

# 2023 Sustainability Report



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## About This Report

Welcome to read the 2023 Sustainability Report issued by GameSparcs Co., Ltd. (hereinafter referred to as "GameSparcs" or "the Company"). GameSparcs continues to focus on and promote sustainable development policies and concrete implementation plans, presenting the Company's specific actions and future progress directions in the three aspects of ESG (Environmental, Social, and Governance) to stakeholders and the public. We aim to achieve sustainable operations together with our stakeholders.

### Reporting Period

The information disclosed in this report covers the year 2023 (from January 1, 2023, to December 31, 2023), encompassing GameSparcs' specific actions and performance data in economic, environmental, and social aspects. GameSparcs has been issuing sustainability reports since 2020, and this report is the fourth one issued by GameSparcs. The Company will continue to issue reports annually. The report can be downloaded from the ESG section of GameSparcs' official website.

### Reporting Scope

The financial data in this report are calculated in New Taiwan Dollars and are public information certified by an accounting firm. The organizational boundary is set according to the principles of consolidated financial statements, as detailed in the 2023 Annual Report, and the disclosure scope is based on operations in Taiwan. Greenhouse gas data is determined using the operational control approach defined in ISO 14064-1:2018. The organizational boundary for this greenhouse gas inventory includes the facilities, equipment, and emission sources controlled by GameSparcs Co., Ltd.'s Taichung headquarters (No. 360, Jianxing Road, North District, Taichung City, Taiwan). The report summarizes the greenhouse gas emissions or removals within this boundary.

### Reporting Principles

The content and structure of this report are compiled based on the GRI Sustainability Reporting Standards (GRI Standards) of the Global Reporting Initiative (GRI), the Task Force on Climate-Related Financial Disclosures (TCFD), and the sustainability indicators of the Sustainability Accounting Standards Board (SASB).

### Contact Information

If you have any suggestions or inquiries regarding this report, please feel free to contact us.

ESG Task Force

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## Message from the Chairman and the ESG Task Force Chairperson

Reflecting on 2023, the world faced many significant challenges and changes. Climate change and environmental issues remained central concerns globally. As climate change continues to intensify, more proactive measures must be taken to mitigate its impact. Reducing carbon emissions, protecting biodiversity, and addressing extreme weather events are ongoing environmental challenges worldwide. Additionally, the global economic recovery and uncertainties, supply chain crises, inflation pressures, and trade tensions affect the stability and growth of the global economy.

Amid external environmental challenges, GameSparcs' overall performance remained stable. In 2023, consolidated operating revenue reached NT\$774.45 million, with a continuous increase in gross profit margin to 79%. Operating profit was NT\$123.85 million and consolidated net profit after tax was NT\$102.11 million of which NT\$102.02 million was attributable to the owners of GameSparcs. Earnings per share were NT\$2.43, outperforming the same period last year.

In response to the sustainability trend, the Board of Directors approved the establishment of the ESG Task Force in 2022 as the organization to promote sustainable development. This task force formulates and advances sustainable development policies and specific implementation plans. Moreover, we proactively complied with regulatory timelines and requirements by initiating organizational greenhouse gas inventory operations in 2023. We established an inventory management system of greenhouse gas to actively pursue net-zero carbon emissions and address climate and environmental issues. We also set 2023 as the base year for reducing greenhouse gas emissions, water usage, and waste. Simultaneously, internal evaluations were conducted to set targets and strategies for reducing greenhouse gas emissions, water usage, and waste.

In terms of social prosperity, the GX Foundation, established in 2016, adheres to the original intention of giving back to society. Focusing on social and environmental issues, the Foundation uses diverse and innovative content, critical thinking education, and action mobilization to connect organizations within and outside the system, creating a socially impactful public welfare platform to unite collective efforts for the common good of society.

Looking ahead, we will continue to uphold the principles of Advance, Coexistence, and Evolution, striving to create a positive cycle and generate greater value.

GameSparcs Chairman  
Stanley Ku




# Sustainability Highlights



2023 Corporate Governance Evaluation Results by the Taiwan Stock Exchange Corporation

21-35%

Top 21-35% among listed companies

11-20%

Top 11-20% among listed companies with a market value of less than NT\$5 billion



2023 TALENT, in Taiwan, Taiwan Talent Sustainability Action Alliance



2023 Corporate Health Responsibility



GX Foundation honored as "2023 Education Innovation Leader" by Parenting Magazine and Ranked 9th in Popular Vote



GX Foundation honored with "2023 Future Education Taiwan 100" and Special Corporate Award by Global Views - Commonwealth Education Foundation




"Every Day is Earth Day! 52 Ways to Get along Well with the Earth" promoted by GX Foundation awarded the "2023 Golden Pin Design Award."



# About GameSparcs

Founded in 2010 and listed in 2016, GameSparcs is a professional game Company dedicated itself to publishing mobile games, developing social game platform, and licensing LAN-based gaming system.

 Capital: NT\$420 million

 Locations: Taichung, Taipei, Hangzhou, Chengdu, and Xian

 Employees: Over 200

## Products and Business Scope



Social Game Platform Development and Operation

The Company develops 3 social game platforms including its popular interactive social game “Bravo Casino” , “Ace Club” with the latest games and most successful events, and “Jackpot Island” which is designed for casual players of the global market.



Mobile Game Publishing

The Company specializes in publishing Chinese, Japanese, and Korean mobile games. With publishing experience, continuously reviewing product data, and improving game content, it localizes several games successfully.



LAN-based Gaming System Licensing

The Golden Seven LAN-based gaming system is the mainstream system for game room operators. The system provides a total solution for operational needs. Agents and game room owners can manage players, staffs, store owners, game combinations, and bookkeeping through its backend system. It offers more than 100 casino games and supports versatile setup such as cabinets, PCs, and mobile apps to meet all market demands.

## Operational Performance

An accountant has audited the 2023 financial statements of GameSparcs. The annual consolidated operating revenue is NT\$774.45 million with the gross profit margin continuing to rise to 79%. The operating profit is NT\$123.85 million and the consolidated net profit after tax is NT\$102.11 million of which the net income attributable to owners of parent is NT\$102.02 million. Earnings per share are NT\$2.43, showing better performance compared to the same period last year. For more details on operational performance, please refer to the information available on the Market Observation Post System.

**\$774.45** million

Annual consolidated revenue

**\$2.43**

Earnings per share

Unit: NT Dollar

### Value Chain Activities

The Company’s organizational units integrate and execute a high-efficiency operational model. Through the internal value chain and cooperation with suppliers or marketing channels, the Company establishes a suitable coordination form to meet the organizational structure required by the value chain. This forms the Company’s ability to create and maintain a competitive advantage. The main value activities of the Company are as follows:



### Participation in Associations

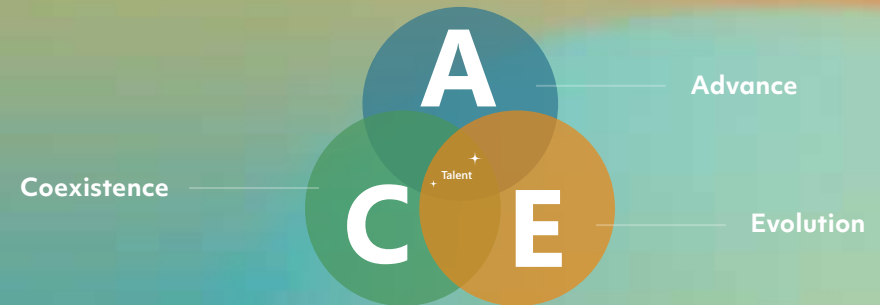
GameSparcs participates in industry associations such as the Taiwan Game Industry Promotion Association. Through regular or irregular meetings and exchanges, the Company promotes industry development while focusing on significant issues such as technological innovation, corporate governance, and sustainable operations.

## Corporate Culture

### Core Value

GameSparcs focuses on creating and cultivating company values around its employees. The current core values was officially established and launched in 2023, to communicate the Company’s vision and mission.

They are built upon the foundation of three core values including Advance, Coexistence, and Evolution. At the same time, talent has become the Company’s fourth major pillar and the element that converges the three core values.



### Annual Slogan

The annual slogan “be the Ace” extends the spirit of the Company’s brand new core values, inspiring our employees to become the best, most outstanding talents as the Company endeavors to become a top global enterprise.



# 1

## Sustainable Governance

1.1 ESG Task Force

1.2 Materiality Analysis and Stakeholder Communication

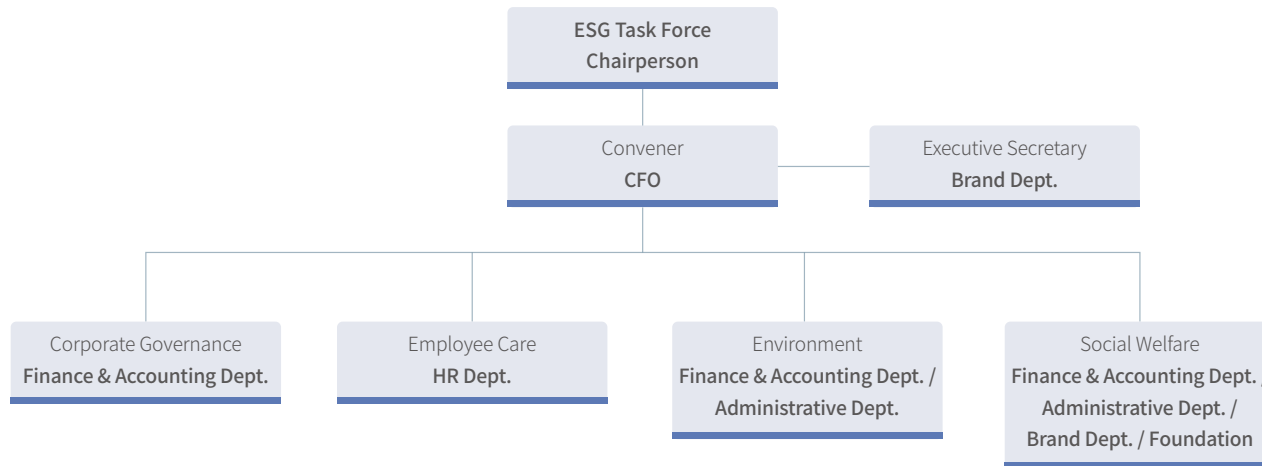




# 1.1 ESG Task Force

GameSparks established the ESG Task Force on May 11, 2022, following the board of directors' resolution. This task force, led by the Chairman and convened by the Chief Financial Officer, includes the heads of corporate governance and the main management team. Their role is to formulate and implement sustainable development policies, systems, or related management guidelines and specific promotion plans. The task force integrates issues of "corporate governance," "social responsibility," and "environmental protection" under various working units composed of core members from relevant departments. These units are responsible for promoting sustainable affairs and operate according to the "Sustainable Development Practice Code."

"The organizational structure of the ESG Task Force is as follows:

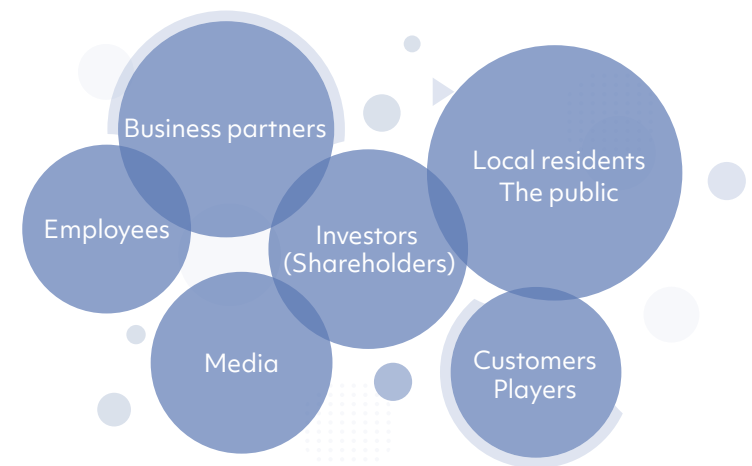


The ESG Task Force reports to the board of directors at least once a year regarding management operations and implementation. The most recent report was on November 8, 2023. The board of directors, adhering to the supervisory authorities' sustainable development blueprint and considering stakeholders' interests, aims to achieve the Company's sustainable development goals. They draft a sustainable strategy development blueprint, requiring each unit of the ESG Task Force to set annual work goals and execution items. Regular meetings are held to review the progress, effectiveness, and resource allocation, including financial investments. For major work plans such as greenhouse gas inventory, the task force reports progress to the board on an ad-hoc basis.

# 1.2 Materiality Analysis and Stakeholder Communication

## 1.2.1 Stakeholder Communication

GameSparks identifies stakeholders based on the five dimensions of the AA1000SES Stakeholder Engagement Standard: dependency, influence, tension, responsibility, and diverse perspectives. Through open discussions, the Company identifies stakeholders and filter out six major categories of stakeholders: investors (shareholders), employees, partners / business partners, customers / players, media, and local residents / the public. The Company addresses the issues of concern for each stakeholder through the corresponding sections of the official website and sustainability report, and reported the communication with stakeholders to the board on November 8, 2023.



### 1.2.2 Stakeholder Engagement Performance

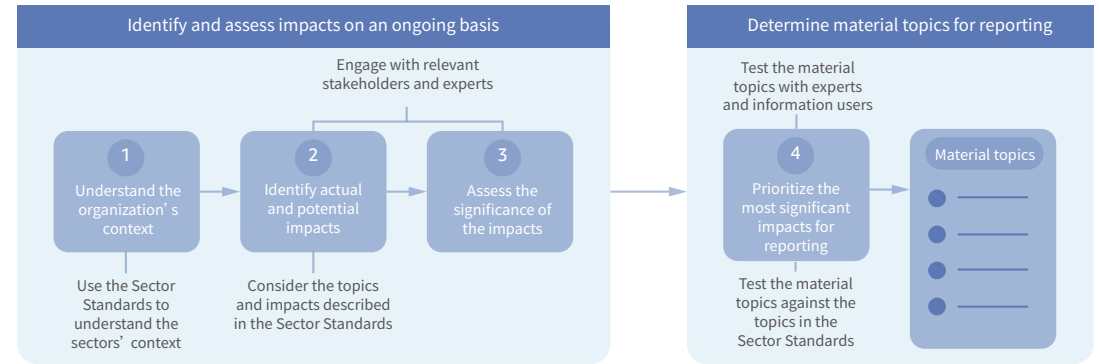
Stakeholders	Significance	Communication Channels and Response Methods	Key Issues of Concern	Report Chapters	Contact Window	Communication Performance
Investors (Shareholders)	The affirmation and support from investors are the driving forces behind the Company's sustainable operations.	Monthly Revenue Information (Monthly) Investor Conferences (Annually) Shareholders' Meetings, Annual Reports (Annually) Company Website / Market Observation Post System (Real-time) Investor Relations Email and Hotline (Real-time)	Corporate Governance and Operational Performance	About GameSparcs 2.1 Corporate Governance Structure	Miss Lin +886-4-22360500 ext 861	1. Financial and business-related information is released periodically through announcements or press releases 2. An investor conference was held on September 7, 2023, with video and presentation materials made available on the Company's official website 3. The annual shareholders' meeting took place on June 13, 2023, with related reports uploaded to the Company's website and the Market Observation Post System
Employees	Employees are vital partners in the Company's sustainable development. In addition to protecting their work rights, it is also essential to respect, care for, and support employees.	Employee Meetings (Annually) New Employee Training (As needed) Employee Performance Reviews (Annually) CEO Mailbox (Real-time) Labor-Management Meetings (Quarterly) Business Unit Communication Meetings (Quarterly) Internal Announcements (Real-time)	Corporate Governance and Operational Performance Labor Relations and Friendly Workplace Education, Training, and Career Development	About GameSparcs 2.1 Corporate Governance Structure 4.1 Diversity and Inclusion 4.2 Rights and Welfare 4.3 Training and Career Development 4.4 Friendly Workplace	Mr. Shen +886-4-22360500 ext 502	1. Employee meetings were held on January 13, 2023, and August 8, 2023 2. Annual performance reviews with employees are conducted every December 3. Labor-management meetings are held quarterly 4. Approximately 110 internal announcements
Partners/Business Partners	Maintain stable cooperation with hardware and software suppliers, as well as outsourcing service providers, to continuously offer excellent services and jointly create value for the enterprise.	In-person, Telephone, Mail, Meetings (Real-time)	Information Security and Privacy Protection Integrity and Legal Compliance Collaboration and Future Development	2.3 Integrity Management and Anti-Corruption 2.4 Information Security and Privacy Management 2.5 Supplier Management	Miss Lin +886-4-22360500 ext 861	1. Monthly information security awareness presentations 2. Participating in domestic and international game exhibitions periodically
Customers/Players	Provide customers with high-quality games and services increases their trust and support for the Company.	Facebook Fan Page, Customer Service Hotline, Customer Service Email, Multilingual Knowledge Base (Real-time) Visits (Ad-hoc)	Game Quality Information Security and Privacy Protection Customer Rights and Services	2.4 Information Security and Privacy Management 2.6 Customer Service and Satisfaction	Customer Service Hotline: +886-2-29589836 Customer Service Email: ac@gonline.com.tw	1. Monthly information security awareness presentations 2. Providing multiple service channel options for players
Media	The media serves as a bridge between the Company and stakeholders. Timely and smooth reporting of Company announcements by the media helps stakeholders publicly obtain accurate Company information and continually reinforces the Company's image.	Holding Investor Conferences and Shareholders' Meetings Issuing Press Releases (Quarterly) Issuing Operational Press Releases (Ad-hoc) Company Website / Market Observation Post System (Real-time) Telephone and Mail for Media Inquiries (Real-time)	Corporate Governance and Operational Performance Integrity and Legal Compliance Labor Relations and Friendly Workplace Corporate Image	About GameSparcs 2.1 Corporate Governance Organization 2.3 Integrity Management and Anti-Corruption 4.1 Diversity and Inclusion 4.2 Rights and Welfare	Miss Lin +886-4-22360500 ext 209	1. Releasing quarterly financial report press releases 2. Holding an annual shareholders' meeting 3. Conducting an online investor conference
Local Residents/Public	As a cultural and creative industry, the Company does not produce waste that pollutes the environment, such as wastewater or exhaust gas. The Company maintains a good record of environmental protection. Upholding the core value of mutual prosperity, GameSparcs promotes public welfare activities that connect with local residents, positively contributing to the community.	Posting Latest Information on the Official Website (Ad-hoc) Real-time Updates on Social Media	Social Participation Corporate Image Integrity and Legal Compliance	2.3 Integrity Management and Anti-Corruption 5.1 Local Community Engagement 5.2 Charitable Activities	Miss Lin +886-4-22360500 ext 861	1. Donating food to the "Hua Mei Surplus Restaurant" in Taichung for two consecutive years 2. Organizing a corporate beach cleanup in Taichung 3. Holding a second-hand item sharing event and donating supplies to the Taiwan Fund for Children and Families in Taichung

### 1.2.3 Materiality Analysis

When determining material topics, GameSparcs follows "GRI 1: Foundation" and engages in open discussions, surveys, or interviews with stakeholders. The Company also facilitates communication through departments such as Human Resources, Investor Relations, Legal and Compliance, Marketing and Sales, Procurement, and Product Development. Additionally, the Company references industry peers and benchmark cases from domestic and international companies to understand stakeholders' priorities regarding various sustainability issues. Importantly, considering the characteristics of our industry, the Company also follows the Sustainability Accounting Standards Board (SASB) to identify significant topics.

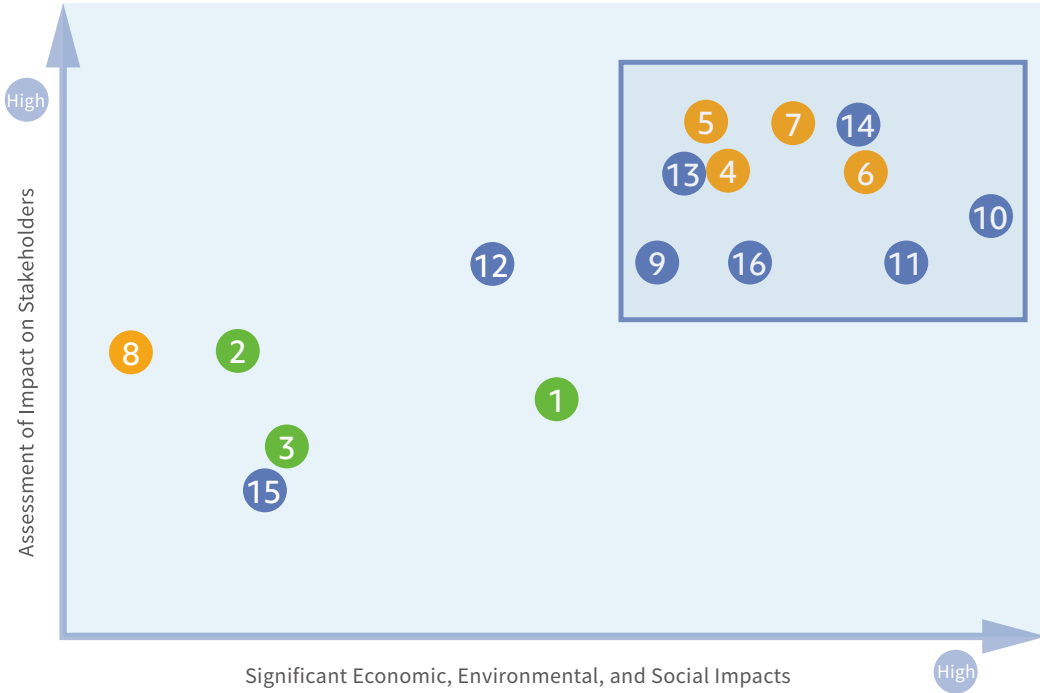
The Company regularly identifies and assesses these impacts as part of its daily operations, while engaging with relevant stakeholders and experts. This allows the Company to actively identify and manage changes in impacts or new emerging issues.

### Process to determine material Topics



<p><b>Step 1</b> Understand the organization's context</p>	<p>According to the industry standards released by SASB in October 2018, GameSparcs falls under the "Software &amp; IT Services" sector. The Company identifies all activities across the value chain, confirming partnerships at various stages and exploring relevant sustainability issues. The Company identifies key stakeholders and investigate their areas of concern. The Company's ESG Task Force utilizes the AA 1000 SES: 2015 (Account Ability 1000 Stakeholder Engagement Standard: 2015) to quantify and identify six primary stakeholders based on five principles (dependency, responsibility, influence, diverse perspectives, and tension): investors (shareholders), employees, partners/business partners, customers/players, media, and local residents/the public.</p>
<p><b>Step 2</b> Identify actual and potential impacts</p>	<p>GameSparcs assesses the actual and potential impacts of our business activities and relationships on the economy, environment, and people (including human rights). These impacts may be positive or negative, short-term or long-term, intentional or unintentional, reversible or irreversible. Our Company leverages multiple sources of information, including internal data, third-party assessments, legal reviews, anti-corruption compliance systems, financial audits, occupational safety and health inspections, and shareholder documents, to evaluate and identify 16 operational activities, of which 3 have environmental impacts, 5 have social impacts, and 8 have governance-related impacts.</p>
<p><b>Step 3</b> Access the significance of the impacts</p>	<p>Prioritizing impacts for action is crucial, and significance is assessed through both quantitative and qualitative analysis. The significance of impacts depends on the organization and is influenced by factors such as industry and business relationships. According to GRI guidelines, subjective judgment may be required in certain cases. GameSparcs typically consult relevant stakeholders and consider business relationships to evaluate the significance of impacts, and the Company may seek insights from internal or external experts. The Company collected 87 valid responses from internal and external surveys and engaged with key stakeholders through meetings with external partners and suppliers, internal board meetings, and ESG task force meetings to ensure representative assessment results.</p>
<p><b>Step 4</b> Prioritize the most significant impacts for reporting</p>	<p>The Company's ESG Task Force uses the steps outlined above to reference GRI topic guidelines and industry standards for reporting order. For impacts or topics not covered by GRI, we consult other official documents or industry guidelines. Topics with a concern level above 80 are classified as significant, while also considering the EU's double materiality assessment framework, where "financial materiality" refers to evaluating the impacts of environmental, economic, and social issues on internal financial reporting, with topics scoring above 55 included in the significant category. The Company plots significant impacts on the X-axis (economic, environmental, and social) against stakeholder impact assessment on the Y-axis, resulting in a matrix of significant issues. From this, the Company identifies 10 high-concern and high-impact topics as the focus for this report, correlating these significant topics with relevant GRI disclosure themes.</p>

Materiality Matrix



- Environmental Dimension**
  - 1. Energy and Resource Conservation
  - 2. Operational Activities and Environmental Impact
  - 3. Climate Risk Management
- Social Dimension**
  - 4. Labor Relations and Employee Rights
  - 5. Workforce Structure and Welfare
  - 6. Talent Recruitment and Development
  - 7. Occupational Safety and Worker Health
  - 8. Social Care and Public Welfare
- Corporate Governance Dimension**
  - 9. Sustainable Development
  - 10. Corporate Governance and Integrity Management
  - 11. Risk Management
  - 12. Operational Performance
  - 13. Legal Compliance
  - 14. Data Privacy and Security
  - 15. Supplier
  - 16. R&D Capabilities

Explanation of Significant Topic Impacts

Category	Significant Topic	GRI Corresponding Topic/Disclosure Item	Report Response Section
Social	Labor Relations and Employee Rights	GRI 401: Employment GRI 402: Labor/Management Relations	4.1 Diversity and Inclusion 4.2 Rights and Welfare
	Workforce Structure and Welfare	GRI 202: Market Presence GRI 401: Employment	4.1 Diversity and Inclusion 4.2 Rights and Welfare
	Talent Recruitment and Development	GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity	4.1 Diversity and Inclusion 4.3 Development and Careers
	Occupational Safety and Worker Health	GRI 403: Occupational Health and Safety	4.4 Friendly Workplace
Corporate Governance	Sustainable Development	GRI 2: General Disclosures 2-12 Role of the highest governance body in overseeing the management of impacts 2-13 Delegation of responsibility for managing impacts 2-14 Role of the highest governance body in sustainability reporting 2-22 Statement on sustainable development strategy	Message from the Chairman and the ESG Task Force Chairperson 1.1 ESG Task Force 2.1 Corporate Governance Structure
	Corporate Governance and Integrity Management	GRI 2: General Disclosures 2-9 Governance structure and composition 2-10 Nomination and selection of the highest governance body 2-11 Chair of the highest governance body GRI 205: Anti-corruption	2.1 Corporate Governance Structure 2.3 Integrity Management and Anti-Corruption
	Risk Management	GRI 2: General Disclosures 2-12 Role of the highest governance body in overseeing the management of impacts GRI 3: Material Topics 3-1 Process to determine material topics 3-2 List of material topics 3-3 Management of material topics	2.2 Risk Management
	Legal Compliance	GRI 2: General Disclosures 2-23 Policy commitments 2-24 Embedding policy commitments 2-25 Processes to remediate negative impacts 2-26 Mechanisms for seeking advice and raising concerns 2-27 Compliance with laws and regulations	2.3 Integrity Management and Anti-Corruption
	Data Privacy and Security	GRI 417: Marketing and Labeling GRI 418: Customer Privacy	2.4 Information Security and Privacy Management 2.6 Customer Service and Satisfaction
	R&D Capabilities	-	About GameSparcs 4.1 Diversity and Inclusion

# 2

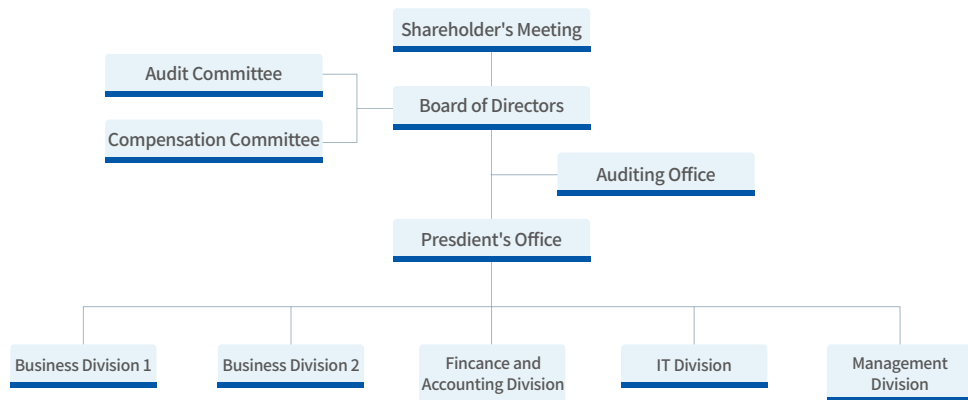
## Corporate Governance

- 2.1 Corporate Governance Structure
- 2.2 Risk Management
- 2.3 Integrity Management and Anti-Corruption
- 2.4 Information Security and Privacy Management
- 2.5 Supplier Management
- 2.6 Customer Service and Satisfaction



## 2.1 Corporate Governance Structure

### 2.1.1 Board of Directors



### Board Members' Education and Current Concurrent Positions

Positon	Name	Experience (Education)	Current Concurrent Positions
Chairperson	Ku, Kang-Wei	National Chiao Tung University, Institute of Computer Science and Engineering Chairperson of GOSMIO TECHNOLOGY CO., LTD. Chairperson and president of Megata Ltd. Chairperson and President of Urnet Solutions Ltd.	President of the Company Chairperson and President of Xiang Shang Games Co., Ltd. Chairperson and President of Audere Gaming Co., Ltd. Chairperson of World Investment Inc. Chairperson of GX Foundation Person in charge of P and P Investment Co. Ltd. Chairperson and President of Megata Ltd. Chairperson of Velvix Ltd. Chairperson of Crypto City Ltd.
Director	Ku, Che-Ming	School of Chinese Medicine & Graduate Institute of Chinese Medicine Taiwan Otolaryngology Specialist Taiwan Chinese Medicine Clinician Chairperson of Taiwan Anthroposophic Medicine & Health Care Platform Chairperson of GX Foundation Supervisor of Megata Ltd. Supervisor of URNET SOLUTIONS LTD.	President of Ku Otolaryngology Clinic Chairperson of Chian-Shin Welfare and Charity Foundation Supervisor of Xiang Shang Games Co., Ltd. Director of Audere Gaming Co., Ltd. Director of World Investment Inc. Person in charge of Shih Neng Investment Co., Ltd. Diretor of Megata Ltd.
Director	BVI Shifu Corp.	Not applicable	Not applicable
Director	Liu, Han- Ming	Kota Tinggi Secondary School, Malaysia Founder and Permanent Honorary Consultant of Malaysia Charity Association	Chairman of Classic Vantage Limited Chairman of the Board, Asia Elmark Limited Chairman, Harvest Miracle Capital Berhad Limited Honorary President, Kota Tinggi Chinese Chamber of Commerce, Johor, Malaysia Malaysia Kota Tinggi Marwick Chinese Primary School Finance Honorary President of Kota Tinggiy Teh Church, Malaysia Founder and Permanent Honorary Advisor of Caritas Malaysia

The Board of Directors, as the highest decision-making body of GameSparcs, is responsible for overseeing the Company's overall operational responsibilities and the management's policy implementation outcomes. The nomination and selection of the Company's board members are conducted in accordance with the Company's articles of association. Currently, the board consists of seven directors, including three independent directors, with a term of three years. The board adopts a candidate nomination system, and the chairperson is elected by the board. According to the "Board Election Procedures" and the "Corporate Governance Best Practice Principles," more than half of the Company's directors do not have spousal or second-degree kinship relationships, and there is at least one female director. This ensures the independence and diversity of board members, allowing for a healthy operation of the board.

The current term of directors is from July 27, 2021, to July 26, 2024. None of the independent directors has served as independent directors of the Company for three consecutive terms. The professional qualifications, shareholdings, concurrent positions, nomination and selection methods, and other compliance requirements for directors (including independent directors) are handled according to the relevant regulations of the securities regulatory authority. For important board resolutions, please refer to [GameSparcs' official website / Investor Relations section](#).

Positon	Name	Experience (Education)	Current Concurrent Positions
Independent Director	Ho, Ron-Shu	MBA, NTU Deputy and investment officer, Te-Hung Investment Management Consulting Co. Project manager, Department of Investment, O-Bank Group Vice President, Department of Asset Management, Capital Securities	President of Yuan-Chuang Industrial Investment Consulting Co.
Independent Director	Wang, Zheng-Tang	Bachelor of Materials Engineering, Tsinghua University Master of Materials Engineering, Jiaotong University PhD Candidate in Electronic Engineering, Jiaotong University Master of Business Administration, National Chengchi University Product manager, BenQ; Investment manager, China Venture Management, CDIB; Chairperson of Turnkey Manufacturing Solutions Inc., Executive Chairman of STAR Technologies, Inc. & WholeSenses Global Corp	Chief Strategies Offer, General Manager and director of Graphen Asia
Independent Director	Wu, Pei-Fen	M.Sc., Michigan State University's Institute of Telex and Video Managemen Special Assistant to the Vice President's Office Associate Manager of Weiyang International Co., Ltd. Technical Promotion Manager, Microsystem Center, Industrial Technology Research Institute Director of Yanguang Wireless IOT Co., Ltd.	Manager of the Taiwan-Japan Fund Director of Shengfu Industrial Co., Ltd.

**Board of Directors' Operation Status**

Position	Name	Expected Attendance (A)	Actual Attendance (B)	Proxy Attendance	Actual Attendance Rate (%) (B/A)
Chairperson	Ku, Kang-Wei	4	4	0	100%
Director	Ku, Che-Ming	4	1	3	25%
Director	BVI Shifu Corp.	4	4	0	100%
Director	Liu, Han-Ming	4	2	2	50%
Independent Director	Ho, Ron-Shu	4	4	0	100%
Independent Director	Wang, Zheng-Tang	4	4	0	100%
Independent Director	Wu, Pei-Fen	4	4	0	100%

**Board Member Diversity**

GameSparcs' policy for the diversification of its board members is established in the "Corporate Governance Practice Code." The board members should have different professional backgrounds, various industry experiences, and include at least one female director.

The Company's board members possess many years of industry experience and expertise in management, industry knowledge, financial analysis, and international market perspectives. They can provide professional advice in various areas. Since 2021, the Company has included one female independent director, accounting for 14% of the entire board, achieving the goal of having a diverse background and experience among board members.

Director's Name	Basic Conditions		
	Nationality	Gender	Professional Background
Ku, Kang-Wei	Republic of China (Taiwan)	Male	Engineering and Management
Ku, Che-Ming	Republic of China (Taiwan)	Male	Management
BVI Shifu Corp.	Not Applicable	Not Applicable	Not Applicable
Liu, Han-Ming	Malaysia	Male	Management
He, Ron-Shu	Republic of China (Taiwan)	Male	Finance and Management
Wang, Zheng-Tang	Republic of China (Taiwan)	Male	Engineering and Management
Wu, Pei-Fen	Republic of China (Taiwan)	Female	Engineering and Management

**2.1.2 Functional Committees**

The Board of Directors has established the "Audit Committee" and the "Compensation Committee" according to their respective authorities and functions to assist the Board in fulfilling its supervisory and management responsibilities. Each functional department promotes the corporate integrity management philosophy through mutual oversight within the organization. The Audit Office conducts various internal audit tasks on a daily basis and reports the audit results to the Board of Directors.

**Responsibilities and Operations of Functional Committees**

Governance Unit	Function Description	Number of Members	Number of Independent Directors	Number of Meetings
Board of Directors	<p>The Board of Directors should guide the Company's strategy, supervise the management, and be responsible to the Company and shareholders. The operations and arrangements of the corporate governance system should ensure that the Board exercises its authority in accordance with the laws, the Company's articles of incorporation, or shareholders' resolutions. The following matters should be approved by the Board of Directors:</p> <ol style="list-style-type: none"> <li>1. Establish or amend the internal control system according to Article 14-1 of the Securities Exchange Act.</li> <li>2. Establish or amend the procedures for major financial operations such as acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, and providing endorsements or guarantees according to Article 36-1 of the Securities Exchange Act.</li> <li>3. Matters involving the interests of directors themselves.</li> <li>4. Major asset or derivative transactions.</li> <li>5. Major fund loans, endorsements, or guarantees.</li> <li>6. Raising, issuing, or private placement of equity securities.</li> <li>7. Appointment, dismissal, or remuneration of certifying accountants.</li> <li>8. Appointment or dismissal of financial, accounting, or internal audit officers.</li> <li>9. Other major matters stipulated by the competent authority.</li> </ol>	7	3	4
Audit Committee	<p>The Audit Committee should be composed of all independent directors, with no fewer than three members, one of whom is the convener, and at least one member should have accounting or financial expertise. The exercise of powers and related matters of the Audit Committee and its independent directors should be handled in accordance with the Securities Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the regulations of the Stock Exchange or OTC Center. The committee is responsible for:</p> <ol style="list-style-type: none"> <li>1. Establishing or amending the internal control system according to Article 14-1 of the Securities Exchange Act.</li> <li>2. Evaluating the effectiveness of the internal control system.</li> <li>3. Establishing or amending the procedures for major financial operations such as acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, and providing endorsements or guarantees according to Article 36-1 of the Securities Exchange Act.</li> </ol>	3	3	4

Governance Unit	Function Description	Number of Members	Number of Independent Directors	Number of Meetings
Audit Committee	4. Matters involving the interests of directors themselves.	3	3	4
	5. Major asset or derivative transactions.			
	6. Major fund loans, endorsements, or guarantees.			
	7. Raising, issuing, or private placement of equity securities.			
	8. Appointment, dismissal, or remuneration of certifying accountants.			
	9. Appointment or dismissal of financial, accounting, or internal audit officers.			
	10. Annual and semi-annual financial reports.			
	11. Other major matters stipulated by the Company or competent authority.			

Governance Unit	Function Description	Number of Members	Number of Independent Directors	Number of Meetings
Compensation Committee	1.The Compensation Committee is composed of independent directors. The professional qualifications of its members, the exercise of their powers, the establishment of organizational rules, and related matters should be handled in accordance with the "Regulations Governing the Establishment and Exercise of Powers of Compensation Committees of Companies whose Stock is listed on the Stock Exchange or Traded over the Counter." The committee is responsible for: 1. Establishing and regularly reviewing the performance goals and compensation policies, systems, standards, and structures for GameSparcs' directors and managers. 2. Regularly evaluating the achievement of performance goals for GameSparcs' directors and managers and determining the content and amounts of their individual compensation.	3	3	2

### 2.1.3 Board Performance Evaluation

To implement corporate governance and enhance the functionality of the Company's board, performance goals are established to improve the efficiency of board operations. In accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Company has formulated the "Board Performance Evaluation Procedures," approved by the board, stipulating that an annual evaluation of the board's performance should be conducted. The "Board Performance Evaluation Self-Assessment Questionnaire," "Board Member Performance Evaluation Self-Assessment Questionnaire," and "Functional Committee Performance Evaluation Self-Assessment Questionnaire" are evaluated annually, and the results are published on the Company website.

The 2023 Board Performance Evaluation results indicate that the directors generally agree with the operation of various assessment indicators. The evaluation found that the overall operation of the board and its functional committees was good, meeting corporate governance requirements, effectively enhancing board functions, and protecting shareholders' rights.



#### Board (Functional Committee) Performance Evaluation

The Company sets performance evaluation criteria for the board (functional committees) based on the Company's situation and needs, which should include at least the following five aspects: participation in the Company's operations, improvement of decision-making quality by the board (functional committees), composition and structure of the board (functional committees), selection and continuous education of directors (functional committee members), and internal control.



#### Director Self-Performance Evaluation

The director's self-performance evaluation criteria cover the following six aspects: understanding of company goals and tasks, awareness of director duties, participation in company operations, management and communication of internal relationships, director professionalism and continuous education, and internal control.



#### Director and Supervisor Training

Board members should continuously participate in training courses on corporate governance themes such as finance, risk management, business, commerce, accounting, law, or corporate social responsibility, organized by institutions specified in the Guidelines for the Continuing Education of Directors and Supervisors of TWSE/TPEX Listed Companies, both when they are newly appointed and during their tenure. The Company has ensured that all directors have completed 100% of the required training hours, with a total of 42 hours of training completed by the seven directors in 2023.



## 2.2 Risk Management

In accordance with the "Risk Management Best Practice Principles for TWSE/TPEX Listed Companies" and COSO's "Enterprise Risk Management (ERM)," the Company regularly identifies and assesses risks, formulates risk management strategies, and implements measures based on the impact and frequency of risks, including prevention, transfer, avoidance, or acceptance, to control risks. Effective communication and supervision mechanisms are in place to prevent damage to the Company and ensure the achievement of objectives. In 2023, the Company incorporated climate change-related risks into the ERM assessment scope. To date, the Company's ERM process has not identified business risks related to climate change as major risks. However, the Company will continue to monitor related climate risks and measures.

### 2.2.1 Implementation of Risk Management Policies and Risk Measurement Standards

On August 9, 2023, the Company established the "Risk Management Policies and Procedures," approved by the board of directors. The Audit Committee has assumed the functions of the Risk Management Committee, with the Finance and Accounting Department responsible for promoting and executing risk management policies and risk measurement. The status of risk management operations is reported to the board of directors at least once a year, with the 2023 operations reported on November 8, 2023. The Company also formulates various internal regulations and internal control systems in accordance with the law to carry out various risk management and assessments. The internal audit unit regularly and irregularly audits the implementation of the internal control system.

The Company uses the Audit Committee to assume the functions of the Risk Management Committee, with the Finance and Accounting Department as the promoting and executing unit. Based on the principle of materiality, the Company assesses risks related to environmental, social, and corporate governance issues associated with operations and establishes related management policies such as the internal audit system, whistleblower system, climate change risk management, and operational risk management. Corresponding organizations regularly review to reduce the probability of risk occurrence. Through a comprehensive risk management framework, the Company manages various risks that may affect the achievement of objectives. After evaluation, the Company formulates related risk management strategies and measures for significant issues as follows.

### 2.2.2 Tax Management

GameSparcs' tax policy aims to balance compliance with tax laws and business activities while meeting ethical, social, and sustainability-related expectations. This includes tax principles, attitudes towards tax planning, the level of risk the organization is willing to accept, and how the organization cooperates with tax authorities. The Company adopts a conservative and prudent policy with a sustainable tax management strategy, which is regularly reviewed. To align with international tax developments and standards, the transfer pricing policy within the group complies with the regulations of the jurisdictions where controlled transactions occur. The main tax jurisdictions are the Republic of China (Taiwan) and China. The Company and its subsidiaries' local finance and accounting units are responsible for supervising tax governance, designing, and implementing the tax control framework according to the income tax regulations of their respective operational locations.

Significant Issues	Risk Assessment Items	Risk Management Strategies and Measures
Environment	Environmental Protection	The Company, being a gaming company primarily engaged in online business, does not have environmental pollution due to the nature of the industry. However, as a global citizen, we recognize the importance of environmental sustainability. Therefore, we plan to set up an internal employee portal that integrates functions such as payroll management, attendance management, general affairs procurement, payment and lending, and announcements. This will digitize internal approval processes to reduce paper usage.
	Climate Change	
Social	Labor Relations	The Company complies with relevant laws and follows international human rights conventions to uphold internationally recognized labor rights. For issues that harm labor rights, we provide effective and appropriate grievance mechanisms to ensure equality and transparency in the complaint process. The Company provides a safe and healthy working environment for employees, including necessary health and first aid facilities. We strive to reduce factors that endanger employee safety and health to prevent occupational hazards. The Company creates a favorable environment for the career development of employees and provides comprehensive training, development, and appropriate incentive programs to enhance talent competitiveness.
	Public Welfare Participation	The Company continues to focus on education and environmental issues, promoting social issue education and the SOGA STOP environmental protection plan through the GX Foundation.
Corporate Governance	Corporate Governance	By establishing governance organizations and implementing internal control mechanisms, we ensure that all personnel and operations of the Company comply with relevant laws and regulations.
	Integrity and Honesty	The Company has established a code of conduct for integrity management, ethical behavior, and employee conduct, promoted by the Finance Department. These are supported by internal audits, self-assessment of internal controls, and providing channels for reporting violations of professional ethics to implement anti-corruption measures.
	Information Security	The Company has an Information Technology Department that formulates information security and personal data management policies. The Company is committed to protecting the privacy of personal data collected for business needs according to personal data protection laws and enhancing various information security control measures to ensure data security for all clients and stakeholders.

## 2.3 Integrity Management and Anti-Corruption

### 2.3.1 Integrity Management

GameSparcs establishes policies based on integrity, sets up good corporate governance and risk control mechanisms, and demonstrates compliance with integrity, governance, and responsible business practices to create a sustainable business environment. The "Integrity Management Code," approved by the Board of Directors, specifies that the Company's directors, managers, and employees must comply with laws and prevent dishonest behavior to strengthen the corporate culture of integrity and sound development, providing a reference framework for good business operations.

To ensure that employees follow legal regulations and professional ethics while conducting business with integrity, the "Integrity Management Code" includes mechanisms for assessing the risks of dishonest behavior. The Company strictly requires all decisions and actions to comply with legal regulations as a basic principle. Regular education and training on the "Integrity Management Code" are conducted, and business activities with higher risks of dishonest behavior are periodically analyzed and assessed to formulate and review preventive measures.

In terms of operational activities, the Company has established appropriate internal control systems to prevent involvement in gambling and money laundering risks according to the requirements of regulatory authorities for anti-money laundering. Regular education and training sessions are held for employees and unit supervisors to advocate and promote integrity behavior. The Company also places related regulations, such as the "Integrity Management Operational Procedures and Guidelines," on its website for reference. In 2023, 92 participants attended internal and external training on integrity management issues (including compliance with integrity management regulations, corporate governance, accounting systems, and internal control), with a total training time of 136.5 hours. The internal audit staff periodically checks compliance and implements preventive management measures for business activities with higher risks of dishonest behavior.



#### Commitment to Integrity Management

GameSparcs builds its reputation on the foundation of integrity and sustainable management, setting the "Code of Ethical Conduct" and the "Integrity Management Code" as ethical standards and guidelines for directors, managers, employees, appointees, or those with substantial control. These prevent conflicts of interest and dishonest behavior to ensure stakeholders understand and comply with these standards.

The Company and its subsidiaries explicitly state their policy of integrity management in regulations and external documents. The Board of Directors and senior management actively implement and adhere to this policy, ensuring its execution in internal management and business activities.



#### Integrity Management Operational Procedures

GameSparcs establishes the "Integrity Management Code," the "Integrity Management Operational Procedures and Guidelines," the "Code of Ethical Conduct," and the "Whistleblower System" to prevent conflicts of interest. Major business policies, investment projects, asset acquisitions and disposals, bank financing, loans to others, and endorsements and guarantees are evaluated and analyzed by relevant responsible units before being decided by the Board of Directors.

GameSparcs' "Code of Ethical Conduct" requires suppliers to fulfill their corporate social responsibilities and comply with relevant laws, serving as a reference for supplier selection. Through the establishment of effective accounting and internal control systems, internal audits and self-assessment are conducted regularly to check compliance and prevent dishonest behavior. The Finance Department is designated as the responsible unit.



#### Whistleblowing Channel

GameSparcs provides grievance management for internal employees and external stakeholders to identify impacts. Employees who encounter improper, illegal, or unreasonable events can file complaints according to the grievance system. The "Whistleblower System" outlines procedures for handling complaints and confidentiality clauses. Once a case is accepted, a task force conducts an investigation. Complaints filed through internal channels are investigated according to relevant regulations and procedures, and if violations are confirmed, disciplinary actions are taken according to personnel regulations.

The Company also has a "Stakeholder Section" to maintain good communication with stakeholders, timely understand and respond to their feedback. In 2023, the Company received no relevant complaints or major legal violations.



Whistleblower Contact:  
Phone: +886-4-22360500 #861  
Email: CSR@gamesparcs.com

### 2.3.2 Anti-Corruption

According to the GRI standards, corruption includes practices such as bribery, facilitation payments, fraud, extortion, embezzlement, and money laundering. It can also include actions like corruption, trading in influence, abuse of power, illicit enrichment, concealment, and obstruction of justice. GameSparcs prohibits corruption and any form of fraudulent behavior, adhering to the "Code of Ethical Conduct" and the "Integrity Management Operational Procedures and Guidelines" to ensure business integrity. All commercial transactions consider the legality and integrity records of business partners, ensuring activities align with principles of integrity. Contracts stipulate that any dishonest behavior damaging the Company's interests allow for unconditional termination. Additionally, the Company explicitly prohibits employees from soliciting or accepting hospitality, gifts, commissions, or other improper benefits during employment, avoiding conflicts of interest. To date, no confirmed cases of corruption, privacy violations, data breaches, or legal violations in business operations have occurred.

### 2.3.3 Internal Control and Audit

GameSparcs has a dedicated internal audit unit, the Audit Office, based on its scale, business situation, management needs, and legal requirements. The Audit Office is headed by an audit supervisor who reports directly to the Board of Directors and is solely responsible for internal audit-related work. The purpose is to assist the Board and management in reviewing the effectiveness of the internal control system and providing improvement suggestions to ensure its continuous and effective implementation.

 <p><b>Internal Audit Purpose</b></p>	<p>The internal audit shall assist the board of directors and managers in inspecting and reviewing defects in the internal control systems as well as measuring operational effectiveness and efficiency, and shall make timely recommendations for improvements to ensure the sustained operating effectiveness of the systems and to provide a basis for review and correction.</p>
 <p><b>Internal Audit Operations</b></p>	<p>The internal audit shall formulate annual audit plans based on the results of the risk assessment, including matters to be audited monthly, and shall faithfully implement the annual audit plans, so as to assess its internal control systems, and prepare audit reports, annexing working papers and relevant materials. Meanwhile, the company shall specify in its internal control systems necessary control activities with respect to its subsidiaries and, with consideration to the statutory requirements of the government where a given subsidiary is located and the nature of the subsidiary's business, see that a subsidiary establishes its own internal control systems.</p>

The roles and functions of the three lines of defense in internal control are as follows:

Organizer	Model	Role and Function
<p><b>01</b> Individual Units</p>	<p>Implement self-inspections and internal control operations within each unit.</p>	<p>Design comprehensive internal control procedures to identify and manage various risks.</p>
<p><b>02</b> Management and Legal</p>	<p>Use professional skills to assist in optimizing Company processes and ensure effective risk management through managerial oversight</p>	<p>Continuously supervise and assist units based on risk management policies set by the management, ensuring risks are effectively managed from a holistic perspective.</p>
<p><b>03</b> Internal Audit</p>	<p>Conduct audits with independence and objectivity as the primary goals, reporting directly to the Board of Directors.</p>	<p>Timely audit and evaluate the effectiveness of the internal control system, executing audit tasks following standard operating procedures, and providing relevant recommendations to each unit.</p>

### Annual Audit Plan

The internal audit unit conducts routine audits of the Company's major internal control cycles or carries out project audits as needed to ensure the implementation of the internal control system.



## 2.4 Information Security and Privacy Management

To protect intellectual property, information assets, user personal data, and online operational security, our Company has established an information security management system and security policies based on the guidelines set forth in the "Government Information Security Standards Development Blueprint" published by the Executive Yuan's National Information and Communication Security Taskforce Technical Service Center. We have established various management regulations of information security and systems tailored to meet the Company's needs to reduce threats from internal and external intentional or accidental disasters, ensuring no significant information security incidents or losses occurred in 2023.

### 2.4.1 Information Security Risk Management Framework

The Information Technology Department is the responsible unit for our Company's information security. Dedicated personnel are assigned as information security officers and staff, responsible for promoting, coordinating, supervising, and reviewing information security management matters, executing information security policies, raising staff awareness, and improving the organization's information security management system's effectiveness. The Audit Department conducts annual security audits based on the internal control system guidelines for information security management to assess the effectiveness of the Company's information operations internal controls.

### 2.4.2 Information Security Policy

To enhance and implement information security management, our Company has established internal control system guidelines for information security management with the following goals:

- Ensure the availability, integrity, and confidentiality of information.
- Protect customer data and Company information assets from internal and external intentional or accidental threats.
- Ensure continuous operation of information systems.
- Implement audit operations to ensure the ongoing effectiveness of security regulations.

### 2.4.3 Specific Management Plans

The Company employs a PDCA (Plan-Do-Check-Action) cyclic management model for information security operations to ensure goal achievement and continuous improvement. Specific goals and measures include:

#### 1. Computer Equipment Security Management

01

Servers and backbone network equipment are housed in a dedicated data center with access control, entry/exit records, and 24-hour surveillance.

02

The data center is equipped with independent air conditioning, automatic smoke and temperature detection alarms, specialized fire extinguishing systems, and uninterruptible power supplies to ensure the physical security of Company information system assets.

03

Servers and endpoint computers have unified antivirus software with automatic updates to maintain consistent protection levels.

04

Servers and endpoint computers have unified endpoint protection software to detect and prevent the execution of potentially harmful system files and malware.

05

Log management and monitoring collect and manage logs from critical servers, with alert rules for significant system events to detect suspicious behavior early.

#### 2. Network Security Management

01

Organizational units are segmented into different network segments to prevent the rapid spread of malware or viruses.

02

Enterprise-grade firewalls at internet gateways block external attacks, control connections, and filter malicious websites to enhance network security.

03

Encrypted VPN connections are used between different office locations to prevent unauthorized data interception during transmission.

04

Remote access to internal systems requires an SSLVPN account and secure login to protect data and maintain access logs for audits.

05

Email antivirus and spam filtering mechanisms block viruses and spam from reaching endpoint devices.

### 3. Access Control

01

HR applies for general system accounts for new employees and handles account deletions for departing employees to control access rights.

02

Employees needing access to backend management systems must apply and obtain supervisor approval before IT sets up access.

03

System passwords follow government configuration standards for complexity, length, screen locks, and login error locks.

04

File server permissions are set per unit needs, and the Company's policy management tools centralize audit settings.

### 4. Cloud Security

01

Cloud IAM services manage identity and access, with two-factor authentication for increased security.

02

Cloud services default to encryption, using managed encryption key services for data security.

03

Cloud audit log management services collect operation histories for future queries and analysis.

04

Cloud firewalls block external attacks, control connections, and integrate global traffic cleaning services to prevent DDoS attacks.

### 5. Business Continuity

01

Systems and data are backed up daily, stored on local network drives, and backed up offsite between Taipei and Taichung offices.

02

Annual disaster recovery drills verify the usability and integrity of backup data.



## 6. User Personal Data

01

Compliance with Taiwan's Personal Data Protection Act (PDPA) is ensured, with privacy policies and consent forms for data collection and usage.

02

Personal data is encrypted in databases and protected with masking and encryption during access.

03

Data access and transmission use SSL encryption to prevent interception, with access logs maintained for audits.

04

Regular training on personal data handling is provided to employees.



## 7. Intellectual Property

01

Intellectual property like source code and media are stored in a version control system with historical version retention.

02

Regular and offsite backups of version control systems follow business continuity measures.

03

Cloud DevOps development processes and version control services are used, with backup resources from cloud providers.

04

New employees sign confidentiality agreements, with responsibilities for protecting Company intellectual property.

### 2.4.4 Resources for Information Security Management



Security Awareness and Training

- 1) Information security officers and staff receive regular professional training.
- 2) Annual internal training courses on information security are provided, with new hires required to attend security orientation.
- 3) Monthly information security newsletters raise awareness of security issues and alert employees to potential threats.
- 4) Social engineering drills identify and train employees with insufficient security awareness.
- 5) Subscriptions to TWCERT/CC provide information on security incidents and intelligence for internal dissemination.



Professional Technical Resources

A professional security team conducts regular security assessments and implements protective mechanisms and global abnormal equipment monitoring.



Adequate Security Budget

Security-related costs include maintenance and operations, with necessary protection, monitoring, and assessment expenses for information system development and operations.

## 2.5 Supplier Management

GameSparcs adheres to integrity in all business activities, prohibiting corruption and any form of fraudulent behavior. To ensure suppliers understand our ethical standards and integrity management policies, the Company has established the "Code of Ethical Conduct" and "Procedures for Ethical Management and Guidelines for Conduct." Business dealings consider the legality and integrity records of transaction parties, ensuring activities align with integrity principles. Contracts specify that any breach affecting Company interests allow for unconditional termination.

The Company has developed the "Supplier Management Measures" and "Supplier Evaluation Form" to manage and evaluate supplier behavior. Corporate social responsibility is a criterion in supplier selection, prioritizing those with ethical operations and sustainability practices. Sustainability assessments are included in supplier evaluations, with agreements ensuring adherence to sustainability policies and compliance with environmental, labor, and human rights standards.

### Supplier Evaluation

New suppliers undergo evaluation and data archiving, with annual evaluations assessing conditions for business cooperation and compliance with environmental and social regulations. Annual evaluations consider quality, delivery, pricing, capabilities, service, and sustainability, influencing continuous cooperation decisions. Evaluation scores determine cooperation levels:  $\geq 91$  points for continuous cooperation (excellent), 71-90 points for continuous cooperation (good), 61-70 points for conditional cooperation (with communication and improvement discussions), <60 points may halt transactions until improvement plans are presented unless supplying unique market products.

All units promote corporate social responsibility compliance when negotiating with suppliers. Contracts include sustainability clauses, requiring compliance with environmental, labor conditions, occupational safety, and human rights laws. Suppliers must improve or comply within set periods, or contracts may be terminated. Regular sustainability initiatives and goals are communicated to suppliers, with strengthened cooperation for those demonstrating improved quality, cost reduction, delivery reliability, and sustainability performance.

Standard Company contracts with suppliers include sustainability clauses addressing environmental, occupational safety, and labor rights issues. In 2023, top ten suppliers were audited, with all except one, evaluated for conditional cooperation, meeting the evaluation criteria and included for continued collaboration.



## 2.6 Customer Service and Satisfaction

GameSparcs maintains close communication and interaction with customers, protecting their rights. Each product has a dedicated customer service unit to resolve issues, reduce repeated complaints, and assist with quick problem-solving. We offer multiple communication channels, including Facebook, website support, customer service email, store comments, and occasional in-person visits. A multilingual knowledge base helps players find answers efficiently, reducing the time spent on inquiries. In 2023, we handled over 40,000 service requests, with a 25% reduction in monthly complaints compared to 2022.

Regular customer feedback reviews and service function evaluations are critical amidst market competition and technological advancements. In 2023, we implemented over 450 system function and interface improvements based on customer feedback. Monthly reviews assess customer service functions, updating or adding features as needed.

Protecting customer privacy is paramount. The Company strictly comply with personal data protection laws and enhance information security measures. Regular security awareness campaigns and cooperation with law enforcement prevent fraud and illegal activities, ensuring no customer data breaches.



40,000<sup>+</sup>

Service

↓ 25%

Monthly complaints

450<sup>+</sup>

System functions and operating interface optimization

# 3

## Environmental Sustainability

- 3.1 Climate Change
- 3.2 Energy Management
- 3.3 Water Resource Management
- 3.4 Resource Cycling







# 3.1 Climate Change

## 3.1.1 Governance

The Board and management have distinct roles in overseeing climate-related issues:

 <p><b>Board of Directors Responsibilities</b></p>	<p>The Board oversees governance units handling climate-related risks and opportunities, establishing policies and mechanisms, and ensuring resource allocation.</p>
 <p><b>Management Responsibilities</b></p>	<p>Management implements governance processes, controls, and procedures for monitoring, managing, and overseeing climate-related risks and opportunities, led by the Company's ESG Task Force.</p>

## 3.1.2 Strategy

### Climate-related risks and opportunities

Climate-related risks refer to the potential negative impacts of climate change on businesses. These risks are divided into physical climate risks and transition risks. Climate-related opportunities, on the other hand, denote the potential positive impacts of climate change on businesses. Efforts to mitigate and adapt to climate change can create climate-related opportunities for businesses.

### Physical Risks

GameSparcs is located in Taiwan, an island situated in East Asia in the northwest Pacific Ocean, between the Ryukyu Islands and the Philippines. Taiwan faces frequent earthquakes and typhoons. Risks associated with climate change include immediate risks such as floods and typhoons, as well as longer-term changes in climate patterns, prolonged high temperatures, and rising sea levels.

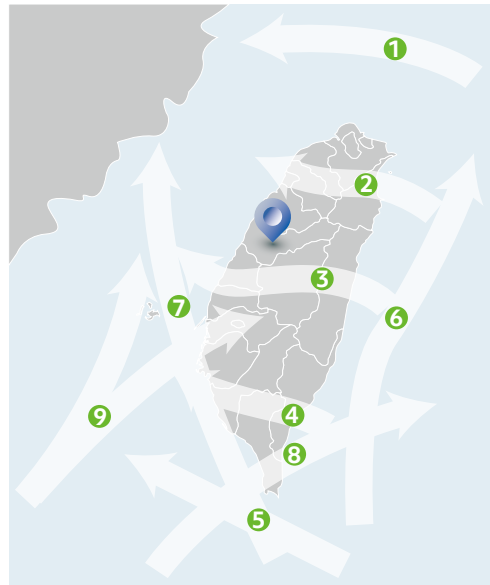
### Floods and Typhoons (Immediate Risks)

The Company's primary business involves providing online leisure games and services to global players (hereinafter referred to as "players"). These services rely on reliable global network systems, electricity, and energy transmission. Natural disasters such as blizzards, typhoons, and earthquakes may disrupt power grids and networks depending on the players' locations. To ensure business continuity, in addition to actively monitoring weather-related events, the Company has established plans and regularly conduct game data backups and disaster recovery drills to respond to disaster events and implement emergency procedures. As of the fiscal year 2023, the Company's operations have not been interrupted due to climate-related disasters.

Based on the disaster potential analysis database of the National Disaster Prevention and Rescue Center for the fourth quarter of 2023, there is no flood potential in the operating area of our Company. Additionally, according to the Central Weather Bureau's statistics on typhoon paths affecting Taiwan from the first year of the Republic of China to the year 111, our Company's operating location in central Taiwan has only a 12.69% chance of being affected by typhoons passing through central or northwest Taiwan. Moreover, rainfall is shielded by the Central Mountain Range, and our Company has not experienced typhoon-related disasters.

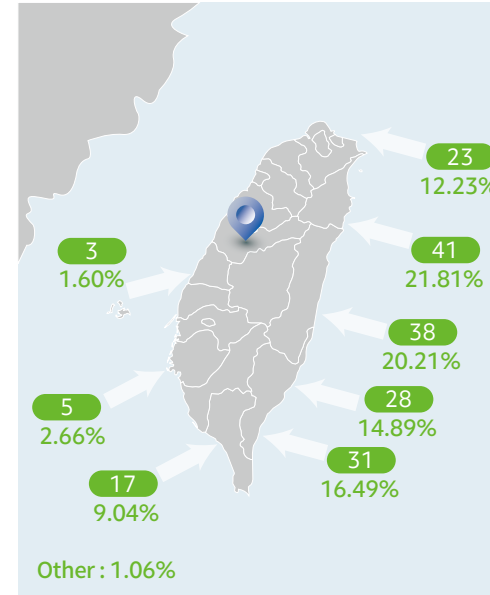
Disaster Potential Types		Presence Within 500m Range
Flood Potential	6-hour rainfall of 350mm	None
	12-hour rainfall of 400mm	None
	24-hour rainfall of 500mm	None
	24-hour rainfall of 650mm	None
Debris Flow Potential in Streams		None
Large-Scale Collapse Potential Areas		None
Downslope		None
Rock Mass Sliding		None
Debris Slides		None
Falling Rocks		None
Tsunami Inundation Potential		None

Data Source: <https://dmap.ncdr.nat.gov.tw/1109/map/>  
 Geographical Coordinates: Jianxing Village, North District, Taichung City (120.6829, 24.15939)



From 1911 to 2022, the Central Weather Bureau has categorized typhoon paths affecting Taiwan into 10 types:

- Type 1: Typhoons passing through the northern sea area of Taiwan and moving west or northwest, accounting for 12.69%.
- Type 2: Typhoons passing through northern Taiwan and moving west or northwest, accounting for 13.21%.
- Type 3: Typhoons passing through central Taiwan and moving west or northwest, accounting for 12.69%.
- Type 4: Typhoons passing through southern Taiwan and moving west or northwest, accounting for 9.59%.
- Type 5: Typhoons passing through the southern sea area of Taiwan and moving west or northwest, accounting for 18.13%.
- Type 6: Typhoons moving north along the eastern coast or eastern sea area of Taiwan, accounting for 12.95%.
- Type 7: Typhoons moving north along the western coast or Taiwan Strait, accounting for 6.74%.
- Type 8: Typhoons passing through the southern sea area of Taiwan and moving east or northeast, accounting for 3.37%.
- Type 9: Typhoons passing through southern Taiwan and moving east or northeast, accounting for 6.74%.
- Other Types: Special paths that do not fit into the above categories, accounting for 3.89%.



According to records from 1911 to 2022, 188 typhoons have made landfall in Taiwan. The majority of these landfalls occurred along the eastern coast, particularly between Yilan and Hualien. Typhoons making landfall between Taichung and Taipei or on outlying islands are categorized separately as "other types," excluding the sections shown in the map on the right.

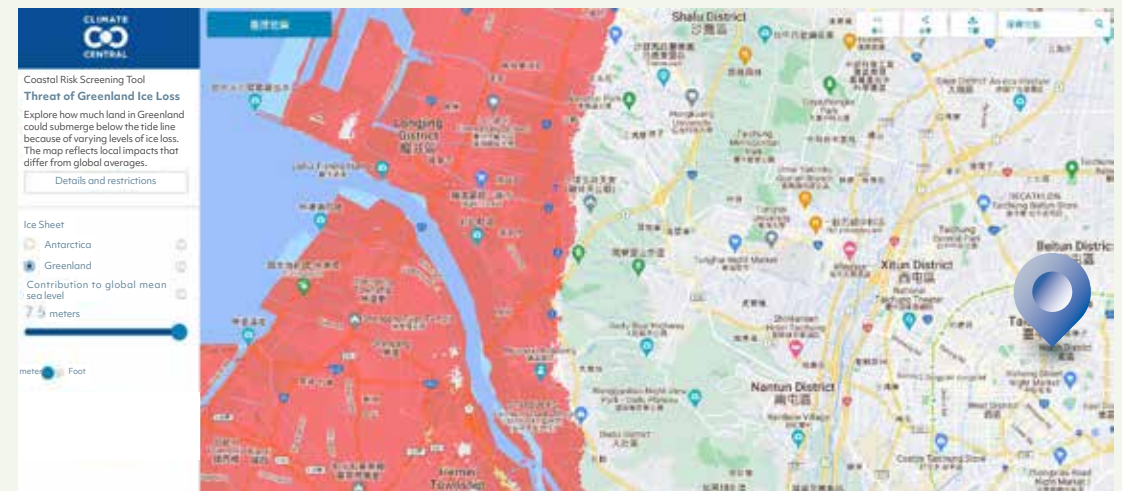
**Long-Term Risks of High Temperatures and Sea Level Rise**

Looking ahead, the Company plans to enhance the resilience of its game server facilities and considers collaborating with renewable energy strategies to reduce greenhouse gas emissions. This strategy aims to mitigate risks related to climate-induced power outages, network interruptions, and prepare for potential future global policy shifts.

According to Climate Central, in the city where our Company is located, there is currently no immediate impact from the melting of the Greenland ice sheet. However, Penn State glaciologist Richard Alley warns that without significant reductions in greenhouse gas emissions, ongoing glacier melting could raise sea levels by up to 7 meters. Alley notes that Greenland alone lost about 8 trillion tons of ice in the 20th century, leading to a 2.5 cm rise in sea levels. (To raise global sea levels by 1 millimeter requires melting approximately 3.26 billion tons of ice.) As of the fiscal year 2023, our operations have not been disrupted by climate-related disasters resulting from high temperatures and sea level rise.

**Transition Risks**

Transition risks involve the challenges businesses face when transitioning to a low-carbon economy. These risks encompass policy, legal, technological, market, and reputational risks. Through monitoring and regular meetings across various departments, our Company has not experienced significant impacts on operational costs or asset impairment due to the aforementioned risks.



### 3.1.3 Impact of Climate-Related Risks and Opportunities

#### Business Model and Value Chain

The value chain of the online gaming industry is a complex and integrated system that includes key activities such as game development and design, game operation and management, marketing, and player services. Game development and design form the foundation of the product, involving various tasks from game conception and design to programming, art design, and sound production. Game operation ensures the stable maintenance of games to ensure continuous operation. Marketing is crucial for attracting player attention and interest, requiring diverse strategies such as advertising and social media promotion to ensure that games are widely recognized by the target player base. Finally, customer service directly interacts with players, providing excellent customer service, technical support, problem-solving, and feedback collection to build player loyalty and enhance gaming experiences.

Climate change may potentially affect various activities in game development, operation, marketing, and player services. For example, natural disasters could lead to interruptions in game servers, extreme climate fluctuations (such as high temperatures and heavy snowfall) may affect player gaming experiences, and rising energy costs could impact Company operational expenses. Therefore, our Company manages climate-related risks to provide stable, high-quality online gaming products for sustainable development and profitability.

#### Employees and Corporate Culture

In addition to risk management, the Company also recognizes the opportunities brought about by climate change. In the short term, the Company enhances employees' awareness of sustainable development and the impact of climate change through internal initiatives such as energy conservation, carbon reduction, and group efforts to limit plastic use. The Company actively integrates sustainable development principles into its corporate culture.

#### Investors

Investors are increasingly inclined to invest in low-carbon enterprises. Considering rising energy costs, our Company closely monitors the corresponding financial impacts and maintains a healthy balance sheet.

#### Players

Consumer digital behavior is shifting, with players increasingly preferring to engage with products or companies actively reducing their carbon footprint. Our Company actively improves energy efficiency, cuts costs, and ensures that these efforts do not compromise the speed and service levels expected by players.

#### Green Supply Chain

Looking ahead, our Company actively selects suppliers that support renewable energy strategies and sustainable development to reduce environmental carbon footprint. This approach helps prepare for potential global climate policy changes, such as possible carbon taxation, to ensure compliance with required regulatory costs.

#### Climate-Related Transition Plan - Policies and Regulations

In 2023, GameSparcs proactively addressed climate risks, primarily by adhering to the greenhouse gas inventory actions promoted by the Financial Supervisory Commission (FSC). Through systematic identification and management, we are committed to achieving the goal of reducing greenhouse gas emissions. To promote sustainable development, our Sustainability Development Task Force commissioned an accounting firm in 2023 to assist with the greenhouse gas inventory. In November 2023, the entire group launched education and training on greenhouse gas inventory, and by the first quarter of 2024, we completed the 2023 Scope 1 and Scope 2 greenhouse gas inventory for the Company (excluding subsidiaries).

#### Financial Status, Financial Performance, and Cash Flow

Short-term	Mid-term	Long-term
<p>GameSparcs' primary operations are online game operations and development, which have relatively low greenhouse gas emissions compared to many other industries. The Company has not observed any climate-related risks that could significantly affect our financial statements. In 2023, there were no instances of climate change affecting our financial status, financial performance, or cash flow.</p>	<p>The Company plans to set 2023 as the baseline year for Scope 1 and Scope 2 emissions. We are also evaluating strategies to reduce these emissions and expect that these efforts, when implemented in the short term, will not have significant financial impacts. The Company continues to enhance skills, capabilities, and resources through external education and training to quantify the anticipated financial impacts of climate-related risks or opportunities.</p>	<p>The Company recognizes that climate change is a global issue requiring societal action. We believe stakeholders expect us to demonstrate transparency and continuous progress. To meet stakeholder expectations, we are working on establishing monitoring mechanisms to identify any gradually increasing risks and opportunities. We are also actively investing in sustainable development, including policies for sustainable talent and the application of generative AI technology to reduce resource waste.</p>

#### Climate Resilience and Scenario Analysis

GameSparcs is currently collecting data and assumptions for a comprehensive climate resilience analysis and seeking guidance from professional organizations for staff education and training. As of 2023, the Company has collected data on greenhouse gas emissions, energy consumption, and other key climate-related indicators. The Company aims to evaluate its adaptability and response capabilities to various risks posed by climate change, such as extreme weather events, rising temperatures, and changing precipitation patterns, and to formulate its carbon neutrality goals and strategies.

### 3.1.4 Climate-Related Indicators and Goals

As international focus on TCFD disclosure grows, the Company aims to more effectively assess risk-adjusted potential returns, the ability to fulfill financial obligations, and the progress in managing and adapting to risks by timely monitoring, evaluating, and managing climate-related risks and opportunities. Additionally, we align with the FSC’s “Corporate Governance 3.0 Sustainable Development Roadmap” by emphasizing GRI standards, TCFD, and SASB reporting guidelines to strengthen the disclosure in our sustainability report, linking climate risks with Company goals and policies. Between August and September 2023, the ESG Task Force held meetings to discuss ESG and TCFD-related issues and report quarterly to the board on the status of greenhouse gas inventory and sustainability issues.

The Company belongs to the SICs category “Technology and Communications - Software and IT Services”, “IFRS S2 Industry-Based Implementation Guidance” TC-SI, page 58. The industry is characterized by a high emphasis on innovation and reliance on human and intellectual capital. New business models in recent years include cloud computing, Software as a Service (SaaS), virtualization, big data analytics, and machine learning. Additionally, brand value is key to scaling in this industry.

### Cross-Industry Climate-Related Indicators

Category	Accounting Metric	Type/Unit of Measure	SICS Code	Company Implementation
Environmental Footprint of Hardware	(1) Total energy consumption (2) Percentage grid electricity (3) Percentage renewable	Quantitative GJ %	TC-SI-130a.1	<ul style="list-style-type: none"> <li>Total energy consumption in 2023: 339,668.19 kWh.</li> <li>Percentage of purchased electricity: 100%</li> <li>Percentage of renewable energy: 0%.</li> </ul> <small>(Includes both externally sourced and self-produced energy such as fuel, purchased electricity, heating, cooling, steam.)</small>
	(1) Total water withdrawal (2) Total water consumption and percentage in high or extremely high baseline water stress areas	Quantitative	TC-SI-130a.2	<ul style="list-style-type: none"> <li>Total water consumption equals total water withdrawal in 2023: 1,011.82 cubic meters.</li> <li>100% of water sourced from Taiwan Water Corporation, none from high or extremely high baseline water stress areas.</li> </ul>
	Discussion on incorporating environmental considerations into strategy for data center needs	Discussion and Analysis	TC-SI-130a.3	The Company carefully selects data center locations (including cloud services) to mitigate environmental risks such as floods, extreme weather, and seismic activity.
Data Privacy and Freedom of Expression	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Discussion and Analysis	TC-SI-220a.1	The Company collects and processes personal information legally and transparently, only for service provision and product improvement. Strict technical and managerial measures are in place to ensure information security, and privacy policies are regularly reviewed and updated.
	The number of users whose information was used for secondary purposes	Quantitative	TC-SI-220a.2	No such instances in 2023.
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Quantitative	TC-SI-220a.3	No such instances in 2023.
	(1) Number of law enforcement requests for user information (2) Number of users whose information was requested (3) Percentage of requests resulting in disclosure	Quantitative	TC-SI-220a.4	No such instances in 2023.
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring	Discussion and Analysis	TC-SI-220a.5	No such instances in 2023.
Data Security	(1) Number of data breaches (2) Percentage involving personally identifiable information (3) Number of users affected	Quantitative (number, %)	TC-SI-230a.1	No such instances in 2023.
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and Analysis	TC-SI-230a.2	The Company has a comprehensive management system of data security, including strict policies, encryption, authentication technologies, regular risk assessments, employee training, and supply chain compliance to protect customer and internal information security.

Category	Accounting Metric	Type/Unit of Measure	SICS Code	Company Implementation
Recruiting and Managing a Global, Diverse & Skilled Workforce	Percentage of employees that require H-1B or other visas	Quantitative (%)	TC-SI-330a.1	Refer to the Company's 2023 Sustainability Report.
	Employee engagement as a percentage	Quantitative (%)	TC-SI-330a.2	76%
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Quantitative (%)	TC-SI-330a.3	Refer to the Company's 2023 Sustainability Report.
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative (\$)	TC-SI-520a.1	No such instances in 2023.
Managing Systemic Risks from Technology Disruptions	(1) Number of performance issues (2) Number of service disruptions (3) User downtime	Quantitative (number, days)	TC-SI-550a.1	No major technical disruptions in 2023.
	Description of business continuity risks related to disruptions	Discussion and Analysis	TC-SI-550a.2	A risk management assessment meeting was held on September 18, 2023, identifying risks such as "strategic and governance risks," "operational risks," "human resource risks," "financial risks," and "compliance risks." Results reported to the board on November 8, 2023.

**Greenhouse Gas Inventory and Assurance Status**

Boundary and Inventory Targets: The Company's 2023 greenhouse gas inventory includes the seven greenhouse gases listed under the Kyoto Protocol—carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), nitrogen trifluoride (NF3), perfluorocarbons (PFCs), and sulfur hexafluoride (SF6).

Inventory Standards: ISO 14064-1:2018

Quantification Method: According to ISO 14064-1 guidelines, the chosen quantification method of greenhouse gas must reasonably minimize uncertainty and produce accurate, consistent, and reproducible results. The Company utilizes the emission factor method for quantification, with the basic calculation formula as follows:

$$\text{Annual Activity Data (usage)} \times \text{Emission Factor} \times \text{IPCC Global Warming Potential} = \text{Carbon Emission (metric tons CO2e/year)}$$

**Greenhouse Gas Inventory Information**

The greenhouse gas emissions for the past two years are detailed in the table below. The Scope 1 and Scope 2 inventories cover the Company's Taichung office information and have not yet undergone third-party verification. The Company plans to conduct external verification for greenhouse gas assurance by 2027.

	2023		2022	
	Emissions (tons CO2e)	Intensity (tons CO2e per NTD million revenue)	Emissions (tons CO2e)	Intensity (tons CO2e per NTD million revenue)
Scope 1 Direct GHG Emissions	9.056	0.0242	9.056	0.0247
Scope 2 Indirect GHG Emissions	168.136	0.4493	170.947	0.4658
Total	177.192	0.4735	180.003	0.4905

## 3.2 Energy Management

GameSparcs operates in the cultural and creative content industry. Aside from the use of residential electricity, we do not engage in production or manufacturing processes that generate wastewater or air pollution. Consequently, the Company produces no environmentally harmful waste, and our environmental protection record is excellent, with no violations of environmental laws in 2023.

The Company continuously strives to enhance energy efficiency and use environmentally sustainable materials with minimal environmental impact. Its efforts include prioritizing eco-friendly and energy-efficient products, replacing lights with energy-saving fixtures, using green-certified products, reusing recycled paper for printing, reusing old envelopes for internal documents, and regularly recycling used toner cartridges, old batteries, waste paper, old office furniture, and computers. Additionally, the Company implement measures to reduce and recycle household waste, contributing to a planet-friendly workplace. In response to government

initiatives promoting "green office" practices, the Company has implemented 35 measures, earning us recognition as a "green partner."

The Company conducted an ISO14064-1 greenhouse gas emissions inventory for its Taichung office in 2023 voluntarily to understand our greenhouse gas emissions. To ensure effective execution of the greenhouse gas inventory, the Company established the "Greenhouse Gas Inventory Task Force" to oversee the process.

Item	2023	2022
Greenhouse Gas Emissions	177.192	180.003
Water Usage	1,011.82	874.14
Electricity Consumption	339,668.19	345,346.93
General Waste	2.1180(Note)	Note
Recyclable Materials	0.9700(Note)	Note

Note: The actual statistical period is from October 1, 2023, to December 31, 2023, with data extrapolated to represent the entire year. As a cultural and creative content industry, the waste generated is primarily from daily activities of our employees. Through greenhouse gas inventory, we calculated the carbon emissions generated from waste management, which accounts for less than 1% of our total greenhouse gas emissions. Therefore, it is not considered a major issue for our Company. Waste is managed according to local government regulations.

The primary environmental impact of the Company's operations stems from the electricity used in office spaces. The indirect greenhouse gas emissions from energy primarily originate from the electricity supplied by Taiwan Power Company, with these emissions accounting for 94.89% of the total emissions in Scope 1 and Scope 2.

To align with international reduction trends, our Company, through the Board of Directors and the ESG Task Force, has set 2023 as the baseline year for reduction tracking. The Company has established reduction targets and strategies to mitigate the environmental impact of our operations and to enhance energy performance and usage efficiency.



### Energy-Saving Measures

- 1.Integrate Contract Electricity Use and Increase Capacity: Contract capacity increased from 235 to 255 KVA.
- 2.Prioritize Low-Carbon, Energy-Saving Products: Preference for electronics and office machines with energy-saving labels.
- 3.Game Server Room Efficiency and Cloud Adoption: Implement energy-saving practices in game server rooms and migrate to cloud services.
- 4.Early Shutdown of TV Wall: TV wall shutdown one hour earlier.
- 5.Office Space Integration and Division: Optimize office space usage.
- 6.Timed Switches for Large Equipment: Use timers to reduce standby power consumption during non-working hours.



### Air Conditioning Equipment

- 1.Regular Inspection and Cleaning of Ventilation Ducts: Adjust main air conditioner temperature, setting it no lower than 25 to 26 degrees Celsius.
- 2.Maintenance and Upgrading of Air Conditioning Units: Replace main air conditioning unit water pumps with variable frequency drives to achieve energy savings and reduce energy consumption.
- 3.Increase Data Center Air Conditioning Temperature: Raise temperature by 1 degree Celsius.
- 4.Timers and Temperature Controls on Main Air Conditioners: Install timers and temperature controls.
- 5.Adjust Return Water Temperature after Hours and During Rainy Days: Increase return water temperature by 1 degree Celsius after 18:00 and on rainy days.
- 6.Autumn and Winter Temperature Settings: Implement seasonal temperature settings starting in October.



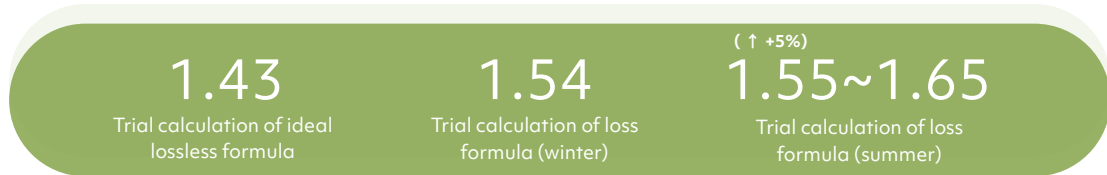
### Lighting Equipment

- 1.Replace Traditional Lights with Energy-Saving Fixtures: Use energy-efficient lighting instead of traditional lights.
- 2.Install LED Energy-Saving Tubes Throughout: Use LED tubes for all lighting.
- 3.Reduce Lobby Air Conditioning and Lighting Time: Shorten the operating hours.
- 4.Use Low-Energy Alternatives for Lighting: Opt for low-energy lighting alternatives.



Given that the Company's industry is in gaming, the primary energy consumption is centered on office computers and data center equipment. Therefore, when leasing data center equipment, energy efficiency is a top priority. The Company selects suppliers whose Power Usage Effectiveness (PUE) meets silver-level standards, with a general compliance carbon reduction standard of 2.0. The specific energy-saving performance of the data centers we lease is as follows:

Level	PUE	DCiE
Platinum Level	<1.25	>0.8
Gold Level	1.25~1.43	0.7~0.8
Silver Level	1.43~1.67	0.6~0.7
Bronze Level	1.67~2	0.5~0.6
Acceptable	2~2.5	0.4~0.5
Poor	>2.5	<0.4



### 3.3 Water Resource Management

As a company not involved in manufacturing, our primary resource consumption is focused on office computers and data center equipment. GameSparcs' water supply primarily comes from Taiwan's municipal water service for general office use. The Company prioritizes using environmentally friendly and energy-saving certified products such as faucets and toilets to minimize water consumption. The Company building displays water-saving slogans to remind colleagues to conserve water. Based on statistics from our Taichung office, using water-efficient faucets and toilets has led to a 20-40% reduction in water usage per person per use, resulting in annual water savings of approximately 100,000 liters.



Water usage can be reduced by more than half by fully implementing bubble-style water-saving devices. The Company values water resources and has installed energy-efficient certified water-saving equipment in all tea rooms and restrooms for both genders, encouraging partners to join in conserving water.

### 3.4 Resource Cycling

#### 3.4.1 Waste Management

As a company of the cultural and creative content industry, GameSparcs does not engage in manufacturing processes that generate wastewater, exhaust gases, or other environmental pollutants. The Company maintains excellent environmental protection practices, with no violations of environmental laws observed in 2023.

The Company continues to enhance energy efficiency and minimize environmental impact by recycled materials. This includes prioritizing eco-friendly and energy-saving certified products, replacing energy-efficient lighting fixtures, opting for green certified goods, recycling photocopying paper, using old envelopes for internal document transmission, regularly recycling toner cartridges, old batteries, waste paper, old office furniture, and computers for reprocessing. The Company also focuses on reducing household waste and promoting recycling, ensuring daily waste segregation and maintaining a well-equipped recycling area to provide a clean and tidy office environment. Additionally, a coffee grounds recycling bin is set up for employees to collect coffee grounds for use as refrigerator deodorizers and plant fertilizers, promoting resource reuse.

### Implementing Daily Office Plastic Reduction

GameSparcs actively promotes environmental consciousness among its employees through practical actions aimed at conserving our planet. Initiatives such as plastic reduction, energy conservation, and resource reuse are integrated into daily work life. Various activities and campaigns are organized to enhance participation and outcomes, including themed events under the "Love Earth" series. In 2023, 13 related events were held, with approximately 245 participants, reinforcing environmental education and awareness among employees through activities such as beach clean-ups, tree planting, and seminars.



13

Events

245+

Number of participants



### Implement waste reduction

In efforts to reduce waste, the group avoids using disposable tableware during its activities. The Company provides eco-friendly tableware for borrowing and encourages employees to bring their own eco-friendly cups and utensils. Routine welfare tea events do not provide disposable tableware or containers. In 2023, there were over 10 instances of plastic reduction initiatives during tea breaks, where bulk tea beverages were served, and allowing employees to use their own eco-friendly cups. This practice aims to cultivate a habit of automatic plastic reduction.

Additionally, during the Family Day event, suppliers were required not to provide disposable tableware or containers. All employees and their families were encouraged to bring their own eco-friendly utensils, cups, and shopping bags, with approximately 175 participants (including employees and their families) actively participating in the "Love Earth" plastic reduction campaign. This initiative resulted in a reduction of over 2,500 disposable tableware items in 2023.

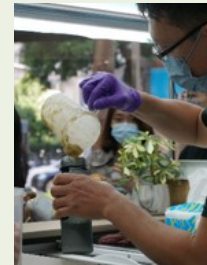


2,500

Disposable tableware

175+

Number of participants





### 3.4.2 Comprehensive Gaming Circular Economy

"The concept of circular economy is permeating every corner of the industry. Our Company demonstrates a comprehensive blueprint for the gaming industry's circular economy, through hardware retirement and recycling, application of Google Cloud Platform (GCP) and Amazon Web Services (AWS), and showcasing responsibility in handling physical hardware, achieving sustainable development.

#### End of physical packs and cards: Farewell to resource waste

Replacing physical products like game packs and cards with virtual serial numbers may seem insignificant but holds profound implications. In the early days of gaming, players often purchased games or in-game points through physical products like elaborate packs or plastic cards with face values. These items added a tactile joy to gaming but from a circular economy perspective, they resulted in significant resource waste. Each pack required materials like plastic, paper, and metal for production, and once opened, these items were often discarded quickly. Millions of packs and cards became waste shortly after being opened, burdening waste management systems. The true value lies in the digital content or points, intangible digital assets! Virtual serial numbers resolve this contradiction. Now, players simply purchase and enter alphanumeric serial numbers to instantly access the same game content or points, fundamentally transforming the profit model of gaming. Digital downloads circumvent production and disposal issues of physical products, shifting from material to digital resources.

#### Hardware retirement and recycling

Retired servers and hardware are handled by certified waste disposal facilities, demonstrating our commitment to the circular economy. In the tech industry, retiring servers poses a challenging environmental issue. Servers contain valuable metals and rare earth elements, and improper disposal can lead to resource waste and environmental pollution. We are aware of this. As a gaming company, GameSparcs has transitioned from self-managed data centers to cloud platforms. During this transition, many old servers needed retirement. Instead of viewing them as waste, we work with certified recyclers to ensure each server receives professional treatment, aiming to reintegrate resources into the industrial cycle and minimize electronic waste generation. This not only saves on disposal costs but also enhances our sustainable image.

#### From physical data centers to the cloud

GameSparcs' circular economy practices extend beyond hardware. As the Company recycles old servers, its gaming operations move to cloud platforms like GCP and AWS, opening a new chapter in resource utilization. In the cloud era, computing resources are virtual and highly elastic, not bound to physical servers, allowing games to operate smoothly globally without geographical limitations. Cloud application models significantly enhance efficiency in resource utilization. In traditional setups, numerous servers are purchased to handle peak demands, often leading to idle resources after traffic declines, causing significant waste. However, in the cloud model, resources flow where needed most, reflecting the efficient use of the circular economy. Additionally, global data deployment by providers like GCP and AWS supports our multinational operational strategy. Whether its Asian gamers playing 'Ace Club' or 'Bravo Casino', or North American users experiencing 'Jackpot Island', all enjoy low-latency gaming experiences. This not only boosts user satisfaction but also reduces energy consumption by minimizing data transmission distances, further strengthening the benefits of the circular economy.

#### Modular game software for circular innovation

Efficiently sharing cloud resources and recycling hardware is just the beginning. In traditional game development, each game is built from scratch, involving unique elements like code, artwork, sound effects, and gameplay mechanisms. Despite some reusable parts, significant modifications are often needed, leading to digital waste. Modularization allows shared development processes across different games, particularly across cultural and language differences, accelerating game production. Each module can be reused in multiple games, maximizing its value, while developers focus on innovative core gameplay and enhancing player experiences.

The Company demonstrates that true circular economy in the gaming software industry shouldn't be limited to any single area but should integrate and connect virtual and physical realms. From professionally recycling retired servers to efficiently sharing cloud resources, from reusable software modules to global value reshaping, the Company practices the concept of circular economy across every aspect of the gaming industry."



# 4

## Employee Care

- 4.1 Diversity and Inclusion
- 4.2 Human Rights
- 4.3 Training and Career Development
- 4.4 Friendly Workplace

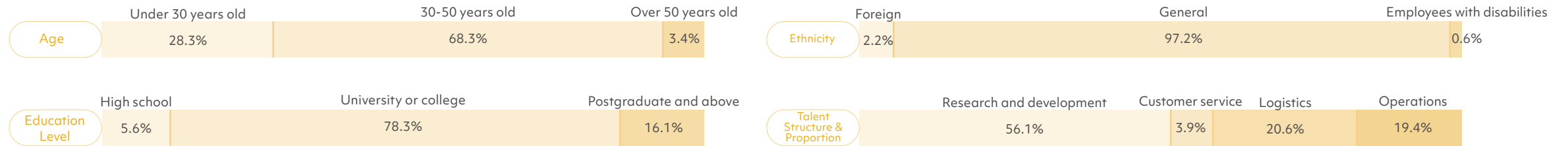


# 4.1 Diversity and Inclusion

## 4.1.1 Employee Structure and Distribution

GameSparcs' employment policy adheres to the principle of equal opportunity for all, striving to create a non-discriminatory work environment where recruitment, hiring, training, and promotion are all oriented towards gender equality, establishing a gender-friendly enterprise. In 2023, the Company and its subsidiaries in Taiwan had 180 employees; male employees accounted for 62.8%, while female employees accounted for 37.2%. Women held 12.5% of managerial positions. The majority of employees, 68.3%, were aged between 30 and 50. The workforce included 2.2% foreign employees and 0.6% employees with disabilities. In terms of functional composition, the Company's workforce primarily consisted of research and development (56.1%), followed by product operations and logistics staff (40% each). In terms of educational distribution, 16.1% of employees held postgraduate degrees, while 94.4% had university or college education. Furthermore, the Company is committed to local employment to promote local economic and community development. The proportion of locally employed staff at the Taichung headquarters and New Taipei office was 87.2% and 12.8%, respectively.

### Human Resources Structure



## 4.1.2 Talent Attraction and Retention

GameSparcs utilizes diverse channels such as job banks, campus recruitment events, internal referrals, and operational social media platforms like 104, Company websites, LinkedIn, and Facebook to convey Company culture and core values, establishing an employer brand to attract talent. We continuously monitor industry compensation levels, formulate competitive overall compensation strategies, and comply with statutory retirement benefits. We provide diverse welfare measures, subsidy programs, and annual health check-up benefits to assist new employees in quickly adapting to work and living environments and provide timely assistance to construct a healthy workplace for sustainable development. In 2023, the total number of new employees was 61, with the majority aged between 30 and 50, comprising 59% of new hires that year. Through a probationary period assessment mechanism, we ensure that recruitment interviews and job content upon employment are consistent, and employees' work status meets supervisors' expectations. Human resources conduct new employee care checks 45 days after onboarding to understand adaptation status and reduce turnover due to new employee maladjustment. When employees resign, HR conducts care interviews and analyzes critical factors for retention and turnover to promote employee retention. In 2023, the total number of resignations was 44, with the majority aged between 30 and 50, totaling 59.1% of resignations that year.

New Hires						Resignations					
Age	Number	Percentage	Gender	Number	Percentage	Age	Number	Percentage	Gender	Number	Percentage
Under 30 years old	24	39.3%	Male	40	65.6%	Under 30 years old	15	34.1%	Male	33	75%
30-50 years old	36	59%				30-50 years old	26	59.1%			
50 years old and above	1	1.7%	Female	21	34.4%	50 years old and above	3	6.8%	Female	11	25%
Total	61	100.0%	Total	61	100.0%	Total	44	100.0%	Total	44	100.0%

## 4.2 Rights and Welfare

### 4.2.1 Compensation

GameSparcs' director remuneration is stipulated in the Company's articles of association. Compensation for all directors is determined by the board based on each director's involvement and contribution to the Company's operations, referencing industry standards. Regardless of business profit or loss, directors may receive monthly allowances. Additionally, if the Company is profitable in a fiscal year, the board may allocate up to 3% of profits for director remuneration. Independent directors receive fixed remuneration annually according to the "Director and Functional Committee Remuneration Payment Regulations," with no compensation for serving on various functional committees of the Company.

Managerial compensation follows the "Managerial Salary and Compensation Management Regulations," outlining allowances and bonuses to acknowledge and reward employees' efforts in their work. Bonuses are contingent upon the Company's annual operational performance, financial condition, operational status, and individual job performance. Furthermore, if the Company is profitable for the year, it is mandated by the Company's articles to allocate not less than 1% of profits towards employee compensation, which may be distributed in stocks or cash by board resolution. Performance evaluations based on the "Personnel Performance Management Regulations" determine the issuance of managerial bonuses. To regularly evaluate managerial and employee compensation, the Company uses performance assessment results based on the "Personnel Performance Management Regulations," linking Company strategic goals and operational performance achievements. To fully demonstrate operational performance indicators, evaluations are based on the individual's contribution to Company operations, achievement rates of personal work goals, and performance in core functions and managerial roles, including operational results, leadership vision, corporate governance, and risk management. Actual managerial compensation for 2023 is determined after review by the Compensation Committee and subsequent approval by the Board of Directors.

In 2023, GameSparcs Taiwan, including both managerial and non-managerial positions, saw an average annual salary increase of approximately 6%. The average annual salary increase over the three-year period from 2021 to 2023 was 5.15%. The average annual salary for full-time non-managerial employees in 2023 was NT\$888,021, with a median salary of NT\$653,901.

**Manager Performance Appraisal Project**

- Financial metrics : such as contribution to company profits per business unit as per the management profit and loss statement and the achievement rate of managerial project goals.
- Non-financial metrics : include core functional and managerial performance and participation in sustainable operations, continuously reviewed in accordance with actual operational conditions and relevant laws and regulations.

### 4.2.2 Human Rights

GameSparcs adheres to current national regulations, including the Labor Standards Act, Employment Services Act, and Gender Equality in Employment Act. It acknowledges and voluntarily complies with international human rights conventions such as the "Universal Declaration of Human Rights," "UN Global Compact," "UN Guiding Principles on Business and Human Rights," and the standards of the International Labor Organization. To enhance respect and support for human rights among its personnel and to comply with relevant laws, the Company has established codes of conduct including the "Integrity Operating Code," "Code of Ethical Conduct," and "Work Rules," which are publicly announced to safeguard the rights of its employees. In 2023, training related to human rights protection was provided to employees, totaling 17 hours, with 17 employees completing the training. Moving forward, the Company will continue to focus on human rights protection issues, promote related educational training, and raise awareness of human rights protection to mitigate potential risks.

Prohibition of Child Labor	To ensure compliance with corporate social responsibility and ethical standards, recruitment targets must meet local minimum age laws and regulations. The Company does not employ child labor.
Prohibition of Forced Labor	It is prohibited to subject employees to forced labor or related coercive measures, including physical or psychological abuse, coercion, threats, verbal abuse, or any other form of illegal forced labor.
Prohibition of Sexual Harassment	The Company has established "Sexual Harassment Prevention and Complaint Handling Procedures" and "Prevention Plans for Unlawful Acts in Job Execution," with designated channels for employee complaints.

Diversity, Inclusivity, and Equal Opportunities	Discrimination based on factors such as age, gender, disabilities, race, ethnicity, nationality, religion, marital status, astrological sign, blood type, pregnancy status, political background, or other status is strictly prohibited, ensuring fair treatment for all.
Work-Life Balance	The Company organizes regular family days, year-end parties, and leisure health seminars. Facilities such as free coffee machines, snack counters, libraries, viewing rooms, breastfeeding rooms, parking spots for pregnant women, female restrooms equipped with hygiene supplies, and accessible ramps are provided to promote a supportive workplace environment and help employees maintain a healthy work-life balance.








### 4.2.3 Welfare Measures

GameSparcs adheres to current national regulations, including the Labor Standards Act, Employment Services Act, and Gender Equality in Employment Act. It also recognizes and complies with internationally recognized human rights conventions such as the "Universal Declaration of Human Rights," "UN Guiding Principles on Business and Human Rights," and standards set by the International Labor Organization. To enhance respect and support for human rights among its personnel and comply with relevant laws, the Company has established codes of conduct including the "Integrity Operating Code," "Code of Ethical Conduct," and "Work Rules," publicly announced to safeguard the rights of its employees, ensuring fair treatment and respect for every employee.

In accordance with varying local regulations, the following details the salary and welfare conditions specific to the Company's Taiwan region:

The Company has established regulations including the Salary Management Regulations, Employee Welfare Management Regulations, Attendance Management Regulations, and Personnel Performance Management Regulations, clearly defining employee compensation structure, leave systems, welfare benefits, and performance assessment methods. Operational performance is appropriately reflected in employee compensation, specifying the relationship between business results, performance, and bonus distribution. Performance evaluations serve as the basis for promotions, salary adjustments, and bonus allocations, providing motivating bonus levels for employees.

Following the Labor Standards Act, the Company handles employee compensation and leave systems, with a Staff Welfare Committee planning and providing various high-quality welfare measures for colleagues:

							
Labor insurance, health insurance, and retirement fund contributions	Festival activities Family day events, year-end parties	Birthday bonuses, marriage, funeral, and maternity subsidies, travel allowances, employee referral bonuses	Employee group insurance	Employee health check-ups	Career development opportunities Year-end bonuses, performance bonuses	Maternity leave for female colleagues, paternity leave for male colleagues	Short-term employee dormitory rentals

#### Maternity Leave Support

GameSparcs provides substantial care and support for employees with childcare needs, including arrangements for unpaid maternity leave, and related welfare subsidies. Additionally, to promote female protection and a friendly workplace policy, facilities such as lactation rooms are provided, equipped with necessary amenities for mothers, alongside a warm and supportive environment (e.g., sanitary supplies in female restrooms and designated parking for pregnant women). These measures illustrate the Company's comprehensive approach to caring for employees, enabling those with childcare needs to balance family and work life. In 2023, one colleague applied for maternity leave with a 100% return rate upon resumption.

#### Retirement Fund System

In compliance with the Labor Standards Act, the Company has formulated employee retirement procedures, allocating retirement reserves monthly based on total salary amounts, deposited into the retirement account of Taiwan Bank. The Labor Retirement Pension Act, effective from July 1, 2005, allows employees to choose between the retirement pensions regulations of the Labor Standards Act or the retirement pension system under this Act, retaining their working seniority before applying this Act. For employees under this Act, the Company's monthly contribution rate to employee retirement pensions is not less than 6% of their monthly salary.

## 4.3 Training and Career Development

### 4.3.1 Education and Training

The Company creates a conducive environment for employee career development, promoting diversified education and training categorized into centralized training, new employee development programs, and functional training. It has established competency management programs further segmented into internal and external training based on professional training needs, providing subsidies for on-the-job education and setting up libraries to foster a learning environment. This supports continuous learning and personal growth amidst rapid industry changes, fostering ongoing talent development. In 2023, education and training reached 424 person-times, totaling 1,752 hours.

The Company encourages employees to participate in external professional development courses, offering subsidies for on-the-job education. Training and development are integrated into the performance management system, incentivizing employees to maximize their talents in achieving Company operational goals. Training costs in 2023 exceeded NT\$700,000.

#### New Employee Education and Care

To assist new employees in quickly integrating into work environments, shorten the learning curve, and enhance retention rates, the Company conducted 49 new employee education training sessions in 2023. On the first day of joining, new employees receive Company introductions, product briefings, and explanations on personnel welfare systems. They are guided through office environment tours, and HR conducts follow-ups 45 days into their employment to gauge adaptation, reducing the risk of resignation due to discomfort during the probationary period. Upon completing probation, new employees receive graduation kits to underscore their value to the Company, fostering a sense of belonging. HR also assigns dedicated personnel to understand new employees' situations and provides single-window services for effective and timely assistance.

#### Confidential Information Protection Training

On their first day, new employees receive training on confidentiality laws, including the Trade Secrets Act, offenses against secrets, and breach of trust, instilling proper work ethics and emphasizing their responsibility in protecting Company assets.

#### Information Security Training

On their first day, new employees undergo information security courses to instill the concept of "Information Security, Everyone's Responsibility," ensuring all employees understand the importance of information security. Regular information security topic discussions further enhance awareness among employees, reducing ICT security risks.

#### Seminar and Workshop Hosting

To establish a diverse learning environment, the Company hosts various seminars periodically, aiming to enhance employees' knowledge of compliance and create a more friendly workplace environment, allowing employees to work more comfortably.

#### Leadership Management Courses

##### Consensus Camp for Senior Executives

Through courses, supervisors enhance their overall view of "production, marketing, people, and wealth," strengthen leadership and command expertise, and analyze and improve supervisor professional capabilities. In addition, team motivation courses are arranged to stimulate morale and enhance team cohesion. Through workshop formats, supervisors brainstorm, learn from each other, establish organizational consensus, devise action plans, and uphold the spirit of mutual learning and altruism, aspiring to become comprehensive senior leaders while establishing effective team cooperation. In 2023, 1 strategic consensus camp was held for senior executives.



### Management Trainee Program

GameSparcs is committed to talent development and enhancement, providing diverse learning and practical opportunities to discover and fully utilize the potential of every colleague. From September to December 2023, a Management Trainee Program was held, focusing on practical management skills including communication, talent selection, coaching and mentoring, and strategies for handling various managerial situations. This course empowers colleagues to apply the management tools and skills learned into practice, becoming more effective team members.



### 4.3.2 Performance and Development

GameSparcs has established a comprehensive system of regular performance interviews and evaluations to assist colleagues in continuous improvement and growth. Performance evaluations are conducted without differentiation based on gender. Supervisors at all levels have undergone thorough training in performance interviews and assessments to provide colleagues with guidance, encouragement, support, and career counseling, facilitating their growth.



#### Assessment of New Employees

Before the completion of the probationary period for new employees, unit managers conduct performance interviews and evaluations. Employees who do not pass the performance assessment may have their employment contracts terminated according to relevant legal regulations or extend the assessment period by mutual agreement, not exceeding the original probationary period.



#### Employee Performance Evaluation

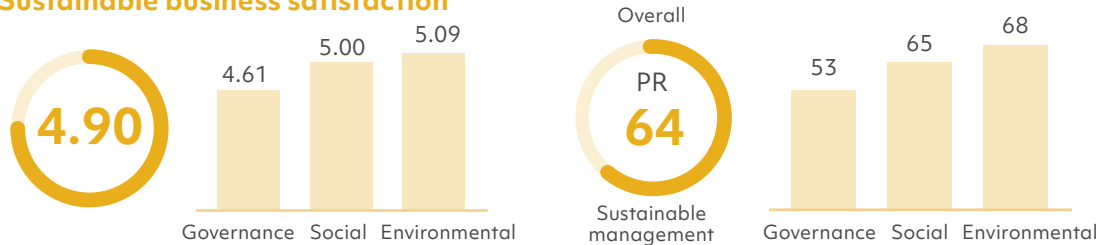
Performance assessments are based on Key Performance Indicators (KPIs), distinguishing between financial and non-financial indicators. Financial indicators align individual or unit financial goals with unit and job attributes. Non-financial indicators involve setting goals collaboratively with supervisors at the outset, with ongoing communication and feedback on goals to align employee progress and direction with organizational goals. End-of-period performance interviews and evaluations are conducted to understand employees' career development directions, accelerating mutual growth for both individuals and the organization. Supervisors regularly review and discuss performance with colleagues, setting goals. Performance assessment results serve as the basis for colleagues' promotions and salary adjustments. Year-end performance assessments are finalized by the highest-level supervisors based on colleagues' achievement of performance goals or assessment outcomes.

## 4.4 Friendly Workplace

### 4.4.1 Diverse Communication Channels

GameSparcs provides various communication channels for employees, managed by dedicated personnel to facilitate communication. These include the General Manager's mailbox, Employee Welfare Committee mailbox, Sexual Harassment Prevention mailbox, Workplace Violence Consultation and Complaint mailbox, and Legal Advisory services. These channels offer employees avenues for lodging complaints and expressing opinions, ensuring complete confidentiality. All complaints are independently verified to protect the identities of whistleblowers. Additionally, the Company has established an "Employee Code of Conduct" to ensure complete confidentiality for whistleblowers and their reports, protecting them from improper treatment or threats resulting from their disclosures. To better understand the thoughts and needs of employees, the Company conducts regular Employee Satisfaction Surveys via online questionnaire submissions. The survey targets all full-time employees of the Company. The most recent survey was conducted in 2023 with the aim of demonstrating the Company's commitment to valuing its employees. Through these surveys, the Company seeks to capture the authentic voices of its employees, analyze root causes, prioritize issues, and implement feasible solutions to continuously improve and enhance employee engagement. In the latest survey, the employee participation rate was 93%, with an effective response rate of 86%. The overall Company satisfaction score was 4.58 out of 6. Within the sustainability dimension of the survey, environmental protection scored 5.09, social contribution scored 5.0, and corporate governance scored 4.61. Furthermore, the Company's overall sustainability satisfaction PR value was 64 compared to other enterprises, with environmental protection PR at 68, social contribution PR at 65, and corporate governance PR at 53. Upon further examination within the corporate governance aspect of the survey, employees expressed a high level of approval for the transparency and adherence to regulatory standards in governance processes. However, there is a lesser understanding of operational information and stakeholder relationships. The Company commits to enhancing relevant information and improving stakeholder relationships through continued survey research.

#### Sustainable business satisfaction



To effectively communicate Company policies and share information, the Company utilizes internal communication software to announce policies and notify employees of upcoming events. This ensures that employees are promptly and quickly informed about Company updates. Additionally, announcements are simultaneously sent via email, allowing employees to stay updated on the latest Company policies, events, and developments. According to the Ministry of Labor's "Implementation Regulations on Labor-Management Meetings," regular meetings between labor and management are held at least once every three months to discuss labor issues, employee welfare, and other related matters. This consultation mechanism promotes harmonious communication between labor and management. In 2023, there were no disputes or incidents requiring labor-management agreements in our Taiwan region.

### 4.4.2 Occupational Safety and Health

GameSparcs is committed to creating a safe and healthy working environment for employees. We implement access control and have a central monitoring system supervised by security personnel 24/7. Fire safety education is conducted regularly, with biannual fire safety inspections. CPR and AED emergency courses are offered quarterly, and emergency call buttons, AEDs, and fire equipment are installed within the Company premises. In addition to providing annual health check-ups, medical personnel visit monthly to conduct health interviews, risk tracking, and consultation. Employees are immediately covered by diverse group insurance upon employment, and a flexible working hours system is utilized to effectively manage attendance and alleviate workplace stress. An occupational safety and health plan is in place to ensure zero tolerance for discrimination and bullying. Certified occupational safety and health managers and first aid personnel are assigned, and on-site medical consultations, annual health check-ups, massage services by visually impaired therapists, legal and insurance consultations, EAPs (Employee Assistance Programs) evaluation, family days, and leisure health seminars are offered to maintain a balance between work and life for employees.

To achieve policies for female protection and a friendly workplace, a lactation room is provided, equipped with necessary facilities and a comfortable environment. Female restrooms are stocked with sanitary products, and there are parking spaces for pregnant women, along with other considerate measures. The Company also has "Measures for Prevention, Complaint, and Discipline of Sexual Harassment" and a "Prevention Plan for Unlawful Infringement in the Performance of Duties," offering complaint channels to create a safe working environment. There were no employee occupational injuries or fire incidents in 2023.



# 5

## Social Prosperity

- 5.1 Local Community Engagement
- 5.2 Social Welfare Activities
- 5.3 GX Foundation



# 5.1 Local Community Engagement

## Corporate beach cleanup

Corporate Beach Cleanup: In response to Earth Day, our company organized a beach cleanup at Taichung Daan Beach, mobilizing employees to clear the surrounding area of trash and pollutants, thereby contributing to the protection of the marine environment. The cleanup effort resulted in the removal of over 525 kilograms of marine debris, with our company's contribution estimated at approximately 118 kilograms based on participation rates. This initiative not only benefitted the local environment in Taichung but also provided employees with firsthand experience of the environmental impact of using disposable tableware, inspiring them to take further action in protecting the planet.

Prior to the cleanup, a pre-event briefing and office plastic reduction seminar were held to educate employees on simple ways to reduce waste in their daily office routines. The seminar also provided guidance on identifying hazardous items and types of marine debris during the cleanup, ensuring both marine protection and personal safety.

To sustain and amplify the environmental initiatives, a video documenting the beach cleanup was produced and continuously screened within the company premises. Additionally, employees who participated in the cleanup were invited to share their experiences and insights. This approach, from educational outreach to practical action, gradually helps employees understand the importance of environmental protection, fostering a deeper awareness and commitment to the core spirit of environmental actions.

## Second-hand Item Sharing and Exchange Activity

Donate old books and valuable items to provide opportunities for effective recycling of resources. The proceeds from the charity sale help support undocumented babies and provide necessary items for disadvantaged groups at the Family Support Center. In 2023, 261 items were collected and sold at the charity sale. The recycled items were partly donated to the Taiwan Fund for Children and Families and partly sold at a charity market, raising \$6,530, which was donated to the Harmony Home Foundation Taiwan.



## Supporting Food Conservation Actions

GameSparcs has responded to environmental protection and local care by collaborating with employees to donate food to the "Huamei Surplus Restaurant" in Taichung for two consecutive years. This initiative not only prevents food waste and reduces carbon emissions but also helps others through charitable efforts. In 2023, the company donated over 100 food items.



## 5.2 Social Welfare Activities

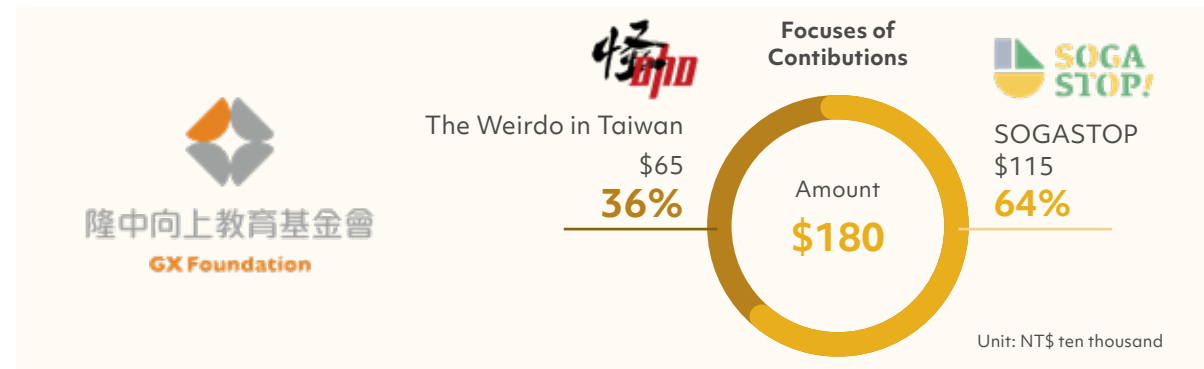
To give back to society and promote positive activities for youth, the Yunlin County Xin Chuan Basketball Association provides professional basketball training to children after school, helping them learn basketball, exercise, and develop good character. Since 2022, our company has supported the Yunlin County Xin Chuan Basketball Association's free after-school basketball camps for students, committing to this support for three consecutive years. In 2023, we donated NT\$200,000 to the association to assist with the after-school tutoring of students from third grade to graduate school who are interested in sports and basketball, enabling them to learn professional basketball skills.



## 5.3 GX Foundation

GameSparcs continues to support the GX Foundation, using the Foundation as a platform to amplify social impact by connecting schools, businesses, institutions, and civil organizations to address environmental protection and social issues collaboratively. The Foundation upholds the spirit of "benefiting society, being environmentally friendly, and taking action." Through the "The Weirdo in Taiwan" and "SOGASTOP" projects, it promotes diverse, innovative content, meaningful critical thinking education, and creative call-to-action initiatives. These efforts bring together teachers within and outside the formal education system, public sectors, private enterprises, non-profit organizations, and startups to create a new generation of public welfare platforms with social impact, injecting new thinking and action into Taiwanese society. This year, GX Foundation has invested NT\$1.8 million. For more information, please visit the [GX Foundation's website](#).

Since 2019, the Foundation has collaborated with Director Yang Li-Chou on the "The Weirdo in Taiwan Project" filming 18 short documentaries over three years. These films are broadcast online and offline, accompanied by in-depth discussions with the public on topics such as environmental conservation, gender equality, human rights, life education, and technological and medical issues. The project also collaborates with teachers inside and outside the formal education system to develop lesson plans, integrating literacy education with critical thinking on these issues, rooting it in schools and spreading it to society through concrete actions. This initiative invites businesses, groups, and issue-related community organizations to take action together, creating a society of shared good. Starting in 2021, the Foundation launched the "SOGASTOP Plan," beginning with a content website to engage the public in discussions about environmental conservation. It introduced projects such as "Bag of Recycled Jean" and "Every Day is Earth Day" Seasons I & II, using cultural and artistic creations to bridge the gap with the public. These projects combine online digital exhibitions with offline physical exhibitions to call for action, encouraging the public to implement environmental conservation through specific actions in their daily lives. In 2023, the Foundation partnered with the Taipei Hakka Culture Foundation to create Taiwan's first urban "Miyawaki Forest" at the Taipei Hakka Culture Theme Park, planting a seed of green energy in the city and hosting multiple environmental education activities focused on ecology and biodiversity.



### The Weirdo in Taiwan: Initiating Social Impact

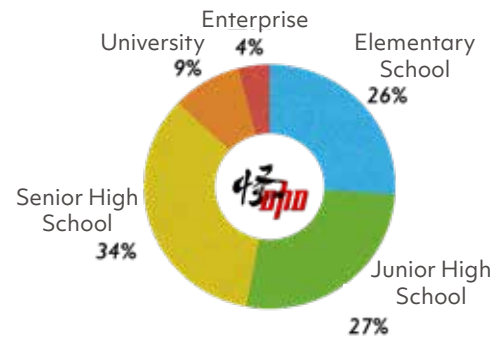
The GX Foundation has rooted its educational promotion efforts in the "Quirky Project," producing 18 quirky documentary short films over three years. In 2023, the Weirdo in Taiwan Project invested NT\$650,000, using the documentaries as educational media and critical thinking materials. The project collaborates with major enterprises, private educational institutions, subject centers, and school teachers to develop and implement lesson plans, reaching educational settings from junior high schools to universities across Taiwan.

Among the documentaries supported by the Foundation, "About, Dreaming at Midnight of Lin Mo-niang Riding the Ocean Surge Throwing Garbage into My Future Plastic, Seems Like It's Real" won the Special Jury Award at the 2nd Taiwan Ecological Environment Film Festival. The work presents diverse ecological themes and culturally rich perspectives, aligning well with the theme of "Authentic Presentation of Taiwan's Ecology and Environment."

Starting in 2022, the Foundation integrated the Ministry of Justice's judicial reform project and the Judicial Yuan's "Visual Reading of Justice" into campus projects. By combining documentaries with issues and lectures, the Foundation transforms traditional, rigid advocacy models into more profound and engaging learning experiences. For deeper curriculum and impact, the Foundation has partnered with universities to develop "Courses of the Weirdo in Taiwan," including sociology courses at National Pingtung University of Science and Technology, gender equality courses at Shih Hsin University, organizational leadership courses at Fu Jen Catholic University, and teacher training courses. These in-depth courses are then shared with twelve-year national education teachers for further application.

In advancing local education in Taichung, the Foundation has collaborated with the Office of Social Responsibility and Sustainable Development at China Medical University, offering "The Weirdo in Taiwan Film Festival Lectures" and general education courses on "Non-mainstream Human Rights and Gender Issues: Care and Reflection" during Sustainable Development Learning Week. It also worked with the Sociology Department at Tunghai University on a special course, "Post-capitalism and Real Utopia - Learning from the Weirdo in Taiwan." This outreach has extended to high schools, including Shalu Vocational High School and Washington Middle School, impacting over 500 students. This initiative aims to broaden students' perspectives on social issues, integrate these issues into literacy teaching, foster critical thinking, and build a network of actions to drive societal change.

#### Education Promotion Achievements Nationwide



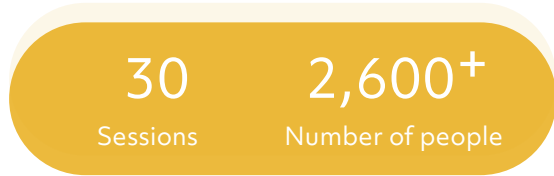
<p><b>80+</b> lesson plans of the Weirdo in Taiwan</p>	<p><b>120+</b> online and offline teacher training courses</p>	<p><b>4,200+</b> teacher training course participants</p>
<p><b>350+</b> schools</p>	<p><b>35,000+</b> students</p>	<p><b>5</b> universities with specialized courses</p>

"Through this, I was exposed to issues I usually don't see, allowing me to consider others' situations and empathize with them from a new perspective." --*Tainan Girls' High School Student*

"The film festival or internship was incredibly rewarding. It provided experiences I wouldn't encounter in daily life, opening my eyes and moving me with the spirit of the Weirdo in Taiwan Project. Thinking about 'how to do it' is quite important for our age. Because of this action, I got to know the workers at the base, observed their attitude towards children, participated in summer camps for kids, and learned how to design lesson plans, which gave me more reflection on working with children and adolescents." --*National Taiwan University College of Social Sciences Student*

In addition, the Foundation recognizes that businesses are important learning environments after leaving school. Therefore, the Foundation has taken the Quirky Project into communities, businesses, and organizations, using the most direct communication methods to convey the spirit of social good, enabling more people to see, understand, think, and act.

- The Weirdo in Taiwan’s Film Special Screenings / Tailor-made Screening Events / Film Tour
- Corporate Lectures of the Weirdo in Taiwan: Chimei Foods, Accton Technology, Accton Arts Foundation, ONElab Technology, Aqive Technology, and XSGames
- Supported Institutions: Pingtung Center for the Disabled, Humanistic San Chong Youth Base, and Against Wind Theater



**SOGA STOP Action Plan: Caring for Environmental Protection**

Since 2021, the Foundation has launched the SOGA STOP Action Plan, starting with plastic reduction, a major issue closely related to daily life, and inviting the public to care about environmental protection. Starting in 2022, the plan focused on six key environmental issues: energy conservation and carbon reduction in daily life, ubiquitous plastic, transformative green consumption, the severe water crisis, food justice starting from individuals, and understanding biodiversity.

The Foundation invited 52 visual artists to collaborate, using impactful illustrations as a medium to propose "Every Day Is Earth Day!" with 52 action ideas for loving the Earth. Each artist used their preferred materials and techniques to present 52 different perspectives and dialogue possibilities on the six environmental issues, turning complex environmental knowledge into visual action guides through common narrative vocabulary. This creative approach to reflecting on environmental issues earned the Golden Pin Design Award from the Taiwan Design Research Institute, showcasing the Foundation's achievements in combining environmental education and artistic support.

In 2023, the SOGA STOP Action Plan invested NT\$1.15 million and partnered with 24 companies to conduct online campaigns and physical exhibitions, continuously promoting Earth-loving actions throughout the year.



Responding to 350 Taiwan's Climate Action: Protecting Taiwan's Natural Environment Together

The GX Foundation has launched the SOGA STOP project in the field of environmental protection, starting with plastic reduction. Through content websites, social media platforms, and both online and offline actions, the project invites the public to practice daily plastic reduction with concrete actions. By 2023, the project has gathered works from over 110 Taiwanese artists and illustrators, presenting Earth-loving action proposals closely related to everyday life. To safeguard Taiwan's nature, the GX Foundation has responded to the "2023 POWER UP Back to the Future Parade" climate march organized by the international climate advocacy organization 350.org. The Foundation joined the call to phase out fossil fuels, monitor government climate and energy policies, and raise public awareness of the climate crisis, aiming to garner more support to protect the future of nature. At the "POWER UP Back to the Future Parade," the Foundation exhibited the "Every Day Is Earth Day!" art showcase featuring 52 Earth-loving actions. Illustrators depicted practical energy-saving and carbon reduction methods, helping the public understand the impact of carbon emissions on global warming and extreme weather. The exhibit encouraged people to practice low-carbon lifestyles and protect the Earth through small daily actions.



Creating Taiwan's First Miyawaki Forest: Internationally renowned plant ecologist Dr. Akira Miyawaki developed the Miyawaki method based on potential natural vegetation and succession theory. This method allows for afforestation in very small areas, enabling plants to grow faster, improve water retention, sequester more carbon, and enhance biodiversity. The Miyawaki method has been adopted and promoted in countries such as Japan, the Netherlands, Belgium, India, and Malaysia, resulting in the planting of over 1,000 mini-forests.

Benefits of the Miyawaki Forest:

- 100 times higher biodiversity compared to traditional forests.
- Growth speed 10 times faster than conventional forests, achieving quicker climate repair, water storage, and carbon sequestration.
- Carbon storage 40 times greater than monoculture plantations.
- Soil regeneration time significantly less than the 70+ years needed for natural forest recovery.

Source : <https://www.theguardian.com/environment/2020/jun/13/fast-growing-mini-forests-spring-up-in-europe-to-aid-climate>



The GX Foundation dedicated a year to inviting and collaborating with Dr. Shin-ichi Meguro, an ecology expert and student of Dr. Akira Miyawaki, for field investigations and documentation in Taiwan. Starting with research on soil, climate, and plant species, they identified suitable planting methods and native plant species for Taiwan. The total investment was NT\$550,000 (included in the SOGA STOP Action Plan budget).

On January 16, 2023, the Foundation hosted the "Small Forests in Cities: Lecture by Dr. Shin-ichi Meguro, Student of Japanese Ecologist Akira Miyawaki" at the Taiwan Institute of Economic Research. This event gathered industry, government, and academic experts in relevant fields for academic and technical discussions. In September 2023, in collaboration with the Taipei Hakka Culture Foundation, the GX Foundation invited the public to plant 500 native plants of 17 species in a 100-ping area at the Taipei Hakka Cultural Theme Park, creating Taiwan's first urban Miyawaki mini-forest.

The event also featured a month-long exhibition titled "Every Day Is Earth Day: Biodiversity You Must Understand," allowing participants to engage in planting and learning experiences, deepening their understanding of the importance of biodiversity to human and ecological well-being.



# Appendix

## GRI Standards Index GRI 1: Foundation 2021

GRI Index	Disclosure	Related Reports	Note
General Disclosures 2021			
	2-1 Organizational details	About GameSparcs Corporate Culture	
	2-2 Entities included in the organization's sustainability reporting	About this Report About GameSparcs	
	2-3 Reporting period, frequency and contact point	About this Report	
	2-4 Restatements of information	No	
	2-5 External assurance	This report is self-compiled.	
	2-6 Activities, value chain and other business relationships	About GameSparcs	
	2-7 Employees	4.1.1 Employee Structure and Distribution	
	2-8 Workers who are not employees	2.5 Supplier Management 2.6 Customer Service and Satisfaction	
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	2.1 Corporate Governance Structure	
	2-10 Nomination and selection of the highest governance body	2.1 Corporate Governance Structure	
	2-11 Chair of the highest governance body	2.1 Corporate Governance Structure	
	2-12 Role of the highest governance body in overseeing the management of impacts	1.1 ESG Task Force	
	2-13 Delegation of responsibility for managing impacts	1.1 ESG Task Force	
	2-14 Role of the highest governance body in sustainability reporting	1.1 ESG Task Force	
	2-15 Conflicts of interest	2.1 Corporate Governance Structure	
	2-16 Communication of critical concerns	2.1 Corporate Governance Structure	
	2-17 Collective knowledge of the highest governance body	2.1 Corporate Governance Structure	
	2-18 Evaluation of the performance of the highest governance body	2.1 Corporate Governance Structure	
	2-19 Remuneration policies	4.2.1 Compensation	

GRI Index	Disclosure	Related Reports	Note
General Disclosures 2021			
	2-20 Process to determine remuneration	4.2.1 Compensation	
	2-21 Annual total compensation ratio	4.2.1 Compensation	
	2-22 Statement on sustainable development strategy	Message from the Chairman and the ESG Task Force Chairperson	
	2-23 Policy commitments	2.5 Supplier Management 4.2 Rights and Welfare	
	2-24 Embedding policy commitments	2.1 Corporate Governance Structure 2.5 Supplier Management 2.6 Customer Service and Satisfaction 4.3 Training and Career Development	
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	1.2 Materiality Analysis and Stakeholder Communication 2.3 Integrity Management and Anti-Corruption 4.2 Rights and Welfare 4.3 Training and Career Development	
	2-26 Mechanisms for seeking advice and raising concerns	1.2 Materiality Analysis and Stakeholder Communication 2.3 Integrity Management and Anti-Corruption	
	2-27 Compliance with laws and regulations	2.3 Integrity Management and Anti-Corruption	
	2-28 Membership associations	Participation in Associations	
	2-29 Approach to stakeholder engagement	1.2 Materiality Analysis and Stakeholder Communication	
	2-30 Collective bargaining agreements	No collective agreements have been signed	
	GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.2 Materiality Analysis and Stakeholder Communication
3-2 List of material topics		1.2 Materiality Analysis and Stakeholder Communication	
3-3 Management of material topics		1.2 Materiality Analysis and Stakeholder Communication	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About GameSparcs	
	201-2 Financial implications and other risks and opportunities due to climate change	3.1 Climate Change	
	201-3 Defined benefit plan obligations and other retirement plans	4.2 Rights and Welfare	



GRI Index	Disclosure	Related Reports	Note
General Disclosures 2021			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	5.1 Local Community Engagement 5.2 Social Welfare Activities 5.3 GX Foundation	
	203-2 Significant indirect economic impacts	During the reporting period, GameSparcs did not experience any events that had an indirect economic impact on stakeholders and the economy.	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	In 2023, domestic suppliers with over 10% of total annual purchases accounted for approximately 13% of the company's total annual purchase net amount on the consolidated financial statements. Please refer to page 77 of the company's annual report.	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	There were no such events during the reporting period.	
	205-2 Communication and training about anti-corruption policies and procedures	2.3 Integrity Management and Anti-Corruption	
	205-3 Confirmed incidents of corruption and actions taken	There were no such events during the reporting period.	
GRI 207: Tax 2019	207-1 Approach to tax	2.2.2 Tax Management	
	207-2 Tax governance, control, and risk management	2.2.2 Tax Management	
GRI 301: Materials 2016	301-1 Materials used by weight or volume 301-2 Recycled input materials used 301-3 Reclaimed products and their packaging materials	During the reporting period, the company's main operational activity was the development and operation of gaming software, and there were no major products that required material packaging.	
	302-1 Energy consumption within the organization	3.2 Energy Management	
	302-2 Energy consumption outside of the organization	There is currently no disclosed statistical data on energy consumption from external sources.	
GRI 302: Energy 2016	302-3 Energy intensity	There is currently no disclosed statistical data on energy consumption from external sources.	
	302-4 Reduction of energy consumption	2.2 Risk Management 3.2 Energy Management	
	302-5 Reductions in energy requirements of products and services	2.2 Risk Management	
		The company is not in the manufacturing industry; its primary energy consumption is concentrated in the electricity used for office computers and data center equipment.	

GRI Index	Disclosure	Related Reports	Note
General Disclosures 2021			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	3.3 Water Resource Management	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	During the reporting period, the company did not acquire any real estate, and the locations of all office leases are not situated in protected environmental areas.	
	304-2 Significant impacts of activities, products and services on biodiversity		
	304-3 Habitats protected or restored	The company did not have any manufacturing plants during the reporting period, and the software development process does not generate pollution that harms biodiversity.	
GRI 305: Emissions 2016	305-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		
	305-1 Direct (Scope 1) GHG emissions	3.1.4 Climate-Related Indicators and Goals 3.2 Energy Management	
	305-2 Energy indirect (Scope 2) GHG emissions	3.1.4 Climate-Related Indicators and Goals 3.2 Energy Management	
	305-3 Other indirect (Scope 3) GHG emissions	3.1.4 Climate-Related Indicators and Goals 3.2 Energy Management	
	305-4 GHG emissions intensity	3.1.4 Climate-Related Indicators and Goals 3.2 Energy Management	
	305-5 Reduction of GHG emissions	3.2 Energy Management	
	305-6 Emissions of ozone-depleting substances (ODS)	The company is part of the gaming industry and does not use any substances that harm the ozone layer.	
GRI 306: Waste 2020	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.2 Energy Management	
	306-1 Waste generation and significant waste-related impacts	3.4.1 Waste Management	
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated		
	306-4 Waste diverted from disposal		
306-5 Waste directed to disposal			

GRI Index	Disclosure	Related Reports	Note	
General Disclosures 2021				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2.5 Supplier Management		
	308-2 Negative environmental impacts in the supply chain and actions taken	2.5 Supplier Management		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.1.2 Talent Attraction and Retention		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Rights and Welfare		
	401-3 Parental leave	4.2.3 Welfare Measures		
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	The company complies with work regulations and adheres to relevant laws.		
	403-1 Occupational health and safety management system	4.4.2 Occupational Safety and Health		
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	4.4.2 Occupational Safety and Health		
	403-3 Occupational health services	4.4.2 Occupational Safety and Health		
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.4.2 Occupational Safety and Health		
	403-5 Worker training on occupational health and safety	4.4.2 Occupational Safety and Health		
	403-6 Promotion of worker health	4.4.2 Occupational Safety and Health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.2 Occupational Safety and Health		
	403-8 Workers covered by an occupational health and safety management system	4.4.2 Occupational Safety and Health		
	403-9 Work-related injuries	4.4.2 Occupational Safety and Health		
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4.3.1 Education and Training	
		404-2 Programs for upgrading employee skills and transition assistance programs	4.3 Training and Career Development	
404-3 Percentage of employees receiving regular performance and career development reviews		4.3 Training and Career Development		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1 Corporate Governance Structure 4.1 Diversity and Inclusion		

GRI Index	Disclosure	Related Reports	Note
General Disclosures 2021			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4.2.2 Human Rights	During the reporting period, the company did not experience any incidents of discrimination related to race, color, gender, religion, politics, nationality, or social origin, as defined by the International Labor Organization, including incidents involving internal or external stakeholders.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		During the reporting period, the company did not receive any reports of violations or risks from suppliers or operational sites.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		The company complies with work regulations and adheres to relevant laws; during the reporting period, there were no such incidents.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		During the reporting period, the company did not receive any reports of violations or risks from suppliers or operational sites.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		There were no such incidents during the reporting period.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		There were no such incidents during the reporting period.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	4.1.1 Employee Structure and Distribution 5.2 Social Welfare Activities	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2.5 Supplier Management	
GRI 415: Public Policy 2016	415-1 Political contributions		The company does not make any political contributions.
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	2.6 Customer Service and Satisfaction	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		There were no such incidents during the reporting period.
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling		There were no such incidents during the reporting period.
	417-3 Incidents of non-compliance concerning marketing communications		There were no such incidents during the reporting period.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		There were no such incidents during the reporting period.

SASB Index

Topic & Code	Accounting Metrics	Related Information
Environmental Footprint of Hardware Infrastructure		
TC-SI-130a.1	1. Total energy consumed, 2. percentage grid electricity and 3. percentage renewable	3.2 Energy Management Percentage of externally purchased electricity: 100% Percentage of renewable energy used: 0%. (Direct energy consumption includes energy purchased from external sources and energy generated by the company itself. This encompasses direct use of fuels, externally purchased electricity, heating, cooling, steam, and other forms of energy.)
TC-SI-130a.2	1. Total water withdrawn, 2. Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	3.3 Water Resource Management Water used for the company's operations is 100% supplied by Taiwan Water Corporation, with no water sourced from areas with high or extremely high baseline water pressure (accounting for 0%).
TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data centre needs	2.2.1 Implementation of Risk Management Policies and Risk Measurement Standards 3.1.4 Climate-Related Indicators and Goals
Data Privacy & Freedom of Expression		
TC-SI-220a.1	Description of policies and practices relating to targeted advertising and user privacy	2.4 Information Security and Privacy Management 2.6 Customer Service and Satisfaction
TC-SI-220a.2	Number of users whose information is used for secondary purposes	There were no such incidents for the company in 2023.
TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	There were no such incidents for the company in 2023.
TC-SI-220a.4	1. Number of law enforcement requests for user information, 2. Number of users whose information was requested, 3. Percentage resulting in disclosure	There were no such incidents for the company in 2023.
TC-SI-220a.5	List of countries where core products or services are subject to government required monitoring, blocking, content filtering, or censoring	There were no such incidents for the company in 2023.
Data Security		
TC-SI-230a.1	1. Number of data breaches, 2. Percentage that are personal data breaches, 3. Number of users affected	2.4 Information Security and Privacy Management
TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	2.4 Information Security and Privacy Management
Recruiting & Managing a Global, Diverse & Skilled Workforce		
TC-SI-330a.1	Percentage of employees that require a work visa	4.1.1 Employee Structure and Distribution 4.1.2 Talent Attraction and Retention
TC-SI-330a.2	Employee engagement as a percentage	76%

Topic & Code	Accounting Metrics	Related Information
Intellectual Property Protection & Competitive Behaviour		
TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	There were no such incidents for the company in 2023.
Managing Systemic Risks from Technology Disruptions		
TC-SI-550a.1	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime	In 2023, the company experienced zero instances of significant technical interruptions.
TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	2.2.1 Implementation of Risk Management Policies and Risk Measurement Standards

TCFD Disclosure Index

Indicator	Content	Chapter
Greenhouse gas emissions	Total greenhouse gas emissions (metric tons – CO2 equivalent)	3.1.4 Climate-Related Indicators and Goals 3.2 Energy Management
Transition Risks	Proportion of renewable energy (%) Cumulative energy-saving rate of energy-saving measures (%)	3.1.2 Strategy 3.1.2 Strategy
Physical Risks	Days of operational disruption caused by climate-related disasters	3.1.2 Strategy
Climate-Related Opportunities	Developing more environmentally friendly and energy-efficient gaming platforms and technologies using innovative technologies	3.1.3 Impact of Climate-Related Risks and Opportunities
Capital Allocation	Greenhouse gas emission control equipment; purchase of green electricity, carbon credits, and energy-saving equipment Installation, operation, and maintenance of water-saving and water recycling equipment Sustainable product development Low-carbon supply chain management	The company does not have any manufacturing facilities and utilizes energy-saving and carbon-reducing equipment, all of which are expensed.
Internal Carbon Price	Net-zero performance evaluation and commitments	In 2023, based on the company's operational model, which is highly focused on game software development and operates in a straightforward manner, we have not implemented an internal carbon pricing mechanism, considering the costs and the benefits of information generated for users.
Compensation	Senior executive compensation tied to shareholder interests and ESG (including climate change management) performance, issuance of restricted employee stock rights	In 2023, the company has not yet incorporated climate-related goals into the performance evaluation mechanisms for executives and employees. In the future, we plan to consider climate goals in the incentive program, including incentives related to emission reduction targets, to encourage employees to actively participate in reducing carbon emissions and enhancing climate resilience.

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