

SYSTEMX



2022

SYSTEMX Sustainability Report

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About this Report

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

SYSTEX Corporation has published the 4th 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

Guidelines and Principles

- Global Reporting Initiative, GRI - GRI Standards 2021
- Sustainability Accounting Standards Board, SASB - Software & IT Services
- Task Force on Climate-related Financial Disclosures, TCFD
- The Sustainability Best-Practice Principles for TWSE/GTSM Listed Companies

Boundary

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

Period

The sustainability report is compiled regularly every year. The period is between January 1, 2022 and December 31, 2022.

Restatement

Expand disclosure boundary: 2 affiliated companies added, including Misys Corporation, and Docutek Solution Inc.

Data

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

The data in this report is collected by the Sustainability Group and presented with international indicators. Among them, the disclosure scope of financial data is consistent with the Annual Report, covering SYSTEX and all affiliated companies, and that of environmental data is within the Taipei Neihu Headquarters Building.

Assurance

Entrust SGS TAIWAN LTD. to undertake assurance, and receive the assurance, AA1000ASv3 Type 1 Moderate Level in adherence to GRI Universal Standards 2021.

Reporting Process and Quality Management

The data in this report is collected by the Sustainability Group, checked by relevant units internally, and reviewed by the CSO. After completing the report compilation, the report is submitted to the Board for approval before issuance. Through more transparent and complete disclosure, SYSTEX expects all stakeholders to understand its performance and achievements in ESG development.

Feedback and Contact Us

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Sustainability Report



Annual Report



Letter from the Chairman

GRI 102-14

Gear to International Standards through "Tech for Good": From Carbon Reduction to Carbon Credits

In a world that has been reshaped by the unprecedented events of the past few years, global businesses must swiftly adapt to significant changes in supply chains, market channels, and consumer habits in response to the changing landscape. As a leading Taiwan-based IT service provider in Taiwan, SYSTEX not only continues to refine its fundamental operations but also rapidly leverages core capabilities in "software," "data," "algorithm," "cloud service," "microservices," and "cybersecurity" to create exponential growth for our clients. Simultaneously, SYSTEX upholds the "Tech for Good" philosophy, fulfilling our responsibilities as global citizens by using technology to help clients reduce carbon emissions, implement more proactive green solutions, and create a better environment and world.

Our numerous ESG solutions have made us the preferred sustainable partner for corporate clients. With the goal of becoming the best sustainable partner for corporate clients, SYSTEX actively researches and integrates supplier capabilities to empower clients for sustainability. We aim for carbon neutrality and have developed 24 green environmental sustainability solutions, utilizing technology to save energy and reduce carbon emissions, achieve paperless operations, and promote corporate sustainability. Additionally, we offer 10 solutions to protect intellectual property and ensure data security, assisting companies in fulfilling their social responsibilities. Furthermore, we provide 13 services related to corporate governance to help companies implement corporate governance and regulatory compliance while maintaining robust operational health.

Awarded "Excellence in Corporate Social Responsibility Award - Rookie Awards" by CommonWealth Magazine

[Environment] SYSTEX continues to replace energy-consuming equipments, use renewable energy, and optimize energy usage configurations. SYSTEX is committed to promoting energy conservation and carbon reduction measures. In addition to obtaining ISO 14064-1 certificate, SYSTEX also maintains the validity of ISO 14001, ISO 50001 and ISO 45001 Verification. Furthermore, several affiliated companies within the SYSTEX Group have been recognized as "Green Procurement Outstanding Enterprises" by the

Environmental Protection Administration of the Executive Yuan and Taipei City Government. SYSTEX itself has been honored with the Taipei City Government's "Net-Zero Benchmark Award" in the business and industrial category.

[Social] The "Young Turing Program" aims to cultivate world-class software talents for Taiwan. In 2022, we held the first overseas coding competition, attracting teams from multiple countries including Indonesia, Singapore, Vietnam. This Program received the 2022 Taiwan Sustainability Action Awards (TSAA) "SDG4-Silver Award" and the 2022 Taiwan Corporate Sustainability Awards (TCSA) "Social Inclusion Leadership Award." Furthermore, SYSTEX, along with partners in the technology ecosystem such as WPG Holdings and Business Weekly Group, jointly initiated the "ESG Technology Innovation Promotion Alliance." This alliance supports climate change adaptation through "Agriculture, Fishing, and Livestock Industry Innovation" and climate change mitigation through "Energy Conservation and Carbon Reduction Innovation," contributing to sustainable development goals.

[Governance] SYSTEX made significant progress in sustainable information disclosure. In 2022, it was selected as one of the top 6%-20% among listed companies in the 8th Corporate Governance Evaluation by the Taiwan Stock Exchange. SYSTEX also received the 2022 TCSA "Platinum Award" and was recognized with the "Rookie Award" in the Large Enterprises category at the "Excellence in Corporate Social Responsibility Award" by CommonWealth Magazine. To mitigate risk and enhance operational efficiency, the Board of Directors established a "Risk Management Committee" and formulated risk-related policies to further strengthen corporate governance.

Prioritizing Talents, Continuous Investment in Employees' Well-being and Learning

In 2021, SYSTEX launched the "SYSTEX Baby Happy Growth Funds" program, which encourages employees to have more children by providing bonuses and additional maternity and paternity leave incentives. As of the end of 2022, the program has supported 195 SYSTEX babies (246 individuals) with a total subsidy of NT\$7.08 million. SYSTEX participated in the 2022 CHR Health Corporate Citizen Pledge by CommonHealth Magazine and was awarded the

Certificate of Talent Quality-Management System (TTQS), Enterprise Institution Version "Bronze Award" by the Labor Ministry. Also, SYSTEX was recognized with the "Friendly Family Award" in the Labor Ministry's 2022 Work-Life Balance Awards.

These accolades reflect our years of continuous investment in employee well-being, learning, and happiness. In 2022, SYSTEX was awarded the "Corporate Employment of Sports Instructors Award" by the Ministry of Education and the "Badge of Accredited Healthy Workplace" by the Ministry of Health and Welfare. SYSTEX's Neihu headquarters building once again received the "Excellent Lactation Room Certificate" from the Taipei City Health Bureau. SYSTEX encourage employees to keep learning, providing both internal and external physical courses. Since 2022, we have also offered employees a self-study platform to choose their preferred courses, allowing for more flexible learning.

Tech for Good, Creating Value for the Shareholders

In 2022, SYSTEX achieved a new record-high revenue for the seventh consecutive year. In addition to our own efforts, we collaborated with domestic and international ecosystem partners, leading the VAD, Industry, and Mega SI ecosystems to seize growth opportunities. By embracing environmental conservation, social responsibility, and effective corporate governance, deepening innovation in digital technology and software applications, and diversifying horizontally, vertically, and ecologically, we rapidly and flexibly respond to challenges posed by economic cycles and environmental changes. We redefine new forms of information service industry services, aiming for stable profitability, creating long-term shareholder value, and aligning with stakeholder expectations and corporate sustainability goals.

Chairman & President, SYSTEX Corp.



About this Report

Letter from the Chairman

Sustainable Performance

About SYSTEX

Create Our Sustainable Value Chain

Business Performance

Sustainable Performance

Highlights in 2022

T-REC
83,493 kWh

E and OHS ISO Certificate
**14001 / 14064-1
50001 / 45001**

Taipei City Government Net-Zero Benchmark Award
Model Award



Improve Supplier's Info. Security Protection
• Add info. security rule in Vendor Declaration

Intellectual Property Management System, TIPS
Level A

Record-high Consolidated Revenue
↑ 12.29%
Compared with 2021

9th Corporate Governance Evaluations
6~20%

Board of Directors set
Risk Management Committee

Accumulated signed Vendor Integrity Pledge & Declaration
2,147 suppliers



CommonWealth Magazine - 2022 Excellence in Corporate Social Responsibility Award
Rookie Awards

2022 TCSA / TSAA
Corporate Responsibility Report – Platinum Awards
Social Inclusion Leadership Awards
TSAA SDG 4 Silver Award



SYSTEX Baby Happy Growth Funds (2021~2022)
195 SYSTEX babies
NT\$7.08 M



Jointly initiated with WPG Holdings and Business Weekly
IMV
ESG Technology Innovation Promotion Alliance

Ministry of Labor – 2022 Work-Life Balance Awards
Friendly Family Award

7th Young Tuning Program
• Record-high female participants
• Newly added overseas participants (16 teams)

Ministry of Labor – Certificate of Talent Quality-Management System (TTQS)
Bronze Award

2022 Employee Training 143,209 hours
↑ 35.44%
Compared with 2021

AI+ Generator Program (2018~2022)
36 Startups



Sustainability Special

<Happy Workplace> Rewarded the "Friendly Family Award" at the 2022 MOL Work-Life Balance Awards



SYSTEX received the "Friendly Family Award" at the 2022 MOL Work-Life Balance Awards. SYSTEX promotes employee health and offers support for building happy families through initiatives such as the "SYSTEX Baby Happy Growth Funds" with up to NT\$120,000 per child and the "Coding Seeds Camp" to bring employees and their children together. This fosters corporate loyalty and a sense of identity with SYSTEX.



Deepening the "Sports Corporate Culture"

SYSTEX believes that the health and vitality of its employees are the long-term values. SYSTEX strives to create a diverse and joyful work environment, balancing productivity, well-being, and family life. SYSTEX not only develops the exclusive "Health Up! APP" for employees, integrating health and exercise data, but also hires coaches for "Worktime Exercise Courses," which employees can take based on their needs and work schedules, encouraging them to develop regular work-out habits. SYSTEX holds sports competitions for employees, such as basketball game, softball games, and fat loss competitions, enhancing a "Sports Corporate Culture."



Maternity friendly protection

In a first among Taiwanese IT companies, the "SYSTEX Baby Happy Growth Funds" was created to support marriage and parenthood with bonuses and leave. The program has already subsidized 246 SYSTEX Babies, totaling NT\$7.08 million as of 2022. SYSTEX also offers "Marriage and Maternity Gifts" to support employees who have recently married, are pregnant, or have newborns. In order to provide a friendly place for breastfeeding employees, SYSTEX has set up the "Lactation Rooms" in 7 operation offices, which provide access control, equipment and items needed for breastfeeding. In 2022, the Lactation Rooms of the headquarters building was once again awarded the "Excellent Breastfeeding Room Certificate" by the Taipei City Government.



Flexible working hours and leave policies superior to legal requirements

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

 1 Day of Birthday Leave	 1 Day of Volunteer Leave
 More Days of Annual Paid Leave	 8 Days of Sick Leave

<Energy Saving Model>
Rewarded the "2022 Net-Zero Benchmark Award, Business and Industry Category B - Model Award" by Taipei City Government.



SYSTEX received the "Model Award" in the Business and Industrial Category B at the 2022 Taipei City Government Zero Carbon Benchmark Awards, signifying SYSTEX's commitment to supporting the City's goal of net-zero by 2050. SYSTEX builds sustainability and climate change strategies with dynamic energy-saving and carbon reduction performance and management with measures such as efficient power and water devices, green spaces, renewable energy, and environmental-related training.



Establish energy-saving and carbon-reduction equipment and optimize management systems

To implement the 2050 Net-zero emission pathway, SYSTEX has practiced many measures at the headquarters:

- Introduce environmental-related ISO certifications: ISO 14001, ISO 14064-1, ISO 50001
- Replaced all the office lighting with high-efficiency LED panel lights, totaling 1,709 units.
- Built a smart energy management system (EMS) for electrical efficiency data analysis, AC system efficiency, indoor air quality monitoring, and cooling efficiency introducing outdoor air. The EMS identifies internal units with high energy density with energy consumption data from equipment for annual energy-saving initiatives. Since its launch in 21Q4, the EMS data has fine-tuned the daily operating hours of the water chiller, reducing by an estimated 250 hours annually.
- Water chillers reconfiguration from series to parallel and EMS data can reduce operating hours and improve energy efficiency.
- Regular maintenance of electricity, AC systems, and other power-related equipment ensures energy efficiency.
- Saving 335,393 kWh since EMS's launch in 21Q4, equivalent to the annual power generation of 3,064 m² solar panels, 170,715 kgCO₂e, or 14,226 trees, effectively reducing emissions while lowering operational costs.



Note: Smart EMS real-time data on 2023/04/12.

Environment management measure

- Lighting: Areas with less people has infrared sensors for lighting, introducing natural lighting, and non-office areas have reduced lighting fixtures.
- AC: AC is set to above 26° C with an automated schedule.
- Power: Elevators have automatic operations to reduce elevator in use during off-peak hours. High-efficiency exhaust fans and water pumps are used.
- Water devices: Water-saving devices are installed on all faucets throughout the headquarters building.
- Recycling: Set recycling areas and promote resource recycling classification.
- Landscape and advocacy: Greening roofs and green building materials, energy-saving and carbon reduction training, and campaigns to reduce elevator usage, promote e-business cards and governmental Green Point activity.
- Renewable energy: Purchase Taiwanese Renewable Energy Certificates.



About this Report

Letter from the Chairman

Sustainable Performance

About SYSTEMX

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Business Performance

About SYSTEMX

GRI 2-1, 2-6



Vision

Become a world-class software company

Mission

Create maximum value for shareholders
Build exponential growth for clients

Sustainable Spirit

Tech for Good

Founded in 1997 with a total capital of NT\$ 2.72 billion (by the end of April 2023), SYSTEMX Corporation (ISIN code: TW0006214000) is ranked among top 100 service companies in Taiwan, serving more than 30,000 corporate / institutional clients, located in Taiwan, Hong Kong, China and Japan, with business in Taiwan, Hong Kong, China, Asia, Europe and the United States, and distributing more than 70 products and solutions as the prime partner of many international software companies. Aligned with the goal of "a Data Software company," SYSTEMX uses its core capabilities of "Software, Data, Algorithm, Cloud Service, Microservices, and Cybersecurity" to assist clients in creating the second exponential growth.

In addition, with "ecosystem and sustainability" as the main axis, SYSTEMX is firmly committed to the field of corporate responsibility, dedicated to cultivating world-class software talents for Taiwan. SYSTEMX also continuously enhances the disclosure of ESG information, implements ESG plans, and works with ecosystem partners to demonstrate positive impacts to the world.

1997

Year of Establishment

Taiwan, Hong Kong, China, Japan

Operation Base

NT\$ 33.1B

2022 Consolidated Revenue

30,000+

Total Number of Clients

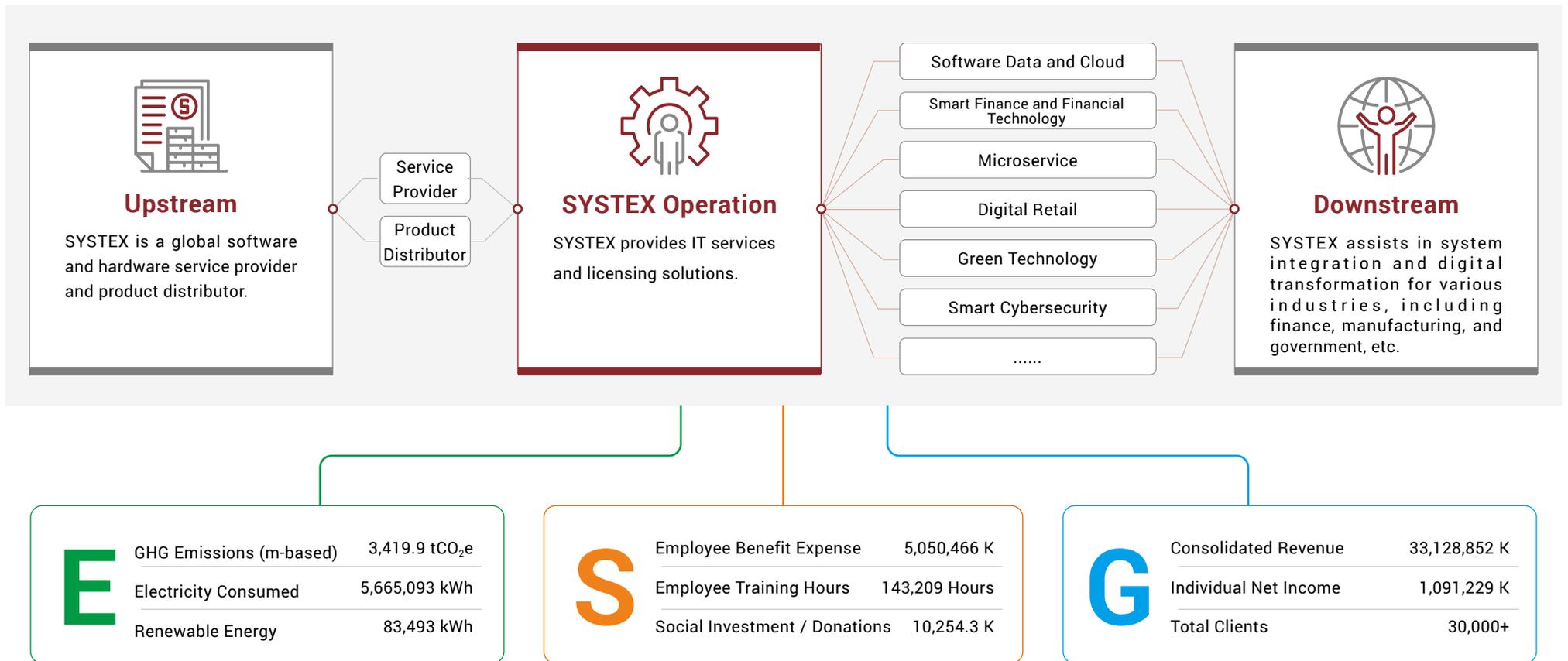
3,867

Total Number of Employees
(SYSTEMX Corp. and its Affiliated Companies in Taiwan)

Create Our Sustainable Value Chain GRI 2-6

Our Value Chain

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



>> Trend of IT Service Industry Development

The public health crisis and uncertain political and environment impacts have brought pressure for upgrade on industries in Taiwan. This has driven the developments of digital transformation, cloud and data applications, and raised concern for cybersecurity and other issues, which continue to push the software industry forward. With the increasing importance of Net-Zero, sustainability and digital transformation, sustainable development will directly affect corporate competitiveness and investment decisions, enabling enterprises to increase needs of sustainable development. The empowerment of information technology allows enterprises to grasp the new economy of a low-carbon world. Through the data of daily operation, management, resource planning, supply chain data integration, and carbon inventory collected by management platform, enterprises can easily obtain decision-making information, thereby driving the accelerated development of value-added applications. Meanwhile, due to the wide IT applications, enterprises are facing more network security threats, thereby making "data security, confidentiality, and ethical use of data" the top priority of cybersecurity improvement. In addition, the government's laws and regulations are becoming more stringent, so that emphasis on cybersecurity issues not only reduces operational risks, but also becomes a global public standard, driving enterprises to continuously increase investment in cybersecurity improvements. Aiming to be the top sustainable partner for enterprise clients, SYSTEX provides clients with IT solutions for 8 major products and services, including ESG, Data, Cloud, Cybersecurity, Manufacturing, Finance, IT infra. and Customized Service.

• Comprehensive Information Service Solution

The main products and services provided by SYSTEX are listed below:

Main Product/Services	Main Uses and Functions
Commercial software licensing	A comprehensive Microsoft's lineup, including flexible licensing agreements, assist clients in commercial licensing at the best price. Also providing hardware and software for cybersecurity, professional graphics and multimedia production, backup, virtualization, and data analytics, etc.
Cloud management services	End-to-end cloud management services from environment consultation to security monitoring covers infrastructure, networking, applications, and information security management.
Construction of public and private cloud	Help clients with public, private, and hybrid clouds for rapid services, automated IT resource deployment, simplified management, and high flexibility.
New smart iWow	The mobile financial information service integrates financial news with quotation, including individual stock, voice quoting, stock analysis, real-time interactions, and personalized investment analysis, using AI to combine financial data, product evaluations, and recommendations.
ABS serial products	Software maintenance, development, and consultation for NTD and foreign products, such as trading systems of bills, stocks, and funds as well as other derivative financial products like ABS, ABS/PLUS, and MMS.
Integrated marketing services	Comprehensive integrated marketing services from proposals to execution. Integrated OMO merchant services assist clients in digital transformation and successful integrated, innovative marketing.
Application software customization	Mature software engineering, system integration, and custom development for various applications for government, corporate and supplier management, and digital transformation.
Warehouse management system	IT assists departments in effective warehouse tracking, inventory, and usage, reducing management costs, offering accurate product information, and simplifying warehouse operations.
IT service management system	Efficient IT service management systems via IT Infrastructure Library best practices provide corporates with tools for databases, networks, and software, optimizing performance, costs, and services.
Cybersecurity service	Planning and implementation of cybersecurity equipment. Defense planning and detection for Advanced Persistent Threats (APTs). High availability security architecture with multi-node, accelerated, and offsite servers. Real-time monitoring with service availability management, analysis, and reporting on access performance and network bottlenecks. Planning for information/data risk audit and management. Enhanced 5A controls with comprehensive audit solutions for authorized users in corporate core systems.
Comprehensive smart operating war room	Integrated key internal KPIs with historical data and AI forecasting enabling data-driven decisions and real-time insights.

Ⓞ For more details about SYSTEX products and services, please refer to "2022 Annual Report, p.94."

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

Sustainable Products and Services

In line with the global sustainable trend, SYSTEX has promoted sustainable solutions with core capabilities to help clients realize ESG goals and create brand new market opportunities. SYSTEX not only develops its sustainable solutions, but also actively distributes software and hardware products with ESG concepts from upstream originals. SYSTEX summarizes 53 solutions based on ESG aspects, and assists clients in establishing a digital sustainable management model to empower their sustainable transformation, achieving energy conservation, carbon reduction and sustainable operation.

🔗 More details about sustainable solutions, please refer to "[Web_ESG Solution](#)."



>> Distribution of Sustainable Solution

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

>> Self-owned and Value-added Sustainable Solutions

The self-owned and value-added sustainable solutions provided by SYSTEX are listed below:

	BU	Solution	Sustainable Value
G	SYSTEX CORP.	Cyber Center	Cybersecurity monitoring services for digital transition and data security. Assist enterprises in safeguarding personal data and privacy, emphasizing the interests of customers, suppliers, and employees. Strengthened information security for transparent and efficient corporate governance that ensures data security and prevents internal fraud.
G	SYSTEX SOFTWARE & SERVICE CORP.	ESG Asset Management - SYSmining System	The SYSmining System for information asset management supports ESG development. Optimizes information asset upon investment decision for utilization rate and quantifiable ESG performance.
G	UniXecure	Human Error Insight System, HEIS	The automated Human Error Insight System reduces energy waste from manual operations and protects data security. Reduces unknown email clicks from 56% to 37%, significantly enhancing sustainable operations.
G	SYSTEX SOFTWARE & SERVICE CORP.	Paperless Signoff Solution- Adobe Sign	Assists corporate paperless transition and expedite digital archiving to streamline administration. Reduces of paper-based workflow by 10-20% based on Adobe's whitepaper.
E	SYSPOWER CORP.	E-Health Insurance Review System	"E-Health Insurance Review System" streamlines all health insurance administration with cloud-based operations that fulfill hospital management and auditing requirements. Outpatient e-medical record sharing saves photocopiers 570K sheets and 3.7K kWh per year, and cuts 2 sampling staffers.
E	SYSTEX CORP.	E-Ticket Platform	SYSTEX's real-time e-ticket platform facilitates fast procurement from Taiwanese chain stores. Consumers can redeem goods with e-codes or vouchers at the stores, reducing costs and energy use. By the end of 2022, over 22,404K e-vouchers have been issued, with over 11,652K redeemed.
S	SOFTMOBILE TECHNOLOGY CORP.	Health UP! APP	Promote employee well-being through a fitness app, Health UP! APP, to create a healthy and harmonious workplace, benefiting both the company and employees.

About this Report

Letter from the Chairman

Sustainable Performance

About SYSTEX

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Business Performance

• SYSTEX Carbon Management and Energy Management Services

Carbon Management - Carbon EnVision

Account Management	Coefficients Management	Document Upload	Data Analysis	ESG Database	Inventory Output
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- ✓ Customizable corporate carbon reduction strategies
- ✓ Comprehensive emissions risk analysis
- ✓ Compliance emissions calculation
- ✓ Aggregation of diverse coefficients
- ✓ Integration of multiple sites with of multi-scenario authorizations
- ✓ Visualized carbon hotspots and compliance with latest regulatory issues

Energy Management – EnVision360

Electrical Sensing for Equipment	Carbon Emission Statistics	Energy Management System	Computer Room Control System
----------------------------------	----------------------------	--------------------------	------------------------------

- ✓ Equipment Management
- ✓ Timely power management
- ✓ Detecting power usage and abnormal shutdowns
- ✓ Analyzing equipment aging
- ✓ ISO 14064-1 compliant
- ✓ Internally indirect energy consumption
- ✓ Interface connected with supply chain energy management systems
- ✓ Estimation of optimal contract capacity
- ✓ Alerts for abnormal power usage
- ✓ Solar power generation and energy storage management
- ✓ ISO 50001 report
- ✓ PUE optimization
- ✓ AC control
- ✓ Lighting control
- ✓ Access control

SYSTEX's SaaS enterprise cloud solutions for carbon management assists companies in carbon inventories, boundaries setting, data sharing with suppliers, and real-time emissions calculation, supporting carbon reduction goals and management strategies. Carbon EnVision consolidates 70% of value chain carbon footprints, reducing data collection time by 50%, setting annual targets based on past emissions to reach net-zero. The system is set to complete ISO 14064-3 Protocol AUP verification by 2023.

Enterprises starts focusing on energy governance due to climate change trends and regulations. SYSTEX provides experienced, tailored energy and carbon solutions, including power sensing, carbon inventory, energy management, and data center environmental control systems. EnVision360 helps monitor energy use and develop annual energy-saving strategies with 1% or higher in contracted capacity over 800 kW.



For more details about Carbon EnVision, please refer to "Carbon EnVision."



For more details about EnVision360, please refer to "EnVision360."

Business Performance

Record-high Consolidated Revenue for 7 Consecutive Year

GRI 201-1

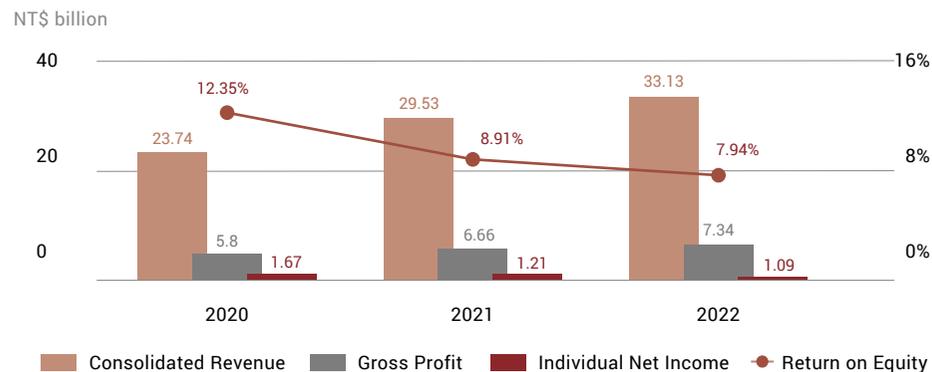
Financial Performance

SYSTEMX's consolidated revenue of NT\$33.1 billion in 2022 has increased by 12.2% compared with 2021 and hits a record high for 7 consecutive years. Through the core capabilities of "Software, Data, Algorithm, Cloud Service, Microservices, and Cybersecurity", helping clients create innovative business model. In addition, as customers' demand for cloud service, cybersecurity, e-commerce and green technology, SYSTEMX's revenue grows. Looking forward to 2023, the market generally believes that cybersecurity, cloud, ESG, e-commerce and other solutions are the key to creating corporate growth. SYSTEMX will use core capabilities to continuously fulfill clients' expectation. The consolidated net profit in 2022 reached NT\$1.09 billion, decreased by 10.11% compared with 2021 due to the decrease in profits from external investment.

>> Financial Performance in the Past 3 Years

NT\$ thousand

Category	Item	2020	2021	2022
Operating Performance	Consolidated Revenue	23,735,090	29,526,957	33,128,852
	Gross Profit	5,801,798	6,655,386	7,339,652
	Operating Profit	924,873	1,133,452	1,257,294
	Individual Net Income	1,666,345	1,213,916	1,091,229
Economic Value	Employee Benefits Expense	3,906,659	4,561,536	5,050,466
	Dividends Paid	1,346,967	1,346,967	1,361,517
	Tax Expense	175,457	228,519	264,709
	Social Investment / Donation	883	6,498	10,254.3



Market Share

No. 1 in the Market Share of Financial Info. Service

In financial IT services, SYSTEMX provides comprehensive international financial information for banks and enterprises, and gains the largest market share in the industry. SYSTEMX's market share of mobile financial IT services continue to increase, and several services are ranked first in the APP market.

With 12 service centers and more than 400 professional maintenance engineers in Taiwan, SYSTEMX is the largest IT service company in Taiwan. Meanwhile, SYSTEMX has the most internationally authorized technology education training centers, providing more than 400 kinds of training courses.

Service Type	Details	Market Share
Quotation Service	Applied by more than 1,000 branches of securities companies in Taiwan	Over 90%
Data Processing Service	The largest data processing and printing outsourcing service company in Taiwan	60% financial banking 80% telecom operators
Cybersecurity System	MOC service has contracted IS services with Land Bureaus in 18 counties and cities.	82%
Cybersecurity System	The highest market share among Microsoft licensing solution provider in Taiwan.	10~50% commercial software

Awards and External Verifications

>> Awards

- Taiwan Stock Exchange**
 9th Corporate Governance Evaluations: 6%~20% of listed companies
- Taiwan Institute of Sustainable Energy**
 2022 TCSA: Corporate Responsibility Report Awards - Platinum Awards; Social Inclusion Leadership Awards
 2022 TSAA: SDG 4 Silver Award
- CommonWealth Magazine**
 2022 Excellence in Corporate Social Responsibility Award: Rookie Awards
 2022 Taiwan Top 2000: NO.1 in No. 1 in Taiwan's Software Industry
- Global Views Monthly**
 2023 19th ESG Corporate Sustainability Award: Finalist in the Education Promotion Group
- Enterprise Asia**
 2022 AREA: Investment in People
- Ministry of Labor**
 2022 Work-Life Balance Award: Friendly Family Award
- Ministry of Economic Affairs**
 2022 Buying Power Social Innovation Reward: Third Prize
- Environmental Protection Administration**
 2022 Green Procurement Enterprises*1
- Ministry of Health and Welfare**
 2022 Badge of Accredited Healthy Workplace
- Ministry of Education**
 2022 Corporate Employment of Sports Instructors Award

- Taipei City Government**
 2022 Net-Zero Benchmark Award: Business and Industry Category B - Model Award
 2022 Taipei City Private Enterprises and Organizations' Green Purchasing Performance*2
 2022 Excellent Breastfeeding Room Certificate
- 1111 Job Bank**
 2022 Happy Enterprise Award
- CommonHealth Magazine**
 2022 CHR Health Corporate Citizen Pledge

>> External Verifications

[Governance] ISO 9001, ISO 22301, ISO 27001, BS10012, TIPS (Level A), Microsoft Azure Expert MSP technical certificate

[Environment] ISO 14064-1, ISO 14001, ISO 50001

[Social] TTQS, ISO 45001

Financial Assistance Received from Government GRI 201-4

SYSTEX provides the largest volume of IT services in Taiwan, creating new value for enterprises internally and externally. In 2022, SYSTEX Group received an investment deduction tax subsidy of NT\$1,772.8 thousand from government.

Participation in Industry Associations and Organizations GRI 2-28

To promote industry development, SYSTEX actively participates in industry associations and activities. Since talent cultivation has always been the core competitiveness of SYSTEX, we participated in the "TALENT, in Taiwan, Taiwan Talent Sustainability Action Alliance" to create a better future for workers in 2023.

Industry Association or Organization	Details
Taipei Computer Association	Member: SYSTEX Corp., SYSTEX Software & Service, Top Information Technologies, SYSPower, Softmobile Technologies, Concord System Management, SYSTEX Solution, Taifon Computer
Information Service Industry Association of R.O.C.	Supervisor: SYSPower; Member: SYSTEX Corp., SYSTEX Software & Service, Top Information Technologies, Concord System Management, PALSYS Digital Technology
Chinese Non-Store Retailer Association	Member: SYSTEX Corp.
Taichung Computer Association	Member: Taifon Computer
Taipei Measuring Instruments Association	Member: Top Information Technologies
Importers and Exporters Association of Taipei	Member: Top Information Technologies
Taipei International Financial Information Association	Member: SYSTEX Corp.
Taiwan Telematics Industry Association	Member: SYSTEX Corp.
Health Level Seven Taiwan	Member: SYSPower
Taiwan Chain Stores and Franchise Association	Member: SYSTEX Corp.
Association of Chain and Franchise Promotion, Taiwan	Member: SYSTEX Corp.
Cloud Computing & IoT Association in Taiwan	Member: SYSTEX Corp.
Global Research & Industry Alliance, NCCU	Member: SYSTEX Corp.
Kaohsiung Computer Association	Member: SYSTEX Corp.
Medical Image Standards Association of Taiwan	Member: SYSPower
Taiwan Association of Energy Service Companies	Member: SYSTEX Corp.
Security Platform as a Service, ITRI	Partner: SYSTEX Corp., SYSTEX Solution
Enterprise Qualified List, MOEAIDB	SYSTEX Corp., SYSTEX Solution, Taifon Computer
ESG Technology Innovation Promotion Alliance	Joint initiative member: SYSTEX Corp.
Intelligent Transportation Society of Taiwan	Member: SYSTEX Corp.
Metaverse Application Alliance	Founding member: SYSTEX Corp.
TCFD Initiative	Supporter: SYSTEX Corp.

Note 1: SYSTEX Corp. and SYSTEX Solution were both awarded.

Note 2: SYSTEX Corp. and its affiliated companies "SYSTEX Software & Service, SYSPower, SYSTEX Solution, Taifon Computer, Palsys Digital Technology" were all awarded.

01

Sustainable Business

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Vision: Become a world – class software company
Sustainable Spirit – Tech for Good

Core Capabilities – Software, Data, Algorithm, Cloud Service, Microservices, and Cybersecurity

Material Topics

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

Contributing to the SDGs



Sustainable Operation

Become a World-Class Software Company

Our Vision

Aligned with the vision of "Become a world-class software company" and the goal of "a Data Software company," SYSTEX takes the role of "Orchestrator," leads the integration of the 3 ecosystems of "VAD, Industry, Mega SI," and uses 6 core capabilities of "Software, Data, Algorithm, Cloud Service, Microservices, and Cybersecurity" to help clients improve their competitiveness, accelerating net-zero and digital transitions, creating the second exponential growth.

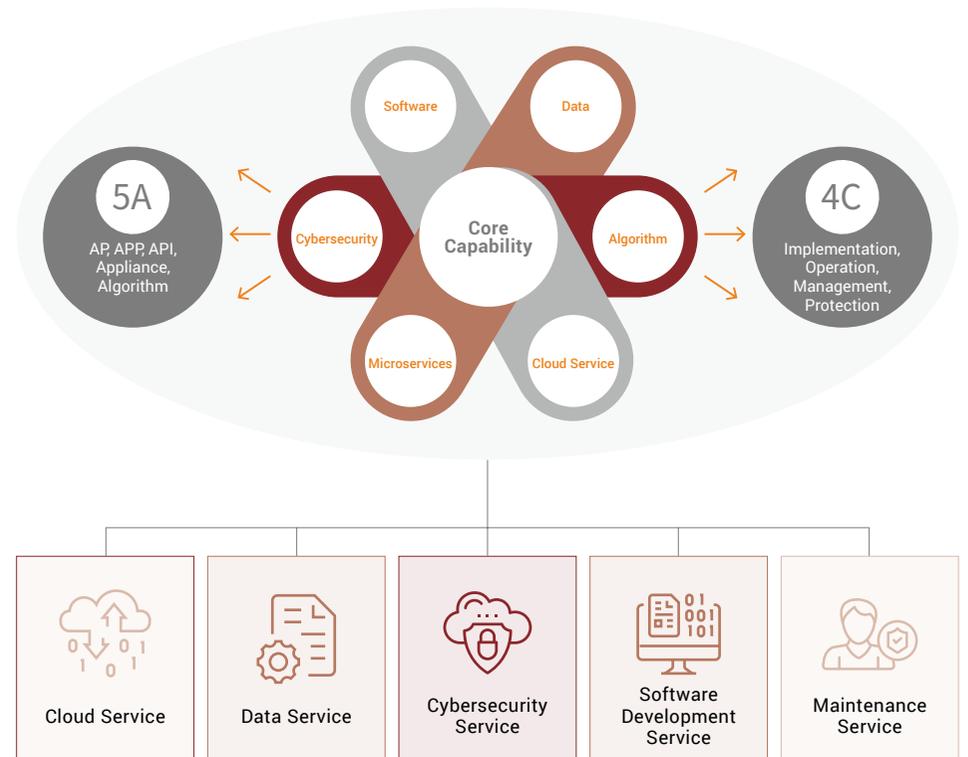
>> Sustainable Spirit

Based on the sustainability spirit of "Tech for Good," SYSTEX uses its core capabilities to promote corporate sustainability, cooperates with its partners in the ecosystem 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.

>> Cultivating Technology Talents for Promoting Value-Added Services

To successfully achieve digital AI transition, enterprises need tech-talents with 6 core capabilities. Its connotation is 5A@4C, that is, the tech-combination of 5A core tech-capabilities and 4C cloud service architecture. SYSTEX fosters tech-talents and teams with 2,800+ cross-strait R&D professionals to offer 5 value-added services of "Cloud, Data, Cybersecurity, Software Development and Maintenance," aiding clients in creating different experience scenarios in the process of its digital transition to build innovative business models and omni-channel marketing. Through crossover applications in smart green energy, information security, e-commerce, manufacturing, finance, medical care, cities and other fields, SYSTEX can meet customer needs to help create a second growth curve.



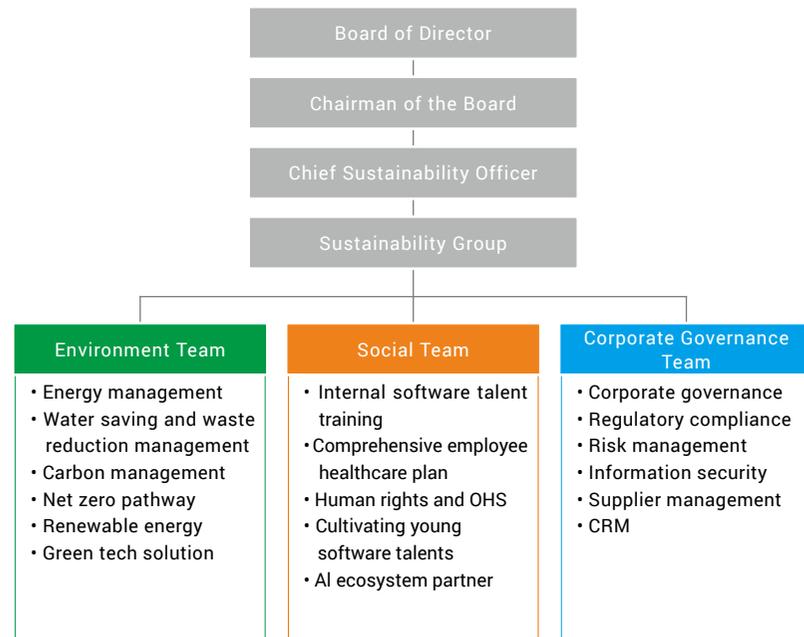
Sustainable Governance Structure ← GRI 2-9, 2-12, 2-14, 2-22, 2-23, 2-24

SYSTEX established the "Sustainability Group" in 2020, with the highest governance level being the Chairman of the Board. In 2021, SYSTEX set up the Chief Sustainability Officer (CSO) to serve as the leader of the Sustainability Group to coordinate 3 ESG teams, each of which is responsible for the planning and execution of ESG projects. In 2022, the Board has approved the "[Sustainable Development Best Practice Principles](#)." The Board is responsible for the supervision and promotion of sustainable development affairs and the CSO will irregularly report ESG project progress to the Chairman and report the promotion of sustainable affairs to the Board every year.

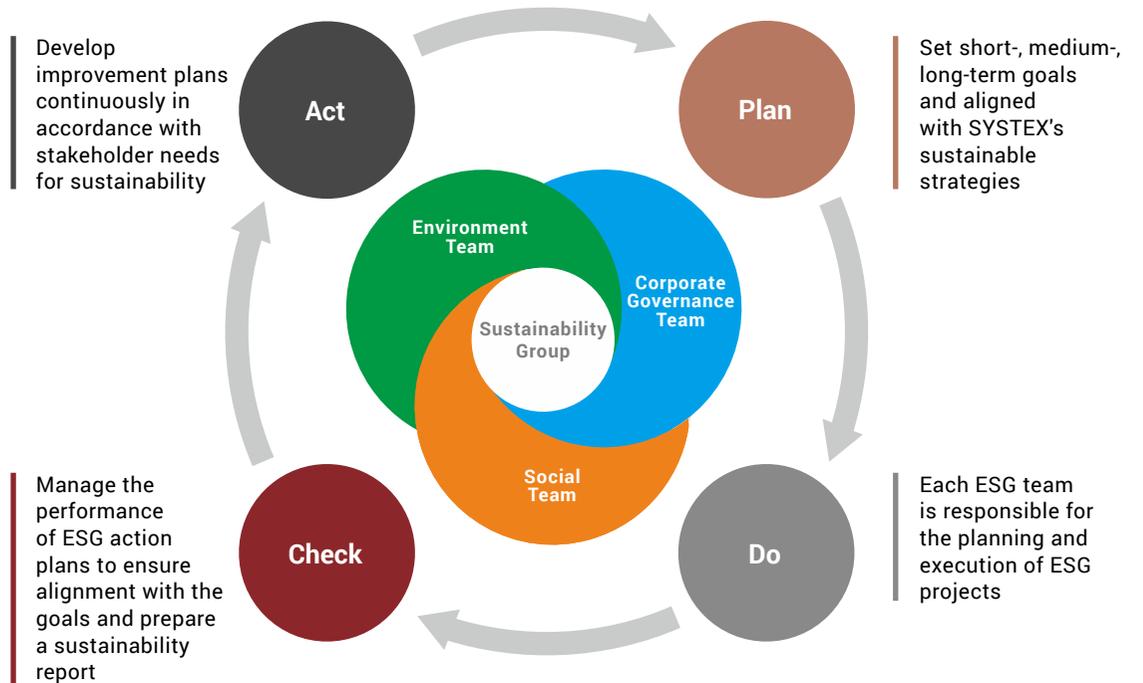
In accordance with the "[Sustainable Development Policy](#)," the ESG teams, led by the relevant division heads, are responsible for the project promotion and implementation of material issues based on the PDCA cycle. The ESG teams integrate sustainability strategies into daily operations, and assist in the inventory collection of indicators. After the compilation of sustainability report is completed, it will be verified by a third party, reviewed by the CSO, and submitted to the Board for approval before issuance.

In 2022, a total of 3 meetings were held by the Sustainability Group, and the CSO reported to the Board on December 21, 2022, the performance of the annual ESG project and plans for the next year.

>> Organizational Structure for Sustainable Development Promotion



>> Sustainability Group Management System



Sustainable Operation

Materiality Analysis and Stakeholder

Sustainable Strategy Blueprint

Aspect	Environment	Social	Governance
SDGs			
Development Vision	Make good use of SYSTEX's core 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 tech-talents with core capabilities, providing comprehensive software learning resources to improve the happy workplace and foster new exponential talents for Taiwan.	Gather SYSTEX's tech-teams and jointly work with ecosystem partners to offer 5 value-added services, aiding clients in building innovative business models and creating an exponential growth.
Long-term Goal	Net Zero by 2050	Annual Training Expenses > NT\$30M	Corporate Governance Evaluations: 5% of Listed Companies
Mid-term Goal (2025)	<ul style="list-style-type: none"> Cumulatively reduce water use by 32%, cumulatively reduce electricity use by 9%, cumulatively reduce waste by 7% (Base year: 2020) Renewable energy consumption: 2% Conduct environment-related verifications annually 	<ul style="list-style-type: none"> Key talent retention: 95% Average training hours of employees > 30 hours. Conduct ISO 45001 annually Employee Health Promotion Expense > NT\$4M 	<ul style="list-style-type: none"> Corporate Governance Evaluations: 6~20% of listed companies Integrity management advocacy indicators > 99%
Short-term Goal (2023)	<ul style="list-style-type: none"> Cumulatively reduce water use by 30%, cumulatively reduce electricity use by 5%, cumulatively reduce waste by 3% (Base year: 2020) Renewable energy consumption: 2% Conduct environment-related verifications annually 	<ul style="list-style-type: none"> Key talent retention: 93% Average training hours of employees > 30 hours. Conduct ISO 45001 annually Employee High-risk case care rate: 100% 	<ul style="list-style-type: none"> Corporate Governance Evaluations: 6~20% of listed companies Integrity advocacy indicators > 99%
2022 Performance	<ul style="list-style-type: none"> 🔄 Cumulatively reduce water use by 29%, cumulatively reduce electricity use by 3.2%, cumulatively reduce waste by 0.3% (Base year: 2020) ✅ Conduct environment-related verifications annually 	<ul style="list-style-type: none"> 🔄 Average training hours of employees: 37 hours. 🔄 Conduct ISO 45001 annually 🔄 Employee High-risk case care rate: 100% 	<ul style="list-style-type: none"> 🔄 Corporate Governance Evaluations: 6~20% of listed companies 🔄 Integrity advocacy indicators: 98.9%
Core Value	Tech for Good Core Capabilities of "Software, Data, Algorithm, Cloud Service, Microservices, Cybersecurity"		
Strategic Approach	Based on 3 environmental-related ISO verifications: 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".	SYSTEX has launched a large-scale talent recruitment program to recruit outstanding technology talents, and adheres to the sustainable spirit of "Tech for Good" to implement various action plans.	Considering the business opportunities of cloud services and digital transformation, SYSTEX deeply works with ecosystem partners to provide the most optimal solution, aiming to become a world-class software company.
Business Benefit	24 Environmental Solutions Carbon Management, Smart Energy Management, Paperless E-payment, E-ticket Platform, E-Health Insurance Review, E-Vehicle Charging and other relevant systems	6 Social Solutions Enterprise Security Monitoring, Factory Security Management, Smart tank car filling management, multi-identification solution (epidemic prevention, access control) and other relevant systems	23 Corporate Governance Solutions Monitoring and Operation Center(MOC), Human Error Insight(HEIS), ESG Sustainable Report Management, Data Loss Protection, Anti-Money Laundering and other systems

Sustainable Operation

Materiality Analysis and Stakeholder

Sustainable Development Goals

Topic	SDGs	SDGs Target	Project	2022 Performance	Our Response
About SYSTEX		8.2	Sustainable Solutions	A total of 53 sustainable solutions to assist enterprise clients.	Create Our Sustainable Value Chain
		16.6	Integrity Committee	A total of 46,161 times of Codes of Conduct were advocated. (99.1% compliance rate)	Governance and Operations
Caring for Employee		3.4	EAP	"EAP" has been used by a total of 78 employees .	Employee Health Promotion
		Health UP! App	"Health UP! APP" has been downloaded cumulatively by nearly 1,700 employees .		
	3.7	Maternity Benefits	Cumulative 195 SYSTEX babies benefited from the "SYSTEX Baby Happy Funds" Program with a total subsidy of NT\$4.44M .	Sustainable Performance	
	3.8	Health Examination	A total of 1,246 employees underwent health examination; a total of 673 new-hires received health check subsidies.	Employee Health Promotion	
	4.4	Employee Training	A total of 31,690 trainees was trained with a total of 143,209 hours .	Talent Cultivation and Development	
8.2	Tech-Blueprint & Learning Map	According to the Learning Map, a total of 4,473 trainees took tech-training with a total of 65,064 hours .			
Environment Sustainability		7.2	T-REC	Purchase of T-RECs totaling 83,493 kWh .	Environment and Energy Management
		7.3	Environmental Sustainability Policy	Annually conduct and maintain ISO 50001 .	
		12.2	Environmental Sustainability Policy	Annually conduct and maintain ISO 14001 .	Environment and Energy Management
		12.5	Paper Usage	A total of 317,000 sheets of office paper usage were reduced.	
		13.1	Environmental Sustainability Policy	Annually conduct and obtain ISO 14064-1 .	Greenhouse Gas Management

Topic	SDGs	SDGs Target	Project	2022 Performance	Our Response
Tech for Good		4.4	Young Turing Program	There are 223 senior high school teams , 50 junior high school teams and 16 overseas teams with a total of 840 participants .	Cultivate Software Talents
			X School Academy	A total of 56 trainees participated.	
			Industry-Academia Collaboration	Provide financial assistance to 4 Master's students in NYCU and 3 Master's students in NTUST.	
		5.b	Young Turing Program	A total of 136 female students participated.	Cultivate Software Talents
		8.2	AI+ Generator Program	A total of 7 Startups were selected for the "AI+ Generator Program".	Partner with Startups
		8.6	SYSTEX Elite Internship	Offer 43 internships to impart on-job training.	Cultivate Software Talents
Supply Chain Management		10.3	Young Turing Program	Donate NT\$100K to SCIST; sponsor the training fee in southern Taiwan for NTU sprout program; provide free competition platform for NHDK Alliance.	Cultivate Software Talents
			PaGamO	Annually donate NT\$1M to children in remote area for an equitable and inclusive education.	Social Engagement
		17.16	AI+ Generator Program	A total of 7 Startups were selected for the "AI+ Generator Program".	Partner with Startups
Supply Chain Management		12.7	ESG Tech- Innovation Promotion Alliance	Donate NT\$2M to support the Alliance's proposal competition.	Social Engagement
			Support E-Friendly Products	A total amount of green procurement is NT\$295M .	Local Procurement
		12.7	Supply Chain Sustainability Management	A total of 2,147 suppliers have signed "Vendor Integrity Pledge and Declaration".	Supplier Sustainability Management

Sustainable Operation

Materiality Analysis and Stakeholder

Materiality Analysis and Stakeholder Engagement

GRI 3-1, 3-2, 3-3

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

For more details about human rights risk assessment, please refer to "[p.45 Human Rights Protection](#)"

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

Materiality Analysis

>> Process to Determine Material Topics

01 Identify Material Topics

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

20
Sustainability Topics

02 Assess Importance of Stakeholders

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

69
Stakeholder Questionnaires

03 Analyze Materiality

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

24
Impact Questionnaires

04 Review Disclosures

Consider concerns of stakeholders and external experts, and rank sustainability topics according to the "positive/negative impact" and "probability." Finally, the CSO approved **9 material topics**. The Sustainability Group will then refer to the GRI and list the corresponding indicators for data inventory.

9
Material Topics

List of Sustainability Topics

Corporate Governance	
① Economic Performance	⑦ Risk Management
② Corporate Governance	⑧ Innovation, R&D and IP. Management
③ Integrity	⑨ Information Security
④ Supply Chain Sustainability	⑩ Sustainable Products and Services
⑤ Regulatory Compliance	
⑥ CRM	

Environment
⑪ Green Operation
⑫ GHG Management
⑬ Waste Management
⑭ Climate Related Strategy

Social
⑮ Talent Attraction and Retention
⑯ Employee Health
⑰ Talent Development
⑱ Diversity, Equality, and Inclusion
⑲ Customer Privacy
⑳ Social Engagement

• Positive and Negative Impact Matrix

Reference to the "GRI 3: Material Topics 2021", SYSTEX assessed the positive/negative impacts and possibilities of each topic. Among them, "Social Engagement," "Sustainable Products and Services" and "Economic Performance" are topics with high positive impact, while "Sustainable Products and Services" and "Talent Development" are topics with high negative impact.

Topics with High Positive Impact

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

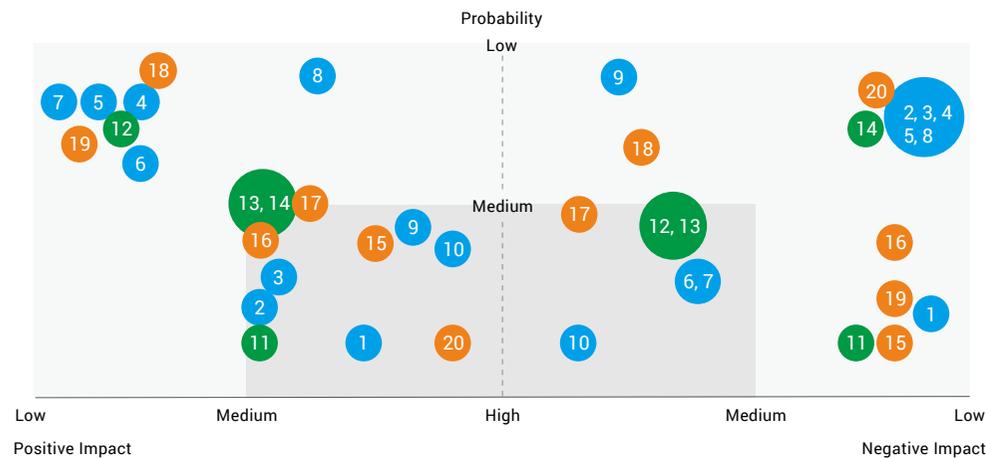
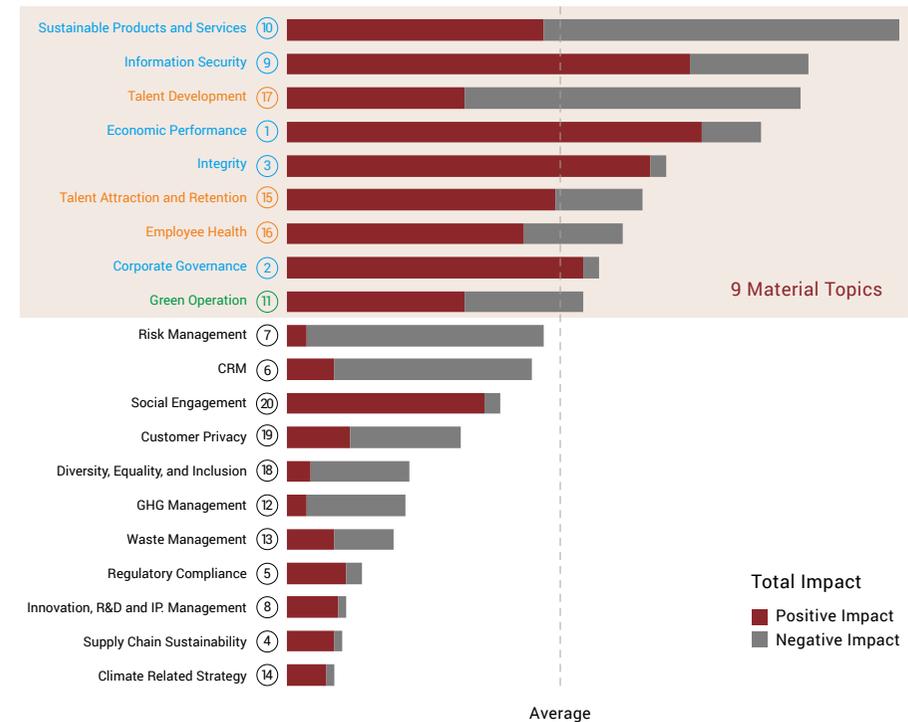
Topics with High Negative Impact

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

• Ranking Material Topics

Changes in Material Topics

Materiality of sustainability issues were ranked by impact, probability, and stakeholder concerns. 9 with above-average scores were chosen as material topics for the year. 2 material topics, "Sustainable Products and Services" and "Information Security" this year address the urgency for sustainable transition, customer privacy, and trade secret protection. "Regulatory Compliance" did not make the cut due to lower impact but will still be monitored for compliance with economic, social, and environmental requirements.



Sustainable Operation

Materiality Analysis and Stakeholder

Material Topics and SYSTEX's Value Chain

SYSTEX has identified 9 material topics covering governance, environment and social aspects, and displayed the meanings and impacts of each topic, and the direct impact on stakeholders in the internal and external value chains of the organizations.

● Direct Impact ○ Indirect Impact

Material Topics	Meanings and Impacts	GRI and SASB	SDGs	Our Response	Internal			Value Chain			
					SYSTEX	Affiliate	Employee	Customer	Original	Supplier	
G	Sustainable Products and Services	SYSTEX's sustainable solutions create new products, services, and market opportunities beneficial to the economy, environment, and society. To remain competitive in the growing market, SYSTEX works with suppliers on innovative, sustainable solutions optimal for operations and shareholder interests.	• Self-customized topics	SDG 8 SDG 12	• Create Our Sustainable Value Chain	●	●	○	●	●	○
	Information Security	As an IT service industry leader, SYSTEX prioritizes information security and safeguards business secrets and customer privacy to prevent negative impacts on stakeholders, customers, and employees.	• 418 • TC-SI-220 • TC-SI-230 • TC-SI-550	-	• Information Security and Privacy Protection Management	●	●	●	●	●	●
	Economic Performance	The financial performance not only has a direct impact on the economic interests of SYSTEX itself and its shareholders and investors, but also increases the ESG budgets for sustainable solutions, enabling positive impact on ESG aspects.	• 201-1	SDG 8 SDG 16	• Business Performance	●	●	●	●	●	●
	Corporate Governance	Corporate Governance helps improve operational efficiency. Based on the philosophy of integrity and transparency, SYSTEX formulates its governance mechanism to drive a positive impact.	• 2-9~2-20 • 2-22~2-28	SDG 8 SDG 16	• Governance and Operations	●	●	○	○	○	○
	Integrity	Integrity is foundation of business operations. Unethical incidents will impact the long-term trust of employees and partners in SYSTEX. SYSTEX strives to be a trusted brand with positive economic impact through strict business ethics and financial transparency.	• 205-2, 205-3	SDG 8 SDG 16	• Governance and Operations	●	●	●	●	●	●

Sustainable Operation

Materiality Analysis and Stakeholder

● Direct Impact ○ Indirect Impact

Material Topics	Meanings and Impacts	GRI and SASB	SDGs	Our Response	Internal			Value Chain			
					SYSTEX	Affiliate	Employee	Customer	Original	Supplier	
E	Green Operation	The carbon emissions of SYSTEX headquarters building mainly come from daily use of energy, water, papers and other resources, which are managed to reduce negative impacts on the environment.	<ul style="list-style-type: none"> • 302-1 • 305 • TC-SI-130 	<ul style="list-style-type: none"> SDG 7 SDG 12 SDG 13 	<ul style="list-style-type: none"> • Environmental Sustainability Policy • Environment and Energy Management • Greenhouse Gas Management 	●	●	○	○	○	○
S	Talent Attraction and Retention	Attraction and retention of key talent enhances competitiveness. Completing the talent development and benefit mechanism can increase the positive impacts on employee rights and interests.	<ul style="list-style-type: none"> • 401 • TC-SI-330 		<ul style="list-style-type: none"> • Talent Cultivation and Development • Benefits and Rights • Cultivate Software Talents 	●	●	●	○	○	○
	Talent Development	Taiwan faces an IT talent shortage, and employees prioritize companies that offer training in the latest technologies. SYSTEX fosters tech-talents with comprehensive career development to address the digital transition, mitigating employee turnover impact. SYSTEX designs targeted talent programs for different stages, enhancing digital competitiveness and societal impact.	<ul style="list-style-type: none"> • 404-1, 404-3 	<ul style="list-style-type: none"> SDG 3 SDG 4 SDG 5 SDG 8 	<ul style="list-style-type: none"> • Talent Cultivation and Development 	●	●	●	○	○	○
			<ul style="list-style-type: none"> • 413 	<ul style="list-style-type: none"> SDG 10 SDG 17 	<ul style="list-style-type: none"> • Tech for Good 						
Employee Health	Work stress and long hours of sitting in the office may have a negative impact on the employee health. Creating a safe workplace and developing health promotion programs can increase the positive impacts on employee rights and interests.	<ul style="list-style-type: none"> • 403 		<ul style="list-style-type: none"> • Occupational Health and Safety • Employee Health Promotion 	●	●	●	○	○	○	

Sustainable Operation

Materiality Analysis and Stakeholder

Management Approach of Material Topics

GRI 2-24

Material Topics	Management Approach				
	Policy and Strategy	Boundary	Responsibility	Grievance Mechanism	
G	Sustainable Products and Services	SYSTEX aims to be the top sustainable partner for enterprise clients, providing innovative solutions and digitalized management in their sustainable transition.	SYSTEX Corp., All affiliates ¹	All Business Units	The President supervises performance quarterly, and sets business targets. Each BU understand customer service satisfaction and optimize sustainable solutions.
	Information Security	SYSTEX formulates IS-related regulations such as "Information Security Policy", obtains ISO 27001 and other IS-related verifications, regularly conducts various crisis drills, and strengthens training, to improve information security risk defense capabilities.	SYSTEX Corp., All affiliates ¹	Data & Info. R&D Div., Information Security Taskforce Committee	The Data & Info. R&D Division plans employee IS training, conducts ISO 27001 annually and performs information security drills regularly.
	Economic Performance	Gather SYSTEX's tech-teams and jointly work with ecosystem partners to offer 5 value-added services, aiding clients in building innovative business models and creating an exponential growth.	SYSTEX Corp., All affiliates ¹	CFO Office	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", and conduct performance evaluation of the Board regularly by an external audit body.	SYSTEX Corp., All affiliates ¹	CFO Office	The Board of Directors, as the highest governance body, is responsible for the operation and its executive performance.
	Integrity	Implement Integrity management, ask employees to sign the "Ethical Corporate Management Best Practice Principles" and arrange ethical training courses to make integrity spirit take root. Externally, suppliers are also required to sign "Integrity Pledge and Declaration" and related documents to implement integrity management.	SYSTEX Corp., All affiliates ¹	Integrity Committee	The Integrity Committee is responsible for prevention measures and supervising their implementation.
E	Green Operation	Make good use of green technologies to achieve the goal of "Net Zero by 2050", based on 3 environment-related ISO verifications: ISO 14001, ISO 14064-1, ISO 50001.	SYSTEX Headquarters ³	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 and Retention	Launch a large-scale talent recruitment program to recruit outstanding tech-talents with core capabilities. Care for new employees to integrate into new workplace with "New Employee Training Courses," "Mentor System" and "Dedicated HR Service Assistant." Implement various benefit and welfare mechanism to create a happy workplace.	SYSTEX Corp., Some affiliates ²	Human Resources Division	The Human Resources Division reviews the retention of key talents and new-hires regularly, tracks the policy implementation, and investigates the reasons for each employee's departure.
	Talent Development	Adhering to the vision, SYSTEX offers complete information services and the robust "Employees Training and Development Rules" with performance management and continuous core HR investment. SYSTEX developed software talent programs for different learning stages to build a pool of exceptional prospects.	SYSTEX Corp., Some affiliates ²	Human Resources Division	The Human Resources Division provides training resources and continuously increases the number of employee training hours internally, so as to accumulate employee capabilities. Meanwhile, SYSTEX actively invests in IT education for college and high-school students to accumulate world-class IT talents early.
	Employee Health	Employ full-time "health managers", set up a "health management center" and innovate "Health UP! APP" to help employees manage their own health.	SYSTEX Corp., Some affiliates ²	Human Resources Division	The health manager evaluates employee's personal medical report annually and provides individual consultation.

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

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

Note 3: SYSTEX Headquarters: SYSTEX Corp., Concord System Management Corp., SYSTEX Solution Corporation, TaiFon Computer Co. Ltd, Naturint Ltd., Smartsys Technology Corporation, and Misys Corporation.

Sustainable Operation

Materiality Analysis and Stakeholder

Goals for Material Topics

🔄🟡🟢 Achieved 🟢🟡🟠 Ongoing

Material Topics	2022 Goals	2022 Performance	Achieved Status	Short-term Goal	Mid-term Goal	Long-term Goal	
				2023	2025	2030	
G	Sustainable Products and Services	• Sustainable solution: 50 solutions	wSustainable solution: 53 solutions	🟢	• Sustainable solution: 50 solutions	• Sustainable solution: 50 solutions	• Sustainable solution: 50 solutions
	Information Security	• Conduct ISO 27001 annually • No data leakage incident occurred	• Obtain and maintain ISO 27001 verification • No data leakage incident occurred	🟢	• Conduct ISO 27001 annually • No data leakage incident occurred	• Conduct ISO 27001 annually • No data leakage incident occurred	• Conduct ISO 27001 annually • No data leakage incident occurred
	Economic Performance	• Maintain operating profitably	• Operate profitably with a revenue growth by 12.3%	🟢	• Maintain operating profitably	• Maintain operating profitably	• Maintain operating profitably
	Corporate Governance	• Expand the scope of TIPS certification • Corporate Governance Evaluations: 6~20% • No major violations occurred	• Obtain TIPS certificate (Level A) • Corporate Governance Evaluations: 6~20% • No major violations occurred	🟢	• Corporate Governance Evaluations: 6~20% of listed companies	• Corporate Governance Evaluations: 6~20% of listed companies	• Corporate Governance Evaluations: 5% of listed companies
	Integrity	• Integrity advocacy indicators > 98% • Signed "Vendor Integrity Pledge and Declaration": 95% • Signed "Supplier CSR Code of Conduct": 70% • Responded "Supplier CSR Self-Assessment Questionnaire": 50%	• Integrity advocacy indicators: 98.9% • Signed "Vendor Integrity Pledge and Declaration" > 99% • Signed "Supplier CSR Code of Conduct": 82.93% • Responded "Supplier CSR Self-Assessment Questionnaire": 57.73%	🟢	• Integrity advocacy indicators > 99% • Signed "Vendor Integrity Pledge and Declaration": 96% • Signed "Supplier CSR Code of Conduct": 80% • Responded "Supplier CSR Self-Assessment Questionnaire": 60% • Responded "Supplier IS and Personal Data Protection Questionnaire": 60%	• Integrity advocacy indicators > 99% • Signed "Vendor Integrity Pledge and Declaration": 97% • Signed "Supplier CSR Code of Conduct": 85% • Responded "Supplier CSR Self-Assessment Questionnaire": 65% • Responded "Supplier IS and Personal Data Protection Questionnaire": 65%	• Integrity advocacy indicators > 99% • Signed "Vendor Integrity Pledge and Declaration": 97% • Signed "Supplier CSR Code of Conduct": 90% • Responded "Supplier CSR Self-Assessment Questionnaire": 65% • Responded "Supplier IS and Personal Data Protection Questionnaire": 65%
E	Green Operation	• Cumulatively reduce water use by 23%, cumulatively reduce electricity use by 6%, cumulatively reduce waste by 4% • Conduct 3 E-related verifications	• Cumulatively reduce water use by 29%, cumulatively reduce electricity use by 3.2%, cumulatively reduce waste by 0.3% • Obtain and maintain 3 E-related verifications	🟡	• Cumulatively reduce water use by 30%, cumulatively reduce electricity use by 5%, cumulatively reduce waste by 3% • Renewable energy consumption: 2% • Conduct 3 E-related verifications	• Cumulatively reduce water use by 32%, cumulatively reduce electricity use by 9%, cumulatively reduce waste by 7% • Renewable energy consumption: 2% • Conduct 3 E-related verifications	• Cumulatively reduce water use by 32%, cumulatively reduce electricity use by 25%, cumulatively reduce waste by 10% • Renewable energy consumption: 10%
S	Talent Attraction and Retention	• Conduct ISO 45001 annually • Return to Work rate after unpaid parental leave: 65%	• Maintain ISO 45001 verification • Return to Work rate after unpaid parental leave: 77%	🟡	• Key talent retention: 93% • New-hire retention: 80%	• Key talent retention: 95% • New-hire retention: 83%	• Key talent retention: 95% • New-hire retention: 85%
	Talent Development	• Average training hours of employees > 30 hours • YTP junior high school team: 50	• Average training hours of employees: 37 hours • YTP junior high school team: 50	🟡	• Average training hours of employees > 30 hours • YTP junior high school team: 60	• Average training hours of employees > 30 hours • YTP junior high school team: 70	• Average training hours of employees > 30 hours • YTP participants: 1,000
	Employee Health	• Health UP! APP download rate: 30% • High-risk case care rate: 100%	• Health UP! APP download rate: 43.9% • High-risk case care rate: 100%	🟡	• Conduct ISO 45001 annually • High-risk case care rate: 100% • Health check rate: 75% (100% of those >40y)	• Conduct ISO 45001 annually • Health promotion expense > NT\$4M • Health check rate: 75% (100% of those >40y)	• Conduct ISO 45001 annually • Health promotion expense > NT\$5M • Health check rate: 75% (100% of those >40y)

Stakeholder Engagement and Communication Channels

GRI 2-25, 2-29

Stakeholder	Meanings of Stakeholder	Engagement 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"> Attraction and retention Human rights protection Cultivation and development OHS 	<ul style="list-style-type: none"> [Annual] Business meeting, technical meeting [Quarterly] Labor-management meeting [Monthly] Compliance announcement, sales meetings [Irregularly] Internal announcement, communication mailbox, various meetings, training courses 	<ul style="list-style-type: none"> Rewarded 2022 Buying Power Social Innovation Reward: Third Prize, by Ministry of Labor A total of 143,209 hours of employees training A total of NT\$2.64M of maternity subsidy (SYSTEX babies program and Employee Welfare Committee program) A total health promotion expenses of NT\$8.89M 	<ul style="list-style-type: none"> Talent Cultivation and Development Human Rights Protection Benefits and Rights Occupational Health and Safety Employee Health Promotion
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"> Customer privacy Information security Customer service 	<ul style="list-style-type: none"> [Irregularly] Personal visit, customers' supplier audit, tele-contact, dedicated email 	<ul style="list-style-type: none"> Conduct various IS-related drills to ensure uninterrupted operations No data leakage incident occurred A total number of 7,200 employees received IS advocacy training and testing A total of 102 international PMP licenses 	<ul style="list-style-type: none"> Information Security and Privacy Protection Management Customer Relations
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"> Economic performance Anti-corruption 	<ul style="list-style-type: none"> [Annually] AGM, annual report, sustainability report [Quarterly] Board meeting, functional committees meeting, earnings conference, financial reports [Monthly] Performance announcement, MOPS [Irregularly] Material info., communication meetings for investors 	<ul style="list-style-type: none"> Record-high consolidated revenue in 2022 Financial IT service market share No.1 Innovate and offer 53 sustainable solutions Integrity advocacy indicators: 98.9% Obtain TIPS certificate (Level A) 	<ul style="list-style-type: none"> About SYSTEX Business Performance Governance and Operations
Upstream Original	SYSTEX works closely with upstream originals to expand business market and provide customers with various services and solutions.	<ul style="list-style-type: none"> Customer privacy Information security 	<ul style="list-style-type: none"> [Irregularly] Meetings, emails, upstream original conference 	<ul style="list-style-type: none"> Employees cumulatively obtained 501 IS-related certificates such as ISO 27001, and other licenses Receive Microsoft's "Global Top 100 Azure Expert MSP Certificate" 	<ul style="list-style-type: none"> Information Security and Privacy Protection Management Customer Relations
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"> Supplier impact assessment Information security 	<ul style="list-style-type: none"> [Irregularly] Meetings, emails, supplier conference or meeting 	<ul style="list-style-type: none"> A total of 2,147 suppliers have signed "Vendor Integrity Pledge and Declaration". A total of 1,244 suppliers have signed "Supplier CSR Code of Conduct". A total of 866 suppliers responded "Supplier CSR Self-Assessment Questionnaire", while a total of 843 suppliers responded "Supplier IS and Personal Data Protection Questionnaire". 	<ul style="list-style-type: none"> Supplier Sustainability Management
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"> Regulatory Compliance Taxation Governance 	<ul style="list-style-type: none"> [Annually] Governmental evaluation [Irregularly] Official document, meetings, emails, public info., conference, seminars 	<ul style="list-style-type: none"> No major violations occurred A total tax expense of NT\$264M A total investment deduction tax subsidy of NT\$1,772.8K 	<ul style="list-style-type: none"> Business Performance Governance and Operations Risk Management Benefits and Rights Environmental Sustainability Policy
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"> Social Engagement 	<ul style="list-style-type: none"> [Irregularly] Press releases, media interviews, press conferences 	<ul style="list-style-type: none"> A total of 840 participants of YTP A total of 7 Startups selected for the AGP Donate NT\$2M to support the Alliance's proposal competition. Annually donate NT\$1M to support PaGamO 	<ul style="list-style-type: none"> Cultivate Software Talents Partner with Startups Social Engagement

02

Corporate Governance

Governance and Operations 28

Risk Management 34

Information Security and Privacy Protection Management 35

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 new type value-added services.



Material Topics

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

Contributing to the SDGs



Highlight



NT\$ 33.1 B

Record High Consolidated Revenue



6~20%

The 9th Corporate Governance Evaluations



TIPS

Taiwan Intellectual Property Management System Certificate

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

Gather SYSTEX technical teams, connect with ecosystem partners, promote five value-added services of "cloud, data, information security, software development, maintenance and operation" and deeply help customers create innovative business models and achieve exponential growth.

2022 2023

2025

2030

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> • Maintain operating profitably • Corporate Governance Evaluations: 6%~20% of listed companies • Integrity management advocacy rate: 99% • Maintain ISO 27001 certified | <ul style="list-style-type: none"> • Maintain operating profitably • Corporate Governance Evaluations: 6~20% of listed companies • Integrity management advocacy rate: 99% • Maintain ISO 27001 certified | <ul style="list-style-type: none"> • Maintain operating profitably • Corporate Governance Evaluations: 5% of listed companies • Integrity management advocacy rate: 99% • Maintain ISO 27001 certified |
|--|---|--|

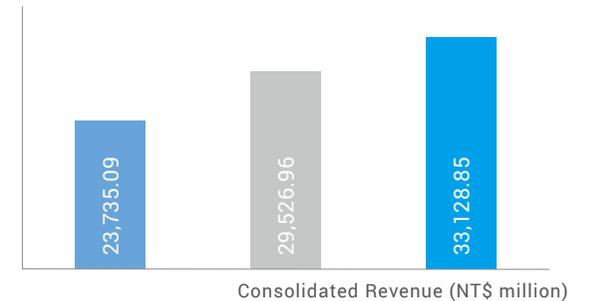
☑ Achieved ☹ Ongoing

		2022 Goals	2022 Performance	Status
2022 Goals and Performance	Operating Performance	Operating Profitably	Operating Profitably and ↑ 12%	☑
	TIPS Certificate	Obtain TIPS (Leve A) - Patents & Trademarks	Obtain TIPS (Leve A) - Patents & Trademarks	☑
	Major Violations	0 Cases	0 Cases	☑

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

3-year Performance Progress

■ 2020 ■ 2021 ■ 2022

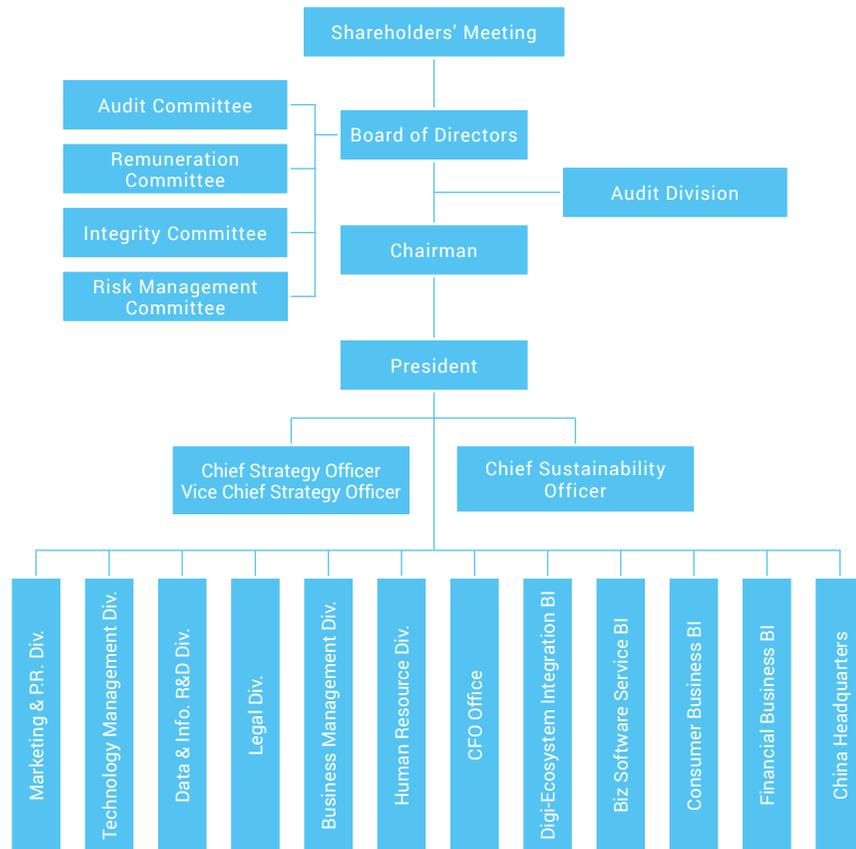


Governance and Operations

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

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

>> Organizational Governance Structure



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

>> Diversity of the Board

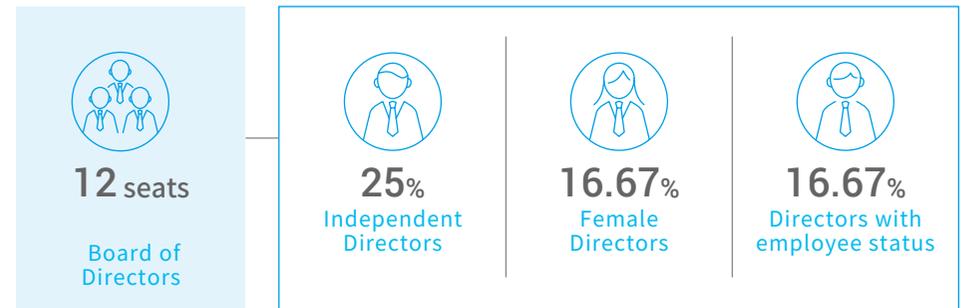
The nomination and selection of the Board of SYSTEX follows the "[Rules of Election of Directors](#)" and the "Corporate Governance Best Practice Principles" to ensure the diversity and independence of directors. There are 12 directors in the 10th Board, including 2 female directors. The Board is composed of diverse 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.

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

In the Board, female directors and directors with employee status both accounted for 16.67%. In term of age, 2 directors are under 45, 7 directors are 56~65, and 3 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. By the end of 2022, the average term of directors is 10.75 years.

3 independent directors accounted for 23.07% of the Board. In addition, Huang, Ting-Rong and Huang, Chi-Rong are relatives within the second degree of kinship but do not exceed half of seats of the directors. None of the other directors has the conditions specified in Article 26-3 of the Securities and Exchange Act., so that the Board of Directors is still independent.

It's planned to add 1 independent director in 2023, which will increase the number of independent directors to 4, accounting for 31% of all directors, so that the board can be more independent.



>> Studies of the Board GRI 2-17

The Board follows the "Corporate Governance Best Practice Principles" and the "Rules Governing the Scope of Powers of Independent Directors" to arrange courses related to governance topics and disclose the learning status. In 2022, the Board plans courses such as "Supervisory risk management and crisis management" and "New cybersecurity threats and information security governance," which allows each director to receive an average of 6 hours of training to effectively play the role of the Board in overseeing operations.

• 2022 Directors' Studies

Title	Name	Date First Elected	Courses	Hours
Chairman	Lin, Lung-Fen	2002.03.28	<ul style="list-style-type: none"> •How directors and supervisors supervise risk management and crisis management to strengthen corporate governance •New cross-border cybersecurity threats and information security governance 	3
Director	Cheng, Deng-Yuan	2002.03.28		
Director	Huang, Ting-Rong	2007.06.13		
Director	Huang, Chi-Rong	2002.03.28		
Director	Lu, Ta-Wei	2010.06.18		
Director	Shaw, Shung-Ho	2016.06.17		
Director	Hsieh, Chin-Ho	2016.06.17		
Director	Lin, Chih-Min	2007.06.13		
Director	Wu, Cheng-Huan	2019.06.13		
Independent director	Cheng, Wen-Feng	2013.06.21		
Independent director	Lai, Chien-Hua	2019.06.13	<ul style="list-style-type: none"> •Discussion on Taiwanese businessmen's management and M&A strategies from the perspective of global political and economic situation •Corporate governance and securities regulations-analysis of legal norms and practical cases of insider trading 	3
Independent director	Huang, Ta-Lun	2022.05.26		

>> Performance Evaluation of the Board GRI 2-18

For effectively corporate governance and better board performance, SYSTEX has formulated the "Rules for Performance Evaluation of Board of Directors" passed in the Board meeting, and it stipulates an internal performance evaluation for the Board once every year and an external evaluation every three years. SYSTEX sends an internal Board Self-Assessment Questionnaire in December each year and reports the results of the evaluation at the latest Board meeting in the following year. The results of 2022 internal evaluation were presented to the Board on February 22, 2023.

• 2022 Directors' Performance Evaluation

Cycle	Once a year
Period	2022.01.01-2022.12.31
Scope	Evaluation scope covers the Board as a whole, individual directors and functional committees.
Methods	Methods of internal evaluations include the internal assessment of the Board and functional committees, and the self-assessment by individual directors.
Evaluation Items	<ul style="list-style-type: none"> • For the Board: "participation in the operation, improvement of the quality of decision by the Board, composition and structure of the Board, election and continuing education of the directors, and internal control." • For individual directors: "alignment of the goals and missions of SYSTEX; awareness of the directors' duties, participation in the operation, management of internal relationship and communication, directors' professionalism and continuing education, and internal control." • For functional committees: "participation in the operation, awareness of the committees' duties, improvement of the quality of decision by the committees, composition and election of the committees, and internal control."
Results	<ul style="list-style-type: none"> • In 2022, the results of performance evaluation for the Board, Audit Committee, Remuneration Committee, and individual Directors were all above 80 points (based on the standard of 80 points), demonstrating that the overall operation of the Board is in line with corporate governance principles.

Note: The external evaluation was appointed by the Taiwan Corporate Governance Association in 2021, so the external evaluation was not conducted in 2022. The evaluation results in 2021 can be found on ["Web_Evaluation of the Board."](#)

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

>> Remuneration of the Board GRI 2-19, 2-20

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

• Remuneration of Directors

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

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

Note: For more details about the remuneration and range of the Board, please refer to "[2022 Annual Report, p.28-30](#)."

• Remuneration of Management Team

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

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

Note: For more details about the remuneration and range of the management team, please refer to "[2022 Annual Report, p.31-32](#)."

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

The Board of Directors has set up the Audit Committee, Remuneration Committee, Integrity Committee and Risk Management Committee based on its responsibility. The Audit Division conducts different internal audits regularly and reports the audit results to the Board. With these organizations mutual supervision, the Board can function more efficiently.

>> Audit Committee

SYSTEX has set up the Audit Committee and formulated the "Audit Committee Charter" in 2007. In 2022, the Audit Committee held 7 meetings with the attendance rate of 100%. The deliberation subjects include: reviewing 2021 annual report and quarterly financial reports of 2022, lending funds to subsidiaries, and revising the internal control system, etc.

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

Note: For more details, please refer to "[p.29 Performance Evaluation of the Board](#)."

>> Remuneration Committee

SYSTEX has set up the Remuneration Committee and formulated the "[Remuneration Committee Charter](#)" in 2011. In 2022, the Remuneration Committee held 4 meetings with the attendance rate of 100%.

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

>> Integrity Committee

SYSTEX has set up the Integrity Committee in 2020 and formulated the "[Ethical Corporate Management Best Practice Principles](#)" and "[Procedures for Ethical Management and Guidelines for Conduct](#)," responsible for formulating integrity management policies, supervising and reporting annual performance to the Board at the end of each year.

Composition	• Composed of CSO, Vice CSO, and division heads of HR, Finance, Business and Legal
Policy	• Based on the business philosophy of integrity, transparency and responsibility, SYSTEX establishes mechanisms of governance and integrity to realize sustainability.
Regulation	<ul style="list-style-type: none"> • Code of Conduct • Code of Conduct for Directors and Executives • Ethical Corporate Management Best Practice Principles • Procedures for Ethical Management and Guidelines for Conduct
Risk Assessment	• In the Ethical Corporate Management Best Practice Principles , SYSTEX has set up a risk assessment mechanism, regularly analyzes risk of dishonest behavior, formulates preventive plans, and reviews the effectiveness of the preventive plans.
Whistleblower	<ul style="list-style-type: none"> • Set up the "Integrity Committee Email" and formulate "Integrity Management Reporting Regulation" to provide channels for reporting dishonesty issues. • In order to encourage dishonesty reporting, SYSTEX will provide whistleblowers with a reporting bonus up to NT\$500K.

• Integrity Awareness Promotion and Training

SYSTEX continuously deepens the integrity awareness every year and regulates SYSTEX Directors, Executives and employees to abide by the "[Ethical Corporate Management Best Practice Principles](#)" to implement relevant action plans based on global standards. The actions plans are listed below:

- Promote the "Ethical Corporate Management Best Practice Principles"**
 - Deepen philosophy of integrity by 2 advocacies for employees, with a total of 7,157 trainees in 2022.
 - Held 2 integrity seminars for management level managers, with a total of 538 trainees in 2022.
- Promote the "Code of Conduct"**
 - Violation cases are publicized to employees by email every month, and then they are required to sign digital. A total of 46,161 trainees were trained in 2022.
- Promote the "Procedures for Handling Material Inside Information"**
 - Every year, Executives and employees are trained on the "Procedures for Handling Material Inside Information", ensuring they are familiar with relevant regulations.
- Implement the Integrity training for new employees**
 - New-hire employees are trained on integrity issues during "New Employees Training Camp", with a total of 435.7 hours and 688 trainees, excluding contract and temporary employees.

• Integrity Action Plans

In order to strengthen corporate governance and integrity management, SYSTEX has implemented Integrity action plans, requiring Directors and Executives to sign the "Integrity Compliance Statement" and requiring employees to digitally sign the "[Code of Conduct](#)" to ensure regulatory compliance in daily operations. The 2022 performance is listed below:

Deepen Integrity in Strategy	<ul style="list-style-type: none"> • Implement IP management projects, digitally managing valid trademarks and patents and maintaining the TIPS certificate (Level A). • Directors and Executives signed the "Integrity Compliance Statement", with a total of 12 Directors in the 10th session and 29 Executives of BU. • Held 2 integrity seminars for management level managers. In 2022H1, 266 managers were trained, and 272 managers were trained in 2022H2. 				
Analyze Dishonesty Risk	<ul style="list-style-type: none"> • Complete the integration of illegally dishonest cases into daily integrity advocacy. • Complete dishonesty prevention plans and the formulation of relevant regulations. 				
Monitor Higher Dishonesty Risk	<ul style="list-style-type: none"> • Implement the annual work rotation for procurement personnel • Implement the shunting of accounts and collections 				
Promote Integrity Policy	<table border="1"> <tr> <td>Inside SYSTEX</td> <td> <ul style="list-style-type: none"> • Advocate the "Code of Conduct" every month, with a total of 46,161 trainees and 99.1% of achievement rate. • Held 2 integrity advocacies for employees, with a total of 7,157 trainees and 98.9% of achievement rate. • The achievement rate of the "Procedures for Handling Material Inside Information" training was 98.9%. </td> </tr> <tr> <td>External suppliers</td> <td> <ul style="list-style-type: none"> • Signed the "Vendor Integrity Pledge and Declaration" > 99%; signed the "Vendor Integrity Pledge and Declaration" of key suppliers: 100% • Signed the "Supplier CSR Code of Conduct": 82.93%; signed the "Supplier CSR Code of Conduct" of key suppliers: 100% • Responded the "Supplier CSR Self-Assessment Questionnaire": 57.73% • Responded the "Supplier IS and Personal Data Protection Questionnaire": 56.2% </td> </tr> </table>	Inside SYSTEX	<ul style="list-style-type: none"> • Advocate the "Code of Conduct" every month, with a total of 46,161 trainees and 99.1% of achievement rate. • Held 2 integrity advocacies for employees, with a total of 7,157 trainees and 98.9% of achievement rate. • The achievement rate of the "Procedures for Handling Material Inside Information" training was 98.9%. 	External suppliers	<ul style="list-style-type: none"> • Signed the "Vendor Integrity Pledge and Declaration" > 99%; signed the "Vendor Integrity Pledge and Declaration" of key suppliers: 100% • Signed the "Supplier CSR Code of Conduct": 82.93%; signed the "Supplier CSR Code of Conduct" of key suppliers: 100% • Responded the "Supplier CSR Self-Assessment Questionnaire": 57.73% • Responded the "Supplier IS and Personal Data Protection Questionnaire": 56.2%
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Set up Reporting Email	<ul style="list-style-type: none"> • Newly formulate "Integrity Management Reporting Regulation" • In 2022, there was 1 whistleblowing case, which was verified by the Audit Division, the business personnel in this case was punished with a minor demerit; in addition, internal integrity promotion was strengthened. 				

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

Intellectual Property Management SASB TC-SI-520

Obtain TIPS (Level A) – Patent & Trademarks

>> 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:

- Continuously improve the quantity and quality of patents and trademarks
- Actively participate in the development of key business opportunities
- Use IP to increase economic value and expand business
- Implement IP management to maintain competitive advantage
- Enhance employees' awareness of IP management
- Optimize IP-related resources required for the IP management system

>> Intellectual Property Management System

For protecting innovation results and enhancing profitability, SYSTEX has formulated "Regulations for Patents and Trademarks Management", regulating the management and maintenance of IP rights, including patents, trademarks and others. In addition, SYSTEX also has IP consultation mechanism to assist BU to identify IP-related risks and formulate responding strategies in real times.

• Intellectual Property Protection and Management Procedures

Result Record	• IT engineers are required to record and save the work results in PM tools under strict authority control mechanism and document management restriction, ensuring that the development results become IPs more completely and effectively.
Management System	• SYSTEX's "document management system" combines with the existing document grading mechanism to standardize documents classification, grading, marking, assessing authority, transmission and preservation, avoiding losses caused by improper acquisition, use, contact or disclosure of confidential information.
Rules in Contract	• New employees are required to sign an employee contract, stipulating that during the period of employment and after resignation, personnel shall bear the obligation of confidentiality of trade secrets and related IP rights.
Regular Audit	• 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.
Dispute	• SYSTEX has established the IP handling procedures and communication channels to timely deal with IP incidents to avoid losses caused by IP disputes.

• 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.

• Improve Intellectual Property Awareness

Through digital training courses, SYSTEX continues to strengthen the IP awareness for relevant employees, and also actively arranges various internal and external IP training courses to enable employees to realize and reduce IP related risks effectively.

>> Intellectual Property Management Performance

By the end of 2022, SYSTEX has filed 139 patent applications, of which a total of 107 patents have been approved. Besides, SYSTEX attaches great important to the acquisition and use of trademarks rights. Up to now, 209 trademarks have been registered, enabling SYSTEX to enhance brand recognition and expand commercial value through the flexible use of trademarks.



Institutionalize Procedures	• Improve the IP management system. In 2022, a total of 18 institutional regulations and documents were newly formulate or revised, including the "IP Management Manual", "Regulations for Patents and Trademarks Management", and "Secret Document Classification Management Measures".
Raise Awareness	• Conduct 3 digital IP-related training, including "Basic Concepts of IP", "Organizational IP Management Policy, Objective and Regulations", and "Advanced Courses for Personnel with Authority" to enhance related personnel's awareness and ability of IP management, reducing risks caused by internal IP issues.
Strengthen Control Measures	• SYSTEX has established "Intellectual Property Document Management Procedure," "Intellectual Property Management Record Procedure," and "Confidentiality Classification for Intellectual Property Management" and optimized R&D management to mitigate the risks of unauthorized access, usage, exposure, or disclosure of confidential information.
Obtain TIPS (A) - Patents & Trademarks	• In 2022, conduct and obtain the Taiwan Intellectual Property Management System Certificate (Level A) – Patents and Trademarks.

Internal Audit

SYSTEX establishes accounting system and internal control system in accordance with laws and regulations, and formulates "Rules of Internal Audit Implementation". Accordingly, the Audit Division has detailed audit implementation rules to measure the effectiveness and compliance of current control system. After auditing, the Audit Division regularly summarizes the results and reports to the Board as a basis for evaluating the effectiveness of internal control system.

In terms of supply chain management, SYSTEX has implemented integrity management in business operations and evaluates legality before processing transactions, considering whether customers or suppliers have a record of dishonesty. In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies", SYSTEX reviews the designed system and implementation.

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

Material Inside Information GRI 2-16

To improve the transparency, SYSTEX discloses material inside information in a timely manner through the website and the Market Observation Post System (6214). Some of the material information are listed below:

Date	Subject
2022.05.26	<ul style="list-style-type: none"> SYSTEX Board of Directors decide to elect Chairman, Lin, Lung-Fen. Announce the new members of the Audit committee and Remuneration committee
2022.08.03	<ul style="list-style-type: none"> Announcement for the investment of Syslink Corporation behalf of Syscore Corporation a subsidiary of Systex Corporation
2022.08.19	<ul style="list-style-type: none"> Announcement on behalf of the major subsidiary Syscore Corporation the Board of Directors resolved to carry out a cash capital injection.
2022.09.16	<ul style="list-style-type: none"> Announcement on behalf of the major subsidiary Syscore Corporation on issuance of common shares record date of cash capital increase.(Update information)

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

Taxation Governance GRI 2-23

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

Taxation Policy
<ul style="list-style-type: none"> Comply with any local tax laws and regulations of disclosure requirements in all countries and regions where we operate, and ensure the information transparency of financial report.
<ul style="list-style-type: none"> Inter-company transactions are based on the Arm's Length Principle and follow the Transfer Pricing Guidelines issued by the Organization for Economic Co-operation and Development (OECD).
<ul style="list-style-type: none"> Avoid shifting transactions to low-tax jurisdictions or tax havens without substantial operating business for the purpose of improper tax avoidance.
<ul style="list-style-type: none"> Improve the professional intelligence and ability of tax personnel to optimize efficiency in tax management.
<ul style="list-style-type: none"> Adhere to the concept of integrity governance, support the government to promote related policies of sustainability, and keep in close communication channels with local tax authorities.
<ul style="list-style-type: none"> Always takes the impact of tax into consideration when making major business decisions.
<ul style="list-style-type: none"> Optimize tax management and strengthen risk management in order to create value for shareholders.

The CFO oversees tax management at SYSTEX, with the Accounting Supervisor handling day-to-day operations. Qualified tax professionals are hired with annual training for tax management efficiency. SYSTEX pays taxes on time every year in accordance with laws. In 2022, the income tax is NT\$264,709K, with an effective tax rate of 19%, accounting for 0.8% of consolidated revenue.

Item	2020	2021	2022
Net Profit before Tax (NT\$ thousand)	1,851,179	1,451,615	1,393,064
Income Tax Expense (NT\$ thousand)	175,457	228,519	264,709
Effective Tax Rate	9.48%	15.74%	19.00%
Income Tax as percentage of consolidated revenue	0.74%	0.77%	0.80%

Note: Effective Tax Rate = Income Tax Expense / Net Profit before Tax *100%

Risk Management

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

SYSTEX completes its risk management mechanism to reduce negative impacts of risks, improve operational efficiency and resilience in response to risks, and increase competitive advantages to implement sustainable operations. In 2022, SYSTEX has established a cross-divisional Risk Management Committee under the Board, and formulated "[Risk Management Best Practice Principles](#)", "[Risk Management Policies and Procedures](#)", and other regulations to effectively control risks and improve management efficiency.

Risk Management Policy				
Principle	<ul style="list-style-type: none"> Integrated Employee and cultural 	<ul style="list-style-type: none"> Customized Structured and comprehensive 	<ul style="list-style-type: none"> Dynamic Effective use of information 	<ul style="list-style-type: none"> Inclusive Keep improve

Risk Management Organization



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

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

• Risk Management Committee [New in 2022]

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

• Crisis Management Group

The Crisis Management Group develops risk policies, procedures, and frameworks. They establish risk metrics and tolerance levels, analyze company risks, and oversee and coordinate risk management activities across departments. The Crisis Management Group is responsible for enhancing risk awareness among the entire organization with training programs. In 2022, the Crisis Management Group held a meeting quarterly, and a total of 4 meetings were held.

• Crisis Resolution Team

The Crisis Management Group has set up the Crisis Resolution Teams, grouping by crisis events. These teams are immediately activated when a crisis 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."

Determine Criteria	<ul style="list-style-type: none"> According to the principle of crisis event determination
Report Events	<ul style="list-style-type: none"> After determining and confirming events, Crisis Resolution Team shall be convened immediately to deal with the crisis.
Resolve Events	<ul style="list-style-type: none"> The Crisis Team leader directs the handling of events, convenes meetings timely and reports to the Crisis Management Group.
Dismiss Events	<ul style="list-style-type: none"> The Crisis Resolution Team decides whether to dismiss the events, and reports it to the Crisis Management Group after dismissal.

🔗 For more details about risk management, please refer to "[Web_Risk Management](#)."

🔗 For more details about human rights risk, please refer to "[p.45 Human Rights Protection](#)."

🔗 For more details about climate-related rights risk, please refer to "[p.70 Climate-Related Governance and Financial Disclosures](#)."

🔗 For more details about risk management measures, please refer to "[2022 Annual Report, p.308-313](#)", "[Web_Infectious Diseases Risk](#)", and "[Web_Information Security Risk](#)".

Information Security and Privacy Protection Management

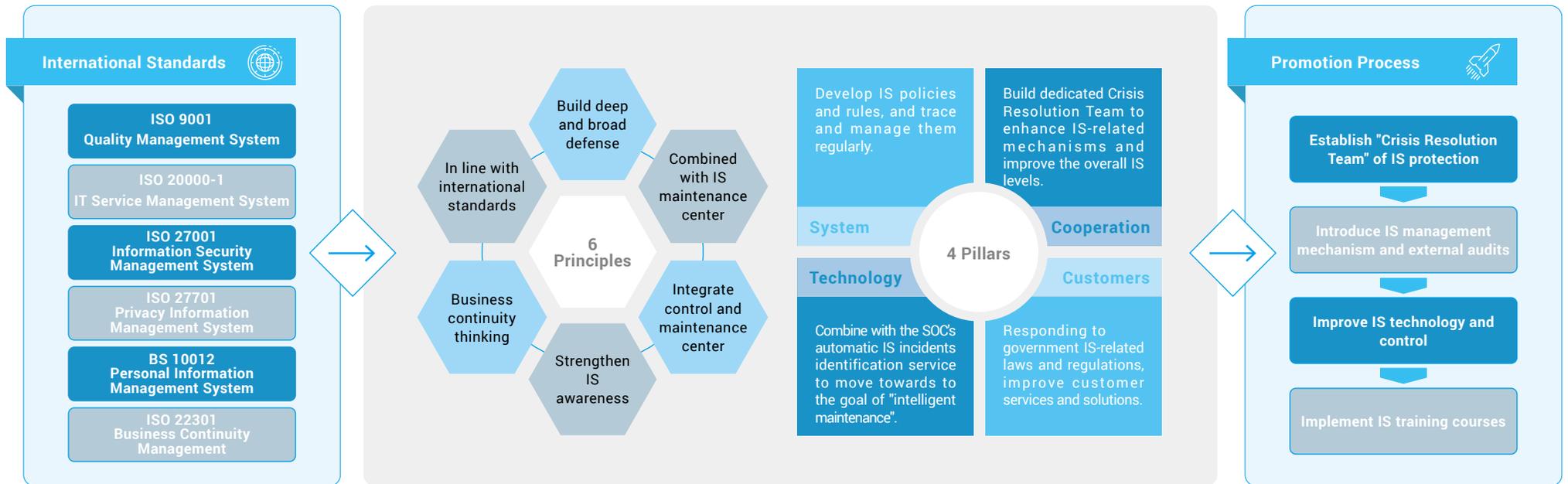
GRI 2-23, 418-1 ; SASB TC-SI-220, 230, 550

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 an IS management system. The IS Protection Team is responsible for formulating the SYSTEX Information Security Policy, IS Management Measures, and other IS-related regulations, ensuring the implementation of IS-related rules and regulations, IS-related training courses, and IS-related control and defense actions.

In terms of customer 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 2022.

To ensure that the IS management mechanism in complied with international standards. We, SYSTEX Group, have passed and received the 3rd-party IS-related and quality-related ISO certifications including ISO 27001, ISO 27701, ISO 9001, ISO 20000-1, 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

01 Dedicated Management Unit | Crisis Resolution Team of Information Security Protection

02 Information Security Management Mechanisms and Licenses | 501 Cumulative IS-related Licenses and Certificates

Information Security Incidents

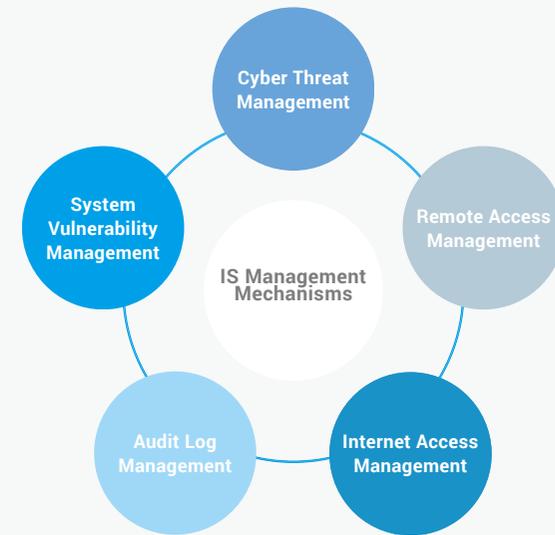
The security events occurred in 2022 have been blocked by the anti-virus system during user browsing, and no real landing attacks occurred; Or under the defense-in-depth security control mechanism, no event met the condition for internal activation of the crisis resolution. In 2022, no data leakage events 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.

Information Security Management Mechanisms



Licenses and Certificates

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 such as ISO 9001, ISO 20000-1, ISO 27001, ISO 27701, ISO 22301 and BS 10012. As a result, we accumulated a total of 501 IS-related licenses and certificates.

The newly obtained IS licenses and certificates includes ISO 27001, ISO 27701, CISSP, CSSLP, CISM, EDRP, CEH, CFHI, etc.

154

The cumulative IS licenses and certificates in compliance with the Cyber Security Laws

501

03 Information Security Technology and Control | The Results of Social Engineering Drills

[2022 H1] 4,356 test accounts: Malicious Email Open Rate **7.78%** ✓ Malicious Email Click-through Rate **0.51%** ✓

[2022 H2] 4,451 test accounts: Malicious Email Open Rate **4.85%** ✓ Malicious Email Click-through Rate **0.09%** ✓

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 reported or identified in 2022.

Information Security Upgrade Plan

SYSTEX continued to promote the "Information Security Upgrade Plan" in 2022, including "introduction of intrusion detection and defense systems, comprehensive import and update of credentials, and 46 website vulnerability scanning operations" to improve information security protection capabilities.

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 2022, the 5 types of drills have been completed, on-site supplier information security audits from customers have been carried out, and 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 click-through rate of the 2 drills were far lower than the standard of 8% and 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 2023.

Drill	Frequency	Detail in 2022
Social engineering	Twice a year	Conduct in May and December
Information security	Twice a year	Conduct in April and October
Vulnerability scanning	Twice a year	Conduct in April and November
Testing data center disaster prevention	Twice a year	Conduct fire drill in June and earthquake drill in December
System recovery	Once a year	32 systems completed the recovery drills

04 Information Security Training Courses

IS advocacy and test for employees

7,200 people

Personal data protection advocacy and test for employees

7,191 people

IS online general course for employees (3 hours)

3,867 people **11,601** hours

IS online professional course for employees (9 hours)

237 people **2,133** hours

IS in-class seed-training course for employees (26 lessons)

874 people **9,278** hours

03

Caring for Employee

Talent Cultivation and Development	40
Human Rights Protection	45
Benefits and Rights	47
Occupational Health and Safety	50
Employee Health Promotion	52

SYSTEX has launched a large-scale talent recruitment program to recruit outstanding technology talents and invest in tech-talents with 5A core tech-capabilities (AP, APP, API, Appliance, Algorithm) and 4C cloud service architecture (implementation, operation, management, protection), to meet customers' needs and expectations for digital transformation to help create a second growth curve.

Material Topics

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

Contributing to the SDGs



Highlight



Employee Training

number of people ↑ 56.6%

hours ↑ 35.4%



TTQS(Bronze)

Certificate of Talent Quality-management System



2022 Work-Life Balance Award -Ministry of Labor

Friendly Family Award

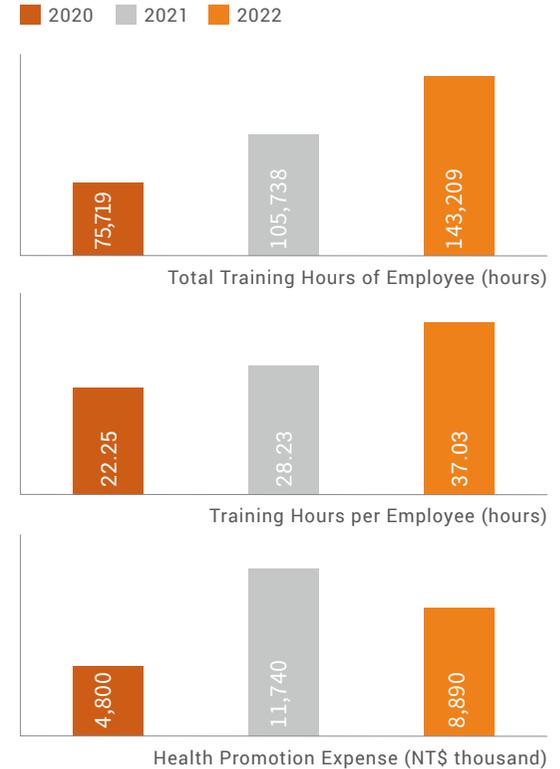
Short-, Mid-, and Long-term Goals Process

In response to the needs of enterprises' digital transformation, SYSTEX actively cultivates tech-talents with leadership courage, helping clients for data integration and innovation of business models, driving a second growth curve. Therefore, SYSTEX offers comprehensive software training resources and provides a diverse and happy workplace, allowing employees to achieve a balance between work, family and health.

2022	2023	2025	2030
<ul style="list-style-type: none"> Key talent retention: 93% New-hire retention: 80% Average training hours of employees > 30 hours Conduct ISO 45001 annually High-risk case care rate: 100% 	<ul style="list-style-type: none"> Key talent retention: 93% New-hire retention: 80% Average training hours of employees > 30 hours Conduct ISO 45001 annually High-risk case care rate: 100% 	<ul style="list-style-type: none"> Key talent retention: 95% New-hire retention: 83% Average training hours of employees > 30 hours Conduct ISO 45001 annually Annual health promotion expense > NT\$4M 	<ul style="list-style-type: none"> Key talent retention: 95% New-hire retention: 85% Average training hours of employees > 30 hours Conduct ISO 45001 annually Annual health promotion expense > NT\$5M

2022 Goals and Performance	2022 Goals		2022 Performance		Status
	Goal	Target	Actual	Completion	
	Average training hours for employee	> 30 hours	37 hours	100%	✓
	ISO 45001	Conduct ISO 45001 annually	Maintain ISO 45001 verification	100%	✓
	High-risk case care rate	100%	100%	100%	✓

3-year Performance Progress



Talent Cultivation and Development

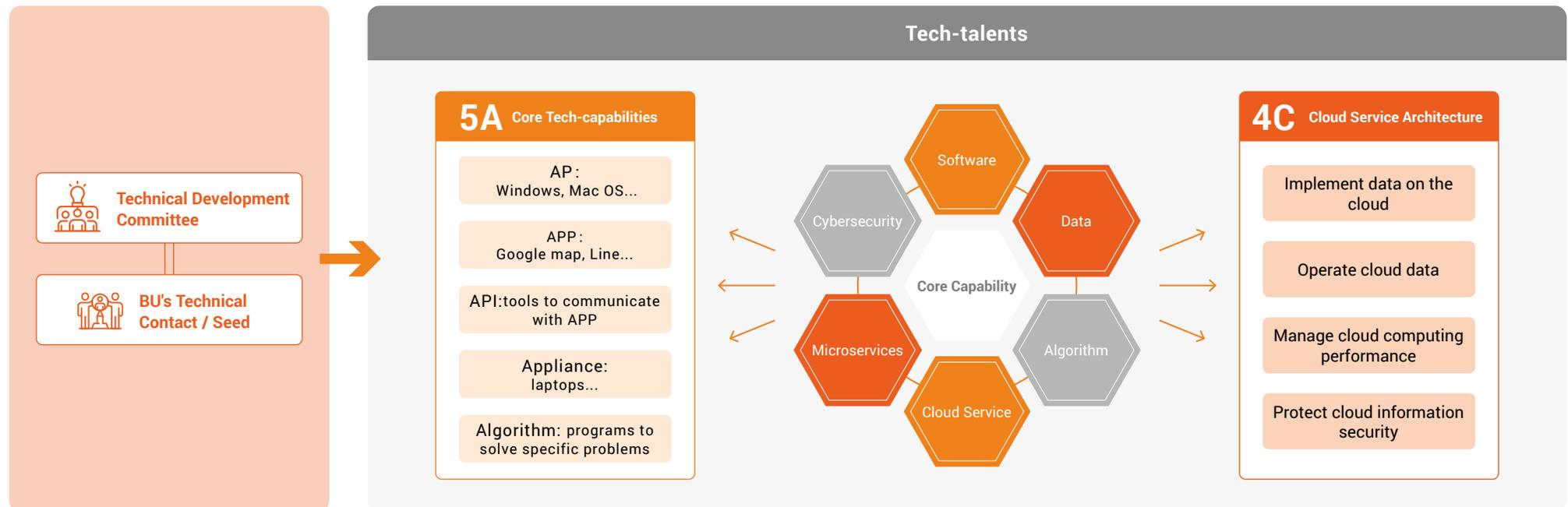
Cultivate Technological Talents

With the core capabilities of "Software, Data, Algorithm, Cloud Service, Microservices, and Cybersecurity", SYSTEX has laid a solid foundation for "AI-based digital transformation", and continued to increase investment in tech-talents with 5A core tech-capabilities (AP, APP, API, Appliance, Algorithm) and 4C cloud service architecture (implementation, operation, management, protection), to meet customers' needs and expectations for digital transformation to help create a second growth curve.

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

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

>> SYSTEX Digital Transformation Blueprint



Talent Cultivation and Development

Human Rights Protection

Benefits and Rights

Occupational Health and Safety

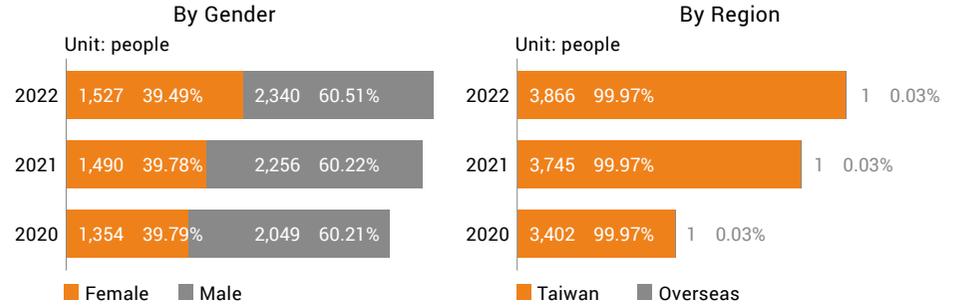
Employee Health Promotion

Diversity of Employment

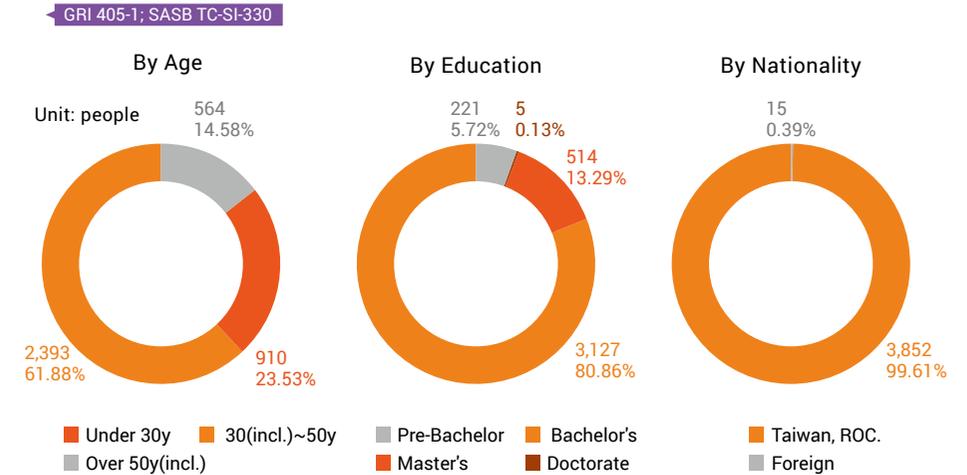
By the end of 2022, SYSTEX and its affiliates have added new employees. The total number of employees in SYSTEX group in Taiwan is 3,867, including 2,101 in SYSTEX Corp. and 1,766 in affiliated companies in Taiwan. The number of employees in managerial and general positions increased slightly compared to 2021. In terms of gender and age, there is no obvious difference compared to 2021. There are 2,340 males (60.51%) slightly more than females (1,527, 39.49%) and the largest proportion is 61.88% aged of 30 (incl.)~50 years old.

The permanent employees of SYSTEX group in Taiwan are 3,523 (91.1%) and increased slightly compared to 2021. Among them, 1,389 are females (39.43%). The temporary employees are 344 and females among them are 138 (40.12%). The technical employees, the largest proportion of employees, are 2,873 (74.30%). The education level of bachelor's and above accounted for 94.28%. In terms of nationality, there are 15 foreign employees (0.39%).

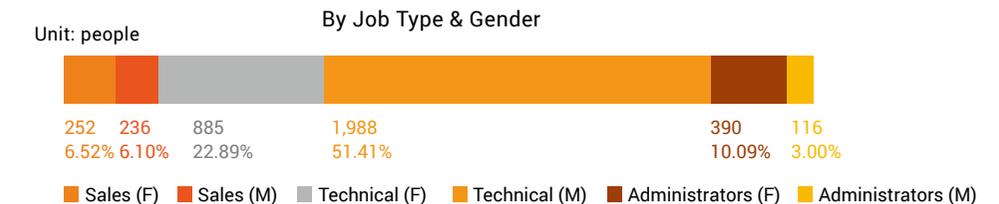
• 3-year Number of Employee (by gender and region) GRI 2-7, 405-1; SASB TC-SI-330



• Number of Employee (by age group, education and nationality) GRI 405-1; SASB TC-SI-330



• Number of Employee for Job Type (by gender) SASB TC-SI-330



• Diversity of Governance Bodies (by gender and age) GRI 405-1

Type	Item	Gender (%)		Age Group (%)			Total	Percentage (%)
		Female	Male	Under 30y	30(incl.)~50y	Over 50y(incl.)		
Management Level	Senior	0.08	0.78	0	0.26	0.59	33	0.85
	Middle	1.78	4.89	0	3.70	2.97	258	6.67
Non-management Level		37.63	54.85	23.53	57.93	11.02	3,576	92.48
Percentage (%)		39.49	60.51	23.53	61.88	14.58	3,867	100

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

• Number of Employee for Hire Type (by gender and region) GRI 2-7, 2-8

Type	Gender		Region		Total
	Female	Male	Taiwan	Overseas	
Permanent Employee	1,389	2,134	3,522	1	3,523
Temporary Employee	138	206	344	0	344
Full-time Employee	1,514	2,329	3,843	0	3,843
Part-time Employee	13	11	24	0	24

Note 1: Permanent employee is employee with a contract for an indeterminate period. Temporary employee is employee with a contract for a limit period that ends when the specific time period expires, or the specific task is completed. Part-time employee is employee whose working hours are less than those for full-time employees.

Note 2: By the end of 2022, SYSTEX has a total of 67 interns, 4 dispatched manpower and 17 of security guards, cleaning workers and electrical & mechanical workers.

Recruitment

Obtained the "Certificate of Talent Quality-management System, TTQS, – Enterprise Version, Bronze" by Ministry of Labor.

>> Diversity and Inclusion

In accordance with laws and regulations, SYSTEX has fully recruited disabled people and employed visually impaired massage therapists since 2007 to help increase career opportunities for disabled people. By the end of 2022, SYSTEX Group in Taiwan has a total of 39 disabled people (1.01%) and 22 indigenous people (0.57%). There are 15 severely disabled people in the group and SYSTEX has employed more disabled people than the law requires.

SYSTEX has a complete employee career development system planning, with a dual-track system of professional and management positions, to provide individual development and assessment plans for employees, and then to meet the needs and characteristics of individual employees to assist individuals in pursuing career development and growth space.

Caring for New Employee



New Employee Training Courses

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

Mentor System

Mentor System helps new employees integrate into the work faster, shorten the adaption period and improve the retention rate.

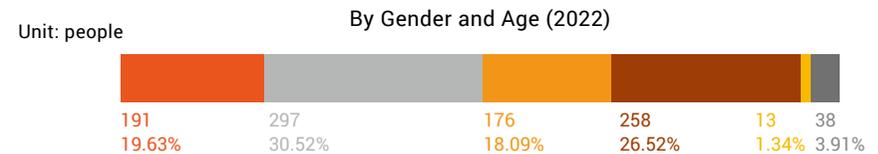
Dedicated HR Service Assistant

HR Division allocates dedicated personnel to keep abreast of the new employees.

>> New Hire and Turnover Employee GRI 401-1

• New Hire Employee

In 2022, there are 973 newly hired employees in SYSTEX Group in Taiwan (25.16% of all employees). Among them, women accounted for 380 (39.05%). Newly hired female employees accounted for 24.89% of the total female employees, slightly lower than men (25.34%). In terms of age, the largest proportion of new employees in the past 3 year is under the age of 30 (50.15%), slightly higher than in 2021 (49.64%) and 2020(46.52%), showing that the overall new employees have been getting younger.

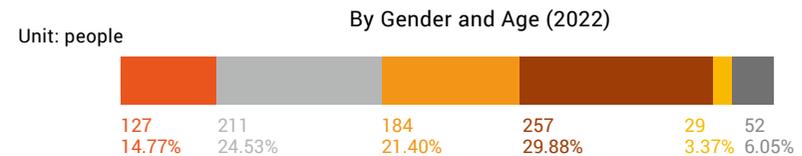


Note 1: % of new hire = Number of New Hires in this Category / Total in this Category x 100

Note 2: Among the new hires, there are 969 Taiwanese employees (99.6%) and 4 non-Taiwanese (0.4%).

• Turnover Employee

In 2022, there are 860 turnover employees (22.24% of all employees). In terms of gender and age, the largest proportion is male employees (60.47% of total turnover employees) and 30 (incl.)~50 years old (50.56%), slightly lower than in 2021 (53.17%) and 2020 (53.1%).



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 856 Taiwanese employees (99.5%) and 4 non-Taiwanese (0.5%).



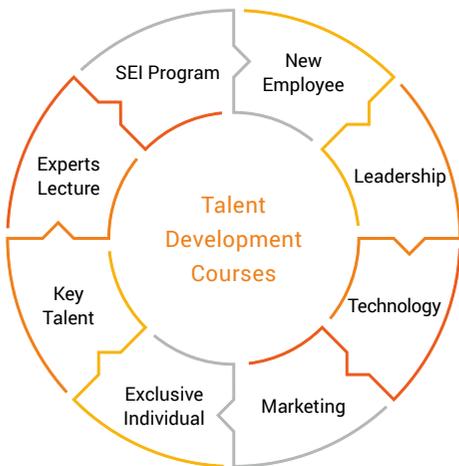
Talent Development Structure

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 GRI 404-1

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 2022, a total of 31,690 people participated in internal and external training courses with a total of 143,209 hours, including internal in-class and online courses and external professional courses. The average training hours (ATH) of employees is 37.03 hours; if classified by gender, ATH is 31.21 hours for women and 40.83 hours for men; if classified by position, ATH is 50.43 hours for management-level positions and 35.94 hours for non-management positions. The ATH for technical employees participated in technical in-class or online courses is 22.65 hours.



In-class course
7,799 people | 79,250 hours

Online course
23,288 people | 51,222 hours

External course
603 people | 12,736.9 hours

• 2022 Performance of in-class Training Course

Type	Item	Trainees			Training Hours
		Female	Male	Total	
Tech-Development	AI	22	52	74	965
	Mobile Software	20	63	83	1,638
	System Development	379	544	923	5,618
	Front-end Development	243	431	674	20,588
	Software Architecture	14	34	48	324
	Cloud Service	80	403	483	15,278
	Micro Service	144	276	420	5,265
	Data Science	89	79	168	1,092
	Database	52	83	135	995
	Information Security	201	699	900	10,144
PM	Project Management	149	188	337	5,851
General Study	Experts Lectures	830	879	1,709	4,332
	New Employee	255	438	693	4,292
Marketing	Marketing	14	35	49	196
Total		2,768	5,031	7,799	79,250

• 2022 Performance of Online Training Course

Type	Item	Trainees			Training Hours
		Female	Male	Total	
Tech-Development	System Development	15	24	39	76
	Development	29	184	213	879
	Information Security	74	239	313	2,204
PM	Project Management	49	75	124	365
	Cloud Service	190	379	569	2,699
General Study	General Study	2,258	3,319	5,577	2,526
	New Employee	3,398	5,586	8,984	25,690
	Information Security	1,777	2,856	4,633	12,323
Marketing	Product Service	323	334	657	474
	General Study	1,074	1,034	2,108	3,747
Leadership	Leadership	14	57	71	239
Total		9,201	14,087	23,288	51,222

• 2022 Performance of External Training

Type	Female	Male	Total Trainees	Training Hours
External Course	140	463	603	12,736.9

>> Internal Training Course

New Employee

01

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

02

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

03

SYSTEX has established the "Technical Development Committee," including Task Forces for core technical capabilities, held annual technical meetings every year to continuously publish the latest technology development trends and industrial applications, and organized technical training courses in line with the needs of BU's development strategy.

Marketing and Sales

04

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

Built an E-Learning platform to provide exclusive individual courses, allowing employees to use their spare time to achieve their personal learning targets.

05

Key Talent

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

06

Experts Lecture

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

07

SEI Program

Provide summer intern program and long-term internship program. During the internship, interns are arranged to participate in industrial application courses. Outstanding interns can be preferentially converted into permanent employees.

08



Human Rights Protection

GRI 2-23, 2-24

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.

Human Rights Policy

The Human Rights Policy applies to SYSTEX Corp. and its affiliated companies, and SYSTEX also uses the same standards to require suppliers, business partners and customers to comply with this policy.

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

Human Rights Investigation

SYSTEX has formulated a human rights investigation process that identifies potential issues of human rights risks first, and then carries out risk assessments on employees who may be affected. After a risk assessment, SYSTEX develops mitigations, tracks the implementation performance and reviews regularly to reduce risks effectively and achieve goals.



01 Risk issue identification, risk assessment and human right risk map

- Collect 8 human rights risk issues.
- Internal stakeholders conduct human rights risk assessments based on the degree of impact and the probability of occurrence, so that SYSTEX identifies 2 major issues of "humane treatment and working hours," and formulates risk mitigation measures and goals.
 - (1)Humane treatment: Treatment in the workplaces may affect employees physically and mentally, assessed as a high risk.
 - (2)Working hours: Employees work long hours, affecting their lift quality and causing more load, assessed as a medium-high risk.



- Human Rights Risk Issue
- 1 Free choice of career
 - 2 Child labor and underage labor
 - 3 Working hours
 - 4 Salary and benefits
 - 5 Humane treatment
 - 6 Non-discrimination
 - 7 Freedom of association
 - 8 Health and Safety

02 Risk mitigation measures

- Match the human rights policy with the risk identification and assessment results of human rights issues, so as to formulate mitigation measures.

Policy Item	Issue	Risk Scenario	Risk Mitigation Measures
Refrain sexual harassment and abuse at work	Humane treatment	<ul style="list-style-type: none"> • Recruitment interview • Interaction at the workplace 	<ul style="list-style-type: none"> • SYSTEX established the "Measures for the Prevention and Handling of Sexual Harassment" and the "Prevention Plan to Protect Employees from Unlawful Acts while Performing Duties." • Regular awareness training is conducted on sexual harassment and unlawful acts. • Secure and confidential complaint channels to protect complainants. • An impartial Sexual Harassment Complaint Handling Committee is established.
Prohibit forced labor, child labor and human trafficking	Working hours	<ul style="list-style-type: none"> • Insufficient manpower • Specific needs for rapid business or activities 	<ul style="list-style-type: none"> • Comply with labor laws, clearly stating them in work rules and promoting awareness. • SYSTEX has an overtime application system with clear rules. • SYSTEX has attendance and overtime guidelines with a working hours and overtime system. • Regular labor law training fosters supervisors' knowledge and proper management practices.
	Child labor and underage labor	<ul style="list-style-type: none"> • Recruitment interview • Workplace 	<ul style="list-style-type: none"> • The SYSTEX Work Rule explicitly prohibit child labor. • Verify age during recruitment and require ID verification for new hires. • Employees can refuse to work outside normal hours for valid reasons as stated in the SYSTEX Work Rule. • Overtime is requested by employees with supervisory approval.
Promote equity at work, prohibit any discrimination	Non-discrimination	<ul style="list-style-type: none"> • Recruitment interview • Workplace 	<ul style="list-style-type: none"> • The SYSTEX Work Rule prohibits any form of discrimination for an equal rights workplace. • Manage number and percentage of employees with disabilities. • Provide an inclusive, accessible workplace.
Help employees maintain a work-health balance	Health and safety	<ul style="list-style-type: none"> • Workplace • Business operation 	<ul style="list-style-type: none"> • "Health managers" and a "health consultation room" offer health check-ups and on-site consultation services with affiliated hospital physicians. • Offer employees information and talks on lifestyle, nutrition, exercise, and health. • Partner with a consulting company for the comprehensive, professional "Employee Assistance Program (EAP)." • Recreational and sports facilities such as gym and coffee lounge.
Provide a healthy and safe workplace	Health and safety	<ul style="list-style-type: none"> • Workplace • Business operation 	<ul style="list-style-type: none"> • Comply with the "Occupational Safety and Health Organization Management Regulations" by establishing a safety and health management organization and committee with regular meetings. • Improve workplace safety and hygiene to prevent occupational accidents. • Regular monitoring of water quality, lighting, and fire safety equipment. • Regular occupational safety and health training enhances employee awareness. • Flexible working hours with lactation rooms and measures.
Build various communication channels, respect employees' freedom of association	Freedom of association	<ul style="list-style-type: none"> • Business operation • Different perceptions, poor communication 	<ul style="list-style-type: none"> • Strict compliance with labor regulations as stated in the SYSTEX Work Rule. • Effective communication channels reduce disputes due to differences in perception. • Regular Labor-Management Meetings ensure effective communication with employees. • Timely communication of policies and regulations ensures awareness of labor rights.
Implement fair remuneration mechanism	Salary and benefits		

03 Human rights management indicators GRI 406-1

- Among the implementation of mitigation measures, the 2 major issues have achieved the goals.

Issue	Humane Treatment	Working Hours	Health and Safety	Salary and Benefits	Non-discrimination
Indicator	Number of complaints for assault ≤ 1	Number of people involved in fines for overtime work ≤ 1	Non-work-related commuting injury incidence $< 0.5\%$	Number of labor disputes < 3	Hired disable employees $> 1\%$
Performance	1	0	9	1	39
Risk Rate	0.03%	0.00%	0.23%	0.03%	0.00%
Status	✓	✓	✓	✓	✓

Note 1: The number of hired disable people is accounted based on the number at the end of the year. SYSTEX group has employed 39 disable people, including 15 severely disabled people (1% of total employees). In addition, SYSTEX Corp. has employed more than the law requires.

Note 2: Work-related injuries include those that occur at the company, in client's office and on business trips, and exclude non-work-related commuting injuries.

Note 3: A compliant case was initially judged as an illegal infringement case, and was satisfactorily resolved after investigation and disposal by the handling team. 1 labor dispute case ended peacefully through communication or negotiation.

04 Human rights protection training

- [Registration day for new-hires]** A total of 973 people participated in the promotion of human rights, covering sexual harassment and illegal infringement prevention, labor laws and regulations.
- [Compliance course for new directors]** A total of 56 people participated in the course, covering employer responsibility, OHS and human rights, with a total of 112 hours.
- [Sexual harassment prevention online course]** A total of 706 people participated in the course, covering sexual harassment and illegal infringement prevention, with a total of 353 hours.
- [New employees training camp (for full-time employees)]** The course includes 11 in-class training. A total of 693 people participated in in-class training, with a total of 1,039.5 hours; a total of 688 people participated in in-class training, with a total of 1,032 hours.

<p>New-hires Training</p> <p>973 people Registration Day for New-hires</p> <p>1,381 people 2,071.5 hours New Employees Training Camp</p>	<p>New Director Training</p> <p>56 people 112 hours Compliance Course for New Directors</p>	<p>Sexual Harassment Prevention Course</p> <p>706 people 353 hours</p>
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Benefits and Rights

Remuneration System GRI 202-1

SYSTEX has set up a complete performance management and remuneration system, linking organizational and individual performance targets and evaluating them regularly, and giving rewards based on their contribution, in line with the remuneration strategy of high performance, high contribution and high salary.

In line with the Human Rights Policy, SYSTEX implements a fair remuneration mechanism based on the principle of equal pay for equal work for men and women, regularly and fairly reviews performance and pay remuneration on time. There's no gender-specific difference in salary for each position, and the basic salary of each position is higher than the statutory minimum wages. In 2022, the ratio of the statutory minimum wage to the average salary of entry-level employees (Level 1 & 2) is 1:1.50.

Ratio of Total Salary by Job Type (Female : Male) GRI 405-2		
Sales	Technical	Administrators
1.18 : 1	0.91 : 1	0.91 : 1

Note 1: The data scope is the non-management level employees of SYSTEX Group (Taiwan) who have served for more than half a year in 2022.

Note 2: Total salary is basic salary plus variable salary, such as overtime pay or bonuses.

Remuneration Overview of Full-time Non-management Level Employee				
Item	2020	2021	2022	Change Rate
Number of full-time non-management Level Employee	1,728	1,803	1,908	5.8%
Average salary of full-time non-management Level Employee (NT\$ thousand)	941	962	969	0.7%
Median salary of full-time non-management Level Employee (NT\$ thousand)	781	787	797	1.3%

Note 1: The data scope is the non-management level employees of SYSTEX Corp. who have served for more than half a year in 2022.

Note 2: 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 2022, 3,143 employees participated in performance appraisal, accounting for 81.28% of all employees, slightly increasing compared to the previous year. Supervisors have been trained in complete performance evaluations, so as to provide employees with guidance and support to help them grow in their careers.

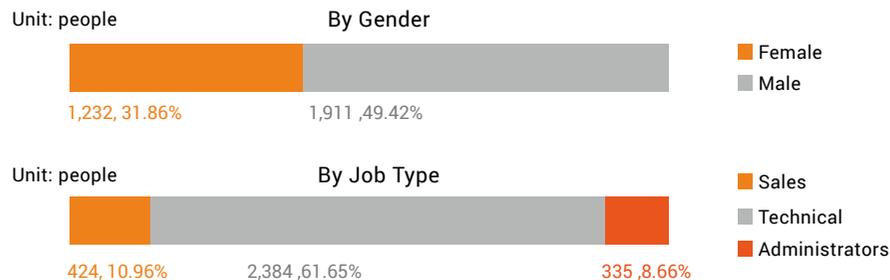
>> Performance Evaluation Mechanism

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

Employees Receiving Performance and Career Development Reviews (by gender and job type)

GRI 404-3

- **[Financial]** Link personal or unit financial targets according to attributes
- **[Non-financial]** Supervisors and employees jointly set targets at the beginning of each year.



Note: The data scope is the full-time employees of SYSTEMX Group (Taiwan) who are eligible for performance evaluation in 2022.

Benefits Plan GRI 401-2

SYSTEMX provides welfare programs that are better than those stipulated by the government, including flexible working hours, paid leave benefits, marriage and maternity gifts, SYSTEMX Baby Happy Growth Funds program and other benefits, thereby taking more care of employees' life. In addition, SYSTEMX set up an "Employee Welfare Committee" to offer personal benefits and subsidies for childbirth, marriage, funeral and club activities. SYSTEMX also holds various activities irregularly and provides a friendly and happy workplace to help employees keep healthy.

>> Friendly Workplace

Upgraded Gym

- Taipei headquarters has a comprehensive gymnasium.
- Both Taipei HQ and Taichung office have gyms and yoga classrooms.
- Hire NTNU coach to provide basketball and badminton training guidance and physical fitness courses such as fat-burning aerobics and TRX, etc.



Relaxation Space

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

Children's Book Area

- Launch "Parent-child Reading Project" to help employees develop the reading habit of their children's. SYSTEMX has built a "children's book area" in B1 of headquarters, offering books for children aged 2~15.
- In 2022, the number of borrowers of children's books is 727.

>> Better Benefits than Government Laws Stipulated

Better Paid Leave

- **[Flexible working hours]** 8 hours per working day; work time is 08:30~09:30, and off-duty time is 17:30~18:30.
- **[Annual leave]** Up to 9 days of paid leave for new-hires based on employed percentage for the year; additional days of paid leave for other senior employees. (FTE only)
- **[Birthday leave or sick leave]** 1 day of full-paid birthday leave per year; 8 days of full-paid sick leave. (FTE only)
- **[New in 2022]** 1 day of full-paid volunteer leave per year.
- **[Parental examination leave and maternity leave]** 8 days of full-paid prenatal examination leave; up to 70 days of full-paid maternity leave. (FTE only)

🔗 For more details about other benefits, please refer to "[Web_Benefits and Rights](#)"

>> Parental Benefits

In order to encourage employees to get married or have children, SYSTEMX plans incentive measures to demonstrate support and care for employees' life.



Marriage and Maternity Gifts

- Offer "Marriage Gifts" to newlywed employees.
- Offer "Moon Pillow" and health care during pregnancy to pregnant employees.
- Offer "Smoldering Pot" to employees who have newborns.

Maternity Allowance

- "SYSTEMX Baby Happy Growth Funds" program provides 2 gifts of maternity allowance and full-paid maternity leave. (Up to 70 days of full-paid maternity leave and a maximum subsidy of NT\$120K per newborn baby).
- Employee Welfare Committee provides a subsidy of NT\$3K to each newborn.

Lactation Rooms

- SYSTEMX has set up "Lactation Rooms" in 7 operation offices, offering access control and equipment needed for breastfeeding.
- In 2022, the "Lactation Rooms" of the headquarters building was once again awarded the "Excellent Breastfeeding Room Certificate" by the Taipei City Government.

Childcare

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

🔗 For more details about other benefits, please refer to "[Web_Parental Benefits](#)"

SYSTEMX legally accepts applications for employees' unpaid parental leave and their reinstatement after parental leave. In 2022, there are 44 applicants, including 6 males and 38 females. The "return to work rate" is 77%.

• Parental Leave GRI 401-3

Item	Gender	2021	2022
Number of Employees Eligible to Apply for Parental Leave (including on-the-job and new hires) (A)	Male	159	130
	Female	97	99
	Total	256	229
Number of Employees Applying for Parental Leave (B)	Male	4	6
	Female	21	38
	Total	25	44
Employees Eligible to Return to Work after Unpaid Parental Leave Ended (C)	Male	2	6
	Female	4	20
	Total	6	26
Employees Return to Work after Unpaid Parental Leave Ended (D)	Male	2	5
	Female	4	15
	Total	6	20
Employees Return to Work after Unpaid Parental Leave Ended in the Previous Year (E)	Male	2	2
	Female	10	4
	Total	12	6
Employees were still employed 12 months after their Return to Work (F)	Male	0	1
	Female	10	3
	Total	10	4
Application Rate (B/A)	Male	3%	5%
	Female	22%	38%
	Total	10%	19%
Return to Work Rate (D/C)	Male	100%	83%
	Female	100%	75%
	Total	100%	77%
Retention Rate (F/E)	Male	0%	50%
	Female	100%	75%
	Total	83%	67%

Note A: The 2022 eligibility for parental leave is the employees who are working at the end of the year and give birth during 2019/1/1 ~ 2022/12/31 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 2022.

Note D: Actual to return to work in 2022.

Note E: Actual to return to work in 2021.

Note F: Return to work in 2021 and worked for 12 months after reinstatement.

Internal Communication GRI 2-25, 2-26

SYSTEX values the voice and feedback of stakeholders. Therefore, SYSTEX not only sets up dedicated communication channels and announced them on official website, but also publicizes policy and activity notices through internal website (EIP), and holds labor-management meetings regularly. In case of major operational changes, affected employees will be notified according to local laws and regulations.

01 | Dedicated communication channels

Item	Detail
Complaint Email / Sexual Harassment and Abuse Email	<ul style="list-style-type: none"> Have an internal specific communication channel for complaining or reporting illegal matters, including sexual harassment or abuse.
Integrity Committee Email	<ul style="list-style-type: none"> Supervise the dishonest behaviors, and review the integrity management to ensure the implementation of integrity management policy. All reported cases will be processed as confidential documents, and responded to in an appropriate way within 30 days.
Audit Committee Email	<ul style="list-style-type: none"> Provide communication channels for stakeholders to complain to the Board or the Executive Level. All suggestions and reported cases will be confidentially and independently verified, and then handled by dedicated personnel, to protect whistleblowers from abuse or threats. All reported cases will be responded to in an appropriate way within 30 days.
CSR Email	<ul style="list-style-type: none"> SYSTEX discloses its sustainable strategy and responses to future challenges through its sustainability report, so that all stakeholders can better understand its ESG performance.

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

02 | Other communication channels

Item	Detail
Internal Announcements and Knowledge Management	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. In 2022, a total of 4 Labor-Management Meetings were held.

Occupational Health and Safety GRI 403

Occupational Health and Safety Management System

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, including security guards, cleaning workers and electrical & mechanical workers. 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 2022, SYSTEX continuously conducts audits and maintains the validity of ISO 45001.

Occupational Health and Safety Committee

Composition	<ul style="list-style-type: none"> Composed of Occupational Safety and Health managers and their supervisors, BU heads and labor representatives.
Authority	<ul style="list-style-type: none"> Advise on safety and health policy and review, coordinate and advise on related issues. Plan occupational safety and health-related affairs, regularly discuss safety and health management, training courses, occupational disease prevention for health promotion, and conduct extensive discussions on related issues. Assist in promoting employees to understand and follow occupational safety and health regulations.
Evaluation Mechanism	<ul style="list-style-type: none"> SYSTEX has conducted risk assessment of occupational safety and health in accordance with the "Occupational Safety and Health Standard Operating Procedure" and ranks risks based on impact and probability, formulates corresponding measures and checks performance irregularly, to ensure the effectiveness of measures.
Communication or Negotiation	<ul style="list-style-type: none"> The "Occupational Safety and Health Committee" is chaired by the employer and holds regular meetings once a quarters, with a total of 4 meetings held in 2022.

 For more details, please refer to "[Web_Occupational Safety and Health](#)"

Occupational Health and Safety Training GRI 403-5

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

OHS Training for New-hires

2,071.5 hours

New Employees Training Camp

Promote workplace safety and conduct workplace hazard identification and risk assessment, to achieve a zero-risk workplace goal. In 2022, the course includes 11 in-class training. A total of 693 people participated in in-class training, with a total of 1,039.5 hours; a total of 688 people participated in in-class training, with a total of 1,032 hours.



OHS Training for Professionals

1,167 hours

OHS Professional Courses

Assign occupational safety and health related personnel to participate in professional training, including the certificate of "Class-A OHS Supervisor" and "Class-B OHS Technician Certificate". In 2022, a total of 99 OHS-related certificates were obtained, with a total of 1,167 training hours.



Fire Drills

2 drills

Drills for Self-defense Fire Teams

According to fire regulations, a fire drill is held every 6 months to enable employees familiar with the emergency process and reduce casualties. In 2022, a total of 2 fire drills were held on 3/17 and 9/16.



Work-Related Injuries GRI 403-9

In 2022, a total of 9 work-related injuries, including 3 females and 6 males. The rate of recordable work-related injuries is 0.78 for males, 0.39 for females and a total of 1.16. These cases all occur at the company, in client's office and on business trips. The injury types are all fractures or abrasions, and there were no high-consequence injuries or deaths. The injured employees in each case have been followed up by health managers and recovered within 6 months.

Note 1: Total hours worked = 7,734,000 (Number of hours worked * 8 hours * number of employee)

Note 2: Rate of work-related injury = (Number of work-related injuries / total hours worked) * 1,000,000.

For more details, please refer to "[Web_Occupational Safety and Health](#)"

Workplace Safety



Regularly maintain conditioners, cooling towers and water dispensers

Sanitation

Healthy Workplace

Awarded Badge of Accredited Healthy Workplace



Provide accessible facilities at entrances and toilets

Accessible Facilities

Fire Prevention

Annual report of safety inspection of fire equipment



Conduct access control throughout the day

Safe Workplace

First-Aid Unit

Set up AED and regularly promote first-aid methods



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

Building Maintenance

Fire Drill

Hold fire emergency evacuation drills every 6 months



Employee Health Promotion

GRI 403-6, 403-7



Obtained the "Badge of Accredited Healthy Workplace" by the Ministry of Health and Welfare

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 2022, the total health promotion expense is NT\$8.89M.

Comprehensive Employee Health Care Plan

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



01 Examination

- **[Employee Health Check]** Offer annual employee health check better than regulations and subsidize NT\$3,500 each employee. Employees can choose their own health check plan within 14 medical institutions. After examination, the health managers evaluate employee's personal medical report and provide personal consultation.
- **[New-hires Health Check]** New-hires must submit a health check report. SYSTEX subsidizes up to NT\$1,000 each new-hire.
- **[Fitness Test]** Hold physical fitness testing, including muscle strength testing, flexibility, body composition and other items.
- **[Female Health Check]** Hold female tests irregularly, including breast screening, and pap smear.

Number of Employee Health Check 1,246 people Employee Health Check	673 people New-hires Health Check	Total Expense NT\$5,110K	Satisfaction 91 points
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02 Health Care

GRI 403-2, 403-3

- SYSTEX has employed 4 full-time health managers according to the regulations, and worked with qualified consultants to have contract-caregivers services, conducting long-term tracking of employees with abnormal health status and formulating personal health suggestions and disease prevention plans.
- Through identifying Occupational Safety Hazard Factors, prevention plans are developed to reduce health risks of employees.

Prevention Plans of Ergonomic Hazards 31 people with potential risks 2,152 questionnaires	Prevention Plans of Overwork Related Illness 34 people with potential risks	Maternal Health Management Plans 55 people Pregnant & Postpartum Return Employees
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Specialist Consultation	<ul style="list-style-type: none"> • In addition to NTU Hospital, SYSTEX has worked with Taichung and Kaohsiung VG Hospital since 2022, with a total of 3 specialist physician teams, offering 1-on-1 health care consulting services to improve employees' health awareness. • In 2022, a total of 33 consulting meetings were held, with a total of 144 participants. 	Total Expense NT\$309K
Employee Assistance Programs (EAP)	<ul style="list-style-type: none"> • The "Employee Assistance Programs, EAP" was launched to provide employees with 24-hour real-time assistance services, including legal, work, health, and other consultations, as well as an online platform, accompanying employees through difficulties. Immediate group consultation services will also be arranged due to special issues. • In 2022, a total of 78 participants used EAP. 	Total Expense NT\$368K Satisfaction 97%

03 Education

- Provide health information, including topics of EAP care, health information, and activity information, through email and the SYSTEX-developed "Health UP! APP" every month.
- Irregularly hold "Stress Relief and Health Seminars", such as communication, psychology, parent-child and other topics.
- In 2022, a total of 7 online seminars were held due to Covid-19 prevention, with a total of 417 participants.

Participant 417 people	Health Information 113 articles	Total Expense NT\$650K
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04 Promotion

SYSTEX serves the society with IT capability, allowing SYSTEX to develop "Health UP! APP" in 2021 and invest NT\$660K in maintenance every year. The app integrates various health and exercise data of employees, allowing them to keep an eye on their own health status. Meanwhile, the executives lead BU teams to participate in internal sports competitions, thereby encouraging employees to exercise regularly and deepening the "exercising" corporate culture.

Worktime Exercise Courses	<ul style="list-style-type: none"> • Employ 1 full-time athletic trainer to offer "Worktime Exercise Courses", including strength training, TRX, badminton, etc. • In 2022, a total of 316 training courses were held, with a total of 2,969 participants. • Awarded the "Corporate Employment of Sports Instructors Award" by the Ministry of Education in 2022. 	Total Expense NT\$425K
Competition-3-on-3 Basketball Game	<ul style="list-style-type: none"> • The SYSTEX Cup 3-on-3 Basketball Game has been held every year since 2018. In 2022, a total of 47 teams and 259 employees participated in the competition, with a total of 109 games. • Additionally, a basketball fun game was also held with a total of 258 participants in 2022. 	Total Expense NT\$770K
Competition-Softball Game	<ul style="list-style-type: none"> • The SYSTEX Cup Softball Game has been held for the first time in 2022, with a total of 8 teams, 88 participants and 22 games. 	Total Expense NT\$450K

Competition-Fat Loss Contest	<ul style="list-style-type: none"> • The Fat Loss Contest has been held for the first time in 2022, with a total of 188 participants. The highest fat-loss rate is 7.5%, the average fat-loss rate for top 10 is 5.7%, and a total of 90 participants have successfully lost fat more than 0.5%. • A total of 52 employees participated in limited exercise courses in conjunction with the fat loss competition. 	Total Expense NT\$66K
Competition-Road Race	<ul style="list-style-type: none"> • Combining environmental sustainability, the first environmental-friendly "Let's Run! Run for Green" activity was held in 2022. The "Green Run" event was designated to plant a tree for each 5K run, and a total of 500 trees were planted in Yilan a windbreak. • A total of 363 people signed up for the 2022 Green Run, and more than 300 people ran as a result. 	Total Expense NT\$1,100K
Online Sports Competition	<ul style="list-style-type: none"> • Through the gamified sports competition function of "Health UP! APP", 2 online competition, "Online Hibody Competition" and "Dragon Boat Online Walking Competition", were held. • In 2022, a total of 405 employees participated in the 2 online competitions, while a total of 355 employees participated in the "Dragon Boat Online Walking Competition", with a cumulative walking distance of more than 24,000KM. 	Total Expense NT\$46K
Club Activity	<ul style="list-style-type: none"> • Set up an "Employee Welfare Committee" and formulate the "Measures for the Organization of Employee Associations" to offer subsidies for club activities, including badminton clubs, yoga clubs, basketball clubs, and other clubs. 	Total Expense NT\$131.7K
Free Massage	<ul style="list-style-type: none"> • SYSTEX employs visually impaired people to provide massage services in 11 offices in Taiwan, allowing employees have a free stress-relief massages, while also increasing employment opportunities for disabled people. • In 2022, SYSTEX provides a total of 434 massage sessions with 3,717 participants. 	
Blood Donation	<ul style="list-style-type: none"> • Hold 2 blood donation activities, cooperated with the Taipei Blood Center. • In 2022, a total of 165 people participated and a total of 64,000ml of blood was donated. 	Total Expense NT\$50K



For more details, please refer to "[Web_Employee Health Promotion](#)"

04

Tech for Good

Three Main Pillars 56

Cultivate Software Talents 57

Partner with Startups 62

Social Engagement 64

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

Material Topics

• GRI 413-1

Contributing to the SDGs



Highlight



Young Tuning Program

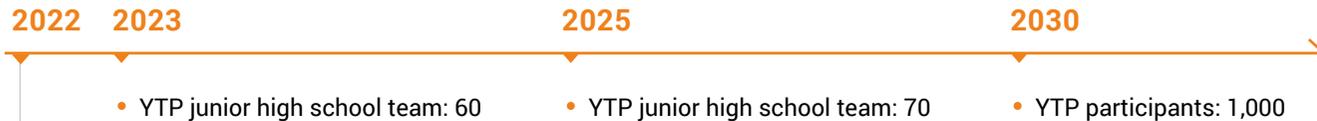
2022 TSAA : SDG 4 Sliver Award
 2022 AREA : Investment in People Award



2022 TCSA
 Social Inclusion Leadership Awards

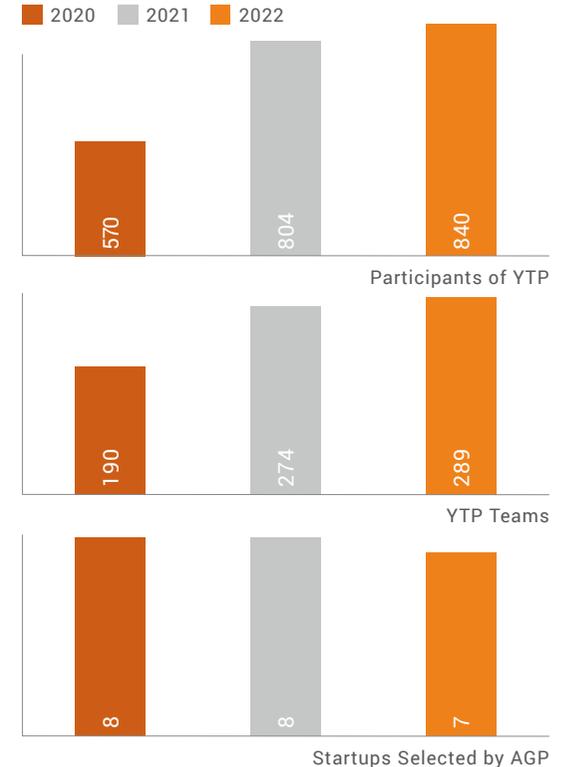
Short-, Mid-, and Long-term Goals Process

In accordance with the UN SDGs, SYSTEX actively practices corporate social responsibility with its 6 core capabilities, 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 in SDG 4, SDG 5, SDG 8, SDG 10, SDG17 to exert positive impacts.



2022 Goals and Performance	2022 Goals		2022 Performance	Status	
	Icon	Goal	Actual	Indicator	
		Participants of YTP	> 600 participants	> 840 participants	✓
		YTP Team from Junior High School	50 teams	50 teams	✓
		AI+ Generator Program	Continuously carry out AGP	Continuously carry out AGP	✓

3-year Performance Progress

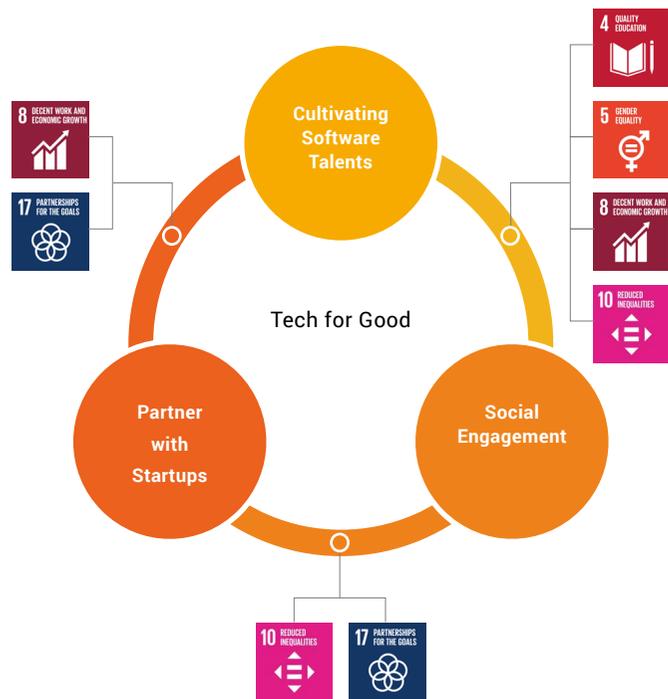


Three Main Pillars

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

Response to the SDGs

In accordance with the UN SDGs and key areas of sustainable development determined by the Executive Yuan, SYSTEX actively implements corporate social responsibility, and cooperates with all walks of life in SDG 4, SDG 5, SDG 8, SDG 10, SDG17 to jointly exert positive impacts and move towards a sustainable society in 2030.



Exert Social Impact

For demonstrating the high involvement in society, in 2022, SYSTEX continuously invests resources in training for IT software talents, activities cooperated with Startups, and social engagement, allowing SYSTEX's effort in cultivating IT talents have also been recognized by all walks of life.

01 Young Tuning Program



- Rewarded the 2022 Taiwan Sustainability Action Awards, TSAA : SDG 4, Silver Award.
- Rewarded the 2022 Asia Responsible Enterprise Awards, AREA : Investment in People

Since 2016, SYSTEX launched the "Young Tuning Program, YTP", focusing on cultivating software talents. As of 2022, it has been held 7 sessions, striving to expanding social impacts every year. In response to SDG 5, YTP pays attention to the development of women's participation and has formulated a "Female Guarantee Quota Mechanism" in the "Programming Challenge Camp" from 2020, hoping to promote opportunities for female IT talents in the field of information engineering.

In addition, YTP also focuses on discovering young software talents and expanding its reach. From the beginning of YTP, it's planned to stimulate students' interest in programming earlier through senior-high-school category. Since 2021, YTP added junior-high-school group to enhance students' enthusiasm for programming. YTP not only provides opportunities for outstanding students to visit aboard, but also holds overseas group, inviting overseas high school students to participate in 2022, thereby deepening the exchange of international potential talents.

With a cumulative number of nearly 3,000 participants, YTP continues to empower potential talent pool, making YTP not only the largest high school programming competition held by a single enterprise in Taiwan, but also recognized by TSAA and AREA in 2022.

Exert Social Impact

02 AI+ Generator Program



- Assist AI Startups to connect with enterprise clients. A total of 36 Startups have been selected for 5 consecutive years.

In order to assist Taiwan's AI startups to accelerate the implementation of products and services, SYSTEMX has launched the "AI+ Generator Program, AGP" since 2018 to help new Startups expand market scope and operate business globally through customized counseling. Responding to the SDG 17, AGP expands Taiwan's software ecosystem by collaborating with Startups and supply chain partners. As of 2022, AGP has joined hands with 36 Startups to use their core capabilities to serve more enterprise clients, so as to share the common prosperity with the society.

03 ESG Technology Innovation Promotion Alliance



- A total of 17 teams received bonus support for "Innovation in Agriculture, Fisheries and Animal Husbandry" to respond to climate change issues.

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

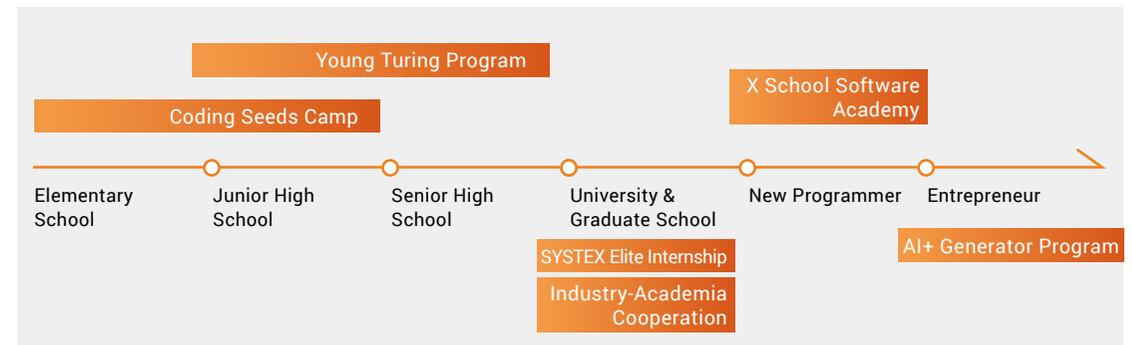
A total of 169 teams covering 18 counties signed up the first "Proposal Competition" in 2022. The competition connects public sectors, academic institutions and cross-industry enterprises to form a jury of 31 experts to review proposals to support industry development.

Cultivate Software Talents

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

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

Full-stage Training Program for each Learning Age Groups



Coding Seeds Camp

In order to inspire children's interest in software, SYSTEMX held "Coding Seeds Camp", 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. SYSTEMX also encouraged the children of employees and customers to participate in this camp, so as to strengthen the relationship with customers. The camp has been held for 4 consecutive sessions since 2017, with a total of 535 children aged 10~14 participating. In 2021 and 2022, the camp was suspended due to epidemic prevention.

Young Turing Program

[Invest NT\$15M for Cumulative 7 Years] Largest High School Programming Competition Held by a Single Enterprise in Taiwan



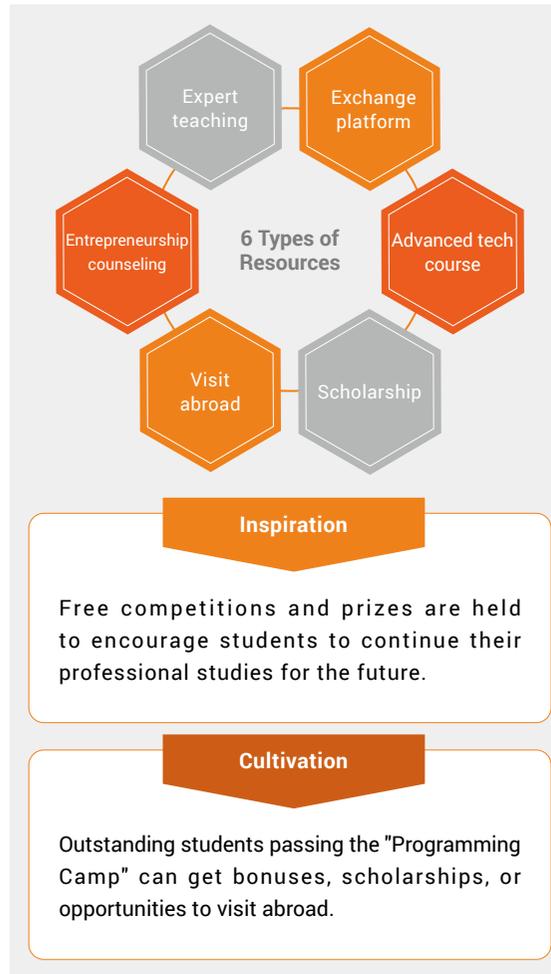
In order to improve society and environment with tech-capability, SYSTEMX plans YTP to encourage young students to invest in the software industry. The program focuses on discovering potential young software talents, recruits employees to serve as activity volunteers and mentor volunteers for practical research, cooperates with professors, experts and scholars as practical research guides, and invites previous contestants to serve as competition reviewers. The close connection of these internal and external resources guides students to solve problems and to think about possible business model, enabling YTP to expand a virtuous cycle and deepen positive social impact.

The 7th YTP, held in 2022, not only continuously holds the competition for "senior-high-school category" and "junior-high-school category", but also new adds "overseas category", thereby increasing opportunities for deepening exchanges. In 2022, 223 senior high school teams, 50 junior high school teams and 16 overseas teams signed up, with a total of 840 participants from 171 domestic and foreign high schools.

<p>Since 2016</p> <p>7 sessions</p>	<p>Cumulative participants</p> <p>2,850 participants</p>	<p>Cumulative teams</p> <p>965 teams</p>
<p>Cumulatively contract</p> <p>2,523 students</p>	<p>Total SYSTEMX volunteers</p> <p>381 volunteers</p>	<p>Total investment</p> <p>NT\$ 15M +</p>

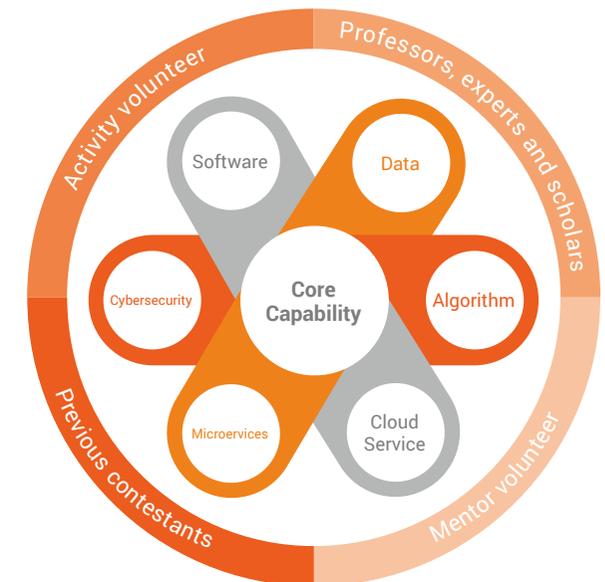
Variety of Cultivation Resources

- In order to cultivate young talents in a long-term and planned ways, and encourage them to innovate new businesses, enabling Taiwan information industry go global, YTP provides 6 major resources:



Connect Partners to Expand Social Impact

- Integrate internal and external resources, join hands with students, SYSTEMX employees, university professors and experts to participate in.
- Recruit employees to serve as activity volunteers, promotion volunteers who returns to their alma mater for sharing experience, or mentor volunteers who use practical experience to lead YTP students to conduct practical research.
- Invite university professors, experts and scholars as practical research guides to bring academic knowledge into YTP students' research, enabling students to enhance both soft and hard capabilities of project implementation.
- Invite previous contestants to give back, including assisting the competition in formulating and reviewing contest questions, and sharing their own experience, so as to influence more young talents in a positive way.



>> 2022 Performance

- For 7 consecutive years, a total of 2,850 students have participated in the YTP. In 2022, the number of participants and teams hit a record high, with 840 students from 171 domestic and foreign high schools; among them, 38 contestants have ever been qualified as representatives of the Taiwan International Information Olympia Competition.
- The 2022 teams performed excellent, with 12 teams conducting research on topics of Machine Learning, Natural Language Processing (NLP), AI, Big Data and Block Chain, etc. Meanwhile, SYSTEX also invites professors and experts from relevant departments of NTU, NTUST and NTNU to guide students to creatively implement and solve social problems.

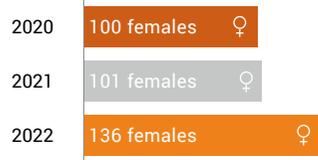
🔗 For more details about YTP, please refer to "[YTP Website](#)"

In Response to the SDGs

[SDG 5] Encourage women to participate in IT competitions



- Pay attention to gender equality issues, formulate the "Female Guarantee Quota Mechanism" to encourage female students to create unlimited possibilities for female power.
- The "Female Guarantee Quota Mechanism" allows female contestants who answer at least one question correctly of online preliminary test to be eligible to participate in the "Programming Camp".
- In the past 3 year, more than 100 female students have signed up every year. In 2022, the number of female students increases to 136, with an increase of 34.7% compared to the previous year.



[SDG 10] Reduce inequality in educational resources



- Pay attention to equal opportunities, provide full transportation subsidies for students participating in the "Programming Camp" from the south of Taichung and Hualien, reducing the participation barriers.
- In 2022, students from 18 counties have signed up, and the penetration rate in counties has reached 94.7%.
- Integrate resources for IT education in southern Taiwan, and sponsor the training fee for NTU sprout program in 2022.
- Donate NT\$100K to SCIST composed of 13 schools in the south to help deepen and promote IT learning in the south in 2022.
- Provide a free competition platform for NHDK Alliance composed of 4 senior high schools in the South, encouraging their students to organize their own practice competitions.

[SDG 4] Committed to cultivating world-class software talents



- Provide multiple resources such as "Expert Teaching, Exchange Platform, Visit Abroad" to enable young students to improve their skills, and can solve problems from different perspectives.
- Add "junior-high-school category" in 2021 and add "overseas category" in 2022, stimulating more potential talents to interact with each other.
- As of 2022, YTP has held the "senior-high-school category" for 7 consecutive years, junior-high-school category for 2 consecutive years and the first overseas category", with a total of 2,850 people and 965 teams participating.



SYSTEX Elite Internship

In order to allow students to understand the working mode of software engineers earlier, SYSTEX has connected industry and academia resources, and launched the "SYSTEX Elite Internship, SEI" program since 2014, providing more than 100 internship places for college students from the Department of IE or IM every year, so that they understand the actual work conditions before they graduated. Throughout the internship process, students can be trained by dedicated mentors to obtain practical training in the real workplace. Outstanding interns will be given priority in obtaining full-time job opportunities after graduation. Through the "SEI Program", SYSTEX helps students combine what they have learned with the industry, and also cultivates outstanding talents for SYSTEX itself and customers, so as to reserve a software talent pool for Taiwan!



SYSTEX Elite Internship

Program Features

Practical Courses by Supervisors

Senior executives of various business units impart practical experience.

Independent Study

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

Corporate Visit

Arrange interns to visit startups or large enterprises.

Online Learning Platform Account

Provide interns with online learning platform accounts for various learning.

>> Program Highlights

SYSTEX not only provides various internship activities, such as programming, product planning, etc., allowing interns to improve their working skills, but also increases interaction opportunities through irregular tech-lectures.

>> Program Impact

The SEI program gives students an early experience in the workplace and helps them find their future career direction before graduation. In 2021, the SEI program was suspended due to epidemic prevention and resumed in 2022. Over the years since the SEI launched, a total of 179 SYSTEX mentors have supported the SEI, and a total of 577 interns have been trained.



- Interns are mainly composed of students from the Department of IE, IM or Statistics, that is more in line with BU's needs than before.
- Design corporate visit plans to broaden interns' views.
- Provide interns with online learning platform accounts for various learning.
- Make business cards for interns to increase their integration.
- Through the 5-week SEI courses, activities and visits, interns are very satisfied with the courses, with a satisfaction rate of 98%.
- Interns express their gratitude to their supervisors in the internship questionnaire.

More in line with BU's needs

Among the 43 interns, 32 have IE, IM or Statistics background, accounting for 74.4% with an increase compared to 72.5% in 2020.

Enhance employer branding for interns

Interns have a good impression of SYSTEX SEI, making SEI the first choice for more IE, IM or Statistics talents.



Practical experience from senior executives

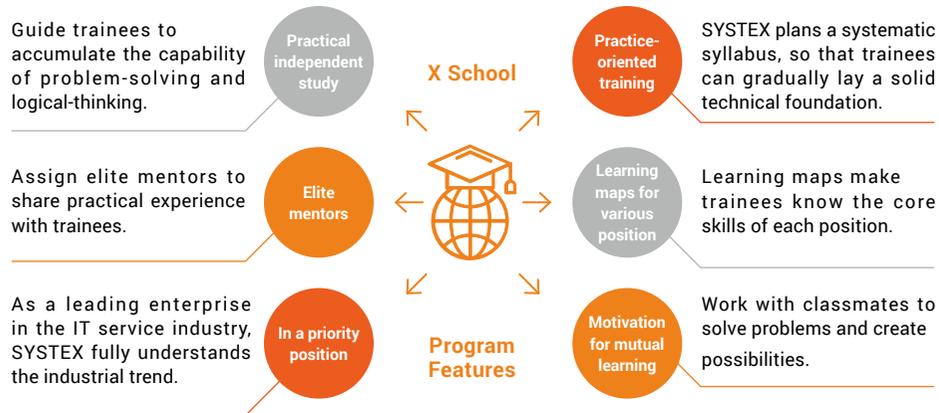
92.5% of interns express their willingness to work in SYSTEX after graduation or continue their internship.

Booking outstanding talents in advance

29 interns (72.5%) continued their internship in SYSTEX, including 7 on-the-job training, with a significant increase in retention compared to 42% in 2020.

X School Software Academy

SYSTEX has held the 2nd "X School Software Academy" in 2022. SYSTEX provides 10~12 weeks of systemic pre-job training for young talents according to industry needs, and mentors would help them develop problem-solving and logical-thinking skills to accumulate experience. In 2022, a total of 55 people participated in the 2nd session of Intelligent Financial Software Training, including the practical courses of Java and .Net. During the training period, SYSTEX provided each person with a monthly study allowance of NT\$30,000. After completing the training, they may receive a salary of more than NT\$40,000.



Industry-Academia Cooperation

SYSTEX aims to accelerate innovative applications in view of the growing demand for diverse IT applications across industries by fostering world-class, cross-disciplinary professionals for the IT industry. In 2022, SYSTEX deepened partnership with NYCU's Department of Biological Science and Technology, offering financial assistance to 4 Professional Master's students in Engineering and Computational Biomedicine with employment opportunities, recruiting medical and IT elites. Meanwhile, SYSTEX also deepened cooperation with NTUST's Advanced Intelligent Image and Vision Technology Research Center, offering financial assistance to 3 Professional Master's students in AI vision technology and employment opportunities.

Campus Lectures and Corporate Visit

01 Campus Lectures 10 meetings, 690 participants

- In order to promote the inheritance and sharing of experience, SYSTEX held several campus lectures with its senior executives, enabling students to understand industrial trends and practical experience. The shared topics included "FinTech Development Trends and Application Cases", "New Trends in Digital Transformation and Tech-applications in industries", and "Post-pandemic Retail Trends", etc.
- In 2022, a total of 10 campus lectures were held, with a total of 690 participants.



President Lin @IE Department, NCHU



Vice President Chang @IE Department, NTNU



Vice President Ban @IE Department, TTU



Director Zheng @IE Department, THU

02 Corporate Visit 6 meetings, 344 participants

- Through on-site visits, visitors can learn about SYSTEX's working environment, CSR activities, and corporate culture. In addition, executives also shared their career experiences, enabling visitors to broaden their career plans.
- In 2022, a total of 6 visit meetings were held, with a total of 344 participants.

Partner with Startups

AI+ Generator Program



Since the launch of the 4-year "Taiwan AI Action Plan" in 2018, SYSTEX found that even though there were several potential AI Startups at that time, the AI ecosystem lacked the key elements: software and data.

In order to fill the gap in Taiwan's AI development, SYSTEX has launched the "AI+ Generator Program, AGP" in 2018 based on its cumulative empowerment of ecosystems, integrating the cross-border, cross-industry and cross-border resources to assist AI Startups to create industry application scenarios and solve various problems, and then accelerate global business, allowing Taiwan's software industry to go global.

>> Focus Areas



5G Mobile communication technology



Industrial IOT



FinTech



Cybersecurity



ESG

>> Program Features

1

Sourcing

AGP approaches Startup incubators.

2

Qualification

Experts assess market potential of Startups.

3

Matching

Facilitate cooperation with potential business partners.

4

Evaluating

Provide business proposals to accelerate market evaluation.

5

Generating

Open up the global markets to increase sales.

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.



Optimize Business Model

50+ people
Executives and Experts



Connect with Partners

50+ partners
AI Ecosystem Partners



Customer Matchmaking

30,000+ companies
Enterprise Clients

Connect with International Startup Resources

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

Three Main Pillars

Cultivate Software Talents

Partner with Startups

Social Engagement

Finding Potential AI Startups

• A total of 7 Startups were selected in 2022.

In order to provide enterprise clients with more diversified ESG solutions, the 5th AGP in 2022 selected 7 potential ESG-oriented Startups to join, allowing AGP to join hands with these Startups to provide ESG services in advance to help expand the scope of domestic and foreign business.

RPA	The innovative RPA product with built-in browser automates repetitive computer tasks for businesses.
FlowVIEW	Image-based liquid automation using nanofilm and AI can test micro-contamination, liquid samples, and water.
Biomedica	Precise, fast AI-assisted medical screening can reduce false-negatives. DataSense workstation and codeless AI modeling offer integrated AI workstation solutions for regenerative and precision medicine labs.
Sightour	Offer the AI-powered optical character recognition (OCR) solution ANYFORM. AI models, code-free interfaces, and seamless integration with enterprise systems enable fast, paperless document digitization.
COMMEET	Taiwan's first cloud-based expense system, offering efficient reimbursement. Reimbursements include carbon emissions estimations using AI, simplifying ESG audits.
8iops	Help businesses optimize public clouds to manage capacity, costs, and security risks with an efficient platform for visual monitoring, analysis, and alerts for administrators.
FiduciaEdge	Edge computing security effectively reduces system-wide collapses from hacker attacks on edge nodes. Applications include cybersecurity deployment for large-scale terminal devices like urban infrastructure and factories.

Successfully Connect with Global Industrial Customers

• A total of 36 Startups have been selected for 5 consecutive years.



AGP can help expand Taiwan's AI ecosystem and accelerate AI applications. A total of 36 Startups have been selected for 5 consecutive years and then achieved promising results after rigorous collaboration.

[Successful Case] @2021 Matching for Startup Teams

Mobile insurance and remote verification Solutions	AGP combines the respective professional technologies of "iHH", "Authme" and "ioNetworks" to jointly provide mobile insurance and remote verification solutions for the life insurance industry.
Develop one-stop eKYC and anti-money laundering solutions	AGP cooperates with "KryptoGo", who uses NLP technology to develop a one-stop eKYC, anti-money laundering solutions, and NFT wallets service for enterprise clients, thereby narrowing the distance with Generation Z customers.
AI system development platform	AGP cooperates with "InfuseAI" to build an AI system development platform for semiconductor industry customers, bringing customers a more efficient AI development and learning environment.

Social Engagement

Improve Education in Remote Areas

Support remote schools for 3 consecutive years (2021~2023)

SYSTEX believes that reducing inequality in educational resources is an important part of cultivating youth, so that continuously cooperated with PaGamO's "Future Literacy School" Program since 2020, donating a total of NT\$1M per year to Yong-An Junior High School and Quhe-Jian Elementary School in Taoyuan City and donated books of SYSTEX's affiliated company "Delight Press", to help children in remote areas improve their reading literacy.

Remote Schools adopted by SYSTEX

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



>> 2022 Performance

Yong-An Junior High School

- In 2021 Academic Year, the grades of students in "Comprehensive Assessment Program for Junior High School" was raised from C to A.

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

- In 2021 Academic Year, the school added a digital reading course every week, led by full-time teachers.
- Through the promotion of PaGamO for 3 consecutive year, students' reading literacy has been improved significantly. From 2018 to 2021 Academic year, students in "Comprehensive Assessment Program" achieved the highest reduction in score C and the highest improvement rate (53.4%) in Taoyuan City.



Quhe-Jian Elementary School

Quhe-Jian Elementary School with only 100 students, through the PaGamO project, the reading literacy of students has been significantly improved. Moreover, some students represented to participate in "Taoyuan City Composition Competition" and won the 2nd Prize.



Three Main Pillars

Cultivate Software Talents

Partner with Startups

Social Engagement

Support Industrial Innovation and Sustainable Development

>> ESG Technology Innovation Promotion Alliance



To address severe climate impacts, SYSTEX joined the "ESG Technology Innovation Promotion Alliance" in 2022. A sponsorship of NT\$2 million was provided to support the Alliance's proposal competition. SYSTEX integrates resources, solutions, and product advantages from tech partners in the dual "Innovation Competition and Innovation Subsidy" model, supporting the sustainable innovations of students and startups in "Agriculture, Fisheries and Animal Husbandry innovation" and "Energy & Carbon Reduction" in response to climate change. Unlocking Taiwan's potentials through technology, driving innovative and sustainable development!

>> Puro Flamenco

"Puro Flamenco" founder, Ms. Tsai Yi-Jung, passionately promotes the Spanish intangible cultural heritage of Flamenco, training local dancers with renowned dancers worldwide. Flamenco promotes body flexibility, cardiovascular health, and stress relief. It empowers dancers to express themselves through cultural dialogues. SYSTEX donates NT\$200,000 to "Puro Flamenco" and their commitment in promoting Flamenco culture.



>> Citizen Tree Planting Action



In response to the "Tree Planting Action" jointly initiated by "GoodPoint Exchange" and the Forestry Bureau, SYSTEX combines the Action with the SYSTEX "5KM for a tree" road run, so that employees can not only participate in health activities, but also obtain environmental education to care for the earth. As a result, SYSTEX have adopted a total of 500 trees planted in Yilan. By the end of April 2023, a total of 2,717 kgCO₂e has been absorbed.

>> Baseball Team Sponsorship Program

SYSTEX sponsors NT\$150,000 to the Yousei Fantastic Association, supporting 3 students' goal of joining a pro baseball team. Led by former CPBL catcher Chen Chi-hsin, the Yousei Fantastic Association has trained underprivileged indigenous children in Taitung for over a decade, providing free accommodation, meals, and education, empowering them to take control of their lives and fulfill their dreams.

05

Environment Sustainability

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Environment and Energy Management	74
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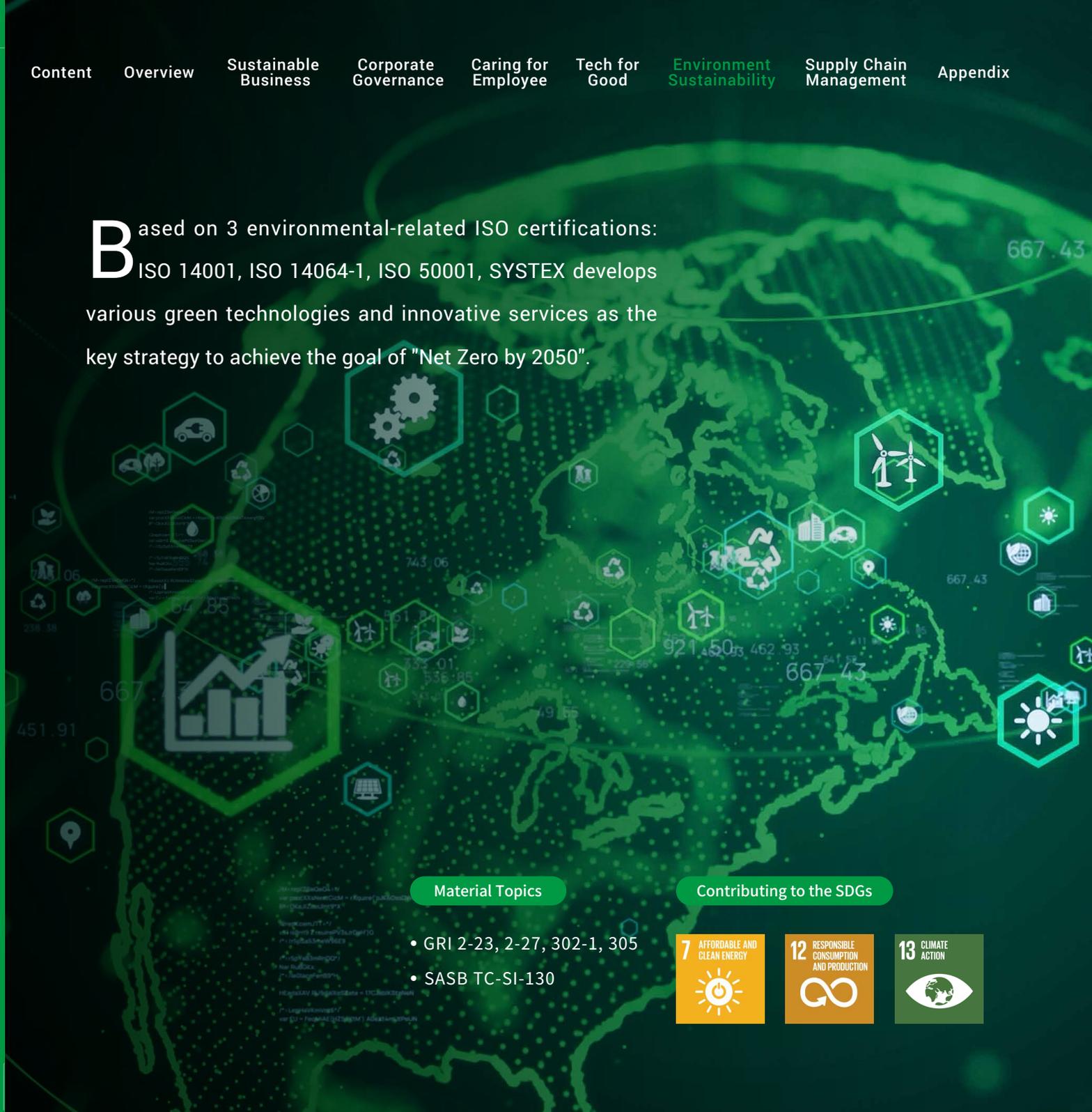
Based on 3 environmental-related ISO certifications: ISO 14001, ISO 14064-1, ISO 50001, SYSTEX develops various green technologies and innovative services as the key strategy to achieve the goal of "Net Zero by 2050".

Material Topics

- GRI 2-23, 2-27, 302-1, 305
- SASB TC-SI-130

Contributing to the SDGs

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION



Highlight



Taipei City Government
2022 Net-Zero Benchmark Award
Business and Industry Category B – Model Award



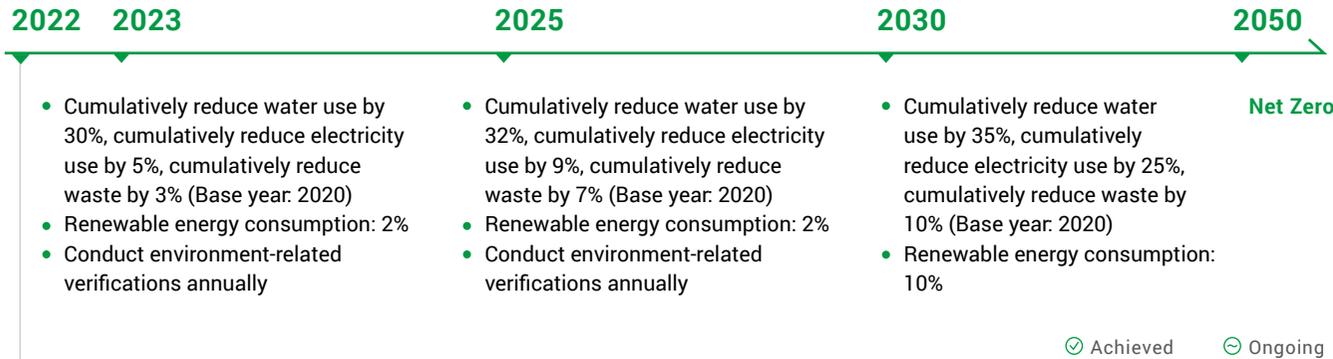
3 Environmental-related Certificates
ISO 14001, ISO 50001, ISO 14064-1



Environmental Protection Administration
2022 Green Procurement Enterprises

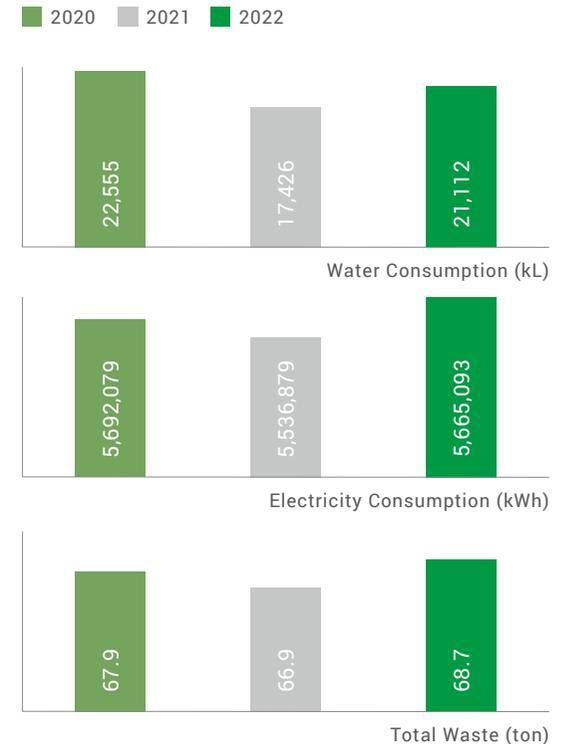
Short-, Mid-, and Long-term Goals Process

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



2022 Goals and Performance	Compared to base year 2020		2022 Goals	2022 Performance	Status
		Cumulative reduce water use	23%	29%	✔
	Cumulative reduce electricity use	6%	3.2%	⊖	
	Cumulative reduce waste	4%	0.3%	⊖	

3-year Performance Progress



Environmental Sustainability Policy

In the face of global climate disasters causing issues such as climate change, reduction of natural resources and biodiversity loss, people and organizations around the world are impacted to varying degrees. The climate crisis threatens the survival and development of human beings, and raises the awareness of global environmental protection. For truly understanding potential impacts of extreme weather on operations, SYSTEX has formulated the "SYSTEX OHS., Environment and Energy Policy and Declaration", continuously implements environmental related mechanisms, and conducts 3 environmental verification every year: ISO 14001, ISO 1464-1, and ISO 50001, to effectively manage performance and reduce negative impacts.

Environmental Sustainability Policy GRI 2-23

OHS., Environment and Energy Policy and Declaration



SYSTEX is an IT service company, and committed to promoting occupational safety and health, improving environment and energy management, to maintain workplace safety as a priority. In response to the government's goals, SYSTEX continuously improves environmental protection actions to make better efforts for a safer and healthier environment. SYSTEX promises:

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

Environmental Sustainability Management Mechanism GRI 2-27

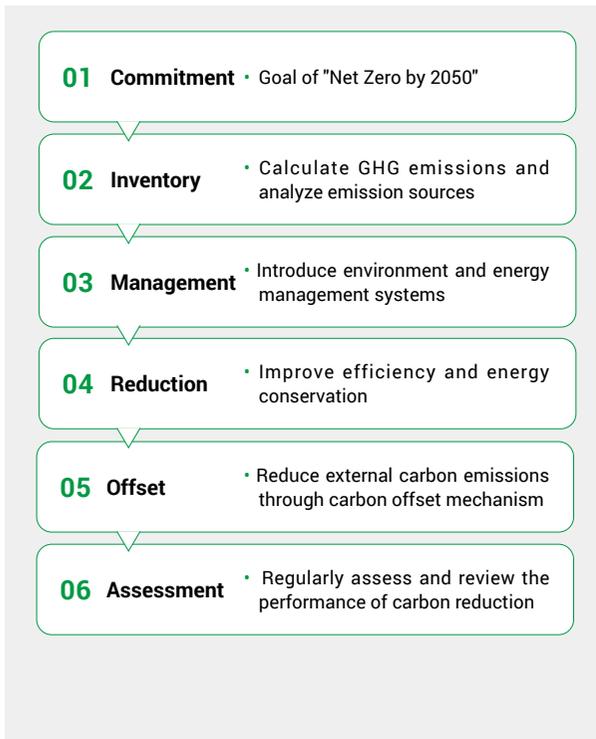
Through the continuous operation management mechanism, SYSTEX formulated the corresponding actions for possible natural disasters, fires, typhoons and power interruptions, etc., to ensure that operations can be resumed quickly while disasters occur. The "SYSTEX OHS., Environmental and Energy Policy"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

Actions	Performance
 <p>Net Zero Emissions</p>	<p>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".</p> <p>Continuously conduct verifications and obtain ISO 14001, ISO 14064-1 and ISO 50001, and operate management system effectively.</p>
 <p>Green Procurement</p>	<p>Strengthen green procurement to make suppliers comply with the green trends and jointly realize environmental protection.</p> <p>Purchase green products first in general category of procurement and was rewarded the "Green Procurement Enterprises" by the EPA and Taipei City Government.</p>
 <p>Tech-application</p>	<p>Continuously develop digital system services and applications to build a low-carbon industrial ecosystem with paperless operations.</p> <p>In 2022, a total of 9 activities for green energy promotion were held, with a total of 341 participants (in-class: 151, online: 190).</p>
 <p>Training</p>	<p>Conduct internal training to raise awareness about environmental and OHS, to ensure employees health and safety, and prevent diseases or workplace hazards.</p> <p>A total of 11 in-class courses were held in 2022, with a total of 693 participants, 1039.5 hours, and a training rate of 100%.</p>
 <p>Regulatory Compliance</p>	<p>Comply with government regulations for environmental protection and respond to government energy conservation policies.</p> <p>In 2022, no violations of environmental laws and regulations occurred.</p>

Commitment to Net Zero Emissions

SYSTEMX Commits to "Net Zero by 2050"

In order to limit global warming to 1.5° C of the Paris Agreement, the UN has pledged to achieve "Net Zero Emissions by 2050" since 2019. In the face of the global climate issues, SYSTEMX also promises to achieve Net Zero Emissions by 2050, and follow the "Science Based Targets initiative", hoping to become a model for Taiwan's IT service industry to mitigate climate change through the following carbon reduction paths.



Targets of Net Zero Emissions and Performance

	2022 Performance	2023 Goal	2030 Goal
 Emission Management	<ul style="list-style-type: none"> Support green energy policy: purchase 83,493 kWh of t-RECs with renewable energy rate of 1.5%. Complete 2022 Greenhouse Gas Inventory and obtain ISO 14064-1 Verification. Plan a "Power Wheeling Contract" program to gradually increase renewable energy consumption. 	<ul style="list-style-type: none"> Renewable energy consumption: 2% 	<ul style="list-style-type: none"> Renewable energy consumption: 10%
 Energy Management	<ul style="list-style-type: none"> Analyze the AC operation mode through EMS, and reduce the load and operating time of AC system through function of introducing external air, to save energy usage. Conduct and maintain ISO 50001 Certificate. Cumulatively reduce electricity consumption by 3.2% compared to the base year 2020. 	<ul style="list-style-type: none"> Cumulatively reduce electricity use by 5% (compared to the base year 2020) 	<ul style="list-style-type: none"> Cumulatively reduce electricity use by 25% (compared to the base year 2020)
 Water Stewardship	<ul style="list-style-type: none"> Check water quality of water dispenser every 3 months. Install water-saving equipment in office toilets and tea rooms. Raise water-saving awareness through promotional signs. Cumulatively reduce electricity consumption by 29% compared to the base year 2020. 	<ul style="list-style-type: none"> Cumulatively reduce water use by 30% (compared to the base year 2020) 	<ul style="list-style-type: none"> Cumulatively reduce water use by 35% (compared to the base year 2020)
 Environment Management	<ul style="list-style-type: none"> Conduct and maintain ISO 14001 Certificate. Actively implement garbage classification and recycling. Cumulatively reduce electricity consumption by 0.3% compared to the base year 2020. 	<ul style="list-style-type: none"> Cumulatively reduce waste by 3% (compared to the base year 2020) 	<ul style="list-style-type: none"> Cumulatively reduce waste by 10% (compared to the base year 2020)

Climate-Related Governance and Financial Disclosures GRI 201-2

According to the WEF's "Global Risk Report 2023", "Failure to mitigate and adapt climate change" and "Natural disasters and extreme weather events" are once again listed as the highest global risk in the next 10 years, reflecting the need for governments and enterprises to strengthen climate governance while implementing climate actions. 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 and becomes a TCFD supporter in 2023.

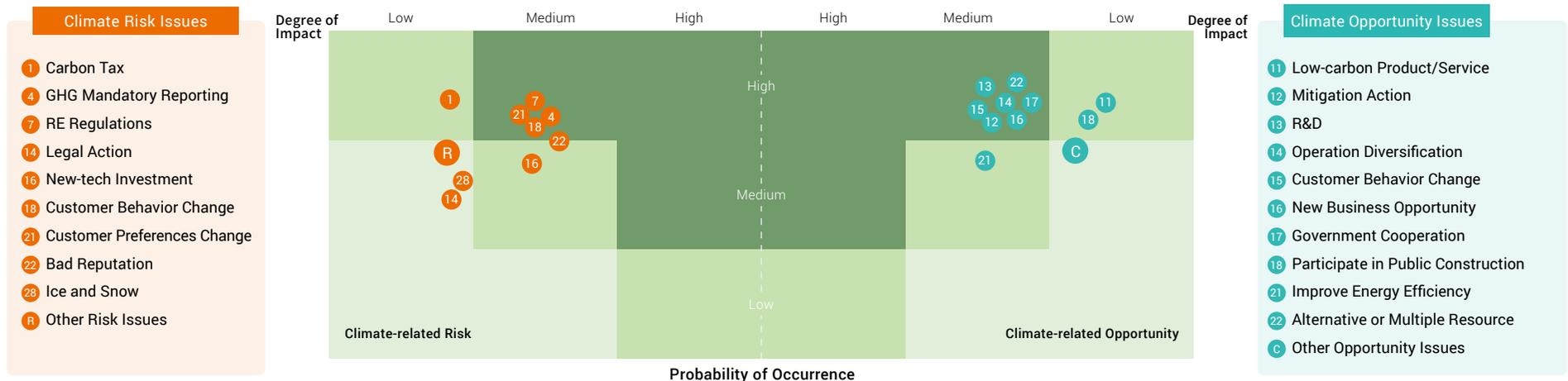
>> Task Force for Climate-Related Financial Disclosures, TCFD

01 Governance | The Chairman is the highest governance level for sustainable development, and assigns the CSO as the leader of the Sustainability Group to supervise ESG implementation and performance.

- SYSTEX established the "Sustainability Group" in 2020, with the highest governance level being the Chairman. In 2021, SYSTEX set the CSO as the leader of the Sustainability Group to supervise and coordinate climate risk assessment, formulate climate-related strategies, goals and measures. (Note: [p.16_Sustainable Governance Structure](#))
- The "Environment Team" under the "Sustainability Group" is responsible for identifying climate risks and opportunities, planning related strategies and goals, and implementing relevant projects.
- In addition to integrating climate risks and opportunities into risk management, the Board holds a meeting on average every two months to discuss business strategy issues and major events of ESG, risks and opportunities.

02 Strategy | Formulate the "Environment and Energy Policy" and aim to achieve "Net Zero by 2050", to implement climate risk and opportunity identification, climate scenario analysis and plan related strategies and measures.

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



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

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

	Type	Issue	Detail	Impact	Probability	Financial Impact (-)	Mitigation Measures
Transitional Risks	Market	Customer behavior change	Due to the rising awareness of global sustainability, customers have different considerations while choosing products or services.	Medium	High	<ul style="list-style-type: none"> •Reduce revenue from non-low-carbon services •Increase the labor costs for communication •Increase R&D costs 	<ul style="list-style-type: none"> •Professional training help meet demand for sustainable products and services. Incentives for customers to easily choose SYSTEX. •Increased investment in R&D and marketing of low-carbon products. •Higher internal visibility of sustainable products and solutions with seed speakers to address business needs and customer communication.
	Reputation	Customer preferences change	Due to the rising awareness of global sustainability, customers have changed preferences for specific products or services.				
	Policy and Legal	GHG mandatory reporting	Companies may be compelled to inventory, report or verify GHG emissions in line with global or domestic laws and regulations.				
		Renewable energy regulations	The price of renewable energy or the composition of energy sources may be affected by global or domestic laws and regulations.				
	Market	Carbon tax	Tax systems related to GHG or climate change are formulated by governments.	Mid-low	High	<ul style="list-style-type: none"> •Additional tax payment •Increase spending on office equipment replacement 	<ul style="list-style-type: none"> •Monitor international carbon tariffs to meet international market and customer demands in future taxations. •Upgraded energy-efficient equipment to lower costs and carbon taxes.
	Technology	New-tech investment	Companies must invest in new technologies due to climate change. Wrong positioning or investment targets as well as tech-bottlenecks can cause losses.	Mid-low	Mid-high	<ul style="list-style-type: none"> •Increase R&D costs 	<ul style="list-style-type: none"> •Take stock of core technologies and climate-related products and services. Invest in promising startups for strategic alignment.
	Reputation	Bad reputation	Due to the rising awareness of global sustainability, products or services that have negative impacts can create bad reputation.				

	Type	Issue	Detail	Impact	Probability	Financial Impact (+)	Mitigation Measures
Opportunity	Products and Services	R&D	Adopting innovative processes or changing services can contribute to the mitigation and adaptation of climate change.	Medium	High	•Increase revenue from new business model •Improve customer trust and satisfaction	•Build a technical barrier with patented sustainable innovations.
		Customer behavior change	Customers have different considerations while choosing products or services.			•Low-carbon products generate higher profit •Improve corporate brand image	•Leverage ecosystem partners to offer low-carbon solutions for market differentiation and customer connections.
		Operation diversification	Provide more low-carbon products or services to stabilize market position and competitiveness.			•Increase revenue from new business model	•Leverage key technologies to develop diversified products or services, organizational resilience, and sustainable competitiveness.
		Mitigation action	New products or services help to reduce or adapt to the impact of global climate change risks.			•Increase sales to customers	•Integrated, low-difficulty energy-saving services help clients towards Net-Zero goals.
	Markets	New business opportunity	Increase profits in existing markets, or find new business opportunities in emerging markets.			•Increase revenue from new business model	•Connect global partners via the internet, expanding client base with diverse sustainable solutions.
		Government cooperation	Participate in government projects related climate change to obtain subsidies or rewards, and to gain popularity for products or services.			•Reduce the costs of initial investment, such as R&D, equipment, etc. •Reduce expenditure due to government subsidies	•Support government policies. Offer relevant services to assist clients with compliance.
	Resilience	Alternative or multiple resource	Improve supply chain reliability and operational capabilities under a wide range of conditions.			•Reduce costs through inquiry, price comparison and negotiation	•Ensure supply chain sustainability management and resilience with risk and opportunity assessments.

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

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

03 Risk Management | The Board of Director is the highest governance level for risk management, and has set up a "Risk Management Committee" under the Board to be responsible for supervise the effective operation of the risk management mechanism.

- SYSTEX has set up a "Risk Management Committee" in 2022 and formulated risk management policy, relevant regulations, management documents and measures. It is clearly stipulated that the Board of Directors is responsible for approving risk management policy, procedures and management structures, ensuring that the direction of operational strategies is consistent with risk management policies, establishing an appropriate risk management mechanism, and supervising the effective operation of the risk management mechanism.
- The Risk Management Committee is accountable to the Board. It not only fully implements risk management policy, but also sets up the "Crisis Management Group" to be responsible for promoting risk related affairs, ensuring that the risk management mechanism is implemented in daily operations. The Risk Management Committee reports to the Board at least once a year on risk-related management performance including strategies, targets, and actions. Besides, the Crisis Management Group is responsible for cross-departmental coordination and risk awareness training.
- The Crisis Management Group is responsible for the identification and assessment of SYSTEX's overall risks, evaluating the impact of various issues from the perspective of the overall business operation to determine the impact of climate-related risks relative to SYSTEX' various risks.
- The Sustainability Group is responsible for identifying climate risks and opportunities, re-evaluating relevant impacts and planning strategies, targets and actions every year. The "Environment Team" under the "Sustainability Group" is responsible for planning and implementing actions and then reporting to the Risk Management Committee on action performance.

04 Metrics and Targets | 4 categories of actions: emission management, energy management, water stewardship, and environment management. SYSTEX sets short-, medium- and long-term goals respectively and corresponding measures and actions. (Note: [p.69_Target of NZE and Performance](#), [p.74_Renewable Energy](#))

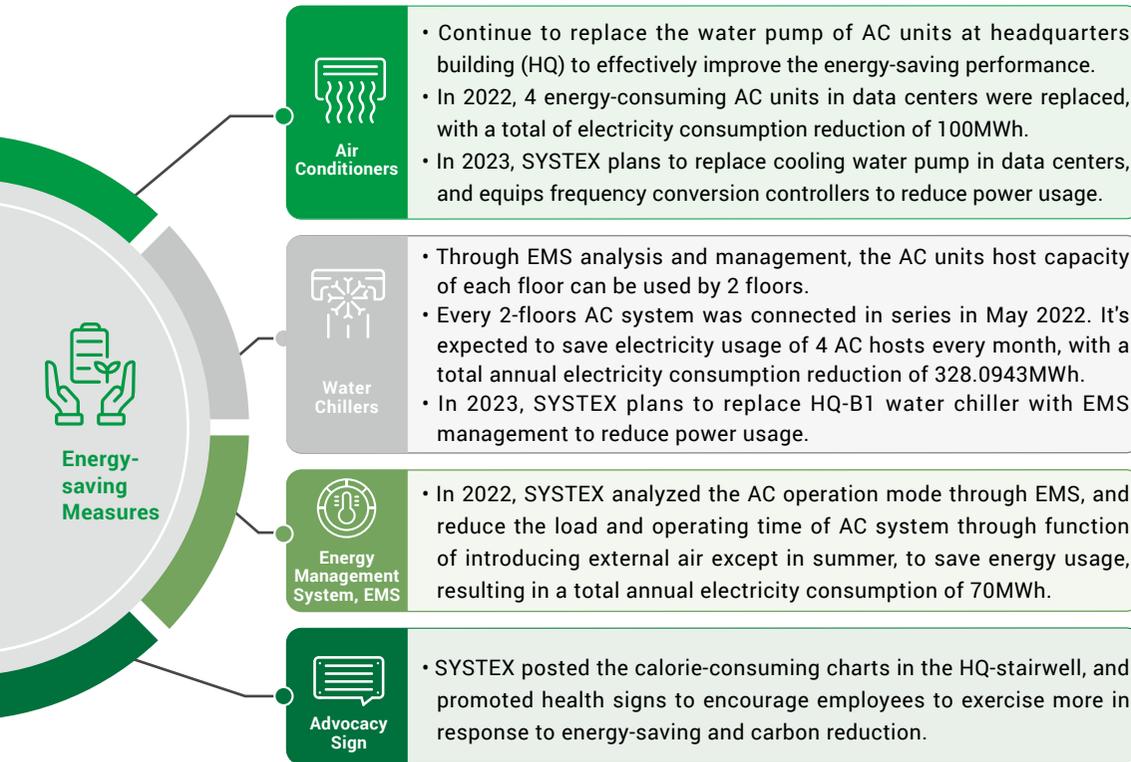
- Key metrics
 - (1) Resource conservation and waste reduction: water conservation, energy conservation and waste reduction
 - (2) Continuously conduct ISO verifications
 - (3) Renewable energy consumption
- ISO verifications
 - (1) Greenhouse gas emissions:

According to the guidelines of "ISO 14064-1: 2018", SYSTEX collects and discloses emissions sources covering "Direct GHG Emissions (Category 1)", "Indirect GHG Emissions from Imported Energy (Category 2)", and "Other Indirect GHG Emissions (Category 3-6)", and has been verified by an independent 3-party. The boundary of GHG inventory is the headquarters building.
 - (2) Environment management system and energy management system:

Implement management system operating procedures in accordance with the management procedures of "organizational risk and opportunity", "environmental considerations identification", "legislation identification", and "energy identification and review", and then conduct ISO verifications every year.
- Metrics and targets: SYSTEX aims to achieve "Net Zero by 2050" and formulates its carbon reduction paths and the short-, medium-, and long-term goals accordingly, and then promotes various internal management mechanisms to move towards the ultimate goal by 2050. (Note: [p.69_Target of NZE and Performance](#))
- Conduct climate-related risk and opportunity identification, climate scenario analysis and formulate corresponding strategies and measures. (Note: [p.74, 75_Environment and Energy Management](#))

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

Environment and Energy Management SASB TC-SI-130



Monitoring Plan through Environment and Energy

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

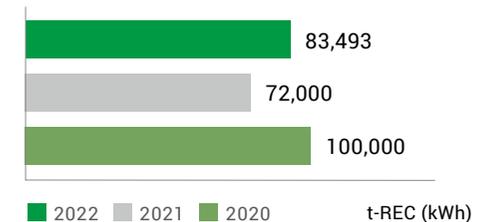
Renewable Energy

In 2022, SYSTEX purchased 83,493 kWh of t-RECs, with a total carbon emission reduction of 41.3 tCO₂e and a renewable energy rate of 1.5%.

>> 2022 Energy Consumption Table

Electricity Consumption (kWh)	Renewable Energy (kWh)	Renewable Energy Rate	Emissions of Category 2 (tCO ₂ e)	
			Location-based	Market-based
5,665,093	83,493	1.5%	2,804.22	2,762.89

• 3-year Renewable Energy Consumption



Environment Management Action Plan

Office Water Stewardship



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

2022 Performance

Water usage (base year: 2020) ↓ 1,443 kL

Carbon emissions ↓ 79.94 kgCO₂e

2023 Goal

Cumulatively reduce water usage (base year: 2020) **30%**

Office Paper Management



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

2022 Performance

Paper usage (compared to 2021) ↓ 317,000 sheets

Carbon emissions ↓ 2,028.8 kgCO₂e

2023 Goal

Annually reduce paper usage (compared to 2022) **275,000 sheets**

Office Waste Management



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

2022 Performance

Due to the implementation of office cleaning in 2022, the total waste increased by 0.8 tons compared to the base year.

Total Waste (base year: 2020) ↑ 0.8 tons

Carbon emissions ↑ 161.2 kgCO₂e

2023 Goal

Cumulatively reduce waste (base year: 2020) **3%**

Greenhouse Gas Management GRI 305

Greenhouse Gas Inventory

In order to measure GHG emissions more accurately, SYSTEX has introduced GHG Inventory since 2021 and conducts GHG Inventory every year according to the guidelines of "ISO 14064-1: 2018", to formulate improvement plans accordingly. For the inventory, SYSTEX has set up a "GHG Inventory Committee" to prepare audit reports and to conduct data audit according to the "Internal Audit Management Procedures", and then entrusted an independent third-party to conduct external audit, ensuring its correctness and completeness. The boundary of GHG inventory is the headquarters building.

In 2022, the market-based GHG emissions of SYSTEX HQ is 3,347.446 tCO₂e, of which purchased electricity accounts for the highest proportion of 82.54%.

>> Greenhouse Gas Emissions

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

- **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. Category 2 emissions are generated by imported energy. Category 3-4 emissions are calculated from business travels, indirect carbon footprint of electricity and disposal of general waste.



Category	Emission Source		Emissions (tCO ₂ e)	
			Subtotal	Total
Category 1: direct GHG emissions	Stationary combustion		0	11.0019
	Mobile combustion		4.9393	
	Fugitive (anthropogenic systems)		6.0626	
Category 2: indirect GHG emissions from imported Energy	Imported electricity	Location-based (Market-based)	2,804.2210 (2,762.8922)	
Category 3: indirect GHG emissions from transportation	Employee commuting and business travels	Business travel by THSR	4.4294	54.8166
		Business travel by airplanes	19.6538	
		Business travel by taxi	30.7334	
Category 4: indirect GHG emissions from products used by organization	Purchased goods	Indirect carbon footprint of electricity	499.6612	518.7352
	Disposal of waste	Disposal of general waste	19.0740	
Category 5: indirect GHG emissions associated with the use of products from the organization	No significant emissions			
Category 6: indirect GHG emissions from other sources	No significant emissions			

• Direct GHG Emissions (Category 1) [Scope: SYSTEX headquarters building]

Item	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃	Total
GHG emissions (tCO ₂ e)	4.7421	0.0479	0.1494	6.0626	0	0	0	11.0019
Proportion	43.10%	0.43%	1.36%	55.11%	0.00%	0.00%	0.00%	100.00%

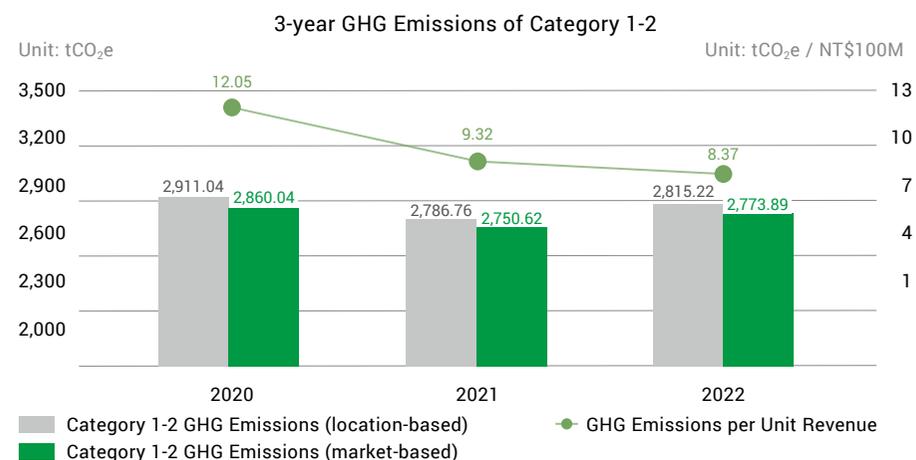
>> Greenhouse Gas Management Performance

Through the ISO 14064-1 GHG inventory, SYSTEX found that purchased electricity produced the highest proportion of emissions. Therefore, in addition to implementing various environmental and energy management measures, SYSTEX purchases and rents equipment with environmentally-friendly labels, replaces power-consuming equipment every year, regularly checks pipelines, and sets the office temperature to no less than 26° C, thereby reducing electricity consumption and environmental load. Furthermore, SYSTEX also supports the development of renewable energy. In addition to purchasing T-REC every year, SYSTEX plans a "Power Wheeling Contract" program in 2022 and is expected to use green electricity in 2023.

• 3-year GHG Emissions of Category 1-2 [Scope: SYSTEX headquarters building]

Item	Base year 2020	2021	2022
Category 1 GHG Emissions (tCO ₂ e)	13.7720	7.2465	11.0019
Category 2			
• Electricity Consumption (kWh)	5,692,079	5,536,879	5,665,093
• T-REC (kWh)	100,000	72,000	83,493
• Location-based GHG Emissions (tCO ₂ e)	2,897.2682	2,779.5135	2,804.2210
• Market-based GHG Emissions (tCO ₂ e)	2,846.3684	2,743.3695	2,762.8922
Category 1-2 GHG Emissions (tCO ₂ e)			
• Location-based	2,911.040	2,786.760	2,815.223
• Market-based	2,860.140	2,750.616	2,773.894
SYSTEX Consolidated Revenue (NT\$100M)	237.35	295.27	331.29
GHG Emissions per Unit Revenue (tCO ₂ e / NT\$100M)			
• Location-based	12.265	9.438	8.498
• Market-based	12.050	9.316	8.373

In 2022, due to the increase in the business scale, SYSTEX increased electricity consumption, which also increased the category 2 emissions compared to the previous year. However, the GHG emissions per unit revenue in the past 3 years has a continuous downward trend, showing that SYSTEX earns more revenue while using each kWh of electricity, thereby utilizing electricity more efficiently. Considering the increased emissions caused by larger business scale, SYSTEX signed a green-energy contract in 2022 to mitigate the impact of power usage.



06

Supply Chain Management

Customer Relations 80

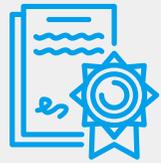
Supplier Sustainability Management 82

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

Contributing to the SDGs



Highlight



Obtain PMP / ACP
102 certificates



Key Suppliers Sign "Supplier CSR Code of Conduct"
100%



Joined "SYSTEX Partner APP"
>500 Suppliers

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.

2022 2023

2025

2030

- Signed "Vendor Integrity Pledge and Declaration": 96%
- Signed "Supplier CSR Code of Conduct": 80%
- Responded "Supplier CSR Self-Assessment Questionnaire": 60%
- Responded "Supplier IS and Personal Data Protection Questionnaire": 60%

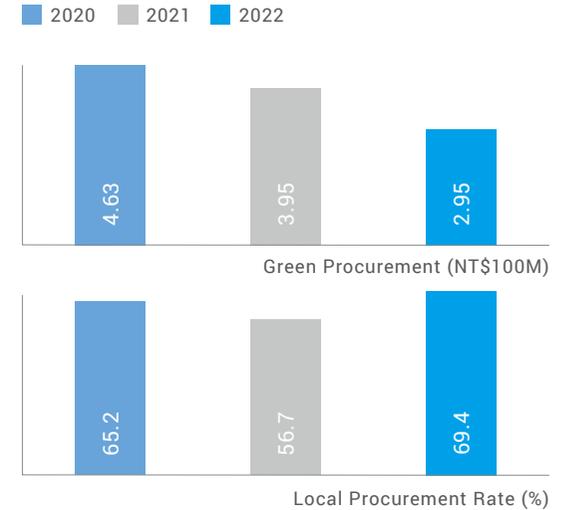
- Signed "Vendor Integrity Pledge and Declaration": 97%
- Signed "Supplier CSR Code of Conduct": 85%
- Responded "Supplier CSR Self-Assessment Questionnaire": 65%
- Responded "Supplier IS and Personal Data Protection Questionnaire": 65%

- Signed "Vendor Integrity Pledge and Declaration": 97%
- Signed "Supplier CSR Code of Conduct": 90%
- Responded "Supplier CSR Self-Assessment Questionnaire": 65%
- Responded "Supplier IS and Personal Data Protection Questionnaire": 65%

✔ Achieved ⚪ Ongoing

		2022 Goals	2022 Performance	Status
2022 Goals and Performance	Signed "Vendor Integrity Pledge and Declaration"	95%	>99%	✔
	Signed "Supplier CSR Code of Conduct"	70%	82.93%	✔
	Responded "Supplier CSR Self-Assessment Questionnaire"	50%	57.73%	✔

3-year Performance Progress



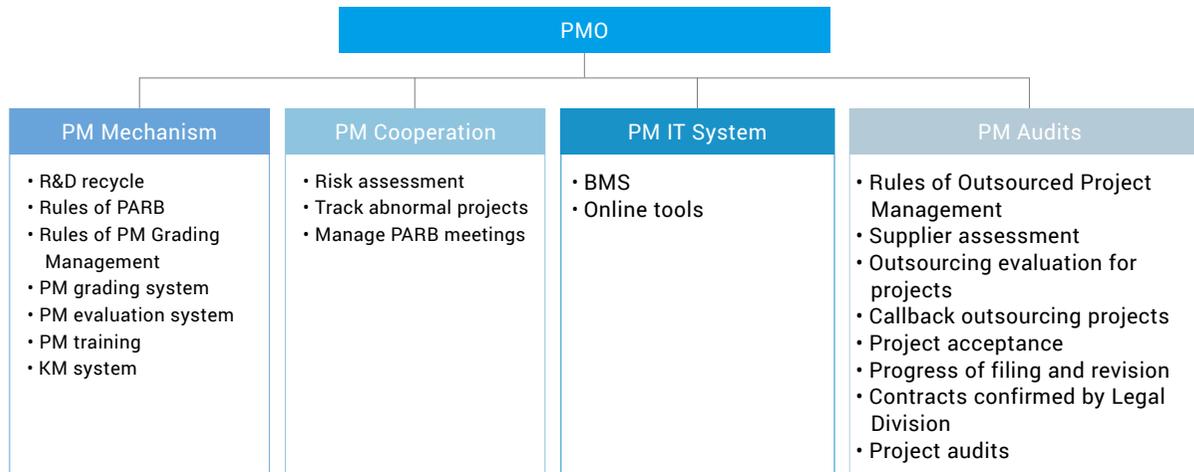
Signed "Vendor Integrity Pledge and Declaration" by Key Suppliers

100%

Customer Relations

Professional Service Team

SYSTEX has a Project Management Office (PMO), responsible for the planning, monitoring and coordination of all projects within the group, centralized management of customer projects and control of project risks, to ensure that the project manager (PM) can lead the project team to complete projects on schedule, on good quality and on budget, creating values for customers and providing high-satisfaction products and services.



>> Project Management

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

>> Project Management IT System

SYSTEX has 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, to provide sufficient resources and assistance, thereby improving project efficiency and effectiveness, and objectively evaluating project execution performance.

>> Outsourced Project Audits

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

>> Project Management Training

SYSTEX continues to carry out PM-related training courses, inviting senior PMs to educate practical experience in order to improve management capabilities of junior PMs and enrich their minds. In response to customers' demand for cloud services increase, SYSTEX has carried out the compulsory general training on "PM Cloud Technology" since 2022 to equip all group PMs with cloud expertise to enhance the ability of hybrid multi-cloud architecture to meet customer needs.

In 2022, a total trainees of PM training courses were 1,501 with a total of 10,036 training hours. In order to set up a high-quality PM management team, PMO promotes the "PMP Training Courses". At present, SYSTEX has obtained 102 PMP/ACP certificates, serving as a strong professional PM team.

Obtain PMP / ACP Certificates

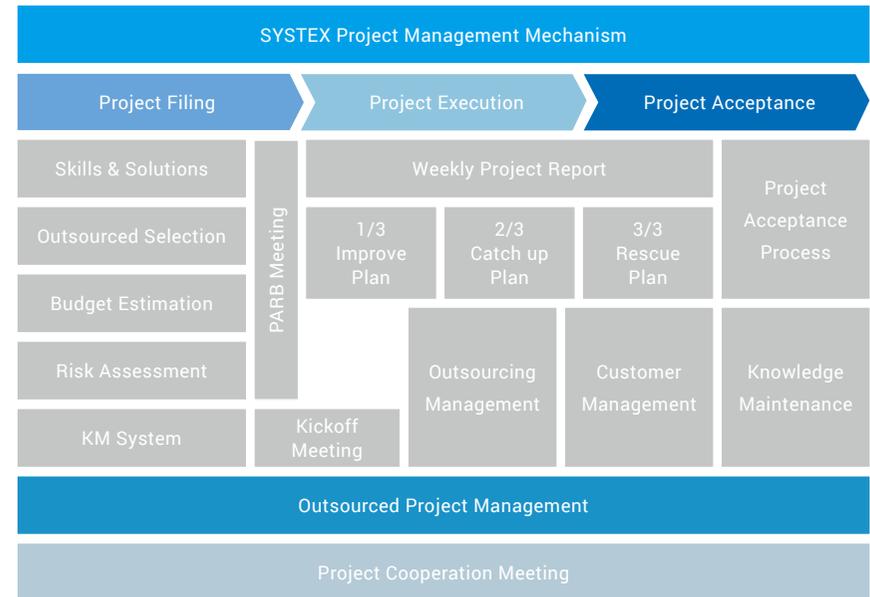
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Service Quality

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.



>> Best Sustainable Partner of Enterprise Clients

In addition to professional services, SYSTEX Group also actively responds to clients' concerns about sustainable issues, and jointly raises awareness of promoting sustainable affairs. In 2022, the Group filled in a total of 390 supplier sustainability audit questionnaires and conducted 39 on-site audits to meet customer needs.

In 2022, SYSTEX Corp. was recognized for the sustainable awards by Fubon Financial Holdings, Far EasTone, and Taiwan Mobile. The ESG management of SYSTEX SOFTWARE & SERVICE, CONCORD, and NEXSYS has also been recognized by Shin Kong Bank.

Supplier Audit Questionnaire
390

On-site Audit
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SYSTEX won the Excellent Suppliers in Supplier Sustainability Evaluation by Fubon Financial Holdings.



SYSTEX won the Sustainability Model Award of CSR Evaluation by Far EasTone.

Supplier Sustainability Management

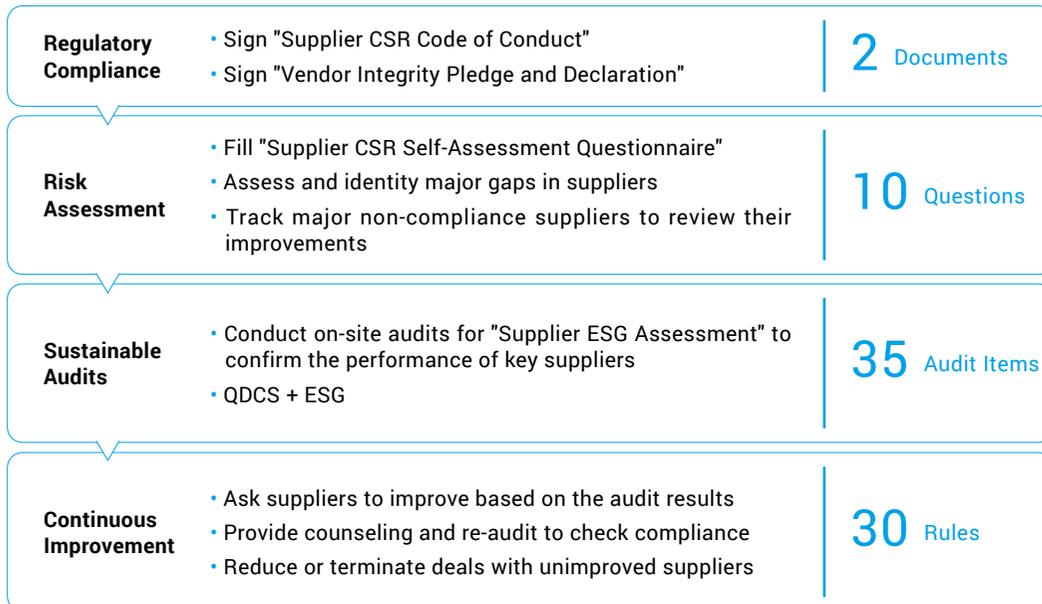
SYSTEX is committed to fulfilling social responsibility and protecting basic human rights, and expects all suppliers to adopt the same standards and jointly fulfill their responsibilities. Therefore, SYSTEX has developed the "Supplier CSR Code of Conduct", requiring suppliers of SYSTEX and its affiliates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

SYSTEX has 4 types of suppliers including Upstream Software Original, Affiliates, Distributors and Outsourcers. By 2022, a total of 2,147 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 1,244 suppliers signed documents, including 79 key suppliers (100% signed).

Every year, SYSTEX has conducted on-site audits on high-risk suppliers. Continuously affected by the epidemic, SYSTEX replaced on-site and online audits, and a total of 74 suppliers were assessed, of which 21 were key suppliers. In the future, 20-25 key suppliers will be audited every year to implement sustainable management policy. SYSTEX joins hands with suppliers to create sustainable operation and integrity responsibility, and positively enhance IT ecological innovation and partnership.



Supplier Sustainability Management Process



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.

10 Terms of Vendor Declarations

1. Probity
2. Honesty
3. Trading contract compliance
4. Information security policy
5. Personal data protection
6. Confidentiality
7. Labor rights and benefits
8. Occupational safety and health, environment protection policy
9. Acts related to cybersecurity management and money laundering control
10. Regulatory compliance

>> Supplier Screening GRI 308-1, 414-1

SYSTEX positively impacts suppliers through practical procurement actions. When screening new suppliers, they are required to sign the "Supplier CSR Code of Conduct" and "Vendor Integrity Pledge and Declaration", and then SYSTEX checks whether they are legal enterprises paying taxes normally through the government website and arranges assessment audits according to SYSTEX's needs. In addition to meeting customer needs, SYSTEX not only considers suppliers' service quality, sustainable development and integrity management, but also 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, SYSTEX will take the initiative to include it on unqualified list after verification. Unqualified suppliers must go through the above process to resume transaction.

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.



Corporate Governance



Environment Sustainability



Social Engagement



ESG Disclosure

>> Assessment of Excellent Suppliers and on-Site Audit

• Excellent Suppliers Assessment

SYSTEX conducts annual assessments of excellent suppliers and then ranks them according to their score. In 2022, the total number of excellent suppliers were 20.

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 70 points Removed from the list of qualified suppliers
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• 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 2022, a total of 56 supplies were rated as Class-A suppliers.

>> 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.

Continuously affected by the epidemic, SYSTEX replaced on-site and online audits in 2022, and a total of 21 key suppliers were assessed by the audit. According to the analysis of assessment results, suppliers have low scores in "Sustainable Governance, Supplier Management, Sustainable Disclosure", so that SYSTEX will assist suppliers to improve and reduce the potential risks.

Topics and Questions of ESG Assessment		
Governance	Social	Environment
<ul style="list-style-type: none"> Sustainable Governance Sustainable Disclosure Quality Management Supplier Management Trade Secret Protection 	<ul style="list-style-type: none"> Human Rights Community Engagement Health and Safety 	<ul style="list-style-type: none"> 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 2023, 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 "Supplier IS and Personal Data Protection Questionnaire" at the end of 2021, requiring suppliers to reply since 2022, and a total of 843 questionnaires were answered, with an average score of 84.79 points, hoping to raise suppliers' awareness of IS protection and enhance the IS management.

Supplier IS and Personal Data Protection Questionnaire

The questionnaire is divided into 2 categories. 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. In view of this, SYSTEX will continue to monitor the behavior of suppliers to implement information security.

Categories and Questions

- | | |
|----------------------|---|
| Information Security | <ul style="list-style-type: none"> • 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 |
|----------------------|---|

- | | |
|---------------------------------|---|
| Personal Information Protection | <ul style="list-style-type: none"> • 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 |
|---------------------------------|---|

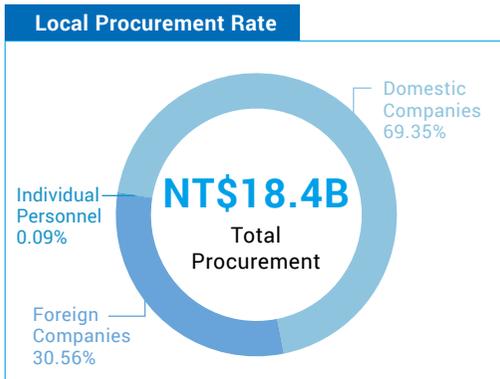
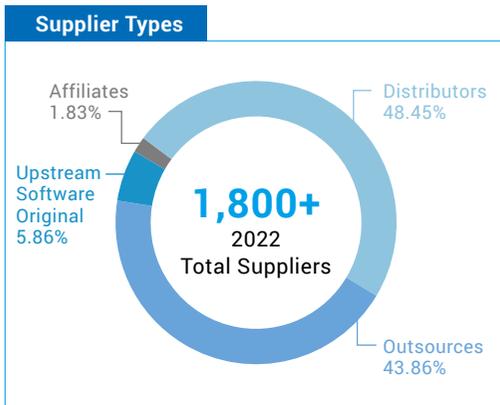
SYSTEX Partner APP

"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.

Promote ESG-related News	Publicize "Vendor Integrity Pledge and Declaration"	Reply to "Supplier CSR Self-Assessment Questionnaire"
		
Pushed 20+ News	10 terms	866 responses Answered "Supplier CSR Self-Assessment Questionnaire"

Local Procurement GRI 204-1

SYSTEX has 4 types of suppliers including Upstream Software Original, Affiliates, Distributors and Outsourcers. In 2022, a total number of suppliers exceeded 1,800 with a total expenditure of more than NT\$18.4 billion, so that SYSTEX can combine suppliers' products and services with its technical skills to develop solutions to help create greater benefits for customers.

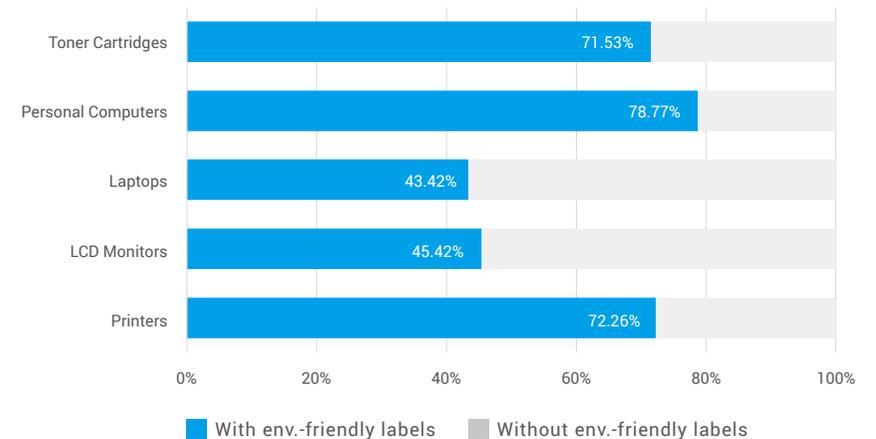


Green Procurement

2022 Green Procurement: NT\$ 295 M (61.38%)

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



In response to the competent authority's promotion of green procurement actions, SYSTEX and SYSTEX Solution were awarded the "Green Procurement Enterprises" by the Environmental Protection Administration in 2022. In addition, SYSTEX and its affiliated companies "SYSTEX Software & Service, SYSPower, SYSTEX Solution, Taifon Computer, Palsys Digital Technology" were also awarded the "2022 Taipei City Private Enterprises and Organizations' Green Purchasing Performance" by the Taipei City Government.



GRI Index

Statement of use: SYSTEX has reported with reference to the GRI Standards for the period of 2022 (2022/01/01~2022/12/31).
GRI 1 used: GRI 1: Foundation 2021

GRI	Disclosure	Page
GRI 2: General Disclosures 2021		
<i>The organization and its reporting practices</i>		
2-1	Organizational details	2 7
2-2	Entities included in the organization's sustainability reporting	2
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	2
2-5	External assurance	2
<i>Activities and workers</i>		
2-6	Activities, value chain and other business relationships	7 8~11
2-7	Employees	41
2-8	Workers who are not employees	89
<i>Governance</i>		
2-9	Governance structure and composition	16 28
2-10	Nomination and selection of the highest governance body	28
2-11	Chair of the highest governance body ^{*1}	28
2-12	Role of the highest governance body in overseeing the management of impacts	16
2-13	Delegation of responsibility for managing impacts	28
2-14	Role of the highest governance body in sustainability reporting	2 16
2-15	Conflicts of interest	28
2-16	Communication of critical concerns	33
2-17	Collective knowledge of the highest governance body	29
2-18	Evaluation of the performance of the highest governance body	29
2-19	Remuneration policies	30
2-20	Process to determine remuneration	30
<i>Strategy, policies and practices</i>		
2-22	Statement on sustainable development strategy	16 16 28, 31, 33 34 35 45 68
2-23	Policy commitments	35 45 68

GRI	Disclosure	Page
2-24	Embedding policy commitments	16 23 34 45~47
2-25	Processes to remediate negative impacts	24 30~31 50
2-26	Mechanisms for seeking advice and raising concerns	30~31 50
2-27	Compliance with laws and regulations ^{*2}	26 68
2-28	Membership associations	13
<i>Stakeholder engagement</i>		
2-29	Approach to stakeholder engagement	24
2-30	Collective bargaining agreements	No labor unions.
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	
3-2	List of material topics	19~25
3-3	Management of material topics	
Material Topics		
<i>GRI 201: Economic Performance 2016</i>		
201-1	Ratios of standard entry level wage by gender compared to local minimum wage	12
<i>GRI 205: Anti-corruption 2016</i>		
205-2	Communication and training about anti-corruption policies and procedures	31
205-3	Confirmed incidents of corruption and actions taken	
<i>GRI 302: Energy 2016</i>		
302-1	Energy consumption within the organization	89
<i>GRI 305: Emissions 2016</i>		
305-1	Direct (Scope 1) GHG emissions	76, 77
305-2	Energy indirect (Scope 2) GHG emissions	76, 77
305-3	Other indirect (Scope 3) GHG emissions	76
305-4	GHG emissions intensity	77
305-5	Reduction of GHG emissions	89
305-6	Emissions of ozone-depleting substances (ODS)	No emissions of ODS
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	No emissions of NOx, SOx and other significant air.

GRI	Disclosure	Page
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	42
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	48~49
401-3	Parental leave	49
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	50
403-2	Hazard identification, risk assessment, and incident investigation	50~51 52
403-3	Occupational health services	52
403-4	Worker participation, consultation, and communication on occupational health and safety	50~51
403-5	Worker training on occupational health and safety	51
403-6	Promotion of worker health	52~53
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	52~53 Web_Infectious Diseases Risk
403-8	Workers covered by an occupational health and safety management system	89
403-9	Work-related injuries	51
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	42
404-3	Percentage of employees receiving regular performance and career development reviews	48
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	55~65
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	35~37
Self-disclosure on Specific Topics		
GRI 201: Economic Performance 2016		
201-2	Financial implications and other risks and opportunities due to climate change	70~73
201-3	Defined benefit plan obligations and other retirement plans	Web_Benefits Plan
201-4	Financial assistance received from government	13
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	47
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	85

GRI	Disclosure	Page
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	83
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Any significant changes be notified employees abide by the laws.
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	41
405-2	Ratio of basic salary and remuneration of women to men	47
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	47
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	83
GRI 415: Public Policy 2016		
415-1	Political contributions	No political contributions.

Note 1: The Chairman of SYSTEX serves as the general manager, in order to improve operating efficiency and decision-making execution, and was approved by the Board of Directors on December 23, 2020. The Chairman of the Board of Directors also closely communicates with the Directors on SYSTEX's current operating conditions and planning guidelines in order to implement corporate governance.

Note 2: In 2022, CONCORD SYSTEM MANAGEMENT CORP, an affiliated company of SYSTEX Group, was judged to violate the regulations once in terms of advertising and marketing by the Taipei City Health Bureau, and the fine was NT\$50,000, which was not a major illegal case. This case has been improved according to the judgement results of the competent authority, and relevant marketing content has been adjusted. In addition, CONCORD also communicated the adjusted marketing content with the client to avoid further violations.

SASB Index

Topic	Code	Accounting Metric	Chapter	Page
Energy Management in Manufacturing	TC-SI-130a.1	(1) Total water withdrawn, (2) Percentage grid electricity, (3) Percentage renewable	ESG Performance Summary Environment and Energy Management	89 74
	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	Environment and Energy Management	75
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Environment and Energy Management	74
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Information Security and Privacy Protection Management	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	Information Security and Privacy Protection Management	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	Talent Cultivation and Development	41
	TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Talent Cultivation and Development	41
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	No occurrence	
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	Number of (1) performance issues, (2) service disruptions, (3) total customer downtime	No occurrence	
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	Web_Risk Management	

ESG Performance Summary

Category	Key Indicators	2020	2021	2022
G	Consolidated Revenue (NT\$ thousand)	23,735,090	29,526,957	33,128,852
	Individual Net Income (NT\$ thousand)	1,666,345	1,213,916	1,091,229
	Income Tax Expense (NT\$ thousand)	175,457	228,519	264,709
	Dividends Paid (NT\$ thousand)	1,346,967	1,346,967	1,361,517
	R&D Expenditures (NT\$ thousand)	478,534	478,731	518,721
	Rate of Independent Directors (%)	23.07	23.07	25
	Accumulated Patent Granted	99	99	107
	Number of Key Suppliers	-	79	79
	Proportion of Key Suppliers (%)	-	5.34	4.73
	Procurement Ratio of Key Suppliers (%)	-	78.47	73.37
	Signed "Vendor Integrity Pledge and Declaration" by Key Suppliers (%)	-	100	100
	Signed "Supplier CSR Code of Conduct" by Key Suppliers (%)	-	100	100
	Local Procurement Rate (%)	65.2	56.71	69.44
	E	GHG Emissions (Category 1 ~ 6)		
· Location-based (tCO ₂ e)		3,609.11	3,353.642	3,388.775
· Market-based (tCO ₂ e)		3,558.208	3,317.498	3,347.446
· Category 1 (tCO ₂ e)		13.772	7.246	11.002
· Category 2 (tCO ₂ e)				
· Location-based		2,897.269	2,779.514	2,804.221
· Market-based		2,846.369	2,743.37	2,762.892
· Category 3~ 6 (Scope 3) (tCO ₂ e)		698.068	566.882	573.552
· Data Coverage Rate (%)		56.50	52.56	58.07
Energy Consumption (GJ) (including electricity, gasoline, nature gas and diesel)		20,642.228	19,989.307	20,462.718
· Indirect Energy Consumption (kWh) (Electricity)		5,692,079	5,536,879	5,665,093
· Renewable Energy Consumption (kWh)		100,000	72,000	83,493
· Renewable Energy Consumption Rate (%)		1.8	1.3	1.5
Water Consumption (kL)		22,555	17,426	21,112
· Data Coverage Rate (%)	56.50	52.56	58.07	
Total Waste (tons)	67.9	66.9	68.7	
· General Waste Disposed (tons)	58.5	56.7	56.1	
· Waste Recycled (tons)	9.4	10.2	12.6	
· Waste Recycling Rate (%)	13.8	15.2	18.3	
· Data Coverage Rate (%)	56.50	52.56	58.07	
Green Procurement (NT\$100 million)	4.63	3.96	2.95	

Category	Key Indicators	2020	2021	2022	
S	Whole group including overseas BU	3,839	4,228	4,350	
	Number of Employee	SYSTEX Group in Taiwan	3,403	3,746	3,867
		SYSTEX Corp.	1,885	2,068	2,101
		SYSTEX Headquarters Building	1,065	1,087	1,220
	Workers are not employees	17	20	21	
	Employee Training Hours (hours)	75,719	105,738	143,209	
	Average Employee Training Hours (hours)	22.25	28.23	37.03	
	Number of Employee Trained	9,102	20,233	31,690	
	Females in Workforce (%)	39.79	39.78	39.49	
	Females in Management (%)	25.33	22.58	24.74	
	Females in Middle Management (%)	27.94	24.42	26.74	
	Females in Senior Management (%)	4.00	9.68	9.09	
	Turnover Rate (%)	17.98	18.53	22.24	
	Proportion of R&D personnel (%)	70.91	72.24	74.30	
	Number of Disabled People Employed	46	41	39	
	Return to Work Rate (%)	63	67	77	
	Retention Rate (%)	55	83	67	
	High-risk Case Care Rate for Employee (%)	100	100	100	
	Workers covered by an occupational health and safety management system audited internally	3,420	3,766	3,888	
	· Workers are not employees	17	20	21	
	· Proportion of workers who are not employees (%)	0.50	0.53	0.54	
	Workers covered by an occupational health and safety management system audited externally	1,082	1,107	1,241	
	· Workers are not employees	17	20	21	
· Proportion of workers who are not employees (%)	1.57	1.81	1.69		
Employee Benefits Expense (NT\$ thousand)	3,906,659	4,561,536	5,050,466		
Social Investment / Cash Donation (NT\$ thousand)	883	6,498	10,254.3		

Note 1: 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: Not-employee workers include agency workers, security guards, cleaning workers and electrical & mechanical workers.

Note 6: Turnover rate = annual number of employees leaving ÷ total number of employees at the end of the year.

Independent Third-Party Assurance Statement



SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SYSTEX CORPORATION'S SUSTAINABILITY REPORT FOR 2022

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 2022. The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level to assess whether the text and data in accompanying tables contained in the report presented and complies with the GRI Universal Standard (2021) and AA1000 Accountability Principles (2018) during verification (2023/05/08–2023/05/30) in Systex' head quarter. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD) and sustainability accounting standards (SASB).

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

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

RESPONSIBILITIES
 The information in the Systex's Sustainability Report of 2022 and its presentation are the responsibility of the directors or governing body (as applicable) and management of Systex. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the report content within the scope of 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 and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how it manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards and/or ISAE3000.

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

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

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

Reporting Criteria Options
1 GRI Universal Standard (2021) (Reference)
2 AA1000 Accountability Principles (2018)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) at a moderate level of scrutiny; and
- evaluation of the report against the requirements of Global Reporting Initiative Universal Standards (2021) listed in the GRI content index where the organization has referenced for the preparation of the reported information.

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

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

STATEMENT OF INDEPENDENCE AND COMPETENCE
 The SGS Group of companies is the world leader in inspection, testing and 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

ASSURANCE/VERIFICATION OPINION
 On the basis of the methodology described and the verification work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

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

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ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY
 Systex has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Systex may proactively consider having more direct 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 CSR Report of 2022, is reporting with reference to the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to Systex's contributions to sustainability development. For future reporting, it is recommended to have more descriptions on how the organization has applied due diligence as a method for the identification and the evaluation of its impacts on the economy, environment, and people, as well as the role of the highest governance body in overseeing these processes.

Signed:
 For and on behalf of SGS Taiwan Ltd.




Stephen Pao
 Knowledge Deputy General Manager
 Taipei, Taiwan
 11 June, 2023
www.sgs.com

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Certificate of Registration

SYSTEMX 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)



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



BS 10012
(Data Management Integration Service BU)



ISO 14001



ISO 50001



ISO 45001



ISO 14064-1^{}**

Note: This ISO 14064-1 certificate was received in 2022. The 2023 ISO 14064-1 certificate is expected to be completed in August 2023, and the new certificate will be updated on the official website.

GRI Index
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ESG Performance Summary

Independent Third-Party Assurance Statement

Certificate of Registration

Contact Information

SYSTEMX Corporation



Taiwan Intellectual Property Management System, TIPS



Talent Quality-management System, TTQS

SYSTEMX Software & Service



ISO 27001

Syspover Corporation



ISO 27001

Concord System Management



ISO 27001

SYSTEMX Solutions Corporation



ISO 20000-1



ISO 27001



ISO 27701

Taifon Computer



ISO 27001

Taiwan Information Service Technology



ISO 27001

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