

Biodiversity Risk Assessment Report

I. Process, Methodology, and Scope of Biodiversity Risk Assessment:

This report's evaluation time period: from January 1, 2023, to December 31, 2023.

The operational locations covered in this report: Advantech's operational sites in Taiwan (ACL) and China (AKMC, ACL), totaling 52 sites.

The value chain scope includes Taiwanese and Chinese suppliers, covering a total of 32 operational sites. The principles for supplier selection in this assessment report are as follows:

1. Exclude agents.
2. Set procurement amount and volume thresholds for suppliers to be included in the assessment.
3. Suppliers whose raw materials are irreplaceable.
4. Suppliers in industries with potential environmental or biodiversity impacts.

In this report, the Biodiversity Risk Filter (BRF) tool and database, established by the World Wide Fund for Nature (WWF), is used to assess biodiversity-related risks, covering both physical and reputational risks.

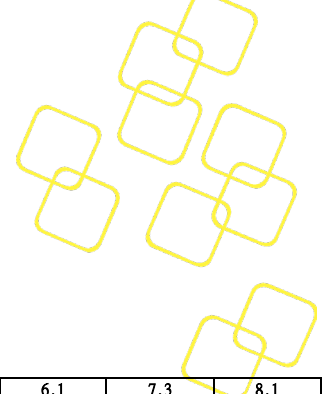
After importing and analyzing data through the BRF system, the results yield eight types of risk outcomes, with the number of sites in each risk category varying.

Furthermore, a detailed analysis is conducted on the 33 identified risk indicators. In particular, future actions corresponding to the high-risk items are evaluated and discussed. In the analysis results, Advantech set the significant risk standard at 50% of sites falling into high and very high-risk categories. Follow-up will involve setting management indicators and further researching potential risks. Finally, the distribution of sites for each high-risk indicator is visualized.

The quantified information described in this report is currently voluntarily disclosed and has not been verified by an independent third party. Future disclosure quality and verification needs will be improved as necessary.

II. Results of major risks in Advantech's Taiwan and China sites and supply chain:

Using the BRF tool and sorting the risk scores from high to the low, the standard for major risks was set as 50% of the sites falling into high and very high, and a total of 10 items were identified.



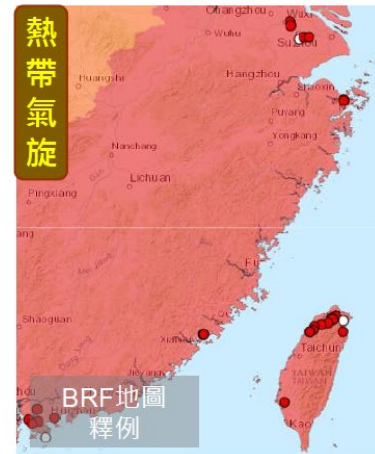
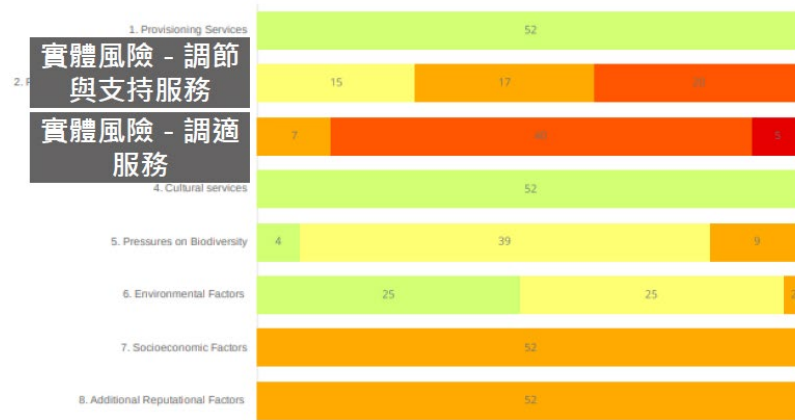
BRF risk indicators		Scape Physical Risk	2.2 Water Condition	2.3 Air Condition	3.1 Landslides	3.2 Fire Hazard	3.5 Extreme Heat	3.6 Tropical Cyclones	5.4 Pollution	Scape Reputational Risk	6.1 Protected/Conserved Areas	7.3 Labor/Human Rights	8.1 Media Scrutiny
Percentage of High risk/ Very high risk	Taiwan sites				100%			100%				100%	80%
	China sites		50%	50%		62%	90%	83%				100%	98%
	Supply chain Taiwan sites				100%			100%	100%		93%	100%	
	Supply chain China sites					53%	100%	100%	100%			100%	
Percentage of Very high risk	Taiwan sites				80%			100%					
	China sites							50%					
	Supply chain Taiwan sites				93%			100%					
	Supply chain China sites							100%	100%				

WWF Biodiversity Risk Filter levels

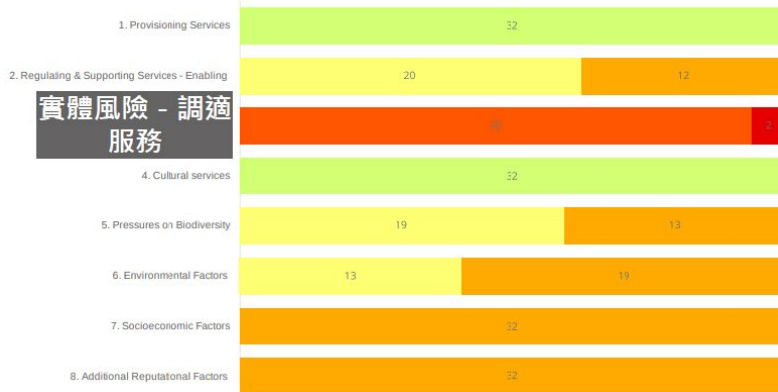
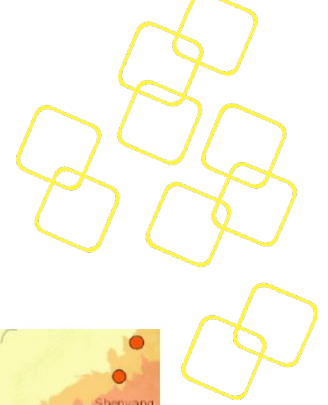
Very low (1.0-1.9) Low (2.0-2.9) Medium (3.0-3.9) High (4.0-4.9) Very High (5.0-5.9)

Biodiversity Risk Filter Scape Risk Results	Scape Physical Risk	2.2 Water Condition	2.3 Air Condition	3.1 Landslides	3.2 Fire Hazard	3.5 Extreme Heat	3.6 Tropical Cyclones	5.4 Pollution	Scape Reputational Risk	6.1 Protected/Conserved Areas	7.3 Labor/Human Rights	8.1 Media Scrutiny	實體風險	水質狀態	空氣品質狀態	山體崩塌/土石流	野火風險	極端高溫	熱帶風旋	污染	聲譽風險	任職或任職	勞工/人權	媒體監督	
													SPH	S2_2	S2_3	S3_1	S3_2	S3_5	S3_6	S5_4	SRP	SR_1	SR_1		
Site Name																									
HK Advantech Technology Co., Ltd 香港研華	2.56	2.5	3.5	4	3.5	4	4.5	2.75	2.89				3.5	4											
北京研華與華電子科技有限公司上海研華	3	3	3.5	4	3	4.5	4.5	2.75	2.89				3.5	4											
北京研華與華電子科技有限公司東莞研華	2.56	2.5	3.5	4	3.5	4	4.5	2.75	2.89				3.5	4											
北京研華與華電子科技有限公司佛山研華	3	3	3.5	4	3.5	4	4.5	2.75	2.89				3.5	4											
北京研華與華電子科技有限公司三州研華	3.34	3.5	3.5	4	3.5	3	3	2.88	2.89				3.5	4											
北京研華與華電子科技有限公司北京研華	3.4	3.5	3.5	4	4	4	3	2.88	2.89				3.5	4											
北京研華與華電子科技有限公司南京研華	3	3	4	4	3.5	4.5	4.5	3.12	2.89				3.5	4											
北京研華與華電子科技有限公司南昌研華	2.81	2.5	3.5	4	3.5	4	4.5	2.75	2.89				3.5	4											
北京研華與華電子科技有限公司南昌研華	3	3	3.5	4	3	4.5	4.5	2.88	2.89				3.5	4											
北京研華與華電子科技有限公司廈門研華	3	3	3.5	4	3	4.5	4.5	2.75	2.89				3.5	4											
北京研華與華電子科技有限公司合肥研華	3.4	3.5	4	4	3.5	4.5	4.5	3.12	2.89				3.5	4											

Visualization of Advantech sites' risks:



Visualization of Advantech supply chain's risks:

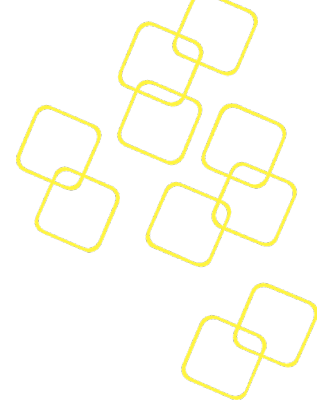


III. Risk assessment results: dependency risk items

According to the BRF assessment results, there are 10 major risk issues identified in Advantech's direct operational sites and supplier sites. Based on the recommendations of ENCORE Drivers and TNFD guidelines, these major risk issues are classified into dependency risk items as follows.

	Dependency related Risk (high risk/extremely high risk sites)	Regulating and Supporting Services: Facilitation		Regulating Services: Reduce Impacts			
		Water quality	Air quality	Landslides/debris flow	Wildfire risk	Extreme high temperatures	Tropical cyclones
Advantech Sites	Significant Risks Number of sites in Taiwan	-	-	10 (100%)	-	-	10 (100%)
	Significant Risks Number of sites in China	21 (50%)	40 (95%)		26 (62%)	38 (90%)	35 (83%)
Advantech Supply Chain	Significant Risks Number of sites in Taiwan	-	-	15 (100%)	-	-	15 (100%)
	Significant Risks Number of sites in China	-	-	-	9 (53%)	17 (100%)	17 (100%)

IV. Risk Assessment Results: Impact and Other Risk Items

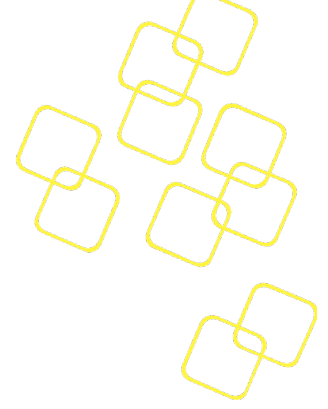


Impact-related risks		Biodiversity Pressures
		Pollution
Advantech Sites	Significant Risks Number of sites in Taiwan	15 (100%)
	Significant Risks Number of sites in China	17 (100%)
Advantech Supply Chain	Significant Risks Number of sites in Taiwan	–
	Significant Risks Number of sites in China	–

Items Unrelated to Dependency or Impact

Items that cannot be categorized	Environmental Factors	Socioeconomic Factors	Other Reputational Factors
	Protected Areas/Reserves	Labor/Human Rights	Media Supervision
Significant Risks Number of operational sites in Taiwan	–	–	–
Significant Risks Number of operational sites in China	–	42 (100%)	41 (98%)
Significant Risks Number of supplier sites in Taiwan	14 (93%)	–	–
Significant Risks Number of supplier sites in China	–	17(100%)	–

* Three major risk items—protected areas/reserves, labor rights, and media supervision — belong to the reputational risk category, which are part of the BRF's own assessment items. These are not required to be included in the TNFD framework. Furthermore, in the BRF tool, labor rights and media supervision are assessed at a broader geographical scale, making it difficult to capture detailed nuances. However, they are disclosed as items for future



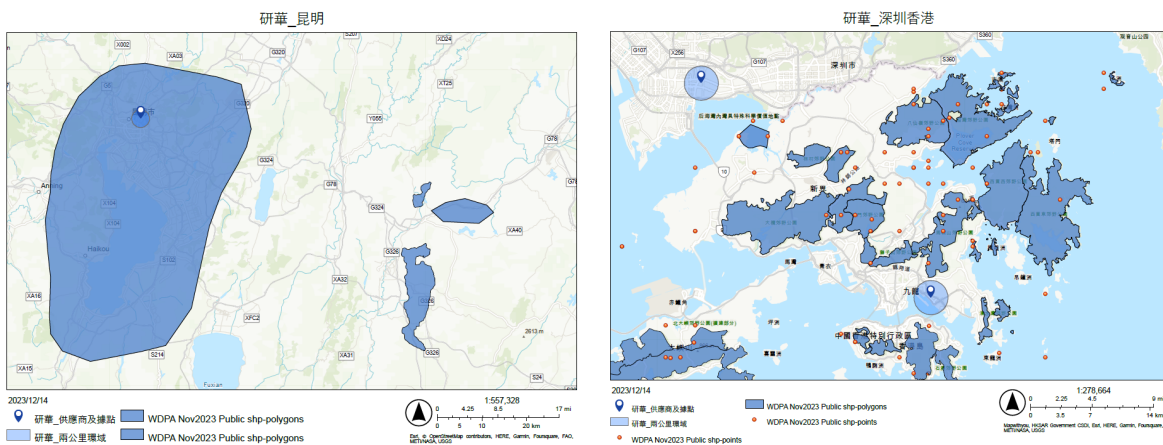
attention.

Summary of Major Risks at Each Site:

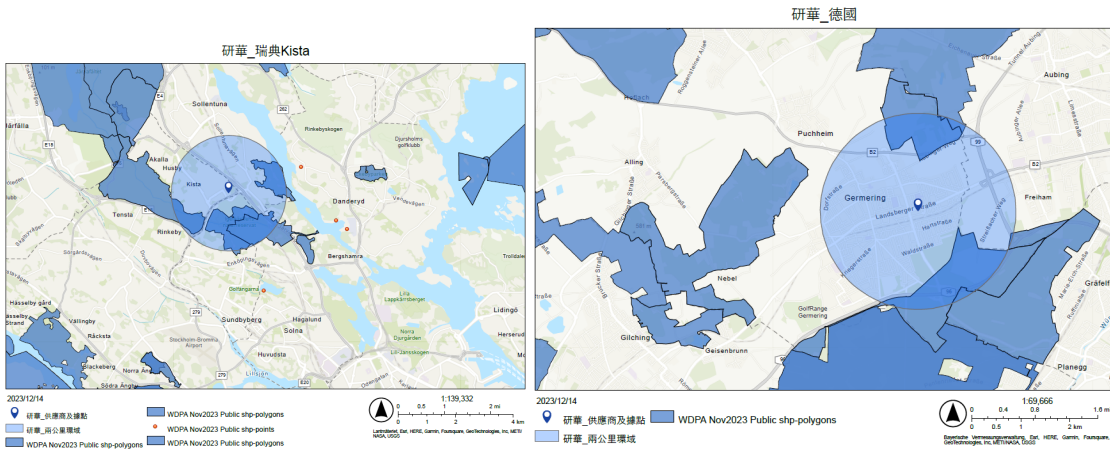
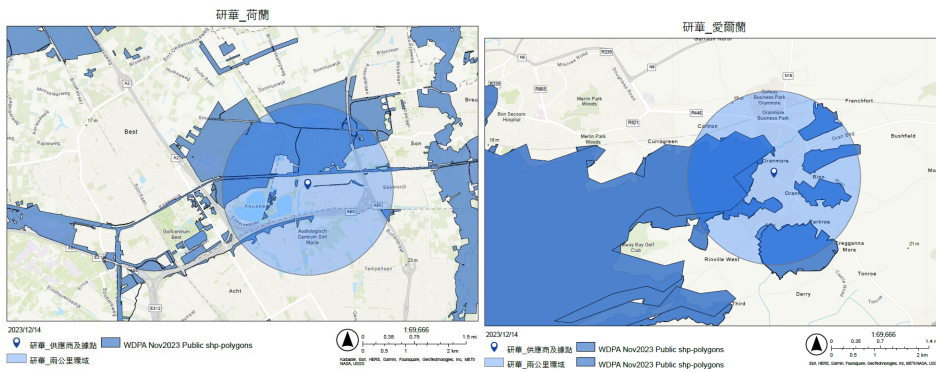
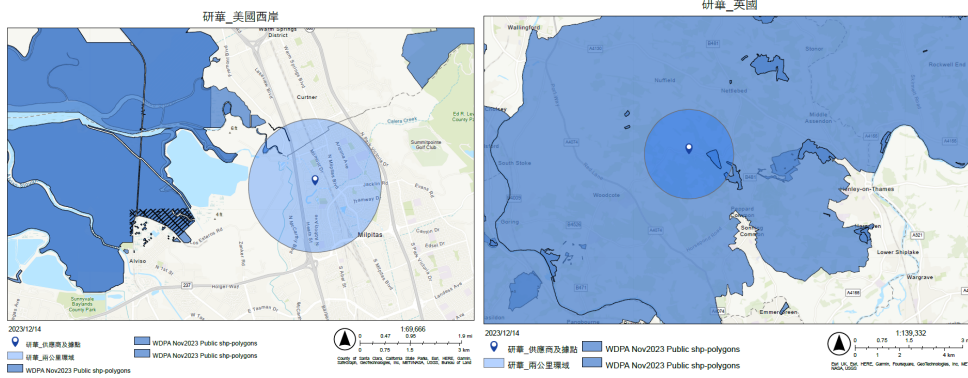
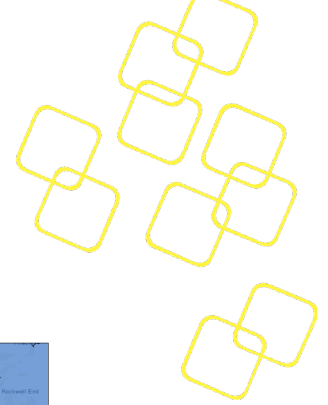
Sites	Taiwan Headquarters	Landslides/debris flow, tropical cyclones
	ACN 、 AKMC 、 AKTC	Water quality, air quality, wildfire risk, extreme high temperatures, tropical cyclones, labor rights, media supervision
Supply Chain	Taiwan Headquarters	Landslides, debris flow, tropical cyclones, pollution, protected areas/reserves
	ACN 、 AKMC 、 AKTC	China sites: Wildfire risk, extreme high temperatures, tropical cyclones, pollution, labor rights

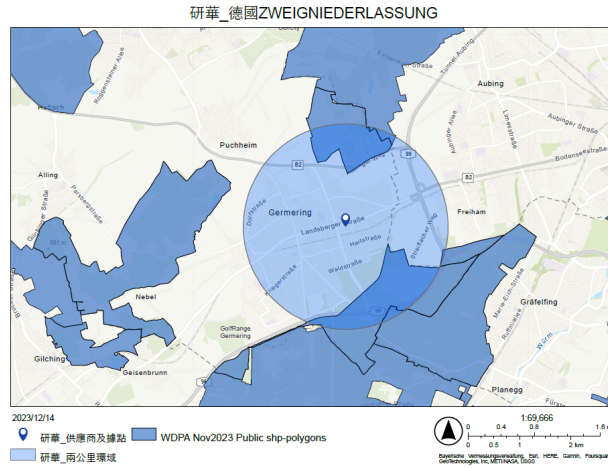
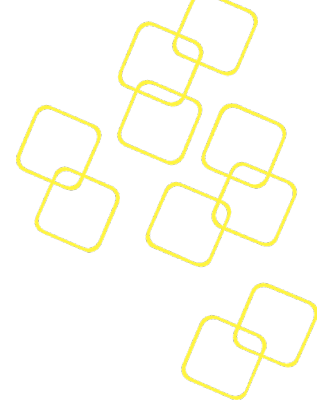
V. Positioning and Exploration Analysis Results for Environmental Analysis (2-Kilometer Radius)

The previous analysis was limited to Advantech's operational sites and supplier sites in Taiwan and China. To gradually improve the report and based on the future TNFD produced by various operational sites in Taiwan (Taipei, New Taipei, Hsinchu, Taichung, Tainan, Kaohsiung) and key RBUs, Advantech conducted preliminary exploration from a location dimension. Thus, external experts were enlisted to assist in conducting an environmental analysis around the world (including Advantech's Taiwan headquarters and the five major RBU sites). Using a 2-kilometer radius around operational sites as the scope of analysis, Taiwan's map data analysis used WDPA map data, Taiwan legal protected area data, and the National Green Network conservation areas. For operational sites in China, due to the larger scale of map data and the lack of further regional map data overlays, the WDPA analysis results showed significant overlap with the Dian Lake scenic area near the Kunming site and proximity to protected areas for the Hong Kong site.



Advantech's operational sites in Taiwan showed considerable overlap within a 2-kilometer radius with Taiwan's legal protected areas, the National Green Network conservation areas, and biodiversity hotspots.





After conducting the environmental analysis, we can preliminarily understand the protected areas overlapping with Advantech's operational sites, thereby identifying potential opportunities, risks, and management indicators related to biodiversity issues. In the coming year, we will refine management indicators and actions as needed, explore whether to extend the environmental analysis to the supply chain, and gradually optimize the content of TNFD disclosures.

VI. Future Improvement Advices:

After risk analysis and internal self-assessment, biodiversity-related indicators have not been fully incorporated into the risk management evaluation system. In the second half of 2024, discussions with the risk management team will focus on significant risk management indicators, implementation methods, and annual improvements based on individual sites and research results.