

Code : 2468



華經資訊企業股份有限公司

FORTUNE INFORMATION SYSTEMS CORP.

2023

Sustainability Reports

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About this Report

Welcome to the inaugural Sustainability Report published by FORTUNE INFORMATION SYSTEMS CORP. (hereinafter referred to as "FIS"). This report covers FIS's and its affiliated enterprises' efforts and achievements in Environmental Sustainability, Social Responsibility, and Corporate Governance (ESG) issues.

Guidelines and Principles	• Global Reporting Initiative, GRI - GRI Standards 2021 • Sustainability Accounting Standards Board, SASB - Software & IT Services • Task Force on Climate-related Financial Disclosures, TCFD • The Sustainability Best-Practice Principles for TWSE/GTSM Listed Companies
Boundary	FIS Group in Taiwan, including FIS, various branch offices and subsidiaries, Fortune Technology Systems Corp. (hereinafter referred to as "FTSC") and IPAC TECHNOLOGY CO., LTD. (On December 31, 2023, FIS absorbed, through a simplified merger, its wholly-owned subsidiary, IPAC Technology Co., Ltd., with FIS as the surviving entity and IPAC Technology Co., Ltd. as the dissolved entity.)
Period	The sustainability report is compiled regularly every year. The period is between January 1, 2023 and December 31, 2023.
Restatement	None
Data	Information related to financial and economic performance is based on FIS's consolidated financial reports. The scope of information includes FIS and all affiliates covered in the consolidated financial statements. All figures are presented in New Taiwan Dollars (NTD) and have been audited by Deloitte Taiwan. For details, please refer to FIS's annual report and financial statements. Other data have been compiled by the ESG Team, with figures consistent with those disclosed in the annual report. Environmental sustainability information encompasses all operational sites of FIS in Taiwan, as well as its subsidiaries, FTSC and IPAC.
Assurance	None
Reporting Process	The information and data in this report were provided by the respective responsible units, compiled by the ESG Team, and published after being approved by the Board of Directors on August 9, 2024.
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Letter from the Chairman

FIS marks its 47th anniversary, having transitioned into the information services industry since becoming the first IBM distributor in the Asia-Pacific region in 1982. As a veteran enterprise in the information industry, we have witnessed the rise and fall of end-user devices, the boom and decline of audiovisual entertainment equipment, the ascent and burst of the internet bubble, and, more recently, the surging demand for remote work driven by the COVID-19 pandemic. Despite the relentless pressures of transformation and market risks, we have demonstrated unwavering resilience, continually rising to challenges and achieving growth.

In the face of these shocks and challenges, numerous studies have shown that companies emphasizing corporate social responsibility (CSR) demonstrate greater resilience when confronting global systemic risks. Reflecting on the trials we have endured, despite the impacts, we have steadfastly navigated through them and continued to grow stronger. I believe this resilience is deeply rooted in our ingrained culture of CSR, which has been seamlessly integrated into our operational management, empowering us to overcome these challenges.

In preparing this inaugural sustainability report, we followed the United Nations Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI) Standards for the first time. This process involved a comprehensive review of FIS's achievements in sustainable development, effective communication with stakeholders, and a materiality analysis of various sustainability issues. Within the constraints of limited resources, we identified priority goals. Net-zero carbon emissions and information security have become unavoidable and urgent key issues. Consequently, under the leadership of General Manager Tang, the Sustainable Development Promotion Task Force designated the ISO 27001 update and ISO 50001 certification support as top priorities. These initiatives were presented to the Board of Directors and received full support. At the time of this report's publication, the two project teams have already commenced work as planned.

Integrity and a pragmatic attitude have always been the hallmarks of our corporate culture. While we may not be moving swiftly amid the current wave of sustainability initiatives, we are committed to advancing steadily and resolutely.

About FIS

Founded in April, 1966. Fortune Information was listed on the stock exchange in September, 1990 (#2468), with a paid-in capital of NT\$690 million. Our Taipei head office is subordinate to Taoyuan, Hsinchu, Taichung and Kaohsiung branches. We have also set up the Yunjiannan office to build a nationwide service network through localization and regional integration.

In response to industry trends and customers' professional needs in different fields. We focus on promoting cloud applications, expanding virtualization applications, strengthening information security and mass data application solutions. Continuing to market and build our own application software brand. Our services include enterprise public/private cloud infrastructure construction and planning, network system planning, information security, backup and redundancy planning, financial institution information integration services, cloud monitoring and management, software development, project development, video projection product integration, document microfilm production, information image processing, document digitization, logistics warehouse management system, insurance software, insurance industry information services and information equipment. Our goal is to provide professional outsourcing services.

Our strengths include comprehensive after-sales services, diversified solutions, and the support by OEM.

1977 Founded

2001 Listed

Capital

NT\$ 690 million

Industry

Information Services

Localation

- Headquarter: Taipei
- Branches:
 - Taoyuan
 - Hsinchu
 - Taichung
 - Kaohsiung

Numbers of Employee

342

Technical personnel make up approximately 60%

- Possessing core technical capabilities for various original equipment manufacturer (OEM) systems, the technical team is fully capable of supporting the implementation, development, and maintenance of various software and hardware services.
- ISO27001 certification
- ISO 27001 Update in 2024

AS of March, 31 2024

Business Philosophy

Since its establishment, FIS has been upholding the philosophy of “Integrity, Innovation, and Service”. Actively developing towards a diversified, multi-faceted, and high value-added service business. We are proud of our achievement of becoming the best information service partner for our customers by providing the most advanced information technology products in the world. Integrating our excellent team and having a nationwide presence.



Products and Business Ratios

Unit: NT\$ 1,000

Product Name	2023		2022	
	Sales Figures	%	Sales Figures	%
Computer equipment and system	1,469,930	62.86%	1,291,852	56.91%
Visual Product	219,900	9.40%	312,560	13.77%
Image Product	18,951	0.81%	10,384	0.46%
Professional image processing	27,295	1.17%	28,976	1.28%
Maintenance services	276,516	11.83%	251,836	11.09%
Professional services and others	325,779	13.93%	374,425	16.49%
Total	2,338,371	100.00%	2,270,033	100.00%

The main sales regions for the product

Unit: NT\$ 1,000

Year Region		2023		2022	
		Amount	%	Amount	%
Overseas		55,765	2%	45,511	2%
Domestic area	North	2,006,735	86%	1,875,436	82%
	Central	47,645	2%	124,865	6%
	South	228,226	10%	224,221	10%
	Total	2,282,606	98%	2,224,522	98%
Total		2,338,371	100.00%	2,270,033	100.00%

Major Suppliers

Unit: NT\$ 1,000

No.	2023				2022			
	Name	Amount	%	Relationship	Name	Amount	%	Relationship
1	BestCom	382,131	25.64	None	MetaAge	326,739	21.62	None
2	Epson Taiwan	175,598	11.78	None	Epson Taiwan	265,293	17.55	None
3	Wistron	164,656	11.05	None	Zero One	178,843	11.83	None
4	Zero One	161,864	10.86	None	BestCom	94,719	6.27	None
-	Others	606,321	40.67	None	Others	645,980	42.73	None
-	Net Purchases	1,490,570	100	-	Net Purchases	1,511,574	100	-

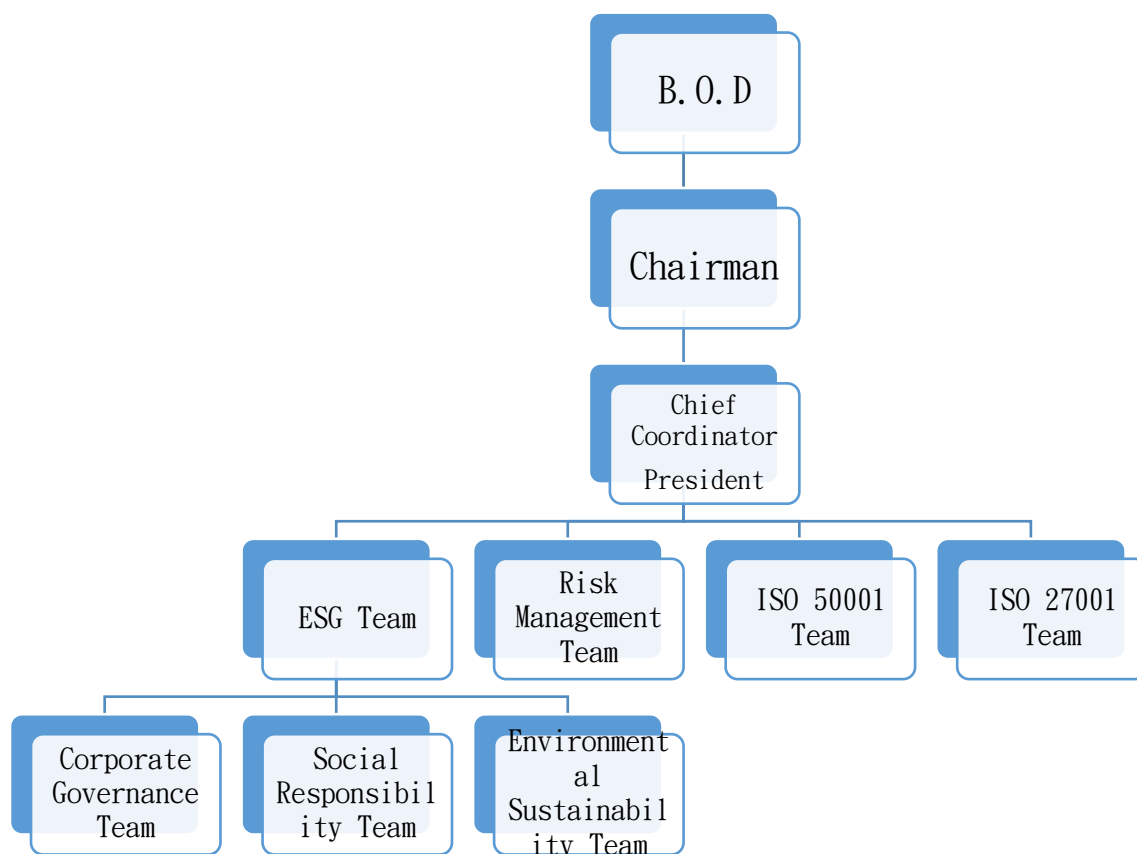
Note : Reasons for Increase or Decrease: Our main procurement items are computers and related peripheral products. We maintain procurement through distributors, and overall, there are no significant changes. Our suppliers are well-known domestic and international manufacturers. The changes in procurement amounts from suppliers are primarily due to the industry's nature, influenced by project characteristics, delivery terms, and negotiation results, which determine the selection of the most suitable suppliers.

Sustainable Governance Structure

FIS has established the ESG Team, with the Board of Directors as the highest governing unit, and with the General Manager serving as the convener. It consists of the Corporate Governance Team, Environmental Sustainability Team, Social Responsibility Team, and Risk Management Team. Risks related to environmental sustainability, social responsibility, and corporate governance are assessed based on the principle of materiality. Corresponding countermeasures and action plans are developed, with regular reports submitted to the Chairman and the Board of Directors on the progress of implementation.

The ESG Team, as the responsible unit for sustainability, is led by the heads of relevant departments. The task force manages the promotion and execution of key issues and projects following the PDCA (Plan-Do-Check-Act) cycle. Each year, it regularly collects sustainability-related indicators and tracks progress, prepares the sustainability report, and publishes it after obtaining approval from the Board of Directors.

In 2023, the ESG Team held four meetings. Following the principle of materiality, the team conducted risk assessments on various sustainability issues, developed countermeasures and action plans, and compiled the progress of each issue throughout the year. On December 28, 2023, the team reported the results of the sustainability initiatives and the plans for the upcoming year to the Board of Directors.



Sustainability Policy and Promise

On November 7, 2022, the Board of Directors approved the establishment of the Sustainability Practices Code. We are committed to ensuring that both FIS and its group enterprises, in their business operations, consider not only business performance but also the interests of stakeholders. We actively pursue sustainable development to align with international trends, and through corporate citizenship, enhance the nation's economic contribution while improving the quality of life for employees, communities, and society. We aim to achieve the following specific goals:

- Exercise corporate governance.
 - Establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.
 - Advised to give full consideration to the interests of stakeholders, including the following matters, in FIS's furtherance of its sustainable development objectives
 - Regularly organize education and training on the promotion of sustainable development initiatives
 - Create a governance structure for promotion of sustainable development
- Fostering a Sustainable Environment
 - Shall follow relevant environmental laws, regulations and international standards to properly protect the environment
 - To utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.
 - Establish proper environment management systems based on the characteristics of their industries.
 - To assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt related measures.
- Preserving Public Welfare
 - Shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.
 - Shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.
 - To provide safe and healthful work environments for their employees.
 - To create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.
 - Shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations
- Enhancing Disclosure of Sustainable Development Information

FIS established the ESG Team in August 2023, with the Board of Directors as the highest decision-making

body. The General Manager serves as the Chief Convener, leading the task force to conduct risk assessments on various sustainability issues based on the materiality principle, develop response strategies and implementation plans, and compile annual execution outcomes. On December 28, 2023, the Board reviewed the 2024 promotion plan as follows:

- Implement the ISO 50001 Energy Management System and enhance energy efficiency through a third-party verification mechanism to achieve energy savings and carbon reduction.
- Use 2023 as the baseline year to engage the Taiwan Green Productivity Foundation for guidance in conducting greenhouse gas emissions inventory and implement annual tracking.
- Plan to publish the first edition of the Sustainability Report, covering the period from January 1 to December 31, 2023, and continue with regular annual publications.

Materiality Analysis and Stakeholder Engagement

Corporate sustainability is not something that can be imagined in isolation; it requires effective communication with stakeholders who are impacted by FIS's actions. By identifying the issues that concern these stakeholders, effective strategies and plans can be developed.

FIS follows the five key dimensions of stakeholder engagement: Dependency, Responsibility, Tension, Influence, and Diverse Perspectives. After discussions within the ESG Team, stakeholders such as "Shareholders/Investors," "Customers," "Suppliers," and "Employees" were identified. Through various communication channels, FIS continuously gathers and analyzes the material issues relevant to FIS.

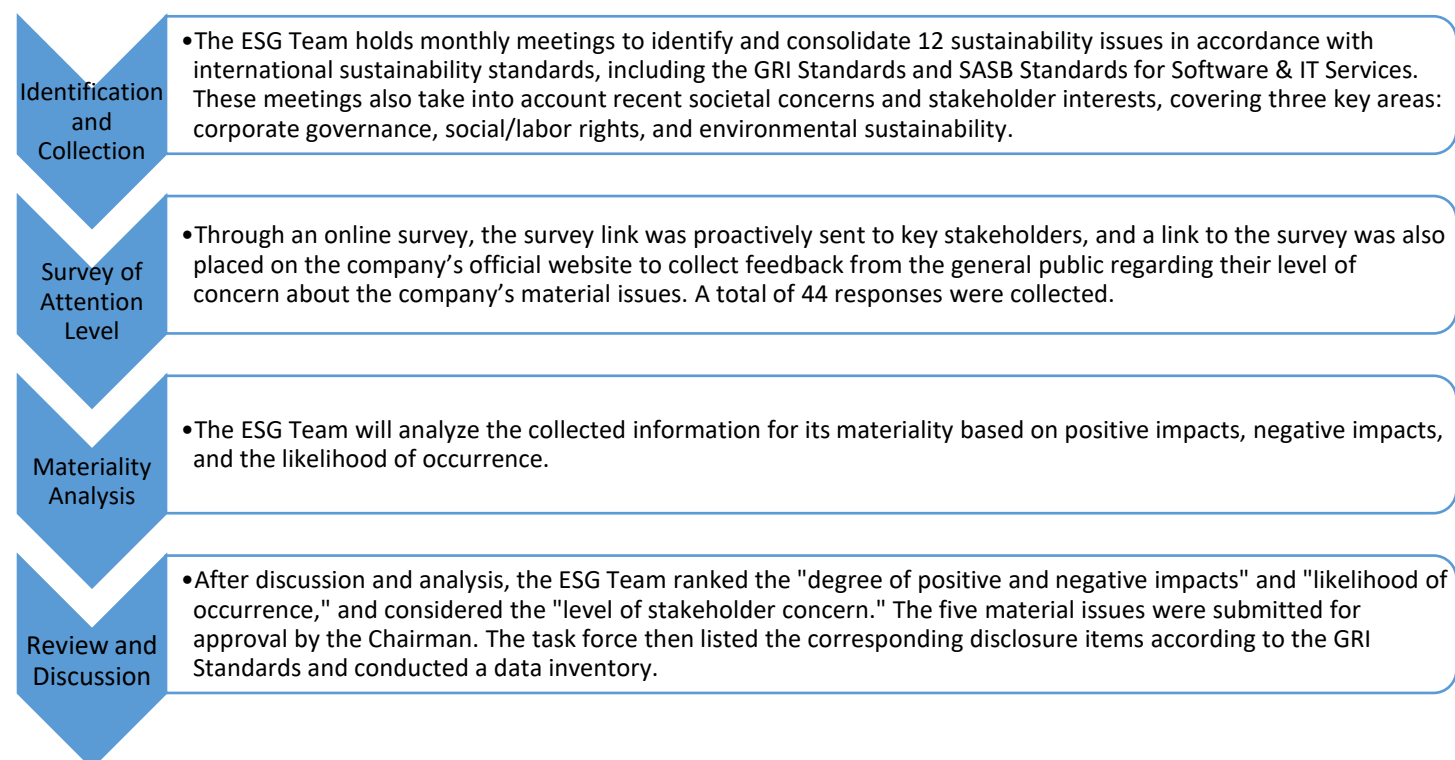
Communication with Stakeholders

Stakeholders	Prioritize key issues	Communication channels and response mechanism	Communication in 2023
Shareholders and investors	- Corporate governance - Sustainable development strategy - Risk management - Shareholder participation - Operational performance	- Annual shareholders' meeting - Regularly hold analyst meetings to disclose quarterly financial reports and operational updates - Publicly disclose significant information simultaneously on the Taiwan Stock Exchange (TWSE) information disclosure website and FIS's official website - For the announcement of significant events, disclose the information on the Public Information Observation Platform and FIS's website - Establish a shareholder and investor relations contact point for two-way communication - Contact Point: Spokesperson, Ms. Chen Email address : carrie.chen@fis.com.tw	- June 19 Shareholders' Meeting - Released 28 material information in Chinese and English - Investor presentations scheduled for September 20 and December 27 - FIS announces that it has not raised funds through social media to prevent investors from falling victim to fraud.

Stakeholders	Prioritize key issues	Communication channels and response mechanism	Communication in 2023
Customers	- Customer communication - Customer service	- Evaluate and plan comprehensive system integration solutions based on customer needs - Service outlets are spread across Taiwan, including the Taipei headquarters, Taoyuan branch, Hsinchu branch, Taichung branch, Tainan branch, and Kaohsiung branch - Provide customers with diverse communication channels, including a 24-hour service hotline, customer complaint hotline, and a website visitor message board. - Call Center: 02-5556-0000	- Awarded the Supplier Honor Award by Cathay Financial Holdings - Successfully completed the ISO 27001 recertification - Launched the official company YouTube channel - No complaints or reports of dishonest behavior were received.
Suppliers	- Supplier management - Business integrity and ethical standards - Compliance with environmental management regulations - Green procurement - Intellectual property rights	- Supplier management - Clearly communicate relevant regulations that suppliers must adhere to in the purchase order - Sign a confidentiality agreement - Ad-hoc meetings - Contact Point: Procurement Department, Ms. Hsieh Email address : amy.hsieh@fis.com.tw	- Released the Supplier Management Policy, requiring suppliers to adhere to sustainable development themes such as labor rights and human rights, occupational health and safety, environmental protection, and ethical business conduct. - Conducted sustainability self-assessment for key suppliers, with a 100% questionnaire response rate, and found no significant violations of sustainable development standards. - No complaints or reports of dishonest behavior were received.

Stakeholders	Prioritize key issues	Communication channels and response mechanism	Communication in 2023
Employees	● Talent cultivation and development ● Employee care and a friendly work environment ● Occupational health and safety ● Employment relations ● Integrity in business operations and business performance	● Supervisors and colleagues engage in periodic communication meetings ● Regular labor-management meetings ● Offering annual free health check-ups, consultations, and organizing periodic health seminars for employees ● Contact Point: Human Resources Department, Ms. Liu. Email address : jennifer.liu@fis.com.tw	● Monthly meetings are held by the General Manager and various departments. ● Implemented a flexible working hours system, allowing employees to have flexible start and end times. ● Celebratory events are held every two months. ● Organized 12 employee trips, with a total participation of 631 employees and their family members. ● No complaints or reports of dishonest behavior were received.

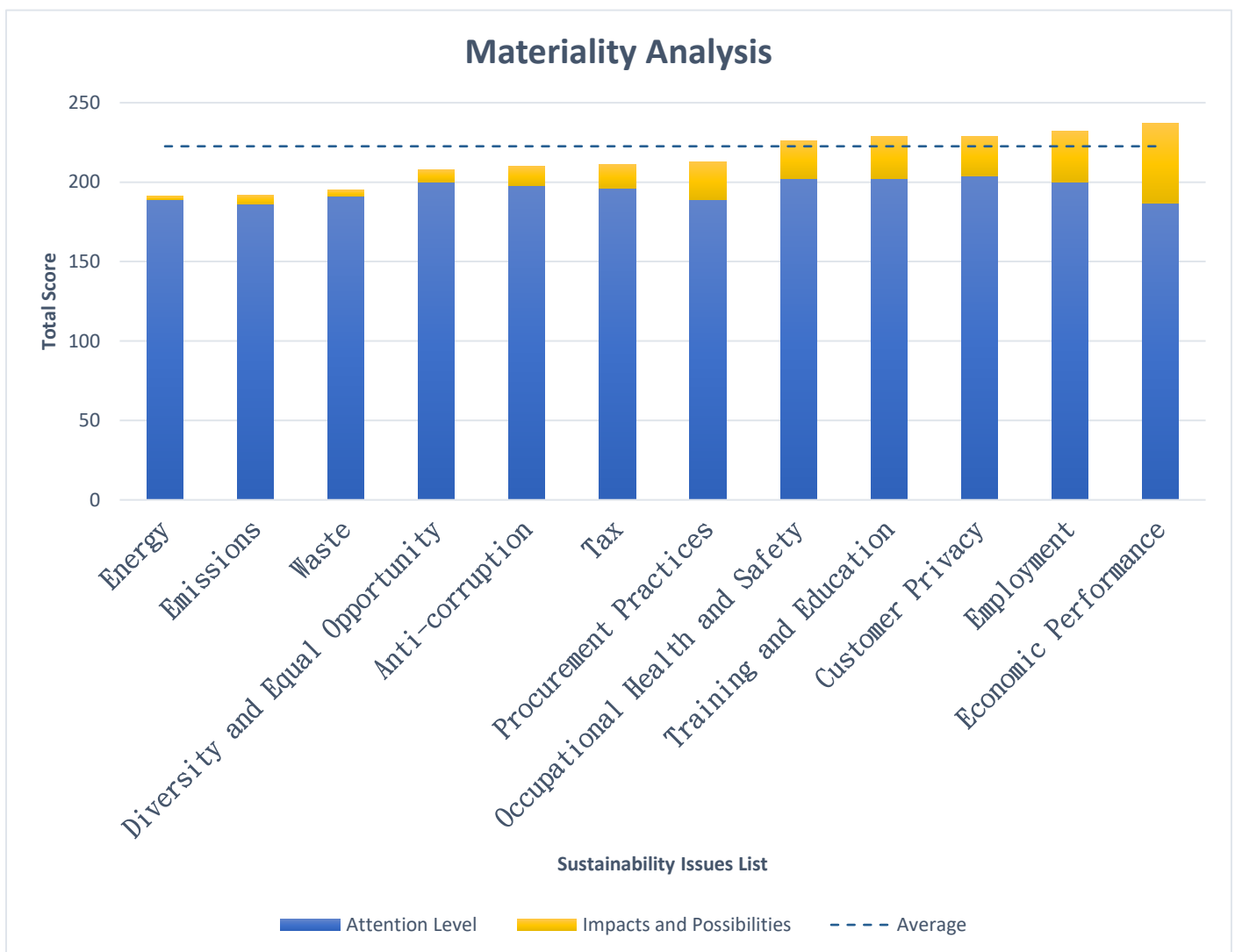
Material Issues Identification Process



Sustainability Issues List

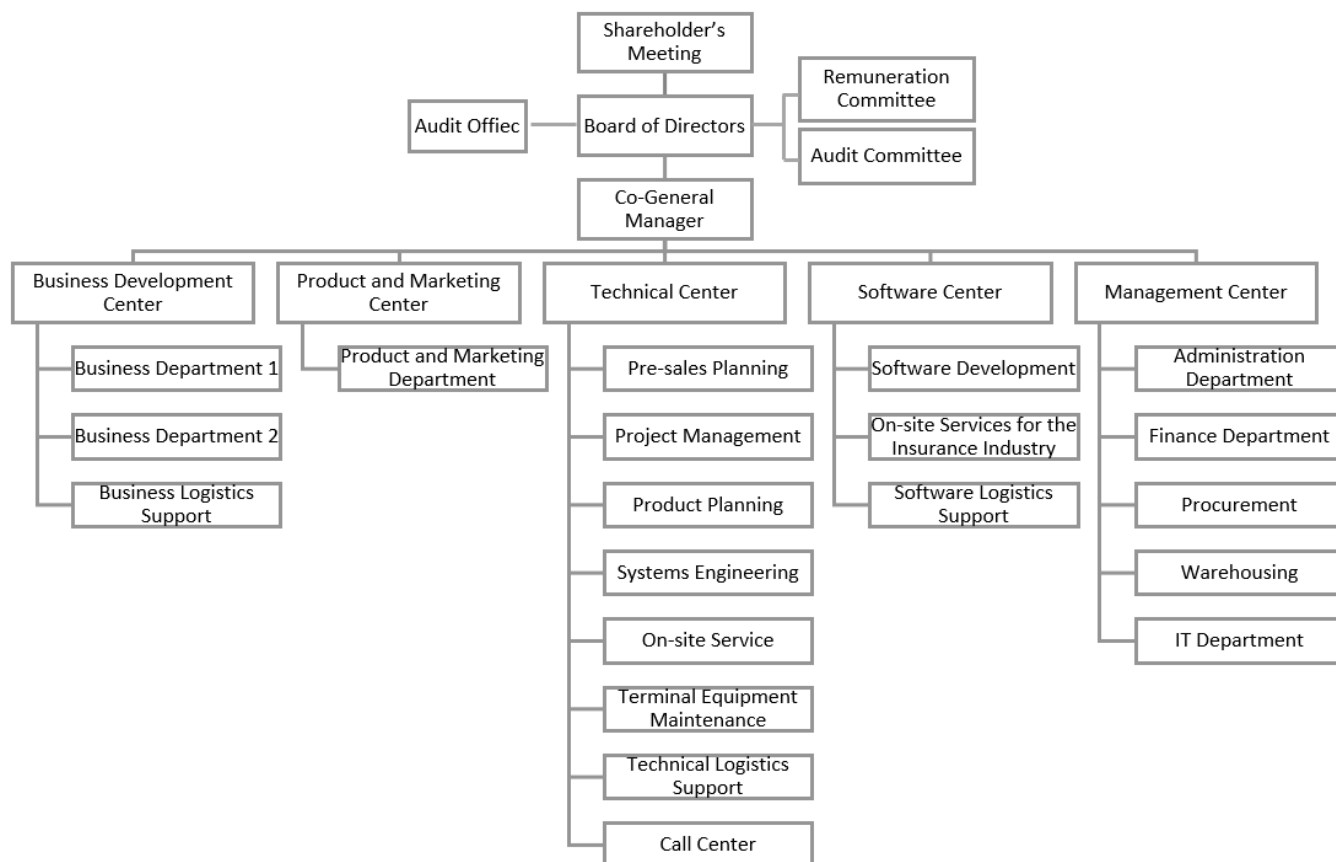
Corporate Governance	Social/Labor Rights	Environment Sustainability
Economic Performance	Employment	Energy
Procurement Practices	Occupational Health and Safety	Emissions
Anti-corruption	Training and Education	Waste
Tax	Diversity and Equal Opportunity	
Customer Privacy		

By integrating the degree of positive and negative impacts, likelihood of occurrence, and the level of stakeholder concern, the overall materiality ranking of sustainability issues is calculated. Issues with rankings above the average are selected as the major topics for the reporting year, totaling 5 items.



Corporate Governance

Organization



Board of Directors

FIS adopts a candidate nomination system for the election of directors. FIS reviews the qualifications of director candidates, including their educational and professional backgrounds, as well as whether they are subject to any circumstances listed in Article 30 of FIS Act, and provides the review results for shareholder reference. The election of directors follows a single-vote cumulative voting method.

The composition of the board is diverse, with members coming from the management team, industry-related executives, and professionals with backgrounds in finance, accounting, business, and legal affairs. This diverse range of expertise and work experience enables effective performance of board duties.

The board is composed of 7 directors according to Articles of Incorporation. There is currently one vacancy due to the resignation of Independent Director Wu Yujun for personal reasons, which will be filled by election at the latest shareholders' meeting.

- Directors with employee status account for 33%.
- Female directors account for 83%.
- 1 independent director serves for no more than three consecutive terms, while another serves for five

consecutive terms.

- 1 director is over 70 years old, while 5 are below 60 years old.

Currently, there is a lower proportion of male directors, primarily because nominations were based on professional abilities and industry experience, with gender not being the primary consideration. However, to maintain gender balance, increasing the number of male directors is now a target.

The educational background, professional experience, and independence of the board members are detailed on pages 11 to 15 of the 2023 Annual Report.

Directors' Continuing Education in 2023

FIS provides courses covering topics related to corporate governance, including finance, business, commerce, law, and accounting, based on the needs of directors and independent directors. All current directors have completed the required continuing education hours, with a total of 61 hours. The continuing education status of FIS's directors and independent directors for the year 2023 is as follows:

Title	Name	Organizer	Training Course	Time(hrs)
Legal person director representative/Chairman	SU,MEI-CHUN	Securities and Futures Institute	Challenges for Taiwanese Enterprises: Carbon Rights, Carbon Fees, and Carbon Trading	3
		Securities and Futures Institute	Discussing Corporate Governance Blueprint 3.0 and Director Responsibilities	3
Legal person director representative	TANG, YU-HUA	Securities and Futures Institute	Technical Development and Business Opportunities of CHATGPT	3
		Taiwan Corporation Governance Association	The Era of Stringent Personal Data Supervision Is Coming	3
		Taiwan Academy of Banking and Finance	2023 Sustainable Finance Forum	4
Legal person director representative	YANG,ZHENG-NING	Taiwan Insurance Institute	Transition Opportunity Aligned with IFRS 17 - Impact of Changes in Financial Performance Measurement Rules on the Operation of Insurance Companies	3
		Securities and Futures Institute	Technical Development and Business Opportunities of CHATGPT	3
		Taiwan Corporation Governance Association	Global Economic Outlook and Industry Trends for 2024	3
		TWSE	Internal Employee Stock Ownership Plan Legal compliance Advocacy Seminar in 2023	3

Legal person director representative	WANG,MEI-JUAN	Taiwan Insurance Institute	ESG Sustainable Development Trends and Implementing Responsible Investment	3
		Securities and Futures Institute	Challenges and Opportunities in the Sustainable Development Path and Introduction to Greenhouse Gas Inventories	3
Independent Director	LIN,SHI-MEI	Securities and Futures Institute	Preventing Insider Trading Advocacy Meeting	3
		BSI	Sustainable Challenges and Opportunities for Global Companies Achieving Net Zero Emissions by 2030/2050	3
Independent Director	LIN, QIAN-RU	CPA ASSOCIATIONS	Net Zero Emissions, Circular Economy, and Construction Engineering	3
		Securities and Futures Institute	Preventing Insider Trading Advocacy Meeting	3
Independent Director	WU,YU-JUN (note)	Securities and Futures Institute	Supply Chain Cybersecurity Threat Hunting - A New Opportunity for Taiwanese Startups	3
		Securities and Futures Institute	Analysis and Decision Utilization of Corporate Financial Information	3
		Securities and Futures Institute	Technical Development and Business Opportunities of CHATGPT	3
		Taiwan Academy of Banking and Finance	Information Security Governance Seminar (Session 37) - Important Information Security Standards and Compliance	3

Implementation of Board Evaluation

Frequency	Period	Scope	Method	Content
Once per year	The Board of Directors of FIS shall conduct an evaluation of its performance annually in accordance with the evaluation procedures and criteria prescribed. The evaluation results of the Board of Directors' performance shall be	Overall evaluation of the Board of Directors, individual directors, and performance of functional committees.	.Internal self-evaluation of the board of directors .Director member self-assessment .Functional committee performance evaluation self-assessment	●The measurement criteria for evaluating the performance of the Board of Directors include five dimensions: ■ Degree of participation in company operations. ■ Enhancement of decision-making quality of the Board of Directors. ■ Composition and structure of the Board of Directors. ■ Selection and continuous education of directors. ■ Internal controls.

	completed before the end of the first quarter of the following year. Evaluation period: JAN 1, 2023 to Dec 31, 2023			● The measurement criteria for self-assessment of individual directors' performance include six dimensions: ■ Understanding of company goals and missions. ■ Awareness of director's responsibilities. ■ Degree of participation in company operations. ■ Management of internal relationships and communication. ■ Professionalism and continuous education of directors. ■ Internal controls. ● The measurement criteria for evaluating the performance of functional committees include five dimensions: ■ Degree of participation in company operations. ■ Awareness of functional committee responsibilities. ■ Enhancement of decision-making quality of functional committees. ■ Composition and selection of functional committee members. ■ Internal controls.
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FIS has completed the performance evaluation of the board of directors for 2023. The evaluation results were reported to the board of directors on March 14, 2024. The performance evaluation score of the board of directors was 4.99, the self-performance evaluation score of the board members was 4.95, the performance evaluation score of the Compensation Committee was 4.97, and the performance evaluation score of the Audit Committee was 5. For 2023, the scores for the board of directors, board members, and functional committees based on performance evaluation metrics ranged from 4.95 to 5, indicating that the overall operations of the board of directors and various functional committees are good, meeting corporate governance requirements and effectively enhancing the functions of the board and protecting shareholders' rights.

Relationship between FIS's top 10 shareholders

As of April 20, 2024

Name	Current Shareholding		Spouse's/ minor's		Shareholding by Nominee Arrangement		Name and Relationship Between FIS's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Standard Plastics LTD.	19,290,327	27.57%	0	0%	0	0%	CECGP Electronic s Corp.	CECGP is a investee of	The legal director of FIS.
Standard Plastics LTD. Representative: TANG, YU-HUA	69,788	0.10%	0	0%	0	0%		Standard Plastics accounted for using the equity method.	The legal representative and general manager of FIS.
Standard Plastics LTD. Representative: YANG, ZHENG-NING	6,356	0.01%	0	0%	0	0%		Standard Plastics is a investee of CECGP accounted for using the equity method.	The legal representative and general manager of FIS.
CECGP Electronics Corp.	17,847,954	25.51%	0	0%	0	0%	Standard Plastics LTD.	Standard Plastics is a investee of	The legal director of FIS.
CECGP Electronics Corp. Representative: SU, MEI-CHUN	0	0.00%	0	0%	0	0%		CECGP accounted for using the equity method.	The legal director and chairman of the board of directors of FIS.
CECGP Electronics Corp. Representative: WANG, MEI-JUAN	455	0.00%	0	0%	0	0%		CECGP is a investee of Standard Plastics accounted for using the equity method.	The legal representative director of FIS.
Kuo Qingke	789,000	1.13%	(Note 1)						
Qiu Juncun	492,000	0.70%	(Note 1)						
Fu Jinyan	480,000	0.69%	(Note 1)						
He Xiaoqian	406,000	0.58%	(Note 1)						
Lian Juren	300,000	0.43%	(Note 1)						
Barclays Capital SBL/PB investment account entrusted to Citibank	296,000	0.42%	(Note 1)						
Hsu Chen Hsiu-yun	220,000	0.31%	(Note 1)						
Zhuo Xinyi	168,000	0.24%	(Note 1)						

Note 1: Not an insider or employee of FIS, therefore relevant information cannot be obtained.

Material Information

To enhance transparency in operational information, FIS discloses significant events in real time through the Market Observation Post System (code 2468) to ensure the rights and interests of stakeholders. Below is a summary of significant organizational changes in FIS during 2023:

Date	Summary of Material Information
2023/6/19	Announcement of the Comprehensive Election Results for the Board of Directors at the 2023 Annual Shareholders' Meeting.

2023/6/28	The Board of Directors has approved the appointment of a Promotion general manager, YANG,ZHENG-NING. Board of Directors elected the chairperson, SU,MEI-CHUN. CECGP Electronics Corp. reappoints its representative, WANG,MEI-JUAN. The Board of Directors resolved to appoint the 7th Term of Compensation Committee member.
2023/8/7	The Board of Directors has approved the appointment of Corporate Governance Officer, TANG, YU-HUA.
2023/11/10	BOD passed a resolution of the merger with its subsidiary, IPAC. Announcement that FIS has set up a Supervisor of Information Security.
2023/11/22	Announcement about resignation of the Independent Director, WU,YU-JUN.
2023/12/28	Announcement of the appointment of members to the Compensation Committee by the Board of Directors.

Audit Committee atten

The Audit Committee of FIS was established on July 20, 2021, following the election of three independent directors during the shareholders' meeting. The purpose of the Audit Committee is to assist the Board of Directors in overseeing the quality and integrity of FIS's accounting, audit, financial reporting processes, and financial controls.

In the year 2023, the committee held five meetings, addressing the following key matters:

- Review of financial statements
- Internal control systems and related policies and procedures
- Significant funding and lending cases
- Regulatory compliance
- Qualifications, independence, and performance assessment of certifying accountants
- Appointment, removal, or compensation of certifying accountants

Date	Issue contents	Audit Committee Decision Results and Company's Handling of Audit Committee Opinions
Mar 24, 2023	● Proposal for the 2022 Annual Business Report, Individual Financial Statements, and Consolidated Financial Statements. ● Proposal for the Assessment of the Effectiveness of the Internal Control System and the Internal Control System	Unanimous approval by the Audit Committee.

	Statement for 2022. ● Proposal for the Amendment of the Code of Ethical Conduct for Directors, Supervisors, and Managers. ● Proposal for the Amendment of the Procedures for Lending Funds to Others.	
May 8, 2023	● Proposal for the Consolidated Financial Report for the First Quarter of 2023. ● Proposal for the Establishment of Pre-Approval Review Procedures for Non-Assurance Services Provided by Certifying Accountants.	
Augt 7, 2023	● Proposal for the Consolidated Financial Statements for the Second Quarter of 2023. ● Proposal for Lending Funds to Subsidiaries.	
Nov 10, 2023	● Proposal for the Consolidated Financial Report for the Third Quarter of 2023. ● Proposal to Disclose Key Audit Matters (KAM) Related to System Integration Revenue Recognition in the 2023 Audit Report. ● Proposal for the Formulation of Risk Management Policies and Procedures. ● Proposal for the Merger with the Subsidiary IPAC TECHNOLOGY CO., LTD. and the Establishment of the Merger Base Date.	
Dec 28, 2023	● Proposal for the Evaluation of the Independence of FIS's Accountant. ● Proposal for the 2024 Budget. ● Proposal for the 2024 Audit Plan. ● Proposal for the Amendment of FIS's Internal Control System and Internal Audit Implementation Rules.	

Compensation Committee

In accordance with the “Compensation Committee Organization Regulations” of FIS, the Committee shall, with the care of a good administrator, faithfully perform the following duties and submit proposed recommendations to the Board for discussion:

- Establish the “Operation Rules for Compensation of Directors and Executives” of FIS to assess and determine the compensation of the Chairman, Directors, and executives of FIS and its subsidiaries, and make recommendations to the Board. Taking into account FIS’s operating conditions, periodically

review performance bonuses, employee remuneration, and other variable compensation for the Chairman, Directors, and executives.

- Provide fixed car and horse expenses to FIS's Directors on a monthly basis.
- Periodically assess the achievement of performance goals by FIS's Directors and executives, and establish the content and amount of their individual compensation.

During the past fiscal year (2023), the Compensation Committee held four meetings with the attendance of committee members as follows:

Date	Issue contents	Remuneration Committee Decision Results and Company's Handling of Remuneration Committee Opinions
2023/01/17	● The salary adjustment for managerial personnel of the year 2023. ● The performance bonuses for managerial officers for the year 2022. ● The performance bonus for the Chairman for the year 2022. ● Personnel promotion of FIS.	Unanimously approved by all attending members.
2023/07/06	● The amendment of Directors' and Executives' Compensation Operation Rules. ● The salary for the Chairman. ● The salary for the General Manager, TANG, YU-HUA. ● The salary for the General Manager, YANG,ZHENG-NING.	
2023/08/07	● The distribution of employee remuneration and performance bonuses for managerial personnel. ● Increase in Performance Bonus for managerial personnel. ● Severance Payment for Workforce Reduction.	
2023/11/10	● Severance Payment for Workforce Reduction. ● Personnel promotion of FIS. ● The salary adjustment for Employees. ● The adjustment of Position Allowance.	

Participation in Industry Associations

Association	Membership
Taipei Computer Association	Member
Cloud Computing & IoT Association in Taiwan	Member
Information Service Industry Association of R.O.C	Member
Taiwan Association of Logistic Management	Member
Kaohsiung Computer Association	Member

Risk Management

Risk Management Policy and Procedures

In 2023, FIS established the "Risk Management Policy and Procedures," which were approved by the Board of Directors on November 10, 2023, as guiding principles for risk management. This initiative aims to strengthen corporate governance and implement risk management mechanisms.

FIS identifies, assesses, and monitors potential risks through established risk awareness processes. The objective is to manage various risks that may impact the achievement of corporate goals through a comprehensive risk management framework. Risk management is integrated into operational activities and daily management processes.

Scope of Risk Management

The Risk Management Team shall, based on the principle of materiality, evaluate factors such as the likelihood of risk occurrence and the degree of impact. This evaluation covers strategic risks, operational risks, financial risks, information risks, compliance risks, integrity risks, and other emerging risks related to FIS's operations.

Risk Management Structure

The Board of Directors serves as the highest decision-making body for risk management, responsible for overseeing the implementation and strategic direction of risk management. The Risk Management Team, led by the General Manager as the convener, is the designated unit responsible for executing risk management. Team members are appointed by the General Manager.

To ensure thorough documentation of risk management processes and their outcomes, a person designated by the General Manager is required to report on the execution of risk management to the Board of Directors at least once a year. This ensures the effectiveness of the management framework and risk control operations.

Risk Assessment

◆ Impact Assessment: The potential effects or consequences if the risk occurs.

Scoring	Impact on Operations	Impact on Reputation	Impact on Compliance
5	Affects FIS's survival.	Severe adverse impact on FIS's image and reputation, directly affecting performance.	Almost entirely non-compliant with regulations or supervisory authority requirements.
4	Significant hindrance to core business activities.	Adverse impact on FIS's image and reputation.	
3	Difficulties in business operations.	Temporary adverse impact on FIS's image and reputation.	Partially non-compliant with regulations or supervisory authority requirements.
2	Obstruction to business operations.	Minor adverse impact on FIS's image and reputation.	
1	No impact on business operations; minor personal work interference.	No impact on FIS's image or reputation.	Compliant with regulations and supervisory authority requirements but with room for improvement.

◆ Threat Assessment: The probability or likelihood of the risk occurring.

Quantitative Value	Potential Likelihood	Known Frequency
5	Very Likely (90%)	Always occurs (monthly)
4	Likely (70%)	Frequently occurs (quarterly)
3	Possible (50%)	Occurs repeatedly (annually)
2	Unlikely (20%)	Occurs occasionally (every two years)
1	Rare	Seldom occurs

◆ Based on the risk matrix, determine the risk value and level.

Impact Threat	1	2	3	4	5
1	1	2	3	4	5
2	2	3	4	5	6
3	3	4	5	6	7
4	4	5	6	7	8
5	5	6	7	8	9

A risk value of 6 or above (inclusive) is considered an unacceptable risk level, and appropriate response measures must be developed for risk mitigation.

Annual Risk Assessment and Implementation Status in 2023

Risk Category	Risk Identification Description	Risk Assessment			Risk Response	Implementation Status
		Operational	Reputation	Compliance		
Information Security Risk	➤ Cyberattacks	5	2	2	—	Establish multiple protection mechanisms, including controlling foreign network connections, setting up an IPS intrusion prevention system, a SPAM email filtering system, and an internal antivirus and anti-hacking network. ● IPS blocked about 4 million abnormal connections. ● Blocked about 110,000 inappropriate emails. ● Blocked about 1,537 virus intrusions.
Financial Risk	➤ Insufficient cash flow	4	5	5	—	Signed credit agreements with banks and bond companies, and negotiated project loan limits with banks based on business needs.
	➤ Poor credit of trading customers may lead to uncollectible bad debts	3	3	1	—	Developed a customer credit limit management policy and informed sales staff of credit risk signs. ● 325 credit evaluation cases in 2023. ● 2 customer credit risk warnings in 2023. ● Bad debt amount for 2023: NT\$0.

Risk Category	Risk Identification Description	Risk Assessment			Risk Response	Implementation Status
		Operational	Reputation	Compliance		
Regulatory Compliance and Integrity Management	➤ Legal compliance	4	4	1	—	Conducted 38 sessions of legal compliance training in 2023, with a total of 655 participants.
	➤ Dishonest behavior	4	5	5	—	- Conducted 38 sessions of legal compliance training in 2023, with a total of 655 participants. - No violations of relevant laws or penalties in 2023. - Conducted 4 sessions of integrity management training, with a total of 90 participants. - Established internal and external whistleblower systems, with no reports received in 2023.
Climate Change Risk	➤ Greenhouse Gas Inventory	1	1	1	—	A greenhouse gas inventory execution plan has been developed.
Operational Risk	➤ Talent turnover affecting technical transfer and service qualifications	5	5	N	—	- The Product and Marketing Center coordinates and compiles partner qualification specifications, ensuring that business and technical certifications are completed within the required time frame while also reserving talent (20% for business, 50% for technical). - Completed ISO 27001 recertification in

Risk Category	Risk Identification Description	Risk Assessment			Risk Response	Implementation Status
		Operational	Reputation	Compliance		
	➤ Failure to obtain certifications affecting project eligibility	3	3	N	—	2023; planning for ISO 50001 certification in 2024.
Labor and Human Rights Risk	➤ Overtime	5	6	7 3 4	● Planned Project Work: ■ Coordinate with employees in advance to adjust working hours. ■ Coordinate with clients to complete work in stages.	■ No violations of labor laws or penalties in 2023.

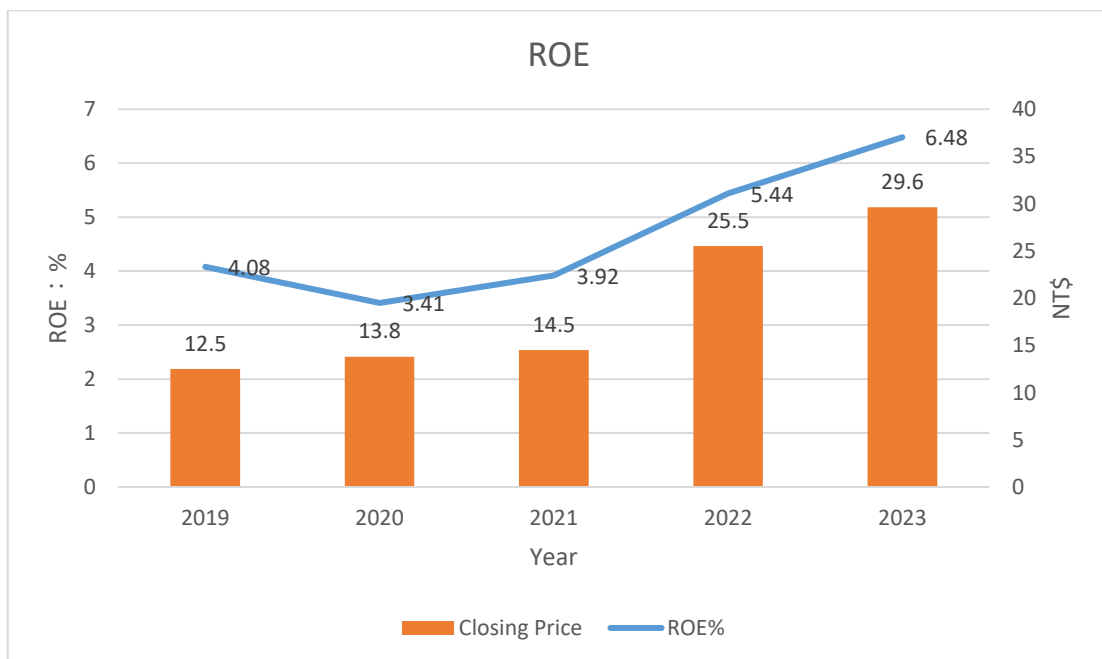
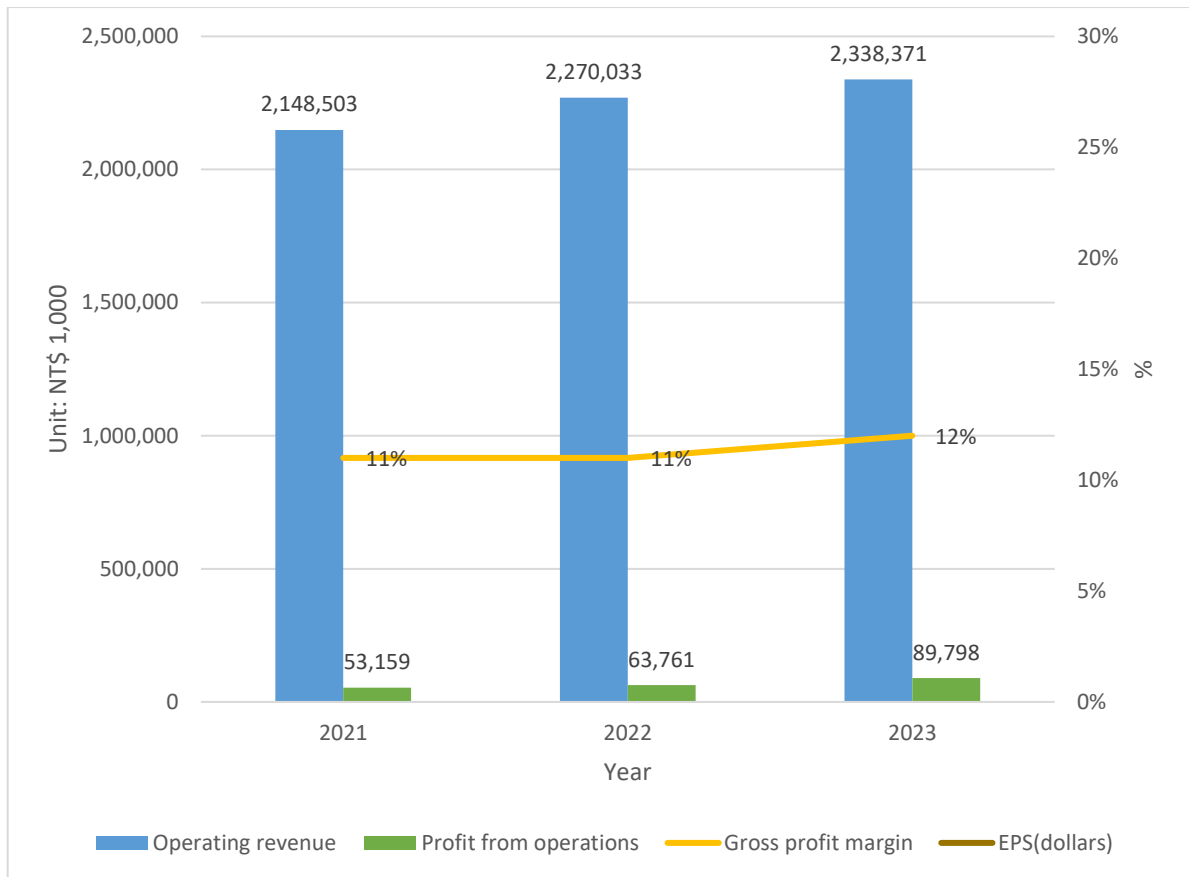
Risk Category	Risk Identification Description	Risk Assessment			Risk Response	Implementation Status
		Operational	Reputation	Compliance		
	➤ Occupational accidents ➤ Loss of core technical and management personnel	3	4		● Unplanned Work: Arrange support personnel to substitute during overtime work. — —	● No occupational accidents in 2023. ● Provided competitive compensation, career development planning, comprehensive training systems, and employee welfare measures. ● In 2023, 2 core technical employees left for career planning reasons, accounting for 0.6% of the total company headcount.

Economic Performance

Financial Performance in the Past 3 Years

Unit: NT\$ 1,000

Category	Item	2023	2022	2021
Operating Performance	Operating revenue	2,338,371	2,270,033	2,148,503
	Operating costs	2,067,618	2,023,539	1,916,539
	Gross profit	270,753	246,494	231,964
	Gross profit margin	12%	11%	11%
	Operating expenses	180,955	182,733	178,805
	Profit from operations	89,798	63,761	53,159
	Non-operating income and expenses	9,322	14,624	3,329
	Income before income tax	99,120	78,385	56,488
	Net income	78,378	63,530	44,683
	EPS(dollars)	1.12	0.91	0.64
Economic Value	Benefits Expense	387,360	369,340	347,985
	Dividends Paid	55,969	41,977	27,985
	Tax Expense	20,742	14,855	11,805



Information Security and Privacy Protection Management

I. Cyber Security Risk Management Framework

1. Cyber security management framework:

FIS has established the Information Security Management System (ISMS) in accordance with the ISO 27001 international information security management standard operation requirements. In 2020, FIS passed the ISO 27001 certification, and will continue to pass the revalidation in 2021, 2022 and 2023. To strengthen the confidentiality, integrity and availability of FIS's information. Enhance the protection of corporate and customer-related information.

FIS has an internal information security team responsible for planning, implementing, auditing and improving information security management. We have established relevant management practices and handling guidelines for compliance. We have established layers of protection mechanisms for applications, operating systems, and network systems to prevent abnormal disasters, data corruption, and data theft. To effectively control the risks of corporate information systems and maintain sustainable business operations. To ensure the security of FIS's information usage and to establish a reliable information usage environment.

2. Corporate Information Security Governance Organization

In 2020, our company established the "Information Security Management Committee." The committee members include the Chairman, who is the General Manager; the Information Security Management Representative, who is the Vice President; and the Promotion Committee Members, who are the heads of various business centers. The working group members consist of representatives from the Information, Human Resources, General Affairs, Audit, Document Management, and core Information Technology service departments.

The Information Security Management Representative supervises the Information Security Working Group in the establishment, implementation, and maintenance of various information security standards and systems. The representative also coordinates and discusses FIS's management system, resource allocation, and other matters to ensure the effectiveness of various information security management measures. The Information Security Management Committee is regularly updated on information security-related issues, directions, and management outcomes.

II. Information Security Policy

Information security is everyone's responsibility to ensure the confidentiality, integrity and availability of company information

III. Specific Management Plan

1. Adopt a vertical defense framework, through the encryption of important sensitive data, endpoint protection and network gateway protection with network access control, email protection, etc. To prevent network attacks and

security leaks.

2. Establish access control, identity verification, password control, access authorization, and vulnerability scanning audit mechanisms. Install anti-virus software, update original security patches, and establish a redundancy mechanism to strengthen endpoint protection.
3. Set up information security protection systems to prevent computer viruses or malicious programs from affecting information system services or snooping confidential information.
4. Conduct regular information security education and training for employees to strengthen their awareness of information security risks.
5. Regularly review information security measures and pay attention to information security issues to ensure their appropriateness.
6. Establish multi-level information systems and data backup mechanisms to ensure the availability and integrity of information security.

IV. Resources devoted to information security management

Each year, FIS sets aside a budget related to information security for the timely replacement, upgrade and renewal of software and hardware equipment.

We purchase anti-virus software, vulnerability scanning, source code inspection, and other information security testing tools to strengthen corporate information security protection capabilities.

Organize information security management and execution team to plan, execute, audit and improve information security management operations.

Reduce enterprise information security threats from the system, technical and procedural aspects. Establish confidential information protection services that meet customer needs and the highest standards.

Engage professional information security consultants and professional information security certification companies to conduct external audits and certifications. Establish a rigorous information security system and operation mechanism.

V. Significant information and communications security incidents

There were no significant information security incidents during the year. FIS has built anti-virus software and network firewall equipment to prevent external malicious attacks and prevent intrusion activities with information security concerns. FIS's multi-layered information systems and data backup and recovery measures are in place to maintain the normal operation of FIS's information systems.

Labor Relations

Year		2022	2023	As of March 31, 2024
Number of employees	Sales Rep.	48	31	30
	Technical Staff	244	259	256
	Administration Staff	73	59	56
	Total	365	349	342
Average Age		40.50	39.95	40.04
Average Years of Service		9.10	8.70	8.85
Education level (%)	Ph. D	0.27%	0.29%	0.29%
	Master	9.59%	8.02%	8.48%
	University	76.16%	79.94%	78.66%
	Senior High School	13.70%	11.46%	12.28%
	Other	0.27%	0.29%	0.29%

FIS's various welfare measures, training, enhancement, retirement systems and their implementation. Agreements between labor and management and measures to protect employees' rights and interests.

1. Employee welfare measures

- 1) In accordance with the Employee Benefit Act, FIS has established an Employee Benefit Committee to handle various employee benefit matters. In accordance with the regulations, FIS provides monthly operating income and employee salaries for welfare.
- 2) FIS provides labor insurance and health insurance for all employees in accordance with the Labor Insurance Law and the National Health Insurance Law. We are entitled to various labor and health insurance benefits.
- 3) FIS 's welfare measures include
 - (a) Marriage, childbirth, and death benefits.
 - (b) Gifts or gratuities on New Year's Day.
 - (c) Travel, recreational activities and employee health checkups.
 - (d) Group insurance for all employees in addition to labor and health insurance. (Including life insurance, accident insurance, medical insurance, occupational accident insurance)
 - (e) Education and training: In order to improve the quality of human

resources and cultivate professional talents, we provide relevant professional training according to the needs of personnel and business.

- (f) Loan Benefit Plan: To take care of employees' life and help them to solve their temporary needs. All employees who have been employed for 6 months or more are eligible to apply for the "Emergency Loan". Sales and engineers who need to purchase a motorcycle for business needs can apply for the "Motorcycle Advance Loan".

2. Maternity and Parental Rights Protection

In accordance with the Gender Equality in Employment Act, measures to promote workplace equality are provided, including maternity leave, prenatal check-up leave, parental leave without pay, establishment of lactation rooms, breastfeeding breaks, and adjustments to working hours for childcare needs. The implementation status for 2023 is as follows:

Item	Number of Employees	Days/Months
Maternity Leave	1	56 days
Paternity/Prenatal Check-up Leave	6	25 days
Parental Leave Without Pay	2	8 months

3. Employee Training and Development

FIS has established the "Staff Training Regulations". Any employee who needs business or on-the-job training may be sent out for training after approval. Internal training is conducted in accordance with the courses planned in FIS's annual budget and submitted for approval.

The total expenditure for employee training in FY2023 is \$2,566 thousand. The courses include corporate governance, finance and accounting, business marketing, engineer technical training and certification training, labor safety and health, human resources management, and other related courses.

4. Pension System

FIS has established the Labor Retirement Plan and the Labor Retirement Fund Supervisory Committee, which contributes 2% of the total salary to the retirement fund. Starting from July 1, 2005, employees who choose to apply the pension system under the Labor Pension Act will contribute 6% of their monthly salary to the personal pension account of the Labor Insurance Bureau.

5. Agreements between employees and employers: None. FIS has not yet established a labor union.

6. Protection of employees' rights and benefits

In accordance with the Labor Inspection Law, FIS has published the "Regulations for Employee Grievance Management" on its internal website. If any employee of FIS finds that FIS has violated the provisions of the Labor Standards Law, the Employee Benefits Law, the Labor Insurance Law, the Labor Inspection Law and the Employment Service Law, he/she may file a complaint with the senior management of FIS. They may file a complaint with the

president or chairman of the senior management of FIS, the head of each department or human resources department, the Bureau of Labor Affairs of the Taipei City Government, or the Labor Inspection Division of the Bureau of Labor Affairs of the Taipei City Government.

7. Compensation Policy

FIS is committed to providing a fair, competitive, and incentive-driven compensation policy, which includes base salary, allowances, performance bonuses, annual bonuses, year-end bonuses, and employee remuneration. Regular adjustments are made based on market trends, company performance, and individual performance.

8. Compensation Structure

● Board Compensation:

(1) According to FIS's "Articles of Incorporation," directors' transportation allowances and the Chairman's salary are determined by the Board of Directors with reference to industry standards. The Chairman is also provided with other allowances in line with the compensation policies applicable to employees.

(2) Directors' remuneration is governed by the "Procedures for Directors and Managers' Salaries and Compensation." Fixed transportation allowances are provided monthly, and attendance fees are granted for participation in board meetings and proposal reviews. The remuneration is fixed and not directly linked to performance.

● Executive Compensation:

Compensation for executives is determined according to the "Procedures for Directors and Managers' Salaries and Compensation," which stipulates salary ranges and year-end bonuses. Additionally, based on the "Employee Performance Evaluation, Bonuses, and Compensation Distribution Guidelines," a fixed proportion of annual group profits is allocated for performance bonuses. Bonuses are distributed fairly based on individual and team performance evaluations, and the results of these evaluations are used for decisions on promotions, job changes, and salary adjustments.

● Employee Salary Determination:

Employee salaries are determined according to FIS's "Salary Grading Table," which outlines salary ranges for each job grade. Individual salaries are set based on considerations such as work experience, past performance, and capabilities.

● Employee Performance Evaluation and Bonuses:

In line with the "Employee Performance Evaluation, Bonuses, and Compensation Distribution Guidelines," FIS employs a point-based system for daily performance tracking. Bonuses are allocated based on performance evaluations to motivate employees to enhance work efficiency.

● Sales Department Performance Bonuses:

Performance bonuses for the sales department are calculated and distributed according to the "Sales Department Performance Bonus Management Guidelines," based on different business types and performance indicators.

9. Compensation Decision Process:

● Review of Director and Executive Performance and Compensation Policies:

The Compensation Committee is responsible for formulating and periodically reviewing the annual and long-term performance goals and compensation policies for directors and executives. Adjustments to salaries and bonuses for directors and executives are made annually based on market trends and company performance.

● Compensation Committee Meetings:

The committee meets at least twice a year to discuss and decide on compensation policies and bonus distribution plans for directors and executives. These decisions are then submitted to the Board of Directors for approval.

● Employee Performance Evaluation and Compensation Determination:

Each year, supervisors conduct performance evaluations of their subordinates. The evaluation results are submitted to the Human Resources Department for record-keeping and improvement tracking. These evaluations serve as a basis for decisions on promotions, job changes, and salary adjustments.

● Performance Bonuses and Employee Compensation Allocation:

According to the "Employee Performance Evaluation, Bonuses, and Compensation Distribution Guidelines," a fixed proportion of the group's annual profits is allocated for performance bonuses. These bonuses are distributed fairly based on individual and team performance evaluations.

● Calculation and Distribution of Performance Bonuses:

In line with the "Sales Department Performance Bonus Management Guidelines," the calculation and distribution of performance bonuses are based on individual and departmental gross profit and target achievement levels.

Occupational Health and Safety

1. Objective

This report aims to detail the measures and policies adopted by FIS in the field of occupational safety and health to ensure the physical and mental well-being and safety of all employees at work.

2. Occupational Health and Safety Management System

FIS has established a comprehensive occupational health and safety management system with designated personnel responsible for overseeing and implementing various safety and health plans. These include identifying, assessing, and controlling workplace hazards, as well as managing machinery and equipment.

3. Policies and Plans

FIS has formulated and implemented various occupational safety and health-related policies and plans to prevent and reduce workplace hazards. These include:

- Prevention plan against workplace violence:

In compliance with Article 6, Paragraph 2 of the Occupational Safety and Health Act, FIS has implemented measures to prevent potential workplace violence, including physical, psychological, verbal, and sexual harassment. This plan applies to all employees.

- Prevention plan for illness triggered by abnormal workloads:

To address high work stress and abnormal workloads, FIS has established measures such as risk assessments, health checkups, work adjustments, and health protection to maintain employees' physical and mental well-being.

- Plan for preventing human factors hazards:

This plan includes evaluating and improving human factors hazards in the work environment to ensure employees work in a safe and healthy setting. It also provides training to enhance safety awareness and response capabilities.

- Work rules and occupational safety and health standards:

FIS has developed detailed work rules, including the "Occupational Safety and Health Code," and requires employees to comply with these regulations to ensure a safe and healthy work environment.

4. Workplace and Employee Safety Measures

- Office Building Safety Management:

FIS prioritizes creating a safe work environment during the construction of office buildings. Security guards are stationed at the buildings, and access control policies are implemented. All office areas use card-based access systems, and clear regulations are established for visitor management, delivery handling, nighttime and holiday access, and parking lot usage to ensure workplace and employee safety.

- Insurance and Emergency Response Measures:

FIS provides group insurance (including life, accident, medical, and occupational accident insurance) for all employees. Regular inspections and updates are conducted for firefighting and evacuation equipment. Emergency response drills and safety education are carried out to effectively manage risks and protect employees from harm.

5. Education and Training

All employees are required to undergo labor safety and health education and disaster prevention training. For new hires, basic training on firefighting, evacuation, disaster prevention, and occupational safety and health is included in onboarding programs.

For employees stationed at client sites, additional specialized training is provided based on the client site's safety requirements.

6. Health Management and Promotion Measures

FIS assigns dedicated personnel for employee health management and promotion, including health checkups, statistical analysis of occupational injuries and illnesses, and health risk assessments. Health promotion activities, such as cancer screenings, seminars on preventing chronic diseases, and weight loss programs, are also organized.

7. Occupational Accident Prevention and Management

As FIS operates in an office environment without hazardous materials or heavy machinery, its occupational accident prevention measures focus on disease prevention and office safety. Specific actions include:

- Establishing a medical room staffed with professional healthcare personnel.
- Organizing health seminars to promote safety and health knowledge.
- Providing protective items against infectious diseases, such as disinfectant alcohol and masks.
- Installing fire extinguishers and conducting regular fire equipment inspections.
- Assigning occupational safety and health managers for on-site employees to enforce safety regulations at client locations.

Occupational Injuries Reported:

2022: 1 case (traffic accident)

2023: 0 cases

8. Performance Monitoring and Improvement

FIS has implemented monitoring and evaluation mechanisms to regularly review and improve the execution of occupational safety and health programs. These include:

- Risk assessments and accident investigations.
- Regular health checkups.
- Periodic inspections and improvements of the work environment.

9. Conclusion

FIS is dedicated to creating a safe and healthy work environment and continually improving its occupational safety and health management systems to ensure employees can work in a secure and healthy environment.

Environment Sustainability

Greenhouse Gas Management

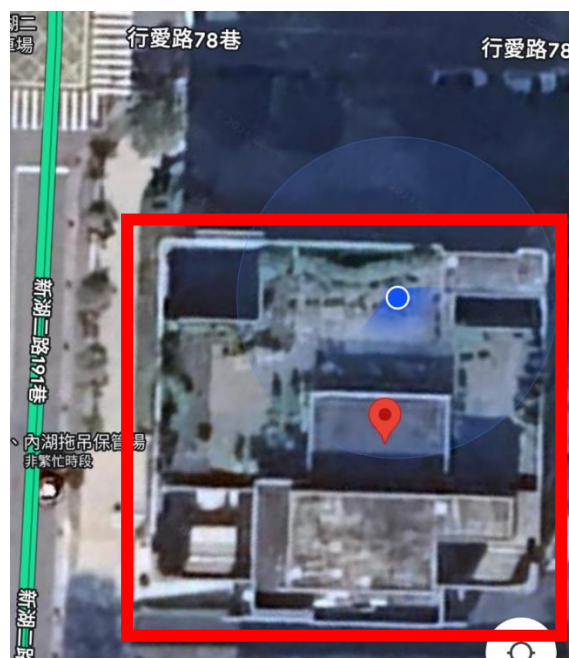
Greenhouse Gas Inventory Boundary

NO	Name	Address
1	FIS Taipei	2~6F., No. 25, Ln. 78, Xing'ai Rd., Neihu Dist., Taipei City
2	FIS Taoyuan	11F.-6, No. 398, Huanbei Rd., Zhongli Dist., Taoyuan City
3	FIS Hsinchu	5F., No. 35, Beida Rd., East Dist., Hsinchu City
4	FIS Taichung	Rm. A, 28F., No. 285, Sec. 2, Taiwan Blvd., West Dist., Taichung City
5	FIS Kaohsiung	Rm. A, 16F., No. 366, Bo'ai 1st Rd., Sanmin Dist., Kaohsiung City
6	FTSC	4F., No. 25, Ln. 78, Xing'ai Rd., Neihu Dist., Taipei City
7	IPAC	3F., No. 25, Ln. 78, Xing'ai Rd., Neihu Dist., Taipei City (Note)

Note : On December 31, 2023, FIS absorbed, through a simplified merger, its wholly-owned subsidiary, IPAC Technology Co., Ltd., with FIS as the surviving entity and IPAC Technology Co., Ltd. as the dissolved entity.

FIS Group in Taiwan, including FIS, various branch offices and subsidiaries, FTSC and IPAC.

Boundary Diagram



FIS Taipei



FIS Taoyuan



FIS Hsinchu



FIS Taichung



FIS Kaohsiung

Emission Source Identification

FIS operates in the information service industry, with its proprietary products being software. Other products are purchased from manufacturers or agents, and no related manufacturing processes are involved. The primary source of greenhouse gas emissions

is purchased electricity. The emission source identification for 2023 is as follows:

Scope	Item	Emission Source	Taipei	Taoyuan	Hsinchu	Taichung	Kaohsiung
1	Mobile Sources	Fuel for company vehicles	V				V
	Fugitive Emissions	Refrigerant : R-410A	V	V	V	V	
	Fugitive Emissions	Refrigerant : R-134a	V				V
	Fugitive Emissions	Refrigerant : R22					V
	Fugitive Emissions	Refrigerant : R-600a	V				V
	Fugitive Emissions	Fire Extinguisher : HFC-23	V				
	Fugitive Emissions	Fire Extinguisher : CO2		V	V	V	V
	Fugitive Emissions	Septic Tank		V	V	V	
2	Purchased Electricity	Purchased Electricity	V	V	V	V	V

Note: FTSC and IPAC both lease office space at the Taipei headquarters, and their data is consolidated into the calculations for the Taipei headquarters.

Greenhouse Gas Type Identification

Scope	Item	Emission Source	CO2	CH4	N2O	HFCs	PFCs	SF6	NF3
1	Mobile Sources	Fuel for company vehicles	V	V	V				
	Fugitive Emissions	Refrigerant : R-410A				V			
	Fugitive Emissions	Refrigerant : R-134a				V			
	Fugitive Emissions	Refrigerant : R22				V			
	Fugitive Emissions	Refrigerant : R-600a				V			
	Fugitive Emissions	Fire Extinguisher : HFC-23				V			
	Fugitive Emissions	Fire Extinguisher : CO2	V						
	Fugitive Emissions	Septic Tank		V					
2	Purchased Electricity	Purchased Electricity	V						

Total Greenhouse Gas Emissions

Scope	CO2	CH4	N2O	HFCs	Total
Scope 1	4.2897	5.4540	0.1352	21.1257	30.7347
Scope 2	332.4022	-	-	-	332.4022

Reduction Initiatives

- Implemented an electronic online approval management system to reduce paper usage and replaced traditional toner drum heating photocopiers with inkjet photocopiers to improve efficiency and reduce electricity consumption.
- Adopted electronic invoicing in compliance with National Tax Bureau policies to reduce paper usage and save electricity.
- All company lighting has been upgraded to energy-saving T5 fluorescent tubes and LED bulbs. Additionally, public area lighting is equipped with sensor timers that automatically turn off when not in use and do not activate during sufficient daylight, effectively conserving electricity.
- Installed inverter air conditioning systems company-wide, with temperature settings between 26 – 28 degrees Celsius, which are more energy-efficient compared to traditional compressors.
- In response to energy-saving and carbon reduction efforts, collaborated with Taiwan Depository & Clearing Corporation to adopt electronic notifications for dividend distribution.
- Turn off lights during lunch breaks.
- Enforced access control in office areas and encouraged closing doors to prevent air conditioning from escaping.

Base Year

FIS's greenhouse gas inventory uses 2023 as the base year. This is because our company is in the information service industry and the main emission sources come from office activities. Since the COVID-19 epidemic has slowed down, remote work has gradually been reduced. Therefore, the inventory data collected is relatively Accurate.

Activity data collection sources

Scope	Item	Emission Source	Data Source
1	Mobile Sources	Fuel for company vehicles	Invoice
	Fugitive Emissions	Refrigerant : R-410A	Equipment Nameplate
	Fugitive Emissions	Refrigerant : R-134a	Equipment Nameplate
	Fugitive Emissions	Refrigerant : R22	Equipment Nameplate
	Fugitive Emissions	Refrigerant : R-600a	Equipment Nameplate

	Fugitive Emissions	Fire Extinguisher : HFC-23	Equipment Nameplate
	Fugitive Emissions	Fire Extinguisher : CO2	Equipment Nameplate
	Fugitive Emissions	Septic Tank	Attendance
2	Purchased Electricity	Purchased Electricity	Electricity bill

Emission Coefficient Collection Source

Emission source	Coefficient source	CO2	CH4	N2O	HFCs
Fuel for company vehicles	Ministry of Environment version 6.0.4 coefficient table	2.2631	0.000816	0.000261	
Refrigerant : R-410A	Ministry of Environment version 6.0.4 coefficient table				1
Refrigerant : R-134a	Ministry of Environment version 6.0.4 coefficient table				1
Refrigerant : R22	Ministry of Environment version 6.0.4 coefficient table				1
Refrigerant : R-600a	Ministry of Environment version 6.0.4 coefficient table				1
Fire Extinguisher : HFC-23	Ministry of Environment version 6.0.4 coefficient table				1
Fire Extinguisher : CO2	Ministry of Environment version 6.0.4 coefficient table				1
Septic Tank	Ministry of Environment version 6.0.4 coefficient table		0.003825		
Purchased Electricity	Energy Department 2023 power factor	0.494			

GWP

During the inventory, the greenhouse gases produced by each emission source include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O) and hydrofluorocarbons (HFCs). Their GWP is summarized as follows:

Greenhouse Gas Type	GWP
CO2	1
CH4	28
N2O	265
R-410A	1,924
R-134a	1,300
R22	1,760

R-600a	1,774
HFC-23	12,400

Emission Source Emission Calculation Process

Direct emission source

Mobile Combustion Emission Source-Official Vehicle Oil

Annual greenhouse gas emissions = Vehicle gasoline usage × [CO₂ emission coefficient × CO₂ warming potential + CH₄ emission coefficient × CH₄ warming potential + N₂O emission coefficient × N₂O warming potential] × Low calorific value of motor gasoline

The total oil consumption this year was 1,896 liters, and the emissions were 4.287 t-CO₂ e.

Fugitive emission source-refrigerant equipment

Annual greenhouse gas emissions = original filling volume of refrigerant equipment × emission factor × HFC-134 warming potential

FIS's refrigerant equipment uses a total of 1,905 liters and emits 4.2897 t-CO₂ e.

Some refrigerant equipment uses the Montreal Protocol controlled substance R22, which is only for identification and is not included in the total calculation.

Location	Type	GWP	Filling Capacity (kg/year)	t-CO ₂ e
Kaohsiung	R22	1,760	0.7590	1.33584

Fugitive emission sources – septic tanks

Annual greenhouse gas emissions = annual man-hours x septic tank CH₄ coefficient x GWP value

FIS's Taipei head office and Kaohsiung branch have taken over sewage sewers and are not included in the calculation. The total number of employees in Taoyuan Branch, Hsinchu Branch and Taichung Branch is 48, and the emissions are 5.1408 t-CO₂ e.

Fugitive emission sources – fire extinguishers

Fire extinguishers are calculated based on the original filling capacity on the nameplate.

FIS's fire extinguishers emit 0 t-CO₂e.

Indirect emission source - purchased electricity

Annual greenhouse gas emissions = kWh of electricity × electricity carbon emission coefficient

FIS's total electricity consumption is 672,879 kilowatt-hours, and its emissions are 332.4022 t-CO₂e.

Greenhouse Gas Emissions and Proportion

Category	CO2	CH4	N2O	HFCs	Emission Equivalent
t-CO2e/year	336.6920	5.4540	0.1352	21.1257	363.1369
%	92.72%	1.50%	0.04%	5.82%	100%

Emission Volume and Proportion of Individual Types

Emission Pattern	Direct Emissions		Indirect Emissions	Emission Equivalent
	Mobile burning	Escape	Purchased Electricity	
t-CO2e/year	4.4681	26.2665	332.4022	363.1369
%	1.23%	7.23%	91.54%	100%

Climate-Related Information

Item	Implementation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. 2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). 3. Describe the financial impact of extreme weather events and transformative actions. 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. 5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. 6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. 8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	1. FIS has established a Sustainable Development Promotion Task Force, with the General Manager serving as the convener. It consists of the Corporate Governance Team, Environmental Sustainability Team, Social Responsibility Team, and Risk Management Team. The task force analyzes and manages various aspects of operations based on major principles and presents response strategies and execution plans to the Board of Directors. The execution status is regularly reported to the Audit Committee and the Board of Directors. The latest report on climate-related risks and opportunities was presented to the Board of Directors on Dec. 28, 2023. 2. In recent years, global climate warming has led to an increase in extreme weather events such as typhoons and floods. Although FIS's warehouse locations currently face no flooding risks, plans have been made to relocate the warehouses to the second floor of the headquarters. Additionally, inventory risks caused by extreme weather events are mitigated through insurance and third-party logistics to diversify the risk. 3. FIS plans to implement the ISO 50001 Energy Management System in 2024 to reduce carbon emissions, improve energy efficiency, and reduce energy expenses. This initiative aims to enhance overall performance, decrease energy consumption and expenditure, and achieve carbon reduction goals. 4. FIS identifies climate risks in accordance with its Risk Management Policy and Procedures, utilizing impact assessments

9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 below).	and threat evaluations to quantify the potential impacts of climate risks on company operations. Response strategies are proposed based on the significance of the risks and reported annually to the Audit Committee and the Board of Directors for review. 5. Following risk assessments, significant operational impacts from climate risks have not been identified. Therefore, no transition plan has been devised. However, in response to global net-zero carbon goals, FIS has planned a schedule for greenhouse gas inventory checks and verifications, with quarterly progress reports to the Board of Directors. Additionally, in 2024, FIS plans to engage a third-party consultant for greenhouse gas inventory checks and intends to implement the ISO 50001 Energy Management System.
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Supplier Sustainability Management

A Supplier Management Policy is established, requiring suppliers to adhere to international human rights policies, commit to environmental protection, and operate with integrity. Specific requirements include suppliers establishing human rights policies in accordance with internationally recognized standards and domestic labor laws, providing appropriate occupational safety and health training and preventive measures for employees, implementing measures related to environmental sustainability goals, and establishing integrity in business operations. In 2023, regarding the requirements of the Supplier Management Policy, 30 self-assessment questionnaires were sent to key suppliers with a response rate of 100%. The completion rates for the formulation of human rights policies, achievement of employee occupational safety education, implementation of measures related to environmental sustainability goals, and establishment of integrity in business operations were 83.3%, 90%, 90%, and 96.7%, respectively. The implementation of supplier management was reported to the Board of Directors on December 28, 2023.

GRI Index

Statement of Use: FIS has reported with reference to the GRI Standards for the period of 2023 (2023/01/01-2023/12/31).

GRI 1 used: GRI 1: Foundation 2021

GRI	Disclosure	Page	None
GRI2 : General Disclosures 2021	2-1 Organizational details	2	
	2-2 Entities included in the organization's sustainability reporting	2	
	2-3 Reporting period, frequency and contact point	2	
	2-4 Restatements of information	2	
	2-5 External assurance	-	None
	2-6 Activities, value chain and other business relationships	7	
	2-7 Employees	35	
	2-8 Workers who are not employees	-	No workers who are not employees
	2-9 Governance structure and composition	16	
	2-10 Nomination and selection of the highest governance body	16	
	2-11 Chair of the highest governance body	16	
	2-12 Role of the highest governance body in overseeing the management of impacts	25	
	2-13 Delegation of responsibility for managing impacts	25	
	2-14 Role of the highest governance body in sustainability reporting	2 9	
	2-15 Conflicts of interest	16	
	2-16 Communication of critical concerns	20	
	2-17 Collective knowledge of the highest governance body	17	
	2-18 Evaluation of the performance of the highest governance body	18	
	2-19 Remuneration policies	37	
	2-20 Process to determine remuneration	37	
	2-22 Statement on sustainable development strategy	10	

GRI	Disclosure	Page	None
	2-23 Policy commitments	10 25 33	
	2-24 Embedding policy commitments	10 25 33	
	2-25 Processes to remediate negative impacts	12 36	
	2-26 Mechanisms for seeking advice and raising concerns	12	
	2-27 Compliance with laws and regulations	27	
	2-28 Membership associations	24	
	2-29 Approach to stakeholder engagement	12	
	2-30 Collective bargaining agreements	-	No labor unions.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	14	
	3-2 List of material topics	15	
	3-3 Management of material topics	15	
GRI201: Economic Performance 2016	201-1 Direct economic value generated and distributed	31	
	201-2 Financial implications and other risks and opportunities due to climate change	49	
	201-3 Defined benefit plan obligations and other retirement plans	35	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	47	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	45	
	305-2 Energy indirect (Scope 2) GHG emissions	45	
	305-5 Reduction of GHG emissions	45	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	35	
	401-3 Parental leave	36	
GRI 403:	403-3 Occupational health services	32	

GRI	Disclosure	Page	None
Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	39	
	403-6 Promotion of worker health	39	
	403-9 Work-related injuries	39	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	36	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	33	

SASB Index

Topic	Code	Metric	Page
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	41
	TC-SI-130a.3	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Not yet to plan
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to targeted advertising and user privacy	33
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	Not happened
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Not happened
	TC-SI-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Not happened
	TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Not happened
Data Security	TC-SI-230a.1	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of users affected	Not happened
	TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	33
Recruiting & Managing Global, Diverse & Skilled Workforce	TC-SI-330a.1	Percentage of employees that require a work visa	No foreign employees
	TC-SI-330a.2	Employee engagement as a percentage	35
	TC-SI-330a.3	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees, and (d) all other employees	35
Intellectual Property Protection &	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Not happened

Competitive Behaviour			
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	Not happened
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	25