

SYSTEX

2021 SYSTEX Corporation

Sustainability  
Report



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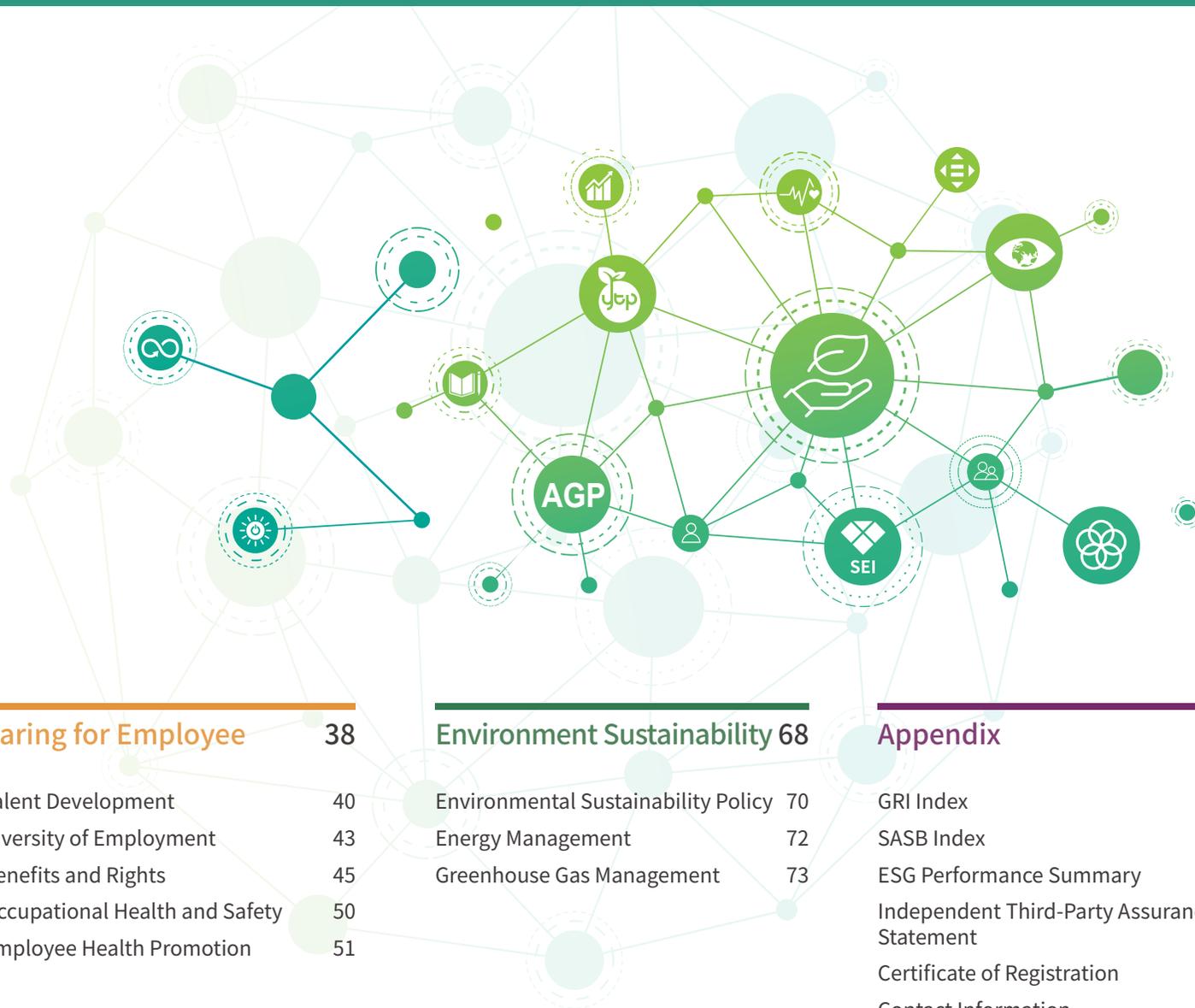
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# About this Report

SYSTEX Corporation has published the 3<sup>rd</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.

## Reporting Overview

**Standards** — Global Reporting Initiative, GRI - GRI Standards  
Sustainability Accounting Standards Board, SASB - Software & IT Services  
The Sustainability Best-Practice Principles for TWSE/GTSM Listed Companies

**Accordance** — GRI - GRI Standards: Core Option

**Boundary** — SYSTEX Group in Taiwan, including SYSTEX Corporation, SYSTEX Software & Service Corporation, Nexsys Corporation, Top Information Technologies Co., Syspower Corporation, Softmobile Technology Corporation, Concord System Management Corp., SYSTEX Solution Corporation, TaiFon Computer Co., E-Service Information Co., Taiwan Information Service Technology Co., Naturint Ltd., Palsys Digital Technology Corporation, Dawning Technology Inc., UniXecure Corporation, and Smartsys Technology Corporation.

**Period** — 1/1/2021 to 12/31/2021

**Cycle** — Published annually, the next report will be published in June 2023.

**Restatement** — Expand disclosure boundary: 4 affiliated companies added, including Palsys Digital Technology Corporation, Dawning Technology Inc., UniXecure Corporation, Smartsys Technology Corporation.

**Data** — For more financial performance, please refer to [Annual Report](#), including consolidated reports of affiliated companies. In adherence with IFRSs, the currency of annual report is NTD and certified by Deloitte Touche Tohmatsu Taiwan.

The data in this report is counted by relevant internal units and presented with international indicators; among them, the disclosure boundary of environmental data is at the Taipei Neihu Headquarters.

**Assurance** — We entrusted SGS TAIWAN LTD. to undertake assurance, and receive the assurance, AA1000ASv3 Type 1 Moderate Level in adherence to GRI Standards: Core option.

## Reporting Quality and Procedures

The data in this report is collected by internal units. After approval by the Chief Sustainability Officer, the Sustainability Group compiles the sustainability report. Through more transparent and complete disclosure, we expect various stakeholders to understand our performance and achievements.

## Feedback

SYSTEX Corporation

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Sustainability Report



Annual Report



## Letter from the Chairman

GRI 102-14

### Begin with Honesty, and End in Goodwill

A year coexisting with the pandemic has brought about tremendous changes to the business ecosystem and operation model, as well as impact on personal lives. At this critical moment, we strive to contribute our expertise and to establish connections among customers, coworkers, and partners to maintain business operation with our core capability of "Software", "Data" and "Algorithm". In the meantime, the philosophy of "Tech for Social Good", which SYSTEX is constantly pursuing, remains to carry on despite the epidemic. No matter how harsh the environment is, honesty is always rooted in our philosophy in conducting business. Fulfilling the civic responsibilities of the world with Tech for Social Good is the culture of SYSTEX. "Begin with Honesty, End in Goodwill" is the working principle that SYSTEX people adhere to.

### Do Our Best for the Earth, Find a Way out for Humans

As a global citizen, in addition to the epidemic, energy saving and carbon reduction are the missions that we can never keep ourselves aloof. In 2021, SYSTEX established the Smart Energy Center in the Shalun Smart Green Energy Science City in Tainan. We offered integrated solutions of green technology in collaboration with green energy start-ups in the Smart Energy Center, and with academic organizations such as Industrial Technology Research Institute (ITRI), National Cheng Kung University (NCKU), and National Yang Ming Chiao Tung University (NYCU). We're committed to offering the best of breed green and digital transformation solutions to corporations in helping industries in Taiwan to manufacture products compliant with environmental protection regulations or to offer more services and products with less carbon emission. In 2021 SYSTEX donated GARAOTUS cloud platform software and hardware facilities as well as services worth NTD seventy million dollars. By applying the first GAaaS (Genomics Analytics as a Service) inclusive of international system structure and professional service in Taiwan, NYCUCBT can foster interdisciplinary

biomedical talents of world-class and develop new medicine to tackle unknown diseases with algorithm and data analytics in the future.

### Foster Outstanding Software Talents for Taiwan

The Young Turing Program starting in 2016 is the flagship volunteer program of SYSTEX. This program designs year-long mentorship activities, including coding contests, projects execution, and overseas learning and visits. In 2021 the program was further extended to junior high school students and expanded connection with other student groups in Taiwan who have strong interests in software programs. SYSTEX employees play essential roles in running the program. Over the past six years, more than two hundred employees are actively involved, and many became long-term volunteers. The program was crowned by CSR Outstanding Award from Global Views Monthly and the "Social Inclusion Leadership Awards" from TCSA in 2021.

SYSTEX has founded a start-up mentorship program "AI+ Generator Program (AGP)" in aim to help accelerate start-ups' go-to-market plan by leveraging SYSTEX's thirty thousand clients and ecosystem partners. AI4SG (Actions Intelligence for Social Good Award), which encourages start-ups to put efforts into solving social problems with the capability of technology, which also won the recognition of the 5<sup>th</sup> PwC Sustainability Impact Awards for "Actions Intelligence for Social Good Award" and the Silver Award of the 1<sup>st</sup> "Taiwan Sustainability Action Awards, TSAA" in 2021.

### Empowering Employees Growth, Creating Impact

Employees are always the most valuable asset of SYSTEX. We will keep establishing a positive work environment that employees would take pride in, and encouraging trial errors and fault tolerance and making employees have the courage to explore and experiment without hesitation. In addition to employees themselves, we also hope to expand our care to employees' families. SYSTEX introduced "Happy Growth Funds of SYSTEX Babies" debuted in 2021 to encourage

employees to have more children by offering baby bonuses and additional maternity and paternity leave. Moreover, we develop a "Health Up! APP" for employees to assist them in arranging exercise time and courses and in managing their physical indicators to pay attention to their personal health. In our opinion, investment in employee's health will have the best return. As a result, we won the recognition from the Gold Award and Special Award of Happiest Employees by Job Bank, and also obtained "2021 HR Asia Best Companies to Work for in Asia". We were the only one in the information and service industry in Taiwan that gain such recognition.

### Creating Values for Shareholders, Hitting Record-High Revenue for Six Consecutive Years

SYSTEX is positioned as A Data Software Company that devotes itself to the development of the Taiwan software industry. Within this decade, Taiwan software market will surpass one trillion. SYSTEX 3.0 will also surge toward market value of 100 billion NT dollars. From vertical integration to horizontal integration, through ecosystem integration, it is a new start to redefine the new type of services in the information and service industry.

Only with sincere leadership and modest courage to lead the integration of more cross-border ecosystems to enter a bigger game, our employees will have a larger platform to showcase their ability. We promise to keep investing to create long-term shareholder values and to take good care of employees. Connecting the goodwill power and contributing to society with technology goodwill is the faith that spurs us to keep on fighting. Let us "begin with honesty and end in goodwill"! Let us make a corporate contribution to the positive influence of sustainable development!

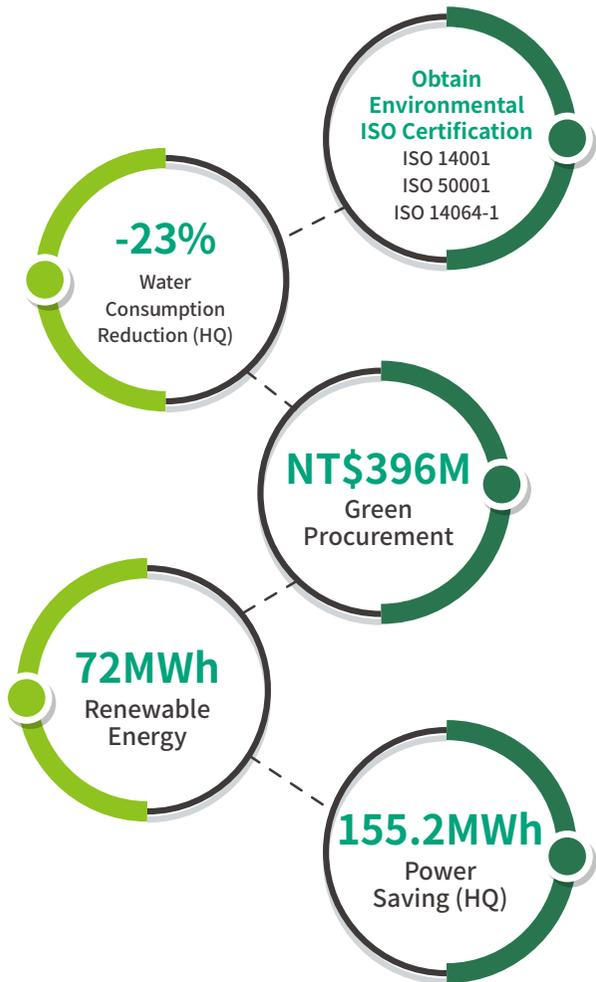
Chairman & President, SYSTEX Corp.



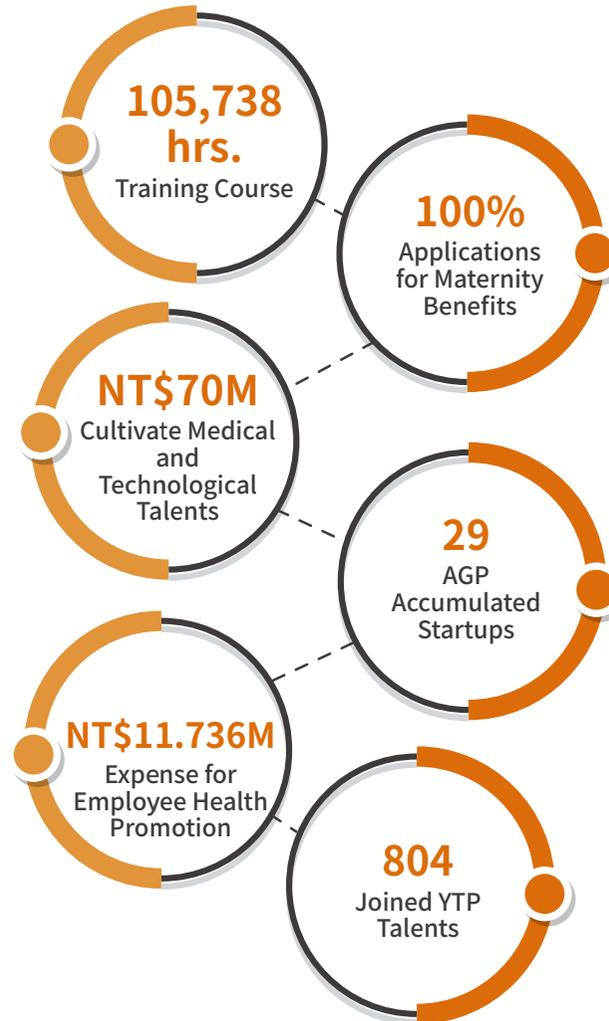
# Sustainable Performance

## Highlights in 2021

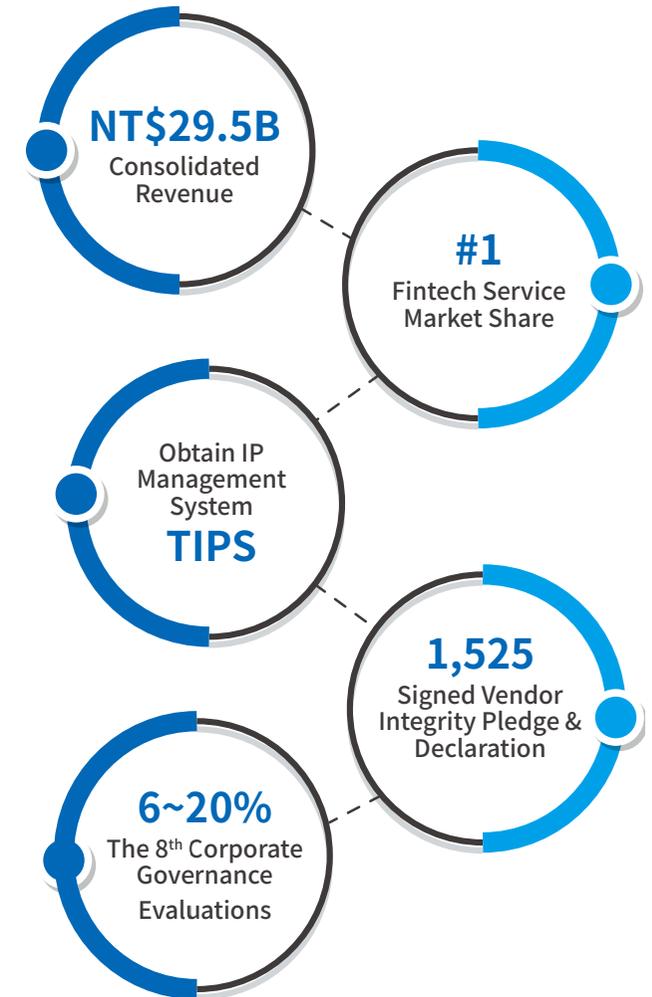
### Environment



### Social



### Governance



## Sustainability Special

### Happy Workplace

### 2021 HR Asia "Best Companies to Work For in Asia"

SYSTEX was crowned the 2021 HR Asia "Best Companies to Work For in Asia". Standing out from 292 participating companies, we are the only Taiwan information service company that has won the award. The evaluation results shows that SYSTEX is significantly ahead of the industry average in the 3 scoring dimensions of Core, Self and Group, which represents SYSTEX employees' belief in company culture and development, and their willingness to grow together, demonstrating their sense of identity with SYSTEX.



#### Sports APP & Professional Sports Venues

In order to promote the sports atmosphere, SYSTEX launched the "Health up! APP" in 2021, which combined with personal annual health examination data and daily exercise data etc., so that colleagues can check their own status at any time. In addition, SYSTEX upgraded the professional gym in 2020 and arranged professional coaching courses for colleagues to exercise according to their own needs during working hours.



#### SYSTEX Baby Happy Growth Funds

SYSTEX has launched "SYSTEX Baby Happy Growth Funds" in April 2021. As long as employees have a newborn under the age of 2, they can receive a subsidy of up to NT\$60,000 per newborn. In addition, all maternity over 35 years old(incl.) can enjoy double subsidies, up to NT\$120,000 per newborn. In 2021, we have distributed a total maternity subsidy of NT\$2.64M, benefiting 90 SYSTEX babies.



#### Call for Employees as YTP Volunteers

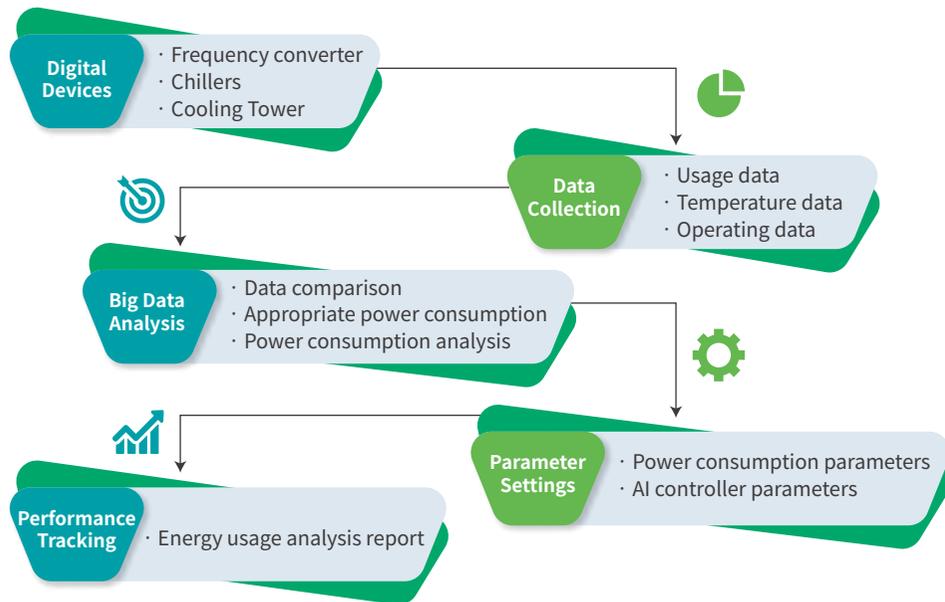
Toward the 6<sup>th</sup> "Young Turing Program (YTP)", more than 200 employees have volunteered at YTP. YTP Volunteers accompany participants interested in programming on a year-long program, including 3 phases of programming competition, practical project and overseas visits. Also, they visit their alma mater to share the experiences, encouraging more potential software talents to pursue careers in the technology industry in the future.



Instant Analysis and Building Energy Efficiency Improvements

SYSTEX collects and analyzes daily data through EMS, to provide the results of carbon reduction such as real-time building energy consumption and daily cumulative energy consumption, etc., to realize energy efficiency in headquarters building. Starting in October 2021, SYSTEX increased efficiency by switching chillers from series to parallel, saving 92,660 kWh of electricity and reducing carbon emissions by 47,164 CO<sub>2</sub>e, resulting in lower operating costs and steady progress towards the net-zero emissions goal by 2050.

AI EMS Operation Process



Visualized Energy Data Management

AI EMS uses the "power consumption behavior analysis" to determine the "energy supply of devices". For instance, when the return water temperature of the cooling water system is lower than the setting degree, AI EMS will forcibly stop the operation of the fan.

During the implementation, AI EMS collects all the operating data, such as chiller temperature data and CO<sub>2</sub> concentration data, etc. Through big data analysis, checking appropriate power consumption behavior and setting AI parameters, AI EMS evaluates performance from data monitoring analysis report to maintains device efficiency.



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● Business Performance

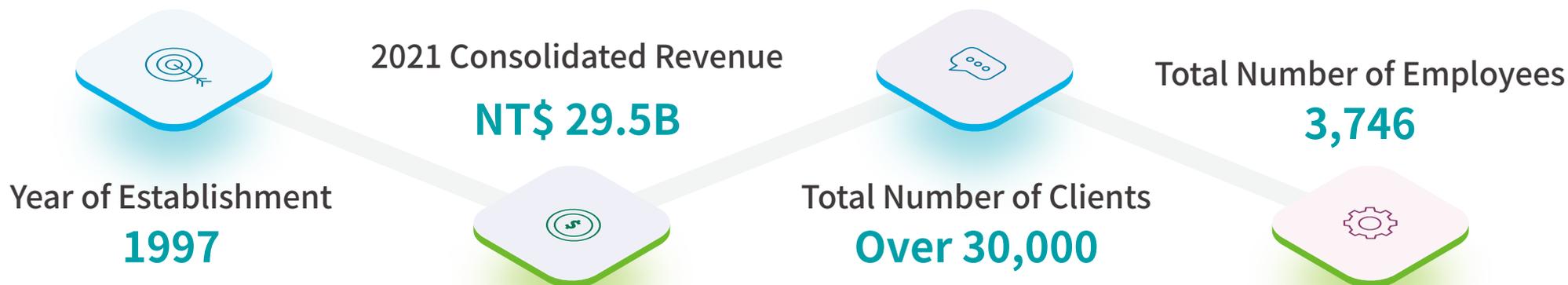
## About SYSTEX



Vision	Become a world – class software company
Mission	Create maximum value for shareholders Build exponential growth for clients
Core Philosophy	"A Data Software Company" – Implementing in operation, integration, connection and data ecosystem
Sustainable Spirit	Tech for Social Good – Harnessing "technology capability, innovation capability and influence capability" to improve CSR

Founded in 1997 with a total capital of NT\$ 2.69 billion, SYSTEX Corporation (ISIN code: TW0006214000) is currently ranked among top 100 service companies in Taiwan. We serve more than 30,000 corporate / institutional clients, operate in 4 countries, and represent more than 70 products in major markets in Asia, Europe and Americas. As the role of "Orchestrator", SYSTEX leads the integration of the data ecosystem, using its capabilities of "Software , Data and Algorithm" to help customers add value, accelerate digital transformation, and become an "exponential growth enterprise".

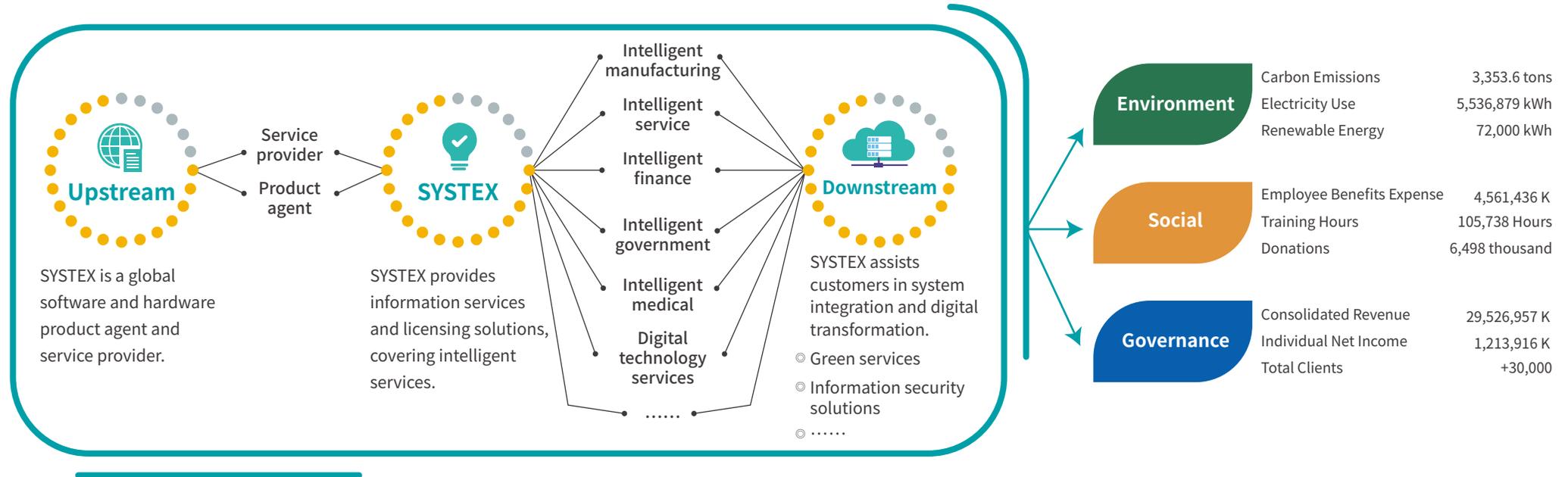
In addition, SYSTEX is firmly committed to investing in the field of CSR, dedicated to cultivating world-class software talents for Taiwan. We also continuously enhance the disclosure of ESG information, implement ESG plans, and work with ecosystem partners to demonstrate positive impacts to the world.



# Create Our Sustainability Value Chain

## Our Value Chain

As a global information software and hardware service provider or product agent, SYSTEX provides information services and licensing solutions, covering intelligent services, intelligent finance, digital technology services, etc., to assist value chain customers in system integration and digital transformation.



## System Integration Solutions

According to the global IT investment trend, enterprises will focus on information security, data analysis and cloud service solutions. Meanwhile, trade wars, large-scale public health crisis, and an uncertain political and economic environment have prompted countries and enterprises to face increasing cyber threats and the need for digital transformation. Therefore, the development of technologies and innovations in information applications are rapidly changing with changes in customer consumption behavior and business models, driving system upgrades and the growth of the technology application market. In response to the market trend, SYSTEX provides customers with information system solutions for 8 major products and services, including Data, Cloud, Manufacturing, Cybersecurity, Mobile, Finance, IT infra. and Customized services.

For more detail, please refer to <https://tw.system.com/en/>

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## Core Business Areas

### Intelligent Finance

SYSTEX has entered the field of information services for securities trading since its establishment, and has rich experience in building cross-regional, -currency, and -commodity trading platforms. In recent years, SYSTEX has continued to expand innovative financial services, such as financial cloud services for overseas transactions, financial mobile applications, financial big data analysis and financial chatbots, etc.

### Intelligent Services

SYSTEX focuses on the development of "consumer-oriented" products and services, such as developing e-commerce platform and maintenance, e-government, mobile payment, e-ticket business, and online corporate gift service, etc. Besides, we also provide multiple services such as IT outsourcing services for enterprises and government, customer service centers and high-standard data centers.

### Digital Technology Services

SYSTEX provides one-stop services from system planning, construction, operation management for enterprises customers. Through representing world-class software, it also provides industrial solutions to help clients achieve their operational goals. In addition, according to customer needs, SYSTEX can provide comprehensive information training services, such as e-learning courses and other educational content.



## Green Products and Services

In line with the global sustainable trend, SYSTEX has promoted green solution with technological capabilities to help clients realize ESG goals and create brand new market opportunities. Combining upstream supply chain products with its own services, SYSTEX provides more than 50 innovative ESG solutions such as renewable energy-related system services and paperless and automated operating system services, and continuously develops comprehensive green technology solutions with integrated capabilities.

Governance	Social	Environment
Implement governance compliance and optimize internal audit and control mechanisms.	Protect intellectual assets and customer privacy information, and help fulfill social responsibilities.	Make good use of technology capabilities to help improve efficiency and promote sustainable development.
19 Solutions 	18 Solutions 	17 Solutions 

For more details, please refer to <https://tw.system.com/esg/>

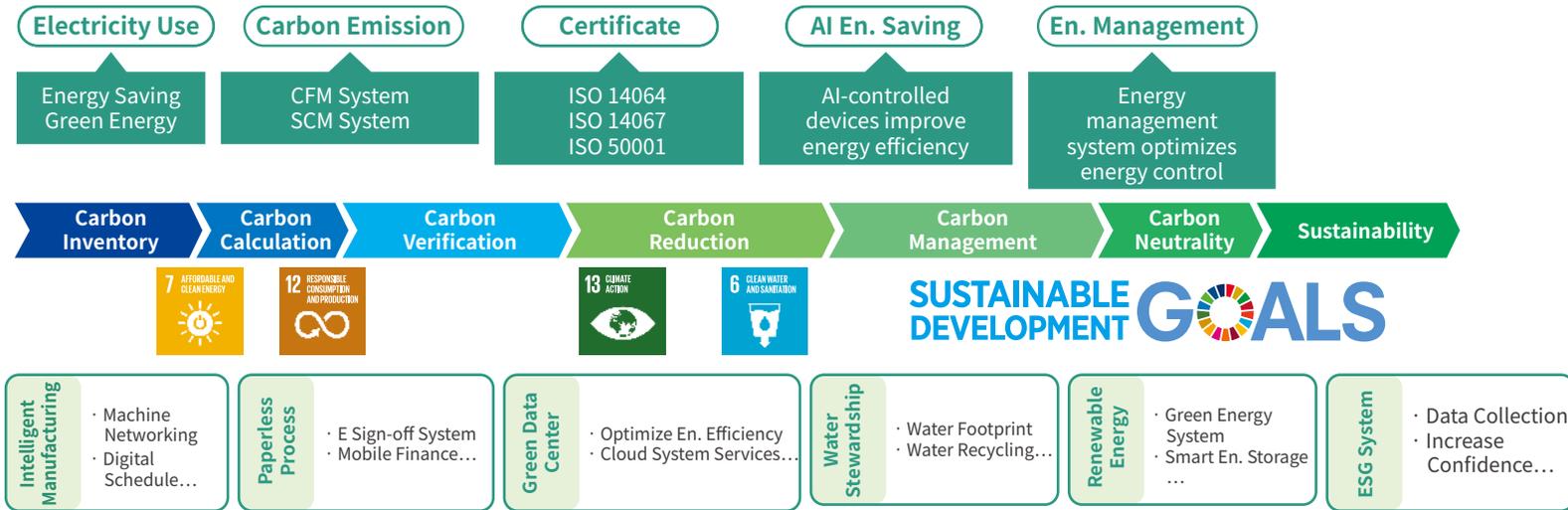


SYSTEX Corp. – Green and Mutual Benefit with Clients



Video URL : <https://www.youtube.com/watch?v=s4sV7RPdAT4>

# SYSTEX Green Technology Carbon Reduction Roadmap



## Energy Management System

Since 2021, SYSTEX has developed an energy management system (EnMS) solution that integrates data into Amazon AWS, Microsoft Azure and Google Cloud Platform, the top 3 cloud platforms around the world, through 5 modules. EnMS is expected to meet the standards required by ISO 50001 in 2021 and be completed in 2022.



## Reduce Paper Use with Paperless Solution

### E-Gift Certificates

By switching from paper gift certificates to digital, O2O e-gift certificates provide eco-friendly solutions that reduce their carbon footprint. In 2021, more than 2.38M e-gift certificates have been issued, reducing carbon emissions by approx. 13.33 tonCO<sub>2</sub>e.

#### E-Gift Certificates

Cumulative Number of Issues	Cumulative Used Quantity
Over <b>10.819 M</b>	Over <b>6.22 M</b>

### E-Health Insurance Review System

The “E-Health Insurance Review System” developed by SYSTEX digitizes the paper medical records in the cloud and integrates HIS, PACS and the e-medical record system, allowing operators to manage cases more efficiently.

#### E-Health Insurance Review System

Number of Hospitals Use	Printing Papers Reduction	Electricity Use Reduction of Printers
<b>20</b> hospitals	<b>0.6 M</b> sheets/1Y	<b>4,000</b> kWh/1Y

### E-Payments

In line with government policies and world trends, SYSTEX develops digital systems to support green financial services to reduce resource use and achieve low-carbon sustainable development.

## Tainan Shalun Smart Green Energy Center

SYSTEX officially set up an operation center in the Shalun Smart Green Energy Science City in 2021, with a professional team to promote various green applications and assist enterprise customers to achieve common green benefits!

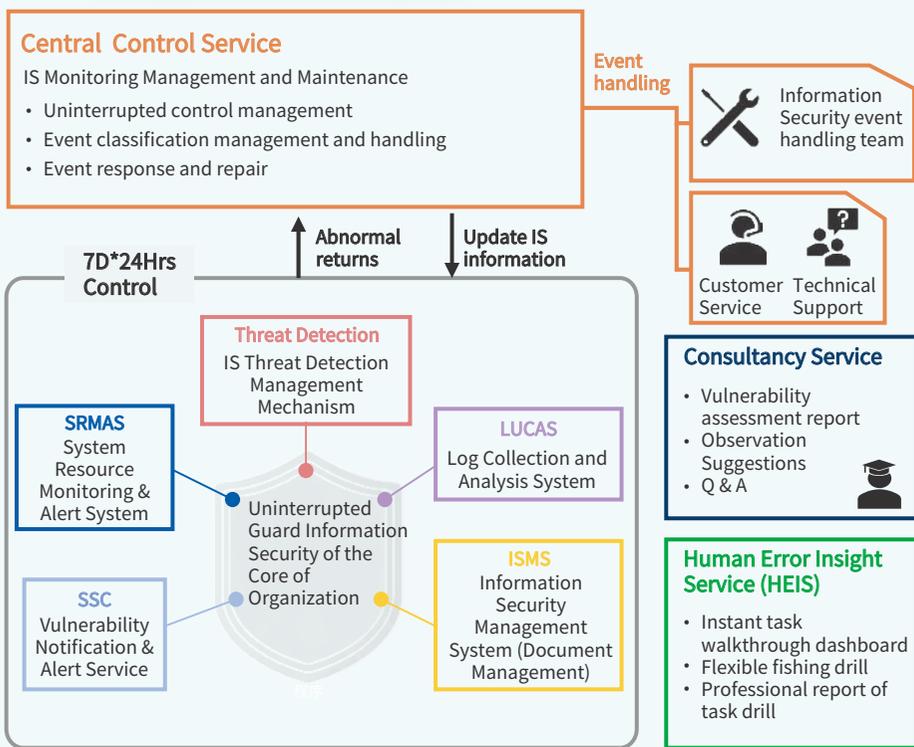


## Information Security Solutions

SYSTEX is deeply involved in the field of enterprise information security, in addition to the resell and distribution of leading global cyber security products, but also develops its own information security-related products, and establishes MOC (Monitoring and Operation Center) and SOC (Security Operation Center), to assist government units and enterprises to comply with domestic security laws and regulations, and comprehensively strengthen information security protection.

### MOC Maintenance Service

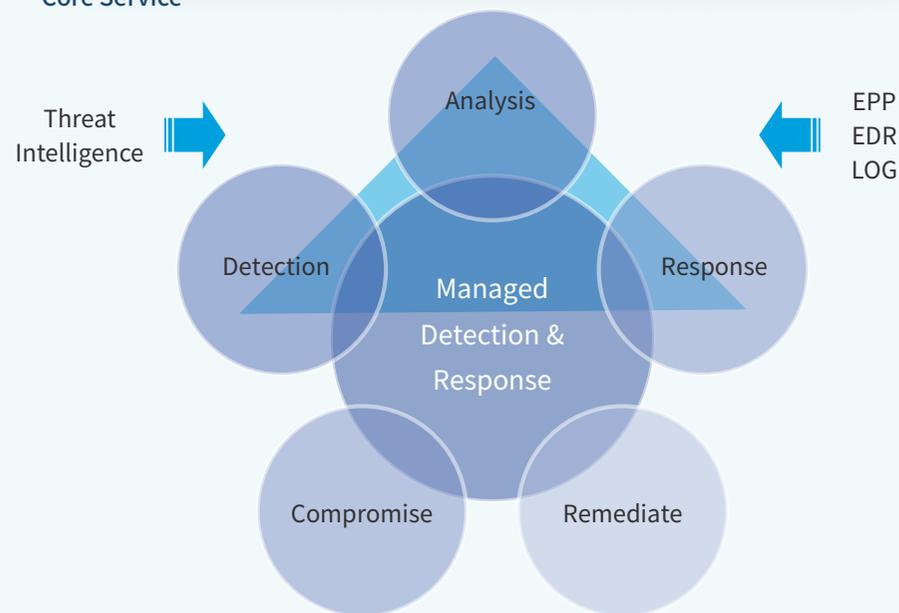
#### Service Structure



- The MOC Team provides investigation process to reduce incident loss, as well as 7\*24 monitoring service.
- Dramatically reduce MTTD (Mean Time To Detection) and MTTR (Mean Time To Recovery).
- The MOC Team has one-stop services to solve customers doubts. Customers can contact the help desk at any time.

### SOC – Next-Generation Information Security Operation Center

#### Core Service



- Comprehensive IS monitoring and system maintenance, monitoring internal abnormal activities, external attacks, etc.
- A trusted expert team conducts event monitoring, alerting, investigation, analysis and handling recommendations.
- Provide one-stop services to enhance all monitoring and maintenance needs to make event handling smoother.

# Business Performance

Record High 2021 Consolidated Revenue

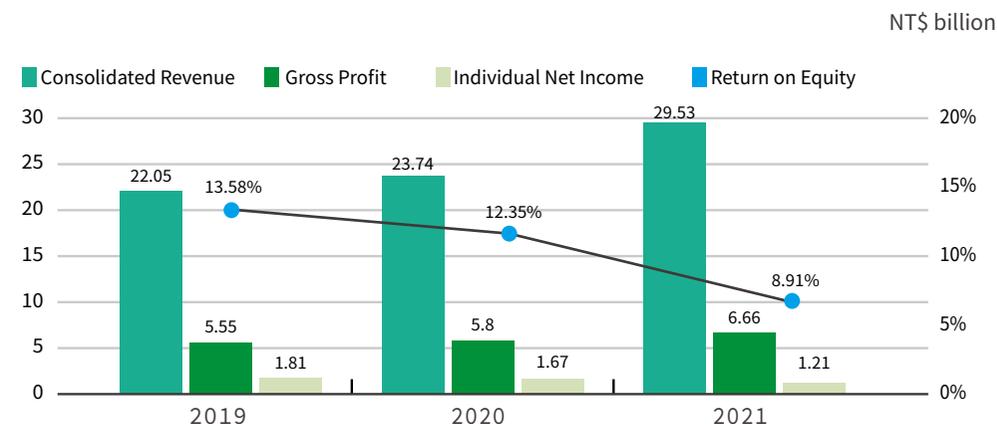
## Financial Performance

SYSTEX's consolidated revenue of NT\$29.5 billion in 2021 has increased by 24.4% compared to 2020 and hits a record high for 6 consecutive years. Through the 5A (AP, APP, API, Appliance, Algorithm) core software capabilities and cloud service technologies, SYSTEX supports clients to create innovative data solutions and business models, achieving exponential growth. In addition, SYSTEX obtained Microsoft's highest standard Azure Expert MSP technical certificate, and launched self-developed SaaS cloud service platforms, driving stable business growth. Consolidated net profits in 2021 reached NT\$1.21 billion, which was 27.15% lower than in 2020 in light to the decrease in financial investment income.

### Financial Performance in the past 3 years

		NT\$ thousand		
Category	Item	2019	2020	2021
Operating Financial Performance	Consolidated Revenue	22,051,023	23,735,090	29,526,957
	Gross Profit	5,549,292	5,801,798	6,655,386
	Operating Profit	607,017	924,873	1,133,452
	Individual Net Income	1,808,042	1,666,345	1,213,916
Economic Value	Employee Benefits Expense	3,779,118	3,906,659	4,561,536
	Dividends Paid	1,346,967	1,346,967	1,346,967
	Tax Expense	392,204	175,457	228,519
	Donations	4,108	883	6,498

Note : Data is taken from annual reports and includes all affiliates of consolidated financial statements.



## Market Share

• • • Financial Info. Service Market Share No.1

In financial information services, SYSTEX provides complete international financial info. for banks and enterprises, and gains the largest market share in the industry. SYSTEX's market share of mobile financial info. services continues to increase, and a number of 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 information service company in Taiwan. Meanwhile, SYSTEX has the most internationally authorized technical 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 <b>90%</b>
Data Processing Service	The largest data processing and printing outsourcing service company in Taiwan	<b>60%</b> financial banking <b>80%</b> telecommunications
Information Security System	MOC service has contracted IS services with Land Bureaus in 18 counties and cities.	<b>82%</b>
Commercial Software Agent	The highest market share among Microsoft licensing solution provider in Taiwan.	<b>10~50%</b>

Time period: 2021

## Awards and Recognitions

### 2021 HR Asia Best Companies to Work For in Asia

Taiwan Stock Exchange

Taiwan Institute of Sustainable Energy

CommonWealth Magazine

Global Views Monthly

PwC Sustainability Service Company

HR Asia

Global Views Educational Foundation

Ministry of Economic Affairs, R.O.C.

Enterprise Asia

1111 Job Bank

Environmental Protection Administration

Microsoft

### The 5<sup>th</sup> 2021 PwC's Sustainability Impact Awards Technology Impact Award

The 8<sup>th</sup> Corporate Governance Evaluations: 6%~20% of listed companies

2021 Taiwan Corporate Sustainability Awards: Corporate Responsibility Report Awards – Bronze Award, Social Inclusion Leadership Awards

2021 Taiwan Sustainability Action Awards – Silver Award

2021 Taiwan Top 2000: NO.1 in information service industry

The 17<sup>th</sup> Corporate Social Responsibility Award: Model Award in education promotion group

The 5<sup>th</sup> 2021 PwC's Sustainability Impact Awards Technology Impact Award

2021 Best Companies to Work For in Asia

The 3<sup>rd</sup> Future Education Taiwan 100: Top 100 educational project

2021 Buying Power Social Innovation Reward: Support Award

2021 IIA International Innovation Awards

Happy Enterprise Award

Green Procurement Enterprises for 2 consecutive years

Global Top 100 Azure Expert MSP Certificate

## Participation in Industry Associations and Organizations

SYSTEX actively participates in industry associations and activities. In 2022, SYSTEX joins the "ESG Technology Innovation Promotion Alliance" to support industries and energy-saving innovations to mitigate the impact of climate crisis.

No	Industry Association or Organization	Detail
1	Taipei Computer Association	Supervisor: SYSTEX ; Member: SYSTEX, SYSTEX Software & Service, Top Information Technologies, SYSPOWER, Softmobile Technologies, Concord System Management, SYSTEX Solution, Taifon Computer
2	Information Service Industry Association of R.O.C.	Supervisor SYSPOWER ; Member: SYSTEX, SYSTEX Software & Service, Top Information Technologies, Concord System Management
3	MindSphere World	Vice President : SYSTEX
4	Chinese Non-Store Retailer Association	Member : SYSTEX
5	Taichung Computer Association	Member : Taifon Computer
6	Taipei Measuring Instruments Association	Member : Top Information Technologies
7	Importers and Exporters Association of Taipei	Member : Top Information Technologies
8	Taipei International Financial Information Association	Executive Director : SYSPOWER, Member: SYSTEX
9	Taiwan Telematics Industry Association	Member : SYSTEX
10	Health Level Seven Taiwan	Vice President : SYSPOWER
11	Taiwan Chain Stores and Franchise Association	Member : SYSTEX
12	Association of Chain and Franchise Promotion, Taiwan	Member : SYSTEX
13	Cloud Computing & IoT Association in Taiwan	Member : SYSTEX
14	Global Research & Industry Alliance, NCCU	Member : SYSTEX
15	Kaohsiung Computer Association	Member : SYSTEX
16	Medical Image Standards Association of Taiwan	Member: SYSPOWER
17	Taiwan Association of Energy Service Companies	Member: SYSTEX
18	Security Platform as a Service, ITRI	Member: SYSTEX, SYSTEX Solution
19	Intelligent Automation System Integration Alliance	Member: SYSTEX
20	Enterprise Qualified List, MOEAIDB	SYSTEX, SYSTEX Software & Service, NEXSYS, SYSTEX Solution, Taifon Computer

## Financial Assistance Received from Government

SYSTEX not only provides the largest amount of information services in Taiwan, but also invests resources in AI application innovations to provide a better user experience and create new value for customers. In 2021, SYSTEX Group received an investment deduction tax subsidy of NT\$15.23 million and a relief subsidy of NT\$18.16 million from government.

Vision: Become a world – class software company

Sustainable Spirit: Tech for Social Good

Core Capabilities: Software, Data and Algorithm

# Sustainable Business



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Material Topics

Contributing to the SDGs

GRI 201



- Sustainable Operation

- Materiality Analysis and Stakeholder Engagement

# Sustainable Operation

## Our Vision

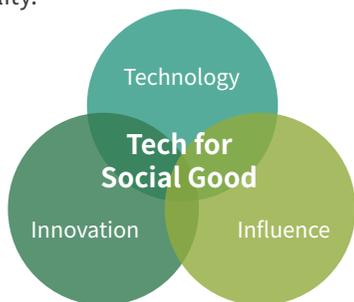
Become a World – Class Software Company

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 data ecosystem, and uses "core capabilities" to help customers add value, accelerate digital transformation, and become an "exponential enterprise".

## Sustainable Spirit

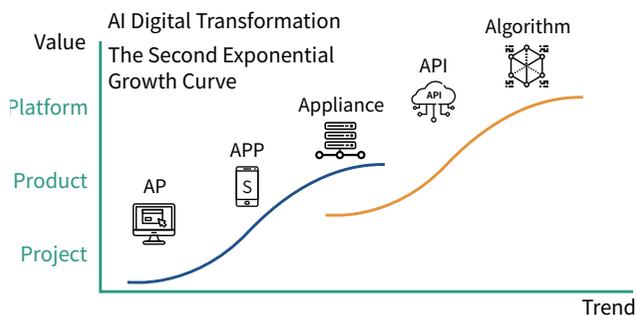
SYSTEX regards "Tech for Social Good" as its sustainable spirit. With the capabilities of "Technology, Innovation, Influence", SYSTEX connects its partners in the ecosystem jointly to enhance collaboration and creates a positive cycle of goodness in line with the "SDG17 – Partnerships for the goal".

In 2021, SYSTEX set the Chief Sustainability Officer (CSO) to lead the "sustainability group" responsible for planning and executing ESG projects. The CSO promotes internal coordination and cooperation, manages performance and reports regularly to the chairman of the Board to demonstrate SYSTEX's commitment to sustainability.



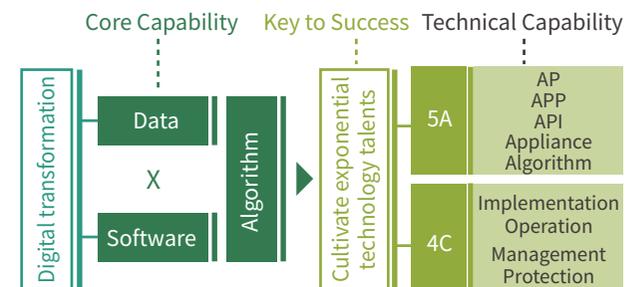
## Core Technical Capability

With 5A (AP, APP, API, Appliance, Algorithm) core software capabilities and the core technologies of 4C cloud service (implementation, operation, management, protection), SYSTEX gathers more than 1500 technical talents to provide precise marketing and services for user behavior tracking to help customers operate CRM and improve customer experience. SYSTEX provides cross-domain heterogeneous platform data integration services, showing in the fields of intelligent manufacturing, intelligent finance, intelligent medical care, etc.



## Cultivate Exponential Technology Talents

The key to the success of AI digital transformation of enterprise lies in cultivating "exponential technology talents" with core technical capability is 5A@4C, combined with the 3 major capabilities of "Data, Software, Algorithm" to help customers create different experience scenarios and improve cross-platform omni-channel marketing cooperation.

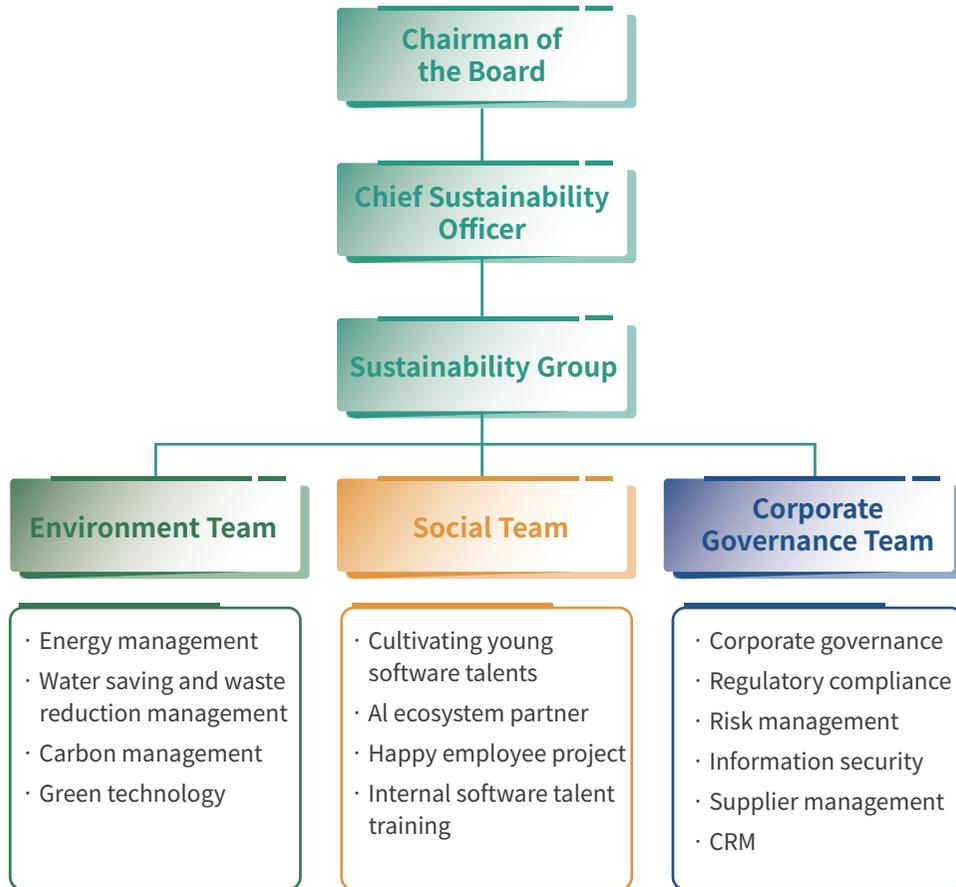


## Governance Structure

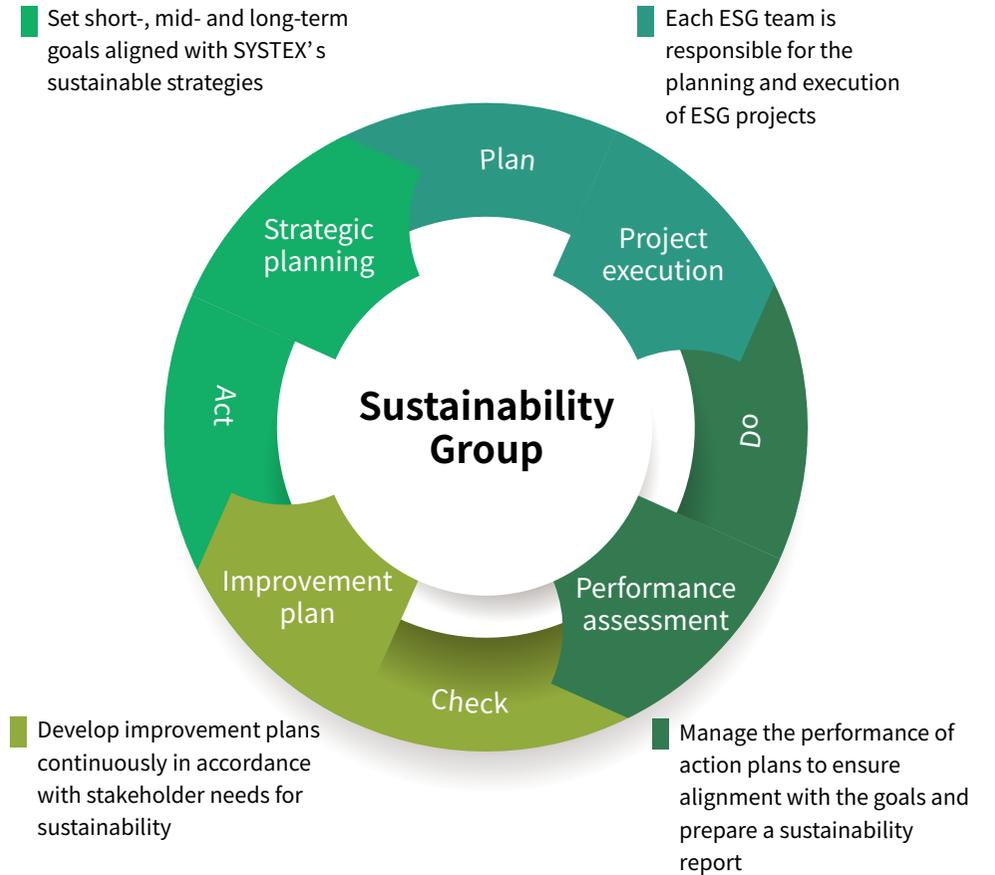
SYSTEX established the "sustainability group" in 2020, with the chairman of the Board as the highest governance level of the group. The CSO leads the group to coordinate 3 ESG teams, each of which is responsible for the planning and execution of ESG projects, and assists in the inventory on indicators when preparing sustainability report.

In accordance with the PDCA cycle, the "sustainability group", integrates sustainability strategies into daily operations, and implements a sustainable spirit of continuous improvement. In 2021, a total of 3 meetings were held, and the CSO reported ESG project progress and performance to the chairman.

### ESG Governance Structure



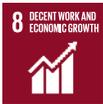
### Sustainability Group Management System



- Sustainable Operation

- Materiality Analysis and Stakeholder Engagement

## Sustainable Strategy Blueprint

Aspect	Environment	Social	Governance
SDGs	  	    	 
Development Vision	Make good use of SYSTEX's core technical capabilities to achieve the goal of net zero emissions through green operations. Continuously innovate green techs to assist clients to realize low-carbon transformation.	SYSTEX actively cultivates talents with 5A capabilities, providing comprehensive software learning resources to improve the happy workplace and cultivate new exponential talents for Taiwan.	With 5A software capabilities and the core technologies of 4C cloud services, SYSTEX helps clients innovate new digital services and business models to create exponential growth.
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 (2025)	<ul style="list-style-type: none"> <li>▪ Cumulatively reduce water use by 25%, cumulatively reduce electricity consumption by 15%, cumulatively reduce waste by 8% (Base year: 2020)</li> <li>▪ 2% renewable energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>▪ Average training hours of employees &gt;30 hrs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Corporate Governance Evaluations: 6~20% of listed companies</li> <li>▪ Integrity management advocacy indicators &gt;98%</li> </ul>
Short-term Goal (2022)	<ul style="list-style-type: none"> <li>▪ Cumulatively reduce water use by 23%, cumulatively reduce electricity consumption by 6%, cumulatively reduce waste by 4% (Base year: 2020)</li> <li>▪ Conduct environment-related certifications annually</li> </ul>	<ul style="list-style-type: none"> <li>▪ Average training hours of employees &gt;30 hrs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Corporate Governance Evaluations: 6~20% of listed companies</li> <li>▪ Integrity management advocacy indicators &gt;98%</li> </ul>
Core Value	<b>Tech for Social Good – Technology Capability, Innovation Capability, Influence Capability</b>		
Strategic Approach	Based on 3 environmental-related ISO certifications: ISO 14001, ISO 14064-1, ISO 50001, we develop 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 to recruit outstanding technology talents, and adheres to the sustainable spirit of "Tech for Social Good" to implement various action plans.	Considering the business opportunities of cloud services, SYSTEX enhances cooperation in software ecosystem to provide the best solutions, aiming to become Taiwan's largest cloud service company.
Business Benefit	<b>17 Environmental Solutions</b> Smart energy management, GHG Inventory Management, Electric vehicle charging system, etc.	<b>18 Social Solutions</b> Intelligent care cloud platform, NLP intelligent medical service robot, etc.	<b>19 Corporate Governance Solutions</b> AI anti-money laundering solution, RedAlert IS attack and defense drill, etc.

## Sustainable Development Goals

Chapter	SDGs	SDGs Target	Focus	Project	2021 Performance
About SYSTEX		8.2	Innovative Solution	E-Gift Certificates	A total of <b>10.819M</b> E-Gift Certificates have been issues.
		16.6	Transparent Governance	Integrity Committee	A total of <b>44,256</b> times of employee codes of conduct were advocated. ( <b>97.94%</b> compliance rate)
Caring for Employee		3.4	Promote Mental Health	EAP	"EAP" has been used by a total of <b>101 employees</b> .
		Health UP App		"Health UP! APP" has been downloaded by <b>865 employees</b> .	
	3.7	Parenting Measures	Maternity Benefits	A total of <b>90 SYSTEX babies</b> benefited from the "SYSTEX Baby Happy Funds" with a total maternity subsidy of <b>NT\$2.64M</b> .	
	3.8	Healthcare Services	Health Examination	A total of <b>2,136 employees</b> used employee health examination.	
		4.4	Training Skills	Internal/ External Training	A total number of trainees was <b>20,233</b> with a total of <b>105,738 training hours</b> .
		8.2	Training Inno.-skills	Technology Talents	A total of <b>3,487</b> trainees took the "5A@4C · 3F" training structure, with a total of <b>54,319 training hours</b> .
Environment Sustainability		7.2	Renewable Energy	T-REC	Purchase of T-RECs totaling <b>72 MWh</b> .
		7.3	Energy Efficiency	Environmental Sustainability Policy	Introduce and pass <b>ISO 50001</b> .
		12.2	Environmental Management	Environmental Sustainability Policy	Introduce and pass <b>ISO 14001</b> .
	12.5	Waste Reduction	Paper Usage	A total of <b>178,000</b> sheets of office paper usage were reduced.	
		13.1	Mitigation	Environmental Sustainability Policy	Introduce and pass <b>ISO 14064-1</b> .

Chapter	SDGs	SDGs Target	Focus	Project	2021 Performance
Tech for Social Good		3.4	Support Sports Development	NTNU Sports Sponsorship	Donate <b>NT\$2M</b> as training funds for competitions.
				Sailing Team Sponsorship	Donate <b>NT\$200,000</b> to sailing team for Olympic qualification.
		4.4	Improve ICT Skills	Young Tuning Program	There are <b>231 senior high school</b> teams and <b>43 junior high school</b> teams with a total of <b>804 participants</b> .
				SYSTEX Cloud School	A total of <b>163 trainees</b> participated in the introduction courses and <b>50 trainees</b> passed Red Hat EX200 certification.
				X School Academy	A total of <b>74 trainees</b> participated.
				IS Esports Competition	A total of <b>48 participants</b> from <b>12 teams</b> competed in the final.
		8.2	Support Startups	AI+ Generator Program	A total of <b>8 Startups</b> were selected for the "AI+ Generator Program".
		8.6	Develop Intern's Skills	SYSTEX Elite Internship	Offer <b>100 internships</b> to impart on-job training.
				SYSTEX Cloud School	A total of <b>22 students</b> became SYSTEX interns.
		10.3	Equitable and Inclusive Education	Young Tuning Program	A total of <b>101 female</b> students participated in YTP.
PaGamO				Donate <b>NT\$1M</b> to children in remote area for an equitable and inclusive education.	
	17.16	Diverse Partnership	AI+ Generator Program	A total of <b>8 Startups</b> were selected for the "AI+ Generator Program".	
Supply Chain Management		8.4	Env. Impact on Supply Chain	Support Env.-Friendly Products	A total amount of green procurement is <b>NT\$396M</b> .
		12.7	Supply Chain Management	Supply Chain Sustainability Management	A total of <b>1,525 companies</b> signed "Vendor Integrity Pledge and Declaration".

- Sustainable Operation

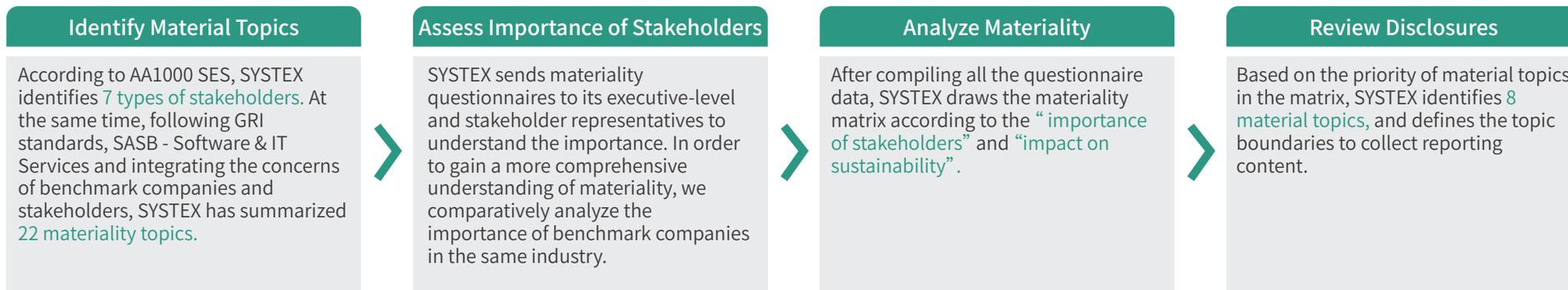
- Materiality Analysis and Stakeholder Engagement

# Materiality Analysis and Stakeholder Engagement

Based on the 4 reporting principles of GRI Standards: "stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness", SYSTEX identifies material topics, assesses level of interest, analyzes materiality and reviews disclosures to prepare sustainability report and disclose of its sustainable performance. By analyzing the concern of benchmark companies, SYSTEX integrates sustainable issues to make materiality assessment process more in line with the sustainability status in the information service industry. Due to a significant increase in demand for professionals, whose materiality level increased significantly over the previous year, SYSTEX has added talent-related issues to social aspect.

## Materiality Analysis

Process to Determine Material Topics



### Identify Material Topics

According to AA1000 SES, SYSTEX identifies 7 types of stakeholders. At the same time, following GRI standards, SASB - Software & IT Services and integrating the concerns of benchmark companies and stakeholders, SYSTEX has summarized 22 materiality topics.

### Assess Importance of Stakeholders

SYSTEX sends materiality questionnaires to its executive-level and stakeholder representatives to understand the importance. In order to gain a more comprehensive understanding of materiality, we comparatively analyze the importance of benchmark companies in the same industry.

### Analyze Materiality

After compiling all the questionnaire data, SYSTEX draws the materiality matrix according to the "importance of stakeholders" and "impact on sustainability".

### Review Disclosures

Based on the priority of material topics in the matrix, SYSTEX identifies 8 material topics, and defines the topic boundaries to collect reporting content.

## List of Material Topics

### Governance

- |01|Economic Performance
- |02|Corporate Governance
- |03|Integrity
- |04|Risk Management
- |05|Regulatory Compliance
- |06|Innovation
- |07|Information Security
- |08|CRM
- |09|Sustainable Service
- |10|SC's Sustainability

### Environment

- |11| Green Operation
- |12| GHG Emissions
- |13| Waste Management
- |14| Climate Related Strategy

### Social

- |15| Talent Attraction and Retention
- |16| Employee Health
- |17| Talent Development
- |18| Human Rights Assessment
- |19| Diversity and Equity
- |20| Non-discrimination
- |21| Customer Privacy
- |22| Social Engagement

Stakeholder questionnaire : <https://tw.systex.com/en/stakeholders/>

## Materiality Matrix



## Material Topics and SYSTEX's Value Chain

SYSTEX has identified 8 material topics to review economic, environmental and social impacts, defined their meaning to SYSTEX, in correspondence to GRI, SASB and SDGs, and assessed the impacts on internal and external stakeholders. By defining the topic boundaries, SYSTEX displays the scope of impacts and stakeholders affected, identifying the types of impacts that affect them.

● : 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	Economic Performance	The financial performance has a direct impact on the economic interests on SYSTEX itself and its shareholders and investors.	201 TC-SI-220 TC-SI-230 TC-SI-550	SDG8 SDG16	Business Performance	●	●	●	●	●	●
	Corporate Governance	Based on the philosophy of integrity, transparency and responsibility, SYSTEX formulates its governance policy, and the Board of Directors, as the highest governance body, is responsible for the operation.	102-18 TC-SI-520		Sustainable Governance	●	●	○	○	○	○
	Integrity	Integrity is foundation of business operations, so that all employees must recognize and abide by the code of conduct.	205		Sustainable Governance	●	●	●	●	●	●
	Regulatory Compliance	Ensure ESG regulatory compliance and assess the potential risks and impacts of regulatory changes.	307 419		Sustainable Governance	●	●	○	○	○	○
E	Green Operation	Manage the energy and resources for the operation to reduce the environmental impact of the operation process.	302-1 305 TC-SI-130	SDG7 SDF12 SDG13	Envtl. Sustainable Policy Energy Management GHG Management	●	●	○	○	○	○
S	Talent Attraction & Retention	Talents are an important asset for sustainable business. Friendly workplace and improved welfare systems improve talent attraction and retention.	401 TC-SI-330	SDG3 SDG4 SDG8 SDG10 SDG17	Diversity of Employment	●	●	●	○	○	○
	Talent Development	Complete a comprehensive talent development system and cultivate exponential technology talents for digital transformation.	404		Benefits and Rights	●	●	●	○	○	○
			413		Cultivate Software Talents	●	●	●	○	○	○
Employee Health	Create a safe workplace, develop health promotion and disease prevention programs to help employees stay healthy.	403	Occupational Health and Safety	●	●	○	○	○	○		

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## Management Approach of Material Topics

	Material Topics	Management Approach			
		Policy	Boundary	Responsibility	Grievance Mechanism
G	Economic Performance	With 5A software capabilities and the core technologies of 4C cloud services, SYSTEX helps clients innovate new digital services and business models to create exponential growth.	SYSTEX Corp., All affiliates* <sup>1</sup>	CFO Office, Financial and Equity Division	The Board of Directors, as the highest governance body, is responsible for the operation and its executive performance.
	Corporate Governance	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.	SYSTEX Corp., All affiliates* <sup>1</sup>	Integrity Committee	The Integrity Committee is responsible for prevention measures and supervising their implementation.
	Regulatory Compliance	Keep abreast of the latest changes in policies and regulations, assess the impacts on operations to ensure regulatory compliance and avoid regulatory violations.	SYSTEX Corp., All affiliates* <sup>1</sup>	Integrity Committee, OHSMS and Energy Committee	Hold regular meetings to keep abreast of the latest changes in policies and regulations to prepare in advance and avoid regulatory violations.
E	Green Operation	Make good use of green technologies to achieve the goal of "Net Zero by 2050", based on 3 environment-related ISO certifications: ISO 14001, ISO 14064-1, ISO 50001.	SYSTEX Headquarters* <sup>3</sup>	OHSMS and Energy Committee	The OHSMS and Energy Committee holds meetings regularly to confirm the achievement of targets at each stage and propose improvement plans in time.
S	Talent Attraction & Retention	Launch a large-scale talent recruitment program to recruit outstanding technology talents and employ a complete compensation strategy to retain them.	SYSTEX Corp., Some affiliates* <sup>2</sup>	Human Resources Division	"New employee training courses", "Mentor system" and "Dedicated HR service assistant" help new employees integrate into the workplace more smoothly.
	Talent Development	Provide complete cloud services and invest more in cultivating talents with 5A capabilities to meet the needs of enterprises for digital transformation.	SYSTEX Corp., Some affiliates* <sup>2</sup>	Human Resources Division	Through the "Employees Training and Development Rules", a complete training framework is formulated, and motivate employees to maximize their potential through performance management system.
	Employee Health	Employ full-time "health managers", set up a "health management center" and innovate "Health UP! APP" to help employees realize their health status.	SYSTEX Corp., Some affiliates* <sup>2</sup>	Human Resources Division	The health manager evaluates employee's personal medical report annually and provides personal health consultation.

Note 1.: All affiliates - SYSTEX Software & Service Corp., Nexsys Corp., Top Information Technologies Co., Syspower Corp., Softmobile Technology Corp., Concord System Management Corp., SYSTEX Solution Corporation, TaiFon Computer Co., E-Service Information Co., Taiwan Information Service Technology Co., Naturint Ltd., Palsys Digital Technology Corp., Dawning Technology Inc., UniXecure Corp., and Smartsys Technology Corp.

Note 2: Some affiliates - SYSTEX Software & Service Corp., Nexsys Corp., Top Information Technologies Co., Syspower Corp., Softmobile Technology Corp., Concord System Management Corp., SYSTEX Solution Corporation, TaiFon Computer Co., E-Service Information Co., Naturint Ltd., Palsys Digital Technology Corp., UniXecure Corp., and Smartsys Technology Corp.

Note 3: SYSTEX Headquarters – SYSTEX Corp., Concord System Management Corp., SYSTEX Solution Corporation, TaiFon Computer Co., Naturint Ltd.

## Stakeholder Engagement and Communication Channels

Stakeholder	Meanings of Stakeholder	Material Topics	Frequency and Channels	Our Performance	Our Response
 Employee	Employees are the most important partners of SYSTEX and the most important foundation for enterprise sustainability.	<ul style="list-style-type: none"> <li>Employment</li> <li>Non-discrimination</li> <li>Training and education</li> <li>Diversity and equity</li> <li>Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <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>Rewarded HR Asia "Best Companies to Work For in Asia"</li> <li>A total of 105,738 training hours of employees</li> <li>A total maternity subsidy of NT\$2.64M</li> <li>A total health promotion expenses of NT\$11.736M</li> </ul>	<ul style="list-style-type: none"> <li>Talent Development</li> <li>Diversity of Employment</li> <li>Benefits and Rights</li> <li>Employee Health Promotion</li> </ul>
 Customer	With customer needs as the core, SYSTEX focuses on improving quality experience and creating the second exponential growth curve for customers.	<ul style="list-style-type: none"> <li>Customer privacy</li> <li>Information security</li> </ul>	<ul style="list-style-type: none"> <li>[Irregularly] personal visit, tele-contact, dedicated email</li> </ul>	<ul style="list-style-type: none"> <li>Implement IS Upgrade Project</li> <li>No data leakage incident occurred</li> <li>A total number of 6,742 employees received IS training and testing</li> <li>A total of 80 international PMP licenses</li> </ul>	<ul style="list-style-type: none"> <li>Information Security and Privacy Protection Management</li> <li>Customer Relations</li> </ul>
 Shareholder / Investor	Investor support is the main force behind SYSTEX's steady growth. SYSTEX has made it its operational purpose 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</li> <li>[Quarterly] Board of Directors, functional committees, 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>Record high 2021 consolidated revenue</li> <li>Financial info. service market share No.1</li> <li>More than 50 ESG solutions</li> <li>Integrity management advocacy rate: 95%</li> <li>Obtain IP Management System Certificate (TIPS)</li> </ul>	<ul style="list-style-type: none"> <li>About SYSTEX</li> <li>Business Performance</li> <li>Sustainable Governance</li> </ul>
 Software Original	SYSTEX works closely with software originals to expand business market and provide customers with various services and solutions.	<ul style="list-style-type: none"> <li>Customer privacy</li> <li>Information security</li> </ul>	<ul style="list-style-type: none"> <li>[Irregularly] meetings, emails, software original conference</li> </ul>	<ul style="list-style-type: none"> <li>Receive Microsoft's "Global Top 100 Azure Expert MSP Certificate"</li> <li>A total of 208 IS certificates and licenses, such as ISO 27001, ISO 27701, CND, CHFI, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Information Security and Privacy Protection Management</li> <li>Customer Relations</li> </ul>
 Supplier	SYSTEX regards suppliers as partners and establishes long-term partnerships with them to jointly create greater benefits for customers.	<ul style="list-style-type: none"> <li>Supplier social impact assessment</li> </ul>	<ul style="list-style-type: none"> <li>[Irregularly] meetings, emails, supplier conference</li> </ul>	<ul style="list-style-type: none"> <li>A total of 1,525 companies signed the "Vendor Integrity Pledge and Declaration"</li> <li>A total of 615 companies signed the "Supplier CSR Code of Conduct"</li> <li>A total of +500 companies joined the "SYSTEX Partner APP"</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Sustainability Management</li> </ul>
 Government	Comply with the local government regulations of each operating base to create local jobs and tax revenue sources.	<ul style="list-style-type: none"> <li>Environmental compliance</li> <li>Social-economic compliance</li> </ul>	<ul style="list-style-type: none"> <li>[Irregularly] official document, meetings, emails, public info., conference, seminars</li> </ul>	<ul style="list-style-type: none"> <li>No legal violations occurred.</li> <li>A total tax expense of NT\$228M</li> <li>A total investment deduction tax subsidy of NT\$15.23M</li> </ul>	<ul style="list-style-type: none"> <li>Business Performance</li> <li>Sustainable Governance</li> <li>Risk Management</li> <li>Benefits and Rights</li> <li>Envtl. Sustainability Policy</li> </ul>
 Media / Society	The media is an important channel of communication to stakeholders. Continuously 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 804 participants of YTP</li> <li>A total of 8 Startups selected for the AGP</li> <li>A total of 21 companies participated in the national corporate basketball competition</li> <li>Donated a total of NT\$3.34M in epidemic prevention</li> <li>Invest NT\$70M in resources to cultivate medical and technological Talents</li> </ul>	<ul style="list-style-type: none"> <li>Cultivate Software Talents</li> <li>Partner with Startups</li> <li>Social Engagement</li> </ul>

● Sustainable Operation

● Materiality Analysis and Stakeholder Engagement

## Goals for Material Topics

	Material Topics	2021 Goals	2021 Performance	Achieved Status	Short-term	Mid-term	Long-term
					2022	2025	2030
G	Economic Performance	<ul style="list-style-type: none"> <li>20% increase in revenue</li> <li>50 ESG solutions</li> <li>Introduce SOC service in IT data center</li> </ul>	<ul style="list-style-type: none"> <li>24% increase in revenue</li> <li>+50 ESG solutions</li> <li>Introduce SOC service in 80% IT data center</li> </ul>	☑	<ul style="list-style-type: none"> <li>Maintain operating profitably</li> <li>SYSTEX e-Invoice Value-Added Center is ISO 27001 certified.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain operating profitably</li> </ul>	<ul style="list-style-type: none"> <li>Maintain operating profitably</li> </ul>
	Corporate Governance	<ul style="list-style-type: none"> <li>Improve 6~15 indicator performance of "Corporate Governance Evaluation"</li> <li>Introduce IP Management System Certificate (TIPS)</li> </ul>	<ul style="list-style-type: none"> <li>8<sup>th</sup> Corporate Governance Evaluations: 6%~20% of listed companies</li> <li>Obtain IP Management System Certificate (TIPS)</li> </ul>	☑	<ul style="list-style-type: none"> <li>Maintain the validity of TIPS certificate</li> <li>Corporate Governance Evaluations: 6%~20% of listed companies</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the validity of TIPS certificate</li> <li>Corporate Governance Evaluations: 6%~20% of listed companies</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance Evaluations: 5% of listed companies</li> </ul>
	Integrity	<ul style="list-style-type: none"> <li>Signed "Supplier CSR Code of Conduct" &gt;50%</li> <li>Responded "Supplier CSR Self-Assessment Questionnaire" &gt;50%</li> <li>Signed "Vendor Integrity Pledge and Declaration" &gt;90%</li> </ul>	<ul style="list-style-type: none"> <li>Signed "Supplier CSR Code of Conduct": 41%</li> <li>Responded "Supplier CSR Self-Assessment Questionnaire": 50%</li> <li>Signed "Vendor Integrity Pledge and Declaration" &gt;99%</li> </ul>	☑	<ul style="list-style-type: none"> <li>Integrity management advocacy indicators" &gt;98%</li> <li>Signed "Supplier CSR Code of Conduct" &gt;60%</li> <li>Responded "Supplier CSR Self-Assessment Questionnaire" &gt;60%</li> <li>Signed "Vendor Integrity Pledge and Declaration" &gt;95%</li> </ul>	<ul style="list-style-type: none"> <li>Integrity management advocacy indicators" &gt;98%</li> <li>Signed "Supplier CSR Code of Conduct" &gt;70%</li> <li>Responded "Supplier CSR Self-Assessment Questionnaire" &gt;65%</li> <li>Signed "Vendor Integrity Pledge and Declaration" &gt;95%</li> </ul>	<ul style="list-style-type: none"> <li>Integrity management advocacy indicators" &gt;98%</li> <li>Signed "Supplier CSR Code of Conduct" &gt;85%</li> <li>Responded "Supplier CSR Self-Assessment Questionnaire" &gt;65%</li> <li>Signed "Vendor Integrity Pledge and Declaration" &gt;95%</li> </ul>
	Regulatory Compliance	<ul style="list-style-type: none"> <li>No legal violations occurred.</li> </ul>	<ul style="list-style-type: none"> <li>No legal violations occurred.</li> </ul>	☑	<ul style="list-style-type: none"> <li>No legal violations occurred.</li> </ul>	<ul style="list-style-type: none"> <li>No legal violations occurred.</li> </ul>	<ul style="list-style-type: none"> <li>No legal violations occurred.</li> </ul>
E	Green Operation	<ul style="list-style-type: none"> <li>Obtain 3 ISO certifications</li> <li>Cumulatively reduce water use by 1%, cumulatively reduce electricity use by 3%, cumulatively reduce waste by 1% (Base year: 2020)</li> </ul>	<ul style="list-style-type: none"> <li>Obtain 3 ISO certifications</li> <li>Cumulatively reduce water use by 23%, cumulatively reduce electricity use by 3%, cumulatively reduce waste by 3% (Base year: 2020)</li> </ul>	☑	<ul style="list-style-type: none"> <li>Cumulatively reduce water use by 23%, cumulatively reduce electricity use by 6%, cumulatively reduce waste by 4% (Base year: 2020)</li> <li>2% renewable energy use</li> </ul>	<ul style="list-style-type: none"> <li>Cumulatively reduce water use by 25%, cumulatively reduce electricity use by 15%, cumulatively reduce waste by 8% (Base year: 2020)</li> <li>2% renewable energy use</li> </ul>	<ul style="list-style-type: none"> <li>Cumulatively reduce water use by 30%, cumulatively reduce electricity use by 3%, cumulatively reduce waste by 10% (Base year: 2020)</li> <li>10% renewable energy use</li> </ul>
S	Talent Attraction & Retention	<ul style="list-style-type: none"> <li>Introduce ISO 45001</li> <li>Plan EAP</li> <li>Maternity subsidy application rate: 80%</li> </ul>	<ul style="list-style-type: none"> <li>Obtain ISO 45001</li> <li>Launch EAP</li> <li>Maternity subsidy application rate: 100%</li> </ul>	☑	<ul style="list-style-type: none"> <li>Maintain the validity of ISO 45001</li> <li>Return to work rate after unpaid parental leave: 65%</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the validity of ISO 45001</li> <li>Return to work rate after unpaid parental leave: 65%</li> </ul>	<ul style="list-style-type: none"> <li>Return to work rate after unpaid parental leave: 65%</li> </ul>
	Talent Development	<ul style="list-style-type: none"> <li>Training hours of employees: 90,000 hours</li> <li>Participants of YTP: 600</li> </ul>	<ul style="list-style-type: none"> <li>Training hours of employees: 105,738 hours</li> <li>Participants of YTP: 804</li> </ul>	☑	<ul style="list-style-type: none"> <li>Average training hours of employees &gt;30 hours</li> <li>YTP junior high school team &gt;50</li> </ul>	<ul style="list-style-type: none"> <li>Average training hours of employees &gt;30 hours</li> <li>YTP overseas team: 10</li> <li>YTP junior high school team: 70</li> </ul>	<ul style="list-style-type: none"> <li>Annual training expenses &gt;NT\$30M</li> <li>Participants of YTP &gt;1000</li> </ul>
	Employee Health	<ul style="list-style-type: none"> <li>Innovate Health UP! APP, usage rate: 20%</li> <li>Health promotion expenses &gt;NT\$5M</li> </ul>	<ul style="list-style-type: none"> <li>Usage rate of Health UP! APP: 23%</li> <li>Health promotion expenses: NT\$11.736M</li> </ul>	☑	<ul style="list-style-type: none"> <li>Health UP! APP download rate: 30%</li> <li>100% care rate for high-risk cases</li> </ul>	<ul style="list-style-type: none"> <li>Health UP! APP download rate: 50%</li> <li>100% care rate for high-risk cases</li> </ul>	<ul style="list-style-type: none"> <li>100% care rate for high-risk cases</li> </ul>

Considering the business opportunities of cloud services and digital transformation, SYSTEX enhances cooperation in the software ecosystem to provide the best solutions, aiming to become Taiwan's largest cloud service company and develop the most complete self-owned cloud application ecological platform services.

# Corporate Governance



Sustainable Governance	26
Risk Management	31
Information Security and Privacy Protection Management	35

Material Topics

GRI 102-18  
205  
307  
419

Contributing to the SDGs



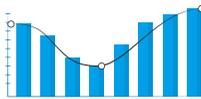
- Sustainable Governance
- Risk Management
- Information Security and Privacy Protection Management





**Record High Revenue**

**NT\$ 29.5M**



**The 8<sup>th</sup> Corporate Governance Evaluations**

**6~20%**



**Taiwan Intellectual Property Management System Certificate**

**TIPS**

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

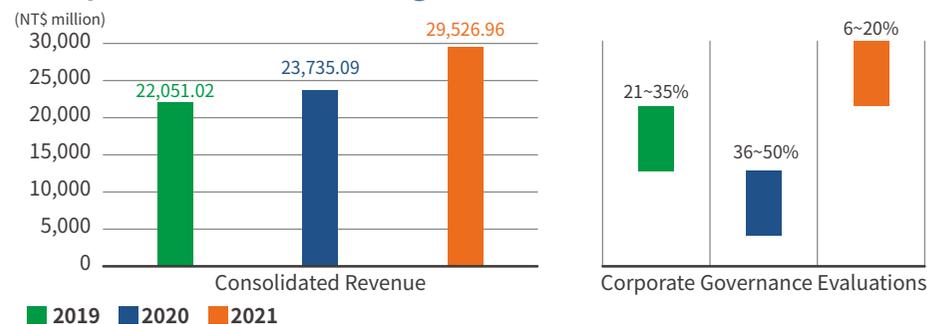
With 5A software capabilities and the core technologies of 4C cloud services, SYSTEX helps clients innovate new digital services and business models to create exponential growth.



	2021 Goals	2021 Performance	Achieved Status
Increase Revenue	<b>20%</b>	<b>24%</b>	✓
TIPS	<b>Obtain TIPS</b>	<b>Obtain TIPS</b>	✓
Legal Violations	<b>0 件</b>	<b>0 件</b>	✓

✓ = Achieved    
 ⊙ = Ongoing    
 ⊖ = Missed

### 3-year Performance Progress



# Sustainable Governance

## Board of Directors

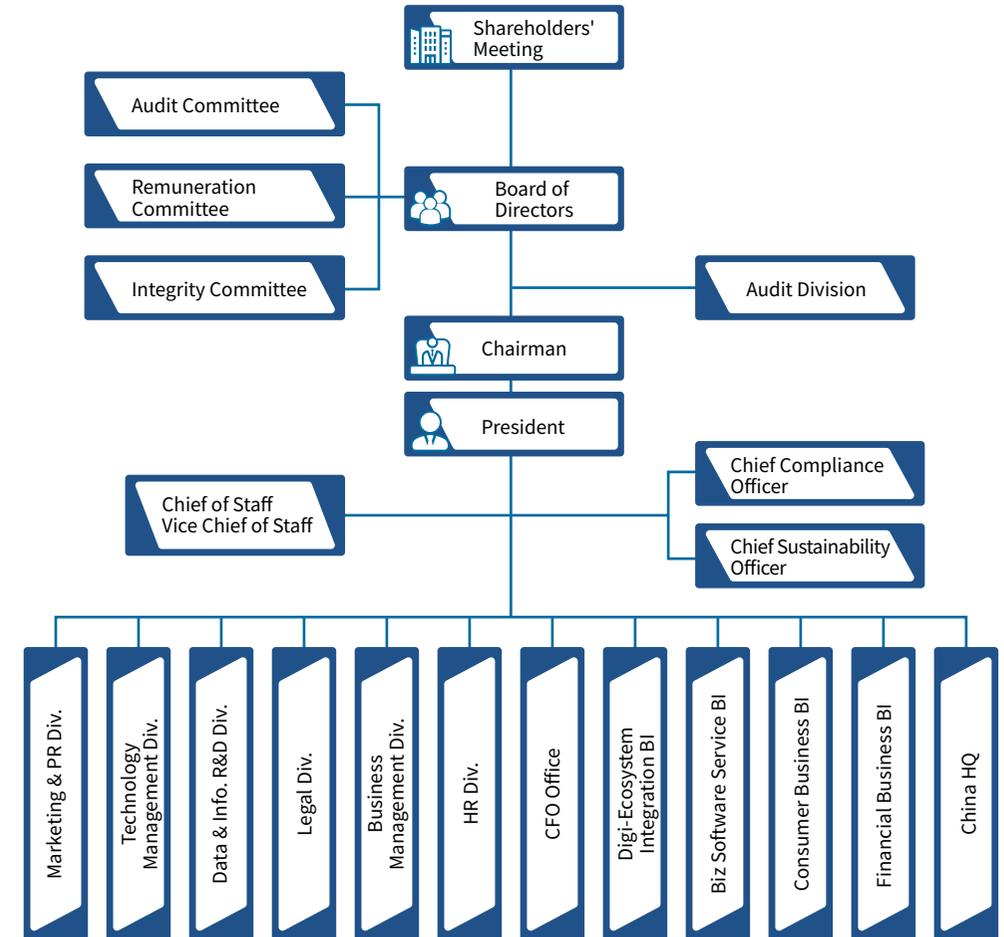
The Board of Directors, as the highest governance body, is responsible for supervising SYSTEX's operation and the implementation of policies.

### Diversity on Board

The nomination and selection of the Board of SYSTEX follows the "the Rules of Election of Directors" and the "Corporate Governance Best Practice Principles" to ensure the diversity and independence of directors. There are 13 directors in the 9<sup>th</sup> Board, including 2 female directors. The Board is composed of diverse professionals with different backgrounds in business operation and management, risk management, domestic and overseas financial affairs, and legal affairs, etc., so as to ensure efficient Board operations.

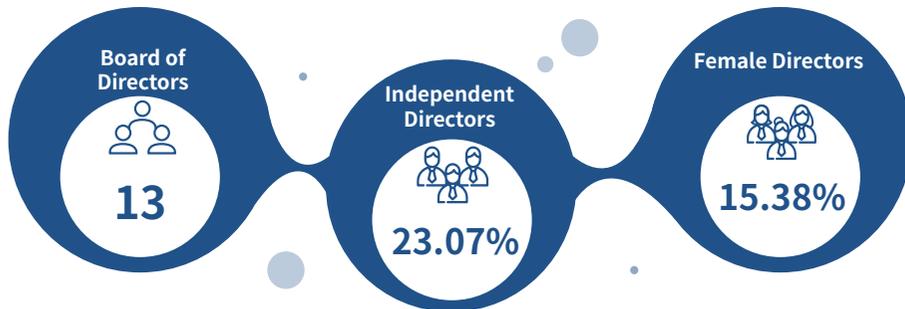
In the Board of Directors, female directors and directors with employee status both accounted for 15.38%, and independent directors accounted for 23.07%. According to the age of directors, 2 directors are under 45, 7 directors are 45~55, and 4 directors are over 65. One who has served as the independent director of SYSTEX for 9 years, but continuously be elected due to his practice experience in corporate mergers, acquisitions, and international investment, etc.

## Organizational Governance Structure



Note: The Data & Information R&D Division is added in 2022.

The Board of Directors is divided into Audit Committee, Remuneration Committee and Integrity Committee according to their responsibility. The Audit Division conducts different internal audits on a daily basis and reports the audit results to the Board of Directors. With these organizations mutual supervision, the Board can function more efficiently.

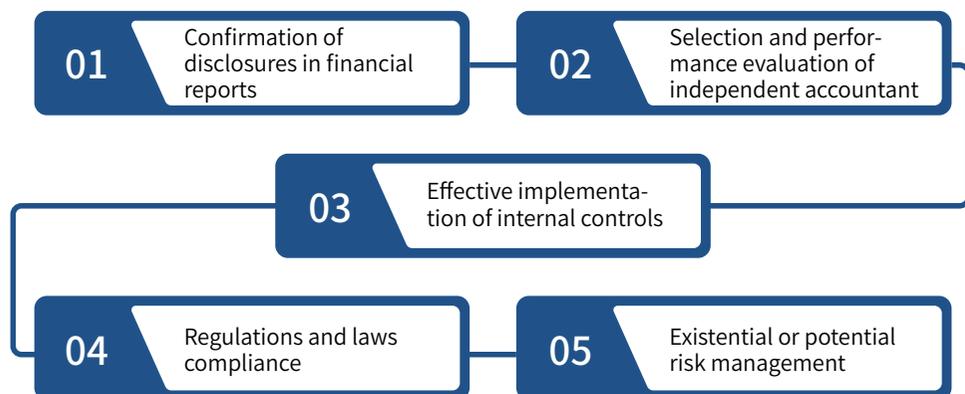


- Sustainable Governance
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## Audit Committee

In order to strengthen the management mechanism of the Board, SYSTEX established the Audit Committee in 2007. The Audit Committee is composed of all independent directors, one of whom has financial expertise. The term of Audit Committee is three years and the directors can be re-elected.

### Responsibility and Authority



The Audit Committee held 6 meetings in 2021, and the attendance rate is 100%. The deliberation items include: reviewing 2020 annual report and quarterly financial reports of 2021, lending funds to subsidiaries, and revising the internal control system, etc. For more detail, please refer to [the SYSTEX website](#).

## Remuneration Committee

SYSTEX established the Remuneration Committee in 2021 to strengthen the remuneration mechanism. There are 3 members in the Committee, appointed by the Board, are composed of all independent directors. The Committee is responsible for formulating the remuneration policy and system, and regularly reviewing the achievement of the performance of the directors and executives to determine their remuneration. The Committee held 2 meetings in 2021, and the attendance rate is 100%.

## Integrity Committee

The Board of Directors established the Integrity Committee under the Board in 2020 to improve the integrity management, is responsible for formulating integrity management policy and overseeing performance and reporting on implementation to the Board at the end of each year. Adhering to the business philosophy of integrity, transparency and responsibility, SYSTEX has established a good corporate governance and risk control mechanism, and formulated the "Ethical Corporate Management Best Practice Principles" (ECMBPP) adopted by the Board to improve the business operation mechanism. Meanwhile, the directors and executives also signed a compliance statement for the integrity management policy.



Code of Conduct

SYSTEX has formulated the "[Code fo Conduct](#)" and "Procedures for Ethical Management and Guidelines for Conduct" to enable employees to uphold the integrity principle in the implementation of business conduct.



Risk Assessment

In the "[Ethical Corporate Management Best Practice Principles](#)", SYSTEX has set up a risk assessment mechanism, regularly analyzes risk of dishonest behavior, formulates corresponding preventive plans, and reviews the effectiveness of the preventive plans.



Whistleblowing Channel

To encourage dishonesty reporting, SYSTEX has set up a dedicated email of Audit Committee posted on the website, and would award a whistleblowing bonus. SYSTEX maintains the confidentiality of whistleblowers and their content and undertakes to protect whistleblowers from penalties for whistleblowing.

## Action Plans for Integrity Management

Plans	2021 Performance	2022 Targets
Deepen integrity	<ul style="list-style-type: none"> <li>Revised "Rules of Donation and Sponsorships"</li> <li>Revised "Code of Conduct for Directors and Executives"</li> </ul>	<ul style="list-style-type: none"> <li>Develop preventive measures based on regulatory compliance</li> </ul>
Analyze dishonesty risks	<ul style="list-style-type: none"> <li>Develop 280 employee dishonesty scenarios</li> <li>Incorporate cases of dishonesty into daily integrity advocacy</li> <li>Formulate corresponding preventive plans and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Continuously analyze the impact of employee dishonesty risks</li> </ul>
Monitor higher dishonesty risks	<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>	<ul style="list-style-type: none"> <li>Improve the list of high-risk positions and formulate self-assessing mechanism</li> </ul>
Promote integrity policy	<ul style="list-style-type: none"> <li>Cumulative advocacy of "Code of Conduct" to 44,256 employees, with the 97.94% achievement rate</li> <li>Advocate "ECMBPP" to a total of 10,027 employees with the 95% achievement rate</li> <li>Response rate of 98.93% of the insider trading questionnaires</li> </ul>	<ul style="list-style-type: none"> <li>Integrity management advocacy indicators &gt;98%</li> </ul>
	<ul style="list-style-type: none"> <li>Held 1 integrity seminars</li> <li>Fulfill TIPS-required documents and apply for a certificate</li> </ul>	
Set up and effectively execute dedicated email	<ul style="list-style-type: none"> <li>Dedicated whistleblower email posted on the website</li> <li>0 reported in 2021</li> </ul>	<ul style="list-style-type: none"> <li>Formulate the "Rules of Dishonesty Reporting"</li> <li>Implement whistleblower confidentiality</li> </ul>

## Ethical Corporate Management Best Practice Principles

Each employee is required to comply with the "ECMBPP" and implement all preventive action plans.

### Training and Advocacy

SYSTEX has conducted the training course of "Procedures for Handling Material Inside Information" and collected insider-trading cases every year. In 2021, SYSTEX implemented the "insider trading" training course and received a total of 3,519 questionnaire responses with a response rate of 98.93%.

Besides, SYSTEX reminds employees by email every month to adhere to the "Code of Conduct" and uphold integrity principles, and then conducts an online test to all employees every 4 months.

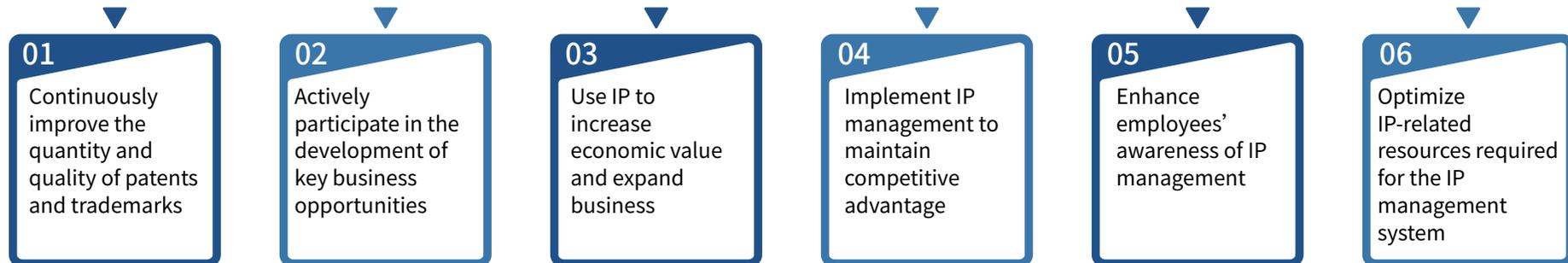
### 2021 Performance

Advocacy	Code of Conduct	<ul style="list-style-type: none"> <li>Advocate to employees every month and provide new-collected cases</li> </ul>	Cumulative 44,256 employees 97.94% of achievement rate
	Ethical Corporate Management Best Practice Principles	<ul style="list-style-type: none"> <li>Deepen philosophy of integrity in 3 advocacies</li> </ul>	Cumulative 10,027 employees 95% of achievement rate
	Integrity Training Course	<ul style="list-style-type: none"> <li>Compulsory online course for new employees</li> </ul>	668 times of training
Recension	Employment Contract	<ul style="list-style-type: none"> <li>Integrity Pledge</li> <li>Prevent conflicts of interest and non-competes</li> <li>Trade secret protection</li> <li>Ownership of intellectual property rights</li> </ul>	
	Trade Secret Protection Provisions in Resignation Applications	<ul style="list-style-type: none"> <li>The terms of trade secret protection, IP protection and relevant provisions are included in the resignation notice</li> <li>The direct supervisor needs to explain the trade secret protect, IP protection and relevant provisions to the departing personnel</li> </ul>	
	Disclosure of "Conflict of Interest" Prevention in Applicant Form	<ul style="list-style-type: none"> <li>Confirm if a relative is serving at SYSTEX</li> <li>Confirm whether is acting as a principal, director or supervisor of another company</li> <li>Confirm whether to invest in China or sign a non-compete clause with another company</li> </ul>	
	Rules of Reward and Punishment System	<ul style="list-style-type: none"> <li>Complete the revision of "Rules of Reward and Punishment System"</li> </ul>	
	Code of Conduct for Directors and Executives	<ul style="list-style-type: none"> <li>Revise and announce for implementation in accordance with the "Guidelines for the Adoption of Codes of Ethical Conduct"</li> </ul>	

## Intellectual Property Management

### Intellectual Property Management Strategy

In order to protect the valuable development results and continuously enhance business profitability, SYSTEX actively creates the "Intellectual Property Management System", and formulates the following management strategies as its IP management policy:



### Intellectual Property Management System

SYSTEX actively establishes the IP management system that regulates the management and maintenance of intellectual property rights, including patents, trademarks and other intellectual property, so as to enhance the value and profitability of SYSTEX.

### Intellectual Property Applications

With the IP active usage in a commercialized manner, SYSTEX gradually strengthens the IP licensing and technology transfer to deeply implement product patents and enhance customer experience, thereby increases customer satisfaction and trust. In addition, SYSTEX also attaches great importance to protect its own IP, through the acquisition of IP rights, as a means of infringement protection, to maintain SYSTEX's brand identity and development results, and to consolidate its market position.

### Intellectual Property Protection and Management Procedures

For maintaining the development results, SYSTEX asks the developers to record and save the work results in PM tools under strict authority control mechanism and document management restriction, so as to ensure that the development results become IPs more completely and effectively.

The SYSTEX's "document management system" combines with the existing document grading mechanism to standardize documents classification, grading, marking, assessing authority, transmission and preservation, so as to avoid the negative impact on SYSTEX's interests caused by improper acquisition, use, contact or disclosure of confidential information.

Besides, in order to reduce the risk of leakage of confidential information, 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 trade secrets and related IPs. At the same time, SYSTEX has established the IP handling procedures and communication channels to timely deal with IP incidents to avoid losses caused by IP disputes.

In terms of raising employees' IP awareness, SYSTEX actively arranges different internal and external training courses and continues to promote IP awareness to relevant personnel online to reduce IP risks effectively.

Furthermore, SYSTEX regularly conducts the internal audit of R&D cycle and IP management to ensure that the IP management procedures are effectively implemented and maintained in accordance with SYSTEX's strategies.

## Intellectual Property Achievements

In 2021, SYSTEX has filed 123 patent applications, of which a total of 99 patents have been approved, including 62 invention patents, 19 utility model patents and 18 design patents. Besides, SYSTEX attaches great importance to the acquisition and use of trademarks rights. Up to now, 202 trademarks have been registered, enabling SYSTEX to expand commercial value.



▲ Certificate of TIPS

Accumulated Patent Application **123**

Accumulated Patent Granted **99**

Accumulated Registered Trademarks **202**

## Intellectual Property Management Performance

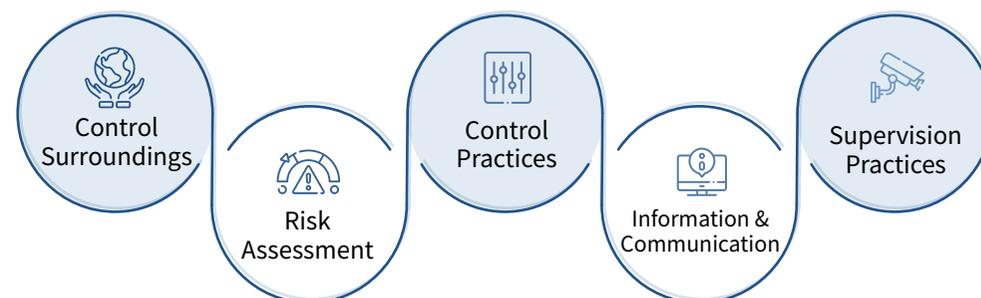
Plans	Achieved Status	Detail
Formulate Projects	☑	Formulate IP management projects in accordance with "Corporate Governance Best Practice Principles" and posted on the website.
Institutionalize Procedures	☑	Establish a management system, optimize IP protection and management procedures accordingly, and revise 9 relevant regulations and documents and 12 forms.
Raise Awareness	☑	Arrange different online IP training courses to relevant personnel, such as "basic concepts of IP" and "organizational IP management policy", etc.
Set up a Reward Mechanism	☑	Formulate and implement the "Rules of Reward for Patent Proposals" to encourage employees to develop innovative technologies.
Obtain TIPS(A) - Patents	☑	Passed the Taiwan Intellectual Property Management System (A) on-site audit and obtained the certificate
Obtain TIPS(A) - Patents & Trademarks	Ongoing	Continue to optimize and revise current IP management system and include trademarks into the scope of TIPS certificate.

## Internal Audit

SYSTEX establishes accounting system and internal control system in accordance with laws and regulations, and the Audit Division has detailed audit implementation rules accordingly to measure the effectiveness and compliance of current control system. The Audit Division regularly summarizes the results and reports to the Board as a basis for evaluating the effectiveness of internal control system.

Externally, adhering to the philosophy of integrity, SYSTEX has implemented integrity management in business operations and evaluates legality before processing transactions, considering whether customers or suppliers have a record of dishonesty.

### 5 Elements of Internal Control System



## Material Organizational Changes

Detail
In Jan 2021, SYSTEX invested and established PALSYS Digital Technology Corp. through its affiliate SYSPower Corp.
In Jan 2021, SYSTEX increased its shareholding in DAWNING Technology Inc. to 74.43%, making DAWNING an affiliate of SYSTEX.
In Jan 2021, SYSTEX increased its shareholding in its affiliate Taiwan Information Service Technology Co. to 67.38%.
In Feb 2021, SYSTEX increased its shareholding in its affiliate E-Service Information Co. to 100%.
In Nov 2021, SYSTEX invested and established SYSLONG Corp. through its subsidiary SYSCORE Corp.
In Dec 2021, SYSTEX invested in the establishment of UniXecure Corp.

# Risk Management

## Risk Management Policy

For ensuring that SYSTEX could manage risks and respond timely to reduce the negative impacts when affected by a crisis, a risk management organization, formed by cross-divisional, formulates "Rules of Risk Management", "Rules of Strategic Investment Management" and "Rules of Supervision and Management of Subsidiaries" to effectively control risks and set out management procedures.

## Risk Management Organization

The Crisis Management Group, as the primary responsible unit for risk management, is fully responsible for RM strategy, developing RM guiding principles and reporting directly to the President. Group members are consisted with a number of functional supreme head such as Finance, Commerce, HR and BU. As a result, the Crisis Management Group held 1 meeting in 2021.

## Risk Management Organizational Structure



## The 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 may occur, and are responsible for identifying the main causes of the crisis and dealing with the situation according to the "Rules of Risk Management".

Team	Person in Charge	Leader	Responsibility
Regulatory Compliance	Supreme head of Legal Division	Division head or his assignee	Responsible for regulatory compliance-related controls, such as contract disputes, government penalties, trade secrets, serious corruption and labor issues, etc.
Continuing Operations	Supreme head of BI	Division head or his assignee	Responsible for business operation-related controls, such as market upheavals, severe defaults, loss of key operating resources, severe data center disruptions, etc.
Disaster Response	Supreme head of HR Division	Division head or his assignee	Responsible for disaster-related controls, such as natural disasters, asset loss, infrastructure failure, personal safety and infectious diseases, etc.
IS Protection	Supreme head of Data & Info. R&D Division	Division head or his assignee	Responsible for information security-related controls, such as enterprise IS, customer IS, data center test failure and personal info. infringement, etc.
Social Media	Supreme head of Marketing & PR Division	Division head or his assignee	Responsible for corporate image-related controls, such as negative media reports and spread of negative social remarks, etc.

## Crisis Management Procedures

- 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, and reports it to the Crisis Management Group after dismissal.

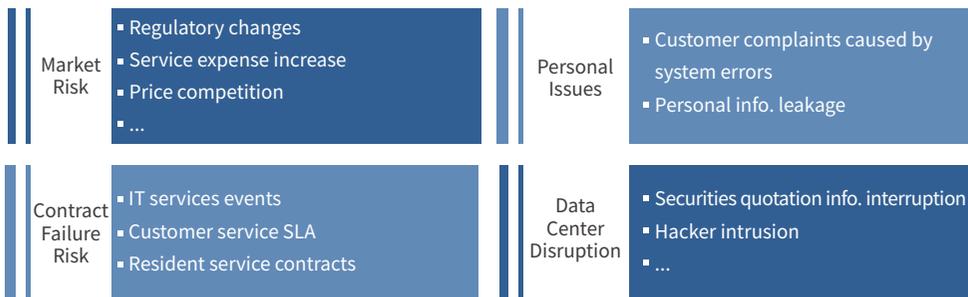
## Regulatory Compliance Events

SYSTEX Legal Dep. draws up a detailed drill plan, conducts prior communication and meetings, and puts drills into practice, so as to hold a review meeting after practice to continuously optimize crisis management.



## Continuing Operations Events

SYSTEX identifies material risks to operational crises and develops corresponding solutions to ensure immediate handling. In 2021, we have assessed the risks of specific infectious diseases, floods, hacker intrusions, virus incidents, and outages of data center energy and network, etc., and plans to implement crisis drills in 2022.



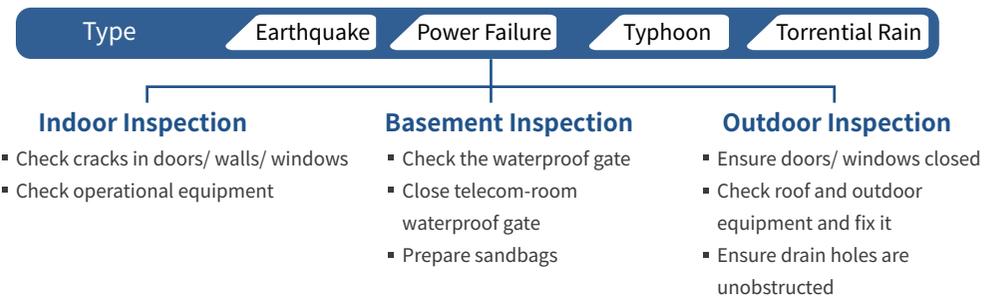
## Social Media Events

In the event of social media incident, including negative media reports, wrong news and operational emergencies, if SYSTEX decides to respond publicly, the Social Media Team will complete the first response within 24 hours, and continue to monitor social media. Additionally, the social media responses will be conducted according to follow-up messages the media. In 2022, a social media-related drill is already planned.

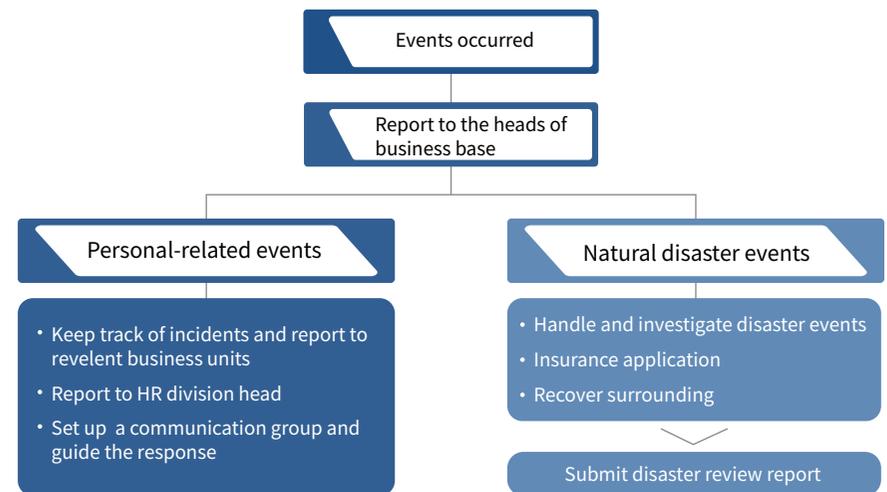
## Disaster Response Events

To avoid natural disasters and deal with them timely, SYSTEX has set up a Disaster Response Team composed of division heads of each business base. The team has developed the "Disaster Resolution Procedures", "Disaster Response and Tracking Processes", and personal safety related tracking procedures to ensure that emergencies can be dealt with in a timely manner to ensure the safety of all employees.

### Natural Disaster Response



### Disaster Response and Tracking Procedures



- Sustainable Governance
- Risk Management
- Information Security and Privacy Protection Management

## Infectious Diseases Risk

### Covid-19 Epidemic Prevention

Since Covid-19 outbreak, STSTEX has established an "Epidemic Prevention Team" in accordance with the "Rules of Crisis Management", and conducts daily meetings to review the epidemic condition, maintains uninterrupted operations, formulates the anti-epidemic strategy and operating procedures, and implements office entry control, flexible work time and remote work plan, to ensure operations and workplace safety.

### Covid-19 Epidemic Classification and Prevention Measures

According to the spread and severity of the epidemic and "the standards and terms of the Central Epidemic Command Center", SYSTEX has formulated its "Epidemic Classification and Prevention Measures".

	Level 1 Alert	Level 2 Alert	Level 3 Alert	Level 4 Alert	Employee infected
	Sporadic cases domestically	Indigenous cases of unknown domestic origin	Community cluster infection occur	Severe epidemics of infection	Employee infected; disinfect workplace
Office entry control	●	✓	✓	✓	✓
Employee entry control	●	✓	✓	✓	✓
Visitor control	✓	✓	no visitors allowed	no visitors allowed	no visitors allowed
Foreign business travel control	●	✓	✓	✓	✓
Self-health management for immigration	✓	✓	✓	✓	✓
Remote work plan	●	●	✓	✓	✓

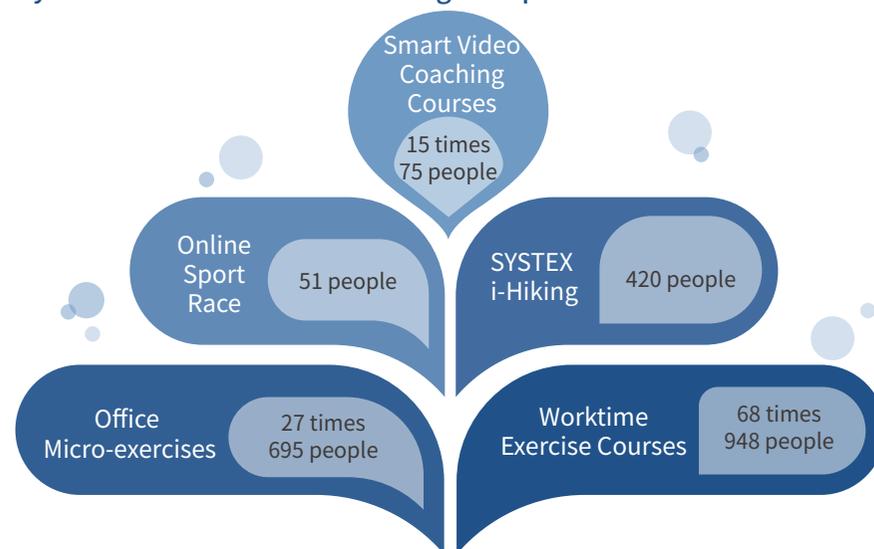
Note 1: Epidemic classification and prevention measures are adjusted according to current condition.

Note 2: ✓ - enforced ; ● - promoted but not enforce

### Health Monitoring and Care

- Employee self-report: The internal self-reporting and investigation mechanism will be used to avoid transmission risks, and infected or suspected-infected employees will be given vacations during the period of self-health management, that are better than the law. Meanwhile, the dedicated "health manager" will provide daily health care, so that employees can work with more peace of mind.
- E-registration for visitors: The visitor notice has been e-formed, to reduce exposure risks and improve the efficiency of risk identification.
- Promote epidemic prevention measures: Review measures and policies irregularly, and improve employees' awareness of epidemic prevention.
- Remote work plan: In response to the level 3 alert, SYSTEX started remote work plan. Reviewing the distribution of employee workplaces during the peak period of epidemic, 65% of them worked from home. We have also planned "employee health care measures" during work from home, to implement the effectiveness of continuous operation and maintain employee health.

### Employee Health Care Measures during the Epidemic



## Climate-Related Risk

According to the WEF's "Global Risk Report 2022", the "Climate action failure risk" has surpassed the "Extreme weather risk" to become the No.1 risk in the world, showing that the climate crisis is a material issue that enterprises have to actively respond to without delay. For a complete assessment of climate-related risks and opportunities, SYSTEX refers to the Task Force on Climate-related Financial Disclosures (TCFD) as an analysis framework.

### Task Force on Climate-related Financial Disclosures

Item	Details
 Governance	The highest governance level of the Sustainability Group is the Chairman. The Chief Sustainability Officer leads the Sustainability Group in assessing the potential risks and opportunities of climate crisis and acting accordingly on climate-related issues.
 Strategy	With the goal of "Net Zero by 2050", SYSTEX has formulated its strategy to introduce 3 environment-related ISO certifications: ISO 14001, ISO 14064-1, ISO 50001, and to launch 5 action plans and targets based on the Environment and Energy Management Manual.
 Risk Management	Based on a number of identification management procedures, SYSTEX completes the risk and opportunity assessment and plans corresponding measures. Meanwhile, SYSTEX continuously pays attention to global climate-related trends and "Greenhouse Gas Reduction and Management Act" to evaluate the regulatory impact on SYSTEX and reduce climate-related financial risks.
 Metrics and Targets	SYSTEX has set short-, mid- and long-term goals for carbon emission management, energy management, water stewardship management, and ISO management system. For more information, please refer to " <a href="#">Environment Sustainability</a> "

## Information Security Risk

The Crisis Resolution Team for IS protection is responsible for information security risks and supporting the resolution of IS and personal info. incidents. Meanwhile, each business unit that has introduced ISO 27001 has set up an IS Task Force Committee to provide consultancy, technical services and IS training courses, establish an information security risk management framework, and formulate information security policies and specific management plans.

The IS Protection Team holds regular meetings to check whether there has been IS incidents, assess the possible risks and negative impacts to propose improvement plans. SYSTEX conducts risk assessments and related reviews every 6 months. In 2021, no high-risk projects were found through continuous risk assessment. Meanwhile, the mid- and low-risk projects were handed over to the relevant operating units for processing, and were included in the follow-up tracking and reporting operations.



- Develop and implement the rules of IS, IS policy, and related operation actions.
- Implement IS-related drills and develop corresponding rules.
- Continuously improve IS defense management control.

**Crisis Resolution Team for Information Security**

**Information Security Task Force Committee**

- Establish IS strategy Blueprint of SYSTEX Group and jointly invest in IS-related business with partners.
- Establish security operations and service of Cyber Center.
- Assist in the IS defense and protection of SYSTEX Group.
- Cultivate IS-related technology talents of SYSTEX Group.



For more detail, please refer to "[Information Security Policy and Management Actions](#)".

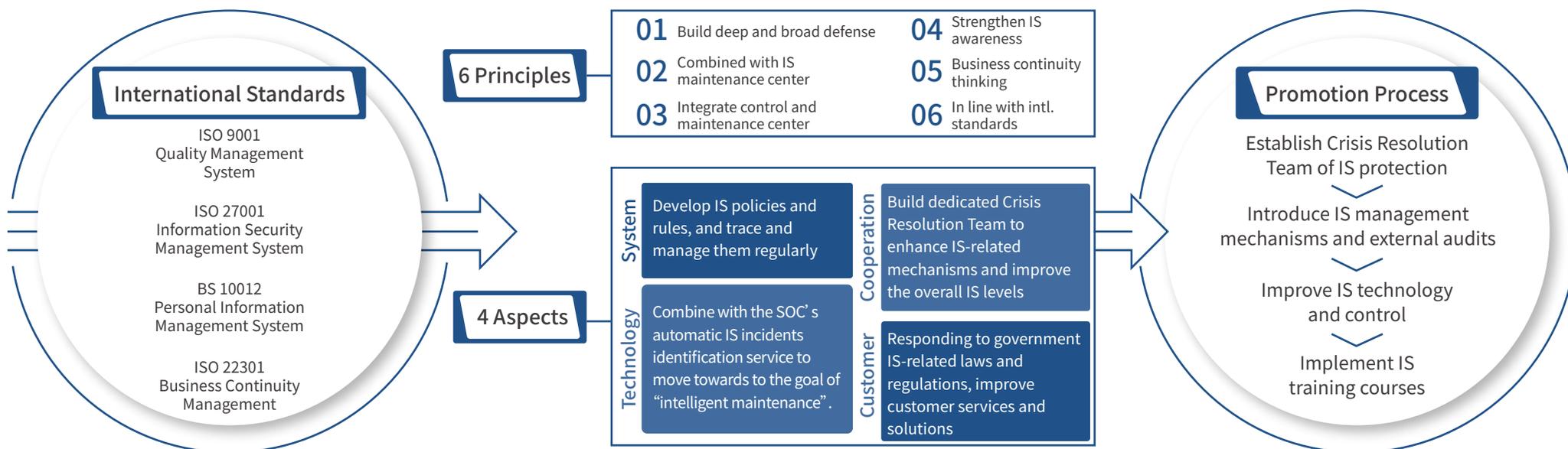
- Sustainable Governance
- Risk Management
- Information Security and Privacy Protection Management

# Information Security and Privacy Protection Management

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. In accordance with ISO 27001 and other IS-related ISO standards, we integrate internal cross-divisional information capability to establish the "IS Protection Team" and set up a IS management system. The IS Protection Team is responsible for promoting IS management policies, related rules and actions, implementing IS-related training courses.

In terms of customer right protection, SYSTEX provides a complete information service procedure for the provision, construction, management and operation, etc. The services provided by SYSTEX are regulated by the "Information Security Confidentiality Agreement" and have an "E-commerce Processing of Personal Data". As a result, no violations of customer privacy have been identified in 2021.

To ensure that the IS management mechanism in complied with international standards. We, SYSTEX Group, have passed and received the 3<sup>rd</sup>-party IS- and quality-related ISO certifications including ISO 27001, ISO 9001, ISO 22301 and BS 10012. At the same time, we continuous to strengthen the IS management to ensure information security of data, systems, equipment and network, as well as regulatory compliance, customer rights and personal information protection. Next, the IS-related services launched by STSTEX will continue to be certified by ISO 27001, so as to improve the information security service capabilities.



## Promotion Process

### Information Security Management Mechanisms and External Audits



### Dedicated management unit

### Crisis Resolution Team of IS Protection

#### IS Incidents

The security events occurred in 2021 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 2021, no data leakage events have been identified.

#### Major Incidents Solution Process

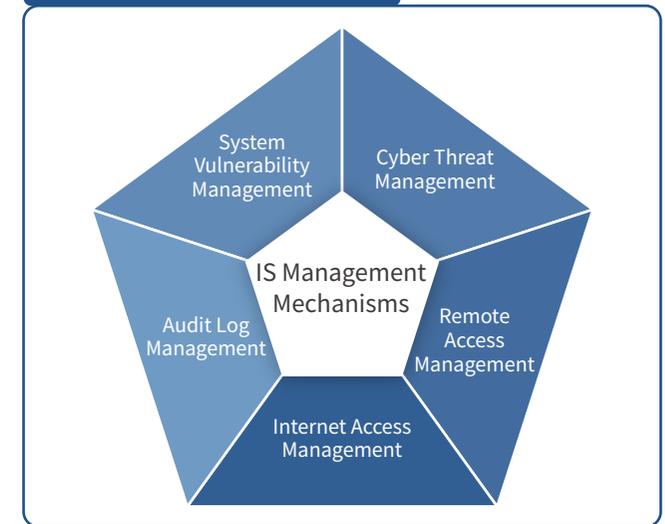
When a notification occurs, SYSTEX initiates a contingency operation to investigate the incident, confirm the impact and propose a solution, and then performs the recovery operations and records them.

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

#### External Audits

In line with ISO 27001 standards, SYSTEX constructs the confidentiality, integrity and availability of IS system, ensuring the efficiency of IS risk management. SYSTEX not only conducts company-level ISO certifications, but also actively encourages employees to learn more and obtain IS-related certificates. As a result, we accumulated a total of 392 IS certificates.

#### IS Management Mechanisms



208

IS certificates include ISO 27001, ISO 27701, CND, CEH, CHFI, etc.

392

Cumulative IS certificates in compliance with the Cyber Security Laws.

392

Cumulative IS-related Licenses and Certificates

- Sustainable Governance
- Risk Management
- Information Security and Privacy Protection Management

• Information Security Technology and Control

Social Engineering Drills

Number of Test Accounts  
**4,452**

Malicious Email CTR  
**0.24%** 2021.02  
**0%** 2021.12

• Information Security Training Courses

Customer Privacy and Data Protection

SYSTEX established personal data protection specifications and conducts personal IS incident drills every year to ensure the crisis resolution ability. Additionally, SYSTEX implements personal data protection management system, conducts a related protection audit and obtains BS 10012. All services provided by SYSTEX are also regulated by the “Information Security Confidentiality Agreement” and “E-commerce Processing of Personal Data” . As a result, no violations of customer privacy have been identified in 2021.

Regular Crisis Resolution Drill

In order to enhance the crisis resolution ability, the “Crisis Resolution Team of IS Protection” has set up 5 types of drills and conducts one or two drills of each type every year. In 2021, the 5 types of drills have been completed, more than 20 external on-site audits have been conducted, and 145 responses to 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 CTR of the 2 drills were far lower than the pass rate of 6%, showing the improvement of IS awareness. At present, the team has already completed the drill schedule of “social engineering drills, testing data center disaster prevention and vulnerability scanning” in 2022.

2021 Performance

Drill	Frequency	Detail	Drill	Frequency	Detail
Social engineering	Twice a year	Conduct in Feb. and Dec. 2021	Vulnerability scanning	Twice a year	Conduct in Jul. and Nov. 2021
Information security	Twice a year	Conduct in Apr., Jun. and Oct. 2021	Testing data center disaster prevention	Twice a year	Conduct in Jul. and Dec. 2021
Vulnerability scanning	Twice a year	Conduct in Jul. and Nov. 2021	System recovery	Once a year	Complete the recovery of all systems.

IS Upgrade Plan

In 2021, SYSTEX continued to promote the “IS Upgrade Plan” , including “outlook email system upgrade, SOC defense upgrade and construction of own SESC email protection” to improve information security protection capabilities.

IS Training Courses

IS advocacy and test for employees 6,742 people	IS online general course for employees (3 hrs.) 3,486 people & 10,458 hrs.	IS online professional course for employees (9 hrs.) 375 people & 3,375 hrs.	IS in-class seed-training course for employees (36 lessons) 1,135 people & 15,503 hrs.
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SYSTEX has launched a large-scale talent recruitment plan to recruit outstanding technology talents, and continuously cultivated talents with 5A capabilities, becoming the exponential technology talents who help customers integrate, transform and drive the second growth curve of business.

# Caring for Employee



Talent Development	40
Diversity of Employment	43
Benefits and Rights	45
Occupational Safety and Health	50
Employee Health Promotion	51

Material Topics      Contributing to the SDGs

GRI 401  
403  
404



● Talent Development

● Diversity of Employment

● Benefits and Rights

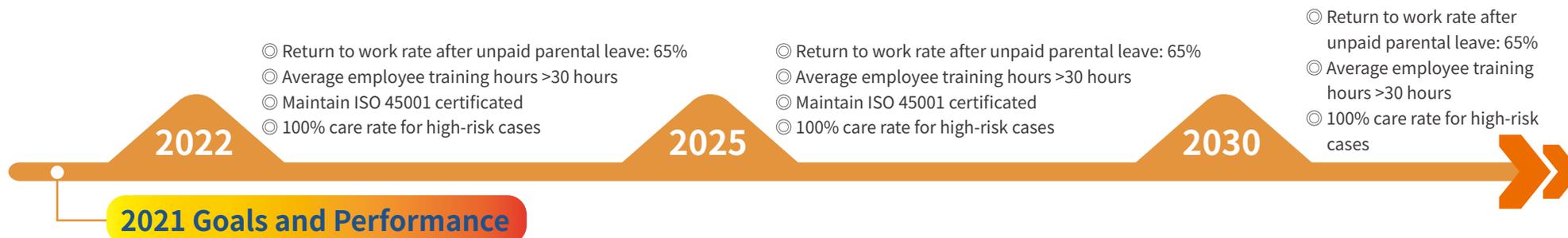
● Occupational Health and Safety

● Employee Health Promotion



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

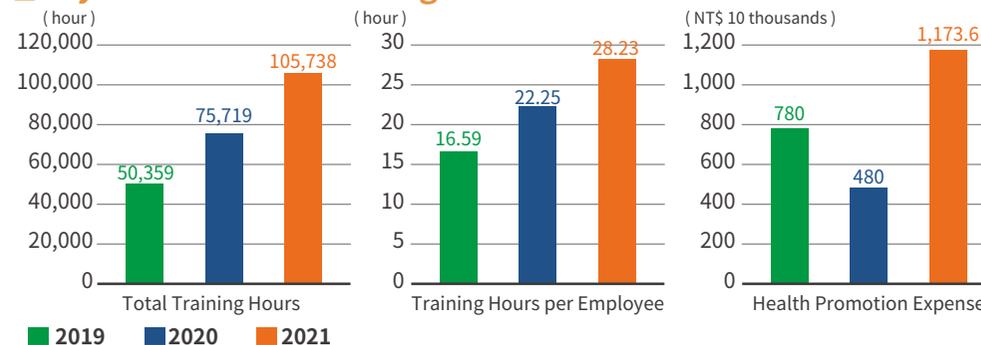
Responding to the talent needs of enterprises' digital transformation, SYSTEX actively cultivates talents with 5A capabilities, providing comprehensive software learning resources, and provides a diverse and happy workplace, allowing employees to achieve a balance between work, family and health.



	2021 Goals	2021 Performance	Achieved Status
Training Hours	> 90,000 hours	105,738 hours	✓
ISO 45001	Obtain ISO 45001	Obtain ISO 45001	✓
Health Promotion Expense	> NT\$5M	NT\$11.736M	✓

✓ = Achieved    ⚙️ = Ongoing    ⚠️ = Missed

### 3-year Performance Progress



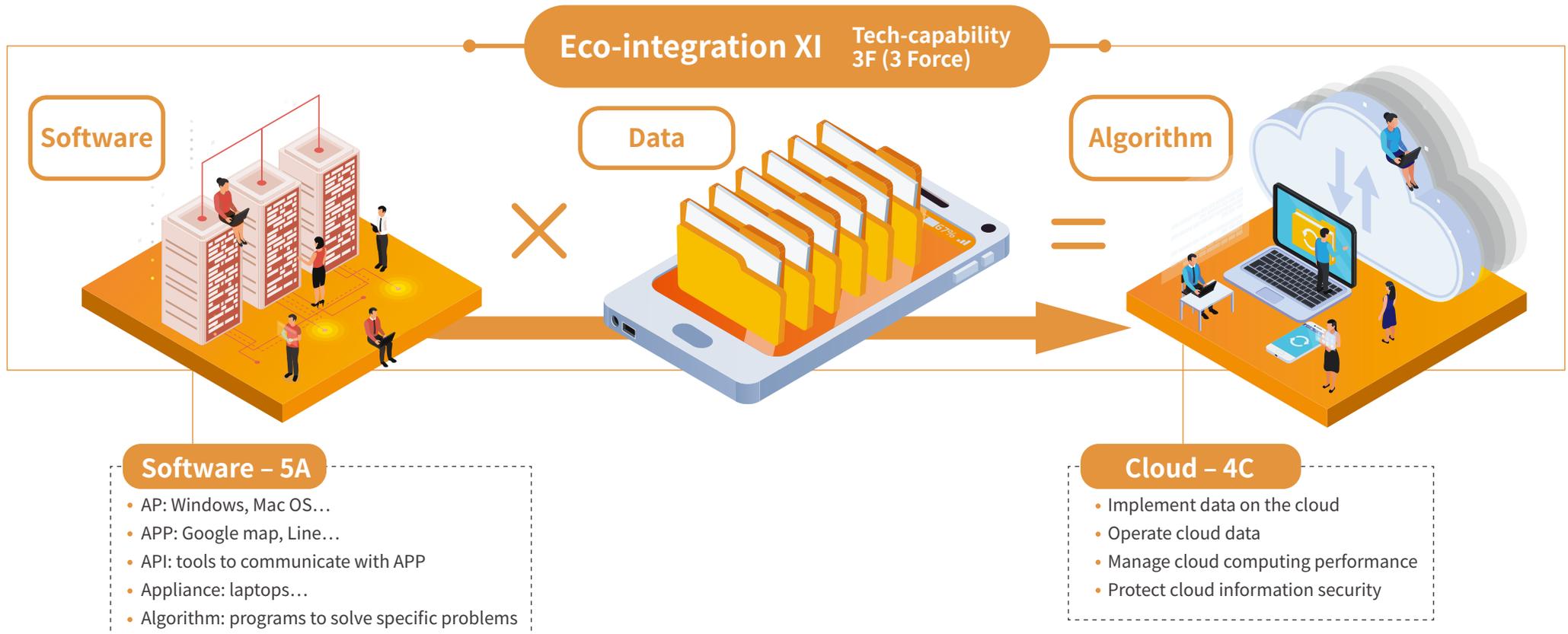
# Talent Development

## Cultivate Exponential Technology Talents

With the core capabilities of "Software, Data and Algorithm", SYSTEX has laid a solid foundation for "AI-based digital transformation", and continued to increase investment in talents with software capabilities of 5A and cloud service technologies of 4C, so as to help customers transform and create the second growth curve of business.

"Talents" is the core competitiveness of SYSTEX. In order to continuously improve their technical capabilities, we check each personal technical map to understand their level of technical skill. Additionally, in line with the business development needs, SYSTEX provides relevant learning resources and hopes that talents can increase capabilities to help customers integrate, transform and drive the second growth curve of business to become "exponential technology talents" with leadership courage.

### SYSTEX Digital Transformation Blueprint



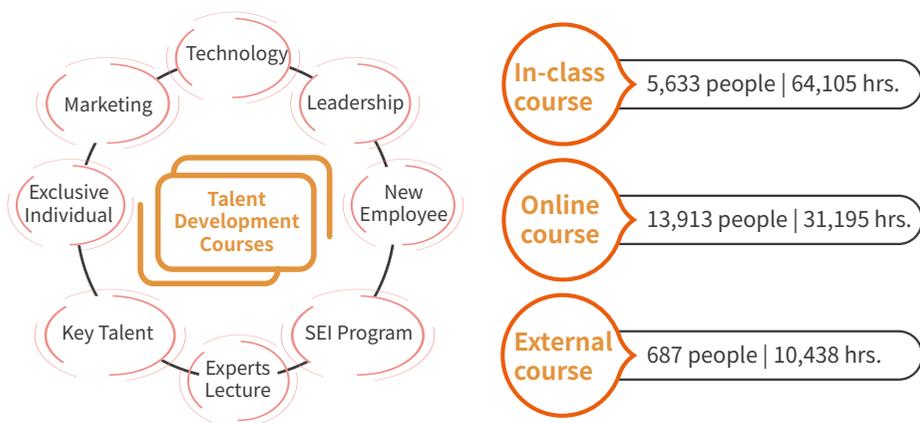
## Talent Development Structure

SYSTEX attaches great importance to talent cultivation and provides systematic employee learning and development plans so as to plan comprehensive training courses, such as "new employee training courses", 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 Performance

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

In 2021, a total of 20,233 people participated in internal and external training courses with a total of 105,738 hours, including internal in-class and online courses and external professional courses. The average training hours (ATH) of employees is 28.23 hours; if classified by gender, ATH is 23.95 hrs. for women and 31.05 hrs. for men; if classified by position, ATH is 46.66 hrs. for management-level positions and 26.92 hrs. for general positions.



## 2021 Performance of in-class Training Course

Type	Item	Trainees			Training Hours
		Female	Male	Total	
Tech-Development	Software	124	287	411	10,272
	Data	119	204	323	1,838
	Information Security	323	977	1,300	15,503
	SYSTEX Cloud	0	19	19	266
	5G	15	29	44	88
	Skills / Certificates	155	301	456	23,550
	Lectures	290	644	934	2,802
Marketing	Project Management	118	114	232	2,820
New Employee	New Employee	254	348	602	4,092
Leadership	Leadership	70	255	325	1,033
Others	Experts Lectures	497	490	987	1,841
<b>Total</b>		<b>1,965</b>	<b>3,668</b>	<b>5,633</b>	<b>64,105</b>

## 2021 Performance of Online Training Course

Type	Item	Trainees			Training Hours
		Female	Male	Subtotal	
New Employee	New Employee	2,388	2,728	5,116	7,366
Leadership	Leadership	4	14	18	126
Tech-Development	Project Management	321	445	766	1,131
	Intellectual Property	301	376	677	228
	Information Security	1,941	2,934	4,875	17,950
	Maintenance	3	107	110	239
Marketing	Business	1,123	709	1,832	1,212
Others	General	142	377	519	2,942
<b>Total</b>		<b>6,223</b>	<b>7,690</b>	<b>13,913</b>	<b>31,195</b>

## 2021 Performance of External Training

Type	Female	Male	Total Trainees	Training Hours
External	136	551	687	10,438

## Internal Training Course

### New Employee

To help new employee 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 OHSMS.

### 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 colleagues and supervisors, helping new employees to get familiar with work faster.

### Technology Development

For improving software development and integration capabilities, SYSTEX has established Task Forces such as computing, data, fintech, maintenance, 5G, etc., constantly introducing new technologies and holding technical training camps.

### Marketing and Sales

In order to achieve customer-oriented business sales, through effective questions to customers in the business process, SYSTEX clarifies the real needs of customers and cultivates potential talents to become the best product expert consultant for customers.

### Exclusive Individual

SYSTEX has built an E-Learning platform to provide personal effectiveness courses for employees to participate in, allowing employees to use their spare time to achieve their personal learning targets.

### Key Talent

According to the needs of operation strategies and reserve talents, as well as to achieve high-performance and high-contribution talent strategy, SYSTEX conducts an annual inventory and training plans for key positions and key talents.

### Experts Lecture

SYSTEX invites industry experts to share practice experience with topics such as trends and technology applications, so that supervisors and colleagues can learn more to practice the win-win concept of achieving customer values and of improving business performance.

### SEI Program

SYSTEX provides summer intern project and long-term internship project. During the internship, interns are arranged to participate in industrial application courses taught by senior managers. Outstanding interns can be preferentially converted into permanent employees.



In 2021Q1, SYSTEX has established an e-Learning platform - “SYSTEX e-Learning” to help employees develop professional core competencies at any time without being limited by time and space.

## Diversity of Employment

By the end of 2021, SYSTEX and its affiliates have added new employees. The total number of employees in SYSTEX group in Taiwan is 3,746, including 2,068 in SYSTEX and 1,678 in affiliated companies. The number of employees in managerial and general positions increased slightly compared to 2020. In terms of gender and age, there is no difference compared to 2020. There are 2,256 males (60.2%) slightly more than females and the largest proportion is 63% aged of 30 (incl.)~50 years old.

The permanent employees of SYSTEX group in Taiwan are 3,343 (89.24%) and increased slightly compared to 2020. Among them, 1,337 are females (39.99%). The temporary employees are 403 and females among them are 153 (37.97%). The technical employees, the largest proportion of positions, are 2,706 (72.24%). The education level of bachelor's and above accounted for 93.81%. In terms of nationality, there are 17 foreign employees (0.45%).

### Management Level and General Employee

Type	Item	Female	Male	Total
Management Level	Senior level	3	28	31
	Middle level	53	164	217
General Employee	Sales	264	171	435
	Technical	780	1,793	2,573
	Administrators	390	100	490
<b>Total</b>		<b>1,490</b>	<b>2,256</b>	<b>3,746</b>

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

### Hire Type

Type		Sales	Technical	Administrators	Subtotal	Percentage (%)
Permanent	F	291	744	302	1,337	39.99
	M	238	1,693	75	2,006	60.01
Temporary	F	0	59	94	153	37.97
	M	0	210	40	250	62.03
Total	F	291	803	396	1,490	39.78
	M	238	1,903	115	2,256	60.22

Note 1: Temporary employees are included personnel on contracts of designated term and part-time employees, etc.

Note 2: By the end of 2021, SYSTEX has cooperated with 65 interns and 3 dispatched manpower.

### Educational Level

Type	Sales	Technical	Administrators	Total	Percentage (%)
Doctorate	0	5	0	5	0.14
Master's	67	371	36	474	12.65
Bachelor's	434	2,191	410	3,035	81.02
Pre-Bachelor	28	139	65	232	6.19
<b>Total</b>	<b>529</b>	<b>2,706</b>	<b>511</b>	<b>3,746</b>	<b>100</b>

### Employee Age Bracket

Type	Female	Male	Total	Percentage (%)
Under 30	370	513	883	23.57
30 (incl.) ~ 50	953	1,417	2,370	63.27
Over 50 (incl.)	167	326	493	13.16
<b>Total</b>	<b>1,490</b>	<b>2,256</b>	<b>3,746</b>	<b>100</b>

## Recruitment

In 2021, there are 969 new employees in SYSTEX Group in Taiwan (25.87% of all employees). Among them, women accounted for 42.72%. Newly hired female employees accounted for 27.8% of the total female employees, slightly higher than men (24.6%). The largest proportion of new employees in the past 3 year is under the age of 30, showing that the overall new employees have been getting younger. Besides, there are 694 turnover employees in 2021 (18.53% of all employees) and the largest proportion is 30 (incl.)~50 years old (53.17% of total turnover employees).

### New Hire Employee

Age Bracket	2019		2020		2021			
	Female	Male	Female	Male	Female	%	Male	%
Under 30	199	344	185	196	207	50	274	49.37
30 (incl.) ~ 50	131	243	203	204	196	47.34	250	45.05
Over 50 (incl.)	18	32	18	13	11	2.66	31	5.59
Subtotal	348	619	406	413	414	100	555	100
% of new hire	31.15	32.09	29.94	20.16	27.79		24.6	
Total	967		819		969			

Note 1: % of new hire = Number of New Hires in this Category / Total in this Category x 100

Note 2: Among the new hires, there are 954 Taiwanese employees (98.45%) and 15 non-Taiwanese (1.55%).

### Turnover Employee

Age Bracket	2019		2020		2021			
	Female	Male	Female	Male	Female	%	Male	%
Under 30	97	178	112	110	121	40.47	147	37.22
30 (incl.) ~ 50	106	244	153	172	161	53.85	208	52.66
Over 50 (incl.)	8	33	28	37	17	5.69	40	10.13
Subtotal	211	455	293	319	299	100	395	100
% of departed employee	18.89	23.59	21.61	15.57	20.07		17.51	
Total	666		612		694			

Note 1: % of departed employee = Number of departed employees in this Category / Total in this Category x 100

Note 2: Among the departed employees, there are 681 Taiwanese employees (98.13%) and 13 non-Taiwanese (1.87%).

### Diversity and Inclusion

According to the law, SYSTEX has fully employed disabled people and employed visually impaired massage therapists since 2007 to help increase career opportunities for disabled people. By the end of 2021, SYSTEX Group in Taiwan has a total of 41 disabled people and 22 indigenous people. There are 15 severely disabled people in the group and SYSTEX has employed more disabled people than the law requires.

### Caring for New Employee

<b>New Employee Training Courses</b>	Help understand SYSTEX's philosophy and become familiar with the internal rules and regulations.
<b>Mentor System</b>	Mentor System helps new employees integrate into the work faster, shorten the adaption period and improve the retention rate.
<b>Dedicated HR Service Assistant</b>	HR Division allocates dedicated personnel to keep abreast of the new employees.



# Benefits and Rights

## Human Rights Policy

According to international human rights norms and principles, including UDHR, the UN Global Compact 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. The SYSTEX Human Rights Policy applies to SYSTEX Corp. and its affiliates. Meanwhile, SYSTEX uses the same standards to expect supplier, business partner and customers to abide by this policy.

### Implementation

We implement SYSTEX Human Rights Policy based on the following principles:

- Promote equal rights at work and prohibit any discrimination.
- Refrain sexual harassment and abuse at work
- Prohibit forced labor and child labor.
- Help keep the balance between work and health.
- Provide a healthy and safe workplace.
- Build communication channels and respect employees' freedom of association.

### Human Rights Investigation

SYSTEX has formulated a human rights investigation process that focuses on potential issues and affected employees. After a risk assessment, SYSTEX develops mitigations and tracks the implementation performance to control and reduce risks.

### Human Rights Protection Training

SYSTEX complies with global and local labor regulations, refrains from any violations, treats all employees equitably, and plans related training courses to enhance awareness.

#### 2021 Human Rights Protection Training

- A total of 969 people participated in the promotion of human rights on the day of registration for new employees.
- The “New Employees Training Camp” promotes human right-related concepts. A total of 602 people participated in 2021 with a total of 602 hrs.

## Human Rights Risk Assessment

In the 2021 SYSTEX group's human rights risk assessment, 41 disabled people were employed more than 1% of all employees, assessed as low risk, while the rest were also low risk.

Item	Inclusion & Equity	Sexual Harassment & Abuse	Work Hour	Healthy Workplace	Labor Disputes
Scenario	<ul style="list-style-type: none"> <li>▪ Recruitment interview</li> <li>▪ Workplace</li> </ul>	<ul style="list-style-type: none"> <li>▪ Recruitment interview</li> <li>▪ Interaction at the workplace</li> </ul>	<ul style="list-style-type: none"> <li>▪ Insufficient manpower</li> <li>▪ Rapid business growth or specific activities needs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Business execution</li> <li>▪ Workplace</li> </ul>	<ul style="list-style-type: none"> <li>▪ Different perceptions, poor communication</li> </ul>
Indicator	Disable employees > 1%	Number of complaints of assault	Number of people involved in fines for overtime work	Number of people injuries	Number of labor disputes
Number in 2021	41	0	0	5	3
Rate	0.00%	0.00%	0.00%	0.13%	0.08%
Risk Level	Low risk	Low risk	Low risk	Low risk	Low risk

Note 1: The number of disable people is accounted based on the number at the end of the year. SYSTEX group has employed 15 severely disabled people and among them, SYSTEX Corp. has employed more than the law requires.

Note 2: All 3 labor dispute cases ended through communication or mediation.

- The camp also provides occupational health and safety courses. In 2021, 10 in-class courses were held with a total of 602 participants and 903 hrs., while a total of 430 people participated in online courses with a total of 442 hrs.
- The new supervisor training course complies with related regulations, including inclusion, job equity and prohibition of any discrimination. A total of 40 people completed the course in 2021.

Note: The participants of "New Employees Training Camp" are permanent employees.

## Remuneration System

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, in line with the remuneration strategy of high performance, high contribution and high salary.

Additionally, there is no gender-specific difference in salary for each position. The basic salary of each position is higher than the statutory minimum wages. In 2021, the ratio of the statutory minimum wage to the average salary of entry-level employees is 1:1.53.

### Ratio of Total Salary of Women and Men

Item	Total Salary	
	Male	Female
Type		
Sales	1	1.08
Technical	1	0.92
Administrators	1	0.94

- Data Range: Calculate the general employees of SYSTEX Group (Taiwan) who have served for more than half a year in 2021.
- Total salary is basic salary plus variable salary, such as overtime pay or bonuses.

### Full-time General Employee Remuneration Overview

Item	2019	2020	2021	Change Rate
Number of General Employee	1,601	1,728	1,803	4.2%
Average Salary of Full-time General Employee (NT\$ thousand)	934	941	962	2.2%
Median Salary of Full-time General Employee (NT\$ thousand)	758	781	787	0.8%

- Data Range: Calculate the general employees of SYSTEX Corporate who have served for more than half a year in 2021.
- This table is consistent with that disclosed by the Market Observation Post System, SYSTEX Corporate: 6214. For more details, please refer to <https://emops.twse.com.tw/server-java/t58query>.

## 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 2021, 3,004 people participated in performance appraisal, accounting for 80.19% of all employees. Supervisors have been trained in complete performance evaluations, so as to provide employees with guidance and support to help them grow in their careers.

### Key Performance Indicator

The KPI of performance management is divided into financial and non-financial indicators. Financial ones are linked to individual or unit financial targets and non-financial ones are jointly set up by employees and supervisors to ensure consistency with organizational targets. After the performance appraisal, the results finally determined by the senior management will be used as the basis for personal promotion and salary adjustment.

### Employees Receiving Performance and Career Development Reviews

Item	Male	Female	Total
Sales	202	243	445
Technical	1,565	662	2,227
Administrators	67	265	332
Total Participants of Performance Appraisal	1,834	1,170	3,004
Total Employees	2,256	1,490	3,746
Percentage	81.29%	78.52%	80.19%

Note: SYSTEX Group added 1 affiliated company, which has no performance appraisal, so the overall ratio is slightly lower than the previous year.

● Talent Development

● Diversity of Employment

● Benefits and Rights

● Occupational Health and Safety

● Employee Health Promotion

## Benefits Plan

SYSTEX has not only set up an "Employee Welfare Committee" to take care of employees' lives, including "festival and birthday gifts" and "childbirth, marriage and other personal subsidies", but also held various activities irregularly. Besides, there are also welfare items stipulated by government laws, such as labor health insurance, retirement pension and various vacations. All the aforementioned welfare projects are applicable to all employees.



Upgraded Gym	<ul style="list-style-type: none"> <li>▪ The Taipei headquarters has a comprehensive gymnasium.</li> <li>▪ Both Taipei HQ and Taichung office have gyms and yoga classrooms.</li> <li>▪ Hire NTNU coach to provide basketball training guidance and physical fitness courses such as fat-burning aerobics and TRX, etc.</li> </ul>
Relaxation Space	<ul style="list-style-type: none"> <li>▪ B1 of the Taipei headquarters has a relax space, serving vending machines, coffee bars and snooze area, etc.</li> <li>▪ Other offices in Taipei, Hsinchu and Taichung all provide comfortable space.</li> </ul>
Children's Book Area	<ul style="list-style-type: none"> <li>▪ "Parent-child Reading Project" helps develop children's reading habit. Therefore, SYSTEX has built a "children's book area" in B1 of the Taipei HQ, providing books for children aged 2~15.</li> <li>▪ In 2021, the number of borrowers of children's books is 593.</li> </ul>

Type	Item
 Salary & Insurance	<ul style="list-style-type: none"> <li>▪ Fixed salary: 12 months, including basic pay, job bonus, meal allowance</li> <li>▪ End-year bonuses and performance bonuses based on individual performance</li> <li>▪ Labor insurance, health insurance and retirement pension</li> <li>▪ Group insurance including medical, cancer, accident and life insurance</li> </ul>
 Subsidy	<ul style="list-style-type: none"> <li>▪ Annual and new employee health examination subsidy</li> <li>▪ Internal and external training and external on-the-job training subsidy</li> <li>▪ Book discounts on "Delight Press"</li> <li>▪ Training course discounts on "Ucom Information"</li> </ul>
 Work & Vacation	<ul style="list-style-type: none"> <li>▪ Flexible working hours: 8 hours per working day; work time is 08:30~09:30, and off-duty time is 17:30~18:30</li> <li>▪ Special vacation for permanent employees: more than that of Labor Standards Act based on employment seniority; up to 9 days of special vacation for new employees based on employment percentage for the year; 8 days of sick vacation with full pay; 1 day of birthday vacation in the birthday month</li> <li>▪ [New in 2022] 1 day of volunteer vacation per year to participate in CSR activities</li> </ul>
 Pension System	<ul style="list-style-type: none"> <li>▪ According to Labor Standards Act and Labor Pension Act</li> <li>▪ [Old] Labor Standards Act                             <ul style="list-style-type: none"> <li>▫ Set up the "Supervisory Committee of Labor Retirement Reserve" to contribute pension every month and deposit it into the specific account of Taiwan Bank</li> <li>▫ Retirement Application Requirements: workers attain the age of 55 and has worked for 15 years; or worker has worked for more than 25 years; or worker attains the age of 60 and has worked for 10 years</li> <li>▫ Pension: base on the worker's one month's average wage; 2 bases for each full year of service rendered; 1 base for each full year over 15 years of service rendered 0.5 bases for service less than 6 months, 1 base for service more than 6 months; up to 45 bases; an additional 20% for worker based on Article 54 of the Act</li> </ul> </li> <li>▪ [New] Labor Pension Act                             <ul style="list-style-type: none"> <li>▫ Base on the "Monthly Contribution Classification Table", contribute 6% of worker's monthly wage to individual accounts at the Bureau for employees</li> </ul> </li> </ul>

## Parental Benefits

SYSTEX legally accepts applications for employees' unpaid parental leave and their reinstatement after parental leave. In 2021, there are 28 applicants, including 4 males and 24 females. The "return to work rate" is 67% and the "retention rate" is 91%.

### Breastfeeding Room

Set up "Breastfeeding Room" in 7 operation offices. Have access control, and provide equipment and items needed for breastfeeding. HQ Breastfeeding Room passed "Excellent Breastfeeding Room Certificate" by Taipei City Gov.



### Maternity Gift

Gifts of "Happy Pregnancy" for newly-wed employees, "Moon Pillow" for pregnant employees, and "Braised Pot" for employees with newborns



### Childcare

Sign specific contracts with qualified childcare institution to provide childcare discounts

## Application for Parental Leave and Reinstatement after Parental Leave

Item	Gender	2020	2021
Number of Employees Eligible to Apply for Parental Leave (including on-the-job and new hires) (A)	Male	157	159
	Female	93	97
	Total	250	256
Number of Employees Applying for Parental Leave (B)	Male	6	4
	Female	21	21
	Total	27	25
Employees Eligible to Return to Work after Unpaid Parental Leave Ended (C)	Male	4	2
	Female	15	4
	Total	19	6
Employees Return to Work after Unpaid Parental Leave Ended (D)	Male	2	1
	Female	10	3
	Total	12	4
Employees Return to Work after Unpaid Parental Leave Ended in the Previous Year (E)	Male	3	2
	Female	8	10
	Total	11	12
Employees were still employed 12 months after their Return to Work (F)	Male	2	0
	Female	4	10
	Total	6	10
Application Rate (B/A)	Male	4%	3%
	Female	23%	25%
	Total	11%	11%
Return to Work Rate (D/C)	Male	50%	50%
	Female	67%	75%
	Total	63%	67%
Retention Rate (F/E)	Male	67%	0%
	Female	50%	100%
	Total	55%	91%

Note A: The 2021 eligibility for parental leave is for employees who have given birth during 2018/1/1 ~ 2021/12/31, and are listed by gender.

Note B: Eligible for parent leave and applying for it in the current year.

Note C: Expected to return to work in the current year.

Note D: Actual to return to work in the current year.

Note E: Actual to return to work in the previous year.

Note F: Return to work in the previous year and worked for 12 months after reinstatement.

- Talent Development

- Diversity of Employment

- Benefits and Rights

- Occupational Health and Safety

- Employee Health Promotion

[SYSTEX Baby Happy Growth Funds] Subsidy up to NT\$120,000 per Newborn

SYSTEX has launched "SYSTEX Baby Happy Growth Fund" in 2021, providing double gifts of subsidies and vacations to encourage employees to have children.

1<sup>st</sup> Enterprise in Taiwan's Info. Service Industry Simultaneously Increase Maternity Vacations and Subsidies



▪ Increase Maternity Subsidies and Vacations

For all permanent employees, as long as employees have a newborn under the age of 2, they can receive a subsidy of up to NT\$60,000 per newborn. In addition, all maternity over 35 years old(incl.) can enjoy double subsidies, up to NT\$120,000 per newborn. In 2021, SYSTEX has distributed a maternity subsidy of NT\$2.64M, benefiting 90 SYSTEX babies. Meanwhile, SYSTEX has also provided maternity vacations more than that of Labor Standards Act, up to 70 days, and assigned a dedicated health manager to take care of the health of maternity employees.

Item	Maternity Vacation	SYSTEX Baby Happy Growth Fund
Suitable	All female employees	All permanent employees
Maternity under 35	4 days added (a total of 60 days)	Each received NT\$20,000 when the child is born, 1 year old and 2 years old, with a total subsidy of NT\$60,000.
Maternity over 35 (incl.)	14 days added (a total of 70 days)	Each received NT\$40,000 when the child is born, 1 year old and 2 years old, with a total subsidy of NT\$120,000.

## Internal Communication

### Grievance Mechanisms and Communication Channel

Item	Detail
Complaint Email / Sexual Harassment and Abuse Email	<ul style="list-style-type: none"> <li>▪ Have a specific webpage for stakeholders.</li> <li>▪ Have an internal specific communication channel for complaining or reporting illegal matters.</li> <li>▪ Notify affected employees when significant operational events change.</li> </ul>
Integrity Committee Email	<ul style="list-style-type: none"> <li>▪ All reported cases will be processed as confidential documents, and responded to in an appropriate way within 30 days.</li> </ul>
Audit Committee Email	<ul style="list-style-type: none"> <li>▪ Any case violating "Code of Conduct" or conflicting of operation benefit can be reported to the dedicated E-mail and handled by a dedicated person.</li> <li>▪ All reported cases will be confidentially and independently verified in accordance with the "Code of Conduct", to protect whistleblowers from abuse or threats.</li> </ul>
CSR Email	<ul style="list-style-type: none"> <li>▪ SYSTEX discloses its sustainable strategy and responses to future challenges through its sustainability report, so that all stakeholders can better understand its ESG performance.</li> </ul>

### Internal Announcements and Knowledge Management

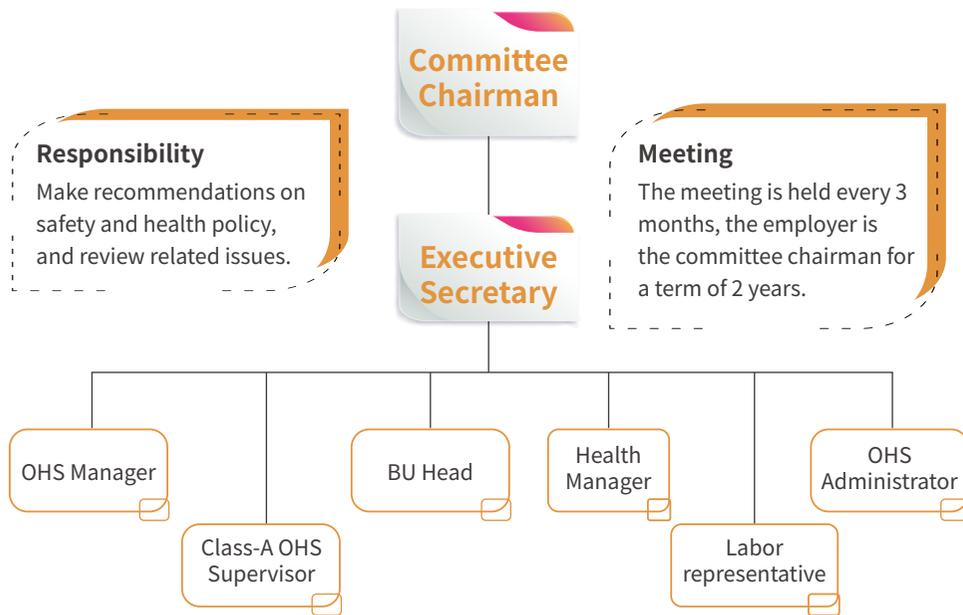
Through the internal Enterprise Information Portal (EIP), SYSTEX publishes its policies, important information or news to keep employees better informed about its dynamics and industrial trends. Besides, SYSTEX also pushes announcements via email and APPs to improve communication in the most direct and efficient way.

### Labor-Management Meeting

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 in order to promote harmonious communication.

## Occupational Health and Safety

Based on the "Occupational Safety and Health Act" and other related laws and regulations, SYSTEX has formulated the "Safety and Health Work Rules", which applies to workers in SYSTEX and its affiliates and non-employees, such as security guard, etc. SYSTEX also set up an "Occupational Safety and Health Committee", attended by OHS managers and the supervisors, BU heads and labor representatives, to discuss OHS-related issues in order to maintain workplace safety. In 2021, SYSTEX has passed the ISO 45001 verification.



SYSTEX has conducted risk assessment of OHS in accordance with the "OHS Standard Operating Procedure" and ranks risks based on impact and possibility, formulates corresponding measures and checks performance irregularly, to ensure the effectiveness of measures.

## Employee Engagement, Consultation and Communication

The "OHS Committee" holds regular meetings, with 4 meetings in 2021 to coordinate OHS-related affairs, to discuss "management and training plans", and to promote related projects, so as to enhance OHS awareness among employees and make them comply with regulations.

## Occupational Health and Safety Training

In order to build up OHS awareness among employees, SYSTEX plans to hold the "New Employees Training Camp" to teach OHS-related courses and practical exercises, such as CPR and AED. In 2021, 10 in-class courses were held with a total of 602 participants and 903 hrs., while a total of 430 people participated in online course with a total of 442 hrs. Additionally, SYSTEX assigns relevant personnel to participate in OHS training, such as the certificate of "Class-A OHS Supervisor" and "Class-B OHS Technician Certificate", etc. In 2021, SYSTEX has obtained a total of 45 licenses with a total of 766 training hours.

## Workplace Safety

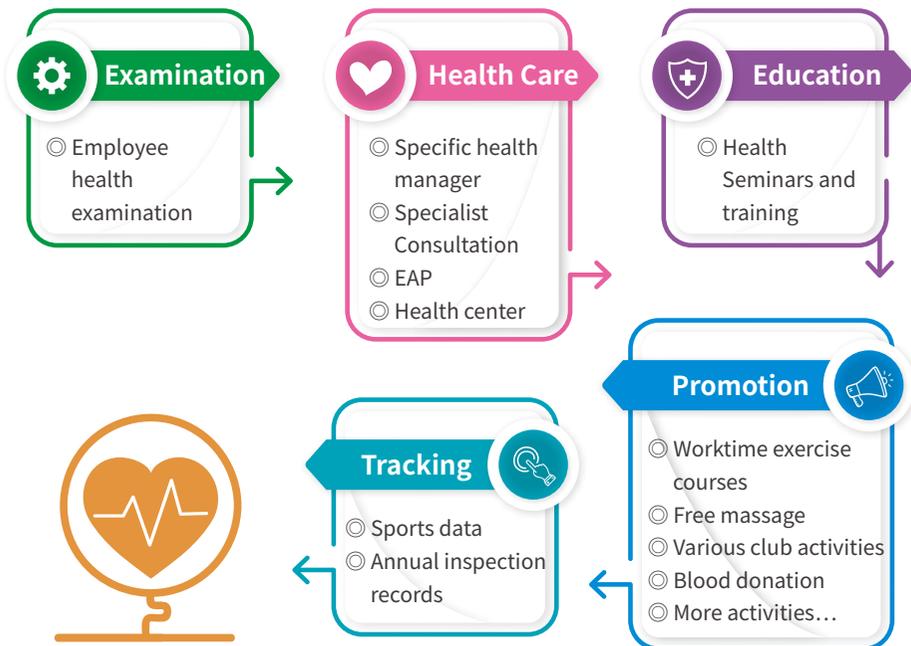


# Employee Health Promotion

Since employee health is the long-term value, SYSTEX provides a "comprehensive employee health care plan", allowing employees to take good care of family and personal health while focusing on work, to enhance centripetal force and corporate competition. In 2021, the total expense for health promotion is NT\$11.736 million.



## Comprehensive Employee Health Care Plan



### [Examination]

SYSTEX offers annual employee health examination better than regulations and subsidizes NT\$3,500 each employee. Since 2019, employees can choose their own health examination plan within 14 medical institutions. After examination, the health managers evaluate employee's personal medical report and provide personal consultation.



### [Health Care]

In order to help maintain the health of employees, SYSTEX has employed full-time "health managers" and set up a "health management center" conducting long-term tracking of employees with abnormal health status and formulating personal health improvement suggestions and disease prevention plans.

Assist in identifying potential OHS hazard factors to develop prevention plans:

Prevention Plans of Ergonomic Hazards	Prevention Plans of Overwork Related Illness	Maternal Health Management Plans
Verify that there are no ergonomic hazards due to the working environment.	Screen out high-risk cases and provide professional medical advice.	Provide related health consultation based on employees' application.

SYSTEX provides medical consultation services in cooperation with specialists from NTUH, conducting one-to-one care and tracking management to improve employees' awareness of health. The total expense in 2021 is NT\$438,000.



## [Health Care]

### Employee Assistance Programs

SYSTEX has launched "EAP" from 2021, hoping to help protect the health of employees. The "EAP" provides 24-hour real-time telephone consultation services and various services on the physical and mental care platform, including work, life and health-related information, and online stress detection, so that employees can find relevant information for their needs. In 2021, the total number of online consultation services is 101 people.



## [Health Education]

In order to relieve employees' physical and mental stress and help balance family and work, SYSTEX has irregularly held stress relief and health seminars. In 2021, we have held 8 online seminars due to the epidemic prevention with a total of 367 participants. Besides, SYSTEX also provides health information through email and Health UP! APP with a total of 40 articles.



## [Promotion]

### Sports Competition and Worktime Exercise Courses

During the peak of epidemic in 2021, SYSTEX has converted many in-class exercise courses to online courses to help employees stay healthy.

#### ■ SYSTEX Cup 3-on-3 Basketball Competition

In 2021, the 3<sup>rd</sup> Competition was held under compliance with government's epidemic prevention guidelines, with a total of 149 participants from 26 teams in SYSTEX.

**NT\$200,000**

#### ■ Online Sports Competition

SYSTEX held 2 online competitions, "7-Day Walking" with a total of 51 participants and "SYSTEX i-Hiking" with a total of 420 participants. The total expense in 2021 is NT\$34,000.

**471 Participants**

#### ■ Worktime Exercise Courses

SYSTEX employs full-time athletic trainers to provide "worktime exercise courses" and online micro-exercises.

**In-class courses**

■ 948 Participants

**Online courses**

■ 695 Participants

#### ■ Smart Video Coaching Courses

During the epidemic period in 2021, SYSTEX Has held 15 video courses with a total of 75 participants.

### Club Activities

SYSTEX has formulated "Rules of Staff Clubs" to fund club activities, encourage employees to participate various club activities and facilitate communication. The total subsidy in 2021 is NT\$104,000.

### Free Massage

SYSTEX employs visually impaired people to provide massage services in 8 offices in Taipei and Taichung, allowing employees have a free stress-relief massages, while also increasing employment opportunities for disabled people. In 2021, SYSTEX provides a total of 279 massage sessions with 2,258 participants.

### Blood Donation

SYSTEX held 2 blood donation activities, cooperated with the Taipei Blood Center. In 2021, a total of 155 employees participated and a total of 57,500 ml of blood was donated.

- Talent Development

- Diversity of Employment

- Benefits and Rights

- Occupational Health and Safety

- Employee Health Promotion

### [Tracking] Health UP! APP

In 2021, SYSTEX launched the Health Up! APP, integrating various health and exercise data of employees, such as personal medical report data and personal exercise data, allowing employees to keep an eye on their own health status. In 2021, the APP construction costs NT\$3 million, and a total of 865 employees downloaded it.

#### Gamified Health APP

The Health UP! APP provides gamified sports competitions, creating different scenarios based on current affairs topics, such as combining carbon reduction, the Olympics Games and the New World, etc., to inspire participation. The APP also utilizes IoT technology to integrate exercise data from sports equipment, which is then converted into sports points for gift exchange in the future. Besides, it provides health information, making the APP a virtual personal health secretary!

- Downloads**  
865 Downloads
- Smart Video Coaching Courses**  
1,250 Participants
- Cumulative Sports Game Steps**  
>34 Million Steps



### [Tracking] Health UP! APP

#### 3 Health Management Applications

The APP uses 3 application modules, through built-in health check data of the past year, allowing employees to self-check and track their health status, and record activity data, such as length of sleep. Meanwhile, through the built-in activity module, sports competition activities can be quickly generated to increase sports motivation and fun. The built-in application value-added module is connected to the fitness equipment for fitness data integration, and is equipped with a virtual video coach to improve interactivity.



#### Smart Video Coaching Course

Employees' mobile phones are sensor devices, scanning the QR code to start exercise courses, and recording fat burning data to help lose fat effectively. In response to the epidemic, online exercise courses were held and the smart video coach demonstrated movements and performed exercises with employees.

#### Sports Equipment Integrate Data

Combined with the fitness equipment, the Health UP! APP transmits exercise fitness data to the cloud platform of recording and integration, and converts it into specific training data, such as today's calories burned, so that employees not only keep track of their sports performance in times, but also gain a sense of sports achievement.

Adhering to the sustainable spirit of “Tech for Social Good”, SYSTEX has launched various innovative projects in 3 main pillars: “cultivating software talents”, “partner with startups” and “social engagement”.

# Tech for Social Good



Three Main Pillars	56
Cultivate Software Talents	57
Partner with Startups	63
“Social Engagement”	66

Material Topics

Contributing to the SDGs

GRI 413



- Three Main Pillars
- Cultivate Software Talents
- Partner with Startups
- Social Engagement





Young Turing Program,  
2021 TCSA,  
**Social Inclusion Leadership Awards**



Young Turing Program,  
2021 Global Views Monthly,  
**CSR Award: Model Award**



2021 TSAA,  
**Taiwan Sustainability Action Awards: Silver Award**

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

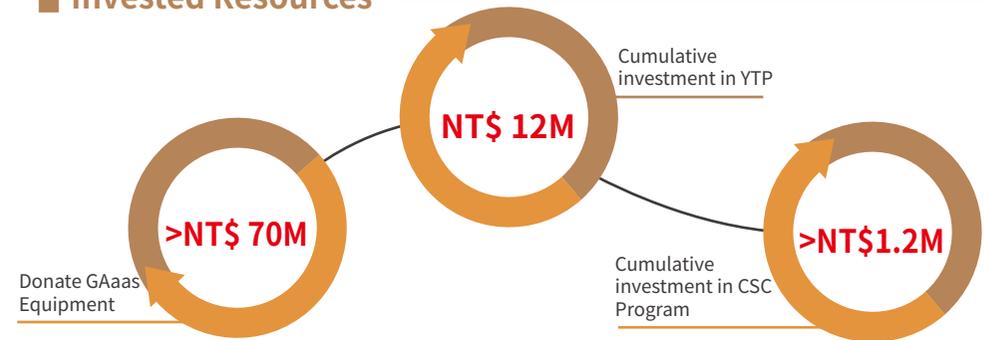
In accordance with the UN SDGs, SYSTEX actively practices corporate social responsibility, takes the expansion of Taiwan's software ecosystem as its own responsibility, assists Startups to expand their business scope, and hopes to cooperate with all walks of life to exert positive impacts.



	2021 Goals	2021 Performance	Achieved Status
Participants of YTP	> 600	804	✓
YTP Team from Junior High School	> 30 teams	43 teams	✓

✓ = Achieved    ⚙️ = Ongoing    ❌ = Missed

### Invested Resources



## Three Main Pillars

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

### Response to the SDGs

According to the UN SDGs and the focus areas of sustainable development identified by the Executive Yuan, SYSTEX actively fulfills its responsibilities, cooperates with all walks of life to exert positive impacts and jointly moves toward a sustainable society in 2030.

### Exert Social Impact

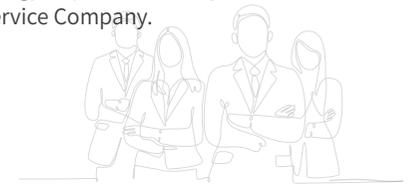
In 2021, SYSTEX carries out the training of software talents courses and activities cooperated with Startups, and social engagement related sponsorship and donations, showing SYSTEX's high investment in technology, so that SYSTEX has been recognized by all walks of life. In 2021, "Young Turing Program, YTP" and "SYSTEX Elite Internship, SEI" won the "TCSA - Social Inclusion Leadership Awards", and the "17<sup>th</sup> CSR Award - Model Award" by Global Views Monthly. In addition, SYSTEX has not only launched the "AI+ Generator Program, AGP" with the mission of implementing SDG 17 and assisting AI Startups to expand their business scope more efficiently, but also help the "Action Intelligences for Social Good Award, AI4SG" to encourage innovative teams and organizations to apply technology for resolving ESG issues. Therefore, SYSTEX won the "2021 Taiwan Sustainability Action Awards - Silver Award" and the "2021 PwC's Sustainability Impact Awards - Technology Impact Award".

Looking forward to the future, SYSTEX promises to continuously invest more resources for social good and make good use of the capability of digital technology to enhance social impacts.



## 2021 Highlights

- Rewarded the “2021 Taiwan Corporate Sustainability Awards - Social Inclusion Leadership Awards” by the Taiwan Institute of Sustainable Energy.
- Rewarded the “17<sup>th</sup> Corporate Social Responsibility Award - Model Award” by the Global Views Monthly.
- Rewarded the “3<sup>rd</sup> Future Education Taiwan 100 - Top 100 educational project” by the Global Views Educational Foundation.
- Rewarded the “1<sup>st</sup> 2021 Taiwan Sustainability Action Awards SDG 17 - Silver Award” by the Taiwan Institute of Sustainable Energy.
- Rewarded the “2021 PwC’s Sustainability Impact Awards - Technology Impact Award” by the PwC Sustainability Service Company.



● Three Main Pillars

● Cultivate Software Talents

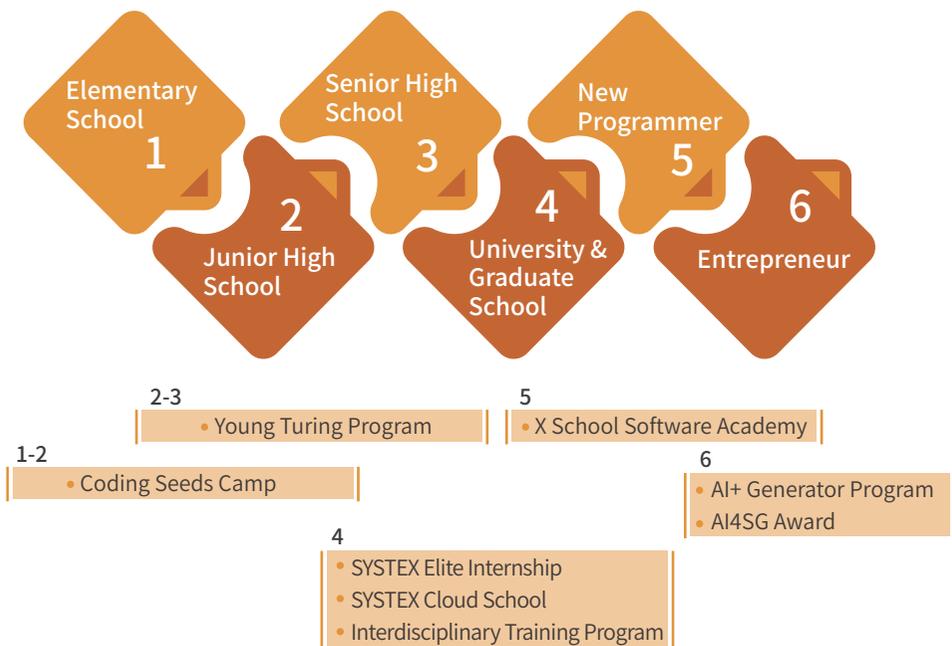
● Partner with Startups

● Social Engagement

# Cultivate Software Talents

Education is the foundation of a country's sustainable development. As global technology changes rapidly, it will drive governments and enterprises to promote digital transformation. Therefore, how to strengthen Taiwan's software core capabilities has become one of the most concerned sustainable issues of SYSTEX. Adhering to the core value of cultivating software talents, SYSTEX develops full-stage training programs to provide the most suitable software training resources for each learning age, such as programming camps, scholarships and internships, etc., hoping to cultivate more outstanding talents and improve the digital competitiveness for Taiwan.

## Full-stage Training Programs for each Learning Age



## Coding Seeds Camp

Cumulative Investment > NT\$1.2M

In order to inspire children's interest in software, SYSTEX held "Coding Seeds Camp" since 2017, planning a programming course suitable for elementary and junior high school students, hoping to cultivate their software engineering thinking and programming skills in advance, and developing their self-learning, innovation, and practical problem-solving ability. SYSTEX also encouraged the children of employees and customers to participate in this camp, so as to strengthen the relationship with customers. As of 2020, the camps have been held 4 times, with a total of 535 children aged 10~14 participating in. In 2021, the camp was suspended due to epidemic prevention.



Cumulatively Nurtured **535** Children

Held for **4** Consecutive Years



Time period: 2017 ~ 2020

## Young Turing Program

[Annual Investment > NT\$2M] The Largest High School Programming Competition held by Taiwan Enterprise

SYSTEX attaches great importance to the cultivation of software talents. In 2021, the 6<sup>th</sup> "Young Turing Program, YTP" has been held, rooted downward to the "junior high school students" for the first time, attracting a total of 274 teams and 804 participants from 131 junior high schools and senior high schools across Taiwan. In addition, in accordance with the global trend of gender equality and promotion for women's participation in the field of information engineering, SYSTEX designed the "Guaranteed Quota for Women" mechanism, as a result of 101 female students participating. We hope that in the future more women will join and show their best performance in the field of information engineering.

### 2021 Performance

For 6 consecutive years, a total of 2,010 students have participated in the YTP. In 2021, the number of participants and teams hit a record high, with 804 students from 131 high school all over Taiwan, including eastern and southern high schools. Besides, SYSTEX also provides full transportation subsidies for participants from eastern Taiwan and the south of Taichung (incl.), encouraging participants in remote areas and contributing to reducing inequality in educational resources.

The 2021 teams performed excellent, with 12 teams conducting research on topics of Metaverse, NFT, AI, Big Data and IoT, etc. Meanwhile, SYSTEX also invited professors from relevant departments of NTU, NTUST and SCU to guide students to creatively implement and solve social problems.

### SYSTEX Volunteers Participate in YTP Promotion

In order to enhance positive impacts on students, SYSTEX called for employees as volunteers to promote YTP in many senior high schools. For the 6 consecutive years, we have reached a total of 2,488 high school students to know more about YTP. In addition, more than 34 people, who have qualified as representatives of the Taiwan International Information Olympia Competition, also participated in the YTP. By the end of 2021, a total of 242 SYSTEX volunteers assisted in promotion and guided the implementation of team projects. SYSTEX also invited students who have attended the YTP to help and share their programming experiences with new participants.

### Variety of Cultivation Resources

The YTP provides various resources to cultivate young talents continuously, so as to encourage them to innovate and start new businesses, and make Taiwan information industry go global. The YTP includes:

- 1 Invite coding experts to provide guidance for outstanding students
- 2 Build a "YTP Platform" to share and discuss advanced technologies and topics
- 3 Hold online or in-class advanced technology activities irregularly

Free competitions and prizes are held to encourage students to continue their professional studies for the future.

Inspiration

Cultivation

Outstanding students passing the "Programming Camp" can get bonuses, scholarships, or opportunities to visit abroad.

Senior High Group



Junior High Group



### Cultivate Next-Generation Elites



Video URL:

<https://www.youtube.com/watch?v=vWkd8V6Oqbs>

- 4 Offer scholarship to encourage outstanding students to improve their skills
- 5 Provide opportunities to visit overseas innovative companies and organizations
- 6 Play the role of an angel fund, mentoring those would like to start a business

- Three Main Pillars
- Cultivate Software Talents
- Partner with Startups
- Social Engagement

## SYSTEX Elite Internship

Since 2014, SYSTEX has launched "SYSTEX Elite Internship, SEI" program, which provides 100 internship places every year, allowing college students to understand the actual work situation of software engineers. Throughout the internship process, SYSTEX assigns mentors to guide the interns to combine school learning with industrial practice to accumulate future outstanding talents!

### 2021 Performance

The purpose of SEI program is to give students an early experience in the workplace and help them find their future career direction before graduation. In 2021, the SEI program was suspended due to epidemic prevention. Through SEI's comprehensive planning, the transfer rate of interns, who participated in internships in 2020 and became permanent employees in 2021, has increased.

#### Various Experiences at the Workplace

SYSTEX provides a variety of internship plans, such as programming, product planning, etc., allowing interns to improve their working skills.



#### Project Planning and Execution

Interns have the opportunities to gain practical work experience through "learning by doing".



#### Training

SYSTEX holds technical training seminars and mentor sharing sessions to allow interns to increase communication opportunities.



### Financial Web Development Engineer Training Course

#### [First 2 months] Newcomer training

- Basic JAVA
- JAVA WEB APP Architecture
- Build a Tomcat server
- Use Log4j and Logback to record logs

#### Work / Projects

- Assist overseas mobile APP test
- Improve QR code P2P security mechanism
- Lucky draw on APP
- Debug or correct functionality

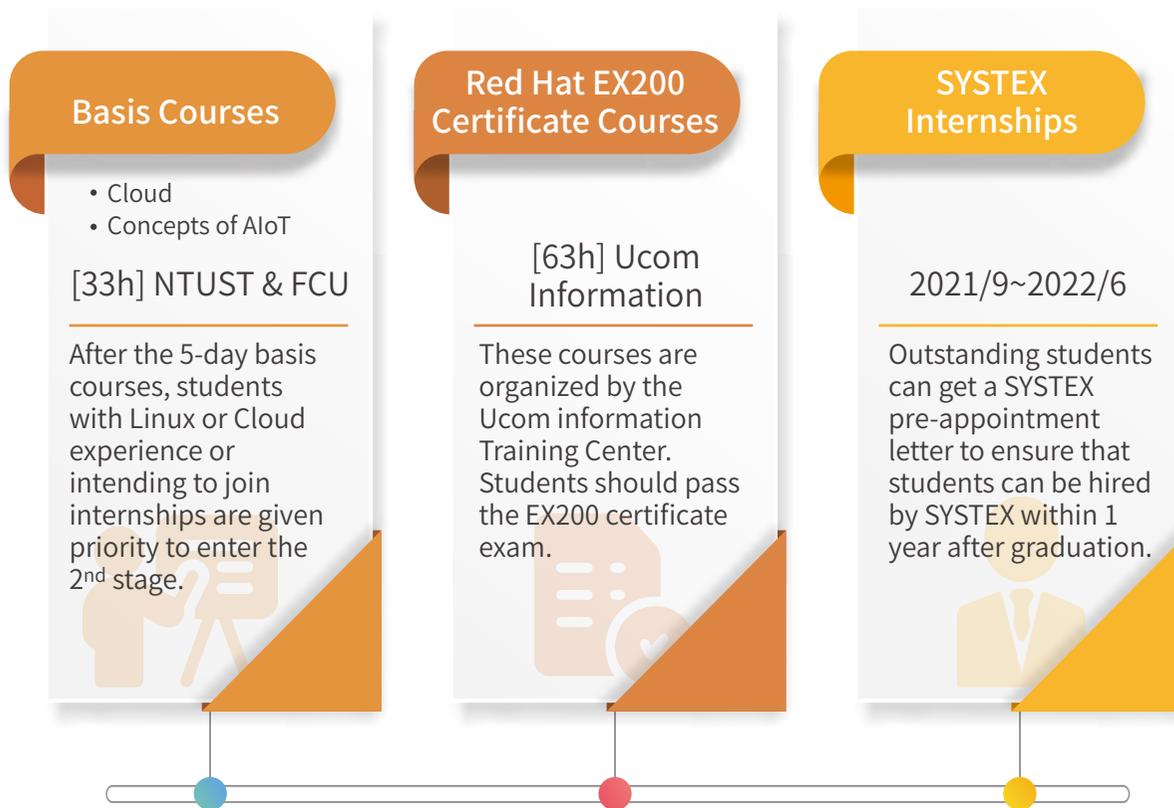


## SYSTEX Cloud School

In 2021, SYSTEX has conducted the 2<sup>nd</sup> "SYSTEX Cloud School" program for cloud and next-generation IT talents, connecting industry needs with academic talents, cultivating college students or master students who are willing to develop towards Cloud, AI, HPC. Therefore, SYSTEX provided 3-stage training courses, including 33-hour cloud basis courses, free quota for Red Hat certificate courses and the SYSTEX internship, so as to cultivate world-class cloud technology talents for Taiwan industries.

The basis courses of 2<sup>nd</sup> SEI invited professors from NTUST, NCU and FCU and other experts to teach the concepts of cloud and AIoT. A total of 163 students from 46 universities and colleges participated in the basis courses, an increase of 167% from 2020, and then 50 students were screened to enter the 2<sup>nd</sup> stage of certificate training. Ultimately, 22 students were selected for SYSTEX internships, working together with SYSTEX cloud experts.

### 3-stage Training



Cultivate Cloud and Next-generation IT Talents



- Three Main Pillars
- Cultivate Software Talents
- Partner with Startups
- Social Engagement

## X School Software Academy

SYSTEX has held the first "X School Software Academy" in 2021. For young people aspiring to become software engineers, SYSTEX provides 8~10 weeks of pre-job training according to industry needs. After entering the program, mentors will lead them to develop problem-solving and logical-thinking skills, and accumulate development experience.

In 2021, a total of 74 people participated in the program. 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.

### Program Features

#### Taiwan's New-generation Software Talents



##### Practice-oriented Training

SYSTEX builds a systematic syllabus, so that trainees can gradually lay a solid technical foundation.



##### Learning Maps for Various Position

Learning maps designed according to various goals make trainees know the core skills of each position.



##### Motivation for Mutual Learning

Work with classmates to use talents and expertise to solve problems and create possibilities.



##### Practical Project Courses

Guide trainees to accumulate the capability of problem-solving and logical-thinking.



##### Elite Mentors

Assign elite mentors to share practical experience to broaden trainees' thinking.



##### At the Starting Position

As a leading enterprise in the information service industry, SYSTEX fully grasps the industrial trend.

## Cultivate Interdisciplinary Talents

Invest NT\$70M in Resources

### NT\$70M to Cultivate World-Class Medical and Technological Talents

With the maturity of AI technology and the increasing demand for applications in the medical field, SYSTEX donated equipment worth more than NT\$70M, including a "Genomics Analytics as a Service, GAaaS" and several high-speed network switch for "High Performance Computing", to build a world-class "Gene Analysis Laboratory" for National Yang Ming Chiao Tung University (NYCU). Meanwhile, SYSTEX also cooperated with them to set up an industry-academia collaboration project, which provides students with study subsidies during their studies and job opportunities in SYSTEX after graduation.



## Corporate Visits and Campus Lectures

In 2021, due to epidemic prevention, the SYSTEX headquarters building was not open to the public for visitors, so that SYSTEX has only arranged 1 online meeting for the "Summer camp" of the computer information clubs of NEHS, NCHS and NGHS, with a total of 60 participants.

In order to promote the inheritance and sharing of experience, SYSTEX held several campus lectures with its senior executives, so that students can understand the industrial trends and practical experience. There were 14 campus lectures with topics such as "Job Preparation in the Post-epidemic Era", "Software Engineer Career Planning" and "Strengthen Ability to Meet Future Challenges", etc.



▲ Department of Information Management, NSYSU



▲ Department of Computer Science and Engineering, NTOU



▲ Career Center, NTNU



▲ Department of MIIA, FJU

## Information Security Esports Competition

For strengthening the IS defense capabilities of enterprises and organizations and promoting exchanges between IS talents, SYSTEX joined hands with Taiwan Cyber Security Alliance and National Center of High-performance Computing to hold the 4<sup>th</sup> "Red Alert IS Attack and Defense Esports Competition". The 4<sup>th</sup> Competition is divided into 3 scenarios, including data rescue, system enhancement and IS data analysis, to improve the IS capabilities for data analysis and daily operation. A total of 48 people from 12 teams participated in online preliminary round, and 10 teams entered the finals.

The competition uses hacking methods to allow participants to simulate the actual IS problems encountered in the daily operations, improving their resilience when encountering threats. With actual combat experience, participants can also verify the enterprise IS protection network and find hidden IS problems.



- Three Main Pillars
- Cultivate Software Talents
- Partner with Startups
- Social Engagement

# Partner with Startups

2021 TSAA Silver Award

## AI+ Generator Program

Connect with Customers and Accelerate Global Business

Although there are several AI Startups with market potential in Taiwan, it still lacks the key elements of the overall ecosystem: software and data. In order to fill the gap in AI development for Taiwan, SYSTEX has launched the "AI+ Generator Program, AGP" in 2018, hoping to help AI Startups become more efficient in market expansion and customer go-to-market.



### Matching AI Startups and Client Collaborations

To achieve business success, Startups not only have to invest in growth momentum, but also to build up contact network with customers. Startups participating in AGP can optimize business model with more than 50 executives and external experts, connect with more than 50 AI ecosystem partners of SYSTEX, and further reach more than 30,000 companies through SYSTEX customer matchmaking.



## Connect with International Startup Resources

SYSTEX focuses on the "market verification and internationalization" of products of AI Startups. Through AGP, SYSTEX partners with external incubators, accelerators and innovation centers to help next-generation AI entrepreneurs to build better business foundation, and to connect corporate customers with promising AI solutions.

### [AGP & AI4SG Award] 2021 TSAA Silver Award

Due to the initiation of the "AI+ Generator Program, AGP" with the mission of implementing SDG 17 for assisting AI Startups to expand their business scope more efficiently and the "Action Intelligences for Social Good Award, AI4SG Award" to encourage innovative teams and organizations apply technology to solve ESG issues, SYSTEX won the "2021 Taiwan Sustainability Action Awards - Silver Award" .



## Finding Potential AI Startups

In order to find potential AI Startups, SYSTEX has held the 4<sup>th</sup> “AI+ Generator Program” with a total of 8 Startups selected in 2021.

2021 Startups  
Selected  
**8 startups**

<b>IoNetworks</b>	Provide AI imaging solutions and cooperate with Qualcomm to use AI SoC algorithms for terminal devices, which are applied to large-scale AI services and devices on the city scale, such as traffic analysis, etc.
<b>Giftpack</b>	Through AI data analysis technology to solve problems of customizing a large number of gifts, people can select the most suitable gift for each recipient from products around the world quickly and send it to recipient all over the world.
<b>AIBDT</b>	Use big data to provide AI analysis solutions for improving yield rate. The efficient computing back-end system and development process of digitization, and automation can help improve efficiency of production line.
<b>KryptoGo</b>	The KYC/AML solution allows customers to complete digital identity verification, customer due diligence, and cryptocurrency transaction monitoring in one-stop, so as to greatly save KYC/AML operation time.
<b>Chimes AI</b>	The code-free AI modeling and management platform can optimize AI projects for improvement of internal operation schedule and cross-function collaboration, such as carbon emissions and energy consumption calculations.
<b>Authme</b>	Combined with detection technology, high-accuracy document inspection and anti-counterfeiting detection systems, it can help to identify users more efficiently, accurately and safely while ensuring process compliance.
<b>Uniigym</b>	Through motion sensing, skeleton comparison and gamification content, users can exercise at any time with their mobile phones. Meanwhile, it assists fitness companies to provide with more virtual and real integration services.
<b>XREX</b>	Through high-IS-standard blockchain technology, it provides a one-stop solution for cryptocurrencies, allowing enterprise customers to set up hierarchical control and ensure transparency of each digital asset, while allowing general customers to

## Successfully Connect with Global Industrial Customers

The AGP can help expand Taiwan’s AI ecosystem and accelerate AI applications. A total of 29 Startups have been selected for 4 consecutive years and then achieved promising results after rigorous collaboration.

Cumulative Team  
**29 teams**



### [Case] Successfully Help Connect with Multinational Manufacturing Customers

After joining AGP, NADI, which focuses on providing intelligent operation solutions, connects with enterprise customers with the assistance of SYSTEX and provides services introduced into a new-generation of smart manufacturing factory in Southeast Asia, increasing 20% efficiency, 10% net profit, and 9 times of the human-machine ratio.

### [Case] Assist +50 Enterprises Realize Smart Manufacturing

Profet AI, which provides the learning code-free solutions of automated machine, has assisted more than 50 Taiwan's customers to introduce AI technology in advance, so as to help manufacturing customers achieve smart manufacturing.

- Three Main Pillars
- Cultivate Software Talents
- Partner with Startups
- Social Engagement

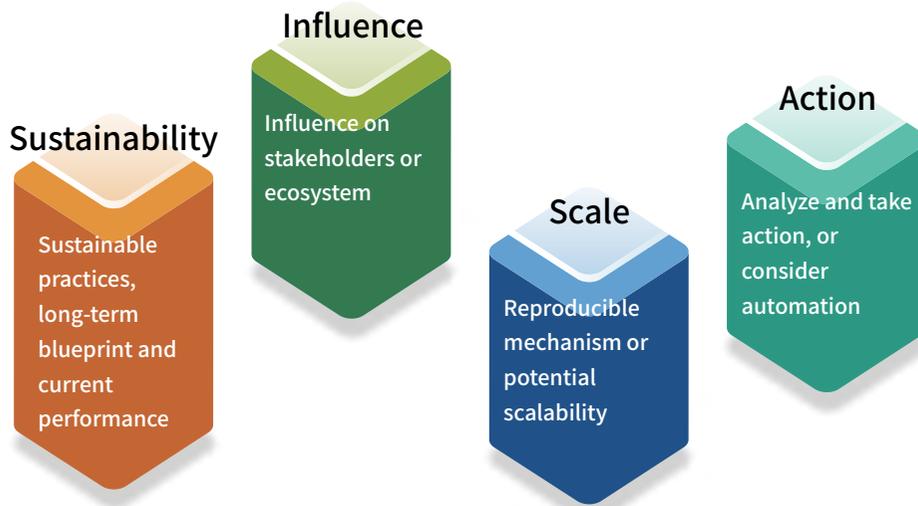
## AI4SG Award

5<sup>th</sup> PwC's Sustainability Impact Awards

Adhering to the sustainable spirit of "Tech for Social Good", SYSTEX organized "Action Intelligence for Social Good Award, AI4SG Award" program to encourage innovative teams and organizations to apply technology for resolving ESG issues in line with the UN SDGs.

Since 2018, SYSTEX launched the first "AI4SG Award" to find and select several teams according to 4 criteria of "sustainability, influence, scale and action", hoping to expand the sustainable impact through rewarding and promoting their successful cases.

### 4 Criteria



### [AI4SG Award] Rewarded PwC's Sustainability Impact Awards

In order to encourage companies and organizations to solve ESG issues through technology and promote social good, SYSTEX launched "AI4SG Award" to join hands with Startups and organizations to create positive impact on society and deliver their moving story. As a result, SYSTEX has been rewarded the 5<sup>th</sup> "2021 PwC's Sustainability Impact Awards - Technology Impact Award".



### [AI4SG Award] Create a Sustainable Future for ESG



Video URL: <https://www.youtube.com/watch?v=YHgrH2iH5Gw>

### SDG17 - Partnerships for the Goals

SYSTEX has organized the 2<sup>nd</sup> "AI4SG Awards". The features of the winning projects include outstanding cases of supporting the sustainable development of agriculture and fisheries and helping people with severe disabilities to participate in society, and have received a prize of NT\$50,000. Accumulated to the 2<sup>nd</sup> session, 10 teams have won awards and the 3<sup>rd</sup> is expected to be held by the end of 2022. In addition to offering prizes, SYSTEX also helps promote solutions for winning projects and connect with all business customers and ecosystem partners, and jointly solves ESG issues through technology applications, so as to jointly achieve sustainability in line with SDG 17.

# Social Engagement

## Improve Education in Remote Areas

SYSTEX believes that improving the inequality in educational resources is an important part of cultivating youth. In 2020 and 2021, SYSTEX has continuously cooperated with PaGamO's "Future Literacy School" Program, donating a total of NT\$1M to Yongan Elementary School and Quhejian Elementary School in Taoyuan City and donated more than 200 books of SYSTEX-owned "Delight Press", to help children in remote areas improve their reading literacy and creative thinking.

After a year of study, the Quhejian Elementary School with only 100 students have improved their reading literacy. Among them, some students represented to participate in "Taoyuan City Composition Competition" and won the 2<sup>nd</sup> Prize, so that SYSTEX plans to invest more in cultivating children.

Another Yongan Elementary School located near Yong'an Fishing Port is a remote school. Parents of many students have to work long hours and many students are grandparenting. Therefore, the school not only provides opportunities of after school learning, but also actively strives for PaGamO resources to assist students improve their learning outcomes.

## Track Learning Outcomes with Data

Through systematic learning data tracking, the PaGamO program can understand whether students in remote areas have been properly improved, so that more organizations can optimize their participation in social practice and cultivate remote children to become future talents.

## Nepal Library Program – Donated 4,000 English Children's Books

Delight Press, a publishing company under the SYSTEX Group, responded to the "Calls over Ridges" dedicated to global planting education, donating 4,000 English children's books to support the Nepali Library Program to expand the impact of reading.



- Three Main Pillars
- Cultivate Software Talents
- Partner with Startups
- Social Engagement

## NTNU "Dream Come True Program"

Scholarship of NT\$1M

In 2021, SYSTEX donated a scholarship of NT\$1M in the "Dream Come True Program" of National Taiwan Normal University to encourage students to implement innovative action plans and cultivate students' spirit of independent learning and altruism. Students' proposals should conform to the concepts of "humanistic care, innovation, entrepreneurship and applications" to make society better.

2021 performance: A total of 23 students applied, 14 students passed and won scholarships, and their proposals were posted on the Facebook's program page, spreading good deeds.

<b>Participants</b>	Department students of business administration, information education, social work, mechatronics engineering, etc.
<b>Proposals</b>	Gamification interactive technology, mental health promotion web page for burned patients, glucose sensor precision, start exercise-humanistic care, etc.

Website: <https://reurl.cc/j1G3Qg>

## Public Welfare for Epidemic Prevention

NT\$3.342M of Materials

In June 2021, the epidemic situation was severe, SYSTEX voluntarily donated a total of 10,000 pieces of protective clothing of NT\$3.342M to 7 medical organizations in Taipei City and New Taipei City, such as Taipei Veterans General Hospital, etc., in order to relieve the pressure on the supply of medical materials and help Taiwan overcome the epidemic.



## Support Sports Development

### Sponsor NTNU Men's Basketball Team

Donate NT\$2M

National Taiwan Normal University has cultivated elite athletes for many years. In order to support sports development, SYSTEX has donated dream sponsorship funds of NT\$2M to encourage national players to actively participate in global competition in 2021. In addition, we also planned to jointly hold a summer basketball camp at a remote school in Taoyuan City, so that the NTNU basketball team can teach the elementary school students basketball skills to make schoolchildren healthier and happier!

### Support the Sailing Team for the Olympics

Donate NT\$0.2M

In 2021, SYSTEX has donated NT\$200,000 to the sailing team of National Shuili Vocational High School of Commerce and Industry to support athletes to do well in training to qualify for the Olympics.

### Host National Corporate Basketball Competition

Sponsor NT\$1M

In order to make employees healthier, SYSTEX spent NT\$1M to hold the first "SYSTEX Corporate Basketball Competition" in 2021 and invited companies to participate. A total of 21 companies participated and held 3 games. However, subsequent games were suspended due to the epidemic.



Based on 3 environmental-related ISO certifications:

ISO 14001, ISO 14064-1, ISO 50001, SYSTEX develops various green technologies and innovative services as the key strategy to achieve the goal of “Net Zero by 2050” .

# Environment Sustainability



Environmental Sustainability Policy	70
Energy Management	72
Greenhouse Gas Management	73

Material Topics

Contributing to the SDGs

GRI 302-1  
305





# Highlight



3 Environmental-related certifications

**ISO 14001 ISO 50001  
ISO 14064-1**



Environmental Protection Administration

**Green Procurement Enterprises**

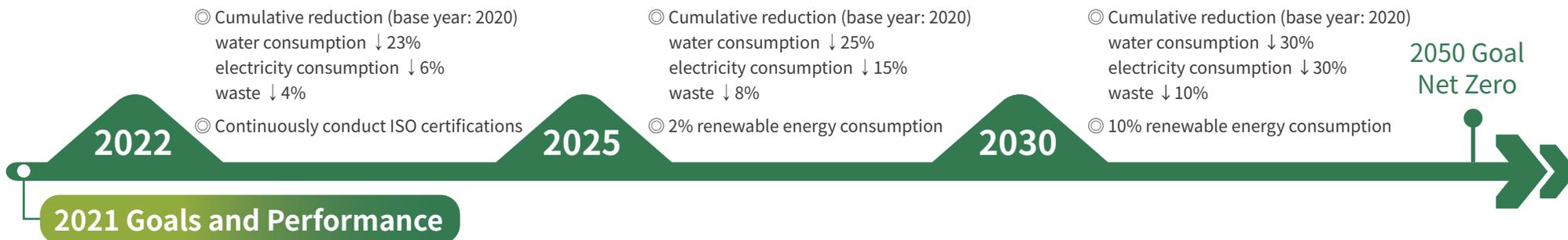


2050 Goal

**Net Zero**

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

Make good use of SYSTEX's core technical capabilities of "Software, Data and Algorithm" to achieve the 2050 goal of net zero emissions through green operations and continuously innovate green technology to assist clients to realize low-carbon transformation.

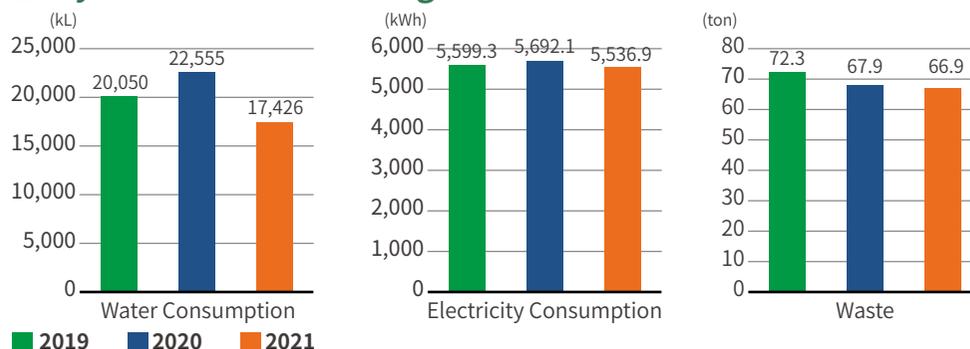


### 2021 Goals and Performance

	2021 Goals	2021 Performance	Achieved Status
Water Consumption	- 1%	- 23%	✓
Electricity Consumption	- 3%	- 3%	✓
Waste	- 1%	- 2%	✓

✓ = Achieved    ⚙️ = Ongoing    ❌ = Missed

### 3-year Performance Progress



# Environmental Sustainability Policy

For truly understand potential impacts of extreme weather on operations, SYSTEX has successfully obtained 3 environmental-related certifications in 2021: ISO 14001, ISO 14064-1 and ISO 50001, to effectively manage environmental performance and reduce negative impacts.

## Environmental Sustainability Management Mechanism

Through the mechanism of continuous operation management, SYSTEX formulated the corresponding actions for possible natural disasters, fires, typhoons and power interruptions, etc., to ensure that operations can be resumed quickly while disasters occur. The environmental sustainability policy of SYSTEX is based on 3 environmental ISO certifications to implement 5 action plans, so as to achieve carbon reduction targets.



### Environmental Sustainability Policy

#### 3 Environmental-related ISO Certifications

- ISO 14064-1
- ISO 14001
- ISO 50001



#### 5 Action Plans

- 01 Net Zero Emissions
- 02 Green Procurement
- 03 Training
- 04 Technology Application
- 05 Regulatory Compliance



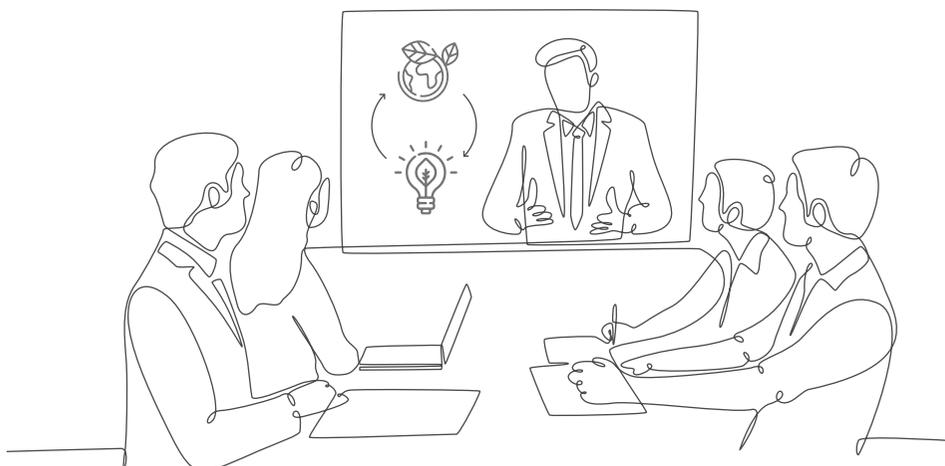
## 5 Action Plans

Category	Net Zero Emissions	Green Procurement	Technology Application	Training	Regulatory Compliance
Actions	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".	Strengthen green procurement to make suppliers comply with the green trends and jointly realize environmental protection.	Continuously develop digital system services and applications to build a low-carbon industrial ecosystem with paperless operations.	Conduct internal training to raise awareness about environmental and OHS, so as to ensure employees health and safety, and prevent diseases or workplace hazards.	Comply with government regulations for environmental protection and respond to government energy conservation policies.
Performance	Successfully obtain certifications of ISO 14001, ISO 14064-1 and ISO 50001, and continuously operate management system effectively.	Purchase green products first in general procurement and was rewarded the "Green Procurement Enterprises" by the Environmental Protection Administration.	In 2021, a total of 2,581 large-scale online meetings with more than 10 people and more than 30 minutes were held.	A total of 10 in-class courses were held in 2021, with a total of 602 participants and 903 hrs. and a training rate of 100%.	In 2021, no violations of environmental laws and regulations occurred.

## Commitment to Net Zero Emissions

Committed to Achieving the Goal of "Net Zero by 2050"

In order to limit global warming to 1.5°C, the world is committed to achieving "Net Zero Emissions by 2050". According to the global trend, SYSTEX also announced to achieve net zero emissions by 2050 and planned to become a model of climate mitigation in Taiwan's information service industry through the following 6 methods and then formulated carbon reduction paths in line with the "Science Based Targets initiative".



## Targets of Net Zero Emissions and Performance

### Emission Management

#### 2021 Performance

- Support green energy policy: purchase 72,000 kWh of t-RECs with renewable energy rate of 1.3%
- Complete 2021 Greenhouse Gas Inventory and obtain ISO 14064-1 Verification
- GHG emissions decreased by 7.1% from the previous year

**2022 Goal** Purchase 10,000 kWh of renewable energy

**2050 Goal** Achieve the goal of "Net Zero Emissions"

### Energy Management

#### 2021 Performance

- Replace energy-consuming air conditions in data centers
- Evaluate the efficiency of parallel chillers for optimization through energy management system
- Obtain ISO 50001 Certificate
- Cumulatively reduce electricity consumption by 3% from the previous year

**2022 Goal** Cumulative reduction in electricity consumption (base year: 2020) 6%

**2030 Goal** 30%

### Water Stewardship

#### 2021 Performance

- Check water quality of water dispenser every 3 months
- Set up water-saving equipment
- Promote the water-saving awareness

**2022 Goal** Cumulative reduction in water consumption (base year: 2020) 23%

**2030 Goal** 30%

### Environment Management

#### 2021 Performance

- Obtain ISO14001 Certificate
- Actively implement garbage classification and recycling
- Cumulatively reduce waste by 2% from the previous year

**2022 Goal** Maintain and renew 3 ISO certifications

Cumulative reduction in waste (base year: 2020) 4%

**2030 Goal** 10%

## Energy Management

### Energy Conservation Measures



Air Conditioners

SYSTEX continues to replace the water pump of air-conditioning units to effectively improve the energy conservation performance. In 2022, we plan to replace 4 energy-consuming air-conditioning units in the data centers, with an estimated power saving rate of 25.9% and a total power saving of 243,000 kWh.



Energy-saving Lamps

SYSTEX collects, tracks, records and analyzes all energy data through its smart energy management systems to optimize the use efficiency of energy related equipment, thereby achieving the purpose of carbon reduction, with an estimated power saving of 50,000 kWh.



Promotional Signs

SYSTEX has posted the calorie-consuming charts in the stairwell at the headquarters building, and also promoted health signs to encourage employees to exercise more in response to carbon reduction and health promotion.

### Renewable Energy

In 2021, SYSTEX purchased 72,000 kWh of t-RECs, with a total carbon emission reduction of 42.9 tonCO<sub>2</sub>e and a renewable energy rate of 1.3%.

#### 2021 Energy Consumption Table

Electricity Consumption (kWh)	Renewable Energy (kWh)	Renewable Energy Rate	Emissions (tonCO <sub>2</sub> e)	
			Location-based	Market-based
5,536,879.45	72,000	1.3%	2,779.51	2,743.37

### Monitoring Plan through Environment and Energy Management System

Monitoring Items	Indicators	Approach	Frequency
Drinking water quality	E. coli	Outsourcing	Quarterly
Greenhouse Gas Inventory	GHG emission	Internal	Annually
Fire Drill	Drill	Internal	Semiannually
Water consumption in offices	Water use	Internal	Monthly
General waste in offices	Waste weight	Outsourcing	Monthly
Recycling waste in offices	Recycling weight	Outsourcing	Quarterly
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 action plans	--	Internal	Irregularly
Energy data collection plans	--	Monitoring System	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

# Greenhouse Gas Management

## Greenhouse Gas Inventory

In order to measure GHG emissions more accurately, SYSTEX conducts GHG Inventory according to the guidelines of "ISO 14064-1: 2018" and collects the inventory results to plan for future improvement plans. For the inventory, SYSTEX has set up a "GHG Inventory Committee" to prepare audit reports and to conduct data audit according to the "Internal Audit Management Procedures", and then entrusted an independent 3-party to conduct external audit, ensuring its correctness and completeness. The boundary of GHG inventory is the headquarters building.

In 2021, the total GHG emissions of the SYSTEX headquarters building was 3,353.6 tonCO<sub>2</sub>e, of which the electricity consumption accounted for the highest proportion of emissions, reaching 82.88%.

### 2021 Greenhouse Gas Emissions

Category		Emission Source	Emissions (tonCO <sub>2</sub> e)	Total (tonCO <sub>2</sub> e)	
C1	Direct GHG emissions	Stationary combustion	0	7.2465	
		Mobile combustion	4.0804		
		Fugitive (anthropogenic systems)	3.1661		
C2	Indirect GHG emissions from imported energy	Imported electricity	2,779.5135	2,779.5135	
C3	Indirect GHG emissions from transportation	Employee commuting and business travels	Business travel by THSR	3.7448	35.4164
			Business travel by airplanes	7.3439	
			Business travel by taxi	24.3277	
C4	Indirect GHG emissions from products used by organization	Purchased goods	Indirect carbon footprint of electricity	511.0540	531.4660
		Disposal of waste	Disposal of general waste	20.4120	
C5	Indirect GHG emissions associated with the use of products from the organization	No significant emissions			
C6	Indirect GHG emissions from other sources	No significant emissions			

- Category 1

SYSTEX counts emission sources in the headquarters building, including the sources of stationary combustion, mobile combustion and fugitive.

- 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.

- Emission Factor

The emission factors are based on the latest data published by the IPCC, EPA or relevant authorities.

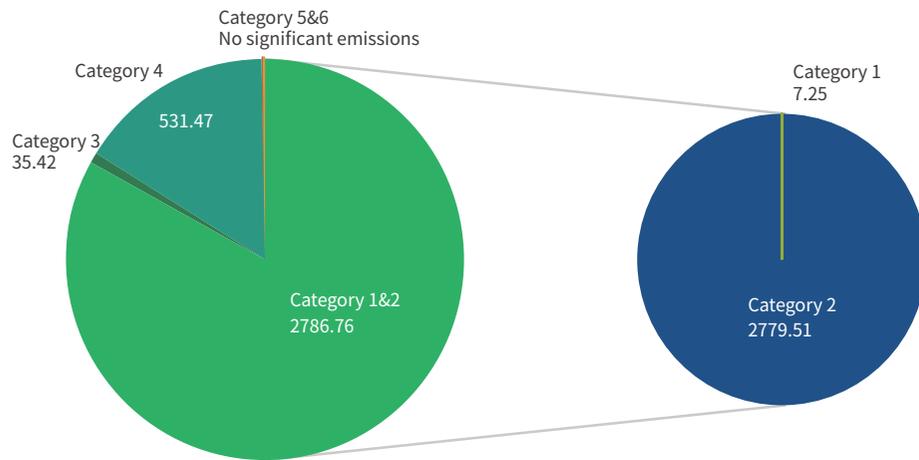
## Greenhouse Gas Inventory and Verification

SYSTEX conducts GHG verification every year according to the "Internal Audit Management Procedures" with the operation management unit as the internal auditor, and then entrusts a 3-party organization to conduct sampling verification. Therefore, the GHG inventory results are used to evaluate GHG emission reduction and improvement measures.

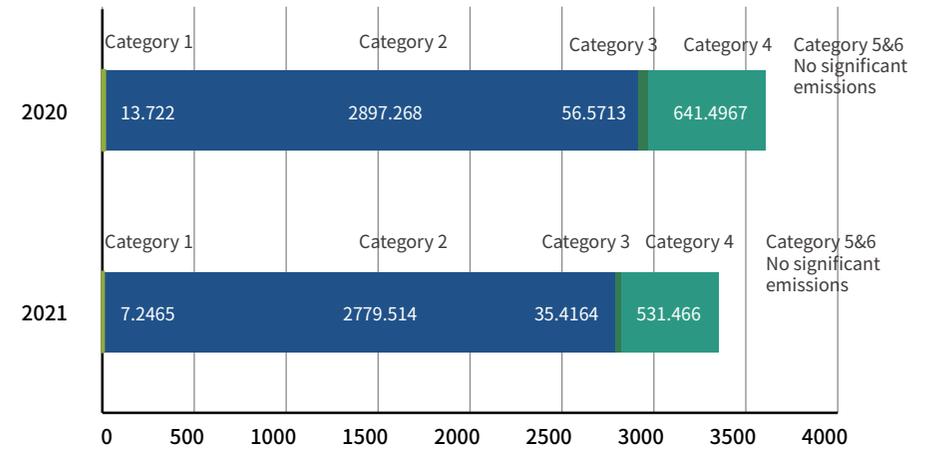
### Direct GHG Emissions (category 1)

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
Emissions (ton CO <sub>2</sub> e / year)	3.9209	0.0396	0.1199	3.1661	0	0	0	7.2465
Proportion (%)	54.11%	0.54%	1.66%	43.69%	0.00%	0.00%	0.00%	100.00%

### GHG Emissions of all Categories (tonCO<sub>2</sub>e)



2021 GHG Emissions in Headquarters Building (tonCO<sub>2</sub>e)



2020 & 2021 GHG Emissions at Headquarters Building (tonCO<sub>2</sub>e)

■ Category 1&2 
 ■ Category 3 
 ■ Category 4 
 ■ Category 5 
 ■ Category 6 
 ■ Category 1 
 ■ Category 2 
 ■ Category 3 
 ■ Category 4 
 ■ Category 5 
 ■ Category 6

## Resource Management Action Plan

### Office 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. At the same time, in accordance with “Personal Data Protection Act” and awareness of resource regeneration, the confidential documents are regularly collected and destroyed.

#### 2021 Performance

SYSTEX promotes the reuse of waste paper internally, replacing paper forms with digital systems and using rental eco-friendly copy machines with EPA-certified eco-labels. In 2021, a total of 2.497M sheets was used, with a decrease of 178,000 sheets compared with 2020.

#### Paper Usage Reduction

Reduce Paper Usage	Reduce Carbon Emissions
178,000 sheets	996.8 kgCO <sub>2</sub> e

#### 2022 Goal

Reduce paper usage by 250,000 sheets.

### Office Waste Management

Since SYSTEX is an IT service provider, it doesn't generate hazardous 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 and reduce damage to the environment. Besides, the recyclers also collect monthly waste-related data for us to improve waste management.

#### 2021 Performance

In 2021, SYSTEX generated a total waste of 66.9 tons, with a decrease of 1 ton compared with 2020.

#### Waste Reduction

Reduce Waste	Reduce Carbon Emissions
1 ton	444 kgCO <sub>2</sub> e

#### 2022 Goal

Cumulatively reduce waste by 4% (base year: 2020).

### Water Stewardship

The SYSTEX headquarters building is fully equipped with sensor faucets and water economizers of toilets to save water. In addition, SYSTEX also puts up the water-saving signs in the pantry room to promote environment protection.

#### 2021 Performance

In 2021, a total water consumption was 17,426 kL, with a decrease of 5,129 kL compared with 2020 due to remote work measures for epidemic prevention.

#### Water Consumption Reduction

Reduce Water Use	Reduce Carbon Emissions
5,129 kL	284.1 kgCO <sub>2</sub> e

#### 2022 Goal

Cumulatively reduce water by 23% (base year: 2020).

SYSTEMEX is committed to promoting sustainable development,  
hoping to work with customers and suppliers  
to fulfill corporate social responsibility.

# Supply Chain Management



Customer Relations	78
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Contributing to the SDGs







Obtain PMP / ACP  
**80 Certificates**



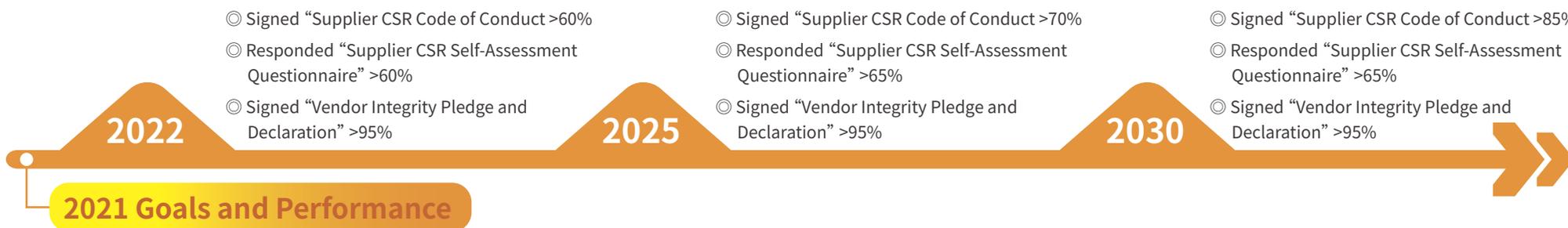
Key Suppliers Sign “Supplier CSR Code of Conduct”  
**100%**



“SYSTEX Partner APP” Joined Suppliers  
**>500**

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

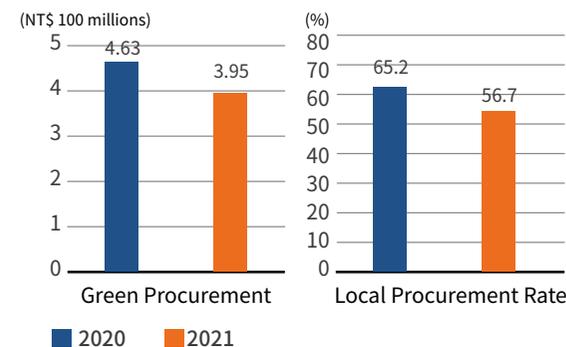
SYSTEX provides customers with professional services, actively meets with their requirements for sustainable development, and establishes a solid partnership with them, while also responding to the sustainability management of the supply chain to bring positive impacts on suppliers and achieve sustainable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



	2021 Goals	2021 Performance	Achieved Status
Signed “Vendor Integrity Pledge and Declaration”	90%	>99%	✓
Signed “Supplier CSR Code of Conduct”	50%	41%	🌀
Responded “Supplier CSR Self-Assessment Questionnaire”	50%	50%	✓

✓ = Achieved    🌀 = Ongoing    ⚠ = Missed

### 2-year Performance Progress



Signed “Vendor Integrity Pledge and Declaration” by Key Suppliers 100%

Note: The statistics have not been carried out yet in 2019, so we provide the data for 2020 and 2021.

# Customer Relations

## Professional Service Team

SYSTEX has a Project Management Office (PMO) to centrally manage its customers' projects and control project risks to ensure that the project manager (PM) can lead the project team to complete projects on schedule, on good quality and on budget, creating values for customers and providing high-satisfaction products and services.

### Project Management

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 conduct PM evaluation for half a year and to reward outstanding PMs. In addition, SYSTEX continues to carry out PM-related training courses and invites senior PMs to educate practical experience, so as to improve management capabilities of junior PMs and enrich their minds. In 2021, a total participants of PM training courses were 232 with a total of 2,820 training hours.

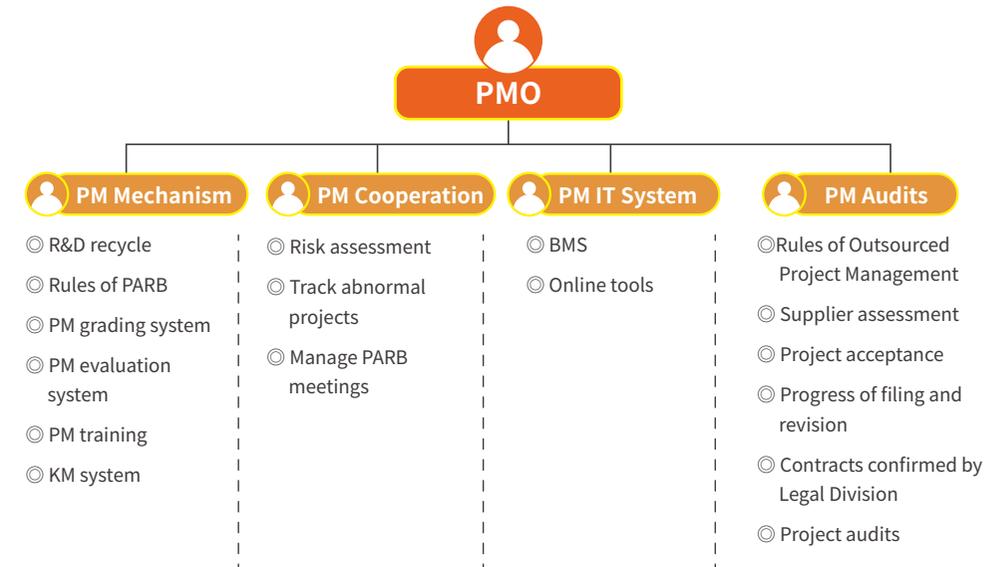
In order to set up a high-quality PM management team, PMO promotes the "PMP Training Courses". At present, SYSTEX has obtained 80 PMP/ACP certificates, serving as a strong professional PM team.

### Project Management IT System

SYSTEX has built a project management platform, through BMS and online tools, to conduct risk assessments, master project progress and track abnormal projects, and further to hold review meetings timely, providing 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 hold audits regularly in order to conduct supplier assessment and manage project acceptance.



- Customer Relations
- Supplier Sustainability Management
- Local Procurement

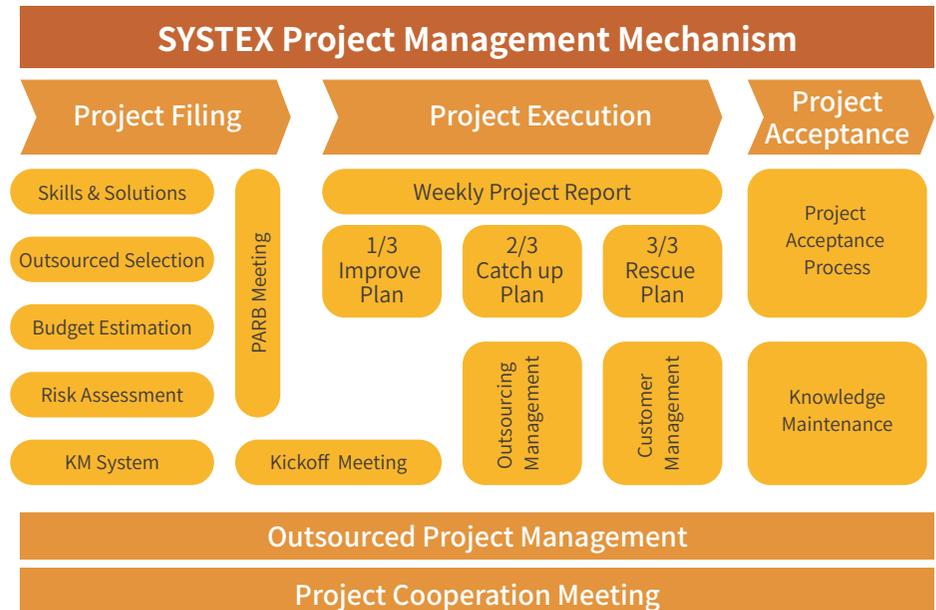
## Service Quality

As the largest IT service provider in Taiwan, SYSTEX undertakes projects across in various fields, ranging from small to large and complex, accumulating more than 30,000 customers. In order to manage projects effectively, SYSTEX has developed a project management mechanism, built a related IT system and platform, so that PMs and team members can manage and evaluate the current status of projects to execute more smoothly. Since the project inception, the project teams collaborate with skills and solutions to ensure the delivery of high-quality products and services, and strictly manage budgets and risks through outsourced selection and assessment mechanisms. PMs also hold regular project meetings to maintain good relationship with customers during execution, and hold an acceptance meeting before the end of the project. Finally, project performance is reviewed against system data and then appropriately maintained in the PM system as the organizational assets.

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

### Be the Best Sustainable Partner of Customers

SYSTEX not only provides professional services, but also actively meets with customers' requirements for sustainable development, so that SYSTEX has been awarded by customers, such as Excellent Supplier from China Development Financial Holdings for 2 consecutive years, Supplier ESG Model from Yuanta Financial Holdings, and Best distributor of Microsoft PURE STORAGE of the year, establishing a solid long-term partnership with customers.



# Supplier Sustainability Management

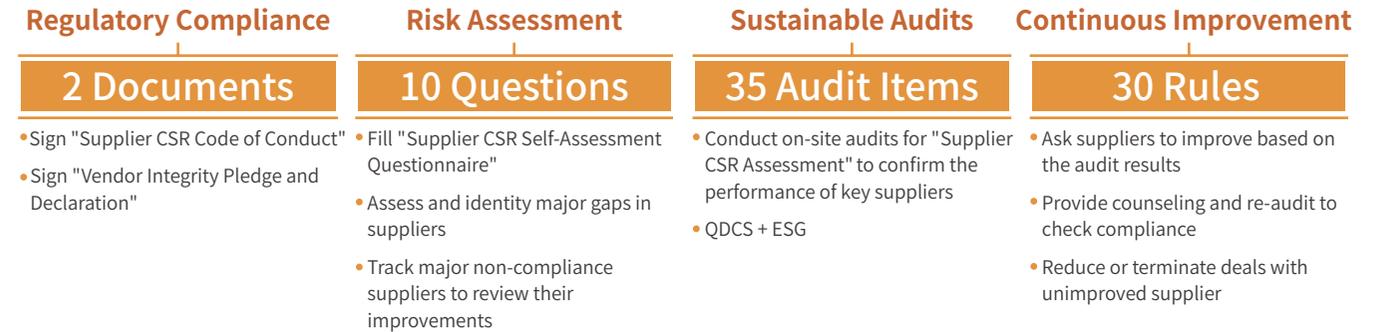
SYSTEX is committed to implementing social responsibility and protecting basic human rights, expecting all suppliers can adopt the same standards and fulfill CSR together. Therefore, SYSTEX has developed "Supplier CSR Code of Conduct", which requires suppliers of SYSTEX and its affiliates to comply with the laws and regulations of the places where they conduct business activities.

SYSTEX has 4 types of suppliers including Software Original, Affiliates, Distributors and Outsourcers. By 2021, a total of 1,525 suppliers have signed "Vendor Integrity Pledge and Declaration" (>99% signed), and more than 500 suppliers have joined the "SYSTEX Partner APP". Meanwhile, "Supplier CSR Code of Conduct" was officially adopted in April 2021, and a total of 615 suppliers signed documents, including 79 key suppliers (100% signed).

Every year, SYSTEX has conducted on-site audits on high-risk suppliers. Affected by the epidemic, SYSTEX replaced on-site audits with documentary audits and 22 key suppliers have passed the audits in 2021. In the future, 20 ~ 25 key suppliers will be audited every year to implement sustainable management policy.

SYSTEX looks forward to working with suppliers to strengthen innovation and partnerships in the IT ecosystem.

## Supplier Sustainability Management Process



## 2021 Performance



## Supplier Screening

SYSTEX positively influences suppliers through actual procurement actions. When screening new suppliers, we require them to sign "Supplier CSR Code of Conduct" and "Vendor Integrity Pledge and Declaration" in accordance with "Supplier Sustainability Management Process". In addition to meeting the needs of project customers, we also consider suppliers' service quality, sustainable development and integrity management, etc. Besides, SYSTEX conducts annual assessments based on the existing list of excellent suppliers or adds recommended suppliers to the list.

For suppliers who fail the assessment or are on the "Rejection List" published by the Public Construction Commission, SYSTEX classifies them as unqualified suppliers and terminates deals. If the supplier has a significant negative impact on the society, we will take the initiative to include it on unqualified list after verification. Unqualified suppliers have to go through the above process to resume transaction.

## Assessment of Excellent Suppliers and on-Site Audit

### Assessment of Excellent Suppliers

SYSTEX conducts annual assessments of excellent suppliers and then ranks them according to their score. In 2021, the total number of excellent suppliers were 26.

Class A	85~100 points	Qualified excellent suppliers
Class B	71~85 points	Suppliers with 3 consecutive Class B will be removed from the list of qualified suppliers.
Class C	Under 70 points	Removed from the list of qualified suppliers

Note: According to the "Rules of Procurement", suppliers with less than 5% overdue can be qualified suppliers. If the supplier is more than 5% overdue, but the score is over 85 points, it can still be a qualified supplier.

### Supplier CSR Code of Conduct

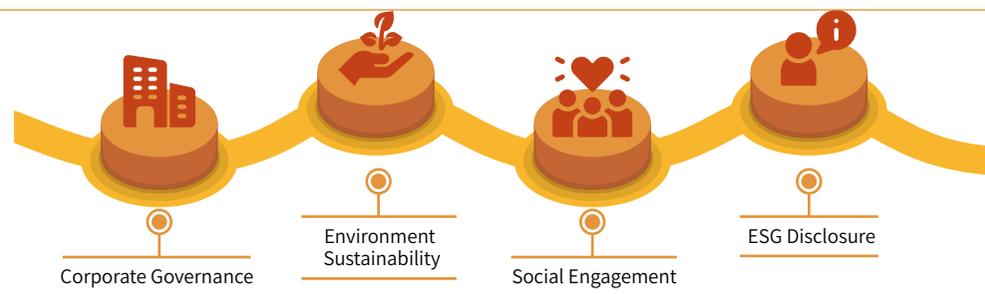
SYSTEX is committed to implementing social responsibility and protecting basic human rights, expecting all suppliers can adopt the same standards and fulfill CSR together. Therefore, SYSTEX has developed "Supplier CSR Code of Conduct" in line with its "Ethical Corporate Management Best Practice Principles", which requires suppliers of SYSTEX and its affiliates to comply with the laws and regulations of the places where they conduct business activities.

### 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, and then implements them internally and externally. In order to improve corporate governance and supply chain management, SYSTEX has required new suppliers to sign the "Vendor Integrity Pledge and Declaration" since 2019.

### On-Site Audits on Outsourced Suppliers

In order to maintain quality of whole supply chain, SYSTEX conducts on-site audits on outsourced suppliers irregularly. The audit members are composed of procurement-related departments. They evaluate suppliers' project performance, and weekly report suppliers' poor-quality records. In addition, SYSTEX also conducts "Assessment of Outsourced Service Project" and then ranks them according to their quality of service and degree of collaboration. In 2021, a total of 49 supplies were rated as Class-A suppliers.



### 10 Terms of Vendor Declarations

- 01 Probity
- 02 Honesty
- 03 Trading contract compliance
- 04 Information security policy
- 05 Personal data protection
- 06 Confidentiality
- 07 Labor rights and benefits
- 08 Occupational safety and health
- 09 Acts related to cyber security management and money laundering control
- 10 Regulatory compliance

## Key Supplier ESG Assessment

Every year, SYSTEX defines key suppliers from Distributors and Outsourcers of suppliers based on criteria such as transaction volume or uniqueness, and then conducts ESG audit plans. The assessment questionnaire covers 16 topics and 35 questions. SYSTEX requires suppliers to answer each question and provide supporting materials to ensure that they have practical actions. Then the SYSTEX audit team conducts on-site audits irregularly to check the status of suppliers.

In 2021, SYSTEX conducted documentary audits due to the epidemic and 22 key suppliers passed the audit with an average score of 72.36. According to the analysis results, suppliers have low scores in "Management System, Supplier Management, Sustainable Disclosure, GHG", so that SYSTEX will assist suppliers to improve and reduce the potential risks.

### Topics and Questions of ESG Assessment

- Sustainable Governance
- Sustainable Disclosure
- Quality Management
- Supplier Management
- Trade Secret Protection
- Human Rights
- Community Engagement
- Health and Safety
- Management System
- GHG
- Air Pollution
- Water Stewardship
- Waste Management
- Circular Economy
- Product Packaging
- Green Product



## Supplier ESG Promotion Plan

SYSTEX is expected to implement the "Supplier ESG Promotion Plan" in 2022, using digital technology to create a "supplier interactive platform". Through the platform, SYSTEX can push information, confirm orders, reply to delivery, and organize online training of regulatory compliance and ESG promotion. SYSTEX is also expected to hold a "supplier exchange meeting" to invite excellent suppliers to share their practical experience. In addition, SYSTEX formulated the questionnaire of "Supplier Information Security and Personal Information Protection" at the end of 2021 and plans to require suppliers to conduct self-assessment in 2022, with the goal of more than 750 responses, hoping to raise suppliers' awareness of IS protection and enhance their IS management.



## "Supplier Information Security and Personal Information Protection" Questionnaire

The questionnaire is divided into 2 aspects. In terms of information security, suppliers are required to self-assess whether they have passed IS verification and built IS-related mechanisms. In terms of personal information protection, suppliers are required to check whether they have set up personal information-related mechanisms to implement improvement measures. In view of this, SYSTEX will continue to monitor the behavior of suppliers to implement information security.

### Topics and Questions

- Obtain IS-related verifications
- Plan IS training courses
- Build anti-virus mechanism and update virus pattern regularly
- Build program security testing mechanism
- Regularly back up significant data and software
- Take protective measures such as confidential data encryption
- Keep records of handling IS events and improvement measures

### Information Security

### Personal Information Protection

- Formulate personal data protection policies and norms
- Build proper preservation mechanisms for personal data
- Implement training of personal data protection
- Build an audit mechanism of personal data protection
- Implement the improvements of personal data protection

## Innovate Interactive Management Tools

### [Digital Transformation]

#### Respond Questionnaires through "SYSTEX Partner APP"

"SYSTEX Partner APP" is a partnership platform that shares procurement-related announcements, purchase order notices, receipt notices, payment notices and other information with suppliers, allowing suppliers to keep abreast of the latest information. 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, allowing SYSTEX to achieve digital sustainable management through digital technology.



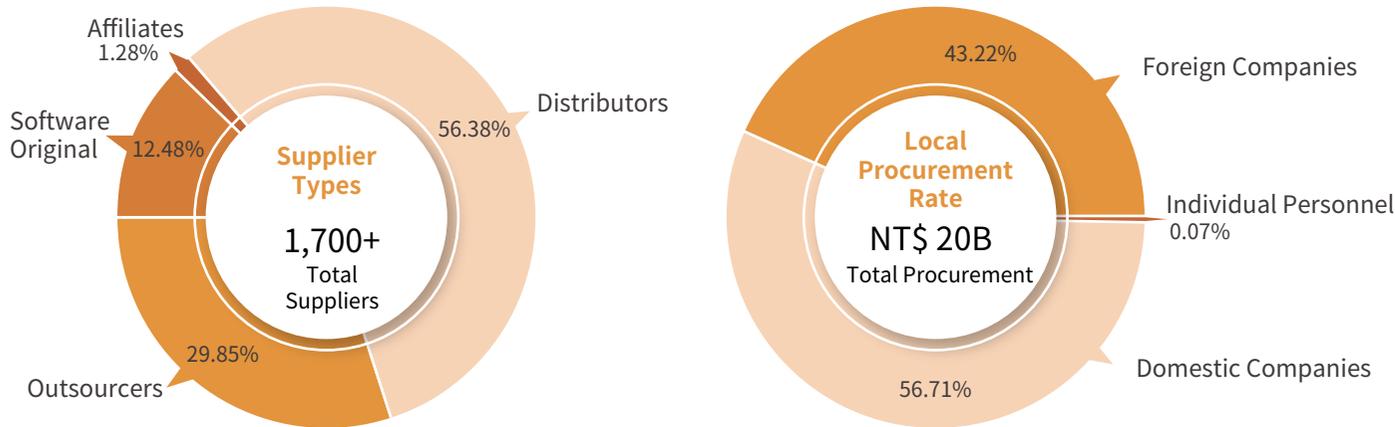
Pushed News 20 +

Declaration Terms 10

Responses 744

## Local Procurement

SYSTEX has 4 types of suppliers including Software Original, Affiliates, Distributors and Outsourcers. In 2021, a total number of suppliers exceeded 1,700 with a total expenditure of more than NT\$ 20 billion, so that SYSTEX can combine suppliers' products and services with its technical skills to develop solutions to help create greater benefits for customers.



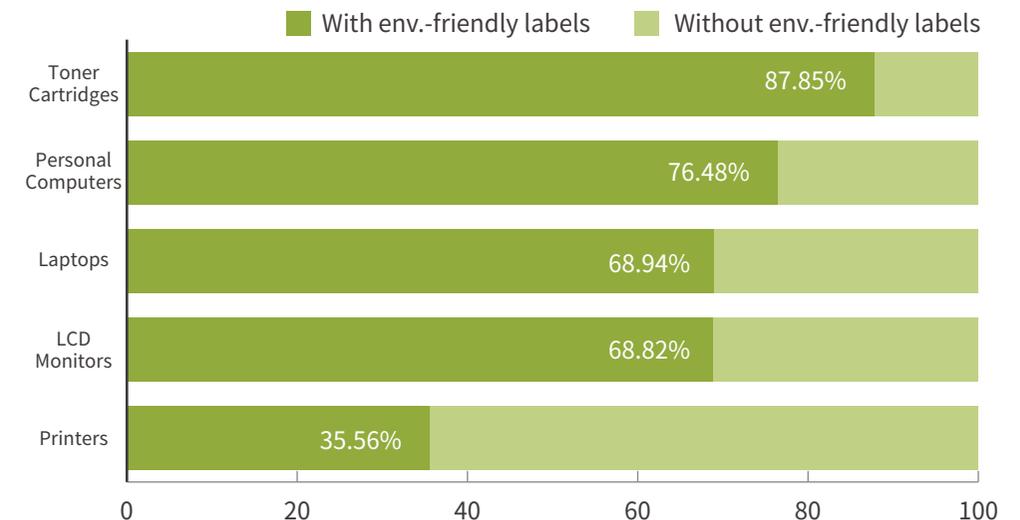
2021 Green Procurement Enterprises awarded by the Taipei City Government.

## Green Procurement



SYSTEX supports the sustainable concept with practical actions. Through the green procurement mechanism, SYSTEX purchases energy-efficient 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.

## Proportion of 5 Office Items



# Appendix

## GRI Index

Category	Disclosure	Number	Title	Page
GRI 102 General Disclosures 2016	Organizational profile	102-1	Name of the organization	2
		102-2	Activities, brands, products, and services	7~11
		102-3	Location of headquarters	2
		102-4	Location of operations	2
		102-5	Ownership and legal form	7
		102-6	Markets served	7
		102-7	Scale of the organization	7
		102-8	Information on employees and other workers	43
		102-9	Supply chain	80
		102-10	Significant changes to the organization and its supply chain	80
		102-11	Precautionary Principle or approach	30~31
		102-12	External initiatives	13
		102-13	Membership of associations	13
	Strategy	102-14	Statement from senior decision-maker	3
	Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	25~27
	Governance	102-18	Governance Structure	16, 26
	Stakeholder engagement	102-40	List of stakeholder groups	19
		102-41	Collective bargaining agreements	No labor unions
		102-42	Identifying and selecting stakeholders	19
		102-43	Approach to stakeholder engagement	22
		102-44	Key topics and concerns raised	20
	Reporting practice	102-45	Entities included in the consolidated financial statements	About SYSTEX, please refer to <a href="#">2021 Annual Report</a>
		102-46	Defining report content and topic Boundaries	21
		102-47	List of material topics	19, 21
		102-48	Restatements of information	2
		102-49	Changes in reporting	2
102-50		Reporting period	2	
102-51		Date of most recent report	August, 2021	
102-52		Reporting cycle	2	
102-53		Contact point for questions regarding the report	2	
102-54		Claims of reporting in accordance with the GRI Standards	2	
102-55		GRI content index	85	
102-56		External assurance	88	

Category	Disclosure	Number	Title	Page	
GRI 103 Management Approach 2016	Management Approach	103-1	Explanation of the material topic and its Boundary	20, 21	
		103-2	The management approach and its components	21	
		103-3	Evaluation of the management approach	21	
Economic Performance	Economic Performance 2016	201-1	Direct economic value generated and distributed	12	
		201-3	Defined benefit plan obligations and other retirement plans	12, 47	
	Market Presence (2016)	201-4	Financial assistance received from government	13	
		202-1	Ratios of standard entry level wage by gender compared to local minimum wage	46	
Environmental Performance	Anti-corruption (2016)	205-2	Communication and training about anti-corruption policies and procedures	27~28	
	Energy (2016)	302-1	Energy consumption within the organization	87	
		305-1	Direct (Scope 1) GHG emissions	73, 74	
		305-2	Energy indirect (Scope 2) GHG emissions	73, 74	
	Emissions (2016)	305-3	Other indirect (Scope 3) GHG emissions	73, 74	
		Environmental Compliance (2016)	307-1	Non-compliance with environmental laws and regulations	70, no violations
			Supplier Environmental Assessment (2016)	308-1	New suppliers that were screened using environmental criteria
	308-2	Negative environmental impacts in the supply chain and actions taken		80, 81	
	Social Performance	Employment (2016)	401-1	New employee hires and employee turnover	44
			401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	47
401-3			Parental leave	48	
Labor/ Management Relations (2016)		402-1	Minimum notice periods regarding operational changes	Any significant changes be notified employees abide by the laws	
		Occupational Safety and Health (2018)	403-1	Occupational safety and health management system	50
403-2			Hazard identification, risk assessment, and incident investigation	50~51	
403-3			Occupational health services	51~52	
403-4			Worker participation, consultation, and communication on occupational safety and health	49~50	

Category	Disclosure	Number	Title	Page	
Social Performance		403-5	Worker training on occupational health and safety	50	
		403-6	Promotion of worker health	51-53	
		403-7	Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	33, 51-53	
		403-8	Workers covered by an occupational safety and health management system	50, 87	
	Training and Education (2016)		404-1	Average hours of training per year per employee	41
			404-3	Programs for upgrading employee skills and transition assistance programs	46
	Diversity and Equal Opportunity (2016)		405-1	Diversity of governance bodies and employees	26, 43
			405-2	Ratio of basic salary and remuneration of women to men	46
	Non-discrimination (2016)		406-1	Incidents of discrimination and corrective actions taken	45, no discrimination
	Local Communities (2016)		413-1	Operations with local community engagement, impact assessments, and development programs	55-67
		Supplier Social Assessment (2016)		414-1	New suppliers that were screened using social criteria
			414-2	Negative social impacts in the supply chain and actions taken	80-82
	Customer Privacy (2016)		418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No complaints
	Socioeconomic Compliance (2016)		419-1	Non-compliance with laws and regulations in the social and economic area	No violations

## SASB Index

Topic	Code	Accounting Metric	page
Energy Management in Manufacturing	TC-SI-130a.1	(1) Total water withdrawn, (2) Percentage grid electricity, (3) Percentage renewable	72, 73, 87
	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	75
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	72
Data Privacy & Freedom of Expression	TC-SI-220a.1.	Description of policies and practices relating to behavioral advertising and user privacy	36-37
	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	No occurrence
	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
	TC-SI-230a.2.	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	35-37
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1.	Percentage of employees that are (1) foreign nationals and (2) located offshore	43
	TC-SI-330a.2	Employee engagement as a percentage	44-46
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	43
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 and (2) service disruptions; (3) total customer downtime	No occurrence
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	32

## ESG Performance Summary

Category	Key Indicators	2019	2020	2021	
G	Consolidated Revenue (NT\$ thousand)	22,051,023	23,735,090	29,526,957	
	Individual Net Income (NT\$ thousand)	1,808,042	1,666,345	1,213,916	
	Tax Expense (NT\$ thousand)	392,204	175,457	228,519	
	R&D Expenditures (NT\$ thousand)	453,910	478,534	478,731	
	Rate of Independent Directors (%)	23.07	23.07	23.07	
	Accumulated Patent Granted	-	99	99	
	Number of Key Suppliers	-	-	79	
	Proportion of Key Suppliers (%)	-	-	5.34	
	Procurement Ratio of Key Suppliers (%)	-	-	78.47	
	Signed "Vendor Integrity Pledge and Declaration" by Key Suppliers (%)	-	-	100	
	Signed "Supplier CSR Code of Conduct" by Key Suppliers (%)	-	-	100	
	Local Procurement Rate (%)	-	65.2	56.71	
	E	Greenhouse Gas Emissions (CO <sub>2</sub> e) (Category 1 ~ Category 6)	-	3,609.11	3,353.642
		Greenhouse Gas Emissions (CO <sub>2</sub> e) (Category 1 ~ Category 2)	-	2,911.04	2,786.76
Energy Consumption (MJ) (including electricity, gasoline, nature gas and diesel)		-	20,642,228	19,989,307	
Indirect Energy Consumption (kWh) (Electricity)		5,599,280	5,692,079.37	5,536,879.46	
Renewable Energy Consumption (kWh)		-	100,000	72,000	
Renewable Energy Consumption Rate (%)		-	1.8	1.3	
Water Consumption (kL)		20,050	22,555	17,426	
General Waste (tons)		72.3	67.9	66.9	
Waste Recycling Rate (%)		13.8	13.8	15.2	
Green Procurement (NT\$100 million)	-	4.63	3.96		
S	Number of Employee	3,035	3,403	3,746	
	Employee Training Hours	50,359	75,719	105,738	
	Number of Employee Trained	10,728	9,102	20,233	
	Women in Workforce (%)	36.74	39.79	39.78	
	Females in Management (%)	23.94	25.33	22.58	
	Females in Middle Management (%)	26.46	27.94	24.42	
	Females in Senior Management (%)	4.17	4.00	9.68	
	Turnover Rate (%)	21.94	17.98	18.53	
Proportion of R&D personnel (%)	71.66	67.41	68.69		

Category	Key Indicators	2019	2020	2021
S	Number of Disabled People Employed	36	46	41
	Return to Work Rate (%)	37	63	67
	Retention Rate (%)	100	55	91
	Workers covered by an occupational health and safety management system audited internally (including employees, security guards, cleaning workers and electrical & mechanical workers at HQ)	-	3,420	3,763
	Workers are not employees	-	17	17
	Proportion of workers who are not employees (%)	-	0.5	0.45
	Workers covered by an occupational health and safety management system audited externally (including employees, security guards, cleaning workers and electrical & mechanical workers at HQ)	-	1,134	1,082
	Workers are not employees	-	17	17
	Proportion of workers who are not employees (%)	-	1.5	1.57
	Cash Donation (NT\$ thousand)	4,108	883	6,498

Note 1: In 2019 and 2020, the performance of some indicators is not counted, so it is marked with "-".

Note 2: The indicator calculation scope of environmental performance is at SYSTEX Headquarters Building.

Note 3: The indicator calculation scope of social performance is SYSTEX Corp. and the affiliated companies.

Note 4: Energy consumption is calculated according to the conversion calorific value table of Bureau of Energy.

Note 5: Turnover rate = annual number of employees leaving ÷ total number of employees at the end of the year.

# Independent Third-Party Assurance Statement



## ASSURANCE STATEMENT

### SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SYSTEX CORPORATION'S SUSTAINABILITY REPORT FOR 2021

#### NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

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 2021 (hereinafter referred to as the Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification (2022/05/11~2022/06/06). 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 2021 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 Report.

Our responsibility is to express an opinion on the report content within the scope of verification 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, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

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

#### Assurance Standard Options and Level of Assurance

A.	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B.	AA1000ASv3 Type 1 Moderate Level (AA1000AP Evaluation only)

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#### SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

#### Reporting Criteria Options

- |   |   |
|---|---|
| 1 | GRI Standards (Core)                    |
| 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) at a moderate level of scrutiny; and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with Core Option.
- 

#### ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, ESG working group members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. In response to COVID-19 pandemic situation the assurance process was conducted via zoom.

#### LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts and Sustainability Accounting Standards Board (SASB) 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 verification, 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 organisation, 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.

#### FINDINGS AND CONCLUSIONS

#### VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

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#### AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

##### 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 proactively consider having more direct and regular two-ways involvement of stakeholders during future engagement.

##### 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.

#### GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, SYSTEX's Sustainability Report of 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, SYSTEX is recommended to have more detailed and comprehensive forward-looking information in relation to materiality topics, such as scenario analysis and geopolitical context.

#### Signed:

For and on behalf of SGS Taiwan Ltd.

Stephen Pao  
Knowledge Deputy General Manager  
Taipei, Taiwan  
05 July, 2022  
[www.sgs.com](http://www.sgs.com)



TWLPP5008 Issue 2201

- GRI Index
- SASB Index
- ESG Performance Summary
- Independent Third-Party Assurance Statement
- Certificate of Registration
- Contact Information

# Certificate of Registration

## Systex Corporation

**ISO 9001**  
(Data Management Integration Service BU)

**ISO 22301**  
(Data Management Integration Service BU)

**ISO 27001**  
(Data Management Integration Service BU)

**ISO 27001**  
(Internet Data Service /Financial Information Service)

**BS 10012**  
(Data Management Integration Service BU)



ISO 14001

ISO 50001

ISO 45001

ISO 14064-1

Taiwan Intellectual Property Management System



System Software & Service Co.	Syspower Corporation	Concord System Management Co.	System Solutions Corporation	Taiфон Computer	Taiwan Information Service Technology Co.
ISO 27001	ISO 27001	ISO 27001	ISO 27001	ISO 27001	ISO 27001



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# MEMO

**SYSTEX Corporation**

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