

# **SLAVERY AND HUMAN TRAFFICKING STATEMENT**

## **INTRODUCTION FROM THE CHIEF EXECUTIVE OFFICER**

Advanced Energy Industries, Inc. (the “Company”) is committed to conducting our business in an ethical and responsible manner and we are proud of the steps we have taken to ensure that our corporate activities and supply chains are free from slavery and human trafficking.

The Company has policies and procedures in place to support this commitment, including but not limited to:

- AE’s Code of Ethical Conduct with anti-slavery and human trafficking provisions.
- Supplier Code of Conduct dedicated to preventing slavery and human trafficking and providing an anonymous reporting system to all members of our supply chain.
- Supplier Business Audit program to audit compliance with Supplier Code of Conduct.
- Purchasing terms and conditions that require compliance with Supplier Code of Conduct.
- Staffing agreements prohibit provision of resources by third parties that are inconsistent with the Company’s policies.
- Annual training for all Supply Chain, Purchasing, Commodity Management, Supplier Quality, Human Resources, and Legal personnel to raise awareness and define modern slavery and human trafficking.

In 2020, the Company continued its efforts to fight slavery and human trafficking by:

- Adhering to the Code of Conduct published by the Responsible Business Alliance, an electronics industry coalition advocating best business practices that prohibit child labor, promote freely chosen employment, worker safety, fair wages, working hours, and humane treatment.
- Providing training to employees to increase cognizance of modern slavery and human trafficking.

- Continuing to monitor the ethics hotline for any slavery and human trafficking reports.

## **ORGANIZATION'S STRUCTURE**

Advanced Energy Industries, Inc. is the parent of the Advanced Energy Group of companies. The Group has 10,000+ employees worldwide as of December 31, 2023, and operates in North America, Asia Pacific region, and Europe.

## **OUR BUSINESS**

The Advanced Energy Group provides highly engineered, mission-critical, precision power conversion, measurement, and control solutions to our global customers. We design, manufacture, sell and support precision power conversion products and solutions that transform, refine, and modify raw electrical power from the utility and convert it into various types of highly controllable, usable power in many applications ranging from manufacturing and industrial processes to instrumentation and test and measurement. We also design, manufacture, sell and support highly engineered, application specific AC-DC and DC-DC power supplies for demanding applications including hyperscale data centers, telecom infrastructure in next generation 5G networks, embedded industrial power applications and medical diagnostic and treatment applications.

Our process power products enable complex semiconductor and thin film plasma manufacturing processes that use thin films for various products, such as semiconductor devices, flat panel displays, solar panels, hard industrial coatings, and architectural glass. We also supply related instrumentation products and power control modules for temperature measurement and control, electrostatic instrumentation for test and measurement, gas sensing and monitoring solutions for multiple industrial markets. Our remote plasma sources are used in the thin films processing industries and in gas abatement applications. Our low and high voltage specialty power products offer unique power solutions for semiconductor, analytical instrumentation, industrial x-ray, and medical imaging applications.

Our network of global service support centers provide local repair and field service, upgrades, refurbishment, and sales of used equipment to businesses that use our products. Our products are primarily sold into the semiconductor equipment, industrial and medical, data center computing, and telecom networking markets.

## **OUR SUPPLY CHAINS**

Our supply chains include a substantial portion of components sourced in Asia for our principal manufacturing locations in Malaysia, Philippines, and China. Our supply chains also include local sources for components for our manufacturing sites in North America and Europe.

## **OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING**

We are committed to ensuring that there is no slavery or human trafficking in our supply chains or in any part of our business. Our Supplier Code of Conduct and AE's Code of Ethical Conduct policies reflect our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place in our organization or our supply chains.

The Company's Ethical Code of Ethical Conduct policy available in several languages is located at: <https://www.advancedenergy.com/about-us/code-of-ethical-conduct/>

Suppliers will find our Supplier Code of Conduct on the Company's website located at: <https://www.advancedenergy.com/about-us/supplier-code-of-conduct/>

## **DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING**

As part of our initiative to identify and mitigate risk, we have the following systems in place to help alleviate the threat of slavery and human trafficking from occurring in our supply chains:

- Identify and assess potential risk areas in our supply chains through supplier audits.
- Monitor potential risk areas in our supply chains through business reviews with our suppliers.
- Protect whistle blowers by providing an anonymous hotline for reporting purposes.

Additionally, to help execute these systems, we have a cross-functional compliance team, which consists of representatives from the following departments:

- Legal
- Audit and Compliance
- Quality
- ESG
- Human Resources
- Supply Chain

## **SUPPLIER ADHERENCE TO OUR VALUES**

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and contractors comply with our Supplier Code of Conduct, we have in place a supply chain compliance program. This consists of the Supplier Business Audit and Supplier Periodic Business Review processes.

The Supplier Business Audit assesses the suitability of a supplier to transact business with the Company, including adherence to standards relating to work environment and hiring practices and an on-site review of business practices.

The Supplier Periodic Business Review is an evaluation conducted to ensure that suppliers maintain standards consistent with the Company's stated values and implement continuous improvement activities as needed. Supplier Periodic Reviews are conducted virtually or on-site with no change in frequency as defined by Supply Chain Management based on multiple criteria.

Failure to meet or maintain business practices consistent with the Company's policies will result in disciplinary action, up to and including termination of the business relationship with the supplier.

## **TRAINING**

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chain and our business, we provide training to our staff. The Company requires the employees to participate in an online training upon new hire and annually thereafter. The Company has enlisted a third-party learning management system (LMS) that provides quality content specific to the UK Modern Slavery Act. The LMS allows the Company's cross functional compliance team to administer the training to key stakeholders and to monitor for completion and comprehension of the material covered.

Under the Supplier Code of Conduct, we also require our business partners to adopt a similar management system to ensure compliance with the Code, including training.

## **FURTHER STEPS**

Following a review of the effectiveness of the steps we have taken in 2020 to ensure that there is no slavery or human trafficking in our supply chains, we intend to continue taking the following steps to combat slavery and human trafficking:

- Adherence to the Code of Conduct published by the Responsible Business Alliance, an electronics industry coalition advocating best business practices that prohibit child labor, promote freely chosen employment, worker safety, fair wages, working hours, and humane treatment.
- Expand training to employees from acquired companies to increase skills to detect modern slavery and human trafficking at new company sites.
- Continuing to monitor the ethics hotline for any slavery and human trafficking reports.
- Outreach to newly acquired companies and their supply chain to educate and enforce Company policy regarding modern slavery and human trafficking.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Advanced Energy Group slavery and human trafficking statement for the financial year ending December 31, 2023.

A handwritten signature in black ink, appearing to read "Stephen D. Kelley". The signature is written in a cursive style with a large initial 'S' and 'K'.

Stephen D. Kelley  
Chief Executive Officer  
Advanced Energy Industries, Inc.  
August 1, 2024