



**SYSGRATION®**

**2024**

**Sustainability Report**

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# About the Report

## ► Editorial Principles

Sysgration Ltd. (Stock Code: 5309, referred to as "Sysgration") prepared the 2024 Sustainability Report according to the GRI Standards 2021 announced by The Global Reporting Initiative (GRI), the "Sustainability Accounting Standards - Electrical & Electronic Equipment" announced by the Sustainability Accounting Standards Board (SASB), the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) published by the Financial Stability Board (FSB), and the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies" announced by Taipei Exchange, in order to disclose Sysgration/s operational strategies, investment and performance with respect to sustainable development to the stakeholders.

## ► Report Boundary and Data

This report discloses the performance data for the aspects of the economics, environment and society of 2024 (January 1 to December 31, 2024). For the completeness and comparability of the information, some of the performance data traces back to the information of 2023 and earlier periods retrospectively. The boundary<sup>Note 1</sup> of this report is Sysgration Ltd., and its operation areas include the Taipei Head Office, Nantou Nankang Plant (the "Nankang Plant"), the Huizhou Plant in Mainland China (Sysgration (Huizhou) Ltd., the "Huizhou Plant"), and Power Tank Energy Ltd. (the "Power Tank"), the operation areas of which include the Taipei Head Office and Zhenjiang Plant in Mainland China (Sysgration (Zhenjiang) Ltd., the "Zhenjiang Plant"). The data and information disclosed in this report are provided by relevant responsible departments through information collection and summarization. The collection, measurement and calculation methods of various data and information are conducted in accordance with the International or local regulatory requirements as the main basis for compliance. In cases where no international standards are applicable, industrial standards or industrial common practices are used as the basis for compliance.

Note 1: Except for financial information, the boundary of data disclosed in the Sustainability Report does not include the following subsidiaries in the consolidated financial statements: Sysgration USA Inc. Sysgration Samoa Corporation, Sysgration International Inc., Sysgration America Corporation, Sysgration Technology Samoa Co., Ltd., and Leadray Energy Co., Ltd.

## ► External Guarantee/Assurance

To ensure the accuracy and transparency of the information disclosed by Sysgration, the data and information in this report are internally managed by the responsible departments with reference to laws and regulations. In addition, external certifications have been obtained for specific information (please refer to the Appendix – External Certification). Relevant data and information are compiled and prepared by the ESG report editorial team, submitted to the heads of various departments for confirmation, and eventually reviewed and approved by the Board. The Company entrusts PwC Taiwan to perform external independent valid assurance on the sustainability performance selected for the report prepared according to the GRI Standards and to perform an audit according to the TWSAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by Accounting Research and Development Foundation of R.O.C.. The scope of assurance is the information in 2024. The information on December 31, 2023, and the prior periods is not included in the scope of assurance. The CPAs issued the assurance opinion. Please refer to the Assurance Report in the Appendix for details of the scope of assurance and conclusion.

## ► Release Time

Sysgration issues its ESG Report annually and also discloses the report on the Company website.

Present Release Date: Released in August 2025

Next Release Date: Expected to be released in August 2026

## ► Contact Us

For any questions on this report or any recommendations to Sysgration, please contact us via the following method.

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- Telephone: (02) 2790-0088
- Fax: (02) 2790-9000
- Contact E-mail: [esgteam@sysgration.com](mailto:esgteam@sysgration.com)
- Company Website: <https://www.sysgration.com/zh-tw/>
- Contact Person/Unit: President's Office - ESG Report Editorial Team

# Message from the Chairman

At present, the world is in an era full of challenges, with climate change and global warming becoming increasingly material. Sysgration realizes the importance of solving these problems and bringing about positive influences for future generations. Sustainable development is the key to responding to these challenges; therefore, we have done our best to invest in sustainable actions. In 2024, Sysgration won the Bronze Medal in the Asia's Best SDG Reporting category at the Asia Sustainability Reporting Awards and received the Silver Award at the Taiwan Corporate Sustainability Awards (TCSA). The achievement is the recognition of our past efforts and the exhibition of our future commitments. We hope to become the leader in the industry, join hands with different parties to face challenges, promote the philosophy of sustainable development, and create a green and sustainable future.

## ► Break Through Industry Standards: Outstanding Sustainable Governance

Corporate governance is an indispensable foundation for sustainable development, and we are fully dedicated to improve our corporate governance performance. In the 9th, 10th, and 11th Corporate Governance Evaluation for TWSE/TPEX Listed Companies, we were ranked among the Top 5% companies listed on TPEX for three consecutive years. In 2024, the number of Independent Directors in the Board accounted for 43% of the total number of Directors, exceeding the statutory number of seats required by the laws. In addition, in terms of ethical corporate management and business ethics, all members of the Board signed the "Ethical Corporate Management Documents," and all employees and suppliers signed the "Ethical and Honesty, Environmental Protection and Social Responsibility Commitment." Investigation and assessment of corruption risks are performed for all business locations to reduce the occurrence of corruption risks of the Group.

In the backdrop of the rapid development of digitalization worldwide, the Company is facing frequent and intensified information security attacks, regardless of blackmailing viruses or phishing. Such threats have become an issue that cannot be neglected. Therefore, the Company requires an active response in terms of technology and the formulation of strategic information security protection measures. Furthermore, the competent authority has been paying more and more attention to information security issues, and the Company also focuses on the protection of customer privacy. It actively established a reliable, safe, and stable information operating environment to ensure the safety of the Company's data, system, equipment, and networks. To eliminate cyberattacks and protect customer privacy, the Group obtained ISO/IEC 27001:2022 international certification and continues to monitor information security through regular personnel training and the operation of its information security management system to ensure overall protection.

The importance of sustainable supply chain management has continued to increase in recent years. Due to the requirements of the "Corporate Sustainability Due Diligence Directive" (CSDDD) of the EU and the "Uyghur Forced Labor Prevention Act" (UFLPA) of the U.S., and in response to the global net zero transition policy, enterprises must think about how to reduce carbon. Apart from setting itself as an example, Sysgration also hopes to join hands with partners in the value chain to become a part of promoting global sustainable development. Therefore, we introduced the sustainable supply chain project in 2024, complied with the ISO 20400 sustainable procurement guidelines and standards, and established comprehensive sustainable procurement policies and green supply chain management mechanisms. First, the Company began by conducting a supply chain maturity analysis to identify key sustainability issues, critical procurement categories, and key suppliers. The priority management indicators and requirements are evaluated, and the first to third levels of sustainable procurement are established. The ESG questionnaire is used to conduct supplier ESG evaluation and audit evaluation, and the supplier ESG risk distribution and the ESG energy supply recommendations for high-risk suppliers are established based on the evaluation results. In 2025, we will convene a supplier sustainable supply chain education and training meeting to explain to suppliers and distribute supplier ESG evaluation questionnaires. In the second half of 2025, we will conduct on-site audits of high-risk suppliers. If any deficiencies are found, we will require them to improve within a certain time period to reduce ESG risks in the supply chain, help suppliers improve sustainability performance, reduce operational risks, and achieve mutual prosperity and common good in the value chain.



## ► Move to Net-zero Emissions: Implementation of Energy Conservation and Carbon Reduction Actions and Prospects

As the five-year Nationally Determined Contribution (NDC) under the "Paris Agreement" is about to welcome a new round of cycle, governments of different countries have been submitting their Nationally Determined Contributions (NDC 3.0) to ensure that they improve the climate commitment in the hope of change the current stringent climate situations. In addition to following up on the proposal of reduction targets by 2032 and 2035, Taiwan has further improved the initially set 2030 GHG emission reduction target. Sysgration implemented energy conservation and emission reduction plans at its operating sites in 2021 to improve energy consumption efficiency step by step through diverse energy conservation and carbon reduction actions and invest in the establishment of renewable energy generation systems. In 2022, the Company established a dedicated climate governance organization based on the Task Force on Climate-related Financial Disclosures (TCFD) through project meeting discussions to implement the Group's climate risk and opportunity identification, determine the material climate risks and opportunities of the Group, establish countermeasures for relevant climate risks, and set up targets to mitigate the level of impact of relevant risks. In terms of climate opportunities, the Company also actively developed innovative low-carbon energy conservation products to explore the business opportunities in new markets brought by climate opportunities. Sysgration reduced approximately 103,416.8 kWh of electricity consumption in 2024, which was equivalent to the reduction of 49 metric tons of CO<sub>2</sub>e, and renewable energy generation reached 4.05 Mwh. In 2024, we initiated the Group's GHG inventory to understand and monitor material emissions sources within the scope of the Group's operations. In the future, we will introduce the Science Based Targets initiative (SBTi) based on the carbon emissions data, evaluate and formulate concrete and active carbon reduction targets, including the Scope 3 indirect emissions beyond the boundary of the organization to extend carbon reduction requirements to raw material suppliers. Apart from implementing energy conservation and carbon reduction, we will also lead the overall value chain to move toward net zero emissions.

## ► Lead the Sustainable Future: Green Innovation and Mission

The net-zero transformation has become a trend of global green transformation. With the implementation of new green policies in various countries, in addition to requiring enterprises to implement organizational energy conservation, carbon reduction and energy transformation, such policies also focus on the reduction of product carbon footprint with consideration to the product lifecycle in terms of the overall carbon emission thinking. Sysgration has long been observing the industry sustainability trend and actively developing low-carbon green products and services. In 2024, Sysgration invested approximately NT\$330 million in R&D expenditures, representing an increase of 28.6% from the previous year, accounting for 10.6% of the total operating income. We continue to develop low-carbon energy-saving key technology products. We aim to reduce carbon emissions by 4.5% and carbon emissions intensity by 6% annually through product green designs and product manufacturing process optimization, together with production line automation, to reduce product carbon footprints and achieve the business target for the production value of green products to account for 55% of the annual operating income. We believe that by combining the advantages of our main business with innovation in green and low-carbon product R&D, we will be able to make better contributions to the global environment and sustainable development.

## ► Diverse and Friendly Workplace and Giving Back to Society: People-oriented and Responsibility First

Sysgration complies with fair, just and open recruitment procedures and eliminates any discrimination due to nationality, religion, ethnicity or gender. We value workplace diversity and gender equality. In 2024, the ratio of female employees reached 49%, and female senior management personnel accounted for 20.9%. The Company is committed to providing a safe and healthy working environment, a comprehensive talent development plan, and excellent employee benefits. All of our operating sites have been certified under ISO 45001:2018 for Occupational Safety and Health Management Systems.

In terms of talent training, the Company invested approximately NT\$810,000 in 2024 to provide over 7,378 hours of training courses, demonstrating a high level of commitment to talent training.

As a corporate citizen, Sysgration actively participates in social welfare activities and gives back to society. In 2024, the Company invested NT\$2.52 million in four key areas: industry-academia collaboration, employee training and development, care and relief, and environmental sustainability. Through these efforts, Sysgration aims to integrate internal and external resources to make substantial contributions to society, thereby achieving a win-win situation and common prosperity. We promoted the "Digital Community-Based Primary Healthcare for Healthy Aging and Social Inclusion" with the Digital Humanitarian Association during the year. For the project, it is shown that an investment of NT\$1 can create a social value of NT\$10.23 through the SROI evaluation, fully exhibiting the social commitment and influence of the Company.

As global attention to environmental protection, social responsibility, and governance issues intensifies, Sysgration is firmly committed to advancing corporate sustainability in the coming years, striving to achieve a positive balance between economic growth, social well-being, and environmental protection. We will continue to enhance internal management, optimize resource allocation, and actively collaborate with stakeholders to jointly create a more sustainable and innovative future.

**► A. Environmental Goals:**

- Carbon Reduction Plan: Aim to achieve a 25% reduction in carbon emissions or 640 tons of CO<sub>2</sub>e by 2030, with an ambition to reach net-zero carbon emissions by 2050.
- Energy Transition: Significantly increase the proportion of renewable energy usage, with a plan for 20% of our energy to be sourced from renewable resources such as solar and wind power by 2030.
- Waste Management: Achieve a 60% waste recycling rate within the next five years and continuously improve waste treatment and recycling systems.

**► Social Responsibility:**

- Employee Well-being: We will continue to provide diverse career development opportunities and employee support programs, with a particular emphasis on mental health and workplace safety, ensuring every employee can maximize their potential in a healthy environment.
- Community Contribution: Over the next five years, we plan to expand our investment in the community, especially in areas such as caring for the health of elderly individuals in rural areas and environmental protection, promoting societal co-development.

**► Governance Structure:**

- Sustainable Leadership: A Sustainability Development Committee led by senior executives will promote and oversee the achievement of sustainable goals, regularly reporting progress to shareholders and stakeholders.
- Transparency and Reporting: Enhance the transparency of sustainability reporting, conduct quantitative and qualitative analyses according to global standards (such as GRI and SASB), and update reports annually to demonstrate our achievements in sustainable development to the public.
- Digital Transformation: With technological advancements, we will leverage Big Data, IoT, and other technologies to improve operational efficiency, further reduce resource consumption, and achieve lean production.

Despite our confidence in the future, we anticipate facing challenges in promoting sustainable development, such as the US tariff issues, uncertainties in global climate change, resource scarcity pressures, and the constant changes in policies and regulations. We will closely monitor these challenges and actively adjust our strategies to ensure we can respond flexibly to market and environmental changes.

In the future, we are committed to fostering cross-industry and cross-border partnerships, working together to build a more resilient and sustainable business model. We believe that through relentless efforts and innovation, Sysgration can contribute significantly to global sustainable development while achieving corporate growth.



Chairman of Sysgration Ltd.  
Lee, I-Ren





# Chapter 1

## Sustainable Management

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- 1.1 About Sysgration
- 1.2 Sustainable Practices
- 1.3 Materiality Analysis
- 1.4 Stakeholder Engagement





# 1.1 About Sysgration

## 1.1.1 Company Profile

Sysgration was founded in 1977. For more than 40 years, we have been committing to using advanced technology to provide premium products to customers, including developing the best quality products for IoT, automotive electronics, and energy storage system products, and continue to provide customers with integrated solutions for technology development, design and manufacturing, quality cost management, and receiving certification through technology integration. Sysgration has been listed on the Taipei Exchange since 1996. So far, the production, R&D and operation locations include Taipei Headquarters, Toufen Plant in Miaoli, Nankang Plant in Nantou, Huizhou Plant, Guangdong and Zhenjiang Plant, Jiangsu in Mainland China. With about 580 employees around the world, Sysgration is a leading manufacturer of automotive tire pressure monitoring systems (TPMS), with customers all over the world.

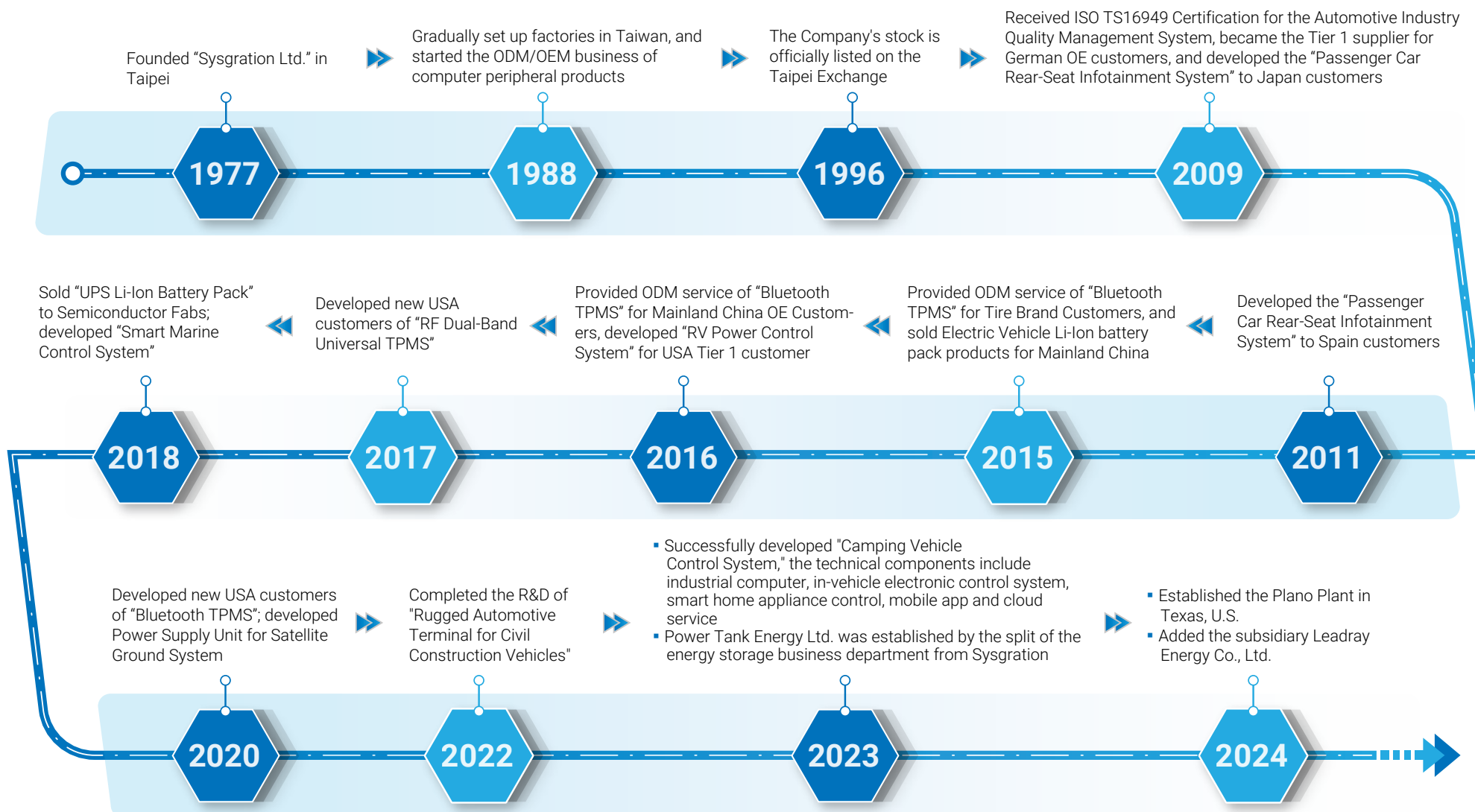
Sysgration focuses on the ODM/OEM field, with "Technology, Quality, Innovation" as the Company's core values, and provides products mainly for automotive tire pressure monitoring systems, automotive electronic products, green energy and energy storage equipment. In response to the sustainable transformation of the market and the wave of net zero emission targets, in recent years, Sysgration has actively deployed in the fields of IoT, Internet of Vehicles and new energy technologies. Sysgration not only has combined mobile devices, and smart devices with Internet of Vehicles smart network connections but also developed a low-power Bluetooth Tire Pressure Monitoring Signal (TPMS) transmission system and began to develop energy storage system for renewable energy, uninterrupted power supply equipment for clean energy, and electric vehicle batteries to create intelligent and climate-resilient solutions for our customers.

In 2024, Leadray Energy Co., Ltd. became a subsidiary of the Group, and Sysgration officially entered the renewable energy engineering and power sales market. The plant of subsidiary Leadray Energy is located in Toufen, Miaoli, and it was initially a professional manufacturer of LED road lamps and lighting systems. It subsequently invested in the establishment of solar power, energy storage systems, and EPC (Engineering, Procurement, Construction), possessing abilities in energy storage, solar power construction, land integration, project establishment, operating maintenance, and power sales services. It forms a vertical integration for supplementation with the energy storage system (ESS) product department in terms of Pack, Power Conversion System (PCS), and the whole machine under Sysgration to jointly provide one-stop green electricity transition solutions of "energy creation, energy storage, and energy conservation." In the same year, the North American headquarters and manufacturing center was established in the city of Plano, Texas, U.S., occupying over six acres, and the area of the plant is 100,000 sqm, about 35 minutes of ride to the Dallas Fort Worth Airport. In addition to providing technical services to customers in the Americas, the plant is equipped with Surface Mount Technology (SMT) and Dual In-line Package (DIP) automated Printed Circuit Board Assembly (PCBA) processes and highly automated assembly lines for the production and manufacturing of a wide range of products (i.e., the battery backup units (BBU) for AI data centers, tire pressure monitoring systems (TPMS), industrial PC (IPC), unmanned aerial vehicles (UAV), autonomous mobile robots (AMR), and industrial integrated AR wearable systems). These systems comprehensively strengthened the resilience of Sysgration's local supply chain in the American market and its ESG strategic layout.

Since its establishment, Sysgration has continuously been focusing on R&D as the core strategy to establish R&D departments for different product lines. Our teams focus on developing innovative technologies and solutions to respond to market requirements and challenges, and such efforts have received the recognition of multiple domestic and foreign patents and inventions. With the manufacturing facilities worldwide and the professional technologies and advantages of companies within the supply, we have successfully established strategic cooperation relationships with globally renowned leading enterprises. Sysgration's consolidated operating income in 2024 was approximately NT\$3.1 billion. Meanwhile, Sysgration actively promotes the three fields of environmental, social, and governance (ESG) to create sustainable value for the enterprise, society, and environment.

Looking into the future, facing the rapid changes and challenges of the domestic and international environment, Sysgration pays more attention to the development and sales of new products and receiving patent rights. We will continue to develop innovative technologies in the fields of IoT, Internet of Vehicles, energy storage products and battery energy based on the solid technology foundation, and we expect to become a world-renowned enterprise.

## 1.1.2 Sysgration Milestones and Prospects



## 1.1.3 Sysgration Operation Locations





## 1.1.4 Product Innovation and Development

In order to maintain a high level of competitiveness in the market, Sysgration actively recruits excellent R&D talents, continues to invest funds in developing new products and focuses on breakthrough technologies. In recent years, the R&D organization has expanded to the fields of automotive electronics, power management, IoT products and battery energy storage management, and is committed to the connection of mobile devices, smart devices and the Internet of Vehicles, and developing low-power-consumption Bluetooth and WiFi modules. Since its establishment, Sysgration has been focusing on the core business of R&D, and the R&D department covers hardware circuits, software programs, product appearance, mechanical improvements, reliability testing, production testing, and equipment design. We have achieved significant advancements in

new products and technologies, obtained multiple domestic and foreign patents, and passed many large-scale energy storage safety certifications under the European standards and the U.S. standards, consolidating our competitiveness in the industry.

In 2024, the R&D expenditure of Sysgration was approximately NT\$330 million, representing an increase of 28.6% from 2023, accounting for 10.6% of the total operating income. The R&D expenditure has continued to increase in the past five years, which is sufficient to show Sysgration's emphasis on product R&D innovation.

Sysgration is committed to using advanced technology to develop the best quality smart application solutions for the Internet of Things, automotive electronics and energy management, from product concept feasibility research, manufacturing design, circuit board filling and testing to supply chain management, logistics repair and maintenance, we provide customers with integrated solutions the full product development cycle, assist in solving problems early in the product development process, traces systems assembly and testing, and manages the supply chain risks.





**Tire Pressure Monitoring System**

- Multi-Band Universal Tire Pressure Monitoring System for Original-Manufacturer Replacement Parts
- Bluetooth low energy Tire Pressure Monitoring System for passenger cars, motorcycles, heavy duty trucks, and buses
- Original Equipment (OE) Tire Pressure Monitoring System
- Big Data Analysis and Application of Tire Pressure Monitoring System and Internet of Vehicles

**Energy Storage System**

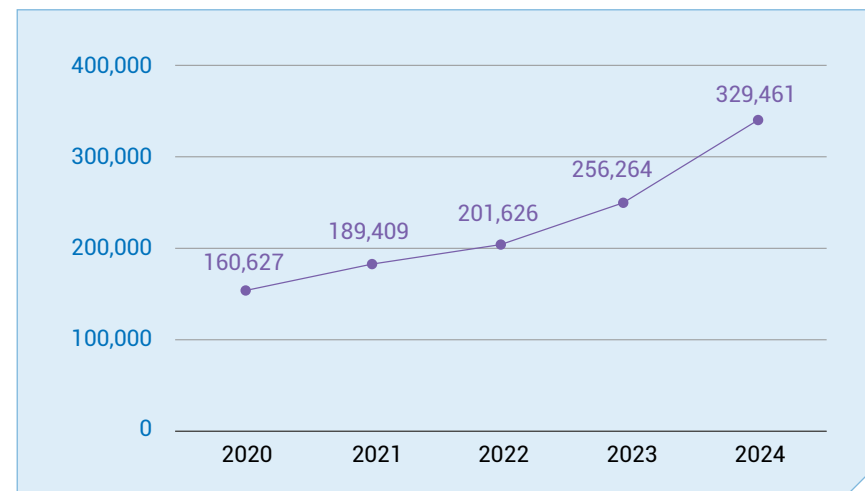
- Frequency Modulation and Voltage Modulation Energy Storage Management System for Large Power Users, Communities of Offices in Plants, and Power Plants
- Solar and Wind Energy Storage System and Lithium Battery Management System
- Lithium Battery System for Communication Base Station and Communication Equipment
- Lithium Battery System for Precision Manufacturing and Semiconductor Equipment
- Battery Backup System for Cloud Data Center

**Eco-friendly Energy and Power Equipment**

- Online 3KV to 1,000 KVA UPS
- Battery system for distributed power and 4G and 5G communication power

### R&D Expenditures Over the Years

Unit: NT\$ Thousands



Subsidiary Power Tank was formally established through a split in 2023 to actively expand the Company's operating dynamics through professional division of work. In particular, the world is entering a battle of digital 5G, and the expansion speed for the requirements for data centers is relatively fast; therefore, the product R&D direction shall focus on the industrial battery backup module and UPS required for data centers.

Sysgration provides customers with value-added and customized solutions through leading technology, system structure knowledge, and on-site manufacturing experience and combines the popularization of AI technology to strengthen the experience of innovative products.



#### Industrial Portable and Wearable Systems

The AI smart headset solution enables petroleum, chemical, and gas field engineers to contact remote experts or management personnel for real-time audio and video communication in confined spaces/high-altitude/dangerous areas, and other complicated operating environments. The experts or management personnel inspect the on-site situation from a first-person perspective, providing remote technical guidance and conducting work inspections to complete tasks safely and efficiently, thereby effectively reducing occupational safety risks in the workplace.



#### Industrial Backup Battery and Energy Storage System

In terms of energy products, the Sysgration Group has expanded the accumulated advantages in mass power management and industrial energy storage technology, extensively introduced BBU to cloud database center customers, and extended the experience of EV lithium battery pack to the UPS of the semiconductor fabs, energy storage system of communities, battery system of high-frequency switching-mode rectifier (SMR) for the communication of 4G and 5G base stations, energy storage and regulation system for power plants, and other industrial applications.



#### Backup Battery for AI Data Center

As AI data centers have more stringent requirements for backup batteries, the energy density, lifetime, safety, cost, and other factors of batteries shall be duly considered. Sysgration has planned for substantial work projects for the development of backup batteries for AI data centers, including the establishment of a professional R&D team, confirming the R&D targets, and the active promotion and application. Sysgration will continue to optimize and upgrade products based on market feedback and technological advances. The backup battery for AI data centers will become an innovative backup power solution, beneficial for improving the operating efficiency, reliability, and safety of data centers. We expect that the product will bring actual value to customers.



#### Edge AI Box

With the constant development of AI and IoT applications, Sysgration launched the Edge AI Box that combined the high-efficiency edge computing ability and the leading connection ability provided by Qualcomm Technologies for the purpose of assisting enterprises in Taiwan to realize digital upgrades in smart plants, smart transportation, retail, medication, and other diverse scenarios. In the future, we will continue to optimize the product line of the Edge AI Box, provide diverse application solutions, and join hands with enterprises in Taiwan to welcome the wave of intelligence and jointly create a merry future of technology.

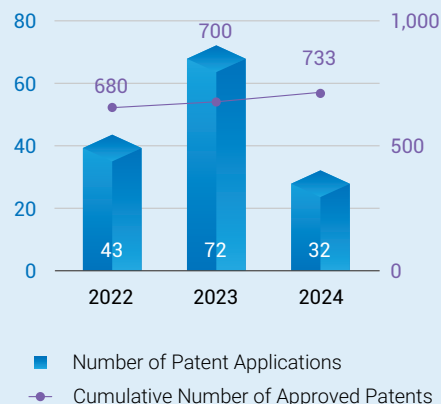
## 1.1.5 Intellectual Property Management

Sysgration believes in quality and innovation as the core beliefs of product development. To maintain advanced technology and distinguish itself from competitors' products, Sysgration has built a complete set of product intellectual property management systems and an R&D roadmap that has been incorporated into the Company's operational goals to maintain its product competitive advantages and R&D achievements. Intellectual property management strategies mainly include patent territory deployment strategy, patent layout, expansion of patent application territory, inventory, reorganization, and consolidation of the total number of patents. By implementing the execution levels, including patent application and reward system <sup>Note 1</sup> and intellectual property education <sup>Note 2</sup>, we have protected the Company's R&D achievements and maintained technological leadership. As of the end of 2024, Sysgration has accumulated a total of 733 approved patents worldwide, a total of 34 approved trademarks, and there are currently 178 patents in effect globally.

Note 1: For details of the patent reward system and results in 2024, please refer to the description of the patent reward system in 3.2.2 Product Innovation and Development.

Note 2: In 2024, the number of employees who participated in intellectual property education reached 1,475.

Total Number of Patents in the Past Three Years

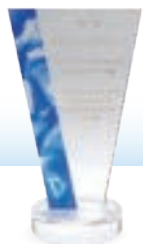


## 1.1.6 Participation in Public Associations and External Organizations

Sysgration actively participates in local public associations and organizations regarding industry, R&D technology, and corporate governance. Through idea exchange and experience sharing, we build partnerships based on mutual support and cooperation, fostering the common prosperity and development of the industry.

Region	Association Name	Role Identity
Taiwan	Taipei Tech Elite Union	Member
	Taiwan Listed Companies Association	Member
	Taiwan Institute of Directors	Member
	Central Region Listed Company Elite Association	Member
	Taiwan M&A and Private Equity Council	Member
	The European Chamber of Commerce Taiwan	Member
Mainland China	Zhenjiang City Association of Taiwan Investment Enterprises on the Mainland	Vice Chairman
	Huizhou City Taiwanese Investment Association	Director
	Huizhou City Electronic Information Industry Association	Member
	Shenzhen City Automobile Electronics Industry Association	Director
	Huizhou Greater Bay Area Enterprise Confederation	Member

## 1.1.7 Honors and Recognition



Sysgration honorably ranked in the top 5% of Taipei Exchange listed companies in the 11th "Corporate Governance Evaluation"



Sysgration honorably ranked in the top 5% of TWSE & TPEx listed companies with a market capitalization of 5 billion to 10 billion in the 11th "Corporate Governance Evaluation"



Sysgration won the Bronze Medal in the 2024 Asia Sustainability Reporting Awards - Asia Best SDG Reporting



Nominated for the Asia Sustainability Reporting Awards- Asia's Best Sustainability Report (CEO Letter) & Asia's Best Environmental Impact Reporting



Excellent Enterprise for the Active Evaluation of the Disclosure of Occupational Safety and Health Performance in the Corporate Sustainability Report in 2024




















Silver Award for the Sustainability Report at the "2024 17th TCSA"



# 1.2 Sustainable Practices

## Sustainable Development Strategy

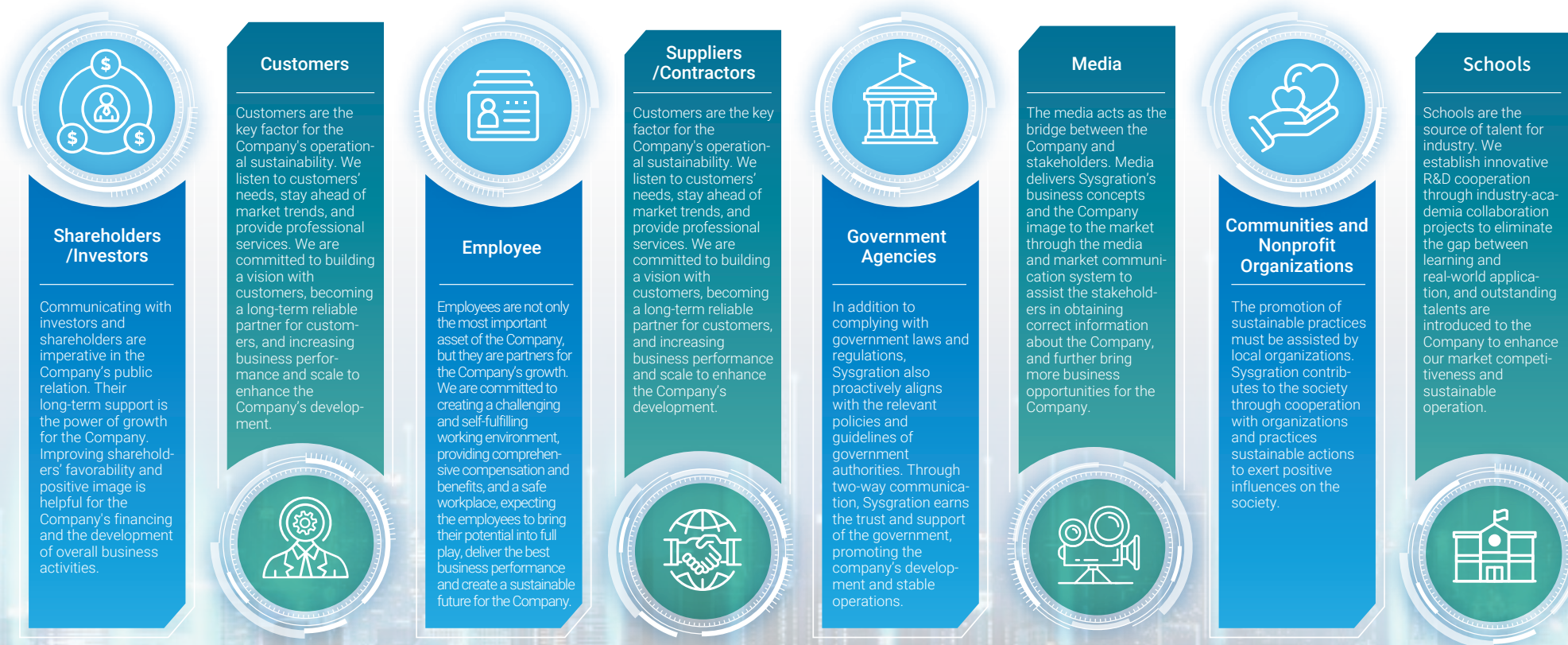
While having automotive electronics and energy management products as the main scope of business, with revenue accounting for 90.3% and 7.1% respectively, Sysgration combines Internet of Vehicles and Internet of Things in recent years to develop system and integration solutions. Since 2015, Sysgration has invested in R&D and manufacturing of green energy products, including renewable energy storage systems, uninterrupted power equipment for clean energy, electric vehicle batteries, energy-efficient tire pressure monitoring system and other products. The company actively promotes green energy applications to help accelerate the achievement of net-zero society sustainability goals in Taiwan.

Dimension	Governance	Society	Environment	Product
Implementing United Nations Sustainable Development Goals	     	    	  	  
Company Actions and Annual Results	<ol style="list-style-type: none"> <li>Sysgration honorably ranked in the top 5% of companies listed on TPEX and all companies listed on TWSE and TPEX with a market value ranging from NT\$5 billion to NT\$10 billion in the results of the 2024 Corporate Governance Evaluation.</li> <li>Independent directors accounted for 43% of all directors, exceeding the statutory standard of one-third for regulated companies.</li> <li>In 2024, all members of the Board signed the "Ethical Corporate Management Documents," and all employees and suppliers signed the "Ethical and Honest, Environmental Protection and Social Responsibility Commitment."</li> <li>As a responsible supplier, Sysgration has not received any complaints about violations of customer privacy infringement in 2024, nor have there been any incidents of information leakage, theft or loss of customer data.</li> <li>In 2024, the amount of Sysgration's local procurement expenditure was approximately NT\$301 million, accounting for 16% of total procurement expenditure.</li> <li>In 2024, we introduced the sustainable supply chain project and updated our procurement documentation, including the addition and revision of the "Sustainable Procurement Standards," "Sustainable Procurement Strategies," and "Supplier ESG Code of Conduct." We also required our suppliers to sign and comply with the "Sustainable Procurement Standards" and "Supplier ESG Code of Conduct" to help the supply chain fulfill and comply with the domestic and international supply chain sustainability management regulations, and to help our suppliers effectively reduce sustainability risks.</li> <li>In 2024, both new and existing suppliers signed the "Supplier Corporate Social Responsibility and Environmental Code of Conduct."</li> <li>In 2024, we completed 17 supplier audits, and completed 100% of the deficiency improvement.</li> <li>We organized the first supplier ESG education and training meeting and invited a total of 120 overseas and domestic suppliers to understand the importance and future prospects of a sustainable supply chain.</li> <li>In 2025, Sysgration conducted supplier ESG evaluation questionnaires, and the response rate reached 90%.</li> </ol>	<ol style="list-style-type: none"> <li>We encourage diversity and equality in the workplace. In 2024, the ratio of female employees was 49%, and female senior supervisors accounted for 20.9%.</li> <li>The distribution amount of employee welfare (including year-end performance bonuses and health inspection subsidies) in 2024 reached NT\$62.37 million.</li> <li>In 2024, we invested a total of approximately NT\$0.81 million in the education and training of employees, and the total hours of education and training reached 7,378 hours.</li> <li>All operating plants completed the ISO 45001:2018 Occupational Safety and Health System Certification.</li> <li>Organized a total of 485 hours of Employee Occupational Safety and Health related training, with 2,030 person-times participated.</li> <li>Sysgration signed a contract with Pojen General Hospital and Yuanlin Kuo Hospital Dacunkuo Branch for professional doctors and nurses to come to the Company and provide employee health consultation regularly, employees with routine health examinations every year, and ionizing radiation, hearing, and occupational disease special health examination for the personnel engaged in special operations; the total subsidy amount reached NT\$1.78 million.</li> <li>In 2024, the Taipei Head Office, Nankang Plant, Huizhou Plant, and Zhenjiang Plant did not have incidents related to human rights violations.</li> <li>Social participation includes training and development, care and relief, and environmental sustainability, and we invested NT\$2.52 million in 2024.</li> <li>Continue to carry out industry-academia collaboration with the National Taiwan University and the National Taiwan University of Science and Technology to jointly develop green energy products and technologies to expand social influence.</li> <li>Sysgration participated in the "remote health improvement remote township elderly publicwelfare project" with the Digital Humanitarian Association and utilized the SROI approach to carry out the evaluation of relevant benefits. It is shown that an investment of NT\$1 can create a social value of NT\$10.23.</li> </ol>	<ol style="list-style-type: none"> <li>In 2024, Sysgration's electricity generation of renewable energy was 4.05 Mwh.</li> <li>All factories completed the Environmental Management System, ISO 14001:2015 Certification.</li> <li>Sysgration reduced approximately 103,416.8kWh of electricity consumption through multiple energy-saving measures in 2024, which was equivalent to the reduction of 49 metric tons of CO<sub>2</sub>e and approximates the annual carbon absorption amount of 13% of the Daan Forest Park.</li> <li>The total Group water withdrawal of Sysgration in 2024 was 13.22 million liters, which is lowered by 6.51% compared to 2023.</li> <li>In 2024, the Group introduced the ISO14064-1 GHG organizational inventory for the parent company, including the subsidiaries in the consolidated financial statements, earlier than the requirements of the competent authority in Taiwan.</li> <li>Sysgration was awarded the 1.5°C label and certificate as it is one of the enterprises that fulfilled the target of temperature control within 1.5°C at the 2nd "Enterprise 1.5°C Forum" organized by the Commonwealth Magazine.</li> </ol>	<ol style="list-style-type: none"> <li>Sysgration actively expands the application of low-carbon green products and services. In the case of the energy storage system, its application scope covers semiconductor fabs, plants, communication base stations, cloud data centers, communities and industrial energy storage, and can assist customers in different categories to more effectively use renewable energy.</li> <li>Nankang Plant invested NT\$18.25 million in smart technology automation equipment to produce green energy equipment BBU (backup battery unit). Compared to traditional UPS, BBU products can save 106,779 kWh of electricity each year.</li> <li>In 2024, 257 kg of used solder paste was recycled, which effectively reduced approximately 694 kg of CO<sub>2</sub>e emissions, equivalent to the reduction of the carbon absorption of used 2.6 trees per year.</li> <li>In 2024, the R&amp;D expenditure of Sysgration was approximately NT\$330 million, representing an increase of 28.6% from 2023, accounting for 10.6% of the total operating income, and the expenditure is actively invested in new product development and key technological breakthroughs.</li> <li>All Sysgration Plants obtained the Quality Management System ISO9001:2015 and Automotive Quality Management System IATF 16949:2016 Certification; Nankang Plant and Zhenjiang Plant obtained Hazardous Substance Process Management System IECQ QC080000:2017 Certification.</li> </ol>

# 1.3 Materiality Analysis

## 1.3.1 Stakeholder Identification

Sysgration identified stakeholders and disclosure of specific topics in reference to the AA1000 Stakeholder Engagement Standard, to accurately grasp the economic, environmental and social aspect-related issues concerned by the stakeholders. After considering the stakeholders' dependency, responsibility, concern, influence, and diverse perspectives, we identified 8 major stakeholders, including shareholders/investors, customers, employees, suppliers/contractors, government agencies, media, communities and nonprofit organizations, and schools. In addition to understanding the sustainability issues that stakeholders care about through the process of communicating, Sysgration has followed the materiality identification process of the GRI 2021 Standards to confirm Sysgration's Material Topics for 2024.



## 1.3.2 Material Topic Identification and Assessment Process

Sysgration follows the Material Topic Identification process of the GRI Universal Standards 2021 to execute Material Topic Assessment, analyze global sustainability trends and collect sustainability issues of concern to stakeholders, and assess the level of significance of sustainability issues in terms of economic, environmental, and human rights through internal impact analysis, to preliminarily filter out the Material Topics. Based on the aforementioned analysis results, the ESG Committee conducts sustainability issues identification through reviews with senior management and management meeting of each ESG responsible unit manager based on four major aspects of governance, environmental, products, and social. Ultimately, 10 Material Topics are determined as priority areas for disclosing management policies and related performance. We conduct a Material Topic review every year, regularly review the impact of issues as the basis for sustainable development strategy planning; and transparently disclose information on the positive and negative impacts of sustainable issues at the same time, for the stakeholders to understand the sustainable issues of their concern.

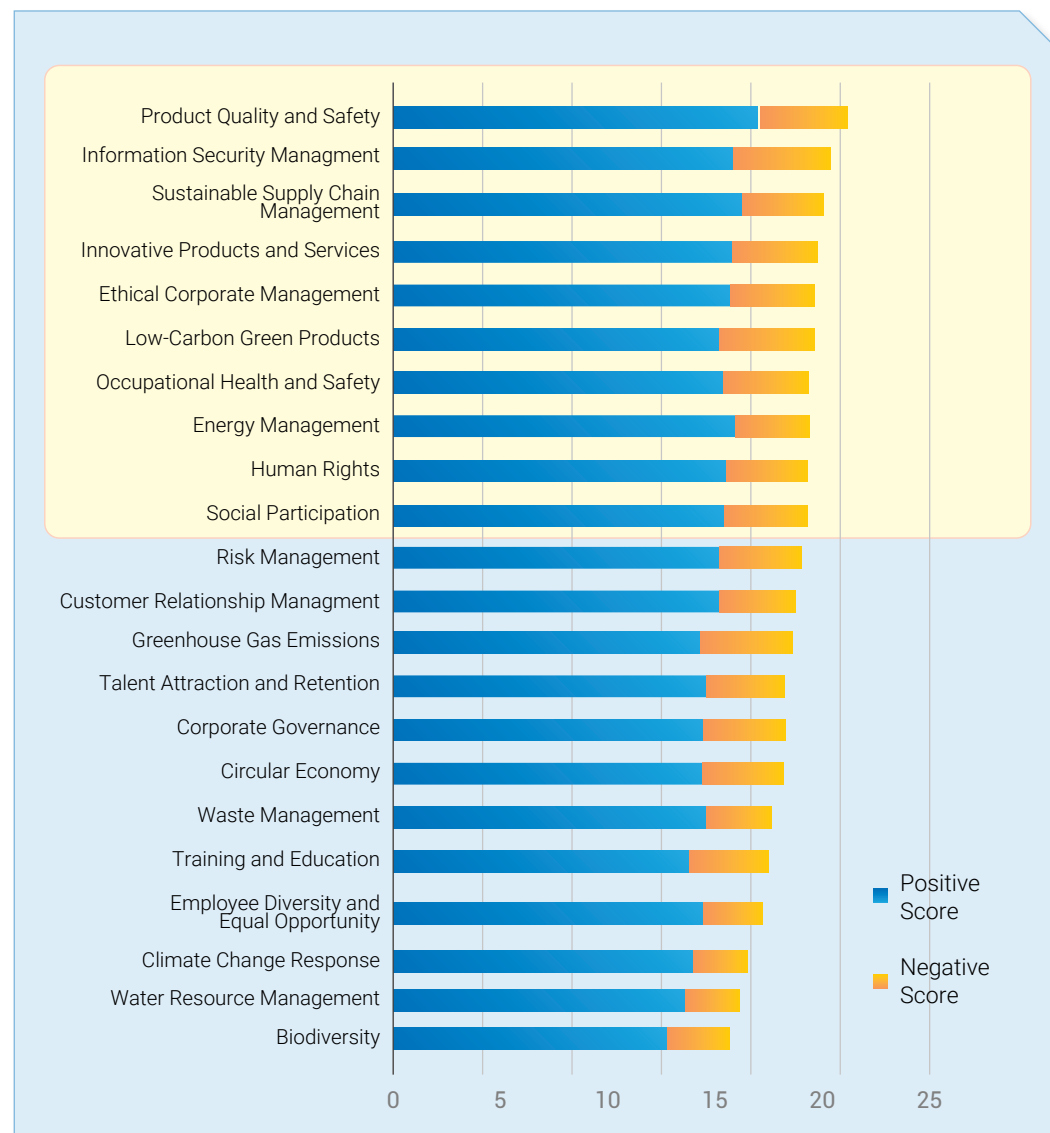




## 2024 Material Topic Results


Sorting according to the sum of the positive and negative scores of the questionnaire, two new major topics, "Information Security Management" and "Innovative Products and Services," are added compared to the topics in 2023. Therefore, a total of 10 ESG major topics have been identified in 2024, ranking by the order of scores are:


**Product Quality and Safety, Information Security Management, Sustainable Supply Chain Management, Innovative Products and Services, Ethical Corporate Management, Low-carbon Green Products, Occupational Safety and Health, Energy Management, Human Rights, and Social Participation.** Other general ESG topics include Risk Management, Customer Relationship Management, Greenhouse Gas Emissions, Talent Attraction and Retention, Corporate Governance, Circular Economy, Waste Management, Training and Education, Employee Diversity and Equal Opportunity, Climate Change Response, Water Resource Management, and Biodiversity.
















Remarks: The assessment score is the result of multiplying the probability of occurrence and the level of positive and negative impacts. The top 10 are major topics for 2024.

## 1.3.3 Material Topic Management Policy and Scope of Impact

Dimension	2024 Material Topic	Corresponding GRI Standards	Description of Positive and Negative Impacts	Boundary of Impact					Corresponding Internal Section
				Internal	Suppliers	Investors	Customers	Society	
 Governance	Ethical Corporate Management	GRI 3-3 GRI 205 GRI 206	<p><b>Description of Positive Impacts:</b></p> <p>Sysgration provides ethics compliance education and training, communication and training on anti-corruption policies and procedures according to the "Ethical Corporate Management Best Practice Principles" to ensure the Company's compliance in corporate governance with ethics and integrity. By upholding the principle of ethical corporate management in business operations, we can establish a positive corporate image and reputation externally, thereby increasing consumer trust in our products and services, as well as attracting investors and business partners. Internally, we allow employees to feel fair treatment, information transparency, and respect, which in turn boosts employee satisfaction and engagement, ultimately improving work efficiency and productivity.</p> <p><b>Description of Negative Impacts:</b></p> <p>If an ethical corporate management system is not established, ethical and other negative events will harm the company's reputation and image. This may, in turn, affect brand image and result in a loss of trust among consumers and business partners, causing a decrease in sales volume and a loss of market. At the same time, there may also be the risk of potential legal proceedings that further damage the financial position and reputation of the Company.</p>	●	●	●	●	●	2.3 Ethical Management
	Sustainable Supply Chain Management	GRI 3-3 GRI 308 GRI 414	<p><b>Description of Positive Impacts:</b></p> <p>Sysgration attaches great importance to the management of the sustainable supply chain, recognizing that proper management not only reduces business risks and costs but also enhances the Company's reputation and brand value. Robust supply chain management can help ensure the sustainability of raw materials, reduce environmental impact, and fulfill investors' and consumers' expectations for sustainable development, thereby enhancing the Company's competitiveness. Proper management of a sustainable supply chain will bring multiple positive impacts, including reducing carbon emissions, saving energy and resources, improving labor conditions, and facilitating the development of local communities.</p> <p><b>Description of Negative Impacts:</b></p> <p>Improper management of the sustainable supply chain may lead to environmental pollution, social injustice, human rights violations, and negative impacts that damage the Company's reputation and impose legal risks.</p>	●	●		●		7 Sustainable Supply Chain
	Information Security Management	GRI 3-3 GRI 418	<p><b>Description of Positive Impacts:</b></p> <p>Establish a robust information security protection network to prevent the leakage of confidential information and customer data of the Company and maintain customer rights, interests and trust.</p> <p><b>Description of Negative Impacts:</b></p> <p>If the Company fails to establish a comprehensive information security protection network, it may lead to the leakage of confidential company or customer information. In addition to affecting customers, this could also expose the company to legal risks and jeopardize its reputation.</p>	●	●	●	●		2.6 Information Security and Customer Privacy

Dimension	2024 Material Topic	Corres ponding GRI Standards	Description of Positive and Negative Impacts	Boundary of Impact					Corresponding Internal Section
				Internal	Suppliers	Investors	Customers	Society	
 <b>Environment</b>	Energy Management	GRI 3-3 GRI 302	<p><b>Description of Positive Impacts:</b> By implementing energy-saving measures and adopting renewable energy sources, The company can improve our energy structure and increase energy efficiency. Through carbon reduction efforts, we can lower greenhouse gas emissions, which in turn can reduce operational costs related to carbon fees or carbon trading at local sites, while also helping to mitigate the greenhouse effect and slow the depletion of the ozone layer.</p> <p><b>Description of Negative Impacts:</b> If energy-saving measures are not implemented, resulting in electricity consumption not decreasing as expected, it can have a negative impact on the environment. Additionally, if carbon emissions at operational sites are not significantly reduced, this may not only increase operational costs such as local carbon fees or carbon trading but also contribute to the intensification of the global greenhouse effect.</p>	●		●	●	●	4.3 Energy Management
	Occupational Health and Safety	GRI 3-3 GRI 403	<p><b>Description of Positive Impacts:</b> Employees are a vital part of a company's human capital. Based on the principle of sustainable corporate development, Sysgration is committed to properly managing occupational hazard risks, providing a safe and healthy working environment, and collaborating with employees to create a safe, healthy, energetic, and friendly workplace. Fostering a culture of workplace wellness and safeguarding employees' physical, mental, and social well-being is a fundamental commitment Sysgration makes to its workforce.</p> <p><b>Description of Negative Impacts:</b> If an employee experiences an occupational injury at work, it can severely disrupt company operations and reduce productivity. The resulting losses may have significant and long-term impacts on the organization, potentially causing serious reputational damage and leading to legal actions.</p>	●	●		●		5.5 Occupational Health and Safety
	Human Rights	GRI 3-3 GRI 406 GRI 408 GRI 409	<p><b>Description of Positive Impacts:</b> Comply with local laws and regulations to protect employees' human rights in the workplace and provide a workplace environment of dignity and equality so that the Company can gain a better reputation and competitive advantages.</p> <p><b>Description of Negative Impacts:</b> The illegal employment of child labor or the use of forced or compulsory labor can severely damage the company's image, negatively affecting customer orders and corporate reputation.</p>	●	●	●	●	●	5.4 Human Rights Protection
	Social Participation	GRI 3-3 GRI 413	<p><b>Description of Positive Impacts:</b> The Company takes the lead and continues to engage in social participation, community care, and other charitable and public welfare events, which not only enhances the Company's image, increases customer recognition, and increases investment opportunities from potential investors but also inspires stakeholders to join such charitable causes, forming a positive cycle.</p> <p><b>Description of Negative Impacts:</b> If the Company fails to actively engage in social participation and community care through charitable initiatives within its capacity, local communities and disadvantaged groups may be deprived of essential resources for living and development. This can lead to gaps in information, knowledge, and skills, ultimately hindering inclusive and sustainable growth of society as a whole.</p>	●				●	6 Social Co- prosperity






Dimension	2024 Material Topic	Corres ponding GRI Standards	Description of Positive and Negative Impacts	Boundary of Impact					Corresponding Internal Section
				Internal	External				
					Suppliers	Investors	Customers	Society	
<div></div> <div>Product</div>	Product Quality and Safety	GRI 3-3 GRI 416	<p><b>Description of Positive Impacts:</b></p> <p>Sysgration is based on the core concept of "Pursuing Excellence", which maintains product quality and safety, ensures consumer rights and interests, improves customer satisfaction, and further improves corporate reputation and brand value. At the same time, effective quality and safety management and control can reduce pollution and waste of resources in the product manufacturing process, and reduce the negative impact on the environment.</p> <p><b>Description of Negative Impacts:</b></p> <p>Poor product quality due to inadequate control can lead to increased remediation costs, reduced customer satisfaction, and, consequently, a negative impact on orders and market reputation.</p>						3.1 Product Quality and Safety
	Low-carbon Green Products	GRI 3-3	<p><b>Description of Positive Impacts:</b></p> <p>For low-carbon green products, Sysgration insists on the low-carbon strategy and development of "Green Manufacturing and Green Design" in response to the trend of stricter global net-zero transformation, energy and environmental laws and regulations and continuous changes in energy structure. Sysgration cooperates with government policies, pragmatically promotes energy conservation and emission reduction, and strives to develop green businesses of energy storage products and product programs to assist the customers in reducing products' carbon footprint, and keep in line with the trends of future international low-carbon product market competition.</p> <p><b>Description of Negative Impacts:</b></p> <p>Under the sustainability trend, the failure to invest in the R&amp;D of green products may cause a decrease in market competitiveness, lead to reduced business opportunities or loss of markets, and have negative impacts on the environment.</p>						3.2 Low-carbon Green Products
	Innovative Products and Services	GRI 3-3	<p><b>Description of Positive Impacts:</b></p> <p>Sysgration actively invests in the R&amp;D of innovative products and services, focus on the development and mass production of high-added-value product lines, and improve the competitiveness of the Company in smart manufacturing, data centers, smart logistics, and other emerging markets. Introducing innovative products into the market is beneficial for improving the operating income structure, strengthening the brand image, expanding the international market, and promoting industrial advancement, thereby supporting sustainable long-term growth of the Company.</p> <p><b>Description of Negative Impacts:</b></p> <p>In the early stages of new product development and introduction, substantial resources and R&amp;D expenses are required. In the short term, this may lead to an increase in expense ratios and pressure on profitability due to limited revenue generation. Furthermore, if the new product fails to pass market validation or certification, it increases the risk of R&amp;D failure and resource waste, ultimately affecting the Company's financial performance.</p>						1.1 About Sysgration 3.2 Low-carbon Green Products

## 1.4 Stakeholder Engagement




Responding to the needs of stakeholders is one of the key factors for a company to achieve sustainable development. Sysgration is committed to pursuing both sustainable development and profitability under the principle of integrity, and we value various issues among aspects of environmental, societal, and corporate governance. We evaluate and understand the reasonable expectations of stakeholders and important issues of concern through proper communication with stakeholders, and we incorporate these issues into consideration for the reference of establishing the Company's future management policies and operating strategies. Furthermore, in addition to assisting the Company in planning short, medium and long-term strategies, it can further create value for stakeholders. We have set up a [stakeholder section](#) on our website to serve as a channel to communicate with stakeholders, and the opinions of stakeholders are responded by dedicated personnel. Please feel free to provide your recommendations. The concern issues of each stakeholder group and the content of communication channels are summarized as below.

### 2024 Stakeholder Engagement and Communication Results

Stakeholder	Concerned Issues	Forms of Communication and Frequency in 2024	Responses and Actions of Engagement Channels in 2024	The Company's Response
 Shareholders and Investors	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Risk management</li> <li>Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' meeting (annually)</li> <li>Investor conferences (quarterly)</li> <li>Operating income release (monthly)</li> <li>Market observation post system (real-time)</li> <li>Company website (real-time)</li> <li>Sustainability report</li> </ul>	<ul style="list-style-type: none"> <li>Held 1 general shareholders' meeting</li> <li>Held 4 sessions of investor conferences</li> <li>Regularly disclosed the Company's financial and business information on the Market Observation Post System and Company website</li> <li>Set up spokespersons and deputy spokespersons who are responsible for responding to investors' concerns in a timely manner</li> <li>Published the 2024 ESG report in Chinese and English on the Market Observation Post System and the Company website</li> <li>Contact person: Acting Spokesperson Dai Yi-Ying Tel.: (02) 2790-0088 e-mail: sys5309@sysgration.com</li> </ul>	<ul style="list-style-type: none"> <li>Continue to improve the operating performance</li> <li>Continue to communicate with investors at the quarterly investor conferences in terms of the business growth strategies and profit prospects</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>Customer privacy and information security</li> <li>Innovation and R&amp;D</li> <li>Product quality and safety</li> <li>Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Customer review meeting (as needed)</li> <li>Customer satisfaction survey (annually)</li> <li>Company website (as needed)</li> <li>Customer supplier conference (as needed)</li> </ul>	<ul style="list-style-type: none"> <li>Annual important customer satisfaction survey</li> <li>Updated the latest products on the Company website</li> <li>Participated in important customer technology forums for reporting technology research and development results</li> <li>Participated in the customer-supplier conference</li> <li>Met clients requirements and audit regarding products, environment, as well as labor rights, coordinated to prevent related risks, and promised to continuously improve the ESG practices</li> <li>Contact person: Tel.: (02) 2790-0088 e-mail: sales@sysgration.com</li> </ul>	<ul style="list-style-type: none"> <li>Provide real-time design, engineering, and customization services to help customers quickly obtain complete and real-time information</li> <li>Increase the stability of product output and quality by adding automated production lines</li> <li>Continue the R&amp;D to increase the protection of product patents</li> <li>Enhance the investment and management of information security software and hardware and ensure that customers' privacy and information are properly protected</li> </ul>

Stakeholder	Concerned Issues	Forms of Communication and Frequency in 2024	Responses and Actions of Engagement Channels in 2024	The Company's Response
 Employee	<ul style="list-style-type: none"> <li>Friendly workplace</li> <li>Occupational health and safety</li> <li>Employee training and development</li> </ul>	<ul style="list-style-type: none"> <li>Labor-management meeting (quarterly)</li> <li>Employee welfare committee meeting (as needed)</li> <li>Education and training (as needed)</li> <li>Communication and work meetings with units and departments (as needed)</li> <li>Internal information announcement (as needed)</li> <li>Employee complaint hotline (real-time)</li> <li>Occupational safety and health committee meeting (quarterly)</li> </ul>	<ul style="list-style-type: none"> <li>Held 4 sessions of labor-management meetings</li> <li>Held 4 sessions of regular employee welfare committee meetings</li> <li>Organized a total of 7,378 hours of education and training courses</li> <li>Held 48 sessions of weekly management meetings to understand the Company's business operation updates and improve communication efficiency</li> <li>0 calls from employee complaint hotline calls</li> <li>Held 4 sessions of Occupational Safety and Health Committee meeting</li> <li>Contact person: Tel.: (02) 2790-0088 ext.1830 e-mail: opinion@sysgration.com</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen internal communication channels to allow employees to understand the Company's development prospects</li> <li>Organize health and safety training courses and provide health and medical information regularly to create a friendly workplace</li> <li>Implement regular equipment maintenance and fire safety inspections</li> </ul>
 Suppliers/ Contractors	<ul style="list-style-type: none"> <li>Risk management</li> <li>Economic performance</li> <li>Quality management</li> </ul>	<ul style="list-style-type: none"> <li>Supplier audits (as needed)</li> <li>Request of supplier code of conduct (annually)</li> <li>Request of non-conflict minerals declaration (as needed)</li> <li>Supplier conference (annually)</li> </ul>	<ul style="list-style-type: none"> <li>Organized a Supplier Conference to communicate with suppliers about the operating strategy development and ESG targets</li> <li>Performed the audit of 17 suppliers</li> <li>100% of new suppliers signed the Non-use Conflict Minerals Statement</li> <li>Contact person: Tel.: (02) 2790-0088 ext. 2020 e-mail: scm@sysgration.com</li> </ul>	<ul style="list-style-type: none"> <li>Improve supply chain environment and occupational safety and health, and commend outstanding suppliers</li> <li>Plan for digital courses and require suppliers to complete the online "Supplier Code of Conduct Regulation Course" training each year</li> </ul>
 Government Agencies	<ul style="list-style-type: none"> <li>Ethical corporate management</li> <li>Regulatory compliance</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Reply to requests from government agencies with official documents (immediately)</li> <li>Update information on the company website and market observation post system (monthly)</li> <li>Receive government agency performance evaluation (annually)</li> <li>Participate in government agency-related activities (as needed)</li> </ul>	<ul style="list-style-type: none"> <li>Provided relevant reports regularly in accordance with the government regulatory requests</li> <li>Contact person: Tel.: (02) 2790-0088 ext.1854 e-mail: sys5309@sysgration.com</li> </ul>	<ul style="list-style-type: none"> <li>Sysgration honorably ranked in the top 5% of companies listed on TPEX and the top 5% of all companies listed on TWSE and TPEX with a market value ranging from NT\$5 billion to NT\$10 billion in the results of the 2024 Corporate Governance Evaluation</li> <li>Continue to strengthen the disclosure of information and aim to maintain a benchmark company ranking in the top 5% in the Corporate Governance Evaluation</li> </ul>



Stakeholder	Concerned Issues	Forms of Communication and Frequency in 2024	Responses and Actions of Engagement Channels in 2024	The Company's Response
 Media	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Innovation and R&amp;D</li> <li>Customer relationship management</li> </ul>	<ul style="list-style-type: none"> <li>Investor conferences (quarterly)</li> <li>Institutional investor meetings (real-time)</li> <li>Press release (real-time)</li> <li>Media interview (as needed)</li> </ul>	<ul style="list-style-type: none"> <li>Held 4 sessions of investor conferences</li> <li>Meetings with institutional investors</li> <li>Published 12 press releases and had 4 times of media interviews</li> <li>Contact person: Acting Spokesperson Dai Yi-Ying Tel.: (02) 2790-0088 e-mail: sys5309@sysgration.com</li> </ul>	<ul style="list-style-type: none"> <li>Continue to improve the operating performance</li> <li>Continue to communicate with investors at the quarterly investor conferences in terms of the business growth strategies and profit prospects</li> </ul>
 Communities and Nonprofit Organizations	<ul style="list-style-type: none"> <li>Care for the disadvantaged</li> <li>Community services</li> </ul>	<ul style="list-style-type: none"> <li>Donations (as needed)</li> <li>Social services (as needed)</li> </ul>	<ul style="list-style-type: none"> <li>Charitable donation to 7 public welfare organizations, with a total amount of NT\$0.57 million</li> <li>Carried out three sessions of elderly care activities and one mountain cleaning</li> <li>Purchased 200 gift boxes from charity organizations</li> <li>Contact person: Tel.: (02) 2790-0088 ext.2301 e-mail: social-caring@sysgration.com</li> </ul>	<ul style="list-style-type: none"> <li>Through funding, supplies, and services, public welfare projects are carried out with a focus on caring for the underprivileged and promoting diverse education. Resources are continuously invested with the aim of narrowing the urban-rural gap and improving the economic conditions of disadvantaged groups</li> </ul>
 Schools	<ul style="list-style-type: none"> <li>Green products</li> <li>Circular economy</li> <li>Industry-academia collaborations</li> </ul>	<ul style="list-style-type: none"> <li>Industry-academia collaboration project and progress meeting (as needed)</li> <li>Industry-academia collaboration project performance presentation conference (annually)</li> </ul>	<ul style="list-style-type: none"> <li>Collaborated with 5 domestic and foreign colleges through industry-academia collaborations to nurture the momentum for the growth of society</li> <li>Participated in the NTU International Mentorship Program and provided 3 internship opportunities to international students</li> <li>Contact person: Tel.: (02) 2790-0088 e-mail: hr@sysgration.com</li> </ul>	<ul style="list-style-type: none"> <li>In response to the latest technologies and trends in the industry, we have initiated industry-academia collaboration in technology experiments and R&amp;D to continuously improve energy management projects to cope with the challenges of climate change</li> </ul>

# Chapter 2

## Corporate Governance

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- 2.1 Corporate Governance
- 2.2 Economic Performance
- 2.3 Ethical Corporate Management
- 2.4 Risk Management
- 2.5 Legal Compliance
- 2.6 Information Security and Customer Privacy
- 2.7 Financial Assistance Received from Government



# Sustainable Performance Highlights and Corresponding SDG

## SUSTAINABLE DEVELOPMENT GOALS



### Peace, Justice and Strong Institutions

- In 2024, **all** members of the Board signed the "Ethical Corporate Management Documents," and **all** employees and suppliers signed the "Ethical and Honesty, Environmental Protection and Social Responsibility Commitment."



### Decent Work and Economic Growth

- Sysgration honorably ranked in the top **5%** of companies listed on TPEX and all companies listed on TWSE and TPEX with a market value ranging from NT\$5 billion to NT\$10 billion in the results of the 2024 Corporate Governance Evaluation.
- Independent directors accounted for **43%**, of all directors, exceeding the statutory standard of **one-third** for regulated companies.

### Partnerships for the Goals

- As a responsible supplier, Sysgration has not received any complaints about violations of customer privacy infringement in 2024, nor have there been any incidents of information leakage, theft or loss of customer data.





# Management Approach of Material Topic / Ethical Corporate Management

## Goals

### Short Term (2025-2026)

- Continue to require all employees and new suppliers to achieve 100% completion of the "Integrity, Environmental Protection, and Social Responsibility Commitment Letter" signing.
- Continue to require all board members to achieve 100% completion of the "Declaration of No Violation of the Code of Integrity" signing.
- Continue to maintain a record of no assessed suppliers having violated integrity and ethical standards.

### Medium and Long Term (2027-2030)

- Conduct internal audits on corruption risks at business locations; the newly established business location in the U.S. is also included in the corruption risk assessment.

## GRI Indicators

GRI 3-3, GRI 2-23, GRI 2-25, GRI 2-26, GRI 205-2, GRI 205-3, GRI 206-1

## Description of Impact

### Description of Positive Impacts:

Sysgration provides ethics compliance education and training, communication and training on anti-corruption policies and procedures according to the "Ethical Corporate Management Best Practice Principles" to ensure the Company's compliance in corporate governance with ethics and integrity. By upholding the principle of ethical corporate management in business operations, we can establish a positive corporate image and reputation externally, thereby increasing consumer trust in our products and services, as well as attracting investors and business partners. Internally, we allow employees to feel fair treatment, information transparency, and respect, which in turn boosts employee satisfaction and engagement, ultimately improving work efficiency and productivity.

### Description of Negative Impacts:

If an ethical corporate management system is not established, ethical and other negative events will harm the company's reputation and image. This may, in turn, affect brand image and result in a loss of trust among consumers and business partners, causing a decrease in sales volume and a loss of market. At the same time, there may also be the risk of potential legal proceedings that further damage the financial position and reputation of the Company.

## Policies and Commitments

Sysgration clearly stipulates the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," "Management Operation Procedures for Prevention of Insider Trading," and other standards, which the Company's Board of Directors, senior executives, employees, and cooperative suppliers are required to follow the standards, in order to establish a corporate culture of integrity management and a model of good business practices.

## Responsible Unit

Human Resources Department

## Grievance Mechanism

Establish and announce the internal independent whistleblowing mailbox:

Suppliers: scm@sysgration.com

Employee : opinion@sysgration.com

Customers : sales@sysgration.com

## Action Plans

### Positive Impact Management:

- Promote the ethical corporate management philosophy of corporate culture in the new employee orientation. Employees and suppliers are required to sign the "Honesty Commitment" to declare their commitments to ethical and disciplinary requirements.

### Negative Impact Management:

- Establish the "Operation Procedures for Prevention of Insider Trading" and include morality and ethics in the quarterly performance appraisal items.
- Conduct corruption risk assessments at business locations.

## Effectiveness Assessment

- In 2024, 100% of employees signed the "Ethical and Honesty, Environmental Protection and Social Responsibility Commitment."
- Regularly assess whether any suppliers have violated integrity standards; in 2024, no violations were found.
- In 2024, the members of the Board strictly abided by the principle of ethical corporate management, and all of them signed the "Declaration of No Violation of the Code of Ethical Conduct."
- We incorporated ethics compliance behaviors into employee performance appraisal items, and there were a total of four evaluations in 2024.
- In 2024, three emails were sent to Directors and managers to promote "relevant laws and regulations of changes in insiders' equity and other matters of notice."
- The "Procedures for Preventing Insider Trading" of the Company specified that Directors may not trade the stocks of the Company during the lock-up period of 30 days before the announcement of annual financial statements or 15 days before the quarterly financial statements. Before the financial statements were announced, the Company reminded all Directors not to trade during the lock-up period via e-mail notification. No Director traded during the lock-up period in 2024.

# Management Approach of Material Topic / Information Security Management

## Goals ▶

### Short Term (2025-2026)

- Using the re-assessment of the ISO/IEC 27001:2022 International Information Security Management System as a starting point, the company aims to establish a comprehensive information security governance framework.

### Medium and Long Term (2027-2030)

- In addition to optimizing information security protection management plans, efforts will be intensified to enforce information security governance. This includes risk assessment and management, developing information security policies and guidelines, and ensuring compliance through TISAX audits.
- Regarding long-term goals, System Electric is dedicated to establishing a dynamic information security governance mechanism capable of continuously addressing evolving threats and technological trends. This will involve setting up mechanisms for the regular review and improvement of information security policies and processes, ensuring their alignment with organizational objectives and business needs.

## GRI Indicators ▶

GRI 3-3, GRI 418-1

## Description of Impact ▶

### Description of Positive Impacts:

Establish a robust information security protection network to prevent the leakage of confidential information and customer data of the Company and maintain customer rights, interests and trust.

### Description of Negative Impacts:

If the Company fails to establish a complete information security protection network, it will result in the leakage of confidential information or customer information of the Company, which will affect customers and may lead to legal action, harming the Company's reputation.

## Policies and Commitments ▶

Sysgration values great importance to customer privacy and information security management, actively establishes and maintains a reliable and safe information operating environment to ensure the safety protection of Company data, system equipment and network. Based on the three principles of information security, "Confidentiality, Integrity, and Availability," we have formulated the "Information Security Policy" and "Regulations for Management Information System (MIS) Operation Management" and established a mechanism for monitoring and controlling the Company's cyber properties. The strategy of promoting information security management by Sysgration is divided into four aspects: Network Information Security Management, Information Access Control, Information Emergency Recovery Response Mechanism, Educational Announcement and Examination.

## Responsible Unit ▶

Chairman and GM's Office, ESG Committee, intellectual property and legal affairs departments, Information Security Committee

## Grievance Mechanism ▶

Complaint tel.: (886)-2-27900088

Complaint e-mail: tpemis@sysgration.com

## Action Plans ▶

### Positive Impact Management:

- Publicized the key points of information security at any time to enhance employees' awareness of information security.
- Promote the information security policy, specifications and regulations, information security awareness, and phishing prevention pages monthly via e-mail.

### Negative Impact Management:

- Regularly check whether the Emergency Recovery Response Mechanism needs to be revised.
- Practice system recovery regularly every year.
- Implement off-site data backup.

## Effectiveness Assessment ▶

- Organized five sessions of information security training and education.
- Promoted the information security policy, specifications and regulations, information security awareness, and phishing prevention pages monthly via e-mail for a total of 12 times.
- Implemented two disaster backup drills.
- Sysgration had eight system intrusion incidents in 2024 and effectively blocked seven times.
- External intrusion threats, effective blocking defense rate of 87.5%.
- Office equipment/host system effectively prevented 1,023 virus threats.

## 2.1 Corporate Governance

Sysgration deems "integrity, enthusiasm, commitment, and innovation" the core values of the enterprise, and integrates these values into all business activities. In addition to maximizing the Company's interests, we also actively fulfill our corporate social responsibility, develop innovative, low-carbon, sustainable products, and strive to achieve net-zero transformation. The success of an enterprise depends not only on economic benefits but also on the care and support for corporate governance, environmental protection, product innovation and quality, employee welfare, consumers' rights and interests, supplier cooperation, and community development. Therefore, Sysgration continues to promote a number of sustainable development strategies, aiming to achieve long-term stable growth of corporate operations and bring positive impacts to society and the environment at the same time.

### 2.1.1 Corporate Governance Structure

The Board is the main decision-making level to promote corporate governance. To implement the business strategies of corporate governance, improve the Company's overall operations and Board functions, and enhance information transparency, Sysgration has established the Remuneration Committee, Audit Committee, and Risk Management Committee under the Board. They exercise their powers with a high degree of self-discipline and prudence to reinforce supervisory and management functions. Sysgration's part-time department for corporate governance is the GM's Office, and the Corporate Governance Officer and the Internal Audit Department jointly assist the GM's Office in formulating and implementing corporate governance-related plans, exerting the functions of the Board and functional committees and protecting the rights and interests of stakeholders.



#### Board of Directors

- Sysgration's Board currently consists of seven Directors, including three Independent Directors, all of whom possess the operational management expertise required for business, financial accounting, or industry knowledge. The Independent Directors account for 43% of the total number of Directors.
- The Company exercises its authority in accordance with the laws and regulations, the Articles of Incorporation, and resolutions of the Shareholders' Meeting, to create the best interests for shareholders in the principle of integrity and supervise the Company's compliance with relevant laws and regulations and immediate disclosure of important information.
- The Board of Sysgration is led by the Chairman and holds at least one meeting every quarter. In 2024, a total of five Board meetings were held, and the average attendance rate of Directors was 100%.
- In order to implement corporate governance and improve the functions of the Board of Directors as well as all functional committees, the "Measures for the Board of Directors Performance Assessment" of Sysgration stipulates that the internal performance assessment of the Board of Directors and functional committees should be performed at least once a year. In 2024, the comprehensive internal self-assessment results by the Board of Directors, individual member of the Board of Directors, and functional committees are all excellent and above. The assessment results have been reported to the Board of Directors. At the same time, it is stipulated that an external professional independent organization or an external team of experts and scholars should conduct at least one assessment every three years. The latest external performance assessment was in 2022. Overall, the performance of the Board of Directors is good. Sysgration will continue to strengthen and improve the effectiveness of corporate governance based on the results of this assessment.

#### Remuneration Committee

- The Remuneration Committee currently consists of three independent directors, with a professional and impartial position, to assess the remuneration policies and mechanisms about the Company's directors and executive officers and submit recommendations to the Board of Directors for the reference of decision-making, and conducts the internal performance assessment for the Remuneration Committee regularly every year.
- Their main duties include regularly reviewing the policies, mechanisms, standards and structures for performance assessment and remuneration of directors and executive officers; regularly assessing and determining the remuneration of directors and executive officers; regularly assessing the achievement of performance goals of the Sysgration directors and executive officers; and setting the content and amount of their individual remuneration.
- Remuneration Committee meetings are convened at least twice every year, and the Remuneration Committee meeting was convened four times in 2024, with the attendance rate of Directors reaching 100%.

#### Audit Committee

- The Audit Committee currently consists of three independent directors, with the main duties of fulfilling their supervisory responsibilities, evaluating economic performance, and resolving important matters, and conducting the internal performance assessment of the Audit Committee on a regular basis every year.
- The internal audit executive attends every meeting of the Audit Committee and the Board of Directors to report the audit findings and progress of improvements on abnormal matters during the reporting period, re-examines internal regulations, and appropriately revises relevant measures to continuously optimize the operation process.
- At the completion stage of the annual audit or semi-annual audit, the Accountant will issue a written audit content or report to the Audit Committee on important audit findings, internal control deficiencies and other major communication issues, to facilitate the Audit Committee in understanding the Company's operating results.
- Audit Committee meetings are convened at least once every quarter, and a total of five meetings of the Audit Committee were convened in 2024, with the average attendance rate of Directors reaching 100%. The communication and interaction between the Audit Committee, the internal audit executive and accountant are good.

#### Risk Management Committee

- To implement the risk management system, Sysgration established the Risk Management Committee on August 8, 2023.
- The Risk Management Committee currently consists of two Independent Directors and one Director, and its main duties are to review the risk management policy, the adequacy of the risk management framework, material risk management strategies, and the management reports for material risk issues, and to supervise the improvement systems and regularly report to the Board regarding the implementation status of risk management.
- The Risk Management Committee meetings are convened at least once a year and may be convened at any time as needed. A total of one meeting was convened in 2024, with the average attendance rate of Directors reaching 100%.



## 2.1.2 Board Operations

### Nomination and Selection Processes for the Board

The election of Directors (including Independent Directors) of Sysgration adopts the candidate nomination system specified in Article 192-1 of the Company Act and the single registration cumulative voting method. Independent Directors and non-Independent Directors shall be elected together, and the votes cast for Independent Directors and non-Independent Directors shall be counted separately, and the candidates receiving ballots representing the highest numbers of votes shall be elected sequentially according to their respective numbers of votes. For relevant documents, please refer to the [Regulations for Director Election](#).

### Independence of the Board

Sysgration's Board of Directors consists of seven directors, including three independent directors, which account for 43% of the totals. The primary responsibility of the Board of Directors is to supervise the Company's compliance with laws, financial transparency, timely disclosure of important information, and to make objective and independent judgments on the Company's financial status and its business. Therefore, the independence of directors has been ensured during election, including but not limited to no more than two directors with spouse or family relationship within the second degree of kinship, also does not have the circumstances specified in Article 26-3, Items 3 and 4 of the Securities and Exchange Act.

#### Code of Practice on Corporate Governance

Sysgration has established the "Corporate Governance Best Practice Principles" to formulate a Board member diversification policy and implement it. The nomination and selection of Board members are conducted in accordance with the Company's Articles of Incorporation, following the candidate nomination system. Apart from evaluating the educational background, experience, and qualifications of candidates, we also complied with the "Corporate Governance Best Practice Principles" and "Regulations for Director Election" to ensure the diversification and independence of Board members.



Name / Eligibility	Professional Qualifications and Experience	Independence Condition
Lee, I-Ren	Chairman, Sysgration Ltd. (2003-) Chairman, Winmate Inc. (2003-2017) Chairman, Hipro Electronics Co. Ltd. (1990-2002)	<ul style="list-style-type: none"> <li>Chairman Lee, I-Ren is an employee of the Company and serves as the Director of Affiliate Enterprise</li> <li>The number of shares of the Company owned by himself and his spouse or in the name of others account for 11.71% of the total issued shares, and is one of the top ten shareholders</li> </ul>
Hsieh, Tung-Fu	General Manager, Sysgration Ltd. (2013-) Vice President, Altek Corp. (2010-2012) Vice President, Lite-On Technology Corp. (1999-2010)	<ul style="list-style-type: none"> <li>Director Hsieh, Tung-Fu is an employee of the Company and serves as the Director of Affiliate Enterprise</li> <li>The number of shares of the Company owned by himself account for 0.46% of the total issued shares</li> </ul>
Lee, Cheng-Han	Vice President, Sysgration Ltd. (2013-) Assistant Manager in Product Marketing, Etasis Electronics Co., Ltd. (2010-2013)	<ul style="list-style-type: none"> <li>Director Lee, Cheng-Han is an employee of the Company and serves as the Director of Affiliate Enterprise</li> <li>The number of shares of the Company owned by himself account for 0.38% of the total issued shares</li> </ul>
Dai, Feng-Yi	Chairman, Godex International Co., Ltd. (1994-)	<ul style="list-style-type: none"> <li>The number of shares of the Company owned by Director Dai, Feng-Yi accounts for 0.31% of the total issued shares</li> </ul>
Lin, Kuan-Chao	Managing Partner, PKF Taiwan (2001-) Certified Public Accountant (CPA) License of Taipei City (1980-)	<ul style="list-style-type: none"> <li>Does not have any of the conditions specified in Article 3, Paragraph 1, Subparagraphs 1 to 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," in compliance with all independence rules</li> </ul>
He, Ju-Hsiang	Special Assistant to the Chairman of Taiwan Life Insurance Co., Ltd. (2000-2016) Deputy General Manager, Loan Department, Bank of America (1989-1994) Internal Audit Manager, BNP Paribas (1984-1989)	<ul style="list-style-type: none"> <li>Does not have any of the conditions specified in Article 3, Paragraph 1, Subparagraphs 1 to 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," in compliance with all independence rules</li> </ul>
Wei, Che-Chen	COO, H&D Asset Management Co. (2016-) Special Committee Member, Taiwan Life Insurance Co., Ltd. (2011-2015) Chairman, Taiwan Life Ins. Securities Investment Trust Co. Ltd. (2009-2011)	<ul style="list-style-type: none"> <li>Does not have any of the conditions specified in Article 3, Paragraph 1, Subparagraphs 1 to 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," in compliance with all independence rules</li> </ul>

## Diversification of Board Members

Job Title	Chairman	Director	Director	Director	Independent Director	Independent Director	Independent Director
Name	Lee, I-Ren	Hsieh, Tung-Fu	Lee, Cheng-Han	Dai, Feng-Yi	Lin, Kuan-Chao	Wei, Che-Chen	He, Ju-Hsiang
Gender	Male	Male	Male	Male	Male	Male	Male
Age	61-70	51-60	41-50	61-70	71-80	61-70	71-80
Employee of the Company	✓	✓	✓				
Length of Tenure as Independent Director					7-9	7-9	4-6
Education and Work Background							
Accounting/Finance/Operation	✓				✓	✓	✓
Electronics/Electric Machinery/Technology	✓	✓	✓	✓			
International Marketing	✓	✓	✓	✓			
Securities/Finance						✓	✓
Accountant					✓		
Professional and Industrial Experience							
Operation Judgment	✓	✓	✓	✓	✓	✓	✓
Accounting and Financial Analysis	✓			✓	✓	✓	✓
Business Management	✓	✓	✓	✓	✓	✓	✓
Crisis Handling	✓	✓	✓	✓	✓	✓	✓
Industry Expertise	✓	✓	✓	✓			
Global Market Perspective	✓	✓	✓	✓			
Leadership	✓	✓	✓	✓	✓	✓	✓
Decision-making	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓

## Recusal of Directors due to Conflicts of Interest

To prevent conflicts of interest and protect the benefits of investors, the corresponding specifications in terms of the system of the recusal due to conflicts of interest of the Board shall be established in [the Rules of Procedures of Board Meetings](#) and [the Corporate Governance Best Practice Principles](#). It is specified that the Board shall hold a high self-discipline. When the proposals at a Board meeting involve the interests of Directors, they shall recuse themselves, shall not join the discussion and voting, and shall not exercise the voting rights on behalf of other Directors. In addition, Directors shall maintain self-discipline and shall not provide improper mutual support.

## Board Diversity

To realize the goals of corporate governance, the capabilities of Sysgration's Board shall possess diverse abilities, including operation judgment, accounting and financial analysis, business management, crisis handling, industry expertise, global market perspective, leadership, decision-making, knowledge and ability of risk management, and corporate governance experience. At present, the Company's Directors have diverse professional backgrounds. However, to adapt to future development needs and rapid changes in the environment, the Company will continue to review the diverse composition of the Board. During the re-election of Directors, the Company will further improve the diversification of Board members and move towards the goal of adding at least one female Director. In addition, Sysgration will increase the number of Board members with expertise and experience in environmental sustainability, occupational safety and health, and labor human rights to strengthen the supervision and guidance of the Company in response to international sustainable development trends.

## Succession Plan of the Board and Senior Management Members

The selection and development of management successors are crucial to the sustainable operation of the company. The succession plan aims to ensure that the Company can continue to develop with the changes of the times and meet the human resource requirements for the sustainable operation of the Company. When planning the succession plan, Sysgration emphasizes that in addition to the excellent execution capacity, the values and personality traits of the successor shall also be consistent with the Company's expectations, especially integrity and innovation. Premium employees are rotated between different businesses and regions to test their adaptability and management capacity.

The Company currently has a total of seven Directors (including three Independent Directors), all of whom possess expertise in business, finance, accounting, or other fields relevant to the Company's operations. Three of the Directors are also the senior management of the Company. In the future, the current structure will be extended for the formation and the structure of the

Company's Board and the experience and background of members. For the operation of the succession, there are multiple senior management professionals at present in the Group. We deepen their industry and management experience through work rotation and arrange internal and external training and courses with different aspects; therefore, the Company has a sufficient talent pool for the succession of future Directors.

As for the Independent Directors, the laws require them to have work experience in business, legal affairs, finance, accounting or other fields related to the Company's business. There is no shortage of such professionals in Taiwan; therefore, the Company plans that the secession plan of Independent Directors shall be from the academic sector and industry sector.

The selection and development of management successors is critical to the corporate sustainable operation. The successor plan is to continue and succeed the corporate operations to keep pace with the times and provide the manpower requirement for the sustainable operation of the enterprise. In the planning of the succession plan, in addition to having excellent execution ability, the Company pays special attention to the values and personality traits to be consistent with the Company's core values, including integrity and innovation; excellent employees continue to be tested on their adaptability and management ability in different businesses and regions as needed.

The successors training for senior management planning mainly focuses on developing well-rounded business management skills, professional expertise, and personal development plans. Training schedules are tailored to each individual's job responsibilities and learning progress. Through training in professional competencies and multi-dimensional coursework, trainees are equipped to integrate their knowledge and develop strong decision-making and judgment capabilities.

In 2024, Sysgration provided training courses covering sustainable operations, corporate governance, GHG management, business management, quality management, legal affairs, intellectual property rights, insider equity and insider trading regulatory specifications, trade secrets, information security, the Responsible Business Alliance Code of Conduct (RBA), and health management, with a total of 65 hours, in order to train the management personnel whom can succeed in the future.



## Board of Directors Performance Assessment

### Measures for the Board of Directors Performance Assessment

In order to strengthen the functions of corporate governance and the operational effectiveness of the Board of Directors, Sysgration established the "Measures for the Board of Directors Performance Assessment," for the Board of Directors, individual director members, and functional committees to conduct performance assessment once every year. The assessment method includes internal self-assessment of the Board of Directors, self-assessment by the individual director, internal self-assessment of the functional committees, and outsourcing external professional organizations, experts or other appropriate method to perform performance assessment. Through various assessment indicators, the Company understands the degree of approval of directors to the Board of Directors and functional committees' operation. The assessment items are shown in the table. The results of the performance assessment in 2024 have been submitted to the Board of Directors, which will serve as the reference for the Company's continuous improvement in the future.



#### Board of Directors Performance Assessment

Five assessment indicators,  
a total of **40** items:

- Degree of participation in Company operations
- Improve the quality of Board of Directors decision-making
- Board of Directors composition and structure
- Election of directors and continuing advanced studies
- Internal control

#### Individual Director Performance Assessment

Six assessment indicators, a  
total of **23** items:

- Grasp of company goals and tasks
- Awareness of directors' duties
- Degree of participation in Company operations
- Internal relationship management and communication
- Professional and continuing advanced studies for directors
- Internal control

#### Functional Committee Performance Assessment

In the five assessment indicators, the Audit Committee self-assessment has a total of **22** items, the Remuneration Committee self-assessment has a total of **20** items, and the Risk Management Committee self-assessment has a total of **26** items:

- Degree of participation in Company operations
- Awareness of the Committee's duties
- Improve the quality of Committee decision-making
- Committee composition and member selection
- Internal control

In 2024, the comprehensive performance assessment results of the Board of Directors, individual directors and functional committees are all excellent and above, and the overall operation is good.

## Compensation of the Board

The committee shall faithfully perform the following authorities on the job with the attention of good administrators, and submit recommendations to the Board of Directors for discussion:

1. Establish and regularly review the policies, systems, standards and structures for performance assessment and remuneration of Directors and executive officers;
2. Regularly assess and determine the remuneration of directors and executive officers;
3. Regularly assessing the achievement of performance goals of the Company's directors and executive officers; and setting the content and amount of their individual remuneration.

Sysgration has established its director remuneration policy, payment standards, and amounts in accordance with its Articles of Incorporation. Directors' remuneration is categorized as business execution expenses, such as travel allowances, special expense subsidies, and other stipends. Directors who also serve as employees receive additional remuneration, including salary, position allowances, bonuses, special expense subsidies, and other related payments. Retirement and severance payments are accounted for as provisions rather than actual disbursements.

Unit: NT\$ Thousands

Name	Director's compensation <small>Note 1</small>	Compensation received by Directors who were also employees <small>Note 1</small>		Total Amount
	Remuneration	Salary and Bonus	Retirement Pension	
Lee, I-Ren	60	7,532	0	7,592
Hsieh, Tung-Fu	60	6,557	108	6,725
Lee, Cheng-Han	60	4,063	108	4,231
Dai, Feng-Yi	600	0	0	600
Lin, Kuan-Chao	600	0	0	600
He, Ju-Hsiang	600	0	0	600
Wei, Che-Chen	600	0	0	600

Note 1: The compensation of individual Directors is based on all subsidiaries' statistics listed in the Company's financial statements.

## Group Intelligence of the Highest Governance Unit

In order to strengthen corporate governance practices, Sysgration actively encourages directors to participate in advanced studies, and discloses the status of advanced studies in the Corporate Governance area of the Market Observation Post System. In 2024, 100% of Sysgration's board members met the continuing education hour requirements for directors of listed companies on TWSE and TPEX.

Job Title	Name	Advanced Study Course	Total Hours
Chairman	Lee, I-Ren	<ul style="list-style-type: none"> <li>Carbon Exchange Functions and Prospects and How the Board Supervises the Establishment and Optimization of Risk Management Mechanisms</li> <li>Analysis of Domestic and Foreign M&amp;A Practices</li> </ul>	6 hours
Director	Hsieh, Tung-Fu	<ul style="list-style-type: none"> <li>Design of Remuneration and ESG Performance System for Senior Managers</li> <li>Corporate Carbon Management Thinking after the Passing of the Climate Change Response Act</li> </ul>	6 hours
Director	Lee, Cheng-Han	<ul style="list-style-type: none"> <li>Analysis of the Dispute over the Practices of the Board</li> <li>Workplace Labor-Management Dispute, Resolution Mechanisms, and Case Studying</li> </ul>	6 hours
Director	Dai, Feng-Yi	<ul style="list-style-type: none"> <li>How to Effectively Reduce the Cybersecurity Risk of Production Operations of Enterprises</li> <li>Analysis of the Dispute over the Practices of the Board</li> </ul>	6 hours
Independent Director	He, Ju-Hsiang	<ul style="list-style-type: none"> <li>Competitiveness vs. Survival, ESG Trends and Strategies</li> <li>How Do Directors Fulfill Their "Fiduciary Duty"</li> </ul>	6 hours
Independent Director	Lin, Kuan-Chao	<ul style="list-style-type: none"> <li>Understand the Key Elements of the ESG Report</li> <li>Anti-Money Laundering Development Trends and Case Studies</li> <li>IFRS Sustainability Disclosure Standards</li> </ul>	9 hours
Independent Director	Wei, Che-Chen	<ul style="list-style-type: none"> <li>Impact of the Latest Changes in Tax Laws on Corporate Operations and Responses</li> <li>Concepts, Practices, and Tools of the Group's Tax Governance</li> </ul>	6 hours



### 2.1.3 Remuneration Policy

Regarding its remuneration policy, Sysgration follows the provisions set forth in its Articles of Incorporation. If the company generates profit in a given fiscal year, up to 3% may be allocated as directors' compensation. However, if the company has accumulated losses, such profits must first be retained to offset the losses. Directors' compensation is determined based on their level of involvement in company operations and the value of their contributions. Performance is evaluated annually with reference to the "Measures for the Board of Directors Performance Assessment" which assess factors such as understanding of company goals and responsibilities, participation in operations, internal relationship management and communication, professional expertise and ongoing training, and internal control.

In 2024, upon approval by the Remuneration Committee and the Board of Directors, NT\$8,000,000 was allocated as directors' compensation, representing 2.73% of profit for the period.

#### The Connection Between the Remuneration of Senior Managers and Sustainable Performance

The Company's President and senior executives at the level of Vice President and above are responsible for managing company affairs in accordance with the business strategies and key decisions set by the Board of Directors. Their appointment and dismissal are subject to Board resolutions.

Executive compensation includes fixed salary and variable bonuses. Fixed salaries are determined with reference to the executive's position level, experience, professional competence, years of service, and industry standards. Variable compensation—such as performance bonuses, employee stock options, and annual salary adjustments—is linked to performance indicators, including financial metrics, management targets, sustainability performance, and other relevant considerations.

All performance evaluations and the reasonableness of compensation are reviewed and approved by the Remuneration Committee and the Board of Directors. The compensation system is reviewed periodically in light of the Company's actual operating conditions and relevant regulations to ensure a balance between sustainable operations and risk management.

#### Annual Total Compensation Ratio

The ratio of the annual total compensation of the highest paid individual in the organization to the median annual total compensation of other employees in the organization (excluding the highest paid individual)	2023	11.83 %
	2024	13.81 %

#### The performance indicators of senior managers include:

Performance item	Percentage	Description
Financial indicators	60%	Include turnover, profit targets, cash conversion cycle, inventory turnover, strategic targets based on the functions, and other operation-related indicators
Management indicators	20%	Include communication abilities, decision-making and execution abilities, ability to cultivate subordinates, and other evaluation items
Sustainability performance indicators	20%	Include the corporate governance evaluation and Sustainability Report evaluation (5%), implementation of ethical corporate management (5%), implementation of GHG inventory (5%), and the implementation of the improvement in the sustainable supply chain (5%)
Additional consideration items	If there is any special performance or contribution, it will be added to the total score by up to 5% according to the level of severity	

The company conducts a comprehensive quarterly performance evaluation of senior executives based on the achievement rates of various key performance indicators (KPIs). Their direct supervisors assess their performance scores and determine whether the executives meet the originally set KPIs. Additionally, the evaluation considers each executive's contribution to the company's overall operations and the profit proportion of their respective business units (BUs).

Performance ratings are classified into six levels: A+, A, B, C, D, and E. These ratings serve as the basis for determining bonuses, employee stock option rights, and annual salary adjustments. Recommendations from the Remuneration Committee are submitted to the Board of Directors for approval before implementation.

The ratio of the percentage increase in annual total compensation of the highest paid individual in the organization to the median of the average annual percentage increase in total compensation of the other employees in the organization (excluding the highest paid individual)	2023	0.99 %
	2024	3.03 %

## 2.1.4 Corporate Governance Organization Operation

### Set Up a Dedicated Supervisor for Corporate Governance

By resolution of the Board of Directors on May 11, 2021, Ms. Tsai Hsiu-Mei, the Chief Financial Officer, was appointed as the Corporate Governance Chief Officer, serving as the highest-ranking executive responsible for corporate governance matters. Her primary duties include coordinating and overseeing the preparation of minutes for the shareholders' meetings and board meetings, assisting directors with their appointments and ongoing training, providing directors with the information needed to perform their duties and helping ensure their compliance with laws and regulations, as well as other matters stipulated in the company's articles of incorporation or contracts.

In 2024, the Corporate Governance Chief Officer legally handled 5 board meetings and the 2024 annual general shareholders' meeting, revised the company's "Articles of Incorporation," established the Risk Management Committee, and formulated the "Risk Management Committee Organizational Rules" and the "Management Measures for Financial and Business Transactions Between Related Parties." These actions enhanced the company's governance strength.

The officer also provided training courses, assisting 7 directors in completing a total of 45 training hours in 2024. Each director's training hours complied with the requirements of the "Guidelines for the Continuing Education of Directors and Supervisors of Listed Companies."

Furthermore, the officer supplied the directors with necessary data to perform their duties and assisted with regulatory compliance.

Throughout 2024, Sysgration corporate governance was carried out in full accordance with laws and regulations, with no violations reported.

To improve corporate governance procedures and the functions, Sysgration's Corporate Governance Chief Officer completed 12 hours of continuing education in 2024. The training covered topics including common deficiencies in financial statement reviews and practical analysis of key internal control regulations, key laws and compliance practices related to corporate financial reporting, and case studies on common deficiencies in financial reporting and internal control system.

### Audit Office

Sysgration complies with laws and regulations by establishing an internal control system and a dedicated Audit Office responsible for its execution. This unit upholds a spirit of independence and maintains an objective and impartial stance, reporting directly to the Board of Directors. Through evaluating the internal control system, it measures the effectiveness of current policies and procedures, their compliance levels, and their impact on operational activities. This ensures that the internal control system is continuously and effectively implemented and assists management in fulfilling their managerial responsibilities.

Each year, based on risk assessment results, the Audit Office drafts an internal control audit plan, which is submitted to and approved by the Audit Committee and the Board of Directors. The Audit Office conducts monthly audits, issues audit reports submitted to the General Manager and Chairman, and distributes copies to each independent director. The head of auditing attends the Audit Committee and Board meetings quarterly to report on the execution of internal audit activities. To implement the company's self-monitoring mechanism and promptly respond to environmental changes, the Audit Office is responsible each year for urging all internal departments and subsidiaries to conduct self-assessments. The internal audit then reviews these assessment reports and provides the Board of Directors and General Manager with evaluations on the overall effectiveness of the internal control system. This serves as the primary basis for issuing the "Internal Control System Declaration."

In addition to meeting the qualifications for internal auditors as stipulated by the Financial Supervisory Commission (FSC), the appointment, dismissal, evaluation, and compensation of internal audit personnel

at Sysgration are handled in accordance with the company's "Personnel Employment Procedures," "Compensation Procedures," "Performance Evaluation Management Regulations," and the "Employee Handbook."

All related matters follow the company's approval process, with the audit supervisor submitting reports for the Chairman's approval. Performance evaluations are conducted at least quarterly, in accordance with the "Performance Evaluation Management Regulations."

Furthermore, the appointment or dismissal of the internal audit supervisor must be approved by both the Audit Committee and the Board of Directors, as stipulated in the company's "Audit Committee Charter" and "Board Meeting Procedures."



In 2024, the Audit Office formulated and implemented an audit plan. Upon auditing, improvement recommendations were made regarding equipment procurement. The responsible unit subsequently established and implemented a corrective plan, which has since been completed.

## ESG Committee

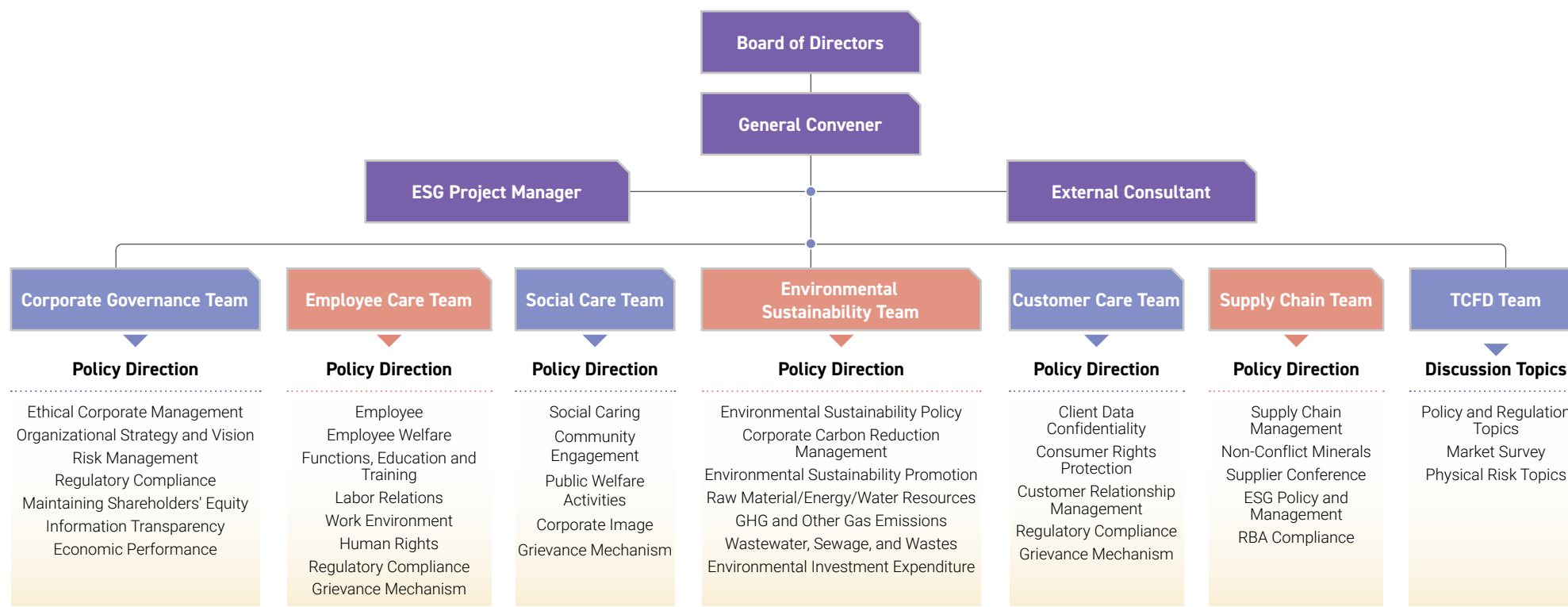
In 2016, Sysgration established the "Sustainable Development Code of Practice" to help integrate corporate social responsibility into its business operations. To enhance sustainable competitiveness and effectively implement sustainability initiatives, the Board of Directors oversees the company's sustainable development and has established an ESG project organization to coordinate and lead sustainability efforts. The ESG task force is led by General Manager Mr. Hsieh Tung-Fu as the convener. Based on various relevant topics, dedicated working groups are formed to promote specific issues. Meetings are held every two months to review and track the progress of short-, medium-, and long-term ESG goals. These working groups are organized according to key issues and strategic policy directions.

### Sustainable Development Best-Practice Principles

Each task force of the ESG Committee consists of a task force leader and several members. Currently, there are a total of about 60 members. In 2024, a total of 14 meetings were held, with a total of 253 person-times. The ESG Committee reports and discusses major sustainable issues with the Board at least once a year, including: identifying concerned issues of stakeholders, formulating corresponding action plans, formulation and revision of sustainable operations-related goals and policies, risk identification and management, and information security management situation, ethical corporate management, and intellectual property management.





## Sysgration ESG Committee Structure and Policy Direction



## Supervision of the Board on Sustainable Development

Sysgration deeply recognizes the importance of sustainable operations and is committed to managing and reporting related issues in a transparent and responsible manner. In 2024, we demonstrated our commitment to sustainable development through the following detailed descriptions of oversight activities:

Supervisory Item 	Action Description 	Frequency/Time 
Report of the project organization for the promotion of sustainability	Reported the annual progress of sustainability initiatives to the Board of Directors	Once a year
Sustainability Report preparation and publication	Prepared in accordance with GRI and SASB standards and the TCFD framework, and engaged an independent assurance provider for verification.	Publish annually
Report by the management team	Regularly reported to the Board of Directors on major sustainability issues, including strategic development, risk management, information security, and intellectual property management	Once a quarter and when necessary
Occupational health and safety measures	Collaborate with medical institutions to provide employees with health checkups and special health checkups	Annually
Audit quality and performance evaluation	Assess the independence and suitability of the CPAs	Once a year
Ethical corporate management and risk management for legal affairs	The management team reported on ethical business practices, legal risk management, and stakeholder communication	Once a year
Discussion of sustainable development goals and policy	Formulate and revise the goals and policies related to sustainable operation and identify the issues of concern to stakeholders	At least once a year



## 2.2 Economic Performance

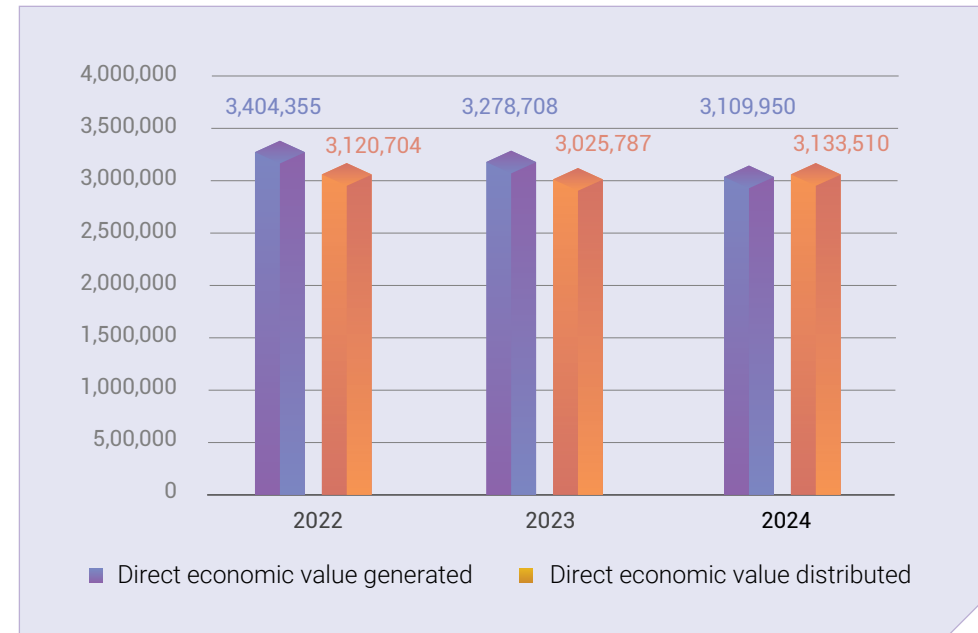
Sysgration implements the business strategy and corporate governance, holds Investor Conferences and Shareholders' Meeting every year, and regularly updates the financial and business information on the Market Observation Post System and the company's website. Through transparent information disclosure, shareholders and investors can grasp the Company's operating conditions promptly.

In 2024, Sysgration's top three customer revenue contributions were as follows: the Americas accounted for 48.75%, Asia for 36.04%, and Taiwan for 9.27%. Among the product categories, automotive electronics accounted for 90.33% of total revenue (NT\$2,809,281 thousand), energy management products accounted for 7.10% (NT\$220,767 thousand), and other products made up 2.57% (NT\$79,900 thousand). Revenue growth slowed this year, primarily due to global interest rate hikes and inflation, geopolitical factors, inventory reduction, and the establishment of safety stock. System Electric will continue to focus on new product development and expanding market share, with the expectation of stronger momentum for future business growth to create maximum value for stakeholders.

Unit: NT\$ Thousands

Item	2022	2023	2024
Direct economic value generated	3,404,355	3,278,708	3,109,950
Operating income	3,404,355	3,278,708	3,109,950
Direct economic value distributed	3,120,704	3,025,787	3,133,510
Operating costs	2,599,804	2,467,840	2,358,120
Employee Salary and Benefits	512,327	543,415	623,340
Payments to Investors	8,472	13,125	152,060
Net Income Tax Paid	101	1,407	1,814

### The Company's Direct Economic Value Generated and Distributed Over the Years



## 2.3 Ethical Corporate Management

### 2.3.1 Ethical Corporate Management and Commitment

Sysgration is founded on the principles of integrity, responsibility, and honesty in business operations. The company has established regulations such as the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," "Management Procedures for Prevention of Insider Trading," which are required to be followed by the Board of Directors, senior management, group employees, and cooperating suppliers. These rules clearly prohibit engaging in any dishonest business activities, aiming to foster a culture of integrity and good business practices.

Regarding internal management, the Human Resources Department serves as the coordinating unit for integrity management, responsible for promoting and supervising the company's integrity policies and preventing dishonest behavior. Additionally, the Audit Department oversees and audits the implementation of integrity principles across Sysgration's operational departments.

All company operations comply with laws and regulations, and significant information is disclosed in accordance with legal requirements to ensure transparency. In board voting, any director with a conflict of interest must recuse themselves.

A corruption risk assessment was conducted for all business locations in 2024, and no major corruption risk was identified.

Sysgration communicates its commitment to ethical management internally through multiple channels, including requiring all employees and suppliers to annually sign the "Ethical and Honesty, Environmental Protection and Social Responsibility Commitment." The company regularly evaluates suppliers for any violations of integrity records. Sysgration's directors are also required to sign a "Declaration of No Violation of the Code of Ethical Conduct." Integrity principles are incorporated into employee training and included as a criterion in employee performance evaluations.

Sysgration prohibits suppliers and employees from offering or accepting any bribes or improper benefits, directly or indirectly, to secure transactions or fulfill contracts, or to gain personal benefits for employees or their related parties. In 2024, a total of 284 suppliers signed the integrity documents, achieving a 100% signing rate. All members of the Board of Directors strictly adhere to integrity principles, with 100% signing the "Declaration of No Violation of the Code of Ethical Conduct," in 2024. Employees and suppliers also achieved 100% completion in signing the "Ethical and Honesty, Environmental Protection and Social Responsibility Commitment."

In 2022, the Board approved revisions to the "Management Operation Procedures for Prevention of Insider Trading," stipulating that directors are prohibited from trading the company's stock during the 30-day blackout period before the annual financial report announcement and the 15-day blackout period before quarterly financial report announcements. Directors are reminded in advance by email. In 2024, no director trading occurred during these blackout periods.







Management Operation  
Procedures for Prevention  
of Insider Trading



Ethical Corporate  
Management Best  
Practice Principles

## 2.3.2 Practice Ethical Corporate Management

### Ethical Corporate Management Communication Channels

	Item	Target	Content	Communication Frequency
	Email Publicity	The directors, executive officers, and shareholders holding more than 5% of the total shares of the Company	<ul style="list-style-type: none"> <li>When Directors and executive officers are newly appointed, the "Insider Equity Promotion Handbook" will be sent by email on the onboarding day. The insider shall inform the newly appointed executive officers of related laws and decrees that the insiders should abide by and notify the stock agency on the same day to report the relevant information of the newly appointed insider</li> <li>Publicize the document "Common Patterns of Reporting Insider Shareholding Changes in Violating the Securities and Exchange Act" by email to remind insiders to manage shareholding changes in accordance with the law</li> </ul>	As needed
	Internal Educational Training	Employee	<ul style="list-style-type: none"> <li>The education and training content in 2024 included business secrets and personal data privacy, personal data privacy protection and promotion, and business secret protection and promotion</li> <li>In 2024, a total of 8 hours of relevant education and training courses were organized with 936 person-times attended</li> </ul>	As needed
	Performance Appraisal	Employee	<ul style="list-style-type: none"> <li>When performing quarterly performance appraisals, incorporate ethics compliance behaviors into employee performance appraisal items</li> </ul>	4 times/year
	Honesty Commitment	Employees, Suppliers, and Directors	<ul style="list-style-type: none"> <li>Require all employees and new suppliers to sign the "Integrity, Environmental Protection, and Social Responsibility Commitment Letter" annually, with 100% completion achieved in 2024</li> </ul>	1 times/year

Among the members of the corporate governance department, the total number of members who had communication regarding the anti-corruption policy and procedures of the Company and ratio:

Target	Number of qualified governance department persone <sup>Note 1</sup>	Total number of people in the governance department	Percentage
Participated in the anti-corruption course	7	7	100%
Signed documents related to anti-corruption or anti-insider trading	7	7	100%

Note 1: The governing departments include the Board, management committee, or non-corporation organization, and other departments

Total number of employees who had communication regarding the anti-corruption policy and procedures of the Company and ratio:

Target	Number of employees meeting the conditions (Unit: The number of personnel, excluding the number of personnel in the governance departments)	Total number of employees	Percentage
Participated in the anti-corruption course	177 <sup>Note 1</sup>	177	100%
Signed the Ethical Corporate Management Best Practice Principles or relevant documents	580 <sup>Note 2</sup>	580	100%

Note 1: In 2024, only the Nankang Plant held anti-corruption awareness training.

Note 2: The number of personnel covers the Taipei Head Office (199), Nankang Plant (177), Power Tank Taipei (33), Huizhou Plant (100), and Zhenjiang Plant (71)

To make all employees, management, and Directors of Sysgration fully understand the Company's determination, policies, and prevention programs of the Company's Ethical Corporate Management, Sysgration organized ethics and morality-related education and training for a total of 8 hours in 2024, with 936 person-times attended, to strengthen colleagues' understanding and awareness of Ethical Corporate Management through training courses. In 2024, the completion rate of ethics and morality-related education and training for all Directors, executive officers, and employees reached 100%, which is enough to show that Sysgration attaches great importance to Ethical Corporate Management.

### 2024 Ethical Corporate Management Training: Course Content, Duration, and Number of Participants

Date	Content	Hours	Number of Trainees
2024/03/19	ESG - Corporate Governance Issues	2	7
2024/04/09	Business Secrets and Personal Data Privacy	0.5	15
2024/07/26	Business Secrets and Personal Data Privacy	1	18
2024/10/22	Personal Data Privacy Protection and Promotion	1	405
2024/10/25	Business Secret Protection and Promotion	1	396
2024/11/01	Business Secrets and Personal Data Privacy	1.5	65
2024/11/06	Business Secrets and Personal Data Privacy	1	30



On March 22, 2024, Sysgration held the Strategic Partner and Supplier Conference, with a total of 169 supervisors from 74 companies participating. The Chairman and GM of Sysgration explained the corporate governance and ESG targets set to suppliers and commended and awarded companies with excellent ESG performance. At the same time, we invited sustainable development consultants to carry out education and training for suppliers and partners to explain the sustainable supply management strategies of Sysgration and require suppliers and partners to align with the concepts of Sysgration in terms of ESG participation and code of conduct to carry out detailed promotion and training.

## Business Morality and Due Diligence Investigation Procedures

### Customers

#### According to Credit Review Operation Procedures:

- If the sales target is a new customer and the transaction requires a credit line, the sales department must complete the relevant customer credit information form and submit it to the credit approval department for review.
- After carefully assessing the customer's credit status, the Credit Unit sets the customer's line of credit, and fills in the "Customer Credit Information Card" and "Line of Credit Score Form" for approval in accordance with the approval authority.
- To ensure the security of accounts receivable during sales, in addition to following standard sales procedures, customers requiring credit terms must undergo a credit assessment and obtain credit approval prior to the transaction. Sales personnel may proceed with quotations, negotiation, deliveries, and other sales-related activities within the approved credit limit when accepting orders.
- If the customer's line of credit needs to be changed, it can be re-assessed according to this procedure, fill in the "Line of Credit Score Form" and provide a new line of credit.
- The customer's Customer Credit Information Card must be revised or reviewed once every year, and can be revised at any time due to special circumstances.





### Suppliers and Contractors

#### According to Credit Review Operation Procedures:

- Establish the "Manufacturer Management Evaluation Operation Instructions" and require suppliers to sign the "Code of Conduct for Suppliers' Corporate Social and Environmental Responsibility" and the "Supplier Corporate Social and Environmental Responsibility Code of Conduct" and "Supplier Ethical and Honesty, Environmental Protection and Social Responsibility Commitment."
- Require and announce that the suppliers in business dealing are required to collaborate with the Company on ESG issues including environmental protection, occupational safety and health, labor human rights, and ethical corporate management to fulfill the promotion of corporate social responsibilities.
- The Company evaluates suppliers through regular interactions and periodic assessments. If a supplier violates corporate social responsibility principles or causes significant environmental or social impact, the Company will immediately terminate the business relationship.
- If a complaint is received, the Company will conduct an investigation, verification, and resolution process while keeping the identity of the complainant confidential.

## 2.3.3 Reporting and Prevention System

Sysgration Reporting Channel sets up an independent reporting channel managed by assigned responsible personnel for employees, customers, suppliers, shareholders, investors, and other stakeholders to report illegal behaviors or violations of ethics under the Ethical Corporate Management Best Practice Principles; the reporting channels are as follows:

Applicable Scope	Grievance Channel	
 Shareholders, Investors	Hotline	(02) 2790-0088
	Mailbox	sys5309@sysgration.com
 Suppliers	Hotline	(02) 2790-0088 #2020
	Mailbox	scm@sysgration.com
 Customers	Hotline	(02) 2790-0088
	Mailbox	sales@sysgration.com
 Employee	Hotline	(02) 2790-0088 #1830
	Mailbox	opinion@sysgration.com
	Others	Suggestion Box is set up on the Employee Website (EIP) Physical Employee Suggestion Box is set up in each factory area

The Company's reporting system has been established with relevant operating procedures and confidentiality mechanisms, clearly requests the processing unit must not disclose the identity of the whistleblower and the reported information of stakeholders, to ensure the effective operation of the complaint system and to protect the whistleblower from personal interests' infringement due to the reported content, or differential treatment of working conditions. In order to protect the legal rights and interests of the Company's employees and encourage employees to make suggestions, in 2022, Sysgration formulates the "Management Regulations for Employee Opinions and Complaints," clearly specified that after the managing person of Human Resources Department accepted the complaints, the "Employee Opinion and Complaint Form" should be forwarded to the relevant department executives for handling within 3 working days, and the unit must reply to the Human Resources Department within 7 working days. If the complaint cannot be replied within the time limit or the situation has not been handled, the Human Resources Department will report to the General Manager for handling. However, if the complaint incident is a major case, it may be extended to 10 working days to complete the handling.

All whistleblowing content is subject to strict confidentiality management. Investigators handling whistleblower cases must keep both the whistleblower's identity and the reported matter strictly confidential. If disclosure of the whistleblower's identity is deemed necessary, prior consent must be obtained to prevent retaliation.

During the investigation process, the complainant may request to be accompanied by a trusted colleague or invite relevant personnel to participate in the inquiry. The company may also request the respondent to temporarily suspend managerial authority or cooperate with the investigation.

All documentation related to the receipt of the report, the investigation process, and the outcome must be recorded in writing or electronically and retained for five years. If a lawsuit related to the case arises before the retention period expires, the relevant materials must be preserved until the conclusion of the legal proceedings.

If a report is found to involve malicious accusations, deception, defamation, or deliberate disruption, Sysgration will take disciplinary action in accordance with applicable regulations. If the report is verified to be true and leads to significant contributions or economic benefits, the whistleblower may be rewarded appropriately based on the reward policies of the relevant region.

If a whistleblower case involves a director or senior executive, or if a serious violation is suspected that may result in significant damage to the company, the matter will be reported in writing to the Chairman of the Board. If the case is verified and deemed serious, it will be handled in accordance with applicable laws and company regulations and disclosed on the Market Observation Post System (MOPS).

In 2024, Sysgration had no whistleblower cases, no incidents involving violations of the "Code of Ethical Conduct" and was not involved in any lawsuits related to anti-competitive behavior, antitrust, or monopoly regulations.

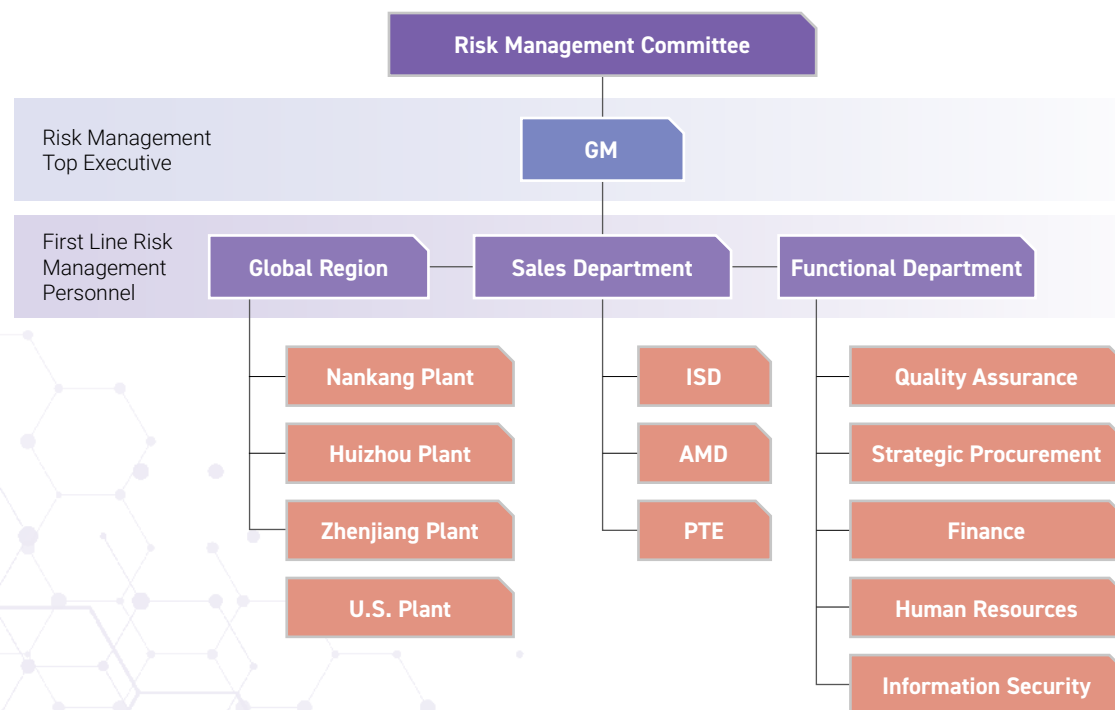
## 2.4 Risk Management

### 2.4.1 Risk Management Organization

To actively implement and strengthen its risk management mechanism and ensure sustainable operations, Sysgration established the Risk Management Committee in 2023 as the highest-level unit for risk governance and decision-making. The General Manager serves as the Chief Risk Officer, while business unit heads, functional department managers, and regional heads act as frontline risk managers. They are responsible for ensuring the timely and accurate communication of risk-related information, effective implementation of internal risk management policies within their units, and providing recommendations for response plans across various risk categories.

For different types of risks, the General Manager forms ad hoc response teams according to the nature of the event and assigns responsible supervisors to lead the response efforts. The Audit Department is responsible for reviewing the effectiveness of risk management implementation as part of internal control.

Sysgration actively promotes the implementation of an operational risk management framework by holding regular executive management meetings to review related issues and reporting to the Board of Directors annually. The report includes the company's risk landscape, key risk management areas, risk assessments and response measures, risk control strategies, and the overall status of risk management execution.



### 2.4.2 Risk Management Policy

Sysgration takes the "Risk Management Policy" approved by the Board of Directors as the highest guiding principle of risk management, and incorporate the operation-related environmental, social and corporate governance issues based on materiality into the operation management strategy, and clearly grasp the scope of operational risks through the identifying, measuring, supervising, monitoring and controlling the potential risks, to construct an integrated risk management system, and advance an appropriate risk management-oriented business model.



Sysgration actively implements risk prevention and loss control by integrating risk management measures into daily internal control operations. Each business unit required to conduct regular self-inspection and participate in educational training, then for the senior executives to evaluate the effects, so that risks can be effectively controlled within an acceptable range. Through establishing the risk indicator and risk event reporting mechanism, Sysgration collects and organizes various business information, integrates possible risks, identifies major risks, and regularly reports the risk monitoring situation to the risk management executive. In response to human-caused events, natural disasters or other major incidents, the Company has established "Emergency Response Plans" related management procedures and regulations, aiming at fires, floods, typhoons, earthquakes, chemical leakage and other disasters, to formulate preventive measures, rescue precautions and notification procedures, which clearly regulate the duties of all personnel in the Company, and serve as compliance guidelines for all units, in order to prevent the escalation of disasters and avoid disruption to the Company's normal operations.

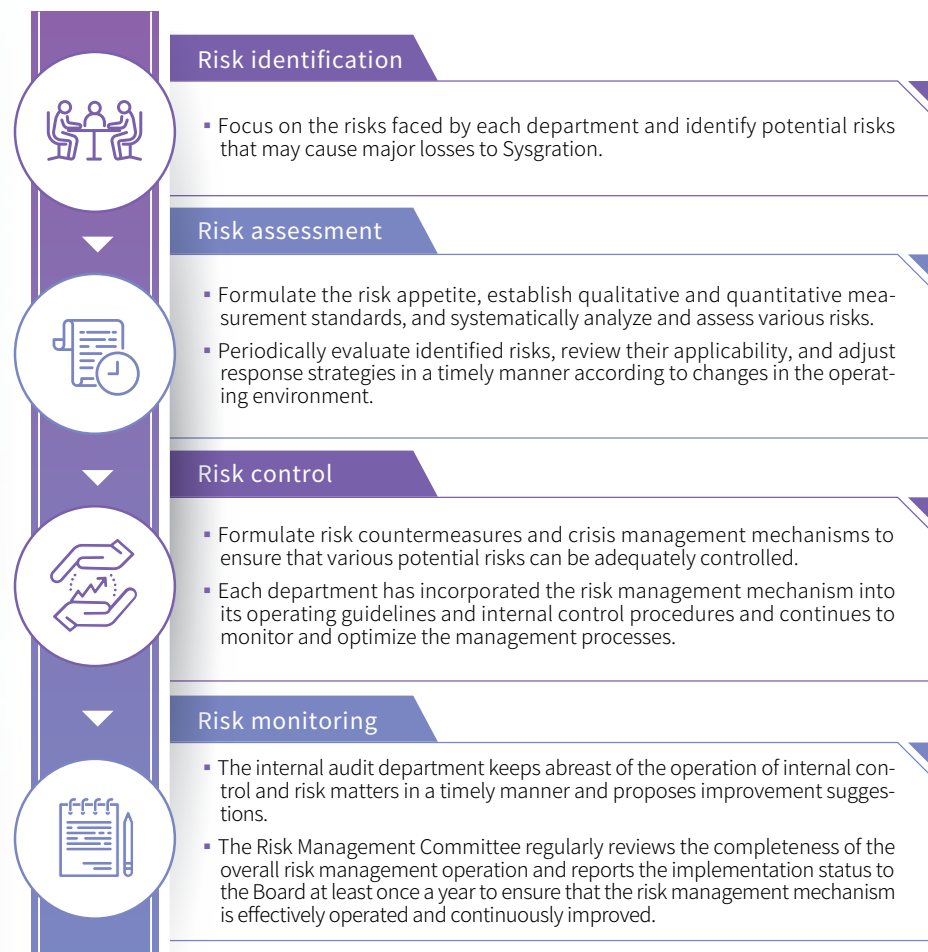
## 2024 Training on Enhanced Risk Control: Course Content, Durations, and Number of Participants

Date	Content	Hours	Number of Trainees
2024/01/17	Main text of ISO/IEC 27001:2022	4	4
2024/01/22	Main text of ISO/IEC 27001:2022 Appendix A	4	4
2024/02/29	ISO/IEC 27001:2022 Current Status, Processes, and the Definition of the Verification Scope	4	4
2024/03/07	Main text of ISO/IEC 27001:2022 Level 1 to Level 4 Document Key Description and Preparation/Amendments	4	4
2024/03/28	Main text of ISO/IEC 27001:2022 Level 1 to Level 4 Document Key Description and Preparation/Amendments	4	4
2024/04/09	Information Security Promotion	0.5	15
2024/04/09	Intellectual Property Rights & Business Secrets & Personal Data Privacy	0.5	15
2024/04/18	Main text of ISO/IEC 27001:2022 Level 1 to Level 4 Document Key Description and Preparation/Amendments	4	4
2024/05/03	Main text of ISO/IEC 27001:2022 Level 1 to Level 4 Document Key Description and Preparation/Amendments	4	4
2024/05/10	Main text of ISO/IEC 27001:2022 Level 1 to Level 4 Document Key Description and Preparation/Amendments	4	4
2024/06/12	Fire Safety and Response Team Exercises	4	156
2024/06/25	Fire Prevention Security Education and Training	2	178
2024/07/26	Intellectual Property Rights & Business Secrets & Personal Data Privacy	1	18
2024/08/01	Information Security Promotion	0.5	16
2024/10/07	ISO/IEC 27001:2022 Audit Description	8	4
2024/10/09	ISO/IEC 27001:2022 Audit Description	8	4
2024/10/22	Personal Data Privacy Protection and Promotion	1	405
2024/10/25	Business Secret Protection and Promotion	1	396
2024/11/01	Intellectual Property Rights and Business Secrets	1.5	65
2024/11/06	Intellectual Property Rights and Business Secrets	1	30

## 2.4.3 Risk Management Procedures

To improve the risk management function, the Company's risk management adopts a comprehensive process through risk identification, risk assessments, risk measurement, risk monitoring, communication, and other management procedures. This systematic measures were adopted to ensure a clear understanding of the scope of operational risks and the implementation of appropriate measures, allowing for efficient allocation of limited resources toward managing these risks effectively.

### Risk management procedures








Sysgration has established operational risk indicators and operational risk event reporting mechanisms, compiled various business information, conducted independent analyses of results and trends, and regularly reported the operational risk monitoring status to senior supervisors in order to develop measures to respond to potential risk sources. Risk factors analyzed are as follows, mainly including operating risks, financial risks, operational risks, material policies, legal change risks, and emerging risks:

Risk Management Items	Risk Description and Countermeasures	Risk Management Items	Risk Description and Countermeasures
Business Risk	Assess the risks of market, supply chain, intellectual property and information security caused by the factors of domestic and foreign political, economic, and legal supervision and management requirements as well as the domestic and foreign technological and industrial changes and reflect the assessment results to the relevant operational decision-making body.	Emerging risks	<ul style="list-style-type: none"> <li>▪ <b>Carbon Border Adjustment Mechanism (CBAM) risk:</b> <ol style="list-style-type: none"> <li>1. Increased cost pressure: Facing the increased export costs for products due to CBAM, the Company will have to pay additional carbon costs resulting from CBAM.</li> <li>2. Loss of market share: The rising price of products may cause the Company to lose its market share.</li> <li>3. Supply chain restructuring: CBAM prompts the Company to re-evaluate its supply chain structures and seek suppliers with lower carbon emissions to reduce the impact of CBAM.</li> </ol> </li> <li>▪ <b>Response measures to address the risks posed by CBAM:</b> <ol style="list-style-type: none"> <li>1. Reduce carbon emissions: Reduce the carbon emissions of products by enhancing production efficiency, improving production technology, and using green energy so as to reduce the impact of CBAM.</li> <li>2. Market diversification: Reduce the reliance on a single market to reduce the impact of CBAM on its business.</li> <li>3. Advance preparation: Understand and assess the impact of CBAM on the Company's business in advance, formulate countermeasures, and prepare before the implementation of CBAM.</li> <li>4. Improve compliance: Strengthen the understanding of relevant laws, regulations, and policies and ensure that products meet corresponding carbon emission requirements to reduce possible risks of fines or litigation.</li> </ol> </li> <li>▪ <b>Geopolitical risk:</b> <ol style="list-style-type: none"> <li>1. Restricted market entry: The Company is affected by increased tariffs, import restrictions, and export control due to political factors, resulting in business obstruction or the inability to enter certain markets.</li> <li>2. Supply chain disruption: A geopolitical trade war may lead to supply chain disruption, such as the closure or restriction of the import of certain raw materials, products or components, resulting in production obstruction.</li> <li>3. Asset depreciation: Trade wars caused by geopolitics may lead to currency depreciation and stock market fluctuations, which may cause the Company's asset value to decline, thereby affecting profitability.</li> <li>4. Labor issues: Trade wars caused by geopolitics may lead to strikes and demonstrations, affecting production and business operations.</li> <li>5. Legal and compliance risks: Trade wars caused by geopolitics may lead to changes in laws and compliance requirements. It is necessary to make timely adjustments to comply with the latest regulations; otherwise, there may be risks of fines and litigation.</li> </ol> </li> <li>▪ <b>Response measures to address the risks posed by geopolitics:</b> <ol style="list-style-type: none"> <li>1. Evaluate the Company's market entry status in relevant markets, actively participate in the formulation and communication of relevant trade policies, and explore diverse markets to reduce the reliance on a single market.</li> <li>2. Evaluate the Company's supply chain and diversify its supplier sources to reduce the reliance on a single region or country. At the same time, establish close cooperation with suppliers and prepare backup supply plans in advance.</li> <li>3. Evaluate the Company's asset structure and reduce financial risks through hedging instruments and investment diversification. Meanwhile, strengthen financial management and fund monitoring to maintain a favorable financial position.</li> <li>4. Maintain healthy communication with the laborers to build harmonious labor-management relationships. Meanwhile, formulate a contingency plan to have emergency measures in response to strikes and demonstrations.</li> <li>5. The Company pays close attention to the changes in relevant regulations, timely adjusts the business model and compliance process, and strengthens internal compliance training to ensure legal compliance of operations.</li> </ol> </li> </ul>
Financial Risk	Comprehensively consider financial risks arising from various economic aspects, including risks that may arise from the Company's financial assets or liabilities due to changes in interest rates, exchange rates, stock prices and inflation, asset liquidity risks, customers' ability to pay and credit history, accounting policies, and investee business management. Formulate the Company's fund safety stock based on the liquidity of assets to ensure the ability to allocate funds for emergencies and establish a hedging mechanism to effectively control the level of risk impact.		
Operational Risk	To address risks associated with internal control processes, human factors, information systems, and other management operations — as well as risks arising from external events — the company has established and adheres to relevant management procedures to create a safe working environment.		
Environmental Risk	In response to the government's tightened climate governance and stricter regulations on greenhouse gas emissions, energy management and environmental impact assessments, on the premise of adaptation and mitigation, the Company identifies and analyzes the risks in terms of the physical aspects of policies, laws and regulations, products, and operations, in order to establish and implement the responding strategies and action plans.		
Risk of Crucial Regulatory Changes	Analyze the potential legal risks to the Company regarding important changes in policies, laws, and decrees, and propose countermeasures.		

## 2.4.4 Results of Risk Identification and Important Issues

After being identified, measured, and assessed by the Risk Management Organization, in 2024, Sysgration faced three main risks, including environmental risk, social risk and corporate governance risk, and the Risk Management Organization has reported the annual management status to the Board.

### Risk Results Identified by the Company in 2024 and Response

Identified Risk	Risk Description	Countermeasures
 Environmental Risk	Occupational Safety	<ul style="list-style-type: none"> <li>Provide a safe and healthy working environment for employees</li> <li>Reduce the frequency and severity of employee disability injuries</li> <li>Zero accidents in industrial safety and active prevention of occupational diseases</li> </ul>
	Waste Management	<ul style="list-style-type: none"> <li>Continue to promote waste reduction at source and waste recycling and reuse</li> </ul>
	Climate Change	<ul style="list-style-type: none"> <li>Continue to promote greenhouse gas reduction measures</li> </ul>
	Energy Management	<ul style="list-style-type: none"> <li>Develop green energy products and continue to improve energy conservation performance</li> </ul>
 Social Risk	Talent Development	<ul style="list-style-type: none"> <li>Plan for the talent development of the organization to achieve sustainable operations</li> </ul>
	Human Rights	<ul style="list-style-type: none"> <li>Assist employees in maintaining physical and mental health and work-life balance</li> <li>With diverse and smooth employee feedback channels, Sysgration continues to care for employees and create a harmonious labor-management relationship</li> </ul>
 Corporate Governance Risk	Business Morality	<ul style="list-style-type: none"> <li>Ethical Management Education and Training</li> </ul>
	Supplier Sustainability Management	<ul style="list-style-type: none"> <li>Supplier Sustainability Management Evaluation</li> </ul>
	Customer Service	<ul style="list-style-type: none"> <li>Continue to provide more competitive products</li> </ul>
	Regulatory Compliance	<ul style="list-style-type: none"> <li>Continue to concretize laws, decrees and regulations into Company policies or measures, and set up related education and training courses to promote</li> </ul>

## 2.5 Legal Compliance

Sysgration complies with local laws and regulations of each operating location. The Company conducts regular reviews and assessments of legal requirements to support the establishment of risk control measures and operational requirements. Laws and regulations are continuously internalized into company policies or implementation procedures, and relevant education and training programs are conducted to ensure employee awareness and compliance. All operation factories have obtained ISO 14001:2015 (Environmental Management System), ISO 45001:2018 (Occupational Safety and Health Management System), ISO 9001:2015 (Quality Management System) and IATF 16949:2016 (Automotive Quality Management System) Certifications in 2022, and obtained IECQ QC080000:2017 (Hazardous Substance Process Management System) Certification for Nankang Plant and Zhenjiang Plant. These certifications not only ensures the Company's compliance with environmental protection, labor rights and occupational safety laws and regulations but also provides colleagues with a healthy and safe working environment. In order to practice sustainable development and promote the balance and sustainable development of the economy, society and environmental ecology, Sysgration complies with the laws and decrees, Article of Incorporation, and the contract signed with the Taipei Exchange and related standards, and considers the domestic and international development trend of ESG and the Company's overall operation activities, to stipulate the Code of Sustainable Development, and follow the content of the Code truthfully. In 2024, Sysgration had no violations of circumstances related to corporate governance, economic, social, and environmental laws and regulations, nor was it involved in litigation related to anti-competitive conduct and antitrust and monopoly regulations.

## 2024 Regulatory Educational Training

Course	Objectives	Trainee	Training Method	Number of Trainees
Ethical Corporate Management and Corporate Governance	<ul style="list-style-type: none"> <li>In order to implement the corporate culture and sound development of Ethical Corporate Management, and actively prevent unethical behavior, establish a reference framework for good business operations, for the trainees to understand the direction and policies of the Company's Ethical Corporate Management.</li> </ul>	All employees	Online and Offline	703
Sustainable Management ESG and Corporate Governance	<ul style="list-style-type: none"> <li>In addition to the goal of profitability for business operations, ESG sustainable investment will be the key to assessing the corporate sustainable existence and continuous growth</li> <li>In response to the wave of ESG, how can the business properly plan the organizational structure of the Board of Directors and all Committees, and construct a blueprint for sustainable development, so as to improve the effectiveness of corporate governance.</li> </ul>	Management	Offline	37
Know of Corporate Trade Secrets / Management and Protection of Corporate Trade Secrets	<ul style="list-style-type: none"> <li>Establish a management system for trainees regarding trade secrets, non-compete regulations, and legal compliance awareness.</li> <li>Understand the prevention and treatment of corporate trade secret infringement.</li> <li>Personal Data Protection Act Protection Promotion and Management Practices.</li> </ul>	All employees	Online and Offline	1,421
Matters Require Attention for Changes in Equity Within the Company	<ul style="list-style-type: none"> <li>Conduct relevant education and publicity for executive officers and employees, including "Management Operation Procedures for Prevention of Insider Trading", the "Insider Trading Made Easy" Promotion Handbook published by the Taiwan Stock Exchange, and related laws and decrees.</li> </ul>	Directors and managers	E-mail	Note 1

Note 1: The Company reminded all Directors and managers via e-mail before the publication of financial statements that they shall not engage in any transaction during the lock-up period.

## 2.6 Information Security and Customer Privacy

### 2.6.1 Information Security Targets

Sysgration values great importance to customer privacy and information security management, actively establishes and maintains a reliable and safe information operating environment to ensure the safety protection of Company data, system equipment and network. As such, the Company has established its information security targets aimed at ensuring the confidentiality, integrity, availability, and regulatory compliance of the core systems and related management activities within the scope of ISO/IEC 27001:2022 certification. The Company further defines and monitors quantitative performance indicators for information security across various organizational levels and functional areas. These indicators are used to assess the effectiveness of system implementation and to confirm whether the following information security targets are achieved:

- Confidentiality** The Company shall prevent any sensitive information from leaking on the Internet.
- Integrity** The accuracy and integrity of the Company's sensitive data (e.g., insurance information and personal information) shall be ensured.
- Availability** Ensure that the Company's important data is backed up and the system is not interrupted.
- Compliance** The Company shall comply with the laws and regulations of each country (e.g., Personal Data Protection Act, Trade Secrets Act, and laws related to intellectual property rights) to protect the rights and interests of the Company and third parties.

## 2.6.2 Information Security Management Measures

To strengthen information security management and ensure the safety of data, systems and networks, Sysgration has established a Information Security Committee, with the GM Mr. Hsieh, Tung-Fu, as the Convener. The Information Department is responsible for coordinating and implementing information security policies, promoting information security concepts, improving employee information security awareness, collecting and improving the technology, products or procedures of the performance and effectiveness of the Company's Information Security Management System, and report to the Board at least once a year.

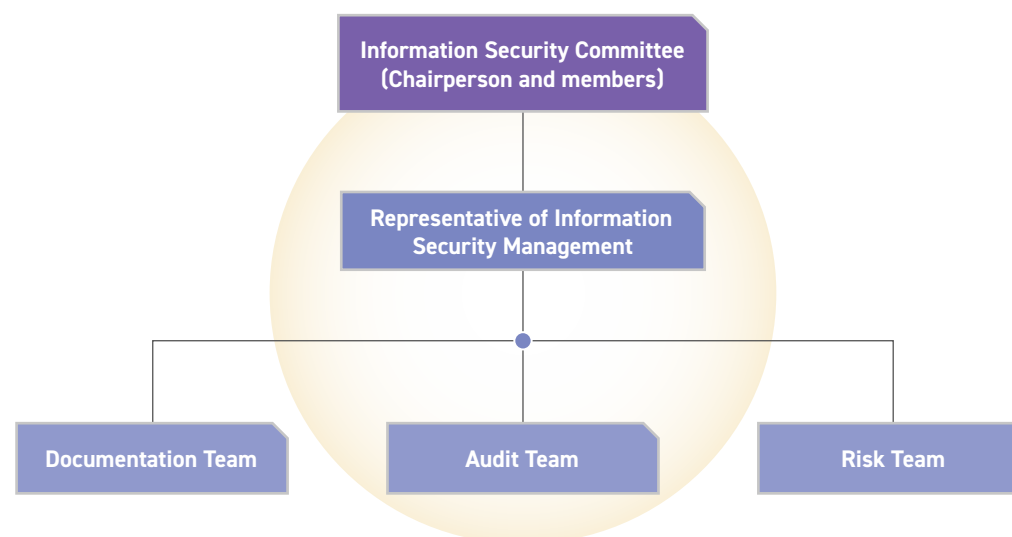
For comprehensive information security management, Sysgration continues to increase both personnel and investment in information security defense structure. Currently, the Company employs six information security professionals. In 2024, Sysgration invested a total of approximately NT\$27.79 million to strengthen the information security-related control mechanism as follows:

1. Introduced third-party threat detection and response service to monitor networks and terminal equipment all day long so as to detect and block potential threats in a timely manner.
2. The Company has added a backup system to reduce the recovery time objective (RTO) from 30 minutes to 10 minutes and the recovery point objective (RPO) from 1 hour to 5 minutes.

In addition, to ensure the effective operation of the information security management system, Sysgration clearly defines the organizational structure and responsibilities of the Cyber Security Committee to effectively promote and control the implementation of various management, execution and audit works.

The implementation of the information security management system is based on the Plan, Do, Check, and Action (PDCA) cycle, which is implemented in a circular manner and maintains the effectiveness and continuity of information security through a gradual and progressive approach. First, the Company carries out the evaluation review at least once a year to improve its information security practices to catch up with the timeliness by considering laws and regulations, changes in technology, expectations of stakeholders, business activities, internal management, resources, and other current conditions. Furthermore, the Company makes amendments according to the review results, which shall become effective after the publication made by the GM. Ultimately, after the establishment of or amendments to the information security policy, notify stakeholders (i.e., employees, suppliers, customers, or external audit personnel) through appropriate approaches (i.e., e-mail, announcements on the website, or printed on paper), and continue to focus on the achievements.

### Information Security Organization





## Information Security Policy

Based on the four principles of information security, "Confidentiality, Integrity, Availability, and Compliance," Sysgration has formulated the "Information Security Policy" and "Regulations for Management Information System (MIS) Operation Management" and established a mechanism for monitoring and controlling the Company's cyber properties. The strategy of promoting information security management by Sysgration is divided into four aspects: Network Information Security Management, Information Access Control, Information Emergency Recovery Response Mechanism, Educational Announcement and Examination.



## Effectiveness of Information Security Protection

Sysgration had eight system intrusion incidents in 2024 and effectively blocked **7 times**. External intrusion threats, effective blocking defense rate of **87.5%**. Office equipment/host system effectively prevented **1,023** virus threats.

In 2024, Sysgration reported the annual implementation status of Information Security Management in the Board of Directors Meeting, including the completion the establishment of automatic backup and audit management of outgoing emails, the introduction of cloud operation environment, control of mobile storage devices, network behavior records, real-time communication records and other measures, as well as the host automatic backup and anti-virus system updates for part of the operating locations. In the future, Sysgration will continue to build independent backup network segments for all operating locations to automatically backup and restore the host data of each service, as well as promote file encryption, server vulnerability scanning, and off-site backup projects. We constantly improve information security management with a rigorous attitude to strengthen the Company's information security protection. To enhance employees' information security awareness and reduce the Company's cyber security risks, the Company regularly conducts and advocates information security education courses, continues to improve and maintain the Company's information security defense mechanism, and strengthens the implementation of information security through education and training. In 2024, Sysgration organized information security education and training courses 5 times and advocated to information security policies, regulatory measures, information security awareness and anti-phishing webpages by e-mail every month to provide safer and more reliable services. In 2024, Sysgration did not receive any complaints about violations of customer privacy, nor occurrence of any incidents of information leakage, theft or loss of customer data.



## Specific Information Security Management Measures

## Network Information Security Control

- Set up firewalls
- Regularly conduct computer virus scanning
- Software installation and download permission control
- Regularly review whether the network services are abnormal
- Employees can only use legal software provided by the Company



## Information Access Control

- Set up access permission according to employees' job duties
- Computer equipment is maintained by designated personnel
- Employees have individual accounts and passwords
- Immediate cancellation of the employee's permission on the day of leaving the job
- The original computer equipment used by personnel who changed job duties is taken back and managed by the Information Department



## Information Emergency Recovery Response Mechanism

- Practice system recovery regularly every year
- Implement off-site data backup
- Regularly check whether the emergency recovery response mechanism requires to be revised



## Educational Announcement and Examination

- Publicize the key points of information security at any time to enhance employees' awareness of information security
- Regularly review the integrity of information security



# 2.7 Financial Assistance Received from Government

In 2024, the operating sites of Sysgration that obtained financial subsidies from the government, subsidy categories, and amounts are set out in the following table.

Mainland China



Business location	Type of Subsidy	Amount of Subsidy
Huizhou Plant	Subsidy	▪ High-tech enterprise awards of RMB50,000
		▪ High-quality awards of RMB52,600
Zhenjiang Plant	Subsidy	▪ Talent introduction, labor union refunds, stabilizing employment subsidies, and intellectual property rights subsidies of RMB127,176





# Chapter 3

## Products and Customers

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3.1 Product Quality and Safety

3.2 Low-carbon Green Products

3.3 Customer Relationship Management



# Sustainable Performance Highlights and Corresponding SDG

## SUSTAINABLE DEVELOPMENT GOALS



7 AFFORDABLE AND  
CLEAN ENERGY



8 DECENT WORK AND  
ECONOMIC GROWTH



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION

### Affordable and Clean Energy

- Sysgration actively expanding the application of **low-carbon green products** and services. In the case of the energy storage system, its application scope covers semiconductor factories, plants, communication base stations, cloud data centers, communities and industrial energy storage, and can assist customers in different categories to more effectively use renewable energy.
- Nankang Plant invested **NT\$18.25 million** in smart technology automation equipment to produce green energy equipment **BBU**, BBU products can save **106,779 kwh** of electricity each year.

### Responsible Consumption and Production

- All Sysgration Plants obtained the Quality Management System **ISO9001:2015** and Automotive Quality Management System **IATF 16949:2016** Certification; Nankang Plant and Zhenjiang Plant obtained Hazardous Substance Process Management System **IECQ QC080000:2017** Certification.
- In 2024, **257 kg** of second-hand solder paste was recycled, which effectively reduced approximately **694 kg** of CO<sub>2</sub>e emissions, equivalent to the reduction of the carbon absorption of approximately **2.6 trees** per year.

### Decent Work and Economic Growth

- In 2024, the R&D expenditure of Sysgration was **NT\$330 million**, representing an increase of **28.6%** from 2023, accounting for **10.6%** of the total operating income, and the expenditure is actively invested in new product development and key technological breakthroughs.



# Management Approach of Material Topic / Product Quality and Safety

## Goals

### Short Term (2025-2026)

- Complete at least 90% of product and service quality and safety certification every year and ensure that each product's standard operating procedures (SOP) are duly implemented.
- Comply with quality-related certification and standard requirements, and ensure that there are no violations of health and safety regulations for the products and services.
- Improve employees' awareness and participation in quality and safety, ensure that all employees receive quality and safety training, and maintain the training coverage at 95% or above.
- Increase R&D investment. The annual investment limit is expected to increase by 8%. The Company is committed to the R&D of new high-quality and high-value-added products.
- Improve the coverage of automated production technology every year to achieve an overall improvement of 10% in automated production technology or more.

### Medium and Long Term (2027-2030)

- Within the company, the PDCA cyclical quality management process is firmly implemented. Annual quality improvement assessments are conducted, and at least two external audits are completed and passed each year.
- Ensure that customers' quality satisfaction of products and services can reach more than 90%.
- Become the leader in product quality and safety in the industry, and recognized by the corresponding industry.
- Cultivate a high-quality and safety management team to ensure the improvement of relevant professional capabilities within the Company and maintain the continuous participation of professional training by at least 95% of employees.

## GRI Indicators

GRI 3-3, GRI 416-1, GRI 416-2

## Description of Impact

### Description of Positive Impacts:

Sysgration upholds the core philosophy of "Pursuing Excellence" by ensuring high standards in product quality and safety, aiming to enhance customer satisfaction and strengthen its corporate reputation and brand value. At the same time, effective quality and safety management helps reduce pollution and resource waste during the manufacturing process, minimizing negative impacts on the environment.

### Description of Negative Impacts:

Inadequate quality control may result in higher corrective costs, decreased customer satisfaction, and adverse effects on order volumes and market reputation, ultimately undermining sustainable business development.

## Grievance Mechanism

Customers : sales@sysgration.com

## Policies and Commitments

- Set up a Quality and Safety Management dedicated department that is responsible for formulating and implementing relevant policies and regularly assessing and updating the quality management system to ensure that the quality and safety performance of products and services meet relevant standards and requirements.
- Sysgration complies with the ISO 9001:2015, IATF 16949:2016, and other quality management standards and establishes a comprehensive quality management system.
- Sysgration insists on designing all products in compliance with international laws and regulations and customer specifications, and only manufactures and sells after passing and obtaining safety design certification.
- Promote quality and safety education and training programs to improve employees' knowledge and skills in quality and safety management.

## Responsible Unit

- Design: The Design Verification Department is responsible for the promotion, implementation and review of product design verification.
- Production: The Quality Assurance Department is responsible for the promotion, implementation and review of incoming materials/production quality policies.
- After-Sales: The Sales Department is responsible for the promotion, implementation and review of after-sales quality and after-sales service.

## Action Plans

### Positive Impact Management:

- The factory continues to pass the IECQ QC080000:2017 (Hazardous Substance Process Management), strengthens the control of hazardous substances in products, and protects consumers from exposure and risk of hazardous substances.
- Sysgration complies with the quality management standards of ISO 9001:2015, IATF 16949:2016, and establishes the quality manual by following such standards. We are committed to the establishment of a comprehensive quality management system, and we review content irregularly and perform revisions according to our operations. Internal and external quality audit management review meetings are hold annually.

### Negative Impact Management:

- Establish the product quality and safety risk assessment and management mechanism to identify risk factors that may lead to negative incidents.
- Continue to improve the management process to ensure that similar negative incidents do not happen again and apply it to future preventive measures.

## Effectiveness Assessment

- Regularly held senior quality management meetings to discuss quality and safety issues, determine goals and strategies, and track progress.
- Regularly conduct internal and external audits to check the operation of quality and safety management systems to ensure compliance with the requirements in laws, regulations and standards.
- Regularly conduct customer satisfaction surveys to collect customer feedback and opinions on product quality and safety, which are used to improve and optimize products and services.
- Regularly make inventory and check the implementation of quality and safety management measures to ensure compliance with internal policies and standards.
- The quality inspection results show that the product qualification rate has increased by 15% compared with the previous year.
- The coverage rate for new employees in plants who received occupational safety and health and quality safety training reached 100%.
- There was no violation of any product quality-related laws, regulations and standards this year.

# Management Approach of Material Topic / Low-Carbon Green Products

## Goals

### Short Term (2025-2026)

- In 2024, the capacity of power storage installations reached 400 kWh, and it is targeted to exceed 1,000 kWh in 2025, with an annual growth of 150%. It also targets to breakthrough 30MWh by 2026, representing a growth of 30 times in three years.
- Reduce carbon emission intensity of production lines and procedures by 1.5% per year.
- Reduce energy consumption of production lines and procedures and reduce energy consumption by 5% per year.

### Medium and Long Term (2027-2030)

- Reduce carbon emission intensity of production lines and procedures by 6% per year.
- Reduce carbon emissions of production lines and procedures by 4.5% per year.
- Low-carbon green products reach 55% of the annual operating income.
- Increase the proportion of renewable energy used in the production process and implement more energy-saving plans in the manufacturing process.

## GRI Indicators

GRI 3-3, GRI 302-5

## Description of Impact

### Description of Positive Impacts:

Sysgration's low-carbon green products adhere to a low-carbon strategy of "green design and green manufacturing" in response to the global net-zero transition. In light of increasingly stringent energy and environmental regulations and the ongoing changes in the energy structure, Sysgration aligns with government policies to pragmatically promote energy conservation and emission reduction. The company is committed to developing green businesses such as energy storage products to help customers reduce their product carbon footprint and connect with future international low-carbon product market trends.

### Description of Negative Impacts:

Under the sustainability trend, the failure to invest in the R&D of low-carbon green products will cause a decrease in competitiveness in the low-carbon product market, lead to reduced business opportunities in new markets or loss of markets, and have negative impacts on the environment.

## Policies and Commitments

- Adopt low-carbon raw materials and introduce high-efficiency procedures and technologies into plants to improve energy efficiency and reduce carbon emissions.
- Develop energy storage systems and photovoltaic power generation systems to assist Sysgration and customers in improving the energy structures and reducing carbon emissions and product carbon footprints.
- Select recyclable, resource-saving, and low-pollution packaging materials.
- Work with suppliers to create a green supply chain, reduce the use of energy and resources in the supply chain, and promote a circular economy.

## Responsible Unit

R&D Department,  
Green Product Department

## Grievance Mechanism

sales@sysgration.com

## Action Plans

### Positive Impact Management:

- Invest in research and development funds for low-carbon green products.
- Research and develop low-carbon energy-saving products to improve the energy efficiency of products on the consumers' end.
- Promote low-carbon green production and the use of renewable energy in product production to reduce the carbon footprint of products.

## Effectiveness Assessment

- Production environment monitoring: Monitor the energy and resource consumption in the procedures on a quarterly basis and assess the impact of the production process on the environment.
- Product performance testing: Tire-pressure monitoring systems (TPMS) are regularly tested for their performance to ensure compliance with energy-saving and low-carbon standards.
- Customer satisfaction survey: Conduct customer satisfaction surveys on a quarterly basis to collect customer feedback on low-carbon product quality and safety, which are used to improve and optimize products.

# Management Approach of Material Topic / Innovative Products and Services

## Goals

### Short Term (2025-2026)

- Increase the investment in new product R&D by at least 8% per year and continue to maintain the R&D expenses to account for 10% of the operating revenue or more.
- New products—such as AI PCs, drones, and industrial-grade battery backup modules (BBUs)—achieved a 90% verification pass rate and were successfully introduced into mass production.
- Revenue from new products increased to over 30%, gradually reducing reliance on a single product line.

### Medium and Long Term (2027-2030)

- Increase the proportion of innovative products to operating revenue to 50% to become the Company's main growth engine.
- Actively obtain international market certifications and continue to expand key markets (i.e., the U.S., Europe, and Asia).
- Establish a complete AI smart manufacturing and energy storage solution ecosystem to become an innovation leader in the industry.

## GRI Indicators

GRI 3-3

## Description of Impact

### Description of Positive Impacts:

Actively invest in the R&D of innovative products and services, focusing on the development and mass production of high-added-value product lines, and improve the competitiveness of the Company in smart manufacturing, data centers, smart logistics, and other emerging markets. Introducing innovative products into the market is beneficial for improving the operating income structure, strengthening the brand image, expanding the international market, bringing about the industrial upgrade, and, in turn, driving the long-term growth of the Company.

### Description of Negative Impacts:

The initial period of new product development and introduction requires a mass amount of resources and R&D expenses, which may cause an increase in expenses and pressure on profit in a short period of time as the results in operating income are yet exhibited. In addition, if the new product fails to pass the market verification or certification, it will increase the risk of R&D failure and resource waste, affecting the Company's financial performance.

## Policies and Commitments

- Actively invest in the development of innovative products, continue to increase the proportion of R&D expenses, and strengthen the leading technology in the fields of AI, industrial computers, drones, and energy storage.
- Establish cross-functional innovation project teams to promote integrated management across product design, validation, and mass production stages.
- Actively monitor international regulations and market trends to proactively respond to emerging product safety and certification requirements from various countries and customers.

## Responsible Unit

- Product design and R&D: R&D Department.
- Quality assurance and mass production: Quality Assurance Department.
- Market promotion and customer services: Sales Department.

## Grievance Mechanism

sales@sysgration.com

## Action Plans

### Negative Impact Management:

- A risk assessment and early warning mechanism has been established for new product development, enabling timely adjustments to research and development strategies.
- Strengthen the quality control and market verification during the introduction period of new products to reduce the risk of R&D failure.
- Periodically examine the effectiveness of the implementation of innovative projects and optimize resource allocation and process management.

## Effectiveness Assessment

- Hold regular senior management meetings for innovative products to examine the target achievement status and strategic adjustments.
- Track the verification rate of new products, progress of mass production, and effectiveness of market introduction.
- Regularly conduct customer satisfaction surveys to collect market feedback for innovative products.
- Quantify the proportion of new products to operating revenue, the growth rate of R&D investment, and other key performance indicators to serve as the basis for evaluation.

## 3.1 Product Quality and Safety

### 3.1.1 Product Quality Management

The stability of product quality is the basic requirement to satisfy customer demand, and it is also the foundation for the long-term operations of enterprises. Sysgration complies with ISO 9001:2015 and IATF 16949:2016 quality management standards and establishes the Company's quality handbook accordingly. We are also committed to establishing a comprehensive quality management system to ensure design quality assurance (DQA), vendor quality assurance (VQA), manufacturing quality assurance (MQA), and service quality assurance (SQA). We regularly review and revise relevant content, hold internal and external quality audit management review meetings every year, and submit the results to the GM. To complete the design and production promptly on schedule, we continue to enhance our manufacturing technologies and quality control to meet the demands of customers for high-quality products. We apply the PDCA principles to the five major production factors, namely, personnel, equipment, materials, methods, and environment, to strive to achieve the high-quality target of zero defects.

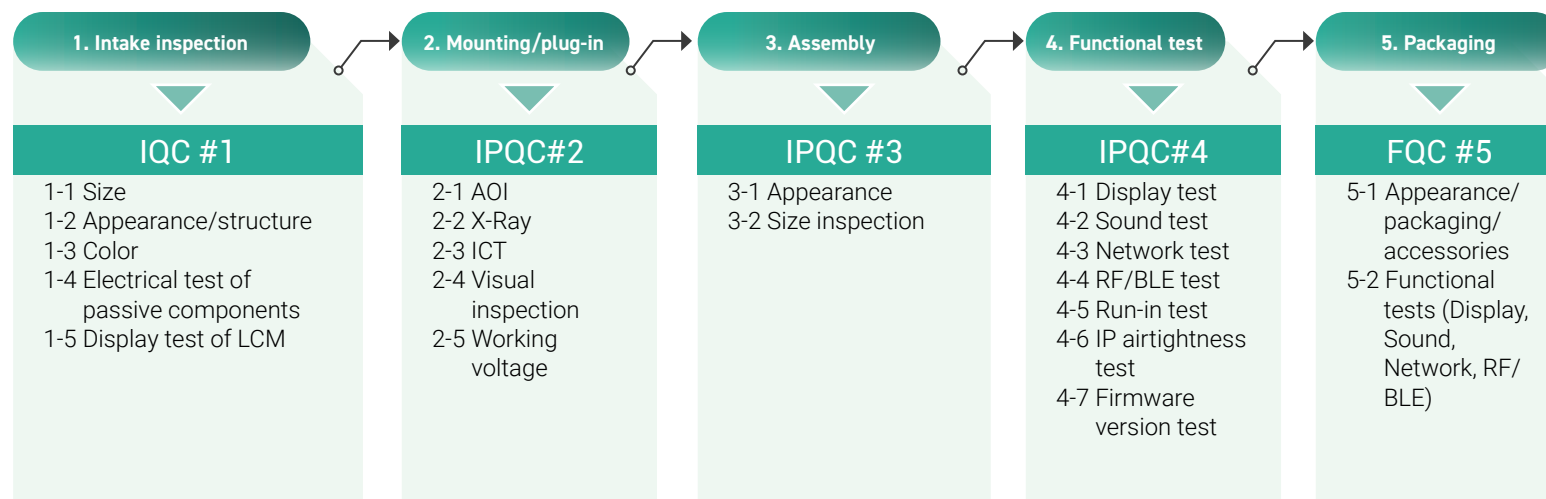
Quality Certifications for Sysgration

Item	Certification	Nankang Plant	Huizhou Plant	Zhenjiang Plant
Quality Management	ISO 9001:2015 Quality Management System	✓	✓	✓
	IATF 16949:2016 Automotive Quality Management System	✓	✓	
	IECQ QC080000:2017 Hazardous Substance Management System	✓		✓
Functional Safety	ISO 26262:2018 Functional Safety of Road Vehicles	✓	✓	
Environmental Management	ISO 14001:2015 Environmental Management Systems	✓	✓	✓
	ANSI/ESD S20.20-2021 Electrostatic Discharge Control Certification	✓	✓	



List of Certificates

To ensure the high quality and stability of electronic products, Sysgration commences planning and control from the source of procedure materials to prevent subsequent poor production yield of procedures. Electrostatic discharge (ESD) control is implemented throughout all procedures, starting from the intake of materials. We passed the ANSI/ESD S20.20 ESD control certification, which regulates the ESD protective measures and operating requirements of products and equipment during the production procedures to effectively control the generation and release of electrostatic and, in turn, improve the quality and stability of products.





Sysgration introduced the Enterprise Resource Planning (ERP) and Manufacturing Execution System (MES) in all plants to unify and standardize management processes, improve system integration, and implement product quality traceability. The production lines and procedures improved product quality through the following methods:

### 1. Increase the yield

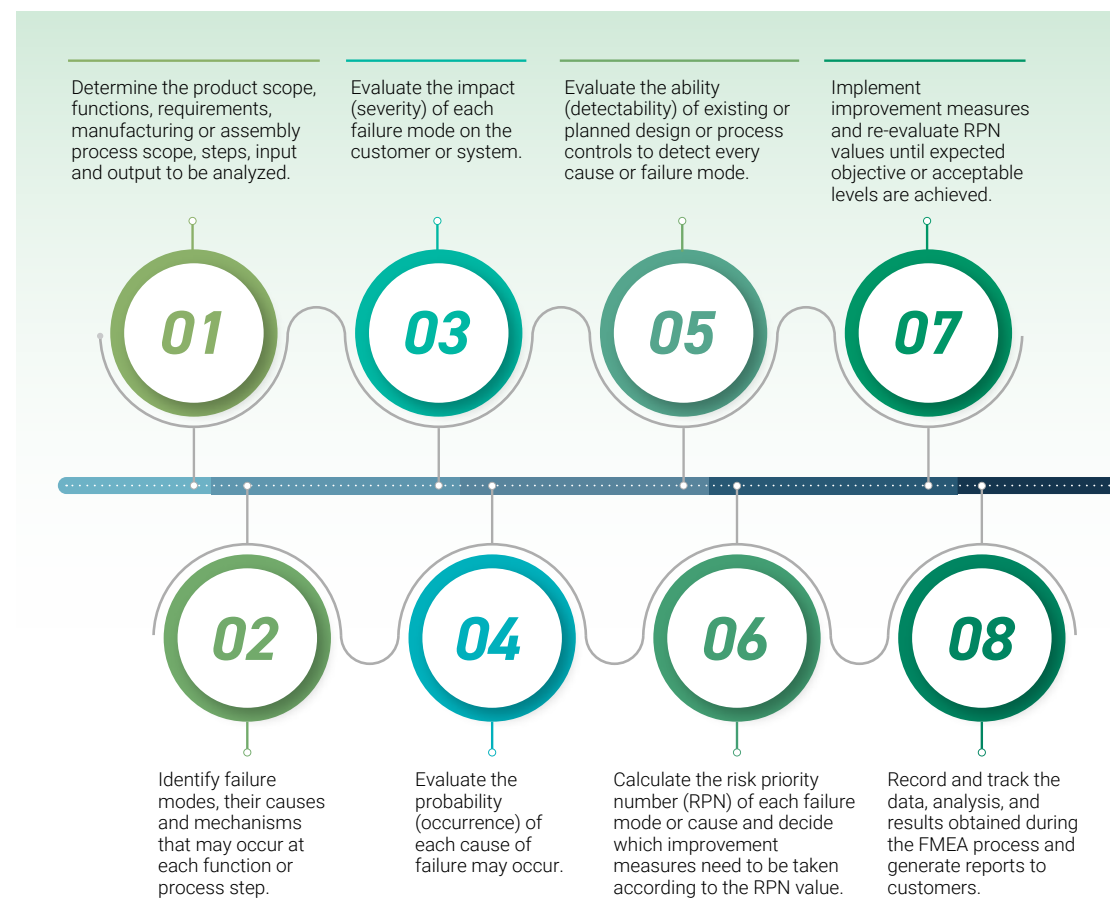
Introduce online X-ray inspection and vacuum reflow to improve the surface mount technology (SMT) and solder quality yield and introduce fully automated production lines to replace semi-automated lines in the assembly procedures to improve procedure stability and efficiency. The assembly station of the Nankang Plant has been equipped with two semi-automated production lines and one fully automated production line for the assembly and testing of tire pressure monitoring systems. The successful model of the automated production lines will be replicated and used for overseas plants in the future.

### 2. Intelligent and digitalized production lines

The MES system has been fully implemented for quality inspection and digital monitoring. Together with digital use, data connection among various systems is achieved to ensure more effective control over the quality of all products produced. The digital monitoring of quality inspection is fully connected with the testing system data and the MES system to ensure timely and effective quality monitoring.

In addition, we introduce Failure Mode and Effects Analysis (FMEA) Program before product design and product production, with the purpose of preventing product design defects and improving product reliability and safety during the product design process to reduce product development costs and time. However, in the process of product production, it is to prevent defects in the process, improve the efficiency of the process and the quality of shipped products, and reduce process variation and waste.

In 2024, the breakthrough of production line automation of Sysgration effectively improved product quality and complied with the international advanced quality standards. The automated BBU production line of the Nankang Plant has introduced the integration with smart production technology. Automated testing systems, material-moving robots, and accurate production management software were adopted to realize digitalization and unmanned control, which not only improved the level of automation of production but also significantly reduced energy consumption and production costs during the course of production. After the inspection and verification by the customers, the Group's automated production line has been proved to be in line with the international advanced quality standards to ensure the high quality and reliability of products.



In addition, in terms of technology, we continue to improve the precision and efficiency of the automated system. The latest high-voltage technology is integrated with the voltage measurement automation system of the Automotive & Mobile Division to allow the measurement precision to be improved from 10-millivolt level to 1-millivolt level, and it supports the automated shifting of the entire range to ensure the reasonable and feasible application in the high-precision voltage measurement field. Existing high-precision source meters can achieve microvolt-level resolution with an accuracy of 0.1%, supporting millivolt-level precision measurements to further minimize linear deviation. The AMD WiFi testing automation system can automatically execute the long-term performance validation, simulate the signal attenuation scenario, have real-time detection of anomalies, and effectively shorten the testing cycle.

Aiming at the customer's product quality requirements, Sysgration's products are electronics, automotive and energy storage device industry-related products. The products are not only required to comply with international criteria and standards but also required to comply with customer standards and specifications. In addition, product marketing and labeling are also required to comply with local laws and regulations of various countries and customers' labeling requirements. Sysgration purchases product liability insurance for certain products with high risks to protect the rights and interests of customers. If customers have any questions about product quality, they can contact the Company by telephone or mail at any time. Sysgration will have designated representative to understand the specific situation and coordinate and properly handle the product-related defects. Sysgration continues to pursue providing customers with premium products, warranties and services. Through regular examination of product quality KPIs, we are committed to not storing defective materials, not having design problems, and not having unqualified products out. We are fully committed to meeting customer needs and achieving customer expectations to enhance customer satisfaction.

### 3.1.2 Hazardous Substance Process Management

Sysgration followed the IECQ QC080000 standard and established the "Hazardous Substance Risk Classification and Sampling Inspection Procedures," with reference to the latest international laws, regulations and trends, including RoHS, REACH, WEEE and other specifications, to conduct sampling inspections and testing of raw materials and products, requires suppliers to sign the "Hazardous Substance-Free Commitment" at the same time, and manage the prohibited and restricted substances in raw materials and manufacturing processes with PDCA process to protect consumer's health and safety from exposure and harm of hazardous substances.

To improve the testing capability of environmental protection substances, Sysgration plans to introduce an XRF instrument (X-ray Fluorescence Spectrometer) to ensure that the requirements of non-hazardous substances are met in every aspect, including incoming materials, manufacturing processes, and finished products. We are committed to constantly improving the eco-friendly materials of our products to ensure that all products comply with global standards and customers for environmental protection standards and further strengthen our commitment to responsible production and quality control.

#### Plan

- Identify and classify which materials are prohibited and restricted substances
- Formulate management plans and goals for prohibited and restricted substances
- Each unit determines the goals and processes every six months, and establishes Quarterly Plan to achieve the goals

- ✓ The target for the execution rate of the Supplier Commitment Letter for Prohibited and Restricted Substance Compliance prohibited and restricted substances has been set, and the rate reached 100% in 2024
- ✓ Formulated the IECQ QC080000 verification passing rate target; the 2024 rate reached 100%, and an external audit was performed
- ✓ For RoHS/REACH compliance, 100% of all products are qualified through sampling inspection, and all materials and finished products have passed external RoHS testing and met the standards

#### Do

- Ask the supplier for the "Non-Prohibited and Restricted Use Material Commitment."
- Organize education and training for internal and external personnel.
- Review the implementation plan once every six months, and the responsible unit of the company to collect and analyze the data.

- ✓ Improve the customer complaint problem solving cycle from the initial 72 hours on average to 48 hours
- ✓ Improve the response time of abnormal sampling from the initial 32 hours to 24 hours

#### Act

- Regularly review the increase and decrease of prohibited and restricted substances and the changes in laws and regulations.
- Improvement and prevention of audit non-conformities.
- Take action according to the audit results, provide improvement process and update the plan every six months.

#### Check

- Check the source of the substance and where it is used (model)
- Manage regular sampling inspection of raw materials and products and supplier audit.
- Regularly conduct IECQ QC080000:2017 Hazardous Substance Management System Verification.
- Compare the actual results with the expected results every six months, and the Company's responsible unit determines whether further improvement is required.

- ✓ Exceedance incidents of hazardous substances in 2024: 0
- ✓ Number of supplier violations in 2024: 0

### The factory has IECQ QC080000:2017 Hazardous Substance Management System Certification



Nankang Plant  
Expiry: April 10, 2026



Zhenjiang Plant  
Expiry: January 30, 2026

## 3.2 Low-carbon Green Products

### 3.2.1 Green Product Design

Sysgration started its business in automotive electronics and, in recent years, has integrated connected car technologies and the Internet of Things (IoT) to develop comprehensive systems and integrated solutions, launching a diverse range of products and services. To demonstrate our commitment to environmental sustainability, we have invested in the research, development and manufacturing of green products, which mainly include energy storage systems and battery packs since 2015. Sysgration implements green design according to the principle of implementing environmental protection and continues to achieve breakthroughs and improvements for innovation and R&D. We actively respond and make contributions to the issues of energy saving, carbon reduction, and green energy.

The main product lines of Sysgration use the latest semiconductor chips and introduce System on a Chip (SoC) design to integrate several chips with different functions into one, thereby reducing material volume and cost, improving production efficiency, reducing power consumption and increasing computing speed, leading the development and design of the next generation of tire pressure monitoring, energy storage and automotive electronics toward the direction of energy saving and environmental protection. Regarding the product application, we provide leading product architecture design in the industry, easy to integrate and compatible with various software App while satisfying the requirements of use scenarios for different customers. During the improvement of the product functions, we increase energy and raw material use efficiency, and demonstrate the professionalism and competitiveness of Sysgration, which allows our products to be recognized by customers continuously.



## Product Life Cycle Green Design Thinking

	Practices	Performance in 2024
 <b>Raw Material Stage</b>	<p><b>1. Reduce the use of chemicals</b></p> <p>Traditional rubber surface treatment requires a large amount of solvent or strong alkaline and other chemicals. The plasma activation process is a physical method that can significantly reduce the use and discharge of hazardous chemical substances and reduce the pollution of air and water resources.</p> <p><b>2. Reduce energy consumption and carbon emissions</b></p> <p>The modern plasma system can precisely control the energy output, and the energy consumption is lower as compared to heating processes, which is beneficial for carbon reduction and the achievement of the net zero emission target.</p> <p><b>3. Increase product life span and reduce resource waste</b></p> <p>Surface modification improves the adhesion between rubber and other materials, increases product durability, and, in turn, extends the useful life and reduces maintenance and replacement frequency.</p>	<ul style="list-style-type: none"> <li>■ We introduced the plasma activation process to replace traditional high-pollution chemical treatment and effectively reduced VOCs and waste liquid discharge, implementing green processes.</li> <li>■ Optimize the rubber surface treatment process through the plasma activation technology to improve energy efficiency and reduce carbon footprint.</li> <li>■ Enhance the durability of rubber products through plasma treatment and reduce material consumption and replacement frequency to promote the circular economy.</li> </ul>
 <b>Manufacturing Stage</b>	<p><b>1. Lower energy consumption and resource waste</b></p> <p>The traditional manual testing process is time-consuming and may lead to repeated work. Automation can improve efficiency, reduce equipment idle time, and reduce the frequency of re-testing, thereby reducing the waste of energy and test samples.</p> <p><b>2. Reduce carbon footprint and test resource consumption</b></p> <p>The automated system has the function of scheduling and data recording to avoid repeated testing and errors in operation, thereby reducing carbon emissions and the use of consumables in the production process.</p>	<ul style="list-style-type: none"> <li>■ Introduced the automated 4G LTE testing system to effectively shorten the test cycle and reduce unnecessary power consumption and material consumption to realize green manufacturing.</li> <li>■ Through smart testing scheduling and resource optimization, the automated system helped the Company reduce carbon emissions and testing consumables by 20%.</li> </ul>
 <b>Transportation and Sales Stage</b>	<p><b>1. Reduce the waste of packaging materials and carbon footprint</b></p> <p>Automated packaging can control the amount of use and the cutting size of shrink film to reduce material waste, improve package consistency, and reduce overall carbon footprint.</p> <p><b>2. Support the application of recyclable packaging materials</b></p> <p>Through standardized and automated packaging processes, it is easier to use eco-friendly shrinkable films (i.e., recyclable or biomass materials) to strengthen the overall eco-friendly attributes of products.</p> <p><b>3. Improve energy efficiency</b></p> <p>The new automatic shrinkable packaging equipment is equipped with an energy-saving heating control system to reduce electricity and heat waste while maintaining packaging quality.</p>	<ul style="list-style-type: none"> <li>■ We introduced the automated shrinkable film packaging process and effectively reduced the use of 5% of packaging materials and 10% of the defect rate of packaging, reducing waste and carbon emissions.</li> <li>■ With the upgrade of automated packaging equipment, the Company has introduced recyclable shrinkable film materials to actively support plastic reduction and circular economy strategies.</li> <li>■ The energy-saving automated shrink equipment reduced packaging energy consumption by approximately 15%, supporting the energy-saving and low-carbon transformation goals of plants.</li> </ul>
 <b>Use Stage</b>	<ul style="list-style-type: none"> <li>■ Design energy-saving products with higher performance and low energy consumption to promote energy conservation and resource conservation.</li> <li>■ Incorporate research and development into the thinking of prolonging product service life, such as through the design of easy disassembly and recycling so that the consumers do not need to be forced to replace the entire product when they want to upgrade parts during the use stage.</li> </ul>	<ul style="list-style-type: none"> <li>■ AR smart glasses use high-performance 6490 chips and low-power mode to reduce electricity consumption by 25%.</li> <li>■ Smart power management reduced power consumption by 30%.</li> </ul>
 <b>Waste Disposal Stage</b>	<ul style="list-style-type: none"> <li>■ Provide recycling disposal services, such as establishing a recycling network, providing recycling instructions, designating recycling stations, etc.</li> <li>■ Reduce the impact of products on the environment, such as the disposal of hazardous substances in the process of products, reducing the negative impact of waste and hazardous substances on the environment, etc.</li> </ul>	<ul style="list-style-type: none"> <li>■ In 2024, 257 kg of second-hand solder paste was recycled, which effectively reduced approximately 694 kg of CO<sub>2</sub>e emissions, equivalent to the reduction of the carbon absorption of approximately 2.6 trees per year. This measure not only reduces the risk of soil and water pollution from heavy metals (tin and lead) but also avoids the toxic gases generated from incineration or landfills. Through recycling and reusing, we not only saved resources but also demonstrated our emphasis on environmental protection and sustainability, fulfilling our green manufacturing responsibility.</li> </ul>



## Investment in green energy and energy-saving equipment

Sysgration invested NT\$18.25 million in smart technology automation equipment to produce green energy equipment BBU (backup battery unit) in Nantou Nankang Plant in 2024 to replace non-eco-friendly traditional UPS with lead acid batteries. The green energy equipment BBU invested by the Company has a long battery life, high efficiency, small volume and is environmentally friendly. The DC-to-DC power conversion efficiency is fewer, which has the advantage of energy conservation. Compared to the traditional UPS with lead acid batteries, it can save about 8% of electricity under the same product specifications. The BBU products invested by the Company replaced traditional UPS and can save electricity of 106,779 kWh each year.



## Sysgration Low-carbon Green Products

### Energy Storage System

With the rapid development of renewable energy technology, the demand for energy storage systems in the power market is increasing. The large-scale development of solar energy, electric vehicles, and new energy cannot be separated from the support of energy storage technology. Sysgration energy storage system products and solutions can be used in many fields, such as home, industry, commerce, medical care, transportation, etc., and are widely used in renewable energy systems including solar and wind energy to improve grid stability.



### Strong On-board Computers

Strong On-board Computers are used in different types of environments or industrial vehicles and machineries requiring high computing power, and can be used in strict industrial environments, such as installed in construction or agricultural vehicles, must be able to be used under the conditions of extreme vibration, high and low temperature differences, and sunlight exposure, etc. Sysgration adopts the latest design of the new generation NXP iMX8, which can greatly improve the computing performance and reduce the power consumption of the product by up to 30%.

### Strong Tablets

Strong Tablets are manufactured with durability and stability as the key point, and can withstand the harshest operating environments, serving as the platform for data capture, processing, and transmission. Sysgration adopts the design of the new generation chip QCS6490 platform, which can greatly improve the computing performance, reduce the power consumption of the product by up to 30%, and expand the coverage area by 80%. The entire series of products can be customized according to special business requirements, such as manufacturing, warehousing, military, electronic flight bags for aviation operations, field service, transportation, police, fire and other emergency services.



### Tire Pressure Monitoring Systems

Sysgration's Bluetooth Tire Pressure Monitoring Systems (TPMS) offer key advantages, including compact size, lightweight design, high durability, and a lifespan that is 50–100% longer than that of traditional wireless TPMS. Its stable and real-time wireless transmission technology avoids the internal wiring of the vehicle and reduces energy consumption. It can monitor the tire pressure of the vehicle in real time to ensure driving safety and maintain the best driving condition of the vehicle, effectively reducing the fuel consumption and carbon emissions of the engine caused by insufficient tire pressure, and prolonging the service life of the tire. Tire pressure monitoring systems account for 58% of the operating income in 2024.

### Rugged Head-mount Device

Sysgration RealWear Rugged head-mount device can be used in any in hazardous environments. We regard safety as the first consideration, design for hands-free and Voice command only, replace PDA handheld products to achieve light weight, power saving and material saving, and equipped with first view of video stream and environmental noise filtering microphone, to allow the technical experts to remotely provide precise instructions to on-site operators and shorten the moving distance of personnel traveling.

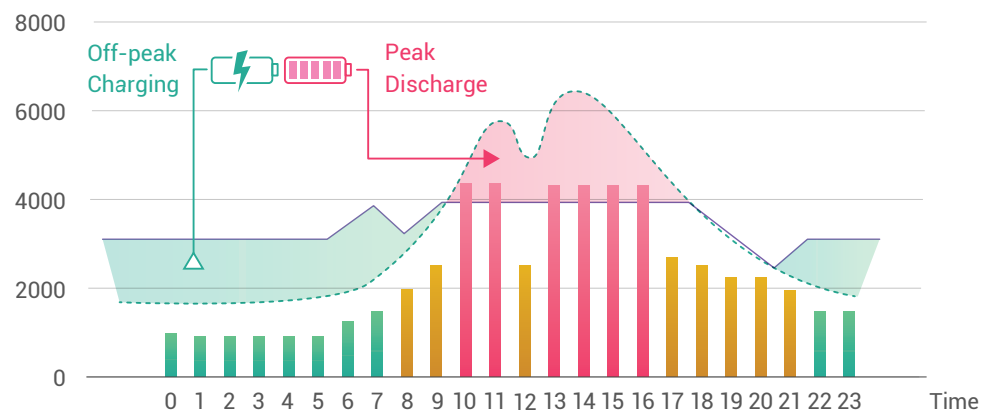


## Energy Storage System Technology

With the renewable energy business opportunities brought by the net-zero wave, Sysgration's core product "Energy Storage System (ESS)" and "Battery Pack" can help renewable energy power generation operators improve energy efficiency, such as solar and wind power generation will be unable to meet the demand for stable power supply due to meteorological changes, use battery energy storage system to store energy when the grid load is low, and output energy when the grid load is high, so as to adjust the frequency of electricity consumption to achieve the effect of "Peak Cut", to improve the problem of intermittent power demand and improve the efficiency of terminal power consumption.

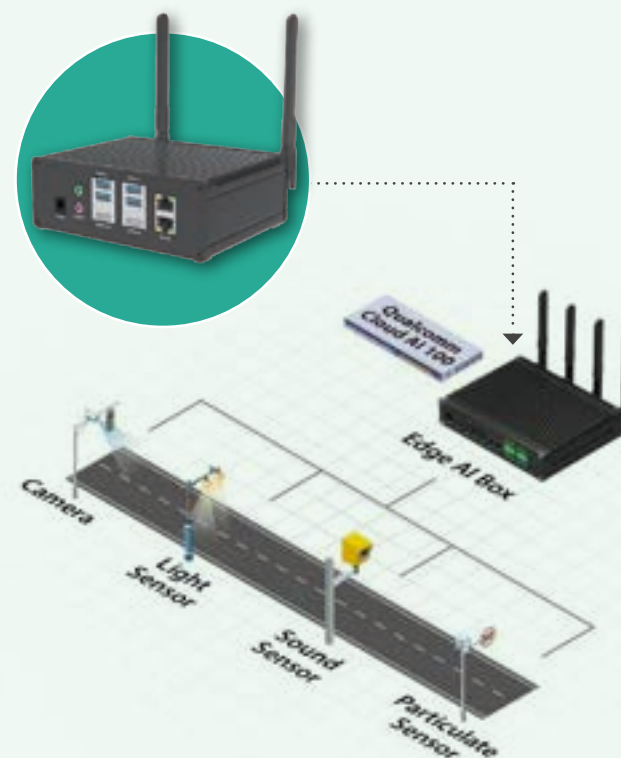
Besides, unbalanced battery cells may cause overcharge and over-discharge of a single cell in the energy storage cabinet. In addition to safety concerns, it will also shorten battery life. Sysgration has launched a series of detection and testing solutions, which can simulate the charging and discharging behavior of the energy storage cabinet by power regulation when the energy storage system compensates for the frequency modulation of the grid, detect the voltage change of the battery cell during the frequency modulation process, and identify the quality defects of the energy storage cabinet assembly, avoid the state of overcharge or over-discharge of battery cells, thereby prolong the cycle life of the energy storage cabinet and reduce the waste of equipment resources.

In 2024, the total installed capacity of Sysgration's energy storage system was approximately 56.58MWh, which is equivalent to an entire day of power generation of a 20MW large-scale solar power plant.



## AI Box

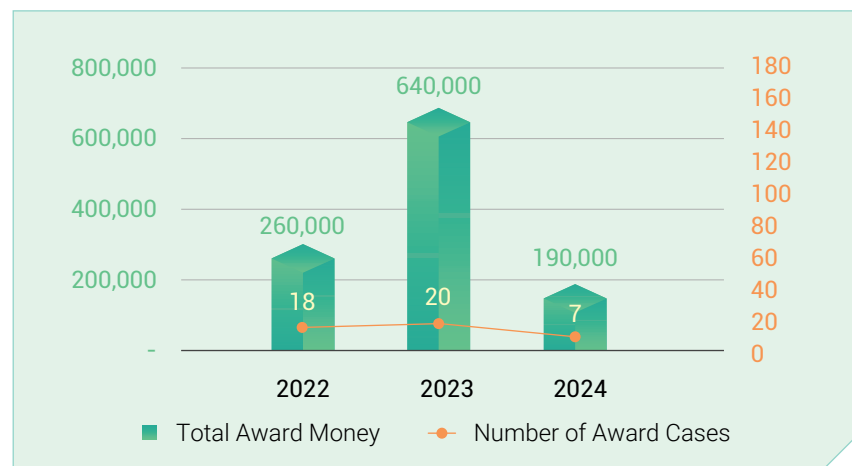
It is a high-performance and expandable solution designed for AI applications that require high traffic volume and low latency, including machine vision, industrial automation, and smart city technology. Traditional AI servers still maintain high power consumption even when in a low-load state. The AI Box can reduce energy consumption through smart power management. After testing, the AI Box is able to reduce the power consumption by about 40% to 50% compared to the traditional AI server under a low-load state.



### 3.2.2 Product Innovation Research and Development, Patent Reward Mechanism

In order to accelerate the innovation and development of low-carbon green products, Sysgration implements a patent reward mechanism to encourage employees to actively participate in technological innovation and research and development, and specifically establishes the "Regulations for Patent Application and Rewards" to give timely rewards to applicants and those who have received patents. And establish a systematic intellectual property rights management system at the same time, supplemented by a committee review system for the quality of patent applications and market layout to ensure that the Company obtains high-quality patent protection.

#### Patent Award Issuance Cases in the Past Three Years



In terms of external technological innovation policies, Sysgration also strengthens cooperation with start-up companies and university scientific research institutions, and develops activities in low-carbon technology transfer and cooperative research and development, so as to realize the sharing and mutual benefit of green technology innovation achievements. At the same time, the Company actively participates in industry-academia cooperation research and development programs, and establishes contacts with relevant organizations, including industry associations and technology standardization organizations, to participate in the events, including formulation of technological innovation standards, etc.

### 3.2.3 History of Product Exhibition

The List of Domestic and International Exhibitions Participated by Sysgration.

#### 2022

- TIMTOSxTMTS Taipei International Machine Tool Show
- Taiwan International Intelligent Manufacturing Show

#### 2023

- Computex Taipei
- Energy Taiwan and Net-Zero Taiwan

#### 2024

- Energy Taiwan
- Computex Taipei



Energy Taiwan



Computex Taipei

### 3.2.4 Low-Carbon Green Product Future Outlook

With the growing impacts of climate change, sustainable development has become a more tangible and widely relevant issue. Nowadays, consumers focus more on purchasing sustainable and low-carbon green products when purchasing consumer products. Under the awareness of environmental protection and the emerging trend of green consumption, the demand for carbon reduction increases worldwide, including stricter carbon emission standards and various environmental protection laws and regulations, consumer products will eventually move toward the low carbon transition to satisfy the demands.

Sysgration provides a low-carbon green product portfolio, including energy management systems, battery management systems, automotive products and smart glasses. In addition to the expansion of new business opportunities, we also increase the marketing and sales performance and effectively reduce energy consumption costs, thereby complying with the environmental protection requirements and achieving a win-win situation for the customers and the external environment. We will continue to develop new products and adopt environmentally friendly electronic materials with all new designs, as well as increase product energy efficiency to further establish the industrial competitiveness of low-carbon green processes and provide products and services of high reliability and high quality to customers to achieve sustainability goal of low-carbon green products.

### Future Planning for Low-Carbon Green Products and Services to be Launched by Sysgration

#### Energy Storage System

Among the four major application product lines, including lithium batteries and power storage systems, Sysgration primarily focuses on BBU (Backup Battery Unit) and SMR standard batteries, which are widely used in the data center industries. In addition, it offers high-rate lithium battery modules for uninterruptible power systems (UPS), developed both in-house and through OEM partnerships. By collaborating with ecosystem partners, the company integrates power conversion systems (PCS), electronic manufacturing services (EMS), and construction and system integration into its offerings, building a comprehensive one-stop service capability. These high-efficiency energy storage solutions not only extend battery lifespan but also promote environmental sustainability.

#### Tire Pressure Monitoring Systems

Tire Pressure Monitoring System (TPMS) developed by Sysgration is projected to reduce production waste by 30% and cut energy consumption by 50% compared to existing products.

#### Automotive Computer

The computational power of Qualcomm's 6490 AI allowed the AI Box to exert its optimal execution effects, realize real-time smart computing, and effectively reduce energy consumption. The high-efficiency and low-power consumption design reduced operating costs and carbon footprint, helping enterprises to realize energy conservation, carbon reduction, and the concepts of green products.

## 3.3 Customer Relationship Management

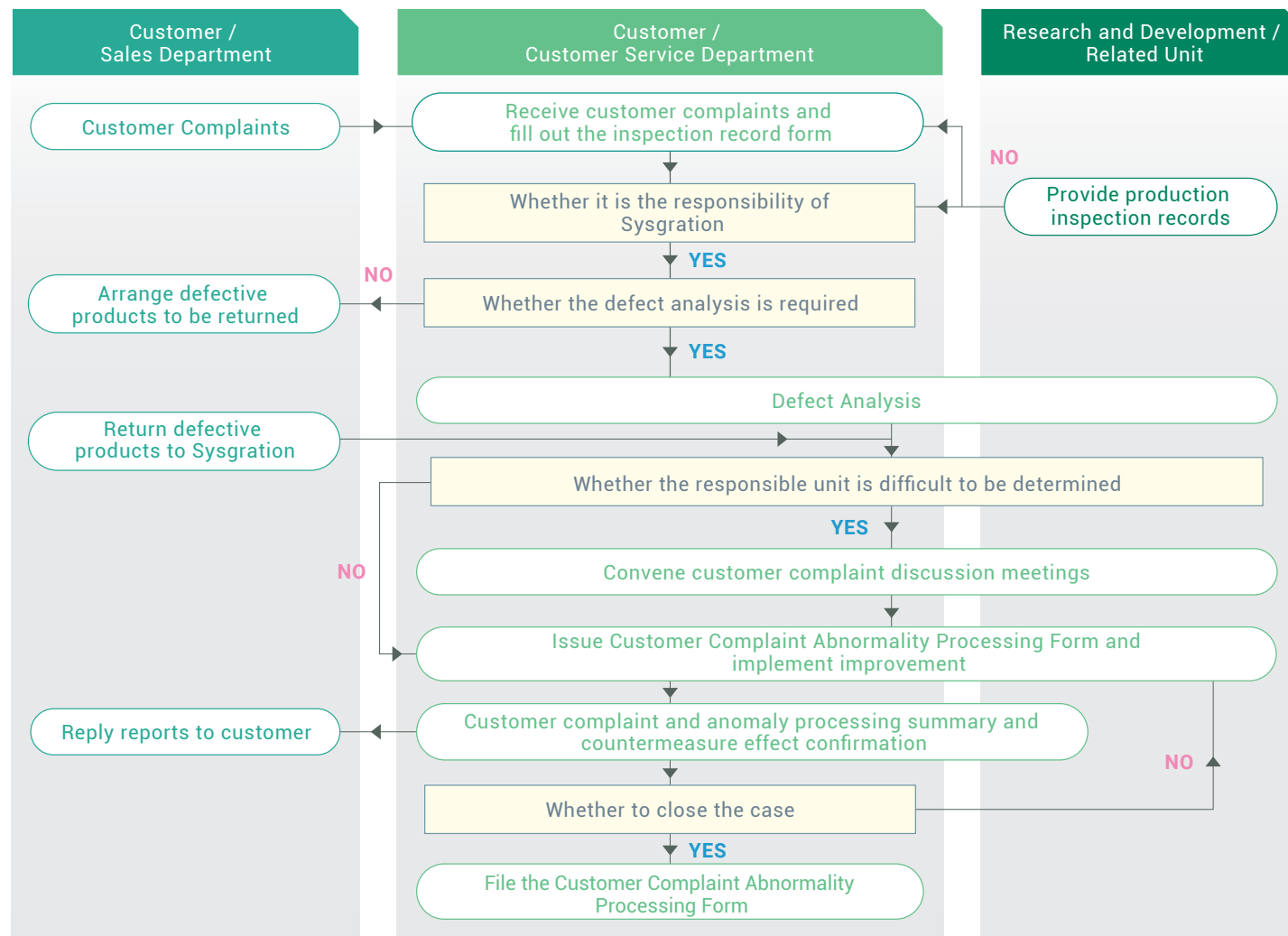
### 3.3.1 Customer Communication

Sysgration is committed to develop key technologies, and continuously providing customers with the best quality products and integrated solutions to create maximum value for customers. We actively seek and take customers' opinions from time to time to understand customer satisfaction and demand, and we efficiently respond and solve problems to provide customers with the best quality service. Based on the "Communication Management Procedures" formulated, which has listed the necessary procedures and operating regulations for the communication and feedback of different departments within the Company to external stakeholders. The procedures have clearly set up the response practices of each department for internal communication and ways to interact with customers and other stakeholders to maintain good communication and relationships. The aim is to ensure smooth and effective communication across the supply chain and maintain strong relationships with clients.

To provide customers with real-time consulting services, Sysgration classifies the consulting cases by the organization chart for customer complaint management, providing customers with corresponding contacts to best understand their needs. In terms of internal management, Sysgration has formulated customer complaint case handling procedures and email management instructions to provide customers with the best service, protecting their rights while solving their problems efficiently. When a customer complaint case occurs, the Sales Department collects relevant data on products and services, and the R&D Engineering Department then analyzes the possible causes of customer problems and proposes countermeasures. Lastly, the Product Manager integrates internal and external resources to introduce solutions, and the Quality Management Department conducts the follow-up review and improvement plan regarding the customers' issues or requests, and tracks the subsequent improvement continuously at the same time.



## Customer Complaint Case Handling Procedures



With the aim to offer customers more value-added services and the basis of our initial products and services, Sysgration proactively understands customers' in-depth needs and requests through the ways of regular meeting discussions, visiting interactions and questionnaire surveys, and communicating with customers through multiple channels, expecting to accomplish the goal of customers' satisfaction. Customers can give any comments or suggestions on Sysgration products or services through the mailbox (sales@sysgration.com) in the "Stakeholders Area" on the Company's website. The opinions of customers are responded to by designated personnel, and they will serve your needs immediately.

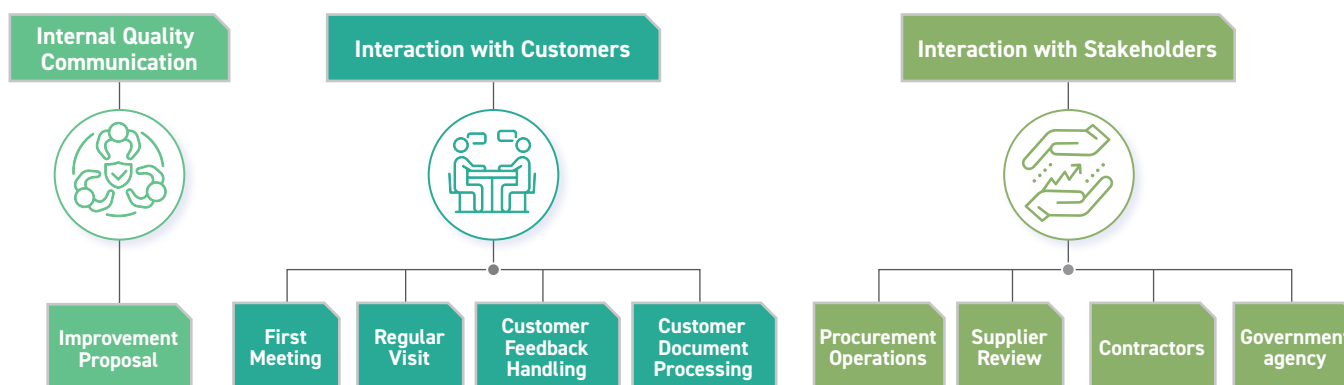


## Customer Communication Channel



Note: Number of communications in 2024.

## Communication Management Procedures



### 3.3.2 Customer Satisfaction

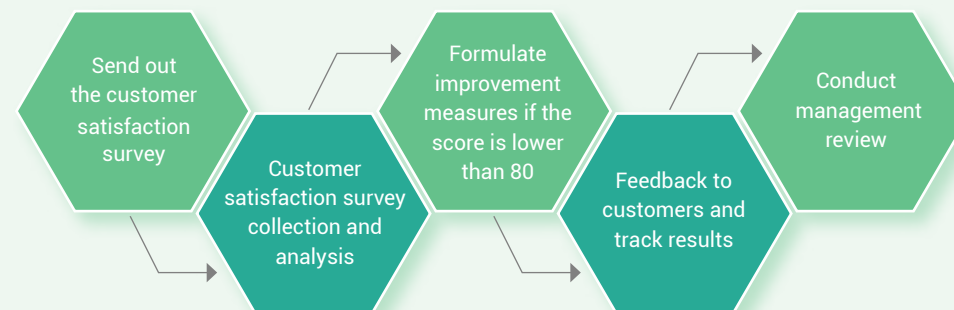
It is Sysgration's goal to meet customer demands and expectations. Sysgration establishes the "Key Points of Customer Feedback Process Operation" that provides customer feedback procedures, and handles customer opinion immediately. We organize a customer satisfaction survey every year, with all satisfaction indicators reviewed at the Management Review Meeting every six months. If customer satisfaction is lower than 80 points, the Company's Quality Assurance Department will integrate customer demands to formulate improvement measures, for the Sales to report back to customers, and conduct follow-up tracking at the same time, as the reference information of the Company's long-term and short-term business plans.

## Customer Satisfaction Survey Operation

### Survey Item

- ✓ 1. Sales Service Quality
- ✓ 2. Execution of Daily Customer Related Business Affairs
- ✓ 3. Research and Development Capability
- ✓ 4. Professional Technical Field
- ✓ 5. Shipment Schedule Arrangement
- ✓ 6. Shipping Product Quality and Restricted Substances Status
- ✓ 7. Customer Complaint Response Efficiency and Corrective Preventive Measures Procedures
- ✓ 8. Comprehensive Evaluation

### Feedback Process



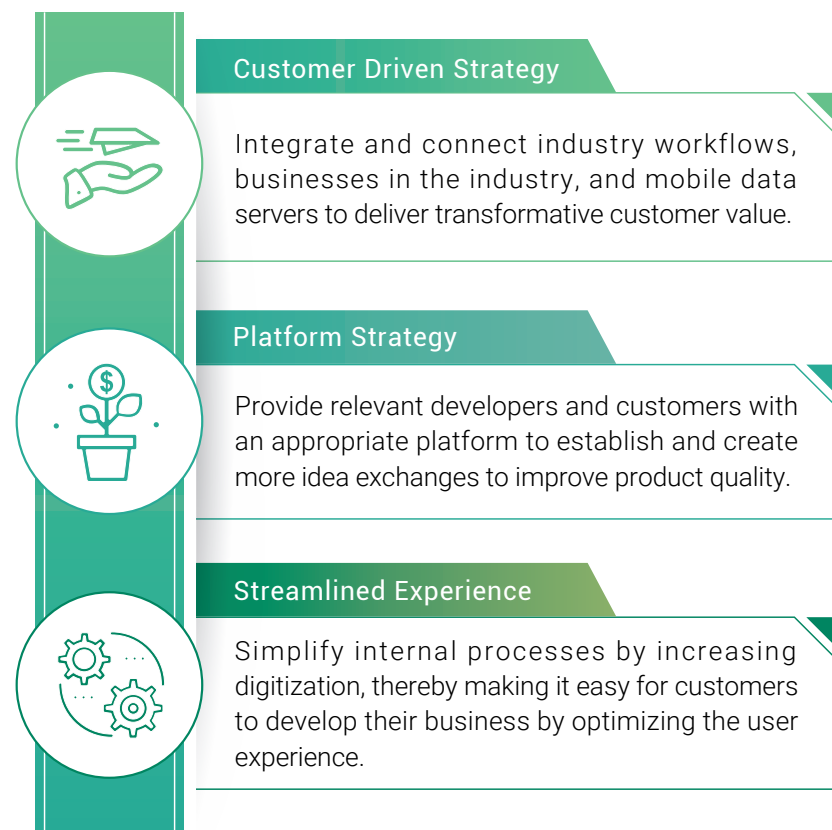
	Automotive Electronic Business Department	Internet of Things Business Department	Energy Storage Business Department
Customer satisfaction survey mechanism	<ul style="list-style-type: none"> <li><b>Establish the quarterly customer satisfaction survey mechanism</b> NPS (net promoter score) and CSAT (customer satisfaction score) surveys are conducted quarterly. Customer feedback is collected through online questionnaires, and customers with a satisfaction rate below 80% are listed as the key improvement targets.</li> <li><b>Improve after-sales technical support efficiency</b> We strengthened our customer service and technical support systems to ensure that all technical issues are responded to within 24 hours and established an FAQ database to reduce the percentage of repeated customer inquiries.</li> </ul>	<ul style="list-style-type: none"> <li><b>Establish a quarterly customer satisfaction survey mechanism</b> NPS (net promoter score) and CSAT (customer satisfaction score) surveys are conducted quarterly. Customer feedback is collected through online questionnaires. The survey results will be analyzed and categorized, and customers with a satisfaction rate below 80% are listed as the "key follow-up" targets." An improvement plan will be initiated, including meetings, interviews, technical assistance by dedicated personnel, or process optimization suggestions to enhance the overall customer experience and loyalty.</li> <li><b>Improve after-sales technical support efficiency</b> Optimize the response time: Strengthened the dedicated customer service and technical support teams to ensure that all customers' technical issues are responded to within 24 hours and continuously tracked until the problems are solved. Create an FAQ database: We have compiled common questions and built an FAQ database that is easy to search to reduce the percentage of repeated inquiries by customers and increase the self-solution rate. System integration and tracking: Introduced the ticketing system to record the problem-handling process and response quality, which is beneficial for subsequent data analysis and process optimization.</li> </ul>	<ul style="list-style-type: none"> <li><b>Establish a quarterly customer satisfaction survey mechanism</b> NPS (net promoter score) and CSAT (customer satisfaction score) surveys are conducted quarterly. Collect and integrate customer feedback through online questionnaires, and prioritize customers with satisfaction scores below 80% as key targets for improvement.</li> <li><b>Improve after-sales technical support efficiency</b> Optimize the response time: Strengthened the dedicated customer service and technical support teams to ensure that all customers' technical issues are responded to within 24 hours and continuously tracked until the problems are solved and maintain records to serve as a basis for future adjustments.</li> </ul>

### The customer satisfaction results of Sysgration based on different departments in 2024 are set out in the following table

Sales Department	Percentage of customers who responded to the satisfaction survey to total business volume (%)	Average Satisfaction Score
Energy Storage Business Department	100%	94.5
Internet of Things Business Department	60%	100
Automotive Electronic Business Department	30%	89

In the future, Sysgration will continue to stay close to customer demands, and cooperate with customers for the common good through improving management policies, including customer-oriented work integration processes, optimizing customer handling processes, and providing platforms to promote communication and innovation energy.

### Management and Strategy for Maintaining Customer Relationships





# Chapter 4

## Environmental Sustainability

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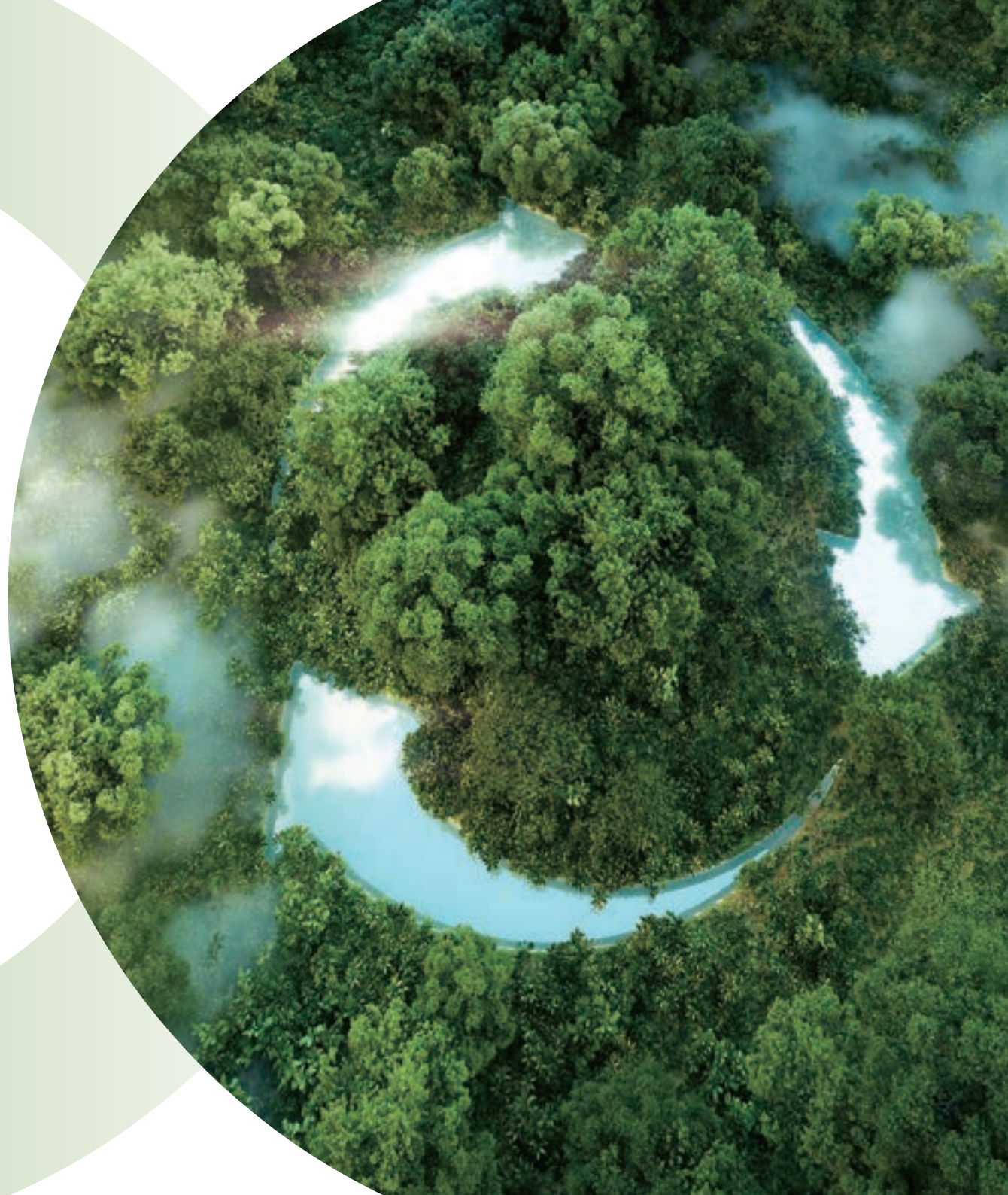
4.1 Response to Climate Change

4.2 Greenhouse Gas Emissions

4.3 Energy Management

4.4 Waste Management

4.5 Water Resource Management



# Sustainable Performance Highlights and Corresponding SDG

## SUSTAINABLE DEVELOPMENT GOALS



### Affordable and Clean Energy

- In 2024, Sysgration's electricity generation of renewable energy was **4.05 MWh**.

### Responsible Consumption and Production

- All factories completed the Environmental Management System, **ISO14001:2015** Certification.

### Climate Action

- Sysgration reduced approximately **99,225.8 kWh** of electricity consumption through multiple energy-saving measures in 2024, which was equivalent to the reduction of **47 metric tons** of CO<sub>2</sub>e and approximates the annual carbon absorption amount of 12% of the Daan Forest Park.
- The total Group water withdrawal of Sysgration in 2024 was **13.22 million** liters, which is lowered by **6.51%** compared to 2023.
- In 2024, Sysgration introduced the **ISO14064-1** GHG organizational inventory for the parent company, including the subsidiaries in the consolidated financial statements, earlier than the requirements of the competent authority in Taiwan.
- Sysgration was awarded the 1.5°C label and certificate as it is one of the enterprises that fulfilled the target of temperature control within **1.5°C** at the 2nd "Enterprise 1.5°C Forum" organized by the Commonwealth Magazine.

# Management Approach of Material Topic / Energy Management

## Goals

### Short and Medium Term (2025-2030)

- Adopting 2024 as the base year, achieve the reduction of actual carbon emissions in Scope 1 and Scope 2 by 4.5% per year.
- Adopting 2024 as the base year, achieve 25% of carbon emissions by 2030.

### Long-term (2030-2050)

- Adopting 2024 as the base year, achieve net zero carbon by 2050.

## GRI Indicators

GRI 3-3, GRI 302-1, GRI 302-3, GRI 302-4, GRI 302-5

## Description of Impact

### Description of Positive Impacts:

Improve the energy structure and increase energy efficiency through energy-saving actions and the use of renewable energy; reduce GHG emissions through carbon reduction actions, which can reduce operating costs (i.e., carbon fees or carbon trading) at local operating sites and mitigate the greenhouse effect and ozone depletion.

### Description of Negative Impacts:

If the power consumption does not decrease as expected due to the failure in the implementation of the energy conservation plan, it will cause negative impacts on the environment. If the carbon emissions of operating sites fail to reduce significantly, it will increase the operating costs (i.e., carbon fees or carbon trading) and give rise to the global greenhouse effect.

## Policies and Commitments

Sysgration promoted GHG inventory, energy conservation, and emission reduction management of its plants and initiated Sysgration's GHG inventory in 2024 to understand and monitor various material emissions sources within Sysgration's operating scope. It will introduce SBTi based on carbon emission data to evaluate and formulate concrete and active carbon reduction targets.

## Responsible Unit

Environmental Sustainability Team

## Grievance Mechanism

greenteam@sysgration.com

## Action Plans

### Positive Impact Management:

- Increase production yield, reduce the ratio of rework, and reduce energy consumption.
- Assess the installation of solar photovoltaic systems.

### Negative Impact Management:

- Change to LED lamps in all plants to reduce electricity consumption and carbon emissions.
- Perform maintenance for machinery and equipment regularly to maintain the highest efficiency.
- Promote various assessed energy-saving and emission-reduction measures.

## Effectiveness Assessment

- The Management Department regularly reviews the electricity consumption based on the monthly patrol inspection results of electrical equipment.
- The GHG Inventory Team regularly examines electricity consumption and carbon emissions each quarter, establishes energy conservation targets, and promotes energy conservation plans.



## 4.1 Response to Climate Change

To respond to the impacts and challenges brought by climate change, governments in different countries and organizations worldwide have proposed various initiatives and actions. As the five-year Nationally Determined Contribution (NDC) under the "Paris Agreement" is about to welcome a new round of cycle at the beginning of 2025, governments of different countries have been submitting their Nationally Determined Contributions (NDC 3.0) to ensure that they improve the climate commitment in the hope of changing the current stringent climate situations. In addition to following up on the proposal of reduction targets by 2032 and 2035, Taiwan has further improved the initially set 2030 GHG emission reduction target. In response to the impacts and challenges, Sysgration continued to improve various mitigation and adaptation measures and built a comprehensive climate governance structure to exhibit responsibility for the environment and sustainable development.

Sysgration is fully aware of the importance of climate risk management and actively establishes Sysgration's response measures for climate change. We followed the Task Force on Climate-related Financial Disclosures (TCFD) to identify Sysgration's key climate risks and opportunities according to four major core frameworks of governance, strategy, risk management, indicators and goals, integrated key climate risks and opportunities with Sysgration's overall operating risks and planned for and proposed management measures for climate risks and opportunities so as to achieve the goal of sustainable operation.

### 4.1.1 Governance

In order to effectively manage climate-related risks and opportunities, the ESG-TCFD Committee of Sysgration is convened by the General Manager and has set up three ESG-TCFD Executive Teams, the Policy and Regulation Team, the Market Research Team, and the Physical Risk Assessment Team, respectively, to identify and manage climate change risks and opportunities.

Each year, the results of risk and opportunity identification and assessment are reported to the General Manager during the ESG-TCFD Committee's senior executive meeting, and corresponding response strategies are formulated. Major climate-related risks and opportunities, along with their respective strategies, are regularly submitted to the Board of Directors to ensure comprehensive oversight and review. The Board then determines the appropriate response and management policies and monitors their implementation.





## 4.1.2 Strategies

In order to implement the determination of climate risk management, Sysgration comprehensively introduced the climate-related risk and opportunity identification mechanism, established the Climate Risks and Opportunities Matrix according to the possible impact period of short-, mid-, and long-term climate change, the affected operation factories, the probability of risk occurrence and the degree of impact on operations. Through systematic analysis and evaluation, this matrix provides a comprehensive inventory, assessment, and presentation of the potential impacts of various climate-related risks and opportunities on the Company's operations.

### Assessment

- Complete inventory and assess the impact of various climate risks and opportunities on the Company's operations



### Analysis

- Introduce the Climate-related Risk and Opportunity Identification Mechanism
- Identify climate risks and opportunities based on Sysgration's operation status and industry characteristics

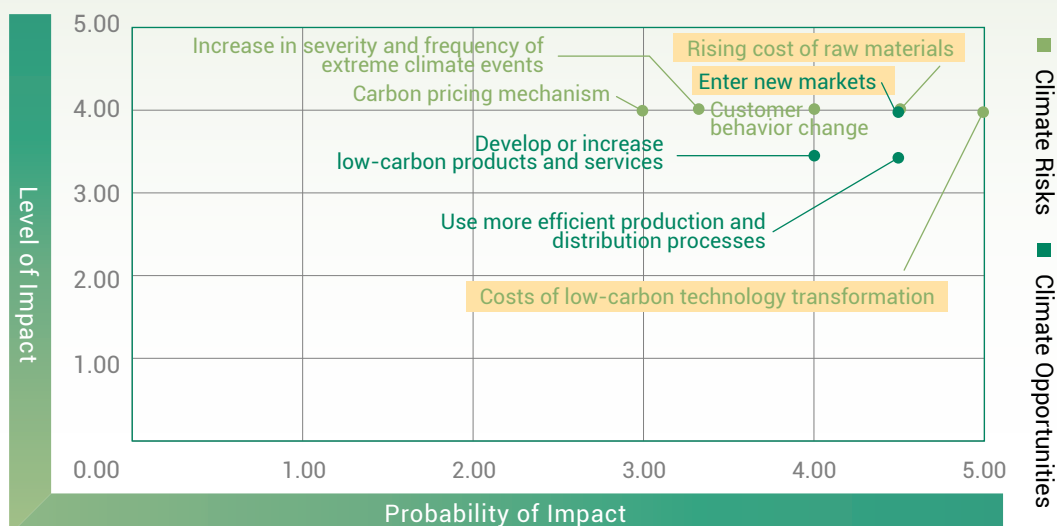


### Strategies

- Propose corresponding control measures and action plans based on the impact of proposed climate risks and opportunities on the Company



## Climate Risks and Opportunities Matrix



	Order	Climate-related Risk Issues
Material	1	R4 Costs of low-carbon technology transformation
	2	R2 Rising cost of raw materials
	3	R3 Customer behavior change
	4	R5 Increase in severity and frequency of extreme climate events
	5	R1 Carbon pricing mechanism

	Order	Climate-related Risk and Opportunity Issues
Material	1	O1 Enter new markets
	2	O2 Use more efficient production and distribution processes
	3	O3 Develop or increase low-carbon products and services

## Climate Risks and Opportunities Identification Results

Type of Risks and Opportunities	Issue Definition	Company Impact Description	Impact Period	Impacted Factories	Response Strategy
Transformation Risks	Policy and Regulatory Risk	Carbon pricing mechanism	Medium Term (3~5 Years)	Company-wide	<ol style="list-style-type: none"> <li>1. Establish the ESG Committee and set up a Sustainable Environment Task Force to promote and supervise energy conservation and carbon reduction measures, such as replacing equipment, promoting paperless and recycling paper reuse. If the related lighting equipment in plants and office buildings requires repair or maintenance, it shall be replaced with LED energy-saving lamps or light bulbs. Meanwhile, smart meters are adopted by production lines to effectively monitor the power consumption status and the distribution of power consumption.</li> <li>2. Establish the GHG Inventory Committee to perform an inventory of the emission sources of GHGs at all companies and plants within Sysgration and collect data on various emission activities for analysis for the benefit of promoting relevant carbon reduction plans.</li> <li>3. Introduce ISO 14064-1 GHG Inventory, set the greenhouse gas reduction targets, and actively establish the Science Based Carbon Reduction initiative targets.</li> <li>4. Continue to pay attention to global carbon trading market policies and Taiwan's carbon fee and carbon tax policies, conduct carbon inventory every year, set short-term, medium- and long-term carbon emission reduction targets and review regularly so as to cooperate with the government's relevant carbon reduction policies in the future and adjust the Company's carbon reduction strategies and action plans in a timely manner.</li> </ol>
	Market Risk	Rising cost of raw materials	Short Term (0~3 Years)	Company-wide	<ol style="list-style-type: none"> <li>1. Understand the production base of the upstream supply chain and provide predictive orders to facilitate production capacity planning and adjustment.</li> <li>2. Disperse the proportion of materials used for electronic components through product design and supply chain management, not limited to one brand, and avoid production in the same area.</li> <li>3. Improve research and development efforts, introduce green design, optimize production methods, and use a new recyclable integrated, simple packaging design to reduce the waste of redundant packaging materials, reduce the cost of raw materials, reduce the weight of the whole machine, reduce transportation costs, to achieve energy saving carbon reduction.</li> <li>4. Actively introduce raw material suppliers capable of implementing energy saving and carbon reduction.</li> <li>5. Introduce ISO 20400 Sustainable Procurement and Sustainable Supply Chain Management in the hope of making procurement decisions that are beneficial to the organization and society while minimizing impacts on the environment.</li> </ol>
	Market Risk	Customer behavior change	Medium Term (3~5 Years)	Company-wide	<ol style="list-style-type: none"> <li>1. In the development and design of tire pressure monitoring, energy storage and automotive electronics, Sysgration works closely with chip manufacturers, with new chips integrated with the original wireless communication into the main chip to reduce the PCB area and make the overall chip size smaller and lighter, reducing the raw materials needed for production processes, and shortening the time required for manufacturing, achieving the carbon reduction benefits in the product life cycle.</li> <li>2. Establish a complete customer communication channel, formulate relevant standards for compliance, and provide customer feedback procedures to instantly understand customer needs for product specifications; at the same time, visit customers regularly to discuss cooperation and integration business matters to increase customer value differentiation and assist customers in expanding low carbon product market.</li> </ol>
	Technology Risk	Costs of low-carbon technology transformation	Short Term (0~3 Years)	Company-wide	<ol style="list-style-type: none"> <li>1. Set up Research and Development Departments for different product lines and combine the expertise and advantages of supply chain manufacturers to continuously develop innovative technologies in the fields of the Internet of Things, Internet of Vehicles, Energy Storage products, and Battery Energy.</li> <li>2. The development of the new Bluetooth TPMS will reduce the weight of the vehicle, reduce fuel consumption, reduce the possibility of tires being scrapped early due to insufficient tire pressure, and save fuel consumption while maintaining tire pressure.</li> <li>3. Actively encourage employees to expand the research and development achievements completed on the job, accumulate the Company's intellectual property rights, and arrange relevant, innovative research and development courses combined with environmental sustainability at the same time.</li> <li>4. Actively engage in industry-academia exchanges and cooperation with the government, academic and research institutions, and colleges and universities to introduce new technologies and new talents to join the R&amp;D of low-carbon products.</li> </ol>

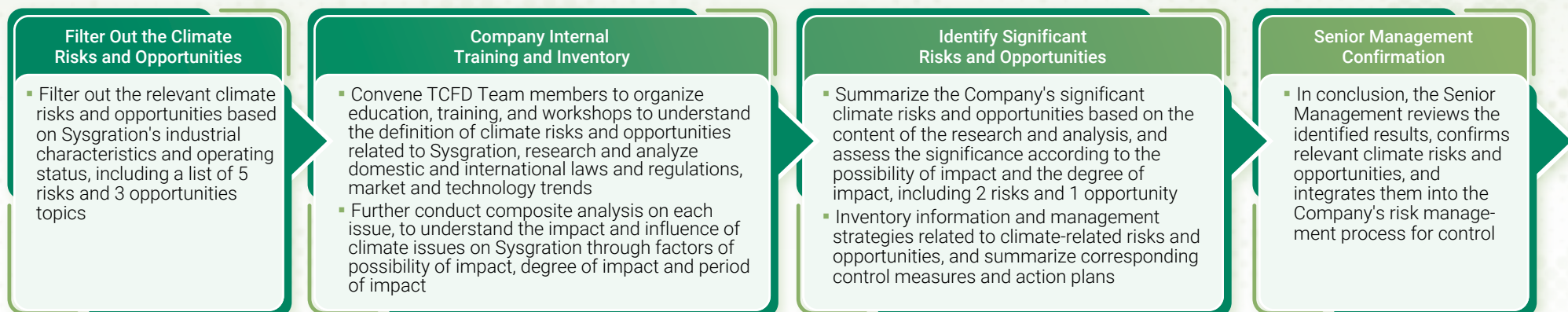
Type of Risks and Opportunities		Issue Definition	Company Impact Description	Impact Period	Impacted Factories	Response Strategy
Physical Risk	Immediate Risk	Increased severity and frequency of extreme weather events (typhoons, floods, heavy rainfall, etc.)	In recent years, the frequency of extreme weather events has increased and lasted longer. The factory buildings may be damaged by flooding, and employees may also suffer direct or indirect injuries; and the interruption of production may lead to interruption of the supply chain, obstruction of raw material delivery, and supply interruption; For example, when a typhoon strikes, it may directly affect the transportation, delay the delivery date and shipping schedule of the supply chain, and thus unable to meet the customer delivery schedule.	Long Term (More than 5 Years)	Nankang Plant, Zhenjiang Plant, Huizhou Plant	<ol style="list-style-type: none"> <li>1. Formulate emergency response measures, prepare fire-fighting and emergency rescue equipment in advance, conduct typhoon emergency response drills at least once every year, and set up the Emergency Command Center to conduct overall emergency response management after disasters, including the immediate purchase of raw materials on the spot and emergency personnel recruitment.</li> <li>2. In response to flooding caused by extreme weather events, look for warehousing places in safe areas and OEMs to assist in production; choose the mode of shipment transportation that is least affected by extreme weather events.</li> <li>3. In the event of short-term power outages due to drought, diesel generators will be used for backup power generation during power outages to maintain uninterrupted production and manufacturing and avoid work suspension or production interruptions.</li> <li>4. Take out relevant insurance (i.e., as natural disaster insurance) to reduce losses.</li> </ol>
	Market Opportunities	Enter new markets	<ul style="list-style-type: none"> <li>With the increase of customers' demand for Fleet Management System, Sysgration's Bluetooth TPMS can be easily integrated with the Fleet Management System, to effectively manage fleet tire wear and reduce fuel consumption and carbon emissions. And, in response to the mandatory installation of tire pressure monitoring systems for trucks in Europe, the demand has increased.</li> <li>Climate change has prompted the global automobile market to rapidly shift to electric vehicles. Sysgration has experience in the development and production of automotive electronic products. The produced Internet of Things, Internet of Vehicles, Energy Storage products and Battery Energy technologies will achieve excellent results in the next few years.</li> </ul>	Medium Term (3~5 Years)	Company-wide	<ol style="list-style-type: none"> <li>1. Continue to expand and operate with major customers of European and American OE automobile manufacturers.</li> <li>2. The upstream and downstream integration and comprehensive deployment of the energy storage industry chain to bring in capital, technology, and strategic investors.</li> <li>3. The Company has set up a plant in the U.S. to secure and stabilize orders from customers in Europe and America, and the new business location can also shorten the transportation time and distance for shipping to major customers in Europe and America and reduce carbon emissions.</li> <li>4. Split the ESS department to establish the Power System Energy and expand the Energy Storage Equipment Construction market in 2023.</li> <li>5. Research and analyze market, customer, region, society, national policies, laws and regulations, and climate-related trends, grasp the product aspect market environment and changes in policies and laws and regulations with advance deployment to increase and speed up research and development efforts, and accelerate product innovation.</li> </ol>
Opportunity	Market Opportunities	Use more efficient production and distribution processes	Reduce the proportion of rework to increase the yield rate by increasing the proportion of automated production and testing, and use big data to analyze the causes of production yield rate to implement improvement and preventive measures.	Medium Term (3~5 Years)	Company-wide	<ol style="list-style-type: none"> <li>1. Increase and improvement of automation equipment.</li> <li>2. Strengthen the integrity of generating big data collection.</li> <li>3. Implement personnel education and training.</li> <li>4. The Nankang Plant is building a micro-grid in the factory, using the UPS System and Energy Storage System with EMS Energy Management System to effectively monitor and control the factory's power consumption and then establish solar photovoltaics for self-generation and self-use. Using green electricity to reduce carbon can also reduce contract capacity and unit production costs.</li> </ol>
	Market Opportunities	Develop or increase low-carbon products and services	<ol style="list-style-type: none"> <li>1. Develop the distributed Energy Storage System, using lithium-ion batteries cooperated with solar photovoltaics.</li> <li>2. Compared with the traditional technology of Radio Frequency, the BLE (Bluetooth Low Energy) TPMS can reduce the installation of materials, shorten the installation time, and make it easy to integrate with the customer's device without the need to purchase a signal amplifier.</li> <li>3. Develop smart glasses products, improve power saving and charging and discharging efficiency can effectively save energy, and turn to find ODM/OEM opportunities for smart glasses simultaneously.</li> </ol>	Short Term (0~3 Years)	Company-wide	<ol style="list-style-type: none"> <li>1. Strengthen the collection and R&amp;D of new specification power supplies and power-saving design data, and increase the percentage of using energy-saving parts.</li> <li>2. Develop multiple technologies such as automatic positioning systems, to save customers installation time.</li> <li>3. Use mechanism design analysis software to assess, including heat dissipation, turbulence, etc., estimate the weight and size of the product, and plan the heat conduction design aiming at the position where the heat energy occurs, effectively improving the product performance and reducing power consumption.</li> </ol>

## Financial Impact Assessment of Material Climate Risk and Opportunity

Type of Risks and Opportunities		Issue Definition	Scope of Assessment	Climate Scenario	Timing of Impact Assessment	Financial Impact Assessment Results
Transformation Risks	Market Risk	Rising cost of raw materials	Company-wide	<ul style="list-style-type: none"> <li>Under the SSP5-8.5 scenario in the IPCC AR6 report, analyze the impact of climate and natural disasters on Sysgration's production logistics interruption and the inability of the supply chain to supply raw materials.</li> </ul>	2046 - 2065 (mid century)	Under effective control in past operations, there was no production logistics interruption or the inability of the supply chain to supply raw materials due to climate and natural disasters, and there was no effect on the operating income.
	Technology Risk	Costs of low-carbon technology transformation		<ul style="list-style-type: none"> <li>During the course of low-carbon technology transformation, orders decrease as Sysgration's electronic products are unable to satisfy the latest low-carbon energy-saving requirements of customers or countries for products.</li> <li>Based on the Business As Usual (BAU) and IEA-Net Zero scenarios (estimated that global warming is controlled under 1.5° C), carbon fees or carbon trading fees levied for different operating plant areas, respectively, to ensure compliance with the GHG emission policies of the local competent authorities may result in financial impacts.</li> </ul>	2025	<ul style="list-style-type: none"> <li>If orders decrease as Sysgration's products fail to enter the low-carbon transformation process to satisfy the latest low-carbon energy-saving requirements of customers or countries, the financial impact accounts for 35.58% of our operating income.</li> <li>Financial impacts of carbon fees or carbon trading fees levied for different operating plant areas, respectively, to ensure compliance with the GHG emission policies of the local competent authorities:               <ol style="list-style-type: none"> <li>BAU scenario: Financial impacts account for 0.03% of our operating income.</li> <li>Net Zero scenario: Financial impacts account for 0.10% of our operating income.</li> </ol> </li> </ul>
Opportunity	Market	Enter new markets		<ul style="list-style-type: none"> <li>The growth scenario planned for and estimated based on the entrance of Sysgration into the Bluetooth tire pressure monitoring system, V2X, power storage product, and other new markets.</li> </ul>	2026 and 2030 (short-term and mid-term)	<p>Short-term: It is expected to bring approximately NT\$6.1 billion in benefits from entering new markets.</p> <p>Mid-term: It is expected to bring approximately NT\$7.3 billion in benefits from entering new markets.</p>

### 4.1.3 Risk Management

#### Climate Change Related Risks and Opportunities Identification Process





## 4.1.4 Indicators and Goals

### Climate Indicators and Target Implementation Status

		
Low Carbon and Green Products	GHG Management	Energy-Saving System Management
Goals		
<p>The target for 2025 is to exceed 300 MWh. The 2026 target is to exceed 3 GWh, representing a tenfold increase compared to the previous year.</p>	<p>Set 2024 as the base year for GHG emissions:</p> <ol style="list-style-type: none"> <li>Short and Medium Term: Achieve the reduction of actual carbon emissions in Scope 1 and Scope 2 by 4.5% per year. Achieve 25% of carbon emissions by 2030.</li> <li>Long-term: Achieve net zero carbon by 2050.</li> </ol>	<p>Set 2024 as the base year for power consumption management; the goal is to reduce the emission intensity of electricity consumption by 20% by 2030.</p>
Implementation Status		
<p>Sysgration has been committed to utilizing advanced technology to produce and develop battery modules, providing solutions for electric vehicles, backup systems, and energy management. From 2019 to 2024, the cumulative capacity of battery modules has reached approximately 181 MWh, and sales are expected to reach 300 MWh in 2025.</p>	<p>In 2024, the Group's total GHG emissions were 2,555.77 tCO<sub>2</sub>e.</p>	<p>In 2024, Sysgration's Scope 2 carbon emission intensity was 0.76 CO<sub>2</sub>e/NT\$ million of operating revenue.</p>

## 4.2 Greenhouse Gas Emissions

### 4.2.1 Greenhouse Gas Emissions

Following the end of COP29, countries around the world have further strengthened their commitment to energy transformation and GHG reduction, making enterprises play an important role in the low-carbon transition. In addition to emphasizing the net zero target internationally, we also focus on enhancing the transparency of carbon inventory and strengthening carbon reduction responsibilities in the value chain. In response to potential carbon control measures and to meet the carbon management requirements of domestic and foreign customers, Sysgration also values this issue as a global citizen enterprise. In 2024, the Group introduced the ISO14064-1 GHG organizational inventory for the parent company, including the subsidiaries in the consolidated financial statements, earlier than the requirements of the competent authority in Taiwan. In the same year, Sysgration was also awarded the 1.5 °C label and certificate as it is one of the enterprises that fulfilled the target of temperature control within 1.5°C at the 2nd "Enterprise 1.5°C Forum" organized by the CommonWealth Magazine, indicating Sysgration's efforts in carbon reduction to make contributions to the earth.

Scope 2 (Externally purchased electricity) is the main source of Sysgration's greenhouse gas emissions, accounting for more than 90% of the Company's emissions in the past three years. The Group will continue to promote GHG inventory and reduction measures, including the introduction of Scope 3 inventory work in 2025. Through the progressively completed GHG inventory, we hope to precisely identify the categories and activities that have the highest GHG emissions in the value chain and provide guidance for carbon reduction and climate transition strategies.

## Statistics on Sysgration Greenhouse Gas Emission Data in the Past Three Years

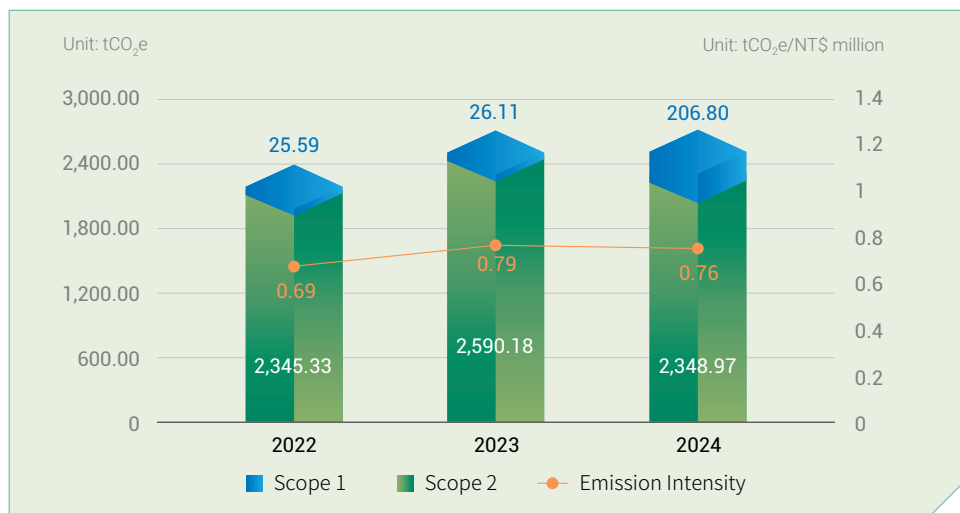
Greenhouse Gas Emissions	2022	2023	2024
Scope 1 <sup>Note 1</sup> (Unit: TonCO <sub>2</sub> e)	25.59	26.11	206.80
Scope 2 <sup>Note 1</sup> (Unit: TonCO <sub>2</sub> e)	2,345.33	2,590.18	2,348.97
Total emission (Unit: TonCO <sub>2</sub> e)	2,370.92	2,616.29	2,555.77
Emission intensity <sup>Note 3</sup> (Unit: (Ton CO <sub>2</sub> e /million NT\$ revenue)	0.69	0.79	0.76

Note 1: The GHG emission calculation adopts the operational control approach, and the emission is calculated by activity data\*emission factors\*GWP values (the source of coefficient refers to emission coefficient management table 6.0.4 announced by the Environmental Protection Administration (EPA) in 2019, and GWP value refers to IPCC fourth assessment report (2007). GHGs include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.

Note 2: The 2024 Scope 2 carbon emission coefficient of purchased electricity is calculated by the 2024 annual electricity carbon emission coefficient of 0.474 kg CO<sub>2</sub>e/kWh announced by the Bureau of Energy.

Note 3: Emission intensity = Scope 2 carbon emissions/Sysgration million NT\$ operating income.

## Sysgration Greenhouse Gas and Intensity



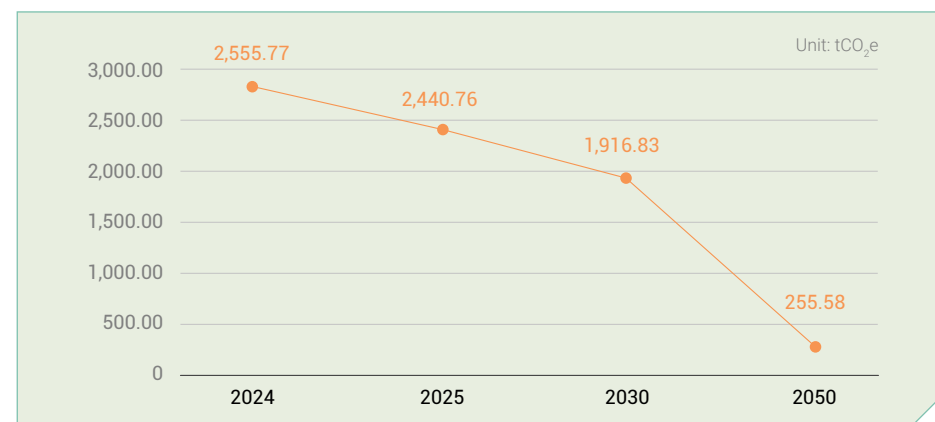
## 4.2.2 GHG Inventory and Management

Sysgration follows the requirements of the GHG Protocol inventory standards and adopts the definition of the operation control right method to perform the GHG emissions inventory of the headquarters and each plant. Through the GHG inventory system, we can accurately grasp the GHG emission status. The emission boundary includes Sysgration Neihu Headquarters, Sysgration Nankang Plant, Sysgration Huizhou Plant, Sysgration Zhenjiang Plant, and Power Tank. The scope of inventory includes the qualitative and quantitative inventory of Category 1 (direct GHG emissions) and Category 2 (indirect GHG emissions from energy).

In accordance with the GHG Protocol and the Greenhouse Gas Inventory Protocol requirements, Sysgration has established a greenhouse gas emissions inventory and conducts annual emissions audits. This forms the basis for developing a comprehensive greenhouse gas emissions accounting system, supporting energy conservation and carbon reduction efforts. The company actively responds to government policy trends by setting annual energy-saving and emission reduction measures and targets. Using 2024 as the baseline year, the company aims to reduce greenhouse gas emissions by 4.5% in 2025, 25% by 2030, and achieve net-zero carbon emissions by 2050.



## Carbon Reduction Roadmap of Sysgration



Sysgration implements various measures for carbon reduction, including promoting paperless offices, purchasing green products and raw materials, promoting the use of employees' own tableware and low-carbon green commuting. Through implementing these measures and actions, we strive to reduce carbon emissions gradually.

#### Reduction Item: GHG Reduction

##### Measures:

1. We adopt electronic sing-offs to reduce the use of paper. Meanwhile, we use recycled paper with one side printed for double-sided printing to reduce the consumption of paper.
2. Promote small-area printing for packaging materials to reduce the complexity of paper recycling while adopting low-carbon green products for raw material and equipment procurements.
3. Encourage employees to use their own eco-friendly tableware to reduce the use of disposable tableware.
4. Continue to promote the concept of carpooling or public transportation when employees are on business trips. If they need to take a taxi, they should take HEVs or EVs.

When employees go on business trips, priority should be **given to carpooling or using public transportation.**



## 4.3 Energy Management

### 4.3.1 Energy Use

The energy consumption of Sysgration includes the externally purchased electricity, diesel and gasoline. Externally purchased electricity accounts for the largest source of energy consumption, which is mainly used for the parts and component assembly production and air conditioning system in the facility. The gasoline is mainly used for the company vehicles, while the diesel is mainly provided for the diesel forklift truck in the Plant. The total energy consumption of Sysgration in 2024 was 19,088.91 GJ, which is a decrease of approximately 1% compared to the total energy consumption of 19,241.07 GJ in 2023. In 2024, the electricity consumption of the Nankang Plant accounted for a higher percentage of 80.44% in Taiwan. In Mainland China, the electricity consumption of the Huizhou Plant was higher due to its greater scale, accounting for 86.08% of the plants in Mainland China. Among them, the shipment of diesel increased due to the performance of the Zhenjiang Plant, resulting in an increase in the consumption of diesel. The energy intensity of Sysgration was 6.14 (GJ/NT\$ million) in 2024, representing an increase of 4.6% from the energy intensity of 5.87 (GJ/NT\$ million) in 2023.



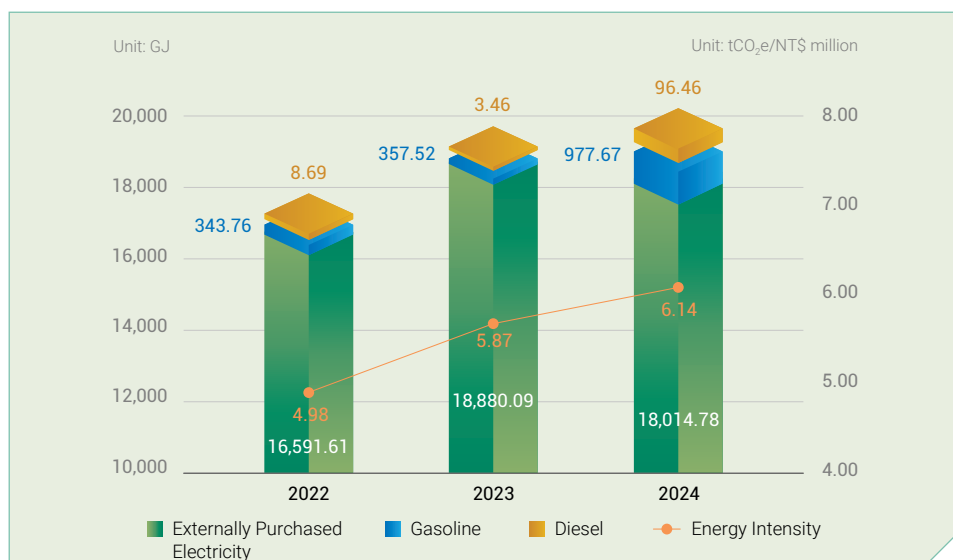
## Statistics of Sysgration Energy Consumption Data in the Past Three Years

Category	Item <sup>Note 1</sup>	2022	2023	2024
Investment	Externally Purchased Electricity (GJ) <sup>Note 2</sup>	16,591.61	18,880.09	18,014.78
	Gasoline (GJ)	343.76	357.52	977.67
	Diesel (GJ)	8.69	3.46	96.46
	Total Energy Consumption (GJ)	16,944.06	19,241.07	19,088.91
Outcome	Renewable Energy Sales (GJ)	36.11	15.05	14.57
Energy Intensity (GJ/million NT\$ revenue)		4.98	5.87	6.14

Note 1: Heating values of each item: Heating values of fuels adopted from data announced by the Bureau of Energy, Ministry of Economic Affairs.

Note 2: GJ is gigajoule.

## Sysgration Energy Consumption and Intensity



Note: The calculation of energy intensity includes Sysgration's use of electricity, gasoline, and diesel.

## 4.3.2 Energy Management

Sysgration has set goals for energy-saving. Taking 2024 as the base year, the emission intensity of electricity consumption is expected to be reduced by at least 20% by 2026. As such, to reduce the negative impacts of operating activities on the environment, Sysgration actively promotes energy management actions that are compiled in the following table in operating plants. We expect to gradually improve the energy use efficiency of each operating factory, starting from the improvement of the Energy Management System.

### Operation Factories Energy-saving Measures

#### Energy management: Energy-saving

##### Measures:

1. Change to use high-efficiency low-power-consumption equipment (i.e., change to use LED lamps and inverter A/C).
2. Reduce unnecessary idling time for high-power-consumption equipment in production lines and laboratories.
3. Replace A/C, refrigerators, chillers, and other cooling equipment with high GWP refrigerant (i.e., R-23 Trifluoromethane) and change to use low GWP refrigerant (i.e., R-32 Trifluoromethane).
4. Replace company vehicles with high fuel oil consumption with HEVs or EVs.
5. Introduce high-efficiency energy-saving ice water chillers.
6. Set the A/C temperature at 26 degrees.
7. Continue to promote turning off lights and A/C.



► Replace traditional light tubes

To save energy and reduce carbon emissions, Sysgration has made several improvements to lighting equipment in 2024, replacing traditional T5 lamps and emergency exit lamps with low-energy-consumption LED lamps. Compared to traditional lighting, in addition to the low energy consumption of the equipment, the heat dissipation of LED is lower than that of fluorescent lamps, and the useful life is longer. It also helps reduce the additional expenses for replacement or maintenance. In 2024, a total of 132 lights were replaced, which can save approximately 1,409 kWh of electricity.

► Turn on/off A/C based on intervals

Except for the office areas, there are 64 A/C. By operating them in alternating intervals, consumption was reduced by approximately half, resulting in an estimated electricity saving of 316.8 kWh in 2024.

► Introduce high-efficiency, energy-saving ice water chiller

A professional energy service company (ESCO) was commissioned to conduct an energy-saving assessment of the Nankang Plant, integrate energy-saving technologies, and invest NT\$6.65 million to replace the old 250RT ice water chiller system with a 200RT high-efficiency chiller system, thereby improving the operating efficiency of the system, saving 97,500 kWh of electricity per year.

► Replace company vehicles with high fuel oil consumption with HEVs or EVs

Compared to traditional fossil fuel vehicles, EVs and HEVs have a significant reduction in CO<sub>2</sub> emissions and other pollutants due to the use of electricity to drive or increase electricity assistance, which can reduce the negative impact on the environment.



### 4.3.3 Renewable Energy Use

In response to the Paris Agreement, all major enterprises around the globe have responded to the requirements of governments' net zero or carbon neutral policies, and consecutively promoted low-carbon transition for building long-term climate resilience. Among them, the issue and importance of renewable energy are getting more and more attention. Sysgration invested in the installation of renewable energy facilities many years ago and installed the PV power generation system for more than 10 years in Nankang Plant located in Nantou City, Taiwan, selling the electricity generated from solar energy to Taipower to generate operating revenue for many years.

#### Sysgration Sells the Electricity Regenerated from Solar Energy to Taiwan Power Company

Solar Energy		
Year	Regenerated Electricity (MWh)	Electricity Wholesale Amount (NT\$)
2022	10.03	84,645
2023	4.18	33,860
2024	4.05	32,694



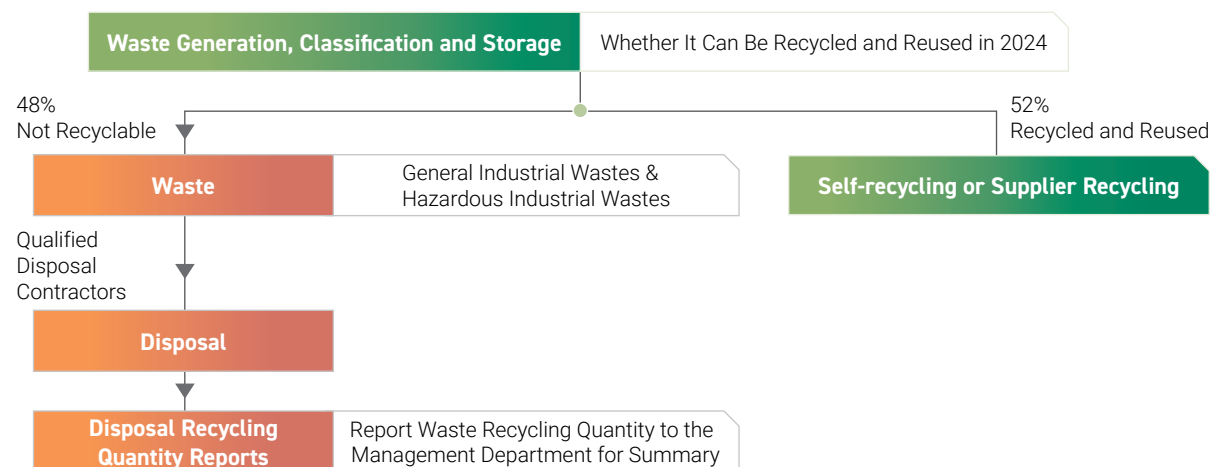
Nankang Plant PV Photo

## 4.4 Waste Management

### 4.4.1 Waste Management

Sysgration performs waste disposal according to the local government's Waste Disposal Act and implements resource recycling mechanisms, regularly conducts self-audit. The disposal method of relevant industrial wastes are by outsourcing the qualified waste disposal contractors for recycling and reuse. To confirm with the related management approaches and practices, the disposal contractor shall regularly clean up in accordance with the status of waste generated in the plant sites. In 2024, the disposal contractors outsourced by Sysgration did not have any violation of laws and regulations, and the disposal data were all reported through the Internet, and paper materials including weighing order and reports delivery forms were kept.

### I Waste Management Flowchart



### 4.4.2 Waste Generation

Currently, the wastes generated by Sysgration are classified into general industrial wastes and hazardous industrial wastes. General industrial waste primarily includes paper, packaging materials, assembly scraps, accounting for 91.35% of the total waste. The hazardous industrial wastes accounted for only 8.65% of the total wastes, which mainly industrial waste liquids and discarded circuit boards.

### I 2024 Sysgration Waste Disposal Statistics

Waste Classification	Waste Name	Generated Quantity (Metric Tons)	Disposal Quantity (Metric Tons)	Percentage of Waste Classification (%)	Disposal Method
Non-hazardous Industrial Wastes	Paper and Other Packaging Materials	18.66	18.66	23.28%	Recycling
	Electronic Scrap	0.46	0.46	0.58%	Recycling
	Wooden Box	34.17	34.17	42.63%	Incineration (not energy recovery)
	Others <sup>Note 1</sup>	19.93	19.93	24.86%	Recycling
Hazardous business waste	Industrial Waste Liquid	2.48	2.48	3.09%	Incineration (not energy recovery)
	Other Wastes <sup>Note 2</sup>	4.45	4.45	5.55%	Recycled/incineration (not energy recovery)

Note 1: Other non-hazardous wastes are plastics and metal wastes.

Note 2: Other hazardous waste are PCBs.

## Statistics of Sysgration Waste Data in the Past Three Years

Classification of Waste Attribute		2022		2023		2024	
		On-site	Off-site	On-site	Off-site	On-site	Off-site
General Industrial Wastes (Tons)	Recycle and Reuse	0	138.00	0	29.55	0	39.05
	Incineration (excluding energy recovery)	0	0	0	59.64	0	34.17
Hazardous Industrial Wastes (Tons)	Recycle and Reuse	0	0.20	0	1.15	0	2.43
	Incineration (excluding energy recovery)	0	2.08	0	2.69	0	4.50
Total Waste Disposal (Tons)		0	140.28	0	93.03	0	80.15

### 4.4.3 Waste Reduction Measures

In the future, we will reduce pollutant emissions through various measures including process design, technology improvement, and continuous promotion of materials recycling and reusing.

#### Waste Management: Reduction Item

##### Measures:

1. Continue to promote waste classification and reduction from the source, through the automated production lines and improvement of process technology, the reduction of raw materials, the use of simple and lightweight environmentally friendly packaging materials, and the recycling of packaging materials in the factory area (such as the use of recyclable plastic pallets and tenons wooden boxes for transportation) and other source management measures to reduce the amount of waste.
2. Plant waste is managed in accordance with relevant laws and regulations, with resource recycling mechanisms effectively implemented.
3. Waste batteries, carbon cartridges, PET bottles and papers are all classified to implement the resource recycling and classification mechanism.
4. Encourage all employees to execute waste reduction projects.
5. Use recyclable plastic boxes and iron frames to replace paper packaging to reduce paper waste.



Use recycled plastic boxes and iron frames to replace paper packaging to reduce paper waste.

## 4.5 Water Resource Management

### 4.5.1 Water Resource Risk Assessment

In recent years, the risk of water resource shortage has increased as extreme weather occurs more frequently. In the face of the pressure from the external water environment, Sysgration implements sustainable management of water resources and takes actions to cope with the global water shortage.

In order to avoid the potential risk that each operation factory taking water from the areas with High Baseline Water Stress and affecting the local ecology and residents' water use, Sysgration assessed the overall water risk of each operation location using the water assessment tool of Aqueduct Water Risk Atlas of the World Resources Institute (WRI). This simulation analysis will be integrated into the formulation of future operational strategies. The overall water risk classification of Taipei Head Office<sup>Note2</sup> and Nankang Plant in Nantou is Low-Medium risk, and the overall water risk classification of Zhenjiang Plant in Jiangsu Province and Huizhou Plant in Guangdong Province in Mainland China is Medium-High risk. Although the Plants are located in water stress areas, the operations have not experienced water shortage or flooding. To cope with emergency or natural disasters, Sysgration has established an emergency response plan/procedure, and the employees of plant sites can follow the procedure to reduce the overall disaster losses.



Factory	WRI Aqueduct Overall Water Risk Level (baseline)
Taipei Headquarters, Taiwan	Low-Medium
Nankang Plant, Taiwan	Low-Medium
Zhenjiang Plant, Mainland China	Low-Medium
Huizhou Plant, Mainland China	Low-Medium

Note 1: The above result was obtained using WRI Aqueduct Water Risk Atlas to conduct the overall water risk assessment for each operation location of Sysgration (inquiry date: 2025/05/21).

Note 2: Power Tank and the Taipei Head Office of Sysgration are located in the same office building.

### 4.5.2 Water Withdrawal, Water Discharge, Water Consumption

Currently, all water sources of Sysgration are tap water, and the water consumed by all plant sites is for operational use, not for industrial use. Water sources: Taipei Head Office and Power Tank are Feitsui Reservoir, Taiwan Nankang Plant is Sun Moon Lake Reservoir, Huizhou Plant is Daya Bay Fengtian Reservoir, and Zhenjiang Plant is the lower reaches of the Yangtze River and North Hankou in Changzhou. Factory discharge is converged according to the local laws and discharged from sewage treatment plants in the industrial zone of the area. The final discharge of the Nankang Plant is Maoluo Creek, the final discharge of the Zhenjiang Plant is the Yangtze River, and the final discharge of the Huizhou Plant is the Yanqian River of Daya Bay. In 2024, the total water withdrawal was 13.22 million liters, lowered by about 6.51% compared with 2023. The Taiwan area accounted for about 58.3% of the overall water consumption, and the factories in Mainland China accounted for 41.7%.



## Statistics of Sysgration Water Use Data in the Past Three Years

Water Use		Factory	2022	2023	2024
Water Withdrawal Source	Third Party Water (Tap Water)	Taipei Head Office	2.77	2.59	2.69
		Nankang Plant	6.89	4.98	4.76
		Huizhou Plant	5.83	4.93	3.82
		Power Tank	-	0.14	0.25
		Zhenjiang Plant	1.64	1.50	1.69
		Total	17.13	14.14	13.22
Water Withdrawal		Taipei Head Office	2.77	2.59	2.69
		Nankang Plant	6.89	4.98	4.76
		Huizhou Plant	5.83	4.93	3.82
		Power Tank	-	0.14	0.25
		Zhenjiang Plant	1.64	1.50	1.69
		Total	17.13	14.14	13.22
Water Consumption		Taipei Head Office	2.77	2.59	2.69
		Nankang Plant	6.89	4.98	4.76
		Huizhou Plant	5.83	4.93	3.82
		Power Tank	-	0.14	0.25
		Zhenjiang Plant	1.64	1.50	1.69
		Total	17.13	14.14	13.22

Water Use		Factory	2022	2023	2024
Water Withdrawal Intensity <sup>Note 5</sup>		Taipei Head Office	0.001	0.001	0.001
		Nankang Plant	0.002	0.002	0.002
		Huizhou Plant	0.002	0.002	0.001
		Power Tank	-	0.000	0.000
		Zhenjiang Plant	0.000	0.000	0.001
		Total	0.005	0.004	0.004

Note 1: The statistics of water resource data cover Sysgration's Taipei Head Office, Nankang Plant, Huizhou Plant, Power Tank and Zhenjiang Plant. Power Tank is the subsidiary newly established in 2023 after the split of Sysgration's power storage business department; therefore, relevant data is calculated separately starting from 2023.

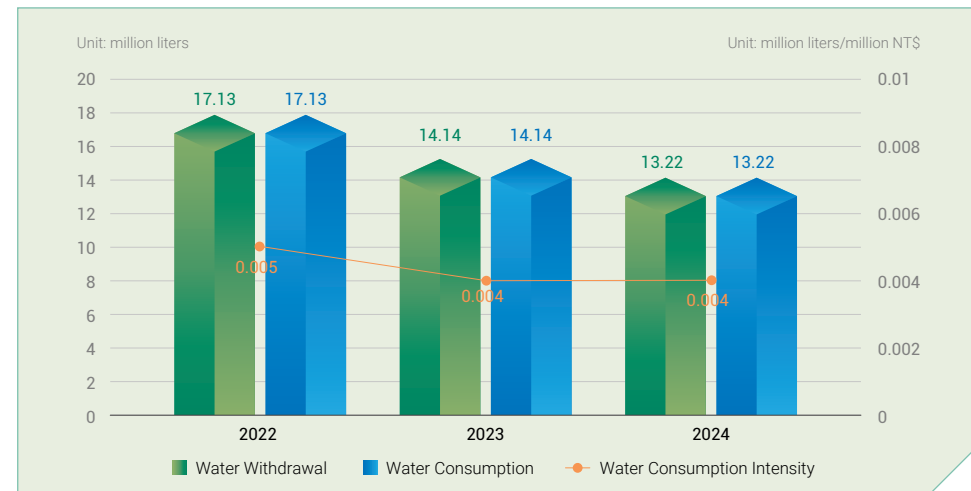
Note 2: All Sysgration plants do not withdraw seawater or water sources in areas with high water pressure. Our water sources include the Feitsui Reservoir for Taipei Headquarters and Power Tank, Sun Moon Lake Reservoir for Nantou Nankang Plant, the lower reaches of the Yangtze River and North Hankou in Changzhou for Zhenjiang Plant, and Daya Bay Fengtian Reservoir for Huizhou Plant.

Note 3: The water discharge of Sysgration is after passing through the water treatment plant in the Industrial Park, confirmed to comply with the laws, regulations, and standards, then finally discharged into the receiving water body.

Note 4: Water consumption = Water withdrawal + Water discharge.

Note 5: Water Withdrawal Intensity = Annual Total Water Withdrawal/Sysgration Revenue; Unit: million liters/million NT\$.

## Water Resource Consumption and Intensity



## 4.5.3 Water-Saving Management

Although Sysgration is not a large water user, we have spared no effort in water resources management. With 2021 as the base year, Sysgration set that its water consumption intensity shall at least reduce by 50% in the following five years as the target. Water consumption intensity in 2024 significantly reduced by 42.86% from 2021, which was mainly due to the introduction of smart ice water chillers by the Nankang Plant to avoid unnecessary cool water consumption and the introduction of production line automation by the Huizhou Plant, resulting in the reduction in water consumption due to the improvement in the production line efficiency. Sysgration continues to promote the measures of water resource utilization efficiency improvement. In the future, we will gradually implement comprehensive water resource management measures to further optimize the water use efficiency of the plants.

### Water-saving Management: Reduction Item

#### Measures:

1. Post water-saving slogans to remind employees to develop the habit of turning off water at any time.
2. Install sensor faucets at all operation locations to appropriately save the amount of water consumption.
3. Introduce smart ice water coolers to reduce unnecessary cooling water consumption.



# Chapter 5

## Employee Care

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- 5.1 Employment
- 5.2 Friendly Workplace
- 5.3 Talent Management Communication and Salary Guarantee
- 5.4 Human Rights Protection
- 5.5 Occupational Health and Safety





# Sustainable Performance Highlights and Corresponding SDG

## SUSTAINABLE DEVELOPMENT GOALS



### Health and Welfare

- The distribution amount of employee welfare (including year-end performance bonuses and health inspection subsidies) in 2024 reached **NT\$62.37 million**.
- Sysgration signed a contract with Pojen General Hospital and Yuanlin Kuo Hospital Dacunkuo Branch for professional doctors and nurses to come to the Company and provide employee health consultation regularly, employees with routine health examinations every year, and ionizing radiation, hearing, and occupational disease special health examination for the personnel engaged in special operations; the total subsidy amount reached **NT\$1.78 million**.

### Gender Equality

- We encourage diversity and equality in the workplace. In 2024, female employees represented **49%** of all employees and **20.9%** of senior supervisory positions.

### Decent Work and Economic Growth

- In 2024, we invested a total of approximately **NT\$0.81 million** in the education and training of employees, and the total hours of education and training reached **7,378 hours**.
- All operating plants completed the **ISO 45001:2018** Occupational Safety and Health System Certification.
- Organized a total of **485 hours** of Employee Occupational Safety and Health related training, with **2,030 person-times** participated.
- In 2024, **there were no human rights violations reported** at the Taipei Head Office, Nankang Plant, Huizhou Plant, Power Tank, and Zhenjiang Plant.



# Management Approach of Material Topic / Occupational Health and Safety

## Goals

### Short-term (2025-2026)

- Maintain an effective occupational health and safety management system.
- Establish a friendly working environment and protect the work safety and health of laborers.
- The annual health inspection participation rate of employees is 90% or above.
- Enhance employees' safety and health knowledge and achieve 100% occupational safety and health education and training for new employees.
- Before a contractor enters the plant, carry out occupational safety promotion meetings for all of them.

### Medium-to-long-term (2027-2030)

- Pursue the establishment of a safe and healthy work environment.
- Achieve 100% EHS (environment, health, and safety) behavior compliance of the entire Group. Improve employees' safety and health knowledge, constantly improve safety and health audit performance, and continue to move toward the goal of zero disasters and zero accidents.
- Improve safety and health knowledge of employees, and achieve and maintain the target of zero-occupational accidents.
- Contractor operational safety and achieve 100% safety promotion.

## GRI Indicators

GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10

## Description of Impact

### Description of Positive Impacts:

Employees are an essential part of a company's human capital. Properly managing occupational hazard risks and providing a safe and healthy work environment are fundamental commitments of Sysgration to its employees. The company aims to work together with employees to build a safe, healthy, energetic, and friendly workplace, foster a culture of health at work, and safeguard the physical, mental, and social well-being of all employees.

### Description of Negative Impacts:

If occupational disasters occur to employees during work, they will seriously lead to interruption of Company operations and a decline in productivity. The resulting losses may have significant and long-term impacts on the Company and may also cause serious damage to reputation or related legal proceedings.

## Policies and Commitments

Sysgration complies with laws and regulations related to occupational safety and health, has established its "Occupational Safety and Health Policy" and "Procedures for Occupational Safety and Health Risk Evaluation," and is committed to building working environments of safety, health, vitality, and friendliness, creating a healthy working culture, and ensuring employees' mental, physical, and social health. To achieve this goal, the Company has established an occupational disease prevention and management system to avoid, control and eliminate occupational disease hazards, prevent occupational diseases, and protect the health and relevant rights and interests of employees.

## Responsible Unit

Safety and Health Committee

## Grievance mechanism

- Employee: Opinion@sysgration.com (02) 2790-0088 ext 1830
- Employee opinion box
- Labor-management meeting

## Action Plans

### Positive Impact Management:

- Periodically implement automatic inspection, including equipment and mobile vehicles.
- Provide diverse education and training courses to employees, including occupational safety and health education and training, fire prevention safety education and training, occupational disease protection and case study, safe production, hazardous chemical emergency response advance handling, etc., in order to improve the safety awareness of employees, to handle emergency response and hazard self-rescue ability.
- We implement health management, regularly clean and maintain the environment, and provide a healthy working environment for employees.

### Negative Impact Management:

- There are occupational disaster investigation processes in place.
- Perform inspection of the work environment and regularly test the hazardous factors in the work environment.
- Arrange employee health checkups and special hazard health checkups annually and provide health consultation services provided by occupational medication specialists to effectively reduce the occurrence of occupational hazards.

## Effectiveness Assessment

We "standardize, documented, and routinized" safety and health tasks. Through the Plan-Do-Check-Action (PDCA) cycle, we continue to identify problems, take corrective actions in a timely manner, and implement the spirit of ISO to achieve the goal of safety and health management.

- Convene Occupational Safety and Health Committee meetings periodically and perform annual internal audits.
- In 2024, the ISO 45001 external audit indicated no deficiencies for the Nankang Plant, Huizhou Plant, and Zhenjiang Plant.
- Implement annual employee awareness evaluation, in order to manage employees' understanding and awareness status with respect to occupational safety and health.

# Management Approach of Material Topic / Human Rights

## Goals ▶

### Short Term (2025-2026)

- Formulate the labor human rights policy and include it in the Employee's Handbook for communication with all employees.
- Incorporate the labor human rights policy and regulations into new employee orientation courses to achieve the 100% training target.
- Conduct annual RBA labor human rights audits in the operating plants every year to ensure compliance with labor human rights.

### Medium and Long Term (2027-2030)

- The frequency of labor human rights audits of operating plants of the supply chain changed from every three years to every two years.
- Carry out the latest RBA training twice a year, and all employees complete the training.

## GRI Indicators ▶

GRI 3-3, GRI 406-1, GRI 408-1, GRI 409-1

## Description of Impact ▶

### Description of Positive Impacts:

Comply with local laws and regulations and industrial requirements, protect employees' human rights in the workplace, and provide a workplace environment of dignity, equality, and diversification so that the Company can gain a better reputation and competitive advantages for talents.

### Description of Negative Impacts:

The illegal employment of child labor or forced labor by the Company will result in the harm of brand image of the Company and customers, affect customers' orders, and affect corporate reputation.

## Policies and Commitments ▶

The labor human rights policy of Sysgration complies with the "UN Universal Declaration of Human Rights," "The UN Global Compact," "ILO Convention," "Code of Conduct-Responsible Business Alliance (RBA)," "International Labor Office Tripartite Declaration of Principles (the "ILO MNE Declaration," and other international labor and human rights standards, as well as labor regulations where the operations are located. We are deeply convinced that respecting and protecting human rights is the material foundation of sustainable corporate management.

## Responsible Unit ▶

GM's Office

## Grievance Mechanism ▶

Employees and other stakeholders: hr@sysgration.com  
Supplier(s): scm@sysgration.com

## Action Plans ▶

### Positive Impact Management:

- RBA applies to the labor human rights guidelines of Sysgration and supplier management. The Company shall comply with relevant requirements, and it shall require suppliers to comply with labor human rights-related requirements in RBA.
- Establish unblocked labor communication channels.

### Negative Impact Management:

- Formulate the labor human rights policy.
- Prohibit the employment of child labor<sup>Note</sup>, and implement measures to examine the age of new employees.
- Based on the support for international human rights actions, declare and promise not to accept the use of metals provided by illegal smelters in conflict mineral areas and require suppliers to comply with the same and sign the statement for not using conflict minerals.

Note: In Taiwan, child labor is defined as employed workers who are aged 15 but less than 16; in Mainland China, any employee less than the age of 16 is considered child labor.

## Effectiveness Assessment ▶

- In 2024, there were no incidents of discrimination, child labor, or forced labor reported across the entire company.
- In 2024, the Nankang Plant joined as a member of RBA-Online and completed the SAQ questionnaire.
- The RBA audit results of the Huizhou Plant in 2024 showed no non-conformities.

## 5.1 Employment

### 5.1.1 Employee Structure

Sysgration values every employee, recognizing them as the company's most valuable assets and human capital. The company emphasizes a people-oriented management approach and is committed to maintaining strong labor relations, fostering a dynamic organization, and creating a harmonious work environment. Together, these efforts aim to achieve sustainable development in the workplace.

As of the end of 2024, Sysgration had a total of 580 employees, including 409 in Taiwan and 171 in mainland China. The gender ratio of male to female employees was approximately 1:1. There were also 15 non-employee workers (14 men and 1 woman) all of whom were short-term dispatched workers on the production line.

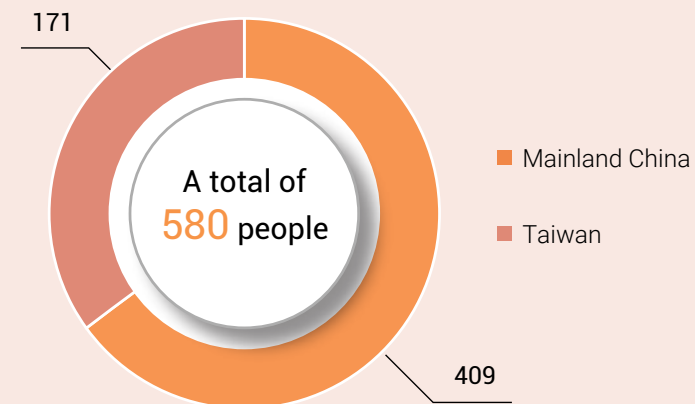
To cooperate with the government's policy for the employment of physically and mentally disabled people, in 2024, Sysgration employed a total of 4 physically/mentally disabled employees, and we also employed 60 foreign employees. We are committed to creating a diversified working environment.

#### Group Total

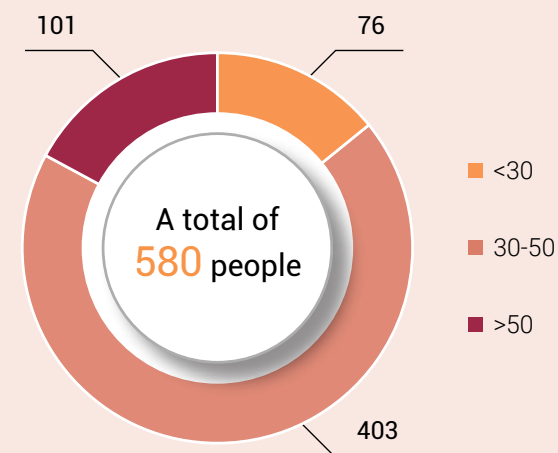
Age (year old) Gender	<30	30-50	>50	Total	
				Total number of people	Percentage (%)
Male	37	188	69	294	50
Female	39	215	32	286	50
Total	76	403	101	580	100

Note: The number of employees adopted the value on the end day of the reporting period (2024.12.31).

#### Number of employees of each region



#### Employee age distribution



## Taipei Head Office

Item	Classification	Male		Female		Subtotal	
		Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)
Contract type	Full-time	137	68.8%	62	31.2%	199	100.0%
Job type	Management	73	53.3%	21	33.9%	94	47.2%
	Non-supervisory staff	64	46.7%	41	66.1%	105	52.8%
Age (years old)	<30	9	6.6%	4	6.4%	13	6.5%
	30-50	84	61.3%	43	69.4%	127	63.8%
	>50	44	32.1%	15	24.2%	59	29.7%
Total		199 persons					

Note 1: Official employees refer to full-time employees and there is no part-time employee. In addition, there is no contract employee, and non-guaranteed hours employees.

Note 2: The definition of supervisory staff refers to employees above the job rank of deputy manager.

## Nankang Plant

Item	Classification	Male		Female		Subtotal	
		Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)
Contract type	Full-time	63	35.6%	114	64.4%	177	100.0%
Job type	Management	10	15.9%	3	2.6%	13	7.3%
	Non-supervisory staff	53	84.1%	111	97.4%	164	92.7%
Age (years old)	<30	14	22.2%	22	19.3%	36	20.3%
	30-50	37	58.7%	76	66.7%	113	63.9%
	>50	12	19.1%	16	14.0%	28	15.8%
Total		177 persons					

Note 1: Official employees refer to full-time employees and there is no part-time employee. In addition, there is no contract employee, and non-guaranteed hours employees.

Note 2: The definition of supervisory staff refers to employees above the job rank of deputy manager.

## Huizhou Plant

Item	Classification	Male		Female		Subtotal	
		Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)
Contract type	Full-time	42	42.0%	58	58.0%	100	100.0%
Job type	Management	3	7.1%	2	3.4%	5	5.0%
	Non-supervisory staff	39	92.9%	56	96.6%	95	95.0%
Age (years old)	<30	8	19.0%	8	13.8%	16	16.0%
	30-50	32	76.2%	49	84.5%	81	81.0%
	>50	2	4.8%	1	1.7%	3	3.0%
Total		100 persons					

Note 1: Official employees refer to full-time employees and there is no part-time employee. In addition, there is no contract employee, and non-guaranteed hours employees.

Note 2: The definition of supervisory staff refers to employees above the job rank of deputy manager.

## Power Tank

Item	Classification	Male		Female		Subtotal	
		Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)
Contract type	Full-time	26	78.8%	7	21.2%	33	100.0%
Job type	Management	17	65.4%	2	28.6%	19	57.6%
	Non-supervisory staff	9	34.6%	5	71.4%	14	42.4%
Age (years old)	<30	2	7.7%	2	28.6%	4	12.1%
	30-50	15	57.7%	5	71.4%	20	60.6%
	>50	9	34.6%	0	0.0%	9	27.3%
Total		33 persons					

Note 1: Official employees refer to full-time employees and there is no part-time employee. In addition, there is no contract employee, and non-guaranteed hours employees.

Note 2: The definition of supervisory staff refers to employees above the job rank of deputy manager.



## Zhenjiang Plant

Item	Classification	Male		Female		Subtotal	
		Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)
Contract type	Full-time	26	36.6%	45	63.4%	71	100%
Job type	Management	3	11.5%	0	0.0%	3	4.2%
	Non-supervisory staff	23	88.5%	45	100.0%	68	95.8%
Age (years old)	<30	4	15.4%	3	6.7%	7	9.9%
	30-50	20	76.9%	42	93.3%	62	87.3%
	>50	2	7.7%	0	0.0%	2	2.8%
Total		71 persons					

Note 1: Official employees refer to full-time employees and there is no part-time employee. In addition, there is no contract employee, and non-guaranteed hours employees.

Note 2: The definition of supervisory staff refers to employees above the job rank of deputy manager.

Sysgration conducted a resignation reason survey for operating sites in Taiwan and Mainland China. We discovered that the reasons for resignations mainly include the following two points. Firstly, the peak season for job hunting increases the possibility of resignation of employees, and many employees choose to seek new life planning changes at this time. Secondly, employees have raised their expectations for welfare packages, resulting in partial employees considering leaving to seek an environment with better welfare packages. In order to improve this situation, the Group will take the following measures: select suitable candidates during the recruitment process to ensure the stability of new employees. In addition, as the Company's business continues to grow, it will attract and retain employees by providing competitive remuneration and benefits to enhance work satisfaction.

## 5.1.2 New and Resigned Employees Statistics

Item	Classification	Taipei Head Office				Power Tank				Nankang Plant				Huizhou Plant				Zhenjiang Plant			
		New employees		Resigned employees		New employees		Resigned employees		New employees		Resigned employees		New employees		Resigned employees		New employees		Resigned employees	
		Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)	Number of people	As a percentage of that category (%)
Gender	Male	37	67.3	22	84.6	15	71.4	6	100.0	10	58.8	13	61.9	13	72.2	18	66.7	0	0.0	1	25.0
	Female	18	32.7	4	15.4	6	28.6	0	0.0	7	41.2	8	38.1	5	27.8	9	33.3	3	100.0	3	75.0
Age (years old)	<30	8	14.5	4	15.4	1	4.8	0	0.0	5	29.4	4	19.0	7	38.9	14	51.9	0	0.0	0	0
	30-50	38	69.1	19	73.1	16	76.2	5	83.3	11	64.7	15	71.4	11	61.1	12	44.4	3	100.0	3	75.0
	>50	9	16.4	3	11.5	4	19.0	1	16.7	1	5.9	2	9.5	0	0.0	1	3.7	0	0.0	1	25.0
Total		55		26		21		6		17		21		18		27		3		4	

### 5.1.3 Talent Recruitment

Sysgration is committed to complying with fair, just and open recruitment policies and avoiding any discrimination due to the nationality, religion, race and gender of job applicants. In response to the development of business strategies, Sysgration upholds the philosophy of the right positions for the right talents and opportunities for all talents. The Company actively recruits outstanding talents in order to enhance product R&D and technology capabilities to improve the development of applications in the fields of storage equipment, vehicle-to-everything and tire pressure sensors. This year, Sysgration had a better understanding of the recruitment positions and talent demand and selected suitable recruitment channels, including online recruitment, on-site recruitment, job bank posting, Vietnam migrant worker agency, Taichung-Changhua-Nantou Employment Service Station, campus recruitment and employee referrals, to attract more outstanding talents. We further established a comprehensive recruitment process that covers job requirements confirmation, resume screening, interview evaluation, and hiring decision-making to ensure a fair and transparent recruitment process. In terms of recruitment costs, the average recruitment cost per employee at the Taipei Head Office is approximately NT\$30,000, the Huizhou Plant is RMB 820, and the Zhenjiang Plant is RMB 416, which are all higher than the recruitment cost level in the local market. In addition, Sysgration provides referral bonuses, which are distributed after the new employee passes the probation evaluation. Employees who are willing to make recommendations and referrals show their recognition with the Company. The above reflects the existing investment in recruiting outstanding talent in different regions. In the future, with the intensification of market competition and the rapid development of technology, we will continue to evaluate and adjust the recruitment cost to ensure the efficiency of the recruitment process and the rationality of the resource allocation, further consolidating the Company's leading position in the industry and supporting the Group's sustainable development targets in the talent aspect.

## 5.2 Friendly Workplace

Sysgration values employee health and welfare and actively establishes a friendly working environment for employees. We are committed to protecting the demands of women and female employees and providing comprehensive employee benefits in order to improve the happiness of employees at the workplace and employees' recognition for the Company. To promote employees' health and balance between work and living, the Company irregularly organizes book clubs and team-building activities to improve favorable interactions and exchanges between employees so as to achieve the effects of pressure relief and physical and mental health.

Sysgration also actively promotes employees to value physical/mental health and to obtain a balance between work and living. The Company encourages employees to organize clubs. Presently, several employee clubs have been established in order to achieve employee stress relief and to enhance the bonding among colleagues. The employee clubs include a golf club, table tennis club, power walking club, badminton club, and physical fitness clubs. We hope to allow employees to exercise and relax physically and mentally, as well as to continue to develop personal interests, make friends with similar hobbies, and expand their living circle through clubs.

Health Lectures at the Taipei Head Office



Meridian Massage Health Workshop at Taipei Headquarters



## Club Activities

Book Clubs of Huizhou Plant



Huizhou Plant "Three Highs" Knowledge Seminar





## Birthday Party

Nankang Plant Birthday Party



Nankang Plant Birthday Party



Huizhou Plant Birthday Party



Huizhou Plant Birthday Party



Zhenjiang Plant Birthday Party



Taipei Head Office Birthday Party





## Year-end Celebration

Year-end Celebration of Huizhou Plant



Year-end Celebration of Zhenjiang Plant



Year-end Celebration of Taipei Head Office



## Company Trip

Huizhou Plant 2024 Company Trip



Sysgration Company Trip (including Taipei Head Office and Nankang Plant)



Sysgration Company Trip (including Taipei Head Office and Nankang Plant)



## 5.2.1 Employee Diversity and Inclusion

Sysgration is committed to providing employees with a safe and dignified working environment. We implement the fairness of employment diversity, remuneration and promotion opportunities to ensure that employees will not be discriminated against, harassed or treated unfairly due to ethnicity, gender, religion, age, political orientation and other circumstances protected by applicable laws and regulations. We have clearly defined the concepts and principles in the Company's "Human Rights Policy."

In addition, Sysgration has a "Remuneration Committee" to provide employees with competitive remuneration and give back corporate operational performance to employees through a transparent and fair remuneration policy. For junior specialists in the same profession, the employee's starting salary is the same. For personnel with relevant professional and work experience, the starting salary is approved according to the educational background, experience, expertise and certificates of applicants, regardless of gender or ethnicity.

The Group values the diversity and equality of employees, strengthens the care for female employees, and allows female employees to fulfill their commitments to the greatest potential. We hope to build a "gender-friendly workplace." We have set up breastfeeding rooms in the workplace for female employees for convenience and emphasis on "maternal health protection" for female employees, allowing female employees to have a comfortable and healthy work environment.

### Parental Leave

Sysgration handles the employees' parental leave without pay operation according to the "Act of Gender Equality in Employment" and "Regulations for Implementing Unpaid Parental Leave for Raising Children", such that there is no difference due to gender, job duty and working area. For female employees, during the pregnancy and childbirth periods, they are entitled to pregnancy leave without pay, prenatal checkup leave and maternity leave. For male employees, during the childbirth of their spouses, they are also entitled to the paternity leave. After employees' leave without pay period matures, the Company assists them to return to their original unit and job position, such that employees are able to re-enter the workplace again.

Item	Taipei Head Office		Nankang Plant		Huizhou Plant		Power Tank		Zhenjiang Plant	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
A: Employees entitled to application for parental leave in 2024	1	2	2	1	4	2	0	0	0	1
B: Employees actually applied for parental leave in 2024	1	2	2	1	4	2	0	0	0	1
C: Total number of employees expected to be reinstated after the end of parental leave in 2024	1	2	2	1	4	2	0	0	0	1
D: Total number of employees actually reinstated after the end of parental leave in 2024	1	2	2	1	4	2	0	0	0	1
E: Total number of employees actually reinstated after the end of parental leave in 2023	0	0	0	1	0	0	0	0	0	1
F: Total number of employees who continue to be employed after the end of parental leave in 2023 and 12 months after reinstatement	0	0	0	1	0	0	0	0	0	1
Parental leave without pay application rate (B/A)	100%	100%	100%	100%	100%	100%	-	-	-	100%
Reinstatement rate (D/C)	100%	100%	100%	100%	100%	100%	-	-	-	100%
Retention rate (F/E)	-	-	-	-	-	-	-	-	-	-

Note: 1. Reinstatement rate = (Total number of employees actually reinstated after the end of parental leave / Total number of employees required to be reinstated after the end of parental leave) x 100.

2. Retention rate = (Total number of employees who continue to be employed after the end of parental leave in 2021 and 12 months after reinstatement / Total number of employees reinstated after the end of parental leave during the last reporting period) x 100

## 2024 Gender Equality and Diversity

Gender equality and diversity indicators	Percentage
Percentage of female employees to total employees	49.3%
Percentage of female senior executives to senior executives	20.9%
Percentage of employees in Taiwan and Mainland China to total employees	89.7%
Percentage of foreign employees to total employees	10.3%
Percentage of employees with physical and mental disabilities to total employees	0.7%

## 5.2.2 Comprehensive Employee Benefits

Sysgration provides employee benefits superior to the regulatory requirements. In addition to labor and health insurance according to the laws, the Company further provides employee group insurance, in order to improve employee medical protection, and its content includes: accident insurance, cancer insurance, accident medical insurance, etc. To promote the bonding among employees and their physical/mental health, the Company encourages employees to participate in recreation and leisure activities during their free time.

In addition to actively implementing humane management and various welfare measures, Sysgration also adheres to the concept of sharing profits with employees, attracts and provides incentives to outstanding talents, and decides the remuneration of employees based on the Company's operating results. According to the Company's Articles of Incorporation, if the Company has a profit for the year, it shall allocate 10% to 15% of the profit as the remuneration of employees. Other employee welfare systems include: Labor Insurance and National Health Insurance, group insurance and employee family insurance, birthday gift vouchers, subsidies for employees' weddings, funerals and celebrations, travel allowance, Motorcycle parking subsidies, birthday celebrations, year-end parties and drawing lots. In addition, the Company has established the Employee Welfare Committee in accordance with the Employee Welfare Fund Act and has appropriated 0.05% of the Company's monthly turnover to the Employee Welfare Committee's account to handle welfare matters.

Due to the employment of white-collar foreign workers, Sysgration is still required to contribute Labor Retirement Reserve Fund (The Old Fund). For all employees covered under the new pension system, the company complies with the Labor Pension Act, contributing 6% of each employee's monthly salary to their individual pension accounts. Additionally, employees may choose to make voluntary contributions ranging from 0% to 6% of their salary to their pension accounts.

For employees at the company's facilities in mainland China, endowment insurance is provided in accordance with local laws, and full contributions are made accordingly. The participation rate in the retirement plan across the group is 100%. In 2024, the total retirement fund contributions made by the group amounted to NT\$35.75 million.

Benefit Item	Content	Target	Number of employees receiving benefits	Benefit distribution amount (NT\$)
Employee group insurance	Life insurance, accident insurance, cancer insurance, and overseas personnel accident insurance	All employees	402	698,061
Festival and holiday bonuses	Dragon Boat Festival, Mid-Autumn Festival, and International Women's Day	All employees	678	1,061,702
Year-end performance bonus	Distrusted according to the Company's profit, employee's performance and contribution level	All employees	488	54,618,815
Wedding and funeral subsidies and major disease and hospitalization consolation money	Distributed according to the Regulations for Employees' Wedding, Celebration and Funeral Subsidies	All employees	30	551,833
Employee stock option	The distribution percentage varies according to the employee's level of duty and performance	All employees	104	N / A
Patent incentive	To encourage employees to expand the R&D outcome in the course of job duties, and to apply for domestic and foreign patents under the name of the Company, in order to accumulate the intellectual property rights of the Company	All employees	14	190,000
Health examination	Employee health examination is implemented annually	All employees	507	1,782,862
Motorcycle parking subsidy	Full-amount subsidy	All employees	71	426,000
Car parking subsidy	Company pays the limit of NT\$2,000	All employees	56	1,048,500
Subsidy for drivers without violations	RMB 100 is provided for drivers without any violations quarterly	Driver	1	1,782
Travel allowance	For participants who meet the required years of service, the company will provide full sponsorship	According to the regulations of the Employee Welfare Committee	252	508,302
Birthday gift vouchers	Gift vouchers of NT\$600 are provided to each person; provision of snacks and birthday cards for celebration	According to the regulations of the Employee Welfare Committee	472	340,998
Club subsidy	Subsidy of NT\$500 is provided for club activity of each person per month, and a limit of NT\$100 thousand per month is provided to each club for application once quarterly only	All clubs	221	951,234
Continuing education subsidy	Subsidy is provided to employees participating in external courses and training	Employees requiring the obtaining of licenses due to job needs	22	191,656
Total			3,313	62,371,745



## 5.2.3 Talent Training and Development

Sysgration regards talent as the company's most valuable asset. In alignment with its business development goals, the company designs training programs tailored to different job roles and levels to support employee growth and ensure that employees progress in step with the company.

In addition to onboarding training for new hires, a variety of professional development courses are offered based on each employee's responsibilities and work requirements to enhance their professional skills. Training programs are categorized into onboarding, professional skills, and environmental health and safety. Topics include quality management and assurance, manufacturing and procurement management, product R&D and design, intellectual property and legal affairs, information technology and applications, marketing and sales, finance, accounting and taxation, as well as other courses specifically designed to meet project needs. In 2024, the total training hours amounted to 7,378 hours, with approximately NT\$0.81 million invested in employee education and training.

### Training expenses for 2024

Unit: NT\$

Region	Training expenses
Taipei Head Office	241,375
Nankang Plant	17,429
Huizhou Plant	369,029
Zhenjiang Plant	183,147
Total	810,980



#### New employee orientation training

The basic training and relevant onboarding guidance activities for new employees include: production process and product introduction, safety and health/environmental protection/fire prevention awareness and the duties of functional platforms.



#### Professional competence

Each unit implements education and training for the professional knowledge or skill training necessary for job duties, such as procurement concept and process, warehouse management, factory related operation skills, quality assurance skills, patent introduction, product testing program development, etc.



#### Environmental safety and health

Environmental safety and health related training according to the government regulations and the Company's policy requirements, such as fire prevention and disaster first-aid safety education and training, occupational health safety education training, are implemented.





## Average training hours of each employee in 2024

Employee type	Gender	Taipei Head Office		Nankang Plant		Huizhou Plant		Power Tank		Zhenjiang Plant	
		Total training hours	Average training hours	Total training hours	Average training hours	Total training hours	Average training hours	Total training hours	Average training hours	Total training hours	Average training hours
Supervisory staff <sup>Note</sup>	Male	688.00	9.42	171	17.10	47	15.67	149	8.76	23	7.67
	Female	179.00	8.52	27	9.00	40	20.00	15.5	7.75	-	-
Non-supervisory staff	Male	763.50	11.93	646.5	12.20	590	15.13	169.5	18.83	258	11.22
	Female	863.50	21.06	1031	9.29	700	12.52	99	19.80	916.5	20.37
Total		2,494	50.93	1,875.5	47.59	1,378	63.32	433	55.14	1,197.5	39.26
Total training hours						7,378.00 hours					

### Taipei Head Office

Employee type	Gender	Number of people	Total training hours	Average training hours
Supervisory staff <sup>Note</sup>	Male	73	688	9.42
	Female	21	179	8.52
Non-supervisory staff	Male	64	763.5	11.93
	Female	41	863.5	21.06
Total		199	2,494	12.53

### Nankang Plant

Employee type	Gender	Number of people	Total training hours	Average training hours
Supervisory staff <sup>Note</sup>	Male	10	171	17.10
	Female	3	27	9.00
Non-supervisory staff	Male	53	646.5	12.20
	Female	111	1,031	9.29
Total		177	1,875.5	10.60

### Huizhou Plant

Employee type	Gender	Number of people	Total training hours	Average training hours
Supervisory staff <sup>Note</sup>	Male	3	47	15.67
	Female	2	40	20.00
Non-supervisory staff	Male	39	590	15.13
	Female	56	701	12.52
Total		100	1,378	13.78

### Power Tank

Employee type	Gender	Number of people	Total training hours	Average training hours
Supervisory staff <sup>Note</sup>	Male	17	149	8.76
	Female	2	15.5	7.75
Non-supervisory staff	Male	9	169.5	18.83
	Female	5	99	19.80
Total		33	433	13.12

### Zhenjiang Plant

Employee type	Gender	Number of people	Total training hours	Average training hours
Supervisory staff <sup>Note</sup>	Male	3	23	7.67
	Female	-	-	-
Non-supervisory staff	Male	23	258	11.22
	Female	45	916.5	20.37
Total		71	1,197.5	16.87

Note: The definition of supervisory staff refers to employees above the job rank of deputy manager.

In addition to mandatory internal training, Sysgration offers external courses and job-specific programs based on employees' positions and needs, encouraging continuous learning to strengthen professional capabilities. In 2024, the company provided customized training content across several key areas. Environmental protection, safety, and health courses focused on enhancing employees' safety awareness and emergency response skills to ensure a secure working environment. General skills and legal knowledge training included language development, interpersonal communication, project management, and legal affairs, aiming to improve employees' overall competencies and legal awareness. ISO quality management and certification courses emphasized quality control and internal auditing to ensure products, facilities, and services meet established standards. Training in production and technical applications covered practical topics such as production operations, warehouse management, and IT systems, strengthening hands-on skills and technical proficiency. Product R&D and innovation courses centered on new product development, design innovation, and the application of emerging technologies to encourage technical creativity and product improvement. Marketing and service training enhanced employees' abilities in marketing strategy, customer relationship management, and service quality to support business growth. Lastly, human resources and organizational management courses addressed employee benefits, career development, and corporate responsibility, fostering a positive work environment and strong corporate culture. In total, these programs accounted for 428.5 hours of training and 4,248 participant sessions, reflecting the company's commitment to cultivating a skilled and effective workforce through diverse learning opportunities.

In 2024, Sysgration continued to promote the enterprise empowering project. In response to the global net-zero carbon trend, the company actively developed a team of carbon management specialists to effectively manage greenhouse gas emissions. This initiative aims to enhance carbon reduction efforts across products, processes, and organizational operations, moving steadily toward the goal of carbon neutrality.

To ensure the effectiveness of employee education and training, Sysgration conducts satisfaction surveys on education and training from time to time. The aspects of the survey include course content understanding, personal and work benefits, and administrative satisfaction. The average satisfaction score for employee education and training at the Taipei Head Office in 2024 was 4.7 for content understanding, 4.7 for personal and work benefits, and 4.5 for administrative satisfaction. In addition to the original evaluation criteria—such as activity duration, planning of delivery methods, schedule management, instructor teaching skills, venue and equipment, alignment with individual learning styles, participant interaction, and relevance to practical needs—the latest feedback results are now also provided to instructors and senior management. These insights serve as a reference for both teaching improvement and as a basis for the Human Resources Department to enhance and refine future training programs.

In response to unsatisfactory feedback, the company has optimized and adjusted relevant measures. For example, new employees reported that the onboarding training schedule was too intensive, so the course hours and break times were adjusted accordingly. Additionally, participants expressed a desire to learn more about disaster prevention and safety precautions. As a result, the occupational safety training was updated to include fire prevention measures related to lithium battery incidents, as well as emergency response drills. These adjustments aim to further enhance the quality and satisfaction of employee training, ensuring that staff can benefit from the programs and improve their work performance.

## 2024 Representative Talent Development Program

One of the most significant talent development initiatives this year was the ISO/IEC 27001:2022 implementation training program. This initiative aimed to enhance Sysgration's capabilities in information security compliance, further strengthening the company's competitiveness in the market. Carefully planned by the IT department, with active participation from the HR and Document Control departments, the program ensured smooth cross-departmental collaboration.

Through professional training led by external consultants, employees gained in-depth understanding of the core requirements of the ISO/IEC 27001:2022 standard, laying the foundation for a robust information security management system. This training not only supported the company's successful achievement of ISO/IEC 27001:2022 certification but also demonstrated its maturity and capability in the field of information security. It significantly contributed to building customer trust and opening new business opportunities.

This program was a key component of the company's talent development strategy and highlighted its commitment to enhancing overall business quality and market competitiveness. It stands out as one of the most important development achievements of the year.



## 5.3 Talent Management Communication and Salary Guarantee

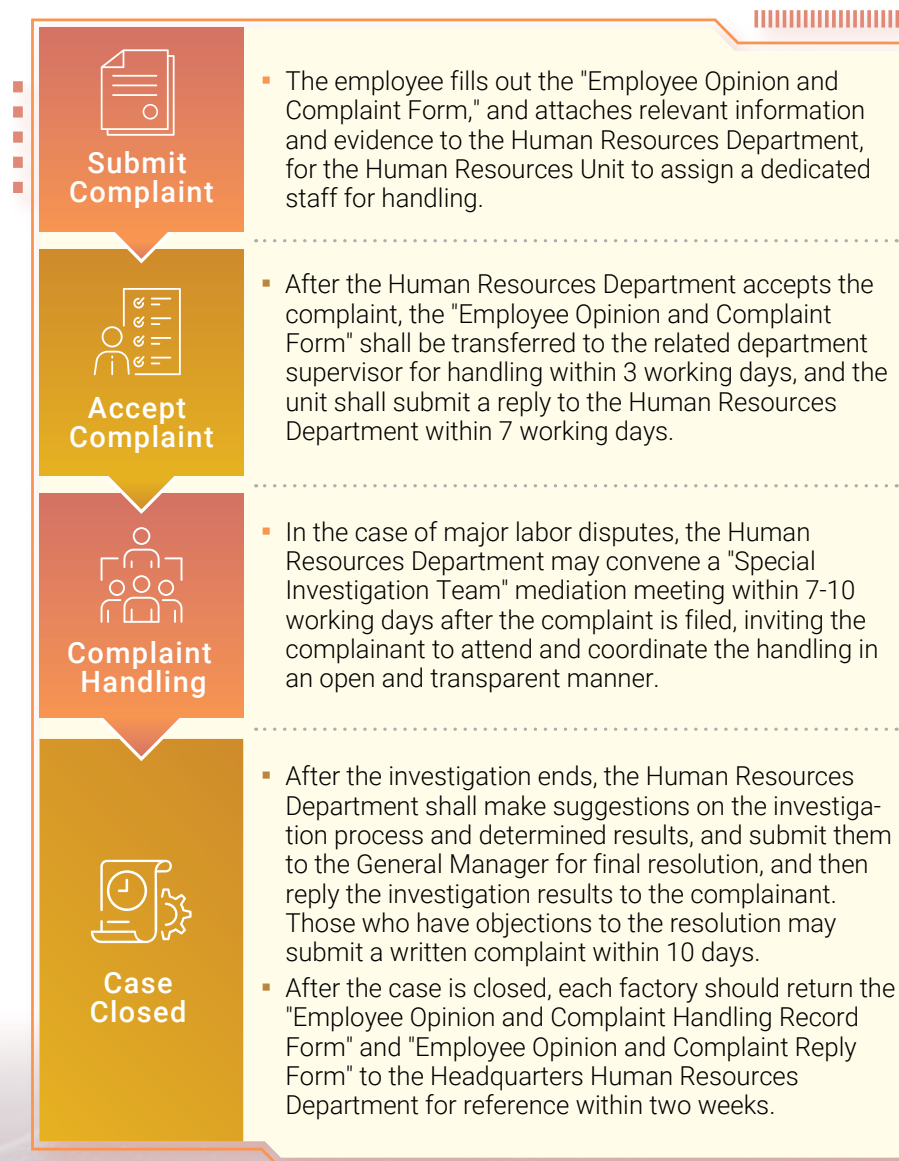
### 5.3.1 Labor-management Communication

Sysgration provides diverse and proper employee feedback channels, including the Sysgration provides multiple open and effective channels for employees to voice their opinions, including labor-management meetings, communication management procedures, and a dedicated grievance email account (Opinion@sysgration.com), in order to maintain a strong and positive labor-management relationship. For environmental, health, and safety (EHS) matters, employees may also submit feedback through the Occupational Safety and Health Committee or the EHS Communication Management Procedure, as detailed in Section 5.5: Occupational Health and Safety—Occupational Health and Safety Management.

In 2024, the company held four labor-management meetings. These meetings focused on discussing and approving revisions to key workplace regulations, ensuring that company policies align with employees' needs and expectations. The meetings also addressed the planning of the 2025 work calendar to enhance operational efficiency and better meet employee preferences. Through constructive communication and collaboration, these efforts have helped improve employee satisfaction and operational performance, further strengthening the cooperative relationship between labor and management.

#### Employee Complaint Handling Procedure

For major labor disputes, the Human Resources Department may convene a "Special Investigation Team" for a mediation meeting within 7-10 working days after the complaint is filed to coordinate and handle the disputes in an open and transparent manner. The members of the "Special Investigation Team" may consist of two to six members assigned by the Human Resources Department, depending on the situation. The team leader shall be selected by the team members on a case-by-case basis, including: one to three Company supervisors (including one from the Human Resources Department) and the responsible supervisor of the complainant's unit. The labor representative of the labor-management meeting may be invited depending on the situation. In 2024, no employee complaints or dispute cases were reported.



## 5.3.2 Performance Management System

Performance evaluation system is the core of the talent management of the Company. Sysgration implements the performance evaluation procedure for the entire employees, and the entire employees include employees, supervisors, managers and new employees. The evaluation is performed once quarterly, and it is performed once semi-annually for direct personnel, in order to be used as the basis for the management operations of job promotion, salary adjustment, employees' remuneration distribution and employee development training, etc. The performance management items for indirect personnel include KPI items, personal characteristics, other project outcome performance and reward/disciplinary action. For direct personnel, the evaluation is performed based on work quality and efficiency, competence, discipline, teamwork and attendance. For an employee evaluated to be at the last 5% after the performance evaluation, his/her direct supervisor shall discuss with the employee to establish an improvement plan in order to implement improvement. After the improvement period is matured, the supervisor performs the evaluation again. If the evaluation result still fails to reach the improvement goal, the Company will then list such employee as incompetent personnel. For new employees, prior to the maturity of probation period, unit supervisor conducts work performance interviews and evaluations for the probation period of the new employees. For those failing to qualify the performance evaluation, the Company may terminate the employment contract according to relevant labor regulations or may extend the probation period based on the consent of both parties.

Since employees' performance is directly related to the performance of the Company. Sysgration has established the Regulations for Operation Bonus and Sales Bonus. When sales personnel achieve the plan or goal approved by their supervisors, sales bonus is distributed according to the regulations on a monthly basis. In addition, when the Business Unit achieves or exceeds the operational goal and when there is surplus earning, the Company will appropriate a fixed proportion of the earnings according to the regulations for distribution of operation bonuses to relevant outstanding employees. The operation bonus is distributed quarterly according to the job performance of employees. 80% of the amount is distributed to outstanding employees of the Business Unit, and 20% is distributed to outstanding employees of the Administrative and Supporting Unit. For employees that have previously received the sales bonus, the operation bonus is not to be repetitively distributed.

Sysgration performs evaluations on employees with a service period above three months (inclusive). In 2024, there were a total of 580 employees of the Group participated in the performance evaluation, and the ratio of completion of performance evaluation for employees in Taiwan and China was 100%.

### Annual plan

- Each employee sets up a personal annual plan according to the KPI indicator of his/her job rank and the goal expected to be achieved

### Employee self-evaluation

- Employee under evaluation fills out the performance evaluation form according to his/her annual plan and submits it to his/her direct supervisor for approval

### Supervisor evaluation

- The preliminary review supervisor performs an objective evaluation on each evaluation items, followed by submitting the result to the superordinate supervisor for approval
- If there is a superordinate supervisor, the preliminary review supervisor shall submit to the superordinate supervisor of one rank above in order to perform a second review

### Number of people undergoing performance evaluations at Taipei Head Office Power Tank

Type/Gender	Male			Female		
	Number of people under performance evaluation	Number of people required for performance evaluation	Ratio of people under performance evaluation	Number of people under performance evaluation	Number of people required for performance evaluation	Ratio of people under performance evaluation
Supervisory staff <sup>Note</sup>	100	100	100%	26	26	100%
Non-supervisory staff	126	126	100%	157	157	100%
Total	226	226	100%	183	183	100%

### No. of employees undergoing performance evaluations at Nankang Plant, Zhenjiang Plant and Huizhou Plant

Type/Gender	Male			Female		
	Number of people under performance evaluation	Number of people required for performance evaluation	Ratio of people under performance evaluation	Number of people under performance evaluation	Number of people required for performance evaluation	Ratio of people under performance evaluation
Supervisory staff <sup>Note</sup>	6	6	100%	2	2	100%
Non-supervisory staff	62	62	100%	101	101	100%
Total	68	68	100%	103	103	100%

Note: The definition of supervisory staff refers to employees above the job rank of deputy manager



### 5.3.3 Remuneration Policy

Sysgration provides salaries of market competitiveness to employees. The remuneration of general employees is determined according to the "Regulations for Salary Operation" and based on the comprehensive consideration of the educational background, experience, professional knowledge and skills, professional seniority and personal performance. In addition to the monthly fixed salary, the Company also sets up various bonuses, such as festival and holiday bonuses, patent incentive, operation bonus and sales bonuses, in order to encourage employees to exceed expectations for their responsible scope, thereby improving the business performance of the Company. According to the job needs, the Company further issues overseas allowance, job transfer allowance, allowance for special technical works, overtime allowance and work shift allowance, etc. The remunerations of Directors and managers are determined by the Remuneration Committee, and the determination is made according to the salary level of the job position in the job market, the duty scope of the job position in the Company, contribution level to the operational goal of the Company and other performance indicators for the payment of remuneration.

The company's gender pay ratio shows a noticeable disparity, primarily due to the nature of the electronic components industry, where the workforce is predominantly male. However, in line with the principles of diversity and equality, Sysgration is actively working toward improving salary levels for female employees and promoting greater gender balance within the organization.

### Gender-Based Pay Ratio of Average Annual Salary Between Female and Male Employees in Managerial and Non-Managerial Positions in 2024

(female:male)

Item	Taipei Head Office	Nankang Plant	Huizhou Plant	Power Tank	Zhenjiang Plant
Supervisory staff <sup>Note</sup>	0.27:1	0.231:1	0.562:1	0.04:1	<sup>Note 2</sup>
Non-supervisory staff	0.52:1	1.91:1	1.22:1	0.34:1	1.548:1

Note 1: The definition of supervisory staff refers to employees above the job rank of deputy manager.

Note 2: There are no female employees above the job rank of deputy manager in the Zhenjiang Plant.

## 5.4 Human Rights Protection

### 5.4.1 Human Rights Policy

With the human rights protection spirit and basic principles disclosed in the "Universal Declaration of Human Rights," "UN Global Compact," "ILO Convention," and "RBA Code of Conduct" as the foundation, Sysgration incorporated the concepts of human rights into its corporate value and culture, exhibiting its commitment to **human rights protection**. We have formulated a human rights policy that is applicable to Sysgration, its parent company, subsidiaries, business partners, suppliers, and contracts to prevent the invasion or violation of human rights and provide a safe and respected work environment.

Sysgration bases employee promotions on work experience, potential, and achievements, without discrimination based on race, gender, age, religion, nationality, or political beliefs. The company adheres to the principles of not employing child labor or engaging in forced labor. We also support the employment rights of individuals with disabilities by hiring employees with disabilities and providing accessible facilities in our factories and offices, such as barrier-free restrooms and ramps. In 2024, there were no incidents of forced labor, child labor, discrimination, or sexual harassment involving Sysgration or its supplier partners. Looking ahead, Sysgration will continue to monitor human rights management, protect employee rights, and strive to enhance performance in labor rights, environmental protection, and occupational health and safety. Our goal is to reduce health and safety risks, promote harmonious labor relations, and ensure compliance with RBA standards.

## Human rights protection practices of Huizhou Plant

In 2024, Huizhou Plant strictly implemented human rights policies. When recruiting employees, no child labor were recruited to ensure there is no employment of child labor in violation of the requirements. To discover and duly treat child laborers who enter the Company for any reason in a timely manner, the Company established the "Procedures for the Protection of Child Labor, Underaged Labor and Students" to comply with relevant standards and regulations. During the EHS & RBA system audit in 2024, it was verified that whether the quality management, labor, health and safety, environment, ethics, and corporate social responsibility aspects comply with the ISO14001:2015, ISO45001:2018, and RBA 8.0 standards, laws and regulations, and customer requirements. The results showed that there were no violations.

Concerned issues	Management actions
Provide a healthy working environment for employees	<ul style="list-style-type: none"> <li>All companies within the Group have passed the ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Safety and Health Management System) to actively prevent pollution and protect environmental safety so as to reasonably ensure the provision of a safe working environment.</li> <li>In addition to providing a safe and healthy working environment according to laws and regulations, the Company has established the occupational safety and health responsible unit and committee organization and also hires professional physicians and nurses in order to organize safety, health and fire prevention-related education and training to adopt necessary preventive measures to prevent the occurrence of occupational accidents, thereby reducing the hazardous factors of the working environment.</li> </ul>
Banning of Child Labor	<ul style="list-style-type: none"> <li>The Company has explicitly specified the prohibition on the employment of any individuals under the age of 15 years old Note. During the recruitment operation, applicants are required to submit the basic information form indicating the date of birth clearly, and an identification document is also required to be submitted during the reporting to work in order to be verified by the Human Resources Department, such that the accuracy of information is ensured.</li> <li>The Company strictly abides by regulations and did not employ child labor in 2024.</li> </ul> <p>Note: In Taiwan, child labor is defined as employed workers who are aged 15 but less than 16; in Mainland China, any employee less than the age of 16 is considered child labor.</p>
Prohibition on forced labor	<ul style="list-style-type: none"> <li>The Company does not force or threaten any unwilling employee to perform service. The requirements for the daily and weekly normal working hours, extended working hours, leaves, special leaves, and other leaves of employees comply with laws and regulations. In addition, a reminder function is set up in the attendance system for employees to apply for overtime work, overtime payments or compensatory time off after working overtime.</li> </ul>
Discrimination and sexual harassment prevention	<ul style="list-style-type: none"> <li>The Company prohibits any sexual harassment behavior at the workplace, and relevant regulations have been specified in the employee work rules and personnel regulations. In addition, promotional education courses on the prohibition of discrimination and prevention of sexual harassment are organized irregularly. Furthermore, the channels of complaint hotline, email and facsimile are provided, and dedicated personnel are arranged to handle cases. The Sexual Harassment Complaint Handling Committee receives cases and conducts investigations in order to provide a fair and safe working environment to employees.</li> </ul>
Assist employees in maintaining physical and mental health and work-life balance	<ul style="list-style-type: none"> <li>The Company provides sponsored funds to encourage employees to participate in health activities, and employees form their own clubs to bond with colleagues through club activities. In addition to organizing year-end banquets and subsidizing employee gatherings and other activities every year to adjust employees' physiques and minds and improve cohesion, the Company has also established sports and workout equipment for employees to use apart from work.</li> </ul>

#### Foreign migrant workers participate in labor-management meetings

Sysgration is committed to valuing the human rights, rights and interests of foreign migrant workers and actively promotes their participation in relevant communication meetings. For the election of labor representatives of the new session of the labor-management meetings, the Company particularly encouraged foreign migrant workers to participate in the election. This action not only reflects the Company's respect for foreign migrant workers but also gives foreign migrant workers the opportunity to represent their benefits and speak for themselves at labor-management meetings. At the labor-management meeting in January 2024, one foreign migrant worker successfully served as one of the five labor representatives, further promoting harmonious labor-management relations. This action not only reflects the Company's emphasis on employee diversity but also provides equal opportunities for employees from different backgrounds to participate in the Company's diverse culture.

#### Strengthen the sexual harassment prevention system

To strengthen sexual harassment prevention, Sysgration reviewed and formulated relevant specifications in 2024. According to the new specifications, even if a sexual harassment incident occurs during non-working hours, requirements related to workplace sexual harassment may remain applicable. In addition, regardless of whether the victim filed a complaint, the employer is responsible for adopting preventive measures. If the perpetrator and the victim exist in a joint operation or have business relationships, the employer shall notify relevant parties and engage in joint negotiation. The employer is also responsible for reporting the incident to the competent authority for handling. When the number of employees of the Company reaches 100 or more, any investigation of sexual harassment complaints must be participated by an external professional to ensure the fairness and professionalism of the investigation. These new specifications aim to further protect the safety and dignity of employees and foster a more harmonious working environment.

## 5.4.2 Human Rights Assessment and Educational Training

In 2024, all business locations of Sysgration have completed the human rights inspection and assessment, including Taipei Headquarters, Power Tank, Nankang Plant in Taiwan, Zhenjiang Plant and Huizhou Plant in China. In addition, the Group also performs human rights-related education and training periodically in order to promote topics on the prevention of discrimination and sexual harassment, working hours management, occupational health and safety, etc. Furthermore, during the reporting to work of new employees, they are also requested to complete various human rights education and legal compliance courses. Sysgration is committed to reasonably ensuring the safety of employees and working environment, and personnel shall be treated with respect and dignity. Environmental protection is promoted for the operation along with legal compliance and ethics. In addition to the continuous promotion of education and implementation of human rights policy in daily operation, the Company has also established reasonable complaint filing channels.

In 2024, Sysgration organized human rights protection and related training courses, and the content included RBA training and human rights promotion for a total of 15 hours, with 161 persons of participation. The Company also uses email and bulletin boards to convey human rights related issues. In the future, the Company will continue to organize human rights training in order to enhance the convey of the employees' awareness of human rights commitment, anti-discrimination and anti-sexual harassment, etc.

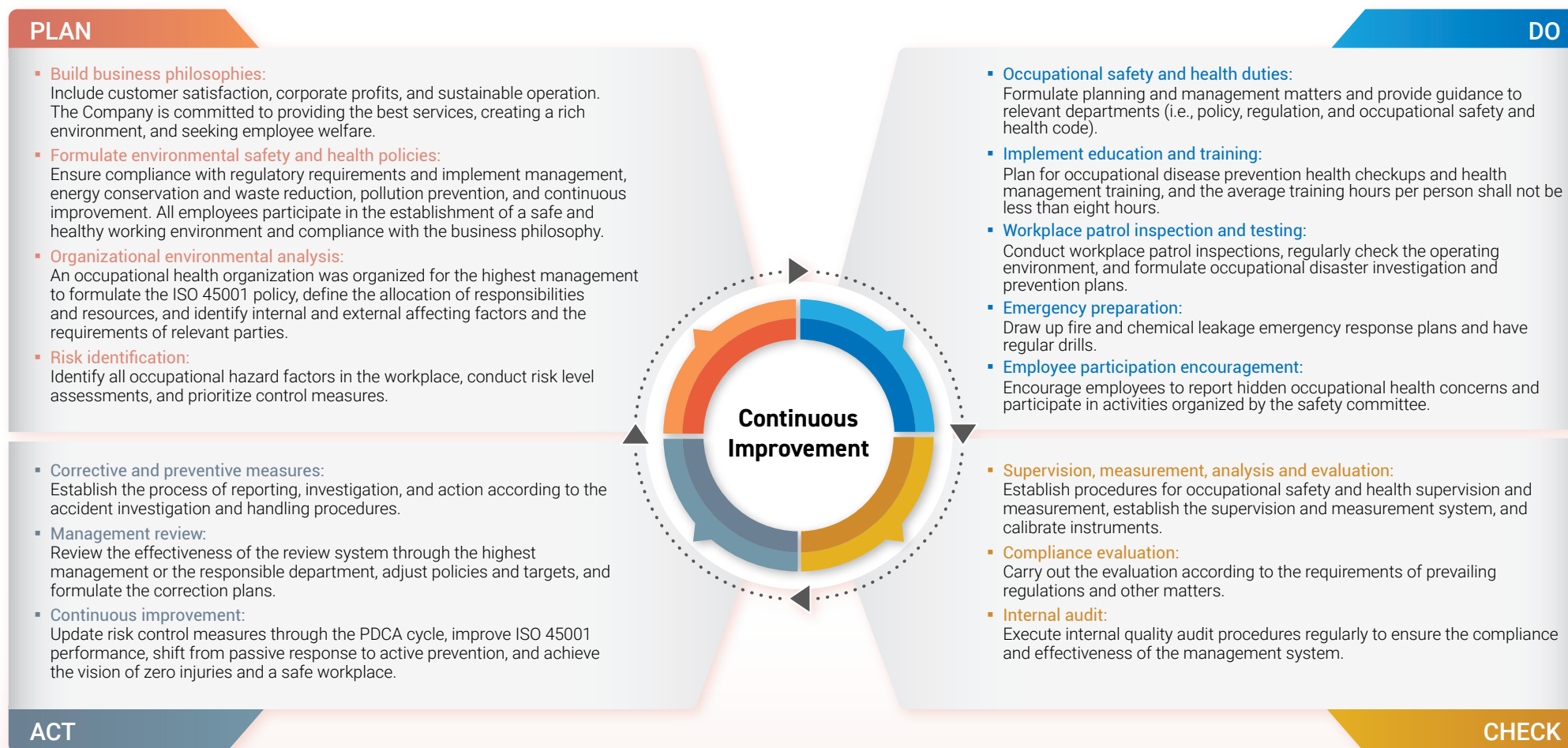


## 5.5 Occupational Health and Safety

### 5.5.1 Occupational Safety and Health Management

Providing a safe working environment to employees is Sysgration's basic commitment for all employees. We comply with the ISO45001 management system standard and follow the principle of the occupational safety and health management system P-D-C-A (Plan-Do-Check-Act), in order to establish a prevention-oriented occupational safety and health management system and to implement the occupational safety and health management works.

#### PDCA





All plant sites of Sysgration have been implemented with the ISO 45001:2018 occupational safety and health management system certification, including Nantou Nankang Plant in Taiwan, and Huizhou Plant and Zhenjiang Plant in China. Each plant appoints safety and health personnel responsible for planning and promoting occupational safety and health management programs. Through planning, implementation, evaluation, and improvement measures, as well as conducting audits, these efforts aim to achieve safety and health management objectives and enhance the level of safety and health management.

The Occupational Safety and Health Management Committee is formed by the chairperson, executive secretary, safety and health personnel, engineering technicians, department heads, labor representatives and nurses providing labor health service. In addition, a meeting is convened once quarterly to establish safety and health policy recommendations and to review, coordinate and suggest safety and health-related matters.

Sysgration has established the Safety and Health Committee at Nankang Plant in Taiwan, which has 12 members, including 4 employee representatives. The Safe Production Management Committee of Zhenjiang Plant and Huizhou Plant consists of 12 people and 22 people, respectively, and the number of employee representatives is 5 people and 13 people, in order to implement management on the safety works of the plant site.

The safety and health management structure of Sysgration is established according to ISO 45001, and internal and external audits are implemented periodically. The applicable scope of Nankang Plant includes the plant site employees of 177 people (accounting for 100% of the total number of employees of the plant), and the number of employees receiving external audit reaches 100%. The number of employees covered by the safety and health management system of Zhenjiang Plant is 71 people (accounting for 100% of the total number of employees of Zhenjiang Plant), and the number of employees receiving external audits is 100%. The number of employees covered by the safety and health management system of Huizhou Plant is 100 people (accounting for 100% of the total number of employees of Huizhou Plant), and there were 15 non-employee workers<sup>Note2</sup> (excluding employees).

Region	Taipei Head Office and Nankang Plant <sup>Note 1</sup>	Huizhou Plant	Zhenjiang Plant
Frequency	1 time/quarter	1 time/month	1 time/quarter
Duties	<ol style="list-style-type: none"> <li>1. Recommend occupational safety and health policies.</li> <li>2. Coordinate and propose occupational safety and health management plans.</li> <li>3. Review the implementation plans for safety and health education and training.</li> <li>4. Evaluate and adopt measures based on occupational environment assessment results.</li> <li>5. Review plans and implementation related to health management, occupational disease prevention, health promotion, and employee health check management.</li> <li>6. Examine various safety and health proposals.</li> <li>7. Evaluate matters related to self-inspections and safety and health audits.</li> <li>8. Review preventive measures for the hazards of machinery, equipment, or raw materials and assess safety protection, operation, maintenance, and repair manuals.</li> <li>9. Formulate the investigation, statistics, classification, and prevention measures for occupational injuries and diseases.</li> <li>10. Review safety and health management matters for contracted work.</li> <li>11. Approve the annual safety and health plan.</li> <li>12. Address other matters related to occupational safety and health management.</li> </ol>	<p><b>Safety Production Management Committee:</b> Responsible for formulating and revising the safety production system and supervising the implementation of the inspection system of each department.</p> <p><b>Each department:</b> Responsible for formulating the safety production targets and specific implementation plans for the department to ensure compliance with the requirements of the overall system.</p>	<p><b>Safety policies and regulations:</b> We implement the "safety first, prevention as major" policy, implement safety-related laws and systems, and report safety tasks to the superior.</p> <p><b>Management and supervision:</b> Comprehensive management of the Company's safety work, guidance and supervision of safe production, and the sound safety production responsibility system.</p> <p><b>Education and meetings:</b> We carry out organizational safety promotion, education, and inspection activities and convene safety meetings to analyze and grasp the safety production status.</p> <p><b>Accident handling:</b> Investigate and handle accidents, supervise accident reporting and analysis, and formulate preventive measures.</p> <p><b>Reward and punishment system:</b> We recommend commendation to those who have made contributions and punishment to those who have dereliction of duty or violation of rules.</p>
Discussion topics in 2024	<ol style="list-style-type: none"> <li>1. Formulate and provide recommendations on occupational safety and health policies and management plans.</li> <li>2. Review safety education and operating environment monitoring plans</li> <li>3. Review health management and occupational disease preventive measures</li> <li>4. Evaluate various safety and health proposals and perform audits</li> <li>5. Review hazard preventive measures for machinery, equipment and materials</li> <li>6. Analyze occupational disaster reports and management performance</li> <li>7. Review the safety matters related to the contracted business</li> <li>8. Handle other occupational safety and health management matters</li> </ol>	<ol style="list-style-type: none"> <li>1. Review and summarize safe production</li> <li>2. Risk assessment and preventive measures</li> <li>3. Training and education enhancement</li> <li>4. Equipment inspection and maintenance</li> <li>5. Culture-building and promotion activities</li> </ol>	<ol style="list-style-type: none"> <li>1. Confirm and strengthen safety management targets and responsibility allocation.</li> <li>2. Examine the implementation of the safety production plan and compliance with standards.</li> <li>3. Formulate and strengthen the safety culture and performance improvement measures.</li> <li>4. Assess and improve existing safety tasks and equipment management.</li> </ol>

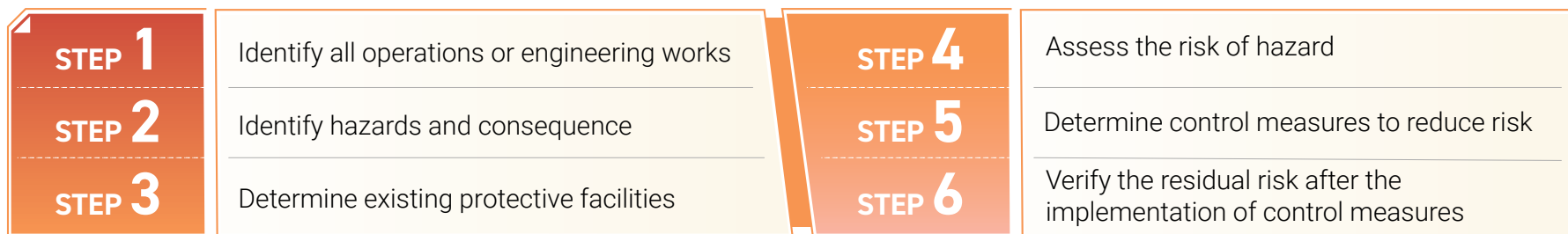
Note: 1.The Occupational Safety and Health Committee and labor-management meeting of Taipei Headquarters and Nankang Plant are jointly established by the Factory Facility Department.

2.The nature of non-employee workers is short-term dispatched workers for production lines.

## 5.5.2 Occupational Accident Prevention Management

To effectively prevent the occurrence of occupational accidents, Sysgration has established the "Hazard Identification and Risk Assessment Management Procedure". Occupational safety and health management personnel perform field inspection of the workplace of operational hazard risks for job performance irregularly, and also propose recommendations and improvement measures on the workplace hazardous factors to each unit.

### Risk Assessment Process

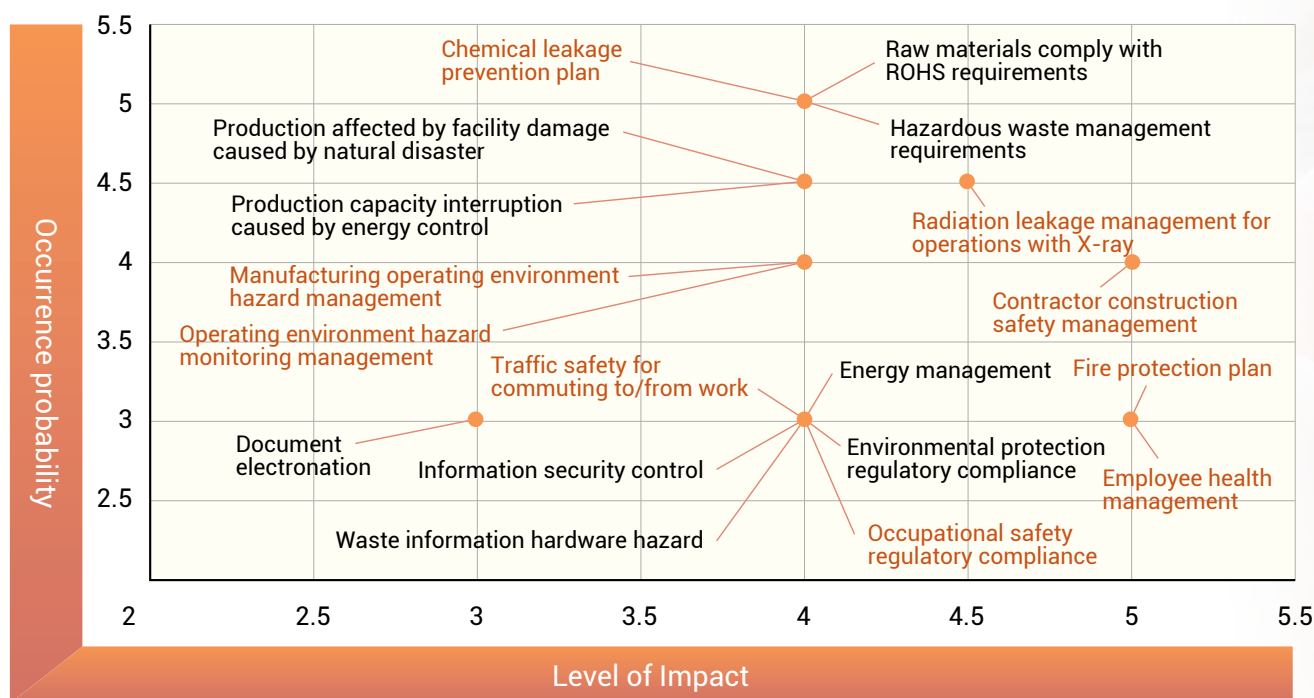


Sysgration performs safety and health hazard identification periodically, and the information on operation title, operation content, operation conditions, hazard type, and possible consequence are recorded in the "Hazard Identification Risk Assessment Form" in order to determine whether risk control is to be implemented subject to the level of severity and probability of the risk. The assessment results divide risks into acceptable and unacceptable ones. For unacceptable operations with risks, the Occupational Safety and Health Committee will propose improvement recommendations and set an improvement period, supervisors of different departments shall complete improvements within the deadline and report to occupational safety personnel. Occupational safety personnel shall promote relevant education and training, enhance existing protective measures, establish the annual risk indicators, classify the level of risks, formulate control measures, and regularly carry out inspections and follow-ups together with supervisors of different departments.

Risk level	Risk nature	Risk type	Countermeasures
5	Extremely high risk	Unacceptable risk	Review the integrity of existing protective facility immediately, and implement engineering and management improvement solutions as soon as possible, perform operation control or enhance response capability
4	High risk	Unacceptable risk	Review the integrity of existing protective facility immediately, and implement engineering and management improvement solutions before a reasonable deadline, perform operation management or enhance response capability
3	Medium to high risk	Temporary acceptable risk	Items determined according to the resolution of risk assessment meeting to be items that required improvement. The integrity of the existing protective measures is reviewed and engineering and management improve solution is performed within a reasonable deadline, and operation management or enhanced response capability are implemented
2	Medium risk	Temporary acceptable risk	Repair/maintenance, supervision/audit and education and training mechanisms requiring implementation of enhancement of existing protective measures
1	Low risk	Acceptable risk	

Sysgration performs assessment on the environment and occupational safety and health topics independent from other risk items, and 18 topics with respect to the organization's internal/external situation and concern topics of stakeholders are listed, among which the topics related to occupational safety and health include 9 items of: traffic safety for the commute to/from work, occupational regulatory compliance, fire protection plan, employee health management, manufacturing operating environment hazard management, contractor construction safety management, chemical leakage protection plan, operating environment hazard monitoring and management, and radiation leakage management for operations with X-ray. Five levels are classified according to the risk impact level and occurrence probability. Through the assessment of the integrity, effectiveness of protective measures and the frequency of field construction accident occurrence, 5 high-risk items related to occupational safety and health have been identified: radiation leakage management for operations with X-ray, contractor construction safety management, chemical leakage protection plan, manufacturing operating environment hazard management, and operating environment hazard monitoring and management.

## Environmental occupational safety risk matrix



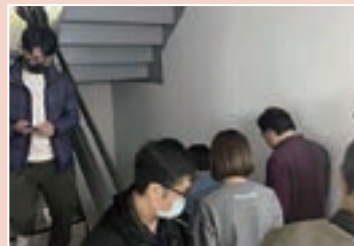
## Emergency Response and Incident Investigation Procedures

To strengthen the disaster reporting and emergency response system, and to ensure that all departments can promptly report and coordinate with relevant units in the event of occupational accidents involving machinery, equipment, personnel, or engineering work (including minor projects), Sysgration has established an Emergency Response and Incident Investigation Procedure. This procedure aims to minimize the impact of major occupational accidents and to enable the swift restoration of normal operations in the workplace.

To prevent material impacts on operations caused by emergencies, apart from daily emergency response grouping and training, the Company has established its emergency response center to grasp the status of plants at all times. The Company has established a complete emergency response plan covering the accident response preparation and plans for fire, chemical leakage, earthquakes, and floods and has implemented relevant drills for personnel to familiarize themselves with various procedures to minimize the impact on personnel and properties in emergencies. In 2024, a total of 190 hours of emergency response drills were organized, with 799 participants.



Fire Extinguisher Operations at Taipei Head Office



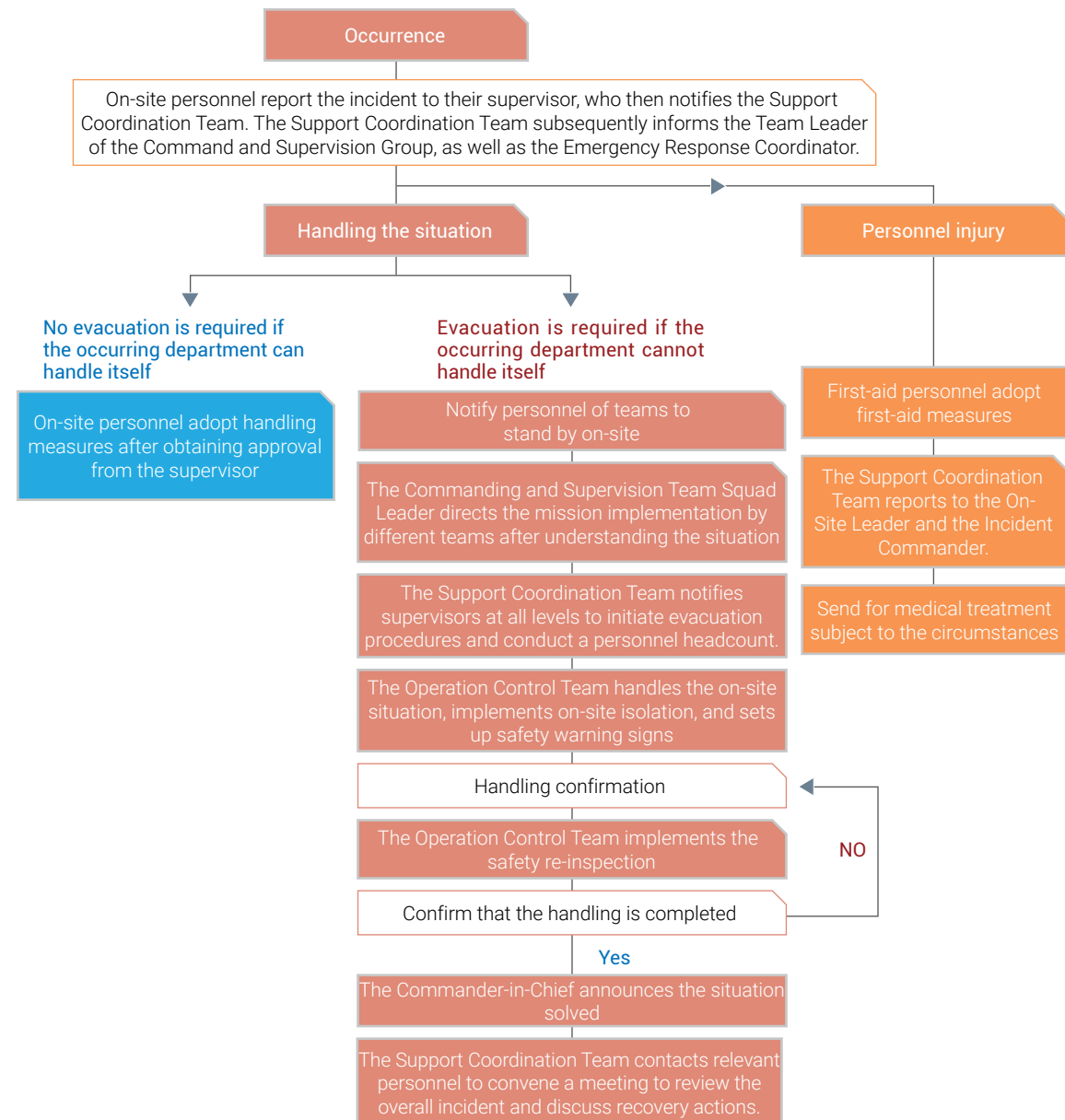
Emergency Evacuation Drills at Taipei Head Office



Zhenjiang Plant Fire Drill



Huizhou Plant Fire Drill





## Manufacturing department operating environment hazard and operating environment hazard monitoring management

The company regularly monitors the work environment and has identified laboratories, the air compressor room, and the substation area as high-risk zones due to potential exposure to environmental noise and power frequency electric fields, which may pose health risks to personnel. To mitigate these impacts, the company has installed vibration and noise reduction systems, enclosed isolation equipment, and requires workers to wear protective earmuffs. Additionally, metal shielding is installed on power distribution cabinets to prevent electromagnetic radiation leakage. Each year, the company provides health check-ups for employees who have been with the company for over a year. Contracted medical professionals are also assigned to manage employee health, prevent occupational diseases, and promote overall worker well-being.

To prevent health hazards caused by the inhalation of fumes generated during organic solvent cleaning and wiping operations, the company requires employees to wear activated carbon masks and conducts environmental monitoring within the facility to ensure that concentrations of harmful gases remain within safe exposure limits. Through proactive risk assessment, Sysgration has established an "Incident Investigation and Handling Procedure," while the Huizhou plant has implemented the "Occupational Disease Hazard Emergency Response and Management System." These procedures outline emergency response measures for incidents such as personal injury, poisoning, burns, and accidents involving special equipment, aiming to standardize response actions, prevent escalation, and reduce impact. Employees who identify hazardous conditions in the workplace are allowed to stop work or leave the area without it being considered a breach of duty.

### 2024 Occupational Injury Statistics Table

Item	Employee					Non-employee Workers
	Taipei Head Office	Nankang Plant	Huizhou Plant	Power Tank	Zhenjiang Plant	
Total number of working hours lapsed	380,120	400,302	259,975	51,232	148,248	39,360
Type of major occupational injuries	Falls, collisions, entrapments, entanglements, punctures, cuts, abrasions, electric shocks, and traffic incidents.	Noise, dust, laser, and laser	Noise, dust, laser, and laser	Falls, collisions, entrapments, entanglements, punctures, cuts, abrasions, electric shocks, and traffic incidents.	Noise and power frequency electric field	Noise
Number of general occupational injury persons-time	0	0	0	0	0	0
Number of serious occupational injury persons-time	0	0	0	0	0	0
Number of deaths	0	0	0	0	0	0
Total number of recordable occupational injuries (persons-time)	0	0	0	0	0	0
Death rate caused occupational injury	-	-	-	-	-	-
Serious occupational injury rate	-	-	-	-	-	-
Recordable occupational injury rate	-	-	-	-	-	-

Note: 1. The total number of working hours lapsed refers to the total number of working hours actually experienced by all employees and workers up to December 31, 2024.

2. General occupational injury: The number of working days lost is within 180 days.

3. Serious occupational injury: The number of working days lost is above 180 days (inclusive).

4. Death rate caused by occupational injury = Number of deaths\*1,000,000/Total number of working hours lapsed.

5. Serious occupational injury rate = Number of serious occupational injuries\*1,000,000/Total number of working hours lapsed.

6. Total number of recordable occupational injuries \*1,000,000/Total number of working hours lapsed, refers to the "Disability Injury Frequency (FR)" defined by the Ministry of Labor.

## Contractor Safety and Health Management

To protect the work safety of contractors' personnel, each business location of Sysgration implements hazard notice and supervision according to occupational safety and health laws and regulations and also requests contractors to sign the safety management agreement in order to perform stringent safety and health management. Before the contracted works enter the plant, the supervisor must hold a safety and health coordination meeting before the works start, and the labor safety personnel must explain the Company's environmental safety and health management requirements to the contractor on-site to identify the risks and environmental impacts of the construction process and to require the contractor to prepare countermeasures before the construction starts. The contractor shall provide a copy of the Qualified Inspection Certificate for Hazardous Machinery and Equipment and Qualified Training Certificate for Operators and Special Operators and sign the "Hazard Communication Form."

During the year, the Company further strengthened its safety management, equipped itself with protective equipment to carry out education, training, and promotion, improved its protective measures, formulated improvement measures, and made regular inspections. Meanwhile, the Company also focused on health management. It performed hazard prevention and classified health management interviews, maintained a 95% drug availability rate in regions, and ensured the testing results of the work environment complying with the PEL standards (100%) under regulations. In addition, the Company provides safety helmets, earplugs, insulated gloves, and insulated shoes to ensure the safety and health of the Contractor's personnel. For suppliers, the Company requests suppliers to sign the "Corporate Social Responsibility and Environmental Code of Conduct" and "Undertaking of Ethics, Environmental Protection and Social Responsibility" in order to regulate suppliers to implement occupational safety and basic labor human rights properly. Sysgration is committed to providing comprehensive occupational safety and health protection and promoting workplace safety and harmony.



The contractor, "Tai Hong Ju", is responsible for the cleaning of ice chiller hosts. In this work environment, safety measures include limiting the access of personnel to the restricted area. The response plans are education, training, and explaining the content of the "Hazard Communication Form" to personnel in detail to ensure work safety.



The contractor, "Cheng Xin Forklift", is responsible for the operation and loading/unloading by forklifts. To ensure safety, the measures taken are to prevent personnel from entering the unloading area. Relevant response plans include education, training, and explaining the content of the "Hazard Communication Form" to personnel.

## 5.5.3 Occupational Health Service

Sysgration provides routine health examination subsidies to employees annually. In 2024, a total of 552 employees participated in the examination. In addition, the Company further provides different special health examinations to employees performing special operations, including ionizing radiation, hearing, and occupational disease examination, and the total investment amount was NT\$1.78 million. The Company attaches great importance to the safety and health of employees. In cooperation with the Pojen General Hospital and the Yuan-Lin Kuo Hospital Da-Tseun Branch, the Company arranges for professional physicians to visit the Company to provide health consultation and healthcare services on a quarterly basis. The Company also organizes health education lectures regularly and shares health management knowledge and related precautions through e-mail and bulletin boards to enhance the health awareness and knowledge of employees.

In addition, Sysgration obtained the 2024 "health initiation labeled healthy workplace" certification from the Health Promotion Administration, Ministry of Health and Welfare. This demonstrates the company's commitment to promoting employee health and adopting 'Healthy Workplace' as a core operational principle. Sysgration adheres to relevant occupational safety and health regulations, supports various health resources and environments in the workplace, and aims to enhance employee health and well-being, cherish life, and propagate health. The company collaborates with employees to create a safe, healthy, energetic, and friendly work environment, fostering a healthy workplace culture and safeguarding the physical, mental, and social health of employees.

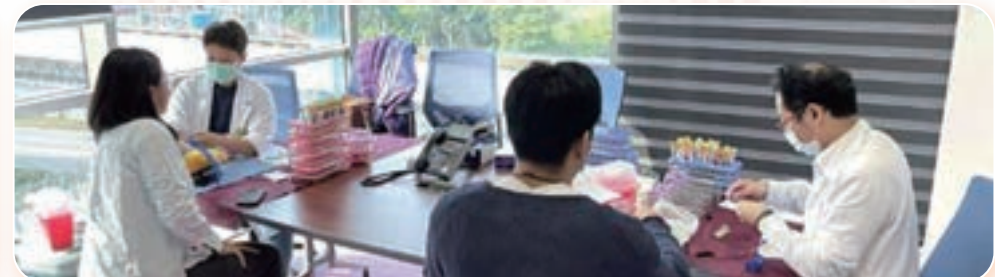
### Sysgration Health Promotion Policy:

- Regular Exercise, Youthful Weight Loss
- Balanced Diet, Disease Prevention
- No Smoking or Betel Nuts, Stay Healthy and Happy
- Energy Saving and Carbon Reduction, Care for the Planet



## General and special health examinations in 2024

Health examination ratio	General health examinations in 2024					Special health examinations in 2024		
	Taipei Head Office (Sysgration)	Nankang Plant	Taipei Company (PowerTank)	Huizhou Plant	Zhenjiang Plant	Nankang Plant	Huizhou Plant	Zhenjiang Plant
Number of people	156	175	17	92	67	6	33	6
Ratio to the total number of employees	78%	99%	52%	92%	91%	3%	33%	8%
Description of the health examination content	<b>1. Basic examination:</b> Full examination of urine/blood and blood sugar examination <b>2. Functional examination:</b> Liver function, kidney function, thyroid indicator examinations <b>3. Cardiovascular:</b> Assessment of cardiovascular diseases <b>4. Ultrasound examination:</b> Abdominal, thyroid, gynecology/prostate ultrasound examinations  <b>Tumor screening:</b> CEA, CYFRA21-1, CA199, PSA, CA-125 (or CA-126)		<b>1. Basic and functional examinations:</b> Clinical physical examination, routine blood (five categories), liver function, kidney function, blood sugar <b>2. Other functional examinations:</b> Qualitative measurement of AFP and qualitative measurement of CEA <b>3. Cardiovascular and image examination:</b> ECG, digital radiography of chest (upright position) <b>4. Ultrasound examination:</b> Liver, gall bladder, spleen, pancreas, kidneys, ureter, bladder, prostate (male) or uterus (female)		<b>1. Basic examination:</b> Routine blood and routine urine examinations <b>2. Functional examination:</b> Liver function, kidney function, four blood lipids items, prostate indicator examination <b>3. Cardiovascular and image exams:</b> ECG, color ultrasound examination of liver, gall bladder, spleen, pancreas, and thyroid, and full chest image examinations <b>4. Gender-specific examination:</b> Color ultrasound examination for the urinary system, prostate (male) or gynecology or thinprep cytologic test (TCT) and HPV (female)	<b>1. Medical history survey:</b> Work experience, self-conscience symptoms, and past medical history survey <b>2. Main physical examination:</b> Head, neck, eyes (including cataract), skin, heart, lungs, prostate, nerve, and digestive and urinary systems <b>3. Mental state examination</b> <b>4. Image and functional examination:</b> X-ray of chest, lung function, thyroid function (Free T4 and TSH) <b>5. Basic laboratory test:</b> Routine blood examinations (RBC and WRC) and urine examination (proteinuria, glucosuria, and urine sediment)	<b>1. Occupational health examination:</b> Health status monitoring of occupational hazards (i.e., noise, dust, laser, and laser) <b>2. Basic examination for the prevention of occupational diseases</b>	<b>1. Basic medical examination:</b> Internal medicine/surgery, ophthalmology, otolaryngology <b>2. Routine inspection:</b> Routine blood, routine urine, liver function, ECG <b>3. Hearing test:</b> Auditory test <b>4. Image examination:</b> Ultrasound examinations of liver, gall bladder, spleen, and pancreas
Total amount of subsidies	NT\$1,782,862							



Employee health examinations

Sysgration formulated a preventive plan for ergonomic hazards based on the "Occupational Safety and Health Act." The plan focuses on administrative personnel in offices, employees of plants, drivers, and other groups for musculoskeletal symptom surveys and provides health management recommendations. The Company's plan also includes the improvement and tracking of human factor engineering to prevent employees from suffering from work-related musculoskeletal injuries or diseases due to long-term work in an undesirable working environment. In 2024, three employees have reported having or are suspected to have musculoskeletal issues. Sysgration has selected to use the KIM checklist to perform assessments, and the implementation record is also preserved. The health management measures for occupational musculoskeletal injuries or diseases for repetitive actions or physical labor works.

## Identification of health hazards for specific groups and suitable work arrangement strategy

Based on the age, gender, health examinations, and other information of employees, the Company discovers potential etiological agents that harm health early, carries out classified evaluation and trend analysis for the annual health examination results, compares the prevalence (anomaly ratio of health examinations), annual trends, and group (gender and age) trends, selects items that require improvement, and arranges the sequence based on the urgency for such improvements. For urgent matters, we have formulated intervention plans, provided appropriate health education, and arranged for the employees to go to medical institutions for re-examination according to individual requirements in order to provide follow-up care and comprehensive health care. We are committed to enhancing workers' cognition and awareness of their physical and mental health and establishing the concept of a healthy work environment to enhance their health awareness level, jointly create a healthy workplace, and establish a healthy and supportive work environment.

1

### Maternity Health Protection

To protect the reproductive health of female employees and the health of pregnant employees and their infants up to one year post-delivery, necessary safety and health measures are planned and implemented. These include hazard assessment and control, medical consultations, risk classification management, appropriate job arrangements, and other relevant measures.

#### Health hazard identification:

- Target assessment: There were a total of 64 female workers, of which 47 were in the child-bearing period, and 2 were currently pregnant.

#### Hazard identification:

- 0 physical, chemical, biological, or ergonomic hazards.

#### Risk level:

- For level 1, workplace hazard assessment is performed annually.

#### Work arrangement and adjustment:

- Work assignments are adjusted on a case-by-case basis, and if necessary, shift changes are made (e.g., transferring to day shifts) to prevent lone working and ensure safety.

#### Health service strategy:

- 100% of the employees have completed the interviews and consultations with physicians or nursing practitioners.
- Regular care and health education (i.e., regular pregnancy check-ups).

2

### Prevention of Disease Triggered by Abnormal Workload

Cardiovascular and cerebrovascular diseases have long been a leading cause of death in the country. To prevent employees from developing these diseases due to excessive work fatigue, shift work, night work, prolonged working hours, and other abnormal workloads, a prevention plan for work-induced diseases has been established. Relevant safety, health, and management measures are implemented to prevent overwork and stress, thereby maintaining employees' physical and mental health.

The occupational safety and health nurse compiles health check data and uses the "Framingham Risk Score," as published by the Taiwanese Society of Cardiology. This score estimates the probability of developing cardiovascular disease in the next ten years based on six key indicators: age, cholesterol, high-density lipoprotein, blood pressure, diabetes, and smoking. According to the "WHO Cardiovascular Disease Risk Chart," the risk levels are classified. For employees identified as high-risk or at risk, measures are taken to prevent the triggering of cardiovascular and cerebrovascular diseases due to excessive work. Medical consultations and health guidance are arranged according to the risk assessment level.

#### Health hazard identification:

- Health classification: Levels 3 to 4 <sup>Note</sup>
- Risk of CVD for 10 years: Over 10% with high risks of diseases due to abnormal work load.

#### Work arrangement and adjustment:

- Provide suitable break time and space and make adjustments according to individual cases.

#### Health service strategy:

- 92% of the employees have completed the interviews and consultation, and 11 employees under medium risk were advised to have an interview.
- Regular care and health education.

3

### Prevention of Human Factor Hazards

The main job types for our employees can be classified into three categories:

- Office Administrative Work
- Factory Workers
- Drivers

Through annual employee health checkups, a questionnaire is conducted, and the occupational safety and health nurse completes statistical surveys on employee musculoskeletal injuries. Workers whose pain levels may affect their work undergo interviews, and educational sessions on musculoskeletal hazard prevention are provided. Based on the occupational physician's interview results, employees are classified into four management levels: diagnosed with diseases, at risk, suspected risk, and no risk, to ensure the health and safety of workers potentially affected by hazards.

#### Health hazard identification:

- Questionnaire survey: A total of three people with a score of 3 or higher for any of the symptoms.

#### Work arrangement and adjustment:

- 100% of the employees have completed the interviews and consultation, and adjustments are made based on individual cases.

#### Health service strategy:

- We provide ergonomic health education videos, including hot compress, massage, stretching exercises, work posture adjustment, and advice to go to the hospital.
- Subsequently, we will continue to provide care.

Note: Based on the employee health classification table of Sysgration



# 1

## Level management

**Health service measures:**

Provide evaluation, advice, or consultation services in writing or through remote communication. We encourage employees to take self-healthcare actions and provide healthcare once every three years. We also follow up on the management status and arrange interviews and health guidance with physicians.

**Ergonomics assessment:** No pain or soreness (0)

**Personal-related overwork score:** < 50 (minor)

**Work-related overwork score:** < 45 (minor)

**Monthly overtime work hours:** 0-20 hours

**Risk of cardiovascular diseases:** < 10%

# 2

## Level management

**Health service measures:**

Provide evaluation, advice, or consultation services in writing or through remote communication. We encourage employees to take self-healthcare actions and provide healthcare once every two years. We also follow up on the management status and arrange interviews and health guidance with physicians.

**Ergonomics assessment:** Pain or soreness from time to time (1-2)

**Personal-related overwork score:** < 50 (minor)

**Work-related overwork score:** < 45 (minor)

**Monthly overtime work hours:** 20-44 hours

**Risk of cardiovascular diseases:** 10-20%

# 3

## Level management

**Health service measures:**

Provide evaluation, advice, or consultation services in writing or through remote communication. We encourage employees to seek medical advice within six months as soon as possible and provide healthcare once every six months to one year. We also follow up on the management status and arrange interviews and health guidance with physicians.

**Ergonomics assessment:** Pain or soreness can be ignored (3)

**Personal-related overwork score:** 50-70 (medium)

**Work-related overwork score:** 45-60 (medium)

**Monthly overtime work hours:** 45-80 hours

**Risk of cardiovascular diseases:** 20-30%

# 4

## Level management

**Health service measures:**

Provide evaluation, advice, or consultation services in writing or through remote communication. We encourage employees to seek medical advice within three months as soon as possible and provide healthcare once every six months to one year. We also follow up on the management status and arrange interviews and health guidance with physicians.

**Ergonomics assessment:** Pain or soreness affects work (4-5)

**Personal-related overwork score:** >70 (severe)

**Work-related overwork score:** > 60 (severe)

**Monthly overtime work hours:** >80 hours

**Risk of cardiovascular diseases:** >30%

## Measures for preventing and reducing occupational safety and health hazards



Bulletin Board, Warning Sign

Publication of relevant knowledge on bulletin board



Routine Inspection

Equipment inspection, and inspection of facility site with safety concern once monthly



Safety Meeting

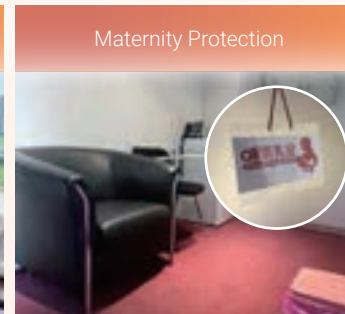
1. Safety Learning
2. For improvements arranged for safety concerned items, progress follow-up is performed, and the improvement status of the responsible unit is verified

## Health promotion service and active care plan



Physician and Nurse Field Service

According to Article 3 of the Regulations of the Labor Health Protection, we employ nursery practitioners who are for labor health services and contract with specialists who engage in labor health services to provide labor health services.



Maternity Protection

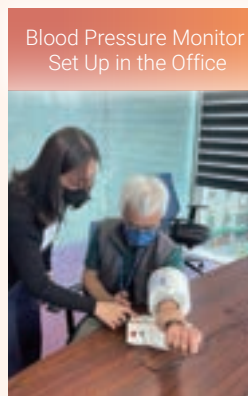
A breastfeeding room is installed, and female employees under pregnancy and employees providing breastfeeding are arranged to have interviews with the field nurse.



SHE Safety, Health, and Environmental Bulletin

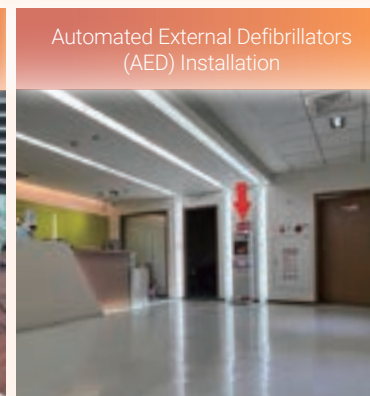
The Company provides information on occupational safety and health to employees to allow them to learn and establish the correct safety concepts and information and provides employees with health-related tips.

We arrange corresponding publicity based on climate, season, and events, and we conduct publicity based on actual cases to achieve the effect of alert.



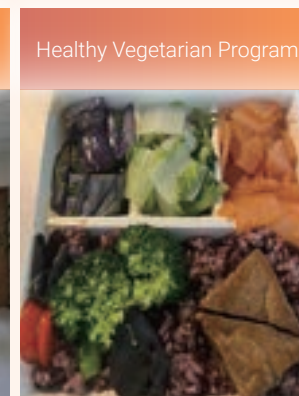
Blood Pressure Monitor Set Up in the Office

Sphygmomanometers are available for employees to take care of their physical health after work and have their blood pressure and pulse measured.



Automated External Defibrillators (AED) Installation

The Company has AED in places, organizes basic first-aid teaching courses to grasp the time waiting for help to carry out emergency disposals so as to effectively rescue patients, grasp the initial timing to make disposals upon the occurrence of accidents for the improvement in the survival rate, and, in turn, prevent unfortunate events.



Healthy Vegetarian Program

Allow employees to eat healthily and nutritionally and have vegetarian meals to reduce carbon for environmental protection.



Traditional Meridian Massage for Health and Wellness

Invite professionals to hold health lectures for employees to enhance their health education knowledge.

## 5.5.4 Occupational Safety and Health Training and Management

In addition to conducting annual ISO 45001 audits, routine safety and health inspections, and communicating occupational safety and health (OSH) matters through emails and bulletin boards, Sysgration provided a total of 485 hours of OSH-related training in 2024. These training sessions were attended by a total of 2,030 participants across the group.

### Occupational safety and health related education and training courses

#### 1. Basic safety and health education and training

- New employee safety and health education and training
- New employee general occupational safety and health education and training
- Foreign migrant worker general occupational safety and health education and training

#### 2. First aid and medical responses

- CPR + AED first-aid education and training
- First aider training

#### 3. Fire and emergency drills

- Fire Prevention Security Education and Training
- Fire evacuation drills
- Fire Safety and Response Team Exercises
- Fire safety drills for all employees
- Entry training for fire safety manager

#### 4. Special operations and equipment safety

- Safety protection and management of machinery and equipment
- Hazard prevention for elevated work
- Chemical and environmental safety management

#### 5. Management systems and audits

- Promotion of TOSHMS
- ISO 14001 & ISO 45001 management system training

#### 6. Occupational health and mental support

- Occupational disease prevention education and training
- Occupational disease management system training
- Psychological reinforcement for occupational disasters

In 2024, Sysgration conducted a preference survey on occupational safety and health (OSH) training through questionnaires and inquiry to better understand employees' interests and feedback regarding course offerings. The results showed that Fire Safety Manager training was held twice, with a 100% satisfaction rate and all participants successfully obtaining certification. Additionally, Level A of Occupational Safety and Health Affair managers and Oxygen Deficiency Operation managers trainings were each conducted once, both achieving a 100% satisfaction rate, with all participants also earning their respective certifications.

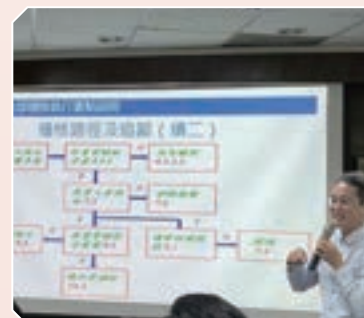
Department	Training topic preference	Number of training sessions participated	Training satisfaction rate (%)	Learning effectiveness evaluation
Logistics Department	Fire safety manager training	2	100%	Obtained certificates
Logistics Department	Level A of Occupational Safety and Health Affair managers training	1	100%	Obtained certificates
Management Department	Oxygen deficiency operation manager training	1	100%	Obtained certificates



Taipei Head Office - CPR + AED first-aid education and training



Huizhou Plant Safety Promotion Meeting



Taipei Head Office (External Training) - Promotion of TOSHMS



Routine Occupational Safety and Health Promotion and On-Site Inspection at the Huizhou Plant



Health lecture - Potential Musculoskeletal Disorders and Prevention



Health Seminar: Healthy Weight Loss



# Chapter 6

## Social Co-prosperity

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6.1 Training and Development

6.2 Care and Relief

6.3 Environmental Sustainability





# Sustainable Performance Highlights and Corresponding SDG

## SUSTAINABLE DEVELOPMENT GOALS



### Health and Welfare

- Sysgration continues to care for the physical and mental health of the community and disadvantaged groups, as well as providing emergency assistance. In 2024, a total of **NT\$ 0.42 million** has been invested.

### Quality Education

- Continue to carry out industry-academia collaboration with the National Taiwan University and the National Taiwan University of Science and Technology to jointly develop green energy products and technologies to expand social influence.

### Partnerships for the Goals

- Social participation includes training and development, care and relief, and environmental sustainability, and we invested **NT\$2.52 million** in 2024.
- Sysgration participated in the "Digital Community-Based Primary Healthcare for Healthy Aging and Social Inclusion" with the Digital Humanitarian Association and utilized the SROI approach to carry out the evaluation of relevant benefits. It is shown that an investment of NT\$1 can create a social value of **NT\$10.23**.

# Management Approach of Material Topic / Social Participation

## Goals

### Short and Medium Term (2025-2026)

- Growth in the participation in/organization/number of participations/invested resources of public welfare events each year by 1 -2%.

### Long-term (2027-2030)

- Growth in the participation in/organization/number of participations/invested resources of public welfare events each year by 2 -3%.
- Continue to encourage employees to actively participate in public welfare activities.

## GRI Indicators

GRI 3-3, GRI 413-1, GRI 413-2

## Responsible Unit

ESG - Social Care Team

## Description of Impact

### Description of Positive Impacts:

The Company takes the lead and continues to engage in social participation, community care, and other charitable and public welfare events. Apart from enhancing the Company's image, we hope to further inspire enterprises within the industry to join such charitable causes, forming a positive cycle.

### Description of Negative Impacts:

If the Company fails to engage in social participation, community care and other charitable and public welfare events to the best of its ability, local communities and disadvantaged groups will not receive sufficient resources for life and development, resulting in information, knowledge, and skill gaps, which may be not favorable to the growth and co-prosperity of society as a whole.

## Policies and Commitments

- Continue to reduce students' burden through industry-academia collaboration and scholarship sponsorship and cultivate sports/medical development.
- Provide underprivileged groups with the necessary care and assistance to help them develop independently.
- Give back to society in a way that integrates with environmental sustainability.

## Action Plans

### Positive Impact Management:

- We implement various social participation projects with the three major themes of "training and development," "care and relief," and "environmental sustainability" to promote the values of Sysgration: Integrity, Passion, Commitment, and Innovation.
- Training and development: Carry out industry-academia collaboration, sports promotion, medical development, and sponsorship of tuition and miscellaneous fees.
- Environmental sustainability: Promote actions that contribute to environmental sustainability, energy conservation, and carbon reduction.
- Care and relief: Sysgration supports the well-being of communities and vulnerable groups by providing care, emergency assistance, and long-term support. The Company focuses on the Wanfong Cultural Health Station in Ren'ai Township, Nantou County, which receives ongoing sponsorship and follow-up. In collaboration with the Digital Humanitarian Association, Sysgration provides remote courses for senior residents, including health education, physical and mental wellness programs, and consultation services. Annual health progress is tracked, along with occasional donations of essential supplies. In the future, the initiative will also include professional training resources for local caregivers, helping to build self-sufficient care capabilities within the community.

## Grievance mechanism

social-caring@sysgration.com

## Effectiveness Assessment

Engage in evaluations and follow-ups based on the indicators for the direct or indirect resources invested in the three major themes of training and development, care and relief, and environmental sustainability:

1. The number of activities.
  2. The proportion of resources invested in the three major themes.
  3. The type of resources invested.
- The Social Care Team shall regularly track the implementation progress.
- Number of events on the three major themes in 2024: 25 sessions.
    - (1) Training and development (52%): 13 sessions
    - (2) Care and relief (32%): 8 sessions
    - (3) Environmental sustainability (16%): 4 sessions
  - Resources invested in the three major themes/proportions in 2024
    - (1) Training and development (69.7%): NT\$1,757,614 (80.5% of which is industry-academia collaborations with a total amount of NT\$1,414,198)
    - (2) Care and relief (16.8%): NT\$422,794
    - (3) Environmental sustainability (13.5%): NT\$340,614
  - Type of resources invested in 2024: NT\$2,521,022
    - (1) Cash donation/sponsorship (62.8%): NT\$1,583,572
    - (2) In-kind donation (15.5%): NT\$389,989
    - (3) Cost of Activity Investment (21.7%): NT\$547,461

Sysgration is committed to achieving the sustainable vision of shared prosperity by continuously supporting social welfare and actively participating in various community initiatives. The company seeks to mobilize both internal and external resources to create positive impact to the society and create a win-win solution. During 2024, our social participation focused on the three core fields: training and development, care and relief, and environmental sustainability. We hope to empower diverse communities with vitality and opportunity through the support of children's development, cancer treatment research, and sports promotion. At the same time, through the collaboration between industry and academia, we promote knowledge sharing and enhance innovation. We also pay attention to the health and well-being of communities and underprivileged groups and promote environmental protection actions with energy conservation and carbon reduction effects. In 2024, we invested approximately NT\$2.52 million in resources<sup>Note</sup> in the hope of bringing more positive changes and influence on society.

#### Training and development

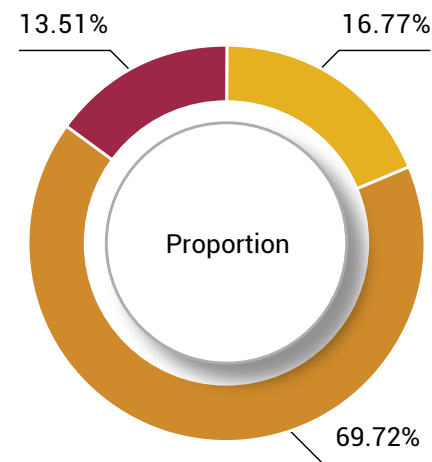
Industry-academia collaboration, knowledge sharing, children's development, cancer treatment research, sports promotion and athlete training.

#### Care and relief

Care for communities and the physical and mental health of disadvantaged groups and provide emergency relief.

#### Environmental sustainability

Actions that contribute to environmental sustainability, energy conservation, and carbon reduction.



Resources invested<sup>Note</sup> (unit: NT\$)

Training and development	1,757,614
Care and relief	422,794
Environmental sustainability	340,614
<b>Total</b>	<b>2,521,022</b>

Note: Resources invested include cash donations/sponsorships, donations in kinds, and costs invested in activities.

## 6.1 Training and Development

### Industry-academia Collaborations

Since 2019, Sysgration has been committed to deepening industry-academia collaboration and has worked with many well-known schools and research institutions to promote technological innovation and practical applications together. For example, we offered the mentorship intern program to cultivate international talents and provide precious learning opportunities and direct exposure with the industry to students. At the same time, we continued to invest in the R&D, education and promotion of smart technological and donated advanced technological equipment in multiple cooperation projects to improve technology R&D and learning efficiency. Our cooperation not only focused on technological advancement but also on training of future industry talent of industry leaders, working toward achieving a mutually beneficial vision of industry-academia cooperation.

Schools	R&D achievements/content of industry-academia collaboration	Benefit from the events	Future planning
National Taiwan University	<p>The International Mentorship Program is a unique mentorship internship program designed to attract international talent to stay in Taiwan. The program is organized by the Office of International Affairs, NTU, and several organizations are invited to provide summer internship opportunities. Senior managers are invited to guide international students, help them integrate theory and practice during their internships, and explore their future careers. Sysgration is honored to participate in this program, with the GM, Dr. Hsieh, Tung-Fu, as the mentor, and provides two internship opportunities, hoping that international talent can gain a deep understanding of Taiwan and to contribute to the sustainable development goals through Sysgration's business model and core values.</p> <p>Sysgration donated two sets of RealWear head-mounted device to NTU in order to support the research and system integration of AI plus AR application technology. This measure not only gives students the opportunity to learn about the latest technology to enhance their learning performance but also promotes a win-win situation for industry technology R&amp;D and academic talent training.</p>	<ol style="list-style-type: none"> <li>Besides allowing international students to combine practice and theory during the internship process, they can also explore their career development and understand how to contribute to sustainable development goals through the core values and business model of Sysgration.</li> <li>Enhance the Company's exposure and collect outstanding students' CVs. <ul style="list-style-type: none"> <li>194 resumes: 19 foreigners and 175 locals.</li> <li>Most of them are students in science and engineering-related fields, and they are very interested in product technology.</li> <li>Seven foreign students were invited to take part in the International Mentorship Program.</li> <li>In April 2024, five students with intentions were interviewed.</li> </ul> </li> </ol> <p>Prof. Hung, Kuo-Yung, Dean of the Department of Engineering, NTU, received the equipment donated by Sysgration and presented a certificate of appreciation to express sincere gratitude for the donation. We hope to set an example for the public to pay attention to and participate in industry-academia collaboration and SDGs. We also hope to jointly promote in-depth discussions of relevant issues, facilitate the close connection between the academic and industrial sectors, encourage more enterprises to invest resources, and actively participate in technology R&amp;D and talent development.</p>	<p>Continue to invite international students to have internships at and join Sysgration through the talent expositions of colleges and universities or other channels, allow international talents to learn more about Taiwan, and expand the international viewpoint of employees of the Company.</p> <p>The donation of Sysgration will become an important link between AI and AR technology research for the Department of Mechanical Engineering, NTU. In the future, we plan to continue to expand cooperation with the industry and achieve technology transfer and deepened application to promote the commencement of more innovative projects.</p>
National Taiwan University of Science and Technology	<p>The industry-academia collaboration of the smart tire load alteration detection algorithm detects the changes in weight through the data of the tire detector.</p>	<p>The application of AI and machine learning technology will greatly improve the development level of tire monitoring systems (TMS) in the future. Bluetooth technology is used for vehicle testing, which can not only collect and analyze a large amount of data in real time but also create corresponding Big Data storage, processing programs, and databases for data processing. In addition, we developed a technology that can convert AI models into the C Language to further improve the application flexibility and efficiency of the system. National Taiwan University of Science and Technology provided 2 graduate students and 4 university project students to conduct a project on Bluetooth technology learning, knowledge accumulation of TPMS, and future research directions for the graduation thesis. One university project student was successfully admitted to graduate school due to the project, demonstrating the success and positive influence of industry-academia collaboration.</p>	<p>In the future, we plan to develop advanced algorithms for tire pressure detectors to improve detection precision and response speed, thereby enhancing the performance of the overall system. Specifically, it is possible to improve the existing detection algorithms through continuous data collection and analysis to enhance their adaptability to different environments and conditions.</p>



Schools	R&D achievements/content of industry-academia collaboration	Benefit from the events	Future planning
Chung Yuan Christian University	<p>GM Hsieh, Tung-Fu was invited to give special guest lecture by participating in the seminar organized by the Department of Industrial and Systems Engineering at Chung Yuan Christian University. The primary reason behind this talk was his desire to give back to society by sharing his valuable experiences with the students to help them avoid wrong choices in the workplace and to encourage them to showcase themselves in society and contribute their strengths early. The theme of the speech was "Preparing for Life in the Industry" aimed to provide students with practical guidance and help them fully understand the needs and challenges of the workplace in the future.</p> <p>Sysgration donated a pair of RealWear head-mounted device with a market price of NT\$100,000 to Chung Yuan Christian University. The donation not only deepens the cooperation between industry and academia but also combines the creativity and resources of the academic sector to cultivate the talent needed by the industry in advance. In addition, through the practical opportunity, students can seamlessly connect to the job market during the learning process and have sufficient preparation to meet the challenges in the future.</p>	<p>Approximately 50 students participated in the event, and the atmosphere was full of excitement. Through personal experience shared by professionals with many industry experience, students are allowed to have the idea of the workplace mindset and develop or improve relevant skills in a planned manner. This process will effectively simplify the adaptation period after students entering society and enhance their confidence and employment ability. In addition, this speech also served as a bridge between employers and future talent, enabling companies to identify suitable candidates more efficiently. It allowed outstanding students to showcase their strengths early on, helping them contribute to the workplace and create value for businesses in the shortest possible time.</p> <p>Approximately 50 students and relevant personnel participated in the event. In the exchange, students not only received first-hand information about the industry sector but also had the opportunity to interact with professionals, facilitating the integration of learning and practices. We hope that these activities of mutual assistance and support can inspire more sparks of innovation and inject new energy into the AI and the head-mounted device industry. The event realized the prospect of "Jointly Creation of Future through Industry-Academia Collaboration" and allowed students to gain precious experience and skills to lay a solid foundation for their careers.</p>	<p>To continue to support the growth and development of students, we plan to regularly organize seminars and workshops from time to time each year and invite experts in the industry sector to share the latest industry trends and workplace skills to help with the professional training and practical experience of students. By doing so, we hope to continue to cultivate outstanding talents and actively exert our influence on the entire society.</p> <p>In the future, Chung Yuan Christian University plans to offer AI software and promote it to potential clients and industry partners through the use of RealWear head-mounted device. We hope to promote and apply such technologies in commercial scenarios through further cooperation and R&amp;D to promote the progress and innovations of the overall industry. Meanwhile, this will help the student further deepen their understanding of technology practices and create more opportunities for their professional development. Through such efforts, we hope to continue to promote the positive cycle of industry-academia collaborations, facilitate the comprehensive growth of students and the innovative development of the enterprise, and work together to move towards a better future.</p>
Sanmin Junior High School	<p>The industry-academia collaboration with Sanmin Junior High School was sponsored by Sysgration in the amount of NT\$30,000, mainly to support the following two programs:</p> <p><b>Fellowships and badminton training:</b> During the cooperation period, we provided fellowships to disadvantaged students and provided fees for badminton advancement training to help students who were facing economic difficulties overcome their learning and living challenges.</p> <p><b>Education and speech courses:</b> Sysgration provided students with high-quality education and speech courses for future industrial trends so that students can better understand the industry dynamics and workplace requirements.</p>	<p>Through the industry-academia collaboration, the benefits brought to Sanmin Junior High School can be evaluated based on the following five aspects:</p> <p><b>Fellowships to support students from disadvantaged families:</b> We provide economic assistance to let more students from disadvantaged families continue to receive education, reduce the risk of dropping out, and realize their potential.</p> <p><b>Badminton advancement training:</b> Enhance students' physical skills, boost their confidence and teamwork, and create a healthy environment for physical and mental development for students.</p> <p><b>Quality education and speech courses:</b> By understanding the market demand and future industry trends, we can enhance students' professional foresight and competitiveness to allow them to occupy a place in the future workplace.</p> <p><b>Integration of industry practice and theory:</b> Students can learn about the actual industry knowledge and combine theory and practice to improve the effectiveness and application of learning.</p> <p><b>Enhance students' employment competitiveness:</b> Through these courses and training, students can develop stronger practical skills and innovation capabilities, thereby enhancing their competitive advantage in the employment market.</p>	<p>In the future, we plan to continue the industry-academia collaborations with Sanmin Junior High School to further support the school's development needs through continuous sponsorships and educational activities. We will continue to evaluate the effectiveness of our cooperation to ensure that the resources provided can effectively satisfy the requirements of students and facilitate their comprehensive growth. Meanwhile, we hope to improve the connection between the industry and academia sectors through such cooperation to jointly cultivate excellent talents who fulfill the market requirements in the future.</p>

Schools	R&D achievements/content of industry-academia collaboration	Benefit from the events	Future planning
Sanmin Junior High School	Mr. Tony Wang, Senior Manager of Sysgration, was invited to give a speech at the event. The theme of the speech focused on the "Introduce the Metaverse of Smart Glasses and the Application of AI" to help students gain an in-depth understanding of how such advanced technologies affect lifestyles and work methods in the future. Through the real cases and rich contents, Tony will lead the students to explore the role of smart glasses in the metaverse and how AI technology can show its value in various fields.	A total of 30 students participated in the event, and the speech length was 1 hour; the teachers and students showed warm feedback. Students said that the speech enriched their knowledge and gave them a deeper understanding of the concepts of metaverse and AI. They discussed the application of smart glasses in daily life and how future technologies may change their learning and lifestyles. In general, the event motivated students' interest in technology and their enthusiasm for exploring new knowledge.	Looking ahead, we plan to organize the second speech in June 2025 to continue to promote technology education and improve the technical literacy of students. In the future, we will invite more professionals to have in-depth discussions of the latest technology trends and how these advances will affect different industries. We hope to continue cultivating students' interests through such activities and lay a solid foundation for their learning and occupational development in the future.
SUN YAT-SEN UNIVERSITY- Huizhou Research Institute	The industry-academia research activities conducted at SYSU-Huizhou Research Institute focused on the research and development of special adhesives. The Institute has extensive professional knowledge and experience in the field of adhesives and is committed to promoting the innovation and application of new materials. During this event, we especially sought to solve the problem of strong odor after mixing AB glue and introduced the benefits of promoting green plant certification and the government bonuses it brought. Through these discussions and sharing, participants will be able to gain a deeper understanding of how to reduce environmental impact in the production process and thereby enhance the market competitiveness of products.	At present, no significant results have been achieved in this event; however, we will continue to track and follow up on the relevant research progress. We expect to find practical solutions through continuous efforts to improve the odor problem of AB glue after mixing. Meanwhile, this will also lead the industry sector to gain a further understanding of the importance of green production and facilitate the popularity of sustainable development concepts in the industry.	For future development planning, we will focus on finding technologies and methods that can effectively solve the odor problem of AB glue so that the products can be recommended to the market after it passes the effectiveness test and adjustment. We hope to achieve technological innovation in the field of adhesives to promote the sustainable progress of the industry and provide practical and feasible solutions for relevant enterprises.
Nanchang University	Nanchang University adopted the "research and development of tire pressure monitoring devices and crucial tire technologies" as the theme for the event. The main reason for the cooperation was to increase the advantages of enterprises in the course of hi-tech recognition to serve as a part of effectively solving the R&D bottleneck of tire pressure monitoring devices and tire technologies. The cooperation aims to concentrate professional knowledge and technical capabilities to promote the innovation and development of the industry and improve product performance and market competitiveness.	At present, the research and development plan for tire pressure monitoring devices and crucial tire technologies has entered the verification experiment stage, and achievement conversion has not yet been realized. Although there is no significant outcome at this stage, we will continue to follow up and evaluate the progress of the experiment in the hope of transforming it into practical applications in the future. The event has strengthened the rapport among the relevant teams in terms of technical exchange and cooperation, which will help to promote future cooperation.	Looking into 2025, we plan to launch industry-academia-research collaboration activities in the field of tire pressure monitoring with Huizhou University. This collaboration will focus on the breakthroughs in the development of tire pressure monitoring technology and its effectiveness in practical application. In the future, we hope to establish a comprehensive, collaborative platform to promote technology research and personnel training to introduce new energy to the development of the field and continue to promote the innovation and progress of the industry.

## NTU International Mentorship Program



Donated 2 sets of RealWear head-mounted device to the Department of Mechanical Engineering, National Taiwan University

## The interview with Luisa



**Internship period:** An internship from June to August 2024

**Name of the intern:** Luisa

To me, the International Mentorship Program was a very precious learning experience that allowed me to gain a deeper understanding of the workplace culture in Taiwan, especially in the EMS industry. During the internship, I joined the ESG team to participate in the work related to the sustainability report and GHG inventory, which allowed me to have a more comprehensive understanding of the environmental policies in Taiwan and internationally. The work environment

of Sysgration is also friendly, and the colleagues are enthusiastic and willing to share that makes me not afraid to ask questions, learn freely, and gain a lot.

After the International Mentorship Program ends, I am lucky to continue the internship in Sysgration. I decided to stay because it is a rare opportunity that Sysgration allows me to continue to accumulate experience and improve my capabilities in the ESG field. At present, I still work in the ESG team. As of today, my knowledge related to the environment has improved significantly.

In addition to technical skills, the internship also helped me improve my Chinese proficiency because I often need to communicate in a professional environment. In general, I have learned a lot from this experience. I have developed many hard skills and soft skill, which will be very helpful for my future career development.



## Other Photos of Industry-academia Collaboration



Industry-academia-research activities at SYSU - Huizhou Research Institute)



Speech at Sanmin Junior High School



Smart tire load alteration detection algorithm of National Taiwan University of Science and Technology



Donation to Chung Yuan Christian University



Sysgration takes on the important mission of giving back to society, focuses on children's development, cancer treatment research, sports promotion, and other fields, and actively invests in cultivating future talents. We firmly believe that the growth of enterprises not only comes from market competition but also lies in social responsibility. By providing substantial support and resources, we helped children with difficulties finding their hope again, offered advanced treatments for cancer patients, and promoted the development of sports. We will continue to work hard to create a society with sustainable development to ensure that any person who needs help can get the opportunity and support he/she deserves.

### Children assistance

"Explore the World on International Children's Day, Infinite Fun for Children" is an outdoor study and experience activity for parents and children that aims to help children in difficulties overcome challenges. The event was held on May 25 at the Ocean Science and Technology Museum and Island Amusement Park located at Yaqian Village, Daya Bay West District, Huizhou City, a total of 40 parents and their children participated, with a time length of 4 hours. Participants responded enthusiastically. 90% of the children learned at least 2 ocean knowledge during the visit, while 70% of the children actively asked questions or expressed their ideas during the interactive section. In addition, Huizhou Radio and Television has been actively promoting this event and was awarded a certificate of appreciation from the Western District Street Office. Looking forward to the future, Sysgration will continue to participate in activities that facilitate the growth of youths and help families and children in difficulties in 2025.



### Help prevent cancer and jointly create a healthy future

Sysgration supports two major domestic cancer-related foundations through donations to help in the cancer prevention work. Firstly, the Taiwan Clinical Oncology Research Foundation is committed to encouraging excellent clinical cancer medication personnel to focus on the research of solid tumor oncology, hematology and oncology, and bone marrow or hematopoietic stem cell transplants and increase international clinical cancer medication exchanges to improve the cancer prevention standards in Taiwan. Sysgration hopes to provide support for the Foundation in health education and promotion, cancer screening and cancer professional consultation to help more people obtain the professional medical information they need. In addition, considering the continuous rise in the occurrence rate of breast cancer, the Foundation will launch the "subsidized breast implant and corsage for breast cancer patients" project program to assist patients who encounter inconveniences in their daily lives due to the removal of the breast in regaining confidence and improving living quality.

In addition, Sysgration also supports the Taiwan Foundation for Heavy Ion Radiotherapy through donations. The establishment purpose of the Foundation is to assist relevant medical institutions in developing pioneer medical equipment and technologies for heavy ion radiotherapy for cancer and providing opportunities for disadvantaged cancer patients to receive heavy ion radiotherapy. The donation will be mainly used in subsidizing the installation, maintenance, and upgrade of medical facilities related to heavy ion radiotherapy for cancer and, in turn, improving treatment standards and quality. In addition, the Foundation will organize training and academic research activities for relevant personnel to ensure that medical personnel possess the latest technology and knowledge and help the progress in cancer treatment. Through supporting both foundations, Sysgration hopes to exert key effects in fighting against cancer and bring hope and support to more patients who require help.

### Join hands in promoting golf to jointly create a new round for sports

Apart from the abovementioned children's assistance and medical research, Sysgration also supports the Formosa Gold Promotion Foundation. The main establishment purpose of the Foundation is to cultivate golf players with high potential in Taiwan with a plan and thereby improve the overall level of Taiwan in the field of golf. Through excellent player training and sports promotion strategies, the Foundation hopes to cultivate more talent in golf and create a healthy and active sports atmosphere.

Since the end of 2021, TPGA has taken over the Foundation for management and focused on the operation of different golf competitions and activities. The foundation's capital utilization policy is accurate, and the funds are used exclusively for exclusive purposes to ensure all resources are invested in the promotion of golf, activity organization, and the individual training funding of players to facilitate the continuous development of sports.

Sysgration places great importance on this partnership. We believe that sports can help to improve personal ability and enhance team spirit and social cohesion. The donation will directly support the foundation's activities, including organizing competitions, training athletes, and promoting golf. Through this support, we hope to not only help popularize golf but also embed a positive and uplifting sports culture within society.

Looking ahead, Sysgration plans to continue to focus on and support these meaningful sports promotion projects. In collaboration with the foundation, we aim to provide comprehensive support for the growth of golf players to bring renewed energy and hope to the future of golf in Taiwan.





## 6.2 Care and Relief

Sysgration embraces its responsibility and commitment to society. In the area of care and relief, we actively participate in various activities. We visit elderlies who live alone, listen to their opinions, and enhance the public's attention to disadvantaged groups through donations and the provision of support. We believe that corporate growth is closely related to social prosperity. Therefore, Sysgration is committed to promoting charitable and sustainable development through practical actions, allowing care and love can continue to be delivered in society.

During the year, we visited numerous elderly individuals to allow them to feel the warmth of being cared for and valued. This initiative not only addressed the emotional needs of the elderly but also raised greater public awareness about the living conditions of vulnerable groups in society. Meanwhile, we provide substantial support to society through the procurement of products from public welfare groups and encourage more people to participate in public welfare. We look forward to expand our impact through future initiatives, believing that with consistent effort, we can bring more positive change and hope for society.

### Elder Consolation Activity by the Taiwan Business Association in Daya Bay

#### Content:

We organized the consolation activity with a department in the Taiwan Business Association in Daya Bay to improve the social responsibility and corporate image of Taiwanese businesses. During the activity, we visited the elders in the Laoshe Village in the West District, and a total of eight elders were visited. During the course of consolation, we not only provided actual care but also focused on emotional exchanges. By listening to the stories and needs of the elderly and interacting with them with ease, we let those who live alone and lacking companionship feel the care and strength of society, which can help alleviate their loneliness in their daily lives. This activity was the result of the successful collaboration with the Taiwan Business Association with local communities and organizations. It not only enhanced the company's social image but also sparked greater public awareness of the well-being of senior citizens, encouraging broader participation in charitable initiatives.

#### Event benefits:

Through the event, we improved the public's favor and trust towards Taiwanese businesses. This is not just a simple visit but a demonstration of active social contribution and positive influence. In the future, Sysgration plans to continue to participate in and support more similar activities in 2025 in order to fulfill corporate social responsibility in a deeper social care manner, contribute to more groups in need of help, and promote the joint development of enterprises and society. We hope to encourage more enterprises and individuals to engage in public welfare activities and create a social atmosphere of mutual assistance and mutual care.



### Strait Families as One, Bonded by Blood and Heart

#### Content:

On December 19, 2024, the Huizhou Plant held the "blood connects both sides of the Taiwan Strait as one family," a blood donation activity. The activity was organized by the Taiwan Business Association in Huizhou City and undertaken by the Taiwan Business Association in Daya Bay, demonstrating the cross-region cooperation spirit. The purpose of the event is to promote friendship and unity among people on both sides of the Taiwan Strait and to call on the public to pay attention to the demand for blood. During the event, a total of 9 employees participated and contributed a total of 1,300 c.c. of blood. This not only reflects the love of employees for public welfare but also marks an important step for the Company to fulfill its social responsibilities.

#### Event benefits:

This blood donation event has a positive impact on Sysgration and society. For the Company, blood donation activities enhance the corporate image and encourage employees to participate in public welfare activities. For society, it relieves the pressure on the blood bank and enhances social cohesion, demonstrating corporate social responsibility. In the future, we will continue to encourage employees to participate in such public welfare activities.



### Blood Donation Event by the Asia Emergency Service and Rescue Concern Association

#### Content:

The Asia Emergency Service and Rescue Concern Association actively implemented ESG concepts, fulfilled corporate social responsibility, and commenced a series of blood donation activities in 2023. Blood donation not only saves lives but also contributes to the health of the donors. According to the research of the "Medical Journals," 88% of the donors are not prone to cardiovascular diseases. Repeated blood donation can facilitate smooth blood flow and reduce the damage to tunica intima and the chance of arterial occlusion. Therefore, Sysgration encourages employees to donate blood, advocates the concept of "Donating Blood to Save Lives," and takes practical actions to implement this concept. Blood donation not only helps others but also improves personal metabolism and achieves a win-win effect, thereby facilitating sustainable social development. The Company responded to the event and sponsored NT\$10,000 to the "110-119 Continuous Blood Donation Activity." Employees participating in blood donation events are entitled to 2 hours of supplementary leave by presenting the blood donation photo on the day, regardless of blood donation unit. The event took place on November 9, 2024 at the plaza in front of the Songshan Ciyou Temple in Taipei City.

#### Event benefits:

The event exhibits Sysgration's emphasis on social responsibility and facilitates the conveyance of a social welfare spirit and the kind atmosphere of mutual assistance and mutual care. Asia Emergency Service and Rescue Concern Association plans to regularly organize blood donation event on November 9 each year, and Sysgration will also continue to provide sponsorships. This not only extends the influence of public welfare activities but also provides support to more groups in need, forming a more friendly and caring social environment.



### Chengtian Temple - Endless Love 1126 Blood Donation and First Aid Training Event

#### Content:

Chengtian Temple organized a blood donation and first aid training event for the purpose of implementing corporate social responsibility and facilitating community participation. Sysgration responded to this activity and sponsored NT\$10,000 to support the successful performance of blood donation and first aid training, and 183 bags of blood were donated. The event was arranged on November 26, 2024, and employees are entitled to be away for official business for two hours by presenting a photo of the event, regardless of the blood donation volume. In addition, two first aid training sessions were held at 2:30 p.m. and 7:30 p.m. of the day. Participants will be awarded a training certificate.

#### Event benefits:

The purpose of the event is to encourage employees and the general public to develop a habit of blood donation to help others and facilitate a kind atmosphere of mutual assistance and mutual care. Blood donation not only helps others but also contributes to the health of the donors (i.e., reducing the risk of cardiovascular diseases and maintaining the health of the liver), realizing a win-win situation for public welfare and health. It demonstrated corporate social responsibility (ESG) and responded to the United Nations' SDGs, further improving the public's health attention and facilitating community sustainability's co-prosperity.

In the future, we will consider expanding or continuing such public welfare events depending on the effectiveness of the events and social needs, hoping to exert more influence in facilitating social health and community sustainability.



### Supplier Conference souvenir - Support the Abrazo Sheltered Workshop

#### Content:

At the supplier conference organized by Sysgration, products from the "Abrazo Sheltered Workshop" were chosen as souvenirs. This choice was to support this sheltered workshop stems from its meaningful mission to empower children with Down Syndrome. Although they have physical disabilities, with education and training, they can contribute to society in their own way and reduce the burden on their families. Sysgration hopes that through procurement actions, it can not only provide substantial support for disadvantaged groups but also enable suppliers to understand the needs of public welfare groups. Showing this kind of support at the conference will not only spread public welfare concepts but also improves Sysgration's social image, creating sustainable social care with endless love.

**Sysgration purchased a total of 200 boxes of souvenirs, totaling NT\$75,810.**

#### Event benefits:

In the future, Sysgration will continue to select the products sold by public welfare organizations as souvenirs in order to achieve a wider range of social influence and continue to promote the practice of corporate social responsibility so as to create a friendly social environment of care.



### I Love You Even If You Grow Old Mothers' Day Appreciation Activity

#### Content:

The Mother's Day activity aims to call upon more people to take part in charitable activities through care and companionship in combination with the Company's care for disadvantaged groups. Our goal is to enable the elders who live alone to receive health and comfort in the physical, mental, and spiritual aspects and to establish a support network so that they can feel that they are not isolated from society and enjoy a richer life.

On the day of the activity, volunteers, including employees of Sysgration, provided support to arrange the pick-up/drop-off of elders and assisted in blood pressure measuring and other registration matters. Elders participated in grooving to warm up and innovation carnation DIY to facilitate their hand-eye coordination. The Mother's Day ceremony was full of blessings and gratitude, and elders received gifts and snacks. After the event ended, volunteers assisted in sending elders home. Sysgration provided financial support for the event and dispatched volunteers to assist in the pick-up/drop-off. Many elders participated in the activity.

#### Event benefits:

Through this event, Sysgration demonstrated the spirit of corporate volunteers to provide care services for elders who live alone and effectively shared the burden of relevant public welfare organizations. Meanwhile, the pick-up/drop-off services provided by volunteers allowed the elderly to leave home to participate in the Mother's Day celebration activity and feel warmth and care. The activity not only enhanced the social responsibility image of the Company but also cultivated the moral thinking, virtue practice, and purpose exploration of students. The Company plans to continue encouraging employees to participate in similar activities in 2025 to continue to contribute to social care.



### Taipei City Guarded Angel Cancer Care Association

#### Content:

Taipei City Guardian Angel Cancer Care Association enhances medical support between patients and their families through minimally invasive targeted tumor ablation therapy, improving the quality of life for cancer patients, reducing the social pressure they face, and serving as a communication bridge between medical institutions and patients. The association has organized numerous care and educational activities, including lectures on cancer-related topics and health issues, and provides consultation services for cancer and sub-health conditions.

To benefit more people while considering social responsibility and employee care, Sysgration has signed a contract with the association to sponsor the expansion of its online consultation platform from November 2024 to the end of December 2025. Additionally, Sysgration will assist in the referral of both Taiwanese and international medical resources. By sponsoring the production and distribution of a cancer patient handbook, Sysgration aims to encourage more people to participate in this charitable initiative and support patients in obtaining more information.

#### Event benefits:

Sysgration has sponsored a series of initiatives by the Guardian Angel Cancer Care Association, demonstrating its strong commitment to corporate social responsibility. We not only provided resources to support but also actively promoted the in-depth connection between enterprises and public welfare activities. At the same time, we further deepened cancer care work, demonstrating our efforts to improve the quality of life of cancer patients and their family members and strengthening our support for public health and well-being.

Sysgration employees and their families can access related services provided by the association, such as cancer-related medical resource integration, referral to medical resources, and care support. Through a reciprocal mechanism, a strategic ESG partnership is formed, enhancing the substantive aspects of the company's ESG operations.



## Digital Humanitarianism, Caring for Rural Areas - Building New Vision for Elders

Sysgration actively participates in and fully supports the "Digital Community-Based Primary Healthcare for Healthy Aging and Social Inclusion" led by the Digital Humanitarian. The project aims to address and improve the health challenges faced by elderly individuals in Taiwan's rural communities. The Company focused on the Nantou County Ren'ai Township Wanfong Culture and Health Station. Due to the remote location and inconvenient traffic, the community has a severe aging trend, and the rural exodus situation has intensified. As such, Sysgration is committed to providing innovative remote health solutions for the community through its resources.

### Project content

This project not only aims to improve the elders' health knowledge and quality of life but also to reduce the burden on caregivers. Specifically, the content of activities includes the 48 remote health courses provided by the Wanfong Culture and Health Station, covering sports, diet, and brain training. They are supported by professional medical experts of over 21 types. Through the digital platform, Sysgration helps widely share health knowledge and provides online consultation to ensure that community residents can still receive health management and professional advice despite geographical limitations.

### Personnel and Resources Invested

The implementation of the project requires the support of personnel and resources from different parties. Sysgration sponsors Digital Humanitarian Association to provide technical support and platform construction, and is responsible for coordinating and managing the expenditures of different activities of the project. The health management accelerators are responsible for planning health improvement-related activities, conducting health demand assessments, and designing courses. Local care workers and their families jointly support the operations of the project and provide necessary assistance to reduce the pressure of getting medical attention for elders. The project also provides a remote technology platform, allowing health courses and consultations to be widely used across geographical boundaries. The total capital invested in the project amounted to NT\$200,000, which was used for health data analysis and platform repair and maintenance.

### Achievements of the project

The SROI approach was adopted for the evaluation of the activity, and it showed that an investment of NT\$1 can create a social value of NT\$10.23. An improvement of 81% on average was obtained from the pre- and post-testing for health knowledge, showing a significant improvement in elders' health understanding and management ability. The cumulative number of people served has reached 8,410 persons/time, demonstrating its success in improving community health and cohesion.

The calculation of SROI is as follows:

Stakeholder	Achievement description	Achievement quantity	Duration (year)	Achievement pricing (Unit: NT\$)	Impact factor		Achievement value
					Deadweight factor	Attribution factor	Total Amount
Elders at the Nantou County Ren'ai Township Wanfong Culture and Health Station/location	Enhance health knowledge	48	1	3,600	10%	50%	$48 \times 3,600 \times (1-0.1) \times (1-0.5) = 77,760$
	Increase social interaction	48	1	5,000	N / A	N / A	$48 \times 5,000 = 240,000$
	Improve the quality of life	48	1	5,000	N / A	N / A	$48 \times 5,000 = 240,000$
Health management accelerators	Increase professional experience	12	1	3,600	40%	10%	$1 \times 12 \times 3,600 \times (1-0.4) \times (1-0.1) = 23,328$
	Enhance a sense of accomplishment at work	12	1	3,600	10%	10%	$1 \times 12 \times 3,600 \times (1-0.1) \times (1-0.1) = 34,992$
Regional health resources	Improve energy efficiency	48	1	28,000	10%	30%	$48 \times 1 \times 28,000 \times (1-0.1) \times (1-0.3) = 846,720$
	Enhance the accessibility of medical resources	48	1	28,000	10%	30%	$48 \times 1 \times 28,000 \times (1-0.1) \times (1-0.3) = 846,720$
Total current worth (Unit: NT\$)							2,309,520
Total investments (Unit: NT\$)							205,640
Net current worth (total current worth - total investments) (Unit: NT\$)							2,103,880
SROI							10.23

Achievement value = Achievement quantity \* achievement pricing \* (1 - deadweight factor) \* (1 - displacement factor) \* (1 - attribution factor) \* (1 - attenuation factor)



### Course satisfaction survey

Item of satisfaction survey	Average satisfaction feedback score (1-5) 5 is Highly satisfied
The community elders and staff's feedback on the instructor's teaching content in this course.	4.5
The community elders and staff's feedback on the instructor's interactive teaching approach in this course.	4.5
The community elders and staff's feedback on the instructor's communication skills during the course.	4.5
The community elders and staff's feedback on the instructor's teaching attitude during the course.	4.7
The community elders and staff believe that the course content fully met their learning expectations.	4.7

### Pre-tests and post-tests of the ability to care and work performance of workers in the community

The ability to care and work performance of workers in the community	Pre-test	Post-test
How do I think about my score in terms of caring knowledge?	4	5
How do I think about my score in terms of the ability to care?	4	4
How do I think about my score in terms of the level of control over caring for elders?	3	5
How do I think about my score in terms of the level of sensitivity to caring for elders?	4	4
How do I think about my score in terms of my communication ability with elders?	4	4
How do I think about my stress index in caring for elders?	4	4
How do I think about my score in terms of the level of confidence in engaging in care services?	4	4
How do I think about my score in terms of the level of support received at work?	4	5

### Health knowledge evaluation status of participating elders

Personal Health Status and Health Knowledge Evaluation Form	Health survey of elders			
	Pre-test		Post-test	
Health knowledge	Average value	Standard deviation	Average value	Standard deviation
1.Can you find the data when you want to understand the treatment methods for certain diseases?	1.20	0.63	3.33	0.82
2. Do you know where to find professional assistance when you are sick?	2.10	0.74	3.50	0.84
3. Do you understand what the doctor told you based on past medical experience?	2.10	0.74	3.50	0.84
4. Can you understand the description of the prescription drugs by the doctor or pharmacist?	2.10	0.74	3.33	0.82
5. Can you determine whether you need the medical advice of another doctor at a certain time?	1.80	0.42	2.83	0.75
6. Can you use the advice (including diagnosis or behavior) of your doctor to make decisions related to your illness?	2.20	0.63	3.33	0.82
7. Generally, can you follow the advice from your doctor or pharmacist on your health?	2.10	0.74	3.17	0.98
8. Can you find information on how to have self-management of unhealthy behaviors?	1.90	0.57	3.17	0.98
9. Can you find information on dealing with mental health?	1.60	0.52	3.17	0.75
10. Do you understand why health screening is required?	1.80	0.79	3.00	0.89
11. Can you determine if the information on health damage provided by the media (televisions, websites, or other media) is credible?	1.60	0.70	3.33	0.82
12. Do you believe and accept the information from media (newspapers, health education leaflets, websites or other media) to protect yourself from sickness?	1.60	0.70	3.50	0.84
13. Can you find any activities that can help to improve your mental happiness?	1.80	0.79	3.33	1.03
14. Do you understand the advice your family or friends give you on health improvement?	1.90	0.99	3.33	1.03
15. Do you know the information provided by media (televisions, websites or other media) on health improvement issues?	1.50	0.53	3.33	1.03
16. Can you determine which behaviors in daily life are related to your health?	1.70	0.95	3.33	1.03

## Achievement record



2024/03/20 Long-term blood pressure healthcare with regular exercise for 30 minutes a day



2024/04/09 Enhance muscle strength through squats to improve your mobility



2024/05/27 Different parts of the spine are stiff and sore? Tips for spine maintenance



2024/06/04 Chinese medicine acupuncture points and food therapy to boost brain function and prevent dementia



2025/02/07 Easily achieve good bone condition to improve bone mineral density through elasticity



2025/02/18 Joint protection - Exercise for healthy muscle strength

## Future outlook

In the future, Sysgration will continue to dedicate to enhance the health and well-being of elderly populations in remote areas. By collaborating with partners and leveraging innovative technologies along with sustained resource investment, Sysgration aims to promote health improvement efforts and foster cross-sector collaboration in remote communities, achieving win-win outcomes and long-term, sustainable development for all stakeholders.

## 6.3 Environmental Sustainability

### ESG Healthy Forest (Walking)

To celebrate the 47th anniversary of Sysgration and to align with the United Nations' SDGs, Sysgration held an event rooted in ESG sustainability principles, focusing on creating a green environment and healthy workplace. The activity was organized by the I Plant For Life Corporation Aggregate, Kaohsiung, and RUNNii Co., Ltd. to further promote Sysgration's "Healthy Forest Service Program" to allow employees to make the environment better with every step in the daily walking challenge.

Through the "Let's Walk, Reduce Carbon, and Plant Trees" event, participants can earn one tree planting point for every 5,000 steps they take per day. After accumulating 1,000 points, they can plant the next tree. During the activity, employees who achieved the target for 30 consecutive days will be awarded the "Challenger Bonus" honorary award and vouchers of NT\$500, and a total of 44 employees had full attendance and achieved the target. In addition, participants can enjoy the chance to participate in a lucky draw every week, and the total lucky draw amount reaches NT\$16,000.

The event attracted 115 people to participate, with 92 reaching the target and 2 trees planted; carbon emissions were reduced by 3,626 kg. The target of the activity is not only to encourage employees to increase their steps each day and improve health but also to include the environmental responsibility of energy conservation and carbon reduction. In the future, we will continue to promote similar activities to contribute to the health of employees and environmental sustainability.



### 100-Person Online Sports Meeting

The "100-Person Online Sports Meeting" combines the concept of ESG and aims to invite employees from operating sites in Taiwan and Mainland China to participate in the "Daily Walk, Enjoy Health, and Love the Planet with Carbon Reduction" campaign to prevent and improve chronic diseases (i.e., cardiovascular diseases, diabetes, and metabolic syndrome), and to control weight and reduce pressure. The event was held from April 30, 2024 to May 20, 2024 for 21 days. We encouraged our employees to walk 8,400 steps daily, aiming to collectively "cross the Pacific Ocean" and reach our new Plano Plant in Texas, USA. A total of 214 team members participated in this challenge, accumulating 49,518,787 steps. Remarkably, the team surpassed the target distance by 2.8 times in total distance accumulated. The activity was rated at 4.75 points for high satisfaction. Participants unanimously stated that they look forward to participating again. The activity helps employees increase their exercise and develop a habit of continuous exercise. Some even begin to try riding bicycles to work plus getting off work on foot so that they can better understand the surrounding environment. In the future, Sysgration will continue to organize similar activities and consider joining the daily step inquiry function and a unified step-counting App to increase the shared interaction platform. In addition, indoor fitness videos are offered to provide more diverse sports methods and allow friends and family members to participate in the activities. In the future, the Company will continue to promote walking activities to make continuous efforts for the health of employees and environmental sustainability.



### Chuishan Mountain Cleaning Public Welfare Activity

The Chuishan Mountain Cleaning Public Welfare Activity aims to protect the ecological environment and protect natural sceneries while cultivating environmental protection awareness and improving the level of participation in the public welfare of the Company. The activity was conducted based on a group of five, with a team head elected, to collect trash in the Chuishan Scenic Area, promote environmental protection concepts, and emphasize no littering. During the course of the activity, participants hiked up the mountain; they not only worked out their bodies but also achieved the goal of outdoor exercise. A total of 42 employees participated in the activity, and the activity was held on June 25, 2024 for continuously 4 hours; the fund invested was approximately RMB4,483. This activity is new to employees, and it can help them to stay healthy and protect the environment. Although the direct effect of collecting trash is limited, the environmental spirit can continue to influence and drive more people to protect the ecological environment, forming a favorable low-carbon life with energy conservation and carbon reduction. It is planned that the activity will continue to be promoted in 2025.



### Purchase of Eco-Friendly Golf Balls

In response to the ESG concept of sustainable development, the Company promotes low-carbon green activities and purchased 100 sets of golf balls made with eco-friendly materials for a total of NT\$52,500. The "Love the Planet with Golf" activity uses golf balls made with recycled silicon dioxide from the circular economy to promote low-carbon green games, combining green technology and a friendly golf court environment. While swinging the clubs, participants enjoy the scenic views of the island, re-examine their attitude towards nature and land and think about how to protect the environment, reduce pollution, and implement waste recycling. We reject landfills and incineration and utilize exclusive procedure technologies to recycle waste mortar to produce recycled silicon dioxide to produce golf balls to say goodbye to environmental pollution while swinging clubs, facilitating a new life with sustainable development. The Company organizes golf gatherings with strategic partners each year and uses approximately 40 to 50 boxes of golf balls made with eco-friendly materials.





# Chapter 7

## Sustainable Supply Chain

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- 7.1 Supply Chain ESG Committee
- 7.2 Supply Chain Type
- 7.3 Sustainable Supply Chain Management
- 7.4 Supplier ESG Evaluation
- 7.5 Supply Chain Sustainability Targets
- 7.6 Supplier Performance Evaluation, Communication, and Engagement





# Sustainable Performance Highlights and Corresponding SDG

## SUSTAINABLE DEVELOPMENT GOALS



### Partnerships for the Goals

- In 2024, the amount of Sysgration's local procurement expenditure was approximately **NT\$301 million**, accounting for 16% of total procurement expenditure.
- In 2024, we launched the sustainable supply chain project and updated and revised procurement documents, including the "Sustainable Procurement Standards," "Sustainable Procurement Strategies," and "Supplier ESG Code of Conduct." We also required our suppliers to sign and adhere to the "Sustainable Procurement Standards" and "Supplier ESG Code of Conduct" are designed to help the supply chain fulfill and comply with the domestic and international supply chain sustainability management regulations thereby enabling our suppliers effectively reduce sustainability risks.
- In 2024, **all** new suppliers and existing suppliers signed the "Supplier Corporate Social Responsibility and Environmental Code of Conduct."
- In 2024, we completed the audits for **17** suppliers; written reviews were adopted for 10 suppliers, on-site audits were adopted for **7** suppliers, and the deficiency improvements were **fully** completed.
- We organized the first supplier ESG education and training meeting and invited a total of **120** overseas and domestic suppliers to understand the importance and future prospects of a sustainable supply chain.
- In 2025, Sysgration conducted supplier ESG evaluation questionnaires, and the response rate reached **90%**.

# Management Approach of Material Topic / Sustainable Supply Chain Management

## Goals

Sysgration has set the following annual goals for the sustainable supply chain from 2025 to 2030:

For details of the short-, mid-, and long-term targets of each year, please refer to: 7.5 Supply Chain Sustainability Targets

- |  |   |  |  |
|--|---|--|--|
| <ul style="list-style-type: none"> <li>▪ <b>Corporate governance and consumer health and safety</b></li> <li>✓ Execution rate of supplier sustainable procurement standards/Supplier Code of Conduct</li> <li>✓ The response rate of supplier ESG evaluation questionnaires</li> </ul> | <ul style="list-style-type: none"> <li>▪ <b>Laborers and human rights</b></li> <li>✓ The compliance rate of suppliers with the Supplier Code of Conduct</li> <li>✓ Execution rate of the statement of "not using conflicted minerals" by suppliers</li> </ul> | <ul style="list-style-type: none"> <li>▪ <b>Environment</b></li> <li>✓ Percentage of suppliers that underwent GHG inventory</li> <li>✓ Percentage of suppliers that have completed third-party GHG inventory verification</li> <li>✓ Percentage of GHG emission reduction promised by suppliers</li> </ul> | <ul style="list-style-type: none"> <li>▪ <b>Administration system</b></li> <li>✓ Percentage of suppliers that have obtained ISO 9001, ISO 14001, and ISO 45001 certifications</li> </ul> |
|--|---|--|--|

## GRI Indicators

GRI 3-3, GRI 2-6, GRI 204-1, GRI 308-1, GRI 308-2, GRI 414-1, GRI 414-2

## Description of Impact

### Description of Positive Impacts:

Sysgration places great importance on sustainable supply chain management, recognizing that effective management not only reduce business risks and costs but also enhance Sysgration reputation and brand value. A robust supply chain management helps ensure the sustainability of raw materials, reduce environmental impact, and fulfill investors' and consumers' expectations for sustainable development, thereby enhancing the Company's competitiveness. Proper management of a sustainable supply chain will bring multiple positive impacts, including reducing carbon emissions, saving energy and resources, improving labor conditions, and facilitating the development of local communities.

### Description of Negative Impacts:

Improper management of the sustainable supply chain may lead to environmental pollution of the locations of suppliers, social injustice, human rights violations, and negative impacts that damage the Company's reputation and impose legal risks.

## Policies and Commitments

- Organize supplier ESG consultation meetings and courses to reinforce sustainable development awareness and ability training of suppliers and jointly improve the ESG implementation level.
- Actively require suppliers to fulfill social responsibilities, protect the environment, value human rights, safety and health, and establish long-term cooperative relationships with suppliers to jointly commit to sustainable development.
- Prioritize the introduction of suppliers with excellent ESG implementation performance and increase their order allocation to encourage suppliers to continuously improve their ESG performance and expand support for suppliers with excellent ESG performance.
- Actively introduce low-carbon suppliers, facilitate the low-carbon transformation of the value chain, realize the sustainable benefits of the value chain, and share the corresponding benefits with suppliers to establish a cooperation model of shared benefits.

## Responsible Unit

Supply Chain Management Department

## Grievance Mechanism

Supply Chain Contact:  
scm@sysgration.com  
(02) 2790-0088 ext 2020

## Action Plans

### Positive Impact Management:

- Provide training and resource support to help suppliers take root in sustainable development practices to solve existing problems and prevent future problems from occurring
- Introduced ISO 20400 sustainability procurement guidelines and standards project to establish a comprehensive sustainable procurement policy and green supply chain management mechanisms
- Develop sustainable assessment tools to assess suppliers' performance in terms of environmental friendliness and labor human rights and provide improvement suggestions

### Negative Impact Management:

- Strengthen ESG monitoring and assessment procedures for the supply chain to prevent potential environmental pollution, labor human rights, and other negative impacts caused by suppliers
- Regularly conduct supplier risk assessment and review to ensure compliance with the Company's sustainability standards and requirements for suppliers' ESG management
- Establish a rapid response mechanism to timely handle environmental or labor human rights issues that arise in the supply chain, including formulating contingency plans and assisting suppliers to improve their deficiencies.

## Effectiveness Assessment

- In 2024, all new suppliers and existing suppliers signed the "Supplier Corporate Social Responsibility and Environmental Code of Conduct."
- In 2024, listed the new suppliers of using minerals, and all suppliers signed the "Non-use Conflict Minerals."
- In 2024, completed 24 supplier audits, and completed 100% of the deficiency improvement.

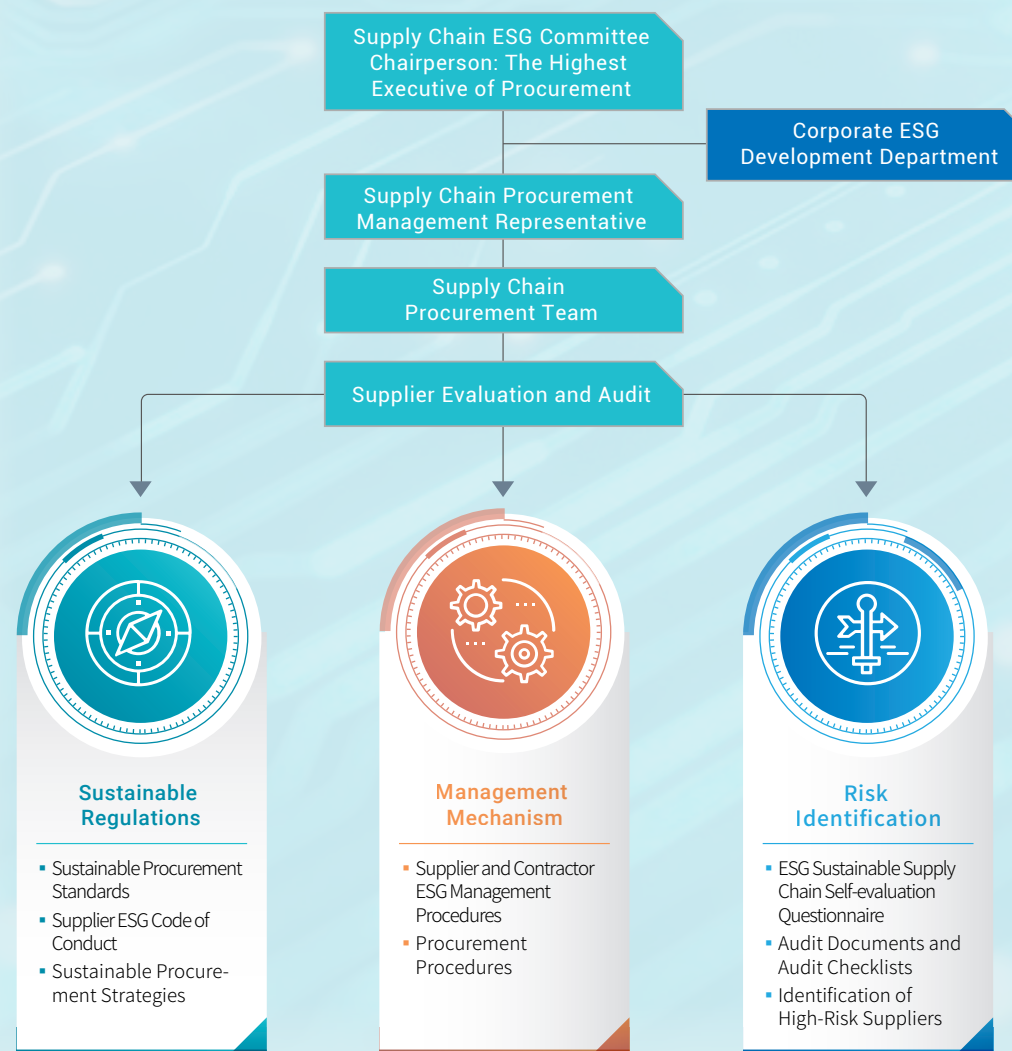
With the vision of "Technology, Quality, Innovation," Sysgration is committed to the development of fields of automotive electronic products, industry computers, and energy storage equipment. In recent years, in response to the global sustainable development trend and brand customers' requirements, Sysgration, as an important member of the value chain, has not only actively required its sustainable development-related actions but also valued sustainable supply chain development. To enhance the effectiveness of sustainable supply chain management and mitigate operational risks associated with ESG factors, Sysgration launched its Sustainable Supply Chain Management Project in 2024, aiming to build long-term partnerships focused on sustainable growth.

Through the actions specified under international standards ISO 20400 sustainable procurement guidelines, Sysgration hopes to lead the supply chain to jointly fulfill the responsibilities by introducing the specifications of the guidelines into the initial management mechanisms and documents so as to establish comprehensive sustainable procurement policy content, documents, and sustainable supply chain management mechanisms.

## 7.1 Supply Chain ESG Committee

To strengthen and manage the sustainable supply chain, Sysgration has established a Supply Chain ESG Committee under the Sustainable Development Organization. The Committee is led by the Chief of Supply Chain Department. With the foundation of Sysgration's sustainable procurement policy, it responds to the latest domestic and foreign regulations and customers' requirements. In terms of ESG, it focuses on five key areas: corporate governance, labor and human rights, environmental protection, management systems, and consumer health and safety. Regular written evaluations and on-site audits are conducted to assess suppliers' ESG performance, identify high-risk suppliers, and implement improvement measures. These efforts aim to support high-risk suppliers in making continuous improvements, reduce ESG risks across the supply chain, and promote sustainable development throughout the entire value chain.

### Organizational Structure of the Supply Chain ESG Committee



## 7.2 Supply Chain Type

The product combination of Sysgration is diverse, and products are widely used in power storage/kinetic products, IoT, industrial tablets and peripherals, automotive electronics, tire pressure monitoring systems (TPMS), and cloud computing; therefore, the type of suppliers is also diverse. The supply chain raw material includes IC, printed circuit boards, electronic components, cables, plastic materials, metal materials, and packaging materials. To control supplier risks and ensure compliance with the supply chain standards and requirements of Sysgration, Sysgration also divides suppliers into key suppliers, secondary suppliers, and other suppliers for management.

### The definition of different levels of suppliers is set out in the following table

Type of Suppliers	Definition
 <b>Key Suppliers</b>	Suppliers are identified based on several criteria: those accounting for the top 80% of annual procurement spending within each business unit, those providing critical components or serving as the sole source of supply, and those assessed as having potential sustainability risks based on specific risk indicators.
 <b>Secondary Suppliers</b>	In each BU, suppliers with an annual procurement amount accounted for the bottom 20%.
 <b>Other Suppliers</b>	Those that are not key or secondary suppliers.

In 2024, Sysgration collaborated with 280 raw material suppliers <sup>Note</sup> worldwide, with a total procurement value of NT\$1.826 billion. Of this amount, approximately NT\$301 million was sourced locally, accounting for about 16% of the total procurement. By the end of 2024, Sysgration had a total of 14 key suppliers, and we continue to maintain close contact with key suppliers in business cooperation relationships.

	Industrial control products	Automotive electronics	Energy storage products	Sysgration Group
Raw material procurement amount (NT\$ million)	245	1,413	167	1,826
Local procurement amount (NT\$ million)	24	109	167	301
Overseas procurement amount (NT\$ million)	221	1,304	-	1,525
Local procurement ratio	10%	8%	100%	16%
Number of suppliers	169	74	56	280
Number of key suppliers (80% of the transaction amount of BU)	20	8	3	14
Transaction amount with key suppliers (NT\$ million)	196	1,130	134	1,461
Number of secondary suppliers	149	66	53	266

Note: Calculated only for major material suppliers.








## 7.3 Sustainable Supply Chain Management

In 2024, we added and revised procurement documents, including the "Sustainable Procurement Standards" and "Supplier ESG Code of Conduct." We included five major aspects of corporate governance, labor human rights, environment, management systems, and consumer health and safety in the documents and required our suppliers to sign and comply with the "Sustainable Procurement Standards" and "Supplier ESG Code of Conduct" to help the supply chain fulfill and comply with the domestic and international supply chain sustainability management regulations so as to help our suppliers effectively reduce sustainability risks.

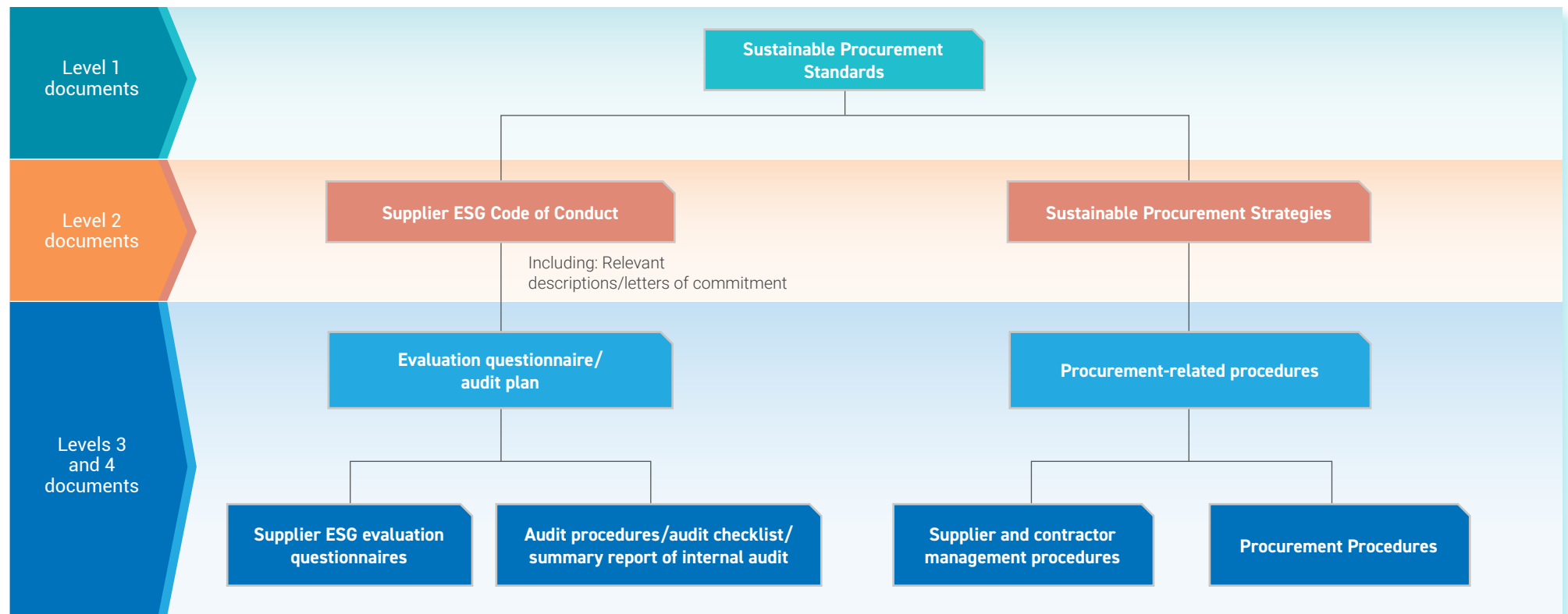
### Introduced the ISO 20400 Sustainable Procurement Guidelines

With the initial foundation, Sysgration has introduced a maturity analysis to assess the company's progress in sustainable supply chain management. By recognizing the main sustainability challenges within the supply chain, the company develops comprehensive policies and action plans tailored to these issues. Using a double materiality approach, Sysgration evaluates the impact of sustainability topics across each stage of its product life cycle—including raw materials, manufacturing, distribution and sales, usage, and end-of-life disposal. The final set of material sustainability issues is then used to guide structured management efforts and documentation.

### Five Major Risk Aspects of the Sustainable Supply Chain

Five Major Risk Aspects of the Sustainable Supply Chain and Corresponding Issues				
 Corporate governance	 Laborers and human rights	 Environment	 Administration system	 Consumer health and safety
Respect intellectual property rights	Human rights risk status	Pollution prevention	Decision-making processes and structures	Protect consumer health and safety
Anti-corruption	Employment and labor-management relations	Climate change mitigation and adaptation		
	Labor health and safety	Use of sustainable resources		

## Sustainable Supply Chain Management Documents



### 1. "Sustainable Procurement Standards"

Sysgration values the sustainable supply chain. The standards specify the sustainability policies and principles of suppliers aiming to enhance ESG capabilities through collaboration, it addresses the five major supply chain sustainability risk aspects of corporate governance, labor and human rights, environment, management systems, consumer health and safety, including the requirements for suppliers and the evaluation recognition standards. Through these efforts, Sysgration seeks to promote sustainable development, mitigate risks, and create long-term shared value.

### 2. "Supplier ESG Code of Conduct"

Suppliers shall support the ESG Code of Conduct and establish corresponding management systems to meet the requirements of the Code. The basic requirements are that all activities of suppliers comply with the laws and regulations of the countries where they are located, the latest version of the RBA Code of Conduct and customers' regulations, and that suppliers are required to understand and implement the Code. The Code encourages suppliers to comply with standards that go beyond legal requirements, including the RBA Code of Conduct and specific customer expectations. It also promotes the adoption of international standards to enhance environmental and social responsibility.

## The Supplier shall sign the commitment document

- ✓ Non-use of Conflict Minerals Statement
- ✓ Non-Environmental Hazardous Material Contained Commitment
- ✓ Customs-Trade Partnership Against Terrorism (C-TPAT) Supplier Declaration
- ✓ Honesty Commitment
- ✓ Declaration of Non-use Japanese Kobelco Steel
- ✓ California Proposition 65 Declaration
- ✓ Declaration of Electroplated Zinc Coating Request
- ✓ Product Warranty
- ✓ Environmental Protection Declaration and Banned Substance Non-use Warranty (POPs, REACH Annex XVII, SVHC241)
- ✓ Environmental Protection Declaration and Banned Substance Non-use Warranty (ozone-depleting substances)\_B
- ✓ US EPA TSCA Declaration of Conformity

### 3. "Sustainable Procurement Strategies"

Based on the "Sustainable Procurement Guidelines" and the "Supplier ESG Code of Conduct," Sysgration has formulated indicators and targets for requirements to suppliers to help suppliers solve ESG problems. Suppliers must meet specific requirements and confirm minimum requirements to promote sustainable development. For the content of indicators and targets, please refer to 7.5 Supply Chain Sustainability Targets.

Links to main documents of  
sustainable supply  
chain management



Supplier Code of  
Conduct

## Sustainable Supply Chain Management Processes

step

1

### Data enclosed for the review of suppliers

We carry out written qualification reviews for new suppliers, and they shall execute the "Sustainable Procurement Standards" and "Supplier ESG Code of Conduct," and we carry out a composite evaluation of suppliers based on the "Basic Datasheet of Suppliers." It assesses whether suppliers are required to obtain relevant certifications, and upon successful completion, they become approved vendors within the company's supplier network.

step

2

### Supplier ESG Evaluation

Existing suppliers are required to fill out the "Supplier ESG Sustainable Supply Chain Evaluation Questionnaire" on a regular basis and provide relevant supporting information, including ESG policies, management system certification, and management documents. The documents will be reviewed by the internal audit personnel to assess the commitment, performance, and potential risks of the suppliers in the relevant ESG issues.

step

3

### Field visit and audit at supplier's site

Sysgration performs on-site audits annually from time to time to confirm the corporate social responsibility execution status, policy and compliance of suppliers on-site and evaluates the ESG performance and risks of suppliers through on-site inspections, interviews, and confirmation of relevant information.

step

4

### Qualified supplier

Based on the evaluation results, suppliers are classified into Grade A (Exceptional), Grade B (Good), Grade C (Qualified) and Grade D (To be improved). If a supplier scores more than 60 in the "Supplier ESG Sustainable Supply Chain Evaluation Questionnaire," no major deficiencies are found during the audit process, and the supplier complies with the "Sustainable Procurement Standards" and "Supplier ESG Code of Conduct," the supplier is included in the list of qualified suppliers after the procurement is approved by the responsible person in charge of procurement.

step

5

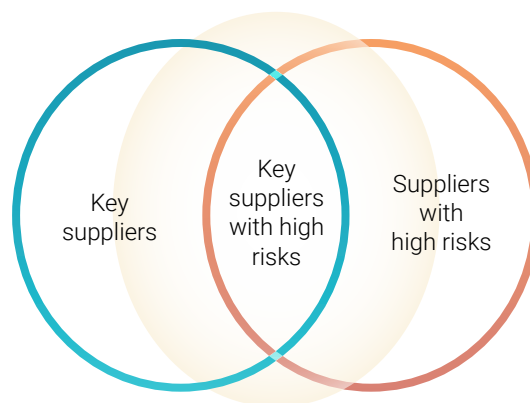
### Supplier Communication and Engagement

We continue to improve and cooperate with suppliers to lead supply chain partners to fulfill supply chain sustainability management regulations (including ESG) to help suppliers and partners effectively respond to sustainability risks.

## 7.4 Supplier ESG Evaluation

### Supplier Classification Mechanism

Sysgration formulates the targets to require suppliers to gradually complete the "Supplier ESG Sustainable Supply Chain Evaluation Questionnaire" in each stage so as to evaluate their performance and risks in the sustainability aspect. Based on the evaluation results, suppliers are divided into Grade A (Exceptional), Grade B (Good), Grade C (Qualified) and Grade D (To be improved). If a supplier scores more than 60 in the "Supplier ESG Sustainable Supply Chain Evaluation Questionnaire," no major deficiencies are found during the audit process, and the supplier complies with the "Sustainable Procurement Standards" and "Supplier ESG Code of Conduct," the supplier is included in the list of qualified suppliers after the procurement is approved by the responsible person in charge of procurement.



If a supplier is identified as a key supplier of Sysgration and receives a score below 60 on the "Supplier ESG Sustainable Supply Chain Evaluation Questionnaire," it shall be classified as a high-risk key supplier. Such suppliers will be prioritized for on-site audits, and appropriate corrective actions shall be proposed based on the audit findings within a specified time frame.

### Supplier ESG Sustainable Supply Chain Evaluation Questionnaire

Sysgration is actively addressing the sustainability challenges within the supply chain by progressively transforming sustainability issues from advocacy into concrete risk management measures. The company analyzes the sustainability risks throughout the product lifecycle and compiles the risk issues and score indicators that the company faces. In response to customers' growing concerns about the social and environmental impacts of products, Sysgration not only adheres to sustainability regulations and initiatives within its own operations but is also committed to ensuring that suppliers meet corresponding standards to address customer demands, while proactively identifying and developing risk improvement strategies.

Against the increasingly comprehensive regulations, Sysgration conducts sustainability issue analyses to ensure supplier behaviors comply with legal standards, thereby reducing legal risks. The company's sustainable supply chain risk management encompasses five key areas: corporate governance, labor and human rights, the environment, management systems, and consumer health and safety. To effectively manage these risks, Sysgration has developed a Supplier Sustainability Risk Self-Assessment Questionnaire to quantitatively evaluate supplier performance. By obtaining responses from suppliers, Sysgration conducts in-depth analyses of suppliers' sustainability risks and formulates improvement plans to enhance the overall sustainability and competitiveness of the supply chain.

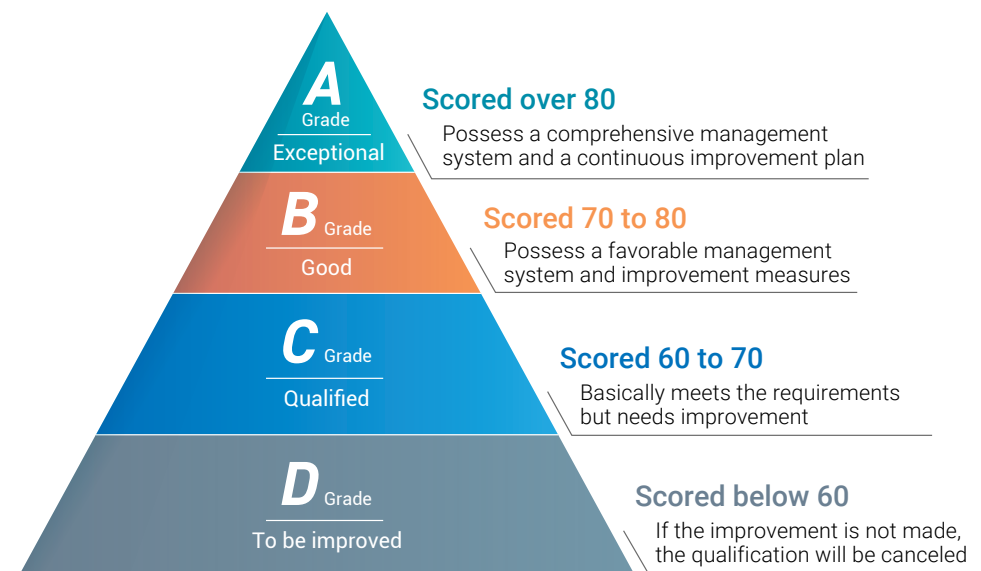
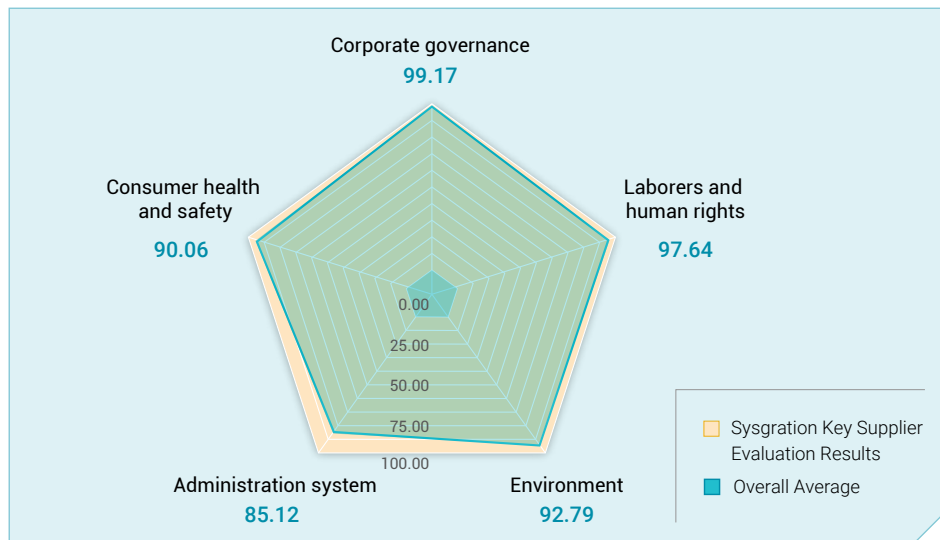
Sysgration's Supplier Evaluation Topics	
Sustainability risk aspect	Specific topics
Corporate governance	Fair operation
	Code of Ethical Conduct and anti-corruption
	Regulatory Compliance
Laborers and human rights	Employment and labor-management relations
	Human rights risks
Environment	Environmental permits and reports, laws and customer requirements
	GHG inventory and reduction
	Solid waste and hazardous substance management
	Exhaust gas emissions
	Water resource management
Administration system	Resource protection and circular economy
	Fair operations and legal compliance
Consumer health and safety	Control of hazardous substances in products

According to the analysis of Sysgration's Supplier Self-Assessment Questionnaire results, overall supplier performance is commendable, with average scores exceeding 95 across the four primary sustainability aspects, demonstrating robust capabilities in the five major dimensions. Although the average score for the "Management Systems" aspect is slightly lower, it remains above 85. In the management systems domain, due to the relatively smaller scale of some suppliers, not all have fully obtained ISO management system certifications. Sysgration plans to actively collaborate with these suppliers to jointly develop specific improvement strategies, supporting and promoting the implementation of more comprehensive management systems. The aim is to achieve third-party certification, which is expected to significantly enhance the suppliers' management efficiency and quality.

Furthermore, Sysgration will continue to deepen its collaboration with suppliers, aiming to enhance the overall sustainability and competitive advantage of the supply chain. The assessment results not only assist Sysgration in identifying potential opportunities but also ensure that suppliers meet Sysgration's requirements, thereby laying a solid foundation for the company's long-term sustainable development.



## Sysgration's Supplier Self-Assessment Questionnaire Analysis Results



## Audit Mechanisms of Qualified Suppliers

Sysgration performs on-site audits annually from time to time to confirm the ESG execution status, policy and compliance of suppliers. However, for the suppliers of poorer management system operation performance, the QRA Department is responsible for performing guidance and tracking its improvement status. If the supplier still fails to satisfy the requirements, the Company then suspends the cooperation with the supplier until its improvement is complete, thereby establishing a comprehensive supplier sustainability audit management mechanism. In addition, in case of receiving any complaints, Sysgration performs verification via the confidential method of protecting the confidentiality of the complainant.

In 2024, Sysgration audited 17 suppliers with actual production manufacturing, of which 10 were audited in writing, and 7 were audited on-site. Regarding the suppliers, the number of suppliers with the self-evaluations in writing performed according to the standards of the "Supplier ESG Code of Conduct," and the deficiencies found during the audit, the main deficiencies included failure to provide standard operation procedures or the need to establish standard operation procedures, incomplete documentation of filling relevant records and unclear control method definitions. After requesting suppliers to make improvements, all audited suppliers were able to complete the deficiency improvement within the required time period, with all cases closed. No cooperation with suppliers was suspended due to noncompliance with the requirements of Sysgration. The newly introduced ISO 20400-related documents will become applicable in 2025, and relevant on-site audits and follow-up improvement consultation results are intended to be disclosed in the 2025 Sustainability Report.

## Supplier Evaluation Results

Evaluation Grade	Grade Description	2024 Evaluation Results	
		Number of Suppliers	Percentage of Improvement Within Time Period
A	Possess a comprehensive management system and a continuous improvement plan	6	100%
B	Possess a favorable management system and improvement measures	11	100%
C	Basically meets the requirements but needs improvement	-	-
D	If the improvement is not made, the qualification will be canceled	-	-

## Supplier Reward and Exit Mechanisms

To encourage suppliers to implement sustainable actions and improve sustainable performance, Sysgration performs audits and evaluations of suppliers according to the "Sustainable Procurement Standards" and other documents and implements the reward and exit mechanisms in response to corresponding management procedures.

**Rewards** Suppliers with excellent performance in the past year are given the right to participate in new projects and are publicly praised at the supplier conference.

**Exit** Suppliers rated Grade D or with unsatisfactory audit performance shall provide an improvement report within two weeks, and a formal review and improvement counseling will be implemented in two months. After six months of the improvement period, the supplier will be invited to hold another supplier review meeting. If the supplier fails to meet the minimum standards, the supplier's qualification will be canceled.



## 7.5 Supply Chain Sustainability Targets

Sysgration has set the following sustainable supply chain targets to promote the sustainable management of the supply chain with clear management targets:

### 1. Corporate Governance and Consumer Health and Safety

Indicator items	2025	2026	2027	2028	2029	2030
Execution rate of supplier sustainable procurement standards/Supplier Code of Conduct	The execution rate of new suppliers for the Supplier Sustainable Procurement Guidelines/Supplier Code of Conduct (ver.1) reaching <b>100%</b>	The execution rate of key suppliers for the Supplier Sustainable Procurement Guidelines/Supplier Code of Conduct (ver.1) reaching <b>100%</b>	The execution rate of secondary suppliers for the Supplier Sustainable Procurement Guidelines/Supplier Code of Conduct (ver.1) reaching <b>100%</b>	The execution rate of all suppliers for the Supplier Sustainable Procurement Guidelines/Supplier Code of Conduct (ver.1) reaching <b>100%</b>	The execution rate of key suppliers for the Supplier Sustainable Procurement Guidelines/Supplier Code of Conduct (ver.2) reaching <b>100%</b>	The execution rate of secondary suppliers for the Supplier Sustainable Procurement Guidelines/Supplier Code of Conduct (ver.2) reaching <b>100%</b>
The response rate of supplier ESG evaluation questionnaires	Key suppliers <b>95%</b>	Key suppliers <b>100%</b>	<b>70%</b> of secondary suppliers or above	<b>80%</b> of secondary suppliers or above	<b>90%</b> of secondary suppliers or above	<b>100%</b> of secondary suppliers or above

## 2. Laborers and Human Rights

Indicator items	2025	2026	2027	2028	2029	2030
The compliance rate of suppliers with the Supplier Code of Conduct	70% of key suppliers or above	80% of key suppliers or above	90% of key suppliers or above	50% of secondary suppliers or above	60% of secondary suppliers or above	70% of secondary suppliers or above
Execution rate of the statement of "not using conflicted minerals" by suppliers	The execution rate of suppliers of specific categories for the statement of "not using conflicted minerals" reaching 100%					

## 3. Environment

Indicator items	2025	2026	2027	2028	2029	2030
Percentage of suppliers that underwent GHG inventory	Key suppliers are required to conduct internal carbon inventory according to ISO 14064-1/GHG Protocol standards	Key suppliers 60%	Key suppliers 80%	Secondary suppliers 100%	Secondary suppliers 50%	Secondary suppliers 60%
Percentage of suppliers that have completed third-party GHG inventory verification	10% of key suppliers with high power consumption obtained the ISO 14064-1 certifications	20% of key suppliers with high power consumption	30% of key suppliers with high power consumption	40% of key suppliers with high power consumption	50% of key suppliers with high power consumption	60% of key suppliers with high power consumption
Percentage of GHG emission reduction promised by suppliers	Percentage of GHG emission reduction promised by suppliers (with 2024 as the base year) reaching 4.5%	Percentage of GHG emission reduction promised by suppliers reaching 9%	Percentage of GHG emission reduction promised by suppliers reaching 13.5%	Percentage of GHG emission reduction promised by suppliers reaching 18%	Percentage of GHG emission reduction promised by suppliers reaching 22.5%	Percentage of GHG emission reduction promised by suppliers reaching 27%

## 4. Administration System

Indicator items	2025	2026	2027	2028	2029	2030
Percentage of suppliers that have obtained ISO 9001, ISO 14001, and ISO 45001 certifications	50% of key suppliers or above	55% of key suppliers or above	60% of key suppliers or above	65% of secondary suppliers or above	70% of secondary suppliers or above	75% of secondary suppliers or above

Note 1: Suppliers of specific categories: Specific categories (i.e., raw material suppliers)

## 7.6 Supplier Performance Evaluation, Communication, and Engagement

### Supplier Performance Management

Sysgration performs the sustainability/ESG risk assessment for primary suppliers through the "Supplier ESG Sustainable Supply Chain Evaluation Questionnaire," on-site audits, and on-site audits by third-party independent institutions to ensure that Sysgration's cooperation with suppliers and partners can achieve the optimal ESG practices, and meet the requirements of sustainable supply chain management targets.

Evaluation method	Description
Written review	<ul style="list-style-type: none"> <li>Suppliers must fill out the "Supplier ESG Sustainable Supply Chain Evaluation Questionnaire" and provide relevant supporting information, including: relevant ESG policies, management system certifications, and management documents</li> <li>The internal audit personnel will review the ESG supporting documents of suppliers and evaluate the commitment, performance, and potential risks of suppliers in the relevant ESG issues</li> </ul>
On-site audits	<ul style="list-style-type: none"> <li>The QRA Department of Sysgration performs the on-site audits and evaluations of suppliers from time to time</li> <li>Evaluate the ESG performance and risks of suppliers through on-site inspections, interviews, and the confirmation of relevant information</li> </ul>
On-site audits by third-party independent institutions	<ul style="list-style-type: none"> <li>In the future, if necessary, we will appoint third-party independent institutions to conduct on-site audits according to the "Supplier ESG Code of Conduct" to confirm the ESG implementation status and risks.</li> </ul>

### Establish Supplier ESG Capabilities

Sysgration is committed to improving the ESG capabilities of suppliers and assists them in implementing various ESG policies and action plans through promotion and training in order to jointly create a sustainable value chain.

Category	Description
ESG Sustainable Supply Chain Strategic Information/ Education and Training	<ul style="list-style-type: none"> <li>In the "Supplier Procurement System," the information and documents of Sysgration's "ESG Sustainable Supply Chain Strategy" are provided, including the Supplier ESG Code of Conduct, contract terms, and ESG-related information and forms.</li> <li>We hold "Supplier ESG Education and Training" and "Supplier Conference" regularly to provide the promotion and education of information related to ESG sustainable supply chain strategies</li> <li>The ISO 14064-1 GHG inventory standard courses are provided for primary suppliers, and the content of the courses includes provision analysis specifications, meaning of vocabularies, introduction to quantitative tools and inventory calculation formulas, case description of GHG inventory processes and matters of notice, and sharing the organizational structure and audit focuses of the report.</li> </ul>
Provision of ESG benchmark information	<ul style="list-style-type: none"> <li>In the future, we will establish a "supplier ESG online platform" to provide relevant ESG courses/industry benchmarks and case information.</li> </ul>
Assistance in improvement measures	<ul style="list-style-type: none"> <li>The QRA Department is responsible for providing guidance to assist suppliers in introducing improvement measures and tracking their results</li> <li>External consultants are commissioned to provide remote consultation and assistance/examination on the improvement measures of suppliers</li> </ul>
Deep Support Program	<ul style="list-style-type: none"> <li>Provide and assist suppliers in improving GHG management/GHG information disclosure capabilities</li> <li>Organize sustainable product and service workshops and invite material suppliers to join specific projects to jointly develop sustainable low-carbon products and services</li> </ul>

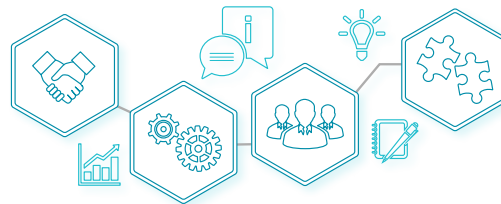


## Supplier ESG Education and Training Conference

Sysgration organized the first supplier ESG education and training meeting, attended by a total of 120 domestic and international supplier partners to understand the importance and future prospects of a sustainable supply chain. The conference covered the five key areas of sustainable supply chain and supplier classification mechanism. It also introduced the "Sustainable Procurement Standards," "Supplier ESG Code of Conduct," and "Supplier ESG Sustainable Supply Chain Evaluation Questionnaire" formulated and completed by Sysgration through the execution and self-evaluation of sustainable supply chain documents. By explaining the content and expectations of these documents, the company aims to help suppliers better understand the guidelines and complete the questionnaire with confidence, ultimately deepening their awareness and commitment to sustainability.

### Supplier Communication and Engagement

#### 1. United Initiative



Initiative item	Description
Assist suppliers in grasping the ESG trends	Sysgration is responsible for leading supply chain partners to fulfill sustainability management regulations (including ESG) that comply with the international supply chain to help suppliers and partners effectively respond to sustainability risks.
Build a sustainable, low-carbon supply chain	We encourage supply chain partners to carry out GHG management actions, understand relevant strategies of suppliers and current conditions, and encourage suppliers to carry out GHG inventory. Meanwhile, we deepen the cooperation with suppliers, which is beneficial for the energy efficiency of R&D and procurement and low-carbon products and services with lower GHG emissions.
Strengthen suppliers' sustainable management capabilities	We regularly organize the "environmental sustainability education" exchange and visit each year to drive suppliers and partners to implement the concepts of the "sustainable, low-carbon supply chain" and achieve the targets of business continuity in terms of environmental sustainability, corporate governance, labor human rights, and safety and health in the hope of bringing about the co-prosperity and co-wellness of supply chain partners.



## 2. Supplier Conference

Sysgration convenes the Supplier Conference annually to strengthen the sustainability understanding of suppliers and to convey Sysgration's business concept of ESG corporate sustainable operation, actively promotes sustainability projects with suppliers jointly, and presents awards to outstanding suppliers to further strengthen the supply chain sustainability. Sysgration establishes individually applicable supplier reward mechanisms according to procurement characteristics and different characteristics of suppliers. Sysgration selects the annual outstanding suppliers by evaluation criteria of the "Supplier ESG Sustainable Supply Chain Evaluation Questionnaire" or other outstanding achievements to evaluate the performance. Awards are publicly presented during the Supplier Conference.

Sysgration organized a Strategic Partner and Supplier Conference in 2024, with a total of 169 executives from 74 companies participating. The main promotion content was the sustainable supply management strategies, and Sysgration required suppliers and partners to align with its ESG participation and code of conduct for detailed promotion and training.

In the future, Sysgration will establish the "Supplier Sustainability Award" to commend suppliers with outstanding performance in sustainable development. The evaluation scope of the award includes three major sustainable strategy aspects of "low-carbon mission," "recycling and reuse," and "social inclusion." Suppliers are required to submit a sustainable cooperation plan for the most recent 1 to 2 years. The plan must comply with one of the above strategies, and an on-site review by an independent third party will be conducted to confirm the feasibility, expected benefits, plan progress, and performance. Based on the review results and the progress of the plan, Sysgration will provide corresponding sponsorship. Through this award, Sysgration hopes to stimulate innovative cooperation models with suppliers, promote sustainable corporate operations and circular economy, enhance the carbon reduction capabilities of the value chain, and guide more suppliers to take active sustainability measures.





GRI Standards	Disclosure Item	Chapter	Page	Remarks
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	2.1 Corporate Governance	34	
	2-13 Delegation of responsibility for managing impacts	2.1 Corporate Governance	34	
	2-14 Role of the highest governance body in sustainability reporting	1.3 Materiality Analysis	15	
	2-15 Conflicts of interest	2.1 Corporate Governance	29	
	2-16 Communication of critical concerns	2.4 Risk Management	45	
	2-17 Collective knowledge of the highest governance body	2.1 Corporate Governance	31	
	2-18 Evaluation of the performance of the highest governance body	2.1 Corporate Governance	30	
	2-19 Remuneration policies	2.1 Corporate Governance	31-32	
	2-20 Process to determine remuneration	2.1 Corporate Governance	31-32	
	2-21 Annual total compensation ratio	2.1 Corporate Governance	32	
	2-22 Statement on sustainable development strategy	Message from the Chairman	3-5	
	2-23 Policy commitments	2.3 Ethical Corporate Management	37	
		2.4 Risk Management	42	
	2-24 Embedding policy commitments	5.4 Human Rights Protection	104	
		2.3 Ethical Corporate Management	37-40	
		2.4 Risk Management	42-44	
2-25 Processes to remediate negative impacts	5.4 Human Rights Protection	104-106		
	2 Corporate Governance	25-26		
	3 Product and Customer Relationship	52-54		
	4 Environmental Sustainability	70		
	5 Employee Care	88-89		
	6 Social Co-prosperity	121		
		7 Sustainable Supply Chain	137	

GRI Standards	Disclosure Item	Chapter	Page	Remarks
GRI 2: General Disclosures 2021	2-26 Mechanisms for seeking advice and raising concerns	2.3 Ethical Corporate Management	41	
	2-27 Compliance with laws and regulations	2.5 Compliance with laws and regulations	45	
	2-28 Membership associations	1.1 About Sysgration	12	
	2-29 Approach to stakeholder engagement	1.4 Stakeholder Engagement	20-22	
	2-30 Collective bargaining agreements	-	-	No collective bargaining agreement has been signed
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.3 Materiality Analysis	15	
	3-2 List of material topics	1.3 Materiality Analysis	16-19	
	3-3 Management of material topics	2 Corporate Governance	25-26	
		3 Product and Customer Relationship	52-54	
		4 Environmental Sustainability	70	
		5 Employee Care	88-89	
		6 Social Co-prosperity	121	
		7 Sustainable Supply Chain	137	
Material Topic				
Ethical Corporate Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	2 Corporate Governance	25	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	2.3 Ethical Corporate Management	37	
	205-2 Communication and training about anti-corruption policies and procedures	2.3 Ethical Corporate Management	38-40	
	205-3 Confirmed incidents of corruption and actions taken	2.3 Ethical Corporate Management	41	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3 Ethical Corporate Management	41	



GRI Standards	Disclosure Item	Chapter	Page	Remarks
Energy Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	4 Environmental Sustainability	70	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.3 Energy Management	79	
Energy Management				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	-	-	Sysgration will perform a Scope 3 GHG inventory inspection operation in 2025
	302-3 Energy intensity	4.3 Energy Management	79	
	302-4 Reduction of energy consumption	4.3 Energy Management	79-80	
	302-5 Reductions in energy requirements of products and services	4.3 Energy Management	79-80	
Sustainable Supply Chain Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	7 Sustainable Supply Chain	137	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	7 Sustainable Supply Chain	139	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	7 Sustainable Supply Chain	142	
	308-2 Negative environmental impacts in the supply chain and actions taken	7 Sustainable Supply Chain	143-145	

GRI Standards	Disclosure Item	Chapter	Page	Remarks
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	7 Sustainable Supply Chain	142	
	414-2 Negative social impacts in the supply chain and actions taken	7 Sustainable Supply Chain	143-145	
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	5 Employee Care	88	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.5 Occupational Health and Safety	107-108	
	403-2 Hazard identification, risk assessment, and incident investigation	5.5 Occupational Health and Safety	109-112	
	403-3 Occupational health services	5.5 Occupational Health and Safety	113-117	
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.5 Occupational Health and Safety	108	
	403-5 Worker training on occupational health and safety	5.5 Occupational Health and Safety	118	
	403-6 Promotion of worker health	5.5 Occupational Health and Safety	113-117	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.5 Occupational Health and Safety	113	
	403-8 Workers covered by an occupational health and safety management system	5.5 Occupational Health and Safety	108	

GRI Standards	Disclosure Item	Chapter	Page	Remarks
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	5.5 Occupational Health and Safety	112	
	403-10 Work-related ill health	5.5 Occupational Health and Safety	-	Sysgration had no relevant occurrence in 2024
Product Quality and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	3 Product and Customer Relationship	52	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.1 Product Quality and Safety	55	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	-	Sysgration had no relevant occurrence in 2024
Human Rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	5 Employee Care	89	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.4 Human Rights Protection	104-106	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	5.4 Human Rights Protection	105	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.4 Human Rights Protection	105	
Social Participation				
GRI 3: Material Topics 2021	3-3 Management of material topics	6 Social Co-prosperity	121	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	6.2 Care and Relief 6.3 Environmental Sustainability	128-134	

GRI Standards	Disclosure Item	Chapter	Page	Remarks
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	-	-	After an assessment, there were no operations with significant actual and potential negative impacts on local communities
Information Security Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	2 Corporate Governance	26	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.6 Information Security and Customer Privacy	48	
Low-carbon Green Products (the self-defined topic of Sysgration)				
GRI 3: Material Topics 2021	3-3 Management of material topics	3 Product and Customer Relationship	53	
Innovative Products and Services (the self-defined topic of Sysgration)				
GRI 3: Material Topics 2021	3-3 Management of material topics	3 Product and Customer Relationship	54	
Other Topics				
Governance				
Economic Performance				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2.2 Economic Performance	36	
	201-3 Defined benefit plan obligations and other retirement plans	5.2 Friendly Workplace	98	
	201-4 Financial assistance received from government	2.7 Financial assistance received from government	49	

GRI Standards	Disclosure Item	Chapter	Page	Remarks
Risk Management				
GRI 2: General Disclosures 2021	2-23 Policy commitments	2.4 Risk Management	42	
	2-24 Embedding policy commitments	2.4 Risk Management	43-45	
Environment				
Water Resource Management				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	4.5 Water Resource Management	83	
	303-2 Management of water discharge-related impacts	4.5 Water Resource Management	83-85	
	303-3 Water withdrawal	4.5 Water Resource Management	83-84	
	303-5 Water consumption	4.5 Water Resource Management	83-84	
Greenhouse Gas Emissions				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.2 Greenhouse Gas Emissions	77	
	305-2 Direct (Scope 2) GHG emissions	4.2 Greenhouse Gas Emissions	77	
	305-3 Other Indirect (Scope 3) GHG emissions	4.2 Greenhouse Gas Emissions	-	Sysgration will perform a Scope 3 GHG inventory inspection operation in 2025
	305-4 GHG emissions intensity	4.2 Greenhouse Gas Emissions	77	
	305-5 Reduction of GHG emissions	4.2 Greenhouse Gas Emissions	77-78	
Waste Management				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.4 Waste Management	81	

GRI Standards	Disclosure Item	Chapter	Page	Remarks
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	4.4 Waste Management	81-82	
	306-3 Waste generated	4.4 Waste Management	81	
	306-4 Waste diverted from disposal	4.4 Waste Management	81-82	
	306-5 Waste directed to disposal	4.4 Waste Management	81-82	
Society				
Labor-Management Relation				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.1 Employment	92	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Friendly Workplace	98	
Training and Education				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.2 Friendly Workplace	100	
	404-2 Programs for upgrading employee skills and transition assistance programs	5.2 Friendly Workplace	99, 101	
	404-3 Percentage of employees receiving regular performance and career development reviews	5.3 Talent Management Communication and Salary Guarantee	103	
Employee Diversity and Equal Opportunity				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1 Corporate Governance 5.1 Employment	29 97	
	405-2 Ratio of basic salary and remuneration of women to men	5.3 Talent Management Communication and Salary Guarantee	97	

## SASB Sustainability Accounting Standards Reference Table

Indicator	No.	Indicator description	Chapter	Page	Description
Energy Management	RT-EE-130a.1	(1) Total energy consumption (GJ) (2) Grid electricity usage ratio (%) (3) Renewable energy use ratio (%)	4.3 Energy Management	78-79	(1) Total energy consumption: 19,088.91 GJ (2) Grid electricity usage ratio (%): 94.37% (3) Renewable energy use ratio: 0%
Hazardous Waste Management	RT-EE-150a.1	Hazardous waste weight (T) and recycling percentage: (%)	4.4 Waste Management	81	Hazardous waste weight: 6.93 tons Hazardous waste weight recycling percentage: 35.06%
	RT-EE-150a.2	Reportable number of leakage events and total volume (kg), total volume restored (kg)	-	-	Sysgration had no relevant occurrence in 2024
Product Safety	RT-EE-250a.1	Number of products recalled and the total number of products recalled	-	-	Sysgration had no relevant occurrence in 2024
	RT-EE-250a.2	Total property damage due to product safety-related legal proceedings	-	-	Sysgration had no relevant occurrence in 2024
Product Lifecycle Management	RT-EE-410a.1	Proportion of operating income containing substances in compliance with IEC 62474's reporting criteria to total operating income (%)	-	-	Sysgration performs raw material and product sampling, inspection and testing according to the latest international regulations and trend, including the standards of RoHS, REACH, WEEE. Restricted substances are managed for raw materials and during the manufacturing process according to the PDCA procedure. Furthermore, Sysgration has also obtained hazardous substance management system IECQ QC080000:2017 certification. The hazardous substances under control are the declared substances in IEC 62474, and they also meet the requirements of crucial customers. Although partial materials cannot be replaced or have a minor amount remaining in products due to the existing industrial technologies; however, the content of reportable substances under control stated in IEC 62474 has not reached the ratio that is required to make the declaration
	RT-EE-410a.2	Proportion of products qualified for energy efficiency certifications to total operating income (%)	-	-	Customers have no related requirements, and Sysgration's products currently do not need to obtain any energy efficiency certification
	RT-EE-410a.3	Total operating income from renewable energy-related products and energy efficiency-related products	-	-	In 2024, Sysgration's revenue for energy efficiency-related products was NT\$220,767 thousand. (Please refer to the 2024 Annual Report)



Indicator	No.	Indicator description	Chapter	Page	Description
Raw Material Procurement	RT-EE-440a.1	Risk management description for crucial raw materials	7 Sustainable Supply Chain	142	Sysgration reduces the risk of using crucial materials through the diversification of suppliers, substitutive materials, and the development of recycling technology. It complies with international laws and regulations and does not use any metals provided by unqualified smelters of conflict mineral sites. In addition, suppliers are required to sign the "Non-use of Conflict Minerals Declaration" and "Non-Environmental Hazardous Material Contained Commitment."
Business Morality	RT-EE-510a.1	Describe policies and practices to prevent (1) corruption and bribery and (2) anti-competitive behavior	2.3 Ethical Corporate Management	38-40	Sysgration has established business ethics due diligence procedure, regularly evaluated the corruption risks of different operating locations, and ethical management-related policies are implemented through the methods of email information, education and training, performance evaluation, signing of letter of undertaking of integrity, etc.
	RT-EE-510a.2	Financial losses as a result of bribery or corruption-related legal proceedings	2.3 Ethical Corporate Management	41	Sysgration had no relevant occurrence in 2024
	RT-EE-510a.3	Total financial losses incurred due to legal proceedings related to anti-competitive behavior requirements	2.3 Ethical Corporate Management	41	Sysgration had no relevant occurrence in 2024
Industry Events	RT-EE-000A	Production Volume by Product Category	-	-	In response to the amendments to the Regulations Governing Information to be Published in Annual Reports of Public Companies, the revenue breakdown by main products is as follows: Automotive Electronics Products: 90.33% Energy Management Products: 7.10% Others: 2.57% (Please refer to the 2024 Annual Report)
	RT-EE-000B	Number of employees	5.1 Employment	90	Up to the end of 2024, the total number of employees of Sysgration was 580 people

Note: The SASB indicator used is the Electrical & Electronic Equipment, Version 2023-12.

## Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies - Electronic Parts and Components Industry Sustainability Disclosure Indicators

No.	Indicator	Indicator Type	Chapter	Page	Description
I	Total energy consumption, percentage of purchased electricity and renewable energy use ratio	Quantification	4.3 Energy Management	78-79	Total energy consumption: 19,088.91 GJ Percentage of purchased electricity: 94.37% Renewable energy use ratio: 0%
II	Total water withdrawal and total water consumption	Quantification	4.5 Water Resource Management	83-84	Total water withdrawal: 13.22 million liters Total water consumption: 13.22 million liters
III	Weight and recycling ratio of hazardous waste from manufacturing	Quantification	4.4 Waste Management	81	Weight of hazardous waste from manufacturing: 6.93 tons Recycling ratio of hazardous waste from manufacturing: 35.06%
IV	Type, number, and rate of occupational hazards	Quantification	5.5 Occupational Health and Safety	112	Number of general occupational injury persons-time: 0 persons Occupational injury rate: 0
V	Product Lifecycle Management Disclosure: including the weight of scrapped products and electronic waste, as well as the percentage of recycling.	Quantification	4.4 Waste Management	81-82	In 2024, Sysgration had no scrapped products. The internal electronic wastes, including waste cables and other wastes, were delivered to qualified waste treatment companies for treatment. The total weight of waste is 80.15 metric tons, with 51.8% (41.48 metric tons) being recycled, and the remaining 48.2% (38.67 metric tons) being incinerated.
VI	Description of risk management associated with the use of critical materials	Qualitative description	7 Sustainable Supply Chain	142	Sysgration reduces the risk of using raw materials through the diversification of suppliers, development of alternative materials, and recycling technologies. In addition, it complies with international laws and regulations and does not use any metals provided by unqualified smelters of conflict mineral sites. Furthermore, suppliers are required to sign the "Non-use of Conflict Minerals Declaration" and "Non-Environmental Hazardous Material Contained Commitment."
VII	Total pecuniary losses incurred due to legal proceedings related to anti-competitive behavior regulations	Quantification	2.3 Ethical Corporate Management	41	Sysgration had no relevant occurrence in 2024
VIII	Production volume of major products by product category	Quantification	-	-	In response to the amendments to the Regulations Governing Information to be Published in Annual Reports of Public Companies, the revenue breakdown by main products is as follows: Automotive Electronics Products: 90.33% Energy Management Products: 7.10% Others: 2.57% Others: 2.57% (Please refer to the 2024 Annual Report)

## Task Force on Climate-Related Financial Disclosures (TCFD) and Index of Climate-related Information of TWSE/TPEX Listed Companies

TCFD Recommended Disclosure Matters		Climate-related Information of TWSE/TPEX Listed Companies	Chapter	Page	Remarks
Governance					
TCFD 1(a)	Describe the supervisory status of climate-related risks and opportunities by the Board of Directors.	1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors.	4.1 Response to Climate Change	71	
TCFD 1(b)	Describe the role of management in assessing and managing climate-related risks and opportunities.				
Strategies					
TCFD 2(a)	Describe the short-, mid- and long-term climate-related risks and opportunities identified by the organization.	2. Describe how the identified climate risks and opportunities will affect the Company's business, strategy, and finances (short-, mid-, and long-term).	4.1 Response to Climate Change	72	
TCFD 2(b)	Describe the impacts of climate-related risks and opportunities on the organization's business, strategic, and financial planning.	3. Describe the impact of extreme weather events and transitional actions on finance.	4.1 Response to Climate Change	73-74	
TCFD 2(c)	Describe the organization's strategic resilience, considering different climate-related scenarios (including 2° C or more severe scenarios).	4. If scenario analysis is used to assess the resilience to climate change risks, the scenario, parameters, assumptions, analysis factors, and main financial impacts used shall be specified.	4.1 Response to Climate Change	75	

TCFD Recommended Disclosure Matters		Climate-related Information of TWSE/TPEX Listed Companies	Chapter	Page	Remarks
Risk management					
TCFD 3(a)	Describe the organization's process for identifying and assessing climate-related risks.	5. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.1 Response to Climate Change	75	
TCFD 3(b)	Describe the organization's process for managing climate-related risks.		2.4 Risk Management 4.1 Response to Climate Change	42-45 75	
TCFD 3(c)	Describe how the climate-related risk identification, assessment and management processes are integrated into the organization's overall risk management system.		2.4 Risk Management 4.1 Response to Climate Change	42-45 75	
Indicators and Targets					
TCFD 4(a)	Disclose the indicators used by the organization to assess climate-related risks and opportunities based on the strategy and risk management process.	6. If there is a transformation plan for responding to and managing climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transformation risks. 7. If internal carbon pricing is used as a planning tool, describe the basis for setting the price.	4.1 Response to Climate Change	76	Sysgration does not use internal carbon pricing.
TCFD 4(b)	Disclose Scope 1, Scope 2, and Scope 3 (if applicable) GHG emissions and related risks.	8. GHG inventory and assurance, reduction targets, strategies, and concrete action plans.	4.2 Greenhouse Gas Emissions	77	Sysgration will perform a Scope 3 GHG inventory inspection operation in 2025.
TCFD 4(c)	Describe the targets used by the organization to manage climate-related risks and opportunities and the implementation of the targets.	9. If climate-related targets are set, specify the activities covered, the scope of GHG emissions, the planned period, and the progress achieved each year. If carbon offset or renewable energy certificates (RECs) are used to achieve relevant targets, the source of carbon offset limits, quantity, and quantity of RECs shall be specified.	4.1 Response to Climate Change	76	



Item	Value
Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors.	<p>In order to effectively manage climate-related risks and opportunities, the ESG-TCFD Committee of Sysgration is convened by the General Manager and has set up three ESG-TCFD Executive Teams, the Policy and Regulation Team, the Market Research Team, and the Physical Risk Assessment Team, respectively, to identify and manage climate change risks and opportunities.</p> <p>Every year, the ESG-TCFD Committee presents the results of climate-related risk and opportunity identification and assessment to the General Manager during the senior management meeting. Based on these findings, corresponding response strategies are developed. Sysgration regularly reports major climate risks, opportunities, and related strategies to the Board of Directors, enabling the Board of Directors to exercise full oversight and review of key climate issues. This ensures that appropriate response and management policies are established and their implementation status is continuously monitored.</p>

How the identified climate risks and opportunities will affect the Company's business, strategy, and finances (short-, mid-, and long-term)

Sysgration actively develops solutions, hoping to reduce the operating and financial impacts brought by climate change and improve the organization's climate resilience. It defines short-term as within three years, mid-term as three to five years, and long-term as above five years to assess the potential operating and financial impacts brought by relevant climate risks and opportunities to the Company so as to plan for various actions to respond to climate-related risks and opportunities.

	Type of Risks and Opportunities	Short-term (zero to three years)	Mid-term (three to five years)	Long-term (above five years)
Risk	Transformation Risks	<ul style="list-style-type: none"> <li>Rising Cost of Raw Materials</li> <li>Costs of low-carbon technology transformation</li> </ul>	<ul style="list-style-type: none"> <li>Carbon pricing mechanism</li> <li>Customer behavior change</li> </ul>	-
	Physical Risk	-	-	<ul style="list-style-type: none"> <li>Increased severity and frequency of extreme weather events (typhoons, floods, heavy rainfall, etc.)</li> </ul>
Opportunity	Opportunity	<ul style="list-style-type: none"> <li>Develop and/or increase low-carbon products and services</li> </ul>	<ul style="list-style-type: none"> <li>Enter new markets</li> <li>Use more efficient production and distribution processes</li> </ul>	-

Sysgration evaluated the above risks, proposes climate-related risks and opportunities that may cause significant financial impact, and the response strategies are as follows:

Risk/opportunity	Financial impact	Response Strategy
Carbon pricing mechanism	<p>The European Union will implement the CBAM Carbon Border Adjustment Mechanism starting October 1, 2023, with full implementation in 2026; Taiwan is expected to start collecting and introducing a carbon fee in 2024-2025. Although the Company is not the first wave of taxation objects, we still need to pay close attention to regulatory changes and updates. The national carbon emission trading market in mainland China will be launched in 2021. The first industry to be included in the trading is the electric power industry, but it is still necessary to pay close attention to the policies and industries that are subject to regulation. In the future, when carbon emissions exceed the control value, an additional purchase is required. However, the price of carbon rights should be increased year by year, resulting in operating cost pressures on businesses.</p>	<ol style="list-style-type: none"> <li>1. Establish the ESG Committee and set up a Sustainable Environment Task Force to promote and supervise energy conservation and carbon reduction measures, such as replacing equipment, promoting paperless and recycling paper reuse. If the related lighting equipment in plants and office buildings requires repair or maintenance, it shall be replaced with LED energy-saving lamps or light bulbs. Meanwhile, smart meters are adopted by production lines to effectively monitor the power consumption status and the distribution of power consumption.</li> <li>2. Establish the GHG Inventory Committee to perform an inventory of the emission sources of GHGs at all companies and plants within the Group and collect data on various emission activities for analysis for the benefit of promoting relevant carbon reduction plans.</li> <li>3. Introduce ISO 14064 Inventory, set the greenhouse gas reduction targets, and actively establish the Science Based Carbon Reduction initiative targets.</li> <li>4. Continue to pay attention to global carbon trading market policies and Taiwan's carbon fee and carbon tax policies, conduct carbon inventory every year, set short-term, medium- and long-term carbon emission reduction targets and review regularly so as to cooperate with the government's relevant carbon reduction policies in the future and adjust the Company's carbon reduction strategies and action plans in a timely manner.</li> </ol>

Item	Value	
Risk/opportunity	Financial impact	Response Strategy
Rising Cost of Raw Materials	Natural disasters affect raw material suppliers and increase the cost of purchasing raw materials, resulting in increased production costs. For example, due to supply chain interruptions, products fail to be delivered as scheduled; the manufacturing locations of automotive electronic components are also in Europe and the United States. For example, winter storms severely damage the power grid, resulting in power outages or production capacity crowding out after power is restored. All of this will increase the costs and increase the pressure on the Company's operating costs.	<ol style="list-style-type: none"> <li>1. Understand the production base of the upstream supply chain and provide predictive orders to facilitate production capacity planning and adjustment.</li> <li>2. Disperse the proportion of materials used for electronic components through product design and supply chain management, not limited to one brand, and avoid production in the same area.</li> <li>3. Improve research and development efforts, introduce green design, optimize production methods, and use a new recyclable integrated, simple packaging design to reduce the waste of redundant packaging materials, reduce the cost of raw materials, reduce the weight of the whole machine, reduce transportation costs, to achieve energy saving carbon reduction.</li> <li>4. Actively introduce raw material suppliers capable of implementing energy saving and carbon reduction.</li> <li>5. We plan to introduce ISO 20400 Sustainable Procurement and Sustainable Supply Chain Management in the hope of making procurement decisions that are beneficial to the organization and society while minimizing impacts on the environment. To achieve the target, we shall ensure a favorable working environment for suppliers' employees, the sustainability of procurement, and the settlement of socioeconomic issues (i.e., inequality and poverty).</li> </ol>
Customer behavior change	In order to reduce the impact on the environment, many customers have requested changes in their product manufacturing or design requirements, such as replacing the battery from lead-acid batteries to lithium batteries. In addition to saving maintenance costs, it also reduces the impact of lead acid on the environment. To effectively reduce the tire wear of customer fleets, tire manufacturers propose changes by providing a Fleet Management System and integrating a Tire Pressure Monitoring System.	<ol style="list-style-type: none"> <li>1. In the development and design of tire pressure monitoring, energy storage and automotive electronics, Sysgration works closely with chip manufacturers, with new chips integrated with the original wireless communication into the main chip to reduce the PCB area and make the overall chip size smaller and lighter, reducing the raw materials needed for production processes, and shortening the time required for manufacturing, achieving the carbon reduction benefits in the product life cycle.</li> <li>2. Establish a complete customer communication channel, formulate relevant standards for compliance, and provide customer feedback procedures to instantly understand customer needs for product specifications; at the same time, visit customers regularly to discuss cooperation and integration business matters to increase customer value differentiation and assist customers in expanding low carbon product market.</li> </ol>

Item	Value	
	Risk/opportunity	Response Strategy
	<p><b>Costs of low-carbon technology transformation</b></p> <ul style="list-style-type: none"> <li>Customers have increased demand for low-carbon and green energy-designed products, such as Fleet Management System and Bluetooth Tire Pressure Monitoring System; and all countries have also begun to increase requirements for specific products and processes, such as Europe has required mandatory installation of Tire Pressure Monitoring System for trucks, hence, investment in product research and development and process improvement costs will increase.</li> <li>The carbon emission requirements of the countries where each operation location is located, such as the carbon fee levied by Taiwan's Climate Change Response Act and the carbon trading in the test pilot of the carbon trading market in mainland China. If low-carbon technology transformation is not implemented, the cost of carbon fees will increase.</li> </ul>	<ol style="list-style-type: none"> <li>Set up Research and Development Departments for different product lines and combine the expertise and advantages of supply chain manufacturers to continuously develop innovative technologies in the fields of the Internet of Things, Internet of Vehicles, Energy Storage products, and Battery Energy.</li> <li>The development of a new Bluetooth tire pressure monitoring sensor (TPMS) will help reduce the overall vehicle weight, thereby lowering fuel consumption. It also decreases the likelihood of premature tire disposal due to under-inflation. By maintaining optimal tire pressure, the system not only enhances driving safety but also contributes to fuel efficiency and environmental sustainability.</li> <li>Actively encourage employees to expand the research and development achievements completed on the job, accumulate the Company's intellectual property rights, and arrange relevant, innovative research and development courses combined with environmental sustainability at the same time.</li> <li>Actively engage in industry-academia exchanges and cooperation with the government, academic and research institutions, and colleges and universities to introduce new technologies and new talents to join the R&amp;D of low-carbon products.</li> </ol>
	<p><b>Increased severity and frequency of extreme weather events (typhoons, floods, heavy rainfall, etc.)</b></p> <p>In recent years, the frequency of extreme weather events has increased and lasted longer. The factory buildings may be damaged by flooding, and employees may also suffer direct or indirect injuries; and the interruption of production may lead to interruption of the supply chain, obstruction of raw material delivery, and supply interruption; For example, when a typhoon strikes, it may directly affect the transportation, delay the delivery date and shipping schedule of the supply chain, and thus unable to meet the customer delivery schedule.</p>	<ol style="list-style-type: none"> <li>Formulate emergency response measures, prepare fire drill and emergency rescue equipment in advance, conduct typhoon emergency response drills at least once every year, and set up the Emergency Command Center to conduct overall emergency response management after disasters. These include the immediate procurement of raw materials in stock and the urgent recruitment of personnel to ensure business continuity and minimize operational risks.</li> <li>In response to flooding caused by extreme weather events, Sysgration identifies safe warehouse locations and collaborates with contract manufacturers in unaffected areas to ensure continued production. Additionally, the company selects transportation methods that are least impacted by such climate events to maintain stable delivery and minimize disruption to the supply chain.</li> <li>In the event of short-term power outages due to drought, diesel generators will be used for backup power generation during power outages to maintain uninterrupted production and manufacturing and avoid work suspension or production interruptions.</li> <li>The company also secures relevant insurance coverage, such as natural disaster insurance, to mitigate potential losses.</li> </ol>

Item	Value	
	Risk/opportunity	Response Strategy
	<p><b>Enter new markets</b></p> <ul style="list-style-type: none"> <li>With the increase of customers' demand for Fleet Management System, Sysgration's Bluetooth TPMS can be easily integrated with the Fleet Management System, to effectively manage fleet tire wear and reduce fuel consumption and carbon emissions. And, in response to the mandatory installation of tire pressure monitoring systems for trucks in Europe, the demand has increased.</li> <li>Climate change has prompted the global automobile market to rapidly shift to electric vehicles. Sysgration has experience in the development and production of automotive electronic products. The produced Internet of Things, Internet of Vehicles, Energy Storage products and Battery Energy technologies will achieve excellent results in the next few years.</li> </ul>	<ol style="list-style-type: none"> <li>Continue to expand and operate with major customers of European and American OE automobile manufacturers.</li> <li>The upstream and downstream integration and comprehensive deployment of the energy storage industry chain to bring in capital, technology, and strategic investors.</li> <li>The Company has set up a plant in the U.S. to secure and stabilize orders from customers in Europe and America, and the new business location can also shorten the transportation time and distance for shipping to major customers in Europe and America and reduce carbon emissions.</li> <li>Split the ESS department to establish the Power System Energy and expand the Energy Storage Equipment Construction market in 2023.</li> <li>Research and analyze market, customer, region, society, national policies, laws and regulations, and climate-related trends, grasp the product aspect market environment and changes in policies and laws and regulations with advance deployment to increase and speed up research and development efforts, and accelerate product innovation.</li> </ol>
	<p><b>Use more efficient production and distribution processes</b></p> <p>Reduce the proportion of rework to increase the yield rate by increasing the proportion of automated production and testing, and use big data to analyze the causes of production yield rate to implement improvement and preventive measures.</p>	<ol style="list-style-type: none"> <li>Increase and improvement of automation equipment.</li> <li>Strengthen the integrity of generating big data collection.</li> <li>Implement personnel education and training.</li> <li>The Nankang Plant is currently establishing an on-site microgrid, utilizing UPS systems and energy storage systems in conjunction with an EMS (Energy Management System) to effectively monitor electricity usage within the factory. This setup supports the implementation of solar photovoltaic self-consumption, enabling the use of green energy to reduce carbon emissions, lower contracted electricity capacity, and ultimately decrease unit production costs.</li> </ol>
	<p><b>Develop and/or increase low-carbon products and services</b></p> <ol style="list-style-type: none"> <li>Develop the distributed Energy Storage System, using lithium-ion batteries cooperated with solar photovoltaics.</li> <li>Compared with the traditional technology of Radio Frequency, the low-power Bluetooth TPMS can reduce the installation of materials, shorten the installation time, and make it easy to integrate with the customer's device without the need to purchase a signal amplifier.</li> <li>Develop smart glasses products, improve power saving and charging and discharging efficiency can effectively save energy, and turn to find ODM/OEM opportunities for smart glasses simultaneously.</li> </ol>	<ol style="list-style-type: none"> <li>Strengthen the collection and R&amp;D of new specification power supplies and power-saving design data, while increasing the adoption rate of energy-efficient components.</li> <li>Develop multiple technologies such as automatic positioning systems, to save customers installation time.</li> <li>Use mechanism design analysis software to assess, including heat dissipation, turbulence, etc., estimate the weight and size of the product, and plan the heat conduction design aiming at the position where the heat energy occurs, effectively improving the product performance and reducing power consumption.</li> </ol>



Item	Value
Describe the impact of extreme weather events and transitional actions on finance.	<p><b>Financial impacts of extreme weather events</b></p> <p>In recent years, the frequency of extreme weather events has increased and lasted longer. The factory buildings may be damaged by flooding, and employees may also suffer direct or indirect injuries; and the interruption of production may lead to interruption of the supply chain, obstruction of raw material delivery, and supply interruption; For example, when a typhoon strikes, it may directly affect the transportation, delay the delivery date and shipping schedule of the supply chain, and thus unable to meet the customer delivery schedule, causing the loss of the Company's production capacity and loss of operating income.</p>
	<p><b>Financial impacts of transformation actions</b></p> <p>Under the transformation risk, low-carbon economy transformation may face extensive changes in policies, regulations, technologies, and markets. According to nature, speed, and emphasis of the abovementioned changes, the carbon pricing system, the increasing cost of raw materials, changes in customer behaviors, and the cost of low-carbon technology transformation within the time scope of analysis may cause the increase in operating cost and operating losses of the Company.</p>
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>1. Filter our climate risks and opportunities: Filter out the relevant climate risks and opportunities based on Sysgration's industrial characteristics and operating status, including a list of 5 risks and 3 opportunities topics</p>
	<p>2. Internal training and inventory of the Company: Call upon members of the TCFD team to organize education, training, and workshops to understand the definition of climate risks and opportunities related to Sysgration and study domestic and foreign regulation, market, and technology trends. Carry out further compounded analysis for different issues and understand the impacts and effects of climate issues on Sysgration based on impact possibility, level of impact, impact timing, and other factors.</p> <p>3. Identify material risks and opportunities: Evaluated the materiality based on the analysis content and impact possibility and level of impact and concluded the material climate risks and opportunities, including two risks and one opportunity. Performed an inventory of information related to climate-related risks and opportunities and management strategies and concluded corresponding control measures and action plans.</p> <p>4. Senior management confirmation: In conclusion, Senior Management reviews the identified results, confirms relevant climate risks and opportunities, and integrates them into the Company's risk management process for control</p>

Item	Value						
If scenario analysis is used to assess the resilience to climate change risks, the scenario, parameters, assumptions, analysis factors, and main financial impacts used shall be specified.	Type of Risks and Opportunities		Issue Definition	Scope of assessment	Climate scenario, parameters, assumptions, and analysis factors	Timing of impact assessment	Financial impact assessment results
	Transformation Risks	Market Risk	Rising Cost of Raw Materials	Company-wide	<ul style="list-style-type: none"><li>Under the SSP5-8.5 scenario in the IPCC AR6, the mid-century heavy rain variation rate and the mid-century number of days of continual droughts have been increasing, and the ratio was 20% and 5.5%, respectively. Analyze the impact of climate and natural disasters on production logistics interruption of Sysgration and the inability of the supply chain to supply raw materials.</li></ul>	2046 - 2065 (mid century)	Under effective control in past operations, there was no production logistics interruption or the inability of the supply chain to supply raw materials due to climate and natural disasters, and there was no effect on the operating income.
		Technology Risk	Costs of low-carbon technology transformation		<ul style="list-style-type: none"><li>If the Company is unable to complete low-carbon technology transformation, based on the ratio of operating income of customers who require the provision of low-carbon or energy-saving products according to the requirements, it is estimated that the loss of customer orders arising from the inability to comply with such requirements by 2025 will cause financial impacts.</li><li>According to the BAU (Business As Usual) and IEA-B2DS scenarios, the Company carried out the carbon fee financial impact evaluation in Taiwan and the carbon trading financial impact evaluation in Mainland China based on the carbon price of US\$14.6 and US\$52 for the plants in Taiwan and the carbon trading fees of RMB16.3 and RMB64.7 for plants in Mainland China, respectively.</li></ul>	2025	<ul style="list-style-type: none"><li>If orders decrease as Sysgration's products fail to enter the low-carbon transformation process to satisfy the latest low-carbon energy-saving requirements of customers or countries, the financial impact accounts for 35.58% of our operating income.</li><li>Financial impacts of carbon fees or carbon trading fees levied for different operating plant areas, respectively, to ensure compliance with the GHG emission policies of the local competent authorities: (1) BAU scenario: Financial impacts account for 0.03% of our operating income. (2) Net Zero scenario: Financial impacts account for 0.10% of our operating income.</li></ul>
If there is a transformation plan for responding to and managing climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transformation risks.		Transformation Risks: GHG Management Set 2024 as the base year for GHG emissions: 1. Short and Medium Term: <ul style="list-style-type: none"><li>Achieve the reduction of actual carbon emissions in Scope 1 and Scope 2 by 4.5% per year.</li><li>Achieve 25% of carbon emissions by 2030.</li></ul> 2. Long-term: Achieve net zero carbon by 2050. Energy Saving Management: Set 2024 as the base year for power consumption management; the goal is to reduce the emission intensity of electricity consumption by 20% by 2030.		Physical Risk: Increased severity and frequency of extreme weather events (typhoons, floods, heavy rainfall, etc.): 1. Formulate emergency response measures, conduct typhoon emergency response drills at least once every year, and set up the Emergency Command Center to conduct overall emergency response management after disasters, including the immediate purchase of raw materials on the spot and emergency personnel recruitment. 2. In response to flooding caused by extreme weather events, look for warehousing places in safe areas and OEMs to assist in production; choose the mode of shipment transportation that is least affected by extreme weather events. 3. In the event of short-term power outages due to drought, diesel generators will be used for backup power generation during power outages to maintain uninterrupted production and manufacturing and avoid work suspension or production interruptions. 4. Take out relevant insurance (i.e., natural disaster insurance) to reduce losses.			

Item	Value
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If internal carbon pricing is used as a planning tool, describe the basis for setting the price.

Sysgration does not use internal carbon pricing as a planning tool.

If climate-related targets are set, specify the activities covered, the scope of GHG emissions, the planned period, and the progress achieved each year. If carbon offset or renewable energy certificates (RECs) are used to achieve relevant targets, the source of carbon offset limits, quantity, and quantity of RECs shall be specified.

Indicator Items	GHG Management	Energy Saving Management
Goals	Set 2024 as the base year for GHG emissions:  1. Short and Medium Term: <ul style="list-style-type: none"><li>Achieve the reduction of actual carbon emissions in Scope 1 and Scope 2 by 4.5% per year.</li><li>Achieve 25% of carbon emissions by 2030.</li></ul> 2. Long-term: Achieve net zero carbon by 2050.	Set 2024 as the base year for power consumption management; the goal is to reduce the emission intensity of electricity consumption by 20% by 2030.
Implementation Status	In 2024, the Group's total GHG emissions were 2,555.77 tCO <sub>2</sub> e °	In 2024, the Group's Scope 2 carbon emission intensity was 0.76 tCO <sub>2</sub> e/NT\$ million of operating revenue.

## Summary of Assurance Items

	Assurance Items	Criteria	Page
1	Total energy consumption in 2024 was 19,088.91 Gigajoule (GJ).	The energy consumption in 2024 was calculated based on the electric utility company's receipts and gas station's invoices. The information covered in the previous information included the Taipei Headquarters, Nankang Plant, Power Tank, Zhenjiang Plant and Huizhou Plant. If the operating base has a co-leased area, it will be shared proportionally with the other tenants.	78, 79, 155, 157
2	Total water withdrawal in 2024 was 13.22 million liters.	The water withdrawal in 2024 was calculated based on the water bill issued by the water utility company. The information covered in the previous information included the Taipei Headquarters, Nankang Plant, Power Tank, Zhenjiang Plant and Huizhou Plant. If the operating base has a co-leased area, it will be shared proportionally with the other tenants.	13, 69, 83, 84, 157
3	Female senior managerial positions accounted for 20.9% of all management levels in 2024.	According to the HR system's information as of 2024/12/31: The proportion of female employees in senior managerial positions was calculated by dividing the number of female employees in senior managerial positions by the total number of all management levels. ** Management grade refers to assistant manager level (inclusive) or above	4, 13, 87, 97
4	In 2024, revenue for energy management products was NT\$220,767 thousand.	The estimation is based on the revenue of energy management products sold by Sysgration in 2024 by the ERP system.	36, 155
5	Total award distribution was NT\$190,000 across 7 cases for patent reward issuance in 2024.	The patent cases and award applied for issuance is calculated on the base of patent application and reward system established by the company.	62, 98



## Certified Public Accountant Limited Assurance Report



### Independent Limited Assurance Report

To Sysgration Ltd.

We have been engaged by Sysgration Ltd. ("Company") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2024 Sustainability Report (hereinafter referred to as the "Identified Key Performance Indicators") and have issued a limited assurance report based on the results of our work performed.

#### Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Assurance Issues" of the Sustainability Report. The scope of the aforementioned Identified Key Performance Indicators is set out in the "Report Boundary and Data" of the Sustainability Report.

#### Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the respective applicable criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

#### Inherent Limitations

Certain subject matter information assumed involves non-financial data, which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

#### Compliance of Independence and Quality Management Requirement

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (Including Interpretations) (Independence Handbook) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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Our firm applies the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of the Republic of China. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes, information systems, and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed analytical procedures on the Identified Key Performance Indicators and performed substantive testing on a selective basis, including inquiries, observation, and inspection to obtain evidence for limited assurance.



The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

#### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the applicable criteria.

#### Other Matter

The Management of the Company is responsible for maintaining the Company's records. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the applicable criteria have been subsequently modified.

Chia Ping Chien

Firm and on behalf of PricewaterhouseCoopers, Taiwan  
July 9, 2024

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