%	-
	Administration	93.2%	95.0%	-
	Manufacture	97.3%	94.2%	91%
Advantech China	R&D	97.5%	99.6%	-
	Marketing/Sales	97.9%	99.0%	-
	Administration	98.4%	98.5%	100%
	Manufacture	94.9%	93.4%	100%
Advantech Japan	R&D	96.7%	66.7%	100%
	Marketing/Sales	100.0%	100.0%	100%
	Administration	85.7%	95.2%	100%
	Manufacture	95.6%	100.0%	100%
Advantech Korea	R&D	100.0%	75.0%	-
	Marketing/Sales	96.6%	96.2%	-
	Administration	100.0%	71.4%	-
	Manufacture	94.4%	-	-
Advantech Europe	R&D	97.5%	75.0%	100%
	Marketing/Sales	98.7%	98.8%	88%
	Administration	97.1%	96.7%	100%
	Manufacture	90.5%	86.7%	100%
Advantech USA	R&D	100.0%	100.0%	100%
	Marketing/Sales	100.0%	100.0%	100%
	Administration	100.0%	100.0%	100%
	Manufacture	100.0%	100.0%	100%
Other Regions	R&D	78.8%	66.7%	100%
	Marketing/Sales	88.2%	83.0%	78%
	Administration	85.0%	89.5%	83%
	Manufacture	94.6%	75.0%	100%
Total	R&D	96.3%	96.1%	100%
	Marketing/Sales	97.0%	96.7%	90%
	Administration	94.7%	95.9%	93%
	Manufacture	95.6%	93.8%	93%

※ Note：

1.The denominator for the aforementioned performance appraisal percentages is the total number of regular employees, including those not required to participate in the appraisal (probationary period of less than three months, with separate regulations for Advantech Korea and Advantech China), those who left during the appraisal period, and those on leave without pay during the appraisal period.

2.New colleagues at Advantech Korea who have not yet passed their six-month probationary period assessment or have been officially hired for less than six months are not required to participate in the performance appraisal. New colleagues at Advantech China who have not yet passed their six-month probationary period assessment are not required to participate in the performance appraisal.

3.Employees of Advantech Japan, Advantech Korea, Advantech Europe, and Advantech's other regions are mainly engaged in marketing and sales. In Advantech Japan, Advantech Korea, and other Advantech regions, the proportions of R&D, administrative, and manufacturing personnel are relatively small. As a result, within these categories, even a few new employees who are exempt from appraisal due to not yet completing their three-month or six-month probationary period can have a considerable impact on the participation percentage. Nevertheless, as shown in Table 2 below, which presents the performance appraisal participation percentages by major functional areas, Advantech Japan, Advantech Korea, and other regions all maintain high overall participation percentages in performance appraisals.

4.For some employees who chose not to disclose their gender, the column of “Non-disclosure of Gender” has been added.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Performance appraisal ratio for employees in the two job functions

Region	Management Level	Performance Appraisal Participation rate of Male %	Performance Appraisal Participation rate of Female %	Percentage of employee performance appraisals completed for non-disclosed gender
Headquarters	Executive level supervisor (F nad and above)	94.52%	90.00%	-
	Management-level supervisor (E1, E2)	97.95%	98.97%	-
	General Employees (D3 and below)	96.38%	94.43%	91%
Advantech China	Executive level supervisor (F nad and above)	95.45%	100.00%	-
	Management-level supervisor (E1, E2)	98.63%	100.00%	-
	General Employees (D3 and below)	96.15%	95.78%	100%
Advantech Japan	Executive level supervisor (F nad and above)	100.00%	100.00%	-
	Management-level supervisor (E1, E2)	94.12%	-	100%
	General Employees (D3 and below)	96.80%	96.92%	100%
Advantech Korea	Executive level supervisor (F nad and above)	100.00%	100.00%	-
	Management-level supervisor (E1, E2)	100.00%	100.00%	-
	General Employees (D3 and below)	96.15%	86.11%	-
Advantech Europe	Executive level supervisor (F nad and above)	100.00%	100.00%	-
	Management-level supervisor (E1, E2)	97.56%	100.00%	100%
	General Employees (D3 and below)	96.32%	95.39%	90%
Advantech USA	Executive level supervisor (F nad and above)	100.0%	100.0%	100%
	Management-level supervisor (E1, E2)	100.0%	100.0%	100%
	General Employees (D3 and below)	100.0%	100.0%	100%
Other regions	Executive level supervisor (F nad and above)	88.89%	100.00%	-
	Management-level supervisor (E1, E2)	92.11%	91.67%	100%
	General Employees (D3 and below)	84.02%	84.11%	87%
Total	Executive level supervisor (F nad and above)	96.3%	97.0%	100%
	Management-level supervisor (E1, E2)	97.9%	98.9%	100%
	General Employees (D3 and below)	95.7%	94.9%	92%

※ Note：

1.The denominator for the aforementioned performance appraisal percentages is the total number of regular employees, including those not required to participate in the appraisal (probationary period of less than three months, with separate regulations for Advantech Korea and Advantech China), those who left during the appraisal period, and those on leave without pay during the appraisal period.

2.New colleagues at Advantech Korea who have not yet passed their six-month probationary period assessment or have been officially hired for less than six months are not required to participate in the performance appraisal. New colleagues at Advantech China who have not yet passed their six-month probationary period assessment are not required to participate in the performance appraisal.

3.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.

4.For some employees who chose not to disclose their gender, the column of "Non-disclosure of Gender" has been added.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

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 talent 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.

◆ Average gender gap analysis

Advantech's remuneration policy is based on employees' job responsibilities and duties, in compliance with local government labor 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 gender pay gap. In line with global talent management practices, Advantech conducts annual external salary surveys for routinely monitoring the market update and considers salary data from other market reports to align its compensation packages with prevailing market salary trends. The company also uses parameters such as job function and position to design a job salary range table (Pay Ranges), enabling the selection and retention of talent to more precisely benchmark market salary levels and provide reasonable and competitive compensation. 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. The gender pay gap at the headquarters is minimal, with female executives earning higher salaries than their male counterparts.
2. 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.
3. Among general employees, there are more male R&D engineers than female ones, while there are more females in administrative support-related roles. The gender pay gap is attributed to gender concentration within job functions.
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.

   a. 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.
   b. Within Japan's general indirect employees, the majority of employees in profit-related functional roles are male, and the salary differences stem from these functional differences.
   c. In Advantech Korea, all management-level supervisors within administrative functions are held by females, while all management positions within profit-related functions are held by males. The salary differences arise from these functional differences.
   d. Given that the overall employee coverage in Europe is broad, the salary differences arise not only from functional variations but also from the diverse nationalities of the employees, which introduces salary differences inherent to different countries.
   e. 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.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Average		Headquarters		China		Kunshan plant, China		Japan		Korea		Europe		United States		Six significant locations of operation	
Management Level	Basic/Total Package	Female average compensation	Male average compensation	Female average compensation	Male average salaries	Female average compensation	Male average compensation	Female average compensation	Male average compensation	Female average compensation	Male average compensation	Female average compensation	Male average compensation	Female average compensation	Male average compensation	Female average compensation	Male average compensation
Executive level supervisor (F1 and Above)	Basic Salary	0.96	1.00	0.90	1.00	-	1.00	1.17	1.00	0.87	1.00	0.96	1.00	0.94	1.00	1.03	1.00
	Total Package =Basic Salary +Bonus + Allowance	1.00	1.00	1.02	1.00	-	1.00	1.12	1.00	0.92	1.00	0.85	1.00	0.63	1.00	0.91	1.00
Management-level supervisor(E1~E2)	Basic Salary	0.98	1.00	0.86	1.00	0.94	1.00	0.86	1.00	0.79	1.00	0.84	1.00	0.98	1.00	0.89	1.00
	Total Package =Basic Salary +Bonus + Allowance	1.03	1.00	0.89	1.00	0.94	1.00	0.78	1.00	0.79	1.00	0.90	1.00	0.74	1.00	0.89	1.00
General indirect employees Engineer/ Specialist ~ Assist. Manager (C1~D3)	Basic Salary	0.88	1.00	0.95	1.00	0.90	1.00	0.83	1.00	0.86	1.00	0.90	1.00	0.85	1.00	0.89	1.00
	Total Package =Basic Salary +Bonus + Allowance	0.88	1.00	0.89	1.00	0.88	1.00	0.82	1.00	0.85	1.00	0.85	1.00	0.85	1.00	0.87	1.00
(General direct employees A1~B2	Basic Salary	0.86	1.00	-	1.00	0.90	1.00	-	1.00	-	1.00	-	1.00	0.93	1.00	1.10	1.00
	Total Package =Basic Salary +Bonus + Allowance	0.85	1.00	-	1.00	0.90	1.00	-	1.00	-	1.00	-	1.00	0.88	1.00	1.06	1.00

※ Note：
(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.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

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		Six significant locations of operation			
Management Level	**Basic/Total Package**	**Female average compensation**	**Male average compensation**	**Female median compensation**	**Male median compensation**
Executive level supervisor (F1 and Above)	Basic Salary	1.03	1.00	0.96	1.00
	Total Package =Basic Salary +Bonus + Allowance	0.91	1.00	1.00	1.00
Management-level supervisor (E1~E2)	Basic Salary	0.89	1.00	0.98	1.00
	Total Package =Basic Salary +Bonus + Allowance	0.89	1.00	1.03	1.00
General indirect employees Engineer/Specialist ~ Assist. Manager (C1~D3)	Basic Salary	0.89	1.00	0.88	1.00
	Total Package =Basic Salary +Bonus + Allowance	0.87	1.00	0.88	1.00
General direct employees A1~B2	Basic Salary	1.10	1.00	1.73	1.00
	Total Package =Basic Salary +Bonus + Allowance	1.06	1.00	1.49	1.00

※ Note：
(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) Non-management employees (including indirect and direct employees), the average base salary ratio of females to males is 0.83.

Improvement Plan

Advantech's talent recruitment strategy is continuously adjusted according to market fluctuations. Advantech 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 visualize Advantech's global talent needs.

Advantech upholds the philosophy of valuing talent and recognizes every employee as the bedrock of the Company's sustainable development. Advantech Taiwan conducts quarterly reviews of each business unit's turnover rate. Biannual comprehensive reviews of high-performing employee turnover rates are carried out to propose specific improvement measures in response to indicator changes, such as employee care initiatives, career development planning, and compensation and benefits optimization, all aimed at increasing the overall retention rate and employee satisfaction.

For overseas regions, the Human Resources Department also continues to monitor the turnover rate and the retention of high-performing employees in each region during their monthly global meetings. Retention strategies are adjusted and implemented according to the unique characteristics of each region. Moving forward, Advantech will continue to adopt a data-driven approach and focus on talent development, implementing a systematic talent management mechanism in a bid to create a stable and competitive environment for career development.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Employee attrition/turnover rate

Region	Classification	Item	Male		Female		Non-disclosure of gender		Total number of employees who have resigned	Total number of employees	Voluntary turnover rate by region	Overall turnover rate by region	Overall turnover rate
			Number of people	Percentage (voluntary)	Number of people	Percentage (voluntary)	Number of people	Percentage (voluntary					
Headquarters	Job band	Executive level supervisors (F and above)	4	2.5%	2	6.1%	-	0.0%	291	3,531	7.70%	8.24%	13.18%
		Management-level supervisors (E1, E2)	26	3.5%	6	3.2%	-	0.0%					
		General employees (D3 and below)	121	2.7%	132	3.7%	-	0.0%					
	Age of employees	Below 30 years old	25	3.9%	22	3.7%	-	0.0%	291	3,531			
		31 - 49 years old	104	2.8%	96	3.6%	-	0.0%					
		Over 50 years old	22	1.9%	22	4.4%	-	0.0%					
		Undisclosed	-	-	-	-	-	0.0%					
China	Job band	Executive level supervisors (F and above)	-	0.0%	-	0.0%	-	0.0%	627	3,333	17.94%	18.81%	
		Management-level supervisors (E1, E2)	5	0.6%	1	0.0%	-	0.0%					
		General employees (D3 and below)	379	8.6%	242	6.8%	-	0.0%					
	Age of employees	Below 30 years old	125	18.7%	70	13.2%	-	0.0%	627	3,333			
		31 - 49 years old	248	7.0%	161	5.7%	-	0.0%					
		Over 50 years old	11	1.1%	12	2.6%	-	0.0%					
		Undisclosed	-	-	-	-	-	0.0%					
Japan	Job band	Executive level supervisors (F and above)	-	0.0%	-	0.0%	-	0.0%	21	225	9.33%	9.33%	
		Management-level supervisors (E1, E2)	2	0.3%	-	0.0%	-	0.0%					
		General employees (D3 and below)	12	0.3%	7	0.2%	-	0.0%					
	Age of employees	Below 30 years old	-	0.0%	1	0.2%	-	0.0%	21	225			
		31 - 49 years old	5	0.1%	5	0.2%	-	0.0%					
		Over 50 years old	9	1.0%	1	0.2%	-	0.0%					
		Undisclosed	-	-	-	-	-	0.0%					

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Region	Classification	Item	Male		Female		Non-disclosure of gender		Total number of employees who have resigned	Total number of employees	Voluntary turnover rate by region	Overall turnover rate by region	Overall turnover rate
			Number of people	Percentage (voluntary)	Number of people	Percentage (voluntary)	Number of people	Percentage (voluntary					
Korea	Job band	Executive level supervisors (F and above)	-	0.0%	-	0.0%	-	0.0%	12	109	10.09%	11.01%	13.18%
		Management-level supervisors (E1, E2)	-	0.0%	-	0.0%	-	0.0%					
		General employees (D3 and below)	7	0.2%	5	0.1%	-	0.0%					
	Age of employees	Below 30 years old	2	0.3%	3	0.6%	-	0.0%	12	109			
		31 - 49 years old	5	0.1%	2	0.0%	-	0.0%					
		Over 50 years old	-	0.0%	-	0.0%	-	0.0%					
		Undisclosed	1	100.0%	1	100.0%	1	100.0%					
Europe	Job band	Executive level supervisors (F and above)	4	2.5%	-	0.0%	-	0.0%	56	516	6.20%	10.85%	
		Management-level supervisors (E1, E2)	2	0.2%	-	0.0%	-	0.0%					
		General employees (D3 and below)	29	0.3%	20	0.4%	1	1.1%					
	Age of employees	Below 30 years old	7	0.5%	2	0.2%	-	0.0%	56	516			
		31 - 49 years old	22	0.3%	15	0.5%	1	16.7%					
		Over 50 years old	6	0.3%	3	0.2%	-	0.0%					
		Undisclosed	-	0.0%	-	0.0%	-	0.0%					
United States	Job band	Executive level supervisors (F and above)	2	1.2%	1	3.0%	-	0.0%	52	533	7.88%	9.76%	
		Management-level supervisors (E1, E2)	1	0.0%	2	1.1%	-	0.0%					
		General employees (D3 and below)	30	0.6%	15	0.4%	1	0.0%					
	Age of employees	Below 30 years old	9	1.1%	2	0.4%	-	0.0%	52	533			
		31 - 49 years old	12	0.3%	13	0.5%	1	0.0%					
		Over 50 years old	12	0.8%	3	0.5%	-	0.0%					
		Undisclosed	-	0.0%	-	0.0%	-	0.0%					

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Region	Classification	Item	Male		Female		Non-disclosure of gender		Total number of employees who have resigned	Total number of employees	Voluntary turnover rate by region	Overall turnover rate by region	Overall turnover rate
			Number of people	Percentage (voluntary)	Number of people	Percentage (voluntary)	Number of people	Percentage (voluntary					
Other regions	Job band	Executive level supervisors (F and above)	-	0.0%	-	0.0%	-	0.0%	85	436	15.14%	19.50%	13.18%
		Management-level supervisors (E1, E2)	5	0.8%	-	0.0%	-	0.0%					
		General employees (D3 and below)	56	1.0%	24	0.5%	-	0.0%					
	Age of employees	Below 30 years old	19	2.2%	6	1.2%	-	0.0%	85	436			
		31 - 49 years old	40	1.0%	17	0.4%	-	0.0%					
		Over 50 years old	2	0.1%	1	0.2%	-	0.0%					
		Undisclosed	-	0.0%	-	0.0%	-	0.0%					

※ Note：
(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) 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.
(3) Total turnover rate = total number of employees who have resigned/total number of employees.
(4) Only full-time employees who have resigned were included in the statistics, excluding contracted and part-time employees (interns).
(5) For the period before and including 2022, only voluntary resignations were disclosed. Starting from the year 2023, involuntary resignations were also included.
(6) Global data were disclosed for 2023–2024 (with expanded coverage to include additional regions). The scope of disclosure encompasses the entire Advantech organization.
(7) Regions that are not considered significant locations of operation (except Headquarters, Advantech China, Advantech Japan, Advantech Korea, Advantech Europe, and Advantech USA) include Indonesia, Mexico, India, Czech Republic, Australia, Malaysia, Singapore, Thailand, Russia, Turkey, Brazil, United Arab Emirates, Vietnam, Canada, and Israel. "Other regions" mentioned below all have the same definition.

Four-year employee turnover rate

Region	2021		2022		2023		2024	
	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	Total turnover rate	Total number of resigned employees	Total turnover rate
Headquarters	434	13.6%	585	16.8%	346	9.8%	291	8.2%
China	1597	43.6%	1101	29.6%	631	18.8%	627	18.8%
Japan	21	8.9%	25	10.8%	23	10.8%	21	9.3%
Korea	2	1.7%	18	14.1%	25	21.9%	12	11.0%
Europe	-	-	87	18.0%	44	8.4%	56	10.9%
United States	-	-	106	20.7%	63	12.0%	52	9.8%
Other regions	-	-	-	-	77	17.7%	85	19.5%
Total	2054	26.8%	1922	22.4%	1209	13.9%	1144	13.2%

※ Note：
(1) The total turnover rate (involuntary resignation) for 2021-2022 is estimated. The turnover rates for 2021 and 2022 were 28.2% and 23.6%, respectively.
(2) Global data were disclosed for 2023–2024 (other regions were also included), encompassing voluntary and involuntary resignations. The voluntary turnover rates for 2023 and 2024 were 13% and 12%, respectively.
(3) Only full-time employees who have resigned were included in the statistics, excluding contracted and part-time employees (interns).

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

5.1.2 Employee Development Plan

Employees are the drivers of corporate growth. Advantech considers talent cultivation and development a crucial strategy for sustainable operations, and we are building a comprehensive learning ecosystem through physical training and digital learning. Our training and development system not only emphasizes management leadership development, professional skills enhancement, and cross-departmental knowledge exchange, but also applies data analysis and learning effectiveness evaluation to ensure that training programs can deliver tangible results.

Advantech Academy: Learning Framework of Four Major Academies

The Advantech Academy is structured around four main academies of "Management, Professional, General Education, and New Employee Hires". Based on employees' career development needs, we can offer corresponding learning resources and courses to guarantee adequate growth opportunities for every employee. The framework covers Advantech's global employees, including indirect, direct, part-time, and contract employees. The key projects of various academies in 2024 are described below.

1. Management Academy: Cultivate management talent

To improve the professional competence of the management team, enhance competitiveness, and promote the long-term development of the organization, Advantech continuously plans and offers a series of management development courses. These courses aim to improve supervisors' managerial skills, including leadership, communication, problem-solving, and decision-making abilities. Through these courses, supervisors can learn and improve these key skills to manage the team more effectively, achieve goals, and enable team members to reach their full potential, thereby bolstering Advantech's corporate structure.

- **Global APEX Program: Cultivate future leaders and extraordinary talent**

Advantech launched the Advantech People of Excellence (APEX) Program in 2023 to cultivate high-potential leaders and professional talent. In 2024, the Program was upgraded to the Global APEX Program by assembling 35 global elites. Three Presidents and Vice Presidents were appointed as mentors, while executive level supervisors, directors, and external experts were invited to conduct lectures. Through knowledge sharing and themed discussions, the program aims to strengthen participants' decision-making and leadership capabilities.

Advantech introduced practical exercises to this program, focusing on strategic analysis and proposing action plans for the Company's key sales issues, thereby enhancing the practicality of learning outcomes and organizational impact. Taking the IoT Automation Sector as an example, organizational transformation issues are addressed through the APEX Program, which helps the team clarify strategic priorities, establish cross-departmental collaboration mechanisms, and optimize the organizational operating model. This project effectively boosted growth momentum in the second half of 2024, resulting in a 9.6% increase in the IoT Automation Sector's revenue compared to the first half of the year, demonstrating a clear positive correlation between talent development and sales performance.

Upon completion of the program, top performers are integrated into the Individual Development Plan (IDP) framework, supported by coaching and mentoring mechanisms to ensure that their learning achievements are effectively translated into long-term growth. Since the program was launched, 55 high-potential talented people have been cultivated, and 19 were successfully promoted in an effort to continue nurturing Advantech's future leaders!

- **Executive level supervisors: CST workshop - Corporate operating framework transformation counseling program**

In 2024, Advantech launched the CST (Corporate Structure Transformation) 2032 project, promoting growth-driven systems, organizational operations, and digital transformation. To facilitate the Company's transformation, the CST workshop was held to cultivate executive level supervisors' strategic planning and problem-solving skills.

From April to July, 32 executive level supervisors from four major fields, including Automation, iHealthcare, IoTMart, and iCity Service participated in three workshops and two project counseling sessions. They were able to fortify their transformation mindset, drive business innovation, and foster cross-departmental collaboration, laying a robust foundation for Advantech' s future growth.

- **Middle management: Managing down**

Advantech promotes managing down courses to strengthen middle management's goal setting, delegation management, and performance feedback skills, thereby enhancing teamwork and management performance. The courses utilize extensive case studies and scenario-based exercises to help supervisors master core skills such as adapting leadership styles, employee motivation, problem-solving, and effective communication.

In 2024, two sessions were held for 58 middle management. Training will be expanded in the future to cultivate outstanding leaders equipped with precise management skills, thereby promoting the stable development of the organization.



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

◆ Junior management: Coaching-style counseling

Since 2023, Advantech has introduced coaching-style counseling courses to reinforce the communication and coaching abilities of junior and middle management, thereby enhancing team management effectiveness. The courses apply systematic instruction and case studies to train supervisors' key communication abilities in different situations and strengthen their leadership within diverse teams.

In 2024, two sessions were held for 65 middle and junior management. Training will be continued in the future to cultivate more competitive management teams, thereby promoting the long-term development of the organization.



◆ 100 Reading Program/100 Reading Club

To fortify the eight core competencies (digital competency, strategic competency, leadership, operational competency, international perspectives, market insight, management competency, and innovation) of junior and middle management, Advantech officially introduced the CommonWealth Leader Campus (CWLC) in 2022, allowing supervisors to improve their skills anytime, anywhere. To enhance learning application, Advantech launched the "100 Reading Plan" in 2022, encouraging supervisors to utilize this platform and read 100 articles within a year. In 2024, the program was expanded to include general employees, and 71 supervisors completed the goal of reading 100 articles within a year. To extend the impact of the 100 Reading Plan and strengthen the implementation and application of digital and physical blended learning, nine "100 Reading Club" sessions were conducted in 2024, inviting the Company's executive level supervisors and external experts to share insights and exchange ideas on specific core management competencies. A total of 186 participants attended the reading club.

2. Professional Academy: Reinforce professional skills

Advantech unveiled the CST (Corporate Structure Transformation) project in 2024, with corporate growth-driven systems, organizational operating model upgrades, and digital transformation as its three core directions, forming the Company's future development blueprint. To ensure the effective implementation of the plan in cultivating key talent, Advantech has further established professional academies to provide systematic learning resources and reinforce the organization's core competitiveness.

The AI Academy, focusing on digital transformation goals, strives to cultivate internal AI technical talent, accelerating the application of AI technologies across various business units, and enhancing operational efficiency and decision-making capabilities. Meanwhile, the M&A Academy, in conjunction with the corporate growth-driven system, aims to strengthen the team’ s professional competencies in market expansion and corporate growth strategies through training in mergers and acquisitions and investment expertise.

◆ AI Academy: AI certification course, GenAI internal contest

To expedite AI technology development and drive digital transformation, Advantech has partnered with Microsoft and UCOM to launch AI certification courses. These courses systematically cultivate employees’ AI expertise and offer opportunities to obtain certifications, thereby enhancing their professional competitiveness.

In 2024, 108 employees participated in the "Microsoft Azure AI Fundamentals" course, while 62 employees took the advanced "Designing and Implementing Azure AI Solutions" course. Those who pass the test can apply for rewards based on the HR certification management system. The certification test will be held in the first quarter of 2025, promoting the Company's AI technology strategy and elevating market competitiveness.

Driving AI innovation through contests and accelerating technology applications

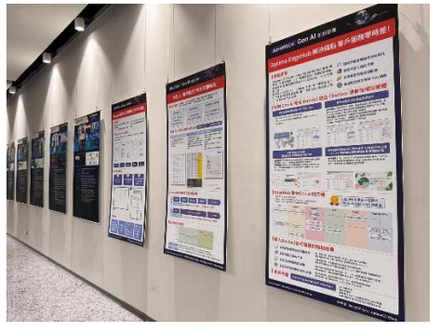
To promote the practical application of AI technology, Advantech has launched a GenAI contest to inspire innovative thinking. The initiative encourages colleagues to apply GenAI technology to propose application for improving business efficiency and productivity, reducing costs, or driving innovation in products and solutions. The contest serves as a key catalyst for internal AI development, enabling the Company to explore a wider range of possibilities for AI applications.

The 2024 GenAI contest attracted 63 teams and resulted in 92 award recipients, including 12 A+ award winners and 24 A award winners, with a total prize of NTD 1.21 million. Currently, the AI team is formulating brand-new rules for 2025 to further optimize the competition mechanism and create more market value and innovative applications. Refer to the official contest website for relevant details: https://campaign.advantech.online/tw/genaiwinwin/

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Currently, the AI team is formulating new rules for the 2025 contest to further optimize its mechanism and promote more innovative solutions with market value, helping the Company move towards a new milestone in digital transformation.

To reinforce learning benefits and facilitate cross-functional exchanges, Advantech has established an AI technology social media platform that provides an interactive space for employees to share insights on AI, GenAI, and IT applications. Whether it's technical discussions on DaVinci technology or sharing of practical experiences in AI solutions, the social media platform offers colleagues a venue for mutual assistance, learning, and co-creation, thereby bolstering the Company's overall AI capabilities and striving toward a new milestone in digital transformations.





◆ Establishment of the M&A Academy

To bolster our mergers and acquisitions (M&A) expertise, Advantech officially launched the M&A Academy in Q4 of 2024 to cultivate key talent with strategic vision and investment management capabilities. The academy invited industry experts and business leaders to share their insights. The "Integration of Growth Strategies with M&A Transactions" course saw the attendance of 54 executive level supervisors and investment department supervisors, who engaged in in-depth discussions on M&A strategies and critical decision-making factors.

In 2025, the academy will kick off advanced courses covering post-merger integration, transaction management, and business valuation, and will use project exercises and industry counseling to help the Company seize development opportunities in the competitive market.

◆ Advantech China (ACN) technology forum

Advantech China (ACN) organizes an annual technology forum to promote internal technical exchange and collaboration, enhance employee expertise, and increase the Company's competitiveness and sustainable development.

Three major goals of the forum:

(1)Benefits of technical training: Improve R&D capabilities and cross-departmental knowledge, optimize design efficiency and product competitiveness.

(2)Break down technical barriers: Facilitate the experience transfer, minimize design pitfalls, and improve R&D efficiency and product quality.

(3)Continue to bolster awareness: Encourage technology innovation and sharing, nurture professional growth, and promote corporate technology development.

4 technology forums were held in 2024, encompassing 4 technology-related sharing themes. These forums not only help to elevate the organization's internal technical standards and efficiency, but also foster sustainable development in the industry and, in turn, deliver long-term economic benefits.

Event time	Course theme	Participants	Number of participants	Effectiveness
December 18, 2024	New technology sharing by Hai Kwang & Byosoft	Hardware Software Department PM & RD	Around 130 people	Domestic new product performance achieved: 2025 H1 Rev 4.3M, YoY GR+70%
September 19, 2024	EMC/MTBF/Automotive Ethernet/Frequency Domain Testing/Thermal Design	Hardware Department PM & RD	Around 100 people	
March 28, 2024	Intel Solution Day	Hardware Software Department PM & RD	Around 150 people	AKTC's performance in the first half of the year reached 97.1%, representing a 6% growth
March 21, 2024	Energy Star 8.0/WiFi BT Testing/Resistive Touch Panel Electrostatic Discharge Failure Corrective Action Plan/Sharing of Road Vehicle Laboratory Validation Standards	Hardware Department PM & RD	Around 100 people	

3. General Education Academy: Cultural diversity and soft power at the workplace

Focusing on DEI (Diversity, Equity, and Inclusion), we aim to increase employees' understanding of our corporate culture and diversity management, thereby creating a more inclusive workplace. Key projects in 2024 are as follows:

◆ Understand implicit bias and create a friendly workplace

Implicit bias affects decision-making, team interaction, and talent development. To enhance supervisors' understanding of this topic, the course assists them in building a more inclusive team culture. Interactive discussions and case study analysis help supervisors understand the causes and impacts of bias and learn how to prevent bias in decision-making, communication, and teamwork.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Two sessions were conducted in 2024 for 68 middle and senior management. It is hoped that every supervisor can become an internal DEI promoter in a bid to foster a fair, open work culture and allow the organization to continue growing!

◆ Female career development workshop

With the emerging DEI (Diversity, Equity, and Inclusion) trend, female career opportunities and challenges have come under the spotlight. In 2024, Advantech invited external experts to share career development strategies, leadership cultivation, and work-life balance tips through online and physical workshops for 105 supervisors. The workshops explored the cultivation of female leadership, strategies for breaking through glass ceilings, as well as offering practical experience and specific methods to help female employees increase their influence and achieve steady development. Advantech hopes to create a more inclusive workplace through these learning opportunities, allowing every colleague to reach their full potential and contribute to the Company's growth!

◆ Ethnic and cultural communication training workshop

To enhance employees' communication and collaboration skills in culturally diverse workplace, Advantech organized two themed workshops in 2024.



Session one: The parent-child communication workshop mainly focused on assisting employees to improve communication with their children. The workshop also explored differences in family cultures and intergenerational issues, attracting participation from 219 employees.

Session two: The cross-culture communication workshop emphasized the communication and management of multinational teams, helping employees respond to cultural challenges by providing them with multicultural team management skills. The workshop was attended by 74 employees.

Through these courses, Advantech aims to foster an inclusive workplace where employees can thrive in a culturally diverse environment and contribute to the Company' s long-term development.

4. New Employee Hires Academy: Fast assimilation into the workplace

To improve new employee hires' adaptation and contribution, Advantech enhanced the new employee onboarding experience in 2024 which was integrated with the Workday system. This allows supervisors and new employee hires to track learning progress and probationary period assessment results in real-time. During the probationary period, we optimized the comprehensive assessment mechanism to ensure that new employee hires can demonstrate their value and make meaningful contributions from the early stages of their employment. We also implemented a mentor system where experienced supervisors within the department serve as counselors, providing job guidance and cultural adaptation support to help new employee hires successfully reach their full potential and grow with the Company.

Additionally, to assist new employee hires quickly adapt to our corporate culture, the upgraded 2024 version of ACE Camp (Advantech Culture Experience Camp) provided an in-depth introduction to the Company's culture, organizational structure, and development direction. Through supervisors' career experience sharing, new employee hires can gain a quicker understanding of the Company's values and vision. Moreover, new team-building activities and guided tours of the Company's facilities foster cross-departmental integration and bolster their understanding of the Company's environment. Seven sessions were successfully held in 2024 for 276 participants, providing new employee hires with a solid starting point for their careers.

◆ Learning effectiveness evaluation (L1~L4)

To ensure the effectiveness and impact of training programs, Advantech employs the Kirkpatrick Model of Training Evaluation to comprehensively measure learning outcomes, from participant feedback to business results:

L1 Reaction	Through the satisfaction survey, we aim to make sure that the course design meets participants' needs, thereby enhancing the learning experience.
L2 Learning	Confirm if participants have successfully grasped key knowledge and skills through tests and practical evaluations.
L3 Behavior	Monitor participants' ability to apply acquired knowledge to practical work scenarios transform it into actions.
L4 Results	Analyze the training's impact on sales performance and talent development to ensure that positive values are created through learning.

Through the robust learning framework and effectiveness evaluation mechanism, Advantech continues to foster a high-impact learning culture, allowing every employee to engage in continuous improvement and strive for excellence and sustainable growth with the Company.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Academy structure	Learning effectiveness evaluation
Management Academy	The average course satisfaction rating was 4.69, with a total of 412 participants. According to the pre- and post-course results of management behavior indicators, there was an average increase of 0.265.
High-potential talent	The average course satisfaction rating was 4.41, with a total of 55 participants. In particular, 19 employees received promotions, resulting in a promotion rate of 34.5%. Key business practice topics raised in the course will continue to be expanded and implemented.
Professional Academy	The courses and seminars were conducted for roughly 796 participants, including those from Advantech headquarters (Taiwan) and Advantech China. The GenAI contest featured 63 participating teams, resulting in 36 winning teams and a total of 92 award recipients, with prize money totaling NTD 1.21 million.
General Education Academy	The course saw participation from 466 employees, achieving an average satisfaction of 4.53.
New Employee Hires Academy	The course saw participation from 276 employees, achieving an average satisfaction of 4.58.

Average training hours per employee

Region	Gender	Total training hours	Total number of employees (Note)	Each employee's average training hours
Headquarters	Male	246,563	1,934	127.5
	Female	140,845	1,562	90.2
	Undisclosed/omitted	196	35	5.6
	Total	387,604	3,531	109.8
Advantech China	Male	282,092	1,859	151.7
	Female	129,404	1,470	88.0
	Undisclosed/omitted	0	4	0.0
	Total	411,496	3,333	123.5
Advantech Japan	Male	10,601	149	71.1
	Female	4,086	68	60.1
	Undisclosed/omitted	0	8	0.0
	Total	14,687	225	65.3
Advantech Korea	Male	6,570	71	92.5
	Female	3,722	38	97.9
	Undisclosed/omitted	26	0	0
	Total	10,318	109	94.7
Advantech Europe	Male	7,256.41	332	21.9
	Female	3,340.51	169	19.8
	Undisclosed/omitted	85	15	5.7
	Total	10,682	516	20.7
Advantech USA	Male	8,205	338	24.3
	Female	2,178	182	12.0
	Undisclosed/omitted	335	13	25.8
	Total	10,718	533	20.1
Total	Male	561,287	4,683	119.9
	Female	283,576	3,489	81.3
	Undisclosed/omitted	642	75	8.6
	Total	845,505	8,247	102.5
Data coverage scope	In 2024, the total number of full-time employees (excluding interns and contract workers) across Advantech' s Headquarters (including business units, logistics units, and Advantech Taiwan), China, Japan, South Korea, Europe, and North America, accounting for over 80% of the global workforce. Total training expenditures reached NTD 30,587,833, resulting in a per-employee training cost of NTD 3,708.96. The total training hours (combining online and physical courses) amounted to 845,505 hours, averaging 102.5 training hours per-employee.			

※ Note: The total number of employees is expressed in full-time equivalents (FTE) as of December 31, 2024

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Average education and training hours by job category

Region	Job category	Total training hours	Total number of employees (Note)	Each employee's average training hours
Headquarters	R&D	238,210	1,556	153.1
	Marketing/Sales	42,109	292	144.2
	Administration	51,877	476	109.0
	Manufacture	54,763	1,207	45.4
	Undisclosed/omitted	645	-	-
	Total	387,604	3,531	109.8
Advantech China	R&D	12,914	682	18.9
	Marketing/Sales	10,292	492	20.9
	Administration	18,045	332	54.4
	Manufacture	369,727	1,827	202.4
	Undisclosed/omitted	519	-	-
	Total	411,496	3,333	123.5
Advantech Japan	R&D	2,997.7	34	88.2
	Marketing/Sales	6,214.8	83	74.9
	Administration	1,336.9	36	37.1
	Manufacture	4,137.6	72	57.5
	Undisclosed/omitted	-	-	-
	Total	14,687	225	65.3
Advantech Korea	R&D	1,471	20	73.6
	Marketing/Sales	4,656	55	84.7
	Administration	1,569	15	104.6
	Manufacture	2,596	19	136.6
	Undisclosed/omitted	26	-	-
	Total	10,318	109	94.7
Advantech Europe	R&D	2,873.78	90	31.9
	Marketing/Sales	4,889.61	247	19.8
	Administration	1,937.65	100	19.4
	Manufacture	800.88	79	10.1
	Undisclosed/omitted	180	-	-
	Total	10,682	516	20.7
Advantech USA	R&D	2,966	142	20.9
	Marketing/Sales	3,629	201	18.1
	Administration	809	98	8.3
	Manufacture	2,864	92	31.1
	Undisclosed/omitted	450	-	-
	Total	10,718	533	20.1
Total	R&D	261,432	2,524	103.6
	Marketing/Sales	71,790	1,370	52.4
	Administration	75,574	1,057	71.5
	Manufacture	434,888	3,296	131.9
	Undisclosed/omitted	1,820	-	-
	Total	845,505	8,247	102.5
Data coverage scope	In 2024, the total number of full-time employees (excluding interns and contract workers) across Advantech' s Headquarters (including business units, logistics units, and Advantech Taiwan), China, Japan, South Korea, Europe, and North America, accounting for over 80% of the global workforce. Total training expenditures reached NTD 30,587,833, resulting in a per-employee training cost of NTD 3,708.96. The total training hours (combining online and physical courses) amounted to 845,505 hours, averaging 102.5 training hours per-employee.			

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About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Average education and training hours by age group

Region	Age	Total training hours	Total number of employees (Note)	Each employee's average training hours
Headquarters	Below 30 years old	56,070	407	137.8
	31-49 years old	261,950	2,431	107.8
	Over 50 years old	69,388	658	105.5
	Undisclosed/ omitted	196	35	5.6
	Total	387,604	3,531	109.8
Advantech China	Below 30 years old	43,954	505	87.0
	31-49 years old	336,017	2,668	125.9
	Over 50 years old	31,525	156	202.1
	Undisclosed/ omitted	0	4	0.0
	Total	411,496	3,333	123.5
Advantech Japan	Below 30 years old	754.5	12	62.9
	31-49 years old	7,145.9	90	79.4
	Over 50 years old	6,786.7	115	59
	Undisclosed/ omitted	0	8	0.0
	Total	14,687	225	65.3
Advantech Korea	Below 30 years old	3,516	30	117.2
	31-49 years old	5,157	60	86.0
	Over 50 years old	1,619	19	85.2
	Undisclosed/ omitted	26	0	0
	Total	10,318	109	94.7
Advantech Europe	Below 30 years old	1,412	51	27.7
	31-49 years old	6,151	292	21.1
	Over 50 years old	3,092	159	19.4
	Undisclosed/ omitted	26	14	1.9
	Total	10,682	516	20.7
Advantech USA	Below 30 years old	393	48	8.2
	31-49 years old	5,382	268	20.1
	Over 50 years old	4,943	217	22.8
	Undisclosed/ omitted	0	0	0
	Total	10,718	533	20.1
Total	Below 30 years old	106,100	1,053	100.8
	31-49 years old	621,803	5,809	107
	Over 50 years old	117,354	1,324	88.6
	Undisclosed/ omitted	248	61	4.1
	Total	845,505	8,247	102.5
Data coverage scope	In 2024, the total number of full-time employees (excluding interns and contract workers) across Advantech' s Headquarters (including business units, logistics units, and Advantech Taiwan), China, Japan, South Korea, Europe, and North America, accounting for over 80% of the global workforce. Total training expenditures reached NTD 30,587,833, resulting in a per-employee training cost of NTD 3,708.96. The total training hours (combining online and physical courses) amounted to 845,505 hours, averaging 102.5 training hours per-employee.			

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About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Average education and training hours by age group and gender

Region	Age	Gender			
		Male	Female	Undisclosed/ omitted	Total
Headquarters	Below 30 years old	28,736	27,334	0	56,070
	31-49 years old	165,600	96,349.5	0	261,949.5
	Over 50 years old	52,226.5	17,161.5	0	69,388
	Undisclosed/omitted	0	0	196	196
	Total	246,563	140,845	196	387,604
Advantech China	Below 30 years old	35,791	8,163	0	43,954
	31-49 years old	215,802	120,216	0	336,018
	Over 50 years old	30,499	1,025	0	31,524
	Undisclosed/omitted	0	0	0	0
	Total	282,092	129,404	0	411,496
Advantech Japan	Below 30 years old	612.28	142.22	0	754.5
	31-49 years old	4,783.32	2,362.58	0	7,145.9
	Over 50 years old	5,205.47	1,581.27	0	6,786.74
	Undisclosed/omitted	0	0	0	0
	Total	10,601.07	4,086.07	0	14,687.14
Advantech Korea	Below 30 years old	1,676	1,840	0	3,516
	31-49 years old	3,481	1,676	0	5,157
	Over 50 years old	1,413	206	0	1,619
	Undisclosed/omitted	0	0	26	26
	Total	6,570	3,722	26	10,318
Advantech Europe	Below 30 years old	921.09	491.13	0	1,412.22
	31-49 years old	3,919.17	2,219.06	13	6,151.23
	Over 50 years old	2,416.15	630.32	46	3,092.47
	Undisclosed/omitted	0	0	26	26
	Total	7,256	3,341	85	10,682
Advantech USA	Below 30 years old	286	107	0	393
	31-49 years old	4,084	1,181	117	5,382
	Over 50 years old	3,835	890	218	4,943
	Undisclosed/omitted	0	0	0	0
	Total	8,205	2,178	335	10,718
Total	Below 30 years old	68,023	38,077	0	106,100
	31-49 years old	397,669	224,004	130	621,803
	Over 50 years old	95,595	21,495	264	177,354
	Undisclosed/omitted	0	0	248	248
	Total	561,287	283,576	642	845,505



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Training indicators

Item	Overview	Participants	Coverage rate
E-Learning Advantech Academy Online Learning Platform	Through online learning, employees worldwide can gain a deeper understanding of Advantech' s business philosophy and corporate culture, while also engaging in self-paced learning and accessing the latest educational resources. This approach allows employees to overcome geographical and time constraints, enabling real-time learning and interaction with colleagues around the globe.	General employees (indirect employees)	Covers 70.95% of all global indirect employees (excluding direct employees)
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)	Covers 97.21% of all 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 through online courses.	General employees	Covered 75.81% of employees in Taiwan (Including direct 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	Covered 91.76% of global employees (Including direct and indirect employees)

In 2024, there was a significant decline in relevant training data. The related details are provided below:

- **E-Learning global employee (indirect employee) participation rate:**
  In 2024, 156 new online courses were introduced, covering general education, management, and professional categories. However, the participation rate declined by 11.73% compared to last year. This may be attributed to the user experience of the digital learning platform; factors such as platform performance, ease of course discovery, and intuitive interface design can all influence employees' willingness to engage in learning.
  - **Improvement measures:**
  - Optimized platform experience: Improve the system' s performance, reduce loading time, and ensure that the learning process is not affected by technical problems.
  - Improve the course searching and recommendation mechanism: The simplified search function allows employees to quickly find courses that are relevant to their work, while the intelligent recommendation function serves to increase learning efficiency.
  - Improve interface design and intuitive operation: Optimize course classification, learning progress tracking, and navigation functions, enabling employees to operate the platform more intuitively and manager their learning content, lowering the usage threshold.
- **Integrity Business Code education and training:** The training completion rate is nearing 100%, but further efforts are needed to ensure employees can apply learning to work, preventing learning from becoming a mere formality.
- **Occupational health and safety education and training:** completion rate decreased by 5.06% compared to last year; information and cyber security promotion course: completion rate increased by 5.28% compared to last year.
  - **Improvement measures:** To continue improving the participation rate of occupational health and safety education and training and information and cyber security promotion courses, we will require our employees to complete these mandatory courses from time to time. These courses are crucial for ensuring employees' work safety and information and cyber security. Consequently, we will strengthen the mandatory nature and participation in these courses through notifications, regular follow-ups, and the addition of new course content to enhance employee learning motivation and participation. In addition, for employees who have not completed the courses, reasonable completion deadlines will be set to make sure that every employee regularly updates relevant knowledge, thereby bolstering the Company' s overall security awareness and prevention capabilities. Such measures not only improve participation rate but also protect employees' occupational safety and information and cyber security, allowing the Company to maintain stability and compliance amid increasingly complex work environments

Summary

In response to the above situation, Advantech will optimize training experience, enhance learner support systems, and design more targeted learning models, aiming to improve employee learning engagement, practical application skills, and long-term benefits. In the future, we will continue to monitor various indicators to ensure that various education and training programs achieve their expected goals and will constantly adjust our strategies to address new challenges. Furthermore, to further enhance user experience, careful user interface (UI) adjustments will be implemented to make the learning process more intuitive, convenient, and effective. In 2025, we will optimize the interface structure and interaction methods, streamline operational processes, and enable employees to easily access the necessary courses and resources. By minimizing unnecessary clicks and search time, we aim to ensure that every employee can complete their training in a user-friendly and efficient learning environment, thereby enhancing overall learning motivation and engagement. These UI enhancements not only improve the learning experience but also reflect the Company' s dedication to supporting employee growth and learning, in turn increasing satisfaction and learning effectiveness.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

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 (ESR), 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 2024, to encourage everyone to maintain a good habit of exercising, walking, and passion for cultural and artistic experiences, we designated the year as the "Advantech Exercise and Health Year". Advantech has always believed that only happy employees with healthy minds and bodies can enhance the overall performance of the Company. In addition, Advantech encourages employees to extend their positive impact beyond the workplace by caring for communities and promoting public welfare. Through sharing and mutual support, the Company actively practices the philosophy of altruism and aims to inspire a fulfilling life.

Employee relations and communication

To foster harmonious and effective employee relations, Advantech has established numerous two-way communication channels. In addition to disseminating information, the Company actively listens to and responds to employee feedback in real time to continuously improve and optimize employee services, maintain a positive workplace atmosphere, and safeguard employees' rights and well-being.

	Channel	Description
Employee communication	Website	1.Employee Zone: 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, providing detailed company policies and management procedures on the website ensures that employees can easily access the information at any time. 2.ABLE Club website: 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 fulfilling life.
	Video	We publish strategy and vision videos on our internal platform, where senior executives present—in both Chinese and English—the year's strategic priorities, financial outlook, sustainability commitments, innovation programs, and new-market opportunities. This ensures precise, timely delivery of our corporate strategy to Advantech employees worldwide and fosters effective, transparent communication.
	Email announcements	1.HR: Publish the monthly HR Express newsletter, featuring executive interviews, key company updates, training courses, internal job openings, news coverage, and event highlights. 2.ESR: Employee benefits and events-related information. The ABLE Club e-newsletter is distributed weekly, the health monthly is distributed monthly, and the ESR e-newsletter is distributed quarterly.
	Physical meetings	1.Biannual kick-off meetings are held to communicate the company's key development strategies and vision, ensuring that all employees understand the company's direction and grow together with Advantech. 2.Quarterly labor-management meetings are held at Advantech headquarters (Neihu) and the Linkou Industrial Park, addressing topics such as labor-management coordination, labor-management cooperation promotion, and labor condition issues. 3.Various departments convene their internal communication meetings on departmental directions, work progress updates, and sharing of new knowledge, thereby facilitating communication and interactions within different departments.
	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.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

	Channel	Description
Employee communication	Social media	ABLE Club on Facebook and Instagram: Announcement of event information, event photo albums, employee happiness feedback, and other text, audio and video highlights.
	Other	1. Communicate Advantech's corporate culture, spirit, and announcements on the Company' s internal digital bulletin boards. 2.In addition to learning courses, the e-Learning website also features numerous videos that convey the Company's core values and culture. 3.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.
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	

Life is not just about work. Advantech hopes its employees can maintain physical/mental well-being and happiness, and embrace a wonderful life with their families. To this end, the Company offers diverse welfare programs such as a marriage allowance, maternity allowance, hospital condolence allowance, bereavement condolence allowance, emergency assistance fund, New Year festival benefits (Dragon Boat Festival/Moon Festival/birthday), as well as various statutory insurance benefits including pension contributions and group insurance, to ensure the safety and well-being of employees at work and in their personal lives. Furthermore, the Employee Welfare Committee and the Employee Services and Relations (ESR) Department continued planning various activities encompassing sports, leisure, health, arts and culture, education, and charity, resulting in a high execution rate of 95% for the Employee Welfare Committee's budget for 2024 (relevant implementation details are as follows), ensuring that colleagues receive balanced care to foster their physical and mental well-being.

2024 Welfare Committee Activities

Travel Group
- Travel Activities (May, June, August, October, November)
- Meal Vouchers (June, November)
- Accommodation Vouchers (May, October)
- SPA Vouchers (May, September)

Arts & Culture Group
- Movie Ticket Packages (May, October)
- Arts & Cultural Activities (March–December)
- Exhibition + Game Tickets May–October)
- Private Movie Screenings (May–October)

Connection Group
- Birthday Parties (March, June, September, December)
- Department Bonding (All Year)
- Group Social Activities (April, June, August, November)

Growth Group
- Learning Platforms (June, October)
- Lectures (May, August, October, December)
- Group Activities (April–October)

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Overview of benefits by region

Advantech provides social welfare programs that exceed legal requirements across its global locations of operation. The Company has established the "Advantech and Affiliates Emergency Relief Fund" to provide immediate assistance to employees and their families during major incidents. This social protection coverage for workers beyond public programs, reflecting the Company's emphasis on employee well-being and its commitment to offering more comprehensive support to strengthen their security in the face of emergencies.

	Headquarters	Advantech China	Advantech Japan	Advantech Korea	Advantech Europe	Advantech USA	Other regions
Employee group insurance	◆ Term life insurance ◆ Medical insurance ◆ Injury insurance	◆ Accident injury insurance ◆ Public transport accident insurance ◆ Employer liability insurance	No employee group insurance (the government offers labor insurance), but health insurance subsidies are provided	Accident insurance	Business travel insurance for the EU	Group insurance	Group insurance provided
Health benefits	◆ Provide annual employee health checkups that are better than legal requirements* ◆ Biennial subsidized health checkups for manager-level and above supervisors	◆ Annual employee health checkup ◆ Kunshan: Employees at the assistant manager level and above are entitled to additional health checkup items	Annual employee health checkup	Annual employee health checkup	Advantech UK has health insurance that covers 100% of emergency medical expenses	Health checkup benefits, compliant with local regulations and needs, are provided to all employees	Statutory health checkup benefits are provided to all Advantech employees based on the location of the Company's subsidiaries
Marriage allowance	V	V	V	V	-	-	V
Maternity allowance	V	V	V	V	-	-	V
Hospital condolence allowance	V	V	V	-	-	-	-
Bereavement condolence allowance	V	V	V	V	-	-	V
Emergency assistance fund	The Charity Society Committee provides emergency assistance fund support according to circumstances of individual case (up to NTD 200,000)	"Advantech China" ◆ **Poverty relief fund:** A one-time subsidy ranging from RMB 2,000 to 20,000 is provided to full-time employees or their immediate family members who face significant financial difficulties due to major illness. ◆ **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/person, depending on the severity of their condition. In the event of death due to illness or accident, employees, their spouses, or children will receive a relief fund of RMB 10,000/person. "Advantech Kunshan" ◆ The foundation will provide emergency assistance funds (within RMB 10,000) to support employees, their children, or spouses suffering from serious injuries, illnesses, or emergencies.	Accident/sickness allowance: 15% of daily salary x number of days	-	We are currently gathering information on group accident insurance to provide coverage for all European employees.	-	Internal units in Advantech join forces to launch the volunteer donation activity. In the event of a natural disaster, Advantech's local subsidiaries and the Human Resources Department will provide disaster assistance funds for employees affected by the disaster.
New Year and festival benefits (Dragon Boat Festival/ Moon Festival/ birthday)	V Indigenous employees can also apply for the "Indigenous Annual Festival Leave" according to the time of various tribal ceremonies.	V	-	V	V European Christmas - Dutch and German Carnival	-	V

※ Note：

(1) According to Taiwan's Labor Health Protection Act, employers should conduct regular general health checkups for in-service workers based on the following regulations:
1、One checkup for workers over 65 years old annually.
2、Employees over 40 but under 65 years old are subject to a checkup every three years.
3、Those under 40 years old receive a checkup every five years.
Advantech provides a health checkup system that is better than legal requirements; employees are given a health checkup every year.

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

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Marriage and maternity cash gifts

(1)All regular employees of Advantech, regardless of gender, are entitled to a wedding gift of NTD 10,000 per person. This policy ensures the rights of diverse gender marriages; colleagues only need to submit a wedding invitation or marriage certificate upon legal marriage to receive this benefit. In 2024, 74 headquarter employees applied for wedding gifts, with the total amount reaching NTD 740,000. Aside from the aforementioned policies, the Employee Services and Relations (ESR) Department conducts due diligence by regularly reviewing the Company's benefits system and benchmarking it against leading enterprises in the market. As a result, in September 2022, the Department proposed increasing the childbirth gift from NTD 3,600 to NTD 10,000, offering a benefit that surpasses legal requirements.

(2)To apply for the childbirth gift, employees only need to submit the newborn' s birth certificate. The gift amount is NTD 10,000 per baby, or NTD 20,000 for twins. In 2024, a total of 72 applications were received at the headquarters, including three sets of twins, resulting in a total disbursement of NTD 740,000. Currently, marriage and maternity cash gifts are available in Advantech China, Advantech Japan, and Advantech Korea.

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 extends until the children reach the age of three, but may not exceed two years in length. Advantech Headquarters (Taiwan) employees are legally entitled to parental leave for a maximum of two years, in accordance with local regulations. In China, beyond the statutory maternity and paternity leave, the Company offers up to 6 months of paid breastfeeding leave (at 75-80% of their salary) before the child's first birthday. Additionally, after maternity leave, female employees receive one hour of breastfeeding time per working day until the child turns one. For multiple births, this breastfeeding time increases by one hour per additional infant. This benefit is available until the child reaches one year of age, with full salary paid during this period. Japanese labor laws also stipulate that employees can apply for childcare leave until the child reaches two years of age, during which time the Japanese government provides salary subsidies; South Korea, on the other hand, allows employees to apply for unpaid childcare leave for up to two years before the child turns eight.

In 2024, 20% of all employees (including male and female employees) at Advantech headquarters (Taiwan) applied for parental leave, with a return to work rate of 86%. In 2024, the retention rate of employees who returned to work after taking parental leave and continued working for more than one year was 60%. Compared to 2023, there has been an increase in both the application rate and return to work rate. The application status of Advantech China, Advantech Japan, and Advantech Korea in 2024 is shown in the table below.

Parental leave-related statistics are shown in the following table:

Parental leave (by region)	Headquarters			Advantech China			Advantech Japan			Advantech Korea			Advantech Europe			Advantech USA		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
(a) Number of employees eligible for parental leave in 2024	109	80	189	32	27	59	3	2	5	15	4	19	10	5	15	331	183	514
(b) Number of people who applied for parental leave in 2024	7	30	37	32	27	59	3	2	5	2	1	3	10	5	15	0	3	3
(c) Number of people expected to return to work after parental leave in 2024	7	21	28	32	27	59	3	2	5	1	0	1	10	5	15	0	3	3
(d) Number of people who returned to work after parental leave in 2024	5	19	24	32	27	59	3	1	4	1	0	1	10	4	14	0	3	3

※ Note: In 2023, the parental leave application rate for all employees was 12%, and the return to work rate was 78%. In 2022, the retention rate of employees who returned to work after parental leave and continued working for more than one year was 91%.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Parental leave (by region)	Headquarters			Advantech China			Advantech Japan			Advantech Korea			Advantech Europe			Advantech USA		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
(e) Number of people who returned to work after parental leave in 2023	0	20	20	7	17	24	0	2	2	1	1	2	8	3	11	0	2	2
(f) Number of employees who applied for parental leave and continued working for one year after returning work in 2023	0	12	12	7	15	22	0	2	2	1	1	2	8	2	10	0	2	2
Application rate for parental leave b/a	6%	38%	20%	100%	100%	100%	100%	100%	100%	13%	25%	16%	100%	100%	100%	0%	2%	1%
Return to work rate after parental leave d/c	71%	90%	86%	100%	100%	100%	100%	50%	80%	100%	0%	100%	100%	80%	93%	0%	100%	100%
Retention rate after parental leave f/e	0%	60%	60%	100%	88%	92%	0%	100%	100%	100%	100%	100%	100%	67%	91%	0%	100%	100%

Family care leave/WFA (Work from Anywhere) system

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.

The provisional pandemic family care leave system established during the pandemic was discontinued after the pandemic control measures were lifted. In 2024, family care leave was listed as a formal leave category in accordance with legal regulations and will be integrated with personal leave.

	Headquarters			Advantech China			Advantech Japan			Advantech Korea			Advantech Europe			Advantech USA		
Ratio	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total number of indirect employees	1681	937	2618	1079	819	1898	134	62	196	63	42	105	283	160	443	295	171	466
Number of employees applying for family care leave (%)	9	15	24	0	0	0	3	2	5	0	0	0	4	7	11	0	3	3
Percentage of employees applying for family care leave (%)	0.5%	1.6%	0.9%	0.0%	0.0%	0.0%	2.2%	3.2%	2.6%	0.0%	0.0%	0.0%	1.4%	4.4%	2.5%	0.0%	1.8%	0.6%
Number of employees applying for WFA (%)	354	350	704	0	0	0	0	0	0	0	0	0	143	120	263	268	161	429
Percentage of employees applying for WFA (%)	21.1%	37.4%	26.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	50.5%	75.0%	59.4%	90.8%	94.2%	92.1%

※ Note：

(1) Advantech China (including Kunshan) did not have a family care leave or work-from-home (WFH) application mechanism. During the pandemic, a mandatory WFH system was implemented in accordance with local government regulations. Advantech Korea does not have a family care or WFH application mechanism in place.

(2) A family care and WFH mechanism has been established for Advantech Taiwan, Advantech Japan, Advantech Europe, and Advantech USA.

(3) The numerator for the percentage (%) in the table represents the number of applications, while the denominator represents the total number of indirect employees in that region.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Retirement provision

- "Headquarters": There are two types of pension contributions. Monthly contributions shall be made in full according to the law.

  (1)Under the old pension scheme, a monthly retirement reserve is allocated according to the regulations, which is managed by the Supervisory Committee of the Labor Retirement Reserve and deposited into a special account in Bank of Taiwan in the Committee's name.

  (2)The new pension scheme contributes 6% of the employee's monthly salary to the employee's pension account. Employees may also voluntarily contribute 0%-6% of their monthly salary to their pension account. The Company will deduct the contributed amount from the employee's salary every month.

- "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. Starting January 1, 2025, the statutory retirement age will be gradually increased. For male employees and female employees whose original statutory retirement age was 55, the retirement age will increase by one month every four months reaching 63 and 58 years old, respectively. For female employees whose original statutory retirement age was 50, the retirement age will increase by one month every two months until reaching 55 years old.

  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 talent 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. This was done so 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 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 introduced the EAP service in December 2021 to provide unlimited 24-hour toll-free and email consultation services (total confidentiality), allowing Advantech employees to receive assistance through consultations when they encounter emotional and mental health-related difficulties. Advantech cares about the “spiritual” well-being of its colleagues!



Employee health promotion (headquarters)：

I. Health Checkup and Disease Prevention

1. Health Checkup Service
   - Free itinerant health checkups are provided annually. In 2024, 11 health checkups were performed for 3,554 employees (including their family members).
   - Biennial in-hospital health checkups were provided for 414 supervisors.
   - A total of 3,968 employees (including their family members) received health checkups over the year.
2. Advanced Checkups and Disease Prevention
   - Health checkup items that go beyond regulatory requirements include ultrasound examinations and cancer screenings.
   - Each health checkup session includes “five cancer screenings,” offering on-site Pap smears, mammography, and oral cancer screenings. In 2024, 479 employees received these services.
   - After health checkups, we provide comprehensive tracking and management of health issues detected, including: (1) Arrange for follow-up consultations with occupational physicians to assess health risks. (2) Occupational nurses provide individual health education and informational leaflets to encourage healthy behaviors.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

II. Employee Engagement & Family-Inclusive Activities

1. Vision & Culture Communication
   - To align with our corporate vision and evolving strategy, we hosted the year-end New Year & New Vision Gathering in late 2024. Over 4,000 employees, family members, and partners attended. Leadership shared Advantech's refreshed brand declaration and management direction, alongside live performances that strengthened team cohesion.
2. Employee Sports Participation
   - Held "Taipei Dome Baseball Day" with 2,200+ employees, family, and partners. Chairman K.C. Liu delivered opening remarks, and NVIDIA founder & CEO Jensen Huang and EIoT Platform BG General Manager Miller threw the ceremonial first pitch.
   - Logged 12,107 total employee participations in health and sports activities—a record high.
   - 1,454 employees joined the Taipei Tech Love the Earth Charity Run, ranking first in participation among companies in the Neihu Science Park
3. Health Promotion
   - "Muscle Matters" weight-loss & strength-gain challenge: 215 participants; a cumulative 412.1 kg reduced; 6 muscle-gain award winners. The program built healthy eating and exercise habits, emphasizing fat loss and strength building in parallel.
4. Family & Diversity
   - In partnership with our Foundation, ran the Arts & Culture Parent–Child Camp and Summer Basketball Camp, engaging 300+ colleagues and their children.
   - Hosted the Advantech Talent Show, inviting employees and families to showcase their skills; 100+ participants joined, and winners performed at the annual gala.
   - "Filial Piety Outdoor Day" drew 530 employees and their parents, promoting family wellness.
   - Delivered maternal-health and mid-/older-age lectures and functional-fitness sessions.
   - Offered EAP (Employee Assistance Program) seminars to support mental health and work–life balance.

III. Health & Convenience Services and Emergency Preparedness

1. On-site Pharmacy Convenience
   - Partnered with the "Call a Pharmacist" platform to provide office medication delivery and chronic-prescription pickup; 52 employees used the service in 2024, reducing clinic visits and fitting busy schedules.
2. First Aid & Training
   - AEDs (automated external defibrillators) are installed at our facilities.
   - AED operation training is conducted annually. In 2024, 64 employees participated in the course.

Diverse club activities

To foster diverse interactions among our colleagues and help them achieve work-life balance, Advantech has long supported and encouraged the development of various social clubs. In 2024, 26 social clubs were established at the headquarters (with the addition of the Linkou Basketball Club), covering areas such as sports, LOHAS, arts and culture, and charity, attracting 1,284 participants.

There were 89 clubs in Advantech China (including various offices) with more than 2,300 participants, and seven clubs in Kunshan with 137 participants.

⊙ 2024 Sports Clubs









About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Four major categories of corporate volunteers

Upholding the corporate spirit of "giving back to society," Advantech encourages employees to participate in volunteer services. Through practical actions, we aim to promote social inclusion and cultivate diverse employee skills, thereby fulfilling our corporate social responsibility. To encourage more employees to engage in charitable activities, Advantech launched the "Volunteer Leave System" in 2023, where every employee is entitled to two days (16 hours) of paid volunteer leave per year, with a focus on four core ESG areas: Energy Conservation, Philanthropy (including Environment), Education, and Arts & Culture. Continuing the celebration of Advantech's 40th anniversary, the health theme for 2024 was extended to encompass corporate culture and philanthropic service, encouraging employees to participate in fostering a sustainable society and promoting the shared prosperity of the Company and the environment. In 2024, 362 Taiwan Advantech employees contributed 1,338 hours of volunteer work. In particular, 210 employee volunteers and 152 of their families also contributed 762 hours and 576 hours of volunteer work, respectively. Besides employees' enthusiastic participation in volunteer activities, their involvement also helped raise awareness among their family members and strengthened parent-child bonds. Volunteer activities incorporate diverse sustainable development-related fields including:

- **Social welfare:** The twice-yearly blood drives and support for food banks offer tangible assistance to underprivileged groups.
- **Environmental protection:** removal of invasive species, stream cleaning activities, local community ecological regeneration, afforestation, beach cleanup initiatives, and working together with the community to protect natural resources.
- **Education and promotion:** Enhance public's health awareness through health workshops and sharing of ecology-related knowledge.



2024/10/26 World Food Day



2024/10/21 Advantech Coastal Cleanup



2024/11/30 International Volunteer Day – Cultivating Native Seedlings for Forest Restoration



2024/12/01 International Volunteer Day – Terraced-Field Beekeeping

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

5.2.2 Employee Living Wage

Advantech believes that adopting a living wage is essential to improving employees' living conditions and well-being. Guided by a people-centric philosophy, the Company ensures that employees can meet their basic needs through fair compensation. Advantech views a living wage as a fundamental labor right and is actively implementing measures to enhance employees' quality of life, while generating a positive social impact across communities.

The promotion of a living wage is also aligned with global sustainability trends. In 2011, the Organisation for Economic Co-operation and Development (OECD) introduced its Well-being Framework, which covers 11 core dimensions including Income & Wealth, Work & Job Quality, Health, Environmental Quality, and Work-Life Balance. Building on this, the Taskforce on Inequality and Social-related Financial Disclosures (TISFD) emphasized "Income & Wealth" and "Living Wage" as key indicators of worker and family well-being, highlighting the strong correlation between fair wages and overall quality of life.

According to the International Labour Organization (ILO), a living wage is the level of pay required for workers and their families to afford a decent standard of living. Advantech adopted this principle in 2022 and introduced a Living Wage Methodology, initially extending its implementation to six major operating locations: Taiwan (Headquarters), China, Japan, South Korea, the United States, and Europe. Through cross-functional workshops, localized living wage standards were established based on local cost of living, supported by internal training and system integration to ensure effective application.

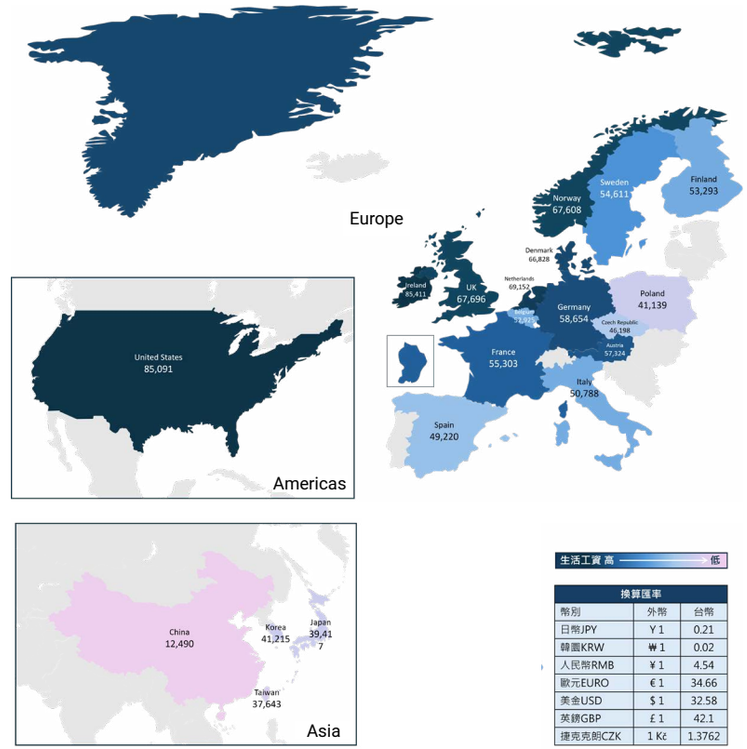
In 2024, Advantech further expanded its living wage assessment to 20 significant locations worldwide, covering 8,387 employees—95% of the Company's global workforce. The calculations were based on the Anker Living Wage Methodology and local cost-of-living data, including food, transportation, utilities and communication, and housing. The assessment confirmed that all employees across these 20 locations—including the Netherlands, Germany, Poland, France, Italy, Spain, the United Kingdom, Austria, Belgium, the Czech Republic, Ireland, Sweden, Denmark, Norway, Finland, the United States, China, South Korea, Japan, and Taiwan—receive wages that meet or exceed the local living wage standard.

Advantech defines a living wage as the minimum income earned during standard working hours, excluding bonuses and overtime pay, sufficient to cover essential expenses such as food, housing, clothing, and other basic needs. In addition to ensuring fair pay for its employees, Advantech also strives to extend living wage practices to suppliers and contractors, requiring them to uphold fair wage standards and thereby contributing to sustainable wage improvements across the industry value chain.

Work hour and wage management

Advantech is committed to responsible work hour and wage management to ensure employee well-being and fair treatment. The Company provides employees with skills development and training programs to improve work efficiency and reduce unnecessary overtime. Monthly overtime is strictly monitored in accordance with Company regulations, and all eligible employees receive appropriate overtime pay.

In addition, Advantech grants paid annual leave in line with local labor laws to safeguard employees' right to rest. The Company continues to optimize its internal systems to reinforce compliance with work hour regulations and labor standards. Supervisors are also encouraged to manage team workloads proactively, provide timely support, and help maintain a healthy, balanced, and productive work environment.



換算匯率		
幣別	外幣	台幣
日幣JPY	¥ 1	0.21
韓圓KRW	₩ 1	0.02
人民幣RMB	¥ 1	4.54
歐元EURO	€ 1	34.66
美金USD	$ 1	32.58
英鎊GBP	£ 1	42.1
捷克克朗CZK	1 Kč	1.3762

※Remark

(1) The living wage data are calculated in NTD.

(2) For China, due to the distribution of labor and non-labor populations, the living wage calculation is based on each worker supporting an average family size of 1.56 individuals.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

◆ The living wage methodology

Advantech has adopted the Anker Living Wage Methodology, which defines a living wage as not only covering the basic cost of living but also including a margin for emergency savings to address unexpected expenses. In line with this principle, the Company' s living wage calculation framework for the year is structured as:

Living Wage = Cost of Living (food, transportation, utilities & communication, and housing) + 5% emergency fund

To ensure accuracy and alignment with local realities, Advantech referenced the 2023 Family Income and Expenditure Survey published by Taiwan' s Directorate-General of Budget, Accounting and Statistics, alongside international cost-of-living indices. Based on these data sources, the living wage benchmark for significant operating locations is calculated to support an average household size of 2.79 individuals per worker.

◆ Living wage implementation process:

Advantech conducted a comprehensive review of employees' base monthly salaries (excluding bonuses and overtime pay) across all operating locations, benchmarked against the calculated local living wage amounts. The results confirmed that 100% of employees in every location receive wages that meet or exceed the living wage standard.

To extend this commitment across the value chain, Advantech launched a Living Wage Questionnaire Survey in 2024 targeting Tier 1 suppliers. A total of 407 valid responses were received, of which approximately 99% (403 suppliers) reported having already assessed the living wages of their employees. The findings demonstrate that most suppliers are actively working to raise wage levels in line with living wage standards.

Currently, fewer than 0.01% of supplier employees are earning below the local living wage benchmark. Advantech will continue to promote living wage practices among suppliers by strengthening engagement, raising external awareness, and encouraging the adoption of structured living wage systems, thereby further improving wage standards across its supply chain.

Medium- and long-term planning for promoting the living wage concept

Aspect	Short-term (2025-2026)	Medium- to long-term (2030)
Stakeholder Engagement	◆ We engaged with employees in Taiwan and China (covering over 75% of our total workforce) through questionnaire surveys across various job bands to collect actual cost of living data and relevant feedback. ◆ In 2025, the living wage evaluation will be extended to all Advantech locations of operations in Taiwan and abroad.	◆ We will expand the use of questionnaires and in-depth interviews to more comprehensively understand employee needs and collect suggestions concerning living wage.
Employee compensation and benefits	◆ Optimize the compensation and benefits framework based on the engagement outcome to meet actual cost of living needs. ◆ Make sure all employees (direct and indirect employees) are protected by wages that meet the living wage standards of other regions. ◆ Introduce "Living wage + a 20% emergency fund" as an internal reference standard to enhance employees' protection against emergencies.	◆ Analyze employees' living expenditure structure to strengthen the accuracy and practicality of our compensation and benefits measures.
Value chain initiatives	◆ Collaborate with international living wage-related NGOs and data platforms to introduce diverse cost of living data sources and increase evaluation accuracy.	◆ Publish the "Living Wage and Impact" Report and obtain third-party certification to enhance external credibility and the sustainability impact. ◆ Formulate a supplier living wage initiative program, integrate it into supply chain management, encourage suppliers to sign commitment agreements, and help them to implement living wage practices.

Our Commitment:

Advantech conducts regular assessments of living wage conditions and adjusts its compensation system annually to ensure that employee wages adequately reflect local cost-of-living standards. The Company also engages with stakeholders to integrate feedback into the continuous improvement of compensation and benefits policies.

By implementing living wage initiatives across its global operations and extending these standards to supply chain partners, Advantech seeks to strengthen labor rights, uphold fair compensation practices, and promote shared prosperity throughout its value chain.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

5.3 Diversity, Equality and Inclusive Workplace

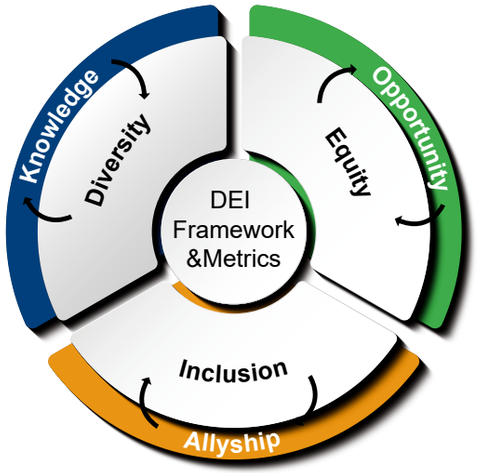
5.3.1 Advantech global diversity and equality policy

To foster workplace diversity and work equality, Advantech has long been promoting global workplace gender equality through measures such as a gender-neutral salary system, fair and impartial performance evaluations and promotion systems, flexible work hours, support for women in management positions, and an emphasis on women's family care. The Company also continues to optimize workplace benefits, including increasing maternity leave to nine weeks (full pay) and paternity leave to ten days (full pay) in 2024.

At Advantech, we make sure that hiring conditions are not influenced by gender, race, religion, political stance, or marital status, and that salary structures are fair and equitable. We have stipulated clear global recruitment strategies to enhance employee diversity. Moreover, through internal diversity training and talent development channels, we continue to mitigate fundamental differences arising from physiological or psychological differences among employees. The Company regularly reviews salary and remuneration-related indicators across different regions and job categories or job bands to build a diverse and equitable workplace.

Advantech formed the Diversity, Equity, Inclusion (DEI) team in 2023 along with its DEI promotion strategy and blueprint.

DEI Framework&Metrics



Raise Awareness

Diversity
- Gender Balance
- Ethnic Diversity
- Disability Representation

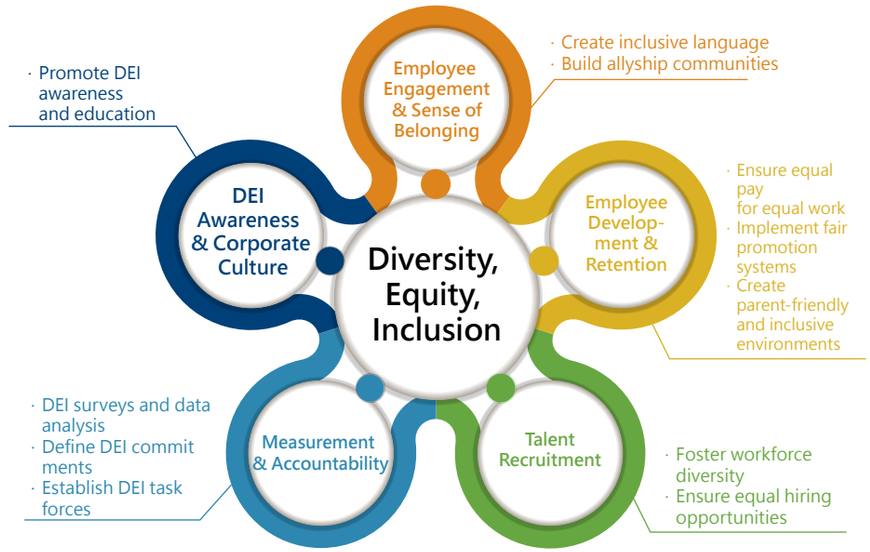
Provide Opportunities

Equity
- Equal Pay for Equal Work
- Equal Promotion Opportunities

Create Belonging

Inclusion
- Employee Satisfaction
- Employee Engagement
- Psychological Safety at Work

DEI Strategy & Guidelines



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

◆ Advantech's DEI team initiatives are reviewed quarterly by the SDC(Sustainable Development Committee) to monitor the progress of various objectives and implementation efforts. The Company has also stipulated execution goals for the next one to three years. Please refer to the following table for Advantech's current DEI initiatives:

DEI category	Indicator	Projects implemented in 2024
Diversity Inclusion	"Ethnic diversity" "Employees' sense of belonging"	Cross-cultural communication workshop: Advantech organizes cross-cultural communication and management workshops to strengthen the cross-cultural collaboration skills of supervisors and employees, particularly their understanding and respect for colleagues from diverse backgrounds, an essential element of multinational teams.
Diversity	"Ethnic Diversity" LGBT	Regardless of gender, legally married employees are entitled to a wedding gift subsidy.
Diversity Equity	"Parent-friendly" Measures to help employees settle in and start their families	Through flexible working hours and the WFA policy, we intend to assist employees in increasing their work-hour flexibility/provide them with practical support to settle and start a family, thereby ensuring they can strike a healthy balance between family and career.
		Organize parent-friendly workshops in 2025 and invite global female colleagues to share their workplace experiences online on International Women's Day.
		Workplace benefits exceeding statutory requirements: Increased maternity leave to 9 weeks (full pay) and paternity leave to 10 days (full pay) in 2024.
Inclusion	"Employees' sense of belonging" Migrant workers	Regarding the hiring and care of migrant workers in Advantech's manufacturing centers, the Company subsidizes relevant pre-employment expenses (including handling fees and airfares) for foreign migrant workers to alleviate their financial burden of applying for a job in Taiwan.
		Our plants have adopted a bilingual policy to maintain smooth communication with foreign colleagues. At the same time, we have also planned Chinese language courses for the foreign migrant workers of our partners to improve communication quality.
		We organize Christmas parties for our Filipino migrant workers in the plants to foster a festive atmosphere.
Inclusion	"Employees' sense of belonging" Indigenous peoples	Indigenous employees can apply for leave according to the time of their respective tribal festivals.
Diversity Inclusion	"Employees' sense of belonging" People with disabilities	Advantech meets or exceeds the legally mandated quota for hiring employees with disabilities and actively supports their career development.

Employee composition (nationality and management level)

	Country	Number of employees	Percentage of employees	Number of supervisors (Manager level and above)	Percentage of supervisors (Manager level and above)
Advantech Global	Australia	27	0.31%	5	0.49%
	Brazil	59	0.67%	5	0.49%
	Canada	14	0.16%	4	0.39%
	China	3,354	37.90%	120	11.66%
	Czech Republic	72	0.81%	8	0.78%
	France	26	0.29%	7	0.68%
	Germany	150	1.70%	21	2.04%
	India	87	0.98%	12	1.17%
	Italy	42	0.47%	9	0.87%
	Japan	204	2.31%	31	3.01%
	Malaysia	62	0.70%	9	0.87%
	Netherlands	147	1.66%	26	2.53%
	Poland	55	0.62%	5	0.49%
	Singapore	35	0.40%	7	0.68%
	South Korea	125	1.41%	22	2.14%
	Taiwan	3,404	38.47%	566	55.00%
	Thailand	26	0.29%	4	0.39%
	United Kingdom	44	0.50%	9	0.87%
	United States of America	394	4.45%	133	12.93%
	Vietnam	48	0.54%	5	0.49%
	Do Not Declared	27	0.31%	3	0.29%
	Others	447	5.05%	18	1.75%
	Total	8,849	100.00%	1,029	100.00%

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

◆ Advantech USA's ethnicity/nationality distribution

Disclose the employee distribution of Advantech USA in accordance with the Sustainability Accounting Standards Board (SASB) regulations.

Advantech USA		Asian	White	Hispanic or Latino	Nat HI or Oth Pac Island	Black or African American	Two or more Races	Declined to Identify	Total
Management level	Number of females	15	9	2	-	-	-	3	29
	Number of males	40	70	6	2	2	2	8	130
	Number of non-disclosed gender	1	2	1	-	-	-	-	4
	Total number of people	56	81	9	2	2	2	11	163
	Proportion	10.4%	15.0%	1.7%	0.4%	0.4%	0.4%	2.0%	30.2%
Technical personnel (R&D personnel)	Number of females	19	4	-	-	-	-	1	24
	Number of males	50	24	4	1	1	1	11	92
	Number of non-disclosed gender	2	-	1	-	-	-	-	3
	Total number of people	71	28	5	1	1	1	12	119
	Proportion	13.2%	5.2%	0.9%	0.2%	0.2%	0.2%	2.2%	22.1%
Other personnel	Number of females	56	25	18	-	6	3	21	129
	Number of males	82	20	5	1	1	1	9	119
	Number of non-disclosed gender	3	2	3	-	-	-	1	9
	Total number of people	141	47	26	1	7	4	31	257
	Proportion	26.2%	8.7%	4.8%	0.2%	1.3%	0.7%	5.8%	47.7%
Total	Total number of people	268	156	40	4	10	7	54	539
	Proportion	49.7%	28.9%	7.4%	0.7%	1.9%	1.3%	10.0%	100.0%

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

◆ Proportion of female employees/supervisors

As a high-tech manufacturer, Advantech recorded a slight increase in the percentage of female executive level supervisors and female employees in STEM (Science/Technology/Engineering/Mathematics) fields compared to the previous year. Since 2023, the statistical scope has been expanded to include global locations of operation, providing more comprehensive and representative data disclosure. In 2022, the scope was broadened to Advantech's six significant locations of operation (including South Korea, Europe, and the United States). Additionally, the definition of "supervisor" in 2022 became more rigorous compared to 2021, with the threshold for junior/management-level supervisors raised from Grade D (Section Manager/Assistant Manager) to Grade E (Manager level) and above.

More than one-fifth of Advantech's management team at our global headquarters (management team - Advantech) consists of female supervisors. In 2017, Ms. Linda Tsai was promoted to President of Intelligent System Sector, becoming one of the Company’ s three Presidents and our highest-ranking female supervisor. Exemplify the spirit of succession and gender equality among professional managers.

In 2024, two indicators met their targets: the "percentage of female in executive level management positions" and the "percentage of female in STEM-related positions". The remaining indicators exhibited a slight decrease compared to last year, primarily due to a rise in the percentage of employees who did not disclose their gender after the personal data disclosure consent procedure was implemented in 2024. In line with the DEI policy, Advantech respects employees’ choice not to disclose their gender. The percentage of employees with undisclosed gender increased from 0.21% to 1.21%. Within various categories, the non-disclosure rate for "percentage of female supervisors", "percentage of female junior/management-level supervisors", and "percentage of female supervisors in profit-generating units" increased to 1.2%, 1.3%, and 1.2%, respectively, thereby leading to a slight decline in the reported figures.

Currently, female employees account for 41.5% of all Advantech employees. In particular, female supervisors account for 21.6% of Advantech's supervisors. In 2025, Advantech Taiwan's target is to increase the percentage of female employees to 42% and the percentage of female supervisors to 24%.

Region	Year	2021	2022	2023	2024	2025 Target
Advantech	Proportion of female employees	41.8%	42.7%	41.8%	41.5%	42.0%
	Proportion of female supervisors	28.0%	21.2%	22.1%	21.6%	24.0%
	Proportion of female junior/management-level supervisors	14.0%	23.6%	23.7%	22.7%	24.0%
	Proportion of female executive level supervisors	2.0%	12.8%	15.9%	17.0%	16.0%
	Proportion of female supervisors in for-profit units (excluding HR, IT, legal affairs, and other support units)	19.0%	16.0%	16.9%	15.9%	17.0%
	Proportion of female STEM positions (science/technology/engineering/mathematics)	22.0%	25.1%	23.4%	24.3%	23.5%

※Note：

(1) Advantech disclosed data for three major regions (Headquarters, China, and Japan) in 2021; in 2022, it expanded the disclosure to six major regions (including Korea, Europe, and the United States); in 2023, it broadened the scope to include all global operating locations.

(2) Advantech conducted the Global Job Band alignment in 2022, where global jobs were divided into bands A to H. Junior/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) As of 2023, the scope of data disclosure was expanded globally 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, resulting in a lower overall proportion of female employees and a lower proportion of female employees in STEM positions in 2023 compared to 2022. Gradual optimization will be implemented in each region.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Diverse employment

Region	Employee diversity indicators		Number of employees	Total number of people	Percentage of employees
Advantech Taiwan	Number of people with disabilities		36	3600	1.00%
	Age distribution	Below 30 years old	465	3600	12.92%
		31-49 years old	2,438	3600	67.72%
		Over 50 years old	661	3600	18.36%
		Undisclosed	36	3600	1.00%
Advantech China	Number of people with disabilities		6	3347	0.18%
	Age distribution	Below 30 years old	508	3347	15.18%
		31-49 years old	2,670	3347	79.77%
		Over 50 years old	165	3347	4.93%
		Undisclosed	4	3347	0.12%
Advantech Japan	Number of people with disabilities		3	240	1.25%
	Age distribution	Below 30 years old	14	240	5.83%
		31-49 years old	95	240	39.58%
		Over 50 years old	123	240	51.25%
		Undisclosed	8	240	3.33%
Advantech Korea	Number of people with disabilities		33	124	26.61%
	Age distribution	Below 30 years old	39	124	31.45%
		31-49 years old	66	124	53.23%
		Over 50 years old	19	124	15.32%
		Undisclosed	0	124	0.00%
Advantech Europe	Number of people with disabilities		4	537	0.74%
	Age distribution	Below 30 years old	68	537	12.66%
		31-49 years old	294	537	54.75%
		Over 50 years old	159	537	29.61%
		Undisclosed	16	537	2.98%
Advantech USA	Number of people with disabilities		11	539	2.04%
	Age distribution	Below 30 years old	48	539	8.91%
		31-49 years old	271	539	50.28%
		Over 50 years old	220	539	40.82%
		Undisclosed	0	539	0.00%

※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 the 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 "differential subsidy fee" to the disabled employment fund of the competent labor authority. Advantech is legally required to employ 37 people with disabilities. As of the end of 2024, the Company employed 36 people with disabilities, resulting in a weighted employment ratio difference of one person. In light of potential fluctuations in the number of employees with disabilities, Advantech will voluntarily hire an additional two people with disabilities to exceed the 1% target. The Company also actively monitors resumes of people with disabilities through government employment assistance agencies to continue maintaining the proportion of employees with disabilities and fulfill its corporate responsibility of offering people with disabilities employment opportunities.

In addition, all employees with disabilities are actively involved in the Company's operations. Before reporting to work, Advantech assist them with commuting routes, work processes, and other practical aspects according to 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 apply their skills.

◆ Employee engagement survey

By upholding a management philosophy of actively caring for employees, Advantech values the opinions and feedback of each colleague and is committed to creating an open, inclusive, safe, and healthy workplace. The Company is consistently guided by its core values, targeting four key aspects such as people-oriented environment, integrity and honesty, excellent innovation, and altruistic contributions. Advantech continually enhances its focus on employee benefits and strengthens two-way communication between the organization and employees through annual employee satisfaction and engagement surveys. This approach fosters a people-oriented work culture and a comprehensive benefits system, shaping a corporate environment that nurtures potential and respects diversity.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

To ascertain employee needs and their overall engagement, Advantech was the first company to introduce an annual company-wide employee satisfaction survey mechanism in China in 2018, paving way for two-way dialogue between the organization and its employees. In 2021, the survey scope was expanded to include the European region (covering all non-management employees) and the Taiwan region (via a representative sample of 50 individuals), gradually establishing a global survey framework. Since the launch of the survey, the annual satisfaction and engagement index has remained consistently above 90%. In 2021, the survey achieved a global coverage rate of approximately 72.1%, serving as a critical foundation for the Company to enhance employee relations and optimize the workplace.

In 2023, Advantech consolidated and optimized survey mechanisms across its global locations, designing a standardized questionnaire comprising seven key aspect and 35 questions, available in four languages. The survey scope covered 20 countries/regions globally, including the six significant locations of operation: Advantech Headquarters, China, Japan, South Korea, Europe, and the United States.

In 2024, Advantech fine-tuned its survey planning by restructuring the assessment framework and commissioning a well-known consulting firm to conduct the employee engagement survey. The questionnaire design encompassed four major themes and twelve aspects (Figure 5.3.1) and was administered in ten languages across six significant locations of operation. The survey collected opinions and feedback from employees across all global plants/units, while the goals and outcome of relevant analyses will be disclosed as a valuable reference for continuously enhancing employee engagement and organizational cohesion. In the 2024 employee engagement survey, all regions were covered, with 8,890 employees invited to participate. A total of 7,116 responses were received, resulting in a response rate of 80% and an overall employee engagement score of 85%.

5.3.1: Employee engagement survey response conditions of various regions: by gender

Region	The number of people who should fill out the questionnaire	Number of respondents	Male	Female	Gender Undisclosed	Response rate	Engagement %
Headquarters (Taiwan)	3616	2970	1595	1325	50	82%	79
Advantech China	3323	2905	1553	1323	29	87%	96
Advantech Japan	242	194	132	55	0	80%	44
Advantech Korea	130	123	78	44	0	95%	73
Advantech Europe	622	353	230	107	16	57%	73
Advantech USA	535	275	173	82	20	51%	78
Other regions	422	296	191	96	9	70%	84
Total	8890	7116	3952	3032	124	80%	85

※Note：
(1) The overall engagement statistics are the outcome of a weighted calculation: sum of (engagement by region * number of respondents by region)/total number of respondents
(2) The number of people who should fill out the questionnaire include all Advantech employees, including interns and cooperative education students. (This scope was included for the first time in 2024)
(3) The engagement rate calculation method at Advantech China's Kunshan plant was revised in 2024.

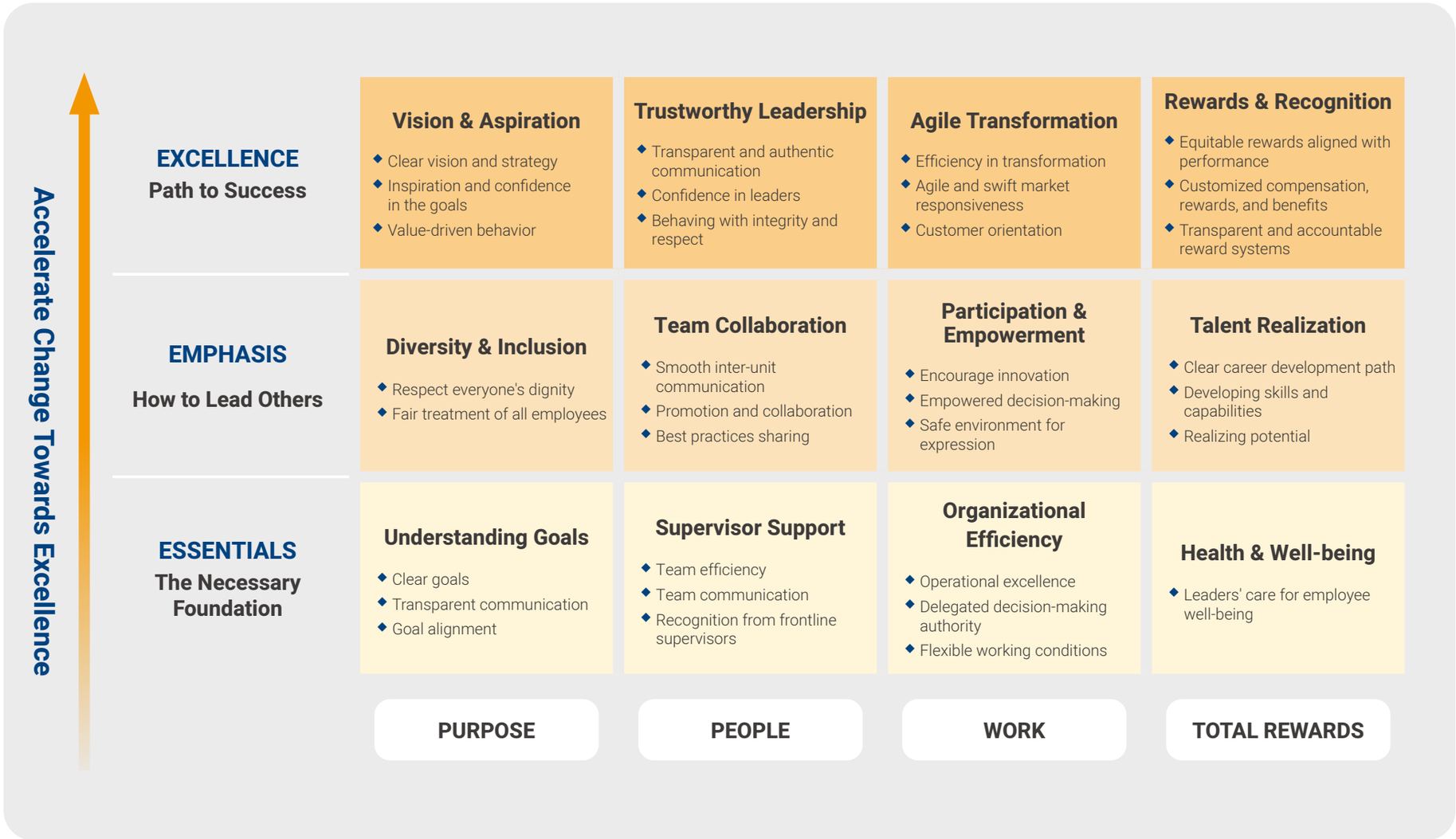
Employee Engagement Survey Follow-up Refinement Plan

Item	Description
Sustainable engagement	Advantech Japan has demonstrated significantly poor performance in sustainable engagement. The Company will review market benchmark trends in employee benefits and its existing internal practices as a basis for planning and optimizing its engagement strategies and measures.
Employee experience	(1) In terms of various aspects of the employee experience, our colleagues outperform their peers in the global high-tech industry, particularly in their recognition of the Company's mission, vision, and strategy. Compared to other high-performing companies in the world, we can optimize the non-monetary rewards within our overall remuneration package and the communication of our benefits initiatives. (2) Advantech China colleagues demonstrate very high levels of recognition across all aspects of the employee experience. In addition to acknowledging the Company' s effective change management, they also express significantly higher satisfaction with the overall remuneration package compared to peers in China' s high-tech industry.
Care for non-management employees	More attention should be paid to the relatively lower engagement and retention intent among non-management employees. The interactive communication processes allows us to demonstrate our care for colleagues. Also, diverse training formats such as online courses, workshops, internal training, and external training are provided accommodate different learning styles and needs.
Facilitate the development of middle-aged and senior/senior talent	The challenges and needs faced by colleagues aged 50 and above in the workplace will be addressed through assistance in job skills and career development, with the aim of enhancing the overall employee experience.

Furthermore, in conjunction with the Corporate Strategy Transformation 2030 (CST 2030) vision, we are promoting a competency-based structured training system to better utilize talent.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Figure 5.3.1 The goal and theme of the 2024 employee engagement survey



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

5.4 Human Rights Protection

5.4.1 Employee Human Rights and Employee Rights Protection

Human Rights Management and Commitment

Advantech has stipulated 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. We take 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 devised human rights management processes and mechanisms (Figure 5.4.1), regularly conducting impact assessments and management improvements for relevant stakeholders. 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 topic, identifying high-risk groups for targeted management. In 2024, there were no reported cases of discrimination or harassment.

Meanwhile, Advantech employees must comply with the "Advantech Code of Conduct Implementation Guidelines", which includes labor standards, humane treatment, prohibition of child labor, and non-discrimination against employees, stipulating that employees must not engage in any discriminatory or other human rights-violating behaviors. To make sure that all employees understand and comply with the above policies, the Company conducts the "Advantech Integrity Business Code" and compliance education and training every year. These include provisions for the Company to provide proper whistleblowing channels for employees to report misconduct and disciplinary actions, and to strictly maintain the confidentiality of the whistleblower's identity and the reported content. In 2024, "Advantech Integrity Business Code" education and training reached 100% (indirect employees), achieving a training completion rate of 97.2% (for 6,185 global indirect employees). For employees who have not yet completed the training, the system will notify both them and their immediate supervisors at the beginning of each month, enabling supervisors to remind their subordinates to complete the training 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

We support a wide range 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 rights such as employee equality in various regions. In 2024, Advantech's global freedom of association coverage rate reached 94.7% (100% was not achieved because information for other regions has not been collected Noteyet).

- In Europe, worker councils were started by employees in some regions of Advantech Germany (Advantech Europe BV and Advantech GmbH) and Advantech Netherlands. Employee representatives are elected regularly, and the council holds 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 freedom of association and are free to 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 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 benefits-related issues through Employee Welfare Committee representatives. Advantech headquarters is equipped with an Employee Welfare Committee, and quarterly labor-management meetings are convened in various headquarters locations (Neihu Rui-Guang Headquarters, Neihu Yang-Guang Building, and Linkou plants) to communicate labor rights (including salary, attendance, and benefits), listen to colleagues' feedback, as well as discuss and decide on various key topics.

Advantech strives to minimize human rights, conflicts, hence it has implemented the following management measures on employees, suppliers, and customers. The relevant regulations are also disclosed. The investigation revealed that none of Advantech's locations of operation or suppliers are exposed to risks related to freedom of association and collective bargaining.

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

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix



Figure 5.4.1 Human Rights Management Process and Mechanism



Figure 5.4.2 Reporting and Grievance Process

Whistle-blowing 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 formulating the "Prevention Plan for 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 mechanism: When employees experience unlawful physical or mental harm while performing their duties, they can fill out and submit the Unlawful Infringement in the Workplace Reporting and Handling Form to supervisors at all levels (or the HR unit), or lodge grievances through the grievance channels (telephone, fax, e-mail) on the company policy page of the Company's intranet website, which will be handled by dedicated personnel.
- 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, as outlined in Figure 5.4.2 Reporting and grievance process.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

5.4.2 Human Rights Due Diligence

Employees are the foundation on which corporate values are realized, and they are also an essential driving force behind Advantech's sustainable development. To fulfill corporate social responsibility and respond to the international emphasis on corporate human rights governance, Advantech follows international human rights standards such as the "United Nations Universal Declaration of Human Rights", the "United Nations Global Compact", the United Nations Guiding Principles on Business and Human Rights", and the "International Labour Organization's Declaration on Fundamental Principles and Rights at Work." Based on these, we have formed a comprehensive human rights due diligence system covering employees, suppliers, contractors, and joint ventures. The investigation outcome can be used as an important basis for identifying potential human rights-related risks, implementing mitigation measures, and bolstering the management system.

Advantech has established clear due diligence intervals and target groups. Assessments for employees, contractors, and joint venture companies are conducted every three years, while human rights risk assessments for tier 1 suppliers are carried out every two years. Since launching comprehensive human rights due diligence in 2022 for the first time, we have progressively strengthened our human rights governance practices. In 2025, we expect to broaden the scope of our human rights due diligence efforts.

Human Rights Due Diligence: Employees

Firstly, Advantech, by referring to the United Nations and relevant international human rights topics, has identified a list of human rights risk topics relevant to stakeholders, including forced labor, child labor, privacy, freedom of association, protection of labor conditions, as well as non-discrimination, and diversity and inclusion.

List of human rights risk topics (employee)			
Forced labor	Freedom of association	Protection of labor conditions	Freedom of speech
Human trafficking	Equal pay for equal work	Right to health	Personal freedom and safety
Child labor	Non-discrimination, diversity, and inclusion	Privacy	

◆ Questionnaire design and scope

The assessment tool is in the form of a questionnaire that covers two core evaluation aspects: "likelihood of occurrence of human rights risks" and "severity of impact". Eleven risk topics were systematically identified and assessed to construct a risk matrix as the basis for subsequent governance.

Item	Description	
Assessment aspect	1.Likelihood of occurrence 2.Severity of impact	
Score description	1.Likelihood of occurrence 1=Will not occur 2=Low probability (1–30%) 3=Moderate probability (31–60%) 4=High probability (above 61%)	2.Impact severity 1=No impact 2=Not severe 3=Severe 4=Very severe
Survey participants	Executive level supervisors at headquarters and HR representatives of subsidiaries (representing the entire workforce)	
Number of questionnaires distributed	31	
Number of questionnaires received	24	
Response rate	77%	
Global region coverage rate	94.8%	

The results of this survey indicate that the likelihood of human rights risks occurring at Advantech is low (averaging below level 2 in likelihood of occurrence) and not severe (averaging below level 3 in severity). This is particularly true at the main manufacturing sites—Linkou Plant in Taiwan, Kunshan Plant in China, and the Japan locations all of which have passed the RBA (Responsible Business Alliance) code of conduct certification further verifying the robustness of the human rights protection systems and the effectiveness of their implementation on-site.

To enhance risk visualization analysis, Advantech averages the sum of the likelihood of occurrence and the severity of impact for each human rights issue, using these averages as the X-axis (likelihood of occurrence) and Y-axis (severity) coordinates of a risk matrix. The relative position of each issue within this risk matrix is used to determine its relative risk level and identify high-priority management items.

Despite the relatively low overall risk distribution, Advantech continues to exercise prudence by highlighting the three risk topics with the highest scores below based on the assessment outcomes:

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Risk topic	Risk scenario des
Privacy	Due to vulnerabilities in information and cyber security systems, negligence in information control, or failure to provide adequate notification, the risk of employee personal data leakage has increased.
Equal pay for equal work	Employees with comparable skills and experience may face differential treatment based on factors such as gender, age, or geographical origin, resulting in inconsistent pay for equal work.
Non-discrimination, diversity, and inclusion	Providing unfair treatment unrelated to an individual's job performance during employee recruitment, promotion, and compensation. Treated unfairly based on criteria such as nationality, race, gender, age, political affiliation, and disability.

According to the survey outcome, Advantech has implemented a comprehensive human rights risk management system, which is being extended to global locations of operation and value chain partners to reinforce overall protection and response mechanisms.

In 2024, the Company did not discover any human rights-related violations or disputes, nor was there any need for compensatory actions, indicating that the existing system effectively performs its preventive and protective functions.

Human Rights Due Diligence: Suppliers

◆ Investigation methodology

To ensure the sustainable resilience of the supply chain and fulfill its human rights responsibilities, Advantech proactively identifies and manages potential human rights topics among PVL suppliers. The investigation follows international human rights standards and the "United Nations Guiding Principles on Business and Human Rights", led by the Supplier Sustainability Management Sourcing Department. Below is a list of identified supply chain-related human rights risk issues (excerpted from the Advantech Supplier ESG Risk Assessment Form). 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.

List of human rights risk topics (supplier)		
A0. Commitment, management system, and compliance	A2.Young workers (includes the topic of child labor)	A4. Salary and benefits
A1. Freedom to choose an occupation (includes the topic of freedom of association)	A3. Working hours (includes the topic of forced labor)	A5. Humane treatment and nondiscrimination

Suppliers must conduct self-assessments on the foregoing topics, outline their preventive measures and mitigation plans, and provide the necessary supporting documentation. Survey participants include all tier 1 suppliers, and the Advantech quality team will conduct document audits and risk confirmation for each one.

◆ Respondents/coverage rate

- In 2022, 270 key Tier-1 suppliers were assessed, covering 100% of key Tier-1 suppliers that year.
- In 2024, the ESG assessment scope was expanded to all Tier-1 suppliers. 1,127 Tier-1 suppliers were included (100% coverage), with 873 completed responses received (77.5% of all Tier-1 suppliers). This includes 284 key/strategic Tier-1 suppliers, all of whom submitted responses (100% response rate).

Year	Evaluation subjects	Total number of suppliers	Coverage rate
2022	Key Tier 1 suppliers	270	100%
2024	Tier 1 suppliers	1,127	100%

◆ Survey results and improvements

Based on the 2024 assessment, three suppliers (0.34%) were classified as high human-rights risk. The main deficiencies are as follows:

Item code	Details of main deficiencies
A1.1	There are no requirements prohibiting the use of forced, bonded (including debt bondage), or compulsory labor; nor are there prohibitions against involuntary or exploitative prison labor, slavery, or human trafficking.

- All the above deficiencies 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.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Human Rights Due Diligence: Contractors

Advantech places great importance on the protection of human rights for all partners involved in its operations and includes contractors in its human rights due diligence process to ensure that outsourced operations comply with regulations and respect labor rights.

◆ Investigation methodology

First, Advantech' s Corporate Quality and Management Department identifies a list of human rights risk issues relevant to contractors, based on the United Nations and other international human rights frameworks. Contractors must conduct self-assessments of their preventive measures and mitigation plans for these risks and provide the corresponding supporting documents. These documents are individually audited and reviewed by Advantech' s Quality Team.

List of human rights risk topics (contractor)		
Commitment, management system, and compliance	Young workers (includes the topic of child labor)	Salary and benefits
Freedom to choose an occupation (includes the topic of freedom of association)	Working hours (includes the topic of forced labor)	Humane treatment and non-discrimination

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

◆ Respondents/coverage rate

Year	Scope of evaluation subjects	Number of participants	Coverage rate
2022	All contractors	17	8.9% (17/192 contractors)

Advantech's triennial re-evaluation of human rights risks for employees, contractors, and joint ventures will be carried out in 2025.

◆ Survey results and improvements

According to the current survey results none of the assessed contractors were found to have human rights-related risks. Advantech will continue to strengthen audit intervals and early warning mechanisms to ensure that the implementation of human rights responsibilities extends to every aspect of its operations.

Human Rights Due Diligence - Joint Ventures (JV)

In light of the increasing complexity of corporate investment activities, Advantech vigorously expands human rights considerations into the corporate governance of its joint ventures. The Company conducts systematic human rights risk identification and investigation to ensure that corporate values are consistently upheld across inter-company governance.

◆ Investigation methodology

First, Advantech' s Corporate Quality and Management Department identifies a list of human rights risk issues relevant to joint ventures, based on the United Nations and other international human rights frameworks. Joint ventures must conduct self-assessments of their preventive measures and mitigation plans for these risks and provide the corresponding supporting documents. These documents are individually audited and reviewed by Advantech' s Quality Team.

◆ Respondents/coverage rate

Year	Scope of evaluation subjects	Coverage condition
2023	Joint ventures with a shareholding ratio of 10% or more and an investment amount exceeding NTD 100 million	A total of 10 joint ventures were assessed, accounting for 37% of all joint ventures in 2022

List of human rights risk topics (joint ventures)		
Commitment, management system, and compliance	Young workers (includes the topic of child labor)	Salary and benefits
Freedom to choose an occupation (includes the topic of freedom of association)	Working hours (includes the topic of forced labor)	Humane treatment and non-discrimination

◆ Survey results and improvements:

Among the joint ventures assessed, no company was identified as having human rights risks. In the future, we will continue to ensure the fulfillment of responsibilities and the implementation of human rights protections across all levels of organizational governance.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Human Rights Risk Management (Mitigation and Remediation)

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

Target audience	Topic identification	Current status of human rights issues (Due diligence)	Mitigation/management measures (Mitigation Actions)	Target management	Voluntary disclosure of location
Employee	Privacy	(Applicable globally) "Advantech Employee Code of Conduct" (Identity protection, prevention of retaliation & data confidentiality)	(Applicable globally) 1. Annual information and cyber security online education and training 2. To enhance VPN connection security, employees are requested to install the Forestcout information and cyber security software 3. Personal data protection handbook	(Applicable globally) No leakage of employee and customer privacy data	(Applicable globally) 1. Advantech ESG official website"Advantech Human Rights Commitment and Policy" 2. "Advantech Employee Code of Conduct" 3. "Advantech Personal Data Protection and Management Measures"
	Equal pay for equal work	(Applicable globally) 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 regulations include the "Labor Standards Act", "Gender Equality in Employment Act", and "Employment Service Act". We have established the DEI Team, which reports to the Sustainable Development Committee every quarter.	(Applicable globally) 1. For new employee hires with work experience, their job band and salary can be determined by referencing the education and experience of current the Company's employees with similar backgrounds. 2. Annual salary adjustment & bonus: The HR 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.	(Applicable globally) 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.	(Applicable to Taiwan) 1. Advantech Sustainability Report 2. Advantech makes announcements on recruitment websites (such as 104 Job Bank, etc.) 3. Remuneration and Bonus Management and Implementation Regulations 4. Recruitment and Employment Management Regulations 5. Performance Management and Ranking Regulations
	Non-discrimination, diversity, and inclusion	(Applicable globally) In the global employee satisfaction survey, employee feedback on a workplace that is free from discrimination and sexual harassment is higher than average. (Applicable to Taiwan) HR Dashboard monitors work diversity and workforce distribution data (e.g.: gender ratio, workforce age distribution, distribution by job category, etc.) • Maternity leave/paternity leave is better than the legal requirement • Race and cultural communication training course	(Applicable globally) 1. The non-discrimination clause in the Human Rights Guidelines provides for equal opportunities in terms of external public recruitment and internal transfers. 2. 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, job band or position, nationality, or age.	(Applicable globally) 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.	(Applicable globally) 1. Advantech ESG official website - "Advantech Human Rights Commitment and Policy" 2. Advantech "Anti-discrimination and Anti-harassment Policy" 3. Global employee engagement survey 4. RBA Validated Assessment Program (VAP) operations manual (Applicable to Taiwan) 1. Advantech "Gender Equality in Employment Act" 2. Labor Standards Act

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Target audience	Topic identification	Current status of human rights issues (Due diligence)	Mitigation/management measures (Mitigation Actions)	Target management	Voluntary disclosure of location
Female	Sexual harassment prevention & workplace Zero discrimination	(Applicable globally) Following the guidelines in the RBA Validated Audit Process (VAP) Operations Manual, Advantech regularly conducts internal and external audits, as well as supplier audits. (Applicable to Taiwan) 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.	(Applicable to Taiwan) 1. According to the Advantech "Gender Equality in Employment Act", we have formed the Gender Equality in Employment Committee and formulated the "Regulations for the Prevention of Workplace Sexual Harassment, Grievance Procedures, and Disciplinary Actions". The regulations were promoted through meetings and emails. 2. Through the organization of labor (occupational) safety and health and occupational health personnel, we implemented the Advantech "Environmental and Occupational Health and Safety Policy" regulations and Advantech "Prevention Plan for Unlawful Infringement During the Performance of Duties."	(Applicable globally) In 2024, there were no reported cases of discrimination or harassment	(Applicable globally) "Advantech Employee Code of Conduct" (Applicable to Taiwan) 1. "Regulations for the Prevention of Workplace Sexual Harassment, Grievance Procedures, and Disciplinary Actions" 2. "Prevention Plan for Unlawful Infringement During the Performance of Duties" and Unlawful Infringement in the Workplace Reporting and Handling Form
Indigenous peoples	Non-discrimination, diversity, and inclusion	(Applicable to Taiwan) 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.	(Applicable to Taiwan) Advantech allowed indigenous employees to apply for public leave during the Indigenous Harvest Festival in accordance with the Labor Standards Act.	(Applicable to Taiwan) No complaints of discrimination against indigenous people were received	(Applicable to Taiwan) 1. Labor Standards Act 2. Advantech Sustainability Report 5.3 Diversity, Equality and Inclusive Workplace
Child & forced labor	Child labor was prohibited & there was no forced labor/human trafficking	(Applicable globally) Advantech regularly conducted internal and external audits and supplier audits in accordance with the guidelines in the RBA Validated Assessment Program (VAP) operations manual.	(Applicable globally) 1. 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. 2. All of Advantech's PVL suppliers and new suppliers must sign the "Advantech's Supplier Code of Conduct", which stipulates that suppliers should strive to protect labor human rights according to internationally recognized standards.	(Applicable globally) 1. In 2024, Advantech and its suppliers achieved zero child labor and zero forced labor 2. In 2024, all of Advantech's PVL suppliers and new suppliers were required to sign the "Advantech's Supplier Code of Conduct" 3. Passed internal and external audits and audits of existing suppliers in 2024	(Applicable globally) 1. Advantech ESG official website - "Advantech Human Rights Commitment and Policy" 2. Advantech supplier Code of Conduct 3. RBA Validated Assessment Program (VAP) operations manual

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Target audience	Topic identification	Current status of human rights issues (Due diligence)	Mitigation/management measures (Mitigation Actions)	Target management	Voluntary disclosure of location
People with disabilities	Employment of people with disabilities	(Applicable to Taiwan) Regularly monitored the number of employees with disabilities monthly according to labor laws and regulations	(Applicable globally) 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, job band or position, nationality, or age.	(Applicable to Taiwan) According to Taiwan's "People with Disabilities Rights Protection Act", the number of employees with disabilities with the 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 "differential subsidy fee" to the disabled employment fund of the labor competent authority.	(Applicable globally) 1. Advantech ESG official website - "Advantech Human Rights Commitment and Policy" 2. Advantech ESG Report 5.3 Diversity, equality and inclusive workplace
Migrant workers	Zero discrimination in hiring / Hiring compliance	(Applicable globally) Advantech regularly conducted internal and external audits according to the guidelines in the RBA Validation Procedures (VAP) operation manual.	(Applicable globally) 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.	(Applicable globally) Zero discrimination in hiring foreign migrant workers Passed external RBA audit	(Applicable globally) 1. Advantech ESG official website - "Advantech Human Rights Commitment and Policy" 2. Advantech Group Employee Handbook 3. Advantech Sustainability Report 5.3 Diversity, Equality and Inclusive Workplace
Employees of third-party contractors	Comply with the Supplier Code of Conduct	(Applicable globally) Advantech regularly conducted PVL suppliers and new supplier audits according to the guidelines in the RBA Validation Procedure (VAP) operation manual.	(Applicable globally) 1. Comply with various social responsibility standards and the regulations of local competent authorities 2. Prohibition of child labor and forced labor 3. Provide a healthy and safe workplace 4. Promote labor-management cooperation 5. 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. 6. Reject any form of corruption, extortion, blackmail, and bribery	(Applicable globally) Sign a Supplier Code of Conduct Agreement with third-party contractors	(Applicable globally) "Advantech's Supplier Code of Conduct"

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

5.5 Occupational Health and Safety

Name of material topic	Describe the importance of this material topic to Advantech
Occupational health and safety	Advantech places great importance on occupational health and safety management, as it not only protects employees but also impacts the Company's operational efficiency and reputation.
Management strategy	◆ Reinforce education and training, establish an occupational health and safety culture ◆ Implement risk identification procedure and evaluate potential risks ◆ Lower the hazard of potential risks and enhance the effectiveness of opportunity development ◆ Increase the intensity of inspections at all plant and office locations
Policy or commitment	The Company is dedicated to improving occupational health and safety, achieving zero occupational accident and total health care, fulfilling our responsibilities as a corporate citizen, and realizing corporate sustainability.
Positive impact	This allows us to enhance our risk management skills, implement effective safety and health measures, significantly minimize occupational injuries and diseases, and thereby elevate work efficiency and morale. At the same time, it can also increase our corporate reputation and brand image.
Negative impact	Inadequate management can lead to negative impacts such as increased costs caused by property loss, employee dissatisfaction, lowered work efficiency, and damage to corporate reputation, etc. Advantech's countermeasures against potential negative impacts are outlined as follows: ◆ Main production plants have all established and passed ISO 45001 management system certification ◆ Provide mandatory education and training on occupational health and safety, and employees are required to complete the tests. Furthermore, occupational health and safety related lectures and briefings are held from time to time.
2024 target achievement overview	◆ Number of major occupational accidents: 0 ◆ No records of fines/penalties imposed by competent authorities due to occupational safety incidents. ◆ No major nonconformities were identified in external audits
2025 Goals	◆ Number of major occupational accidents: 0 ◆ Main production plants have established and passed ISO 45001 management system certification
2030 Goals	◆ Number of major occupational accidents: 0
Key action plans or programs in 2024	◆ The headquarters (Linkou Plant, Taiwan) has launched a fire-related business continuity plan project, strengthening emergency response capabilities through scenario-based simulations and drills. ◆ Expand the emergency response team and design regular emergency evacuation drills to familiarize employees with the emergency response plan, evacuation routes, roll call procedures, and other relevant protocols.
Effectiveness assessment	◆ Identify operations with higher risks through safety and health identification, propose feasible management solutions, implement improvement measures, and make sure they are completed by verifying their effectiveness. ◆ Pass the external audit by a third-party verification company, maintaining compliance with ISO 45001:2018 for operations within the scope of implementation standard requirements. ◆ The Headquarters in Taiwan holds quarterly occupational health and safety review meetings, attended by the President and Chief Operation Officer/COO.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Name of material topic	Describe the importance of this material topic to Advantech
Stakeholders impacted by the material topic and actions implemented by Advantech	◆ Employees: We provide a mandatory online occupational health and safety course for our employees, and they must complete a test after the course. Moreover, the Company holds occupational health and safety-related workshops and briefings from time to time to facilitate internal communication. ◆ Customers: Respond to customer questionnaires and audits, and provide relevant supporting records as necessary. ◆ Suppliers and contractors: All suppliers are required to fill out the Environmental Safety and Health (ESH) Commitment Statement, as well as conduct hazard awareness education, training, and audits for contractors entering the plants. ◆ Shareholders and investment institutions: Disclose the Company's occupational health and safety-related performance through the Annual Report and Sustainability Report. ◆ Partners: Respond to partners' inquiries and provide supporting records as necessary. ◆ Competent authorities: Respond to government agencies' inquiries and provide supporting records as necessary.

Shape an occupational health and safety culture

Through commitment and action, Advantech strives to create an occupational safety and health culture. Adopting a core strategy of promoting occupational health and safety management, the aim is to minimize workplace accidents by enhancing safety awareness, behaviors and habits, and fostering a strong safety culture. The headquarters not only complies with regulations in Taiwan but also pays attention to important global occupational health and safety-related topics to create a healthy and injury-free workplace, in turn decreasing impacts and risks on stakeholders. Therefore, the priority is to establish an occupational health and safety management system that controls risks and enhances employees' safety awareness, with the goal of creating a healthy, safe, accident-free, and high-quality workplace.

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

Advantech is committed to providing a safe and healthy workplace. We have established and implemented an ISO 45001–compliant Occupational Health and Safety Management System (OHSMS) and, in 2024, required every plant to adopt systematic management in accordance with ISO 45001. Our Occupational Health and Safety Management Policy was approved by the Board of Directors, implemented company-wide, and publicly disclosed on our website.

The OHSMS covers all workers, including Advantech employees and non-employee workers. From the corporate level down—and across regions—dedicated OHS personnel operate under the ISO 45001 framework, responsible for planning, implementation, supervision, and auditing to ensure the system's effective operation.

Figure 5.5.1 Certification of Advantech's global significant locations of operation

Factory	Headquarters (Taiwan)	Advantech Kunshan	Advantech Japan	Advantech Korea	Advantech USA	Advantech Europe
ISO 45001:2018	◎	◎	–	–	◎	◎

Occupational health and safety committee

Committee members	Key initiatives	Management actions
◆ Management representatives ◆ Representatives of various plants ◆ Meetings are convened quarterly	◆ Health and safety management ◆ Education and training implementation ◆ Health management and health promotion ◆ Hazard prevention assessment ◆ Occupational hazard investigation	◆ Health and safety audit ◆ Machinery, equipment, or raw material hazard prevention ◆ Health and safe proposal implementation ◆ Education and training implementation plan (electrical safety, fire safety, etc.)

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Occupational health and safety performance indicators/measures

Regulatory Identification	Regulatory identification is carried out quarterly to identify new or revised regulations, the suitability and compliance of plants, as well as monitor and verify the improvement status..
Occupational Injury Reporting	Monthly reporting is performed with the goal of "zero occupational accidents". There were eight reported occupational accident cases in the Taiwan region in 2024 (excluding commuting accidents). Internal investigations were completed and necessary improvement measures were carried out within a month of each incident.
Audits by competent authorities	Throughout the year, no violations were identified during audits that required corrective actions before deadlines or resulted in any fines.
Internal and External Audits	In the current year, internal audits identified 12 nonconformities and 38 observations. External audits revealed 1 minor nonconformities and 18 observations. The relevant responsible units are actively implementing corrective actions to address these findings.
Operating environment monitoring	Biannual assessments were conducted regarding the work environment and the exposure of workers, including monitoring chemical factors such as isopropanol, acetone, xylene, hexane, and CO2, as well as physical such as noise and lighting.
Contractor Management	For contractors, standard operating procedures (SOPs) and inspection forms have been formulated for various stages, including plant entry applications, personnel hazard notifications, work applications, high-risk operation applications, as well as before-, during-, and after-work inspections. These procedures are also incorporated into routine inspection and audit checklists. This year, there were no contractor-related accidents in the workplace.
Occupational safety and health 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. In total, 8,633 employees received a total of 14,446.5 hours of training.
Chemical Management	Chemical management follows a tiered approach, involving regular reviews and evaluations of potential hazards and risks. This is complemented by self-inspections of organic solvent operations at worksites. In 2024, an online chemical management system was adopted to enable real-time monitoring of chemical inventory changes.
Regular inspection of equipment and machinery	Conduct regular, key, and operational inspections of machinery and equipment, as well as operations-related processes. By identifying potential defects through automated inspections in advance, preventive measures can be taken to avoid occupational accidents and ensure the workers' safety and health.
Occupational health and safety inspection	Occupational safety and health inspections are categorized into six areas: (1) contractor management, (2) chemical handling safety, (3) electrical safety, (4) workplace environment safety, (5) 6S environmental management, and (6) emergency preparedness (including fire safety). Inspections conducted from time to time help identify and rectify deficiencies, thereby fostering a safer working environment.
Occupational Health and Safety Management review meeting	Regularly convene management review meetings in accordance with the ISO 45001 management system. Report the occupational health and management achievements of various regions to the supervisor and propose relevant improvement measures.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Hazard Identification and Risk Assessment

To prevent occupational accidents, the Company has established a procedure for identifying environmental aspects and occupational health and safety risks and opportunities. This procedure evaluates the hazards and risks that operational activities may pose to employees, stakeholders, or the workplace, identifying risks that need to be controlled and opportunities for improvement. Based on the identified parameters, an occupational safety and health impact analysis is carried out, Based on the results of the risk identification and assessment, prioritize the risk and identify those requiring action plans, feasible and optimal control measures are determined in the following order: elimination, substitution, engineering control, administrative control, and personal protective equipment. Management plans and quantified targets are formulated to implement monitoring, control, and improvement. We have identified high-risk work environments, such as those involving hazardous chemicals, excessive noise, and ionizing radiation. For personnel operating in these environments, we provide appropriate personal protective equipment and conduct regular specialized health check-ups to monitor and safeguard their well-being. Regarding potential hazards and risks in the workplace, we also comply with Article 18 of the Occupational Safety and Health Act and Article 25 of the Enforcement Rules of the Occupational Safety and Health Act concerning the criteria for "potential imminent danger". Employees are informed that if they encounter a situation posing an imminent danger during work, they may, without penalty, evacuate to a safe location after reporting the danger immediately. This policy further reinforces our commitment to ensuring employee safety and health.

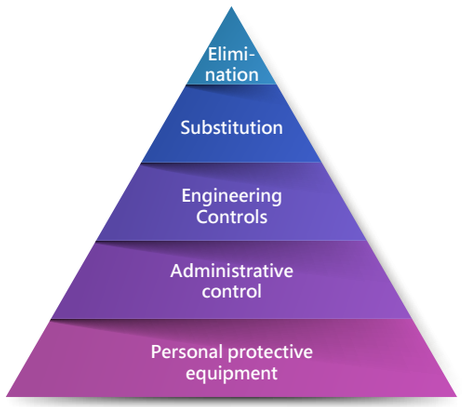
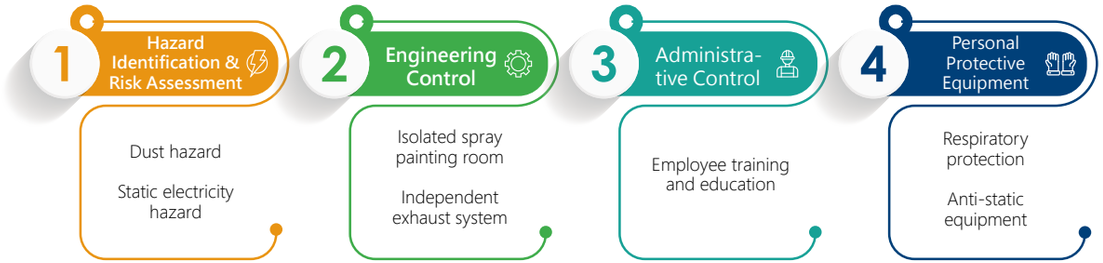


Figure 5.5.1 Risk assessment of Advantech China Kunshan plant's painting operation: transitioning from "wet coating operation" to "powder coating operation"



Incident Reporting Investigation Procedures

Advantech strives to achieve the ultimate goal of "zero accidents in the workplace" and has established the "Occupational Incident Investigation and Handling Regulations" to regulate relevant procedures such as incident reporting, incident investigation responsibilities, subsequent improvement actions, and preventing similar accidents from occurring again.

Figure 5.5.2 Advantech incident reporting and investigation procedures



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Advantech Employee Occupational Injury Statistics

2024	Headquarters (Taiwan)	Advantech China	Advantech Japan	Advantech Korea	Advantech Europe	Advantech USA
Total Work Hours	7,305,088	6,700,000	443,664	245,024	916,692.3323	1,083,680
Total Number of Occupational Injuries	11	4	0	0	2	0
Occupational injury categories	Cutting/ Falling/Other	Contusion/ Other	x	X	Rolling/Other	x
Working days lost due to occupational injuries	61	202	0	0	7	0
Disabling injury frequency rate (FR)	1.51	0.60	0	0	2.18	0
Disability Injury Severity Rate (SR)	8	30	0	0	8	0
Occupational injury fatality rate	0	0	0	0	0	0
Occupational disease fatality rate	0	0	0	0	0	0
Severe occupational injury rate	0	0	0	0	0	0

※ Notes:
1. Total working hours (headquarters) = Total working hours are based on monthly reports from OSHA, MOL.
2. Other regions/total working hours = Number of people in each region x number of workdays per year x number of hours worked per day
3. FR = (Total number of injury losses × 1,000,000) ÷ Total hours worked (rounded to two decimal places)
4. SR = (Total number of lost workdays due to injury × 1,000,000) ÷ Total hours worked (disregarding decimal places)
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 diseases: Certified by occupational medicine physicians, local labor competent authorities, or OSHA, MOL.
8. Occupational Injury Absenteeism Rate = (Total Number of Absenteeism Days Due to Occupational Injury/Total Number of Workdays) x 100%
9. Serious occupational injury rate (AR) = Injuries where workers are unable to recover to their pre-injury health status within six months, excluding fatalities.
10. The above data excludes commuting accidents.
11. The end date for headcount statistics is December 31, 2024.

Non-Advantech employee occupational injury statistics

2024	Headquarters (Taiwan)	Advantech China	Advantech Japan	Advantech Korea	Advantech Europe	Advantech USA
Total Work Hours	135,744	27,940	159,264	1,976	9,000	29,120
Total Number of Occupational Injuries	0	0	0	0	0	0
Occupational injury categories	X	X	X	X	X	X
Working days lost due to occupational injuries	0	0	0	0	0	0
Disabling injury frequency rate (FR)	0	0	0	0	0	0
Disability Injury Severity Rate (SR)	0	0	0	0	0	0
Occupational injury fatality rate	0	0	0	0	0	0
Occupational disease fatality rate	0	0	0	0	0	0

※ Notes:
(1) Non-Advantech employees: Security personnel, janitors, caterers, and temporary workers.
(2) Total working hours (headquarters) = Total working hours are based on monthly reports from OSHA, MOL.
(3) Other regions/total working hours = Number of people in each region x number of workdays 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) Serious occupational injury rate (AR) = 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 OSHA, MOL.
(7) The headcount statistics are up to December 31, 2024.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Categories of occupational injuries for Advantech employees

2024	Headquarters (Taiwan)		Advantech China		Advantech Europe	
Occupational injury categories	Number of injuries	Percentage of injuries	Number of injuries	Percentage of injuries	Number of injuries	Percentage of injuries
Falls	6	0.16667%	0	0.00000%	0	0.00000 %
Collisions	0	0.00000%	0	0.00000%	0	0.00000%
Cuts and lacerations	2	0.05556%	0	0.00000%	0	0.00000%
Contusions	0	0.00000%	1	0.02988%	1	0.18622%
Other	3	0.08333%	3	0.08963%	1	0.18622%
Monthly average number of employees/ number of employees	3,600		3,347		537	

※ Notes:
(1) Headquarters Injury Rate: Number of injured persons/average monthly headcount
(2) Injury rate in other regions: Number of injured persons/number of employees
(3) No occupational injuries occurred at Advantech USA, Advantech Korea, or Advantech Japan.

Absentee rate statistics of Advantech employees

2024	Headquarters (Taiwan)	Advantech China	Advantech Japan	Advantech Korea	Advantech Europe	Advantech USA	Total
Total person-days	873,667	837,500	57,564	33,839	121,098	130,771	2,054,439
Lost work days due to official injury leave	61	202	0	0	7	0	270
Lost work days due to sick leave	2399.5	6126.44	0	53	2254	2982	13814.94
Total lost work days	2460.5	6328.44	0	53	2261	2982	14084.94
Absentee rate	0.28%	0.76%	0.00%	0.16%	1.87%	2.28%	0.69%

※Note:
(1) Absentee rate calculation: (Total days of absence [official injury leave + unpaid sick leave]/total work days) x 100%
(2) Employee absentee rate calculations do not include pre-planned or approved leave, such as personal leave, annual leave, maternity leave, paternity leave, and official leave.

Occupational safety and health education, training and promotion



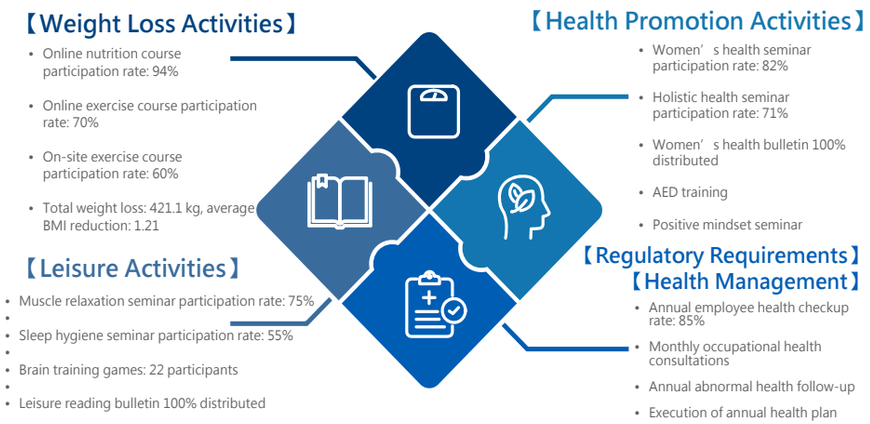




About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Health Management: Building a Workplace that supports employee well-being

In today's fast-changing workplace, businesses' care for employees has shifted from traditional remuneration and benefits to a more holistic approach focused on health management and overall well-being. Employees' physical and mental health not only affects their job performance but also has a direct impact on the Company's overall operations and long-term development. Ensuring employees' well-being goes beyond providing basic healthcare; it also encompasses mental health, work-life balance, as well as the care and support reflected in a company's corporate culture. This not only enhances employees' sense of well-being and loyalty but also reduces absentee rate and turnover, while boosting work efficiency and innovation. Therefore, integrating health management and employee well-being is a key aspect of corporate sustainability development. In particular, activities for mature-aged employees are organized according to OSHA's guidelines on the safety and health of middle-aged and older workers, providing a more supportive workplace.




Advantech China Kunshan plant free health check-up event

Health promotion: Provide total health protection

The headquarters has hired four occupational health service nurses in accordance with the law, while the Kunshan plant exceeds regulatory requirements by hiring 2 occupational health management personnel. Moreover, our Taiwan, U.S., and Kunshan facilities all surpass the required health checkup intervals stipulated by the Occupational Safety and Health Act by offering annual health examinations to employees of all age groups. The headquarters also vigorously promotes health through diverse initiatives such as annual health workshops, blood drives, first aid training, and family activities. We enforce a smoke-free workplace policy and conduct regular environmental monitoring, as well as providing breastfeeding rooms, sports and leisure facilities, and a safe, healthy employee dining environment.




Health management and monitoring: Tiered health checkup management

Health management follows a tiered management system. Based on the results of employee health examinations and relevant questionnaire responses, employees with abnormal findings receive targeted interventions at varying levels (such as health education, health monitoring, or consultations with occupational physicians). Ongoing follow-up and monitoring are conducted to enhance employees' health.

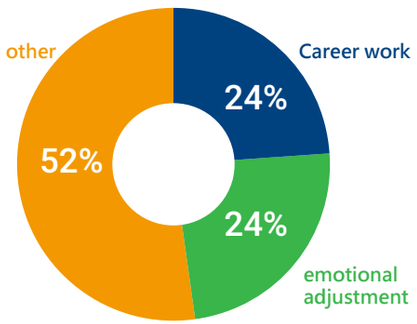
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<tr><td>Contents of the Health Checkup Report</td><td>normal</td><td>Abnormal, please pay attention</td><td>Abnormal, active measures are required</td><td>Abnormal, return to the hospital for follow-up immediately</td></tr>
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Healthy diet</td><td colspan="3">Health check completion reminder tracking announcement</td></tr>
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<tr><td colspan="2">Keep track</td><td>Arrange an occupational doctor interview</td></tr>
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About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
5.1 Talent Cultivation and Development
5.2 Employee Communication and Benefits
5.3 Diversity, Equality and Inclusive Workplace
5.4 Human Rights Protection
5.5 Occupational Health and Safety
6 Altruism and Social Welfare
Appendix

Healthy Workplace Certification: Health Promotion mark

By analyzing annual health checkup data, we will develop an Employee Assistance Program (EAP) to support our employees' physical, mental, and spiritual well-being. The overall satisfaction of EAP reached 96 points. Main topics involved include "career work" and "emotional adjustment". Other topics include family, gender, and interpersonal relationships.

Advantech's headquarters and Linkou plant were awarded the "Healthy Workplace Certification - Health Promotion Mark" by the Health Promotion Administration, MOHW, this year.





Implement a healthcare resource map

Employees are the most important assets of an enterprise. Health promotion helps employees sound health concepts and lifestyle habits and improve their quality of life and work performance. The headquarters distributes monthly "Health E-newsletters" to all employees according to the solar terms and epidemics, in turn providing colleagues with the latest practical health and macrobiotics-related knowledge.

Automated External Defibrillators (AEDs) are installed in various government agencies and public venues. Advantech headquarters has also voluntarily installed AEDs in all its plants in Taiwan and conducted education and training for 64 colleagues in 2024.

In response to the digitalization trend in occupational health management, colleagues can browse individual health checkup reports, make an online appointment with the resident physician, access consultation records, and view their physiological metrics through LINE. Furthermore, on-site physicians provide colleagues with health consultations and offer high-risk colleagues health instruction, helping to look after their health. This year, a total of 382 employees received medical consultations.

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

6 Altruism and Social Welfare

6.1 Innovative Sustainable Education and the Co-prosperity of the Arts

6.2 IoT Education and Industry-Academia Collaboration

6.3 Summary of Foundation Achievements



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Advantech's corporate citizenship strategy

Advantech applies its core competencies in IoT technology to support IoT education and various innovative sustainable education initiatives over the long run, aiming to transform children, adolescents, and youth in Taiwan into environmentally conscious global citizens. In particular, Advantech Foundation's actions correspond with four United Nations Sustainable Development Goals (SDGs), including SDG 4 (Quality Education), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 17 (Partnerships for the Goals).

In the areas of social investment, education, and cultural philanthropy, Advantech promotes sustainable education and public aesthetic literacy. Aside from investing in educational innovation and launching sustainable education programs in elementary and secondary schools, the Company also supports private educational platforms in advancing project-based learning (PBL). Furthermore, Advantech continues to invest resources to assist vocational schools and arts and cultural groups in nurturing high-caliber artistic talent. By vigorously promoting public aesthetic literacy and enhancing the development of the arts and cultural industry, we aim to strengthen Taiwan's artistic soft power.

Medium- and long-term goals

Guided by "Advantech's core value of 'altruism,' the Advantech Foundation envisions promoting the development of intelligent and happy communities. Through the engagement of corporate stakeholders, the Foundation promotes three major development themes: 'building IoT industry-academia co-creation,' 'enhancing children and youth's sustainability awareness and action,' and 'advancing the shared prosperity of businesses and the arts.' This serves to fulfill Advantech's role in Enabling an Intelligent and Sustainable Planet, striving to become a brand characterized by truth, kindness, and beauty."

The Foundation's core value is to "promote the sustainable development of technology and humanities communities through quality education." Its mission is to foster balanced social progress by cultivating talent that integrates technological advancement with humanistic values. By continuously tapping into Advantech's core competencies and resources, the Foundation systematically advances its goals, which focus on four key areas including "IoT Industry-Academia Cooperation," "Innovative Sustainable Education," "Shared Prosperity Between Arts, Culture, and Enterprises," and "Charitable Support for Rural Communities". All projects are reviewed and approved by the Board of Directors. Depending on the nature and relevance of each initiative, stakeholders, including community members, employees, customers, and partners, are invited to participate, fostering a shared understanding and amplifying the overall impact.

In 2024, the Foundation continued to strengthen international industry-academia cooperation, student sustainable education, and cultural ESG initiatives. By integrating technology, education, and culture, the aim is to foster the shared prosperity of technology and the humanities, contributing tangible actions toward global sustainability.

Overview of Foundation Social Welfare Expenditure in 2024

Expenditure type	Arts and culture	Industry-academia	Education	Public welfare	Total	Percentage
Charitable donations	-	-	-	$ 8,438,520	$ 8,438,520	8%
Community/community investment	$ 10,245,952	$ 7,995,000	$ 4,810,000	$ 10,874,723	$ 33,925,675	33%
Business initiatives	$ 10,552,751	$ 40,550,133	$ 8,119,174		$ 59,222,058	58%
Total	$ 20,798,703	$ 48,545,133	$ 12,929,174	$ 19,313,243	$ 101,586,253	100%

Analysis of Foundation Expenditure Projects in 2024

Form of expenditure	Arts and culture	Industry-academia	Education	Public welfare	Total expenditure
Cash donation	$ 20,174,742	$ 47,088,779	$ 12,541,299	$ 18,993,452	$ 98,798,272
Volunteer fees	-	-	-	$ 319,791	$ 319,791
Item donation	-	-	-	-	-
Administrative and marketing expenses	$ 623,961	$ 1,456,354	$ 387,875	-	$ 2,468,190
Total	$ 20,798,703	$ 48,545,133	$ 12,929,174	$ 19,313,243	$ 101,586,253

List of social welfare expenditures in the past four years

Expenditure type	2024	2023	2022	2021
Charitable donations	$ 8,438,520	$ 23,295,775	$ 7,476,680	$ 30,976,102
Community/community investment	$ 33,925,675	$ 23,017,605	$ 30,115,185	$ 24,675,636
Business initiatives	$ 59,222,058	$ 59,118,535	$ 54,460,140	$ 21,206,083
Total	$ 101,586,253	$ 105,431,915	$ 92,052,005	$ 76,857,821

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

6.1 Innovative sustainable education and the Mutual Prosperity of Arts and Industries

Advantech's mission is to "Enable an Intelligent and Sustainable Planet." Therefore, we all regard it as our responsibility to promote environmental sustainability, encourage innovation, energy, education and sustainability, enhance the development of arts and cultural industries, and foster talent cultivation so that arts and businesses can co-prosper with cultural sustainability.

1. Our topics of concern:

- Promotion of Sustainable Development Goals (SDGs)-related topics
- Problem-based learning (PBL) teaching model
- Demonstration of diverse learning processes
- Development of arts and cultural industries
- Cultivation of creative talent
- Improvement of humanistic quality

2. Goal to achieve/problem to address:

- Increase awareness of and engagement with the SDGs
- Promote PBL applications and innovations in teaching models
- Promote diverse learning experiences and expressions in education
- Facilitate the sustainable development of the arts and culture sector and cultivate relevant talent
- Cultivate creative talent, promote humanistic values and cultural literacy

3. Our role：

- As a social advocate and trailblazer, we are dedicated to promoting social responsibility and sustainable development in the fields of education and culture
- As a sponsor and supporter, we support the development of various innovative educational and cultural programs
- As an educator and mentor, we cultivate public awareness and interest in sustainable development and humanistic literacy through our activities and projects

4. Our methods：

- Provide funds to support innovative educational and cultural projects, encourage creativity, and cultivate talent
- We host cultural activities such as performances, exhibitions, salons, and workshops to provide platforms for exchange and learning, while promoting development and collaboration within the arts and cultural sector
- Recording of audiovisual content to convey core messages and cultural values to the public
- Frequent communication and cooperation with schools and cultural institutions to promote the development of educational and cultural undertakings

5. Our strategies：

- Actively engage in sustainable education and integrate the SDGs into practical actions and teaching
- Support and promote innovative education, including problem-based learning and diverse learning experiences
- Promote the development of arts and cultural industries and improve humanistic attainments by organizing various cultural activities
- Collaborate with professional organizations to foster and support the growth and development of creative talent
- Widespread publicity and promotion to raise social awareness and engagement in sustainable development and cultural undertakings

6. Our actions：

- Participate in various educational and cultural activities to demonstrate our commitment to sustainable development and cultural undertakings
- Encourage employees to participate in volunteer services and social welfare activities to foster the spread of positive energy and contribute to social development
- Establish a platform for cross-sector collaboration and collaborate with businesses, academia, and non-profit organizations to jointly promote sustainable development and the development of cultural undertakings
- Constantly assess and adjust our action plans to ensure their effectiveness and sustainability, and to respond to social and market needs and changes promptly

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Table 6.1.4 Sustainable strategy development directions: Promoting the sustainable development of technology and humanities communities through quality education

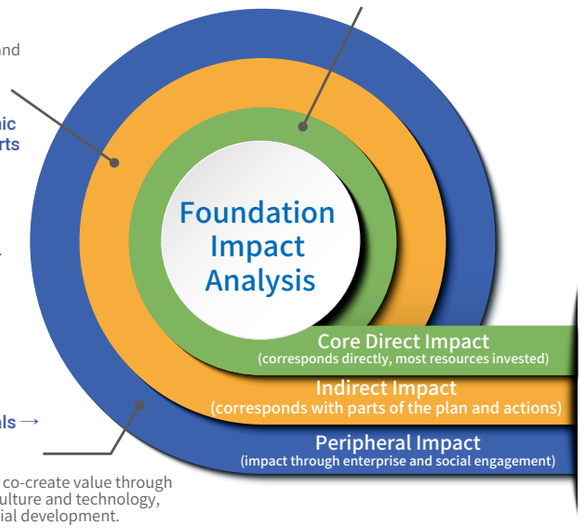
Strategic theme	Development direction	Expected social impact
Sustainable education (ACT Education Campaign & PBL Innovation Education)	Promoting PBL (Project-Based Learning) in elementary and secondary schools across Taiwan, integrating SDG issues, and through the ACT education campaign, enabling students to learn through action.	Bolster environmental education: We aim to create over 100 sustainability action projects initiated voluntarily by students to promote eco-friendly actions on campus.
Mutual prosperity of arts and industries (ESG for culture & corporate art collaboration and development)	Establish a co-creation mechanism for the corporate and arts sectors, nurturing performing arts groups through sponsorships and partnerships to promote the concept of ESG for culture.	Sustainable development of culture: Sponsor multiple performing arts groups and enhance the cultural literacy of our employees and the general public to foster the sound development of the arts ecosystem.

Foundation impact analysis

SDG 12 : Responsible Consumption and Production → Sustainable Education
ACT education encourages students to engage in practical sustainability learning, such as promoting food waste recycling and low-carbon living through school gardens and community activities.

SDG 4 : Quality Education→Sustainable Education
- ACT education promotes project-based learning (PBL) in schools, encouraging students to solve sustainability issues and build self-learning abilities.
- Through collaboration with enterprises, schools, and communities, better educational resources and opportunities are provided.

SDG 13: Climate Action → Sustainable Education
Students design low-carbon, green, and eco-friendly actions through PBL projects.



SDG 8: Decent Work and Economic Growth → Mutual prosperity of arts and industries
- Nurture performing arts groups by leveraging corporate resources to advance the arts sector, thereby fostering mutual development between culture and the economy. The "Foundation" recorded 5,502 participants in arts and cultural appreciation activities in 2023 and 6,020 participants in 2024.
- Cultivate talent in technology and the arts to provide students with opportunities to pursue careers in the business and cultural sectors.

SDG 17: Partnerships for the Goals → Mutual prosperity of arts and industries
Enable businesses and arts groups to co-create value through cross-sector collaboration between culture and technology, thereby promoting industrial and social development.

6.1.1 Innovation sustainable education

Advantech Foundation has long been concerned about the innovation and development of education, encouraging the creation of a learner-centered learning model. In conjunction with Advantech's commitment to a sustainable future, we promote sustainable education and utilize the PBL learning model to pave the way for a better future for children, adolescents, and young people in Taiwan. The Company is committed to cultivating future talent through the promotion of various projects, including:

- ACT Dreamers: See "Project Highlight" below for details.
- Sponsor high-quality and sustainable education units: Fun high-quality education teams such as the Junyi Academy, Chengzhi Educational Foundation, Yingguang Education Association, and EDU-Inno Hub's educational programs. Additionally, sponsoring innovative education initiatives like DFC Taiwan, Pley School, and the Hsin Kang Foundation of Culture and Education.

Taiwan's ACT Education Campaign promotes innovative educationin elementary and high schools by utilizing the PBL model to implement the SDGs.

In 2020, the Advantech Foundation launched the "ACT Dreamers" project, investing in innovative educational models to inspire the limitless potential of learners. In 2022, the project underwent a comprehensive enhancement, incorporating Project-Based Learning (PBL), which empowers students to explore, collaborate, and solve real-world problems. This approach fortifies their understanding of and engagement with the United Nations Sustainable Development Goals (SDGs), nurturing future citizens with global perspectives and social responsibility. Through resource investment and systematic training, the Foundation is committed to fostering a creative and action-oriented learning environment. This allows students to learn through hands-on practice, tackle real-world challenges through critical thinking and collaboration, and deepen their sustainability awareness throughout the project process, ultimately shaping them into influencers of positive global change.

The ACT Dreamers project requires that all student proposals address specific SDG targets and be carried out using a project-based approach, thereby cultivating the skills and attributes necessary for global citizenship. From topic exploration and research design to action planning and outcome presentation, the entire learning process unfolds in real-world contexts. Through inquiry and hands-on practice, students cultivate systems thinking and decision-making skills. Working in teams, they gain firsthand experience in problem-solving and discover the value of social engagement. To enhance learning effectiveness, the Foundation is strengthening the PBL teaching system by introducing mutual empowerment courses for teachers and students, providing educators with training in innovative teaching methods while helping students analyze the SDGs and apply their learning outcomes to real-life topics.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

ACT solicits Advantech employees to serve as industry mentors on campus, engaging in face-to-face discussions with students to impart practical knowledge and logic. This facilitates students discussing various issues in greater depth. The student organizations are dedicated to addressing a wide range of concerns, such as the environment, health, ecology, local revitalization, education, and community service. The foundation aspires to foster sustainability action among students by encouraging them to develop concern for society and the capacity and initiative to resolve issues through this endeavor.

In 2024, we continued to promote the program in various schools and participated in on-campus presentations. At the end of the semester, representative teams from 33 elementary and junior high schools were invited to the Advantech AIoT Co-Creation Campus to join 4 cross-school sharing sessions. Also, in December, we hosted the 2024 annual conference, "Sustainability Action! Collective Good Action," at Songshan Cultural and Creative Park. A total of 71 schools took part in the event, presented under three key themes: "Environmental Sustainability, Humanitarian Care, and Local Revitalization." Through concrete actions, students were able to engage with real-world issues and showcase their sustainability initiatives.

To understand and measure the social impact of Advantech's ACT Education Campaign, the Foundation commissioned a third-party consulting firm to analyze the Social Return on Investment (SROI) of the Foundation's ACT Dreamers program. Using the third ACT (September 2022 to December 2023) as the evaluation subject, stakeholder feedback was collected through qualitative interviews and quantitative questionnaires. The SROI for the ACT program was determined to be 6.14, meaning that **for every NTD 1 invested in the third ACT Education Campaign, roughly NTD 6.14 of social value can be generated.**

Project investment:

Financial contributions accounted for 81% of the total investment, while time contributions made up the remaining 19%, resulting in a total input cost of NTD 5,887,668.

Stakeholders

- Tier 1 direct impact: The main beneficiaries of the Advantech Foundation's funding during the third ACT Dreamers program (students and teachers).
- Tier 2 internal indirect impact: Advantech employees acted as volunteers for the third ACT Dreamers Program.
- Tier 2 external indirect impact: Individuals (students and teachers) who were not directly funded or contacted by the Advantech Foundation but were invited to participate in the annual conference activities through our partners.

Project Analysis Results

- **SROI = NTD 6.14, meaning that for every NTD 1 invested, NTD 6.14 of social value can be generated.**

According to feedback from teachers and students, the ACT program achieved nearly 100% of its intended objectives. Building on this success, we will continue to enhance the "scope of perspective and depth of topics," "diverse stakeholder engagement," and "mechanisms for physical interactions." This will allow the practical experience of PBL (Project-Based Learning) to be disseminated, strengthened, and realized, further amplifying the overall impact of the ACT Dreamers Program.

Project Spirit & Goals

Action
Creativity
Teamwork

Give children courage and the ability to collaborate to accomplish meaningful projects.

Awareness / Attitude

- 100% of students responded that the project increased their awareness of sustainability (e.g., UN Sustainable Development Goals (SDGs) and environmental consciousness)
- 100% of students responded that the project made them care more about social issues
- 100% learned how to express their thoughts clearly when communicating with others
- 100% took initiative in problem-solving when encountering difficulties
- 100% understood the importance of time management and planning
- 94% became more confident and willing to try new things and learn

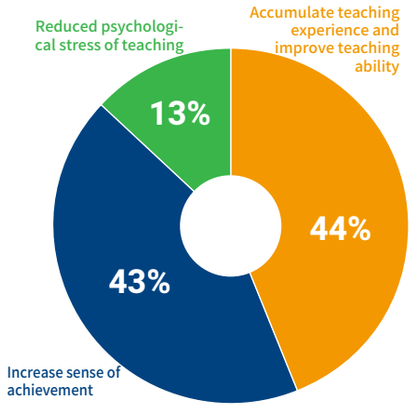
Action

- 100% showed increased concern for social issues and were willing to take actions to address sustainability challenges
- 100% learned to respect and understand others' opinions and how to collaborate with others
- 100% took initiative in solving problems and became active learners, hoping to improve themselves
- 100% reflected on how to improve their proposals and event planning, and actively participated in planning tasks
- 94% improved in expressing and presenting content more clearly through repeated practice and refinement

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Proportion of outcome value contributed by teachers

Feedback from teachers, students, and corporate volunteers demonstrates the impact of the ACT Dreamers Program in educational settings. It not only enhances learners' competitiveness but also encourages corporate involvement in social impact initiatives. 44% of teachers believed the program helped them accumulate teaching experience and enhance their teaching abilities, 43% gained a strong sense of achievement from their students' growth, and the remaining 13% reported that the program mitigated their teaching pressure.

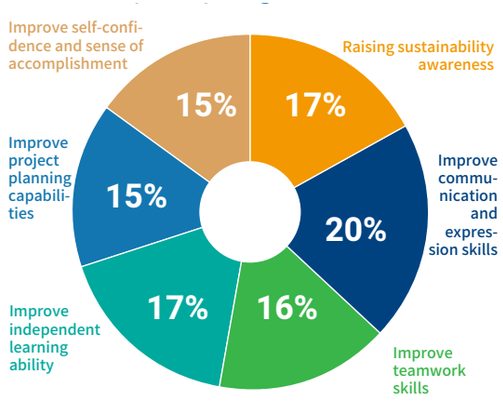


"It is gratifying to witness students grow in teamwork, topic awareness, time management, and public speaking. I am grateful to the Advantech Foundation for providing a collaborative and shared learning platform for teachers and students."



Proportion of outcome value contributed by students

Students benefited from diverse skill enhancement through the Project-Based Learning (PBL) model during project implementation. 20% of students indicated a significant improvement in their communication and expression skills, 17% gained a better understanding of self-directed learning and sustainability awareness, 16% improved their teamwork abilities, and 15% increased their project planning skills and self-confidence.

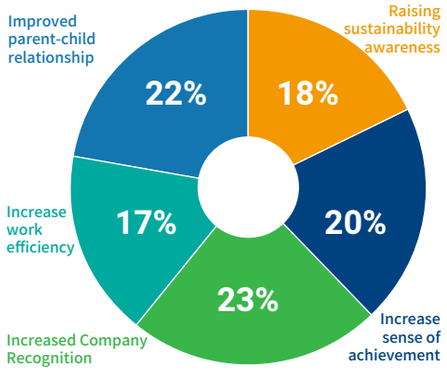


"Having been involved with the ACT Dreamers Program since 5th grade, the concept of SDGs has had a profound impact on me. I hope this meaningful initiative will be continued so that more people can engage in global sustainability efforts."



Proportion of outcome value contributed by volunteers

The involvement of corporate volunteers also creates mutual value. Participating in the program not only allows them to directly participate in educational innovation but also fosters a strong sense of social engagement for individuals and the Company. 23% of corporate volunteers stated that participating in the program increased their sense of belonging to the Company, 22% felt it improved their parent-child relationships, 20% experienced a strong sense of achievement during the process, 18% increased their understanding of sustainability topics, and 17% believed the program helped improve their work efficiency.



"The ACT Program encourages students to examine issues from diverse viewpoints and strengthens their grasp of sustainability. This approach is not only a growing trend in education but also a preferred model of social investment for enterprises."



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Through this survey, teachers, students, volunteers, and partner organizations also offered their feedback on participating in the ACT Program:

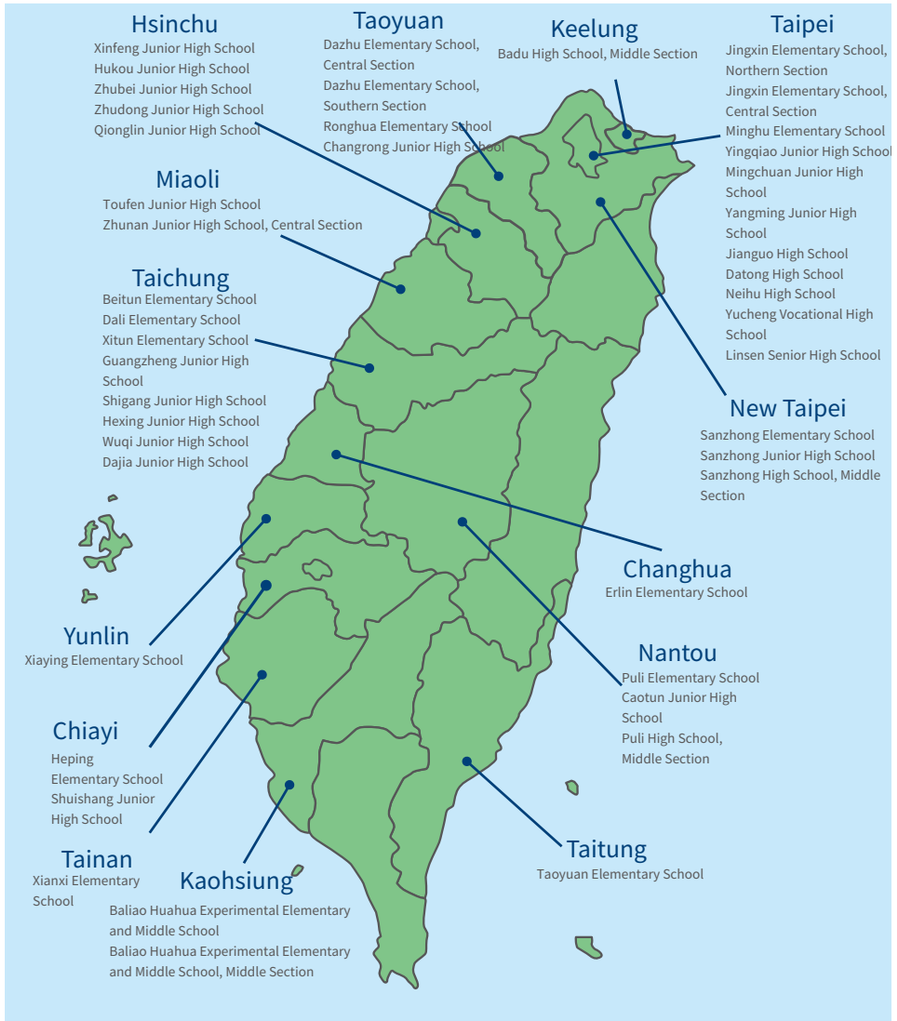
Participant category	Feedback content
Students	◆ Having been involved with the ACT Dreamers Program since 5th grade, the concept of SDGs has had a profound impact on me. I hope this meaningful initiative will be continued. ◆ I hope to continue participating in the program to improve my personal abilities and contribute to the environment. ◆ Unlike feedback received within the school, the valuable suggestions from the judges help with learning and adjusting project presentations.
Teachers	◆ It has a positive impact on the teachers and students. Students learn how to manage time, engage in teamwork, and assist others. ◆ We have observed that students are beginning to care about their surroundings and actively offer help to others. ◆ Although they may seem hesitant at first, students have exhibited great enthusiasm throughout the process. Their transformation from nervousness to self-confidence is truly inspiring. ◆ After participating in the activities, students have demonstrated considerable growth in areas such as teamwork, topic awareness, time management, and thinking through implementation procedures. Their oral communication skills have also improved.
Corporate volunteers and partners	◆ Enhance understanding of sustainability topics by exploring issues from different perspectives. ◆ Thanks to the Advantech Foundation, there have been improvements in project planning and execution. It was a pleasure working with them. ◆ Advantech is willing to invest resources to create positive change in the education sector. ◆ We share the same vision and values as the Advantech Foundation, which has facilitated our partnership.





In 2024, the "ACT Dreamers" Program reached out to 14 municipalities and 46 schools. In 2025, it will continue to expand its influence, promote more diverse cross-sector collaborations, align learning with the real world, and formulate sustainability actions in educational settings to promote social change.

List of ACT Dreamers partner schools in 2024 (46 schools)



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Linked SDG	Driving force	Theme	Investment and output
→ **Introduce the PBL model in elementary and junior high schools to encourage students to resolve sustainability issues in their daily lives, such as food waste, energy conservation, and animal protection.** → **Cultivate sustainability awareness among students through PBL, enabling them to propose projects such as surplus food recycling and plastic reduction initiatives** → **Many student projects are concerned with environmental protection, such as promoting community tree planting, carbon reduction, and energy conservation initiatives.**	◆ Support diverse and innovative education, improve learning effectiveness, and encourage the implementation of a learner-centered education model. ◆ Cultivate global citizens with sustainable Earth awareness for Taiwan.	Promote sustainable education and organize "ACT Dreamers"	◆ Sponsored 46 elementary and junior high schools to implement the ACT Dreamers project and facilitated over 60 presentations in schools. ◆ Four cross-school sharing sessions were held, with participation from over 500 teachers, students, and parents. ◆ Organized large educational annual conferences to showcase 78 learning outcomes, with participation from more than 1,000 people. ◆ The Foundation has invested more than NTD 8.7 million.
		Sponsoring quality sustainable education platforms	◆ The Company sponsored and cooperated with the Company to promote the "PBL Teaching Impact Promotion Program" and set up a special section to share PBL teaching resources, making them free for educators to use. ◆ Sponsored the Yingguang Education Association to promote the "ESD and PBL Model School and Teacher Empowerment Program." In 2024, the program assisted 144 elementary, junior high, and senior high schools across Taiwan, with 611 on-site support visits. Collectively, the schools produced or optimized over 230 courses, with at least 142 of them integrating SDGs and PBL-related topics. ◆ Funded the Taiwan Youth Creative Action Association (DFC)'s 2024 "DFC Challenge Sharing Season." Supported the DFC Taiwan team's participation in the "2024 DFC I Can Global Children's Summit" in Dubai, sharing creative challenge stories from Taiwanese children and facilitating exchanges with children from other countries. ◆ Sponsored the Pley School sustainable board game project to train teachers in using board games to introduce students to the SDGs. ◆ The total funding exceeded NTD 4.2 million.

6.1.2 Mutual Prosperity of Arts and Industries

Inheriting and developing traditional culture and art education

◆ **Promote arts and culture, and shape a society with mutual prosperity of arts and industries:**

- The Company supported performing arts groups by organizing the "Art Salon" and sponsoring several high-quality Taiwanese performing arts teams.
- Produced and aired the "Relaxed Listening on Arts and Culture" podcast, featuring artists, curators, authors, and performers introducing performances, new books, films, exhibitions, and cultural events.
- Promoted interdisciplinary art, held diverse exhibitions at Advantech galleries, and hosted Advantech Junior Painting Competitions.

◆ **Supported the cultivation of young talent in elite art industry programs:**

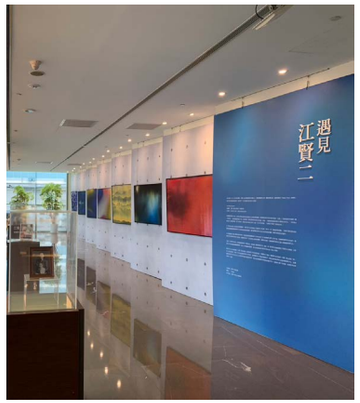
- **【Sponsored the NTNU-Graduate Institute of Performing Arts】**
  The NTNU-Graduate Institute of Performing Arts is currently the only department among Taiwan’ s top universities dedicated to the development of Mandarin musicals. The "Musical Theatre Elite Talent Cultivation Program" aims to nurture outstanding musical theatre performers through a structured curriculum that features domestic and international performance training. This program enhances the professional capabilities of performing arts talent and contributes to the sustainable growth of the performing arts industry and ecosystem.
- **【Sponsorships for the National Taiwan College of Performing Arts】**
  Since 2015, Advantech has continuously supported the National Taiwan College of Performing Arts by sponsoring the Department of Acrobatics' graduation performances and the Peking Opera troupe and acrobatics troupe to advance their skills. The purpose is to expand performance opportunities for students engaged in traditional arts and culture and to enhance the visibility of traditional opera. To encourage students with exceptional talents to persist in their artistic pursuits, the Company sponsored the Department of Acrobatics in establishing the "Advantech Elite Award" scholarship to recognize outstanding students.
- **【Sponsored the GuoGuang Opera Company】**
  To address the shortage of Peking Opera talent, the "Youth Talent Cultivation Program" focuses on providing key training to promising young individuals. This program targets, recruits, and cultivates emerging talent from the current regular members and reserve members of the GuoGuang Opera Company, as well as students from the National Taiwan College of Performing Arts.
- **【Sponsored the National Culture and Arts Foundation】**
  The "Young Stars New Vision" program selects three artists under the age of 35 for creative presentations and itinerant workshops every year, fostering creative talent and promoting the arts at a grassroots level.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Linked SDG	Driving force	Theme	Investment and output
 **→ Support the development of the arts and culture industry through corporate resources to foster artistic talent and generate opportunities for collaboration between the arts and the business sector.**  **→ Promote urban aesthetics through cultural and artistic activities, enhancing social and cultural literacy, enriching corporate culture, and fostering a sense of belonging within the community.**  **→ Foster collaboration among businesses, academic institutions, and cultural groups to integrate art, education, and technology, thereby generating greater social impact.**	Passing on and promoting traditional cultural arts education, fostering the cultivation and succession of young talent.	NTNU Graduate Institute of Performing Arts' Musical Theatre Elite Talent Cultivation Program	◆ Sponsored the NTNU Graduate Institute of Performing Arts' "Musical Theatre Elite Talent Cultivation Program," which supported 7 emerging talent and hosted 5 performances and promotional events in 2024, attracting over 1,100 attendees. ◆ Annual funding amounted to NTD 1 million.
		Youth Development Project of National Taiwan College of Performing Arts	◆ "Advantech ABLE Elite Award": A total of 16 people won the arts scholarship. ◆ Sponsored public performances by the Department of Acrobatics and the acrobatics troupe. ◆ Total sponsorship funds exceed NTD 2.6 million.
		Youth Talent Cultivation Program of GuoGuang Opera Company	◆ A total of 401 performances and promotional activities were held in 2024, with classic repertoires passed down from the teaching staff. ◆ Cultivated 14 young talented people (including actors, wardrobe/props managers, technicians, etc.) to learn traditional craft and heritage. These individuals were given the opportunity to showcase their skills as lead performers and serve as key production staff in the annual performance series. ◆ Annual funding exceeded NTD 2.7 million.
		National Culture and Arts Foundation's Young Stars New Vision Program	◆ Sponsored the "Young Stars New Vision" program, funding three young artists to hold eight ticketed performances across Taiwan. Furthermore, 15 campus workshops were conducted countrywide to reach over 500 teachers and students. ◆ Annual funding amounted to NTD 500,000
	Advanced the development of the arts and cultural industries by supporting high-quality performances, encouraging arts and culture troupes, training cultural readers, and promoting nationwide aesthetic literacy education.	Promotion of diverse arts and cultures	◆ Supported nearly 140 performances by arts and cultural troupes. ◆ Attracted over 6,000 audiences to the theater performances. ◆ The podcast "Relaxed Listening on Arts and Culture", produced and aired by Advantech, had released 114 episodes by the end of 2024. It attracted 54,026 listeners and featured a total of 94 performances, 15 exhibitions, 10 films, 13 books, and 13 types of cultural events. ◆ Sponsored the musical "Don't Cry, Dancing Girls" by VMTheatre Company for its 2025 Broadway performance in New York. ◆ Inviting artist Paul Chiang and artist AKIBO (Li, Ming-tao) to hold 2 Advantech Gallery exhibitions. ◆ Invested over NTD 10 million.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix









6.1.3 Community and Community Empowerment

Support potential athletes and sponsor training equipment and related funds

In recent years, our athletes have continued demonstrating excellent results in international competitions, and many national team members have expressed a desire to apply their experience and skills to nurture the next generation of athletes. Advantech is willing to sponsor promising athletes, fostering future national athletes while also increasing employee awareness of national sports events and activities.

Driving force	Theme	Social/environmental impact and performance
Help athletes become competitive in international competitions	National Athlete Heritage Program	Sponsored the training expenses of five young athletes in hurdles, judo, wrestling, baseball, and basketball, with a total investment of over NTD860,000.

Sponsored athletes in 2024

Area of expertise	Name	Competition results
Judo	Lin, Chen-hao	2024 Paris Olympics women's judo 48kg round of 16
Athletics (middle-distance)	Chou, Hsin-chen	◆ 2024 Taipei City Spring National Track and Field Open Championships ◆ Open Men's 1,500 meters: First Place ◆ 2024 New Taipei City National Youth Cup Track and Field Open Championships ◆ Open Men's 1,500 meters: Second Place
Wrestling	Lin, Yung-hsun	Selected as a national wrestling team member in 2023
Baseball	Lo, Po-yen	◆ The Affiliated Tao-Yuan Agricultural & Industrial Senior High School of National Taipei University of Technology Youth Baseball Team ◆ Third Place in the 9th Taoyuan Cup Baseball (Youth Baseball Division)





About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture

6.2 IoT Education and Industry-Academia Co-Creation

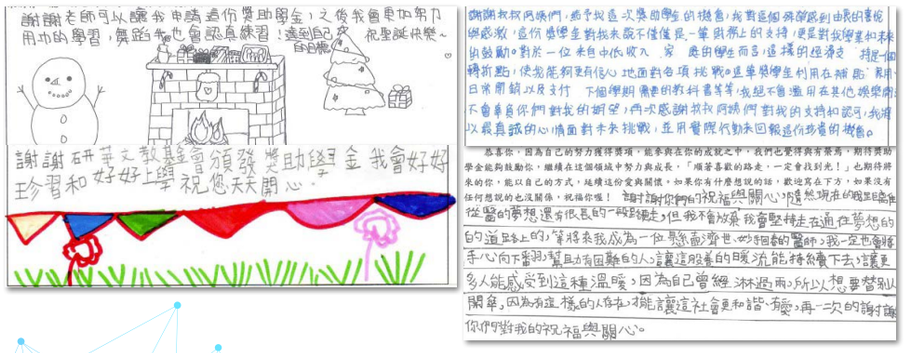
6.3 Summary of the Foundation's Achievements

Appendix

6.1.4 Advantech Global Project Highlight

Taiwan "Altruism Scholarship"

Upholding the founder's altruistic philosophy of "giving back to society," the Foundation established the "Hsinchu/Miaoli Rural Care Scholarship" in 2013. Originally established to support underprivileged students in Miaoli, the program has evolved over the past decade to provide scholarships to outstanding underprivileged elementary and junior high school students in Hsinchu and Miaoli. Recipients are nominated by school teachers based on their overall performance in conduct and academics. In 2024, this benevolence was extended to Nantou, and the scholarship was renamed "Altruism Scholarship" to support the diverse development of difficult families and disadvantaged students, helping them find hope in life and transform their interests and talents into keys that open doors to a brighter future. Starting from elementary school, the scholarship nurtures students like saplings, planting seeds of kindness in their hearts. As they grow stronger and more resilient, they blossom into altruistic individuals whose branches extend to protect others, fostering an ecosystem of altruism. Every year, we invite scholarship recipients to complete a feedback form through their schools. In their responses, we often see heartfelt messages, adorable illustrations, and handmade cards, signifying that the spirit of altruism and gratitude has already begun to blossom within them.



China "Carbon Journey in Nature: A Sustainable Learning Experience from Home to the Outdoor"

The Advantech China "Carbon Journey in Nature" family day event was held concurrently across six cities

In 2024, Advantech China held its family day event concurrently across six cities (Shanghai, Beijing, Shenzhen, Guangzhou, Xian, and Kunshan) under the theme "Carbon Journey in Nature," attracting enthusiastic participation from over 800 Advantech employees and their family members. With nature as the classroom and family as the starting point, the event applied hands-on experiences to raise internal awareness, encourage biodiversity initiatives, and strengthen the Company’ s commitment to ESG-related environmental sustainability.

⊙ Step into nature and apply empathy to raise environmental awareness

This event emphasized the core concept of "nature empathy," inviting participants to explore fields and valleys, ancient towns and forests, and urban green spaces to closely observe the interaction between living creatures and human activities. From Shepherd Valley in Beijing to Chenlu Ancient Town in Xian, from Luofu Mountain in Guangzhou to Guangming Science Park in Shenzhen, and further to the animal farm in the Shanghai suburbs and the ecological park in Kunshan, the six major cities each showcased their unique natural landscapes, allowing employees and their family members to recognize the surrounding ecological environment via diverse perspectives.

⊙ Parent-child co-learning fosters a heightened perception of ecological systems

The activity design focused on parent-child interaction and exploration experiences, allowing participants of different age groups to find ways to connect with nature:

- In Guangzhou, by understanding the medicinal herbs of southern Guangdong and its cultural memories, we convey the wisdom of the land and its connection to life.
- In Kunshan and Shanghai, children observe animal habitats and behaviors on the farm to learn how to create eco-friendly spaces.
- In Xian and by the Yangcheng Lake, the activities incorporated "Plastic-free" creations, guiding participants to consider the relationship between plastic reduction and their lifestyle choices.
- At the Shenzhen venue, children engaged in water energy experiments integrated with natural science, learning about the principles of natural energy through games.

Through observation, questioning, DIY, and co-learning, the activities not only reinforced employees' understanding of nature but also inspired discussions and recognition of sustainable values among family members.

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture

6.2 IoT Education and Industry-Academia Co-Creation

6.3 Summary of the Foundation's Achievements

Appendix

⊙ Small actions, big impact - Putting biodiversity into practice

The "Carbon Journey in Nature" events transformed participants from mere observers into active guardians of nature. Advantech believes that every encounter with nature is an opportunity to gain insight into biodiversity and care about the future of ecology. The event not only strengthened Advantech members' awareness of ESG environmental topics but also enhanced families' sense of participation and responsibility towards conservation actions.

From individuals to teams, and from observation to active participation, Advantech employees are protecting Earth’ s biodiversity through tangible actions.

In the future, Advantech China will continue to promote employee engagement mechanisms guided by nature education to reinforce the understanding and implementation of ESG culture within the Company. By designing more educational and engaging natural experience activities, Advantech strives to extend the concept of sustainable development from the workplace to every family and daily choices, thereby shaping a green culture of symbiosis and shared prosperity among the Company, nature, and society.











About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture

6.2 IoT Education and Industry-Academia Co-Creation

6.3 Summary of the Foundation's Achievements

Appendix

Advantech Japan - "Girls Tech Program: Advancing STEM Learning and Offering Opportunities to Explore Careers in Semiconductors and Technology"

In November 2024, Advantech Japan partnered with the Fukuoka Prefectural Government to host the "Girls Tech Program" at the Nogata Office. The program invited 30 high school students (21 female and 9 male) from Fukuoka Prefecture to participate. The program focused on the topic of "How to Increase Female Employment in Manufacturing and Semiconductor-Related Companies." The program facilitated interaction between senior high school students and Advantech Japan employees. Through diverse interactions and visits, the senior high school students were able to gain insight into the social contributions made by the manufacturing industry and semiconductor industry, as well as workplace culture:

Workplace visits and technical learning

The students visited the semiconductor packaging (PCB assembly line) process and learned from the exhibition hall how semiconductors are applied in daily life to address social problems. Through these case studies, the students learned that Advantech's products are widely used in daily scenarios such as food services and retail, and they were impressed by the technologies involved in these products.

Discussions on gender equality and employment opportunities

With the theme of "How to increase the employment rate of women in manufacturing and semiconductor-related companies," female employees from various departments, including Production, Manufacturing, Human Resources, and Marketing, shared their work experiences and responded to students' questions concerning work skills, workplace challenges, and career plans. The discussions encompassed fields such as manufacturing, human resources, and marketing, allowing students to understand the diversity of technology-related workplaces and women's development potential in these fields.

Media attention and social impact

The event was featured in a report by local TV station RKB, and students expressed strong interest in semiconductor and IoT technologies following their hands-on experience. After returning to their schools, students will engage in relevant discussions and presentations to reinforce their understanding of technology-related workplaces.

RKB's news report: https://youtu.be/gYHwSoN-Pf0







"Future Data Scientist - Programming Course for Elementary and Junior High School Students"

Since 2022, Advantech Japan has been partnering with the Nogata Municipal Government in Fukuoka Prefecture, along with student clubs - "GLEAP" from two universities in Kyushu and Fukuoka, to organize programming camps for elementary and junior high school students during both the summer and winter seasons. (The main members of GLEAP officially established GLEAP Co., Ltd. in April 2023, becoming Advantech Japan' s AI software development partner.) Before each three-day event, Advantech' s Business Development team and members of GLEAP Co., Ltd. met to discuss the course theme. The programming camps gained popularity among schools and parents in Nogata City, thanks to Advantech' s high-performance products and user-friendly programming languages. The program also sparked curiosity about IoT among many elementary and junior high school students.

In 2024, instead of renting a separate venue, the summer and winter programming camps were held at Advantech Japan's Nogata facility in Japan. Over the past two years, the curriculum design has evolved beyond simply introducing product performance and programming languages. It now incorporates broader industry knowledge related to AI and IoT, along with practical demonstrations of integrated hardware and software IoT solutions. The goal is to help elementary and junior high school students gain a clearer understanding of how IoT technologies are applied in everyday life.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Advantech Europe "Insect Hotels: Supporting Biodiversity through Education and Habitat Co-creation"

The loss of biodiversity has become one of the most pressing global environmental topics today. Advantech Europe has long focused on natural inclusion and ecosystem services. While promoting sustainable site operations, we also try to connect with local community resources to fulfill the Company's commitment to nature conservation. In 2024, we kicked off the "Insect Hotel Education and Community Engagement Project" in Son en Breugel, the Netherlands. By collaborating with local schools and integrating environmental education with habitat creation, we aim to co-create a model of sustainable practice involving business, education, and nature.

The project focuses on supporting habitats for local pollinators and beneficial insects, while also bolstering adolescents' environmental awareness through participatory learning.

- Local collaboration and school engagement: This project collaborates with elementary schools in the Son en Breugel area. The Advantech team and teachers jointly design courses and lead students to understand insect ecology and the concept of sustainable land management.
- Habitat design and hands-on experience: Taking into account the difficulties insects face in wild environments, students built an insect hotel with the support of professional guidance. The structural design takes into account habitat diversity and climate protection. The main structure of the insect hotel is made from wooden boards, while the interior is filled with bamboo tubes, straw, and drilled wood to provide essential spaces for hiding, breeding, and overwintering. A roof has also been added to shield the structure from the elements. In addition to enhancing habitat diversity in the countryside, this approach attracts beneficial insects like parasitoid wasps and ladybugs, helping to control common agricultural pests, reduce pesticide use, and maintain ecological balance in farmland.

Moreover, the insect hotel can also attract various pollinating insects such as chalcid wasps and wild bees, which helps to increase the pollination efficiency of flowers and plants, enhance local biodiversity and habitat connectivity, and become a micro-biodiversity replenishment node between urban and suburban green spaces.

⊙ Beehives are set up in AESC office areas

To further promote biodiversity within its operating locations, Advantech Europe has also set up several "pollinator-friendly beehives" in the AESC office area. These were handcrafted by employees using natural wood and bamboo tubes, providing ideal nesting microhabitats for solitary bees and forming a complete ecosystem. This habitat design can effectively attract and support the reproduction of local pollinator populations, forming a biodiversity-enhancing habitat network that plays a crucial role in maintaining ecological diversity.

These initiatives not only embody Advantech Europe's commitment to ESG values but also further integrate the concept of sustainability into education and site management. Looking ahead, Advantech Europe will continue to strengthen its natural inclusion strategy, expand nature-friendly spaces and environmental education collaborations, and create a green social environment where people and nature coexist in harmony.







About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture

6.2 IoT Education and Industry-Academia Co-Creation

6.3 Summary of the Foundation's Achievements

Appendix

Advantech USA "A4C Program": Corporate Action to Co-create a Friendly Community

To fulfill its corporate citizenship responsibility and enhance local engagement, Advantech USA launched the "Advantech for the Community (A4C)" program in 2021. The purpose is to give back to the local community as well as join forces with charitable organizations and foundations that hold special significance for Advantech, consolidating corporate resources and the power of employee engagement to expand its positive impact on the community. A4C (Advantech for the Community) encourages employees to submit their proposals and, through the A4C Committee, coordinates the use of funds and activity planning to create a corporate culture that emphasizes a sense of participation and belonging. By continuously engaging with the community, we can reinforce employee-community ties and expand the positive impact to include employees' families and partners.

In 2024, the A4C team continued its support for local environmental and social welfare organizations, integrating the spirit of public welfare into daily work and corporate culture. By launching diverse actions with sustainable implications, we can demonstrate our responsibility and commitment as a corporate citizen.

⊙ Plant a tree of hope as the forest loses its lush greenery

In early 2024, the A4C team made an important decision: to restore life to the scorched earth in the aftermath of the Northern California wildfires. Advantech USA partnered with the Arbor Day Foundation, the world's largest tree-planting NPO, to support forest reconstruction efforts in Northern California. Together, we helped to plant nearly 8,000 redwood and Douglas fir trees in wildfire-affected areas such as Big Basin and Butano State Parks, injecting new momentum into the recovery of the local forest ecosystem, biodiversity restoration, and water conservation. Giving the wildfire-ravaged areas a chance to breathe again.

⊙ Offering children a secure and supportive environment outside their homes

The A4C team also continued its partnership with Ronald McDonald House Orange County from 2023, providing more families with children receiving treatment away from home with free accommodation, meals, and transportation support. Providing more families of critically ill children with a place to stay, food to eat, and transportation. We also invited employees to participate in the "Walk for Kids" charity event. On that day, Advantech USA, as a silver sponsor, joined thousands of residents in shaping the future of these children, supporting the fundraising efforts for the medical and daily needs of families with critically ill children. In the end, over USD 335,000 was raised, providing an additional safety net for countless families.

⊙ From the hospital to the beach, Advantech employees are always present

In addition to forests and children, the A4C campaign also reaches out to hospitals, communities, and beaches.

In 2024, we continued our blood drive partnership with the Red Cross, turning our offices into blood donation centers. We also support children's medical care and collaborate with regional children's hospitals, including CHOC (Children's Health of Orange County), St. Jude Children's Hospital, and Cincinnati's Children's Hospital, to help promote awareness and fundraising, focusing on the accessibility of medical care for critically ill children.

Meanwhile, the A4C team called on employees to participate in beach cleanup activities on World Oceans Day to maintain environmental sustainability. Through the A4C program, we integrate public welfare initiatives and actively engage in a variety of local causes, including supporting animal welfare, Habitat for Humanity (building and improving housing), Girls Inc. (empowering girls through leadership programs), and Casey Cares (supporting families with children with critical illnesses). A4C is constantly expanding its activities and initiatives to build a warmer and altruistic community. By nurturing a sustainability network within and beyond the organization, we enhance employee engagement and corporate unity, fulfilling our long-term commitment to people and the environment.







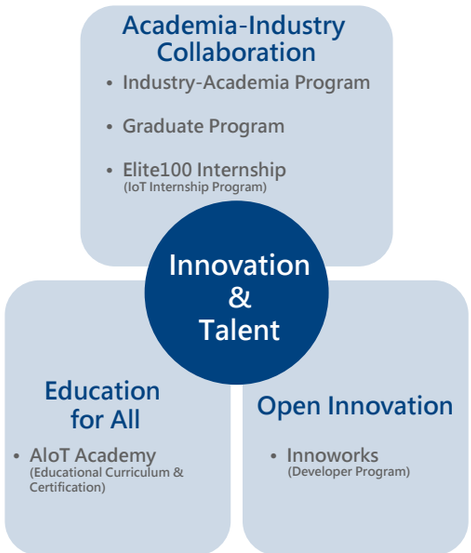




About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

6.2 IoT Education and Industry-Academia Co-Creation

The enterprise IoT market is expected to continue growing over the next five years, reaching USD 525 billion by 2027. By then, the global IoT industry will face a talent gap of over ten million people. Advantech, as an international benchmark company in industrial computers and IoT, sees IoT talent cultivation as a key focus for corporate competitiveness and corporate sustainability. Therefore, with the vision of popularizing and deepening IoT education, we promote three major themes and five learning projects to cultivate IoT talent.



6.2.1 Industry-Academia co-creation

Practice integration: Promote the co-creation ecosystem to foster industry growth and employment opportunities

- **University co-creation Industry-academia project (see Chapter 3 for details)**
- **Industry-academia-Master's-PhD (see Chapter 3 for details)**
- **IoT career exploration: Elite 100 IoT Internship Program**

  The Elite100 Internship Program focuses on forward-looking issues in different application fields. Advantech instructors lead students through user scenario analysis and field interviews to understand actual needs and industry pain points, and then propose innovative concept designs.

  - **Advantech contributing units: HR, various business units, Advantech Foundation**
  - **Main beneficiaries: Students, schools**
  - **External collaboration: Advantech partners provide venue resources**

Since the launch of the IoT Industry Internship Program in 2018, more than 100 students have participated. Through mid-term and final presentations, senior supervisors provide guidance and feedback, allowing students to gain valuable workplace experience. Over the years, many of the interns' project themes and outcomes have also been adopted and implemented within Advantech.

In 2024, 66 students participated in the Elite Internship Program in Taiwan, resulting in over 30 project outcomes. Following the summer internship, 32 students were retained for continued internships (with 2 subsequently securing full-time positions and one accepted into the R&D substitute military service program). The aim is to continue identifying outstanding student talent through the internship program and integrating them into the team.

Table of recent internship numbers	2021		2022		2023		2024	
	Taiwan	China	Taiwan	China	Taiwan	China	Taiwan	China
Number of interns	26	17	35	12	59	30	66	2
Number of internship extensions or transitions to full-time positions	7	4	7	10	18 people were granted extended internships, with 2 of which transitioned to full-time positions	2	32 people were granted extended internships (2 of which transitioned to full-time positions, and 1 became a R&D substitute military serviceman)	1

※In 2024, the recruitment of interns in China shifted away from batch hiring. Instead, internships are offered individually when suitable positions open up

- website：https://page.advantech.com/tw/intern
- Highlights from intern activities：https://www.facebook.com/AdvantechCareers/video

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

6.2.2 Innoworks Global Developer Program

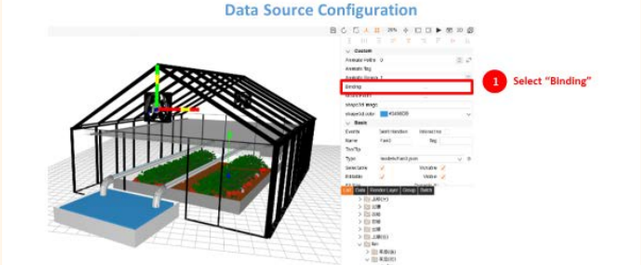
Project highlight:

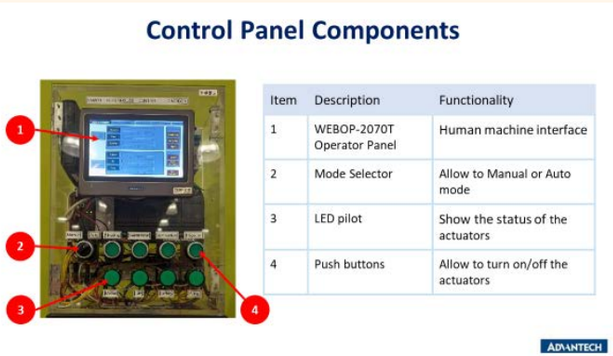
University Campus Seed Project

- **Internal contributing units: Technical support departments, foundations, and emerging business development departments**
- **Main beneficiaries: Students, schools, and the general public interested in popularizing education through IoT**
- **External collaboration: Experts and scholars in the field of IoT**
- **Project description: This project was carried out by three students from the Tatung University Department of Information Management, who also participated in the 2024 Innoworks Developer Program competition. Following the event, they were selected as Advantech WISE-IoTSuite Campus Seeds and are currently working on producing educational materials for Advantech Intelligent Agriculture' s Remote Greenhouse Control.**

Project description of Smart Agriculture' s Remote Greenhouse Control: The Campus Seeds are developing and recording a series of instructional videos based on the intelligent greenhouse co-operated by Advantech and the College of Bioresources and Agriculture, National Taiwan University. This project utilizes Advantech equipment to gather environmental data, transmits the data to the cloud via edge devices, and visualizes the data through an Industrial IoT cloud platform. This addresses various management needs in modern agricultural production, aiming to improve production efficiency and product quality.









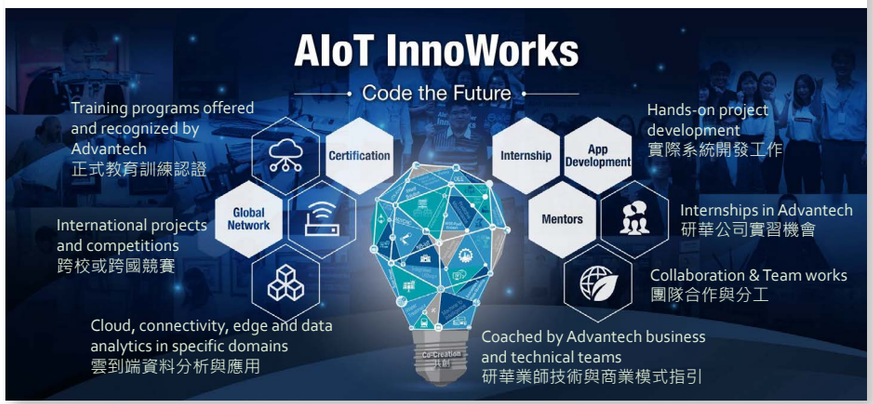
About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Open innovation: Guide students to cross-field co-creation to promote industrial innovation.

◆ **Innoworks Global Developer Program Competition**

- **Event mechanism:** AIoT Innoworks is an IoT-themed competition for students and developers worldwide. Using Advantech's WISE-IoTSuite IoT cloud platform, participants learn to develop innovative IoT application solutions across various industries and domains. They also tackle social and environmental challenges while competing for valuable rewards. Topics covered include public health, solar and wind energy, intelligent agriculture, iFactories, intelligent campuses, and smart cities.
- **Continuing development mechanism**
  - Advantech recruited outstanding students to join Advantech Elite 100 internship program
  - Participating students are invited to join Advantech's Campus Seed Program, where they support the implementation of WISE-IoTSuite collaboration projects on various campuses. They also serve as instructors for campus training workshops, provide first line technical support for AIoT InnoWorks, and respond to advanced development issues in the technical forum.
  - We support the teams in the continued development of topics that are relevant to Advantech's product roadmap or hold long-term significance, and collaborate with internal product departments to initiate industry-academia projects as needed.

Project-based Approach to Learn & Innovate



◆ **Quantifiable achievements:** Since its inception in 2019, this marks the sixth year of the program. To date, a total of 74 schools from 10 countries have participated, including Taiwan, Mainland China, Vietnam, Malaysia, Singapore, Brazil, Indonesia, South Korea, India, Thailand, and others. In 2024, 476 students from 119 student teams across 33 universities and colleges in 8 countries participated in the program.

- Social return on investment (SROI) assessment project: To evaluate the social impact of the Advantech Innoworks Global Developer Program, the Company launched a social return on investment (SROI) assessment project in 2024. A third-party consulting firm was commissioned to systematically analyze the program’ s social impact by quantifying the benefits generated through the Innoworks competition. This program involves in-depth interviews with various stakeholders, including students, teachers, and corporate partners, to explore the positive and negative impacts of the competition on talent development, technology application, and industry-academia collaboration. The final evaluation results will serve as a key reference for Advantech to optimize future competitions and talent development programs, further enhancing the social value and long-term impact of IoT education.
- **Project scope:Taiwan, Vietnam, Indonesia**
- **Stakeholders:**
  - Taiwan: Advantech headquarters – company representatives/employees/interns/industry partners; schools—representatives/teachers/students from National Taiwan University of Science and Technology and National Yang Ming Chiao Tung University
  - Indonesia/Vietnam: branch offices - company representatives/employees/industry partners; schools—representatives/teachers/students from the Sepuluh Nopember Institute of Technology and Vietnamese-German University
- **SROI = NTD 1.52, meaning that for every NTD 1 invested, NTD 1.52 of social value can be generated**

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Project outcome analysis

- Overall stakeholder value distribution: Taiwan accounts for approximately 61.4%, while overseas (Vietnam and Indonesia) account for 38.6% collectively. (Figure 1)

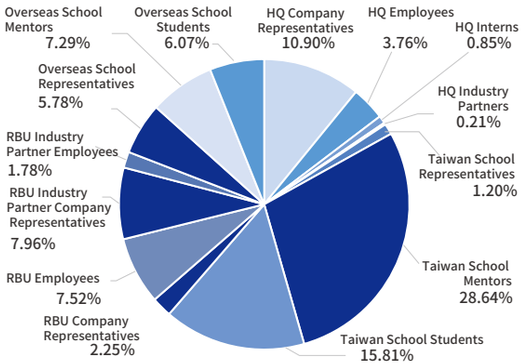


Figure 1 Overall Stakeholder Value Distribution

- Taiwan stakeholder value distribution: Teachers account for 47%, followed by students at 26% (Figure 2). Taiwanese supervising professors noted that this initiative enhances the effectiveness of IoT courses by integrating practical experience into the curriculum, boosting students' sense of accomplishment, and strengthening their ability to think from an industry perspective. The students reported that participating in the activity helped them develop their presentation skills, enhance teamwork abilities, explore career possibilities, accrue IoT technology knowledge, form connections, as well as bolster their confidence and learning capabilities.
- Overseas region stakeholder value distribution: Stakeholders such as industry partners, branch office employees, teachers, students, and overseas school representatives each accounted for 15-20%. This activity not only delivers tangible results for teachers and students in Taiwan by aligning academic efforts with industry needs but also helps branch office partners enhance their IoT expertise, improve communication through empathy, strengthen cross-departmental coordination, and increase job satisfaction and sense of belonging. While it may also lead to increased mental stress due to added responsibilities, it contributes positively to their sense of self-worth.

Case study 1: Joint participation of eight universities in Ho Chi Minh City, Vietnam, to extend their impact

By co-hosting the Innoworks competition with the Vietnamese–German University (VGU) and engaging seven other universities in the southern region, student teams were invited to participate in the event. In total, 45 team proposals were received. Following the first-stage review by a panel of experts, 16 teams were selected to proceed to the second-stage review, which involved workshops conducted by

Report on the Innoworks Developer Program competition in Vietnam



Advantech industry mentors. The Advantech mentor team, consisting of experts in sales, marketing, and technology, provided students with industry insights and advice. Ultimately, 6 teams were selected for the final competition. The students proposals encompassed diverse disciplines including smart healthcare, smart transportation, energy management, and smart manufacturing, etc.

Case study 2: Malaysia - responding to regional business strategy to develop an industry-academia ecosystem

As a key part of Advantech' s strategy to expand service coverage in the Asia-Pacific region, Malaysia officially became home to the Advantech ASEAN Shared Service Center (ASSC), established in Penang in 2024 to implement the "China+1" strategy. Universiti Sains Malaysia (USM), a leading national university in Penang, is an important partner for Advantech's regional development and talent cultivation efforts. Besides organizing the Innoworks Developer Competition, Advantech will also collaborate with the university to develop talent cultivation programs.

Case study 3: Thailand - establishing proof-of-concept (POC) projects to accelerate the implementation of IoT applications

Advantech Thailand collaborated with King Mongkut's University of Technology North Bangkok (KMUTNB) to organize the first Innoworks competition in Thailand. Since 2019, the two parties have forged a strong partnership, including support from industry mentors for IoT courses, sponsorship of industrial-grade equipment, and opportunities for students to bring their ideas to life through hands-on implementation. The competition featured six teams that validated their concepts through proof-of-concept (POC) projects, thereby advancing the practical application of IoT technology across various fields.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

6.2.3 AIoT Academy IoT higher education courses and certifications

Project highlight:
IoT Basic Course Co-creation Program

- **Internal Participating Units: Technical support departments, foundations, and emerging business development departments**
- **Main Beneficiaries: Students, schools, and the general public interested in popularizing education through IoT**
- **External Collaboration: Experts and scholars in the field of IoT**
- **Project Description: This project invites Professor Shuo-yen Chou, Director of the IoT Center at National Taiwan University of Science and Technology, to bring together experts in the field to focus on the fundamentals of IoT. By sharing practical application experiences, the project aims to equip students with the core competencies required for IoT-related skills and professional development.**

Internet of Things Basic Course Landing page

Education for all: Bridging the gap between higher education and industry through summer internships → and long-term internships → , with extended training for transitioning to full-time positions

- **IoT online learning platform "AIoT Academy higher education courses and certification"**
  - **Advantech training and certification official website:** https://academy.advantech.com/
  - **As an online platform for global learners to develop cloud-related skills, Advantech provides free accounts, instructional resources, and user spaces to enable more learners to explore industrial cloud applications. Services include course consultation, technology transfer, co-teaching with industry experts, and certification opportunities.**
  - **Internal contributing units: Technical support departments, foundations, and emerging business development departments**
  - **Main beneficiaries: Students, schools, and the general public interested in popularizing education through IoT**
  - **External collaboration: Experts and scholars in the field of IoT**
    - From 2018 to 2024, we collaborated with more than 22 universities and universities of science and technology.
    - From 2018 to 2024, IoT internship courses covered a variety of topics, including comprehensive smart manufacturing experiments, industrial APP development using WISE-PaaS, intelligent maintenance of equipment and production lines, industrial IoT, cloud data platforms, AI, and more. These courses combined theoretical knowledge with practical industry solutions and were taught by industry experts, with durations ranging from 6 to 30 hours each.
    - Between 2021 and 2024, over 2,000 technical certificates for WISE-IoT Suite were issued through campus collaborations.

Partner schools	
Taiwan	National Taiwan University, Yang Ming Chiao Tung University (formerly Chiao Tung University), National Cheng Kung University, Tunghai University, Chang Gung University, National Taiwan University of Science and Technology, National Taipei University of Technology, Chang Gung University of Science and Technology, National Yunlin University of Science and Technology, National Formosa University, National Chin-Yi University of Technology, Lunghwa University of Science and Technology
Mainland China	Nanjing University of Science and Technology, Henan University of Technology, Donghua University, Beijing University of Technology, Suzhou City University, Beijing Information Science & Technology University
Creation of IoT and software engineering teaching materials	
Taiwan	National Taiwan University of Science and Technology, Tunghai University
Mainland China	Nanjing University of Science and Technology, Henan University of Technology
Development of IoT-themed workshops and corporate visits	
Mainland China	Xi'an Jiaotong-Liverpool University, Dalian University of Technology, Henan University of Technology, Qingdao University of Technology

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

WISE-IoTSuite Certification Course Learning Path

Professional Developers & Architects — Click [Enter Course] to link to the course

Specialize Industry

Artificial Intelligence Development Services WISE-AIFS	Private Cloud Operations WISE-STACK	Enterprise Account Management and Architecture Architecture	Digital Twin WISE-InsightAPM	Basic Configuration MachineUnite
Data analysis platform management, development, training, deployment and operational practices. (2 hours)	Private cloud and WISE-STACK Edge featherweight cloud platform construction and operation and maintenance practices. (2 hours)	Multi-tenant space management and enterprise account management practical applications, etc. (2.7 hours)	Digital Twin Asset Performance Management Tools and Configuration Practices. (1.2hr)	Configuration work: data access, device status display, alarm, data query, data monitoring, etc. (1.5 hours)
[Enter the course]	[Enter the course]	[Enter the course]	[Enter the course]	[Enter the course]

Enter level

WISE-IotSuite Low Code User	Developers & Co-creation Partners
Core Level III Advanced WISE-PaaS/IoTSuite core service implementation capabilities, including solution framework, external data import, and 3D dynamic visualization tools. (2.5 hours) [Enter the course]	**Developer Level II** Advanced WISE-PaaS/IoTSuite core service implementation capabilities, including solution framework, external data import, and 3D dynamic visualization tools. (2.5 hours) [Courses coming soon]
Core Level II Basic EnSaaS cloud-native application, data management platform operation and WISE-IoTSuite's implementation ability of the core service of the industrial Internet of Things general platform base (3hr) [Enter the course]	**Developer Level I** Operating principle of basic K8s and the way to develop, deploy and connect the development capabilities of platform services (6.8hr) [Enter the course]

base

WISE-PaaSBeginner / Promoter / Peak Sales

Core Level I	Business Promotion Training Certification Business Essentials
Understand the basic Industrial IoT cloud platform architecture and the WISE-PaaS industrial cloud platform service provision and sales model. (2.5 hours) *This certification course is a prerequisite for obtaining all WISE-PaaS professional technical certifications [Enter the course]	Quickly understand the core business value of WISE-PaaS services, including supporting resources. (1hr) [Enter the course]

Training and certification official website: https://academy.advantech.com/
Contact us: wise-paas.training@advantech.com.tw

◆ **Case study: China - Capitalizing on external resources to extend benefits and develop promising schools**

In 2024, Advantech branch offices participated in China's 4th "International Forum on Mechatronics Vocational Education." The forum brings together over 100 teachers under one roof, making it an iconic event in the field of higher vocational education. Through this event, Advantech was able to engage with key partners from both industry and academia to collectively create an ecosystem for China's education system. This initiative aims to enhance the effectiveness and influence of IoT education.



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

6.3 Summary of the Foundation's Achievements

In 2024, the Advantech Culture and Education Foundation spent NTD 48,545,133 on cultivating IoT talent, NTD 20,798,703 on promoting arts and culture, NTD 12,929,174 on sustainable education, and NTD 19,313,243 on public welfare and common good initiatives. Below is the list of focus areas:

Main focus	Project name	Achievements in 2024	2025 Goals
IoT education and innovative talent cultivation	AIoT Innoworks Developer Program	Invested NTD 12.8 million. ◆ A total of 476 students from 33 schools in 8 countries participated in the program, producing 119 projects. ◆ Between 2021 and 2024, over 2,000 technical certificates for WISE-IoT Suite were issued through campus collaborations. ◆ Participated in an industry-academia ecosystem partner convention and engaged with 100 teachers. ◆ Held 4 campus workshops on the topic of IoT.	Expected investment: NTD 38.2 million. **Innoworks** Build on Advantech's core competencies to deliver software/hardware products, establish a developer ecosystem, and form an AI expert bank. **AIoT University Co-Creation** In collaboration with National Yang Ming Chiao Tung University/National Taiwan University of Science and Technology/National Taipei University of Technology, we have produced 3-8 industry-academia collaboration projects each. These projects focus on technology and IoT innovation applications, combining industry needs with key laboratory technologies to help promote the industrialization of academic achievements. **Tech Elite scholarship** Cultivate 30 outstanding students with industry experience.
	AIoT Academy IoT higher education courses and certifications		
	Elite100 Internship	Invested over NTD 10 million. ◆ Produced 30 specialized research and planning projects ◆ Recruited 66 interns in 2024; 32 students extended their internship after the summer vacation	
	Industry Academia Innovation School/ IoT Center, Yang Ming Chiao Tung University	Invested over NTD 10 million. ◆ In total, 8 industry-academia projects were implemented, covering three major themes-- IoT Edge Technology, GenAI for Industrial Application, and Thermal Extended TSU. ◆ Specific topics include: optimizing local LLM-based edge generative AI question answering; developing a GenAI question answering system for smart energy-saving equipment technical manuals; designing antenna isolation technology modules for miniaturized edge AI PCs; and developing next-generation SOM thermal modules.	

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Main focus	Project name	Achievements in 2024	2025 Goals
Industry-research collaboration, corporate sponsorship	IoT Innovation, Startup Acceleration, and Incubation Platform	Invested over NTD 7.2 million. ◆ We sponsored 2 major startup accelerators in Taiwan, as well as 2 IoT innovation proposal competitions. Through their networks, international startups were invited to engage with Taiwanese industries. Our support included cash prizes and hands-on guidance from industry mentors to help accelerate the industrial application of their technologies. ◆ Advantech has collaborated with entrepreneurs and industry players, including SYSTEX and Chunghwa Telecom, to launch the "AIoT Co-Learning and Co-Creation Project." This initiative selects 11 IoT solution startups from diverse industries, including smart logistics, smart healthcare, smart manufacturing, and smart environmental protection. The project consists of three workshops on startup innovation and the IoT industry. It consolidates the resources and experience of large enterprises with innovative startup solutions, facilitating exchanges on IoT innovation, business opportunities, and models. Additionally, we have developed co-creation collaboration plans with 5 companies. ◆ The Company supported Epoch School in conducting entrepreneurship training for university students. The program recruited 100 university students, organized 28 training events, and facilitated 110 one-on-one career consultations.	Expected investment: NTD 6.2 million. • Through the startup platform, we aim to engage with 15 external startup teams, with the goal of formulating collaborative plans for products or solutions. • Support one to two Edge AI application case studies.
Advance innovation and sustainable education	ACT Dreamers	Invested over NTD 8.7 million. ◆ Sponsored 46 elementary and junior high schools to implement the ACT Dreamers project and facilitated over 60 presentations in schools. ◆ Four cross-school sharing sessions were held, with participation from over 500 teachers, students, and parents. ◆ Organized large educational annual conferences to showcase 78 learning outcomes, with participation from more than 1,000 people.	Expanded the scope of ACT participation by increasing direct collaborations with schools and partner institutions. This will promote the implementation of PBL to achieve various SDGs. We will also organize inter-school sharing sessions and large annual conferences to amplify impact. We aim to establish a replicable model through ACT to promote sustainable development-related topics. Launched the three-year ACT community sustainability case study. Formed the ACT Dreamers application platform and created the sustainability action database. Expected investment: Over NTD 8 million.
	Sponsoring quality sustainable education platforms	Invested over NTD 4.2 million. ◆ The Company sponsored and cooperated with the Company to promote the "PBL Teaching Impact Promotion Program" and set up a special section to share PBL teaching resources, making them free for educators to use. ◆ Sponsored the Yingguang Education Association to promote the "ESD and PBL Model School and Teacher Empowerment Program." In 2024, the program assisted 144 elementary, junior high, and senior high schools across Taiwan, with 611 on-site support visits. Collectively, the schools produced or optimized over 230 courses, with at least 142 of them integrating SDGs and PBL-related topics. ◆ Funded the Taiwan Youth Creative Action Association (DFC)'s 2024 "DFC Challenge Sharing Season." Supported the DFC Taiwan team's participation in the "2024 DFC I Can Global Children's Summit" in Dubai, sharing creative challenge stories from Taiwanese children and facilitating exchanges with children from other countries. ◆ Sponsored the Pley School sustainable board game project to train teachers in using board games to introduce students to the SDGs.	We will continue to support Education for Sustainable Development (ESD) by providing financial sponsorship to high-quality education platforms, jointly promoting sustainable education and enriching Taiwan's sustainable education landscape. The expected investment will exceed NTD 4 million.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Main focus	Project name	Achievements in 2024	2025 Goals
Facilitate young talent cultivation	NTNU Graduate Institute of Performing Arts' Musical Theatre Elite Talent Cultivation Program	Invested NTD 1 million. ◆ Sponsored the NTNU Graduate Institute of Performing Arts' "Musical Theatre Elite Talent Cultivation Program," which supported 7 emerging talent and hosted 5 performances and promotional events in 2024, attracting over 1,100 participants.	Continued to support the "Musical Theatre Elite Talent Cultivation Program," expected investment NTD 1 million.
	Youth Development Project of National Taiwan College of Performing Arts	Invested over NTD 2.6 million. ◆ Established an arts scholarship, benefiting 16 students.. ◆ Launched the elite talent cultivation program. ◆ Sponsored public performances of Peking opera acrobatics troupes	Continue to support and encourage outstanding students through scholarships and elite talent cultivation programs. Additionally, we will sponsor Peking opera and acrobatics troupes, with an expected investment of NTD 2.5 million.
	Youth Talent Cultivation Program of GuoGuang Opera Company	Invested over NTD 2.7 million. ◆ A total of 401 performances and promotional activities were held in 2024, with classic repertoires passed down from the teaching staff. ◆ Cultivated 14 young talented people (including actors, wardrobe/props managers, technicians, etc.) to learn traditional craft and heritage. These individuals were given the opportunity to showcase their skills as lead performers and serve as key production staff in the annual performance series.	Continue to support the talent cultivation program with an expected investment of NTD 3 million.
	National Culture and Arts Foundation's Young Stars New Vision Program	Invested NTD 500,000. ◆ Sponsored the "Young Stars New Vision" program, funding three young artists to hold eight ticketed performances across Taiwan. Furthermore, 15 campus workshops were conducted countrywide to reach over 500 teachers and students.	Continue to invest in the "Young Stars New Vision" program with an expected investment of NTD 600,000.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
6.1 Innovative Sustainable Education and Prosperity in the Arts and Culture
6.2 IoT Education and Industry-Academia Co-Creation
6.3 Summary of the Foundation's Achievements
Appendix

Main focus	Project name	Achievements in 2024	2025 Goals
Enhance development of the arts and culture industries	Promotion of diverse arts and cultures	Invested over NTD 10 million. ◆ Supported nearly 140 performances by arts and cultural troupes. ◆ Attracted over 6,000 audiences to the theater performances. ◆ The podcast "Relaxed Listening on Arts and Culture", produced and aired by Advantech, had released 114 episodes by the end of 2024. It attracted 54,026 listeners and featured a total of 94 performances, 15 exhibitions, 10 films, 13 books, and 13 types of cultural events. ◆ Sponsored the musical "Don't Cry, Dancing Girls" by VMTheatre Company for its 2025 Broadway performance in New York. ◆ Inviting artist Paul Chiang and artist AKIBO (Li, Ming-tao) to hold 2 Advantech Gallery exhibitions.	We aim to undertake a wide range of arts and culture promotion initiatives, sponsor performances by outstanding Taiwanese teams, and increase listenership of the podcast "Relaxed Listening on Arts and Culture" to 70,000. Furthermore, we plan to convert the podcast into video format for upload on YouTube, further expanding exposure for arts and cultural events. Hosted themed exhibitions and performances, and collaborated with professional schools to cultivate creative talent and broaden artistic horizons. The aim is to engage over 5,000 stakeholders in arts and cultural activities, with an expected investment of over NTD 7 million.
Develop athletes' competitiveness for international competitions	National Athlete Heritage Program	Invested more than NTD 860,000. ◆ Sponsored training fees for 4 young athletes in judo, wrestling, baseball, and middle-distance running.	Continue to support promising young athletes in judo and middle-distance running, with an expected investment of over NTD 800,000.
Charity and care	Advantech's Altruism Scholarship	Invested more than NTD 4 million. ◆ Launched in 2013, the Altruism Scholarship has supported underprivileged students, those facing unexpected family hardships, and individuals from financially struggling households. The scholarship encourages students to courageously pursue hope and meaning in their lives through various fields of interest, empowering their passions and talents to become the key to unlocking life-changing opportunities. ◆ Starting in 2024, the scholarship program expanded beyond Miaoli County to include Nantou County and City. The total funding increased from NTD 2 million to NTD 4 million, benefiting nearly 2,500 students across 80 schools.	The number of student and school beneficiaries increased in 2024. In 2025, we aim to strengthen our impact by inviting one to two scholarship recipients to share their journeys of enlightenment. Their stories will motivate younger students. Additionally, we plan to invite one to two schools to join the "Empowerment Program," thereby expanding the scope of after-school enrichment classes. This program is designed to help students seek enlightenment and progressively enhance their learning, ultimately serving as "seed courses" for their future development.



About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

Appendix

1 The Financial Supervisory Commission requires certain industries to disclose sustainability indicators (industry: computer and peripheral equipment industry) and SASB (industry: hardware) to disclose information.

2 GRI and Assurance Indicator Index Table

3 Basic information of related companies

4 Advantech's ISO certification and the United Nations Sustainable Development Goals (SDGs) comparison table

5 List of public associations participating and resource investment instructions

6 Staff structure

7 Third-party verification statement

8 Third-party confirmation report



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

Appendix 1: Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: computer and peripheral equipment industry) and SASB (Sector: Hardware)

Aspect	Indicator code	Indicator	Indicator type	Unit	Disclosure chapter and page number
Environmental	Financial Supervisory Commission (Taiwan, ROC)'s Request for Specific Industries to Disclose Sustainability Indicator No. 1	Total energy consumption, percentage of purchased electricity, and utilization rate of renewable energy	Quantitative index	Gigajoule (GJ), percentage (%)	Chapter 4 Greenhouse Gas (GHG) Inventory and Energy Management Page number: 122
Environmental	Financial Supervisory Commission (Taiwan, ROC)'s Request for Specific Industries to Disclose Sustainability Indicator No. 2	Total water intake and consumption	Quantitative index	Cube meters (m^3)	Chapter 4 Environmental Management Page number: 130
Environmental	Financial Supervisory Commission (Taiwan, ROC)'s Request for Specific Industries to Disclose Sustainability Indicator No. 3	Percentage of hazardous waste recycled and its weight	Quantitative index	Metric ton (Mt), percentage (%)	Chapter 4 Greenhouse Gas (GHG) Inventory and Energy Management Page number: 133
Environmental	◆ TC-HW-410a.4 ◆ Financial Supervisory Commission (Taiwan, ROC)'s Request for Specific Industries to Disclose Sustainability Indicator No. 5	Disclosure of product lifecycle management: Percentage of scrapped products and electronic waste recycled and its weight	Quantitative index	Metric ton (Mt), percentage (%)	Chapter 4 Eco Design and Sustainability Liability of Product Page number: 100
Environmental	TC-HW-410a.1	Product Lifecycle Management Percentage of products by revenue that contain IEC 62474 declarable substances.	Quantitative index	Percentage (%)	Chapter 4 Eco Design and Sustainability Liability of Product Page number: 101
Environmental	TC-HW-410a.2	Product Lifecycle Management Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative index	Percentage (%)	Chapter 4 Eco Design and Sustainability Liability of Product Page number: 101

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

Aspect	Indicator code	Indicator	Indicator type	Unit	Disclosure chapter and page number
Environmental	TC-HW-410a.3	Product Lifecycle Management Percentage of eligible products, by revenue, meeting ENERGY STAR®	Quantitative index	Percentage (%)	Chapter 4 Eco Design and Sustainability Liability of Product Page number: 101
Social	Financial Supervisory Commission (Taiwan, ROC)'s Request for Specific Industries to Disclose Sustainability Indicator No. 4	Describe the type of occupational disaster, the number of people involved, and rates	Quantitative index	Rate (%), quantity	Chapter 5 Occupational Health and Safety Page number: 200-201
Social	C-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative index	Percentage (%)	Chapter 5 Diversity, Equality and Inclusive Workplace Page number: 182-183 Appendix 8 Employee Structure Page number: 251-256
Governance	◆ TC-HW-440a.1 ◆ Financial Supervisory Commission (Taiwan, ROC)'s Request for Specific Industries to Disclose Sustainability Indicator No. 6	Description of risk management associated with the use of critical materials	Quantitative index	Not applicable	Chapter 2 Conflict Minerals Procurement Strategy Page number: 60-61
Governance	Financial Supervisory Commission (Taiwan, ROC)'s Request for Specific Industries to Disclose Sustainability Indicator No. 7	Total amount of pecuniary losses as a result of legal proceedings related to the anti-competitive behavior-related laws	Quantitative index	Reporting currency	Chapter 2 Integrity Management: Compliance with Laws, Anti-corruption, and Anti-competition Page number: 37
Governance	◆ TC-HW-000.A ◆ Financial Supervisory Commission (Taiwan, ROC)'s Request for Specific Industries to Disclose Sustainability Indicator No. 8	Output of main products by product category	Quantitative index	Varies by product type	Chapter 2 Economic Performance and Brand Value Page number: 29

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

Aspect	Indicator code	Indicator	Indicator type	Unit	Disclosure chapter and page number
Governance	TC-HW-230a.1	Product Security Description of approach to identifying and addressing data security risks in products	Qualitative index	Not applicable	Chapter 2 Information and Cyber Security Management Page number: 44
Governance	TC-HW-430a.1	Supply Chain Management Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Quantitative index	Percentage (%)	Chapter 2 Sustainable Management of the Supply Chain Page number: 55
Governance	TC-HW-430a.2	Supply Chain Management Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances	Quantitative index	Rate	Chapter 2 Sustainable Management of the Supply Chain Page number: 55
Activity indicator	TC-HW-000.B	Area of manufacturing facilities	Quantitative index	Square feet (ft²)	Chapter 2 Economic Performance and Brand Value Page number: 29
Activity indicator	TC-HW-000.C	Percentage of production from owned facilities	Quantitative index	Percentage (%)	Chapter 2 Economic Performance and Brand Value Page number: 29

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

Appendix 2: GRI and Assurance Indicators Index

Statement of use	Advantech Co., Ltd. has reported its Sustainability Report with reference to the GRI standards and reported the information quoted in the GRI Content Index for the period from January 1, 2024 to December 31, 2024.
GRI used	GRI Standards 2021 reference option

Organization and practices report			
GRI standards code	**Disclosure item**	**Disclosure chapter**	**Page number**
2-1	Organization details	2.1.1 Company Profile	28
2-2	Entities included in the organization' s sustainability reporting	About Advantech's 2024 Corporate Sustainability Report	3
2-3	Reporting period, frequency and contact point	About Advantech's 2024 Corporate Sustainability Report	3
2-5	External assurance	Appendix: Third Party Verification Statement Appendix: Third Party Assurance Report	257-260
Activities and workers			
GRI standards code	**Disclosure item**	**Disclosure chapter**	**Page number**
2-6	Activities, value chain and other business relationships	2.1.1. Company Profile 2.3.1 Overview of Advantech's Industrial Value Chain	28-30 49
2-7	Employees	5.1.1 Talent Attraction and Retention	146-161
		5.1.2 Employee Development Plan	162-170
		5.2.1 Employee Relations	171-178
		5.2.2 Employee Living Wage	179-180
		5.3 Diversity, Equality and Inclusive Workplace	181-187
		5.4 Human Rights Protection	188-195
		5.5 Occupational Health and Safety	196-203
		Appendix 8: Employee Structure	251-256

Governance			
GRI standards code	**Disclosure item**	**Disclosure chapter**	**Page number**
2-9	Governance structure and composition	2.1.2. Corporate Governance	31
2-10	Nomination and selection of the highest governance body	2.1.2. Corporate Governance	31
2-11	Chair of the highest governance body	2.1.2. Corporate Governance	31
2-14	Role of the highest governance body in sustainability reporting	1.1.1 ESG Governance Structure	8
2-15	Conflicts of interest	2.1.2. Corporate Governance	32
2-17	Collective knowledge of the highest governance body	2.1.2. Corporate Governance	32
2-18	Evaluation of the performance of the highest governance body	2.1.2. Corporate Governance	34
2-19	Remuneration policy	2.1.2. Corporate Governance	34
2-20	Process to determine remuneration	2.1.2. Corporate Governance	34
2-21	Annual total remuneration ratio	2.1.2. Corporate Governance	36
Strategy, policies and practices			
GRI standards code	**Disclosure item**	**Disclosure chapter**	**Page number**
2-22	Statement on sustainable development strategy	1.1 ESG governance structure Message from the Executive Management	7
2-23	Policy commitments	1.1 ESG governance structure 5.4 Human Rights Protection	7 188-195
2-24	Mechanisms for seeking advice and raising concerns	2.4 ESGArchitecture governance	7
2-26		2.1.2. Corporate Governance	37
2-27	Compliance with laws and regulations	2.1.2. Corporate Governance	36
2-28	Membership associations	Appendix 5: List of public associations participated and description of investment in resources	245-250

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

Stakeholder engagement			
GRI standards code	**Disclosure item**	**Disclosure chapter**	**Page number**
2-29	Approach to stakeholder engagement	1.2 Stakeholder Engagement	10
2-30	Collective bargaining agreements	5.4 Human Rights Protection	188
GRI 3 Material Topics 2021			
GRI standards code	**Disclosure item**	**Disclosure chapter**	**Page number**
3-1	Process to determine material topics	1.3.1 Materiality Identification	17
3-2	List of material topics	1.3.1 Materiality Identification	23, 24
Materiality: information and cyber security management			
3-3	Management of material topics	2.2 Information and Cyber Security Management	40-41
Materiality: sustainable management of the supply chain			
3-3	Management of material topics	2.3 Sustainable Management of the Supply Chain	47-48
204-1	Proportion of spending on local suppliers	2.3.3 Sustainable Supply Chain Management Process and Achievements	57
308-1	New suppliers that were screened using environmental criteria	2.3.3 Sustainable Supply Chain Management Process and Achievements	54
414-1	New suppliers that were screened using social criteria	2.3.3 Sustainable Supply Chain Management Process and Achievements	54
Materiality: sustainable intelligent solutions			
3-3	Management of material topics	3.1 Sustainable Intelligent Solutions	66
Materiality: customers and partners co-creation			
3-3	Management of material topics	3.4 Customers and Partners Co-creation	79
Materiality: eco design and sustainability liability of product			
3-3	Management of material topics	4.1 Eco Design and Sustainability Liability of Product	92
301-1	Materials used by weight or volume	4.1.2. Product Liability	98
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.1.2. Product Liability	96
Materiality: innovative mechanism			
3-3	Management of material topics	3.2 Innovative Mechanism	71
Materiality management: GHG inventory and energy management			
3-3	Management of material topics	4.3 Greenhouse Gas (GHG) Inventory and Energy Management	116
302-1	Energy consumption within the organization	4.3.1 GHG Inventory and Management	118-122
302-2	Energy consumption outside the organization	4.3.1 GHG Inventory and Management	118-122
305-1	Direct (Scope 1) GHG emissions	4.3.1 GHG Inventory and Management	118-120
305-2	Energy indirect (Scope 2) GHG emissions	4.3.1 GHG Inventory and Management	118-120
305-3	Other indirect (Scope 3) GHG emissions	4.3.1 GHG Inventory and Management	121
305-4	GHG emission intensity	4.3.1 GHG Inventory and Management	120
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.3.1 GHG Inventory and Management	136
Materiality management: circular economy			
3-3	Management of material topics	4.4.2 Energy Resource Use and Waste Management	131
306-2	Managing the impact of significant emissions-related literature	4.4.2 Energy Resource Use and Waste Management	132-135
306-3	waste generation	4.4.2 Energy Resource Use and Waste Management	132-135

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

306-5	Waste directed to disposal	4.4.2 Energy Resource Use and Waste Management	133
Materiality management: talent cultivation and development			
3-3	Management of material topics	5.1. Talent Cultivation and Development	141-145
401-1	New employee hires and employee turnover	5.1.1 Talent Attraction and Retention	149-151 159-161
404-1	Average hours of training per year per employee	5.1.2 Employee Development Plan	166-170
405-2	Ratio of basic salary and remuneration of women to men	5.1.1 Talent Attraction and Retention	156-158
Materiality management: occupational health and safety			
3-3	Management of material topics	5.5 Occupational Health and Safety	196-197
403-1	Occupational health and safety management system	5.5 Occupational Health and Safety	197
403-2	Hazard identification, risk assessment, and incident investigation	5.5 Occupational Health and Safety	199
403-3	Occupational health services	5.5 Occupational Health and Safety	196-203
403-4	Worker participation, consultation, and communication on occupational health and safety	5.5 Occupational Health and Safety	197-198
403-5	Worker training on occupational health and safety	5.5 Occupational Health and Safety	198、201
403-6	Promotion of worker health	5.5 Occupational Health and Safety	198-202 203
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	5.5 Occupational Health and Safety	196-203
403-9	Work-related injuries	5.5 Occupational Health and Safety	200-201
403-10	Work-related ill health	5.5 Occupational Health and Safety	200-201

Voluntary disclosure: social aspect

GRI standards code	Disclosure item	Disclosure chapter	Page number
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Employee Communication and Benefits	171-180
401-3	Parental leave	5.2.1 Employee Relations	174-175
404-3	Percentage of employees receiving regular performance and career development reviews	5.1.1. Talent Attraction and Retention	156-158
405-1	Diversity of governance bodies and employees	2.1.2 Corporate Governance 5.3 Diversity, Equality and Inclusive Workplace Appendix 8: Employee Structure	31 181-187 251-256
406-1	Incidents of discrimination and corrective actions taken	5.4 Human Rights Protection	189 193-195
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.4 Human Rights Protection	188
408-1	Operations and suppliers at significant risk for incidents of child labor	5.4 Human Rights Protection	194
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.4 Human Rights Protection	194
412-2	Employee training on human rights policies or procedures	5.4 Human Rights Protection	188

Voluntary disclosure: environmental aspect

GRI standard code	Disclosure item	Disclosure chapter	Page number
201-2	Financial implications and other risks and opportunities due to climate change	4.2.2 Climate-related Risks and Opportunities and Identification of Financial Impacts	109

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

302-4	Reduction of energy consumption	4.3.2 Energy Management Actions	123
303-1	Interactions with water as a shared resource	4.4.2. Energy Resource Use and Waste Management	127
303-3	Water withdrawal	4.4.2. Energy Resource Use and Waste Management	130
303-4	Water discharge	4.4.2. Energy Resource Use and Waste Management	130

Assurance Indicator Index

Assurance target	Disclosure chapter	Page number
Average training hours per employee	5.1.2 Employee Development Plan	166-168
Types of occupational hazards, number of people involved, and percentage	5.5 Occupational Health and Safety	200-201
Total amount of pecuniary losses as a result of legal proceedings related to anti-competitive behavior-related laws	2.1.2. Corporate Governance	37
Percentage of significant suppliers who have signed the "Supplier Code of Conduct Consent"	2.3.1 Supplier Management	47、49
Amount of fines imposed for violation of environmental laws and regulations	4.4.1 Environmental Responsibility	128
Total waste disposed of by external contractors (metric tons)	4.4.2 Energy Resource Use and Waste Management	133

Appendix 3: Basic Information of Affiliates

Country/region	Company name	Main business activities
Taiwan	Advantech Co., Ltd.*	Manufacturing, processing, and trading of embedded boards, industrial control products, application computers, industrial computers, and IoT hardware and software equipment
	Advantech Investment Co., Ltd. (Advantech Investment)	Investment in marketable securities
	Cermate Technologies Co., Ltd. (Cermate Taiwan)	Electronics Components Manufacturing
	Advantech Intelligent Services Co., Ltd. (AiCS)	Design, R&D, and sale of intelligent service solutions
	ADVANIXS Corporation (ADVANIXS)	Manufacturing, marketing, and sale of industrial computers
	Huan Yan Water Solution Co., Ltd.	Service plan for combination of related technologies of water treatment and Applications of Internet of Things
	Yan Xu Green Electricity Co., Ltd.	Renewable energy power plant development
	Expetech Co., Ltd. (Expetech)	Computer system integration service

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

Country/region	Company name	Main business activities
China	Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)*	Marketing and sale of industrial computers
	Shanghai Advantech Intelligent Services Co., Ltd. (ACI CN)	Manufacturing, marketing, and sale of industrial computers
	Xi' an Advantech Software Ltd. (AXA)	Development and manufacturing of software products
	Advantech Service-IoT (Shanghai) Co., Ltd. (SIoT (China))	Technology development, consulting, and services in the field of intelligent technology
	Advantech Technology (China) Company Ltd. (AKMC)*	Manufacturing and sale of interface cards and PC cases, plastic cases and accessories
	Shenzhen Cermate Technologies Inc. (Cermate Shenzhen)	Production of LCD touchscreens, USB cables and industrial computers
	Adveco Technology Co., Ltd. (Adveco)	Engaged in technical development, consulting, services, and product design and production within the smart building sector
	Adveco Management Consulting Co., Ltd. (Adveco Management)	Corporate management consulting, information consulting, planning, and services
	Adveco Management Consulting No. 1 (Limited Partnership) (Adveco Management No. 1)	Corporate management consulting, information consulting, planning, and services
	Adveco Management Consulting No. 2 (Limited Partnership) (Adveco Management No. 2)	Corporate management consulting, information consulting, planning, and services
Japan	Advantech Japan Co., Ltd. (AJP)*	Marketing and sale of industrial computers
Korea	Advantech KR Co., Ltd. (AKR)*	Marketing and sale of industrial computers
The Netherlands	Advantech Europe Holding B.V. (AEUH)	Overseas investment in manufacturing and service industries
	Advantech Europe B.V. (AEU)*	Marketing and sale of industrial computers
Germany	Advantech Europe B.V. (German branch)	Provide marketing support services
	AURES Technologies GmbH (Aures DE)	Sale of electronic and computer equipment for retail applications
United States	Advantech Corporation (ANA)*	Assembly, marketing, and sale of industrial computers
	BitFlow, Inc. (ABO)	Core technology for high-speed image capture in the fields of advanced imaging and AI machine vision technology
	Aures Technologies Inc. (Aures US)	Sale of electronic and computer equipment for retail applications
	Retail Technology Group Inc. (Aures RTG)	Maintenance, installation, and technical support for retail services
	A.G.H. US Holding Company Inc. (Aures AGH)	Holding company
Czech Republic	Advantech Czech s.r.o. (ACZ)	Automatic control manufacturing
Ireland	Advantech Technology Limited (AIE)	Industrial network communication
Poland	Advantech Poland Sp z o.o. (APL)	Marketing and sale of industrial computers
	Advantech Europe B.V. (Polish branch)	Provide marketing support services
Spain	Advantech Europe B.V. (Spanish branch)	Provide marketing support services
France	Advantech Europe B.V. (French branch)	Provide marketing support services
	Aures Technologies S.A. (AURES)	Manufacturing and sale of electronic and computer equipment for retail applications
Italy	Advantech Europe B.V. (Italian branch)	Provide marketing support services

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

Country/region	Company name	Main business activities
Sweden	Advantech Europe B.V. (Swedish branch)	Provide marketing support services
UK	Advantech Europe B.V. (UK Branch)	Provide marketing support services
	AURES Technologies Ltd. (Aures UK)	Sale of electronic and computer equipment for retail applications
	J2 Systems Technology Limited (Aures J2SYSTEMS)	Holding company
Singapore	Advantech Co., Singapore Pte, Ltd. (ASG)	Marketing and sale of industrial computers
Thailand	Advantech Corporation (Thailand) Co., Ltd. (ATH)	Marketing and sale of industrial computers
Indonesia	PT. Advantech International (AID)	Marketing and sale of industrial computers
Malaysia	Advantech Co., Malaysia Sdn. Bhd (AMY)	Marketing and sale of industrial computers
India	Advantech Industrial Computing India Private Limited (AIN)	Marketing and sale of industrial computers
	Advantech Raiser India Private Limited (ARI)	Marketing and sale of industrial computers
Australia	Advantech Australia Pty Ltd. (AAU)	Marketing and sale of industrial computers
	AURES Technologies Pty Ltd (Aures AU)	Sale of electronic and computer equipment for retail applications
Vietnam	Advantech Vietnam Technology Company Limited (AVN)	Marketing and sale of industrial computers

Country/region	Company name	Main business activities
Hong Kong	Advantech Automation Corp. (HK) Limited [AAC (HK)]	Overseas investment in manufacturing and service industries
	HK Advantech Technology Co., Ltd. (ATC HK)	Overseas investment in manufacturing and service industries
Canada	Cermate Software Inc. (CSI)	Software development
	Advantech Corporation (Canadian branch)	Provide marketing support services
Brazil	Advantech Brasil Ltd (ABR)	Marketing and sale of industrial computers
Mexico	Advantech Electronics, S.A.P.I. de C.V. (AMX)	Marketing and sale of industrial computers
United Arab Emirates	Advantech Technology DMCC (ADB)	Industrial network communication
Turkey	Advantech Turkey Teknoloji A.S. (ATR)	Wholesale of computer and peripheral equipment
Israel	ADVANTECH IOT ISRAEL LTD. (AIL)	Industrial network communication
Malta	Advantech Automation Corporation Limited (AAC MT)	Overseas investment in manufacturing and service industries
British Virgin Islands	Advantech Technology Co., Ltd. (ATC)	Overseas investment in manufacturing and service industries
Samoa	Landmark Co., Ltd. (Landmark)	Investment company
Cayman	Advantech Corporate Investment Ltd. (ACI KY)	Investment company

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)

2 GRI and Assurance Indicators Index

3 Basic Information of Affiliates

4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)

5 List of Public Associations Participated and Description of Investing in Resources

6 Employee Structure

7 Third Party Verification Statement

8 Third Party Assurance Report

Appendix 4: Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)

ISO certification		Certification scope							Corresponding SDGs
Category	ISO name	HQ	ATMC	AKMC	AJP	AKR	ANA	AEU	
Quality	ISO 9001 Quality management system	V	V	V	V	V	V	V	
	ISO 13485 Medical equipment quality management system	V	V	V			V	V	
	ISO 17025 Laboratory quality management system	V	V	V			V		-
Environmental	ISO14001 Environmental management system	V	V	V	V	V	V	V	
	ISO 14064 GHG inventory standards	V	V	V	V	V			
	ISO 50001 Energy management system	V	V	V					
Safety	ISO 45001 Occupational health and safety management system	V	V	V			V	V	
Information	ISO 27001 Information and cyber security management system		V	V			V	V	-

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)

2 GRI and Assurance Indicators Index

3 Basic Information of Affiliates

4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)

5 List of Public Associations Participated and Description of Investing in Resources

6 Employee Structure

7 Third Party Verification Statement

8 Third Party Assurance Report

Appendix 5: List of Public Associations Participated and Description of Investment in Resources

List of public associations participated and description of investment in resources

Significance and importance of association participation

Advantech actively promotes the implementation of various industrial IIoT solutions such as Edge Intelligent Systems, Manufacturing, Healthcare, City Services & retail, and Energy & Utilities by participating in governmental and private associations and organizations in Taiwan and abroad. In addition, the company also participates in various IoT technology certification organizations around the world to ensure that the most cutting-edge and advanced IoT technology can be introduced and promoted to the public. Under Advantech's vision of "Enabling an Intelligent Planet", we have remained true to our core values, persevering in building a complete industrial ecological chain with partners from various industries and creating various solutions for IoT software and hardware.

Performance overview

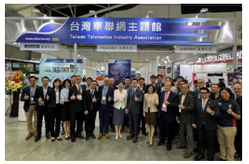
We participated in over 40 official and non-governmental industry associations and organizations worldwide. Across various dimensions—such as industry promotion, technological advancement, and green sustainability—we have invested more than three million in actual expenses and mobilized hundreds of colleagues globally to take part.

Project highlight 1

Collaborate with the Taiwan Telematics Industry Association to build a national team for smart transportation and commercial vehicle fleets

As AI and edge computing technologies become more mature, 5G communication performance is significantly enhanced. Coupled with the booming development of autonomous driving technology and electric vehicles (EVs) in recent years, it is now fully possible to achieve intelligent collaboration among "people, vehicles, roads, communications, and service platforms". Amid the growing trends of focus on ESG and energy-saving / carbon reduction trends, commercial vehicles are increasingly moving toward new energy and intelligent technologies. Advantech supports this transformation by providing reliable, safe, highly integrated, and scalable systems that enables fleet scheduling, helping to reduce carbon emissions while enhancing driving safety and operational efficiency.

Advantech, in partnership with the Taiwan Telematics Industry Association, unveiled AIoV intelligent connected vehicle solutions at E-Mobility Taiwan in April 2024, showcasing the values of solutions such as driver behavior management, improving driving safety, predictive vehicle maintenance, increasing advertising revenue, and lowering operating costs, to build a national team for smart transportation and commercial vehicle fleets together. In the future, we hope to engage in further collaboration with major commercial vehicle manufacturers as well as various commercial vehicle system integrators and AI software / hardware partners.







Project highlight 2

Advantech was invited to attend the 2024 China Industrial Equipment Intelligent Operation and Maintenance Technology Conference and delivered a keynote speech

In 2024, Advantech was invited to attend the China Industrial Equipment Intelligent Operation and Maintenance Technology Conference, where Allan Tsay, President of Advantech (China) Industrial IoT, delivered a keynote speech titled "Intelligent Equipment O&M, the High-Efficiency Driver of Digital Transformation". President Tsay conducted an in-depth analysis focusing on smart equipment management, predictive maintenance, and edge computing, showcasing how Advantech leverages IIoT and AI technologies to improve equipment O&M efficiency, reduce equipment downtime, and accelerate the manufacturing industry's digital transformation. President Tsay shared Advantech's application practices in multiple industrial scenarios, such as remote equipment monitoring in smart factories, AI-driven O&M optimization solutions, and how edge computing technology enables local data analysis, reducing cloud dependency and improving O&M response speed.



Advantech played a key role in the compilation of the "Edge Computing Power Blue Paper," actively promoting industry standardization.

In 2024, Advantech participated in the drafting of the "Edge Computing Power Blue Paper," led by the China Academy of Information and Communications Technology and AII (Alliance of Industrial Internet). The blue paper systematically elaborates on the development trend of edge computing power, summarizing six main characteristics such as heterogeneous resources, heterogeneous networks, ubiquitous distribution, low latency, low cost, and high privacy, and focuses on four major technical directions: edge computing power infrastructure, network, intelligence, and security. With years of experience in IIoT, Advantech provided theoretical support and practical references for applications in areas including IIoT, smart communities, and rail transit, and proposed constructive recommendations for refining the standard system, reinforcing infrastructure construction, and promoting edge computing power sharing, further advancing the standardization process of the industry.

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)

2 GRI and Assurance Indicators Index

3 Basic Information of Affiliates

4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)

5 List of Public Associations Participated and Description of Investing in Resources

6 Employee Structure

7 Third Party Verification Statement

8 Third Party Assurance Report

Project highlight 3

Advantech, together with the Taiwan High-Tech Facility Association (HTFA), visited Japan to enhance the brand visibility of the semiconductor supply chain.

In collaboration with HTFA, Advantech visited Japan to tour R&D centers, startup hubs, and technology transfer startups at leading universities. The team also visited Manufacturing World Tokyo, promoting integrated hardware and software solutions to strengthen brand influence and enhance market recognition. The visit aimed to strengthen industry-academia collaboration with Japanese academia and enterprises, establish platforms for technology exchange and business cooperation, and promote the development and application of innovative technologies. It also aimed to enhance international visibility within Japanese industry and academia, expand opportunities for technological collaboration and market development, and reinforce industrial ties between the two countries.

The visit to Manufacturing World Tokyo helps us to keep track of global industrial developments, expand our international horizon, and elevate our competitiveness. Through these exchanges, Japanese academia and industry can more precisely determine the needs and technical capabilities of Taiwan's high-tech industry, further promoting cooperation between the two countries in key technology areas and talent cultivation, thereby laying a robust foundation for the strategic deployment of Taiwan's semiconductor supply chain worldwide.





Project highlight 4

Advantech participated in the CSIA annual conference to strengthen system integration partnerships and promote automation technology development

Advantech North America participated in the annual conference of the Control System Integrators Association (CSIA), focusing on the latest development trends in the automation and control systems field, and emphasizing the key role of system integrators (SI) in enterprise digital transformation and automation applications. Through digital platform interaction, on-site exhibitions, and professional forum exchanges, Advantech showcased the technical advantages of integrated hardware and software solutions to industry partners and shared successful cases, fostering collaboration among upstream and downstream partners in the industry chain. During the conference, Advantech engaged in in-depth dialogues with SI partners, gaining insights into industry pain points and needs, optimizing the suitability of solutions, and strengthening synergy within the ecosystem. Looking ahead, Advantech will continue to improve its exhibition models and immersive interactive experiences, vigorously expanding cross-industry cooperation opportunities to promote the innovative development of automation technology. Through collaboration with global SI partners, Advantech is committed to building a more resilient industrial digital transformation ecosystem, expediting enterprise automation transformation, and realizing a more efficient, safe, and flexible industrial operation model.





About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)

2 GRI and Assurance Indicators Index

3 Basic Information of Affiliates

4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)

5 List of Public Associations Participated and Description of Investing in Resources

6 Employee Structure

7 Third Party Verification Statement

8 Third Party Assurance Report

Project highlight 5

RE100 policy initiative and discussion, sponsoring annual report publication and assisting renewable energy research

Advantech officially became an RE100 member in 2023 and actively engaged in RE100 member affairs in Taiwan. Advantech participated in the RE100 General Assembly, annual report launch events, and renewable energy policy discussion workshops. These activities focused on Taiwan's renewable energy market policy initiatives, stakeholder and agenda reviews, and discussions on the challenges and obstacles facing the development of the renewable energy market in Taiwan. Advantech also sponsored the publication of the 2024 RE100 annual report, which focuses on the challenges associated with renewable energy procurement in Taiwan, such as insufficient supply in the renewable electricity market and the low cost competitiveness of renewable electricity. The report also explained innovative procurement models in the RE100 market and analyzed whether these models can meet buyers' three major evaluation criteria for renewable energy procurement (3A principles): Affordable, Accessible, and Additional. Advantech's contribution to the publication of this annual report will assist Taiwanese companies to achieve RE100.

At the General Assembly, Advantech participated in discussions conducted in a form of a "World Café". Topics included strategies for leading the supply chain in collective renewable energy procurement, innovative ways to mobilize supply chain partners, and how companies' overseas locations can enhance local renewable energy procurement while paying attention to local renewable energy policies and information on renewable energy certificates.

Advantech also took full advantage of RE100 educational resources, inviting employees from its overseas locations to join RE100 educational training. This initiative aimed to foster understanding of RE100 requirements, support ongoing improvements, and accelerate the achievement of renewable energy goals.



Top: Eric Chen, President of General Management at Advantech, attending the RE100 General Assembly



Top: Group photo of the 2024 RE100 General Assembly

Project highlight 6

Advantech actively participates in climate change-related initiatives and organizations and strives to meet international carbon reduction targets

Advantech's policy statement on climate change is consistent with the Paris Agreement's goal of keeping global warming below 1.5 degrees Celsius. The Company vigorously participates in climate change-related initiatives and organizations, and also issues statements on Advantech's ESG official website regarding its participation in climate change-related public associations and management mechanisms.

Currently, Advantech proactively participates in the following climate change-related initiatives:

- SBTi: In 2024, Advantech began preparations to meet the target of limiting temperature rise to below 1.5°C and plans to update its target submission in 2025, demonstrating the Company' s commitment to carbon reduction.
- RE100: Regularly attends RE100 General Assembly, policy initiative meetings, and sponsor the publication of renewable energy research reports. We will also continue to increase the proportion of renewable energy in our overall energy consumption, expected to achieve the RE100 target by 2040.
- Taiwan Climate Partnership: Fulfill our membership obligations by regularly participating in general assemblies and climate action roundtable meetings.



About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)

2 GRI and Assurance Indicators Index

3 Basic Information of Affiliates

4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)

5 List of Public Associations Participated and Description of Investing in Resources

6 Employee Structure

7 Third Party Verification Statement

8 Third Party Assurance Report

Advantech engages in topics of concern to public associations

Topics of concern	Level of support	Advantech's position and significance of participation	Actual investment in 2024 (NTD)
Topic of concern 1 Smart manufacturing and IIoT (AIoT)	1. Strong support 2. Advantech's technical expertise and development strategy are in tune with global market trends, demonstrating its commitment to continuously developing local and global markets through concrete actions.	As a global IIoT leader, Advantech's participation in these associations demonstrates its emphasis on intelligence, digital transformation, and edge computing technologies. Through the association's platform, Advantech can formulate smart manufacturing, factory automation, and smart city standards with its industry partners to transform Taiwan into a core supply chain of global AIoT applications. Additionally, Advantech can facilitate technical exchanges, seek cross-industry partnerships, and promote its embedded platform and solutions through these associations.	1,592,438
Topic of concern 2 Innovative application of edge computing and AI	1. Strong support 2. Showcase our technical capabilities and promote the application of AI and edge computing technologies in the global market.	Edge computing and AI technologies have become key drivers of digital promotion, particularly in smart manufacturing, intelligent retail, and healthcare applications. As a leader in global edge computing solutions, Advantech specializes in delivering high-performance edge computing AI platforms. In conjunction with its WISE-IoT software solution, we can help our customers carry out real-time data processing and decision-making. Through active participation in the association, Advantech can assist in the formulation of AI and edge computing standards, enhance the international competitiveness of Taiwan' s industries, and strengthen ties with domestic and global AI and IoT ecosystem partners to jointly develop vertical domain solutions. Advantech's role in this domain goes beyond being a technology and product supplier—it positions itself as a key enabler of the AIoT ecosystem and a bridge for cross-industry innovation.	1,144,854
Topic of concern 3 Corporate sustainability and climate change support	1. Strong support 2. The main emphasis is on sponsoring professional research, participating in climate change and biodiversity-related forums, as well as education and training activities, policy initiatives, and discussions.	Advantech proactively sponsors projects led by NPOs focused on biodiversity, climate change, and forest protection. It also regularly participates in climate change and renewable energy policy discussions, training sessions, and workshops organized by entities such as RE100, Taiwan Nature Positive Initiative, Business Council for Sustainable Development of the Republic of China, Taiwan Climate Partnership, and CWS. We also actively follow up on SBTi, TCFD, and TNFD-related commitments and information disclosures. Advantech regularly sponsors biodiversity and forest protection programs, such as engaging in stream and wetland protection at its Neihu headquarters and forest restoration at its Taichung office.	1,256,010

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)

2 GRI and Assurance Indicators Index

3 Basic Information of Affiliates

4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)

5 List of Public Associations Participated and Description of Investing in Resources

6 Employee Structure

7 Third Party Verification Statement

8 Third Party Assurance Report

The amount of participation in public associations over the past four years:

Item	Amount invested in 2024 (NTD)
Lobbying, interest representation or similar	0
Local, regional or national political campaigns /organizations / candidates	0
Trade associations or tax-exempt groups (e.g. think tanks)	3,393,302
Other (e.g. spending related to ballot measures or referendums)	0
Total contributions and other spending	3,993,302
Data coverage (as % of denominator, indicating the organizational scope of the reported data)	94.8%

Note: Calculation logic and method for 2024:
Number of employees covered/total number of global Advantech employees = 8,387(3,600 ACL+539 ANA+1,195 ACN+2,152 AKMC+240 AJP+124AKR+537AEU)/8,849
- Total number global Advantech employees: 8,849
- Number of Advantech Co., Ltd. (ACL) employees: 3,600 / 2,381+1,219 (manufacturing)
- Number of Advantech Corp. (ANA) employees: 539
- Number of Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN) employees: 1,195
- Number of Advantech Technology (China) Company Ltd. (AKMC) employees: 2,152
- Number of Advantech Japan Co. LTD. (AJP) employees: 240
- Number of AKR (Advantech KR Co.,Ltd.) employees: 124
- Number of AEU (Advantech Europe B.V.) employees: 537



About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

No	Association or Special Inerest Group (SIG)	Investment Type	Investment (NTD)	Investment (Local Currency)	Association Type (A=Industry, B=Technology C=Sustainable)	Membership Type	Strategic Meaning for Joining the Associations or SIG
1	Taipei Computer Association (Taiwan)	2024 annual membership fee	15,000	-	A	Tier 1 membership	Promotion of computer applications, improvement of economic development, and coordination of industry solidarity
2	Taiwan Automation Intelligence and Robotics Association (Taiwan)	2024 annual membership fee	40,000	-	A	Tier 1 membership / serving as director	Promotion of smart manufacturing and factory smart automation, served as a practical instructor for association courses on numerous occasions
3	Taiwan Electrical and Electronic Manufacturers' Association (Taiwan)	2024 membership fee January-June	21,000	-	A	Tier 1 membership	Promotion of IoT platform and smart manufacturing development
4	Taiwan Electrical and Electronic Manufacturers' Association (Taiwan)	2024 membership fee July-December	21,000	-	A	Tier 1 membership	Promotion of IoT platform and smart manufacturing development
5	Taiwan Electronic Equipment Industry Association (TEEIA), Taiwan	2024 annual membership fee	30,000	-	A	Organization membership	Promotion of the construction of the IoT platform, improvement of Taiwan's electronic equipment cooperation ecosystem
6	Taiwan Printed Circuit Association (Taiwan)	2024 annual membership fee	48,000	-	A	Organization membership	Promotion of Industrial cooperation and marketing
7	Chinese International Economic Cooperation Association (CIECA), Taiwan (Taiwan)	2024 annual membership fee	20,000	-	A	Organization membership	Participation in the organization's international economic cooperation initiatives helps expand substantial relationships between Taiwan’ s IIoT applications and other countries.
8	Taiwan Association of Machinery Industry, TAMI (Taiwan)	2024 annual membership fee	52,800	-	A	Organization membership	Assist machine tool and other machinery industries in implementing smart machinery applications and expanding Taiwan's smart machinery cloud ecosystem.
9	Taiwan Telematics Industry Association (Taiwan)	2024 annual membership fee	20,000	-	A	Tier 2 membership / serving as director	Promotion of the development of Taiwan's Internet of Vehicles (IoV) industry and enhancement of the industry's international competitiveness
10	Taiwan Cold Chain Association (Taiwan)	2024 annual membership fee	20,000	-	A	Tier 1 membership	Collaborating with leading experts from industry, government, and academia within the association to form a national cold chain task force—establishing a strong presence in Taiwan while promoting expansion into Southbound markets.
11	Institute for Biotechnology and Medicine Industry (Taiwan)	2024 annual membership fee	20,000	-	A	Organization membership	Through its participation in the organization, Advantech collaborates with medical institutions and industry leaders to advance smart healthcare in Taiwan and jointly promote its development across Southeast Asia.
12	Intelligent Computer & AIoT Association, ICAA (Taiwan)	2024 annual membership fee	50,000	-	A	Tier 1 membership	This association was jointly founded by peers in Taiwan's industrial PC industry, with the aim of collectively promoting AIoT related policies and establishing a consensus and direction for industry promotion.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

No	Association or Special Inerest Group (SIG)	Investment Type	Investment (NTD)	Investment (Local Currency)	Association Type (A=Industry, B=Technology C=Sustainable)	Membership Type	Strategic Meaning for Joining the Associations or SIG
13	Intelligent Transportation Society of Taiwan (Taiwan)	2024 annual membership fee	10,000	-	A	Organization membership	
14	SEMI Semiconductor Equipment and Materials International Taiwan Branch (U.S) (Taiwan)	2024 membership renewal fee	97,960	USD 3,100.00	A	Organization membership	Promotion of the application of IoT solutions in semiconductor-related industries.
15	PCI Special Interest Group	2024 Annual Membership Fee	151,300	USD 5,000.00	B		
16	AIA (Association for Advancing Automation) (US)	2024 Annual Membership Fee	57,258	USD 1,800.00	B	Enterprise membership	Advancement of industrial automation technology
17	OPC Foundation (US)	2024 Annual Membership Fee	715,725	USD 22,500.00	B	Enterprise membership	Define the future technical standards of the IIoT
18	ODVA (Open Device Net Vendors Association) (US)	2024 Annual Membership Fee	248,118	USD 7,800.00	B	Enterprise membership	Promotion of relevant technologies and standards for industrial automation
19	CSIA (Control System Integrators Association)(US)	2024 Annual Membership Fee	72,368	USD 2,275.00	B	Enterprise membership	Promotion of relevant technologies and standards for industrial automation
		sponsor of the conference exhibition	63,620	USD 2,000.00	B	Enterprise membership	Promotion of relevant technologies and standards for industrial automation
20	AHTD (Association for High Technology Distribution) (US)	2024 Annual Membership Fee	106,564	USD 3,350.00	B	Enterprise membership	Promotion of relevant technologies and standards for industrial automation
		sponsor of the conference exhibition	31,810	USD 1,000.00	B	Enterprise membership	Promotion of relevant technologies and standards for industrial automation
21	APTA (American Public Transportation Association) (US)	2024 Annual Membership Fee	43,739	USD 1,375.00	A	Enterprise membership	Promotion of relevant technologies and standards for industrial automation
22	Edgecross Consortium (Japan)	2024 Annual Membership Fee	12,650	JPY 55,000.00	A	Enterprise membership	Realize factory automation (FA) and information technology (IT) connection and integration to quickly initiate Industry 4.0
23	CC-Link Partner Association (Japan)	2024 Annual Membership Fee	21,680	JPY 100,000.00	A	Enterprise membership	Promote industrial automation-related industries
24	Anritsu Fuji Meeting annual membership fee (Japan)	2024 Annual Membership Fee	9,539	JPY 44,000.00	A	Enterprise membership	Promote industrial automation-related industries

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

No	Association or Special Inerest Group (SIG)	Investment Type	Investment (NTD)	Investment (Local Currency)	Association Type (A=Industry, B=Technology C=Sustainable)	Membership Type	Strategic Meaning for Joining the Associations or SIG
25	Semiconductor Equipment Association of Japan (Japan)	2024 Annual Membership Fee	82,384	JPY 380,000.00	A	Enterprise membership	Promotion of Japanese semiconductor technology
26	Tokyo GAS Joywatcher Partner annual membership fee (Japan)	2024 Annual Membership Fee	21,680	JPY 100,000.00			
27	Foundation for the Promotion of Engineering Research 2024 flexible medical IT research annual fee (Japan)	2024 Annual Membership Fee	10,840	JPY 50,000.00			
28	Chengdu IoT Industry Development Alliance (China)	2024 membership fee	13,323	CNY 3,000.00	B	General membership	Promote IIoT-related technologies and trends
29	Machine Vision Industry Union (China)	2024 membership fee	15,544	CNY 3,500.00	A	General membership	Promote machine vision-related technologies and trends
30	Shanghai Internet of Things Industry Association (China)	2024 membership fee	88,820	CNY 20,000.00	A	Enterprise membership	Promote energy storage-related technologies and trends
31	China Printed Circuit Association (China)	2024 membership fee	13,323	CNY 3,000.00	A	General membership	
32	Chinese Association of Automation (China)	2024 membership fee	44,410	CNY 10,000.00	A	Vice Chairman	
33	China Motion Control Industry Alliance (China)	2024 membership fee	12,435	CNY 2,800.00			
34	Taiwan Smart City Solutions Alliance (Taiwan)	Participate in the association's forums or relevant exhibitions	-	-	A	Founding member	Promote Taiwan's Real Site Demo, promote smart city exhibitions, and showcase Taiwanese manufacturers' critical role in smart city development

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

No	Association or Special Inerest Group (SIG)	Investment Type	Investment (NTD)	Investment (Local Currency)	Association Type (A=Industry, B=Technology C=Sustainable)	Membership Type	Strategic Meaning for Joining the Associations or SIG
35	Asia·Silicon Valley Development Agency (Taiwan)	Participate in the association's forums or relevant exhibitions	-	-	A	General membership	Establish new IoT innovations industries by promoting the application of IoT technologies
36	e-F@ctory Alliance (Japan)	Participate in the association's forums or relevant exhibitions	-	-	B	General membership	Promote factory automation and Industry 4.0 applications
37	Embedded Linux & Android Alliance, ELAA (global)	Participate in the association's forums or relevant exhibitions	-	-	B	Founding member	Promote open and standardized Linux and Android software and hardware architectures, and form a complete software and hardware industry ecosystem
38	LoRa Alliance (global)	Participate in the association's forums or relevant exhibitions	-	USD 7,500.00	B	General membership	Formulating strategies for the development and deployment of LPWAN applications in the IoT ecosystem
39	Taiwan High-Tech Facility Association (Taiwan)	2024 annual membership fee	10,000	-	A	Founding member	Promote the WISE-IoT platform and ESG related solutions to customers such as Taiwan High-Tech Facility Association
40	Business Council for Sustainable Development of the Republic of China (Taiwan)	2024 annual membership fee	60,000	-	C	Geneal membership	Gaining new insights into corporate sustainability to enhance overall corporate sustainability performance.
41	Taiwan Climate Partnership (Taiwan)	2024 annual membership fee	50,000	-	C	General membership	Gaining new insights into corporate sustainability to enhance overall corporate sustainability performance.
42	Taiwan Nature Positive Initiative (Taiwan)	Participate in the association's forums or relevant education and training activities	350,000	-	C	General membership	Gaining new insights into corporate sustainability to enhance overall corporate sustainability performance.
43	CWS (Taiwan)	Participate in the association's forums or relevant education and training activities	120,000	-	C	General membership	Gaining new insights into corporate sustainability to enhance overall corporate sustainability performance.

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

No	Association or Special Inerest Group (SIG)	Investment Type	Investment (NTD)	Investment (Local Currency)	Association Type (A=Industry, B=Technology C=Sustainable)	Membership Type	Strategic Meaning for Joining the Associations or SIG
44	RE100 (global)	Participate in the association's forums or relevant education and training activities	242,175	USD 6,500.00	C	General membership	Gaining new insights into corporate sustainability to enhance overall corporate sustainability performance.
45		Sponsor renewable energy market research in Taiwan	100,000	-	C	General membership	Gaining new insights into corporate sustainability to enhance overall corporate sustainability performance.
46	RE10 X10 (Taiwan)	Sponsor renewable energy market research in Taiwan	-	-	C		Gaining new insights into corporate sustainability to enhance overall corporate sustainability performance.
47	The Society of Wilderness (Taiwan)	Sponsor restoration efforts in Xizhi and Neihu	103,900		C	Sponosor	Gaining new insights into corporate sustainability to enhance overall corporate sustainability performance.
48	SBTi (Taiwan)	Participate in forums or education and training activities	-	-	C		Gaining new insights into corporate sustainability to enhance overall corporate sustainability performance.
49	TNFD (Taiwan)	Participate in forums or education and training activities	-	-	C		Gaining new insights into corporate sustainability to enhance overall corporate sustainability performance.
50	TCFD (Taiwan)	Participate in forums or education and training activities	-	-	C		Gaining new insights into corporate sustainability to enhance overall corporate sustainability performance.
51	Taiwan Forestry Restoration Association (Taiwan)	Sponsor forest restoration efforts in Taiwan's shallow mountain regions	103,900	-	C	Sponosor	
52	PICMG (PCI Industrial Computer Manufacture)	2024 membership fee	120,038	USD 3,750.00	A	Enterprise membership	
53	Information Service Industry Association of R.O.C.	2024 annual membership fee	15,000		B	General membership	
54	Taiwan Energy Service Association, TESA	2024 annual membership fee	18,000		A	General membership	

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

No	Association or Special Inerest Group (SIG)	Investment Type	Investment (NTD)	Investment (Local Currency)	Association Type (A=Industry, B=Technology C=Sustainable)	Membership Type	Strategic Meaning for Joining the Associations or SIG
55	Taiwan Silk & Filament Weaving Industrial Association	2024 annual membership fee	15,000		A	General membership	
56	Taiwan Chemical Industry Association	2024 annual membership fee	100,000		A	General membership	
57	ProfiBus & ProfiNet International	2024 annual membership fee	50,000		A	General membership	
58	Food Industry Intelligent Automation Association Taiwan	2024 annual membership fee	15000		A	General membership	
59	(ISC)International Society of Automation	2024 membership fee	37,574	USD 1,155.00	A	General membership	
60	Open Source Robotics Foundation, In	2024 membership fee	53,792	USD 1,665.00	A	General membership	
61	CDP Worldwide	2024 membership fee	126,035	USD 3,875.00	C	General membership	CDP carbon disclosure reports are submitted in response to key accounts (KA), customer requirements, and various evaluations, and require the payment of an annual fee.
Total Investment			NTD 3,993,302.50				

2024/03/07 cash exchange rate: NTD:USD=1:31.81、NTD:JPY=1:0.2168、NTD:CNY=1:4.441

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)

2 GRI and Assurance Indicators Index

3 Basic Information of Affiliates

4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)

5 List of Public Associations Participated and Description of Investing in Resources

6 Employee Structure

7 Third Party Verification Statement

8 Third Party Assurance Report

Appendix 6 Staff Structure

Number of Advantech employees in 2024

Region	Taiwan	China		JapanAJP	Korea	Europe	USA	Other Regions	Global Total
		ACN	AKMC(Kunshan)						
Number of employees	3,600	1,195	2,152	240	124	537	539	462	8,849
Remarks			manufacturing center						

* Notes:

1. Employee numbers do not include affiliated companies.

2. This report only discloses information for the six major regions. The "Global Total" in this table represents Advantech's global employee total, including the six major regions and other regions.

Region	Item		Number and proportion of males(%)		Number and proportion of women(%)		Number and proportion of people whose gender is not disclosed(%)		Total number of people
Headquarters	Employees	Total Company Employees	1,972	54.78%	1,592	44.22%	36	1.00%	3,600
	Job Grade	Senior Executives (F and above)	73	87.95%	10	12.05%	0	0.00%	83
		Mid-level Managers (E1, E2)	342	77.90%	97	22.10%	0	0.00%	439
		General Staff (D3 and below)	1,557	50.58%	1,485	48.25%	36	1.17%	3,078
	Employee Age	Under 30	209	44.95%	256	55.05%	0	0.00%	465
		31–49 years old	1,366	56.03%	1,072	43.97%	0	0.00%	2,438
		50 years old and above	397	60.06%	264	39.94%	0	0.00%	661
		Not Disclosed	0	0.00%	0	0.00%	36	100.00%	36
	Employment Type	Full-Time	1,934	54.77%	1,562	44.24%	35	0.99%	3,531
		Full-Time Contract	12	46.15%	13	50.00%	1	3.85%	26
		Intern/Part-Time	26	60.47%	17	39.53%	0	0.00%	43
	Job Function Classification	R&D	1,228	77.48%	357	22.52%	0	0.00%	1,585
		Sales and Marketing	111	37.37%	186	62.63%	0	0.00%	297
		Administration	182	36.47%	317	63.53%	0	0.00%	499
		Manufacturing (Direct + Indirect)	451	37.00%	732	60.05%	36	2.95%	1,219

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

Region	Item		Number and proportion of males(%)		Number and proportion of women(%)		Number and proportion of people whose gender is not disclosed(%)		Total number of people
Advantech China	Employees	Total Company Employees	1,868	55.81%	1,475	44.07%	4	0.12%	3,347
	Job Grade	Senior Executives (F and above)	22	73.33%	8	26.67%	0	0.00%	30
		Mid-level Managers (E1, E2)	73	62.93%	43	37.07%	0	0.00%	116
		General Staff (D3 and below)	1,773	55.39%	1,424	44.49%	4	0.12%	3,201
	Employee Age	Under 30	311	61.22%	197	38.78%	0	0.00%	508
		31–49 years old	1,419	53.15%	1,251	46.85%	0	0.00%	2,670
		50 years old and above	138	83.64%	27	16.36%	0	0.00%	165
		Not Disclosed	0	0.00%	0	0.00%	4	100.00%	4
	Employment Type	Full-Time	1,859	55.78%	1,470	44.10%	4	0.12%	3,333
		Full-Time Contract	8	61.54%	5	38.46%	0	0.00%	13
		Intern/Part-Time	1	100.00%	0	0.00%	0	0.00%	1
	Job Function Classification	R&D	436	63.84%	247	36.16%	0	0.00%	683
		Sales and Marketing	288	58.42%	205	41.58%	0	0.00%	493
		Administration	136	39.53%	207	60.17%	1	0.29%	344
		Manufacturing (Direct Employees)	1,008	55.17%	816	44.66%	3	0.16%	1,827
Advantech Japan	Employees	Total Company Employees	158	65.83%	74	30.83%	8	3.33%	240
	Job Grade	Senior Executives (F and above)	8	80.00%	2	20.00%	0	0.00%	10
		Mid-level Managers (E1, E2)	20	90.91%	1	4.55%	1	4.55%	22
		General Staff (D3 and below)	130	62.50%	71	34.13%	7	3.37%	208
	Employee Age	Under 30	11	78.57%	3	21.43%	0	0.00%	14
		31–49 years old	54	56.84%	41	43.16%	0	0.00%	95
		50 years old and above	93	75.61%	30	24.39%	0	0.00%	123
		Not Disclosed	0	0.00%	0	0.00%	8	100.00%	8
	Employment Type	Full-Time	149	66.22%	68	30.22%	8	3.56%	225
		Full-Time Contract	8	57.14%	6	42.86%	0	0.00%	14
		Intern/Part-Time	1	100.00%	0	0.00%	0	0.00%	1

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

Region	Item		Number and proportion of males(%)		Number and proportion of women(%)		Number and proportion of people whose gender is not disclosed(%)		Total number of people
Advantech Japan	Job Function Classification	R&D	31	88.57%	3	8.57%	1	2.86%	35
		Sales and Marketing	65	70.65%	22	23.91%	5	5.43%	92
		Administration	14	38.89%	21	58.33%	1	2.78%	36
		Manufacturing (Direct Employees)	48	62.34%	28	36.36%	1	1.30%	77
Advantech South Korea	Employees	Total Company Employees	82	66.13%	42	33.87%	0	0.00%	124
	Job Grade	Senior Executives (F and above)	10	90.91%	1	9.09%	0	0.00%	11
		Mid-level Managers (E1, E2)	9	90.00%	1	10.00%	0	0.00%	10
		General Staff (D3 and below)	63	61.17%	40	38.83%	0	0.00%	103
	Employee Age	Under 30	21	53.85%	18	46.15%	0	0.00%	39
		31–49 years old	44	66.67%	22	33.33%	0	0.00%	66
		50 years old and above	17	89.47%	2	10.53%	0	0.00%	19
		Not Disclosed	0	0.00%	0	0.00%	0	0.00%	0
	Employment Type	Full-Time	11	73.33%	4	26.67%	0	0.00%	15
		Full-Time Contract	71	65.14%	38	34.86%	0	0.00%	109
		Intern/Part-Time	0	0.00%	0	0.00%	0	0.00%	0
	Job Function Classification	R&D	19	79.17%	5	20.83%	0	0.00%	24
		Sales and Marketing	32	53.33%	28	46.67%	0	0.00%	60
		Administration	9	52.94%	8	47.06%	0	0.00%	17
		Manufacturing (Direct Employees)	22	95.65%	1	4.35%	0	0.00%	23
Advantech Europe	Employees	Total Company Employees	344	64.06%	176	32.77%	17	3.17%	537
	Job Grade	Senior Executives (F and above)	20	80.00%	5	20.00%	0	0.00%	25
		Mid-level Managers (E1, E2)	41	70.69%	12	20.69%	5	8.62%	58
		General Staff (D3 and below)	283	62.33%	159	35.02%	12	2.64%	454

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

Region	Item		Number and proportion of males(%)		Number and proportion of women(%)		Number and proportion of people whose gender is not disclosed(%)		Total number of people
Advantech Europe	Employee Age	Under 30	40	58.82%	28	41.18%	0	0.00%	68
		31–49 years old	183	62.24%	110	37.41%	1	0.34%	294
		50 years old and above	121	76.10%	38	23.90%	0	0.00%	159
		Not Disclosed	0	0.00%	0	0.00%	16	100.00%	16
	Employment Type	Full-Time	332	64.34%	169	32.75%	15	2.91%	516
		Full-Time Contract	1	33.33%	2	66.67%	0	0.00%	3
		Intern/Part-Time	11	61.11%	5	27.78%	2	11.11%	18
	Job Function Classification	R&D	83	90.22%	8	8.70%	1	1.09%	92
		Sales and Marketing	155	62.25%	86	34.54%	8	3.21%	249
		Administration	42	36.84%	65	57.02%	7	6.14%	114
		Manufacturing (Direct Employees)	64	78.05%	17	20.73%	1	1.22%	82
Advantech USA	Employees	Total Company Employees	341	63.27%	182	33.77%	16	2.97%	539
	Job Grade	Senior Executives (F and above)	23	74.19%	7	22.58%	1	3.23%	31
		Mid-level Managers (E1, E2)	107	81.06%	22	16.67%	3	2.27%	132
		General Staff (D3 and below)	211	56.12%	153	40.69%	12	3.19%	376
	Employee Age	Under 30	24	50.00%	20	41.67%	4	8.33%	48
		31–49 years old	164	60.52%	102	37.64%	5	1.85%	271
		50 years old and above	153	69.55%	60	27.27%	7	3.18%	220
		Not Disclosed	0	0.00%	0	0.00%	0	0.00%	0
	Employment Type	Full-Time	338	63.41%	182	34.15%	13	2.44%	533
		Full-Time Contract	2	40.00%	0	0.00%	3	60.00%	5
		Intern/Part-Time	1	100.00%	0	0.00%	0	0.00%	1
	Job Function Classification	R&D	112	78.32%	28	19.58%	3	2.10%	143
		Sales and Marketing	121	59.61%	74	36.45%	8	3.94%	203
		Administration	39	39.00%	59	59.00%	2	2.00%	100
		Manufacturing (Direct Employees)	69	74.19%	21	22.58%	3	3.23%	93

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

Region	Item		Number and proportion of males(%)		Number and proportion of women(%)		Number and proportion of people whose gender is not disclosed(%)		Total number of people
Other Areas	Employees	Total Company Employees	305	66.02%	131	28.35%	26	5.63%	462
	Job Grade	Senior Executives (F and above)	9	90.00%	1	10.00%	0	0.00%	10
		Mid-level Managers (E1, E2)	38	73.08%	12	23.08%	2	3.85%	52
		General Staff (D3 and below)	258	64.50%	118	29.50%	24	6.00%	400
	Employee Age	Under 30	92	74.19%	32	25.81%	0	0.00%	124
		31–49 years old	171	67.32%	82	32.28%	1	0.39%	254
		50 years old and above	42	71.19%	17	28.81%	0	0.00%	59
		Not Disclosed	0	0.00%	0	0.00%	25	100.00%	25
	Employment Type	Full-Time	291	66.74%	120	27.52%	25	5.73%	436
		Full-Time Contract	1	16.67%	5	83.33%	0	0.00%	6
		Intern/Part-Time	13	65.00%	6	30.00%	1	5.00%	20
	Job Function Classification	R&D	115	88.46%	6	4.62%	9	6.92%	130
		Sales and Marketing	111	63.07%	56	31.82%	9	5.11%	176
		Administration	41	36.61%	65	58.04%	6	5.36%	112
		Manufacturing (Direct Employees)	38	86.36%	4	9.09%	2	4.55%	44

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

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Total	Employees	Total Company Employees	5,070	57.29%	3,672	41.50%	107	1.21%	8,849
	Job Grade	Senior Executives (F and above)	165	82.50%	34	17.00%	1	0.50%	200
		Mid-level Managers (E1, E2)	630	76.00%	188	22.68%	11	1.33%	829
		General Staff (D3 and below)	4,275	54.67%	3,450	44.12%	95	1.21%	7,820
	Employee Age	Under 30	708	55.92%	554	43.76%	4	0.32%	1,266
		31–49 years old	3,401	55.86%	2,680	44.02%	7	0.11%	6,088
		50 years old and above	961	68.35%	438	31.15%	7	0.50%	1,406
		Not Disclosed	0	0.00%	0	0.00%	89	100.00%	89
	Employment Type	Full-Time	4,914	57.21%	3,575	41.62%	100	1.16%	8,589
		Full-Time Contract	103	58.52%	69	39.20%	4	2.27%	176
		Intern/Part-Time	53	63.10%	28	33.33%	3	3.57%	84
	Job Function Classification	R&D	2,024	75.19%	654	24.29%	14	0.52%	2,692
		Sales and Marketing	883	56.24%	657	41.85%	30	1.91%	1,570
		Administration	463	37.89%	742	60.72%	17	1.39%	1,222
		Manufacturing (Direct Employees)	1,700	50.52%	1,619	48.11%	46	1.37%	3,365

※ Note:

1. The denominator for the proportions in the above table is the total number of employees in the region.
2. Headcount statistics are as of December 31, 2024, and there has been no significant fluctuation compared to the 2023 headcount.
3. Full-time employees are permanent and full-time employees, contract employees are fixed-term and full-time employees, and interns are fixed-term and part-time employees.
4. Advantech conducted a Global Job Band alignment in 2022. Job grades are categorized globally from A to H, with managerial-level employees designated as Grade E, and senior managers (including associate managers and above) designated as Grade F and above.
5. Some employees have chosen not to disclose their gender, so a gender-undisclosed field has been added in addition to the male and female categories.
6. Some employees choose not to disclose their age, so a field for not disclosing age has been added.

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)

2 GRI and Assurance Indicators Index

3 Basic Information of Affiliates

4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)

5 List of Public Associations Participated and Description of Investing in Resources

6 Employee Structure

7 Third Party Verification Statement

8 Third Party Assurance Report

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE ADVANTECH CO., LTD.'S SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Advantech CO., LTD. (hereinafter referred to as Advantech) to conduct an independent assurance of the Sustainability Report for 2024. The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 2 high level during 18 March 2025 to 6 May 2025. The boundary of this report includes Advantech Taiwan and oversea operational and production or service sites as disclosed in Advantech Co., Ltd.'s Sustainability Report of 2024. The boundary is not the same as Advantech Co., Ltd.'s consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Advantech's Stakeholders.

RESPONSIBILITIES

The sustainability information in the Advantech's Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body (as applicable) and management of Advantech. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP,2018).

Assurance has been conducted at a type 2 high level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

TWLPP 5008 Issue 2502

Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (With Reference to)
3	SASB, HARDWARE, Sustainability Accounting Standard (Version 2023-12.)
4	Taiwan Stock Exchange Corporation (the "TWSE") Sustainability Indicators for Hardware Industries

- The evaluation of the reliability and quality of specified sustainability performance information in Advantech's Sustainability Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a high level of scrutiny for Advantech and moderate level of scrutiny for its subsidiaries or joint ventures.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standard.

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

The specified performance information includes the data for 2024, which is related to GRI 2, GRI 3, GRI 200, 300 and 400 series claimed in the GRI content index as material in Advantech Co., Ltd.'s Sustainability Report.

The specified performance information includes the data for 2024, claimed in the content index of the SASB Hardware Standard, version 2023-12, in Advantech Co., Ltd.'s Sustainability Report.

ASSURANCE METHODOLOGY

The assurance comprised a combination of desktop research, interviews with relevant employees, superintendents, Sustainability Development Committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts. Task Force on Climate-related Financial Disclosures (TCFD) has not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Advantech, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with professional qualifications such as ISO 26000, ISO 20121, ISO 50001, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

TWLPP 5008 Issue 2502

About Advantech's Sustainability Report

Message from the Executive Management

1 Sustainability Vision and Goals

2 Corporate Management and Governance

3 Innovation and Services

4 Green Operations

5 Talent and Employee Relations

6 Altruism and Social Welfare

Appendix

1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)

2 GRI and Assurance Indicators Index

3 Basic Information of Affiliates

4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)

5 List of Public Associations Participated and Description of Investing in Resources

6 Employee Structure

7 Third Party Verification Statement

8 Third Party Assurance Report

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

Advantech Co., Ltd. has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Advantech Co., Ltd. may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

MATERIALITY

Advantech Co., Ltd. has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT

Advantech Co., Ltd. has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

On the basis of the verification work performed, we checked records, project documents, project presentation, minutes of meetings, ISO certification. We have confidence that the specified performance information included in the scope of assurance is reliable at a high level of scrutiny for Advantech Co., Ltd. and at a moderate level of scrutiny for its subsidiaries.

TWLPP 5008 Issue 2502

ADHERENCE TO GRI

The report, Advantech’ s Sustainability Report of 2024, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to Advantech’ s contributions to sustainability development.

For future reporting, it is recommended Advantech to improve its processes of assessing impacts on the economy, environment, and people as well as the management of significant impacts.

ADHERENCE TO SASB

Advantech has referenced with SASB’ s Standard, Hardware, VERSION 2023-12 to disclose information of material topics that are vital for enterprise value creation. The reporting boundaries of the disclosed SASB information correspond to the financial data reported in Advantech’ s audited Sustainability Report of 2024. Process to identify, assess, and manage SASB-topic-related risks and opportunities were integrated into Advantech’ s overall management process. It is recommended that Advantech Co., Ltd. can indicate what is the information is replaced if the company is unable to disclose the percentage of gender and race for executive management, non-executive management, technical employees and all other employees.

Signed:
For and on behalf of SGS Taiwan Ltd.



AA1000
Licensed Report
000-8/V3-HX004

Stephen Pao
Business Assurance Director
Taipei, Taiwan
25 May, 2025
WWW.SGS.COM

TWLPP 5008 Issue 2502

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

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Independent Limited Assurance Report

PWCM24000816

To **Advantech Co., Ltd.**

We have been engaged by **Advantech Co., Ltd.** ("Company") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2024 Sustainability Report (hereinafter referred to as the "Identified Key Performance Indicators") and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" of the Sustainability Report. The scope of the Identified Key Performance Indicators is set out in the "Report boundaries and scope" of the Sustainability Report.

The respective applicable criteria referred to above are the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability and FAQ issued by TWSE Listed Companies, related laws and regulations, the latest edition of the GRI Sustainability Reporting Standards (GRI Standards) published by the Global Reporting Initiative (GRI) and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported (hereinafter referred to as the "Applicable Criteria").

Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

Inherent Limitation

Certain subject matter information assured involves non-financial data which is subject to more inherent limitations than financial information. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

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Compliance of Independence and Quality Management Requirement

We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of the Republic of China. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods (if any), and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes, and the relevant internal controls relating to the preparation of the aforementioned information, to identify the areas where there may be risks of material misstatement; and

About Advantech's Sustainability Report
Message from the Executive Management
1 Sustainability Vision and Goals
2 Corporate Management and Governance
3 Innovation and Services
4 Green Operations
5 Talent and Employee Relations
6 Altruism and Social Welfare
Appendix
1 Financial Supervisory Commission (Taiwan, ROC)'s Request for Sustainability Disclosure for Certain Industries (Sector: Computer and Peripheral Equipment Industry) and SASB (Sector: Hardware)
2 GRI and Assurance Indicators Index
3 Basic Information of Affiliates
4 Comparison Table of Advantech's ISO Certification and UN Sustainable Development Goals (SDGs)
5 List of Public Associations Participated and Description of Investing in Resources
6 Employee Structure
7 Third Party Verification Statement
8 Third Party Assurance Report

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- Based on the above understanding and the areas identified, performed analytical procedures on the Identified Key Performance Indicators and performed substantive testing on a selective basis, including inquiries, observation, and inspection to obtain evidence for limited assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the Applicable Criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the Applicable Criteria have been subsequently modified.

Chao, Yung-Chieh

CHAO, YUNG-CHIEH
For and on behalf of PricewaterhouseCoopers, Taiwan
August 28, 2025

Advantech Co.,Ltd.
Summary of Subject Matters Assured

No	Subject Matter Assured	Information	Page	Applicable Criteria
1	Average training hours for employees	In 2024, the average training time per person was 102.5 hours. (Note 1)	166-168	The statistical data of average training hours in 2024 according to Advantech's regulation of education and training divided by the total number of employees at the end of 2024.
2	Types, number of people and ratio of occupational accidents	Includes statistics of occupational injury of Advantech's employees, categories of occupational injury of Advantech's employees and statistics of occupational injury of non-Advantech's employees.	200-201	Please refer to the content of the sustainability report.
3	Aggregate amount of pecuniary damages resulting from legal proceedings relating to anticompetitive conduct regulations	The overall number of incidents for "Incidents of anti-competitive behavior, antitrust and monopoly behavior, and market manipulation" in 2024 is 0. Therefore, no monetary loss due to litigation.	37	Total pecuniary damages in 2024 resulting from legal proceedings relating to anticompetitive conduct regulations.
4	Ratio of significant suppliers that have signed the "Agreement for Advantech Supplier Code of Conduct"	100% of significant suppliers have signed the "Agreement for Advantech Supplier Code of Conduct"	49	The ratio of significant suppliers at ACL and AKMC that have signed the "Agreement for Advantech Supplier Code of Conduct"
5	The amount of fines imposed for violating environmental laws and regulations	In 2024, there was no fine imposed for violating environmental laws and regulations.	128	The amount of fines imposed for violating environmental laws and regulations related to environmental protection.
6	Disposal volume of total wastes outsourced (metric tons)	The total waste disposal volume in 2024 was 1,074.92 metric tons.(Note 2)	133	Please refer to the content of the sustainability report.

*Note 1: Round training hours for employees to one decimal place.
*Note 2: Round total wastes outsourced to two decimal place.

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