

5

Employee Care

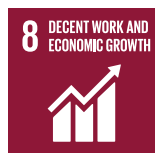
- 5.1 Talent Cultivation and Development
- 5.2 Employee Communication and Benefits
- 5.3 Diversity and Inclusion
- 5.4 Appendix : Occupational Safety and Health; Employee Turnover; Occupational Health and Safety



5.1 Talent Cultivation and Development

5.1.1 Talent Attraction and Retention

Talent Recruitment



Materiality	Advantech's mission is to facilitate "Enabling an Intelligent Planet," and human talent undoubtedly stands as the most important asset underpinning our steady growth. Our commitment is to build Advantech into an open development platform with "Working & Learning Toward a Beautiful Life" as its starting point, and to become a Happy Enterprise worthy of all colleagues' entrusting of a Beautiful Life.
Policies/Commitments	Advantech promises to abide by the labor laws and regulations of local governments where we operate globally, and to follow the world's major sustainability and human rights standards such as those embodied in the Dow Jones Sustainability Indices (DJSI) and the Responsible Business Alliance (RBA). We thus will ensure that employment conditions are not affected by factors unrelated to work ability, including "race, color, age, religion, national origin, ancestry, marital status, gender, sexual orientation, gender identity, military status, or political affiliation."
Management Objectives	<p>Due to the characteristics of Advantech's industry (with a small amount of diversity and high demand for innovation and flexibility), there is high demand for specialized, interdisciplinary talent. We will continue to drive programs to attract, nurture, and retain talent who feature a selfless enthusiasm. We will also provide opportunities for work and rotational promotions that are interdisciplinary, cross-border, and diverse, as well as comprehensive learning programs. In this way, we shall cultivate outstanding talent and support the Company's needs for long-term development and growth.</p> <p>2025 goals</p> <ul style="list-style-type: none"> ● At least 25% of assistant vice president (AVP) positions placed through rotation ● Global talent visualized through human capital management (HCM) system ● 15% of global new hires hired through the Right People On the Bus pipeline
Management Policy/Action Plan	<p>Talent recruitment policy</p> <p>Advantech's paramount guiding principle of talent recruitment is titled "Right People on the Bus," which means that we first find the right person and then decide what he or she should do. We focus on recruit who exhibit a "selfless enthusiasm," and attract professionals who possess innovative potential across a range of fields and functions by means of diversified recruitment channels and flexible recruitment projects. We hope to bring excellent talent on board with unlimited development space and multiple possibilities.</p> <p>Advantech Featured Recruitment Program - Elite Series</p> <p>With the core idea of Right People on the Bus, we replace traditional recruitment methods with the approach of building a talent reserve. Whether it involves industry-university internship cooperation, new people in the workplace, or industry elites boasting rich experience, we have corresponding Elite Programs available for their participation.</p> <p>The Elite program includes:</p> <ul style="list-style-type: none"> ● Elite Champion- Recruiting high-potential elites for more than three years ● Elite100 - Reserve talent training and recruitment with work experience of under 3 years ● Elite100 Internship - Special internship for third-year university students and above as well as graduate students <p>Employee Referrals</p> <p>By virtue of the high recognition enjoyed by Advantech's industrial development and corporate culture among current employees, experts and talented individuals from a variety of fields can be spontaneously invited to join Advantech's open development platform.</p> <p>Internal Transfers and Promotions</p> <p>Advantech supports and encourages long-term career development among colleagues, actively promoting internal transfer plans and regular promotion evaluation mechanisms, and facilitating internal talent flows. In this way, we can expand colleagues' personal horizons and enhance diverse experience among them, thereby developing all-round excellence and further achieving the goal of cherishing and retaining talent.</p>
Effectiveness Assessment	<p>Our measurements of talent recruitment-related effectiveness are reviewed, evaluated, or adjusted through the HR Dashboard and regular HR meetings to continuously respond to talent market dynamics. Results of the 2021 talent recruitment plan are as follows:</p> <p>"Elite" series of activities</p> <p>In 2021, 267 people participated in the Elite activity series (Elite Champion, Elite100, Elite100 Internship), out of whom 42 colleagues entered Advantech for work or internships.</p> <p>Employee referrals</p> <p>In 2021, colleagues recommended a total of 343 talented individuals in various fields, and a total of 82 were hired and brought in to join Advantech. In 2021, 23.7% of the 346 new indirect employees were recommended by current employees.</p>

New employees

2021 new employees

Region	Item	Males, Number and Percentage %		Females, Number and Percentage %		Total	By Region New Employee Ratio	Overall New Employee Ratio
Taiwan	Below 30 years	114	53.0%	85	38.1%	487	15.3%	21.3%
	31-49 years old	163	11.8%	114	12.4%			
	50 years old and over	7	3.0%	4	1.9%			
China	Below 30 years	306	60%	193	56%	1010	27.6%	
	31-49 years old	280	18%	218	18%			
	50 years old and over	12	17%	1	8%			
Japan	Below 30 years	2	17%	0	0%	14	6.0%	
	31-49 years old	4	6%	2	0%			
	50 years old and over	6	7%	0	0%			

*Notes:

1. The denominators of the ratios of males and females are the total numbers for the age brackets of that gender.

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

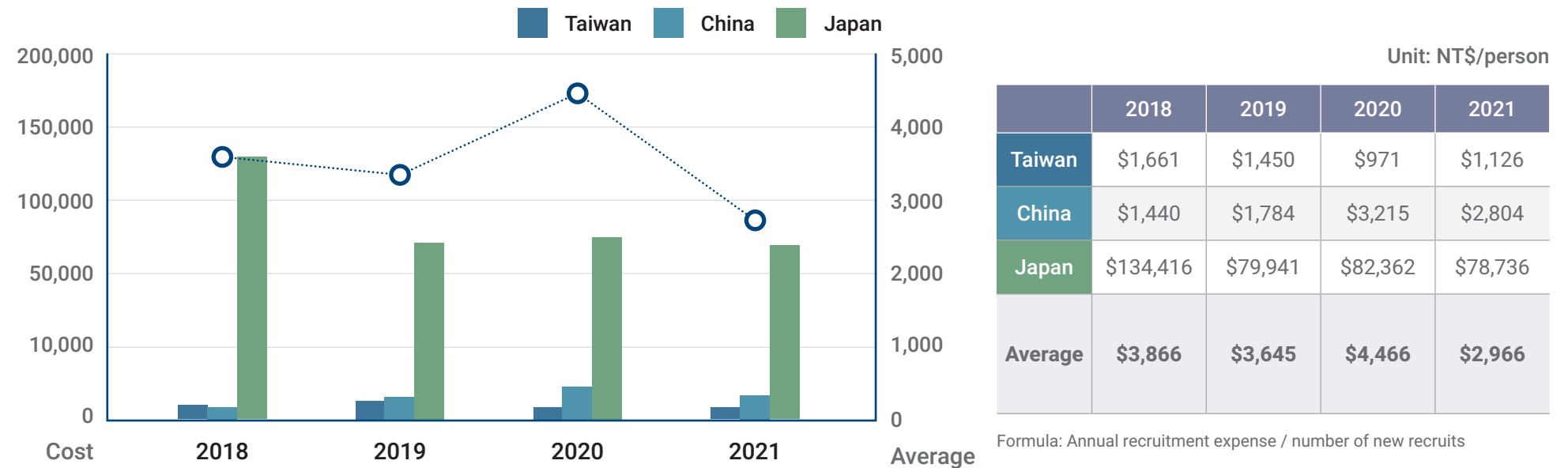
New Recruits in the Past Four Years

Unit: Num

	2018		2019		2020		2021	
	New Recruits	Proportion of New Hires	New Recruits	Proportion of New Hires	New Recruits	Proportion of New Hires	New Recruits	Proportion of New Hires
Taiwan	476	16%	412	13%	383	12%	487	15%
China	805	25%	826	25%	549	17%	1010	28%
Japan	23	25%	32	14%	26	11%	14	6%
Total	1304	20%	1270	19%	958	14%	1511	21%



Average Recruiting Cost per New Employee



Number of Employee Transfers and Promotions

Unit: Number

Transfer or Promotion	2018		2019		2020		2021	
	Number of Individuals	Proportion	Number of Individuals	Proportion	Number of Individuals	Proportion	Number of Individuals	Proportion
Taiwan	457	21.0%	344	15.2%	412	18.1%	296	13.0%
China	345	22.5%	317	19.8%	389	23.6%	410	24.5%
Japan	25	11.1%	22	9.6%	29	12.2%	12	5.2%
Total	827	21.0%	683	16.7%	830	19.9%	718	17.1%

Formula: Number of Individuals Transferred and Promoted in the Year / Number of Employees in the Current Year

Performance Reward System

Advantech provides market-competitive overall remuneration to reward employees who create positive performances and sustained contributions. This encompasses year-end bonuses, personal performance bonuses, team bonuses, business performance bonuses, awards of stocks or cash dividends for outstanding employees, and so on. Advantech also regularly reviews relevant indicators for salary and rewards in regions worldwide along with those for each type of work and each job ranking, so as to ensure the implementation and creation of a diverse and equal workplace environment. We also support various self-organized employee associations and trade union activities at different levels in each region (for example, our German branch has established a union). We guarantee freedom of association for our employees as well as the equal rights and interests of employees everywhere.

Analysis of the Difference in Average Pay between Males and Females

Advantech's remuneration policy is based on the duties and responsibilities of colleagues and adheres to labor laws stipulated by local governments. In Taiwan, for example, this includes the Labor Standards Act of the Republic of China, the Gender Equality in Employment Act, and the Employment Service Act. Salary rates do not differ by gender. The table below shows Advantech's average salary difference between males and females at various job rankings. The difference is presented based on an average male salary set at a value of 1.

*Note: 1. Among the senior executives, there are more men who are related to profit generating functions; and since performance bonuses are reflected in bonus plus remuneration, the total compensation is higher than that of women on average.
 2. Women working at the managerial level in Japan are paid more than men on average.
 3. Among the general employee category, R&D engineers have a high proportion of males while administrative support is dominated by females. Due to the gender concentrations of work positions, the average salary difference between men and women is thus slightly larger.
 4. Among direct labor employees, because women have higher salaries in certain regions and constitute a greater proportion of the population, the average salary of women in all regions has been greatly increased.

Unit: Ratio

Region	Taiwan		China		Japan		Average for all regions	
Job ranking classification	Female average annual salary	Male average annual salary	Female average annual salary	Male average annual salary	Female average annual salary	Male average annual salary	Female average annual salary	Male average annual salary
Senior executive (base salary)	0.98	1	0.91	1	-	1	0.93	1
Senior executive (base salary + bonus/allowance)	0.92	1	1.00	1	-	1	0.86	1
Management-level supervisor (base salary)	0.93	1	0.91	1	1.33	1	0.92	1
Management level supervisor (base salary + bonus/allowance)	1.00	1	0.94	1	1.52	1	0.98	1
General employees (base salary)	0.88	1	0.78	1	0.79	1	0.87	1
General employees (base salary + bonus/allowance)	0.87	1	0.73	1	0.82	1	0.85	1
Direct labor employees (base salary)	0.93	1	0.89	1	-	-	1.07	1
Direct labor employees (base salary + bonus/allowance)	0.91	1	0.91	1	-	-	1.04	1

*Note: 1. There is only one male senior executive in Japan, and there is no equivalent comparison value.
 2. Senior executive refers to levels at director and above.
 3. Management-level supervisor refers to levels between manager and senior manager.
 4. Formula for calculating gender average salaries for all regions: average salary by gender by region * Number of individuals in the region / number of individuals by gender

5.1.2 Employee Development Program

Materiality	Employee training and development is one of the projects that Advantech attaches great importance to. In upholding the concept of Right People on the Bus, Advantechers stand as the Company's most important asset. Advantech thus is committed to establishing a mutual growth model between employee personal development and organizational strategic development, creating excellence and building a sustainable foundation.																												
Policies/ Commitments	<p>Advantech Employee Development Declaration</p> <p>The core of Advantech's employee cultivation and development lies in our efforts to allow Advantechers to feel that their own value is constantly improving, that they are fully supported in career development, and that they can obtain sufficient resources for continuous growth so that Advantech can realize their potential. Through the annual Organization & People Review (O&PR) and through performance evaluations, we assist supervisors and employees in integrating the Company's strategic development direction and personal career planning to understand the development needs of individual employees. Advantech provides comprehensive employee development content and assists employee development through promotion, rotation, training courses, and other resources. Training courses extend from new hire education and training and work duty enhancement to manager development and business training.</p> <p>Advantech encourages employees to actively explore their own potential and create an environment for continuous and independent learning. In addition to physical training programs such as LEAP Camp and Elite LEAP Workout, book clubs, Global 50, and other physical training and development activities, Advantech strives for excellence as we keep updating our comprehensive Advantech Institute digital learning platform. The digital platform course content is diverse, as it encompasses functional training courses at all levels; heritage and sharing of our business philosophy; and training of middle and high-level management talent. Advantechers can create their own study lists according to personal needs, and can study anytime, anywhere.</p>																												
Management Objectives	<p>We established our Human Capital Management digital talent database in 2021, systematizing information on personnel organization and assisting in analyzing and formulating employee development policies through complete employee information. We have further set the following 2022-2025 management objectives:</p> <table><tr><th>Development Project Management Objectives</th><th>2020 Achievement rate</th><th>2021 Achievement rate</th><th>2022 Objectives</th><th>2023 Objectives</th><th>2024 Objectives</th><th>2025 Objectives</th></tr><tr><td>Global employee participation rate for e-Learning (indirect labor employees)</td><td>28%</td><td>31.8%</td><td>60%</td><td>65%</td><td>70%</td><td>75%</td></tr><tr><td>LEAP Workout promotion results¹</td><td>22%</td><td>21%</td><td>20%</td><td>20%</td><td>20%</td><td>20%</td></tr><tr><td>Retention rate of key global talent².</td><td>N/A</td><td>100%</td><td>90%</td><td>95%</td><td>95%</td><td>95%</td></tr></table> <p><small>*Note</small></p> <p><small>1. LEAP Workout promotes high-potential executives at the manager level or above</small></p> <p><small>2. Global Talent retention rate: Global 50 for high-potential executives at the manager level or above</small></p>	Development Project Management Objectives	2020 Achievement rate	2021 Achievement rate	2022 Objectives	2023 Objectives	2024 Objectives	2025 Objectives	Global employee participation rate for e-Learning (indirect labor employees)	28%	31.8%	60%	65%	70%	75%	LEAP Workout promotion results ¹	22%	21%	20%	20%	20%	20%	Retention rate of key global talent ² .	N/A	100%	90%	95%	95%	95%
Development Project Management Objectives	2020 Achievement rate	2021 Achievement rate	2022 Objectives	2023 Objectives	2024 Objectives	2025 Objectives																							
Global employee participation rate for e-Learning (indirect labor employees)	28%	31.8%	60%	65%	70%	75%																							
LEAP Workout promotion results ¹	22%	21%	20%	20%	20%	20%																							
Retention rate of key global talent ² .	N/A	100%	90%	95%	95%	95%																							

Management Policy/ Action Plan

2021 Employee training List

Item	Content overview	Participants	Coverage
Talent Radar Review(Global 50)	Establish an annual development plan for executives with high development potential in the Company, and have its implementation status and results regularly tracked by HR.	Manager level and above	100% covering high-potential executives at the manager level or above
Elite Mentoring program	Advantech's first-level executives and mid-to-high-level potential talent are matched via the mentoring system to help mid- and high-level talent improve their management and leadership skills and accelerate their career development. Stimulate the innovative thinking of talent through half-year interdisciplinary and inter-unit mentor-student exchanges and interaction.	Manager level and above	Covering 31.5% of high-potential executives at the manager level or above
Advantech Institute e-Learning Platform	Global employees can learn about Advantech's business philosophy and corporate culture through online learning, and at the same time learn according to their own needs and obtain the latest study information. This frees learning from time and geographical constraints while synchronizing education and communication with colleagues from all over the world. In the exclusive regional knowledge center, learners can obtain information from all over the world and effectively expand the global vision and qualities of Advantech.	General employees (indirect labor employees)	Covering 31.8% of global indirect labor employees
LEAP WorkOut	Working under an executive coach, senior executives directly participate in the Company's important development issues and work-related interdepartmental issues. This has become an important initiative in Advantech's promotion of talent and in our topical innovation and implementation. We thus accelerate the cultivation and promotion of talent through customized personal development plans, and practice "promote within" to help Advantech grow in the future. Furthermore, we expect to promote high-potential executives to their next management roles.	High-potential executives at the manager level or above	Covering 44% of high-potential executives at the manager level or above
Book Club	Advantech believes that we can build team consensus by reading books together. Therefore, we regularly read selected books, gather for research, and invite experts, scholars, or middle and high-level management of related businesses to develop concepts, introduce innovative management concepts, and form key business strategies. For example, the strategy for Advantech's highest guiding recruiting principle, "Right People on the Bus," is taken from the book Good to Great by Jim Collins.	Selected by subject for colleagues and supervisors	NA
New recruit training	We provide new colleagues with complete requirements for their employment, including complete company information that encompasses the Company's history, key products, our business philosophy, Company logo identification, financial processes, information security regulations, personnel related information, work environment safety, our corporate philosophy for ESG, employee benefits, and so on. This facilitates the integration of newcomers into our organization.	New employees within a month	100% indirect labor employees from Taiwan Headquarters (excluding direct labor employees)

Management Policy/ Action Plan	Item	Content overview		Participants	Coverage
	Study Day	Advantech seeks to enhance the soft and hard power of colleagues and expands their innovative thinking, and specially invites a lineup of external senior lecturers to plan one-day learning activities. Content covers product development, information security mechanisms, problem analysis and decision-making, changing the world with innovation, and understanding the production of presentations in seconds.		General employees (indirect labor employees)	Covering 48% of indirect labor employees in Taiwan (excluding direct labor employees)
	Project Workshop	In accordance with important issues of the Company's development, academic professors and external professional consultants are invited to set up workshops for in-depth understanding of these issues. For example: Cooperation with Professor Chi-Jen Li, Professor Dah-Hsian Seetoo, and Dr. Chun-Yao Huang, respectively.		Relevant personnel for the issue	-
	Education and Training, Code of Ethics and Business Conduct Implementation Rules	Through in-person courses as well as online education and training, Advantech's philosophy of ethical corporate management was conveyed to employees and four large-scale lectures were held in 2021 to allow new employees to complete their education and training via in-person courses. Make online training courses available to indirect labor employees around the world every year.		General employees (indirect labor employees)	Covering 63% of new indirect labor employees in Taiwan (excluding direct labor employees) Online courses cover 96% of global indirect labor employees (excluding direct labor employees)
	Education and Training, Occupational Safety and Health	Employees are regularly trained via online courses every year for occupational safety and health concepts and safety and health work rules and knowledge, emergency response, fire and first aid knowledge and drills, etc.		All employees (direct labor and indirect labor employees)	Covering 100% of Taiwan employees (including direct labor and indirect labor employees)
	Promotional Course, Information Security	Employees are regularly trained via online courses every year for common information security risks and cases, basic principles of information security, information security regulations that employees should abide by, etc.		General employees (indirect labor employees)	Covering 100% of new indirect labor employees in Taiwan (excluding direct labor employees)
Effectiveness Assessment	Item	Effectiveness Evaluation Mechanism	2021 Evaluation Results	2021 Management Policy Adjustments	
	Advantech Institute e-Learning Platform	Usage rate and individual course satisfaction, to control course quality	Usage rate of 31.8%	We plan to add English content in 2022, increasing the usage rate of our e-Learning platform for indirect labor employees around the world	
	LEAP Workout	Promotion rate	Promotion rate of 21%	We plan to increase the coverage of major issues at European and American companies in 2022.	
	Elite Mentoring	Satisfaction	Satisfaction of 4.87%	-	
	Talent Radar Review (Global 50)	Global Talent retention rate	Global Talent retention rate 100%	NA	
	New recruit training	New recruit coverage rate	In 2021, there were four events with a total of 307 participants, including new indirect labor colleagues with a coverage rate of 100%	-	
Effectiveness Assessment	Promotional Course, Information Security	Indirect labor employee coverage	Covering 100% of new indirect labor employees in Taiwan	Expanding to indirect labor employees worldwide in 2022 as an online course	



Employee average training hours

Region	Gender	Total hours of e-Learning training	Number of employees *	Average hours of E-Learning training per employee
Taiwan	Male	234,422	1,834	128
	Female	175,710	1,352	130
	Total	410,132	3,186	129
China	Male	47,831	2,090	22.8
	Female	34,100	1,575	21.7
	Total	81,931	3,665	22
Japan	Male	44	70	0.6
	Female	36	27	1.3
	Total	80	97	0.8
Total	Male	282,297	3,994	71
	Female	209,846	2,954	71
	Total	492,143	6,948	71
Data Coverage	Throughout the whole year of 2021, and covering more than 80% of employees (based at the Taiwan Headquarters and in China and AJP, does not include AJMC), total training expenses were NT\$ 6,635,480; average training expense per person was NT\$ 955; total online training time amounted to 492,143 hours, and the average online training time per person was 71 hours.			

*Note: The total number of employees can be expressed in headcount or full-time equivalent (FTE) and needs to be consistently disclosed and applied across reporting periods and between periods.

▲ Average Education and Training Hours by Job Category

Region	Job category	Total hours of e-Learning training	Number of employees *	Average hours of E-Learning training per employee
Taiwan	R&D employees	182,769	1,333	137
	Marketing business	36,062	251	144
	Administrative employees	45,874	322	142
	Manufacturing employees	145,427	1,280	114
	Total	410,132	3,186	129
China	R&D employees	1,767	430	4.1
	Marketing business	17,604	567	31
	Administrative employees	6,160	387	15.9
	Manufacturing employees	56,400	2,281	24.7
	Total	81,931	3,665	22
Japan	R&D employees	14	14	1
	Marketing business	33	61	0.5
	Administrative employees	33	11	3
	Manufacturing employees	0	11	0
	Total	80	97	0.8
Total	R&D employees	184,550	1,777	103.8
	Marketing business	53,699	879	61
	Administrative employees	52,067	720	72.3
	Manufacturing employees	201,827	3,572	56.5
	Total	492,143	6,948	71
Data Coverage	Throughout the whole year of 2021, and covering more than 80% of employees (based at the Taiwan Headquarters and in China and AJP, does not include AJMC), total training expenses were NT\$ 6,635,480; average training expense per person was NT\$ 955; total online training time amounted to 492,143 hours, and the average online training time per person was 71 hours.			

*Note: The total number of employees can be expressed in headcount or full-time equivalent (FTE) and needs to be consistently disclosed and applied across reporting periods and between periods.

Improvement Plans

In order to further promote internal talent flow, the transfer, rotation, and secondment mechanisms will be optimized in 2022 to increase employees' career horizontal development opportunities and enhance their horizontal development experience for the sake of cultivating composite talent.

In 2021, the usage rates of our digital e-Learning platform increased steadily in Chinese-speaking regions, but there was still room for improvement in usage rates in non-Chinese-speaking regions. English content will be added in 2022 so that indirect labor employees around the world can enjoy diverse courses on our digital learning platform.



5.2 Employee Communication and Benefits

5.2.1 Employee Human Rights and Employee Rights Protection

▲ Human Rights Management

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



Advantech also has a human rights risk investigation process, regularly conducting impact assessments and overseeing management improvement for targets of concern. In human rights risk investigations, relevant internal audit committees will select relevant risk topics (covered by "Human Rights Risks"), and then review the risk ratings of each issue and identify high-risk groups for management. No complaints of discrimination and harassment occurred in 2021. At the same time, Advantech's employees are also required to abide by the Advantech Business Conduct and shall not engage in any discrimination or other human rights violations. In order to ensure that all employees understand and abide by the above policies, the Company conducts education and training on the Advantech Business Conduct as well as laws and regulations every year. In 2021, the education and training coverage rate of the Advantech Business Conduct was 100% (indirect labor employees), and the training completion rate was 93%.

*Note: For direct employees, the Advantech Taiwan Manufacturing Center (factory) regularly conducts education and training on the Advantech business Conduct including anti-discrimination and anti-harassment every year, with a coverage rate of 100%.

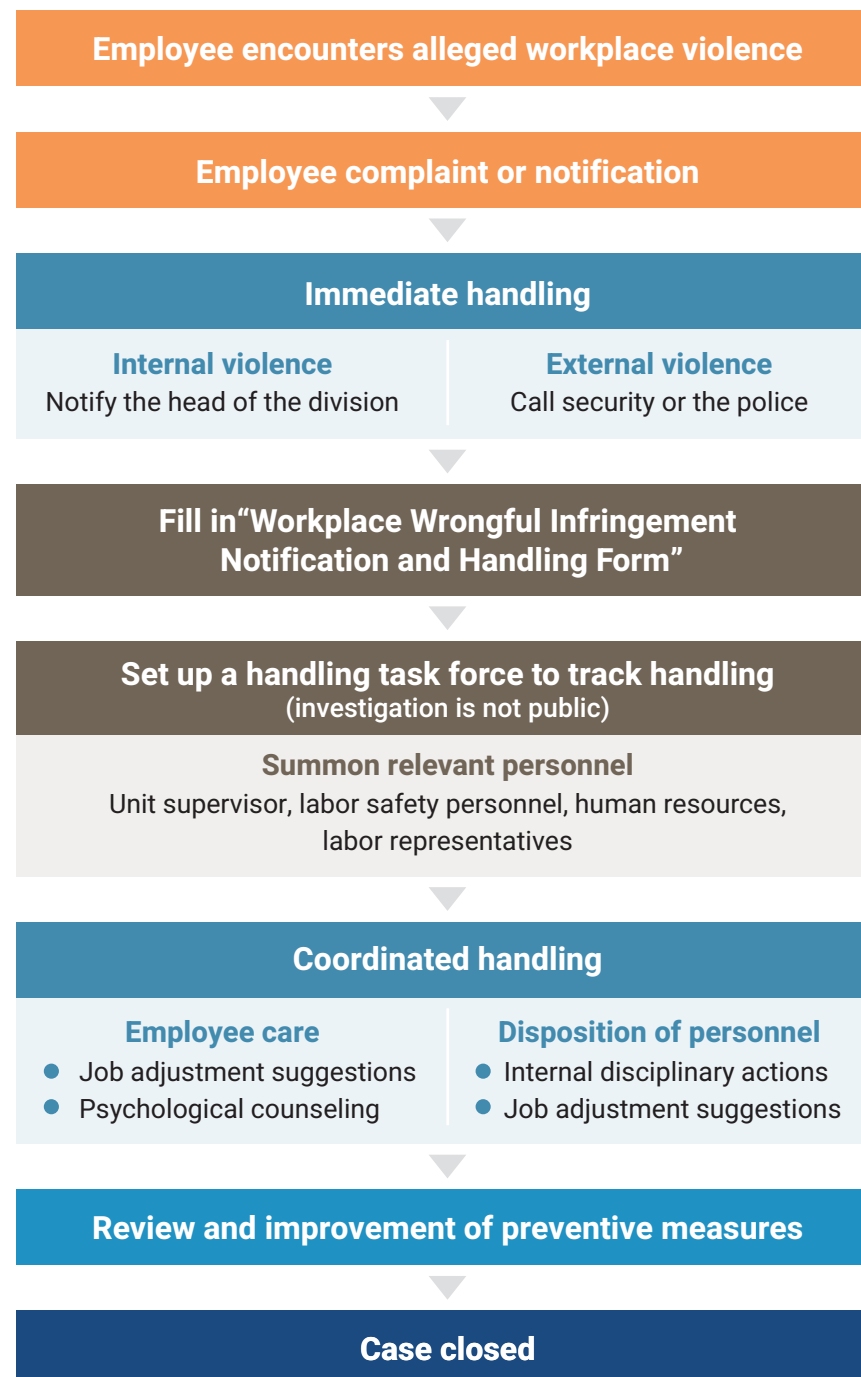
Reporting and Complaint Mechanisms

Since 2015, Advantech has formulated a "Wrongful Infringement Prevention Plan" in accordance with the Guidelines for Preventing Illegal Infringement in the Performance of Duties of the Occupational Safety and Health Administration of the Ministry of Labor. This is to prevent the Company's employees from being subjected to unlawful acts of abuse on the part of employers, supervisors, colleagues, and service counterparties in the course of business and in a work-related environment (including commuting), and from encountering external aggressive behavior (hereinafter referred to as workplace violence) that causes physical or mental harm, including physical, verbal, psychological, or sexually harassing behavior.

Mechanism for complaints or notification: When an employee suffers an unlawful physical or mental infringement in the performance of his or her duties, he or she should fill in the Workplace Wrongful Infringement Notification and Handling Form (the "Form") to notify supervisors (or personnel units) at all levels. Alternatively, he or she may submit a complaint using the complaint channel set up by the Company for that purpose (by telephone, fax, or e-mail). After the complaint is received by related personnel, the notification form shall then be filled out by the person handling the case.

Notification processing: processing of complaints or notification must ensure objectivity, fairness, and impartiality, and implement the protection of rights and privacy of victims, complainants, and informants. After receiving the notification, supervisors at all levels, personnel units, and labor safety personnel should fill in the notification form within 24 hours. It must be carried out in accordance with the process for handling unlawful physical or mental infringement in the performance of duties (see table below).

Figure 5.2.1: Reporting and Complaint Mechanisms





Freedom of Association




We support various employee self-organized associations and trade union activities at different levels in each region. (For example, Advantech's branches in Germany, the Netherlands, and Japan all have labor unions, and our branch in France also has labor representatives) promoting equal rights and interests of employees everywhere. In Europe, some parts of Advantech Germany (Advantech Europe B.V. and Advantech GmbH.) and Advantech Netherlands have labor unions initiated by employees (Worker Councils). They will regularly elect employee representatives from the labor union organization, and the representatives of the labor union organization will regularly hold labor-management meetings with the Company on employee-related issues and exercise the right to collective bargaining. Advantech France also regularly elects labor representatives who speak out for employee-related issues and conduct labor-management meetings.

In Asia, Advantech Japan has established a trade unions the accounts for 58% of all Advantech employees in Japan (including the Japan factory). Advantech China (including factories) organizes representatives through the Employee Welfare Committee to regularly discuss and make decisions on employee welfare-related issues. Advantech Taiwan also has organized and operates an Employee Welfare Committee. In addition, Advantech's Taiwan factories (the Donghu and Linkou factories) hold regular labor-management meetings on a quarterly basis to communicate issues of labor rights and interests (including salaries, attendance and benefits, etc.), listen to the voices of colleagues, and discuss and make decisions on key issues.

Advantech hopes to minimize human rights conflicts. Therefore, the following management measures are implemented among employees, suppliers and customers; and we publicly disclose the relevant methods.

Groups of Concern	Identification of Issues	Due Diligence	Mitigation/Management Actions	Management of Objectives	Actively Disclosure of Location
 Employees	1. Assist employees in maintaining physical and mental balance	Applicable to Taiwan region Annual Employee Workplace Health Questionnaire- It includes questions related to "Investigation of Physical and Mental Health of Employees and Risk of Overwork" to monitor risks related to the physical and mental health of employees	Applicable to Taiwan/China/Japan region <ul style="list-style-type: none"> The Employee Welfare Committee holds various activities Provide a health examination system that exceeds the requirements of to the law Applicable to Taiwan region <ul style="list-style-type: none"> The content of safety and health education is included in the new recruit training held every two months Promote employee assistance programs (EAP) In accordance with the law, establish labor (occupational) safety and security and occupational care personnel organizations to ensure the implementation of workplace health protection mechanisms such as "Occupational Safety and Health" and the "Ergonomic Hazard Prevention Plan." 	Applicable to Taiwan/China/Japan region Provide employee health checks once a year Applicable to Taiwan/China <ul style="list-style-type: none"> In 2021, a total of 21 associations were established in Taiwan, with more than 1,000 participants. In the mainland China region (including all offices), there are 73 associations with more than 1,600 people participating Six associations have been established in Kunshan with 186 participants Applicable to Taiwan region <ul style="list-style-type: none"> The content of safety and health education is included in the new recruit training held every two months Establish labor (occupational) safety and security as well as occupational care personnel in accordance with the law (average sufficiency in 2021: 12 safety and security personnel and five occupational care personnel) 	Applicable Worldwid Advantech's Official Website Human Rights Commitment Applicable to Taiwan region <ul style="list-style-type: none"> Employee Benefits and Rewards Occupational Safety and Health Employee Assistance Program (EAP) Platform Ergonomic Hazard Prevention Program

Groups of Concern	Identification of Issues	Due Diligence	Mitigation/Management Actions	Management of Objectives	Actively Disclosure of Location
 Employees	1. Assist employees in maintaining physical and mental balance		<ul style="list-style-type: none"> Promote employee care mechanisms such as on-site physician services, on-call pharmacists, and employee health reports Provide employees with emergency relief funds to relieve life and psychological pressures for employees under special circumstances 		
	2. Work Diversity	<p>Applicable Worldwide Open recruitment vacancies must not involve requirement of gender, race, religious belief, nationality, or age</p> <p>Applicable to Taiwan region The HR Dashboard monitors job diversity and workforce distribution data (such as: ratio of males and females, age distribution of labor force, distribution of job types, etc.)</p>	<p>Applicable Worldwide</p> <ul style="list-style-type: none"> In accordance with the provisions of non-discrimination in human rights standards, public recruitment and internal transfers are to be carried out on the basis of equal opportunity Advantech respects employees' equal opportunities for appointment and career development, and these will not be subject to differential treatment based on factors such as personal gender, race, religion, political affiliation, sexual orientation, job ranking, nationality, age, nor will any form of discrimination affect hiring opportunities 	<p>Applicable Worldwide Hiring appointments are to be based on the applicant's academic experience and ability, and not affected by differences in gender, race, religious belief, party affiliation, sexual orientation, rank, nationality, or age.</p>	<p>Applicable Worldwide Advantech's Official Website Human Rights Commitment</p> <ul style="list-style-type: none"> Diversity in work categories RBA Validated Assessment Program (VAP) operation manu <p>Applicable to Taiwan region Act of Gender Equality in Employment</p>
	3. Sexual Harassment Prevention & Zero Discrimination in the Workplace	<p>Applicable Worldwide Advantech complies with the instructions of the RBA Validated Assessment Program (VAP) operation manual, carrying out regular internal and external audits of the Company as well as supplier audits</p> <p>Applicable to Taiwan</p> <ul style="list-style-type: none"> Annual Employee Workplace Health Questionnaire- This includes questions related to the "Workplace Violence Hazard and Risk Survey" to monitor the risk of workplace sexual harassment and workplace discrimination violence 	<p>Applicable to Taiwan</p> <ul style="list-style-type: none"> There is a Gender Work Equality Committee organized under the Act of Gender Equality in Employment; and we have formulated Guidelines for Handling Complaint and Punishment of Workplace Sexual Harassment for Handling Complaints and Disciplinary Measures; and we have promoted these initiatives through assemblies, e-mail, and so on. Through labor (occupational) safety and security as well as occupational care personnel organizations, in order to ensure the implementation of "Occupational Safety and Health" norms and the implementation of the Wrongful Infringement Prevention Plan 	<p>Applicable Worldwide No discrimination and harassment complaints occurred in 2021</p>	<p>Applicable Worldwide Employee Code of Conduct</p> <p>Applicable to Taiwan</p> <ul style="list-style-type: none"> Guidelines for Handling Complaint and Punishment of Workplace Sexual Harassment Wrongful Infringement Prevention Plan and Workplace Wrongful Infringement Notification and Handling Form
 Children & Forced Labor	No Child Labor & No Forced Labor/Human Trafficking	<p>Applicable Worldwide Advantech complies with the instructions of the RBA Validated Assessment Program (VAP) operation manual, carrying out regular internal and external audits of the Company as well as supplier audits</p>	<p>Applicable Worldwide</p> <ul style="list-style-type: none"> Advantech internally checks resumes and actual ages before recruitment. If a person is under the age of 18, he or she will not be accepted All members of Advantech's Preferred Vendor List and new suppliers are required to sign the "Advantech Supplier Code of Conduct" which includes required commitments for suppliers to safeguard labor rights in accordance with internationally recognized standards 	<p>Applicable Worldwide</p> <ul style="list-style-type: none"> In 2021, Advantech and Advantech's suppliers achieved zero child labor and zero forced labor In 2021, all members of Advantech's Preferred Vendor List and new suppliers were required to sign the "Advantech Supplier Code of Conduct." In 2021, the Company conducted internal and external audits, and existing suppliers passed the audits 	<p>Applicable Worldwide Advantech's Official Website Human Rights Commitment</p> <ul style="list-style-type: none"> Advantech's Supplier Code of Conduct RBA Validated Assessment Program (VAP) operation manu

Groups of Concern	Identification of Issues	Due Diligence	Mitigation/Management Actions	Management of Objectives	Actively Disclosure of Location
 Individuals with disabilities	Hiring of individuals with disabilities	Applicable to Taiwan We regularly track the number of employees with disabilities every month in accordance with labor laws and regulations	Applicable Worldwide Advantech respects employees' equal opportunities for appointment and career development, and these will not be subject to differential treatment based on factors such as personal gender, race, religion, political affiliation, sexual orientation, job ranking, nationality, age, nor will any form of discrimination affect hiring opportunities	Applicable to Taiwan According to Taiwan's People with Disabilities Rights Protection Act, the number of persons with disabilities employed by an enterprise shall not be less than 1% of the total number of employees. If the weighted total value does not meet the standard, the Company is required to make regular "difference subsidy" payments into the employment fund for people with disabilities overseen by the competent labor authority.	Applicable Worldwide Advantech's Official Website Human Rights Commitment
 Foreign workers	1. Zero-discrimination hiring 2. Compliance with laws and regulations	Applicable Worldwide Advantech complies with the instructions of the RBA Validated Assessment Program (VAP) operation manual, carrying out regular internal and external audits of the Company	Applicable Worldwide Advantech's recruitment of foreign migrant workers is evaluated according to standards of individual ability. It is not subject differential treatment, or any form of discrimination that affects employment opportunities, including those involving personal gender, race, religious belief, political affiliation, sexual orientation, rank, nationality, or age.	Applicable Worldwide <ul style="list-style-type: none"> Recruiting foreign migrant workers with zero discrimination Externally audited by RBA 	Applicable Worldwide Advantech's Official Website Human Rights Commitment
 Third party contractor Staff member	Compliance with Advantech Supplier Code of Conduct	Applicable Worldwide Advantech complies with the instructions of the RBA Validated Assessment Program (VAP) operation manual, carrying out regular audits of Preferred Vendor List and new suppliers	Applicable Worldwide <ul style="list-style-type: none"> Comply with different social responsibility standards and with regulations of local authorities Prohibit of child labor and forced labor Provide a healthy and safe working environment Promote labor-management cooperation Do not accept metals (Au, Ta, Sn, W, Co) from conflict mining countries, and trace metal sources and smelters used in components Reject any form of corruption, extortion, blackmail, and bribery 	Applicable Worldwide Sign the supplier code of conduct supplier letter with third-party contractors	Applicable Worldwide Advantech's Supplier Code of Conduct

5.2.2 Employee Relations

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

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



Employee Relations and Communication

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

Employee communication

1 Website	<ul style="list-style-type: none"> Employee Zone: In accordance with message content, we feature "Corporate News," "Office Bulletin," and "Regional News" sections so that important Company information can be immediately announced and communicated with colleagues for their real-time understanding. Furthermore, the rules and regulations as well as management measures of the Company are listed in detail on the website for convenient employee reference at any time. ABLE Club website: Employee care, Welfare Committee and Foundation activity information and registration, club information, special stores, activity reports and tidbits, etc.
2 Videos	<p>We publish Executive Talk videos on internal platforms, with a 5-10 minute essential explanation of content given presented by senior executives in Chinese and English. Topics include annual strategic development, financial trends, sustainable vision, innovation mechanisms, new market strategies, and so on. This approach accurately and instantly conveys corporate strategy to Advantechers around the world to achieve effective and transparent communication.</p>
3 Email announcements	<ul style="list-style-type: none"> HR: Important company information, courses, pay and leave related information ER Team: Benefits related to activities; issuance of weekly ABLE Club e-newsletter and monthly health reports

4 In-person meetings

- Twice a year, we hold a Kick-Off Meeting for indirect labor employees to announce and communicate the Company's important development strategies and vision. We do so to ensure that colleagues can understand the Company's future prospects and grow together with Advantech.
- Each division holds its own internal communication meetings on subjects including division direction, work progress description, new knowledge exchange and sharing, etc., so as to achieve smooth communication and interaction within the department.

5 Domestic and overseas periodical publications

Edited and issued by the PR unit, content includes the vision of the Company's senior executives and focuses on thematic business examples, and so on.

6 Social Media

- ABLE Club FB: Video highlights to announce event information, event albums, etc.
- LINE Community: Event information sharing announcements, key information push broadcasts, immediate consultation and assistance for colleagues in need, announcement and communication of emergency contact information during the pandemic prevention period

7 Others

- Internal digital signage to convey spirit and informational announcements concerning the Company's culture.
- In addition to learning courses on our e-Learning website, we also recorded many videos to convey the Company's core values and culture.

Employee complaints

Complaint channels: Complaint hotline, email, suggestion box (EZ) with business group personnel unit; see 5.2.1 Reporting and Complaint Mechanisms for details.

ABLE Club

All colleagues are important partners of Advantech's sustainable development, and every colleague also represents a precious family. In order to allow colleagues to feel at ease in Advantech's workplace and contribute their strengths while sharing a good life with their families, we not only provide welfare measures that are in line with or better than regulations, but also continue to promote various activities including sports, LOHAS, health, art, education, public welfare, and so on. All partners are invited to participate and create a happy life together!

Employee Care and Welfare

Life is not just about work. We are keen to keep our employees healthy and happy, so we offer benefits such as: marriage allowance, maternity allowance, hospital condolence allowance, bereavement condolence allowance, emergency relief fund, and New Year's festival and holiday benefits (Dragon Boat Festival/Mid-Autumn Festival/birthdays). Furthermore, the Company provides various insurance benefits in accordance with the law, including pension provisions and group insurance, to ensure the work and life security of colleagues.

List of Benefits by Region

	Taiwan	Mainland China	Japan
Employee group insurance	Term life insurance Medical insurance Injury insurance	Accident insurance Public transport accident insurance Employer liability insurance	There is no employee group insurance (the government provides labor insurance), but health insurance benefits are provided
Health benefits	<ul style="list-style-type: none"> Annual employee health check A subsidized health check for supervisors at the manager level or above every two years 	<ul style="list-style-type: none"> Annual employee health check Kunshan: Employees at the vice president level and above enjoy additional items for physical examination 	Annual employee health check
Marriage allowances	✓	✓	✓
Childbirth allowances	✓	✓	✓
Hospital condolence allowances	✓	✓	✓
Bereavement condolence subsidies	✓	✓	✓
Emergency relief funding	Emergency relief funding is provided with the support of the Foundation (within NT\$200,000)	<ul style="list-style-type: none"> ACN: For this assistance fund, if an employee or immediate family member suffers from a serious illness, the Company will provide an assistance fund of 20,000-50,000 RMB Kunshan: In the event of serious injury, illness, or emergencies among employees, their children, or spouses, the Foundation will provide support for emergency relief funding (within RMB10,000). 	-
New Year's festival and holiday benefits (Dragon Boat Festival/Mid-Autumn Festival/Birthdays)	✓	✓	-

Retirement System

Taiwan: The pension provision system is divided into two categories. We comply with the monthly provision in accordance with the law and they are allocated in full.

1. For those retirement reserves that are allocated monthly in accordance with the provisions of the old system of pensions, they are managed by the Labor Retirement Reserve Supervision Committee and deposited into a special bank account in Taiwan in the name of the Committee.

2. The new system of pensions allocates 6% of monthly salary to employees' individual pension accounts. Employees are also required to allocate 0% to 6% of their salaries to the individual pension account each month according to their personal wishes; and the Company deducts the amount of the provision from the employees' salaries on a monthly basis.

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

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

Employee Stock Ownership

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

Employee Assistance Programs (EAPs)

Starting from December 2021, Advantech is cooperating with the Teacher Chang Foundation to provide unlimited free telephone and mail consultation services (with complete confidentiality). Whether they have mental, health, legal or financial difficulties or other intractable conditions, colleagues can seek a consultation to obtain assistance and care for the health of their "hearts."

Employee Health Promotion

- Advantech provides colleagues with free health checks every year (exceeding regulatory requirements by providing extraordinary checks such as fecal occult blood, cancer screenings, etc.). The number of people in each examination round was reduced in 2021 in consideration of the need for pandemic prevention, in line with the maximum number of people allowed indoors in the command center. Furthermore, clean-up operation are strictly implemented so that colleagues can undergo examinations with peace of mind. A total of 16 health checks were performed in 2021 for a total of 2,322 individuals (excluding dependents).
- We recognize the need to minimize the risk of infection for colleagues entering and leaving medical institutions, and consider the fact that many colleagues are busy with their work and are unable to take time to go to the pharmacy to collect chronic prescription medications. Starting from January 2021, Advantech has therefore specially cooperated with the "Call a Pharmacist" drug delivery platform to provide in-company drug delivery and drug collection services every month (including collections on behalf of dependents), so that colleagues can receive their medications quickly and conveniently.
- In 2021, a total of five health lectures were held (onsite and online) to care for colleagues facing issues of hypertension, mental health, sleep, and pregnancy, with a total of 603

Lecture Date	Event name	Number of participants
2021/11/10 Wed.	"There is no invincible umbrella in the world - a journey of healing and self-care"	128
2021/10/27 Wed.	"Unpaid of your sleep debt, but begging to wake up lightly"	126
2021/10/14 Thurs.	"Hello 'pregnancy' - the way to successful pregnancy"	82
2021/3/3 Wed.	Linkou: "To prevent aortic dissection? Control your high blood pressure!"	153
2021/1/ 6 Wed.	Neihu: "To prevent aortic dissection? Control your high blood pressure!"	114

Enriching Community Activities

In order to promote more interaction among colleagues and achieve work-life balance, Advantech has encouraged colleagues to set up and develop various diverse community activities over the years. In 2021, a total of 21 associations were established in Taiwan including those encompassing sports, LOHAS, arts and culture, and charities, with more than 1,000 participants. In the mainland China region (including all offices), there are 73 associations with more than 1,600 participants; six associations have been established in Kunshan with 186 participants.

2021 Neihu Technology Park Love the Earth Charity Road Run



Table 5.2.2: Diversity Lectures (Education, Health, Guided Reading)

"Parents must listen! Foundation Education Lecture Series"		
	3/4(Wed)	"The concept and preparation of the learning history file"
	5/27(Wed)	"Moving forward to the unknown while reading"
	7/1(Wed)	"Living a wonderful life with children"
	9/2(Wed)	"Parents are important promoters of literacy development"

Employee Engagement Survey

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

	2018	2019	2020	2021
Employee engagement	97%	97%	98%	93.6%
Survey coverage	26.5%	28.5%	26.6%	72.1%



COVID-19 Response

Each item of Advantech's pandemic prevention actions are not only guided by the Central Epidemic Command Center but also adjusted at any time by a rolling response mechanism according to the Company's circumstances. Beginning in May 2021, Taiwan's pandemic situation became severe. After the initiation of a level-three alert, the Company sought to sustain the physical and mental health of colleagues through the following pandemic prevention measures:

- Made immediate announcements of pandemic prevention information on the EZ bulletin board and in the Covid-19 staff area
- Initiated the work from home (WFH) mechanism for colleagues to redirect their work
- Colleagues took out pandemic prevention insurance and vaccine insurance (all colleagues in service before June 11, 2021 are insured)
- Implemented quick corporate screening (a total of eight sessions including colleagues and third-party manufacturers, with more than 3,000 individuals examined)
- Further distributed home rapid screening reagents to colleagues (more than 1400 registrations)

In order to let colleagues know information quickly, we also used the LINE community as a channel for instant messaging. We used this channel to remind colleagues of various pandemic prevention measures and update colleagues' health statuses and other information. Furthermore, community voting enabled us to understand colleagues' views, efficiency, and suggestions in respect to WFH.

Table 5.2.2: COVID-19 Response

Group A / Group B Office indirect labor employees to be assigned by supervisor into two groups designated "A" and "B"	<p>The two "A" and "B" groups colleagues alternately go to work in the Company</p> <p>Work in the Company week: Group A (5/17-21); Group B (5/24-28)</p> <p>Work at home week: Group A (5/24-28); Group B (5/18-21)</p>
Group C Direct labor employees and a portion of indirect labor employees in the manufacturing system	<p>To be divided according to day and night shifts, and pandemic prevention management will be strictly implemented in each factory area and floor. Please follow the announcements of each factory area.</p>
Group D Primarily each top-level aide in COE and SBG	<p>Based on 50% of working hours, the decision will be made by the COE & SBG heads, and supervisors will make allocations to the company and home working hours according to work needs</p>

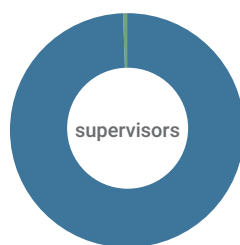
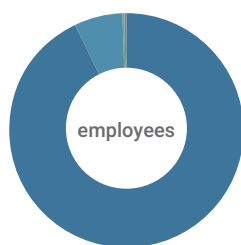
5.3 Diversity and Inclusion

Advantech Global Diversity and Equality Policy

Advantech has long been actively promoting gender equality in the global workplace in order to promote workplace diversity and work equality. For example, there is no gender difference in the salary system; there is a fair and just performance appraisal and promotion system; we have flexible working hours to support women in management positions; and we place emphasis on women's family care. We ensure that employment conditions are not affected by gender, race, religion, political affiliation, marital status, or differential treatment in salary. Advantech has established a clear recruitment strategy around the world to strengthen the diversity of employees, and has gradually eliminated basic differences caused by the influence of physical or psychological conditions of employees through internal diversified training and talent development channels. Furthermore, we regularly review the salary and reward-related indicators of various regions and of each type of work and ranking to ensure the implementation and creation of a diverse and equal workplace environment.

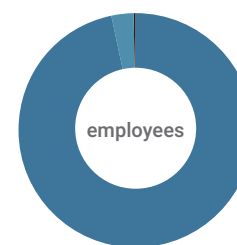
Employee composition

Advantech Taiwan



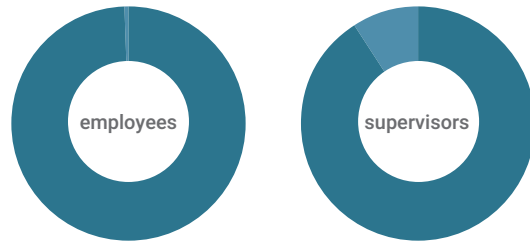
Nationality	Number of employees	Proportion of number of employees	Number of supervisors (above the deputy manager level)	Proportion of managers (above the deputy manager level)
● Taiwan	2964	93.03%	538	99.54%
● Philippines	204	6.40%	-	-
● China	3	0.09%	1	0.18%
● Malaysia	3	0.09%	2	0.37%
● Japan	1	0.03%	-	-
● United Kingdom	2	0.06%	-	-
● United States	1	0.03%	-	-
● Other	8	0.25%	-	-

Advantech China



Nationality	Number of employees	Proportion of number of employees	Number of supervisors (above the deputy manager level)	Proportion of managers (above the deputy manager level)
● China	1155	96.73%	277	92.33%
● Taiwan	38	3.18%	23	7.67%
● Malaysia	1	0.08%	-	-

Advantech China Kunshan Factory



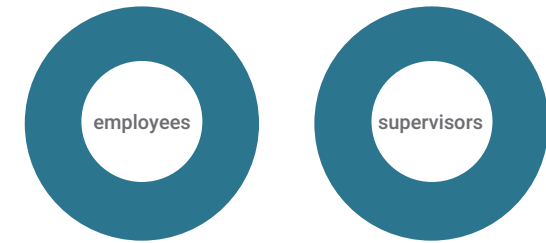
Nationality	Number of employees	Proportion of number of employees	Number of supervisors (above the deputy manager level)	Proportion of managers (above the deputy manager level)
China	2459	99.51%	110	90.91%
Taiwan	12	0.49%	11	9.09%

Advantech Japan (AJP)



Nationality	Number of employees	Proportion of number of employees	Number of supervisors (above the deputy manager level)	Proportion of managers (above the deputy manager level)
Japan	65	67.01%	11	84.62%
Taiwan	27	27.84%	-	-
ChinaF	3	3.09%	-	-
United States	2	2.06%	2	15.38%

Advantech Japan Factories (AJMC)



Nationality	Number of employees	Proportion of number of employees	Number of supervisors (above the deputy manager level)	Proportion of managers (above the deputy manager level)
Japan	138	100%	13	100%

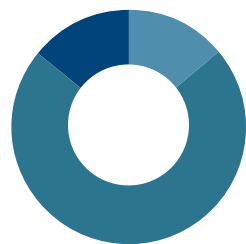
Diversity Hiring

Youth workforce under 30 years old

Prime-of-life workforce 30-50 years old

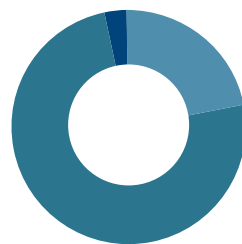
Senior workforce over 50 years old

Advantech Taiwan



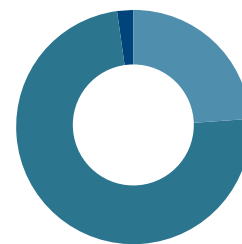
Age distribution	Number of employees	Proportion of number of employees
under 30 years old	438	14%
30-50 years old	2306	72%
over 50 years old	442	14%
Staff with disabilities	26	0.82%

Advantech China



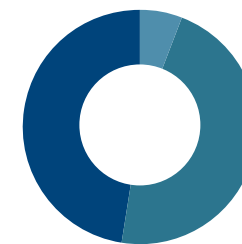
Age distribution	Number of employees	Proportion of number of employees
under 30 years old	265	22%
30-50 years old	897	75%
over 50 years old	32	3%
Staff with disabilities	2	0.17%

Advantech China Kunshan Factory



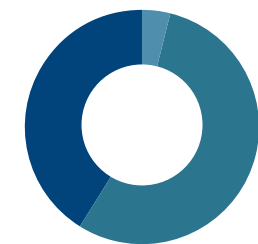
Age distribution	Number of employees	Proportion of number of employees
under 30 years old	585	24%
30-50 years old	1837	74%
over 50 years old	49	2%
Staff with disabilities	0	0%

Advantech Japan (AJP)



Age distribution	Number of employees	Proportion of number of employees
under 30 years old	6	6%
30-50 years old	45	46%
over 50 years old	46	47%
Staff with disabilities	0	0%

Advantech Japan Factories (AJMC)



Age distribution	Number of employees	Proportion of number of employees
under 30 years old	6	4%
30-50 years old	76	55%
over 50 years old	56	41%
Staff with disabilities	2	1.45%

Proportions of Female Employees/Female Supervisors

Advantech is a manufacturer in an industry dominated by high tech. Nonetheless, our proportion of female employees has increased annually in the past three years to reach 42% currently. Out of this, the proportion of female supervisors in Advantech is 25% (or a 92.7% retention rate). It is estimated that in 2025, the proportion of female employees in Advantech Taiwan will remain between 40% and 45%; and the proportion of female supervisors will remain between 23% and 26%. More than a quarter of Advantech's global headquarters management team is made up of female executives ([Executive Team - Advantech](#)). In 2017, Ms. Linda Tsai was promoted to President of Industrial-IoT Group, becoming the top female executive among the three co-governing presidents. This reflects the generational heritage and gender equality among our professional managers.

Region	Year	2019	2020	2021
Advantech Taiwan	Proportion of female employees	41%	42%	42%
	Proportion of female supervisors	25%	25%	25%
	Proportion of female basic/management-level supervisors	15%	15%	14%
	Proportion of female senior executives	1%	2%	2%
	Proportion of female supervisors in profit center units (excluding HR, IT, legal and other support units)	20%	19%	19%
	Proportion of female employees with STEM positions (science/technology/engineering/mathematics)	21%	22%	22%
Advantech China	Proportion of female employees	41%	40%	39%
	Proportion of female supervisors	37%	37%	34%
	Proportion of female basic/management-level supervisors	21%	21%	17%
	Proportion of female senior executives	2%	2%	2%
	Proportion of female supervisors in profit center units (excluding HR, IT, legal and other support units)	34%	29%	26%
	Proportion of female employees with STEM positions (science/technology/engineering/mathematics)	36%	35%	36%
Advantech China Kunshan Factory	Proportion of female employees	46%	46%	45%
	Proportion of female supervisors	36%	37%	36%
	Proportion of female basic/management-level supervisors	18%	19%	17%
	Proportion of female senior executives	0%	0%	0%
	Proportion of female supervisors in profit center units (excluding HR, IT, legal and other support units)	31%	32%	26%
	Proportion of female employees with STEM positions (science/technology/engineering/mathematics)	29%	28%	28%

Region	Year	2019	2020	2021
Advantech Japan (AJP)	Proportion of female employees	31%	30%	31%
	Proportion of female supervisors	2%	2%	2%
	Proportion of female basic/management-level supervisors	0%	0%	0%
	Proportion of female senior executives	2%	2%	2%
	Proportion of female supervisors in profit center units (excluding HR, IT, legal and other support units)	1%	1%	1%
	Proportion of female employees with STEM positions (science/technology/engineering/mathematics)	0%	0%	0%
Advantech Japan Factories (AJMC)	Proportion of female employees	29%	28%	28%
	Proportion of female supervisors	0.7%	0.7%	0.7%
	Proportion of female basic/management-level supervisors	0%	0%	0%
	Proportion of female senior executives	0%	0%	0%
	Proportion of female supervisors in profit center units (excluding HR, IT, legal and other support units)	18%	18%	17%
	Proportion of female employees with STEM positions (science/technology/engineering/mathematics)	0%	0%	0%

*Note:

1. Basic/management-level supervisor refers to levels between project supervisor and senior manager.
2. Senior executive refers to levels at director and above.

Evaluation and Promotion System

In Advantech's evaluation and promotion system, we ensure that gender discrimination or pregnancy or family care leave for female employees does not affect the results of performance evaluations or promotions. Advantech's performance appraisal and employee promotion policies are based on colleagues' job responsibility expectations and annual performance appraisal goals. Furthermore, this is fully disclosed in Advantech's performance appraisal system on the basis of complete fairness and full two-way communication between supervisors and employees.

2021	Advantech Taiwan	Advantech China	Advantech China Kunshan Factory	Advantech Japan
Proportion of female employees ranked as "excellent" in the evaluation (%)	37%	36%	44%	44%
Proportion of female employees promoted to supervisor level (%)	38%	38%	44%	0%

Performance Appraisal Acceptance Rates among Employees in Four Major Professional Categories

Region	Four major professional categories	Males, performance appraisal acceptance rates	Females, performance appraisal acceptance rates
Advantech Taiwan	Research and development	97%	91%
	Marketing business	94%	90%
	Administrative	86%	82%
	Manufacturing	88%	95%
	Total ratio	94%	92%
Advantech China	Research and development	89%	87%
	Marketing business	90%	90%
	Administrative	84%	79%
	Total ratio	89%	88%
Advantech China Kunshan Factory	Administrative	98%	97%
	Manufacturing	96%	96%
	Total ratio	96%	96%
Advantech Japan	Research and development	86%	-
	Marketing business	95%	95%
	Administrative	100%	100%
	Manufacturing	86%	100%
	Total ratio	93%	97%

Performance Appraisal Acceptance Rates among Employees in Two Major Occupational Functions

Region	Two major occupational functions	Males, performance appraisal acceptance rates	Females, performance appraisal acceptance rates
Advantech Taiwan	Senior executive	96%	77%
	General employees	73%	84%
	Total proportion	74%	84%
Advantech China	Senior executive	100%	100%
	General employees	88%	88%
	Total proportion	89%	88%
Advantech China Kunshan Factory	Senior executive	100%	100%
	General employees	96%	96%
	Total proportion	96%	96%
Advantech Japan	Senior executive	100%	100%
	General employees	92%	96%
	Total proportion	93%	97%

*Note:

1. The above performance appraisal acceptance rates are calculated based on the total number of individuals actually participating in the appraisals (necessarily deducting those who do not complete the three-month probationary period or the numbers of individuals who resigned and did not complete the assessment during the assessment period), divided by the total number of individuals in 2021.
2. The aforementioned senior executives refer to those at the director level or above.
3. Advantech's Japan factory comprises mostly direct labor employees, who are not included in the evaluation statistics.

Living Wage

When exploring human rights risk factors for wages and benefits, we believe that it is important to consider a living wage to improve the living conditions of workers. We continue to discuss the problems and opportunities of introducing a "living wage" and look forward to a relevant pilot methodology in 2022. Adopting the framework suggested by Anker (2011) and by Anker and Anker (2017), we shall construct a Company-specific living wage and compare it with the prevailing wage to determine whether employee salaries are sufficient to support local standards of living. In the future, this will gradually expand to Advantech's key suppliers and contractors.

Parental Leave/Family Care Leave/Work From Home

In accordance with Article 16 of the Gender Equality in Employment Act, after a staff member has been employed for six months he or she may make an application for parental leave of absence before each of his or her children reaches the age of three; applications may be made until the child reaches the age of three, but the period shall be effective for not more than two years. Advantech's employees in Taiwan enjoy parental leave in accordance with the law, but there are no regulations concerning parental leave in mainland China. Japan's labor laws also stipulate that for children under one year old, applications may be made for parental leave. During the period of leave, salaries are subsidized by the Japanese government. At Advantech Japan (including the Japanese factory), the number of employees applying for parental leave in 2021 was five, with 100% reinstatement.

Among all Advantech Taiwan employees in 2021 (including male and female employees), the parental leave application rate was 7.85% and the reinstatement rate was 53.85%. Those who continued to work for more than one year after reinstatement from childcare leave in 2020 (retention rate) was 71.43%. Compared to 2020, both the application rate and the reinstatement rate have increased.* Among them, the application rate and reinstatement rate of female employees are much higher than those of male employees.

*Note: In 2020, the parental leave application rate of all employees was 3.81% and the reinstatement rate was 51.5%. Those who continued to work for more than one year after reinstatement from childcare leave in 2019 (retention rate) was 68.8%.

	Male	Female	Total
(a) 2021 Eligibility for parental leave (2019-2021 maternity/paternity leave)	219	112	331
(b) 2021 actual number of individuals using parental leave	5	21	26
(c) Actual number of individuals reinstated from parental leave in 2021	0	14	14
(d) Actual number of individuals applying for parental leave in 2020	3	18	21
(e) Number of people who have continued to work for one year after applying for parental leave in 2020	2	13	15
Parental leave application rate (b/a)	2.28%	18.75%	7.85%
Parental leave reinstatement rate (c/b)	0.00%	66.67%	53.85%
Parental leave rate (e/d)	66.67%	72.22%	71.43%

In addition, Taiwan faced the impact of a local pandemic outbreak in 2021. Under these circumstances many female employees faced the dual responsibility of work and family care, putting them under considerable pressure. In order to help female employees to balance the pressure of family care and work in the social system, Advantech strongly supports employees in applying for family care leave and work from home to balance new work models under the pandemic.

2021	Advantech Taiwan	Advantech Japan	Advantech Japan Factories
Proportion of female employees applying for family care leave (%)	2.71%	2.06%	0%
Proportion of female employees applying for work from home (%)	4.76%	12.03%	0%

*Note:

1. Advantech Japan factory comprises mostly direct employees and there were no family care leave applications
2. Advantech China and the Advantech China Kunshan factory do not have mechanisms for family care leave or work-from-home applications. Only in response to the pandemic will mandatory work from home be implemented in accordance with local government regulations.

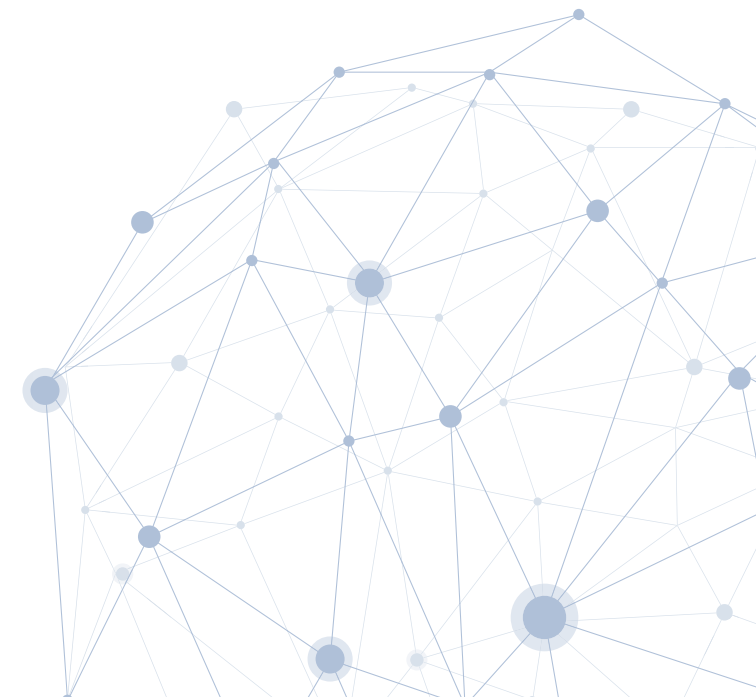


Hiring of Persons with Disabilities

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

Advantech applied for employment of 31 persons with disabilities according to law, and by the end of 2021 employed 26 persons with disabilities. The employment-weighted ratio has not yet reached 1% of the total headcount ratio. The main reason for undertaking a manpower policy review is that resume conditions do not meet vacancy requirements, and the difference subsidy has been paid according to law. Furthermore, we will continue to actively pay attention to the resumes of people with disabilities through government employment counseling agencies, and expected that the required number will be filled in the first half of 2022.

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



5.4 Appendix : Occupational Safety and Health; Employee Turnover; Occupational Health and Safety

Employee Structure

2021 Advantech's Number of Employees

Region	Taiwan	China		Japan		Europe	United States	Korea	Other regions	Worldwide total
		ACN	AKMC (Kunshan)	AJP	AJMC					
Number of employees	3186	1194	2471	97	138	460	489	120	339	8494
Note	-	-	Manufacturing Center	-	Manufacturing Center	-	-	-	-	-

*Note: The number of employees does not include affiliated companies

Region	Item		Number and percentage of males %		Number and percentage of females %		Total
Taiwan	Staff employed	Number of people in the company	1834	57.60%	1352	42.40%	3186
	Number of supervisors above the levels of manager and assistant manager		425	78.60%	116	21.40%	541
	Employee age	Below 30 years	215	49.10%	223	50.90%	438
		31-49 years old	1387	60.10%	919	39.90%	2306
		50 years old and over	232	52.50%	210	47.50%	442
	Full-time and contract	Full-time	1794	57.20%	1342	42.80%	3136
		Contract	10	50.00%	10	50.00%	20
		Student participants	30	100.00%	0	0.00%	30
	Functional classification	Research and development	1042	78.20%	291	21.80%	1333
		Marketing business	108	43.00%	143	57.00%	251
		Administrative	119	37.00%	203	63.00%	322
		Manufacturing	565	44.10%	715	55.90%	1280

Region	Item		Number and percentage of males %		Number and percentage of females %		Total
China	Staff employed	Number of people in the company	2090	57%	1575	43%	3665
	Number of supervisors above the levels of manager and assistant manager		108	67%	53	33%	161
	Employee age	Below 30 years	506	59%	345	41%	851
		31-49 years old	1515	55%	1218	45%	2733
		50 years old and over	69	85%	12	15%	81
	Full-time and contract	Full-time	2075	57%	1563	43%	3638
		Contract	10	67%	5	33%	15
		Student participants	6	50%	6	50%	12
	Functional classification	Research and development	246	57%	184	43%	430
		Marketing business	448	79%	119	21%	567
		Administrative	134	35%	253	65%	387
		Manufacturing	1262	55%	1019	45%	2281
Japan	Staff employed	Number of people in the company	166	71%	69	29%	235
	Number of supervisors above the levels of manager and assistant manager		24	92%	2	8%	26
	Employee age	Below 30 years	12	100%	0	0%	12
		31-49 years old	64	53%	57	47%	121
		50 years old and over	90	88%	12	12%	102
	Full-time and contract	Full-time	165	71%	69	29%	234
		Contract	1	33%	2	67%	3
		Student participants	0	0%	0	0%	0
	Functional classification	Research and development	28	100%	0	0%	28
		Marketing business	59	75%	20	25%	79
		Administrative	29	60%	19	40%	48
		Manufacturing	53	66%	27	34%	80

Region	Item		Number and percentage of males %		Number and percentage of females %		Total
Europe	Staff employed	Number of people in the company	310	67%	150	33%	460
	Number of supervisors above the levels of manager and assistant manager		47	89%	6	11%	53
	Employee age	Below 30 years	22	5%	23	5%	45
		31-49 years old	197	43%	98	21%	295
		50 years old and over	91	20%	29	6%	120
	Full-time and contract	Full-time	301	65%	112	24%	413
		Contract	9	2%	38	8%	47
		Student participants	0	0%	0	0%	0
	Functional classification	Research and development	25	5%	8	2%	33
		Marketing business	165	36%	67	15%	232
		Administrative	120	62%	75	38%	195
		Manufacturing	0	0%	0	0%	0
Korea	Staff employed	Number of people in the company	85	71%	35	29%	120
	Number of supervisors above the levels of manager and assistant manager		19	90%	2	10%	21
	Employee age	Below 30 years	26	58%	19	42%	45
		31-49 years old	54	78%	15	22%	69
		50 years old and over	5	83%	1	17%	6
	Full-time and contract	Full-time	84	72%	32	28%	116
		Contract	1	50%	1	50%	2
		Student participants	0	0%	2	100%	2
	Functional classification	Research and development	15	88%	2	12%	17
		Marketing business	34	59%	24	41%	58
		Administrative	17	65%	9	35%	26
		Manufacturing	19	100%	0	0%	19

Region	Item		Number and percentage of males %		Number and percentage of females %		Total
Other regions	Staff employed	Number of people in the company	217	64%	122	36%	339
	Number of supervisors above the levels of manager and assistant manager		41	73%	15	27%	56
	Employee age	Below 30 years	73	68%	34	32%	107
		31-49 years old	128	60%	84	40%	212
		50 years old and over	14	78%	4	22%	18
	Full-time and contract	Full-time	235	67%	114	33%	349
		Contract	3	75%	1	25%	4
		Student participants	3	75%	1	25%	4
	Functional classification	Research and development	18	90%	2	10%	20
		Marketing business	118	71%	49	29%	167
		Administrative	64	54%	55	46%	119
		Manufacturing	23	85%	4	15%	27

*Note:

1. The denominator of the ratios in the above table is the total number of employees in the region.
2. Regular employees are defined as employees who have signed indefinite contracts, and contracted employees are employees who have signed fixed-term contracts.
3. Due to difficulties in data collection, details of the employee structure of Advantech USA are not included.



Employee turnover rate

2021 Turnover Rate

Region	Classification	Item	Number and percentage of males %		Number and percentage of females %		Total
Taiwan	Employee age	Below 30 years	57	26.51%	23	10.31%	80
		31-49 years old	203	14.64%	119	12.95%	322
		50 years old and over	18	7.76%	14	6.67%	32
	Job ranking	Senior executive	6	7.90%	0	0.00%	6
		Management level supervisor	26	7.90%	7	8.60%	33
		General staff	246	17.21%	149	11.84%	395
China	Employee age	Below 30 years	464	91.7%	241	69.9%	705
		31-49 years old	507	33.5%	373	30.6%	880
		50 years old and over	11	15.9%	1	8.3%	12
	Job ranking	Senior executive	1	12.5%	0	0.0%	1
		Management level supervisor	7	12.3%	2	7.1%	9
		General staff	974	48.1%	613	39.8%	1587
Japan	Employee age	Below 30 years	2	16.7%	1	100.0%	3
		31-49 years old	7	10.9%	2	3.5%	9
		50 years old and over	9	10.0%	0	0.0%	9
	Job ranking	Senior executive	0	0.0%	0	0.0%	0
		Management level supervisor	0	0.0%	0	0.0%	0
		General staff	18	12.8%	3	4.5%	21

Employee turnover rate in the past four years (2018-2021)

	2018		2019		2020		2021	
Worldwide average	Male	Female	Male	Female	Male	Female	Male	Female
Senior executive (Director level and above)	10.2%	7.7%	3.4%	5.7%	4.7%	0.0%	7.1%	0.0%
Management level supervisor	7.2%	15.8%	8.1%	12.7%	7.8%	10.4%	7.4%	6.7%
General staff	14.4%	12.2%	12.1%	11.4%	11.5%	10.9%	18.3%	14.9%

Taiwan

	2018		2019		2020		2021	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior executive (Director level and above)	9.9%	14.3%	3.8%	0.0%	5.2%	0.0%	7.9%	0.0%
Management level supervisor	6.5%	17.8%	8.6%	13.4%	7.8%	12.0%	7.9%	8.6%
General staff	14.6%	12.2%	12.5%	11.5%	11.7%	11.2%	19.2%	15.5%

China

	Region/Nature of Job	2018		2019		2020		2021	
		Male	Female	Male	Female	Male	Female	Male	Female
Senior executive (Director level and above)	ACN (Business)	25%	0%	0%	14%	0%	0%	0%	0%
	AKTC (R&D)	0%	0%	0%	0%	0%	0%	0%	0%
	AKMC (Manufacturing)	0%	0%	0%	0%	0%	0%	0%	0%
Management level supervisor	ACN (Business)	16%	7%	6%	11%	10%	5%	5%	0%
	AKTC (R&D)	20%	50%	0%	0%	11%	0%	0%	0%
	AKMC (Manufacturing)	0%	0%	0%	0%	0%	0%	0%	0%
General staff	ACN (Business)	20%	14%	15%	9%	12%	10%	17%	15%
	AKTC (R&D)	24%	13%	5%	5%	8%	3%	21%	14%
	AKMC (Manufacturing)	0.7%	0.7%	0.5%	0.4%	0.5%	0.4%	0.5%	1.0%

Japan

*AJP: Business Office *AJMC: Operating Manufacturing System

	Region	2018		2019		2020		2021	
		Male	Female	Male	Female	Male	Female	Male	Female
Senior executive (Director level and above)	AJP	0%	0%	0%	0%	1.1%	0%	0%	0%
	AJMC	0.7%	0%	0%	0%	0%	0%	0%	0%
Management level supervisor	AJP	0%	0%	0%	0%	0%	0%	0%	0%
	AJMC	0%	0%	0.7%	0%	0%	0%	0%	0%
General staff	AJP	15.3%	3.8%	13.1%	6.0%	10.7%	2.1%	12.4%	0%
	AJMC	5.4%	31.8%	4.9%	3.5%	2.1%	0.7%	4.3%	0.7%

*Note: The tables of employee turnover rate in the past four years (2018-2021) only include indirect colleagues, and exclude direct labor employees.

Occupational Safety and Health

Management Policy

To prevent occupational injury, Advantech introduced the OHSAS 18001 occupational safety and health management system in 2006. We were ISO 45001 certified in December 2021. Advantech Taiwan has also formed an Occupational Health and Safety Committee in accordance with the law. It includes one chairperson, one management representative, and 15 labor representatives in accordance with labor regulations, accounting for one third of all representatives. The director of the Department of Labor Safety and Health presided over the meeting to announce new information on safety and health related regulations and regulations. The Director of the Occupational Safety and Health Administration presides over the meeting to announce new information on safety and health related regulations and statutes.

Advantech has formulated various workplace emergency response operation standards, implemented automatic inspection plans for machinery, equipment, and operating environments, and provided various forms of protective equipment during operations. In addition, we ensure that employees can work in a safe environment by simultaneously implementing regular and ad hoc inspections of factories and offices to reduce various hazards, and to strengthen employee safety and health and fire drill education and training so as to forestall any occupational incidents. In addition to monitoring the operating environment to meet safety and hygiene standards, Advantech pays further attention to employee health issues and regularly measures and maintains drinking water quality, noise levels, temperature and humidity, and lighting. In terms of air-conditioning equipment, we commission a professional inspection company every six months to measure the carbon dioxide concentration of the central air-conditioning building, in order to ensure the quality of the working environment, protect the health of employees, and avoid the occurrence of occupational diseases.

Advantech focuses on health benefits, providing an employee health check plan once a year that exceeds the requirements of the Labor Standards Act. We also successively handle health promotion activities such as road runs, implement a smoke-free workplace policy, and conduct regular environmental inspections for the sake of employee health examination and health management. This is complemented by health applications in public places, as there are breastfeeding rooms for female colleagues as well as sports and leisure facilities and safe and hygienic dining environments.

Occupational safety and health related data

	Disability injury frequency rate	Incidence rate of occupational illness	Disability severity rate	Work-related fatalities	Absenteeism
Advantech Taiwan Male employees	0	0	0	0	0%
Advantech Taiwan Female employees	0	0	0	0	0%
Advantech Kunshan Male employees	4.77	130	0	0	0.10%
Advantech Kunshan Female employees	0.45	2	0	0	0.0018%
Advantech Japan Male employees	5.24	0	26	0	0.09%
Advantech Japan Female employees	0	0	0	0	0%
Advantech's contractors Male employees	0	0	0	0	0%
Advantech's contractors Female employees	0	0	0	0	0%

Calculation Formulas

Disability injury frequency rate = (Total number of individuals injured and lost × 1,000,000) ÷ Total working hours (to two decimal places)

Severity of disability injury = (Total lost days of disability injury × 1,000,000) ÷ Total working hours (calculated up to the last integer)

Occupational injury mortality rate = Occupational injury deaths ÷ Total number of individuals suffering occupational injuries

Occupational illness mortality rate = number of deaths from occupational illness deaths ÷ occurrences of occupational illness

Absenteeism = (Total days of absence due to occupational injuries/total working days) × 100%

*The above data excludes commuting traffic accidents