

**BROGENT**  
GROUP

# Brogent 2020 Corporate Social Responsibility Report





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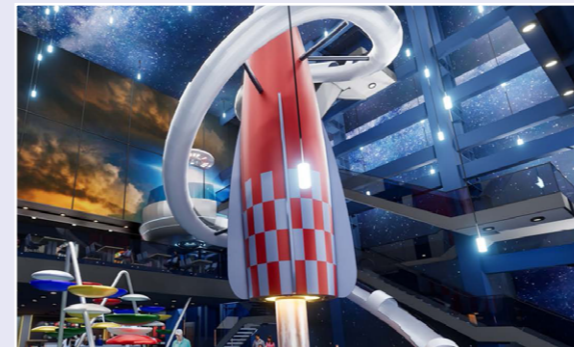
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# About This Report

## Message from the Editor

Thank you for reading the 2020 Corporate Social Responsibility (CSR) report of Brogent Technologies Inc. (hereinafter referred to as “Brogent”) The 2020 CSR report disclosed results of our sustainable operations regarding the economy, the environment, and society in an honest and transparent manner, while respond to matters of interest to our stakeholders in order to help them better understand the philosophy and achievement of Brogent in compiling CSR.

## Reporting Period and Scope of Disclosure

This report was published in August 2021, with an announcement about the publication being made on our website. The information disclosed in this report encompasses Brogent's brands and activities in all of its operating sites in Taiwan between the period of January 1, 2020 and December 31, 2020. All major matters of interest to our stakeholders have been included, along with specific economic, environmental, and social practices conducted by Brogent. The financial data in this report is presented in accordance with the International Financial Reporting Standards (IFRS); the monetary unit is the New Taiwan Dollar (NT\$).

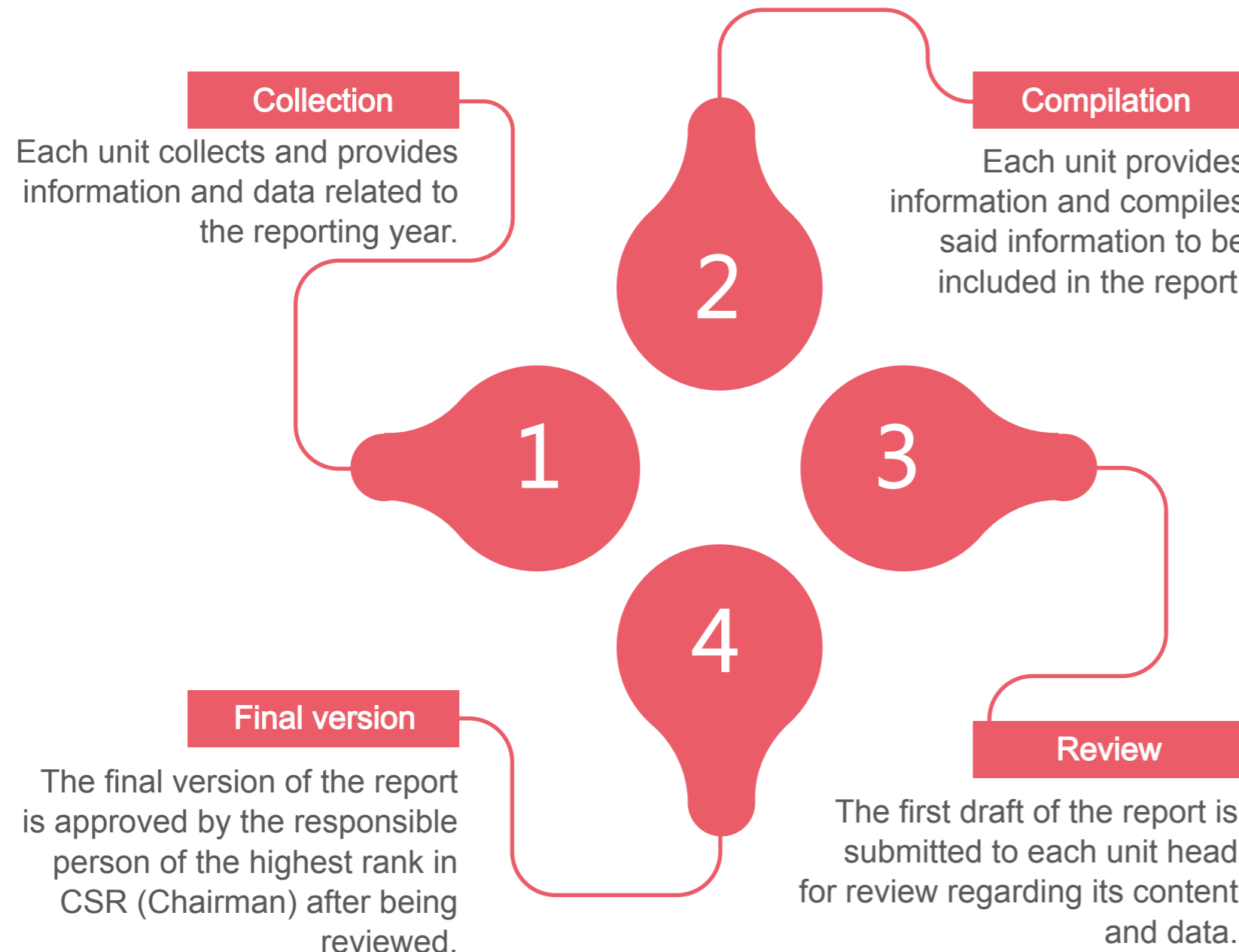
Reporting Period	January 1, 2020 to December 31, 2020
Last Issue	Published in August 2019
Reporting Frequency	Annually
The effect of any restatements of information given in previous reports, and the reasons for such restatements.	Appendix Conversion Table of GRI Standards Regarding Disclosure Restatement of GRI 102-48
Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	Enclosed two issues of concern in 2020 : 1. Information Security and Customer Privacy 2. Product Intellectual Property
Current Issue	Published in August 2021
Next Issue	Scheduled to be published in August 2022

## Writing Principles

This report has been prepared in accordance with the comprehensive option of the Global Reporting Initiative's Sustainability Reporting Guidelines (GRI Standards) and compiled by referencing the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports" and the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" of TWSE to communicate to stakeholders on Brogent's CSR strategies, practices, and performance.

## Verification of this Report

The data or information disclosed in this report was provided by each distinctive department. Upon the completion of its compilation, the CSR report was verified by each departmental head and approved by the Chairman.



## CSR Contact Information

Please do not hesitate to contact us if you have any comments on this report, or have any suggestions or questions regarding issues related to the CSR and the sustainable development of Brogent Technologies Inc. Our contact information is provided below :

Brogent Technologies Inc.

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<http://www.brogent.com/zh-tw>



Brogent's website

## Letter from the Chairman

As a result of COVID-19, 2020 has been a challenging year for many companies, particularly in the amusement industry. Nevertheless, the impact will not be permanent. As a leader in manufacturing entertainment equipment and providing entertainment services, Brogent has continued to focus on how we can provide our most important product, joy, in a post-pandemic environment.

Brogent's core values are perseverance, creativeness, people and excellence as we work on sustainability issues such as the environment, society, and corporate governance (ESG).

Despite the tough business environment in 2020, Brogent still dedicated its time to technological research and development, and product innovation. We did this by following four main objectives of "reorganization in light of the pandemic", "strengthen position", "green design and environmental sustainability", and "talent cultivation and social participation". Brogent was also able to demonstrate business sustainability to the stakeholders in three

dimensions of environment, society, and governance. We hope to accomplish our corporate mission of inspiring moments of joy through creativity with the technical advantage of core immersive technologies.

### Reorganization in Light of the Pandemic

After the world experienced COVID-19 in 2020, in relation to corporate governance, Brogent anticipated there would be challenges in allocating resources in various environments if it continued to outsource materials and procedures. Therefore, when facing the changes brought by the pandemic, Brogent acquired Brogent Mechanical Inc. as the manufacturing center, ensuring an improvement of operating efficiency and communication. After the pandemic, Brogent will target the development of digital content with artificial intelligence, and combine them with the amusement industry to create more effective and enjoyable products.



## Strengthen Position

Overall revenue decreased 20 to 30 percent as a result of COVID-19, but Brogent believes that when the pandemic eases and country border restrictions lift, the global economy will recover with an increase in consumer demand for entertainment. Therefore, during the pandemic, Brogent continued to invest in research, development, and innovation, improving technology and developing new products. It is estimated that official openings in 2021 will hit a record high of around 20 immersive rides opening in one year, including the United States, Canada, Denmark, the United Kingdom, China, Kazakhstan, Vietnam, and Japan.

## Green Design and Environmental Sustainability

In terms of environmental issues, Brogent holds to sustainable product design concepts such as no service life limit, modular equipment design, and research and development devoted to extending the life cycle of the products. In 2020, through product design improvements, the dynamic structure of large amusement rides will be adjusted from traditional hydraulic power to electric system control, which will greatly reduce equipment and fuel consumption. This new type of energy-efficient amusement ride provides theme park customers with energy savings and carbon reductions.

## Talent Cultivation and Social Participation

Brogent is committed to talent cultivation in the immersive technology industry, with collaborations within schools regarding research, development, and technology transfer methods. It provides diversified ways to cultivate talent internally and encourages innovation. There is also internal crossover in terms of course training that cultivates outstanding talent for Taiwan's immersive technology industry. It's

beneficial for Brogent and the development of Taiwan's immersive technology industry as a whole.

For years Brogent has invested in social welfare for the underprivileged, and in 2020, invited organizations including the Garden of Hope Foundation, Children Are Us Foundation, and Boyo Social Welfare Foundation, to take rides on our flying theater and experience the immersive technology. Brogent will continue to keep in touch and cooperate with disadvantaged groups and launch more diversified products to bring joy to all.

## Future Prospects

Brogent aims to develop immersive simulation equipment that is closer to real-life experiences. We want to allow people to feel a sense of freedom and creativity through technology and to achieve relaxation no matter where they are. This is particularly relevant in relation to times of lockdown because of the pandemic. With this, we can accomplish our corporate mission of inspiring moments of joy through creativity.



Ouyang, Chih-Hung  
Chairman  
Brogent Group

# 2020 Sustainability Key Performance and Recognitions

## Sustainability Key Performance



### Governance

- Flying theaters with a market share of 85%, ranking first in the world
- A total of 136 patents and 80 trademarks obtained worldwide
- Complete the projection program for the development and application of immersive 8K 3D LED dome screen in i-Ride flying theater
- 18 international certifications obtained
- R&D expenses reached NT\$167,313,000, accounting for 15.74% of the annual revenue
- Rated at 21-35% interval, at the 7th Corporate Governance Accreditation
- Invest an average of more than NT\$2 million in information security per year
- Immersive e-sports action exhibition container tour in Kaohsiung and southern regions



### Environment

- Introduce sustainable product design concepts such as “no service life limit”, “equipment modular design”, and “increasing service life” into product R&D
- Develop energy-saving system with digitalized electric control system
- Product delivery with the principles of weight reduction and flat packaging to reduce the carbon footprint during transportation
- Using environmental-friendly, non-toxic materials and coatings in product manufacturing
- Solar panel power generation 14,936 kWh
- Water usage 68 m<sup>3</sup> /person, 6% less than 2019



**Society**

- Increase overseas business travel insurance policy limit during COVID-19
- 100% return-to-work rate after taking parental leave
- Receive zero employee complaint
- Achieve the goal of “Zero-Accident Workplace”
- Promote employee stock ownership trust plan
- The proportion of local purchases is 83.7% of total purchase
- Total 5,781 hours of employee education and training
- Organize 8 sessions of occupational safety education and training, with 180 trainees
- Provide external training costs of more than NT\$30,000 for a single lesson
- Hold 2 summer camps of the Boyo Foundation, with a total investment of NT\$1 million and 120 beneficiaries

**Honors and Recognitions**



Ranked within the TOP 300 High-Growth Companies for the Asia-Pacific region by the Financial Times



Awarded as the winner of Asiamoney's Asia's Outstanding Companies Poll 2020 in the sector of Software & Internet Services



Won the “Queensland-Taiwan Business Excellence Award” from the Australia New Zealand Chamber of Commerce in Taipei



The Flying Theater in UAE won the “Award of Outstanding Achievement” from the Themed Entertainment Association



Won the 13th Taiwan Corporate Sustainability Awards (TCSA) “Innovative Growth Award”



Won the 13th Taiwan Corporate Sustainability Awards (TCSA) “Silver Award of Sustainability Report”



Won the “Exercise Enterprise Certification” by the Sports Administration, Ministry of Education





# Technology X Unlimited Creativity

Brogent upholds the core value of “Creativeness” by innovating through limitless exploration, creating next-generation immersive experiences.



## Technological Innovation and R&D Achievements in 2020

Item	Description
N Dimensioneer	The new design of N Dimensioneer is a two-axis personal motion platform featuring seven company-made VR live-action/CG animation films, and authorized IP contents. With 360-degree vision on a VR headset, it can create a new immersive experience for personal entertainment.
High-end LED Dome Screen	Developed a large-scale 20m diameter 8K LED dome screen with image conversion and a system that can play 3D videos. The images are clearer and sharper, and the viewing quality is highly improved.

## Experience a 360-Degree Flying Invention with Personalized Immersive Simulation Equipment

### N Dimensioneer

N Dimensioneer is a personal immersive simulation seat, equipped with a two-axis motion platform and a high-resolution VR headset. Guests can wander through the ancient age of the dinosaurs, explore unknown marine spectacles, or even fly through the galaxy. Riders also have the opportunity to become the avatar of the protagonist, experiencing their world with all their senses, traversing between N dimensions.

### Innovative Combination of Personal Theater and Immersive Simulation

As movie theaters are facing closures in the post-COVID-19 era, personal entertainment products are now phasing in. Brogent's R&D team saw an opportunity and began looking into the combination of a personal theater with Brogent's core immersive simulation technology. After many discussions, research, and with the guidance of our experienced directors, we collaborated with the American manufacturer Positron, to combine VR equipment with a two-axis platform. The product upgrades the personal theater experience to an even higher level, using the two-axis platform to simulate various movements that allow riders to have a more immersive movie experience.

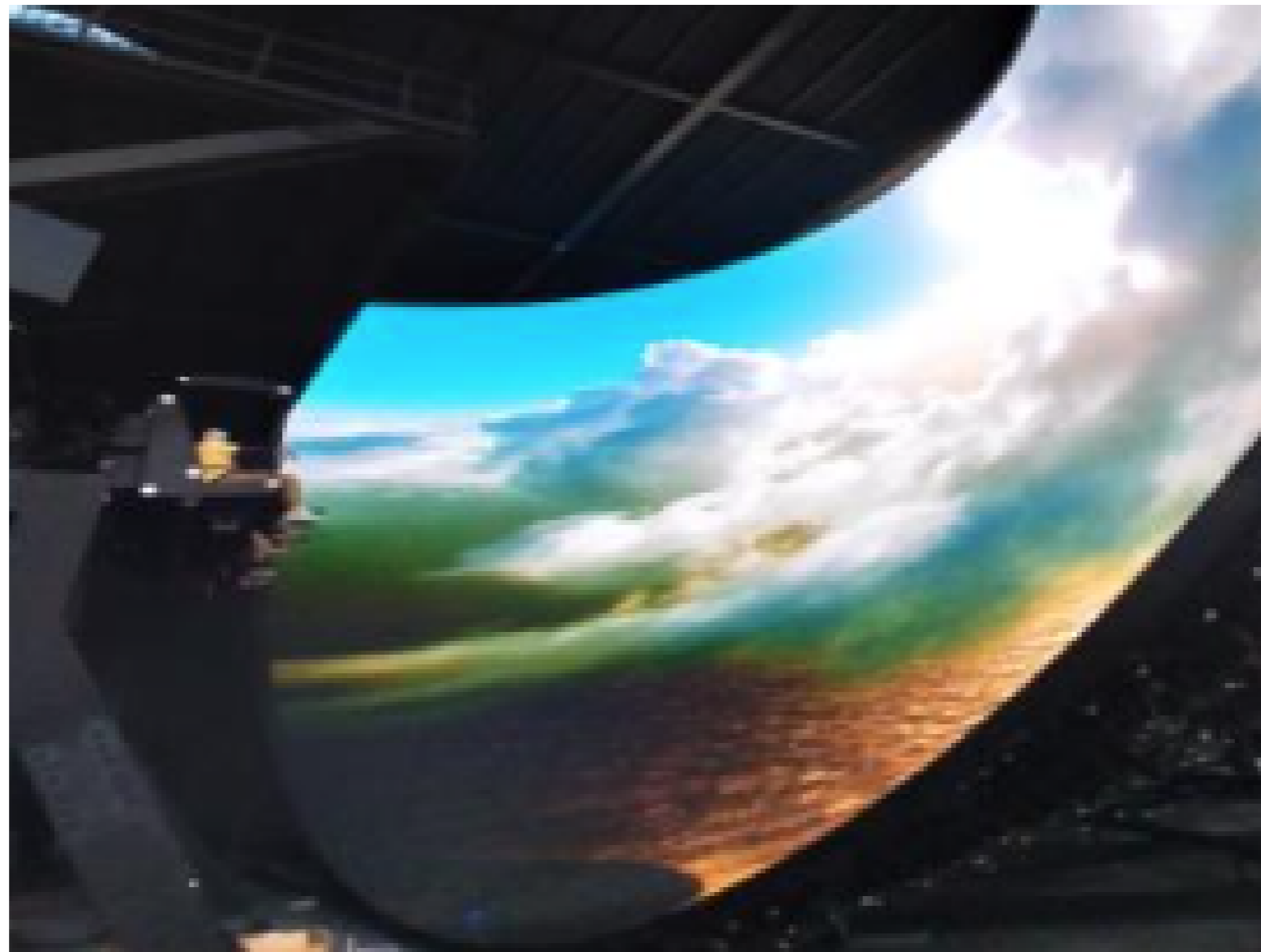
### User Feedback to Improve the Immersive Experience

To better improve the immersive experience and make the product more distinctive and attractive, the team conducted many user experience analyses and gathered feedback from people in different exhibitions that we showcase the N Dimensioneer (DigiWave 2020, Taiwan Creative Content Fest 2020, etc.)

## New Generation Audio and Video Entertainment Equipment : the LED Dome Screen

Brogent's technology innovation team successfully developed the company's upcoming major product: the immersive 8K 3D LED dome theater. This research and development project took years to complete and was partly supported by a financial subsidy from the Industrial Bureau of the Ministry of Economic Affairs.

The optical characteristics of the 8K 3D LED dome theater is about 10 times the peak brightness of a traditional projection dome screen, plus the inherent advantages of LED, such as high chroma and high contrast performance is beyond the reach of traditional projection. This LED dome screen is consistent with the high-quality characteristics of Brogent's other products. In addition to flying theaters, it can also be used for other simulators and in museums or planetariums.





## Vision Get Wild X Cutting-Edge Creativity

Since 2011, Vision Get Wild has been the most iconic exhibition of creative digital design students in Taiwan. It creates a platform where industry and academia are able to cooperate with competitions, exhibitions, film festivals, international forums, and networking gatherings. The goal of Vision Get Wild coincides with Brogent's sustainable development strategy of talent cultivation. Brogent has participated in it since 2014. Every year, apart from recruiting, industry-academia cooperation, and business matching, we get the chance to appreciate the innovation and creativity the students bring to the industry.

As a start-up company from Kaohsiung, Brogent continues to support the technology industry in Southern Taiwan via participation in events such as these. Over the years, Brogent has supported many students during Vision Get Wild, allowing their outstanding work and talent to stand out in the competition. For the first time, in 2018, Brogent also showcased its latest immersive simulation equipment

in the show. This deepened the cooperation with participating universities, expanded the scope of recruitment, and also illuminated new industry fields to the young generation of design talents. Brogent's booth has become one of the highlights of Vision Get Wild, as it continues to attract numerous young students and manufacturers. Through Vision Get Wild, Brogent contributes to

industry improvements and transformations with industry-academia cooperation and talent cultivation. For example, we cooperated with the Southern Taiwan University of Science and Technology to create the virtual reality game – Lightning Wings for our six-axis motion platform. Another example is our cooperation with SHU-TE University with Brogent Global's Lightning Wings live broadcast.

Together we made live broadcasts of the game and game strategy videos, editing game highlights to share on video streaming platforms and game fan pages. Through these industry-academia cooperation projects, students are given the opportunity to directly apply what they have learned in school, which also stimulates greater motivation to learn.

## Showcases Brogent Participated in Vision Get Wild 2020

Date	Place	Showcase	Equipment	Organizer	Attendance of the ride
October 8 <sup>th</sup>	Kaohsiung Exhibition Center	Vision Get Wild Award	N Dimensioneer*2	Taiwan Academia Industry Consortium	50 attendances
October 8 <sup>th</sup> ~11 <sup>th</sup>	Pier2 Art Center (Dayong Area P2)	DigiWave	N Dimensioneer*6	Taiwan Academia Industry Consortium/Ultra Combos	700 attendances
November 18 <sup>th</sup> ~22 <sup>th</sup>	SHIN KONG MITSUKOSHI A11	Taiwan Creative Content Fest	N Dimensioneer*3	TAICCA	1,200 attendances



The world's first mobile music experience combines virtual reality and immersive simulation equipment, creating a total immersive of listening to songs with the body, allowing neurons to travel with musical notes.



The attendees cannot distinguish whether it's real or virtual.

## About Vision Get Wild

Vision Get Wild (VGW) is a creative design festival designed by the Industrial Development Bureau, Ministry of Economic Affairs. Held by the Taiwan Academia Industry Consortium, it is the most iconic student digital design competition exhibition in Taiwan. It covers a variety of fields including audio/video, animation, games, graphics (communication design/product design), cross-discipline, AR/VR, mobile applications, etc. Through competitions, exhibitions, film festivals, international forums, and networking, it creates an industry-academia cooperation platform that attracts thousands of works to participate every year. Through this event, local companies can also integrate academic research into the industry.

The event is beneficial for the following reasons:

- Encourages academic talents to propose innovative design and R&D and show their self-worth and potential through a competition.
- Companies can find new talent.
- The interactive cooperation between industry and academia can reduce the gap between education and real-life.



If you want to learn more about Vision Get Wild, please refer to the QR CODE link.

# Sustainable Management Strategies and Goals

Immersive simulation technology is the core value of Brogent. With our resources and advantages in digital and technical expertise, we are committed to make positive influence by bringing dynamic experience to people. Brogent meets the needs and expectation of society and fulfills the promise of sustainable developments by focusing on the environmental, social, and corporate governance (ESG).

## Our Vision

- Remaining as the leading company in the immersive simulation industry by creating advanced and futuristic technology.
- Building our own theme parks with Asia culture.

## Our Mission

- Bringing people the future by creating fun and fulfilling their dreams.

## Core Values

Brogent takes perseverance, creativeness, people, and excellence as our core values. We continuously devote into technology research and product innovation, and that is the key factor for us to successfully creat a good reputation and become one of the best immersive simulation rides supplier.

### Perseverance

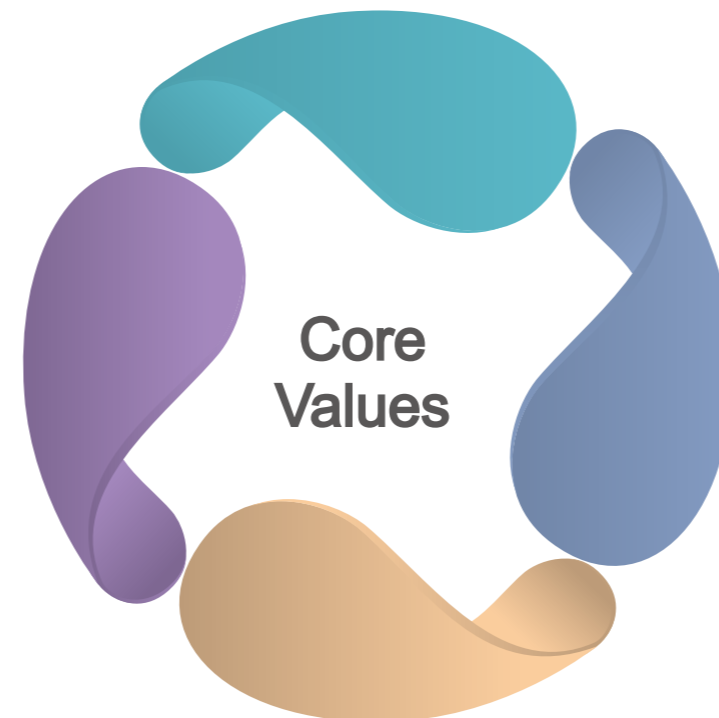
We break through obstacles and challenges with the spirit of never giving up, and we pursue sustainable developments by fulfilling our mission and value.

### Excellence

We satisfy our customers with high standards of product quality and service, and we benefit customers, shareholders, employees and the most important, the society.

### Creativeness

We dedicate in innovative technology to create realistic experience beyond people's imagination.



### People

Under a happy working environment, our employees can bring out their excellent performance.

# Management Approach

\*Customized Topics

Major Issue	Sustainable Development Strategies
Material Topic	Sustainable Development Strategies*
Policy/Commitment	<ul style="list-style-type: none"> <li>• Bring people fun by the power of technology.</li> <li>• With roots in Kaohsiung and a foothold in Taiwan, Brogent now aims towards a greater market share in the global market.</li> <li>• Observe guidelines for sustainable operations and assist local vendors in establishing an immersive simulation industry chain in Kaohsiung.</li> </ul>
Goals and Objectives (Short-Term)	<ul style="list-style-type: none"> <li>• Reorganize the company and integrate resources to face the impact of COVID-19 Pandemic and keep up with market development trends.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>• Reorganizing company internal divisions and departments, and merging subsidiaries.</li> </ul>
Goals in 2020 Achievements (Short-Term)	<ul style="list-style-type: none"> <li>• Completed reorganization by establishing Operation Center Division, Manufacturing Center Division, High-Performance Graphics Processing Division and Intellectual Property Management Division.</li> </ul>
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>• Have a role to play in the global entertainment industry by merging or acquiring the content production industry, establishing a strategic alliance, and using other business models.</li> <li>• Establish a link between simulation technology and the real environment. In the future, the operating market will cross over to other fields from the entertainment industry. An example of said fields is high-risk training field.</li> <li>• Adopt “product design = unlimited shelf life” for the design of sustainable products. Increase the shelf life of products via proper use and maintenance.</li> </ul>



## Management Approach

\*Customized Topics





Major Issue	Sustainable Development Strategies
Material Topic	Sustainable Development Strategies*
Responsibilities	<ul style="list-style-type: none"> <li>Business management team focuses on sustainable development related issues.</li> </ul>
Resources Investment	<ul style="list-style-type: none"> <li>Nearly 20 executives will conduct discussions on major strategies and issues on a regular basis.</li> </ul>
Claim Procedures	<ul style="list-style-type: none"> <li>A reporting system has been set up on Brogent's website, where channels for reporting grievances related to major issues are available.</li> </ul>
Specification Actions	<ul style="list-style-type: none"> <li>Hold communication meetings once every two weeks, where major issues will be discussed.</li> </ul>
Evaluation Procedures	<ul style="list-style-type: none"> <li>Hold management-related communication meetings and track issues on a regular basis, while announcing and communicating relevant policies.</li> </ul>
Evaluation Follow-Up	<ul style="list-style-type: none"> <li>In 2020, a safety team in charge of product quality was set up and the Immersive Simulation System Department was established via management-related communication meetings, whereby the short-term goals for 2020 were achieved.</li> </ul>

## Brogent's Sustainable Development Goals

After reviewing the parallels between Sustainable Development Goals (SDGs) and the 2015 United Nations SDGs, Brogent has included the following SDGs in its sustainable operations strategy: Decent Work and Economic Growth; Industry, Innovation and Infrastructure; Responsible Consumption and Production; Climate Action; and Partnerships for the Goals. Said SDGs are set as a blueprint for Brogent's goals and directions for future sustainable development strategies.

SDGs	4th Goal Quality Education 	8th Goal Decent Work and Economic Growth 
Development Direction	<p>In order to achieve talent cultivation and sustainable development, Brogent creates a learning organization atmosphere and provides diversified training, so that employees can improve their knowledge and skills, strengthening the quality of talents.</p>	<p>As the major immersive simulation equipment manufacturer, Brogent actively expands self-operated centers across the world, drives the AR/VR immersive simulation industry, and increases local employment opportunities.</p>
Promoting Strategy	<p>Brogent cultivates talents through diversified learning channels, with a dual-track development system for professional and management positions, including four types of training frameworks: “Supervisor Training”, “Professional Training”, “General Training” and “Digital Learning”, planning employee career development training courses, to cultivate and enhance the abilities of employees and help them grow together with the company.</p>	<p>Brogent attracts outstanding talents in the industry through diversified recruitment channels such as collaboration between industry and school, and internal recommendation, sets up a complete education and training system for employees, provides them with complete resources, incentive mechanisms and benefits, to ensure their workplace safety and health care. While employees are making efforts to innovate, they can grow together with the company and fly beyond their dreams.</p>
Long-Term Goal	<p>Through diversified crossover training courses, let talents in different fields learn and communicate with each other, encourage colleagues to be the role as internal lecturers, create the culture of knowledge and experience inheritance, and achieve the goal of retaining talent for sustainable development.</p>	<p>The goal is to continuously improve the reputation and representativeness of Brogent in the field of immersive simulation technology, attracting great talents with rewarding career, filled with possibilities of innovation, cultivating outstanding talents for the immersive simulation technology industry, and also the cornerstone of Brogent's sustainable development.</p>

## Brogent's Sustainable Development Goals

SDGs	9th Goal Industry, Innovation, and Infrastructure 	12th Goal Responsible Consumption and Production 	13th Goal Climate Action 	17th Goal Partnerships for the Goals 
Development Direction	Brogent strives to meet the needs of customers in theme parks or large-scale leisure and amusement centers, and develops “joyful” and “innovative” immersive simulation equipment.	The production mode of Brogent is low-pollution, developing environmentally friendly products to market all over the world.	Brogent expects to reduce the negative impact of corporate operations on global warming.	Brogent directly or indirectly organizes economic activities with global partners to provide opportunities for developing countries to activate global sustainable development partnerships.
Promoting Strategy	Through core technology combined with 3D immersive simulation technology, Brogent carries out software and hardware R&D, manufacturing and system integration, innovative design planning and construction of new-media immersive simulation theater.	Brogent collaborates with suppliers through the R&D of technology, implementing the operating strategy of responsible procurement.	Brogent carries out energy-saving policies in its daily operation, such as power saving, water resource planning, and supply chain management.	Most of the immersive simulation devices Brogent sells all over the world are products/materials that follow sustainable practices or have acquired global safety certifications.
Long-Term Goal	Brogent continues to create a variety of new-generation immersive simulation amusement facilities applied with new media.	Brogent provides sustainable solutions for society and the environment.	Brogent aims to reduce the impact of its operation on climate change by setting targets to reduce carbon emissions and energy consumption.	With Brogent's diversified energy of creativity and immersive technology capabilities, it has established partnerships with cross-field designers, developers, and film directors around the world to bring joyful experiences to people all over the world and make imagination come true.



# 01 Perseverance

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We are committed to conquering challenges and continue corporate sustainability.

- 1.1 Corporate Profile
- 1.2 Brand Values
- 1.3 Operation Performance
- 1.4 Social Care



## 1.1 Corporate Profile

Headquartered in Kaohsiung, Taiwan, Brogent is a world-leading simulation equipment designer, developer, and manufacturer. It is a technology company that focuses on research and development of advanced entertainment technologies, media creation, and design. The

company offers services ranging from a single-component system to an integration project. With years of experience in R&D, combining our core technology with 5D immersive simulation, we have the capabilities of providing various new-generation media-based simulation rides.



## Basic Company Information

Company Name	Brogent Technologies Inc.
Established	October 2001
Listing Date for OTC	December 18, 2012 (Stock Code: 5263)
Business Administration No.	13158496
Headquarters	No. 9, Fuxing 4th Rd., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)
Capital	NT\$557,474,000
Revenue	NT\$1,062,899,000
Industry Category	Cultural and creative industry
No. of Employees	196
Markets of Products and Services	Taiwan, Asia, U.S.A, Europe, and Australia
Main Products & Services	Simulator rides
Industries & Types of Client	Theme parks, museums, shopping malls, urban experience centers, etc.

### The Role Brogent Plays in the Immersive Simulation Technology Industry Chain

Brogent has the ability to integrate into upstream, midstream, and downstream companies in the immersive simulation technology industry. We hope to act as the leader in the immersive simulation technology industry, helping to create an industry chain in Taiwan and integrate our products with local manufacturers to help Taiwan achieve recognition for its manufacturing capabilities.

#### Upstream

**Vendors for components of immersive simulation equipment**

Components of immersive simulation equipment: six-axis platform, steel structure, seat, roof panel, digital content, and electronic components.

#### Midstream

**Immersive simulation equipment manufacturers/integrators**

Brogent is in charge of system integration among midstream companies.

#### Downstream

**Themed theater operators**

Brogent is currently in charge of running the flying theaters in Taipei and Kaohsiung among downstream companies, combining marketing activities to serve consumers holistically.

## Assist in the Upgrading of Local Industries

In the past, the immersive simulation technology industry was not available in Taiwan. Thus, when Brogent first entered the industry, it aimed to seek collaboration with existing Taiwanese vendors, while assisting them in transforming their business to be in alignment with the industry. Among the upstream companies was Unigin Screen, a steel company in Kaohsiung that takes on steel fabricating projects. The company began manufacturing the steel structures for Brogent's flying theater dome screens from scratch. Unigin is aware of the fact that it has

to transform and upgrade its business to keep pace with Brogent. Thus, for example, all of its welders need to obtain a license and an enterprise resource planning (ERP) system was introduced into the Company. Ea-Hwa Enterprise Industrial Co., Ltd., a welding company manufacturing server racks and chassis', has been contracted to manufacture seats and roof panels for flying theaters. To achieve Brogent's rigorous requirements, its production line must pass international certifications, while its technical capabilities must continually be upgraded.

## Participation in Public Associations

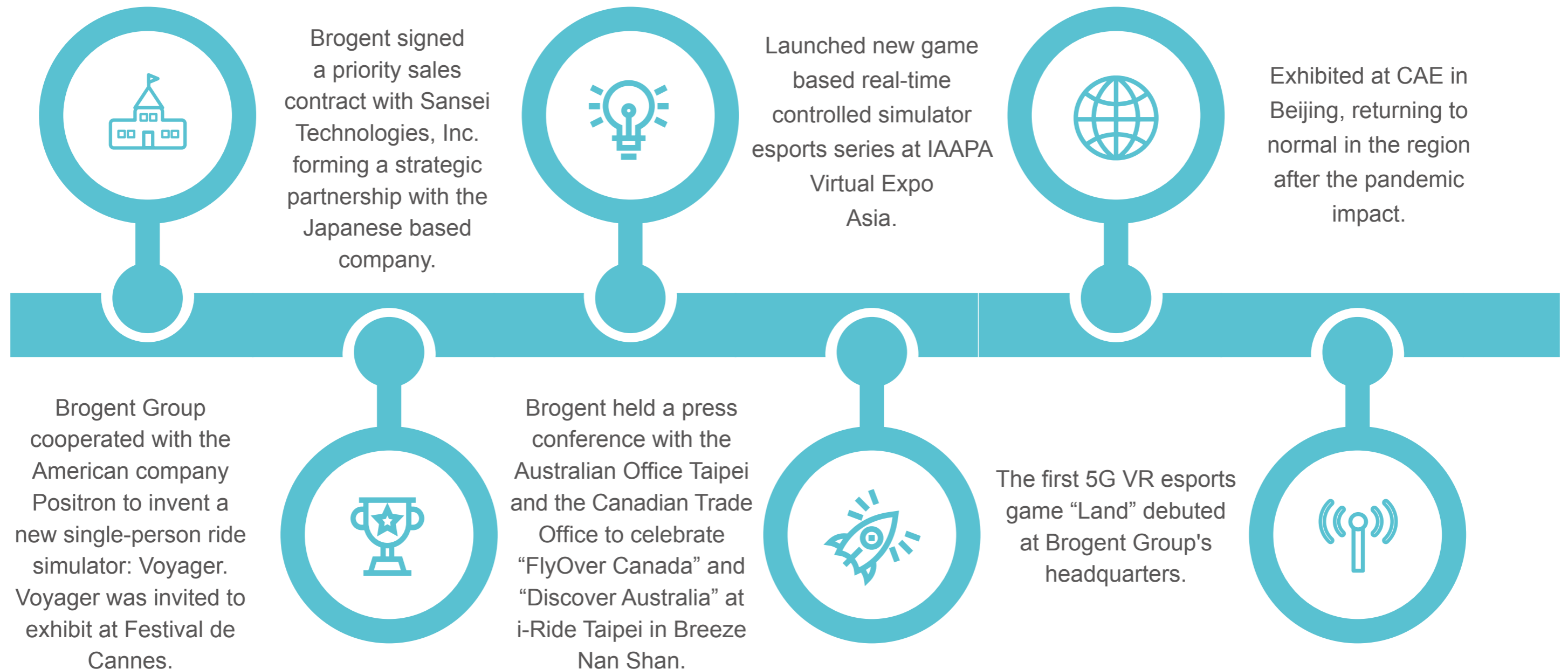
Name of Public Association	Project or Committee Participated	Participation Status
International Association of Amusement Parks and Attractions (IAAPA)	Annual break seminar	Member Representative
Taiwan Industry-Academia-Research for Collaboration-Integration-Development Association	Vision Get Wild	Serve as Executive Director and Alternate Supervisor
Kaohsiung MICE Alliance	Introduce cities via the experience center	Member Representative
Go Smart Global Organization Smart Cities	Assist in international cross-city exchanges	Member Representative
Southern Taiwan University of Science and Technology Large Multimedia-based Interactive Entertainment R&D Alliance	Jointly promote industry- academia collaboration on large multimedia-based interactive entertainment R&D	Member Representative
Kaohsiung Export Processing Zone, EZPA, MOEA	Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	Member Representative

## 2020 Company Milestones

- Brogent Group cooperated with the American company Positron to invent a new single-person ride simulator: Voyager. Voyager was invited to exhibit at Festival de Cannes.
- Brogent signed a priority sales contract with Sansei Technologies, Inc. forming a strategic partnership with the Japanese based company.
- Brogent held a press conference with the Australian Office Taipei and the Canadian Trade Office to celebrate “FlyOver Canada” and “Discover Australia” at i-Ride Taipei in Breeze Nan Shan.
- Launched new game based real-time controlled simulator esports series at IAAPA Virtual Expo Asia.
- The first 5G VR esports game “Land” debuted at Brogent Group's headquarters.
- Exhibited at CAE in Beijing, returning to normal in the region after the pandemic impact.



Please visit Brogent's website for more details about milestones it has achieved since its establishment.

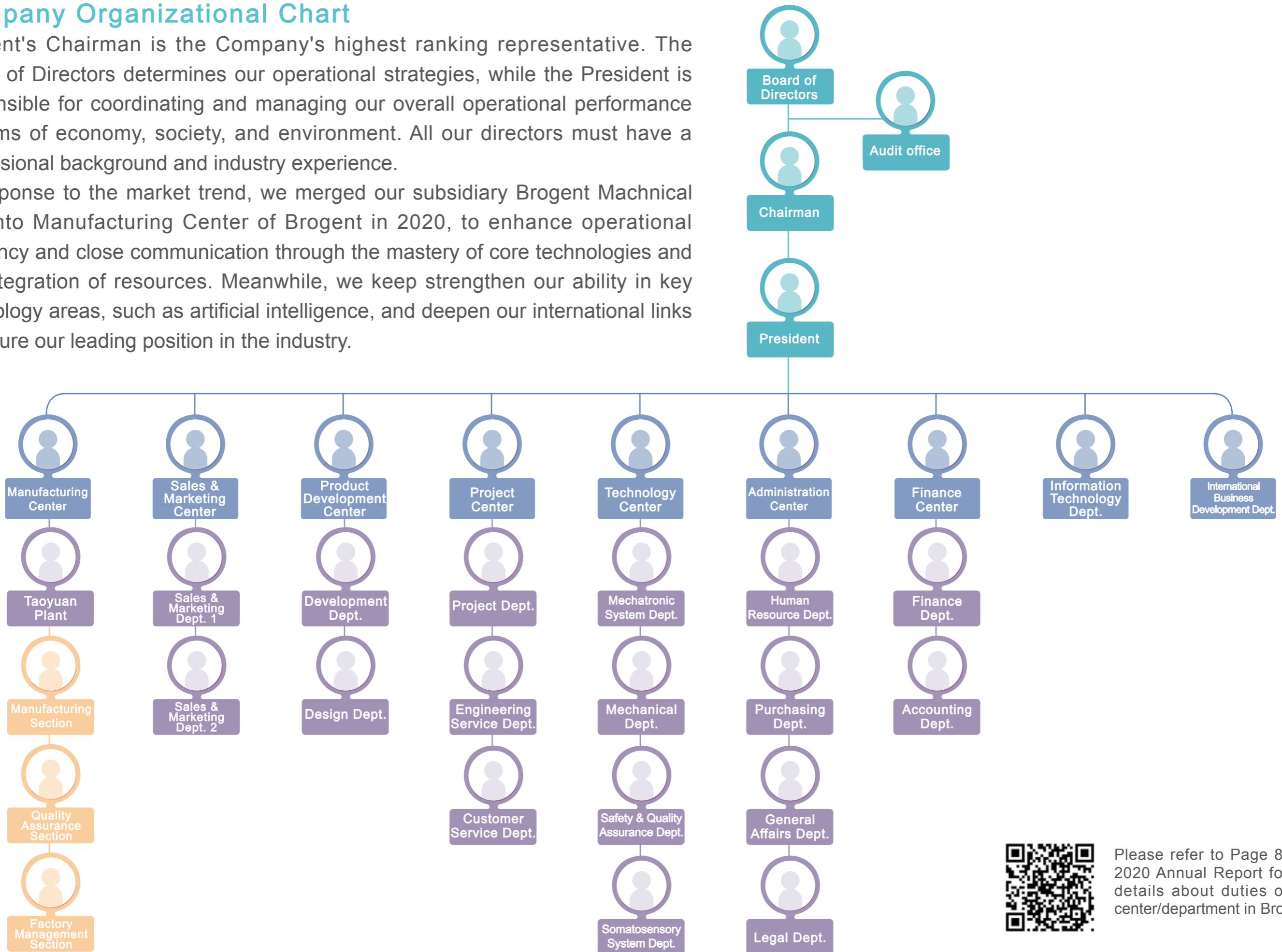




## Company Organizational Chart

Brogent's Chairman is the Company's highest ranking representative. The Board of Directors determines our operational strategies, while the President is responsible for coordinating and managing our overall operational performance in terms of economy, society, and environment. All our directors must have a professional background and industry experience.

In response to the market trend, we merged our subsidiary Brogent Machnical Inc. into Manufacturing Center of Brogent in 2020, to enhance operational efficiency and close communication through the mastery of core technologies and the integration of resources. Meanwhile, we keep strengthen our ability in key technology areas, such as artificial intelligence, and deepen our international links to ensure our leading position in the industry.



Please refer to Page 8 of the 2020 Annual Report for more details about duties of each center/department in Brogent.

## Business Activities of Primary Sustainable Duties

Major Divisions	Primary Sustainable Duties
Sales & Marketing Center	<ul style="list-style-type: none"> <li>Brand building and continuing market expansion to attract media through the leading brand awareness.</li> </ul>
Product Development Center	<ul style="list-style-type: none"> <li>To create innovative products through continuous R &amp; D of immersive simulation platform and interactive technologies and further establish the technological advantage in the immersive simulation industry.</li> </ul>
Project Center	<ul style="list-style-type: none"> <li>Develop and improve training mechanisms to enhance the professionalism and service awareness of employees, and promote project managers to obtain professional skills and licenses to enhance market competitiveness</li> <li>Continuously improve product diversity, provide customers with a more professional and high-quality after-sales technical service experience, strengthen service efficiency and added value, and further enhance customer satisfaction.</li> </ul>
Finance Center	<ul style="list-style-type: none"> <li>Reinforce project business management, reduce accounts receivable, and improve accounts receivable turnover rate. Master related regulations and market dynamics to avoid exchange rate fluctuations.</li> <li>Complete the raising and issuance of corporate bonds in 2020, to reduce the financial burden, and enhance the solvency ability and the financial structure of Brogent.</li> </ul>
Administration Center	<ul style="list-style-type: none"> <li>Brogent values the two-way communication to our employees, and we have created a happy, friendly, safe and healthy working environment, to dedicate to offer a challenging and meaningful work, dedicate to become a company that can be proud of by our employees.</li> <li>Suppliers/contractors are important partners of our operations. We continue to improve and deepen our collaboration through joint technology development, quality improvement, environmental protection, safety and health regulations, professional ethics and codes of conduct, and achieve a sustainable management model for the supply chain.</li> </ul>
Technology Center	<ul style="list-style-type: none"> <li>Build a complete product line by continuous R&amp;D in order to meet the needs of low, medium and high-end markets, and increase revenue and competitiveness of Brogent.</li> </ul>
Manufacturing Center	<ul style="list-style-type: none"> <li>To be the global leading company by grasping the competitive advantage of core equipments.</li> </ul>
IT Department	<ul style="list-style-type: none"> <li>We continue to develop our information system towards cloud computing. In the process of building the system into the cloud, we not only strengthen the information security protection and security mechanism, but also secure the personal information of employees, product technology and customer privacy.</li> </ul>
International Business Development Department	<ul style="list-style-type: none"> <li>Actively participate in civil diplomacy, cooperate with foreign government agencies and tourism bureaus around the world. Through the virtual tour of the energy-saving and carbon-reducing flying theaters, we are able to help promote the culture of various countries.</li> </ul>

## 1.2 Brand Values

Brogent believes that quality of life can be improved through technology and with this technology people can have beautiful experiences. With strong R&D capabilities and innovative product designs, Brogent built a well-known international brand as a media-based entertainment supplier. The company combines hardware and software technology, as well as art and culture, to turn dreams into reality.

While the whole world was suffering from the Covid-19 pandemic in 2020, Brogent remained focused on investing in R&D improvements for the mid-to-high level flying theatre so as to continue being the leading flying theater provider. Brogent also developed the very first dome LED

screen with over 8K resolution that can be applied to i-Ride or m-Ride flying theatres for a better visual experience. Furthermore, we put emphasis on developing solutions for gaming and interactive experiences such as small-scale motion platforms for personal racing. They were developed in 2020 and can provide real-time feedback from the gaming environment yielding a fully interactive experience. In 2020, the product will successfully launch in the Vietnamese market.

Besides the entertainment market, Brogent is planning to take a step towards simulation training to providing a solution for more efficient, lower-risk training environments.

### Product Introduction

Brogent combines our core competencies such as hardware and software integration to create 5D immersive simulation technology solutions in order to offer new generation entertainment products with new content to theme parks and entertainment centers all over the world.



Please view Brogent's website for more details

Product Category	Features	Schematic Diagram
i-Ride	<ul style="list-style-type: none"> <li>• 6 Degrees of Freedom (6DOF)</li> <li>• 8K high resolution LED dome screen</li> <li>• Modular design</li> <li>• Immersive panoramic view from every seat</li> <li>• Both old and young can enjoy the ride comfortably</li> <li>• 5D effects</li> <li>• Silent and agile movement</li> <li>• Diversified flight experiences</li> </ul>	
m-Ride	<ul style="list-style-type: none"> <li>• 4 Degrees of Freedom (4DOF)</li> <li>• 180-degree reveal to start show</li> <li>• Panoramic view from every seat</li> <li>• Modular design</li> <li>• High capacity</li> <li>• Immersive 5D Effects</li> <li>• Diversified flight experiences</li> </ul>	
miRide	<ul style="list-style-type: none"> <li>• Personal control</li> <li>• Can be used with VR headsets or screen</li> <li>• 6 Degrees of Freedom (6DOF)</li> <li>• Multiple contents available including VR and live digital contents</li> <li>• Multi-user immersive experiences that can be adapted to entertainment, training, and education fields</li> </ul>	
LED Dome Screen	<ul style="list-style-type: none"> <li>• Improves i-Ride &amp; m-Ride flying theatre experience</li> <li>• 10 times brighter than original projection screen</li> <li>• Over 8K resolution</li> </ul>	

## 1.3 Operation Performance

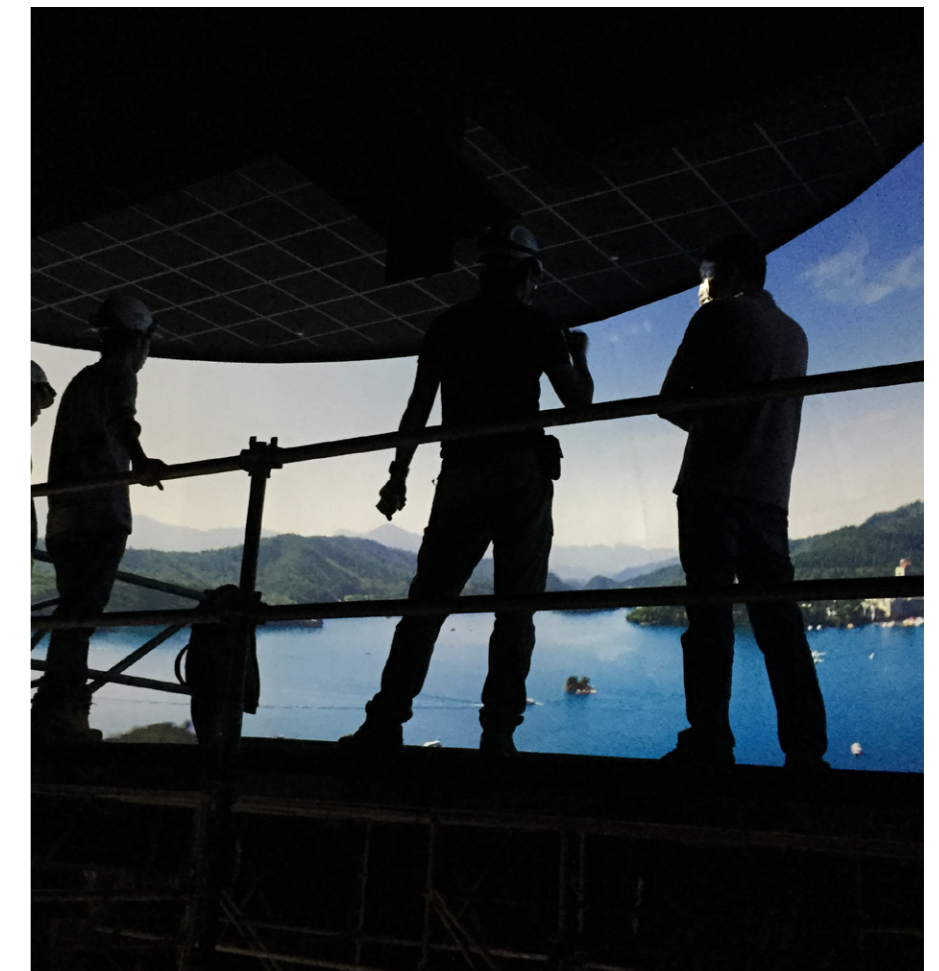
Due to the impact of the Covid-19 pandemic in 2020 and fluctuations in the exchange market, Brogent Group's consolidated revenue amounted to NT\$1.06 billion (48.91% decrease from 2019). The gross profit margin amounted to 47.27% (0.23% decrease from 2019), the operating profit margin amounted to -2.12%, and net loss amounted to NT\$49.18 million with the loss per share at NT\$0.88. The global tourism and entertainment industry was negatively impacted by Covid-19 and caused customers to postpone their required delivery date of the immersive simulation entertainment equipment which is Brogent's main line of business. Thus, 2020 sales revenue shows a significant dip. In addition, international clients represent approximately 95% of sales revenue; and most of our

products are denominated in US\$, therefore, the change in exchange rates impacts profits.

Facing the impact of Covid-19, Brogent effectively uses derivatives to avoid foreign exchange rate risk. Furthermore, the company issued corporate bonds to improve Brogent's financial structure. In terms of sales, Brogent has recognized the need for new entertainment attractions in a post-pandemic era. New generation immersive simulation equipment that are scaled smaller have the advantage of lower installation cost and a shorter lead time, thus, they will be the focus in 2021.

### Operation Development Strategy

Development Strategy	Operation Orientation
Lead Generation from High-level Customers	<ul style="list-style-type: none"> <li>Signed agreement in Japan with Sansei Technologies, Inc. which specializes in amusement attraction design. Provides large market share in high-level theme park market around the world.</li> <li>Strengthen competitiveness by delivering original content to generate leads from high-level customers.</li> </ul>
Increase Market Share of Small Scale Solutions	<ul style="list-style-type: none"> <li>Increase market share for personalized small scale solutions.</li> <li>Build strategic alliance with content producers.</li> </ul>
Increase Revenue from Content Licensing and Design	<ul style="list-style-type: none"> <li>The desire for new content and, thus, content licensing for immersive simulation equipment around the world is increasing as more flying theatre are being built-greater opportunity to license content.</li> <li>Provide a turnkey solution to customers including the hardware system, content design, venue planning, and operation.</li> </ul>

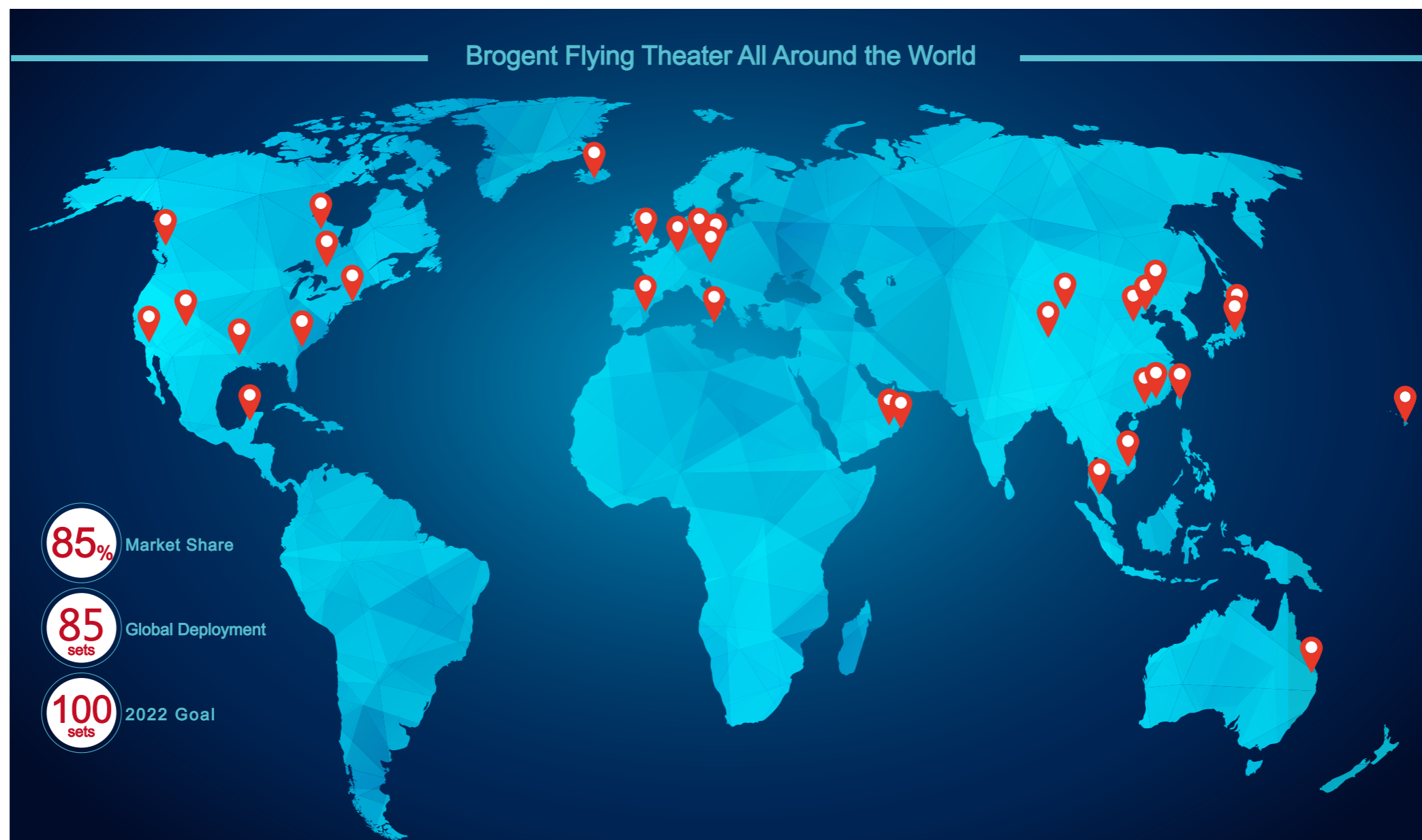


## Global Market Positioning

Brogent Group targets theme parks around the world as its main customers and has built over 35 immersive simulation attractions in Taiwan, China, Hong Kong, Macau, Canada, Japan, the U.S., Spain, Germany, the Netherlands, the UAE, Australia, and Iceland and has gained over 85% market share globally. However, due to the impact of lockdowns caused by Covid-19 in 2020, which negatively impacted theme park operation companies, Brogent Group also suffered and faced a 20% to 30% drop in sales revenue. Brogent believes that after the pandemic, the global economy will recover and there will be increased desire for entertainment attractions. Thus, during the pandemic, Brogent

invested in upgrading its existing solutions such as creating a brand new LED dome screen.

As the impact of Covid-19 has started to become more in control, customers have begun to invest in projects again. Therefore, we can anticipate that there will be 24 new flying theatres opening around the world next year in Britain, Kazakhstan, and other Asian countries. Brogent has received an additional 45 new proposals for flying theatres so far, putting the total number of expected flying theatres to 85. Thus, we still anticipate the total number will reach 100 by 2022.



## Tax Governance

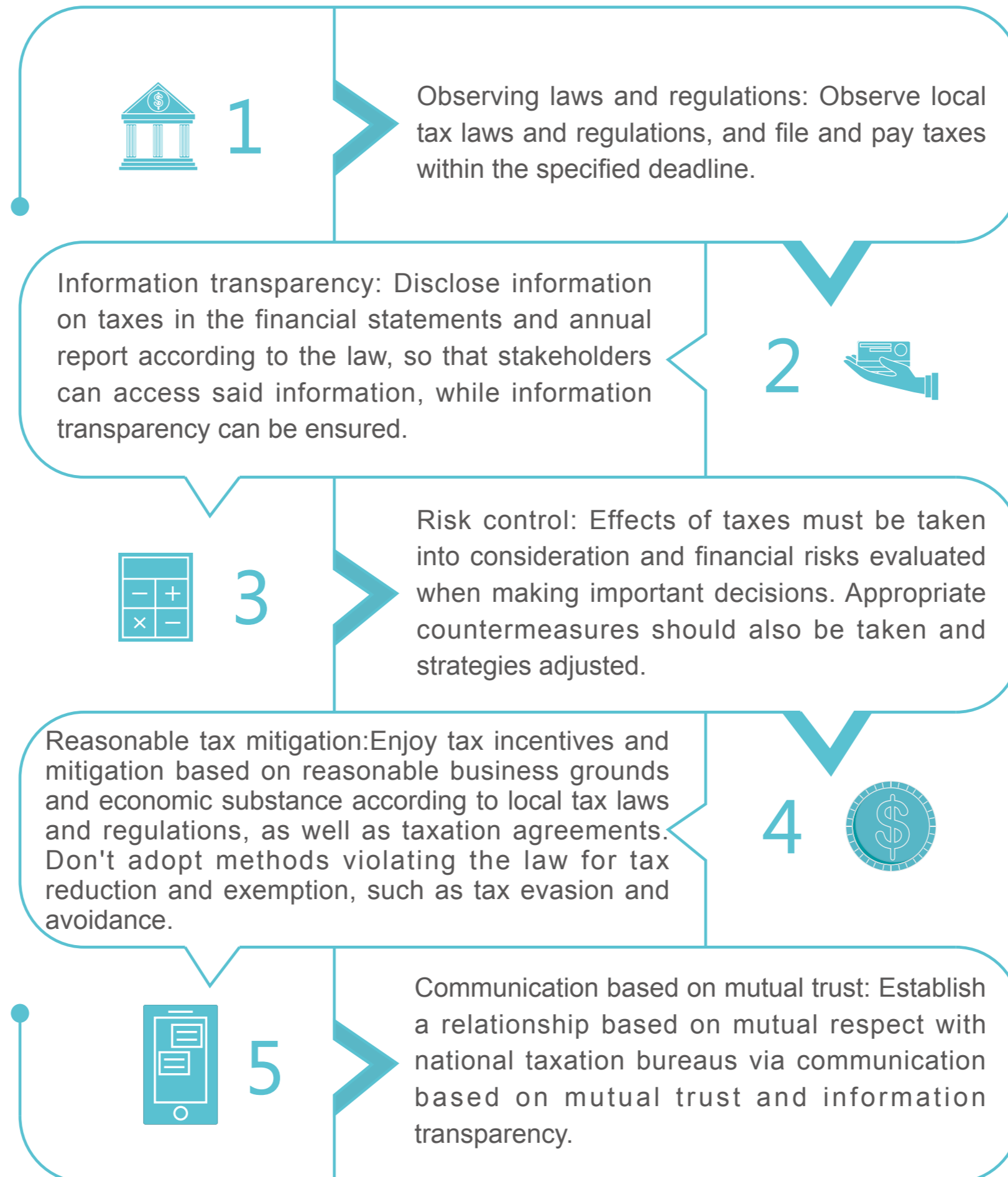
In response to the international trend of tax governance, support the government to promote preferential taxation policies, uphold the principle of honest tax payment, fulfill corporate citizenship obligations, implement sustainable corporate development, enhance shareholder value, and fulfill corporate social responsibilities under the control of tax governance risks. Brogent's tax governance policy and transfer pricing policy are based on my country's Income Tax Law and the "Incoming Income Tax Unconventional Transfer Pricing Checking Standards". Transactions between related companies are based on regular transaction principles and follow economic cooperation. The internationally recognized transfer pricing guidelines promulgated by the Organization for Development and Development (OECD) do not aim at tax avoidance and use tax havens for tax planning.

For tax governance policies, the board of directors is the highest decision-making unit for an effective tax risk management mechanism; the finance and accounting center is also the responsible unit for tax governance, and various tax businesses promote the implementation of the five principles of tax policies. It also regularly reviews the implementation of tax management, and reports on relevant tax management to the board of directors every six months.



Brogent's income tax expense in 2020 was NT\$9,920,000, accounting for 0.93% of annual revenue. Consolidated losses still have income tax expenses, mainly because subsidiaries that still have pre-tax net profits still need to pay taxes. The income tax expense in 2020 decreased by 89% compared with 2019, and the income tax expense decreased, mainly due to the loss in the current period, which generated income tax benefits.

## The Five Principles of Tax Policies





## 1.4 Social Care

Brogent combines the corporate mission of “Creating joy, fulfilling dreams, benefiting mankind and pioneering the future” with the engagement of long term social welfare. Every year, we regularly invite children from disadvantaged groups to experience the latest digital education platform. We wish to create happy, miracle moments through technology, and to bring everyone closer with moving, exceptional experience.

In 2020, Brogent invited The Garden of Hope Foundation, Children Are Us Foundation and Boyo Social Welfare Foundation to explore the beauty of Taiwan with i-Ride Flying Theater by soaring over breathtaking natural wonders and city landscapes.

### Summer Camp

In 2020, Brogent continued to organize a two-day summer camp for Boyo Social Welfare Foundation. In addition to taking a boat trip to learn about Kaohsiung port culture, the children also experienced Brogent’s flight simulator and learned about planes at the Air Force Academy. Lastly, with a special arranged guided tour in Kaohsiung library and a ride with light rail, Brogent's organizing team had imprinted unforgettable memories on the children’s mind.



In the future, Brogent will organize activities with i-Ride Flying Theater and 5G e-sports center for public welfare organizations, and will continue to maintain connection and collaboration with disadvantaged groups, as well as launch various exciting ride experience to bring joy to the society. In addition, we participated in projects that are beneficial to the society and established a research and development center with National Sun Yat-sen University to train talents in varied fields, and actively participate in guilds, associations and other lectures and activities. Brogent not only provides a platform for professional skills exchange, but also engages in speeches to share industrial knowledge.

### 2020 Charity Project Activities

Name	Summer Camp for Boyo Social Welfare Foundation
Location	<ul style="list-style-type: none"> <li>• Ride KAOHSIUNG Flying Theater and immersive VR360 experience.</li> <li>• Kaohsiung Public Library.</li> <li>• Cultural Cruise - Harbor tour - KW2 - The restored British Consulate at Takow</li> <li>• Light Rail - Dayi Pier-2.</li> <li>• The Pier 2 - Great Harbor Bridge.</li> <li>• Air Force Academy / Aviation Education Exhibition Hall</li> </ul>
Times	2
Volunteers	8
Beneficiaries	120
Amount	1,000,000

## Sharing Christmas X Spreading Love Happiness start from i-Ride, share Love to charities.

Brogent continued to carry out charity events through the Flying Theater. Following the “i- Ride, i-Love, i-Share” Christmas charity activities in 2019, in 2020, the campaign “Warm Winter Christmas Let Love Spread” aimed to pass on the idea of sending love to disadvantaged groups by inviting children from Zhishan Elementary School’s special education class and the Children Are Us Foundation. We also invited women and children from The Garden of Hope Foundation to take i-Ride and spend Christmas together.

“Sharing Christmas x Spreading Love” launched in i-Ride TAIPEI, at Breeze Nanshan 6th floor and i-KAOHSIUNG in Kaohsiung Software Technology Park. During the event, Brogent collaborated with Children Are Us Foundation to purchase 200 sets of handmade cookies. People can support by purchasing Christmas packages.



The children who felt flying in the air for the first time said with excitement “During the flight, there is water mist, fragrance of flowers and a sense of being in the air. It is very fun!”

The Garden of Hope Foundation

children said “It’s awesome! We need to come again! ”

Children Are Us Foundation

Students said “So happy to fly so high.”

Zhishan Elementary School



## 02 Creativeness

We create next-generation immersive experiences through limitless innovation and up-to-date technologies.

- 2.1 Technological Innovation
- 2.2 Product Quality and Safety
- 2.3 Customer Management and Service



## 2.1 Technological Innovation

### Management Approach

\*Customized Topics

Major Issue	Technological Innovation
Material Topic	Technological Innovation*
Policy / Commitment	<ul style="list-style-type: none"> <li>Uphold the spirit of “creative intelligence, innovative breakthroughs” to innovating with unlimited thinking.</li> <li>Brogent formulated the “Improvement Proposal Regulation” to encourage employees to innovate R&amp;D.</li> </ul>
Goals and Objectives(Short-term)	<ul style="list-style-type: none"> <li>Applicate new technology to develop high-end, mid-end, and low-end products.</li> <li>Continue to obtain government-industry-academia cooperation project.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>Improve R&amp;D capability by adjusting the functions of departments in the product development center and technology center and expand recruitment.</li> <li>Seek government-industry-academia cooperation opportunities.</li> </ul>
Goals in 2020 Achievements (Short-Term)	<ul style="list-style-type: none"> <li>Completed the immersive 8K 3D LED dome screen construction.</li> <li>Completed the digitization of the i-Ride six-axis motion platform control system.</li> <li>Completed the new design of the two-axis personal motion platform-N Dimensioneer.</li> <li>Completed the design optimization of i-Ride and m-Ride products.</li> <li>Developed three mid to low-end products include a six-axis racing simulator, six-axis flight simulator, and six-axis small hot air balloon simulator with Brogent’s technology.</li> <li>Conducted theme implement project of Kaohsiung Immersive Simulation Technology Park.</li> <li>Completed the development of LED dome screens with subsidy from the Industrial Development Bureau, Ministry of Economic Affairs.</li> </ul>
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>Technical cooperating with domestic research institutions and academic units to obtained leading innovative technologies.</li> <li>Completed the development and production of a small six-axis simulator and three-axis crank simulator prototype.</li> </ul>

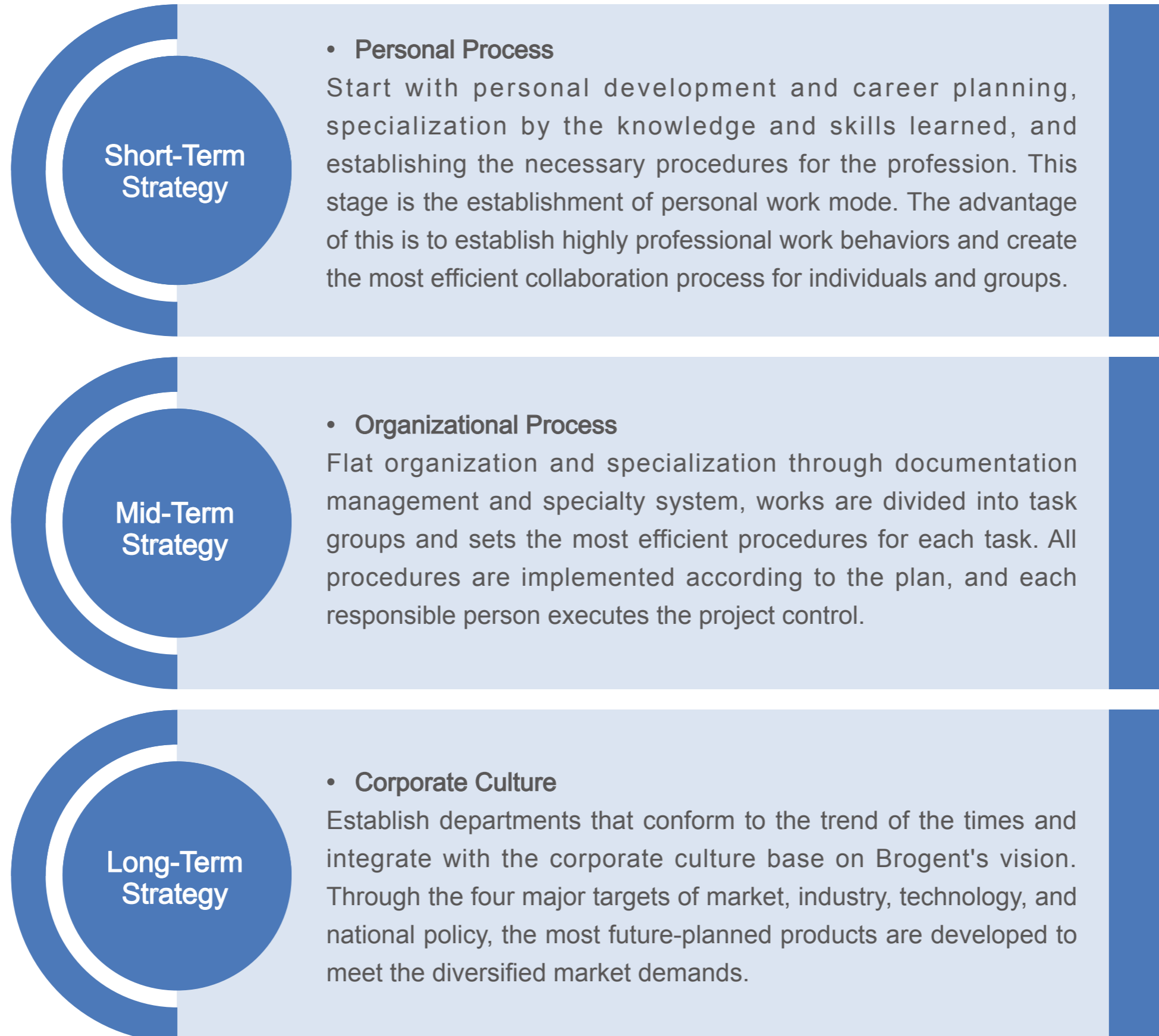
## Management Approach

\*Customized Topics

Major Issue	Technological Innovation
Material Topic	Technological Innovation*
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>• Extend and expand the core technology of immersive simulation on mid to small-scale immersive simulation equipment, expecting the application to education and skill training.</li> <li>• Continue to optimize the functions of top-selling products and develop new products that meet market demand.</li> <li>• Improve technological innovation management and reward mechanism.</li> <li>• “Extended immersive simulation” technology innovate R&amp;D.</li> <li>• Complete sustainable product design and development.</li> </ul>
Responsibilities	<ul style="list-style-type: none"> <li>• Performance management system: evaluate the achievement of goals every six months and link with performance.</li> <li>• Improvement proposal regulation: based on employees' creativity or improvement proposals hold regular selection and public recognition to reward outstanding ideas.</li> <li>• Patent application and management regulation: selection and reward the excellent patent project proposals and applications.</li> </ul>
Resources Investment	<ul style="list-style-type: none"> <li>• Human resources :               <ul style="list-style-type: none"> <li>■ Set up a document control center of three employees to carry out innovation management, document quality control, and implement a project management system to assist product development and knowledge management.</li> <li>■ Arrange forty percent of R&amp;D employees to carry out R&amp;D technological innovation work.</li> </ul> </li> <li>• Appropriation budget :               <ul style="list-style-type: none"> <li>■ Based on the estimated annual revenue, budgeting seven to fifteen percent of the estimated amount for R&amp;D next year, and formulate the R&amp;D targets and goals for the next year in the product R&amp;D meeting.</li> </ul> </li> </ul>
Claim Procedures	<ul style="list-style-type: none"> <li>• Brogent's official website (<a href="https://www.brogent.com/zh-tw/contact-us.html">https://www.brogent.com/zh-tw/contact-us.html</a>) provides communication channels, such as commercial activity reports and feedback, etc.</li> </ul>
Specification Actions	<ul style="list-style-type: none"> <li>• Set up a task force for detailed analysis of new products or technologies released by competitors.</li> </ul>
Evaluation Procedures	<ul style="list-style-type: none"> <li>• Closure reports and review/improve meetings for all projects.</li> <li>• The audit office regularly examines the implementation of innovative technology research and development programs.</li> </ul>
Evaluation Follow-Up	<ul style="list-style-type: none"> <li>• Interdepartmental management meetings held by the CEO to regularly communicate and review execution performance.</li> </ul>

## The Three-Stage Strategy of Technological Innovation

Brogent's technological innovation management strategy has three stages: personal process, organizational process, and corporate culture. With short, mid, and long-term planning strategies, we can design products that are more in line with market demands in the future.



## »» 2.1.1 Immersive Simulation Technological Innovation and Application

The immersive simulation technology industry not only combines films with electromechanics but also integrates cross-discipline expertise and multi-technologies, which is far more complicated than imagined. But this also brings high value-added innovation opportunities to the cultural and technological industries.

The innovation of the immersive simulation technology industry can bring people joy with the development of new generation immersive simulation entertainment equipment, and it is also expected to be able to solve and improve human health and safety problems through the innovative

### Extended Immersive Simulation Technology Development

Brogent believes the extended immersive simulation technology will be important in the future development of the immersive simulation technology industry. Extended immersive simulation is techniques that must be researched and developed in detail before remote control can fully feedback the control. Remote control with complete feedback is conducive to field training and operations in high-risk industries, such as

application of immersive simulation technology. Achieving higher social responsibility with years of immersive simulation technological achievement is the original intention of Brogent's continuous technology innovation.

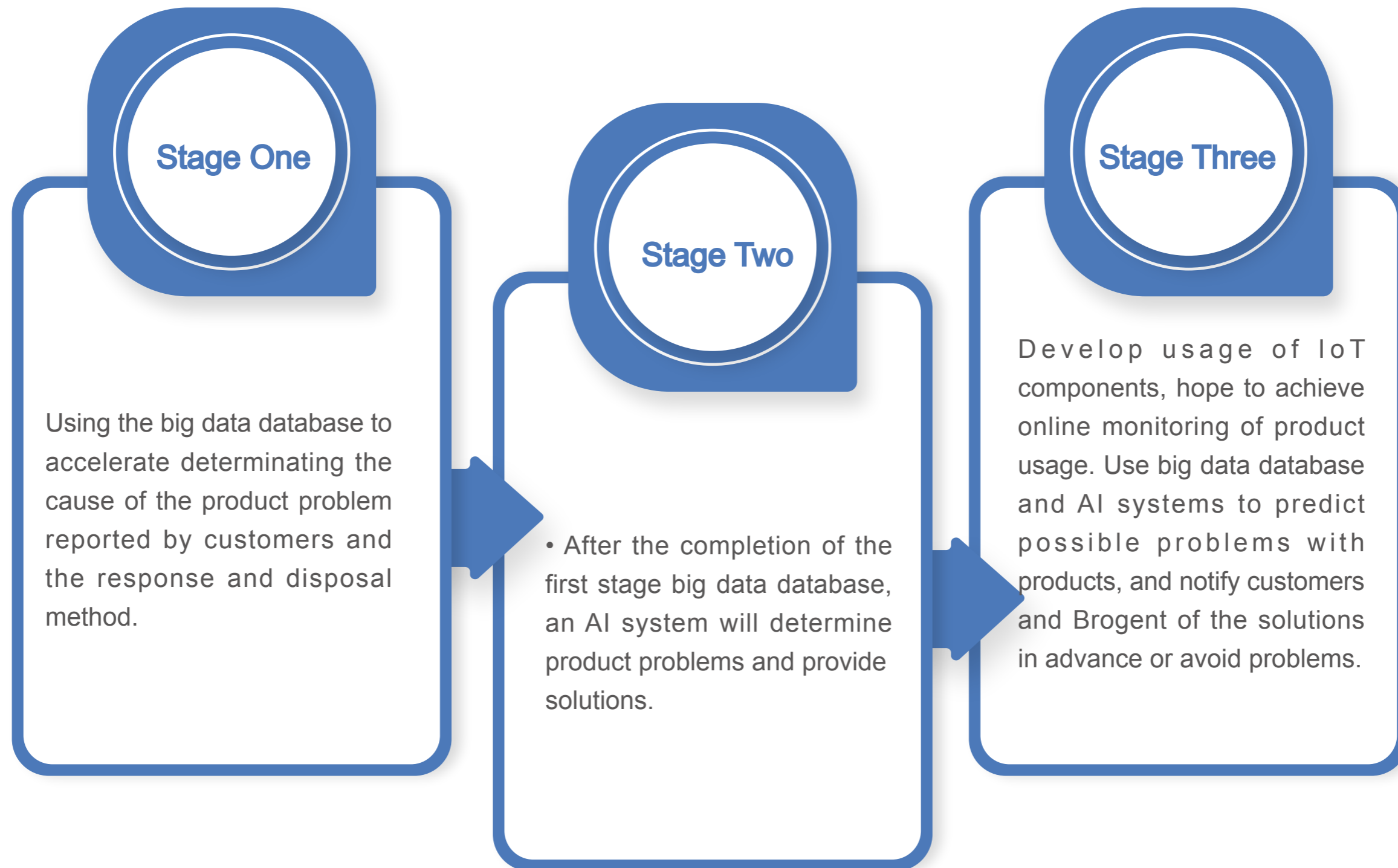
The design of future amusement equipment will integrate online and offline game functions to extend the starting point of theme park games to the home, thereby linking home online games with future offline amusement parks to experience a new game mode.

data acquisition for scientific research, or disaster prevention and rescue. In 2020, the research and development of the extended immersive simulation technology on the remote control car has been completed and opened to the public at Brogent headquarter in Kaohsiung. In the future, this technology will continue to extend to drones.

## Big Data, AI, and IoT Development Strategies

With the development of the new network era with big data, AI, IoT, and 5G, Brogent invests resources in responding to the global trend of intellectualized development to use big data, and 5G technology effectively. Hoping to create a more diverse, innovative, and close experience for users and enhance Brogent's overall brand value.

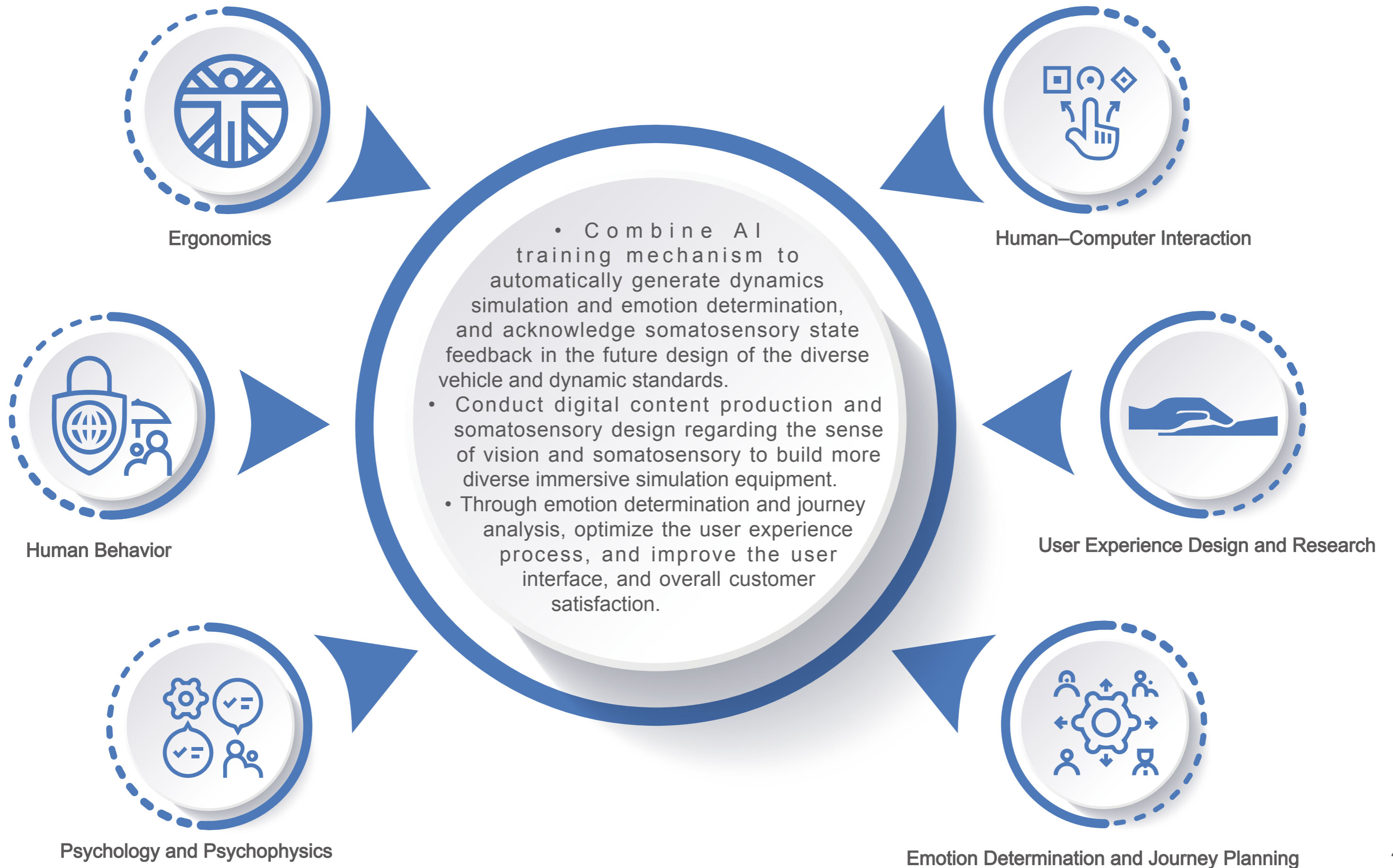
Brogent has begun to collect user experience information from the client, analyze the signal information of the product usage process, simplify and create a big data database.





## Human Factors : immersive simulation technology development strategy

To meet the change technology development has brought, immersive simulation technology development is bound to combine human factors technology in the future. Brogent has been put into research and development of human factors immersive simulation technology for many years.



## 5G High-Speed Network Layout

With the current 4G network speed, it cannot provide users with a delicate and real-time resolution experience. Therefore, the experience of VR and AR products cannot be completely realized. For this reason, Brogent continues to build interactive technology with a resolution above 4K, hoping that the construction of a 5G high-speed network can bring high-quality real-time audio and video experience. To achieve high-quality real-time images with high transmission and low latency,

Brogent cooperated with leading technology institutes to build a 5G communication environment to verify related technologies such as wireless products and edge computing.

In the future, Brogent will integrate 5G networks to create a 5G smart park. Through miniaturized equipment, people can travel easily through various virtual reality stories in a more convenient mode.

### » 2.1.2 Innovation and R&D Management

Brogent's R&D team consists of our Technology Center, Product Development Center, and Project Center. We hope to continue to make breakthroughs in the immersive simulation technology industry. Every year, we regularly plan education and training courses for our R&D team, as well as participate in seminars, in order to ensure that we fully grasp the issues, trends, and techniques of globally leading immersive simulation technologies. Moreover, we collaborate with domestic and international organizations to improve our expertise in product development and industrial competitiveness.

We base our innovation and R&D on project R&D and creative proposals put forward by our employees. A product development database has been built based on the R&D results. Meanwhile, we have formulated the

Regulations Governing the Management of R&D Practices of the Product Development Center to strictly control our R&D contents and processes, in order to achieve our goal of satisfying clients' needs to the greatest extent possible.

Brogent colleagues can put forward new product ideas or technical research and development creative proposal applications based on the company's R&D management and annual strategic direction. After internal review and discussion, the company provides resources and budgets for the product center to implement. In 2020, there will be a number of ideas proposed by colleagues, and prototypes will be produced in the R&D case, and internal feedback will be collected, and continue to adjust as the development of new products or services.

Innovative Collaboration : R&D projects	Encouraging Innovation : creative proposals put forward by employees	Innovative Practices : taking the lead in immersive simulation technology
<ul style="list-style-type: none"> <li>• Introduce popular technologies through industry-academia-research collaboration; obtain market validation and user feedback through actual operational testing; and build a product development database based on this know-how, which will be the cornerstone of our immersive simulation technology.</li> </ul>	<ul style="list-style-type: none"> <li>• Use “a creative idea mailbox” to collect all the creative ideas from employees and encourage them to come up with creative ideas by offering incentives for them to apply for having their ideas patented.</li> </ul>	<ul style="list-style-type: none"> <li>• Taking the lead in the product technology industry.</li> <li>• The only company in the industry with the ability to integrate cross-field technologies.</li> </ul>

## Product Data Management System

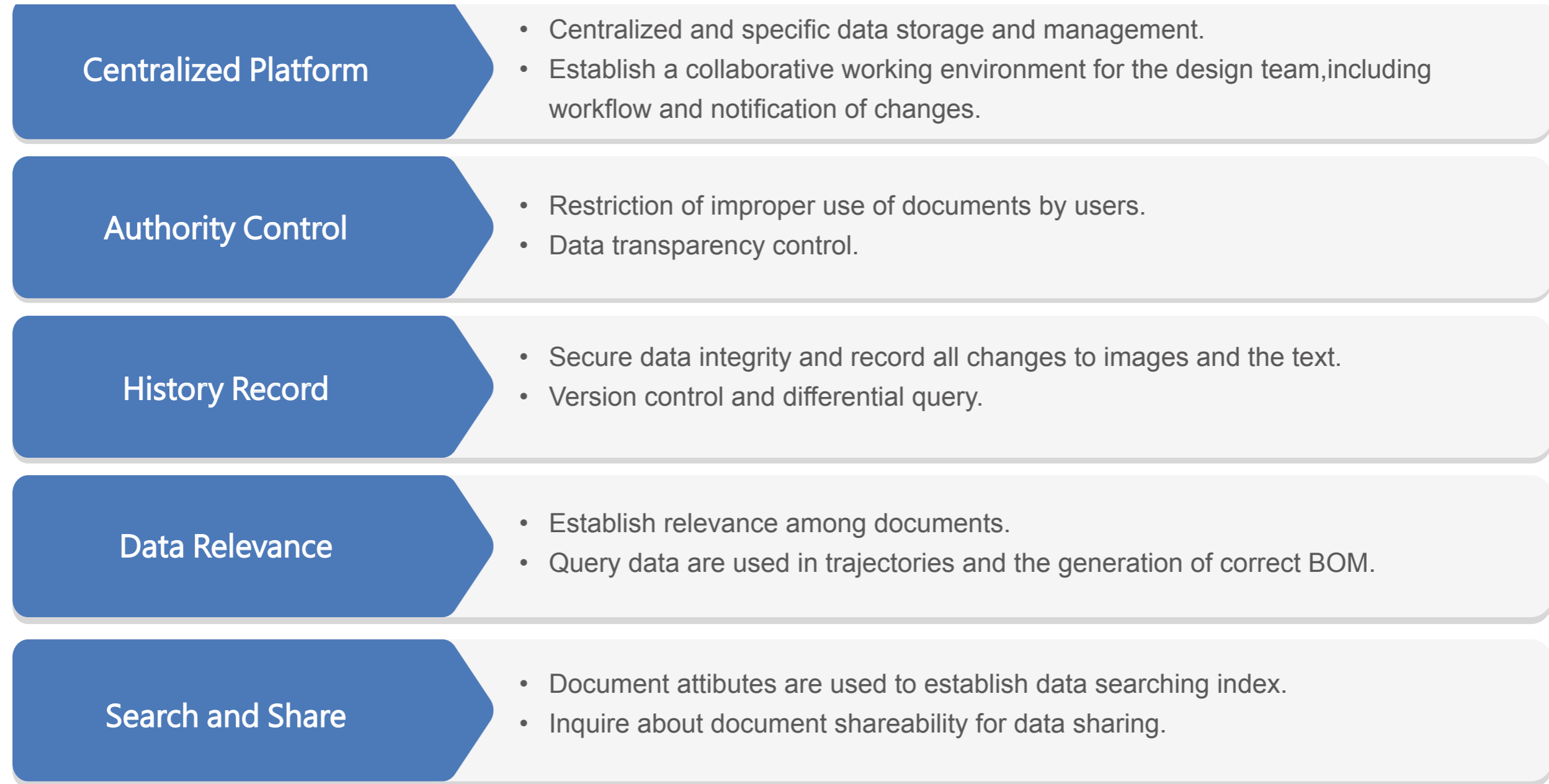
To optimize the R&D operating procedure and effectively conduct product data management (PDM), the existing R&D system is combined with the PDM system to enable the integration and employment of the bill of material (BOM) and enterprise resource planning (ERP) systems to enhance the design of collaboration work to improve efficiency.

Brogent since the implementation of the PDM system in 2019 until now, the system is employed by two projects for integrated operation; the data of all projects are being input into the database to facilitate employment and management.

## Operation of Product Data Management System (PDM) in 2020

- The system has been introduced into the technology center to complete the first phase of the system design team's collaboration platform construction goal.
- Effectively improve R&D efficiency through system process management (o-Ride new equipment R&D shortens the time frame by 1/3).
- R&D output data is managed through the platform to implement data preservation and intellectual property rights management.
- The verification of the combined use of the system e BOM output and the ERP system has been completed.

## PDM System Functions



## Investment in Technology and Product R&D

Brogent has always spared no efforts to invest in R&D. In 2020, the number of our technology R&D personnel was 160; the total amount of funds invested in R&D was NT\$167,313,000, accounting for 16% of the 2020 annual revenue. The R&D funds are mainly used in Immersive 8K 3D LED Dome Screen and developing equipment. Additionally, the funds are also used in the continuous R&D of forward-looking technologies and innovative applications, as well as the implementation of productionization design research and systematic management, to

maintain the leading status of Brogent's products and technologies.

In addition, Brogent completed the financing of convertible bonds in 2020, raising a total of NT\$1.2 billion. In addition to repaying financial borrowings, it mainly invests in the research and development projects of somatosensory technology, which are the research and development of high-end LED domes and the development of new-generation equipment.

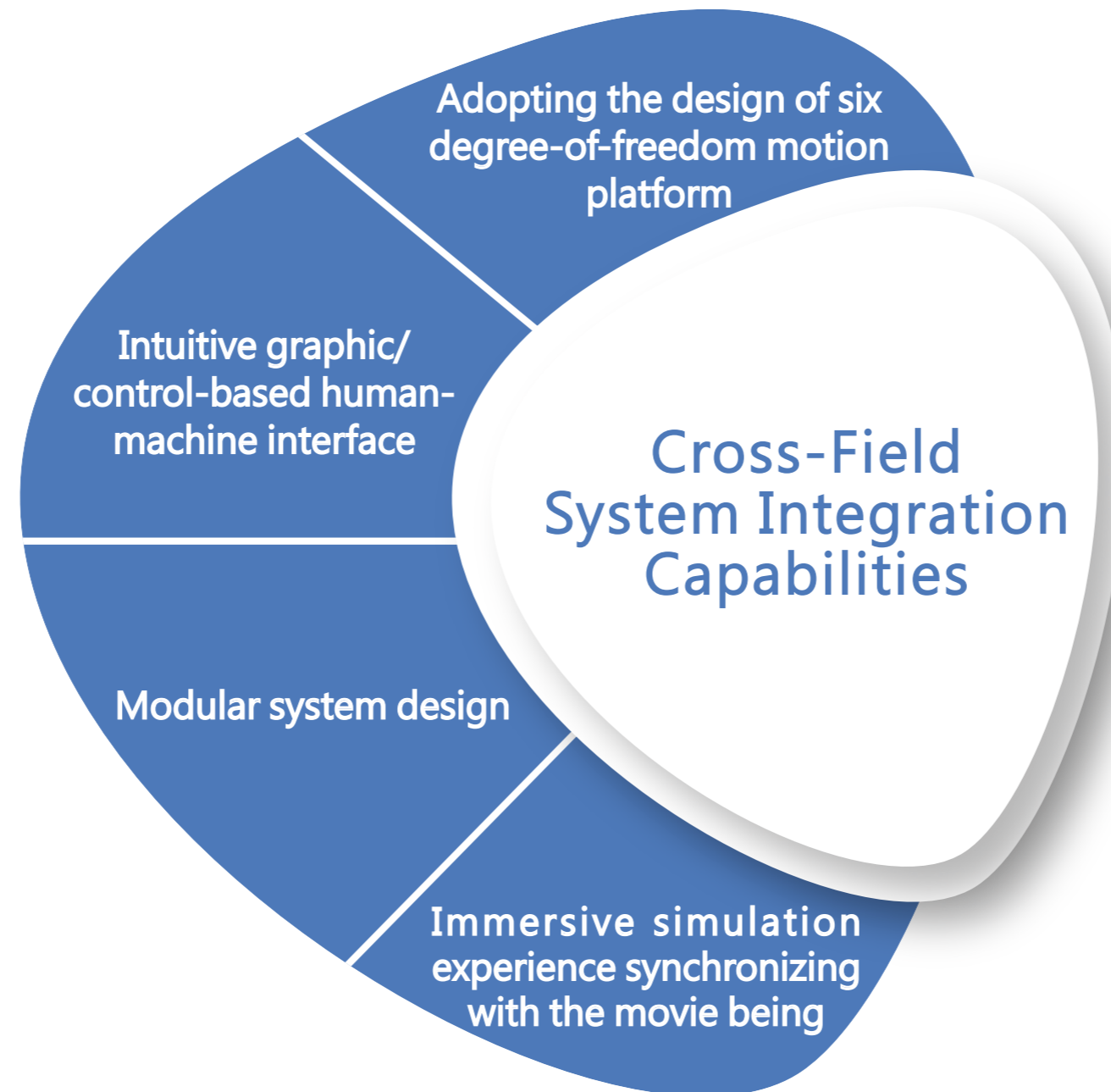
R & D Direction	Explanation
Development of High-end LED Dome Screen	<ul style="list-style-type: none"> <li>The overall brightness of the high-end LED Dome Screen will be increased tenfold, and the resolution will reach 8K or more, which will help enhance the visual experience of the entire audience.</li> <li>In addition to importing existing products, the new vision system will also be applied to high-end product projects in theme parks to provide customers with better solutions. It is expected to attract new orders from theme park customers and the replacement of old equipment from original customers.</li> </ul>
Development of New-Generation Equipment.	<ul style="list-style-type: none"> <li>Small somatosensory equipment including lightning duels, racing simulation platforms, flight simulators, etc., which can be provided to theme parks and amusement attractions customers with another flexible solution in the post-epidemic era.</li> <li>The new-generation equipment can have the flexibility of scattered experience and diversion of crowds, which can increase the willingness of tourists to experience after the epidemic.</li> </ul>

### »» 2.1.3 Product and Technology Development

Technological Innovation Development Direction in 2020	Technological Innovation and Product Development Project in 2020
<ul style="list-style-type: none"> <li>Extended somatosensory: The technology research and development of "Extended somatosensory" transforms the original motion data measured by the inertial measurement unit into the somatosensory control data of the smart six-axis platform, and integrates the 5.8G image transmission for remote control. The control signal and motion information are transmitted in a unit, and then the outdoor positioning technology is applied to the detection of the remote control car body, and the development is towards the direction of high transmission and low latency 5G mobile communication for transmission.</li> </ul>	<ul style="list-style-type: none"> <li>Development of low-cost flying theater: the product line of flying cinema is more complete to meet the needs of various markets.</li> <li>New generation product development: Game base product development.</li> <li>Development of miniaturized products: low cost, high mobility.</li> <li>Digitalization of electronic control system</li> </ul>

## The Only Company in the Industry with the Ability to Integrate Cross-Field Technologies

With Brogent's exclusive cutting-edge integration technology, the motion editing software and algorithms adopt ergonomics-based immersive simulation perspective to perfectly integrate videos and platform motions and prevent early or delayed actions. In this way, Brogent is able to offer a more realistic experience to the audience.



### »» 2.1.4 Industry-Government-Academia Collaboration

As a primary member in the immersive simulation industry chain, Brogent takes initiatives in participating in industry-government-academia collaboration and working with other business partners to create an operation environment for collaborative development and mutual prosperity. In doing so, Brogent seeks to reinforce its capacity in continuous innovation and drives the development of the immersive simulation technology industry and sustainability of talent cultivation.

## Cross-Field Innovation with Industry and Academia in 2020

Collaboration Partner	Content
Kaohsiung Software Park Management Committee and Processing Export Zone Administration	<ul style="list-style-type: none"> <li>Hold the pre-conference meeting for the establishment of the Smart Industry Promotion Committee of the Kaohsiung Software Park, plan multiple industry promotion directions, and select relevant enterprise representatives as the convener of this field. Due to the particularity of the industry, Brogent is elected as the convener of the smart entertainment field, and will be responsible for the connection between smart entertainment and various industries, as well as the promotion of related industries.</li> </ul>
Industrial Development Bureau, Ministry of Economic Affairs	<ul style="list-style-type: none"> <li>Taiwan Industry Innovation Platform Program: Immersive 8K 3D LED Dome Screen Theater.</li> </ul>
Industrial Technology Research Institute	<ul style="list-style-type: none"> <li>Immersive Simulation Technology Base: Immersive Simulation Park project.</li> </ul>
Joint Research & Development Center of NSYSU and Brogent Technologies	<ul style="list-style-type: none"> <li>i-Ride circuit breaker capacity analysis, through the short-circuit current calculation of the i-Ride power system, the analysis framework is established, which is suitable for the design and manufacturing basis of various equipment in the future.</li> </ul>
Air Force Academy	<ul style="list-style-type: none"> <li>Develop a set of high-realistic and low-cost flight training device using VR and dynamic platform.</li> </ul>
National Sun Yat-sen University	<ul style="list-style-type: none"> <li>Electroencephalography (EEG) wireless brain wave detector model and Electrocardiography (ECG) wireless heart rate/ heart beat detector model study.</li> <li>Use parallel computing and develop an infinite vehicle control system for the self-contained system; conduct R&amp;D on amusement parks' light gun interactive systems based on image identification.</li> <li>Design and analyze 3+1-axis rotatable sports platform. Successfully acquired a project from the Ministry of Science and Technology and the trial is scheduled to be in 2020.</li> <li>LED dome screen cooling and theater thermal flow field simulation analysis.</li> </ul>
National Cheng Kung University	<ul style="list-style-type: none"> <li>Human factor-based immersive simulation parameter research and emotional journey planning.</li> </ul>
Southern Taiwan University of Science and Technology	<ul style="list-style-type: none"> <li>Human factor-based smart immersive simulation research software control.</li> </ul>
National Pingtung University of Science and Technology	<ul style="list-style-type: none"> <li>Research on optimization of electric actuator servo control system.</li> </ul>
National Yang Ming Chiao Tung University	<ul style="list-style-type: none"> <li>Design and verification of light guide structure of LED display screen for theater.</li> </ul>

## » 2.1.5 Global Patent Portfolio and IP Management

Brogent has established the “IP Management Policy” and “Patent Prosecution and Management Policy”, and the Legal Department has the specialty to apply and maintain patents, extend patent portfolio, enhance patent quality to construct a comprehensive patent portfolio. The rights of Brogent and Brogent’s customers are therefore protected, allowing Brogent to provide competitive products and services.

We always check if any IP right is created and check the ownership of that IP right in contracts signed by Brogent. In the future, we will incorporate IP management issue into a purchase contract, so as to enhance our IP risk evaluation process. Until now, Brogent has acquired 136 patents and 80 trademarks worldwide.

### Management Approach

\*Customized Topics

Major Issue	Product IP Right
Material Topic	Product IP Right*
Policy / Commitment	<ul style="list-style-type: none"> <li>Protect IP rights regarding the company's product and document.</li> <li>Prevent the company's product from violating third party's IP rights.</li> </ul>
Goals and Objectives(Short-Term)	<ul style="list-style-type: none"> <li>Enhance the company's IP right quality and quantity, increase the patent search capacity.</li> <li>Enhance the sense of IP for legal department and the employees.</li> <li>Protect the company’s IP right by contracts.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>Manage and maintain the company's IP rights in accordance of the “IP Management Policy” and “Patent Prosecution and Management Policy”.</li> <li>Provide the “Competitor Patent Monitoring Report” monthly to employees.</li> <li>Regularly review the quality of the IP firms in connection and establish an evaluation process.</li> <li>Attend an hold seminars to enhance the sense of IP for the all employees.</li> </ul>
Goals in 2020 Achievements (Short-Term)	<ul style="list-style-type: none"> <li>Conduct a preliminary patent search in the design phase, and discuss the design direction with relevant departments.</li> <li>Add new IP firms in connection in China, US, and Europe for patent prosecution.</li> <li>Hold patent and trademark training with external experts to enhance the employees’ understanding of patent and trademark.</li> </ul>
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>Enhance the risk evaluation process of IP rights.</li> <li>Enhance the IP knowledge of the employees, especially employees in charge of research and innovation.</li> </ul>



## Management Approach

\*Customized Topics

Major Issue	Product IP Right
Material Topic	Product IP Right*
Responsibilities	<ul style="list-style-type: none"> <li>Ensure the IP rights regarding the company's product are fully protected, and control the risk of infringement.</li> </ul>
Resources Investment	<ul style="list-style-type: none"> <li>Application and maintenance fees of IP rights.</li> <li>External counsel's service fee (including but not limited to seeking external counsel's legal opinion of risk analysis).</li> </ul>
Claim Procedures	<ul style="list-style-type: none"> <li>If a third party finds it's patent is infringed, the party can notify Brogent through legal action or the contact information listed in the Company's website.</li> </ul>
Specification Actions	<ul style="list-style-type: none"> <li>Eliminate the risk of infringement.</li> <li>Monitor patent publications in the industry of amusement rides manufacture.</li> </ul>
Evaluation Procedures	<ul style="list-style-type: none"> <li>Regularly review the performance in conjunction with internal audit.</li> </ul>
Evaluation Follow- Up	<ul style="list-style-type: none"> <li>Practice the company's polices of IP right evaluation, application, and maintenance.</li> </ul>

## IP Performance 2020

Type	Item	Performance	Type	Item	Performance
Patent	Patent proposals and meetings	10 proposals and 12 meetings	Trademark	Trademark proposals and meetings	3 proposals and 3 meetings
	Patent applications	9 applications		Trademark search/ Infringement analysis	8 cases
	Office actions	13 cases			
	Patent search/Infringement analysis	18 cases			
	Patent assignment due to merged subsidiary	4 patents			
	Patent maintenance and status control	twice			

## Patent Information

Brogent Technology		
	Patents Granted	Patents Pending
Total	133	59
Brogent Global		
	Patents Granted	Patents Pending
Total	3	3

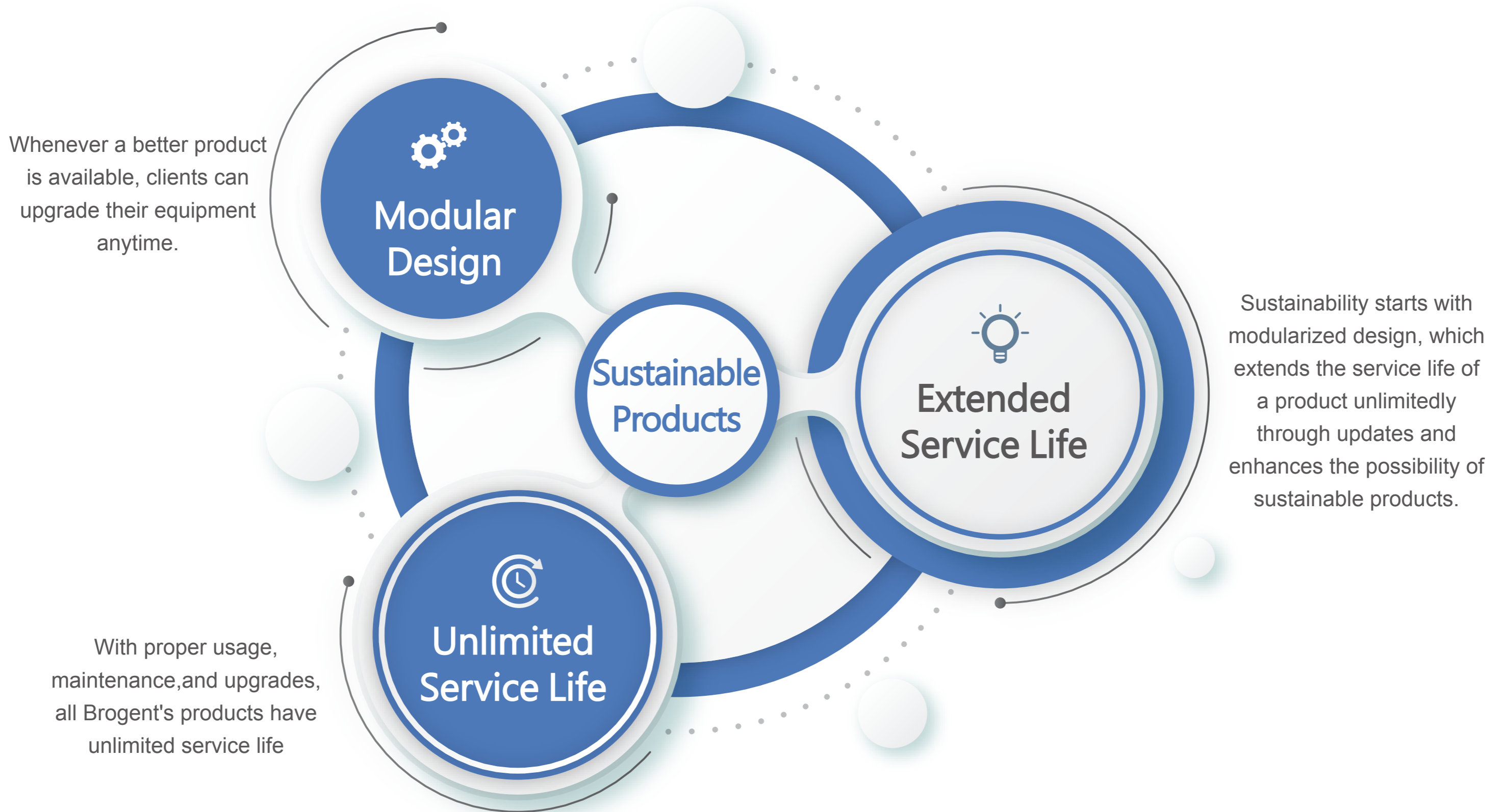
### » 2.1.6 Sustainable Product Design

In order to reduce the use of raw materials in product manufacturing and also reduce the amount of waste generated, Brogent takes low energy consumption and avoiding over-design as the sustainable design concept of the product. This design concept is combined with the company's sustainable development strategy to implement the corporate society responsibility. We have developed a design philosophy around low energy consumption and avoid overdesigning. Moreover, we have a keen sense for data, such as power consumption and load, while reviewing and comparing the specifications of different equipment of the same

## Trademark Information

Brogent Technology		
	Trademarks Granted	Trademarks Pending
Total	52	2
Brogent Global		
	Trademarks Granted	Trademarks Pending
Total	28	3

category. We have incorporated sustainable product design concepts, such as unlimited service life, modularized design, and extended service life. Our products are highly customizable. When discussing product specifications with the clients, we always actively suggest using sustainable products that contribute to energy saving and carbon reduction. For example, we often recommend sustainable energy saving design, such as adopting high-performance energy-saving motors, using LED lights for decorative illumination, employing laser projection system, and opting for a district heating and cooling system as the AC system.



## Sustainable Product Implementation Actions in 2020

Item	Content
<p>Low-Carbon/ Energy-Saving Products</p>	<ul style="list-style-type: none"> <li>• The principles of weight reduction and flat packaging are adopted when products are shipped to reduce the carbon footprint of the transportation process.</li> <li>• Prioritize local suppliers to minimize product weights and carbon emissions of transportation.</li> <li>• Choose power supplies with low energy consumption.</li> <li>• Adopt edge computing to reduce power consumption for data transmission.</li> </ul>
<p>Reduce Environmental Impact</p>	<ul style="list-style-type: none"> <li>• Product design adopts subtractive design thinking to remove redundant links in product and process design, which can save raw material consumption and cost at the same time.</li> <li>• In the selection of processed parts or commercially available products, use environmentally friendly non-toxic materials and non-toxic paints and other environmentally friendly materials.</li> <li>• Develop and introduce indoor facilities to densely populated areas to mitigate traffic loads and prevent environmental impacts of large facilities.</li> <li>• Employ sustainable design for appearance, materials, and components. Adopt modular design thinking and engineering document control system to enable the reuse and reassembly of manufactured objects and reduce labor force costs for making changes.</li> <li>• Adopt low-lead coating and subtractive design. Use 3D printing to make prototypes and employ adding processes to largely reduce material waste and processing costs. Moreover, Polylactic acid (PLA) material is used to be environmentally friendly.</li> </ul>

## 2.2 Product Quality and Safety

With the spirit of “excellence,” we have met and satisfied our clients' needs by providing them with high-quality and safe products, as well as efficient services. We have also created mutual benefits for our clients, shareholders, employees, and society.

### Management Approach

Major Issue	Product Quality and Product Safety
Material Topic	Customer Health and Safety (GRI 416-1 and 416-2);Marketing and Labeling (GRI 417-2 and 417-3)
Policy / Commitment	<ul style="list-style-type: none"> <li>All products are designed to abide by regulations concerning amusement rides around the world; certifications of safety design were acquired before manufacturing.</li> <li>Meet customer demands and maintain adequate quality control to ensure the safety and health of the consumers and bring joyful experiences to the users.</li> </ul>
Goals and Objectives(Short-Term)	<ul style="list-style-type: none"> <li>The products and services have caused zero incidents of health and safety regulatory violations.</li> <li>All the manufactured equipment met design standards and manufacturing certifications in various countries (e.g.,ASTM, GB, and EN).</li> <li>Manufacturing regulations for customized and non-customized equipment were established.</li> <li>The standard operating procedure (SOP) of quality and safety examination for all products was established and introduced.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>Reference the plan, do, check, act quality management procedure of ISO standards to improve product production process and product quality.</li> <li>Establish Safety Evaluation for New Products, which includes selection, testing, and verification, to ensure that the products will not malfunction under operation conditions and restrictions.</li> </ul>
Goals in 2020 Achievements (Short-Term)	<ul style="list-style-type: none"> <li>The number of violations of products or services against health and safety regulations: 0</li> <li>Product upgrades of i-Ride 2.5 and Q-Ride 2.0 were completed according to client and market demands.</li> </ul>
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>Plan to conduct an update on the latest version of amusement ride regulations around the world to facilitate subsequent procedures regarding certifications under the new regulations.</li> <li>Plan to introduce a quality control (QC) system for management purposes.</li> <li>Professional and examination skills training for the staff.</li> </ul>

## Management Approach

Major Issue	Product Quality and Product Safety
Material Topic	Customer Health and Safety (GRI 416-1 and 416-2); Marketing and Labeling (GRI 417-2 and 417-3)
Responsibilities	<ul style="list-style-type: none"> <li>• Incentives for all staff to innovate, improve, and enhance work efficiency: Outstanding proposals are selected every year and winners are awarded prize money by the CEO; the awarded proposals will be made public in knowledge sharing.</li> <li>• Incentives for all project teams: Outstanding project teams are selected every year and winners receive certificates and prize money at the Company's year-end party from the CEO in front of all the staff and their family members.</li> </ul>
Resources Investment	<ul style="list-style-type: none"> <li>• To encourage our staff to take initiatives in learning professional skills, Brogent grants them full funds for taking relevant classes to improve their testing skills and ensure product quality.               <ul style="list-style-type: none"> <li>■ For example, ISO 9712 Non-Destructive Testing Personnel Level 2 visual testing (VT), magnetic testing (MT), penetrant testing (PT), and ultrasonic testing (UT) certifications.</li> <li>■ For example, obtain or renew professional licenses of certified welding inspector by the American Welding Society (AWS CWI) or Level 2 VT by the American Society for Nondestructive Testing (ASNT VT-2).</li> </ul> </li> </ul>
Claim Procedures	<ul style="list-style-type: none"> <li>• Relevant product issues or customer feedback will be compiled by the Customer Service Department and then assigned to related departments to resolve said issues and provide solutions to the customers.</li> </ul>
Specification Actions	<ul style="list-style-type: none"> <li>• In response to unexpected changes, Brogent convened contingency meetings with relevant departments to minimize potential risks and perform risk management.</li> </ul>
Evaluation Procedures	<ul style="list-style-type: none"> <li>• Product quality control: According to the Product Quality Control Regulations, regular internal audits are implemented and relevant errors noted to be handled and corrected.</li> <li>• Product quality and safety: International certifications are obtained through third-party inspection agencies in various countries (CSEI, UL, TÜV); relevant errors are noted to be handled, corrected, and replied.</li> </ul>
Evaluation Follow-Up	<ul style="list-style-type: none"> <li>• Regular management meetings and project management meetings are convened to coordinate different departments and handle relevant issues or deficiencies.</li> </ul>

## » 2.2.1 Certification Management

Brogent has established the Product Quality and Safety Management Regulations to ensure all its products meet the quality requirements and safety standards at all production stages. All hardware has obtained global certifications (ASTM, UL, GB, and TÜV) and all software has been strictly tested at all development stages to ensure its quality. Brogent aims to create high-quality products and high-end technologies via strict management measures.

In 2020, Brogent has actively collected relevant usage specifications (such as CE) in advance of the newly developed miniaturized somatosensory equipment before being built in theme parks, shopping malls, indoor and outdoor amusement parks and other places. And when



planning the material certification and material selection for production and manufacturing, electromagnetic compatibility test (EMC) verification is carried out for electrical equipment among them.

## Equipment Safety and Environmental Protection Regulations

Category	Within the United States and Canada	Within the European Union (EU)	Within China
Simulator Ride Design and Manufacturing	<ul style="list-style-type: none"> <li>Meet ASTM F2291 design certification requirements.</li> <li>ASTM F1193 quality assurance program.</li> <li>UL508A quality certification for electric appliances.</li> </ul>	<ul style="list-style-type: none"> <li>Meet EN 13814 amusement rides safety regulations; the design and manufacturing obtained the German TÜV SÜD certification.</li> </ul>	<ul style="list-style-type: none"> <li>Meet GB 8408 amusement ride safety regulations; the design and manufacturing obtained the CSEI certification issued by China's General Administration of Quality Supervision, Inspection and Quarantine.</li> </ul>
Simulator Ride Coating System	<ul style="list-style-type: none"> <li>Adopts the EU's ISO 12944 standards and meets relevant environmental protection requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Adopts the EU's ISO 12944 standards and meets relevant environmental protection requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Adopts the JB/T 5000.12 standards and meets relevant environmental protection requirements.</li> </ul>
Galvanized Bolts for Simulator Rides	<ul style="list-style-type: none"> <li>Adopt the EU's RoHS standards and meet relevant environmental protection requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Adopt the EU's RoHS standards and meet relevant environmental protection requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Adopt the EU's RoHS standards and meet relevant environmental protection requirements.</li> </ul>
Seat Belts	<ul style="list-style-type: none"> <li>Meet the ASTM F2291 passenger restraint system design requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Meet the EN 13814 passenger restraint system design requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Meet the GB 8408 seat belt design requirements.</li> </ul>

## International Certifications

International Certification	Obtained	In Process	Planning
ASTM F2291	3	1	3
UL 508A	3	1	3
GB 8408(CSEI)	6	11	3
EN 13814(TÜV)	7	3	1
Total	19	16	10

Note :“Obtained”refers to the total certifications obtained over the years; “in process” refers to the certifications obtained up until the end of 2020; and “planning” refers to the number of certifications to be obtained.

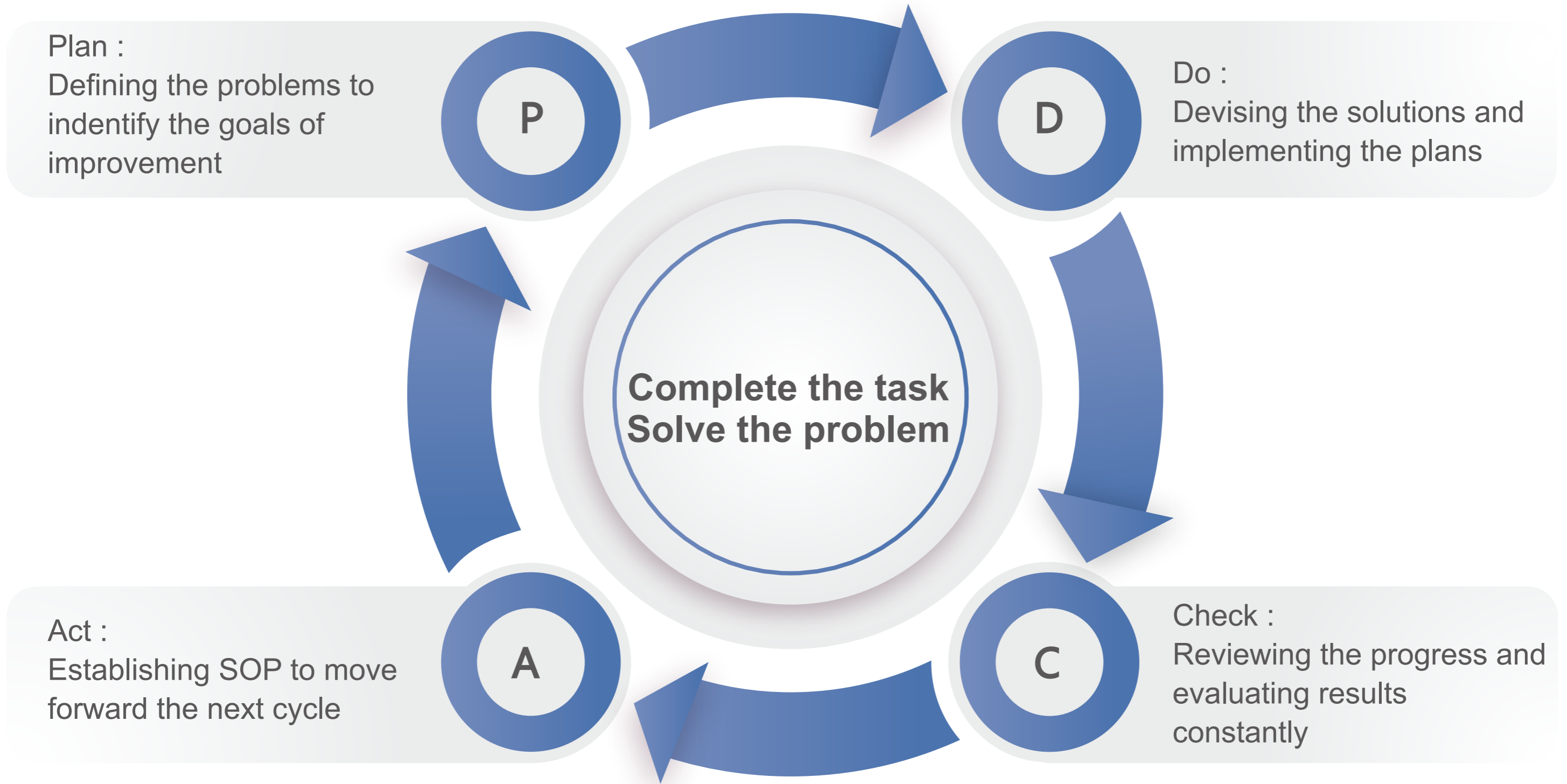


### »» 2.2.2 Quality Management Process

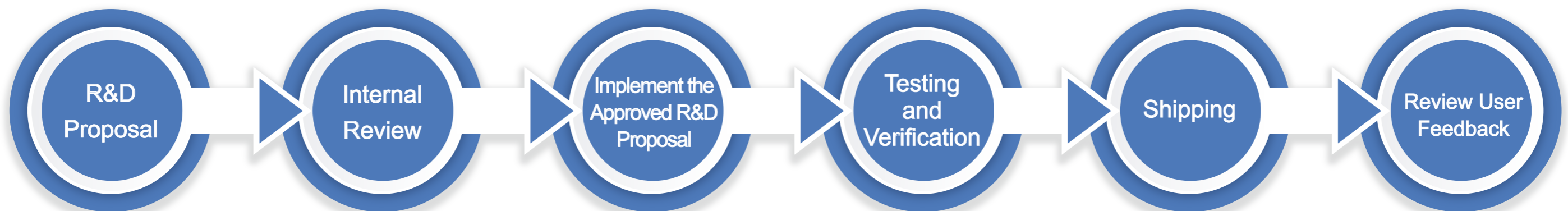
Brogent performs quality control in accordance with the Quality Assurance Management Guidelines and Document Management Guidelines during the entire product life cycle. Meanwhile, to ensure product quality and safety, we invite a third-party certification agency to certify our designs, production, and onsite installations according to the Project Management Guidelines.

All of Brogent’s products go above and beyond standard requirements and comply with the laws and regulations of each required country. We have adopted the Plan-Do-Check-Act (PDCA) cycle for quality management and established an internal review system to improve our products for the future.





### Product Development Procedure



## Five Stages of Quality Management

### Stage 1 : Incoming Quality Control (IQC)

- After the factory finishes the material preparation, the QC personnel will check the original material certificates such as physical properties, chemical properties, impact value, etc., to confirm that the purchased materials can meet the requirements of the design drawings.
- A third-party inspection agency will issue a test report after performing ultrasonic testing (UT) during pre-processing to check the laminations of the steel plates and internal discontinuity of the steel bars. This ensures the materials can meet the design and specification requirements.

### Stage 2 : In-Process Quality Control (IPQC)

- Confirm that the factory has completed the self-inspection for the design accuracy of the machined parts. Confirm that the QC personnel and third-party inspection agency will implement magnetic particle (MT) testing on the machined surface.
- When the factory completes the steel structure welding, confirm the workpiece dimensional accuracy measurements with a self-inspection. Confirm that the QC personnel and the third-party inspection agency will implement visual testing (VT) and magnetic particle testing (MT) to ensure the weld bead can meet the requirements of the specification. Issue a test report as reference.
- After the equipment has passed the inspection, the sandblasting coating also must meet the ISO 12944 standard and the test sample shall complete the relevant salt spray testing through TAF laboratory to ensure the requirements can be fulfilled.

### Stage 3 : Final Quality Control (FQC)

- The factory shall complete equipment pre-assembly, and perform stand-alone performance/functional testing, and the QC personnel shall confirm that the equipment meets the design and performance requirements.

### Stage 4 : Factory Acceptance Test (FAT)

- The combination test must fulfill the contract and specification requirements and an overall machine performance/functional test must be performed. The QC staff shall confirm that the performance/function settings of the device meet the design and contract specifications and issue the test reports.

### Stage 5 : Out-Going Quality Control (OQC)

- The QC personnel shall check the packing list, confirm whether all parts and accessories are complete, whether the safety protection and packaging are complete, and confirm that the package is sealed and shipped.

## Quality Control Policy During COVID-19

- Implement equipment testing before shipment.
- Create a support team to remotely support on-site personnel to solve any product problems through communication software and video.
- Record educational training videos for owners and on-site maintenance personnel as references and have the on-site engineer provide further explanation.

## Importing Failure Mode and Effects Analysis

In order to effectively control the impact of various risks on product quality and safety, Brogent introduced Failure Mode and Effect Analysis (FMEA) into the design development system to determine potential failure modes and their causes. Through FMEA, product weaknesses can be found during product design development or before production, and product defects can be identified in the prototype stage or before mass production. Brogent will execute FMEA when completing product design in the future and provide follow-up maintenance manuals for reference.

## TOSIBOX System Implementation

TOSIBOX is an industrial router with a firewall and simple Plug & Go™ connection. It acts as an end point for a secure remote connection. Through an encrypted VPN connection, it is possible to securely access IoT devices connected to Lock through the Internet and most LAN and WAN networks.

<p><b>Purpose</b></p>	<ul style="list-style-type: none"> <li>• Increase the efficiency of remote work.</li> <li>• Increase customer service efficiency.</li> <li>• Reduce staff travels.</li> </ul>
<p><b>Advantages</b></p>	<ul style="list-style-type: none"> <li>• Low complexity on installation and setting.</li> <li>• Support multi-work at the same time.</li> <li>• High efficiency and convenience of remote operation.</li> <li>• Possess a certain degree of information security protection.</li> </ul>
<p><b>References</b></p>	<ul style="list-style-type: none"> <li>• BAT and Vietnam Project: Due to the epidemic situation, only two engineers went on site, remotely supported by software and mechanical engineers in office.</li> </ul>

## 2.3 Customer Management and Service

The main customers of Brogent Technologies, Inc are foreign theme parks and large-scale leisure and entertainment centers, and provide customers with tailor-made products and perfect solutions, provide products that exceed expectations, and create value for customers.

### Management Approach

\*Customized Topics

Major Issue	Customer Relations and Product Service
Material Topic	Customer Service*
Policy / Commitment	<ul style="list-style-type: none"> <li>• Maintaining a lasting relationship with customers with open communication and providing real-time, sustainable services.</li> <li>• Providing diversified communication channels.</li> <li>• Protecting the privacy and confidential information of customers.</li> </ul>
Goals and Objectives (Short-Term)	<ul style="list-style-type: none"> <li>• Helping to ensure customer's projects are on schedule.</li> <li>• Maintaining safe and reliable equipment.</li> <li>• Engage in multichannel marketing with all diversified products.</li> <li>• Ensure customers issues are resolved in appropriate time frame.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>• Work with customers from the very beginning of the project until the grand opening .</li> <li>• Attend exhibitions and visit customers regularly.</li> <li>• Establish FAQ and a troubleshooting process in user manual for customers.</li> <li>• Invest resources in response to customer's reasonable requests within warranty coverage- for example, replace the hydraulic system of power transmission gears with the electric control system to reduce power consumption and make it easier for maintenance.</li> </ul>
Goals in 2020 Achievements (Short-Term)	<ul style="list-style-type: none"> <li>• Operation performance achievement rate over 50 % in 2020(Due to COVID).</li> <li>• Offer 24-hour customer service to resolve issues in different time zones.</li> <li>• Pass annual inspection of TUV.</li> <li>• Prepare safety stock of key components.</li> <li>• The development of miRide and o-Ride were completed in 2020, and product information will be updated to customers regularly.</li> </ul>

Major Issue	Customer Relations and Product Service
Material Topic	Customer Service*
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>To develop new types of entertainment equipment that meet the safety certificates acknowledged around the world to increase the market share.</li> <li>Provide a more efficient way of annual inspection and maintenance.</li> <li>Reduce maintenance costs for equipment in a safe and reliable way.</li> </ul>
Responsibilities	<ul style="list-style-type: none"> <li>Give rewards or improvement programs based on the evaluation of personal KPIs.</li> </ul>
Resources Investment	<ul style="list-style-type: none"> <li>Work with technical department to develop equipment that meets the need of the market.</li> <li>Invest in building up the TOSIBOX system.</li> <li>Invest in R&amp;D of new products with related government subsidies.</li> </ul>
Claim Procedures	<ul style="list-style-type: none"> <li>After sale service engineers and supervisors.</li> <li>Analyze the issues and come up with solutions to improve after sales department and to understand the issues.</li> </ul>
Specification Actions	<ul style="list-style-type: none"> <li>Customer satisfaction survey.</li> <li>Participate in entertainment industry related events to increase brand exposure.</li> </ul>
Evaluation Procedures	<ul style="list-style-type: none"> <li>Internal audit (MBO).</li> <li>Internal meetings for improvements every two weeks.</li> <li>Internal KPI evaluation.</li> <li>Customer satisfaction feedbacks.</li> </ul>
Evaluation Follow-Up	<ul style="list-style-type: none"> <li>Communicate with internal departments for improvements and follow up with the results on a regular basis.</li> </ul>

### »» 2.3.1 Professional Customer Service Team

Brogent provides complete after-sales services including a professional customer service team to provide end-user training of our equipment, condition monitoring, and preventative maintenance. With efficient product maintenance support, our customer service team can respond to customer's requests in the appropriate time frame. Moreover, if customers have problems with operations, the customer service team can help with troubleshooting online. If this still does not work, our team can go to the location to resolve the issue.

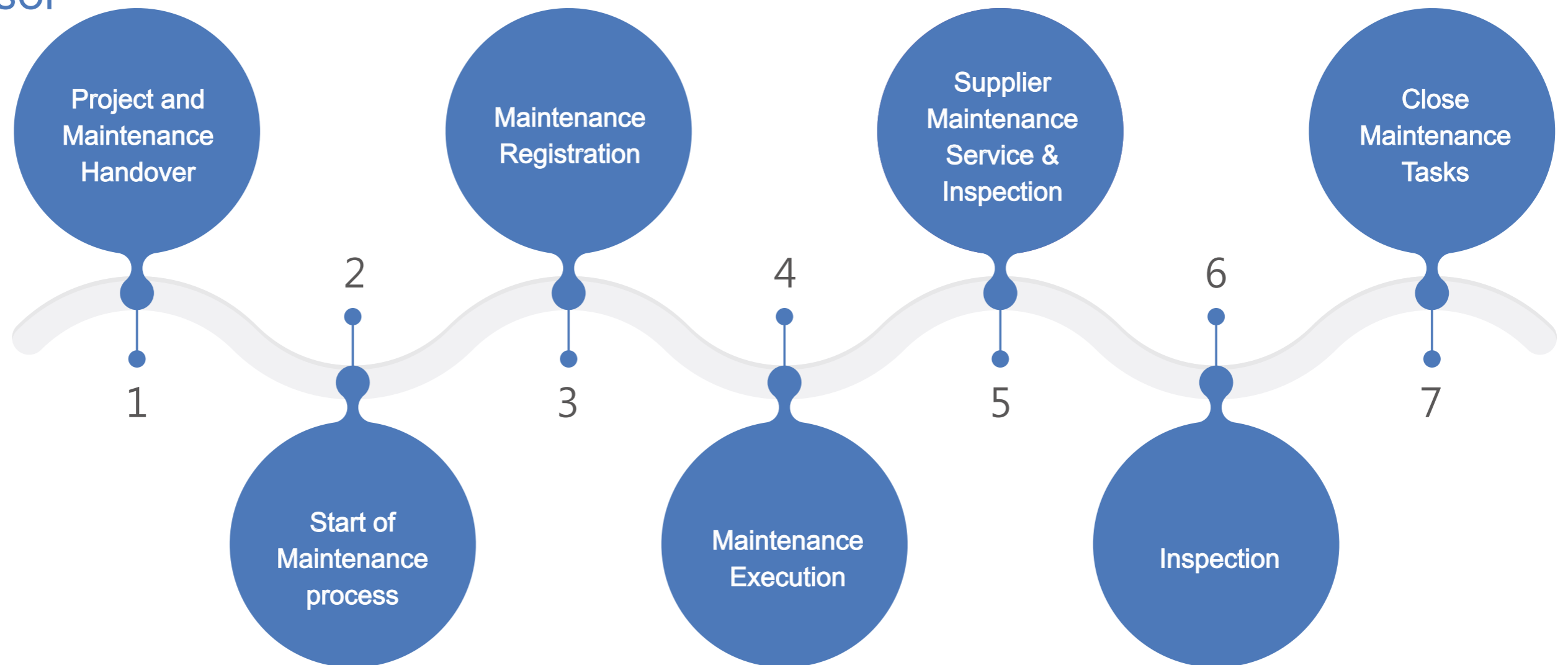
### »» 2.3.2 After-Sales Service

There is a customer service team in Brogent's project department that is in charge of maintenance services such as the maintenance of projects, issue reports, maintenance orders, components inquiries and quotations,

technical consulting, and on-site service. They are able to communicate with customers through diversified channels such as email, customer service hotline, and instant messaging.

In order to ensure the after-sales service quality and maintain customer satisfaction, Brogent has established a "Maintenance Management Regulation" to clarify the standard operation process of "Under Warranty", "Out of Warranty", and "No Warranty" for its products and services. According to the SOP, the root cause of claims reported by customers should be analyzed by the customer service department, and a response should be made according to the warranty condition. Our technical engineers re-inspected the maintenance manual with our foreign technical team in 2020 and adjusted some of the contents, such as the product lifetime and the maintenance strategy.

### Maintenance SOP





# 03 People

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We celebrate and encourage our people, where everyone's integrity, performance, and success is complementary to company growth.

- 3.1 Friendly Workplace
- 3.2 Salary and Benefits
- 3.3 Talent Development
- 3.4 Workplace Safety and Health



## 3.1 Friendly Workplace

With “people” at the core of our company philosophy, we have created a happy, friendly, safe, and healthy working environment to support our employees' growth. Upholding integrity with sincerity at work, our employees have demonstrated outstanding performance. Moreover, we have a competitive salary and benefits package, while offering on-the-job training so that employees that the opportunity to discover their full potential. Over the last 20 years, we have grown steadily because of efforts made by our excellent employees who are not only full of vitality and creativity but also possess multiple specialties. In the future, we will continue to fulfil our corporate responsibility and help our employees grow with us.

- Emphasize a healthy and safe workplace
- Holistic COVID-19 Prevention



- Support workplace rights
- Build a diverse workforce

- A competitive benefits package
- A comprehensive salary structure

## Management of Workplace Rights

Following the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact and the United Nations International Labor Organization, Brogent thoroughly fulfils our corporate social responsibility as well as the basic human rights of all employees, customers and stakeholders. We have formulated our Human Rights Policy that covers basic requirements of international human rights, such as caring for disadvantaged groups care, prohibiting child labor, eliminating employment and employment discrimination, and creating a diverse and inclusive healthy workplace. Moreover, we have established reasonable working hours based on labor conditions and channels for smooth labor-management communication, as well as supported the career development of employees by providing diversified training programs, to protect labor rights and comply with the local labor laws and regulations.



## Workplace Rights Action Plan

Item	Action Plan in 2021
Diverse and Tolerant	<ul style="list-style-type: none"> <li>• Provide equal opportunity for those with a disability.</li> <li>• Increase the proportion of females among new recruits and managers.</li> <li>• Hold training and activities to emphasize inclusion &amp; diversity workplace culture.</li> </ul>
Healthy Workplace	<ul style="list-style-type: none"> <li>• Execute EAPCs such as lectures, training sessions, activities, and case referrals.</li> </ul>
Reasonable Working Hours	<ul style="list-style-type: none"> <li>• Focus on those employees who have abnormal working hours to make adjustments and support through clinical services held by medical professionals.</li> </ul>
Respect	<ul style="list-style-type: none"> <li>• Hold workplace violence prevention training and establish a risk assessment.</li> </ul>
Labor Management	<ul style="list-style-type: none"> <li>• Keep smooth and transparent communication within the company via various communication channels, and hold the labor management meeting on schedule.</li> </ul>
Training	<ul style="list-style-type: none"> <li>• Design customized talent development programs for all employees to help their career development.</li> </ul>
Privacy	<ul style="list-style-type: none"> <li>• Hold legal compliance training and ensure every employee is knowledgeable on the subject.</li> </ul>

### Clear Communication

Brogent has actively promoted healthy labor management by offering multiple channels for clear communication. In addition to convening at labor management meetings according to the law, we have also held relevant system advocacy meetings to convey employees' rights to them.

We have established a smooth and effective appeal mechanism for employees to ensure the equality and transparency of the appeal procedure. Moreover, we have actively responded to, and handled their appeals. We haven't received any appeals from our employees in the last four years. Furthermore, we have established a welfare committee to actively engage our employees in communication and to care for their needs.

## Communication Channels for Employees and Results

Channels	Statement	Result
Labor Management Meetings	<ul style="list-style-type: none"> <li>Convened quarterly at which we give explanations on issues raised by our employees to seek consensus between employers and our employees.</li> </ul>	<ul style="list-style-type: none"> <li>In 2020 we held four meetings including 14 discussion items and 4 follow up actions. All issues and actions were resolved.</li> </ul>
Welfare Committee	<ul style="list-style-type: none"> <li>The committee holds discussions about organizing various activities and establishing employee clubs.</li> </ul>	<ul style="list-style-type: none"> <li>In 2020, we held 13 welfare committee meetings.</li> </ul>
Management Policy Advocacy Meetings	<ul style="list-style-type: none"> <li>Advocate the 2020 code of conduct, explain the management policy &amp; procedure for new promoted managers, and hold the employee assembly.</li> </ul>	<ul style="list-style-type: none"> <li>In 2020, we held 2 meetings.</li> </ul>
Reporting Mechanism	<ul style="list-style-type: none"> <li>In the event of violating the code of integrity, our stakeholders can report such violation on our website and provide supporting evidence.</li> <li>Please click the link below to report a violation:<a href="https://www.brogent.com/zh-tw/contact-us.html">https://www.brogent.com/zh-tw/contact-us.html</a></li> </ul>	<ul style="list-style-type: none"> <li>No employee complaints were received in 2020.</li> </ul>

## Parental Leave

In compliance with government policy, Brogent has made every effort to help employees in need apply for parental leave, supporting them during this important stage of their life.

In 2020, 4 out of 5 employees chose to return to work from parental leave, and all the employees returning to work from parental leaves in 2019 stayed at least 1 year.

## Comfortable Working Environment

As a dynamic and innovative technology company, Brogent offers a spacious and comfortable working environment. For example, there is a recreation center installed with fitness and weight equipment, blood pressure monitors, scales, massage chairs, and a foosball table.

In 2020, Brogent had the great honor to win the certification of “i Taiwan,

i Sports” from the government, and the CTBC Brothers famous star, Szu-Chi Chou from the Chinese Professional Baseball League has been invited to speak on the topic of “Life is like multiple choice question” and how he made the choice to be successful to all employees.



## 3.2 Salary and Benefits

Brogent considers employees our most important asset. We have strived to provide our employees with a competitive compensation and benefits package. This package protects their rights to

participate in labor and health insurance, as well as contribute to their labor pension.

Our performance management system combines the objectives of our company's operational

performance and employees' personal performance. We review our employees' performance to provide them with the opportunity to become promoted or receive other incentives. They are placed

in their ideal positions to create a happy learning environment and enhancing their development.

### » 3.2.1 Competitive Compensation

To attract and retain talent, as well as to maintain competitiveness in the market, the average salary of our entry-level employee is 1.47 times Taiwan's minimum wage in 2020. Moreover, year-end bonuses and profit sharing agreements are provided based on employees' performance.

In 2020, despite the COVID-19 pandemic, Brogent still provided the annual salary adjustment as planned, and also provided extra epidemic prevention allowance for overseas business trips, and fully supported all the costs during quarantine.

We observe the principle that

women and men are entitled to equal pay for doing equal work. In 2020, there was a difference in pay between male and female employees because of the level of education and work experience; also, male employees accounted for the majority of the R&D and technical workforce.

Consequently, the average salary of male employees was slightly higher than that of female employees.

the average salary of  
our entry-level  
employee is  
**1.47 times**  
Taiwan's minimum wage in 2020



### » 3.2.2 An Ideal Benefits Package

Brogent offers a number of benefits to our employees including insurance, bonuses, training, recreational activities, and convenience services. Our package covers employees' needs such as food, transportation, education, and entertainment. In

addition, we provide regulations governing emergency relief for employees who are getting married, holding funerals, or are hospitalized to provide them with the necessary aid and care in a crisis.

Item	Content
<b>Pandemic Prevention</b>	<p><b>Anti-COVID 19 materials</b></p> <ul style="list-style-type: none"> <li>• Provide anti-epidemic supplies (goggles, protective suits, rubbing alcohol, gloves, and masks).</li> </ul> <p><b>Anti-COVID 19 equipment</b></p> <ul style="list-style-type: none"> <li>• Infrared thermometer.</li> </ul> <p><b>Epidemic prevention insurance</b></p> <ul style="list-style-type: none"> <li>• Raised the amount insured for international business travel.</li> </ul>
<b>Life Insurance</b>	<p><b>Group insurance</b></p> <ul style="list-style-type: none"> <li>• Provide medical expense insurance claims to employees; family members of employees may join the insurance program at their own expense.</li> </ul> <p><b>International business travel insurance</b></p> <ul style="list-style-type: none"> <li>• Insurance claims available for unexpected emergency when on business trips abroad, along with unlimited abroad emergency relief.</li> </ul> <p><b>Employers' liability insurance</b></p> <ul style="list-style-type: none"> <li>• Employees who have an accident when on duty can make relevant insurance claims. Brogent ensures that all employees are fully protected.</li> </ul>
<b>Health Insurance/Subsidy Measures Concerning Pension</b>	<ul style="list-style-type: none"> <li>• In compliance with the law, new employees are signed up for labor insurance and national health insurance on their first day of work. Contribute 6% of employees' monthly salary as labor pension to their personal accounts on a monthly basis in accordance with the Labor Standards Act.</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>• Encourage employees to take internal and external training courses fully subsidized by the Company to improve their competitiveness in the workplace and occupational development.</li> </ul>
<b>Bonus and Stock Rights</b>	<ul style="list-style-type: none"> <li>• Brogent provides the profit sharing bonus and holiday bonus to our employees to share our business success and encourage their good performance.</li> <li>• Issue stock option certificates to employees with outstanding performance.</li> </ul>
<b>Services and Facilities</b>	<p><b>Services</b></p> <ul style="list-style-type: none"> <li>• Flexible working hours, boxed lunch ordering available for employees, and free coffee, snacks, and postal services.</li> </ul> <p><b>Facilities</b></p> <ul style="list-style-type: none"> <li>• Employee parking spaces for cars and scooters, lactation rooms, unisex toilets, and microwaves and fridges are placed on each floor.</li> </ul>

Item	Content
<p><b>Recognition</b></p>	<p><b>Senior employee recognition</b></p> <ul style="list-style-type: none"> <li>Publicly praise employees who have completed 5, 10, and 15 years of service and award them with badges and memorial coins to thank them for their long-term contribution to the Company.</li> </ul> <p><b>Bo-le award selection</b></p> <ul style="list-style-type: none"> <li>To encourage employees to achieve the objectives of the Company through teamwork and growth, Brogent organizes an annual Bo-le Award selection for outstanding teams. The winning teams are publicly commended and awarded with prize money at the year-end party.</li> </ul> <p><b>Improvement proposal</b></p> <ul style="list-style-type: none"> <li>Brogent encourages employees to actively participate in the promotion of company business and improvement of operating procedures, while taking initiatives in proposing innovative ideas or concrete suggestions to optimize company management and improve operational performance and competitiveness. Outstanding proposals will be publicly commended every quarter and prize money will be given to the proposal makers after review.</li> </ul> <p><b>Model employee</b></p> <ul style="list-style-type: none"> <li>Each year, Brogent recommends outstanding employees to participate in the selection of model employees so that they can obtain extra points for their personal career records.</li> </ul>
<p><b>Employee Caring</b></p>	<p><b>Regular health checkup</b></p> <ul style="list-style-type: none"> <li>Offer a fully-funded health check-up every two years to all employees. After the health check-up, employees have free consultation sessions with doctors.</li> </ul> <p><b>Employee caring</b></p> <ul style="list-style-type: none"> <li>Employee Assistance Programs including exercise &amp; fitness, diet, mental health, animal assisted therapy, and consultations by medical professionals.</li> <li>Offer numerous types of workout equipment and massage chairs, video games, TVs, and foosball tables, along with comfortable sofa chairs in Brogent’s recreation center, to help our employees relieve stress and refresh themselves.</li> <li>Beverage vending machines are installed.</li> <li>Blood pressure monitors are placed for all employees to perform self-checks anytime.</li> <li>Set up the health station of body measurement and infrared thermometer to guard the health of employees.</li> </ul>

Item	Content
Employee Caring	<p><b>Group activities</b></p> <ul style="list-style-type: none"> <li>• Recreational activities: quarterly departmental get-together party, indoor sports day, Family Day, Movie Appreciation Day, and year-end party (employees can invite their family and friends to the party).</li> <li>• Festival activities: Mid-autumn Festival, Christmas Party, and Valentine’s Day activities.</li> <li>• Annual domestic/international employee travel: Subsidies for domestic trips and opportunities for overseas employee trips.</li> </ul> <p><b>Subsidy for kindergarten fee</b></p> <ul style="list-style-type: none"> <li>• To alleviate the economic burden of parenting, Brogent provides our employees with a subsidy for the kindergarten registration fee.</li> </ul> <p><b>Subsidy for employee clubs</b></p> <ul style="list-style-type: none"> <li>• Subsidies for all kinds of club activities. A club may be formed with a minimum of 10 members.</li> <li>• Subsidize partial registration fee for participation in an external competition.</li> </ul> <p><b>i-Ride free pass and employee discount</b></p> <ul style="list-style-type: none"> <li>• All Brogent's employees can ride for free on weekdays and weekends upon showing their company badge, and have special discounts for employees only.</li> </ul>

## Group Activities in 2020



## Reliable Retirement Program

The retirement pension plan Brogent has for its employees include benefits stated in Taiwan's Labor Standards Act and the appropriate plan stated in the Labor Pension Act.



The “Employee Stock Ownership Trust” will be offered in 2021 to support employees' retirement and retention.

## Defined Benefits Plan

In accordance with the Labor Standards Act, the Company has formulated regulations on employee retirement which stipulate that retirement pensions are calculated on the basis of an employee's number of years of

service and the average recurring salary for the six-month period prior to retirement. Brogent makes monthly contributions to the labor pension reserve funds, which are deposited in labor pension accounts in a government-

designated financial institution and managed by the Brogent Labor Pension Fund Supervisory Committee. The balance of the pension reserve funds is not reflected under assets in the Company's financial statements.

As of December 31, 2020 and December 31, 2019, the balances of the pension funds were NT\$2,421,000 and NT\$2,099,000, respectively.

Unit : NT\$1,000

Content	December 31, 2020	December 31, 2019
Present value of a defined benefit obligation	11,727	10,851
Fair value of plan assets	-2,433	-2,112
Accrued pension liabilities account	9,294	8,739

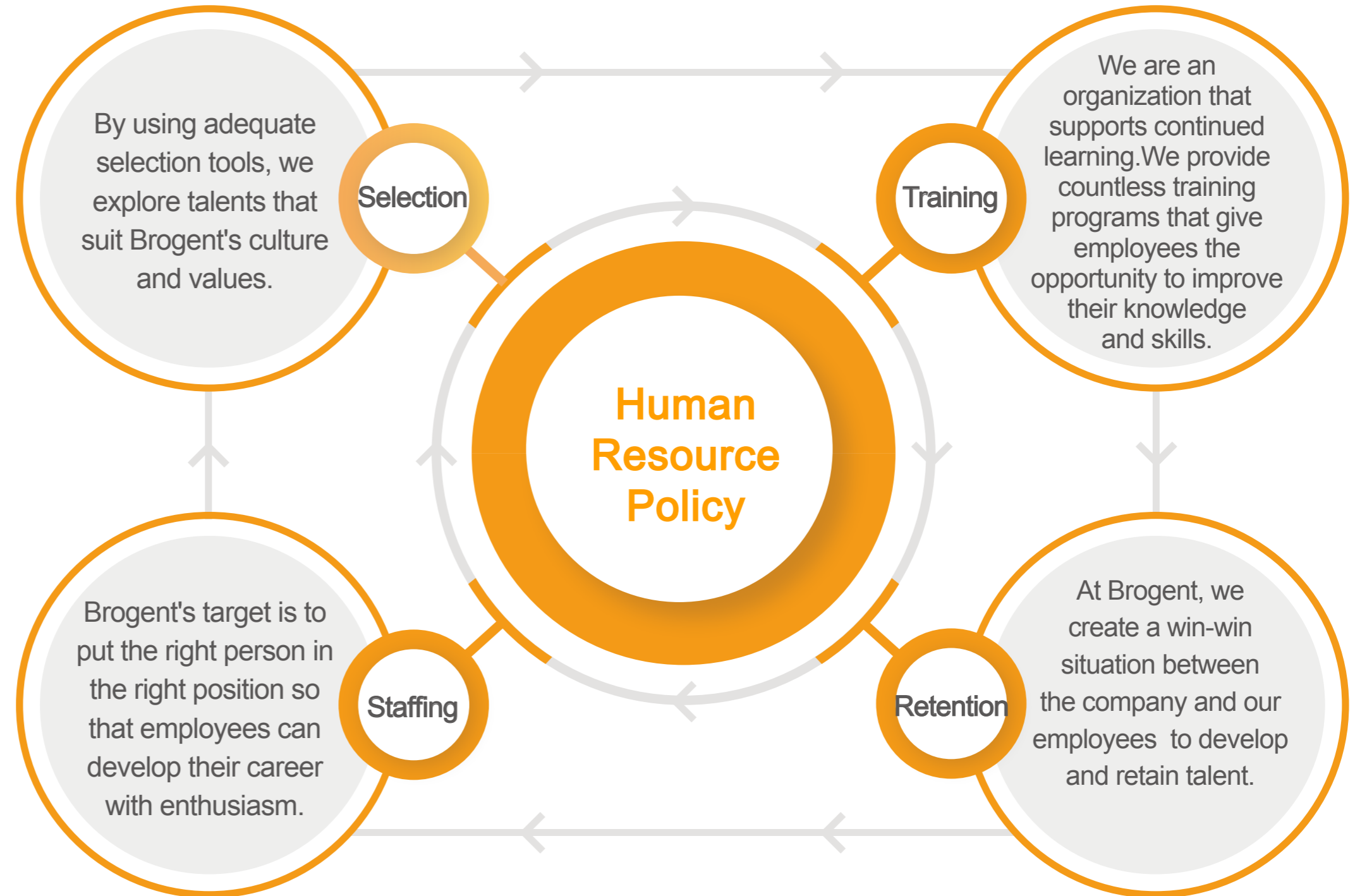
## Defined Contribution Plan

In accordance with the Labor Pension Act (the Act), Brogent employees, who were covered by the Labor Standards Act prior to the enforcement of the Act, may choose to be continuously covered by the retirement mechanism in the Labor Standards Act or by the pension system of the Act; their seniority prior to their application to the Act will be reserved. Brogent makes monthly contributions equal to 6% of each employee's monthly salary and deposits the amounts in employees' labor pension accounts in the Bureau of Labor Insurance. The contributions are recognized as expenses of the current period.



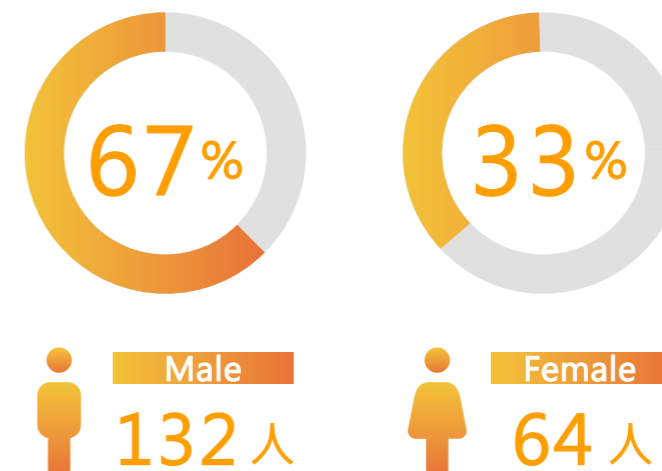
## 3.3 Talent Development

With “people” as a core philosophy, we have created a happy, friendly, safe, and healthy working environment to support an atmosphere of growth.

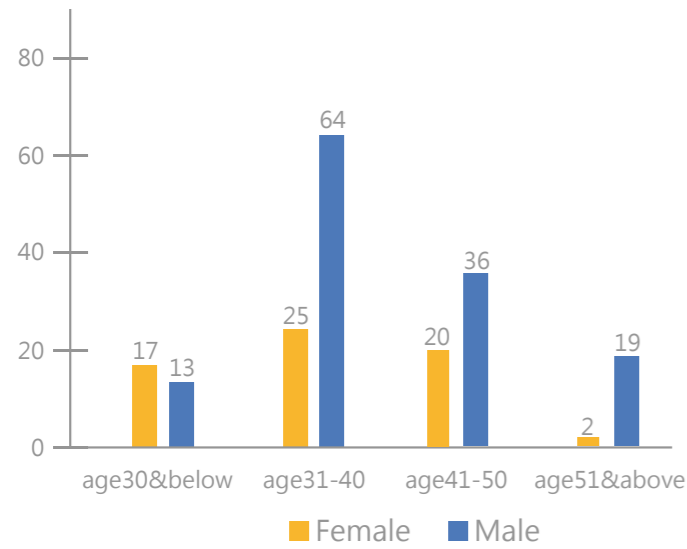


### »» 3.3.1 Talent Composition

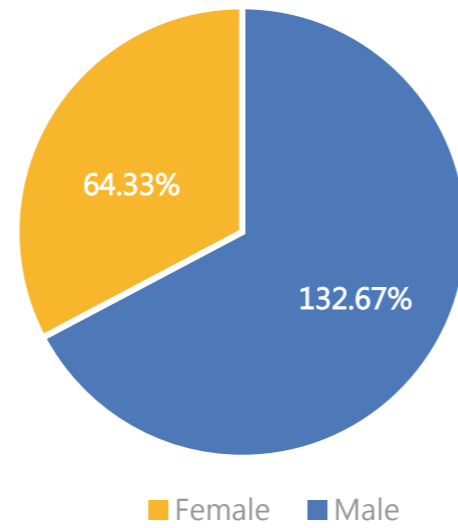
By the end of 2020, our total number of employees was 196. Currently, we only have full-time employees, no temporary or part-time employees. The talent composition shows 132 men (67%) and 64 women (33%). In terms of age group, employees under the age of 40 account for about 61% of the total workforce, indicating that Brogent is a young, dynamic, and innovative company.



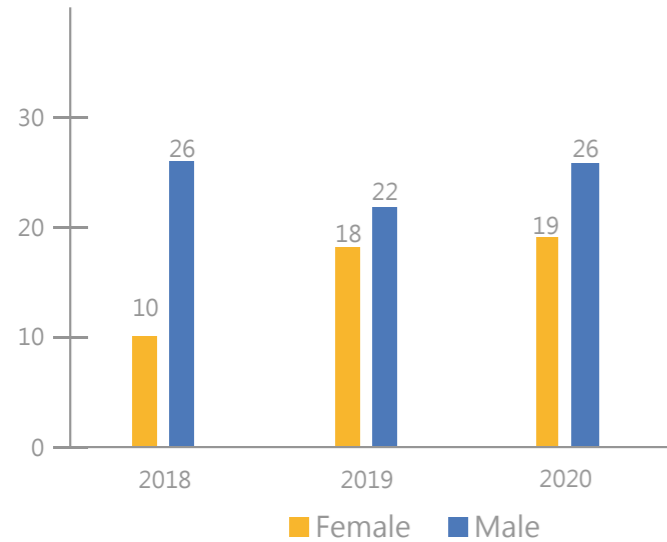
Full-time employee (sex and age distribution)



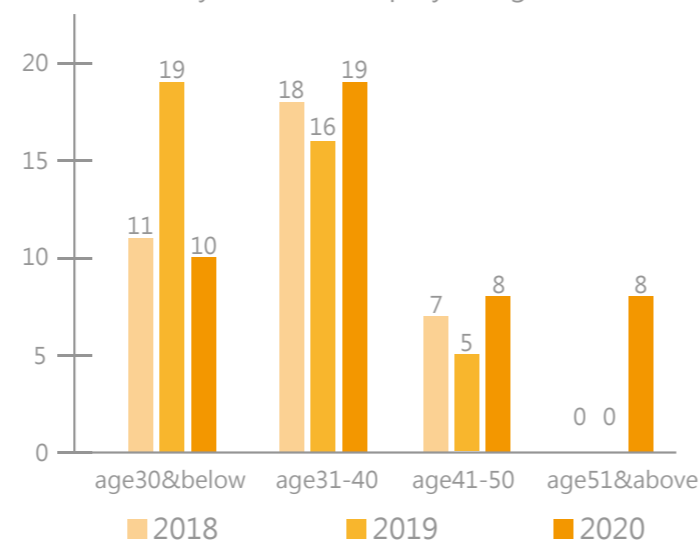
Full-time employee (sex distribution)



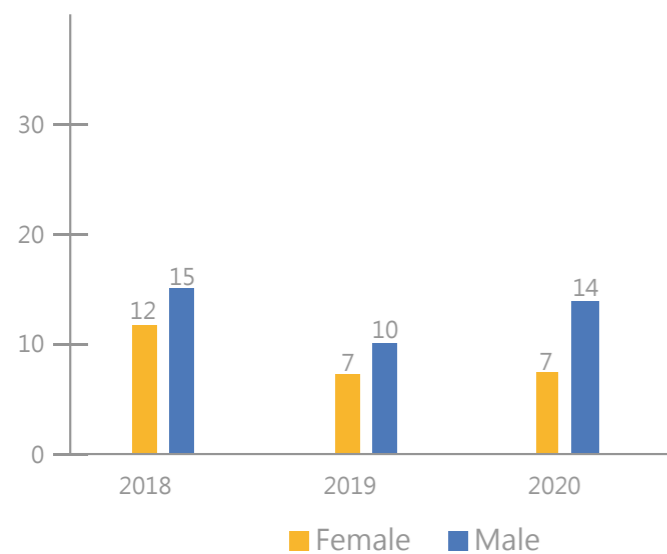
Newly recruited employee (sex distribution)



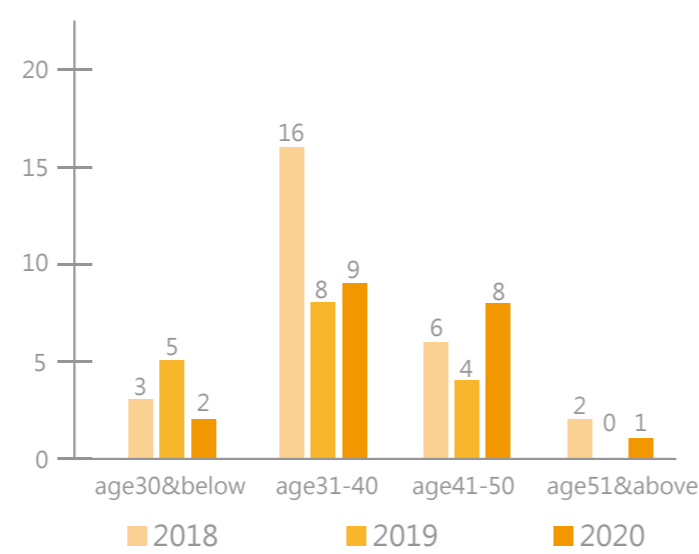
Newly recruited employee (age distribution)



Resigned employee (sex distribution)



Resigned employee (age distribution)



## Recruitment

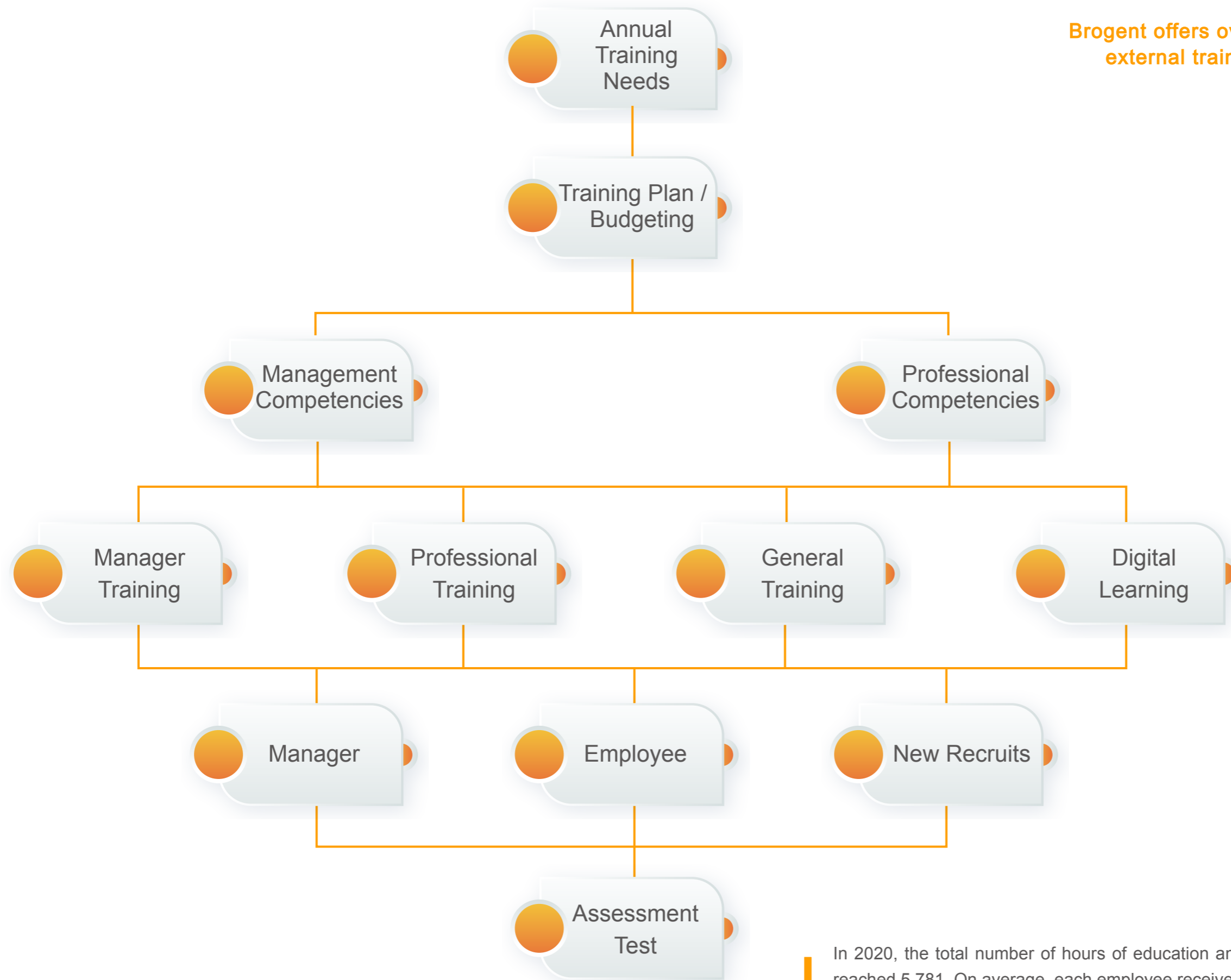
Brogent recruits talent through job banks; it also posts job vacancies on social media platforms, such as Facebook. In addition, it maintains contact with career centers of universities and colleges and participates in job fairs or job matchmaking activities. When a job opening becomes available, our staff will also recommend friends or relatives to apply for the job. We establish a talent pool for unsuccessful applicants, who will be contacted when a suitable job opening becomes available. All applicants need to pass a document review, professional capability assessment, occupational and language proficiency tests, and an interview.

In 2020, we will strengthen talent recruitment for the digital content design field by building our brand on social media to lure suitable talents for long-term company growth.

### »» 3.3.2 Talent Development

Brogent cultivates talents through diverse learning channels. With a dual development path for professional and management competencies, employees are able to grow and improve their own abilities. Our training courses include manager training, professional training, general training, and digital learning. We have systematically planned training courses needed by our employees for their career development, as well as education and training courses for their lifelong learning.

Brogent offers over NT\$ 30,000 external training subsidy for 1 session.



In 2020, the total number of hours of education and training received by our employees reached 5,781. On average, each employee received 29.5 hours of education and training. We also recognize internal training hold by our employees to be internal trainers. In 2020, there are 93 internal trainers who taught over 255 hours in total. And we elected outstanding internal trainers according to the teaching hours, and recognized their contribution in 2020 Excellence Trainer Award Ceremony.

### » 3.3.3 Performance Evaluation

#### Employee Performance Evaluation

To encourage our employees to pursue continuous innovation and growth, we align our employees with our organizational goals and achieve these goals through a strategic and integration-based performance management system. We have also effectively improved employee performance and achieved our operational goals.



#### Phase and Content of Performance Evaluation

Phase	Content
Definition	<ul style="list-style-type: none"> <li>Brogent defines “performance” every January. Employees' work objectives of the current year, indicators to measure their performance, and weighting of the indicators should be jointly set by executives and the employees.</li> </ul>
Development	<ul style="list-style-type: none"> <li>Brogent conducts mid-term evaluation twice a year (May and September), during which executives give feedback to employees regarding their performance and teach them.</li> </ul>
Evaluation	<ul style="list-style-type: none"> <li>Brogent's executives and employees should discuss and complete “target performance” and “work attitude and occupational competency assessment” in the performance evaluation form every December. The executives should give final evaluation comments.</li> </ul>

## Executive Performance Evaluation

The professional guidance provided by Brogent's senior management and their managerial efficiency are the keys to our persistence in improving the competitiveness of our products in the immersive simulation technology industry. By performing their managerial duties well, senior management can bring about stable operational performance. Therefore, we have established an internal evaluation mechanism that connects review of managers' salary to their work performance; the approval criteria consist of three aspects: financial index, quality and risk, and leadership and management.



## 3.4 Workplace Safety and Health

### » 3.4.1 Workplace Safety and Health Management

Brogent complies with the Occupational Safety and Health Act and related laws and regulations. Furthermore, it ensures there are preventive measures in place and safety is a top priority. The company requires all employees (including contractors) to participate in safety and health awareness and knowledge, and continuously improve the safety and health systems and safety and health performance to meet the company's current needs.

### Occupational Safety and Health Committee

Brogent has established an Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Act. This Committee comprises a total of eleven members: the President, executives of each department and the administration department, and employee representatives. A total of four committee members are employee (or labor) representatives, making up 40% of the Committee. The Occupational Safety and Health Committee is in charge of establishing and improving occupational safety policies, and must convene regular meetings to review occupational safety and health management affairs and advocate relevant ideas. A total of four meetings were convened in 2020 and the resolutions of each meeting were made aware for the employees. In 2020, we achieved our goal of Zero-Accident Workplace; none of our employees or contractors had occupational injuries or diseases.

### Organizational Chart of the Occupational Safety and Health Committee



## Occupational Safety Key Performance in 2020

Resolutions	Description
Regulatory Identification	<ul style="list-style-type: none"> <li>Confirmation of the Occupational Safety and Health Administration Law related to the amendment of the Act to identify the content, approved and announced for implementation.</li> </ul>
Operational Safety	<ul style="list-style-type: none"> <li>Continuously educate employees and contractors on construction safety, hazard notification and wearing of personal protective gear at domestic and overseas sites to prevent occupational accidents through prior safety and health education and training.</li> </ul>
Emergency Response	<ul style="list-style-type: none"> <li>Revise the typhoon preparedness plan, and do the relevant protection work before the typhoon comes, and report the disaster immediately through the reporting system and handle the situation properly.</li> <li>“Self-defense firefighting team training” will be held every six months, and the staffs of each department will combine with the experience center to conduct notification and evacuation training, and the training results will be submitted to the fire department for examination in accordance with the regulations.</li> </ul>
Periodic Inspection and Declaration	<ul style="list-style-type: none"> <li>For operating amusement facilities, ask professional units to conduct safety inspections every six months, and submit the records to the competent authorities for issuance of safety permits.</li> </ul>
Safety and Health Management	<ul style="list-style-type: none"> <li>Office internal and external environmental health specification development.</li> <li>Area traffic specification development.</li> <li>Car management behavior in and out of office.</li> <li>Warehousing and R&amp;D project site application and management.</li> <li>Contractor site security management.</li> </ul>

## Occupational Safety and Health Education Training for Contractors in 2020

Project Name	Education and Training Content
Office OA renovation in Building C	Education and training on occupational safety and health management and notification of hazards in the workplace.
LED dome structure project in Building B	
LED dome installation test project in Building B	

## Occupational Safety and Health Education Training for Employees in 2020

Item	Training Courses	Frequency	Pairs of Lephants	Person-Times
1	Occupational Safety Training 1 hour	2	Newcomers	49
2	Self-defense and fire-fighting training 4 hours	2	Staff on staff	52
3	Pre-travel training for project travelers 1 hour	2	Specialists	84
4	Fire prevention manager training refresher course 6 hours	1	Fire Prevention Manager	1
5	Occupational safety and health in-service training for occupational safety and health business managers 6 hours	1	Management Manager and General Affairs	2
Total				180

### Healthy and Safe Workplace

Brogent's occupational health and safety management program includes the installation of a breastfeeding room, the installation of fitness equipment in the employee recreation center in the office building, and a comprehensive review of the current status of application of occupational safety and health related management regulations (including the Labor Safety and Health Code of Conduct,

the Occupational Safety and Health Management Plan, the Contractor's Occupational Safety and Health Management Regulations, the Automatic Safety and Health Inspection Plan, and the Emergency Response Plan for the management of dangerous machinery and equipment), and revisions.

The Company has entered into a contract with Kaohsiung Medical University Chung-Ho Memorial

Hospital (KMUH) for on-site health care services. Depending on the number of insured persons and the level of the industry, KMUH will dispatch three times a month a nurse practitioner with an occupational medicine license and three times a year a doctor with an occupational medicine license (two hours each time) to the Company's site. KMUH will dispatch three times a month (each time for two

hours) a nurse practitioner with an occupational medicine license and three times a year a doctor with an occupational medicine license to perform on-site health services. Due to the uncertainty of the epidemic in 2020, the "on-site health care service" will be adjusted to start in March 2021. The contractor will first analyze the workplace environment and employee physical examination data, and then conduct health



consultant interviews for employees with high health risk factors.

Measures taken by the company to strengthen the health and safety of employees include “regular maintenance of the

central air conditioning system to ensure indoor air quality”, “posting of large labor safety warnings for workplaces such as testing and warehousing”, “installation of speed limits and anti-slip measures for underground

driveways”, “regular disinfection of indoor floors and elevators by cleaners, and outdoor disinfection in cooperation with the park”, “automatic inspection of dangerous machinery, implementation of precautions

and maintenance checks before and after use”, and “implementation of maintenance and management of fire safety equipment, establishment of a firefighting team and regular firefighting training”.

## Employee Health Screening

Brogent fully subsidizes employees' health checkup once every two years, and arranges

doctors to come to the company after the health checkup for free consultation to help employees

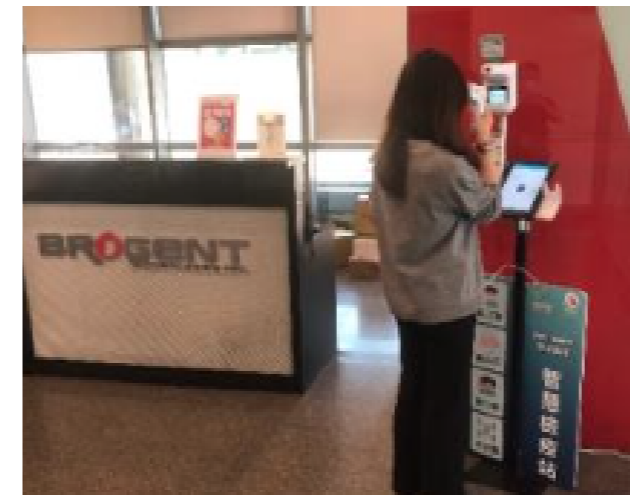
understand and track the results of the health checkup. We also introduced “Smart Care Station”

as the pacesetter of employee health management.

### » 3.4.2 Prevention against Covid-19

In response to the Covid-19 outbreak in 2019, Brogent immediately formulated and announced the “2019 Brogent Group Covid-19 Prevention and Response Plan,” setting out response measures on the basis of various types of possible impacts. At the same time, a crisis management team, consisting of the CEO, heads of centers, and departmental heads from the IT, HR, and Administration Departments, was formed with detailed description of each member's responsibilities.

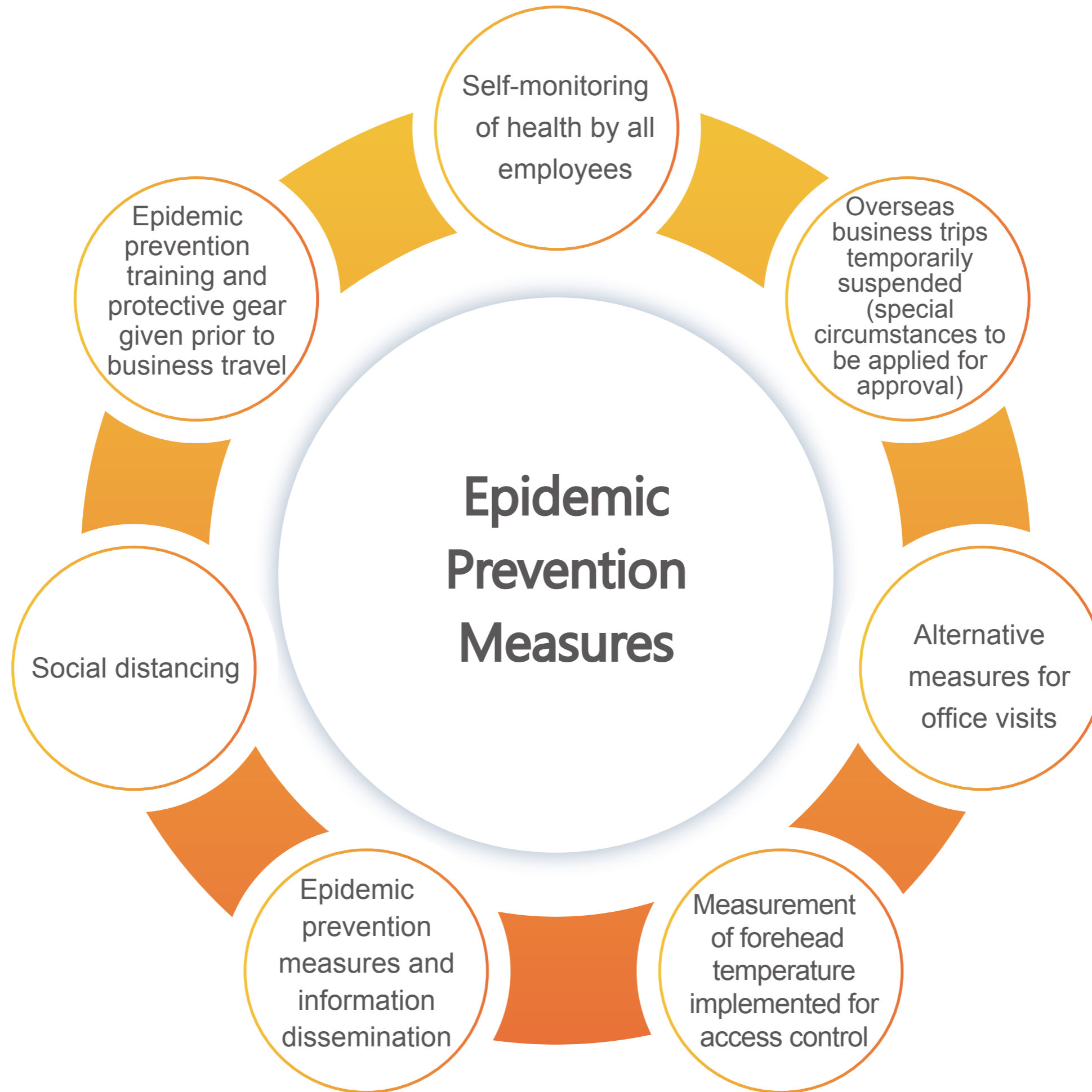
During the epidemic in 2020, the Administration Department integrated the company's anti-epidemic material procurement, storage and replenishment operations. Implementation of maintaining social distancing, wearing masks and avoiding entering and leaving crowded areas was disseminated. In addition, we cooperated with advanced medical resources to introduce “Smart Epidemic Prevention Station” as a weapon for temperature measurement and real-name control of colleagues



and visitors.

When the pandemic took hold of the world in March 2020, We immediately recalled our employees who were on overseas business trips and facilitated the requirements of their home

quarantine or self-monitoring of health by not requesting them to report to work after their return to Taiwan and by providing them with additional allowances. Going forward, should employees be required to go overseas for projects in regions where the risk of the pandemic is under reasonable control, Brogent will also put relevant measures in place to safeguard the safety of employees.





# 04 Excellence

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We build extraordinary company values with our reliable, sustainable and environmental friendly corporate organization.

- 4.1 Corporate Governance
- 4.2 Supply Chain Management
- 4.3 Environmental Protection Responsibility



## 4.1 Corporate Governance

Brogent follows the Corporate Governance Practice Principles and the Code of Ethical Conduct for Directors and Managerial Officers to establish an effective corporate governance structure and relevant ethical standards and items for healthy corporate governance. Out of respect for the rights and interests of all stakeholders, Brogent identifies all stakeholders and gets to understand their expectations and demands via adequate communication. Then, based on said understanding, Brogent properly responds to important CSR issues of concern to the stakeholders. In addition, Brogent formulated the CSR Practice Principles. The Finance Center was in charge of promoting CSR, as well as implementing and promoting CSR-related policies or systems; it should also report to the Board of Directors.

### Management Approach

Major Issue	Corporate Governance
Material Topic	Nominating and Selecting the Highest Governance Body (GRI 102-24)
Policy/Commitment	<ul style="list-style-type: none"> <li>Honest, law-abiding, and valuing shareholders' rights and interests, Brogent focuses on sustainable management through an excellent and healthy corporate governance system to meet its stakeholders' expectations.</li> </ul>
Goals and Objectives (Short-Term)	<ul style="list-style-type: none"> <li>Strengthen the structure and operation of the Board of Directors, while enhancing its functions.</li> <li>Increase non-financial information disclosure.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>Fair, just, and open selection of board members.</li> <li>Conduct yearly board assessment.</li> <li>Arrange relevant training courses for board members according to the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.</li> <li>Continue to implement CSR and publish CSR reports.</li> </ul>
Goals in 2020 Achievements (Short-Term)	<ul style="list-style-type: none"> <li>The total number of hours of training received by board members is 63.</li> <li>The 2019 CSR report was published.</li> </ul>

## Management Approach

Major Issue	Corporate Governance
Material Topic	Nominating and Selecting the Highest Governance Body (GRI 102-24)
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>Strengthen the functions of all functional committees.</li> <li>Improve corporate governance assessment performance.</li> <li>Identify operational risks and formulate adaptive strategies.</li> </ul>
Responsibilities	<ul style="list-style-type: none"> <li>The Board of Directors should supervise the management and operation of the Company.</li> </ul>
Resources Investment	<ul style="list-style-type: none"> <li>Members of the Board directors: seven directors.</li> </ul>
Claim Procedures	<ul style="list-style-type: none"> <li>Internally: Audit Office.</li> <li>Externally: Report through Brogent's website(<a href="https://www.brogent.com/zh-tw/contact-us.html">https://www.brogent.com/zh-tw/contact-us.html</a>)</li> </ul>
Specification Actions	<ul style="list-style-type: none"> <li>At least one board meeting per quarter.</li> </ul>
Evaluation Procedures	<ul style="list-style-type: none"> <li>Conduct inspections on the operation of the Board of Directors through internal audits.</li> <li>Corporate governance accreditation.</li> </ul>
Evaluation Follow-Up	<ul style="list-style-type: none"> <li>In 2020, Brogent's corporate governance accreditation results ranked at the 21%–35% interval of all listed companies in Taiwan.</li> </ul>

## Governance Structure

The highest governance unit of Brogent is the Board of Directors, which, by exercising the powers and responsibilities conferred by the Company Act, the Articles of Incorporation, and resolutions of shareholders' meetings, oversees the Company's operations, formulates the Company's policies, identifies operational risks, and sets forth directions for corporate social responsibility

development. After the re-election of directors at the regular shareholders' meeting on May 28, 2020, the chairman of the Company was served by Mr. Chih-Hung Ouyang (concurrently president), who is responsible for supervising the implementation of internal audit and control, developing the Company's medium and long-term business strategies, setting directions

for business development and market deployment, controlling and evaluating the operational performance of subsidiaries, and making decisions on economic, environmental, and social-related issues. We hold our managerial officers and directors to the highest ethical standards of integrity and have formulated regulations, including the Ethical Corporate Management Best

Practice Principles, the Code of Ethical Conduct for Directors and Managerial Officers, and the Operating Procedure for Prevention of Insider Trading, to guide our managerial officers and directors in exercising the due care of a good administrator when conducting business for the Company.

## Results of Governance

In 2020, Brogent continued to strengthen our board structure and operation, improve our board functions, and enhance

our non-financial information disclosure quality, resulting in the 7th Corporate Governance Accreditation; we ranked at the

21%–35% interval of all listed companies in Taiwan. This achievement fulfilled our goals for corporate governance and

demonstrated our determination to perfect our corporate governance.

## Operation of the Board of Directors

The Board of Directors in 2020 was composed of seven directors (including three independent directors) who possess diverse professional backgrounds and practical and academic experiences in operations, technology, and finance. The Board convenes at least one

regular meeting every quarter; in 2020, ten Board meetings were convened, with an attendance rate of 82.43%.

Under the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies,

the Board regularly engages in continuing education to ensure its understanding of regulatory amendments and emerging issues to enhance the effectiveness of corporate governance. Communicate with independent directors on corporate governance through

accountants and internal audits, including the effectiveness of internal control, risk assessment and key audit matters.



## Members of Board Directors and Courses Taken

Title	Name	Gender	Position	Attendance at the Board Meetings	Courses taken in 2020
Chairman	Chih-Hung Ouyang	Male	Chairman, Brogent Technologies Inc.	100%	<ul style="list-style-type: none"> <li>Corporate Social Responsibility and Sustainable Competitiveness.</li> <li>How should corporations preemptively prepare for the need of compliance management in a world of digital transformation.</li> </ul>
Director	Changchun Investment Co. Ltd. Representative: Chih-Chuan Chen	Male	Vice President, Investment Administration Division, RT-Mart International	67%	<ul style="list-style-type: none"> <li>The current status and future of intellectual property rights protection related to pharmaceuticals in Taiwan.</li> <li>Exploring the responsibility of Directors and Supervisors for illegal cases from securities market.</li> </ul>
Director	Chin-Huo Huang	Male	Chairman, Fu Ying Metal Industrial Co., Ltd.	100%	<ul style="list-style-type: none"> <li>Corporate Social Responsibility and Sustainable Competitiveness.</li> <li>How should corporations preemptively prepare for the need of compliance management in a world of digital transformation.</li> </ul>
Director	Chun-Hao Cheng <sup>1</sup>	Male	Director, Brogent Technologies Inc.	10%	<ul style="list-style-type: none"> <li>Corporate Social Responsibility and Sustainable Competitiveness</li> <li>How should corporations preemptively prepare for the need of compliance management in a world of digital transformation.</li> </ul>
Independent Director	Lewis Lee	Male	Vice director, ZHI CHENG Co- located CPA Firm.	100%	<ul style="list-style-type: none"> <li>Corporate Social Responsibility and Sustainable Competitiveness.</li> <li>How should corporations preemptively prepare for the need of compliance management in a world of digital transformation.</li> </ul>

Note : The term of office is from May 28, 2020 to May 27, 2023.

## Members of Board Directors and Courses Taken

Title	Name	Gender	Position	Attendance at the Board Meetings	Courses taken in 2020
Independent Director	Chih-Poung Liou	Male	Managing Partner, Stellex Law Firm.	100%	<ul style="list-style-type: none"> <li>Practical operation, control mechanism and case sharing of related party transactions.</li> <li>Money laundering regulations, patterns and pre-crimes (such as insider trading).</li> </ul>
Independent Director	Jih-Ching Chiu	Male	Associate Professor, National Sun Yat-sen University	100%	<ul style="list-style-type: none"> <li>Corporate Social Responsibility and Sustainable Competitiveness.</li> <li>How should corporations preemptively prepare for the need of compliance management in a world of digital transformation.</li> <li>2020 Corporate Jurisprudence and Corporate Integrity Directors and Supervisors Promotion Conference.</li> <li>Looking for new growth momentum in the 2020 strategic turning year.</li> </ul>

## Age of Board Members

Board	Age of Members of the Governance				
	Below 30 years	31-40 years	41-50 years	Over 51 years	Average age
Number of People	-	-	-	7	61

Note : The statics are based on ages of board members between May 28, 2020 and May 27, 2023.



## Operation of the Remuneration Committee

To improve the remuneration system for directors, supervisors, and managerial officers, the Remuneration Committee has been set up in accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock Is Listed on the Taiwan Stock Exchange or the Taipei Exchange. The Articles of Incorporation have also been

established. The Remuneration Committee faithfully performs its duty of overseeing the remuneration system for directors, supervisors, and managerial officers and submitting its proposals for the deliberation of the Board.

The Remuneration Committee consists of three members, all of whom are assumed by independent directors of the Company. All members elect

the independent directors as the convener and chairman of committee meetings, which are held at least twice a year and at any time as necessary.

The remuneration standard of the board of directors or senior management personnel shall be implemented in accordance with the “Administrative Measures for the Remuneration of Directors and Managers”. Managers' salary adjustments and salary changes

are linked to their performance. The approved benchmarks are financial indicators, quality and risk control, leadership and management performance. Directors and senior remuneration are determined by the remuneration committee and submitted to the board of directors for approval.

## Members of the Remuneration Committee

Name	Number of Expected Attendances	Number of Actual Attendances	Number of Attendances Proxy	Actual Attendance Rate%
Chin-Wen Chuang	2	2	0	100%
Shun-Jen Cheng	2	2	0	100%
Rong-Da Liang	2	2	0	100%
Lewis Lee*	1	1	0	100%
Chih-Poung Liou*	1	1	0	100%
Jih-Ching Chiu*	1	1	0	100%

Note: Elected on, 2020.05.28. \* Newly elected members in 2020.

## Operation of the Audit Committee

To strengthen corporate governance and operation, Brogent established the Audit Committee in 2020 to effectively monitor internal control, examine

financial reports, and evaluate and guide audit-related work in the Company.

Members of the audit committee and internal auditing officer and

CPA hold two communication meetings every year to discuss the appropriate expression of the company's financial statements, the effective implementation of

the company's internal control, the company's compliance with relevant laws and regulations, and the control of the company's existing or potential risks.

## Members of the Audit Committee

Name	Number of Expected Attendances	Number of Actual Attendances	Number of Attendances Proxy	Actual Attendance Rate%
Lewis Lee	5	5	0	100%
Chih-Poung Liou	5	5	0	100%
Jih-Ching Chiu	5	5	0	100%

### » 4.1.1 Operational Integrity

Brogent has formulated the “Ethical Corporate Management Best Practice Principles”, the “Code of Ethical Conduct for Directors and Managerial Officers”, the “Operating Procedure for Prevention of Insider Trading”, and the “Reporting Policy of Unlawful or Unethical Actions” as guidance for our directors, supervisors, managerial officers, and employees to uphold integrity, observe the laws, and fulfill their fiduciary duties in conducting business activities to maintain

operational soundness.

All of Brogent's suppliers are required to sign an “Integrity Pledge”, in which they declare that they will not bribe or promise to reward Brogent employees with whom they have contact as a result of business dealings. In addition, if an employee requests or accepts improper benefits from a third party, or directly or indirectly benefits themselves or other related parties in violation of pertinent integrity provisions, any such violation can be reported through the official reporting

window on our Company's website, as has been set out in the Reporting Policy of Unlawful or Unethical Actions. We maintain strict confidentiality with respect to the source of the report and investigate all information, as well as take special measures to protect whistleblowers, so as to reduce such incidents as corruption and malfeasance.

In 2020, Brogent totally organized three sessions on education and training course of “Information Security Advocacy and Code of Conduct”, which explained

Brogent's integrity regulations and the content focused on making colleagues understand the rules of Brogent Group's foreign business dealings and conflicts of interest avoidance. And it explained the grievance channels and investigation processing procedures to colleagues; Brogent received the investigation processing procedures for reported incidents were also detailed on our Company's website.

To find out more information about Brogent's operational integrity and relevant regulations, please refer to the following links:

Ethical Corporate Management Best Practice Principles	Code of Ethical Conduct for Directors and Managerial Officers	Operating Procedure for Prevention of Insider Trading	Reporting Policy of Unlawful or Unethical Actions
			

## Regulatory Compliance

The basic responsibility of Brogent is to operate in compliance with the law. In the process of corporate governance, product development, manufacturing, installation, testing, and after-sales service, we strictly abide by the regulatory

requirements of competent authorities and have established corresponding standard operating procedures within our Company. In addition, to ensure compliance with laws and regulations globally, our Administration Center has dedicated legal staff

to ensure the compliance of our Company's business with the laws and regulations, and keep track of changes in global laws and regulations, communicate information, and assist in contract management to minimize the risk of regulatory violations.

In 2020, Brogent has not violated any laws or regulations or engaged in any corruption in our corporate governance and integrity operations, and we have not accepted or made any political donation.

## Integrity Management and Legal Compliance Training Course

Item	2020 Training Course	Target	Sessions	Personnel
1	Information Security Advocacy and Code of Conduct	Employees	3	217
2	Regulatory Compliance	Board of Directors	1	5
Total			4	218

## » 4.1.2 Risk Management

### Management Approach

Major Issue	Risk and Crisis Management
Material Topic	Key Impacts, Risks, and Opportunities (GRI 102-15) Effectiveness of Risk Management Processes (GRI 102-30) Financial Implications and Other Risks and Opportunities Due to Climate Change (GRI 201-2)
Policy/Commitment	<ul style="list-style-type: none"> <li>Identify and manage all potential risks that may affect operations according to the risk assessment method, and formulate response strategies in advance to reduce the impact on the sustainable operation of the company.</li> </ul>
Goals and Objectives (Short-Term)	<ul style="list-style-type: none"> <li>Strengthen and modify internal control systems to retain their effectiveness.</li> <li>Each unit conducts economic, environmental and social risk factor identification and impact assessment for the responsible business, and establishes risk management and control strategies to ensure effective response to risks when they occur, so as to maintain normal operations of the company.</li> <li>Ensure that colleagues can safely complete projects and meet customer requirements during the epidemic.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>Act according to the principle of risk spreading and ensure that the investment portfolio generates maximum profit.</li> <li>Analyze all operating activities and only take actions after receiving approval from the management.</li> <li>Track and update the epidemic situation of various countries and related epidemic inspection regulations at any time.</li> </ul>
Goals in 2020 Achievements (Short-Term)	<ul style="list-style-type: none"> <li>In response to the effective risk management and control strategies of all units, achieve the normal operation of the company in 2020.</li> <li>Cooperate with the epidemic prevention policies of various countries in the world, and provide colleagues with epidemic prevention materials, arrange return home isolation accommodation and additional allowances.</li> </ul>
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>Consider future industrial growth and overall economic changes; adaptive strategies must be adjusted when necessary.</li> </ul>

## Management Approach

Major Issue	Risk and Crisis Management
Material Topic	Key Impacts, Risks, and Opportunities (GRI 102-15) Effectiveness of Risk Management Processes (GRI 102-30) Financial Implications and Other Risks and Opportunities Due to Climate Change (GRI 201-2)
Responsibilities	<ul style="list-style-type: none"> <li>Senior executives of respective centers are responsible for controlling risks.</li> </ul>
Resources Investment	<ul style="list-style-type: none"> <li>The audit office conducts self-assessment of the internal control status of each unit every year.</li> </ul>
Claim Procedures	<ul style="list-style-type: none"> <li>Report upward level by level through direct supervisors.</li> <li>Report grievances through Brogent's email address(<a href="https://www.brogent.com/en/contact-us.html">https://www.brogent.com/en/contact-us.html</a>)</li> </ul>
Specification Actions	<ul style="list-style-type: none"> <li>Regularly / Irregularly convene management meetings.</li> </ul>
Evaluation Procedures	<ul style="list-style-type: none"> <li>Through the effective operation of internal audits, review the precautions for necessary risk management and control.</li> </ul>
Evaluation Follow-Up	<ul style="list-style-type: none"> <li>Ensure the company's information transparency and effective operation of risk control, and maintain the company's industrial competitiveness.</li> </ul>

## Risk Management Mechanism

Brogent has set up an “audit office” under the board of directors directly, which is responsible for internal audit affairs and handling related matters. It has one audit supervisor and one auditor to ensure

operational performance and efficiency (including profitability, performance, and asset safety, etc.), the report is reliable, timely, and transparent, and complies with the compliance status of relevant laws and regulations.

## Internal Audit

The internal audit system of Brogent is self-supervised and amended at any time in response to changes in the environment and conditions. It has five main functions: “Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities”. The audit office draws up an audit plan for the next year based on the results of the risk assessment, and conducts business audits on the company and its subsidiaries' financial, risk management, and compliance with laws and regulations at least once a quarter, and prepares internal audit reports to ensure that the company's operations

comply with the principle of honest operation.

Audit Office is directly accountable to the Board of Directors with the purpose to implement annual audit plans approved by the Board. The audits are done in accordance with the manager performance evaluation and remuneration policies, systems, standards, and structures established in the Remuneration Committee Charter. We prepare audit plans in accordance with relevant regulations of competent authorities, as well as corporate risk assessment results, while assisting the Board and managerial officers in conducting

Brogent's risk management is divided into internal audit, internal control, and risk analysis, each of which implements risk prevention measures per the Company's risk management policies. We have formulated

risk assessment guidelines and management strategies based on risk categories, whereby our Audit Office carries out inspection and evaluation.



project audits, assessing the deficiencies of the internal control system, tracking the status of improvement measures, and reporting the audit results to the Board on a regular basis to

ensure effective and sustained implementation of the internal control system.

## Internal Control

The internal control system has been established on the basis of five interrelated elements: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. At the

beginning of each year, our Audit Office review the status of each department's self-assessment of its internal control to serve as the basis for the Board of Directors and President to evaluate the overall efficacy of all internal

control systems and formulate management strategies and to produce "Internal Control System Statements".

The year 2020 is a year with effective implementation of internal control. The audits

revealed no major deficiencies. We will continue to optimize the design of internal control and implement the implementation of internal audits to ensure the effectiveness of organizational operations.

## Risk Analysis

Each functional department of Brogent identify and manage all potential risks that may affect company operation , and carry out risk analysis and

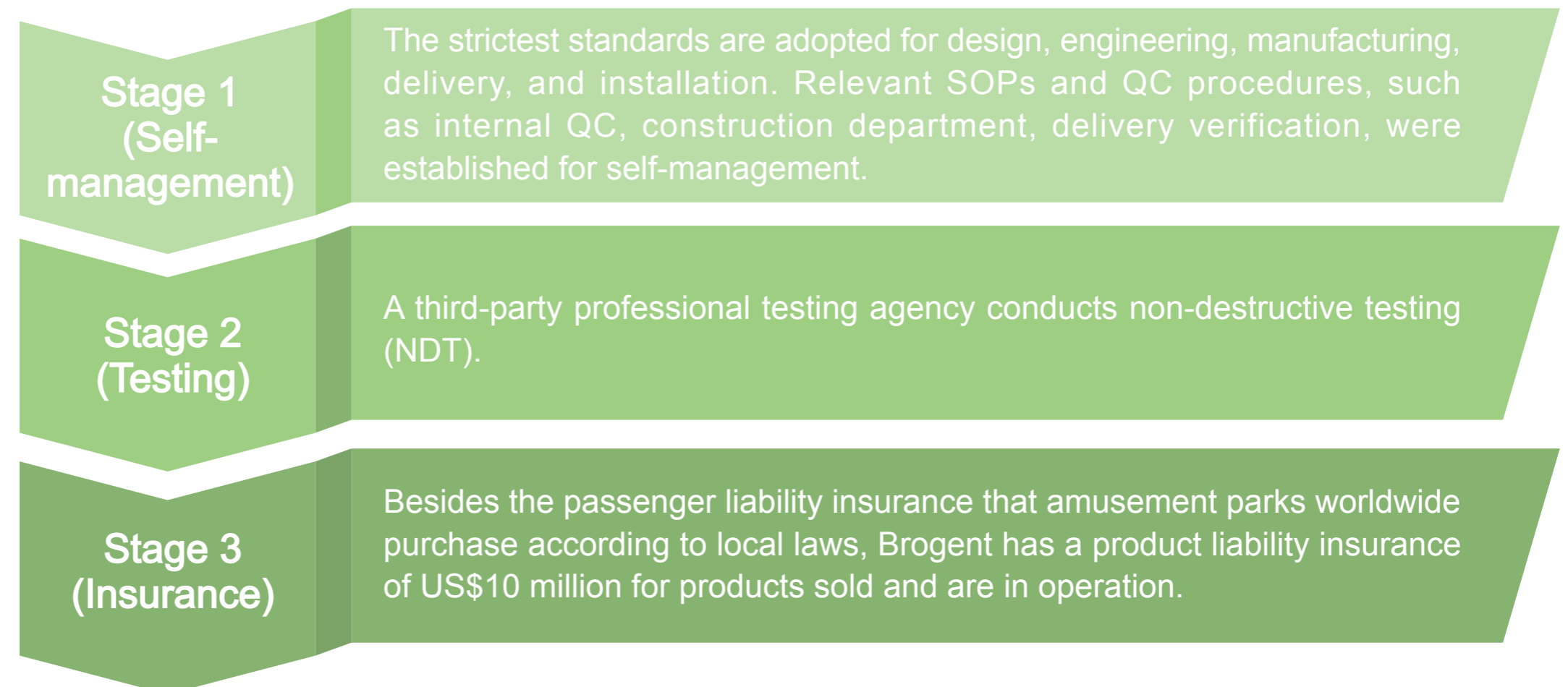
assessment, and understand the impact by analysis of the possibility of risk events and the degree of negative impact once they occur, as a reference for

subsequent formulation of risk control priorities and response measures reference basis, and establishes adaptive strategies early on to minimize their impact

on the Company's sustainable management.

## Product Liability Risk

The Risk Evaluation Guidelines revealed that the greatest potential risk of Brogent's operation is amusement ride accidents. In response to this risk, Brogent established the following risk control strategy:



## Risk Category and Management Strategy in 2020

Risk Category	Risk Description	Control Measures	Management Effectiveness
Pandemic Risk	<ul style="list-style-type: none"> <li>• Pandemic could impact business continuity and employees' health.</li> <li>• Lack of accessibility of pandemic prevention equipment and material.</li> </ul>	<ul style="list-style-type: none"> <li>• Make the "covid-19 prevention measures".</li> <li>• Initiate "Epidemic Prevention Fall Winter Project" to keep social distance.</li> <li>• Provide epidemic prevention allowance for international business trip.</li> <li>• Set the early alert mechanism and report mechanism for those who are in the period of home quarantine.</li> <li>• Enhance personal hygiene promotion and environmental disinfection.</li> <li>• Build up the relationship with epidemic prevention supplier and ensure the basic inventory.</li> </ul>	<ul style="list-style-type: none"> <li>• No one is confirmed case, and ensure business continuity.</li> </ul>
Financial Risks	<ul style="list-style-type: none"> <li>• Investment and Exchange Rate Risks.</li> <li>• Fund Raising Risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term monitoring and evaluation of the international situation and investment market.</li> <li>• Raise and issue corporate bonds.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement investment and exchange rate risks management and control, and conduct investment evaluation and exchange rate hedging under appropriate risk regulations, without causing adverse financial impacts.</li> <li>• Complete the raising of corporate bonds and timely improve the financial structure.</li> </ul>
Environmental Risk	<ul style="list-style-type: none"> <li>• Damage to buildings and materials due to extreme weather.</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a notification mechanism for major events.</li> <li>• Evaluate the environmental risk issues and severity of impact of typhoons and rainstorms caused by extreme weather (increase water damage insurance).</li> <li>• Carry out gutter dredging before typhoon season.</li> </ul>	<ul style="list-style-type: none"> <li>• No environmental disaster occurred.</li> </ul>



## Risk Category and Management Strategy in 2020

Risk Category	Risk Description	Control Measures	Management Effectiveness
Risk of Supply Chain	<ul style="list-style-type: none"> <li>The quality and lead time of supplying materials, risk of pricing change.</li> <li>Possibility of material disruption due to COVID-19 outbreak.</li> </ul>	<ul style="list-style-type: none"> <li>Bring in new business sources to avoid material breakage or shortage of supply from a single source to ensure stable equipment and material procurement.</li> <li>Understand the market environment with suppliers regularly, maintain good relationship with suppliers and grasp the trend of the market.</li> <li>Proactive contact with suppliers to understand the supply situation, timely consideration of forecast demand and advance preparation of materials.</li> </ul>	<ul style="list-style-type: none"> <li>Key components are assembled and manufactured by the newly established manufacturing center to share the risk and improve control.</li> <li>In response to the epidemic, some foreign imported parts may be out of stock for export to Taiwan due to the priority of supply to the local market. Strategic stocking to avoid breakage and price increase.</li> <li>No material breakage.</li> </ul>
Information Security Risk	<ul style="list-style-type: none"> <li>Ransomware invasion.</li> </ul>	<ul style="list-style-type: none"> <li>Real-time monitoring of abnormal behavior.</li> <li>Regularly conduct information security advocacy and implement information security drills to employees.</li> </ul>	<ul style="list-style-type: none"> <li>No information security incidents occurred.</li> </ul>
Internal Control Risk	<ul style="list-style-type: none"> <li>Without identifying the major risk projects that affect the company's sustainable.</li> <li>Failure of internal control system.</li> </ul>	<ul style="list-style-type: none"> <li>The management review its new business, major changes in current business, and reliance on foreign regions and the potential impact of new technologies regularly.</li> <li>Identify the significance of the issue and report to the management and the board of directors.</li> <li>Relevant laws and regulations follow, evaluated regularly and establish a mechanism.</li> <li>Review the company's internal control system regularly.</li> </ul>	<ul style="list-style-type: none"> <li>There is no major risk project beyond Brogent identification and control, which will affect the sustainable development of the company.</li> <li>There are no major abnormalities in the audit results of the internal control system.</li> </ul>

## Risk Category and Management Strategy in 2020

Risk Category	Risk Description	Control Measures	Management Effectiveness
Risk of Legal Compliance	<ul style="list-style-type: none"> <li>Company business operation is not in compliance with the law.</li> <li>Legal Risk generated from signing legal documents.</li> </ul>	<ul style="list-style-type: none"> <li>Risk of signing legal documents are minimized through contract review procedure.</li> <li>Update new information on laws and regulations regularly. Legal department is in charge of supervising all departments to comply with the law under “Regulations on Compliance with Laws and Regulations”.</li> <li>Provide regular courses related to law and order to enhance employees' legal awareness and knowledge.</li> </ul>	<ul style="list-style-type: none"> <li>Offer 3 sessions of “Code of Conduct and Importance of Information Security” courses to enhance employees' legal knowledge on anti-corruption and integrity.</li> </ul>
Risk of the Innovation Technology	<ul style="list-style-type: none"> <li>The bottleneck of innovative technology cannot be broken through.</li> <li>Protect the company's products and prevent products from infringing on the intellectual property rights.</li> <li>Innovative technology R&amp;D results cannot be commercialized.</li> </ul>	<ul style="list-style-type: none"> <li>Introduce the product data management system (PDM), and build a collaboration platform. Improve the integration of new and innovative technologies applications.</li> <li>Externally recruit professional talents from all over the world and develop industry-university cooperation technology, and cultivate diversified learning talents internally.</li> <li>Carry out patent applications to enhance the protection of intellectual property rights in the R&amp;D process.</li> <li>Test results of R&amp;D, and perform market verification, and obtain consumer feedback.</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D of 8k 3D LED Demo screen.</li> <li>The PDM system has been introduced completed.</li> <li>Digitalization of electronic control system has been introduced completed.</li> <li>Nine patent applications have been completed.</li> <li>Innovative technology continues to maintain a leading position in the somatosensory technology industry.</li> <li>No violation of intellectual property rights.</li> </ul>
Risk of Product Manufacturing	<ul style="list-style-type: none"> <li>Unable to fulfill the customer requirement of product quality, safety, cost and schedule.</li> </ul>	<ul style="list-style-type: none"> <li>Integration of product development, design, and manufacturing to improve production efficiency.</li> <li>Develop small immersive simulation devices to meet different markets and customer needs.</li> <li>Understand the related regulation and standards of small immersive simulation devices and built them in FECs, shopping malls, and indoor and outdoor amusement parks.</li> </ul>	<ul style="list-style-type: none"> <li>Brogent consolidated BROGENT MECHANICAL INC. as the manufacturing Center to improve efficiency of production and manufacturing.</li> <li>The small immersive simulation racing platforms have been sold to the Vietnam market.</li> <li>When planning to produce small immersive simulation devices, its material license is verified for electromagnetic compatibility test (EMC).</li> </ul>

## Risk Category and Management Strategy in 2020

Risk Category	Risk Description	Control Measures	Management Effectiveness
Equipment Malfunction Risk	<ul style="list-style-type: none"> <li>Motion equipment unexpected malfunction.</li> </ul>	<ul style="list-style-type: none"> <li>Perform idling test with the ride before the show.</li> <li>Arrange safety inspection and equipment maintenance regularly.</li> <li>Scheduled internal education training in Taipei and Kaohsiung.</li> </ul>	<ul style="list-style-type: none"> <li>There is no severe malfunction which causing passengers unable to leave the equipment so far.</li> </ul>

## Climate Risk Governance and Strategy

In light of potential financial risks to business operations due to climate change, disclosing information related to climate change has become relevant in sustainability information

disclosure. Following the Task Force on Climate-related Financial Disclosures (TCFD) published by the Financial Stability Board (FSB) and Taiwan Stock Exchange Corporation

Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports, Brogent has identified risks and opportunities related to climate change and included them in

its overall risk management framework. Based on the results, said risks and opportunities subsequently serve as items in our sustainable development strategies.

Governance/ Strategy	<ul style="list-style-type: none"> <li>Evaluate potential financial risks to the Company's operation based on risks and opportunities related to climate change.</li> <li>Set the time needed to achieve short-term goals as less than three years, medium-term goals as between three and five years, long-term goals as more than five years on the basis of the existing internal goal management schedule. Continue to identify and evaluate potential risks and opportunities related to climate change.</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>Use the TCFD framework to identify risks and opportunities related to climate change. Each department should re-examine the results of identifying risks and opportunities related to climate change annually, while reporting the results to the Board of Directors for them to discuss and determine countermeasures after the results are verified by senior management (Chairman).</li> <li>Continuously improve the company's system and conduct self-examinations to strengthen employees' awareness and management of climate change risks.</li> </ul>

## A. Risks Related to Climate Change

Type	Risk Factor for Climate Change	Potential Financial Impact	Countermeasures
Transition Risks	Costs of greenhouse gas emissions	An increase in operating costs	<ul style="list-style-type: none"> <li>• Continue to promote specific actions, such as saving energy and reducing carbon footprint at the office.</li> <li>• Replace old and broken facilities; prioritize the use of products with an energy efficiency label.</li> <li>• Electric or hybrid cars should be chosen for newly rented company vehicles.</li> <li>• We use ERP and an electronic signature system to handle routine business and reduce the consumption of paper documents.</li> </ul>
	Existing and emerging energy regulations	An increase in operating costs	<ul style="list-style-type: none"> <li>• Each department should continue to pay attention to and track changes in relevant laws and regulations so as to prevent non-compliance with laws and regulations.</li> </ul>
	An increase in raw material costs	An increase in operating costs	<ul style="list-style-type: none"> <li>• Reduce product damage during the R&amp;D or manufacturing process.</li> </ul>
Physical Risks	Climate-related disasters caused by extreme weather	An increase in operating costs	<ul style="list-style-type: none"> <li>• Purchase water damage insurance.</li> </ul>
	Unable to complete work on time due to extreme weather	An increase in operating costs	<ul style="list-style-type: none"> <li>• Establish a mechanism for reporting major events and coordinate with all departments.</li> <li>• Keep the time needed to complete work flexible during contract negotiation.</li> </ul>
	Delay in delivery due to climate-related disasters	An increase in operating costs	<ul style="list-style-type: none"> <li>• Build a database on alternative materials.</li> <li>• Create sources of supply (e.g., second and third suppliers).</li> </ul>

## B. Opportunities Related to Climate Change

Type	Risk Factor for Climate Change	Potential Financial Impact	Countermeasures
Resource Efficiency	High-performance buildings and factories	A decrease in operating costs	<ul style="list-style-type: none"> <li>Plan to obtain the green building label for the third and fourth phases of buildings in more than four categories.</li> </ul>
	Cut down on water use	A decrease in operating costs	<ul style="list-style-type: none"> <li>A rainwater harvesting storage system has been established. Rainwater harvested is used to water plants in daily life.</li> <li>Faucets, urinals, and toilets with water saving labels are adopted to reduce the waste of water resources.</li> </ul>
Energy Resources	Policy on regional energy integration	An increase in revenue	<ul style="list-style-type: none"> <li>Install solar panels on the rooftop to generate power by making use of long sunshine hours and high solar irradiance in southern Taiwan, while selling said power to Taiwan Power Company.</li> <li>Evaluate the feasibility of installing solar panels on the roofs of the Taoyuan plant and the third and fourth phases of the Kaohsiung Software Park, with a view to increasing green energy contributions.</li> </ul>
Products and Services	Develop low-carbon products	An increase in revenue due to more competitive products	<ul style="list-style-type: none"> <li>Local vendors will be given top priority as suppliers for product components.</li> <li>Adopt lighter equipment enclosures to reduce shipping costs.</li> <li>Approaches adopted for the design of product appearance include sustainable design, subtractive design, design with eco-friendly materials, design aiming to enhance efficiency, and design aiming to reduce energy consumption.</li> <li>Energy-intensive design related to oil pressure should be used less, whereas electrical actuation system should be adopted. Use high efficiency and low energy consumption components.</li> </ul>

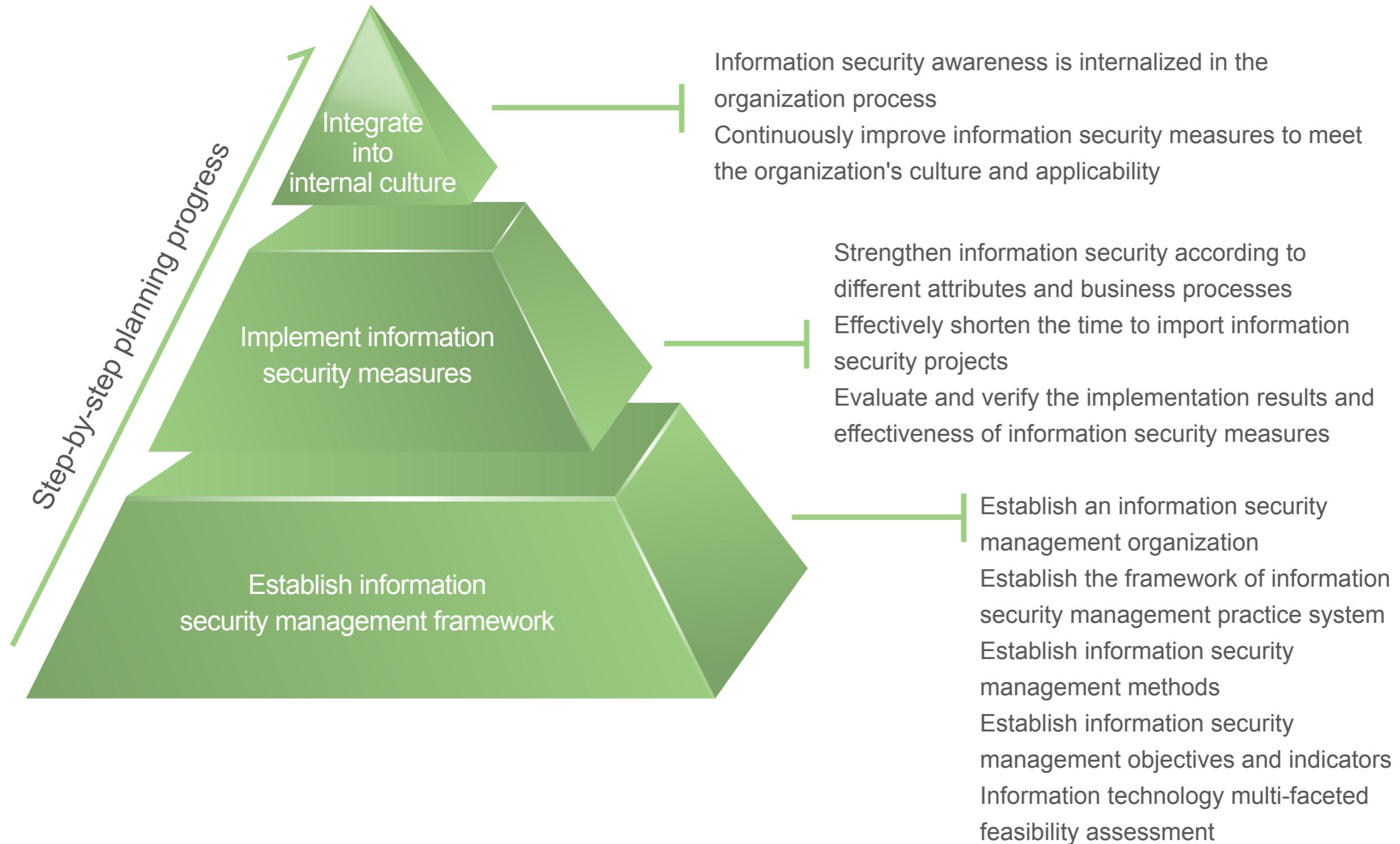
## B. Opportunities Related to Climate Change

Type	Risk Factor for Climate Change	Potential Financial Impact	Countermeasures
Products and Services	Develop energy efficient products	An increase in revenue due to more competitive products	<ul style="list-style-type: none"> <li>• Configure the mainframe based on computation results and use it with lower wattage power supply.</li> <li>• Conduct research on “power system analysis”.</li> <li>• Lightweight, downsizing design for platforms to reduce their energy consumption and thus reducing power consumption of the actuation system.</li> </ul>
	R&D and innovation	Increase business competitiveness and value of industry chain	<ul style="list-style-type: none"> <li>• Collaborated with the Industrial Technology Research Institute at Taiwan Innotech Expo 2019 and Mobile World Congress 2019 to display the integration of e-sports and edge computing; energy consumption of data transmission was reduced when using edge computing.</li> <li>• Implement the forward-looking project: Immersive simulation Technology Base: Immersive simulation Park.</li> <li>• With patent R&amp;D and innovation, Brogent’s immersive simulation equipment can serve multiple purposes. When used with different themes/contents, such as roller coaster, flying, and diving, they can create diverse experiences.</li> <li>• Implement the Taiwan Industry Innovation Platform Program (Innovation Optimization Program): Immersive 8K 3D LED Dome Screen Theater.</li> <li>• Actively develop miniaturized multiple-seater platforms to meet market demand.</li> </ul>
	Changes in customer preferences: From outdoor to indoor amusement parks	An increase in revenue	<ul style="list-style-type: none"> <li>• Develop four types of indoor experience facilities.</li> <li>• Actively participate in amusement park facilities shows, such as IAAPA Expo (the U.S., Europe, and Asia), and promote Brogent’s most recently developed immersive simulation equipment.</li> <li>• When developing product design criteria, clients' indoor space should be taken into consideration to meet actual needs.</li> <li>• In addition to high-end (i-Ride) and mid-end (m-Ride) flying theaters, Brogent continues to design and develop small products, such as the mi-Ride immersive simulation platform, to satisfy clients' needs by providing them with diverse products.</li> </ul>

## » 4.1.3 Information Security Management

### Information Security Strategies

Brogent continues to improve information security management and reinforce information protection abilities to ensure that data, such as confidential information of the company, business secrets, and personal information, are properly protected. Brogent complies with all regulations relating to the Personal Data Protection Act. In addition, all information operations comply with international information security standards and relevant information security regulations in Taiwan and abroad.



Major Issue	Information Security and Customer Privacy
Material Topic	Information Security* Customer Privacy (GRI 418-1)
Policy/Commitment	<ul style="list-style-type: none"> <li>• Protect company and its stakeholders' information and data security.</li> <li>• Establish the company's uninterrupted information operation capability.</li> <li>• Reduce the risk of company information security and customer privacy leakage.</li> </ul>
Goals and Objectives (Short-Term)	<ul style="list-style-type: none"> <li>• Comply with regulations and reduce the legal risks associated with the company signing legal documents (such as contracts).</li> <li>• Continue to enhance employees' information security awareness and construct real-time monitoring mechanisms for various systems.</li> <li>• Maintain that no customer complaints have infringed on customer privacy or been related to leaked confidential incidents.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>• Establish an information security committee to increase the attention to important issues of information security and implement continuous improvement measures.</li> <li>• Reduce risk through contract review mechanisms.</li> <li>• Provide regular courses related to laws and regulations to enhance employees' legal awareness and knowledge.</li> <li>• The company first confirms the content of the contract and the scope of disclosure with legal team before marketing and promoting the client project.</li> </ul>
Goals in 2020 Achievements (Short-Term)	<ul style="list-style-type: none"> <li>• Sample more than half of employees for phishing email drills.</li> <li>• Perform system disaster recovery exercises every quarter (times/quarters).</li> <li>• Offer 3 courses on "Information Security Advocacy and Code of Conduct".</li> <li>• Provide advice on legal review before disclosure of client information.</li> </ul>
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>• Cloud-based system information security related mechanisms.</li> <li>• The endpoint defense against malicious software and data leakage.</li> <li>• Establish business and marketing teams that protect customer privacy awareness.</li> </ul>



Major Issue	Information Security and Customer Privacy
Material Topic	Information Security* Customer Privacy (GRI 418-1)
Responsibilities	<ul style="list-style-type: none"> <li>Established information security committee as a dedicated organization with general manager as the chairman.</li> <li>Reduce known risks and continue to strengthen information-related security capabilities.</li> <li>Ensure that the company collects, processes and uses personal data in accordance with the law, and protects customer privacy.</li> </ul>
Resources Investment	<ul style="list-style-type: none"> <li>Information security related software, hardware and other resources prepare annual budget execution.</li> <li>Open internal education and training courses.</li> </ul>
Claim Procedures	<ul style="list-style-type: none"> <li>Through the company's official website mailbox (<a href="https://www.brogent.com/zh-tw/contact-us.html">https://www.brogent.com/zh-tw/contact-us.html</a>) report and appeal.</li> </ul>
Specification Actions	<ul style="list-style-type: none"> <li>Conduct information security drills from time to time.</li> <li>Provide regular education and training courses on information security, personal data, and customer privacy protection.</li> <li>Regularly review whether the company's collection, processing, and use of personal and customer information complies with laws and regulations.</li> </ul>
Evaluation Procedures	<ul style="list-style-type: none"> <li>Network behavior and system exercise result report.</li> <li>Cooperate with internal audit to control risks.</li> </ul>
Evaluation Follow-Up	<ul style="list-style-type: none"> <li>Provide feedback on the incident and related issues with the Chairman of the Information Security Committee.</li> <li>No information security incidents lead to leakage of customer information.</li> <li>No customer complaints relating to violations of customer privacy or confidentiality.</li> </ul>

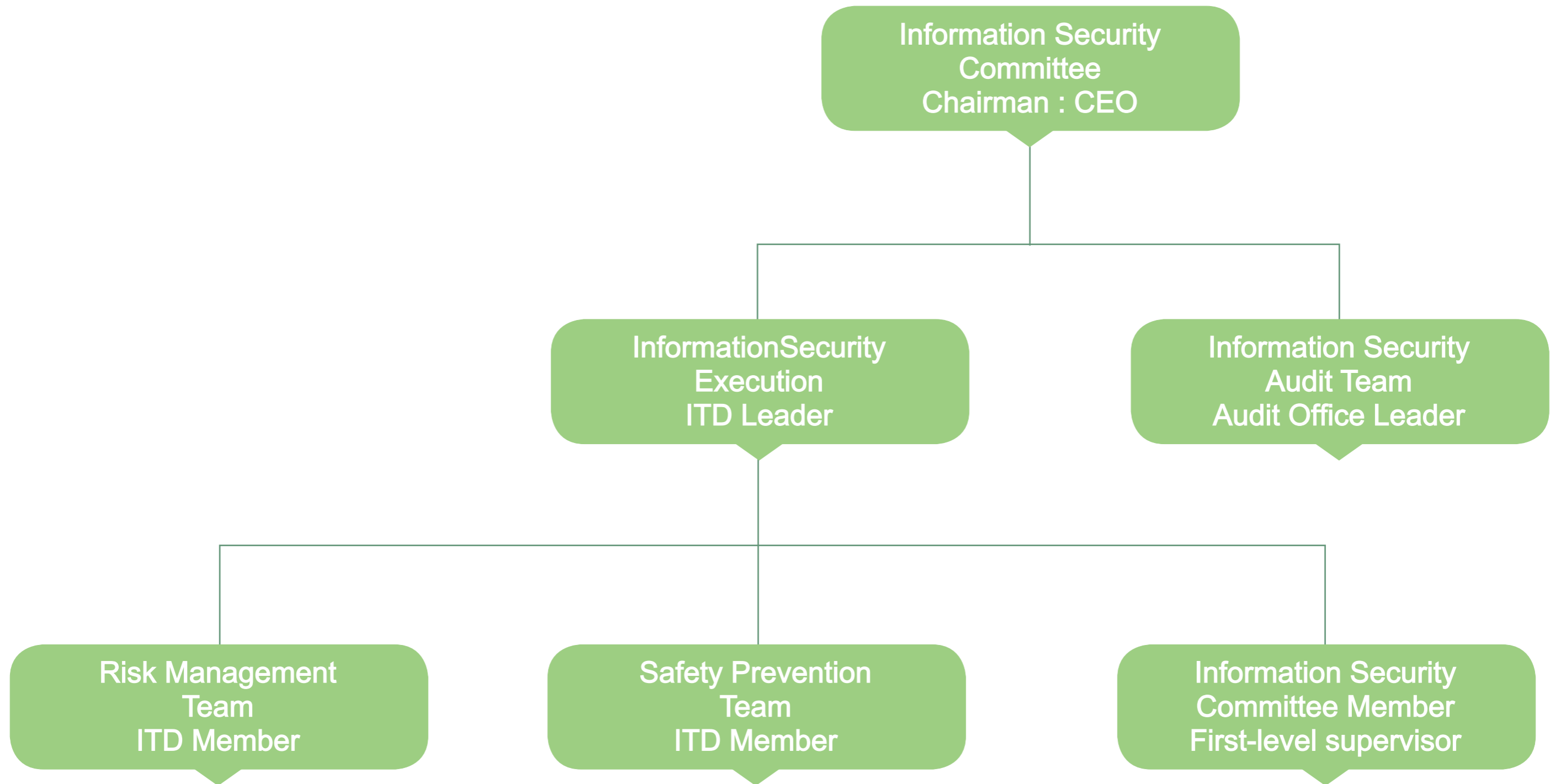
## Information Security Management Structure

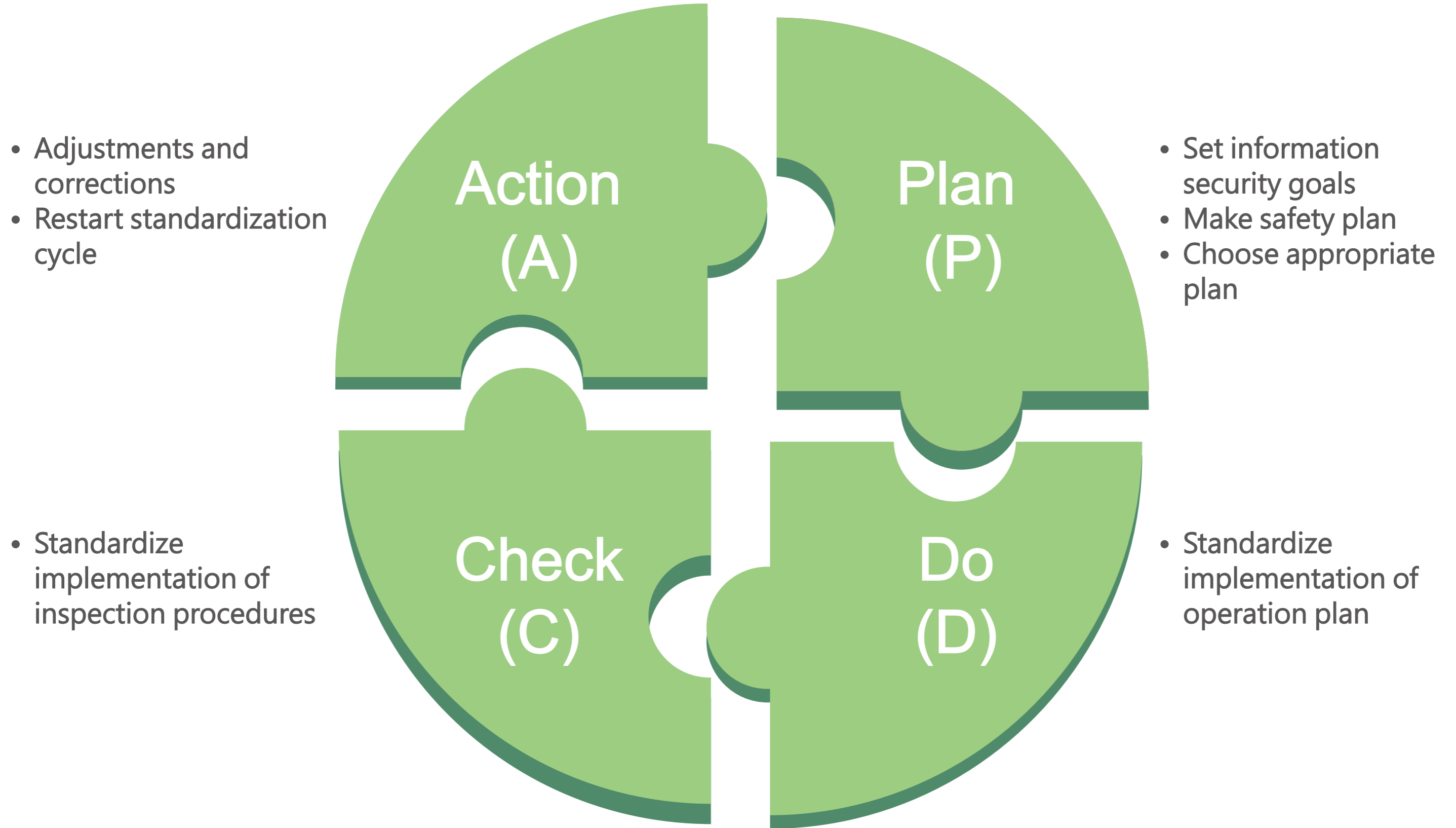
In the fourth quarter of 2020, the Information Security Committee was established. It will meet once a year and the general manager will serve as the chairman in

order to minimize information security risks and impacts while improving the Company's ability to continue its operations. The Information Security Committee

convenes once a year and the President shall serve as the chair of the Committee. Referencing the spirit of ISO 27001 information security management standards,

Brogent adopted the PDCA management method to ensure the achievement and continual improvement of information security management goals.





## Concrete Measures Regarding Information Security

Brogent adopted the incremental strategy for information security and endeavors to make management policies and guidelines consistent with the implementation of information security. In addition, continual

improvements of information security measures and training methods are implemented to increase the frequency of unusual incident reports and enable the incorporation of information security measures and concepts

into the organizational culture. In terms of information security measures, in 2020, Brogent added network abnormal behavior monitoring software, host-based firewalls, and daily activity reports to understand abnormal

conditions. Furthermore, the company strengthened staff information security education and training and implemented a phishing incident information security drill.



## Information Security

Investment	Emergency Drill	Information Security Incident
<ul style="list-style-type: none"> <li>An average investment of more than 2 million per year including the introduction and optimization of information equipment or systems, education and training of information personnel, etc., to enhance the company's overall protection capabilities and information security capabilities.</li> </ul>	<ul style="list-style-type: none"> <li>Information security exercises (fishing letters) were implemented in 2020 the overall information security status of the risk level is medium.</li> <li>Among high-risk security issues, the department supervisor will assist in key counseling to reduce the recurrence rate; and continue to conduct education, training, and information security drills for all personnel to increase alertness.</li> </ul>	<ul style="list-style-type: none"> <li>No related information security incidents occurred in 2020.</li> </ul>

### Personal Data Protection

Brogent has established a process for signing the “Personal Data Security Form”. All employees who may have access to personal data are required to sign the “Personal Data Security Form” and the use the personal data shall be in compliance with relevant laws and regulations.

Paper copies containing personal data collected by the Company are kept by dedicated staff; electronic information is stored on a separate server.

The Legal Department will form a personal data protection management team in 2021 and the Legal Department will be

responsible for coordinating and supervising the personal data protection management team to improve the procedure of collection, use and storage of personal data. Introduction of “Personal Data Protect Act” and Company's personal data protection policy will be included

in the 2021 Code of Conduct training sessions, so that employees can understand and comply with relevant laws and regulations. There is no personal information leakage incident happened in 2020.

### Customer Privacy

Brogent is committed to protecting the privacy and confidential information of our customers. We provide internal training courses to enhance employees' awareness of protecting our customers' privacy

and confidential information. Legal department will confirm the contents of the contract before marketing and announcing information of each project. Legal review and advice will be provided to the marketing team to

make sure that the disclosure of customer information is agreed or allowed by customer. If customer considers that their privacy or confidential information has been leaked, they can file a complaint or report it through Company's

website (<http://www.brogent.com/zh-tw/contact-us.html>). No complaints about breach of privacy or leakage of confidential information are received in 2020.

## 4.2 Supply Chain Management

Brogent's simulator rides are developed via the synchronized integration of multiple systems and high-end technologies. To manufacture stable and safe products, mechanical manufacturing, electrical control, audiovisual system, and safety

certification system in the upstream industry chain must be integrated to successfully create various new-generation entertainment facilities with the latest form of media.

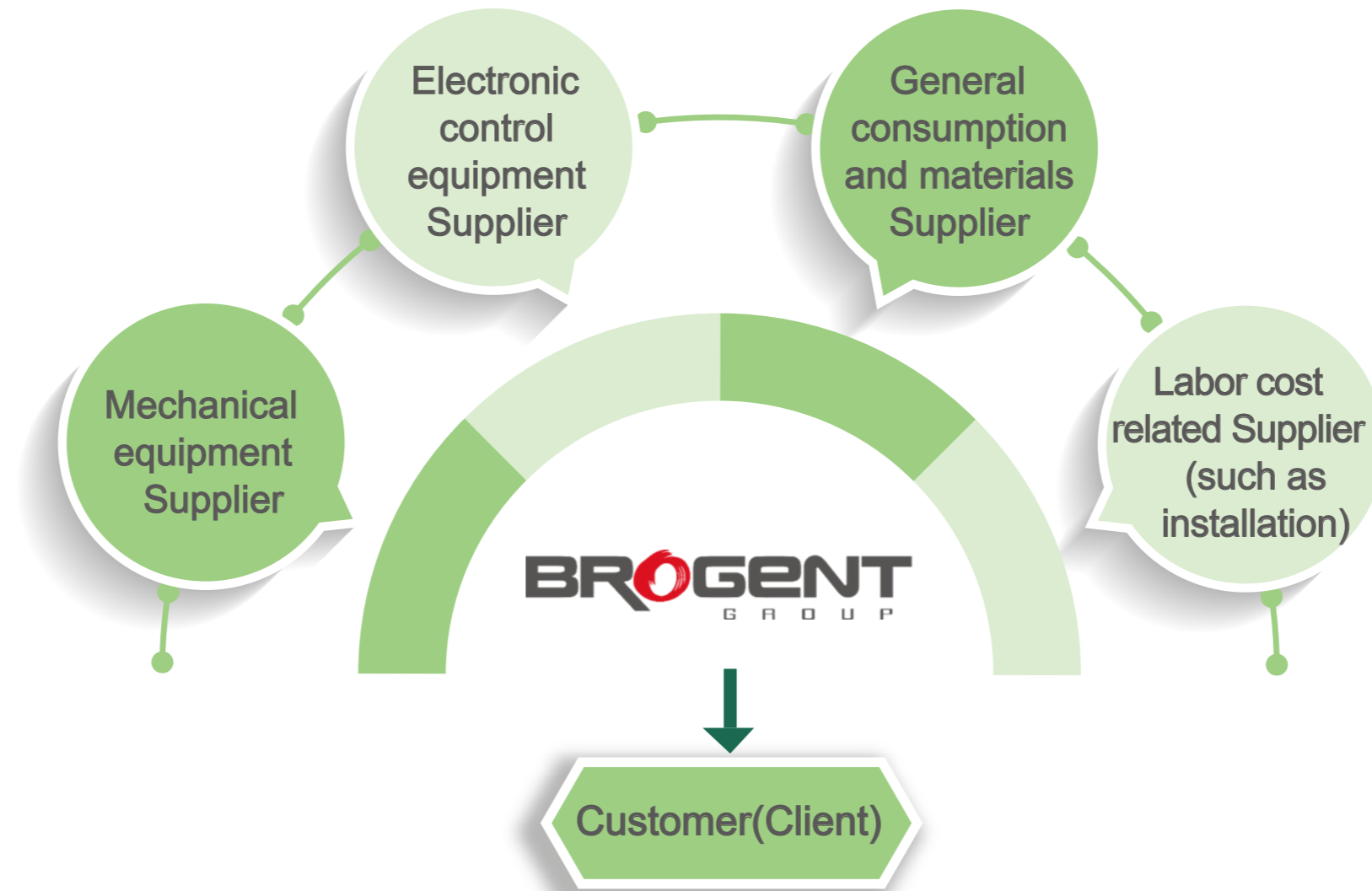
Brogent has established complete supply chain

management regulations and measures, including supplier management principles, new supplier review system, and supplier risk classification, and supplier management (including evaluation and consultation). In addition, Brogent focuses

on issues of quality and safety, endeavoring to optimize the supplier cooperation models, guide suppliers to grow together, work together to improve immersive simulation technology, and fulfill CSR to achieve sustainable operations.



## Playful and Physical Equipment Industry Chain



### Major Changes in the Supply Chain

Brogent rose in Taiwan and takes initiatives in supporting high-quality and reliable local suppliers. By actively collaborating with local Taiwanese suppliers, Brogent hopes to promote industrial development concerning immersive simulation technology and economic growth.

In 2020, the proportion of local procurement in Taiwan is 83.7%. However, in the procurement of steel structure and audio-visual equipment, the priority of procurement in Taiwan is adjusted to local procurement flexibly outside of Taiwan due to factors such as customer's local regulations, transportation costs and quick maintenance services. The major supply chain changes are as follows.

- For some projects, new suppliers from US and Hong Kong have been added in response to meet local regulations. This change will also reduce transportation emissions and further improve environmental friendliness.
- Considering overseas quick maintenance service for audio-visual system, we add Japanese supplier to shorten maintenance time and improve customer satisfaction.

## »» 4.2.1 Supplier Management Principles

Brogent chooses qualified suppliers and sets Quality, Schedule, and Cost as the three primary factors of the management principles to ensure a steady supply of materials and high-quality engineering.

Starting from 2020, Brogent add a new green energy and environmental certification or label field in the survey form as one of the evaluation items for new suppliers to evaluate sustainability items. Preference

will be given to suppliers who have a label. For suppliers who can provide the same services, priority is given to those who are located closer to the supplier for procurement, thus reducing the distance between personnel

and air pollution caused by transportation of goods. In order to jointly pursue sustainable business operation and growth, we create a win-win sustainable supply chain.

## Specific Measures for Supplier Management in 2020

- In order to enhance the safety and health awareness of suppliers, we must sign a consent form for the implementation of safety and health management by the contractor at the same time when signing the procurement contract.
- Continuously require suppliers to comply with and sign an integrity pledge.
- We continue to promote supplier appraisal, through appraisal, we understand that suppliers how to take environmental protection seriously (electricity, water, waste reduction, etc.).
- Keep local procurement >80%.
- Key suppliers are evaluated during site visits to understand environmental safety and whether they have relevant certifications.

## »» 4.2.2 Supplier Cooperation Regulations

Brogent's new supplier evaluation takes into account the capital, operation situation, production capacity, and actual performance for preliminary reviews. The results of the preliminary review determine whether an on-site inspection is necessary. When working with a new supplier,

purchase contracts or orders are made depending on the case, while the supplier is required to hire legal workers and provide adequate insurance to all employees to ensure their basic labor rights. Through reviewing purchase contracts, Brogent prevents cases of child labor,

discrimination, or forced labor in the purchase activities to ensure the basic human rights of all workers.

In terms of existing suppliers, Brogent conducts annual supplier evaluations with human rights issues specified in the Labor Standards Act as

key evaluation items to review whether a supplier has fulfilled relevant responsibilities stated in a contract. In the case of any violation against the purchase contract, the supplier has to take all legal liabilities and Brogent will suspend all payments until the situation is improved.



### »» 4.2.3 Supplier Risk Management

Brogent divides suppliers into those providing general materials and those taking outsourced projects. By 2020, Brogent worked with a total of 835 suppliers. According to the risk analysis of the purchase management procedure, as

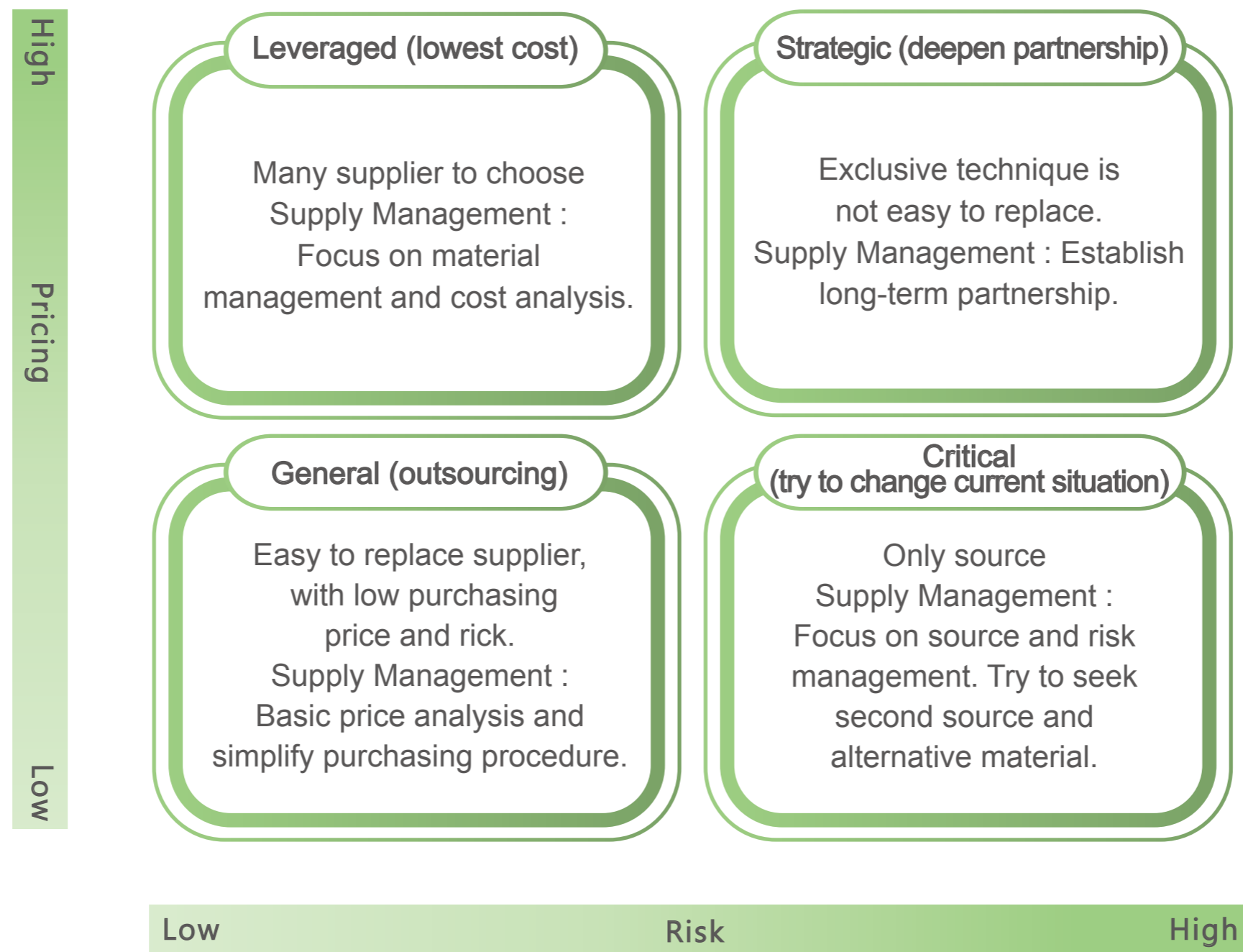
well as purchase risks and purchase prices identified in the management procedure, Brogent classifies suppliers into four risk quadrants and applies different management methods accordingly.

Some huge equipment is

designed and manufactured for a long time with only a few sources, some are single original manufacturers. In addition to developing new business sources, we also develop our own purchase of materials and market purchases, manufacturing

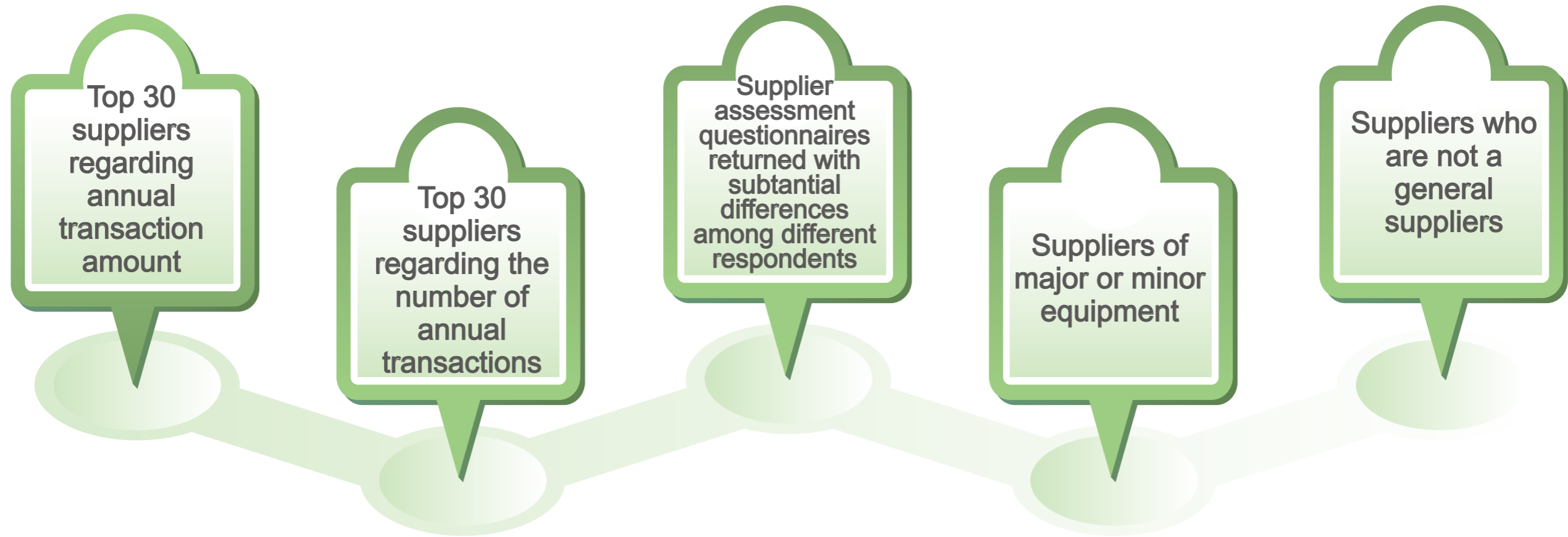
of parts, and finally assembly by the manufacturing center itself. From full outsourcing in the past to in-house assembly and production of key equipment, we can improve our mastery and increase our bargaining power with suppliers.

#### Four Quadrants of Suppliers

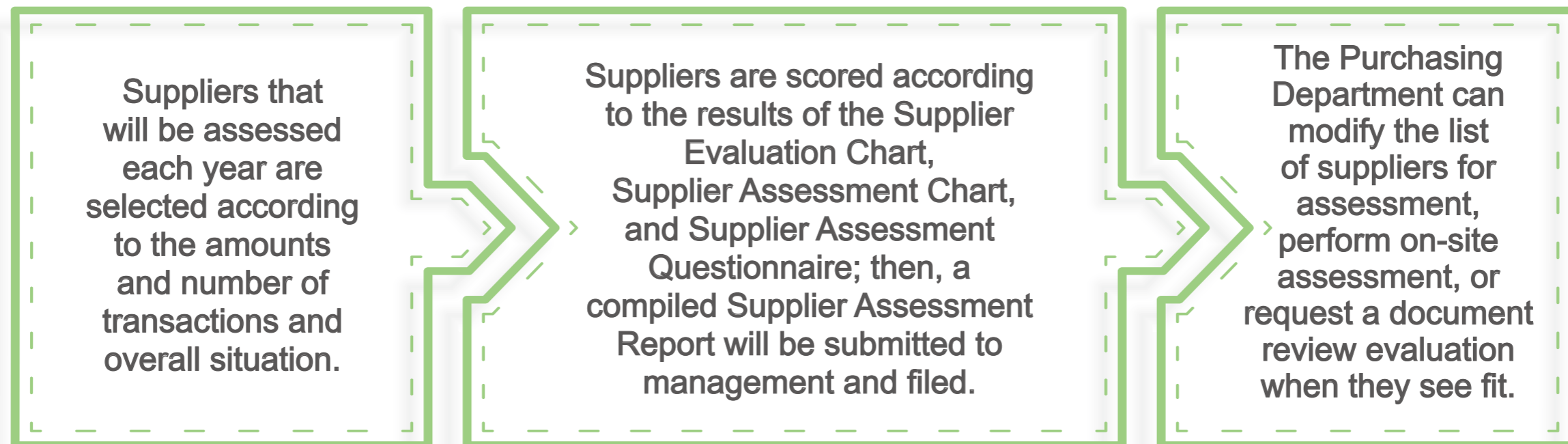


## » 4.2.4 Supplier Evaluation

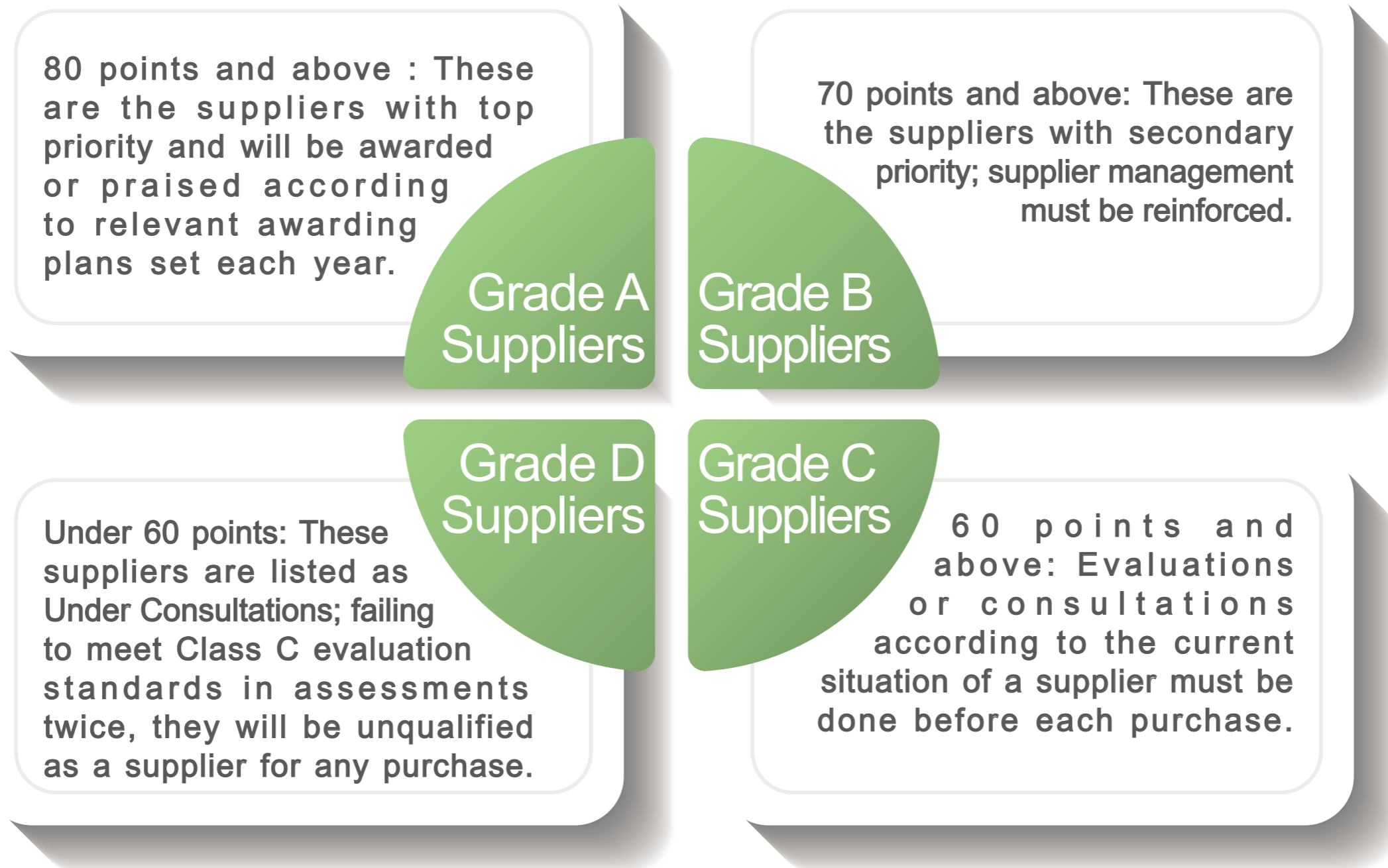
### Supplier Evaluation and Screening Principles



### Supplier Evaluation Process



## Supplier Assessment Level



## 2020 Supplier Evaluation Results

There are two types of vendor evaluation: electronic questionnaire and annual evaluation, and electronic questionnaire is conducted on weekdays for a sample

of cases after inspection. Selection of annual evaluation vendors based on questionnaire information and transaction status (transaction amount and special key suppliers).

The actual implementation of supplier evaluation is 5 in 2020, the average score falls in 79 ~ 82, including 4 A grade and 1 B grade. The B grade is because there was a delivery problem,

and the company was asked to propose improvement measures for this part of the evaluation in order to improve to A grade in the future.

## 4.3 Environmental Protection Responsibility

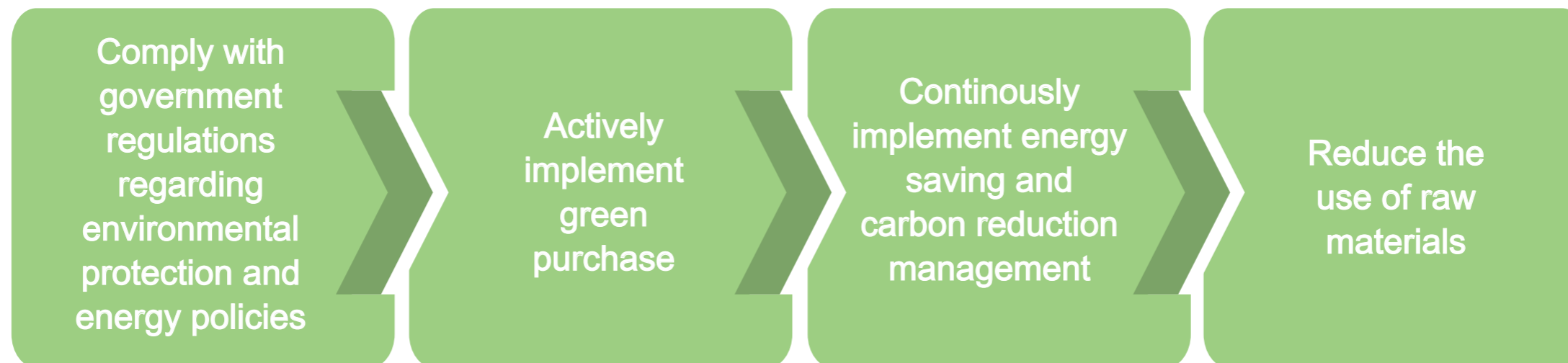
### » 4.3.1 Environmental Commitment

Based on climate change and the impact that humans have had on earth, the company should implement corporate green responsibilities and pay attention to the rights and interests of

all stakeholders. Further, the company should incorporate a corporate sustainable management strategy into corporate management and operational behavior.

Brogent's mission is “to inspire moments of joy through creativity” and aspires to be the global leader in the immersive simulation equipment industry. Based on this corporate culture, Brogent

strives to “maximize long-term shareholder value” and to fulfill its “corporate social responsibility”.

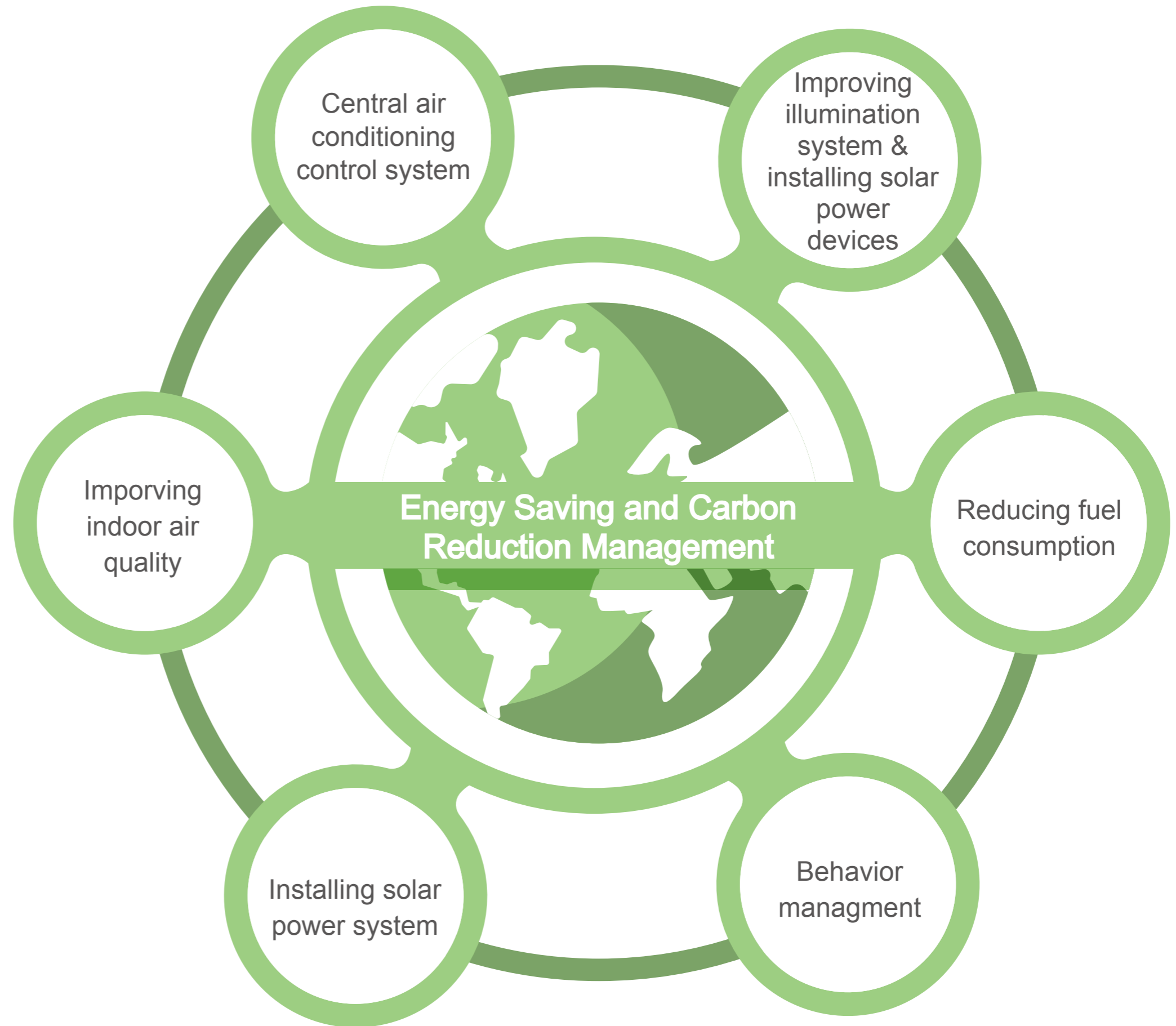


## Environmental Management Strategies

Implement Energy Management	Implement Water Resource Management	Effective Resource Management
<p>Goal: Continual implementation of energy saving and carbon reduction management in hope of achieving 1% greenhouse gas emission reduction annually.</p>	<p>Goal: Reduce the waste of water resources.</p>	<p>Goal: Focus on increasing the reuse rate of each resource and reduce unnecessary waste to contribute to the sustainable development of the environment.</p>
<p>Measures:</p> <ul style="list-style-type: none"> <li>• Employ a centralized air conditioning control system and LED lights to effectively reduce power consumption year by year.</li> <li>• Prioritize electric or hybrid cars for company vehicles to reduce gasoline consumption.</li> <li>• Set up electric scooter battery charging areas.</li> </ul>	<p>Measures:</p> <ul style="list-style-type: none"> <li>• Adopt a rainwater harvesting system and an irrigation system in all office buildings to reclaim water resources.</li> </ul>	<p>Measures:</p> <ul style="list-style-type: none"> <li>• Implement the ERP system to achieve paperless office and effectively manage waste classification to increase the reuse rate.</li> <li>• Implement raw material use management.</li> <li>• Brogent strives to excel in waste classification management and improve the reuse rate of goods.</li> <li>• Furthermore, the company will enhance greenery inside to increase natural ventilation and improve indoor air quality.</li> </ul>

### »» 4.3.2 Energy Management

Purchased electricity and gasoline are the main energy sources in Brogent's operation process. Said energy is used in air conditioners, illumination system, and company vehicles. Energy saving measures have been adopted to reduce energy consumption and environmental impact. In response to the Kaohsiung City Environmental Protection Bureau's 2020 summer electricity saving campaign, the company was awarded a Certificate of Appreciation.



1. Central air conditioning control system: Opt for energy saving machines and employing centralized control system for temperature control.
2. Illumination system improvement: Replace all illumination facilities in the factories with LED lights, which can save more than 50% energy.
3. Reducing fuel consumption: Prioritize electric or hybrid cars for company vehicles to reduce gasoline consumption. Set up electric scooter battery charging areas.
4. Behavior management: Switch off unnecessary power supplies, such as electronic appliances and lights in office aisles.
5. Supporting the government's green energy policy by installing solar power system to contribute to the use of renewable energy.
6. Improve indoor air quality: Grow more indoor plants and increase natural ventilation.

### Greenhouse Effect Gas Emissions

Brogent's 2020 greenhouse gas emissions are 683.78 metric tons of CO<sub>2</sub>e, of which Scope 1 (direct source) emissions are 14.84 metric tons of CO<sub>2</sub>e (approximately 2.1% of the total) and Scope 2 (indirect energy emissions) emissions are 668.94 metric tons of CO<sub>2</sub>e (approximately 97.8% of the total). In addition, using annual operating revenue (in millions) as the GHG emission intensity calculation, the emission intensity in 2020 is 0.64 metric tons CO<sub>2</sub>e/ million, which is higher than that in 2019 mainly due to the decrease of approximately 50% in revenue in 2020 compared to 2019.

### Energy Saving and Carbon Reduction Project

The energy saving strategy implemented in 2020 was to prioritize the purchase of hybrid cars as company vehicles. Hybrid cars saved approximately NT\$116,795 yearly on costs; the total energy saved was 162.31GJ.

Energy Saving Plan	Type of Energy Saved	Base Year	Amount of Energy Saved	Amount of Energy Saved in Gigajoule(GJ)	Yearly Cost Savings (NT\$)
Prioritize hybrid cars as company vehicles	Gasoline (KL)	2016	4.97	162.31	116,795

Note : Gasoline cost savings, using the Ministry of Economic Affairs Bureau of Energy 2020 annual average price of \$23.5/liter for 95 unleaded gasoline.

## Installation of Renewable Energy Power Generation Equipment

In response to Taiwan's green energy policy, Brogent installed a solar power system in 2016 and has been selling the renewable energy power generated by this system to the Taiwan Power Company. In 2020, the total power generated by Brogent's solar power system was 14,936 kwh, which contributed to Taiwan's renewable energy development.

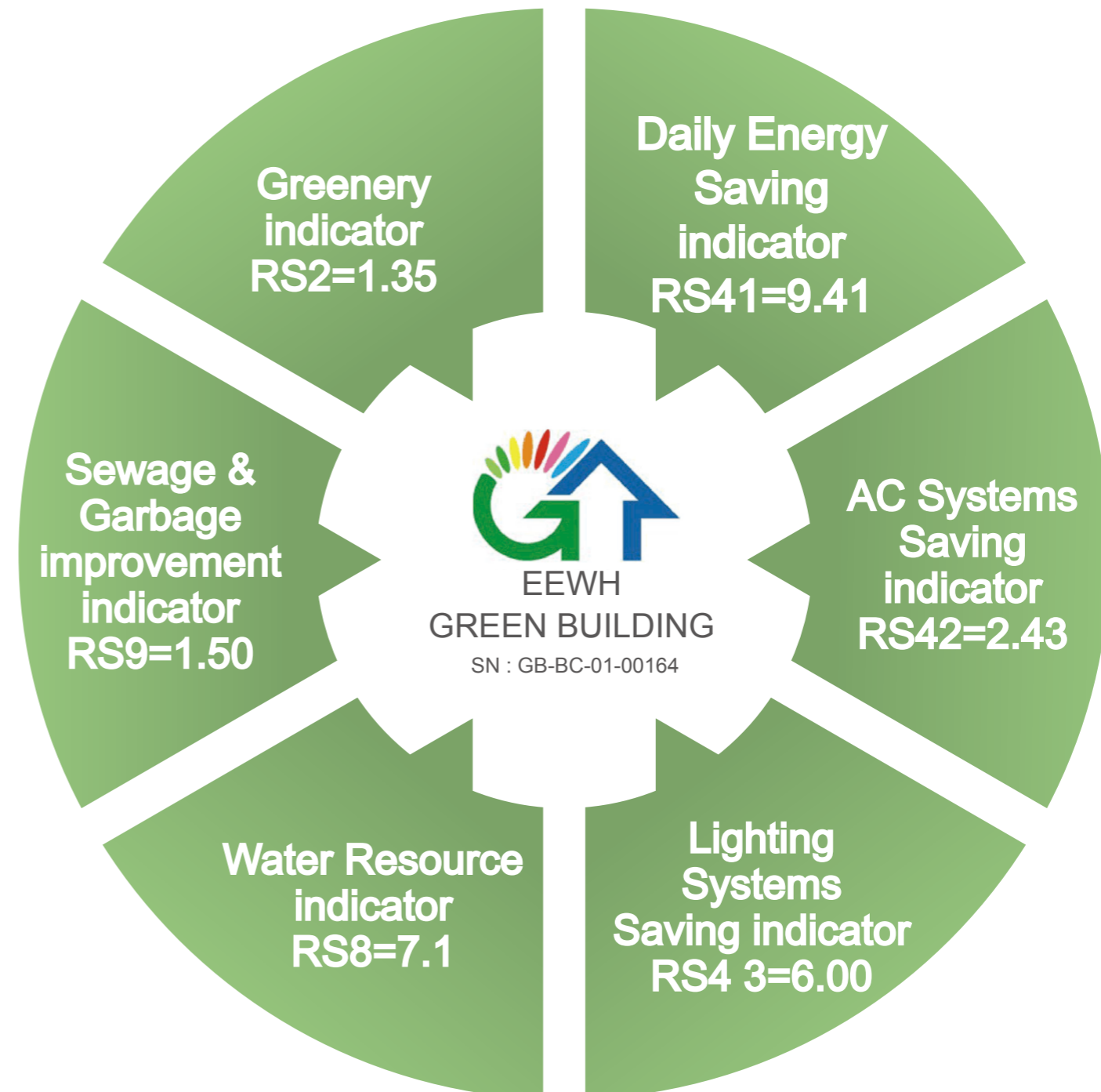


Brogent's R&D Testing and Experience Center received Green Building EEWH-BC Certification.

## Green Building Certification

Brogent's new construction of the Phase 2 R&D Testing and Experience Center (a steel structure office and large-scale building with a basement and six floors above ground) received the Green Building Label from the Ministry of the Interior on December 16, 2016.

We plan to apply for green building certification in Phase 3 building construction and expect to obtain four or more labels. The installation of a solar power generation system is also planned.







**Faucets, urinals, and toilets with Water Saving Labels** are installed in all the bathrooms in the office.

**A Rain Water Harvesting Storage System** for plant watering.

Water consumption in 2020 is **13,590** million liters.

A water intensity of **0.068** million liters per person.

### »» 4.3.3 Water Resource Management

Brogent's water use primarily consists of domestic use in office buildings, which does not have any huge impact on water sources. To improve water use efficiency, we have established relevant measures concerning water management. For example, faucets, urinals, and toilets with water saving labels are installed in all the bathrooms

in the office; a rainwater harvesting storage system is established to reclaim rainwater for plant watering. All the measures help us make proper use of water resources. Water consumption in 2020 is 13,590 million liters, with a water intensity of 0.068 (million liters per person).



Wastewater treatment: independent pipelines for rainwater



Rainwater harvesting storage system



Wastewater treatment: independent pipelines for wastewater

### »» 4.3.4 Waste Management

Brogent's business is registered as Wen Venture, which mainly deals with the export of physical simulation amusement equipment. Most of the product equipment is manufactured by third-party manufacturers and transported to the company for pre-assembly testing and then transported

to customers for installation testing and delivery acceptance, so the waste generated at the company's location (including the headquarters in Kaohsiung, the Taoyuan factory and the Taipei office) is the general business waste of the office. We have entrusted a qualified vendor to handle the general business

waste, and the waste disposal capacity is about 1.1 tons/month. In accordance with the government policy, general and recycling garbage bins are installed at each floor garbage collection point. The recycled garbage is sorted by the cleaning staff and then notified to the recycler for disposal. The

recycling money will be used as incentive money for the cleaning staff to increase the motivation of the staff to sort the garbage. After sorting the garbage by the staff and the cleaning staff, the average monthly resource recovery is about 0.4 tons/month.



**Qualified vendors to handle the general business waste.**



**The waste disposal capacity is about 1.1 tons/month.**



**The average monthly resource recovery is about 0.4 tons/month.**

The background image shows a group of people interacting with a large-scale digital exhibit. The exhibit features large-scale projections of architectural structures and patterns on the walls and floor. People are seen in various poses, some pointing at the projections, others looking at their phones, and some holding cameras. The lighting is warm and ambient, with the projections providing the primary light source. The overall atmosphere is one of an interactive museum or gallery.

# Appendix

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- Stakeholder Identification and Major Issues Analysis
- 2020 Performance Overview
- Conversion Table of GRI Standards Regarding Disclosure Items
- Disclosure Items of the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports”

# Stakeholder Identification and Major Issues Analysis

## Stakeholder Interactions and Engagement

To pursue business operational sustainability, Brogent not only accepts its employees' opinions, but also values issues of concern of all its stakeholders. With an open and transparent attitude, we maintain positive interactions with our stakeholders via various communication channels. We collect issues of concern by our internal and external stakeholders and their requests, as well as formulate countermeasures to major issues and responses, which constitute the basis for compiling our CSR reports.

## Stakeholder Identification

We categorized all stakeholders in our daily operation into the following ten groups: clients, employees, government agencies, suppliers/contractors, shareholders/investors, the press, business partners, banks and insurance companies, non-profit/not-governmental organizations, and local neighborhood communities.

With reference to international industry trends and current implementation

status of peers, and considering no significant changes in the global industry sustainable trend, we kept the 2019 identification result for 2020. According to the results, the engagement levels of the stakeholders were ranked as follows: clients, employees, government agencies, suppliers/contractors, shareholders/investors, and the press.

## Stakeholder Engagement

Brogent communicates with its stakeholders via multiple channels to understand issues of concern and obtain their feedback, whereby internal management practices can be adjusted or necessary information provided to achieve positive mutual engagement. We have also created a CSR section on our website, along with a Facebook fan page for our Welfare Committee (<https://www.facebook.com/Brogentwelfare/>) and an external communication mailbox ([web@brogent.com](mailto:web@brogent.com)), to serve as basic communication channels between us and our stakeholders.

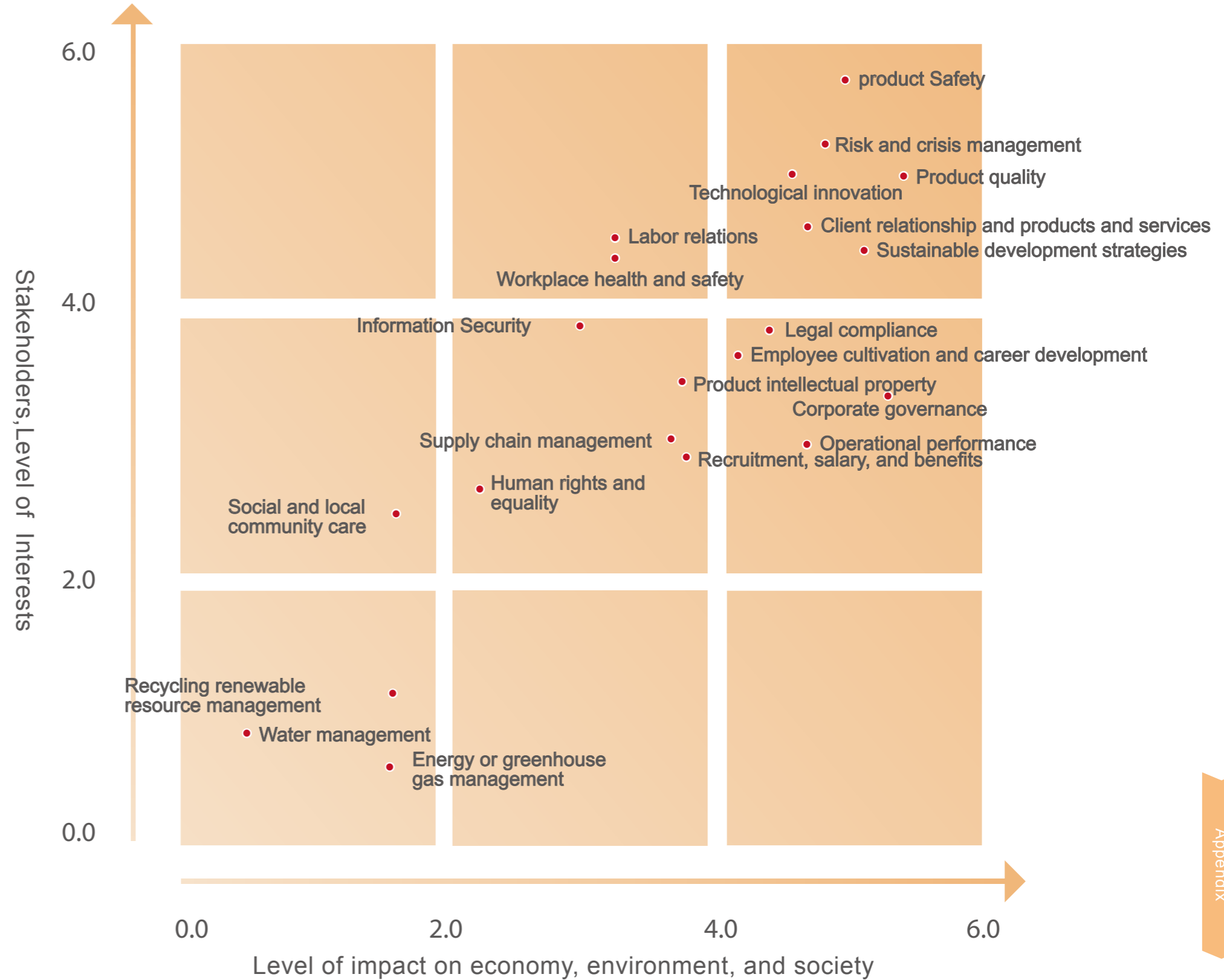


Facebook fan page for  
Brogent's Welfare Committee

## Major Issue Analysis and Management

Based on our Corporate Development Goals and Vision, as well as by referencing GRI standards, sustainability issues of concern to domestic and international enterprises in the same industry, and key industry trends, we followed our 21 sustainability topics of 2019 as major issues of this year. In 2020, our executive level included “Information Security & Customer Privacy” and “Product intellectual property” in the CSR discussion meeting, by taking the industry trait and development into consideration. The major issues of Brogent is listed as follows: product safety, technological innovation, product quality, risk and crisis management, sustainable development strategies, client relationship and products and services, corporate governance, Information security & Customer privacy and Product intellectual property. These are the 9 main areas that will be disclosed in this report.

**Matrix of Major Issues in 2020**



## 2020 Stakeholder Engagement

Stakeholder	Importance to Brogent	Ways of Communication and Frequency	Communication Performance in 2020	Objectives	Issues of Concern
Customers	<ul style="list-style-type: none"> <li>Stakeholders who influence Brogent's product development and design the most-considered as important partners growing with Brogent.</li> </ul>	<ul style="list-style-type: none"> <li>Web meeting (Irregular)</li> <li>E-MAIL(Irregular)</li> <li>Trade shows(Irregular)</li> <li>Social Media(Irregular)</li> </ul>	<ul style="list-style-type: none"> <li>Receive customer satisfaction surveys and make improvement accordingly.</li> <li>Operating social media channels to communicate with customers in appropriate amount of time: Google and Facebook rating are over 4 stars.</li> </ul>	<ul style="list-style-type: none"> <li>Provide products and services with reliable quality, and manage quality control with integrity to meet customer's expectation.</li> </ul>	<ul style="list-style-type: none"> <li>Product safety.</li> <li>Product quality.</li> <li>Technical innovation.</li> <li>Customer relationship and service.</li> </ul>
Employee	<ul style="list-style-type: none"> <li>Brogent treat our employees as the most important partners for Brogent's sustainable development, we strive to keep employees' working rights and provide a competitive compensation and benefit, those are the key of Brogent's growth.</li> </ul>	<ul style="list-style-type: none"> <li>Labor management meeting (periodically)</li> <li>Occupational Safety and Health Committee (periodically)</li> <li>E-MAIL address for Ombudsman (Irregularly)</li> <li>Communication Meeting (Irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>Convened quarterly, at which we give an explanation on issues raised by our employees to seek consensus between us and our employees. In 2020, we held four meetings. In 2020, we held four meetings, including 14 discussion items and 4 follow up actions. All issues and actions are well handled.</li> <li>The Occupational Safety and Health Committee convened 4 times to decide on workplace safety, hygiene, and health promotion for employees and to achieve the goal of "zero occupational accidents" by 2020.</li> <li>No employee complaints were received in 2020.</li> </ul>	<ul style="list-style-type: none"> <li>Support our employees' work life balance, increase our productivity; provide better benefit programs and more convenient working environment.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Development Strategy.</li> <li>Operational Performance.</li> <li>Labor relations.</li> <li>Workplace health and safety.</li> <li>Employees' training and development.</li> <li>Recruitment, Compensation &amp; Benefit</li> <li>Human Rights.</li> </ul>

## 2020 Stakeholder Engagement

Stakeholder	Importance to Brogent	Ways of Communication and Frequency	Communication Performance in 2020	Objectives	Issues of Concern
Employee			<ul style="list-style-type: none"> <li>• Held Management Policy advocacy meetings, and hold the employee assembly to make a clear and transparent communication to all employees.</li> <li>• Held the Face-to-Face communication meeting to those work in Subsidiary help them to understand their career in Brogent and learn the management policies.</li> </ul>		
Government Agencies	<ul style="list-style-type: none"> <li>• By implementing certain policies or publicizing/ amending laws and regulations, government agencies may affect Brogent's operational directions and decision-making.</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in seminars on laws and regulations held by competent authorities (non-scheduled).</li> </ul>	<ul style="list-style-type: none"> <li>• Attend information sessions on laws and regulations held by competent authorities.</li> <li>• Keep in contact with government agencies. Keep attention to changes in labor laws and regulations, and revise internal regulations and procedures in response to labor laws and regulations.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify laws and regulations while observing them to avoid disciplinary action because of committing a violation.</li> </ul>	<ul style="list-style-type: none"> <li>• Substantial development strategies.</li> <li>• Regulatory compliance.</li> <li>• Labor relations.</li> <li>• Workplace health and safety.</li> <li>• Recruitment, salary and benefits</li> <li>• Human rights and equality.</li> <li>• Energy or greenhouse gas management.</li> </ul>

## 2020 Stakeholder Engagement

Stakeholder	Importance to Brogent	Ways of Communication and Frequency	Communication Performance in 2020	Objectives	Issues of Concern
Supplier / Contractor	<ul style="list-style-type: none"> <li>Good suppliers/ contractors provide the high quality of equipment manufacturing to Brogent, which in turn makes Brogent's products more stable and excellent, and creates the best business performance.</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Appraisal (Periodic)</li> <li>Quality Supervision Meeting (from time to time)</li> </ul>	<ul style="list-style-type: none"> <li>Implemented 5 supplier evaluations, suppliers who evaluated as B-Level should propose improvement measures for the evaluation results to enhance supplier management.</li> <li>Conducted 30 quality supervision meetings with suppliers to address product quality, progress and manufacturing concerns to effectively improve and resolve problems.</li> </ul>	<ul style="list-style-type: none"> <li>Through the supplier evaluation mechanism and close technical communication, we hope that our suppliers can deliver the equipment or material on time and in quality to meet our customers' expectations.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Development Strategy</li> <li>Corporate Governance</li> <li>Operational Performance</li> <li>Supply Chain Management</li> </ul>
Shareholders / Investors	<ul style="list-style-type: none"> <li>Opinions and suggestions of the shareholders/ investors are key references for Brogent's management in the time of major operational decision-making.</li> </ul>	<ul style="list-style-type: none"> <li>Annual shareholder meetings (scheduled)</li> <li>Information sessions on domestic and international corporations, along with investment forums(non-scheduled)</li> </ul>	<ul style="list-style-type: none"> <li>Held the annual shareholder meeting to explain Brogent's operational status and development trends.</li> <li>Published the annual report, quarterly report, and monthly revenue report; said reports were uploaded to our Company's investor relations web page in a timely manner.</li> </ul>	<ul style="list-style-type: none"> <li>Besides continuing to improve our business and pursuing ideal operational performance, Brogent is also committed</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable development strategies</li> <li>Corporate governance</li> <li>Risk and crisis management</li> <li>Operational performance</li> <li>Technological innovation</li> </ul>



## 2020 Stakeholder Engagement

Stakeholder	Importance to Brogent	Ways of Communication and Frequency	Communication Performance in 2020	Objectives	Issues of Concern
Shareholders / Investors		<ul style="list-style-type: none"> <li>Financial statements and operational information (scheduled)</li> <li>Investor relations mailbox and investor service hotline (non-scheduled)</li> </ul>	<ul style="list-style-type: none"> <li>Conduct corporate governance accreditation annually in cooperation with the relevant authority.</li> <li>Collect investors' suggestions, compile them, and report them to the management team on a regular basis.</li> </ul>	to making information transparent and observing the laws and code of ethics in business to protect our investors' rights.	<ul style="list-style-type: none"> <li>Product quality</li> </ul>
Media	<ul style="list-style-type: none"> <li>The media acts as a bridge between Brogent and the stakeholders. When the press is able to obtain company's news reports in real time, helps the stakeholders to obtain correct company information and to consolidate the company's image.</li> </ul>	<ul style="list-style-type: none"> <li>Press release with monthly revenue report. (regular)</li> <li>Press release with operation related report. (irregular)</li> <li>Provide exclusive contact person for interview and query. (irregular)</li> </ul>	<ul style="list-style-type: none"> <li>Held a press conference for "Fly Worldwide with i-Ride "</li> <li>Held an opening press conference for "5G VR e-Sports Gaming Center"</li> </ul>	<ul style="list-style-type: none"> <li>Main good relationship with media by helping each other and friendly attitudes.</li> <li>Enhance media exposure for Brogent by establishing a good relationship and positive interaction.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable development strategy</li> <li>Company management</li> <li>Operation Performance</li> <li>Technic Innovation</li> <li>Recruitment and Salary</li> </ul>

## Major Issue Management

Direct impact : ● Indirect impact: ○

Major Issue	Meaning and Significance	Corresponding Major Topic	Internal Impact Boundary	External Impact Boundaries					Corresponding Chapter
			Employees	Shareholders/ Investors	Clients	Suppliers/ Contractors	Government Agencies	Business Partners	
Product Safety	High-standards of product safety is one of Brogent's core concepts. It is also the focus of our R&D in immersive simulation equipment.	<ul style="list-style-type: none"> <li>Customer health and safety</li> <li>Marketing and Labeling</li> </ul>	●	○	●	●	○	●	2.2 Product Quality and Safety
Technological Innovation	Technological innovation is at the core of Brogent's brand. The innovative design process is the essence of Brogent's sustainable development.	Customized topics	●	○	●	●	○	●	2.1 Technological Innovation
Product Quality	Achieving customer satisfaction with high standards of quality and performance, as well as generating mutual benefits for customers, shareholders, employees, and society, are at the core of Brogent's pursuit of excellence.	Customer health and safety	●	○	●	●	○	●	2.2 Product Quality and Safety

## Major Issue Management

Direct impact : ● Indirect impact: ○

Major Issue	Meaning and Significance	Corresponding Major Topic	Internal Impact Boundary	External Impact Boundaries					Corresponding Chapter
			Employees	Shareholders/ Investors	Clients	Suppliers/ Contractors	Government Agencies	Business Partners	
Risk and Crisis Management	To achieve its objective of business operational sustainability, Brogent recognizes the importance of risks and crisis that will affect its operation.	<ul style="list-style-type: none"> <li>• Key impacts, risks, and opportunities</li> <li>• Effectiveness of risk management processes</li> <li>• Financial implications and other risks and opportunities due to climate change</li> </ul>	●	●	○	○	○	○	4.1.2 Risk Management
Sustainable Development Strategies	Brogent is a leading brand in the immersive simulation equipment industry. Maintaining sustainable operations is a mutual goal for Brogent and all its stakeholders. This goal also drew attention from the immersive simulation equipment industry. Thus, our sustainable development strategies regarding economy, environment, and society are issues of concern to all stakeholders.	Customized topics	●	●	●	●	○	●	CSR Strategies and Goals

## Major Issue Management

Direct impact : ● Indirect impact: ○

Major Issue	Meaning and Significance	Corresponding Major Topic	Internal Impact Boundary	External Impact Boundaries					Corresponding Chapter
			Employees	Shareholders/ Investors	Clients	Suppliers/ Contractors	Government Agencies	Business Partners	
Client Relationship and Products and Services	Brogent believes that a good client relationship is vital for customer loyalty and benefits. Thus, we listen to our customers to identify their needs and provide them with comprehensive products and services.	Customized topics	●	○	●	○	○	○	2.3 Customer Management and Service
Corporate Governance	The soundness of a corporate governance system not only affects a company's development, but is also the cornerstone of business operational sustainability.	Nominating and selecting the highest governance body	●	●	○	○	○	○	4.1 Corporate Governance
Information Security & Customer Privacy	Solid information security and customer privacy protection have been recognized by our customers, which also help enhance the long-term cooperation between customers and Brogent.	<ul style="list-style-type: none"> <li>• Customized topics</li> <li>• Customer Privacy</li> </ul>	●	○	●	○	○	○	4.1.3 Information Security Management
Product Intellectual property	Product intellectual property is the key of Brogent competitiveness	Customized topics	●	○	●	○	○	●	2.1.5 Global Patent and Intellectual Property Management

## 2020 Performance Overview

### Operational Performance

#### Revenue for the Past Three Years (Unit: NT\$100 million)

Item	2018	2019	2020
Net Operating Revenue	16.37	20.8	10.62
Gross Profit	7.21	10.02	5.02
Operating Expenses	4.32	5.81	5.25
Operating Income (Loss)	2.89	4.21	( 0.23 )
Non-Operating Income and Expenses	0.32	0.51	( 0.19 )
Profit (Loss) before Income Tax	3.21	4.72	( 0.42 )
Net Profit (Loss) for the year	2.58	3.84	( 0.52 )

#### Government Subsidies Received in 2020

Subsidizer	Item	Amount (Unit : NT\$1 million)
Economic Development Bureau, Kaohsiung City Government	Immersive Simulation Theater Project	4.75
Taiwan Small & Medium Enterprise Counseling Foundation (Taiwan SMECF)	LED Dome Screen Project	11.045
Ministry of Economic Affairs	Subsidy Program for Difficult Businesses in the Commercial Service Industry of the Ministry of Economic Affairs	14.683

**Tax Governance (Unit: NT\$1,000)**

Year	2018	2019	2020
Profit-Seeking Enterprise Income Tax	62,709	88,091	9,920

**Transition Assistance Programs to Support Employees who are Retiring or Terminating**

Type	Content	Number of Case
Severance Pay	In accordance with the law	4
Prior Notice Pay	In accordance with the law	3
Leave for Job Seeking	In accordance with the law	3

**Member of Information Security Committee**

Title	Name	Should Attend	Actually Attended	Delegates Attended	Attendance Rate
Chairman	Chih-Hung Ouyang	1	1	0	100%
CFO	Sui-Chuan Lin	1	1	0	100%
Vice President	Jyh-Jong Hwang	1	1	0	100%
Vice President	Teng-Hung Lai	1	1	0	100%
Sr. Director	Yi-Chung Huang	1	1	0	100%
Sr. Director	Szu-Cheng Chen	1	1	0	100%
Sr. Director	An Kiang	1	0	1	100%
Sr. Director	Ming-Chi Chang	1	1	0	100%
Manager	Yi-Yun Liu	1	1	0	100%
Director	Ching-Che Yang	1	1	0	100%

## Society

### The Average Wages of Entry-level Employee and Local Minimum Wage

Year	2019	2020
The average wage of entry-level employee	43,000	35,000
Local minimum wage	23,100	23,800
Ratio	1.86	1.47

Note: The definition of “entry-level employee” is deputy engineer/designer/specialist and below. Compared with 2019, the acquisition of Brogent Mechanical Inc. is the reason of decreased average wage.

### Number of Full-time Non-Executive Employees, their Gross Salary, their Average Salary, and their Median Salary

Item	2019	2020	Difference
Number of full-time non-executive employees (person)	157	164	Increased by 4.5%
Gross salary of full-time non-executive employees (NT\$1,000)	163,851	128,319	Decreased by 21.7%
Average salary of full-time non-executive employees (NT\$1,000)	1,015	782	Decreased by 23.0%
Median salary of full-time non-executive employees <sup>Note</sup> (NT\$1,000)	932	716	Decreased by 23.2%

Note: The information on median salary of full-time non-executive employees in 2019 was first declared in 2020 according to the amendment to Article 3 of the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds and the newly included “Checklist of information on salary of full-time employees who are not in a managerial position.”

## Pay Ratio between Male and Female Employees

2020 Ratio	Executives <sup>Note</sup>	Non-Executives
Female	0.85	0.89
Male	1	1

Note: A departmental head of Job Grade 11 and above.

## The Ratio of Local Executives

Item	2020
Number of executives	9
Number of local executives	9
Ratio	100%

Note: An executive of the Job Grade M15 & above, and Job Grade P18 (including the GM of Brogent Global Inc).

## Talent Composition

2020	Employee Category			Type	
	Regular	Contractor	Migrant Worker	Full-time	Part-time
Female	63	1	0	63	1
Male	132	0	0	132	0
Total	195	1	0	195	1

Note: Company GM is included, and the contractor is the same person with the part-time worker.

## Disabled and Foreign Employees

Area	Number of Disabled Employee	Number of Foreign Employee
Taiwan	1	0



**Total Training Hours by Position and Gender**

Training Hour	Executives	Non-Executives	Hours
Female	208	1,486.5	1,694.5
Male	461	3,625.5	4,086.5
Total	669	5,112	5,781

**Category of Training Sessions**

Category	Session	Hour	Number of Session	Times of Employee be Trained
New Comer Training	Introduction of Brogent's value and product	1.5	1	26
Company Policy	IT Security introduction	1.5	2	189
General Training	Purchasing/Procurement/acceptance	2	3	121
	Patent specification take the Immersive Simulation device for example	3	1	71
	Case Study-getting know more about Trademark	3	1	74
Professional Training	QFD training	1	7	35

**Parental Leave**

Item	Female	Male	Total
Number of employees qualified for applying for parental leave in 2020	3	9	12
Number of employees applied for parental leave in 2020	4	1	5
Number of employees to be returned to work following parental leave in 2020 (A)	4	1	5
Number of employees to be returned to work and those returning to work following unpaid parental leave in 2020 (B)	4	0	4
Number of employees returning to work following parental leave in 2019 (C)	1	1	2
Number of employees returning to work following parental leave in 2019 and those working for one year in 2020 (D)	1	1	2
Return-to-work rate (%) = B/A	100%	0%	80%
Retention rate (%) = D/C	100%	100%	100%

**Total Number of Periodic Appraisals on Employee Performance in 2020 : a breakdown by gender and position**

Periodic Appraisals on Employee Performance (Number of Times/Year)	Executives	Non-Executives	Total Number of Periodic Performance Appraisal
Female	1	63	64
Male	6	125	131
Total number of periodic performance appraisals	7	188	195

Note: The total number of periodic appraisals on employee performance in 2020 – The information is significantly different from 2019 (Page. 86) on the gender distribution of different positions between men and women, mainly because that the data of men and women in 2019 are reversed.

**Total Number of Employee Career Development Evaluations in 2020 : a breakdown by gender and seniority of position**

Employee Career Development Evaluations (Number of Times/Year)	Executives	Non-Executives	Total Number of Career Development Evaluations
Female	1	63	64
Male	6	125	131
Total Number of Career Development Evaluations	7	188	195

Note: The total number of employee career development evaluations in 2020 – The information is significantly different from 2019 (Page. 86) on the gender distribution of different positions between men and women, mainly because that the data of men and women in 2019 are reversed.

## Environment

### Energy Consumption

2018-2020 Energy Type	Amount of Energy Consumption			Amount in Gigajoule(GJ)		
	2018	2019	2020	2018	2019	2020
Purchased Electricity(MWh)	1,093.117	1,201.038	1,314.219	3,935	4,324	4,731
Gasoline (KL)	11.06	11.03	6.3	361	360	206

Note 1 : According to the Emission Factor 6.0.4 published on the Bureau of Energy's website, the heating value of gasoline is 7,800 kcal/l and that of electricity is 3,600 GJ/MWh.

Note 2 : 1GJ= 10<sup>9</sup>J; 1 kilocalorie (Kcal) = 4186.8(J)

Note 3 : The data covers the headquarters and manufacturing center of Brogent.

### Greenhouse Gas Emission Situation

Year	Greenhouse Gas Scope	Energy Type	Greenhouse Gas Emission (Ton/CO <sub>2</sub> e)	Total (Ton/CO <sub>2</sub> e)	Energy Intensity (CO <sub>2</sub> e/Million NT\$)
2018	Scope 1	Gasoline	26.12	608.75	0.37
	Scope 2	Electricity	582.63		
2019	Scope 1	Gasoline	26.04	666.19	0.32
	Scope 2	Electricity	640.15		
2020	Scope 1	Gasoline	14.84	683.78	0.64
	Scope 2	Electricity	668.94		

Note1 : The gasoline emission factor is quoted from the Greenhouse Gas Emission Factor Management Table (version 6.0.4) by the Environmental Protection Administration.

Note2 : Electricity emission factors for 2018 and 2019 are 0.533 kg CO<sub>2</sub>e/kWh for the year 107 of the Bureau of Energy, Ministry of Economic Affairs, and 0.509 kg CO<sub>2</sub>e/kWh for the year 108 of the Bureau of Energy, Ministry of Economic Affairs, for the year 2020.

### Water Consumption and Water Consumption Intensity

2018-2020 Year	2018	2019	2020
Water Consumption (m <sup>3</sup> )	9.563	12.416	13.590
Average Number of People in the Office (person)	155	172	198
Water Consumption Intensity (m <sup>3</sup> /person)	0.061	0.072	0.068

Note 1 : The data covers the headquarters and manufacturing center of Brogent.

Note 2 : All water sources are fresh surface water from third party water.

## Conversion Table of GRI Standards Regarding Disclosure

\*Voluntary Disclosure

No.	Disclosure Item	Corresponding Chapter	Page	Remark
GRI102:General Disclosures 2016				
Organizational Profile			21-22	
102-1	Name of organization	1.1 Company Profile	25	
102-2	Activities, brands, products, and services	1.1 Company Profile	27-28	
102-3	Location of headquarters	1.1 Company Profile	22	
102-4	Location of operations	1.1 Company Profile	22	
102-5	Ownership and legal form	1.1 Company Profile	21-22	
102-6	Markets served	1.1 Company Profile	22	
102-7	Scale of the organization	1.1 Company Profile	22	
102-8	Information on employees and other workers	3.3.1 Talent Composition	73-74	
102-9	Supply chain	4.2 Supply Chain Management	110-111	
102-10	Significant changes to the organization and its supply chain	1.1 Company Profile	24	
102-11	Precautionary principle or approach	4.1.2 Risk Management	92-93	
102-12	External initiatives	Brogent did not participate in any external initiatives this year.	-	
102-13	Membership of associations	1.1 Company Profile	23	
Strategy				
102-14	Statement from senior decision-maker	Letter from the Chairman	5-6	
102-15	Key impacts, risks, and opportunities	4.1.2 Risk Management	92-93	
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	4.1 Corporate Governance	84-85	
Governance				
102-18	Governance structure	4.1 Corporate Governance	86	
102-19	Delegating authority	4.1 Corporate Governance	86	
102-20	Executive-level responsibility for economic, environmental, and social topics	4.1 Corporate Governance	89-90	
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Identification and Major Issues Analysis	124	
102-22	Composition of the highest governance body and its committees	4.1 Corporate Governance	87-88	
102-23	Chairman of the highest governance body	4.1 Corporate Governance	87-88	
102-24	Nominating and selecting the highest governance body	4.1 Corporate Governance	84-85	
102-27	Collective knowledge of the highest governance body	4.1 Corporate Governance	87-88	
102-30	Effectiveness of risk management processes	4.1.2 Risk Management	92-93	
102-33	Communicating critical concerns	Stakeholder Identification and Major Issues Analysis	126-129	

## Conversion Table of GRI Standards Regarding Disclosure

\*Voluntary Disclosure

No.	Disclosure Item	Corresponding Chapter	Page	Remark
102-34	Nature and total number of critical concerns	Stakeholder Identification and Major Issues Analysis	125	
102-35	Remuneration policies	Refer to Corporate Governance Report in the 2020 Annual Report	-	
102-36	Process for determining remuneration	Refer to Corporate Governance Report in the 2020 Annual Report	89	
<b>Stakeholder Engagement</b>				
102-40	List of stakeholder groups	Stakeholder Identification and Major Issues Analysis	124-129	
102-41	Collective bargaining agreements	Did not sign any collective bargaining agreements	-	
102-42	Identifying and selecting stakeholders	Stakeholder Identification and Major Issues Analysis	124-129	
102-43	Approach to stakeholder engagement	Stakeholder Identification and Major Issues Analysis	124-129	
102-44	Key topics and concerns raised	Stakeholder Identification and Major Issues Analysis	130-132	
<b>Reporting Practice</b>				
102-45	Entities included in the consolidated financial statements	About this Report	3	
102-46	Defining report content and topic Boundaries	About this Report	3	
102-47	List of material topics	Stakeholder Identification and Major Issues Analysis	124-125	
102-48	Restatements of information	About this Report	3	Total number of periodic appraisals on employee performance & Total number of employee career development evaluations
102-49	Changes in reporting	About this Report	3	
102-50	Reporting period	About this Report	3	
102-51	Date of most recent report	About this Report	3	
102-52	Reporting cycle	About this Report	3	
102-53	Contact point for questions regarding the report	About this Report	3	
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	3	
102-55	GRI content index	About this Report	140-143	

## Conversion Table of GRI Standards Regarding Disclosure

\*Voluntary Disclosure

No.	Disclosure Item	Corresponding Chapter	Page	Remark
GRI103:Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	124	
103-2	The management approach and its components	Stakeholder Identification and Major Issues Analysis	126-132	
103-3	Evaluation of the management approach	Stakeholder Identification and Major Issues Analysis	126-132	
GRI 200:Economic Disclosures				
GRI 201:Economic Performance 2016				
201-1	Direct economic value generated and distributed	1.1 Company Profil	22	
201-2	Financial implications and other risks and opportunities due to climate change	4.1.2 Risk Management	92-93	
201-3	Defined benefit plan obligations and other retirement plans	3.2.2 A robust benefits package	68-71	
201-4	Financial assistance received from government	1.3 Operational performance	29	
GRI 202:Market Presence 2016 *				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	3.2.1 Competitive remuneration	68	
202-2	Proportion of senior management hired from the local community	3.3.1 Talent composition	136	
GRI 205:Anti-corruption 2016 *				
205-2	Communication and training about anti-corruption policies and procedures	4.1.1 Operational Integrity	90-91	
205-3	Confirmed incidents of corruption and actions taken	No such incidents in 2020	-	
GRI 206:Anti-competitive Behavior 2016*				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No such incidents in 2020	-	
GRI 207:Tax 2019*				
207-1	Tax Principle	1.3 Operation performance	31-32	
GRI 300:Environmental Disclosures				
GRI 302:Energy 2016*				
302-1	Energy consumption within the organization	4.3.2 Energy management	118-119	
302-3	Energy intensity	4.3.2 Energy management	119-120	
302-4	Reduction of energy consumption	4.3.2 Energy management	119-120	
GRI 303:Water 2018*				
303-5	Water Consumption	4.3.3 Water resource management	121	

## Conversion Table of GRI Standards Regarding Disclosure

\*Voluntary Disclosure

No.	Disclosure Item	Corresponding Chapter	Page	Remark
GRI 305:Emissions 2016*				
305-1	Direct (Scope 1) GHG emissions	4.3.2 Energy management	119	
305-2	Energy indirect (Scope 2) GHG emissions	4.3.2 Energy management	119	
305-4	GHG emission intensity	4.3.2 Energy management	119	
GRI 307:Environmental Compliance 2016*				
307-1	Non-compliance with environmental laws and regulations	No such incidents in 2020	-	
GRI 400:Social Disclosures				
GRI 401:Employment 2016*				
401-1	New employee hires and employee turnover	3.3.1 Talent composition	73-74	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2.2 A robust benefits package	68-71	
401-3	Parental leave	3.1 Employee-friendly workplace	66	
GRI 403:Occupational Health and Safety 2016*				
403-1	Workers representation in formal joint management-worker health and safety committees	3.4.1 Occupational safety and health management	78	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	No such incidents in 2020	-	
GRI 404:Training and Education 2016*				
404-1	Average hours of training per year per employee	3.3.2 Talent Cultivation	74-75	
404-2	Programs for upgrading employee skills and transition assistance programs	3.2.2 A robust benefits package	68-71	
GRI 405:Diversity and Equal Opportunity 2016*				
405-1	Diversity of governance bodies and employees	4.1 Corporate governance 3.3.1 Talent composition	84-85 73-74	
GRI 416:Customer Health and Safety 2016				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No such incidents in 2020	-	
GRI 417:Marketing and Labeling 2016				
417-2	Incidents of non-compliance concerning product and service information and labeling	No such incidents in 2020	-	
417-3	Incidents of non-compliance concerning marketing communications	No such incidents in 2020	-	

## Conversion Table of GRI Standards Regarding Disclosure

No.	Disclosure Item	Corresponding Chapter	Page	Remark
GRI 418:Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No such incidents in 2020	-	
GRI 419:Socioeconomic Compliance 2016*				
419-1	Non-compliance with laws and regulations in the social and economic area	No such incidents in 2020	-	

## Disclosure Items of the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports”

Item	Disclosure Item	Corresponding Chapter	Page
Article 3	The report shall “include relevant environmental, social and corporate governance risk assessments and lay out the performance indicators to manage the material topics identified.”	4.1.2 Risk Management	92-93
Article 4.4 (A)	The “number of its full-time employees who are not in a managerial position, the average and medium of the salaries of the full-time employees who are not in a managerial position, and the difference of the three figures from the previous year”	3.2.1 Competitive Remuneration	135
Article 4.4 (B)	The “company's governance around climate-related risks and opportunities, actual and potential climate-related impacts, how to identify, assess and manage climate-related risks, and metrics and targets used to assess and manage relevant climate-related issues”	4.1.2 Risk Management	92-93





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