凌羣電腦
THE SYSCOM GROUP

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Sustainability Report

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About This Report   GRI 2-2、GRI 2-3、GRI 2-5

This report comprehensively addresses SYSCOM Computer Engineering Company's (hereafter referred to as SYSCOM) commitments and achievements in the three key areas of ESG (Environmental, Social, and Governance) for all stakeholders. It details our strategies, efforts, and the results of our stakeholder engagements, reflecting SYSCOM's firm commitment to sustainable corporate development.

Report Boundary

The organizational boundary for this report is based on SYSCOM's consolidated financial statements, excluding subsidiaries. The data scope focuses primarily on the parent company, excluding joint ventures due to the varying impact of different indicators.

Compilation Principles

The content structure of this report follows the "GRI Universal Standards 2021" issued by the Global Reporting Initiative (GRI) and incorporates sustainability indicators from the Sustainability Accounting Standards Board (SASB). An index correlating the report content with GRI and SASB indicators is provided at the end of the report.

Publication Date and Frequency

This report is published in August 2024, detailing SYSCOM's specific actions in various aspects of corporate sustainability development from January 1 to December 31, 2023. To ensure the completeness of project and activity performance, some data beyond the 2023 fiscal year is included for integration needs, and relevant information will be supplemented in the report.

External Assurance

This report has been assured by SGS Taiwan Ltd. in accordance with the AA1000 Assurance Standard v3 Type 2 Moderate level assurance and GRI Standards (2021) framework to ensure the accuracy, reliability, and clarity of its content. The detailed assurance statement can be found in Appendix III of this report.
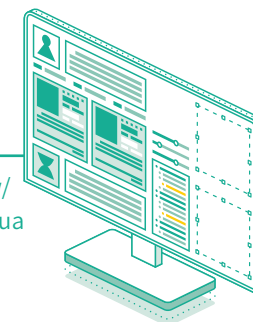
Feedback

SYSCOM Computer Engineering Company publishes its sustainability report annually and provides electronic versions for viewing and download on the official website. If you have any questions or suggestions regarding the content of the report, please contact:

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Message from the Management

The information services industry is a key driving force behind the advancement of global industrial development. By leveraging intellectual input and output, process intelligence and software technology are integrated into digital application systems, helping companies reduce labor demand and mitigate the pressure of rising production costs. This not only fosters the development of the information services industry but also aids businesses in entering new markets, adopting new business models, enhancing competitiveness, and creating greater economic value.

The information services industry of Taiwan is regarded as the digital nervous system of national technology industry development. SYSCOM, established nearly half a century ago, will celebrate its 50th anniversary in 2025. Our corporate journey reflects the broader development history of the information services industry in Taiwan.

SYSCOM leverages its expertise in software engineering and strong self-developed products to build various information management platforms, aiding digital transformation, green compliance, and participating in major system implementations across Taiwan. These include the island-wide telecom backbone network, e-government system, healthcare informatization, finance, securities trading, aerospace, education, and manufacturing. Over the years, we have accumulated extensive industry knowledge and software engineering expertise, achieving the highest level of the Capability Maturity Model Integration (CMMI) Level 5 certification twice. In 2018, SYSCOM was honored with the 25th National Quality Award – Best Practice Award for Manufacturing Quality by the Ministry of Economic Affairs Industrial Development Administration for our production capacity utilization management system.

Following this award, SYSCOM embraced greater responsibilities. Driven by this mission, we did not set limits for ourselves. By integrating advanced technology with extensive service experience, SYSCOM has expanded from software to hardware. Through our self-developed network management solution NETCenter and the process automation provisioning engine OMFLOW, SYSCOM has evolved from static to dynamic operations, achieving comprehensive digital transformation. In 2024, SYSCOM once again received an award in the Best Practice for Industrial Support category at the 27th National Quality Awards.

SYSCOM's management philosophy is "Outstanding Talent, Satisfied Customers, Continuous Growth, and Sustainable Operations." Amid the rising tide of ESG, SYSCOM further embraces customer needs by utilizing Dashboard digital management tools and a digital transformation center, integrating software, hardware, and services to create exemplary platforms.
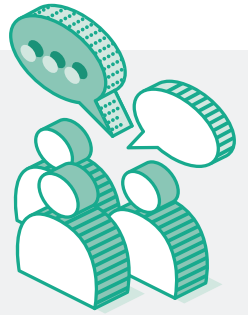
Cultivating outstanding talent is the key foundation for enhancing customer satisfaction and loyalty. SYSCOM spares no effort in nurturing exceptional talent. For a long time, SYSCOM has adhered to the principle of "We develop the people as we develop the system."

SYSCOM also upholds the "Two-Factor Theory" proposed by American behavioral scientist Fredrick Herzberg, which includes "hygiene factors" and "motivators." In talent cultivation, it is crucial not only to provide hygiene factors (such as salary, benefits, and job position) but also to strengthen motivators (such as a sense of achievement, recognition, responsibility, progress, growth, and promotion) to retain top talent.

In reality, cultivating talent requires not only robust internal corporate systems but also a reasonable industry environment. However, our long-standing industry policy that prioritizes hardware over software has not been conducive to the development of the information services industry. In view of this, during my tenure as Chairman of the Information Service Industry Association of the ROC, I integrated industry experience and led efforts to propose amendments to the Government Procurement Act in 2010 and 2019. These efforts aimed to establish reasonable charges in the information services industry, receiving significant attention from government departments. Consequently, the Public Construction Commission and the Ministry of Digital Affairs convened industry associations for further discussions on progressive legislative amendments.

On September 25, 2023, the Public Construction Commission and the Ministry of Digital Affairs jointly formulated and announced the "Basic Requirements Reference List for Cybersecurity in Various Types of Information (Services) Procurement" and the "Guidelines for Information Services Procurement." On May 1, 2024, the two departments issued the "Government Information Services Procurement Budget Estimation Manual" to serve as a reference for various agencies in preparing budgets for information services procurement. My proactive efforts aim to create a reasonable industry environment, ensure fair profits for businesses, attract and cultivate top talent, and promote the positive development and sustainable momentum of the information services industry.

Since the 28th United Nations Climate Change Conference (COP28), the global business environment has entered a new phase where the linkage between products, services, and environmental sustainability is an unavoidable trend. Consequently, SYSCOM has actively joined the Taiwan Climate Partnership as a member, demonstrating our commitment to creating sustainable value through practical actions.
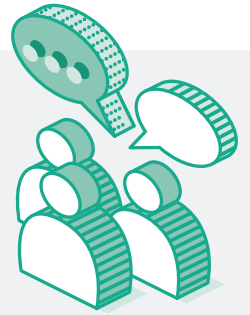
Furthermore, SYSCOM reaffirms its significant commitments to the environment and society by compiling the ESG Sustainability Report. This report follows the GRI Standards 2021 issued by the Global Reporting Initiative (GRI) and adheres to the AA1000 principles advocated by the British AcountAbility Organization. It covers SYSCOM's policy commitments and performance outcomes in the three major aspects of ESG (Environmental, Social, Governance), detailing our sustainability strategies, efforts, and the comprehensive effects of our practices. It also presents the results of our communications with stakeholders, demonstrating our determination to pursue sustainable development and driving the organization toward dual-track transformation in digitalization and ESG, thereby creating differentiated value in the new era of the green industrial revolution.

Facing global challenges such as AI, 5G, IoT, Cloud, Blockchain, NFT, Metaverse, and Cybersecurity, along with Taiwan's commitment to achieving net-zero carbon emissions by 2050, SYSCOM is presented with both challenges and opportunities!

SYSCOM is committed to collaborating with its peers in the information services industry to achieve the government's policy goal of transforming the industry into a trillion-dollar sector by 2030. Guided by the government's broad vision, SYSCOM aims to contribute its strengths through various initiatives, including large-scale software projects, innovative supply chains, support and management of generative AI and open source technologies, and adjustments in public service pricing for industrial development.

SYSCOM will continue to uphold the mission of being a "cross-industry ESG sustainable development system integrator," actively implementing corporate sustainability actions and material topics management based on the principles of environmental protection, social inclusion, and corporate governance (ESG). We will integrate these principles with our core business in operational decision-making and commercial activities, aligning with international sustainability trends, legal and ethical standards, and ultimately actualize our corporate sustainability philosophy while safeguarding stakeholder rights and interests.

Looking ahead, SYSCOM is committed to leveraging innovative information technology to empower the digital transformation of Taiwanese enterprises, guiding them towards sustainability, and sailing into a new era full of challenges and infinite hope.

Sincerely,

Ruilong Liu
President, SYSCOM Computer Engineering Company 劉瑞隆
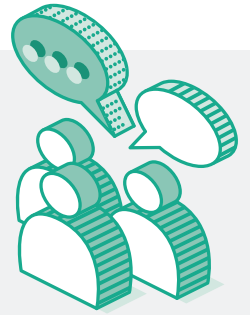
I. About SYSCOM Computer Engineering Company

GRI 2-1、GRI 2-23、GRI 2-24

1. Company Overview

SYSCOM Computer Engineering Company, founded in 1975 and listed in Taiwan in 2001, has a capital of NT$1 billion. With service locations spanning Taiwan, the United States, Thailand, and China, SYSCOM is one of the few domestic companies providing multinational information services.

Since its establishment, SYSCOM has been dedicated to system integration. Over the past five decades, the company has introduced various cutting-edge products and technologies, along with its excellent software development and integration capabilities. This has enabled clients in finance and securities, telecommunications, healthcare, government and law enforcement, and high-tech manufacturing to successfully face numerous challenges. In recent years, SYSCOM has actively developed specialized information services and value-added software services to move away from hardware price wars and transform into a knowledge economy-oriented international IT service provider.

To enter the global information services market, SYSCOM has invested in comprehensive quality improvement systems. The company was honored with the Ministry of Economic Affairs' Industrial Technology Development Award in 1998 and achieved CMMI Level 3 certification in 2004. In 2006 and 2011, SYSCOM passed the rigorous CMMI Level 5 assessments, establishing globally recognized quality standards with a more stringent attitude towards quality. In 2014, SYSCOM was awarded the Ministry of Economic Affairs' second year "Taiwan Mittelstand Award" In 2018, SYSCOM built the SYSCOM Group "Global Project Monitoring Center," earning the trust of major international software companies and securing numerous offshore software outsourcing projects. That same year, SYSCOM also received the 25th National Quality Award – Best Practice Award for Manufacturing Quality, becoming the only domestic company to receive both the Taiwan Mittelstand Award and the National Quality Award – Best Practice Award for Manufacturing Quality.

From mainframe to network products, from the automated trading system of the Taiwan Stock Exchange to cloud computing and energy-saving applications, SYSCOM continues to pursue innovation by investing in various advanced technology developments and applications, leading industry trends.
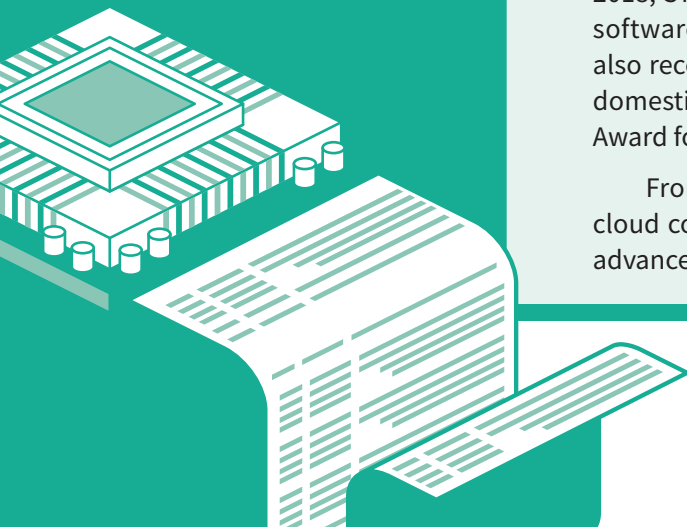
Looking forward, as ESG sustainable development becomes a global focus and the Greater China economic zone takes shape, SYSCOM plans to engage in industry-academia collaborations and develop various sustainable value-added application products based on its existing integrated system foundation. The company is committed to cultivating outstanding professional talent and pursuing comprehensive digital transformation, with ESG compliance as a primary operational principle. SYSCOM aims to continually improve and provide the most comprehensive services to clients, enhancing its competitive edge in the global market. The company aspires to grow and develop sustainably alongside its clients.

(I) Business Philosophy and Mission
Business Philosophy: "Outstanding Talent, Satisfied Customers, Continuous Growth, and Sustainable Operations"
Mission: "Cross-Industry ESG Sustainable Development System Integrator"

(II) Business Policies
1. Maximize system capabilities to create a superior customer service experience.
2. Leverage advanced technologies to accelerate the integration and implementation of industry applications.
3. Enhance the functionality of proprietary R&D products and expand their application domains.
4. Strengthen international cooperation to expand into overseas markets with soft power.
5. Promote the dual-axis transformation of the company through digital and sustainable practices using generative AI.

(III) The Company's Future Development Strategy
1. Short-Term Development Plans
    (1) Integrate system management tools to improve operational efficiency and quality.
    (2) Expand core products and professional technical services to increase overall profitability.
    (3) Develop knowledge economy services such as generative AI, cloud services, 5G, and cybersecurity.
    (4) Develop intelligent operation platforms for applications in transportation, security, and commerce.
    (5) Form alliances with excellent domestic and international companies to explore business opportunities across various industries.
2. Long-Term Development Plans
    (1) Cultivate high-quality information technology talent and implement continuous quality improvements.
    (2) Enhance corporate growth and innovation, focusing on ESG sustainable development.
    (3) Demonstrate robust system capabilities, leveraging generative AI to aid in the digital transformation of enterprises.
    (4) Bridge advanced technology industry applications, forming alliances with Taiwan's leading companies to compete on the global stage.
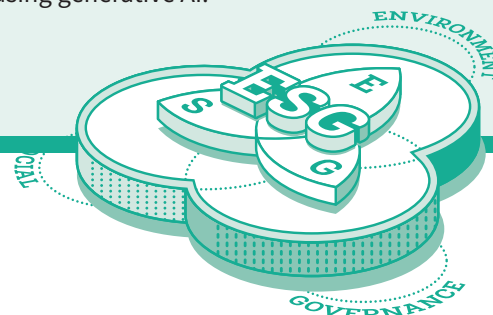
2. Company History

1975
- Founded in 1975
- Became the agent for Tandem NonStop computer systems, marking a new era in continuous hardware/software/ maintenance development (1981)
- Established Taichung branch (1981)
- Established Kaohsiung branch (1982)

1982
- Contracted to computerize the Taiwan Stock Exchange (1982)

1985
- National Cheng Kung University Medical Center adopted SYSCOM's hospital automation services (1985)
- Nearly 60 securities firms nationwide adopted SYSCOM's securities automation system, establishing SYSCOM as a leader in Taiwan's securities automation market (1989)
- Established branches in Tainan and Taoyuan to serve local customers (1989)

1991
- Invested in CASEMaker in the U.S., specializing in global marketing of software tools and database products (1991)
- Introduced and became an agent for CISCO network products (1992)
- Received the Outstanding Information Software Award from the Ministry of Economic Affairs (1993)
- Established Hsinchu branch, forming a complete service network across Taiwan (1993)

1995
- Chairman of the Board Ruifu Liu elected as Chairman of the Taipei Computer Association for the 8th and 9th terms (1995, 1998)
- Named "Best Network Integration Company in Taiwan" by Data Communications magazine (1996, 1997)
- Successfully developed and launched the first large-scale database in Taiwan, DBMaker (1997)
- Established a subsidiary in Thailand, extending the business to Southeast Asia (1998)
- Received the Ministry of Economic Affairs Industrial Technology Development Award (1998)
- Provided IT services for the Taiwan Futures Exchange, gaining the capability to set up systems for all three major financial exchanges in Taiwan (1998)
- SYSCOM's Mission Operation Center (MOC) for satellite operation and maintenance goes online after successful launch of Formosat-1(1999)
- Listed on the Taiwan Stock Exchange (2001)
- Subsidiary SYSCOM (Shenzhen) won contracts for the trading platforms of the Shanghai and Shenzhen Stock Exchanges (2001)
- Participated in the setup of the second-generation GSN Government Service Network backbone and access network equipment (2002)

2004
- Directly challenged and passed "CMMI Level 3" assessment (2004)
- First domestic company to receive the "2004 Microsoft Advanced Infrastructure Award" (2004)
- SYSCOM's Mission Operation Center (MOC) for satellite operation and maintenance goes online after successful launch of Formosat-2 (2004)
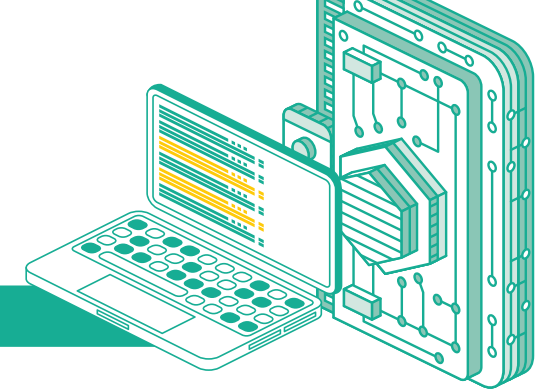
2005
- Won the Institute for Information Industry's "2005 MIS BEST CHOICE" award:
  - First place for "SI System Integration Services and Network Planning Services"
  - Second place for "Outsourcing Information Services"
  - First place for "Network Planning Services"
  - Third place for "Information Security Services" (2005)
- Successfully passed the highest level international software quality certification, "CMMI Level 5," for the first time (2006)
- Passed ISO27001 (BS7799) information security certification for the first time (2006)
- Received the Best Information Security Partner award from BSI (British Standards Institution) (2006)
- SYSCOM's Mission Operation Center (MOC) for satellite operation and maintenance goes online after successful launch of Formosat-3 (2006)
- Participated in the setup of Taiwan's national ETC (Electronic Toll Collection) system (2006)
- President Ruilong Liu elected as Chairman of the Information Service Industry Association of the ROC for the 11th and 12th terms (2008, 2011)

2011
- Passed "CMMI-Dev v1.2 Maturity Level 5" assessment (2011)

2012
- Passed "PIMS BS10012:2009" personal data protection certification for the first time (2012)
- "SYSCOM Cyberhood Cloud Service Platform" won the "2012 Cloud Innovation Award" (2012)
- SYSCOM's self-developed product "DBMaker" won the "Taiwan Excellence Award" for the first time (2013)
- Co-established CloudMaster Co., Ltd. in a joint venture with Japan's Tokai Group (2013)
- Received the Ministry of Economic Affairs' second "Taiwan Mittelstand Award" (2014)
- Won first place in the "2014 Cloud Innovation Award - Domestic Cloud Data Center Category" (2014)

2016
- "Pracla Enterprise Cloud Data Center Hosting Service" won the "2016 System Integration Export Award," "2016 Cloud Gold Award," and "2016 Cloud IoT Innovation Award"
- Participated in the development of police data and environmental data clouds, winning the "2016 Cloud IoT Innovation Award - Government Application Category Outstanding Application Award"
- Collaborated with the National Police Agency to develop the "m-Police Mobile Police Computer System," selected as one of the "Top 100 Innovative Products of 2016 - Public Service Category"
- Passed dual certification for information services and information security: ISO/IEC 20000-1:2011, ISO/IEC 27001:2013, and CNS 27001:2014
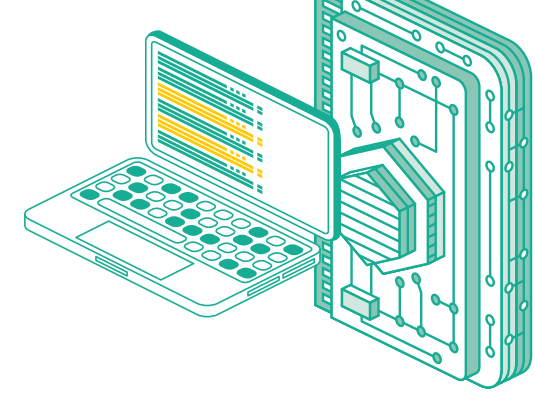
2017
- Passed "CMMI-Dev v1.3 Maturity Level 3" assessment
- "SYSCOM Intelligent Service Robot Ayuda" won the "2017 Cloud IoT Innovation Award Championship"
- The first domestically developed optical remote sensing satellite "Formosat-5" was launched, and SYSCOM simultaneously commenced the ground operation system

2018
- Won the 25th "National Quality Award – Best Practice Award for Manufacturing Quality"
- "SYSCOM Intelligent Service Robot Ayuda" won the "2018 System Integration Export Award"

2019
- Participated in the construction of Taiwan High Speed Rail's "Next-Generation Passenger Information System"
- The high-reliability mission-type meteorological satellite system FormoSat-7 was launched, and SYSCOM commenced the "ground operation system"

2020
- Won the SGS "2020 Information Security Management Excellence Award"

2021
- SYSCOM's self-developed product "NETCenter IT Infra Network Monitoring Management Center" won the "Taiwan Excellence Award" for the first time (2021)
- SYSCOM's self-developed product "Intelligent Service Robot Ayuda" won the "Taiwan Excellence Award" and the Taiwan Excellence Silver Award for the first time (2021)
- Helped "Carrefour" successfully build a comprehensive e-commerce platform, developing the retail industry
- Passed "ISO27701 Privacy Information Management Certification," becoming the first SI company in Taiwan to hold certifications in privacy, information security, information services, and personal data management

2022
- SYSCOM's self-developed product "DBMaker" won the "Taiwan Excellence Award" again (2013-2015, 2017, 2020-2023)
- SYSCOM's self-developed product "NETCenter IT Infra Network Monitoring Management Center" won the "Taiwan Excellence Award" consecutively (2021-2023)
- SYSCOM's self-developed product "OMFLOW Enterprise Process Engine" was recognized with the "Taiwan Excellence Award" (2023)
- Won First place in the Ministry of Transportation's "5G-led Intelligent Transportation Technology and Service Innovation and Industry Development Grant Program - Service Innovation Award".
- Received the "2022 Outstanding Service Provider Award" from CIO Taiwan
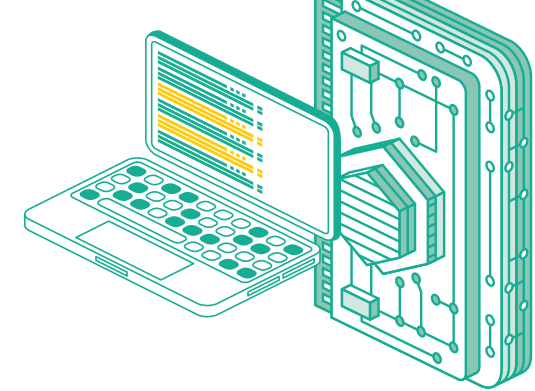
2023

- Participated in the construction of the "Information and Communication System Engineering" for Terminal 3 of Taiwan Taoyuan International Airport.
- TRITON launched, SYSCOM commenced "ground control system" and "satellite control system"
- SYSCOM's self-developed product "OMFLOW Enterprise Process Engine" was recognized with the "Taiwan Excellence Award" (2023-2024)
- SYSCOM's self-developed product "Intelligent Service Robot Ayuda" won the "Taiwan Excellence Award" again (2021, 2023-2024 Taiwan Excellence Award and 2021, 2024 Taiwan Excellence Silver Award)
- SYSCOM continues to pass the following third-party certifications:
  - Information Security Management Systems: ISO/IEC 27001:2013/CNS 27001:2014 (first obtained in 2016)
  - Personal Information Management Systems (first obtained in 2012): BS10012:2017
  - Privacy Information Management Systems (first obtained in 2021): ISO/IEC 27701:2019
  - Information Services Management Systems (first obtained in 2016): ISO/IEC 20000-1:2018
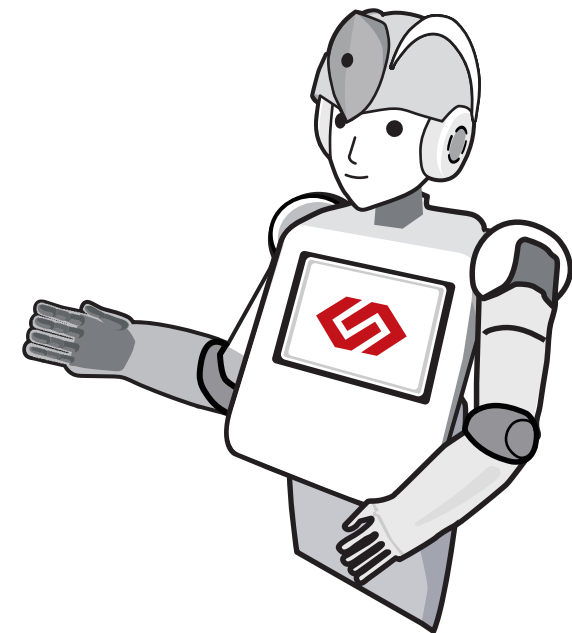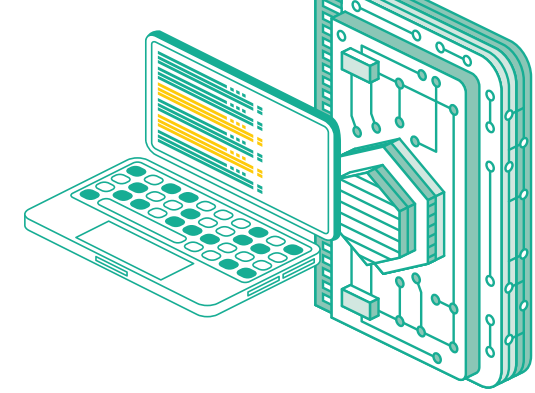
3. Group Members (Excluding Investment Businesses)

Company Name	Establishment Date	Primary Business or Production Items
CASEMaker Inc.	1991.09.17	Sales of computer software, hardware and related products.
Coach Technology Management Co.	1992.09.15	Diagnostic consulting for corporate management, domestic and foreign investment referral, and computerized design consulting.
Syscom Computer (Thailand) Co., Ltd.	1998.04.22	Development and maintenance of software and other businesses.
NetMaker Technology Co., Ltd.	2000.07.01	Information software, data processing and electronic information supply services.
WiseMaker Technology Co.	2001.07.24	Sales of computer software, hardware and related products.
Syscom Computer (Shenzhen) Co., Ltd.	1995.05.02	Computer equipment software development, sales of self-developed technical achievements services, computer system integration and network wiring engineering.
Xian Linan Computer Co., Ltd.	1997.05.27	Development and manufacture of computer equipment and computer software; sale of self-manufactured products and provision of technical services.
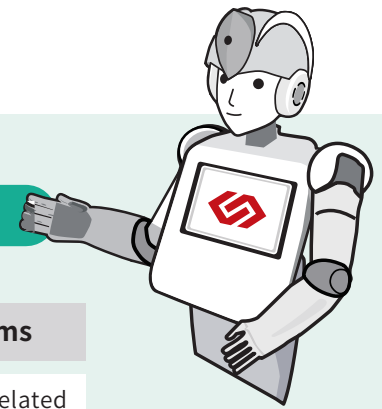
4. Service Locations

Taiwan Region

● **Taipei Headquarters**

6F, No. 115, Emei Street, Wanhua District, Taipei City

● **Taoyuan Office**

7F, No. 373-6, Zhongshan Road, Taoyuan District, Taoyuan City

● **Hsinchu Office**

8F-6, No. 27, Guanxin Road, East District, Hsinchu City

● **Taichung Branch**

12F, No. 370, Section 1, Zhongqing Road, North District, Taichung City

● **Tainan Branch**

13F, No. 395, Section 1, Linsen Road, East District, Tainan City

● **Kaohsiung Branch**

29F, No. 6, Minquan 2nd Road, Qianzhen District, Kaohsiung City

Overseas Region

● **SYSCOM (Thailand) Co., Ltd.**

Thaniya Plaza Building，Room A，14th Floor，52 Silom Road，Suriyawong，Bangrak，Bangkok 10500，Thailand

● **CASEMaker Inc.**

1680 Civic Center Drive，Santa Clara,CA 95050，U.S.A

II. Industry and Value Chain GRI 2-6

1. Industry Upstream, Midstream, and Downstream Relationships

Since its establishment, SYSCOM has aimed to provide comprehensive solutions from a single vendor as its long-term goal. Always considering the clients' perspective, SYSCOM leverages innovative technology and excellent products to help clients address operational challenges, striving for mutual success. As of 2021, SYSCOM has ranked among the top 500 enterprises in Taiwan. In the ranking of large enterprises in Taiwan, SYSCOM is among the top three in the information services industry's computer system integration services sector. SYSCOM was awarded "Outstanding Service Provider" by CIO Taiwan in 2022 and has developed a well-established information service management process, certified by ISO 20000:2018.

SYSCOM has played a pioneering role in the digital transformation of domestic enterprises. Since the company's inception, the Chairman has been dedicated to introducing advanced international information products. During the thriving financial market in the 70s and 80s, recognizing the critical importance of automated financial transactions, SYSCOM successfully obtained the Taiwan Stock Exchange's computerized operations project by representing the leading Tandem NonStop computer system and integrating software technology and personnel. Subsequently, SYSCOM developed the "Bank Management Information System" and the "Securities Automation System," which were widely adopted by numerous financial institutions, solidifying its leadership in the financial information sector.

In the 90s, with the rise of the internet, SYSCOM exclusively represented Cisco network products, adopted by more than ten universities in Taiwan, forming the cornerstone of Taiwan's academic network. SYSCOM has been Cisco's gold partner and a leading network professional provider for over twenty years, and has successfully expanded into the telecommunications field, encompassing backbone network planning and construction, IDC data center establishment, value-added telecom applications, and the planning and deployment of public, private, and hybrid clouds, establishing another robust pillar of SYSCOM's operations.

SYSCOM consistently prioritizes understanding and fulfilling client needs. From consulting, computerization feasibility analysis, system analysis, application system development and design, testing and implementation, computer room planning and design, communication equipment and computer system integration, to education
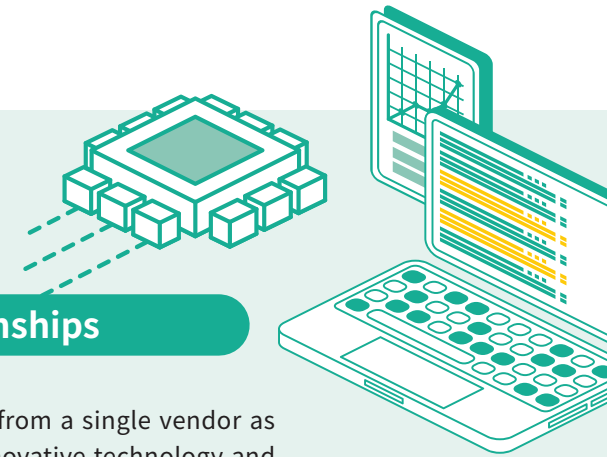
and training, technology transfer, system capacity planning and forecasting, and after-sales service for both software and hardware, SYSCOM provides comprehensive professional services. Clients can enjoy the high-level satisfaction of a "one vendor, complete solution" service with just one contract. SYSCOM's product and technology services cover mainframe servers, network communication applications, information security, storage technology, and application software. Combining long-term accumulated professional skills and industry knowledge, SYSCOM has developed various industry applications, including financial securities and wealth management transactions, telecom network construction and application services, smart healthcare, smart transportation, and smart retail. Additionally, SYSCOM's horizontal applications extend to cloud computing, information security, system optimization, smart green energy, and outsourcing services.

Since its founding, SYSCOM has been dedicated to large-scale system integration and information application services, continuously introducing cutting-edge products and advanced technologies. Leveraging extensive domain know-how accumulated across different fields, SYSCOM delivers superior software development and integration capabilities, providing clients with the highest quality professional information services and assisting enterprises in driving digital transformation and development. Upstream partners include domestic and international software and hardware manufacturers or agents such as Cisco, Dell/EMC, Fortinet, HPE, and VMware, as well as cloud service providers like Google Cloud and Microsoft Cloud. Downstream clients encompass financial institutions, telecommunications operators, government agencies, healthcare institutions, transportation, educational units, manufacturing, and retail sectors, as illustrated below.

Cutting-edge products and advanced technology → Broad industrial knowledge,excellent software development and integration capabilities → High-quality professional services to assist customers in digital transformation
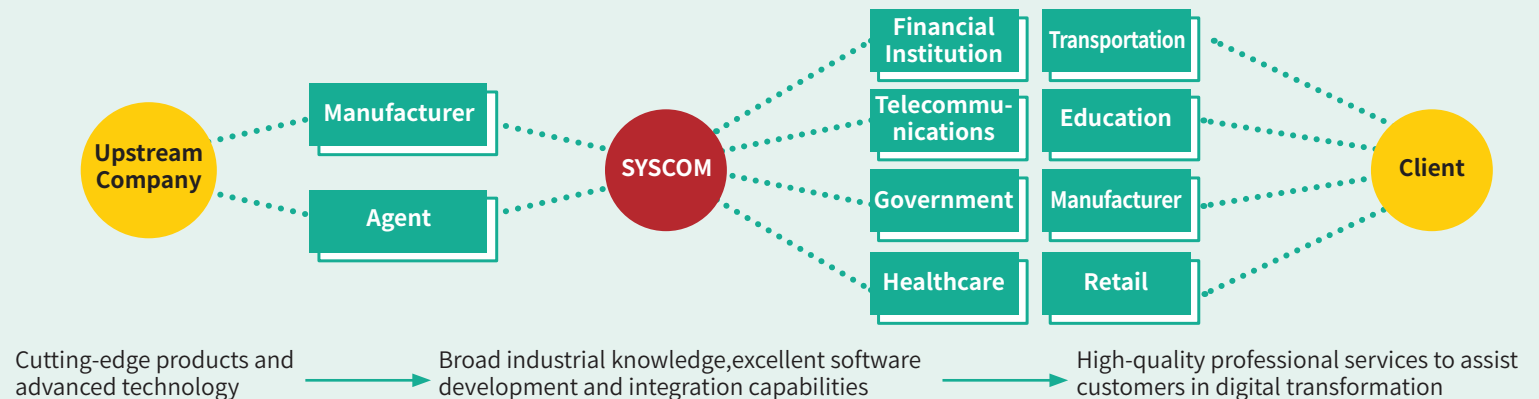
SYSCOM Industry Affiliation Diagram

2. Business Scope

SYSCOM offers the following primary products and services:

SYSCOM Primary Products (Services)

Main Products (Services)	Main Uses and Functions
Cloud Computing	Cloud database systems, cloud development interfaces, cloud search engines, and security control mechanisms; comprehensive cloud solutions that help enterprise clients systematically transfer core tasks to the cloud.
Finance	Comprehensive installation of next-generation financial core systems (mobile payment, trading platform, accounting center, batch data transfer, diverse reporting, branch systems, etc.), complemented by intelligent financial image analysis solutions to align with the evolving and international financial environment.
Securities and Futures	High-speed risk control middle platform for futures and securities; fully utilizing high-performance in-memory design. The entire system employs a parameterized and modular design, providing quick order placement, comprehensive risk control, and flexible customization, integrated with NSK back-end accounting.
Telecommunications and Networks	Proprietary network management system (NETCenter) to assist network administrators in managing devices on the network; telecom-grade cross-brand network management systems (NMS/EMS) NDS network management module, with basic monitoring functions and immediate process modification for business content changes, enhancing telecom service automation and management efficiency.
Healthcare	Health check management system to maximize the advantages of medical resources in health check centers/medical institutions, offering a complete health check information solution. The next-generation medical information system, e-Healthcare, integrates medical administration, examination/testing, nursing operations, management decisions, medical imaging, and smart healthcare, designed with SOA service-oriented architecture, highly scalable to meet the practical needs of modern hospital operations.

Main Products (Services)	Main Uses and Functions
Transportation	RFID intelligent transportation platform, integrating functions such as gates, card readers, ticket displays, passenger information, voice broadcasts, license plate recognition, RFID, induction coils, joint ticketing, and automatic ticket machines; supported by a graphical control system, it provides human and vehicle scheduling, financial accounting, personnel, cost analysis, providing next-generation intelligent transportation management solutions.
Information Security	Protecting information environments and systems based on zero-trust strategies, using integrated security platforms to increase transparency, stress testing to identify weaknesses in IT infrastructure, and cloud service inventory to strengthen security defense strategies and enhance risk management effectiveness. High Automation Log Archiving Management System": Archiving applications, account management, log upload scheduling, upload result notification, emergency supplementary upload, storage space management, offering high security and portability in log archiving.
Enterprise Applications	Information security, cloud application services, commercial service robots, smart energy saving, outsourcing services, etc., providing complete solutions based on enterprise client needs.
Outsourced Development Services	In response to the wave of digital transformation and changes in the IT talent market structure, IT outsourcing services have become the top choice for enterprise managers. Organizations worldwide recognize the importance of IT for enterprise development. The software development industry will continue to grow rapidly, especially in AI and ML, providing opportunities for tech talent.

SYSCOM is a cross-disciplinary ESG sustainable development system integrator and one of the first in the country to introduce information security, disaster recovery (DR), business continuity planning (BCP), and cloud architecture system integration services. Adhering to the principles of "leading technology" and "leading service," SYSCOM has achieved numerous successes in information system integration, with practical cases spanning domestically and internationally. From information hardware, network architecture to application system development and project consulting management, SYSCOM continuously innovates and commits to excellence in professional technology and management.

3. Participation in Associations GRI 2-28

To promote industry development, SYSCOM actively participates in industry associations and related activities. Through involvement in various organizations, SYSCOM engages in extensive exchanges, establishes strong cooperative relationships, and promotes information integration and sharing. This participation helps to expand business scope, increase business opportunities, and foster industry sustainability and social prosperity through collective efforts. Currently, SYSCOM is involved in the following domestic and international organizations:

Industry Associations in Collaboration with SYSCOM

Association	Representative and Position	Association	Representative and Position
National Quality & Sustainable Excellence Alliance	President	Cloud Computing & IoT Association in Taiwan	Vice President
Digital Transformation Association (DTA)	Vice President Supervisor	Information Management Association (IMA)	Vice President
Taipei Computer Association (TCA)	Director	Information Service Industry Association of ROC (CISA)	Director
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	Consultant	Chinese Railway Vehicle Industry Development Association	Member
Taiwan loT Technology and Industry Association (TwIoTA)	Executive Director	Chinese Non-Store Retailer Association	Member
Taiwan Coalition of Service Industries	Vice President	Taiwan Climate Partnership	Member
Global Radio Alliance (GloRa)	Executive Director	Intelligent Transportation Society of Taiwan (ITS Taiwan)	Member
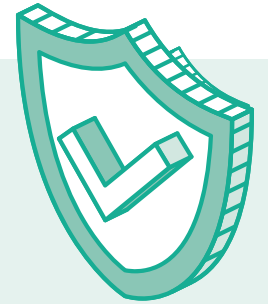
4. Awards and External Verifications

(I) Ministry of Economic Affairs

1. Outstanding Information Software Award (1993)
2. Industrial Technology Development Award (1998)
3. Second " Taiwan Mittelstand Award" (2014)
4. 25th "National Quality Award – Best Practice Award for Manufacturing Quality" (2018)

(II) Taiwan Excellence Award

1. Self-developed product "DBMaker Database" first won the "Taiwan Excellence Award" in 2013, and subsequently won the award in 2017 and from 2020 to 2023.
2. Self-developed product "Ayuda Intelligent Service Robot" first won the "Taiwan Excellence Silver Award" in 2021, continued to win the "Taiwan Excellence Award" in 2023, and won the "Taiwan Excellence Silver Award" again in 2024.
3. Self-developed product "NETCenter IT Infra Network Monitoring Management Center" won the "Taiwan Excellence Award" for three consecutive years from 2021 to 2023.
4. Self-developed product "OMFLOW Enterprise Process Engine" won the "Taiwan Excellence Award" for the first time in 2023.
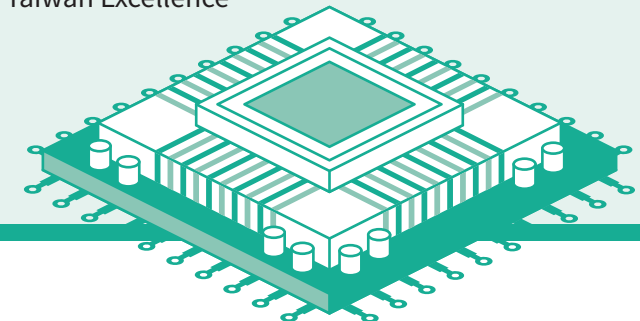
5. Innovation and R&D Achievements

Innovation and R&D are core competencies for SYSCOM's long-term development. As one of Taiwan's leading system integration companies, Syscom has been committed to assisting public and private sectors in upgrading their information applications since its inception. The deepening and integration of software and hardware technologies are the cornerstones of enterprise development. SYSCOM's R&D is native, embedded in all software development and services, consistently embodying the spirit of innovation.

In response to the internal and external demands of digital transformation and sustainable operations, SYSCOM continues to develop and launch innovative self-developed products, including the following six key items:

(I) Intelligent Service Robot (Ayuda)

SYSCOM's intelligent service robot, Ayuda, has been under development for many years. With the advent of generative AI technology at the end of 2022, SYSCOM has enhanced the capabilities of service robots using generative AI, making them smarter and more human-like. Ayuda adopts the widely accepted international standard ROS (Robot Operating System) in the robotics field and recently integrated SYSCOM's generative AI solution NeuroChain, significantly enhancing its capabilities. The Ayuda series includes: Ayuda, Ayuda Cute, Ayuda Nano, Ayuda Nano Super.

(II) IT Monitoring and Management Center (NETCenter)

NETCenter is an IT monitoring and management software developed by SYSCOM, designed to help IT managers comprehensively control IT infrastructure status and information management solutions, enabling businesses to flexibly face various information challenges and effectively manage increasing network devices. The latest version redefines ten functional modules, expanding user perspectives from the IT (Information Technology) division to Security and Business divisions, creating a "comprehensive intelligent command center" tailored to enterprise needs.

(III) Human-Machine Process Automation Engine (OMFLOW)

OMFLOW, a human-machine process automation engine developed by SYSCOM to meet digital integration application needs, is suitable for various standalone or hybrid application scenarios, such as IT operations
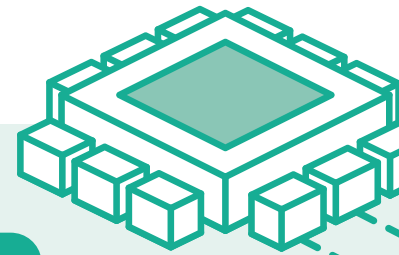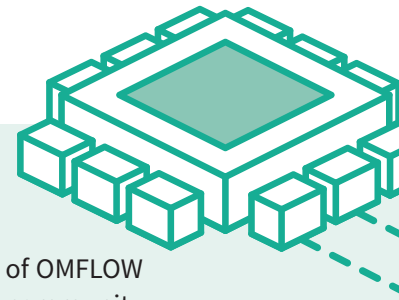
management, business form processes, and system integration interfaces. The community version of OMFLOW offers unlimited usage and open-source access for personal use. The enterprise version includes community processing downloads and also additional features developed by SYSCOM, additional features include distributed computing, and data collection and management, providing customers with a comprehensive process automation engine.

(IV) Cloud Database System (DBMaker CloudDB)

SYSCOM developed the cloud database system to meet the database needs of cloud service SaaS (independent software vendors), offering a cloud developer version and developing cloud open database connectivity interface (Cloud ODBC) features. This includes the integration of cloud search engines and security control mechanisms, developing related cloud solutions.

(V) Intelligent Power Monitoring and Energy Saving System (GreenMaker)

Energy saving and carbon reduction have been goals shared by governments worldwide and are part of policy directives. In recent years, global enterprises have actively used ICT to promote energy-saving and carbon reduction initiatives. SYSCOM developed an intelligent energy-saving service platform with smart management mechanisms, optimizing power usage for buildings, factories, and shopping centers. This platform assists operators in managing building power usage and collecting and analyzing greenhouse gas inventory data to effectively achieve energy saving and carbon reduction.

(VI) Generative AI Solutions (NeuroChain)

SYSCOM has made significant breakthroughs and achievements in generative AI applications. NeuroChain, SYSCOM's generative AI solution, acts as an intermediary layer between humans and generative AI. This layer pre-processes and embeds the enterprise's knowledge base, including documents, webpages, forms, etc. When users ask questions, generative AI determines the user's intent, and the intermediary layer finds the correct answer, which generative AI summarizes and responds to. By repeatedly questioning generative AI with different prompts, the most accurate answer is obtained. This product has been applied in customer projects and integrated into Ayuda robots, expanding the scope of AI applications.

Among these solutions, Ayuda, NETCenter, OMFLOW, and DBMaker have all received the "Taiwan Excellence Award."
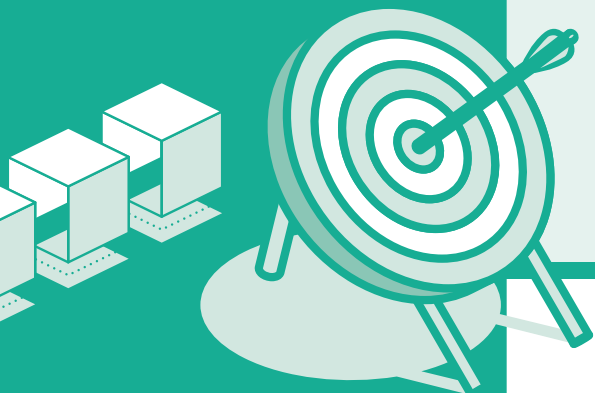
III. Sustainable Management

1. Sustainable Development Promotion Structure GRI 2-12、GRI 2-13、GRI 2-14

In 2022, SYSCOM's Board of Directors approved the renaming of the original Corporate Governance and Corporate Social Responsibility (CSR) Task Force to the Sustainable Development Promotion Task Force. In May 2024, the positions of Chief Sustainability Officer (CSO) and Executive Secretary were established. The CSO oversees three subcommittees: Corporate Governance, Environmental Sustainability, and Social Co-prosperity. The CSO is responsible for formulating policies, systems, and management guidelines related to sustainability, proposing and implementing specific action plans, and reviewing and improving the effectiveness of these initiatives. This structure enhances the involvement of various departments in sustainable development, empowering the deputy President, heads of departments, and managers to collaborate across different domains. Together, they devise sustainability policies and medium to long-term sustainability goals, creating a blueprint for sustainable development with core advantages.

The main responsibilities are divided among the following three subcommittees, driven by relevant departments:

(I) Corporate Governance Subcommittee:

Responsible for compliance with laws and regulations, governance practices of the Board of Directors, implementation of internal control systems, information security, information disclosure, risk management, and protection of shareholder rights.

(II) Environmental Sustainability Subcommittee:

Responsible for environmental protection, green initiatives, energy conservation and carbon reduction, ecological sustainability, greenhouse gas inventory, and occupational safety and health.

(III) Social Co-prosperity Subcommittee:

Responsible for employee care, customer relationships, supplier management, workplace safety, education and training, ethical business practices, human rights protection, and social welfare.
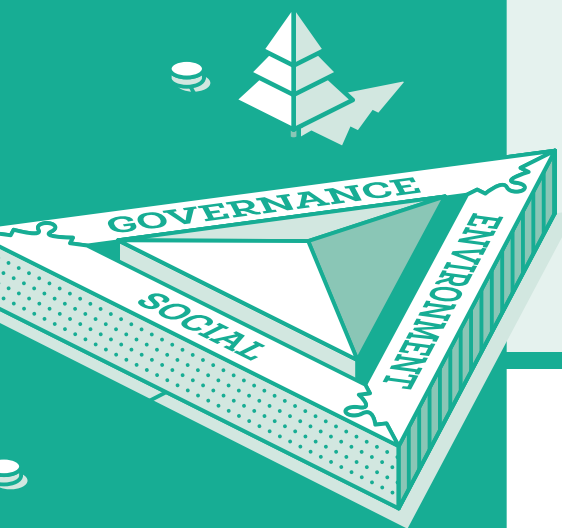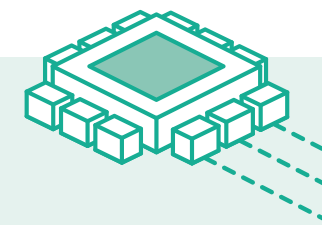
Board of Directors

Sustainable Development Promotion Group

Executive Secretary

Corporate Governance Subgroup

. Compliance with Laws and
  Regulations
· Board of Directors' Governance
  Practices
· Iplementation of Internal Control
  System
· Information Security
· Information Disclosure
· Risk Management
· Shareholders' Rights and Interests

Environmental Sustainability Subgroup

· Environmental Protection
· Green Environment
· Energy Saving and Carbon
  Reduction
· Ecological Sustainability
· Greenhouse Gas Inventory
· Safety and Health

Social Co-prosperity Subgroup

· Employee Care
· Customer Relations
· Supplier Management
· Workplace Safety
· Education and Training
· Integrity Management
· Human Rights Protection
· Social Benefit
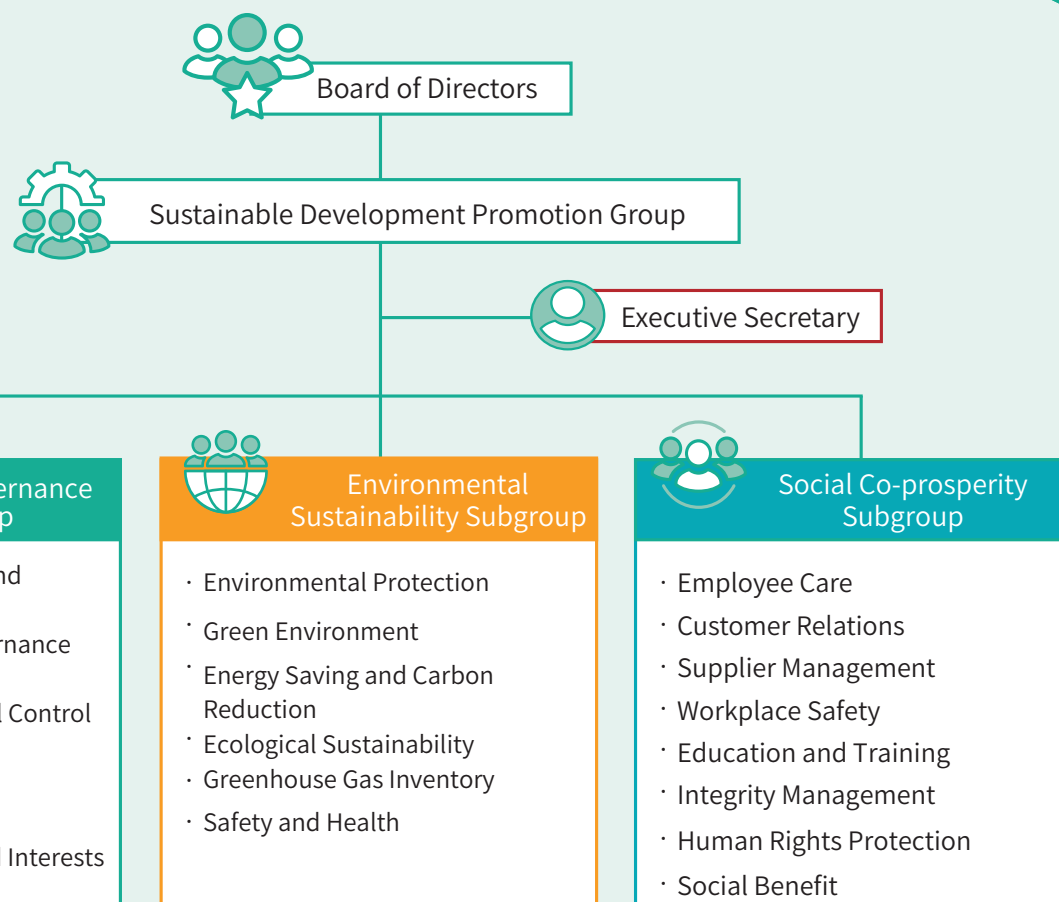
Organization Chart of the Sustainable Development Promotion Group
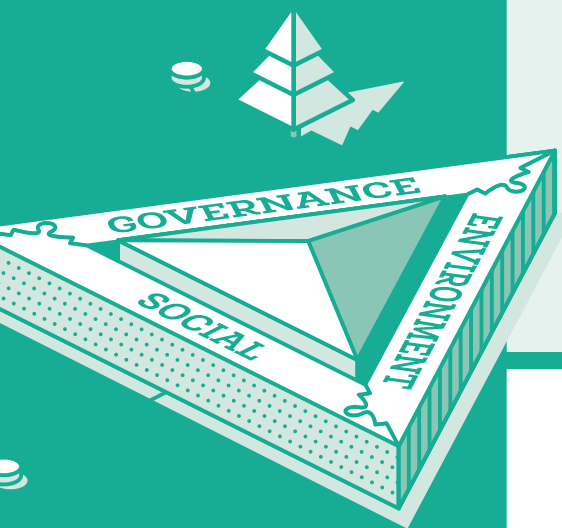
The highest guiding authority for sustainable development at SYSCOM is the Board of Directors. Their responsibilities include supervising the company's sustainability practices, reviewing implementation effectiveness, and providing continuous improvement recommendations to ensure the effective implementation of sustainability policies. The Board of Directors regularly listens to reports from the management team, reviewing the company's sustainability strategies and their execution.

The Sustainable Development Promotion Task Force integrates sustainability issues and facilitates cross-departmental communication. Each working group is responsible for specific tasks. The Sustainable Development Promotion Task Force is responsible for promoting sustainability efforts; the Administrative Planning Department is responsible for implementing integrity management operations; the R&D Center is responsible for managing intellectual property plans and their implementation; the Information Security Committee is responsible for information security policies and management. The Marketing Department, Administrative Planning Department, Finance Department, Computer Center, Audit Office, and various execution units are jointly responsible for reporting on the operation of risk management policies and procedures. Committee and department managers report at least annually to the Board of Directors on the annual execution results of sustainability efforts, future strategic plans and goals, and work plans. In case of significant events or issues, additional reports are made to the Board of Directors as needed. The Board reviews the strategy and progress of the plans based on the execution reports and urges the promotion team to make adjustments when necessary. The implementation status of sustainable development in 2023 and the implementation plan in 2024 have been reported to the board of directors.

2. Sustainable Development Strategy   GRI 2-22、GRI 2-23

SYSCOM's mission is to be a cross-industry ESG sustainable development system integrator. By fulfilling corporate social responsibility and promoting economic, environmental, and social progress, SYSCOM aims to achieve sustainable development goals. The company has established the [Code of Sustainable Development Practices] to manage its economic, environmental, and social risks and impacts.

Following the principles of environmental protection, social inclusion, and corporate governance (ESG), SYSCOM actively implements corporate sustainability actions and manages material topics. By integrating these principles into its core business operations and decisions, and aligning with international sustainable development trends, legal requirements, and ethical standards, SYSCOM strives to practice corporate sustainable management and protect stakeholder interests.
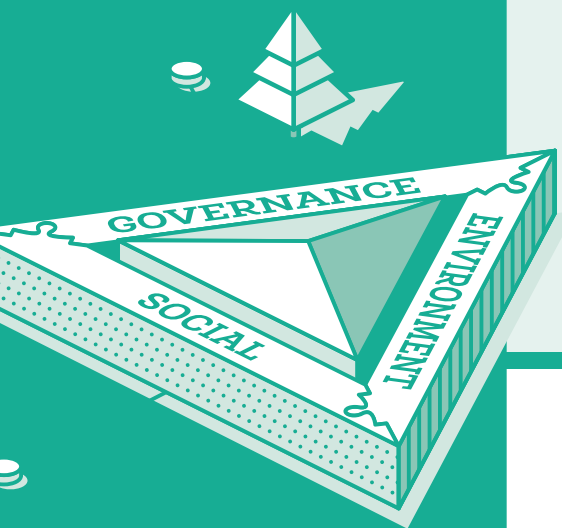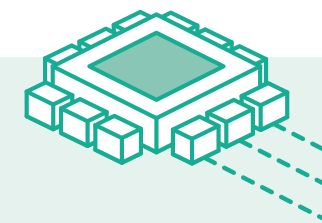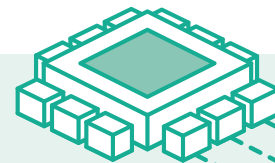
3. Implementation of Sustainable Development   GRI 2-23 、 GRI 2-24

(I) Environmental Issues:

1. Based on the company's industry characteristics, an environmental management system has been established with policies focused on compliance with environmental regulations, conservation of earth's resources, and fulfilling social responsibilities.

2. The company has formulated [Environmental Management Mechanisms] and [Safety Inspection Mechanisms] and conducts Environmental inspections in office areas to implement energy-saving policies.

3. Responding to global trends towards net-zero carbon emissions and the government's "Low-Carbon Sustainable Homeland" policy, SYSCOM is committed to energy conservation, carbon reduction, and promoting sustainable resource use. The company develops relevant products, reduces greenhouse gas emissions in offices, promotes electronic document use, recycles paper, avoids unnecessary resource wastage, and prioritizes the use of green, energy-saving products.

4. Recognizing climate change as a concern for investors and businesses, SYSCOM implements the following measures to reduce greenhouse gas emissions and environmental impact:

   (1) Uses the self-developed Smart Power Monitoring System (GreenMaker) to create an intelligent energy-saving platform for optimized power use in company buildings, assisting in building power management.

   (2) All office lighting is LED, resulting in significant energy savings. The company aims to save 1% of energy annually.

   (3) Public area lighting is managed with sensor-based timing controls.

   (4) Environmental and energy-saving considerations are prioritized in equipment purchases.

   (5) Air conditioning is managed with timed control and temperature limits (set no lower than 26° C) to reduce energy consumption and emissions.

   (6) Promotes electronic documents, reuses old envelopes for internal documents, recycles waste toner cartridges and paper, and other environmental actions.

   (7) Regular environmental checks in office areas.

   (8) Elects environment controllers and coordinators on each floor to manage energy-saving and safety
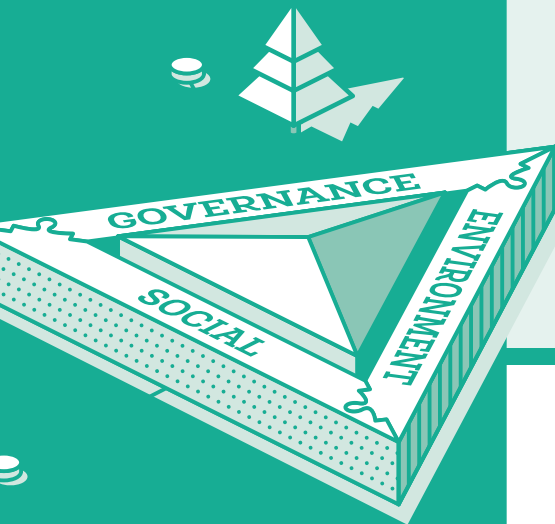
control measures (including access control, emergency response, and management of crisis that may cause operational disruption).

(9) Dedicates to developing energy-saving products to minimize environmental impact.

(10) Implements waste management policies and water-saving measures.

5. The total electricity consumption of the Taipei headquarters in 2023 was 2,996,243 kWh, resulting in approximately 1,483 metric tons of CO_2 emissions. Due to ongoing project developments and testing, and increasing equipment in the data center, electricity usage increased by 11.9% compared to 2022. The company aims to save 1% of electricity in 2024 through strengthened energy-saving measures.

6. The company does not generate additional wastewater beyond using general domestic use water from everyday operations, with water sourced from the municipal supply and wastewater discharged according to regulations. The total water usage of the Taipei headquarters were 10,817 metric tons and 10,000 metric tons in 2023 and 2022 respectively, primarily due to operational growth and increased personnel. The company aims to save 1% of water usage in 2024 as the pandemic situation eases.

7. As a non-manufacturing company, SYSCOM does not produce hazardous waste. The main waste management policies are as follows:

(1) General recyclable materials are centrally placed in a recycling area, sorted by type including paper, glass, plastic, metal, PET bottles, etc. Non-recyclable waste such as styrofoam, wooden pallets, foam, bubble wrap, is separated from general waste and handled by certified waste management companies. Household waste is collected and transported to incineration plants by waste disposal companies.

(2) In 2023, the total weight of non-recyclable general business waste at Taipei office locations was 34.32 metric tons, with recyclable general waste at 7.11 metric tons, resulting in a 17.16% recycling rate, a 1% increase from 2022. The company aims to increase the recycling rate by 1% in 2024 through enhanced environmental education and recycling promotion among employees.

(II) Social Issues:

1. In order to implement corporate social responsibility and protect human rights, SYSCOM has formulated a human rights policy based on internationally recognized human rights standards, such as the International Bill of Human Rights and International Labour Organization conventions. The details are disclosed on the company's website, with the main policies and management plans as follows:
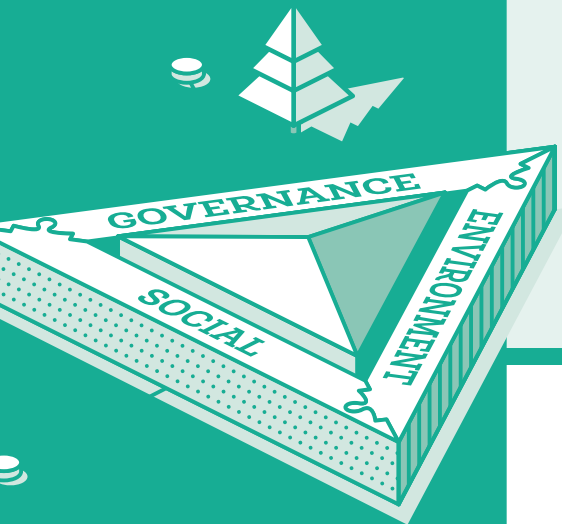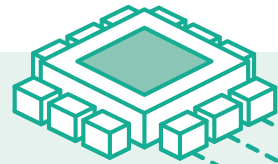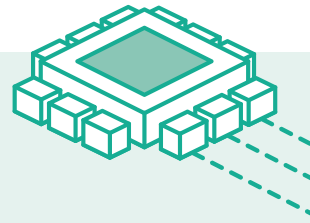
(1) Support for International Human Rights Conventions Principles :
  · Support the principles of the United Nations Global Compact, respect international human rights, ensure the company does not violate human rights, and refuse to associate with violators of human rights.
  · Align with the goals set forth in the United Nations Universal Declaration of Human Rights and the International Labour Organization conventions, prohibiting any form of discrimination, forced labor, and child labor, while not hindering employees' freedom of association.
  · Commit to providing a safe and healthy working environment for employees, continuously improving workplace safety and health in compliance with relevant regulations, preventing accidents, reducing occupational hazards, ensuring employee safety, and promoting physical and mental health.
(2) Respect for Workplace Human Rights :
  · Strictly comply with labor standards laws, gender equality in employment laws, and other relevant regulations.
  · Implement workplace diversity, prohibiting differential treatment or any form of discrimination based on gender, sexual orientation, race, class, age, marital status, language, ideology, religion, political affiliation, nationality, birthplace, appearance, physical features, or disabilities. Strive to create a dignified, safe, equal, and harassment-free work environment.
(3) Information Security Implementation :
  · To protect human rights and privacy, SYSCOM established a comprehensive information security management mechanism, adhering to strict control standards and protective measures.
  · In 2023, SYSCOM conducted training sessions on integrity management policies, including "Partner Business Ethics and Anti-Corruption Training," "Personal Information Management System (PIMS)," "Information Security," "Human Rights Protection," and internal controls, totaling 4,515 participants and 6,066 training hours.

The United Nations Sustainable Development Goals (SDGs) address the critical issues and challenges humanity faces in the journey towards sustainable development. As a global corporate citizen, SYSCOM leverages its core competencies in the corporate value chain to address social and environmental issues through the promotion of intelligent information innovation services and a robust internal management system, thereby fulfilling the United Nations' sustainable development goals.
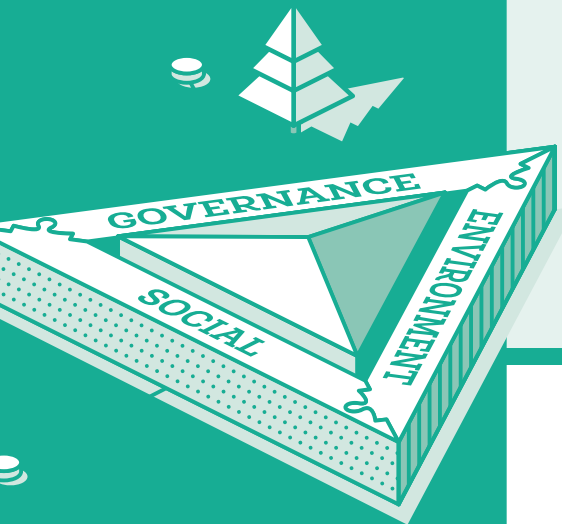
Sustainable Strategy Blueprint

Aspects	Sustainable Environment (E)	Happy Enterprise (S)	Corporate Governance (G)
Corresponding SDGs			
Objectives	Enhance core skills, conduct resource inventory, and assist clients in achieving low-carbon transformation, moving towards environmental sustainability.	Fulfill the mission of being a "cross-industry ESG sustainable development system integrator" by strengthening the cultivation of core talents suitable for the enterprise.	Uphold integrity in business operations, improve information transparency, deepen industry ecosystem alliances, and promote the industry on the international stage.
Long Term Goal (2030)	Achieve net-zero emissions by 2050.	Annual training expenditure reaching 7.5 million TWD.	Improve corporate governance evaluation to rank between 6-20% .
Mid-Term Goal (2025)	• Continuously pass environmental ISO certifications. • Save 1% of annual electricity consumption; save 1% of annual water consumption; increase waste recycling rate by 1%.	• Conduct internal and external training sessions annually for 7,500 participants, with an education and training budget of approximately 7.2 million TWD.	• Maintain corporate governance evaluation ranking between 21-35%. • Achieve 100% completion rate of integrity management indicators.
Short Term Goal (2024)	• Continuously pass environmental ISO certifications. • Save 1% of annual electricity consumption; save 1% of annual water consumption; increase waste recycling rate by 1%.	• Conduct internal and external training sessions annually for 7,350 participants, with an education and training budget of approximately 7 million TWD.	• Maintain corporate governance evaluation ranking between 36-50%. • Achieve 99% completion rate of integrity management indicators.
Achieved Goals (2023)	• Saved 1% of annual electricity consumption; saved 1% of annual water consumption; increased waste recycling rate by 1%. • Implemented ISO14064-1 internal verification mechanism.	• Conducted 7,263 internal and external training sessions, with an education and training budget of approximately 6.75 million TWD.	• Maintained corporate governance evaluation ranking between 36-50%. • Achieved 98.9% completion rate of integrity management indicators.
Strategic Development Approaches	Respond to climate change and sustainable resource use issues, support the government's "Low-Carbon Sustainable Homeland" policy, implement energy conservation and carbon reduction, promote resource utilization, develop related products, and reduce office emissions to enhance carbon reduction efficiency and minimize environmental impact.	Formulate employee training plans based on the [Education and Training Management Mechanisms] to enhance employee work capabilities and explore employee potential, including AI knowledge management and successor training (Youth Think Tank Program).	Ensure all employees and operations comply with relevant laws and regulations by establishing a governance organization and implementing an internal control mechanism.
Strategic Development Issues	Environmental management system, greenhouse gas inventory, green procurement.	Employee welfare and health care, occupational safety and health management, diverse and equal workplace, education and training, social participation.	Industry and value chain, integrity management and legal compliance, information security and personal data protection.

SYSCOM's Corresponding Actions to SDGs

SDGs	SDG Targets	Actions	Chapter
1 NO POVERTY	1.2: Reduce poverty by at least 50% 1.3: Implement nationally appropriate social protection systems 1.4: Equal rights to ownership, basic services, technology, and economic resources	• Implement workplace diversity, providing equal, inclusive, and diverse-friendly workplaces and safe work environments. From 2021-2023, employed 18 individuals with disabilities. • Actively engage in public welfare activities, including donations to doghome.org, Ruifu Foundation for the Intellectually Disabled, and the Childhood Cancer Foundation of ROC.	VIII. Happy Workplace- Diverse and Equal Workplace, IX. Social Participation
2 ZERO HUNGER	2.1: Universal access to safe and nutritious food	• Actively engage in public welfare activities, including donations to the Down Syndrome Foundation ROC, Taipei Municipal Qizhi School Caoshan Ganata Percussion Orchestra, Yu Cheng Social Welfare Foundation, the Association for the Blind and Visually Impaired, Genesis Foundation, and the Taiwan Foundation for the Blind.	VIII. Happy Workplace, IX. Social Participation
3 GOOD HEALTH AND WELL-BEING	3.2: End all preventable deaths under five years of age 3.4: Reduce mortality from non-communicable diseases and promote mental health 3.7: Universal access to sexual and reproductive care, family planning and education 3.8: Achieve universal health coverage	• Provide group insurance, for beneficiaries include employees, their spouses, and children. Insurance benefits cover term life insurance, accidental injury insurance, hospitalization insurance, and cancer insurance. • Numerous child-care friendly initiatives ensure that employees can raise their children without worries, encouraging them to nurture the next generation without concern. In 2023, a total of 20 employees have applied for parental leave. • Regularly hold general safety and health on-the-job training sessions. In 2023, these sessions had 1,266 participants, totaling 3,798 hours. • Through diverse health lectures and educational information, employees and managers can better understand their health status, with a total of 666 participants. • Invested 4,025,500 TWD in employee health checkups within 2022 to 2023, covering 2,095 employees, including 405 new employees.	VIII. Happy Workplace- Compensation and Benefits, Occupational Safety and Health Management
4 QUALITY EDUCATION	4.3: Equal access to affordable technical, vocational, and higher education	• Offer pre-employment scholarships to students in the Smart Automation Engineering program at National Taipei University of Technology, with 2 recipients in 2023. • Collaborate with nearby universities such as National Chung Hsing University, National Taipei University of Business, Fu Jen Catholic University, Yuan Ze University, and Ming Chuan University, providing internships to 17 students.	IX. Social Participation
5 GENDER EQUALITY	5.1: End discrimination against women and girls 5.5: Ensure full participation in leadership and decision-making	• Ensure equal promotion opportunities for all employees, with 31.12% female employees, and 21.09% are female among managerial staff.	VIII. Happy Workplace- Diverse and Equal Workplace

SDGs	SDG Targets	Actions	Chapter
7 AFFORDABLE AND CLEAN ENERGY	7.3: Double the improvement in energy efficiency	• Developed the "GreenMaker Smart Power Monitoring System," creating an energy-saving platform with smart management mechanisms for optimized power usage in buildings.	VII. Sustainable Environment
8 DECENT WORK AND ECONOMIC GROWTH	8.6: Promote youth employment, education and training 8.8: Protect labour rights and promote safe working environments	• Develop comprehensive training programs, a sound human resource structure, and a succession plan, providing thorough professional training for employees. • Provided internal and external training to 7,263 participants, with an education and training budget of approximately 6.75 million TWD. • Obtained 1,347 certificates for 374 certified engineers, including MCSE, MCDBA, HL7, and CCIE. • Participated in the "Digital Youth Transformation Seed Empowerment Program" by the Ministry of Digital Development by creating the T Ambassador Program, cultivating 29 talents over four years, with 12 remaining with the company. • The "Youth Think Tank Program" engaged 368 participants, discussed 24 projects to enhance service value and operational efficiency. • Provide a safe and comfortable work environment, equipped with health monitoring, emergency, and fire equipment, regularly disinfecting the workplace to protect employee health and safety. • Conduct semi-annual CO2 concentration monitoring and drinking water tests, bi-annual building disinfection, and monthly floor waxing. • Implement facial recognition access control and 24-hour surveillance to ensure personal safety. • Cooperate with the fire department twice a year to provide building fire protection training and building escape routes road drills; conduct routine fire escape drills and related education for employees every year education and training courses to reduce the chance of fire.	VIII. Happy Workplace-Training and Development, Occupational Safety and Health Management
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4: Upgrade all industries and infrastructures for sustainability	• Accumulated 98 trademarks in 2023, with 62 domestic and 33 international trademarks approved, and 3 domestic applications pending. • Held 74 patents in 2023, including invention patents, design patents, and utility patents. 50 invention patents have been issued with 3 applications pending; 4 design patents have been issued, and 17 utility patents have been issued.	V. Risk Management -Intellectual Property Management

SDGs	SDG Targets	Actions	Chapter
10 REDUCED INEQUALITIES	10.3: Ensure equal opportunities and end discrimination	• Sponsored scholarships and various activities for academic institutions, continuing support in 2023 with donations to the Cheng Dien Cultural and Educational Foundation (40,000 TWD), National Dong Hwa University (40,000 TWD), and Tamkang University (50,000 TWD).	IX. Social Participation
13 CLIMATE ACTION	13.1: Strengthen resilience and adaptive capacity to climate-related disasters 13.3: Build knowledge and capacity to meet climate change	• Implemented ISO14064-1 internal verification mechanism. • Actively joined the Taiwan Climate Partnership, contributing to sustainable value through practical actions.	VII. Sustainable Environment- Greenhouse Gas Inventory
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.6: Develop effective, accountable and transparent institutions	• Conducted integrity management policy promotion, "Partner Business Ethics and Anti-Corruption Training," "Personal Information Management System (PIMS)," "Information Security," "Human Rights Protection," and other internal control training for 4,515 participants, totaling 6,066 hours in 2023.	IV.Corporate Governance
17 PARTNERSHIPS FOR THE GOALS	17.16: Enhance the global partnership for sustainable development Target 17.17: 17.17: Encourage effective partnerships	• Procured 2,135,316 TWD in government database registered green products. • Established the Future Committee Alliance to assist other alliance members in introducing solutions to clients and providing free exhibition booths, connecting with domestic and international markets, offering over 70 startups free booths, and facilitating 1,000+ client interactions. • Participated in activities of the National Quality & Sustainable Excellence Alliance, with President Ruilong Liu taking on the role of president in 2023, leading past award winners in experience sharing and promoting excellent business management, green economy, green innovation, value creation, and business opportunities.	VII. Sustainable Environment- Green Procurement IX. Social Participation
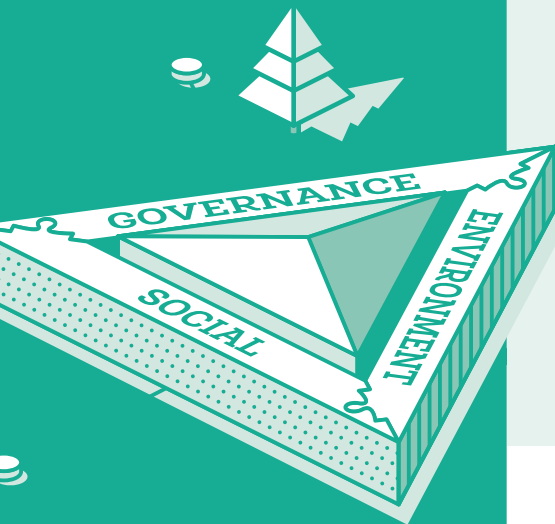
4. Material Topics Analysis and Stakeholder Engagement

GRI 2-13、GRI 2-16、GRI 2-25、GRI 2-26、
GRI 2-29、GRI 3-1、GRI 3-2、GRI 3-3

Identification

Stakeholder Identification

- Following the five aspects of the AA1000SES Stakeholder Engagement Standard principle: Dependency, Responsibility, Tension, Influence, and Diverse Perspectives; and referencing the GRI 2021 GRI3 guidelines, we identify SYSCOM's stakeholders.
- SYSCOM's stakeholders in 2023 include employees, shareholders (directors), suppliers, customers, government agencies, media, and communities.

Sustainable Topics Confirmation

- Referencing GRI, SASB, and the information service industry's sustainability issues, we categorize them based on their relevance to SYSCOM's operations into three major categories: environmental, social, and governance.

Ranking

Sustainable Topics Analysis

- The company's relevant departments sent out stakeholder opinion questionnaires to the 7 major stakeholder groups they interact with during business operations, and received a total of 171 valid questionnaires.

Materiality Analysis of Sustainability Topics

- Under the principle of considering economic, environmental and human impacts, we start from the four aspects of "excellent talents, customer satisfaction, sustainable growth, and sustainable operation" to measure the impact of each issue on the economy, environment, and people. Considering also the concerns of stakeholders, we analyze the results to determine the materiality matrix.

Analysis

Determination of Material Topics

- The materiality of each issue is ranked based on two dimensions: stakeholder concern and internal assessment of impact.
- The focus in 2023 is on 8 major topics including: integrity management and legal compliance, labor/management relations, talent cultivation and development, operating performance, information security and personal data protection, product and service quality, innovative

Tracking

Sustainable Planning and Management

- We will continue to pay attention to other important issues, and the Sustainable Development Promotion Team will regularly supervise and review the implementation of various major topics. We will disclose relevant concrete actions and results to stakeholders through the official website's information observatory and the annual sustainability report.

Material Topics Identification Method and Process

(1) Stakeholder Identification

Recognizing and addressing the voices and expectations of stakeholders is crucial for the sustainable management of an organization. SYSCOM is dedicated to establishing effective communication channels with both internal and external stakeholders to actively gather and respond to their expectations.

In 2023, SYSCOM's stakeholder engagement process adhered to the GRI Standards 2021 Edition, following the procedures outlined in GRI 3 for identifying material topics. This approach ensures the effective identification of significant topics and compliance with disclosure requirements related to material topics. Additionally, we incorporated the AA1000 Stakeholder Engagement Standard (SES), considering five key dimensions: Dependency, Responsibility, Tension, Influence, and Diverse Perspectives, to identify SYSCOM's stakeholders.

SYSCOM's stakeholders for 2023 include employees, shareholders (board members), suppliers, customers, government agencies, media, and the community (property management committees).

(2) Identification of Sustainability Topics

SYSCOM utilizes the Global Reporting Initiative (GRI) as the basis for identifying relevant topics, supplemented by the Sustainability Accounting Standards Board (SASB) guidelines and sustainability issues specific to the information services industry. The Sustainability Development Promotion Task Force then correlates these topics with SYSCOM's operations, categorizing them into three main areas: Environmental, Social, and Governance (ESG). Through this process, 16 sustainability issues were identified, and the "SYSCOM Sustainability Stakeholder Feedback Survey" was designed.

(3) Analysis of Sustainability Topics

Relevant departments within the company distributed the stakeholder feedback survey to the seven key stakeholder groups encountered during business operations, collecting 171 valid responses. This survey assessed the level of concern different stakeholders had regarding the 16 identified sustainability issues.
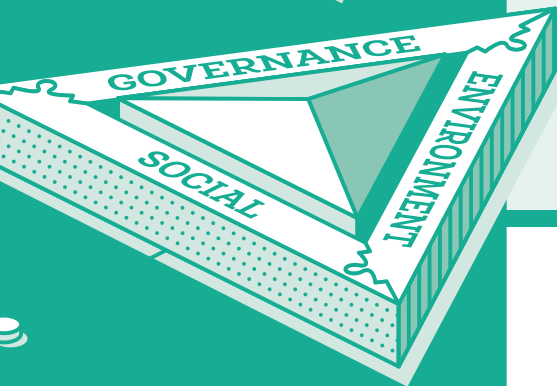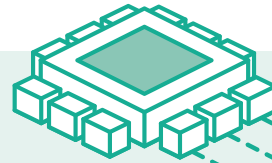
Stakeholder Interest Topics and Impact Levels

Topic	Operational Performance	Market Development and Marketing	Innovative Products	R&D	Product and Service Quality	Supply Chain Management	Information Security and Data Protection	Integrity Management and Legal Compliance
Degree of Concern (Max 5)	3.62	3.52	3.60	3.48	3.95	3.14	4.01	3.97
Impact Level (Max 5)	3.50	3.75	4.00	4.25	4.00	3.25	4.50	3.50

Topic	Labor/ Employment Relations	Talent Cultivation and Development	Occupational Health and Safety	Energy and Resource Usage	Waste Management and Environmental Protection	Greenhouse Gas Management	Climate Change Response	Social Participation
Degree of Concern (Max 5)	3.63	3.69	3.47	3.14	2.96	2.87	2.92	3.18
Impact Level (Max 5)	3.50	3.50	3.25	2.75	2.75	3.25	2.00	2.25

(4) Constructing the Materiality Matrix for Sustainability Issues

Considering the principles of economic, environmental, and social impacts, the Sustainability Development Promotion Task Force evaluated various issues from four perspectives: "Outstanding Talent, Customer Satisfaction, Continuous Growth, and Sustainable Management." Each issue was assessed for its positive and negative impacts on economics, environment, and people. Based on this analysis, the significance of each issue was ranked using a two-dimensional matrix that considers the degree of concern from external stakeholders and the impact assessment from internal evaluations.
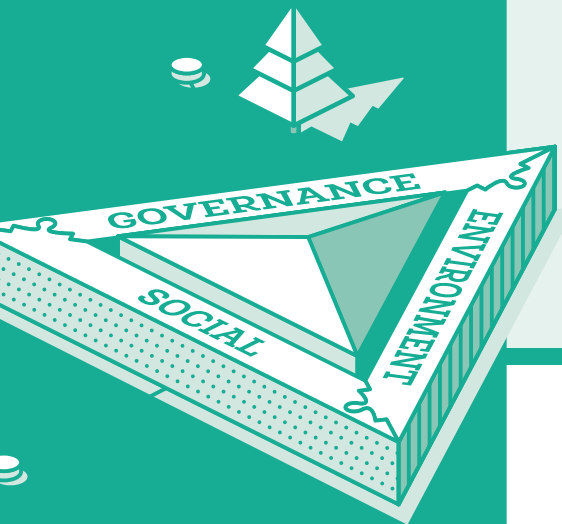
(5) Determining Material Topics

Sustainability issues were ranked and identified for their importance based on the degree of stakeholder concern and their impact on the company. For this report, issues that were classified as having a high level of concern and a medium to high impact were identified as the material topics for 2023. These eight material topics include: Information Security and Data Protection, Product and Service Quality, Innovative Products, Market Development and Marketing, Integrity Management and Legal Compliance, Labor/Employment Relations, Talent Cultivation and Development, and Operational Performance.

high		· Ethic and Compliance
		· Labor/Employment Relations
		· Talent Acquisition & Development
		· Operational Efficiency
			· Information Security and
			· Data Protection
			  Product and Service Quality
			· Innovative Products
			  Market Development and
			· Marketing.

Concern Stakeholder	· Social Participation · Climate Change Mitigation	· Occupational Health & Safety · GHG management · Use of Resources · Supply Chain Management · Waste Management & Environmental Protection	· Innovation Capability
Low		Economic, environmental and human rights impact	**high**

■ **major themes**

Materiality Matrix for Sustainability Issues

(6) Sustainability Planning and Management

In 2023, SYSCOM focused on explaining the impact, management policies, and medium to long-term goals/indicators of the eight key material topics, the communication channels with stakeholders regarding these topics are also elaborated. Additionally, SYSCOM continues to monitor other important issues, with the Sustainability Development Promotion Task Force regularly supervising and reviewing the implementation status of each material topic, and are reported and discussed in relevant meetings according to management policies. Furthermore, SYSCOM discloses specific actions and outcomes to stakeholders through the official website, the Market Observation Post System, and the annual sustainability report, ensuring transparency with all stakeholders regarding sustainability efforts.

System Material Topics Impact Descriptions

● Direct Impact   ○ Indirect Impact   — No Impact

Material Topics	Corresponding GRI	Corresponding SDGs	Stakeholders						Material Topics Impact	Corresponding Pages
			Employees	Stockholders (Board)	Suppliers	Clients	Government Agencies	Media (Community)		
Operational Performance	GRI 201		○	●	●	○	○	—	The company actively collaborates with cross-disciplinary and international partners to expand market opportunities and enhance market insights. This strategy not only promotes industry development but also helps businesses explore new markets and increase market share. By actively participating in industry associations and related activities, SYSCOM drives sales and profit growth. These efforts help mitigate the impact of interest rate fluctuations, exchange rate changes, and inflation on the company's financial performance.	IV. Corporate Governance-Operational Performance
Market Development and Marketing	GRI 2-6	8 DECENT WORK AND ECONOMIC GROWTH	○	○	●	●	●	—	The company is dedicated to self-developing and self-innovating products, and actively engages in international collaborations, exhibitions, and marketing activities. Building the brand and reputation helps maintain high quality, reduce project costs, and increase customer satisfaction. This approach addresses technological changes (including information security risks), industry changes, and uncertainties in market investment returns.	VI. Partnerships-Clients IX. Social Participation
Innovative Products	GRI 2-6	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	○	○	●	●	●	—	The company adheres to a service design thinking approach for product development, focusing on customer-oriented innovation. SYSCOM has won numerous quality awards, which helps maintain high quality, reduce project costs, and enhance marketing efforts, and also aids in accelerating the intelligentization of various industries, providing a comprehensive and forward-looking product lineup that avoids the impacts of homogeneous competition. Government subsidies can further support the development and promotion of innovative products.	II. Industry and Value Chain-Innovation and R&D Achievements V. Risk Management-Intellectual Property Management
Product Quality Management	-		○	○	●	●	●	—	The company strengthens design quality thinking, shifting the focus from price competition to value competition, actively introducing international standard certifications, SYSCOM plans and provides customers with high-value solutions, establishing industry benchmarks and achieving national-level recognition enhancing employee morale and quality recognition while gaining customer trust.	I. About SYSCOM Computer Engineering Company - Company Overview VI. Partnerships-Clients

Material Topics	Corresponding GRI	Corresponding SDGs	Stakeholders						Material Topics Impact	Corresponding Pages
			Employees	Stockholders (Board)	Suppliers	Clients	Government Agencies	Media (Community)		
Information Security and Data Protection	GRI 418	-	●	●	●	●	●	○	The company addresses new information security threats and fulfills its commitment to protecting customer data, ensuring that customer operations are not affected by security incidents. As an agent for significant international products and a developer of proprietary products, SYSCOM continuously updates and adheres to international standards. By establishing robust information security and data protection mechanisms and environments, the company gains customer trust and generates business opportunities.	V. Risk Management-Information Security
Integrity Management and Legal Compliance	GRI 2-27 GRI 205	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	●	●	●	●	●	○	Integrity is the foundation of the company's operations, contributing to improved operational efficiency. Legal actions such as anti-competitive behavior, antitrust, and monopolistic practices can lead to financial and reputational losses, increased compliance costs, and a loss of market advantage, allowing competitors to capture market share. Unethical incidents can erode long-term trust among colleagues and partners. SYSCOM strictly adheres to business ethics, ensures financial transparency, protects shareholder rights, and enhances corporate reputation, striving to be a brand that customers can trust.	IV. Corporate Governance-Integrity Management V. Risk Management-Anti-corruption, Privacy
Labor/ Employment Relations	GRI 2-6 GRI 401	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	●	○	–	–	–	–	The company values labor relations management and establishes effective communication mechanisms. Effective labor relations management enhances employee satisfaction and loyalty, boosts competitiveness and market position, and improves corporate image and social responsibility.	VIII. Happy Workplace-Compensation and Benefits
Talent Cultivation	GRI 404	4 QUALITY EDUCATION 10 REDUCED INEQUALITIES 5 GENDER EQUALITY	●	○	–	–	–	–	The company actively develops leadership and builds a talent pipeline, creating a continuous talent pool. By providing targeted training and career development opportunities, SYSCOM increases employee cohesion, improves efficiency, reduces costs, fosters innovation, and opens new markets. This approach addresses challenges in talent acquisition and retention, preventing organizational gaps that could impede R&D and innovation, or affect sustainability and industry competitiveness.	VIII. Happy Workplace-Training and Development
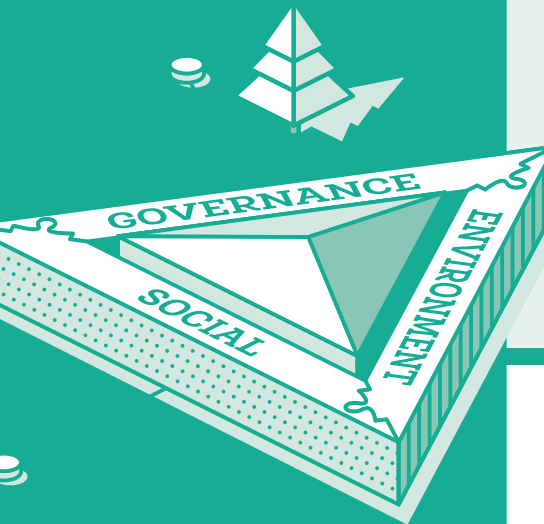
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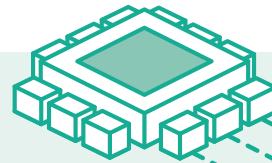
Management Policies for SYSCOM's Material Topics

Material Topic	Policy/Commitment	Unit Responsible	Management Mechanism/ Tracking and Review Mechanism	Evaluation Goals/ Indicators	Corresponding Pages
Operational Performance	Ensure sustained growth potential, profitability, long-term competitiveness, and a strong work environment.	• Business Groups	• Board meetings • Monthly business group budget meetings • Business meetings • Product department monthly meetings	• 2023 : 12.94% profit growth. • 2025 : Positive growth in operational profits. • 2030 : Positive growth in operational profits.	IV. Corporate Governance- Operational Performance
Market Development and Marketing	Provide reliable services, pursue service quality, enhance service standards, and meet customer needs. • Company annual goals and policies • Annual marketing and promotion plan	• Market and Product Marketing Business Group	• Annual kick-off meeting • Monthly business group budget meetings • Monthly Future Committee Alliance meetings • Weekly self-developed product committee meetings • Monthly product department meetings	• 2023: Regular exchanges through information communication platforms with key domestic startups via the Future Committee Alliance. 2025: Maintain interaction and exchange through the Future Committee Alliance. 2030: Maintain interaction and exchange through the Future Committee Alliance.	VI. Partnerships- Clients IX. Social Participation
Innovation	Ensure that each R&D product meets market demands and is executed on time and with quality. • Self-owned R&D product evaluation management measures, • Self-owned R&D products sales management measures • Patent incentive measures	• Self-Developed Product Committee • Product Business Center	• Weekly product R&D review meetings • Weekly self-developed product committee meetings • Monthly product department meetings	• 2023: Accumulated 74 patents. • 2025: Accumulated 77 patents. • 2030: Accumulated 80 patents.	II. Industry and Value Chain- Innovation and R&D Achievements V. Risk Management- Intellectual Property Management
Product Quality Management	Develop high-value products, pursue high-quality services, create high-profit markets through full participation. • Quality management system documents (quality policy, quality management manual, project monitoring and measurement procedures, etc...)	• Quality Management Review Committee • Process Improvement Team • R&D Center • Technical Center	• Bi-annual management review meetings • Monthly process improvement meetings • Monthly R&D center (RSDCDO) meetings • Monthly technical center (TCCDO) meetings • Weekly high-level technical supervisor (CDO) meetings	• 2023: Achieved CMMI ML3, ISO9001, ISO9002, ISO/IEC 20000-1:2018 certifications. • 2025: Maintain relevant quality certifications. • 2030: Maintain relevant quality certifications.	I. About SYSCOM Computer Engineering Company - Company Overview VI. Partnerships- Clients
Information Security and Data Protection	Establish an information security culture, implement information security systems, enhance information security protection, and reduce operational risks to create an environment of	• Information Security Committee • Quality Management Review Committee	• Regular Bi-weekly meetings • Monthly meetings • Quarterly meetings • Monthly process improvement meetings	• 2023: Maintain ISO27001 certification and information security training; no data breaches. • 2025: Maintain ISO27001 certification and information security training; no data breaches.	V. Risk Management- Information Security

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Material Topic	Policy/Commitment	Unit Responsible	Management Mechanism/ Tracking and Review Mechanism	Evaluation Goals/ Indicators	Corresponding Pages
Information Security and Data Protection	confidentiality, integrity, and availability, achieving the organization's information security management goals. • Quality management system documents • SYSCOM information security control and management measures	• Process Improvement Team • Business Groups	• Annual information security and privacy management training for all employees at least once	• 2030: Maintain ISO27001 certification and information security training; no data breaches.	V. Risk Management-Information Security
Integrity Management and Legal Compliance	Establish a sound corporate governance system, honestly disclose any violations to maintain sustainable operations. • Integrity management code Integrity management • procedures and conduct guidelines • Code of ethical conduct • Employee work rules • Whistleblowing and complaint procedures	• Business Groups • Administrative Planning Office	• Board of Directors meetings • Monthly business group budget meetings • Business meetings • Monthly product department meetings	• 2023: Achieve 98% completion rate of integrity management indicators. • 2025: Achieve 100% completion rate of integrity management indicators. • 2030: Maintain 100% completion rate of integrity management indicators.	IV. Corporate Governance-Integrity Management V. Risk Management-Anti-corruption , Privacy
Labor/ Employment Relations	Create a happy, friendly workplace, including salary benefits and talent development, ensuring continuous employee contribution and growth within the organization. • Employee rewards and disciplinary measures • Anti-corruption and business ethics code • Environmental management regulations • Occupational safety and health working regulations • Safety inspection regulations	• Business Groups • General Administration Office • Employee Welfare Committee • Labor Safety Office	• Quarterly welfare committee meetings • Annual labor-management meetings. • Annual health check-ups and consultations for employees. • Annual visits from contracted physicians. • Supervisor briefings (three times a year) • Information dissemination via bulletin boards.	• 2023: Provided group insurance covering employees, spouses, and children, including life insurance, accident insurance, hospitalization insurance, and cancer insurance. • 2025: Continue providing group insurance benefits. • 2030: Continue providing group insurance benefits.	VIII. Happy Workplace-Compensation and Benefits
Talent Cultivation	Improve human resource quality and development advantages, establish education and training methods to support sustainable operations, and provide comprehensive professional training, encouraging employees to pursue professional certifications. • Annual education and training plan • Quality policy specification manual • Education and training mechanisms • Training procedures manual	• Business Groups • General Administration Office • Training Committee	• Bi-annual management review meetings • Monthly process improvement meetings • Monthly training committee meetings • Weekly high-level technical supervisor (CDO) Meetings	• Each technical staff member must have three valid certifications. • Each sales staff must attend two certification courses annually. • 2023 annual training budget: 6.75 million, 7,263 participants. • 2025: Annual training budget: 7.2 million, 7,500 participants. • 2030: Annual training budget: 7.5 million, 8,000 participants.	VIII. Happy Workplace-Training and Development

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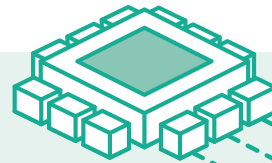
Stakeholder Communication Channels

Stakeholders	Stakeholder Significance to SYSCOM	Communication Frequency and Channels	Our Response	Corresponding Chapters
Employees	Employees are the company's most important partners. Talent and innovation are key to building core competitiveness and the foundation for sustainable operations.	• Annual health check-ups and consultations. • Annual visits from contracted physicians. • Annual labor-management meetings. • Regular supervisor briefings and information dissemination via bulletin boards. • Established employee grievance channels for prompt feedback. • Contact： ◆ Administrative Planning Office - HR Management Room ◆ Phone: 02-2312-8643 ◆ Fax: 02-2371-5231 ◆ Email: HRD@syscom.com.tw	• 1,278 employee health check-ups conducted. • 4 labor-management meetings held. • 19 occupational safety and health announcements made. • 377 health consultations by visiting physicians. • 3 supervisor briefings held.	VIII. Happy Workplace
Stockholders (Board)	Shareholder support is a driving force for steady growth. The company aims to maximize shareholder value with transparent operations and financial disclosures.	• Annual general shareholders' meeting. • At least one annual investor conference. • Financial and significant information disclosed on the company website and Market Observation Post System as required. • The company website has an email address and contact number to establish a smooth communication channel between investors and the company. • Communication channels: ◆ Spokesperson: Deputy President Jingchuan Zeng ◆ Deputy Spokesperson: Head of Departments Zhizhong Chen ◆ Phone: (02) 2191-6066 ◆ Email: info@syscom.com.tw	• 24 significant announcements, notices, and news releases on the Market Observation Post System and company website. • 1 investor conference held. • Multiple responses to shareholder inquiries via phone or email.	III. Sustainable Management IV. Corporate Governance

Stakeholders	Stakeholder Significance to SYSCOM	Communication Frequency and Channels	Our Response	Corresponding Chapters
Suppliers	Establish long-term partnerships with suppliers to create greater mutual benefits.	• Daily business communication through visits, phone calls, emails, product seminars, and meetings. • Suppliers sign commitment to corporate social responsibility. • Annual supplier evaluations. • Contact: ◆ Contact: Ms. Hsu ◆ Phone: 02-21916066 #8323 ◆ Email: zoe_hsu@syscom.com.tw	• 100% of new suppliers signed the supplier commitment. • 100% of project-specific customer confidentiality agreements signed. • Annual supplier evaluations conducted, with no high-risk suppliers identified.	VI. Partnerships
Clients	SYSCOM's customers span various industries, focusing on enhancing customer experience and mutual growth.	• Regular communication through visits, phone calls, emails, and meetings. • Customer visits to assist with software and hardware upgrade plans. • Seminars and product information sessions. • Contact： ◆ Customer service phone：(02)2191-6066 ◆ E-Mail：info@syscom.com.tw	• 92 product related posts on Facebook and the company website. • Participation in AIoT and Smart City exhibitions.	VI. Partnerships
Government Agencies	Adherence to local government regulations at each operational site, contributing to local employment and tax revenue.	• Occasional participation in regulatory briefings and promotional meetings. • Responses to official documents and phone inquiries. • Regular financial and annual report announcements. • Contact： ◆ Phone：(02)2191-6066	• Regular disclosure of financial reports and annual reports as required. • No regulatory violations.	III. Sustainable Management IV. Corporate Governance
Media and Community	Media is a key channel for stakeholder communication; continually conveying the company's brand image to the public helps reach a broader audience.	• Multiple forums, seminars, press releases, special interviews, and press conferences.	• Company website: Sustainable Development ESG - Social Inclusion	IX. Social Participation

IV. Corporate Governance   GRI 2-9
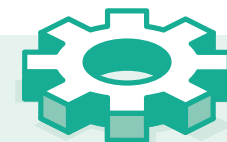
1. Corporate Governance Structure
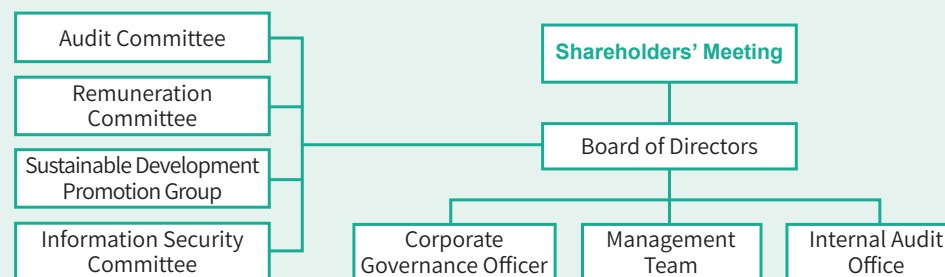
Note 1: The functional committees include the Audit Committee and the Remuneration Committee

Corporate Governance Organizational Chart

The Board of Directors is the highest decision-making and governance body at SYSCOM. The Board's responsibilities primarily include supervising the achievement of SYSCOM's operational goals and improving business performance, providing strategic guidance to the management team, ensuring compliance with various laws and regulations, and other powers granted by law and shareholder resolutions. The Board meets at least quarterly, and all resolutions are publicly disclosed on SYSCOM's website and in the annual report.

The Board has established the Audit Committee and the Remuneration Committee, both composed entirely of independent directors. These committees assist the Board in decision-making through professional division of labor and independent perspectives, aiming to enhance supervisory functions and strengthen management capabilities, thereby actively implementing corporate governance. Additionally, there are non-functional committees such as the Sustainable Development Promotion Task Force and the Information Security Committee.

On March 18, 2021, the Board approved the establishment of a Corporate Governance Officer. The main responsibilities of this role include providing necessary information for directors to execute their duties, organizing Board and shareholder meetings in accordance with the law, handling company registration and changes, preparing minutes for Board and shareholder meetings, assisting directors with onboarding and continuous education, ensuring directors' compliance with laws and regulations, enhancing the Board's functionality, and protecting stakeholders' rights and ensuring equal treatment of shareholders. The company has also established the [Standard Operating Procedure for Handling Directors' Requests] to enhance corporate governance operations.

2. Board Operations and Diversity   GRI 2-10、GRI 2-11、GRI 2-15、GRI 2-17、GRI 205-2

(1) Board Operations

The selection and nomination of the members of SYSCOM's Board of Directors are conducted in accordance with SYSCOM's Articles of Incorporation, the "Board Selection Procedures," the "Corporate Governance Code," and relevant legal regulations. Directors are elected through a candidate nomination system, where candidates are nominated by the Board or shareholders holding a specified proportion of shares. Nominations and qualifications are reviewed according to the regulations and then submitted to the shareholders' meeting for election.

SYSCOM ensures diversity and independence in the Board, considering the perspectives of stakeholders, and planning the appropriate composition and candidates for the Board. According to Article 20 of SYSCOM's "Corporate Governance Code," the number of directors who concurrently serve as company managers shall not exceed one-third of the total number of board seats. In addition, the Board shall formulate appropriate diversification policies based on its own operations, including but not limited to the following two major aspects:

1. Basic Attributes and Values: Gender, age, nationality, and culture.
2. Professional Knowledge and Skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills and industry experience. Board members should possess the necessary knowledge, skills, and competence to perform their duties.

To achieve the ideal goal of corporate governance, the Board as a whole should possess the following abilities: operational judgment, accounting and financial analysis, management capability, crisis management, industry knowledge, international market perspective, leadership, and decision-making.

SYSCOM's Board consists of 7 members (including 3 independent directors), with a term of three years, from July 29, 2021, to July 28, 2024. In 2023, the Board met 6 times with an average attendance rate of 95.24%.
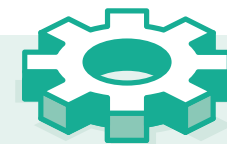
(2) Board Diversity and Independence

SYSCOM's Board of Directors consists of seven directors, including three independent directors and two directors who concurrently serve as company managers. The ratio of directors concurrently serving as managers is 29%, which does not exceed one-third of the total number of board seats. There are no instances of more than half of the directors having a spousal or second-degree kinship relationship. Independent directors make up 43% of the Board, with two having served for 3 to 9 years and one for less than 3 years. The Board members' ages are as follows: two are over 71 years old, four are between 61 and 70, and one is between 51 and 60. There are two female directors, making up 29% of the Board. Following the re-election in June 2024, there will be three female directors out of seven.

To ensure the independence of directors and avoid conflicts of interest, the three independent directors appointed by SYSCOM have continuous tenures not exceeding nine years. Additionally, according to SYSCOM's "Rules of Procedure for Board Meetings," directors and managers who have conflicts of interest with the matters discussed in the meeting, either personally or on behalf of the legal entities they represent, shall disclose the important details of their conflicts of interest and recuse themselves from discussions and voting. They are also not allowed to represent other directors in exercising their voting rights. For proposals submitted to the Board of Directors, SYSCOM has clearly recorded in the meeting minutes the names of directors who have conflicts of interest with the proposals, either personally or on behalf of the legal entities they represent, along with a description of the important details of the conflicts and their recusal.

SYSCOM's "Regulations on the Scope of Duties of Independent Directors" explicitly stipulates that "if an independent director has objections or reservations, it shall be recorded in the minutes of the board meeting," "SYSCOM shall not obstruct, refuse, or evade the performance of duties by independent directors," and "independent directors may request the Board of Directors to assign relevant personnel or hire experts to assist in the performance of their duties when deemed necessary." These measures are in place to enable independent directors to fulfill their responsibilities effectively, thereby enhancing the operation of the Board of Directors and SYSCOM's overall performance.
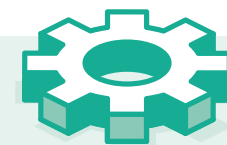
Board member diversity, independence, and professionalism are detailed below:

Board Members

Criteria / Name	Professional Qualifications and Experiences	Status of independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chairman Jui-Fu Liu	Major Education: · Department of Electrical Engineering, National Cheng Kung University · Honorary Doctorate, National Dong Hwa University Major Experience: · Chairman and Chief Strategy Officer of SYSCOM COMPUTER ENGINEERING CO. · Director of CASEMaker Inc. · Director of ACTISYS INTERNATIONAL CORPORATION · chairman of the Taipei Computer Association · chairman of Information Month Compaign Committee	1. Concurrently Chief Strategy Officer of the Company, a managerial officer. 2. Concurrently a director of an affiliate of the Company (100% subsidiary). 3. Natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 shareholders in the name of itself and its spouse. 4. A relative within the second degree of kinship of directors Jui-Long Liu and Chih-Chun Liu. 5. A shareholder holding more than 5% of the stake of a company with which the Company has business dealings. 6. The independence requirements set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission (FSC) has been met.	0
Director Jui-Long Liu	Major Education: · Institute of Management Science, National Chiao Tung University Major Experience: · President of SYSCOM COMPUTER ENGINEERING CO. · President of CASEMaker Inc. · Lecturer of Tamkang University · President of Information Service Industry Association of R.O.C. · Vice Chairman and Executive Director of Cloud Computing & IoT Association in Taiwan · Vice Chairman and Executive Director of Digital Transformation Association · Director of National Information Infrastructure Enterprise Promotion Association · President of National Quality and Sustainable Excellence Alliance	1. Concurrently President of the Company, a managerial officer. 2. Concurrently a director of an affiliate of the Company (100% subsidiary). 3. A relative within the second degree of kinship of director Jui-Fu Liu. 4. The independence requirements set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission has been met.	0

Criteria / Name	Professional Qualifications and Experiences	Status of independence	Number of other public companies in which the individual is concurrently serving as an independent director
Director Po-Wen Wang	Major Education: · Department of Science and Management, Graduate Institute of Business Administration, National Chengchi University Major Experience: · Deputy Director of Engineering Development Office, National Chung-Shan Institute of Science & Technology	The independence requirements set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission has been met.	0
Director Chih-Chun Liu	Major Education: · Computer Animation Department, San Francisco University of the Arts Major Experience: · Supervisor of SYSCOM COMPUTER ENGINEERING CO. · Supervisor of Welida Investment Co., Ltd.	1. Concurrently supervisor of affiliates of the Company. 2. Natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 shareholders in the name of itself. 3. A relative within the second degree of kinship of director Jui-Fu Liu. 4. A supervisor of a company with which the Company has business dealings. The independence requirements set forth in 5. the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission has been met.	0
Independent Director Che-Fu Kung	Major Education: · Department of International Trade, Tunghai University Major Experience: · Member of the Remuneration Committee of the Company · Assistant VP of WUS PRINTED CIRCUIT CO., LTD. With work experience in commerce and related areas required for the Company's business.	The three independent directors of the Company have met the qualifications set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act promulgated by the Financial Supervisory Commission during the two years prior to their election and during their terms of office, and all of the independent directors have been granted the right to participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, so that they can independently perform the relevant duties and responsibilities.	0
Independent Director Wang-Ying Yu	Major Education: · Department of International Trade, National Taipei College of Business Major Experience: · Member of the Remuneration Committee of SYSCOM COMPUTER ENGINEERING CO., · Manager of Finance Department, · Manager of Sales Department, · Marketing Division, and Assistant Manager of dministration Department, DOUBLE CRANE ENTERPRISE CO., LTD. With more than 5 years of work experience in commerce, financial, accounting or related areas required for the Company's business		0
Independent Director Chung-Lieh Kuo	Major Education: · Department of Business Administration, Chung Hua University Major Experience: · Member of the Remuneration Committee of the Company · Manager of Orient Semiconductor Electronics, Ltd. With work experience in related areas required for the Company's business		0

Board Member Diversity

Core Diversity Items			Jui-Fu Liu	Jui-Long Liu	Po-Wen Wang	Chih-Chun Liu	Che-Fu Kung	Wang-Ying Yu	Chung-Lieh Kuo
Basic Makeup		Nationality	ROC	ROC	ROC	ROC	ROC	ROC	ROC
		Gender	Male	Male	Male	Female	Male	Female	Male
		Also an empoyee of the company	V	V					
	Age	41-50							
		51-60				V			
		61-70		V			V	V	V
		71-80	V		V				
	Tenure as an independent director	Under 3 years							V
		3-9 years					V	V	
		Over 9 years							
Professional Capability		The ability to make judgments about operations.	V	V	V	V	V	V	V
		Accounting and financial analysis ability.	V	V	*	*	*	V	*
		Business management ability.	V	V	V	V	V	V	V
		Crisis management ability.	V	V	V	V	V	V	V
		Industry knowledge	V	V	V	V	V	V	V
		International market perspective.	V	V	V	V	V	V	V
		Leadership	V	V	V	V	V	V	V
		Decision-making ability	V	V	V	V	V	V	V

Note: * Possesses partial capabilities

The Corporate Governance Team proactively assists directors in complying with various laws and regulations and practical codes of conduct, and also helps arrange training courses for directors. The details of director training are as follows, 4 directors received anti-corruption training, accounting for 57%.

Director Training Courses

Training Course	Participants	Hours
Listed and OTC Companies Sustainable Development Action Plan Seminar	2	6
2023 Insider Trading Prevention Seminar	4	12
2023 Legal Compliance Seminar on Insider Equity Transactions	3	9
14th Taipei Corporate Governance Forum	1	3

※ 2023 courses

(3) Board Performance Evaluation GRI 2-18

SYSCOM has established the "Rules for Performance Evaluation of the Board of Directors" to conduct board performance evaluations. At least once a year, the Board of Directors, individual board members, and functional committee members (including the Remuneration Committee and Audit Committee) undergo performance evaluations to ensure the effectiveness of board operations and assess the performance of directors. The implementation of the 2023 board performance evaluation is outlined in the following table.

2023 Board Performance Evaluation

Cycle	Once a year
Period	January 1, 2023 to December 31, 2023
Scope	Board of Directors,the functional committees
Method	Internal self-evaluation by the Board of Directors,Board member self-evaluation,Audit Committee members' self- evaluation,Remuneration Committee members' self-evaluation.
Content	1. Board performance evaluation metrics include: The extent of participation in the Company's operations,Improvement in the quality of the board's decision-making,Composition and structure of the board,Election and continuing education of directors,Internal control. 2. Individual director self-performance evaluation metrics include: Alignment of the Company's objectives and tasks,Perception of directors' responsibilities,The extent of participation in the Company's operations,Internal relationship management and communication, Professionalism and continuing education of directors,Internal control. 3. Audit Committee performance evaluation metrics include: The extent of participation in the Company's operations,Perception of Audit Committee's responsibilities,Improvement in the quality of the Audit Committee's decision-making,Composition and appointment of Audit Committee members,Internal control. 4. Remuneration Committee performance evaluation metrics include: The extent of participation in the Company's operations,Perception of Remuneration Committee's responsibilities,Improvement in the quality of the Remuneration Committee's decision-making,Composition and appointment of Remuneration Committee members,Internal control.
Results	In the first quarter of 2024, a comprehensive self-assessment of the performances of the Board of Directors, Audit Committee, Remuneration Committee, and individual board members of 2023 was conducted through questionnaires. The results were reported to the Board of Directors, and all performance indicators exceeded the standards, demonstrating the sound overall operation of SYSCOM's Board of Directors, Audit Committee, and Remuneration Committee.

(4) Board Reporting on ESG Issues

SYSCOM' s reporting to the Board of Directors covers material ESG issues, including: business performance reports, financial status reports, internal audit reports, sustainable development progress, information security management, intellectual property management, risk management, implementation of ethical business practices, board performance evaluation, greenhouse gas inventory

(5) Remuneration Policies   GRI 2-19、GRI 2-20

SYSCOM has established a Remuneration Committee responsible for formulating and periodically reviewing the performance goals, remuneration policies, systems, standards, and structures for SYSCOM' s directors and managers. The committee also regularly assesses the achievement of performance goals to ensure a sound remuneration system for directors and managers.

The remuneration of directors and managers is primarily based on SYSCOM' s Articles of Association, the "Remuneration System for Directors, Functional Committees, and Managers,"SYSCOM's salary approval regulations, and other relevant provisions, and has been reviewed and approved by the Remuneration Committee.

1. The remuneration of SYSCOM's chairman and directors is authorized by the Board of Directors, taking into consideration the extent of their participation in SYSCOM's operations, their contribution value, and the prevailing industry standards. All directors may receive travel allowances based on actual circumstances.
2. The performance evaluation and remuneration of directors and managers shall reference the prevailing industry standards, considering factors such as individual time commitment, responsibilities, personal goal achievement, performance in other positions, SYSCOM's remuneration for similar positions in recent years, as well as the achievement of SYSCOM's short-term and long-term business goals, financial status, and the rationality of the relationship between individual performance, company performance, and future risks.
3. Currently, directors only receive fixed monthly remuneration, travel allowances, or attendance fees, and do not receive variable remuneration.
4. The remuneration of managers includes fixed salary based on educational background, work experience, professional skills, and job responsibilities. The calculation principles for non-fixed salary mainly depend on individual performance achievement rates, departmental performance indicators, and SYSCOM's overall operating performance. The remuneration system is reviewed periodically, taking into account external competitive environments, industry development trends, and future risk correlations.
5. The 2023 performance evaluation of directors and functional committees, as well as the remuneration of managers, have been reviewed and approved by the Remuneration Committee and discussed and approved by the Board of Directors.

3. Functional Committees and Operational Mechanisms   GRI 205-2 、 GRI 205-3
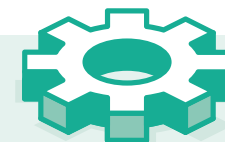
(I) Audit Committee Operations

SYSCOM established an Audit Committee on July 29, 2021, in accordance with the law. All independent directors serve as members of the Audit Committee, operating under the "Audit Committee Charter." The committee convenes at least once per quarter to oversee the quality and integrity of the company's accounting, auditing, financial reporting, and financial controls, thereby continuously enhancing the effectiveness of the Board of Directors and fostering a sound corporate governance culture.

In 2023, the Audit Committee held a total of five meetings, with a 100% attendance rate for all committee members. Details of the matters reviewed are provided in the annual report.

Audit Committee Composition and Supervisory Authority

Composition	· Composed of all independent directors, with at least one member possessing accounting or financial expertise. · The term of each committee member is three years, and re-election is permitted.
Supervisory Authority	· Fair presentation of the company's financial statements. · Appointment (and dismissal) of certified public accountants, and oversight of their independence and performance. · Effective implementation of the company's internal controls. · Managing SYSCOM's compliance with relevant laws and regulations. · Management of the company's existing or potential risks.

(II) Remuneration Committee Operations

To ensure a sound remuneration system for directors and managers, SYSCOM has established a Remuneration Committee and formulated the "Remuneration Committee Charter." The committee convenes at least twice a year. In 2023, it held two meetings, with a 100% attendance rate for all committee members. Details of the discussions and resolutions of the Remuneration Committee in 2023 can be found in the annual report.

Remuneration Committee Composition and Supervisory Authority

Composition	· The committee consists of 3 members, appointed by the Board of Directors, with a majority being independent directors. · Currently, the committee is composed of 3 independent directors.
Supervisory Authority	· Regularly review the committee's regulations and propose amendments. · Establish and periodically review the policies, systems, standards, and structures for the annual and long-term performance goals and remuneration of the company's directors and managers. · Regularly evaluate the achievement of performance goals by the company's directors and managers, and determine the content and amount of their individual remuneration.
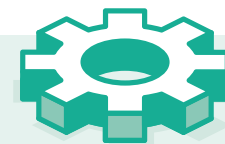
4. Functions of Major Departments   GRI 2-12

Shareholders' Meeting

Audit Committee

Remuneration Committee

Sustainable Development Promotion Group

Information Security Committee

Board of Directors — Audit Office

Chairman

President

- Telecommunication Services Business Group
- Telecommunications Business Group
- Public Services Systems Business Group
- Corporate Services Business Group
- Financial Holding Systems Business Group
- Marketing and Product Marketing Business Group
- Customer Services Business Group
- Software Business Group
- R&D Center
- Technology Center
- Marketing Division
- Administration Principal Division

Note 1: The functional committees refer to the Audit Committee and the Remuneration Committee.

SYSCOM Organization Chart

Businesses of Each Major Department
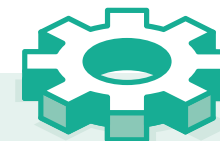
Major department	Businesses	Managers
President	Responsible for the planning and integration of the company's long-term and short-term operational direction and decisions.	1
Telecommunication Services Business Group	Provide system integration of telecommunication networks and value-added application services, sales and solutions for information and communications as a whole, and provide consulting and software development services for information and communications equipment-related products.	13
Telecommunications Business Group	Provide sale and planning of hardware and software equipment system integration for telecommunications customers, as well as sales, design and construction services for related products.	18
Public Services Systems Business Group	Provide sale and planning of hardware and software equipment system integration for government and school customers, as well as sales, design and construction services for network-related products.	9
Corporate Services Business Group	Provide sales, planning, establishment and maintenance services of hardware and software equipment system integration for corporate and financial customers, as well as sales, design and construction services for related products.	6
Financial Holding Systems Business Group	Provide sale and planning of hardware and software equipment system integration for customers in the securities/futures/general corporate fields under financial holding, as well as sales and design services for network- related products.	6
Marketing and Product Marketing Business Group	Responsible for formulating marketing strategies, product strategies, product pricing and sales of the company's products.	23
Customer Services Business Group	Provide sale and planning of hardware and software equipment system integration for customers in the securities/futures/regional finance/general corporate fields, as well as sales, design and construction services for network-related products.	4
Software Business Group	Responsible for the sales of software applications with software tools/platforms as the core.	15
R&D Center	Responsible for the research and development of software tools, etc. and the preparation and execution of research and development plans.	29
Technology Center	Provide internal technical support and support, maintenance and technical consultation services for hardware and software computer equipment to customers.	18
Marketing Division	Responsible for business system planning, execution, evaluation, and industry strategy research.	1
Administration Principal Division	Responsible for human resources, treasury, accounting, general affairs, and management analysis.	5
Audit Office	Responsible for auditing the implementation of internal control systems for business, finance and operations of each unit.	1

5. Operational Performance
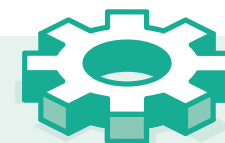
The global pandemic, which has lasted for two years, has prompted companies to expand their investments in IT services and cloud software, continuously accelerating their transformation, leveraging innovative technology applications to enhance organizational resilience in response to industry and broader environmental changes. SYSCOM actively collaborates across domains with international partners to expand market opportunities and gain deeper market insights. To promote industrial development and assist enterprises in exploring new markets and increasing market share, SYSCOM adheres to the principles of technological leadership and innovative services, showcasing its robust capabilities in software and hardware systems integration. With CMMI quality standards and capacity utilization as core foundations, SYSCOM develops next-generation industrial application services, seizing opportunities in relevant application fields and thereby driving growth in corporate sales and profits.

(I) Financial Performance and Economic Value   GRI–201–1

Financial Performance in the Past 3 Years   Unit: Thousand TWD

Category	Item	2021	2022	2023
Financial Performance	Operating Revenue	5,869,595	5,950,524	6,383,820
	Operating Gross Profit	1,424,263	1,518,500	1,660,878
	Operating Profit/Loss	254,826	264,405	285,459
	Net Profit Before Tax	271,857	304,656	329,507
	Net Profit	214,977	244,945	276,638
	Earnings Per Share(NT$)	2.16	2.51	2.78

Unit: Thousand TWD

Economic Performance	Item	Definition	2021	2022	2023
Direct Economic Value Generated A	Operating Revenue	Operating income, non-operating income	5,886,626	5,990,775	6,427,868
Distributed Economic Value B	Operating Costs (Note 1)	Commercial operation costs	3,849,833	3,782,088	4,084,249
		Commercial operation expenses	207,249	239,515	270,255
	Employee Salaries and Benefits	Employee Salaries and Benefits (Note 2)	1,556,148	1,662,989	1,742,081
	Payments to Investors	Cash dividends paid during the year	150,000	190,000	220,000
	Payments to Government (Note 3)	Income tax expenses	56,880	59,711	52,869
	Community Investments	Donations	750	618	852
Residual Economic Value (C) (Note 4)			65,766	55,854	57,562

Notes: 1. Operating costs includes commercial operation costs and commercial operation expenses, excluding employee salaries and benefits.
2. Employee salaries and benefits are calculated as total salaries plus total benefits, excluding training expenses, director remuneration, and travel expenses.
3. Payments to government are disclosed as income tax based on corporate income tax paid during the year.
4. Residual economic value is calculated as A - B = C

(II) **Tax Information** GRI 2-23 、 GRI 201-4

SYSCOM incorporates tax assessments into all major company decisions, with approval levels elevated to the highest managerial personnel. Based on the three pillars of mutual trust, information transparency, and regulatory compliance, SYSCOM interacts with tax authorities in an honest, upright, respectful, and fair manner. The company proactively raises significant tax issues to ensure both parties focus on the efficient use of resources.

Through government subsidies for research and development, SYSCOM can concentrate its resources on R&D, accelerating development progress and stabilizing quality. This enables the company to meet market demands promptly and expand into new markets. In 2023, SYSCOM received NT$31,192,000 in subsidies for innovative industrial development from relevant government agencies such as the Ministry of Transportation and Communications and the Ministry of Digital Affairs.

(III) Business Information

SYSCOM adheres to the principle of deepening its core business while expanding into new areas. Its service scope ranges from front-end planning, design, execution, overall project management, consulting services, and integrated information system services. In response to industry developments and customer needs, SYSCOM continues to develop new businesses, such as intelligent power consumption monitoring and energy-saving systems, and generative AI solutions, effectively applying them to energy conservation, carbon reduction, and digital transformation.

6. Integrity Management   GRI 2-23、GRI2-24、GRI 2-27

SYSCOM has established In accordance with the regulations of the Ethical Corporate Management Best Practice Principles for Listed and OTC Companies, the Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Code of Ethical Conduct were established and approved by the Board of Directors. These documents clearly state the policies and practices of ethical management, along with the commitment of the Board of Directors and senior management to actively implement these management policies, ensuring the proactive execution of the company's ethical management practices. The Administrative Planning Department serves as the dedicated unit for promoting ethical corporate management. It is responsible for formulating and overseeing the implementation of ethical management policies and preventive measures, and reports to the Board of Directors on the implementation status at least once a year.

(I) Concrete Practices for Promoting Ethical Management Policies

1. Establishing a corporate culture of ethical management
2. Formulating relevant rules and regulations to implement ethical management:
   (1) Code of Ethical Conduct
   (2) Code of Ethics
   (3) Ethical Conduct Operating Procedures and Code of Conduct
   (4) Anti-Corruption and Business Ethics and Conduct Guidelines
   (5) Whistleblower Complaint Handling Procedures
3. Complying with laws and regulations and implementing internal control systems
4. Establishing whistleblower complaint channels
5. Regularly conducting education and training and promoting awareness
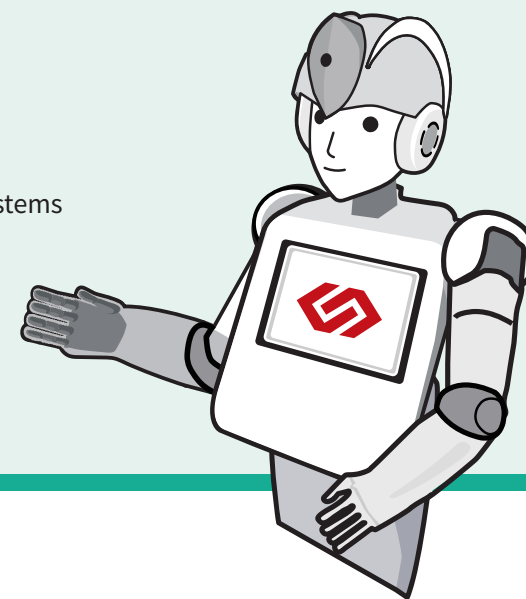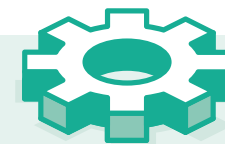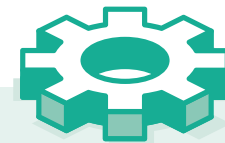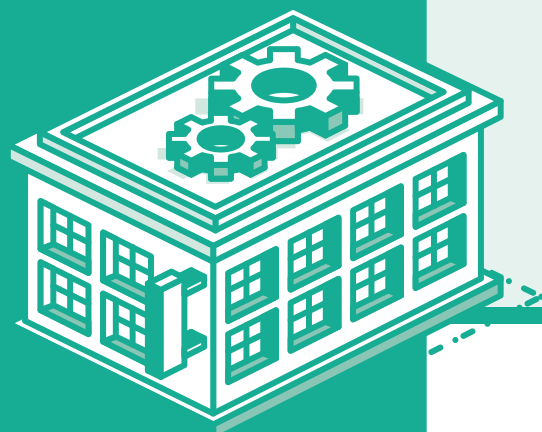
(II) Implementation Status

1. All SYSCOM personnel shall strictly abide by the company's ethical management policies and relevant regulations when engaging in business activities. They shall explicitly refuse to directly or indirectly offer, promise, demand, or accept any form of improper benefits, including rebates, commissions, or other means of providing or receiving improper benefits. To ensure that all company personnel adhere to these regulations, the company has established the "Whistleblower Complaint Handling Procedures" to prevent violations.
2. In conducting all business activities, SYSCOM adheres to the principles of compliance with the Company Act, Securities Exchange Act, Business Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Public Servants Conflict of Interest Avoidance Act, relevant regulations for listed and OTC companies, and other laws and regulations related to business conduct.
3. In addition to contractually requiring suppliers, contractors, or other partners not to engage in any illegal business activities or provide improper benefits or bribes to employees, SYSCOM may terminate or cancel contracts at any time in the event of unethical behavior by these parties.
4. SYSCOM assesses the integrity records of its business partners and includes ethical conduct clauses in contracts signed with them.
5. Regarding conflicts of interest, internal employees can report to their direct supervisors or directly to the management department supervisor.
6. To implement ethical management policies, SYSCOM reviews all transaction accounts in accordance with accounting principles and conducts special audits for unusual or questionable cases. The Audit Department conducts regular and irregular audits of various departments to implement supervision mechanisms and control various risk management aspects.
7. SYSCOM has established ethical management operating procedures to ensure that employees clearly understand the concepts and norms of ethical management. The company regularly holds supervisor talks and occasionally conducts training sessions related to ethical management, promoting the principles of ethical conduct and requiring their implementation.
8. The Company's "Employee Work Rules" stipulate disciplinary actions for unethical behavior. SYSCOM has also established "Anti-Corruption and Business Ethics and Conduct Guidelines" that require all employees to comply with relevant anti-corruption laws. To date, no incidents of unethical behavior have occurred.
9. SYSCOM's "Whistleblower Complaint Handling Procedures" clearly define the procedures for handling various whistleblower complaints and relevant confidentiality mechanisms. To date, no whistleblower complaints have been received.
10. In 2023, a total of 4,515 participants received 6,066 hours of training on topics such as the promotion of ethical management policies, business ethics and anti-corruption training for partners, Personal Information Management System (PIMS), information security, human rights protection, and internal control.
11. Based on the Taiwan Stock Exchange Corporation's procedures for verifying and publicly handling major events of listed companies, no major violations occurred in 2023.

V. Risk Management

1. Risk Management   GRI 2-25

To strengthen corporate governance and enhance the company's risk management operations, SYSCOM has established a "Risk Management Policy," which was approved by the Board of Directors on November 10, 2020, to implement risk management and control mechanisms.

SYSCOM's risk management policy is primarily risk management oriented, defining various risks based on the company's overall operational direction and establishing risk management mechanisms for early assessment, effective monitoring, and stringent control. The goal is to keep risks within acceptable or manageable ranges while strengthening risk awareness among all employees to reasonably ensure the achievement of the company's strategic objectives.

(I) Risk Management Framework and Responsibilities

The company's Board of Directors is the highest authority for risk management, responsible for approving, reviewing, and supervising the company's risk management policies to ensure their effectiveness. The scope of risk management includes market risk, operational risk, strategic risk, financial risk, legal risk, information security risk, and other risks that may cause significant losses to the company.
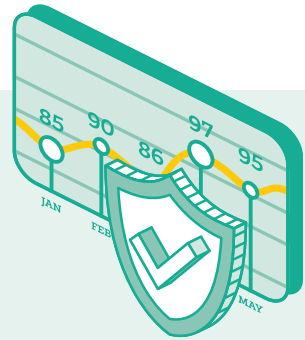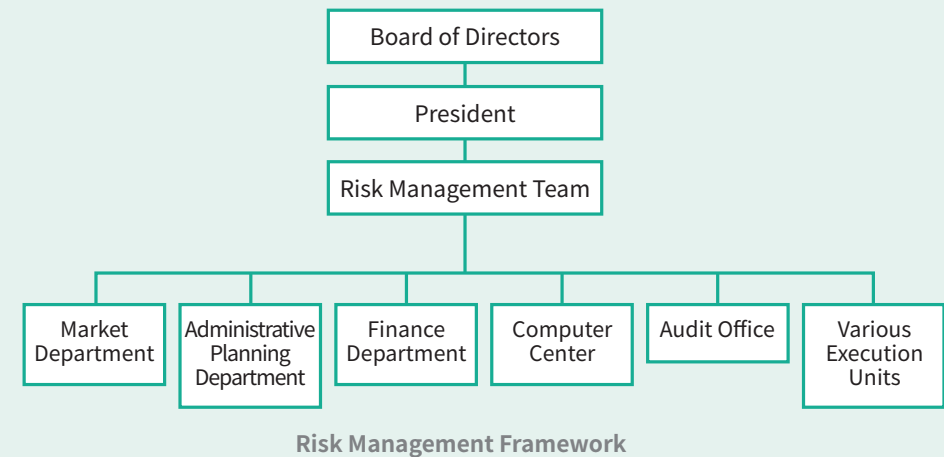
Board of Directors

President

Risk Management Team

Market Department | Administrative Planning Department | Finance Department | Computer Center | Audit Office | Various Execution Units

Risk Management Framework

Each risk working group conducts risk management based on the issues under its purview. Risk management for various operations is handled by relevant departments according to the nature of their business. The primary management units responsible for risk management of each operation are described as follows:

Main Management Units for Operational Risk Management

Responsible Unit	Responsibilities
Market Department	Responsible for formulating company market strategies, product strategies, product pricing, and market information collection and establishment to reduce strategic and operational risks.
Administrative Planning Department	Responsible for human resource management, asset protection management, promoting corporate social responsibility, and integrity management (including setting related policies, systems, and risk assessments) to reduce related risk losses.
Finance Department	Responsible for financial fund allocation and utilization, responding to exchange rate and interest rate changes, and timely use of hedging mechanisms to reduce financial risks.
Computer Center	Responsible for information security control and protective measures to reduce information security risks.
Audit Office	Responsible for auditing the implementation of internal control systems related to business, finance, and operations of each unit to strengthen the internal control system functions.
Various Execution Units	Responsible for analyzing and monitoring the business risks of their respective units to ensure the effective implementation of risk control mechanisms and procedures.
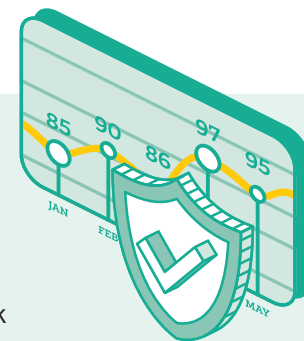
(II) Risk Management Categories

Information Security

Climate Risk

Integrated Risk Management Categories

Organizational Management

Financial Risk

Risk Management Categories

(III) Risk Management Process

Risk identification
- Identify risk ranges, risk sources, risk categories, and current control measures.

Risk analysis
- Conduct risk analysis based on the aforementioned risk ranges, risk sources, risk categories, and current control measures, including the probability of occurrence, impact, and risk value. Calculate risk value based on the probability of risk occurrence and impact under the organization's existing control measures.

Risk level
- For information security and information services, classify identified risks into the following levels: minor risk, low risk, medium risk, high risk, and severe risk.
- Software projects: Define risk items, establish risk mitigation plans, and contingency plans.Other projects decide whether to define and plan based on their own circumstances.

Risk plan
- Based on the aforementioned risk identification, risk analysis, risk value, and risk level, carry out risk treatment, including mitigation plans and contingency plans. Appropriately reduce risks, thereby reducing adverse impacts, and document the process by filling out the "Risk Management Plan."

Risk monitoring
- Each unit or software project conducts daily risk monitoring and management according to the risk management plan to reduce the possibility of risk occurrence and minimize losses and risk changes.
- The Process Improvement Team holds monthly process improvement meetings to collect, monitor, and assist each unit and software project in identifying whether risks have occurred and implementing risk response activities when they do.
- Twice a year, the person in charge of the Process Improvement Team reports to the senior management meeting/management review meeting
- Each software project and department holds regular and irregular meetings to identify and track risks based on actual situations.
- The management review meeting records are filed after being approved by senior management.

(IV) Risk Management and Materiality Matrix

Risk Category	Potential Risk Events	Risk Assessment Method	Mitigation Measures	Corresponding Material Topic	Relevant Information
Information Security	Continuous equipment updates, malware attacks leading to information risks.	• Based on ISO 27001 international standards, steps include identifying risk items, assessing risk levels, and • filtering major risks. Main measures include risk • severity and frequency. Refer to SYSCOM's Information Security Control and Management Procedures for detailed methods.	Based on the significant risks identified in the previous section, objectives and corrective actions are developed. For details, refer to SYSCOM's ISO Quality Management System documents.	• Information Security and • Personal Data Innovative Products	• Bi-weekly meetings • Monthly meetings • Quarterly meetings • Process improvement meetings (monthly) • Annual employee training on information security and privacy management
Organizational Management	Maintaining standards with insufficient personnel or expertise, leading to operational risks.	• Based on international standards such as CMMI and ISO, steps include identifying risk items, assessing risk levels, • and filtering major risks. Main measures include risk • severity and frequency. Refer to SYSCOM's ISO Quality Management System documents for detailed methods.	Based on the significant risks identified in the previous section, objectives and corrective actions are developed. For details, refer to SYSCOM's ISO quality management system documentation, and information from the Future Committee, and the Training Committee.	• Product and Service Quality • Talent Cultivation • Market Development and Marketing	• Management Review Meeting (semi-annually) • Process Improvement Meeting (monthly) • Research and Development Center (RSDCDO) Meeting (monthly) • Technical Center (TCCDO) Meeting (monthly) • Training Committee Meeting (monthly) • Senior Technical Executive (CDO) Meeting (weekly)
	Labor relations and communication risks	Through convening labor-management meetings, SYSCOM gains insights into significant issues and potential risks within the labor-employer relationship. In the event of major concerns, significant issues are discussed in meetings to reduce risks. For further details, please refer to the labor-management meeting and employee welfare committee meeting records.	Based on the significant risk items identified in the labor-management meetings and employee welfare committee meetings, SYSCOM takes appropriate measures to address them.	• Labor-Employment Relationship	• Employee Welfare Committee Meeting (quarterly) • Regular labor-management meetings are held every year

(IV) Risk Management and Materiality Matrix

Risk Category	Potential Risk Events	Risk Assessment Method	Mitigation Measures	Corresponding Material Topic	Relevant Information
Financial Risks	Risk of regulatory authorities and investors demanding disclosure of financial sustainability indicators or related performance	The finance department consolidates the indicators or items of interest to stakeholders, tracks risks and opportunities through tables, and discloses them in the annual report.	The annual report includes the implementation of financial sustainability-related information disclosure.	• Integrity Management and Legal Compliance Risk	• Board of Directors • Business Group Budget Meeting (monthly) • Business Meeting • Product Department Monthly Meeting (monthly) • Corporate Governance Evaluation Self-Assessment
Climate Risks	Risk of increased operational risks due to carbon and environmental requirements in relevant regulations	• Refer to the TCFD (Task Force on Climate-related Financial Disclosures) framework for implementation, including the following steps: identify risk items, assess risk levels, and filter out significant risks. • The main assessment criteria are risk severity and risk frequency.	Comply with relevant regulations and refer to the international TCFD framework to manage climate risk issues.	• Operational Performance • Climate Change Response	• Environmental Management Measures. • Detailed in the Climate Change Risk Chapter

(V) Climate Change Risk GRI   GRI 201-2

In response to the current extreme climate changes and potential risks, SYSCOM has established the "Environmental Management Measures" document based on industry characteristics to implement energy-saving policies. The company's environmental policy is primarily centered on "compliance with environmental regulations, conservation of global resources, and fulfilling social responsibilities." In addition to establishing an Environmental Sustainability Group within the Sustainable Development Promotion Task Force, responsible for environmental protection, green initiatives, energy conservation, and carbon reduction, the company also focuses on identifying climate-related risks and opportunities, as well as corresponding strategies and goals.

Issues	Analysis and Description	Financial Impact	Management Policy
Changing Customer Demand in the Market	Customers have different considerations when making purchasing decisions, with at least a certain proportion of low-carbon choices.	1. Increased procurement costs. 2. Increased and strengthened development and service needs, leading to higher costs for manpower and tools.	1. Enhance training for relevant personnel on sustainability promotion, establish a database, and provide consulting services to assist in company and business promotion. 2. Develop or refine proprietary products and promote them, with regular reporting and tracking in product meetings.
Impact on Image and Reputation	Incorporating sustainability assessment into supplier commitment as an evaluation criterion to mitigate corresponding negative impacts.	1. Certain percentage of procurement and related implementation increases costs. 2. Continuous promotion and explanation enhance reputation but also increase promotion costs.	
Seeking International Cooperation to Increase Business Opportunities	Introducing mature international vendors with experience and credibility in international standards is beneficial for customer use and promotion.	Increased business opportunities and revenue, simultaneously enhancing the company's reputation.	1. Seek related cooperation through the Future Committee and Product Business Center. 2. Promote through exhibitions and press conferences.
R&D Innovation and Seeking Government Cooperation and Subsidies	Strive for government grants to continuously innovate and promote R&D.	Government grants cover initial costs and SYSCOM uses promotion opportunities to ensure quality and direction of company services, expanding business opportunities with public entities.	Apply for government grants and incorporate them into the internal project management system for monitoring and control.
Compliance with Legal and Regulatory Requirements	Adjustments needed within the company to comply with changing regulations and policies, such as energy policy changes, increasing work and service costs.	1. Rising product and procurement costs. 2. Increased electricity and energy costs.	1. Continuously improve existing monitoring systems and promote energy conservation through advocacy. 2. Implement ISO 14064.
Impact of Extreme Weather on Operations	As temperatures rise annually, the increased demand for energy/resources impacts operations. Serving customers in various locations can lead to reduced service quality and work efficiency due to transportation and environmental factors.	1. Increased operational costs. 2. Lower customer satisfaction, affecting project acquisition and reducing income.	1. Utilize proprietary R&D products and process improvements to offer remote intelligence and predictive services, reducing costs and improving service quality.

(VI) Operational Status

The risk management operational status is reported to the Board of Directors at least once a year. The 2023 operational status was reported to the Board of Directors on December 14, 2023.

SYSCOM emphasizes comprehensive risk management by all employees and implements preventive measures at all levels to effectively manage risks. The main operational implementation status is as follows:

1. To strengthen risk management mechanisms, the "Risk Management Policy" was established in 2020 and approved by the Board of Directors.

2. In August 2022, the Board of Directors approved the renaming of the Corporate Governance and Corporate Social Responsibility Promotion Team to the Sustainable Development Promotion Task Force, with risk management included in the Corporate Governance Group to promote various risk management mechanisms.

3. At the beginning of the COVID-19 outbreak, the company established an Epidemic Prevention Response Center, formulated various control procedures and business continuity plans for epidemic prevention work, and updated relevant epidemic prevention measures in a timely manner based on announcements from the Central Epidemic Command Center.

4. 2023 Operational Status：

   (1) Based on information released by the Central Epidemic Command Center, COVID-19 was downgraded from a Category 5 to a Category 4 notifiable infectious disease starting May 1, 2023. After assessing the current epidemic situation, government measures, and industry responses, the company will gradually relax its epidemic prevention measures. Post-pandemic prevention measures will be implemented according to the "SYSCOM - Post-Pandemic Workplace Safety and Health Management Procedures."

   (2) The Sustainable Development Promotion Team continues to plan relevant implementation plans and measures in response to climate change-related risks and implements the annual group energy conservation and carbon reduction plan.

   (3) Each risk working group conducts risk management and assessment based on the issues under its purview. If necessary, cross-departmental internal project meetings are convened in a timely manner to implement risk control measures. No high-risk items were identified in 2023.

   (4) The 2023 audit results did not reveal any internal control deficiencies or abnormalities. However, to enhance the management quality of each department, various operating procedures and relevant regulations will continue to be reviewed and revised as needed.
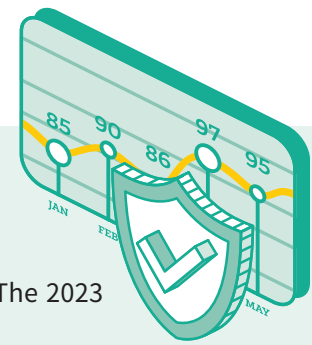
2. Anti-Corruption   GRI 2-27、GRI 205-1、GRI 205-2、GRI 205-3

To prevent corruption-related incidents, SYSCOM has taken comprehensive measures, including establishing the "Anti-Corruption and Business Ethics and Conduct Guidelines," conducting anti-corruption education and management, and implementing these measures in the daily operations of all business locations and units to prevent corruption.

(I) All employees are required to comply with the Taiwan Government Procurement Act, the U.S. Foreign Corrupt Practices Act (FCPA), and all relevant anti-corruption laws. This not only means complying with the law but also acknowledging and fulfilling ethical responsibilities when conducting business activities. If the law is less stringent than this guideline, the guideline must be followed. Conversely, if Taiwan law is stricter than this guideline, Taiwan law must be followed.

(II) SYSCOM employees must not directly or indirectly offer, attempt to offer, propose, or induce kickbacks to obtain or reward any preferential treatment related to transactions. All employees must not directly or through third parties (e.g., partners or manufacturers) give money or other valuable items to government officials, private company employees, or their spouses, children, or other relatives. They must not engage in corrupt practices to influence or reward the actions or decisions of government officials or private company employees, or to seek any improper benefits, nor may they grant, offer, promise, or give relevant money or valuable items. Employees applying for business hospitality are responsible for fully and accurately completing any reimbursement or purchase requisition forms and must obtain prior company approval. The nature of the business hospitality provided, the names and titles of each recipient, the number of recipients attending the meal or meeting, or the number of recipients receiving gifts must be disclosed.

(III) SYSCOM employees must not directly or indirectly accept, attempt to accept, propose, or induce kickbacks to obtain or reward any preferential treatment related to transactions. All employees must not directly or through third parties (e.g., partners or manufacturers) receive money or other valuable items to obtain any improper benefits.

(IV) SYSCOM employees should understand that regardless of their location, they must not engage in unfair competition or deceptive practices, including but not limited to illegal bidding methods, illegal borrowing, resale price maintenance, activities that restrict or hinder fair competition, counterfeiting of others' goods or services, making false or misleading representations in goods or advertisements, damaging the business reputation of others, and other deceptive or unfair acts that may affect the transaction order.
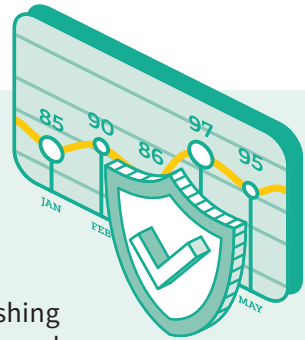
(V)   In case of violation of the above regulations, in addition to compensating the company for all damages suffered, the employee shall bear all civil and criminal liabilities, and the company may impose disciplinary actions in accordance with the "Employee Work Rules."

(VI)   SYSCOM employees are strictly prohibited from exchanging benefits with vendors. If employees discover any incidents that violate laws, regulations, or business ethics, they must report them in accordance with the "Whistleblower Complaint Handling Procedures."

(VII) SYSCOM has not had any incidents related to violations of ethical management, nor have there been any incidents of corruption, leaks, conflicts of interest, anti-competitive behavior, or money laundering.

2023 Anti-Corruption Training Attendance and Percentage – By Region

Region	Employees	Attendance	Attendance Percentage
Taipei	1,071	833	78%
Taoyuan	12	11	92%
Hsinchu	18	11	61%
Taichung	101	93	92%
Tainan	34	28	82%
Kaohsiung	30	26	87%
Total	1,266	1,002	79%

2023 Anti-Corruption Training Attendance and Percentage – By Employee Category

Category	Employees	Attendance	Attendance Percentage
R&D	330	260	79%
Technical Staff	593	433	73%
Management	153	129	84%
Sales	102	100	98%
Administration	88	80	91%
Total	1,266	1,002	79%

(VIII) SYSCOM, as a leader in the information service industry, places great importance on legal compliance and adherence to market mechanisms in business operations. The company has established the "Internal Material Information Handling and Insider Trading Prevention Management Procedures." To enhance employees' understanding of relevant regulations and strengthen their legal compliance awareness, SYSCOM conducts annual training sessions for employees on insider trading, including concept explanations, legal regulations, and case studies, to reinforce the prevention of insider trading and establish effective preventive measures.

1. New managers receive training on insider trading prevention upon joining the company, covering relevant legal regulations and case studies. They also undergo tests to strengthen their understanding of insider trading prevention and establish effective preventive measures. In 2022, there were 16 participants totaling 12 hours of training, while in 2023, there were 9 participants totaling 7 hours.
2. In 2023, directors participated in the "Legal Compliance Seminar on Insider Equity Transactions" and "Insider Trading Prevention Seminar" organized by regulatory authorities, totaling 7 participants and 21 hours of training.
3. In 2023, there were no instances of the company being fined or penalized for violations by regulatory authorities.

3. Internal Auditing

Audit Committee

Remuneration Committee

Sustainable Development Promotion Group

Information Security Committee

Shareholders' Meeting

Board of Directors

Audit Office
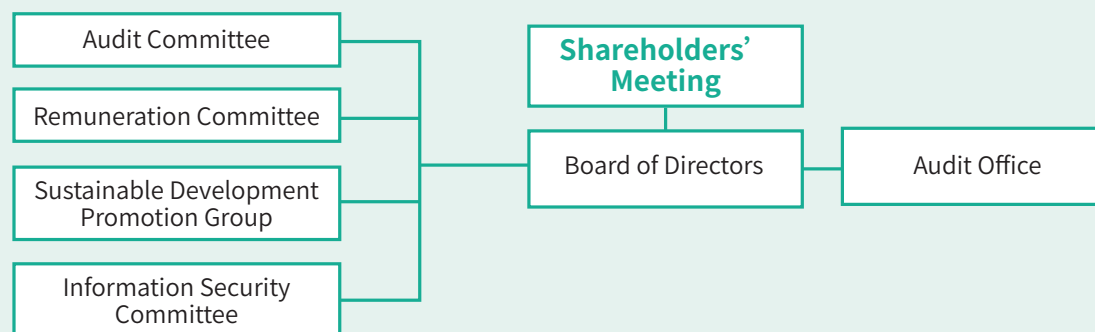
Audit Department Organizational Chart

Note 1: Functional committees include the Audit Committee and the Remuneration Committee

SYSCOM has established an Audit Department that reports directly to the Board of Directors. The department assists the Board and managers in inspecting and reviewing deficiencies in internal control systems, assessing operational effectiveness and efficiency, and providing timely improvement recommendations to ensure the continuous and effective implementation of internal control systems and serve as a basis for reviewing and revising internal control systems. The Audit Department operates with independence and objectivity, executing annual audits and special audits based on the annual audit plan. The audit supervisor regularly reports the implementation status of audit operations to the Audit Committee and the Board of Directors. In 2023, the audit results based on the audit plan did not reveal any internal control deficiencies or abnormalities. Additionally, the Audit Department supervises each unit in conducting self-assessments, establishing a self-monitoring mechanism for the company, and using the self-assessment results as a basis for recommending the issuance of an internal control statement by the company's Board of Directors and President.

Main Responsibilities of the Audit Department：

1. Promotion, formulation, amendment, and implementation of internal control and internal audit systems.
2. Establishment, revision, and implementation of internal audit implementation rules.
3. Planning, review, and online reporting of audit operations.
4. Planning, implementation, review, improvement, tracking, and online reporting of self-assessments.
5. Preparation and online reporting of internal control statements.
6. Evaluation and improvement recommendations based on the implementation status of the company's established systems, regulations, plans, and policies.
7. Regular reporting of audit operations to the Audit Committee and the Board of Directors.
8. Conducting audits based on the annual audit plan, preparing audit reports upon completion, attaching relevant documents, presenting identified deficiencies and improvement suggestions, and continuing to track the improvement progress.
9. Other ad-hoc audit tasks as assigned.
10. No major events occurred in internal audit in 2023.
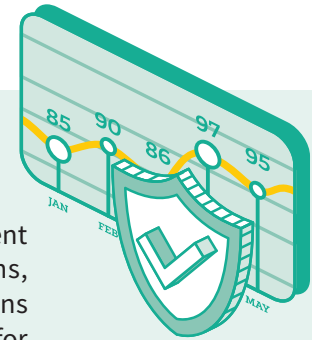
4. Privacy   GRI 2-27、GRI 418-1

SYSCOM, in respect of personal data autonomy and compliance with government regulations, has implemented and obtained ISO 27701:2019 international standard certification. The company has also established a "Privacy Policy" outlining its practices for collecting, using, and protecting personal data. In accordance with the Personal Data Protection Act and its Enforcement Rules, SYSCOM has formulated the "Regulations for Exercising Rights by Personal Data Subjects." Whether in advertising, marketing, or business transactions, the collection and use of personal data of users and customers must adhere to the company's "Privacy Policy."

In 2023, there were no incidents of privacy violations or breaches of customer privacy, including information leaks, theft, or loss of customer data. User and customer personal data was not used for advertising or marketing purposes, nor was it provided to third parties. Regulatory authorities did not request or access customer information, and there were no legal cases arising from intellectual property protection or competitive behavior. As the company's primary activities and business scope are within Taiwan, the services provided must comply with relevant laws and regulations set by the Taiwanese government and are subject to national supervision and management.

5. Information Transparency and Disclosure

SYSCOM utilizes multiple channels to promptly and proactively disclose important company information to stakeholders, facilitating communication and interaction, and listening to their feedback and suggestions. This includes appointing a spokesperson and deputy spokesperson, holding annual shareholder meetings and investor conferences, and conducting irregular forums with institutional investors. Additionally, the company leverages its official website's "Investor Relations," "Partners," and "News & Events" sections, as well as the "Sustainability ESG" section, to disclose important information in a timely manner. Furthermore, SYSCOM publishes financial statements, annual reports, and sustainability reports annually to strengthen communication with stakeholders and enhance corporate information disclosure.
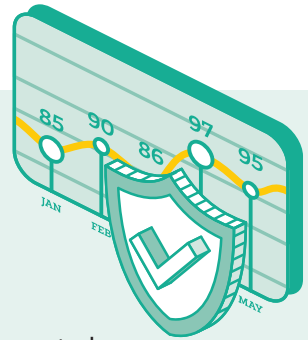
6. Intellectual Property Management

SYSCOM, as a leading domestic systems integration provider, possesses strong research and development capabilities, expertise in software and hardware integration planning and implementation, and project execution management skills that are highly recognized by customers. To strengthen its industry leadership and protect its hard-earned advanced technology achievements, SYSCOM has established an intellectual property strategy that aligns with its business objectives and R&D resources. This strategy creates an operational model that leverages intellectual property rights to generate company value, not only protecting SYSCOM's operational freedom but also enhancing its competitive advantage and ultimately contributing to the company's profitability.

(I) Intellectual Property Policy

The intellectual property policy is formulated with reference to the company's short-term and long-term development strategies, including :

1. Enhancing research and development and innovation capabilities to strengthen the company's competitiveness.
2. Ensuring the protection of the company's intellectual property while respecting the intellectual property of others.
3. Strengthening trade secret management.

(II) Intellectual Property Goals

Based on the intellectual property policy, the following goals are set :

1. Continuously accumulating patents and improving patent quality.
2. Actively planning innovative research and development projects for new products/technologies.
3. Encouraging employees to actively innovate.
4. Conducting irregular training sessions on intellectual property management to enhance employees' professional understanding of protecting company intellectual property information and relevant laws and regulations.
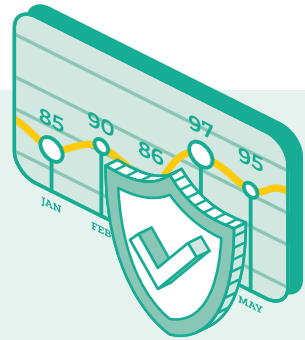
(III) Acquisition, Protection, Maintenance, and Utilization of Intellectual Property

1. Copyright Management
   (1) The company requires the signing of confidentiality agreements and agreements on intellectual property ownership for any activities involving the company's intellectual property, such as project execution, technical cooperation, outsourcing R&D, or commissioning external firms for patent applications. Contract reviews are also conducted.
   (2) SYSCOM upholds the obligation to protect the intellectual property rights of others and will not quote or use any trade secrets or copyrights exclusively owned by the rightful owner without their written authorization.
   (3) Employees engaged in R&D work should properly preserve reports or records of intellectual property generated during the R&D process. These reports or records should be managed following the company's quality management system and relevant operational plans, serving as evidence in intellectual property disputes if they arise in the future.
   (4) SYSCOM has established the "Free and Open Source Software Usage Management Measures" for effective management, which aims to reduce or avoid situations that may lead to legal violations or breaches of contract, or harm the interests of departments/organizations, and ensure the protection of customers' intellectual property rights.
   (5) New employees are required to sign a "Labor Contract" upon joining the company, agreeing to comply with intellectual property-related agreements, including confidentiality obligations, protection of the company's intellectual property rights and the intellectual property rights of others.
   (6) Departing employees follow the resignation procedures to complete their departure formalities. If departing employees are involved in important intellectual property, the unit supervisor may confirm the complete handover of such property in accordance with the relevant provisions of the labor contract.

2. Patent Management
   (1) To encourage employee innovation and facilitate the filing of patent applications for R&D results with domestic and international patent authorities, SYSCOM has established the "Patent Incentive Measures." Through departmental incentives, R&D units and employees are encouraged to actively file patent applications.
   (2) Patent applicants must be SYSCOM employees, and the patent owner for patent incentive applications must be SYSCOM.
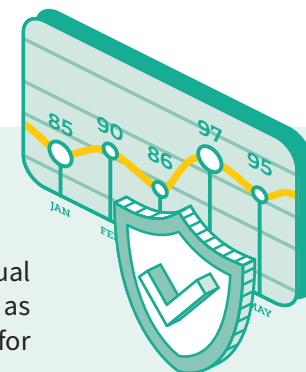
3. Trademark Management

   (1) The use of the company's trademarks should be limited to SYSCOM and its related businesses.
   (2) The Administrative Planning Department is responsible for trademark applications and maintenance.
   (3) Trademark and patent markings should be included in product presentations to assert the company's intellectual property rights.

4. Trade Secret Management

   (1) Employees must not disclose, inform, deliver, or transfer company or third-party trade secrets to others during their employment (including but not limited to information obtained through their duties). They are also not allowed to sell or utilize products they have developed without authorization.
   (2) The ownership of all documents, data, charts, or other media containing trade secrets belongs to the company.

(IV) Supervision, Evaluation, Analysis, and Improvement

SYSCOM plans and implements the necessary supervision, evaluation, analysis, and improvement processes to ensure that intellectual property management operates in line with the company's expected results and continuously improves the effectiveness of the intellectual property management system.

(V) Assessment and Analysis of Potential Intellectual Property Risks and Countermeasures

1. The company should take countermeasures against the risk of infringing on others' intellectual property rights when purchasing products or outsourcing development. If necessary, require external suppliers' intellectual property management systems to meet the company's requirements.
2. When the company's intellectual property rights are challenged by third parties or infringed upon by others, the company should take countermeasures including evidence collection, identification of infringers, assessment of infringement possibilities, and relevant legal procedures. The developers of the company's intellectual property should also assist the company in legal defense to ensure the legitimate rights and interests of the company and stakeholders.

(VI) Intellectual Property Implementation Status

SYSCOM has been promoting intellectual property management since 2002. The main implementation status in 2023 is as follows:

1. Implementation Status:
   (1) Senior management provides sufficient resources for the effective implementation and maintenance of intellectual property management.
   (2) Implementation is carried out within the scope defined by the intellectual property management plan, including copyrights, patents, trademarks, and trade secrets, and applies to the entire company.
   (3) According to the "Self-Developed Product Evaluation and Management Measures," the company currently has 9 self-developed products and 15 licensed products.
   (4) For self-developed products that use open-source software, the company discloses a list of open-source software.
   (5) SYSCOM has established a common platform to publicly disclose the open-source software list, ensuring the protection of the company's intellectual property and respecting the intellectual property of others.
   (6) The company follows the "Free and Open Source Software Usage Management Measures" to change and review the list of open-source software commonly used by the organization, maintaining the relevance and accuracy of the list.
   (7) Trade secret protection has been included in the information security seed personnel training.
   (8) Intellectual property is classified and listed (or stored in a database), and records are regularly updated and maintained.
   (9) To implement the use of free and open-source software in projects, in addition to the CDO's routine monthly random checks of two projects for open-source software usage declarations, a system of automatic audits has been fully implemented since August 2023 to enhance execution efficiency.
   (10) Five information security seed meetings were held this year, with 28 departments participating, including R&D and technical departments. The meetings included training on promoting and using the latest free and open-source software and protecting intellectual property rights.

2. Implementation Results:
   In 2023, the following intellectual property list and achievements were obtained:
   (1) As of 2023, the cumulative number of trademarks reached 98.
   (2) 62 domestic trademarks and 33 foreign trademarks were approved, with 3 domestic applications pending.
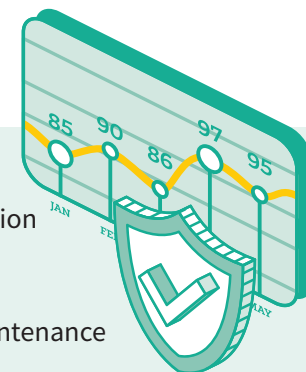
Trademark Statistics

Trademarks					
Year	**Approved**		**Pending**		**Total**
	Domestic Trademarks	International Trademarks	Domestic Trademarks	International Trademarks	
Accumulated Trademarks	62	33	3	-	98

(3) In the area of patents, the cumulative number reached 74 by 2023, including invention patents, design patents, and utility model patents. Among them, 50 invention patents have been granted with 3 pending, 4 design patents have been granted, and 17 utility model patents have been granted.

Patent Statistics

Patents							
Year	**Invention Patents**		**Design Patents**		**Utility Patents**		**Total**
	Issued	Pending	Issued	Pending	Issued	Pending	
2023	3	3	-	-	2	-	8
Accumulated Patents	50	3	4	-	17	-	74
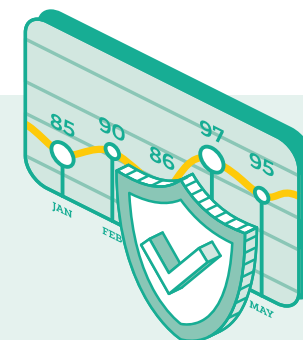
7. Information Security

(1) Information Security Committee

1. To enhance and solidify the company's information security, ensuring sustainable business management, SYSCOM has established the Information Security Committee. This committee is responsible for decision-making, managing, and promoting information security matters. The committee includes a convener, co-convener, deputy convener, and key members from various business groups, centers, and general departments, or designated personnel. It has three main teams: "Information Security Policy," "Information Security Promotion," and "Risk Management," each tasked with formulating and promoting information security policies, managing information security affairs, and controlling and evaluating information security risks.

2. The committee holds regular meetings every two weeks, with monthly meetings held every four weeks, and quarterly meetings every quarter. These meetings focus on reviewing and advancing the company's information security protection, monitoring, and alert incident handling, as well as the operational mechanisms of information security. The progress of various information security enhancement measures and control items is comprehensively managed, with meeting records and control items reported to the Chief Information Security Officer and President as required. All relevant committee members and personnel are continuously informed and follow up on the execution through the Secretary Office.

3. The Information Security Committee reports to the Board of Directors at least once a year on the execution of information security measures. The 2023 report was presented to the Board on December 14, 2023.

4. Responsibilities:

   (1) Establishing and supervising information security policies and management principles.
   (2) Protecting and supervising information assets.
   (3) Monitoring, recording, and investigating information security incidents.
   (4) Coordinating the division of responsibilities for information security matters among various units.
   (5) Planning and promoting the execution of information security tasks.
   (6) Conducting annual assessments of information security risk statuses.
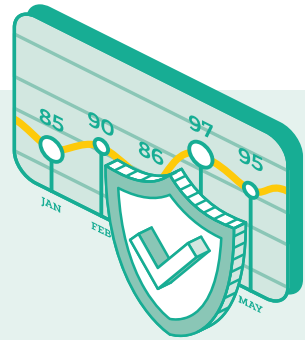
(2) Information Security Policy

1. SYSCOM aims to provide a reliable information security operating environment to ensure the continuous normal operation of its business. The information security policy is established to "create a security culture, implement security systems, strengthen security protection, and reduce operational risks," thereby establishing an environment of confidentiality, integrity, and availability in information security. This makes information security a natural part of daily activities for employees, supporting trust among all internal and external participants.

2. To ensure the protection and management of personal data and comply with the Personal Data Protection Act, the following policies are established:

   (1) Protecting the collection, processing, use, storage, transmission, and destruction of personal data in accordance with the Personal Data Protection Act and its Enforcement Rules.

   (2) Ensuring the security of personal data related to company business, protecting it from external threats or improper internal management and use, which could result in theft, alteration, damage, loss, or leakage.

   (3) Enhancing the ability to protect and manage personal data, reducing operational risks, and creating a trustworthy environment for personal data protection and privacy.

Reduce the likelihood of security vulnerabilities in IT equipment and IT

Control IT risk

Confidentiality of information

Reduce costs

Reduce the costs associated with information leaks, damage, and their consequences

Information Security ISO/IEC 27001

Systematically prevent security threats

Competitive advantage brought by implementing the standard

Fulfill international data security requirements

Increase trust from customers and the public

Meet regulatory and compliance requirements

ISO/IEC 27001:2013 Information Security Management

(3) Management Systems

For information security management, SYSCOM has implemented the Information Security Management System (ISO 27001:2013), the Personal Data Management System (BS 10012:2017), and the Privacy Information Management System (ISO 27701:2019).

1. Information Security Management System: Adhering to ISO 27001:2013
   Implemented in 2016 and obtained certification. In 2019, the certification scope was expanded to include the Technical Center, R&D Center, Computer Center (CMPC), SDPM, and the Information Security Monitoring Center (SOC). Passed third-party verification in December 2022, with certification obtained in February 2023 (valid from January 9, 2023, to October 31, 2025). Annual effectiveness audits are conducted by third parties.

2. Personal Data Management System: Adhering to BS 10012:2017
   Implemented company-wide in 2012 to manage and protect personal data, and obtained third-party certification. In 2018, the system was updated to comply with the latest BS 10012:2017 version and obtained certification (valid from January 20, 2022, to January 20, 2025). Annual effectiveness audits are conducted by third parties.

3. Information Management System: Adhering to ISO 20000:2018
   SYSCOM's information management system, certified under ISO 20000, has well-developed information service management processes covering demand management, change management, deployment management, incident management, problem management, capacity management, and availability management. Implemented ISO 20000:2018 in 2019, passed third-party verification in December 2022, and obtained certification in February 2023 (valid from January 17, 2023, to January 17, 2026). Annual effectiveness audits are conducted by third parties.

4. Privacy Information Management System: Adhering to ISO 27701:2019
   Implemented in 2021 to manage and protect personal data and privacy, obtaining third-party certification. Certification was obtained in February 2023 (valid from January 9, 2023, to December 31, 2025). Annual effectiveness audits are conducted by third parties.

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Confidentiality Measures

Risk Analysis and Assessment

Internal Processes - Personal Information Protection Policy

ISO/IEC 27001:2013 ISO/IEC 27701:2019 BS10012:2017 (Privacy/Personal Data Management)

Identify Process Requirements - Collection, Processing, Utilization, Storage, Destruction

Record Keeping - Retention Period

Identify Control Requirements - Personal Information Protection and Personal Information Security

ISO/IEC 27001:2013, 27701:2019, BS10012:2017 Privacy/Personal Data Management

(4) Specific Management Plans

SYSCOM continues to strengthen information security defenses and establish a joint defense mechanism. The specific technical enhancements and management measures include:

1. Implementing Next-Generation Security Monitoring and Joint Defense Mechanism:
   Conduct system functionality verification for the self-developed "Smart Security Integrated Service Platform," including the integration of endpoint and network visibility tools and the establishment of automated collaboration mechanisms. Collaborate with the Information Security Institute and threat intelligence sharing platform vendors for early warning detection and joint defense to enhance overall company information security.

2. Enhancing Internal Information Security:
   Continuously inventory and upgrade security protection mechanisms, planning to add EDR (Endpoint Detection and Response) protection, conduct internal attack and defense drills to identify and address security vulnerabilities.

(5) Annual Information Security Risk Execution Status

1. Continuous maintenance and improvement of ISO 20000, ISO 27001, ISO 27701, and BS 10012 management systems. In 2023, a total of 9 third-party audits were arranged, covering 31 departments. Effectiveness audits were completed by the end of 2023.

2. Promotion and implementation of the "Big Intranet Project," sequentially upgrading the company's external and backbone networks, implementing intranet and extranet segregation, and strengthening various information security protections.

3. Gradual implementation of Group Configuration Baseline (GCB) for computer security settings, with initial testing completed in some departments.

4. Strengthened information security control measures for laptops used in major projects, collaborating with the Industrial Technology Research Institute (ITRI) to implement network and program whitelisting control mechanisms, enhancing operational security for various major projects.

5. Mandatory installation of endpoint antivirus systems, security forensics tools, and computer security configuration settings, combined with network access control and security protection monitoring, to strengthen basic security requirements for devices connected to the company's intranet and extranet.

6. In 2023, SYSCOM conducted information security training courses for all employees through online sessions, totaling 1,270 participants and 4,445 person-hours. The goal was to enhance employees' attitudes, values, norms, and practices regarding information security, making it a natural part of their daily activities and building trust among internal and external stakeholders.

VI. Partnerships

1. Suppliers GRI 414-1

SYSCOM views suppliers as essential partners and strives to maintain long-term cooperative relationships with both domestic and international suppliers, working together to build a stable and sustainable supply chain. In addition to ensuring the quality, delivery time, and price of suppliers' products, SYSCOM also urges suppliers to implement environmental protection, improve safety and hygiene, and respect human rights, thus jointly fulfilling their corporate social responsibilities and implementing risk management and business continuity plans.

SYSCOM has incorporated 522 suppliers into its management, which can be mainly categorized as core product suppliers, agents, and general suppliers.

(I) Supplier Management Policy

SYSCOM has established the "Supplier Management Measures" as the basis for supplier management, incorporating issues such as supplier environmental sustainability, occupational safety and health, and labor rights into supplier regulations. The main policies and regulations are as follows:

1. Suppliers must meet the company's requirements for environmental protection, safety, and health. In addition to evaluating suppliers based on quality, technology, finance, price, delivery time, and service, SYSCOM assesses their environmental and social impact records to avoid transactions with suppliers whose practices conflict with the company's social responsibility policy.
2. Suppliers are required to sign a "Supplier Commitment Letter" in accordance with company regulations, adhering to ethical business practices, environmental sustainability, and upholding fundamental human rights, thereby jointly complying with relevant corporate social responsibility norms.
3. SYSCOM's supplier evaluation criteria include an assessment of sustainable development, encouraging cooperative suppliers to adhere to relevant corporate social responsibility norms, exert corporate social influence, and promote a balance and sustainable development of the economy, society, and environment.

4. Once a cooperative relationship is established between SYSCOM and a supplier, both parties maintain a stable partnership based on mutual trust and benefit. For major projects, a contract should stipulate the rights and obligations of both parties, and suppliers are required to comply with corporate social responsibility policies and relevant laws and regulations, including those concerning environmental protection, safety, and health. If necessary, suppliers may be asked to provide declarations or relevant certifications. If a supplier violates corporate social responsibility policies or has a significant impact on the environment and society, SYSCOM reserves the right to terminate or cancel the contract at any time.

5. As SYSCOM primarily distributes and represents international brand-name products, the company strives to ensure that these products comply with various international standards and EU regulations. SYSCOM also includes whether suppliers provide relevant certifications as part of its supplier evaluation criteria. Major certifications include ISO 90001 Quality Management System certification, ISO 27001 Information Security Management System certification, ISO 14001 Environmental Management System certification, Occupational Safety and Health Management System certification, and energy management certifications.

6. SYSCOM collaborates with suppliers to jointly implement sustainable development.

(II) Supplier Sustainability Management Measures and Implementation

1. For new suppliers, Syscom conducts relevant evaluations through the procurement and product departments. The evaluation criteria include quality, technology, finance, price, delivery time, service, and sustainability. Suppliers who have obtained relevant certifications such as ISO 9001 Quality Management System, ISO 27001 Information Security Management System, ISO 14001 Environmental Management System, and Occupational Safety and Health Management System certifications are prioritized as business partners.

2. Suppliers are required to comply with the Supplier Code of Conduct and other relevant regulations, and sign a "Supplier Commitment Letter" in accordance with company regulations, adhering to ethical business practices, fulfilling corporate social responsibilities, promoting environmental sustainability, upholding fundamental human rights, and complying with relevant laws and regulations regarding sustainable development practices.

3. Syscom holds various communication meetings through different channels to enhance supplier quality, technology, environmental protection, and strengthen safety and health practices.

4. In conjunction with various transaction scopes with suppliers, Syscom conducts telephone interviews or questionnaires when necessary to understand suppliers' awareness and implementation of corporate social responsibility.

5. Suppliers must agree that contracts signed with Syscom may include clauses related to compliance with corporate social responsibility policies, labor rights and human rights, labor health and occupational safety and health, environmental protection, and ethical business practices.

6. For green procurement items, priority is given to purchasing environmentally friendly or green-labeled products. Suppliers must provide green building materials, environmental protection, or energy-saving labels or certifications.

7. Syscom conducts supplier evaluations at least once a year, selecting suppliers for annual evaluation based on factors such as procurement amount and the importance of purchased items. The evaluation criteria include "product quality," "technical capabilities," "delivery and construction schedule," "cooperation," "price and payment terms," and "fulfillment of corporate social responsibility." The company assesses supplier sustainability risks through self-assessment questionnaires, focusing on "environmental sustainability assessment," "supplier human rights policy," and "creating a safe workplace." Suppliers who have obtained relevant certifications such as ISO 9001, ISO 27001, ISO 14001, and Occupational Safety and Health Management System certifications receive additional points.

8. Syscom continues to prioritize the following aspects in supplier management and implements supplier evaluations to strengthen collaboration with suppliers on environmental, safety, health, and corporate social responsibility management:

    (1) Ethical Business Conduct
    (2) Confidential Data Protection
    (3) Environmental Sustainability
    (4) Upholding Fundamental Human Rights

9. All 522 Syscom suppliers are included in the management system, with 494 suppliers having signed and returned the commitment letter, resulting in a 95% return rate.
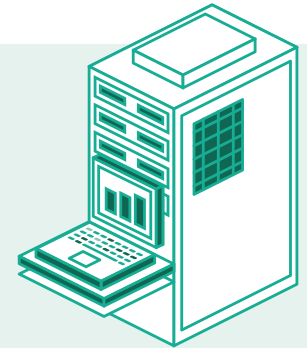
(III) Supplier Evaluation

1. In 2023, SYSCOM conducted supplier evaluations based on the "Supplier Management Measures" for suppliers whose annual purchase amount and the importance of purchased items met the evaluation criteria. The evaluation process included self-assessments by suppliers and assessments by relevant internal departments. Suppliers with annual transaction amounts of NT$1 million or less were exempt from the evaluation; core product and agent suppliers were evaluated every three years; and general suppliers were evaluated annually.

2. Supplier sustainability risk assessment was conducted through a "Corporate Social Responsibility Supplier Self-Assessment Form" filled out by suppliers. The self-assessment content mainly included "environmental sustainability assessment," "supplier human rights policy," and "creating a safe workplace." The internal assessment content included the following:

   (1) Product quality
   (2) Technical capability
   (3) Delivery and construction schedule
   (4) Cooperation
   (5) Price and payment terms
   (6) Fulfillment of corporate social responsibility
   (7) Certifications such as ISO 9001 Quality Management System, ISO 27001 Information Security Management System, ISO 14001 Environmental Management System, and Occupational Safety and Health Management System certifications.

The evaluation results serve as a reference for the replenishment and procurement units in their purchasing activities. Suppliers with unsatisfactory evaluation results are listed as terminated partners.
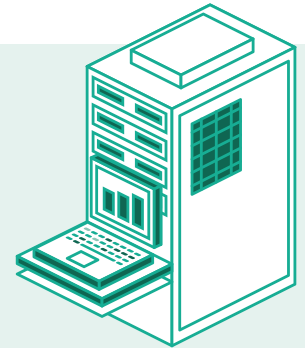
3. Evaluation Grades and Management Measures

Evaluation Grade	Risk Level	Management Measures
Good (80 points and above)	Low	Prioritized as preferred vendor
Moderate (60-79 points)	Medium	Continue normal interactions and provide guidance for improvement
Non-compliant (below 60 points)	High	Reduce or cease interactions

4. Based on the 2023 annual supplier evaluation results, there were no high-risk suppliers.

2. Clients

SYSCOM upholds the principle of forward-looking demand planning, fully utilizing the accumulated intellectual resources of the enterprise. It provides specialized and dedicated technical personnel and system integration, computer hardware and software and communication technology integration, computer system planning, design, implementation and maintenance services, as well as consulting and overall IT outsourcing services. By combining and leveraging the core competitive advantages of customers, SYSCOM enables them to truly enjoy satisfactory professional services.

(I) Corporate Brand Management

A brand represents a company's commitment to the quality and performance of its products and services. An "excellent brand" signifies winning in two critical moments. The first is when customers choose and sign a contract after comparing the advantages and disadvantages of all competing products. The second is whether customers are satisfied after using and experiencing the brand. Brands that continuously win in these two critical moments will occupy a place in the hearts of customers, increasing the likelihood of repeat purchases. The customer trust value established between brand promise and brand experience often becomes the cornerstone of a company's sustainable success.

SYSCOM is a leading large-scale system integration company in Taiwan. Established for nearly 50 years, its corporate brand has been widely recognized by customers, with stable revenue and sound financial performance. Its service areas cover financial securities, telecommunications, medical institutions, government and police, transportation, high-tech manufacturing, and smart retail. Major customers include leading companies in various industries. Many of these customers have been cooperating with SYSCOM for over two or three decades, forming strong alliances for mutual benefit and win-win situations.
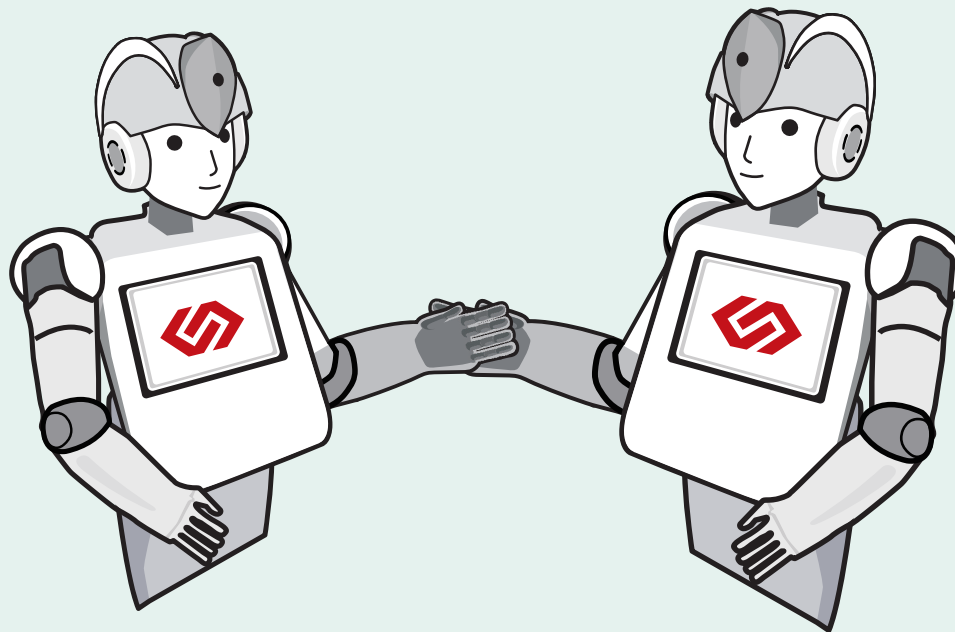
SYSCOM boasts extensive professional service capabilities and a wealth of successful cases. Over the years, the company has received numerous awards, including the Ministry of Economic Affairs' "Outstanding Information Software Award," "Industrial Technology Development Award - Second Prize," "Banking Association of the Republic of China Evaluation of Service Quality Provided by Large-Scale Public Financial Information System Suppliers" - Second Place, the second "Taiwan Mittelstand Award," the 25th "National Quality Award – Best Practice Award for Manufacturing Quality," the Ministry of Transportation and Communications' "5G-led Intelligent Transportation Technology and Service Innovation and Industrial Development Grant Program - Service Innovation Award - First Place," and CIO Taiwan's "2022 Outstanding Service Provider Award."

(II) Customer Relationship Management

SYSCOM, engaged in system integration, assists enterprises and organizations in providing information services, ranging from information automation, operational system establishment and maintenance to digital transformation. The overall sales cycle is longer than that of typical trading businesses, involving numerous customer stakeholders. The company is committed to customer value proposition, grasping market trends to enhance customer experience, and promoting cooperation and prosperity among stakeholders.

1. Business Promotion

(1) SYSCOM participates in the "Smart City Exhibition" organized by the Taipei Computer Association and the "AIoT Exhibition" by the Taiwan Electrical and Electronic Manufacturers' Association. These events showcase the company's annual development focus, enhance customer experience, and optimize marketing effectiveness. SYSCOM also organizes various seminars and workshops to grasp market trends, share advanced trends, discuss hot topics, and discover potential customers and business opportunities. The company systematically follows up on potential business opportunities and interested customers.

(2) The sales cycle for large-scale information system procurement is long, involving demand planning, budget allocation, system verification, and tendering. SYSCOM analyzes historical data from past successful sales to identify potential business opportunities. Through the collaborative efforts of sales personnel and software/hardware engineers, the company builds trust and transforms potential opportunities into concrete project contracts.

(3) In recent years, cloud services have matured, and market acceptance has increased. Government common supply contracts have also gradually included cloud services. SYSCOM is dedicated to promoting subscription-based services, listing its self-developed products and solutions on government cloud marketplace platforms, allowing government agencies and small and medium-sized enterprises to select services independently, leveraging digital technology tools to develop innovative business models and increase overall company revenue.

2. Customer Service

With outstanding talent, extensive technical experience, high-quality service, and exceptional technical support, SYSCOM upholds the principle of "Our customers' success is our responsibility" and remains committed to providing customers with comprehensive solutions as its business direction. Therefore, the company has invested significant effort in software planning, hardware maintenance, technology transfer, and customer training. The experience accumulated over nearly five decades in assisting or undertaking projects for clients has become SYSCOM's most valuable asset.

(1) In system integration services, the rigor and smoothness of project execution significantly impact customer satisfaction. The overall project management mechanism is illustrated in the following diagram. Through regular project audits, key checkpoints are established to effectively monitor project execution quality. Daily audits are also conducted, verifying that all operations adhere to prescribed procedures through daily record forms and system execution record checks, ensuring the implementation of various project tasks.
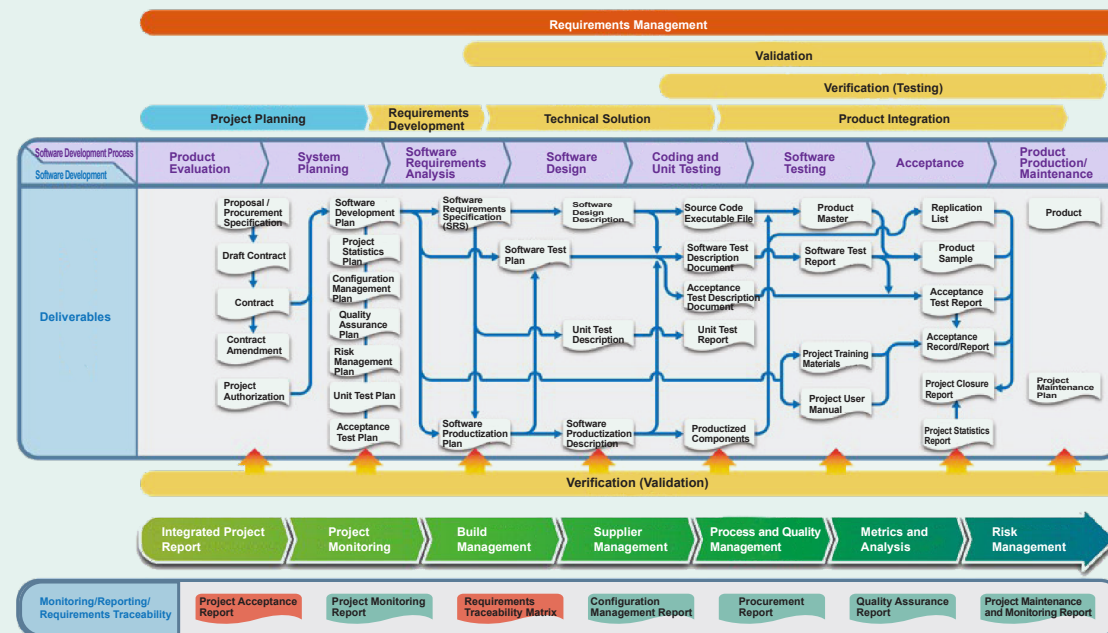
Project Management Plan Diagram

(2) For system maintenance or maintenance contracts, the service level agreement (SLA) stipulated in the contract is followed to ensure system availability, etc. During the project period, customers can contact SYSCOM through phone, fax, email, or written notice. The customer service process is illustrated in the following diagram:
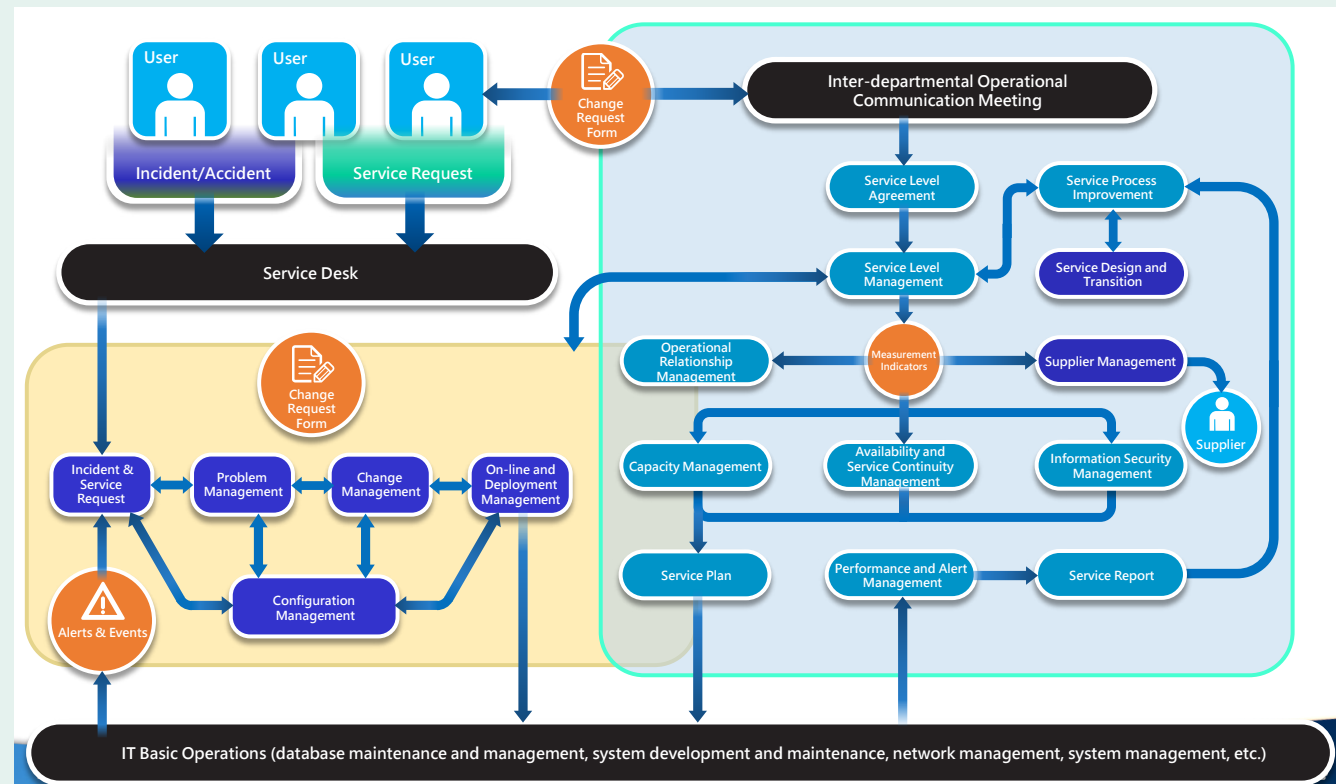
Information Service Process

(3) In addition to its headquarters in Taipei, SYSCOM has branches or offices in Taoyuan, Hsinchu, Taichung, Tainan, and Kaohsiung, enabling the company to provide prompt and comprehensive services to users in various locations.

(4) To comply with information security regulations and meet users' needs for mobile form access, SYSCOM has developed and upgraded the "Real-time Customer Service System" based on a cloud platform. This system allows engineers to create customer issue tickets, assign tasks, and report progress in real-time through mobile devices, enhancing the quality and speed of customer issue resolution.

3. Project, Quality, and Resource Management

SYSCOM has always adhered to the quality policy of "developing high value-added products, pursuing high-quality services, creating high-profit marketing markets, and achieving these through full employee participation." Therefore, the company has continuously implemented ISO series and CMMI international standards to build a "SYSCOM Quality Management System" for continuous improvement, and has passed relevant certifications and the highest level of evaluation. To achieve standardization of execution, quantification of management, and optimization, SYSCOM has independently developed and established the SDPM (Software Development Process Master) system, which complies with software development and operation standards, and the TSM (Technical Service Management) system, which complies with hardware system construction service standards. Furthermore, the company has adopted the concept of "capacity utilization" from the manufacturing industry and combined it with the aforementioned system information to create a capacity utilization module applicable to software and system services, effectively managing resources and performance to achieve quality policies and goals. This has been a cornerstone for the company's two-time National Quality Award.

	International Standards	Information Application	Organizational Operation
QMS V5.0 (Implementing ESG Corporate Sustainability)	**CMMI-DEV V2.0 ML3 ISO 14064 GHG Inventory**	**Diverse Integration and Application of Digital Transformation** (Alliance, Complement, Resource Integration, Multiple Touchpoints)	**Sustainable Development Promotion Group**
QMS V4.0 (Expanding the Common Foundation of Governance)	CMMI-DEV V1.3 ML3 ISO 20000、ISO 27001 ISO 27701、BS10012	SDPM、TSM、Ayuda Cute、NETCenter 3D、OMFLOW、VIAMaster、GreenMaker	Network Monitoring and Management Center, Information Security Committee
QMS V3.0 (Integrated Improvement Mechanism)	CMMI-DEV V1.3 ML3 ISO 20000、ISO 27001	SDPM, Capacity Utilization Rate, Ayuda, NETCenter	Project Monitoring Center
QMS V2.0 (Complete Improvement Mechanism)	CMMI-DEV V1.2 ML5	SDPM, Capacity Utilization	CDO Process Improvement Team
QMS V1.0 (Foundation Stage)	CMMI-SW V1.1 ML3 ISO 9001	SYSCOM Online	Process Improvement Team

SYSCOM Quality Management System

(1) SDPM (Software Development Process Master) System

This system internalizes CMMI standard procedures, implementing them in all SYSCOM software development projects. Through standardized procedures for project development (project estimation, authorization, planning, monitoring, defect management, closure, performance analysis, feedback to organizational database), the system aims to enhance project management quality.

● The SDPM's EVM (Earned Value Management) module predicts project costs and schedules, which are linked to the department's future capacity utilization and profit/loss forecasts, providing department managers with relevant project responses and manpower planning.

● The project monitoring module automatically generates early warnings for projects, enabling early formulation of response strategies.

● The self-developed OMFLOW process workflow engine is used for reporting and tracking all work, issues, events, and incidents.

專案名稱	PM	開始日期	結束日期	預計驗收日	專案狀態	客戶	進度	人力	計劃	專案金額	實際進度
L120052		2022/12/21	2025/12/20	2023/01/19	保固中		✓	✓	✓		100
L120053		2022/11/26	2025/12/31	2022/11/30	保固中		✓	✓	✓		100
M01007G		2023/12/21	2024/12/20	2024/01/02	保固中		✓	✓	✓		100
M0100BR		2023/04/13	2026/11/23	2027/12/25	開發中		✓	✓	✓		38
M0100EG		2024/05/01	2025/04/30	2025/04/30	開發中		✓	✓	✓		34
M02006M		2022/10/25	2025/10/24	2022/11/18	保固中		✓	✓	✓		99
M020081		2024/05/17	2024/12/31	2024/12/31	開發中		✓	✓	✓		60
M020082		2023/10/21	2024/12/31	2023/10/31	保固中		✓	✓	✓		100
M0300BV		2022/12/27	2024/12/31	2023/01/19	保固中		✓	✓	✓		97
M0300GW		2023/11/23	2024/11/22	2024/01/31	保固中		✓	✓	✓		100

SDPM System Project List

(2) TSM(Technical Service Management) System

TSM replicates the success of the SDPM system and incorporates ISO 20000 information service processes into hardware and system service project management. Projects follow TSM's standard procedures for planning, execution, and monitoring. This includes:

● Planning and executing equipment installation work (IJ orders) based on contracts, conducting maintenance planning and execution (MJ orders) based on maintenance contracts, and handling customer service requests (QJ orders), while also completing customer satisfaction surveys.

● The TSM system provides real-time reminders/alerts during the execution of various planned tasks to comprehensively improve the quality of customer service.

● Based on manpower planning and work progress, the system can predict project costs and schedules, which are linked to the department's future capacity utilization and profit/loss forecasts, providing department managers with relevant responses and manpower planning.

● Similar to SDPM, TSM also utilizes the self-developed OMFLOW process workflow engine to complete relevant workflow tasks.

服務類別	客戶問題	定期維護	客戶安裝	合計
處理狀態				
待處理(無異常)	4	1 0 4	5	1 1 3
處理中(無異常)	3 5 7	2 9 7	9	6 6 3
合約到場時間預警	1	0	0	1
合約完成時間預警	0	0	0	0
合約到場時間逾期	0	0	0	0
合約完成時間逾期	7 5	0	0	7 5
延遲(非違約)	9 5	0	0	9 5
合計	5 3 2	4 0 1	1 4	9 4 7

TSM System

(3) Capacity Utilization Rate

The capacity utilization rate utilizes the aforementioned systems and internal MIS systems to analyze the status of human resources, efficiency, and cost input for different levels of departments and business groups. This analysis provides insights into both current month and cumulative data, comparing them with the same period last year or the organizational average. Furthermore, it predicts the situation for the next three months and the entire year. Through meetings such as the Research and Development Center (RSDCDO) meeting and the Technical Center (TCCDO) meeting, resource allocation and analysis are conducted to review the overall cost utilization, aiming to achieve optimal management and application.

● By using our self-developed product OMFLOW process engine, we completed the process related tasks.

Capacity Utilization Rate

4. Client Relationship Maintenance
   (1) SYSCOM participates annually in two major exhibitions, the "Smart City Exhibition" and the "AIoT Exhibition." The company also hosts four large-scale seminars and four golf fellowship events each year. Additionally, various online or physical exchange and sharing sessions are held based on market trends. The overall satisfaction rate for these activities exceeds 90%.
   (2) SYSCOM's official website regularly publishes the latest company news and industry information, showcases self-developed products, and sends out regular e-newsletters on computer technology, SYSCOM FUN e-newsletters, and electronic greeting cards. The company also shares news about events or awards on Facebook to share its achievements with employees and customers.

(III) Customer Satisfaction

SYSCOM has been a pioneer in the domestic industry in providing outsourced operation and maintenance services, starting with the establishment of specialized technical project teams to undertake computer system maintenance for non-profit organizations. Since 1994, the company has been operating the Taipei and Kaohsiung Medical Information Centers for the Department of Health, Executive Yuan, establishing large-scale mainframe systems and undertaking the outsourced operation and maintenance services for the "Health Information Network (HIN) Exchange Center," while also obtaining ISO 9000 international certification for outsourced quality services. Furthermore, SYSCOM has continued to provide outsourced services for the "Ground Control System" of the "Formosat-1" satellite for the National Space Organization (1996 to present). In 2003, the company undertook the outsourced planning and service maintenance project for the Taiwan Stock Exchange's information system, and in the same year, it also took on the "National Archives Information System Service Outsourcing and Maintenance Project" for the National Archives Administration. SYSCOM's professional and outstanding performance has been recognized by various organizations, resulting in high customer satisfaction and loyalty, with a renewal rate exceeding 99%. This exceptional performance has also helped the company attract new customers, such as the National Center for High-Performance Computing's outsourced services since 2018, the Ministry of the Interior's Information Center operation outsourcing project in 2021, and the CIO Taiwan "2022 Outstanding Service Provider Award."

SYSCOM upholds the principle of "Our customers' success is our responsibility" and remains committed to providing customers with comprehensive solutions as its business direction. Therefore, the company has invested significant effort in software planning, hardware maintenance, technology transfer, and customer training. With a "service-oriented" philosophy, SYSCOM has assisted over 800 domestic customers in achieving successful informatization, enabling both the company and its customers to grow and thrive in this highly competitive environment.

The principle of customer satisfaction surveys is that all services are included in the survey scope, including installation, maintenance, and repair services.

Customer satisfaction survey methods:
1. On-site form completion: Engineers create service forms that allow customers to complete satisfaction questionnaires on-site after completing services at the customer's location.
2. Telephone interview form completion: "Repair" items are targeted for telephone interviews, with service records filtered for "repair" items. The customer's end-user is contacted to assess their satisfaction with the service and identify areas for improvement, which are then entered into the system.
In the past three years, the average customer satisfaction score has been above 4.9 (out of 5).

VII. Sustainable Environment

1. Environmental Management System

With the environmental policy goal of "Complying with environmental regulations, conserving global resources, and fulfilling social responsibilities," SYSCOM actively promotes various energy conservation, carbon reduction, and waste reduction management measures. The company also collects relevant environmental protection laws and regulations information in a timely manner to ensure that its business activities comply with legal requirements.

In response to climate change mitigation and adaptation, as well as sustainable resource use issues, net-zero carbon emissions have become a global trend. SYSCOM actively supports the government's "Low-Carbon Sustainable Homeland" policy by implementing energy conservation, carbon reduction, and promoting resource utilization. The company is committed to developing related products, reducing greenhouse gas emissions from offices, and increasing carbon reduction benefits to minimize environmental impact. At the same time, SYSCOM promotes electronic official documents, implements paper recycling, avoids unnecessary resource waste, and prioritizes the use of green, environmentally friendly, and energy-saving labeled products.

Climate change has become a critical issue for both investors and businesses. SYSCOM conducts risk assessments related to climate change, establishes corresponding measures, and reports regularly to the Board of Directors. The company recognizes that reducing greenhouse gas emissions through energy conservation and carbon reduction can mitigate environmental impacts and climate change. The following measures are implemented:
1. Utilizing the self-developed "Intelligent Power Consumption Monitoring and Energy-Saving System (GreenMaker)" to establish an electricity-saving service platform with intelligent management mechanisms, providing optimal power usage for buildings and assisting in building electricity management.

2. Implementing LED lighting throughout the office area, resulting in significant electricity savings. The company continues to improve electricity usage with the goal of saving 1% of electricity annually.
3. Adopting sensor-based timing management for lighting equipment in public areas.
4. Prioritizing environmentally friendly and energy-saving features when procuring equipment.
5. Implementing timed management and temperature restrictions (set no lower than 26 degrees Celsius) for air conditioning to reduce electricity consumption and gas emissions.
6. Promoting electronic official documents, reusing old envelopes as document pouches for internal document transmission, recycling used toner cartridges and waste paper, and implementing paper recycling and reuse.
7. Conducting irregular environmental inspections in office areas.
8. Assigning environmental committee members and secretaries on each floor to be responsible for energy conservation and safety control measures (including access control, emergency response, and crisis management that may disrupt company operations).
9. Dedicating efforts to research and develop energy-saving products to reduce environmental impact.
10. Implementing waste management policies and water-saving measures.

2. Green Procurement

To promote environmental sustainability and respond to the Environmental Protection Administration's green procurement plan, SYSCOM is committed to advocating green procurement within the company. The procurement department and other departments are required to prioritize the purchase of products with less environmental impact. A green procurement guide has been compiled and provided to each department for reference. This includes encouraging the use of public transportation for business trips, using office equipment with energy-saving labels, and using paper with international sustainable forest certifications (such as FSC, PEFC), as well as adopting recyclable toner cartridges. Furthermore, SYSCOM aims to increase the amount of green procurement year by year, as shown below.

Green Procurement Amount in Recent Three Years

Year	Procurement Amount (NTD)
2021	600,416
2022	629,400
2023	905,500
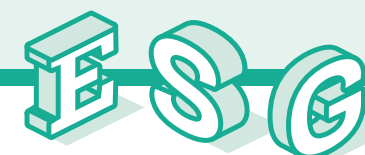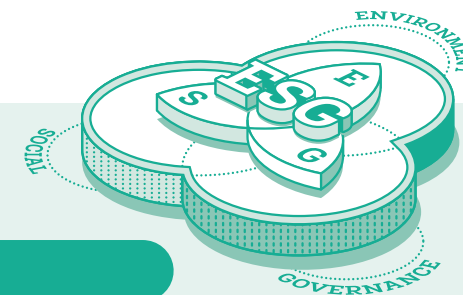
3. Greenhouse Gas Inventory GRI 305-1、GRI 305-2、GRI 305-3

In response to national greenhouse gas management policies and the global net-zero emissions initiative, SYSCOM's 2023 greenhouse gas emissions inventory results are as follows:

Greenhouse Gas Emissions Inventory Table

Category	Emission Source Description	Emissions Emissions (tCO2e)	Percentage
Category 1: Direct GHG Emissions	Mobile Combustion Sources	33.366	1.72%
Category 1: Direct GHG Emissions	Fugitive Combustion Sources	106.155	5.46%
Category 2: Indirect GHG Emissions from Purchased Energy	Purchased Electricity	1,483.140	76.32%
Category 3: Indirect GHG Emissions from Transportation	Employee Commuting and Business Travel	125.788	6.47%
Category 3: Indirect GHG Emissions from Transportation	Upstream Transportation and Distribution	182.453	9.39%
Category 4: Wasted Generated in Operations	General Waste Disposal	12.355	0.64%
Total		1,943.257	100.00%

Greenhouse Gas Emissions by Seven Categories

GHG Emissions (tCO2e)	CO2	CH4	N2O	HFC	PFCs	SF6	NF3	Total for Single Category
Category 1	32.034	86.726	1.010	19.751	-	-	-	139.521
Category 2	1,483.140	-	-	-	-	-	-	1,483.140
Category 3	308.241	-	-	-	-	-	-	308.241
Category 4	12.355	-	-	-	-	-	-	12.355
Subtotal	1,835.770	86.726	1.010	19.751	-	-	-	1,943.257
Percentage	94.47%	4.46%	0.05%	1.02%	-	-	-	100%

Note: All greenhouse gas emissions are converted to carbon dioxide equivalents (weight) for calculation.

4. Energy Conservation and Carbon Reduction Measures GRI 305-4
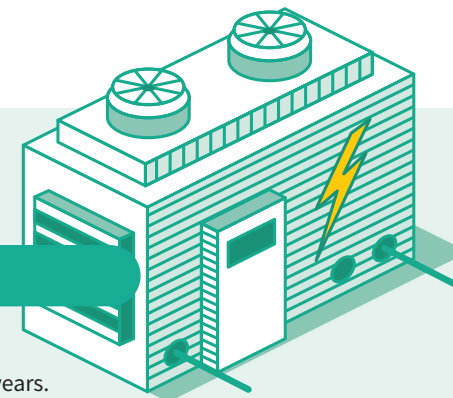
The following outlines the energy conservation and carbon reduction achievements and policies of the past two years.

1. In 2023, the carbon emissions from purchased electricity were 1,483.1402 metric tons, an increase of approximately 11.92% compared to 2022. In 2024, SYSCOM will continue to reduce unnecessary lighting electricity consumption and implement various energy-saving measures (air conditioning management, etc.), aiming for a 1% electricity reduction. The primary focus will be on reducing purchased electricity usage. The specific energy-saving target for 2024 is to reduce electricity consumption by 1%.

   The approach is as follows:
   (1) Power Usage Items for the Development Plan:
      ● Upgrade the self-developed power management system - GreenMaker. Add planned power usage functionality.
      ● Planned power usage functions include: electricity usage prediction, planned power usage settings, and setting warnings and alerts based on planned power usage.
      ● Implement immediate alerts and load reduction measures when exceeding planned power usage.
   (2) Inventory and test load reduction for equipment:
      ● Inventory the number of devices in the company that can be subject to load reduction and the corresponding procedures.
      ● Test the electricity savings from load reduction for each device (within a fixed time period).
   (3) Design standard operating procedures for load reduction in conjunction with planned power usage, and conduct internal training.
   (4) Trial implementation of planned power usage and load reduction operations, with regular adjustments and reviews.

2. SYSCOM, as a professional information service provider, does not have production processes and therefore has no process emissions.

3. In response to low-carbon policies and greenhouse gas reduction, SYSCOM's primary measures include dedicating efforts to developing energy-saving products, procuring environmentally friendly and energy-saving equipment, and promoting awareness among employees to reduce unnecessary electricity usage and cultivate low-carbon lifestyle habits.

VIII. Happy Workplace

1. Employee Overview GRI 2-7、GRI 2-8、GRI 401-1

The company views its employees as its most valuable asset and partners in creating shared value. As such, it has always placed a high priority on labor-management relations, emphasizing employee rights and overall well-being, and fostering an environment where employees can grow alongside the company.

Given the company's workforce structure, which is predominantly composed of technical and R&D personnel, the company has established stringent employee recruitment and hiring procedures to attract top talent. Each department can submit talent recruitment requests based on the company's operational needs. Subsequently, the Human Resources Knowledge Management Office utilizes various channels, including online media, campus recruitment, internal promotions, employee referrals, or commissioned human resource agencies, to conduct recruitment activities. The selection of outstanding candidates is then carried out in accordance with the established hiring regulations. These diverse channels, such as the "T Ambassador Program," "Industry-Academia Collaboration," "Talent Database," "Physical Events," and "Recruitment Channels," ensure a comprehensive approach to talent acquisition and hiring.

Among these initiatives, the T Ambassador Program aligns with the "Digital Youth Transformation Seed Empowerment Program" promoted by the Ministry of Digital Affairs. It selects outstanding companies to participate and establish practical enterprise training classes. SYSCOM has actively participated in four sessions, cultivating a total of 29 talents, with 12 of them remaining with the organization. Furthermore, through the T Ambassador Program, the company establishes scholarship programs, offers long-term part-time student positions, provides company visits, arranges for executives to give lectures at universities, and allows employees to teach part-time at universities, all aimed at building a strong corporate brand image and actively attracting talent. SYSCOM also utilizes R&D substitute military service programs, campus recruitment, talent matching fairs, internal referrals, and the Talent RISE forum to reach a wider pool of qualified candidates. Notably, in the R&D substitute services program of the Taiwan military service, from 2009 to 2022, SYSCOM has consistently distinguished itself among more than 500 employers annually and has been consecutively recognized as an "Excellent Employer."
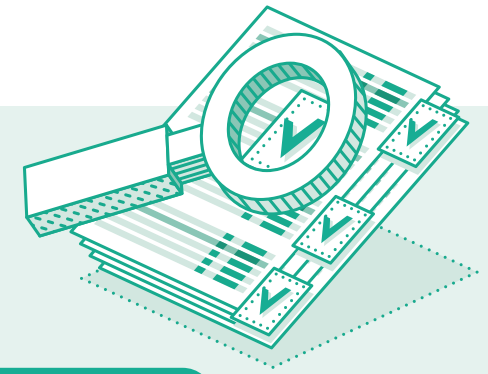
In addition, the company employs web crawler technology and automated resume classification and distribution processes for resume screening, assigning them to suitable supervisors while also allowing supervisors to directly request resumes.

Furthermore, to assist employees in adapting to and thriving in the workplace and promote long-term employment, the company has adopted various measures, including establishing a sound compensation and benefits system, comprehensive training programs, people-oriented management, a safe and healthy work environment, and implementing employee incentive and long-service award programs.

In 2023, SYSCOM had a total of 1,266 employees, of which 872 were male, accounting for 68.8% of the total workforce, and 394 were female, accounting for 31.1%. The company does not employ any workers without guaranteed hours. The types of employment are shown in the following tables.

Employee Overview in Recent Three Years

	2021	2022	2023
Total Number of Employees	1,158	1,187	1,266
Average Age	40.3	40.7	41.0
Average Years of Service	8.9	9.1	9.3

Employee Education Level Distribution in the Past Three Years

Year	2021	2022	2023
Total Number of Employees	1,158	1,187	1,266
High School/Vocational School	18	17	19
Associate Degree	126	125	130
Bachelor's Degree	775	803	834
Master's Degree	239	242	282
Doctorate	0	0	1

Talent Structure and Proportion in Recent Three Years

Year	2021		2022		2023	
Job Category	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage
R&D Personnel	313	27.0%	301	25.4%	330	26.1%
Technical Personnel	522	45.1%	552	46.5%	593	46.8%
Management Personnel	137	11.8%	148	12.5%	153	12.1%
Sales Personnel	100	8.6%	100	8.4%	102	8.1%
Administrative Personnel	86	7.4%	86	7.2%	88	7.0%
Total	1,158	100%	1,187	100%	1,266	100%

Number of Full-Time Employees in 2023 - By Region and Gender

Region	Taipei	Taoyuan	Hsinchu	Taichung	Tainan	Kaohsiung	Total
Male	733	10	14	65	29	21	872
Female	338	2	4	36	5	9	394
Total	1,071	12	18	101	34	30	1,266
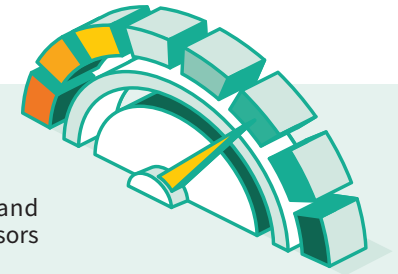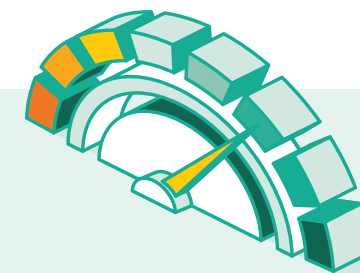
New Hires and Turnover in 2023

2023		Under 30				31-50				Over 51			
Gender	Number of Employees	New Hire	Percentage	Departure	Percentage	New Hire	Percentage	Departure	Percentage	New Hire	Percentage	Departure	Percentage
Male	872	77	8.8%	42	4.8%	59	6.8%	44	5.0%	15	1.7%	10	1.1%
Female	394	44	11.2%	31	7.9%	40	10.2%	34	8.6%	10	2.5%	4	1.0%

Employee Employment Type Statistics in 2023

Employee Distribution	Full-time Employees		Part-time Employees	
	Male	Female	Male	Female
Permanent Employees (Indefinite Contracts)	872	394	-	-
Temporary Employees (Fixed-term Contracts)	-	-	-	-

In the face of a rapidly changing social environment, SYSCOM recognizes that attracting and developing talent is a crucial factor in deepening sustainable operations. By creating a diverse and inclusive workplace, the company empowers individuals from diverse backgrounds to unleash their full potential. SYSCOM's non-employee workers include outsourced consultants and professional technicians, totaling 32 individuals as of December 2023. The company manages these consultants and technicians based on contracts established with them and their affiliated companies, in accordance with the "Outsourcing Personnel Management Measures." They are required to sign "Confidentiality Agreements" and "Personal Data Provision Consent Forms," and adhere to the relevant provisions of the management measures in carrying out their work. When participating in relevant projects, they follow the client's contract and related requirements, and are responsible for reporting work progress regularly, while being managed by supervisors and project managers.

Furthermore, cleaning management personnel are managed according to contracts established with SYSCOM and their affiliated companies. Measures such as access control and record-keeping are implemented. The number of cleaning management personnel has remained at 9 in recent years.

2. Compensation and Benefits GRI 401-2、GRI 401-3

     SYSCOM provides a favorable compensation and benefits system, complying with relevant labor laws and regulations, respecting employee rights, and establishing various regulations regarding salary, benefits, leave, and retirement to ensure superior employee compensation and benefits. The company also offers comprehensive training programs, evaluation mechanisms, and clear promotion channels to attract, motivate, and retain outstanding talent, fostering mutual growth between employees and the company. Key benefits include labor insurance, health insurance, group insurance, employee travel, birthday bonuses, beer parties, year-end parties, employee discounts, wedding and funeral subsidies, childbirth subsidies, club activity subsidies, and health checkups. These benefits have proven effective in boosting employee morale. Additionally, various club activities are organized to enhance camaraderie and communication among colleagues. SYSCOM's group insurance benefits cover employees, their spouses, and children, including term life insurance, accidental injury insurance, hospitalization insurance, and cancer insurance.

     Furthermore, to establish a sound system, the company has set up an Employee Welfare Committee responsible for the welfare of all employees. The committee oversees the implementation of various welfare measures each year, ensuring comprehensive employee care and organizational management. In addition to the "Employee Work Rules" formulated based on the Labor Standards Act, SYSCOM has established other relevant regulations, such as the "Anti-Corruption and Business Ethics and Conduct Guidelines" and employee reward and punishment measures, to provide ethical guidance and behavioral norms for all employees. The company is also committed to maintaining workplace safety, protecting employees' fundamental rights, and taking care of their well-being.

     SYSCOM implements workplace diversity and equality. Although it belongs to the technical service industry, the company strives to promote gender equality. Both male and female employees can apply for unpaid parental leave, and various childcare subsidies are provided, including childbirth subsidies and parental leave measures. A breastfeeding room is also available in the office area. These numerous parenting-friendly measures allow employees to raise children without worries, encouraging them to have children without concerns, thus mitigating the impact of low birth rates on society.

Statistics on Parental Leave Applications and Eligibility in Recent Three Years

Years	2021		2022		2023	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**
Eligible for parental leave (entitled)	14	11	26	14	31	18
Actual use of parental leave (applied)	2	7	4	6	7	13
Should return to work after parental leave (expected return in the year)	0	5	3	4	6	7
Have returned to work after parental leave (actual return in the year)	0	2	2	2	4	6
Remained employed 12 months after returning from parental leave	0	2	1	2	4	6
Return to work rate after parental leave	-	40.0%	66.7%	50.0%	66.7%	85.7%
Retention rate after parental leave	-	100%	50%	100%		

Notes:

(1) Due to the timeliness of data collection, the number of people eligible for parental leave includes those who applied for maternity leave or paternity leave in the current year and one year prior.

(2) Return to work rate = Total number of employees who actually returned to work after parental leave / Total number of employees who should have returned to work after parental leave x 100%

(3) Retention rate = Total number of employees who are still employed 12 months after returning from parental leave / Total number of employees who returned to work after parental leave in the previous reporting period x 100%.
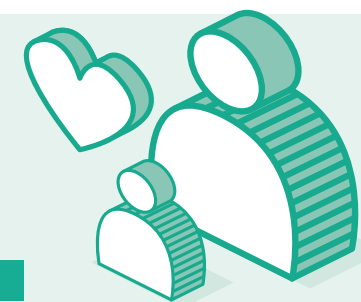
3. Occupational Safety and Health Management GRI 403-1、403-3

SYSCOM has established the "Occupational Safety and Health Management Regulations" and, in compliance with relevant occupational safety and health laws and regulations, has formulated the "Occupational Safety and Health Work Rules" and "Safety Inspection Measures" to implement safety and health protection measures.

SYSCOM, being an information service company, does not have any high-risk machinery, tools, equipment, toxic substances, or related waste generated from production or manufacturing processes. Occupational safety and health-related risks are identified, assessed, and managed by the safety and health management unit. In the event of any accidents or unexpected situations, immediate response and handling are carried out according to responsibilities, and reports are promptly made to the representative of the workplace and the safety and health management unit. Upon receiving such reports, the safety and health management unit, together with the representative of the workplace, takes necessary actions based on the situation. Additionally, general safety and health on-the-job training courses are held annually. In 2023, a total of 1,266 participants received 3,798 person-hours of training. Since its establishment until 2023, SYSCOM has not experienced any major occupational accidents or incidents.

Occupational Safety and Health Training and Disaster Prevention Drill Courses

Course Topic	Number of Sessions	Course Topic	Number of Sessions
Prevention of Health Hazards for Computer Workers	1	Material Stacking Safety	1
Beware Computer Users! Do You Have Computer Vision Syndrome?	1	National Disaster Prevention Day, Let's Prepare Together	1
What is Retinal Detachment?	1	What are High-Temperature Workplaces?	1
What are Occupational Injuries & Occupational Diseases?	1	Introduction to Hearing Protection & Noise Reduction Devices	1
How to Handle Occupational Injuries and Illnesses	1	Difference Between General Worker Physical Exams and General Health Checkups	1
About Depression	1	2023 Self-Defense Fire Brigade Training Course	1
Total			12
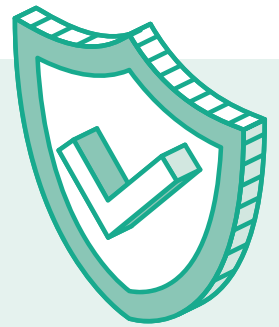
4. Employee Healthcare GRI 403-6

   SYSCOM believes that the health and vitality of employees are key to creating long-term value for the company. Therefore, it has designed a comprehensive employee healthcare plan, which includes annual health checkups for employees and managers, and provides a variety of health lectures and educational information to help employees and managers better understand their health conditions and acquire the knowledge and methods for self-health management. This creates a healthy and happy workplace, allowing employees to balance work, family, and physical and mental well-being. It also echoes "SDG 3 Good Health and Well-being" and "SDG 8 Decent Work and Economic Growth," improving employee well-being and work performance, enhancing employee loyalty and corporate competitiveness, and creating a healthy workplace that drives economic development.

   In 2021, except for new employees who were required to undergo health checkups, regular employee health checkups and executive-level health checkups were suspended due to the pandemic. However, regular health consultations with occupational physicians and nurses (on COVID-19 and general health education) were conducted. The statistics for the past two years are as follows:

Employee Health Checkup Details in Recent Two Years

Year	Employee Health Checkups	Contracted Occupational Physician/ Nurse Health Consultations	Investment (NTD)
2022	New employees - 177 visits Employee health checkups - 919 visits Executive-level health checkups - 126 visits	Occupational physician - 16 visits Occupational nurse - 273 visits (including COVID-19 and general health education)	1,767,500
2023	New employees - 228 visits Employee health checkups - 922 visits Executive-level health checkups - 128 visits	Occupational physician - 30 visits Occupational nurse - 347 visits (including COVID-19 and general health education)	2,258,000

(I) Healthcare and Wellness

To help employees prevent any physical or mental health symptoms and illnesses, SYSCOM invites contracted physicians to provide on-site services every two months. The company also employs full-time nurses and occupational safety and health management personnel to jointly safeguard the health of all employees and maintain a safe working environment. Relevant occupational safety and health information is shared in a timely manner. Additionally, a digital "Occupational Safety and Health Zone" has been established, including sections on "Occupational Safety" and "Nurse's Corner," offering engaging course content for employees. Interactive courses are also provided to deepen employees' understanding of the material and promote physical and mental well-being, increasing their sense of belonging and happiness within the company.

2023 Healthcare-Related Courses

Year	Format	Course Topic
2023	Nurse's Health Bulletin	Understanding Colorectal Cancer
		Understanding Osteoarthritis
		How to Maintain a Healthy Mind
		Understanding Mycoplasma Pneumonia
		Gender Equality, Our Shared Responsibility! Say No to Sexual Harassment!
		Glaucoma - The Silent Killer of the Eyes
		Interactions Between Genders,Be Careful Not to Break the Law!
		As the Weather Gets Cooler, Beware of the Killer - Pay Attention to Cardiovascular Diseases!
		Smoking or Not?!
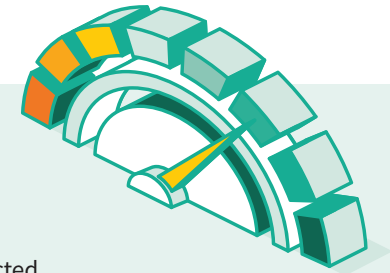
(II) Work-Life Balance Clubs

Furthermore, through organizing various club activities, employees can not only enhance their physical fitness and relieve fatigue but also achieve a balance between work and leisure. The company provides a monthly subsidy of NT$2,000 for each club's activities.

Clubs

No.	Club Names
1	Golf Club
2	Badminton Club
3	Hiking Club
4	Yoga Club (Taipei, Taichung)
5	Taichi Club
6	Scripture Reading Club
7	Pickleball Club

(III) Safe Workplace Environment

SYSCOM provides employees with a safe and comfortable working environment. In compliance with relevant occupational safety and health regulations, the company has established the "Occupational Safety and Health Work Rules" and "Safety Inspection Measures" to implement safety and health protection measures. New employees receive briefings on relevant safety regulations from their department's onboarding personnel.

1. Environmental Hygiene: The office is equipped with various self-health monitoring devices, first-aid and fire-fighting equipment, and facilities for maintaining environmental health. The company regularly disinfects the environment, committed to protecting employee health and safety. This includes the following: Assigning environmental committee members in each office area and floor to supervise the cleanliness of
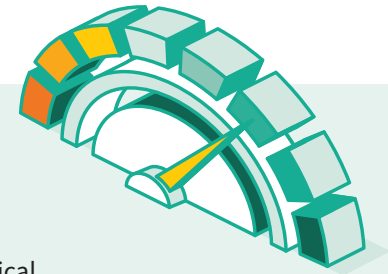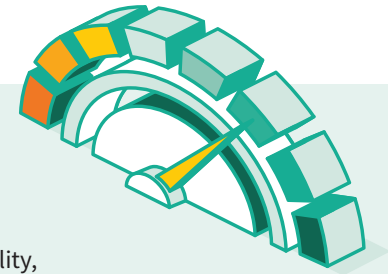
their designated areas. Implementing tobacco control measures to maintain office hygiene and air quality, preventing health hazards from secondhand smoke. All indoor areas, including offices, meeting rooms, stairwells, restrooms, and dormitories, are designated as non-smoking areas, except for open balconies and designated smoking areas.

2. SYSCOM conducts bi-annual carbon dioxide concentration monitoring and drinking water quality testing in the office, as well as bi-annual building disinfection and monthly floor cleaning and waxing. In response to post-pandemic prevention measures, the company continues to strengthen the promotion of public health awareness and cleaning and disinfection. Employees and visitors are still advised to wear masks, have their temperature checked, and disinfect their hands when entering the company. Alcohol is provided at each floor entrance, antibacterial hand soap is available in pantries, and alcohol/antibacterial hand soap is also placed in each meeting room for use by employees and visitors.

3. In terms of access control security, a facial recognition access control system is in place. All employees are required to wear identification badges when entering and exiting the building. Also, a surveillance system is installed for 24-hour video monitoring to ensure personal safety.

4. A comprehensive fire safety system is established, including alarms, fire extinguishers, emergency lighting, exit signs, and emergency exits, and annual inspections and replacements of various equipment are conducted.

5. Twice a year, the company collaborates with fire authorities to conduct building fire safety lectures and evacuation drills.

6. With comprehensive fire safety facilities in place, annual fire escape drills and relevant training courses are conducted for employees to reduce the likelihood of fire incidents.

5. Employee Pension Plan GRI 201-3

(I) The company's retirement system is managed in accordance with the Labor Standards Act and the Labor Pension Act. For employees subject to the old retirement pension system under the Labor Standards Act, the company contributes 2% of the employee's monthly salary to a retirement reserve fund, overseen by the company's Labor Retirement Reserve Fund Supervisory Committee. The fund is deposited in Taiwan Bank under the committee's name, responsible for handling receipts and disbursements, custody, and utilization. If, before the end of the year, the estimated account balance is insufficient to pay workers who
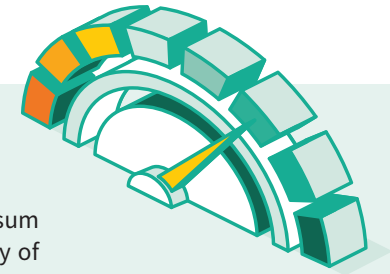
are expected to reach retirement age in the following year, the difference will be allocated in a lump sum by the end of March of the following year. The fund is entrusted to the Bureau of Labor Funds, Ministry of Labor, for management, and the company has no right to influence investment management strategies. For employees subject to the new retirement pension system under the Labor Pension Act, the company contributes a minimum of 6% of the employee's monthly salary to their individual pension account established at the Bureau of Labor Insurance, based on the monthly wage classification table approved by the Executive Yuan.

(II) Contribution Status:

For employees under the old retirement pension system of the Labor Standards Act, as of December 31, 2023, the pension liability amount is NT$41,947,000, and the pension asset is NT$171,213,000. The expected contribution amount within one year is NT$2,521,000, with an average maturity period of 6.14 to 9.58 years. For employees under the new retirement pension system of the Labor Pension Act, the pension expense accrued in 2023 is NT$62,215,000.

6. Training and Development GRI 404-1、404-2

To fulfill the mission of becoming a "cross-industry ESG sustainable development system integrator," SYSCOM deeply understands that cultivating core talent suitable for the company relies on a comprehensive employee training and development plan. Each year, the Human Resources Department formulates an employee training plan based on the "Training Management Measures," surveying the professional training needs of each department and then offering relevant courses based on those needs to ensure that the courses enhance employees' work capabilities and tap into their potential.

Through planning comprehensive training programs, a sound human resources structure, human resource utilization, and successor cultivation systems, SYSCOM provides employees with complete professional development training and encourages them to actively participate in various professional certifications. Moreover, each employee has a dedicated training record that comprehensively documents their training history. In addition to providing learning opportunities and resources, the company also offers various competency and career-related courses based on individual professional skills and potential performance to help employees grow smoothly and encourage them to challenge themselves, growing together with the company. Whether it's internal training or

external training, these programs positively contribute to enhancing employees' professional and management skills, laying a solid foundation for the company's sustainable development.

Training and Development Plan

(I) Internal Training

Internal training programs are designed to include:

1. New Employee Training: Provides new employees with training on corporate culture and relevant foundational courses to help them shorten their adjustment period and quickly overcome the initial learning curve.

2. Competency Training: Focuses on strengthening employees' professional and self-management skills. The content covers various areas such as new computer knowledge and applications, management practices, and skills to meet the growth needs at different stages.

3. Managerial Training: The company has a comprehensive promotion system where every prospective manager must pass rigorous pre-job training courses to qualify for promotion. Additionally, in-service training programs are designed for existing managers to enhance their leadership and management abilities at all levels, revitalizing organizational operations.
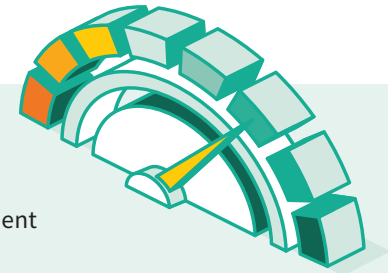
Number of Employees Participating in Internal Training Programs in Recent Three Years

Internal Training Items	2021		2022		2023	
	Hours	Participants	Hours	Participants	Hours	Participants
Sales Training/Certification	1,523	404	1,089	411	3,544	827
Management Training	5,327	999	8,734	1,754	7,044	1,324
New Hire Training	291	97	300	128	507	169
Technical Training	1,626	357	1,260	261	2,160	360
Employee Training	4,921	4,156	5,063	4,281	8,002	4,395
Other	2,442	1,006	20	20	-	-
Total	16,130	7,019	16,466	6,855	21,257	7,075

Average Training Hours of Employees in the Last Three Years - By Gender

Year		2021			2022			2023		
		Participants	Total Hours	Average Hours	Participants	Total Hours	Average Hours	Participants	Total Hours	Average Hours
Total Employees		1,158	16,130	13.93	1,187	16,466	13.87	1,266	21,257	17.00
Gender	Male	798	10,790	13.52	818	11,104	13.57	872	13,706	15.72
	Female	360	5,340	14.83	369	5,362	14.53	394	7,821	19.85
Employment Type	R&D	313	3,850	12.30	301	3,360	11.16	330	6,143	18.62
	Technical	522	4,500	8.62	552	4,307	7.80	593	4,707	7.94
	Management	137	4,170	30.43	148	5,446	36.80	153	5,558	36.33
	Sales	100	2,929	29.29	100	2,791	27.91	102	4,252	41.69
	Administration	86	681	7.91	86	562	6.54	88	867	9.85

Note: Average hours = Total training hours for the category in the year / Number of employees in the category at the end of the year

(II) External Training

Employees can apply for external training (including professional technical certification exams) based on their needs. Participating in external training courses allows employees to absorb new market knowledge in their professional fields and stay updated on global trends, thereby enhancing their professional skills and ensuring high-quality service to customers.

With over five decades of experience in system integration, SYSCOM's technical capabilities in UNIX systems, various databases, networks, and peripheral equipment are highly recognized by customers. The company is committed to allocating training resources and selecting outstanding engineers to receive manufacturer training, aiming to provide even better service to customers. In every project, from planning to installation and maintenance, SYSCOM's most professional technical team takes charge and maintains close cooperation with manufacturers, ensuring the smooth operation of customers' computer systems.

To provide high-quality customer service, a total of 374 engineers at the company have obtained certifications such as MCSE, MCDBA, HL7, and CCIE, with a total of 1,347 certifications. This fosters the development of engineers with extensive industry knowledge and development capabilities in government, military, finance, healthcare, aerospace, telecommunications, and networks.

Number of Employees Participating in External Training and Obtaining Certifications in Recent Three Years

External Training Item	2021	2022	2023
External Training	65	69	66
Certification	162	110	122
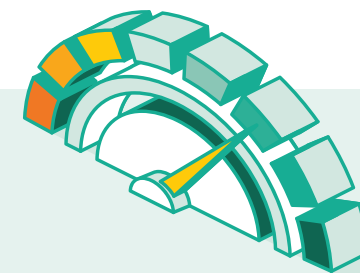
(III) On-the-Job Training

To enhance employee quality and cultivate outstanding talent, SYSCOM encourages employees to improve their professional skills and provides opportunities for on-the-job training applications. For in-person training courses, large and small conference rooms, TV screens, video conferencing equipment, slide projectors, and microphones are available. In recent years, due to the impact of the pandemic and to enable employees to learn without time and space constraints, the company has increased the use of online training and exams through its training knowledge portal.

In 2023, a total of 7,263 employees participated in internal and external training, with an investment of approximately NT$6.75 million in training costs.

In response to the company's development plan, which includes investments in new technologies such as AI, Metaverse, 5G, cloud computing, artificial intelligence, and information security, and to expand beyond existing customers into new fields like high-speed rail and Taiwan Railways in transportation and the Ministry of the Interior cloud in cloud computing, SYSCOM continues to recruit outstanding R&D and technical talent while actively engaging in the development of its own products.

(IV) Implementing Successor Cultivation (Youth Think Tank Program)

For sustainable development, SYSCOM has actively planned the "Youth Think Tank Program," aiming to cultivate reserve senior executives by having middle-level managers regularly participate in company issue discussions and provide solutions and suggestions based on the QCC (Quality Control Circle) spirit. The program has achieved remarkable results since its implementation. The first phase, "Youth Think Tank 1.0," primarily focused on brainstorming to gather diverse ideas. The second phase, "Youth Think Tank 2.0," shifted its focus to problem-solving and improvement, providing solutions and suggestions based on practical work experience.

The main purpose of the "Youth Think Tank" is to promote organizational revitalization and rejuvenation, expand opportunities for young people to participate in company decision-making, research and develop sustainable systems and policies for the company, and provide suggestions for the company's future development based on current market technology developments and industry application trends.
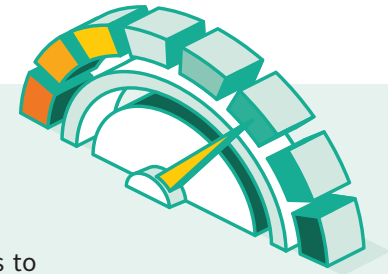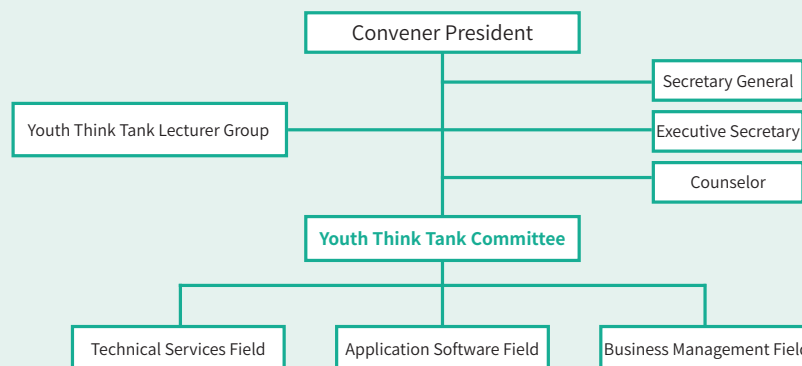
Youth Think Tank Organization Chart

The company has high expectations for the members of the Youth Think Tank, selecting "mid-level managers" who are willing to contribute policy recommendations to the company. A Youth Think Tank Advisory Group, consisting of company vice presidents (including the CFO, CTO, Chief R&D Officer, and the Head of Administrative Planning Department), assists in teaching and passing on their experience. The composition of the members is adjusted annually, with 10% to 20% new blood added.

Since its establishment, the Youth Think Tank has held six meetings with a total of 368 participants. The meetings are conducted in groups, focusing on discussing and reporting on topics. At least 24 issues have been discussed, such as simplifying the business quotation system process, enhancing project service value, improving integrated collaboration capabilities, and effectively utilizing the company's product and technical resources. Through brainstorming and discussions in the Youth Think Tank meetings, the conclusions have led to practical improvements and impacts on the company's processes.

Number and Proportion of Promotions from the Youth Think Tank

Group	Total	Promoted	Promotion Percentage
Business Management Group	13	7	53.85%
Application Software Group	12	8	66.67%
Technical Service Group	14	9	64.29%
Total	39	24	61.54%

(V) Knowledge Management

To actively and effectively manage the identification, creation, acquisition, utilization, sharing, and dissemination of explicit and tacit knowledge possessed by individuals and communities, SYSCOM has established a cross-departmental "Training Officer Committee" comprising members from administration, technology, business, and management. This committee oversees the company's knowledge management domain to maintain interactive relationships with customers, suppliers, and competitors.

(VI) Establishing a Digital Training Knowledge Website

This website provides digital sharing of training materials and common technologies, promoting self-directed learning among employees. Currently, there are 33 courses available, with more being added continuously. Since its launch in May 2021, the website has seen a usage rate of 4,865 person-times.

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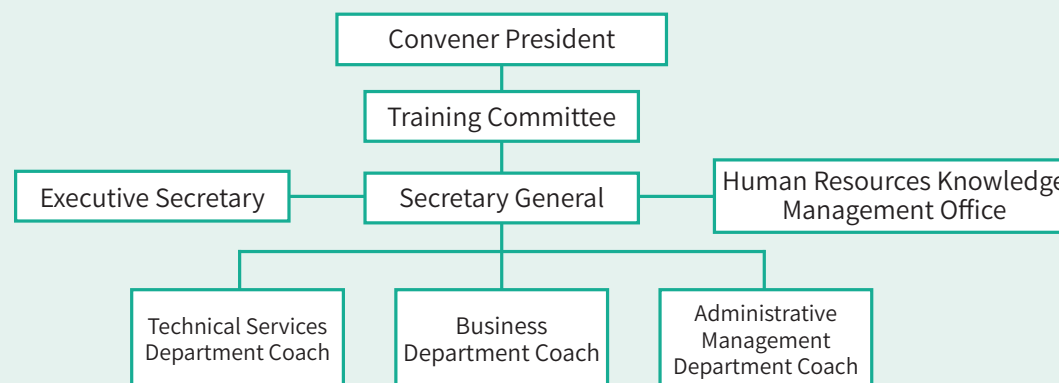
Training Committee Organizational Chart

Business Training Courses

Very helpful 13%
Not helpful 17%
Helpful 70%

Technical Courses

Very helpful 7%
Not helpful 19%
Helpful 74%

Managerial (Digital)

Very helpful 18%
Not helpful 8%
Helpful 74%

Managerial (In-person)

Very helpful 24%
Not helpful 5%
Helpful 71%

● Very helpful
● Helpful
● Not helpful
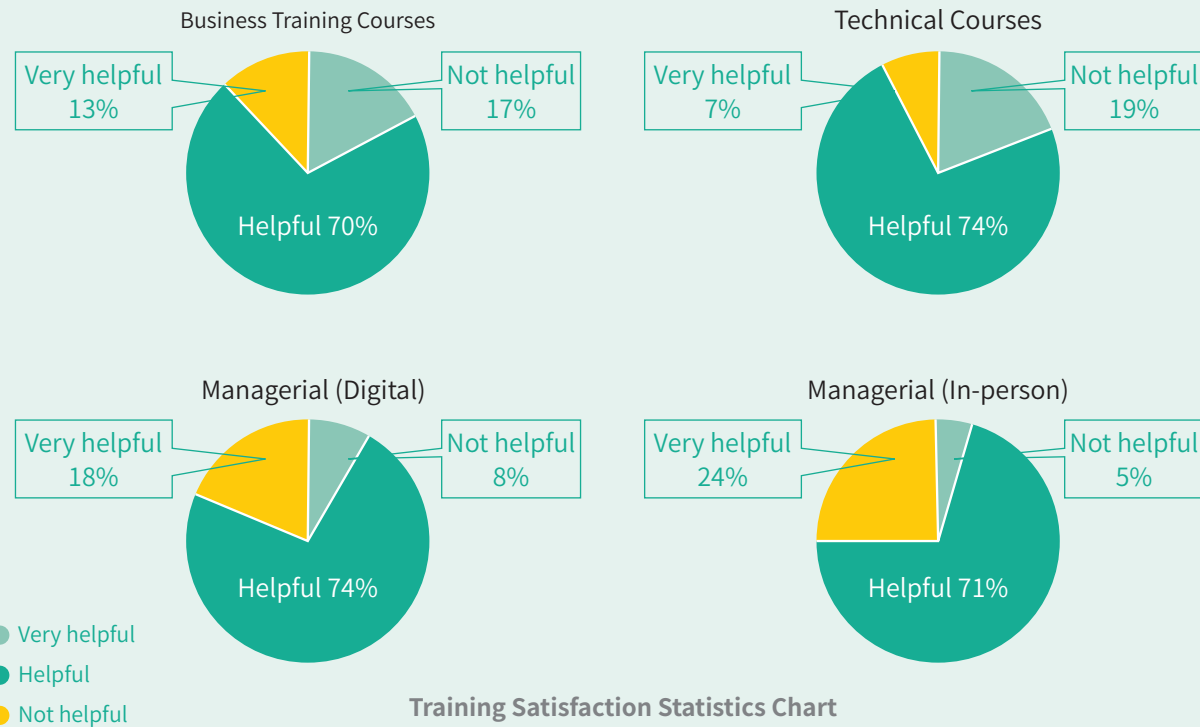
Training Satisfaction Statistics Chart

7. Performance and Career Development GRI 404-3

(I) Employee Performance Evaluation System

To encourage continuous improvement and growth among employees, SYSCOM has established a comprehensive system for regular performance reviews and evaluations. Employee performance evaluations are conducted without any gender discrimination. The annual performance appraisal includes assessments within the scope of the employee's job responsibilities, such as outstanding achievements, completion of technical certification training requirements, and any rewards or disciplinary actions. Each year, departmental supervisors conduct the evaluations, and salary adjustments are implemented based on the appraisal results.

(II) Employee Promotion System

Employee promotion is determined by the evaluating supervisor based on the employee's or manager's work performance and the actual needs of the department. For exceptional performers, the evaluating supervisor submits a special report highlighting their achievements. To be promoted to a managerial position or to a higher managerial level, employees must complete the corresponding managerial training courses organized by the Administrative Planning Department and obtain a certificate of completion.

Proportion of Employees Receiving Regular Managerial Performance and Career Development Reviews in the Past Three Years

Year	Gender		Job Type				
	Male	Female	Management	R&D	Technical	Sales	Administration
2021	798	360	137	313	522	100	86
2022	818	369	148	301	552	100	86
2023	872	394	153	330	593	102	88

Note: Evaluation indicators include:

· Financial indicators: linked to individual or departmental financial goals based on the unit and job nature
· Non-financial indicators: established at the beginning of each year through mutual agreement between supervisors and employees.

8. Diverse and Equal Workplace GRI 405-1

(I) Workplace Diversity Policy

SYSCOM is committed to providing employees with an equal, inclusive, diverse, and friendly workplace, as well as a safe working environment. Employee hiring, promotion, and compensation are primarily based on job category, education and experience, professional knowledge and skills, seniority, and individual performance. This ensures that employees are not subject to discrimination, harassment, or unequal treatment based on race, gender, religion, age, political affiliation, or other legally protected statuses.

(II) Implementation of Workplace Diversity

1. SYSCOM provides equal promotion opportunities for both male and female employees. Female employees account for 31.1% of the workforce, and female managers account for 21.1% of the company's managerial staff.

2. To promote a fair and diverse workplace environment and comply with regulations by employing the required number of individuals with disabilities and indigenous people, as well as meeting business needs by hiring foreign employees, the company has employed, as of this year, a total of 12 employees with disabilities (accounting for 0.9%), 6 indigenous employees (accounting for 0.5%), and 3 foreign employees (accounting for 0.2%).

3. The age distribution of employees is as follows: Employees under 30 years old accounts for 19.4%, employees 30 to 50 years old accounts for 55.0%, and employees over 50 years old accounts for 25.6%.

Proportion of Female Employees in Recent Three Years

Year	2021	2022	2023
Company-wide	31.1%	31.1%	31.1%
Managers and Above	20.4%	21.6%	21.1%

Employee Diversity in 2023

Employee Distribution		Male		Female	
		Number	Percentage	Number	Percentage
Diversity	People with Disabilities	8	0.6%	4	0.3%
	Indigenous People	2	0.2%	4	0.3%
	Foreign Employees	3	0.2%	0	-
Total		13	1.0%	8	0.6%

Employee Age Distribution in 2023

Employee Distribution		Male		Female	
		Number	Percentage	Number	Percentage
Age	Under 30	162	12.8%	84	6.6%
	31-50	479	37.8%	217	17.1%
	51 and above	231	18.2%	93	7.3%
Total		872	68.9%	394	31.1%

(III) Equal Pay GRI 2–21

SYSCOM provides reasonable salaries and rewards, with clearly defined salary approval guidelines. The salary standards are based on factors such as the applicant's suitability for the position, their technical skills and abilities, facilitating the recruitment and retention of outstanding talent. The company values gender pay equality, and salary standards apply to all employees. Salary adjustments and bonuses are based on the company's operating performance and individual performance evaluations to ensure fairness in compensation distribution. Incentive programs, such as performance bonuses and employee dividends, are also in place to reward high-performing employees and units. SYSCOM regularly reviews and adjusts salaries based on factors such as price levels, industry market salary levels, legal requirements, and employee performance to maintain competitive compensation.

Regarding the annual total remuneration ratio, the company calculates the median employee salary based on employees who have been employed for at least six months. The ratio of the highest-paid individual's remuneration to the median employee remuneration is 600.58%, and the ratio of the highest individual salary growth percentage to the median employee salary growth percentage is 1,274%. Remuneration includes base salary, meal allowance, supervisor allowance, other allowances, bonuses, service agreements, and overtime pay.

Salary Information for Full-time Employees in Non-managerial Positions in Recent Three Years

Unit: (Thousand NTD)

Year	2021	2022	2023
Number of Full-Time Non-Managerial Employees	998	1,010	1,037
Total Salary of Full-Time Non-Managerial Employees	883,243	947,670	1,035,086
Average Salary of Full-Time Non-Managerial Employees	885	938	998
Median Salary of Full-Time Non-Managerial Employees	811	827	895

IX. Social Participation

　　SYSCOM, with its sustainable business philosophy, actively participates in and contributes to society. In addition to long-term care for the community and groups in need of assistance, the company also engages in industry-academia collaboration with universities, provides scholarships and sponsorships, and encourages all employees to participate in public welfare activities to create shared social value. Specific measures and implementation results are as follows:

(I) SYSCOM actively participates in social contributions and giving back. Since 2012, it has participated in the Clouded Leopard Incubation Program annually to assist in the development of startup companies. In the past year, it has assisted four startups: Evercomm, MyelinTek, iAmbition Technology, and AcuSense BioMedical. Specific support includes serving as corporate mentors to guide business plans, research and development directions, and presentation skills, providing free exhibition booths at events like the Smart City Exhibition and AIoT Taiwan, connecting them with domestic and international customer markets, and helping young entrepreneurs develop by leveraging the company's resources.

(II) Since 2017, SYSCOM has established the Future Committee Alliance. Its function and purpose are to seek future market opportunities and collaboration opportunities in various industries, connecting with technology-leading companies or startups in different fields. It assists other members of the alliance in introducing solutions to customers, collaborating to expand the market share within existing customer bases, actively participating in exhibitions, and providing free exhibition booths to connect with domestic and international customer markets. To date, the alliance has provided free booths to over 70 startup partners and facilitated exchanges with more than 1,000 customers. A recent collaboration with a partner on a high-definition mobile surveillance wearable solution, featuring a comprehensive technology portfolio, world-leading adaptive mobile bandwidth streaming technology, a highly scalable cloud-based imaging platform, and secure audio and video information storage and transmission technology, presenting a complete "cloud-to-ground" domestically produced (MIT) mobile video solution. Currently, three development/R&D subsidy projects have been secured from government agencies for this solution with a total value of approximately NT$20 million.

(III) SYSCOM actively participates in activities related to the National Quality Sustainable Elite Alliance. President Ruilong Liu assumed the role of President in 2023. Through study groups, he leads past award winners in exchanging experiences and knowledge, assisting in promoting the green economy, green innovation, value creation, and business opportunities. The aim is to enable various industries in Taiwan to continuously improve based on quality, strive for world leadership, implement corporate social responsibility and environmental sustainability, and achieve harmony between people, things, and the environment.
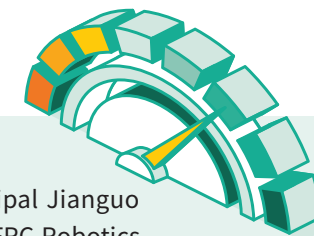
(IV) SYSCOM participates in the development of the CyberpunK robotics club at the nearby Taipei Municipal Jianguo High School. The team won the "Excellence in Engineering Award" at the Los Angeles Regional of the FRC Robotics Competition. SYSCOM engineers assisted the students in learning robotics-related knowledge.

(V) SYSCOM actively engages in public welfare activities, including donations to the Down Syndro¬me Foundation ROC, Taipei Municipal Qizhi School CaoShan Ganata Percussion Orchestra, the Yu Cheng Social Welfare Foundation, Doghome.org, the Ruifu Foundation for the Intellectually Disabled, Taiwan Association for the Visually Impaired, the Genesis Foundation, the Taiwan Foundation for the Blind, and the Childhood Cancer Foundation ROC.

(VI) SYSCOM collaborates with the Chuangfoo Educational Foundation to organize charity walks in support of animal conservation and the sustainable survival of endangered species. The company also participates in charitable events organized by the World Peace Association.

(VII) To cultivate outstanding talent and increase industry-academia collaboration, SYSCOM actively participates in sponsoring academic organizations and various activities.

　1. The company actively engages in industry-academia collaboration with nearby universities. The status of industry-academia collaboration in 2023 is as follows:

Industry-Academia Collaboration in 2023

Category	School	Number of Students	Duration
Industry-Academia Collaboration	National Chung Hsing University	4	2023/02-2023/06
	Taipei University of Business	1	2023/01-2023/05
	Fu Jen Catholic University	1	2023/03-2023/08
	Yuan Ze University	9	2023/02-2024/02
	Ming Chuan University	2	2023/03-2023/06

　2. SYSCOM provides pre-employment scholarships to students in the Department of Intelligent Automation Engineering at National Taipei University of Technology. Upon completing their studies, these students can join the company. In 2023, two pre-employment scholarships were offered.

　3. The company actively participates in sponsoring scholarships and various activities for academic organizations. In 2023, SYSCOM continued its donations to the "Cheng Dien Cultural and Educational Foundation" (NT$40,000), "National Dong Hwa University" (NT$40,000), and "Tamkang University" (NT$50,000).

(VIII) To fulfill its corporate social responsibility, SYSCOM continues to participate in public welfare activities, care for disadvantaged groups in society, and protect environmental resources. In 2023, the company assisted the Workforce Development Agency, Ministry of Labor, in organizing the "Skills Collaboration Workshop," responded to the "Do One Thing for the Tamsui River" project by participating in a Tamsui River beach cleanup, and collaborated with Cisco to organize a charity walk.
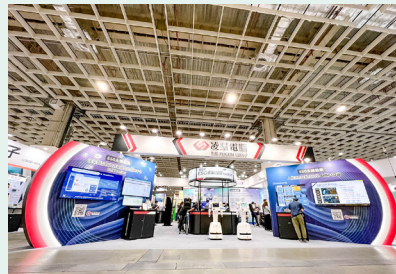
2023 AIoT Exhibition: SYSCOM Unveils 5G Private Network Collaboration and Generative AI Application Achievements

2023 SYSCOM Smart City Expo Unveils Intelligent Carbon Reduction Strategy

2023 AIoT Exhibition: SYSCOM Unveils 5G Private Network Collaboration and Generative AI Application Achievements

2023 SYSCOM Smart City Expo Unveils Intelligent Carbon Reduction Strategy
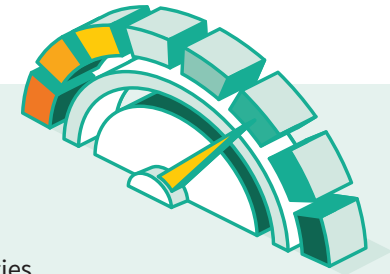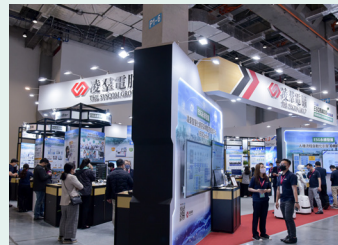
2023 SYSCOM Smart City Expo Unveils Intelligent Carbon Reduction Strategy
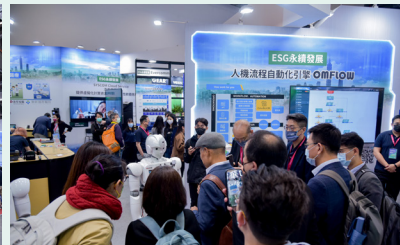
National Quality Sustainable Elite Alliance

National Quality Sustainable Elite Alliance

CaoShan Ganata Percussion Orchestra Letter of Thanks

Down Syndrome Foundation ROC Letter of Thanks

Stray Animal Garden Association Letter of Thanks

Workforce Development Agency, Ministry of Labor Letter of Thanks

Appendix-GRI

Statement of Use	SYSCOM has reported content from 2023/1/1 to 2023/12/31 in accordance with GRI guidelines.
GRI 1	GRI 1: Foundation 2021
Applicable GRI Industry Code	None

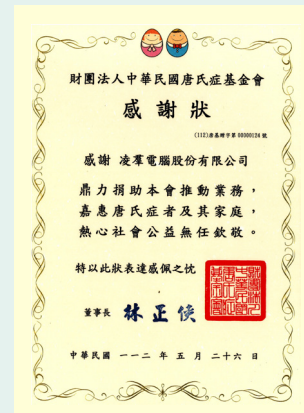| GRI Standards	Topic Disclosures	Report Chapters or Details	Page Number	Notes
		General Disclosure		
GRI 2：General Disclosure 2021	2-1 Organizational details	I. About SYSCOM Computer Engineering Company	7	
	2-2 Entities included in the organization's sustainability reporting	About This Report	3	
	2-3 Reporting period, frequency and contact point	About This Report	3	
	2-4 Restatements of information	-	-	This is the first year of compilation, so no data is needed for restatement.
	2-5 External assurance	About This Report	3	
	2-6 Activities, value chain and other business relationships	II. Industry and Value Chain	15	
	2-7 Employees	VIII. Happy Workplace- 1. Employee Overview	101	
	2-8 Workers who are not employees	VIII. Happy Workplace- 1. Employee Overview	102	
	2-9 Governance structure and composition	IV. Corporate Governance- 1. Corporate Governance Structure	43	
	2-10 Nomination and selection of the highest governance body	IV. Corporate Governance- 2. Board Operations and Diversity	44	
	2-11 Chair of the highest governance body	IV. Corporate Governance- 2. Board Operations and Diversity	44	
	2-12 Role of the highest governance body in overseeing the management of impacts	III. Sustainable Management- 1. Sustainable Development Promotion Structure IV. Corporate Governance- 4. Functions of Major Departments	23 54	
	2-13 Delegation of responsibility for managing impacts	III. Sustainable Management-1. Sustainable Development Promotion Structure III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement	23 33	
	2-14 Role of the highest governance body in sustainability reporting	III. Sustainable Management-1. Sustainable Development Promotion Structure	25	

GRI Standards	Topic Disclosures	Report Chapters or Details	Page Number	Notes
GRI 2：General Disclosure 2021	2-15 Conflicts of interest	IV. Corporate Governance- 2. Board Operations and Diversity	45	
	2-16 Communication of critical concerns	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement	41-42	
	2-17 Collective knowledge of the highest governance body	IV. Corporate Governance- 2. Board Operations and Diversity	48	
	2-18 Evaluation of the performance of the highest governance body	IV. Corporate Governance- 2. Board Operations and Diversity	49	
	2-19 Remuneration policies	IV. Corporate Governance- 2. Board Operations and Diversity	51	
	2-20 Process to determine remuneration	IV. Corporate Governance- 2. Board Operations and Diversity	51	
	2-21 Annual total compensation ratio	VIII. Happy Workplace-8. Diverse and Equal Workplace	120	
	2-22 Statement on sustainable development strategy	Message from the Management III. Sustainable Management- 2. Sustainable Development	4 25	
	2-23 Policy commitments	Message from the Management I. About SYSCOM Computer Engineering Company III. Sustainable Management- 3. Implementation of Sustainable Development IV. Corporate Governance-6. Integrity Management	4 7 26 57	
	2-24 Embedding policy commitments	Message from the Management I. About SYSCOM Computer Engineering Company III. Sustainable Management-3. Sustainable Development Strategy IV. Corporate Governance-6. Integrity Management	4 7 26 57	
	2-25 Processes to remediate negative impacts	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement V. Risk Management-1. Risk Management	33 59	
	2-26 Mechanisms for seeking advice and raising concerns	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement	37	
	2-27 Compliance with laws and regulations	IV. Corporate Governance-6. Integrity Management V. Risk Management – 2. Anti-Corruption V. Risk Management – 4. Privacy	57 66 70	No major events occurred during the year.
	2-28 Membership associations	II. Industry and Value Chain- 3. Participation in Associations	19	
	2-29 Approach to stakeholder engagement	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement	39	
	2-30 Collective bargaining agreements	-	-	Not applicable, as there is no union.

GRI Standards	Topic Disclosures	Report Chapters or Details	Page Number	Notes
GRI 3：Material Topics 2021	3-1 Process to determine material topics	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement	33	
	3-2 List of material topics	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement	37	
	3-3 Management of material topics	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement	37	
【Material Topics】				
Business Performance				
GRI 3：Material Topics 2021	3-3 Management of material topics	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement IV. Corporate Governance- 5. Operational Performance V. Risk Management - (IV) Risk Management and Materiality Matrix VIII. Happy Workplace- 5. Employee Pension Plan	39 55 62 109	
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	IV. Corporate Governance- 5. Operational Performance	55	
	201-2 Financial implications and other risks and opportunities due to climate change	V. Risk Management- (V) Climate Change Risk	63	
	201-3 Defined benefit plan obligations and other retirement plans	VIII. Happy Workplace- 5. Employee Pension Plan	109	
	201-4 Financial assistance received from government	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement IV. Corporate Governance- (II) Tax Information	37 56	
Integrity Management and Legal Compliance				
GRI 3：Material Topics 2021	3-3 Management of material topics	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement IV. Corporate Governance- 6. Integrity Management V. Risk Management- (IV) Risk Management and Materiality Matrix	39 57 62	
GRI 205 Anti-corruption 2016	205-1 Operations assessed from risks related to corruption	V. Risk Management- 2. Anti-corruption	66	
	205-2 Communication and training about anti-corruption policies and procedures	IV. Corporate Governance- 2. Board Operations and Diversity V. Risk Management- 2. Anti-corruption	49 67	
	205-3 Confirmed incidents of corruption and actions taken	V. Risk Management- 2. Anti-corruption	66	No major events occurred during the year.

GRI Standards	Topic Disclosures	Report Chapters or Details	Page Number	Notes
Emphasis on Labor Relations				
GRI 3：Material Topics 2021	3-3 Management of material topics	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement VIII. Happy Workplace	39 100	
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	VIII. Happy Workplace- I. Employee Overview	101	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	VIII. Happy Workplace- 2. Compensation and Benefits	103	
	401-3 Parental leave	VIII. Happy Workplace- 2. Compensation and Benefits	104	
Talent Cultivation and Development				
GRI 3：Material Topics 2021	3-3 Management of material topics	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement VIII. Happy Workplace- 6. Training and Development	39 110	
GRI 404 Training and Educations 2016	404-1 Average hours of training per year per employee	VIII. Happy Workplace- 6. Training and Development	112	
	404-2 Programs for upgrading employee skills and transition assistance programs	VIII. Happy Workplace- 6. Training and Development	114	
	404-3 Percentage of employees receiving regular performance and career development reviews	VIII. Happy Workplace- 7. Performance and Career Development	117	
Marketing Development, Innovation, Product and Service Quality				
GRI 3：Material Topics 2021	3-3 Management of material topics	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement II. Industry and Value Chain- 5. Innovation and R&D Achievements VI. Partnerships– 2. Clients IX. Social Participation	39 21 85 121	
Information Security and Personal Data Protection				
GRI 3：Material Topics 2021	3-3 Management of material topics	III. Sustainable Management- 4. Material Topics Analysis and Stakeholder Engagement V. Risk Management- 7. Information Security	39 76	
GRI 418：Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	V. Risk Management- 4. Privacy	70	No complaints occurred this year
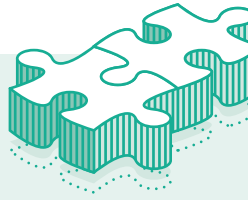
GRI Standards	Topic Disclosures	Report Chapters or Details	Page Number	Notes
【Self-Disclosure of Specific Topics – Topic Standards】				
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	VII. Sustainable Environment- 3. Greenhouse Gas Inventory	98	
	305-2 Energy indirect (Scope 2) GHG emissions	VII. Sustainable Environment- 3. Greenhouse Gas Inventory	98	
	305-3 Other indirect (Scope 3) GHG emissions	VII. Sustainable Environment- 3. Greenhouse Gas Inventory	98	
	305-4 GHG emissions intensity	VII. Sustainable Environment- 4. Energy Conservation and Carbon Reduction Measures	99	
GRI403 Occupational Health and Safety 2016	403-1 Occupational health and safety management system	VIII. Happy Workplace- 3. Occupational Safety and Health Management	105	
	403-3 Occupational health services	VIII. Happy Workplace- 3. Occupational Safety and Health Management	105	
	403-6 Promotion of worker health	VIII. Happy Workplace- 4. Employee Healthcare	106	
GRI 405 Diversity and equal Opportunity	405-1 Diversity of governance bodies and employees	VIII. Happy Workplace- 8. Diverse and Equal Workplace	118	
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	VI. Partnerships- 1. Suppliers	81	
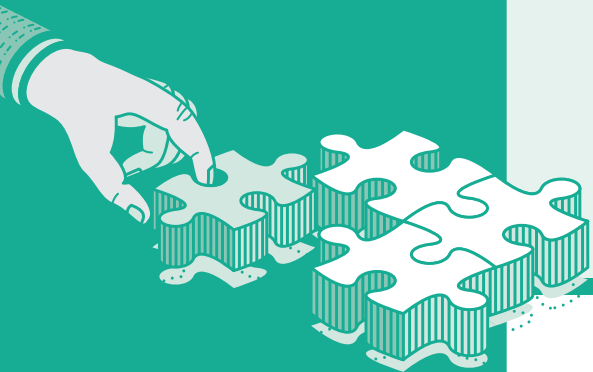
Appendix-SASB

SASB Topics	Metric Code	Accounting Metric	Corresponding Chapters	Page Numbers
Environmental footprint of hardware infrastructure	TC-SI-130a.1	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	VII. Sustainable Environment – 3. Greenhouse Gas Inventory	98
	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	III. Sustainable Management- 3. Implementation of Sustainable Development	27
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data centers needs	III. Sustainable Management- 3. Implementation of Sustainable Development	26
Data privacy and freedom of expression	TC-SI-220a.1	Description of policies and practices related to behavioral advertising and user privacy	V. Risk Management- 4. Privacy	70
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	No such circumstances this year	-
	TC-SI-220a.5	Number of information leaks, the number and proportion of personally identifiable information (PII) involved in these leaks, and the number of affected users.	No such circumstances this year	-
Information Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	V. Risk Management- 7. Information Security	78
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of foreign employees and employees outside of Taiwan	VIII. Happy Workplace- I. Employee Overview	101
	TC-SI-330a.3	Percentage of different genders and races in management, technical staff, and other employee positions.	VIII. Happy Workplace- I. Employee Overview	101
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	No such circumstances this year	-

● **Appendix**

Attachment 1. Awards and Honors

2023 Taiwan Excellence Award - DBMaker Relational Database Management System

2023 Taiwan Excellence Award - NETCenter IT Infrastructure Monitoring Management Center

2024 Taiwan Excellence Award - OMFLOW

2024 Taiwan Excellence Award – Ayuda Service Robot

Attachment 2. Functions and Achievements of SYSCOM Committees

Committee Name	Function / Purpose	Achievements / Outcomes
Future Committee	Identify future market and cooperation opportunities in various industries, linking with leading technology vendors or startups to expand existing customer share.	Actively participated in exhibitions, integrated startups or advanced technologies within the industry, and strengthened joint growth in the information service industry. (e.g., Smart City Expo, ComputeAIoT Expo)
Execution Committee (XO)	Provide technical assistance for new and pilot operation, and propose improvements and optimizations for existing execution processes.	Implemented various project risk control mechanisms and measures, effectively reducing project losses caused by execution delays.
Technology Committee (SO)	Adjust R&D resource allocation based on the sensitivity to advanced technologies.	Initiated discussions on the emerging technology ChatGPT, and responded to the President's directives for the OpenAI Committee.
Training Committee (TO)	Focus on cultivating talent with advanced IT skills and developing well-rounded professionals, leading and planning the company's knowledge development system.	Completed the setup of a training platform, enabling all employees to engage in online learning, offline review, and mandatory achievement of certain standards.
Logistics Service Committee (LO)	Support and promote improvement activities proposed by other committees, ensuring correct participation by all employees.	Promoted and assisted all employees in adopting OMFLOW clock-in and GPS location tracking practices.
Pandemic Response Committee	Implement pandemic prevention plans and employee care measures, ensuring a safe working environment during the pandemic.	Adhered to government pandemic measures and ensured uninterrupted service to customers while meeting the company's requirements.
Product Self-Development Committee	Responsible for evaluating the product strategy for software product commercialization proposed by the R&D department.	Completed the certification/licensing mechanism for self-developed products, establishing a high-quality output of in-house developed products.
OpenAI Committee	Integrate OpenAI applications into the company's own products and assist in building a human resource pool of OpenAI experts.	Successfully upgraded the AI brain of the SYSCOM Intelligent Service Robot Ayuda, enhancing its customer service capabilities. Actively developed an expert database and program generator to facilitate interaction between humans and AI.

Attachment 3. External Assurances

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE SYSCOM Computer Engineering Company's SUSTAINABILITY REPORT FOR 2023

NATURE AND SCOPE OF THE ASSURANCE
SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by SYSCOM Computer Engineering Company (hereinafter referred to as SYSCOM) to conduct an independent assurance of the Sustainability Report for 2023(hereinafter referred to as the Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 2 Moderate level to assess whether the text and data in accompanying tables contained in the report and complies with the GRI Standards and AA1000 Accountability Principles (2018) during on-site assurance (2024/6/13~2024/7/17) in SYSCOM headquarter. The boundary of this report includes SYSCOM Taiwan and oversea operational and service sites' specific performance data included the sampled text, and data in accompanying tables, contained in the report presented. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD), sustainability accounting standards (SASB), and non-material topics and the related indicators.

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 SYSCOM's Stakeholders.

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

Our responsibility is to express an opinion on the report content within the scope of assurance with the intention to inform all SYSCOM'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 to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

TWLPP 5008 Issue 2404

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 2 Moderate Level (AA1000AP Evaluation plus evaluation of Specified Performance Information)

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

Reporting Criteria Options	
1	GRI Standards (in Accordance with)
2	AA1000 Accountability Principles (2018)

- The evaluation includes AA1000 Assurance Standard v3 Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018).
- The evaluation of the reliability and quality of specified sustainability performance information in SYSCOM's Report is limited to determined material topics or those clearly marked in the report as conducted in accordance with type 2 of AA1000AS v3 sustainability assurance engagement at a moderate level of scrutiny for SYSCOM and moderate level of scrutiny for its subsidiaries or joint ventures
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.

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

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

TWLPP 5008 Issue 2404

Attachment 3. External Assurances

STATEMENT OF INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from SYSCOM, 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.

ASSURANCE/VERIFICATION OPINION
On the basis of the methodology described and the assurance work performed, the assurance team are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information as well as the specified performance 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.
The assurance team believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
SYSCOM has practiced stakeholder inclusivity and stakeholder engagement. The practice was carried out through survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, SYSCOM may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

Materiality
SYSCOM has determined issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group. Integration of the assessment process across the organisation, including through relevant processes, such as risk management and compliance with laws, regulations, and internal policies and procedures are expected to be enhanced in the future reporting.

Responsiveness
The report includes coverage given to stakeholder channels for stakeholder feedback. By the governance of senior management, including key cross-functional involvement, implement a process for developing responses related to material topics and communicating them to stakeholders that is applied across the organisation are going to be strengthen in the following disclosure.

Impact
SYSCOM has included in this report the disclosures of the organisation's impacts on stakeholders and on the organization itself. To present impacts as a qualitative, quantitative or monetised measurement to well demonstrate the impact management status are to be carried out in the future reporting.

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GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS
The report, SYSCOM's Sustainability Report of 2023, is adequately in accordance with the GRI Universal Standards 2021and complies with the requirements set out in section 3 of GRI 1 Foundation 2021, where the significant impacts on the economy, environment, and people, including impacts on their human rights are assessed and disclosed following 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. For future reporting, SYSCOM is encouraged to conduct due diligence in GRI Standards, to fairly present the capability of identifying the impacts on the economy, environment, and people, and disclosed the measurement and monitoring process of impact identified with responsive indicators based on application of due diligence. Take into account the evolving sustainability, and regulatory contexts and maturity of topics and concerns, allowing for industry-related, cultural and operational-level differences are to be carried out in the future development of materiality assessment process.

Signed:
For and on behalf of SGS Taiwan Ltd.

Stephen Pao
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Taipei, Taiwan
12 August, 2024
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