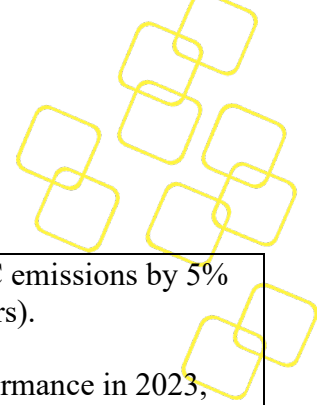


Climate-Related Management Incentives Document

Who is entitled to benefit from this incentive?	Type of incentive	Incentivized KPIs	Description of the KPI and how it is incentivized
<p>Chief Executive Officer (CEO)</p> <p>The CEO is the highest director of corporate sustainability work, supervising and guiding ESG performance progress. The RE100 project increases the use of renewable energy, reduces the use of high-carbon-emitting energy, and leads the RE100 global working group in the role of CEO to achieve the 2040 RE100 goal.</p>	<p>Monetary</p>	<p>Emission reduction</p>	<p>Advantech officially became a member of RE100 in 2023. They have set targets to achieve RE50 by 2030 in Taiwan and Kunshan, China, and to reach RE100 for all global locations by 2040. Supporting these goals is the RE100 Global Task Force, led by the CEO. Employee incentives primarily include Employee Stock Option Plans (ESOP), supplemented by performance bonuses. ESOP issued in Y2018/Y2020 are allocated for rewards, settled annually in November and distributed in April of the following year.</p> <p>The performance of renewable energy coverage:5%</p>
<p>Other Named Executives Officers</p> <p>The Chief Operating Officer (Jamie Lin) of Advantech is responsible for the overall improvement of environmental operation indicators in China and Taiwan factories. This includes improving operational efficiency, improving energy resource usage efficiency, and reducing carbon emissions. ESG KPI binds COO to mitigate climate change.</p>	<p>Monetary</p>	<p>Other</p>	<p>For the fiscal years 2023-2024, Advantech's Key Performance Indicators (KPIs) include targets for reducing electricity, water usage, waste, and VOC emissions. Specific goals are as follows:</p> <ol style="list-style-type: none"> 1. Global office locations: Reduce electricity consumption by 5% (kWh/production hours). Global manufacturing sites: Reduce electricity consumption by 3% (kWh/people). 2. Global RBUs (Regional Business Units): Reduce water consumption by 2% (m3/people). 3. Global manufacturing sites: Reduce waste generation by 5% (ton/production hours). 4. Kunshan manufacturing site in



			<p>China: Reduce VOC emissions by 5% (ton/production hours).</p> <p>Reviewing the performance in 2023, the company achieved a 9.0% reduction in greenhouse gas emissions per unit of revenue compared to 2022, and a 24.3% reduction compared to 2019 levels.</p> <p>Employee incentives primarily consist of Employee Stock Option Plans (ESOP), complemented by performance bonuses. These incentives are settled annually in November, with distribution occurring in April of the following year.</p>
<p>Employees R&D Team or Green Product Team who are responsible for delivering the sustainable solution and low carbon products, which benefit the mitigation of the climate change.</p>	<p>Monetary</p>	<p>Efficiency</p>	<p>Advantech encourages employees to design products that enhance energy efficiency, reduce carbon emissions, minimize environmental toxicity, facilitate easy assembly and disassembly, and use materials that are easily recyclable. They have established an internal bonus and recognition system, including the awarding of certificates and bonuses.</p> <p>In 2023, after annual assessment, certificates and bonuses were awarded to winning employees. A total of 7 models received the Silver Award, with NT\$350,000 distributed among 41 employees.</p>