**2023**

# Task Force for Climate-Related Financial Disclosures Report

SYSTEX 精誠集團

According to the WEF's "Global Risk Report 2024," "Extreme weather events" is once again listed as the highest global risk for the next decade, with half of the top 10 risks closely related to the environment, showing the need for governments and enterprises to strengthen climate governance while implementing climate actions.

To comprehensively assess risks and opportunities related to climate change, SYSTEX, as a TCFD supporter, refers to the Task Force on Climate-related Financial Disclosures (TCFD) as an analysis framework.

## Governance

The Board has authorized the Chairman to act as the highest level of sustainability governance, establishing the "Sustainability Group", and assigns the CSO as the leader of the Sustainability Group to supervise ESG implementation and performance.

### ✓ Board of Directors

- SYSTEX has set up a "Risk Management Committee" approved by the Board in Dec. 2022. The Board is the highest governance level for risk management and responsible for:
  - Approve risk management policies, procedures and structures
  - Ensure strategic direction is consistent with risk management policies
  - Ensure to establish risk management mechanisms and culture
  - Supervise and ensure the effective implementation of risk management mechanisms
  - Assign and allocate resources to enable risk management effectively

- 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.

- The Chairman is the highest governance level for sustainable development to supervise ESG implementation irregularly.

### Sustainability Group

- 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.

- In accordance with the "SYSTEX 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.

📎 **For more details about the Sustainability Team, please refer to "Web_Sustainable Governance".**

**Organization chart:**

- Board of Director
- Chairman of the Board
- Chief Sustainability Officer
- Sustainability Group

**Environment Team**
- Energy management
- Water saving and waste reduction management
- Carbon management
- Net zero pathway
- Renewable energy
- Green tech solution

**Social Team**
- Internal software talent training
- Comprehensive employee healthcare plan
- Human rights and OHS
- Cultivating young software talents
- AI ecosystem partner

**Corporate Governance Team**
- Corporate governance
- Regulatory compliance
- Risk management
- Information security
- Supplier management
- CRM

### Environment Team

- The "Environment Team" under the "Sustainability Group" is responsible for identifying climate risks and opportunities every 2 years, planning related strategies and goals, and implementing relevant projects.
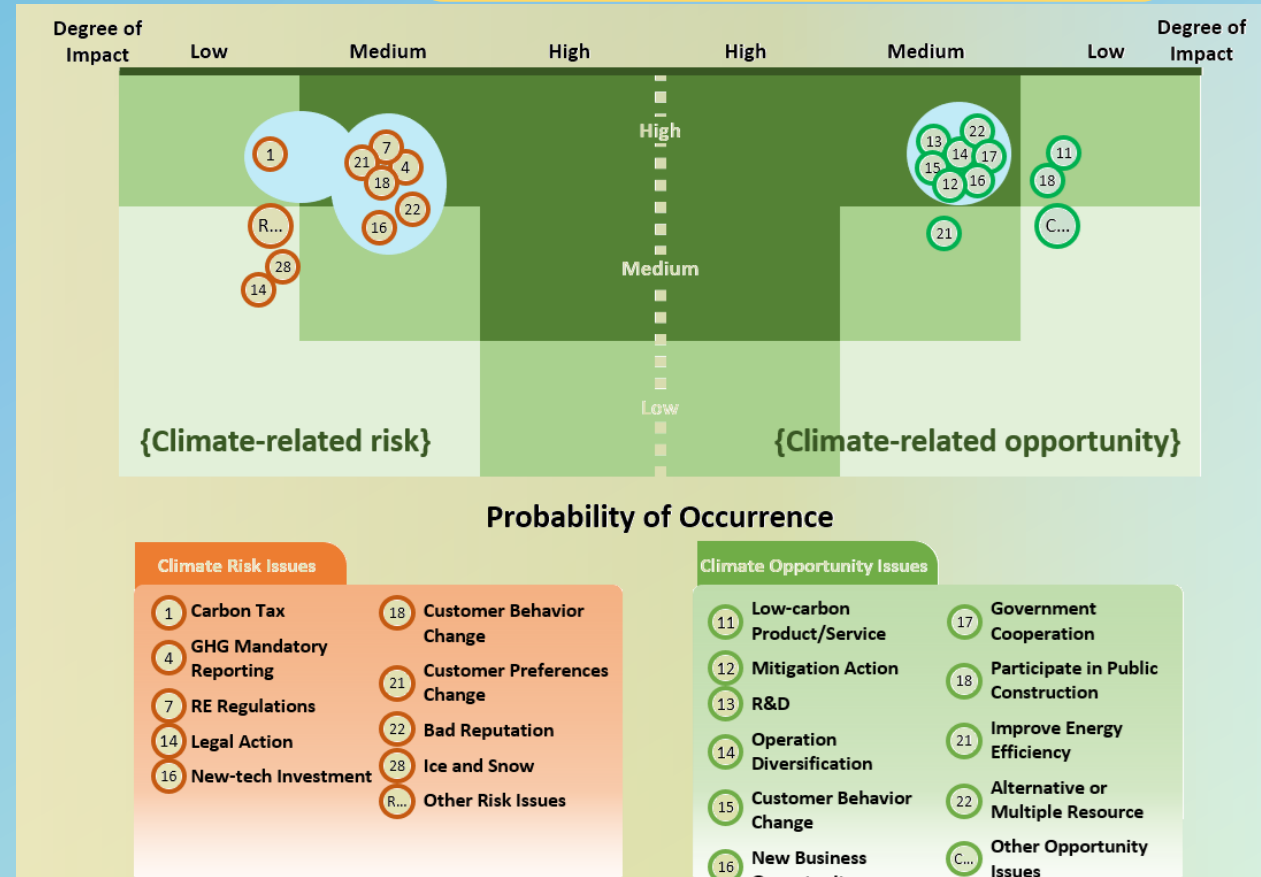
**SYSTEX 2023 TCFD Report**

# Strategy

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

## ✓ Sustainability Group ............ Environment Team

- 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.

- SYSTEX uses questionnaires to understand stakeholders' concern about environmental issues, so that members of the "Sustainability Team" evaluate the positive and negative impacts and probability of occurrence of environmental issues, consult external experts for suggestions, and conduct discussions based on the ranking results. Finally, the CSO approves the ranking results.

- 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



Degree of Impact | Low | Medium | High | | High | Medium | Low | Degree of Impact

{Climate-related risk}      {Climate-related opportunity}

**Probability of Occurrence**

**Climate Risk Issues**

1. Carbon Tax
4. GHG Mandatory Reporting
7. RE Regulations
14. Legal Action
16. New-tech Investment
18. Customer Behavior Change
21. Customer Preferences Change
22. Bad Reputation
28. Ice and Snow
R... Other Risk Issues

**Climate Opportunity Issues**

11. Low-carbon Product/Service
12. Mitigation Action
13. R&D
14. Operation Diversification
15. Customer Behavior Change
16. New Business Opportunity
17. Government Cooperation
18. Participate in Public Construction
21. Improve Energy Efficiency
22. Alternative or Multiple Resource
C... Other Opportunity Issues

# Strategy

## Identify 7 climate related risk issues.

### 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", and they are:

| Aspect | Type | Issue | Detail | Impact | Probability | Financial Impact (-) | Mitigation Measures |
|---|---|---|---|---|---|---|---|
| Transition risk | Market | Customer behavior change | Due to the rising awareness of global sustainability, customers have different considerations while making decisions. | Medium | High | ◆ Reduce revenue from non-low-carbon services ◆ Increase the labor costs for communication ◆ Increase R&D costs | ◆ Professional training helps 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 behavior change | Due to the rising awareness of global sustainability, customers' preferences have changed. | | | | |
| | Regulation | GHG mandatory reporting | Companies may be compelled to inventory, report, or verify GHG emissions In line with laws and regulations. | | | ◆ Increase the labor costs for inventory or reporting ◆ Penalties for late filing | ◆ Internal carbon managers are trained for carbon audits, which are done with software to reduce labor costs. |
| | Regulation | Renewable energy regulations | The price of renewable energy or the composition of energy sources may be affected by global or domestic laws and regulations. | | | ◆ Increase expenditure for RE purchase. ◆ RE supply shortage drives up prices | ◆ Initially purchase RE Certificates, and then sign a RE Wheeling Contract with RE providers to gradually increase the renewable energy consumption rate. ◆ Promote energy-saving solutions to reduce energy consumption. |
| | Market | Carbon tax | Tax systems related to GHG or climate change are formulated by governments. | Medium-low | High | ◆ Additional tax payment ◆ Increase spending on office equipment replacement | ◆ 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. | Medium-low | Medium-high | ◆ Increase R&D costs | ◆ 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 a bad reputation. | | | ◆ Reduce product sales affected by negative impacts ◆ Increase costs for recruitment and capital borrowing ◆ Decrease in brand value | ◆ Actively engage in sustainability ratings, disclosure of positive results, and continuous improvement to enhance brand image ◆ Work with sustainable suppliers to enhance brand awareness and customer satisfaction. |

# Strategy

## Identify 7 climate related opportunity issues.

**Financial Impact and Management Measures of Climate-related Major Issues**

◆ The identified climate opportunity issues are covering "Products and Services, Markets, and Resilience", and they are:

| Aspect | Type | Issue | Detail | Impact | Probability | Financial Impact (+) | Mitigation Measures |
|---|---|---|---|---|---|---|---|
| Opportunity | Product and Service | R&D | Adopting innovative processes or changing services can contribute to the mitigation and adaptation of climate change. | Medium | High | ◆ Increase revenue from new business model<br>◆ 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<br>◆ Improve corporate brand image | ◆ Leverage ecosystem partners to offer low-carbon solutions for market differentiation and customer connections. |
| | | Operation diversification | Provide more low-carbon 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 to obtain subsidies or rewards, and to gain popularity. | | | ◆ Reduce the costs of initial investment, such as R&D, equipment, etc.<br>◆ Reduce expenditure due to government subsidies | ◆ Support government policies. Offer relevant services to assist clients with compliance. |
| | Resilience | Alternative or multiple resources | Improve supply chain reliability and operational capabilities. | | | ◆ Reduce costs through inquiry, price comparison, and negotiation | ◆ Ensure supply chain sustainability management and resilience with risk and opportunity assessments. |

# Strategy

Identify 7 climate related risk issues and 7 climate related opportunity issues.

**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.

## 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%.

## 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%.

## 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 $tCO_2$ 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.

# 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.

## ✔ Risk Management Committee

- 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.

## Sustainability Group

- 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.

**Board of Directors**

**Risk Management Committee**
(General convenor: President)

**Crisis Management Group**
(Convenor agent)

**Crisis Resolution Team**
(Grouping by event)

| Regulatory compliance events | Disaster response events | Continuing operation events | Information security protection events | Social media events |

📎 **For more details about the Sustainability Team, please refer to "Web_Risk Management".**

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# Metrics and Targets

To raise environment protection awareness and clarify the potential impact of extreme weather on operations, SYSTEX has formulated the "OHS. Environment and Energy Policy" to continuously enhance energy conservation and carbon reduction.

✔ **SYSTEX Occupational Health and Safety, Environment and Energy Policy and Declaration**

◄ ─ ─ ─ ─ ─ ─ ►  **Commitment to Net Zero Emissions**

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

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

**Commit 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, SYSTEX also promises to achieve Net Zero Emissions by 2050 at HQ building, 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.

| | |
|---|---|
| **Commitment** | • Goal of "Net Zero by 2050" |
| **Inventory** | • Calculate GHG emissions and analyze emission sources |
| **Management** | • Introduce environment and energy management systems |
| **Reduction** | • Improve efficiency and energy conservation<br>• Support RE development and increase RE consumption rate |
| **Offset** | • Reduce external emissions through carbon offset mechanism |
| **Assessment** | • Regularly assess and review the performance of carbon reduction |

# Metrics and Targets

4 pillars of actions: **emission management**, **energy management**, **water stewardship**, and **environment management**. SYSTEX sets short-, medium- and long-term goals respectively, and corresponding measures and actions.

## ✓ Goal of Net Zero and 2023 Performance

> **Commit to "Net Zero by 2050" at HQ Building**

| | **2023 Target** | **2023 Performance** | **2024 Target** | **2030 Target** |
|---|---|---|---|---|
| **Emission** Management | • Renewable energy consumption: 2% <br> • GHG Emission: -1% /per year | • Sign a RE Wheeling Contract to support Renewable Energy Policy: consume 120,000 kWh of RE, totaling 2%. <br> • Complete 2023 Greenhouse Gas Inventory and obtain ISO 14064-1 Verification in April 2024. <br> • Gradually increase renewable energy consumption rate. <br> • GHG emissions increased by 3.8% annually. | • Renewable energy consumption: 4% <br> • GHG emission: -3% /per year | • Renewable energy consumption: 20% <br> • GHG emission: -3% /per year |
| **Energy** Management | • Electricity consumption per revenue: -5% /per year | • Electricity consumption per revenue decreased by 6.5% annually. <br> • Analyze the AC operation mode through EMS, and reduce the load and operating time of AC system through function of introducing external air. <br> • Conduct and maintain ISO 50001 Verification. <br> • Replace the water chiller with level-1 energy efficiency. | • Electricity consumption per revenue: -5% /per year | • Electricity consumption per revenue: -5% /per year |
| **Water** Stewardship | • Water consumption per revenue: -1% /per year | • Water consumption per revenue decreased by 3.4% annually. <br> • Check water quality of water dispenser every 3 months. <br> • Set water-saving equipment in office toilets and tea rooms. <br> • Raise water-saving awareness via advocacy signs. | • Water consumption per revenue: -1% /per year | • Water consumption per revenue: -1% /per year |
| **Environment** Management | • Waste per revenue: -10% /per year | • Total waste per revenue decreased by 42.2% annually. <br> • Conduct and maintain ISO 14001 Verification. <br> • Actively implement garbage classification and recycling. <br> Note: The weight of general waste was originally calculated by estimation. Starting from October 2022, the weight was calculated by weighing, so the decrease has changed significantly. | • Waste per revenue: -1% /per year | • Waste per revenue: -1% /per year |

# Metrics and Targets

## Environment and Energy Management Measures

**Energy-saving Measure**
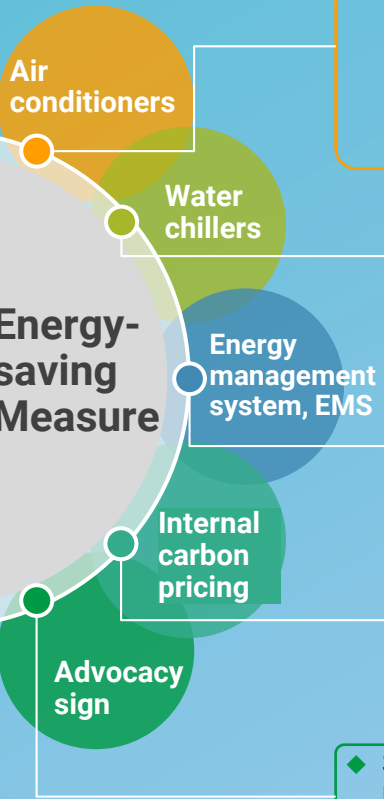
◆ Continue to replace the water pump of AC units at headquarters building (HQ) to effectively improve the energy-saving performance.

> **2023** 2 energy-consuming AC units in the Data Center were replaced, reducing electricity consumption by 71,744 kWh in a year.
>
> **2024** SYSTEX plans to set the cooling water frequency system of AC units for the HQ building and Data Center.

◆ Through EMS analysis and management, the AC units host capacity of each floor can be used by 2 floors.

> **2023** SYSTEX replaced HQ-B1 water chiller and adopted EMS high-efficiency control, reducing electricity consumption by 60,000 kWh in a year.
>
> **2024** SYSTEX plans to replace HQ-1F water chillers.

◆ SYSTEX analyzed the AC operation mode through EMS, and reduce the load and operating time of AC system through function of introducing external air except in summer.

> **2022** Reduce electricity consumption by 70,000 kWh in a year through EMS control.

◆ In response to the goal of "Net Zero by 2050 at HQ," SYSTEX has launched the "Internal carbon price measure".

> **2024** Charge internal carbon fee to increase RE consumption and reduce GHG emissions.

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

**Energy-saving Measure**
- Air conditioners
- Water chillers
- Energy management system, EMS
- Internal carbon pricing
- Advocacy sign

**Monitoring Plan through Environment and Energy**

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

# Metrics and Targets

## Water Stewardship, Waste Management

**Environment Management Action Plan**

|  | 2023 Performance | 2021-2023 Performance | 2024 Target |
|---|---|---|---|

### Office Water Stewardship

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

Water consumption per revenue: 219.5 kL/NT$100M

Annual reduction: ⇩3.4%


2021 | 2022 | 2023
342.55 | 229.55 | 227.22
water consumption per revenue (kL/NT$100M)

Water consumption per revenue: -1% / per year

### Office Paper Management

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

Paper usage 2,085,000 sheets

Annual reduction: ⇩95,000 sheets


2021 | 2022 | 2023
12.71 | 9.54 | 7.40
paper usage per revenue (thousand sheets /NT$100M)

Paper usage per revenue: -3% / per year

### Office Waste Management

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

Total waste per revenue: 0.43 tons/NT$100M

Annual reduction: ⇩42.2%


2021 | 2022 | 2023
1.03 | 0.88 | 0.74
Total waste per revenue (tons/NT$100M)

Total waste per revenue: -1% /per year

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# Metrics and Targets

## Greenhouse Gas Emission Management

### 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.

◆ SYSTEX conducts HQ's GHG inventory of category 1-6, using the parameters released by the IPCC AR6, 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.

| Authority | GHG Inventory Committee | |
| --- | --- | --- |
| Procedure | GHG Audit Procedures | • Internal inventory<br>• External 3rd-party audit |
| Scope | Operational control | • SYSTEX headquarters building |

| Category | Emission sources | | Emissions (tCO$_2$e) | |
| --- | --- | --- | --- | --- |
| | | | **Subtotal** | **Total** |
| Category 1: direct GHG emissions | Stationary combustion | | 7.8538 | 20.4516 |
| | Mobile combustion | | 5.9797 | |
| | Fugitive (anthropogenic systems) | | 6.6181 | |
| Category 2: indirect GHG emissions from imported Energy | Imported electricity | | Location-based 2,810.9551<br>(Market-based) (2,810.9551) | |
| Category 3: indirect GHG emissions from transportation | Employee commuting and business travel | Business travel by THSR | 7.1079 | 78.0482 |
| | | Business travel by airplanes | 39.1614 | |
| | | Business travel by taxi | 31.7789 | |
| Category 4: indirect GHG emissions from products used by the organization | Purchased goods | Indirect carbon footprint of electricity | 554.8089 | 565.4428 |
| | Disposal of waste | Disposal of general waste | 10.6339 | |
| Category 5: indirect GHG emissions from the products' usage | No significant emissions | | | |
| Category 6: indirect GHG emissions from other sources | No significant emissions | | | |
| Total emission (Category 1-6) | | | | 3,474.8977 |

# Metrics and Targets

## Greenhouse Gas Emission Management

### Greenhouse Gas Management Performance

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

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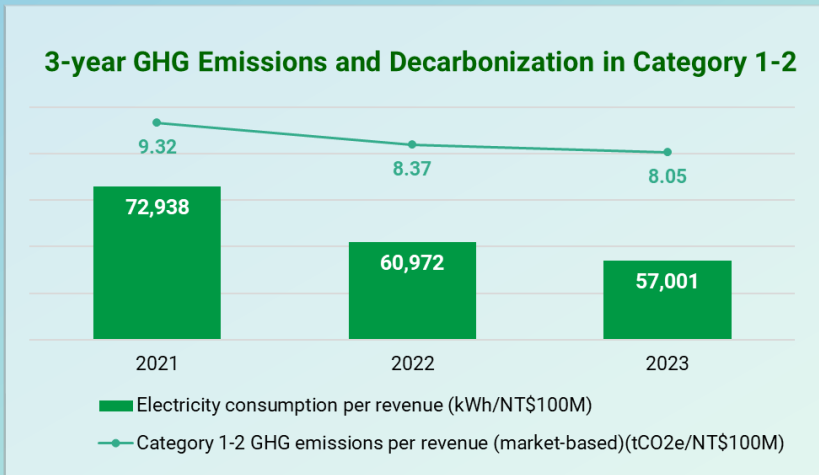
### Renewable energy

◆ In 2022, SYSTEX has signed a RE Wheeling Contract and in 2023, used 120,000 kWh of RE, accounting for 2%, resulting in a total carbon reduction of 59.3 $tCO_2e$.

**3-year RE consumption (kWh)**

| Year | Value |
|------|-------|
| 2023 | 120,000 |
| 2022 | 83,493 |
| 2021 | 72,000 |
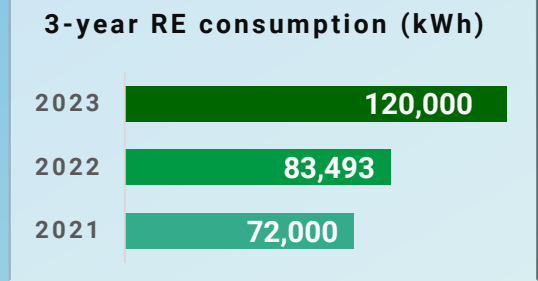
### GHG management performance (Category 1-2) [Scope: SYSTEX HQ building]

| Item | 2020 Base year | 2022 | 2023 |
|------|----------------|------|------|
| **Category1** GHG Emissions ($tCO_2e$) | 13.7720 | 11.0019 | 20.4516 |
| **Category2** | | | |
| • Electricity consumption (kWh) | 5,692,079 | 5,665,093 | 5,810,192 |
| • RE consumption (kWh) | 100,000 | 83,493 | 120,000 |
| • Location-based GHG Emissions ($tCO_2e$) | 2,897.2682 | 2,804.2210 | 2,810.9551 |
| • Market-based GHG Emissions ($tCO_2e$) | 2,846.3684 | 2,762.8922 | 2,810.9551 |
| **Category1-2** GHG Emissions ($tCO_2e$) | | | |
| • Location-based | 2,911.040 | 2,815.223 | 2,831.407 |
| • Market-based | 2,860.140 | 2,773.894 | 2,831.407 |
| **SYSTEX consolidated revenue** (NT$100M) | 237.35 | 331.29 | 351.84 |
| **Electricity consumption per revenue** (kWh/NT$100M) | 86,447 | 60,972 | 57,001 |
| **GHG emissions per revenue (Category1-2)** ($tCO_2e$ /NT$100M) | | | |
| • Location-based | 12.265 | 8.498 | 8.047 |
| • Market-based | 12.050 | 8.373 | 8.047 |

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

Category 1-2 GHG emissions per revenue (market-based): 9.32 (2021), 8.37 (2022), 8.05 (2023)

Electricity consumption per revenue: 72,938 (2021), 60,972 (2022), 57,001 (2023)

■ Electricity consumption per revenue (kWh/NT$100M)
— Category 1-2 GHG emissions per revenue (market-based)($tCO2e$/NT$100M)

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

# Appendix

## Environment Performance Summary

| Key indicators | | 2021 | 2022 | 2023 |
|---|---|---|---|---|
| GHG Emissions (Category 1-6) (tCO$_2$e) | Location-based | 3,353.642 | 3,388.775 | 3,474.898 |
| | Market-based | 3,317.498 | 3,347.446 | 3,474.898 |
| • Category1 (tCO$_2$e) | | 7.2465 | 11.0019 | 20.4516 |
| • Category2 (tCO$_2$e) | Location-based | 2,779.514 | 2,804.221 | 2,810.955 |
| | Market-based | 2,743.370 | 2,762.892 | 2,810.955 |
| • Category3-6 (Scope 3)(tCO$_2$e) | | 566.882 | 573.552 | 643.491 |
| • Data coverage(%) | | 52.56 | 58.07 | 62.25 |
| Energy Consumption (GJ) (including electricity, gasoline, nature gas and diesel) | | 19,989.307 | 20,462.718 | 21,104.759 |
| • Indirect Energy Consumption (kWL) (Electricity) | | 5,536,879 | 5,665,093 | 5,810,192 |
| • Renewable Energy Consumption (kWh) | | 72,000 | 83,493 | 120,000 |
| • Renewable Energy Consumption Rate (%) | | 1.3 | 1.5 | 2.0 |
| • Electricity consumption per revenue (kWh/NT$100 million) | | 72,938 | 60,972 | 57,001 |
| Water consumption (kL) | | 17,426 | 21,112 | 22,375 |
| • Data coverage (%) | | 52.56 | 58.07 | 62.25 |
| • Water consumption per revenue (kL/NT$100 million) | | 229.55 | 227.22 | 219.51 |
| Total waste (tons) | | 66.9 | 68.7 | 43.6 |
| • General waste (tons) | | 56.7 | 56.1 | 31.2 |
| • Waste recycled (tons) | | 10.2 | 12.6 | 12.4 |
| • Waste recycling rate (%) | | 15.2 | 18.3 | 28.4 |
| • Data coverage rate (%) | | 52.56 | 58.07 | 62.25 |
| • Total waste per revenue (tons/NT$100 million) | | 0.88 | 0.74 | 0.43 |
| Paper usage (thousand sheets) | | 2,497 | 2,180 | 2,085 |
| • Paper usage per revenue (sheets/NT$100 million) | | 9,545 | 7,402 | 6,552 |
| Green procurement (NT$100 million) | | 3.96 | 2.95 | 2.99 |

## Climate-related Policy and Report

- [Sustainable Development Policy of SYSTEX Corp. and its Affiliated Companies](#)
- [SYSTEX Sustainable Development Best Practice Principles](#)
- [SYSTEX Risk Management Policies and Procedures](#)
- [SYSTEX Risk Management Best Practice Principles](#)
- [SYSTEX Occupational Health and Safety, Environment and Energy Policy and Declaration](#)
- [Download SYSTEX Sustainability Report](#)

## 4-year GHG emission data has been verified by SGS (2021-2024)

**SYSTEX 2023 TCFD Report**

# Thank You

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