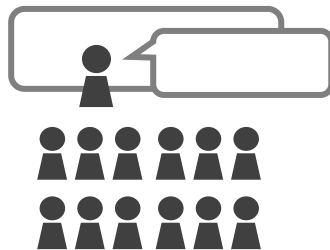
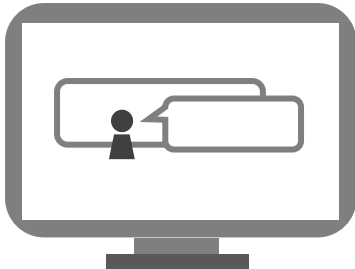


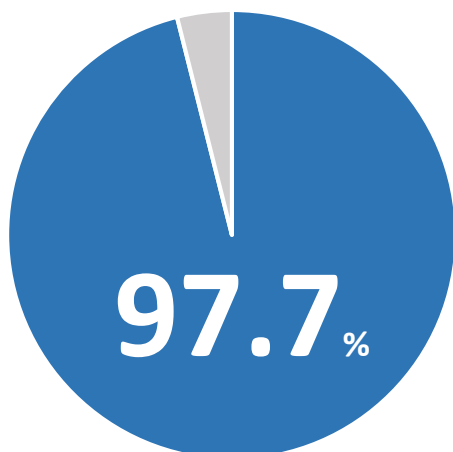
ETHICS AND BUSINESS CONDUCT MANAGEMENT

Advantech embraces the vision of "**Enabling an Intelligent Planet**", starting from the spirit of altruism, focusing on integrity and honest management, and looking forward to establishing a business model with a virtuous circle with the society, to share good and common prosperity with the society, and become a respectable altruistic enterprise. Advantech internally through education training and promotion.

In 2023, we have a total of 91 new employees have completed the education and training of the ethics and business conduct physical course. In terms of ethics and business conduct management, there is Advantech Code of Ethics and Business Conduct, which includes the company's integrity management principles, implementation, prohibitions and compliance with relevant laws and regulations. Employees are required to sign it every year. A total of 5,843 people has completed the signing, and the completion rate is 97.7%. It is hoped that through the signing of relevant standards, Advantech's philosophy of ethics and business conduct management will be conveyed to employees, and it will continue to promote a high-standard business integrity culture and abide by various laws and regulations.



91 new employees have completed the education and training of the ethics and business conduct.



Ethics and Business Conduct Online Training Course Completion Rate

The external suppliers connected with Advantech's supply chain management policy, and the Purchasing Department uses an online form with the Supplier Relationship Management (SRM) system to publicize Advantech's ethics and business conduct management and Sunshine Purchase principles to suppliers, and at the same time "The commitment of the integrity by the Supplier" is set as one of the necessary documents in the procurement contract to ensure that suppliers understand and abide by Advantech's ethics and business conduct management, green design and manufacturing, international environmental declarations and relevant policies and regulations.

- ETHICS AND BUSINESS CONDUCT MANAGEMENT
- SUNSHINE PURCHASE



The commitment of the integrity by the Supplier

Procurement Necessary Clause

- ✓ Ethics and business conduct
- ✓ Green design and manufacturing
- ✓ International environmental declarations and relevant policies and regulations

The current situation in 2023 is as follows

1. Advantech has a total of 1,744 qualified suppliers, and "The commitment of the integrity by the Supplier" is a must-signed document to become a qualified supplier, so the goal of signing is 100%.
2. At present, there are 1,734 companies that have signed back through the SRM management system, with a return rate of 99%.

With the most rigorous attitude, Advantech systematically achieves the goal of ethics and business conduct management from the inside out with following aspects

Establishing internal norms: Advantech has established an effective and professional ethics and regulation compliance system. Not only formulating and revising the " Code of Ethics and Business Conduct" and "Advantech Business Conduct", but also establishes relevant internal norms in to comply with legal requirements. For example, in order to comply with EU

regulations on personal data protection, all units within Advantech have also started to adjust various related operations in response to comply with legal requirements.

Internal education, training and publicity: The human resources department and the legal department work together to provide colleagues with a variety of training courses, and continue to publicize relevant issues to colleagues through multiple forms such as posters, electronic boards, company internal web pages, and internal emails. In order to deepen colleagues' understanding of professional ethics and compliance with laws and regulations.

Publicity of external suppliers: Corresponding to Advantech's supply chain management policy, the Purchasing Department uniformly uses the online form with the SRM system to promote Advantech's Ethics and Business Conduct and sunshine Purchase principles to suppliers, and at the same time "The commitment of the integrity by the Supplier" is set as one of the necessary documents in the procurement contract to ensure that suppliers understand and abide by Advantech's ethics and business conduct management, green design and manufacturing, international environmental declarations and relevant policies and regulations.

Reporting channels and investigation management: Advantech has set up e-mail and hardcopy report mailboxes to encourage employees, customers, third-party vendors, etc. to report opinions and dishonest behavior. The reporting mailbox is directly accepted by the audit department, reports to the board of directors and the chairman, and assigns special investigators to conduct independent investigations as appropriate. Advantech has established the "Advantech Whistleblower Report Processing Guideline" and related operating procedures, which clearly stipulate that the identity of the whistleblower and the content of the report shall be kept confidential, and the investigators shall properly keep the relevant information obtained during the investigation process. Each reporting case is set with an independent code to fully protect the whistleblower. In addition to the Audit Department, Advantech has also established a Workplace Sexual Harassment Complaint Handling Committee to enrich the internal investigation management agency and reporting channels.

Advantech has formulated the " Guideline for Insider Trading Prevention Management" and "Internal Material Information Handling Procedures", which prohibit insiders such as company directors and employees from using unpublished information on the market to buy and sell securities for profit. At the beginning of each year, the company conducts 10-minute E-learning online education and training for the total number of 2,446 of our directors and employees, demand them to read the digital textbooks on insider trading prevention and punishment. The content of the Insider Trading course includes the definition, purpose and constituent elements of insider trading, it's abnormal situations and violation handling, and the actual cases in the film, let all employees and directors be more impressed with the importance of information and preventing insider trading.

Ethical Corporate Management

Assessment Items	Operation (Note 1)			Deviating from the “Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Summary	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?</p> <p>(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?</p>	V		<p>(1) The Company has established the Ethical Corporate Management Best Practice Principles, which has been published on the Company’s website and CSR website. The Ethical Corporate Management Best Practice Principles stipulate that directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company shall implement the concept of ethical corporate management with the principle of good faith.</p> <p>(2) The Ethical Corporate Management Best Practice Principles have stipulated the preventive measures for business activities which are possibly at a higher risk of being involved in unethical conduct prescribed in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies or within other business scopes.</p> <p>(3) The Ethical Corporate Management Best Practice Principles explicitly stipulate procedures and guidelines for preventing unethical conduct. The Whistle-blowing Handling Guidelines have also been established for implementation.</p>	None
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of</p>	V	V	<p>(1) The Company expects and takes action to help trading partners recognize and comply with ethical corporate management. Depending on the circumstances, the provisions pertaining to ethical conduct will be prescribed in the contracts entered into with trading partners. If any unethical conduct is found during transactions, the Company may terminate the transactions or rescind the contracts. The Purchasing Department also has requirements for external suppliers and operates with ethical business. Promotion of external suppliers: Corresponding to Advantech's supply chain management policy, the Purchasing Department</p>	None

Assessment Items	Operation (Note 1)			Deviating from the "Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies" and the root cause
	Yes	No	Summary	
<p>Directors while overseeing such operations?</p> <p>(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?</p> <p>(5) Does the company regularly hold internal and external educational trainings on operational integrity?</p>	V		<p>unified the online form with the Supplier Management System (SRM) to publicize Advantech's Ethical Corporate Management Best Practice Principles and sunshine procurement principles to suppliers, and at the same time put the letter of Ethical Corporate Management Best Practice Principles as one of the necessary documents in the procurement contract to ensure that suppliers understand and comply with Advantech's incorruptibility clauses, green design and manufacturing, international environmental declarations and other related policies and regulations.</p> <p>The 2023 sign-back status report is as follows: (a). Advantech has a total of 1,744 qualified suppliers. The signing of the letter of Ethical Corporate Management Best Practice Principles is a must-sign document for becoming a qualified supplier, so the goal of signing is 100%. (b). Till now, there are 1,734 companies that have signed back through the SRM management system, with a sign-back rate of 99%.</p> <p>(2) A. Ethical Corporate Compliance The IT, Human Resources and the Legal Department jointly cooperate to conduct internal education and training for the Company's employees and establish an effective system of professional ethics and compliance. (I). IT Department Establish a system for training on the code of conduct for ethics, including regular reminders for training and testing, etc. (II). Human Resources Department A total of 91 new employees completed the education and training of physical courses. (III). Legal Department Responsible for compliance with laws and regulations, and responsible for operating online training courses with Ethical Corporate Management Best Practice Principles. In 2023, a total of 5,843 people around the world completed the training, with a completion rate of 97.7%. B. Report Regularly The implementation status of each unit is reported to the board of directors once a year, and under the supervision of the board of directors, it is ensured that the company's various operations comply with legal requirements and compliance with the Ethical Corporate Management Best Practice Principles.</p> <p>(3) The Company's "Guidelines for the Adoption of Codes of Conduct" for employees and the "Guidelines for the Adoption of Codes of Ethical Conduct" for the directors and managers include the clause of conflict of interest prevention; also appropriate reporting channels are also provided in</p>	

Assessment Items	Operation (Note 1)			Deviating from the “Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Summary	
			<p>the Company's whistleblower guidelines.</p> <p>(4) The Company has effective accounting and internal control systems in place to implement ethical corporate management, and the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct.</p> <p>(5) The Company has published regulations and policies on the website for all employees’ access. They are also included in the employee orientation and user manuals; in addition, the Company will organize a supplier online conference on a regular basis to facilitate communication and make known related regulations pertaining to ethical corporate management through the Supplier Relationship Management (SRM) in the future. The Legal Department shall hold online education on the concept of the Company's integrity management once a year for all employees.</p>	
<p>3. Operation of the integrity channel</p> <p>(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?</p> <p>(3) Does the company provide proper whistleblower protection?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(1) The Company has set up an email box and a whistle-blowing mailbox to encourage employees, clients, and third-party suppliers to express their opinions and report unethical conduct. The audit unit takes charge of the whistle-blowing mailbox and report to the Board and the chairman of the Board. Depending on the circumstances, investigators will be appointed to investigate the cases reported.</p> <p>(2) The Company has established the Whistle-blowing Handling Guidelines and related procedures, which stipulate that the identity of whistleblowers and contents reported shall be kept confidential and that investigators shall take proper care of information obtained during the investigation.</p> <p>The following cases were reported in 2023.</p> <p>(a). As of December 15, 2023, a total of 6 cases were reported, with 5 of them related to integrity issues.</p> <p>(b). Among the 5 reported integrity issues, 2 cases were substantiated, 2 were unsubstantiated, and 1 is under investigation.</p> <p>(3) The Company has the “Advantech Whistleblower Report Processing Guideline” and related operating procedures stipulated. The identity of the whistleblower and the content of the reporting should be kept confidential and protected; also, the involving investigators should not disclose any information without authorization so to protect the whistleblower from any unfair treatment, retaliation, or threat.</p>	None
<p>4.Strengthening information disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</p>	V		<p>The Company has a website in Chinese and English and a CSR website established; also, the “Ethical Management Best-Practice Principles” is published on the MOPS.</p>	None
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their</p>				

Assessment Items	Operation (Note 1)		Summary	Deviating from the “Ethical Management Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No		
			implementation. Advantech has established the Code to require that all employees, officers and board members comply with the Code and the other policies and procedures. There is no discrepancy between the Code, including its affiliate policies and procedures, and its implementation.	
			6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies). Request the suppliers and contractors (including security company) through the Procurement Department and General Affairs Department to sign the “Corporate Social Responsibility and Environmental Safety and Health Commitment” and in the future, through the Supplier Relationship Management (SRM) to implement the relevant education and training and advocacy.	
			7.The Company has the corporate governance Best-Practice Principle and the related inquiries established: The Company website is with the corporate governance section designated for investor’s inquiring and downloading corporate governance-related regulations; also, it is published on the MOPS.	
			8. Other important information helpful in understanding the corporate governance operation: None	