



2024 ESG Brochure

# Environmental, Social and Governance



## CEO MESSAGE

# Advancing Sustainability



Dear stakeholders,

For more than 40 years, Advanced Energy has developed highly differentiated power delivery solutions for a wide variety of high technology applications. Our success is built on technology leadership, new product execution and manufacturing excellence. All these depend on talented, motivated employees to drive the improvements necessary to sustain our competitive edge.

Innovation in the power conversion world is all about better efficiency, superior power density and the ability to develop tailored solutions for highly demanding applications. Nearly every new Advanced Energy power delivery solution replaces a less efficient product. That's good for our customers and good for the environment.

We build nearly all of our products in-house, at Advanced Energy factories in Asia, North America and Europe. In-house manufacturing allows us to better control overall product quality and generate sufficient economies of scale.

Our operations maintain a strong focus on quality improvement, waste reduction and worker health and safety. I am pleased to note that our safety performance outperforms the industry average and that at our key manufacturing sites we have achieved a waste diversion rate of 93 percent.

At Advanced Energy, we believe that it makes good business sense to foster an inclusive culture where all employees feel empowered to drive improvements and innovations.

We are committed to robust and effective corporate governance practices and accountability to our stakeholders. Our longstanding Code of Conduct illustrates our commitment to the highest standards of ethical business conduct, across our global workforce.

Thanks for your interest in Advanced Energy, and I encourage you to review our ESG brochure.

**Steve Kelley**  
President and Chief Executive Officer

## ABOUT ADVANCED ENERGY

# Precision. Power. Performance. Trust.

Advanced Energy designs and manufactures highly engineered precision power conversion, measurement and control solutions for mission-critical applications and processes. Our products enable customer innovation in complex applications for a wide range of markets:



With engineering know-how and responsive service and support for customers around the globe, we build collaborative partnerships to drive advances in technology, propel the growth of our customers and innovate the future of power.





ABOUT ADVANCED ENERGY

# Company Overview

**OUR VISION**

Drive sustainable growth as the recognized world leader and trusted partner in precision power technology and applications.

**OUR MISSION**

Enable customer innovation by delivering highly engineered, applications-critical, precision power and control solutions.

**OUR STRATEGY**

Grow by delivering proprietary products with differentiated performance and delivered value that enable our customers' success in rewarding markets.

## ADVANCED ENERGY AT A GLANCE



**1981**  
Founded



**~10,000**  
Global Employees



**1,500+**  
Technical Team Members



**60+**  
Locations Worldwide



**\$1.66B**  
2023 Revenue  
Nasdaq: AEIS



**700+**  
Patents Globally

Advanced Energy is uniquely positioned to deliver growth and shareholder value based on our strategy, market growth drivers, track record and proprietary portfolio of highly engineered power conversion, measurement and control solutions. Within the broader power conversion market, we serve the highly valued precision power market which represents a combined served available market (SAM) of \$10.5 billion. This SAM consists of four market verticals driven by the data economy. Our diverse exposure across these different verticals provides less volatility while allowing us to capture meaningful growth opportunities.



# Our Approach

## OUR APPROACH

# Recent Highlights

### ACHIEVEMENTS

# AA

Advanced Energy received an MSCI ESG Rating of AA (on a scale of AAA-CCC) in 2024, placing the company in the leader category and in the top 20 percent of all companies in the Electronic Equipment, Instruments & Components sector globally.

### ENVIRONMENTAL

# 98%

Advanced Energy launched power conversion products for energy-intensive data center computing applications featuring industry-leading efficiency up to 98%

# 93%

Total Waste Diversion Rate across our global manufacturing sites

# 12%

Advanced Energy allocated Research & Development budget to drive innovation in the power solutions space

### SOCIAL

# ~44%

Women comprise almost half of our global workforce

# 0.17

Total Recordable Incident Rate (TRIR)

# 435

Employees participated in our leadership development program to date

### GOVERNANCE

# 90%

Of our board members are independent, non-executive directors

# 30%

Of our Board of Directors are women

# 4.6

Years of average tenure for Board of Directors (as of May 1, 2024)

## OUR APPROACH

# Our Philosophy

At Advanced Energy, we take ESG responsibility seriously. Our results and ongoing efforts related to ESG are an integral part of our commitment to deliver long-term value to our global stakeholders. This commitment is driven from the highest levels of the Company, including our Chief Executive Officer, executive management team and Board of Directors. We look forward to making a difference in the markets and communities we serve.

In 2023, we enhanced our governance structure by adding stakeholders in other key functions, including Finance and Sales, to both the ESG Steering Committee and ESG Working Group. The ESG Steering Committee is responsible for providing management-level guidance on our strategy, while the ESG Working Group is responsible for shaping our approach and advancing our program. We actively pursue improvements in our ESG performance through collaboration with our customers, suppliers and partners.



### ENVIRONMENTAL

- Designing Energy Efficient Products
- Implementing Energy Efficient Operations
- Reducing Waste



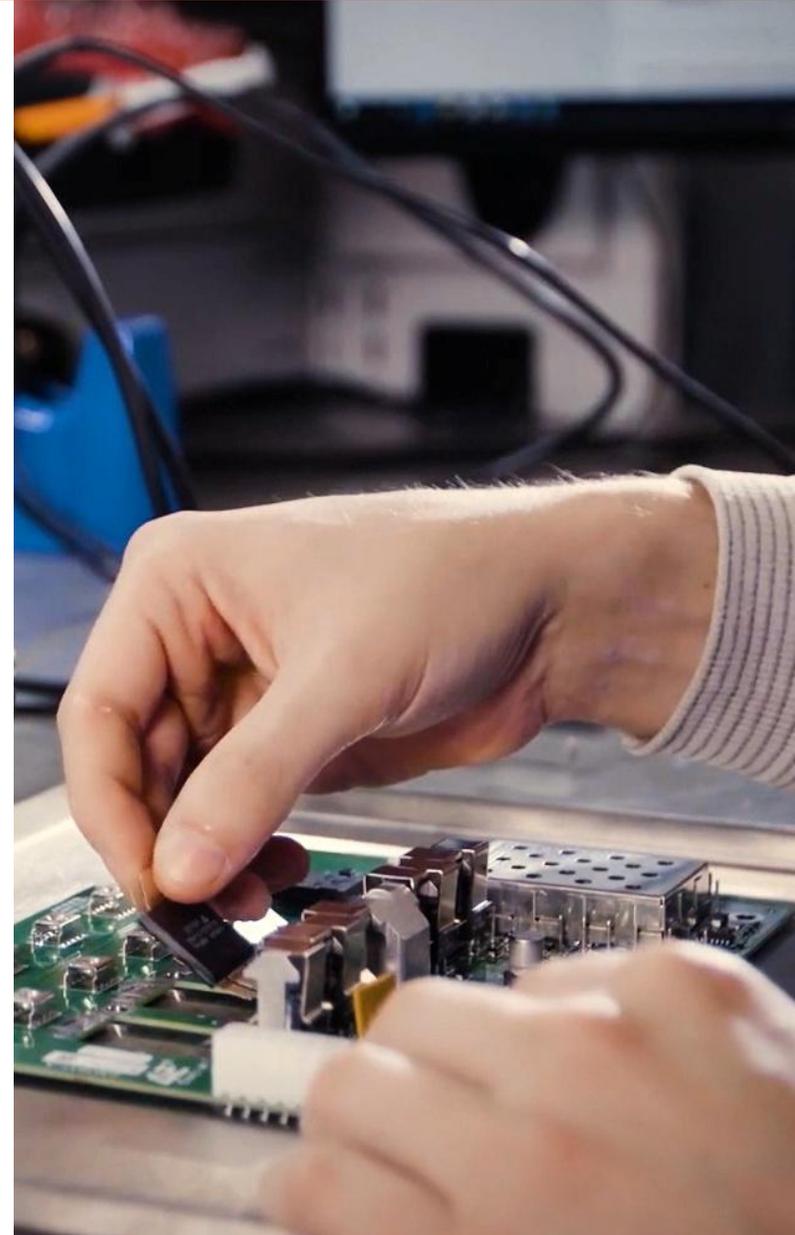
### SOCIAL

- Creating a Performance Culture
- Engaging with Our Communities
- Safety and Wellbeing of Workers
- Diversity and Inclusion



### GOVERNANCE

- Enabling Effective Management
- Enhancing Transparency
- Ethical Practices
- Responsible Sourcing



## OUR APPROACH

# Our ESG Governance Structure

Our commitment to ESG is of utmost importance at Advanced Energy. To ensure effective oversight, our Nominating, Governance, and Sustainability Committee is responsible for providing board level oversight, while our ESG Executive Committee provides direction to our ESG Program.

Advanced Energy has a strong Enterprise Risk Management process that identifies, evaluates, prioritizes, and responds to risks, including a formal risk assessment annually. After a formal risk assessment, we develop an action plan for each of our highest risks. We share our progress in responding to these risks with the CEO, Audit and Finance Committee on a quarterly basis.

Our Audit and Finance Committee also oversees cybersecurity risk management as well as financial risk management. This ensures that we have robust measures in place to safeguard against potential threats in these areas.



## OUR APPROACH

# ESG Risk Management



Our key manufacturing facilities have formalized Environmental and Occupational Health & Safety Management Systems (EMS) certified to International Standards ISO 14001:2015 and ISO 45001:2018.

We have voluntarily adopted the internationally recognized Responsible Business Alliance (RBA) Code of Conduct at selected manufacturing facilities. The social, environmental and ethical industry standards set out in the RBA Code of Conduct reference international frameworks including Universal Declaration of Human Rights, ILO International Labor Standards, OECD Guidelines for Multinational Enterprises, and ISO standards. The RBA Code is available in several languages [here](#).

'Integrity at Our Core: AE's Code of Ethical Conduct sets the guiding principles that underpin the expected behaviors, responsibilities and values that all individuals associated with our organization are expected to uphold. Our Code is available in several languages [here](#).



# Environmental

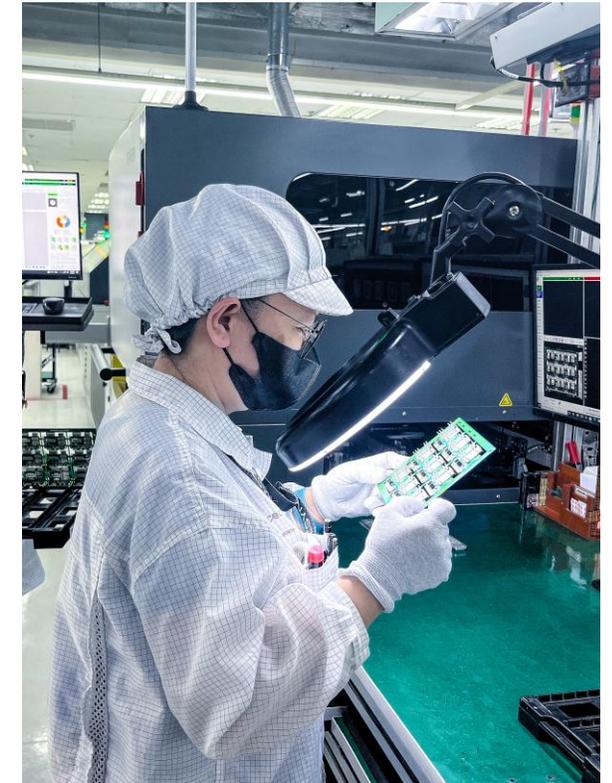
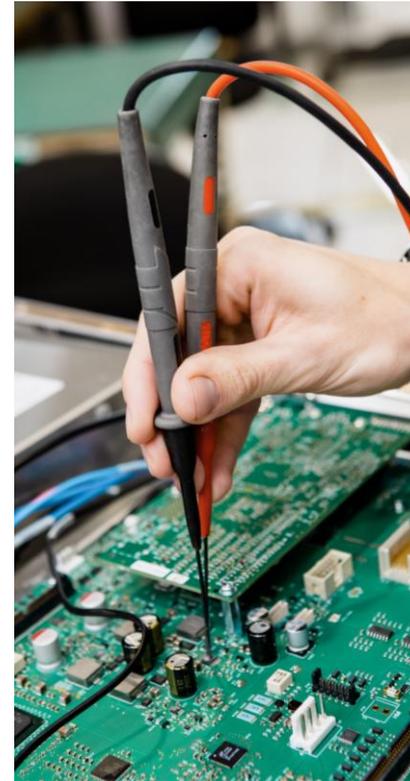
## ENVIRONMENTAL

# Sustainability Through Innovation



Advanced Energy is committed to minimizing our impact on the environment. We strive to reduce waste in our operations and conserve natural resources.

We enable sustainability through power conversion innovation. Every increase in power conversion efficiency reduces our customers' power consumption and decreases their environmental impact and carbon emissions. By continuing to make our products and solutions more energy efficient, we help our customers reach their sustainability goal.



## ENVIRONMENTAL

# Designing Energy Efficient Products

Our dedicated R&D teams strive to improve power conversion efficiency, balanced with exceptional stability and nimble control and response. Every increase in power conversion efficiency reduces our customers' power consumption and decreases their environmental impact and carbon emissions. Our products deliver **industry-leading efficiencies up to 98%**. Read more in our [white paper](#).

## Data Center Computing

Every **2% increase** in server power supply efficiency results in 1.6% less electricity used (1.4M kWh saved per year\*)



This is equivalent to\*\*

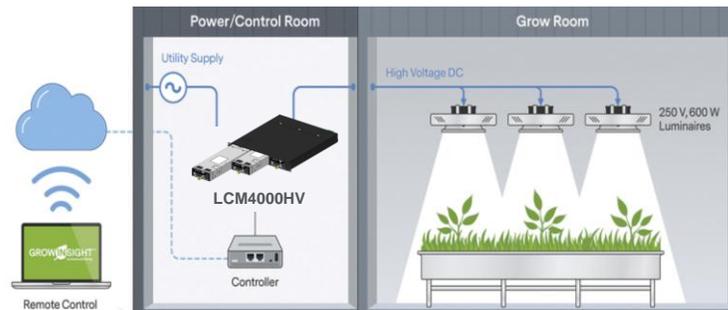
**22,970**  
barrels of oil consumed

**1,250**  
houses powered in a year

**10,977,300**  
pounds of coal burned

**21,873,280**  
pounds CO<sub>2</sub> equivalent

## Horticulture Lighting



**10.5%**  
Energy savings using AE's centralized approach to LED lighting in indoor farming applications



## Semiconductor Manufacturing

AE's eVoS™ reduces power consumption in a NAND fab with 180 etchers by 3.6 MW – equivalent to the yearly consumption of **2,479 US HOUSEHOLDS\*\*\***



AE's flagship RF power supplies enable "idle state" mode, which reduces power consumption by **50% / UNIT**

\*Calculations for a 100 MW facility with servers that consume 50% energy and a PUE of 1.6  
\*\*Calculations based on the U.S. EPA Greenhouse Gas Equivalencies Calculator

\*\*\*Calculations based on the US Energy Information Administration's average annual household consumption of 10,632 kWh

## ENVIRONMENTAL

# Implementing Energy Efficient Operations



Advanced Energy makes continuous improvements to reduce our energy usage in our global factories. We track our greenhouse gas (GHG) emissions at key manufacturing sites\* pursuant to the Greenhouse Gas Protocol, and report publicly through the CDP.

Our manufacturing sites have implemented various energy efficiency projects, including replacing the aged burn-in ovens with new burn-in ovens equipped with energy recycle e-loads as well as other innovative, efficient testing approaches.

### Advanced Energy Key Manufacturing Sites\* GHG Emissions and Energy Use (2023)

#### GHG Emissions (mtCO<sub>2</sub>e)

Scope 1 Emissions	1,669
Scope 2 Emissions (Location Based)	37,971
Total Scope 1 and 2 Emissions	39,641

#### Energy Management (kWh)

Electricity Purchased (kWh)	74,426,855
Energy Intensity (kWh/Worked Hour)	4.22

\*Manufacturing locations in Cavite & Laguna (Philippines), Zhongshan (China), and Penang (Malaysia)

## ENVIRONMENTAL

# Reducing Waste

Advanced Energy strives to reduce waste and conserve natural resources. We continue to optimize our systems and implement new initiatives focusing on:

### Actively Managing Waste

Our factories actively manage and minimize both non-hazardous<sup>1</sup> and hazardous waste. Through our efforts to reduce, re-use, recycle and repurpose/refurbish, we maximize our waste diversion rate. In 2023, our **waste diversion rate was 93%**.

### Recycling / Reusing Materials

Our factory packaging team designs outgoing packaging that minimizes material use, utilizes recyclable resources and includes recyclable packaging labels per country requirements. We accommodate specific packaging requirements as requested by per customers.

### Conserving Water

We strive to reduce wastewater produced by our operations. We have implemented water treatment and recycle wastewater at our key manufacturing sites.

Advanced Energy Key Manufacturing Sites* Waste and Water Management (2023)	
<b>Waste Management</b>	
Waste Generated	1,952 mt
Waste Recycled	1,821 mt
Waste Diversion Rate	93%
<b>Water Management</b>	
Water Withdrawals (US Gals)	88,337,679
Water Recycled/Reuse (US Gals)	400,731

<sup>1</sup> Includes packaging material that cannot be reused or recycled, industrial and domestic waste

### Waste Diversion Rate at Key Manufacturing Sites\* (2023)

Waste Type	Waste Generated in 2023 (mt)
<b>Non-Hazardous Waste</b>	<b>1,526</b>
Waste Diverted	1,475
Landfill, Waste-to-Energy and Incineration without Energy Recovery	51
<b>Hazardous Waste</b>	<b>426</b>
Waste Diverted	346
Landfill, Waste-to-Energy and Incineration without Energy Recovery	80
<b>Total Waste</b>	<b>1,952</b>
<b>WASTE DIVERSION RATE</b>	<b>93%</b>

$$\text{Waste Diversion Rate} = \frac{\text{Waste diverted away from landfill or incineration}}{\text{Total Waste Generated}}$$

\*Manufacturing locations in Cavite & Laguna (Philippines), Zhongshan (China), and Penang (Malaysia)



# Social

## SOCIAL

# Creating a Performance Culture

We recognize the importance of creating a work environment in which all our team members feel valued, included and empowered to do their best work. We roll out employee programs globally to encourage our people to openly share their ideas, perspectives and capabilities to make a positive impact in our workplace and beyond.



Launched Advanced Energy's inaugural **STEM Scholarship**, which offers a pathway of future employment with the company



Relaunched Advanced Energy's **Women's Leadership Forum**, a resource group for employees to connect and learn about leadership and business topics

Conducted the **2022 Periodic Employee Opinion Survey**



Launched Advanced Energy's 2024 **Child-of-Employee Scholarship Program** providing children of AE employees with a one-time cash award to support their continuing education

Launched Advanced Energy's **Employee Value Proposition**, our framework for describing how we differentiate Advanced Energy as an employer of choice through six key topics



Relaunched Advanced Energy's **Corporate Diversity and Inclusion (D&I) Steering Committee** aimed to enhance D&I in our culture

Relaunched Advanced Energy's **Community Investment Steering Committee** to review funding requests from employees to support non-profits



Continue Advanced Energy's **Leadership Essentials Program**, a 10-week program for people leaders of all experience levels, aimed at developing and enhancing core competencies to empower, engage and inspire high-performing teams

## SOCIAL

# Creating a Performance Culture

## Benefits and Compensation

We provide competitive compensation and benefits programs to attract and retain a talented, highly engaged workforce. Our compensation programs focus on equitable, fair pay practices including market-based base pay and pay-for-performance incentives, and we offer a strong benefits package in each of the countries in which we operate. Examples of our total rewards programs include:



**Pay-for-performance:** Over 40% of our non-manufacturing employees participate in our annual pay-for-performance program.



**Employee retirement:** Almost 90% of our full-time U.S. employees participate in the 401(k) plan. Outside the U.S., we maintain defined benefit pension plans for employees in the U.K., Germany and the Philippines.



**Discounted employee stock purchase plan:** To encourage our employee's vested interest in the company, we offer a discounted employee stock purchase plan to our employees in eligible countries.



**Employee children education:** In 2023, we awarded scholarships to 19 children of AE employees globally as part of our Child of Employee Scholarship program.



## SOCIAL

# Creating a Performance Culture



## Training and Development

Advanced Energy is committed to investing in learning and professional development. Our employees have access to a wide range of programs, classes and resources that help them excel in their careers and share what they learn with their peers and leaders. Our performance management process includes performance feedback and career development discussions that are dynamic and actionable throughout the year. In 2023, we continued to roll out courses on employee engagement, change management, and leadership excellence. In addition, we provide financial support for college and graduate education and access to online learning in local languages to help further the careers of our entire workforce.



In 2022, we launched a 10-week leadership development program for our people leaders, providing the opportunity to develop and enhance the essential competencies needed to empower, engage and inspire high-performing teams. At the end of 2023, **435 employees had participated in this program**. We also have a robust talent management and succession planning process focused on identifying potential candidates, developing internal leadership capabilities and strengthening our technical bench of leaders.

As part of our career and skills development programs, we offer global mobility opportunities for our staff. This provides our employees with a chance to learn new skills and experience different cultures, and the opportunity to build strong working relationships with colleagues from across our worldwide locations. Mobility, and the nurturing of potential and experience, drives our development as a company and enriches and strengthens our culture.

## SOCIAL

# Our Commitment to Diversity & Inclusion

At Advanced Energy, we are committed to providing a work environment where our people feel valued, included, respected and empowered to do their best work. We are proud of our diversity and the unique competitive advantages we derive from leveraging the collective experience, skills and perspectives of our global workforce.

Our goal is to attract and retain the best people, irrespective of differences, and to continue to develop and nurture a diverse workforce that is representative of the work we do in the locations where we operate. We strive to provide a workplace where everyone is provided with the leadership, tools, training and support they need to achieve great outcomes and that everyone is provided with equal opportunity to grow, develop and be recognized for their performance.

We leverage our culture and core values to ensure that our people feel comfortable in openly sharing their ideas and opinions while treating others with respect. This is ultimately what enables us to continuously drive innovation and achieve great outcomes for our stakeholders.

Our Diversity & Inclusion Steering Committee established our commitment statement, runs global programs and supports activities at a local level on diversity and inclusion.



## SOCIAL

# Employee Health & Safety

## Golden Behaviors

In 2023, Advanced Energy implemented a global EHS culture campaign called Golden Behaviors to focus on raising awareness around key EHS risks. These Golden Behaviors are rooted in AE's Core Values and act as guiding principles to promote a strong EHS culture. These were focused on minimizing likelihood of high severity incidents and promoting a safe and healthy work environment.

To validate EHS compliance efforts, Advanced Energy undertook third-party EHS compliance audits at 11 of our locations globally.

## Safe Work Environment

We are committed to providing a safe work environment. Our Environmental, Health and Safety organization is responsible for health and safety related to on-site operations including hazard and risk identification.

We provide regular health and safety trainings both on-site and through our virtual tool that assigns training based on job profiles and site-specific requirements.

In 2023, our Total Recordable Injury Rate (TRIR) was 0.17 and Lost Time Injury Rate (LTIR) was 0.13, outperforming the North American Industry Classification System Code (NAICS):334419 (other electronic component manufacturing) 2021 industry benchmark (TRIR:1.5 and LTIR: 0.6).



## SOCIAL

# Engaging with Our Communities

Advanced Energy strives to be a good corporate citizen. By engaging in volunteerism, charitable giving and partnerships, we strengthen our relationships with our local communities and help create a positive impact.

**Charitable Contributions**

Our Community Investment Committee is led and supported by our employees. The committee organized volunteer events and **provided investment, sponsorship and donations to eight 501(c)(3) organizations** that improve education, the environment and health and social services within the communities in which we operate.

**Volunteerism**

We offer each employee eight hours of paid time off to volunteer with a 501(c)(3) organization of the employee's choosing. In 2023, Advanced Energy's employees volunteered for home-building projects and nature clean-ups, as well as at food banks around the world.

**Community Contributions**

We help facilitate innovative research projects and invest resources to advance energy efficient technologies and help shape tomorrow's leaders in power solutions. We partner with academic institutions in worldwide to provide, training and mentoring opportunities.





# Governance

## GOVERNANCE

# Guided by Our Core Values

Advanced Energy is firmly committed to strong and effective corporate governance practices and accountability to our shareholders. We routinely review our governance practices against evolving best practices and consider feedback and input from our shareholders.

At all levels of our organization, we deliver extraordinary results by building a culture grounded in our Core Values. Just as our business has grown and continues to evolve, so will our culture. In 2022, we refreshed and enhanced our Core Values to ensure they are clear, aligned and truly reflect the organization we are today and strive to be in the future.



### INNOVATION

We innovate by thinking beyond the ordinary to create unique, high quality, reliable solutions.



### PARTNERSHIP

We partner with our customers and stakeholders with a shared purpose to deliver win-win outcomes.



### INTEGRITY

We act with integrity, we respect others, we do the right thing, we do what we say, and we develop and nurture trusting relationships.



### ACCOUNTABILITY

We are accountable for our actions, our decisions and our commitments and we own the resulting outcomes.



### EMPOWERMENT

We empower our people to leverage their diverse and unique talent and ambitions.



### EXECUTION

We execute to our commitments because it is fundamental to our mission, our credibility and our success as a company.



## GOVERNANCE

# Enabling Effective Management

Our Board of Directors promotes the best interests of the company and its shareholders by overseeing the management of business, assets and affairs. To ensure that all members carry out their duties in an honest manner that adheres to all applicable laws and regulations, the Board of Directors has adopted the AE Code of Ethical Conduct.

90% of our board members are independent, non-executive directors. Our Board of Directors monitors the management of the company in a way that puts shareholder interests first, fosters independent decision-making and mitigates conflicts of interest. **The average tenure for our Board of Directors is 4.6 years.** AE's independent board chair and CEO are separate positions.

### Board of Director Highlights\*

*\* As of May 1, 2024*

**90%**

Independent, Non-Executive Board Member

**30%**

Female Board Members

**10%**

Racially / Ethnically Diverse

**>90%**

Has 3+ Years of Tenure

**100%**

Committee Member Independence

The pay for performance executive compensation structure ensures that our leaders focus on sustainable success as measured by total shareholder returns and other performance metrics. The executive officer compensation put forward at the 2023 Annual General Shareholder meeting received 98% approval from shareholders.

## Advanced Energy Leadership Team



**Steve Kelley**  
President and Chief Executive Officer



**Paul Oldham**  
Executive Vice President and Chief Financial Officer



**Eduardo Bernal**  
Executive Vice President and Chief Operations Officer



**Elizabeth K. Vonne**  
Executive Vice President, General Counsel and Corporate Secretary



**John Donaghey**  
Executive Vice President and Global Head of Sales

## GOVERNANCE

# Enhancing Transparency

Advanced Energy is committed to transparency in all parts of our business to promote accountability, cultivate trust and foster open communication. We believe that transparency leads to improvements to our processes and policies, and ultimately contributes to our success as an organization.

In addition, we are committed to complying with all applicable tax and accounting laws and regulations in the countries in which we operate. All required filings are made accurately and within the allotted deadline with the relevant regulatory bodies.

We respect the privacy of our stakeholders and ensure that our robust data privacy program complies or exceeds all applicable privacy laws, including the European Union's General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA), and the Colorado Privacy Act (CPA). Our privacy program has both internal and external privacy policies that are communicated and easily accessible. Our external privacy policy can be found [here](#). For any questions regarding our privacy program please reach out to [dataprivacyoffice@aei.com](mailto:dataprivacyoffice@aei.com).

Taking action to actively maintain an ethical and transparent environment is an important part of our culture. The company encourages the reporting of possible questionable conduct. Advanced Energy actively provides reporting options through our policies, training, posters, internal communications and announcements. Communications can be made directly to our management staff or through our third-party reporting tool at [www.advancedenergy.ethicspoint.com](http://www.advancedenergy.ethicspoint.com)



## GOVERNANCE

# Cybersecurity



Advanced Energy has in place an established information security management system and is committed to the protection of data from malicious or accidental damage while ensuring continuous business operation. A standardized cybersecurity framework is followed to achieve confidentiality, integrity and availability of our information systems.

Defense in depth is in place with multiple layers of security controls, identity and access management, vulnerability management, and continuous monitoring of our environment for security events.

Continuous business operations are supported by engaging in system backups, data replication, and maintaining tested incident response and disaster recovery plans.

A Confidential Information Protection Program is in place to identify and secure data while avoiding potential insider threats. Data Loss Prevention policies and controls are in place to support information protection goals.

The Company performs cybersecurity training for all staff during onboarding, as well as through annual training assignments. Regular phishing simulations are performed to increase security awareness and monthly security newsletters are provided to inform users of recent cybersecurity risks and trends.

In relation to IT, AE leverages Cloud Based Data Centers for our primary data center infrastructure, leveraging sustainable cloud service providers.



# Ethical Practices

## ETHICAL PRACTICES

# Acting Responsibly

### Ethical Business Practices

We commit to the standards of the Responsible Business Alliance (RBA) Code of Conduct. The RBA is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains.

### Code of Ethical Conduct

Advanced Energy's Code of Ethical Conduct contains principles and guidelines for: conflicts of interest, insider trading, privacy, gratuities, donations, gifts and business courtesies, anti-trust/competition, anti-slavery and anti-fraud.

### Whistleblower Hotline

We regularly train employees on ethical business practices and provide a 24-hour [hotline](#) to employees and all members of our supply chain to address ethics issues. We do not tolerate retaliation against any individual who brings a complaint in good faith or participates in an investigation.

### Antibribery and Corruption Policy

We are committed to upholding integrity in our organization and our Antibribery and Corruption Policy acts as a safeguard against unethical behavior and sets a standard of conduct that fosters trust, credibility, and respect.

### Harassment / Discrimination Prevention

We are committed to providing a work environment that is free from harassment or discrimination based on race, color, religion, sex, sexual orientation, gender identity and expression, ethnicity and national origin, age, ancestry, disability, marital status, veteran or military status, genetic information, political affiliation, union membership or any other characteristic protected by law.

### Freedom of Expression

Employees are free to participate and express themselves in discussion groups, forums, direct conversations with management and other communication channels without fear of discrimination, reprisal, intimidation or harassment. Our employees are able to take part in community, business, trade, professional, charitable and civic organizations.

### Insider Trading Policy

Our Insider Trading Policy aims to prevent insider trading and help company personnel avoid the severe consequences associated with violations of insider trading laws. This policy is also intended to prevent even the appearance of improper conduct on the part of anyone employed by or associated with Advanced Energy.

### Slavery and Human Trafficking

Our Slavery and Human Trafficking statement serves as a public declaration of our commitment to ethical business practices and the protection of human rights. This statement aims to ensure transparency in our supply chain, demonstrating that AE actively works to prevent exploitation and uphold the dignity of all individuals involved in our operations.

## ETHICAL PRACTICES

# Protecting Human Rights

Respecting the human rights of our employees and those involved in our business operations is important to Advanced Energy.

Without exception, as a global company, Advanced Energy does not engage in any form of forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery or trafficking of persons.

Our Supplier Code of Conduct applies to our suppliers and specifically prohibits activities involving slave or forced labor, human trafficking and child labor. Additionally, we have Slavery and Human Trafficking Statement available [here](#).

**We have policies and procedures in place to support this commitment.**

- ☑ **Employee Code of Ethical Conduct** that includes anti-slavery and human trafficking provisions
- ☑ **Supplier Code of Conduct** and **Supplier Business Audit Program** dedicated to preventing slavery and human trafficking. AE's Purchasing terms and conditions require compliance with our Supplier Code of Conduct
- ☑ **Anonymous reporting system** to employees and all members of our supply chain at [www.advancedenergy.ethicspoint.com](http://www.advancedenergy.ethicspoint.com)
- ☑ **Staffing agreements** with third parties are consistent with AE's policies
- ☑ **Annual training** for all Purchasing, Commodity Management, and Supplier Quality personnel to raise awareness of modern slavery and human trafficking

## ETHICAL PRACTICES

# Practicing Responsible Sourcing

Advanced Energy is dedicated to reducing the impact our procurement activities and supply chain have on the planet, whether that impact is on human rights, the environment or any other area of corporate social responsibility.

The mining of conflict minerals supports armed conflict or risks of human rights abuses. Advanced Energy supports the U.S. Securities and Exchange Commission (SEC) rules to implement reporting and disclosure requirements related to “conflict minerals” as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. You can find more information [here](#).

We encourage our direct suppliers to have in place responsible minerals sourcing policies and due diligence measures that enable us to reasonably assure that certain minerals known as “conflict minerals”: tantalum, tin, tungsten, and gold, in the products they sell to Advanced Energy, do not contain conflict minerals originating in the Democratic Republic of the Congo (DRC) and surrounding areas, or so-called Conflict Affected and High-Risk Areas (CAHRAs), unless the smelter involved is deemed “Conformant” by the Responsible Minerals Initiative (RMI).





# About This Brochure

Advanced Energy published this brochure to provide an overview of our company's products, services, operations and activities related to ESG.

## *Special Note Regarding Forward-Looking Statements*

This document includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our environmental and social goals, commitments and strategies. These statements involve risks and uncertainties. Actual results could differ materially from any future results expressed or implied by the forward-looking statements for a variety of reasons, including due to the risks and uncertainties that are discussed in our most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. We assume no obligation to update any forward-looking statements or information, which speak as of their respective dates.



PRECISION | POWER | PERFORMANCE | TRUST