

2023

# SYSTEX Sustainability Report

SYSTEX





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# About this Report

GRI 1, 2-1, 2-2, 2-3, 2-4, 2-5, 2-14, 3-2

SYSTEX Corporation has published the 5<sup>th</sup> sustainability report, a comprehensive overview of its sustainable ESG strategy and the results of communication with stakeholders, demonstrating its determination to actively take corporate responsibility. The previous report was published in June 2023 and this report is published in August 2024.

## Reporting Overview

Guidelines and Principles	<ul style="list-style-type: none"><li>Global Reporting Initiative, GRI - GRI Standards 2021</li><li>Sustainability Accounting Standards Board, SASB - Software &amp; IT Services</li><li>Task Force on Climate-related Financial Disclosures, TCFD</li><li>The Sustainability Best-Practice Principles for TWSE/GTSM Listed Companies</li></ul>
Boundary	<p>SYSTEX Group in Taiwan, including SYSTEX Corporation, SYSTEX Software &amp; Service Corporation, SYSTEX FINTECH Co., Ltd., Top Information Technologies Co. Ltd, SYSPower Corporation, SoftMobile Technology Corporation, Concord System Management Corp., SYSTEX Solutions Corporation, Taifon Computer Co. Ltd, E-Service Information Co., Taiwan Information Service Technology Co., NATURINT Ltd., Palsys Digital Technology Corporation, Dawning Technology Inc., uniXecure Corporation, Smartsys Technology Corporation, MISYS Corporation, and Docutek Solution Inc.</p> <ul style="list-style-type: none"><li>Newly added in 2023: SYSWISER Technology Corporation</li></ul>
Period	<p>The sustainability report is compiled regularly every year. The period is between January 1, 2023 and December 31, 2023.</p>
Data	<ul style="list-style-type: none"><li>For more financial performance, please refer to <a href="#">Annual Report</a>, including consolidated reports of affiliated companies. In adherence with IFRSs, the currency of <a href="#">Financial Report</a> is NTD and certified by Deloitte Touche Tohmatsu Taiwan.</li><li>The data in this report is collected by the Sustainability Group and presented with international indicators.</li><li>The financial data is consistent with the Annual Report, covering SYSTEX and all affiliated companies.</li><li>The scope of social data is covering SYSTEX and all affiliated companies in Taiwan.</li><li>The scope of environmental data is within the Taipei NeiHu Headquarters Building.</li></ul>
Assurance	<p>Entrust SGS TAIWAN LTD. to undertake assurance, and receive the assurance, AA1000ASv3 Type 1 Moderate Level in adherence to GRI Universal Standards 2021.</p>

## Reporting Process and Quality Management

To ensure the quality of reporting and preparation of the Sustainability Report, this report was prepared following the "[Sustainability Report Preparation and Verification Procedure](#)." The Sustainability Group coordinated the preparation, with ESG teams assisting in collecting and organizing relevant indicator data. After the data was consolidated by the Group and reviewed and revised in collaboration with department heads, the report underwent assurance or verification by a third party. The final report was then reviewed by the Chief Sustainability Officer before being submitted to the Board of Directors for approval and publication. We aim to provide more transparent and comprehensive information to help stakeholders better understand SYSTEX's performance and achievements in corporate sustainability during 2023.

## Feedback and Contact Us

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Sustainability Report



Annual Report



TCFD Report



ESG Website





# Letter from the Chairman



**Collaboration**



**Value Creation**



**Enhancing Corporate Resilience**

2023 marked a year where businesses strived to balance "digital transformation" with "sustainable operations." As "a Data Software Company," SYSTEX has led its employees and ecosystem partners to collaborate, create value, and leverage diverse core capabilities to drive cross-disciplinary data integration. This has helped our clients achieve a balance between business operations and sustainability. We also uphold the spirit of "Tech for Good," assisting clients in reducing carbon emissions through technology, adopting more aggressive green solutions, and continually investing in ESG programs to fulfill our social responsibility as corporate citizens.

## Upholding the Spirit of "Tech for Good" and Strengthening Sustainable Governance

Guided by the sustainable spirit of "Tech for Good," SYSTEX leverages its core capabilities to drive corporate social responsibility to cultivate world-class software talents for Taiwan. The "YTP Young Turing Program," which has received numerous third-party awards, has been held for 8 consecutive years, with over 3,600 students participating. We joined the "2023 TALENT in Taiwan Alliance" initiative to jointly promote talent cultivation. Additionally, our sustainability report has been recognized with the "Platinum Award" in the 2023 TCSA Taiwan Corporate Sustainability Awards and also received the "2023 SGS ESG Awards for Sustainability Report," making us the only IT services company among the 15 award-winning enterprises.

To enhance sustainable governance and ensure transparency in sustainability information disclosure, SYSTEX has proactively established a dedicated information security management unit and

personnel to optimize cybersecurity risk management. In 2023, we launched the SustainLink platform to encourage our supply chain partners to invest in sustainable operations. This platform utilizes technology to strengthen supply chain management and optimize supplier sustainability governance with transparent procurement information. In addition, SYSTEX has also consistently ranked in the "Top 6% to 20% of Listed Companies" in the 10th Taiwan Stock Exchange's Corporate Governance Evaluation, and has received this honor for 3 consecutive years.

## Creating a Workplace Employees are Proud Of

Talent is the most important asset in the software industry. SYSTEX cares about the physical and mental health of employees and their family lives. Since the launch of the "SYSTEX Baby Growth Fund Program" in 2021, we have supported 248 SYSTEX babies with a total of NT\$11.36 million by the end of 2023. We are committed to providing a better working environment for our employees, completing office and sports facility renovations, and holding various annual sports activities such as basketball, bowling, and running to foster the Sports Culture. This dedication has earned us the 1st IT Matters Awards "Best IT Employer," the Taipei City Government's "Intimate Boss Award No.1" in the 2023 Labor Safety Award, the Ministry of Education's Sports Administration's "Sports Enterprise Certification," and recognition as a "Healthy Enterprise Citizen" by CommonHealth Magazine in 2023. These awards are a testament to our long-term investment in our employees' health, learning, and happiness.

## Innovative Business Models through Ecosystem Integration, Creating Value for Customers and Shareholders

In 2023, SYSTEX's revenue reached new heights for the 8 consecutive years. From an organizational perspective, we foster growth through cooperation within our three major ecosystems: VAD, Industry, and Mega SI. In addition to digital transformation, we focus on the impact of social contribution transformation by investing in ecosystem partners to extend market growth, such as our ESG@IT initiative and solutions developed to respond to global sustainability trends. We also utilize generative AI technology to implement practical application scenarios for enterprise clients. Addressing the urgent industry need for cybersecurity, we have partnered with international companies to venture into infrastructure cybersecurity. By continuously creating new growth drivers through diverse business models, we aim for stable profitability, distributing a NT\$5 dividend to shareholders annually since 2015, thus consistently creating value for our shareholders.

Long-term commitment to the software industry has made us believe in technology can bring the positive impacts on humanity. By leveraging the "data" and "software" DNA of SYSTEX employees, we aim to create meaningful profits, "Profit with Purpose," and become a company that contributes to society, hold greater growth value, and exert more positive influence. These are our commitment to all stakeholders and the driving force behind SYSTEX's continuous improvement.

Chairman & President, SYSTEX Corp.



# Sustainable Performance

## Highlights in 2023

E

S

G



**2023 TCSA  
Corporate Responsibility  
Report – Platinum  
Awards**

**Taiwan Top 100  
Sustainable Company**



**2023 S&P Global CSA  
ESG Scores**

Compared  
with 2022 **↑ 8 points**



**2023 Morningstar  
Sustainalytics**

**Low Risks**

### Renewable Energy

Sign RE Wheeling  
Contract  
2023

**120,000 kWh**



### Env. and OHS. ISO Certificate

14001 / 14064-1  
50001 / 45001

### GHG Offset Program

Acknowledgement  
Statement (2023-2032)

**167 tCO<sub>2</sub>e/year**



### SYSTEX Baby Happy Growth Funds

2021.04-2023.12

**248** SYSTEX babies

NT\$ **11.36 M**

### 8<sup>th</sup> Young Tuning Program

2016-2023

Cumulative participants

**3,605** persons



### 6<sup>th</sup> AI+ Generator Program

2018-2023 Accumulated

**44** Startups

### Taiwan Talent Sustainability Action Alliance

2023 TALENT, in Taiwan

### Intimate Boss Award - No.1

2023 Labor Safety  
Award by Taipei Gov.



### Best IT Employer Award

2023 IT Matters Awards  
IMA Association

### Buying Power 3<sup>rd</sup> Prize

2023 Buying Power Social  
Innovation Reward

### 2024 ASSET & LINKING

Exemplary Sustainability  
Awards  
Humanities Enterprise Award

### 2023 Sports Enterprise Certification

Ministry of Education

### Record-high Consolidated Revenue

2016-2023

Compared with  
2022 **↑ 6.2 %**



### 10<sup>th</sup> Corporate Governance Evaluations

**6% - 20%**

### Improve Sustainable Governance

Sustainable Development  
Best Practice Principles  
Sustainable Development  
Policy, Taxation Policy

### Strengthen IP Management

Total Valid Patents

**64**

Total Valid Registered  
Trademark

**342**



### Strengthen Info. Security Management

Set dedicated unit and  
personnel

### Improve Suppliers Management

Add Conflict-Free Mineral  
Statement  
Launch SustainLink APP

### Enhance PM Ability

Total PMP Certifications

**123**

Total PM's ISO 27001  
Certificates

**149**



### TIPS Level A

Taiwan IP Management  
System



## Sustainability Special

### Happy Workplace Rewarded the "Intimate Boss Award - No. 1" at the 2023 Labor Safety Award.

SYSTEX received the "Intimate Boss Award - No. 1" at the 2023 Labor Safety Award. SYSTEX promotes employee health and offers support for building happy families through initiatives such as the "SYSTEX Baby Happy Growth Funds" with up to NT\$120,000 per child and the "Coding Seeds Camp". In 2024, additional benefits will be introduced, including fully-paid flexible parental leave. This deepens employees' alignment with its culture, fostering collaboration and a strong sense of belonging and loyalty within the organization.



### 01 Maternity friendly protection

In a first among Taiwanese IT companies, the "SYSTEX Baby Happy Growth Funds" was created to support marriage and parenthood with bonuses and leave. The program has already subsidized 248 SYSTEX Babies, totaling NT\$11.36 million as of 2023. SYSTEX also offers "Marriage and Maternity Gifts" to support employees who have recently married, are pregnant, or have newborns. SYSTEX has set up the "Lactation Rooms" in 8 operation offices, which provide access control, equipment and items needed for breastfeeding. In 2023, the Lactation Rooms of the headquarters building was once again awarded the "Excellent Breastfeeding Room Certificate – Outstanding Grade" by the Taipei City Government.

#### Caring for Baby's Healthy Growth

- ✓ "Marriage and Maternity Gifts" to employees entering the marriage and parenting stage
- ✓ Up to NT\$120,000 in subsidies per newborn and up to 70 days of paid maternity leave for employees
- ✓ Well-equipped and comfortable lactation rooms



### 02 Leave policies superior to legal requirements

Employees enjoy flexible working hours and paid leave benefits, including: "8 days of full-paid sick leave for full-time employees per year," "up to 9 days of full-paid leave for newly hired full-time employees in their first year," "more days of annual paid leave for full-time employees," "1 day of full-paid birthday leave for full-time employees per year," and "up to 70 days of full-paid maternity leave for full-time employees." In 2024, "3 days of fully-paid flexible parental leave" was newly introduced. These aim to help employees reduce work-related stress and achieve work-life balance.

1 Day of  
Birthday  
Leave

1 Day of  
Volunteer  
Leave

More Days  
of Annual Paid  
Leave

8 Days of Sick  
Leave

Up to  
70 days of  
Maternity  
Leave

8 Days of Spouse Leave  
for Accompanying Prenatal  
Check-ups & Maternity

New

3 Days  
of Flexible  
Parental  
Leave

New

### 03 Deepening the "Sports Corporate Culture"

SYSTEX believes that the health and vitality of its employees are the long-term values. SYSTEX strives to create a diverse and joyful work environment, balancing productivity, well-being, and family life. SYSTEX not only develops the exclusive "Health Up! APP" for employees, which integrates health and exercise data, but also hires coaches for "Worktime Exercise Courses," tailored to employees' schedules and needs. SYSTEX holds sports competitions for employees, such as basketball game, badminton games, bowling competitions, and running events, enhancing a "Sports Corporate Culture."

#### Highlights 2023 Sports Enterprise Certification

SYSTEX shapes a sports corporate culture by consistently investing resources in sports courses and various sporting events. In 2023, it received recognition from the Ministry of Education's Sports Administration and was awarded the "Sports Enterprise Certification."





# 01 Sustainable Business

- Vision: Become a world-class software company
- Mission: Create maximum value for shareholders, build exponential growth for clients
- Sustainable Spirit – Tech for Good
- Core Capabilities: Software, Data, Algorithm, Cloud Service, Microservices, and Cybersecurity

About SYSTEX	7
Sustainable Operation	8
Materiality Analysis and Stakeholder Engagement	13
Create a Sustainable Value Chain	20
Business Performance	25

## Material Topics

GRI 2-9, 2-12, 2-14, 2-22, 2-23, 2-24, 2-25, 2-29, 3

## Contributing to the SDGs





# About SYSTEMX

GRI 2-1, 2-6



## 1997

Year of establishment



Taiwan, China,  
Hong Kong, Japan,  
Vietnam

Operation base



## 35.1 B

Consolidated revenue (NTD)



## 40,000 +

Numbers of corporate and  
institutional clients



## 4,077

Total number of employees  
(SYSTEMX Corp. and its affiliated  
companies in Taiwan)

### Vision

**Become a world-class software company**

### Mission

**Create maximum value for shareholders  
Build exponential growth for clients**

### Sustainable spirit

**Tech for Good**

Founded in 1997 with a total capital of NT\$ 2.72 billion, SYSTEMX Corporation (ISIN code: TW0006214000) is ranked among the top 100 service companies in Taiwan, serving more than 40,000 corporate/institutional clients. The main business region covers Taiwan, Hong Kong, China, Asia, Europe, and the United States, agenting and distributing over 70 products with the premier partners around the world.

SYSTEMX features "the one which best in connecting resources and enlarging the company value in clients' mind" as the positioning in ecological integration, promoting five value-added services through the six core competencies, assisting clients in realizing the brand-new business model.

In addition to continuously enhancing core competitiveness, SYSTEMX launched digital and impact transformation. SYSTEMX is firmly committed to the field of social responsibility, dedicated to cultivating world-class software talents for Taiwan. SYSTEMX also improves the disclosure of social responsibility. SYSTEMX combines its specialty, collaborating with partners in the ecosystem to demonstrate positive impacts to the world.






Sustainable Operation

GRI 2-6

Vision and Mission



Vision

Become a world-class company

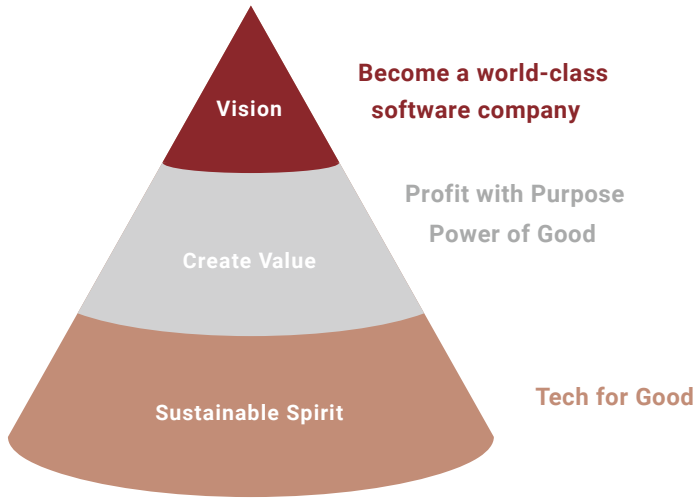
Mission

Create maximum value for shareholder  
Build exponential growth for clients

Aligned with the vision of "Become a world-class software company" and the goal of "a Data Software company" SYSTEX takes the role of "Orchestrator," leads the integration of the 3 ecosystems of "VAD, Industry, Mega SI" by utilizing 6 core capabilities to help clients to improve their competitiveness, redefining and adding value to world-class capabilities to Taiwan software industry and to work together with customers to create more meaningful profits.

Sustainable Spirit

Based on the sustainability spirit of "Tech for Good," SYSTEX uses its core capabilities to promote social responsibility, and cooperates with its partners in the ecosystem, expecting to become a leading position in the industry and inspiring more related corporations to participate in a sustainable ecosystem and creates a positive cycle of goodness in line with the "SDG17 - Partnerships for the goal."

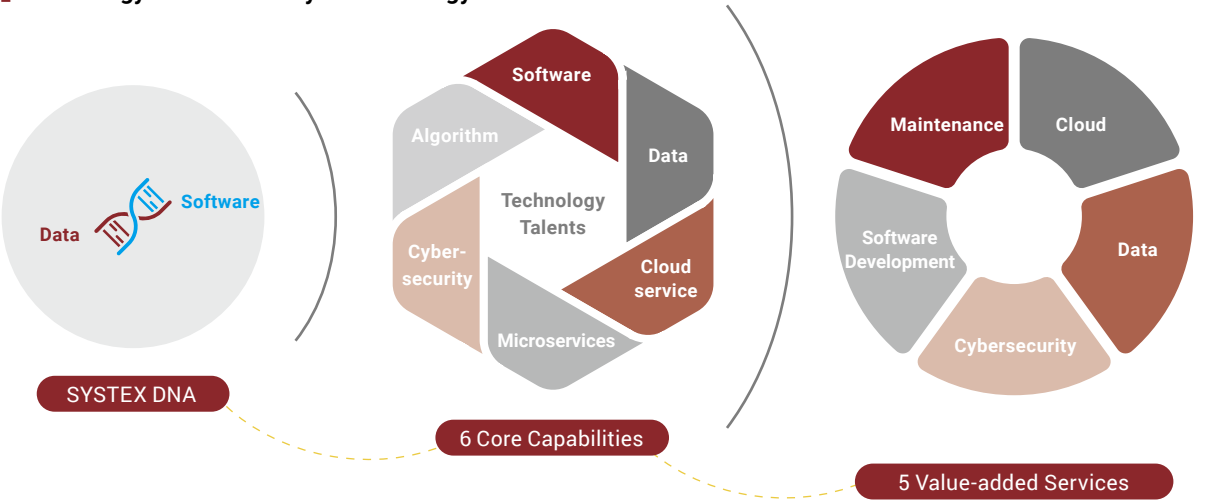


Cultivating Technology Talents for Promoting Value-added Services

SYSTEX steps into the new ecosystem strategy stage, in which the key to success is the integration of the AI algorithm, through the "Enabling Systems Integration (SI). Empowering Artificial Intelligence (AI), Integrate into ecosystem solutions to enhance the end-to-end and end-user experience" Achieving the goals of cultivating technological talent.

Data and software are the DNA of SYSTEX, integrated into the more than 3,200 members' daily work, giving it six core competencies to drive five value-added services and deepen its penetration into industrial customers. Our talents specialize in software-driven data and AI algorithms to help customers optimize their business operations in the process of digital transformation into AI. Our cross-border applications not only contribute to the growth of our customers but also enable us to move forward to a new stage of fruitful achievements.

Technology Talent in Ecosystem Strategy





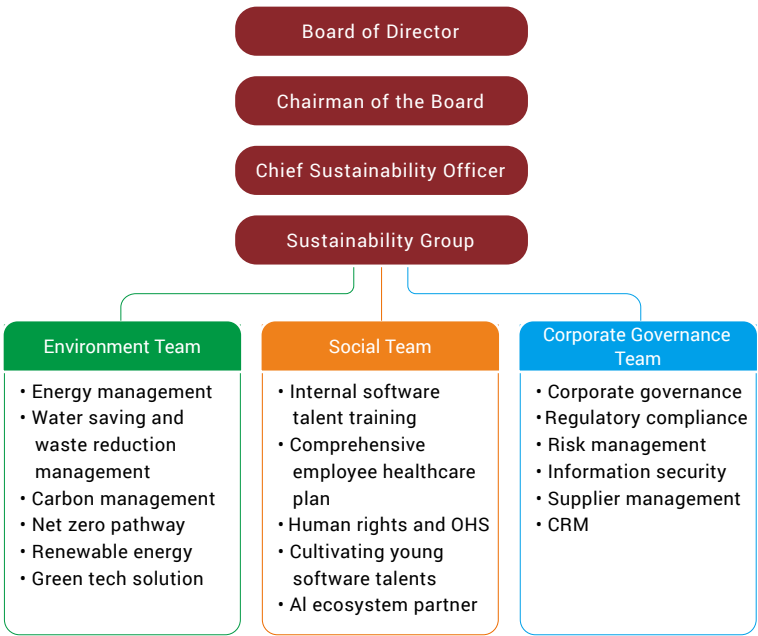
Sustainable Governance Structure

GRI 2-9, 2-12, 2-13, 2-14, 2-22, 2-23, 2-24

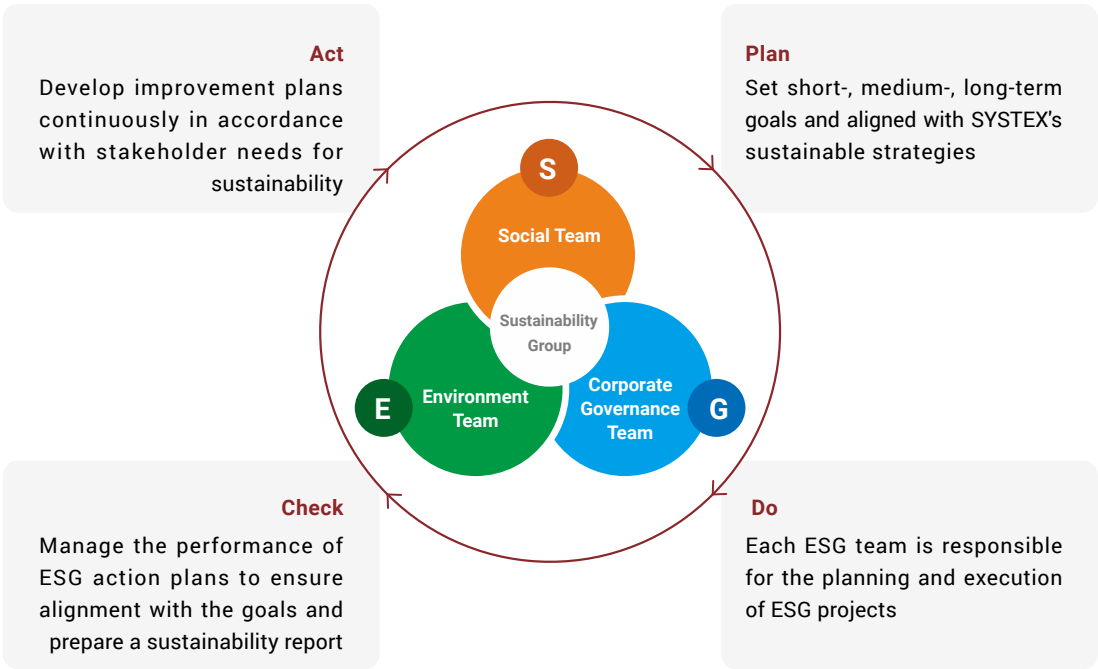
SYSTEX established the "Sustainability Group" in 2020, with the highest governance level being the Chairman of the Board. In 2021, SYSTEX set up the Chief Sustainability Officer (CSO) to serve as the leader of the Sustainability Group to coordinate 3 ESG teams, each of which is responsible for the planning and execution of ESG projects. In 2022, the Board has approved the "[Sustainable Development Best Practice Principles](#)." The Board is responsible for the supervision and promotion of sustainable development affairs. The CSO will irregularly report ESG project progress to the Chairman and report the promotion of sustainable affairs to the Board every year. Following the "[Sustainable Development Policy](#)," the ESG teams, led by the relevant division heads, are responsible for the project promotion and implementation of material issues based on the PDCA cycle. The ESG teams integrate sustainability strategies into daily operations and assist in the inventory collection of indicators.

To ensure the quality of reporting and preparation of the Sustainability Report, this report was prepared following the "[Sustainability Report Preparation and Verification Procedure](#)." After the compilation of the sustainability report is completed, it will be verified by a third party, reviewed by the CSO, and submitted to the Board for approval before issuance. In 2023, a total of 3 meetings (3/21, 10/23, 11/20) were held by the Sustainability Group, and the CSO reported to the Board on December 20, 2023, the performance of the annual ESG project and plans for the next year.

Organizational Structure for Sustainable Development Promotion

























Sustainability Group Management System










## Sustainable Strategy Blueprint GRI 2-22

面向	Environment	Social	Governance
SDGs	  	     	 
Development Vision	Make good use of SYSTEX's core capabilities to achieve the net zero emission goal. Innovate green techs to assist clients in realizing low-carbon transformation.	SYSTEX actively cultivates tech talents with core capabilities, providing comprehensive software learning resources and fostering new talents.	Gather SYSTEX's tech teams and jointly work with ecosystem partners to offer 5 value-added services, aiding clients in building innovative business models.
Core Value	Tech for Good		
Long-term Strategic Approach	Based on 3 environmental-related ISO verifications: ISO 14001, ISO 14064-1, and ISO 50001, SYSTEX develops various green technologies and innovative services as the key strategy to achieve the goal of "Net Zero by 2050".	SYSTEX has launched a large-scale talent recruitment program and adheres to the sustainable spirit of "Tech for Good" to implement various action plans.	Considering the business opportunities of cloud services and digital transformation, SYSTEX deeply works with ecosystem partners, aiming to become a world-class software company.
Long-term Goal	<b>Net Zero by 2050</b>	<b>Annual Training Expenses &gt; NT\$30M</b>	<b>Corporate Governance Evaluations: 5% of Listed Companies</b>
Mid-term Goal (2027)	<ul style="list-style-type: none"> <li>Annual reductions per unit revenue: electricity usage by 5%, water usage by 1%, waste disposal by 1%, GHG emission by 3%</li> <li>Renewable energy by 14%</li> <li>Conduct environment-related verifications annually</li> </ul>	<ul style="list-style-type: none"> <li>Key talent retention rate: 95%</li> <li>Average training hours of employees &gt; 30 hours</li> <li>Conduct ISO 45001 annually</li> <li>Employee health promotion expense &gt; NT\$4M</li> </ul>	<ul style="list-style-type: none"> <li>Positive operating profit</li> <li>Corporate Governance Evaluations: 6%-20% of listed companies</li> <li>Integrity management advocacy indicators &gt; 99%</li> </ul>
Short-term Goal (2024)	<ul style="list-style-type: none"> <li>Annual reductions per unit revenue: electricity usage by 5%, water usage by 1%, waste disposal by 1%, GHG emission by 3%</li> <li>Renewable energy consumption: 4%</li> <li>Conduct environment-related verifications annually</li> </ul>	<ul style="list-style-type: none"> <li>Key talent retention rate: 95%</li> <li>Average training hours of employees &gt; 30 hours</li> <li>Conduct ISO 45001 annually</li> <li>Employees healthy examination rate: 75%</li> </ul>	<ul style="list-style-type: none"> <li>Positive operating profit</li> <li>Corporate Governance Evaluations: 6%-20% of listed companies</li> <li>Integrity management advocacy indicators &gt; 99%</li> </ul>
2023 Performance	<ul style="list-style-type: none"> <li>Annual reductions per unit revenue: electricity usage by 6.5%, water usage by 3.4%, waste disposal by 42.2% </li> <li>Increase of GHG emission by 3.8%</li> <li>Renewable energy account for 2% </li> <li>Conduct environment-related verifications annually </li> </ul>	<ul style="list-style-type: none"> <li>Key talent retention rate: 95.1% </li> <li>Average training hours of employees: 34.3 hours </li> <li>Conduct ISO 45001 annually </li> <li>100% care rate of high-risk cases </li> <li>Employees healthy examination rate: 83.3% </li> </ul>	<ul style="list-style-type: none"> <li>Positive profits and increase by 6.2% </li> <li>Corporate Governance Evaluations: 6%-20% of listed companies </li> <li>Integrity management advocacy indicators: 99.6% </li> </ul>
Business Benefits	<b>24 Environmental Solutions</b> Carbon Management, Smart Energy Management, Paperless E-payment, E-ticket Platform, E-Health Insurance Review, E-Vehicle Charging, etc.	<b>4 Social Solutions</b> Health Up! App, Face Recognition Solution, Tanker Filling Intelligent Industrial Security, Factory Access Industrial Security Management System	<b>23 Corporate Governance Solutions</b> Monitoring and Operation Center (MOC), Human Error Insight (HEIS), ESG Report Management, Data Loss Protection, Anti-Money Laundering, etc.









## Sustainable Development Goals

To implement sustainable development, SYSTEX takes "Environmental, Social, Governance" as the main axis, echoes the goal of the UN to implement the following sustainability projects:

SDGs	SDGs Indicators	Projects	2023 Performance	Section
	3.4	<ul style="list-style-type: none"> <li>EAP</li> <li>Health Up! APP</li> <li>Healthy risk map</li> </ul>	<ul style="list-style-type: none"> <li>"EAP" has been used by a total of 94 employees.</li> <li>"Health UP! APP" has been downloaded cumulatively by nearly 2,200 employees.</li> <li>Conducted health assessment and health map drawing, planning mitigation measures in response to the relative risk.</li> </ul>	<ul style="list-style-type: none"> <li>Employee health promotion</li> </ul>
	3.8	<ul style="list-style-type: none"> <li>Heath examination</li> <li>Blood donation</li> </ul>	<ul style="list-style-type: none"> <li>The subsidy was NT\$3,500 per person. A total of 2,773 employees underwent health examinations; a total of 604 new hires received health check subsidies, The Annual accumulated subsidies amounted to NT\$11,479 thousand.</li> <li>Held 2 blood donation activities with Taipei Blood Donation Center, a total of 187 donors and 70,500ml blood.</li> </ul>	
	3.c	<ul style="list-style-type: none"> <li>Health promotion activities</li> </ul>	<ul style="list-style-type: none"> <li>Recruit 4 health managers providing health care and consulting service.</li> <li>Recruit 1 exercise coach and cooperate with external coaches providing employees with exercise courses.</li> </ul>	
	3.7	<ul style="list-style-type: none"> <li>Maternity benefits</li> </ul>	<ul style="list-style-type: none"> <li>Cumulative 248 SYSTEX babies benefited from the "SYSTEX Baby Happy Funds" Program with a total subsidy of NT\$4.28M. Accumulative subsidies amount to 11,360 thousand.</li> <li>"Maternal Health Protection Program" provided health care to 41 pregnant and returning employees.</li> <li>"8 days of full-pay paternity" and "3 days of full-pay parental leave for parental" to be implemented in 2024.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable performance</li> <li>Employee health promotion</li> <li>Benefits &amp; rights</li> </ul>
	4.1	<ul style="list-style-type: none"> <li>Code Seed Camp</li> </ul>	<ul style="list-style-type: none"> <li>Held "CSC" in the summer, aims to cultivate employees' kids who are interested in programming, accumulative 99 participants. A total of 634 participants in the past year and devoted NT\$1,535 thousand.</li> </ul>	<ul style="list-style-type: none"> <li>Cultivate software talents</li> </ul>
	4.4	<ul style="list-style-type: none"> <li>Cultivate technology talents</li> </ul>	<ul style="list-style-type: none"> <li>A total of 53,109 trainees were trained with a total of 140,046 hours. Average training hours 34.35 hours. Total employees' training courses cost over NT\$29,000 thousand, and the average cost per person amounts to NT\$7,098.</li> </ul>	<ul style="list-style-type: none"> <li>Talent Cultivation &amp; Development</li> </ul>
	4.4	<ul style="list-style-type: none"> <li>Young Turing Program</li> <li>X school academy</li> <li>Academia cooperation</li> </ul>	<ul style="list-style-type: none"> <li>181 Senior high school teams and 80 Junior high teams total 755 persons joined YTP, accumulated 1,266 teams, and 3,605 persons participated.</li> <li>3<sup>rd</sup> X school software Academy- Java back-end engineer course total of 36 persons participated in the training course.</li> <li>Signed a MOU with FCU to hold a post-baccalaureate program in Information Engineering Computer Science.</li> </ul>	<ul style="list-style-type: none"> <li>Cultivate software talents</li> </ul>
	5.5	<ul style="list-style-type: none"> <li>Female leaders</li> </ul>	<ul style="list-style-type: none"> <li>Share of female managers: Senior account for 12.9% (up 3.8% annually), Middle account for 27.5% (up 0.8% annually) overall management account for 26% (up 1.3% annually), revenue-related departments 23.6% (up 1.2% annually).</li> </ul>	<ul style="list-style-type: none"> <li>Benefits &amp; rights</li> </ul>
	5.b	<ul style="list-style-type: none"> <li>Young Turing Program</li> </ul>	<ul style="list-style-type: none"> <li>Young Turing Program promotes the "Female guarantee quota" mechanism, 117 female students enrolled, over a hundred female students joined, accumulated 454 female students participated.</li> </ul>	<ul style="list-style-type: none"> <li>Cultivate software talents</li> </ul>
	7.2	<ul style="list-style-type: none"> <li>Renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Signed a RE Wheeling Contract and consumed 120,000 kWh of RE, totaling 2% RE consumption rate.</li> </ul>	<ul style="list-style-type: none"> <li>Environment &amp; energy management</li> </ul>
	7.3	<ul style="list-style-type: none"> <li>Environmental sustainability policy</li> </ul>	<ul style="list-style-type: none"> <li>Annually conduct and maintain ISO 50001.</li> <li>Replacement of chilled water mainframes in the building, achieving electricity savings of over 66,000 kWh.</li> </ul>	
	8.2	<ul style="list-style-type: none"> <li>Sustainable services</li> <li>Technique development committee</li> <li>Enlarge R&amp;D investment</li> </ul>	<ul style="list-style-type: none"> <li>Innovate sustainable solutions to assisting client's development, with a total of 51 solutions.</li> <li>Implemented in-class or online training courses, with a total of 11,341 trainees, 81,219 hours and an average of 27 hours of training for software/technical employees attending courses (an annual increase of 19.1%).</li> <li>Invested NT\$558,824 thousand in research and development (an annual increase of 7.7%).</li> </ul>	<ul style="list-style-type: none"> <li>Create a sustainable value chain</li> <li>Talent Cultivation &amp; Development</li> <li>ESG performance summary</li> </ul>



SDGs	SDGs Indicators	Projects	2023 Performance	Section
	8.3	<ul style="list-style-type: none"> <li>AI+ Generator Program</li> <li>ESG Innovation Alliance</li> </ul>	<ul style="list-style-type: none"> <li>A total of 8 Startups were selected for the "6<sup>th</sup> AI+ Generator Program", and cumulative 44 Startups selected.</li> <li>18 Startups were selected in the 2<sup>nd</sup> IMV, accumulated 35 startups won the competition.</li> </ul>	<ul style="list-style-type: none"> <li>Social engagement</li> <li>Partner with startups</li> </ul>
	8.4	<ul style="list-style-type: none"> <li>Green sustainable supply chain</li> </ul>	<ul style="list-style-type: none"> <li>The total amount of procurement: "local" NT\$12.5 billion (68.6%), "green products" NT\$299 million (63.5%).</li> <li>2,652 suppliers signed the "Commitment on Honesty"; 1,798 suppliers signed the "Commitment of Supplier CSR".</li> </ul>	<ul style="list-style-type: none"> <li>Supplier sustainability engagement</li> </ul>
	8.6	<ul style="list-style-type: none"> <li>SYSTEX Elite Internship</li> </ul>	<ul style="list-style-type: none"> <li>SYSTEX Elite Internship program provides 135 vacancies, sharing practical experiences, accumulative 688 participants.</li> </ul>	<ul style="list-style-type: none"> <li>Cultivate software talents</li> </ul>
	8.8	<ul style="list-style-type: none"> <li>Occupational health and safety management</li> </ul>	<ul style="list-style-type: none"> <li>Conduct ISO 45001 and maintain validation efficiency.</li> <li>Employees joined in occupational health and safety-related training for 3,209 persons and 4,572.5 hours.</li> </ul>	<ul style="list-style-type: none"> <li>Occupation health and safety</li> </ul>
	10.2	<ul style="list-style-type: none"> <li>Promoting diversity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Hiring 40 Employees with disabilities (including 16 persons with severe disabilities), 25 aboriginals, 15 foreign nationals, 213 persons with high school diplomas, and 780 persons over 50 (inclusive).</li> </ul>	<ul style="list-style-type: none"> <li>Talent cultivation &amp; development</li> </ul>
	10.3	<ul style="list-style-type: none"> <li>Gender equality measure</li> <li>Young Turing Program</li> <li>PaGamO</li> </ul>	<ul style="list-style-type: none"> <li>The annual human rights and sexuality education training totaled 3,155 persons, with a total of 4,082.5 hours; in addition, held a campaign on sexuality cases, with a total of 4,279 persons.</li> <li>Full transportation subsidies were provided to participants, and nearly NT\$400,000 was invested in sponsorships to support high schools and universities in promoting information education.</li> <li>Donated PaGamO for 3 years total amounted to NT\$3 million, providing free platform accounts for 2 remote schools.</li> </ul>	<ul style="list-style-type: none"> <li>Human rights protection</li> <li>Talent cultivation &amp; development</li> <li>Social engagement</li> </ul>
	10.6	<ul style="list-style-type: none"> <li>AI+ Generator Program</li> <li>ESG Innovation Alliance</li> </ul>	<ul style="list-style-type: none"> <li>6<sup>th</sup> AI+ Generator Program selected 8 Startups to join AGP and to assist clients in realizing sustainable operations.</li> <li>2<sup>nd</sup> IMV selected 18 Startup groups, supporting their development by offering scholarships.</li> </ul>	<ul style="list-style-type: none"> <li>Partner with startups</li> <li>Social engagement</li> </ul>
	12.2	<ul style="list-style-type: none"> <li>E-sustainable policy</li> <li>E-management measure</li> </ul>	<ul style="list-style-type: none"> <li>Maintained the validity of ISO 14001 environmental management system certification.</li> <li>Promote e-form to replace paper form, reduce 95,000 papers compared to the previous year.</li> </ul>	<ul style="list-style-type: none"> <li>Environment &amp; energy management</li> </ul>
	12.5	<ul style="list-style-type: none"> <li>E-management measure</li> </ul>	<ul style="list-style-type: none"> <li>Office waste was categorized, and monthly recycling was compiled by the contracted cleaning company. The total amount of waste for the year was 43.6 tons, of which 12.4 tons were recycled with a rate of 28.4%.</li> </ul>	<ul style="list-style-type: none"> <li>Environment &amp; energy management</li> </ul>
	12.6	<ul style="list-style-type: none"> <li>Issue ESG report</li> </ul>	<ul style="list-style-type: none"> <li>Issue ESG reports annually, a total of 5 Chinese versions (2019-2023) and 3 English versions (2021-2023) are released.</li> </ul>	<ul style="list-style-type: none"> <li>About this report</li> </ul>
	13.2	<ul style="list-style-type: none"> <li>GHG management</li> </ul>	<ul style="list-style-type: none"> <li>Annually conduct and obtain ISO 14064-1.</li> </ul>	<ul style="list-style-type: none"> <li>GHG management</li> </ul>
	13.3	<ul style="list-style-type: none"> <li>Environment education advocacy for internal &amp; external</li> </ul>	<ul style="list-style-type: none"> <li>SYSTEX Group held 9 seminars related to environmental issues with 1,170 participants. Held 11 green technology visiting activities amounting to 329 participants.</li> <li>Echoing green actions such as "Earth Hour" and the "Melting Greenland" movie program.</li> </ul>	<ul style="list-style-type: none"> <li>Environmental sustainability policy</li> </ul>
	16.5	<ul style="list-style-type: none"> <li>Integrity Committee</li> </ul>	<ul style="list-style-type: none"> <li>Promoted the Employee Code of Conduct every month, including 11 times with 45,411 participants, and a 99.1% achievement rate, about ethical business practices and the protection of personal information of business secrets.</li> <li>Conducted 2 promotions and tests on the Code of Conduct for Business Integrity, with a total of 7,824 attendances.</li> <li>Organized 1 test and promotion of prohibiting insider trading, with a total of 4,002 participants.</li> <li>In 2023, there were 0 cases of bribery.</li> <li>The signing rate of the "Vendor Integrity Pledge and Declaration" exceeded 99%.</li> </ul>	<ul style="list-style-type: none"> <li>Governance and operations</li> <li>Supplier sustainability management</li> </ul>
	16.6	<ul style="list-style-type: none"> <li>Sustainable supply chain</li> </ul>		
	16. b	<ul style="list-style-type: none"> <li>Human rights advocacy</li> </ul>	<ul style="list-style-type: none"> <li>The total number of promoting human rights cases of employee behavioral standards was 1, and 4,279 persons were educated, achieving a rate of 99.4%.</li> </ul>	<ul style="list-style-type: none"> <li>Human rights protection</li> </ul>
	17.16	<ul style="list-style-type: none"> <li>AI+ Generator Program</li> <li>ESG Innovation Alliance</li> </ul>	<ul style="list-style-type: none"> <li>A total of 8 Startups were selected for the "6<sup>th</sup> AI+ Generator Program," and cumulative 44 Startups were selected.</li> <li>Co-advocated the "ESG Technology Innovation Promotion Alliance" to become a founding member, and organized the "2<sup>nd</sup> IMV", in which a total of 18 startups were selected with a total prize of NT\$5.1 million.</li> </ul>	<ul style="list-style-type: none"> <li>Partner with startups</li> <li>Social engagement</li> </ul>



# Materiality Analysis and Stakeholder Engagement

Based on the 8 reporting principles of GRI Standards, SYSTEX Group conducts the "Materiality Analysis" process and collects the sustainability status to compile a sustainability report and disclose its sustainable performance. After analyzing leading companies and industry-related issues, SYSTEX has compiled 20 sustainability topics by surveying them to determine stakeholder concerns for sustainability topics. The Sustainability Group assessed impacts and probabilities and made rankings with external experts. Finally, the CSO approved 9 material topics.

2022's 20 sustainability topics were updated with "Intellectual Property Management" merging with "Innovation and R&D" and renamed into "Innovation, R&D, and IP. Management," meanwhile, "Diversity and Equality" and "Non-discrimination" topics merged into "Diversity, Equality, and Inclusion." Human rights are now in GRI general disclosures, evaluating impacts and probabilities, and drawing a human rights risk matrix to minimize impacts. Compared with 2021's topics, "Sustainable Products and Services" and "Information Security" were promoted to the top 2 and newly included as the material topics; "Regulatory Compliance" was excluded because internal training and management reduced negative impacts.

For more details, please refer to [p.47 Human Rights Protection](#)

For more details, please refer to [p.72 TCFD](#)


In 2023, considering that SYSTEX Group has not encountered any major business issues that would lead to drastic changes in the materiality analysis, SYSTEX has changed the materiality analysis frequency from annual to biennially starting from 2023. If any issues affecting operations occur in a year in which an analysis is not conducted, a new materiality analysis will be conducted.

## Materiality Analysis and Stakeholder Engagement

### Process to Determine Material Topics

01

list material issue



According to AA1000 SES, SYSTEX identifies 7 types of stakeholders. Following GRI standards, SASB - Software & IT Services, including benchmark enterprises and stakeholders, SYSTEX has summarized **20 Sustainability Topics**, divided into 3 aspects: economy, environment, and human capital/society.

List of Sustainability Topics

G	① Economic Performance	⑤ Regulatory Compliance	⑨ Information Security
	② Corporate Governance	⑥ CRM	⑩ Sustainable Products and Services
	③ Integrity	⑦ Risk Management	
	④ Supply Chain Sustainability	⑧ Innovation, R&D and IP. Management	
E	⑪ Green Operation	⑬ Waste Management	
	⑫ GHG Management	⑭ Climate Related Strategy	
S	⑮ Talent Attraction and Retention	⑰ Talent Development	⑲ Customer Privacy
	⑯ Employee Health	⑱ Diversity, Equality, and Inclusion	⑳ Social Engagement

02

Assess importance

SYSTEX adopts materiality questionnaires to its executive-level and stakeholder representatives to understand the concerns of stakeholders on each sustainability topic.

03

Analyze materiality

Assessed "**positive/negative impact**" and "**probability**" of each sustainability topic, collected 10 economic, 7 environmental, and 7 social questionnaires with a total of 24 questionnaires, and drew the materiality matrix.

04

Review disclosures

Consider the concerns of stakeholders and external experts, and rank sustainability topics by their "positive/negative impact" and "probability." The CSO approved 9 material topics. The Sustainability Group will conduct a data inventory of the GRI by their corresponding indicators.



Materiality Matrix

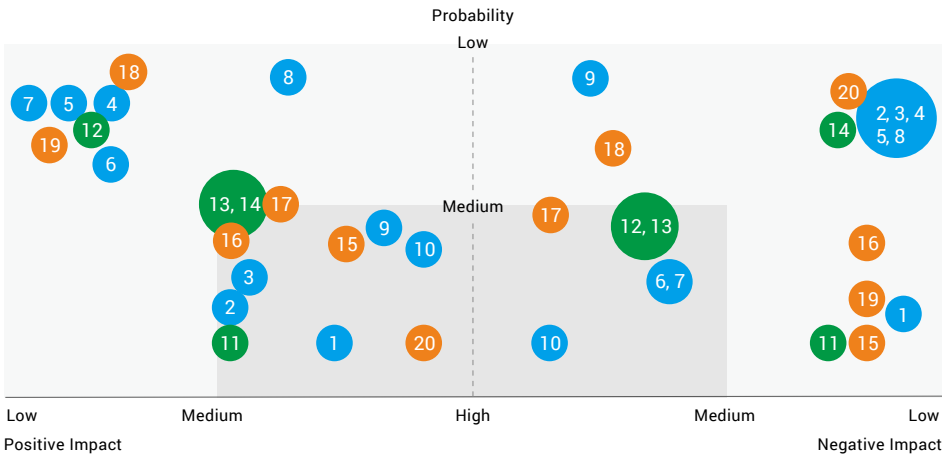
Referencing the "GRI 3: Material Topics", SYSTEX Group assessed the positive/negative impacts and possibilities of each topic. Among them, "Social Engagement," "Sustainable Products and Services" and "Economic Performance" are topics with high positive impact, however, "Sustainable Products and Services" and "Talent Development" are topics with high negative impact.

Topics with High Positive Impact

Adhering to the spirit of Tech for Good in "Social Engagement," SYSTEX Group uses core competency to cultivate 3,000+ world-class software talents for Taiwan. "Sustainable Products and Services" helps clients realize Net-Zero and reduce costs, thereby increasing E- and G- positive impacts. "Economic Performance" enables revenue steady growth, supporting more sustainable budgets, thereby bringing E-, S- and G- positive impacts.

Topics with High Negative Impact

"Sustainable Products and Services": Due to the intense competition in the sustainable services market, missed market opportunities will have negative economic impacts, therefore SYSTEX Group provides comprehensively sustainable solutions. "Talent Development": Neglecting market trends and employee needs leads to negative impacts hence SYSTEX Group continuously meets employees' needs for career development and transparent promotion channels.

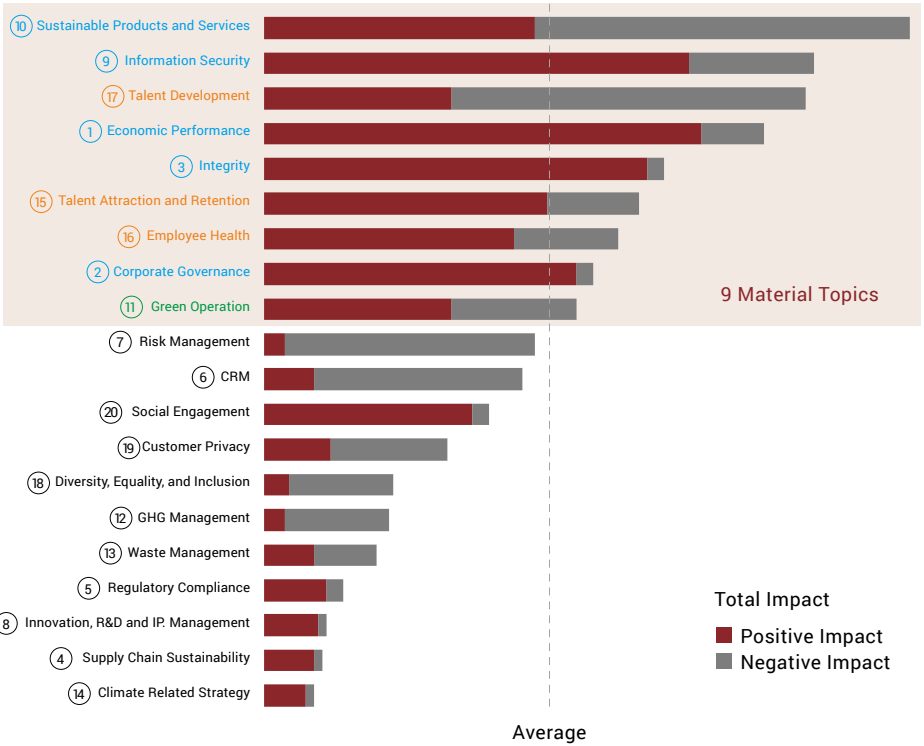


Prioritize Materiality Topics

SYSTEX summarized positive/negative impacts, possibilities, and concerns of stockholders, using 9 topics that are over the average as the Material Topics of the year.

Changes in Material Topics

Compared to the previous year, Material Topics in 2022 added "sustainable Products" and "Information Security". Mainly because of the urgency of sustainability transitions, otherwise, as the leader of the information service industry, it is our responsibility to protect the information security of clients. "Regulatory Compliance" is excluded due to its lower impact but will still be monitored for compliance with ESG requirements.





## Material Topics and SYSTEX's Value Chain

SYSTEX Group has identified 9 material topics and displayed the meanings and impacts of each topic and the direct impact on stakeholders in the value chains of the organizations.

● Direct Impact ○ Indirect Impact

Material Topics		Meanings and Impacts	GRI and SASB	SDGs	Our Response	Internal			Value Chain		
						SYSTEX	Affiliate	Employee	Customer	Original	Supplier
G	Sustainable Products and Services	SYSTEX's sustainable solutions are beneficial to the economy, environment, and society. To remain competitive in the growing market, SYSTEX works with suppliers on innovative, sustainable solutions optimal for operations and shareholder interests.	• Self-customized topics	SDG 8	• Create a Sustainable Value Chain	●	●	○	●	●	○
	Information Security	As an IT service industry leader, SYSTEX prioritizes information security and safeguards business secrets and customer privacy to prevent negative impacts on stakeholders.	• 418 • TC-SI-220 • TC-SI-230 • TC-SI-550	-	• Information Security and Privacy Protection Management	●	●	●	●	●	●
	Economic Performance	The financial performance not only has a direct impact on SYSTEX itself and its shareholders but also increases the ESG budgets for sustainable solutions.	• 201-1	SDG 8	• Business Performance	●	●	●	●	●	●
	Corporate Governance	Based on the philosophy of integrity and transparency, SYSTEX Group formulates its governance mechanism to drive a positive impact.	• 2-9~2-20 • 2-22~2-28	SDG 8 SDG 16	• Governance and Operations	●	●	○	○	○	○
	Integrity	SYSTEX strives to be a trusted brand with a positive economic impact through strict business ethics and financial transparency.	• 205-2, 205-3	SDG 8 SDG 16	• Governance and Operations	●	●	●	●	●	●



● Direct Impact ○ Indirect Impact

Material Topics		Meanings and Impacts	GRI and SASB	SDGs	Our Response	Internal			Value Chain		
						SYSTEX	Affiliate	Employee	Customer	Original	Supplier
E	Green Operation	The carbon emissions of the SYSTEX headquarters building mainly come from the daily use of energy, water, papers, and other resources, which are managed to reduce negative impacts on the environment.	<ul style="list-style-type: none"> <li>• 302-1</li> <li>• 305</li> <li>• TC-SI-130</li> </ul>	<div>SDG 7</div> <div>SDG 12</div> <div>SDG 13</div>	<ul style="list-style-type: none"> <li>• Environmental Sustainability Policy</li> <li>• Environmental and Energy Management</li> </ul>	●	●	○	○	○	○
	Talent Attraction and Retention	Attraction and retention of key talent enhance competitiveness. Completing the talent development and benefit mechanism can increase the positive impacts on employee rights.	<ul style="list-style-type: none"> <li>• 401</li> <li>• TC-SI-330</li> </ul>		<ul style="list-style-type: none"> <li>• Talent Cultivation and Development</li> <li>• Benefits and Rights</li> </ul>	●	●	●	○	○	○
	Talent Development	Taiwan faces an IT talent shortage, and employees prioritize companies that offer training in the latest technologies. SYSTEX fosters tech talents with comprehensive career development to address the digital transition, mitigating employee turnover impact. SYSTEX designs targeted talent programs for different stages, enhancing digital competitiveness.	<ul style="list-style-type: none"> <li>• 404-1, 404-3</li> </ul>	<div>SDG 3</div> <div>SDG 4</div> <div>SDG 5</div> <div>SDG 8</div> <div>SDG 10</div> <div>SDG 16</div> <div>SDG 17</div>	<ul style="list-style-type: none"> <li>• Talent Cultivation and Development</li> <li>• Tech for Good</li> </ul>	●	●	●	○	○	○
	Employee Health	Work stress and long hours of sitting in the office may harm the employee's health. Creating a safe workplace and developing health promotion programs can increase the positive impacts on employees.	<ul style="list-style-type: none"> <li>• 403</li> </ul>		<ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> </ul>	●	●	●	○	○	○



## Management Approach and Material Topics GRI 2-24

Material Topics		Management Approach			
		Policy and Strategy	Boundary	Responsibility	Grievance Mechanism
G	Sustainable Products and Services	SYSTEX aims to be the top sustainable partner for enterprise clients, providing innovative solutions and digitalized management in their sustainable transition.	SYSTEX Corp., All affiliates <sup>*1</sup>	All Business Units	The President supervises performance quarterly and sets business targets. Each BU optimizes sustainable solutions.
	Information Security	SYSTEX formulates IS-related regulations such as "Information Security Policy", obtains ISO 27001 and other IS-related verifications, regularly conducts various crisis drills, and strengthens training, to improve information security risk defense capabilities.	SYSTEX Corp., All affiliates <sup>*1</sup>	Data & Info. R&D Division	The IS Technology Department, under the Data & Info. R&D Division, plans employee IS training, conducts ISO 27001 annually, and performs information security drills regularly.
	Economic Performance	Gather SYSTEX's tech teams and jointly work with ecosystem partners to offer 5 value-added services, aiding clients in building innovative business models and creating exponential growth.	SYSTEX Corp., All affiliates <sup>*1</sup>	CFO Office	The Board of Directors, as the highest governance body, is responsible for the operation and its executive performance.
	Corporate Government	Ensure the diversity and independence of directors through the "Rules of Election of Directors" and "Corporate Governance Best Practice Principles".	SYSTEX Corp., All affiliates <sup>*1</sup>	CFO Office	The Board of Directors, as the highest governance body, is responsible for the operation and its executive performance.
	Integrity	Implement Integrity management, ask employees to sign the "Ethical Corporate Management Best Practice Principles" and arrange ethical training courses to make integrity spirit take root. Externally, suppliers are also required to sign the "Integrity Pledge and Declaration".	SYSTEX Corp., All affiliates <sup>*1</sup>	Integrity Committee	The Integrity Committee is responsible for prevention measures and supervising their implementation.
E	Green Operation	To achieve the goal of "Net Zero by 2050", based on 3 environment-related ISO verifications: ISO 14001, ISO 14064-1, ISO 50001.	SYSTEX Headquarters <sup>*3</sup>	OHSMS and Energy Committee	The OHS, Environment and Energy Committee holds meetings regularly to confirm the achievement of targets.
S	Talent Attraction and Retention	Launch a recruitment program to recruit talents with core capabilities. Care for new employees with "New Employee Training Courses," "Mentor System" and "Dedicated HR Service Assistant." Implement benefit and welfare mechanisms.	SYSTEX Corp., Some affiliates <sup>*2</sup>	Human Resources Division	The Human Resources Division reviews the retention of key talents and new-hires regularly, tracks the policy implementation, and investigates the reasons for employee departure.
	Talent Development	Adhering to the vision, SYSTEX offers complete information services and the robust "Employees Training and Development Rules" with performance management and continuous core HR investment. SYSTEX developed software talent programs for different learning stages to build a pool of exceptional prospects.	SYSTEX Corp., Some affiliates <sup>*2</sup>	Human Resources Division	The Human Resources Division provides training resources and increases the number of employee training hours internally, SYSTEX actively invests in IT education to accumulate world-class IT talents early.
	Employee Health	Employ full-time "health managers", set up a "health management center" and innovate "Health UP! APP" to help employees manage their health.	SYSTEX Corp., Some affiliates <sup>*2</sup>	Human Resources Division	The health manager evaluates the employee's medical report annually and provides consultation.

Note: 1. All affiliates: SYSTEX Software & Service Corporation, SYSTEX Fintech Co., Ltd., Top Information Technologies Co. Ltd, SYSPower Corporation, SoftMobile Technology Corporation, Concord System Management Corp., SYSTEX Solutions Corporation, Taifon Computer Co. Ltd, E-Service Information Co., Taiwan Information Service Technology Co., NATURINT Ltd., Palsys Digital Technology Corporation, Dawning Technology Inc., uniXecure Corporation, Smartsys Technology Corporation, MISYS Corporation, Docutek Solution Inc., and SYSWISER Technology Corporation.

2. Some affiliates: SYSTEX Software & Service Corporation, SYSTEX Fintech Co., Ltd., Top Information Technologies Co. Ltd, SYSPower Corporation, SoftMobile Technology Corporation, Concord System Management Corp., SYSTEX Solutions Corporation, Taifon Computer Co. Ltd, E-Service Information Co., Taiwan Information Service Technology Co., NATURINT Ltd., Palsys Digital Technology Corporation, uniXecure Corporation, Smartsys Technology Corporation, and MISYS Corporation.

3. Headquarters: SYSTEX Corp., Concord System Management Corp., SYSTEX Solutions Corporation, Taifon Computer Co. Ltd, NATURINT Ltd., Smartsys Technology Corporation, MISYS Corporation, SYSWISER Technology Corporation.
















## Goals of Material Topics



 Ongoing
 

 Achieved

Material Topics		2023 Goal	2023 Performance	Status	Short-term goal	Mid-term goal	Long-Term Goal
					2024	2027	2030
G	Sustainable Products and Services	<ul style="list-style-type: none"> <li>Sustainable solution: 50 solutions</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable solution: 51 solutions</li> </ul>		<ul style="list-style-type: none"> <li>Sustainable solution: 50 solutions</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable solution: 50 solutions</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable solution: 50 solutions</li> </ul>
	Information Security	<ul style="list-style-type: none"> <li>Conduct ISO 27001 annually</li> <li>No data leakage incident</li> </ul>	<ul style="list-style-type: none"> <li>Conduct ISO 27001 annually</li> <li>No data leakage incident</li> </ul>		<ul style="list-style-type: none"> <li>Conduct ISO 27001 annually</li> <li>No data leakage incident</li> </ul>	<ul style="list-style-type: none"> <li>Conduct ISO 27001 annually</li> <li>No data leakage incident</li> </ul>	<ul style="list-style-type: none"> <li>Conduct ISO 27001 annually</li> <li>No data leakage incident</li> </ul>
	Economic Performance	<ul style="list-style-type: none"> <li>Positive operating profit</li> </ul>	<ul style="list-style-type: none"> <li>Positive profits and increase by 6.2%</li> </ul>		<ul style="list-style-type: none"> <li>Positive operating profit</li> </ul>	<ul style="list-style-type: none"> <li>Positive operating profit</li> </ul>	<ul style="list-style-type: none"> <li>Positive operating profit</li> </ul>
	Governance	<ul style="list-style-type: none"> <li>Corporate Governance Evaluations: 6%-20%</li> <li>No major violations occurred</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance Evaluations: 6%-20%</li> <li>No major violations occurred</li> </ul>		<ul style="list-style-type: none"> <li>Corporate Governance Evaluations: 6%-20%</li> <li>No major violations occurred</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance Evaluations: 6%-20%</li> <li>No major violations occurred</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance Evaluations: 6%-20%</li> <li>No major violations occurred</li> </ul>
	Integrity	<ul style="list-style-type: none"> <li>Integrity advocacy index &gt; 99%</li> <li>Signed "Vendor Integrity Pledge and Declaration": 96%</li> <li>Signed "Supplier CSR Code of Conduct": 80%</li> <li>Responded "Supplier CSR Self-Assessment": 60%</li> <li>Responded "Suppliers Information Security": 60%</li> </ul>	<ul style="list-style-type: none"> <li>Integrity advocacy index 99.6%</li> <li>Signed "Vendor Integrity Pledge and Declaration" &gt; 99%</li> <li>Signed "Supplier CSR Code of Conduct" &gt; 99%</li> <li>Responded "Supplier CSR Self-Assessment": 65.5%</li> <li>Responded "Suppliers Information Security": 66.1%</li> </ul>		<ul style="list-style-type: none"> <li>Integrity advocacy index 99%</li> <li>Signed "Vendor Integrity Pledge and Declaration": 96%</li> <li>Signed "Supplier CSR Code of Conduct": 96%</li> <li>Responded "Supplier CSR Self-Assessment": 65%</li> <li>Responded "Suppliers Information Security": 65%</li> </ul>	<ul style="list-style-type: none"> <li>Integrity advocacy index 99%</li> <li>Signed "Vendor Integrity Pledge and Declaration": 97%</li> <li>Signed "Supplier CSR Code of Conduct": 97%</li> <li>Responded "Supplier CSR Self-Assessment": 67%</li> <li>Responded "Suppliers Information Security": 67%</li> </ul>	<ul style="list-style-type: none"> <li>Integrity advocacy index 99%</li> <li>Signed "Vendor Integrity Pledge and Declaration": 99%</li> <li>Signed "Supplier CSR Code of Conduct": 99%</li> <li>Responded "Supplier CSR Self-Assessment": 70%</li> <li>Responded "Suppliers Information Security": 70%</li> </ul>
E	Green Operation	<ul style="list-style-type: none"> <li>Annual reductions per revenue: electricity usage by 5%, water usage by 1%, waste disposal by 10%</li> <li>Annual GHG emission decrease by 1%</li> <li>Renewable energy: 2%</li> <li>Conduct 3 ISO-verifications</li> </ul>	<ul style="list-style-type: none"> <li>Annual reductions per revenue: electricity usage by 6.5%, water usage by 3.4%, waste disposal by 42.2%</li> <li>Annual GHG emission increase by 3.8% </li> <li>Renewable energy: 2%</li> <li>Maintain 3 ISO-verifications</li> </ul>	 	<ul style="list-style-type: none"> <li>Annual reductions per revenue: electricity usage by 5%, water usage by 1%, waste disposal by 1%</li> <li>Annual GHG emission decrease by 3%</li> <li>Renewable energy: 4%</li> <li>Conduct 3 ISO-verifications</li> </ul>	<ul style="list-style-type: none"> <li>Annual reductions per revenue: electricity usage by 5%, water usage by 1%, waste disposal by 1%</li> <li>Annual GHG emission decrease by 3%</li> <li>Renewable energy: 14%</li> <li>Conduct 3 ISO-verifications</li> </ul>	<ul style="list-style-type: none"> <li>Annual reductions per revenue: electricity usage by 5%, water usage by 1%, waste disposal by 1%</li> <li>Annual GHG emission decrease by 3%</li> <li>Renewable energy: 20%</li> <li>Conduct 3 ISO-verifications</li> </ul>
S	Talent Attraction and Retention	<ul style="list-style-type: none"> <li>Key talents retention rate: 93%</li> <li>New-hire retention rate: 80%</li> </ul>	<ul style="list-style-type: none"> <li>Key talent retention rate: 95%</li> <li>New-hire retention rate: 79.3% </li> </ul>	 	<ul style="list-style-type: none"> <li>Key talent retention rate: 95%</li> <li>New-hire retention rate: 81%</li> </ul>	<ul style="list-style-type: none"> <li>Key talent retention rate: 95%</li> <li>New-hire retention rate: 83%</li> </ul>	<ul style="list-style-type: none"> <li>Key talent retention rate: 95%</li> <li>New-hire retention rate: 83%</li> </ul>
	Talent Development	<ul style="list-style-type: none"> <li>Average training hours &gt; 30H</li> <li>YTP junior-high team: 60</li> </ul>	<ul style="list-style-type: none"> <li>Average training hours: 34.3H</li> <li>YTP junior-high team: 80</li> </ul>		<ul style="list-style-type: none"> <li>Average training hours &gt; 30H</li> <li>YTP junior-high team: 60</li> </ul>	<ul style="list-style-type: none"> <li>Average training hours &gt; 30H</li> <li>YTP junior-high team: 70</li> </ul>	<ul style="list-style-type: none"> <li>Average training hours &gt; 30H</li> <li>Participants of YTP &gt; 1,000</li> </ul>
	Employee Health	<ul style="list-style-type: none"> <li>Conduct ISO 45001 annually</li> <li>High-risk cases care rate: 100%</li> <li>Employee health examination rate: 75%</li> </ul>	<ul style="list-style-type: none"> <li>Maintain ISO 45001</li> <li>High-risk cases care rate: 100%</li> <li>Employee health examination rate: 83.8%</li> </ul>		<ul style="list-style-type: none"> <li>Conduct ISO 45001 annually</li> <li>High-risk cases care rate: 100%</li> <li>Employee health examination rate: 75%</li> </ul>	<ul style="list-style-type: none"> <li>Conduct ISO 45001 annually</li> <li>Health promotion expense &gt; NT\$4M</li> <li>Employee health examination rate: 75%</li> </ul>	<ul style="list-style-type: none"> <li>Conduct ISO 45001 annually</li> <li>Health promotion expense &gt; NT\$5M</li> <li>Employee health examination rate: 75%</li> </ul>



## Stakeholder Engagement and Communication Channels GRI 2-25, 2-29

2023 SYSTEX's communication condition with stakeholders had already been reported to the boards on December 20, 2023.

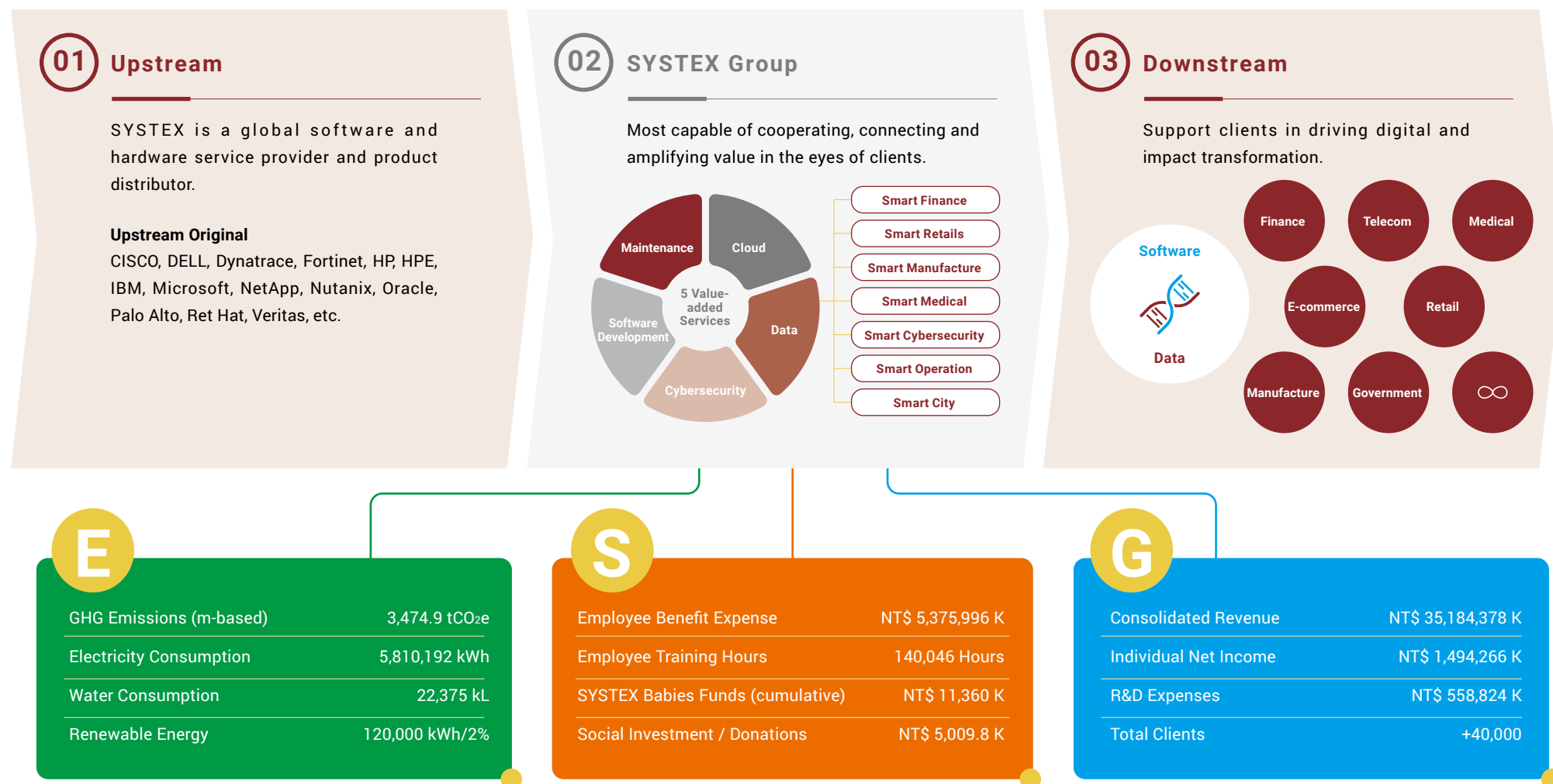
Stakeholder	Meanings of Stakeholder	Topics	Frequency and Channels	Our Response (2023)	Section
Employee	Employees are the most important partners of SYSTEX and the most important foundation for enterprise sustainability.	<ul style="list-style-type: none"> <li>Talent attraction and retention</li> <li>Human rights protection</li> </ul>	<ul style="list-style-type: none"> <li>[Annual] Business meeting, technical meeting</li> <li>[Quarterly] Labor-management meeting</li> <li>Monthly Compliance announcement, sales meetings</li> <li>[Irregularly] Internal announcement, communication mailbox, various meetings, training courses</li> </ul>	<ul style="list-style-type: none"> <li>A total of 140,046 hours of employee training</li> <li>Rewarded "2023 Labor Safety Award: Intimate Boss Award-First Prize" by Taipei City Government</li> <li>A total of NT\$4,409 thousand in maternity subsidy</li> <li>A total health promotion expenses of NT\$16,555 thousand</li> </ul>	<ul style="list-style-type: none"> <li>Talent cultivation and Development</li> <li>Benefits &amp; Rights</li> <li>OHS</li> <li>Employee Health Promotion</li> </ul>
Customer	SYSTEX focuses on improving quality and creating exponential growth for customers.	<ul style="list-style-type: none"> <li>Customer privacy</li> <li>Info. security</li> <li>Customer service</li> </ul>	<ul style="list-style-type: none"> <li>[Irregularly] Personal visits, customers' supplier audit, tele-contact, dedicated email</li> </ul>	<ul style="list-style-type: none"> <li>Conduct various IS-related drills to ensure no data leakage</li> <li>Conduct 57 on-site audits and 691 sustainability questionnaires</li> <li>Complete 7,818 trainees of "Employee IS advocacy and test"</li> <li>Accumulative 522 cybersecurity licenses from employees</li> </ul>	<ul style="list-style-type: none"> <li>Information Security and Privacy Protection Management</li> </ul>
Shareholder / Investor	The investor is the main force for SYSTEX's steady growth. SYSTEX strives to "create max benefits for investors" and discloses transparent financial information.	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>[Annually] AGM, annual report, sustainability report</li> <li>[Quarterly] Board meeting, functional committees meeting, earnings conference, financial reports</li> <li>[Monthly] Performance announcement, MOPS</li> <li>[Irregularly] Material info., communication meetings for investors</li> </ul>	<ul style="list-style-type: none"> <li>Annual/quarterly/monthly pre-announcement of financial statements and related operating results</li> <li>Financial IT service market share No.1</li> <li>Organizes/invited cooperate presentations: 3 online, 1 offline</li> <li>Innovate and offer 51 sustainable solutions</li> <li>Published 37 material inside information in English and Chinese</li> <li>Held 78 meetings with 112 attendees</li> </ul>	<ul style="list-style-type: none"> <li>About SYSTEX</li> <li>Operation Performance</li> <li>Governance and Operations</li> </ul>
Upstream Original	SYSTEX works with upstream originals to expand the market.	<ul style="list-style-type: none"> <li>Customer privacy</li> <li>Info. security</li> </ul>	<ul style="list-style-type: none"> <li>[Irregularly] Meetings, emails, upstream original conference</li> </ul>	<ul style="list-style-type: none"> <li>Participated in 33 audits, 38 compliance training sessions, and 90 market trend seminars</li> </ul>	<ul style="list-style-type: none"> <li>Info Security and Privacy Protection Management</li> </ul>
Supplier	SYSTEX establishes long-term partnerships with them to create greater benefits for customers.	<ul style="list-style-type: none"> <li>Supplier impact assessment</li> <li>Information security</li> </ul>	<ul style="list-style-type: none"> <li>[Irregularly] Meetings, emails, supplier conferences, or meeting</li> </ul>	<ul style="list-style-type: none"> <li>2,652 suppliers signed the "Vendor Integrity Pledge and Declaration"</li> <li>1,798 suppliers have signed "Supplier CSR Code of Conduct"</li> <li>982 suppliers responded to the "Supplier CSR Self-Assessment Questionnaire", and 991 suppliers responded to the "Supplier IS and Personal Data Protection Questionnaire"</li> <li>Held an online supplier networking meeting, totaling 52 suppliers and 105 participants</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Sustainability Management</li> </ul>
Government	Comply with the regulations to create jobs and tax revenue sources	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Taxation government</li> </ul>	<ul style="list-style-type: none"> <li>[Annually] Governmental evaluation</li> <li>[Irregularly] Official document, meetings, emails, public info., conference, seminars</li> </ul>	<ul style="list-style-type: none"> <li>No major violations occurred</li> <li>A total tax expense of NT\$346M</li> <li>A total investment deduction tax subsidy of NT\$18,361.6K</li> </ul>	<ul style="list-style-type: none"> <li>Business Performance</li> </ul>
Media / Public	The media is an important channel of communication for stakeholders. Conveying SYSTEX's brand image to the republic will help to connect more stakeholders.	<ul style="list-style-type: none"> <li>Social engagement</li> </ul>	<ul style="list-style-type: none"> <li>[Irregularly] Press releases, media interviews, press conferences</li> </ul>	<ul style="list-style-type: none"> <li>A total of 755 participants of the 8th YTP</li> <li>A total of 8 Startups were selected for the AGP, arranging over 50 matchmaking meetings and connecting to 5 venture capital organizations to find the company clients</li> <li>Donate NT\$1M to support the AAMA AloT program</li> <li>Accumulative donate NT\$3M to support PaGamO</li> </ul>	<ul style="list-style-type: none"> <li>Cultivate Software Talents</li> <li>Partner with Startups</li> <li>Social Engagement</li> </ul>



# Create a Sustainable Value Chain GRI 2-6

## Our Value Chain

As a global IT software and hardware service provider or product distributor, SYSTEX Group offers IT services and licensing solutions, with the core fields including various applications of "software data and cloud, smart finance and financial technology, microservice, digital retail, green technology, and smart cybersecurity" to provide value-added services, assisting value chain clients in system integration and digital transformation.





● External Environment Accelerates Development of Information Service Industry

The public health crisis and uncertain political impacts have brought pressure for upgrades on industries in Taiwan. This has driven the developments of digital transformation, cloud, and data applications, and raised concern for cybersecurity and other issues. With the increasing importance of net zero, sustainable development will directly affect corporate competitiveness and investment decisions, enabling enterprises to increase the need for sustainable development. The empowerment of information technology allows enterprises to grasp the strength of the new economic model. The key to future ecosystem integration is AI and its application, including integrating into daily operation performance management, allocating cooperate resources, merging supply chain and data, and even response to de-carbon, carbon management, and carbon rights providing more valuable services. Creating a more efficient management model. Meanwhile, under a wide appliance of data and cloud services, companies face various cybersecurity threats. Therefore, data security, confidentiality, and data usage morality becoming the priority of the companies. Moreover, the government regulations related to cybersecurity are stricter, which makes the related issue not only to decrease operation risk but also to treat as standard. As the best sustainability partner for cooperating customers, SYSTEX Group provides 8 categories of services, including ESG, Data, Cloud, Cybersecurity, Manufacturing, Finance, and IT infra. and Customized Service.

🔗 For more details: <https://www.systex.com/en>

Appliance of Information Services and Solutions

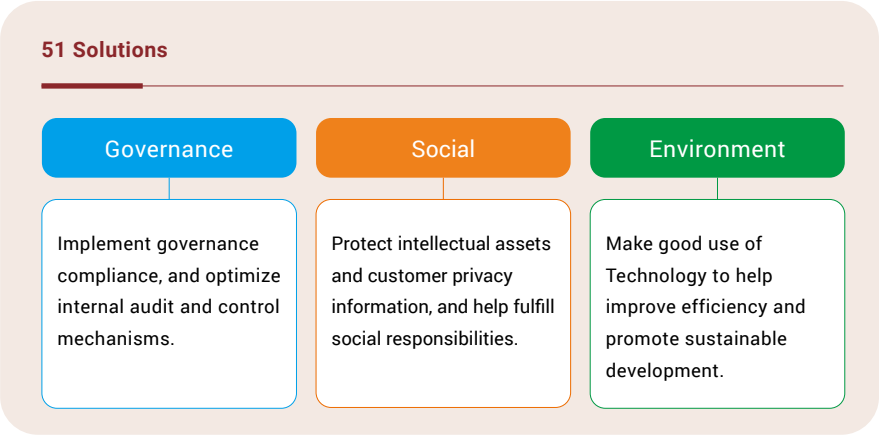
The following are SYSTEX Group's main products and services:

Product(Service)	Main Uses and Functions
Microsoft software licensing and development	Microsoft software Licensing services for huge quality; such as information security, professional computer graphics and multimedia production, backup, virtualization, and data analysis tools. Collaborative platforms, value-added services, digital project development, and customized software development projects.
Cloud management service	MSP provides public, private, and hybrid cloud services to automate and allocate IT resources, simplify management processes, provide highly flexible services, and virtualize solutions. MSP cloud hosting services enable enterprises to build and design infrastructure and monitor cloud security.
Integrated marketing services	Comprehensive integrated marketing services from proposals to execution. Integrated OMO merchant services assist clients in digital transformation and successful integrated, innovative marketing.

🔗 For more details, please refer to [2023 Annual Report p.89-90](#)

Sustainable Products and Services

In line with the global sustainability trend, SYSTEX Group has promoted sustainable solutions with core capabilities to help clients realize ESG goals and create brand-new market opportunities. SYSTEX not only develops its sustainable solutions but also actively distributes software and hardware products with ESG concepts from upstream originals. SYSTEX summarizes 51 solutions based on ESG aspects and assists clients in establishing a digital sustainable management model to empower their sustainable transformation, achieving energy conservation, carbon reduction, and sustainable operation.



🔗 For more SYSTEX's sustainable solutions, please refer to "[Web\\_ESG Solution](#)."

● Distribution of Sustainable Solutions

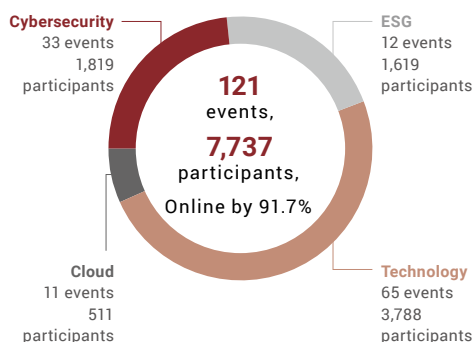
The Product Sharing Center offers a wide range of globally renowned products, solutions, and team services for systems, storage, software, cloud, and security, enabling complete IT solutions and value-added services from corporate teams. The upstream partners of SYSTEX Group's supply chain including CISCO, DELL, F5 Network, Fortinet, HP, IBM, Lenovo, Microsoft, MicroFocus, PureStorage, and VMware, actively promote sustainability issues in product and service development, so that SYSTEX continuously deepens its relationships to jointly provide the services required by clients for sustainable operation.



## ● Share and Diffusion Trends

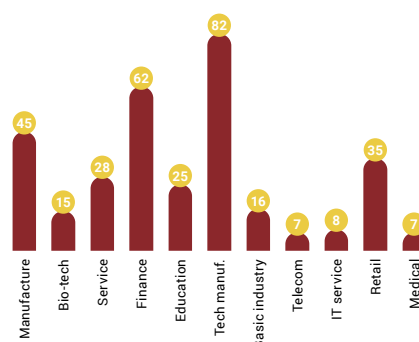
Given the rapid change of business environment trends, the demands of market and consumer are continuously growing, to response to the external changes, SYSTEX Group not only provide sustainable solutions but also perceive the shift of trends, sharing the experience through the ecosystem. To upgrade the operation strategies and accelerate the improvement, SYSTEX freely open the trend share events to existing and potential customers. Through the events, SYSTEX and customers can strengthen the long-term strategic cooperation which can maintain the competition advantages among the other competitors. In 2023, SYSTEX organized a total of 121 free trend seminars and lectures, with a total of 7,737 attendees, echoing the issues of carbon reduction and epidemic prevention. 111 of these seminars will be online or synchronized with both physical and online activities, with online activities accounting for more than 91.7% of all events. In 2023, the Group will hold a total of 330 corporate sharing sessions targeting 14 counties and cities in Taiwan and one overseas region and will respond to the issues of carbon reduction and epidemic prevention.

### 2023 Free Trend Seminars and Technology lectures



In addition, in 2021, SYSTEX Group set up the "SHALUN Green Energy Technology Demonstration Site" in the Tainan to serve as a demonstration base for the SYSTEX's green technology applications and to build a green technology ecosystem by linking local industry, government, and academic resources. In 2023, the Center held 11 visits, with a total of 329 participants.

### 2023 Internal Trend Insights Sharing Meetings for Industrial Clients



## ● Self-owned and Value-added Sustainable Solutions

The value-added sustainable solutions provided by SYSTEX Group are listed below:

SYSTEX Group	Solution	Sustainable value
G	SYSTEX CORP. <a href="#">Cyber Center</a>	Cybersecurity monitoring services for digital transition and data security. Assist enterprises in safeguarding personal data and privacy. Strengthened information security for transparent and efficient corporate governance.
	SYSTEX Software & Service <a href="#">Jingnanxin All-round Audit Management Platform</a>	Assisting enterprises in defining important security parameters, the one-stop audit management platform solves all the challenges of IT security administrators.
	uniXecure <a href="#">Human Error Insight Service, HEIS</a>	Through automation, HEIS reduces system power consumption due to manual operation, and protects data by targeting social responsibility. It helps to reduce the click rate of unknown emails from 56% to 37%.
S	SoftMobile Technology CORP. <a href="#">Health Up! App</a>	Promote employee well-being through a fitness app, Health UP! APP, to create a healthy and harmonious workplace, benefiting both the company and employees.
	SYSTEX CORP. <a href="#">Face Recognition Solutions</a>	Through facial recognition technology, it reduces the risk of fraudulent use of other people's cards and theft of important business secrets, and timely alarm during the incident, and rapid tracing after the incident.
E	SYSTEX CORP. <a href="#">EnVision360</a>	Through the Sustainable Energy Solutions program, which provides businesses with control over their energy usage and information for them to develop annual energy conservation strategies.
	SYSPOWER CORP. <a href="#">E-Health Insurance Review System</a>	E-Health streamline all health insurance administration that fulfill auditing requirements. E-medical record sharing saves photocopiers 570K sheets and 3.7K kWh per year, and cuts 2 sampling staffers.
	SYSTEX CORP. <a href="#">Dividend Management Cloud Service Platform</a>	The cloud service structure reduces the environmental pollution caused by equipment production, and reduces the physical membership cards and point collection stickers, which reduces the chance of germs spreading.



Successful Cases of SYSTEX Group's Sustainable Solutions

01 ddgift platform

**[Brand-new company gift giving pattern]** Enterprises can shorten the procurement process and reduce management costs by adopting the "ddgift" service, while consumers can redeem gifts at any time, and even choose the gifts they really need based on the coupon's denomination, thus achieving a win-win situation. Consumers can redeem the product through the verification of the SYSTEX Real-time Checkout System, as well as make purchases and gifts on the "ddgift" Platform and is both energy-saving and environmentally friendly. The ddgift platform integration services for over 15,000 stores. With more than 100 well-known retail brands, SYSTEX can provide retailers in creating B2B2C business-oriented customer with Omi-service. Currently, the utilization rate of ddgift has reached 90% for self-purchase and 75% for gift-giving. By the end of 2023, more than 34,874 thousand e-coupon have been issued and more than 12,475 thousand e-coupon are reimbursed. E-coupon has reduced the use of paper by nearly 35 million pieces of paper.



Companies and government can use e-coupons to stabilize members' relationship

Application of E-Coupon in company

- Combine the original member bonus points of enterprise.
- Introduce the ddgift Coupon service to develop the point economy.
- Allow different industries to use original APP to exchanged products externally.
- Use electronic gifts and launch member marketing activities.

Showcase EasyCard - Create Membership

SYSTEX and EasyCard launch the "EasyCoupon Platform", which includes system construction, operation and maintenance, billing management, and member marketing. The platform provides more than two million EasyCoupon members with a wide range of e-commerce products, developing a more convenient and sustainable digital life circle.



For more details, please refer to "ddgift".

02 ESG sustainable indicator platform

**[ESG Databases and investment indicator realize sustainable finance]**

In view of the great differences in the evaluation of various sustainability standards, the "ESG Intelligent Sustainability Indicator Data Platform" establishes Taiwan-specific ESG indicators based on the industry classification and with reference to the international standard framework. We analyze corporate ESG performance through AI using corporate sustainability reports, public information from governments such as the FSC, Ministry of the Environment and Ministry of Labor. We provide individual ESG stock indicators, as well as statistical charts and industry comparisons on ESG.



SYSTEX and First Securities jointly announce the first "ESG intellectual Sustainable indicator data platform" is officially launched. Investors can directly grasp data related to key upstream and downstream supply chains. The Platform also utilizes AI technology to collect sustainable real-time news and conduct quantitative analysis, which accelerates the automatic classification and judgment of data, as well as score adjustment.



First Securities CEO Mr. Chan Chi Chuen (Left3)

First Financial Holding to fulfill the Pioneer Alliance's commitment of "providing sustainable applications or analytical tools that are useful to the market or the public" provide clients with sustainability indicators for comprehensively assessing and managing ESG risks, and to encourage investors to incorporate the concept of sustainable investing into their financial activities, so that they can work together to achieve the national goal of net-zero transformation by 2050.



### 03 Gold Mining System-ESG asset management

**[Green procurement implementation]** "SYSmining system" of SYSTEX Software & Service Corporation can stream existing asset inventory software and integrate the data. Through one-stop analysis, it can instantly compare information assets with copyright analysis; at the same time, it can manage multi-vendor contract information and integrate asset reporting and progress tracking with visualized charts. 2023, it obtained domestic design/new type patents, and has also won the "Product Category" of 2023 International Innovation Award (IIA). The system provides features such as procurement data collection, contract management, supplier analysis, providing complete and accurate information at any time, enhancing the transparency of governance. Especially suitable for multinational enterprise, enterprise with many branch offices. When faced with the need to check at any time the fulfillment of the set proportion of green procurement, the system generates a compliance analysis report with a single click.



#### Showcase SYSmining System won IIA Award 2023



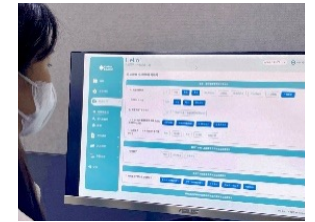
Enterprises need to organize the whole company's software asset allocation records to check whether they are in line with their regulations. Since the software has been installed in hardware, manual inventory is time-consuming, and the result can't be used again. Therefore, SYSmining System provides enterprises with systematic inventory and real-time comparison and produces asset reports with a single click, which can meet the needs of auditing at any time.



For more details, please refer to ["SYSmining System- ESG"](#).

### 04 Carbon EnVision

**[One-stop SaaS carbon management system & professional decarbonization consultant]** Through assisting customers to implement the Cloud Carbon Management System, together with a team of consultants, we provide a full range of services such as organizational carbon inventory boundary and benchmarking, data exchange with upstream and downstream suppliers, internal operation data and real-time carbon emission calculation, so as to plan carbon reduction management strategies. Carbon EnVision effectively integrates 70% of the value chains to generate carbon footprints, reducing 50% of labor hour spent on data collection and setting annual carbon reduction targets. helping the company to achieve Net-Zero. The system has passed ISO 14064-3 AUP certification in 2023.



- ✓ Customizable decarbonization strategies
- ✓ Aggregation of diverse coefficients
- ✓ Visualized carbon emission risk analysis
- ✓ Integration of locations with multi-scenario
- ✓ Compliance emissions calculation
- ✓ Connect transportation routes to improve audit efficiency

#### Showcase Assist CSD in achieving carbon management

Carbon EnVision assist CSD, the nation team of mask, to digitalize the data, reduce the burden of labor and enhance the quality of data. Through the carbon inventory, CSD understating the full picture of carbon emissions to plan the Net-Zero measures and obtain ISO 14064-1.



CSD CEO Mr. Cheung Fung Luen (Middle)

As a leading brand of professional medical consumables in Taiwan, CSD spontaneously performs carbon inventories. "Carbon EnVision," which enables corporations to implement carbon data management, realizing the vision of green transformation.

For more details, please refer to ["Carbon EnVision"](#).



Business Performance

GRI 201-1

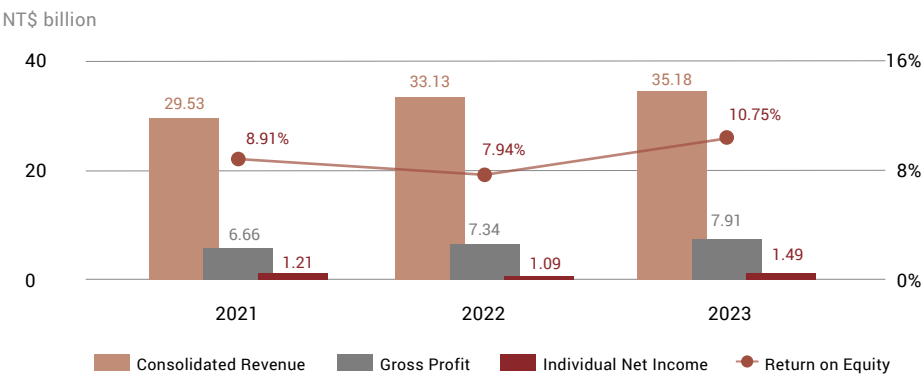
Financial Performance

Record-high Consolidated Revenue for 8 Consecutive Years

SYSTEX's consolidated revenue of NT\$35,184,378 thousand in 2023 has increased by 6.2% compared with 2022 and hits a record high for 8 consecutive years. The main reason for achieving record revenue for eight consecutive years is that it leads the three ecosystems of VAD, Industry, and Mega SI, assisting enterprises in introducing generative AI applications and enhancing sustainability. In addition, we provide enterprise-wide subscription-based cybersecurity solutions and work with international partners to increase market competitiveness and profitability. Looking forward to 2024, In addition to focusing on the top five value-added services, SYSTEX will actively promote enterprise subscription-based solutions and accelerate its overseas market deployment. Meanwhile, SYSTEX will accelerate its investment in generative AI value-added services, promote the landing of AIGC enterprise application scenarios, and continue to develop sustainability-related solutions to expand the sustainability ecosystem linkage and cooperation.

Financial Performance in the Past 3 Years

		Thousands (NT\$)		
Category	Item	2021	2022	2023
Operating Performance	Consolidated Revenue	29,526,957	33,128,852	35,184,378
	Gross Profit	6,655,386	7,339,652	7,907,981
	Operating Profit	1,133,452	1,257,294	1,469,800
	Individual Net Income	1,213,916	1,091,229	1,494,266
Economic Value	Benefits Expense	4,561,536	5,050,466	5,375,966
	Dividends Paid	1,346,967	1,361,517	1,361,517
	Tax Expense	228,519	264,709	346,382
	Social Investment / Donation	6,498	10,254.3	5,009.8



Market Share

Highest Market Share in Financial IT Service

In financial IT services, SYSTEX provides comprehensive international financial information for banks and enterprises, and gains the largest market share in the industry. SYSTEX's market share of mobile financial IT services continue to increase, and several services are ranked first in the APP market. With 12 service centers and more than 400 professional maintenance engineers in Taiwan, SYSTEX is the largest IT service company in Taiwan. Meanwhile, SYSTEX has the most internationally authorized technology education training centers, providing more than 400 kinds of training courses.

Service Type	Description	Market Share
Quotation service	Applied by more than 1,000 branches of securities companies in Taiwan	Over 90%
E-commerce system for securities interests	Applied by more than 30 financial customers	Highest market share in Taiwan
Data processing service	The largest data processing and printing outsourcing service company in Taiwan	Financial banking: 60%
		Telecom operator: 80%
Cybersecurity system	MOC service has contracted IS services with Land Bureaus in 18 counties and cities.	82%
Microsoft software agent	Highest market share in Taiwan Microsoft LSP (Licensing Solution Provider)	Over 40%



## Awards and External Verification

### Awards

Taiwan Stock Exchange	10 <sup>th</sup> Corporate Governance Evaluations: 6%-20% of listed companies
Taipei City Government	2023 Labor Safety Award: Intimate Boss Award-First Prize Excellent Breastfeeding Room Certificate: Outstanding Grade
Taiwan Institute of Sustainable Energy	2023 TCSA: ESG Report Awards - Platinum Awards; Taiwan Top 100 Sustainable Company
IMA Association	2023 IT Matters Awards: Best IT Employer Award
Ministry of Environment	2022 Green Procurement Enterprises <sup>*1</sup>
Ministry of Economic Affairs	2023 Buying Power Social Innovation Reward: Third Prize
Ministry of Education	2023 Sports Enterprise Certification 2023 Corporate Employment of Sports Instructors Award
ASSET & LINKING	2024 Exemplary Sustainability Awards: Humanities Enterprise Award in the Education Enhancement Excellence Category
Enterprise Asia	2023 International Innovation Award-IIA in Product category <sup>*2</sup>
CIO Taiwan	2024 Elite Vendor Award: "Service Provider of the Year", "Local Cloud Integration Service Award" and "Cybersecurity Product and Service Award"
Common Wealth Magazine	2023 Taiwan Top 2000: No. 1 in Taiwan's Software Industry
Global Views Monthly	2023 ESG Corporate Sustainability Award: Finalist in the Education Promotion Group
SGS	2023 SGS ESG Awards: Sustainable Report Award
BSI	2023 BSI Awards: Information Resilience Award
CDP	2023 CDP Climate Change Questionnaire: B Level
1111 Job Bank	2023 Happiness Enterprise: Gold Award
CommonHealth Magazine	2023 CHR Healthy Corporate Citizenship Pledge

Note: 1. SYSTEX Corp. and its affiliate, SYSTEX Solutions and SYSPower, were awarded.

2. SYSTEX's affiliated companies, SYSTEX Software & Service Corporation, was rewarded.

### External Verification

	SYSTEX's Affiliate	Verifications
Governance	SYSTEX Corp.	ISO 9001 Quality Management System (DMIS - ChungHo) ISO 22301 BCMS (DMIS - ChungHo & SanChong) ISO 27001 ISMS (DMIS - ChungHo) ISO 27001 ISMS (TAF) (3F Data Center) ISO 27001 ISMS (Electronic Invoice System/Value-added Center) BS 10012 PIMS ((DMIS - ChungHo)) PCI DSS Payment Card Industry Security Standards Council TIPS, Taiwan Intellectual Property System A Level
	SYSTEX Software & Service	ISO 27001 Information Security Management System ISO 27701 Privacy Information Management System
	SYSPower	ISO 27001 Information Security Management System
	Concord System Management	ISO 27001 Information Security Management System
	SYSTEX Solutions	ISO 20000-1 Information service management system (MOC) ISO 27001 Information Security Management System (UKAS) CNS 27001 Information Security Management System (TAF)
	Taiyon Computer	ISO 27001 Information Security Management System
	Taiwan Information Service Technologies	CNS 27001 Information security system (TAF) ISO 27001 Information security system (DAKKS) ISO 27701 Privacy Information Management System
	UniXecure	ISO 27001 Information Security Management System (TAF) ISO 27001 Information Security Management System (UKAS) ISO 27701 Privacy Information Management System
Environment	SYSTEX Corp.	ISO 14064-1 Greenhouse Gases ISO 14001 Environmental Management System ISO 50001 Energy Management System
Social	SYSTEX Corp.	ISO 45001 Occupational Health and Safety Management System TTQS, Talent Quality Management System (2022.10.5-2024.10.4) Badge of Accredited Healthy Workplace (2023.1.1-2025.12.31)

For more details, please refer to "[Web\\_Milestone](#)."



## Regulatory Compliance GRI 2-15, 2-27, 417-3, 419-1

To ensure that the SYSTEX Group complies with the requirements of regulatory authorities, we monitor changes and assesses the potential impact.

### 2023 Legal Compliance

Category	Violation Cases	Fines(NT\$)
<b>Integrity Operation</b> (breach, fraud, bribery, etc.)	0	0
<b>Intellectual Property</b>	0	0
<b>Labor</b> (labor law, sex equality, work safety, health, etc.)	0	0
<b>Environment</b> (pollution prevention, waste, etc.)	0	0
<b>Cybersecurity</b> (privacy protection, information security, etc.)	0	0
<b>Marketing &amp; Advertisement</b> (exaggerated advertisements, illegally publish, etc.)	1	70,000

Note: 1. A major violation is the fine of a single case over NT\$500,000.

2. An affiliated company, Concord System Management Corp., was judged to violate the regulations once by the Taipei City Health Bureau. This case has been improved according to the judgment of the competent authority, and relevant marketing content has been adjusted. Concord also communicated the adjusted marketing content with the client to avoid further violations.

## Governmental Subsidy GRI 201-4

The total amount of grants received by SYSTEX Group from government agencies in 2023 is NT\$18,361.6 thousand (including grants from the Government Programs).

For more details, please refer to "[p.92 ESG Performance Summary](#)".

## Participation in Industry Associations and Organizations GRI 2-28, 415-1

To promote industry development, SYSTEX actively participates in industry associations and activities. Since talent cultivation has always been the core competitiveness of SYSTEX Group, we participated in the "TALENT, in Taiwan, Taiwan Talent Sustainability Action Alliance" to create a better future for workers in 2023. In 2023, the total amount of SYSTEX Group devote NT\$1,750.5 thousand (listed below are the top 15 items of the total amount of contribution).

Rank	Association/Organization	Membership details	2023 Invested(NT\$)
1	Information Management Association	[Member] SYSTEX Corp.	305,000
2	Global Research & Industry Alliance, NCCU	[Member] SYSTEX Corp.	300,000
3	American Project Management Association	[Member] SYSTEX Corp.	215,485
4	Taipei Computer Association	[Member] SYSTEX Corp., Systex Software & Service, SYSTEX Fintech, TOP Information Technologies, SYSPower, SoftMobile Technology, Concord System Management, SYSTEX Solutions, Taifon Computer, Dawning Technology, Docutek Solution	169,120
5	Common Wealth Sustainability, CWS	[Member] SYSTEX Corp.	114,286
6	SEMI	[Member] SYSTEX Corp.	86,034
7	Taiwan Information Security Association	[Member] SYSTEX Corp., UniXecure	85,000
8	Information Service Industry Association of R.O.C	[Member] SYSTEX Corp., Systex Software & Service, TOP Information Technologies, SYSPower, Concord System Management, NATURINT, Palsys Digital Technology, UniXecure, Docutek Solution	76,404
9	MAPECT	[Member] SYSTEX Corp.	60,000
10	Cloud Computing & IoT Association in Taiwan	[Member] SYSTEX Corp.	47,619
11	Intelligent Transportation Society of Taiwan	[Member] SYSTEX, Concord System Management	39,167
12	EcoVadis	[Member] TOP Information Management	38,298
13	Institute for Biotechnology and Medicine Industry	[Member] SYSTEX Corp.	33,336
14	Taiwan Chain Stores and Franchise Association	[Member] SYSTEX Corp.	30,000
15	Taiwan Institute of Directors	[Member] SYSTEX Corp.	30,000

Note: 1. SYSTEX Group did not incur any political party contributions in 2023 and the amount of political contributions was NT\$0.

2. The amount invested in 2023 is the amount of the Guild's dues and donations.



# 02 Corporate Governance

## Long-term Strategy

With a philosophy of integrity, transparency and responsibility, SYSTEX has developed sound governance policies to enhance the company's reputation, resulting in a positive impact on economic governance.

- Conduct regular performance evaluations of the Board of Directors to ensure the diversity and independence of the Board and the implementation of the Board's operational functions.
- Sound risk management system to reduce risk impact and enhance corporate competitiveness.
- Strengthen information security and personal data privacy management to protect stakeholders from the impacts of security infringements.

Governance and Operation	30
Risk Management	36
Information Security and Privacy Protection Management	37

## Material Topics

GRI 2-9~2-13, 2-15~2-20, 2-22~2-27,  
205-2, 205-3, 418  
SASB TC-SI-220, 230, 520, 550

## Contributing to the SDGs







## Highlights



NT\$ 35.2B

Record high consolidated revenue  
Annual growth 6.2%



6%-20% of  
listed companies

10<sup>th</sup> Corporate Governance Evaluations  
TWSE



TIPS A Level

Taiwan Intellectual Property  
Management System—Trade and Patents



64

Accumulated valid patents

342

Accumulated valid registered trademarks

## Short-, Mid-, and Long-term Goals

Gather SYSTEX technical teams, connect with ecosystem partners, assist customers to build new business model and create exceptional growth. Construct the more profound risk management mechanism.



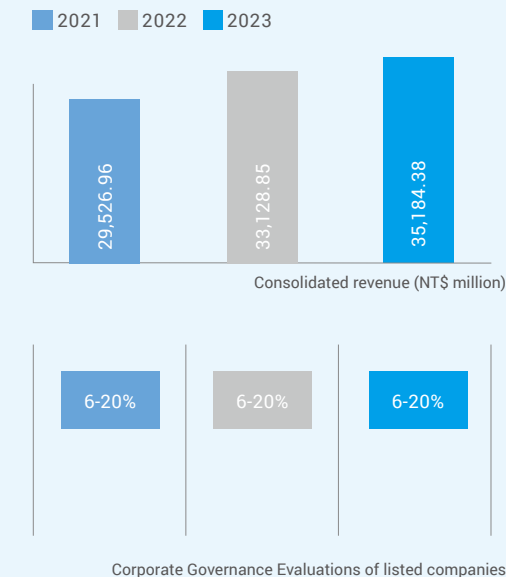
## 2023 Goals and Performance

✓ Achieved    ⚪ Ongoing

	Goals	Performance
<b>Operating performance</b>	Operating profitably	Operating profitably Annual growth: 6.2% ✓
<b>Corporate Governance Evaluation</b>	6%-20%	6%-20% ✓
<b>Integrity management advocacy rate</b>	99%	99.6% ✓
<b>Information leak events</b>	0	0 ✓
<b>ISO 27001 verification</b>	Maintain verification	Maintain verification ✓
<b>Major violations</b>	0	0 ✓

Note: Major violations refer to a single case in which the Taiwan authorities have fined more than NT\$500,000.

## 3-year Performance Progress





# Governance and Operations



## Long-term Strategy

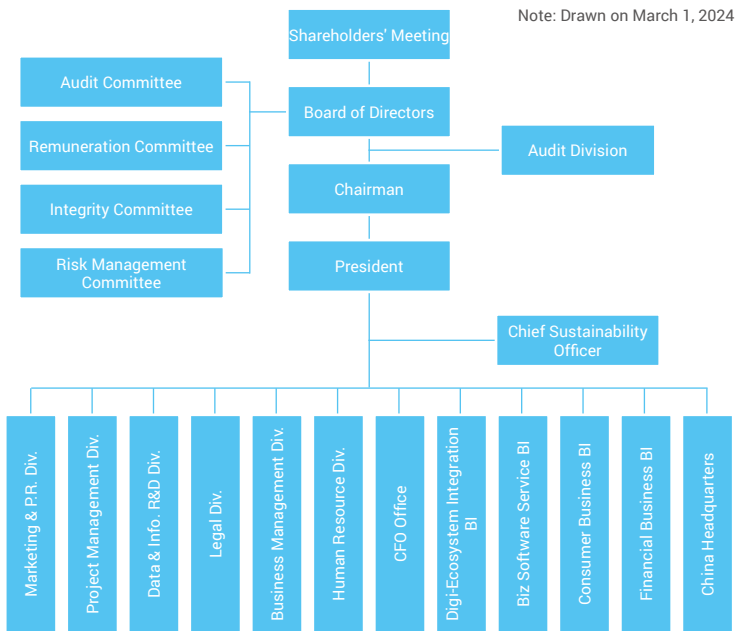
Conduct performance evaluations regularly to ensure the diversity and independence of the Board and to implement the operation.

The management philosophy of SYSTEX is integrity, transparency and responsibility. SYSTEX formulated a profound management policy, focused on stakeholders' equity, and evaluated the business's reputation. It established one independent director in 2023, in total 4 independent directors, accounting for 30.77%. The scores of the internal Board Performance Evaluation in 2023 are higher than 80 points, which indicates that the operation of the Board is complete and compliant.

## Board of Directors GRI 2-9, 2-10, 2-11, 2-13, 2-15, 2-23

The Board of Directors, as the highest governance body, is responsible for supervising SYSTEX's operation and the implementation of policies.

### Organizational Governance Structure



Note: The Chairman of SYSTEX serves as the general manager to improve operating efficiency and decision-making execution, and was approved by the Board of Directors on December 23, 2020. Please refer to "[Web\\_Corporate Governance Structure](#)."

### Diversify of the Board

The nomination and selection of the Board of SYSTEX follows the "Rules of Election of Directors" and the "[Corporate Governance Best Practice Principles](#)" to ensure the diversity of directors.

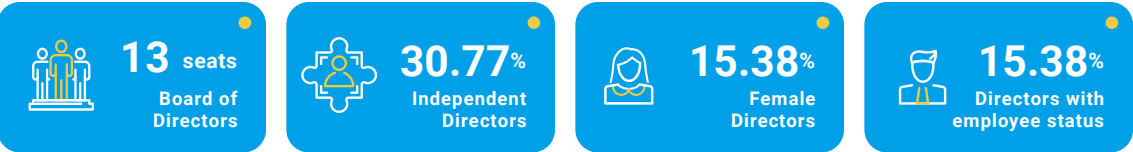
For more details, please refer to "[Web\\_Board Performance Evaluation](#)."

By the end of 2023, there will be 13 directors and independent directors on the Board, including 2 female directors. The Board is composed of diverse professionals with different backgrounds in business operation and financial accounting, risk management, domestic and overseas financial affairs, legal affairs, etc., to ensure efficient Board operations.

For more details, please refer to "[Web\\_Diversity of the Board](#)".

In the Board, female directors and directors with employee status both accounted for 15.38%. In terms of age, 2 directors are under 50, 5 directors are 56-65, and 6 directors are over 65. One who has served as the independent director of SYSTEX for 9 years, but has continuously been elected due to his practice experience in corporate mergers, acquisitions, international investment, etc. By the end of 2023, the average term of directors is 10.88 years.

4 independent directors accounted for 30.77% of the Board, which is more independent compared to the previous year (25%). In addition, Huang, Ting-Rong, and Huang, Chi-Rong are relatives within a second-degree relationship but do not exceed half of the seats of the directors. None of the other directors has the conditions specified in Article 26-3 of the Securities and Exchange Act.





● Studies of the Board GRI 2-17

The Board follows the "[Corporate Governance Best Practice Principles](#)" and the "[Rules Governing the Scope of Powers of Independent Directors](#)" to arrange courses related to governance topics and disclose the learning status. In 2023, the Board plans courses such as "Global Economic Situation and Industry outlook" and "The Chances and Challenges of Taiwan Industry Potential" which allow each director to effectively play the role of the Board in overseeing operations.

2023 Directors' Studies

Title	Name	Courses	Hours
Chairman	Lin, Lung-Fen	<ul style="list-style-type: none"> <li>Global economic situation and industry outlook.</li> <li>Under the ever-changing and difficult situation, Taiwan's potential industry opportunities and challenges.</li> </ul>	3
Director	Cheng, Deng-Yun		
Director	Huang, Ting-Rong		
Director	Huang, Chi-Rong		
Director	Lu, Ta-Wei		
Director	Shaw, Shung-Ho		
Director	Hsieh, Chin-Ho		
Director	Lin, Chih-Min	<ul style="list-style-type: none"> <li>Global economic situation and industry outlook.</li> </ul>	3
Director	Wu, Cheng-Huan	<ul style="list-style-type: none"> <li>Global economic situation and industry outlook.</li> <li>Under the ever-changing and difficult situation, Taiwan's potential industry opportunities and challenges.</li> </ul>	3
Independent D.	Cheng, Wen-Feng		3
Independent D.	Lai, Chien-Hua		
Independent D.	Huang, Ta-Lun		
Independent D.	Lu, Hsi-Peng	<ul style="list-style-type: none"> <li>Key new issues in the principle of fair hospitality sustainable development of digital finance and consumer protection.</li> </ul>	3
		<ul style="list-style-type: none"> <li>Industry changes, opportunities and challenges under generative AI.</li> </ul>	3
		<ul style="list-style-type: none"> <li>Enter the Web3 world-on-chain is the future of the Internet.</li> </ul>	3
		<ul style="list-style-type: none"> <li>Under the ever-changing and difficult situation, Taiwan's potential industry opportunities and challenges.</li> </ul>	3

● Performance Evaluation of the Board GRI 2-18

For effective corporate governance, SYSTEX has formulated the "[Rules for Performance Evaluation of Board of Directors](#)", and it stipulates an internal performance evaluation for the Board once every year and an external evaluation every three years. SYSTEX sends an internal Board Self-Assessment Questionnaire each year and an external performance evaluation conducted with a questionnaire and site visit every three years. SYSTEX investigates in December each year and reports the results of the evaluation at the latest Board meeting in the following year. The results of the 2023 internal evaluation were presented on February 27, 2024.

2023 Directors' Performance Evaluation

Cycle	Once a year
Period	2023.01.01-2023.12.31
Scope	Evaluation scope covers the Board as a whole, individual directors and functional committees.
Methods	Methods of internal evaluations include the internal assessment of the Board and functional committees, and the self-assessment by individual directors.
Evaluation items	<ul style="list-style-type: none"> <li>For the Board: There are a total of 27 board performance evaluation items, with converted scores ranging from 91.11 to 100 points, with an average score of 99.20 points."</li> <li>For individual directors: There are 19 performance evaluation items for board members, with converted scores ranging from 90.53 to 100 points, with an average score of 99.19 points.</li> <li>For functional committees: There are a total 19 performance evaluation items of Audit Committee, with converted scores ranging from 90.53 to 100 points, with an average score of 97.37 points. There are a total of 14 performance evaluation items of the Remuneration Committee, with converted scores ranging from 92.86 to 100 points, with an average score of 97.62 points.</li> </ul>
Results	<ul style="list-style-type: none"> <li>In 2023, the results of performance evaluation for the Board, Audit Committee, Remuneration Committee, and individual Directors were all above 80 points (based on the standard of 80 points), demonstrating that the overall operation of the Board is in line with corporate governance principles.</li> </ul>

Note: The external evaluation was appointed by the Taiwan Corporate Governance Association in 2021, so the external evaluation was not conducted in 2023. The evaluation results can be found on "[Web\\_Board Performance Evaluation](#)."

🔗 For more details, please refer to "[Web\\_Board Performance Evaluation](#)."



## ● Remuneration of the Board GRI 2-19, 2-20

SYSTEX has established the Remuneration Committee for formulating the remuneration policy, mechanism, and standards, and regularly evaluating the achievement of the directors' and senior managers' targets. The remuneration of the management team shall be regularly reviewed by the Committee and approved by the Board.

### Remuneration of Directors

According to the "[Articles of Incorporation](#)" and "Procedure for Distribution for directors' remuneration," the remuneration of directors is based on the results of the evaluation items. The remuneration shall not be more than 2% of the earnings before tax of the year.

Detail	<ul style="list-style-type: none"> <li>The remuneration includes base compensation, bonus to directors and allowances.</li> <li>The independent directors have different cardinality to distribution bonus and receive fixed base compensation quarterly.</li> <li>2 directors with employee status receive relevant remuneration as employees.</li> </ul>	
Evaluation item	<ul style="list-style-type: none"> <li>Participation in operations</li> <li>Value of contributions</li> <li>Long-term business performance</li> </ul>	<ul style="list-style-type: none"> <li>Business risks</li> <li>Personal performance</li> <li>Evaluation results of the Board</li> </ul>

Note: For more details about the remuneration and range of the Board, please refer to "[2023 Annual Report, p.28-29](#)."

### Remuneration of Management Team

To motivate managerial officers to achieve SYSTEX's long-term goals and implement the relationship between managers' compensation and business performance, the remuneration of management team is linked to the following evaluation items and then approved by the Board.

Detail	<ul style="list-style-type: none"> <li>The remuneration of management team includes monthly salary, bonus, employee remuneration and retirement allowance, etc.</li> </ul>	
Evaluation item	<ul style="list-style-type: none"> <li>Value of contributions</li> <li>Business risks</li> <li>Job responsibilities and professional abilities</li> <li>Financial KPI such as the earnings and profit</li> </ul>	<ul style="list-style-type: none"> <li>Non-financial KPI includes sustainable indicators such as strategic development, legal compliance, information security, talent cultivation, company social image enhancement, etc.</li> </ul>

For more details, please refer to "[2023 Annual Report, p.30-32](#)."

## Committee of the Board GRI 2-23, 2-25, 2-26, 205-2, 205-3

The functional committee includes the Audit, Remuneration, Integrity, and Risk Management Committee.

### ● Audit Committee

SYSTEX has set up the Audit Committee and formulated the "[Audit Committee Charter](#)" in 2007. In 2023, the Audit Committee held 6 meetings with the attendance rate of 100%. The deliberation subjects include a review of financial reports for 2022 and 2023 Q1-Q3 following Article 14-5 of the Securities and Exchange Act, and revisions to the internal control system following Article 14-1 of the Securities and Exchange Act, etc.

Composition	<ul style="list-style-type: none"> <li>Composed of all independent directors; at least one member has accounting or financial expertise; the member's term of office is 3 years and can be re-elected.</li> </ul>	
Authority	<ul style="list-style-type: none"> <li>Confirmation of disclosures in financial reports</li> <li>Selection and performance evaluation of independent CPA</li> </ul>	<ul style="list-style-type: none"> <li>Effectively implement internal controls</li> <li>Regulations and laws compliance</li> <li>Existential or potential risk management</li> </ul>
Whistleblower	<ul style="list-style-type: none"> <li>Set up the "<a href="#">Audit Committee Email</a>" to provide channels for stakeholders to complain to the Board.</li> </ul>	
Evaluation mechanism	<ul style="list-style-type: none"> <li>Regularly review the Committee Charter and performance, thus reporting to the Board for reference</li> <li>Annually conduct the internal assessment of the functional committees</li> </ul>	

Note: For more details, please refer to "[p.31 Performance Evaluation of the Board](#)."

### ● Remuneration Committee

SYSTEX has set up the Remuneration Committee and formulated the "[Remuneration Committee Charter](#)" in 2011. In 2023, the Remuneration Committee held 2 meetings with the attendance rate of 100%.

Composition	<ul style="list-style-type: none"> <li>Composed of 3 members with half of whom being independent directors</li> <li>Composed of all independent directors</li> </ul>	
Authority	<ul style="list-style-type: none"> <li>Formulate the remuneration policy and mechanism</li> <li>Regularly review the performance of the Directors and executives to determine their remuneration</li> </ul>	
Evaluation mechanism	<ul style="list-style-type: none"> <li>Annually conduct the internal assessment of the functional committees</li> </ul>	

For more details, please refer to "[Web\\_Functional Committee](#)."



● Integrity Committee

SYSTEX set up the Integrity Committee in 2020 to be responsible for formulating integrity management policies, supervising and reporting annual performance to the Board at the end of each year.

Composition

It is composed of the CSO, Vice CSO, and division heads of HR, Finance, Business, and Legal.

Policy

Based on the business philosophy of integrity, transparency, and responsibility, SYSTEX establishes mechanisms of governance and integrity to realize sustainability.

Regulation

- [Code of Conduct](#)
- [Code of Conduct for Directors and Executives](#)
- [Ethical Corporate Management Best Practice Principles](#)
- [Procedures for "Ethical Management and Guidelines for Conduct"](#)

Risk control

In the [Ethical Corporate Management Best Practice Principles](#), SYSTEX regularly analyzes the risk of dishonest behavior and formulates preventive plans.

Whistleblower

- Set up the "[Integrity Committee Email](#)" and formulate "[Integrity Management Reporting Regulation](#)" to provide channels for reporting dishonesty issues.
- SYSTEX will provide whistleblowers with a reporting bonus of up to NT\$500K.

Integrity Action Plans

To strengthen corporate governance and integrity management, SYSTEX has implemented Integrity action plans, requiring Directors and Executives to sign the "Integrity Compliance Statement" and requiring employees to digitally sign the "[Code of Conduct](#)" to ensure regulatory compliance in daily operations. The 2023 performance is listed below:

Deepen integrity in strategy	<ul style="list-style-type: none"><li>• Implement IP management projects, maintaining the TIPS certificate (Level A).</li><li>• Held 2 integrity seminars for management level managers with total 315 and 316 managers joined respectively.</li></ul>
Analyze dishonesty risk	<ul style="list-style-type: none"><li>• Misbehavior cases are included in the daily integrity management promotion matters.</li><li>• Correspond to misbehavior and SYSTEX's disciplinary regulations and amend it in a timely manner.</li></ul>
Monitor higher dishonesty risk	<ul style="list-style-type: none"><li>• Implement the annual work rotation for procurement personnel.</li><li>• Implement the shunting of accounts and collections.</li></ul>
Promote integrity policy	<div><div>[In SYSTEX]</div><ul style="list-style-type: none"><li>• Advocate the "Code of Conduct" every month, with a total of 49,690 trainees and 99.1% of achievement rate.</li><li>• Held 2 integrity advocacies for employees, with a total of 7,824 trainees and 99.6% of achievement rate.</li><li>• The achievement rate of the "Procedures for Handling Material Inside Information" training was 98.9%.</li></ul><div>[External Supplier]</div><ul style="list-style-type: none"><li>• Signed the "Vendor Integrity Pledge and Declaration" &gt; 99%; signed rate of 79 of key suppliers: 100%</li><li>• Signed the "Supplier CSR Code of Conduct": 82.9%; signed rate of key supplier of key suppliers: 100%</li><li>• Responded the "Supplier CSR Self-Assessment Questionnaire": 65.5%</li></ul></div>
Set up reporting email	<ul style="list-style-type: none"><li>• No incidents were reported in 2023 that violated the Code of Conduct regarding integrity operations, including breaches, corruption, fraud, bribery, conflicts of interest, money laundering, insider trading, etc.</li></ul>

Note: Only the external supplier statistics in the cost category are included in the calculation.

- 🔗 For more details, please refer to "[Web\\_Integrity Implementation](#)."
- 🔗 For more details, please refer to "[p27 Regulatory Compliance](#)."

Integrity Awareness Promotion and Training

SYSTEX deepens integrity awareness every year and regulates SYSTEX Directors, Executives, and employees to abide by the "[Ethical Corporate Management Best Practice Principles](#)." The relevant actions to be implemented in 2023 are as follow:

Ethical corporate management	Promote "Code of Conduct"	Prohibit insider trading	Integrity training courses
<ul style="list-style-type: none"><li>• Deepen philosophy of integrity by 2 advocacies for employees, with a total of 7,824 trainees.</li><li>• Held 2 integrity seminars for management level managers, with a total of 613 trainees.</li></ul>	<ul style="list-style-type: none"><li>• Violation cases are publicized to employees by email every month, and then they are required to sign digitally. A total of 49,690 trainees were trained.</li></ul>	<ul style="list-style-type: none"><li>• Every year, prohibition of insider trading training is provided to Executives and employees, with a total of 4,002 trainees.</li></ul>	<ul style="list-style-type: none"><li>• Employees are trained on integrity issues with a total of 490.1 hours and 778 trainees, excluding contract and temporary employees.</li></ul>



Intellectual Property

Management SASB TC-SI-520

To protect the valuable development results and continuously enhance business profitability, SYSTEX actively creates the "Intellectual Property Management System", and formulates the management strategies as its IP management policy.

IP Management Strategy

- Improve the quantity and quality of patents and trademarks. Focus on the development of key business opportunities.
- Use IP to increase economic value and expand business. Implement IP management to maintain competitive advantage. Enhance employees' awareness of IP management.
- Optimize the resources required for the IP management system.

Goal of IP Management

- The goal of Intellectual Property Management in 2024:
- Revise the IP Management System.
- Organize at least 3 training sessions on IP Management.

● Intellectual Property Management System

For safeguarding innovation results and boosting profitability, SYSTEX has formulated "Regulations for Patents and Trademarks Management", regulating the management and maintenance of IP rights, including patents, trademarks, and others. In addition, SYSTEX also has an IP consultation mechanism to assist BU in identifying IP-related risks and formulating responding strategies in real-time.

Intellectual Property Protection and Management Procedures

Results record	• IT engineers are required to record and save the work results in PM tools under strict authority control mechanism and document management restriction, ensuring that the development results become IPs more completely and effectively.
Management system	• SYSTEX's "document management system" combines with the existing document grading mechanism to standardize document classification, grading, marking, assessing authority, transmission, and preservation, avoiding disclosure of confidential information.
Rules in contract	• New employees are required to sign an employee contract, stipulating that during the period of employment and after resignation, personnel shall bear the obligation of confidentiality of related IP rights.
Regular audit	• SYSTEX regularly conducts the internal audit of the R&D cycle and IP management to ensure that the IP management procedures are effectively implemented and maintained.
Dispute	• SYSTEX has established the IP handling procedures and communication channels to deal with IP to avoid losses caused timely.

Intellectual Property Awareness Training and Risk Management

To enhance employees' concepts and awareness of intellectual property protection, SYSTEX actively arranges training related to computer programming copyrights, to effectively reduce the risk of intellectual property within SYSTEX.

IPR promotion

- Conducted 2 IPR advocacies to all employees, totaling 7,511 persons in 2023.

Education and training

- Conducted 3 types of training, for IPR-related employees, with a cumulative total of 665 persons and 740.5 hours of training in 2023.

Education for new-hire

- Require new-hires to complete the online courses of "New Employee Training Camp-IP Rights," with a total of 685 persons and 185 hours of training in 2023.

● Intellectual Property Management Performance

Patent application	• By the end of December 2023, SYSTEX held a total of 64 valid patents and 342 valid trademarks and expects to enhance brand recognition and expand business value through the flexible use of trademarks.
Institutionalize procedures	• In 2023, a total of 8 new and revised regulatory documents were issued, including the "Intellectual Property Management Handbook of SYSTEX and Affiliated Companies".
Raise awareness	• For employees related to IP business, we provide online courses, such as "2023 Basic Concepts of Taiwan Intellectual Property System," "2023 Advanced Courses for TIPS-related Employees" and "Revision of Trade Secrets Act and National Security Act".
Obtain TIPS (A) - patents & trademarks	• Applied for Level A certification of TIPS (2016 version) in September 2022, obtained TIPS verification from the "Institute for Information Industry" in December 2022 and undergo annual re-audit to maintain the valid certificate until December 31, 2024. • Refinements and adjustments were made to maintain the effectiveness of the management systems in 2023.



## Internal Audit

SYSTEX establishes an accounting system and internal control system and formulates "Rules of Internal Audit Implementation". The audit program executes and reviews the audit plan approved by the Board of Directors. The internal audit will consolidate the results of each unit's self-inspection and report the results to the Board of Directors as a basis for evaluating the effectiveness of the internal control system. In supply chain management, SYSTEX evaluates the legitimacy of the counterparty and considers whether the counterparty has a record of dishonest behavior in advance. Following the "Guidelines Governing the Establishment of Internal Control Systems by Public Companies", to review the effectiveness.

<b>Composition</b>	<ul style="list-style-type: none"> <li>The Audit Division is under the Board of Directors.</li> <li>The Audit Division head is approved by the Audit Committee and the Board for appointment.</li> </ul>	
<b>Authority</b>	<ul style="list-style-type: none"> <li>Set up internal control system.</li> <li>Evaluate the impact of current internal control policies and procedures on operational activities.</li> <li>Review the business, finance, risk management and legal compliance.</li> <li>Review the affiliates audit plans and reports</li> </ul>	<ul style="list-style-type: none"> <li>Continuously track and improve the inspection opinions of governmental authorities and accountants.</li> <li>Formulate self-assessment.</li> <li>Continuously conduct professional training for auditors.</li> </ul>
<b>Evaluation mechanism</b>	<ul style="list-style-type: none"> <li>Internal Auditors are assessed every 6 months.</li> </ul>	

## Material Inside Information GRI 2-16

To improve transparency, SYSTEX discloses material inside information promptly through the website and the Market Observation Post System (6214). Some of the material information is listed below:

<b>2023.02.22</b>	<ul style="list-style-type: none"> <li>Approved amendments to the issuance of 2022 employee restricted stock awards.</li> </ul>
<b>2023.04.26</b>	<ul style="list-style-type: none"> <li>Approval of cancellation of restricted employee shares by relevant authority.</li> </ul>
<b>2023.05.25</b>	<ul style="list-style-type: none"> <li>Announce the list for election of the independent director of the 2023 Annual Shareholders' Meeting.</li> <li>Announce the member change of the Audit Committee.</li> </ul>
<b>2023.11.01</b>	<ul style="list-style-type: none"> <li>The Board of Directors resolves the merger of China subsidiaries.</li> <li>Announce the SYSTEX's 2023.Q3 consolidated financial report.</li> </ul>

For more details, please refer to "[Market Observation Post System, MOPS](#)."

## Taxation Governance GRI 2-23

Adhering to corporate sustainability and integrity governance, SYSTEX formulates the taxation policy, promises to comply with the local tax laws and regulations, and fulfills the obligations of tax payment, to optimize tax management.

### Taxation Policy

- Comply with local tax laws and regulations of disclosure requirements and ensure the information transparency of financial reports.
- Inter-company transactions are following the Transfer Pricing Guidelines issued by the Organization for Economic Co-operation and Development (OECD).
- Avoid shifting transactions to tax havens for improper tax avoidance.
- Improve the capability of tax personnel to optimize efficiency in tax management.
- Adhere to the concept of integrity governance, promote related policies of sustainability, and keep in close communication channels with local tax authorities.
- Always considers the impact of tax when making major business decisions.
- Optimize tax management and strengthen risk management.

The CFO oversees tax management at SYSTEX, with the Accounting Supervisor handling daily operations. Qualified tax professionals are hired with annual training. In 2023, the income tax is NT\$346,382K, with an effective tax rate of 18%, accounting for 0.98% of consolidated revenue.

Item	2021	2022	2023
<b>Net profit before tax (NT\$ thousand)</b>	1,451,615	1,393,064	1,925,270
<b>Income tax expense (NT\$ thousand)</b>	228,519	264,709	346,382
<b>Effective tax rate</b>	15.74%	19.00%	18.00%
<b>Income tax percentage of consolidated revenue</b>	0.77%	0.80%	0.98%

Note: Effective tax rate = Income tax expense / Net profit before tax \*100%.

For more details, please refer to "[Web Taxation Policy](#)."



# Risk Management

GRI 2-23, 2-24; SASB TC-SI-550



## Long-term Strategy

Sound risk management system, reduce the risk and enhance the competitiveness

In 2022, SYSTEX established a cross-divisional Risk Management Committee under the Board and formulated "[Risk Management Best Practice Principles](#)," "[Risk Management Policies and Procedures](#)," and other regulations to effectively control risks and improve management efficiency.

## Management Policy

- 8 Policy
- Integrated
- Customized
- Dynamic
- Employee
- Comprehensive
- Inclusive
- Effective information
- Keep improving



## Risk Management Organization Structure



Note: In 2022, the Risk Management Committee was established, with the Board as the highest governance unit for risk management.

SYSTEX strengthens risk management with the Board of Directors as the highest governing unit. A Risk Management Committee is established under the Board's supervision to integrate risk management and supervision into daily activities and achieve sustainable operations.

## Risk Management Committee

Responsible for the board, The Risk Management Committee executes risk management policies and reviews them periodically and is accountable to the Board. They determine risk tolerance, prioritize risk management, and report on progress to the Board at least once a year or submit proposals for the Board approval.

## Crisis Management Group

The Crisis Management Group develops risk policies, procedures, and frameworks. They establish risk metrics and tolerance levels, analyze company risks, and oversee and coordinate risk management activities across departments. The Crisis Management Group is responsible for enhancing risk awareness among the entire organization with training programs. In 2023, the Crisis Management Group held a meeting quarterly, and a total of 4 meetings were held.

## Crisis Resolution Team

The Crisis Management Group has set up the Crisis Resolution Teams, grouping by crisis events. These teams are immediately activated when a crisis occurs and are responsible for identifying the main causes of the crisis and dealing with the situation according to the "Rules of Risk Management."

Determine criteria	• According to the principle of crisis event determination.
Report events	• After determining and confirming events, Crisis Resolution Team shall be convened immediately to deal with the crisis.
Resolve events	• The Crisis Team leader directs the handling of events, convenes meetings timely and reports to the Crisis Management Group.
Dismiss events	• The Crisis Resolution Team decides whether to dismiss the events. • The team reports it to the Crisis Management Group after dismission.

For more details, please refer to "[Web\\_Risk Management](#)," "[2023 Annual Report](#), p.297-303," "[Web\\_Health Risk](#)," "[Web\\_Information Security Risk](#)," "[p.47 Human Rights Protection](#)," and "[p.72 Climate-Related Governance and Financial Disclosures](#)."



# Information Security and Privacy Protection Management

GRI 2-23, 418-1; SASB TC-SI-220, 230, 550



## Long-term Strategy

Strengthen management to protect stakeholders from impacts of infringements

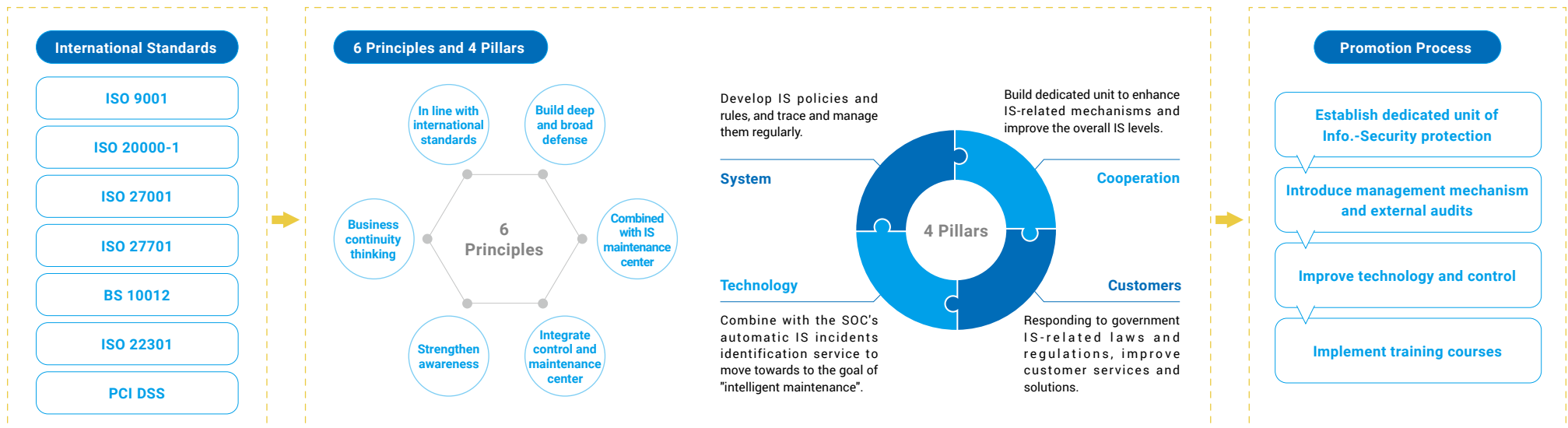
To protect against potential information security threats, SYSTEX has established mechanisms for information security and personal data privacy management, continuously improving its management practices, formulating "[Information Security Policy](#)" and other related guidelines and procedures, obtaining ISO 27001, conducting drills, providing training, thereby strengthening its capacity to avoid risks.

As a leading enterprise in Taiwan's information service industry, SYSTEX attaches great importance to the protection of stakeholders and resolves the IS risk and personal privacy issues. By ISO 27001 and other IS-related ISO standards, we integrate internal cross-divisional information capability to establish the "IS Protection Team" and set up an IS management system. The IS Protection Team is responsible for formulating the [SYSTEX Information Security Policy](#), IS Management Measures, and other IS-related regulations, ensuring the implementation of IS-related rules and regulations, IS-related training courses, and IS-related control and defense actions.

In terms of customer rights protection, SYSTEX provides a complete information service procedure for the provision, construction, management operation, etc. The services provided

by SYSTEX are regulated by the "Information Security Confidentiality Agreement " and have a "SYSTEX Personal Data Protection Rule." As a result, no violations of customer privacy have been identified in 2023.

To ensure that the IS management mechanism complies with international standards. SYSTEX and its affiliated companies have passed and obtained the 3<sup>rd</sup>-party IS-related and quality-related ISO certifications, such as ISO 27001, ISO 27701, ISO 9001, ISO 20000-1, ISO 22301, BS 10012 and PCI DSS. At the same time, SYSTEX continues to strengthen IS management to ensure the information security of data, systems, equipment, and networks, as well as regulatory compliance, customer rights, and personal information protection. Next, the IS-related services launched by SYSTEX will continue to be certified by ISO 27001.





Promotion Process

01 Dedicated Management Unit

In December 2023, SYSTEX established the "Information Security Technology Department" as the dedicated unit, and the "Crisis Resolution Team for IS Events" as the task unit under the Risk Management Committee, which is responsible for reporting the implementation effectiveness; and the "Information Security Taskforce Committee" for providing consulting services on information security management issues. The Taskforce is composed of about 15 members and held a total of 12 project meetings in 2023.

IS Technology Department

- Develop and promote the implementation of the IS rules, policies, and operational controls.
- Implemented the IS and personal crisis prevention drills and controls.
- Plan and implement IS training.
- Strengthen SYSTEX's IS defense.

For more details, please refer to "Web\_Information Security Risk."

02 IS Management and Licenses

Information Security Incidents

The security events that occurred in 2023 have been blocked by the anti-virus system during user browsing, and no real landing attacks occurred; Or under the defense-in-depth security control mechanism, no event met the condition for internal activation of the crisis resolution. In 2023, no data leakage events have been identified.

Major Incidence Solution Process

When a notification occurs, SYSTEX initiates a contingency operation to investigate the incident, confirm the impact, propose a solution, and then perform the recovery operations and record them.

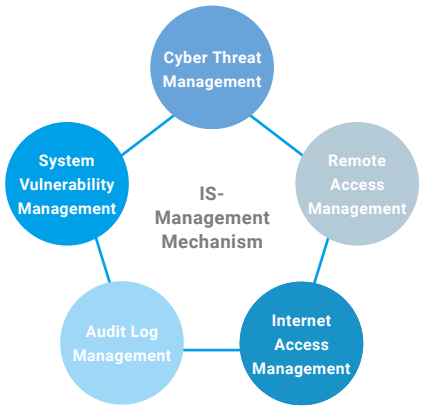
Level	Incident Status
A	All vital systems are disrupted.
B	Some vital systems are disrupted
C	A single vital system is disrupted.
D	Operation pauses briefly.
E	Control fails without impact and loss.

Licenses and Certificates

The information security-related services launched by SYSTEX also continue to implement ISO 27001 certification, based on the construction of the confidentiality, integrity, and availability of the company's information security management system, planning for prevention, process monitoring, and emergency response management, ensuring the effectiveness of information security risk management.

SYSTEX not only conducts company-level ISO certifications but also actively encourages employees to learn more and obtain IS-related certificates, in total 114 newly obtained IS-related licenses and certificates (including ISO 27001, ISO 23301, CCSP, CISSP, CISM, CEH, CND, etc.) By the end of 2023, the cumulative 522 IS-related licenses and certificates were obtained.

Information Security Management Mechanism



For more details, please refer to "Web\_Information Security Policy and Management."



114

2023 newly obtained IS licenses and certificates



552

Cumulative IS licenses and certificates by the end of 2023



03

Information Security Technology and Control

SE Drills

[2023 H1] 4,549 test accounts: Malicious Email Open Rate 8% ✓ Malicious Email Click-through Rate 1.17% ✓

[2023 H2] 4,770 test accounts: Malicious Email Open Rate 7.21% ✓ Malicious Email Click-through Rate 0.25% ✓

Customer Privacy and Data Protection

SYSTEX established personal data protection specifications and conducts personal IS incident drills every year to ensure crisis resolution ability. Additionally, SYSTEX implements a personal data protection mechanism, conducts related protection audits, and obtains BS 10012. All services provided by SYSTEX are also regulated by the "Information Security Confidentiality Agreement" and "SYSTEX Personal Data Protection Rule", and sets [dedicated privacy complaint email](#). As a result, no violations of customer privacy have been reported or identified in 2023.

To cope with the differences in the industry characteristics of each company, each of the affiliates has established two major systems of laws and regulations, namely, the Personal Information Protection Act and the Information Security Management Act, to protect the rights and interests of customers. In 2023, a total of 7,834 employees passed the personal data protection awareness test.

Regular Crisis Resolution Drill

To enhance the crisis resolution ability, the "Information Security Technology Department" has formulated 5 types of drills and conducts each drill once or twice a year. In 2023, the 5 types of drills have been completed, on-site supplier information security audits from customers have been carried out, and more than 700 external audit questionnaires have been completed. Taking social engineering drills as an example, SYSTEX conducts drills twice a year. As a result, the malicious email click-through rate of the 2 drills was far lower than the standard of 8% and 6%, showing the improvement in IS awareness. At present, the Department has already completed the drill schedule of "social engineering drills, testing data center disaster prevention and vulnerability scanning" in 2024.

Drill type	Frequency	Details
Social engineering	Twice a year	<ul style="list-style-type: none"><li>2023.05 [H1] Social engineering drill</li><li>2023.11 [H2] Social engineering drill</li></ul>
Information security	Twice a year	<ul style="list-style-type: none"><li>2023.04 FBI data leakage drill</li><li>2023.10 FBI data leakage drill</li></ul>
Vulnerability scanning	Twice a year	<ul style="list-style-type: none"><li>2023.05 1<sup>st</sup> vulnerability scanning</li><li>2023.11 2<sup>nd</sup> vulnerability scanning</li></ul>
Testing data center disaster prevention	Twice a year	<ul style="list-style-type: none"><li>2023.05 Data center fire drill</li><li>2023.11 Data center fire drill</li></ul>
System recovery	Once a year	<ul style="list-style-type: none"><li>26 system recovery drill, with an achieved rate of 100%</li></ul>

Information Security Upgrade Plan

In 2023, SYSTEX continues to advance the "Group Information Security Improvement Program," implementing projects including "SSDLC Construction," "Upgrading of External Information Security Evaluation Ratings," and "Enhancing the Complexity of Social Engineering Drills with a testing method of 3 Sample Drill Letters per person." In addition, the "IS Technology Department" was established in 2023 as a specialized body with Information Security Specialized Personnel.

04

2023 IS Training Courses

7,818 persons

IS advocacy and test for employees  
(Achieved rate: 99.4%)

7,834 persons

Personal data protection advocacy  
and test for employees  
(Achieved rate: 99.5%)

4,339 persons  
13,017 hours

IS online general course for  
employees (3 hours)

149 persons  
1,341 hours

IS online professional course for  
employees (9 hours)

852 persons  
10,893 hours

IS in-class seed-training course for  
employees (38 lessons)





# 03 Caring for Employee

## Long-term Strategy

Talents are the crucial property of SYSTEX' s sustainable development. SYSTEX attracts outstanding talents by caring for employees and profound welfare system to increase the retention rate, further enhancing SYSTEX's competitiveness.

- Expanded recruitment of technical talent, diversified training to develop the capabilities of employees.
- Continuous improvement and implementation of the welfare system to create a happiness workplace.
- Develop healthcare programs and health risk prevention strategies to support health maintenance.

Talent Cultivation and Development	42
Human Rights Protection	47
Benefits and Rights	48
Employee Health Promotion	52
Occupational Health and Safety	54

## Material Topics

GRI 2-7, 2-8, 401, 403,  
404-1, 404-3  
SASB TC-SI-330

## Contributing to the SDGs







## Highlights



### Intimate Boss Award-First Prize

2023 Labor Safety Award by Taipei City Government



### Best IT Employer Award

1<sup>st</sup> Information Management Association IT Matters Awards



### Record High Health Promotion Expense

>NT\$ 4,000

Average expense per employee



### Sports Enterprise Certification

Ministry of Education  
2023 Sport Enterprise

## Short-, Mid-, and Long-term Goals

In response to the needs of enterprises' digital transformation, SYSTEX actively cultivates tech-talents with leadership courage, providing a diverse and happy workplace, allowing employees to achieve a balance between work, family and health.

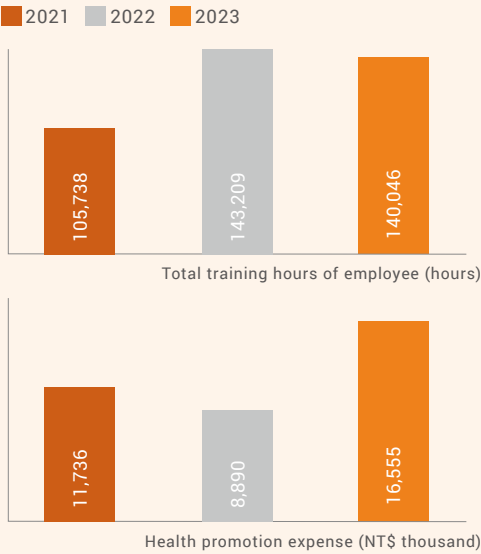
	Short-term Goals 2024	Mid-term Goals 2027	Long-term Goals 2030
Key talent retention rate	95%	95%	95%
New-hire retention rate	81%	83%	83%
Average training hours	>30 hours	>30 hours	>30 hours
ISO 45001 verification	Maintain ISO 45001	Maintain ISO 45001	Maintain ISO 45001
Employees health check rate	75% (legal age: 100%)	75% (legal age: 100%)	75% (legal age: 100%)

## 2023 Goals and Performance

✔ Achieved    ⚪ Ongoing

	Goals	Performance
Key talent retention rate	93%	95.1% ✔
New-hire retention rate	80%	79.3% ⚪
Average training hours of employees	> 30 hours	34.35 hours ✔
ISO 45001 verification	Maintain verification	Maintain verification ✔
High risk cases care rate	100%	100% ✔
Employees health check rate	75%	83% ✔


## 3-year Performance Progress





Talent Cultivation and Development

SASB TC-SI-130



Long-term Strategy

Diversified training to develop the capabilities of employees.

Talent is an important issue for sustainable development. Attracting and retaining key personnel will enhance the company's competitiveness. SYSTEX improves the diversified talent cultivation system to help employees clarify the path of career, growth with SYSTEX together.

Cultivate Technological Talents

With the core capabilities of "Software, Data, Algorithm, Cloud Service, Microservices, and Cybersecurity", SYSTEX has laid a solid foundation for "AI-based digital transformation" and continued to increase investment in tech talents to meet customers' needs and expectations for digital transformation to help create a second growth curve.

"Talents" is the core competitiveness of SYSTEX. To continuously improve their technical capabilities, SYSTEX reviews each personal technical map to understand their level of technical skill. Additionally, in line with the business development needs, SYSTEX provides comprehensive training resources, hoping that talents can increase capabilities and become tech talents with leadership courage to help enterprise clients with data integration, transformation, ecosystem integration, and innovation.

In 2022, SYSTEX has established a Technical Development Committee that aligns group technology strategy with BU needs. It combines the business map of each BU, technology blueprint of each tech-capability, and learning map of each tech-talent, offering flexible online and offline training options to employees, promoting learning that aligns with organizational goals.

Comprehensive Talent Development System

SYSTEX focuses on talent cultivation and provides systematic employee learning and development plans so as to plan comprehensive training courses, including "new employee training courses, key talent training, etc." according to organizational strategies, functional model and personal needs. SYSTEX's employees can take not only internal training courses, but also external training courses and certificate exams.

Training Structure and Performance

GRI 404-1

SYSTEX has formulated the "Employees Training and Development Rules," encouraging employees to improve their technical skills through training subsidies, and then combining training with performance management to stimulate employees' talents.

In 2023, a total of 8,410 persons participated in in-class courses totaling 75,465 hours, a total of 44,038 persons participated in online courses totaling 51,969 hours, and 661 persons participated in external professional training courses totaling 12,613 hours. The average training hours (ATH) of employees was 34.35 hours; if classified by gender, ATH was 27.42 hours for female and 39.01 hours for male; if classified by position, ATH was 39.68 hours for management-level positions and 33.93 hours for non-management positions. The ATH for technical employees participated in technical in-class or online courses was 26.97 hours.

In-class course	Online course	External course
8,410 persons	44,038 persons	661 persons
75,465 hours	51,969 hours	12,613 hours





### 2023 Performance of In-class Training Course

Type	Item	Trainees			Training (hours)
		Female	Male	Total	
Tech-development	AI	344	708	1,052	4,466
	Mobile software	10	33	43	921
	System DEV.	322	596	918	6,772
	Front-end DEV.	91	213	304	10,424
	Software architect	27	70	97	634
	Cloud service	59	433	492	9,944
	Micro service	201	515	716	10,594
	Data science	94	162	256	2,412
	Database	76	178	254	2,070
	Info. security	238	785	1,023	14,255
PM	Web API	13	19	32	476
	PM	77	93	170	2,956
General study	New-hire	274	458	732	4,501
	Info. Security	120	201	321	642
	ESG	101	122	223	335
	Expert lecture	638	285	923	1,535
Leadership	Manage DEV.	261	593	854	2,531
Total		2,946	5,464	8,410	75,465

### 2023 Performance of Online Training Course

Type	Item	Trainees			Training (hours)
		Female	Male	Total	
Tech-DEV.	Cloud service	78	201	279	1,704
	Info. security	2,191	3,684	5,875	16,549
PM	PM	129	198	327	637
	Cloud service	99	195	294	911
General Study	General study	4,466	6,175	10,641	13,915
	New-hire	5,318	8,096	13,414	12,404
Marketing	Product service	6,254	4,670	10,924	4,154
	General study	1,138	537	1,675	747
Leadership	Leadership	180	429	609	946
Total		19,853	24,185	44,038	51,969

### 2023 Performance of External Training Course

Type	Female	Male	Trainees	Training (hours)
External course	163	498	661	12,613

### Highlights

### Enhance ESG Awareness

SYSTEX aims to gradually enhance internal sustainability awareness, enabling all employees to fully grasp the significance of sustainable development. By fostering this awareness, employees can find greater meaning in their work, actively embodying these values in their daily tasks and practicing sustainable actions, thereby contributing to the company's sustainable management development. These awareness trainings in 2023 are:

#### Integrity

- Conducted 2 integrity advocacies for employees, totaling 7,824 persons with a 99.6% achievement rate.
- Held 2 seminars on integrity management for managers with a cumulative total of 631 training sessions.
- Advocate the "Code of Conduct" via emails every month, totaling 49,690 persons. Of these, 45,411 persons were engaged on the topic of integrity, with a 99.1% achievement rate.
- Require new employees (compulsory for FTE and elective for non-FTE) to complete the online courses of "New Employee Training Camp - Integrity Management," totaling 778 persons and 490.1 hours.
- Conduct an online course and test on "Prohibition of Insider Trading" once a year. 4,002 persons be trained, with a 98.6% achievement rate.

#### IP mgmt.

- Conducted 2 IP advocacies for employees, totaling 7,511 persons and a 99.3% achievement rate.
- Conducted courses for IP personnel on IP management, totaling 665 persons and 740.5 hours.
- Require new employees (compulsory for FTE and elective for non-FTE) to complete the online courses of "New Employee Training Camp - IP Rights," totaling 685 persons and 185 hours.

#### Info. Security

- Conducted 2 IS advocacies and tests for employees, totaling 7,818 persons and a 99.4% achievement rate.
- Conducted 2 Personal Data Protection advocacies and tests, totaling 7,834 persons with a 99.5% achievement rate.
- Conducted "3-hour IS online general courses" for employees, totaling 4,339 persons and 13,017 hours.
- Conducted "9-hour IS online professional courses" for employees, training 149 persons for a total of 1,341 hours.
- Conducted "38-lesson IS in-class seed-training courses" for employees, with a total of 852 person and 10,893 hours.

#### Human Rights

- Advocate the "Code of Conduct on Human Rights topics" via emails in November, totaling 4,279 persons and a 99.4% achievement rate.
- Conducted "Sexual Harassment and Assault Prevention" for new-hires on onboarding day, totaling 910 persons.
- Conducted courses of "OHS and Employer's Responsibility" for new directors, totaling 12 persons and 24 hours.
- Conducted various general Human Rights courses for employees, totaling 933 persons and 1,549.5 hours.
- Require new employees (compulsory for FTE and elective for non-FTE) to complete the online courses of "New Employee Training Camp - Human Rights and OHS," totaling 2,210 persons and 2,509 hours.

#### OHS

In addition to the Human Rights courses, other OHS training is as follow: Subsidize employees to join in external professional licensing courses (including environmental certificate courses), totaling 108 persons and 1,547 hours.

### Investment in Education and Training Over the Past 3 Years

SYSTEX has set a long-term goal of "investing more than NT\$30 million in employee education and training by 2030." In 2023, the total investment in employee training was nearly NT\$29 million, with an annual increase of 1.11%, and the per capita training expenditure was more than NT\$7,000.



## ● Diverse Internal Training Course

### New-hire

To help new-hires become familiar with SYSTEX and its business philosophy, we have curated a mix of in-class and online courses, arranged for senior managers to teach, and promoted volunteer activities and occupational health and safety in the course to raise awareness of occupational health and safety.

### Leadership

SYSTEX has designed leadership training courses based on SYSTEX management framework to ensure more effective performance. We also provide the "supervision courses" to improve the supervision ability of senior employees and supervisors, helping new employees to get familiar with work faster.



### Technology development

SYSTEX has established the "Technical Development Committee," composed of Task Forces focused on core technical capabilities, holding annual technical meetings every year to continuously publish the latest trends in tech-DEV. and industrial applications, and organized technical training courses aligned with the needs of the BU's operation strategy.



### Marketing

To achieve customer-oriented business sales, SYSTEX effectively engages customers with insightful questions during the business process, clarifying their true needs and cultivating potential talents to become top product expert consultants for clients.

### Exclusive individual

Various E-Learning platforms enable employees to utilize their spare time to reach their personal learning goals.

### Key talent

SYSTEX conducts annual inventory and training plans for key positions and talents according to operational strategy needs.

### Experts lecture

Invite industry experts to share practice experience with topics, so that employees practice the win-win concept of improving customer values.

### SEI Program

Provide a long-term internship program (SEI) and hold summer intern camp, allowing interns to engage in industry-specific courses. Exceptional interns may receive full-time job offers.





## Diversity of Employment

By the end of 2023, SYSTEX Group in Taiwan employs a total of 4,077 persons, with 2,098 employees in SYSTEX and 1,979 employees in affiliates. If classified by positions, there are 31 senior executives, 269 mid-level executives and 3,777 non-executive employees. In terms of gender and age, there are 2,348 males (59.8%) slightly more than females (1,639, 40.2%) and the largest proportion is 57.54% aged of 30 (incl.)-50 years old. However, the number of employees over 50 has increased, with an annual growth rate of 19.13%.

SYSTEX Group in Taiwan has 3,710 permanent employees (91.0%), of which 1,473 are women (36.13%). In terms of job type, education, nationality, and region, there are 3,012 technical employees (73.88%), 3,864 employees with bachelor's or above (94.78%), 15 foreign employees (0.37%) and 3 employees in overseas regions (0.07%).

### 2023 Diversity of Governance Body (by gender and age)

GRI 405-1

Type	Item	Gender (%)		Age (%)			Total	Percentage (%)
		Female	Male	Under	30(incl.)-50y	Over 50y(incl.)		
Management level	Senior	0.10	0.66	0	0.10	0.66	31	0.76
	Middle	1.82	4.78	0	3.09	3.51	269	6.60
Non-management level		38.29	54.35	23.33	54.35	14.96	3,777	92.64
percentage (%)		40.20	59.80	23.33	57.54	19.13	4,077	100

Note: Senior level managers are BU heads or above leaders, or FN division leaders; middle level managers are department heads.

### 2023 Number of Employee for Hire Type (by gender and region)

GRI 2-7, 2-8

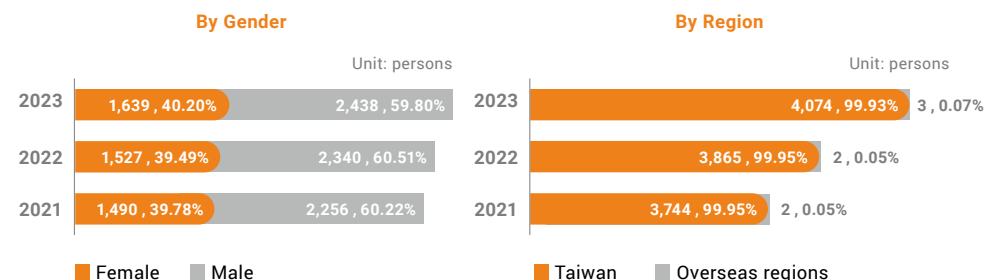
Type	Gender		Region		Total
	Female	Male	Taiwan	Overseas	
Permanent employee	1,473	2,237	3,707	3	3,710
Temporary employee	166	201	367	0	367
Non-guaranteed hours employee	0	0	0	0	0
Full-time employee	1,630	2,425	4,052	3	4,055
Part-time employee	9	13	22	0	22

Note: 1. Permanent employee is employee with a contract for an indeterminate period. Temporary employee is employee with a contract for Part-time employee is employee whose working hours are less than those for full-time employees.

2. By the end of 2023, SYSTEX has a total of 99 interns, 4 dispatched manpower and 17 of security guards, cleaning workers and electrical & mechanical workers.

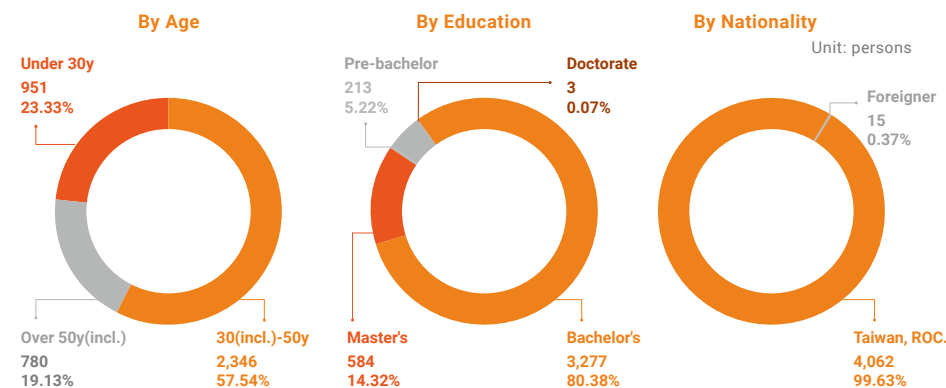
### 3-year Number of Employee

GRI 2-7, 405-1; SASB TC-SI-330



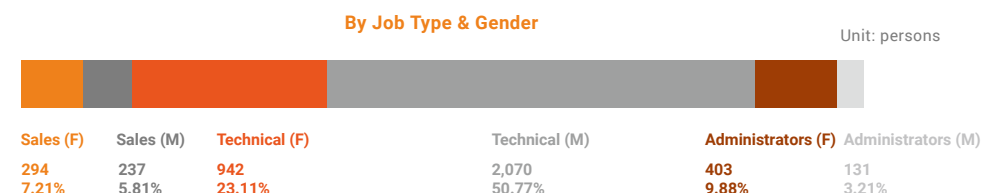
### 2023 Number of Employee

GRI 405-1; SASB TC-SI-330



### 2023 Number of Employee

SASB TC-SI-330

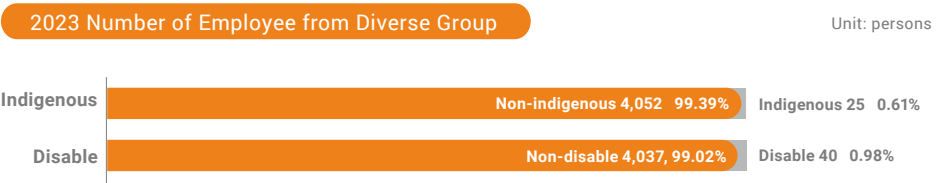




## Recruitment

### Diversity and Inclusion

SYSTEX has fully recruited disabled people and employed visually impaired massage therapists since 2007 to help increase career opportunities for disabled people. By the end of 2023, SYSTEX Group in Taiwan has a total of 40 disabled people (1%) and 25 indigenous persons (0.61%) and SYSTEX has employed more disabled people than the law requires.



SYSTEX has a complete employee career development system planning, with a dual-track system of professional and management positions, to meet employees career development. SYSTEX also offers a support mechanism for new employees to quickly integrate into the work environment.

#### Caring for New-hire

- Training courses

Help understand SYSTEX's philosophy and become familiar with the internal rules and regulations.
- Mentor system

Mentor system helps new employees integrate into the work faster, shorten the adaption period.
- Dedicated HR service assistant

HR Division allocates dedicated personnel to keep abreast of the new employees.
- Enhance caring during probation period

Since the retention rate of 79.3% is lower than the target of 80%, SYSTEX analyzed that the top 3 factors for resignation were "work adaptation" related issues. Therefore, SYSTEX will strengthen the mentor's guidance on new-hires' job understanding and practical work adaption to solve the maladaptation problem.

### New-hire and Turnover Employee GRI 401-1

#### 2023 Number of New-hire

In 2023, SYSTEX Group in Taiwan has 1,048 new-hires (25.71% of all employees). Among them, women accounted for 463 (44.18%). New-hire rate of female employees is 28.5%, slightly higher than that of male ones (24%). In terms of age, the largest proportion of new-hires is under 30y (52% of all employees), slightly higher than that in 2022 (50.15%) and 2021 (49.64%), showing that the overall new-hires are getting younger.

Type	People	New-hire rate (%)	Type	People	New-hire rate (%)
Female	463	28.25	Taiwan	1,047	25.70
Male	585	24.00	Overseas region	1	33.33
Total	1,048	25.71	Total	1,048	25.71

Type	People	New-hire rate (%)
Under 30y	545	57.31
30(incl.)-50y	449	19.14
Over 50y (incl.)	54	6.92
Total	1,048	25.71

Note:1. New-hire rate = Number of new-hires in this category / Total in this category x 100%  
2. Among the new-hires, there are 1,046 Taiwanese employees (99.8%) and 2 non-Taiwanese (0.2%).

#### 2023 Number of Turnover Employee

In 2023, there are 963 turnover employees (19.11% of all employees). Among them, 392 (40.71%) are women. Turnover rate of female employees is 19.30%, slightly higher than that of male ones (18.98%). In terms of age, the largest proportion of turnover employees is 30-50y (51.09% of all employees), slightly lower than in 2022 (51.28%) and 2021 (53.17%).

Type	People	Turnover rate (%)	Type	People	Turnover rate (%)
Female	392	19.30	Taiwan	963	19.12
Male	571	18.98	Overseas region	0	0
Total	963	19.11	Total	963	19.11

Type	People	Turnover rate (%)
Under 30y	357	27.29
30(incl.)-50y	492	17.34
Over 50y (incl.)	114	12.75
Total	963	19.11

Note:1. Turnover rate = Number of turnover employees in this category / (Total in this Category + Number of turnover employees in this category) x 100%  
2. Among the turnover employees, there are 962 Taiwanese employees (99.9%) and 1 non-Taiwanese (0.1%).



# Human Rights Protection

GRI 2-23, 2-24

According to international human rights norms and principles, including "UDHR, UNGC, UNGPs, and Declaration of Fundamental Principles and Rights at Work", SYSTEX refrains from any human rights violations, treats all employees fairly and with respect and enhances internal awareness of human rights to reduce risks.

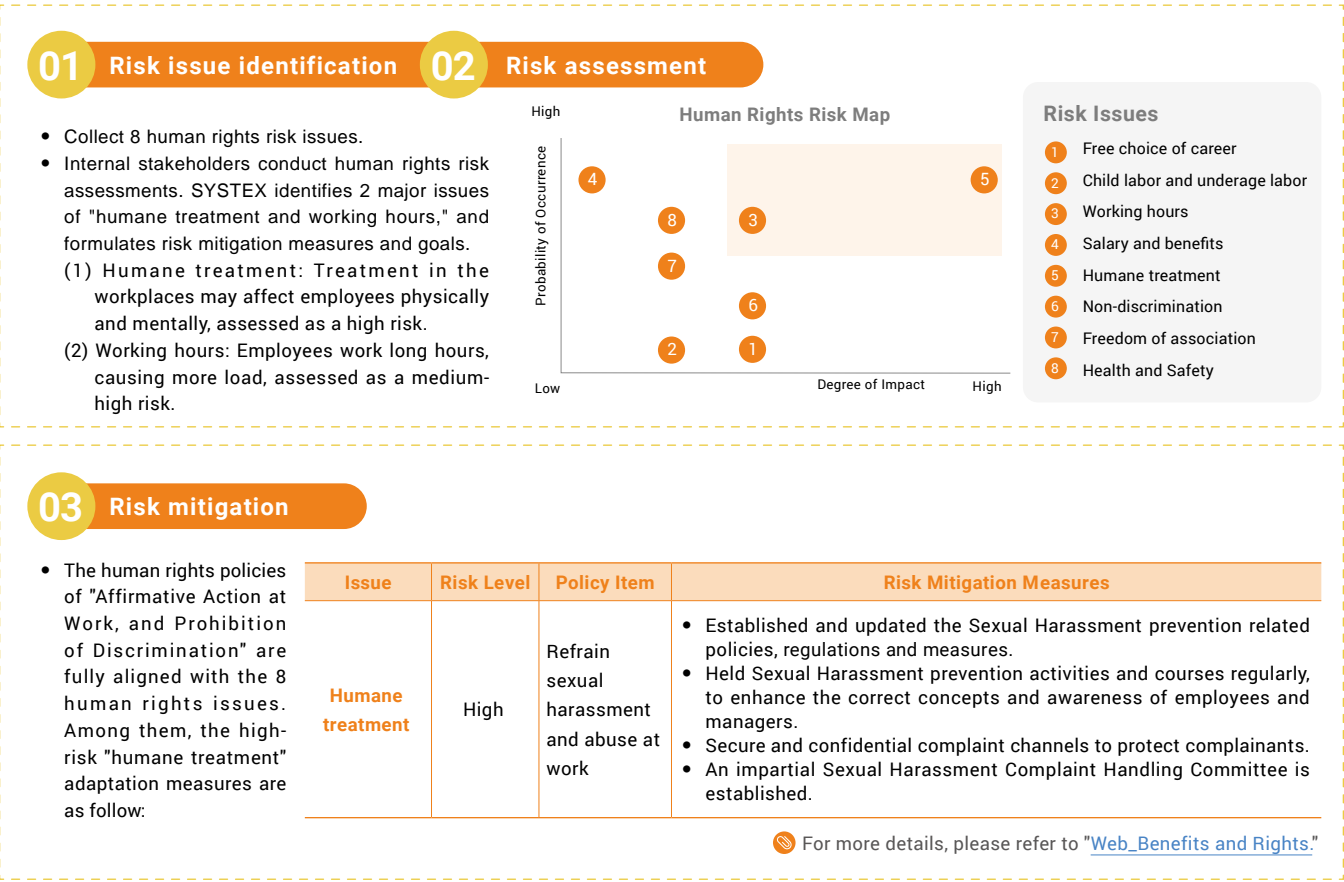
## Human Rights Policy

The Human Rights Policy applies to SYSTEX Corp. and its affiliates, and SYSTEX also requires business partners to comply with this policy.

- Promote equity at work, prohibit any discrimination, and protect employees from any differential treatment or discrimination due to race, gender (including gender orientation), age, marriage, socioeconomic status, class, ideology, religion, party affiliation, place of origin, place of birth, appearance, facial features, physical and mental disabilities, or trade union membership.
- Refrain sexual harassment and abuse at work.
- Prohibit forced labor, child labor and human trafficking.
- Regularly implement human rights due diligence and optimize human rights risk management.
- Comply with applicable laws and regulations of salary and working hour of each operating base, implement a fair remuneration mechanism, practice the principle of equal pay for equal work for men and women, regularly and fairly conduct performance evaluation for each employee, and pay individual salary on time.
- Help employees maintain a work-health balance.
- Provide a healthy and safe workplace.
- Build various communication channels, provide an anonymous mechanism for reporting violations or complaints, and respect employees' freedom of association.

## Human Rights Due Diligence Process

SYSTEX has formulated a human rights due diligence process that identifies potential issues of human rights risks first, and then carries out risk assessments. SYSTEX develops mitigations, tracks the implementation performance and reviews regularly to reduce risks effectively.



03 Risk mitigation

The human rights policies of "Affirmative Action at Work, and Prohibition of Discrimination" are fully aligned with the 8 human rights issues. Among them, the high-risk "humane treatment" adaptation measures are as follow:

For more details, please refer to "Web\_Benefits and Rights."



## 04 Human rights management indicators

GRI 406-1

- Among the performance, "Human Treatment " is not achieve the goal of management.

Issue	Humane Treatment	Working Hour	Health and Safety	Salary and Benefits	Non-discrimination
Indicator	Number of complaints for assault $\leq 1$	People fine for overtime work $\leq 1$	Non-work-related commuting injury incidence $< 0.5\%$	Number of labor disputes $< 3$	Hired disable employees $> 1\%$
Performance	4	0	1	1	40 persons
Risk Rate	0.1%	0.00%	0.025%	0.025%	0.00%
Status	~	✓	✓	✓	✓

Note:1. The number of hired disable people is accounted based on the number at the end of the year. SYSTEX has employed 40 disable persons, including 16 severely disabled persons.  
 2. Work-related injuries exclude non-work-related commuting injuries.  
 3. Follow-ups: 2 cases of sexual harassment and 2 cases of unlawful assault were investigated by the related Committee respectively (1 of the sexual harassment complaints was not substantiated), and the rest were satisfactorily resolved after handling.

## 05 Human rights protection training

- [Onboarding day for new-hires]** A total of 910 people participated in the promotion of human rights, covering sexual harassment and labor laws.
- [New Employee Training Camp]** The course includes 12 in-class training. A total of 623 persons participated, with a total of 934.5 hours; a total of 1,587 persons participated in online training, with a total of 1,574.5 hours.
- [Compliance course for new directors]** A total of 12 persons participated in the course, covering employer responsibility, OHS and human rights, with a total of 24 hours.
- [Code of Conduct on Human Rights topics]** A total of 4,279 sessions and a 99.4% achievement rate.
- [General Human Rights course]** A total of 933 persons participated in the courses, covering sexual harassment and health, with a total of 1,549.5 hours.

### New-hires training

910 persons

Onboarding day for new-hires

2,210 persons 2,509 hours

New Employee Training Camp

### Director training

12 persons

24 hours

Compliance course for new directors

### Code of Conduct

4,279 persons

Human Rights Advocacy (Nov.)

### General courses

933 persons  
1,549.5 hours

## Benefits and Rights

### Long-term Strategy

Implementation of the welfare systems to create a happy workplace.

SYSTEX is committed to fostering a work-life balance for employees. SYSTEX enhances family care-related benefits, enabling employees to grow together and demonstrate their sense of identity towards SYSTEX.

## Remuneration System

GRI 202-1

SYSTEX has set up a complete performance management and remuneration system, linking organizational and individual performance targets and evaluating them regularly, and giving rewards based on their contribution. SYSTEX implements a fair remuneration mechanism based on the principle of equal pay for equal work for men and women, regularly and fairly reviews performance and pay remuneration on time. There's no gender-specific difference in salary for each position, and the basic salary of each position is higher than the statutory minimum wages. In 2023, the ratio of the statutory minimum wage to the average salary of entry-level employees (Level 1 & 2) is 1:1.48.

### Ratio of total salary by job type (F:M)

GRI 405-2

Sales	Technical	Administrator
1.10 : 1	0.91 : 1	0.90 : 1

Note:1. The data scope is the non-management level employees of SYSTEX Group in Taiwan who have served for more than half a year in 2023.  
 2. Total salary is basic salary plus variable salary, such as overtime pay or bonuses.

### Remuneration overview of non-management level employee

GRI 2-21

Item	2021	2022	2023
Number of FTE	1,803	1,908	1,865
Average salary of FTE (NT\$ thousand)	962	969	1,006
Median salary of FTE (NT\$ thousand)	787	797	822

Note:1. The data scope is the non-management level employees of SYSTEX Corp. who have served for more than half a year in 2023.  
 2. This table is consistent with that disclosed by the Market Observation Post System, <https://emops.twse.com.tw/server-java/t58query>.  
 3. In 2023, the annual total compensation ratio was 6.63:1, and the change in the annual total compensation ratio was 2.36:1.



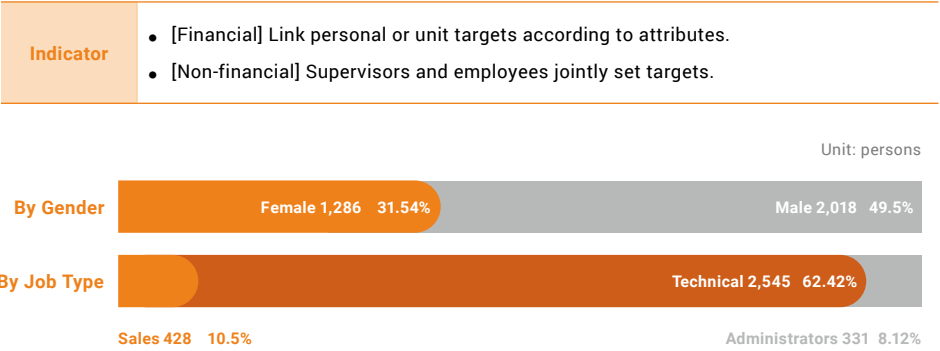
Performance Management

In the comprehensive performance management system, there is no gender-specific difference in performance evaluation. The evaluations are conducted twice a year, excluding the employees who fail the probationary period, leave without pay and leave more than 3 consecutive months, and are temporary employees. In the second half of 2023, 3,304 employees participated in performance appraisal, accounting for 81.04% of all employees, slightly increasing compared to the previous year. Supervisors have been trained in complete performance evaluations, to provide employees with guidance and support to help them grow in their careers.

● Performance Evaluation Mechanism

The KPI of performance management is divided into financial and non-financial indicators. During annual indicator setting process, supervisors and employees communicate and give feedback to ensure alignment with organizational targets. After confirmation of indicator setting, they interact regularly to check and improve performance in time and conduct evaluation twice a year according to regulations. After the performance appraisal, the results finally determined by the senior management level and will be used as the basis for personal promotion and salary adjustment.

Employees receiving performance reviews (by gender and job type) GRI 404-3



Note: The data scope is the FTE of SYSTEX Group in Taiwan who are eligible for performance evaluation in 2023.

Benefits Plan GRI 401-2

SYSTEX provides welfare programs that are better than those stipulated by the government, including flexible working hours, paid leave benefits, marriage and maternity gifts, SYSTEX Baby Happy Growth Funds program and other benefits, thereby taking more care of employees' life. In addition, SYSTEX set up an "Employee Welfare Committee" to offer personal benefits and subsidies for childbirth, marriage, funeral and club activities. SYSTEX also holds various activities irregularly to help employees keep healthy. For FTEs, SYSTEX provides exclusive benefits including group insurance (such term life insurance, accidental medical care, major diseases, and occupational accidents, etc.), leave types that are superior to the law (such as birthday leave and additional special leave), and SYSTEX Baby Happy Growth Fund Program.

● Friendly Workplace

Upgraded gym

- Taipei headquarters has a comprehensive gymnasium and both Taipei HQ and Taichung office have gyms and yoga classrooms.

Relaxation space

- Taipei headquarters B1 creates a "quiet and relaxing space", providing vending machines, coffee bars, book areas and napping areas.
- Taipei headquarters 8F creates a "rest cloud space", allowing employees to innovate or work freely in a comfortable workplace.
- Besides Taipei HQ, other offices also provide comfortable workplace.

Book area

- Built a "children's book area" in B1 of HQ, offering books for children aged 2-15. A total of 535 children's books be borrowed in 2023.

Multifunctional activity area

- Create a "Multifunctional activity area" on 1F of HQ to organize business exhibitions, conferences, seminars, and other events since 2023.





● Better Benefits than Government Laws Stipulated

■ Better paid leave

- [Flexible working hours] Work time is 08:30-09:30, and off-duty time is 17:30-18:30.
- [Annual leave] Up to 9 days of paid leave for new hires based on employed percentage for the year, additional days of paid leave for other senior employees. (FTE only)
- [Birthday or sick leave] 1 day of full-paid birthday leave per year; 8 days of full-paid sick leave. (FTE only)
- [Volunteer leave] 1 day of full-paid volunteer leave per year.
- [Parental examination and maternity leave] 8 days of full-paid prenatal examination leave; up to 70 days of full-paid maternity leave.
- [Adjusted in 2024, Spouse leave] Since April, male employees will be entitled to 8 days of spouse leave when their spouses undergo prenatal checkups or give birth.
- [New in 2024, Flexible parental leave] Since April, employees are entitled to 3 days of paid flexible child care leave within 6 months of the birth of a baby.

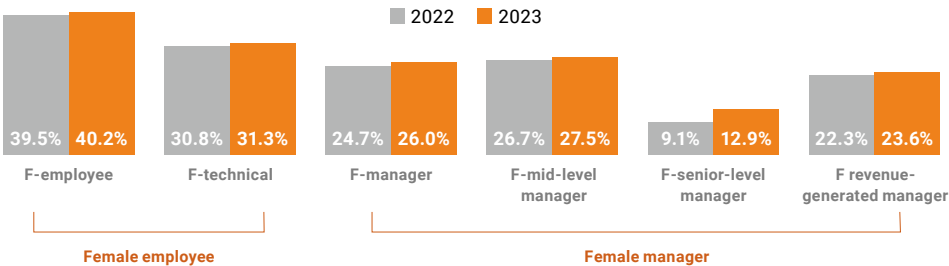
ⓘ For more details, please refer to "[Web\\_Benefits Plan](#)."

Diversity, Inclusion and Parental Benefits

Diversity and inclusion are key influence on corporate culture development. SYSTEX is committed to promoting diversity and motherhood-friendly measures, such as equal pay policy, and welfare policy with diversity and inclusion, enabling to eliminate gender differences so that employees can realize their career aspirations, and to build a more flexible and adaptable multi-dimensional team to jointly cope with changes and challenges in the external social circumstance.

Statistics on the Female Employees by Category in the Past 2 Years

The percentage of women in all categories in 2023 is slightly higher than in 2022.



● Parental Benefits Measures

In order to encourage employees to get married and have children, SYSTEX has planned incentive measures. In addition, in 2024, SYSTEX adds a new "flexible parental leave" and an "8-day paternity leave" to deepen support for employees to participate in family fertility issues.

Flexible working hours & Paid leave

- Offer additional "flexible working hours for parents of children under 3 years of age".
- [Female]Up to 70 days of full-paid maternity leave
- [Male]8 days of full-paid paternity leave
- [Employees]3 days of full-paid flexible child care leave within 6 months of the birth of a baby.

Marriage and maternity gifts

- Offer "Moon Pillow" and health care during pregnancy to pregnant employees and offer Insulated Thermos to the employees with new babies.

Maternity allowance

- "SYSTEX Baby Happy Growth Funds" program provides dual gifts of maternity allowance and full-paid maternity leave.
- Employee Welfare Committee provides a subsidy of NT\$3K to each newborn.

Lactation rooms

- SYSTEX has set up "Lactation Rooms" in 8 operation offices, offering access control and equipment.
- In 2023, the "Lactation Rooms" of the headquarters building was once again awarded the "Excellent Breastng Room Certificate" by the Taipei City Government.

EAP

- Cooperated with a professional consultancy firm on the Employee Assistance Program (EAP) to provide 24-hour real-time employee assistance services to accompany employees to reduce psychological stress.

Childcare

- Sign specific contracts with qualified childcare institution to provide childcare discounts.

ⓘ For more details, please refer to "[Web\\_Parental Benefits](#)."



SYSTEX legally accepts applications for employees' unpaid parental leave and their reinstatement after parental leave. In 2023, there are 34 applicants, including 2 males and 32 females. The "return to work rate" is 81%.

Parental Leave and Reinstatement

GRI 401-3

Item	Gender	2022	2023
Number of employees eligible to apply for parental leave (A)	Male	130	133
	Female	99	110
	<b>Total</b>	<b>229</b>	<b>243</b>
Number of employees applying for parental leave (B)	Male	6	2
	Female	38	32
	<b>Total</b>	<b>44</b>	<b>34</b>
Employees eligible to return to work after unpaid parental leave ended (C)	Male	6	2
	Female	20	19
	<b>Total</b>	<b>26</b>	<b>21</b>
Employees return to work after unpaid parental leave ended (D)	Male	5	2
	Female	15	15
	<b>Total</b>	<b>20</b>	<b>17</b>
Employees return to work after unpaid parental leave ended in the previous year (E)	Male	2	5
	Female	4	15
	<b>Total</b>	<b>6</b>	<b>20</b>
Employees were still employed 12 months after their return to work (F)	Male	1	3
	Female	3	14
	<b>Total</b>	<b>4</b>	<b>17</b>
Application rate (B/A)	Male	5%	2%
	Female	38%	29%
	<b>Total</b>	<b>19%</b>	<b>14%</b>
Return to work rate (D/C)	Male	83%	100%
	Female	75%	79%
	<b>Total</b>	<b>77%</b>	<b>81%</b>
Retention rate (F/E)	Male	50%	60%
	Female	75%	93%
	<b>Total</b>	<b>67%</b>	<b>85%</b>

Note: (A) The 2023 eligibility for parental leave is the employees who are working at the end of the year and give birth during 2020/1/1 - 2023/12/31. (B) Eligible for parent leave and applying for it in the current year. (C) Expected to return to work in 2023. (D) Actual to return to work in 2023. (E) Actual to return to work in 2022 (F) Return to work in 2022 and worked for 12 months after reinstatement.

## Communication Channel

GRI 2-25, 2-26

SYSTEX values the voices of our employees and cares about feedback from our stakeholders. In addition to setting up a dedicated mailbox communication channel and posting it in the company's official website, we also announce our policies through the company's intranet site (EIP) and convene regular meetings with employers and employees.

### 01 Dedicated email and communication channel

Item	Detail
<b>Complaint / Sexual Harassment Email</b>	Have an internal specific communication channel for complaining or reporting illegal matters, including sexual harassment or abuse.
<b>Integrity Committee Email</b>	Supervise the dishonest behaviors and review the integrity management to ensure the implementation of integrity management. All reported cases will be processed as confidential documents and responded within 30 days.
<b>Audit Committee Email</b>	Provide communication channels for stakeholders to complain. All reported cases will be confidentially verified, and then handled by dedicated personnel. All reported cases will be responded within 30 days.
<b>CSR Email</b>	SYSTEX discloses its sustainable strategy and responses to future challenges through its sustainability report, so that all stakeholders can better understand its ESG performance.

Note: In accordance with the "Code of Conduct", all reported cases will be kept confidential in order to protect the whistleblowers from any abuse or threats.

### 02 Other communication channels

Item	Detail
<b>Internal Announcements and Knowledge Management</b>	Through the internal Enterprise Information Portal (EIP), SYSTEX publishes its policies, important information or news to keep employees better informed about its dynamics and industrial trends. Besides, SYSTEX also pushes announcements via email and APPs to improve communication in the most direct and efficient way.
<b>Labor-Management Meeting</b>	According to the "Regulations for Implementing Labor-Management Meeting", SYSTEX holds a meeting quarterly, attended by representatives of labor and management, to discuss labor-related issues to promote harmonious communication. In 2023, a total of 4 Labor-Management Meetings were held.



# Employee Health Promotion

Obtained the "2023 Sports Enterprise Certification"

GRI 403-6, 403-7

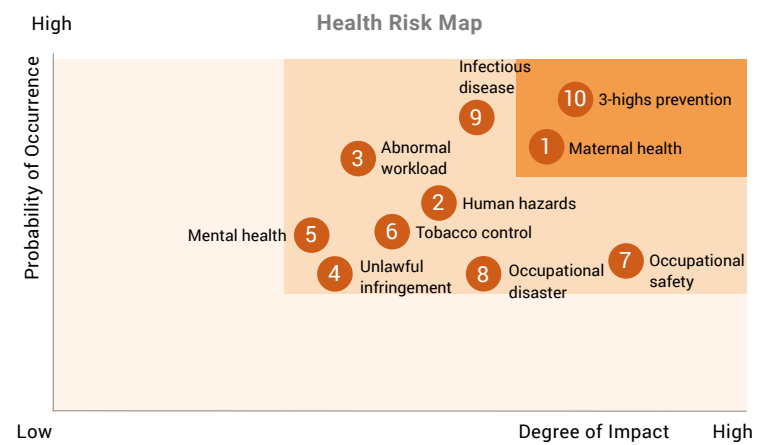
Long-term Strategy

Develop healthcare programs and health risk prevention strategies.

Since employee health is the long-term value, SYSTEX provides a "Comprehensive Employee Healthcare Plan," allowing employees to take good care of personal health while focusing on work, to enhance centripetal force and corporate competition. In 2023, the total healthcare expense is NT\$16,555 thousand.

## Health Risk Assessment and Mitigation

The health risk assessment map was analyzed through the questionnaire survey and other important indicators. Since our employees are mainly engaged in long-term office work, we finally evaluated two major health themes, namely, "3-highs prevention" and "Maternal health," and formulated risk mitigation measures and actions based on them.



## Health Risk Mitigation Measures and Annual Implementation Outcomes

### High Risk Issue: 3-highs Prevention

Measures	<ul style="list-style-type: none"><li>Health examinations and high-risk case tracking care</li><li>Health Consultation Service for employees</li><li>Organize lectures with various Health topics</li><li>Organize various sport competition</li><li>Subsidizing various sports clubs</li></ul>
2023 performance	<ul style="list-style-type: none"><li>2,773 employees conducted health checks and 604 new-hires conducted checks, totaling NT\$11,479 thousand in subsidies, thereby providing healthcare for sickness and injury employees with a total of 495 employees.</li><li>Held 34 physician health consultation sessions to provide services for 202 employees.</li><li>Held 10 lectures, covering topics such as stress relief, interpersonal relationships, nutrition, etc.</li><li>Organize the 5<sup>th</sup> Basketball Tournament with a total of 394 participants, the 1<sup>st</sup> Bowling Tournament with a total of 252 participants, the 2<sup>nd</sup> Road-running Tournament with a total of 462 participants, and online walking game with totaling 565 participants and 69,326 km.</li><li>Subsidizing sports clubs, such as badminton club, totaling NT\$327 thousand.</li></ul>
Awards	<ul style="list-style-type: none"><li>Honored the 2023 "Corporate Employment of Sports Instructors Award."</li><li>Awarded the 2023 "Sports Enterprise Certification" again.</li></ul>

### High Risk Issue: Maternal Health

Measures	<ul style="list-style-type: none"><li>Implement "Maternity Protection Plan"</li><li>Maternity or paternity leave better than gov.-laws stipulated</li><li>Provide parental subsidy</li><li>Marriage and Maternity Gift</li><li>Provide "Lactation Rooms" and equipment</li><li>Provide specific childcare contracts</li></ul>
2023 performance	<ul style="list-style-type: none"><li>Provided care consultation to 41 pregnant employees, creating the SYSTEX Baby online group, where mothers can jointly share information and provide psychological support.</li><li>Provide 8 days of full-paid maternity leave and up to 70 days of paid maternity leave to female employees as and provide 8 days of full-paid spouse leave for paternity and maternity to male employees since April 2024.</li><li>In addition to the NT\$3,000 per child subsidy provided by the Welfare Committee, the SYSTEX Baby Growth Fund program also provides a maximum subsidy of NT\$120,000 per child.</li><li>Offer "Moon Pillow" and offer Insulated Thermos to the employees with newborn babies.</li><li>Lactation rooms are set up in 8 offices, with supplies and access control system.</li><li>Sign specific contracts with qualified childcare institution to provide childcare discounts.</li></ul>
Awards	<ul style="list-style-type: none"><li>The lactation room in HQ attain "Excellent Breastfeeding Room Certification-Outstanding Grade" again.</li></ul>

## Comprehensive Employee Healthcare Plan

SYSTEX has launched a "Comprehensive Employee Healthcare Plan" with 4 major aspects, encouraging employees to enhance health awareness, and then driving their family members to exercise together.

Examination

- Employee health check
- Fitness test
- Female health check

Healthcare

Education

- Health seminars
- Healthcare training

Promotion

- Sports competition
- Worktime exercise courses
- Club activities
- Free massage
- Other activities (ex: blood donation)

- Set up a Health Center
- Dedicated health managers
- Specialist consultation
- EAP



## 01 Examination

- **[Employee health check]** Offer annual employee health check and subsidize NT\$3,500 each employee. Employees can conduct health check within 14 medical institutions. After examination, the health managers will provide personal consultation.
- **[New-hire health check]** New-hires must submit a health check report. SYSTEX subsidizes up to NT\$1,000 for each new-hire.
- **[Fitness test]** Hold physical fitness testing, including muscle strength testing, flexibility, body composition and other items.
- **[Female health check]** Hold female tests, including breast screening, and pap smear.

Number of employee health check	Total expense	Satisfaction
<b>2,773</b> persons	<b>NT\$ 11,479 K</b>	<b>92</b> points
Employee health check	New-hire health check	

## 02 Healthcare

GRI 403-2, 403-3

### Health center and health managers

- SYSTEX has employed 4 full-time health managers according to the regulations and worded with qualified consultants to have contract-caregivers services, conducting long-term tracking of employees.
- [Occupational safety factors analysis] Through identifying ergonomic hazards, abnormal workloads and maternity protection, SYSTEX developed plans to reduce health risks of employees.

Prevention plans of ergonomic hazards	Prevention plans of overwork related illness	Maternity health management plans
<b>42</b> persons with potential risk	<b>33</b> persons with potential risk	<b>41</b> persons
2,094 Questionnaire		Pregnant & postpartum return

### Specialist consultation

- In addition to NTU Hospital, SYSTEX has worked with Taichung and Kaohsiung VG Hospital in 2023, with a total of 3 specialist physician teams, offering 1-on-1 health care consulting services. In 2023, a total of 34 consulting meetings were held, with a total of 202 participants.

Total expense  
**NT\$ 989K**

### Employee assistance programs (EAP)

- The "Employee Assistance Programs, EAP" was launched to provide employees with 24-hour real-time assistance services, accompanying employees go through the difficulties.
- In 2023, a total of 94 participants used EAP.

Total expense  
**NT\$ 394K**

Satisfaction  
**100%**

## 03 Education

- Provide health information, including topics of EAP care, health information, and activity information, through email and the SYSTEX-developed "Health UP! APP" every month.
- Irregularly hold "Stress Relief and Health Seminars," such as communication, psychology, parent-child and other topics.
- In 2023, a total of 10 online seminars were held, with a total of 665 participants.

Seminar participants	Health information	Total expense
<b>665</b> persons	<b>131</b> articles	<b>NT\$ 60K</b>

## 04 Promotion

SYSTEX serves the society with IT capability, allowing SYSTEX to develop "Health UP! APP" in 2021 and to invest NT\$651K in maintenance every year. The app integrates various health and exercise data of employees, allowing them to keep an eye on their own health status. Meanwhile, the executives lead BU teams to participate in internal sports competitions, thereby deepening the "exercising corporate culture."

### Worktime exercise courses

- Employ a full-time and several part-time athletic trainers to offer "Worktime Exercise Courses" at Taipei HQ and Taichung offices, including strength training, TRX, badminton, etc.
- In 2023, a total of 532 training courses were held, with a total of 4,326 participants.
- Awarded the 2023 "Corporate Employment of Sports Instructors Award" by the Ministry of Education.

Total expense  
**NT\$ 895K**

### Competition-3-on-3 basketball contest

- The SYSTEX Cup 3-on-3 Basketball Game has been held every year since 2018. In 2023, there were a total of 45 teams, 233 participants and 89 games.
- A fun game was also held with a total of 161 participants.

Total expense  
**NT\$ 726K**



Competition-bowling game	<ul style="list-style-type: none"> <li>The first SYSTEX Bowling Game was held in 2023, with 307 participants and a total of 100 games in the tournament.</li> </ul>	<div>Total expense</div> <div>NT\$ 145K</div>
Competition-badminton game	<ul style="list-style-type: none"> <li>The first SYSTEX Badminton Game was held in 2023, with a total 25 teams and 214 participants.</li> </ul>	<div>Total expense</div> <div>NT\$ 400K</div>
Competition-road running	<ul style="list-style-type: none"> <li>In 2023 combined with the "2023 Panasonic Taipei City Road Race" with a total of 462 participants.</li> </ul>	<div>Total expense</div> <div>NT\$ 400K</div>
Competition-online sports game	<ul style="list-style-type: none"> <li>Through the sports competition function of "Health UP! APP", the "Online Walking Competition" were held with a total of 565 participants and a cumulative distance of 69,326 km.</li> </ul>	<div>Total expense</div> <div>NT\$ 38K</div>
Club activity	<ul style="list-style-type: none"> <li>Set up an "Employee Welfare Committee" and formulate the "Measures for the Organization of Employee Associations" to offer subsidies for club activities, including badminton clubs, yoga clubs, basketball clubs, and others.</li> </ul>	<div>Total expense</div> <div>NT\$ 327K</div>
Free massage	<ul style="list-style-type: none"> <li>SYSTEX employs visually impaired people to provide massage services in 11 offices in Taiwan, allowing employees have a free stress-relief massages, while also increasing employment opportunities for disabled people.</li> <li>SYSTEX provides a total of 578 massages sessions to totaling 4,731 participants.</li> </ul>	
Blood donation	<ul style="list-style-type: none"> <li>Hold 2 blood donation activities.</li> <li>In 2023, a total of 187 persons participated and a total of 70,500ml of blood was donated.</li> </ul>	<div>Total expense</div> <div>NT\$ 50K</div>



SYSTEX Cup 3-on-3 basketball game



Road running activity



SYSTEX Cup bowling game

For more details, please refer to "[Web\\_Employee Health Promotion](#)."

## Occupational Health and Safety GRI 403

### OHS Management System GRI 403-1

Based on the "Occupational Health and Safety Act" and other related laws and regulations, SYSTEX has formulated the "Health and Safety Work Rules", which applies to workers in SYSTEX and its affiliates and non-employees, including security guards, cleaning workers and electrical & mechanical workers. SYSTEX also set up an "Occupational Health and Safety Committee", attended by OHS managers and the supervisors, BU heads and labor representatives, to discuss OHS-related issues to maintain workplace safety. In 2023, SYSTEX continuously conducts audits and maintains the validity of ISO 45001.

### Hazard Identification, Risk Assessment, and Incident Investigation GRI 403-2

SYSTEX has set up "Hazard Identification Management Procedures" to evaluate the corresponding risks and opportunities and review the management effectiveness. SYSTEX regularly conducts hazard identification, evaluates "work stress" as a major hazardous risk item in 2023, and then the health manager formulates an "Abnormal workload prevention plan" to reduce risk. In accordance with the OHS Act, all workers are free to remove themselves from life-threatening situation and are exempt from disciplinary action. SYSTEX has set up the "Emergency Response Management Procedures" to regulate the investigation and prevention of accidents. After the accident, the unit where the accident occurred reviewed and reported the cause of the accident; in addition, the OHS management unit may form an accident investigation team depending on the severity of the accident.

### OHS Committee GRI 403-4

Composition	<ul style="list-style-type: none"> <li>Composed of Occupational Health and Safety managers and their supervisors, BU heads and labor representatives.</li> </ul>
Authority	<ul style="list-style-type: none"> <li>Advise on Health and Safety policy, coordinate and advise on related issues.</li> <li>Plan occupational health and safety-related affairs for health promotion, and conduct extensive discussions on related issues.</li> <li>Assist in promoting employees to understand and follow OHS regulations.</li> </ul>
Communication & Negotiation	<ul style="list-style-type: none"> <li>The "OHS Committee" is chaired by the employer and holds regular meetings once a quarter, with a total of 4 meetings held in 2023.</li> </ul>

For more details, please refer to "[Web\\_Occupational Health and Safety](#)."



Occupational Health and Safety Training

GRI 403-5

SYSTEX arranges occupational health and safety-related training for new-hires and conducts demonstrations of first-aid facilities to all employees irregularly. In addition, SYSTEX assigns relevant personnel to participate in OHS training, including the certificate of "Class-A OHS Supervisor", "Class-B OHS Technician Certificate", and other professional training. Meanwhile, SYSTEX also conducts a fire drill every 6 months to enhance disaster prevention awareness for all employees.



OHS training for new-hire

New Employee Training Camp

2,509 hours

Promote workplace safety and conduct workplace hazard identification and risk assessment, to achieve a zero-risk workplace goal. In 2023, 12 in-class training courses were held, totaling 623 persons participated and 934.5 hours. Besides, a total of 1,587 persons participated in online training, with a total of 1,574.5 hours.



OHS training for professionals

OHS Professional Course

1,547 hours

Assign occupational health and safety related personnel to participate in professional training, including the certificate of "Class-A OHS Supervisor" and "Class-B OHS Technician Certificate". In 2023, a total of 68 OHS-related certificates were newly obtained, with a total of 1,547 training hours.



Fire drills

Drill for Self-defense Fire Team

4 drills

According to fire regulations, a fire drill is held every 3 months to enable employees familiar with the emergency process and reduce casualties. In 2023, a total of 4 fire drills were held on 3/17, 6/16, 9/15 and 12/15.

Work-Related Injuries

GRI 403-9

In 2023, a total of 1 work-related injuries, including 1 female and 0 males. The rate of recordable work-related injuries was 0 for males, 0.13 for females and for a total of 0.13. The injury types are all fractures or abrasions. The injured employees in each case have been followed up by health managers and recovered within 6 months.

Note: 1. Total hours worked = 7,869,881 (Including SYSTEX and 12 affiliates)  
2. Rate of work-related injury = (Number of injuries / total hours worked) \* 1,000,000

Workplace Safety

Sanitation

Regularly maintain conditioners, cooling towers and water dispensers.



Fire prevention

Annual report of safety inspection of fire prevention equipment.



First-aid unit

Set up AED and regularly advocate for first-aid practices.



Building maintenance

Obtained the Building Inspection Certificate for Public Safety from Taipei City Government.



Healthy workplace

Awarded Badge of Accredited Healthy Workplace.



Accessible facility

Provide accessible facilities at entrances and toilets.



Access control security

Conduct access control throughout the day.



Fire drill

Hold fire emergency evacuation drills every 3 months.





# 04 Tech for Good

## Long-term Strategy

Adhering to the sustainable spirit of "Tech for Good", SYSTEX has launched various innovative projects in 3 main pillars: "Cultivating Software Talents", "Partner with Startups" and "Social Engagement."

- Formulate the cultivation programs according to different learning stages, enhancing digital competitiveness, and expanding SYSTEX's impact.
- Assist startups in accelerating market validation and expanding the Taiwan software ecosystem.

Three Main Pillars	58
Cultivate Software Talents	59
Partner with Startups	64
Social Engagement	66

## Contributing to the SDGs







## Highlights



### Young Turing Program<sup>(2016-2023)</sup>

Accumulative participants  
3,605 persons



Humanities Enterprise Award-  
Education Enhancement  
Excellence Category

2024 ASSET  
Exemplary Sustainability Awards



Continuously **4** years (2021-2024)  
Sponsored 2 remote schools

PaGamO's "Future Literacy School"  
Program



Continuously **3** years (2022-2024)  
Sponsored IMV Innovation  
Proposal Competition

ESG Technology Innovation  
Promotion Alliance

## Short-, Mid-, and Long-term Goals

Following the UN SDGs, SYSTEX actively practices corporate social responsibility with its 6 core capabilities, takes the expansion of Taiwan's software ecosystem as its responsibility, assists Startups to expand their business scope, and hopes to cooperate with all walks of life in SDG 4, SDG 5, SDG 8, SDG 10, and SDG 17 to exert positive impacts.



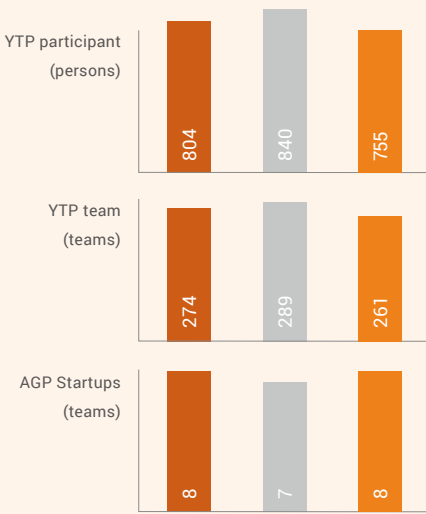
## 2023 Goals and Performance

✔ Achieved    ● Ongoing

	Goals	Performance
Young Turing Program	60 junior-high teams	80 junior-high teams ✔
AI+ Generator Program	Continuously carry out	8 Startups were selected ✔
Coding Seeds Camp	Resume to carry out	99 participants in the 5 <sup>th</sup> CSC ✔
SYSTEX Elite Internship	Continuously carry out	135 participants in the 10 <sup>th</sup> SEI ✔

## 3-year Performance Progress

■ 2021    ■ 2022    ■ 2023



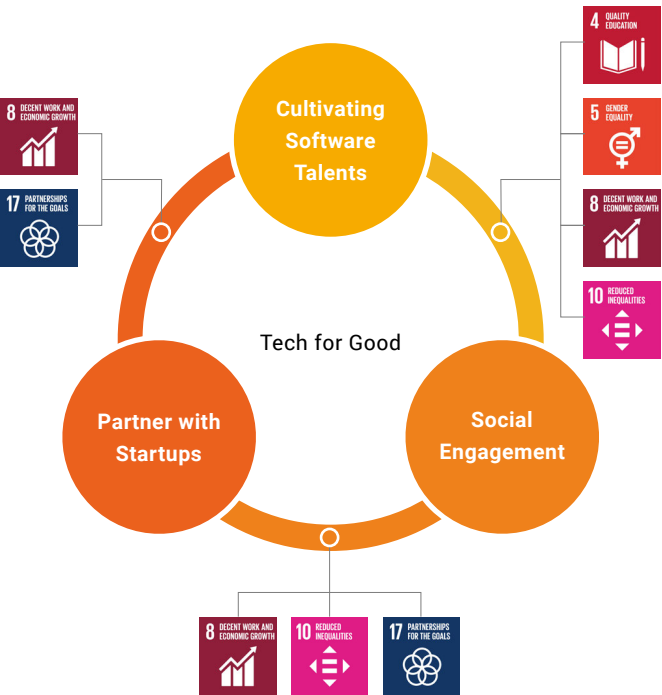


# Three Main Pillars

SYSTEX believes technology is not just a tool, it can be used for good. Adhering to the sustainable spirit of "Tech for Good", SYSTEX has launched various innovative projects in 3 main pillars, hoping to utilize SYSTEX's 6 core capabilities to achieve its sustainable development.

## Response to the SDGs

Referring to the SDGs, SYSTEX actively practices corporate social responsibility with its 6 core capabilities, takes the expansion of Taiwan's software ecosystem as its responsibility, cooperates with all walks of life in SDG 4, SDG 5, SDG 8, SDG 10, SDG17 to exert positive impacts.



## Exert Social Impact

To demonstrate its high involvement in society, in 2023, SYSTEX continuously invests resources in training IT software talents, activities cooperating with Startups, and social engagement, allowing SYSTEX's effort in cultivating IT talents to be recognized by all walks of life.

### 01 Young Tuning Program

### ● 2024 ASSET Exemplary Sustainability Awards in the Education Enhancement Excellence Category

In 2016, SYSTEX launched the "Young Tuning Program, YTP", focusing on cultivating software talents. As of 2023, it has held 8 sessions, striving to expand social impacts every year. In response to SDG 5, YTP pays attention to the development of women's participation and has formulated a "Female Guarantee Quota Mechanism" in the online preliminary contest, hoping to promote opportunities for female IT talents in the field of Information engineering.

In addition, YTP also focuses on discovering young software talents and expanding its reach. The goal of YTP is to stimulate students' interest in programming earlier through the senior-high category. Since 2021, YTP added a junior-high category, allowing students who have an interest in programming have opportunities to interact with each other. Meanwhile, to expand the horizons of participants and elevate communication, YTP not only provides opportunities for outstanding students to visit abroad but also newly holds an Overseas category, inviting overseas senior-high students to participate in 2022, thereby deepening the exchange of international potential talents.

With a cumulative number of more than 3,600 participants, YTP continues to empower the potential talent pool, making YTP not only the largest high school programming competition held by a single enterprise in Taiwan but also recognized by ASSET in 2024.



Exert Social Impact



## 02 AI+ Generator Program



- Assist Startups to connect with enterprises. A total of 44 Startups have been selected for 6 years.

To assist Taiwan's AI startups in accelerating the implementation of products and services, SYSTEX launched the "AI+ Generator Program, AGP" in 2018 to help new Startups expand their market scope and operate business globally through customized counseling.

Responding to SDG 17, AGP expands Taiwan's software ecosystem by connecting with Startups and supply chain partners. As of 2023, AGP has joined hands with 44 Startups to serve more enterprise clients, and to share the common prosperity with society.



## 03 ESG Technology Innovation Promotion Alliance



- In 2023, a total of 18 teams received bonus support from awards in the categories of "Agriculture, Fisheries and Animal Husbandry Innovation" or "Climate Change Innovation."

In line with SDG17, the Alliance takes the dual "Innovation Competition and Innovation Subsidy" model to encourage and assist teams in solving social problems.

A total of 416 members from 14 counties signed up for the 2nd "Startup Proposal Competition" in 2023. The competition connects public sectors, academic institutions, and cross-industry enterprises to form a jury of 38 experts to support Startup development.

# Cultivate Software Talents



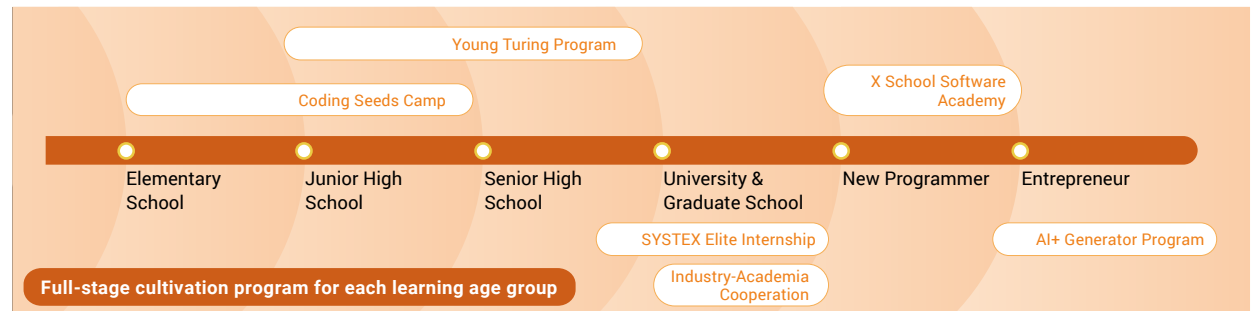
### Long-term Strategy

Expand SYSTEX's social impact through the full-stage cultivation program.

In line with the core value of "Tech for Good," SYSTEX is devoted to cultivating world-class software talents for Taiwan, encouraging youths to make efforts in the software industry and discovering the potential talents to fortify the software industry in Taiwan.

The rapid development of global technology has created opportunities and challenges for governments and enterprises and stimulated digital transformation. Therefore, cultivating IT talents with interdisciplinary functions are the key issue, making "strengthening Taiwan's core software capabilities to accumulate world-class talents" a social issue that SYSTEX is most concerned about.

Education is the foundation of a country's sustainable development. In response to UNESCO's "2030 Education Vision" and the "2019 Syllabus Guidelines-Digital Learning Medium-Term Plan" of the Ministry of Education, SYSTEX fully communicates with students, external experts, schools, teachers, and other stakeholders to formulate the full-stage cultivation program for each learning age group, such as programming camps, scholarships and internships, etc., hoping to cultivate more outstanding talents and improve the digital competitiveness for Taiwan.



## Coding Seed Camp

To inspire children's interest in software, SYSTEX organized "Coding Seeds Camp (CSC)," creating a programming course tailored for elementary or junior high school students. This initiative aims to enhance their software engineering thinking and programming skills while fostering self-learning ability. The camp targets the children of employees and customers, thereby strengthening relationship with clients and the employee centripetal force. Since 2017, the camp has been held for 5 consecutive sessions, with a total of 634 participants aged 9-14. In 2021 and 2022, the camp was suspended due to epidemic prevention and resumed in 2023, totaling more than NT\$1.53 million.




Young Turing Program



[Invest NT\$21M for cumulative 8 years]  
The earliest junior & senior high school programming competition held by a single enterprise in Taiwan.

To foster the society and environment with tech-capability, SYSTEX formulates YTP to encourage young students to invest in the software industry. The program aims to identify promising young software talents, recruits employees to serve as activity volunteers and mentors for project research, cooperates with professors and experts, and invites previous contestants to serve as competition reviewers. The strong connection between these internal and external resources encourages students to consider potential business models, enabling YTP to expand a virtuous cycle and deepen positive social impact.

The 8<sup>th</sup> YTP, held in 2023, not only continued the competition for the "senior-high category" since its inception, but also introduced the "junior-high category" for 3 years since 2021, thereby enhancing opportunities for deepening exchanges. In 2023, 181 senior-high teams and 80 junior-high teams registered, totaling 755 participants from 173 high schools.




8 sessions  
Since 2016




3,605 persons  
Cumulative participant




1,226 teams  
Cumulative teams



3,316 persons  
Cumulative promotional reach



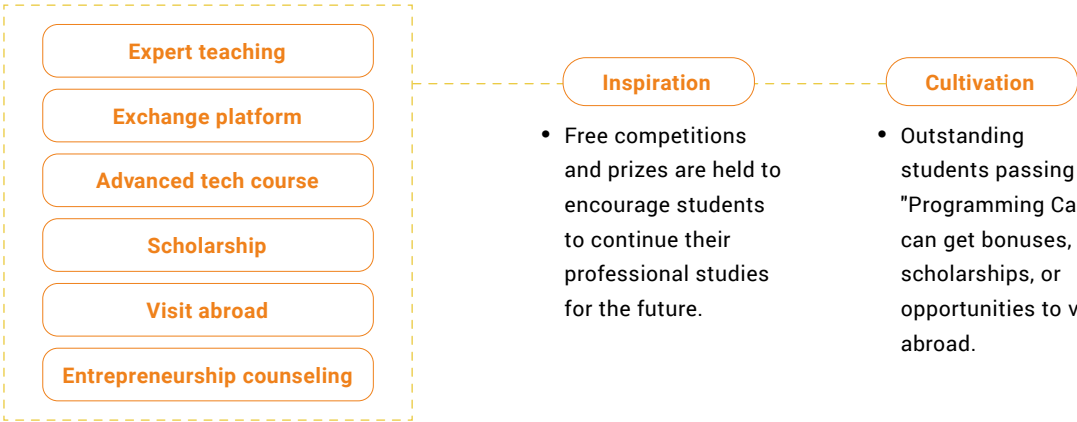
615 persons  
Cumulative SYSTEX volunteers



NT 21M+  
Total investment

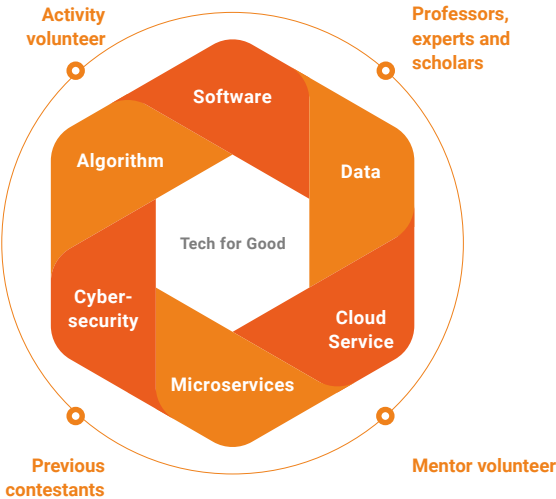
Variety of Cultivation Resources

- To cultivate young talents in a long-term and planned way, and encourage them to innovate new businesses, enabling the Taiwan software industry to go global, YTP provides 6 major resources:



Connect Partners to Expand Impact

- Integrate resources, and work with students, SYSTEX employees and professors.
- Recruit employees to serve as activity volunteers, promotion volunteers for returning to their alma mater to share their experience, or mentor volunteers to guide YTP students in conducting practical research based on their practical experience.
- Invite university professors as practical research guides, integrating academic knowledge into YTP students' projects and empowering them to implement their concepts.
- Invite previous contestants to give back by assisting the competition in formulating and reviewing contest questions, as well as sharing their experience to positively influence more young talents.





## ● 2023 YTP Performance

- For 8 consecutive years, a total of 3,605 students have participated in the YTP. The number of participants and teams grows every year, 42 contestants have qualified as representatives of the Taiwan International Information Olympiad Competition. In 2023, the number of junior-high category participants reached a record high of 209! The 2023 teams performed excellently, with 20 teams researching topics of Machine Learning, Natural Language Processing (NLP), AI, Big Data, and Blockchain, etc. Meanwhile, SYSTEX also invites professors and experts from relevant departments of NTU, NTUST, NTNU and NYCU to guide students in solving social problems.

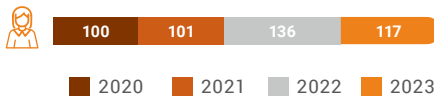
### In Response to SDGs

#### SDG 5. Encourage women to participate in software competitions



- Immersion in gender equality issues, formulating the "Female Guarantee Quota Mechanism" to create unlimited possibilities for female power.
- The "Female Guarantee Quota Mechanism" loosened the threshold for females on an online preliminary test to be eligible to join the in-class competition camp.
- In the past 4 years, more than 100 female students have registered every year, with a total of 454 female students participating.

#### Female Guarantee Quota Mechanism (persons)



#### SDG 10. Reduce inequality in educational resources



- To promote equal opportunity, providing complete transportation subsidies for participants coming from the southern regions of Taichung and Hualien, thereby reducing the participation barriers.
- In 2023, the registered students came from 18 counties, with a county penetration rate of 81.8%.
- Integrate resources for IT education in southern Taiwan, and sponsor the training expense for NTU sprout program in 2023.
- Donate NT\$100K to SCIST composed of 13 schools in southern Taiwan to help deepen and promote IT learning in the South in 2023.
- To encourage more students to hold practice competitions, Yanping Senior High School applied for free use of the SYSTEX's competition platform in 2023.

#### SDG 4. Committed to cultivating world-class software talents



- Provide multiple resources such as "Expert Teaching, Exchange Platform, Visit Abroad" to enable young students to improve their skills and increase opportunities to exchange ideas.
- Add a Junior-high category in 2021 and add an overseas category in 2022, stimulating more potential talents to interact with each other.
- YTP has held the Senior-high category for 8 years, the Junior-high category for 3 years, and the 2022 overseas category, with a total of 3,605 persons and 1,226 teams.
- Resume overseas visit activities in 2023, leading 5 students to participate summer camp at UC Berkeley, to broaden their horizons and visit new Startups.
- In 2023, inviting overseas winning team to visit NTU, NTUST, hold a Hackathon competition, stimulating the cooperation of students.



▲ 2023 8th YTP Programming Competition




▲ Senior-high Category




▲ Junior-high Category



SYSTEX Elite Internship




SYSTEX Elite Internship




**Practical Courses by Supervisors**

Senior executives of various business units impart practical experience.




**Independent Project**

Each intern will present the results of a research report or software development demo by the end of the internship.



**Corporate Visit**

Arrange interns to visit startups or large enterprises.



**Online Learning Platform Account**

Provide interns with an online learning platform that accounts for various learning.

Program Highlights

SYSTEX launched SEI since 2014, providing various internship activities, such as programming, product planning, etc., allowing interns to improve their working skills but also increases interaction opportunities through irregular tech lectures.

**Broaden participation of target school**

- Interns are mainly composed of students from the Department of IE, IM or Statistics, that is more in line with BU's reserve manpower needs than before.
- Provide more than 100 intern places every year, and gradually expand opportunities for industry-academia cooperation year by year.

**Exclusive experience design**

- Plan summer intern camp, design industrial practical courses, innovation sharing and visit itineraries to expand horizons.
- Provide interns with online learning platform accounts for various independent learning.
- Make business cards for interns to increase their inclusion.

**Good satisfaction**

- Through the 5-week SEI courses, activities, and visits, interns are very satisfied with the courses, with a satisfaction point of 4.7/5.
- Interns express their gratitude to their supervisors in the internship questionnaire.

Program Impact

The SEI program gives students an early experience in the workplace and helps them find their future career direction before graduation. In 2021, the SEI program was suspended due to epidemic prevention and resumed in 2022, allowing more participants to have a clearer career path.

**More in line with BU's needs**

Among the 92 interns participating in 2023 summer camp, 68 have IE, IM or Statistics background, accounting for 73.9% in total.

**Practical experience from senior executives**


The student satisfaction score of the 2023 Summer Camp reached 4.7 points (out of 5 points), expressing satisfaction with the course feedback.

**Enhance employer branding for interns**

After interns participate in the SEI program, they establish a good impression of SYSTEX internships, form a positive cycle.

**Booking outstanding talents in advance**

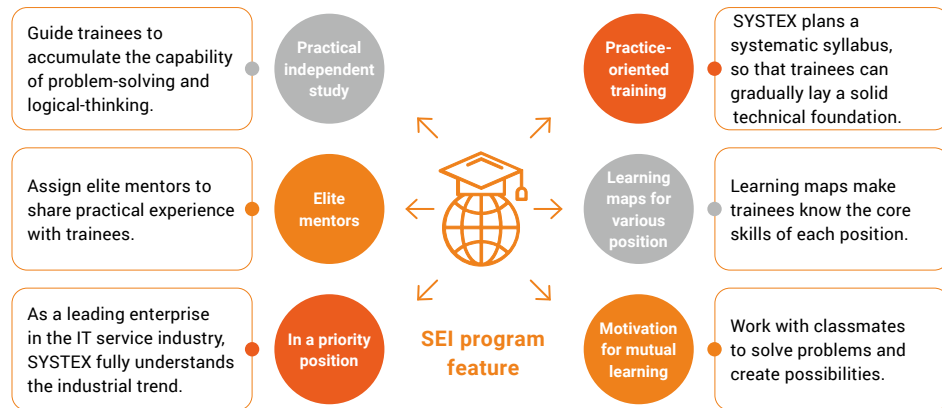
A total of 135 long-term interns registered for the SEI program in 2023, an annual increase of 43.6%.





## X School Software Academy

SYSTEX has held the 3<sup>rd</sup> "X School Software Academy". SYSTEX provides 10-12 weeks of systemic pre-job training for young talents according to industry needs, and mentors would help them develop problem-solving and logical thinking skills to accumulate experience. A total of 36 people participated in the 3rd session of Java back-end engineer specialized courses. During the training period, SYSTEX provided each person with a monthly study allowance of NT\$30,000. After completing the training, they may receive a salary of more than NT\$40,000.



## Industry-Academia Cooperation

SYSTEX aims to accelerate innovative applications given the growing demand for diverse IT applications across industries by fostering world-class, cross-disciplinary professionals for the IT industry. In 2022, SYSTEX deepened its partnership with NYCU's Department of Biological Science and Technology, offering financial assistance to 4 Professional Master's students in Engineering and Computational Biomedicine with employment opportunities, recruiting medical and IT elites.

In 2023, joining hands with the FCU College of Information and Engineering will provide the benefit of work matching for FCU students. It will be very attractive to students and post-baccalaureate programs. The collaboration forms a cultivation model the students will benefit from the seamless integration of their two phases in life. Post-baccalaureate programs are scheduled to be selected in November 2023 and start in February 2024.

## Campus Lectures and Corporate Visit



### 01 Campus Lectures

33 Meetings and Lectures

- To inherit and share of experience, SYSTEX held several campus lectures with its senior executives, enabling students to understand industrial trends. The shared topics included "Microservice and Development trends", "Cyber Security Career", and "AI and Future Workplace", etc.
- In 2023, a total of 19 campus lectures and 14 intern briefing sessions were held, with a total of 1,050 participants.



▲ Matchmaking conference @NTUB



▲ National Taichung University of Education



▲ Program of MIH, FJCU



▲ Department of Applied Math, NUTN



### 02 Corporate Visit

8 meetings, 380 visitors

- Through on-site visits, visitors can learn about SYSTEX's working environment, CSR activities, and corporate culture. In addition, experience sharing enables visitors to broaden their career plans.
- In 2023, 8 visit meetings were held, with a total of 380 visitors.



# Partner with Startups



## AI+ Generator Program

Echoing the Governmental "AI Taiwan Action Plan," SYSTEX found that even though there were several potential AI Startups at that time, the AI ecosystem lacked the key elements: software and data. Therefore, SYSTEX initiated the "AI+ Generator Program, AGP" in 2018, integrating internal and external resources such as biological, technical, and marketing to assist Taiwan's industry in filling the gap of AI development. Expecting that the plan can support AI start-ups to create industrial application scenarios expand market and customer verification more efficiently, and then solve social and economic problems, so that Taiwan's software industry can stand on the world stage.

### Matching AI Startup and client

To achieve business success, Startups not only have to receive investment as growth momentum but also to build up contact networks with customers. Startups participating in AGP can optimize their business model with more than 50 partnerships in ecosystem and computing platform, AI+Lab. Moreover, startups can further reach more than 40,000 companies through SYSTEX customer matchmaking.



#### Optimize business model

50+

Executives and expert



#### Connect with partner

50+

AI Ecosystem partner



#### Customer matchmaking

40,000+

Enterprise clients

### Focus topic



5G Mobile comm-  
technology



Industrial  
IOT



FinTech

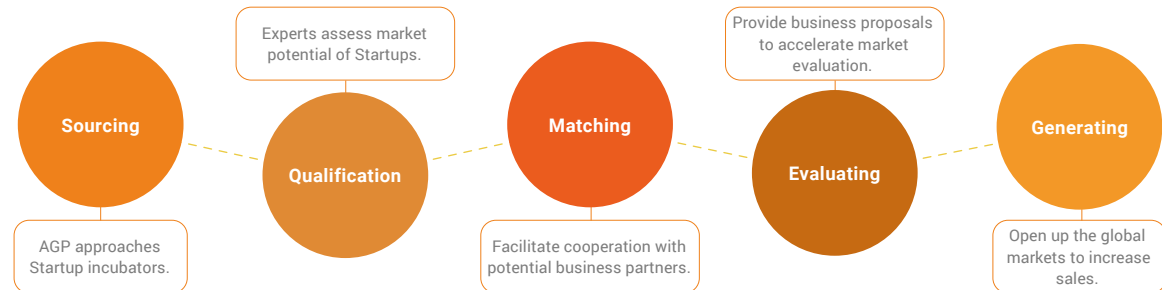


Cybersecurity



ESG

### Program Features



### Connect international Startup

SYSTEX focuses on the "market evaluation and internationalization" of products of AI Startups. Through AGP, SYSTEX partners with external incubators, accelerators, and innovation centers to help next-generation AI entrepreneurs build better business foundations, and to connect enterprise clients with promising AI solutions. The cooperative incubators include "NTUTEC," "BIC, NTUSTK" "TTC, NCKU," "SparkLabs Taipei," and "BRIDGE TO MASS CHALLENGE," etc.



## Finding potential AI Startups

### • A total of 8 Startups were selected in 2023.

To provide enterprise clients with more diversified automatic solutions, the 6<sup>th</sup> AGP in 2023 selected 8 potential automation-oriented Startups to join, allowing AGP to join hands with these Startups to assist clients in building process automation to help expand the scope of domestic and foreign business.

#### RE:DREAMER

Building an open business information exchange and protocol framework as the basis of Business 3.0, through SNAP Network, big data can be further saved in the blockchain and create a safe, open, and circulating authorization framework.

#### Asiabots

Provide the Omi-channel intelligence customer service, assist the customer service department in conducting digital transformation, and provide a humanized call experience.

#### FST Network

Offering a self-contained data management system, IT can manage data according to user habits, manage data according to data flow, and accelerate the collation and standardization of big data.

#### GoodLinker

Focusing on the AIoT, factories can realize the industrial IoT and environment monitoring through the digital infrastructure services.

#### Custos

Propose a de-carbon project based on real data, assisting the enterprise in tracking its effectiveness, assisting enterprises in building a green economy community with a de-carbon business.

#### LegalSign.ai

Offering a one-stop contract lifecycle management service, promoting digital transformation, helping the legal department enhance efficiency, lowering the risk to realize larger business value.

#### TAC DYNAMICS

Focusing on automated logistics flow. TAC's TACConnect platform, AMR robots, and Micro-fulfillment Center offer an all-around warehouse solution.

#### earthbook

Providing a drone cloud platform, enterprises can rent drones for photography and analysis, targeting a variety of inspection scenarios to enhance inspection efficiency with less manpower.



## SDG 8. Encourage the growth of microenterprise

## SDG 17. Multilateral cooperation on sustainable development



- AGP helps to expand the AI ecosystem, accelerating implementation, selected 44 Startups for 6 consecutive years. After SYSTEX's "customized counseling," Startups successfully connected global clients.
- In 2023, 17 Startups jointly created more than NT\$70 million in business value with SYSTEX and other external ecosystems. Meanwhile, for consecutive 6 years, AGP has assisted 13 AGP Startups to jointly create more than NT\$60 million in business value.
- More than 60 meetings were held in 2023, including 1 conference, 1 media meeting, and more than 50 business matchmaking meetings.
- Assisting Startups in showcasing their results, with a total of 2 press releases in 2023, and a total of 10 press releases over the years.
- In 2023, SYSTEX led 2 Startups to join the Vietnam sales group held by Startup Island Taiwan, and meanwhile shared our experience with local Startup Generators, VCs, media, and Startup groups.

For more details, please refer to "[AGP\\_Website](#)."



# Social Engagement

## Improve Education In Remote Area

Support remote schools for 4 consecutive years (2021-2024)

SYSTEX believes that reducing inequality in educational resources is an important part of cultivating youth, so it has continuously cooperated with PaGamO's "Future Literacy School" Program since 2020, donating a total of NT\$1M per year and donating books of SYSTEX's affiliated company "Delight Press," to help children in remote areas improve their reading literacy. SYSTEX has supported Yong-An Junior High School and Quhe-Jian Elementary School in Taoyuan City for 4 consecutive years. Both schools experience 3 years (2021-2023) to promote Digital reading literacy learning, not only to become a model school program but also to share the experience in the "PaGamO Literacy Cooperative" mechanism.

### Remote Schools adopted by SYSTEX (2021~2024)

- Yong-An Junior High School
- Quhe-Jian Elementary School



### 2023 Performance

#### Yong-An Junior High School

The proportion of A plus in the Comprehensive Assessment Program (CAP) has increased significantly.

Located near Yong-An Fishing Port, Yong-An Junior High School is a remote school with a total of 80 students. Parents work long hours, so many students are raised by grandparents. Therefore, the school not only provides extracurricular learning opportunities but also actively seeks PaGamO resources to help students develop reading habits and improve their learning outcomes through the gamified learning process.

- Combining school characteristics to guide students in cross-disciplinary learning; focusing on digital reading lessons to enhance reading literacy and utilizing subject-integrated literacy texts to facilitate interactive discussions among students.
- The proportion of A plus in the CAP increased significantly (Chinese from 5.56% to 11.11%; Social from 0% to 8.33%; Science from 2.78% to 5.56%).
- During the PaGamO program, it received the highest level of Taoyuan City CAP score bonus for 2 consecutive years, and the 2nd highest level of bonus in 2023.



#### Quhe-Jian Elementary School

Quhe-Jian Elementary School with only 100 students, through the PaGamO program, the reading literacy of students has been significantly improved.

- The school promotes the special teaching feature of "Students Reading Together", which integrates the content of the reading text with life experiences. Instructors adopt guided reading to teach students to learn more difficult texts together.
- Students who participate in the program no longer dislike reading and look forward to new reading tasks and increase their article retrieval capability. Through "Parent-Child Shared Reading," students' task completion rate has been further improved.
- The reading literacy accuracy rate of school students has improved (from 45.32% to 49.85%, which is higher than the platform's average accuracy rate of about 35%-45%). Schools in remote areas not only support the weak but also excel! Dai, who has studied at the School, received 5A9+ in the 2023 CAP, setting a record for the highest grade in the Quhe-Jian school history.





## Support Industrial Innovation and Sustainable Development

### ESG Technology Innovation Promotion Alliance



To address severe climate impacts, SYSTEX joined the "ESG Technology Innovation Promotion Alliance" in 2022. A sponsorship of NT\$2 million was provided to support the Alliance's proposal competition. SYSTEX integrates resources, solutions, and product advantages from tech partners in the dual "Innovation Competition and Innovation Subsidy" model, supporting the sustainable innovations of students and Startups in "Agriculture, Fisheries and Animal Husbandry innovation" and "Energy & Carbon Reduction". Unlocking Taiwan's potential through technology, driving innovative and sustainable development! The 2nd year of IMV technology innovation competition was held in 2023, with a total of 92 teams and a total of 416 contestants participated. An expert jury was formed in cooperation with public departments and academic units to select the top 18 groups and award a total bonus of NT \$5.1 million.



The 2<sup>nd</sup> IMV is divided into 3 categories with competitions for enterprises and campuses respectively. In the Enterprise Group, the agriculture and forestry category, cHarco won first place by utilizing clean and recycled technology to produce plant protection formula. The winner in the Fishery and Animal Husbandry category, Care Goods Farm developed a new type of aquaculture pond with patented fish farm cladding technology.

For more details, please refer to ["IMV Website"](#).

### AAMA AIoT Co-innovation Program

To strengthen the development of the AIoT industry ecosystem, the Entrepreneurs Co-Innovation Platform, Advantech, Chunghwa Telecom, and SYSTEX have joined hands to launch the "AAMA AIoT Co-Innovation Program" in 2023, which focuses on data-driven innovative applications of IoT, explores new Startups with potential through the 4-phase selection mechanism. The program provides cloud development resources, technical support, investment matchmaking, and joint marketing and promotion with a total value of more than NT\$1 million. The ventures will work directly with the product managers of Advantech, Chunghwa Telecom, and SYSTEX to explore and validate cooperation opportunities and work together to develop AIoT solutions. SYSTEX AGP invited 5 Startups of AAMA AIoT to visit the "Tainan Smart Green Energy Center" to communicate on-site with Startups in central and southern Taiwan, learn about more solutions and explore cooperation with potential foreign investors.







# 05 Environment Sustainability

## Long-term Strategy

Based on 3 environmental-related ISO verifications of "ISO 14001, ISO 14064-1, and ISO 50001," SYSTEX develops various green technologies and innovative solutions as the key strategy to achieve the goal of "Net Zero by 2050."

- Optimize the use of energy and resources in operations, including electricity, water stewardship, paper usage, or energy-saving equipment, to reduce negative impacts on the environment.
- Progressively increase the renewable energy consumption rate and achieve the goal of "Net Zero by 2050."

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Climate-Related Governance and Financial Disclosures	72
Environment and Energy Management	76
Greenhouse Gas Management	78

## Material Topics

GRI 302-1, 305  
SASB TC-SI-130

## Contributing to the SDGs







## Highlights



Green Procurement Enterprises  
Ministry of Environment

SYSTEX, SYSTEX Solutions, SYSPower



Enhance Renewable Energy  
Usage

Sign an RE contract: 120,000 kWh  
Annually increase 34.8%



3 Environmental-related  
Verifications

- ISO 14064-1
- ISO 14001
- ISO 50001



Acknowledgement Statement  
through the GHG Offset  
Program (2023-2032)

167 tCO<sub>2</sub>e/year

## Short-, Mid, Long-term Goal

Make good use of SYSTEX's core capabilities to achieve the goal of "Net Zero by 2050" through green operations, and continuously innovate green technologies to assist clients in the global supply chain to realize low-carbon transformation.

	Short-term Goals 2024	Mid-term Goal 2027	Long-term Goal 2030
Electricity consumption per revenue (kWh/NT\$100M)	-5% / per year	-5% / per year	-5% / per year
Water consumption per revenue (kL/NT\$100M)	-1% / per year	-1% / per year	-1% / per year
Waste per revenue (tons/ NT\$100M)	-1% / per year	-1% / per year	-1% / per year
GHG Emission (tCO <sub>2</sub> e)	-3% / per year	-3% / per year	-3% / per year
Renewable energy consumption rate	4%	14%	20%

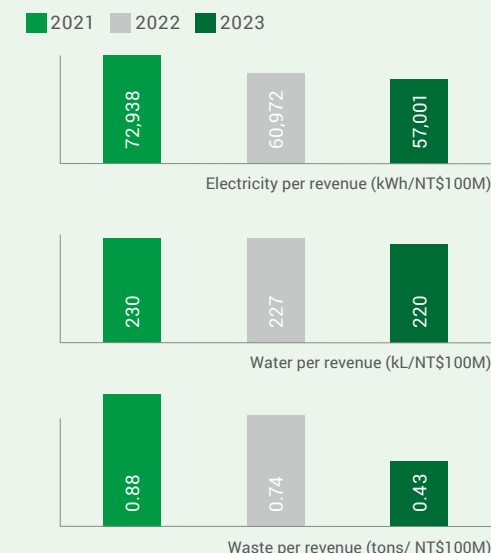
## 2023 Goals and Performance

✓ Achieved ~ Ongoing

	Goals	Performance
Electricity consumption per revenue (kWh/NT\$100M)	-5% / per year	-6.5% ✓
Water consumption per revenue (kL/NT\$100M)	-1% / per year	-3.4% ✓
Waste per revenue (tons/ NT\$100M)	-10% / per year	-42.2% ✓
GHG Emission (tCO <sub>2</sub> e)	-1% / per year	+3.8% ~
Renewable energy consumption rate	2%	2% ✓
3 ISO-verifications	Conduct verifications	Maintain verifications ✓

Note: The weight of general waste was originally calculated by estimation. Starting from October 2022, the weight was calculated by weighing, so the decrease has changed significantly.

## 3-year Performance Progress





# Environmental Sustainability Policy

In the face of global climate disasters causing issues, reduction of natural resources, and biodiversity loss, people and organizations around the world are impacted to varying degrees. The climate crisis threatens the survival and development of human beings and raises the awareness of global environmental protection. To truly understand the potential impacts of extreme weather on operations, SYSTEX has formulated the "SYSTEX OHS., Environment, and Energy Policy and Declaration", continuously implements environmental-related mechanisms, and conducts 3 environmental verifications every year: ISO 14001, ISO 14064-1, and ISO 50001, to effectively manage performance and reduce negative impacts.

## Environmental Sustainability Policy GRI 2-23






### OHS., Environment and Energy Policy and Declaration

SYSTEX is an IT service company committed to promoting occupational safety and health, improving environment and energy management, to maintain workplace safety as a priority. SYSTEX improves environmental protection actions to make better efforts for a healthier environment. SYSTEX promises:

- **Environmental, health, and energy compliance:** follow the OHS, environment, and energy regulations, and maintain relevant training and self-review.
- **Green procurement protects the environment:** prioritize the purchase of environmentally friendly products with low pollution, recyclability, and high efficiency.
- **Smart energy saving and carbon reduction:** regularly review performance, implement energy-saving measures and OHS., environment and energy projects.
- **Resource recycling promotes sustainability:** use resources more efficiently, promote recycling, and advocate environmental development.
- **Employee consultation:** to eliminate hazards and reduce risks, improve OHS. awareness and strengthening supply chain management, ensuring full participation of employees.
- **Continuous improvement and responsibility:** starting with systematically managed risks, and moving towards the goals in line with CSR and SDGs.

## Environmental Sustainability Management Mechanism GRI 2-27

Through the continuous operation management mechanism, SYSTEX formulated the corresponding actions for possible natural disasters, fires, typhoons power interruptions, etc., to ensure that operations can be resumed quickly while disasters occur. The "SYSTEX OHS., Environmental and Energy Policy" is based on 3 environmental verifications to implement 5 action plans, to achieve carbon reduction targets.

 <div>Net Zero Emissions</div>	<div>Action</div> <div>Improve the management system to ensure the effectiveness of continuous operation and plan the carbon reduction path to move towards the goal of "Net Zero by 2050" at HQ building.</div> <div>2023 Performance</div> <div><ul style="list-style-type: none"><li>• Continuously conduct verifications and obtain ISO 14001, ISO 14064-1 and ISO 50001, and operate management system effectively.</li></ul></div>
 <div>Green Procurement</div>	<div>Action</div> <div>Strengthen green procurement to make suppliers comply with the green trends and jointly realize environmental protection.</div> <div>2023 Performance</div> <div><ul style="list-style-type: none"><li>• Purchase green products first in general category of procurement and was rewarded the "Green Procurement Enterprises" by the MOE and Taipei City Government.</li></ul></div>
 <div>Tech-application</div>	<div>Action</div> <div>Continuously develop digital system solutions and applications and paperless operations to build a low-carbon industrial ecosystem.</div> <div>2023 Performance</div> <div><ul style="list-style-type: none"><li>• SYSTEX "Carbon Envision" solution conducted a decarbonization assessment questionnaire and received 99 responses.</li><li>• Held ESG@IT marketing activities totaled 62 sessions, reaching more than 1,000 persons.</li></ul></div>
 <div>Training</div>	<div>Action</div> <div>Conduct internal training to raise awareness about environmental and OHS, to ensure employees health and safety, and prevent diseases or workplace hazards.</div> <div>2023 Performance</div> <div><ul style="list-style-type: none"><li>• Require new employees (compulsory for FTE and elective for non-FTE) to complete the online courses of "New Employee Training Camp - Human Rights and OHS," totaling 2,210 persons and 2,509 hours.</li><li>• Assign dedicated personnel to participate in pro.-training, totaling 108 persons and 1,547 hours, and obtaining 68 OHS-related certificates.</li></ul></div>
 <div>Regulatory Compliance</div>	<div>Action</div> <div>Comply with government regulations for environmental protection and respond to government energy conservation policies.</div> <div>2023 Performance</div> <div><ul style="list-style-type: none"><li>• In 2023, no violations of environmental laws and regulations occurred.</li></ul></div>



## Commitment to Net Zero Emissions

### SYSTEX Commits to "Net Zero by 2050"

To limit global warming to 1.5° C the Paris Agreement, the UN has pledged to achieve "Net Zero Emissions by 2050." In the face of global climate issues, SYSTEX also promises to achieve Net Zero Emissions by 2050 at HQ building since 2021, and follows the "Science Based Targets initiative, SBTi" rules, hoping to become a model for Taiwan's IT service industry to mitigate climate change through the following carbon reduction paths.

#### Commitment

- Goal of "Net Zero by 2050."

#### Inventory

- Calculate GHG emissions and analyze emission sources.

#### Management

- Introduce environment and energy management systems.

#### Reduction

- Improve efficiency and energy conservation.
- Increase RE consumption to support the RE development.





#### Offset

- Reduce external carbon emissions through carbon offset mechanism.

#### Assessment

- Regularly assess and review the performance of carbon reduction.

### Goal of Net Zero and 2023 Performance

	2023 Target	2023 Performance	2024 Target	2030 Target
 Emission management	<ul style="list-style-type: none"> <li>• Renewable energy consumption: 2%</li> <li>• GHG Emission: -1% /per year</li> </ul>	<ul style="list-style-type: none"> <li>• Sign a RE Wheeling Contract to support Renewable Energy Policy: consume 120,000 kWh of RE, totaling 2%.</li> <li>• Complete 2023 Greenhouse Gas Inventory and obtain ISO 14064-1 Verification in April 2024.</li> <li>• Gradually increase renewable energy consumption rate.</li> <li>• GHG emissions increased by 3.8% annually.</li> </ul>	<ul style="list-style-type: none"> <li>• Renewable energy consumption: 4%</li> <li>• GHG emission: -3% /per year</li> </ul>	<ul style="list-style-type: none"> <li>• Renewable energy consumption: 20%</li> <li>• GHG emission: -3% /per year</li> </ul>
 Energy management	<ul style="list-style-type: none"> <li>• Electricity consumption per revenue: -5% /per year</li> </ul>	<ul style="list-style-type: none"> <li>• Electricity consumption per revenue decreased by 6.5% annually.</li> <li>• Analyze the AC operation mode through EMS, and reduce the load and operating time of AC system through function of introducing external air.</li> <li>• Conduct and maintain ISO 50001 Verification.</li> <li>• Replace the water chiller with level-1 energy efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>• Electricity consumption per revenue: -5% /per year</li> </ul>	<ul style="list-style-type: none"> <li>• Electricity consumption per revenue: -5% /per year</li> </ul>
 Water stewardship	<ul style="list-style-type: none"> <li>• Water consumption per revenue: -1% /per year</li> </ul>	<ul style="list-style-type: none"> <li>• Water consumption per revenue decreased by 3.4% annually.</li> <li>• Check water quality of water dispenser every 3 months.</li> <li>• Set water-saving equipment in office toilets and tea rooms.</li> <li>• Raise water-saving awareness via advocacy signs.</li> </ul>	<ul style="list-style-type: none"> <li>• Water consumption per revenue: -1% /per year</li> </ul>	<ul style="list-style-type: none"> <li>• Water consumption per revenue: -1% /per year</li> </ul>
 Environment management	<ul style="list-style-type: none"> <li>• Waste per revenue: -10% /per year</li> </ul>	<ul style="list-style-type: none"> <li>• Total waste per revenue decreased by 42.2% annually.</li> <li>• Conduct and maintain ISO 14001 Verification.</li> <li>• Actively implement garbage classification and recycling.</li> </ul>	<ul style="list-style-type: none"> <li>• Waste per revenue: -1% /per year</li> </ul>	<ul style="list-style-type: none"> <li>• Waste per revenue: -1% /per year</li> </ul>

Note: The weight of general waste was originally calculated by estimation. Starting from October 2022, the weight was calculated by weighing, so the decrease has changed significantly.



Climate-Related Governance and Financial Disclosures

GRI 201-2

According to the WEF's "Global Risk Report 2024," "Extreme weather events" is once again listed as the highest global risk for the next decade, with half of the top 10 risks closely related to the environment, showing the need for governments and enterprises to strengthen climate governance while implementing climate actions. To comprehensively assess risks and opportunities related to climate change, SYSTEMX, as a TCFD supporter, refers to the Task Force on Climate-related Financial Disclosures (TCFD) as an analysis framework.

● Task Force for Climate-Related Financial Disclosures, TCFD

01 Governance

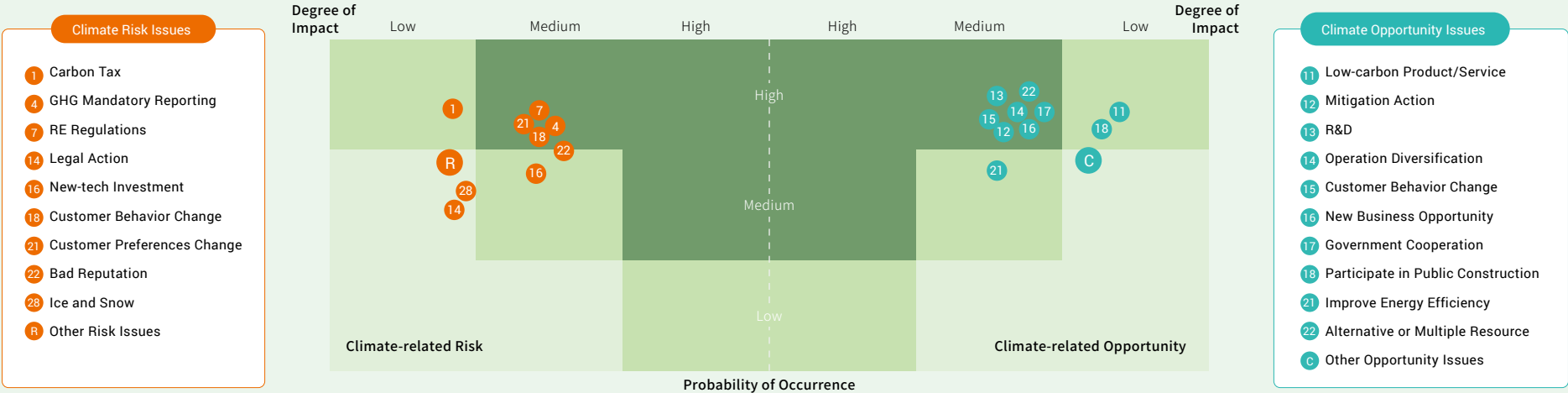
The Chairman is the highest governance level and the CSO is the leader of the Sustainability Group to supervise ESG implementation and performance.

- The Board has authorized the Chairman to act as the highest level of sustainability governance, establishing the "Sustainability Group" in 2020, and then set the CSO as the leader of the Sustainability Group in 2021 to coordinate climate risk assessment and formulate strategies, goals, and measures. (Note: [p.9\\_Sustainable Governance Structure](#))
- The "Environment Team" under the "Sustainability Group" is responsible for identifying climate risks and opportunities every 2 years, planning strategies, and implementing programs.
- In addition to integrating climate risks and opportunities into risk management, the Board holds a meeting on average every two months to discuss business strategy issues and major events of ESG, risks, and opportunities.

02 Strategy

Formulate the "Environment and Energy Policy" to achieve "Net Zero by 2050 at HQ" and implement risk and opportunity identification, and climate analysis.

- The "Environment Team" under the "Sustainability Group" is responsible for identifying climate risks and opportunities every 2 years, planning related strategies and goals, and implementing relevant programs, to address the financial impact of climate-related risks and opportunities.
- Time horizon for climate management: the short-term is within 2 years, the medium-term is 3-5 years, and the long-term is more than 5 years.
- Climate-related risk and opportunity matrix:





### (1) Financial impact and management measures of climate-related major issues

SYSTEX has collected 36 Climate Risk Issues and 22 Climate Opportunity Issues, asking internal stakeholders to conduct an assessment based on the degree of impact and probability of occurrence, thus identifying 7 climate risk issues and 7 climate opportunity issues to evaluate those financial impacts and formulate relevant mitigation measures. All identified climate risk issues are transition risks, covering "Market, Reputation, Policy, and Legal, Technology." The identified climate opportunity issues cover "Products and Services, Markets, and Resilience." The management approach to climate-related risk and opportunity issues is listed below:

Aspect	Type	Issue	Detail	Impact	Probability	Financial Impact (-)	Mitigation Measures
Transition risk	Market	Customer behavior change	Due to the rising awareness of global sustainability, customers have different considerations while making decisions.	Medium	High	<ul style="list-style-type: none"><li>Reduce revenue from non-low-carbon services</li><li>Increase the labor costs for communication</li><li>Increase R&amp;D costs</li></ul>	<ul style="list-style-type: none"><li>Professional training helps meet demand for sustainable products and services. Incentives for customers to easily choose SYSTEX.</li><li>Increased investment in R&amp;D and marketing of low-carbon products.</li><li>Higher internal visibility of sustainable products and solutions with seed speakers to address business needs and customer communication.</li></ul>
	Reputation	Customer behavior change	Due to the rising awareness of global sustainability, customers' preferences have changed.				
	Regulation	GHG mandatory reporting	Companies may be compelled to inventory, report, or verify GHG emissions In line with laws and regulations.				
		Renewable energy regulations	The price of renewable energy or the composition of energy sources may be affected by global or domestic laws and regulations.				
	Market	Carbon tax	Tax systems related to GHG or climate change are formulated by governments.	Medium-low	High	<ul style="list-style-type: none"><li>Additional tax payment</li><li>Increase spending on office equipment replacement</li></ul>	<ul style="list-style-type: none"><li>Monitor international carbon tariffs to meet international market and customer demands in future taxations.</li><li>Upgraded energy-efficient equipment to lower costs and carbon taxes.</li></ul>
	Technology	New-tech investment	Companies must invest in new technologies due to climate change. Wrong positioning or investment targets as well as tech-bottlenecks can cause losses.	Medium-low	Medium-high	<ul style="list-style-type: none"><li>Increase R&amp;D costs</li></ul>	<ul style="list-style-type: none"><li>Take stock of core technologies and climate-related products and services. Invest in promising startups for strategic alignment</li></ul>
	Reputation	Bad reputation	Due to the rising awareness of global sustainability, products or services that have negative impacts can create a bad reputation.			<ul style="list-style-type: none"><li>Reduce product sales affected by negative impacts</li><li>Increase costs for recruitment and capital borrowing</li><li>Decrease in brand value</li></ul>	<ul style="list-style-type: none"><li>Actively engage in sustainability ratings, disclosure of positive results, and continuous improvement to enhance brand image</li><li>Work with sustainable suppliers to enhance brand awareness and customer satisfaction.</li></ul>



Aspect	Type	Issue	Detail	Impact	Probability	Financial Impact (+)	Mitigation Measures
Opportunity	Product and Service	R&D	Adopting innovative processes or changing services can contribute to the mitigation and adaptation of climate change.	Medium	High	<ul style="list-style-type: none"> <li>• Increase revenue from new business model</li> <li>• Improve customer trust and satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Build a technical barrier with patented sustainable innovations.</li> </ul>
		Customer behavior change	Customers have different considerations while choosing products or services.			<ul style="list-style-type: none"> <li>• Low-carbon products generate higher profit</li> <li>• Improve corporate brand image</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage ecosystem partners to offer low-carbon solutions for market differentiation and customer connections.</li> </ul>
		Operation diversification	Provide more low-carbon services to stabilize market position and competitiveness.			<ul style="list-style-type: none"> <li>• Increase revenue from new business model</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage key technologies to develop diversified products or services, organizational resilience, and sustainable competitiveness.</li> </ul>
		Mitigation action	New products or services help to reduce or adapt to the impact of global climate change risks.			<ul style="list-style-type: none"> <li>• Increase sales to customers</li> </ul>	<ul style="list-style-type: none"> <li>• Integrated, low-difficulty energy-saving services help clients towards Net-Zero goals.</li> </ul>
	Markets	New business opportunity	Increase profits in existing markets, or find new business opportunities in emerging markets.			<ul style="list-style-type: none"> <li>• Increase revenue from new business model</li> </ul>	<ul style="list-style-type: none"> <li>• Connect global partners via the internet, expanding client base with diverse sustainable solutions.</li> </ul>
		Government cooperation	Participate in government projects to obtain subsidies or rewards, and to gain popularity.			<ul style="list-style-type: none"> <li>• Reduce the costs of initial investment, such as R&amp;D, equipment, etc.</li> <li>• Reduce expenditure due to government subsidies</li> </ul>	<ul style="list-style-type: none"> <li>• Support government policies. Offer relevant services to assist clients with compliance.</li> </ul>
	Resilience	Alternative or multiple resources	Improve supply chain reliability and operational capabilities.			<ul style="list-style-type: none"> <li>• Reduce costs through inquiry, price comparison, and negotiation</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure supply chain sustainability management and resilience with risk and opportunity assessments.</li> </ul>

(2) Climate-related Scenarios: analyze the financial impact of electricity consumption through 3 climate-related scenarios of "IEA NZE 2050" and "RCP8.5", and analyze the carbon tax costs in 2025-2050 through 3 scenarios

- **[IEA NZE 2050]** According to the "2050 Net Zero Emission scenario" of the International Energy Agency, global warming will be controlled at 1.5° C and the energy transition will be promoted by replacing fossil fuels with low-emission electricity. It is expected that the carbon price will double in 2050 compared to 2030, and energy intensity will be reduced by 1% per year. Therefore, with an estimated 20% reduction in electricity consumption and a doubling of energy costs, the electricity costs are expected to increase by 60%.
- **[RCP8.5]** According to the RCP8.5 scenario, it is estimated that the global mean temperature will increase by about 1.62° C in 2030, which is expected to increase electricity consumption by 9.7%. Therefore, in the case of a 25% increase in electricity prices in 2030, the electricity costs are expected to increase by 37%. Meanwhile, it is estimated that the global mean temperature will increase by about 2.59° C in 2050, which is expected to increase electricity consumption by 15.5%. Therefore, in the case of a 100% increase in electricity prices in 2030, the electricity costs are expected to increase by 131%.
- **[Carbon Tax]** Referring to the scenario parameters released by NGFS, SYSTEX has selected carbon pricing in 3 different scenarios of "high-, medium- and low-emissions", with the carbon tax of US\$2.63, US\$231.86, and US\$268.13 per tCO2 respectively, to estimate the future carbon emission growth and related financial impact. The analysis results show that the low-emissions scenario is expected to increase the cumulative carbon tax cost of NT\$464 million, which will cause the greatest financial impact.



## 03 Risk Management


**The Board is the highest governance level for risk management and has set up a "Risk Management Committee" to be responsible for supervising the effective operation of the risk management mechanism.**

- SYSTEX has set up a "[Risk Management Committee](#)" in 2022 and formulated "[Risk Management Best Practice Principles](#)" and "[Risk Management Policies and Procedures](#)." It is stipulated that the Board of Directors is responsible for approving risk management policy, ensuring that the direction of operational strategies is consistent with risk management policies.
- The Risk Management Committee, accountable to the Board, implements risk management policies and establishes the Crisis Management Group to oversee daily risk operations. The Committee reports to the Board annually on risk management performance, including strategies and actions, while the Crisis Management Group handles cross-departmental coordination and risk training.
- The Crisis Management Group identifies and assesses SYSTEX's overall risks, evaluating the impact of climate-related risks within the context of the company's broader business operations.
- The [Sustainability Group](#) is responsible for identifying climate risks and opportunities every 2 years, re-evaluating relevant impacts, and planning strategies, targets, and actions. The "Environment Team" under the "Sustainability Group" is responsible for planning and implementing actions and then reporting to the Risk Management Committee on action performance.

## 04 Metrics and Targets

**4 pillars of actions: emission management, energy management, water stewardship, and environment management. SYSTEX sets short-, medium- and long-term goals respectively, and corresponding measures and actions. (Note: [p.69](#), [76](#))**

- Key metrics:
  - (1) Resource conservation and waste reduction: reduction of water consumption per revenue, reduction of electricity consumption per revenue, reduction of total waste per revenue, GHG emission reduction.
  - (2) Continuously conduct ISO verifications.
  - (3) Renewable energy consumption rate.
- Conduct environmental-related ISO verifications:
  - (1) Greenhouse gas emissions: According to the guidelines of "ISO 14064-1: 2018", SYSTEX collects and discloses emissions sources covering "Direct GHG Emissions (Category 1)", "Indirect GHG Emissions from Imported Energy (Category 2)", and "Other Indirect GHG Emissions (Category 3-6)" and has been verified by an independent 3-party. The boundary of GHG inventory is the headquarters building.
  - (2) Environment management system and energy management system: Implement management system operating procedures by the management procedures of "organizational risk and opportunity", "environmental considerations identification", "legislation identification", and "energy identification and review", and then conduct ISO verifications every year.
- Metrics and targets:
 SYSTEX aims to achieve "Net Zero by 2050 at HQ building" and formulates its carbon reduction paths and the short-, medium-, and long-term goals accordingly, and then promotes various internal management mechanisms to move towards the goal by 2050. (Note: [p.71\\_Target of NZE and Performance](#))
- Conduct climate-related risk and opportunity identification, and climate scenario analysis and formulate corresponding strategies and measures.

 For more details, please refer to "[2023 TCFD report](#)."



# Environment and Energy Management

SASB TC-SI-130



## Long-term Strategy

Optimize the use of energy and resources in operation and reduce the negative impact on the environment.

SYSTEX is an IT service industry company and does not have a production process. All energy and resources are mainly used for the daily operation of the office buildings. After reviewing the environment and energy management system monitoring plan, SYSTEX found that the most important energy and resources of SYSTEX is electricity consumption, so SYSTEX improved measures to mitigate its potential negative impact on the environment.

## Energy-saving measures



Air Conditioners

- Continue to replace the water pump of AC units at headquarters building (HQ) to effectively improve the energy-saving performance.
- In 2023, 2 energy-consuming AC units in the Data Center were replaced, reducing electricity consumption by 71,744 kWh in a year.
- In 2024, SYSTEX plans to set the cooling water frequency system of AC units for the HQ building and Data Center.



Water Chillers

- Through EMS analysis and management, the AC units host capacity of each floor can be used by 2 floors.
- In 2023, SYSTEX replaced HQ-B1 water chiller and adopted EMS high-efficiency control, reducing electricity consumption by 60,000 kWh in a year.
- In 2024, SYSTEX plans to replace HQ-1F water chillers.



Energy Management System, EMS

- In 2022, SYSTEX analyzed the AC operation mode through EMS, and reduce the load and operating time of AC system through function of introducing external air except in summer, to save energy usage.



Internal Carbon Price Measure

- In response to the goal of "Net Zero by 2050 at HQ," SYSTEX has launched the "Internal carbon price measure", charging internal carbon fee to increase RE consumption and reduce GHG emissions.



Advocacy Sign

- SYSTEX posted the calorie-consuming charts in the HQ-stairwell, and promoted health signs to encourage employees to exercise more in response to energy-saving and carbon reduction.

## Monitoring Plan through Environment and Energy

Monitoring item	Indicators	Approach	Frequency
Drinking water quality	E. coli	Outsourcing	Quarterly
Greenhouse Gas Inventory	GHG emission	Internal	Annually
Fire Drill	Drill	Internal	Quarterly
Water consumption in offices	Water use	Internal	Monthly
General waste in offices(trash)	Waste weight	Outsourcing	Monthly
Recycling waste in offices	Recycling weight	Outsourcing	Monthly
Identify internal and external issues and stakeholder concerns	--	Internal	Annually
Environment review	--	Internal	Annually
Energy review and baseline	--	Internal	Annually
Laws and regulations	--	Internal	Quarterly
Achievement of goals	--	Internal	Quarterly
Achievement of management plans	--	Internal	Irregularly
Energy data collection plans	--	Monitoring	Continuously
Internal audits for ISO 14001, ISO 50001, and ISO 14064-1	--	Internal	Annually
Management review meetings of ISO 14001 and ISO 50001	--	Internal	Annually
External audits for ISO 14001, ISO 50001, and ISO 14064-1	--	Outsourcing	Annually

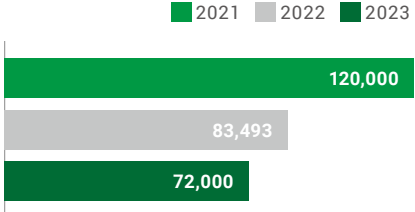


Renewable Energy

In 2022, SYSTEX has signed a RE Wheeling Contract and in 2023, used 120,000 kWh of RE, accounting for 2%, resulting in a total carbon reduction of 59.3 tCO<sub>2</sub>e.

Energy Consumption Table

Electricity Consumption (kWh)	Renewable Energy (kWh)	Renewable Energy Rate	Emissions of Category 2 (tCO <sub>2</sub> e)	
			Location-based	Market-based
5,810,192	120,000	2%	2,810.96	2,810.96



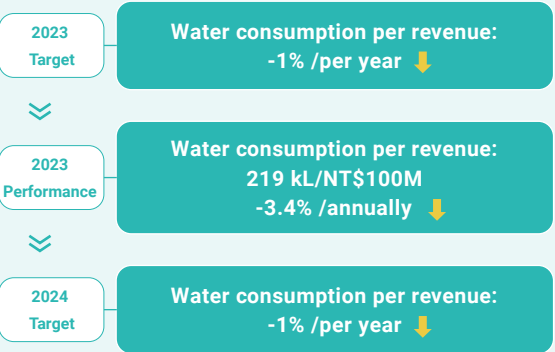
3-year Renewable Energy Consumption (kWh)

Environment Management Action Plan



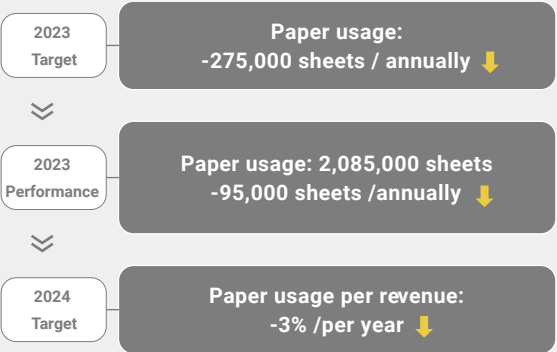
Water stewardship

- Since SYSTEX is an IT service company, its water usage is only daily use in offices.
- The SYSTEX headquarters building is fully equipped with sensor faucets and water economizers of toilets to save water.
- SYSTEX puts up the water-saving signs in the pantry room to promote environment protection.



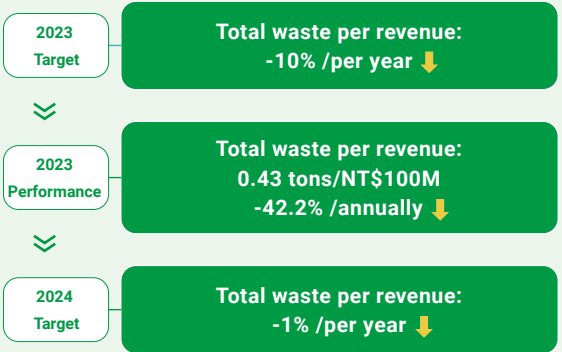
Paper management

- For non-confidential and non-personal documents, SYSTEX treats these papers as recycled waste ones to remind employees of the importance of saving papers.
- In accordance with "Personal Data Protection Act" and awareness of resource regeneration, the confidential documents are regularly collected and destroyed.
- Replace paper forms with digital systems and use rental eco-friendly copy machines with MOE-certified eco-labels.



Waste management

- Since SYSTEX is an IT service company, it doesn't generate hazardous or polluting waste.
- According to "Wasted Disposal Act" and other relevant regulations, all IT-related waste should be disposed of according to a specific process, and then disposed by the recyclers, so as to prevent data leakage.
- The recyclers monthly collect waste-related data for SYSTEX to improve waste management. and reduce damage to the environment.



Note: The weight was calculated by weighing, so the decrease has changed significantly.



# Greenhouse Gas Management



Long-term Strategy

Increase the RE rate to achieve the "Net Zero by 2050" Goal.

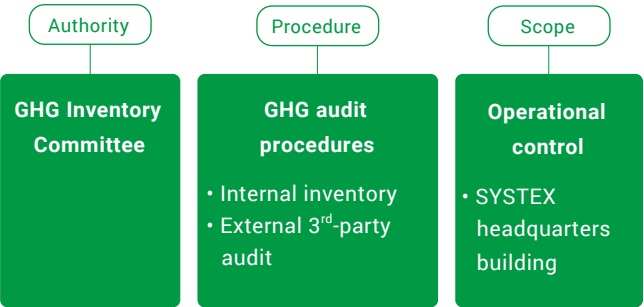
In response to the urgent global climate crisis issue, SYSTEX reviewed the GHG emission structure, focusing on and increasing the RE consumption to reduce emissions. In 2024, SYSTEX implement "Internal carbon price measure" to enhance the GHG emissions efficiency.

## Greenhouse Gas Inventory GRI 305

To measure GHG emissions more accurately, SYSTEX introduced the GHG Inventory in 2021 and conducts the GHG Inventory every year according to the guidelines of "ISO 14064-1: 2018", to formulate improvement plans accordingly. For the inventory, SYSTEX has set up a "GHG Inventory Committee" to conduct data audit according to the "Internal Audit Management Procedures," and then entrusted an independent third party to conduct an external audit.

The boundary of GHG inventory is the headquarters building. Through the promotion of energy conservation, and low-carbon greening to fulfill our responsibility as a global citizen.

In 2023, the market-based GHG emissions of SYSTEX HQ is 3,474.9 tCO<sub>2</sub>e of which purchased electricity accounts for the highest proportion of 80.89%.



## Greenhouse Gas Emissions

SYSTEX conducts HQ's GHG inventory of categories 1-6, using the parameters released by the IPCC AR6, Ministry of Environment, or relevant authorities. The inventory covers:

- Direct Greenhouse Gas Emission Sources (Category 1):** SYSTEX counts emission sources in the headquarters building, including the sources of stationary combustion, mobile combustion, and fugitive.

- Indirect Greenhouse Gas Emission Sources (Category 2-6):** All emission sources of category 2-6 have been discussed by the "GHG Inventory Committee" according to the guidelines of "ISO 14064-1: 2018", and should be defined as significant emissions with a score over 30. Category 2 emissions are generated by imported energy. Category 3-4 emissions are from business travel, the indirect carbon footprint of electricity, and disposal of waste.

Category	Emission Sources		Emissions (tCO <sub>2</sub> e)	
			Subtotal	Total
Category 1: direct GHG emissions	Stationary combustion		7.8538	20.4516
	Mobile combustion		5.9797	
	Fugitive (anthropogenic systems)		6.6181	
Category 2: indirect GHG emissions from imported Energy	Imported electricity	Location-based (Market-based)	2,810.9551(2,810.9551)	
Category 3: indirect GHG emissions from transportation	Employee commuting and business travel	Business travel by THSR	7.1079	78.0482
		Business travel by airplanes	39.1614	
		Business travel by taxi	31.7789	
Category 4: indirect GHG emissions from products used by the organization	Purchased goods	Indirect carbon footprint of electricity	554.8089	565.4428
	Disposal of waste	Disposal of general waste	10.6339	
Category 5: indirect GHG emissions from the products' usage	No significant emissions			
Category 6: indirect GHG emissions from other sources	No significant emissions			
Total Emission (Category 1-6)			3,474.8977	



### Direct GHG Emissions (Category 1)

[Scope: SYSTEX headquarters building]

Item	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	NF <sub>3</sub>	Total
GHG emissions (tCO <sub>2</sub> e)	13.5481	0.0670	0.2184	6.6181	0.0000	0.0000	0.0000	20.4516
Proportion	66.24%	0.33%	1.07%	32.36%	0.00%	0.00%	0.00%	100.00%

### Greenhouse Gas Management Performance

Through the ISO 14064-1 GHG inventory, SYSTEX found that purchased electricity produced the highest proportion of emissions, so SYSTEX implemented various energy management measures, such as replacing energy-consuming equipment every year and setting the office temperature to no less than 26° C. SYSTEX also supports RE development, signing the RE Wheeling Contract in 2022 to use 120,000 kWh of renewable energy in 2023. Furthermore, SYSTEX has planned and launched an "Internal carbon pricing measure" in 2024, charging internal carbon fee to increase RE consumption and reduce GHG emissions.

### Greenhouse Gas Management Performance (Category 1-2)

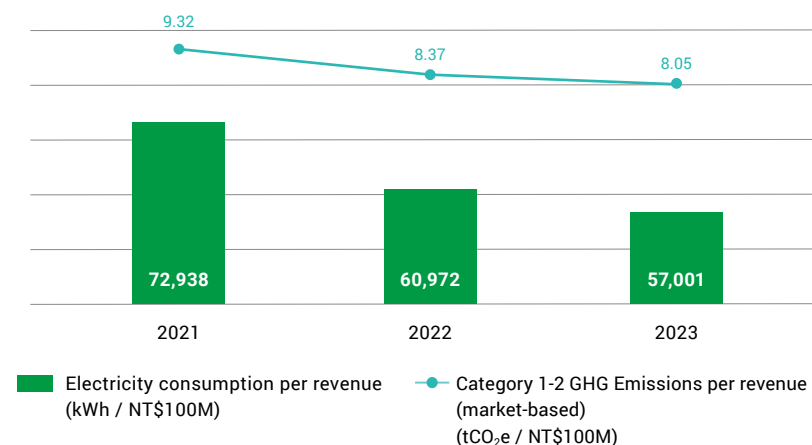
[Scope: SYSTEX headquarters building]

Item	2020 Base Year	2022	2023
Category 1 GHG Emissions (tCO <sub>2</sub> e)	13.7720	11.0019	20.4516
Category 2			
• Electricity consumption (kWh)	5,692,079	5,665,093	5,810,192
• RE consumption (kWh)	100,000	83,493	120,000
• Location-based GHG Emissions (tCO <sub>2</sub> e)	2,897.2682	2,804.2210	2,810.9511
• Market-based GHG Emissions (tCO <sub>2</sub> e)	2,846.3684	2,762.8922	2,810.9511
Category 1-2 GHG Emissions (tCO <sub>2</sub> e)			
• Location-based	2,911.040	2,815.223	2,831.407
• Market-based	2,860.140	2,773.894	2,831.407
SYSTEX consolidated revenue (NT\$100M)	237.35	331.29	351.84
Electricity consumption per revenue (kWh / NT\$100M)	86,447	60,972	57,001
GHG Emissions per revenue (tCO <sub>2</sub> e / NT\$100M)			
• Location-based	12.265	8.498	8.047
• Market-based	12.050	8.373	8.047

Note: The electricity consumption per revenue and GHG emissions per revenue are estimated within the scope of SYSTEX Group (including overseas regions).

In 2023, due to the increase in the business scale, SYSTEX increased electricity consumption, However, if we checked the electricity consumption per revenue, it has been on a downward trend for the past 3 years, showing that SYSTEX is gradually improving its electricity consumption efficiently. In addition, SYSTEX launches an "Internal carbon price measure" in 2024 to increase the RE consumption.

3-year GHG Emissions and Decarbonization in Category 1-2







# 06 Partner Relationship

## Long-term Strategy

SYSTEX Group is committed to promoting sustainable development and looks forward to fulfilling sustainable responsibilities jointly with clients and suppliers and creating common prosperity with supply chain partners.

- Promote sustainable supply chain management to effectively reduce supply chain risks and enhance operational competitiveness.
- Pay attention to customer responses and gradually improve customer service and quality.

Customer Relations	82
Supplier Sustainability Management	84

## Contributing to the SDGs







## Highlights



123 certificates

Project managers obtain PMP/ACP



8.66 points

Customer satisfaction survey on major projects



SustainLink APP

Newly launched interactive platform with suppliers in 2023



100%

- Key suppliers signing rate
- Vendor Integrity Pledge and Declaration
- Supplier CSR Code of Conduct

## Short-, Mid, Long-term Goal

SYSTEMX provides customers with professional services, actively meets with their requirements for sustainable development, and establishes a solid partnership with them, while also responding to the sustainability management of the supply chain to achieve sustainable development.

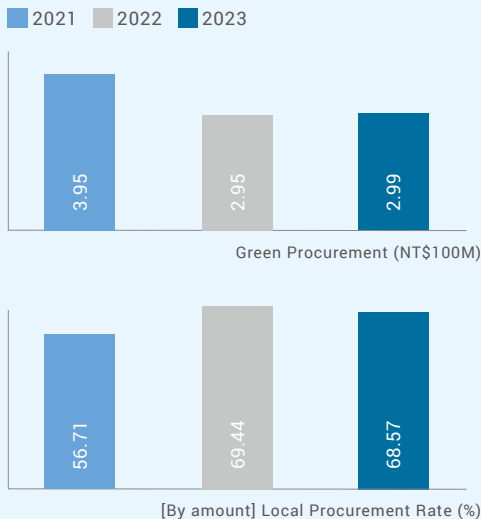
	Short-term Goals 2024	Mid-term Goals 2027	Long-term Goals 2030
"Vendor Integrity Pledge and Declaration" signing rate	96%	97%	99%
"Supplier CSR Code of Conduct" signing rate	96%	97%	99%
"Supplier CSR Self-Assessment Questionnaire" response rate	65%	67%	70%
"Supplier IS and Personal Data Protection Questionnaire" response rate	65%	67%	70%

## 2023 Goals and Performance

✔ Achieved ☹ Ongoing

	Goals	Performance
"Vendor Integrity Pledge and Declaration" signing rate	96%	>99% ✔
"Supplier CSR Code of Conduct" signing rate	80%	>99% ✔
"Supplier CSR Self-Assessment Questionnaire" response rate	60%	65.5% ✔
"Supplier IS and Personal Data Protection Questionnaire" response rate	60%	66.1% ✔

## 3-year Performance Progress





# Customer Relations



## Long-term Strategy

Respond to customer feedback gradually improve customer service and quality.

SYSTEX attaches importance to customer opinions and response, allowing customers to recommend more potential customers to join the SYSTEX ecosystem. To strengthen the energy and quality of customer service, SYSTEX not only continues to optimize the "Project Management Mechanism" but also conducts the first-ever key customer satisfaction survey for the year 2023. Through more in-depth dialogue with customers, SYSTEX understands customers' feedback on the service process to take action accordingly.

## Professional Service Team

SYSTEX has a Project Management Office (PMO), responsible for the planning, monitoring, and coordination of all projects within the group, centralized management of customer projects, and control of project risks, to ensure that the project manager (PM) can lead the project team to complete projects.

	1. PM Mechanism	2. PM Cooperation	3. PM IT System	4. PM Audits
SYSTEX PMO	<ul style="list-style-type: none"> <li>R&amp;D recycle</li> <li>Rules of PARB</li> <li>Rules of PM Grading Management</li> <li>PM grading system</li> <li>PM evaluation system</li> <li>PM training</li> <li>KM system</li> </ul>	<ul style="list-style-type: none"> <li>Risk assessment</li> <li>Track abnormal projects</li> <li>Manage PARB meetings</li> </ul>	<ul style="list-style-type: none"> <li>BMS</li> <li>Online tools</li> </ul>	<ul style="list-style-type: none"> <li>Rules of Outsourced Project Management</li> <li>Supplier assessment</li> <li>Outsourcing assessment for projects</li> <li>Callback outsourcing projects</li> <li>Project acceptance</li> <li>Progress of filing and revision</li> <li>Contracts confirmed by Legal Division</li> <li>Project audits</li> </ul>

## Project management training Obtain 123 PMP / ACP certificates in 2023

SYSTEX continues to carry out PM-related training courses, inviting senior PMs to educate practical experience to improve the management capabilities of junior PMs and enrich their minds. In response to customers' demand for cloud services increase, SYSTEX has carried out compulsory general training on "PM Cloud Technology" since 2023 to equip all group PMs with cloud expertise to enhance the ability of hybrid multi-cloud architecture to meet customer needs. In 2023, SYSTEX Group in Taiwan conducted PM training courses, totaling 904 persons and 5,213.8 hours. SYSTEX encourages PMs to participate in the "International PMP" courses, obtaining a cumulative 123 PMP/ACP certificates, serving as a strong professional PM team. In addition, considering the importance of information security in the PM lifecycle, SYSTEX has organized IS courses for PMs, resulting in obtaining 149 ISO 27001 verifications, thereby improving their ability to help customers prevent various types of information security threats, enhance customers' information security level and their overall operational efficiency.

## Management Mechanism

### Project Management

PMO is responsible for formulating project management methods, standards, and processes. In addition, the PMO regularly reviews and revises the PM-related systems such as "R&D Cycle" and "Rules of Project Assessment & Review Board", and formulates "PM Grading and Evaluation System" combined with training and certification, to evaluate PM performance every 6 months and reward outstanding PMs.

### Project Management IT System

SYSTEX has introduced more various PM platforms to conduct risk assessments on major projects, report projects progress every week, track abnormal projects, and further hold review meetings timely, to provide sufficient resources and assistance.

### Outsourced Project Audits

PMO formulates the "Rules of Outsourced Project Management" to assist in the progress of project filing and revision and carry out audits regularly to conduct supplier assessment and project acceptance management, thereby measuring the execution capabilities of outsourced suppliers and assessing potential risks to ensure that they can deliver expected results on time.

Note: For more details, please refer to "[p.86\\_Outsourced project assessment](#)."



Service Quality

As the largest IT service provider in Taiwan, SYSTEX undertakes projects across various fields, ranging from small to large and complex, accumulating more than 40,000 customers. To manage projects effectively, SYSTEX has developed a project management mechanism, and built a related IT system and platform, so that PMs and team members can manage and evaluate the status of projects to execute more smoothly.

PMO checks the implementation of projects, finds abnormal status in advance to adjust the project risk level timely through the management system, formulates lessons learned for abnormal projects, and cooperates with advocacy meetings to strengthen experience exchanges and improve their ability to provision high-quality products and services.

Customer Satisfaction

To realize major customers opinions, SYSTEX conducts a satisfaction survey. The survey adopted a 7-point scale, focusing on "service quality, professional competence, and overall service." A total of 93 clients were distributed questionnaires, and 66 valid responses were received, with a survey coverage rate of 70%.

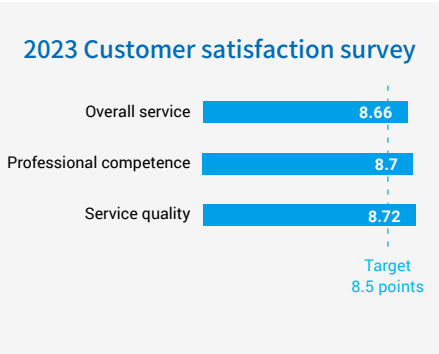


Definition of major customers

The project is of service nature and the project amount exceeds NT\$3 million. The survey coverage rate of these major customers reached 70%.  
Survey coverage rate = Total major project amount / Total closed project amount of the year \*100%

For the 2023 survey, SYSTEX converts the results of the 7-point scale into a 10-point scale and set 8.5 as the target. If the score of any single question in each questionnaire is lower than 4, it is considered a customer complaint, prompting the PM to formulate an improvement plan accordingly. In the 2023 survey, there was 1 customer complaint case, so the PMO supervised the PM to conduct an improvement plan in April 2024.

SYSTEX PMO set the 2024 target for the Customer Satisfaction Survey at 9 points.



Customer Supply Chain Evaluation

Best sustainable partner of clients

In addition to professional services, SYSTEX Group also actively responds to clients' concerns about sustainable issues and jointly raises awareness of promoting sustainable affairs. In 2023, SYSTEX Group filled in a total of 691 supplier sustainability audit questionnaires and conducted 57 on-site audits with a 95.36% satisfaction rate.

In 2023, SYSTEX Group was recognized for the sustainable supplier awards by Fubon Financial Holdings, Far EasTone, and Taiwan Mobile, National Institute of Central Science and Technology, China Development Excellent Supplier, and Huatai Electronics, etc.



691  
Supplier audit questionnaire



57  
On-site audit



95.36%  
Audit satisfaction rate




SYSTEX receives Taiwan Mobile's sustainable governance performance excellent supplier.



SYSTEX won the excellent suppliers in supplier sustainability evaluation by Fubon Financial Holdings.



# Supplier Sustainability Management

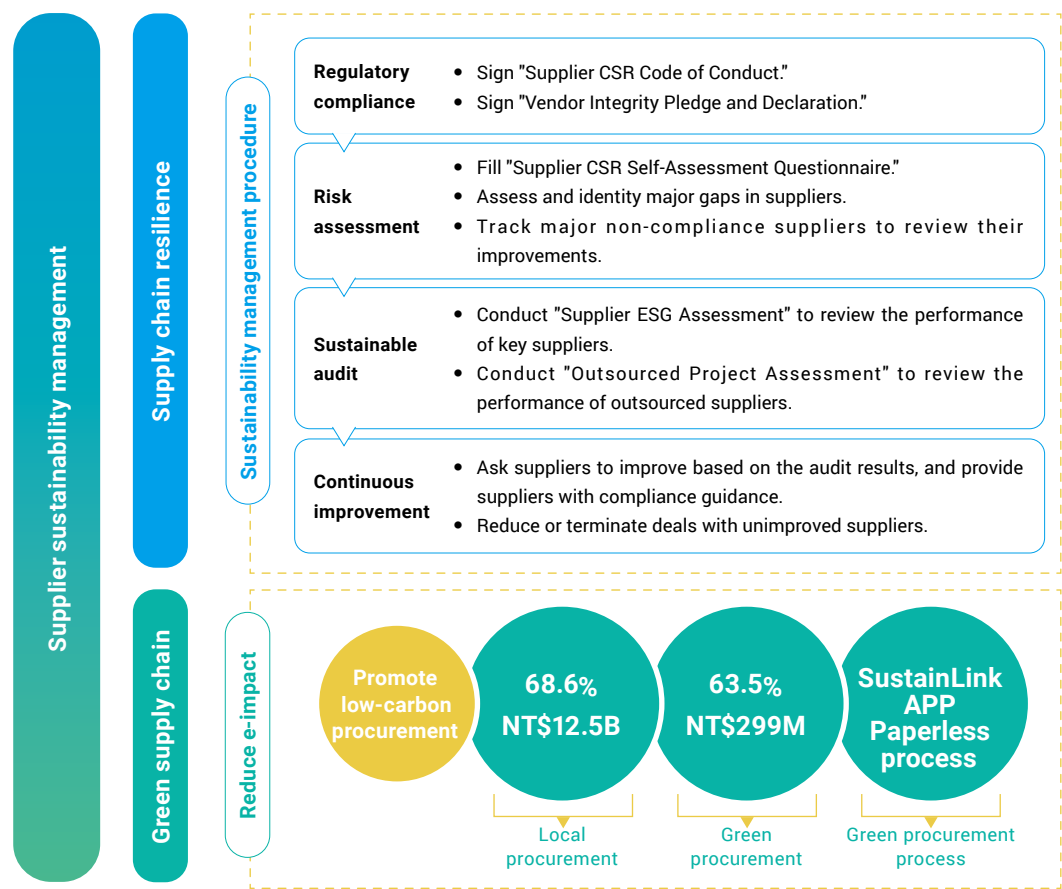


Long-term Strategy

Promote sustainable supply chain management to reduce risks and enhance competitiveness.

SYSTEX is committed to fulfilling social responsibility and protecting basic human rights and expects all suppliers to adopt the same standards and jointly fulfill their responsibilities. Therefore, SYSTEX has developed the "Supplier CSR Code of Conduct", requiring suppliers of SYSTEX and its affiliates to abide by the laws and regulations of the places where they operate.

## Supplier Sustainability Management Structure



SYSTEX Group in Taiwan has 4 types of suppliers including Upstream Software Original, Affiliates, Distributors and Outsourcers. By 2023, a total of 2,652 suppliers have signed the "Vendor Integrity Pledge and Declaration" (>99% signed), and 1,798 suppliers have signed the "Supplier CSR Code of Conduct." Meanwhile, SYSTEX conducts another 2 questionnaires every year.



2,652 suppliers  
Signed "Vendor Integrity Pledge and Declaration"



1,798 suppliers  
Signed "Supplier CSR Code of Conduct"



982 suppliers  
Respond "CSR Self-Assessment Questionnaire"



991 suppliers  
Respond "Information Security and Personal Data Protection Questionnaire"



20 suppliers  
Selected supplier by Excellent Supplier Assessment



20 suppliers  
Key Supplier ESG Assessment



31 suppliers  
Newly passed Outsourcing Selection Assessment



155 suppliers  
Outsourced Project Assessment



## Supply Chain Sustainability Management Procedure

● Regulatory Compliance 2 documents

### Vendor Integrity Pledge and Declaration

Before conducting transactions, SYSTEX evaluates the legitimacy of the counterparty and checks it for a record of dishonest behavior. Adhering to the business philosophy of integrity, SYSTEX has formulated corporate governance and risk management mechanisms. To improve corporate governance and supply chain management, SYSTEX has required new suppliers to sign the "Vendor Integrity Pledge and Declaration" since 2019. A total of 2,652 suppliers have signed this document by 2023.

#### Vendor Integrity Pledge and Declaration

- No bribery
- No forgery
- Abide by contract agreements
- Comply with information security policies
- Comply with personal data protection
- comply with confidentiality obligations
- Abide by labor laws and rights
- Comply with OHS. and environmental protection laws and policies
- Comply with laws and policies such as money laundering prevention, anti-corruption laws, and terrorism financing prevention laws and regulations

### Supplier CSR Code of Conduct

SYSTEX is committed to implementing social responsibility and protecting basic human rights, expecting all suppliers can fulfill CSR together. Therefore, SYSTEX has developed the "Supplier CSR Code of Conduct" and requires suppliers to comply with the regulations. A total of 1,798 suppliers have signed by 2023.



New "Conflict-Free Minerals Statement" added in 2023  
Commitment not to support, accept, or use conflict minerals.

● Supplier Selection Mechanism GRI 308-1, 414-1

SYSTEX brings positive impacts on suppliers through actual procurement behavior. When selecting new suppliers, SYSTEX follows the "SC Sustainability Management Procedure" and requires suppliers to sign the "Supplier Integrity and Integrity Commitment" and "Supplier CSR Code of Conduct," and reviews suppliers' information on the official websites of MOEA and MOF to confirm that they are legitimate companies that pay normal taxes.

### Excellent Supplier Assessment

In February every year, SYSTEX implements the "Excellent Supplier Assessment", which takes the list of existing high-performance suppliers, the transaction volume, number of transactions, purchasing recommendations, and other criteria to determine the comparison list, and then grades the suppliers accordingly.

SYSTEX conducts annual assessments and then ranks suppliers accordingly. In 2023, a total of 20 suppliers were included in the list of qualified suppliers.

Note: The upstream software originals do not need to be assessed to be the qualifiers. Therefore, there are about 100 suppliers on the list.

Level A	Qualified excellent supplier	85-100 points
Level B	Suppliers with 3 consecutive Lv-B will be removed from the list of qualified suppliers	71-85 points
Level C	Removed from the list of qualified suppliers	Under 70 points

### Outsourcing Selection Assessment

Through the "Rules of Outsourced Project Management," SYSTEX has established an outsourced supplier assessment team to newly select 31 suitable outsourced suppliers in 2023. After selection, SYSTEX will monitor and manage its outsourced suppliers and regularly report their records and status.



31 suppliers

2023 newly selected  
outsourced supplier

### Handling of unqualified suppliers

Suppliers who fail the assessment will initially be placed on the unqualified list. Following this, the unqualified supplier has to implement corrective measures and SYSTEX will review the supplier's information on the MOEA and MOF websites to confirm it is not listed on the "Notification of Suspected Customers with Bad Records of Invoices." Only then can the procurement unit restore its trading rights accordingly.



● Supplier Performance Assessment

Key Supplier ESG Assessment

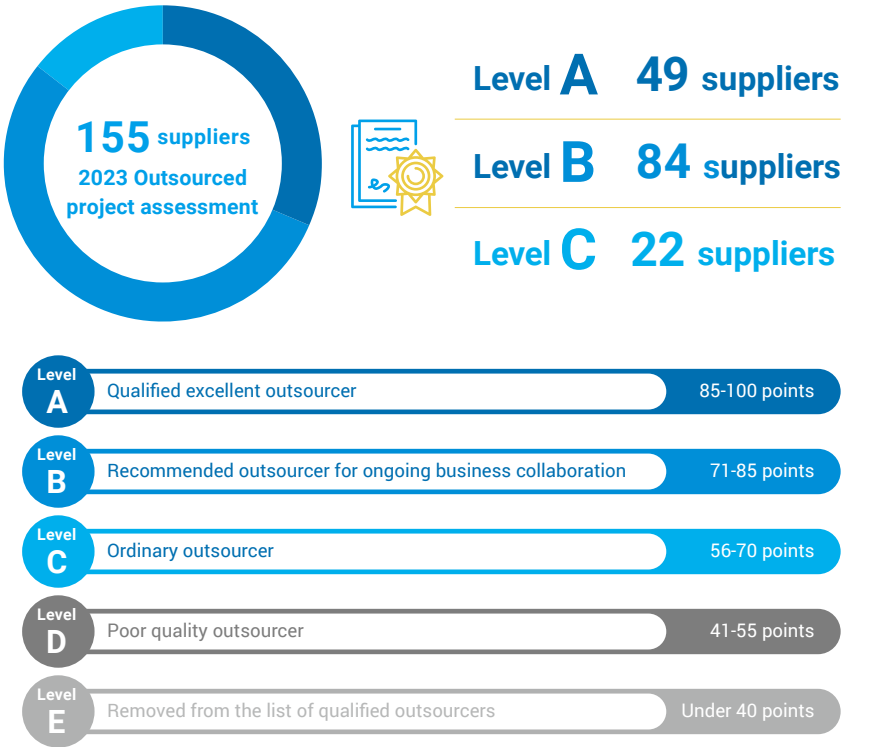
According to the annual transaction volume, number of transactions and other criteria, SYSTEX defines key suppliers from Distributors and Outsourcers, and selects 20-25 key suppliers to carry out the "Key Supplier ESG Assessment." The assessment is oriented to 35 questions in 16 topics of ESG issues, and suppliers are required to provide explanations for each question. The audit team is formed by a dedicated procurement team and conducts online and on-site audits.

In 2023, a total of 20 suppliers participated in the ESG assessment, and their overall average scores reached the standard. The analysis revealed that suppliers primarily scored low in "Supplier Management," "Management System," and "GHG Emissions". Therefore, SYSTEX offered them suggested solutions to facilitate improvement. If a supplier fails to meet the criteria, SYSTEX will inform the supplier of the results and recommendations, enabling the supplier to improve its performance.



Outsourced Project Assessment

SYSTEX's outsourced suppliers are classified into 4 categories: manpower stationing, AP development, engineering construction, and information security outsourcing. SYSTEX has formulated the "Rules of Outsourced Project Management" to accelerate and facilitate outsourcing procurement efficiency. Therefore, SYSTEX conducts an "Outsourced Project Assessment" when the outsourced project closed. According to the service quality and cooperation of the supplier, SYSTEX grades them with A to E accordingly. SYSTEX will facilitate the procurement for Iv-A suppliers, avoid cooperation with Iv-D & E suppliers. As a result, 155 outsourced suppliers were evaluated in 2023, all receiving grade of Iv-C or above, of which 49 outsourced suppliers were Iv-A.





## Supplier ESG Promotion Plan

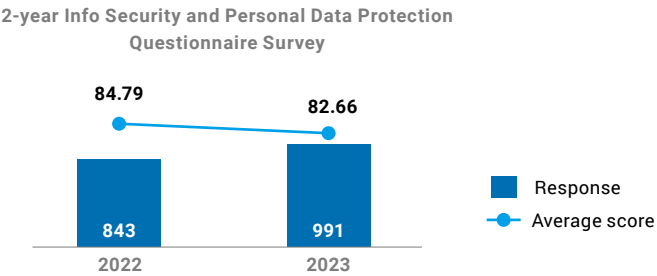
To promote sustainable supply chain management, SYSTEX implements the "Supplier Sustainability Promotion Program" every year, establishing a good communication mechanism with suppliers to reduce supply chain risks improve supplier stability; and establish an ecosystem of sincerity and sustainability, which will lead to the enhancement of the sustainable value and competitiveness of supplier brands.

Facilitate Info Security and Personal Data Protection

991 responses

SYSTEX Group attaches great importance to info security and personal data protection issues, so it implements the "Supplier Information Security and Personal Data Protection Questionnaire" since 2022 to work with suppliers to improve the overall supply chain information security defense capabilities. There are 2 dimensions of "info security" and "personal data protection," totaling 40 questions in the questionnaire.

In 2023, a total of 991 questionnaires were collected, with the response rate increasing by 17.6% compared to 2022 and an average score of 82.66 points.



Online Suppliers Networking Meeting

52 suppliers, 105 participants

To improve overall supplier service quality and reduce the supply chain disruption risk, SYSTEX organized the online "Suppliers Networking Meeting" in December 2023, with a total of 52 suppliers and 105 participants. During the meeting, SYSTEX shared its experience in promoting sustainability and invited high-performing suppliers to share their demonstration cases, aiming to jointly deliver stable and high-quality technological services within the SYSTEX ecosystem for clients.

SYSTEX Partnership APP

SYSTEX has developed the following functional services of "SYSTEX Partner APP", so that suppliers can understand SYSTEX's sustainable management policy, receive the latest ESG trends, and reply to the ESG self-assessment results, enabling to achieve digital sustainable management through digital technology.

Launch of new supplier platform - SustainLink APP in 2023

In 2023, SYSTEX's digital sustainability management has further advanced and harnessed the power of digital technology to develop the "SustainLink APP" as an interactive platform connecting SYSTEX and its suppliers. This initiative aims to enhance in-depth supply chain collaboration and improve the efficiency of supply chain management. The platform offers 9 key functions, including SYSTEX's solutions, responses to supplier assessment questionnaires, paperless procurement management processes, and free YODA, among others.



Free Security Rating Service-YODA

YODA provides free vulnerability scanning services to suppliers. It can issue supplier-specific security rating reports, explain security ratings and security risk lists, and provide repair suggestions and personal online services to help suppliers improve their security protection capabilities.



Green Supply Chain

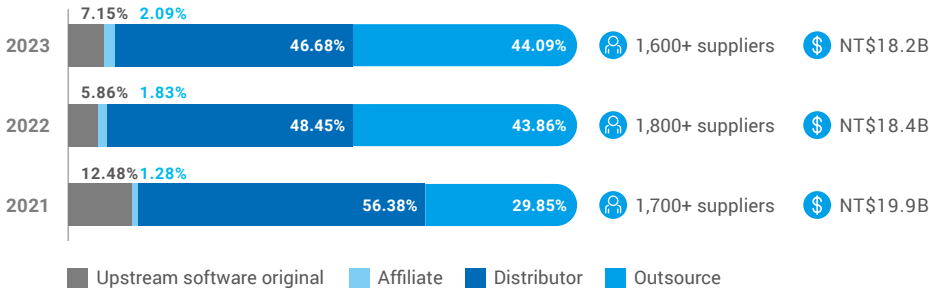
SYSTEX positions itself as the "Most capable of cooperating, connecting and amplifying value in the eyes of clients," SYSTEX makes good use of its 6 core capabilities to assist clients in realizing their innovative business models and sustainability. The suppliers of SYSTEX Group in Taiwan are categorized into 4 types: "upstream software original, affiliates, distributors and outsourcers." In 2023, the total number exceeded 1,600, with total expenditure exceeding NT\$18.2 billion. In terms of suppliers' number, SYSTEX's major supplier types over the past 3 years have been distributors and outsourcers, accounting for more than 90%. In terms of procurement expenditure, SYSTEX's major supplier type has been upstream software original, accounting for more than 50%.

Local Procurement GRI 204-1

To reduce the negative impact on the environment during business operations, SYSTEX considers green suppliers that care about the environment in their sourcing operations and incorporate sustainable sourcing ideas. In addition to the software and services provided by the upstream software original specified by clients, major suppliers give priority to local procurement. In terms of suppliers' number, local suppliers accounted for 94% over the past 3 years. In terms of procurement expenditure, local suppliers accounted for 70%.



3-year Number and Proportion of Suppliers

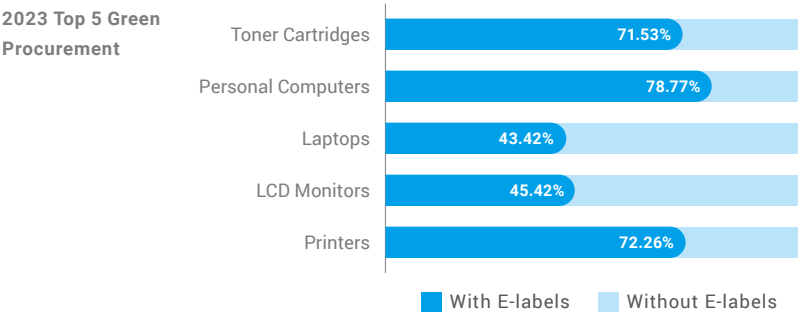


Green Procurement 2023 Top 5 Green Procurement: NT\$ 2.99 M (63.45%)

SYSTEX supports the sustainable concept with practical actions. Through the green procurement policy, SYSTEX purchases Green Products that do not contain substances controlled by the Montreal Protocol, and prioritizes the use of office items with environmentally friendly labels, including personal computers, laptops, LCD monitors, printers, and toner cartridges, hoping to drive the development of green industries through actual procurement actions.



Note: The top 5 Green products included products specified by clients, so the total expenditure in each year varied significantly due to client needs.





# GRI Index

**Statement of Use:** SYSTEX has reported with reference to the GRI Standards for the period of 2023 (2023/01/01-2023/12/31).

**GRI 1 used:** GRI 1: Foundation 2021

GRI	Disclosure	Page
<b>GRI 2: General Disclosures 2021</b>		
<b>The organization and its reporting practices</b>		
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2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	No restatements of information
2-5	External assurance	2
<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	7, 20-24
2-7	Employees	45
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<b>Governance</b>		
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2-10	Nomination and selection of the highest governance body	30
2-11	Chair of the highest governance body	30
2-12	Role of the highest governance body in overseeing the management of impacts	9
2-13	Delegation of responsibility for managing impacts	9, 30
2-14	Role of the highest governance body in sustainability reporting	2, 9
2-15	Conflicts of interest	27, 30
2-16	Communication of critical concerns	35
2-17	Collective knowledge of the highest governance body	31
2-18	Evaluation of the performance of the highest governance body	31
2-19	Remuneration policies	32
2-20	Process to determine remuneration	32
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2-22	Statement on sustainable development strategy	9, 10

GRI	Disclosure	Page
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2-24	Embedding policy commitments	9, 17, 36, 47-48
2-25	Processes to remediate negative impacts	18, 32-33, 51
2-26	Mechanisms for seeking advice and raising concerns	32-33, 51
2-27	Compliance with laws and regulations	27, 29, 70
2-28	Membership associations	27
Stakeholder engagement		
2-29	Approach to stakeholder engagement	19
2-30	Collective bargaining agreements	No labor unions. SYSTEX holds a "Labor-Management Meetings" every quarter, discussing labor-related issues to promote harmonious communication.
	No labor unions. SYSTEX holds a "Labor-Management Meetings" every quarter, discussing labor-related issues to promote harmonious communication.	
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	13-19
3-2	List of material topics	
3-3	Management of material topics	
Material Topics		
GRI 201: Economic Performance 2016		
201-1	Ratios of standard entry level wage by gender compared to local minimum wage	25
GRI 205: Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	31
205-3	Confirmed incidents of corruption and actions taken	
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	91



GRI	Disclosure	Page
<b>GRI 305: Emissions 2016</b>		
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305-2	Energy indirect (Scope 2) GHG emissions	78, 79
305-3	Other indirect (Scope 3) GHG emissions	78
305-4	GHG emissions intensity	79
305-5	Reduction of GHG emissions	91
305-6	Emissions of ozone-depleting substances (ODS)	No emissions of ODS.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	No emissions of NOx, SOx and other significant air.
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	46
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	49-51
401-3	Parental leave	51
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	54
403-2	Hazard identification, risk assessment, and incident investigation	52-53 54-55
403-3	Occupational health services	53
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403-9	Work-related injuries	55
<b>GRI 404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	42-43
404-3	Percentage of employees receiving regular performance and career development reviews	49
<b>GRI 418: Customer Privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	37-39

GRI	Disclosure	Page
<b>Self-disclosure on Specific Topics</b>		
<b>GRI 201: Economic Performance 2016</b>		
201-2	Financial implications and other risks and opportunities due to climate change	72-75
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">Web_Benefits &amp; Rights</a>
201-4	Financial assistance received from government	27 92
<b>GRI 202: Market Presence 2016</b>		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	48
<b>GRI 204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	85
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	83
<b>GRI 402: Labor/Management Relations 2016</b>		
402-1	Minimum notice periods regarding operational changes	Any significant changes be notified employees abide by the laws.
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	45
405-2	Ratio of basic salary and remuneration of women to men	48
<b>GRI 406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	48
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	85
<b>GRI 415: Public Policy 2016</b>		
415-1	Political contributions	27
<b>GRI 417: Marketing and Labeling 2016</b>		
417-3	Incidents of non-compliance concerning marketing communications	27
<b>GRI 419: Socioeconomic Compliance 2016</b>		
419-1	Non-compliance with laws and regulations in the social and economic area	27



## SASB

Topic	Code	Accounting Metric	Page
Energy Management in Manufacturing	TC-SI-130a.1	(1) Total water withdrawn, (2) Percentage grid electricity, (3) Percentage renewable	91 77
	TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress The total water consumed is equal to the total water withdrawn, and SYTEX does not draw water from regions with High or Extremely High Baseline Water Stress. (0%)	77
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	76
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	38-39
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	No occurrence
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	No occurrence
	TC-SI-220a.4	(1) Number of law enforcement requests for customer information, (2) number of customers whose information was requested, (3) percentage resulting in disclosure List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	No occurrence 39
	TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	No occurrence
Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	No occurrence 37-39
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	37-39
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	45-46
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	45, 50
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	No occurrence
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	Number of (1) performance issues, (2) service disruptions, (3) total customer downtime	No occurrence
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	<a href="#">Web_Risk Management</a>

## ESG Performance Summary

Category	Key Indicators	2021	2022	2023
G	Consolidated revenue (NT\$ thousand)	29,526,957	33,128,852	35,184,378
	Individual net income (NT\$ thousand)	1,213,916	1,091,229	1,494,266
	Return on equity (%)	8.91	7.94	10.75
	Income tax expense (NT\$ thousand)	228,519	264,709	346,382
	Dividends paid (NT\$ thousand)	1,346,967	1,361,517	1,361,517
	R&D expenditures (NT\$ thousand)	478,731	518,721	558,824
	Rate of independent directors (%)	23.07	25	30.77
	Number of key suppliers	79	79	79
	Proportion of key suppliers (%)	5.34	4.73	5.51
	Procurement ratio of key Suppliers (%)	78.47	73.37	74.47
	Signed "Vendor Integrity Pledge and Declaration" by key suppliers (%)	100	100	100
	Signed "Supplier CSR Code of Conduct" by key suppliers (%)	100	100	100
	Key supplier ESG assessment (suppliers)	22	21	20
	Local procurement Rate (%)	56.71	69.44	68.57
E	GHG Emissions (category 1-6) (tCO <sub>2</sub> e)			
	Location-based	3,353.642	3,388.775	3,474.898
	Market-based	3,317.498	3,347.446	3,474.898
	• Category 1 (tCO <sub>2</sub> e)	7.2465	11.0019	20.4516
	• Category 2 (tCO <sub>2</sub> e)			
	Location-based	2,779.514	2,804.221	2,810.955
	Market-based	2,743.370	2,762.892	2,810.955
	• Category 3-6 (Scope 3)(tCO <sub>2</sub> e)	566.882	573.552	643.491
	• Data coverage rate (%)	52.56	58.07	62.25
	Energy consumption (GJ) (including electricity, gasoline, nature gas and diesel)	19,989.307	20,462.718	21,104.759
	• Indirect energy consumption (kWh) (electricity)	5,536,879	5,665,093	5,810,192
	• Renewable energy consumption (kWh)	72,000	83,493	120,000
	• Renewable energy consumption rate (%)	1.3	1.5	2.0
	• Electricity consumption per revenue (kWh/NT\$ 100 million)	72,938	60,972	57,001
	Water consumption (kL)	17,426	21,112	22,375
	• Data coverage rate (%)	52.56	58.07	62.25
	• Water consumption per revenue (kL/NT\$ 100 million)	229.55	227.22	219.51



Category	Key Indicators		2021	2022	2023
E	Total waste (tons)		66.9	68.7	43.6
	• General waste disposed (tons)		56.7	56.1	31.2
	• Waste recycled (tons)		10.2	12.6	12.4
	• Waste recycling rate (%)		15.2	18.3	28.4
	• Data coverage rate (%)		52.56	58.07	62.25
	• Total waste per revenue (tons/NT\$100 million)		0.88	0.74	0.43
	Paper usage (thousand sheets)		2,497	2,180	2,085
	• Paper usage per revenue (sheets/NT\$ 100 million)		9,545	7,402	6,552
	Green procurement (NT\$100 million)		3.96	2.95	2.99
S	Number of all employee	Whole group including overseas BU	4,228	4,350	4,508
		SYSTEX Group in Taiwan	3,746	3,867	4,077
		SYSTEX Corp.	2,068	2,101	2,098
		SYSTEX headquarters building	1,087	1,220	1,306
	Workers are not employees		20	21	21
	Employee training hours (hours)		105,738	143,209	140,046
	Average employee training hours (hours)		28.23	37.03	34.35
	Number of employees trained		20,233	31,690	53,109
	Proportion of female employees (%)		39.78	39.49	40.20
	Proportion of female employees in management level (%)		22.58	24.74	26.00
	Proportion of female employees in middle management level (%)		24.42	26.74	27.51
	Proportion of female employees in senior management level (%)		9.68	9.09	12.90
	Turnover rate (%)		15.63	18.19	19.11
	Proportion of R&D employees (%)		72.24	74.30	73.88
	Number of disabled employees (persons)		41	39	40
	Return to work rate after parental leave (%)		67	77	81
	Retention rate - 1 year after return to work (%)		83	67	85
	Care rate for high-risk health employees (%)		100	100	100
	Workers covered by an OHS management system audited internally		3,766	3,888	4,098
	• Number of all employees and non-employed workers whose workplace controlled by SYSTEX		3,766	3,888	4,098
	• Data coverage rate (%)		100	100	100
	Workers covered by an OHS management system audited externally		1,107	1,241	1,327

Category	Key Indicators	2021	2022	2023
S	• Number of all employees and non-employed workers whose workplace controlled by SYSTEX	3,766	3,888	4,098
	• Data coverage rate (%)	29.39	31.92	32.38
	Employee benefits expense (NT\$ thousand)	4,561,536	5,050,466	5,375,966
	Social investment / cash donation (NT\$ thousand)	6,498	10,254.3	5,009.8

- Note:
1. The indicator calculation scope of environmental performance is at SYSTEX Headquarters Building.
  2. The indicator calculation scope of social performance is SYSTEX Corp. and the affiliated companies.
  3. Energy consumption is calculated according to the conversion calorific value table of Energy Administration.
  4. The weight of general waste disposed was previously estimated, but since Oct. 2022, it has been measured by weighing.
  5. Not-employee workers include agency workers, security guards, cleaning workers and electrical & mechanical workers.
  6. Turnover rate = annual number of employees leaving ÷ total number of employees at the end of the year \* 100%
  7. The scope and number of personnel for internal audits of Occupational Health and Safety Management System are consistent with those for external audits.


## Government Subsidy Statistics

Company	Government Subsidy Amount (NT\$ thousand)
SYSTEX Corporation	2,063.5
SYSTEX Software & Service	7,460
SYSPower Corporation	4,797
SYSTEX Solutions Corporation	3,430
Taifon Computer	602
Dawning Technology	9,066

Note: The data scope covers SYSTEX Corp. and its affiliated companies in Taiwan.



# Independent Third-Party Assurance Statement



ASSURANCE STATEMENT

**SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SYSTEX CORPORATION'S SUSTAINABILITY REPORT FOR 2023**

**NATURE AND SCOPE OF THE ASSURANCE**  
SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Systex Corporation (hereinafter referred to as Systex) to conduct an independent assurance of the Sustainability Report for 2023. The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level to assess whether the text and data in accompanying tables contained in the report presented and complies with the GRI Standards and AA1000 Accountability Principles (2018) during assurance (2024/04/26–2024/05/21) in Systex headquarter. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD) and sustainability accounting standards (SASB).

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

**INTENDED USERS OF THIS ASSURANCE STATEMENT**  
This Assurance Statement is provided with the intention of informing all Systex's Stakeholders.

**RESPONSIBILITIES**  
The information in the Systex's Sustainability Report of 2023 and its presentation are the responsibility of the directors or governing body (as applicable) and management of Systex. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the report content within the scope of assurance with the intention to inform all Systex's stakeholders.

**ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE**  
The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organization's reporting practices and other organizational detail, GRI 3 2021 for organization's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance	
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	n/a
B	AA1000ASv3 Type 1 (AA1000AP Evaluation only)	Moderate

**SCOPE OF ASSURANCE AND REPORTING CRITERIA**  
The scope of the assurance included evaluation of adherence to the following reporting criteria:

Reporting Criteria Options
1 GRI Standards (Reference)
2 AA1000 Accountability Principles (2018)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standards.

**ASSURANCE METHODOLOGY**  
The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

**LIMITATIONS AND MITIGATION**  
Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB related disclosures has not been checked back to source as part of this assurance process.

**STATEMENT OF INDEPENDENCE AND COMPETENCE**  
The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Systex, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

**ASSURANCE / VERIFICATION OPINION**  
On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

**ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)**

**INCLUSIVITY**  
Systex has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Systex may collect more responses from diversified stakeholders to integrate their engagement results into governance, strategy, and relevant decision-making processes across the full organisation.


**MATERIALITY**  
Systex has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.


**RESPONSIVENESS**  
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

**IMPACT**  
Systex has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements. It is recommended to evaluate the establishment of a functional committee to enhance robust processes for understanding, measuring, evaluating, and managing the organization's impacts across the entire organization.

**GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**  
The report, Systex's Sustainability Report of 2023, is reporting with reference to the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to Systex's contributions to sustainability development. For future reporting, Systex is encouraged to prepare for the transition to reporting in accordance with the GRI Standards, with more comprehensive details of its management processes on the identified impacts on the economy, environment, and people, including impacts on their human rights as well as the role of the highest governance body in overseeing these processes.

Signed:  
For and on behalf of SGS Taiwan Ltd.





**AA1000**  
Licensed Report  
000-8/V3-Q9JC5

Stephen Pao  
Business Assurance Director  
Taipei, Taiwan  
29 May, 2024  
[WWW.SGS.COM](http://WWW.SGS.COM)



# Certificate of Registration

SYSTEX Corporation

ISO 9001  
(Data Management Integration Service, ChungHo)



ISO 22301  
(Data Management Integration Service, ChungHo & SanChong)



ISO 27001  
(Data Management Integration Service, ChungHo)



ISO 27001 (TAF)  
(Internet Data Service and Fin-information Service, Data Center)



ISO 27001  
(Electronic Invoice System/ Value-added Center)



BS 10012  
(Data Management Integration Service, ChungHo)



PCI Data Security Standard, PCI DSS



ISO 14001



ISO 50001



ISO 14064-1





SYSTEMX Corporation

ISO 45001



Taiwan Intellectual Property Management System, TIPS



Talent Quality-management System, TTQS

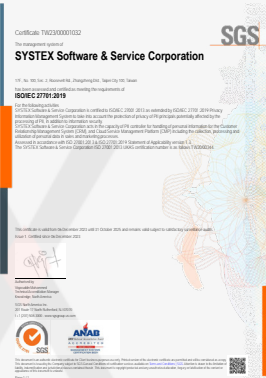


SYSTEMX Software & Service

ISO 27001



ISO 27701



Top Information Technologies

ISO 27001



Concord System Management

ISO 27001



SYSTEMX Solutions Corporation

ISO 20000-1



ISO 27001 (UKAS)



CNS 27001 (TAF)





Taifon Computer

ISO 27001

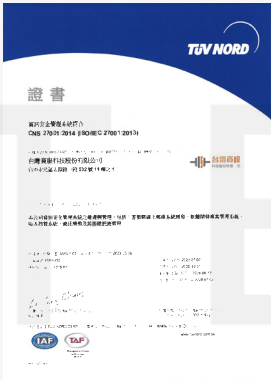


Taiwan Information Service Technology

ISO 27001 (DAKKS)



CNS 27001 (TAF)



ISO 27701



uniXecure Corporation

ISO 27001 (UKAS)



ISO 27001 (TAF)



ISO 27701





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The background features a series of thin, wavy blue lines that create a sense of motion and depth. Scattered throughout the composition are several spheres: a blue sphere in the upper left, a yellow sphere in the upper right, a blue sphere in the lower right, and a yellow sphere in the lower right. There are also larger, blurred blue and yellow shapes in the corners, adding to the abstract aesthetic.

SYSTEMEX