

ADVANTECH

Enabling an Intelligent Planet

Stock Code:2395

Advantech Co., Ltd. 2024 ANNUAL REPORT



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I. Letter to Shareholders

Dear Shareholders,

Financial Performance

Financial Performance

Advantech's consolidated revenue in 2024 was NT\$59.786 billion, representing a decrease of 7.4% from 2023. The gross profit was NT\$24.376 billion (gross profit margin was 40.8%), and the consolidated net income was NT\$9.005 billion (YoY decrease of 16.9%). The earnings per share was NT\$10.45. Converted into US dollars, the revenue in 2024 was US\$1.869 billion, a year-on-year decrease of 9.9%.

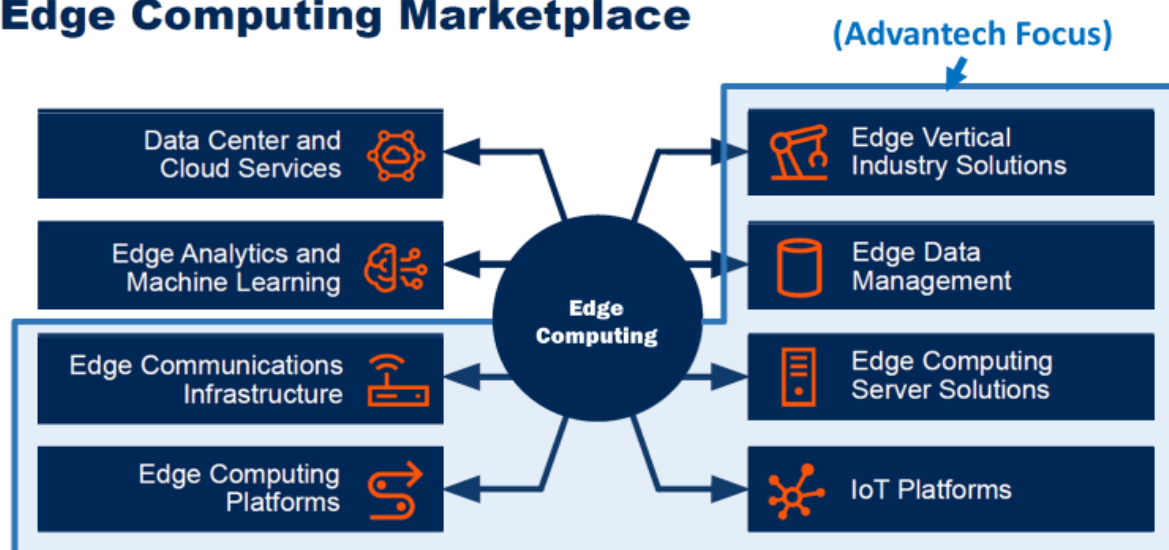
For the overall performance in 2024, Taiwan outperformed the other regions, with a year-on-year growth of 18%, while the Korean market grew by 8% YoY. North America, Europe, and Japan experienced a double-digit decline in sales; China and emerging markets resulted a single-digit decline in sales. In terms of the performance by business groups, the Industrial-IoT Group (IIoT) maintained flattish as the same period of last year, while the other business groups declined in general. In sum, operations and sales have been recovering quarter by quarter, with the best performance of the year realized in the fourth quarter of 2024.

Key Development Strategies

Advantech plans to transform the core of the corporate brand to a new aspect expressed in the two representative phrases: "Edge Computing & WISE- Edge in Action" and "Edge Computing, Edge Everything" starting from 2025.

The cloud-based large language model (LLM) is expected to become platform-based and popularized in the new era of AI popularization, driving edge and industry-specific AI Agent/SLM (small and medium-sized AI models) to become popular in various industries and driving the application of edge computing in-depth in various industries. Advantech will be deeply engaged in various branch markets of edge computing according to the Edge Computing business distribution shown in the figure below.

Edge Computing Marketplace



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ADVANTECH

Figure A: 2024 Gartner Report

Advantech's future product series deployment concepts on the two major platforms of Hardware Platform (left) and Software Platform (right) are detailed in the figure below. The software is collectively referred to as WISE-Edge, indicating that the two series of software, WISE-IoT at the application level and EdgeSync at the hardware connection level are gradually maturing and are collaborating with the hardware to become various edge solution platforms.



Figure B: Advantech Edge Computing & WISE-Edge in Action

According to Gartner, an international research firm, the industry market size is expected to grow from US\$131 billion in 2023 to US\$511 billion in 2033. Advantech's development focus in 2025 is AI + IoT + Edge Computing, as well as emerging edge computing platforms, which are detailed as follows:

As 5G technology and construction is gradually getting completed, the demand for high-performance edge computing platforms is thereby emerging in response to 5G advantages of low latency and high-speed transmission, distributary workload of cloud data centers, reduced data transmission risks, etc. The CPU chip architectures on the market are currently divided into two major categories: X86 and ARM/RISC, and they both have launched high-performance computing chips to meet the high-speed computing needs of various industries (5G, network communications, medical care, transportation, automation equipment, robots, etc.). Advantech has developed high-performance edge computing platforms with mainstream chip manufacturers such as Intel, AMD, Nvidia, Qualcomm, NXP, etc.; it has also launched them simultaneously to help various industries upgrade their needs for high-performance computing applications.

The development of artificial intelligence and edge computing technologies is accelerating rapidly worldwide. Advantech's vast Edge Computing Platform has the advantage of high market share in various industries. The company has developed AI On Module, AI Inference System, AI LLM Training System, and AI Server; also, provided an integrated AI software platform "Edge AI SDK" to help industry customers evaluate and verify the performance of AI platforms and to accelerate the implementation of AI embedded in edge devices.

Advantech's existing hardware platforms have already widely supported a variety of mainstream AI chips (GPU/VPU/Integrated CPU & NPU) and successfully launched high-performance Edge AI Computing solutions. In addition, Gartner and several international research organizations have simultaneously pointed out that generative AI (Gen AI) has been developed rapidly in multimodal AI applications, including text, images, audio and video, and diverse aspects. Advantech will benefit from the huge upgrade opportunities of Edge AI in various smart industries and will utilize the excellent customization capabilities to meet customers' Edge AI application needs in various industries.

Wireless technology is an indispensable key technology in IoT solutions. The iterative development of multiple technical protocols, such as WiFi 6/WiFi 7, 5G/6G, and Bluetooth/BLE, has been accelerated to meet the needs of different IoT scenarios. Advantech has a long-term strategy planned to further extend value-added services such as industrial wireless antenna design, firmware optimization, wireless testing and certification, etc. in 2025. Advantech has integrated internal RF R&D resources and testing equipment capabilities to provide Integrated Wireless Design-in Services. Advantech uses the Corporate Wireless TSU (Technology Service Unit) to serve each business product unit within the company, and to serve the wireless design needs of customers in various industries.

Industrial development and market expansion

The market development strategy includes multiple fields such as smart production, smart healthcare, logistics and vehicle-mounted, smart cities, and retail; also, it continues to help secure the company's competitive advantage through technological innovation and market expansion.

In terms of smart production, Advantech focuses on the semiconductor equipment, industrial infrastructure, and collaborative robot markets, providing solutions such as industrial cameras, PC-based industrial controllers, and industrial edge computers. In addition, for key areas such as smart factories, new energy, smart environment, and agriculture, Advantech enhances equipment networking, remote monitoring, and intelligent control through edge computing, software solutions, and cloud technology to help enterprises activate their digital transformation. At the same time, Advantech is developing new IoT controllers by having it combined with the hardware technology with advantages in edge computing. A brand-new software control integrated with an edge computing platform is developed, and IoT controllers with general control, motion control, and AI vision integration capabilities are launched to make the intelligent upgrades of industrial equipment possible. In terms of healthcare, Advantech is accelerating the business deployment in medical equipment, medical AI, smart ward, and operating room management solutions; also, actively expanding into the North American, European, Chinese, and Japanese markets. Advantech plans to expand business operations into Southeast Asia and India in the future, and promote the application of smart hospital software solutions.

In terms of logistics and vehicle-mounted, the company has developed Rugged Edge Computer to have high-reliability design applied from vehicle-mounted applications to industrial applications in harsh environments; also, integrated AI computing capabilities to develop more market opportunities. At the same time, industrial tablet products will maintain the two major architectures of x86 and ARM; also, actively expand the rugged industrial tablet and retail application markets.

Smart cities and retail markets are also important to Advantech for business development. Advantech acquired AURES in France in 2024 to develop smart products such as self-service ordering, self-service checkout, shopping guide robots, etc., by taking advantage of its sales capabilities in Europe, Australia, and North America. In addition, Advantech will accelerate the application of imaging AI in retail and urban services through WISE-iVideo Suite in order to enhance the company's market competitiveness.

Advantech cooperates with system integration providers, operators, and ecosystem partners to expand market deployment by building a global ecological supply chain and innovative virtual-reality integration business model through Advantech's global business network, distribution partners, and IoTMart cross-border e-commerce platform.

Sustainable results and corporate values

Advantech had made significant progress in ESG sustainable activities in 2024, including: Advantech ranked the 5th in InterBrand Taiwan's brand consecutively, with a brand value of US\$912 million, ranked in the top 5% of listed corporate governance assessments, won the 4th place in the Excellence in Corporate Social Responsibility, and won the 1st prize in the Global Views ESG Corporate Sustainability Award. At the same time, the company ranked the 7th in the same industry in the international DJSI assessment and was nominated to be enlisted in the S&P Global Sustainability Yearbook (top 10%). In the prospect of 2025, Advantech will focus on the following key issues and combine internal and external resources to promote sustainable transformation:

Green operation and sustainable development

- Progress in renewable energy: Taiwan plants rely on the purchase of green power and continue to follow up on the progress of solar power plant construction; also, self-built solar photovoltaic devices are installed for the plants in North America, Japan, and other places so as to gradually meet electricity demand.
- **Carbon issue:** Pilot-run carbon pricing mechanism to have carbon emission costs incorporated into cost-benefit assessment to guide low-carbon investment and low-carbon production in order to achieve carbon reduction goals. The global greenhouse gas inventory will be extended to Advantech's European subsidiaries; also, a product carbon footprint platform will be established based on market trends so as to enhance green competitiveness. Develop sustainable intelligent solutions with a focus on smart healthcare, factories, transportation, etc. so to help Advantech make positive contributions to climate change mitigation and adaptation.

Prevalence and common benefit of the Internet of Things (IoT)

Advantech promotes the cultivation of talent and innovation through the core business, including innovative collaboration, special projects, and AIoT open teaching materials and course promotion. The company will strive to enhance industry-academy cooperation in the near future and plan talent cultivation, pioneering technologies, and emerging businesses with subjects covering AI application environment monitoring, agricultural development, edge platform power optimization, closed-loop liquid cooling and heating solutions, etc.

Employees and society reciprocity

Advantech is committed to talent cultivation, improving employee happiness and sense of belonging, and altruistic practices. Advantech promotes PBL (Project Based Learning) sustainable education, IoT innovation, and arts and cultures co-prosperity in Taiwan. Advantech has engaged in a variety of activities overseas: A4C (Advantech for Community) social care program in North America; the “Girls Tech Program” supporting female technology talents in Japan; the Plogging event launched in Korea, integrating community cleaning and employee fitness; supporting local proprietary farmers and promoting biodiversity education in Europe; and holding an event with biodiversity as the theme of Family Day for the first time in China.

Prospect and expectations

The trend of AI and edge computing is obviously and substantially penetrating into various industries. Advantech strives to become a leading manufacturer in this field and lead the trend, and serve as a promoter of the smart earth for the society. Advantech also looks forward to working and growing together with global team and ecosystem partners in order to bring meaningful business results to shareholders, society, and employees taking as a whole!

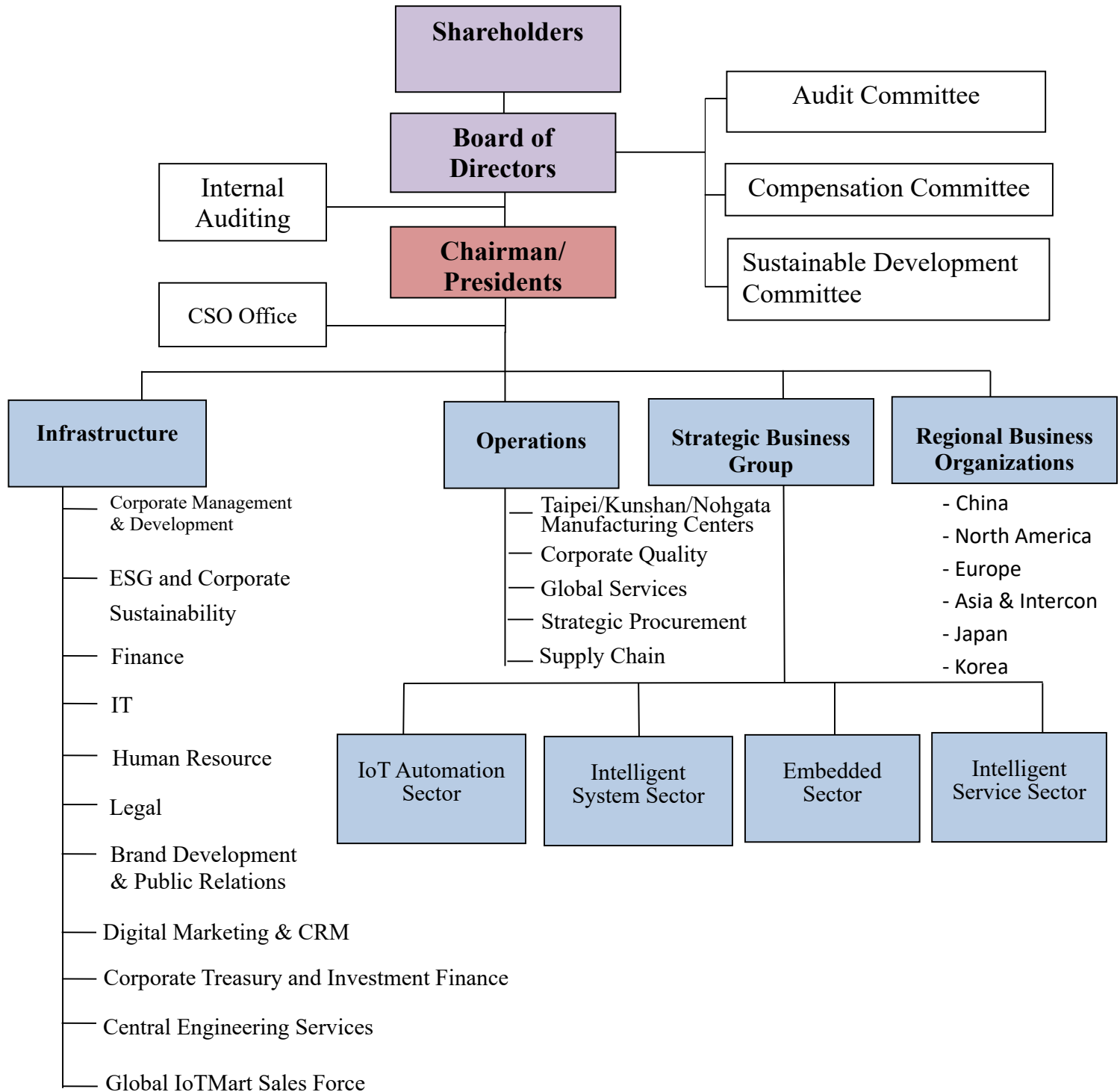
Advantech Co., Ltd.



Chairman KC Liu

II. Corporate Government Report

1. Organization (1) Structure



(2) Responsibilities of major functions

Main Department	Main Responsibilities
Internal Auditing	Review the adequacy and consistency of internal control processes to ensure the effectiveness of internal control. Set up an annual plan according to regulatory and risk-based considerations, which will be approved by board meeting and to be executed accordingly. Will also perform project-based audit to identify operation improvement areas as well as to assist in enhancing corporate governance and risk management mechanisms.
Corporate Management & Development	Design and manage corporate annual business plan development process. Assist management team to formulate annual business plans, set up organizational targets and continuously monitor the business performance indicators.
ESG and Corporate Sustainability	Design and Promote the company's sustainable development policies, including "Mutual benefit of employee & society"; "The popularization of the AIoT"; "Green Operation", and corporate cybersecurity policies define and protection mechanism setup and deployment.
Finance	<ol style="list-style-type: none"> 1.Responsible for budgeting, accounting, financial reports, variance analysis; planning, Management, and control of tax administration, finance, and stock affairs. 2.Domestic and overseas financial statement preparation and analysis. 3.Operating performance of overseas investment 4.Cash flow management
IT	<ol style="list-style-type: none"> 1.Information technology execution and management. 2.Crucial technology implementation and professional technical services. 3.Information security strategy planning, system maintenance, and related task operations.
Human Resource	<ol style="list-style-type: none"> 1.Develop and execute human resource strategies that closely align with company and businesses' vision and direction.. 2.Promoting employee service and relationships, inspiring a platform for talent development, and creating a positive employee experience to enhance overall employee well-being, empower career development and elevate employer branding are integral aspects of our commitment. 3.Develop human resource policies, systems, structures and standards, and implement talent empowerment and development plan.. 4.Develop core competencies to enhance organizational capability.
Legal	<ol style="list-style-type: none"> 1.Review contracts and agreements 2.Handle company's lawsuits and disputes 3.Provide internal legal training and legal opinions 4.Handle the company's Intellectual Property Rights issue.
Brand Development & Public Relations	<ol style="list-style-type: none"> 1.Develop Advantech global branding promotion plan and its materials. 2.Define company identity system. 3.Coordinate global marketing campaigns and produce branding and marketing collaterals. 4.Maintain Advantech external relationship with SIG (special interest groups), media and etc. 5.Plan and launch global strategic corporate events (World Partner Conference, Anniversary Program, etc.)
Digital Marketing & CRM	Expanding digital marketing channels and methodologies toward the target sector market communication and leveraging big data analysis plus CRM management including sales automation, productivity enhancement, real-time support, to achieve the automatic marketing intelligence.

Main Department	Main Responsibilities
Corporate Treasury and Investment Finance	<ol style="list-style-type: none"> 1.Global Cash Management Integrate funding resources, maximize benefit and minimize cost between HQ and affiliate. Integrate Global guarantee, internal loan and bank borrowing. 2.FX Risk Management Set up FX Hedge policy for Advantech Group 3.Global Asset and Insurance Integration management 4.Investment portfolio company management 5.Investee company Portfolio tracking, preparation of management reports, and compliance with Advantech Group regulations.
Central Engineering Services	Provide relevant design/verification resources and services required for R&D of various business groups. Including: printed circuit board design (PCB Design), signal and power integrity simulation & validation (SI/PI Simulation & Validation), power circuit design, EDA electronic design automation (CAE), R&D collaborative management platform design and management, Engineering Process Management (EPM), Package Design.
CSO Office	<p>In alignment with the company's overall development vision, the following key strategic directions are formulated and supported:</p> <ol style="list-style-type: none"> 1.Development strategy for the Industrial IoT WISE-IoT service platform and the WISE AI Agent, a toolkit for artificial intelligence agents. 2.Strategic investment and strategic partnership development programs. 3.Ideation, research, planning, and commercialization of emerging business opportunities to drive corporate innovation and connect with external academic institutions and startup ecosystems.
Manufacturing	<ol style="list-style-type: none"> 1.Develop intelligent manufacturing strategy with introducing automation equipment and intelligent system to achieve the overall strategy of the company. 2.Based on the company's overall operation plan, make the plant area layout and set the production objectives\capacity planning. 3.Coordinate and manage material 、 production 、 quality 、 logistics and operation related executions.
Corporate Quality	<ol style="list-style-type: none"> 1.Coordinate with related departments, including RD, PM, manufacturing, sales and after services, to ensure and enhance product quality, monitor and prevent major quality deviation. 2.Develop and implement company quality assurance system, to meet and satisfy the needs of customer and ISO requirements. 3.Manage and enhance design quality assurance tests in product development phase. 4.Evaluate and apply product regulations. 5.Monitor and enhance product quality on factory and supply chains. 6.Plan and implement customer quality services, and establish global strategies to provide real-time services.
Global Services	<ol style="list-style-type: none"> 1.Responsible for global order processing and logistics services to overseas sites to meet global distributions. 2.Provide customers one-stop global service and total solutions, from design, manufacturing, quality control, procurement, logistics, assembly, customer service to repair
Strategic Procurement	<ol style="list-style-type: none"> 1.Negotiate and purchase required components and equipment. 2.Develop new vendors of components and equipment in response to rapid changing technology evolution. 3.Develop integrated purchasing strategies that support organizational strategies, goals and objectives. 4.Develop the supply chain strategy, and contact procurement for the long-term and competitive components and material supply.

Main Department	Main Responsibilities
Supply Chain	<ol style="list-style-type: none"> 1. Plan and implement internal supply and demand linkage strategy to set a flexible supply chain system. 2. Make supply and demand balance plans for various different product types to meet the company's business strategy and customer various demand. 3. Develop supply chain strategy with customers to win the business objectives.
IoT Automation Sector	<p>The IoT Automation Sector focuses on open, automated, and intelligent Industrial IoT applications, leveraging innovative hardware, software, and cloud services. By integrating edge computing, data analytics, and smart connectivity technologies, we help traditional automation transition into the era of intelligent IoT.</p> <p>Our solutions provide data acquisition modules, wireless smart sensors, industrial communication and networking devices, gateways, IoT controllers, and Human-Machine Interface (HMI) systems, enabling seamless data integration from field devices to the cloud, accelerating the adoption of Industrial IoT applications.</p> <p>Key application areas include smart factories, industrial equipment, renewable energy, intelligent environments and agriculture, and smart transportation. Through edge computing and cloud-based integrated solutions, we enable device connectivity, remote monitoring, intelligent control, predictive maintenance, and energy management, driving digital transformation for enterprises.</p> <p>Additionally, with a well-established global business network, distribution partners, and the cross-border e-commerce platform IoT Mart, we drive the widespread deployment of intelligent IoT automation technologies, empowering global industries to upgrade and build a more efficient, sustainable, and interconnected future.</p>
Intelligent System Sector	<p>The Intelligent Systems Sector focuses on edge computing, servers, machine vision, and video streaming technologies, dedicated to developing high-performance, reliable, and intelligent computing platforms and solutions. The product portfolio includes edge computers, edge servers, edge AI platforms, human-machine interfaces (HMI), industrial AI cameras, and network security platforms, widely applied in intelligent factories, industrial and semiconductor equipment, collaborative robots, transportation, power and energy, networking & communication, and video streaming markets.</p> <p>Leveraging Advantech's strengths in edge computing hardware and AI Agent software integration, we provide L11 Rack cabinet system assembly, integration, and testing services, further empowering industrial clients with high-value intelligent solutions to drive industrial intelligence and business growth.</p>
Embedded Sector	<p>Advantech provides a comprehensive edge computing platform that spans embedded boards, intelligent systems, peripheral modules, software services and distribution, application-focused autonomous systems and robotics solutions, as well as customized design-in services. Encompass the entire value chain—from product R&D and design, manufacturing, to global sales and services. Committed to vertical industry development, delivering specialized Design and Manufacturing Services (DMS) for sectors such as healthcare, gaming, transportation, equipment automation, and self-service kiosks. Actively collaborate with a wide range of hardware, software, and application partners to optimize the ecosystem and build a diverse, open AI hardware-software integration platform. This drives and accelerates the deployment of AI technologies in edge computing applications. Through our customer-centric Embedded Design-in Services, has empowered the global system integrators across various verticals to realize a broad spectrum of intelligent applications.</p> <p>Advantech also focuses on emerging industries by delivering dedicated solutions for robotics, unmanned aerial vehicles (UAVs) and autonomous mobile robots (AMRs), renewable energy, smart agriculture, harsh environments, and 5G networking. These efforts strengthen industry linkages and enhance our competitive advantage in next-generation intelligent applications.</p>

Main Department	Main Responsibilities
Intelligent Service Sector	The iService Sector focuses on smart city technologies, providing product development, marketing, and sales of IoT solutions. With edge computing and edge AI at our core, the group offers a wide range of products, including intelligent systems, industrial tablets, and integrated solution suites. These solutions seamlessly integrate with industrial applications across healthcare, retail and hospitality, logistics and mobile solutions, enabling real-time AI analytics and advanced edge computing power into various industry scenarios. By driving the digital transformation of these vertical markets, Service-IoT enhances operational efficiency, optimizes decision-making, and paves the way for a smarter, more efficient, and more connected future.
Regional Business Organizations	Develop global businesses and markets, and provide technical support and value-added services in the region. Consistently develop new markets and eco-partnerships, enhance our customer relations and customers' trust on our brand and solutions.
Global IoTMart Sales Force	<p>The Global IoTMart Sales Force is dedicated to driving the digital transformation of IoT product sales by leveraging IoT technologies and artificial intelligence to optimize and enhance e-commerce efficiency. It also operates a global cross-border direct-to-consumer (DTC) e-commerce platform and provides integrated online and offline digital sales services to foster collaborative growth.</p> <p>The department's core responsibilities include:</p> <ol style="list-style-type: none"> 1.AI-powered enablement of diversified commerce platforms 2.Data-driven precision sales 3.Driving sales transformation and building an integrated industry sales ecosystem 4.User experience development 5.System optimization, maintenance, and intelligent AI services

2. Directors and Management Team

(1) Directors

March 31, 2025

Title	Nationality	Name	Gender/Age	Date elected	Term (Years)	First elected	Shareholding when elected		Current shareholding		Spouse and Minor shareholdings		Shareholding by nominee arrangement		Education and selected past positions	Current additional positions	Other heads, directors, or supervisors as spouse or kin within the second degree		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	ROC	K.C. Liu	Male / 61-70	05.25.2023	3 years	11.11.1985	25,620,886	3.66%	27,993,951	3.24%	4,701,052	0.54%	0	0%	Founder of Advantech; Former salesman of Instruments Dept. of Hewlett-Packard; Department of Telecommunications Engineering, National Chiao Tung University	Note 1	Director	K and M Investment Co., Ltd.	Father-child
Director	ROC	Advantech Foundation.	Male / 61-70	05.25.2023	3 years	05.26.2017	20,288,715	2.89%	24,543,548	2.84%	0	0%	0	0%	President of Le Wel Co.,Ltd. Tatung Institute of Technology,Taiwan	Note 2	None	None	None
		Representative Chaney Ho					0	0%	13,615	0%	53,482	0.01%	0	0%					
Director	ROC	K and M Investment Co., Ltd	Male / 41-50	05.25.2023	3 years	05.28.2020	83,073,163	11.85%	100,494,794	11.63%	0	0%	0	0%	Director of Advantech Intelligent City Services Co., Ltd. Johns Hopkins University GMBA	Note 3	Chairman	K.C. Liu	father-child
		Representative: Wesley Liu					0	0%	364,958	0.04%	24,193	0%	0	0%					
Director	ROC	AIDC Investment Corp.	Male / 31-40	05.25.2023	3 years	05.25.2023	82,097,182	11.71%	99,314,136	11.49%	0	0%	0	0%	Product Manager of Advantech Intelligent Imaging Business Unit. Master of Business Administration, National Taiwan University	Note 4	None	None	None
		Representative Tony Liu					0	0	198,480	0.02%	159,482	0.02%	0	0%					
Director	ROC	Jeff Chen	Male / 61-70	05.25.2023	3 years	05.25.2023	0	0	0	0	0	0	0	0	VP of Stanley Black & Decker and President of Asia Region EMBA,Northwestern University	None	None	None	None
Director	ROC	Ji-Ren Lee	Male / 61-70	05.25.2023	3 years	05.25.2023	0	0	0	0	0	0	0	0	Associate Dean, College of Management and Executive Director, EMBA Program, National Taiwan University Ph. D in Strategic Management, University of Illinois at Urbana Champaign	Note 5	None	None	None
Independent Director	ROC	Ming-Hui Chang	Male / 61-70	05.25.2023	3 years	05.25.2023	0	0	0	0	0	0	0	0	Chairman of PricewaterhouseCoopers Management Consulting Co., Ltd. 、 CEO/Partner of PricewaterhouseCoopers Adjunct Professor, Ph.D. in Accounting, University of Maryland	Note 6	None	None	None
Independent Director	ROC	Benson Liu	Male / 71-80	05.25.2023	3 years	05.26.2017	0	0	0	0	0	0	0	0	Chairman and President of Bristol-Myers Squibb (Taiwan) Ltd. Master, International Business Administration, University of Northrop, USA	Note 7	None	None	None
Independent Director	ROC	Chan-Jane Lin	Female / 61-70	05.25.2023	3 years	05.28.2020	0	0	0	0	0	0	0	0	FocalTech Systems Co., Ltd.-Independent Director Ph.D in Accounting,University of Maryland	Note 8	None	None	None

Note 1: Concurrent Positions Held by Chairman, K.C. Liu**Simultaneously act as the chairman of the following companies:**

Advantech Foundation、Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN)、Advantech Investment Fund-A Co., Ltd. Representative、Advantix Corporation Representative、Advantech Technology (China) Company Ltd. (AKMC)、Shanghai Advantech Intelligent Services Co., Ltd. (AiSC)、Xi'an Advantech Software Ltd. (AXA)、Advantech Intelligent City Services Co., Ltd. Representative、K&M Investment Co., Ltd.、ADVANTECH SERVICE-IOT (SHANGHAI) CO., LTD. (SIoT(China))、Advantech Japan Co., Ltd. (AJP)、Expetech Co., Ltd.、K and M Investment Co., Ltd.

Simultaneously act as the director of the following companies:

AIDC Investment Corp. AIC Taiwan Holding CORP.、Shanghai Advantech intelligent Services Co., Ltd. (ACI CN)、Xi'an Advantech Software Ltd., Advantech Technology Co., Ltd.、Advantech Corp.、HK Advantech Technology Co., Ltd.、Advantech Automation Corp. (HK) Limited.、Advantech KR Co., Ltd.、Advantech Corporate Investment Ltd.

Note 2: Concurrent Positions Held by Director, Chaney Ho

Simultaneously act as the chairman of the following companies: Lung Lee Hing Trading Co., Ltd.、SPRINGTEC INVESTMENT INC.

Simultaneously act as the director of the following companies: Unabiz Pte Ltd., Prognosis Technology Inc.

Simultaneously act as the independent director of the following companies: GIANT MANUFACTURING CO., LTD.

Note 3: Concurrent Positions Held by Director, Wesley Liu

Simultaneously act as the chairman of the following companies: CZ investment Co., Ltd.

Simultaneously act as the director of the following companies:

Advantech Intelligent Healthcare Co., Ltd. Representative、K and M Investment Co., Ltd.、ChuanTing Investment Co., Ltd.、Winmate Inc. Representative、Mildex Optical Inc. Representative、Shanghai Advantech Intelligent Services Co., Ltd.、Shanghai Yanle Co., Ltd. (AYL)、Advantech Co. Singapore Pte Ltd. (ASG)、Advantech Co. Malaysia Sdn. Bhd (AMY)、Advantech Corporation (Thailand) Co., Ltd. (ATH)、Advantech Industrial Computing India Private Limited. (AIN)、Advantech Electronics, S. De R. L. De C. (AMX)、Advantech IOT Israel Ltd. (AIL)、Advantech Raiser India Private Limited (ARI)、Advantech Technology DMCC. (ADB)。

Note 4: Concurrent Positions Held by Director, Tony Liu**Simultaneously act as the chairman of the following companies:**

Advantech Intelligent Services Co., Ltd. (AiCS)、Cermate Technologies Inc.、Huan Yan Water Solution Co., Ltd., Tran-Yan Development Co., Ltd.、Tran-Fei Development Co., Ltd.、Tran-Ting Development Co., Ltd.、Hsiung Yang Investment

Simultaneously act as the director of the following companies:

CZ investment Co., Ltd., K and M Investment Co., Ltd., Yan Xu Green Electricity Co., Ltd.、ISAP SOLUTION CORPORATION、Advantech Corporate Investment (ACI)、Deneng Scientific Research CO., LTD.、Spingence Technology、Axiomtek Co., Ltd

Note 5: Concurrent Positions Held by Director, Ji-Ren Lee

Simultaneously act as the chairman of the following companies: B Current Impact Investment

Simultaneously act as the director of the following companies:

COMMONWEALTH EDUCATION MEDIA AND PUBLISHING CO., LTD.), CommonWealth Magazine Co., Ltd., Longchen Paper & Packaging Co., Ltd., Primax Electronics Ltd.

Simultaneously act as the independent director of the following companies: Airoha Technology

Note 6: Concurrent Positions Held by Independent Director, Ming-Hui Chang

Simultaneously act as the Independent Director of the following companies: UNI-PRESIDENT ENTERPRISES CORP.、Longwell Company

Note 7: Concurrent Positions Held by Independent Director, Benson Liu

Simultaneously act as the Independent Director of the following companies: Chenbro Micom Co., Ltd.

Simultaneously act as the Director of the following companies: Maywufa Company Ltd.

Note 8: Concurrent Positions Held by Independent Director, Chan-Jane Lin

Simultaneously act as the Independent Director of the following companies:

FocalTech Systems Co., Ltd., Chief Telecom Inc., Vanguard International Semiconductor Corporation

i. Major shareholders of the institutional shareholders

March 31, 2025 (stop transfer date)

Name of Institutional shareholders	Major shareholders (note)
AIDC Investment Corp.	K.C. Liu (18.77%), Mary Chang (5.08%), Advantech Foundation (10.08%) ,Wesley Liu (1%)
K and M Investment Co., Ltd.	K.C. Liu (32.92%), Wesley Liu (1.38%), Tony Liu(1.35%), Mary Chang (31.95%)
Tran-Fei Development Co., Ltd	Tony Liu(5.32%), Li-Huai Huang(2.12%), Mary Chang(0.62%)
Asus Computer Co., Ltd.	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (4.34%), Jonney Shih (4.05%), Yuanta Taiwan High Dividend Fund Account (2.95%), Cathay United Bank in Custody for Infinity No. 1 Company Investment Account (2.78%), ASUS's Certificate of Depository with CitiBank (Taiwan) (2.63%), New Labor Pension Fund (2.42%), JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.34%), J.P. MORGAN SECURITIES PLC (1.30%), Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds(1.22%), Yuanta/P-shares Taiwan Top 50 ETF (1.12%)

Note: List of top 10 shareholders.

ii. Major shareholders of the major institutional: The Advantech Foundation is a non-profit organization, therefore it is not applicable.

(2) Directors of information as professional qualifications and independent status of directors and independent directors

Qualification Name	Professional qualifications and experience	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman K.C. Liu	Chairman Liu, as the founder of Advantech, has striven to direct Advantech towards the goal of globalization since the incorporation of the company through continuous development, innovation, and application. In view of the vigorous development of the global Internet of Things (IoT) in recent years, he has actively cooperated with partners to “create” an industrial ecosystem and to promote IoT software and hardware solutions with the industrial IoT cloud platform WISE-IoT as the core. Chairman Liu for the purpose of realizing the values based on altruism has led Advantech to implement ESG based on the core capabilities of the company, to expand its social influence, and to move towards the goal of sustainable development.	An employee of the Company.	0
Director Chaney Ho	Director Ho is the co-founder of Advantech with a focus on Advantech’s global business marketing, branding, and operation management, and plans to promote Advantech’s vision plan of “Enabling an Intelligent Planet” in order to accelerate Advantech’s entering the Internet of Things (IoT) industry. Therefore, Advantech has been awarded the honor of being ranked in the top 5 of “Branding Taiwan” since the year of 2004 to the present. Director Chaney Ho also serves as an independent director of Giant Group concurrently.	Not an employee of the Company or a subsidiary.	1
Director Jeff Chen	Director Chen was the former global vice president and Asia president of Stanley Black & Decker, Inc. who has management experience in large-scale international enterprises, M&A strategy execution, and a profound understanding of technology expertise.	Not an employee of the Company or a subsidiary.	0
Director Wesley Liu	Director Liu has experience in smart cities, smart retail system integration (SI) solutions, and Internet of Things (IoT) development, as well as experience in talent strategy development and comprehensive management.	An employee of a subsidiary.	0
Director Tony Liu	Director Liu has the necessary work experience for commerce and business affairs, and is profession at operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market outlook, leadership, and decision-making capability.	An employee of a subsidiary.	0

Qualification Name	Professional qualifications and experience	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Director Ji-Ren Lee	<p>Director Lee worked at National Taiwan University from 2005 to 2020, and successively served as deputy dean of the School of Management and executive director of EMBA, deputy dean of teaching and resource development of the School of Management, and director of the Creativity & Entrepreneurship Program and Innovation Center. Director Li has been awarded the Honorary Professor of the Department of International Business, National Taiwan University after his retirement in 2020.</p> <p>Director Lee has expertise and experience in business strategy, talent development, risk management, and financial analysis; also, he has more than five years of work experience needed for the company's business. He was the Associate Executive Officer of Yulon Group in 1982, which is the kind of work experience related to the GICS industry.</p> <p>Serving independent directors concurrently: Airoha Technology</p>	Not an employee of the Company or a subsidiary.	1
Independent Director Ming-Hui Chang	<p>Independent Director Chang was the former chairman of PwC Foundation and the director of PwC Taiwan who has professional accounting and financial knowledge; he also, has a profound understanding of the international market and sufficient experience in risk management.</p> <p>Professional certification and license: Certified Public Accountant of the Republic of China.</p> <p>Independent Director Chang serves as an independent director of Uni-President Enterprise Corp and Longwell Company.</p>	In the two years before the election and during the term of office, they have met the independence assessment conditions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	2
Independent Director Benson Liu	<p>Independent Director Liu has professional knowledge and skills in financial accounting, corporate governance, operation management, etc., and is familiar with relevant laws and regulations.</p> <p>Important experience: Chairman and President of Taiwan Bristol-Myers Squibb (Taiwan) Ltd., the sixth chairman of Taiwan Corporate Governance Association, and the current standing director.</p> <p>Serving as independent directors concurrently: Chenbro Micom Co., Ltd.</p>	In the two years before the election and during the term of office, they have met the independence assessment conditions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	1

Qualification Name	Professional qualifications and experience	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Chan-Jane Lin	Independent Director Lin has expertise in financial accounting, business management, and corporate governance. She is currently serving as a professor at the Accounting Department of National Taiwan University and an adjunct professor at the School of Management of National Taiwan University. She also serves as the convenor of supervisors of Taiwan Corporate Governance Association, and the supervisor of the Securities and Futures Investors Protection Center. Important experience: Independent director of Fubon Financial Holding Co., Ltd., independent director of Fubon Life Insurance Co., Ltd., and independent director of Fubon Securities Co., Ltd. Concurrently serving as an independent director: FocalTech Systems Co., Ltd., Chief Telecom Inc., Vanguard International Semiconductor Corporation	In the two years before the election and during the term of office, they have met the independence assessment conditions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	3

Note1: None of the directors of the Company has any circumstance under Article 30 of the Company Act.

Note2: All directors of the Company have not been elected on behalf of the government, corporate or representative in accordance with Article 27 of the Company Act.

(3) Diversity and independence of the Board of Directors:

i. Diversification of the Board of Directors:

In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Board of Directors of the Company has adopted and formulated the "Corporate Governance Best Practice Principles of Advantech Co., Ltd.", in which Article 20 stipulates that the composition of the Board of Directors should consider diversification. Except that the directors who concurrently serve as the Company's managers should not exceed one-third of the number of directors, they should formulate appropriate diversification policies according to their own operation, operation type, and development needs. It should include but not be limited to basic conditions and values (gender, age, nationality, race or ethnic group and culture, etc., in which the ratio of female directors should not be less than 10%, professional knowledge and skills (Professional Background such as law, accounting, industry, finance, marketing or technology), professional skills and industrial experience.

The selection of Board members follows the candidate nomination system in accordance with Article 192-1 of the Company Act. Directors are elected by the shareholders at the Annual General Meeting from the list of nominated candidates. Independent Directors are recruited in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." Each term of office for the Board of Directors is three years. In addition, the Company's Corporate Charter Articles of Incorporation stipulate that Independent Directors may concurrently serve as Independent Directors of no more than three other public listed companies.

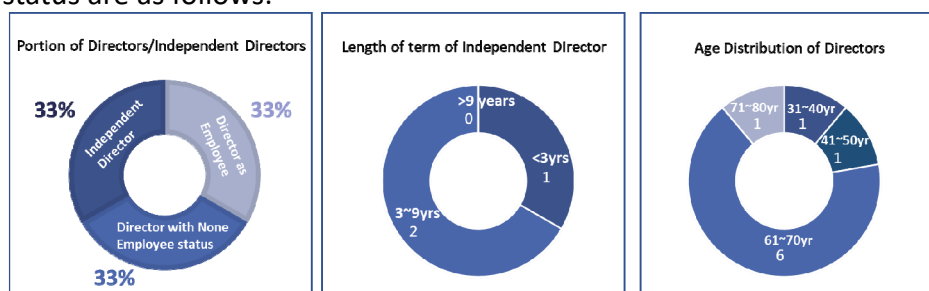
ii. Specific management objectives:

The company's board of directors guides the company's strategy planning, supervises the management, and is responsible to the company and shareholders. All operations and arrangements related to the corporate governance system are to ensure that the board of directors exercises its powers in accordance with laws and regulations, the company's articles of incorporation, and the resolutions of shareholders meetings. The company's directors all have the necessary knowledge, skills, literacy, and industrial decision-making and management capabilities for job responsibilities. The company continues to arrange diversified advanced education for board directors so to improve their decision-making quality and supervision capabilities in order to enhance the functions of the board of directors as a whole.

The company's 15th Board of Directors consists of nine directors, including three independent directors, who account for 33% of all board directors. In line with the principle of gender balance, the 15th Board of Directors includes one female Director, representing 11% of the Board. This exceeds the minimum female representation stipulated in Advantech's "Corporate Governance Best Practice Principles." The company has long prioritized the professional expertise and oversight contributions of board members, without being constrained by gender. However, given the industry characteristics of electronics manufacturing, there is a scarcity of female board talent with backgrounds in industrial and technological fields. Achieving a female board representation of over one-third remains challenging in the short term. In the future, the company will collaborate with professional organizations such as the Independent Directors Association to expand the pool of qualified female board candidates that meet corporate operational needs, thereby fostering a more diverse and well-rounded board structure.

The Board of Directors composes of elites from the industries and academic circle, who own abundant personal insight, international market perspective, professional academic abilities, corporate operation and management, and risk management. The members make optimal and excellent contributions to the corporate operations and management, accomplishing the diversified and specific management objectives of the Board of Directors.

iii. The specific management objectives of the board diversity policy and their achievement status are as follows:



■ Board Diversity Policy: Specific Management Objectives and Implementation Status

Diversity management objectives	Achievement status
It is advisable that the number of the directors who concurrently serve as the managers of the Company should not exceed one-third of the board seats.	Done
At least one female director.	Done
The number of independent directors exceeds one third of the board seats.	Done
The independent directors shall not hold office for more than 3 terms.	Done

iv. The implementation status of the board diversity policy is as follows:

Diversified core projects Director Name	Gender	Term			Ability to make Operational Judgement	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions	Risk management	Sustainability Profession	Industry Experience (According to the Global Industry Classification Standard (GICS))
		Less than 3 years	3-9 year	More than 9 years											
K.C Liu	Male				V		V	V	V	V	V	V	V		Information Technology
Advantech Foundation: Representative Chaney Ho	Male				V		V	V	V	V	V	V	V		1. Information Technology 2. Industrials
K and M Investment Co., Ltd: Representative Wesley Liu	Male				V		V	V	V	V	V	V	V		Information Technology
AIDC Investment Corp: Representative Tony Liu	Male				V	V	V	V	V	V	V	V	V		Information Technology
Jeff Chen	Male				V	V	V	V	V	V	V	V	V		Industrials
Ji-Ren Lee	Male				V	V	V	V	V	V	V	V	V	V	1. Industrials 2. Business Management
Benson Liu	Male		V		V	V	V	V	V	V	V	V	V	V	1. Healthcare 2. Finance
Ming-Hui Chang	Male	V			V	V	V	V	V	V	V	V	V	V	1. commercial 2. professional (Accounting) services
Chan-Jane Lin	Female		V		V	V	V	V	V	V	V	V	V	V	1. commercial 2. professional (Accounting) services

v. Management Team

March 27, 2023

Title	Nationality	Name	Date elected	Shareholding		Spouse and Minor Shareholding		Shareholding by nominee arrangement		Education and selected past positions	Current additional positions	Spouse or relatives within two degrees who are managers			Notes
				Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	ROC	K.C. Liu	06.01.2003	27,993,951	3.24%	4,701,052	0.54%	0	0	Founder of Advantech Co., Ltd. Salesman of Instruments Dept. of Hewlett-Packard Department of Telecommunications Engineering, National Chiao Tung University	Note 1	None	None	None	None
President	ROC	Eric Chen	09.01.2017	201,848	0.02 %	222,975	0.03%	0	0	Elitegroup Computer Systems Co., Ltd. Tai Sen Enterprise Co., Ltd. Department of Computer Science, Tamkang University	Note 2	None	None	None	None
President	ROC	Miller Chang	09.01.2017	122,461	0.01 %	0	0%	0	0	Phoenix Technologies Ltd. EMBA, National Taiwan University of Science and Technology	Note 3	None	None	None	None
President	ROC	Linda Tsai	09.01.2017	353,101	0.04 %	206,688	0.02%	0	0	QUANTA COMPUTER INC. Syracuse University Master of Information Resources	Note 4	None	None	None	None
Corporate governance officer	ROC	Grace Liao	09.20.2023	26,299	0	0	0	0	0	Investor Relations Manager, Sercomm Corporation Investor Relations Manager, Mitac Holdings Corporation Bachelor's Degree in Economics, National Chengchi University	None	None	None	None	None
Corporate governance officer (Note 5)	ROC	Imani Chen	10.26.2024	20,731	0	0	0	0	0	Senior Manager of International Finance & Accounting, Advantech Co., Ltd. Accounting Manager / Audit Supervisor, Soft-World International Corporation Senior Auditor, KPMG Master's Degree in Business Administration, National Taiwan University	None	None	None	None	None
Accounting Officer	ROC	Mandy Lin	08.01.2020	37,002	0%	0	0%	0	0%	Advantech Co., Ltd. Senior Accountant Chinese Culture University	None	None	None	None	None

Note 1: Concurrent Positions Held by Chairman, K.C. Liu**Simultaneously act as the chairman of the following companies:**

Advantech Foundation、Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd. (ACN), Advantech Investment Fund-A Co., Ltd. Representative, Advanixs Corporation.Representative., Advantech Technology (China) Company Ltd. (AKMC)、Shanghai Advantech Intelligent Services Co., Ltd. (AiSC)、Xi'an Advantech Software Ltd. (AXA), Advantech Intelligent City Services Co.,Ltd.Representative, K&M Investment Co.,Ltd., ADVANTECH SERVICE-IOT (SHANGHAI) CO., LTD. (SiOT(China)), Advantech Japan Co., Ltd. (AJP).

Simultaneously act as the director of the following companies:

AIDC Investment Corp., Advantech Europe B.V.(AEU), Advantech Technology Co., Ltd. (ATC), HK Advantech Technology Co., Ltd. (ATC (HK)), Advantech Automation Corp.(BVI) (AAC(BVI))、Advantech Automation Corp.(HK) Limited.(AAC (HK))、Advantech Corp.(ANA)、Advantech Europe Holding B.V.(AEUH)、Advantech KR Co.,Ltd. (AKR)。

Note 2: Concurrent Positions Held by President, Eric Chen**Simultaneously act as the director of the following companies:**

Advantech Corporate Investment (ACI)、Advanixs Corporation., Advantech Intelligent Services Co.,Ltd. (AiCS), Advantech Japan Co.,Ltd.(AJP), Advantech Turkey Technology A.S. (ATR)., Advantech Vietnam Technology Company Limited(AVN)

Simultaneously act as the supervisor of the following companies:

Shanghai Advantech Intelligent Services Co., Ltd. (AiSC), Advantech Technology (China) Company Ltd. (AKMC), Advantech KR Co., Ltd.(AKR), Advantech International PT (AID).

Note 3: Concurrent Positions Held by President, Miller Chang

Simultaneously act as the director of the following companies: Advanixs Corporation.

Note 4: Concurrent Positions Held by President, Linda Tsai

Simultaneously act as the director of the following companies: Advantech KR Co., Ltd.(AKR)、Advantech Czech s.r.o. (ACZ)

Note 5: Former Corporate Governance Officer, Senior Manager Grace Liao, took a leave of absence without pay. As of October 26, 2024, Manager Imani Chen has been appointed as the acting Corporate Governance Officer.

3. Remuneration of Directors, Presidents, and Vice Presidents

(1) Remuneration of Directors

Unit: NT\$ Thousand

Title	Name	Remuneration								Ratio of Total Remuneration(A+B+C+D) to net income % (Note 10)		Relevant Remuneration Received by Directors who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G)to net income % (Note 10)		Compensation Paid to Directors from an Invested Company Other than the Company's subsidiary (Note11)
		Basc Compensation (A) (Note 2)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)(Note 4)				Salary, bonuses and allowance (E) (Note 5)		Severance Pay (F)		Employee Compensation (G) (Note 6)						
		Advantech	From All Consolidated Entities (Note 7*)	Advantech	From All Consolidated Entities (Note 7)	Advantech	From All Consolidated Entities (Note 7)	Advantech	From All Consolidated Entities (Note 7)	Advantech	From All Consolidated Entities (Note 7)	Advantech	From All Consolidated Entities (Note 7)	Advantech	From All Consolidated Entities (Note 7)	Advantech		From All Consolidated Entities (Note 7)		Advantech	From All Consolidated Entities (Note 7)	
																Cash	Stock	Cash	Stock			
Chairman	K.C.Liu	0	0	0	0	2,950	2,950	0	0	0.03%	0.03%	6,120	6,120	0	0	0	0	0	0	0.10%	0.10%	0
Director	Advantech Foundation	0	0	0	0	2,000	2,000	0	0	0.02%	0.02%	0	0	0	0	0	0	0	0	0.02%	0.02%	0
	Representati Chaney Ho																					
Director	K and M Investment Co., Ltd.	0	0	0	0	1,000	1,000	0	0	0.01%	0.01%	4,125	4,125	106	106	0	0	0	0	0.06%	0.06%	0
	Representati ve: Wesley.Liu																					
Director	AIDC Investment Corp:	0	0	0	0	1,000	1,000	0	0	0.01%	0.01%	3,924	3,924	96	96	0	0	0	0	0.06%	0.06%	0
	Representati ve Tony Liu																					
Director	Jeff Chen	0	0	0	0	2,250	2,250	0	0	0.02%	0.02%	0	0	0	0	0	0	0	0	0.02%	0.02%	0
Director	Ji-Ren Lee	0	0	0	0	2,250	2,250	0	0	0.02%	0.02%	0	0	0	0	0	0	0	0	0.02%	0.02%	0
Independen Director	Ming-Hui Chang	0	0	0	0	4,200	4,200	0	0	0.05%	0.05%	0	0	0	0	0	0	0	0	0.05%	0.05%	0
Independen Director	Benson Liu	0	0	0	0	4,200	4,200	0	0	0.05%	0.05%	0	0	0	0	0	0	0	0	0.05%	0.05%	0
Independen Director	Chan-Jane Lin	0	0	0	0	3,000	3,000	0	0	0.03%	0.03%	0	0	0	0	0	0	0	0	0.03%	0.03%	0

*1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:

For the remuneration of independent directors, besides referring to results of director performance evaluations, the Remuneration Committee considers each director's degree of participation and contribution to the Company's operations, links the reasonableness and fairness of performance and risks to remuneration, considers the Company's business performance and the remuneration standards of competitors, and makes recommendations to the Board of Directors in accordance with Article 13-5 of the Company's Articles of Incorporation.

2. Other than as disclosed in the above table, the remuneration earned by Directors providing services (e.g. providing consulting services as a non-employee) to the Company and all consolidated entities in the latest fiscal year: None.

■ Range of Remuneration

Range of Remuneration	Names of Directors			
	First four categories of remuneration (A+B+C+D)		First seven categories of remuneration (A+B+C+D+E+F+G)	
	Advantech (Note 8)	Consolidated subsidiaries (Note 9)	Advantech (Note 8)	Consolidated subsidiaries (Note 9)
Less than NT\$1,000,000				
NT\$1,000,000 – NT\$2,000,000	Representative of K and M Investment Co., Ltd.: Wesley.Liu, Representative of AIDC Investment Corp.: Tony Liu	Representative of K and M Investment Co., Ltd.: Wesley.Liu, Representative of AIDC Investment Corp.: Tony Liu		
NT\$2,000,000 – NT\$3,500,000	K.C. Liu Representative of Advantech Foundation: Chaney Ho, Jeff Chen, Chan-Jane Lin, Ji-Ren Lee	K.C. Liu Representative of Advantech Foundation: Chaney Ho, Jeff Chen, Chan-Jane Lin, Ji-Ren Lee	Representative of Advantech Foundation: Chaney Ho, Jeff Chen, Chan-Jane Lin, Ji-Ren Lee	Representative of Advantech Foundation: Chaney Ho, Jeff Chen, Chan-Jane Lin, Ji-Ren Lee
NT\$3,500,000 – NT\$5,000,000	Benson Liu, Ming-Hui Chang	Benson Liu, Ming-Hui Chang	Benson Liu, Ming-Hui Chang	Benson Liu, Ming-Hui Chang
NT\$5,000,000 – NT\$10,000,000			K.C. Liu Representative of K and M Investment Co., Ltd: Wesley.Liu, Representative of AIDC Investment Corp.:Tony Liu	K.C. Liu Representative of K and M Investment Co., Ltd: Wesley.Liu, Representative of AIDC Investment Corp.:Tony Liu
NT\$10,000,000 – NT\$15,000,000			-	
NT\$15,000,000 – NT\$30,000,000			-	
NT\$30,000,000 – NT\$50,000,000			-	
NT\$50,000,000 – NT\$100,000,000			-	
Over NT\$100,000,000			-	
Total	9	9	9	9

Note 1: Illustrate the name of each director (the institutional shareholder and its representative should be illustrated separately) and disclose the payment amount in a lump sum. Please fill out this form and form (3-1) or (3-2) for the director who is also the President or Vice President of the Company.

Note 2: Refers to the remuneration (including director salary, duty allowances, severance pay, various bonuses, incentives, etc.) paid to the directors in the most recent year.

Note 3: Refers to the remuneration to directors from the earnings of the most recent year proposed and approved by the board of directors prior to the shareholders' meeting.

Note 4: Refers to the relevant business expenses of the directors in the most recent year (including traveling expenses, special expenses, allowances, dormitories, and transportation vehicles). For the housing, automobiles and other transportation vehicles, or the exclusive personal expenses provided, the nature and cost of the assets, the actual or imputed rent at fair market value, the gasoline expense, and other payments should be disclosed. In addition, for the chauffeur appointed, please explain in the notes regarding the remuneration paid but the amount will not be included in the total remuneration amount.

- Note 5: Refers to the salary, job allowance, severance pay, resignation compensation, prize money, incentive payments, traveling expenses, special expenses, allowances, dormitories, and transportation vehicles paid to the directors who are also employees (including concurrent President, Vice President, other managers, and employees) in the most recent year. For the housing, automobiles and other transportation vehicles, or the exclusive personal expenses provided, the nature and cost of the assets, the actual or imputed rent at fair market value, the gasoline expense, and other payments should be disclosed. In addition, for the chauffeur appointed, please explain in the notes regarding the remuneration paid but the amount will not be included in the total remuneration amount.
- Note 6: Refers to the employee bonuses (including stock dividend and cash dividend) paid to the directors who are also employees (including concurrent President, Vice President, other managers, and employees) in the most recent year. The employee bonus amount from the earnings of the most recent year proposed and approved by the board of directors prior to the shareholders' meeting should be disclosed. If the distribution amount of the current year cannot be estimated, it is to base on the amount distributed in the prior year proportionally with Table 1-3 filled out.
- Note 7: Refers to the number of shares (excluding the portion executed) to be subscribed by the directors who are also employees (including concurrent President, Vice President, other managers, and employees) with stock options in the most recent year and up to the publication of the annual report. In addition to this form, please fill out Table 15.
- Note 8: The remuneration amount paid to the board directors of Advantech by the companies (including Advantech) in the consolidated report should be disclosed.
- Note 9: Disclose the name of the directors in the respective range of remuneration paid by all the companies (including the Company) in the consolidated financial report.
- Note 10: Net income meant for the net profit after tax in the most recent year. For those companies with the international financial reporting standard adopted, net income meant for the net income after tax in the proprietary or individual financial report of the most recent year.
- Note 11: a. The remuneration amount received by the board directors from the invested companies other than the subsidiaries should be disclosed in this column.
b. The remuneration amount, if any, received by the board directors from the invested companies other than the subsidiaries should be disclosed in column J of the Range of Remuneration; also, the column should be renamed as "All transfer-investment businesses."
c. Remuneration meant for the relevant reward, income, employee bonus, and business expense collected by the board directors of the Company acted as a director, supervisor, or manager of the invested companies other than the subsidiaries.
- * The remuneration disclosed in the Range of Remuneration differs from the concept of income defined according to Income Tax Law; therefore, the table is for the purpose of information disclosure instead of tax levy.

(2) Remuneration paid to the presidents and vice presidents

Unit: NT\$ Thousand / Thousand units

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonuses and Allowance etc. (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of total compensation (A+B+C+D) to net income (Note 8)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's subsidiary (Note10)
		Advantec	From All Consolidated Entities (Notes)	Advantec	From All Consolidated Entities (Notes)	Advantec	From All Consolidated Entities (Notes)	Advantech		From All Consolidated Entities (Note5)		Advantech	From All Consolidated Entities (Note 5)	
								Cash	Stock	Cash	Stock			
Chairman	K.C. Liu	18,200	18,200	367	367	31,417	31,417	5,600	-	5,600	-	0.62%	0.62%	-
President	Eric Chen													
President	Miller Chang													
President	Linda Tsai													

■ Range of Remuneration

Range of Remuneration	Name of the President and Vice President	
	Advantech (Note 6)	Consolidated subsidiaries (Note 7) E
Less than NT\$1,000,000	-	-
NT\$1,000,000 – NT\$2,000,000	-	-
NT\$2,000,000 – NT\$3,500,000	-	-
NT\$3,500,000 – NT\$5,000,000	-	-
NT\$5,000,000 – NT\$10,000,000	K.C Liu,	K.C Liu,
NT\$10,000,001 – NT\$15,000,000	-	-
NT\$15,000,001 – NT\$30,000,000	Eric Chen, Miller Chang, Linda Tsai	- Eric Chen, Miller Chang, Linda Tsai
NT\$30,000,001 – NT\$50,000,000	-	-
NT\$50,000,001 – NT\$100,000,000	-	-
Over NT\$100,000,000	-	-
Total	4	4

Note 1: Illustrate the name of the President and Vice President and disclose the payment amount itemized. Please fill out this form and form (1-1) or (1-2) for the director who is also the President or Vice President of the Company.

Note 2: Refers to the salary, duty allowances, and severance paid to the President and Vice President in the most recent year.

Note 3: Refers to the reward, incentives, traveling expenses, special expenses, allowances, dormitories, transportation vehicles, and other compensations paid to the President and Vice President in the most recent year. For the housing, automobiles and other transportation vehicles, or the exclusive personal expenses provided, the nature and cost of the assets, the actual or imputed rent at fair market value, the gasoline expense, and other payments should be disclosed. In addition, for the chauffeur appointed, please explain in the notes regarding the remuneration paid but the amount will not be included in the total remuneration amount.

Note 4: Refers to the employee bonus (including stock dividend and cash dividend) to the President and Vice President from the earnings of the most recent year proposed and approved by the board of directors prior to the shareholders' meeting. If the distribution amount of the current year cannot be estimated, it is to base on the amount distributed in the prior year proportionally with Table 1-3 filled out.

Net income meant for the net profit after tax in the most recent year. For those companies with the international financial reporting standard adopted, net income meant for the net income after tax in the proprietary or individual financial report of the most recent year.

Note 5: Refers to the number of shares (excluding the portion executed) to be subscribed by the President and Vice President with stock options in the most recent year and up to the publication of the annual report. In addition to this form, please fill out Table 15.

Note 6: Disclose the itemized amount paid to the President and Vice President by all the companies (including the Company) in the consolidated financial statements.

Note 7: Disclose the name of the President and Vice President in the respective range of remuneration paid by all the companies (including the Company) in the consolidated financial report.

Note 8: Net income meant for the net profit after tax in the most recent year. For those companies with the international financial reporting standard adopted, net income meant for the net income after tax in the proprietary or individual financial report of the most recent year.

Note 9: a. The remuneration amount received by the President and Vice President from the invested companies other than the subsidiaries should be disclosed in this column.

b. The remuneration amount, if any, received by the President and Vice President from the invested companies other than the subsidiaries should be disclosed in column E of the Range of Remuneration and the column should be renamed as "All transfer-investment businesses."

c. Remuneration meant for the relevant reward, income, employee bonus, and business expense collected by the President and Vice President of the Company acted as a director, supervisor, or manager of the invested companies other than the subsidiaries.

* The remuneration disclosed in the Range of Remuneration differs from the concept of income defined according to Income Tax Law; therefore, the table is for the purpose of information disclosure instead of tax levy.

■ Employee Compensation amount paid to managers

March 31, 2025

Unit: NTD

	Title (Note 1)	Name (Note 1)	Stock bonus amount (proposed)	Cash bonus amount (proposed)	Total	Ratio of Total Amount to Net Income (%)
Manager	Chairman	K.C. Liu	0	7,075,000	7,075,000	0.08%
	President	Eric Chen				
	President	Miller Chang				
	President	Linda Tsai				
	Corporate governance officer (Note 5)	Grace Liao				
	Corporate governance officer	Imani Chen				
	Accounting Officer	Mandy Lin				

Note 1: Illustrate the name and job title of each manager and disclose the distribution of earnings in a lump sum.

Note 2: It refers to the employee Compensation (including stock dividend and cash dividend) to the managers from the earnings of the most recent year proposed and approved by the board of directors prior to the shareholders' meeting. If the distribution amount of the current year cannot be estimated, it is to base on the amount distributed in the prior year proportionally. Net income meant for the net profit after tax in the most recent year.

Note 3: Scope of applicability to managers, according to the Tai.Chai.Chen III Tzi No. 0920001301 Letter dated March 27, 2003 by the Commission, is as follows:

- (1) President and the equals
- (2) Vice President and the equals
- (3) Junior VP and the equals
- (4) Finance Officer
- (5) Accounting Officer
- (6) Other authorized personnel for management and signature

Note 4: For the directors, President, and Vice President who have collected employee Compensation (including stock dividend and cash dividend), in addition to Table 1-2 enclosed, please fill out this form.

Note 5: Former Corporate Governance Officer, Senior Manager Grace Liao, took a leave of absence without pay. As of October 26, 2024, Manager Imani Chen has been appointed as the acting Corporate Governance Officer.

(3) Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents

- i. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income.

Job Title Directors	Ratio of 2024 total remuneration to net income (%)		Ratio of 2023 total remuneration to net income (%)	
	Advantech	All consolidated subsidiaries	Advantech	All consolidated subsidiaries
Directors	0.25%	0.25%	0.17%	0.17%
President, and Vice President	0.62%	0.62%	0.38%	0.38%
Net Income	9,005,037,387	9,005,037,387	10,837,529,686	10,837,529,686

Note: This pertains to the remuneration amount allocated to directors and executives approved by the board of directors in the most recent fiscal year.

- ii. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

(i) Remuneration policies, standards and package:

A. Compensation of directors :

If the Company makes profits, it shall allocate no more than 1% of the directors' remuneration in accordance with Article 20 of the articles of association. The Company regularly evaluates directors' remuneration in accordance with the "Performance Evaluation Measures of the Board of Directors" and the "Management Measures for Directors' Remuneration". The relevant performance evaluation and remuneration rationality are reviewed by the Remuneration Committee and the Board of Directors.

B. Transportation allowances :

According to the "Management Measures for Managers' Remuneration" and the salary level of the position in the industry market, the Company will pay the remuneration according to the scope of rights and responsibilities of the position in the Company and contribution to the Company's operating objectives. The Remuneration Committee will make suggestions and make payment after being approved by the Board of Directors.

(ii) Compensation of President and Vice President :

The Company regularly evaluates the remuneration of directors and managers based on the evaluation results implemented by the Company's "Performance Evaluation Measures of the Board of Directors", "Management Measures for Directors' Remuneration" and "Management Measures for Managers' Remuneration". The performance measurement standards of the Chairman, President, and senior managers are based on important indicators of operation strategy (digital transformation, innovation contribution, etc.), business performance, and financial results. It also connects the overall operation performance of the Company, the future operation risk and development trend of the industry, and gives reasonable remuneration with reference to the achievement rate of

individual performance and the contribution to the Company's performance. The relevant performance evaluation and remuneration rationality are reviewed by the Remuneration Committee and the Board of Directors.

(iii) Performance factor :

- A. The performance evaluation of the Board of Directors shall be conducted regularly every year, and the evaluation results shall be submitted for the report to the Board of Directors in the first quarter of each year in accordance with the provisions of the Performance Evaluation Measures of the Board of Directors of the Company, as a reference for review and improvement, as well as the basis for selecting or nominating directors or remuneration. In addition to the full disclosure of individual directors' remuneration in the Company's annual report, the distribution of employee and director remuneration is also presented as a proposal at the Annual General Meeting to inform shareholders and solicit their feedback.
- B. For the remuneration of directors, president, and vice president, it has fully considered the professional ability and the operation and financial status of the Company, continuous learning, and measured other special contributions. Qualitative and quantitative indicators are adopted to facilitate regular evaluations of goal achievement. By implementing a strong linkage between remuneration and performance, the Company reinforces its strategic focus to ensure sustainable growth. Remuneration is determined based on both corporate and individual performance outcomes.
- C. The Company shall review future operational risks from time to time to ensure that possible risks within the scope of duties and responsibilities can be managed and prevented. In addition, the Company shall approve the rating results according to the actual performance, connect all relevant human resources and relevant remuneration systems and policies, as well as review the remuneration system at any time according to the actual operation status and relevant laws and regulations, so as to balance the sustainable operation and risk control of the Company.

4. Implementation of Corporate Governance

(1) Board of Directors

A total of 5 (A) meetings of the Board of Directors were held in 2024. The attendance of director and supervisor were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Aattendance Rate (%) (B/A)
Chairman	K.C. Liu	5	0	100%
Director	Advantech Foundation: Representative: Chaney Ho	5	0	100%
Director	K and M Investment Co., Ltd. Representative: Wesley.Liu	5	0	100%
Director	AIDC Investment Corp. Representative: Tony Liu	5	0	100%
Director	Jeff Chen	5	0	100%

Title	Name	Attendance in Person (B)	By Proxy	Aattendance Rate (%) (B/A)
Director	Ji-Ren Lee	5	0	100%
Independent Director	Ming-Hui Chang	5	0	100%
Independent Director	Benson Liu	5	0	100%
Independent Director	Chan-Jane Lin	5	0	100%

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:
 (1) Matters listed in the Securities and Exchange Act §14-3: The Securities and Exchange Act §14-3 is not be applicable because the Company has established the Audit and Risk Committee. For relevant information, please refer to the "Audit and Risk Committee Meeting Status" in this Annual Report.
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None
3. Implementation of self-evaluations by the Company's Board of Directors

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	Performance evaluation for January 1, 2024 to December 31,2024	Board of Directors	Board of Directors self-evaluation	1.Participation in the operation of the company. 2.Improvement of the quality of the board of directors' decision making. 3.Composition and structure of the board of directors. 4.Election and continuing education of the directors. 5.Internal control.
Once a year	Performance evaluation for January 1, 2024 to December 31,2024	Board of Directors	The performance of the board members	1.Alignment of the goals and missions of the company. 2.Awareness of the duties of a director. 3.Participation in the operation of the company 4.Management of internal relationship and communication. 5.The director's professionalism and continuing education. 6.Internal control.
Once a year	Performance evaluation for January 1, 2024 to December 31,2024	Audit Committee	The performance of the Audit Committee	1.Participation in the operation of the company 2.Awareness of the duties of the functional committee 3.Improvement of quality of decisions made by the functional committee 4.Makeup of the functional committee and election of its members 5.Internal control
Once a year	Performance evaluation for January 1, 2024 to December 31,2024	Compensation Committe	The performance of the Compensation Committe	1.Participation in the operation of the company 2.Awareness of the duties of the functional committee 3.Improvement of quality of decisions made by the functional committee 4.Makeup of the functional committee and election of its members 5.Internal control

Once a year	Performance evaluation for January 1, 2024 to December 31, 2024	Sustainable Development Committee	The performance of the Compensation Committee	1. Participation in the operation of the company 2. Awareness of the duties of the functional committee 3. Improvement of quality of decisions made by the functional committee 4. Makeup of the functional committee and election of its members 5. Internal control
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4. Objectives for Strengthening Board Functions in the Current and Recent Years (e.g., Establishment of Audit Committee, Enhancement of Information Transparency) and Performance Evaluation:

The Company's Board of Directors has established two statutory functional committees to assist in fulfilling its oversight responsibilities: the Audit Committee (established in 2017) and the Remuneration Committee (established in 2011). Both committees are composed entirely of independent directors (three members) and operate under charters approved by the Board. The committees report their activities to the Board on a regular basis.

To enhance corporate governance, the Company has clearly defined performance goals aimed at improving the functions and operational efficiency of the Board. In accordance with Article 37 of the Corporate Governance Best Practice Principles for Listed Companies, the Board passed a resolution on March 6, 2015, to establish the "Board Performance Evaluation Regulations." At the end of each fiscal year, the Board Secretariat collects relevant information about Board activities, distributes self-assessment questionnaires to Board members, and presents the evaluation results to the Board for review and improvement.

The Board of Directors strictly adheres to the "Board Meeting Rules" and relevant regulations. The financial and auditing officers also attend Board meetings and present reports for Board members' reference. Additionally, to enhance the functions of Board members, external lecturers are invited for training, and collective learning sessions are arranged for the Board.

In an effort to promote and strengthen corporate sustainability, ESG development, and corporate social responsibility governance, the Company established the "Sustainable Development Committee" (SDC) under the Board on July 29, 2022. The committee focuses on implementing altruistic and beneficial practices related to environment, social, and governance (ESG), positioning the Company as a catalyst for a sustainable planet.

■ 2024 Independent Director Attendance Records

◎: In person ☆: Delegate to attend *: Not present

2024 15th Board of Director	2024/2/2 Term 6 of 15 th Board of Director	2024/2/27 Term 7 of 15 th Board of Director	2024/4/26 Term 8 of 15 th Board of Director	2024/7/26 Term 9 of 15 th Board of Director	2024/10/31 Term 10 of 15 th Board of Director
Ming-Hui Chang	◎	◎	◎	◎	◎
Benson Liu	◎	◎	◎	◎	◎
Chan-Jane Lin	◎	◎	◎	◎	◎

(2) Audit Committee :

i. Audit Committee's Involvement in Board Operations

A total of 5 (A) Audit Committee meetings were held in 2024. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director Convener	Benson Liu	5	0	100	2023.05.25 Reelected
Independent Director	Ming-Hui Chang	5	0	100	2023.05.25 Newly-elected
Independent Director	Chan-Jane Lin	5	0	100	2023.05.25 Reelected

ii. Other mentionable items:

A. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(1) Matters referred in Article 14-5 of the Securities and Exchange Act.

Audit Committee	Subjects	Resolution results
The 4th meeting of the 15th session on Feb 02, 2024	1. Approved the list of non-management level employees to be granted with stock option.	Approved by all Independent Directors
The 5th meeting of the 15th session on Feb 26, 2024	1. Approved the Company's 2023 consolidated financial statements. 2. Approved the Company's 2023 annual business report, and the surplus earnings distribution proposal 3. Approved the Company's 2023 Statement of Internal Control System 4. Assessment of Independence and qualifications of Certified Public Accountants. 5. Status of activities regarding derivative commodities, fund loaning, endorsements/guarantees, and major assets transaction in 2023Q4 6. Approved the Company's application and renewal of bank credit line in 2024. 7. Approved the Company's loan to the subsidiary, Advantech KR Co., Ltd, with amount limited to NT\$160million. 8. Approved the revision of the internal control policy- Sale and receipt cycle. 9. Approved 2024 project audit plan.	Approved by all Independent Directors
The 6th meeting of the 15th session on April 26, 2024	1. Approved the Company's 2024Q1 consolidated financial statements. 2. Status of activities regarding derivative commodities, fund loaning, endorsements/guarantees, and major assets transaction in 2024Q1. 3. Approved the Company's acquisition of Aures Technologies S.A. 4. Approved the revision of Company's "Articles of Incorporation" 5. Approved the revision of Delegation of Authority(DOA) for procurement of raw materials 6. Approved the revision of the "General Principles of Internal Control System" and "Internal Audit Implementation procedures".	Approved by all Independent Directors

The 7st meeting of the 15th session on July 26, 2024	<ol style="list-style-type: none"> 1. Approved the Company's 2024Q2 consolidated financial statements. 2. Status of activities regarding derivative commodities, fund loaning, endorsements/guarantees, and major assets transaction in 2024Q2. 3. Approved the Company's disposition of land and building located at Donghu area. 4. Approved the increment of capital expenditure for ANA'S construction of new headquarter. 	Approved by all Independent Directors
The 8rd meeting of the 15th session on October 31, 2024	<ol style="list-style-type: none"> 1. Approved the Company's 2024Q3 consolidated financial statements. 2. Status of activities regarding derivative commodities, fund loaning, endorsements/guarantees, and major assets transaction in the 2024Q3. 3. Approved the Company's loan to Aures' 100% owned US subsidiary, Retail Technology Group (RTG), with amount limited to NT\$99million. 4. Approved the Company's 2nd tier subsidiary, Yanxu Green Power Co., Ltd., to engage with Micro Electricity Co., Ltd to build solar system on rented land. 5. Approved the Company's construction of new plant at Nōgata, Fukuoka, Japan. 6. Approved the Company's revision of delegation of authority ("DOA"). 7. Approved the revision of the internal control policy-Procurement cycle 8. Approved the revision of the "Audit Committee Charter." 9. Approved the revision of the Company's "Acquisition or Disposal of assets procedures." 10. Approved the revision of the "Rules of Governing Financial and Business Transactions among Related Parties." 11. Approved 2025 internal audit plan. 	Approved by all Independent Directors

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

2. If there are independent directors' avoidance of motions owing to conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

3. Independent Directors' communication with Chief Internal Auditor and CPA, respectively (e.g. the material agenda, methods and results regarding the Company's finance or operation status, etc.)

(1) The Company's Chief Internal Auditor update audit findings to Audit Committee on regular basis and present internal audit report in quarterly meetings; in case of special circumstances, Chief Internal Auditor reports to Audit Committee immediately.

In 2024, there was no special circumstance mentioned above. The Chief Internal Auditor communicated well with Audit Committee.

(2) The Company's CPA presents audits or review results of quarterly financial statements and other statutory matters to Audit Committee in quarterly meetings; in case of special circumstances, the CPA reports to Audit Committee immediately. In 2024, there was no special circumstance mentioned above. The CPA communicated well with Audit Committee.

(3) The Company's 2024 annual auditing plan includes regular review of information and communication security of the Company. Also disclosed IT risk management and strategy in risk management section in the official website.

(4) Independent director discussion Items with Chief Internal Auditor and CPA:

Date (Session)	Discussion Items with Chief Internal Auditor	Discussion Items with CPA
The 5 th meeting of the 15 th session on Feb 26, 2024	<ul style="list-style-type: none"> Reviewed 2023Q4 internal audit report. Reviewed the Company's 2023 Statement of Internal Control System.. 	<ul style="list-style-type: none"> Discussed the audit results of 2023 financial statements, including problems or challenges and management's responses (in a closed-door meeting) Report changes in laws and regulations
The 6 th meeting of the 15 th session on April 26, 2024	<ul style="list-style-type: none"> Reviewed 2024Q1 internal audit report. 	<ul style="list-style-type: none"> Discussed the review results of Q1 2024 financial statements, including problems or challenges and management's responses (in a closed-door meeting) Reported changes in laws and regulations
The 7 th meeting of the 15 th session on Jul 26, 2024	<ul style="list-style-type: none"> Reviewed 2024Q2 internal audit report. 	<ul style="list-style-type: none"> Discussed the review results of Q2 2024 financial statements, including problems or challenges and management's responses (in a closed-door meeting) Reported changes in laws and regulations
The 8 rd meeting of the 15 th session on October 31, 2024	<ul style="list-style-type: none"> Reviewed 2024Q3 internal audit report. Reviewed 2025 audit plan. 	<ul style="list-style-type: none"> Discussed the review results of Q3 2024 financial statements, including problems or challenges and management's responses (in a closed-door meeting) Discussed audit plan for 2024 financial statements

Result: The above matters have been reviewed or approved by Audit Committee without any objection raised by independent directors.

1. The Company's Chief Internal Auditor regularly communicates audit findings with the independent directors of the Audit Committee and delivers internal audit reports at each quarterly Audit Committee meeting. In the event of any special circumstances, the Chief Internal Auditor also reports immediately to the independent directors of the Audit Committee.
2. In 2024, no such special circumstances occurred. Communication between the Audit Committee and the Chief Internal Auditor was smooth and effective.
3. The Company's CPA reports the results of the quarterly audit or review of financial statements, along with other matters required by relevant regulations, at each Audit Committee meeting. In the event of any special circumstances, immediate reporting to the independent directors of the Audit Committee is conducted. In 2024, no such special circumstances occurred. Communication between the Audit Committee and the CPA was satisfactory.
4. In accordance with regulatory requirements, the 2024 annual audit plan included items related to information security inspections. In addition, the Company has disclosed its IT risk management strategies on the Risk Management section of its official website.

(3) Functional Committees

i. The composition of the Remuneration Committee, responsibilities, and operation:

■ Remuneration Committee members:

Qualification Name	Professional qualifications and experience (note 1)	Independent status (note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Convener Ming-Hui Chang	Independent Director Chang was the former chairman of PwC Foundation and the director of PwC Taiwan who has professional accounting and financial knowledge; he also, has a profound understanding of the international market and sufficient experience in risk management. Professional certification and license: Certified Public Accountant of the Republic of China. Independent Director Chang serves as an independent director of Uni-President Enterprise Corp. Serves as an independent director of Uni-President Enterprise Corp and Longwell Company.	In the two years before the election and during the term of office, they have met the independence assessment conditions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	2
Independent Director Benson Liu	Independent Director Liu has professional knowledge and skills in financial accounting, corporate governance, operation management, etc., and is familiar with relevant laws and regulations. Important experience: Chairman and President of Taiwan Bristol-Myers Squibb (Taiwan) Ltd., the sixth chairman of Taiwan Corporate Governance Association, and the current standing director. Serving independent directors concurrently of Chenbro Micom Co., Ltd.	In the two years before the election and during the term of office, they have met the independence assessment conditions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	1
Independent Director Chan-Jane Lin	Independent Director Lin has expertise in financial accounting, business management, and corporate governance. She is currently serving as a professor at the Accounting Department of National Taiwan University and an adjunct professor at the School of Management of National Taiwan University. She also serves as the convener of supervisors of Taiwan Corporate Governance Association, and the supervisor of the Securities and Futures Investors Protection Center. Important experience: Independent director of Fubon Financial Holding Co., Ltd., independent director of Fubon Life Insurance Co., Ltd., and independent director of Fubon Securities Co., Ltd. Concurrently serving as an independent director: FocalTech Systems Co., Ltd., Chief Telecom Inc., Vanguard International Semiconductor Corporation	In the two years before the election and during the term of office, they have met the independence assessment conditions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	3

Note1: None of the directors of the Company has any circumstance under Article 30 of the Company Act.

Note2: All directors of the Company have not been elected on behalf of the government, corporate or representative in accordance with Article 27 of the Company Act.

- In 2024, the Compensation Committee held 3 times of meeting, and the attendance record as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)
Convener (The 15 th Terms)	Ming-Hui Chang	3	0	100%
Member (The 15 th Terms)	Benson Liu	3	0	100%
Member (The 15 th Terms)	Chan-Jane Lin	3	0	100%

Compensation Committee	Subject	Conclusion	Corresponding Actions Based on Suggestions
The 3rd meeting of the 15 th Terms (January 19, 2024)	Review the Senior Executives' Y2023 achievement results and Y2024 KPIs & goals	Committee members agreed with the report and suggested: 1.The scope of application for Managerial Officers (Senior Executives) as defined in Articles 22-2, 25, 28-2, 157, and 157-1 of the Securities and Exchange Act is as follows (1) General Manager and equivalent rankings (2) Vice President and equivalent (3) Director and equivalent ranked persons (4) Finance Head (5) Accounting Head (6) Any other person who has the right to manage the affairs of the Company and sign for the Company. 2.The objectives of ESG are in line with the trends and can be optimized and implemented step by step.	Implemented according to the conclusion
		3.The establishment of BGC (Business Growth Contribution) and AMC (Advanced Management Contribution) in the operational indicators is a good design to tackle both business growth and management.	BGC's goal is to use annual financial and operational KPIs as the main axis and renamed KPI PSOP in 2025, with PSOP as the main reward tool, while AMC is adopted with the project, with PSOP or Cash as the incentives.
	Present the results of the self-evaluation of the performance of the Compensation Committee	Committee members agreed with the report.	Implemented according to the conclusion
	Propose the Y2023 Directors' compensation, Senior Executives' Bonus (Year-End Bonus, Performance, etc.) and the Y2024 Salary Increase Plan	Committee members agreed with the report and suggested: 1.Directors' Compensation: In the meeting, the CEO proposed to adjust the 2023 compensation for Director Chaney Ho. Director Ho has been promoting Advantech to the public and has been very helpful to Advantech's operation and reputation. All Compensation Committee members agreed to the proposed amount. (In accordance with Article 2 of the "Regulations Governing the Compensation of Directors of Advantech," those who are involved in the execution of important project research for the Company or those who have made vital contributions to Advantech will be given additional compensation according to the situation of each case.)	Directors' Compensation & Senior Executives' Bonus: Implemented according to the conclusion Compensation Strategies: Based on the priority and importance of the issues, and after aligning with the CEO, HR will collaborate with external consultants to launch two compensation projects.

Compensation Committee	Subject	Conclusion	Corresponding Actions Based on Suggestions
		<p>2. Senior Executives' Bonuses:</p> <p>(1) Adjust CEO 2023 number of bonus months to be the same as the 3 Presidents.</p> <p>(2) It is advisable to list ESOP, salary increase, Year-end Bonus, related formulas, YOY difference, pay mix, etc., in the worksheet to review the linkage between each Executive's compensation and business performance.</p> <p>3. Compensation Strategies:</p> <p>(1) Consideration can be given to staggering the paydays of the Year-end bonus and the Performance Bonus so that the Performance Bonus can directly reflect the individual performance.</p> <p>(2) Consider factors such as the company's compensation competitiveness, workforce supply and demand in the market, etc., and track any opportunities for optimization of the company's business performance and the employees' total compensation over the years (which can be observed from indicators such as the personnel expense rate, Revenue Per Employee, etc.).</p> <p>(3) Regarding talent competition, in response to the declining birthrate, we can expand industry-academia cooperation and R&D Substitute Services (Advantech has already begun to deploy overseas student groups in Thailand, India, and Malaysia.).</p>	
The 4th meeting of the 15 th Terms (February 2, 2024)	Review the number of Stock Options granted to the Senior Executives and employees holding directorships	<p>Committee members agreed with the report</p> <p>1. On September 20, 2023, the Board of Directors approved the Employee Stock Option Program (ESOP). Suppose the number of ESOP holders changes to reflect the Company's strategy adjustment. In that case, the change will still be submitted to the relevant functional committees for deliberation in accordance with the statutory procedures and approved by the Board of Directors.</p> <p>2. This meeting was to review the ESOP issued to Senior Executives and Directors.</p>	Approved by the Board of Directors

Compensation Committee	Subject	Conclusion	Corresponding Actions Based on Suggestions
The 5th meeting of the 15th session (October 31, 2024)	C & B Transformation & Optimization	Committee members agreed with the report and suggested:1. Positively acknowledged the coverage and optimization of the report.2. Agree to optimize corporate governance and compensation management through the assistance of external consultants.3. When the subsequent projects are formally launched, the Compensation Committee members can share feedback or guidance if necessary, and look forward to CC's influence and professional support on the relevant subjects in the future.4. Related Reminders:(1) Decision factors on the prioritization of key action plans could include immediate improvement in the short term. (2)Headquarters can establish relevant management principles. However, the local market conditions of RBUs are different and need to be adapted locally, which makes it difficult to fully standardize a set of compensation management practices.(3) The initiatives set out in the Sustainability Report should be continuously implemented or further advanced.(4) Whether or not to adopt pay structure adjustment depends on the Company's compensation philosophy and communication policy. It is necessary to consider the appropriate timing of implementation and the impact of labor costs on operations.(5)Market practices regarding the regulation of employee compensation differ. The difference may be in the name of the internal compensation, and the name disclosed to the public. The key to implementation is whether the Company has paid profit-sharing to employees entirely based on the Advantech Articles of Incorporation. Compensation competitiveness and employee perception depend on the annual total compensation, not just the name of the compensation.	Based on the priority and importance of the issues, and after aligning with the CEO, HR will collaborate with external consultants to launch two compensation projects.

Other Matters to be Disclosed:

- 1) If the Board of Directors does not adopt or modifies the proposals of the Remuneration Committee, the following shall be specified: the date and session of the Board meeting, the content of the proposal, the resolution of the Board, and the company's handling of the Remuneration Committee's opinion:The Board of Directors has no particular opinion regarding the Remuneration Committee's proposals.
- 2) For matters resolved by the Remuneration Committee, if any member has objections or reservations with recorded minutes or written statements, the following shall be specified: the date and session of the Remuneration Committee meeting, the content of the proposal, all members' opinions, and the handling of such opinions: No such circumstances occurred.

(4) Sustainable Development Committee (SDC)

To actively promote and strengthen corporate governance related to the corporate sustainability, ESG development, and corporate social responsibility, the Advantech established the "Sustainable Development Committee" (SDC) under the board of directors on July 29, 2022.

1. The company's Sustainability Development Committee consists of three members.
2. Tenure of the Corporate Sustainability Committee : May 25, 2023 to May 24, 2026 °

<div>Qualification</div> <div>Name</div>	Professional qualifications and experience
Chairman K.C. Liu	Chairman K.C Liu is the founder of Advantech Co., Ltd., who constantly develops innovation and applications since the foundation of the company, pushing Advantech towards global objectives. In recent years, in view of the thriving development of global IoT, the Company actively co-establishes the industry ecology circle with partners, and carries forward the software/hardware solutions based on WISE-PaaS/IoT. Driven by altruism-based value, Advantech implements ESG from the core expertise based on the industry and thereby expands its social impact, shifting towards sustainability objectives.
Director Jeff Chen	Director Chen was the former global vice president and Asia president of Stanley Black & Decker, Inc. who has management experience in large-scale international enterprises, M&A strategy execution, and a profound understanding of technology expertise.
Director Ji-Ren Lee	<p>Director Lee worked at National Taiwan University from 2005 to 2020, and successively served as deputy dean of the School of Management and executive director of EMBA, deputy dean of teaching and resource development of the School of Management, and director of the Creativity & Entrepreneurship Program and Innovation Center. Director Li has been awarded the Honorary Professor of the Department of International Business, National Taiwan University after his retirement in 2020.</p> <p>Director Lee has expertise and experience in business strategy, talent development, risk management, and financial analysis; also, he has more than five years of work experience needed for the company's business. He was the Associate Executive Officer of Yulon Group in 1982, which is the kind of work experience related to the GICS industry.</p> <p>Serving independent directors concurrently: Airoha Technology</p>

The Sustainable Development Committee held 4 meetings (A) with the attendance record and qualification of Committee members as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Chairman Convener	K.C. Liu	4	0	100%	The expanded SDC mechanism actively incorporates insights from external consultants and experts, fosters internal consensus, and drives transformational change. In 2024, SDC engaged DDI professional consultants to bring more international and diverse perspectives, thereby implementing collective intelligence in practice.
Member	Jeff Chen	4	0	100%	
Member	Ji-Ren Lee	4	0	100%	

Date	Meeting Minutes	Resolution	Follow Up
The 2 th meeting of the 15th term on February 24th	1. Corporate Structure Transformation 2. Sector-Driven Transformation 3. Corporate Strategy Initiatives: Talent Development, Business Process Management (BPM) Reform, and Compensation Policy 4. Mergers & Acquisitions (M&A) Planning 5. Key Industry Technologies and Trends: Generative AI (Gen AI) Developments	No objection from all the members present.	The chairman of Corporate Sustainability Committee reports implementation plans and results to the board of directors.
The 3 th meeting of the 15th term on May 29th	1. Emerging Business Planning: EB Organizational Structure, Key Objectives, and Expansion Plans in Carbon Management	No objection from all the members present.	The chairman of Corporate Sustainability Committee reports implementation plans and results to the board of directors.

Date	Meeting Minutes	Resolution	Follow Up
The 4th meeting of the 15th term on August 10th.	<ol style="list-style-type: none"> 1. Sector-Driven Transformation Program 2. Corporate Operational Structure Transformation Advisory Program 3. Long-Term Headquarters Strategy Development: Targeting Investment, Emerging Business Incubation, and Edge AI Platform & Solutions 4. Talent Strategy Discussions 	No objection from all the members present.	The chairman of Corporate Sustainability Committee reports implementation plans and results to the board of directors.
The 5th meeting of the 15th term on December 10th.	<ol style="list-style-type: none"> 1. PSOP Incentive Program 2. Free Cash Investment Plan 3. Delegation of Authority (DOA) Updates for Long-Term Planning 	No objection from all the members present.	The chairman of Corporate Sustainability Committee reports implementation plans and results to the board of directors.

(5) The Company's implementation of corporate governance and its deviating from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root cause

Evaluation Item	Implementation Status			Deviating from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root cause
	Yes	No	Abstract Illustration	
1. Does the Company base on the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" to set up and disclose the Company's corporate governance best-practice principles?	V		The Company has based on the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" to set up and disclose the Company's corporate governance best-practice principles for guidelines on the MOPS.	None
2. The Company's equity structure and shareholders' equity				None
(1) Does the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	V		(1) The Company has a spokesperson, investor relations stock affairs supervisor, and associated person assigned to effectively handle shareholder's suggestions or disputes. Legal issues, if any, will be handled with the assistance of the legal affair personnel.	
(2) Does the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	V		(2) Regularly disclose the pledge, increase or decrease of shareholding, or the occurrence of other events that may cause significant changes in the shares of the shareholders with over 10% shareholding; also, maintain a good relationship with the major shareholder at any time for control.	
(3) Does the Company establish and implement the risk control and firewall mechanism with the related parties?	V		(3) The management responsibilities of the Company and the affiliated enterprises are clearly defined; also, business transactions are conducted in compliance with the Company's internal control system and the relevant requirements. For strengthening the control mechanism, the procedures for monitoring subsidiaries are regulated with proper risk control.	
(4) Does the Company set up internal norms to prohibit the insiders from utilizing the undisclosed information to trade securities?	V		(4) The company has established "Prevention of Insider Trading Management Measures" and "Procedures for Handling Material inside information" and related legal education and promotion. At least once a year, we provide 10-minute E-learning online education and training to current directors, managers, and all	

Evaluation Item	Implementation Status			Deviating from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root cause
	Yes	No	Abstract Illustration	
			employees, totaling 3,491 people. They are required to read the digital materials on preventing insider trading and related penalties thoroughly. The content of the course covers the definition including , purpose, and essential elements of internal major information and prevention of insider trading, including the subjects, abnormal situations, and violation handling. The video also includes storytelling of practical cases to deepen the understanding of the importance of internal major information and prevention of insider trading among all employees and directors. Furthermore, in response to the amendments to Article 10 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" by the competent authority, the Company has amended Article 10 of the "Corporate Governance Best Practice Principles" on February 25, 2022, stipulating that directors may not trade the Company's stock during the closed period within 30 days of announcing the annual financial reports and within 15 days of announcing the quarterly financial reports.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board of Directors develop and implement a policy to promote diversity in the composition of its members?	V		(1) The Company has the board directors diversification policy defined in the "Corporate Governance Best-Practice Principles." The incumbent nine (9) board directors are with professional abilities in the fields of finance, accounting, legal affairs, leadership, decision-making, management, marketing, and sustainability, which are helpful to the company's long-term strategic development and are in compliance with the diversity policy (See Director Diversity and Independence). The company's board of directors is composed of 33% board directors who are also employees of the company, 33% external board	None

Evaluation Item	Implementation Status			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
(2) Does the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?	V		<p>directors, and 33% independent directors.</p> <p>(2) According to July 29th ,2022 resolution, the Board of directors approved the establishment of the Corporate Sustainability Committee responsible for formulating sustainability policies, decisions, and talent development, as well as the enterprise succession plan. The Sustainable Development Committee will implement from environment, society, and governance(ESG) aspects including communication and information disclosure and report to board of directors.</p>	
(3) Does the company establish standards and method for evaluating Board performance,conduct annual performance evaluations, submit performance evaluation results to the Board,and use the results as a basis for determining the remuneration and nomination of individual directors?	V		<p>(3) Advantech implements internal self-evaluation and external evaluation of the performance of board of directors in accordance with the “Rules for Performance Evaluation of Board of Directors.”</p> <p>Self-evaluation: The 2024 internal self-evaluation of the performance of the board of directors has been completed with the evaluation scope defined as follows: The overall board performance, board director performance, and functional committee performance (remuneration committee, audit committee, and sustainable development committee). The evaluation results were fully reported at the 11th meeting of the 15th Board of Directors on February 27, 2025, including a full explanation of the suggestions of each individual director and future improvement plans. The overall evaluation result is rated “excellent.” The company will strive to improve the operational effectiveness of the board of directors and to promote directors’ participation and communication in the company’s operations continuously in the future.</p> <p>External evaluation: The company had entrusted an external independent organization “The Taiwan Institute of Ethical Business (TIEB)” to carry out an effectiveness evaluation on the board of directors and functional</p>	

Evaluation Item	Implementation Status			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
(4) Does the Company have the independence of the public accountant evaluated regularly?	V		<p>committees in September - December 2023. The TIEB is not affiliated with Advantech and has no business relationship established; therefore, TIEB operates independently from the company. The four aspects of the board of directors, including professional functions, decision-making effectiveness, attitude toward sustainable development, and internal control and supervision, were evaluated with questionnaires and on-site inspections. The company had the said evaluation results fully reported at the 7th meeting of the 15th Board of Directors on February 27, 2024 so as to enhance the functions of the board of directors (please visit the official website for the evaluation report in detail) continuously.</p> <p>(4) The company’s audit committee evaluates the independence and competency of the certified public accountants (CPAs) every year, and requires the CPAs to provide the “Declaration of Independence” and “Audit Quality Indicators (AQIs);” also, perform evaluations in accordance with the standards stated in Note 1. It has been confirmed that the CPAs have no other financial interests or business relationships with the company except for collecting the attestation and taxation fees from the company; also, the CPAs do not violate the independence requirements. Regarding the evaluation results of the most recent year, the board of directors resolved to approve the evaluation of the CPAs’ independence and competency on February 27, 2025.</p>	

Evaluation Item	Implementation Status			Deviating from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root cause
	Yes	No	Abstract Illustration	
4. Does the company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to meetings of the board of directors and the shareholders' meetings, filing company registration and changes to company registration, and producing minutes of board meetings and shareholders' meetings)?	V		<p>The dedicated Corporate Governance Officer appointed by the Company's Board of Directors meets all legal requirements and was appointed through a resolution of the Board. The scope of responsibilities includes matters related to corporate governance, such as:</p> <ul style="list-style-type: none"> • Handling matters related to Board of Directors and Shareholders' meetings in accordance with the law. • Assisting in planning for Board meetings, expanded SDC, and Shareholders' meetings. • Assisting directors with onboarding and continued education. • Assisting in providing directors with the necessary information to perform their duties. • Assisting in ensuring directors' compliance with applicable laws and regulations. • Assisting in the execution of other matters as stipulated in the Company's Articles of Incorporation. • Assisting in the planning of annual training roadmaps for directors and supervisors across various knowledges. • "Corporate Governance Management Platform": Based on the evaluation indicators of the Taiwan Stock Exchange's "Corporate Governance Evaluation," the platform regularly reviews and optimizes the implementation status with relevant departments. 	None
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		<p>(1) The Company has a spokesperson, investor relations manager, and stock affairs supervisor assigned to establish a comprehensive communication channel, and regularly or irregularly held briefings to offer a face-to-face and comprehensive communication interface targeting on various issues and inquiries. The Company sets up the Advantech CSR website in English and the stakeholder section on the Company's website, assigns contact person to communicate with</p>	None

Evaluation Item	Implementation Status			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
			the stakeholders. The Company also responds to the stakeholder’s concern over CSR issues through stakeholder questionnaire, notice of collection, website, and CSR reports. For more details, please refer to the 'Stakeholder Engagement' section under Corporate Sustainability on Advantech’s official website.	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company commissioned a professional stock affairs service agent - KGI Securities Co., Ltd. Shareholder Service Department to handle the Company’s stock service matters, and with the “Guidelines for Handling of Stock Affairs” stipulated to regulate the relevant operations.	None
7. Information disclosure (1) Does the Company have a website setup and the financial business and corporate governance information disclosed?	V		(1) The company profile and business information is disclosed in the Company’s website with the shareholder’s section setup to disclose financial information and corporate governance; also, to establish a communication channel for communicating to investors.	None
(2) Does the Company have adopted other information disclosure methods (such as, establishing an English website, designating responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company’s website, etc.)?	V		(2) The Company has information fully disclosed through the English website, assigning the Investor Relations Commissioner for information collection and disclosure, a clear spokesperson system, and the investor conference on the Company’s website.	
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V		(3) The Company announces and reports annual financial statements Within two months of the end of each fiscal year, and announces and reports Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit.	

Evaluation Item	Implementation Status			Deviating from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the root cause
	Yes	No	Abstract Illustration	
8. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the continuing education of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?	V		<p>(1) Employee interests and rights and employee care: Provide all employees with a salary that is higher than the minimum wage under the Labor Standards Act, provide employee with benefits that are better than those offered in the industry; provide various insurance benefits and pension provisions lawfully, provide additional group insurance and overseas business trips insurance so to protect the work and life safety of colleagues; clearly define labor safety and health best practice principle, implement equality in employment, provide a healthy, safe, and harassment-free working environment and culture, and obtain ISO-14001 (Environmental Management International Standards) and ISO-45001 (Occupational Health and Safety Management Systems) certification; moreover, the interim and annual performance evaluation of all colleagues in the company are conducted to achieve the overall operating plan and to serve as a reference for personnel promotion, employee training and development, and salary payment. Ensure and protect the "Collective Bargaining Agreement" of all employees through labor-management meetings, department meetings, symposiums, Suggestion Box, and other communication channels.</p> <p>(2) Supplier relations: In terms of supplier management, Advantech has introduced the "Responsible Business Alliance (RBA)" management system since 2010, has environmental protection principles strictly incorporated into the supplier management mechanism so to establish a "Green Supply Chain" management system, to carry out supplier management through the SRM (Supplier Relationship Management) platform, and to conduct supplier code</p>	None

Evaluation Item	Implementation Status			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
			<p>of conduct reviews/factory inspections on important suppliers, including the addition/change of suppliers and the supplier evaluation process, which are all clearly defined and standardized in the company’s management document (M-001_Procurement Procedure). The “Advantech Procurement Code of Conduct” is stipulated internally to clearly regulate procurement act. Also, suppliers are required to sign a letter of undertaking of integrity to have themselves committed to complying with the principles of ethical conduct jointly.</p> <p>(3) Investor Relations: Information is fully disclosed through the MOPS and the Company’s Website to help investors understand the Company’s operating conditions and to communicate with investors through the shareholders’ meeting and the spokesman.</p> <p>(4) Continuing education of directors and supervisors: In the 2024, each director received an average of 7.2 hours of training, exceeding the regulatory recommended hours of 6 hours. The Company encourages directors to continuously pursue further education and stay abreast of professional fields and international trends. In addition to regularly disseminating information about governance courses organized by professional institutions such as the Chinese Corporate Governance Association, the Securities and Futures Institute, and the Taiwan Directors Association for directors to consider and enroll in, the company also holds periodic director training seminars. The topics for these seminars are selected based on references from the comprehensive operational risk map and significant issues. The training courses include collective knowledge of the</p>	

Evaluation Item	Implementation Status			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
			<p>highest governance body in areas related to sustainability and corporate governance. In 2024, the directors collectively completed a total of 20 hours of training related to sustainability and corporate governance.</p> <p>(5) Customer Policy: The Company maintains close communication with customers through online/telephone customer service and the Account Manager system on a regular basis to understand their needs. Additionally, customer feedback is actively collected through annual customer satisfaction surveys, serving as the basis for Advantech's product and service optimization efforts. Throughout the year, we also hold periodic product or solution briefings for customers to engage with Advantech more directly. Furthermore, the company provides product solutions, technical support, and after-sales services on its online platform, ensuring product reliability and quality.</p> <p>(6) The acquisition of liability insurance for directors : According to Article 39 of our company's Corporate Governance Practices Guidelines, the Company has acquired liability insurance for directors and supervisors . Renewal matters are reported to the board of directors in the second quarter of each year, including important details such as the insured amount, coverage scope, and premium rates. Board members provide guidance on company strategy and supervise management based on their professional expertise and experience, bearing responsibility to both the Company and its shareholders. Currently, Advantech does not impose a limit on directors' liability. To mitigate associated risks, the Company annually arranges liability insurance coverage for its</p>	

Evaluation Item	Implementation Status			Deviating from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and the root cause
	Yes	No	Abstract Illustration	
			directors and key personnel. The coverage includes corporate indemnification liability, securities claims against the Company, and employment practices liability, among others. Regular reports on the insurance coverage are submitted to the Board of Directors.	
<p>9. Does the Company have a corporate governance self-assessment report prepared or a corporate governance assessment report issued by the commissioned professional institutions? (If yes, please state the opinion of the board of directors, the self-assessment or outsourcing evaluation results, the main nonconformity or suggestion, and implementation of improvement)</p> <p>1. The company was awarded the highest level of evaluation for corporate governance in the top 5% ranking in the 2024 (11th) corporate governance assessment. The company will strengthen the disclosure of relevant information on the company's official website to comply with corporate governance regulations.</p> <p>2. ACL particularly disclosed the information on our website to meet the corporate governance requirements. The Company will make improvement progressively according to the plan to be made for the matters that have not been improved.</p>				

Note 1: Assessment criteria of accountant's Independence

Evaluation items	2024 Assessment Result (Y/N)	Independence (Y/N)
1. Does the CPA have a direct or indirect financial interest in Advantech.	Y	Y
2. Does the CPA have a significant-close business relationship with Advantech.	Y	Y
3. Is the CPA concerned about the possibility of losing significant clients.	Y	Y
4. Is the CPA entering into potential employment negotiations with Advantech.	Y	Y
5. Is the CPA entering into a contingent fee arrangement relating to an audit engagement.	Y	Y
6. A member of the assurance team being, or having been a director, or supervisor of the client, or employed by the client in a position to exert significant influence over the subject matter of the engagement within the last two years.	Y	Y
7. The non-assurance service performed by the CPA for an audit client would affect directly a material item of the assurance engagement.	Y	Y
8. Does the CPA promote or broker shares or other securities issued by Advantech.	Y	Y
9. Does the CPA act as an advocate on behalf of Advantech in litigation or disputes with third parties.	Y	Y
10. A member of the engagement team having a close or immediate family member who is a director, supervisor, or officer of Advantech or an employee of Advantech who is in a position to exert significant influence over the subject matter of the engagement.	Y	Y

Evaluation items	2024 Assessment Result (Y/N)	Independence (Y/N)
11. Does the CPA accept gifts or preferential treatment from Advantech, or the director, supervisor, officer, or major stockholder of Advantech.	Y	Y
12. Is the CPA being threatened with litigation by Advantech.	Y	Y
13. Does Advantech threaten that it will revoke a planned non-assurance contract to the firm if the firm continues to disagree with the client's accounting treatment for a particular transaction.	Y	Y
14. Is the firm being threatened with dismissal from Advantech engagement.	Y	Y
15. Is the accounting firm being pressured to reduce inappropriately fees, to compel the firm to reduce the extent of work performed.	Y	Y
16. Was the CPA pressured to agree with controversial issues due to Advantech's employee having more expertise on the matter in question.	Y	Y
17. Has a member of the audit engagement team been informed by a partner of the firm that a planned promotion will not occur unless the member agrees with an audit client's inappropriate accounting treatment.	Y	Y

■ Training and Educational Status of Directors and Supervisors of the Company:

Title	Name	Study Date		Organizer	Courses	Study Hours
		(starting)	(ending)			
Director	KC Liu	2024/11/01	2024/11/01	Taiwan Institute of Directors	Connection of growth strategies and M&A transactions	3
		2024/12/17	2024/12/17	Taiwan Project Management Association	Application of Generative AI and ChatGPT	3
Director	Chaney Ho	2024/07/03	2024/07/03	Taiwan Stock Exchange	Cathay Pacific Sustainable Finance and Climate Change Summit in 2024	6
Director	Wesley Liu	2024/07/09	2024/07/09	Taiwan Corporate Governance Association	Discussion on the application of employee reward strategy and tool	3
		2024/10/28	2024/10/28	Taipei Foundation Of Finance	Corporate Governance-Generative AI Industry Development Trends	3
Director	Tony Liu	2024/09/06	2024/09/06	Taiwan Corporate Governance Association	Strategic thinking on group & enterprise reorganization	3

Title	Name	Study Date		Organizer	Courses	Study Hours
		2024/11/01	2024/11/01			
Director	Jeff Chen	2024/05/02	2024/05/02	Taiwan Institute of Directors	(Lecture) How to realize corporate growth through strategic mergers and acquisitions	1
		2024/06/19	2024/06/19	Taiwan Institute of Directors	Exploring the international competitiveness of Taiwanese enterprises in the context of global competition	3
		2024/10/16	2024/10/16	The Greater China Financial Development Association	Key challenges faced by Taiwanese companies in overseas investment (ASEAN and India)	3
Director	Ji-Ren Lee	2024/03/11	2024/03/11	Taiwan Corporate Governance Association	International Economic Situation in 2024	3
		2024/04/30	2024/04/30	Taiwan Corporate Governance Association	Corporate strategic development direction	3
		2024/08/12	2024/08/12	Taiwan Corporate Governance Association	Taiwan's Industrial Prospect	3
Independent Director	Ming-Hui Chang	2024/04/25	2024/04/25	Taiwan Institute of Directors	Global Economic Prospect (Inflation, Interest Rate Policy, and Green Trade War)	3
		2024/10/28	2024/10/28	Taipei Foundation Of Finance	Corporate Governance-Generative AI Industry Development Trends	3
Independent Director	Benson Liu	2024/03/06	2024/03/06	Taiwan Corporate Governance Association	Global Economic Prospect in 2024	1
		2024/03/20	2024/03/20	Taiwan Corporate Governance Association	Seminar on Improving Resilience and Enhancing Sustainable Governance	2
		2024/09/30	2024/09/30	Taiwan Stock Exchange	Taiwan Capital Market Summit	3
		2024/10/16	2024/10/16	Taiwan Corporate Governance Association	The 20 th (2024) International Summit Forum on Corporate Governance	6

Title	Name	Study Date		Organizer	Courses	Study Hours
Independent Director	Chan-Jane Lin	2024/03/06	2024/03/06	Taiwan Corporate Governance Association	Global Economic Prospect in 2024	1
		2024/03/20	2024/03/20	Taiwan Corporate Governance Association	Seminar on Improving Resilience and Enhancing Sustainable Governance	2
		2024/05/13	2024/05/13	ITRI College	Opportunities and Challenges of Generative AI	3
		2024/05/22	2024/05/22	Taiwan Corporate Governance Association	The trend and vision of building a green ecosystem – Business Operation and Prospect of Taiwan Carbon Solution Exchange	1

■ The acquisition of liability insurance for directors and supervisors:

Insured object	Insurance company	Amount of insurance coverage (NT\$)	Insurance period
All directors and supervisors	Cathay Century Insurance Co., Ltd.	164,840,000	2024/04/01~2025/04/01

(6) Corporate Governance Implementation Status and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Item	Implementation Status (note1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Has the Company established a ESG unit (full- or part time), with a senior manager authorized by the Board of Directors to handle and report related activities to the Board of Directors?	V		<p>Advantech has the corporate social responsibility reports published since 2013. The ESG Sustainability Office and the President of General Management report on the issuance of the annual report and a summary of ESG work priorities at the annual board meeting. The Board of Directors is responsible for reviewing the annual sustainability report and major sustainability issues with the important ESG projects led by the chairman.</p> <p>Advantech's Corporate Sustainable Development Committee (SDC) members include the Chairman (founder) and two directors (Director Jeff Chen and Director Ji-Ren Lee), who manage projects related to corporate sustainability from the three aspects of governance, environment, and society. External corporate sustainability consultants, President of General Management, Chief Auditor, Vice President of Quality Audits, Junior President of Human Resources, Junior President of Employee Relations, and Corporate Governance Officer are invited to attend the quarterly meetings according to the agenda. Industry professionals will be invited to provide guidance on the specific topics.</p> <p>The ESG Office formulates an annual plan and reports major ESG issues and project progress at the committee meeting on a quarterly basis. The accountable team will take actions for the new projects confirmed by the committee, and the ESG Office will regularly track results and propose improvement plans.</p> <p>The ESG Office made three written and verbal reports to the Board of Directors in 2024 on the issues of: Sustainability report review, annual major sustainability issue review, and description of annual sustainability performance and sustainability goals for the coming year; also, invited external sustainability consultants to share short-term and medium-term sustainability trends so to help Advantech respond preemptively.</p>	None

Evaluation Item	Implementation Status (note1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<p>The ESG Office had held three quarterly meetings to discuss the following issues:</p> <ol style="list-style-type: none"> (1) Annual sustainable performance KPI reward mechanism; (2) Advantech DEI development blueprint and goals; (3) CSRD response strategies and opportunities; (4) Sustainable raw materials issues; (5) Sustainability report improvement plan; (6) Internal carbon pricing and trial program planning; (7) Voluntary carbon rights mechanism; (8) EU Taxonomy project planning; (9) Waste management and UL-2799 certification planning; (10) SBTi goal update plan; (11) Financial disclosure reporting plan on climate and natural risks; <p>The company's Board of Directors regularly learns or receives written reports (including sustainability issues) from the management team on a quarter basis; also, provides advices on sustainability issues. The Board of Directors reviews the annual sustainable development results and goals for the coming year in the fourth quarter of every year. The Board of Directors also prompts and makes rolling adjustments to the Group's sustainable strategy.</p>	
2. Does the company follow principles of materiality in evaluating the risks of environmental, social, and corporate governance, and establish relevant policies or strategies? (note2)	V		<p>This data disclosure covers the company's sustainable development performance at the main locations from January to December 2024. The risk assessment boundary is mainly based on the Company, including the core operating locations in Taiwan, Mainland China, Japan, South Korea, America, and Europe. The manufacturing capacity of the aforementioned sites accounts for 100% of Advantech Technology's total manufacturing capacity, 92.8% of the group's consolidated revenue, and 94.8% of the total number of employees...</p> <ol style="list-style-type: none"> 1. Risk management policy or strategy: Advantech has various risks defined based on the company's overall operating direction, and has introduced an enterprise risk management system (ERM) to establish and identify, accurately measure, effectively monitor, and strictly control risk management mechanisms. The company prevents possible losses within the tolerable risk range and continuously adjusts the best risk management practices based on changes in internal and external environments. The major risks identified by Advantech's risk management process include economic, environmental, and social issues. 	None

Evaluation Item	Implementation Status (note1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons						
	Yes	No	Abstract Explanation							
			<div>A. Economic issues include: Business succession, management of overseas subsidiaries, sustainable supply chain, information security, cross-border tax issues, etc.</div> <div>B. Environmental issues include: Low-carbon and green products, climate change risks, etc.</div> <div>C. Social issues include: Talent cultivation and retention, labor relations, personal information protection, etc.</div> <div>The survey results of the annual major sustainability issues are also used as one of the references for identifying and measuring the annual major risk issues. For example, in 2024, the major sustainability issues that were also considered as major, as high as 70%, strategic or operational risk issues in corporate risk management.</div> <div>Advantech applies risk management mechanisms to reduce or hedge the impact of risks on the company’s possible revenue, costs, expenses, and goodwill. At the same time, Advantech actively explores opportunities that risks may bring, such as engaging in the related applications of solar energy, wind power, and electric vehicle industries; also, developing energy management platforms that are available to different industries.</div> <div>2. Three lines of defense for risk management: Advantech has setup a mechanism of three-line-of-defense for risk management, which is detailed as follows:</div> <table><tr><th>Three-lines-of-defense Hierarchy Model</th><th>Corresponding units</th><th>Role Playing</th></tr><tr><td>First Line of Defense: Risk accountability</td><td>Supervisors and colleagues of each operation/functional unit</td><td><div>• Supervisors are responsible for planning and promoting the first-line-of-defense risk management mechanism.</div><div>• Supervisors and colleagues implement response plans.</div></td></tr></table>	Three-lines-of-defense Hierarchy Model	Corresponding units	Role Playing	First Line of Defense: Risk accountability	Supervisors and colleagues of each operation/functional unit	<div>• Supervisors are responsible for planning and promoting the first-line-of-defense risk management mechanism.</div> <div>• Supervisors and colleagues implement response plans.</div>	
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			Second Line of Defense: Risk management and compliance monitoring	
			Risk Management Team: <ul style="list-style-type: none"> Led by the President of General Management, CEO, and the Vice President of Business Management and Development. Invite the Chairman, Business Unit Presidents, and other senior executives to join the discussion depending on the nature of the risk topic. 	
			<ul style="list-style-type: none"> Monitor the implementation and effectiveness of risk management response measures. Work with the quality department to monitor quality compliance, and work with the legal department to monitor legal compliance. 	
			Third Line of Defense: Independent Audit Unit	
			Internal and external audit units <ul style="list-style-type: none"> Participate and monitor risk management meetings, risk management mechanism, and operational risk management mechanism in-depth. Provide independent and objective audit services to ensure the effectiveness of risk management and compliance processes. Conduct in-depth reviews on key risk issues. 	
			3. Advantech complies with the reporting principles of the GRI 2021 Standards and incorporates the EU's "Double Materiality" concept to establish a materiality analysis methodology from the two aspects of "sustainable development impact on economy, environment, and people (human rights)" and "organizational operations and financial	

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			<p>impact” to identify material and influential topics, to consider sustainable challenges and opportunities that can be specifically implemented from the essence of operations in order to observe the changing trends of sustainability issues, respond to the expectations and suggestions of stakeholders, and follow up on the progress of long-term sustainability goals. The implemented sustainability disclosure standards include: Based on the GRI (Global Reporting Initiative) Universal Standards 2021 Reference option, the Financial Supervisory Commission’s requirement for specific industries to disclose sustainability indicators (industry: computer and peripheral equipment industry), the industry standards of the Sustainability Accounting Standards Board (SASB) (applicable category: Hardware), and AA1000 as reporting principles. Advantech also identifies the positive and negative impacts of each major topic on the environment, society (including people and human rights), and economy, and takes preventive, mitigating, or compensating measures further. The major themes of Advantech in 2024 are identified as follows: Information security management, sustainable intelligent solutions, customer and partner co-creation, talent cultivation and development, occupational safety and health, supply chain sustainable management, circular economy, greenhouse gas inventory and energy management, green design and product sustainable responsibility, and innovation mechanism. Some of the major issues of the year overlap with risk management concerns and are included in ongoing supervision.</p> <table><tr><th>Major issues</th><th>Risk Assessment</th><th>Remarks</th></tr><tr><td>Environment</td><td>Green products and sustainable requirements</td><td><ul style="list-style-type: none">● Set clear green product targets, such as:<ul style="list-style-type: none">▪ 2024: Achieve Silver Level Green Design certification for 60% of new products.▪ 2025: Achieve Silver Level Green Design certification for 80% of new products; achieve 20% adoption of software utilities in x86 Windows Image for designated new product lines.</td></tr></table>	Major issues	Risk Assessment	Remarks	Environment	Green products and sustainable requirements	<ul style="list-style-type: none">● Set clear green product targets, such as:<ul style="list-style-type: none">▪ 2024: Achieve Silver Level Green Design certification for 60% of new products.▪ 2025: Achieve Silver Level Green Design certification for 80% of new products; achieve 20% adoption of software utilities in x86 Windows Image for designated new product lines.	
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					<ul style="list-style-type: none">▪ 2026: Achieve Silver Level Green Design certification for over 90% of new products; achieve Gold Level certification across four dimensions for 5% of products in specific product lines; achieve 40% adoption of software utilities in x86 Windows Image for designated new product lines.● Organize a sustainable raw materials team to implement the sustainable raw materials (recycled plastics and recycled metals) introduction project for three products, aiming to reduce the carbon footprint of products and to enhance product advantages.● Setup a product carbon footprint platform and introduce generative AI to calculate product carbon footprint effectively. This platform is expected to be launched in 2025Q4.	
				Climate change risks	<ul style="list-style-type: none">● Advantech has introduced the “Task Force on Climate-related Financial Disclosures (TCFD)” to promote climate change management and disclosure in accordance with the four core elements of climate governance, strategy, risk management, and key indicators recommended by the TCFD guidelines. It has followed the TCFD guidelines and recommendations to systematically measure the company’s climate risks and opportunities, deeply assess the existing risk management procedures which focused on climate change in the Pan-Operational Risk Map. The assessment results and response plan has also been reported to the Corporate Sustainable Development Committee. Please refer to the	

Evaluation Item	Implementation Status (note1)					Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons	
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						"Advantech Climate and Nature-related Financial Disclosure Report in 2024" disclosed on Advantech's official website for details.	
				Society	Talent cultivation and development	<ul style="list-style-type: none">● Optimize the salary and benefits structure to increase the elite recruitment rate and internal A talents retention rate.● Contract external consultants to conduct salary analysis in order to optimize salary competitiveness.● Enhance A Talent cultivation and implement IDP (Individual Development Plan) planning and promotion.● Optimize the performance appraisal mechanism and provide supervisor training at the same time.	
				Gover nance	Information security and hacking incidents	<ul style="list-style-type: none">● Information security check and personnel security awareness reinforcement;● Introduction of sensitive data protection mechanism;● Information security reward activities arranged by the Information Department with information security e-newsletters distributed on a quarterly basis.● Introduction of information security service incident management platform	

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3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		<p>In terms of environmental management, in addition to implementing wastewater and waste-related environmental protection work in accordance with relevant laws and regulations, Advantech has formulated the "ESH management system manual" as the guiding principle for the operation of the management system, and regularly inspects and implements management. The wastewater meets the discharge standards and has been declared according to the regulations, and the industrial waste is also cleared and treated by qualified firms. The Company's environmental policy has been confirmed by the Board of Directors upon commitment and it is announced on the official website.</p> <p><u>The Company's environmental declaration and environmental policy are as follows:</u></p> <ol style="list-style-type: none"> 1. Comply with or go beyond domestic and international environmental protection and occupational safety and health laws, regulations, and standards. 2. Promote green operations, implement pollution prevention, waste management and green procurement, cooperate with customers, suppliers, and outsourced suppliers to jointly establish a green supply chain from design, production, to product delivery and services, and substantiate energy-saving, emission reduction, sustainable use of resources, and circular economy. 3. Observe global climate change, environmental protection, and occupational health and safety issues. Assess risks and opportunities voluntarily, set quantitative indicators for management performance, promote environmental and health implementation plans, and achieve environmental safety and health goals. 4. Actively train and advocate employees to enhance their awareness of environmental safety and health. Employee representatives shall participate in the meetings and consultations to form consensus, formulate priorities and action plans, eliminate hazards, and reduce safety and health risk and its impacts on the environment. 5. Enhance the management performance of environmental safety and health through continuous improvement of the management systems, cultivate corporate environmental safety and health management culture, urge all employees, stakeholders, and joint ventures to understand the important responsibility for and awareness of sustainable development; also, conduct due diligence investigation in accordance with this policy when merging and acquiring related businesses. 	None

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			Specific actions: 1. No violation of environmental laws and regulations, as well as fines in the past three years. 2. The procedures for promoting environmental management include: Environmental protection-related management operation regulations, environmental management system (ISO 14001, expiration date: 02 December 2026), greenhouse gas inventory (ISO 14064-1, the certificate does not contain an expiration date, Advantech conducts a greenhouse gas inventory project every year, the certificate was issued on March 23, 2025, and the greenhouse gas inventory data of the certificate covers the period from January 1, 2024 to December 31, 2024), energy management system (ISO 50001, expiration date: 19 March 2026), etc. 3. Management actions include: Pollution control and prevention, environmental responsibility training for employees, such as water conservation, waste reduction, etc., environmental management system maintenance, GHG management, and monitoring and improving energy performance	
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		<p>The Company strives to improve the utilization efficiency of various resources and use recycled materials with low impact on the environment. The Company's energy management strategy is: Energy-saving, energy creation, and energy purchase, of which, the essence of energy saving includes: Using high-efficiency equipment, improving the energy efficiency of machines and common equipment, and introducing energy-saving management and monitoring systems.</p> <p>Taiwan Head Office and Kunshan Manufacturing Park, Advantech's major operating locations, are with the highest share of global electricity consumption, which accounted for more than 90% of Advantech's global electricity consumption. Advantech's global renewable energy goal is to reach 50% at its Taiwan Head Office and Kunshan Manufacturing Park in 2030, and to achieve RE100 globally in 2040. Advantech's use of renewable energy was 9.46% in 2024. Advantech's overseas operation locations also simultaneously achieve RE100 through the installation of solar photovoltaic panels, direct procurement of green electricity, and purchase of renewable energy certificates. Advantech's major overseas locations are with three-year goals set as follows:</p>	None

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			<table border="1"> <thead> <tr> <th></th><th>Approach</th><th colspan="3">Target</th></tr> <tr> <th></th><th></th><th>2024</th><th>2025</th><th>2026</th></tr> </thead> <tbody> <tr> <td>HQ</td><td>Investment on the solar power plant and purchase the renewable energy</td><td>0%</td><td>5%</td><td>10%</td></tr> <tr> <td>AKMC</td><td>Purchase the renewable energy and solar power panels installation</td><td>20%</td><td>25%</td><td>30%</td></tr> <tr> <td>AJP</td><td>Purchase the renewable energy/solar power panels installation/REC</td><td>4%</td><td>27%</td><td>41%</td></tr> <tr> <td>AKR</td><td>Solar power panels installation/REC</td><td>0%</td><td>0%</td><td>25%</td></tr> <tr> <td>ANA (AASC)</td><td>Solar power panels installation(AASC)</td><td>50%</td><td>100%</td><td>100%</td></tr> <tr> <td>AEU (AESC)</td><td>Solar power panels installation/REC(AESC)</td><td>100%</td><td>100%</td><td>100%</td></tr> </tbody> </table> <p>In terms of reducing the impact of products on the environment, Advantech has it managed from the source and formulated Advantech's green ecological design standards and guidelines from four aspects of products: (1) green materials, (2) green packaging materials, (3) product recycling, and (4) product energy saving. The environmental impact of products at each stage, from production, manufacturing to transportation, consumer use, recycling, and waste disposal, is evaluated in compliance with international regulations and customer needs, for example, the use of recycled fibers and recycled plastics, improving energy efficiency with energy-saving and high-efficiency power modules, and designing innovative green products that help reduce environmental toxicity hazards. Advantech had launched a sustainable raw material team, Corporate Sustainability Office for cross-department collaboration, Quality Management Department, Green Packaging Department, Procurement Department, and Core Business Groups in 2024, set sustainable raw material goals, and implemented a trial program to introduce recycled plastics and recycled metals into three indicative products (Overview of trial product introduction: EIOT trial products contains 13% recycled metals, ILOT trial products contains 30% recycled plastics, and SIOT trial products contains 30% recycled plastics).</p> <p>Core achievements:</p> <ul style="list-style-type: none"> ● Advantech products accounted for 14.2% of global waste recycling. ● Replace EPE with paper and plastic packaging materials for products under 5 kgs, which accounted for 90%, ● Products with halogen-free plastic parts accounted for 91.2% of the annual sales. 		Approach	Target					2024	2025	2026	HQ	Investment on the solar power plant and purchase the renewable energy	0%	5%	10%	AKMC	Purchase the renewable energy and solar power panels installation	20%	25%	30%	AJP	Purchase the renewable energy/solar power panels installation/REC	4%	27%	41%	AKR	Solar power panels installation/REC	0%	0%	25%	ANA (AASC)	Solar power panels installation(AASC)	50%	100%	100%	AEU (AESC)	Solar power panels installation/REC(AESC)	100%	100%	100%	
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			<p>2025 Target:</p> <ul style="list-style-type: none"> ● Continue to ensure 100% compliance of raw materials with international environmental regulations and Advantech's controlled substances standards ● Achieve over 80% Silver level compliance in green design for new products ● Achieve a 15% annual revenue contribution from mass-produced products that meet Silver level green design standards or carry the Advantech Energy-Saving Label ● Implement SW Utility in 20% of new products under specific x86 Windows Image product lines 	
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		<p>Advantech has joined the Carbon Disclosure Project (CDP) and regularly publishes greenhouse gas inventory data on the official website for the information of customers and stakeholders. Advantech has promoted the TCFD (Task Force on Climate-related Financial Disclosures) climate-related financial disclosure project since 2021 to illustrate Advantech's climate change risk assessment, including potential risks and opportunities and corresponding response measures. In addition, the Science Based Target (SBT) was adopted and committed in 2021, striving to take practical actions to implement carbon reduction through the Science-Based Target (SBT) plan, and expecting to update the SBTi science-based target application of keeping warming below 1.5°C in 2025.</p> <p>In terms of assessment and governance, Advantech has introduced the "Task Force on Climate-related Financial Disclosures (TCFD)" to promote climate change management and disclosure in accordance with the four core elements of climate governance, strategy, risk management, and key indicators recommended by the TCFD guidelines. It has followed the TCFD guidelines and recommendations to systematically measure the company's climate risks and opportunities, deeply assess the existing risk management procedures which focused on climate change in the Pan-Operational Risk Map. The assessment results and response plan has also been reported to the Corporate Sustainability Development Committee; also, the annual sustainability performance is reported to the Board of Directors in the 4th quarter. Advantech identified short-, medium- and long-term opportunities with 13 risks and 10 opportunities concluded annually. Then, Advantech identified major 7 risks and 3 opportunities based on the impact level; also, assessed the financial impact of the four most important items based on Advantech's future development direction.</p>	None

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			<p>Advantech for the sake of better risk management has evaluated major climate issues based on the impact and probability, monitored changes in risk level, and reviewed and developed response strategies. Advantech implemented physical workshops in 2024 with external experts, department of operations, factory operations, product design, strategic investment, marketing, and procurement invited to participate in the TCFD workshops, to assess the risks and opportunities of climate change to the company; also, selected the four most significant risks and opportunities for scenario simulation analysis in order to conduct a qualitative assessment of the financial impact and propose response measures.</p> <p>Please refer to the "2024 Advantech Climate and Nature-related Financial Disclosure Report" on the official website of Advantech for detailed climate risk and opportunity disclosures and management actions.</p>	
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	V		<p>【Greenhouse Gas Management】</p> <p>In order to ensure the credibility of greenhouse gas emission data, the ISO14064 third-party on-site verification has been conducted by third-party verification organizations such as SGS Taiwan and TUV Nord since 2019, and the validity of the certification is maintained every year. The SASB sustainability accounting standards and indicators disclosure and the assurance of related major indicators have been added to the sustainability report since 2022. Advantech has also formulated greenhouse gas reduction goals and plans to achieve the SBT carbon reduction goals, and plan short-, medium- and long-term carbon reduction processes. Advantech has also conducted greenhouse gas inventory progress that superior to the requirements of the competent authorities. The Company completed the greenhouse gas inventory and education and training of the Japanese and Korean subsidiaries in 2024, and completed the external audit in 2025Q1. The Company expects to provide the greenhouse gas inventory and education and training to the European subsidiaries in 2025.</p>	None

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			<p>Greenhouse gas emissions in the last two years (including Scope 1 ~ Scope 3): Scope 1 and Scope 2 GHG emissions from Advantech’s main operating locations and production plants in 2024:</p> <table><tr><th rowspan="2">Region</th><th rowspan="2">Scope 1 Direct greenhouse gas emissions</th><th colspan="2">Scope 2 Energy indirect greenhouse gas emissions</th><th colspan="2">Total</th></tr><tr><th>Market-based</th><th>Location-based</th><th>Market-based</th><th>Location-based</th></tr><tr><td>ACL</td><td>804.3931</td><td>9,222.2612</td><td>9,222.2612</td><td>10,026.6543</td><td>10,026.6543</td></tr><tr><td>AKMC</td><td>2,531.4193</td><td>11,974.1196</td><td>14,195.6172</td><td>14,505.5389</td><td>16,727.0365</td></tr><tr><td>AJMC</td><td>150.3177</td><td>1,203.5099</td><td>1,203.5099</td><td>1,353.8276</td><td>1,353.8276</td></tr><tr><td>AKSC</td><td>9.7673</td><td>158.4522</td><td>158.4522</td><td>168.2195</td><td>168.2195</td></tr><tr><td>ANA</td><td>23.7654</td><td>168.3008</td><td>168.3008</td><td>192.0662</td><td>192.0662</td></tr><tr><td>AEU</td><td>45.3768</td><td>0</td><td>56.3275</td><td>45.3768</td><td>101.7043</td></tr><tr><td colspan="4">Total Scope 1 and Scope 2 emissions (tons CO2e)</td><td>26,291.6832</td><td>28,569.5084</td></tr></table> <p>Note 1: Greenhouse gas inventories of the plants in the U.S. and Europe have not yet been verified by a third party.</p> <p>Note 2: In the market-based calculation, the greenhouse gas emissions from renewable energy in Kunshan, Europe, and the United States are calculated with an electricity emission coefficient of 0.</p> <p>Identification and emissions of Scope 3 greenhouse gases from Advantech’s Taiwan and Kunshan plants in 2024</p>	Region	Scope 1 Direct greenhouse gas emissions	Scope 2 Energy indirect greenhouse gas emissions		Total		Market-based	Location-based	Market-based	Location-based	ACL	804.3931	9,222.2612	9,222.2612	10,026.6543	10,026.6543	AKMC	2,531.4193	11,974.1196	14,195.6172	14,505.5389	16,727.0365	AJMC	150.3177	1,203.5099	1,203.5099	1,353.8276	1,353.8276	AKSC	9.7673	158.4522	158.4522	168.2195	168.2195	ANA	23.7654	168.3008	168.3008	192.0662	192.0662	AEU	45.3768	0	56.3275	45.3768	101.7043	Total Scope 1 and Scope 2 emissions (tons CO2e)				26,291.6832	28,569.5084	
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			C8/Category 4	Upstream lease assets	52.1071	0																																																																		
			C9/Category 3	Product transportation	1.4836	93.5695																																																																		
			C10/Category 5	Product processing	0	0																																																																		
			C11/Category 5	Product use	513,625.6319	Incorporated into Taiwan Head Office																																																																		
			C12/Category 5	Product end-of-life treatment	9.6846	Incorporated into Taiwan Head Office																																																																		
			C13/Category 5	Downstream leased assets	0	426.3576																																																																		
			C14/Category 5	Franchise	0	0																																																																		
			C15/Category 5	Investment	9,178.8698	Incorporated into Taiwan Head Office																																																																		
			Total		750,942.4011																																																																			
			Remarks: 1. GHG Protocol:2006 Scope 3 C1~C15 correspond to ISO14064-1:2018 Categories 3~6 2. The use of product and the disposal of product are the scope of the inspection of Advantech.																																																																					

Evaluation Item	Implementation Status (note1)				Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons																																																					
	Yes	No	Abstract Explanation																																																							
			<div>Scope 1 and Scope 2 GHG emissions from Advantech’s main operating locations and production plants in 2023:</div> <table><tr><th rowspan="2">Region</th><th rowspan="2">Scope 1 Direct greenhouse gas emissions</th><th colspan="2">Scope 2 Energy indirect greenhouse gas emissions</th><th colspan="2">Total</th></tr><tr><th>Market-based</th><th>Location-based</th><th>Market-based</th><th>Location-based</th></tr><tr><td>ACL</td><td>615.4740</td><td>9,723.0184</td><td>9,723.0184</td><td>10,338.4924</td><td>10,338.4924</td></tr><tr><td>AKMC</td><td>2530.7526</td><td>15,399.9083</td><td>16,948.2759</td><td>17,930.6609</td><td>19,479.0285</td></tr><tr><td>AJMC</td><td>12.5629</td><td>1,201.1242</td><td>1,201.1242</td><td>1,213.6871</td><td>1,213.6871</td></tr><tr><td>AKSC</td><td>0</td><td>136.4239</td><td>136.4239</td><td>136.4239</td><td>136.4239</td></tr><tr><td>ANA</td><td>14.1481</td><td>177.86662</td><td>177.8662</td><td>192.0144</td><td>192.0144</td></tr><tr><td>AEU</td><td>55.3403</td><td>0</td><td>54.7120</td><td>55.3403</td><td>110.0523</td></tr><tr><td>Total</td><td>3,228.2779</td><td>26,638.3410</td><td>282,41,4206</td><td>29,866.6190</td><td>31,649.6986</td></tr></table> <div>Note 1: Greenhouse gas inventories at the plants in the Japan, South Korea, the United States, and Europe have not yet been verified by a third party.</div> <div>Note 2: In the market-based calculation, the greenhouse gas emissions from renewable energy in Kunshan and Europe are calculated with an electricity emission coefficient of 0.</div>			Region	Scope 1 Direct greenhouse gas emissions	Scope 2 Energy indirect greenhouse gas emissions		Total		Market-based	Location-based	Market-based	Location-based	ACL	615.4740	9,723.0184	9,723.0184	10,338.4924	10,338.4924	AKMC	2530.7526	15,399.9083	16,948.2759	17,930.6609	19,479.0285	AJMC	12.5629	1,201.1242	1,201.1242	1,213.6871	1,213.6871	AKSC	0	136.4239	136.4239	136.4239	136.4239	ANA	14.1481	177.86662	177.8662	192.0144	192.0144	AEU	55.3403	0	54.7120	55.3403	110.0523	Total	3,228.2779	26,638.3410	282,41,4206	29,866.6190	31,649.6986	
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	Yes	No	Abstract Explanation			
			Identification and emissions of Scope 3 greenhouse gases from Advantech’s Taiwan and Kunshan plants in 2023			
			Scope 3/ Category items	Verification scope description	Emissions from ACL (tons CO2e)	Emissions from AKMC (tons CO2e)
			C1/Category 4	Procurement of goods and services	213,927.8894	21,036.8456
			C2/Category 4	Capital goods	5,357.6987	1,612.4929
			C3/Category 4	Upstream fuels and energy	1,921.0098	6,629.5758
			C4/Category 3	Raw material transportation	46.0543	199.3373
			C5/Category 4	Operational waste	41.5930	22.5382
			C6/Category 3	Business travel	119.5119	30.1799
			C7/Category 3	Employee commute	476.0058	300.7053
			C8/Category 4	Upstream lease assets	73.1892	52.6521
			C9/Category 3	Product transportation	2.0403	87.4167
			C10/Category 5	Product processing	0	0
			C11/Category 5	Product use	716,553.0502	Incorporated into Taiwan Head Office
			C12/Category 5	Product end-of-life treatment	17.0716	Incorporated into Taiwan Head Office
			C13/Category 5	Downstream leased assets	0	426.3576
			C14/Category 5	Franchise	0	0
			C15/Category 5	Investment	7,524.9078	Incorporated into Taiwan Head Office

Evaluation Item	Implementation Status (note1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<p>Remarks:</p> <ol style="list-style-type: none"> 1. GHG Protocol:2006 Scope 3 C1~C15 correspond to ISO14064-1:2018 Categories 3~6 2. The use of product and the disposal of product are the scope of the inspection of Advantech. <p>Greenhouse gas reduction policy:</p> <p>Stage 1: Advantech continues to expand its manufacturing capacity, which results in an increase in energy usage. It reduces greenhouse gas emissions by improving energy efficiency.</p> <p>Stage 2: Core production bases (Linkou Smart Co-creation Park and Kunshan Manufacturing Center) continue to increase the use of renewable energy in order to reduce carbon emissions.</p> <p>Stage 3: Activate greenhouse gas alternative solutions, advanced low-carbon technologies, and carbon credits to achieve net zero goals.</p> <p>Advantech's Scope 3 GHG emissions per unit of revenue in 2024 decreased by 16.9% compared to 2023, which is mainly due to the 22.6% reduction (carbon reduction of 202,927.42 tons CO2e) in C11 (product use). The Company will continue to reduce Scope 3 emissions by promoting internal energy-saving labels, product energy-saving design, power efficiency improvement, and internal carbon pricing in the future.</p> <p>Policy commitments:</p> <ol style="list-style-type: none"> 1. Adopt and commit to achieving the Science-Based Target (SBT) by 2030. 2. Join the RE100 initiative and commit to achieve the goal of 100% renewable energy by 2040. 3. Set a target of achieving net zero carbon emissions by 2050. 	

Evaluation Item	Implementation Status (note1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<p>【Environmental Management】</p> <p>In terms of environmental management, in addition to implementing wastewater and waste-related environmental protection work in accordance with relevant laws and regulations, Advantech has formulated the "ESH management system manual" as the guiding principle for the operation of the management system, and regularly inspected and implemented management. The industrial waste is also cleared and treated by qualified firms. Advantech discloses its greenhouse gas emissions, water consumption, and total waste weight every year, sets reduction targets, develops specific action plans, and regularly reviews its operational effectiveness.</p> <p>■ Water use and management</p> <p>Water consumption reduction policy: Advantech has implemented the ISO 14001 environmental management system to identify water resources and wastewater treatment processes, find water-saving opportunities, and actively implement water-saving management projects in order to reduce water consumption and wastewater discharge.</p> <p>The toilets in the employee activity area are flushed and the factory area is irrigated with a rainwater recycling system installed, and a smart irrigation system is used to save water consumption. In addition to using water-saving faucets and toilets, employees must receive annual environmental responsibility education and training on concepts related to water conservation in order to implant the concept of water conservation into the human culture of Advantech. The ice machines used in the plants in Taiwan are with smart temperature control to accurately control the temperature and humidity of the operating area in order to avoid unnecessary waste of water resources. The total water consumption of the plants in Taiwan in 2024 decreased by approximately 4,666 cubic meters compared to 2023. The risk of water resource faced by the plants in Kunshan (China) is higher than other plants. The Kunshan plant has continuously introduced the reuse of reclaimed water and overflow water since 2022, and has strived to reuse wastewater from the process in the factory through the recycling equipment to reduce the plant's dependence on tap water. The total water consumption of the Kunshan plant in 2024 decreased by 14%, approximately 24,862 cubic meters, compared to 2023, and the wastewater</p>	

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	Yes	No	Abstract Explanation																				
			<p>recovery rate was 30%. The AASC plant in the United States introduced an irrigation system optimization and water-saving solution in 2023 and the said system has been optimized and adjusted continuously under the precondition of ensuring the health of plants. It saved another 15% of water, about 632 tons of water, in 2024 that demonstrated the AASC plant in the United States appreciating the importance of water resources.</p> <p>Water consumption of Advantech’s main operating locations and production factories in recent years (2023-2024):</p> <table><tr><th colspan="2">Year</th><th>2023</th><th>2024</th></tr><tr><td colspan="2">Water intake</td><td>300,062</td><td>270,362</td></tr><tr><td rowspan="2">Discharge</td><td>Domestic wastewater</td><td>198,481</td><td>177,397</td></tr><tr><td>Industrial wastewater</td><td>11,563</td><td>11,856</td></tr><tr><td colspan="2">Water consumption</td><td>90,019</td><td>81,108</td></tr></table> <p>■ Waste management</p> <p>Waste reduction management policy: Advantech’s waste management strategy is to reduce the total amount of waste and to turn waste into resources. Advantech regularly promotes and trains employees on waste reduction management, and the production factory also holds regular meetings to track the waste reduction plans and performance of each unit. In addition to reducing waste output through source management measures such as the reduction of raw materials so to reduce waste, Advantech also identify type of waste and waste disposal methods in order to search opportunities for improvement, and actively promote process improvement or waste resource utilization, such as replacing the existing terminal disposal process by recycling reusable packaging materials, in order to turn waste into useful resources, not only realize a true recycling but also reduce the resource consumption and cost of waste disposal.</p> <p>Waste information in 2024: According to statistics, the total volume of industrial waste outsourced for treatment in Advantech’s main operating locations and production factories in 2024 is approximately 1,074.92 tons, of which, 919.61 tons (85.55%) are non-hazardous waste and 155.31 tons (14.46%) are hazardous waste.</p>	Year		2023	2024	Water intake		300,062	270,362	Discharge	Domestic wastewater	198,481	177,397	Industrial wastewater	11,563	11,856	Water consumption		90,019	81,108	
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			<p>Waste Information in 2023: According to statistics, the total volume of industrial waste outsourced for treatment in Advantech's main operating locations and production factories in 2023 is approximately 1,101.56 metric tons, of which, 914.09 metric tons (83.0%) are non-hazardous waste and 180.47 metric tons (17.0%) are hazardous waste.</p> <p>Achievements in 2024:</p> <ol style="list-style-type: none"> 1. Zero landfill policy: Advantech implements a zero-landfill policy and strives to reduce, recycle, and reuse industrial waste. 2. UL2799 Zero Landfill Waste Standard: Advantech has introduced the UL2799 Zero Waste to Landfill Standard to the factories in Taiwan since 2024, and has no longer had waste disposed by landfills. 3. Waste conversion rate: The waste conversion rate of Advantech's main global operating locations was 74% in 2024. 4. ISO14001 Management System: Advantech follows the ISO14001 standard to ensure that waste disposal complies with local regulations and conducts regular audits of waste contractors. 5. Waste contractor management: Advantech will evaluate waste contractors based on their licensing qualifications and violation records, and ensure that waste flows comply with regulations. 6. Reduction and recycling cooperation: <ul style="list-style-type: none"> - Cooperate with upstream suppliers to recycle packaging materials and reuse wooden pallets, etc. - Recycle tin dross within the factory to reduce waste output. 7. Reduce environmental impact: Cooperate with others to reduce waste incineration, reduce environmental impact, and aim to achieve sustainable resource circulation. 8. Powder coating technology: Advantech's Kunshan factory has begun developing the technology to switch from liquid coating to powder coating since the year of 2023, which has been fully introduced since 2024, reducing paint residue waste by approximately 30 tons. 	

Evaluation Item	Implementation Status (note1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
Social issues (1) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	V		<p>Advantech recognizes and voluntarily complies with internationally recognized human rights standards such as the "UN Universal Declaration of Human Rights," "UN Global Compact," "UN Guiding Principles on Business and Human Rights," "UN International Labor Organization," and the International Labor Organization's "Declaration on Fundamental Principles and Rights at Work." Advantech has passed the "Advantech Human Rights Management Policy," respected the protections set forth in human rights conventions, at the same time, and complied with the laws and regulations at where the Company located. The "Advantech Human Rights Management Policy" has been reviewed and approved by the top management to protect the basic human rights of all employees, suppliers, customers, and stakeholders, which is published on the official website of Advantech.</p> <p>Advantech regularly reviews the business operations, value chain, new business activities (such as mergers and acquisitions, and joint ventures), and other related activities every year by observing major social issues, data monitoring, questionnaires, etc. At the same time, a human rights risk investigation process is established to regularly conduct impact assessments and management improvements on objects of concern in order to identify and assess the groups at risk and potential human rights risks. The human rights issue control plans are formulated based on potential risks, and the results of plan implementation are monitored and improved continuously. In terms of the human rights risk investigation, the relevant internal audit committee shall select relevant risk topics (covering "human rights risks") to review the risk rating of each topic and to identify the groups with high-risk for management.</p> <p>At the same time, Advantech employees must comply with the "Employee Code of Conduct," which includes labor standards, humane treatment, prohibition of child labor, prohibition of discrimination against employees, and prohibition of any discrimination or other human rights violations. The company conducts "Ethical Corporate Management Best Practice Principles" and legal compliance education and training every year to ensure that all employees understand and comply with the aforementioned policies. It includes providing legitimate reporting channels for employees to report and discipline, and to keep the identity of the whistleblower and the confidentiality of the reported content. In addition, for direct employees, Advantech's Taiwan Manufacturing Center (factory) holds regular education and</p>	None

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	Yes	No	Abstract Explanation									
			<p>training on the “Employee Code of Conduct” every year, which includes anti-discrimination and anti-harassment.</p> <p>Advantech’s human rights management policies and specific plans are summarized as follows:</p> <table><tr><th>Management Policy</th><th>Specified plan</th></tr><tr><td>Ensure the privacy of employees and customers</td><td><ul style="list-style-type: none">• Annual information security education and training• Improve VPN connection security and require all colleagues to install Forescout security software for control.• Personal Data Protection Manual</td></tr><tr><td>Advantech regularly conducts key suppliers and new supplier audits in accordance with the RBA Validated Audit Process (VAP) Operation Manual.</td><td><p>Sign the “Supplier Code of Conduct” with third-party contractors.</p><ul style="list-style-type: none">• Comply with different social responsibility standards and regulations of local authorities• Prohibition of child labor and forced labor• Provide a healthy and safe working environment.• Promote labor-management cooperation and refuse to accept metals (Au, Ta, Sn, W, Co) from conflict mining countries, and trace the sources and smelters of metals used in product parts.• Refuse any act of corruption, extortion, blackmail, and bribery.</td></tr><tr><td>Sexual harassment prevention & zero discrimination in the workplace</td><td><ul style="list-style-type: none">• Annual employee workplace health survey - including questions related to “workplace violence hazards and risks survey” to monitor workplace sexual harassment and workplace discrimination violence risks.• The Gender Equality in Employment Committee is established in accordance with the “Gender Equality in Employment Act,” and the “Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace” is</td></tr></table>	Management Policy	Specified plan	Ensure the privacy of employees and customers	<ul style="list-style-type: none">• Annual information security education and training• Improve VPN connection security and require all colleagues to install Forescout security software for control.• Personal Data Protection Manual	Advantech regularly conducts key suppliers and new supplier audits in accordance with the RBA Validated Audit Process (VAP) Operation Manual.	<p>Sign the “Supplier Code of Conduct” with third-party contractors.</p> <ul style="list-style-type: none">• Comply with different social responsibility standards and regulations of local authorities• Prohibition of child labor and forced labor• Provide a healthy and safe working environment.• Promote labor-management cooperation and refuse to accept metals (Au, Ta, Sn, W, Co) from conflict mining countries, and trace the sources and smelters of metals used in product parts.• Refuse any act of corruption, extortion, blackmail, and bribery.	Sexual harassment prevention & zero discrimination in the workplace	<ul style="list-style-type: none">• Annual employee workplace health survey - including questions related to “workplace violence hazards and risks survey” to monitor workplace sexual harassment and workplace discrimination violence risks.• The Gender Equality in Employment Committee is established in accordance with the “Gender Equality in Employment Act,” and the “Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace” is	
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			<p>formulated and it is promoted through assemblies, emails, etc.</p> <ul style="list-style-type: none"> • nsure the implementation of the "occupational safety and health" regulations and the prevention plan for illegal infringements on duty performance through the labor (occupational) health and occupational protection personnel organization. 	
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		<p>"People-oriented" is the core value of Advantech, and: The belief in "Work, Learning, and Love" drives Advantech's employees to grow. Please refer to the following information on Advantech's employee remuneration, welfare measures, etc.:</p> <p><u>Employee remuneration</u></p> <p>The Company complies with the "Labor Standards Act" and related laws and regulations to formulate various employee remuneration and welfare measures, and provides market-competitive benefits to motivate employees. The remuneration structure includes year-end bonuses, personal performance bonuses, team bonuses, business performance bonuses, outstanding talent stock or cash dividend compensation, and other rewards. The Company develops diversified reward programs and uses different reward methods to motivate employees of different groups and to share the profit results with colleagues.</p> <ul style="list-style-type: none"> • The average salary of the Company's full-time employees who are not holding a supervisory position: NT\$1,267 (NT\$ Thousand). • The median salary of the Company's full-time employees who are not holding a supervisory position: NT\$1,104 (NT\$ Thousand). <p><u>Business performance is reflected in employee remuneration</u></p> <ul style="list-style-type: none"> • Article 20 of the Articles of Incorporation: Advantech shall reserve funds to make up for the accumulated losses in advance based on the profit of the current year (net income before tax and before the distribution of employee and director remuneration). The balance amount, if any, shall be applied to provide employee remuneration, which shall be calculated based on the earnings of the 	None

Evaluation Item	Implementation Status (note1)			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<p>merged company in the current year and it is not less than 5%, and the director remuneration shall not exceed 1%. The recipients of employee remuneration include employees of affiliates who meet certain conditions.</p> <ul style="list-style-type: none"> Overall Remuneration Policy: The Company participates in market remuneration surveys every year and adjusts salaries based on market salary levels, economic trends, and personal performance to maintain overall salary competitiveness. The average annual salary increases for the supervisory and non-supervisory positions of the merged company in Taiwan were 4.5%, with the highest individual increase reached 21.7% in 2024. <p><u>Maintenance and protection of employees' physical and mental health</u> Advantech encourages colleagues to learn with innovation, experience life, and give back to the society after work through Advantech's "ABLE Club," added with employee relations, foundations, and welfare committees. Advantech values the importance of the employee's physical and mental health with sports space and facilities, professional psychologist consulting services, etc. provided.</p> <p><u>Employee welfare measures</u></p> <ul style="list-style-type: none"> Provide various welfare programs, such as: marriage allowance, childbirth allowance, hospitalization condolence allowance, bereavement condolence allowance, emergency relief funds, annual festival benefits (Dragon Boat Festival/Mid-Autumn Festival/Birthday), and the various insurance benefits lawfully, including pension contributions and group insurance to protect the work and life security of colleagues. In terms of vacation benefits, Advantech offers 14 types of leave, including special leave, sick leave, menstrual leave, work-related injury leave, personal leave, family care leave, marriage leave, maternity leave, pregnancy checkup accompaniment and paternity leaves, bereavement leave, official business leave, pregnancy and recuperation leave, pregnancy check-up leave, and volunteer leave. 	

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			<p>Diversity and equality in the workplace Achieve equal pay for equal work and equal promotion opportunities for men and women; also, maintain more than 20% of female managerial positions, and promote sustainable inclusive workplace economic growth. The average proportion of female employees in the Company accounted for 41.5% in 2024, and the average proportion of female supervisors accounted for 21.6%. Advantech values the importance of employee rights and benefits, shares profits with the employees, and maintains a good working environment, including comprehensive physical, mental, and spiritual care for all groups: (1) The goal of recruiting disabled colleagues achieved. (2) Special projects are implemented for the selection, training, employment, retention, cultural fusion, health and safety of foreign colleagues. Implement a friendly workplace to empower women, allow colleagues of all genders to work with peace of mind.</p>	
(3) Does the Company provide employee with a safe and healthy working environment, and provide safety and health education to employees regularly?	V		<p>Occupational Safety and Health Policy The Company formulates policies in accordance with the Occupational Safety and Health Act and the regulations of customers and related groups. The Company also builds an occupational safety and health culture (OSH culture) through commitment and action, promotes OSH management as a core strategy, and respects the requirements of relevant stakeholders for occupational safety and health. Furthermore, provides employees with a safe and healthy working environment and reduces the occurrence of workplace accidents by improving employees' safety awareness, behavioral habits, and overall safety atmosphere. The Company passed the occupational safety and health management system certification (ISO 45001:2018) in 2024 to create a workplace with zero occupational hazards, and jointly create a healthy, safe, and zero-hazard quality workplace through risk management and by enhancing employee safety awareness.</p>	None

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			<p>In 2024, Advantech’s global disabling injury frequency rate (FR) was 1.02. The following table provides a breakdown of occupational injury statistics across each region:</p> <table><tr><th>2024</th><th>Headquarters</th><th>Advantech China</th><th>Advantech Japan</th><th>Advantech Korea</th><th>Advantech Europe</th><th>Advantech USA</th></tr><tr><td>Total working hours</td><td>7,305,088</td><td>6,700,000</td><td>443,664</td><td>245,024</td><td>916692.3323</td><td>1,083,680</td></tr><tr><td>Total number of occupational injuries</td><td>11</td><td>4</td><td>0</td><td>0</td><td>2</td><td>0</td></tr><tr><td>Occupational injury categories</td><td>Cuts / Falls / Others</td><td>Contusion/ Others</td><td>None</td><td>None</td><td>Trips/ Others</td><td>None</td></tr><tr><td>Working days lost due to occupational injuries</td><td>61</td><td>202</td><td>0</td><td>0</td><td>7</td><td>0</td></tr><tr><td>Disabling injury frequency rate (FR)</td><td>1.51</td><td>0.60</td><td>0</td><td>0</td><td>2.18</td><td>0</td></tr><tr><td>Disabling injury severity rate (SR)</td><td>8</td><td>30</td><td>0</td><td>0</td><td>8</td><td>0</td></tr><tr><td>Occupational injury fatality rate</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Occupational disease fatality rate</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Serious occupational injury rate</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>					2024	Headquarters	Advantech China	Advantech Japan	Advantech Korea	Advantech Europe	Advantech USA	Total working hours	7,305,088	6,700,000	443,664	245,024	916692.3323	1,083,680	Total number of occupational injuries	11	4	0	0	2	0	Occupational injury categories	Cuts / Falls / Others	Contusion/ Others	None	None	Trips/ Others	None	Working days lost due to occupational injuries	61	202	0	0	7	0	Disabling injury frequency rate (FR)	1.51	0.60	0	0	2.18	0	Disabling injury severity rate (SR)	8	30	0	0	8	0	Occupational injury fatality rate	0	0	0	0	0	0	Occupational disease fatality rate	0	0	0	0	0	0	Serious occupational injury rate	0	0	0	0	0	0	
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			Safety and health performance indicators/measures	
			Regulatory Identification	
			Occupational accident reporting	
			Competent authority inspection	
			Internal and external audit	
			Working environment monitoring	
			Contractor Management	

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			Environmental safety and health education and training	
			Confirm the validity of the certificates of the operation supervisors at all levels and professional licensed personnel (including: occupational safety and health personnel, waste management personnel, healthcare personnel, first aid personnel, organic solvent operation supervisors, fire management personnel, and forklift operators). Provide safety and health education and training for new and current employees with the following courses arranged: 6S management, hazardous chemical management, AED education and training, etc. For a total of 8,633 employees/time trained and a total training time of 14,446.5 hours.	
			Chemical Management	
			A hierarchical management system is adopted for chemical management. Regularly review and evaluate potential hazards and risks, added with the independent inspections of organic solvent operations at the work site. Established an online chemical management system in 2024 to grasp changes in the quantity of chemicals through real-time monitoring.	
			Regular inspection of equipment and machinery	
			Perform regular inspections, key inspections, and operation checkpoints on machinery equipment, as well as operation checkpoints on matters related to their operations. Implement automatic checks, detect deficiencies early, and take preventive measures to prevent occupational hazards and ensure the safety and health of workers.	
			Occupational safety and health patrol inspection	
			Work safety patrol inspections are divided into six categories, including 1. Contractor management, 2. Chemical operation safety, 3. Electrical appliances safety, 4. Work environment safety, 5. 6S environmental management, and 6. Emergency response preparation (including fire safety). Perform corrective actions for nonconformities identified and provide a safer working environment by performing occasional patrol inspections.	
			Occupational Safety and Health Management Review Meeting	
			Convene management review meetings regularly to report the occupational safety and health management performance of each region and related improvement measures to the supervisors in accordance with the ISO 45001 management system.	

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			Labor working environment monitoring The Company conducts workplace environment monitoring twice a year to gradually understand the actual exposure status of workers in order to protect workers from harmful substances in the workplace and provide them with a healthy and comfortable working environment.	
(4) Does the company set up effective career development and training programs for its employees?	V		<p>Talents are the key driving force of enterprise growth. We at Advantech deem talent cultivation and development as an important strategy for corporate sustainability, and create a comprehensive learning ecosystem through a combination of physical training and digital learning. Our education and training system not only focuses on management leadership development, professional skills improvement, and cross-departmental knowledge exchange, but also ensures the true value of the training programs through data analysis and learning effectiveness evaluation.</p> <ul style="list-style-type: none"> Physical training courses include physical training and development activities such as supervisor management training courses, APEX Program, 100 Book-Reading Club, labor law practice lectures, career sharing lectures, technical forums, etc. Advantech constantly enhances the comprehensive digital learning platform "Advantech AIoT Academy" for perfection. Advantech AIoT Academy focuses on four colleges "Management, Professional, General Knowledge, and New Hires" to provide corresponding learning resources and courses based on the career development needs of employees in order to ensure appropriate growth opportunities for every employee. Such structure is designated for the benefit of all Advantech's fellows worldwide, including indirect employees, direct employees, and part-time and contract employees. The content of the digital platform courses is diversified, including various professional function development courses, inheritance and sharing of business philosophy, and training of mid- and senior-level management talents. Advantech colleagues can create exclusive learning lists according to personal needs and learn anytime and anywhere. 	None

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			<p>The company invested resources in manpower education and training in 2024, such as the 3M Talent Program and the Global APEX Program, added with the combination of talent cultivation and business development strategy, implementing digital transformation of talent information, and planning human resources work aiming on the long-term career development of employees.</p> <p>The total number of employees in Advantech Head Office (including head office business units, logistics units, and Advantech Taiwan), China, Japan, South Korea, Europe, and North America accounted for more than 80% of global employees (full-time employees excluding interns and contract employees) in 2024. The total training expense was NT\$30,587,833, and the average training expense per person was NT\$3,708.96. The total training hours for courses (online + physical) were 993,731 hours, and the average course training hours per person were 120.5 hours.</p>	
(5) Does the company comply with relevant regulations and international standards in customer health and safety, customer privacy, and marketing and labeling its goods and services, and has it established consumer rights protection policies and complaint procedures?	V		<p>The Company has the health and safety of the customers who receive the products and services, marketing, and labelling handled in compliance with relevant laws and regulations and international standards, such as CE, FCC electromagnetic compatibility regulations, and safety requirements of related products (such as international standards for information, industrial control, medical, automotive, and marine products), and has announced product information on the official website of the Company. Advantech currently complies with the 3C quality policy: Customer first, continuous innovation, active market monitoring, and immediate feedback for improvement. Advantech currently has received the following certificates: <u>Advantech Co-Creating the Future of the IoT World (advantech.com)</u> including: <u>ISO9001/TL9000/ISO27001/ISO13485/ISO17025</u>.</p> <p>Advantech has relevant privacy protection policies for customers (including but not limited to employees, customers, suppliers, and other persons who use this website, online services, and other services) formulated and announced on the official website of the Company. Advantech has established a personal data protection team under the legal department; also, formulated the [Advantech Personal Data Protection Manual] and [Privacy Policy] in compliance with personal data protection laws and regulations and the General Data Protection Regulation (GDPR) for privacy protection.</p>	None

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			<p>Advantech Privacy Policy: Chinese: https://www.advantech.com/zh-tw/legal/privacy English: https://www.advantech.com/en/legal/privacy</p> <p>In terms of products, Advantech strictly complies with the international environmental protection laws and regulations announced, from the effective use of natural resources to the prohibition of hazardous substances; also, complies with international green product standards. Advantech had promoted green products based on safety, energy saving, and environmental protection, and had it disclosed in the 2024 Sustainability Report.</p> <p>Regarding product information security issues, continue to obtain IEC 62443-4-2 certification for all products, and cooperate with renowned domestic certification laboratories to obtain IEC 62443-4-2 VOC (Verification of Conformity) certification for platform products such as industrial computers and servers, as well as preparing system integrators ready for passing IEC 62443-3-3 certification. Overall, the company maintains a steady pace in obtaining information security certifications for all products.</p> <p>The Company has established consumer protection policies and complaint procedures, and has formulated quality feedback systems, customer service platforms, return for repair instructions, and other program files to ensure a proper handling process. Please refer to the company's statement on quality commitment: Advantech Co-Creating the Future of the IoT World (advantech.com)</p> <p>Pease contact us for any comments or complaints you may have as follows: Customer feedback Email : buy@advantech.com Report reporting Email : audit.direct@advantech.com.tw</p>	
(6) Does the company have a supplier management policy, require suppliers to comply with regulations on	V		<p>The Company has a green supply chain management system established since the year of 2010. Suppliers on this supply chain platform must promise and guarantee that their products do not contain hazardous substances restricted by the Company, and confirm the manufacturer's process, quality, environmental safety and health, labor conditions, and ESG control according to the checklist, furthermore, conduct quarterly supplier assessments through the supplier management platform, evaluate quality, delivery time, and cooperation, and take corresponding measures based on the evaluation results. Advantech provides</p>	None

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environmental protection, occupational safety and health, and labor rights, and what is its implementation status?			<p>corrective actions or corresponding resources or guidance for ESG nonconformities identified. Large companies shall guide small companies to encourage suppliers to improve their ESG performance. The management and implementation policies are as follows:</p> <ol style="list-style-type: none"> 1. Sign the "Consent Form for Supplier Code of Conduct" to establish management procedures. 2. Conduct written reviews and implement supply chain risk management with the supplier ESG risk assessment questionnaires. 3. Suppliers are classified and managed through written audit, on-site audit, and evaluation analysis to ensure the sustainable standards of Advantech's supply chain. 4. Supervise and assist suppliers to complete nonconformities correction. Those who fail to meet the standards within a certain period of time will be eliminated in order to ensure the competitiveness of the sustainable supply chain. <p>The E/S/G screening criteria for suppliers are as follows:</p> <p>E: Comply with environmental regulations, environmental management systems (waste, air pollution, etc.), carbon management, hazardous substance management, local supplier priority, and reduce transportation energy consumption and emissions.</p> <p>S: Comply with labor regulations, occupational health and safety management, human rights, labor practices, and media due diligence investigation to find out whether there is any negative news or litigation record.</p> <p>G: Business ethics, ethical corporate management, public information disclosure and intellectual property protection, identity protection; public disclosure of information or corporate governance evaluation records (such as annual reports or sustainability reports); financial statement review and analysis;</p> <p>Others:</p> <ul style="list-style-type: none"> ● Prohibit the use of conflict minerals and materials on the banned list of the USA. ● Observe the existing international sanctions regulations and avoid accidentally violating them. 	

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			<ul style="list-style-type: none"> ● Note the specific countries or specific items that are prohibited being imported from or exported to sanctioned countries. ● RBA Code of Conduct and consumed energy resource management during product production process. ● The resource intensity and energy consumption risks involved in the manufacturing process (e.g. the necessary stability of power supply for production and the alternative measures). ● Trends in regional regulations for potentially polluting industries (for example, environmental regulations for the painting or electroplating industries or whether there is a trend of migration ban) <p>Performance results:</p> <ol style="list-style-type: none"> 1. ESG screening includes but not limited to governance, environment, society, country, industry, product cooperation, commodity, and business operation relevance, accounted for 26.7% of the overall procurement assessment. 2. 100% of significant suppliers have completed signing the "Consent Form for Supplier Code of Conduct." 3. New suppliers are 100% compliant with environmental guidelines. 4. 100% of significant suppliers have signed the "Declaration of Non-use Conflict Minerals." 5. 100% of significant suppliers completed the counseling guidance and improved their deficiencies. 6. Expand the scope of the annual ESG risk identification to 77.5% Tier 1 suppliers, over 800 suppliers, achieving 60% goal. <p>Advantech's sustainable supply chain management policy: Advantech has established a four-stage supply chain sustainability management process to implement Advantech's procurement and supply chain policy. Advantech ensures that suppliers meet Advantech's standards and improve their sustainability performance through the annual rolling improvement, circular, and exit mechanism. Step 1: Require suppliers to sign the "Consent Form for Supplier Code of Conduct" in order to establish management procedures.</p>	

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			<p>Step 2: Evaluate supply chain risk level with the Supplier ESG risk assessment questionnaires survey to substantiate the supply chain risk management.</p> <p>Step 3: Implement document audits, on-site audits, evaluations, analyses, and implement hierarchical management based on the evaluation result to the extent to which suppliers are ensured to meet Advantech's sustainability requirements.</p> <p>Step 4: Supplier continues making improvement on the exit mechanism, continuously tracks and assists suppliers to complete corrective actions. Advantech has initiated a supplier exit mechanism for those suppliers who have not completed corrective actions within three months. Ensure Advantech's core competitiveness in sustainable supply chain.</p> <p>In addition, Advantech actively invests resources to provide suppliers with education, training, and counseling. The main achievements are as follows:</p> <p>A. A total of 856 suppliers attended the "Code of Conduct" course.</p> <p>B. The management policies are announced at the supplier conference; also, they jointly pledged to Advantech's strategic goal and determination to achieve net zero carbon emissions by 2030.</p> <p>C. Provide carbon management and RE100 courses to help suppliers understand the positive benefits of using renewable energy in reducing carbon emissions from suppliers' operations, explain its importance, and provide suppliers with answers to questions related to the use of renewable energy. A total of 285 suppliers participated.</p> <p>D. Theme workshop_digitalization and low-carbonization dual-principle sustainable transformation, focusing on smart energy solutions. A total of 56 significant suppliers participated.</p> <p>E. Theme workshop_enterprise ESG GET MOVING, focusing on SDG education and training. A total of 36 significant suppliers participated.</p> <p>F. Theme workshop_supplier EHS risk assessment revealed, focusing on environmental safety and health regulations education and training. A total of 30 significant suppliers participated.</p>	

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5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	V		<p>The 2024 Sustainability Report in compliance with GRI (Global Reporting Initiative) Universal Standards 2021 Reference option, the Financial Supervisory Commission requiring specific industries to disclose sustainability indicators (industry: computer and peripheral equipment industry), the industry standards of the Sustainability Accounting Standards Board (SASB) (applicable category: Hardware), and AA1000 are used as reporting principles. Disclose Advantech's strategies, management policies, projects, and performance in corporate sustainability. Transparently and openly present the Company's governance, environmental, and social strategies, management policies, practical results, and future directions for improvement to stakeholders and the general public. The report will be published in August 2025. The annual main task is based on the requirements of GRI and the Financial Supervisory Commission to demand specific industries to disclose sustainable indicators (industry: computer and peripheral equipment industry), and to report on SASB Hardware and AA1000. The said report was verified by a third party, SGS Taiwan Limited. In addition, PwC Taiwan had performed independent limited assurance test on the selected key performance indicators in accordance with International Standard on Assurance Engagements 3000 (ISAE 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information) of the Republic of China. The limited assurance report is attached as an appendix to the report.</p>	None
<p>6. If the company has its own sustainable development code based on the "Sustainable Development Best Practices Principle for TWSE/TPEX Listed Companies," please describe the differences between its operation and the established principles: The Company has established policies on corporate social responsibility commitment, employee code of conduct, environmental safety and health, and control of hazardous substances in products. The Company also observes domestic and international sustainable development trends and regulatory developments with full compliance and implementation executed, which is in compliance with the requirements of the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies."</p>				
<p>7. Other important information that helps understand the implementation of sustainable development:</p> <p>Environmental aspect:</p> <p>1. Renewable energy development: Establish an "RE100" global promotion team to set annual goals and promotion measures for each business unit, including but not limited to direct procurement of green electricity, installation of solar power generation equipment, purchase of green electricity certificates, and investment in solar green energy power plants for proprietary use. The renewable energy consumed by Advantech in the United States accounted for 14.6% in 2024, the consumption of renewable energy by Advantech in China accounted for 17.7%, and the global consumption of</p>				

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			<p>renewable energy accounted for 9.46%. Advantech also actively participated in RE100 member activities in Taiwan, including attending policy advisory meetings and latest RE100 initiative announcement meetings. Advantech sponsored the publication of the RE100 Annual Report, which focused on the research and analysis of the renewable energy market in Taiwan. Advantech also attended the RE100 Assembly and actively shared with corporate members on how to drive the supply chain towards renewable energy and promote overseas operations to achieve RE100 through the "World Café" discussion.</p>	
2.			<p>Climate change strategy and carbon management:</p> <ul style="list-style-type: none"> ◆ The shadow price mechanism was completed in 2024 and the carbon price was recommended to be NT\$1,700-3,000/tCO₂. The carbon fee will be collected to fund a low-carbon operation and low-carbon innovation in 2025 in order to increase carbon reduction efforts and achieve carbon reduction goals. ◆ Complete ISO 14064 greenhouse gas inventory and verification for the parent company in Taiwan and Kunshan subsidiary every year, and have it expanded to other subsidiaries year by year. Advantech arranged GHG inventory and education and training courses for the subsidiaries in Japan and South Korea in 2024 to help cultivate local seed personnel for carbon reduction efforts. ◆ Complete ISO 50001 energy management and certification for the parent company in Taiwan and the subsidiary in Kunshan every year. ◆ Advantech reviews potential risks in business management such as climate regulations, climate adaptation, and other climate-related issues thoroughly through regular annual CDP information disclosure, and takes effective measures to reduce and eliminate the said potential risks in order to comply with the requirements of international customers for greenhouse gas management. The CDP climate change ranking of Advantech received "B" in 2024. ◆ iEMS: Already launched in 2024: ANA/AJP (Tokyo)/AJP/AESC/ASSC/AKMC/ACL/Xi'an/Shanghai/Beijing; expected to be launched in Nogata Japan in 2024. 	
3.			<p>Green products:</p> <ul style="list-style-type: none"> ◆ Introduce ISO 14067 product carbon footprint inventory and application, and launch the product carbon footprint digital platform project, which is expected to be officially launched in the third or fourth quarter of 2025. ◆ Establish a sustainable raw materials team to carry out three experimental projects in EIoT/IIoT/SIoT, and introduce recycled metals and recycled plastics, which is expected to drive the R&D and innovation of low-carbon products. 	
4.			<p>Energy resource management:</p> <ul style="list-style-type: none"> ◆ Clearly establish reduction goals and promotion practices for energy resources such as water, electricity, waste, and VOC in order to substantiate carbon reduction. ◆ Continue to enhance the quality and integrity of Advantech's global green operation data. 	
5.			<p>Biodiversity:</p> <ul style="list-style-type: none"> ◆ Plan and implement biodiversity risk analysis for Advantech's downstream customers. The analysis results will be included in Advantech's TCFD+TNFD integrated report for disclosure. 	

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<div>◆ Implement TCFD+TNFD financial quantitative impact assessment and quantify the company’s climate change & natural risks and opportunities. It is expected to be disclosed on Advantech’s official website in the third quarter of 2025.</div> <div>◆ Make donations to Taiwan Reforestation Association to support the reforestation of molehills in Taichung and to The Society of Wilderness for monitoring biodiversity in Neihu area. Advantech’s donation (a total of NT\$207,800) was invested in local operating locations (Neihu head office and Taichung branch office) to work with local non-profit organizations to exercise influence.</div> <div>◆ Organized more than 8 biodiversity-theme volunteer activities, including: removal of alien species, beach cleaning, creek cleaning, wetland restoration, reforestation, terrace biodiversity restoration, etc. at where nearby Advantech’s operating bases (Taipei Metropolitan, Linkou, Taoyuan and nearby areas) or branch offices (Taichung Office and Kaohsiung Office) and attended by more than 250 participants.</div> <div>Social Aspects:</div> <div>7. Other important information that helps understand the implementation of sustainable development:</div> <div>Social Aspects:</div> <div>1. Creating a DEI (Diversity, Equity, Inclusion) workplace: Advantech has been actively promoting gender equality in the global workplace to promote diversity and equality in the workplace, such as: a gender-neutral salary system, a fair and just performance appraisal and promotion system, flexible working hours to support women in management positions, and an emphasis on women’s family care. Advantech announced the DEI (Diversity, Equity, Inclusion) workplace strategy blueprint in 2023, setting goals and action plans for issues such as employee engagement and sense of belonging, corporate DEI awareness cultivation, employee diversity, parent-friendly planning, narrowing the gender pay gap, friendly promotions for women in technology, and the proportion of female supervisors. Ensure that an employment is not affected by the factors of gender, race, religion, political stance, marital status, etc. nor will such factors lead to differential pay. Clear recruitment strategies are formed to enhance employee diversity, gradually eliminate basic differences among employees due to physical or psychological conditions with the internal diverse training and talent development channels implemented. Advantech also regularly reviews salary and remuneration indicators for each region, type of work, and job hierarchy to ensure and substantiate the creation of a diverse and equal workplace environment. Due to the impact of a severe labor shortage, a declining birthrate, and an aging workforce, Advantech has optimized the flexible working hours system for the benefit of married colleagues to take care of their children. The WFH one-day program per week and increased days of maternity leave and paternity leave that are superior to the regulations allowed are implemented.</div> <div>A. Diversity and workplace soft power: Center on the DEI (Diversity, Equity, Inclusion) to enhance employees’ understanding of corporate culture and diversity management; also, create a more inclusive workplace environment. The 2024 key projects are as follows:</div> <div>i. 【Understand unconscious bias and create a friendly workplace environment】 Unconscious bias affects decision-making, team interaction, and talent development. Advantech has launched this course to enhance the acuity of supervisors and to help build up a more inclusive team culture. The course is arranged to help managers understand the causes and impacts of bias through interactive discussions and case analysis; also, help them learn how to reduce bias in decision-making, communication, and teamwork. Two training sessions were held in 2024 with 68 medium-level and senior managers participated. Advantech hopes that every supervisor is a DEI promoter and works together to create a fair and open work culture allowing the company to grow continuously!</div>				

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<div>ii. 【Lecture on Women’s Career Development】 Women’s career opportunities and challenges have attracted much attention along with the trend of DEI (Diversity, Equity, Inclusion). Advantech invited external experts to share career development strategies, leadership development, and workplace balance through online and offline lectures in 2024 with 105 managers participated. The lecture discussed the development of female leadership and breaking through career ceilings, and provided practical experience and specific methods to help female employees enhance their influence and develop steadily. Advantech hopes to create a more inclusive workplace through learning opportunities, allowing every colleague to exercise their potential and create corporate growth together!</div> <div>iii. 【Ethnic & Cultural Communication Training Seminar】 Advantech held two special lectures in 2024 to enhance employees’ communication and collaboration capabilities in a multicultural workplace.<div>1. The first session: Parent-child communication seminar “The Golden Key to Open Parent-Child Communication” is held to help employees improve parent-child communication and explore family cultural differences and cross-generational issues with a total of 219 employees participated.</div><div>2. The second session: The cross-cultural communication and management seminar is with a focus on communication and management of multinational teams, helping employees cope with cultural challenges, and providing effective cross-cultural team management skills with a total of 74 employees participated.</div></div>				
<div>2. Employee talent cultivation and development: Advantech strives to create workplace options that enable employees to exercise their potential and achieve long-term development. Advantech also provides the colleagues with diverse career development opportunities, such as international rotations, internal transfers, and a variety of physical training courses, such as supervisor management training courses, APEX Program, 100 Book-Reading Club, labor law practice seminars, career plan sharing seminars, technical forums, etc. Also, Advantech continues to enhance the comprehensive digital learning platform “Advantech AIoT Academy.” The 100 Book-Reading Club, leadership coaching program, and labor law education and training for managers are also provided for the benefit of medium-level and senior managers.</div> <div>A. Professional academy: Deepening professional skills</div> <div>Advantech officially launched the CST (Corporate Structure Transformation) enterprise transformation plan in 2024 with a focus on the three core directions of enterprise growth-driven system, organizational business model upgrade, and digital transformation to promote the company’s future development blueprint. Advantech further established a professional academy to provide systematic learning resources and to enhance the core competitiveness of the organization so to ensure that the plan can be implemented to cultivate key talents.</div> <div>i. 【AI Academy: AI Certification Course, Gen AI Internal Competition】 Advantech cooperated with Microsoft and UCOM Express to launch AI certification courses to accelerate the development of AI technology and digital transformation, and to systematically cultivate employees’ AI professional capabilities and provide them with an opportunity to obtain AI certificates in order to enhance their professional competitiveness. A total of 108 employees attended the “Microsoft Azure AI Basics Course” in 2024 and 62 employees attended the advanced course of “Design and</div>				

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<p>Practice Azure AI Solutions.” Those who have passed the exam can apply for rewards in accordance with the HR certificate management system. The certification exam will be held in the first quarter of 2025 to promote the company’s AI technology deployment and to enhance the market competitiveness.</p> <p>Advantech inspires innovative thinking through the Gen AI competition to promote the implementation of AI technology, encourage colleagues using generative AI technology, and propose application solutions that help improve business efficiency and productivity, reduce costs, and innovate products and solutions. This competition is an important driving force for internal AI development and helps companies explore more possibilities for AI applications. The 2024 Gen AI competition attracted 63 teams to participate, with 12 A+ award winners and 24 A award winners awarded, a total of 92 winners with a total prize money of NT\$1.21 million awarded.</p> <p>ii. 【Establishment of M&A Academy】 Advantech officially launched the M&A Academy in 2024Q4 to enhance its M&A expertise and to cultivate key talents with strategic vision and investment management capabilities. The Academy invited industry experts and business leaders to give lectures. A total of 54 senior executives and investment department heads participated the first course “Integration of Growth Strategies and M&A Transactions” to discuss M&A strategies and key decision-making in-depth. The Academy will launch advanced courses covering topics such as post-merger integration, transaction management, and corporate evaluation, and help enterprises seize growth opportunities in market competition through project exercises and industry guidance in 2025.</p> <p>3. IoT and Industry-Academia Cooperation Education: Advantech under the industry-academia cooperation mechanism has developed “three principles” to cultivate IoT talents and narrow the gap between industry and academia by injecting industry resources. Advantech cooperates with the academic community, Advantech’s employees, and industry ecosystem partners to create applications and solutions through the “Industry-Academia Co-Creation” value chain management, and guides to think about combining Advantech’s core capabilities and resources to make contribution to society, help the IoT industry become more prosperous, and provide the possibility of introducing academic research into industrial development so to create more employment opportunities.</p> <p>The industry-academia cooperation related expense was NT\$48,545,133 in 2024.</p> <p>I. An amount more than NT\$12.8 million was invested in AIoT Innworks developer program with 476 students recruited from 33 universities in 8 countries around the world to participate and complete 119 projects.</p> <p>II. AIoT Academy IoT higher education courses and certification courses, a total of more than 2,000 WISE-IoTSuite technical certificates were issued in campus collaborations from 2021-2024.</p> <p>III. An amount more than NT\$10 million was invested in the Elite100 Internship Program with 30 special research and planning projects produced, and a total of 66 interns recruited in 2024, of which, 32 students extended their internship after the summer vacation.</p> <p>IV. National Yang Ming Chiao Tung University (NYCU) Industry Academia Innovation School (IAIS)/Internet of Things Center: An amount more than NT\$10 million was invested. The investment of industry-research co-creation and corporate sponsorship exceeded NT\$7.2 million.</p>				

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<p>V. Advantech Art and Culture Foundation commissioned a third-party organization to conduct a survey and analysis on the Social Return on Investment (SROI) of the relevant projects to understand and measure the social impact of Advantech’s key social projects:</p> <p>(1) Advantech launched the Social Return on Investment (SROI) evaluation project in 2024. Advantech systematically analyzed the actual impact of the event on society by quantifying the output benefits of the “IoT Application and Education Innworks Competition.” This project is to thoroughly discuss the positive and negative impacts of the competition on talent cultivation, technology application, industry-academia collaboration, etc. through interviews with various domestic and international stakeholders including participating students, instructors, corporate partners, etc. The final evaluation result, Innworks SROI = NT\$1.52, means that every NT\$1 invested can produce about NT\$1.52 social value. Stakeholder feedback will be referred by Advantech to optimize future competition activities and talent cultivation programs, further enhancing the social value and long-term impact of IoT education.</p> <p>(2) Advantech Art and Culture Foundation commissioned a third-party organization to conduct a survey and analysis of the social return on investment of “ACT Dreamers” to understand and measure the social impact of Advantech’s ACT education campaign. The third-term ACT was used as the evaluation subject to calculate the SROI generated by the ACT project, which was NT\$6.14, with the feedback of the stakeholders collected from qualitative interviews and quantitative questionnaires; therefore, every dollar invested in the third-term ACT education campaign could help create NT\$6.14 social value.</p> <p>VI. Advantech won the 5th place in the large enterprise manufacturing category of the “2024 Talent, in Taiwan” of CommonWealth Magazine, highlighting Advantech’s outstanding performance in talent cultivation and retention recognized by the society. Advantech has established a diverse and comprehensive talent cultivation system to provide colleagues with access to sufficient training and development opportunities at all stages of their careers, and enhance their organizational recognition through cross-border and cross-generation innovation competitions and ESG activities. Advantech’s Elite series recruitment program focuses on attracting outstanding talents with the “Right People on the Bus” program in order to realize the expected 80% retention rate. Advantech is also actively implementing DEI values and promoting friendly workplace policies, including employee stock option incentive plans, maternity leave and paternity leave that are superior to legal regulations, and maternal care measures to help create a happy workplace.</p> <p>4. Sustainable innovative education and support to arts: Advantech Art and Culture Foundation is committed to arts and culture development, innovative education, and sports development sponsorship. An amount of NT\$20,798,703 was expensed for arts and culture promotion in 2024; an amount of NT\$12,929,174 was expensed for sustainable education, and an amount of NT\$19,313,243 was expensed for public welfare.</p>				

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5.	<div>■ Advantech Linkou Community Volunteer Event: “Step30 – Second-Hand Goods Sorting Activity”</div> <p>At the beginning of 2024, Advantech evaluated local community engagement opportunities near its Linkou operational site and selected “Step30 International Ministries,” a nonprofit organization based in Linkou District, New Taipei City, as a collaboration partner. Through this corporate volunteer initiative, Advantech aimed to respond to local manpower needs and promote the values of circular economy and international aid, thereby putting corporate social responsibility into practice. The event took place at Step30’s Bethlehem Warehouse in Linkou, with participation from Advantech Linkou employees and their families and friends. Volunteers helped sort and pack second-hand clothing and shoes donated from across Taiwan to be sent to African regions facing severe shortages in daily necessities. In addition, the organization held an educational seminar on international aid, introducing its initiatives in Africa, including material donations, water resource education, sanitation awareness, and educational development—fostering greater employee understanding of and engagement with the United Nations Sustainable Development Goals (SDGs). The event also featured a quiz activity to enhance learning and participation, and encouraged family involvement to create a positive and inclusive corporate culture. A total of 25 volunteers took part, contributing a cumulative 50 hours of service. Their efforts significantly supported the nonprofit in managing large volumes of second-hand materials, saving manpower costs, and strengthening Advantech’s community presence and local image in Linkou. The activity also boosted employees’ sense of belonging and internal cohesion, achieving the dual goals of community well-being and corporate sustainability.</p> <div>■ 2024 World Environment Day Volunteer Activities (Taipei • Taichung • Kaohsiung)</div> <p>In response to the 2024 World Environment Day theme “Land Restoration,” Advantech evaluated the environmental issues and community needs in its major operational locations—Taipei, Taichung, and Kaohsiung—and partnered with local nonprofits and nature conservation organizations to host a series of World Environment Day volunteer events. Centered on biodiversity conservation, environmental education, and hands-on action, these events aimed to strengthen the company’s local contributions and commitment to environmental sustainability through the participation of employees and their families.</p> <p>In Taipei (June 1, 2024), the event was held at Guandu Nature Park. Advantech volunteers assisted in removing Mikania micrantha, an aggressive invasive species, to help preserve the integrity of the wetland’s native habitat. The activity also included a biodiversity education lecture and a quiz segment to raise awareness about the ecological risks posed by invasive species and to promote conservation engagement. A total of 40 volunteers contributed 120 service hours, providing direct manpower and logistical support to the nonprofit organization. In Taichung (June 1, 2024), the event took place along the Fazi River, focusing on stream cleanup operations. Volunteers applied the ICC (International Coastal Cleanup) methodology for marine debris monitoring to sort and record waste. Participants also attended a biodiversity lecture provided by the Society of Wilderness, learning about stream ecosystems and the impacts of human waste. A quiz segment further enhanced learning outcomes. Fourteen volunteers participated in this event, removing 60 kilograms</p>			

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of waste and contributing a total of 42 service hours—making a tangible improvement to the local ecosystem and environmental awareness. In Kaohsiung (June 2, 2024), volunteers visited the Yuanjongang Wetlands Park nature reserve to remove Leucaena leucocephala, an invasive species harmful to local biodiversity. The event included a guided tour on the wetland's history, biodiversity education, and a hands-on workshop using wetland materials. These diverse experiences deepened participants’ understanding of local natural and cultural resources. Twelve volunteers joined this event, contributing 36 service hours, further amplifying Advantech’s sustainable impact in the Kaohsiung region.					
This series of activities demonstrates Advantech’s proactive approach to identifying and responding to environmental risks and opportunities in the communities where it operates. By combining employee volunteer efforts, knowledge-sharing initiatives, and partnerships with nonprofit organizations, the company not only effectively contributes resources to support local environmental preservation but also fosters a stronger sense of identity and cohesion among employees toward sustainability efforts—further enhancing Advantech’s local social image and commitment to corporate sustainability.					
Location	Event date	Activity	Participants	Volunteer Hours	Outcome/Action
Taipei	2024/06/01	Removal of invasive wetland species (Mikania micrantha) Lecture + Quiz Activity	40	120	Assisted in removing invasive plants; promoted wetland conservation knowledge
Taichung	2024/06/01	Fazi River Cleanup ICC Waste Classification + Lecture + Quiz Activity	14	42	Removed 60 kg of waste; enhanced awareness of river ecosystem issues
Kaohsiung	2024/06/02	Removal of invasive wetland species (Leucaena leucocephala)	12	36	Removed Leucaena; provided education on wetland ecology and culture

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<div>■ World Food Day x Nationwide Food Bank Volunteer Campaign (Taipei • Taichung • Kaohsiung)</div> <p>To support World Food Day and raise awareness on food waste and hunger issues, Advantech collaborated with the 1919 Food Bank and Andrew Food Bank to host volunteer service events at its Taipei, Taichung, and Kaohsiung sites between October 2024 and February 2025. The events aimed to provide hands-on support for food packaging and distribution operations, while also enhancing employees’ understanding and engagement through educational talks on food security. In the Taipei session (October 26, 2024) and Taichung session (November 23, 2024), volunteers assisted in sorting, packaging, and delivering rice bags and food boxes, and attended educational seminars hosted by the food banks. These seminars covered topics such as the food distribution process, food security, and food waste. The Kaohsiung session (February 8, 2025) continued with similar service activities at the local food bank sub-center, where volunteers helped organize food supplies and prepare for distribution, providing essential support for the organization’s operations. A total of 75 volunteers across the three regions took part in the series, completing the packaging of 2,595 kilograms of rice and distribution of 350 food boxes. Each volunteer’s time was transformed into concrete actions, helping deliver food to disadvantaged families in need. The activities also deepened employees’ understanding of food waste and social care issues, strengthened the company’s role in social engagement, and enhanced employee cohesion and support for the company’s sustainability values.</p> <div>■ Global Volunteer Day Activities (Taipei • Taichung • Kaohsiung)</div> <p>To reinforce its commitment to sustainable development and social engagement, Advantech organized a series of volunteer events around Global Volunteer Day 2024, incorporating ecological conservation, cultural education, and local community actions. These activities were carried out simultaneously at the company’s operational sites in Taichung, Taipei, and Kaohsiung (Pingtung). By emphasizing both hands-on labor and environmental education, the program encouraged employees to engage with nature and actively support local communities and nonprofit initiatives, reflecting the company’s dedication to inclusiveness and mutual prosperity in its operating regions. In Taichung (November 30), in partnership with the Taiwan Forest Restoration Association, volunteers took part in plant care efforts at the Dadu Mountain Forest Restoration Center. Participants learned about afforestation species selection and nurturing techniques, completing the care of 252 potted plants and contributing a total of 60 service hours. In Taipei (December 1), volunteers visited the Gongliao Terraced Rice Fields to help with land preparation and removal of invasive species, promoting field ecology. They also observed bees and forage plants while learning about local biodiversity and cultural heritage. The event drew 48 volunteers, who contributed a total of 384 service hours. In Kaohsiung (December 8), the event was held at the Yongzai Forest in Pingtung. Although not directly within the company’s operational sites, the forest is one of the few in Taiwan certified by the Forest Stewardship Council (FSC) and is recognized as an important site for environmental education and ecological demonstration. Its proximity to southern employees made it a fitting volunteer location. Activities included tree planting, survival rate surveys, and the making of sustainable "space packs," accompanied by lectures on sustainable forestry and forest culture. Twenty volunteers participated, contributing 160 hours of service, planting 20 trees and producing 20 space packs. Across the three locations, volunteers engaged in land preparation, plant care, and tree planting, supplemented by educational talks and quizzes. A total of 88 volunteers participated, contributing 604 service hours. These activities effectively supported local nonprofits, promoted environmental education, and demonstrated Advantech’s strong commitment to local engagement and sustainability in action.</p>				

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Governance aspects:

1. Detailed classification of sustainable activities based on EU Taxonomy: Voluntarily disclose sustainability-related revenue and expenditure. The climate change mitigation indicators and climate change adaptation indicators under the classification of EU Taxonomy was calculated and accounted for 55.6% of the revenue from sustainable smart solutions in 2024. Please see the table below for details:

	Operating incomes		Capital expenditures		Operating expenses	
Total amount	Amount (Currency: New Taiwan Dollar)	100%	Amount (Currency: New Taiwan Dollar)	100%	Amount (Currency: New Taiwan Dollar)	100%
(Currency: New Taiwan Dollar)	59,786,293K		1,475,070K		15,326,118K	
Economic activities related to sustainability classification	Amount (Currency: New Taiwan Dollar)	55.6%	Amount (Currency: New Taiwan Dollar)	55.6%	Amount (Currency: New Taiwan Dollar)	55.6%
Amount (Currency: New Taiwan Dollar)	33,264,408K		820,712K		8,527,276K	
Economic activities not related to sustainability classification	Amount (Currency: New Taiwan Dollar)	44.4%	Amount (Currency: New Taiwan Dollar)	44.4%	Amount (Currency: New Taiwan Dollar)	44.4%
Amount (Currency: New Taiwan Dollar)	26,521,885K		654,358K		6,798,842K	

2. ESG Global eNewsletter released to deepen employees' awareness of sustainability: ESG eNewsletter in Traditional Chinese, Simplified Chinese, and English is published quarterly to share the Group's ESG achievements and to introduce ESG trends.
3. ESG Global Engagement: Regularly hold ESG review meetings for overseas subsidiaries on a quarterly basis and organize ESG overseas business trips for company visit in order to deepen ESG education with overseas employees and key customers, and to build up partnerships.
4. Sustainable supply chain: Hold an annual Vendor Day to announce Advantech's sustainable supplier management goals and implementation plans, and to praise suppliers with outstanding performance. Advantech will continue to implement ESG training and education for suppliers in 2025, and require specific categories of suppliers (PCB, Connector, Power supply, & CPU) to start organizing carbon inventory in 2025. Advantech expects that all key suppliers (production materials) to obtain external certificates for carbon inventory organized in accordance with ISO 14064 before 2027.
5. ESG KPI Incentive Mechanism: Advantech strives to become an intelligent promoter of a sustainable earth continuously. The company established and implemented an ESG KPI mechanism for senior managers in 2022, listing ESG sustainability indicators such as environment, society, and governance, as important performance appraisal items for the Chairman, President of General Management and senior executives, relevant accountable managers, and ESG office members; also, in terms of the important key performance items in 2024, Employee Stock Option Plans (ESOP) was the main incentive rewards

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added with performance bonuses, which was settled in December and to be paid in April 2025. At the same time, set goals, indicators, and promotion plans to conduct regular evaluations with reference to major annual sustainable development issues, such as renewable energy development, climate change and carbon management, green product development, talent cultivation and development, diverse and inclusive workplace, Internet of Things education application and promotion, etc. In 2024, Advantech implemented an ESG-linked incentive program to reinforce sustainability performance across the organization. As part of this program, a total of 14,000 shares were granted to senior executives, while over NT\$3.4 million in cash rewards were distributed to responsible managers and employees.				

(7) Climate-Related Information of TWSE/TPEX Listed Company

i. Implementation of Climate-Related Information

Item	Item Implementation status	
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	Board of Directors	The Board of Directors is the highest supervisory unit for risk management (including climate risk), responsible for reviewing major climate-related goals and implementation budget, and overseeing climate risk management and strategy implementation results.
	Chairman	Chairing the Corporate Sustainable Development Committee (SDC) and leading the climate issue management mechanism to confirm climate-related KPIs and action plans.
	SDC Corporate Sustainable Development Committee	<ul style="list-style-type: none"> Responsibilities and decision-making units for climate risk management; Regular reporting to the Board on climate management progress; Review climate-related risk and opportunity assessment results and response strategies. Approve TCFD report. Monitor the implementation of climate issues and review KPIs.
	ESG Corporate Sustainability Development Office	<ul style="list-style-type: none"> Coordinate the implementation of climate-related risk and opportunity analysis and integrate the disclosure reports. Promote climate-related action plans and report the progress to the Corporate Sustainable Development Committee (SDC) on a quarterly basis.

	<ul style="list-style-type: none"> Research and analyze policies on climate issues and scientific research development trends, and monitor climate risk events on a regular basis.
Board Oversight	<ul style="list-style-type: none"> The Corporate Sustainable Development Committee (SDC) regularly reports climate-related management plans and results to the Board of Directors, while the Board of Directors reviews related major goals and budgets. In 2021, the Board of Directors approved Advantech Taiwan's renewal energy goals, renewal energy PPA procurement budget, and the project of setting up solar power plant in collaboration with renewable energy providers. In 2022, consulting companies and external experts were assigned to attend Board of Directors' training on topics such as how the ICT industry can help fight climate change, international sustainability trends, new trends in risk management, and responses. In 2023, the Board of Directors reviewed the annual comprehensive ESG performance, which included climate change-related aspects such as RE100 global workforce group and local target progress, product carbon footprint progress, annual GHG inventory, EU carbon tariff response topics, etc. In addition to reviewing the comprehensive ESG performance of 2023, Advantech also re-identified the climate-related risks and opportunities in 2024 with four most major risks and opportunities selected among them for scenario simulation analysis.
Advanced management mechanism	<ul style="list-style-type: none"> Led by the Chairman, the SDC Committee holds meetings each quarter. The ESG Corporate Sustainability Development Office reports on climate-related issue trends, strategic planning, and implementation progress. The SDC supervises the achievement of goals and reviews relevant risks and opportunities assessments results and countermeasures.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>【Strategy】</p> <p>Short-, medium-, and long-term risks and opportunities</p> <ul style="list-style-type: none"> Advantech identified 13 risks and 10 opportunities by referring to the risk and opportunity topics and their financial impact of the TCFD guidelines, added with the analysis of operating locations and industries. Then, Advantech identified additional 7 major risks and 3 opportunities based on the level of impact by to the climate-related risks and opportunities and their financial impacts in the TCFD guidelines, integrating; also, assessed the financial impact of the four most important items based on Advantech's future development direction.

- Define the short-, medium-, and long-term as within 3 years, 3 to 5 years, and more than 5 years, and assess when each issue is likely to occur.

Potential impact and financial planning

- Qualitatively assess the possible financial impact of various major risks and opportunities, develop preventive and improvement measures, and set KPI accordingly.

Senoria Analysis

We conducted an analysis of carbon reduction potential and its financial implications for the company based on the International Energy Agency (IEA) Beyond 2°C Scenario (B2DS) and the 1.5°C Scenario (1.5DS). Additionally, we evaluated the physical impacts on our operations under the Representative Concentration Pathways (RCP) 4.5 scenario (Business-As-Usual, BAU) and RCP 8.5 scenario (the most severe warming case), to assess our adaptive capacity and enhance the resilience of our climate strategies.

Scenario Analysis of Transition Risks and Opportunities

Category	Scenario	Impact Assessment
Risk	(Stated Policies Scenario)	An assessment of the potential impact on Advantech's operations from 2025 to 2033 due to government regulations, including stricter renewable energy requirements for major electricity users, amendments to the Climate Change Response Act, and the implementation of carbon tax or related legislation. Failure to comply may result in penalties or carbon-related fees, leading to increased operational costs.
	1.5DS (Net Zero Scenario)	An assessment of the potential impact on Advantech's operations from 2025 to 2033 under more aggressive policy scenarios, including enhanced renewable energy mandates, revisions to climate-related legislation, and the implementation of carbon pricing mechanisms. Non-compliance may result in compensation payments or carbon-related levies, thereby increasing operational costs.
	ESG Reputation and Brand Management Scenario (Based on Historical Trends)	An evaluation of the financial implications stemming from Advantech's ESG image and reputation (e.g., low-carbon or sustainability performance), including increased financing costs from banks and potential revenue loss due to poor environmental sustainability performance. These factors may lead to higher operating costs.

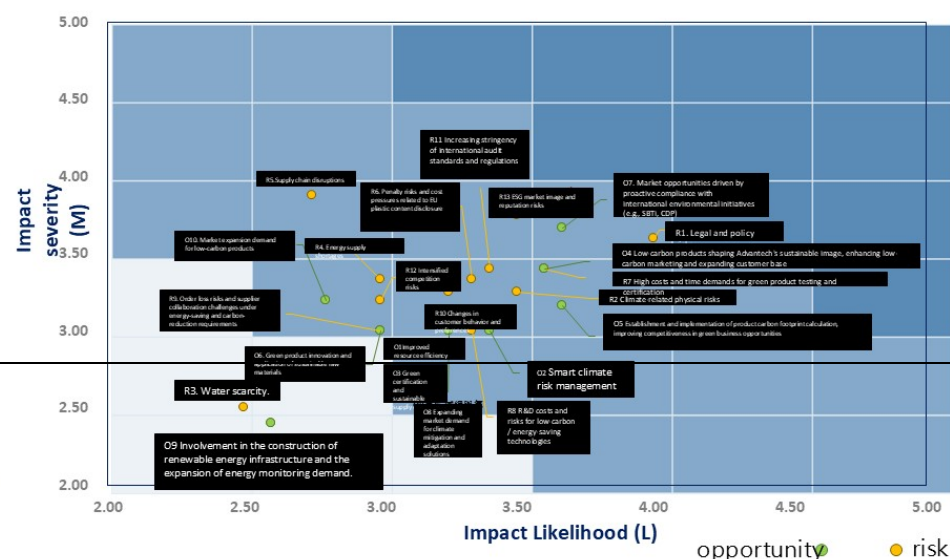
	Opportunity	Low-Carbon Products and Market Scenario (Based on Historical Trends)	An assessment of revenue opportunities from low-carbon-related products by 2040, representing a financial opportunity for Advantech’s transition to a low-carbon economy.
	Physical Risk Scenario Analysis		
	Scenario	Impact Assessment	
	RCP8.5 (High Warming Scenario)	Assesses the potential financial impact on Advantech's overall operations and production due to extreme weather events (e.g., typhoons/tropical cyclones) occurring through 2050 under the most severe climate change scenario. Other physical risks (e.g., rising temperatures, droughts) are not considered in this assessment.	
	RCP4.5 (Business-As-Usual Scenario)	Assesses the potential financial impact on Advantech's overall operations and production due to extreme weather events (e.g., typhoons/tropical cyclones) occurring through 2050 under a business-as-usual climate scenario. Other physical risks (e.g., rising temperatures, droughts) are excluded from this evaluation.	
【Risk Management】			
Evaluation and management process			
<ul style="list-style-type: none">ESG Corporate Sustainability Office each year convenes cross-departmental members to collect and review relevant climate risks and opportunities factors of the Company, assess major climate issues through the level of impact and likelihood, monitor changes in risk levels, reviews and develop response strategies, and report to the SDC for resolutions, as well as review related disclosures, and the SDC regularly reports to the Board of Directors to supervise the progress of climate risk management and review major relevant decisions.			
Overall risk system integration			
<ul style="list-style-type: none">At the beginning of each year, the Risk Management Task Force assesses the Company’s overall operational risks according to the risk management procedures, draws a Pan-Operational Risk Map, and reports the risk management process and plan to the Board of Directors.Since 2021, climate change risks have been included in the assessment process, and the risk level is identified through the main investigation of the Audit Office and in cooperates with the ESG Corporate Sustainability Office.In 2022, we introduced the complete TCFD assessment process. The assessment methods and results will be applied to the climate change risk analysis in the aforementioned risk map and included in the overall risk management process.In 2023, the TCFD evaluation process will continue to be included in the overall risk management process. In 2024, we expect to adjust climate scenario based on the latest IPCC assessment report, climate risks and responses will be reassessed.			

	<ul style="list-style-type: none"> • In 2024, reidentified Advantech's climate-related risks and opportunities and selected the four major risks and opportunities among them for scenario simulation analysis in order to conduct a qualitative assessment on the financial impact with countermeasures proposed. <p>Note- For detailed TCFD financial quantification, please refer to the "2024 Advantech Climate- and Nature-related Financial Disclosures Report" published on Advantech's ESG website.</p>
3. Describe the financial impact of extreme weather events and transformative actions.	<p>[Physical risks]</p> <p>Risk of extreme weather events:</p> <ul style="list-style-type: none"> • Operational disruption and production risks: Extreme weather (such as typhoons and flooding) may lead to factory shutdowns and equipment damage with costs and delivery risks increased. • Rising maintenance costs for facilities and equipment: It is necessary to enhance flood control and drainage systems and reinforce building structures in response to climate risks. At the same time, high temperatures may accelerate equipment aging and increase costs. • Inventory damage and financial losses: Typhoons and floods may cause inventory damage and financial losses. • Increased disaster prevention and insurance expenses: It is necessary to invest in disaster-resistant equipment, improve emergency response capabilities, and spend more money on insurance to spread financial risks in order to reduce the impact of extreme weather. • Earthquake-resistant construction and maintenance pressure: It is necessary to improve earthquake resistance design of new factories, and to initiate earthquake-resistant reinforcement for old factories with expenses increased. <p>Financial impacts of extreme weather events:</p> <ul style="list-style-type: none"> • Increase operating cost • Increase capital expenditures • Decrease operating revenue • Decrease assets <p>[Transformation risks]</p> <p>Legal and policy risks, including:</p> <ul style="list-style-type: none"> • Increase in operating costs: Stricter emission regulations (e.g. Taiwan carbon fee and EU CBAM) cause cost to go up. • Equipment replacement and green electricity investment pressure: It is necessary to replace high-energy-consuming equipment and invest in green electricity in order to obtain international certification and meet customers' sustainable needs, which caused increasing expenses.

- System design and maintenance burden: It is necessary to invest resources to build and maintain the system in order to meet the needs of carbon data collection.
 - Product price adjustment risk: The implementation of internal carbon pricing will cause Advantech's adjusting financial system to reflect internal carbon fees, causing product prices to rise and market competitiveness weakened.
- Financial impact, including:
- Increase operating cost
 - Increase capital expenditures
 - Decrease operating revenue
- Supply chain disruption risks, including:
- Increase in operating and supply chain costs: It is necessary to invest resources to build alternative supply chains in response to climate risks and political factors, causing cost to go up.
 - Inventory and capital pressure: Supply chain disruptions will lead to capital turnover pressure and increase in storage management costs.
 - Product development delays: Supply chain changes may lead to component redesign and supplier changes, causing delay in product development progress and market launch.
 - Production and delivery uncertainty: Supply chain disruptions will cause the risk of production disruptions and delay in product delivery.
- Financial impact, including:
- Increase operating cost
 - Operational disruption
 - Decrease operating revenue
- The risks of fines and cost pressures from EU plastic content disclosure include:
- Risk of regulations and fines: European countries require disclosure of plastic content (including weight of components and packaging), and failure to comply will result in fines.
 - Increase in material and supply chain costs: The use of sustainable materials and green packaging materials in response to local regulations and sustainable trends will cause the procurement and production costs to go up.
 - Increase in design and development costs: Product packaging and external components need to be redesigned to meet the regulations of different regions causing delay in development and increase in the corresponding costs.
 - Data transparency and management burden: A cross-departmental database needs to be established in response to sustainability and compliance requirements, causing increase in labor, technology, and operation costs.
 - Risk of declining market competitiveness: Market competitiveness declines due to increasing material and design costs.

	<p>Financial impact, including:</p> <ul style="list-style-type: none"> • Increase operating costs • Increase compliance expense <p>The risks of high cost and time requirements for green product testing and certification include:</p> <ul style="list-style-type: none"> • Differences in certification standards and increase in compliance costs: Resources need to be invested in testing and design adjustments in order to meet local green and energy efficiency requirements and to improve management, design, and material costs. • Certification expenses and market delay risks: Expenses need to be paid for acquiring green certification; also, the long certification time may affect the timing of product launch and market share. • Market entry and revenue source risks: If the product does not meet international energy efficiency standards (such as EU ErP and US Energy Star), it may not be able to enter major markets (such as Europe and the United States), resulting in concentrated revenue sources and amplifying the impact of regional policies and market fluctuations. <p>The financial impact includes:</p> <ul style="list-style-type: none"> • Increase operating cost <p>The risks of international review standards and regulations getting tightening, which include:</p> <ul style="list-style-type: none"> • Regulatory risks: Global regulations are increasingly tightening (such as EU CBAM and US CCA); therefore, if the Company fails to respond in time, it will face legal risks, fines, and market entry restrictions. <p>Loss of market entry opportunities: If value chain partners are unable to provide solutions for corresponding regulations challenges, they will lose the market entry opportunities.</p> <p>The financial impact includes:</p> <ul style="list-style-type: none"> • Increase operating cost • Decrease operating revenue • Increased compliance spending <p>Market ESG image and reputation risks include:</p> <ul style="list-style-type: none"> • Brand value and customer trust: The company's failure in effectively managing climate risks or insufficient performance in the ESG field will affect the Company's reputation in market and the trust of stakeholders (customers, shareholders, investors, etc.) • Climate risk: The Company's failure in properly assessing climate risk may affect factory operations and damage the Company's reputation while facing natural disasters such as typhoons and earthquakes.
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	<p>The financial impact includes:</p> <ul style="list-style-type: none"> • Increase operating cost • Increase capital expenditures • Decrease operating revenue <p>Note- For detailed TCFD financial quantification, please refer to the "2024 Advantech Climate- and Nature-related Financial Disclosures Report" published on Advantech's ESG website.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system	<ul style="list-style-type: none"> • At the beginning of each year, the Risk Management Task Force assesses the Company's overall operational risks according to the risk management procedures, draws a Pan-Operational Risk Map, and reports the risk management process and plan to the Board of Directors. • Since 2021, climate change risks have been included in the assessment process, and the risk level is identified through the main investigation of the Audit Office and in cooperates with the ESG Corporate Sustainability Office. • In 2022, we introduced the complete TCFD assessment process. The assessment methods and results will be applied to the climate change risk analysis in the aforementioned risk map and included in the overall risk management process. • In 2023, the TCFD evaluation process will continue to be included in the overall risk management process. In 2024, we expect to adjust climate scenario based on the latest IPCC assessment report, climate risks and responses will be reassessed. • In 2024, reidentified Advantech's climate-related risks and opportunities and selected the four major risks and opportunities among them for scenario simulation analysis in order to conduct a qualitative assessment on the financial impact with countermeasures proposed.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	<p>For detailed financial quantification under the TCFD framework, please refer to the "2024 Advantech Climate- and Nature-Related Financial Disclosures Report" published on Advantech's ESG website.</p> <p>In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Advantech identifies climate-related risks and opportunities through a comprehensive process that includes multi-dimensional issue gathering, cross-departmental discussions, and external consultations. This process enables the company to identify material risks and opportunities relevant to Advantech, along with their potential occurrence scenarios, impact severity, and associated financial implications.</p> <p>The analysis focuses on three primary aspects—operations (including emissions reduction and natural disasters), products (including the supply chain), and markets—reflecting both industry characteristics and global context. This approach ensures a thorough assessment of climate risks and opportunities across the enterprise level and supports the development of targeted response strategies.</p> <p>As a result, Advantech's climate risk management encompasses the entire value chain, including upstream suppliers, downstream partners, and internal operations. The evaluation process, key items, and materiality assessment outcomes of climate-related risks, opportunities, and financial impacts are comprehensively presented in the report.</p>



Risk/Opportunity Grading Definitions:

Extreme High Risk/Opportunity: $16 < [\text{Impact Likelihood (L)} \times \text{Impact Severity (M)}] < 25$

High Risk/Opportunity: $9 < [\text{Impact Likelihood (L)} \times \text{Impact Severity (M)}] < 16$

Moderate Risk/Opportunity: $4 < [\text{Impact Likelihood (L)} \times \text{Impact Severity (M)}] < 9$

Low Risk/Opportunity: $1 < [\text{Impact Likelihood (L)} \times \text{Impact Severity (M)}] < 4$

Extreme Low Risk/Opportunity: $[\text{Impact Likelihood (L)} \times \text{Impact Severity (M)}] < 1$

We conducted an analysis of carbon reduction potential and its financial implications for the company based on the International Energy Agency (IEA) Beyond 2°C Scenario (B2DS) and the 1.5°C Scenario (1.5DS). Additionally, we evaluated the physical impacts on our operations under the Representative Concentration Pathways (RCP) 4.5 scenario (Business-As-Usual, BAU) and RCP 8.5 scenario (the most severe warming case), to assess our adaptive capacity and enhance the resilience of our climate strategies.

Scenario Analysis of Transition Risks and Opportunities

Category	Scenario	Impact Assessment
Risk	STEPS (Stated Policies Scenario)	An assessment of the potential impact on Advantech's operations from 2025 to 2033 due to government regulations, including stricter renewable energy requirements for major electricity users, amendments to the Climate Change Response Act, and the implementation of carbon tax or related legislation. Failure to comply may result in penalties or carbon-related fees, leading to increased operational costs.

		1.5DS (Net Zero Scenario)	An assessment of the potential impact on Advantech's operations from 2025 to 2033 under more aggressive policy scenarios, including enhanced renewable energy mandates, revisions to climate-related legislation, and the implementation of carbon pricing mechanisms. Non-compliance may result in compensation payments or carbon-related levies, thereby increasing operational costs.
		ESG Reputation and Brand Management Scenario (Based on Historical Trends)	An evaluation of the financial implications stemming from Advantech's ESG image and reputation (e.g., low-carbon or sustainability performance), including increased financing costs from banks and potential revenue loss due to poor environmental sustainability performance. These factors may lead to higher operating costs.
	Opportunity	Low-Carbon Products and Market Scenario (Based on Historical Trends)	An assessment of revenue opportunities from low-carbon-related products by 2040, representing a financial opportunity for Advantech's transition to a low-carbon economy.
	Physical Risk Scenario Analysis		
		Scenario	Impact Assessment
		RCP8.5 (High Warming Scenario)	Assesses the potential financial impact on Advantech's overall operations and production due to extreme weather events (e.g., typhoons/tropical cyclones) occurring through 2050 under the most severe climate change scenario. Other physical risks (e.g., rising temperatures, droughts) are not considered in this assessment.
		RCP4.5 (Business-As-Usual Scenario)	Assesses the potential financial impact on Advantech's overall operations and production due to extreme weather events (e.g., typhoons/tropical cyclones) occurring through 2050 under a business-as-usual climate scenario. Other physical risks (e.g., rising temperatures, droughts) are excluded from this evaluation.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>Greenhouse gas Scope 1, 2 and 3 emissions and goals:</p> <ul style="list-style-type: none"> The SBT science-based carbon reduction target review was passed for the first time in 2021; the SBT science-based carbon reduction target recalculation was initiated in 2024, and the 1.5°C target is expected to be passed in 2025 Advantech Taiwan and Kunshan complete ISO 14064-1 greenhouse gas inventory, verification, and target tracking every year. The greenhouse gas inventory and verification for the subsidiaries in Japan and South Korea was completed in 2024, which will be extended to the Company's overseas important operating locations in the future. 		

	<p>Other climate-related management indicators and targets:</p> <ul style="list-style-type: none"> • Committed to join the RE100 initiative and set a net zero carbon emissions goal for 2050. • The Company has already set the goals for power saving, renewable energy use, water saving, waste reduction, green product revenue ratio, and product power supply efficiency improvement. • The Company has introduced ISO 50001 energy management system to manage energy efficiency, and formulate management indicators and goals for relevant strategies continuously. • LCA life cycle carbon footprint assessment for main products has already been introduced and internal product carbon footprint system platform development has been initiated, which will be applied to green and low-carbon product planning.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	<p>Advantech launched the Internal Carbon Pricing (ICP) project in 2023, hoping to derive internal prices by calculating and evaluating carbon emission costs, and incorporate them into the organization's cost-benefit evaluation mechanism in order to guide low-carbon investment, promote low-carbon production in all departments, thereby improve Advantech's carbon management efficiency and achieve SBT carbon reduction goals. The calculation and evaluation of the project will be initiated with the shadow price method prioritized, and will have prices set at NT\$1,700-3,000 per ton of CO₂e by referring to carbon trading regulations and market prices in each country in order to enhance the carbon reduction investment decisions of each business unit.</p>
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<p>Advantech has set medium- and long-term climate goals, with the use of renewable energy in Taiwan and Kunshan manufacturing centers reaching 50%; Advantech's global locations will use 100% renewable energy in 2040; in addition to reducing emissions in Scope 1 and 2 by 2050, Advantech will achieve the net zero carbon emissions goal by enhancing Scope 3 reduction planning and execution, developing and designing green products, working with the supply chain, cultivating supply chain partners to create low-carbon products and transformation; also, applying future low-carbon technologies, purchasing carbon rights, etc.</p> <p>Advantech plans to update the SBT carbon reduction target (Align with 1.5°C) in 2025Q2, enhance the inspection boundaries of Scope 1, 2, and 3 of all Advantech subsidiaries, and update the absolute target to align with 1.5°C.</p>

9. Greenhouse Gas (GHG) Inventory and Assurance Status, Reduction Targets, Strategies, and Action Plans (Details provided separately in Sections 1-1 and 1-2.)

(1) Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years■ Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions (tons CO₂e), intensity (tons CO₂e/NT\$ million) and data coverage for the most recent two years.

Scope 1 and Scope 2 GHG emissions from Advantech's main operating locations and production plants in 2024:

Region	Scope 1 Direct greenhouse gas emissions	Scope 2 Energy indirect greenhouse gas emissions		Total	
		Market-based	Location-based	Market-based	Location-based
ACL	804.3931	9,222.2612	9,222.2612	10,026.6543	10,026.6543
AKMC	2,531.4193	11,974.1196	11,974.1196	14,505.5389	16,727.0365
AJMC	150.3177	1,203.5099	1,203.5099	1,353.8276	1,353.8276
AKSC	9.7673	158.4522	158.4522	168.2195	168.2195
ANA	23.7654	168.3008	168.3008	192.0662	192.0662
AEU	45.3768	0	56.3275	45.3768	101.7043
Total Scope 1 and Scope 2 emissions (tons CO ₂ e)				26,291.6832	28,569.5084

Note 1: Greenhouse gas inventories of the plants in the U.S. and Europe have not yet been verified by a third party.

Note 2: In the market-based calculation, the greenhouse gas emissions from renewable energy in Kunshan, Europe, and the United States are calculated with an electricity emission coefficient of 0.

Identification and emissions of Scope 3 greenhouse gases from Advantech's Taiwan and Kunshan plants in 2024

Scope 3/ Category items	Verification scope description	Emissions from ACL (tons CO ₂ e)	Emissions from AKMC (tons CO ₂ e)
C1/Category 4	Procurement of goods and services	170,478.9531	47,641.4656
C2/Category 4	Capital goods	4,329.4307	1,281.4052
C3/Category 4	Upstream fuels and energy	1,825.8036	7,984.8634
C4/Category 3	Raw material transportation	35.6019	344.4792
C5/Category 4	Operational waste	40.0910	25.8684

C6/Category 3	Business travel	125.9435	36.2100
C7/Category 3	Employee commute	466.4475	265.3049
C8/Category 4	Upstream lease assets	52.1071	0
C9/Category 3	Product transportation	1.4836	93.5695
C10/Category 5	Product processing	0	0
C11/Category 5	Product use	513,625.6319	Incorporated into Taiwan Head Office
C12/Category 5	Product end-of-life treatment	9.6846	Incorporated into Taiwan Head Office
C13/Category 5	Downstream leased assets	0	426.3576
C14/Category 5	Franchise	0	0
C15/Category 5	Investment	9,178.8698	Incorporated into Taiwan Head Office
Total		750,942.4011	

Remarks:

1. GHG Protocol:2006 Scope 3 C1~C15 correspond to ISO14064-1:2018 Categories 3~6
2. The use of product and the disposal of product are the scope of the inspection of Advantech.

Scope 1 and Scope 2 GHG emissions from Advantech's main operating locations and production plants in 2023:

Region	Scope 1 Direct greenhouse gas emissions	Scope 2 Energy indirect greenhouse gas emissions		Total	
		Market-based	Location-based	Market-based	Location-based
ACL	615.4740	9,723.0184	9,723.0184	10,338.4924	10,338.4924
AKMC	2530.7526	15,399.9083	16,948.2759	17,930.6609	19,479.0285
AJMC	12.5629	1,201.1242	1,201.1242	1,213.6871	1,213.6871
AKSC	0	136.4239	136.4239	136.4239	136.4239
ANA	14.1481	177.86662	177.8662	192.0144	192.0144
AEU	55.3403	0	54.7120	55.3403	110.0523
Total	3,228.2779	26,638.3410	282,41,4206	29,866.6190	

Note 1: Greenhouse gas inventories at plants in Japan, South Korea, the United States and Europe have not yet been verified by a third party.

Note 2: In the market-based calculation, the greenhouse gas emissions from renewable energy in Kunshan and Europe are calculated with an electricity emission

coefficient of 0.

Identification and emissions of Scope 3 greenhouse gases from Advantech's Taiwan and Kunshan plants in 2023

Scope 3/ Category items	Verification scope description	Emissions from ACL (tons CO ₂ e)	Emissions from AKMC (tons CO ₂ e)
C1/Category 4	Procurement of goods and services	213,927.8894	21,036.8456
C2/Category 4	Capital Goods	5,357.6987	1,612.4929
C3/Category 4	Upstream Fuels and Energy	1,921.0098	6,629.5758
C4/Category 3	Raw material transportation	46.0543	199.3373
C5/Category 4	Operational waste	41.5930	22.5382
C6/Category 3	Business Travel	119.5119	30.1799
C7/Category 3	Employee commute	476.0058	300.7053
C8/Category 4	Upstream lease assets	73.1892	52.6521
C9/Category 3	Product transportation	2.0403	87.4167
C10/Category 5	Product processing	0	0
C11/Category 5	Product use	716,553.0502	Incorporated into Taiwan Head Office
C12/Category 5	Product end-of-life treatment	17.0716	Incorporated into Taiwan Head Office
C13/Category 5	Downstream leased assets	0	426.3576
C14/Category 5	Franchise	0	0
C15/Category 5	Investment	7,524.9078	Incorporated into Taiwan Head Office

Note:

1. GHG Protocol:2006 Scope 3 C1~C15 correspond to ISO14064-1:2018 Categories 3~6

2. Product use and product terminal disposal are for the global scope of Advantech.

The data scope includes: The boundaries include important operating bases and main factories, namely: Advantech Taiwan Ruiguang, Yangguang, and Linkou (collectively known as ACL) and Advantech Kunshan Manufacturing Center (AKMC). The disclosure scope of overseas operating locations includes: Advantech Corporation (ANA), Advantech Europe B.V. (AEU), Advantech Japan Co., Ltd. (AJP), Advantech KR Co., Ltd. (AKR), and Beijing Advantech Industrial Electronic Technology Co., Ltd. (ACN).

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions from the import of electricity, heat, or steam) and other indirect emissions (Scope 3, i.e., emissions generated by company activities that are not energy indirect emissions but are from emission sources owned or controlled by other companies).

Note 2: The data of direct emissions and energy indirect emissions should be handled in accordance with the schedule specified in Article 10, Paragraph 2 of these Regulations. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated based on turnover (NT\$ million) should be stated.

■ Greenhouse gas assurance information

Describe the assurance status for the most recent two years as of the publication date of the annual report, including the assurance scope, assurance organization, assurance criteria, and assurance opinions.

- Advantech has a capital of NT\$8.6 billion and is subject to Stage IV (2027) regulation by the Financial Supervisory Commission. It is not required to disclose assurance information currently, but the assurance and disclosure is made voluntarily.

The greenhouse gas assurance information in the last two years is as follows:

The ISO 14064 standard was referred in 2023. The main production bases in Taiwan are certified by TUV Nord, and Kunshan is certified by the China Quality Certification (CQC).

The ISO 14064 standard was referred in 2024. The main production bases in Taiwan, Japan, and South Korea are certified by TUV Nord, and Kunshan is certified by the China Quality Center.

The contents disclosed in the ESG reports in 2023 and 2024 have all been verified by SGS AA1000 Type II high assurance verification.

Note 1: It is to be handled in accordance with the schedule specified in Article 10, Paragraph 2 of these Regulations. If the company has not obtained a complete greenhouse gas assurance opinion as of the publication date of the annual report, and it shall indicate that “complete assurance information will be disclosed in the sustainability report.” If the company has not prepared a sustainability report, it shall indicate that “complete assurance information will be disclosed at the “Market Observation Post System” and then have complete assurance information disclosed in the annual report in the following year.

Note 2: The assurance institution shall comply with the relevant provisions of the assurance institution for sustainability report that are stipulated by Taiwan Stock Exchange Corporation and Taipei Exchange.

Note 3: Please refer to the best practice reference examples on the Corporate Governance Center website of Taiwan Stock Exchange for relevant disclosure in details.

■ Greenhouse gas reduction targets, strategies, and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction goals, strategies, specific action plans, and the achievement of the reduction targets.

Advantech established a Science-Based Target (SBT) in 2021, proposing a goal of reducing the carbon intensity of Scope 1 and Scope 2 by 60%, and a goal of reducing the carbon intensity of Scope 3 of product used by 49% by 2030, with 2029 as the base year. Advantech plans to apply to have SBTi Near-term goal updated in May 2025, with the reduction climate scenario updated to Scope 1&2 1.5°C and Scope 3 for at least WB2°C. Advantech has further enhanced the inspection boundaries of Scope 1, 2, and 3 for all Advantech subsidiaries and have them updated to meet the absolute target of 1.5°C.

Goals: Achieve SBT goals by 2030, RE100 by 2040, and net zero carbon emissions by 2050.

Strategy Path:

- Stage 1: 2019 - 2025. Advantech will continue to expand manufacturing capacity and increase energy usage, but will try to reduce carbon emissions through the promotion of the energy-saving projects.
- Stage 2: 2026-2040. The use of renewable energy in main production sites will increase, and the overall carbon emissions trend will decrease year by year.
- Stage 3: 2041-2050. Initiate the greenhouse gas alternative solutions and obtain carbon rights.

The 2024 reduction strategy and action results are as follows: The latest data will be updated later

- The renewable energy utilization rate reached 9.46% in 2024 by committing to the RE100 goal and actively promoting the use of renewable energy by RBUs worldwide.
- The Board of Directors has effectively improved ESG performance by linking executive remuneration to ESG results, including: Awarded with the 4th place of Commonwealth Sustainable Citizen Awards, the first place of the Electronic Technology Industry Comprehensive Performance Award of the Global Views Monthly ESG Corporate Sustainability Award, and CDP B List, and DJSI top 10% Award worldwide. Also, adopt effective financial incentive mechanisms (cash and equity certification) to continuously improve sustainable performance.
- Launched the greenhouse gas inventory and verification plan for subsidiaries: Advantech completed the ISO 14064 greenhouse gas inventory and verification for the six subsidiaries in Taiwan, the parent company in Taiwan, and the Kunshan subsidiary by 2024.
- Launched iEMS in Taiwan and Kunshan to collect electricity consumption of main operating locations.
- Taiwan factory obtained green factory certification.
- Taiwan and Kunshan operation sites completed with ISO 50001 certification.
- Launched carbon pricing project: Advantech initiated Internal Carbon Pricing (ICP) project in 2023, hoping to derive internal prices by calculating and evaluating carbon emission costs, and incorporate them into the organization's cost-benefit evaluation mechanism in order to guide low-carbon investment, promote low-carbon production in all departments, thereby improve Advantech's carbon management efficiency and achieve SBT carbon reduction goals. The calculation and evaluation of the project will be initiated with the shadow price method prioritized, and will have prices set at NT\$1,700-3,000 per ton by referring to carbon trading regulations and market prices in each country.
- Completed the formulation of internal carbon prices in 2024 to enhance carbon reduction investment decisions of business units. Advantech launched Stage 2 of carbon pricing planning and started the design of carbon fee collection mechanism in 2024. Also, held cross-department meetings with the workshops for the finance, factory affairs, investment, emerging business opportunities, products, and R&D invited to discuss the carbon fee mechanism and trial plan.
- The company's overall greenhouse gas emissions per unit of revenue decreased by 4.9% in 2024 compared to 2023.

Note 1: It should be handled in accordance with the schedule specified in Article 10, Paragraph 2 of these Regulations.

Note 2: The base year should be the year in which the boundary review in the consolidated financial report completed. For example, according to the provisions of Article 10, Paragraph 2 of these Regulations, a company with a capital of more than NT\$10 billion should complete the audit of the 2024 consolidated financial report in 2025. Therefore, the base year is 2024. If the company has completed the audit of the consolidated financial report in advance, the earlier year may be used as the base year. In addition, the data for the base year may be calculated based on a single year or on the average of several years.

Note 3: Please refer to the best practice reference examples on the Corporate Governance Center website of Taiwan Stock Exchange for relevant disclosure in details.

(8) 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	
1. Establishment of ethical corporate management policies and programs (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?	V		(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.	None
(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	V		(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.	

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	
Management Best Practice Principles for TWSE/TPEX Listed Companies? (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?	V		(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.	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		(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 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. The 2024 sign-back status report is as follows: (a). Advantech has a total of 1,961 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 1,935 companies that have signed back through the SRM management system, with a sign-back rate of 99%.	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	
(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 Directors while overseeing such operations?	V		<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.</p> <p>(I). IT Department Establish a system for training on the code of conduct for ethics, including regular reminders for training and testing, etc.</p> <p>(II). Human Resources Department A total of 266 new employees completed the education and training of physical courses.</p> <p>(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 2024, a total of 6,124 people around the world completed the training, with a completion rate of 96.3%.</p> <p>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>	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(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 the Company's whistleblower guidelines.	
(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?	V		(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.	

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	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		(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.	
3. Operation of the integrity channel (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? (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? (3) Does the company provide proper whistleblower protection?	V V V		(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. (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. The following cases were reported in 2024. (a). A total of 3 cases were reported. (b). Investigations have been completed on 3 cases, and the management has completed corresponding handling. (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.	None
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V		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.	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	
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 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				

- (9) 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.
- (10) Other important information helpful in understanding the corporate governance operation: Amendments to the Company’s Articles of Incorporation must be approved not only by a resolution of the Board of Directors but also by a special resolution of the Shareholders’ Meeting. Such amendments must be explicitly listed in the notice of the Shareholders’ Meeting and the amendment registration must be completed within 15 days. The related procedures are in compliance with applicable legal and regulatory requirements.

(11) The implementation of the internal control system:

Advantech Co., Ltd.
Statement of Internal Control System

Date: Feb 27, 2025

Based on the findings of a self-assessment, Advantech Co., Ltd. (Advantech) states the following with regard to its internal control system during the year 2024:

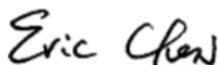
1. Advantech's Board of Directors and Management are responsible for establishing, implementing, and maintaining an adequate internal control system, and Advantech has established such a system. Our internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations.
2. An internal control system has its inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishment the objectives mentioned above. Furthermore, the effectiveness of an internal control system may be subject to changes due to circumstances beyond control. Nevertheless, the internal control system of Advantech contains self-monitoring mechanisms, and Advantech takes immediate remedial actions in response to any identified deficiencies.
3. Advantech evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify five components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component further contains several items. Please refer to the Regulations for details.
4. Advantech has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, Advantech believes that, on December 31, 2024, it has maintained, in all material respects, and effective internal control system (that includes the supervision and management of subsidiaries), to provide reasonable assurance over operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations.
6. This Statement will be an integral part of Advantech's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors in their meeting on February 27, 2025, with all of the nine attending directors all affirming the content of this Statement.

Advantech Co., Ltd.

K.C. Liu
Chairman



Eric Chen
Corporate President



Linda Tsai
Corporate President



Miller Chang
Corporate President



- (12) If a CPA is commissioned to review internal control system specifically, the review report should be disclosed: None
- (13) The Company and its internal staff being punished lawfully, the punishment given by the Company to the violators of internal control system, major nonconformity, and the improvement in the most recent year and up to the publication of the annual report: None
- (14) The material resolutions reached in the shareholders' meeting and board meeting in the most recent year and up to the publication of the annual report:

■ **Important resolutions reached by the board of directors.**

The 2024 general shareholders' meeting was held at Advantech's Neihu Headquarters on May 30, 2024. The resolutions reached by the shareholders present at the meeting and the status of their implementation are as follows:

1. Report on the company's 2023 business report and financial statements;
Implementation status: The resolution was passed.
2. Report on the company's 2023 earnings distribution proposal;
Implementation status: The earnings distribution base date was scheduled for July 25, 2024, and the payment of cash dividends for an amount of NT\$9.5 per share was scheduled for August 8, 2024.
3. Report on the distribution of the company's 2023 employee remuneration and director remuneration;
4. Report on the company's making of endorsements/guarantees in 2023;
5. Report on the acquisition of Huaya Lot No. 9 land by the company from related parties;
6. Passed the proposal of issuing new shares for capital increase from earnings.
Implementation status: The Resolution was passed.

■ **Important resolutions reached by the board of directors.**

The summary of important resolutions reached by the company's board of directors in 2024 and as of the publication date of the annual report is as follows:

1. Board of directors meeting on February 2, 2024:

- Approved the updated list of employees and the quantity of employee stock option certificates issued by the company in 2023.

2. Board of directors meeting on February 27, 2024:

- Approved the company's 2023 operating budget and operation plan.
- Approved the company's 2023 business report, stand-alone financial statements, and consolidated financial statements.
- Approved the company's issuance of new shares for capital increase from earnings.
- Approved the company's distribution of remuneration to employees and directors in 2023.
- Approved the company's distribution of remuneration to employees and directors in 2023.
- Approved the proposal for the distribution of bonuses to the company's managers (year-end, performance, and employee remuneration) and salary increases in 2023.
- Approved the proposal for convening the company's 2024 general shareholders' meeting.
- Approved the appointment of PwC Taiwan to serve as a certified public accountant of the company in 2024 and the assessment of its independence and suitability.

- Approved the company's proposed capital loan to Advantech KR Co., Ltd. (hereinafter referred to as AKR), a subsidiary of the company, for a total amount not exceeding NT\$160 million.
- Approved the application filed for the company's bank credit line in 2023, and authorized the chairman to apply to the bank for renewal within the credit line based on the business operation.
- Approved the company's 2023 "Internal Control Statement."
- Approved the company's 2024 special audit plan.
- Approved the company's internal control system: sales and collection cycle.
- Approved the company's 2018 employee stock option executed in the 4th quarter with new shares issued for the common stock shares subscribed.
- Approved the company's 2020 employee stock option executed in the 4th quarter with new shares issued for the common stock shares subscribed.

3. Board of directors meeting on April 26, 2024:

- Approved the company's 2024Q1 consolidated financial statements.
- Approved the preparation of the company's sustainability report and the communication with stakeholders.
- Approved the proposal for the merger and acquisition of Aures Technology S.A. by the company.
- Approved the proposal for the amendments to the company's "Articles of Incorporation."
- Approved the proposal for the amendments to the company's "Corporate Governance Best Practice Principles."
- Approved the proposal for the amendments to the company's "Delegation of Authorization (DOA)" for raw material procurement.
- Approved the proposal for the amendments to the company's "General Principles of Internal Control System" and "Internal Audit Enforcement Rules."
- Approved the company's 2018 employee stock option executed in the 1st quarter with new shares issued for the common stock shares subscribed.
- Approved the company's 2020 employee stock option executed in the 1st quarter with new shares issued for the common stock shares subscribed.

4. Board of directors meeting on July 26, 2024:

- Approved the company's 2024Q2 consolidated financial statements.
- Approved the proposal for the company's disposal of the land and buildings of the Donghu plant.
- Approved the additional capital expenditure for the construction of a new headquarters and office building by Advantech Corp. (ANA), a subsidiary of the company.
- Approved the proposal for the amendments to the company's "Code of Conduct."
- Approved the proposal for the amendments to the company's "Rules Governing the Employee Stock Option Certificate Issuance and Subscription in 2023."
- Approved the company's 2018 employee stock option executed in the 2nd quarter with new shares issued for the common stock shares subscribed.
- Approved the company's 2020 employee stock option executed in the 2nd quarter with new shares issued for the common stock shares subscribed.

5. Board of directors meeting on October 31, 2024:

- Approved the company's 2024Q3 consolidated financial statements.
- Approved the proposal for the investment in factory office construction in Nōgata Fukuoka Japan.
- Approved the proposal for RFD Micro Electricity Co. Ltd., a subsidiary of the company, to entrust Micro Electricity Co. Ltd. to build a solar photovoltaic system in a manner of engaging others to build on rented land.
- Approved the company's proposed capital loan to Aures (hereinafter referred to as RTG), a subsidiary 100% owned by the company, for a total amount not exceeding NT\$99 million.
- Approved the company's 2025 compliance audit plan.
- Approved the proposal for the amendments to the company's procurement and payment cycle.
- Approved the proposal for the amendments to the company's "Audit Committee Charter."
- Approved the proposal for the amendments to the company's "Procedures for Acquiring or Disposing of Assets."
- Approved the proposal for the amendments to the company's "Rules Governing Finance and Business Between the Company and the Related Parties."
- Approved the proposal for the change of the company's governance officer during the period.
- Approved the company's 2018 employee stock option executed in the 3rd quarter with new shares issued for the common stock shares subscribed.
- Approved the company's 2020 employee stock option executed in the 3rd quarter with new shares issued for the common stock shares subscribed.

6. Board of directors meeting on February 27, 2025:

- The proposal for the company's 2025 business budget and operation plan;
- The company's 2024 business report, stand-alone financial statements, and consolidated financial statements;
- The proposal for the company's 2024 earnings distribution;
- The proposal for the company's convening the 2025 general shareholders meeting.
- The proposal for the appointment of PwC Taiwan to serve as a certified public accountant of the company in 2025 and the assessment of its independence and suitability.
- The company's distribution of remuneration to directors in 2024.
- The company's distribution of remuneration to employees in 2024.
- The proposal for the distribution of bonus to the company's managers (year-end, performance, and employee remuneration) and salary increase in 2024.
- Approved the company's 2020 employee stock option executed in the 4th quarter with new shares issued for the common stock shares subscribed.
- The proposal for the amendments to the company's "Articles of Incorporation" and "Salaries and Wages Cycle Internal Control System."
- The proposal for the company's planning to increase investment in the equity of "Advantech Corporate Investment Ltd., Cayman," a subsidiary of the company.

- The proposal for the company's planning to increase investment in the equity of "Advantech Investment Co., Ltd.," a subsidiary of the company.
- The transfer of debt to shareholders' equity (additional paid-in capital) for the loaning of funds between Aures and subsidiaries;
- The company's overdue accounts receivable for over 90 days from Advantech (Beijing) Co., Ltd., a subsidiary of the company;
- The company's 2024 "Internal Control System Statement"
- The company's 2025 project audit plan;
- The proposal for the amendments to the internal control system of the company's "Property, plant and equipment cycle"
- The proposal for the amendments to the company's "Internal Control Self-Inspection procedures"
- The proposal for the amendments to the company's "Risk Management Policy and Procedures"
- The proposal for the amendments to the internal control system of the company's "Sustainable Information Management Guidelines"

- (15) The contents of the board resolutions regarding which independent directors have voiced opposing or qualified opinions on the record or in writing in the most recent year or up to the publication of the annual report: None
- (16) The resignation or dismissal of the Company's Chairman, President, Accounting Officer, Finance Officer, Internal Audit Director, and R&D Director in the most recent year or up to the publication of the annual report: None

5. Information Regarding the Company's Audit Fee and Independence

■ Audit Fee

Monetary unit: NT\$ Thousand

CPA Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fees	Total	Remarks
PricewaterhouseCoopers Taiwan	Hua-Ling, Liang	2024.1.1-2024.12.31	14,350	10,651	24,901	Non-audit fees: ESG and reorganization consultant fee
	Yi-Fan, Lin					

- (1) If a new CPA Firm is commissioned to serve for an audit fee less than the year before, please disclose the audit fee amount before and after the CPA replacement arranged and the reason for doing so: None
- (2) If the audit fee of current year is more than 10% less than the year before, please disclose the audit fee amount and ratio reduced and the root cause of the fee reduction: None
- (3) Replacement of CPAs: None.

6. The Company's Chairman, President, and Finance or Accounting Officer have held a position in the independent auditing firm or its affiliates over the past year: None

7. Changes in the shares held and pledged by directors, supervisors, managers, and major shareholders holding over 10% of outstanding shares in the most recent year and up to the publication of the annual report:

(1) Changes in equity:

Title	Name	2024		As of March 31 of the current year	
		Increase (decrease) of shareholding	Increase (decrease) of shares pledged	Increase (decrease) of shareholding	Increase (decrease) of shares pledged
Director	K.C. Liu				
Director	Advantech Foundation				
Representative	Chaney Ho	33,000		(27,000)	
Director	K and M Investment Co., Ltd.				
Representative	Wesley.Liu	10,500		(5,000)	
Director	AIDC Investment Corp.				
Representative	Tony Liu	22,500			
Director	Jeff Chen				
Director	Ji-Ren Lee				
Independent director	Ming-Hui Chang				
Independent director	Benson Liu				
Independent director	Chan-Jane Lin				
President	Eric Chen	(43,330)		(54,000)	
President	Miller Chang	(138,800)	(120,000)		
President	Linda Tsai	101,520			
Corporate governance officer	Grace Liao (note1)	23,000			
Corporate governance officer	Imani Chen (note1)				
Accounting Officer	Mandy Lin	14,800			
Major shareholder	Asus Computer Co., Ltd.				
Major shareholder	K and M Investment Co., Ltd.				

Note 1: Former Corporate Governance Officer, Senior Manager Grace Liao, took a leave of absence without pay. As of October 26, 2024, Manager Imani Chen has been appointed as the acting Corporate Governance Officer.

(2) The counterparty of the equity transfer is a related party: None

(3) The counterparty of the equity pledge is a related party: None

8. The Top-10 shareholders who are the spouses or relatives within second-degree to each other:

March 31, 2025

Unit: Shares; %

Name (note 1)	Current Shareholding		Spouse's/minor's Shareholding (note 2)		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (note 3)		Remark
	Shares	(%)	Shares	(%)	Shares	(%)	Title	Relations	
ASUSTEK COMPUTER Inc. Representative: Jonney Shih	113,483,106	13.13%	0	0	0	0	None	None	None
	0	0	0	0	0	0	None	None	None
K and M Investment Co., Ltd. Representative: K.C. Liu	100,494,794	11.63%	0	0	0	0	AIDC Investment Corp.	Director	None
	27,993,951	3.24%	4,701,052	0.54%	0	0	Advantech Foundation	Director	
AIDC Investment Corp. Representative: Mary Chang	99,314,136	11.49%	0	0	0	0	K and M Investment Co., Ltd.	Director	None
	4,701,052	0.54%	28,179,467	3.62%	0	0	Advantech Foundation	Director	
K.C. Liu	27,993,951	3.24%	4,701,052	0.54%	0	0	K and M Investment Co., Ltd.	Director	None
							AIDC Investment Corp.	Director	
							Advantech Foundation	Director	
Advantech Foundation Representative: K.C. Liu	24,543,548	2.84%	0	0	0	0	K and M Investment Co., Ltd.	Director	None
	27,993,951	3.24%	4,701,052	0.54%	0	0	AIDC Investment Corp.	Director	None
Tran-Fei Development Co., Ltd	20,059,028	2.32%	0	0	0	0	None	None	None
Yong-Shun Zhuang	19,365,594	2.24%	0	0	0	0	None	None	None
The Overlook Partners Fund L.P.	17,280,157	2.00%	0	0	0	0	None	None	None
First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Sustainability Fund	12,693,875	1.47%	0	0	0	0	None	None	None
New Labor Pension Fund	10,994,005	1.27%	0	0	0	0	None	None	None

Note1: Illustrate the name of the Top-10 shareholders; also, illustrate separately the name of the institutional shareholder and its representative.

Note2: The shareholding ratio is calculated by referring to the shares held by the Principal, the Principal's spouses and underage children, or by nominee agreement.

Note3: Disclose the relationship among shareholders referred to above, including the juristic person and natural person.

9. The shares of the invested company held by the Company, the Company's directors, supervisors, managers, and companies controlled directly or indirectly, and the aggregated overall shareholding ratio:

% Unit: Shares; %

Item	Affiliated Enterprises	Abbreviation	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
			Shares	(%)	Shares	(%)	Shares	(%)
1	Advantech Automation Corporation Limited	AACMT	11,126,887	100	--	--	11,126,887	100
2	Advantech Automation Corp. (HK) Limited	AAC(HK)	15,230,001	100	--	--	15,230,001	100
3	Advantech Corporation	ANA	--	--	10,952,616	100	10,952,616	100
4	Advantech Technology Limited	AIE	--	--	--	100	--	100
5	Advantech CZech, s.r.o.	ACZ	--	--	--	100	--	100
6	Beijing Yan Hua Xing Ye Electronic Science & Technology Co., Ltd.	ACN	--	--	--	100	--	100
7	Shanghai Advantech Intelligent Services Co., Ltd.	ACI CN	--	--	--	100	--	100
8	Xi'an Advantech Software Ltd.	AXA	--	--	--	100	--	100
9	Advantech Corporate Investment Ltd.	ACI KY	100,000,000	100	--	--	100,000,000	100
10	Advantech Service-IoT (Shanghai) Co.,Ltd.	SlOT(China)	--	--	--	100	--	100
11	Advantech Technology DMCC	ADB	50	100	--	--	50	100
12	Advantech Europe Holding B.V.	AEUH	25,961,250	100	--	--	25,961,250	100
13	Advantech Europe B.V.	AEU	--	--	32,315,215	100	32,315,215	100
14	Advantech Poland Sp z o.o.	APL	--	--	7,030	100	7,030	100
15	Advantech Co., Singapore Pte, Ltd.	ASG	1,450,000	100	--	--	1,450,000	100
16	PT. Advantech International	AID	30	1	2,970	99	3,000	100
17	Advantech Corporation (Thailand) Co., Ltd.	ATH	510,000	51	490,000	49	1,000,000	100
18	Advantech Technology Co.,Ltd.	ATC	40,850,000	100	--	--	40,850,000	100
19	HK Advantech Technology Co.,Limited	ATC(HK)	--	--	57,890,679	100	57,890,679	100
20	Advantech Technology (China) Company Ltd.	AKMC	--	--	--	100	--	100
21	Advantech Brasil Ltd.	ABR	15,373,031	100	--	--	15,373,031	100
22	Advantech Australia Pty Ltd.	AAU	500,204	100	--	--	500,204	100
23	ADVANTECH IOT ISRAEL LTD.	AIL	100	100	--	--	100	100
24	Advantech Industrial Computing India Pvt. Ltd.	AIN	4,999,999	99.99	1	0.01	5,000,000	100
25	Advantech Japan Co.,Ltd.	AJP	1,200	100	--	--	1,200	100

26	Advantech KR Co., Ltd.	AKR	600,000	100	--	--	600,000	100
27	Advantech Electronics, S.A.P.I.DE C.V.	AMX	16,250,003	97.5	16,667	0.1	16,266,670	97.6
28	Advantech Co., Malaysia Sdn. Bhd.	AMY	2,000,000	100	--	--	2,000,000	100
29	Advantech Turkey Teknoloji A.S.	ATR	462,535	100	--	--	462,535	100
30	Advantech Vietnam Technology Company Limited	AVN	81,000	60	--	--	81,000	60
31	Advantech Corporate Investment	ACI	330,000,000	100	--	--	300,000,000	100
32	Cermate Technologies Inc.	Cermate Taiwan	1,327,500	45	1,622,500	55	2,950,000	100
33	LandMark Co., Ltd.	LandMark	--	--	972,284	100	972,284	100
34	Shenzhen Cermate Technologies Inc.	Cermate Shenzhen	--	--	--	90	--	90
35	Advantech Intelligent Services Co., Ltd.	AiCs	1,000,000	100	--	--	1,000,000	100
36	Advanix Corporation	Advanix	10,000,000	100	--	--	10,000,000	100
37	Huan Yan Water Solution Co., Ltd.	Huan Yan	270,000	90	--	--	270,000	90
38	Advantech Raiser India Private Limited	ARI	--	--	1,237,500	55	1,237,500	55
39	Yan Xu Green Electricity Co., Ltd.	Yan Xu	--	--	8,332,500	82.50	8,332,500	82.50
40	Cermate Software Inc.	CSI	--	--	--	100	--	100
41	BitFlow, Inc.	ABO	--	--	210,000	100	210,000	100
42	Expotech Co., Ltd.	Expotech	--	--	6,000,000	59.23	6,000,000	59.23
43	Aures Technologies Ltd.	Aures	1,430,381	36.32	--	--	1,430,381	36.32
44	AURES TECHNOLOGIES GmbH	Aures UK	--	--	5,000	100	5,000	100
45	A.G.H. US HOLDING COMPANY, INC.	Aures DE	--	--	25,000	90	25,000	90
46	J2 SYSTEMS TECHNOLOGY Limited	Aures AGH	--	--	1,000	100	1,000	100
47	Retail Technology Group Inc.	Aures J2SYSTEMS	--	--	42,229	100	42,229	100
48	Aures Technologies Inc.	Aures RTG	--	--	500	100	500	100
49	AURES Technologies Pty Ltd.	Aures US	--	--	10,000	100	10,000	100
50	Aures Technologies Ltd.	Aures AU	--	--	10	100	10	100
51	Adveco Technology Co., Ltd.	Adveco	--	--	--	53.98	--	53.98
52	Adveco Management Consulting Co.,Ltd.	Adveco Management	--	--	--	60	--	60
53	Adveco Management Consulting No.1 (Limited partnership)	Adveco Management No.1	--	--	--	59.94	--	59.94
54	Adveco Management Consulting No. 2 (Limited partnership)	Adveco Management No. 2	--	--	--	59.94	--	59.94

III. Capital Overview

1. Capital and shares

(1) Sources of capital

Unit: Thousand shares; NT\$ Thousand

Month / year	Par Value (NT\$)	Authorized capital		Paid-in capital		Remark			
		Shares	Amount	Shares	Amount	Source of capital		Capital Increased by Assets Other than Cash	Others
07.1997	10	100,000	1,000,000	47,500	475,000	Capitalization by cash	171,000	None	Note 1
						Capitalization by earnings	114,000		
06.1998	10	100,000	1,000,000	80,750	807,500	Capitalization by cash	95,000	None	Note 2
						Capitalization by earnings	237,500		
06.1999	10	200,000	2,000,000	130,700	1,307,000	Capitalization by earnings	499,500	None	Note 3
05.2000	10	298,000	2,980,000	174,500	1,745,000	Capitalization by earnings	438,000	None	Note 4
08.2001	10	298,000	2,980,000	233,200	2,332,000	Capitalization by earnings	587,000	None	Note 5
12.2001	10	298,000	2,980,000	233,429	2,334,294	Conversion of convertible bond	2,294	None	
02.2002	10	298,000	2,980,000	233,486	2,334,865	Conversion of convertible bond	571	None	
06.2002	10	500,000	5,000,000	285,513	2,855,130	Capitalization by earnings	520,135	None	Note 6
						Conversion of convertible bond	130		
12.2002	10	500,000	5,000,000	285,529	2,855,292	Conversion of convertible bond	162	None	
02.2003	10	500,000	5,000,000	286,242	2,862,423	Conversion of convertible bond	7,131	None	
04.2003	10	500,000	5,000,000	292,846	2,928,462	Capitalization	66,039	Note 9	Note 7
06.2003	10	500,000	5,000,000	341,304	3,413,039	Capitalization by earnings	484,577	None	Note 8
03.2004	10	500,000	5,000,000	337,728	3,377,279	Cancellation of Treasury Stock	(38,620)	None	
						Conversion of convertible bond	2,860		
06.2004	10	500,000	5,000,000	362,862	3,628,617	Capitalization by earnings	223,864	None	Note 10
						Conversion of convertible bond	27,474		
09.2004	10	500,000	5,000,000	369,230	3,692,299	Conversion of convertible bond	63,682	None	
12.2004	10	500,000	5,000,000	374,296	3,742,812	Conversion of convertible bond	50,513	None	
03.2005	10	500,000	5,000,000	374,767	3,747,672	Conversion of convertible bond	4,860	None	
06.2005	10	500,000	5,000,000	401,683	4,016,833	Capitalization by earnings	237,384	None	Note 11
						Conversion of convertible bond	31,777		
09.2005	10	500,000	5,000,000	403,889	4,038,893	Conversion of convertible bond	22,060	None	
12.2005	10	500,000	5,000,000	448,783	4,487,826	Exchange of shares	448,933	None	Note 12

Month / Year	Par Value (NT\$)	Authorized capital		Paid-in capital		Remark			
		Shares	Amount	Shares	Amount	Source of capital		Capital Increased by Assets Other than Cash	Others
01.2006	10	500,000	5,000,000	448,900	4,489,003	Conversion of convertible bond	477	None	
						Conversion of stock option	700		
04.2006	10	500,000	5,000,000	448,960	4,489,603	Conversion of stock option	600	None	
07.2006	10	500,000	5,000,000	463,180	4,631,795	Capitalization by earnings	139,792	None	Note 13
						Conversion of convertible bond	2,100		
						Conversion of stock option	300		
09.2006	10	500,000	5,000,000	463,365	4,633,645	Conversion of stock option	1,850	None	
12.2006	10	500,000	5,000,000	463,630	4,636,295	Conversion of stock option	2,650	None	
03.2007	10	500,000	5,000,000	463,665	4,636,645	Conversion of stock option	350	None	
07.2007	10	600,000	6,000,000	490,847	4,908,470	Capitalization by earnings	271,825	None	Note 14
09.2007	10	600,000	6,000,000	491,227	4,912,270	Conversion of stock option	3,800	None	
12.2007	10	600,000	6,000,000	491,577	4,915,770	Conversion of stock option	3,500	None	
04.2008	10	600,000	6,000,000	491,877	4,918,770	Conversion of stock option	3,000	None	
07.2008	10	600,000	6,000,000	481,877	4,818,770	Cancellation of Treasury Stock	(100,000)	None	Note 15
07.2008	10	600,000	6,000,000	481,962	4,819,620	Conversion of stock option	850	None	
08.2008	10	600,000	6,000,000	511,330	5,113,308	Capitalization by earnings	293,688	None	Note 16
10.2008	10	600,000	6,000,000	511,346	5,113,458	Conversion of stock option	150	None	
04.2009	10	600,000	6,000,000	511,366	5,113,658	Conversion of stock option	200	None	
07.2009	10	600,000	6,000,000	511,386	5,113,858	Conversion of stock option	200	None	
08.2009	10	600,000	6,000,000	516,009	5,160,087	Capitalization by earnings	46,229	None	Note 17
10.2009	10	600,000	6,000,000	516,134	5,161,337	Conversion of stock option	1,250	None	
11.2010	10	600,000	6,000,000	501,634	5,016,337	Cancellation of Treasury Stock	(145,000)	None	Note 18
08.2011	10	600,000	6,000,000	551,797	5,517,971	Capitalization by paid-in capital	501,634	None	Note 19
01.2012	10	600,000	6,000,000	552,996	5,529,961	Conversion of stock option	11,990	None	Note 20
04.2012	10	600,000	6,000,000	553,832	5,538,321	Conversion of stock option	8,360	None	Note 21
10.2012	10	600,000	6,000,000	560,893	5,608,937	Conversion of stock option	70,616	None	Note 22
01.2013	10	600,000	6,000,000	563,997	5,639,970	Conversion of stock option	31,033	None	Note 23
05.2013	10	600,000	6,000,000	565,205	5,652,058	Conversion of stock option	12,080	None	Note 24
08.2013	10	600,000	6,000,000	565,627	5,656,271	Conversion of stock option	4,220	None	Note 25
10.2013	10	600,000	6,000,000	566,924	5,669,248	Conversion of stock option	12,978	None	Note 26
02.2014	10	600,000	6,000,000	569,400	5,694,000	Conversion of stock option	24,752	None	Note 27
05.2014	10	600,000	6,000,000	571,451	5,714,511	Conversion of stock option	20,511	None	Note 28
07.2014	10	600,000	6,000,000	571,762	5,717,621	Conversion of stock option	3,110	None	Note 29
09.2014	10	800,000	8,000,000	628,702	6,287,021	Capitalization by earnings	569,400	None	Note 30
11.2014	10	800,000	8,000,000	630,103	6,301,031	Conversion of stock option	14,010	None	Note 31
02.2015	10	800,000	8,000,000	631,209	6,312,091	Conversion of stock option	11,060	None	Note 32
04.2015	10	800,000	8,000,000	631,518	6,315,186	Conversion of stock option	3,095	None	Note 33
06.2015	10	800,000	8,000,000	631,853	6,318,531	Conversion of stock option	3,345	None	Note 34
10.2016	10	800,000	8,000,000	632,609	6,326,091	Conversion of stock option	7,560	None	Note 35

Month / Year	Par Value (NT\$)	Authorized capital		Paid-in capital		Remark			
		Shares	Amount	Shares	Amount	Source of capital		Capital Increased by Assets Other than Cash	Others
01.2017	10	800,000	8,000,000	633,074	6,330,741	Conversion of stock option	4,650	None	Note 36
04.2017	10	800,000	8,000,000	633,254	6,332,541	Conversion of stock option	1,800	None	Note 37
07.2017	10	800,000	8,000,000	696,611	6,966,115	Capitalization by earnings	633,574	None	Note 38
11.2017	10	800,000	8,000,000	697,032	6,970,325	Conversion of stock option	4,210	None	Note 39
03.2018	10	800,000	8,000,000	697,282	6,972,825	Conversion of stock option	2,500	None	Note 40
05.2018	10	800,000	8,000,000	697,457	6,974,575	Conversion of stock option	1,750	None	Note 41
08.2018	10	800,000	8,000,000	697,544	6,975,445	Conversion of stock option	870	None	Note 42
11.2018	10	800,000	8,000,000	698,227	6,982,275	Conversion of stock option	6,830	None	Note 43
03.2019	10	800,000	8,000,000	698,695	6,986,955	Conversion of stock option	4,680	None	Note 44
05.2019	10	800,000	8,000,000	699,075	6,990,755	Conversion of stock option	3,800	None	Note 45
08.2019	10	800,000	8,000,000	699,140	6,991,405	Conversion of stock option	650	None	Note 46
11.2019	10	800,000	8,000,000	699,923	6,999,230	Conversion of stock option	7,825	None	Note 47
04.2020	10	800,000	8,000,000	700,410	7,004,100	Conversion of stock option	4,870	None	Note 48
05.2020	10	800,000	8,000,000	700,870	7,008,700	Conversion of stock option	4,600	None	Note 49
08.2020	10	1,000,000	10,000,000	771,350	7,713,500	Conversion of stock option	4,390	None	Note 50
						Capitalization by earnings	700,410		
11.2020	10	1,000,000	10,000,000	771,945	7,719,455	Conversion of stock option	5,955	None	Note 51
03.2021	10	1,000,000	10,000,000	772,254	7,722,545	Conversion of stock option	3,090	None	Note 52
05.2021	10	1,000,000	10,000,000	772,640	7,726,405	Conversion of stock option	3,860	None	Note 53
08.2021	10	1,000,000	10,000,000	772,729	7,727,295	Conversion of stock option	890	None	Note 54
11.2021	10	1,000,000	10,000,000	773,822	7,738,228	Conversion of stock option	10,933	None	Note 55
03.2022	10	1,000,000	10,000,000	774,463	7,744,638	Conversion of stock option	6,410	None	Note 56
06.2022	10	1,000,000	10,000,000	775,837	7,758,374	Conversion of stock option	13,736	None	Note 57
08.2022	10	1,000,000	10,000,000	776,366	7,763,662	Conversion of stock option	5,288	None	Note 58
11.2022	10	1,000,000	10,000,000	777,843	7,778,434	Conversion of stock option	14,772	None	Note 59
03.2023	10	1,000,000	10,000,000	777,976	7,779,769	Conversion of stock option	1,335	None	Note 60
05.2023	10	1,000,000	10,000,000	778,487	7,784,871	Conversion of stock option	5,102	None	Note 61
07.2023	10	1,000,000	10,000,000	856,284	8,562,848	Conversion of stock option	777,977	None	Note 62
08.2023	10	1,000,000	10,000,000	856,731	8,567,315	Conversion of stock option	4,467	None	Note 63
11.2023	10	1,000,000	10,000,000	857,779	8,577,794	Conversion of stock option	10,479	None	Note 64
03.2024	10	1,000,000	10,000,000	858,449	8,584,493	Conversion of stock option	6,699	None	Note 65
05.2024	10	1,000,000	10,000,000	860,447	8,604,475	Conversion of stock option	19,982	None	Note 66
09.2024	10	1,000,000	10,000,000	863,168	8,631,680	Conversion of stock option	27,205	None	Note 67
11.2024	10	1,000,000	10,000,000	863,432	8,634,322	Conversion of stock option	2,642	None	Note 68
03.2025	10	1,000,000	10,000,000	863,589	8,635,894	Conversion of stock option	1,572	None	Note 69

Note 1: (86) Tai.Chai.Chen (I) No. 42710 Letter dated May 28, 1997

Note 2: (87) Tai.Chai.Chen (I) No. 47165 Letter dated May 29, 1998

Note 3: (88) Tai.Chai.Chen (I) No. 44698 Letter dated May 17, 1999

Note 4: (89) Tai.Chai.Chen (I) No. 42068 Letter dated May 16, 2000

Note 5: (90) Tai.Chai.Chen (I) No. 131759 Letter dated May 22, 2001

Note 6: Tai.Chai.Chen.I.Tzi No. 0910131630 Letter dated June 11, 2002

Note 7: Tai.Chai.Chen.I.Tzi No. 0920111609 Letter dated April 16, 2003

Note 8: Tai.Chai.Chen.I.Tzi No. 0920128945 Letter dated June 30, 2003

Note 9: Issued new stock shares to exchange for the common stock shares of AXIOMTEK.

Note 10: Tai.Chai.Chen.I.Tzi No. 0930126256 Letter dated June 14, 2004

Note 11: FSC.S.I.Tzi No. 0940124309 Letter dated June 17, 2005

Note 12: FSC.S.I.Tzi No. 0940006036 Letter dated December 22, 2005

Note 13: FSC.S.I.Tzi No. 0950130113 Letter dated July 12, 2006

Note 14: FSC.S.I.Tzi No. 0960035881 Letter dated July 13, 2007

Note 15: MOEA.So.Sun.Tzi No. 09701161800 Letter dated July 4, 2008
 Note 16: FSC.S.I.Tzi No. 0970034562 Letter dated July 10, 2008
 Note 17: FSC.S.Far.Tzi No. 0980027007 Letter dated June 3, 2009
 Note 18: MOEA.So.Sun.Tzi No. 09901265490 Letter dated November 26, 2010
 Note 19: MOEA.So.Sun.Tzi No. 10001174140 Letter dated August 1, 2011
 Note 20: MOEA.So.Sun.Tzi No. 10101008150 Letter dated January 13, 2012
 Note 21: MOEA.So.Sun.Tzi No. 10101074290 Letter dated April 27, 2012
 Note 22: MOEA.So.Sun.Tzi No. 10101215000 Letter dated October 17, 2012
 Note 23: MOEA.So.Sun.Tzi No. 10201009210 Letter dated January 15, 2013
 Note 24: MOEA.So.Sun.Tzi No. 10201077320 Letter dated May 1, 2013
 Note 25: MOEA.So.Sun.Tzi No. 10201153720 Letter dated August 1, 2013
 Note 26: MOEA.So.Sun.Tzi No. 10201219700 Letter dated October 29, 2013
 Note 27: MOEA.So.Sun.Tzi No. 10301021080 Letter dated February 11, 2014
 Note 28: MOEA.So.Sun.Tzi No. 10301077560 Letter dated May 1, 2014
 Note 29: MOEA.So.Sun.Tzi No. 10301150080 Letter dated July 28, 2014
 Note 30: MOEA.So.Sun.Tzi No. 10301198730 Letter dated September 23, 2014
 Note 31: MOEA.So.Sun.Tzi No. 10301225080 Letter dated November 3, 2014
 Note 32: MOEA.So.Sun.Tzi No. 10401013670 Letter dated February 4, 2015
 Note 33: MOEA.So.Sun.Tzi No. 10401076830 Letter dated April 27, 2015
 Note 34: MOEA.So.Sun.Tzi No. 10401159550 Letter dated July 29, 2015
 Note 35: MOEA.So.Sun.Tzi No. 10501245810 Letter dated October 18, 2016
 Note 36: MOEA.So.Sun.Tzi No. 10601005570 Letter dated January 16, 2017
 Note 37: MOEA.So.Sun.Tzi No. 10601046990 Letter dated April 12, 2017
 Note 38: MOEA.So.Sun.Tzi No. 10601104750 Letter dated July 21, 2017
 Note 39: MOEA.So.Sun.Tzi No. 10601155330 Letter dated November 15, 2017
 Note 40: MOEA.So.Sun.Tzi No. 10701027200 Letter dated March 22, 2018
 Note 41: MOEA.So.Sun.Tzi No. 10701051810 Letter dated May 22, 2018
 Note 42: MOEA.So.Sun.Tzi No. 10701100250 Letter dated August 13, 2018
 Note 43: MOEA.So.Sun.Tzi No. 10701140180 Letter dated November 21, 2018
 Note 44: MOEA.So.Sun.Tzi No. 10801031320 Letter dated March 28, 2019
 Note 45: MOEA.So.Sun.Tzi No. 10801057110 Letter dated May 20, 2019
 Note 46: MOEA.So.Sun.Tzi No. 10801113420 Letter dated August 28, 2019
 Note 47: MOEA.So.Sun.Tzi No. 10801164360 Letter dated November 19, 2019
 Note 48: MOEA.So.Sun.Tzi No. 10901046780 Letter dated April 8, 2020
 Note 49: MOEA.So.Sun.Tzi No. 10901075090 Letter dated May 11, 2020
 Note 50: MOEA.So.Sun.Tzi No. 10901155470 Letter dated August 17, 2020
 Note 51: MOEA.So.Sun.Tzi No. 10901046780 Letter dated November 23, 2020
 Note 52: MOEA.So.Sun.Tzi No. 11001044890 Letter dated March 24, 2021
 Note 53: MOEA.So.Sun.Tzi No. 11001085980 Letter dated May 20, 2021
 Note 54: MOEA.So.Sun.Tzi No. 11001148320 Letter dated August 31, 2021
 Note 55: MOEA.So.Sun.Tzi No. 11001208470 Letter dated November 11, 2021
 Note 56: MOEA.So.Sun.Tzi No. 11101042110 Letter dated March 16, 2022
 Note 57: MOEA.So.Sun.Tzi No. 11001208470 Letter dated June 02, 2022
 Note 58: MOEA.So.Sun.Tzi No. 11101156460 Letter dated August 29, 2022
 Note 59: MOEA.So.Sun.Tzi No. 11101261540 Letter dated November 10, 2022
 Note 61: MOEA.So.Sun.Tzi No. 11230083560 Letter dated May 25, 2023
 Note 62: MOEA.So.Sun.Tzi No. 11230137990 Letter dated July 26, 2023
 Note 63: MOEA.So.Sun.Tzi No. 11230159070 Letter dated August 21, 2023
 Note 64: MOEA.So.Sun.Tzi No. 11230218870 Letter dated November 27, 2023
 Note 65: MOEA.So.Sun.Tzi No. 11330040790 Letter dated March 25, 2024
 Note 66: MOEA.So.Sun.Tzi No. 11330048310 Letter dated May 21, 2024
 Note 67: MOEA.So.Sun.Tzi No. 11330146610 Letter dated September 03, 2024
 Note 68: MOEA.So.Sun.Tzi No. 11330203370 Letter dated November 20, 2024
 Note 69: MOEA.So.Sun.Tzi No. 11430035210 Letter dated March 17, 2025

Share Type	Authorized capital			Remarks
	Issued Shares	Un-issued shares	Total	
Order common stock	864,167,125	135,832,875	1,000,000,000	Authorized capital stock, of which, 50,000 thousand shares are reserved for exercising stock options.

Note: It is the number of shares of the listed stock as of March.31.2025.

Information of shelf registration: NA

(2) List of major shareholders:

March 31, 2025. (Ex-transfer date) Unit: Shares

Shares	Shareholding	Shareholding ratio
Name of major shareholders		
ASUSTEK COMPUTER Inc.	113,483,106	13.13%
K and M Investment Co., Ltd.	100,494,794	11.63%
AIDC Investment Co., Ltd.	99,314,136	11.49%
K.C. Liu	27,993,951	3.24%
Advantech Foundation	24,543,548	2.84%
Tran-Fei Development Co., Ltd.	20,059,028	2.32%
Yong-Shun Zhuang	19,365,594	2.24%
The Overlook Partners Fund L.P.	17,280,157	2.00%
First Sentier Investors ICVC - Stewart Investors Asia Pacific Leaders Sustainability Fund	12,693,875	1.47%
New Labor Pension Fund	10,994,005	1.27%

(3) Dividend Policy and Execution Status:

- i. Advantech's existing rules concerning dividend policy are as follows:

The company's dividend policy is determined in accordance with the company's articles of association, which involves assessing the operational status, capital requirements, capital expenditure budgets, internal and external environmental changes, and considering shareholder interests, as set by the board of directors. Under normal circumstances, the annual distributable profits shall allocate not less than 30% for shareholder dividends. Cash dividends shall account for no less than 20% of the total dividends distributed for the year, and the distribution of stock dividends shall not exceed 75% of the total dividends proposed for distribution.

The amounts of NT\$7,254,151,178 (cash dividends) out of the 2024 earnings are appropriated for distribution as cash dividends to shareholders. The company will distribute a cash dividend of NT\$8.4 per share to shareholders. This matter will be processed after being approved at the Annual Shareholder's Meeting on May 29th, 2025.

- ii. The proposal for dividend distribution is to be resolved in this Shareholders' Meeting:

The dividend (cash dividend) to shareholder for an amount of NT\$7,254,151,178 (cash dividends) out of the 2024 earnings are appropriated or distribution as cash dividends and share dividends to shareholders, respectively. Once the proposal is resolved in the shareholders' meeting, the board of directors will be authorized to have the distribution base date scheduled. The dividend distribution is calculated in accordance with the shareholding of the respective shareholder booked in the Shareholder Registry on the scheduled base date. There were 863,589,426 shares of common stock outstanding on December 31, 2024 that are entitled to the distribution of shareholder's dividend at NT\$8.4 per share. Subsequently, for any changes in the distribution ratio due to the change of law and regulations, the change in the authorization of the competent authorities, or the change in the outstanding shares, the shareholders' meeting is to have the board of directors authorized to have the dividend per share adjusted in accordance with the number of outstanding shares.

- iii. Any expected major changes in the dividend policy: None

(4) The impact of the distribution of stock dividend as proposed in this Shareholders Meeting on the Company's operation performance and earnings per share:

The distribution of stock dividend was not proposed in the 2025 shareholders' meeting; also the Company is not required to publish the 2024 financial forecast in accordance with the provisions; therefore, no need to disclose the annual forecast information.

(5) Employee Compensation and Remuneration to Directors and Supervisors:

- i. Corporate Charter -Article 20:

The company's annual profits, if any, should not be less than 5% appropriated as bonus to employees; also, it is to be resolved in the board meeting with stock dividend or cash distributed to employees, including employees of the subsidiaries that meet certain conditions. The Company's Board of Directors may determine to appropriate an amount less than 1% of the profits referred to above as remuneration to directors and supervisors. The proposed bonus to employees and remuneration to directors and supervisors should be presented in the shareholders' meeting for a resolution. If the company is with accumulated losses, an amount for making up the losses should be reserved in advance before appropriating bonus to employees and remuneration to directors and supervisors according to the ratio referred to above.

On February 27, 2025, the Board of Advantech approved that the payment of employees' cash compensation for the year 2024 shall be made in compliance with a fixed ratio of annual profits, and that the payment of directors' compensation shall be calculated based on the expected calculated amount with accounting records. and the current-year distributable amount. In case of discrepancy between the preceding calculated amount and the actual amount distributed, it shall be corrected according to the accountant's calculation and the accounting record shall be adjusted for the year of distribution.

- ii. The estimation base for the distribution of employee Compensation and remuneration to directors and supervisor, the calculation base of the outstanding shares for the

distribution of stock dividend, and the accounting process for the differences between the actual amount distributed and the estimated amount:

For the earnings distribution resolved in the shareholders' meeting, if the amount of the employee Compensation and remuneration to directors and supervisors is changed, the amount of difference should be handled in accordance with changes in accounting estimates and booked in the profit and loss of the following year without affecting the financial report that had already been acknowledged.

- iii. Information about the proposed distribution of employee bonus as approved by the Board of Director:
 - (i) On February 27, 2025, according to the revised charter based on the resolution, the company will disburse annual profit sharing:
 - A. Employee Remuneration : NT\$620,000,000
 - B. Remuneration to directors and supervisors : NT\$22,850,000
 Payments will be made in cash. The above amounts accurately reflect 2024 expenses already accounted for.
 - (ii) The ratio of the proposed distribution of employee stock dividend payments to the total amount of the net income and employee bonus on the proprietary or individual financial statements: NA
- iv. The distribution of the 2023 earnings as employee bonus and remuneration to directors and supervisors:
 - (i) The distribution of the annual employee bonus and remuneration to directors and supervisors is as follows:
 - A. Employees Cash dividend: NT\$740,000,000
 - B. Remuneration to directors and supervisors: NT\$18,625,000
 - (ii) If the amount referred to above differs from the employee bonus and remuneration to directors and supervisors recognized, please state the number of differences, causes of differences, and the treatment scenarios: None

(6) Situations of the Company's buy back stocks: None

- 2. Corporate bond: NA.**
- 3. Preferred Stock issued: NA**
- 4. Global Depositary Receipts : NA**

5. Employee Stock Options

(1) The Company's outstanding employee stock options and its impact on shareholders' equity up to the publication of the annual report:

March 31, 2025

Types of employee stock option certificate	2020 Employ stock option	2023 Employ stock option
The effective date of declaration	July 23, 2020	July 19, 2023
Issuing date	July 31, 2020	September 20, 2023
The number of units issued	7,500 units (note 1)	8,000,000 units (note 2)
Ratio of the number of shares available for subscription to the total number of shares issued	0.87%	0.93%
Duration of subscription	7/31/2022 ~ 7/30/2026	9/20/2025~9/19/2029
Method of performance	Issuance of new shares	Issuance of new shares
Restrictive subscription period and ratio (%)	40% of the granted stock option certificate is exercisable after 2 years, 60% after 3 years, 80% after 4 years, and 100% after 5 years	40% of the granted stock option certificate is exercisable after 2 years, 60% after 3 years, 80% after 4 years, and 100% after 5 years
Number of shares subscribed	3,065,220	0
Amount of shares subscribed	540,542,406	0
Number of shares yet to be subscribed	4,434,780	0
Subscription price per share for the unsubscribed shares	164.90	194.80
Ratio of the unsubscribed shares to the total number of shares issued (%)	0.51%	0
Impact on shareholders' equity	The granted employee stock option certificates after 2 years shall be exercised in accordance with the conditioned subscription period and ratio; also, the number of shares to be subscribed is 0.87% of the number of shares issued, which will not have significant impact on shareholders' equity.	The granted employee stock option certificates after 2 years shall be exercised in accordance with the conditioned subscription period and ratio; also, the number of shares to be subscribed is 0.93% of the number of shares issued, which will not have significant impact on shareholders' equity.
<p>■ Note 1: Each unit of stock warrant is exercisable for 1,000 shares.</p> <p>■ Note 2: Each unit of stock warrant is exercisable for 1 share.</p>		

(2) Name of the managers with employee stock option certificates obtained, the top-10 employees with stock option certificates obtained, the respective acquisition and subscription:

March 31, 2025

Units: Except for stock subscription price in NTD, NT\$ Thousand

	Title	Name		Number of Shares Acquired	Ratio of subscribed shares to total number of shares issued	Subscribed				Unsubscribed			
						Price of shares subscribed	Number of shares subscribed	Price of shares subscribed	Number of shares subscribed	Price of shares subscribed	Number of shares subscribed	Price of shares subscribed	Number of shares subscribed
Manager	President	Eric Chen	2018 employee stock option certificate	1,400,000	0.162	928,720	148.2	137,637	0.108	471,280	148.2	69,844	0.054
	President	Miller Chang											
	President	Linda Tsai											
	Corporate governance officer (Note2)	Grace Liao											
	Corporate governance officer	Imani Chen											
	Accounting Officer	Mandy Lin	2020 employee stock option certificate	540,000	0.063	184,560	164.9	28,693	0.021	355,440	164.9	58,612	0.041
	President	Eric Chen											
	President	Miller Chang											
	President	Linda Tsai											
	Corporate governance officer	Grace Liao											
	Corporate governance officer	Imani Chen	2023 employee stock option certificate	452,000	0.0523	0	194.8	0	0	452,000	194.8	88,050	0.0523
	Accounting Officer	Mandy Lin											
	President	Eric Chen											
	President	Miller Chang											
	President	Linda Tsai											
	Corporate governance officer	Grace Liao	Top-10 employee (note 1)	1,450,000	0.168	678,750	148.2	100,590	0.079	771,250	148.2	114,299	0.089
Employee	Corporate governance officer	Imani Chen		230,000	0.027	101,000	164.9	17,042	0.012	129,000	164.9	21,272	0.015
	Accounting Officer	Mandy Lin		150,000	0.017	0	194.8	0	0	150,000	194.8	29,220	0.017

Note 1: Based on the company's salary confidentiality policy, individual names and positions are not disclosed.

Note 2: Former Corporate Governance Officer, Senior Manager Grace Liao, took a leave of absence without pay. As of October 26, 2024, Manager Imani Chen has been appointed as the acting Corporate Governance Officer.

6. New Restricted Employee Shares: NA

7. Status of new Shares Issuance in Connection with Mergers and Acquisitions: NA

8. Financing Plans and Implementation : NA

IV. Operational Highlights

1. Business Content

(1) Business Scope

I. Major business operation of the Company:

- (i) The design, assembly, combination, production, and trade of computer testing equipment and automated test systems;
- (ii) The processing, manufacturing, and importing/exporting (except for the restricted items) of computers, electronics, and electrical components and devices;
- (iii) The design, contracting, installation, and maintenance of computers and electronic control automation systems;
- (iv) Computer software design;
- (v) Handling the agency, quotes, bidding, and sales of the products referred to above on behalf of the domestic and foreign manufacturers;
- (vi) The assembly, manufacturing, trade, and importing/exporting business of the wired and wireless communications equipment;

II. Major products and business ratio of the Company:

Unit: NT\$ Thousand

Ratio Major product	2024	
	Sales Amount	%
Embedded boards and Chassis	24,481,581	41
Industrial computer and industrial control	29,136,515	49
After-sales service and others	6,168,197	10
Total	59,786,293	100

III. The Company's currently offered products: Embedded board and case, industrial computer, and others.

IV. New product development plan of the Company:

- (i) Wireless IoT gateway and sensing devices
- (ii) Edge AI computing platforms
- (iii) Industrial connectivity and network security appliances
- (iv) Industrial video platforms and solutions
- (v) Industrial PaaS for industrial applications
- (vi) WISE-STACK, a centralized private cloud and edge cloud
- (vii) Solution suites for Industry 4.0 and intelligent factory
- (viii) Solution suites for energy and environment
- (ix) Solution suites for intelligent retail
- (x) Solution suites for intelligent hospital and telehealth

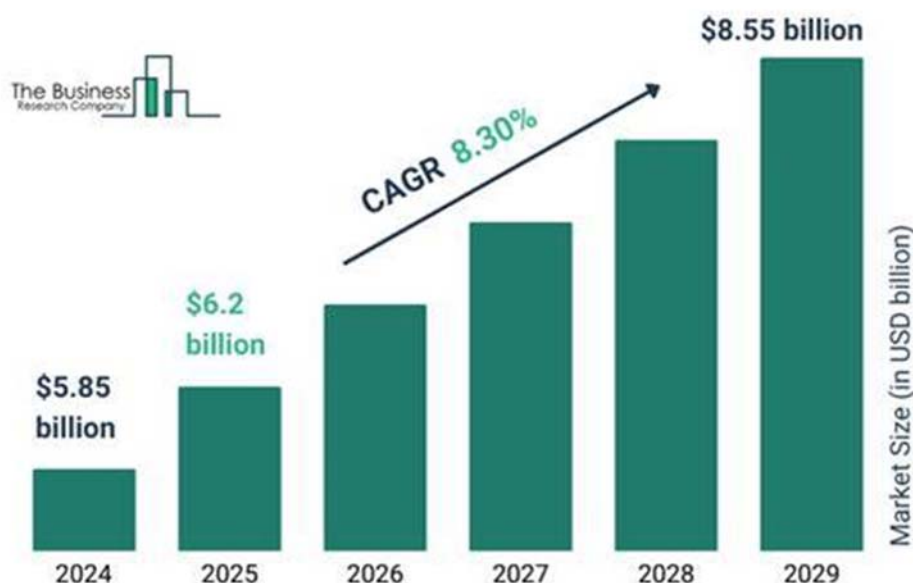
(2) Industry Summary

I. Industry status and development

Industrial PCs (IPCs) were originally designed for industrial automation control, monitoring, and data acquisition. However, with the development of the Internet of Things (IoT) and embedded computing technologies, IPCs have gradually transformed into foundational infrastructure supporting various sectors such as manufacturing, healthcare, transportation, and smart cities. The role of IPCs has

also evolved from simple device control to integrating AI and IoT—referred to as AIoT—enabling real-time analytics, predictive maintenance, and intelligent decision-making, thus driving industrial upgrades and transformation. According to a 2025 industry report by The Business Research Company, the global IPC market size is projected to grow to \$8.55 billion by 2029, with a compound annual growth rate (CAGR) of 8.3%.

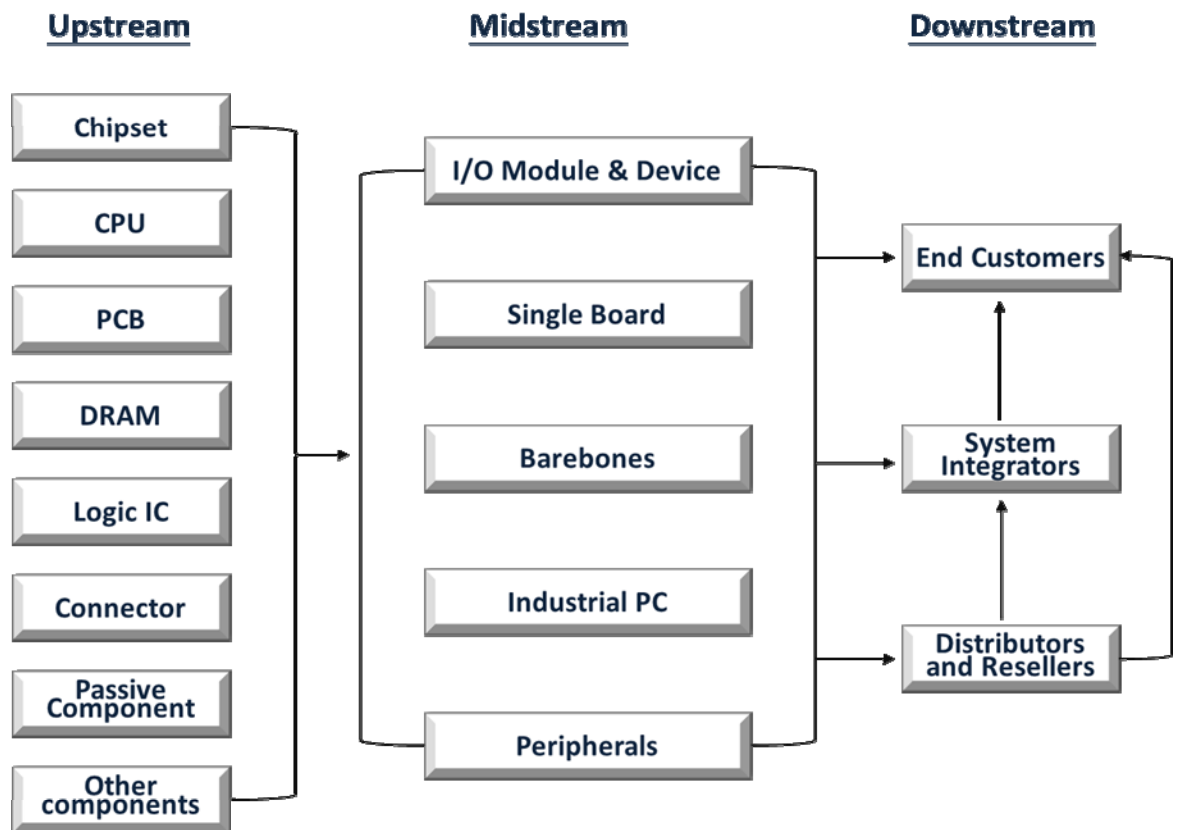
Industrial PC Global Market Report 2025



Sources : The Business Research Company, 2025 Jan.

At present, the industry is entering a new era of Industrial Edge Computing. Through edge computing, enterprises can execute AI models directly at the data source, reducing latency, enhancing information security, and improving operational efficiency—making it especially suitable for mission-critical industrial applications. According to research by MarketsandMarkets, the global edge computing market is projected to grow from \$5.36 billion in 2023 to \$11.13 billion in 2028, with a compound annual growth rate (CAGR) of 15.7%, highlighting the significant growth potential and opportunities in this field of market. Advantech, having undergone multiple waves of technological transformation, has leveraged its strengths in traditional IPCs to gradually develop intelligent edge computing platforms. The company has launched the WISE-IoT and the latest WISE-Edge cloud-edge collaborative platform, enabling enterprises to more easily deploy AI solutions and accelerate the adoption of intelligent computing across a wide range of industrial applications.

- II. The supply chain in upstream, midstream and downstream
The supply chain of industrial PC and embedded systems



Simply speaking, IoT systems comprise three layers of architecture, namely “instrumentation,” “connectivity,” and “intelligent computing” (please refer to chart below). Key players in the first layer are Advantech, Delta Electronics, ABB, GE, and similar companies. Those in the second layer include AT&T, Cisco, Nokia, and Alcatel, and this layer is responsible for transcoding data up to the cloud. The key players in the third layer are IBM, Microsoft, Amazon, and Google. They also cooperate with software vendors to provide data analytics services to end customers. This IoT ecosystem structure is not a traditional linear supply chain competition model, but rather relies on cooperation between different vendors with different specializations, which progressively evolving into an Internet of Things (IoT) industry ecosystem.



III. The industry development

With the rapid development of AIoT (Artificial Intelligence of Things) technologies, global demand across the technology supply chain and manufacturing industry has continued to surge. Since its founding, Advantech has been deeply committed to innovation in the fields of the Internet of Things (IoT) and Edge Computing platforms. The company maintains close partnerships with global leading semiconductor companies such as Intel, AMD, NVIDIA, NXP, and Rockchip, launching a diverse and competitive range of intelligent computing platforms. These include industrial modular computers, embedded single-board computers, industrial motherboards, intelligent edge computing devices, and industrial servers—spanning both x86 and ARM architectures, and equipped with AI acceleration and analytics capabilities. Through its diverse and reliable hardware platforms and intelligent integration services, Advantech continues to support system integrators across various sectors globally. These solutions are widely applied in areas such as smart manufacturing, smart healthcare, transportation, smart cities, and cybersecurity, contributing to the expansion of intelligent applications.

Despite the promising outlook of the Industrial IoT (IIoT) market, the industry remains highly fragmented, with equipment and machinery traditionally built on closed and proprietary standards that hinder interoperability. To address these challenges and overcome market fragmentation, Advantech adheres to a spirit of Co-Creation, promoting the scalable development of the AIoT industry through a structured, phased growth model aimed at integrating and harmonizing the industrial ecosystem.

In 2015, Advantech introduced its three-stages “AIoT Development Blueprint,” identifying Artificial Intelligence and IoT as future growth engines. The company also underwent a major organizational restructuring, transforming its product-centric business units into three core business groups: Industrial-IoT, Embedded-IoT, and Service-IoT. In 2024, Advantech further optimized its strategic organization by spinning off its Industrial Automation (iAutomation) business as an independent sector. As a result, the company expanded its structure from three Business Organizations (BOs) to four core Sectors to more precisely target markets and

deliver specialized services.

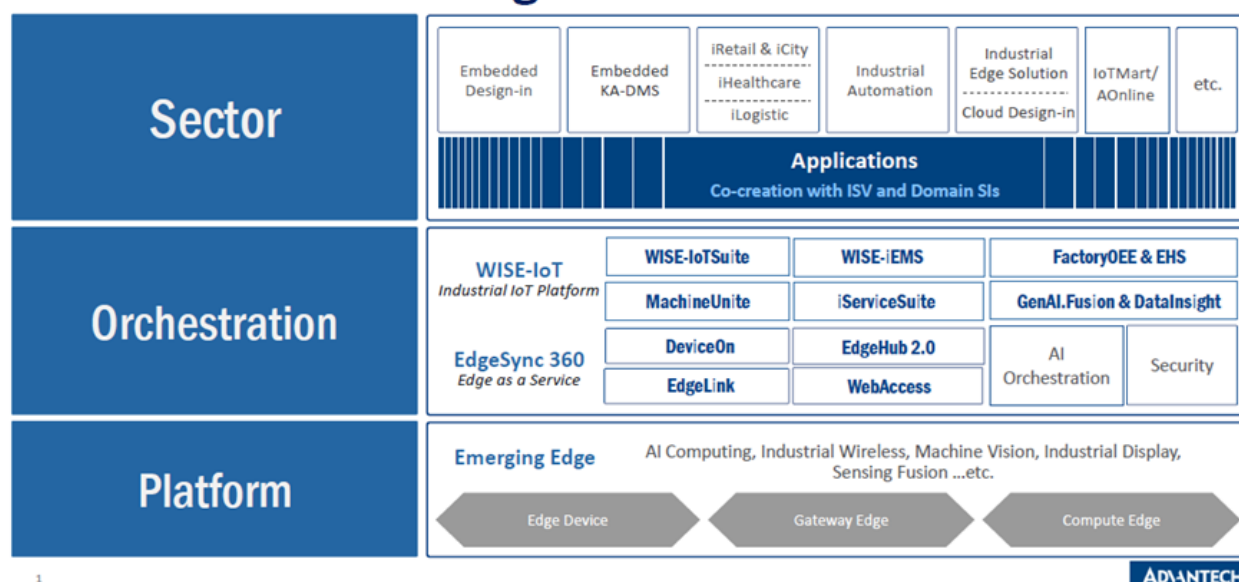
Looking ahead, Advantech will continue to drive growth through a three-tier strategic framework: Platform, Orchestration, and Sector. At the Platform level, Advantech will focus on product innovation and diversification. At the Orchestration level, the company integrates its mature WISE-IoT software platform with the newly launched EdgeSync platform—comprising EdgeSync API and EdgeSync SDK—to deliver a comprehensive cloud-edge collaboration architecture. This enables partners and customers to quickly develop and scale AI applications, significantly reducing complexity and accelerating time-to-market. At the Sector level, Advantech will further deepen its engagement with vertical markets and industry applications, enhancing service quality for OEMs and system integrators.

The coming decade represents a golden era for the widespread adoption and in-depth application of AI, IoT, and Edge Computing across industries. Advantech will continue to leverage its sector-driven and intelligent orchestration strategies to stay ahead of market trends and fulfill its long-term corporate vision of “Enabling an Intelligent Planet.”

Advantech has been deeply rooted in the AIoT + Edge Computing field for the long term. The next stage of the corporate strategic framework will be composed of three key dimensions: Platform, Orchestration, and Sector:

Figure: Advantech’s long-term strategic framework

Advantech Strategic Framework, Leading AIoT Sector Driven Orchestration



(3) Technology and Research & Development

- I. The R&D expense incurred in the most recent year and up to the publication of the annual report: Total R&D expense amounted to NT\$5,415,982 thousand in 2024.
- II. Successfully developed technology or product

The Company values the importance of R&D. In addition to dedicating massive manpower in product R&D in Taiwan, there are also R&D teams designated in the USA, Europe, and China to accelerate the product development speed and grasp the market development. The company has launched an average of more than 6

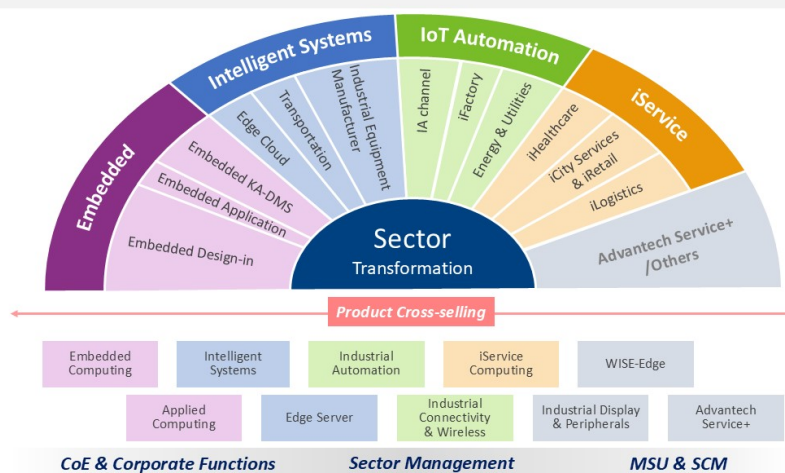
new products to the market each year. As of the end of 2024, the Company has obtained a total of 40 domestic and international patents

(4) Long-term and short-term business development plan

I. Short-term business development

- **Diversified Operations to Manage Business Risks:** Advantech mitigates systemic risks associated with reliance on a single industry or country through a comprehensive industrial layout and a globally diversified sales network. By implementing a localized strategy and strengthening its global sales system under the Advantech brand, the company enhances its competitive differentiation. In recent years, Advantech has been progressing toward the goal of becoming a global enterprise. In addition to its key markets—China, Europe, and North America—it has also established direct subsidiaries in 27 countries, including Japan, South Korea, Vietnam, India, Malaysia, Italy, Australia, and New Zealand. In response to geopolitical risks, Advantech continues to strengthen its global manufacturing resilience. Its production centers include Linkou in Taiwan, Kunshan in China, and Fukuoka in Japan, with the recent addition of a new manufacturing site in Malaysia. Supported by a comprehensive global assembly network, Advantech is capable of flexibly meeting customer needs for global delivery and real-time marketing, thereby reducing uncertainties related to geopolitical risks.
- **Anchoring the Sector-Driven Strategy to Power Future Growth :** Advantech is firmly committed to a Sector-Driven strategy, focusing on industry-specific markets. Future growth momentum will not only come from its core businesses but also from the parallel development of emerging application sectors, as well as strategic investments and mergers & acquisitions serving as diversified growth engines. Internally, Advantech is correspondingly strengthening and upgrading its core capabilities and talent development to embrace new models of corporate growth. The company's four major sectors include the Intelligent Systems Sector (iSystems), IoT Automation Sector (IAutomation), Intelligent Service Sector (iService), and Embedded Sector.

Advantech Business Structure of Sectors & BGs



On the investment front, Advantech completed the acquisition of Bitflow, a North American high-end image capture card company, in 2023, further enhancing its AI machine vision roadmap. In 2024, the company completed the first phase of equity acquisition of AURES Technologies SA, a renowned French POS and kiosk brand, which will be officially renamed ADVANTECH-AURES. This strategic move retains AURES' brand spirit and value proposition while integrating Advantech's deep industry expertise, aiming to establish global leadership in integrated solutions and services for the smart retail and hospitality markets, thereby strengthening Advantech's critical role in the smart city services domain.

II. Long-term business development

- Full Commitment to Edge AI Computing to Accelerate Digital Transformation Across All Industries: With its extensive edge computing platform holding a strong market share in various sectors, the company is investing in the development of innovative products such as Edge AI acceleration modules, industry-specific Edge AI application systems, large language model training systems, and Edge AI servers. Advantech also offers a comprehensive AI software platform toolkit—Edge AI SDK—to help industrial customers evaluate AI platform performance and accelerate AI deployment at the edge device level across a wide range of industries. The edge computing platform already supports a wide array of mainstream AI chipsets and collaborates closely with leading chipmakers including Intel, AMD, Nvidia, Qualcomm, NXP, and MediaTek to co-develop and launch high-performance Edge AI computing platforms. These solutions are focused on emerging sectors such as 5G, networking, healthcare, transportation, automation equipment, and robotics. In addition, Advantech is increasing its investment in L11 rack system integration services, offering customers comprehensive assembly, integration, and testing for rack systems. Leveraging its global service locations, the company provides localized assembly and delivery, covering applications such as semiconductor front-end equipment, medical imaging, and video streaming, ultimately delivering end-to-end system solutions to customers.
- With the launch of its new brand strategy declaration, "Edge Computing & WISE-Edge in Action," Advantech is deepening its understanding of customer needs and helping to transform edge computing into a competitive advantage—enhancing operational efficiency, improving decision-making accuracy, and driving industrial upgrades and innovation in the AI era. The company will continue to focus on five key vertical markets: edge intelligent systems, smart manufacturing, energy and utilities, smart healthcare, and smart retail and services. Through its WISE-Edge platform, Advantech integrates hardware and software at the edge to build an intelligent and interconnected ecosystem that enables real-time industry insights and innovative application development. Looking ahead, Advantech aims to pioneer new frontiers by combining hardware-software integration with Edge AI. Together with global teams and ecosystem partners, the company is committed to co-creating sustainable growth and delivering long-term value to shareholders, society, and employees—realizing its brand vision of being an "Enabling an Intelligent Planet."



Figure: Advantech's Annual Vision Kickoff Event – Declaring Its 2025 Goal to Become a Global Leader in Edge Computing & Edge AI

2. Market, Production, and Sales Review

(1) Market Analysis

i. Main product and main market:

Unit: NT\$ Thousand

Area	2024	%
Asia (including Taiwan)	25,988,732	43
America	19,003,633	32
Europe	9,931,332	17
Other	4,862,596	8
Total	59,786,293	100

ii. Market share and competition landscape

(i) Embedded board and IPC markets will benefit from rising demand in new application markets

Advantech has multiple sales channels. The Company produces and markets embedded board and IPC products through distributors, machine/equipment manufacturers, system and integrators, all of whom consolidate our devices through their own value-added development for sale to end users including manufacturers, public transportation systems, airports, and any field that requires computing capability to enhance their information collection and operating efficiency.

Given the variety of form factors, diversity of application markets, and ASP difference, the total market size of embedded systems is difficult to estimate, especially when embedded boards can be integrated into virtually any type of machine, equipment, or system. In addition, the M&As have made it even more difficult to precisely estimate our market share, given the limited disclosure after consolidation. For example, B&R Automation (a peer in Europe) was acquired by ABB in 2017; Kontron (another peer in

Europe) was acquired by Ennoconn in 2017 as well. Radisys (a peer in the US) was acquired by Reliance and delisted in 2018.

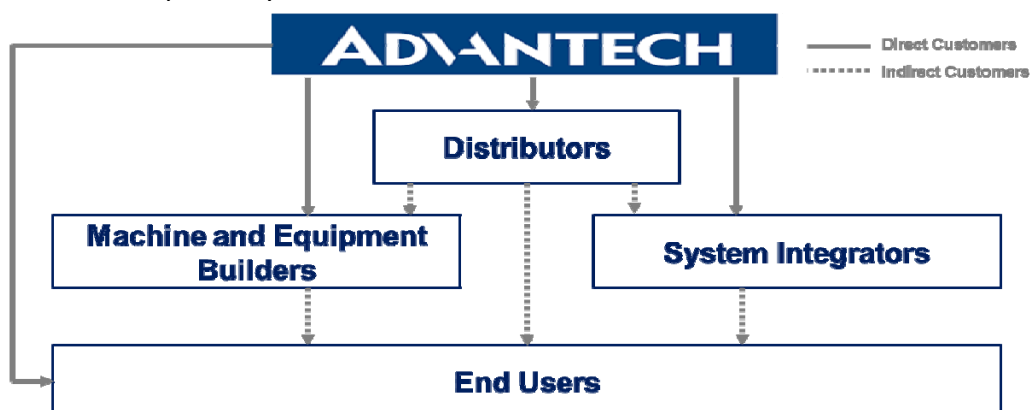


Figure : Advantech has multiple selling channels

With the development of computer technology and communication infrastructure, the application scope of embedded boards and industrial computers has gradually expanded beyond industrial applications to include sectors such as retail, logistics, buildings, hospitals, and other smart city applications. The market share for traditional industrial PC.

(ii) World Market share of Industrial PCs

According to the international research and investigation institute – OMDIA, Advantech Co., Ltd. shows a stable and increasing share in the global industrial computer IPC market, as the leader in the industry with 41.0% market share globally by 2024. In response to ESG trends, energy transformation and the subsidiary policies offered by governments worldwide, the robust demand for infrastructure deployment particularly in Europe, North America and China will show double-digit growth in the next 3~5 years. Advantech focus on green energy, EV battery, charging station, energy storage equipment and services in its marketing strategy. Moving forward, Advantech will deepen its Sector-Driven industry market-driven strategy and Orchestration collaborative model, accelerating system integration and application implementation, aiming to maintain its leadership position in the industry.



Figure: Advantech is the world's leading industrial computer factory, accounting for 41% of the global market in 2024.

(iii) Supply, demand, and product competition

In 2024, Advantech faced multiple challenges including persistent global inflation, geopolitical tensions, and systemic risks surrounding the U.S. presidential election. As a result, full-year revenue declined by 7% YoY, with both operating profit and net income also decreasing. However, benefited to effective cost control and operational efficiency optimization, the company maintained a stable gross margin. With the rapid advancement of global artificial intelligence and edge computing technologies, Advantech remains optimistic about the growth of the edge computing market. Guided by its new brand strategy declaration, “Edge Computing & WISE-Edge in Action,” the company aims to gain deeper insights into customer needs and help transform edge computing into a competitive advantage—enhancing operational efficiency and decision-making accuracy, while driving industrial upgrades and innovation in the AI era. Advantech continues to focus on five key vertical markets: edge intelligent systems, smart manufacturing, energy and utilities, smart healthcare, and smart retail and services. Through its WISE-Edge platform, the company integrates hardware and software at the edge to build a smart, connected ecosystem that empowers real-time insights and the development of innovative industrial applications.

Advantech has acquired extreme success in two critical transformations in its development history that drive the company to scale up into an international corporation and expand robustly through a matrix-based organization. In the future, Advantech will be driven by a Sector Driven strategy direction, leveraging mergers and acquisitions, as well as emerging businesses as diversified growth engines to propel the company's next stage of growth. Additionally, Advantech places a high emphasis on the future development potential of generative AI. Internally, the establishment of the "AI Orchestration Center" underscores this commitment, with a focus on the integration of external AI technologies, promoting AI use cases across various application domains, and facilitating alignment and implementation

between AI technology units and application units' needs.

In 2025, Advantech plans to focus on high-performance AI edge computing platforms to accelerate digital transformation across a wide range of industries. On the product development front, the company will concentrate on creating a diverse portfolio of new Edge AI solutions and integrated software platforms to support the rapid deployment and application of AI at the edge. Advantech's edge computing platforms already support a wide array of mainstream AI chipsets and continue to deepen ecosystem collaboration, jointly developing application solutions across Edge AI, Edge Servers, and L11 SKYRack systems. While continuing to strengthen its presence in key areas such as smart manufacturing, smart cities, and environmental safety monitoring—driving technological innovation—Advantech is also actively expanding into emerging application sectors. These efforts not only ensure that customers and partners stay ahead in the AI wave but also position Advantech to secure long-term competitive advantages.

(2) Explanation of Intellectual Property Rights on Annual Report


- (i) In the formulation of intellectual property rights management policies, goals, and systems related to Advantech's operating strategies:

In accordance with Advantech's unique business operation characteristics, that is, the production method of a small number of diverse products. To set a small amount of effective and well quality intellectual property per Advantech's policy and goals, and establish the following intellectual property rights system:

1. Formulate the patent management measures:

- A. In accordance with the patent management measures, establish a patent application and inquiry platform PLM / EPM Portal, and share patents on the PLM / EPM Portal platform with other colleagues in need such as R & D, Sales, PM and factory departments.
- B. The patent applications will be aligned with the company's future industry development direction, focusing on applying for invention patents. We encourage the application of invention patents and will report the status of patent applications from each R&D unit at the year-end board meeting.
- C. Establish an SOP for handling intellectual property disputes to handle various intellectual property disputes in the most efficient way.

2. Formulate the trademark management measures:

- A. Uniformly apply for trademarks  worldwide where major branch offices are located.
- B. In the event of any third party infringing on Advantech's trademark, the Legal Department of the Headquarter will assist the branches worldwide to safeguard Advantech's trademark's rights.

3. Copyright protection

According to Advantech's development strategy, the hardware will enter the stage of combining both software and hardware. Advantech will fully promote the WISE-PaaS platform. Software copyrights derived from the WISE-PaaS platform are protected through licensing contracts with users and software developers and/or software suppliers.

4. Protection of business secrets

Through the provisions in the employment contract and reminders during employee onboarding training, we ensure compliance with confidentiality requirements. We will also work with external firms to identify potential leakage points of trade secrets in the R&D process, establishing a classification system for confidential documents and implementing control measures to prevent such leaks. Additionally, Advantech plans to introduce file encryption protection software to encrypt files on personal computers in the R&D department, ensuring that if files are stolen by hackers, the encrypted files cannot be accessed by them. This will help ensure that company data is not maliciously disclosed or sold publicly.

I. To establish and implement management systems for the acquisition, protection, maintenance, and use of intellectual property rights according to scale and type:

1. Apply for, maintain and manage patents in accordance with the Patent Administration Measures, and apply for registered trademarks in major branch countries around the world in accordance with the Trademark Administration Measures. The Industrial Bureau of the Ministry of Economic Affairs announced the results of the "2024 Taiwan's Best International Brand Value" survey, and the brand value of Advantech (2395), a major industrial computer maker, is US\$851 million, ranking fifth in R.O.C., ranked among the top 5 international brands in Taiwan for 7 consecutive years. Demonstrate the brand's strong competitiveness and long-term value in the global market, earning high recognition and support from global customers.
2. Establish an online patent application and inquiry platform (PLM/EPM Portal) to provide R&D, industry representatives, PMs, factories and colleagues in need to inquire about relevant patent status online. In addition to avoiding patent risks, it can further form patent barriers for competitors' products to enter.
3. In response to the development of Advantech products from hardware to both software and hardware, legal affairs have formulated various authorization contracts to protect software copyrights derived from products. Hope to enhance the competitiveness of hardware products through copyright protection.
4. Sign confidentiality agreements with employees and establish a classification system for document confidentiality levels. Advantech also implements multiple control measures for data protection, which can be broadly categorized from external to internal as follows: next-generation firewalls, application firewalls, malicious email gateways, domain controller permission management, privileged account management, system access control, Microsoft local administrator password solution, malicious link detection and blocking, endpoint malicious behavior detection and protection, two-factor authentication, vulnerability detection and remediation, critical data backup, regular updates, and blocking of malicious website lists.

II. Determine and provide the resources needed to effectively implement and maintain the intellectual property rights management system:

All R & D units will allocate R & D expenses to pay for the patent application, maintenance of patents, and payment of bonuses to inventors to effectively implement and maintain the intellectual property rights management system. Pre-deducted R&D expenses are used to pay for the expenses incurred in various intellectual property disputes.

III. Observe the risks or opportunities of intellectual property rights management both inside and outside and take corresponding measures:

The externally appointed patent and trademark office will regularly monitor the patent and trademark applications related to Advantech, and provide relevant information to Advantech's

R&D personnel on the PLM / EPM Portal platform, in order to track the latest technology status of the industry and related intellectual property rights risks.

IV. Plan and implement a continuous improvement mechanism to ensure that the operation and effectiveness of the intellectual property management system meet Advantech's expectations:

At the beginning of each quarter, Legal Department will report to the chairman all the implementation status of the previous quarter intellectual property rights, such as patent application and maintenance status, patent litigation status, trademark application and maintenance status, and copyright protection status for the further review.

(3) The Company's other products awarded in recent

Year	Awards
2024	<ul style="list-style-type: none"> Advantech has been selected the Top 5 of "2024 Best Taiwan Global Brands" with a brand value of US\$851 million. This marks the seventh consecutive year that Advantech has ranked among top 5 of the "Best Taiwan Global Brands" since 2018. Received the 4th place in the Large Enterprises Manufacturing Category of the "2024 Excellence in Corporate Social Responsibility" and the "Talent Sustainability Award" from CommonWealth Magazine. Advantech self-developed "AIR-520 On-premise Large Language Model (LLM) Edge AI Server" and "IEC-61850-3 Certified Fanless Server ECU-479" have both been honored with the Silver Award at the 33rd Taiwan Excellence Awards. <p>Advantech's six products were selected for the Taiwan Excellence Awards, including:</p> <ol style="list-style-type: none"> 1. AIR-520 On-premise Large Language Model (LLM) Edge AI Server 2. IEC-61850-3 Certified Fanless Server ECU-479 3. Asset Tracking and Management System LEO-L50 4. Medical-Grade Expandable AI Workstation USM-300 5. Modular Train Digital Controller ITA-580 6. Ultra-Thin and Battery-Free NFC ePaper Solution EPD-303 <ul style="list-style-type: none"> Advantech Wins a Place Among the World's Top 10% Benchmark Sustainable Companies of S&P Global Sustainability Yearbook. Received the 1st Prize in the "Comprehensive Performance - Electronics and Technology Industry" category at the 20th ESG Enterprise Sustainability Awards from Global View Ranked in the Top 5% in the 11th corporate Governance Evaluation by Taiwan Stock Exchnge (TWSE). Recognized by the U.S. financial media "Institutional Investor IIResearch" in the 2024 Asia Pacific (Ex-Japan) Executive Team Rankings for Best Investor Relations, Best IR, Best CEO, and Best CFO. Selected among the "Top 100 Foreign Institutional Favorites" in the evaluation by the Taiwan Institute of Directors.

2023	<ul style="list-style-type: none"> • Advantech ranked No. 5 (with brand value USD 776 Million) in the Taiwan Top 20 Global Brands Award, with a 23% growth in brand value. • Received the "Electronics Technology Industry Group" Model Award in Corporate Social Responsibility (CSR) Excellence from Global View's CSR Awards. • Awarded the Silver Prize in the Taiwan Corporate Sustainability Awards (TCSA) for its corporate sustainability report. • Ranked in the Top 5% in the 10th Corporate Governance Evaluation by Taiwan Stock Exchange (TWSE). • The 30th Symbol of Taiwan Excellence Winner for EPD-230 Wireless Electronic Paper Solution for Smart Factories and the EI-52 Miniature High-Efficiency Edge Intelligence System, both of which are authorized to use the Taiwan Excellence logo. • Winner of the 32nd Taiwan Excellence Awards 2024: Compact Industrial Computer System IPC-320, Fanless Edge AI Inference Systems MIC-770 V3/ MIC-75GF10/ SKY-MXM-A2000, USC-365 POS Computer Smart Retail Terminal. • Recognized by the U.S. financial media "Institutional Investor IIResearch" in the 2023 Asia Pacific (Ex-Japan) Executive Team Rankings for Best Investor Relations, Best IR, Best CEO, and Best CFO. • Selected among the "Top 100 Foreign Institutional Favorites" in the evaluation by the Taiwan Institute of Directors.
2022	<ul style="list-style-type: none"> • Advantech ranked No. 5 (with brand value USD 776 Million) in the Taiwan Top 20 Global Brands Award, with a 23% growth in brand value. • Received the "Electronics Technology Industry Group" Model Award in Corporate Social Responsibility (CSR) Excellence from Global View's CSR Awards. • Awarded the Silver Prize in the Taiwan Corporate Sustainability Awards (TCSA) for its corporate sustainability report. • Ranked in the Top 5% in the 9th Corporate Governance Evaluation by Taiwan Stock Exchange (TWSE). • Selected for the Taiwan Sustainability Index, Taiwan Corporate Governance 100 Index, and Taiwan Stock Exchange and GreTai Securities Market Friendly Environment Index. • Received the Innovation for Wellbeing Award from the Taipei Overseas Chinese Business Association.

(4) Main Applications of major products and their manufacturing processes

i. Main applications of major products:

(i) Embedded Computing

Including Computer On Modules, Industrial Motherboards, Industrial Display Systems, Fanless Embedded computer, and Digital Signage Players. The main function is based on PC core control module with high performance applications and streamlined platforms design, so system integrators can reduce product development time .

(ii) Industry Automation

Advantech provides customers several standard solution ready packages and products, like Embedded Automation Computers, Human Machine Interfaces, Industrial Communication, Machine Automation, Remote I/O Modules and so on. Build stable automation operation with real-time monitoring solution.

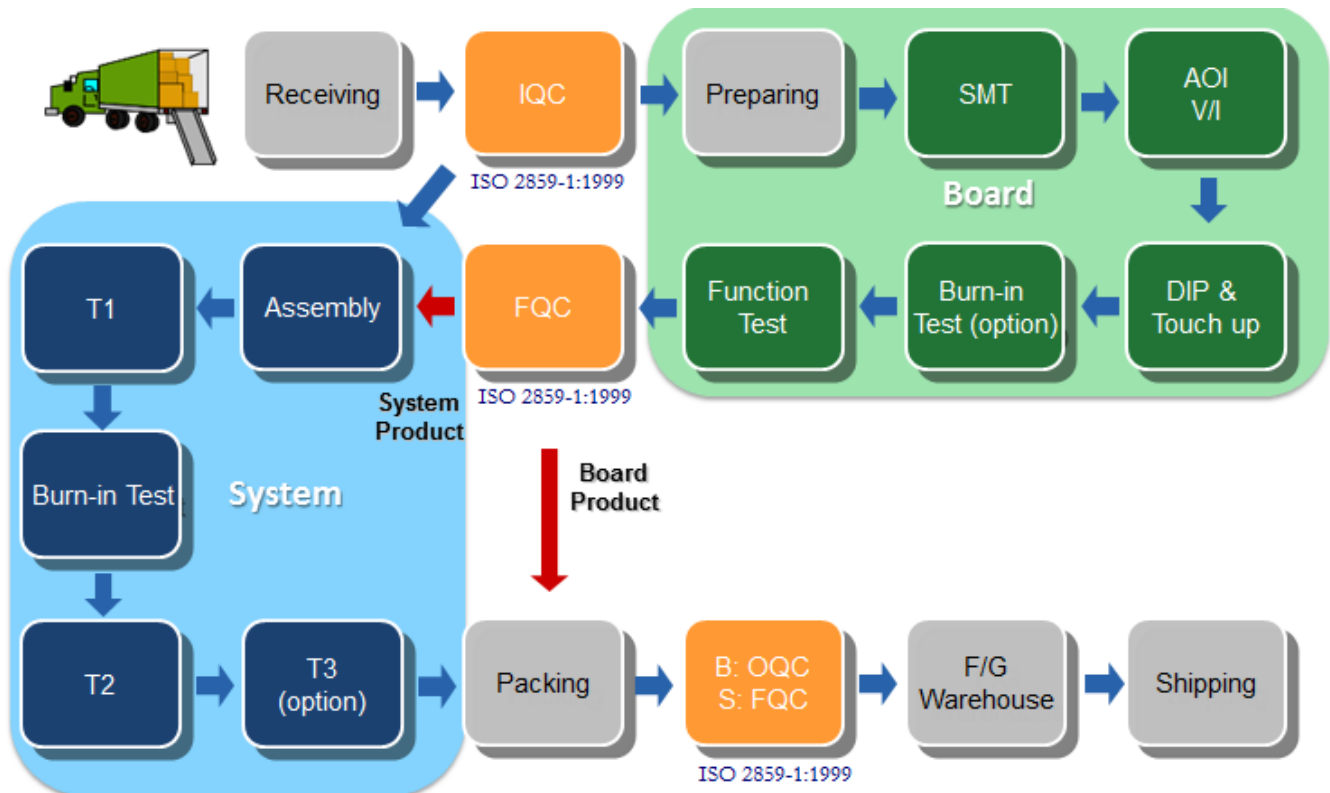
(iii) Intelligent System

As a leading provider in the industrial computing market, Advantech is committed to giving more value-added solution and services for the implement of IoT development, Data Acquisition (DAQ) & Communication, Industrial Servers & Storage, Intelligent Transportation Systems, Video Solution, modular IPC are included.

(iv) Intelligent Services

Advantech not only fulfills customer requirements, but also makes expansion more flexible for various applications. The product lines are well completed, such as Point-of-Care terminals, All-in-one Service Touch Computers, Industrial Mobile Computers, Medical Carts and POS system ...etc., are applied in each field of retail information delivery, healthcare environment and logistics management.

ii. 5.2.2 The production process of main products:
Advantech Process Control Chart



(i) Board Level Production Flow

After the warehouse receives material from vendors, well-trained IQC personal will do the sampling inspection for the incoming material, only accepted material will be stored and follow the FIFO mechanism for materials preparation under work order requests. Advantech adopts the RoHS standard to perform lead-free solder printing for the SMT process, followed by 100% AOI and homemade AI AOI plus visual inspection for double quality check, followed by machine and manual insertion for the DIP process. Lastly, performing a full function test to ensure the quality is in accord with industrial standards. After packing, OFQC inspection will be performed before shipping worldwide.

(ii) System Level Production Flow

Similar to board products, only accepted material will be stored and follow the FIFO mechanism for materials preparation under work order requests. The well-trained operators will follow SOP to assemble the system product with homemade AI AOI and full function test to ensure the assembly quality. The Production Shop Floor Information System will monitor each unit should pass all the rigid tests above before moving to the packing process. FQC inspection will be performed before shipping worldwide

(5) The Supply of Major Materials

Raw material	Availability
Integrated circuit <including chip>	Well
LCD	Well
Touch screen sensor <Glass>	Well
PCB	Well

Note: The raw material suppliers referred to above are reputable domestic and foreign manufacturers and have been doing business with the Company for years with a stable cooperative relationship held.

(6) The name, purchase (sale) amount, and ratio of the suppliers (customers) accounted for over 10% of the total purchase (sale) in one of the last two years, and the reason for the changes in purchase (sales):

i. List of Major Suppliers with over 10% of the total purchase in one of the last two years:

Unit: NT\$ Thousand

	2023				2024			
Items	Name	Amount	Percentage of the annual net purchase (%)	Relationship with the issuer	Name	Amount	Percentage of the annual net purchase (%)	Relationship with the issuer
1	Vendor A	3,998,951	14.4	None	Vendor A	4,244,214	14.6	None
2	Others	23,775,555	85.6		Others	24,860,465	85.4	
3	Total	27,774,506	100		Total	29,104,679	100	

ii. List of Major Customers with over 10% of the total sales in one of the last two years:

Unit: NT\$ Thousand

	2023				2024			
Item	Name	Amount	Percentage of the annual net purchase (%)	Relationship with the issuer	Name	Amount	Percentage of the annual net purchase (%)	Relationship with the issuer
1	Others (Note)	64,567,697	100.00	None	Others (Note)	59,786,293	100.00	None
2	Net sales amount	64,567,697	100.00		Net sales amount	59,786,293	100.00	

Note: No single customer accounts for more than 10% of total sales revenue

3. Employee information

March 31, 2025

Year		2023	2024	As of March 31, 2025
No. of Employee	Direct staff	2,658	2,664	2,885
	Indirect staff	6,171	6,185	6,219
	Total	8,829	8,849	9,104
Average age		38.2	38.9	40.28
Average seniority		6.5	7.1	8.17
Academy Ratio	Ph.D	0.4	0.4	0.4
	Master	18.7	19.4	19.3
	College	42.2	45.9	44.8
	Senior High School	30.9	27.9	28.7
	Below Senior High School	7.8	6.5	6.9

4. Expenditures on Environment Pollution Control

- (1) The amount of penalty/fine (including compensation) imposed due to environmental pollution in the most recent year and up to the publication of the annual report, countermeasures and potential expenditures: None
- (2) Response Measures, Improvement Plans, and Significant Environmental Capital Expenditures:

Advantech adopts an altruistic corporate philosophy that is based on the concept of the “Lita” tree. Under this philosophy, society is like the earth that nurtures the tree and is the foundation upon which that the Company can grow. Therefore, we must give back to society what we have gained. In more than 30 years of hard work, all of Advantech’s current achievements have relied upon the continuous supply of resources provided by the environment. As a member of society and having the goal of creating a beautiful life, Advantech is committed to improving the environment and ensuring labor safety. In light of this, Advantech incorporated the ISO 14001 environmental management system in 1996, adopted the OHSAS 18001 occupational safety and health management system in 2005, and has implemented practices in accordance with government regulations for environmental protection, labor safety, and health. To improve the safety and health of the environment, the Company has also worked hard to lessen the impacts of its operations with respect to GHG management, product design and use, and waste disposal. It is through these efforts, in conjunction with the participation of and commitment from employees, that Advantech consistently achieves its goals for environmental protection and corporate sustainable development.

The Company has implemented the ISO 14001 Environmental Management System.

Through annual identification of significant environmental aspects and verification by external parties, we proactively identify operational activities that may pose significant negative impacts. This allows us to mitigate or even prevent potential or actual environmental risks, ensuring that no major pollution or leakage incidents occur and that the Company remains in full compliance with environmental regulations, avoiding penalties. These processes also help us identify key environmental issues relevant to the Company.

In line with our core value of being a responsible global citizen, Advantech not only conducts self-assessments in accordance with ISO 14064-1:2018 and the GHG Protocol, but has also completed third-party verifications since 2019. In recent years, we have continued to manage greenhouse gas emissions based on annual inventory results, with efforts spanning product design, material management, energy efficiency enhancement, and the adoption of renewable energy. Furthermore, since 2023, all of Advantech's Taiwan sites have achieved ISO 50001 certification. In the same year, Advantech joined the RE100 initiative, committing to using 100% renewable electricity by 2040.

(3) Eco-friendly product design

Advantech believes in protecting the environment by preventing pollution, using less energy and raw materials, reducing waste, and using clean production technologies. The Company focuses on modifying production processes to reduce pollution rather than using end-of-pipe treatments to resolve pollution problems. To reduce waste, Advantech adopts a recycle/reuse policy on waste packaging materials. The Company also seeks to minimize the use of raw materials and energy when designing products and selecting production technologies. Cyclic use goals are facilitated through designing products and processes that focus on energy conservation. Advantech adopts the ISO 14000 environmental management system for pollution prevention and product lifecycle assessment to ensure higher environmental performance and profitability.

In recent years, climate change, the use of environmentally hazardous substances in products, labor safety and health, and human rights have become key CSR issues. Advantech has a strong focus on these issues in how the Company conducts its green supply chain management (see Section 3.3 for details). Demonstrating its commitment to addressing these issues, Advantech amends its internal management standards on the management of environment-related substances in accordance with various environmental protection policies.

To ensure compliance with CE/FCC/CCC safety requirements, Advantech requires all product designs and development to be verified for safety and follows international environmental protection laws and regulations on waste management, from natural resource use and hazardous substance restrictions to lifecycle assessment. All of these procedures conform 100% to international declarations for green products. The Company's products are promoted as green products based on the three dimensions safety, energy-saving, and environmental protection.

(4) Environmental protection management

To sustain human life and the Earth's green environment, Advantech endeavors to lessen the impacts of in both the design of its products and their application. This also includes waste disposal methods that ensure the overall safety and health of the environment. In addition to complying with relevant regulations, the Company encourages all employees to be proactive in protecting the environment and achieving corporate sustainable development.

■ Overview of Advantech's environmental promotion procedures and actions

Promotion procedure	Validation	Management action
Operation guidelines related to environmental protection management,	-	<ul style="list-style-type: none"> • Pollution prevention and control • Environmental education training • Environmental management system maintenance • Greenhouse gas management
Environmental management systems (ISO 14001),	2026/12/02	
Greenhouse gas inventory (ISO 14064)	2024/03/17 Verified annually; the certification does not have a fixed expiration date.	
Energy Management System (ISO50001)	2026/03/19	

To fulfill the promises of green management and sustainable development, Advantech has been implementing an environmental management system to consolidate the planning of environmental protection topics and to achieve efficient resource use. We regularly inspect our effectiveness in these areas by following our environmental management system and greenhouse gas inventory. In 2024, no issues on environmental protection required amendment, and our per unit revenue for greenhouse gas emissions was reduced by 16.5% compared to the previous year. Our Environmental Safety and Health Committee has established a framework for environmental health and safety concepts, actively promoting energy-saving and improving our energy use efficiency. Energy cost reduction is also included as an annual key auditing item. Including verification fees, the company's investment in environmental protection was more than NTD 920,073 in 2024, as shown in the table.

■ 2024 Advantech Environmental Protection Investment Expenses List

Item	Cost NT\$ Thousand
ISO 14001 / ISO 45001 Environment, Health and Safety (EHS) Management System Certification Fees, Pollution Source Monitoring Expenses, ISO 14064 Verification Fees, and ISO 50001 Energy Management System Certification Fees	920,073

(5) The Company's Key Environmental Concerns are as follows:

- i. Water resource usage and management
 - (i) The amount of precipitation in Taiwan during the dry and wet seasons are significantly different. Storing water resource is a challenging task. When bad weather occurs, various industries may face severe water shortage. Advantech has attempted measures such as using water-saving faucets and toilets in order to reduce the average water consumption per capita. Advantech's plants are located in developed industrial zones or parks in urban areas. All of these plants use tap water as their water supply 100% of the time; they are not involved in extracting underground or well water and their water consumption activities exert no negative influence on the surrounding water resources.
 - A. Monitoring and management of cooling water tower
 - B. Monitoring and management of cooling water towers' conductivity
 - C. Installation of water-saving faucets
 - D. Smart irrigation water-saving system
 - E. Monitoring and management of cooling water and chiller systems with smart air-conditioning systems

ii. Waste management and resource recycling

Advantech's ultimate goal in waste management is to achieve zero waste. The path to achieving this is by reducing the amount of total waste produced, recycling waste into other resources, and implementing source management measures (e.g., reduce raw material use). Advantech is always working to produce less waste, shift from end-of-pipe treatment to a recycle/reuse model, convert trash into useful resources, recycle resources, and reduce the energy and cost of waste treatment. Regarding raw material use, electronic materials accounts for approximately 90% of the total use, with mechanical, packaging, plastics, and other non-metal mechanical materials accounting for the remaining 10%. metric tons which can be divided into four major categories: PCB wastes, tin slag, chemical waste, and others. In the future, Advantech will continue to increase its process yield, reduce the output of electronic waste and tailings, and work to achieve efficient methods to reduce industrial waste.

iii. Greenhouse gas management

Advantech promotes a series of activities related to energy conservation, carbon reduction, and loving our planet in order to strength employee awareness on conserving energy. Concurrently, the implementation of the Environmental Safety and Health Committee's framework helps promote environmental safety and health, energy conservation, and increased energy efficiency. Moreover, the Company includes energy cost reduction as one of its crucial auditing items.

Advantech's plants in Taiwan adhere to ISO 14064-1 and the GSG Protocol. In addition to conducting a self-inventory, starting from 2019, Advantech has employed SGS Taiwan to conduct third-party onsite inspections. The Company's organizational boundary includes Ruiguang Headquarters, the Sunny Building, Donghu Plant, and Linkou Park. The scope of the inventory consists of the qualitative and quantitative inventory of Scope 1 (direct greenhouse gas emissions), Scope 2 (indirect greenhouse gas emissions from energy), and the inventory on items in part of Scope 3 (other indirect greenhouse gas emissions), and starting from 2023, a comprehensive inventory of all scope 3 items (other indirect greenhouse gas emissions) will be conducted.

Since 2009, Advantech has cooperated in the Carbon Disclosure Project (CDP), which is currently the world's largest database related to global climate change. Each year, questionnaires are distributed to determine how businesses are responding to climate change and reducing their GHG emissions. The survey results are then used to evaluate potential business risks and opportunities caused by climate change. Through annual CDP information disclosure, Advantech carefully reviews climate-related issues such as climate regulations and hazards caused by climate change. To mitigate potential risks in business management, the Company adopts effective reduction and elimination measures and thereby adheres to the GHG management requirements of international clients.

Advantech Taiwan includes our headquarters in Neihu, as well as factories in Donghu and Xindian. The Linkou Smart Technology Park has been in operation since 2014. Park construction has been divided into three phases, with a total area spanning 34,470 m². Currently, the completed first-phase zone covers an area of 9,983 m². Its main buildings include an R&D center, production center, and offices. Once completed, the second and third phases will introduce more office

space, a production center, and a living area, which will be integrated with the original Linkou Plant to form Advantech's second headquarters, where R&D, production, warehousing, and product distribution will take place. Advantech has developed Linkou Park into an innovative experimental site for smart buildings. The park demonstrates two major smart-building solutions, where smart-building energy management and smart contextual space management are implemented. By cooperating with partners from the smart-building industry, Advantech has established a tight smart-building collaboration system, with consulting teams providing comprehensive sales services. For our partners in the smart-building industry, Linkou Park is an experimental site for collaborative R&D; for clients, it is a place where they can experience smart-building solutions. Linkou Park gives customers a chance to experience a range of smart-building solutions that have been developed through collaboration; this includes the smart central control room, smart parking area, smart reception, and smart conference rooms. All smart sites inside Linkou Park incorporate the concept of smart energy conservation, and the Company continuously engages in innovative development to increase the capabilities of smart green buildings at the park. Relevant design considerations are described below:

- (i) Smart parking: This smart service system combines various functions, such as reserving parking spaces, identifying license plates and eTags, sending welcome messages to guests, guiding vehicles to parking spaces, parking area control and management, and helping guests locate their vehicle. To conserve energy in providing excellent smart parking services and a clean parking environment, the smart parking system features an automated lighting system that guides vehicles, as well as an automated air conditioning system for air quality control.
- (ii) Smart reception: When visitors arrive to Linkou Park, a large monitor in the lobby displays a welcome message. As soon as they touch the automated visitor registration system, staff are notified of their arrival via mobile phone messages. The visitors are then issued with an electronic identification card that allows them to interact with multimedia facilities in the building. Centralized control management through regional connectivity allows visitors and employees to view park-related information, weather, and traffic data on interactive multimedia signboards, making it easier for branches in other regions to announce management information. The signboards also feature an interactive e-Catalog system for visitors to browse product catalogs and advertisement videos. They can also use their emails to share information or read QR codes to find more information on their mobile phones. At night, the signboards automatically enter sleep mode and turn back on the next day, contributing to our efforts toward energy conservation.
- (iii) Smart conference room: The multimedia signboard in the lobby displays booking information for the conference room. A signboard is also placed at the entrance of the conference room to display meeting information. Users are allowed to use the conference facilities, and they can automatically switch the situational configuration of the room to suit their needs with just the touch of a button. Air quality sensors and fans are also installed to automatically regulate the indoor air quality. If no one is detected to be present in the room for 15 minutes, the system automatically switches off all power and the air-conditioning system to conserve energy.

- (iv) Smart office: The air conditioning system automatically detects and regulates the air quality. Additionally, a people-sensing energy conservation system is employed to divide the office area into regions and generate an energy schedule based on work hours and lunch breaks. The smart office is connected to the access control system so that the lights in the room can be automatically controlled when the entry card reader is used during off-peak hours. The system can also be operated via a webpage and a touch screen panel. By monitoring the behavioral characteristics of people in the office, the system automatically switches off lights and air conditioners in each area when rooms are empty.

In addition to introducing smart solutions for reducing energy consumption, Advantech is also constantly involved in promoting energy conservation.

- (i) The Linkou Smart Technology Park's building energy management and people-sensing energy conservation systems make the buildings more intelligent through smart air-conditioning and parking systems, as well as all-in-one access cards. The comprehensive system that is in place can detect human behavior and transmit relevant data to the cloud for processing, and this realization of smart buildings makes life at work more convenient and efficient. This approach to smart management achieves both energy conservation and resource waste prevention goals.
- (ii) Smart power management is handled by single-button operation for control of the lights and projectors in the conference room. Different situational settings, such as presentation mode or discussion mode, are also provided. The automated system in these rooms prevents the unnecessary waste of resources should employees forget to switch off the power when they leave.
- (iii) Replacement of high-efficiency lighting fixtures: Advantech is gradually replacing old fluorescent tubes with energy-efficient ones in various areas. All new Advantech buildings are equipped exclusively with energy-saving light tubes.
- (iv) Use video conferencing instead of on-site meetings whenever possible
- (v) Prioritize the purchase of Green Label office equipment and electronic products
- (vi) Maintain the indoor temperature at 25°C
- (vii) Encourage employees to develop the habit of switching off the lights whenever they leave a room

iv. Advantech and caring for nature

Environmental protection is a crucial topic for humankind. In the Lita spirit and in line with the Company's efforts to create a sustainable green industry, Advantech values its relationships with local communities and actively assumes responsibility for environmental protection.

Linkou Campus will be transformed into smart campus and IoT demonstration centers. Advantech will cooperate with its partners in the innovation and execution of IoT solutions by reforming the park to promote smart energy saving and carbon reduction concepts, change the way people think about the future of IoT by giving them actual experiences, and promote the implementation of smart cities.

Linkou Campus adopts the optimal energy-saving design that is formulated based on the actual needs and behaviors of users. This design enhances the comfort of employees inside the building as well as their work efficiency. While reducing unnecessary energy consumption, it also improves the quality of the overall work environment. Linkou Park's energy management system is optimized continuously to set the benchmark for green enterprises in Taiwan.

5. Labor-Employer Relation

(1) The Company's employee welfare measures, education, training, retirement system and its implementation, as well as the agreement between the employers and the employees, and the implementation of the employee's rights protection:

i. Employee welfare measures:

Uphold the "Perfectionism" business philosophy. The Company values the employee benefits policy. A dedicated unit (Human Resources Department) is setup within the organization to plan a series of welfare measures in order to provide the staff with a stable lifestyle, to protect the interests of employees, pursued Advantech Beautiful Life (ABLE Club) , and thus promote employer-employee harmony.

The Company believes that the employee will be able devote to work wholeheartedly and exercise their job strengths to create high quality products and promote the progress and prosperity of the whole enterprise only when their welfares and life security are protected.

■ The welfare measures directly handled by the Company:

- A 、 Employee bonus;
- B 、 Labor insurance;
- C 、 National health insurance
- D 、 Group insurance
- E 、 Annual health check
- F 、 Marriage, funeral, joy, celebration grants
- G 、 Dragon Boat Festival and Mid-Autumn Festival gifts
- H 、 Yearend banquet dinner
- I 、 Domestic tour
- J 、 Overseas tour
- K 、 Health/Art/Life lectures
- L 、 Sports/LOHAS/Art/Charity Clubs
- M 、 Birthday celebration
- N 、 Departmental function fund
- O 、 Movies
- P 、 Arts and cultural appreciation
- Q 、 Emergency rescue gold

ii. Education, training system, and its implementation

With a view to cultivating talents and expanding the horizons, Advantech College has designed a series of talent cultivation programs: starting from On-Job Training, the trainee will be assigned with a work-related task, hoping to develop his/her expertise honed through the task, and with Ten Main Core Curricula, Case Study, Reading Club, E-Learning, LEAP Camp and Elite LEAP Workout. Advantech College provides a global growth platform targeting on learning, creating an environment for continuous learning and development so as to accelerate growth and improvement for all Advantech talents. Each talent cultivation program is outlined as follows:

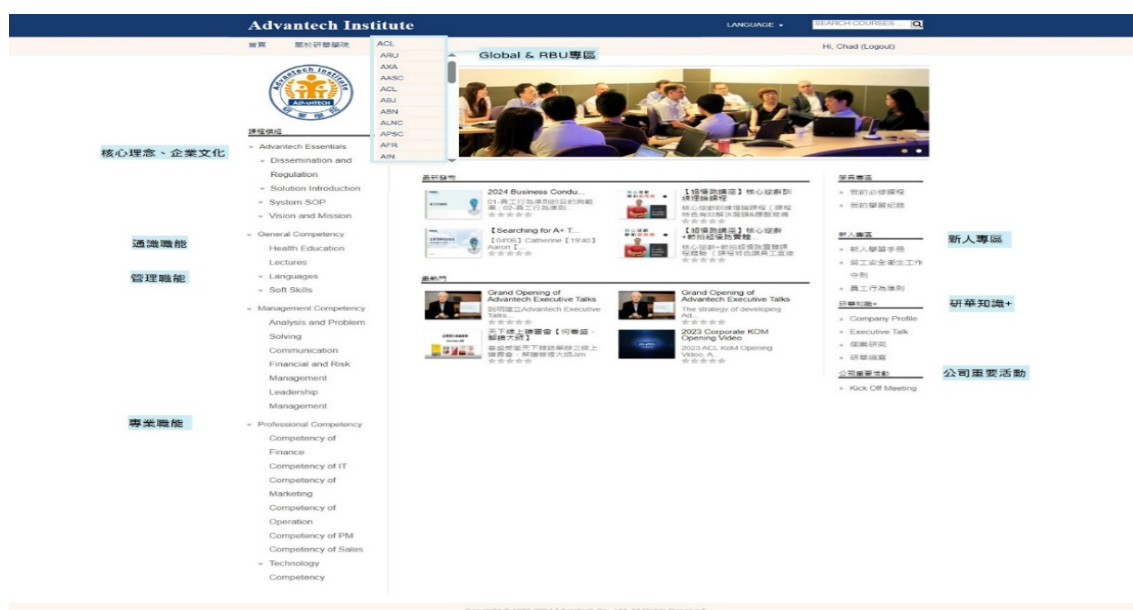
I. Four-school structures

Advantech IoT Academy is divided into four schools according to the training orientations: School of Management, School of Profession, School of General Education, and School of New Recruits. The School of Management includes senior executive, mid-level executive, and entry-level/new executive courses according to management levels, covering core management issues such as digital transformation, cross-team collaboration, coaching skills, etc., aiming to enhance the leadership and decision-making effectiveness of executives. The School of Profession is further divided into the AI College, M&A College (M&A), Product College, Business College, R&D College, and Marketing College, according to Advantech's internal professional and occupational functions. Each college has a Curriculum Committee responsible for planning and arranging corresponding professional courses to enhance the professional capabilities of employees in various fields. The School of General Education focuses on the inheritance of Advantech's vision and values and the realization of mid-term and long-term strategic goals, and provides training for employees' core occupational functions and general skills to promote a comprehensive career development. The School of New Recruits is responsible for the training program of new colleagues, ensuring that new recruits can quickly fit into the organization, master the necessary knowledge and skills, and lay a good foundation for career development.



II. e-Learning

To embody Advantech's wisdom, core values, and culture, and to communicate important company messages and activities, and impart professional knowledge and skills, Advantech has established an online learning platform—Advantech Academy. This platform enables global employees to understand Advantech's management philosophy and corporate culture through online learning. It allows employees to learn at their own pace, access the latest learning content without being constrained by time or location, and explore a dedicated knowledge hub filled with global insights. In doing so, it effectively expands the global perspective and depth of Advantech employees while achieving the benefits of collaboration, integration, and leverage through efficient use of learning resources.



III. Global Elite LEAP Camp

LEAP means Jump, signifying the hope that every trainee will make huge progress, and its symbolic connotation refers to "Learn," "Experience," "Alignment" & "Partnership". LEAP Camp will invite new employees from all over the world to Advantech headquarters every year, and the training of a five-day global camp aims to enhance the employees' professional knowledge and skills and make them experience Advantech's culture and core values, allowing them to interact and get into contact with the partners from the world so as to achieve global collaboration.

The course design of LEAP Camp is divided into Sales Track, Marketing Track, and AE Track in accordance of the duties of the trainees, and each Track's content focuses on the field of expertise in each Track, enabling the trainees to grow by way of LEAP Camp while experiencing Advantech's culture.

IV. Study Group

Our CEO is convinced that "all supervisors can build the team consensus by reading a book together." Advantech Reading Club holds reading parties on a regular basis. Outside experts and scholars in the fields of business management, operational planning and others, or mid-to-senior level managers from the affiliated companies are invited to develop concepts and introduce innovative management concepts, which continually refines Advantech's management model and thus leads to the formation of key business strategy. As the prime directive of Advantech towards talent says, "Right People on Bus-finding right people before deciding what to do," and this policy is quoted from the book, "Good to Great" written by Jim Collins.

V. Elite LEAP Workout

Outstanding talents with great potential will be assigned to participate in cross-functional and cross-departmental projects that are highly relevant to the company's strategy with the support received from senior managers and mentors. The Elite LEAP Workout program is intended to accelerate the personal performance of such talents and to support such talents in advancing their capabilities required for higher positions. At the same time, the concept of promotion within the company is implemented to nurture the next generation of leaders for Advantech.

VI. APEX Program

Talent is the source of power for enterprises' continuing innovation and growth. Advantech while celebrating the 40th anniversary has launched the "Advantech People of Excellence (APEX) Program," which has been activated by the headquarters in 2023Q4 and will be held routinely in both Chinese and English languages, and then expanded to overseas subsidiaries in order to deepen talent cultivation and the management's passing on to future generations.

The APEX training program based on the "Advantech core competencies" to conduct communications and passing on to future generations, and to initiate the proposal discussion on "Advantech practical issues." A total of 35 colleagues from various units across business units and different units within the Group for interaction in the current "APEX Program." Three Presidents, Miller, Linda, & Eric, and Vice President MC are to serve as the Group's mentors. Also, Advantech's senior executives and board directors, external experts, and consultants are invited to serve as lecturers to give keynote speeches and experience sharing. In addition to providing diverse and profound courses, the sections of morning exercise, Team building, and others are also arranged to allow all students interact easily while recharging mentally. The current APEX Program had come to an end successfully on 5/23/2024. Hopefully, those talented colleagues with great potentials will be able to accumulate practical experience through decision-making discussions and interactions on major subjects and be ready for the future to come, and continue to create infinite possibilities with Advantech.

■ Average training hours of employees

Year of data: take 2024 as an example	Male	Female	Total
Total hours of E-Learning training	665,893	325,692	221
Total number of employees	4,683	3,489	75
Average hours of E-Learning training per employee	142.2	93.3	2.9
Data coverage	Taiwan headquarters, (including headquarters business units, logistics units, and Advantech Taiwan), China, Japan,(excluding AJMC Advantech Japan),South Korea, Europe and North America exceeded 80% of global employees in 2024. The total training hours of online courses and physical sessions were 991,807 hours, and the average training hours per person was 120.3 hours.		

Note: The total number of employees is presented in Full-Time Equivalent (FTE).

iii. Status and implementation of the old and new retirement systems:

- (i) Old system: Employees who have reported to duty since June 30, 2005, may choose between the old and new retirement system. In accordance with the provisions of the Labor Standards Law, Advantech provides a retirement plan for all formal employees. As stated in the retirement plan, a pension payment is paid in accordance with the average years of service and the average salary six months prior to retirement. The Company has a pension reserve appropriated monthly and has it handled by the Labor Pension Reserve Committee and then deposited in the name of the Committee with the Bank of Taiwan.

- (ii) New system: Employees who have reported to duty since July 1, 2005, are subject to the new system. Those who have reported to duty since before July 1, 2005, may also choose to apply the new system. The Company has an amount equivalent to 6% of the monthly wages and salaries appropriated to the pension account of each employee. Employees may also discretionally set aside an amount equivalent to 0%–6% of their monthly wages and salaries to the pension account and the appropriated amount will be deducted from the monthly paycheck of the respective employee.
 - iv. Agreement between employer and employees:

The Company upholds the concepts of “unified employer and employee” and “coexistence” and applies reasonable and humane management with an “openness” method to establish smooth communication channels, to maintain good labor relations, to work together for higher productivity, to share profits, and to establish stable and harmonious labor relations.

The Company has always upheld the principle of “fairness and impartiality” and “reasonableness and lawfulness” within the consideration of sentiment and legality to communicate and coordinate with the employees. We explain the difficulties and problems faced by the Company adequately and express the position and assertions of the Company. We respect each other and agree with each other so that both parties will be able to resolve disputes and improve labor relations with both parties treated fairly and justly. Due to this comprehensive mechanism, the Company has never suffered any loss due to labor disputes. Most importantly, both parties are able to work together for professional development and positive labor welfare.
 - v. Protection measures for employee benefits:

The Company has the Labor Welfare Committee and Labor Pension Reserve Committee established lawfully to plan, appropriate, reserve, and apply the benefit funds and pension reserves, and matters regulated by relevant laws and regulations; and to implement the employee benefits and welfare system in accordance with related specifications.
- (2) Labor/employer dispute loss incurred in the most recent year and up to the publication of the annual report; also, disclosing estimated current and future loss and its countermeasure: None.**

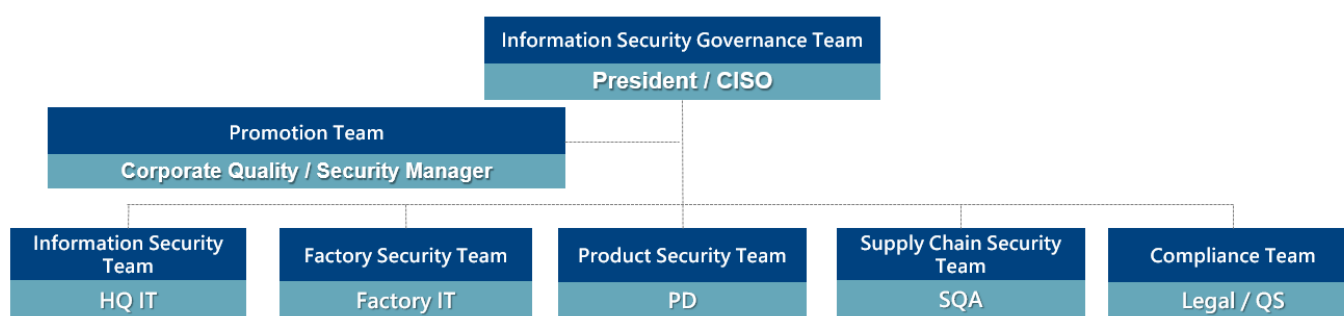
6. Information Security Management

The company's information security risk management framework, information security policies, specific management plans, and the resources invested in information security management:

(1) Information Security Organization

To strengthen the company's information security management and ensure the security of data, systems, and networks, the company has established an Information Security Governance Team. The team is chaired by the General Manager and consists of subgroups focused on information security, plant security, product security, supplier security, and regulatory compliance. The Information Security Governance Team meets every six months and regularly reports its progress to the Risk Management Committee.

■ Organizational structure of Information Security Governance Team



In addition, to strengthen the management of product-related information security issues, in October 2024, the company formed a Security Committee with representatives from various business units, including R&D, IT security, and quality assurance. The head of the quality assurance department serves as the chairperson. The committee holds regular meetings to discuss topics such as regulatory compliance, vulnerability management, development processes, and management related to the company's products.

■ Organizational structure of the Security Committee



(2) Information Security Strategy and Framework

i. Information Security Strategy

The company refers to the Cybersecurity Framework (CSF) developed by the U.S. National Institute of Standards and Technology (NIST) to plan the information security development blueprint. The framework consists of five key functions:

Identify, Protect, Detect, Respond, and Recover. These functions focus on the various stages of a company's response to attacks, which include pre-attack (Identify and Protect), during the attack (Detect and Respond), and post-attack (Recover), with measures to be implemented at each stage for management control.

Regarding the U.S. Securities and Exchange Commission (SEC) rules on cybersecurity risk management, governance, and disclosure of related incidents for publicly traded companies, the company conducts cybersecurity risk assessments, has relevant policies and procedures, and supervises third-party service providers' cybersecurity risks. The company also has response procedures and a network attack recovery plan in place in the event of a cybersecurity incident.

In terms of cybersecurity protection and deployment, the company adopts the NIST Cybersecurity Framework (CSF) to build a multi-layered information security defense mechanism. The framework covers five major aspects of cybersecurity: Identify, Protect, Detect, Respond, and Recover. When managing security risks, these aspects correspond to pre-attack, during the attack, and post-attack phases, offering a comprehensive strategy for managing the cybersecurity lifecycle.

The company is also part of cybersecurity information-sharing organizations to obtain early warning intelligence, threat, and vulnerability information, such as the Taiwan CISO Alliance and Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC). By collaborating with external cybersecurity vendors and experts, the company continuously monitors new cybersecurity information, technologies, and trends, strengthening its security architecture and measures to effectively defend against emerging cybersecurity threats.

ii. Specific Information Security Protection Measures

Category	Security Protection Measures
Network Protection Enhancement	<ul style="list-style-type: none"> • Update network firewalls and strengthen network segmentation • Implement privileged account management tools • Introduce Secure Access Service Edge (SASE) security architecture • Regularly review firewall rule appropriateness • Enhance domain server security protection • Deploy application firewalls to protect web applications • Implement multi-factor authentication to strengthen user identity verification • Deploy web filtering mechanisms
Endpoint Protection	<ul style="list-style-type: none"> • Deploy Endpoint Detection and Response (EDR) and antivirus tools • Monitor and analyze abnormal behavior

Category	Security Protection Measures
System Vulnerability Patching	<ul style="list-style-type: none"> • Regularly conduct system vulnerability scans • Implement tools to assist with system updates and vulnerability patching
Host Security Strengthening	<ul style="list-style-type: none"> • Build next-generation virtual machine systems • Implement host registry protection mechanisms
System Backup and Redundancy Mechanisms	<ul style="list-style-type: none"> • Backup critical information system data • Establish off-site system redundancy mechanisms and regularly conduct disaster recovery drills
Cybersecurity Risk Assessment	<ul style="list-style-type: none"> • Conduct annual cybersecurity risk assessments and improvements • Implement cybersecurity risk scoring tools • Incorporate cybersecurity risk assessments into vendor management
Personnel Cybersecurity Awareness	<ul style="list-style-type: none"> • Conduct cybersecurity awareness training • Conduct social engineering drills • Issue quarterly cybersecurity newsletters • Conduct cybersecurity competition events
Cybersecurity Management Standards	<ul style="list-style-type: none"> • Establish an information security management system based on ISO/IEC 27001 and undergo external verification • Implement product security development standards IEC 62443-4-1 and IEC 62443-4-2




iii. Key Achievements of Information Security in 2024

The current strategy focuses on reducing the attack surface, improving the visibility of information security risks, enhancing information security governance and risk awareness, and strengthening information security resilience.

(i) Information Security Management System Operation and Maintenance

Advantech has been certified with the "Information Security Management System (ISMS) ISO/IEC 27001:2013" since 2019 and continues to maintain the validity of the ISO/IEC 27001 certification. In 2024, the headquarters' information department's data center management, backbone network, and the Linkou plant's OT operations passed the ISO/IEC 27001:2022 version of the standard verification. Across four dimensions—strategy, management, technology, and awareness—the company adheres to the international standard's management framework and control requirements, continuously enhancing the depth and breadth of its information security governance.

(ii) Enhancing Employee Cybersecurity Awareness

	<p>Cybersecurity Education and Training Courses</p> <p>In 2024, the company provided online and in-person courses for general employees. The main course content covered common cybersecurity risks and mitigation strategies, Advantech's cybersecurity policies and regulations, ransomware and phishing email prevention, software security control, and cybersecurity incident reporting. A total of 6,241 employee sessions and 4,160 hours of cybersecurity training courses were completed across the company. Additionally, to address the growing prevalence of social engineering attacks, a lecture was held, inviting an external expert to explain attack methods and countermeasures through real-life cases. A total of 61 participants attended this course.</p> <p>Moreover, in terms of product security, Advantech has obtained certifications for IEC 62443-4-1 (Secure Process Development Lifecycle Requirements) and IEC 62443-4-2 (Technical Security Requirements for IACS Components). To increase awareness among relevant department personnel about these standards and to enhance internal implementation, the company held 4 IEC 62443 training courses in 2024, completing training for 230 people and totaling 6,440 hours of instruction.</p>
	<p>Social Engineering Drills</p> <p>To strengthen employee awareness and response capabilities against phishing email attacks, the company conducted two rounds of simulated phishing email tests (initial and follow-up tests) for employees at the headquarters and overseas subsidiaries. The tests simulated hacker phishing emails and were complemented with online courses and quizzes to enhance their effectiveness. A total of 27,486 test emails were sent. The results showed that the pass rate for headquarters employees was 81.7%, while the pass rate for overseas subsidiary employees was 77.4%.</p>
	<p>Cybersecurity Newsletters and Cybersecurity Rewards Activities</p> <p>In addition to the cybersecurity education and training courses and social engineering drills, the company sent out quarterly cybersecurity newsletters to global employees in 2024. The newsletters included important announcements, case studies, and key work achievements. Furthermore, a global cybersecurity competition for IT departments of subsidiaries, organized by the headquarters' IT department, was held. Teams of IT experts from different regions collaborated to propose creative ideas and implementations to enhance the company's overall information security. A total of 9 teams participated, with 4 teams winning awards.</p>

(iii) System and Network Security

In recent years, Advantech has continuously strengthened its information security framework. The company has implemented endpoint protection tools, multi-factor authentication mechanisms, privileged account management, and application firewalls, and has enhanced network security segmentation through upgraded network firewalls. In 2023, the company introduced endpoint management and security solutions to strengthen system vulnerability and patch management. These solutions have been deployed on over 10,000 computer devices, with plans to continue expanding coverage. At the headquarters and in Taiwan, internet security filtering has achieved a 100% coverage rate, and the WAF protection for the Taiwan server farm is at 84%.

To reduce the vulnerabilities within the internal information operations environment that could be exploited by hackers, the company conducts bi-annual system vulnerability scans and commissions third-party professionals to perform network and system penetration testing annually. The results of the 2024 penetration testing revealed no high-risk vulnerabilities, and any identified vulnerabilities were promptly patched.

Additionally, to improve the visibility of overall cybersecurity risks, Advantech has implemented a cybersecurity risk scoring tool. This tool uses non-intrusive proprietary technology to collect network asset attribution and digital footprint data, which are then classified and analyzed according to the ten major risk areas. The tool generates a risk coefficient and rating. Through continuous detection and monitoring with the cybersecurity risk scoring tool, the company has completed remediation of 88 high-risk and 58 medium-risk vulnerabilities this year.

(iv) Business Continuity Management and Disaster Recovery Drills

Considering that information services may be affected by internal and external disasters or human errors, Advantech has planned an off-site backup mechanism at the Linkou plant, with mutual off-site backup between the Neihu and Linkou locations. This year, IT department completed disaster recovery drills for critical network and system services. The results showed that all drills met the Recovery Time Objective (RTO), validating the effectiveness of the architecture and systems in responding to disasters.

Additionally, to address the potential disruption of plant operations due to disasters, the company conducted a business continuity management plan drill at the Linkou plant this year, simulating a fire scenario. During the drill, the emergency response levels and time sequences were followed, with relevant countermeasures and actions executed. The drill also simulated the process of notifying external fire departments for disaster response assistance.

(v) Supply Chain Cybersecurity Management

In recent years, major tech companies have been increasingly targeted by ransomware attacks, which has elevated cybersecurity threats and risks. As a result, information security has become a crucial part of supply chain trust. Advantech has incorporated cybersecurity risks into the evaluation and management of its suppliers. In addition

to requiring all suppliers to complete a cybersecurity declaration, Advantech evaluates the cybersecurity risk status of partners supplying critical components, information hardware and software, and services through self-assessment forms and cybersecurity risk scoring tools. This is complemented by online audits to assess the effectiveness of their cybersecurity management, enabling the identification and timely response to risks. This year, 88 suppliers completed cybersecurity risk self-assessments, and 9 suppliers were randomly selected for a cybersecurity management audit.

(vi) Product Information Security

In addition to expanding the product line to obtain IEC 62443-4-2 certification, products such as industrial computers and servers have also collaborated with renowned domestic certification laboratories to obtain IEC 62443-4-2 Verification of Conformity (VOC) certification, preparing for system integrators to pass the IEC 62443-3-3 certification. Overall, the company maintains a steady pace in obtaining cybersecurity certifications for its products.

Furthermore, with the European Union Cyber Resilience Act (CRA) having been passed by the EU Council on October 10, 2024, and coming into effect this year, it is expected that vendors providing related software and hardware services will need to be fully compliant by the end of 2027. Advantech will respond cautiously and implement a three-step process to achieve full compliance for products sold in Europe:

- A. Implement product security development best practices based on IEC 62443-4-1.
- B. Continue obtaining IEC 62443-4-2 or VOC certification for products.
- C. Once the CRA compliance guidelines are published, fully integrate them into products sold in Europe.

Finally, in terms of product support policy, Advantech will fully adopt Security Advisory to disclose product security vulnerabilities and handling methods, approaching product cybersecurity challenges with a proactive, preventive, responsible, and reliable attitude.

(3) Cybersecurity Incident Impact and Response

From 2021 to 2024, the company has not experienced any major cybersecurity incidents, nor has there been any information leakage that impacted customer interests or employee personal data.

7. Important Contracts: None.

V. Review of Financial Conditions, Operating Results , and Risk Management

1. Financial Conditions:

Unit: NT\$ Thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	42,199,809	41,385,737	814,072	2%
Property, plant, and equipment	12,244,071	11,326,045	918,026	8%
Intangible assets	2,813,741	2,750,414	63,327	2%
Other assets	14,484,329	13,594,076	890,253	7%
Total assets	71,741,950	69,056,272	2,685,678	4%
Current liabilities	15,569,474	16,026,807	(457,333)	-3%
Noncurrent liabilities	4,375,614	4,219,887	155,727	4%
Total liabilities	19,945,088	20,246,694	(301,606)	-1%
Capital stock	8,635,894	8,584,494	51,400	1%
Additional paid-in capital	11,156,003	9,753,806	1,402,197	14%
Retained earnings	30,125,660	29,229,547	896,113	3%
Other equity	1,510,795	893,305	617,490	69%
Non-controlling equity	368,510	348,426	20,084	6%
Total equity	51,796,862	48,809,578	2,987,284	6%

The reasons and impacts of significant changes in assets, liabilities, and shareholders' equity over the past two years (with changes exceeding 20% and amounting to more than NT\$10 million) should be explained, along with future response plans for significant impacts, if any:

1. Other equity: Mainly due to the appreciation of the USD and EUR, resulting in an increase in foreign exchange gains.

2. Analysis of Financial Status

Unit: NT\$ Thousand

Item \ Year	2024	2023	Increased or decreased amount	Ratio change (%)
Operating income	59,786,293	64,567,697	(4,781,404)	-7%
Operating cost	35,410,406	38,405,883	(2,995,477)	-8%
Gross profit	24,375,887	26,161,814	(1,785,927)	-7%
Operating expense	15,326,118	14,033,564	1,292,554	9%
Operating profit	9,049,769	12,128,250	(3,078,481)	-25%
Non-operating income and expense	1,924,759	1,138,449	786,310	69%
Net income before tax	10,974,528	13,266,699	(2,292,171)	-17%
Income tax expense	2,086,310	2,477,366	(391,056)	-16%
Net income	8,888,218	10,789,333	(1,901,115)	-18%
Annual other comprehensive profit and loss (Net)	697,714	1,053,348	(355,634)	-34%
Annual total comprehensive net income	9,585,932	11,842,681	(2,256,749)	-19%
Net income attributable to the shareholder's equity of the parent company	9,005,037	10,837,530	(1,832,493)	-17%
Total comprehensive profit and loss attributable to the shareholder's equity of the parent company	9,718,846	11,894,582	(2,175,736)	-18%

The main reasons for significant changes in operating revenue, operating profit, and pre-tax profit over the past two years (with changes exceeding 20% and amounting to more than NT\$10 million) are as follows:

1. Operating profit decreased compared to the previous year, mainly due to a decline in revenue from North America and Europe.
2. The main reason was the disposal of the Donghu plant by the parent company, resulting in a gain on asset disposal of NT\$353,632 thousand; additionally, the appreciation of the USD and EUR led to the recognition of foreign exchange gains.
3. The increase in valuation gains was primarily due to the disposal of financial assets measured at fair value through other comprehensive income in 2023. However, no such transaction occurred in 2024.

3. Cash Flow

(1) Liquidity Analysis within the last 2 years

Cash balance – beginning	Estimated annual net cash flow from operating activities	Estimated annual cash outflow	Cash balance (deficit) -	Contingency plans for insufficient cash	
				Investment plan	Financial Plan
11,011,580	10,510,851	(7,905,386)	13,617,045	--	--

Note: Explanation of changes

- Operating activities generated a cash flow of NTD\$10,510,851 thousand: This fiscal year's consolidated pre-tax net income was NTD\$10,974,528 thousand; excluding changes in assets and liabilities, cash outflows for income taxes paid amounted to NTD\$3,987,727 thousand.
- A net cash outflow of NTD\$7,905,386 thousand was recorded for investment and financing activities throughout the year. This included continued investment in construction projects for office buildings and factories at the Linkou plant site, with a cash outflow of NTD \$,475,070 thousand for fixed asset acquisitions. Additionally, cash dividends of NTD\$8,155,269 thousand were distributed, and cash outflows of NTD\$764,681 thousand were incurred for new investments in financial instruments and other investments.

(2) Cash liquidity analysis for next year

Cash balance – beginning	Estimated annual net cash flow from operating activities	Estimated annual cash outflow	Cash balance (deficit) -	Contingency plans for insufficient cash	
				Investment plan	Financial Plan
13,617,045	11,005,817	(14,070,615)	10,552,247	--	--

Note: Explanation of changes:

- Net cash inflow from operating activities amounted NTD\$11,005,817 thousand, primarily attributable to the profitability in the year 2024.
- The net cash outflow for the year totaled NTD\$14,070,615, primarily due to the net impacts of cash dividend distributions, investments, and capital expenditures.

4. The impact of material capital expenditure on financial business in the most recent year:

Unit: Thousands of NTD / US Dollars

Project	Actual or intended financing	Actual or intended completion date	Total funds needed	Actual or intended use of funds			
				2025	2026	2027	2028
Plant purchase (construction) –Linkou Campus Phase 3	Equity fund	2023.6	1,410,000	3,394	-	-	-
Plant purchase (construction) –Huaya Campus	Equity fund	2024~2027	3,560,000	441,530	756,910	1,703,060	34,000
Right-of-use Asset (Land) –ANA	Equity fund	2023~2034	USD52,474	USD775	USD1,582	USD1,613	USD1,646
Plant Purchase (Construction) of Plant- ANA	Equity fund	2023/12~2026/7	USD96,500	USD30,697	USD30,697	USD30,697	-

- (1) Construction of Advantech Linkou Campus: In response to global demands for energy conservation and carbon reduction, as well as the development of IoT technology, the Linkou Campus is being developed into a pioneering smart building experimental site. It will implement two major smart building solutions: intelligent energy management and intelligent scenario management.

5. Reinvestment policy in the most recent year, the reasons for profit or loss resulted, its improvement plan, and next year's investment plan:

Advantech adopts reinvestment of equity method with all focusing on long-term strategic purposes; in 2024, the profits of Advantech reinvestment of equity method reached NT\$399,256 thousands, with an increase of NT\$ 10,743 thousands, compared to the previous year. Advantech will continue to adhere to the principle of long-term strategic investment and will prudently evaluate future investment plans.

6. Risk analysis and evaluation:

- (1) Interest rates, exchange rates, and inflation, their impact on the Company's profit or loss, and future countermeasures:

The Company has sufficient proprietary capital and sound financial structure; therefore, is from the risk of increasing capital cost. The capital planning is based on a conservative and sound principle with the focus on the security and mobility; also, regularly evaluate money market rates and financial information.

- In terms of exchange rate, the Company has a clear foreign exchange policy stipulated; also, a strict control of the procedures is for hedging risk instead of adopting active operation to gain profits.
- In terms of inflation, the main sales markets of the Company are without any sign of inflation in recent years, which has not significant impact on the Company's operations.

- (2) Engage in the policies of high-risk, highly-leveraged investments, loaning of funds, endorsements and guarantees, and derivative transactions, the reasons for profit or loss resulted, and the future countermeasures:

The Company has each investment project evaluated prudently and handled in accordance with the “Procedures for the Acquisition and Disposal of Assets” and the limits of authority without engaging in any high-risk and highly-leveraged investments.

- i. In terms of loaning of funds and making of endorsements/guarantees, it is mainly arranged for the subsidiaries and sub-subsidiaries of the Company; also, it is to be processed in accordance with the Company’s “Procedures for Loaning of Funds” and “Procedures for Making of Endorsements/Guarantees.”
- ii. In terms of financial derivatives, the purpose is to hedge the exchange rate risks arising from business operation; also, it is to be processed in accordance with the Company’s “Procedures for the Trading of Financial Derivatives.”

- (3) Future R&D plans and the projected R&D investment:

- i. Entering the Era of Edge Intelligence: WISE-Edge Drives IoT Application Upgrades

The IoT industry is rapidly advancing into a new era of edge intelligence. As edge computing, AI integration, and data-driven decision-making become mainstream, enterprise digital transformation is shifting from centralized cloud processing to real-time, on-site decision-making. IoT devices are evolving into intelligent nodes equipped with analytical and decision-making capabilities, accelerating upgrades and transformations across industries such as manufacturing, energy, transportation, healthcare, and retail.

Recognizing this trend, Advantech continues to invest in the development of the WISE-Edge platform, integrating hardware, software, and AI to deliver comprehensive edge intelligence solutions that support customers in accelerating innovation and transformation.

Four Key R&D Focus Areas of WISE-Edge

1. Containerized Deployment and Heterogeneous Platform Integration

Advantech focuses on containerization and microservices technologies to enable flexible deployment across heterogeneous platforms, including CPU, GPU, and NPU. Through a cloud-edge collaborative architecture, the platform achieves "develop once, deploy anywhere," with unified operations and maintenance.

2. Enhanced Edge Data Processing and AI Inference

Continued development of data stream management modules and real-time AI inference is applied to five core vertical markets, enhancing real-time decision-making at the edge and improving operational efficiency.

3. Modular and Platform-Based Vertical Solutions

Advantech deepens its domain expertise in smart factories, energy, environment, agriculture, and smart cities through WISE-IoT, promoting a modular solution approach and a software subscription-based business model.

4. Building an Open Platform and Co-Creation Ecosystem

Advantech is committed to developing a scalable and open architecture that integrates third-party software, AI models, and cloud platform partners, fostering collaborative innovation and establishing WISE-Edge as the industry standard for edge intelligence platforms.

- ii. The projected R&D investment: 9% of the annual turnover.

- (4) Impact of significant domestic and foreign policy and law changes on the Company's financial operations and related countermeasures:

There had not any significant changes in domestic and foreign policies and law that had a significant impact on the Company in the most recent year. In addition to irregularly collect and assess the impact of significant changes in domestic and foreign policies and law on the Company's finance and business operation, the Company will consult relevant professionals to take countermeasures in a timely manner.

- (5) The impact of changes in technology and industry on the Company's financial operations and the countermeasures:

According to Gartner, The sale of IoT platforms represents an opportunity growing at a 5 year CAGR of 33% to reach \$11.3 billion in 2025. However, the buyer demand will shift from seeing IoT platform as "a set of integrated software capabilities (that) improve(s) product or asset management decision making, and operational visibility and control" to domain and process applications enabled by IoT platforms with concrete business outcomes. The implications for IoT platform providers, including Advantech, are,

- i. A repositioning of platforms to clients
- ii. The development or partnership with providers of applications enabled by the platform
- iii. A challenge around data interoperability in which applications are designed around data models

iv. A possible change in pricing models from stand-alone platform sales to app-led sales

Ecosystem plays critical role to the success of Application-led IIoT Market. Unlike traditional one-to-one partnership, Gartner has defined the IIoT ecosystem as a complex and dynamic network of entities interacting with each other. Among four types of ecosystem defined by Gartner(application-centric, vertical-centric, platform-centric and data-centric), Application-centric and vertical-centric ecosystems are now dominant in the market. And the key is whether the vendor provides whole product integrating various IIoT modules and provide the clients with clear business outcome. Therefore, Advantech has recently been devoted in building IIoT ecosystems through investment, alliances and co-creation, in domains of smart manufacturing, smart city and etc.. We aim to provide clients with domain focused whole product by integrating the capabilities of system integrators, solution providers and professional consultants. As for new product and technologies, we implement emerging business opportunity (EBO) process and introduce external R&D resources by working with universities, aiming to build key modules, innovative business models and development roadmaps of IIoT platform.

- (6) The impact of changes in corporate image on the crisis management of the Company and the countermeasures:

The Company is with a good corporate image. In addition to irregularly receive domestic and international juristic persons, technical symposium and corporate seminars are held on a regular basis to help the investors and customers understand the Company.

- (7) The expected benefit of initiating acquisition, the possible risks, and the countermeasures:

The Company has acquired Aures Technologies S.A., a renowned POS and KIOSK brand company based in France. The public tender offer was successfully completed on April 14, 2025, resulting in Aures' delisting. Aures is a well-established brand in Europe and the United States, known for its strong product design capabilities and longstanding customer relationships. Its U.S. subsidiary, Retail Technology Group (RTG), is a service-oriented company with a strong presence in the nationwide foodservice and retail sectors.

This acquisition will significantly enhance the Company's strategic positioning in the Smart City and Smart Retail sectors. The anticipated synergies include: Mutual empowerment between Advantech's product engineering strength and Aures' design capabilities; Enhanced operational structure and resource integration driven by Advantech's management system; Collaborative global sales networks to unlock co-creation opportunities.

To address the challenges of cross-border management, cultural integration, and financial optimization, the Company has established a dedicated post-merger integration (PMI) team. A phased approach has been adopted to drive value creation through short-, mid-, and long-term strategic plans.

- (8) Expected benefits of a plant expansion, possible risks, and countermeasures:

The operating environment was full of challenges in 2024. The manufacturing centers in Taipei and Kunshan adopted a prudent and conservative capacity investment strategy and maintained a highly flexible production capacity while facing the uncertainty of a volatile market. In order to further improve production efficiency and reduce costs, Advantech continued to promote automated processes and less manual production and actively eliminated outdated equipment. The manufacturing centers on both sides of the Taiwan Strait continued to invest in automated equipment, such as packaging machines, labeling machines, and gluing machines, to reduce repetitive manual work, and to optimize production processes. The management of Kunshan manufacturing center had eliminated old punching machines, cutting machines, and bending machines to significantly improve production efficiency, and to better protect the occupational safety of employees.

In addition, we have actively introduced AI technology and utilized intelligent data analysis and decision support to make the overall production process more efficient and pioneering. At the same time, we have continued to invest in energy-saving and carbon-reduction measures, such as replacing air-conditioning chillers and LED light tubes to reduce energy consumption and carbon emissions.

In consideration of the company's long-term strategic development and global production strategic deployment, have the construction of the Huaya Manufacturing Center started in Taipei to meet the long-term production capacity strategy needs. Also, in response to the economic environment risks that may occur in 2025, we will continue to closely monitor the market environment and competition with the investment and expansion plans adjusted accordingly at any time. We have also evaluated the possible risks of various

equipment investments continuously before carrying out an investment, and formulated specific response measures to minimize the adverse impact on the company's business operations.

(9) Risks faced by the centralized purchase or sales and the countermeasures:

The Company's main source of raw materials is from the well-known domestic and international manufacturers that have a good reputation and product quality; also, have maintained a stable relation of cooperation with the Company and provide a stable supply of raw materials. In terms of sales, the Company is a market leader in brand with a smooth sales channel I service; therefore, the Company is free of any risk from the centralized purchase and sale.

(10) The impact of the massive equity transfer or exchange by the directors, supervisors, or shareholders holding more than 10% shareholding on the Company, the risk, and the countermeasures: None

(11) The impact of the changes in the ownership on the Company, the risk, and the countermeasures: None

(12) For litigation or non-litigation events, the closed or in-pending material litigation, non-litigation, or administrative contentious events, which may have a significant impact on the shareholder's equity or security price, of the Company, the Company's directors, supervisors, President, responsible person, shareholders holding more than 10% shareholding, and the subsidiaries should be illustrated: None

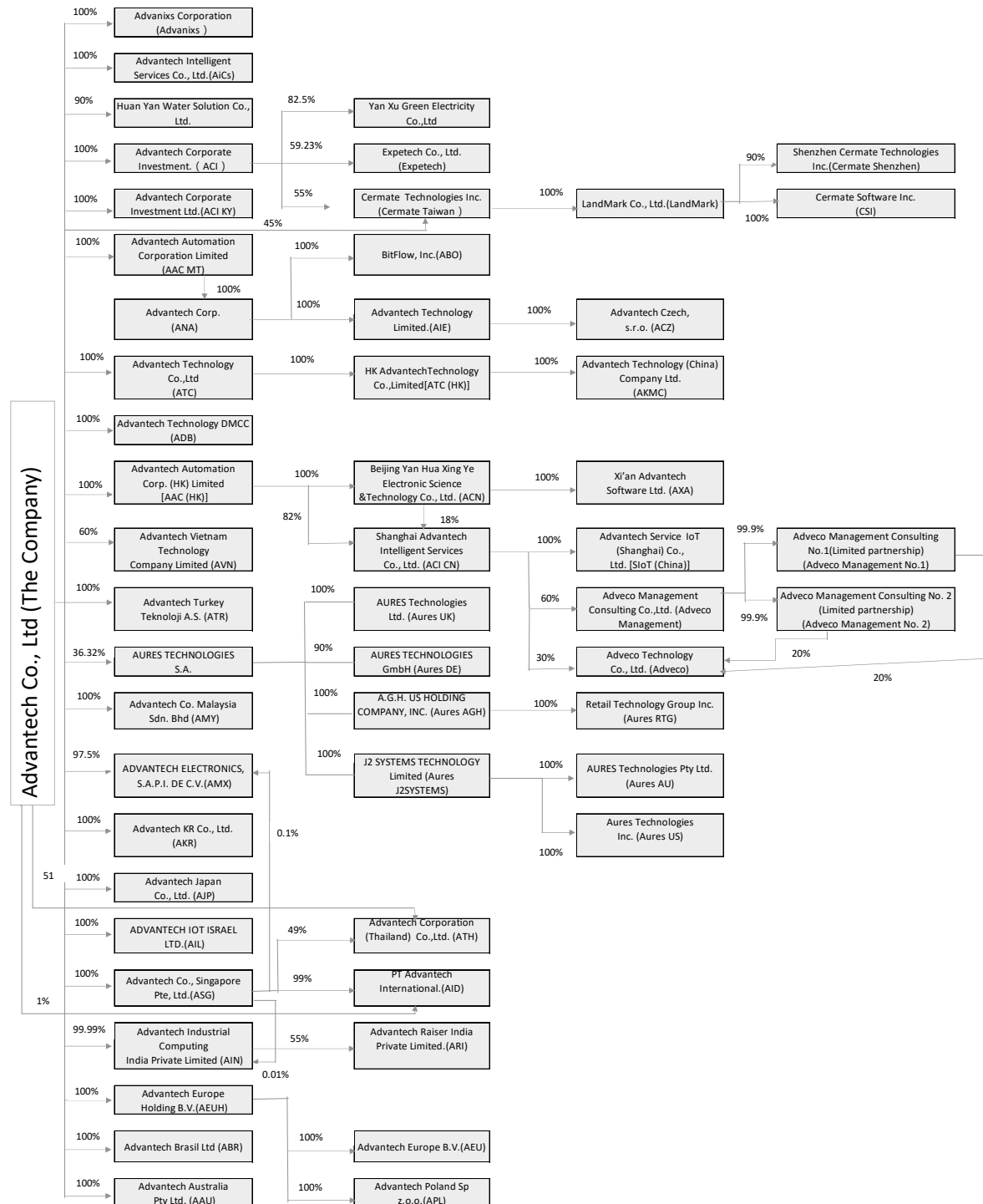
(13) Other important risks and countermeasures: None.

VII. Other Important matters: None.

VI. Special Disclosure

1. Affiliated company's information

(1) Organization Chart of the Affiliated Companies: As of December 31, 2024, the investment relationships and shareholding ratios between the parent company and its subsidiaries are as follows:



- (2) The companies included in the preparation of the consolidated financial statements of affiliated enterprises are the same as those required to be consolidated under International Financial Reporting Standard No. 10 (IFRS 10). Therefore, separate consolidated financial statements of affiliated enterprises are not prepared.
- (3) The Company is not a subsidiary of any other company; hence, there is no need to prepare an affiliated company report.
- (4) For the year 2024, the Company has completed the filing of the “Advantech Affiliated Enterprises Forms” with the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

For details, please refer to: MOPS → Advantech Co., Ltd. e-Documents → Affiliated Enterprises Forms Section (https://doc.twse.com.tw/pdf/202404_2395_A20_20250331_145805.pdf). The relevant filing information is deemed a part of this annual report.

- (5) The status of issuing private placement securities in the most recent year and up to the publication of the annual report: None
- (6) Acquisition or disposal of the Company’s stock shares by subsidiaries in the most recent year and up to the publication of the annual report: None
- (7) Other necessary supplementary notes: None

VII. The occurrence of any events as stated in Section 3 Paragraph 2 in Article 36 of the Securities Exchange Act that had significant impact on shareholders' equity or securities prices in the most recent year and up to the publication of the annual report: No



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