

**BROGENT**  
TECHNOLOGIES INC.

**BROGENT  
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2021 Sustainability  
Report**

# BROGENT TECHNOLOGIES INC.

## 2021 Sustainability Report

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## ABOUT THIS REPORT

Thank you for reading the 2021 Sustainability Report of Brogent Technologies Inc., which fully discloses Brogent's sustainability strategy and implementation results in regards to the environment, society, and governance. It also responds to matters of interest to our stakeholders in Brogent's sustainable development. We help stakeholders understand Brogent's philosophy and achievements in its corporate social responsibility through open and transparent information. We hope external entities understand and trust Brogent's products and services. Brogent is not merely focused on profitability. We sincerely hope that we can provide joy and fun of business with Brogent products and create a positive impact on the world and the society.

### Scope and Boundaries

The information disclosed in this report encompasses Brogent's operating sites, brands, and activities in Taiwan between the period of January 1, 2021 and December 31, 2021. 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\$).

### Writing Principles

This report has been prepared in accordance with the core option of the Global Reporting Initiative's Sustainability Reporting Guidelines (GRI Standards) and the Guidelines for Software & Information Technology (IT) Services of the Sustainability Accounting Standards Board (SASB). It was compiled by referencing the "Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" of Taiwan Stock Exchange Corporation and the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" (December 7, 2021).

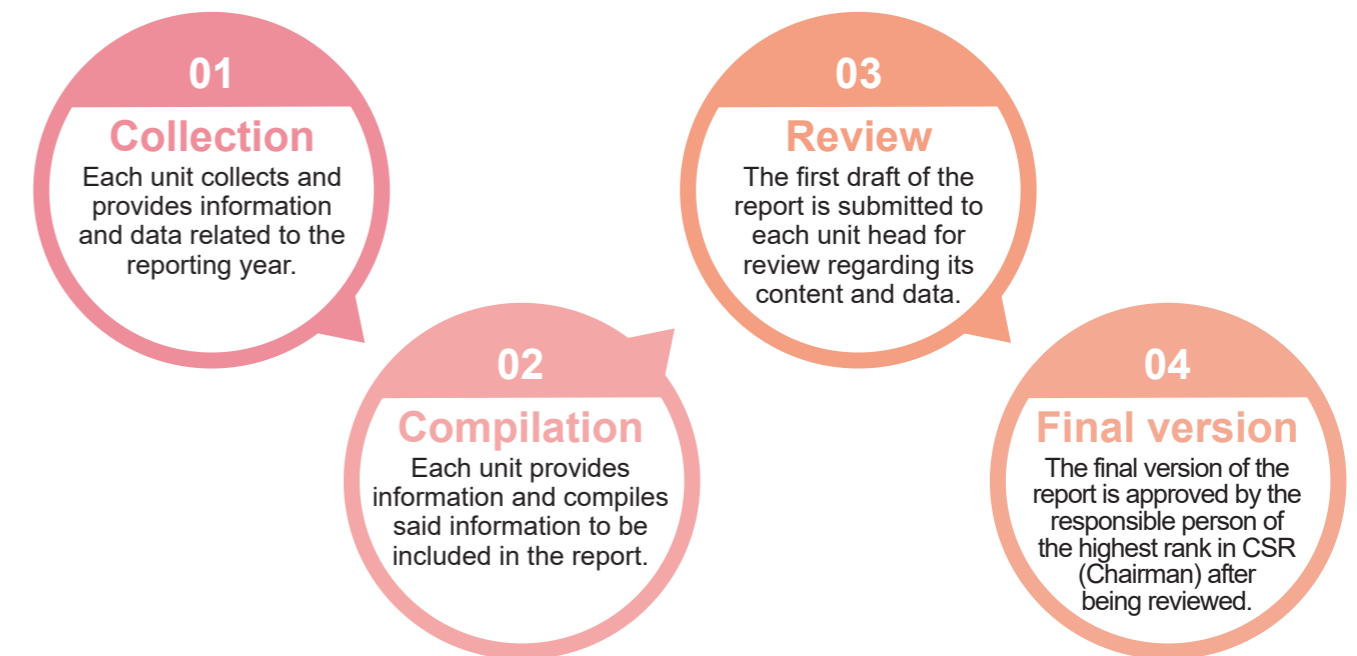
### Release Information

The 2021 Sustainability Report is disclosed on the Company's website.

<b>Reporting Period</b>	January 1, 2021 to December 31, 2021
<b>Last Issue</b>	August 2021
<b>Reporting cycle</b>	Annually
<b>The effect of any restatements of information given in previous reports, and the reasons for such restatements.</b>	No restatements of information
<b>Significant changes from previous reporting periods in the list of material topics and topic Boundaries.</b>	Enclosed four material issues in 2021 including "workplace health and safety", "labor relations", "regulatory compliance", and "ethical corporate management"
<b>Current Issue</b>	Published in August 2022
<b>Next Issue</b>	Scheduled to be published in August 2023

### Verification of this Report

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



#### External Assurance of the Report

The Report was certified by the British Standards Institution in accordance with Type 1 assurance in AA1000AS v3. The Independent Assurance Opinion Statement is provided in the Appendix.

### 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:

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Email: [web@brogent.com](mailto:web@brogent.com)  
Company website: <https://www.brogent.com/en>



## LETTER FROM THE CHAIRMAN

The pandemic has increased the number of uncontrollable factors for corporate development across the world in recent years. The physical amusement ride industry has never had a year with more than 10% in decline. However, it has declined by 50% in the two previous years. Sustainability is a critical challenge for Brogent. As amusement rides are designed to last more than one or two years, and are designed for 10 to 30 years of use, ensuring equipment safety and stability during this period has become our most important mission. We shall use constant innovation and challenge our limits to respond to future changes.

Brogent's main customers are located in overseas market. The increase in the cost of overseas business travel and product transportation in the last two years has challenged every company. We must consider how to maintain product margins in other areas in response to these issues. During this period, the team has focused on optimized product design and we have maintained stable quality and increased our competitiveness despite the difficulties.

The term "Metaverse" has become one of the most-searched keywords in 2021. Top-tier theme parks across the world will soon enter the Metaverse. Amusement rides will transition from multimedia equipment to more immersive and interactive simulation systems, and Brogent specializes in producing simulator rides for the Metaverse. Brogent has achieved results and breakthroughs in immersive simulation systems and integrated 5G, AIoT, and blockchain technologies to bring humans into the Metaverse and create a new world with online merge offline integration. For instance, Brogent wishes to create a realistic space travel experience and bring people closer to their dreams.

In terms of environmental sustainability, Brogent's operations consist mostly of the assembly of products. All components are provided by upstream suppliers and there is close to zero carbon emissions in Brogent's production process. In response to global climate change issues, Brogent uses green product design to reduce the use of raw materials and indirectly reduce overall carbon emissions in the supply chain. During the pandemic, the Company used video conferencing to prevent risks of infections due to clustering and also use the remote AR connections to help owners install and maintain equipment. It significantly reduced carbon emissions from employees' business travel.

Brogent has always been committed to talent cultivation in the immersive technology industry. As current industry and academic talent cultivation is focused on intensified talent cultivation of individual disciplines, Brogent and National Sun Yat-sen University established the Joint Research & Development Center of NSYSU and Brogent Technologies and uses it as a platform for collaboration between industry and major universities. Our aim is to start talent cultivation in school and develop talents across different disciplines to develop more outstanding talents for the immersive technology industry in Taiwan and support the sustainable development of the immersive technology industry in Taiwan.

Brogent celebrated its 20th anniversary in 2021. We have successfully completed 89 immersive amusement rides in 19 countries across the world, including flying theaters and immersive amusement rides in Japan, Denmark, the United States, and the United Kingdom. Brogent shall maintain a positive outlook for the future development of the amusement ride industry, which will not decline as a result of the pandemic. People's need for joy will not disappear after the pandemic, and virtual devices will provide people with more diverse experiences. Brogent will continue to uphold its business philosophy of "Fun is Our Business" and continue to bring joy to the world with technology.

Chairman

## 2021 SUSTAINABILITY KEY PERFORMANCE AND RECOGNITIONS

### Governance

- Completed 89 immersive amusement rides with a market share of 90%, ranking first in the world
- Simulator ride products installed in 19 countries in 4 continents
- Completed 21 immersive amusement rides in 2021 (including 15 flying theaters)
- Obtained 45 patents in different countries
- Obtained 10 international certifications
- R&D expenses reached NT\$207,749,000, accounting for 26% of the annual revenue
- Invest an average of more than NT\$2 million in information security per year
- Rated among the top 36-50% at the 8th Corporate Governance Accreditation

### Environment

- Introduce sustainable product design concepts such as “no service life limit”, “equipment modular design”, and “increasing service life” into product R&D
- Adopt edge computing to reduce power consumption for data transmission.
- 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
- 14,329 kWh in solar panel power generation in 2021
- 0.039 million liters/person in water consumption intensity in 2021

### Society

- Provided paid vaccination leave (2 days for each dose)
- 100% reinstatement rate after parental leave
- Zero employee complaints
- Achieve the goal of “Zero-Accident Workplace”
- Employee Stock Ownership Trust with 100% subsidies matched by the Company and 98% employee participation rate
- The proportion of local purchases is 90.5% of total purchase
- Total 12,028.5 hours of employee education and training
- Organized 6 sessions of occupational safety education and training, with 354 trainees
- Annual education and training expenditures totaled NT\$1.2 million
- More than 160 people participated in talent training programs
- Hold 1 summer camps of the Boyo Foundation, with a total investment of NT\$1 million and 120 beneficiaries

## Honors and Recognitions



Brogent’s “Flight of the Sky Lion” located in Legoland Windsor Resort received the “European Star Award Europe’s Best New Rides” and the “UK Theme Park Awards Best Amusement Ride”.



Brogent’s flying theater “Emmet’s Flying Adventure” located in Billund, Denmark received the “Parkscout Award for Europe’s Best New Rides”



Brogent won the Taiwan Corporate Sustainability Awards (TCSA) “2020 Silver Award of Sustainability Report” in 2021



Brogent received the “Exercise Enterprise Certification” by the Sports Administration, Ministry of Education from 2013 to 2021



Brogent received the Excellent Enterprise Award for Labor Relations in Science and Technology Park from the Ministry of Economic Affairs in 2021



Brogent received the Talent Quality Management System (TTQS) certification from the Workforce Development Agency, Ministry of Labor in 2021

BROGENT WILL CONTINUE TO UPHOLD  
ITS BUSINESS PHILOSOPHY OF

# “FUN IS OUR BUSINESS”

AND CONTINUE TO BRING JOY TO  
THE WORLD WITH TECHNOLOGY

In 2021, Brogent employees continued to fly around the world during the pandemic to complete important missions

We have created many unexpected records in the past year

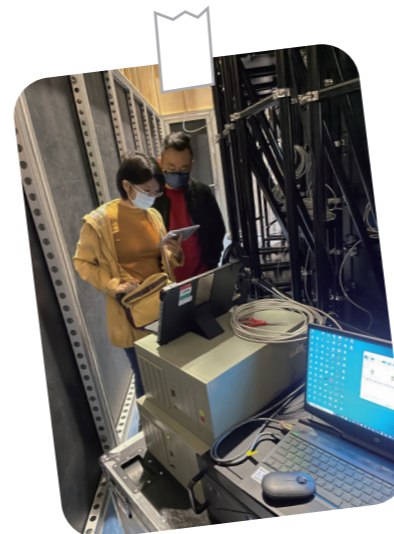
We used more than **9,500** masks

We passed **410** days in quarantine

We applied for **25** special pandemic visas

We transported **270** tons of equipment by rail during the container shortage

With the hard work of our employees, Brogent completed and inaugurated **21** immersive amusement rides in 2021



## COMMITMENT TO OUR MISSION — SPREAD BROGENT PRODUCTS ACROSS THE WORLD

To our hard-working employees

A group of people, regardless of their position and rank, have dedicated themselves to the mission of spreading Brogent products across the world.

Since 2020, more than 70 employees have spent more than 4,600 days away from home. They left their families and children behind, braved the risks of national border controls, and risked their personal freedoms. They put on hazmat suits, wore masks and protective goggles, and endured long trips of more than 10 hours. They worked in places below freezing, under the scorching sun, and in places covered by dust. They worked when people are sleeping and worked in remote areas with little access to anything. They cross borders to work onsite so that they can complete the last mile for Brogent projects, help the owner expand, and ensure progress based on the schedule. They do all these things to complete the mission on time.

Their goal is to bring the products we have proudly created to all corners of the world, and create hard-won profits for all employees of Brogent Group amid difficulties during the pandemic.

I wish to use this opportunity to encourage all employees to applaud more than 70 employees that have braved the difficulties in overseas travel during the pandemic and successfully completed their missions.

## EMPLOYEE'S INNOVATIVE PROPOSAL — DEVELOPMENT OF LED DOME SCREEN

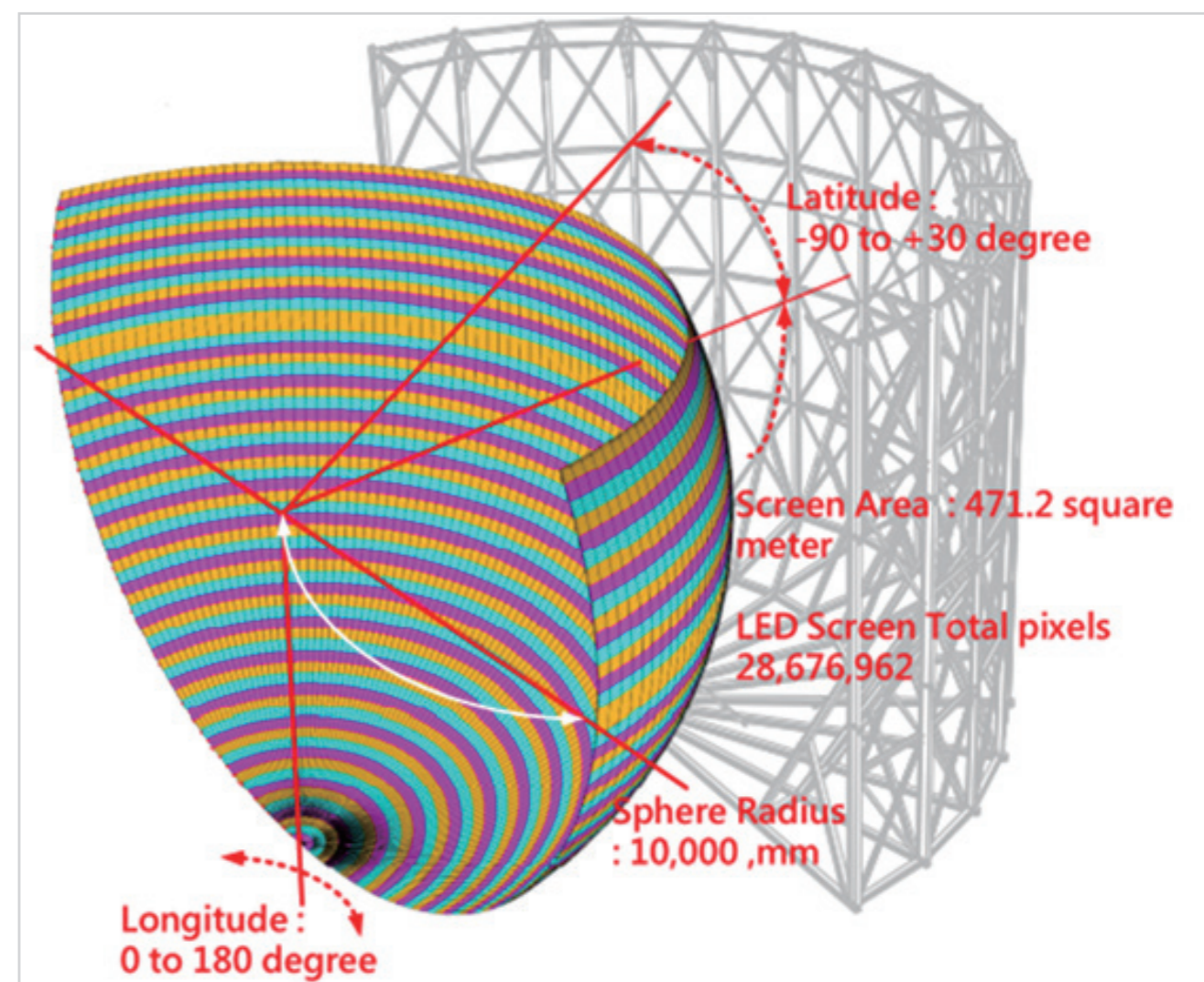
Traditional projection has dominated film display technologies for more than a hundred years until Samsung launched the first LED display screen for theaters in May 2017, which opened up a brand-new market for LED display screens. Wanda Group launched the flying theater LED dome screen test in August 2017 and CETC 14th Research Institute launched the LED dome screen flight simulator application in the Zhuhai Airshow in November 2018. Krafwerk Living Technologies of Austria and Evans & Sutherland of the United States later launched LED dome screen solutions in April and May 2019. These developments have shown that there will be more LED dome screen applications in the future and stable growth in the market. Brogent is the only amusement ride manufacturer in Taiwan and has the world's highest market share in flying theaters. The dome screen is one of the indispensable and crucial equipment for the flying theater. Brogent is therefore committed to the development of LED dome screen technologies and applications in Taiwan to meet international development demand and trends.

The Product Manager Louis Lee is responsible for the "Immersive 8K 3D LED Dome Screen Theater" research and development project. He successfully obtained subsidies from the Industrial Bureau of the Ministry of Economic Affairs and developed a star product of the future for the Company. In addition to flying theaters, it can also be used for other simulators and in museums or planetariums.

The optical characteristics of the "Immersive 8K 3D LED Dome Screen 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. It is difficult to describe its performance and advantages in words and you must visit the attraction for the unprecedented experience.

### Proposal and Development of the LED Dome Screen

Date	Description
March 2016	Employee's internal proposal "Small-Gap LED Dome Screen Proposal"
August 2017 November 2018 April and May 2019	Brogent and suppliers discussed applications of the LED dome screen
June 2019	Brogent filed an application for the Innovation Optimization Program of the Industrial Development Bureau, Ministry of Economic Affairs titled "Immersive 8K 3D LED Dome Screen Theater"
October 2019	The proposal was reviewed and approved by the committee and the project period was July 1, 2019 to June 30, 2021.
September 2021	The Ministry of Economic Affairs issued an official letter for the conclusion of the project



# 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 create a good reputation and become one of the best immersive simulation rides supplier.



## Management Approach

\*Customized Topics

Major Issues	Sustainable Development Strategies
Material Topics	Sustainable Development Strategies*
Policy/Commitment	<ul style="list-style-type: none"> <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> <li>• Bring people fun by the power of technology.</li> </ul>
Goals and Objectives (Short-Term)	<ul style="list-style-type: none"> <li>• Reorganize the company to respond to market development trends.</li> <li>• Continue to control core immersive simulation technologies and expand businesses.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>• Implement internal reorganization to adapt to changes in the market environment of theme parks across the world to ensure Brogent's leading position in the immersive amusement rides industry.</li> <li>• Continue to invest resources in product development to create a more diverse product line for immersive amusement rides.</li> </ul>
Goals Achieved in 2021 (Short-Term)	<ul style="list-style-type: none"> <li>• Added the Content and Theme Design Center and Engineering Management Center to manage functions and reorganize human resources.</li> <li>• Completed the setup of the personalized racing simulators for theme parks in Vietnam and achieved full coverage of the theme park equipment sales market with diversified products.</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>
Responsibilities	<ul style="list-style-type: none"> <li>• The Board of Directors supervises the sustainable development of the Company.</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 of the Group once every two weeks to discuss major issues.</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>• Continue to maximize value for our shareholders for each major issue through product diversification, revenue diversification, technology advancement, and enhancement of competitive advantages.</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	 4.4	 8.3	 9.5	 12.6	 13.2	 17.16
<b>Development Direction</b>	<p>Brogent is committed to using diverse learning channels, abundant learning resources, and a dual-track development path for professional and management competencies to provide each employee with opportunities to grow and improve their own abilities.</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>	<p>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.</p>	<p>The production mode of Brogent is low-pollution, developing environmentally friendly products to market all over the world.</p>	<p>Brogent expects to reduce the negative impact of corporate operations on global warming.</p>	<p>Brogent directly or indirectly organizes economic activities with global partners to provide opportunities for developing countries to activate global sustainable development partnerships.</p>
<b>Promoting Strategy</b>	<p>New comer training: We help new employees understand and learn about the Company's products, culture, and system to help them become a part of Brogent.</p> <p>Professional training: Each unit plan their learning maps and training programs by setting the target number of training hours.</p> <p>Management training: We organize enhanced management competency training each year to develop talents and improve management skills.</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>	<p>Through core technology combined with 5D immersive simulation technology, Brogent carries out software and hardware R&amp;D, manufacturing and system integration, innovative design planning and construction of new-media immersive simulation theater.</p>	<p>Brogent collaborates with suppliers through the R&amp;D of technology, implementing the operating strategy of responsible procurement.</p>	<p>Brogent carries out energy-saving policies in its daily operation, such as power saving, water resource planning, and supply chain management.</p> <p>Use low-energy-consumption equipment for production and assembly testing to reduce electricity and water consumption and carbon emissions.</p>	<p>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.</p>
<b>Long-Term Goal</b>	<p>We continue to provide more appropriate and more flexible training resources to help Brogent talents make the most use of their advantages and potential, and improve the Company's overall competitiveness.</p> <p>Gradually increase the target number of training hours and introduce the Talent Quality Management System (TTQS)</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>	<p>Use the results of extended immersive simulation technology in field training and operations in high-risk industries, such as data acquisition for scientific research, or disaster prevention and rescue.</p>	<p>Brogent provides sustainable solutions for society and the environment by reducing the consumption of raw materials during the design and active investments in energy conservation designs.</p>	<p>Brogent aims to reduce the impact of its operation on climate change by setting targets to reduce carbon emissions and energy consumption, and taking actions such as energy conservation measures and green energy designs in new plants.</p>	<p>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.</p>

# 01

# PERSEVERANCE

Brogent has actively expanded operations based on the spirit of perseverance to create a new era of flying theaters in foreign countries.

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

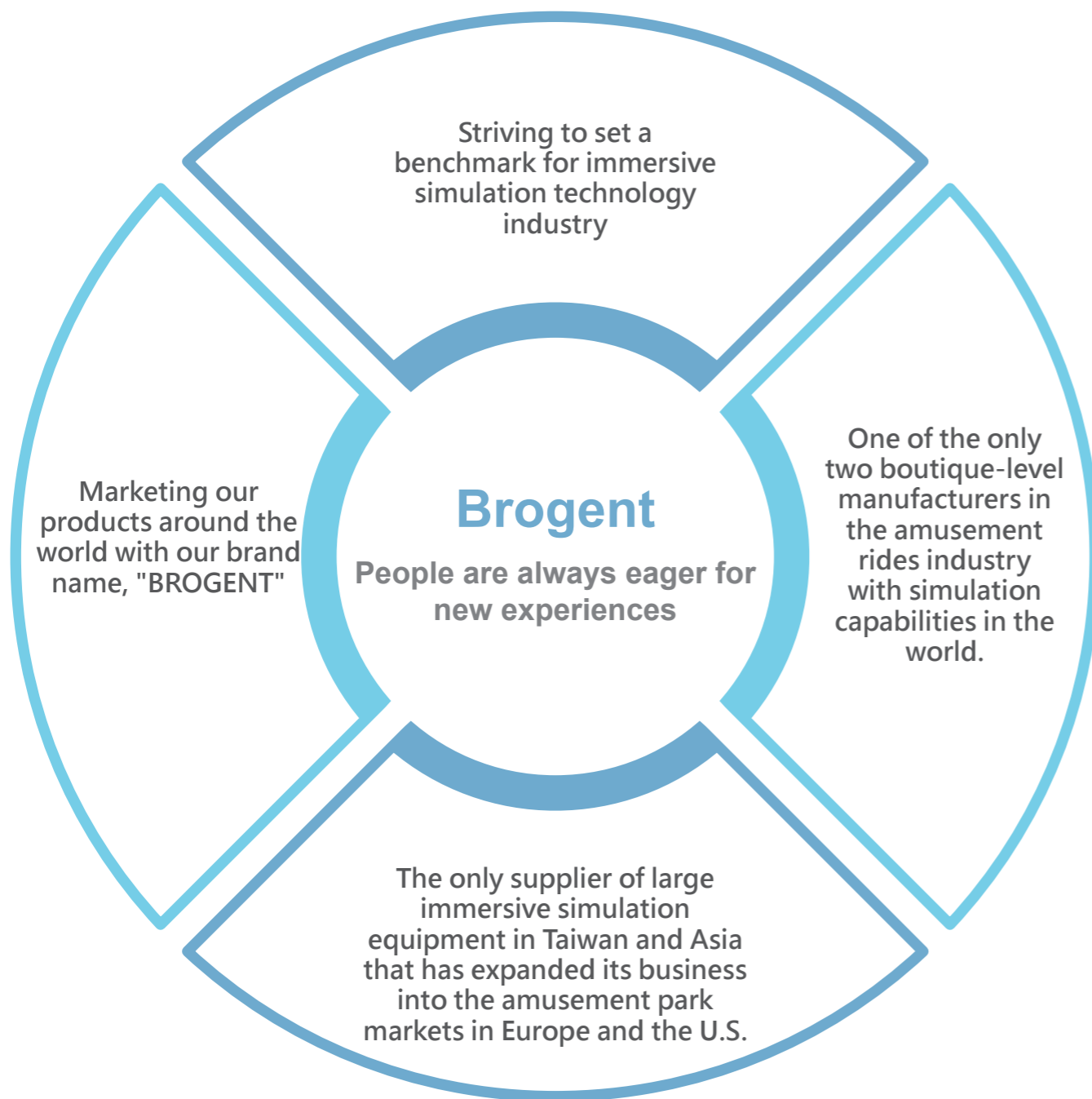


12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## 1.1 Company Profile

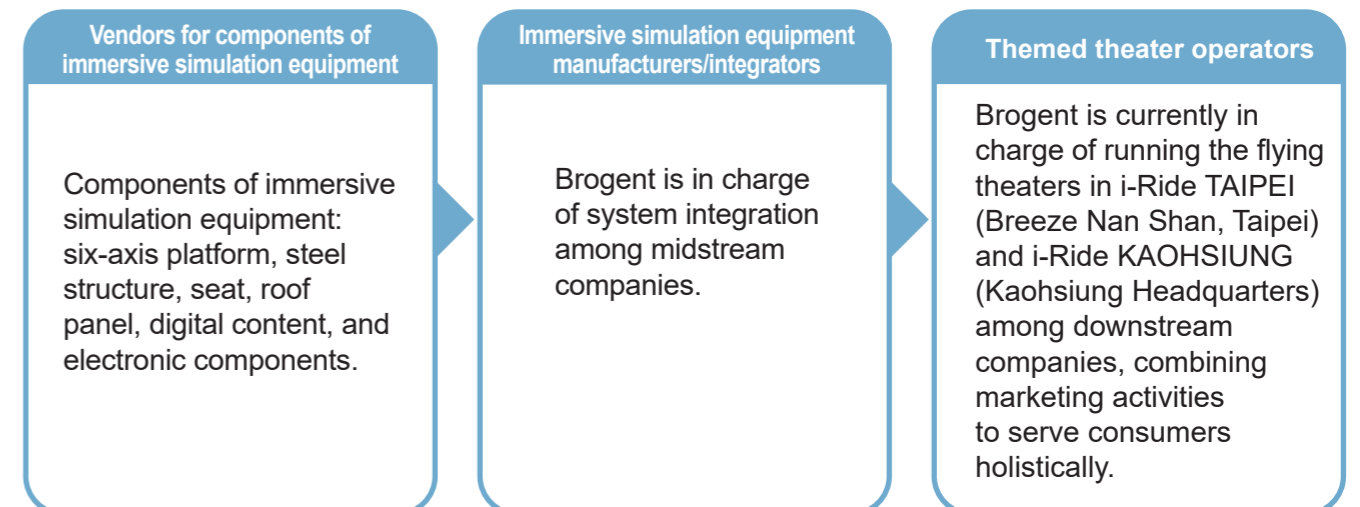
Established in 2001 and headquartered in Kaohsiung, Taiwan, Brogent is a world-leading simulation equipment designer, developer, and manufacturer. It is a technology company that focuses on research and development of advanced entertainment technologies, media creation, and design. The company offers 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. The Company has built a well-known international brand "BROGENT" to market products across the world as a world-class new media entertainment supplier.



<b>Company Name</b>	Brogent Technologies Inc.
<b>Established</b>	October 2001
<b>Listing Date for OTC</b>	December 18, 2012 (Stock Code: 5263)
<b>Business Administration No.</b>	13158496
<b>Location of headquarters</b>	No. 9, Fuxing 4th Rd., Qianzhen Dist., Kaohsiung City, Taiwan (R.O.C.)
<b>Capital</b>	NT\$573,641,000
<b>Revenue</b>	NT\$787,749,000
<b>Industry Category</b>	Cultural and creative industry
<b>No. of Employees</b>	265
<b>Markets of Products and Services</b>	Taiwan, Asia, U.S.A, Europe, and Australia
<b>Main Products &amp; Services</b>	Simulator rides
<b>Industries &amp; Types of Clients</b>	Theme parks, museums, shopping malls, urban experience centers, etc.
<b>Location of operations</b>	Kaohsiung Headquarters, Taoyuan Plant, Banqiao, Taipei, and Breeze Nan Shan, Taipei

### 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.



**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 actively sought collaboration with local Taiwanese vendors, while assisting them in transforming their businesses for the immersive technology industry. To develop simulator rides, Brogent leverages the technical strength, flexibility, and willingness of small and medium enterprises to cooperate. In addition, Brogent plans, designs, and collects the various technical and production information of international companies, commissioning contractors to manufacture our products and helping them with transformation and upgrade. Brogent has worked with 30 small and medium enterprises including Unigin Interfield Co., Ltd., Ea-Hwa Enterprise Industrial Co., Ltd., and Cheng Day Machinery Works Co., Ltd. to create flying theaters made in Taiwan, apply for patents, and construct the supply chain system of simulator ride facilities with SMEs.

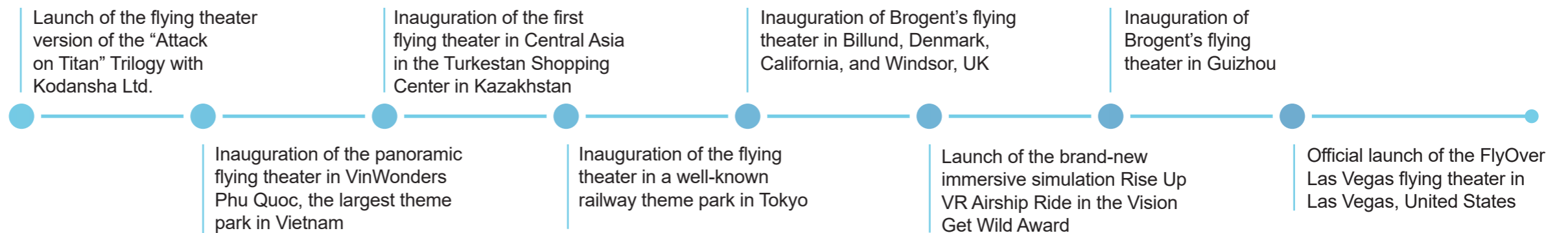
**Assist in the Upgrading of Local Industries**

<b>Unigin Interfield</b>	Unigin Interfield Co., Ltd. was a steel company that specialized in steel fabricating projects. The company began manufacturing the steel structures for dome screens from scratch. It required all welders to obtain a license and introduced an enterprise resource planning (ERP) system. Its track records in the production of the dome screen have attracted the attention of planetariums in foreign countries which sought collaboration with the company.
<b>Ea-Hwa Enterprise Industrial</b>	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. Its production line must pass international certifications, while its technical capabilities must continually be upgraded.
<b>Cheng Day Machinery Works</b>	Cheng Day Machinery Works Co., Ltd. was a major manufacturer of cranes and was responsible for the production and construction of six-axis motion platforms. It has completed the production history of equipment and maintains records of individual materials and welders in the production history.

**Participation in Public Associations**

<b>Name of Public Association</b>	<b>Participation Status</b>	<b>Project or Committee</b>
Taiwan Technology Industrial Park Electrical and Electronic Manufacturer's Association	Member Representative	√
Taiwan Industry-Academia-Research for Collaboration-Integration-Development Association	Serve as Executive Director and Supervisor	√
Taiwan Ciaotou Science and Technology Park Academia Industry Consortium	Serve as Director and Supervisor	√

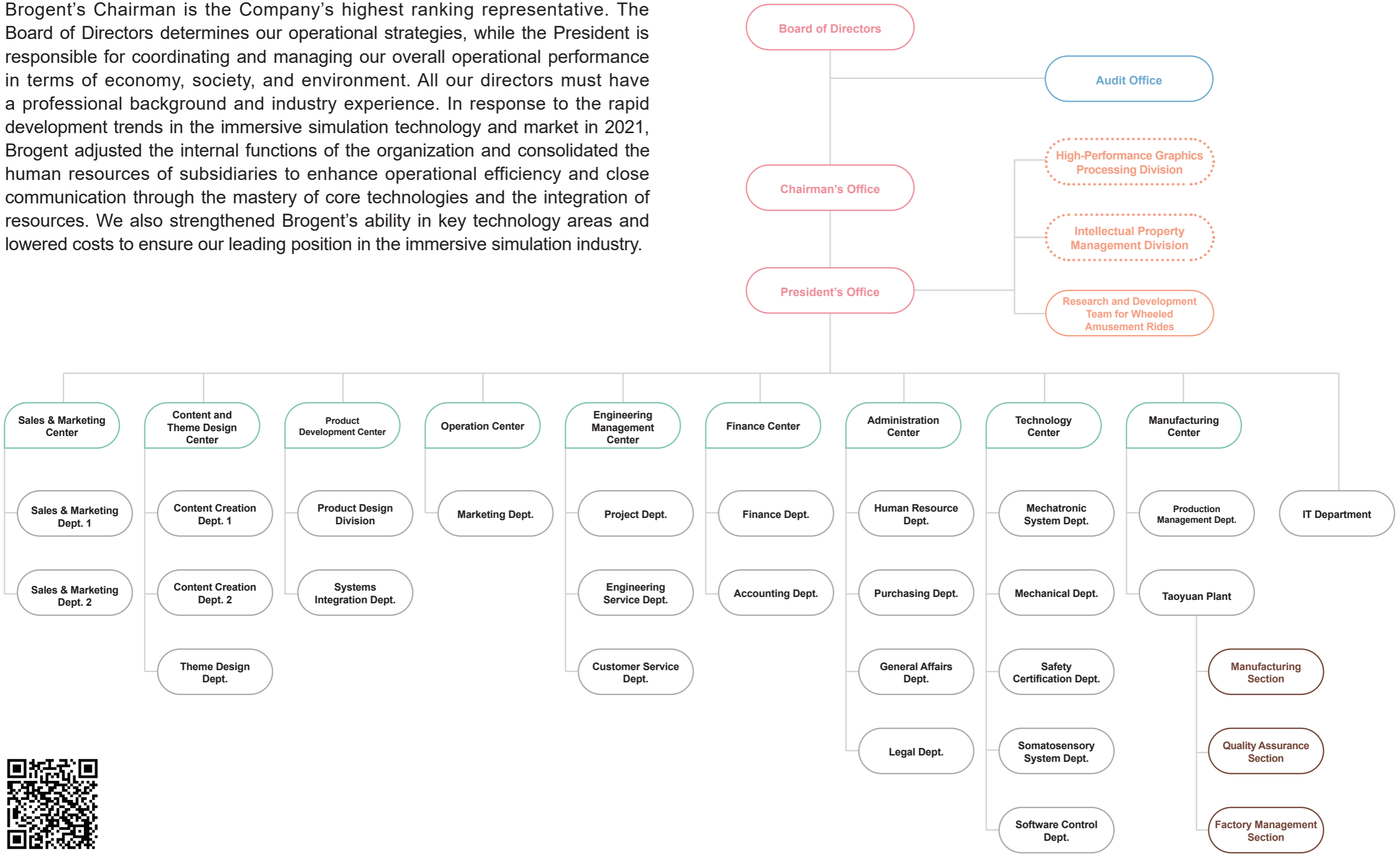
**2021 Company Milestones**



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 rapid development trends in the immersive simulation technology and market in 2021, Brogent adjusted the internal functions of the organization and consolidated the human resources of subsidiaries to enhance operational efficiency and close communication through the mastery of core technologies and the integration of resources. We also strengthened Brogent's ability in key technology areas and lowered costs to ensure our leading position in the immersive simulation industry.



Please refer to Page 9-10 of the 2021 Annual Report for more details about duties of each center/department in Brogent.

In response to the impact of the COVID-19 pandemic, Brogent continuously implemented internal reorganization to adapt to changes in the market environment of theme parks across the world to ensure Brogent's leading position in the immersive amusement rides industry.

Unit	Significance to Brogent
<b>Engineering Management Center</b>	The original Project Center was responsible for work items beyond project management which included equipment and building engineering interfaces, cross-department collaboration in design, and management and integration of outsourced operations. The Center's structure including the Project Dept. and the Engineering Service Dept. remains unchanged, but the Customer Service Dept. previously under the management of the Engineering Management Center is transferred to the Sales & Marketing Center in 2022.
<b>Content and Theme Design Center</b>	In response to the continuous growth of the demand for theme-based outsourcing design projects for the location-based entertainment (LBE) market, Brogent added the Content and Theme Design Center which focuses on overall "theme design" including interior design and the production of corresponding digital contents.

### Business Activities of Primary Sustainable Duties

Major Divisions	Primary Sustainable Duties
<b>Sales &amp; Marketing Center</b>	<ul style="list-style-type: none"> <li>• BROGENT brand building and continuing market expansion to attract media through the leading brand awareness.</li> </ul>
<b>Content and Theme Design Center</b>	<ul style="list-style-type: none"> <li>• Use "theme design" concept and software/hardware equipment to provide customers with the best equipment solutions, generate buzz, and demonstrate uniqueness for sustainable development.</li> </ul>
<b>Product Development Center</b>	<ul style="list-style-type: none"> <li>• 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. Integrate the concept of energy conservation and environmental protection into product design ensure sustainability with green products.</li> </ul>
<b>Operation Center</b>	<ul style="list-style-type: none"> <li>• Continue to expand operating efficiency, use front shop, back factory operation locations to demonstrate the Company's latest R&amp;D results, and learn about the direct demand in the consumer market.</li> </ul>
<b>Engineering Management Center</b>	<ul style="list-style-type: none"> <li>• Optimize project implementation and create new management positions for engineers to become technical managers and pass on management ideas and knowledge.</li> </ul>
<b>Finance Center</b>	<ul style="list-style-type: none"> <li>• Formulate overall financial plans and optimize internal procedures to strengthen fund allocation and risk management.</li> </ul>
<b>Administration Center</b>	<ul style="list-style-type: none"> <li>• Brogent values two-way communication with our employees, and we have created a healthy, ethical, fair, happy, and friendly working environment of human rights to become the pride of our employees.</li> <li>• Suppliers/contractors are important partners of our operations. We continue to enhance 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>
<b>Technology Center</b>	<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 maintain the Company's position and competitiveness in immersive simulation amusement rides.</li> </ul>
<b>Manufacturing Center</b>	<ul style="list-style-type: none"> <li>• Become the global leading company by grasping the competitive advantages of core equipment.</li> </ul>
<b>IT Department</b>	<ul style="list-style-type: none"> <li>• Information security threats has become the norm for companies in this era. The geopolitical changes also affect whether companies can maintain sustainable development. The key factor lies in whether they have sufficient information security resilience and system flexibility to ensure that the company can rapidly respond to sudden challenges.</li> </ul>


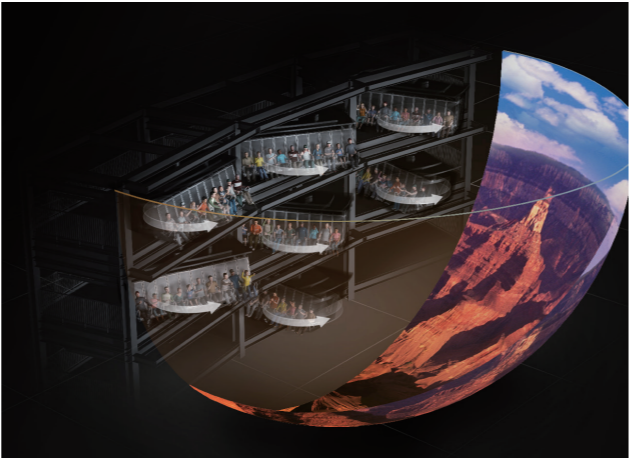

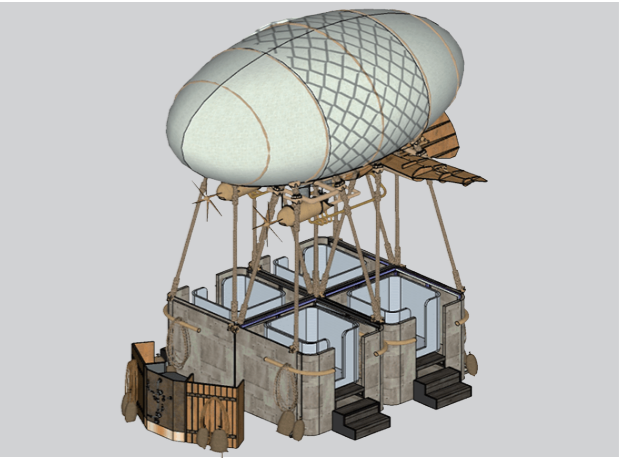
## 1.2 Brand Values

Brogent believes that quality of life can be improved through technology and with this technology people can have beautiful experiences. When humans are happy at the spiritual level, they will be attracted to good things, and will then protect or perpetuate them. 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.

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. Brogent launched the third-generation flying theater equipment in 2021. The new flying theater is equipped with a large LED dome screen and the resolution and brightness was ten times that of the old system. The pixels are no longer distinguishable by the naked eye. In addition to the third-generation flying theater equipment, Brogent also created the brand-new product Rise Up VR Airship Ride. With the six-axis motion platform technology, Brogent created a “steampunk” sci-fi style with special styling technologies and used ultra-high-density LED to create vivid images.

Product Category	i-Ride	m-Ride	miRide	Rise Up VR Airship Ride
<p><b>Product Description</b></p>	<p>The i-Ride Flying Theater uses a suspended electric motion platform that pushes passenger seats into the giant dome. During the ride, the passenger seat is very close to the giant dome. The smooth action platform system is synchronized to the movement of the video to make the immersive flight experience more realistic.</p>	<p>The new type of flying theater uses 180-degree rotations to provide passengers with a brand-new flight experience. The m-Ride uses rotations, tilt angles, and swinging movements create surprising immersive simulations.</p>	<p>The miRide is a personalized immersive simulation equipment developed by Brogent through system integration and software/hardware connections with six degrees of freedom like the i-Ride. Core technologies such as the six-axis immersive simulation technology and real-time computing are concentrated in a small platform with an area of less than 2 square meters to provide a realistic and refined display of sporting events. We look forward to seeing players take miRide and enjoy their ride in both the virtual and the real world.</p>	<p>Take the VR Airship Ride around the world. Passengers can view the famous and majestic sights around the world. The Rise Up Airship has four gondolas, each of which can take four passengers at a time with a total of 16 passengers. The ride features a steampunk design which is an indoor amusement ride suitable for shopping centers, museums, and mall complexes.</p>
<p><b>Product Image</b></p>				



Please view  
Brogent's website  
for more details

## 1.3 Operational Performance

The COVID-19 pandemic has threatened and devastated the global economy in 2021. The tourism and recreational industries were particularly hard-hit. Brogent's operations were also affected by the pandemic and fluctuations in the exchange market. The consolidated revenue amounted to NT\$788 million (25.88% decrease year-on-year). The gross profit margin amounted to 48% (1% increase from year-on-year), the operating profit margin fell by 22.86%, and net loss after tax amounted to NT\$133 million with the loss per share at NT\$2.31. As the main products were immersive simulation amusement rides, certain customers delayed the delivery of equipment due to the pandemic and it has affected new purchase orders. As a result, the business revenue measured and recognized based on the completion fell sharply. The operating revenue is expected to recover once the pandemic subsides and governments relax regulations.

The progress of construction across the world has been delayed due to the impact of the COVID-19 pandemic. The payment collection has been affected and the continuous lockdown in different countries has delayed construction. Market risks and liquidity risks have affected the Company's financial performance. In addition, uncertainties due to global economic market changes have caused fluctuations in exchange rates and interest rates. We must thus focus on international development and risk assessment. As exchange rate fluctuations have a certain degree of impact on profitability, Brogent will continue to enhance foreign currency hedging and natural hedging in accordance with appropriate risk settings. In the future, the world must invariably coexist with the COVID-19 pandemic, and the economic market will continue to recover, which in turn will empower controls over interest rates and exchange rates.

Brogent remains optimistic regarding the post-pandemic recovery in consumption. In response to customers' diverse demands after the pandemic, Brogent will launch a wide variety of immersive simulation amusement rides to provide the market with the best products and solutions.

### 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 theaters are being built, which means more opportunities to license content.</li> <li>Provide a turnkey solution to customers including the hardware system, content design, venue planning, and operation.</li> </ul>

### 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 "Regulations Governing Assessment of Profit-Seeking Enterprise Income Tax on Non-Arm's-Length Transfer Pricing". 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.



1. Observing laws and regulations: Observe local tax laws and regulations, and file and pay taxes within the specified deadline.



2. Information transparency: Disclose information on taxes in the financial statements and annual report according to the law, so that stakeholders can access said information, while information transparency can be ensured.



3. Risk control: Effects of taxes must be taken into consideration and financial risks evaluated when making important decisions. Appropriate countermeasures should also be taken and strategies adjusted.



4. Reasonable tax mitigation: Enjoy tax incentives and mitigation based on reasonable business grounds and economic substance according to local tax laws and regulations, as well as taxation agreements. Don't adopt methods violating the law for tax reduction and exemption, such as tax evasion and avoidance.



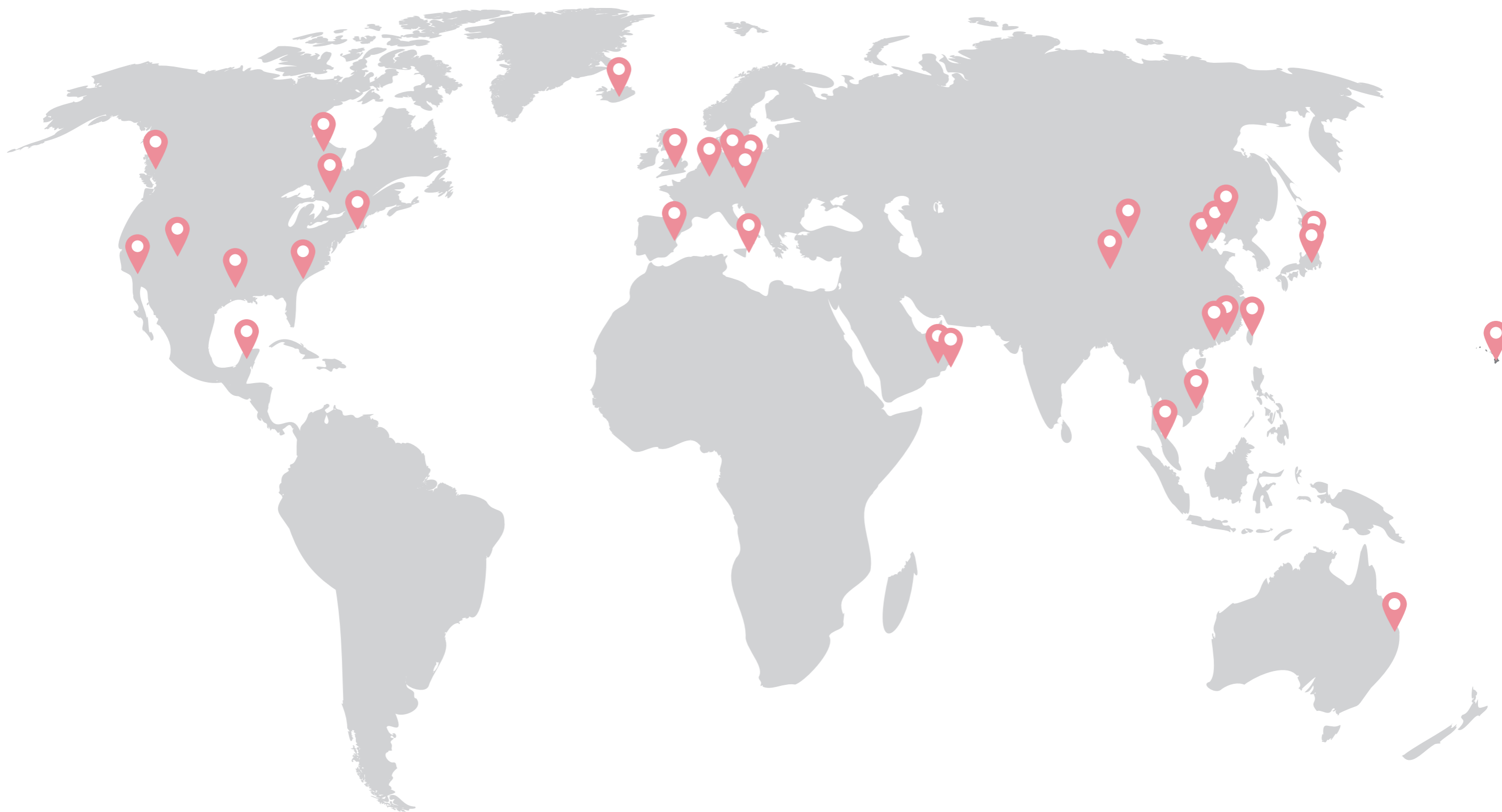
5. Communication based on mutual trust: Establish a relationship based on mutual respect with national taxation bureaus via communication based on mutual trust and information transparency.



## Global Market Positioning

Due to the pandemic in 2021, the installation of a total of 24 flying theaters was delayed. Brogent's R&D team did not rest during the pandemic and invested vast resources in R&D to respond to the diverse demand of customers when major theme parks reopen. Brogent has launched a diverse range of immersive simulation amusement rides including the brand-new 8K LED Dome Screen Flying Theater, the mini Ride personal race car simulator, and the Rise Up VR Airship Ride to provide the market with the best products and solutions.

In 2021, Brogent's flying theaters and large-scale immersive simulation amusement rides in Vietnam, Kazakhstan, Mainland China, Japan, Denmark, the United States, and the United Kingdom were completed and inaugurated. Starting from 2010, Brogent has built more than 40 immersive simulation attractions for major theme park customers across the world with a market share of 90%. Brogent has received an additional 50 new proposals for flying theaters so far, putting the total number of expected flying theaters to 89. Thus, we still anticipate the total number will reach 100 by 2022.



## 1.4 Social Care

Brogent Group's mission is "to inspire moments of joy through creativity" and we invited underprivileged groups to take a ride in the equipment. We offer science and technology education and joy and continuously use immersive simulation to create different types of experiences and bring people closer together. We hope to use science and technology to experience joy and create beautiful experiences for humans. Brogent offers world-leading immersive simulation technologies for the five senses to explore the beauty of Taiwan with i-Ride Flying Theater by soaring over breathtaking natural wonders and city landscapes.

For years, Brogent has invested in social welfare for the underprivileged. Since 2016, we have created a summer camp for children of the Boyo Social Welfare Foundation and invited them to experience the newest immersive simulation equipment. They learned about Taiwan from brand-new perspectives with the flying theater. We wish to create happy, miracle moments through technology, bring everyone closer with moving, exceptional experience, and create a more vibrant 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 charity foundations to invite them to experience different rides. 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.



<p><b>Photos of activities</b></p>			
<p><b>Description</b></p>	<p><b>Solidarity in pandemic Prevention to Protect Taiwan</b> The "positive-pressure quarantine booth" provides first-line medical staff with a safer outdoor test environment and facilitates early preparation for future screening tasks. It offers high screening volume and is equipped with a safe positive-pressure design and constant-temperature air conditioning so that medical staff are no longer affected by direct sunlight and rain while wearing hazmat suits.</p>	<p><b>Rehydration for vaccination</b> Kaohsiung Exhibition Center, i-Ride KAOHSIUNG i-Ride supported medical staff on the front line and provided 5200 bottles of mineral water to rehydrate and support medical staff and people receiving vaccination. We hope that Taiwan can soon overcome the pandemic and rise again.</p>	<p>Brogent has provided care to the Boyo Foundation over the years and hopes to continue to offer the unique flight simulation experience for children to tour the world with i-Ride and fill their childhood with unique memories.</p>

## Charity Project Activities

Date	Name	Content	Amount (NT\$)
June 6, 2021	Quarantine booth donation	<ul style="list-style-type: none"> <li>Brogent donated a positive-pressure quarantine booth certified by the Industrial Technology Research Institute to the Department of Health, Kaohsiung City Government. It was inaugurated in a hospital in Kaohsiung City to provide first-line medical staff with a safer outdoor test environment and reduce the possibilities of infections. It also helps the hospital obtain large quantities of specimens quickly and protect the medical staff.</li> </ul>	630,000
July 29, 2021	Brogent supports medical staff	<ul style="list-style-type: none"> <li>Brogent provided 5,200 bottles of mineral water to the vaccination station at Kaohsiung Exhibition Center for onsite medical staff and people receiving vaccination to rehydrate themselves.</li> <li>5 volunteers from Brogent participated in the event and there were 5,200 beneficiaries.</li> </ul>	80,000
January 8, 2022 <sup>Note</sup>	Summer Camp for Boyo Social Welfare Foundation	<ul style="list-style-type: none"> <li>We invited children from the Foundation to experience the i-Ride and learn about sights in Taiwan and other countries from different perspectives.</li> <li>10 volunteers from Brogent participated in the event and there were 120 beneficiaries.</li> </ul>	1,000,000

Note: The Boyo Foundation summer camp was originally scheduled for the summer of 2021 but was postponed to January 2022 due to the pandemic in response to the government's pandemic prevention policy and to reduce children's health risks.



# Brogent Loves Animals Charity Event - Adoption with Brogent

Brogent organized the “Adoption with Brogent” animal welfare event and activities on the Employee Day on Saturday, February 20, 2021 to support charity and animals. We invited all employees to join us and learn more about animals and care for them. We also encouraged employees to join us in taking real actions for animal adoption for the benefit of animals in the zoo and wildlife conservation.



# Charity Donation for Snacks

Brogent’s Employee Welfare Committee worked with the Garden of Hope Foundation on the Employee Day on September 11, 2021 to support underprivileged and low-income families, and to give back to society. We organized the “Charity Donation for Snacks” donation of supplies to help more people in need. Those who donated supplies on Employee Day are eligible for a morning snack provided by the Employee Welfare Committee. The event was organized at the Taipei Office, Taoyuan Plant, and Kaohsiung Headquarters at the same time and all employees participated in the event.



# 02

# CREATIVENESS

Brogent uses immersive simulation technology to bring humans into the metaverse and create a realistic virtual world.



## 2.1 Technological Innovation

### Management Approach

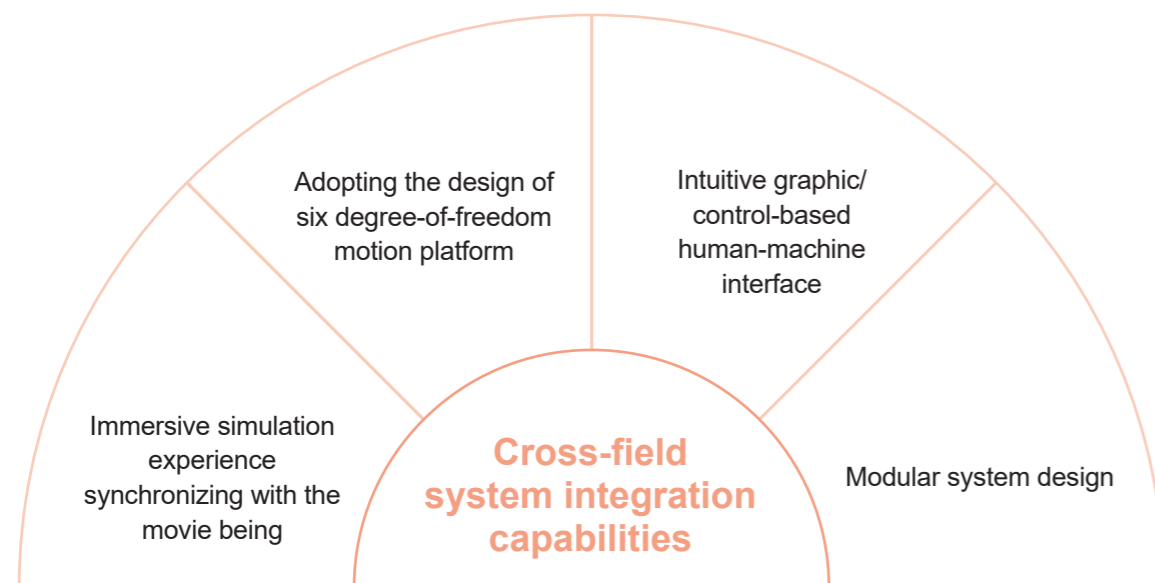
\*Customized Topics

Major Issues	Technological Innovation
Material Topics	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>Continue to research and develop innovative technologies in accordance with company policies and Brogent’s core competencies to meet the technological trends of the era.</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>Increase R&amp;D efficiency and accelerate the process of directing R&amp;D accomplishments to the manufacturing and sales process.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>Strengthen the division of professional functions with internal restructuring of the central organization to improve R&amp;D efficiency and design quality.</li> <li>Seek government-industry-academia cooperation opportunities.</li> <li>As the division of professional functions creates complicated communication processes, we launch PDM and other IT systems to support the synchronization of information.</li> </ul>
Goals Achieved in 2021 (Short-Term)	<ul style="list-style-type: none"> <li>Completed the prototype design for the low-end flying theater product o-Ride.</li> <li>Completed the client-end third-party type verification and test for the first ultra-large high-end 304-seater v-Ride Dome.</li> <li>Introduced Brogent’s own digital control technologies into the existing flying theater product line, which allows remote adjustment of equipment performance via the Internet.</li> <li>Applied IoT technologies in Brogent’s flying theaters for real-time remote monitoring and control of equipment status.</li> <li>Applied the PDM system to all new projects.</li> </ul>
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>Continue to optimize the functions of top-selling products and develop new products that meet market demand.</li> <li>Extend and expand the mid to small-scale immersive simulation equipment based on the core technology of immersive simulation with the aim of promoting the application to education and skill training.</li> <li>Technical cooperating with domestic research institutions and academic units to obtained leading innovative technologies.</li> <li>Continue to obtain government-industry-academia cooperation project.</li> </ul>

Major Issues	Technological Innovation
Material Topics	Technological Innovation*
Responsibilities	<ul style="list-style-type: none"> <li>Performance management system: Evaluate the achievement of goals every quarter 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	<p><b>Human resources:</b></p> <ul style="list-style-type: none"> <li>Set up a document control center of 2 employees to carry out innovation management, document quality control, and implement a project management system to assist product development and knowledge management.</li> <li>Assign thirty percent of R&amp;D employees to carry out R&amp;D technological innovation work.</li> </ul> <p><b>Appropriation budget:</b></p> <ul style="list-style-type: none"> <li>Based on the estimated annual revenue, budgeting 5% to 10% 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>
Claim Procedures	<ul style="list-style-type: none"> <li>Report through Brogent’s website (<a href="https://www.brogent.com/en/contact-us.html">https://www.brogent.com/en/contact-us.html</a>), which provides communication channels such as commercial activity reports and feedback.</li> </ul>
Specification Actions	<ul style="list-style-type: none"> <li>Participate in 3 regular IAAPA Expo (the U.S., Europe, and Asia) to display Brogent products and the latest technologies. We also collected feedback from customers and companies in the industry during the exhibitions and viewed the products and technologies displayed by other companies in the exhibition as reference for Brogent’s research and development of innovative technologies.</li> <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>

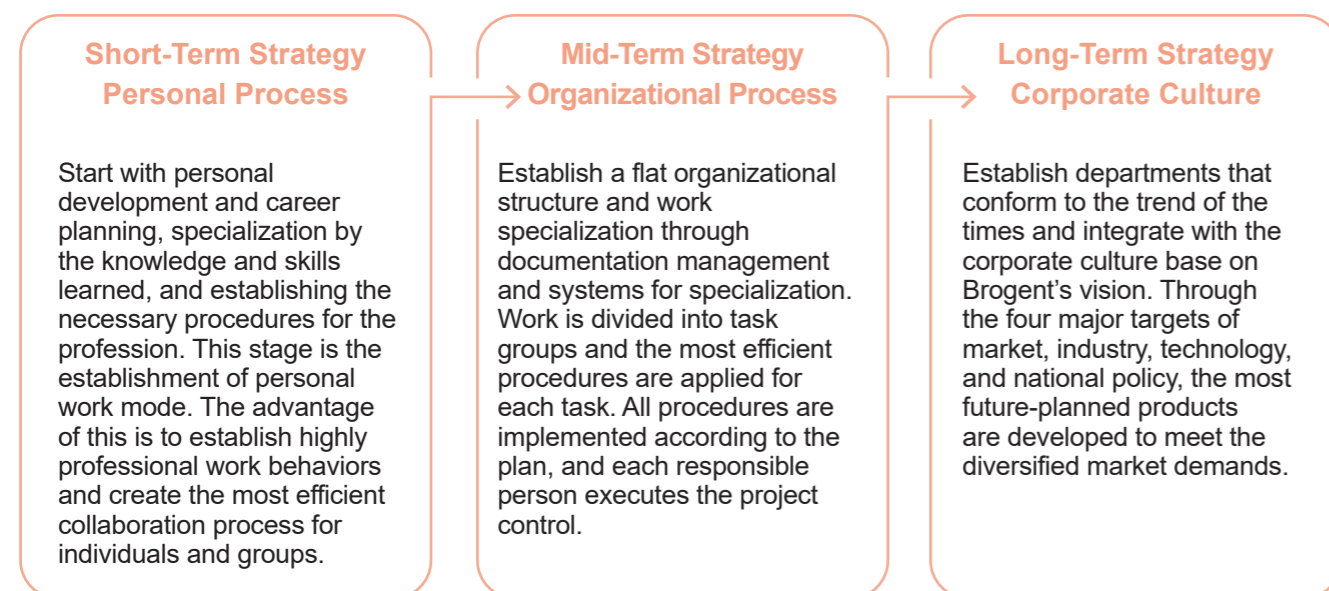
## The Only Company in the Industry with the Ability to Integrate Cross-Field Technologies

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.



## 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 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.

### Extended Immersive Simulation Technology Development

Brogent believes technological innovation in extended immersive simulations will be important in the future development of the immersive simulation technology industry. Extended immersive simulation is a technology that converts actions and controls in the virtual world and the feedback from sensors into the real world. The difference between the technology and the real world is that the operator is placed on an immersive simulation platform while real drones and race cars carry out actual tasks remotely. Remote control with complete feedback supports industry applications with high risks for training and onsite operations such as data acquisition for scientific research, or disaster prevention and rescue. As the pandemic has recently devastated the tourism industry, Brogent will extend immersive simulation to remote tourism and use extended immersive simulation and drones to provide helicopter urban travel and more sophisticated urban tour packages.

### IoT Development

In response to the rapid development of IoT technologies, Brogent has worked with cloud service providers to build remote data collection and analysis tools suitable for flying theaters. In 2021, we completed the infrastructure construction and we have provided the equipment operation data of Brogent's own operation sites to the operation and maintenance staff for reference through cloud-based services in the form of graphic dashboards. We will expand on this basis into applications for different product lines and use the data we collected for big data analysis with the aim of identifying causes of malfunction in the equipment as early as possible.

### 5G and Metaverse

Brogent incorporated 5G and Metaverse in the development of technologies and products, and focused on small-scale immersive simulation platforms as the basis for product diversity and price reduction. We aim to create interactive games through product optimization and integration of multiple types of games. They include the establishment of real-time physical experience and process standardization, optimization and commercialization of racing and flight simulation products, commercialization of stand-up platform development, and commercialization of theater multi-player interactive system. In terms of simulators, innovative technologies, and applications for professional players, we added professional training elements to develop specialized product lines and target new markets.

Brogent has leveraged the capabilities of academic research institutions such as the Industrial Technology Research Institute and National Sun Yat-sen University to develop products with popular 5G and Metaverse technologies. We built a 5G environment for extended immersive simulation, developed personal mini-domes, and optimized racing and flight simulation platform products.

## 2.1.2 Innovation and R&D Management

Brogent's R&D team consists of our Technology Center, Product Development Center, and Engineering Management 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.

### Management system

Make long-term plans to cultivate promising engineers into technical managers, with the hope that these managers would be capable of independently understanding, managing, and implementing projects where different technologies (mechanical/electrical/software) are integrated, reducing errors in projects requiring the application of mechatronics.

### Technical systems

Engineers regularly participate in seminars on electronic products to learn about the changes of products in the market and consider how to apply them in new designs.

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. We communicate with colleagues across departments on a monthly basis to learn about market and customer demand. After internal discussions and brainstorming, we propose corresponding R&D projects based on the R&D Management Regulations and annual strategies and targets and set up a team for implementation. The departments also encourage employees to share new knowledge about the Company's products through the internal training system to inspire great ideas.

Employees can propose new ideas for products or technology research and development based on the creative proposal management regulations in accordance with the Company's R&D management and annual strategies. After internal review and discussion, they shall be reported to the Company for resource allocation and budgeting for implementation. In 2021, many employees proposed innovative ideas and produced results that can be experienced in real life. We also collected feedback on the experience from different Centers and continued adjustments and optimization to commercialize the innovations. Examples included the mobile immersive simulation gaming container and the Company's attractive Rise Up VR Airship Ride, which are innovative products in the industry.

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), Brogent combined the existing R&D system 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.

All projects and R&D projects currently implemented by Brogent are included in the drawing/BOM management and document management audits of the PDM system. We currently have 42 projects (including sales, R&D, and evaluation projects). We use the PDM system to improve R&D efficiency and manage R&D output data through the platform to implement data preservation and intellectual property rights management.

### PDM System Functions



#### Centralized Platform

- Centralized and specific data storage and management.
- Establish a collaborative working environment for the design team, including workflow and notification of changes.



#### Authority Control

- Restriction of improper use of documents by users.
- Data transparency control.



#### History Record

- Secure data integrity and record all changes to images and the text.
- Version control and differential query.



#### Data Relevance

- Establish relevance among documents.
- Query data are used in trajectories and the generation of correct BOM.



#### Search and Share

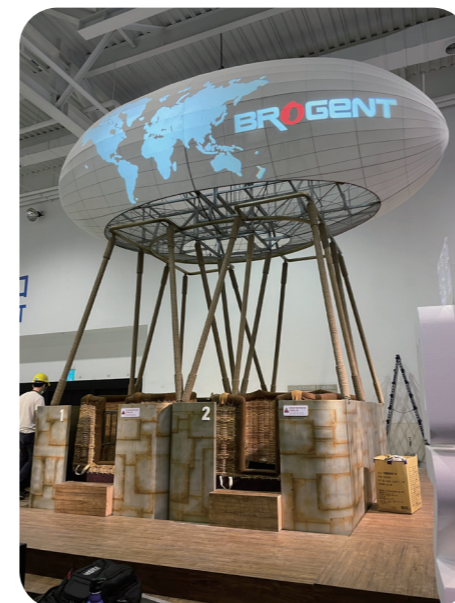
- Document attributes are used to establish data searching index.
- Inquire about document shareability for data sharing.

### 2.1.3 Investment in Technology and Product R&D

Brogent has always spared no efforts to invest in R&D. We currently have 120 technology R&D personnel; the total amount of funds invested in R&D in 2021 was NT\$207,749,000, accounting for 26% of the 2021 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.

#### Technological Innovation and R&D Achievements

Category	Achievements	Description
Technology	Action platform control system optimization	<ul style="list-style-type: none"> <li>Brogent's core action platform control system was fully converted from analog control to digital control and we completed the first batch of client-end product delivery and acceptance in 2021. The introduction of this system allows all adjustments of onsite equipment parameters (those that affect the immersive experience and operational stability) to be carried out remotely via the Internet. It significantly saves time and reduces the need for business travel for employees, which is especially important in the post-pandemic era.</li> </ul>
Product	Mobile container race car	<ul style="list-style-type: none"> <li>By integrating the race car into a container, it has become mobile and can be quickly set up in indoor and outdoor areas for immediate operations. It helps players truly experience the excitement of the game and enjoy themselves in the immersive race car game.</li> <li>The 6DOF (six degrees of freedom) race car platform is perfectly integrated with the game software. All movements are carefully programmed to create realistic motion and force feedback. It is just like a real race on the race track with the AI e-sports commentator and zero-time-difference playback developed by Brogent.</li> </ul>
Product	Rise Up VR Airship Ride	<ul style="list-style-type: none"> <li>We integrated high-performance system transmission and the exclusive patented flight simulation platform with multiple high-performance software and hardware devices.</li> <li>The steampunk airship inspires players to travel around the world. Passengers can stand freely about in the gondola of the airship and enjoy the ultra-fine and ultra-high coverage LED ring screen and high-performance system transmission integration and sound and light show. It creates an extremely immersive experience and plays different videos for different destinations to help travelers observe the wonders of each city at a close range.</li> </ul>
Product	Immersive 8K 3D LED Dome Screen Theater	<ul style="list-style-type: none"> <li>In the Innovation Optimization Program of the Industrial Development Bureau, Ministry of Economic Affairs and used LED technologies as the basis for dome screens. Its optical characteristics is about 10 times the peak brightness of a traditional projection dome screen. It also offers high contrast and high color restoration provide customers with the state-of-the-art video viewing experience.</li> </ul>
Product	Low-end flying theater (o-Ride)	<ul style="list-style-type: none"> <li>In 2021, we completed the production of the first prototype and we have begun performance calibration and durability tests.</li> <li>We expect the commercialization to be completed and applied in client-end systems in 2022.</li> </ul>
Product	High-end v-Ride Dome	<ul style="list-style-type: none"> <li>Completed the client-end third-party type verification and test for the first ultra-large high-end 304-seater v-Ride Dome.</li> </ul>



## 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.

### 2021 Industry-Academia Collaboration

Collaboration Partner	Content
<p><b>Air Force Academy</b></p>	<p><b>X-Plane 11 modeling process training and collaboration applications</b></p> <ol style="list-style-type: none"> <li><b>1. Flight simulation system simulation scenario modeling technology:</b> We constructed scenario modules compatible with the X-Plane professional flight simulation software platform based on the selected geographic environments and simulated airspace for use in realistic flight simulation systems.</li> <li><b>2. Flight simulation system simulation aircraft modeling technology:</b> We applied theories of aerodynamics and technologies to the selected aircraft model and constructed an aircraft module compatible with the X-Plane professional flight simulation software platform to create realistic aerodynamic flight simulation.</li> <li><b>3. Flight simulation system basic flight control training materials:</b> We provided flight control training materials developed with X-Plane 11 as reference information for the development of flight simulation as an entertainment experience. We provided basic audio and video flight control training materials for use in flight experience in popular science education.</li> </ol>



## 2.1.5 Global Patent and Intellectual Property Management

### Management Approach

\*Customized Topics

Major Issues	Product Intellectual Property Rights
Material Topics	Product Intellectual Property Rights*
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", "Patent Prosecution and Management Policy", and "Document Management Guidelines".</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 and hold training programs and workshops to enhance employees' awareness of intellectual property rights.</li> </ul>
Goals Achieved in 2021 (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> <li>Organize patent courses and workshops to enhance R&amp;D employees' awareness of patent description and intellectual property protection.</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> <li>Set up the patent management system.</li> </ul>
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> <li>Brogent obtained 45 patents in different countries in 2021.</li> </ul>

Innovative technologies are Brogent's core advantages. Brogent has formulated a comprehensive patent strategy for core technologies and protected intellectual property rights to deter competitors from unlawful imitation and protect R&D achievements. Brogent will consolidate intellectual property with business operations and make use of intellectual property to enhance the sustainable competitiveness.

Brogent has established the "IP Management Policy" and "Patent Prosecution and Management Policy" to manage and protect the Company's intellectual property. The Legal Department is assigned 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. Brogent updated and published the third edition of the "Patent Prosecution and Management Policy" on May 24, 2021 and added patent application evaluation and control points in the "R&D Management Regulations" updated on June 4, 2021. The Legal Department can assist in patent feasibility evaluations during the R&D process of new technologies or new products of the R&D unit to strengthen the patent development and technology protection of the Brogent Group.

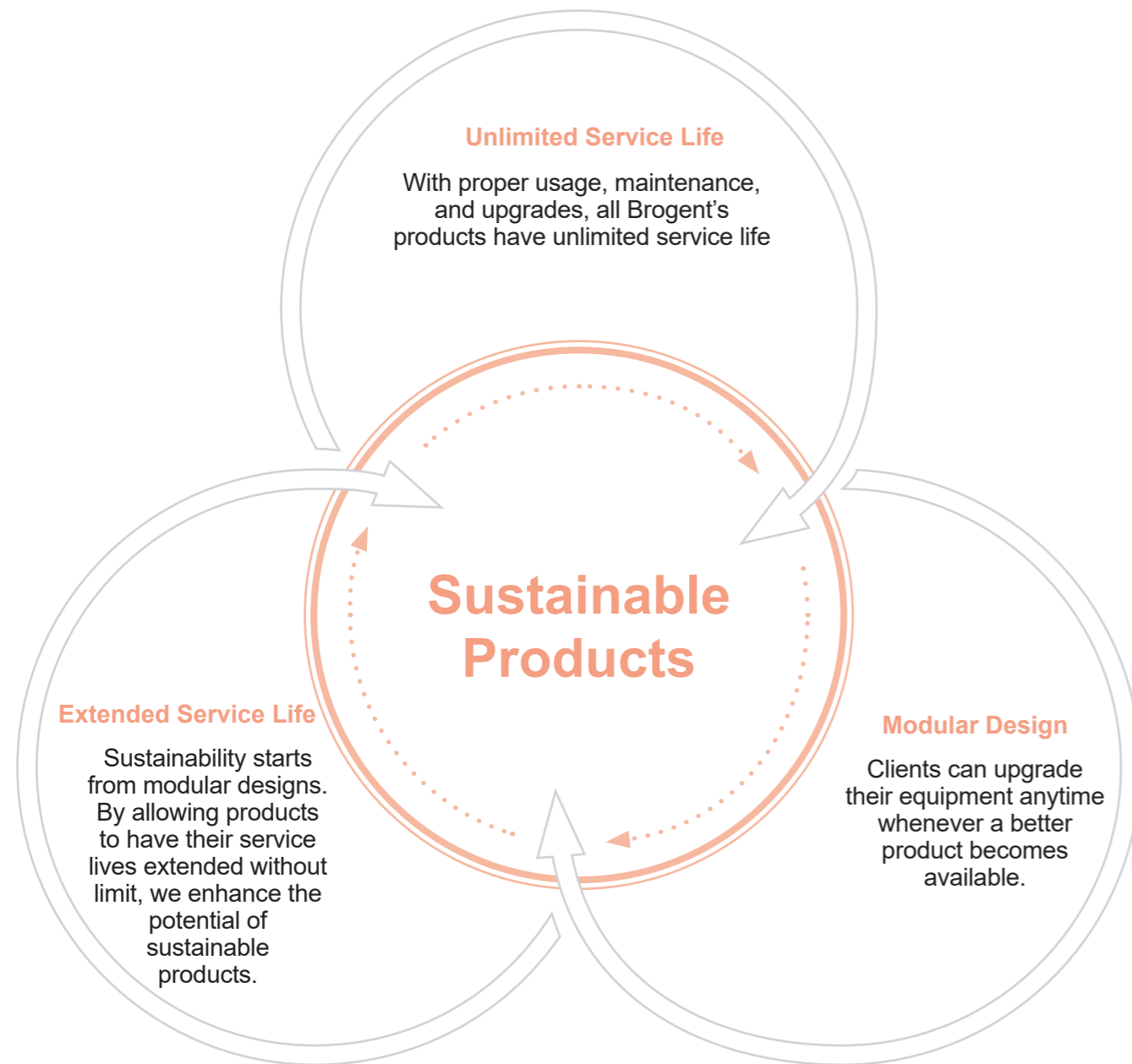
We always check if any IP right is created and check the ownership of that IP right in contracts signed by Brogent. The confidentiality level of documents must be specified in accordance with the "Document Management Guidelines", and their delivery, photocopying, and retention shall be processed based on the confidentiality level to protect the intellectual property rights of the Company's work results. In the future, we will incorporate IP management issue into a purchase contract to enhance our IP risk evaluation process. We will also use training to enhance the IP knowledge of the employees of R&D units.

Brogent will invest manpower and related resources for patent development analysis during the new product development stage to strengthen the patent technology preparation of new products and reduce the risks of infringement. We also plan to implement a patent management system in 2022 to shorten the time for patent search and analysis time with electronic and systematic data management, and reduce the risk of omissions from manual oversight.



## 2.1.6 Sustainable Product Design

Energy conservation and carbon reduction has always been a global trend for environmental protection, and minimalist design has become a main idea in the research and development of the Product Development Center. We seek to reduce the redundancies in product and process design and implement them in the design of the product by reducing the weight of mechanical parts, reducing the amount of materials used, reducing the processing procedures, and using electrical control parts with less carbon footprint. In the selection of processed parts or commercially available products, using environmentally friendly non-toxic materials, non-toxic paints, and other environmentally friendly materials has become a basic requirement. We also adopted the principles of weight reduction and flat packaging are adopted when products are shipped to reduce the carbon footprint in the transportation and develop environmentally friendly products.



## Sustainable Product Implementation Actions in 2021

Item	Description
<b>Low-Carbon/ Energy-Saving Products</b>	<ul style="list-style-type: none"> <li>• Use new packaging to reduce the carbon footprint of the transportation process.</li> <li>• Prioritize local suppliers to reduce carbon emissions in the transportation process and prioritize the selection of suppliers with sustainability in mind.</li> <li>• Adopt edge computing to reduce power consumption for data transmission.</li> </ul>
<b>Reduce Environmental Impact</b>	<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 Issues	Product Quality and Product Safety
Material Topics	<b>Customer Health and Safety (GRI 416-2); Marketing and Labeling (GRI 417-2 and 417-3)</b>
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> <li>Establish standard operating procedures for the assembly and tests of all equipment</li> <li>Set up multiple checkpoints in the manufacturing process to manage and retain records</li> </ul>
Goals Achieved in 2021 (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>Obtained ASTM, Underwriter Laboratories (UL), GB, and EN certification: 13 cases</li> <li>i-Ride digitalization completed and passed ASTM design review in accordance with client and market demands.</li> <li>Completed Incoming Quality Control (IQC), In Process Quality Control (IPQC), Final Quality Control (FQC), and Outgoing Quality Control (OQC) procedures to ensure that all production equipment meet design standards and specifications.</li> <li>Establish standard operating procedures for the production and assembly of equipment to reduce error rate and improve the quality of the equipment.</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 the introduction of the Quality Control (QC) system and continue to introduce standard operating procedures to improve operation efficiency and the quality of the equipment.</li> <li>Continue the training for employees’ professional skills, examination skills, and selection of technical managers to improve the technical capabilities and quality of the plant.</li> </ul>

Major Issues	Product Quality and Product Safety
Material Topics	<b>Customer Health and Safety (GRI 416-2); Marketing and Labeling (GRI 417-2 and 417-3)</b>
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>Encourage employees to take the initiative in learning professional skills and provide full subsidies to their examination skills and ensure product quality.</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 in customer design requirements, 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.

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. As the product line expands, Brogent considers the differences between regulations in various countries and introduced relevant regulations to enhance the safety of equipment in its design, manufacturing, maintenance, and use in accordance with customer requirements for certification procedures in order to meet the requirements of each country for amusement ride equipment.

In 2021, we checked whether products for small-scale equipment such as miRide and NDR (VR head-mounted displays and LED TVs) have EN and IEC Standard certifications. In response to the challenges brought forth by the pandemic, Brogent enhanced the certification document records and management and used detailed records to report the quality management procedures of the Company to governments and certification institutions and help resolve quarantine issues for employees' business travel.

### Equipment Safety and Environmental Protection Regulations

Category	Within the United States and Canada	Within the European Union (EU)	Within China
<b>Simulator Ride Design and Manufacturing</b>	<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 and 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>
<b>Simulator Ride Coating System</b>	<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>
<b>Galvanized Bolts for Simulator Rides</b>	<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>
<b>Seat Belts</b>	<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 in 2021

International Certification	Obtained	In Process	Planning
EN 13814 (TÜV)	3	2	1
ASTM F2291	2	-	2
UL 508A	2	-	2
GB 8408 (CSEI)	3	3	6
<b>Total</b>	<b>10</b>	<b>5</b>	<b>11</b>

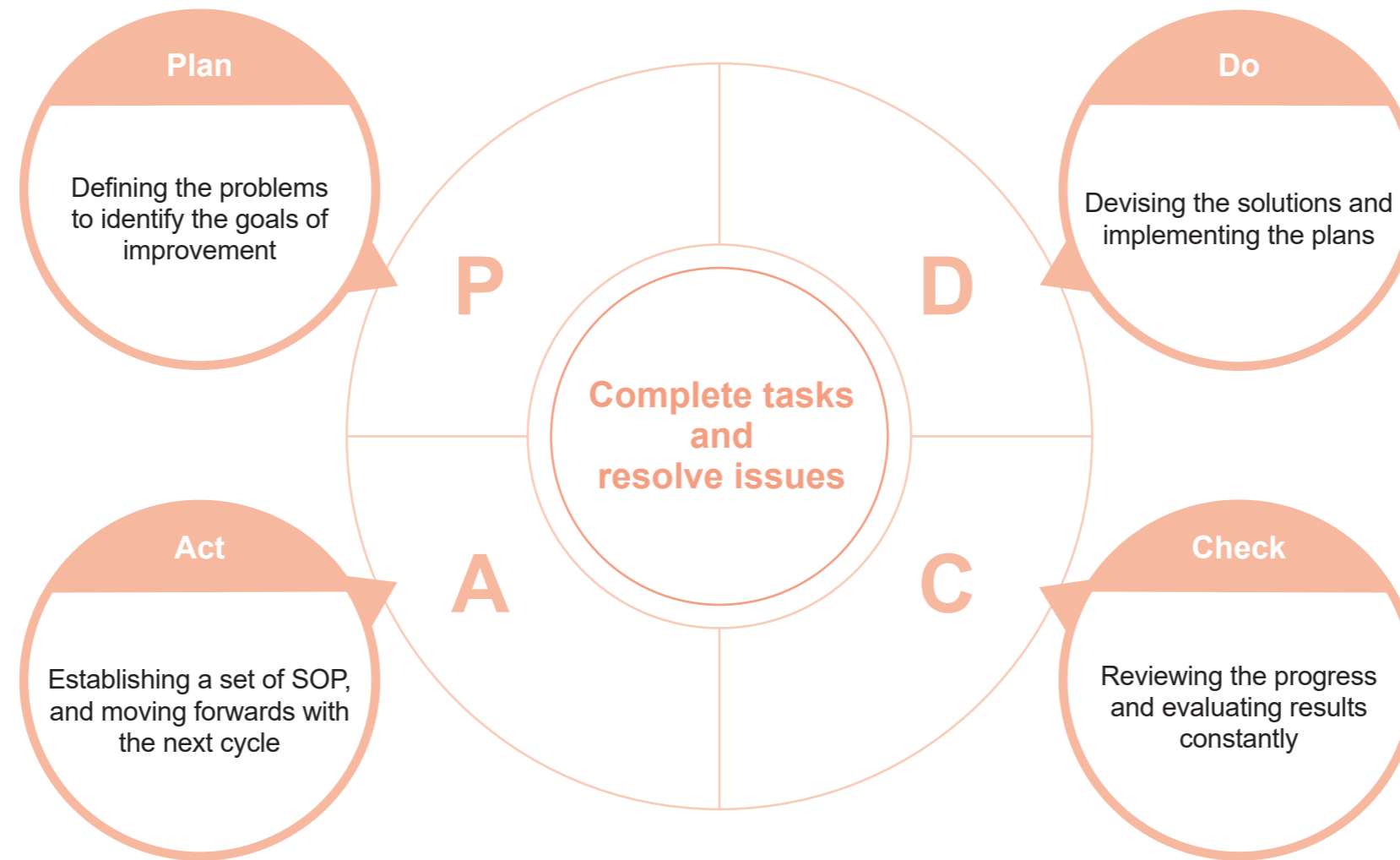
Note: "Obtained" refers to the number of certifications for which the final reports were obtained in 2021; "in process" refers to the number of certifications currently in process; and "planning" refers to the number of certifications for which the Company has signed a contract with the certification unit but has not yet begun submitting data.



## 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

**1 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.

**2 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.

**3 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.

**4 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.

**5 Stage 5: Outgoing 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

Brogent has customers all over the world. During the pandemic, we remotely resolved product issues and provided training for maintenance and repairs skills for local personnel in foreign countries. We used Realwear video communication equipment, which provides onsite personnel with real-time connection to the Company to discuss installation and troubleshooting steps. It increased work efficiency, reduced equipment downtime, and saved travel costs.

Brogent also launched new procedures for reporting equipment anomalies. When the owner reports equipment anomaly issues, the system will automatically export the log to be sent along with the report to improve the efficiency of anomaly analysis and troubleshooting.

## 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 equipment. We can use predictions of failure modes in the design phase to evaluate the equipment failure and potential impact. We also added corresponding procedures for enhancements and redundancy in the design to reduce the potential hazard of equipment failure in operations to an acceptable or negligible level.

We have implemented the FMEA system to provide a supplementary reference document for the department producing the handbook when developing maintenance cycles for equipment in the Company. When the equipment is certified by an external third party, FMEA becomes an important requirement for the certification authority to determine the possible hazards and risks of the equipment due to increasingly stringent requirements in local regulations.

## TOSIBOX System Implementation

The TOSIBOX provides remote access to the onsite control system for engineers at any time and maintains network access security. When processing owner reports of anomalies in real time, we are no longer required to ask the owner to open and connect TeamViewer for the connection. This function reduces the time required to arrange connection time with the owner by 0.5 to 1 day and increases the efficiency for processing cases.



## 2.3 Customer Relation Management

The main customers of Brogent Technologies include 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 Issues	Customer Relations and Product Services
Material Topics	Customer Relations and Product Services*
<b>Policy/Commitment</b>	<ul style="list-style-type: none"> <li>• Maintaining a lasting relationship with customers with open communication and providing real-time, sustainable services.</li> <li>• Satisfying the owner's needs with quality services and enhancing the customer's trust in the Company/products.</li> <li>• Providing diversified communication channels. Protecting the privacy and confidential information of customers.</li> </ul>
<b>Goals and Objectives (Short-Term)</b>	<ul style="list-style-type: none"> <li>• Helping to ensure customer's projects are on schedule. 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>
<b>Practical Management Actions</b>	<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 such as providing LED version of seat belt design to reduce the time required for passenger to fasten seat belts and make operations more efficient.</li> </ul>
<b>Goals Achieved in 2021 (Short-Term)</b>	<ul style="list-style-type: none"> <li>• Operation performance achievement rate over 95% in 2021.</li> <li>• Due to the pandemic in 2021, the operations in Taipei and Kaohsiung suspended services in the middle of the but we maintained positive interactions with customers on fan pages.</li> <li>• Set up 24-hour customer service hotline to resolve issues in different time zones.</li> <li>• Pass annual inspection of TÜV.</li> <li>• Prepare safety stock of key components.</li> </ul>
<b>Major Issues Mission and Vision (Long-Term)</b>	<ul style="list-style-type: none"> <li>• 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>

Major Issues	Customer Relations and Product Services
Material Topics	Customer Relations and Product Services*
<b>Responsibilities</b>	<ul style="list-style-type: none"> <li>• Give rewards or improvement programs based on the evaluation of personal KPIs.</li> </ul>
<b>Resources Investment</b>	<ul style="list-style-type: none"> <li>• 24-hour customer service hotline.</li> <li>• Completed TOSIBOX system setup and used the system in projects.</li> </ul>
<b>Claim Procedures</b>	<ul style="list-style-type: none"> <li>• After sale service engineers and supervisors.</li> <li>• The Sales and Marketing Department and Customer Service Department learn about customers' issues and come up with analyses and improvements.</li> </ul>
<b>Specification Actions</b>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey.</li> <li>• Participate in entertainment industry related events to increase brand exposure.</li> <li>• Brogent provides the market with the best products and solutions to respond to customers' diverse demands after the pandemic.</li> </ul>
<b>Evaluation Procedures</b>	<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>
<b>Evaluation Follow-Up</b>	<ul style="list-style-type: none"> <li>• Communicate with internal departments for improvements and follow up with the results on a regular basis.</li> <li>• There were no B2B customer complaints in 2021.</li> </ul>

### 2.3.1 Customer Relationship Management

Brogent's i-Ride operations in Taipei and Kaohsiung organized different campaigns in 2021 to attract customers. For instance, we invited Dutch diplomats and companies in Taiwan to attend the Fly Over the Netherlands event in April. We organized the "Where to Next?" event in November and created a virtual airport to take people on a foreign travel experience. The operations in both Taipei and Kaohsiung received high praise from the participants.

The iconic IAAPA Expo organized by the International Association of Amusement Parks and Attractions in 2021 was originally scheduled to be held in Shanghai in August but the event was canceled due to the pandemic. However, the Brogent sales team still used virtual meetings to provide high-quality online services and satisfy customer demand. The Chairman led a team to take part in the IAAPA Annual Expo in Orlando, United States in November 2021. The Company launched the third-generation flying theater equipment and the brand-new Rise Up VR Airship Ride with ultra-high-density LED. The results attracted the attention of major international companies and left a lasting impression in the global theme park market.

In recent years, most people in Taiwan have used social media websites such as Facebook fan pages for B2C customer complaints, and they provide instant feedback for poor experience. The feedback for sites of operations in 2021 consisted mostly of customers' inability to take rides after they purchased an annual pass. Brogent provided customers with immediate refunds and invited them to return after the pandemic subsides. In terms of customer relationship management, Brogent provides high-quality online services to satisfy customer demand.

We will issue customer service surveys each year for customers to specify their satisfaction with the stability of equipment operations and the customer service response. We shall use customer feedback within the scope of improvements as important basis for Brogent's continuous improvement of products and services.

### 2.3.2 After-Sales Service

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 department can help with troubleshooting online. If this still does not work, our team can go to the location to resolve the issue.

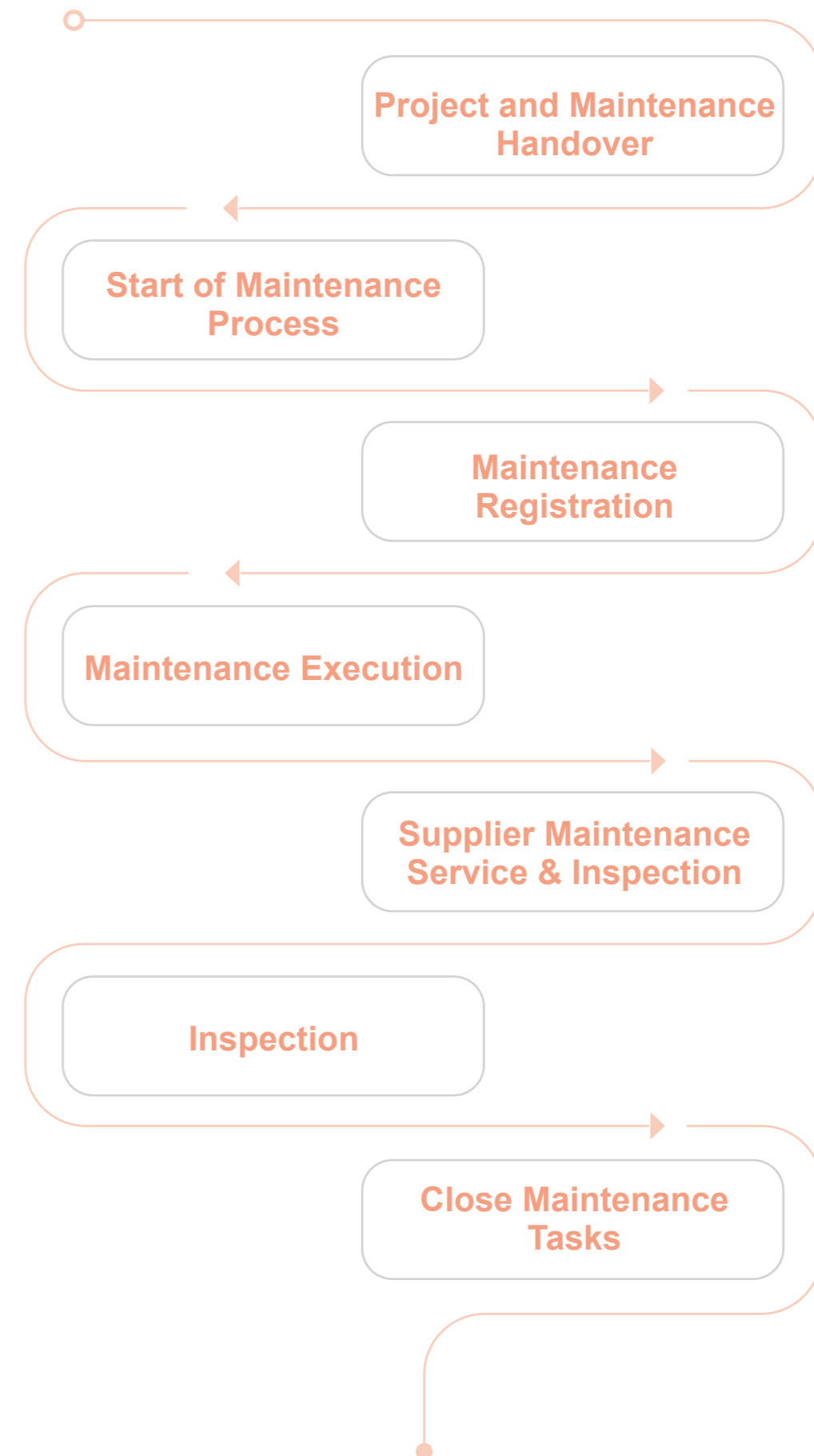
Brogent's Customer Service Department is in charge of maintenance services such as the maintenance of projects, issue reports, maintenance orders, components inquiries and quotations, technical consulting, and on-site service. It communicates with customers through diverse channels such as email, customer 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 and enhance the quality and contents of after-sales 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.

Brogent's customers are mostly large-scale theme parks in foreign countries and they have their own professional O&M teams. During the implementation of the maintenance program in past years, we learned about the owners' needs and reviewed the maintenance program. We adopted methods to reduce the pressure and costs of maintenance, and introduced project management to pass on maintenance knowledge and experience.

In 2021, Brogent received feedback from owners regarding seat belt quality issues. The technical units immediately started the design of a new and improved version of the LED seat belts and provided them to the owners for replacement. In addition to optimized functions, the appearance and practicality were also improved.

### Maintenance SOP



# 03 PEOPLE

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



## 3.1 Friendly Workplace

### Management Approach

Major Issues	Labor Relations
Material Topics	Labor relations (GRI 402)
<b>Policy/Commitment</b>	<ul style="list-style-type: none"> <li>• Protect employees' work rights and build a harmonious and fair workplace environment.</li> </ul>
<b>Goals and Objectives (Short-Term)</b>	<ul style="list-style-type: none"> <li>• Organize labor-management meetings in a timely manner in accordance with the number of meetings required by law.</li> <li>• Listen and respond to employee feedback with 100% response rate.</li> </ul>
<b>Practical Management Actions</b>	<ul style="list-style-type: none"> <li>• Convene regular meetings in accordance with the Regulations for Labor-Management Meeting.</li> </ul>
<b>Goals Achieved in 2021 (Short-Term)</b>	<ul style="list-style-type: none"> <li>• Convened 4 labor-management meetings in 2021.</li> <li>• The 2021 meetings included 28 discussion items and 11 follow-up actions. All issues and actions were resolved by the Company.</li> </ul>
<b>Major Issues Mission and Vision (Long-Term)</b>	<ul style="list-style-type: none"> <li>• Create a workplace environment of mutual trust and respect and provide employees with the opportunity to voice their opinions and participate in improving the team's performance.</li> </ul>

Major Issues	Labor Relations
Material Topics	Labor relations (GRI 402)
<b>Responsibilities</b>	<ul style="list-style-type: none"> <li>• Ensure employees' opinions are adequately addressed and comply with labor regulations to maintain smooth communication channels.</li> </ul>
<b>Resources Investment</b>	<ul style="list-style-type: none"> <li>• Regularly organize communication meetings.</li> <li>• Organize labor-management meetings in accordance with laws.</li> <li>• Where necessary, set up case investigation committees to process employee complaints.</li> </ul>
<b>Claim Procedures</b>	<ul style="list-style-type: none"> <li>• Employees can propose their opinions through the official website, the physical employee suggestion box, or directly to their supervisors, human resource personnel, or legal affairs.</li> </ul>
<b>Specification Actions</b>	<ul style="list-style-type: none"> <li>• Regularly organize labor-management meetings.</li> <li>• Where necessary, set up case investigation committees to process employee complaints.</li> </ul>
<b>Evaluation Procedures</b>	<ul style="list-style-type: none"> <li>• Regularly review the performance in conjunction with internal audit.</li> <li>• Employee complaints.</li> </ul>
<b>Evaluation Follow-Up</b>	<ul style="list-style-type: none"> <li>• The labor relations were harmonious and no employee complaints were received in 2021.</li> </ul>

With “people” at the core of our company philosophy, we have created a happy, friendly, safe, and healthy working environment to unleash employees’ potential, uphold integrity at work, and achieve 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 fulfill our corporate responsibility and help our employees grow with us.



### 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.

### 2021 Friendly Workplace Highlights



We employ people with disabilities as animal caregivers to help take care of the Company’s animal employees.



The Company has barrier-free restrooms and ramps, as well as gender-friendly restrooms. Regardless of your gender, gender identity, or sexual orientation, you can use restroom facilities with peace of mind.



We support government policies and made every effort to help employees in need apply for parental leave, supporting them during this important stage of their life.



In response to the COVID-19 pandemic, the Company takes care of and supports employees who travel for business. Since April 2020, all employees who travel for business have received additional travel bonus (the amount is determined by the country/region information in the “International Travel Pandemic Recommendation Level” announced by the CDC for COVID-19). Employees may also apply for the pandemic prevention allowance if they are required to pay for quarantine facilities after returning as we fully support and help employees.

## 2021 Workplace Human Rights Action Plan

No.	Description	Performance and implementation status in 2021
<b>Diverse and Tolerant</b>	<ul style="list-style-type: none"> <li>The Company does not and shall not discriminate, in its attitude or actions, on the basis of gender, race, socioeconomic status, age, marital status, family status, language, religion, political affiliation, nationality, appearance, facial features, or physical and mental disabilities of individuals.</li> </ul>	<ul style="list-style-type: none"> <li>The Company has hired sufficient number of employees with disabilities in accordance with regulations.</li> <li>We organized 3 sessions of training on the Employee Code of Conduct and prohibit any form of discrimination or workplace bullying.</li> </ul>
<b>Healthy Workplace</b>	<ul style="list-style-type: none"> <li>We provide all employees with a healthy and safe work environment with mutual respect and we help employees maintain physical and mental health and work-life balance.</li> </ul>	<ul style="list-style-type: none"> <li>Execute EAPCs including 8 stress-relief workshops, 1 employee sensitivity training program, and 23 interviews of new employees. We also organized 2 health talks, 6 sports courses, and weight loss contests.</li> </ul>
<b>Reasonable Working Hours</b>	<ul style="list-style-type: none"> <li>We establish regulations on working hours and extended working hours and we pay close attention to employees' attendance.</li> </ul>	<ul style="list-style-type: none"> <li>We record employees' work hours through the system in accordance with the law and remind them if the work hours are abnormal.</li> </ul>
<b>Respect</b>	<ul style="list-style-type: none"> <li>We do not permit forced labor, discrimination, or sexual harassment and we respect employees' right to privacy. We also provide suitable salary and benefits.</li> </ul>	<ul style="list-style-type: none"> <li>We held 3 workplace violence prevention training programs and all employees passed the training programs.</li> </ul>
<b>Labor communication</b>	<ul style="list-style-type: none"> <li>We establish smooth communication channels and opinion mailboxes. We also regularly organize labor-management meetings to protect the rights of both parties.</li> </ul>	<ul style="list-style-type: none"> <li>We maintain smooth and transparent communication within the company via various communication channels, and held 4 labor management meetings on schedule.</li> </ul>
<b>Employee Training</b>	<ul style="list-style-type: none"> <li>We provide diverse training to support employees' career development.</li> </ul>	<ul style="list-style-type: none"> <li>We organized training courses in accordance with the employee development program. Compared to 2020, the number of hours of internal training increased by 104% and the number of hours of external training increased by 98% for Brogent and subsidiaries. The number of training hours per person increased by 103%.</li> </ul>
<b>Privacy</b>	<ul style="list-style-type: none"> <li>The Company complies with the Personal Data Protection Act and we respect and protect the confidentiality of employees' personal information and the privacy of customers and all stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>We held 3 legal compliance training courses and ensured employees understand the requirements with tests after the courses.</li> <li>We established the Personal Data Protection Policy and the Personal Data Protection Committee. We comply with the Personal Data Protection Act and we respect and protect the confidentiality of employees' personal information and the privacy of customers and all stakeholders.</li> </ul>

## 2022 Human Rights Management Targets

Human rights issue	Management measures	Targets
<b>Diverse and Tolerant</b>	<ul style="list-style-type: none"> <li>We expressly prohibit any discriminatory attitude or action in the Code of Conduct.</li> <li>We regularly conduct recruitment training and teach supervisors not to ask for non-job-related personal information during the interview.</li> </ul>	<ul style="list-style-type: none"> <li>The Company does not and shall not discriminate, in its attitude or actions, on the basis of gender, race, socioeconomic status, age, marital status, family status, language, religion, political affiliation, nationality, appearance, facial features, or physical and mental disabilities of individuals.</li> </ul>
<b>Ban On Forced Labor</b>	<ul style="list-style-type: none"> <li>We establish regulations on working hours and extended working hours.</li> </ul>	<ul style="list-style-type: none"> <li>We abide by labor laws and do not permit employees to be forced to provide labor services.</li> </ul>
<b>Fair Wages and Reasonable Working Hours</b>	<ul style="list-style-type: none"> <li>Establish a fair salary structure and rank system.</li> <li>We establish regulations on working hours and extended working hours.</li> <li>We pay close attention to employees' attendance.</li> </ul>	<ul style="list-style-type: none"> <li>Offer salaries that attract and retain excellent talents.</li> <li>Institute reasonable work hours that balance work and life.</li> </ul>
<b>Respect</b>	<ul style="list-style-type: none"> <li>Hold workplace violence prevention training.</li> <li>Provide smooth open channels for employees to voice their opinions.</li> </ul>	<ul style="list-style-type: none"> <li>We do not permit forced labor, discrimination, or sexual harassment and we respect employees' right to privacy.</li> <li>Ensure smooth communication channels between employees and the Company.</li> </ul>
<b>Privacy</b>	<ul style="list-style-type: none"> <li>Hold regular legal compliance training and request employees to complete training and pass tests.</li> <li>Establish personal data management procedures to ensure personal data protection.</li> </ul>	<ul style="list-style-type: none"> <li>The Company complies with the Personal Data Protection Act and we respect and protect the confidentiality of employees' personal information and the privacy of customers and all stakeholders.</li> </ul>

## Harmonious and Smooth Labor-Management Communication

Brogent actively manages labor relations 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. We have also actively responded to and handled employee complaints. There have been no employee complaints at Brogent in the last five years. Furthermore, we have established a welfare committee to actively engage our employees in communication and to care for their needs.

In addition to the 2 institutional investors' conference each year to explain the Company's operations to investors, employees, and the public, we also organize quarterly "labor-management meetings" to report the operations of the Company to employees. Where necessary, we organize special meetings to facilitate instant communication.

In the event of a major change in operations that requires the termination of employment of certain employees, the Company shall provide advance notice in accordance with the regulations of each operation site.

### Communication Channels for Employees and Results in 2021

Channels	Statement	Result
<b>Labor Management Meetings</b>	<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 2021 we held four meetings which included 28 discussion items and 11 follow-up actions. All issues and actions were resolved.</li> </ul>
<b>Management Policy Advocacy Meetings</b>	<ul style="list-style-type: none"> <li>Communicated the Employee Code of Conduct, explained the management policy &amp; procedure for new promoted managers, and held the employee assembly in 2021.</li> </ul>	<ul style="list-style-type: none"> <li>In 2021, we held 5 meetings.</li> </ul>
<b>Reporting Mechanism</b>	<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/en/contact-us.html">https://www.brogent.com/en/contact-us.html</a></li> </ul>	<ul style="list-style-type: none"> <li>No employee complaints were received in 2021.</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 2021, 4 employees applied for unpaid parental leave and 2 employees were scheduled to be reinstated. They opted for reinstatement after the unpaid parental leave and the reinstatement rate was 100%. Among the 4 employees who opted for reinstatement in 2020, 2 employees stayed at Brogent for at least 1 year. The retention rate was 50%.

### 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, a foosball table, massage chairs, inversion table, and other fitness equipment. They help employees release work stress and pressure as they brainstorm on new products and pursue innovation. In 2021, we worked with external institutions to provide physical, mental, and spiritual health seminars and held a weight loss competition for our employees with exceptional results.





## 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 Remuneration

To attract and retain talent, as well as to maintain competitiveness in the market, Brogent increased employees' salaries in 2021 despite the impact of the COVID-19 pandemic. The average salary of our entry-level employee was 1.46 times Taiwan's minimum wage in 2021. Moreover, year-end bonuses and profit-sharing agreements are provided based on employees' performance.

We observe the principle that women and men are entitled to equal pay for doing equal work. In 2021, 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 is  
**1.46 times**  
Taiwan's minimum  
wage in 2021



### 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.

Brogent uses different communication channels such as the Employee Welfare Committee and labor-management meetings to continue to learn about employee opinions and needs as use them as the basis for organizing annual employee welfare activities and subsidies. In the future, we will provide a variety of welfare measures for creating a friendly workplace and promoting physical and mental health. We will also provide relevant assistance programs (EAPs) for different groups to provide comprehensive care of our employees.



Item	Content
<b>Pandemic Prevention Measures</b>	<p><b>Anti-COVID 19 materials</b></p> <ul style="list-style-type: none"> <li>• Pandemic prevention packs: In response to the continuous outbreak of the COVID-19 pandemic in foreign countries, the Company provided employees with a full set of pandemic prevention supplies (goggles, protective clothing, alcohol, gloves, and masks) to protect employees when they travel abroad.</li> </ul> <p><b>Anti-COVID 19 equipment</b></p> <ul style="list-style-type: none"> <li>• Pandemic prevention health monitoring station: We set up temperature measurement stations and measure body temperature to protect the health of employees.</li> </ul> <p><b>Pandemic prevention insurance and allowances</b></p> <ul style="list-style-type: none"> <li>• We raised the amount insured for international business travel during the pandemic to provide employees with greater coverage.</li> <li>• Supply of pandemic prevention allowances and bonuses.</li> </ul>
<b>Life Insurance/ Health 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>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> <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>Vaccination insurance</b></p> <ul style="list-style-type: none"> <li>• Purchase vaccination insurance for employees.</li> </ul>
<b>Subsidy for Employee Clubs</b>	<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. Subsidize partial registration fee for participation in an external competition.</li> <li>• We currently have 10 clubs and we provide subsidies for club activities.</li> </ul>
<b>Equities</b>	<ul style="list-style-type: none"> <li>• Employee Stock Ownership Trust.</li> <li>• Issue stock option certificates to employees with outstanding performance.</li> <li>• Brogent provides the profit sharing bonus and holiday bonus to our employees to share our business success and encourage their good performance.</li> </ul>
<b>Labor and Health Insurance &amp; 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.</li> <li>• We contribute 6% of employees' monthly salary as labor pension to their personal accounts on a monthly basis in accordance with labor regulations.</li> </ul>
<b>Training Benefits</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>

Item	Content
<b>Services and Facilities</b>	<p><b>Services</b></p> <ul style="list-style-type: none"> <li>• Flexible working hours and free coffee, snacks, and postal services every day.</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> <p><b>Remote work</b></p> <ul style="list-style-type: none"> <li>• We provide employees with the option for remote work and they may file application based on their personal needs.</li> </ul>
<b>Recognition</b>	<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 in year-end parties 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, and generate positive influence and growth for the Company, 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>
<b>Physical and Mental Health Promotion</b>	<ul style="list-style-type: none"> <li>• Animal companionship for employees</li> <li>• Online coffee shop</li> <li>• Onsite medical consultation</li> <li>• Physical and mental health seminars</li> <li>• Stress-relief workshop</li> <li>• Weight loss challenge</li> <li>• Sports course</li> <li>• Family seminars</li> <li>• Marital relationship seminars</li> </ul>

## COVID-19 Pandemic Prevention Strategy

In response to the impact of the global COVID-19 pandemic, Brogent established the “Crisis Management Team” and the “Brogent Group COVID-19 Prevention and Response Plan” to prevent total suspension or disruption of business operations due to the pandemic. They ensure that the Company can quickly respond to limit or reduce harm and maintain normal operations.

During the pandemic, the Company activated the work from home system and provided employees with paid vaccination leave of 2 days for each dose to support employee vaccination, increase the vaccination rate, and strengthen pandemic prevention. The Company paid for all vaccination insurance in 2021 to provide employees with more comprehensive coverage. We also integrated the Company’s anti-pandemic material procurement, storage, and replenishment operations. We continued to encourage employees to maintain social distancing, wear masks, and avoid entering crowded areas. We introduced the “Smart Pandemic Prevention Station” for temperature measurement and real-name control of colleagues and visitors. We also set up the “Smart Care Station” as the pacesetter of employee health management.

In addition, Brogent continued to help customers across the world complete the installation and construction of immersive simulation equipment. Employees actively cooperated with the Company and visited project sites across the world during the pandemic to complete the installation, tests, and commissioning project equipment. Brogent established rigorous pandemic prevention measures to take care of and support employees on business travel during the pandemic. We provide them with full support so that their families do not need to worry for employees to complete business trips with peace of mind.

### Pandemic prevention measures:

- Implement self-health monitoring measures for employees.
- Implement remote work and working in office in separate groups.
- Provide disease prevention leave and disease prevention care leave.
- Provide paid vaccination leave (2 days of paid leave for each dose).
- Regular disinfection of the work environment.
- Set up paperless real-name registration for visitors and health declarations.
- Set up forehead temperature measurement health monitoring stations.
- Provide pandemic prevention training to employees prior to business travel.
- Provide employees with a full set of pandemic prevention supplies (goggles, protective clothing, alcohol, gloves, and masks).
- Continue to communicate pandemic prevention measures in compliance with government regulations.

### Pandemic prevention allowances and bonuses:

- Pandemic prevention bonuses: Employees who travel for business receive additional pandemic prevention bonus of NT\$2,000 per day if they travel to countries/regions specified in the “International Travel Pandemic Recommendation Level” announced by the CDC for COVID-19.
- Pandemic prevention allowances: When employees return to Taiwan after business travel, if they are required to be quarantined at home in accordance with laws or requirements of the Company, they receive additional pandemic prevention bonus of NT\$2,000 per day if they comply with all relevant regulations.
- Quarantine hotels: When employees return to Taiwan after business travel, if they are required stay in a quarantine hotel in accordance with laws or requirements of the Company, all costs of the accommodations for the quarantine hotel shall be paid by the Company.
- Pandemic prevention insurance: The Company purchases additional insurance for notifiable diseases and additional overseas travel insurance for employees on business travel in foreign countries.



### Smart Pandemic Prevention Station:

The national health card or employee badge can be used to help visitors and employees with identification, real-name registration, body temperature measurement, and cloud recordkeeping functions to implement and monitor the health conditions of people coming into and going out of the Company.



### Smart Care Station:

It allows employees to measure their blood pressure, blood oxygen, forehead temperature, height, and weight at any time. Employees can download an app and connect the Smart Care Station to their mobile phone number, iPass, EasyCard, or national health insurance card to create an account. The measurement data can be immediately transmitted to their mobile phones for continuous health data records.

## 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.

Brogent organized the "Employee Stock Ownership Trust" in 2021 to retain talents and help support employees' financial needs after retirement. With 100% subsidies matched by the Company, the Trust offers employees an attractive fixed-term and fixed-amount deposit plan. Brogent allows all employees to freely participate in the program. All employees that passed the three-month probation period are eligible and the employee participation rate as of the end of 2021 was 98%.

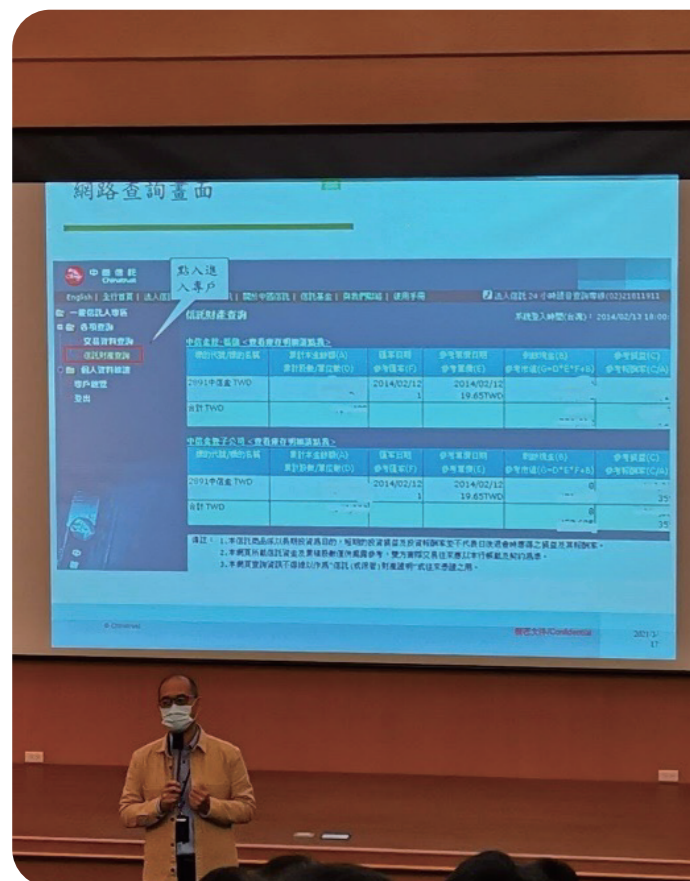


### Brogent Employee Stock Ownership Trust

Eligible individuals: Employees  
Company contribution incentives: 100%  
Employee participation rate: 98%

Unit: NT\$1,000

## Photos related to the Employee Shareholding Trust



## 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 May 10, 2021 and December 31, 2020, the balances of the pension funds were NT\$3,610,000 and NT\$2,421,000, respectively. The Company also completed the settlement of employees' number of years of service in the old system and canceled the pension account under the old pension system on May 11, 2021. The Company currently has no employee under the old pension system.

Content	December 31, 2020	December 31, 2021
Present value of a defined benefit obligation	11,727	0
Fair value of plan assets	-2,433	0
Accrued pension liabilities account	9,294	0

## 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

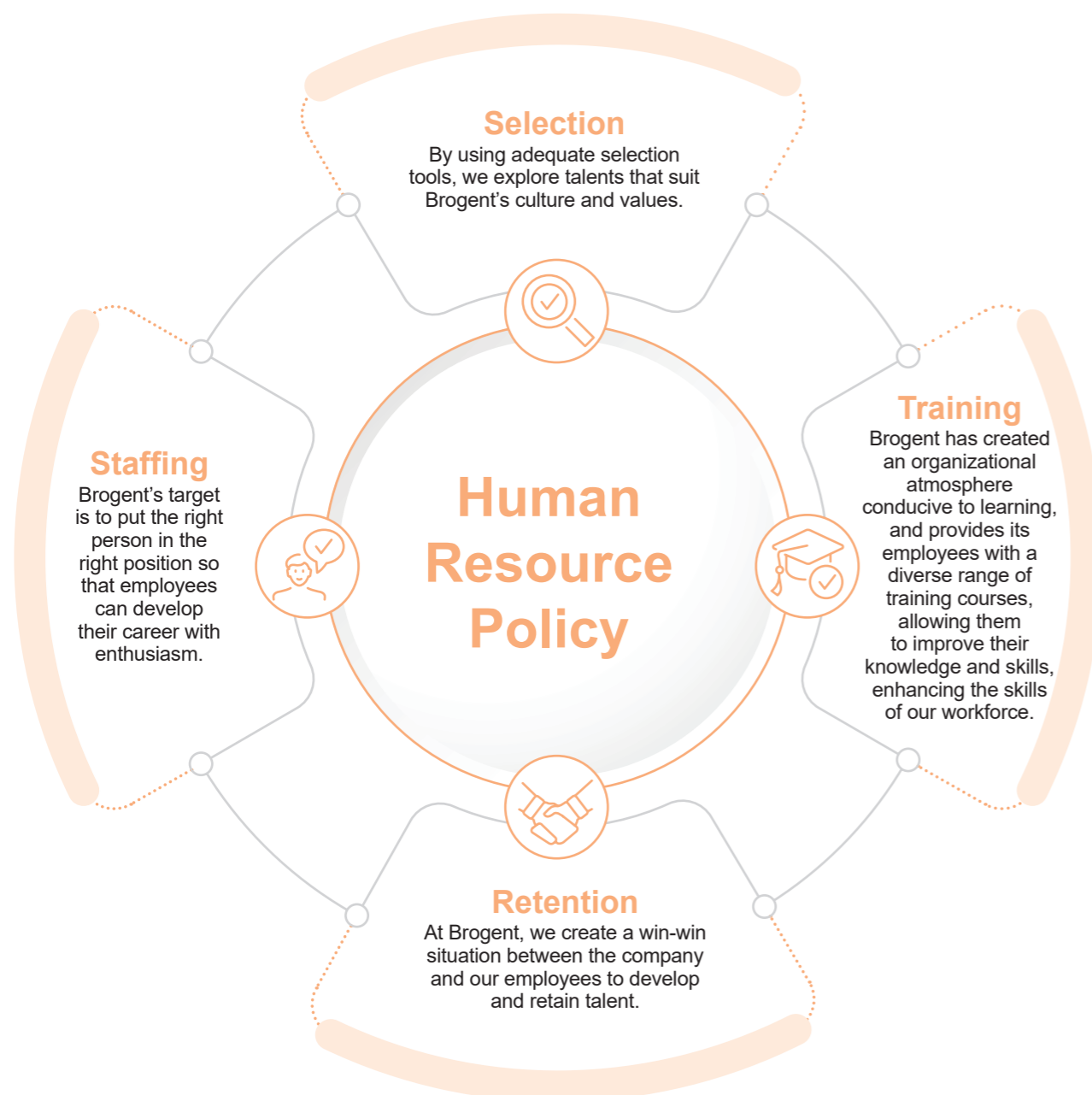
### Brogent's Vision and Goals for Cultivating Talents for Integrated Applications in Different Fields

**Vision:** Enhance cross-field integration and applications to provide a better immersive experience for people.

**Goal:** Improve talent capabilities and take the lead in the global immersive simulation technology industry.

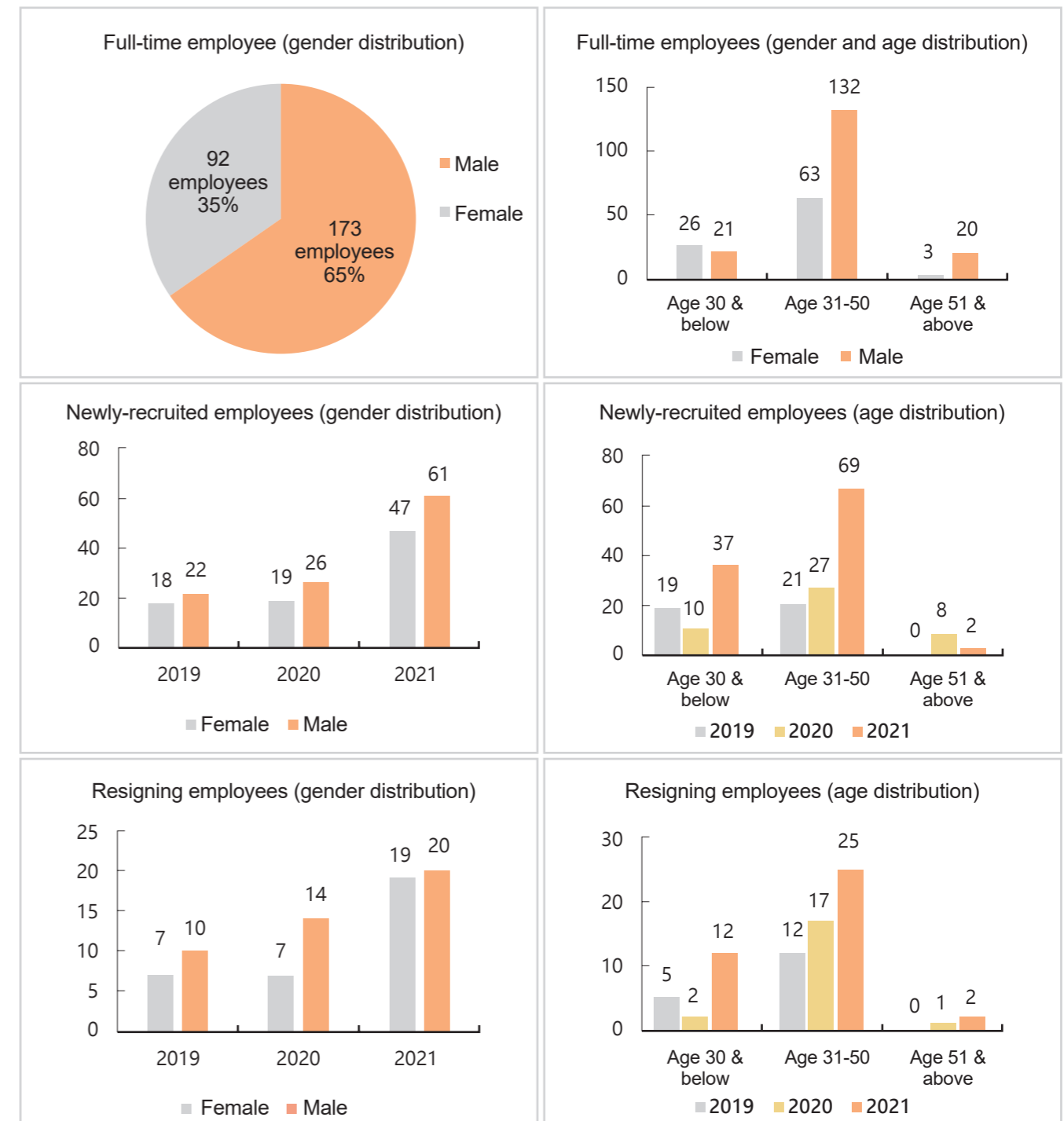
In 2021, Brogent and its subsidiaries invested NT\$1.2 million in training programs and more than 160 people participated in the talent training programs, which fully support Brogent employees in enhancing their professional skills and capabilities.

With "people" as a core philosophy, we have created a happy, friendly, safe, and healthy working environment to support an atmosphere of growth. The Human Resource Policy for talent selection, cultivation, employment, and retention has created an atmosphere of learning and development to support employees' self-improvement, put the right person in the right position, and make the most of Brogent employees for growth with the Company.



### 3.3.1 Manpower Structure

By the end of 2021, our total number of employees was 265 (including 3 foreign employees). Currently, we only have full-time employees, no temporary or part-time employees. The manpower structure shows 173 men (65%) and 92 women (35%). In terms of age group, employees under the age of 40 account for about 64% of the total workforce, indicating that Brogent is a young, dynamic, and innovative company. In 2021, 108 new employees were hired, including 58 employees transferred from subsidiaries (30 female employees and 28 male employees). Brogent hires local residents (Taiwan) in important sites of operations and they account for 92% of the top management.



### Number and ratio of new employees and employee turnover in 2021 (by gender and age)

Category	Gender	Age 30 & Below		Age 31-50		Age 51 & Above		Subtotal	
		Number of employees	Ratio (%)	Number of employees	Ratio (%)	Number of employees	Ratio (%)	Number of employees	Ratio (%)
New employees	Male	17	6.4	42	15.8	2	0.8	61	23.0
	Female	20	7.5	27	10.2	0	-	47	17.7
Employee turnover	Male	6	2.3	12	4.5	2	0.8	20	7.5
	Female	6	2.3	13	4.9	0	-	19	7.2

Note 1: Percentage of new employees = number of new employees / number of employees as of the end of 2021

Note 2: Employee turnover = number of employee turnover / number of employees as of the end of 2021

### Number and ratio of foreign employees and overseas employees in 2021

Category	Foreign employees	Overseas employees	Total number of employees
Number of employees	3	0	265
Ratio (%)	1.1	0	100

### Number of management employees in 2021 (by gender and age)

Age	Female managers	Male managers	Total
Age 30 & below	0	0	0
Age 31-50	8	16	24
Age 51 & above	1	11	12

### Number and ratio of employees in each department in 2021 (by gender)

Major Divisions	Female	Male	Total	Percentage of female employees (%)	Percentage of male employees (%)
Sales Department	18	9	27	67	33
Engineering Department	5	39	44	11	89
Technology Department	34	86	120	28	72
Others	35	39	74	47	53
Employees	92	173	265	35	65

## Number and ratio of employees in each department by nationality and ethnicity in 2021 (by gender)

Category	Female	Male	Total	Percentage of female employees (%)	Percentage of male employees (%)
Taiwanese	92	169	261	35	65
Foreigners	0	3	3	-	100
Indigenous peoples	0	1	1	-	100
Employees	92	173	265	35	65

## Recruitment

Brogent recruits talent through job banks; it also posts job vacancies on social media platforms such as LinkedIn and Facebook. We also work 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.

Applicants must pass a document review, professional capability assessment, and occupational and language proficiency tests. We seek outstanding talents with shared values to jointly create new possibilities at Brogent and share the success and results.

Brogent has sponsored the Vision Get Wild exhibition for many years. We work with the organizer to recruit more outstanding digital talent design and production talents to help fuel the Company's long-term growth.

When we recruit foreign/overseas employees, we comply with local labor regulations and personal data privacy protection laws. We respect human rights and do not allow any form of discrimination. We uphold the Company's core values and comply with external regulations and the Employee Code of Conduct to create a workplace environment with fair treatment and equal employment opportunities.



Brogent participates in the Vision Get Wild exhibition and views the works of the participants to identify digital content creators for Brogent.



The Facebook fan page of Brogent's Welfare Committee shares information on company activities with Brogent employees. We provide transparent and open information for potential applicants to increase their understanding of Brogent. It also helps attract like-minded people to Brogent.

### 3.3.2 Talent Cultivation

Brogent uses diverse learning channels for talent cultivation and employs a dual-track development path for professional and management competencies to provide each employee with opportunities to grow and improve their own abilities. Our training courses mainly include management training, professional training, general training, and new comer training. We have systematically planned comprehensive training courses needed by our employees for their career development, as well as education and training courses for their lifelong learning.

Brogent understands the importance of employee cultivation and believes that employees' growth will also empower the Company's growth. The departments therefore propose annual training programs each year and established learning maps for each department. We also provide budgets for external training and continue to provide external training subsidies superior to other companies in the industry. After employees sign a training service commitment form, the Company provides training fees of more than NT\$30,000 for a single lesson.

In 2021, the number of hours of training received by our employees totaled 12,028.5 hours. On average, each employee received 44.7 hours of training. We also recognize internal training hold by our employees to be internal trainers. In 2021, there are 125 internal trainers who taught over 290.5 hours in total. Brogent encourages employees to pass on valuable experience and knowledge to improve the Company's overall competitiveness. We elected 3 outstanding internal trainers according to the teaching hours, and recognized their contribution in 2021 Excellence Trainer Award Ceremony.

The information on internal training courses organized by the departments must be saved in the training system. At the end of the course, department heads observe the extent to which the trained employees' professional knowledge and skills have improved after the training, and continuously track changes in their work skills and behavior.

After attending external training, employees shall submit electronic files of relevant information such as training qualification documents to the human resources unit for recordkeeping. They must also upload the training results report form to the training development system. Employees shall compile the knowledge acquired in training into volumes and include them as training materials when they serve as internal trainers and organize internal training to teach other employees.

We organize course satisfaction surveys after each company course to collect information and obtain employee feedback. We also organize interviews with the unit supervisor from time to time to learn about employees' learning results.





### 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.

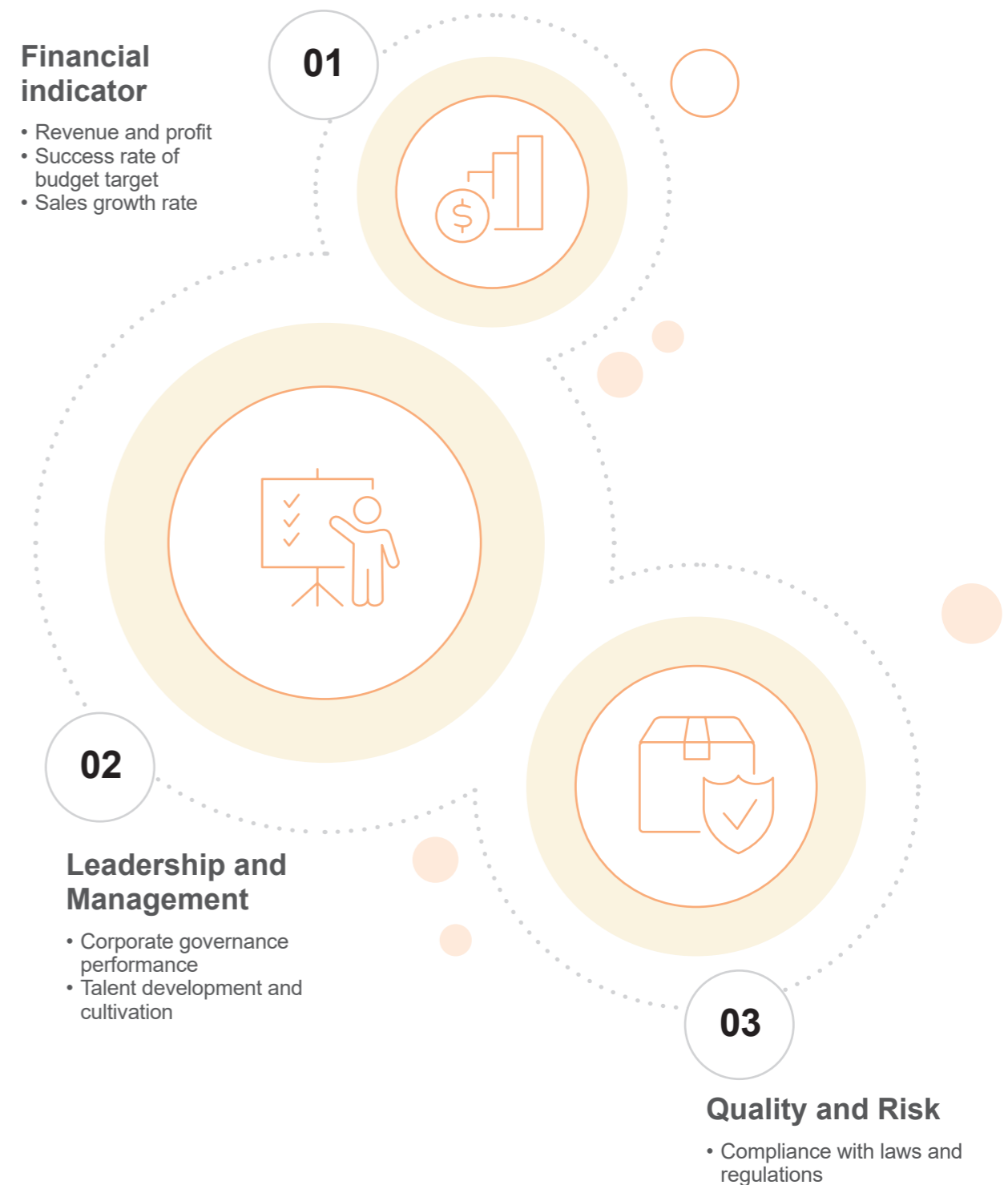


#### Phase and Content of Performance Evaluation

Phase	Content
<b>Definition Phase</b>	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.
<b>Development Phase</b>	Brogent conducts mid-term evaluation twice a year (May and September), during which executives give feedback to employees regarding their performance and teach them.
<b>Evaluation Phase</b>	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.

#### 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. Brogent has therefore established an internal evaluation mechanism that connects review of managers' salary to their work performance; the approval criteria consist of three aspects: financial indicator, quality and risk, and leadership and management.



## 3.4 Healthy and Safe Workplace

### Management Approach

Major Issues	Workplace health and safety
Material Topics	Occupational Safety and Health (GRI 403)
<b>Policy/Commitment</b>	<ul style="list-style-type: none"> <li>Comply with laws and regulations, implement occupational safety management, and provide a safe and healthy workplace environment for all employees and contractors.</li> </ul>
<b>Goals and Objectives (Short-Term)</b>	<ul style="list-style-type: none"> <li>Regularly review occupational safety management regulations and amend them when necessary.</li> <li>Enhance occupational regulation training.</li> <li>Review and provide necessary personal protection equipment for employees on business trips to project sites.</li> </ul>
<b>Practical Management Actions</b>	<ul style="list-style-type: none"> <li>Amend occupational safety management regulations.</li> <li>Amend occupational safety training materials for new comer training and invite experts to speak on occupational safety.</li> <li>Review and provide necessary personal protection equipment for employees on business trips to project sites.</li> </ul>
<b>Goals Achieved in 2021 (Short-Term)</b>	<ul style="list-style-type: none"> <li>No major occupational safety matters were included in the amendment of the management regulations in 2021.</li> <li>Amended online occupational safety training materials for new comer training and invited nurses from Kaohsiung Veterans General Hospital to provide instructions for first-aid training at the workplace.</li> <li>Reviewed and provided personal protection equipment and pandemic prevention supplies for employees on business trips to project sites in 40 cases.</li> </ul>
<b>Major Issues Mission and Vision (Long-Term)</b>	<ul style="list-style-type: none"> <li>Promote occupational safety and health culture, monitor operational safety risks, and establish a safe operation environment.</li> <li>Implement employee health management and actively prevent occupational diseases to ensure the physical and mental health of employees.</li> <li>Zero-Accident Workplace.</li> </ul>
<b>Responsibilities</b>	<ul style="list-style-type: none"> <li>Occupational Safety and Health Committee.</li> </ul>
<b>Resources Investment</b>	<ul style="list-style-type: none"> <li>The General Affairs Dept. is now responsible for occupational safety. After the establishment of the phase 3 plant and Ciaotou Science and Technology Park, the labor safety plans will be managed independently and the Company will invest the necessary manpower and equipment.</li> </ul>
<b>Claim Procedures</b>	<ul style="list-style-type: none"> <li>Company complaint channel: Occupational Safety and Health Committee.</li> <li>Government agency complaint channel: The Ministry of Labor has set up the 1955 labor consultation and labor inspection complaint hotline.</li> </ul>
<b>Specification Actions</b>	<ul style="list-style-type: none"> <li>Promote occupational safety and health training and courses.</li> </ul>
<b>Evaluation Procedures</b>	<ul style="list-style-type: none"> <li>Regularly review whether there are major occupational disasters.</li> </ul>
<b>Evaluation Follow-Up</b>	<ul style="list-style-type: none"> <li>There were no violations of the Labor Standards Act or Occupational Safety and Health Act in 2021; there were no occupational accidents.</li> </ul>

### 3.4.1 Occupational Safety and Health Management

The scope of Brogent’s occupational safety and health management includes all employees and contractors. The Company incorporates occupational safety and health into its sustainable development strategy, which includes the safety and health policy, organization, system planning and implementation, risk management, procurement management, change management, contractor management, and other management systems. We also control the safety of processes, raw materials, equipment and operations from the source to effectively reduce workplace hazards and risks, and strengthen business performance and competitiveness.

The General Affairs Dept. of the Company’s Administration Center is responsible for the occupational safety operations of the Company. It identifies hazards (including chemical, physical, biological, and ergonomic hazards) in the Company’s work environment from time to time and conducts risk assessments (including the necessary environmental inspection and biological detection) to implement management of potential risks (including source management, path management, administration, and health management).

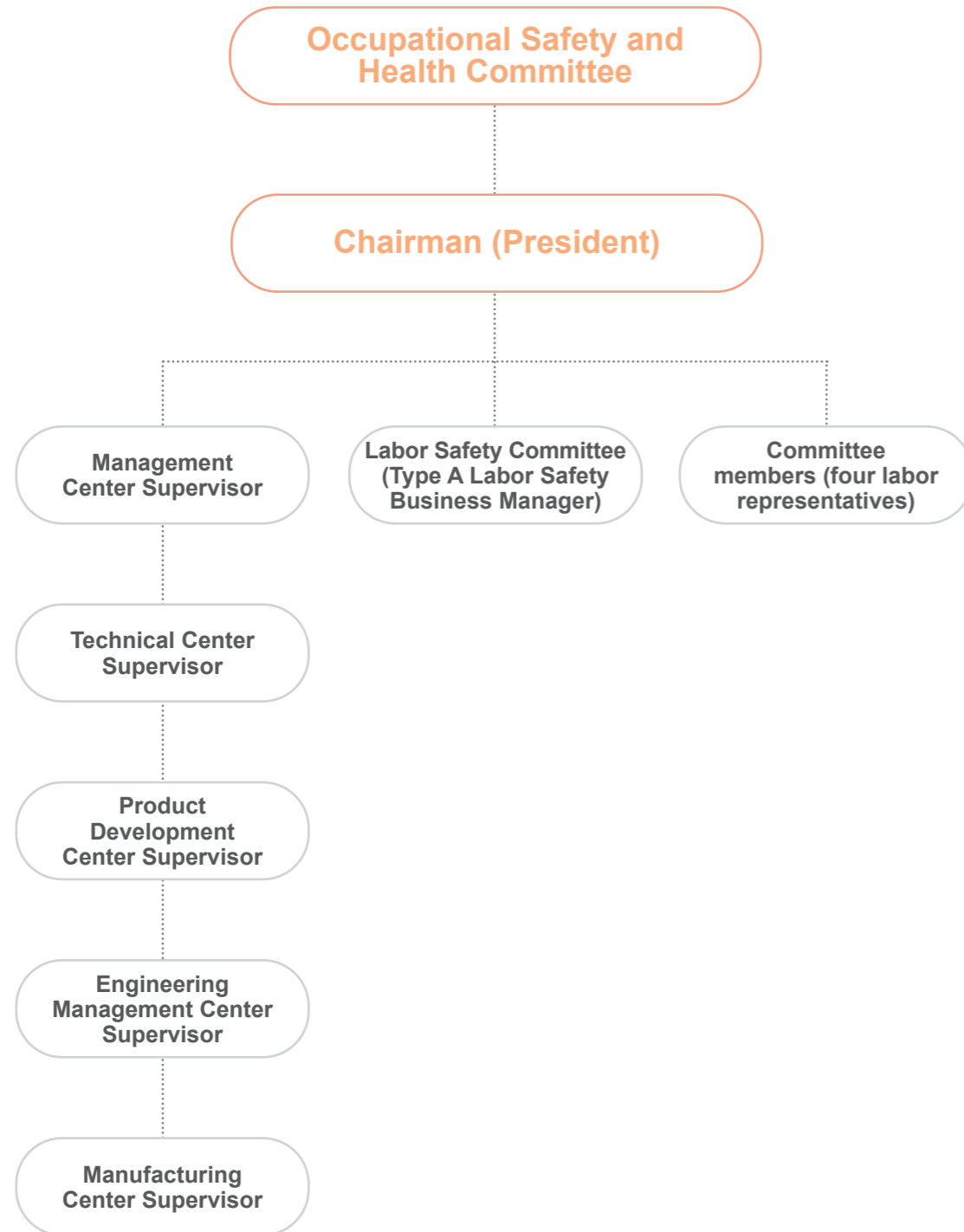
Brogent amended the Company’s “Occupational Safety and Health Management Plan” and “Occupational Safety and Health Code of Conduct” in accordance with the Occupational Safety and Health Act of the Ministry of Labor to require all employees and contractors to implement occupational safety and health operations, continue to improve occupational safety and health management and performance, and 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 ten 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. It convenes quarterly meetings for the occupational safety and health unit to report on items in the to-do list from the previous meeting, communicate recent changes in legislation, and review occupational safety and health work. It also studies reported items with supervisors and labor representatives to include items in the to-do list and track the progress.

The Committee convened 4 meetings in 2021 and its major decisions on health and safety included onsite healthcare services, onsite pandemic prevention management of contractors, continuous management of internal and external environmental sanitation of offices, establishment of traffic regulations in the area, and the movement of people and vehicles when employees arrive at or leave work, warehouse and R&D project site applications and electricity consumption management, and safety and health management requirements for contractors. It has made announcements to all employees. In 2021, we achieved our goal of Zero-Accident Workplace; none of our employees or contractors had incidents of occupational injuries or diseases. There were no violations of the Labor Standards Act or Occupational Safety and Health Act that resulted in penalties.

## Organizational Chart of the Occupational Safety and Health Committee



## Occupational Safety and Health Education and Training for Employees in 2021

No.	Training Courses	Sessions	Target	Personnel
1	Occupational safety training (1-hour online course)	1	New Recruits	47
2	Self-defense and fire-fighting training (4 hours)	1	Designated employees	29
3	First-aid personnel safety training (18 hour)	1	General Affairs Dept.	1
4	Refresher first-aid personnel safety training (3 hours)	1	General Affairs Dept.	1
5	Fixed crane operations and maintenance (2 hours)	1	General Affairs Dept.	8
6	Personnel evacuation training (1 hour)	1	All employees	268
<b>Total</b>				354

## Occupational Safety and Health Education Training for Contractors in 2021

Target	Name of project	Education and Training Content	Purpose
Contractor and construction personnel	Fifth-floor office renovation project in Building C	Education and training on occupational safety and health management and notification of hazards in the workplace.	Zero occupational safety incident
Contractor and construction personnel	Third-floor additional equipment infrastructure enhancement project for i-Ride KAOHSIUNG	Education and training on occupational safety and health management and notification of hazards in the workplace.	Zero occupational safety incident
Contractor and construction personnel	LED dome screen south pole to equator modularization project	Education and training on occupational safety and health management and notification of hazards in the workplace.	Zero occupational safety incident
Contractor and construction personnel	Brogent second entrance gate construction project	Education and training on occupational safety and health management and notification of hazards in the workplace.	Zero occupational safety incident

### 3.4.2 Workplace Health Promotion Management

The Company has entered into a contract with Kaohsiung Veterans General Hospital (KVGH) for on-site health care services. Depending on the number of insured persons and the level of the industry, KVGH 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. The healthcare personnel and doctors qualified in the review and they have completed the registration procedures on the Labor Health Protection Registration Information Network.

Due to the uncertainty of the pandemic, the “on-site health care service” were adjusted and started in May 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. The recipients of services include employees in the Group Headquarters, Taoyuan Plant, and Taipei Office. They provide face-to-face services as well as video consultation services for employees who work remotely. They also work with the Company to provide health education courses from time to time.

Brogent shall take preventive measures for potential risks for occupational health, including reviews of hazardous risks in the workplace and personal health promotion. In terms of hazardous risks in the workplace, the Company actively reviews and improves the work environment to eliminate risk factors in the environment. In terms of employees’ health promotion, the Company organizes employee health examinations in accordance with regulations and appoints onsite healthcare professionals to provide services. For employees with high health risks, we actively provide consultation and recommendations and follow up on their progress. We also organize mental and spiritual health seminars and fitness contests from time to time to increase employees’ health.

Brogent uses the Company’s existing resources including spaces (auditorium, air bridge fitness area, rooftop garden, etc.), facilities (aerobic training equipment, weight training equipment, and stress relief equipment), and software support (online conference software for live broadcast and interactions). We also organize activities to promote employee health. The employee participation status was as follows:

**1** The weight loss competition had 23 attendances.

**2** 2 health and exercise seminars and 6 exercise classes with a total of 134 attendances.

**3** 8 in-person mental and spiritual health courses with a total of 159 attendances.

### Occupational Disease Prevention Management and Health Examination

The Company reviewed the workplace environment and work procedures and analyzed five major hazard factors including chemical, physical, ergonomic biological, and social (psychological) hazards for potential causes of occupational diseases and identified risks to ensure early detection and rapid implementation of preventive measures. The onsite healthcare team of Kaohsiung Veterans General Hospital helps the Company identify risks of occupational diseases, propose prevention recommendations, and follow up on the effectiveness of improvements.

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. In 2021, Brogent assigned onsite healthcare personnel to review and analyze whether there are risks of occupational diseases and thereby formulate strategies and specific improvement measures. The onsite healthcare personnel also analyzed abnormal results in employee health examinations and actively provide consultation and recommendations for improvement. As the Company is an IT company, most employees sit in front of a computer and work for long hours. We therefore organize health activities and spiritual health seminars to improve employees’ physical and mental health.

Brogent fully subsidizes employees’  
**health checkups**  
**once every two years**



# 04 EXCELLENCE

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

8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



## 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 President's Office 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 Issues	Corporate Governance
Material Topics	<b>Nominating and Selecting the Highest Governance Body (GRI 102-24)</b>
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>Conduct yearly functional committee 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 fulfill our Corporate Social Responsibilities and publish sustainability reports.</li> <li>Establish a Corporate Governance Officer post.</li> </ul>
Goals Achieved in 2021 (Short-Term)	<ul style="list-style-type: none"> <li>The total number of hours of training received by board members is 39.</li> <li>The Corporate Governance Officer has received a total of 18 hours of training</li> <li>Publish the 2020 sustainability report.</li> </ul>
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>

Major Issues	Corporate Governance
Material Topics	<b>Nominating and Selecting the Highest Governance Body (GRI 102-24)</b>
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>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/en/contact-us.html">https://www.brogent.com/en/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 the 8th Corporate Governance Accreditation in 2021, Brogent's corporate governance accreditation results ranked within the top 36-50% of all listed companies in Taiwan.</li> </ul>

## Governance Structure

The highest governance unit of Brogent is the Board of Directors, and directors are nominated and selected based on the Guidelines for the Election of Directors and Supervisors. By exercising the powers and responsibilities conferred by the Company Act, the Articles of Incorporation, and resolutions of shareholders meetings, the Board of Directors 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.

## Operation of the Board of Directors

The Board of Directors in 2021 was composed of 6 directors (including three independent directors) who possess diverse professional backgrounds and practical and academic experiences in operations, technology, and finance. All directors were male, and on average over 51 years of age. The Board convenes at least one regular meeting every quarter; in 2021, six Board meetings were convened, with an attendance rate of 94.73%.

Matters that independent directors would discuss with executives responsible for internal audits and accountants in discussion meetings include: The responsibilities of the governance body, the scope and methods of audit, the 2021 risk assessment and important items to be audited in this assessment, independence, results of internal control risk assessments, and preparation plans for the 2022 annual audit.

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

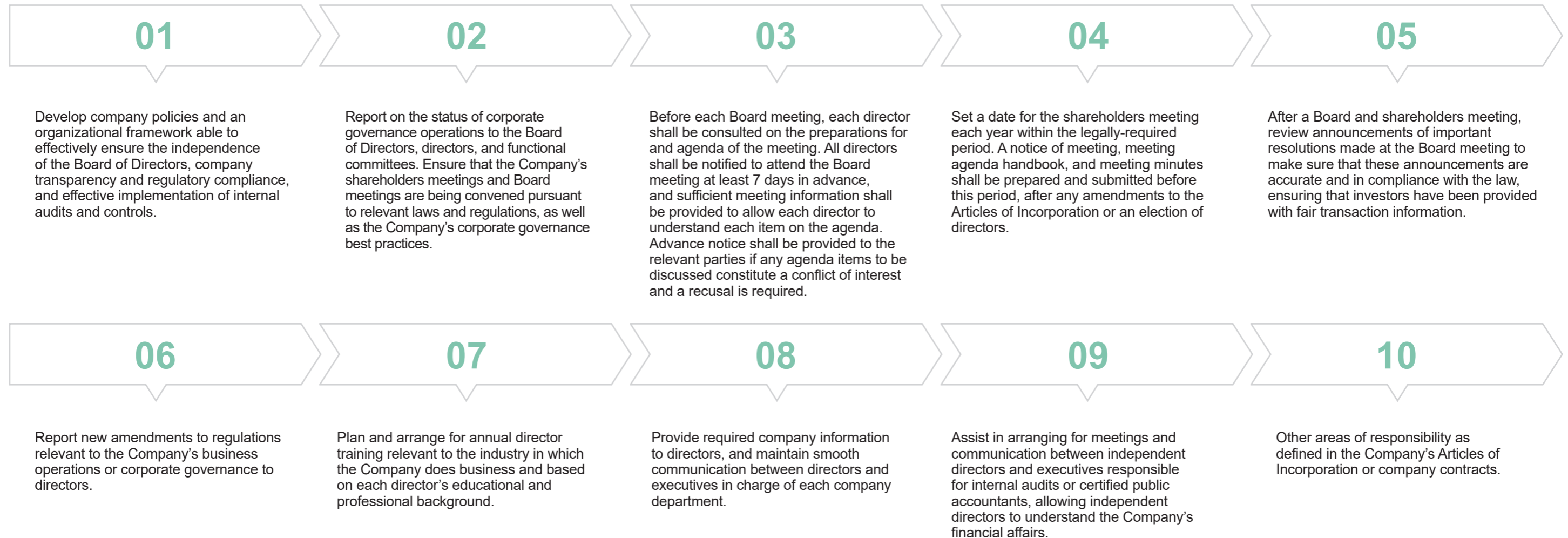
Title	Name	Gender	Position	Attendance at the Board Meetings	Courses Taken in 2021
Chairman	Chih-Hung Ouyang	Male	Chairman, Brogent Technologies Inc.	100%	<ul style="list-style-type: none"> <li>Corporate governance and protection of business secrets</li> <li>Corporate Governance 3.0 Roadmap and securities regulations</li> </ul>
Director	Changchun Investment Co. Ltd. Representative Chih-Chuan Chen	Male	Vice President, Investment Administration Division, Ruentex Group	100%	<ul style="list-style-type: none"> <li>Quick understanding of and preparation for the ESG disclosure requirements of Corporate Governance 3.0</li> <li>Methods for preventing and addressing insider trading</li> </ul>
Director	Chin-Huo Huang	Male	Chairman, Fu Ying Metal Industrial Co., Ltd.	67%	<ul style="list-style-type: none"> <li>Corporate governance and protection of business secrets</li> <li>Corporate Governance 3.0 Roadmap and securities regulations</li> </ul>
Independent Director	Lewis Lee	Male	Vice director, ZHI CHENG Co-located CPA Firm.	100%	<ul style="list-style-type: none"> <li>Corporate governance and protection of business secrets</li> <li>Corporate Governance 3.0 Roadmap and securities regulations</li> </ul>
Independent Director	Chih-Poung Liou	Male	Managing Partner, Stellex Law Firm.	100%	<ul style="list-style-type: none"> <li>Management of insider trading and insider holdings</li> <li>Corporate governance seminar (6th 2021 seminar) on financial technology AI and technology regulations for company directors, supervisors (including independent directors and supervisors), and corporate governance executives.</li> <li>Corporate governance seminar (13th 2021 seminar) on offshore wind power and green finance for company directors, supervisors (including independent directors and supervisors), and corporate governance executives.</li> </ul>
Independent Director	Jih-Ching Chiu	Male	Associate Professor, National Sun Yat-sen University	100%	<ul style="list-style-type: none"> <li>Corporate governance and protection of business secrets</li> <li>Corporate Governance 3.0 Roadmap and securities regulations</li> </ul>

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

## Implementation of Corporate Governance

Brogent is in compliance with the Company Act, the Securities and Exchange Act, and other securities laws and regulations. Pursuant to operational guidelines such as the Corporate Governance Practice Principles, the CSR Practice Principles, and the Ethical Corporate Management Best Practice Principles, we have established a corporate governance framework and implemented corporate governance efforts. This has allowed us to protect the rights of our investors, and we have also effectively utilized our Board of Directors and other functional committees to improve the transparency of our information disclosures.

**Our corporate governance officer is our Chief Financial Officer Sui-Chuan Lin, whose main responsibilities are as follows:**



Training courses provided in 2021: Corporate Governance and Protection of Business Secrets, Corporate Governance 3.0 Roadmap and Securities Regulations, the 13th Taipei Corporate Governance Forum, Seminar on How Listed Companies Can Use Futures to Avoid Risk and Sustainable Corporate Management, and the 10th Annual Chinese Family Business Forum, 18 hours of courses in total.

### Results of Governance

In 2021, Brogent has continued to strengthen its Board of Directors structure and operations, enhancing its functions and raising the quality of our non-financial disclosures. In the 8th Corporate Governance Accreditation, we ranked in the top 36-50% of all listed companies in Taiwan. This achievement fulfilled our corporate governance goals and demonstrated our determination to perfect our corporate governance.



**At the 8th Corporate Governance Accreditation, ranked at the 36%-50% interval of all listed companies in Taiwan.**



## 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	Should Attend	Actually Attended	Delegates Attended	Attendance Rate
Lewis Lee	2	2	0	100%
Chih-Poung Liou	2	2	0	100%
Jih-Ching Chiu	2	2	0	100%

## Operation of the Audit Committee

To strengthen corporate governance and operations, Brogent has established an Audit Committee tasked to effectively monitor internal controls, examine financial reports, and evaluate and guide Company audits.

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	Should Attend	Actually Attended	Delegates Attended	Attendance Rate
Lewis Lee	6	6	0	100%
Chih-Poung Liou	6	6	0	100%
Jih-Ching Chiu	6	6	0	100%

## 4.1.1 Integrity Management

### Management Approach

Major Issues	Integrity Management
Material Topics	<b>Anti-Corruption (GRI 205), Anti-Competitive Behavior (GRI 206)</b>
Policy/Commitment	<ul style="list-style-type: none"> <li>The Company strictly prohibits all employees from asking for, offering, or accepting bribes. Anti-competitive behavior, such as efforts to monopolize a market, is also prohibited.</li> </ul>
Goals and Objectives (Short-Term)	<ul style="list-style-type: none"> <li>Improve employee awareness of anti-corruption and anti-competitive behavior through education and training courses.</li> <li>Establish a smooth channel for making complaints and reports.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>By periodically holding educational and training courses on the Employee Code of Conduct, we look to establish awareness of anti-corruption and anti-competitive behavior, allowing our employees to understand the civil and criminal liability they bear for violating the law. Additionally, by educating our employees on the different ways in which these laws can potentially be violated through using real-world cases, we have lowered the risk of employees accidentally violating the law due to ignorance.</li> <li>Through educational and training courses, we let employees understand that the Company strictly prohibits all employees from asking for, offering, or accepting bribes, or to engage in anti-competitive behavior, such as acting to monopolize a market. This also allows our employees to learn about the different channels for making complaints and reports.</li> </ul>
Goals Achieved in 2021 (Short-Term)	<ul style="list-style-type: none"> <li>Organized 3 educational and training courses on the Employee Code of Conduct.</li> <li>During these training and educational courses we taught our employees a set of SOPs for identifying corruption, educating our employees on the topic and lowering the risk of law violations using simple and clear procedures.</li> </ul>
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>Regular anti-corruption advocacy.</li> <li>Held educational and training courses on anti-competitive behavior.</li> </ul>
Responsibilities	<ul style="list-style-type: none"> <li>Improve employee awareness of anti-corruption and anti-competitive behavior.</li> </ul>
Resources Investment	<ul style="list-style-type: none"> <li>Open internal education and training courses.</li> </ul>
Claim Procedures	<ul style="list-style-type: none"> <li>Reports of actions which violate Company policy or the law can be made to Brogent through legal channels or the Brogent official 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>Employees are required to undergo evaluations on anti-corruption and anti-competitive behavior.</li> <li>Regularly review the performance in conjunction with internal audit.</li> </ul>
Evaluation Follow-Up	<ul style="list-style-type: none"> <li>All employees are required to pass evaluations on anti-corruption and anti-competitive behavior.</li> <li>In 2021, no legal claims have been made against us for anti-competitive behavior, or for violations of anti-trust and anti-monopoly laws and regulations.</li> </ul>

Brogent has established 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 in order to guide our directors, managers, and employees in upholding integrity, complying with the law, and fulfilling their fiduciary duties in conducting business activities, maintaining operational soundness.

Brogent's Integrity Pledge requires that suppliers shall 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, such violations can be reported through the official reporting portal on our Company's website pursuant to the Reporting Policy of Unlawful or Unethical Actions. We maintain strict confidentiality with respect to the source of the report and investigate all claims. We also take special measures to protect whistleblowers, in order to reduce the number of corruption and malfeasance incidents.

At Brogent Group, we have established an Employee Code of Conduct based on doing business with integrity. We have requested all of our employees, distributed around the world, to follow the Employee Code of Conduct, which clearly defines rules for internal and external, business or non-business interactions. Through establishing these management rules and working procedures, we have created a set of rules for our employees to follow during business operations, lowering the risk of corruption. New employee training courses and regular annual educational and training courses are used to teach employees about the Company's rules on internal and external, business and non-business interactions. Through an after-training evaluation, employees would be assessed on whether or not they understand the Company's rules.

In 2021, Brogent held 3 Employee Code of Conduct training sessions, which taught employees the importance of business secrets, protecting business secrets, protecting personal information, as well as the Company's rules on business interactions with external parties. This has lowered the risk of corruption and malfeasance from occurring during business interactions with external parties. These courses have also re-emphasized Brogent Group's complaint and reporting channels, as well as investigation procedures. We have provided more details on the specific investigation and handling procedures for received reports on our official website. In 2021, we have also set up a new email address [legal@brogent.com](mailto:legal@brogent.com) dedicated to external complaints and reports. Reports and complaints related to our business operations that have been made through our official website would be received and processed through this email address.

• To find out more information about Brogent's integrity management 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

### Management Approach

Major Issues	Regulatory Compliance
Material Topics	<b>Environmental Compliance (GRI 307), Socioeconomic Compliance (GRI 419)</b>
Policy/ Commitment	<ul style="list-style-type: none"> <li>Regularly identify economic, environmental, and social laws and regulations, and strictly comply with both domestic and foreign laws and regulations.</li> <li>Company products should comply with the laws and regulations of both the country where they were produced, and the country importing these products.</li> </ul>
Goals and Objectives (Short-Term)	<ul style="list-style-type: none"> <li>Ensure that Company products comply with the laws and regulations of both the country where they were produced, and the country importing these products.</li> <li>Make it a contractual requirement for the parts supplied by our suppliers to be in compliance with the law.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>Technology and engineering management divisions should ensure that Company products comply with the required laws and regulations pursuant to the contract.</li> <li>Suppliers should ensure that manufactured parts comply with the laws and regulations required by Brogent's customers.</li> </ul>
Goals Achieved in 2021 (Short-Term)	<ul style="list-style-type: none"> <li>During the contract signing process, our technology divisions should begin confirming what the laws and regulations of the country importing these products are.</li> <li>Information on the laws and regulations of the importing country, and laws and regulations required to be complied with by the customer, shall be provided to the supplier in the commissioning specifications, allowing suppliers to manufacture parts in compliance with the required laws and regulations.</li> </ul>
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>Improve supplier management, explicitly specify in supplier contracts the environmental protection and socioeconomic laws they shall comply with (such as the declaration on non-use of conflict minerals signed by suppliers), and cooperation with the Company's factory audit visits and improvement/optimization plans.</li> </ul>
Responsibilities	<ul style="list-style-type: none"> <li>The legal Department shall ensure that Company products comply with the laws and regulations of both the country where they were produced and the country importing these products.</li> </ul>
Resources Investment	<ul style="list-style-type: none"> <li>Amendments to supplier contracts.</li> <li>Create a database of laws and regulations on immersive simulation amusement rides for each of our customer's countries.</li> </ul>
Claim Procedures	<ul style="list-style-type: none"> <li>Violations of laws or regulations can be reported to Brogent by a third party through legal channels or the Brogent official website.</li> </ul>
Specification Actions	<ul style="list-style-type: none"> <li>Confirm the laws and regulations of the manufacturing and importing country.</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>Strictly carry out confirmation of the laws and regulations of the manufacturing and importing country.</li> <li>In 2021, we did not incur any major fines or non-monetary penalties for violating environmental protection, social, or economic laws and regulations.</li> </ul>

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 2021, 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. We have not incurred any major fines or non-monetary penalties for violating environmental protection, social, or economic laws and regulations.

### Integrity Management and Regulatory Compliance Training Course

No.	2021 Training Course	Target	Sessions	Training Completion Rate <sup>Note</sup>
1	Employee Code of Conduct training	Employees	3	100%
2	Meeting for establishment of the personal data team	Personal data team	1	100%
3	Corporate governance and protection of business secrets	Directors and senior executives	1	100%
4	Corporate Governance 3.0 Roadmap and securities regulations	Directors and senior executives	1	100%
<b>Total</b>			6	100%

Note: Training Completion Rate = number of employees who participated in training/number of employees expected to participate in training

## 4.1.2 Risk Management

### Management Approach

Major Issues	Risk and Crisis Management
Material Topics	<b>Key Impacts, Risks, and Opportunities (GRI 102-15)</b> <b>Effectiveness of Risk Management Processes (GRI 102-30)</b>
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 pandemic.</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 pandemic situation of various countries and related pandemic inspection regulations at any time.</li> </ul>
Goals Achieved in 2021 (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 2021.</li> <li>Cooperate with the pandemic prevention policies of various countries in the world, and provide colleagues with pandemic 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>
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 complaints through the Brogent website 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 directly under the Board of Directors responsible for internal audit affairs and handling related matters. The office is composed of one audit supervisor and one auditor whose responsibilities are to ensure operational performance and efficiency (including profitability, performance, and asset safety), ensure that reports are reliable, timely, transparent, and in compliance with relevant laws and regulations. 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.

Each department shall be responsible for assessing risk for operations they are responsible for. If any risks are discovered during the course of business operations, a risk assessment mechanism and risk control metrics shall be established. The Audit Office shall evaluate whether risk management has been effectively implemented, ensure that risk management rules have been followed, and report their audit results to the Board of Directors each year. In the future, we plan to establish a set of risk management guidelines, and a dedicated team for implementing risk management measures.

### 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 risk assessment results, and conducts business audits on the company and its subsidiaries' financials, risk management, and compliance with laws and regulations at least once a quarter. Audit results shall be presented in internal audit reports to ensure that the company's operations comply with Ethical Corporate Management Best Practice Principles.

These audits are conducted by the Audit Office pursuant to the manager performance evaluation and remuneration policies, systems, standards, and structures established in the Remuneration Committee Charter in order to execute the audit programs approved by the Board of Directors. 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 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

Brogent's internal controls have been designed by our executives, and take into consideration the Company's overall business operations. Our internal controls have been established pursuant to the Regulations Governing Establishment of Internal Control Systems by Public Companies, and have been implemented after being approved in a Board meeting. The purpose of our internal controls is to promote the healthy business operations of the Company, and reasonably ensure that the following goals are achieved:



The Audit Office draws up an audit plan for the next year based on the risk assessment results, and conducts audits of the company and its subsidiaries' business operations, financials, risk management, and compliance with laws and regulations once a month. The audit results shall be presented to Company directors in an internal audit report, and reported in regular meetings of the Board of Directors each quarter. Our internal controls were effectively designed and implemented in 2021, and no major irregularities were discovered in our audits. We shall continue to optimize the design of our internal controls and thoroughly implement internal audits to ensure the effectiveness of our organizational operations.

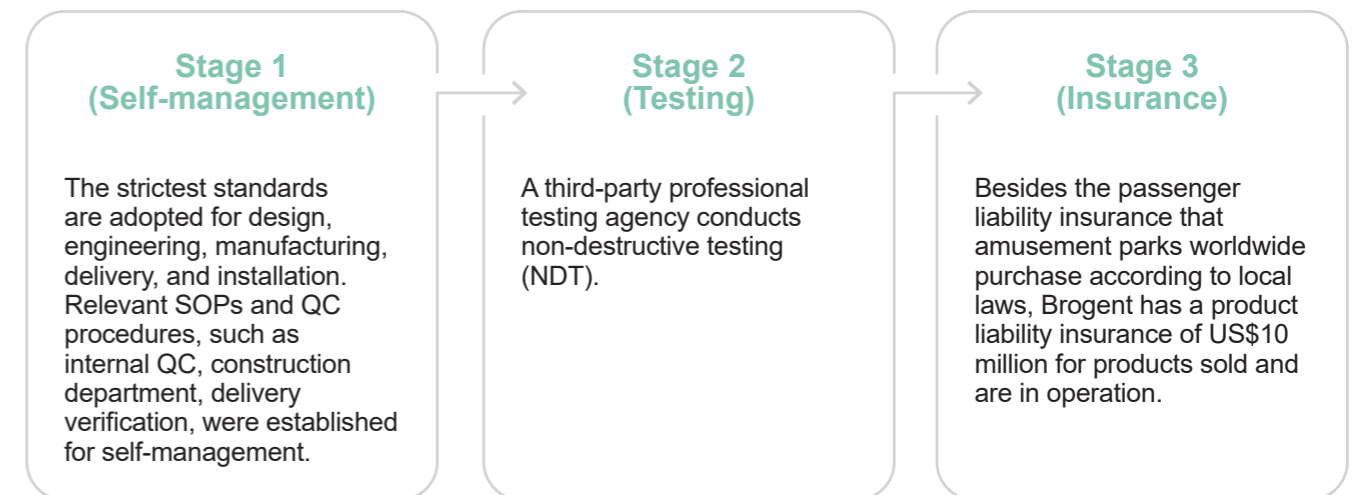
We have adopted the COSO internal controls framework in establishing three lines of defense for our internal controls. The first line of defense consists of the audits carried out by each of our operational departments as part of their regular work, and includes all of our stakeholders. The second line of defense includes the supervision and monitoring work conducted across different work processes and departments. The third line of defense consists of internal audits where the work cycles and risk management measures of each of our operations are assessed and monitored. Independent and objective resources are provided to employees allowing them to confirm doubts and make inquiries related to risk management, assisting them in assessing risk and improving risk management in order to ensure operational performance and efficiency.

## Risk Analysis

Each functional department of Brogent is responsible for identifying and managing all potential risks that may affect company operations, and carrying out risk analysis and assessment. Each department seeks to understand the potential impact of risks on the Company by conducting analysis on the possibility of risks occurring and the level of negative impact should they occur. Analysis results are subsequently used as a reference for setting risk management priorities and establishing response measures, establishing adaptive strategies in advance so as to minimize the impact of risks on the Company's sustainability 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 2021**

Risk Category	Risk Description	Control Measures	Management Effectiveness
<p><b>Pandemic Risk</b></p>	<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> <li>• Operational plans could not respond to pandemic developments in time.</li> </ul>	<ul style="list-style-type: none"> <li>• Create the COVID-19 Prevention and Emergency Response Plan.</li> <li>• Establish temperature measurement stations and smart pandemic prevention stations.</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 pandemic prevention supplier and ensure the basic inventory.</li> <li>• Due to pandemic developments, the management team continued making real-time changes to the business continuity plan as it was being implemented.</li> <li>• Internal controls framework and priorities were adjusted to better manage long-distance working arrangements.</li> <li>• Adopted and improved systems controls, integrated the assigning of different responsibilities to employees, and integrated information and working process systems, making it possible to monitor operational activities and operational risks in a long-distance working environment.</li> </ul>	<ul style="list-style-type: none"> <li>• No employees were confirmed to have COVID-19, and business continuity is ensured.</li> <li>• Adopted a system where employees worked in shifts, reducing the impact of the pandemic.</li> <li>• Upgraded the Company's information equipment, allowing employees to connect to the Company intranet to hold long-distance meetings.</li> <li>• There have been no incidents where employees have overstepped management boundaries while using the information system to communicate and access information.</li> </ul>
<p><b>Financial Risks</b></p>	<ul style="list-style-type: none"> <li>• Investment and Exchange Rate Risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of international circumstances and the investment market.</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> </ul>
<p><b>Environmental Risks</b></p>	<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>• Purchase additional commercial fire insurance.</li> <li>• Purchase additional water damage insurance.</li> <li>• Check for leaks and carry out gutter dredging before the typhoon season.</li> </ul>	<ul style="list-style-type: none"> <li>• No environmental disaster occurred.</li> </ul>
<p><b>Risk of Supply Chain</b></p>	<ul style="list-style-type: none"> <li>• Possibility of material disruption due to COVID-19 outbreak.</li> </ul>	<ul style="list-style-type: none"> <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>• Through our understanding of the raw materials market, we realized that the pandemic could lead to some raw materials running out of stock, or having delayed delivery dates. We thus brought forward our resupply plans, which have been successfully carried out as of 2021. We have experienced no shortage of raw materials as a result.</li> </ul>
<p><b>Information Security Risk</b></p>	<ul style="list-style-type: none"> <li>• Ransomware invasion.</li> <li>• Potential information security loopholes arising from overseas/long-distance working arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• Real-time monitoring of abnormal behavior.</li> <li>• Disaster recovery drills.</li> <li>• Regular promotion of information security.</li> <li>• Manage remote access of information.</li> <li>• Manage security for external devices.</li> <li>• Security authentication for VPN connections.</li> </ul>	<ul style="list-style-type: none"> <li>• No information security incidents occurred.</li> </ul>

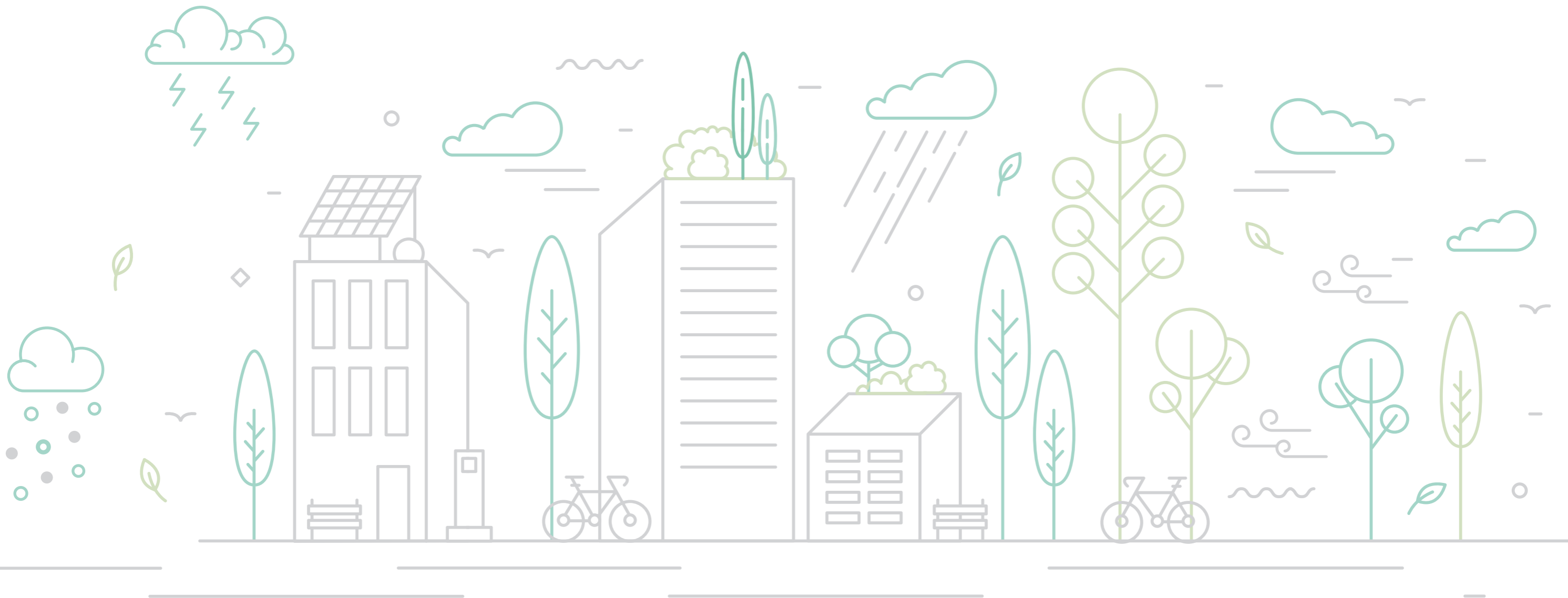
**Risk Category and Management Strategy in 2021**

Risk Category	Risk Description	Control Measures	Management Effectiveness
<p><b>Internal Control Risk</b></p>	<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>
<p><b>Regulatory Compliance Risk</b></p>	<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>Reduce risk through contract review mechanisms.</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>Hold 3 sessions of training courses on the Employee Code of Conduct to enhance employees' legal knowledge on anti-corruption and integrity.</li> </ul>
<p><b>Risk of the Innovation Technology</b></p>	<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>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>Research and development a modular way to install 8K 3D LEDs, reducing installation time.</li> <li>The i-Ride digital system has been rolled out to all customers, allowing for ride parameters to be optimally managed based on the customer's show experience.</li> <li>The i-Ride system has been successfully digitalized, and this digitalized system has also been used for the m-Ride at the same time.</li> <li>A new o-Ride has been designed taking into account the sales performance of the i-Ride and m-Ride.</li> <li>Completed 7 patent applications.</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>
<p><b>Risk of Product Manufacturing</b></p>	<ul style="list-style-type: none"> <li>Unable to fulfill the customer requirement of product quality, safety, cost and schedule.</li> <li>Management of project production deadlines.</li> <li>Management of equipment and production quality.</li> <li>Management of commissioned products and long-term raw material deliveries.</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>Improve quality control, conduct Incoming Quality Control (IQC), In Process Quality Control (IPQC), Final Quality Control (FQC), Outgoing Quality Control (OQC).</li> <li>Regularly review materials with long-term delivery dates, avoiding risk of work interruptions due to material shortages.</li> <li>Regularly review product quality for work commissioned to external manufacturers, and provide non-conforming material reports to track and resolve issues.</li> <li>Improve equipment installation and standard operating procedures for testing, raising production efficiency and quality.</li> </ul>	<ul style="list-style-type: none"> <li>The Manufacturing Center has established a Production Management Department, integrating management of different resources and improving manufacturing and production efficiency.</li> <li>Manufacturing capacity has increased, and production of the i-Ride/ m-Ride/o-Ride/Esports 2.5 products this year have met project deadlines. Their product quality has also passed certification from our design units and third-party quality reviewers.</li> <li>We adopted the 6S management system for our Taoyuan production facility. A re-arrangement and re-organization of the internal facility was completed, along with work processes, employee training, and other required work, leading to improved production efficiency.</li> <li>4 new product designs were completed by our Taoyuan facility, improving our ability to produce necessary equipment in-house.</li> </ul>
<p><b>Equipment Malfunction Risk</b></p>	<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. Brogent has identified risks and opportunities related to climate change pursuant to the Task Force on Climate-related Financial Disclosures (TCFD) published by the Financial Stability Board (FSB) and the Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. These risks and opportunities have been included in our overall risk management framework, and are included in our sustainable development strategies.

<p><b>Governance/ Strategy</b></p>	<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>
<p><b>Risk Management</b></p>	<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 vehicles (including scooters) should be chosen for rented company vehicles in the future whenever possible.</li> <li>• We use ERP and an electronic signature system to handle routine business paperwork, reducing the use of paper documents.</li> <li>• Manage electricity consumption for our more power-hungry electrical appliances (such as air-conditioning systems and sign lighting)</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>• Take stock of conditions in the raw materials market each month, and communicate closely with suppliers in order to understand the reasons for higher material prices. Respond to price changes through measures such as pre-emptive purchases of raw materials, or changing the quantities purchased.</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 project 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>• Find substitute suppliers to increase the number of supply sources, distributing risk.</li> <li>• Create sources of supply (e.g., second and third suppliers).</li> </ul>

**B. Opportunities Related to Climate Change**

Type	Opportunity 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 in at least four categories for our future phase three buildings and our Ciaotou Science and Technology Park facility.</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> <li>Monitor water use daily in order to find and repair leaks as quickly as possible.</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 our phase three buildings at the Kaohsiung Software Park and our facility at the Ciaotou Science and Technology Park, with the goal of producing more green energy.</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> <li>Develop a digital control system for moving platforms, as well as data collection and analysis tools for flying theaters, which can greatly reduce the need for our employees to make business trips.</li> </ul>
	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>From 2020 to 2021, we carried out the pioneering Immersive Simulation Technology Base: Immersive Simulation Park project.</li> <li>In 2021, we put on an exhibition at Vision Get Wild, giving college students a chance to familiarize themselves with immersive experience technology, as well as the developments in and future direction of the industry.</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>In 2021, we carried out the Taiwan Industry Innovation Platform Program (Innovation Optimization Program): Immersive 8K 3D LED Dome Screen Theater, featuring a first-of-its-kind cross-industry collaboration with Taiwanese screen makers.</li> <li>Actively developed miniaturized multiple-seat interactive 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>Developed 3 types of indoor experience equipment.</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 miRide immersive simulation platform, to satisfy clients’ needs by providing them with diverse products.</li> <li>Based on market feedback, we have begun research and development into o-Ride, a lower-end flying theater, in order to tap into the small to medium-sized amusement park market.</li> </ul>

### 4.1.3 Information Security Management

#### Management Approach

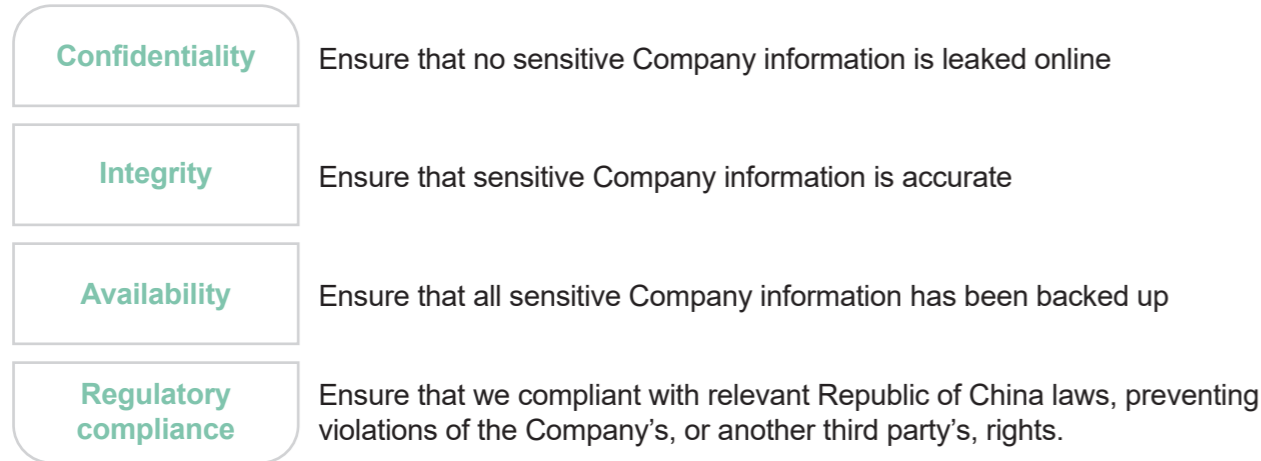
\*Customized Topics

Major Issues	Information Security and Customer Privacy
Material Topics	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>Collect, process, and use personal data collected by the Company in compliance with the Personal Data Protection Act and the Personal Data Protection and Management Rules.</li> <li>Use and protect customer data according to agreements.</li> <li>Continue to improve employee awareness of information security.</li> <li>Develop real-time monitoring mechanisms for various systems.</li> </ul>
Practical Management Actions	<ul style="list-style-type: none"> <li>All employees who may have access to personal data are required to sign the Personal Data Security Form.</li> <li>Collected personal data is kept by dedicated employees, and paper copies be stored in locked drawers or in the office. Electronic information is stored on a separate server.</li> <li>Personal data which no longer needs to be stored shall be regularly destroyed.</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> <li>Establish an information security committee to increase the attention to important issues of information security and implement continuous improvement measures.</li> </ul>
Goals Achieved in 2021 (Short-Term)	<ul style="list-style-type: none"> <li>Established the Personal Data Protection and Management Rules and a personal data protection team. Took inventory of the personal data documents which the Company has collected on external persons, kept these documents up to date, and ensured that our declaration on how we collect, process, and use personal data is in compliance with laws and regulations.</li> <li>Upgraded endpoint antivirus software version (OfficeScan&gt;ApexOne) and added endpoint intranet quarantine zones.</li> <li>Managed information disclosure from personal devices.</li> <li>Conducted phishing email drills for high-risk employees consisting of training and assessments. All participating employees passed the assessment.</li> <li>System blocking long-distance point-to-point connections have been adopted across the entire Company (Anydesk).</li> </ul>

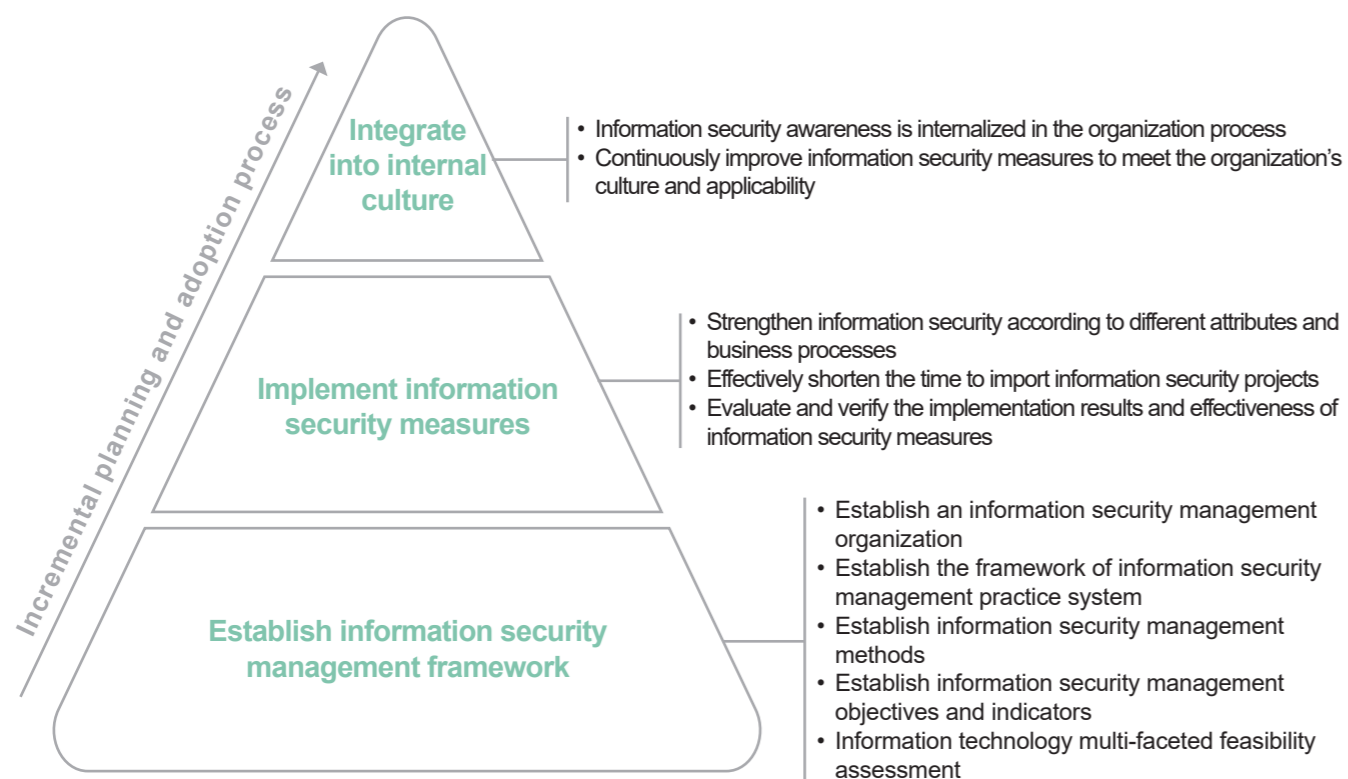
Major Issues	Information Security and Customer Privacy
Material Topics	Information Security* Customer Privacy (GRI 418-1)
Major Issues Mission and Vision (Long-Term)	<ul style="list-style-type: none"> <li>Before each Company department begins collecting personal data on external persons, the personal data team shall submit personal data documents to the Legal Department for confirmation. The Legal Department shall add a declaration on how personal data shall be collected, processed, and used to these documents, pursuant to the Personal Data Protection Act.</li> <li>Establish business and marketing teams that protect customer privacy awareness.</li> <li>Improve internal server security.</li> <li>Make plans for establishing a unit dedicated to information security, which shall be responsible for designing the Company's overall information security framework, developing information security policies, and monitoring information security, alongside other related responsibilities.</li> </ul>
Responsibilities	<ul style="list-style-type: none"> <li>Legal Department: Ensure that the company collects, processes and uses personal data in accordance with the law, and protects customer privacy.</li> <li>IT Department: Appropriately protect the Company's information assets and deepen employee awareness of general information security issues.</li> </ul>
Resources Investment	<ul style="list-style-type: none"> <li>Open internal education and training courses.</li> <li>Information security related software, hardware and other resources prepare annual budget execution.</li> </ul>
Claim Procedures	<ul style="list-style-type: none"> <li>Make complaints or reports to Brogent's email address (<a href="https://www.brogent.com/en/contact-us.html">https://www.brogent.com/en/contact-us.html</a>) and the <a href="mailto:legal@brogent.com">legal@brogent.com</a> email address.</li> </ul>
Specification Actions	<ul style="list-style-type: none"> <li>Regular hold internal education and training courses.</li> <li>Regularly review whether the Company's collection, processing, and use of personal data complies with laws and regulations.</li> <li>Conduct unscheduled audits of system software.</li> </ul>
Evaluation Procedures	<ul style="list-style-type: none"> <li>Regularly review the performance in conjunction with internal audit.</li> <li>System drill results reports.</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>In 2021, there were no information security incidents which led to leaks of customer information.</li> <li>In 2021, there were no customer complaints of violations of customer privacy or confidentiality.</li> </ul>

## Information Security Policies

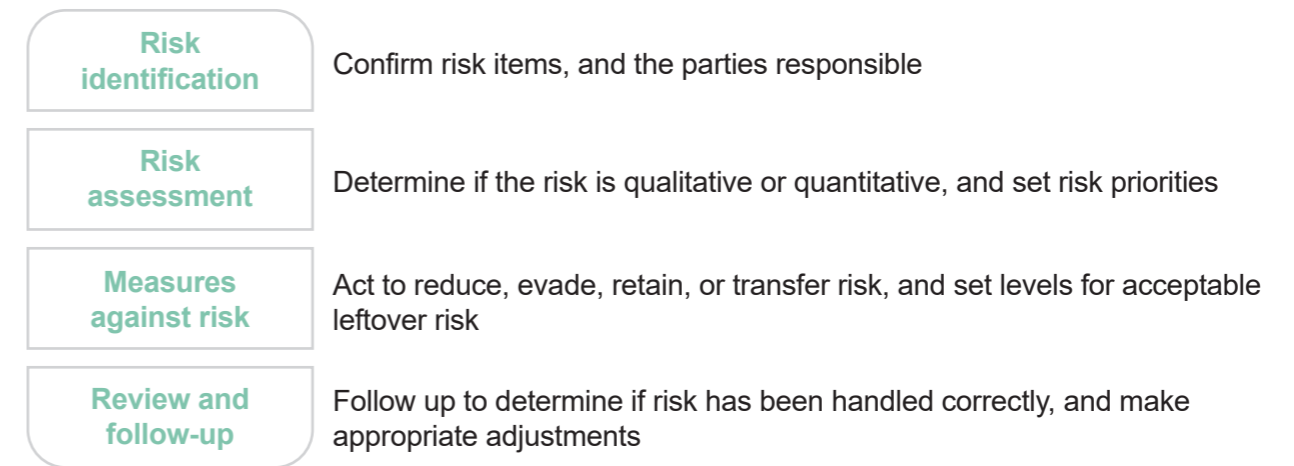
The Company's information security goals are to ensure the confidentiality, integrity, availability, and regulatory compliance of our core systems. By identifying different priority levels for information assets and assessing if the risk is quantitative or qualitative, we manage how information security management is implemented, confirming its results and determining whether we have achieved our information security goals.



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.

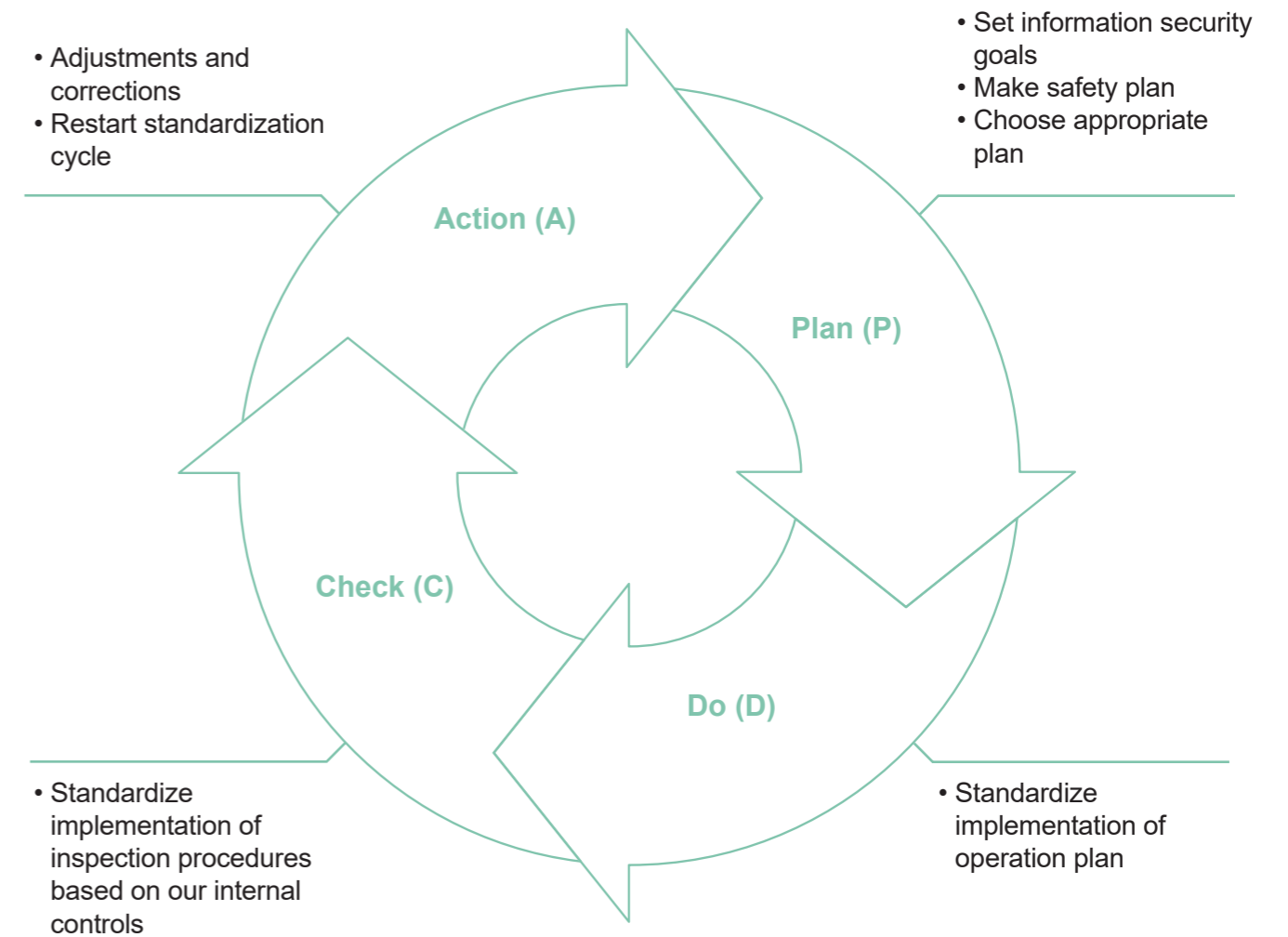
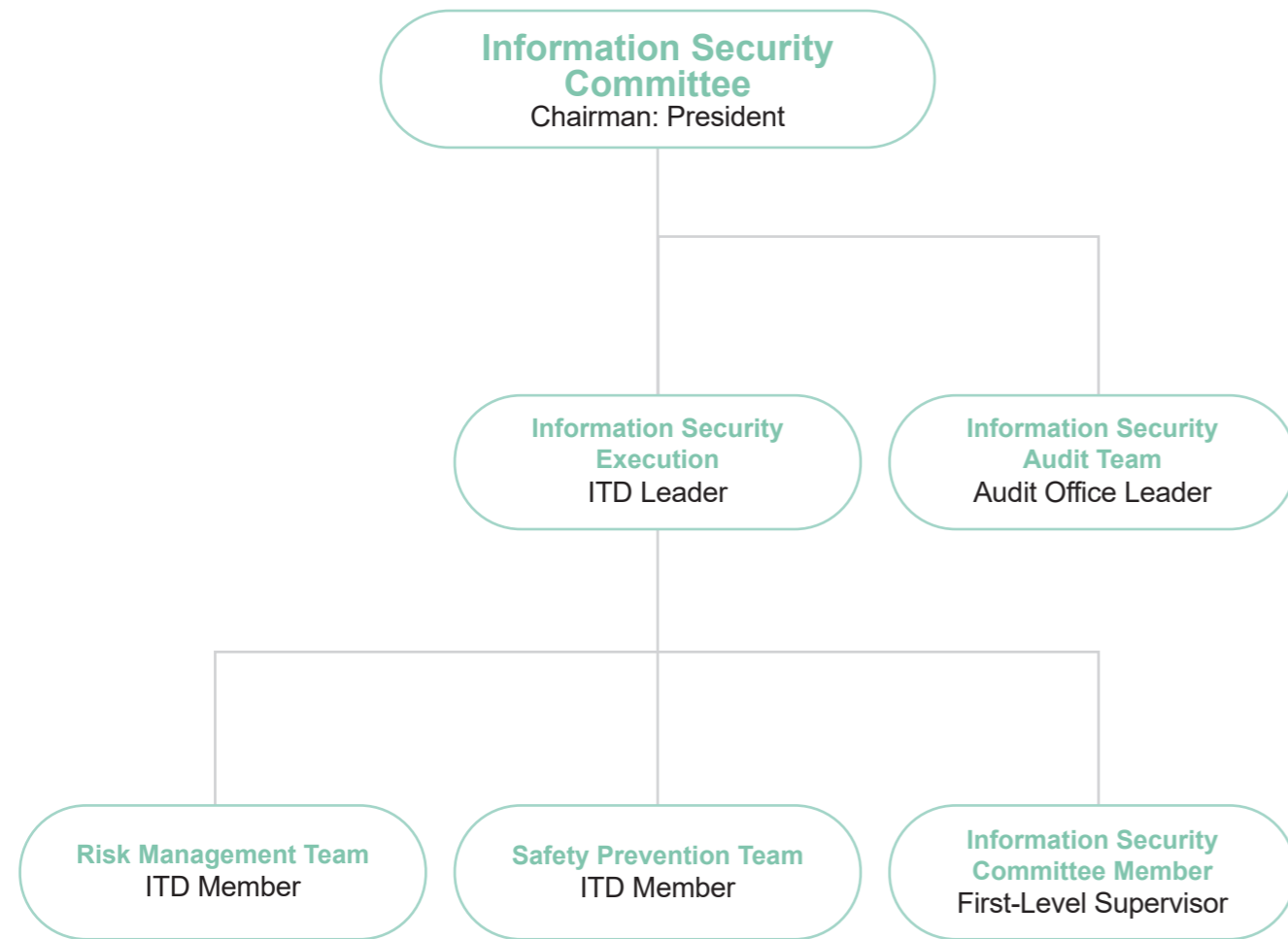


## Information Security Identification Process



## Information Security Management Structure

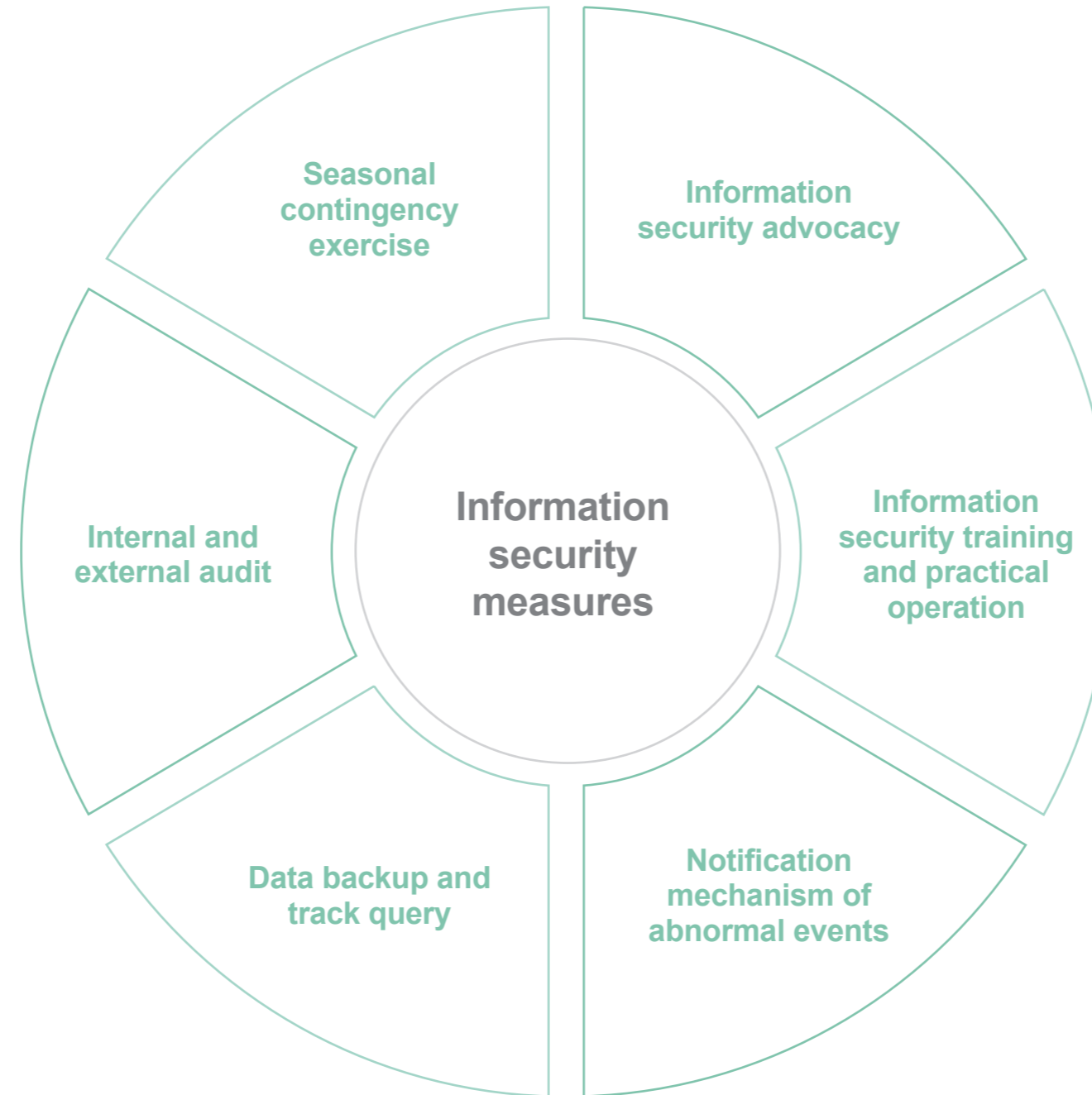
Brogent has established a Information Security Committee which convenes once a year. The President shall serve as the Committee's chairman in order to minimize information security risks and impact while improving the Company's ability to continue business operations. Referencing the spirit of ISO 27001 information security management standards, Brogent adopted the PDCA management method to ensure the achievement and continual improvement of information security management goals.



## Information Security Measures

Brogent has adopted an incremental strategy for information security and endeavors to make management policies and guidelines consistent with the implementation of information security. In addition, continuous improvement to information security measures and training methods have been implemented to increase the frequency that abnormal incidents are reported and enable information security measures and concepts to become entrenched in the Company's culture.

Our information security measures in 2021 included improving management of information disclosure from personal devices, improving personal privacy protections, and collaborating with Trend Micro's TRC on analyzing information security incidents, improving endpoint protection and rapidly responding to abnormal information security incidents.



### Information Security

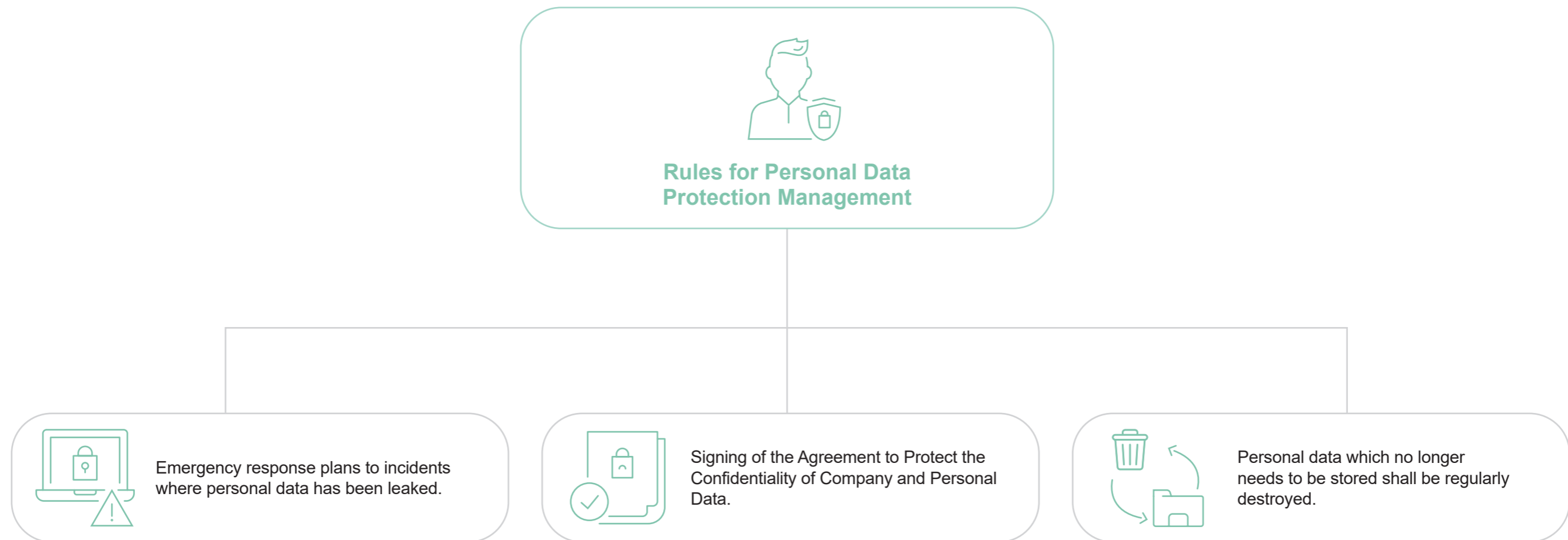
Investment	Emergency Drill	Information Security Incident
An average investment of more than NT\$ 2 million per year including the introduction and optimization of information equipment or systems, education and training of information personnel, etc., to enhance the company's overall protection capabilities and information security capabilities.	Information security drills were conducted in 2021, with the results showing that overall information security risks were at a medium level. Phishing drills were conducted twice on high-risk employees, improving employee awareness of information security. Training and promotion of information security awareness were also conducted from time to time.	No related information security incidents occurred in 2021.

## 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 of 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.

Brogent established the personal data protection team in May 2021, and on July 1, 2021 published the Rules for Personal Data Protection Management (Personal Data Protection Management Rules). The Rules for Personal Data Protection Management clearly specified methods for managing data securely, employee management methods, and methods for storing and managing personal data. Additionally, each department as of 2021 has taken stock of and updated their documents on the collection of personal data from third parties pursuant to the Rules for Personal Data Protection Management.

In 2021, Brogent made efforts to improve employee knowledge of personal data protection, including education on personal data protection in Employee Code of Conduct training. In the future, members of the personal data team shall submit personal data documents to the Legal Department for confirmation before personal data is collected from external parties, ensuring that our declarations on how personal data shall be collected, processed, and used is compliant with laws and regulations.



## Customer Privacy

Brogent is committed to protecting the privacy and confidential information of our customers. We hold internal training courses to enhance employee awareness on protecting customer privacy and confidential information, and only use and protect customer information based on the contract signed with customers. Our Legal Department reviews contract content and the scope of information disclosed in each contract before marketing and disclosing customer information to the public, and legal advice will be provided to the marketing team on information disclosures. If a customer considers that their privacy or confidential information has been leaked, they can file a complaint or report this violation through the Company’s website (<https://www.brogent.com/en/contact-us.html>). No complaints about breach of customer privacy or leaks of confidential information were received in 2021.

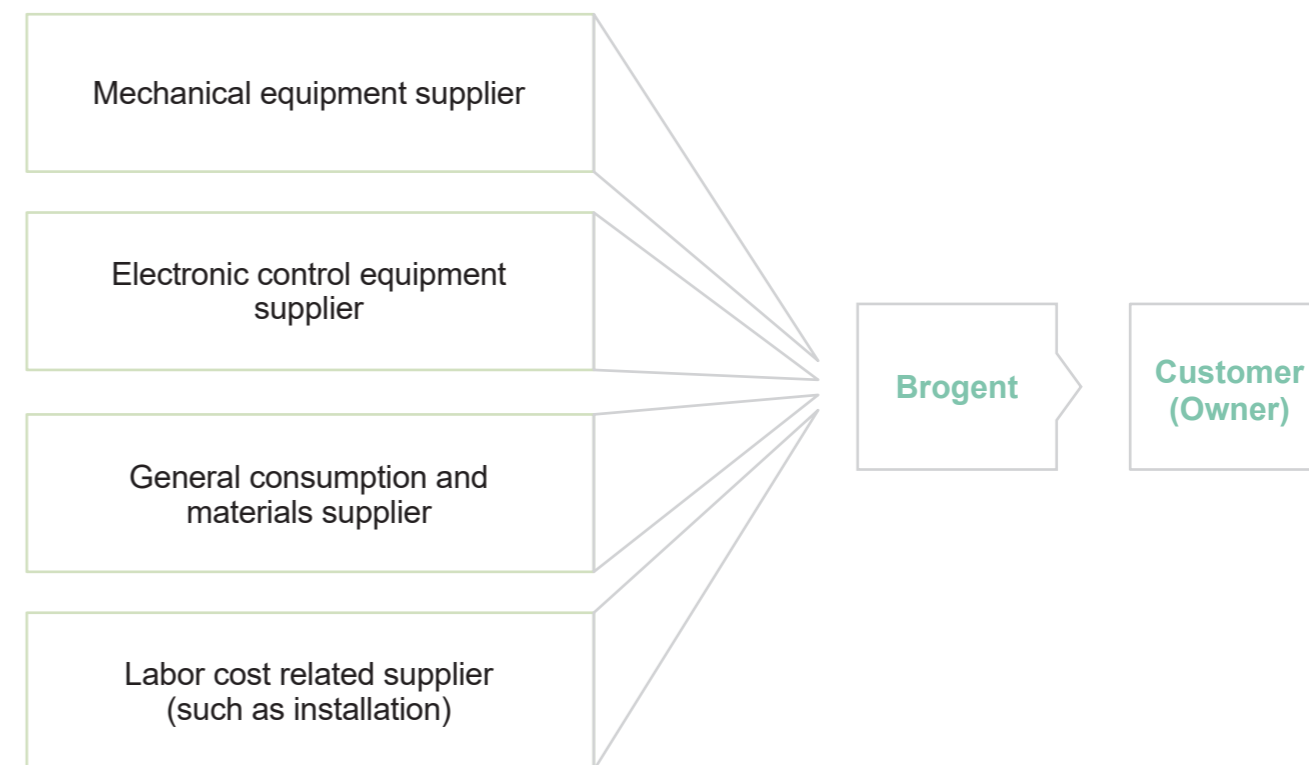
## 4.2 Supply Chain Management

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.



### Amusement Immersive Simulation 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 2021, 90.5% of our total procurement spending was on local Taiwanese products. The main changes to our supply chain in 2021 are as follows:

- Added a new product supply chain, such as for LED dome screens, hot-air balloon platforms and wheeled rides. Our subsidiary Brogent Global Inc. also added into Brogent Technologies Inc. as a supplier for products and services including digital products, marketing, and products related to spin-off merchandise.
- In order for our supply chain to accommodate our new products, we have added new suppliers for LED dome screens and wheeled rides.
- We have adopted use of a new brand for UPS products, adding a new UPS supplier based in China (as UPS products are required for our operations in China, we wanted to source products from China whenever possible, reducing delivery expenses and reducing our carbon footprint).
- By using the same parts for similar equipment, we can purchase all required parts by offering one contract, saving on expenses and allowing us to receive parts quicker.
- 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.

In order to jointly pursue sustainable business operation and growth, we create a win-win sustainable supply chain. Environmental certification or labels are one of the evaluation metrics included in our sustainable supply chain evaluation of suppliers. Suppliers who have obtained these labels would be given preference for being selected. Between suppliers who can provide the same services, priority would be given to suppliers located closer to us, reducing the distance which our employees have to travel and the amount of air pollution generated by product shipping.

In consideration of the supply chain disruptions caused by the COVID-19 pandemic in 2021, Brogent sought to understand in advance how each of our suppliers are responding to the pandemic. For example, this included information on their available manpower or adjustments made to their production lines, as well as measures for responding to water or electricity shortages.

### Specific Measures for Supplier Management in 2021

- Before a supplier can begin work on-site, they are required to sign a form agreeing to implement contractor safety and health management.
- Continuously require suppliers to comply with and sign an integrity pledge.
- Include a new survey on green energy and environmental labels in supplier evaluations.
- Continue to implement supplier evaluations, understanding whether each supplier has been carrying out energy saving and carbon reduction management.
- By using the same parts for similar equipment, we can purchase all required parts by offering one contract, saving on expenses and allowing us to receive parts quicker



### 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

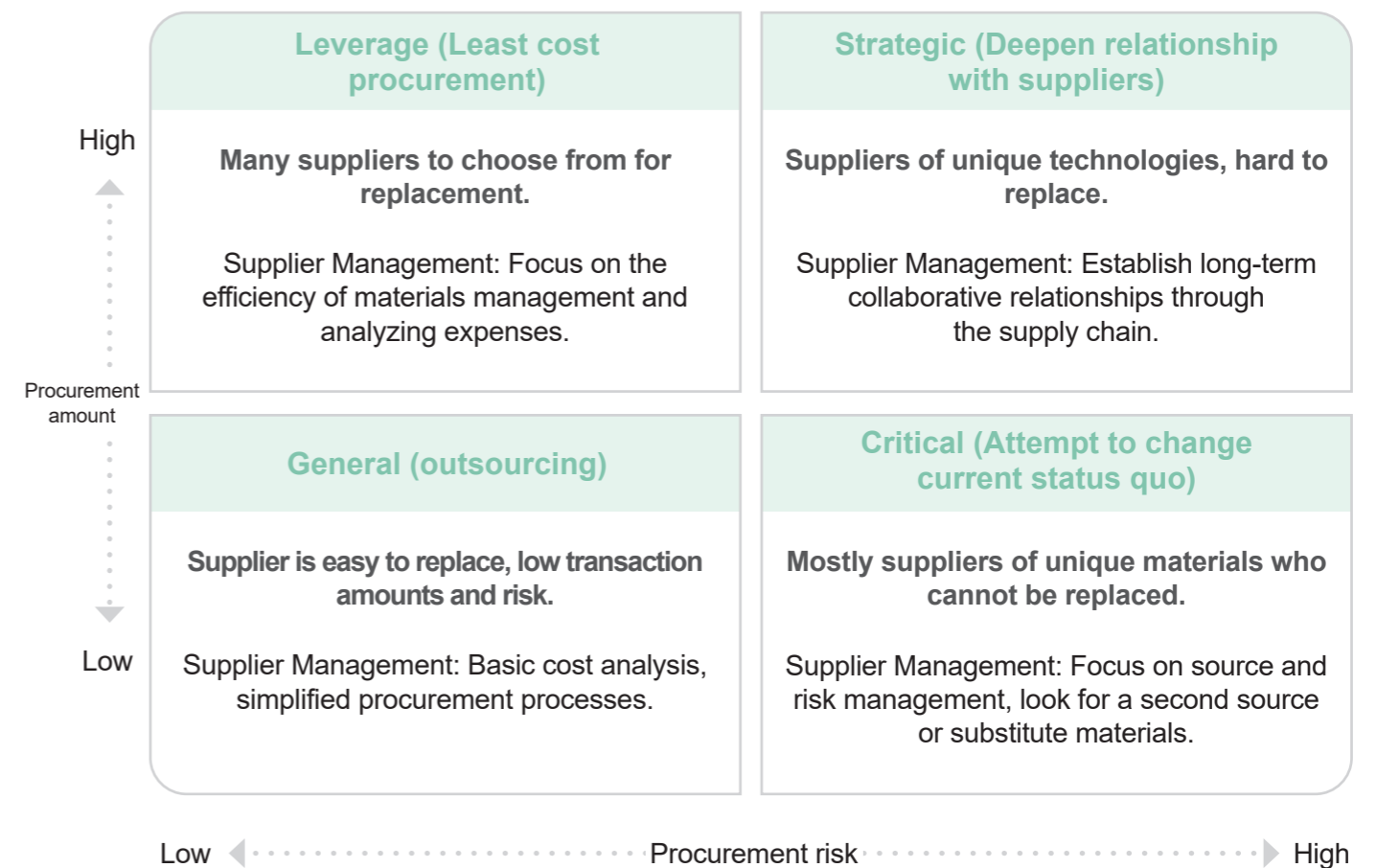
Brogent divides suppliers into those providing general materials and those taking outsourced projects. By 2021, Brogent worked with a total of 995 suppliers. According to the risk analysis of the purchase management procedure, as well as purchase risks and purchase prices identified in the management procedure, Brogent classifies suppliers into four risk quadrants and applies different management methods accordingly.

**In 2021, Brogent strengthened risk management measures for suppliers determined after an analysis to suffer from materials risk or are at risk of running out of stock.**

**Materials risk:** Brogent shall gradually introduce more points of inspection and conduct pre-delivery checks in response to a small number of our suppliers providing us with materials not up to our standards, leading to product returns and re-inspection, affecting our project deadlines and expenses.

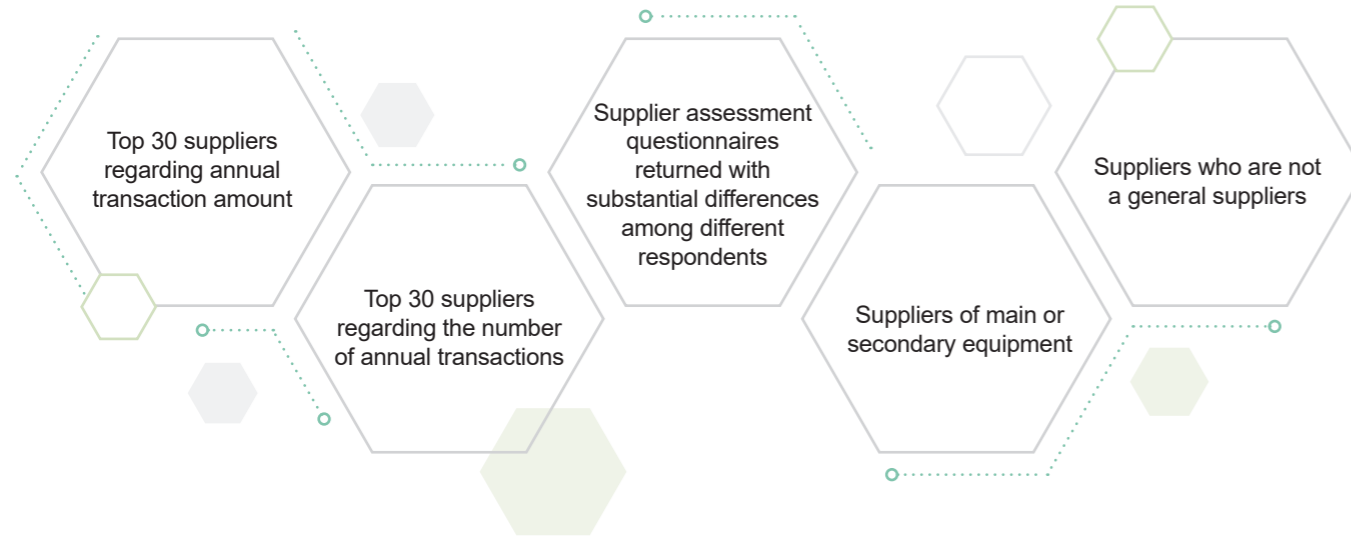
**Manage risk of running out of stock:** Stay informed on the upstream supply situation, and maintain close communications with suppliers in order to understand the market situation. Take measures such as ordering raw materials in advance or looking for substitute materials in order to reduce risk.

### Four Quadrants of Suppliers

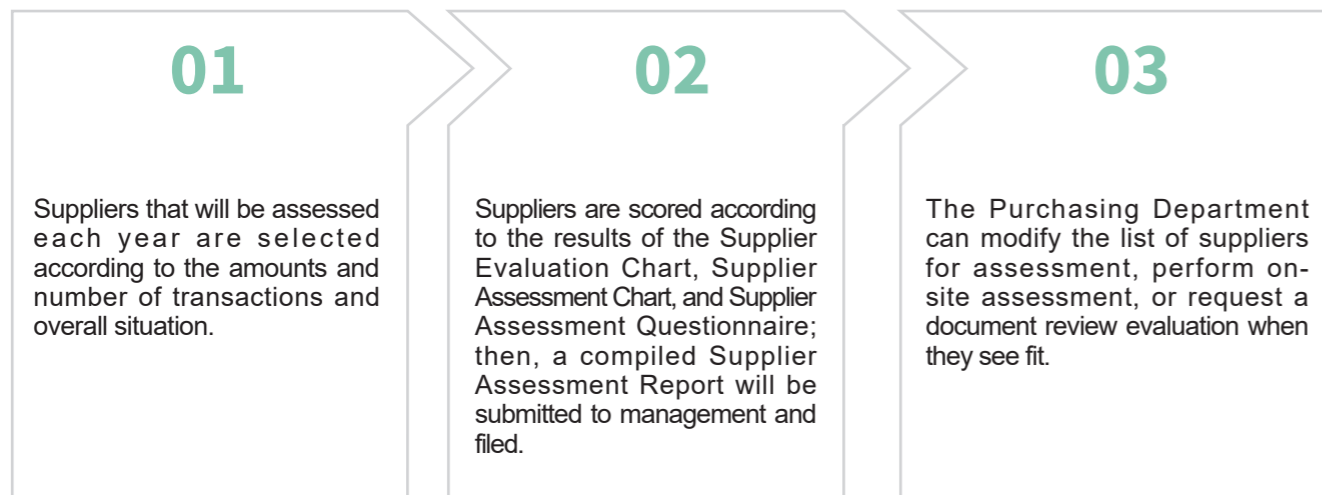


## 4.2.4 Supplier Evaluations

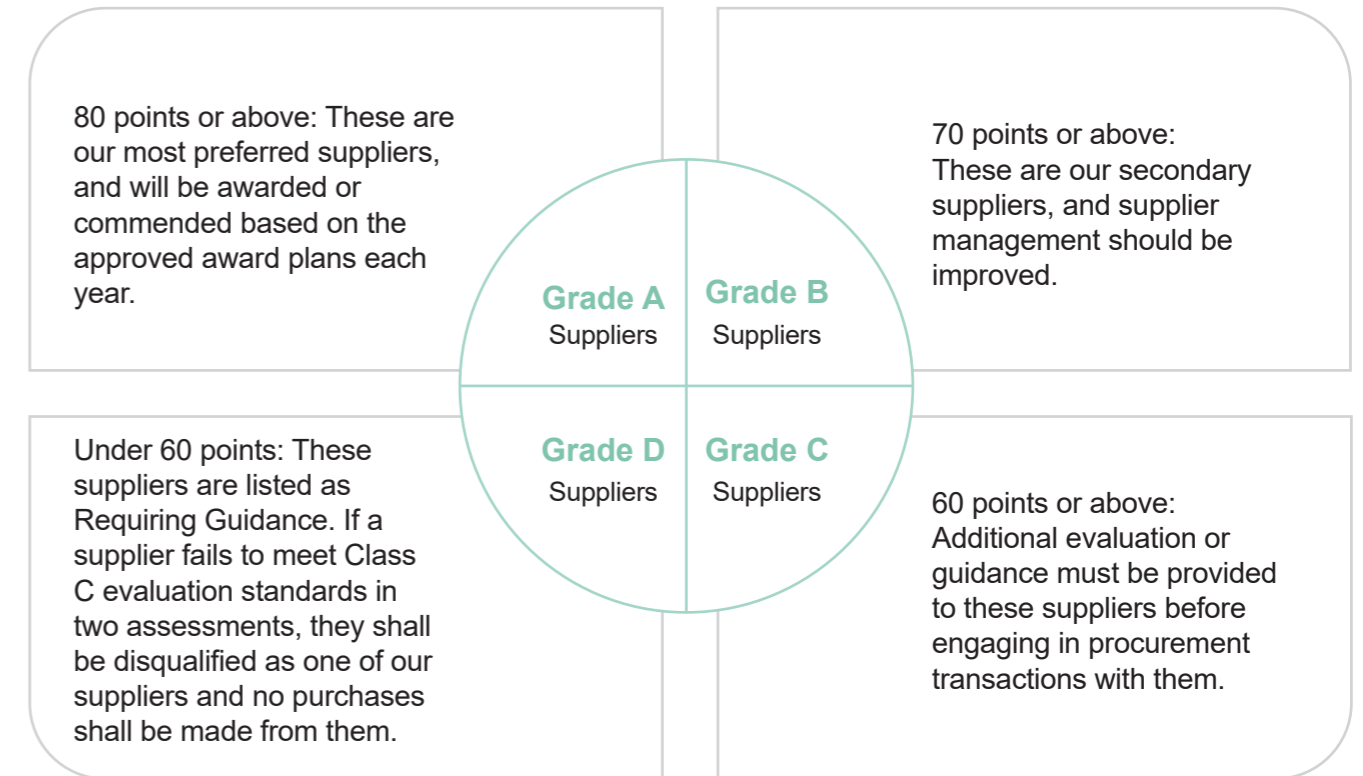
### Supplier Evaluation and Screening Principles



### Supplier Evaluation Process



### Supplier Assessment Level



### 2021 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. Supplier evaluation was conducted on 4 suppliers in 2021, with average evaluation scores between 80 and 81.

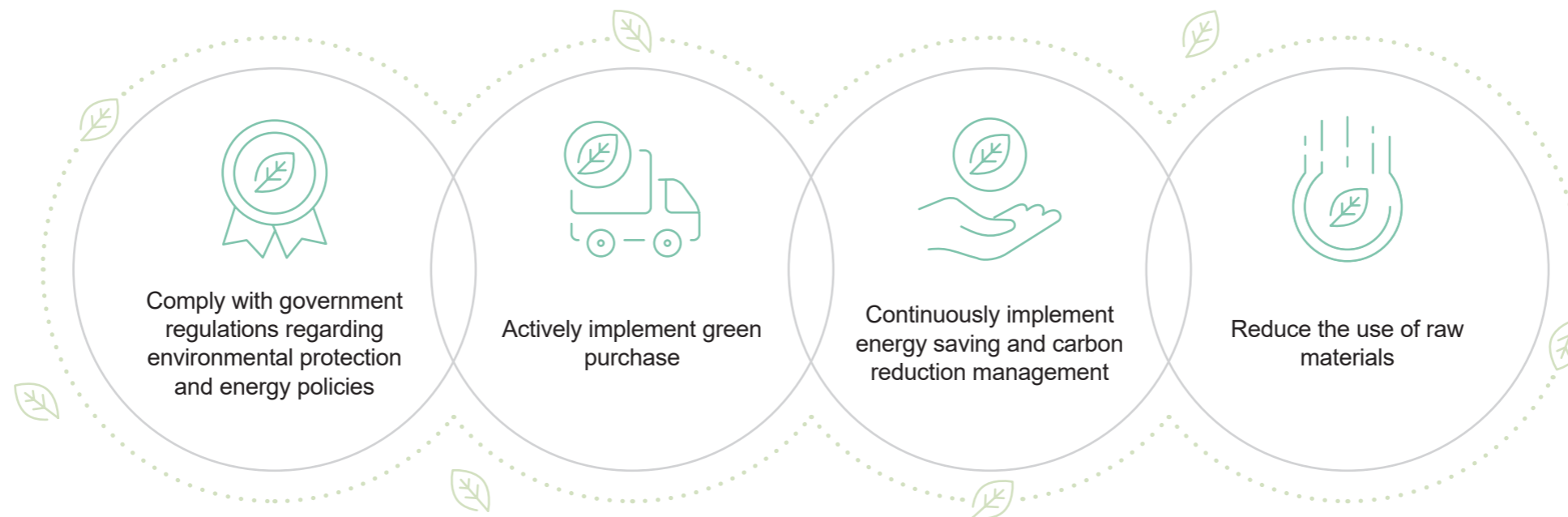
All four suppliers were awarded Grade A, and while there were still a few quality issues, suppliers were proactive in handling these issues, allowing them to retain their Grade A evaluation.

## 4.3 Environmental Protection

### 4.3.1 Environmental Commitments

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.

In order to fulfill our green corporate responsibilities, Brogent has committed to implementing environmental protection management practices and has actively contributed to the advancement of energy conservation policies. We shall also provide the required resources to fulfill the following commitments.

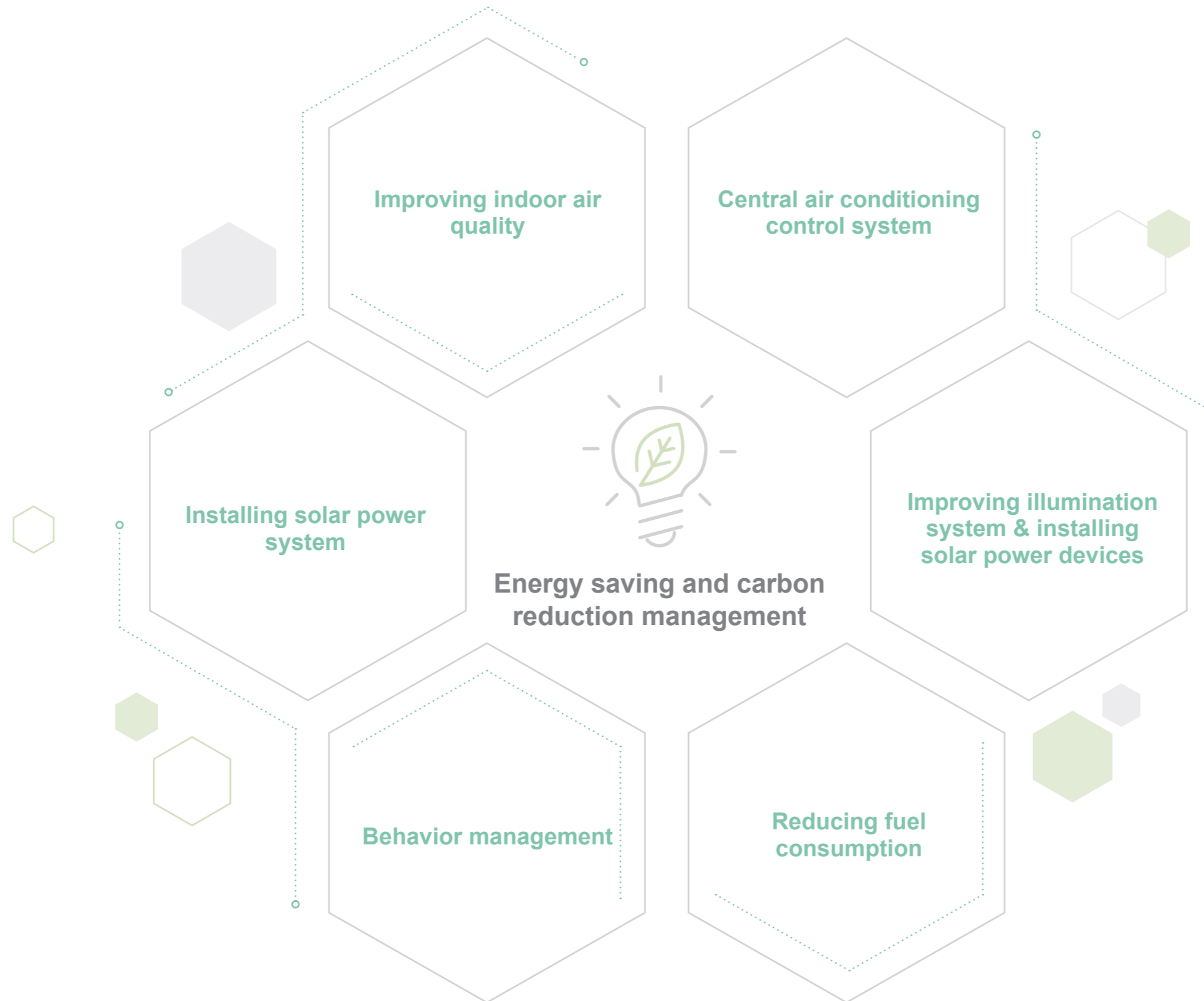


### Environmental Management Strategies

Implement Energy Management	Implement Water Resource Management	Effective Resource Management
<p><b>Goal</b></p> <ul style="list-style-type: none"> <li>Continual implementation of energy saving and carbon reduction management in hope of achieving 0.25% greenhouse gas emission reduction annually.</li> </ul>	<p><b>Goal</b></p> <ul style="list-style-type: none"> <li>Reduce the waste of water resources.</li> </ul>	<p><b>Goal</b></p> <ul style="list-style-type: none"> <li>Focus on increasing the reuse rate of each resource and reduce unnecessary waste to contribute to the sustainable development of the environment.</li> </ul>
<p><b>Measures</b></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 (including scooters) to reduce gasoline consumption.</li> <li>Set up charging stations for electric scooters, making employees more willing to switch to using electric scooters, contributing to reducing local carbon emissions.</li> </ul>	<p><b>Measures</b></p> <ul style="list-style-type: none"> <li>Set up rainwater harvesting and irrigations systems in office buildings to reuse water resources.</li> <li>Install water-saving equipment, reducing everyday water waste.</li> <li>Monitor the water meter daily to discover and repair leaks early.</li> </ul>	<p><b>Measures</b></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> </ul>

### 4.3.2 Energy Management

Purchased electricity and gasoline are the main energy sources used in Brogent's operations processes. This energy is used to power air conditioners, illumination systems, and company vehicles. Energy saving measures have been adopted to reduce energy consumption and environmental impact, in line with the Kaohsiung City Environmental Protection Bureau's 2021 summer electricity saving campaign.



## 2021 Energy Saving Measures

Brogent Headquarters	Manufacturing Center (Taoyuan Facility)
<ul style="list-style-type: none"> <li>• Central air conditioning control system: Opt for use of more energy-efficient machinery and employing a centralized air conditioning control system for controlling the temperature.</li> <li>• Illumination system improvement: Replace all illumination facilities in the factories with LED lights, which can save more than 50% energy.</li> <li>• Reducing fuel consumption: Prioritize electric or hybrid cars for company vehicles to reduce gasoline consumption. Set up charging stations for electric scooters.</li> <li>• Behavior management: Switch off unnecessary power-using devices, such as electronic appliances and lights in office aisles.</li> <li>• Supporting the government's green energy policy: Install a solar power system, contributing to the use of renewable energy.</li> <li>• Improve indoor air quality: Grow more indoor plants and increase natural ventilation.</li> </ul>	<p><b>Continue implementing energy saving, carbon reduction, and water saving policies</b></p> <ul style="list-style-type: none"> <li>• Use only LED lights, reducing power consumption</li> <li>• Use only inverter air conditioners, and have a set temperature for the Company office areas, reducing power consumption</li> <li>• Install water saving taps for water provided for everyday use, use recycled water for toilets</li> </ul> <p><b>Adopt energy saving measures for factory production equipment</b></p> <ul style="list-style-type: none"> <li>• Use only LED lights for factory lighting, and design factories to take advantage of natural lighting</li> <li>• Use inverter and energy saving factory production equipment</li> </ul>

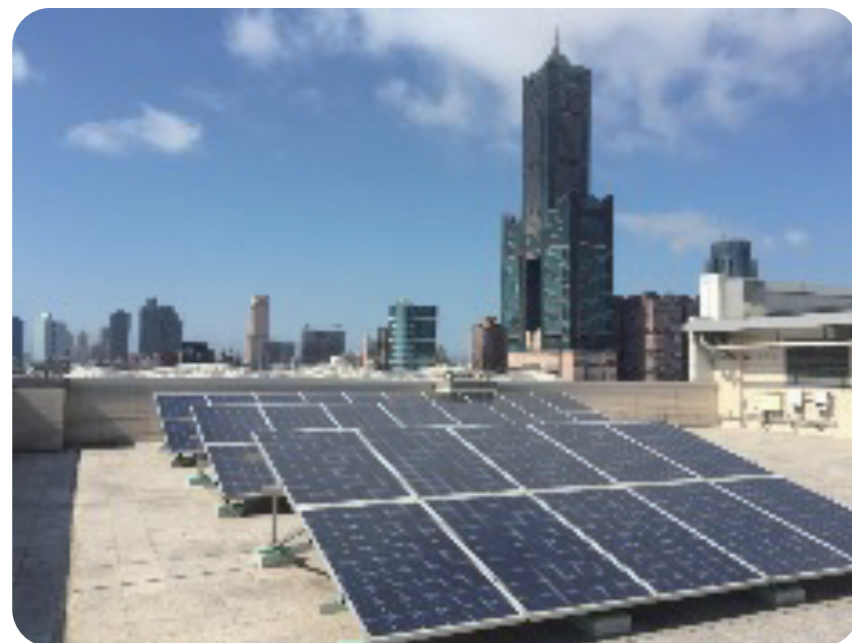
## Greenhouse Effect Gas Emissions

In response to climate change, the Company has set an annual 0.25% carbon reduction goal. We have planned various energy saving measures and specific actions meant to achieve this goal. Additionally, as the Company is not involved in the traditional manufacturing industry, and is also not in a high-energy-consumption industry, we are not affected by carbon border taxes.

In 2021, Brogent emitted 645.82 metric tons of Co<sub>2</sub>e in greenhouse gas emissions, a decrease of 37.96 metric tons of Co<sub>2</sub>e, or 5.6%, compared to 2020, allowing us to achieve our annual carbon reduction goal. Of these emissions, Scope 1 (direct source) emissions accounted for 21.67 metric tons of CO<sub>2</sub>e (approximately 3.4% of total emissions) while Scope 2 (indirect energy emissions) emissions accounted for 624.15 metric tons of CO<sub>2</sub>e (approximately 96.6% of total emissions). Additionally, using annual operating revenue (in millions of NT\$) to calculate GHG emission intensity, emission intensity in 2021 was 0.82 metric tons CO<sub>2</sub>e/million NT\$. This increase in emission intensity was mainly due to our lower annual operating revenue for 2021.

## 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 2021, the total power generated by Brogent's solar power system was 14,329 kwh, which contributed to Taiwan's renewable energy development.



**Brogent installed solar panels on the rooftop to generate renewable energy**



## Green Building Certification

Brogent's R&D Testing and Experience Center was certified as a green building after an on-site audit on 25 November, 2021 by the Taiwan Architecture & Building Center, an original certifying organization, which found that site conditions matched those in the original design. This green building certification can be continuously renewed for five years in a row until 16 December, 2026. In line with the government's green energy policies, we are evaluating the possibility of installing rooftop solar panels onto our Taoyuan facility, our phase three buildings at the Kaohsiung Software Park, and our facility under development at the Ciaotou Science and Technology Park.



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



### 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 2021 is 10.4 million liters, with a water intensity of 0.039 (million liters per person). We reduced total water consumption in 2021 by 3,190,000 liters.



Wastewater treatment: dedicated pipelines for rainwater



Rainwater harvesting and storage system



Wastewater treatment: dedicated pipelines for wastewater

### 4.3.4 Waste Management

Brogent is registered as a company in the creative and cultural industry, whose main business operations are the export of immersive simulation amusement equipment. Most of this 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. Thus, the waste generated at the Company's locations (including the Kaohsiung headquarters, the Taoyuan facility and the Taipei office) are all general office waste. We have commissioned a qualified vendor (Tidies Environment Service Corp) to dispose of this general waste, and approximately 1 ton of waste is disposed of each month.

In line with government policies, we have placed general recycling bins at the garbage disposal areas on each building floor. After this garbage is sorted by our employees and the cleaning staff, we are able to recycle approximately 0.3 tons of garbage each month. We would notify environmental organizations (such as the Tzu Chi Foundation) to handle and process these recycled materials for reuse, doing our part for society.





# APPENDIX



# Stakeholder Identification and Major Issues Analysis

## Stakeholder Interactions and Engagement

In the pursuit of corporate sustainability, Brogent not only takes into consideration its employees' opinions, but also puts a focus on the issues concerning its external stakeholders. Through an open and transparent attitude, we maintain positive interactions and relationships with our stakeholders via various communication channels. We take note of the issues concerning our internal and external stakeholders, as well as their requests for what should be done to address these issues, formulating responses to major issues and providing disclosures. This information is also used as a basis for creating our sustainability report.

## 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 2020 identification result for 2021. 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 Corporate Social Responsibility section on our website, along with a Facebook fan page for our Welfare Committee (<https://www.facebook.com/Brogentwelfare/>) and an external communication email address ([web@brogent.com](mailto:web@brogent.com)), serving as the basic communication channels between us and our stakeholders.

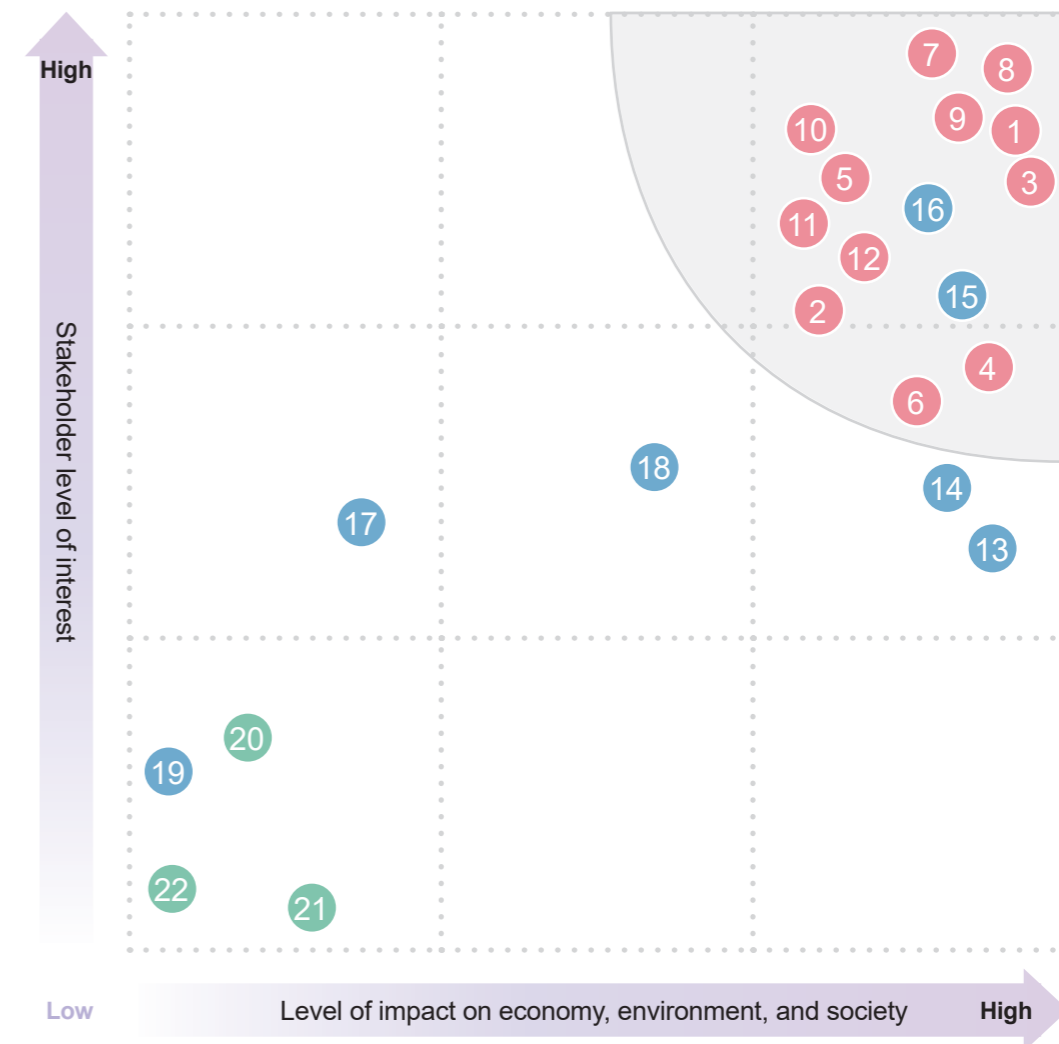
## Major Issue Analysis and Management

In 2021, taking into account the GRI Standards, the sustainability issues of concern to domestic and international enterprises in our industry, and industry trends, Brogent has continued to focus on making efforts on the 21 sustainability issues identified in 2020. Four new major issues to focus on were also added this year, namely Labor Relations, Workplace Health and Safety, Regulatory Compliance, and Integrity Management, after an assessment made by our senior executives on the unique characteristics of Brogent's business industry and recent development trends. In 2021, Brogent's 13 major issues of focus were: product quality, product safety, technological innovation, product intellectual property rights, sustainable development strategies, regulatory compliance, integrity management, workplace health and safety, customer relations and product services, information security and customer privacy, corporate governance, labor relations, risk and crisis management. These are the main issues which this report shall disclose information on.



Brogent Welfare Committee  
Facebook fan page

## Matrix of Major Issues in 2021



Sustainability Issues		
Governance	Society	Environment
1 Sustainable Development Strategies	13 Recruitment, Salary and Benefits	20 Energy or Greenhouse Gas Management
2 Corporate Governance	14 Employee Cultivation and Career Development	21 Water Resource Management
3 Integrity Management	15 Labor Relations	22 Recycling and Reuse (Waste Management)
4 Operation Performance	16 Workplace Health and Safety	
5 Regulatory Compliance	17 Sustainable Supply Chain Management	
6 Risk and Crisis Management	18 Human Rights and Equality	
7 Product Safety	19 Social Outreach and Improving Local Communities	
8 Product Quality		
9 Technological Innovation		
10 Product Intellectual Property Rights		
11 Customer Relations and Product Services		
12 Information Security and Customer Privacy		

## Management of Major Issues

Direct impact: ● Indirect impact: ○

Major Issues	Meaning and Significance	GRI Material Topics and Customized Topics	Sustainability Accounting Standards Board (SASB) Disclosure Metrics	Boundary of Impact to Value Chain <sup>Note</sup>			Corresponding Chapter
				Upstream	Brogent	Downstream	
<b>Product Safety</b>	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.	Customer Health and Safety (GRI 416-2) Marketing and Labeling (GRI 417-2, 417-3)			●	●	2.2 Product Quality and Safety
<b>Technological Innovation</b>	Technological innovation is the core of Brogent's soft competencies, and the innovative design process is the essence of Brogent's sustainable development.	Technological Innovation (Customized topic)			●		2.1 Technological Innovation
<b>Product Quality</b>	Achieving customer satisfaction through high quality and performance standards and generating mutual benefits for customers, shareholders, employees, and society, are at the core of Brogent's pursuit of excellence.	Customer Health and Safety (GRI 416-2)		○	●	○	2.2 Product Quality and Safety
<b>Risk and Crisis Management</b>	To achieve its objective of business operational sustainability, Brogent recognizes the importance of risks and crisis that will affect its operation.	Key Impacts, Risks, and Opportunities (GRI 102-15) Effectiveness of Risk Management Processes (GRI 102-30)	Manage systemic risk derived from technological disruptions (TC-SI-550a.2)		●		4.1.2 Risk Management
<b>Sustainable Development Strategies</b>	Brogent is a leading brand in the immersive simulation equipment industry. Maintaining sustainable operations is a goal shared by Brogent and all of our stakeholders. Brogent is also a leading brand in immersive simulation equipment, meaning that our actions draw much attention. Thus, our sustainable development strategies regarding economic, environmental, and social issues are of concern to all stakeholders.	Sustainable Development Strategies (Customized topic)			●		Sustainable Management Strategies and Goals
<b>Product Intellectual Property Rights</b>	Product intellectual property rights is the key of Brogent competitiveness.	Product Intellectual Property Rights (Customized topic)	Protection of intellectual property rights and competitive behavior (TC-SI-520a.1)		●		2.1.5 Global Patent and Intellectual Property Management
<b>Customer Relations and Product Services</b>	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.	Customer Relations and Product Services (Customized Topics)			●	●	2.3 Customer Relation Management

Note: The impact boundary and impact scope are identified based on Brogent's value chain. Brogent and Brogent employees sit at the core of the supply chain, with the upstream value chain being our raw materials and equipment suppliers, and the downstream value chain being our customers.

## Management of Major Issues

Direct impact: ● Indirect impact: ○

Major Issues	Meaning and Significance	GRI Material Topics and Customized Topics	Sustainability Accounting Standards Board (SASB) Disclosure Metrics	Boundary of Impact to Value Chain <sup>Note</sup>			Corresponding Chapter
				Upstream	Brogent	Downstream	
<b>Corporate Governance</b>	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 (GRI 102-24)			●		4.1 Corporate Governance
<b>Information Security and Customer Privacy</b>	Robust information security and customer privacy protection have allowed us to earn the trust and recognition of our customers, and is crucial to improving the long-term working relationships between Brogent and our customers.	Information Security (Customized topic) Customer Privacy (GRI 418-1)	Data privacy and freedom of speech (TC-SI-220a.1, TC-SI-220a.2, TC-SI-220a.3, TC-SI-220a.4, TC-SI-220a.5) Data security (TC-SI-230a.1, TC-SI-230a.2)		●	●	4.1.3 Information Security Management
<b>Labor Relations</b>	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.	Labor Relations (GRI 402)			●		3.1 Friendly Workplace
<b>Workplace Health and Safety</b>	The Company values workplace health and safety. By lowering the rate of employee turnover and the frequency of employees taking sick leave, improving production capacity, product quality, and employee satisfaction, we can indirectly boost our corporate image and become more competitive.	Occupational Safety and Health (GRI 403)			●		3.4 Healthy and Safe Workplace
<b>Regulatory Compliance</b>	The Company's business operations and governance should be compliant with relevant laws and regulations in order to reduce operational sustainability risks	Environmental Compliance (GRI 307) Socioeconomic Compliance (GRI 419)			●		4.1.1 Integrity Management
<b>Integrity Management</b>	Brogent believes in conducting its business operations with integrity, establishing a basis upon which long-term relationships of trust can be built with employees, shareholders, customers, suppliers, and other business partners.	Anti-Corruption (GRI 205) Anti-competitive Behavior (GRI 206)		○	●	○	4.1.1 Integrity Management

Note: The impact boundary and impact scope are identified based on Brogent's value chain. Brogent and Brogent employees sit at the core of the supply chain, with the upstream value chain being our raw materials and equipment suppliers, and the downstream value chain being our customers.

## 2021 Stakeholder Engagement

Stakeholder	Importance to Brogent	Ways of Communication and Frequency	Communication Performance in 2021	Objectives	Issues of Concern
<b>Customers</b>	<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> </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. Additionally, we have begun expanding our social media operations to other social media platforms such as LinkedIn and Instagram, giving our customers the ability to interact with Brogent through a greater variety of channels.</li> <li>Listened to customer demands and opinions, satisfying customers starting from our services.</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>Technological innovation</li> <li>Customer relations and product services</li> </ul>
<b>Employees</b>	<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>E-MAIL address for Ombudsman (Irregularly)</li> <li>Management Policy Advocacy Meetings (Irregular)</li> </ul>	<ul style="list-style-type: none"> <li>The Legal Department shall subscribe to the Taiwan Law Bank Electronic Newsletter (news@lawbank.com.tw), and look to have an understanding of each new legal amendment or regulation related to our business operations. They shall provide monthly updates on legal information to each Company executive or department contract person, assisting each unit in adjusting their management or operational methods in response to new legal amendments to regulations.</li> <li>Added a new email address dedicated to receiving complaints and reports legal@brogent.com.</li> <li>Held communication meetings on management policies, discussing issues with employees directly face-to-face in order to facilitate effective communications and avoid misunderstandings.</li> <li>4 labor management meetings were held.</li> <li>5 policy advocacy meetings were held.</li> </ul>	<ul style="list-style-type: none"> <li>Legal information is shared pursuant to legally compliant management methods, with the hope that our employees would adapt alongside new laws and regulations.</li> <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 Strategies</li> <li>Operational Performance</li> <li>Labor Relations</li> <li>Workplace Health and Safety</li> <li>Employee Cultivation and Career Development</li> <li>Recruitment, Salary and Benefits</li> <li>Human rights and equality</li> </ul>
<b>Government Agencies</b>	<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>Actively stay updated on amendments to labor laws and regulations, amending our own policies in response based on our amendment process.</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>Sustainable 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>

## 2021 Stakeholder Engagement

Stakeholder	Importance to Brogent	Ways of Communication and Frequency	Communication Performance in 2021	Objectives	Issues of Concern
<b>Suppliers/ Contractors</b>	<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>Conducted 4 supplier evaluations.</li> <li>Invited suppliers to attend irregular meetings to discuss product quality, work progress, and production issues.</li> </ul>	<ul style="list-style-type: none"> <li>Through our supplier evaluation mechanism and close technical communications, we hope that our suppliers can deliver ordered equipment or materials on time and with the expected quality.</li> <li>Confirmed that provided products were of stable quality, and able to meet customer expectations.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Development Strategies</li> <li>Corporate Governance</li> <li>Operational Performance</li> <li>Supply Chain Management</li> </ul>
<b>Shareholders/ Investors</b>	<ul style="list-style-type: none"> <li>Opinions and suggestions from our shareholders/investors serve as an important reference for Brogent management when making major operational decisions.</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> <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>Held the annual shareholder meeting to explain Brogent's operational status and development trends.</li> <li>Held an online earnings call where our business operations, financial situation, and sales were discussed.</li> <li>Invited institutional investors to Brogent headquarters in Kaohsiung to attend a symposium discussing our operational situation, growth strategies, and future outlook.</li> <li>Published a sustainability report, annual report, quarterly report, and revenue information for each month, which are all timely published on our Investor Relations webpage.</li> <li>Collect investors' suggestions, compile them, and report them to the management team on a regular basis.</li> <li>Conduct corporate governance accreditation annually in cooperation with the relevant authority.</li> </ul>	<ul style="list-style-type: none"> <li>Besides continuing to improve our business and pursuing ideal operational performance, Brogent is also committed to making information transparent and observing the laws and code of ethics in business to protect our investors' rights.</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> <li>Product Quality</li> </ul>
<b>Media</b>	<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>Collaborated with professional organizations.</li> <li>Through holding meetings with the media from time to time.</li> <li>Hold press conferences for important events.</li> <li>Maintain regular communication with the media.</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 Strategies</li> <li>Corporate Governance</li> <li>Operational Performance</li> <li>Technological Innovation</li> <li>Recruitment, Salary and Benefits</li> </ul>

## 2021 GRI Data Performance Overview

### Governance

#### Revenue for the Past Three Years

(Unit: NT\$100 million)

Item	2019	2020	2021
Sales Revenue	20.8	10.62	7.88
Gross Profit	10.02	5.02	3.77
Operating Expenses	5.81	5.25	5.57
Operating Income (Loss)	4.21	(0.23)	(1.80)
Non-Operating Income and Expenses	0.51	(0.19)	0.26
Profit (Loss) before Income Tax	4.72	(0.42)	(1.54)
Net Profit (Loss) for the year	3.84	(0.52)	(1.33)

#### Government Subsidies

(Unit: NT\$1 million)

Subsidizer	Item	Subsidy Amount
Economic Development Bureau, Kaohsiung City Government	Immersive Simulation Theater Project	4.579
Ministry of Economic Affairs	Subsidy Program for Difficult Businesses in the Commercial Service Industry of the Ministry of Economic Affairs	17.245
Taiwan Small & Medium Enterprise Counseling Foundation (Taiwan SMECF)	Immersive 8K 3D LED Dome Screen Theater	15.055
	Research and Development Project for Display Technology Integration for Immersive Dynamic Cockpit Simulations	4.000

#### Tax Governance

(Unit: NT\$1,000)

Year	2019	2020	2021
Income Tax	88,091	9,920	(20,459)

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

Type	Content	Number of Case
Severance Pay	In accordance with the law	0
Prior Notice Pay	In accordance with the law	0
Leave for Job Seeking	In accordance with the law	0

#### Member of Information Security Committee

Title	Name	Should Attend	Actually Attended	Delegates Attended	Attendance Rate
Chairman	Chih-Hung Ouyang	1	1	0	100%
Executive Assistant to the Chairman	Pei-Chi Ho	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	Ching-Wen Chuang	1	0	1	100%
Sr. Director	Yan-Lun Peng	1	1	0	100%
Sr. Director	Stefan Rothaug	1	1	0	100%
Sr. Director	Roger Sun	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	2021
The average wage of entry-level employee	43,000	35,000	35,000
Local minimum wage	23,100	23,800	24,000
Ratio	1.86	1.47	1.46

Note: The definition of “entry-level employee” is deputy engineer/designer/specialist and below. Lower average salaries for entry-level employees are due to Brogent’s 2020-2021 merger with our subsidiary and acquisition of their entry-level manufacturing employees.

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

Item	2020	2021	Difference
Number of full-time non-executive employees (person)	164	255	Increased by 56%
Gross salary of full-time non-executive employees (NT\$1,000)	128,319	209,815	Increased by 64%
Average salary of full-time non-executive employees (NT\$1,000)	782	823	Increased by 5%
Median salary of full-time non-executive employees <sup>Note</sup> (NT\$1,000)	716	750	Increased by 5%

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.”

### Ratio of Salaries for Male and Female Employees

2021 Ratio	Employees with Management Duties	Employees without Management Duties
Female	1	1
Male	1.16	1.17

### Ratio of Salaries for Male and Female Employees by Employee Type

Area	2021 Ratio	Employee Type		
		Employees with Management Duties <sup>Note</sup>	R&D Personnel	General Employee
Taiwan	Female	1	1	1
	Male	1.16	1.31	1.06

Note: Brogent Employees with Management Duties

### The Ratio of Local Executives

Item	2021
Number of executives	13
Number of Local Executives from Taiwan	12
Ratio	92%

### Talent Composition

2021	Employee Category			Type	
	General Employees	Contractor	Migrant Worker	Full-time	Part-time
Female	92	0	0	92	0
Male	173	0	0	173	0
Total	265	0	0	265	0

Note: The President is included in the total employee count



## Disabled and Foreign Employees

Area	Number of Disabled Employee	Number of Foreign Employee
Taiwan	2	3

## Total Training Hours by Department and Gender

Average Training Time (Hours) Received by an Employee	Sales Department	Engineering Department	Technology Department	Other Departments
Female	43.6	25.9	46.6	37.8
Male	30.7	35.2	54.6	40.3
Average hours	39.6	34.3	52.3	39.1

## Category of Training Sessions

Category	Session	Hour	Number of Session	Times of Employee be Trained
New Comer Training	Brogent Group new employee training - Introduction of Brogent's company culture and products	2	1	19
Management Training	Brogent MDP-I recruitment and selection training	4	1	76
Professional Training Courses	Training on how to practically apply Systematic Innovation Problem Solving Methods based on the Theory of Inventive Problem Solving (TRIZ)	13	1	92
	Train the Trainer (TTT) workshops	14	2	132
General Training	Brogent Products	2	1	53
	Immersive simulation equipment which tells a story	1.5	1	55
	Employee Code of Conduct	1.5	3	278
	Training on use of the Microsoft Teams software	2	2	132
	Introduction and explanation of the Brogent Group salary structure	3	2	250

Note: The Brogent Group refers to Brogent and its subsidiaries

## Parental Leave

Item	Female	Male	Total
Number of employees qualified for applying for parental leave in 2021	5	6	11
Number of employees applied for parental leave in 2021	4	0	4
Number of employees to be returned to work following parental leave in 2021 (A)	2	0	2
Number of employees to be returned to work and those returning to work following unpaid parental leave in 2021 (B)	2	0	2
Number of employees returning to work following parental leave in 2020 (C)	4	0	4
Number of employees returning to work following parental leave in 2020 and those working for one year in 2021 (D)	2	0	2
Rate of employees returning to work following parental leave (%) = B/A	100%	-	100%
Retention rate (%) = D/C	50%	-	50%

Note: All employees who leave employment less than one year after returning to work resigned for personal reasons

## 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)	Management Competencies	Employees without Management Duties	Total Number of Periodic Performance Appraisal
Female	10	82	92
Male	26	51	177
Total Number of Periodic Performance Appraisal	36	233	269

## 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)	Management Competencies	Employees without Management Duties	Total Number of Career Development Evaluations
Female	10	82	92
Male	26	51	177
Total Number of Career Development Evaluations	36	233	269

## Work Hours

Item	Total Working Hours
Brogent	478,247
Contractors	17,192

Note: No Brogent employees or the employees of our contractors suffered from occupational injuries during 2021

# Environment

## Energy Consumption

Energy Type	Amount of Energy Consumption			Amount in Gigajoule (GJ)		
	2019	2020	2021	2019	2020	2021
Purchased Electricity (MWh)	1,201.038	1,314.219	1,243.333	4,324	4,731	4,476
Gasoline (KL)	11.03	6.30	9.18	360	206	300

Note 1: According to the heat energy conversion values provided by the Emission Factor 6.0.4 table published on the Bureau of Energy's website, the heating value of electricity is 3,600 (GJ/GWh), and the heating value for gasoline is 7,800 (Kcal/liter).

Note 2: 1GJ= 10<sup>9</sup>J; 1 kilocalorie (Kcal) = 4,186.8(J)

Note 3: These figures include both Brogent headquarters and our Manufacturing Center (Taoyuan Facility)

## Greenhouse Gas Emission Situation

Year	Greenhouse Gas Scope	Energy Type	Greenhouse Gas Emission (Tons of CO <sub>2</sub> e)	Total (Tons of CO <sub>2</sub> e)	Emission Intensity (Tons of CO <sub>2</sub> e/Million NT\$)
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		
2021	Scope 1	Gasoline	21.67	645.82	0.82
	Scope 2	Electricity	624.15		

Note 1: Figures for the gasoline emissions factor is quoted from the Greenhouse Gas Emission Factor Management Table (version 6.0.4) published by the Environmental Protection Administration.

Note 2: Factors for electricity emissions in 2019 are 0.533 kg of CO<sub>2</sub>e/kWh, based on figures for 2018 published by the Ministry of Economics Affairs Bureau of Energy. Factors for electricity emissions in 2020 are 0.509 kg of CO<sub>2</sub>e/kWh, based on figures for 2019 published by the Ministry of Economics Affairs Bureau of Energy. Factors for electricity emissions in 2021 are 0.502 kg of CO<sub>2</sub>e/kWh, based on figures for 2020 published by the Ministry of Economics Affairs Bureau of Energy.

Note 3: Our emissions intensity has increased as a result of lower revenues in 2020 and 2021 due to the impact of the pandemic.

## Water Consumption and Water Consumption Intensity

	2019-2021	2019	2020	2021
Water Consumption (million liters)		12.416	13.590	10.400
Average Number of People in the Office (person)		172	198	265
Water Consumption Intensity (million liters per person)		0.072	0.069	0.039

Note 1: These figures include both Brogent headquarters and our Manufacturing Center (Taoyuan Facility)

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

# Conversion Table of GRI Standards Regarding Disclosure

© Material Topics \*Voluntary Disclosure

No.	Disclosure Item	Corresponding Chapter	Page	Remark
<b>GRI102: General Disclosures 2016</b>				
<b>Organizational Profile</b>				
102-1	Name of organization	1.1 Company Profile	11	
102-2	Activities, brands, products, and services	1.1 Company Profile	11	
102-3	Location of headquarters	1.1 Company Profile	11	
102-4	Location of operations	1.1 Company Profile	11	
102-5	Ownership and legal form	1.1 Company Profile	11	
102-6	Markets served	1.1 Company Profile	11	
102-7	Scale of the organization	1.1 Company Profile	11	
102-8	Information on employees and other workers	2021 GRI Data Performance Overview - Employee Composition	88	
102-9	Supply chain	4.2 Supply Chain Management	72	
102-10	Significant changes to the organization and its supply chain	1.1 Company Profile	13	
102-11	Precautionary principle or approach	4.1.2 Risk Management	60	
102-12	External initiatives	Brogent did not participate in any external initiatives this year.	—	
102-13	Membership of associations	1.1 Company Profile	12	
<b>Strategy</b>				
102-14	Statement from senior decision-maker	Letter from the Chairman	4	
102-15	Key impacts, risks, and opportunities	4.1.2 Risk Management	60	

No.	Disclosure Item	Corresponding Chapter	Page	Remark
<b>Ethics and Integrity</b>				
102-16	Values, principles, standards, and norms of behavior	4.1 Corporate Governance	54	
<b>Governance</b>				
102-18	Governance structure	4.1 Corporate Governance	54	
102-20	Executive-level responsibility for economic, environmental, and social topics	4.1 Corporate Governance	54	
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Identification and Major Issues Analysis	82	
102-22	Composition of the highest governance body and its committees	4.1 Corporate Governance	54	
102-23	Chairman of the highest governance body	4.1 Corporate Governance	54	
102-24	Nominating and selecting the highest governance body	4.1 Corporate Governance	54	
102-27	Collective knowledge of the highest governance body	4.1 Corporate Governance	54	
102-30	Effectiveness of risk management processes	4.1.2 Risk Management	60	
102-33	Communicating critical concerns	Stakeholder Identification and Major Issues Analysis	82	
102-35	Remuneration policies	Refer to Corporate Governance Report in the 2021 Annual Report	—	
102-36	Process for determining remuneration	Refer to Corporate Governance Report in the 2021 Annual Report	—	

No.	Disclosure Item	Corresponding Chapter	Page	Remark
<b>Stakeholder Engagement</b>				
102-40	List of stakeholder groups	Stakeholder Identification and Major Issues Analysis	82	
102-41	Collective bargaining agreements	Did not sign any collective bargaining agreements	—	
102-42	Identifying and selecting stakeholders	Stakeholder Identification and Major Issues Analysis	82	
102-43	Approach to stakeholder engagement	Stakeholder Identification and Major Issues Analysis	82	
102-44	Key topics and concerns raised	Stakeholder Identification and Major Issues Analysis	82	
<b>Reporting Practice</b>				
102-45	Entities included in the consolidated financial statements	See pages 106-108 of our annual report	—	
102-46	Defining report content and topic Boundaries	About this Report	3	
102-47	List of material topics	Stakeholder Identification and Major Issues Analysis	82	
102-48	Restatements of information	About this Report	3	
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	91	

No.	Disclosure Item	Corresponding Chapter	Page	Remark
<b>Brogent customized topics</b>				
<b>Technological Innovation</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	2.1 Technological Innovation	22	
103-3	Evaluation of the management approach	2.1 Technological Innovation	22	
<b>Sustainable Development Strategies</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	Sustainable Management Strategies and Goals	8	
103-3	Evaluation of the management approach	Sustainable Management Strategies and Goals	8	
<b>Product Intellectual Property Rights</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	2.1.5 Global Patent and Intellectual Property Management	28	
103-3	Evaluation of the management approach	2.1.5 Global Patent and Intellectual Property Management	28	
<b>Customer Relations and Product Services</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	2.3 Customer Relation Management	34	
103-3	Evaluation of the management approach	2.3 Customer Relation Management	34	

No.	Disclosure Item	Corresponding Chapter	Page	Remark
<b>Information Security</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	4.1.3 Information Security Management	67	
103-3	Evaluation of the management approach	4.1.3 Information Security Management	67	
<b>GRI 200: Economic Disclosures</b>				
<b>GRI 201: Economic Performance 2016*</b>				
201-1	Direct economic value generated and distributed	2021 GRI Data Performance Overview - Corporate Governance	87	
201-3	Defined benefit plan obligations and other retirement plans	3.2.2 An Ideal Benefits Package	41-42	
201-4	Financial assistance received from government	1.3 Operational Performance	16	
<b>GRI 202: Market Presence 2016 *</b>				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	3.2.1 Competitive Remuneration	41	
202-2	Proportion of senior management hired from the local community	3.3.1 Manpower Structure	45	
<b>GRI 205: Anti-corruption 2016</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	4.1.1 Integrity Management	58	
103-3	Evaluation of the management approach	4.1.1 Integrity Management	58	
205-3	Confirmed incidents of corruption and actions taken	No such incidents in 2021	—	

No.	Disclosure Item	Corresponding Chapter	Page	Remark
<b>GRI 206: Anti-competitive Behavior 2016</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	4.1.1 Integrity Management	58	
103-3	Evaluation of the management approach	4.1.1 Integrity Management	58	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No such incidents in 2021	—	
<b>GRI 207: Tax 2018*</b>				
207-1	Tax Principle	1.3 Operational Performance	16	
<b>GRI 300: Environmental Disclosures</b>				
<b>GRI 302: Energy 2016*</b>				
302-1	Energy consumption within the organization	2021 GRI Data Performance Overview - Energy Consumption	90	
302-3	Energy intensity	4.3.2 Energy Management	78	
<b>GRI 303: Water 2018*</b>				
303-3	Water Consumption	4.3.3 Water Resource Management	80	
<b>GRI 305: Emissions 2016*</b>				
305-1	Direct (Scope 1) GHG emissions	4.3.2 Energy Management	78	
305-2	Energy indirect (Scope 2) GHG emissions	4.3.2 Energy Management	78	
305-4	GHG emission intensity	4.3.2 Energy Management	78	



No.	Disclosure Item	Corresponding Chapter	Page	Remark
<b>GRI 307: Environmental Compliance 2016</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	4.1.1 Integrity Management	58	
103-3	Evaluation of the management approach	4.1.1 Integrity Management	58	
307-1	Non-compliance with environmental laws and regulations	No such incidents in 2021	—	
<b>GRI 400: Social Disclosures</b>				
<b>GRI 401: Employment 2016*</b>				
401-1	New employee hires and employee turnover	3.3.1 Manpower Structure	45-46	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2.2 An Ideal Benefits Package	41-42	
401-3	Parental leave	2021 GRI Data Performance Overview - Parental Leave	89	
<b>GRI 402: Labor relations 2016</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	3.1 Friendly Workplace	37	
103-3	Evaluation of the management approach	3.1 Friendly Workplace	37	
402-1	Regarding the shortest advance warning period for operational changes	3.1 Friendly Workplace	37	
<b>GRI 403: Occupational Safety and Health 2018</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	3.4 Healthy and Safe Workplace	50	
103-3	Evaluation of the management approach	3.4 Healthy and Safe Workplace	50	

No.	Disclosure Item	Corresponding Chapter	Page	Remark
403-1	Occupational safety and health management system	3.4.1 Occupational Safety and Health Management	50-51	
403-2	Identifying hazards, assessing risk, and investigating incidents	No such incidents in 2021	—	
403-3	Professional Health Services	3.4.2 Workplace Health Promotion Management	52	
403-4	Participation of, consultations, and communications with occupational safety and health workers	3.4.1 Occupational Safety and Health Management	50-51	
403-5	Training of occupational safety and health workers	3.4.1 Occupational Safety and Health Management	50-51	
403-6	Worker Safety and Health	3.4.2 Workplace Health Promotion Management	52	
403-7	Preventing and reducing the impact of occupational safety and health risks directly related to our business operations	3.4.2 Workplace Health Promotion Management	52	
403-8	Workers included in our occupational safety and health management system	3.4.1 Occupational Safety and Health Management	50-51	
403-9	Occupational injuries	No such incidents in 2021	—	
403-10	Occupational diseases	No such incidents in 2021	—	
<b>GRI 404: Training and Education 2016*</b>				
404-1	Average hours of training per year per employee	3.3.2 Talent Cultivation	48	
404-2	Programs for upgrading employee skills and transition assistance programs	3.2.2 An Ideal Benefits Package	41-42	
<b>GRI 405: Diversity and Equal Opportunity 2016*</b>				
405-1	Diversity of governance bodies and employees	4.1 Corporate Governance 3.3.1 Manpower Structure	54 45	
<b>GRI 416: Customer Health and Safety 2016 ©</b>				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	2.2 Product Quality and Safety	30	

No.	Disclosure Item	Corresponding Chapter	Page	Remark
103-3	Evaluation of the management approach	2.2 Product Quality and Safety	30	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No such incidents in 2021	—	
<b>GRI 417: Marketing and Labeling 2016</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	2.2 Product Quality and Safety	30	
103-3	Evaluation of the management approach	2.2 Product Quality and Safety	30	
417-2	Incidents of non-compliance concerning product and service information and labeling	No such incidents in 2021	—	
417-3	Incidents of non-compliance concerning marketing communications	No such incidents in 2021	—	
<b>GRI 418: Customer Privacy 2016</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	4.1.3 Information Security Management	67	
103-3	Evaluation of the management approach	4.1.3 Information Security Management	67	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No such incidents in 2021	—	
<b>GRI 419: Socioeconomic Compliance 2016</b> ©				
103-1	Explanation of the material topic and its Boundary	Stakeholder Identification and Major Issues Analysis	82	
103-2	The management approach and its components	4.1.1 Integrity Management	58	
103-3	Evaluation of the management approach	4.1.1 Integrity Management	58	
419-1	Non-compliance with laws and regulations in the social and economic area	No such incidents in 2021	—	

# Sustainability Accounting Standards Board

(SASB)

Topic	Metric Code	Disclosed Metrics	Nature	Page	Description
Environmental impact of hardware infrastructure	TC-SI-130a.1	(1) Total energy consumption (2) Proportion of electricity sourced from grid (3) Proportion of renewable energy sources	Quantitative	—	(1) Energy consumption: 4,476GJ (2) Proportion of electricity sourced from grid: 100% (3) Proportion of renewable energy sources: 0%
	TC-SI-130a.2	(1) Total water obtained (2) Total water consumed, proportion consumed during high or extremely high baseline water stress conditions	Quantitative	—	(1) Total water obtained 10,440m <sup>3</sup> (2) Total water consumed 10,440m <sup>3</sup> , proportion consumed during high or extremely high baseline water stress conditions was 0%
	TC-SI-130a.3	Discussion on whether environmental factors should be included as part of the Data Center's strategic planning requirements	Discussion and analysis	—	Designs for our future phase three buildings shall meet basic green building criteria, with hopes of being able to conserve energy, re-use resources, and create backup operational systems in case of water shortages or blackouts
Data privacy and freedom of speech	TC-SI-220a.1	Describe our implementation of policies, behavioral targeted advertising, and customer privacy measures	Discussion and analysis	67-68	Please refer to 4.1.3 Information Security Management
	TC-SI-220a.2	Number of customers whose data are being used for secondary purposes	Quantitative	—	No customers have had their data used for secondary purposes
	TC-SI-220a.3	Total economic losses due to legal issues related to customer privacy	Quantitative	—	There have been no legal disputes or economic losses related to violations of customer privacy
	TC-SI-220a.4	(1) Number of requests made by law enforcement officials for customer data (2) Number of customers whose data has been requested (3) Proportion of data disclosures made as a result	Quantitative	—	(1) Number of requests made by law enforcement officials for customer data: 0 (2) Number of customers whose data has been requested: 0 (3) Proportion of data disclosures made as a result: 0%
	TC-SI-220a.5	List of countries whose governments have requested the monitoring, blocking, censoring, or auditing of our core products or services	Discussion and analysis	—	Brogent has received no government requests to monitor, block, censor, or audit our core products or services
Data security	TC-SI-230a.1	(1) Number of data leaks (2) Proportion related to leaks of personal information (PII) (3) Number of affected customers	Quantitative	—	(1) Number of data leaks: 0 (2) Proportion related to leaks of personal information (PII): 0% (3) Number of affected customers: 0
	TC-SI-230a.2	Describe measures to identify and resolve data security risks, including the use of third-party Internet security standards	Discussion and analysis	68	Please refer to 4.1.3 Information Security Management

Topic	Metric Code	Disclosed Metrics	Nature	Page	Description
Recruit and manage a global and professional workforce with diverse backgrounds	TC-SI-330a.1	(1) Proportion of employees who are foreign citizens and (2) employees employed overseas	Quantitative	46	(1) 3 of our employees are foreign citizens, making up 1.1% of our total number of employees (2) We have no employees who are employed overseas Please refer to 3.3.1 Manpower Structure
	TC-SI-330a.2	Proportion of employees who participated in the employee engagement survey	Quantitative	—	We did not conduct an employee engagement survey in 2021. We shall begin planning out this survey in 2022, starting by conducting sample surveys on the Company's core philosophies. In 2023, we shall begin conducting comprehensive surveys and disclosing our employee engagement statistics.
	TC-SI-330a.3	Proportion of (1) management employees, (2) technical employees, and (3) all other employees belonging to each gender/ethnicity	Quantitative	45	Please refer to 3.3.1 Manpower Structure
Protection of intellectual property rights and competitive behavior	TC-SI-520a.1	Economic losses due to legal disputes related to violations of anti-competitive behavior regulations	Quantitative	—	There have been no legal disputes or economic losses related to violations of anti-competitive behavior regulations
Manage systemic risk derived from technological disruptions	TC-SI-550a.1	Total number of days which the following types of disruptions lasted: (1) Production line disruption, (2) service disruption, (3) equipment downtime	Quantitative	—	(1) Production line disruptions: None (2) Service disruptions: None (3) Equipment downtime: None
	TC-SI-550a.2	Describe the business continuity risks related to these operational disruptions	Disclosure and analysis	60	Please refer to 4.1.2 Risk Management

## Disclosure Items required by the Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

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	60
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"	2021 GRI Data Performance Overview - number of full-time non-executive employees, and their total, average, and median salaries	88
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	60

# Auditor's Opinion Issued by an Independent Third Party



## INDEPENDENT ASSURANCE OPINION STATEMENT

### Brogent Technologies Inc. 2021 Sustainability Report

The British Standards Institution is independent to Brogent Technologies Inc. (hereafter referred to as BROGENT in this statement) and has no financial interest in the operation of BROGENT other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of BROGENT only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by BROGENT. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to BROGENT only.

#### Scope

The scope of engagement agreed upon with BROGENT includes the followings:

1. The assurance scope is consistent with the description of Brogent Technologies Inc. 2021 Sustainability Report.
2. The evaluation of the nature and extent of the BROGENT's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the Brogent Technologies Inc. 2021 Sustainability Report provides a fair view of the BROGENT sustainability programmes and performances during 2021. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the BROGENT and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate BROGENT's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that BROGENT's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to BROGENT's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 20 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

#### Inclusivity

This report has reflected a fact that BROGENT has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the BROGENT's inclusivity issues.

#### Materiality

BROGENT publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of BROGENT and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the BROGENT's management and performance. In our professional opinion the report covers the BROGENT's material issues.

#### Responsiveness

BROGENT has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for BROGENT is developed and continually provides the opportunity to further enhance BROGENT's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the BROGENT's responsiveness issues.

#### Impact

BROGENT has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. BROGENT has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the BROGENT's impact issues.

#### GRI Sustainability Reporting Standards (GRI Standards)

BROGENT provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the BROGENT's sustainability topics.

#### Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

#### Responsibility

The sustainability report is the responsibility of the BROGENT's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

  
Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-2021092  
2022-06-22

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