Advanced Energy

2026 Sustainability Report



ADVANCEDENERGY.COM

Advancing Sustainability

Advanced Energy (AE) is a global leader in highly engineered, precision power conversion, measurement, and control solutions for mission-critical applications and processes. At AE, we integrate sustainability into how we operate, innovate, and grow.

In 2025, we continued to advance our environmental, social, and governance (ESG) priorities while delivering strong business performance. This report highlights our approach to managing ESG performance and impacts for the year ended December 31, 2025.

FORWARD LOOKING STATEMENTS

This report contains, in addition to historical information, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements in this report that are not historical information are forward-looking statements. For example, statements relating to our beliefs, expectations, and plans are forward-looking statements, as are statements that certain actions, conditions, or circumstances will continue. The inclusion of words such as "anticipate," "expect," "estimate," "can," "may," "might," "continue," "enables," "plan," "intend," "should," "could," "would," "likely," "potential," or "believe," and similar expressions and the negative versions thereof indicate forward-looking statements; however, not all forward-looking statements may contain such words or expressions. These forward-looking statements are based upon information available as of the date of this report and management's current estimates, forecasts, and assumptions. Although we believe that our expectations reflected in or suggested by these forward-looking statements are reasonable, we may not achieve the results, performance, plans, or objectives expressed or implied by such forward looking statements. Forward-looking statements involve risks and uncertainties, which are difficult to predict and many of which are beyond our control. Risks and uncertainties to which our forward-looking statements are subject include, but are not limited to: volatility and business fluctuations in the industries in which we compete; our ability to achieve design wins with new and existing customers; our ability to accurately forecast and meet customer demand; risks related to global economic conditions, such as the impact of tariffs and export regulations, escalating global conflicts on macroeconomic conditions, economic uncertainty, market volatility, rising interest rates, inflation, lack of growth in our markets or recession; customer price sensitivity; the U.S. Dollar's change in value against its major peers; concentration of our customer base; risks associated with potential breach of our information security measures, either external breach or internal data theft; difficulties with the implementation of our enterprise resource planning and other enterprise-wide information technology system applications; our loss of or inability to attract and retain key personnel; risks associated with our manufacturing footprint optimization and movement of manufacturing locations for certain products; disruptions to our manufacturing operations or those of our customers or suppliers; our ability to successfully identify, close, integrate and realize anticipated benefits from our acquisitions; quality issues or unanticipated costs in fulfilling our warranty obligations, and adequacy of our warranty reserves; risks inherent in our international operations, including the effect of export controls, the impact of tariffs on our supply chain or products we sell, political and geographical risks, and fluctuations in currency exchange rates; our ability to enforce, protect, and maintain our proprietary technology and intellectual property rights; regulatory risk related to our supply chain; legal matters, claims, investigations, and proceedings; changes to tax laws and regulations or our tax rates; changes in federal, state, local and foreign regulations, including with respect to trade compliance, privacy and data protection, supply chain, and environmental regulation; the effect of our debt obligations and restrictive covenants on our ability to operate our business; risks related to our unfunded pension obligations; our estimates of the fair value of intangible assets; the potential impact of dilution related to our convertible debt, hedge, and warrant transactions; and the risks and uncertainties described in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2025. These risks and uncertainties could cause actual results to differ materially and adversely from those expressed in any forward-looking statements, and readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are made and based on information available to us on the date of this report. Aspirational goals and targets discussed in this report should not be interpreted in any respect as guidance. We assume no obligation to update the information in this report or provide the reasons why our actual results may differ.

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Overview

Headquartered in Denver, Colorado, Advanced Energy is a global leader in the design and manufacture of highly engineered precision power conversion, measurement, and control solutions for mission-critical applications and processes.



EMPLOYEES
13,419
Year-end 2025

REVENUE
$1.80B
Full year 2025

R&D INVESTMENT
$232M
13% of revenue

PATENTS
1,000+
Issued in the U.S., Europe, and Asia

VOLUME MANUFACTURING SITES
5
Mexicali, MX; Penang, MY; Cavite, PH; Laguna, PH; Chonburi, TH

GLOBAL PRESENCE
15 countries
Operations worldwide

Environmental Highlights

We advance sustainability performance through ISO 14001 certification, waste reduction initiatives, product energy efficiency improvements, and life-cycle carbon footprint assessments.

Social Highlights

We foster a diverse, highly trained workforce operating within globally certified ISO 45001 facilities that prioritize health, safety, and community enrichment.

Governance Highlights

Strong corporate oversight is maintained by an independent, diverse Board of Directors, a strict global code of ethics, and comprehensive supply chain due diligence.

External Recognition

Our industry leadership is demonstrated by an MSCI AA ESG rating, premier regional employer accolades, and outstanding supplier awards from major technology partners.



CEO Statement

For more than 40 years, Advanced Energy has delivered highly differentiated power conversion solutions that enable some of the world's most advanced technologies—built on technology leadership, disciplined execution, manufacturing excellence, and the talent of our global workforce.

Steve Kelley
President and Chief Executive Officer

In 2025, we continued to execute our strategy in a dynamic industry environment, with strong demand across semiconductor equipment, data center computing, industrial and medical, and telecom and networking markets. Our products help customers improve energy efficiency, power density, process control, and system performance.

With design centers and manufacturing operations across Asia, North America, and Europe, our vertically integrated business model supports quality, scalability, and operational excellence, while we continued to advance our environmental, health and safety, and operational performance initiatives globally.

Sustainability remains a key part of how we create long-term value for our customers, employees, shareholders, and communities.

We continue to strengthen supply chain resilience, improve operational efficiency, and conduct business ethically and responsibly throughout our value chain.

Looking ahead, we are focused on responsible growth through continued investment in technology, innovation, and operational excellence, positioning Advanced Energy to deliver sustainable long-term value for all stakeholders.

Thank you for your interest in Advanced Energy. We invite you to learn more about our strategy, performance, and sustainability efforts throughout this report.

Who We Are

A Leader in Precision Power

Advanced Energy designs and manufactures highly engineered precision power conversion, measurement, and control solutions for mission-critical applications, enabling customer innovation across semiconductor equipment, data center computing, industrial and medical, manufacturing, telecommunications, and networking markets. Headquartered in Denver, Colorado, AE has devoted more than four decades to perfecting power for customers worldwide.



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, application-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.

Our Culture

Our culture is grounded in six core values that shape how we work, develop our people, and support long-term growth.

OUR CORE VALUES

INNOVATION

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

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.

EMPOWERMENT

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

PARTNERSHIP

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

ACCOUNTABILITY

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

EXECUTION

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

Global Presence

Advanced Energy's global footprint includes corporate headquarters in Denver, Colorado, plus manufacturing, engineering, service, and sales locations worldwide.



40
LOCATIONS

15
COUNTRIES

15
SERVICE CENTERS

5
VOLUME MANUFACTURING SITES

Our Products and Services

Advanced Energy's precision power products support advanced process technologies and help customers improve energy efficiency, productivity, and process control.

We also provide repair, maintenance, calibration, upgrade, refurbishment, and conversion services through our global service network.

- Semiconductor Equipment
- Data Center Computing
- Industrial
- Medical
- Telecom and Networking
- Global Service Network

> “Our products enable customers to reduce or optimize their energy consumption through increased power conversion efficiency, power density, power coupling, and process control across a wide range of applications.”

Our Approach

We are committed to responsible business practices and proactively managing the sustainability issues most relevant to our business and stakeholders.

IN THIS SECTION

→ International management systems
→ Our material topics and key stakeholders
→ Supply chain management and product safety



International Management Systems

Advanced Energy maintains management systems aligned with internationally recognized standards to support safe, responsible, and high-quality operations.



ISO 14001
Environmental Management Systems

ISO 45001
Occupational Health and Safety Management Systems

ISO 9001
Quality Management Systems

ISO 13485
Medical Devices Quality Management Systems

ISO 17025
Testing and Calibration Laboratories

CTPAT
Secure and resilient global supply chains

Certified sites

In 2025, sites in Penang, Malaysia; Laguna and Cavite, Philippines; and Mexicali, Mexico, plus our Singapore service and design center, maintained certification to ISO 14001 (Environmental Management Systems) and ISO 45001 (Occupational Health and Safety Management Systems). Our Thailand manufacturing site is working toward certification, which will provide 100% coverage of volume manufacturing locations.

Additional certifications and accreditations

Advanced Energy also maintains ISO 9001 (Quality Management Systems) certification across multiple locations worldwide. Select sites maintain ISO 13485 (Medical Devices Quality Management Systems) certification and ISO 17025 (Testing and Calibration Laboratories) accreditation. Manufacturing sites in Cavite and Laguna maintain CTPAT certification, supporting secure and resilient global supply chains.

A complete list of Advanced Energy's certifications and certified sites is available on the ISO Accreditations and Certificates section of our website.

Our Material Topics

Advanced Energy conducts periodic materiality assessments to identify the sustainability topics most important to stakeholders and our business.

18

material topics identified through cross-functional engagement

Topics were prioritized using a double materiality approach that considers:

Financial materiality
Risks and opportunities that affect the business, strategy, or financial performance.

Impact materiality
Positive or negative impacts on people and the environment that are directly linked to the business activities or its value chain.

Our most significant topics

- Product Stewardship
- Health and Safety
- Equal Opportunity and Inclusion
- Business Conduct and Ethics
- Climate and Energy
- Employee Engagement

Our Key Stakeholders

Engaging with stakeholders helps us understand expectations, identify risks and opportunities, and inform our sustainability priorities.





Supply Chain Management

Advanced Energy expects suppliers to operate in a manner consistent with our values and ethical standards. Our Supplier Code of Conduct (SCOC) is aligned with and based on the Responsible Business Alliance (RBA) Code of Conduct, setting expectations for labor practices, health and safety, environmental responsibility, and ethical conduct. We require suppliers to adhere to these standards and work collaboratively on responsible sourcing.

- Labor
- Health and Safety
- Environment
- Ethics
- Management Systems

Our Supplier Code of Conduct (SCOC) is publicly available on our website.

Product Safety

Product safety is fundamental to our responsible business practices. We design, manufacture, and deliver products in accordance with applicable safety, quality, and regulatory requirements, with independent testing and certification (e.g., CE Mark, UL, CSA) where required.

- Safety by design
- Regulatory compliance
- Independent testing
- Third-party certification

CE MARK UL CSA

Governance

We uphold strong corporate governance and ethical business conduct, invest in technology and innovation, and protect our business through robust cybersecurity and risk management.



IN THIS SECTION

→ Governance structure
→ Conduct and compliance
→ Technology and innovation
→ Cybersecurity resiliency

Governance Structure

Advanced Energy is committed to strong corporate governance, ethical business conduct, and accountability to shareholders. We regularly assess our governance practices against evolving regulatory requirements, stakeholder feedback, and leading practices.

Corporate Governance

The Board of Directors oversees Advanced Energy's business, strategy, risk management, and compliance programs in the best interests of the Company and its shareholders, including strategic planning, internal controls, and public disclosures.

The Board has adopted Integrity at Our Core: Advanced Energy's Code of Ethical Conduct, which applies to directors, officers, and employees.

Advanced Energy maintains strong governance practices, including a separate Board Chair and CEO roles, a supermajority of independent directors with the CEO as the only insider director, an average Board tenure of approximately eight years, and female representation of 30% of Board members.

The CEO and senior management team are responsible for executing Company strategy and overseeing global operations, financial performance, governance, and people management.

Additional information is available in the 2025 Annual Report and on the Investors section of our website.

BOARD PRACTICES

Separate
Board Chair and CEO roles

Supermajority
independent directors, with the CEO the only insider

~8 years
average Board tenure

30%
female representation on the Board

Risk Management and Internal Controls

Advanced Energy maintains an enterprise risk management (ERM) framework to identify, assess, and manage risks that may impact strategy, operations, financial performance, or reputation.

Internal controls and compliance processes support financial reporting integrity, regulatory compliance, and ethical conduct, and are reviewed periodically to address evolving risks.

Additional information regarding the Board of Directors, governance guidelines, and committee charters is available on the Leadership section of our website.

ESG Governance

The Nominating, Governance, and Sustainability (NG&S) Committee provides Board-level oversight of sustainability strategy, goals, performance, and disclosures. The Audit and Finance Committee oversees financial reporting, enterprise risk management, internal controls, and cybersecurity risk management.

Management oversight is provided through the ESG Executive Committee (ESG ExCom), which coordinates initiatives, monitors progress, and escalates key issues. The EVP and General Counsel maintains accountability for ESG-related matters, while the EVP and Chief Operations Officer oversees environmental initiatives and related operational programs.



Conduct and Compliance

We are committed to operating in compliance with applicable laws and regulations. All employees are required to follow our Code of Ethical Conduct regardless of their role or where they work.

Integrity at Our Core

Integrity is fundamental to how we conduct business. Our Code of Ethical Conduct (Integrity at Our Core) applies to all employees, officers, Board members, and contractors, establishing expectations for ethical decision-making, legal compliance, respectful conduct, and accountability.

For everyone at Advanced Energy, our core expectations are to:

01 Be honest.

02 Treat others with respect.

03 Comply with the laws, regulations, AE policies, procedures, and internal controls that are applicable to your role.

04 Complete training assignments in a timely manner.

05 Speak up and raise a concern if you encounter a situation that doesn't feel right.

The Code of Ethical Conduct provides guidance across a wide range of risk areas and business situations, including:

- Proprietary Information and Intellectual Property
- Acceptable Use of Information Technology (IT) Systems
- Conflicts of Interest and Disclosure
- Corporate Communications and Online Activities
- Safety and Security
- Environment and Sustainability
- Anticorruption Compliance
- Anti Fraud
- Government Contracting
- Anti Money Laundering
- Anti Slavery and Human Trafficking
- Company Property and Other Assets
- Record Keeping
- Insider Trading
- Harassment Free Work Environment
- Quality
- Privacy
- Gifts, Hospitality, or Other Courtesies
- Antitrust and Competition Laws
- Political Activity
- Trade Compliance
- Reporting Issues and Raising Concerns

Together with supporting policies, the Code of Ethical Conduct reflects our commitment to ethical business practices and serves as a resource for navigating compliance situations and raising concerns.

The Advanced Energy Code of Ethical Conduct is available in several languages on the Code of Ethical Conduct section of our website.

Compliance Programs and Training

Advanced Energy maintains a comprehensive compliance program supporting ethical conduct, regulatory compliance, and risk management, backed by our Code of Ethical Conduct, mandatory training, policy communication, and ongoing oversight.

We continue to enhance AE's Compliance training program, consistent with the Company's risk profile to reinforce ethical decision-making and legal compliance. In 2025, we achieved a 100% completion rate for employees at the director level and above on the Global Policy Acknowledgement, and over 95% of employees globally completed their assigned compliance-related courses.

To further strengthen the program, we are developing custom, multilingual legal compliance training aligned with our risk framework and global workforce.

100%

completion rate for employees at the director level and above on the Global Policy Acknowledgement in 2025

95%+

of employees globally completed assigned compliance-related courses in 2025

Accountability and Transparency

Advanced Energy is committed to transparency, accountability, and open communication with stakeholders, maintaining internal controls that support financial reporting integrity, regulatory compliance, and ethical conduct. We respect the privacy of our stakeholders and maintain a data privacy program designed to meet or exceed applicable privacy laws, available on the Privacy Policy section of our website.

Advanced Energy's legal, regulatory, and transparency disclosures are available on the Compliance Documents section of our website.

Employees may seek guidance or report actual or perceived violations of the Code through management, Human Resources, Legal Compliance, the Company's General Counsel, or by contacting legalcompliance@aei.com. We also maintain a 24-hour whistleblower hotline via AdvancedEnergy.ethicspoint.com, a confidential third-party platform available globally. Reports may be submitted anonymously, and retaliation is not tolerated against individuals who raise concerns in good faith.

ESG Ratings and External Assessments

External ESG ratings provide stakeholders with independent perspectives on sustainability-related risks and performance. Advanced Energy engages with leading assessment organizations to support transparency and continuous improvement.

2025 ESG RATINGS

MSCI ESG Rating	AA
ISS ESG Corporate Rating	C-
CDP Climate and Water Ratings	C

Technology and Innovation

Technology and innovation are central to Advanced Energy's business, enabling growth, operational efficiency, and customer value. Through continued investment in research, development, engineering, and digital technologies, we support customer innovation while managing evolving technology-related risks.

Our Approach

Advanced Energy operates in technology-intensive industries where performance, reliability, and efficiency are critical, and we continue investing in engineering capabilities, digital systems, and technical talent to support customer innovation. Technology also plays an important role in sustainability outcomes: our products are designed to improve energy efficiency, reliability, and performance, helping customers reduce energy consumption.

Product Innovation and Customer Impact

Advanced Energy develops precision power solutions designed to deliver performance, reliability, and efficiency across mission-critical applications. They enable advanced process technologies and provide critical power capabilities across a broad range of applications. New products with higher power efficiency help customers reduce energy consumption and total cost of ownership.

~94%

of value chain GHG emissions are attributable to electricity consumption during product use by customers, making power efficiency innovation a key factor in reducing AE's environmental impact.

Examples of how our products help customers improve energy efficiency and support technologies that accelerate the adoption of renewable energy are outlined in our Powerful Innovation Cuts Electricity Use White Paper.

We share technical expertise through publications, white papers, and customer engagement resources exploring emerging technologies and performance improvements in power electronics. Examples include:

- **Technical white papers**, such as Power Supply Selection for System Applications, exploring approaches to optimizing power systems for performance, reliability, and safety.
- **Industry publications**, including contributions to IEEE Power Electronics Magazine, on how power electronics innovations enable more efficient technologies.
- **Customer success centers**, including AE's Customer Experience Center, supporting customer decision-making through technical expertise and collaborative problem-solving.

These resources reflect our focus on applied innovation and knowledge sharing across the industries we serve.

Product Security

Product security is managed through Advanced Energy's Product Security team. We continue to evolve our product security program in alignment with IEC 62443-4-1 secure development practices while preparing for emerging requirements, including the EU Cyber Resilience Act (CRA), investing in security expertise, architecture capabilities, and hardware-level security technologies.

Cybersecurity Resiliency

We maintain robust cybersecurity controls and resiliency programs designed to support business continuity, protect critical assets and data, and enable effective response and recovery from cybersecurity incidents.



Risk Assessment

Advanced Energy performs cybersecurity risk assessments at both corporate and IT levels, identifying risks to critical assets, systems, and data. These are integrated into our ERM Framework for oversight by senior management and the Board. Risks are evaluated based on likelihood and impact, with mitigation controls and residual risk documented and reviewed by Internal Audit, the Information Security Team, and external auditors.

Our cybersecurity program is periodically evaluated by independent assessors against the NIST Cybersecurity Framework and subject to regular customer and supply-chain assessments, consistently placing at or above industry benchmarks with improving maturity ratings year over year.

Business Continuity and Disaster Recovery

Advanced Energy maintains an information security program spanning incident detection and response, endpoint protection, identity and access management, threat intelligence, data loss prevention and vulnerability management. To support business continuity, we maintain system backups, data replication processes, and tested incident response and disaster recovery plans designed to protect data and support ongoing operations.

Incident Response

Corporate and Information Security incident response plans are in place to detect, contain, mitigate, and recover from cybersecurity events, with defined procedures involving internal teams and external partners. We regularly test these plans through tabletop exercises, including an annual corporate cyber incident response exercise typically facilitated by an external third party. We also maintain cyber insurance coverage to help mitigate potential financial impacts associated with cybersecurity incidents.

Artificial Intelligence and Emerging Threats

We recognize that artificial intelligence is changing both the threat landscape and our defenses. Threat actors are using AI to increase the scale and sophistication of phishing, social engineering, and impersonation attacks. In response, we have established governance for the responsible and secure adoption of AI within Advanced Energy, including acceptable-use standards, review of AI tools prior to deployment, and controls designed to protect company and customer data from unauthorized exposure to AI systems. We also leverage AI-enabled security technologies to improve threat detection and response, and we incorporate AI-related risks into our cybersecurity risk assessments, employee awareness training, and phishing simulations.

Security Awareness

All employees receive cybersecurity training during onboarding and through annual training assignments. We also conduct regular phishing simulations and distribute monthly security communications to increase awareness of emerging cybersecurity risks and trends.

Regulatory and Compliance Requirements

Advanced Energy maintains a data privacy program designed to comply with applicable privacy laws and regulations, including the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act/California Privacy Rights Act (CCPA/CPRA). Our privacy program includes internal and external privacy policies and supports collaboration with third parties to address applicable privacy requirements. Additional information is available on the Privacy Policy section of our website.

We also monitor the rapidly evolving regulatory landscape governing artificial intelligence, including emerging federal and state AI requirements, and AI-related provisions in applicable privacy laws. Our governance approach is designed to support the responsible, secure, and compliant use of AI across the enterprise, with attention to data protection, transparency, and human oversight of AI-assisted decisions. Consistent with our Privacy Policy, where automated tools and AI technologies are used to support administrative and operational processes, final decisions are made with appropriate human involvement. We evaluate AI-related regulatory developments on an ongoing basis and adapt our policies, standards, and controls accordingly.

As a U.S. public company, Advanced Energy maintains internal control over financial reporting under the Sarbanes-Oxley Act (SOX). IT general controls over financially significant systems are documented, tested, and reviewed by Internal Audit and our independent accounting firm, coordinated with our broader information security program.



Social

We invest in our people, promote a safe and healthy workplace, uphold human rights across our value chain, and support the communities where we live and work.



IN THIS SECTION

→ Our people
→ Health and safety
→ Human rights
→ Community engagement

Our People

We are committed to creating a workplace where employees feel valued, included, and empowered to contribute, grow, and succeed.



13,419
Employees at year-end 2025

15
Countries of operation

29%
Net increase in global headcount in 2025

35
Average employee age (years)

Creating a Performance Culture

Our people are central to our success. Advanced Energy's people strategy focuses on attracting, developing, and retaining a skilled workforce that supports long-term business performance.

At December 31, 2025, Advanced Energy employed 13,419 people across 15 countries, an increase of approximately 29% on 2024. Women represented approximately 47% of employees, 99.75% of employees were employed on a full-time basis, and the average employee age was 35 years. During the year, we continued to optimize our global operating model, including the strategic exit of our Zhongshan, China facility, footprint consolidation across the U.S. and EMEA, and expanded capacity in the Philippines and Mexico. We also completed the development of our new Thailand manufacturing facility, which is expected to begin production in the second half of 2026.

We provide competitive compensation and benefits programs designed to attract, retain, and motivate employees through market-based compensation, pay-for-performance incentives, and locally competitive benefits.

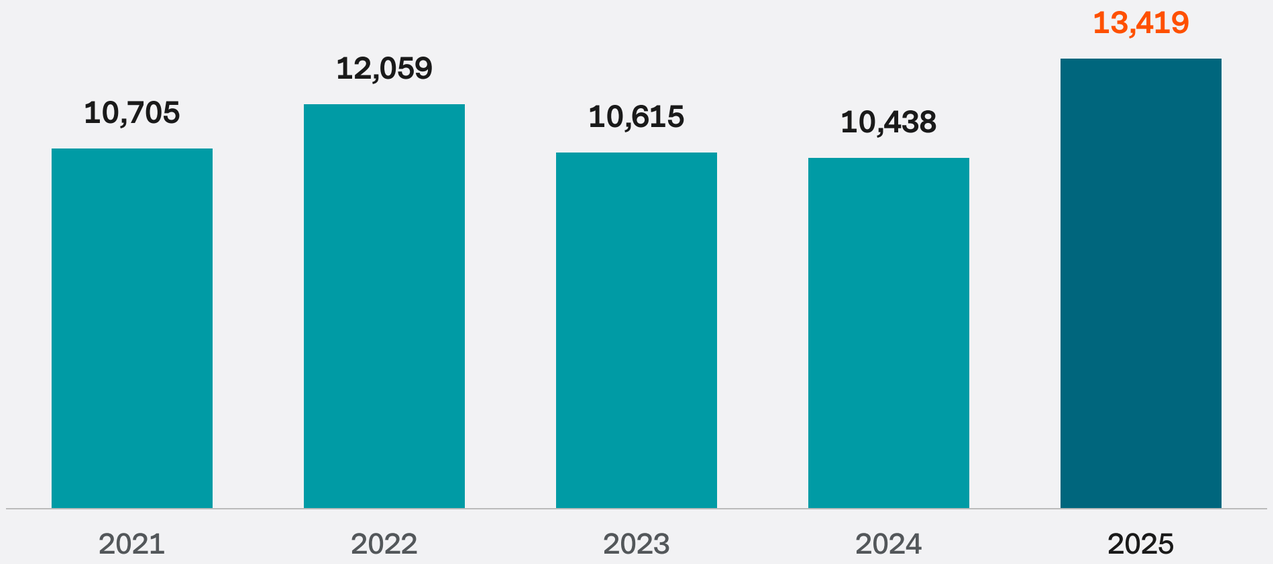
Advanced Energy respects employees' rights to freedom of association and collective bargaining. While most employees are not represented by unions, statutory representation exists in certain countries, including China, Germany, and Mexico. We do not discriminate against employees for participating in lawful labor organizations.

Creating a Performance Culture

In 2025, voluntary attrition was 18%, while continued hiring contributed to a 29% net increase in global headcount. Workforce demographics included 47% female and 53% male employees, with an average employee age of 35 years. Over the past five years, our total workforce grew by 25%.

Five years of workforce growth

Total headcount at year-end



+25%

Total workforce growth over five years

47/53

Female / male share of the workforce

Headcount as of end-December each year.

Learning and Development

Advanced Energy provides learning and development opportunities to support employee growth, technical expertise, leadership capability, and career development. Training is delivered through a combination of online and in-person programs supported by our Learning Management System (LMS). We are working to consolidate training records across LMS and site-delivered programs to support more comprehensive reporting in future years.



CASE STUDY

Leadership Essentials Program

The Leadership Essentials Program is a 10-week development program designed to strengthen leadership capabilities that support employee engagement, performance, and team effectiveness. By the end of 2025, 735 employees had participated in the program since its inception.

"This was a truly wonderful journey—I learned so many useful skills and had the opportunity to reflect on what I've done well and where I can improve."

735 employees had participated by the end of 2025, since inception

CASE STUDY

Child-of-Employee Scholarship Program

Advanced Energy's Child-of-Employee Scholarship Program provides one-time educational awards of up to US$2,500 to eligible students at accredited undergraduate institutions worldwide. In 2025, scholarships were awarded to 28 students across Asia Pacific, North America and Europe. One scholarship winner reflected on their achievement by noting:

"The scholarship enabled me to access essential computer science tools and enroll in online courses to support my thesis and skill development."

28 scholarships awarded in 2025 across Asia Pacific, North America, and Europe

Employee Engagement

Advanced Energy periodically conducts global employee engagement surveys covering leadership confidence, ethical conduct, career development, and workplace culture. In 2025, the survey achieved an 89% participation rate and an 80% engagement score, consistent with benchmarks for high-performing organizations. Survey results highlighted employee understanding of the Company's mission, confidence in ethical practices, and strong team collaboration. Results were shared with employees, leaders, and the Board, and used to inform action plans.

In 2025, we continued embedding **Powering Technology Together**, our Employee Value Proposition (EVP). The EVP reflects six key areas—compensation, benefits, career development, workplace environment, culture, and reputation—as a framework for attracting and retaining talent globally.

POWERING TECHNOLOGY *Together*

A Diverse and Inclusive Workforce

Advanced Energy is committed to providing a workplace where employees feel valued, respected, and included. Our workforce spans 15 countries, bringing diverse backgrounds and perspectives that support innovation. We also provide global mobility opportunities that enable employees to gain international experience. In 2025, more than 40 employees relocated globally, and more than 100 employees have participated in short-term international assignments since 2023.



EMPLOYEE ENGAGEMENT

89%
Survey participation rate in 2025

80%
Engagement score, consistent with high-performing benchmarks

INCLUSIVE WORKFORCE

15
Countries represented across our workforce

40+
Employees relocated globally in 2025

100+
Employees on short-term international assignments since 2023

Employment Practices and Work-Life Balance

Advanced Energy's employment practices align with applicable labor laws and international standards, and we manage workforce changes responsibly through fair and consistent processes.

Our benefits programs support employee well-being and family needs and are reviewed regularly to maintain competitiveness. We also support employees facing exceptional circumstances. Following the severe storm in Cavite, Philippines, in July 2025, our Chief Operations Officer led an effort to assist affected employees with recovery and home repairs.

> “I would like to express my heartfelt gratitude for the help provided by Advanced Energy. My roof was repaired and I no longer have to worry about it being blown off or damaged further.”

Recognition as a ‘Best Place to Work’

Advanced Energy has received recognition across multiple regions for its workplace culture. In the United States, the Company was recognized by Built In as a Best Place to Work in Colorado, the Boston area, and the San Francisco Bay Area.

Our Malaysia site was recognized as a Champion of Strategic Workforce Transformation and Talent Development by TVET Asia and Malaysia's Ministry of Higher Education for its workforce development initiatives and industry partnerships. The Malaysia site also received the Best Employer Award 2025 from the Employees Provident Fund (EPF) for the Penang region.



Built In 2026 Best Places to Work



Malaysia Education & TVET Awards 2025



EPF Best Employer Award 2025, Penang

Health and Safety

Our aim is to eliminate harm. We promote a proactive health and safety culture through strong risk management, employee engagement, and continuous improvement across our global operations.

Safety Culture and Employee Engagement

Worker participation is core to our safety management system. Employees are empowered to raise concerns, report hazards, and stop work when unsafe conditions are observed, while site leaders use regular communications and walkthroughs to identify and address concerns.

Our Approach

Health and safety governance is led through our global EHS organization in partnership with site leadership teams, with performance routinely reviewed through Monthly Safety Review (MSR) meetings across engineering, service, and manufacturing operations. We use both leading and lagging indicators to monitor performance, strengthen accountability, and drive continuous improvement.

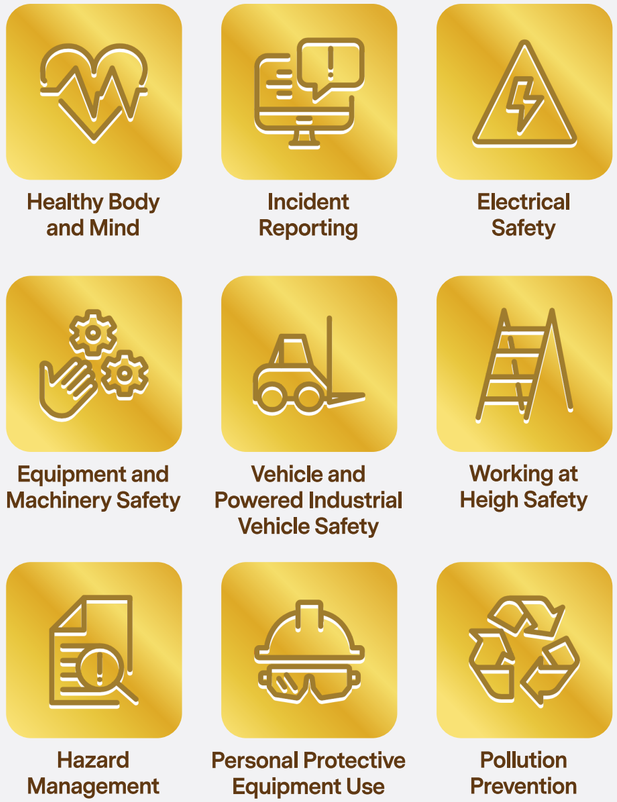
As part of our internal assurance program, key engineering, service, and manufacturing sites undergo third-party EHS compliance audits. In addition, our manufacturing locations are certified to **ISO 45001**, the international standard for occupational health and safety management systems.

Safety training is delivered through site-based programs and centralized digital learning systems assigned by job responsibility and site-specific risk.

We promote a culture centered on **safe people, safe places, and safe products**, embedded within our Code of Ethical Conduct. In 2025, we expanded hazard and near-miss reporting and increased leadership visibility through manager-led safety walkthroughs (Gemba walks).

Golden Behaviors

Advanced Energy's nine EHS Golden Behaviors, rooted in our Core Values, reinforce awareness of critical health, safety, and environmental risks and provide practical guidance to help employees identify hazards and reduce risk.



Health and Safety Performance

We measure health and safety performance using both leading and lagging indicators to identify risks, prevent incidents, and drive continuous improvement across our operations. In 2025, our global Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR) increased compared with 2024, due to a significant rise in reported injuries at our expanded Mexicali facility. In response, we have increased our focus on training, risk controls, and leadership engagement. We also formalized injury reporting and evaluation processes to improve consistency across operations, enhancing visibility into workplace risks and supporting more effective corrective actions.

RATE	2025	2024	2023
TRIR	**0.33**	0.19	0.17
LTIR	**0.17**	0.11	0.13

Calculated per OSHA recordkeeping criteria (per 200,000 working hours).

Over the past three years, Advanced Energy's TRIR has remained substantially below the North American industry benchmark (NAICS 335999) of 1.4 for total recordable cases.

Focus on High Risk Activities

Electrical hazards remain one of the most significant safety risks across our manufacturing, engineering, and service operations due to extensive electrical testing. Although infrequent, electrical shock incidents have potentially serious consequences and are closely monitored, with our approach emphasizing compliance, hazard identification, and continuous improvement.

Our approach includes:

- Standardized work instructions
- Lockout/tagout (LOTO) procedures
- Engineering safeguards
- Personal protective equipment (PPE)
- Equipment inspections and maintenance
- Emergency response preparedness
- Job-specific safety training

We also continue to invest in facility design improvements that help eliminate hazards and create safer working environments, including new design centers in Taiwan and Boston and expansions in Eastwood and Fort Collins.

Leading indicators are tracked through hazard identification and near-miss reporting. The number of hazards reported more than doubled between 2023 and 2025, while electrical shock incidents declined. In 2025, our volume manufacturing locations completed more than 2,000 manager-led safety walks.

KPIS	2025	2024	2023
Number of Hazards Identified	**13,998**	11,607	6,632
Number of Near Misses Reported	**100**	118	131
Number of Electrical Shock Incidents	**10**	12	14



CASE STUDY

Electrical Kaizen Event

Advanced Energy conducted a global Electrical Kaizen event across Shenzhen, Cavite, Laguna, Fort Collins, and Eastwood to identify and reduce electrical hazards. Cross-functional teams reviewed electrical systems and implemented corrective actions focused on shock prevention, fire risk reduction, LOTO compliance, equipment labeling, and PPE use. The initiative strengthened electrical safety awareness, operational reliability, and compliance across participating sites.



CASE STUDY

Fingers and Hands Safety Campaign

In 2025, teams in Cavite, Laguna, and Penang launched a Fingers and Hands Safety Campaign focused on reducing hand-related injuries through enhanced engineering controls, improved PPE, and increased safety awareness. The campaign included practical demonstrations, ergonomic assessments, and engagement activities to reinforce safe work behaviors and reduce injury risk.

Occupational Health and Mental Well-Being

Managing occupational health risks is fundamental to our approach, applying a hierarchy-of-controls methodology that incorporates engineering controls, safe work procedures, training, PPE, and emergency preparedness. We also recognize mental health as an important component of employee well-being, using health risk assessments, manager training, and support resources to encourage open dialogue and reduce stigma. As an example, during Mental Health Awareness Month in May 2025, Advanced Energy hosted a *Mental Health and Me* webinar on recognizing warning signs and accessing support resources.

Our Employee Assistance Program (EAP) provides confidential support for employees and family members, including assistance related to stress, anxiety, family challenges, substance abuse, financial concerns, and other personal matters.

Business Resiliency and Emergency Preparedness

Advanced Energy's Business Resilience Planning management system is aligned with ISO 22301, including an enterprise-wide Business Continuity Plan, Crisis Management Plan, Disaster Recovery Plan, and site-specific Emergency Response Plans.

Manufacturing sites maintain dedicated resilience teams for preparedness, response, and recovery, with risk assessments considering regional hazards and potential impacts on employee safety, operations, and facilities.

Employees receive annual role-based training on emergency response and business continuity, with regular drills and scenario-based exercises validating preparedness and coordination.

Human Rights

We seek to uphold and respect internationally recognized human rights in our operations and throughout our value chain.



Our Approach

Respect for human rights is fundamental to Advanced Energy, embedded in our policies, training, and business practices across our global operations and value chain. Our approach is supported by the Code of Ethical Conduct, Supplier Code of Conduct, Slavery and Human Trafficking Statement, Conflict Minerals Policy, and Anti-Bribery and Harassment Prevention Policies, establishing expectations for employees, suppliers, and business partners.

Advanced Energy aligns its practices with internationally recognized standards, including:

RBA Code of Conduct	**Universal Declaration of Human Rights**	**ILO Labor Standards**	**OECD Guidelines for Multinational Enterprises**

We prohibit all forms of forced, bonded, indentured, and involuntary prison labor, slavery, human trafficking, and child labor, and require age verification during recruitment and screening.

Consistent with our ethical business commitment, Advanced Energy publishes an annual Slavery and Human Trafficking Statement in support of the UK Modern Slavery Act, the California Transparency in Supply Chains Act, and similar legislation. Our Slavery and Human Trafficking Statement is publicly available on our website.

Human Rights Training

To support awareness of human rights risks, including modern slavery and trafficking, Advanced Energy includes this as a topic in induction and has a dedicated Modern Slavery Awareness and Prevention training course with additional refresher training as required.



Supplier Due Diligence

Advanced Energy's Supplier Code of Conduct is aligned with and based on the Responsible Business Alliance (RBA) Code of Conduct and forms the foundation of our supplier due diligence program, establishing expectations for human rights, freely chosen employment, and the prohibition of forced and child labor. Suppliers are required to acknowledge and comply with the Supplier Code of Conduct as a condition of doing business with Advanced Energy, incorporated into our purchasing terms and conditions.

Consistent with our Slavery and Human Trafficking Statement and RBA commitment, Advanced Energy maintains a risk-based supply chain due diligence program that includes:

01
Supplier onboarding assessments

02
Ongoing monitoring

03
Periodic reviews evaluating alignment with our human rights standards

Where risks are identified, we work with suppliers on corrective actions; failure to address issues may result in escalation, including corrective action plans or termination of the relationship.

Staffing and labor provider agreements also require compliance with our policies and explicitly prohibit practices that conflict with our human rights and modern slavery expectations.

Grievance Mechanisms and Access to Remedy

Advanced Energy encourages employees, suppliers, and stakeholders to raise concerns regarding potential human rights impacts or policy violations.

Concerns may be reported through multiple channels, including EthicsPoint, our independent third-party reporting platform, available globally and supporting anonymous reporting where permitted.

All reports are reviewed and, where appropriate, investigated and addressed through remediation processes, reviewed quarterly by senior management and shared with the Audit & Finance Committee.

Advanced Energy maintains zero tolerance for retaliation against any individual who raises a concern in good faith.

Community Engagement

We strive to be a good corporate citizen. Through volunteerism, charitable giving, and community partnerships, we support local needs and help create lasting value in the communities where we operate.

Engaging with Our Communities

Advanced Energy engages with local communities through employee volunteerism, charitable giving, and long-term partnerships focused on education, environmental stewardship, and health and social services.

We also contribute through investment in our global operations. For example, our new Thailand facility is expected to employ over 2,000 engineers, technicians, and operators at full production levels, supporting workforce development and regional economic growth. We also continue to expand our manufacturing sites in the Philippines, Malaysia and Mexico.

Community Investment and Charitable Contributions

Advanced Energy supports charitable organizations through financial contributions, in-kind donations, and employee-led fundraising and volunteering.

In 2025, employees supported children's charities, women's shelters, and community organizations through donations, fundraising, and surplus goods collection.

Examples include:

Hong Kong

Dragon Boat and Mid-Autumn Festival donation programs, including food donations and activities for seniors living alone.

Taiwan

Partnered with the Give-Circle Platform to donate goods to charitable organizations and rural schools, promoting recycling and sustainability.

The Philippines

River clean-up activities and medical missions for PEZA workers and dependents.

Singapore

Partnered with the National Kidney Foundation and packed 5,592 medical support kits for dialysis patients.



These initiatives reflect our commitment to supporting local communities through meaningful, locally driven engagement.



Employee Volunteerism

Advanced Energy employees support their communities through volunteer activities that address local needs and strengthen community relationships.

Examples from Europe include:

Germany
Serving meals at a local soup kitchen.

United Kingdom
Packing holiday gift boxes for children in need.

Ireland
Donating printers and providing IT support to a local school.

Austria
Supporting local food banks through surplus food collection programs.

These locally led efforts demonstrate how employees contribute time, skills, and resources to support the communities where they live and work.



Academic and Research Partnerships

Advanced Energy collaborates with universities to support education, innovation, and future engineering talent.

In 2025, these partnerships included internship opportunities, sponsorship of student-led engineering projects, guest lectures, mentoring, and participation in academic events. By connecting industry with academia, these collaborations support workforce development while helping strengthen the future talent pipeline.

Environmental

We are committed to reducing emissions, improving energy efficiency, and protecting natural resources across our operations and value chain.



IN THIS SECTION

→ Energy and climate
→ Environment

Energy and Climate

We aim to reduce our greenhouse gas (GHG) emissions and, where possible, work with customers, suppliers, and other stakeholders to support GHG reduction efforts and supply chain decarbonization.



Our Approach

Advanced Energy is committed to reducing energy use across our global operations and improving product power conversion efficiency. A key strategy is footprint optimization, including our “15 to 5” manufacturing strategy, intended to consolidate operations and reduce emissions intensity over time.

We implement targeted energy efficiency initiatives to reduce electricity consumption and GHG emissions, including upgrading legacy equipment with technologies such as regenerative burn-in ovens that recover waste power and convert it back into usable electricity.

Beyond our own operations, product innovation plays a critical role in our climate strategy, as our R&D teams focus on power conversion efficiency, power density, and system performance to help customers reduce energy consumption and GHG emissions.

We also encourage direct suppliers to measure and report GHG emissions in line with the GHG Protocol to increase supply chain transparency and support decarbonization.

~92% Improving our product conversion efficiency offers the greatest opportunity to reduce our environmental impact, given that approximately 92% of Advanced Energy’s Scope 1–3 GHG emissions are attributable to electricity consumed during product use.

Energy and Climate Performance

Advanced Energy has measured GHG emissions at our volume manufacturing sites for many years, reported through CDP and on our website. In 2024, we invested in enterprise-wide GHG and energy management software to strengthen data collection and reporting globally, automating GHG calculations and supporting Scope 1, 2, and 3 accounting aligned with the GHG Protocol.

In 2025, Advanced Energy publicly committed to setting science-based GHG reduction targets and seeking validation through the Science Based Targets initiative (SBTi), reflecting our focus on establishing a clear baseline and credible reduction targets.

Energy and Climate Performance

Our annual GHG emissions are summarized below across our five volume manufacturing sites, 25 engineering/service, and three office locations globally. Combined Scope 1 and location-based Scope 2 emissions increased approximately 11% in 2025, while revenue increased approximately 21%. This reflects improved emissions efficiency from higher utilization at consolidated sites under our “15 to 5” strategy.

11%
Year-over-year increase in combined Scope 1 and 2 GHG emissions

21%
Revenue growth over the same period

Scope 1 and 2 GHG Emissions (metric tons CO_2e)	2025	2024
Scope 1 GHG Emissions	2,399	2,314
Scope 2 GHG Emissions (location-based method)	62,241	56,089
Scope 1 and Scope 2 GHG Emissions	**64,640**	**58,403**

In 2025, we estimated our Scope 3 GHG emissions for the first time, focusing on the most material categories where we have influence. Results indicate approximately 94% of Scope 3 GHG emissions and approximately 92% of combined Scope 1-3 GHG emissions are attributable to electricity consumption during product use, underscoring the importance of product energy efficiency.

Based on the categories considered most relevant and material to our business, total Scope 3 GHG emissions were approximately 3.1 million metric tons CO_2e, significantly greater than our combined Scope 1 and Scope 2 emissions.

~94%
Of Scope 3 GHG emissions associated with product electricity consumption during use

98%
Of total GHG emissions are associated with Scope 3

Scope 3 GHG Emissions (metric tons CO_2e)	2025	Proportion of Total
Category 1: Purchased Goods and Services	145,950	4.7%
Category 3: Fuel- and Energy-Related Activities	6,850	0.2%
Category 4: Upstream Transportation and Distribution	19,980	0.6%
Category 5: Waste Generated in Operations	1,720	0.1%
Category 11: Use of Sold Products	2,902,000	94.3%
Total	**3,076,500**	**100%**

Our Role in Energy Transition

Advanced Energy plays an enabling role in the energy transition, providing precision power conversion, measurement, and control technologies used in energy-intensive systems. Customers may choose products or product functions that enable them to reduce their energy consumption through increased power efficiency, power density, power coupling, and process control.

Advanced Energy provides high-efficiency AC-DC and DC-DC power supplies, high-voltage systems, and precision power platforms used in semiconductor manufacturing, data centers, industrial processes, medical technologies, and renewable energy applications. For example, our Open Compute Project (OCP) compliant ORv3 power shelf drives up to 33 kW per shelf with a peak efficiency of nearly 98%. In addition, we support the manufacture of energy-efficient and renewable energy technologies, including solar cells, advanced semiconductors, LEDs, and low-E architectural glass coatings.

The Powerful Innovation Cuts Electricity Use White Paper demonstrates how our power conversion products may reduce electricity consumption across indoor agriculture, semiconductor manufacturing, and data center power markets.

In addition, our manufacturing and design sites continue to implement energy-efficiency measures, including LED upgrades, HVAC improvements, space consolidation, and the installation of energy recovery and control switches on high-use equipment. We also installed solar PV systems at our Metzingen, Germany site, generating approximately 40,000 kWh of renewable energy each year.

98%+

Peak efficiency of our OCP-compliant ORv3 data center power shelf

40 MWh

Renewable energy generated each year at our Metzingen site



“By shaping and transforming the way that power is used, delivered, and managed, AE creates and enables the technologies that are critical to making better use of global energy resources, reducing the world’s reliance on fossil fuels and minimizing greenhouse gas emissions.”

CASE STUDY

Regenerative Burn-In Chambers, Laguna and Cavite Sites

Advanced Energy continued implementing regenerative burn-in chamber technology at its Laguna and Cavite sites in the Philippines to improve manufacturing energy efficiency.

Burn-in chambers are among the more energy-intensive product testing processes; regenerative load technology helps reduce energy consumption while maintaining product quality.

In 2025, the sites operated 55 regenerative burn-in chambers, delivering annual energy savings of approximately 12.1 MWh and cost savings of approximately US$1.5 million.

~12.1 MWh
in annual energy savings

~US$1.5M
in annual cost savings

CASE STUDY

Product Life Cycle Assessment (LCA)

In 2025, an external consultancy completed product carbon footprint assessments, aligned with ISO 14067, for two high-volume products.

For one high-volume plasma product, with a 10-year use-phase lifetime and average annual power consumption of 6,681 kWh, approximately 98% of total GHG emissions were associated with the use phase, with material production, packaging, distribution, and disposal combined contributing less than 2%.

This assessment reinforces the importance of product energy efficiency as a key lever for reducing lifecycle emissions.

Physical Climate Risk Assessment

In 2025, Advanced Energy commissioned an independent physical climate risk assessment covering 31 global assets, including all five volume manufacturing sites, 25 engineering and service locations, and our corporate headquarters. The assessment evaluated exposure to eight climate-related hazards across three IPCC physical climate scenarios, prioritizing sites based on elevated risks and vulnerability.

31	8	3
Global assets assessed	Climate-related hazards	IPCC climate scenarios

Cyclones were identified as the most significant physical climate risk under a high-warming scenario, with 32% of assets currently at risk in the baseline year, increasing to 38% by 2030 and 2050. Wildfire risk showed the largest projected increase, rising from 0% to 16% of sites by 2050, followed by extreme heat and cyclone frequency, with Philippines and Mexico sites facing the highest future exposure.

PHYSICAL CLIMATE RISK · HIGH-WARMING SCENARIO

Share of sites, 0–100%; tick marks the baseline

LARGEST RISK · CYCLONES

38%

of assets exposed to cyclones by 2050



Up from 32% at baseline; 38% by 2030, then holds.

FASTEST-GROWING · WILDFIRE

16%

of sites exposed to wildfire by 2050



Up from 0% at baseline: largest projected increase.

While this assessment focuses on physical climate risks, Advanced Energy also recognizes broader transition risks such as evolving regulations and customer requirements. Climate-related risks will be considered in future strategic decisions, including site locations, resilience planning, and capital investment.

Environment

We aim to minimize our environmental impact by optimizing resource use, preventing pollution, and protecting biodiversity across our global operations.

Our Approach

Advanced Energy implements environmental management practices across its global operations and supply chain. Environmental risks and impacts associated with manufacturing, engineering, and service activities are identified, assessed, and managed through structured management systems and operational controls. This also includes emissions monitoring, emergency preparedness, spill prevention, and compliance auditing to support ongoing performance improvement.

Our approach focuses on improving resource efficiency, reducing waste and water consumption, preventing pollution, and protecting biodiversity.

In 2025, we achieved multi-site ISO 14001 certification across our manufacturing operations, with our Thailand site working toward certification for 100% coverage. Advanced Energy's ISO certifications are available on the AE ISO Accreditations and Certificates section of our website.

Waste Management and Circularity

Advanced Energy actively manages hazardous and non-hazardous waste through reduction, reuse, recycling, refurbishment, and recovery programs. In 2025, our volume manufacturing sites achieved an average waste diversion rate of 92.5%. Waste generation, treatment methods, and hazardous waste volumes are monitored and reported annually.

Hazardous waste is managed through approved treatment providers and subject to vendor qualification and monitoring processes. Additional waste data is available in Appendix 1: Sustainability Databook. Our packaging teams also minimize material use and prioritize recyclable materials to meet customer and regulatory requirements.

92.5%

Average waste diversion rate at volume manufacturing sites, 2025

Product Stewardship and Responsible Sourcing

Advanced Energy is committed to reducing the environmental and social impacts associated with materials used in our products and supply chain. We manage restricted and hazardous substances per applicable regulations, including RoHS and REACH, requiring suppliers to provide compliance documentation and material declarations. Additional information regarding product safety, RoHS, and materials compliance is publicly available on the Compliance Documents section of our website.

Advanced Energy's Responsible Minerals Sourcing Policy outlines our commitment to due diligence on direct suppliers of conflict minerals, aligned with U.S. regulatory requirements. The Responsible Minerals Sourcing Policy is publicly available on our website.

Advanced Energy also maintains controls supporting EU REACH compliance and collects supplier PFAS information in response to evolving regulations and customer disclosure requirements.

Water Stewardship

Advanced Energy seeks to minimize water use and manage water-related risks across its operations through efficiency initiatives and operational controls. In 2025, total water withdrawals were approximately 332 ML. Water is primarily used for food preparation, landscaping, washroom facilities, and required testing activities. Manufacturing processes account for less than 10% of total water consumption.

Wastewater is managed in accordance with applicable regulatory requirements, and water discharges from manufacturing locations are monitored to support compliance with relevant standards.

In 2025, we evaluated site-level water stress using the World Resources Institute Aqueduct 4.0 database. The assessment found that 32% of sites are currently located in areas of high or extremely high water stress, increasing to 48% by 2050. Two volume manufacturing sites, Mexicali and Thailand, are in areas classified as extremely high water stress.

These findings are used to inform site-level environmental management programs, water efficiency initiatives, and broader climate risk assessments.

332 ML

Total water withdrawals, 2025

32% → 48%

Sites in high or extremely high water stress, today → 2050

Biodiversity and Ecosystems

Advanced Energy recognizes that biodiversity and healthy ecosystems support long-term business resilience and environmental sustainability.

In 2025, we completed a biodiversity screening of all manufacturing and engineering locations to evaluate proximity to protected areas. The assessment supports prioritization of locations for further review and integration of biodiversity into environmental management processes. It identified:

1	site located within a protected area
7	sites located within 1 km of a protected area
11	sites located within 1–5 km
13	sites located more than 5 km away

The one site within a protected area is our Metzingen engineering facility, which is located within the development zone of the Swabian Alb Biosphere Reserve, a region that promotes sustainable economic, social, and environmental development.

Air Quality

Air emissions are managed through engineering controls, operational monitoring, and compliance with applicable regulatory requirements.

Advanced Energy operates abatement systems for fluorinated process gases used during testing of our Remote Plasma Source (RPS) product, treating effluent streams with dry-bed scrubbers or hot-bed reactors to capture and neutralize emissions before release. These systems are routinely monitored, inspected, and maintained to support environmental compliance and operational performance.

Environmental Performance and Targets

Advanced Energy continues to improve environmental performance through measurable objectives and operational initiatives. In 2025, key environmental objectives included:

- → Achieving a 92.5% waste diversion rate at manufacturing sites
- → Continuing best management practices for water stewardship
- → Monitoring and reporting environmental performance data, including waste, water, air emissions, and environmental incidents

Detailed environmental performance data is reported annually through Appendix 1: Sustainability Databook.

About This Report

This report highlights Advanced Energy's approach to managing environmental, social, and governance performance and impacts for the year ended December 31, 2025.

Unless otherwise stated, references to “Advanced Energy,” “AE,” “the Company,” “we,” “us,” and “our” refer to Advanced Energy Industries, Inc. and its consolidated subsidiaries.



Report scope and boundaries

This report presents non-financial information for Advanced Energy Industries, Inc. and its consolidated subsidiaries, covering January 1 to December 31, 2025, unless otherwise stated. The scope includes entities over which Advanced Energy has operational control. Environmental, health, and safety data are reported on a 100% basis for majority-owned assets. People-related data cover employees in Advanced Energy’s direct employment, unless otherwise stated. In some cases, historical sustainability data have been restated to reflect portfolio changes, methodological improvements, or enhancements to data collection and analysis processes. Material restatements exceeding 5% are noted.

Methodologies and assumptions

GHG emissions are reported in metric tons of CO_2e, prepared in alignment with the GHG Protocol, and include the Kyoto Protocol gases: carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons. Where primary data are unavailable, estimates are based on activity data, proxy information, or credible external sources. Emissions conversion factors are primarily sourced from the International Energy Agency (IEA) and the UK Department for Energy Security and Net Zero.

Reporting frameworks and standards

Prepared with reference to the GRI Standards and accompanied by a content index mapping disclosures to applicable GRI requirements. We also consider the expectations of other widely recognized frameworks.

GRI Standards | SASB | TCFD | CDP

APPENDIX 1: SUSTAINABILITY DATABOOK

Health and Safety

Workplace safety[1]

INDICATOR	2025 Number	2025 Rate	2024 Number	2024 Rate	2023 Number	2023 Rate
Fatalities	**0**		0		0	
Lost time injuries	**22**		12		16	
Lost time injury frequency rate (LTIFR)		**0.17**		0.11		0.13
Total recordable injuries	**43**		21		21	
Total recordable injury rate (TRIR)		**0.33**		0.19		0.17
Near misses reported	**100**		118		131	
Near miss reporting frequency (NMRF)		**0.76**		1.08		1.06
Hazards reported	**13,998**		11,607		6,632	
Hazard reporting frequency		**106.02**		106.06		53.54
Working hours (employees and contractors)	**26,407,088**		21,887,273		24,775,121	

Occupational health and safety management systems[2]

INDICATOR	2025 Number	2025 %	2024 Number	2024 %	2023 Number	2023 %
Total number of manufacturing sites certified to the international occupational health and safety management system standard: ISO 45001:2018	**4**	**100**	3	60	3	50

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NOTES

1 LTIFR, TRIR, NMRF and hazard reporting frequency are calculated per 200,000 working hours.

2 % rate based on six manufacturing facilities in 2023 and five manufacturing facilities in 2024 and four manufacturing facilities as at year end in 2025.

APPENDIX 1: SUSTAINABILITY DATABOOK

Energy and Climate

Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions[1]

INDICATOR	2025		2024		2023	
	tCO_2e	%	tCO_2e	%	tCO_2e	%
Scope 1 emissions	**2,399**	**3.7**	2,314	4.0	1,669	
Scope 2 emissions (location-based method)	**62,241**	**96.3**	56,089	96.0	37,971	
Scope 1 and Scope 2 GHG emissions (location-based method)	**64,640**		58,403		39,640	
KEY MANUFACTURING SITES						
Scope 1 GHG emissions	**1,608**		1,604		1,669	
Scope 2 GHG emissions (location-based method)	**51,560**		44,881		37,971	
Scope 1 and Scope 2 GHG emissions	**53,168**	**82.3**	46,485	79.6	39,640	
ENGINEERING & SERVICE SITES						
Scope 1 GHG emissions	**791**		711		–	
Scope 2 GHG emissions (location-based method)	**10,161**		10,672		–	
Scope 1 and Scope 2 GHG emissions	**10,952**	**16.9**	11,383	19.5	–	
OFFICES						
Scope 1 GHG emissions	**0**		0		–	
Scope 2 GHG emissions (location-based method)	**521**		536		–	
Scope 1 and Scope 2 GHG emissions	**521**	**0.8**	536	0.9	–	
GHG emissions intensity based on total revenue (per million USD)	**35.93**		39.41		23.94	

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NOTES

1 FY2025 and FY2024 represent data of our five manufacturing, 25 engineering & service locations and three offices; FY2023 represents data of four manufacturing facilities.

APPENDIX 1: SUSTAINABILITY DATABOOK

Energy and Climate

Scope 3 GHG emissions[2]

INDICATOR	2025 tCO_2e	2025 %	2024 tCO_2e	2023 tCO_2e
Scope 3 emissions	**3,076,500**		–	–
BREAKDOWN OF GROUP SCOPE 3 EMISSIONS BY CATEGORY:				
Category 1: Purchased Goods and Services	**145,950**	**4.7**	–	–
Category 3: Fuel- and Energy-Related Activities	**6,850**	**0.2**	–	–
Category 4: Upstream Transportation and Distribution	**19,980**	**0.6**	–	–
Category 5: Waste Generated in Operations	**1,720**	**0.1**	–	–
Category 11: Use of Sold Products	**2,902,000**	**94.3**	–	–

Electrical energy consumption

INDICATOR	2025 MWh	2024 MWh	2023 MWh
Total electricity consumption	**96,779**	95,926	59,614

Energy use

INDICATOR	2025 MWh	2024 MWh	2023 MWh
Total energy consumption (fuel use and electricity)	**102,296**	98,535	60,953

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NOTES

[2] Scope 3 GHG data is reported for those categories under the GHG Protocol that are considered most material to Advanced Energy.

APPENDIX 1: SUSTAINABILITY DATABOOK

Environment

Environmental incidents[1]

INDICATOR	2025 Number	2024 Number	2023 Number
Total number of reportable environmental incidents	**0**	0	0

Environmental management systems[2]

INDICATOR	2025 Number	2025 %	2024 Number	2024 %	2023 Number	2023 %
Total number of manufacturing sites certified to the international environmental management system standard: ISO 14001:2015	**4**	**100**	4	80	3	50

Environmental fines and penalties

INDICATOR	2025 USD	2024 USD	2023 USD
Total value of environmental-related fines and penalties	**0**	0	0

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NOTES

1 Event that results in actual or potential environmental contamination, environmental permit non-compliance, regulatory reporting, enforcement action, significant cleanup activities, or measurable impact to air, water, land, or ecosystems.

2 % rate based on six manufacturing facilities in 2023 and five manufacturing facilities in 2024 and four manufacturing facilities as at year end in 2025.

APPENDIX 1: SUSTAINABILITY DATABOOK

Environment

Waste[3]

INDICATOR	2025 Metric tons	2025 %	2024 Metric tons	2024 %	2023 Metric tons	2023 %
Total non-hazardous waste	**2,705**	**75.4**	1,543	80.2	1,542	78.2
Total hazardous waste	**883**	**24.6**	382	19.8	429	21.8
Total waste generated	**3,587**		**1,925**		**1,971**	
WASTE DISPOSAL METHOD:						
Disposed to landfill off-site	**218**	**6.1**	94	4.9	69	3.5
Disposed to landfill on-site	**0**	**0.0**	0	0.0	0	0.0
Disposed to incineration with energy recovery	**15**	**0.4**	0	0.0	1	0.0
Recycled or recovered	**3,244**	**90.4**	1,740	90.4	1,782	90.5
Reused	**73**	**2.0**	40	2.1	51	2.6
Disposed to incineration without energy recovery	**37**	**1.0**	51	2.6	67	3.4

Water withdrawal[4] [5]

INDICATOR	2025 ML	2024 ML	2023 ML
Total water withdrawal	**332**	330	335

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NOTES

3 2025 and 2023 data represent five manufacturing facilities; 2024 represents four manufacturing facilities.

4 2025 and 2024 data represent our five manufacturing facilities, selected engineering & service centers, and main offices. 2023 data represents four manufacturing facilities.

5 All water withdrawals are from public supply.

APPENDIX 1: SUSTAINABILITY DATABOOK

Environment

Water stress and water risk exposure

INDICATOR	2025 Number	2024 Number	2023 Number
Total number of sites located in high or extremely high water stress areas	**10**	11	11
DISTRIBUTION OF ADVANCED ENERGY SITES BASED ON WATER STRESS:			
Low water stress	**5**	5	5
Low to medium water stress	**8**	8	7
Medium to high water stress	**8**	8	7
High water stress	**6**	7	7
Extremely high water stress	**4**	4	4

Biodiversity

INDICATOR	2025 Number	2024 Number	2023 Number
Number of sites within a protected area	**1**	1	1
Number of sites within one kilometer of a protected area	**7**	7	7
Number of sites within one and five kilometers of a protected area	**11**	11	11
Number of sites more than five kilometers away from a protected area	**13**	–	–

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APPENDIX 1: SUSTAINABILITY DATABOOK

Our People

INDICATOR	2025 Number	2025 %	2024 Number	2024 %	2023 Number	2023 %
EMPLOYEE NUMBERS						
Number of employees at year-end	**13,419**		10,438		10,615	
New employees hired	**9,011**		2,805		2,269	
Indirect labor[1]	**5,072**		4,886		5,116	
Direct labor[2]	**8,347**		5,552		5,499	
Proportion of part-time workers		**0.25**		0.90		0.28
GENDER DIVERSITY						
Male	**7,178**		5,890		5,945	
Female	**6,241**		4,548		4,670	
Women in executive and senior management roles	**31**		29		28	
Female proportion of Global Management Team		**15.7**		17.6		18.4
AGE GROUP						
Under 30 years	**5,691**		3,167		3,104	
30–50 years	**6,360**		5,918		6,209	
Over 50 years	**1,368**		1,353		1,302	

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NOTES

1 Indirect Labor (IDL): Indirect labor is for employees whose work can't be directly traced back or billed to services or goods produced. Treated as an overhead cost and allocated to a product cost based on appropriate ABC methodology such as labor hours.

2 Direct Labor (DL): Direct labor is assigned to employees who are directly involved in product build, and processing time is traceable to a unit serial number.

APPENDIX 1: SUSTAINABILITY DATABOOK

Our People

INDICATOR	2025 Number	2025 %	2024 Number	2024 %	2023 Number	2023 %
REGIONAL DISTRIBUTION						
Asia Pacific (APAC)	**10,561**		8,022		8,400	
Europe (EMEA)	**336**		338		364	
North America	**2,522**		2,078		1,851	
ATTRITION						
Total number of leavers	**5,865**		2,982		3,710	
Voluntary attrition rate		**18.0**		13.5		14.7
Number of involuntary leavers	**3,450**		1,578		2,150	
Number of voluntary leavers	**2,415**		1,404		1,560	

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APPENDIX 2: REPORTING FRAMEWORKS

GRI Content Index

Statement of use	Advanced Energy Industries, Inc. has reported the information cited in this GRI content index for the period January 1, 2025 to December 31, 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 1. The organization and its reporting practices	2-1 Organizational details	pg 3, 5–6
	2-2 Entities included in the organization's sustainability reporting	pg 39
	2-3 Reporting period, frequency and contact point	pg 39
	2-4 Restatements of information	pg 39
GRI 2: General Disclosures 2. Activities and workers	2-6 Activities, value chain and other business relationships	pg 5–6, 10
	2-7 Employees	pg 3, 20–21, 46–47
GRI 2: General Disclosures 3. Governance	2-9 Governance structure and composition	pg 12–13
	2-10 Nomination and selection of the highest governance body	pg 12–13
	2-11 Chair of the highest governance body	pg 12
	2-12 Role of the highest governance body in overseeing the management of impacts	pg 12–13
	2-13 Delegation of responsibility for managing impacts	pg 13
	2-14 Role of the highest governance body in sustainability reporting	pg 13

APPENDIX 2: REPORTING FRAMEWORKS

GRI Content Index (continued)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 4. Strategy, policies and practices	2-22 Statement on sustainable development strategy	pg 4
	2-23 Policy commitments	pg 10, 14, 28
	2-24 Embedding policy commitments	pg 15, 28–29
	2-25 Processes to remediate negative impacts	pg 29
	2-26 Mechanisms for seeking advice and raising concerns	pg 15, 29
	2-27 Compliance with laws and regulations	pg 14–15, 18, 43
	2-28 Membership associations	pg 10, 29
GRI 2: General Disclosures 5. Stakeholder engagement	2-29 Approach to stakeholder engagement	pg 9
	2-30 Collective bargaining agreements	pg 20
GRI 3: Material Topics	3-1 Process to determine material topics	pg 9
	3-2 List of material topics	pg 9
	3-3 Management of material topics	pg 9
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	pg 14–15
GRI 302: Energy	302-1 Energy consumption within the organization	pg 42
	302-3 Energy intensity	pg 41
	302-4 Reduction of energy consumption	pg 33–36
	302-5 Reductions in energy requirements of products and services	pg 16, 35–36
GRI 303: Water and Effluents	303-3 Water withdrawal	pg 38, 44
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	pg 38, 45

APPENDIX 2: REPORTING FRAMEWORKS

GRI Content Index (continued)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	pg 34, 41
	305-2 Energy indirect (Scope 2) GHG emissions	pg 34, 41
	305-3 Other indirect (Scope 3) GHG emissions	pg 34, 42
	305-5 Reduction of GHG emissions	pg 33–35
GRI 306: Effluents and Waste	306-3 Significant spills	pg 43
GRI 306: Waste	306-3 Waste generated	pg 37, 44
	306-4 Waste diverted from disposal	pg 37, 44
	306-5 Waste directed to disposal	pg 37, 44
GRI 401: Employment	401-1 New employee hires and employee turnover	pg 21, 46–47
	401-3 Parental leave	pg 24
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	pg 8, 25
	403-2 Hazard identification, risk assessment, and incident investigation	pg 25–26, 40
	403-5 Worker training on occupational health and safety	pg 25–27
	403-6 Promotion of worker health	pg 27
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pg 10, 27
	403-8 Workers covered by an occupational health and safety management system	pg 8, 25, 40
	403-9 Work-related injuries	pg 26, 40
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	pg 12, 21, 46
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	pg 30–31