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Advantech Human Rights Policy and Commitment

I. Overview

Advantech Corporation, Ltd. (hereafter “Advantech”) respects and supports all internationally recognized human rights principles and standards, including the Universal Declaration of Human Rights, the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the Responsible Business Alliance (RBA) Code of Conduct, and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. We do our best to observe and abide by the laws and regulations of each location in which we conduct business and have established our Human Rights Policy and Commitment in accordance with the UN Guiding Principles on Business and Human Rights.

II. Scope of Application

This Human Rights Policy and Commitment applies to all members of the Advantech Group and its joint ventures. Under the “Protect, Respect, and Remedy” Framework, Advantech has made efforts to protect and ensure human rights are upheld by our employees, suppliers, contractors, partners, and within our corporate settings, reducing human rights risks or applying remedial measures to lessen the effects of related incidences.

III. Principles

1. Advantech firmly believes that respecting and protecting human rights are important foundations for the sustainable operation of enterprises.
2. Advantech takes human rights into consideration in all aspects of our operations.
3. Advantech provides channels for smooth communication with our stakeholders.

IV. Contents

- 1. Abolishment of unlawful discrimination and assurance of equal employment opportunities**

Advantech is comprised of a large and diverse workforce, and we respect

diversity within our Board of Directors, labor force, and business process value chain. All employees are guaranteed equal employment and career development opportunities. Any form of differential treatment or discrimination due to an individual's gender, race, skin color, religious belief, political orientation, sexual orientation, disability, rank, nationality, or age are prohibited.

2. Implementation of equal pay for equal work

Advantech respects the right of all individuals to have equal protections to ensure they receive equal pay for performing the same work, regardless of their location of employment, race, ethnicity, background, social class, ancestry, religious belief, disability, gender sexual orientation, pregnancy status, marital status, union membership status, political opinion, or age.

3. Observance of minimum wage laws and introduction of living wage policies

Advantech provides our employees with wages and benefits that meet or exceed the requirements of local laws and regulations, and ensures that employee wages are sufficient to allow for decent living standards. We also strive to pay fair and adequate living wages to our workforce in a timely manner, with legal deductions documented on pay stubs.

4. Workplace safety and health

Advantech is committed to providing all employees with a safe, healthy, clean, and comfortable working environment. To better maintain such an environment, we have established an occupational safety and health (OSH) management system and been mindful to observe relevant laws and regulations to reduce safety and health risks. We organize regular education and training sessions for all employees, and aspire to achieve a Zero Injury and Accident Workplace through the implementation of reasonable measures. We also support and assist our employees in achieving a healthy work-life balance while maintaining good physical and mental health, by providing a safe and healthy workplace that adheres to a Zero Discrimination or Harassment policy. Employees do not need to worry about being subject to retaliation when making suggestions related to safety and health.

5. No inhumane treatment

Advantech has a zero-tolerance policy for any form of inhumane treatment. We will not tolerate any threatening, harsh, or inhumane behavior or treatment towards our employees, including but not limited to: any form of gender-based violence, sexual harassment or other types of harassment, sexual assault, corporal punishment, mental or physical coercion, bullying, public shaming, verbal abuse, or threatening to engage in such conduct.

6. Prohibition of child labor

Advantech observes local minimum working age laws and regulations, and strictly prohibits the use of child labor. We operate in accordance with relevant legal requirements and ethical norms, and implement measures to verify the age of newly recruited employees. Child labor refers to the employment of any worker under the age of 15 years, under the age for completion of compulsory education, or under the minimum age for employment stipulated by the federal government, whichever is higher. If a child worker is discovered, we will provide assistance and implement remedial measures.

7. Prohibition of forced labor and human trafficking

Advantech requires ourselves, third-party human resources agencies, suppliers, and business partners to guarantee a worker's free consent to employment. As an employer and a global corporate citizen, we do not accept any form of forced labor, slavery, or human trafficking, inclusive of the transportation, transfer, harboring, or recruitment of individuals through threats, force, coercion, or fraud, with the aim to exploit them for profit.

8. Employee training and personal development

Advantech provides employees with the facilities, training programs, time, and monetary grants to support their professional development. We have cultivated an open management environment that allows for the full expression of talent, offering a safe and healthy workplace where all employees can trust and respect each other.

9. Freedom of association

Advantech respects the legal rights of all employees to freely form and join (or not join) trade unions, collective bargaining groups, or peaceful assembly in accordance with the law. We have established a variety of labor-management communication channels to promote an environment where employees can freely express opinions, share their concerns, or propose suggestions.

Advantech has also set up employee complaint communication channels in accordance with laws and regulations, to ensure that employees need not worry about being subject to discrimination, retaliation, coercion, or harassment.

V. Policy Adherence

1. Advantech has established relevant management policies and procedures in accordance with all pertaining laws and international human rights conventions. We adhere to relevant labor laws and international labor and human rights conventions, and have compiled a Business Conduct Policy and Employee Handbook, which are available on the employee website for easy reference by managers and personnel.

Our company is committed to providing employees with a safe and high-quality working environment. Regarding policies, we have implemented various employment and labor laws and regulations, and have strictly prohibited sexual harassment, as well as the employment of child labor and illegal labor. We pledge to provide employees with a safe and healthy working environment that observes various environmental laws and avoid polluting the environment through the application of proper management and techniques.

2. Establishment of employee complaint mechanisms and channels, with proper handling

Advantech has a Suggestion Box on our employee website to encourage staff to submit constructive opinions to establish an employee-led corporate culture and applaud free speech. Topics range from work process improvements, environmental enhancements, product suggestions, to how to improve cross-department collaborations. Upon receiving an employee's proposal, the Human Resources Department will forward it to the head of the relevant department to evaluate the content and what needs to be improved. After careful evaluation and

case closure, the proponent will simultaneously receive all relevant information about the outcome of their proposal.

3. Advantech provides a safe and healthy workplace environment for employees and offers employees with regular OSH education. We have also received TOHSMS occupational safety and health management system certification. Employees are eligible for annual health examinations that are better than specified in the Labor Standards Act. Safety and health education content are incorporated within new hire training programs, conducted once every two months.

4. Advantech has established regular employee communication mechanisms, and notifies employees in a reasonable manner of operational changes that may result in significant impact to them. We hold regular company general meetings, executive meetings, department meetings, and team meetings to announce business performance news, future strategic developments, and major operational changes. These are supplemented by company newsletters, as well as Advantech Executive Talks videos hosted on the internal employee website, which offer an immediate insight into the company's business philosophy, latest operational news, and developments or changes.

5. Advantech has established effective employee career development plans, and offers a variety of courses through the Advantech Academy. We also accordingly reflect our company's operating performance and results in employee compensation policies to ensure the recruitment, retention, and employment of valuable human resources, subsequently achieving our goal of sustainable operations.

6. Before collaborating with a supplier, Advantech will assess whether the supplier has had any previous record of behavior that has had an impact on the environment or society. All Advantech's suppliers are required to sign the Supplier Code of Conduct before we sign any contracts with them, in order to prevent forming partnerships with parties that do not act in accordance with our social responsibility policy. This Code requires suppliers to act in accordance in SA8000 standards for social responsibility, the Responsible Business Alliance (RBA) Code of

Conduct, ISO 14001 standards for environmental management systems, ISO 45001 standards for occupational health and safety management systems, as well as observe all local regulations regarding labor rights, safety and health, environmental protection, and business ethics. Suppliers must take action to identify, monitor, and mitigate any negative environmental, social, and governance impacts they may have on the value chain.

7. Advantech has currently completed the RBA's Validated Assessment Program (VAP) audit as well as EcoVadis' sustainability and SSCM assessments, and will continue to make improvements based on audit findings.

8. Taking into consideration international human rights developments, corporate development strategies, and external trends, policies determined to be applicable to Advantech include the California Transparency in Supply Chains Act and the Dutch Child Labor Due Diligence Act. Advantech will conduct risk assessments of our suppliers based on the supplier's self-assessment, the risk level of their facility or facilities, labor standards and working conditions, in addition to any other applicable criteria. Assessment content will include establishing that the supplier does not engage in activities which are in violation of international standards regarding slavery, human trafficking, forced labor, or child labor, to ensure that our supply chain does not violate any human rights in its operations. Concurrently, a human rights due diligence process is in place to regularly conduct impact assessments, manage, and remedy potential human rights risks for target groups. For information on Advantech's human rights due diligence process, key performance indicators, etc., please refer to the [Human Rights chapter in Advantech's Sustainability Report](#). In the future, we will continue to pay attention to and observe the latest human rights-related practices, policies, or laws maintained by various countries and international non-profit organizations, and will improve our Human Rights Policy and Commitment based on the most recent developments and publicly disclose these revisions.

9. Contracts drafted between Advantech and our major suppliers includes a clause stating that the contract may be terminated or rescinded at any time if the supplier is found to be in violation of Advantech's Supplier Code of Conduct, and if

their actions have had a significant impact on the environment and society. Signing this agreement is a prerequisite for any supplier considering collaborations with Advantech.

10. Advantech regularly conducts Advantech Human Rights Policy and Commitment education and training for internal employees and management every year. In the future, we will also provide training to units directly responsible for supply chain management, human trafficking, and slavery issues, especially in regards to the reduction of risks within the product supply chain. Training will include: the definitions of human trafficking and forced labor, measures taken by the company to prohibit forced labor, and steps employees can take to combat forced labor. Advantech will also continue to keep abreast of recent human rights developments and make improvements to related education and training material.