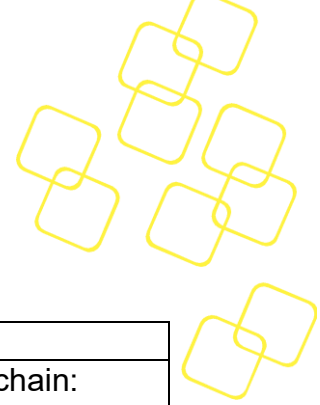
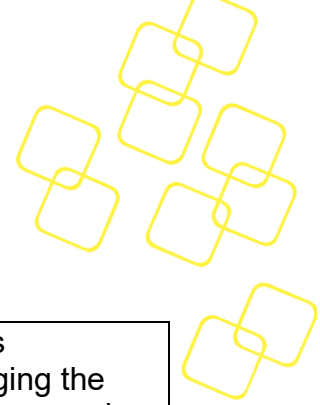


| Material Issues for External Stakeholders | | |
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| | Topic1 Supply Chain Sustainability Management | Topic2 Promotion and Education of IoT Applications |
| Material Issue for External Stakeholders | <p>Category : Supply chain management</p> <p>Advantech implements its ESG enhancement program through suppliers, including Supplier Code of Conduct, Supplier Summit, Supplier Carbon Management Courses, Supplier ESG Assessment , executing Supplier Capability Enhancement Programs, and developing high-efficiency, low-energy power supplies with supplier.</p> <p>These efforts assist suppliers in creating sustainable value, enhancing their ESG sustainability performance, and improving corporate sustainability competitiveness, actively promoting suppliers to maintain market positions.</p> <p>Stakeholders for this issue include suppliers and customers.</p> | <p>Category : Society & Community Relations</p> <p>The Internet of Things (IoT) applications and industry-academic education projects promote the cultivation of young talents and bridge the gap between academia and industry. Stakeholders for this issue include partners, universities, research institutions, communities, and non-profit organizations.</p> <p>Through initiatives such as industry-academic collaboration, developer programs, AIoT Academy, industry-academic partnership projects, industry-academic master's and doctoral student programs, and the Elite100 Internship (IoT Internship Program), Advantech connects enterprises, academia, and young people. These efforts empower relevant external stakeholders, especially student and university communities, to assist young talents in integrating into the</p> |



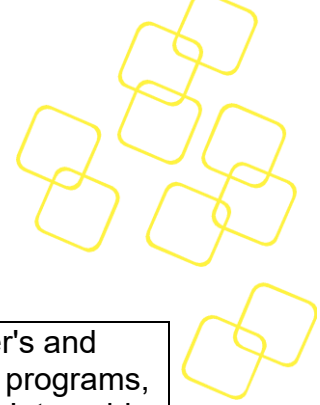
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| <p>Cause of the Impact</p> | <p>Business value chain:</p> <ul style="list-style-type: none"> ● Operations ● Product/Services ● Supply chain <p>Business activity coverage: >50% of business activity</p> | <p>industry.</p> <p>Business value chain:</p> <ul style="list-style-type: none"> ● Operations ● Products/Services <p>Business activity coverage: >50% of business activity</p> |
| <p>External stakeholder(s)/impact area(s) evaluated</p> | <ul style="list-style-type: none"> ● Environment ● Consumers/end-users ● External employees (e.g. supply chain, contractors) | <ul style="list-style-type: none"> ● Society |
| <p>Topic relevance on external stakeholders</p> | <p>Type of impact: Positive</p> <p>External stakeholders for this issue include suppliers.</p> <p>For suppliers, Advantech strengthens their corporate resilience, assists in carbon reduction efforts, enhances training in carbon management, ESG performance, and the use of renewable energy to align with sustainable market standards.</p> <p>Advantech collaborates with suppliers to co-create low-carbon products, effectively reducing Scope 3 carbon emissions, boosting customer carbon reduction performance, and helping suppliers establish sustainable brands.</p> <p>In 2023, the GHG emissions of unit revenue category 3 decreased by 8.71% compared with 2022, mainly due to the reduction of C11 (product use) of 14.31% (carbon reduction is 173,769.64 metric tons of</p> | <p>Type of impact: Positive</p> <p>This issue involves external stakeholders including, partners (universities and research institutions), and communities (students), generating significant positive impacts.</p> <p>For partners (universities, research institutions), gaining access to Advantech's hardware and software resources, professional guidance, and financial support enhances their educational capabilities, research ability, university Competitiveness.</p> |



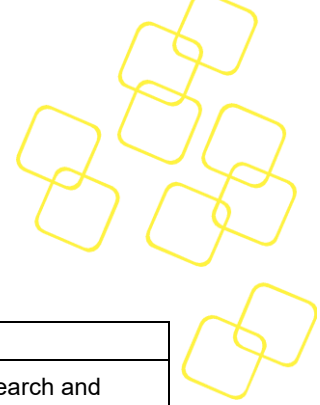
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| | <p>CO2e). The low carbon product was collaborate with the supplier and own high ESG performance.</p> <p>Advantech has established supplier incentives and elimination mechanisms. Suppliers with excellent ESG performance will be allocated more orders, participate in new projects, and have opportunities to engage in low-carbon innovation projects. This initiative aims to enhance suppliers' sustainable business opportunities and green competitiveness, increase their orders and financial revenue, and drive sustainable transformation across the supply chain.</p> | <p>For communities (students), bridging the gap between theory and practice helps students smoothly transition into the workforce and cultivates emerging IoT talent.</p> |
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Materiality Metrics for External Stakeholders

| | <p>Topic1 Supply Chain Sustainability Management</p> | <p>Topic2 Promotion and Education of IoT Applications</p> |
|---|---|---|
| <p>Material Issue for External Stakeholders</p> | <p>Advantech implements a Supplier ESG Enhancement Program, which includes Supplier Code of Conduct, Supplier Summit, Supplier Carbon Management Courses, Supplier ESG Assessment Standards, execution of Supplier Capability Enhancement Programs, and development of high-efficiency, low-energy power supplies with suppliers. These initiatives help suppliers create sustainable value and actively support them in maintaining market position. Stakeholders in this initiative</p> | <p>IoT applications and industry-academic education projects promote the development of young talent and reduce the gap between academia and industry. Stakeholders for this issue include partners, universities, research institutions, communities, and non-profit organizations. Through initiatives such as industry-academic collaboration, developer programs, AIoT Academy, industry-academic partnership projects, industry-</p> |



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| | <p>include suppliers and customers.</p> | <p>academic master's and doctoral student programs, and the Elite100 Internship (IoT Internship Program), Advantech connects enterprises, academia, and youth. Advantech's efforts empowers relevant external stakeholders, especially student and university communities, to assist young talent in integrating into the industry.</p> |
| <p>Output Metric</p> | <ul style="list-style-type: none"> ● Proportion of CO2 emissions reduced by scope3(from carbon emission reduction of the upstream, such as sourcing) ● Proportion of suppliers signing the Supply Chain Code of Conduct ● Number of suppliers participating in ESG(carbon reduction and carbon management) improvement programs ● Number of suppliers participating in capability enhancement and ESG(carbon reduction and carbon management) empowerment programs | <ul style="list-style-type: none"> ● Number of research and project proposals produced ● Number of students participating in projects ● Number of technical certifications issued through campus collaborations ● Number of campuses participating in projects |
| <p>Impact Valuation</p> | <ul style="list-style-type: none"> ● Environmental value lost/ gained <p>FÈ Ò} @æ} &^A^~]] ã^!Á &æ] æà ãc^Á [-ÁÁ&æ!à [] }Á { æ} æ*^ { ^} c : Û~ &@Áæ•ÁÁ c@^A&æ] æà ãc^Á [-ÁÖPÖÁ à} ç^} c [!^ÉÁ&æ!à [] }Á !^á~ &cá [] }Á •c!æc^*^ Áæ} áÁ æ&cá [] }ÉÁ& ã { æc^Á&@æ} *^ Á •c!æc^*^ ÉÁæ!^*^ cÁ^ccá } *^ Á [-Á c@^A^B^cÁZ^! [Á [!Á&æ!à [] }Á !^á~ &cá [] }D</p> <p>GÈ Ü^á~ &^A^~]] ã^!•cÁ &æ!à [] }Á^ { á•á [] }É</p> | <ul style="list-style-type: none"> ● Access to product/ service with positive impact provided <p>1. Enhance students'abilities and opportunities to enter the AIoT technology field. ÁÖæ•^Á ã^ÁÁ !JÁ•c~ á^} c^Á] æ!cá&á] æc^á&á] Ác@^AÖ ãc^Á à} c^!} •@á] Á] ! *!æ { ÉÁ] ! [á~ &á} *ÁHÉÁ] ! [!^&cá [] }c& [{ ^•ÉGFÁ•c^ á^} c^Á & [] }cá } ^áÁc@^Á&á} c^!} •@á] •É</p> <p>GÈ Enhance schools' research and professional capabilities in the AIoT technology field. ÁÁ& [!] [!æc^Á. Á æ&æá^ { æá] ! [!^&cá. Á. ^!^Á] ! [{ c^áÉÁ à} & ~ áá} *Áæ]] ã&æcá [] } •!•~ &@Áæ•Á á! [] }^Á { æ} æ*^ { ^} cÉÁ^!^! *^ Á•æçá } *ÉÁ æ} áÁ&æ {] } •Á { æ] } æçá *æcá [] }É</p> <p>HÈ Assist students in gaining more opportunities to study AIoT eqwtugu</p> |



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| <p>Impact Metric</p> | <ul style="list-style-type: none"> ● Reduce suppliers' carbon emission : <p>Evidence :</p> <p>Cooperated with 6 suppliers to assist them in introducing third-party carbon inspection, verification and GHG inventory counseling to establish new energy system management, and purchase high-efficiency new equipment after diagnosis and verification by energy-saving experts to achieve the environmental performance; jointly achieve energy-saving and emission reduction goals. Also we support the supplier reducing the environmental impact and carbon emission.</p> <p>Result :</p> <p>Advantech collaborates with suppliers to develop low-carbon, high-efficiency power supplies, contributing to 8.71% decrease in Advantech's Scope 3 greenhouse gas emissions per unit revenue in 2023 compared to 2022. This reduction is primarily attributed to a 14.31% decrease in C11 emissions (product use), amounting to a reduction of 173,769.64 metric tons of CO₂e.</p> | <ul style="list-style-type: none"> ● Increase the research and development capabilities of universities : Advantech's industry-academic collaboration program includes annual thematic collaborations with major universities focused on key IoT development trends. These collaborations benefit schools' research capabilities and promote innovation implementation. We use two models - Inside-out and Outside-in, create a positive cycle of industry and schools cooperation. Case like- Since Advantech established the Intelligent Systems Research Center at Yang Ming Chiao Tung University in 2015, it has accumulated more than 52 projects. In 2024, for the purpose of innovation incubation and talent cultivation, in addition to the industry-academia collaboration project and industry-master's doctoral program, Advantech added Extended TSU X Thermal (Technology Sharing Unit) and application promotion of AIoT platform. ● Reduce the time and cost for students in job-seeking and further education : Strengthen the alignment between education and industry: Impact indicators include the proportion of industry-academic project topics applied to products and the proportion of students entering the IoT industry. ● Increase the proportion of students obtaining certifications in the AIoT technology field : Enhance AIoT education outreach: Impact indicator is the number of certifications issued from Advantech's online IoT courses. |
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