



Sustainable Raw Materials Policy and Commitment

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Advantech, in its product planning, design, solution offerings, and raw material usage, upholds the core ESG principle: Enabling an Intelligent Planet for a Sustainable Earth. In response to growing pressures on the planet's natural resource systems and the increasingly severe environmental challenges, Advantech has publicly issued a commitment to forest conservation and biodiversity. This policy expands on those commitments by focusing on sustainable sourcing, responsible procurement, minimizing environmental and social impacts, and avoiding materials derived from areas of global or national biodiversity importance.

This document outlines the following commitments:

- **Minimize the negative sustainability impacts of raw materials**

Advantech outlines strategies in its "Sustainable Raw Material Management and Utilization Plan" to minimize negative sustainability impacts:

- A. Protecting Natural Resources: Ensuring that raw material use does not deplete natural resources and maintains ecological balance over the long term.
- B. Reducing Carbon Footprint: Selecting low-carbon or carbon-neutral materials to help reduce greenhouse gas emissions and combat climate change.
- C. Promoting a Circular Economy: Supporting the use of renewable and recycled materials to build a circular economy model and reduce dependency on virgin raw materials.
- D. Safeguarding Human Rights and Social Responsibility: Monitoring suppliers' performance in human rights, occupational health and safety, and community engagement through audits and management processes to minimize social impact.

- **Collaborate with external stakeholders on best practice for sustainable raw materials**

Advantech has identified a list of PVL (Preferred Vendor List) suppliers for sustainable raw materials—including steel, aluminum, plastics, and cardboard packaging materials—and confirmed that these suppliers possess relevant sustainability certifications. The company is also initiating pilot projects that involve collaboration between qualified sustainable material suppliers (external stakeholders) and internal departments to develop sustainable products and reduce product carbon footprints.

- **Increase the use of third-party verified raw materials**

Beginning in 2024, Advantech has compiled a list of certified sustainable material suppliers. We are committed to managing part numbers, certification of recycled materials, and the evaluation of design standards for recycled content through our component and supply chain management platforms. This ensures the environmental integrity and reliability of the material sources.



- **Increase the use of recycled raw materials**

Advantech is committed to incorporating third-party certified and recycled materials into product planning and design. We have also set the following 2030 Green Design Gold Product Targets:

- Over 50% of plastics used in mechanical parts must be from recycled sources.
- Over 20% of metals used in mechanical parts must be from recycled sources.
- Over 80% of aluminum used in mechanical parts must be from recycled sources.

- **Avoid raw materials from sites containing globally or nationally important biodiversity sites**

To ensure raw materials are not sourced from regions critical to global or national biodiversity, Advantech conducts investigations and assessments on the origin of materials. We require our suppliers to:

- A. Comply with our biodiversity commitments,
- B. Conduct biodiversity risk assessments at their sites,
- C. Uphold a zero-deforestation policy, and
- D. Follow Advantech's Supplier Code of Conduct.

Through supplier questionnaires, we trace the origins of raw materials to ensure they do not come from biodiversity-sensitive areas, thereby supporting effective sustainable materials management.

Policy Approval and Commitment Level:

KC Liu
Chairman
Board of Directors
Advantech Co., Ltd.