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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.**

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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 :

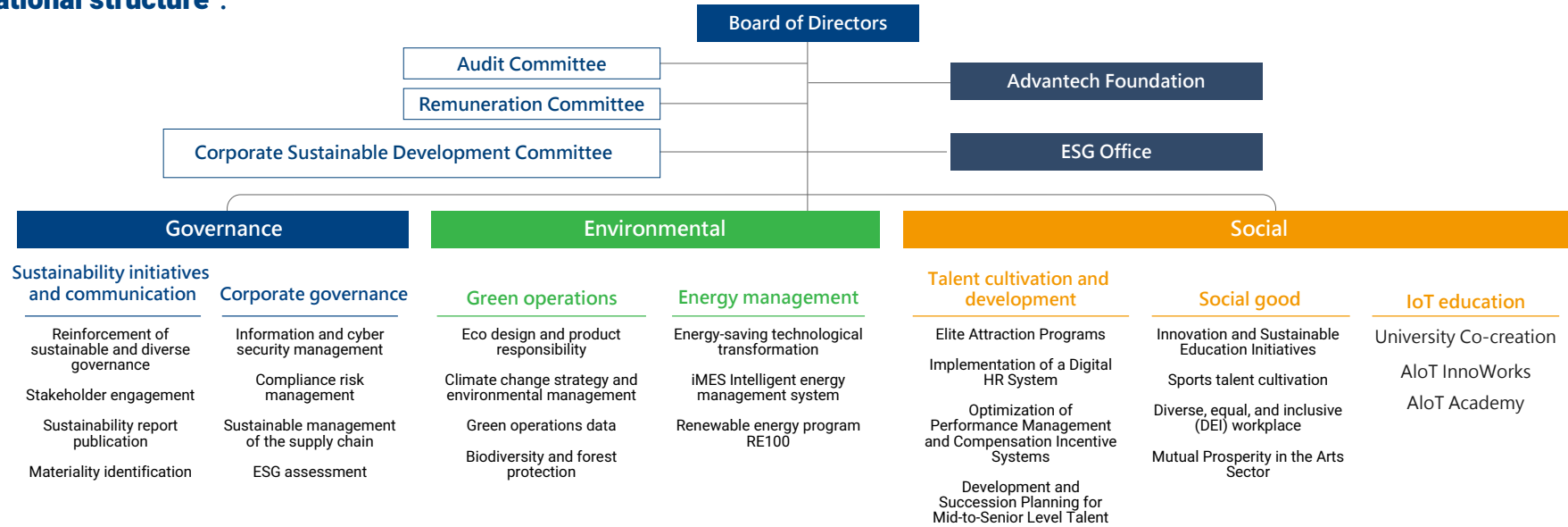


Figure 1.1.1 Advantech ESG Organizational Structure

| 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) | <ul style="list-style-type: none">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 | <ul style="list-style-type: none">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. |

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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

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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 | <ul style="list-style-type: none">◆ 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 | <p>Environmental aspect:</p> <p>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.</p> <p>Social aspect:</p> <p>Topics include increasing employee satisfaction, improving employee turnover rate, creating a workplace with Diversity, Equity, and Inclusion (DEI), and employee occupational health and safety.</p> <p>Governance aspect:</p> <p>Sustainability evaluation results, Advantech's future development strategies, and the diversity of the Board of Directors governance team were discussed.</p> |
| Customers | <ul style="list-style-type: none">◆ Conduct ESG-related exchange meetings as needed◆ Written reports and exchanges◆ ESG thematic meetings | |
| Business partners, universities, research institutions | <ul style="list-style-type: none">◆ ESG-related exchange meetings◆ Special sustainability seminar | |
| Suppliers and contractors | <ul style="list-style-type: none">◆ ESG Vendor Day◆ ESG-related education and training | |
| Media, public associations, government | <ul style="list-style-type: none">◆ ESG thematic interviews◆ ESG workshops◆ Exchange meeting◆ Sponsorship | |
| Shareholders and investment institutions | <ul style="list-style-type: none">◆ ESG-related exchange meetings◆ Written reports and exchanges | |
| Community, social groups, NPOs | <ul style="list-style-type: none">◆ Thematic visits◆ Exchange meeting◆ Written reports and exchanges◆ Sponsorship | |
| Chairman, Board member, middle and senior management | <ul style="list-style-type: none">◆ Quarterly Board meetings◆ Newsletter | |

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

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Employee

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 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 | | |

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|---|--|--|--|---|---|
|  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 | <ul style="list-style-type: none"> ◆ 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. | <ul style="list-style-type: none"> ◆ Symposium (as needed) ◆ Cooperation in technology development (annually) ◆ Industry-academia collaboration project meeting (monthly) ◆ Campus promotion of IoT (annually) | <ul style="list-style-type: none"> ◆ Talent cultivation and development ◆ GHG inventory and energy management ◆ Eco Design and Sustainability Liability of Product | <ul style="list-style-type: none"> ◆ 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. <p>For more details, please refer to: 3.3 IoT Application Promotion and Education, 3.4, Customers and Partners Co-creation</p> |
|  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. | <ul style="list-style-type: none"> ◆ Regularly conduct supplier ESG evaluation ◆ Regular supplier ESG awareness campaigns ◆ Supplier conference ◆ Supplier evaluation ◆ Reporting mailbox | <ul style="list-style-type: none"> ◆ Talent cultivation and development ◆ GHG inventory and energy management ◆ Eco Design and Sustainability Liability of Product | <ul style="list-style-type: none"> ◆ Eco Design and Sustainability Liability of Product ◆ Customer and Partner Co-Creation ◆ Information and cyber security management ◆ Sustainable Management of the Supply Chain | <ul style="list-style-type: none"> ◆ 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. <p>For more information, see: 2.3 Sustainable Management of the Supply Chain</p> |

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Media, public associations, government

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| | <p>Media:</p> <ul style="list-style-type: none">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. <p>Public associations:</p> <ul style="list-style-type: none">Jointly promote important industry perspectives and regulationsInteract with industry peers <p>Government :</p> <ul style="list-style-type: none">Share future industry trends and perspectivesParticipate in sharing viewpoints from white papers | <ul style="list-style-type: none">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. | | <ul style="list-style-type: none">Information and cyber security managementGHG inventory and energy managementCircular economy | <p>Media :</p> <p>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.</p> <ol style="list-style-type: none">Authentic and transparentFast and timelyConsistency and precisionRespect for professionalismCompliance with legal and ethical standards <p>Achievements:</p> <ul style="list-style-type: none">Press release: 34 press releases for the entire yearMedia interview: 21 media interviews for the entire yearPress conference: 4 press conferencesEarnings call: 4 investor conferences (2 in Chinese and English, respectively) <p>Public associations:</p> <ul style="list-style-type: none">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 |

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|---|---|--|----------------------------|--|---|
|  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 | <ul style="list-style-type: none">◆ Information and cyber security management◆ GHG inventory and energy management◆ Talent cultivation and development | <ul style="list-style-type: none">◆ 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 | | |

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Community,
social groups,
NPOs

| 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 | <ul style="list-style-type: none">Talent cultivation and developmentCircular economyCustomers and partners co-creation | <p>Education support:</p> <ul style="list-style-type: none">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. <p>Mutual prosperity of arts and industry:</p> <ul style="list-style-type: none">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 | | |

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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 | <ul style="list-style-type: none">◆ Advantech headquarters' operating sites in the Xizhi and Neihu regions (including Dagou River and Neigou River)◆ Use of donations:<ol style="list-style-type: none">1. Ecological and environmental education activities x 2 sessions, totaling 100 persons2. Biodiversity local volunteer training x 4 classes, totaling 60 persons3. Aquatic fish survey and water quality testing x 3 sessions4. Replacement of underwater camera and environmental monitoring equipment | 103,900 |
| Taiwan Forestry Restoration Association | <ul style="list-style-type: none">◆ 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:<ul style="list-style-type: none">◆ 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.◆ Tree planting covered a total of 0.8 hectares, capable of sequestering 1.76 metric tons of carbon.<ol style="list-style-type: none">1. Seed collection for seedlings2. Growing local native species seedlings3. Mountain forest ecological education4. Seedling growth monitoring | 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 | <ul style="list-style-type: none">◆ 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 | <ul style="list-style-type: none">◆ 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

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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

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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 |

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| 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 | <p>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.</p> <p>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.</p> | |
| Step 5 | Materiality identification and prioritization | <p>"Adoption of Double Materiality Analysis"</p> <p>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).</p> <p>"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.</p> <p>"Material topics discussion and approval"</p> <p>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.</p> | 10 sustainability-related material topics |
| Step 6 | Determining the list of material topics and the content of Advantech's 2024 Sustainability Report | <p>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.</p> <p>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.</p> | |

Table 1.3.1 Advantech's Materiality Survey Context and Identification Process

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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
- 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 |
| <ul style="list-style-type: none">◆ Eco design and sustainability liability of product◆ Climate change strategy and management◆ GHG inventory and energy management◆ Biodiversity and forestation protection◆ Circular economy◆ Green manufacturing | <ul style="list-style-type: none">◆ Application advocacy and education of IoT◆ Diversity, equality and inclusive workplace◆ Human rights◆ Talent cultivation and development◆ Neighborhood and community care◆ Occupational safety and health | <ul style="list-style-type: none">◆ Information and cyber security management◆ Sustainable intelligent solutions◆ Customers and partners co-creation◆ Innovative mechanism◆ Sustainable management of the supply chain |

Table 1.3.3 2024 Advantech's Sustainability Topic List

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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

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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.

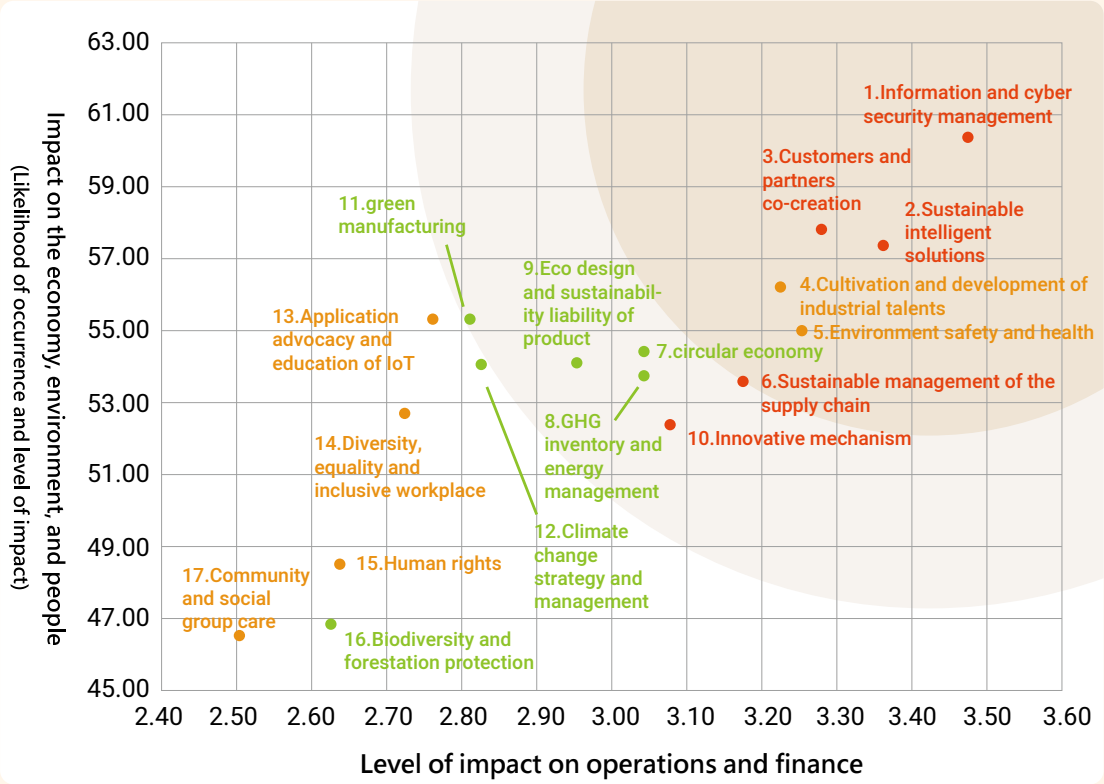


Figure 1.3.2 Material Topics matrix

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.

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| 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. | |

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| | | | | | |
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| 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.

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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 |

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| 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