

IGS SUSTAINABILITY REPORT 2023



Report Overview

About the Report

As one of the leading companies in Taiwan's gaming industry, International Games System Co., Ltd. (hereinafter referred to as IGS) has long been concerned about sustainability issues and has taken the initiative to prepare the Sustainability Report in advance with reference to GRI, SGDs, and TCFD.

Thank you for reading the IGS 2023 Sustainability Report. The Report discloses the management and concrete actions implemented by IGS related to material sustainability topics, and all our efforts in terms of the environment, society, and corporate governance. We hope to use the Report to display our commitment to implementing sustainable developments in response to our stakeholders' expectations.

Overview of Publishing

IGS published the first 2020 Corporate Social Responsibility Report in 2021 (the 2021 report was renamed the Sustainability Report). The Report is the fourth report published by IGS. The Report will continue to be published annually in the future. The Report can be downloaded in Chinese and English from the "Sustainable Development" section of the IGS website.

Scope of the Report

The reported information comes from the IGS parent company. It excludes subsidiaries established for investment or tax purposes. The financial data comes from the Financial Report certified by an accountant. It can be found in the "Financial Statements" section of the IGS website.

Report Period: January 1 to December 31, 2023

Preparation principles and information quality

The compliance and disclosure basis for the Report.	
Global Reporting Initiative	GRI Sustainability Reporting Standards 2021
Taiwan Stock Exchange	Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
United Nations	Sustainable Development Goals (SDGs)
Financial Stability Board	Task Force on Climate-related Financial Disclosures (TCFD)

Feedback and contact information

If you have any suggestions related to the Report or IGS's sustainable development, please contact us. For more information about the Company, please go to the Company's official website.

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Message from the Chairman

Since our establishment in 1989, IGS has been committed to game innovation and development. The Company has set "Innovative Technology, Creative Recreation" as its corporate spiritual benchmark. The Company has always used innovative technology and creative recreation as our core values, achieving sustainable operations by continuously developing creative recreational products and cross-platform technologies. In addition to product innovation, IGS is also committed to the management ideals of "Humanity First, Pursuing Excellence" and "Sustainable Operation, Profit Sharing". The Company emphasizes personalized management with excellence of talent, product, and technology as the foundation of the Company's development.

In the short term (1 to 2 years), IGS's main goal is to launch at least two innovative game products every year while optimizing existing products and expanding our domestic market share. We will establish a professional R&D team to focus on the gaming technology innovations and the application of cross-platform technology. At the same time, we will increase marketing efforts and brand exposure through exhibitions, advertising, and social media activities to further enhance brand awareness. In terms of talent cultivation and management, IGS will strengthen employee skill training to improve their overall

technical level. To this end, we will launch an internal training program and hold regular workshops and training courses to enhance the professional capabilities and creativity of our employees. In addition, the Company will implement energy-saving measures in the office, such as installing energy-saving lamps and promoting paperless operations, to reduce the carbon footprint and energy consumption of operations. We will also carry out preliminary community and environmental activities to enhance the Company's sense of social responsibility.

In the mid term (3 to 5 years), IGS will expand our presence in the international market and enhance our global brand awareness. We plan to strengthen marketing and promotion in the international market, participate in international game exhibitions and events, and establish strategic alliances with global partners to enhance brand influence.



At the same time, IGS will establish a systematic sustainable development management system to ensure the achievement of our corporate social responsibility goals. We will formulate and implement environmental policies and social responsibility plans, actively participate in community and environmental activities, and align with the United Nations Sustainable Development Goals (SDGs) to formulate specific action plans and publish progress reports every year.

In addition, IGS will make breakthroughs in technological innovation to enhance product competitiveness. We will continue to invest in the research, development, and application of new technologies, such as virtual reality (VR), augmented reality (AR), and other technologies, to improve the technical content and user experience of games.

In the long term (5 to 10 years), IGS aims to become a world leading game development company and achieve major breakthroughs in the international market. We will continue to invest in research and development, launch high-quality, innovative game products, and establish global partnerships to expand into international markets. At the same time, we are committed to achieving

comprehensive sustainable development of the Company and becoming a benchmark in the industry. The Company will reach a balance between environmental protection, social responsibility, and economic benefits to achieve sustainable long-term growth. IGS will enhance the Company's ESG plan, carry out diversified social welfare activities, support education, environmental protection, and community development projects, and regularly publish ESG sustainability reports to transparently disclose the Company's social responsibility performance. We will also become a leader in game technology innovation, continue to explore and apply cutting-edge technologies, maintain our position as a leader in technology, enhance the Company's innovation capabilities and competitiveness, and create more value.



IGS will continue to work towards aligning our actions with the UN SDGs. We will invest in, participate in, implement, and support the initiatives and promotion of global sustainability issues through practical actions. We hope that while we create corporate business performance and competitiveness, we can fulfill our social responsibilities and do our part in achieving environmental, social, and economic sustainability goals. Through these specific goals and strategies, IGS will continue to drive the growth and progress of the Company and achieve co-prosperity between the Company and society.

“The beauty of a rainbow lies in the coexistence of all colors, while the beauty of life lies in the co-prosperity of all people”

“Learn to be grateful during the good times, and learn to be happy during the bad times”



CH1. Corporate Sustainability Blueprint



1.1 Business Philosophy

Mission & Vision

IGS aims to be the flagship game developer within Great China and the world's top game manufacturer. In the future, the focus remains to be a top game developer with the following mid/long-term goals:

- **To have our share of world' s simulator market and to be number one**

With superior techniques and experience in creating fun and cultural games as well as competitive prices , IGS has ended Japan's monopoly myth and become the top brand in the Chinese market. On top of that, IGS aims to be the world's top manufacture of games. With faith in its wisdom and strength, IGS believes that the goal is within reach.

- **To provide the best content for online games**

IGS has many successful products, which helped cultivated solid RD strength and transplanting technology. Therefore, IGS focuses on the online game market as its new target. In order to become the largest platform provider in Great China area, IGS strives to provide games with best quality and construct an online virtual game center.

- **Formation of the best game R&D team**

In addition to actively recruiting the best game engineers in Taiwan, IGS has a long-term goal of having Great China as its core, endeavors to perfect its R&D team and promote it to be an international and world-class RD center.

IGS was established over 30 years ago and now has over 1,000 employees. With the efforts of the team, consolidated revenue in 2023 was NT\$14.1 billion and consolidated net income after taxes was NT\$6.4 billion. In the future, we will continue to develop deeply creative entertainment products and deepen our gaming product R&D capabilities to achieve sustainable management and create co-prosperity with our partners.



Current Products (Services)

IGS's main business items include the planning, design, R&D, manufacturing, marketing, operation, services, and intellectual property rights (copyright, merchandising right, trademark, etc.) licensing and cooperation relating to online games, including mobile game software, and arcade game software and hardware.

Online games mainly include casual games (Star31, Golden HoYeah, Mankwuan DaHen, Good Luck 777, Poseidon's Treasure, Golden Tiger, and SlotTrip). Arcade games are further divided based on product (service) characteristics as follows: Recreational (slots games and fishing games), intellectual (ticket machine, children's card games, and children's rides), and simulators (racing games, shooting games, and VR games).



“ Innovative Technology & Creative Recreation ”

“ Humanity First & Pursue for Excellence ”

“ Sustainable Operation & Profit Sharing ”

Continue to develop creative recreational products and build R&D capacity for game products to achieve sustainability in corporate development and shared prosperity with partners.

Sustainable Development Roadmap

Sustainable Development

Innovative Technology & Creative Recreation

Digital Security

Information security management

Consumer services

Innovative Value

Intellectual property rights management

Focus on R&D to create value

Humanity First & Pursue for Excellence

Diversity and Inclusion

Promote gender equality

Happy Workplace

Talent cultivation

Complete employee benefits

Occupational safety and health

Sustainable Operation & Profit Sharing

Community Involvement

Support charitable activities

Economic support for the disadvantaged

Environmental Sustainability

Energy conservation, carbon reduction, and recycling and reuse

Integrity Governance

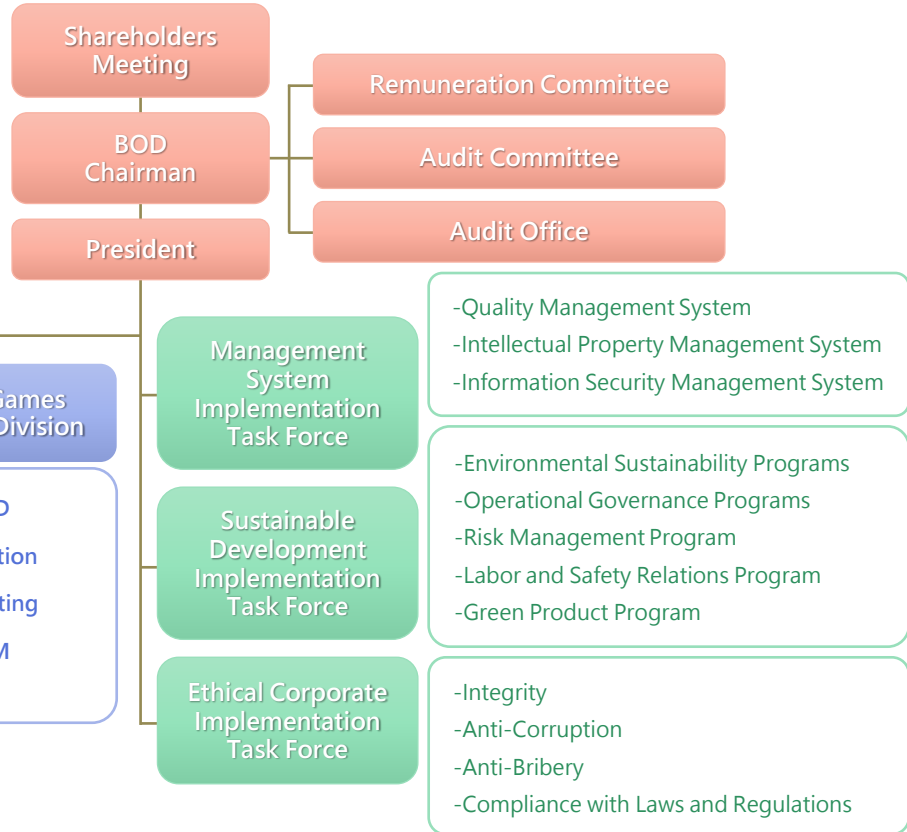
Risk management

Transparent corporate governance structure

1.1.1 Company Overview and Organization

Company Profile-International Games System Co., Ltd.

Date of establishment	1989.11.10
Company Address	No. 130, Wugong Rd., Wugu Dist., New Taipei City 24886, Taiwan (R.O.C.)
Capital	NT\$1,409,008 thousand
Number of employees	1,111 employees (2023/12/31)
Industry Classification	Cultural and Creative Industry
Stock Symbol	3293



IGS was founded in November 1989 and was officially listed on July 12, 2006. We are the only leading manufacturer in Taiwan of arcade games and online games, with a full range of game product lines. With a focus on our brand and R&D, strong capabilities in technical R&D and software-hardware integration, and by collaborating with academic and industry sectors, IGS aims to elevate the technological level and product quality of the domestic gaming industry, encouraging related game companies to jointly invest in the development of high-end products, thereby promoting the overall growth of the digital casual game industry.

In terms of online games and arcade games, IGS is an upstream R&D company. The following is the correlation between the upstream, mid-stream and downstream industries:

a. Online games

Developer:

Refers to a gaming company with the primary goal or vision of product development, and has its own game planners, R&D engineers, and computer graphics designer. Developers are upstream suppliers in the gaming industry.

Agents (Publishers):

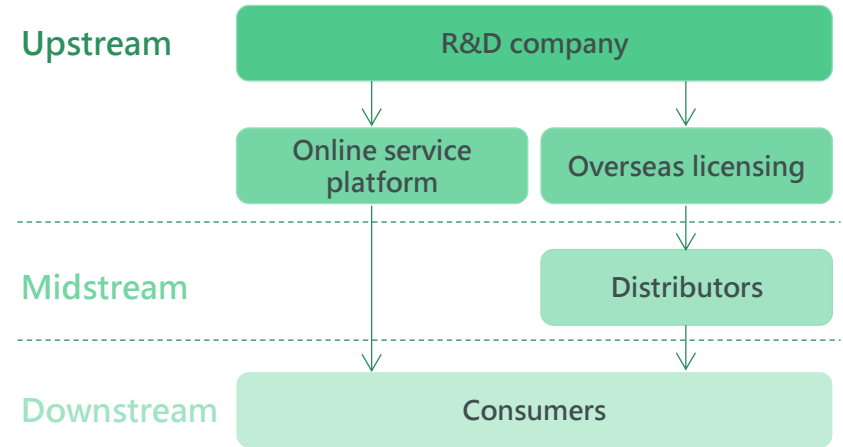
Also referred to as marketing companies. Such companies obtain the right to publish game software developed by developers, and mainly publish products in local or global markets.

Distributors (Retailers):

Refers to a company that obtains the right to sell products of a developer or publisher in its distribution system, and becomes the source of the product for consumers.

Online service platform:

Refers to companies that provide networking equipment, bandwidth, system services, and cash flow mechanisms for upstream game developers, agents, or general consumers to use its mechanisms or service channels for communication with companies or consumers.



b. Arcade Games: The industry's structure and division of labor is as follows (using the Company as an example).

Developer:

Refers to a gaming company with the primary goal or vision of product development, and has its own game planners, R&D engineers, and computer graphics designer. Developers are upstream suppliers in the gaming industry.

Manufacturing and assembly company:

Upstream company that is commissioned by developers to manufacturer, process, assemble, and test product parts and components.

Agent:

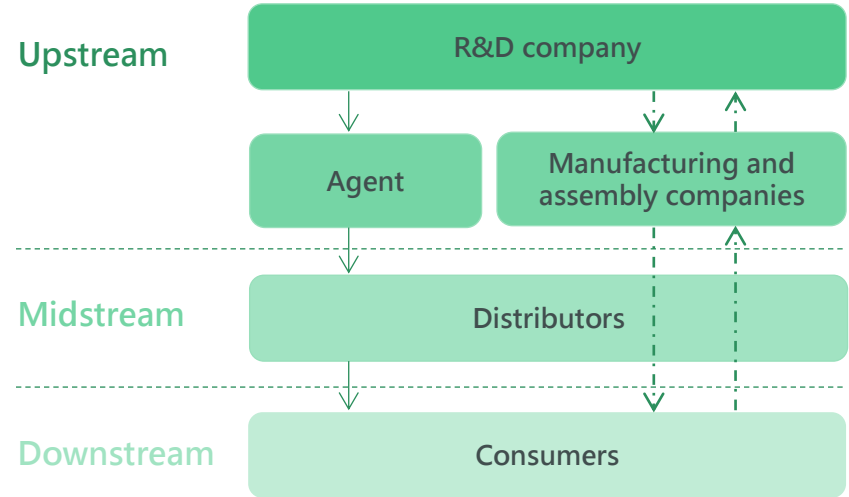
Also referred to as marketing companies. Such companies obtain the right to publish game software/hardware developed by developers, and mainly publish products in local or global markets.

Distributors (Retailers):

Refers to a company that obtains the right to sell products of a developer or publisher in its distribution system, and becomes the source of the product for consumers.

Consumers:

Refers to end consumers (players) that use arcade games.



Depending on the company's scale and needs, vertical integration is common in the industry due to requirements on product and technology confidentiality, or to lower overall costs. Integration of the industry's upstream is a common strategy, and some companies further integrate the mid-stream. Some agents integrate upstream, but it is less common due to the technology barrier.

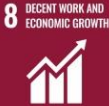





1.2 Sustainable Development Vision and Strategy

1.2.1 Sustainability Policy and Results

The 2023 implementation plan maintains the established ESG goals and gradually implements our commitment to sustainable development.

In 2015, the United Nations passed 17 Sustainable Development Goals (SDGs) and 169 targets, establishing a clear sustainable development vision and priorities. The aim is to eliminate poverty, inequality, mitigate climate change, and meet other goals by 2030 through the participation of global governments, corporations, and citizens. In response to the SDGs, starting with the Company's core business, IGS incorporated the ideas into our daily operations. We invested our attention and resources into employee health and benefits, gender equality, job creation and economic growth, and climate-related actions to support the SDGs and fulfill our corporate responsibilities.



Sustainable Development Goals	IGS's Response	Reference
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> Continue to expand the business group to provide employment opportunities Introduce new products and actively invest in R&D 	5 Product and Service Innovation
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> Environmental health promotion in the workplace Continue to organize blood donation drives 	8.5 Occupational Health and Safety 9.2 Community Involvement
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> Educational care through the IGS Foundation Diverse education, training, and career development Cultivate excellent gaming industry talents through industry-academia cooperation 	8.1 Human Resources 8.2 Talent Cultivation 9.1 IGS Social Welfare Foundation
 <p>5 GENDER EQUALITY</p>	<ul style="list-style-type: none"> Gender diversity, equality, and human rights protection 	8.1 Human Resources
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> Proper handling of waste and promotion of recycling and reuse 	4.2 Resource Recycling
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> Climate Action 	4.1 Climate Change Risks and Response Strategies

1.2.2 Sustainable Development Implementation Task Force

In accordance with our ESG mission and policies, IGS has established a Sustainable Development Implementation Task Force, chaired by the corporate governance supervisor. The task force members include: Environmental safety personnel, human resources personnel, legal personnel, procurement and manufacturing department personnel, management department personnel, etc. They are responsible for approving the sustainable vision, strategy, and long-term goals, and reporting to the Board of Directors on a regular basis. The Sustainable Development Implementation Task Force is divided into five project teams for environmental sustainability, risk management, business governance, labor safety relations, and green products. It communicates and coordinates important cross-department sustainability issues, and plans, implements, and tracks the progress and effectiveness of action plans for material issues. The Sustainable Development Implementation Task Force plans to hold two meetings every year. In these meetings, it will supervise and review the sustainability actions and implementation status of various working groups,

address the demands and expectations of stakeholders, review annual sustainability goals, set mid- and long-term goals, and discuss and make decisions on key sustainability issues.



1.2.3 Overview and Highlights of Sustainability Organization Operations

The Company formally established the Sustainable Development Implementation Task Force in 2022.

Product Performance

- There were no incidents of non-compliance concerning the health and safety impacts of products and services in 2023
- Service project satisfaction level: **94.79 %**
- Smart customer service satisfaction score: **77.39 %**

Social Performance

- Total employee training hours: **9,086 hours**

Environmental Performance

- Replacement of lighting equipment, saving approximately **182,594 kWh** per year, or **5.0%**.
- Number of environmentally hazardous events: **0 event**

CH2. Identification of Material Issues and Communication with Stakeholders



2.1 Identification of Stakeholders and Material Issues

IGS collects issues of concern to all stakeholders through annual executive meeting review. We select and identify issues related to material considerations and rank the issues according to the degree of impact and influence on stakeholders before conducting content disclosure based on the impact and importance of issues. We will also continue to formulate management approaches for material issues to act as the foundation for long-term sustainable development, which are reviewed every quarter.

IGS's six major stakeholders



Identification process:



2.2 Stakeholder Communication and Engagement

We referred to the Accountability Stakeholder Engagement Standard (AA1000SEC), the company's daily operating experience, and industry standards to identify the six types of stakeholders closely related to the Company, which are shareholders/investors, employees, customers/consumers, government agencies, suppliers, and the community.

In order to establish the planning and decision making for corporate sustainable development, the Company has established transparent and effective diversified communication channels and response mechanisms. For example, through

various channels such as the investor website and investor conferences, the Company engages with investors to discuss current business operations and continuously collects real-time feedback through smart surveys. Material topics of concern to stakeholders are included in the corporate sustainable development strategies to act as reference indicators for formulating the Company's sustainable practice policies and related plans.

The stakeholders, their issues of concern, and communication channels identified in 2023 are as follows:



Stakeholders	Importance to IGS	Issues
Shareholders /Investors	<p>The long-term support of shareholders and investors is the driving force behind IGS's stable growth. We are committed to fair, open, and transparent information to protect the rights and interests of shareholders and investors.</p>	<ul style="list-style-type: none"> • Ethical Corporate Management • Risk Management • Corporate Governance • Product and Service Innovation
	Engagement Method and Frequency	Engagement response and results
	<ul style="list-style-type: none"> • Publish financial statements every quarter. • Publish revenue and self-consolidated profits and losses every month. • Convene two investor conferences every year. • Convene one Annual Shareholders' Meeting every year. • Company's website and the Market Observation Post System (Immediate) • Investor service mailbox/hotline (Immediate) 	<p>Discuss the current status of business with investors through various methods such as the investor website and investor conferences, and collect feedback at any time. Investors remain highly concerned about the Company's development strategy and other issues.</p> <ul style="list-style-type: none"> • IGS shareholder column: https://www.igs.com.tw/investors/ • For details, see 1.2.3 Overview and Highlights of Sustainability Organization Operations.

Stakeholders	Importance to IGS	Issues
Employees	<p>Employees are the most important assets of IGS. Our products, services, passion, and culture were established by the efforts of every employee. Therefore, we attach great importance to the voices of our employees.</p>	<ul style="list-style-type: none"> • Compensation and Benefits • Training and Development • Occupational Health and Safety
	Engagement Method and Frequency	Engagement response and results
	<ul style="list-style-type: none"> • Annual performance evaluations • Internal real-time notices within the company • Quarterly labor-management meetings • Annual employee conferences • The Employee Welfare Committee regularly organizes activities and the annual family day event • New employee education and training and regular employee education and training 	<p>Communication channels with employees include the Employee Welfare Committee, labor-management meetings, employee conferences, education and training, employee mailbox, etc. We collect and respond to feedback at any time. Among the communication channels, a total of 33 responses were received by the employee mailbox in 2023.</p> <ul style="list-style-type: none"> • No disputes that required labor-management negotiations occurred in 2023. • No complaints related to illegal infringements were received in 2023. • 33 suggestions were received by the employee feedback mailbox in 2023

Stakeholders	Importance to IGS	Issues
Customers/ Consumers	<p>It is our corporate culture to seek the highest level of customer satisfaction, and it is a goal that all employees work towards. IGS is dedicated to providing customers with the best games and services to gain greater trust and support from customers.</p>	<ul style="list-style-type: none"> • Information Security • Consumer Rights and Services • Ethical Corporate Management • Product and Service Innovation
	Engagement Method and Frequency	Engagement response and results
	<ul style="list-style-type: none"> • Hotline: 02-2299-5048 • Smart customer service (ChatBot) • Bug reporting system (BugReport) • iOS/Android comment response • FB fan page • Customer relations maintenance team 	<p>"The rights and interests of customers/players" is a key area that we actively focus on. Without feedback from customers/players, we will not have such great momentum to grow. Therefore, in addition to fully investing in product research and development, IGS will also fully focus on improving the efficiency of customer feedback, ensuring that the opinions of customers/players can be received by the Company in a timely manner.</p> <p>We continue to improve service quality in customer service management, and regularly organize relevant training to cultivate professional capabilities. IGS continuously updates digital communication services to enhance customer feedback and plans related product or service functions to meet customer needs and interests.</p> <ul style="list-style-type: none"> • In 2023, IGS collected a total of 19,883 questionnaires. • A total of 529 "Smart Consumption Service" reminders in 2023. • Service project satisfaction level: 94.79% • Smart customer service satisfaction score: 77.39% • The accuracy rate of service quality inspections is over 99%.

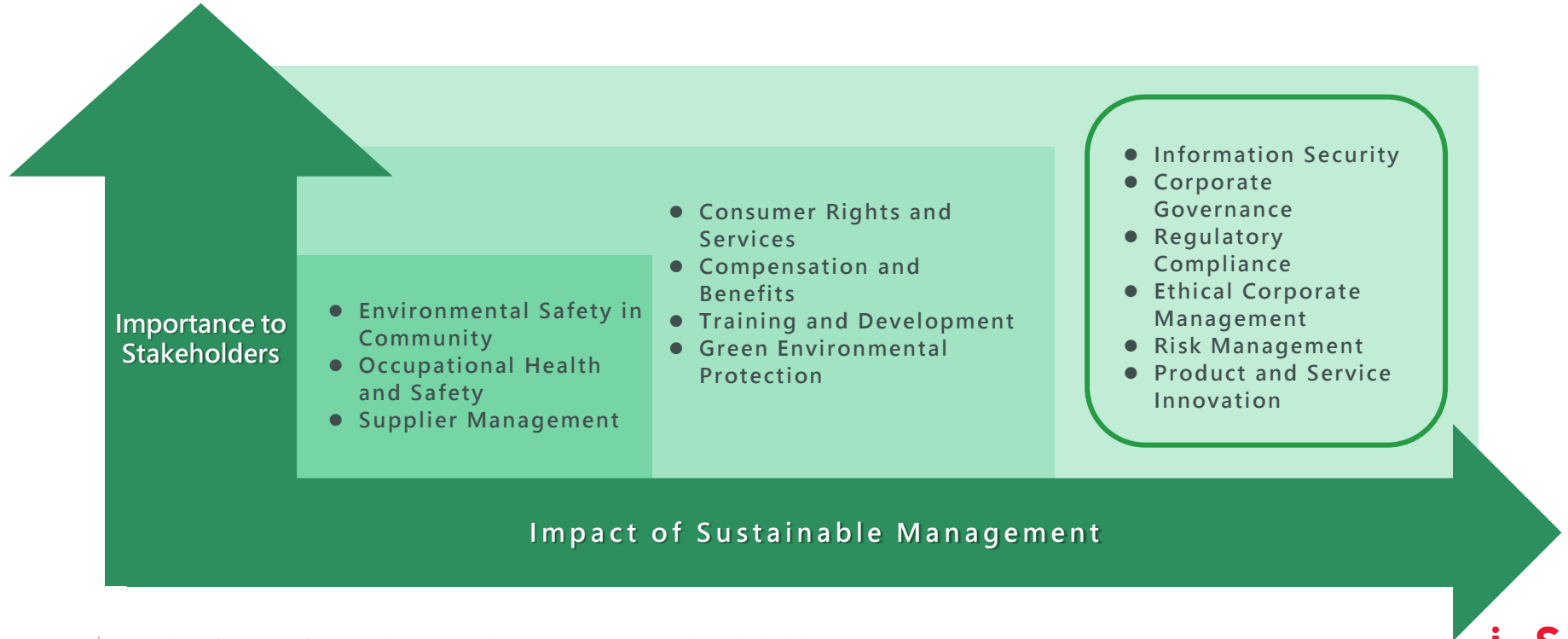
Stakeholders	Importance to IGS	Issues
<p style="text-align: center;">Government Agencies</p>	<p>IGS upholds legal compliance and cooperates with government policies to achieve sustainable management goals.</p>	<ul style="list-style-type: none"> • Regulatory Compliance • Corporate Governance • Ethical Corporate Management • Green Environmental Protection
	Engagement Method and Frequency	Engagement response and results
	<ul style="list-style-type: none"> • Periodically participate in relevant regulatory briefings and meetings of competent authorities • Immediate telephone communications and email communications • Regularly submit financial information • Company's website and the Market Observation Post System (Immediate) 	<p>We have always adhered to regulatory compliance as our governance principle, fully supporting government policies to become a model law-abiding company. This is also a goal IGS strives towards. By actively participating in government conferences, we aim to stay on the path of lawful sustainability. We regularly track relevant laws and regulations and actively participate in relevant conferences.</p> <p>We will plan to establish relevant control mechanisms such as a sustainability committee and a risk committee.</p> <ul style="list-style-type: none"> • 6% to 20% in the Corporate Governance Review. • Actively recruit persons with physical and mental disabilities (target ratio of >1%)

Stakeholders	Importance to IGS	Issues
Supplier	<p>Only excellent suppliers can provide excellent products to IGS. We place great importance on the management and quality of suppliers and are committed to establishing long-term partnerships.</p>	<ul style="list-style-type: none"> • Corporate Governance • Ethical Corporate Management • Regulatory Compliance • Green Environmental Protection • Supplier Management
	Engagement Method and Frequency	Engagement response and results
	<ul style="list-style-type: none"> • Annual supplier evaluations • Periodic communications through telephone, email, and meetings 	<p>IGS will continue to promote the concepts of sustainability and green supply chain to our suppliers and provide appropriate assistance in transformation plans to achieve the goal of establishing a green supply chain for IGS and respond to the material issues of concern to the stakeholders.</p> <p>We conduct on-site inspections of suppliers from time to time and established a supplier management evaluation system to confirm that suppliers comply with environmental regulations and strengthen supplier resilience.</p> <ul style="list-style-type: none"> • 100% of major suppliers completed the sustainability assessment in 2023. • Continue to promote the concepts of sustainability to non-A-level suppliers. • Conducted one on-site visit to major suppliers.

Stakeholders	Importance to IGS	Issues
Community	<p>We combine the company's core operations with the love of employees to spontaneously participate in various local care activities and give back to society as a company.</p>	<ul style="list-style-type: none"> • Corporate Governance • Ethical Corporate Management • Green Environmental Protection • Environmental Safety in Community
	Engagement Method and Frequency	Engagement response and results
	<ul style="list-style-type: none"> • Periodic participation in community activities. • Telephone and email of dedicated personnel in relevant departments (Immediate) • Stakeholder service mailbox/hotline (Immediate) • Regular industry-academia collaboration talent cultivation project. 	<p>Headquartered in the New Taipei Industrial Park, IGS not only strives to become a benchmark enterprise in its core business but also actively gives back to the local community. These efforts include offering scholarships to local schools, emergency relief funds, and participating in charitable activities to achieve the goal of shared prosperity and growth with the community.</p> <p>We are constantly caring about issues that concern the local community. In addition to addressing social issues, we are also committed to the safety of the community's environment by implementing legal waste disposal processes to ensure the maintenance of local environmental quality.</p> <ul style="list-style-type: none"> • In 2023, IGS donated NT\$4,462,000 voluntarily. • In 2023, the IGS Foundation donated NT\$9,990,000. • 68 industry-academia collaboration projects

2.3 Results of Material Issue Analysis

The figure below shows the 2023 material substantial issues matrix, which ranks the important issues of concern in the report according to the level of concern of stakeholders, inquiry frequency, materiality, and degree of impact and influence.



Material Issues	Significance to IGS	Positive and negative impacts	Our Goals	Our Actions
Information Security	We deeply care about the security of personal data and information. We use strict mechanisms and measures to ensure the security of personal and operational data to reduce information security risks.	<p>Positive impact: Strengthening information security can prevent data leakage or malicious attacks, protecting customer information and company secrets, enhancing customer trust, and increasing business opportunities.</p> <p>Negative impact: Investments in information security protection costs may potentially affect shareholders' equity.</p>	<ul style="list-style-type: none"> • Continue to strengthen and improve the overall information security management system and capabilities. • Strengthen the company's information security management system to ensure the effectiveness of information security management operations. 	<ul style="list-style-type: none"> • Actively participate in domestic and foreign information security seminars. • The Company obtained the ISO27001 certification. All information equipment is installed with an information security system to protect personal data and business data, thereby lowering information security risks.
Corporate Governance	Continue to strengthen the functions of the Board of Directors, improve leadership management among the management team, and enhance information transparency to protect shareholders' equity.	<p>Positive impact: A sound corporate governance system can improve transparency, reduce internal risks, enhance shareholder confidence, and help obtain investment and financial support.</p>	<ul style="list-style-type: none"> • Continue to improve unscored items in the Corporate Governance Evaluation to improve the evaluation results. • Implement corporate governance to comply with corporate governance trends and related laws and regulations. 	<ul style="list-style-type: none"> • Establish the Audit Committee and strengthen the roles and powers of the Board of Directors. • Establish a Corporate Governance Officer. • Formulate the board performance evaluation policy and conduct internal performance evaluations of the Board of Directors and functional committees. • An external evaluation agency was engaged to conduct board performance evaluations in 2022.

Material Issues	Significance to IGS	Positive and negative impacts	Our Goals	Our Actions
Regulatory Compliance	IGS actively follows relevant laws in the stipulation of its internal rules. The Company also organizes education and training courses to deepen legal compliance awareness among employees to protect the rights and interests of all stakeholders.	Positive impact: Strict compliance with regulations prevents fines, lawsuits, and negative publicity, increases corporate trust, and increases the loyalty of investors and customers.	<ul style="list-style-type: none"> • Comply with relevant laws and the Personal Data Protection Act to protect consumer rights. • No major violations occurred. 	<ul style="list-style-type: none"> • Stipulate related risk management guidelines. • Regularly participate in the promotion of relevant laws and regulations. • The company promotes an internal risk culture and implements risk management. • Implement educational training and promotion.
Ethical Corporate Management	The company upholds ethical management. We continue to develop creative casual products and deepen gaming product development capabilities to achieve sustainable management.	Positive impact: Establishing a good corporate reputation can attract more investors and customers, increase brand value, and promote business growth.	<ul style="list-style-type: none"> • Sustainable management and co-prosperity. • Continue to implement the company's core value of "Honesty and Integrity". 	<ul style="list-style-type: none"> • Stipulate the "Ethical Corporate Management Best Practice Principles". The "Code of Ethics" has also been stipulated to act as the ethical standards for directors, managers, and general employees. • In 2022, IGS established the Ethical Corporate Implementation Task Force to help the Board of Directors and management to stipulate and supervise the implementation of ethical management policies and prevention plans. • Implement educational training and promotion.

Material Issues	Significance to IGS	Positive and negative impacts	Our Goals	Our Actions
Risk Management	Effectively implement risk management to reduce operational risks.	Positive impact: Effective risk management reduces the risk of loss, improves corporate resilience, reduces business disruptions, and protects investor interests	<ul style="list-style-type: none"> • Implement corporate governance to enhance risk management. • Implement risk management and establish a risk culture. 	<ul style="list-style-type: none"> • Formulate a risk management strategy and critical annual strategic direction goals. • Establish a Risk Management Project Team to formulate and implement risk management mechanisms. • Supervise the effectiveness of risk management.
Product and Service Innovation	For a company to operate sustainably, continuous innovation and breakthroughs are necessary. IGS continues to explore infinite possibilities in gaming.	<p>Positive impact: Continuously innovating new products and services can meet customer needs, improve market competitiveness, and create new revenue sources.</p> <p>Negative impact: The focus on product and service innovation may potentially impact supply chain labor, increase the work hours of R&D employees, and result in product development related waste.</p>	<ul style="list-style-type: none"> • Short-term: Invest more than 20% of annual revenue in R&D. • Medium to long term: Obtain new knowledge and always be at the forefront of technology and trends. Continue to improve technologies, optimize services and products, and pursue excellence. 	<ul style="list-style-type: none"> • Continue to recruit excellent talent. • Continue to promote the ISO9001 quality management system and Taiwan Intellectual Property Management System (TIPS). • In 2023, one new simulator was launched and three patent reviews were passed.

2.4 Relationship Between Material Topics and the Company's Value Chain

ESG Aspects	Material Issues	Financial Supervision Commission	SDGs	Value Chain Impact Boundaries			Materiality to Operations			
				Upstream	Operations	Downstream	Revenue Growth	Customer Satisfaction	Employee Relations	Operational Risk
Social	Information Security	◎	◎	□	●	●				✓
Governance	Corporate Governance	◎			●					✓
Governance	Regulatory Compliance	◎		□	●	□				✓
Governance	Ethical Corporate Management	◎	◎	□	●	□				✓
Economy	Risk Management	◎	◎		●					✓
Social	Product and Service Innovation		◎		●	●	✓	✓		

[Note]

- Direct impact / □ Indirect impact

Definition of upstream: Manufacturing and assembly companies.

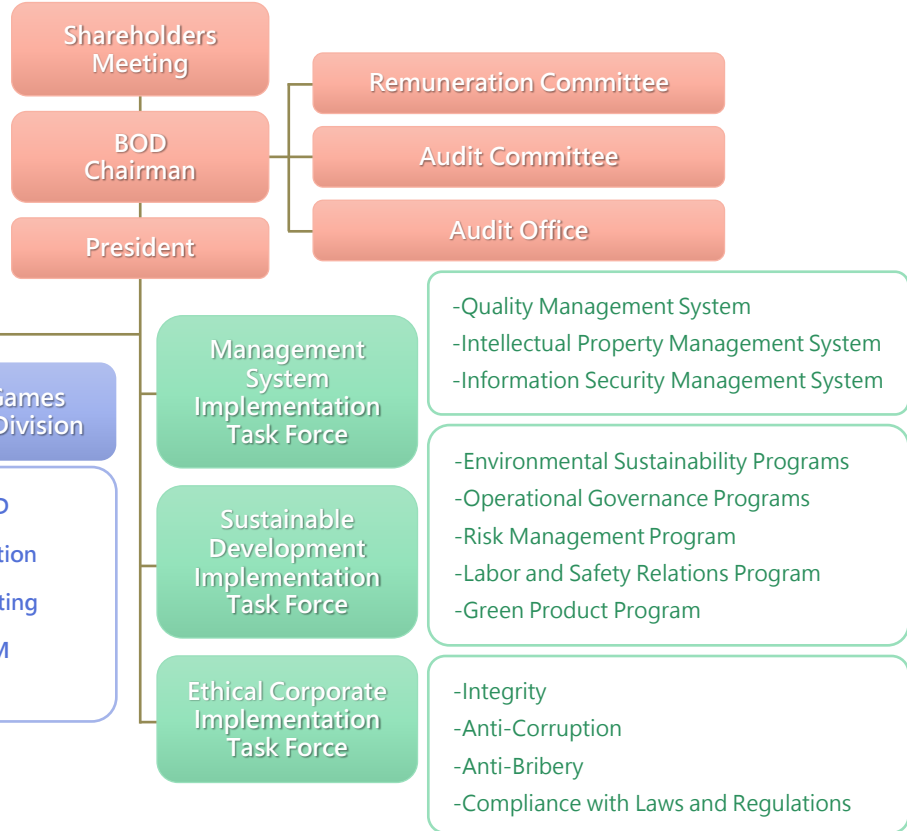
Definition of downstream: Consumers, players, and offline operating venues.

Definition of operations: Develop game products for end consumers.

✓: Indicates that the issue has a substantial impact on IGS at this stage and is the focus of IGS's promotion of sustainable development.

CH3. Operations and Governance





Board of Directors

The Board of Directors is the highest governance unit of IGS, composed of 6 directors and 3 independent directors. The Chairman does not serve as the President. Under the Board of Directors, the Audit Committee and Remuneration Committee are established according to their respective functions and duties. Both committees are composed entirely of independent directors, ensuring that their decisions and recommendations are forward-looking, objective, and comprehensive. The committees effectively implement independent oversight and checks-and-balances mechanisms, ensuring that the Board 's resolutions and actions are sound and assisting the Board in enhancing corporate governance performance. For the operations of the Board of Directors and functional committees, please refer to the Shareholders' Meeting Annual Report of the Company. The information is available on the Market Post Observation System and the Company 's website.

- **Diversity and professionalism of Board of Directors**

The Company formulated a suitable board diversity policy based on its business operations and development requirements. Using basic conditions, professional knowledge and skills as the standard, the Board of Directors consists of nine

directors with different professional backgrounds, including internal directors, community leaders, and independent directors with a professional or academic background in finance. The directors jointly make decisions on major investments/corporate governance/regulatory compliance required for the Company's future development, and periodically examine the management team's implementation results. The Board of Directors is responsible for the Company's operations and supervision. The Company heeds the finance expertise of board members with the goal set at 30%. Currently the board has two directors with related background – two have the qualification of CPA and one has expertise in finance, constituting 33% of board members. Currently the board has three seats of independent directors, accounting for 33% of the board; directors who concurrently hold managerial positions in the Company account for 44% of the board; the years of service of one independent director is under 3 years. The Company's Board of Directors is independent because there are no spouses or relatives within the second degree of kinship among the directors. For detailed information on the background information, educational background, age, concurrent positions in other companies, board diversity, and independence of the board members, please refer to the Shareholders ' Meeting Annual Report of the Company.

- **Comprehensive director nomination and selection system**

IGS has established a comprehensive director election system. The election of all directors is fair, open, and just. It complies with the “Regulations Governing the Election of Directors” and considers the configuration and diversity standards of the Board of Directors, which is composed of industry and academic experts. Stipulate the mid- to long-term plan for Board of Directors structure and diverse composition according to the Company's industry characteristics and future development strategy. Clearly stipulate the basic requirements, professional knowledge and skills, and overall capabilities of eligible director candidates to ensure corporate sustainable development. In response to the requirements of the Financial Supervisory Commission and to comply with diversity standards, the Company will re-elect and appoint a female director at the 2024 Shareholders' Meeting.

- **The directors' attendance status**

IGS directors are all actively involved in the Company's operations. Six Board of Directors meetings were convened in 2023 with an overall attendance rate of 100%. Directors are given transparent and sufficient information about the

Company's operations and future direction. They make decisions that have significant impact on organizational growth, performance improvements, operational developments, and risk management through in-depth discussions and communication. The Board of Directors effectively supervises and instructs the management of the Company. The two sides maintain good communications to fully utilize the role of the Board of Directors.

- **Continuing education of directors**

In 2023, each director underwent continuing education to understand important international risk management indicators and knowledge to strengthen the risk governance functions of the Board of Directors. Diverse external training is continuously organized to enhance professionalism, fulfill the duty of care of faithful execution of operations and good managers, and fully utilize management decision making and supervision.

Title	Name	Course name	Continuing education unit	Number of hours
Chairman	Ko-Chu Lee	International carbon management development trends	Taiwan Corporate Governance Association	3
Director	Paul Chiang			3
Director	A. C. Chen			3
Director	Ching-An Yang			3
Director	Peter Hsu			3
Director	Tsan-Hua Wang			3
Independent director	W. K. Tai	How is "Robotic Process Automation" applied to improve the effectiveness of internal controls	Accounting Research and Development Foundation	3
		International carbon management development trends	Taiwan Corporate Governance Association	3
Independent director	Michael Chu	Introduction to Greenhouse Gas Inventory and ISAE 3410	Taiwan CPA Association	3
		AML practices and development trends - Using the financial industry as an example	Taiwan CPA Association	3
		International carbon management development trends	Taiwan Corporate Governance Association	3
Independent director	Chun-Cheng Shi	Net Zero Emissions X Circular Economy X Construction Projects	Taiwan CPA Association	3
		ESG for Dummies	Taiwan CPA Association	3
		A brief talk on sustainable development action plans and the impact of assurance institution management regulations on the accounting industry	Taiwan CPA Association	3
		Introduction to Greenhouse Gas Inventory and ISAE 3410	Taiwan CPA Association	3
		International carbon management development trends	Taiwan Corporate Governance Association	3

- **Board performance evaluation**

To improve the functions of the Board of Directors and implement corporate governance, IGS has stipulated the “Board of Directors Performance Evaluation Guidelines” . During October every year, internal Board of Director evaluations, director self-evaluations, and internal functional committee evaluations are conducted. The evaluation results are compiled by the Board of Directors meeting affairs unit and suggestions are proposed for areas for improvement. Every three years, an evaluation is conducted by an external professional independent organization or a team of external experts and scholars. For detailed procedures, please refer to the Company's official website.

Internal/ External evaluation	Internal evaluation		External evaluation
Evaluation cut-off year	2022	2023	2022
Evaluation period	2021/10/1~2022/9/30	2022/10/1~2023/9/30	2021/10/1~2022/9/30
Rating	Good		Good

Internal evaluation: Good

IGS submitted the completed Board of Directors and functional committee evaluations for October 1, 2022, to September 30, 2023, to the Board of Directors on December 22, 2023. The evaluation content and results are as follows:

I. Board performance evaluation: Good.

Participation in the Company's operations, improvement of the board's decision making quality, composition and structure of the board of directors, election and continuing education of directors, and internal control.

II. Board member performance evaluation: Good.

Familiarity with the goals and missions of the Company, understanding of directors' duties, participation in the Company's operations, internal relationship management and communication, the director's professionalism and continuing education, and internal control.

III. Functional committee performance evaluation: Good.

Participation in company operations, understanding of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, composition of functional committees and member selection, and internal control.

External evaluation: Good

IGS engaged the external independent agency, Chainye Management Consulting Co., Ltd., to conduct an external assessment of the Company's overall Board of Directors operations, Board members, and functional committee performance from October 1, 2021, to September 30, 2022. The Company was found to have formulated relevant policies and procedures for board operations in accordance with relevant laws and domestic corporate governance indicators. The Board of Directors is composed of directors with relevant professional expertise, and work is allocated based on different specialties and experiences. Both the Board of Directors and various functional committees function effectively. The evaluation result is rated as "excellent." The detailed assessment report can be found in the "Corporate Governance" section of the IGS website. The next external evaluation is scheduled for 2025.

- **Policy for remuneration to directors**

a. Remuneration paid by the Company to directors can be divided into director compensation and professional practice fees. Pursuant to the Company's Articles of Incorporation, director compensation shall not be more than 3% of the Company's profits for the year (profit means profit before tax and before distribution of remuneration to employees and directors), approved by resolution of the Board of Directors and reported to the shareholders' meeting. Hence, it is highly correlated with the Company's business performance. Professional practice fees only include transportation expenses for meeting attendance.

b. Remuneration paid by the Company to the president and vice president can be divided into salary, bonus and company car, and employee remuneration. For their salaries, the salary level for the position in the market is taken into consideration and determined based on their scope of responsibilities in the Company. The ratio of bonuses is determined based on president and vice president performance evaluation results passed by the Remuneration Committee and Board of Directors before the end of the year, and then the chairman is authorized to approve the amount according to the Company's regulations. Pursuant to the Company's Articles of Incorporation, employee remuneration shall be 3%-20% of the Company's profits for the year (profit

means profit before tax and before distribution of remuneration to employees and directors), subject to approval from the Remuneration Committee and Board of Directors. Hence, the remuneration policy is highly correlated with the Company's profits.

c. The Company's director, president, and vice president remuneration standards, structure, and system are adjusted based on future risk factors, and shall not guide directors, president, and vice presidents to engage in risky behavior for higher remuneration, in order to prevent the Company from sustaining losses after paying remuneration. Regularly evaluate the remuneration of directors and managers, and measure related projects based on their contribution to the company's operations and personal performance, such as evaluating the occurrence of moral hazard incidents of directors and managers or other causes of the company's image in accordance with the company's "Code of Ethical Conduct for Employees", negative Goodwill impacts, personnel fraud, or other risk events. After considering the company's overall target achievement rate, profitability, operating efficiency, contribution and other comprehensive considerations, the company will calculate the remuneration ratio, giving reasonable remuneration, depending on the actual operating conditions with related laws and regulations, and reviewing the remuneration system for directors and managers.

3.1.2 Responsibilities of the Major Departments

Departments		Main responsibilities of each department
Arcade Games Business Division	Sales Department	<ul style="list-style-type: none"> ◆ Monitor market trends and formulate annual, mid-term, and long-term business goals for the sales department. ◆ Receive purchase orders from customers, develop markets, and customer sources planning. ◆ Resolve customer complaints and coordinate with customers.
	R&D Department	<ul style="list-style-type: none"> ◆ Responsible for the development of arcade games. ◆ Monitors project control procedures, controls project implementation, verification, confirmation, and ensures quality. ◆ Makes revisions in coordination with questions and recommendations of related units. ◆ Reviews and executes project changes, and verifies the changes to meet requirements.
	Procurement and Manufacturing Department	<ul style="list-style-type: none"> ◆ Procures R&D or production equipment, instruments, product parts and components. ◆ Establishes the procurement method and keeps records of suppliers' prices. ◆ Inquires, compares, and negotiates prices of parts, components, and raw materials, makes purchases, manages storage, periodically takes inventory, and reports abnormalities. ◆ Monitors and follows up on material delivery, handles and reports abnormalities in material quality and quantity. ◆ Collects information on the latest models and prices of parts and components in the market. ◆ Formulates and executes the production plan, manages production progress, efficiency, and processes. ◆ Reports the progress and quality of vendors. ◆ Inspects and tests semi-finished and finished goods. ◆ Repairs faulty products for customers. ◆ Manages storage of finished and semi-finished goods, periodically takes inventory, and reports abnormalities.

Departments		Main responsibilities of each department
Online Games Business Division	R&D Department	<ul style="list-style-type: none"> ◆ Responsible for the development of online games. ◆ Monitors project control procedures, controls project implementation, verification, confirmation, and ensures quality. ◆ Makes revisions in coordination with questions and recommendations of related units. ◆ Responsible for the R&D of online games, system maintenance and management, and provide the updates and information on the website of online games.
	Marketing Department	<ul style="list-style-type: none"> ◆ Responsible for domestic and overseas (except for China) marketing campaigns for online games, marketing plan implementation, customer purchase order processing, and marketing channel management.
	Technical Services Department	<ul style="list-style-type: none"> ◆ Responsible for after-sales service and handling customer complaints regarding online games.
	Art Department	<ul style="list-style-type: none"> ◆ Responsible for the art operation of each R&D unit in the Online Business Division. ◆ Art outsourcing business integration.
Overseas subsidiaries		<ul style="list-style-type: none"> ◆ Responsible for online game sales services. ◆ Provides information and consulting, technical training, and technical services. ◆ Holding Investment.

Departments	Main responsibilities of each department
Management Department	<ul style="list-style-type: none"> ◆ Organizational management and human resource system design and maintenance. ◆ Establishment and maintenance of certification management system and internal processes. ◆ Fixed asset management, public relations operations and visitor reception operations. ◆ Contract drafting and review, dispute and litigation handling. ◆ Computer equipment maintenance, network and application system set-up and management. ◆ Enterprise resource planning, electronic process, official website and application system development and maintenance. ◆ Intellectual property rights case handling and consulting services. ◆ Assist in project process improvement. ◆ Assist with government grant applications. ◆ Assist in planning industry-academia cooperation projects.
Accounting Department	<ul style="list-style-type: none"> ◆ Accounting and tax filing procedures. ◆ Overall utilization and planning of funds. ◆ Handles contact for stock affairs. ◆ Responsible for formulating and executing the Company's investment strategy.
Occupational Safety and Health Office	<ul style="list-style-type: none"> ◆ Maintain the electric power and air conditioning of plants. ◆ Employee safety and health management. ◆ General equipment procurement and annual employee health examinations. ◆ Responsible for establishing and implementing the Company's employee safety and health policy.

Departments	Main responsibilities of each department
<p>Audit Office</p>	<ul style="list-style-type: none"> ◆ Conduct internal audits of the Company's internal controls and periodically report audit results to related personnel.
<p>Management System Implementation Task Force</p>	<ul style="list-style-type: none"> ◆ Implement the Company's management system and ensure its effectiveness and continual improvement.
<p>Sustainable Development Implementation Task Force</p>	<ul style="list-style-type: none"> ◆ Implement the sustainable development management and ensure its effectiveness and continual improvement..
<p>Ethical Corporate Implementation Task Force</p>	<ul style="list-style-type: none"> ◆ Implement the Company's ethical corporate management and ensure its effectiveness and continual improvement.

3.1.3 Responsibilities of the Functional Committees

Departments	Main responsibilities of each department
Management System Implementation Task Force	◆ Implement the Company's management system and ensure its effectiveness and continual improvement.。
Sustainable Development Implementation Task Force	◆ Implement the sustainable development management and ensure its effectiveness and continual improvement.
Ethical Corporate Implementation Task Force	◆ Implement the Company's ethical corporate management and ensure its effectiveness and continual improvement.

3.1.4 Remuneration Committee

The Company's Remuneration Committee is mainly responsible for establishing and conducting regular review of the policies, systems, standards, and structures for performance appraisal and remuneration of the Company's directors and managers. The Remuneration Committee consists of three members, three independent directors of the Company.

The Remuneration Committee convened 2 meetings in 2023, and the overall members' attendance rate is 100%.

3.1.5 Audit Committee

The Company established an Audit Committee on July 28, 2021, which participate in the board meeting and internal irregular meetings. The Audit Committee consists of three members, three independent directors of the Company.

The Audit Committee convened 5 meetings in 2023, and the overall members' attendance rate is 100%.

The responsibilities of the Audit Committee include communicating and discussing internal control management and financial reports with the internal audit supervisor and accountants. In 2023, the status of the Audit Committee's communications was good.

The Company established an Audit Committee which meets at least once every quarter. The Audit Office reports and fully communicates the implementation status of internal audits and internal operations to the Audit Committee. Material irregularities are immediately reported to the independent directors. Where necessary, Audit Committee meetings may be called.

3.1.6 Audit Office

IGS established the Audit Office according to operating conditions, management needs, and relevant laws and regulations such as the “Regulations Governing Establishment of Internal Control Systems by Public Companies” . The Audit Office reports directly to the Board of Directors and is responsible for internal audit-related tasks. The purpose of the Audit Office is to assist the Board of Directors and the managers to inspect and review the effectiveness of the internal control system and provide improvement suggestions to ensure the sustainable and effective implementation of the internal control system, and the results are used as the basis for reviewing and amending the internal control system.

The Audit Office conducts routine audits according to the audit plan approved by the Board of Directors or conducts project audits when needed to ensure the implementation of the internal control system. The Audit Office supervises the self-assessments performed by the internal units and subsidiaries every year and reviews the self-assessment reports of each unit and subsidiary. Any identified internal control deficiencies and improvements of abnormal issues found by the audits serve as the primary basis for evaluating the effectiveness of the overall internal control system by the Board of Directors and the President, and for issuing the internal control system statement.

- **Communication between independent directors and internal auditors:**

The Audit Office reports findings of the internal control audit and items for which follow-up is required by independent directors in an e-mail report to independent directors before the 10th day of each month, and reports the implementation status of the audit to the Audit Committee. Material irregularities are immediately reported to the independent directors. Where necessary, Audit Committee meetings may be called. In 2023, the internal audit

supervisor communicated with independent directors 5 times. For information on the meetings or discussions where the audit supervisor communicated individually with independent directors, please refer to the Company's Shareholders' Meeting Annual Report.

- **Continuing education for the audit supervisor**

The audit supervisor of IGS possesses the international internal auditor certificate and received 58 hours of training in 2023.

2023	2022
58hours	53.5hours



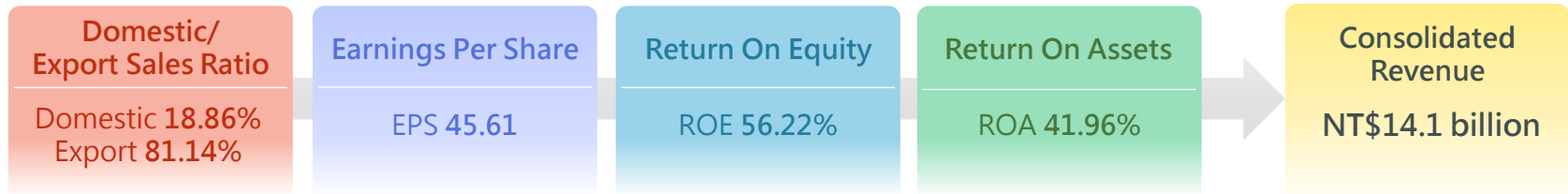
3.2 Sustainable Governance

The Company has established the Sustainable Development Best Practice to fulfill corporate social responsibilities and promote the economic, environmental, and social advancement for the purpose of achieving the Company's sustainable development, in order to manage the Company's risk and impact on the economy, environment, and society.

The Management Department of IGS acts as the vertically integrated, horizontally linked cross-departmental communication platform. We established the Sustainable Development Implementation Task Force in 2022, which is divided into the environmental sustainability, risk management, operational governance, labor and safety and green product project teams, realizing professional division of labor, complete promotion, and further implementation of sustainable governance. Through regular interdepartmental meetings and issue discussion, the Management Department identifies sustainability issues that are relevant to Company operations and of concern to stakeholders, formulate corresponding strategies and action plans, plan and execute annual plans and programs and track performance results to ensure that sustainability strategies are fully implemented in daily operations.

The Management Department reports to the Board of Directors regularly the implementation results of sustainable developments and future work plans. The Board of Directors hears reports from the management team (including ESG report) every quarter, and urges the management team to make adjustments when necessary. In 2023, motions covered the identification of sustainability issues of concern, formulation of corresponding action plans, objectives of sustainability issues and policy modification, and evaluation of implementation status.

Business Performance :



In 2023, IGS's consolidated revenue was NT\$14.1 billion. Among which, domestic sales accounted for 18.86% and foreign sales accounted for 81.14%. Consolidated net income after tax was NT\$6.4 billion, earnings per share (EPS) after tax was NT\$45.61, return on shareholders' equity (ROE) was 56.22%, and return on assets (ROA) was 41.96%. With the combined efforts of the team, IGS's business continued to grow steadily in 2023.

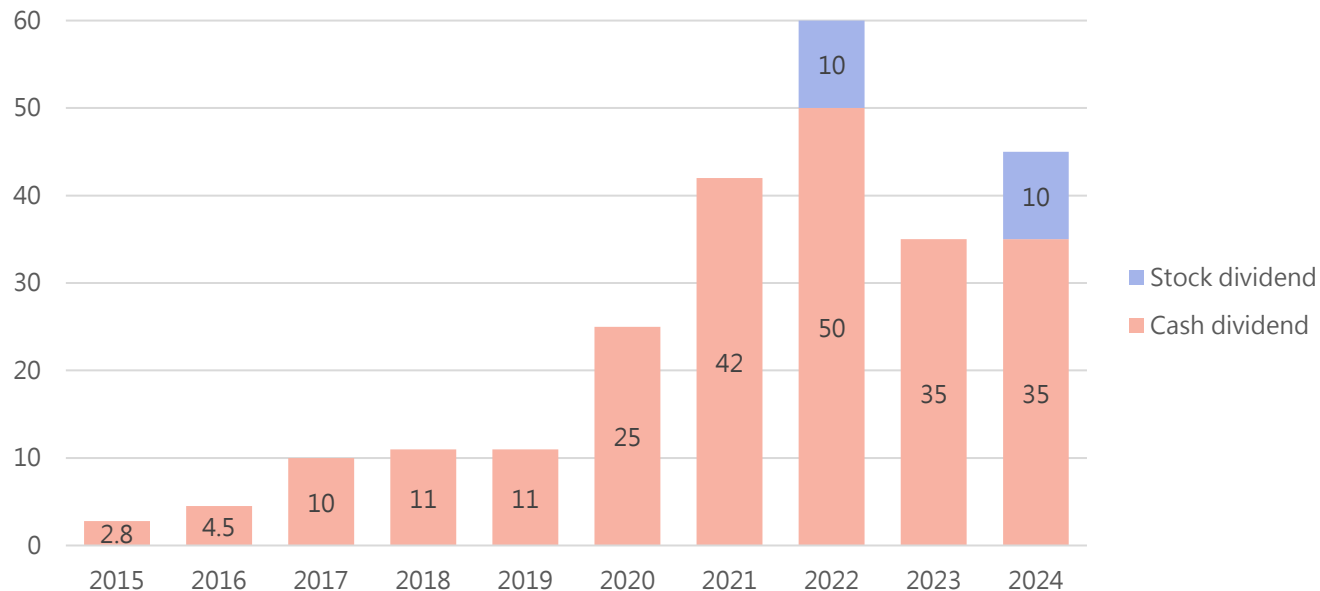
Revenue from online games, including Star31 and Good Luck 777 continued to grow, increasing NT\$0.08 billion or 1% compared with 2022. With regard to the licensing of online games, the revenue increased NT\$1.9 billion or 46% compared with 2022 after continuously expanding new markets overseas, optimizing the contents of games and enhancing our product competitiveness. In terms of arcade games, due to the gradual recovery of demand in the Chinese market and the enthusiastic market response to the Company's new products, arcade game revenue grew 27% or NT\$0.2 billion compared with 2022.

Unit: NT \$1,000 ; %

	Item	2021	2022	2023
Management capabilities	Total assets	12,234,377	14,180,483	16,450,558
	Total equity	8,972,572	10,663,332	12,195,718
	Gross revenue	11,285,788	11,947,999	14,175,795
	Net profit	4,734,515	5,481,575	6,425,853
Profitability	ROA(%)	44.48	41.50	41.96
	ROE(%)	60.57	55.83	56.22
	Income before tax to paid-in capital ratio (%)	809.51	462.71	551.09
	Profit margin(%)	41.95	45.88	45.33
	Basic EPS (NTD)	67.21	38.88	45.61
	Restated EPS (NTD)	33.60	38.88	22.80

Dividend distribution

Since the Company's listing, IGS has distributed dividends for 19 consecutive years. The accumulated distributed amounts as of 2024 total NT\$302.23 in cash dividends and NT\$25.5 in stock dividends. The distribution of cash dividends and stock dividends in the last 10 years is shown in the figure below:



R&D results and patents

IGS has patent engineers who effectively manage and maintain intellectual properties through the intellectual property management platform. The implementation status of intellectual properties is regularly reported to the Board of Directors. IGS passed TIPS certification in 2021 and received a level A certificate. We are committed to protecting the Company's interests while avoiding infringements. IGS also established the quarterly patent reward measures according to the ISO internal patent proposal reward system to encourage innovation among employees.

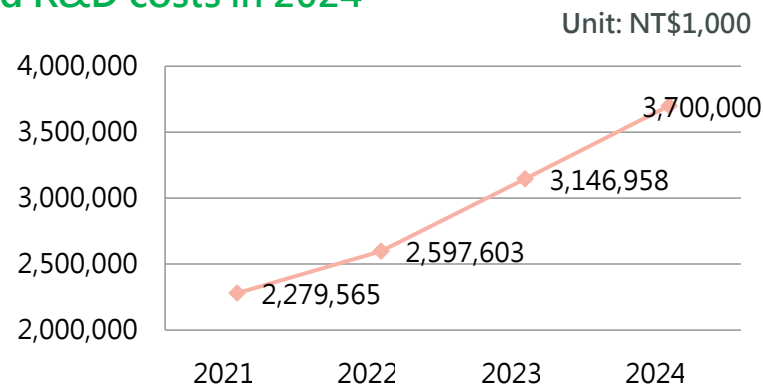
Total number and distribution of effective global patents

- In terms of intellectual property, 3 patent, 5 copyright, and 41 trademark applications were completed in 2023. All intellectual property cases have been added to the digital platform. Information updates and management are conducted regularly and the implementation of intellectual property for the year was reported to the Board of Directors on 12/22/2023.
- IGS passed the 2021 TIPS certification and obtained the TIPS certificate. The random inspection was completed on June 20, 2022, which is valid until December 31, 2023.

R&D costs in the most recent 3 years and estimated R&D costs in 2024

Year	R&D Expense(A)	Gross Revenue(B)	R&D Expense / Gross Revenue(%)= (A)/(B)
2021	2,279,565	11,285,788	20.20
2022	2,597,603	11,947,999	21.74
2023	3,146,958	14,175,795	22.20
2024	3,700,000		

Unit: NT\$1,000



3.3 Ethical Corporate Management

Code of Ethics

IGS's core value of "Honesty and Integrity" starts with the corporate culture and established the "Code of Ethics Conduct for Directors," "Codes of Ethical Conduct for First Echelon Executives," and "Code of Ethics for Employees," which all stipulate individual ethics and integrity and prevent profiteering. The codes of ethics are disclosed on the Market Observation Post System and annual report, and clearly set forth related punishments, so that directors, managers and employees will handle related affairs with a high level of self-discipline. IGS's accounting system and internal control system all comply with the spirit of ethical corporate management, and internal auditors conduct audits in accordance with the law to ensure the operations of the entire mechanism and manage and prevent the occurrence of dishonest behavior. In addition, to prevent conflicts of interest and personal gain, the Company also describes the relevant work content and prohibited matters in the Code of Ethics for Employees.

To improve employees' awareness of business ethics and legal compliance, IGS promotes confidentiality responsibilities to employees through management meetings. In 2023, 1,920 person-hours of ethical management-related internal/external training (including ethical management concepts, accounting systems, and internal controls) was conducted for 600 people. New employees were personally taught by the President and signed the employee ethical commitment, implementing ethical management ideals and policies.

Goal items	2021	2022	2023
Number of complaints	0	0	0
Annual decrease rate	100%	100%	100%



Ethical Corporate Implementation Task Force

IGS established the "Ethical Corporate Management Best Practice Principles" to create a corporate culture based on ethical management and set up the Ethical Corporate Implementation Task Force in 2022. The Management Department is responsible for promoting ethical management, anti-corruption, anti-bribery, legal compliance, and other corporate governance matters. They help the Board of Directors and management to formulate and supervise the implementation of ethical management policies and prevention plans. The implementation status is reported to the Board of Directors regularly, with the last report conducted on December 22, 2023.



- Actively promote ethical concepts

In response to the Company's sustainable management policy and in line with anti-commercial bribery, employees shall not be engaged in the following:

- Commit corruption for personal gain, misappropriate or owe public funds, or accept bribes or commissions.
- Use the Company's name to deceive others, leading to damage to the Company's reputation and property.
- Forge, alter, or steal the Company's seal or imitate the signatures of superior supervisors for illegal gain.

If found in violation, the Company shall terminate the employee's labor contract without prior notice (Article 12 of the Work Rules).



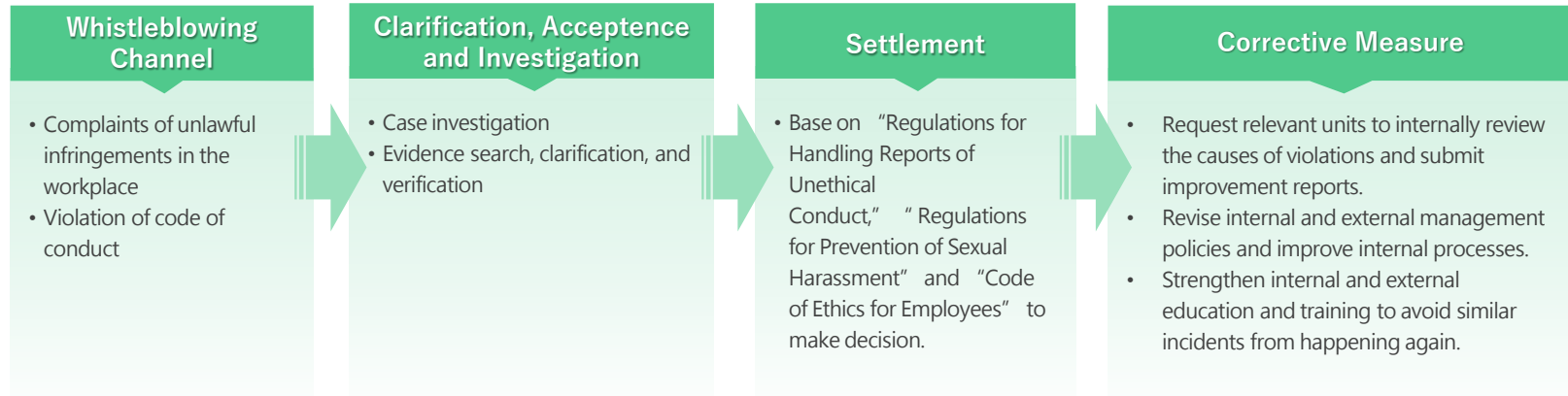
Whistleblowing Channel

IGS vigorously implements its ethical corporate management policies. We have established the "Regulations for Handling Reports of Unethical Conduct" and the "Code of Ethics for Employees," to prevent unethical business conduct. In addition, we set up a mail box in our official website and intranet to encourage insiders and outsiders to report unethical behavior or misconduct. The Management Department is designated as the whistleblower complaint handling unit that accepts complaints filed against certain employee's unethical conduct. If a complaint received involves a director or senior officer, the matter will be reported to the independent directors. A whistleblower protection

system is also established to keep the identity of whistleblower and information reported confidential. The Company is committed to protecting whistleblowers from discriminatory or retaliatory actions.

In 2023, no complaint was filed to report unethical conduct. All complaints involved primarily business and service dispute and how operating process could be improved.

Year of Reporting	2022	2023
Number of reports of unethical behavior	0	0



3.4 Regulatory Compliance

IGS's products and services are available in several countries. We have long been paying careful attention to global policies and legal changes that may have significant impacts on the Company's operations and finances. As we continue to expand our business, we strictly abide by relevant laws and regulations. We have established a legal resources section on the Company's intranet, providing legal information to facilitate effective legal communication between the teams and external personnel. Legal concepts are regularly promoted to the Company's internal personnel and all employees. Furthermore, the Audit Office regularly reports the status of legal compliance to the Board of Directors and Audit Committee.

In 2023, IGS was not fined for any violations of corporate governance, anti-corruption, anti-trust laws, other laws, or privacy leaks and privacy infringements. No directors or members of the management team violated the Insider Trading Act.



3.5 Risk Management

The competencies of all departments include management of risk factors. Risk management is divided into five levels and the authority and responsibility of each level is as follows:

Risk Management Level	Name of Organization	Scope of Authority and Responsibility
Level 1: Supervise the risk management policies.	Board of Directors (Chairman)	Supervise the implementation of the risk management policies to ensure the effectiveness and feasibility of current management mechanisms.
Level 2: Formulates risk management policies.	Senior executives (President, director of business divisions)	<ol style="list-style-type: none"> 1. Formulate relevant risk management policies (including for climate risks). 2. Coordinates interactions and communication for cross-department risk management.
Level 3: Implement risk management mechanisms.	Accounting Department	<ol style="list-style-type: none"> 1. Responsible for financial planning and utilization, focuses on safety, liquidity, and income under the risk management, supervision mechanism, and establishes hedging mechanisms to lower financial risks. 2. Assists in the implementation of the internal control system, strengthens internal control functions, and ensures that they continue to remain effective, in order to achieve reliable financial reporting and effective and efficiency operations.
	Management Department	<ol style="list-style-type: none"> 1. Responsible for planning the human resources system for more efficient utilization of human resources, improving harmony between labor and management. Requires employees to comply with the Company's Code of Conduct to lower human resource risks. 2. Responsible for Internet, business information security management and protection measures, in order to lower information security risks. 3. Calls together responsible units to discuss uncertain factors that may threaten the Company's operations from a legal perspective, and seek the opinions of external consultants when necessary to assess risks and propose prevention recommendations.

Risk Management Level	Name of Organization	Scope of Authority and Responsibility
Level 3: Implement risk management mechanisms.	Sales and business units of business divisions	Responsible for the analysis of market, competitive dynamics and consumer trends of players, and formulating marketing strategies and promotion plans to reduce business risks.
	Procurement and Manufacture Department	Responsible for production scheduling, raw material procurement, warehousing management, semi-finished product outsourcing, and finished product assembly quality inspection operations to improve production efficiency and effective use of raw materials and reduce the risk of production outages.
	Subordinate departments	Carries out routine risk management activities
Level 4: Control the effectiveness of risk management.	Audit Office	<ol style="list-style-type: none"> 1. Assess the current or potential risks of each operation, formulated an annual internal audit plan based on actual risks, in order to assist the Board of Directors and managers with inspecting and auditing deficiencies in internal controls. Assessing the effectiveness and efficiency of operations, and ensuring the effective implementation of the internal control system. 2. Responsible for the revision and implementation of the internal control system, strengthens internal control functions, and ensures that they continue to remain effective.
Level5: Respond to risks.	Sustainable Development Implementation Task Force	Provide appropriate responses to identified risks and coordinate relevant handling measures.

Risk control procedure diagram:



Subsidiary Supervision

The Company established the provisions of "Subsidiary Supervision" in the internal control system for the management and control of investee companies, urge subsidiaries to establish standard operating procedures for major financial and business operations. The Company supervises their implementation in accordance with the law, and established subsidiary operational risk management mechanisms to achieve the best business performance possible.

The Sustainable Development Implementation Task Force regularly reports to the Board of Directors on the overview of risk management.

3.6 Tax Policy and Management

IGS does not use tax havens or operating locations or trading in low-tax regions to evade taxes, nor does it transfer profits through special structures or unconventional transactions. IGS strictly complies with regulations, honestly reports, and pays taxes on time, fulfilling its responsibilities as a taxpayer.

3.6.1 Tax Approach and Tax Policy

Tax approach and tax policy

- Comply with the tax regulations and spirit of legislation in all locations where we operate.
- Handle financial and tax information in accordance with regulations and standards, and with transparency.
- Maintain good relations with tax authorities.
- Assess the relevant risks and adopt appropriate strategies when executing tax decisions.
- The prices and conditions of transactions with related parties should be similar to those of similar transactions with non-related parties.
- The Company's major operating decisions all take into account the impact of taxation.

3.6.2 Tax Governance, Management, and Risk Management

The President is the highest authority in tax management and decision-making at IGS. Daily tax planning and management are carried out by the accounting supervisor supported by experienced tax specialists. Tax plans and matters are regularly reported to the President. Furthermore, IGS also engages external

professional tax organizations to provide expert services and advice on tax matters, enhancing our professional knowledge and understanding of tax regulations and ensuring a comprehensive grasp of risks and global tax trends.

3.6.3 Tax Issues and Stakeholder Communication

IGS communicates with stakeholders through public investor conferences every year and responds to tax issues of concern to stakeholders. The income tax information for the past two years is as follows:

Unit: NT \$1,000 ; %

	2023	2022	Percent Change(%)
Profit before income tax (A)	7,757,146	6,500,933	19.32%
Income tax expense (B)	1,331,342	1,022,704	30.18%
Effective tax rate (B/A)	17.16%	15.73%	9.10%
Income tax paid (C)	1,276,777	1,001,919	27.43%
Cash tax rate (C/A)	16.46%	15.41%	6.80%



3.7 Information Security

3.7.1 Information Security Management

IGS set annual information security goals based on the established strategies, regularly hold information security meetings to confirm the implementation of information security control mechanism. We also carry out asset risk management to minimize the probability and impact of any information security incident. We conduct internal and external audits regularly, pass and maintain ISO/IEC 27001 certification to enhance the operation of information security management system.

Information Security Team

In response to changing external environment in recent years, the Company has established an information security team to ensure that the missions of information security are recognized and implemented throughout the Company. IGS established the Chief Information Security Officer, Information Security Supervisor and Information Security Specialists to promote information security policy and resource allocation, and holds information security management meetings on a routine basis, assists the management system

taskforce team to carry out the assignment, coordination and supervision of information security affairs, and is responsible for the continuous execution of information security management standards.

The Information Security Implementation Task Force is established under the Management System Implementation Task Force. Please refer to the figure below. (This is an internal operating structure and is not presented in the company organization.)

Management System Implementation Task Force



Information Security Policy “Corporate Focus on Information Security Reduces the Burden of Risks”

To effectively implement information security management and ensure the confidentiality, integrity, availability and compliance of core systems and management activities, IGS evaluates its information risks, builds a comprehensive Information Security Management System (ISMS), and promotes on an ongoing basis the certification of ISO/IEC 27001 to make sure the ISMS implementation status and that information security goals are met. IGS actively invests in preventive defense system in recent years, integrating new technologies and information security control mechanism and internalizing them in hardware and software operations, R&D operations and other daily work processes to ensure the security of data, systems, equipment, networks, and safeguard the confidentiality, integrity and availability of important assets. IGS also implements an audit system to make continuous improvement and ensure that our information security rules continue to be effective.

- Enhance internal controls and prevent unauthorized access to ensure the protection of information assets.
- Appropriately protect the confidentiality and integrity of information assets.

- Ensure that information will not be disclosed to unauthorized third parties during the transmission process or inadvertently.
- Ensure that all information security incidents or suspected vulnerabilities are reported through appropriate reporting mechanisms and properly investigated and handled.
- Strictly abide by personal data laws and standards, improve personal data process management, and prevent personal data leaks.



Specific Management Programs

IGS continues to input resources for information security affairs, including upgrading information security defense equipment, improving information security management, training and education to enhance our overall information security capability from management to technology.

Multi-layered Information Security System	Periodic testing and drills	Education and Training
<p>Network security:</p> <ul style="list-style-type: none">• Strengthen firewalls and network controls to prevent the spread of viruses.• Malicious website defense• Intrusion detection and blocking of malicious behavior• Implementation of email security gateways to enhance email protection. <p>Equipment security:</p> <ul style="list-style-type: none">• Install anti-virus software and perform regular computer scans.• Update systems and software to ensure system security and avoid damage by malicious software.• Install an endpoint data security system to establish protection mechanisms. <p>Data security:</p> <ul style="list-style-type: none">• Encrypt and control important data.• Perform regular backups and restoration tests.	<ul style="list-style-type: none">• Perform business continuity operations twice a year.• Perform social engineering phishing email tests and drills every year.• Perform monthly host vulnerability scanning for timely patching and enhanced protection.• Perform annual penetration testing to improve the security of network and information systems.	<ul style="list-style-type: none">• Conduct information security education and training for new employees.• Organize annual online information security training courses.• Promote information security to enhance information security awareness.

3.8 External Organization Participation

At the level of external organization participation, the primary focus is on engaging with non-profit social groups. We do this by rallying the efforts of companies and organizations within the Taiwan digital content industry, fostering industry exchanges, developing collaborative opportunities, and proactively communicating with various stakeholders. The goal is to create a favorable environment for industry development, build a positive social image, and shape a vision for industrial growth.

Due to the absence of an official organization for the gaming industry and being subject to regulations under the Development of the Cultural and Creative Industries Act, IGS, along with other players in the gaming industry, have collectively established the Taiwan Gaming Industry Promotion Association (TGIPA). The TGIPA serves as a voice for the gaming industry, taking a proactive stance in communicating with regulatory authorities on behalf of the gaming industry. Their efforts are dedicated to negotiating various policies and methods related to government or relevant organizations, including issues such as consumer protection laws, and addressing related concerns. We use practical actions to demonstrate our support for Taiwan's game industry and promote the growth and prosperity of the industry.

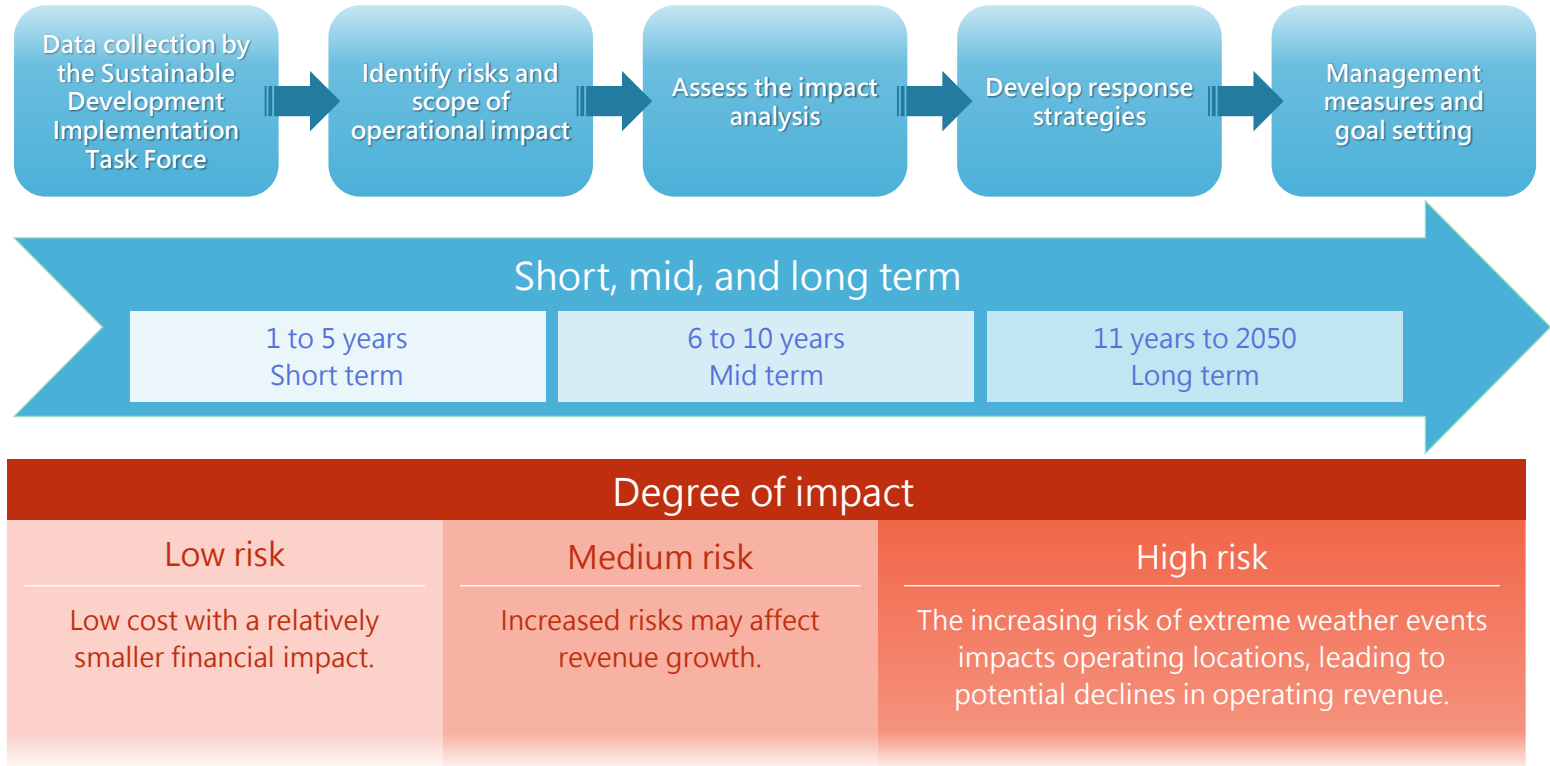
Name of External Organization	Organization Category
Taipei Computer Association	Taiwan information industry development organizations
Taiwan Game Industry Promotion Alliance	Game industry organizations
Taiwan Amusement Machine Association R.O.C.	Game industry organizations
The Gaming Industry Association National Federation of the Republic of China	Game industry organizations
New Taipei Enterprises Development Association	Industrial park development organizations
Taiwan Human Resource Development Association	Taiwan industrial development organizations
Taiwan Electrical and Electronic Manufacturers' Association	Taiwan electronics development organizations
National Association of Small & Medium Enterprises, R.O.C.	Small and medium enterprise development organizations

CH4. Green Environmental Protection



4.1 Climate Change Risks and Response Strategies

The main steps of the climate change risk issue analysis process:



Policy

With the impact of global climate change, IGS is committed to sustainability by actively addressing the United Nations' SDGs, adhering to Taiwan's 2050 net-zero emissions plan, and supporting initiatives like the Paris Agreement. The Company has established relevant sustainable governance action plans and is dedicated to promoting the transition to green products. IGS strives to minimize the environmental and social impacts (including on human rights) of our business operations, aiming to achieve energy conservation, carbon reduction, and fulfill the sustainability goals and responsibilities.

Goals

#Short term (1 to 5 years)

1. Establish the ESG Committee.
2. Introduce and implement the ISO 14064-1 Greenhouse Gas Inventory System and ISO 50001 Energy Management System.
3. Reduce emissions per person in 2025 by 10% compared with 2019.
4. Decrease water usage intensity in 2025 by 3% compared with 2019.

#Mid term (6 to 10 years)

1. Increase the proportion of green energy power generation, green certificates, and circular economy products.
2. Purchase renewable energy.

#Long term (11 years to 2050)

1. Achieve net-zero emissions by 2050 for IGS.

Transition risk	Policies and regulations								
	Taiwan's greenhouse gas emission control policy			Taiwan's energy transformation policy			International carbon dioxide market pricing mechanism		
Description of risk	In January 2023, Taiwan officially amended the law to the Climate Change Response Act, and formulated relevant mandatory regulations for the Net-zero by 2050 target.			Taiwan's Ministry of Economic Affairs has set a goal of 20% renewable energy by 2025, and has adjusted electricity prices to encourage companies to adopt renewable energy. The relevant regulatory requirements will also increase.			In October 2023, the EU implemented the Carbon Border Adjustment Mechanism (CBAM), with the ultimate goal of integrating it with the EU's carbon market mechanism. The EU aims to drive the establishment of carbon tariff mechanisms in international markets..		
Probability of occurrence	Short term	Mid term	Long term	Short term	Mid term	Long term	Short term	Mid term	Long term
	Low	Medium	High	High	High	High	Medium	High	High
Scope of impact on the company	Scope of the company's operations			Scope of the company's operations			Upstream and downstream supply chain and the Company's operations		
Potential financial impact	If they are listed as in a required industry in the future, companies will have to increase their operating costs in order to comply with regulations.			<ol style="list-style-type: none"> 1. Energy price fluctuations will increase corporate operating costs. 2. It may also be necessary to invest in related energy transformation technologies and purchase related equipment, which will increase corporate asset expenditures. 			<ol style="list-style-type: none"> 1. International carbon pricing will potentially lead to an increase in raw material costs and may reduce the gross profit of products. 2. When the green supply chain is strengthened to make the carbon emissions of products fall within emission regulations, related costs may increase. 		

Transition risk	Policies and regulations		
	Taiwan's greenhouse gas emission control policy	Taiwan's energy transformation policy	International carbon dioxide market pricing mechanism
Management Strategy	<ol style="list-style-type: none"> 1. The Sustainable Development Implementation Task Force, under the supervision of the Board of Directors, formulates relevant sustainability strategies and implementation approaches to improve IGS's response to relevant stakeholders. 2. The relevant responsible units continuously track international regulations and trends to implement energy-saving actions at each operating location, such as: low-carbon equipment upgrades and process efficiency improvements. 3. Follow the ISO 14064-1 Greenhouse Gas Inventory Structure. 4. Establish the ISO 50001 Energy Management System to monitor and improve energy consumption hot spots and enhance energy usage efficiency. 5. Strengthen supplier management to ensure that there are no greenwashing suppliers in the supply chain of IGS's green products to respond to the expectations of relevant stakeholders. 		
Derivative opportunities	<ol style="list-style-type: none"> 1. Continuously optimize operating locations and implement energy-saving actions, such as: upgrading energy-saving equipment. 2. Plan the purchase of renewable energy in advance in response to future supply trends to ensure that IGS will not be unable to purchase green electricity, or even purchase green electricity at a lower cost than the overall market. 3. Ensure that there are no greenwashing suppliers hidden in the supply chain of IGS, so that the green products provided by IGS will have a relative competitive advantage in the market, which can also increase the positive image of the Company. 		

Transition risk	Technology			Market		
		Low-carbon products are the main focus of the market.			Changes in environmental protection awareness among customers have increased product requirements.	
Description of risk	IGS strives to meet global climate goals, with the carbon footprint of our products and services becoming a key aspect of product competitiveness. As 81% of IGS's revenue comes from services exported overseas, it is crucial for the Company to participate in low-carbon transformations.			As the actual frequency and extent of climate change increase, the inability to meet consumers' requirements for carbon management of products may affect company revenue.		
Probability of occurrence	Short term	Mid term	Long term	Short term	Mid term	Long term
	High	High	High	Medium	Medium	Medium
Scope of impact on the company	Upstream supply chain and the company's operations			Upstream supply chain and the company's operations		
Potential financial impact	<ol style="list-style-type: none"> The potential carbon costs of products and services will affect product competitiveness. Facing the requirements of environmental protection regulations in the international market, product and service costs will increase. 			The standards demanded by customers have increased, resulting in a decrease in orders for products and services, which affects corporate revenue.		

Transition risk	Technology	Market
	Low-carbon products are the main focus of the market.	Changes in environmental protection awareness among customers have increased product requirements.
Management Strategy	<ol style="list-style-type: none"> 1. In response to changes in the market and globalization, games are moved from PC to APP to help decarbonize products and services. 2. Strengthen supplier management to ensure that there are no greenwashing suppliers in the supply chain of IGS's green products to respond to the expectations of relevant stakeholders. 	
Derivative opportunities	<ol style="list-style-type: none"> 1. Ensure the long-term competitive advantage of IGS's products to increase corporate revenue and profits. 2. Ensure the management of suppliers, reduce penalties related to greenwashing, and improve IGS's corporate image, regulatory compliance, corporate governance, and other response capabilities. 	



Physical risk	Immediate			Long term								
	Increased frequency of extreme climate events			Changing rainfall patterns Increased flooding risks			Areas of potential soil liquefaction			Intensified warming problem		
Description of risk	The frequency and severity of extreme weather events are increasing. IGS's main operations are located in northern Taiwan, where climate warming may lead to stronger typhoons, an increase in their frequency, and longer-lasting typhoons. These changes increase the risks of flooding and sudden heavy rainfall.			According to the National Disaster Prevention and Protection Center's 3D Hazard Susceptibility Map, Xingzhen Village is designated as a flood warning area. IGS, located in the Wugu Industrial Park of New Taipei City (Xingzhen Village), faces increased risks due to the rising frequency and prolonged duration of extreme heavy rainfall events. This can impact the Company's basic operations, such as employee commutes and the potential flooding of assets located in the basement.			According to the National Disaster Prevention and Protection Center's 3D Hazard Susceptibility Map, Xingzhen Village is identified as a potential soil liquefaction area. IGS, located in the Wugu Industrial Park in New Taipei City (Xingzhen Village), could face risks that may affect the safety of employees and the company's fixed assets, including the Company's building.			Global greenhouse gas emissions are exacerbating the issue of global warming, and rising temperatures are causing offices and computer rooms to rise in temperature, which in turn affects equipment performance.		
Probability of occurrence	Short term	Mid term	Long term	Short term	Mid term	Long term	Short term	Mid term	Long term	Short term	Mid term	Long term
	Low	Medium	High	High	High	High	Medium	High	High	Medium	High	High

Physical risk	Immediate	Long term		
	Increased frequency of extreme climate events	Changing rainfall patterns Increased flooding risks	Areas of potential soil liquefaction	Intensified warming problem
Scope of impact on the company	Upstream and downstream suppliers and the company's operations	Operations of the Company	Operations of the Company	Upstream and downstream suppliers and the company's operations
Potential financial impact	<ol style="list-style-type: none"> 1. Operation interruptions, increased need for temporary manpower, and related maintenance costs. 2. As electricity consumption increases, electricity prices fluctuate and electricity bills increase, increasing energy costs. 3. Land liquefaction leading to real estate, related hardware equipment, and asset damage, with the losses still being estimated. 			
Management Strategy	<ol style="list-style-type: none"> 1. Improve the disaster response flexibility of IGS and install additional relevant flood prevention equipment. 2. Plan the construction of new factories in accordance with green building standards. 3. Implement energy conservation actions in each operating location. 4. Strengthen the education, training, and response mechanisms for IGS employees and asset security. 			
Derivative opportunities	<ol style="list-style-type: none"> 1. Diversification of the supply chain, increased room for price comparison, reduced risk of chain breakage, and improved stability of IGS product supply and resilience of the supply chain. 2. Improved energy consumption of office and server room air conditioning equipment. 			

Results and goals

Reduction Goals for Greenhouse Gas Emissions

IGS's quantified management goals for energy conservation and carbon reduction: Reduce emissions per person in 2025 by 10% compared with 2019.

Results of GHG emission reductions

IGS has fully replaced its office lighting in three stages, replacing the traditional T8 lamps with more energy efficient LED panel lights. Compared with 2022, the electricity consumption in 2023 was reduced by 182,594 kWh, or by approximately 5.0%.

4.2 Resource Recycling

4.2.1 Energy Management

Energy usage

Item	2022 Total amount	2023 Total amount
Power consumption (megajoules)	13,088,858.4	12,431,520
Natural gas (megajoules)	0	0

Note: The parent company of IGS does not have relevant boiler combustion equipment because it is a general administrative building.

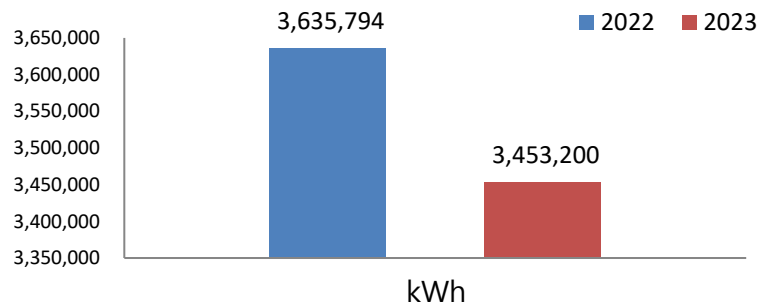
Replace lights

IGS has fully replaced the traditional lighting with more energy-efficient LED lights.



IGS has fully replaced its office lighting in three stages, replacing the traditional T8 lamps with more energy efficient LED panel lights.

The following data are the electricity usage values in 2022 and 2023. Compared with 2022, the electricity consumption in 2023 decreased by 182,594 kWh, or approximately 5.0%.



4.2.2 Water Resource Management

Stable water supply has become an issue faced by countries around the world due to climate change. IGS has taken water conservation measures to respond to the issue of global water shortage.

- **Management Objectives:** Using 2019 as the baseline, reduce overall water intensity (total water consumption/number of people) by 3% before 2025.
- **Achievement Status:** Using 2019 as the baseline, water consumption intensity has decreased by 27.4% as of 2023.

Item	2023	2022	2021
Water Consumption (kWh)	15,365	16,842	18,845
Water Consumption (Million Liters)	15.3650	16.8420	18.8450
Water Intensity Total Water Consumption (kWh)/Number of Employees	13.8299	16.0553	18.5848

Note: The number of employees is calculated using the average number of employees throughout the year.

Goal items	2023	2022	2021
Number of wastewater discharge regulation violations	0	0	0

4.2.3 Greenhouse Gas Emissions Management

In accordance with the FSC's sustainability roadmap for listed companies, IGS plans to complete the greenhouse gas inventory for individual companies by 2026. The greenhouse gas emissions data is voluntarily audited, covering only partial emissions from Scope 1 and Scope 2. Since the data has not yet undergone verification, the current inventory data has been self-collected and estimated for greenhouse gas emissions.

Management Objectives:

- The inventory of individual companies will be completed in 2026, and 2026 will be used as the base year.
- The consolidated company inventory will be completed in 2027.
- The individual company assurance information will be completed in 2028.

		2023	2022	2021
Greenhouse Gas Emissions (tons)	Scope 1	97.5480	1.04	1.03
	Scope 2	1,705.8808	1,850.62	1,752.58
	Total	1,803.4288	1,851.66	1,753.61
Greenhouse Gas Emissions Intensity Greenhouse Gas Emissions/ Number of Employees		1.6232	1.77	1.73

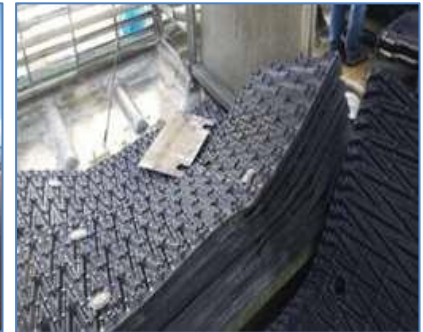
Note: 1. The 2022 Scope 1 and Scope 2 emissions were revised this year due to formatting errors.

2. The number of employees is calculated using the average number of employees throughout the year.

3. The greenhouse gas inventory currently only covers portions of Scope 1 and Scope 2 (not all required inventory items have been included). As this stage involves voluntary disclosure, it does not have a significant impact.

Carbon Reduction Actions-Replace the cooling fins of air conditioners and optimize water treatment equipment.

Considering the age and energy consumption of equipment, IGS invests in updating air conditioning cooling materials and optimizing water treatment equipment to improve system performance and reduce power consumption. Considering the age and energy consumption of equipment, IGS invests in updating air conditioning cooling materials and optimizing water treatment equipment to improve system performance and reduce power consumption. The estimated monthly saving is 5,648 kWh.



4.2.4 Waste Management

Waste is divided into the two categories of corporate waste and general waste. The sources of corporate waste are primarily materials and scraps from outsourced processes, as well as some repaired products and R&D materials. When handling the hazardous industrial waste disposal process each year, formal contracts will be used to engage legal disposal companies and recycling companies to sort and recycle the waste. Three-slip invoices will be issued

according to the law. The disposal vehicles will have GPS positioning to track if the operators delivered the waste to the recycling treatment plant within the scheduled period. General waste includes all waste other than the types described above. It is mainly daily waste generated by the employees. The recyclable types of waste include paper, plastics, and aluminum and tin cans. The waste that cannot be recycled will be incinerated or buried.

Output of industrial waste in 2023

Types of waste	Weight (Tons)	Disposal
E-0217 Waste electronic components, scraps, and defective products	0.11	Recycling and reuse
E-0222 Scrapped PCBs with parts and components	0.58	Recycling and reuse

Output of trash in 2023

Types of waste	Weight (Tons)	Disposal
General waste of employees	36.14	Incineration
Plastics	1.44	Recycling and reuse
Aluminum and tin cans	0.29	Recycling and reuse
Paper	8.29	Recycling and reuse



CH5. Product and Service Innovation

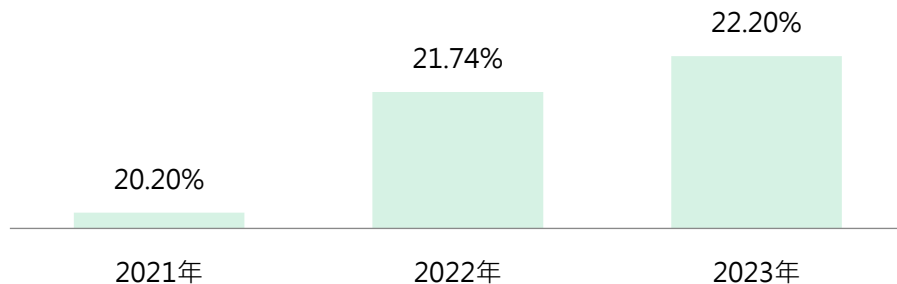


5.1 Innovation and R&D

With a customer-oriented spirit, IGS formulates effective R&D strategies that combine market needs to enhance the added value of gaming products and services. As a game developer, we have a powerful R&D team, with R&D personnel accounting for more than 70% of employees. The average age of all employees is 36 years old. Whether it is for online games or arcade games, we adopt the approach of self-developing key technologies to fully control their core technologies. Moreover, we actively apply new technologies in the market to our products and operations.

In 2023, R&D expenditure was NT\$3,146,958 thousand, accounting for 22.20% of revenue. Globally, we own 617 trademarks, 460 copyrights, and 43 patents. In the future, the Company will continue to engage in the development of online games and arcade games, improve R&D technologies, optimize the contents of online game platforms, create a stronger brand image, and increase market share.

Achievement of short-term goals: Invest more than 20% of annual revenue in R&D.



- **Online games:**

At present, online games have become the most valuable field in the Internet industry. IGS will continue to develop new games and manage current games to achieve sustainability. Mobile games are the Company's main products in the current stage. Thanks to our stronger R&D and operational capabilities compared with our competitors, we are able to more quickly develop original, unique products with excellent graphics and sound effects, and this gives us the ability to expand the overall market scale.



- **Arcade games and peripheral products:**

IGS upholds the spirit of being customer-oriented and independently developing products. In coordination with the system of agents around the world and under the premise of meeting market demand and regulatory compliance, our R&D, marketing, manufacturing, sales, and customer service departments work closely together to not only develop new gaming software and hardware, but also increase the added value of games through the integration of internal resources, promotion and marketing resources of agents. As technological advancements continue to be made, we will use innovation and creativity to incorporate new technologies into new elements of entertainment, so as to achieve sustainable development.

IGS's "Ultraman Transform Battle" wins Taiwan Original X Awards

IGS has launched an arcade machine specifically designed for children called "Ultraman Transform Battle", a motion-sensing photo-printing arcade game. In this game, players can simulate transforming into powerful Ultraman warriors to battle cosmic monsters and protect the Earth in an augmented reality world. At the end of the game, players can also print a personalized commemorative photo. This game is more beloved by players than typical motion-sensing games on the market. It won the Commercial Excellence Award at the "2023 Taiwan Original X Awards" organized by the TGIPA. The production team behind "Ultraman Transform Battle" consists of professionals from various fields, including player motion capture, character performance, and motion-sensing gameplay. Most of the team members have years of game development experience. Additionally, they are all passionate Ultraman fans, allowing them to fully dedicate themselves to the development process and create a high-quality game.



IGS releases the original animated film "Hero of Robots Movie"

In 2011, IGS launched the original Taiwanese robot card arcade game "Hero of Robots", which has now evolved into its second generation, "Hero of Robots: Brave Legacy". Since its debut, the game has been widely loved by players and has left a lasting impression. IGS continues to cultivate the value of the IP and released the Chinese and Japanese dubbed versions of the original animated film "Hero of Robots Movie" on August 4, 2023, allowing fans to better understand the game's world and the characters' unique charms.



IGS's award-winning games over the years

IGS has consistently won numerous awards at the Taiwan Original X Awards year after year, which not only represents strong recognition of the Company's innovative development capabilities but also a steadfast testament to our continuous pursuit of excellence. The creation of these award-winning games

not only embodies the dedication and intelligence of the IGS development team but also reflects the Company's commitment to innovation and quality in gaming. While bringing more surprises and enjoyment to players, these games have also laid a solid foundation for the Company's future growth. IGS will continue to innovate and deliver more high-quality game products.

2014

Slots Paradise

Taiwan Original X Awards -
PC platform excellence award



2015

Knights of Valour Web

Taiwan Original X Awards -
PC platform finalist award



Hero of Robots

Taiwan Original X Awards -
Mobile platform finalist award



2016

Knights of Valour PS4

Taiwan Original X Awards -
PC platform finalist award



2017

Overtake VR (large arcade VR game)

Taiwan Original X Awards -Commercial
comprehensive game finalist award



Pool Ace - King of 8 Ball

Taiwan Original X Awards -Commercial
mobile platform finalist award



2018

Armor Hero (card battle game)

Taiwan Original X Awards -
Commercial game finalist award



2019

MONSTER EYE 2 (Large arcade game machine)

Taiwan Original X Awards -
Commercial game finalist award



ULTRA MOTO VR (VR simulation game)

Taiwan Original X Awards -
Mobile platform finalist award



2021

Speed Rider 3DX (motion-sensing arcade game)

Taiwan Original X Awards -
Commercial game finalist award



2022

SAILOR'S QUEST VR (VR simulation game)

Taiwan Original X Awards -
Outstanding commercial game award



2023

Ultraman Transform Battle (motion-sensing photo-printing arcade game)

Taiwan Original X Awards -
Commercial game excellence award



5.2 Intellectual Property Rights Management

IGS has patent engineers who effectively manage and maintain intellectual properties through the intellectual property management platform. The implementation status of intellectual properties is regularly reported to the Board of Directors every year. IGS passed TIPS certification in 2021 and received

- IGS passed the ISO9001:2015 quality management system certification in 2021, ensuring the consistency of product and service quality.



a level A certificate. We are committed to protecting the Company's interests while avoiding infringements. IGS also established the quarterly patent reward measures according to the ISO internal patent proposal reward system to encourage innovation among employees.

- IGS passed Taiwan Intellectual Property Management System (TIPS) certification in 2021.



Intellectual Property Management Policy

- Avoid copyright infringements.
- Accumulate intellectual property assets.
- Continue to improve the intellectual property management system.
- Use intellectual properties to maximize profits for the Company.
- Increase R&D efficiency.

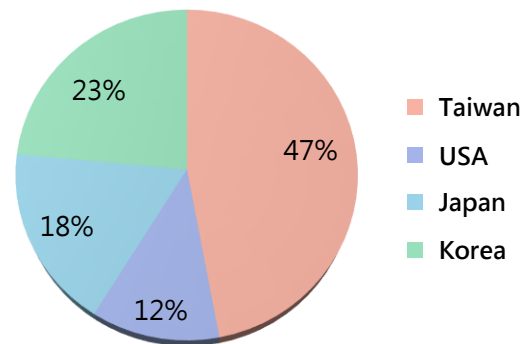
Intellectual property rights promotion guidelines

- Submit intellectual property right applications according to the product sales strategy.
- Share R&D resources to lower R&D costs.
- Improve employees' awareness of intellectual property rights.
- Continue to strengthen the intellectual property management system and propose relevant verification.
- Protect the core technologies developed by the Company and trade secrets.

2023 Achievement Status

- For intellectual property, 3 patent, 5 copyright, and 41 trademark applications were completed in 2023. All intellectual property cases have been added to the digital platform. Information updates and management are conducted regularly and the implementation of intellectual property for the year was reported the Board of Directors on 12/22/2023.
- IGS passed the 2021 TIPS certification and obtained the TIPS certificate. The random inspection was completed on June 20, 2022, which is valid until December 31, 2023.

Distribution of existing patents



Achievement of intellectual property goals in 2023

Intellectual Property Goals	Corresponding results in 2023	Attainment in 2023
Conduct intellectual property searches to facilitate risk assessment and judgment	Patent and trademark search report and total number of cases	Achieved
Conduct effective intellectual property deployment in the global market according to the product sales strategy	The effectiveness ratio of patent, trademark, and copyright applications is 80%	Achieved
Continue to strengthen the intellectual property management system and propose TIPS verification	Apply for and pass TIPS certification	Not achieved
Protect the core technologies developed by the Company and trade secrets to prevent operating losses	Establishment, inventory, deletion, update, and management of a trade secret system. 0 infringement complaints and NT\$0 in compensation for damages	Achieved
Share R&D resources	Transfers and exchanges of eight games between the two major business divisions	Achieved

Note: Cause analysis of failure to achieve goals: The TIPS verification standards have been revised and no immediate follow-up has been carried out.

Improvement measure: In accordance with the latest policies, we will seek assistance from the coaching unit and arrange re-training according to regulations.



2024 Intellectual Property Management Implementation Guidelines and Setting Expected Goals

Stakeholders	Topic of Concern	Intellectual property rights promotion guidelines	Expected goals
Shareholders/ Investors	<ul style="list-style-type: none"> Risk Management Corporate Governance 	<ul style="list-style-type: none"> Submit intellectual property right applications according to the product sales strategy. Share R&D resources to lower R&D costs. 	<ul style="list-style-type: none"> Submit at least 30 patent, trademark, and copyright applications. At least 12 cross-department game transplant exchanges
Employees	<ul style="list-style-type: none"> Training and Development 	<ul style="list-style-type: none"> Improve employees' intellectual property rights awareness 	<ul style="list-style-type: none"> Arrange at least 1 intellectual property right education and training session
Government Agencies	<ul style="list-style-type: none"> Regulatory Compliance Corporate Governance 	<ul style="list-style-type: none"> Continue to strengthen the intellectual property management system and propose relevant verification. 	<ul style="list-style-type: none"> Continuously update relevant legal standards every year; Apply for and pass TIPS or ISO 56005 verification.
Customers/ Consumers	<ul style="list-style-type: none"> Ethical Corporate Management Regulatory Compliance 	<ul style="list-style-type: none"> Protect the core technologies developed by the Company and trade secrets. 	<ul style="list-style-type: none"> Establishment, inventory, deletion, regular annual update, and management of a trade secret system. For infringement prosecution and damage compensation control, business losses shall not exceed NT\$1 million.
Others: Customers/ Community	<ul style="list-style-type: none"> Consumer Rights and Services Green Environmental Protection Environmental Safety in Community 	<ul style="list-style-type: none"> Less intellectual property right relevant content 	

CH6. Consumer Rights and Services



6.1 Customer Health and Safety

IGS' s mission is to integrate arts and culture with digital technology to create excellent entertainment products and services, providing healthy and happy leisure times. By closely watching the market and focusing on customer feedback, we continue to adjust and create better service experiences. This is our main method for realizing our mission and vision.

Promoting Moderate and Reasonable Gaming

As the online gaming industry continues to evolve and introduce new products, and with a wide range of entertainment options available to customers, more and more users are willing to pay for online games to enhance their gaming experience or acquire in-game items. This is a positive trend that any gaming company welcomes, as it symbolizes a thriving industry. However, in recent years, electronic and online payment methods have become very convenient, and customer spending habits have also changed. There have been instances in the industry where customers' impulsive spending has had an impact on their quality of life or family. The IGS customer service team has taken proactive measures to address this issue. In 2023, they sent a total of 529 reminders for responsible spending to users. These measures include setting reasonable spending limits, actively checking in on users' well-being, and providing avenues for free gameplay. The goal is to help customers balance their leisure and family life, promote responsible spending, and prevent addiction. The team continues to invest manpower and technology to monitor user behavior, using data

technology to remind users to avoid excessive spending. Additionally, they provided relevant information about returns and exchanges based on standardized contracts on the official website to safeguard consumer rights and interests.

Standard form contract

User agreement:

https://www.gametower.com.tw/Services/Customer/Guide/member/member_contract.aspx

Privacy protection policy:

https://www.gametower.com.tw/Services/Customer/Guide/member/member_privacy.aspx

Personal data protection policy:

https://www.gametower.com.tw/Services/Customer/Guide/member/member_user_agreement.aspx#leve2

Game management regulations:

<https://www.gametower.com.tw/CROP/Game.aspx#leve2>

There are spending limit reminders set in the game, and each channel also has spending limits to remind users to avoid excessive spending.



Warn users against overindulgence in the game.



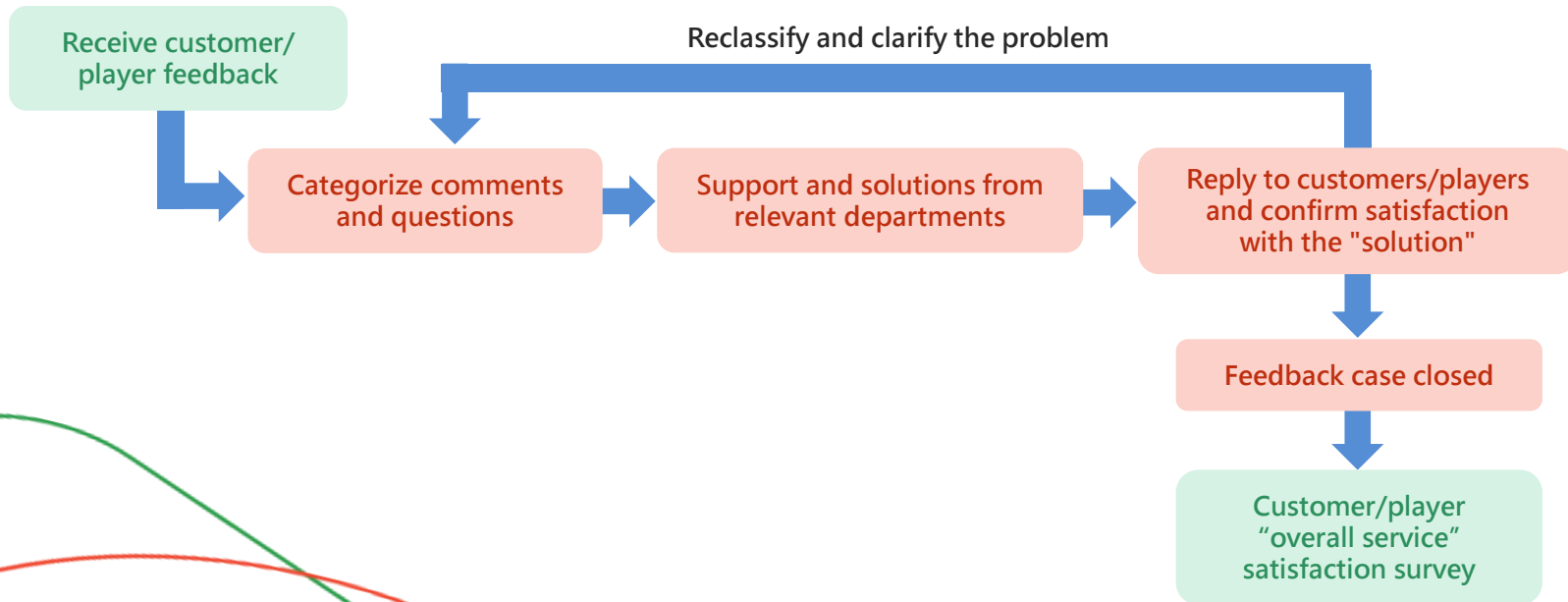
6.2 Customer Service Handling and Customer Satisfaction

24 Hour Online Customer Service Center

Since our establishment in the large arcade machine market, IGS has placed great importance on supplier and customer needs, accumulating customer service experience and passing on that experience. With the flourishing development of online gaming, a customer service center was established to provide 24-hour online service, collecting customer feedback and suggestions year-round. As the usage of mobile devices such as smartphones and tablets rapidly increased, online mobile gaming became a major service. In response, various channels such as text-based customer service, problem reporting, and intelligent customer support have been progressively offered to provide customers with convenient options for assistance. IGS's customer service team handles over 500 thousand cases each year. Up to 94% cases can be solved immediately after the first response, and the service quality accuracy rate is over 99%. The customer service center also collects and statistically analyzes case-related issues through a system, generating periodic reports on a daily, weekly, monthly, quarterly, and yearly basis to review and analyze customer problem areas. For special and highly reported incidents, relevant recommendations are formulated and submitted to the operational team for evaluation. This is done to reduce repetitive complaints and assist in quickly

resolving customer issues, prioritizing customer satisfaction as the primary goal. When customer-reported cases cannot be satisfactorily resolved through the regular customer service process, project partners are engaged to collaborate in clarifying customer demands. Discussions are held regarding the disputed content, and internal restoration testing is conducted, with results thoroughly reviewed. This approach aims to maximize the prevention of any damage to customer rights and interests. The restoration test status is reported to the customer during follow up. If customer demands still cannot be met, customers may request the local government's Consumer Protection Office (Consumer Protection Officer) to intervene. In 2023, a total of 40 letters were received from public agencies' Consumer Protection Offices, out of which 4 required coordination meetings. We handled these cases in accordance with the provisions of the Consumer Protection Act, emphasizing the reasons for customer complaints. We showed our genuine commitment to resolving the issues customers encounter. All customer complaint cases were handled within 15 days. In 2023, we reached a consensus with the complaining player for all customer complaint cases and did not infringe on the players' privacy.

Customer service process diagram:



Active Handling of Consumer Disputes

We are happy to assist customers in clarifying the circumstances of events, whether it is in handling regular cases or addressing consumer disputes. We thoroughly review the information and then explain the sequence of events to both the customer and the Consumer Protection Officer, providing recommendations for resolution. Currently, common consumer disputes in online gaming revolve around account-related issues, such as fraud or account theft, which have long been challenges faced by gaming companies. IGS actively consults government and private agencies on issues and discuss solutions. During the mutual consultation process, discussions are conducted on the principle of not affecting the fairness of games and the rights and interests of both parties. During the negotiation and resolution process, records are kept, and recommendations

are reported to the relevant responsible units. This process aims to optimize the gaming product, enhance service quality, increase customer satisfaction, and ultimately improve the company's brand reputation.

When the customer encounters a purchase dispute and requires assistance, IGS is happy to provide correct, transparent, and standard operating procedures, including: Saving evidence, personal assistance, and customer rights and interests protection, etc. IGS hopes to genuinely address issues alongside customers and provide clear and correct solutions. This approach allows for a mutually beneficial and balanced relationship between buyers and sellers. We aim to gain more strategies to protect customer rights during the resolution of consumer disputes, thereby contributing to the overall advancement of the industry together with our customers.

Goal items	2021	2022	2023	2024
Zero leaks of customer privacy	0	0	0	0

6.3 Cyber Crime Prevention

With the development of the internet, crimes related to online gaming, as well as online fraud and the theft of game accounts, have become issues that people must be cautious about when using the internet. To protect customer rights, IGS offers 24-hour customer service with rotating shifts to assist customers in real-time. Upon receiving dispute cases, we review the relevant supporting documents and initiate the necessary operational procedures to safeguard customer rights. We also maintain records of electromagnetic data related to offenders for law enforcement agencies to access. In addition, we have established a big data database based on the electromagnetic records. We have set up relevant alert

mechanisms to proactively detect abnormal behavior and promptly notify customers of relevant information to prevent any harm to player rights. Furthermore, when we receive requests for case review from law enforcement agencies, we have designated contacts who assist in confirming the details. We provide relevant electromagnetic records, explanations of gaming-specific terminology, and cooperate in a flexible manner to meet the needs of law enforcement agencies. This approach ensures that online criminals have nowhere to hide.



CH7. Responsible Manufacturing



To build a sustainable supply chain, IGS regularly promotes sustainability and related policies to all suppliers and incorporates the ESG performance of major suppliers into annual evaluations, thereby ensuring that sustainability priorities are upheld throughout the procurement and manufacturing processes, reducing the risk of supply chain disruptions. At the same time, IGS requires suppliers to provide a safe working environment, prohibits forced labor and child labor, ensures that employees are respected and protected, avoids environmental degradation, and complies with business ethics standards. Through annual audits and evaluations, IGS ensures that suppliers comply with its code of conduct, while also supporting the supply chain in its move towards sustainable development. This approach not only reduces potential supply chain risks but also makes a tangible contribution to the UN SDGs.



Annual actions:

- Establish a sustainable supplier platform

We will continue to publicize and promote the importance of sustainability and relevant standards to all suppliers using the digital platform.

- Optimize supply chain management

We will strengthen important indicators such as occupational safety and health, environmental sustainability, labor rights, and social responsibility.

Performance in 2023:

- 100% of large suppliers completed the sustainability audit.
- 100% of parts suppliers are compliant with EU RoHS regulations.



7.1 Sustainable Procurement

As a leading company in the gaming industry, IGS collaborates with over 300 suppliers worldwide, including parts suppliers and assembly companies. The main manufacturing sites are located in Taiwan. We define large suppliers of raw materials based on the scale of suppliers, procurement amount, number of transactions, key technologies, and other indicators (Note). IGS distributes questionnaires to its key suppliers that focus on environmental protection, social responsibility, and corporate governance. We pay close attention to how suppliers implement ESG governance. Suppliers are crucial partners in ensuring the smooth mass production of IGS products. Through close collaboration, IGS not only ensures a stable supply of materials but also guides suppliers in creating

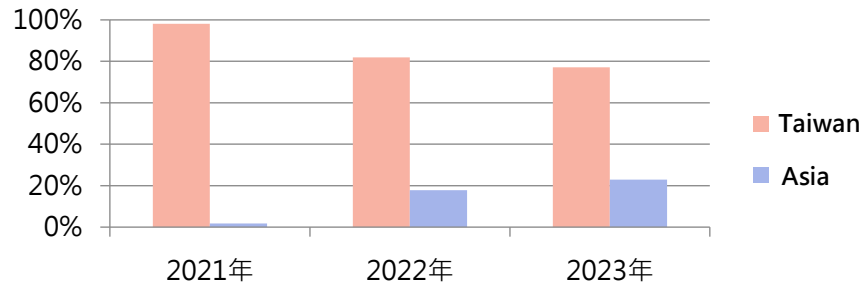
safe workplaces that protect worker health and reduce environmental impact. Additionally, IGS supports suppliers in implementing sustainable management practices to ensure continuous production.



Note: Large suppliers are companies with more than 500 employees or listed on the stock market.

7.1.1 Summary of Supply Chain

Proportion of supply amount by region



7.1.2 Supply Chain Management Strategy

IGS used the Responsible Business Alliance (RBA) Code of Conduct as a reference to establish the three key management areas of “Quality, Environmental Protection, and Social Responsibility”, which are regularly promoted to suppliers.



Supplier code of conduct

IGS is determined to achieve sustainable development and manage our supply chain well. Based on the RBA Code of Conduct, we continue to publicize and promote relevant concepts to our suppliers. This includes prohibiting child labor, forced labor, or any discrimination. All new suppliers must sign and comply with the procurement and quality agreements to qualify for collaboration. The agreements ensure that they understand and adhere to IGS's requirements and commitments. In 2023, 100% of new suppliers signed both contracts. At the same time, we give priority to local suppliers that place importance on sustainable management, and ensure full implementation of RoHS guidelines. Among the qualified suppliers, 100% of the elite suppliers who meet the requirements of large enterprises or listed on the stock market signed the annual "Corporate Social Responsibility Self-Assessment Form" to comply with the standards promoted by IGS.

Human rights protection of suppliers

Respecting human rights is a core value of IGS. In the code of conduct policy formulated by IGS, large suppliers are required to comply with all relevant legal,

social, and environmental standards. IGS regularly reviews and requires large suppliers to sign agreements on labor employment conditions and prohibition of child labor and any form of forced labor to comply with human rights protection. At the same time, employees should be protected from physical or verbal harassment, abuse, physical and psychological coercion, threats, etc., to respect their basic human rights and freedoms. When it comes to employee hiring, promotion, training, and rewards, there must be no discrimination based on race, nationality, skin color, gender, religion, age, health, politics, marital status, or pregnancy. All labor contracts signed between employees and the companies must comply with local regulations. If the annual survey finds that the supplier has deficiencies, we will assist the supplier to continuously improve the deficiencies.



7.2 Supplier Management

7.2.1 Main Supplier Management Policy

IGS is committed to supplier sustainability management, focusing on four key areas for its major suppliers, which include occupational health and safety, environmental sustainability, labor rights, and social responsibility. The Company requires large suppliers to conduct annual self-assessments, and the results are incorporated into the "Supplier Evaluation Rating". Based on these ratings, IGS regularly manages and tracks the suppliers' subsequent improvements, providing comprehensive support and guidance.

Raw materials produced and delivered by parts suppliers shall not use conflict minerals (gold, tin, tungsten, and tantalum) from the Eastern Democratic

Republic of Congo (Eastern DRC) or Central Africa to ensure that the mineral acquisition process complies with environmental and social responsibilities. At the same time, EU RoHS regulations are fully implemented to increase the proportion of green energy and promote energy conservation and carbon reduction. Large suppliers must comply with intellectual property rights (including patents, trademarks, image rights, and privacy rights) without infringing on the rights of others or violating laws and regulations. Accepting any form of illegal gains is forbidden, and reporting and feedback mechanisms are established.

Annual sustainability evaluation of large suppliers

1. Evaluation process



2. Evaluation results

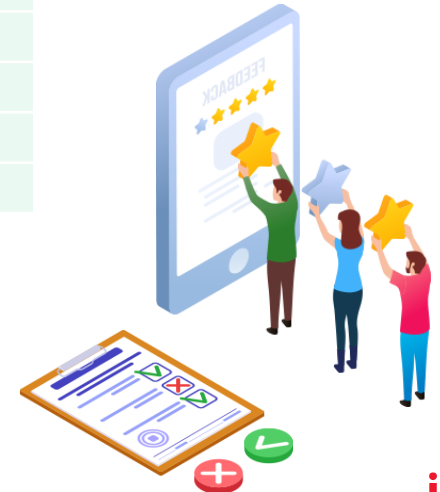
Item	2022	2023
Evaluation score of main suppliers	31	35
Number of evaluation forms collected	31	35



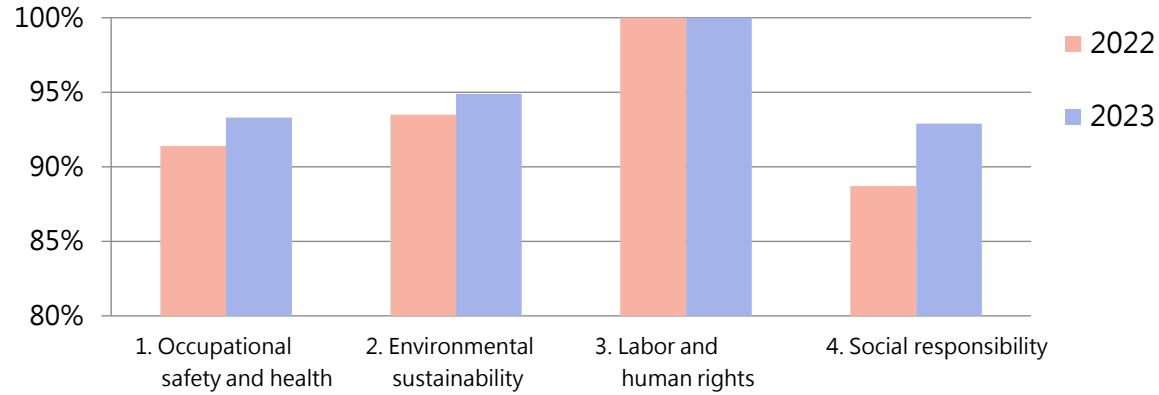
- Large suppliers
- 100% completed the sustainability audit

3. Distribution of supplier evaluation ratings

Level	2022	2023
A	26	31
B	5	4
C	0	0
D	0	0
Total	31	35



4. Achievement rate of each indicator

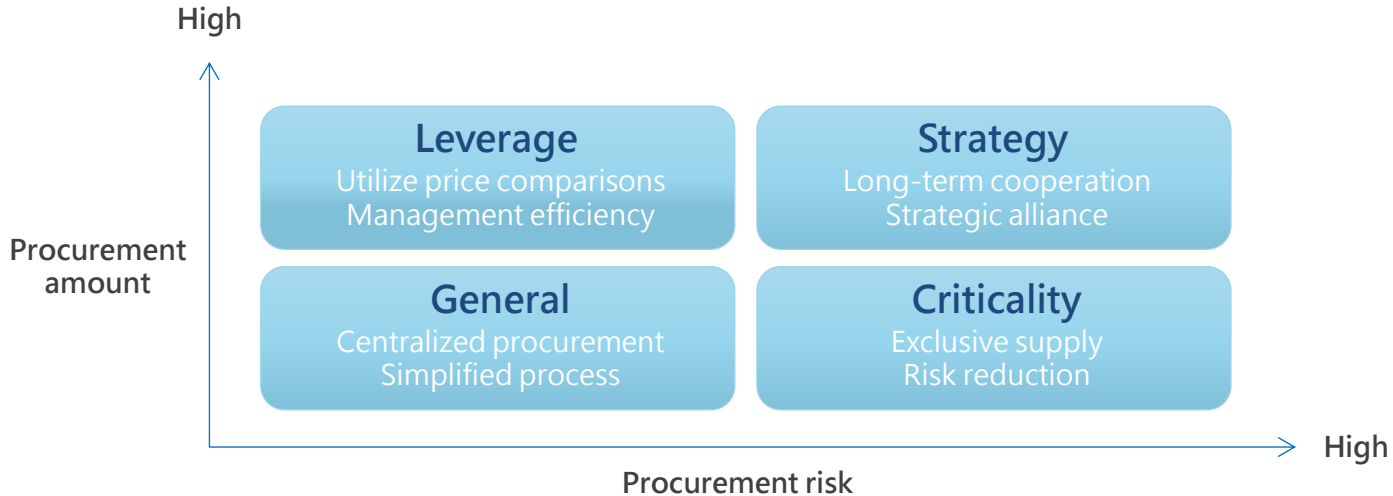


5. Response measures for evaluation results

Level	Response Measures	Status
A	Increase purchase recommended.	Qualified
B	Maintain status quo but ask the supplier to continuously improve its management mechanism.	
C	Decrease purchase recommended.	
D	Provide assistance in making improvement, stop purchase or cancel its supplier qualification, etc., for suppliers graded as D for two consecutive years.	Disqualified

7.2.2 Supplier Risk Management

IGS manages suppliers primarily based on quality, cost, delivery, and service. The Company requires that the raw materials and components provided by suppliers comply with the relevant environmental directives of the EU RoHS, ensuring supply stability and the quality of raw materials. IGS classifies materials and components into four risk quadrants based on their attributes and procurement amounts. The Company performs strategic inventory planning and flexible scheduling to mitigate the risk of supply shortages from suppliers.



7.2.3 Action Plan

IGS places great importance on the sustainable development of our supply chain and has set a plan to expand our efforts starting in Q3 2024. The four key indicators of “Prohibition of Conflict Minerals, Supplier Code of Conduct, Supplier Human Rights Protection, and Ethical Standards” will be included in the required documents for new suppliers to sign. For existing suppliers, these indicators will be implemented gradually according to short- and mid-term goals.

Supplier evaluation rating - Short-, mid-, and long-term goals

Item	Results in 2023	Goals in 2024	Goals in 2025	Goals in 2026	Goals in 2027
Annual sustainability evaluation	100% of evaluations for 35 large suppliers were collected.	Implement comprehensive evaluations of large suppliers, and continue to teach and promote the concepts of sustainability to B- and C-level suppliers.	Implement comprehensive evaluations of large suppliers, and continue to teach and promote the concepts of sustainability to B- and C-level suppliers.	Implement comprehensive evaluations of large suppliers and require B-level suppliers to advance.	Implement comprehensive evaluations of large suppliers and require B-level suppliers to advance.

Supplier evaluation rating - Short-, mid-, and long-term goals

Item	New suppliers Goals in 2024	ABC level suppliers Goals in 2025	A-level suppliers Goals in 2026	A-level suppliers Goals in 2027
1. Supplier Code of Conduct Statement	Introduced new suppliers in Q3 100% implementation and signing	Comprehensive promotion	Signing required	100% implementation and signing
2. Human rights protection of suppliers	Introduced new suppliers in Q3 100% implementation and signing	Comprehensive promotion	Signing required	100% implementation and signing
3. Ethical standards for anti-corruption	Introduced new suppliers in Q3 100% implementation and signing	Comprehensive promotion	Signing required	100% implementation and signing
4. Ban on conflict minerals	Introduced new suppliers in Q3 100% implementation and signing	Comprehensive promotion	Signing required	100% implementation and signing

Number of quarterly supplier evaluations (based on the suppliers with whom we do business during the quarter)



CH8. IGS Family



8.1 Human Resources

Talent is IGS's most valued asset. We provide a spacious and comfortable working environment, professional equipment, and generous welfare benefits with the aim of enhancing overall research and development quality and achieving outstanding operational performance. We also strive to attract more passionate and talented individuals to join the gaming industry.

Human Resource Structure

As of December 31, 2023, the total number of IGS employees is 1,111 people. As IGS actively expands our overseas market development, operations, and game development, the number of employees increased by 51 people in 2023 compared with the previous year.

Unit: person

Year	2022	2023
Official employee	1,049	1,097
Temporary Employees	11	14

The number of employees, average working period, average age and education in the last two years are shown in the table below:

Official employee

Unit: person

Year		2023	2022
Number of employees	Managerial personnel	31	30
	RD	800	765
	Technicians	10	10
	Administrators /Sales	256	244
	Total	1,097	1,049
Average Age		36	35
Average Service Years		7.5	7.3
Educational Distribution Ratio (%)	Ph.D	0.09%	0.10%
	Master	24.48%	23.83%
	Bachelor/Associate /Diploma	68.95%	69.59%
	High School	6.30%	6.38%
	Below High School	0.18%	0.10%

Temporary Employees

Unit: person

Year		2023	2022
Number of employees	Managerial personnel	0	0
	RD	0	0
	Technicians	0	0
	Administrators/Sales	14	11
	Total	14	11
Average Age		23	24
Average Service Years		1	1
Educational Distribution Ratio (%)	Ph.D	0	0
	Master	0	0
	Bachelor/Associate/Diploma	100%	100%
	High School	0	0
	Below High School	0	0

IGS upholds the UN SDG for gender equality. We treat males and females equally during the recruitment, employment, training, and promotion processes, becoming a gender-friendly company. In 2023, 30.51% of employees were female employees, with 50.37% of employees in sales administration and other units being female. As of December 31, 2023, 16.13% of managers are female.

Unit: person

Employee Distribution in 2023	Management		Technicians and RD	
	Number of Employees	%	Number of Employees	%
Male	26	83.87%	612	75.56%
Female	5	16.13%	198	24.44%
Total	31	100.00%	810	100.00%
Employee Distribution in 2023	Administrators/Sales and Others		Total	
	Number of Employees	%	Number of Employees	%
Male	134	49.63%	772	69.49%
Female	136	50.37%	339	30.51%
Total	270	100.00%	1,111	100.00%

Talent Attraction

As a leading brand in the gaming industry, we have designed a comprehensive and competitive compensation structure. We also provide a diverse range of welfare benefits that cater to the needs of our employees. This is done to attract, motivate, and retain outstanding talent, ensuring the competitiveness and sustainable development of our organization. In the working environment, in addition to eliminating various occupational safety and health risks, we provide a healthy and comfortable office environment and leisure facilities for employees, allowing employees to work happily with peace of mind.

In the rapidly changing gaming market, IGS actively recruits talents from various fields. Our recruitment efforts encompass roles such as game software engineers, art designers, game planners, big data analysts, and more. The channels for attracting professional talent have also become increasingly diverse and complex. Therefore, in our recruitment policy, job openings need to be more targeted. In addition to traditional recruitment channels such as job boards, we need to explore and develop more recruitment channels and platforms, participate in communities, and engage in recruitment events. This includes cultivating our employer brand to ensure that we attract talent from different

backgrounds who align with the IGS culture. In 2023, we planned to recruit 142 people. We received 5,545 resumes, which was 39 times the expected number of recruits. The employment rate in 2023 was 106%. In 2023, we hired 151 employees. The new employees were mostly under 33 years old (around 85% of new employees), injecting youth and innovation into IGS. In 2023, 106 people resigned. IGS conducted exit interviews with the employees to understand the reason for their resignation. The main reasons for quitting in 2023 were 1. career planning, and 2. the organizational development direction did not meet their personal expectations.



Although IGS faced fines for not meeting the required quota for hiring individuals with disabilities, this was not due to any discriminatory or unequal recruitment policies *within* the Company. IGS has always adhered to the principles of equal recruitment, striving to provide fair employment opportunities. The fines occurred primarily because fluctuations in the total number of employees during certain months affected the proportion of individuals with disabilities, resulting in the Company not meeting the government-mandated quota for hiring people with disabilities. IGS promises to continue to work hard to improve and provide more employment opportunities to ensure that it can meet the quota requirements in the future. At the same time, the Company will further strengthen employee training and awareness-raising activities to promote the development of inclusivity and diverse cultures.

We firmly believe that everyone should have equal employment opportunities and will do our best to ensure that the Company's recruitment policies and practices comply with the highest ethical and legal standards.

Unit: NT\$1

People with disabilities penalty	
2023	2022
211,200	50,500



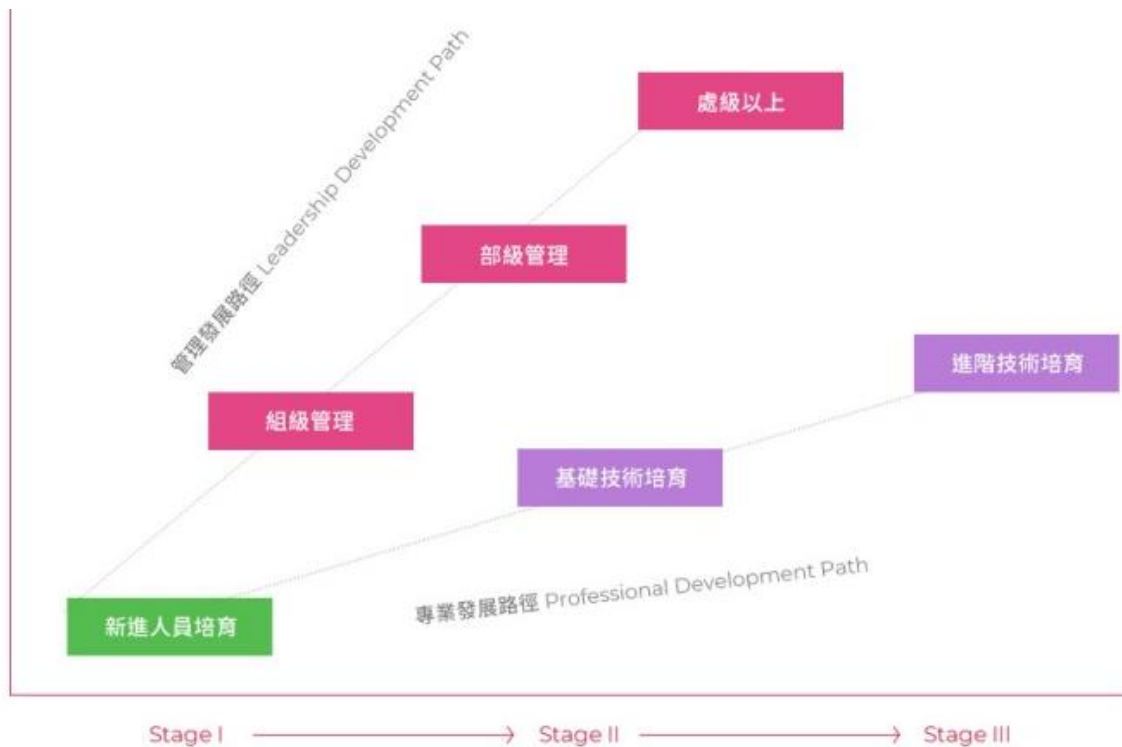
8.2 Talent Cultivation

The development of talent is the force driving company growth and continued learning is the force driving corporate sustainability. IGS's education and training is a long-term, well-planned talent training system. In addition to internal practical training organized by the Company, IGS has also recently introduced a digital learning platform and subsidies for employees to participate in seminars, exhibitions, and training courses in Taiwan and abroad. We want employees to continue learning as they work, strengthening employee competencies with the aim of effectively improving business performance and competitiveness.



Employee Education and Training

- **Managerial training:** Management talent training is a source of the Company's growth momentum. For management trainees and managers at each level to gain excellent management skills, the Management Department offers management courses based on the Company's actual needs, in order to cultivate management trainees and managers at each level.
- **Specialized training:** The Management Department regularly surveys education and training requirements, and formulates an education and training plan for the following year based on courses proposed by each department after integrating internal demand. The plan is used as the basis for education and training each year after it is approved by the president.
- **New employee orientation:** Helps new employees quickly adapt to the Company's environment, understand the Company's core values, rules and regulations, labor safety laws, intellectual property rights, legal knowledge, and culture, and then senior employees provide instructions on work contents and tools so they will get into the swing of things, increasing their commitment and productivity.
- **Other courses:** Training courses are organized according to employee growth and development needs or other special needs, including language, physical and mental health, and stress relief courses.



Career-oriented and diversified development training plan

At the end of 2023, IGS collaborated with external consultants to introduce career fields and functional categories. Based on this classification, the Company developed our annual training plan, offering both physical and online courses tailored to different professional competencies. In 2023, the employee

performance evaluation completion rate reached 100%. In the future, the Company will consider combining personal performance evaluation results with career development needs and including the results in training plans. This will help us provide more targeted training and development opportunities based on employees' specific needs and career goals.

Statistics of the IGS's expenses on continuing education and training of employees in 2023 are shown below:

Note: Number of official employee in IGS in 2023 was 1,097 people.

Employee training					
	Physical/online	Gender	Supervisor	Non-supervisor	Total
		Internal training hours			
Male	556		2,261	2,817	
Total hours			662	3,335	3,997
Online	Female		68	970	1,038
	Male		419	1,724	2,143
Total hours			487	2,694	3,181
External training hours	Physical/online	Gender	Supervisor	Non-supervisor	Total
	Physical	Female	109	587	696
		Male	405	807	1,212
	Total hours		514	1,394	1,908
Total training hours			9,086		
Average training hours (hours/number of people)			8.28		
Investments in training			NT\$2.21 million		

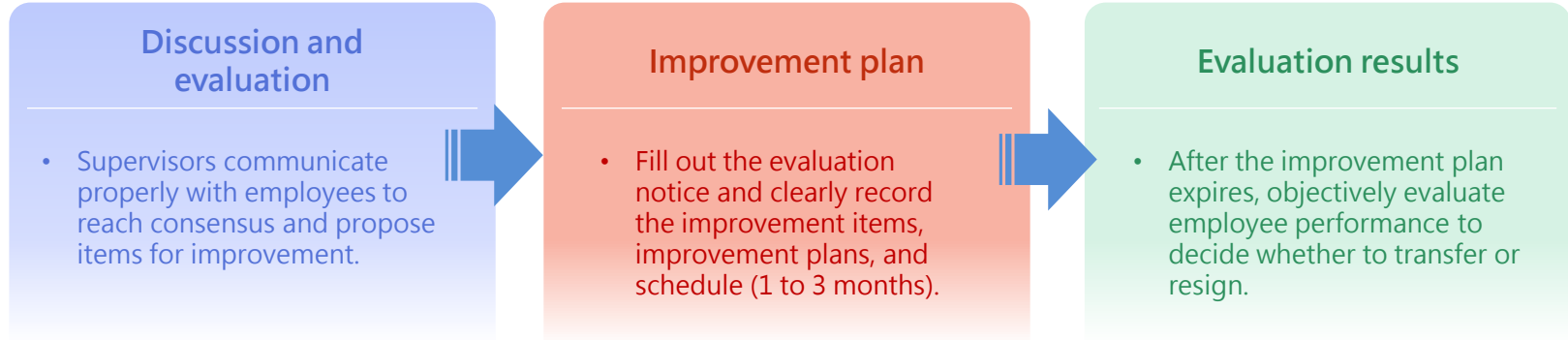
Training and development curriculum for IGS employees in 2023

New employee education and training	4 times
Online learning management platform (irregular courses)	25 sessions
Occupational safety and health courses	4 sessions
Health education courses (For example: nutritionist course)	4 times

Table of continuing employee education and training expenses

Education and training	Internal training	External training
Number of trainees	1,003 people	1,919 people
Expenses	NT\$762,950	NT\$1,455,444
Course name (organizer)	Newcomer Experience Camp	Power of change
	SQL Server performance tuning	ISO 27001 Information Security Management System Risk Assessment Course
	Core Leadership Course for Beginners	"Continuing Education of Accounting Supervisors" Continuing education course for accounting officers of issuers, securities firms, and securities exchanges
	Presentation image	Dale Carnegie
	Customer complaint handling that turns crisis into opportunity	The role of directors and compliant responses to management right challenges under Corporate Governance 3.0
	Course on the analysis of differences in ISO 27001 articles	2023 ChinaJoy

Employee incompetence handling process and improvement plan



8.3 Personnel Communication

Human Rights Policy

IGS strictly abides by local regulations, references the ten principles of the UN Global Compact, and complies with the government's labor laws and regulations, eliminating all actions that violate human rights and continuing to improve the work environment and benefits for employees.

- **Prohibition of child labor:**
Pursuant to the Employee Selection and Management Regulations, all employees are adults ages 18 and above, in order to ensure compliance with CSR and ethics.
- **Elimination of discrimination and ensuring equal employment opportunity:**
Eliminate unfair treatment due to discrimination against age, gender, mental and physical disabilities, race, nationality, religion, marital status, horoscope, blood type, children, political background, or other identifies or status.
- **Prohibition of forced labor:**
Forcing employees to perform labor and related compulsory measures, including physical or psychological abuse or coercion, threats or other forms of verbal abuse, and other illegal forms of compulsory labor, are prohibited.
- **Help employees maintain physical and mental health and achieve work-life balance:**
The Company regularly organizes year-end parties, family day, and other

events to help employees find balance and become more committed to the Company. The Company also has a fitness room, basketball court, KTV, library, and a number of entertainment facilities for employees to use after work. The Company has a variety of clubs (e.g., badminton club, basketball club, yoga club, board games club, etc.) and provides subsidies to help the clubs operate smoothly. The Company encourages employees to participate in club activities, and hopes that they will build relationships with each other through the activities.

- **Provision of a safe and healthy work environment:**
The Company provides free medical check-ups once every two years, and divides employees into groups for follow-up management based on the results to prevent potential health risks.



Labor-Management Relations

In order to establish better employer-employee relations, we built a harmonious and equal communication platform. We regularly hold labor-management meetings. 100% of employee representatives are non-managerial employees. The Company has good labor-management relations and has not had any disputes that required labor-management negotiations in 2023.

Employee Welfare Committee	12 events
Labor-Management Meeting	4 events
Occupational Safety and Health Committee meetings	4 events
Employee Conference	1 event

Employee Suggestion Box

An employee suggestion box was added to the Company's intranet(admservice@igs.com.tw), so that work-related content or reported matters can be communicated.

2023 Employee Suggestion Box	33 posts
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Illegal Infringement Whistleblowing Channel

IGS is committed to providing a friendly and safe working environment. We actively protect all personnel against the threat of sexual harassment and have stipulated "Sexual Harassment Prevention Measures" in the whistleblowing system. A whistleblowing channel is established on the Company's intranet to help violated parties file complaints or proceed with subsequent relevant legal proceedings. No complaints related to illegal infringements were received in 2023. For the whistleblowing channels, please see 3.3 Ethical Corporate Management.

There were no labor disputes in 2023.

There were no illegal infringements in 2023.



8.4 Compensation and Benefits

In addition to providing competitive salaries, IGS links the Company's overall strategic goals through the performance management system. At the end of the year, the managers score performance according to the attainment of various performance goals and by referencing the multi-faceted feedback from other managers. The Company rewards, trains, and offers various career development opportunities to employees based on their performance. We actively promote talents with outstanding performance and potential through an open and transparent promotion system, while providing salaries and remunerations that correspond to more responsibilities. We aim to drive positive developments for the entire organization. The Company established a reasonable remuneration policy, please refer to the Labor/Management Relations section of corporate governance on the company website for related welfare measures. If employees are found in severe violation of regulations, they will be reported to the Board of Directors and handled in accordance with internal regulations on employee rewards and punishments.

Compensation System

The overall salaries of IGS include fixed salary and variable salary. The fixed salary includes 12 months of monthly salary and fixed allowances. Variable salary includes generous employee bonuses and the reward system. The 12 months of monthly salary is based on the past experience of, capabilities of, and the value of the position

applied for by the employee. Furthermore, salaries are adjusted based on domestic and international economic trends, the salary level of the market, and personal performance. In 2023, on average, IGS adjusted salaries by 2% to 4%.

Non-managerial Salaries are the Highest Among Listed Peers

In 2023, the average salary per non-managerial full-time employee of IGS was NT\$2.8 million, representing an increase of 10.26% compared to 2022. The median salary is NT\$2.17 million, representing a growth of 7.35% compared to 2022. For five consecutive years from 2019 to 2023, salaries for non-managerial roles in IGS have been the highest among listed companies - cultural and creative industry, demonstrating the positive positioning of the overall remuneration policy.

Salaries of Full-Time Non-Managerial Employees	2022	2023	Annual Increase (%)
Number of people	1,026	1,062	3.51%
Average salary (NT\$ thousand)	2,544	2,805	10.26%
Median salary (NT\$ thousand)	2,027	2,176	7.35%

Note: The table includes the number of non-managerial full-time employees, not the number of all employees.

Employee Welfare Benefit Plans

In the IGS family, we have established the Employee Welfare Committee to care for our employees and provide diverse welfare options. In addition to providing labor and health insurance to employees in accordance with the law, IGS also provides various subsidies for marriage, funerals, childbirth, department dinners, and employee travel. For related welfare measures, please refer to employer-employee relations in the corporate governance section of the IGS website. In addition to seven days of paid maternity check-up leave for female employees for each pregnancy, male employees are also provided with seven days of paid paternity leave.

Employees who satisfy the regulations of the Act of Gender Equality in Employment can apply for parental leave before each child reaches three years old for up to two years. There were six employees who applied for child care leave in 2023, four of whom have been reinstated, and the other two employees are expected to be reinstated in 2024.

Peace of Mind Benefits - Employee Retirement Care

IGS has established the Labor Pension Preparatory Fund Supervision Commission and the Employee Retirement Plan. All official current employees of the Company are

eligible for participation. Under the Labor Pension Act (the new system), the Company has made monthly contribution equal to 6% of each employee's monthly salary to an individual labor pension account managed by the Bureau of Labor Insurance. For employee who subject to the Labor Standards Act (the old system), IGS provides two units for each year of service within fifteen years (inclusive) and one unit for every year after fifteen years. The numbers of units are capped at 45. The Company contributes an amount equal to 2% of salaries paid each month to employee's pension funds according to the "Labor Standards Act". Currently, the net defined benefit liability amounts to NT\$77,199 thousand. The Supervisory Committee of Workers' Pension Preparation Fund deposits the funds into a Bank of Taiwan account in the name of the Committee.

Care Benefits - Employee Commendation System

Senior employee awards: Commends and rewards senior employees who have served IGS for 10, 20, or 30 years to thank the employees for growing with IGS and highlight their exceptional service.

Considerate Benefits - Employee Leisure Activities

- A leisurely life is an important focus of the Company. We help employees maintain their physical and mental health, as well as their work-life balance. We regularly organize year-end parties, family days, and other events to improve employee physical and mental health and company unity.
- Set up a gym, yoga classroom, basketball court, table tennis room, KTV room, library, and recreational facilities for employees to use after work.
- We support employees to participate in various club activities (such as the badminton club, basketball club, yoga, and board games club). Through the support of the Company and the power of teams, we give employees more opportunities to cultivate a healthy body and mind. We also provide subsidies to ensure the smooth operation of clubs, so that they can cultivate closer ties

between colleagues.

- Each year, IGS arranges nine days of travel leave on the annual calendar. Subsidies based on employee position are provided so that employees can enjoy their vacations with friends and family.
- Recently, IGS managers have encouraged employees to join hiking events, the Crufu Run, marathons, triathlons, ultra-ironman events, and even the Yushan summiting challenge, helping employees develop the habit of exercise and sports.





8.5 Occupational Health and Safety

Safe Workplace

IGS established the Occupational Safety and Health Office to conduct safety and health management according to the ISO 45001 Occupational Health and Safety Management System process. The Office performs risk assessments on all potential hazards in the workplace and regularly organizes related courses and asks department representatives and employees to join the hazard identification operations. Classified management based on risk levels is conducted according to the assessment results. We continue to monitor and improve related measures to reduce risk. The Company attaches great importance to communication channels with employees. Employee representatives stipulate the Occupational Safety and Health Work Rules and convene the Occupational Safety and Health Committee every quarter to review the safety and health related issues and legal requirements together. Additionally, an incident reporting hotline has been established so that all employees can report various situations in a timely manner and receive improvement responses.

Cooperation with the government in 2023 Irregular labor inspections	27 times
Cooperation with the government in 2023 Occupational safety and health evaluation visits	4 times

To protect employees from occupational disasters, IGS has planned a series of occupational safety and health courses. Firstly, labor safety and health training is provided to new employees. Environmental testing is also conducted every January for hazardous locations specified by law to comply with the Occupational Safety and Health Act and protect labor safety and health. The high-quality office space provided by IGS is managed by measures that comply with or exceed the law in terms of air quality and other safety aspects. In addition, the health examinations that workers should undergo are carried out in accordance with the Occupational Safety and Health Act and other relevant laws and regulations to maintain labor safety.



There were no major occupational disasters in IGS in 2023. All occupational disasters were traffic accidents during the commutes of employees.

Occupational Injury Statistics	2023	2022	2021
Absence rate (Male)	0.01%	0.029%	0.01%
Absence rate (Female)	0.09%	0.005%	0.09%
Work Injury Rate (IR)	0	0.09	0.09
Occupational disease rate	0	0	0
Lost Day Rate (LDR)	0	6.15	10.99
Number of fatalities	0	0	0
Frequency of disabling injuries (FR)	0	0.48	0.49
Disabling Injury Severity Rate (SR)	0	30	54
Fatal and Serious Injury (FSI)	0	0.12	0.16

Safety and health education and training

	2023	2022
Number of participants in new employee occupational safety and health training	119	135
Number of new and recurring trainees for occupational safety and health personnel certificates	6	3
Number of participants in emergency fire response training	93	57

Note: Due to scheduling conflicts, employees who joined at the end of the year received their training in January of the following year. Starting from 2024, IGS has adjusted this approach by adding training sessions in late December to ensure timely education and training.

Firefighting and First Aid Training and Drills

- Fire and emergency evacuation drills are conducted twice a year. In addition, online disaster prevention training is provided to help employees understand how to respond when emergencies occur.



Comprehensive Security System

- IGS has established a real-time employee attendance upload system. The internal attendance list is regularly and automatically updated and uploaded to the NAS, so that during emergency evacuations, a list of all employees present can be immediately accessed.
- 24-hour on-site security, electronic security, video surveillance systems, and access control systems have been installed to provide a safe working environment through the use of employee IDs and access card management.

Regular Equipment and Environment Testing

- In terms of equipment safety, the Company building conducts fire equipment safety inspections and public safety inspections once a year in accordance with regulations. The Procurement and Manufacturing Department and laboratory equipment are self-inspected regularly every month and spot checks are conducted every day to ensure equipment usage safety.
- Environment testing in terms of illumination and carbon dioxide are conducted twice a year to maintain the air quality, safety, and comfortability of the working environment.

Healthy Workplace

IGS attaches great importance to the health of our employees. The Company provides a safe, sanitary, and healthy working environment. In addition to regular health check-ups in every two years, there are also full-time nurses who provide timely assistance and health advice. We care for the health of our employees through various health promotion activities. Additionally, to safeguard employee health and drinking water safety, the Company conducts carbon dioxide concentration tests in office areas every six months and routine inspections of drinking water every quarter. Filter replacements are carried out according to regulations.

In order to create a more secure workplace for employees, the Company has obtained healthy workplace promotion certification. We have established an infirmary and a lactation room. The Company also conducts regular employee health check-ups and an on-site doctor is available on a monthly basis. Additionally, we organize blood donation drives, administer flu vaccines, offer cancer screenings, hold periodic health education seminars, and implement programs for physical and mental health protection. These measures are aimed

at preventing occupational diseases, providing employees with indicators to understand their own health, assessing areas with higher abnormality rates in health check-up results, designing annual improvement plans, offering appropriate health education, and providing ongoing support and care to promote the physical and mental well-being of our employees.



Health Promotion Management

- The Company provides regular medical check-ups every two years with a relatively high participation rate. Employees are divided into specific groups, such as those with cardiovascular disease risk, for follow-up management based on the results to prevent potential health risks.

Year	Number of participants in the health examinations	Health examination participation rate	Number of consultations with factory doctors
2023	-	-	404
2022	1021	96%	255

Note: Regular health examinations are organized once every 2 years, but was not conducted in 2023.

- Results of the blood pressure monitoring plan are as follow:

Year	Average number of people monitored each month	Number of people whose blood pressure exceed 140/90mmHg every month	Percentage of abnormalities
2023	96	17	18%
2022	89	14	16%

- In 2023, a three-month weight loss class was held, and the weight loss of the 27 participants totaled 49.2Kg.

Activities	Results achieved
Step counting event	45 people achieved 100,000 steps per month
Working out in the fitness area	175 people
Weight loss seminar	42 people



Health Education Courses

- Hire professional teachers to provide courses related to the body, mind, soul, and healthy diets.



Thoughtful Facilities

- Set up a gym, yoga classroom, basketball court, table tennis room, KTV room, library, outdoor rest area, and recreational facilities for employees to use after work. Hire a personal trainer for the gym to instruct IGS employees on the correct use of gym equipment. Furthermore, periodically replace old equipment and purchase new equipment for employees to use.

- Infirmary: Equipped with professional medical equipment and operated by professional medical personnel to provide on-site doctor consultation services.
- Nursery: Provide a friendly and considerate lactation space for female employees.

Year	2023	2022
Number of people who applied to use the breastfeeding room	5	6

- Employee cafeteria: High-quality catering companies that comply with food safety are hired to provide employees with safe and healthy lunches and dinners at affordable prices. Employee satisfaction surveys are conducted once a year. The results show that employees are generally satisfied and adjustments are made according to the employee responses. All leafy vegetables in the meals are sourced locally in Taiwan, and 90% of the meats are also locally produced. Direct sourcing from farms ensures that employees enjoy the freshest food possible.
- Coffee shop: Provides breakfast and afternoon tea for employees to replenish their energy at any time.
- Vending machines: Coffee vending machines were installed to complement the existing food vending machines, providing more dietary options to employees



CH9. Society



9.1 IGS Social Welfare Foundation

The Company's chairman founded "New Taipei City IGS Social Welfare Foundation" in August 2012 with donations from all directors and the Company. The foundation was established with the purpose to "take from society, give back to society" and "dedicate efforts to charity and care for people," participating in charity events to economically support people in need. The Foundation reports its executive budget and results to the Board of Directors twice a year to ensure that every bit of love is given to society.

After more than 30 years of hard work and development in Taiwan, IGS gives back to Taiwan with the spirit of giving back to our home. We have invested our efforts in educational care and giving back to society, doing our part of this land.

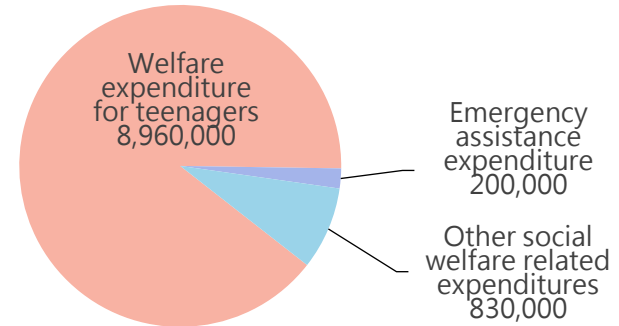


- The Foundation was awarded the New Taipei City Social Welfare Foundation Evaluation - Excellence Award.



- The Foundation responded to the "New Taipei City Good Day Platform" and passionately helped the disadvantaged, receiving the recognition of the New Taipei City Government.

Foundation welfare expenditure in 2023



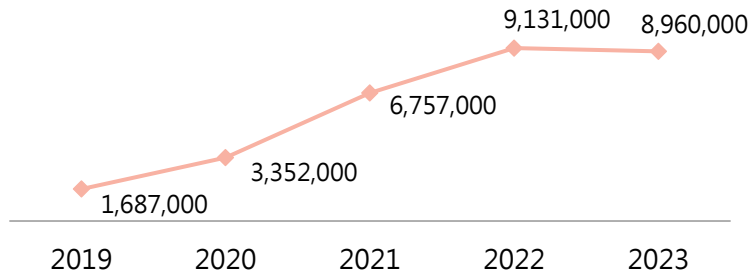
Educational Care

IGS has long been invested in educational care. Each year, we regularly provide scholarships to outstanding students in schools and actively support various education programs to encourage students to work harder.

- We donated the disadvantaged student scholarship to New Taipei City high schools, middle schools, elementary schools, and Taiwan Tech. The number of schools and recipients has increased year by year. We hope to inspire students to study hard and turn their lives around. In 2023, 1,792 students from 45 schools applied for the scholarship and NT\$8,960,000 was distributed.

Scholarship for excellent disadvantaged students

Unit: NT\$1



Unit: NT\$1

Year	Number of schools	Number of students	Amount
2019	15	331	1,687,000
2020	20	618	3,352,000
2021	39	1,299	6,757,000
2022	45	1,778	9,131,000
2023	45	1,792	8,960,000



- The principals of the donated schools came to express their gratitude to the IGS Foundation for its long-term support to the students.
- We received numerous thank you cards from the students.

Social Contribution

We uphold the spirit of giving back what we took from society. We actively invest in community welfare events and participate in local public affairs. We aim to do our part for society as we pursue corporate growth.

- In 2023, we donated NT\$200,000 to the “New Taipei City Good Day Platform” for after-school community care.
- In 2023, we gave NT\$200,000 to Taiwan Tech's 101-level "101 Charity" project to help disadvantaged students receive timely assistance and study with peace of mind.



- In 2023, we donated NT\$200,000 to the “Wugong Rotary Club” teenage role model scholarship program. We supported the Wugong Rotary Club by providing scholarships to encourage disadvantaged students.



- We sponsored the Way Out Cup Blind Baseball Tournament organized by the “Chinese Taipei Disabled Baseball Association”, providing supplies such as masks and placemats to encourage blind individuals to participate in outdoor sports.



- We sponsored the Taiwan Tech Volunteer Club to organize the “Summer Diversified Education and Growth Camp” at Daoxiang Elementary School in Hualien.



- We also sponsored the Taiwan Tech basketball team to support the development of student sports.

9.2 Community Involvement

Donated NT\$2 million to the Uni-President Lions to support the development of baseball in Taiwan

As a socially influential company, IGS consistently upholds a people-centric philosophy. We are committed to giving back to society and promoting social progress and development. IGS donated NT\$2 million to Uni-President Lions in 2023 to support local baseball in order to cultivate more outstanding baseball talents and drive the vigorous development of baseball in Taiwan. This donation not only demonstrates support for baseball in Taiwan but also reflects IGS's commitment to corporate social responsibility. We believe this contribution will inject new momentum and vitality into the development of the Uni-Lions, helping to foster the growth and prosperity of Taiwan's baseball industry.

Support Taiwanese Farmers to Do Good Together

Fruits produced in Taiwan have an excellent reputation around the world. In the past, pineapples have enjoyed stable export volumes but this was affected by the pandemic. With an increase in production, local small farmers were greatly affected. Unable to bear wasting the farmers' hard work throughout the year, IGS decided to do our part for society. We purchased 3.6 tons of pineapples from small local farmers and shared them with our employees. We hope to do what we can to help everyone in Taiwan return to their normal and safe lives. We fulfill our corporate social responsibilities to create a new life after the pandemic.



Health Care

- In 2023, all employees participated in the “Donate a Bag of Blood to Save a Life” event twice. 131 people donated 201 bags of blood.



9.3 Environmental Safety in Community

IGS was established in the New Taipei Industrial Park over thirty years ago and has deep-rooted connections in the local community. Consequently, we actively participate in various developments within the industrial park, promoting convenient transportation and improving the quality of life. This not only allows our employees to live and work nearby but also attracts talents from other regions who are willing to seek employment opportunities here.



新北產業園區綠化管理計畫書內容

申請單位	單位	新晨電子股份有限公司				
	負責人	李柯柱	電話	02-22995048	傳真	
	聯絡人	陳慧珊	分機	1212	行動電話	
	地址	新北市五股區五工路130號				
認養範圍	名稱	認養綠帶				
	標的	<input type="checkbox"/> 公園 <input checked="" type="checkbox"/> 綠地 <input type="checkbox"/> 廣場 <input type="checkbox"/> 其他 _____				
	位置	新北市五股區五工路130號前	面積	131㎡		
認養期限		自中華民國 111 年 09 月 01 日至 112 年 08 月 31 日，合計 1 年				
認養標的現況圖						

- The environment has a significant impact on the physical and mental well-being of individuals in the vicinity. Recognizing that the New Taipei Industrial Park is a well-established industrial area, IGS has cooperated with the New Taipei Industrial Park Development Center in sponsoring roadside trees and roadway beautification. This effort not only enhances the image of the industrial park but also fosters a sense of community and neighborliness among its residents.

- Due to the high volume of traffic in the industrial park, in addition to assigning additional security personnel during regular commuting hours to assist with traffic control and employee-vehicle separation, we have also created internal promotional posters to remind our employees to be more attentive to road safety.



職安室宣導

鑒於警衛室旁大門口同仁出入時視角不良，不易察覺來車，與園區服務中心多次溝通協調，已將警衛大門左側的路邊汽車停車格改為機車格，另再加劃紅線禁止閒雜車輛違停

請大家在下班開(騎)車出警衛室旁大門時，能多加注意左側來車，避免交通事故的發生。

以上內容若有疑問，歡迎與鄭惟峰分機1205連絡，謝謝!!



9.4 Industry-Academia Cooperation

IGS actively cultivates gaming industry talent. We have long been working closely with the industry and academia to improve the competitiveness of the industry. Industry-academia cooperation can enhance the Company's R&D capabilities and help the Company grow more stably, as well as bring academia and industry closer together. This can help students better understand the industry while still in school, combining the research powers of universities with the industry's resources and experiences to create growth. IGS provides scholarships to outstanding students to encourage the cultivation of more professional talent.

In response to the government's announcement of the "National Key Fields Industry-Academia Collaboration and Talent Cultivation Innovation Act", aimed at addressing manpower needs in key national industries, IGS actively supports the policy to nurture technological talent. Starting in 2023, the Company has committed to funding Taiwan Tech for 12 consecutive years to help establish the "National Taiwan University of Science and Technology Industry-Academia Innovation College". We aim to work alongside the government to cultivate talent.

Industry-academia collaboration schools:

- National Taiwan University of Science and Technology
- National Taipei University of Technology
- Taipei National University of the Arts
- Southern Taiwan University of Science and Technology
- Shu-Te University



- The industry-academia cooperation between IGS and Taiwan Tech has been very successful for many years. Professors lead students to conduct research and regularly report the results to the Company.

A promoter of industry-academia collaboration and innovative R&D

In this era of rapidly advancing technology, the gaming industry plays an increasingly important role as a major driver of digital entertainment. IGS has become a leader among game development companies, renowned for our continuous innovation in game software development. However, IGS is not just a company that pursues commercial success. We actively participate in industry-academia collaboration. The Company aims to integrate our extensive R&D experience with academic resources to provide practical application platforms for academia, thereby amplifying our social impact.

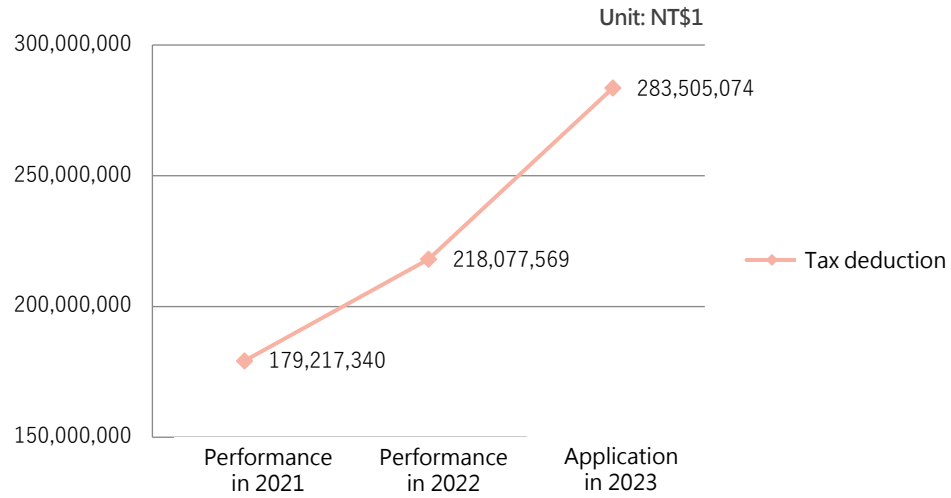
In addition to collaboration with academia, IGS is also actively involved in the government's industrial innovation regulations. Every year, IGS proposes

innovative R&D plans to apply for investment deductions. These plans not only contribute to the Company's technology R&D and product innovation, but also bring actual tax benefits to the Company. Through R&D investment deductions, IGS has effectively reduced its tax burden and maintained the effective tax rate below 20%, which not only improves the Company's competitiveness but also contributes to social and economic development.

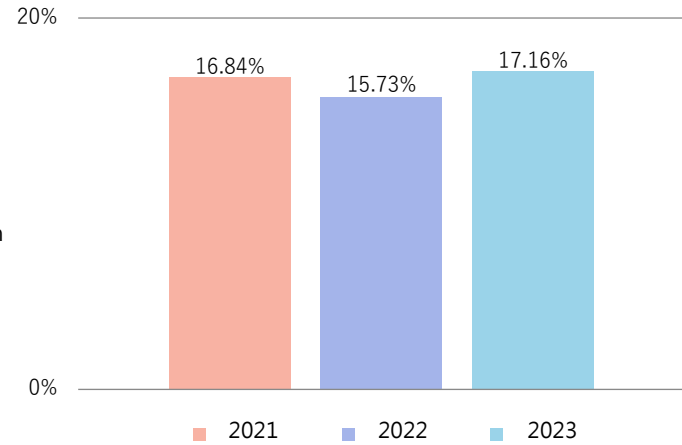
IGS is not only committed to innovative research and development, but also attaches great importance to industry-academia collaboration and social responsibility. We believe that in the future, IGS will continue to uphold this ideal, continue to innovate and make progress, and strive relentlessly for the development of the industry and the progress of society.



R&D investment tax deductions



Effective tax rate



Appendix 1 GRI Content Index

Statement of use	IGS has reported the information cited in this GRI content index for the period January 1 to December 31, 2023 with reference to the GRI Standards.			
GRI 1 used	GRI 1: Foundation 2021			
Applicable GRI Sector Standard(s)	No applicable GRI Sector Standard(s)			
GRI 2: General Disclosures 2021				
GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
The organization and its reporting practices				
2-1	Organizational details	1.1 Business Philosophy		009
2-2	Entities included in the organization's sustainability reporting	Report Overview		002
2-3	Reporting period, frequency and contact point	Report Overview		002
2-4	Restatements of information	The 2022 greenhouse gas inventory data was revised this year due to formatting errors in Scope 1 and Scope 2 emissions.		-
2-5	External assurance	No external assurance		-
Activities and workers				
2-6	Activities, value chain and other business relationships	1.1 Business Philosophy		009
2-7	Employees	8.1 Human Resources		111
2-8	Workers who are not employees	8.1 Human Resources		111
Governance				
2-9	Governance structure and composition	3.1.1 Governance Structure and Operating Mechanisms		34
2-10	Nomination and selection of the highest governance body	3.1.1 Governance Structure and Operating Mechanisms		34

GRI 2: General Disclosures 2021

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
The organization and its reporting practices				
2-11	Chair of the highest governance body	3.1.1 Governance Structure and Operating Mechanisms		034
2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Sustainable Development Vision and Strategy		015
2-13	Delegation of responsibility for managing impacts	1.2 Sustainable Development Vision and Strategy		015
2-14	Role of the highest governance body in sustainability reporting	1.2 Sustainable Development Vision and Strategy		015
2-15	Conflicts of interest	3.3 Ethical Corporate Management		053
2-16	Communication of critical concerns	1.2 Sustainable Development Vision and Strategy		015
2-17	Collective knowledge of the highest governance body	3.1.1 Governance Structure and Operating Mechanisms		034
2-18	Evaluation of the performance of the highest governance body	3.1.1 Governance Structure and Operating Mechanisms EGS-related management performance has not been included in the Board of Directors performance evaluation items.		034
2-19	Remuneration policies	3.1.4 Remuneration Committee 8.4 Compensation and Benefits		046 122
2-20	Process to determine remuneration	3.1.4 Remuneration Committee 8.4 Compensation and Benefits		046 122
2-21	Annual total compensation ratio	Omission	Trade secrets of the Company	-
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Message from the Chairman 1.2 Sustainable Development Vision and Strategy		005 015
2-23	Policy commitments	1.2 Sustainable Development Vision and Strategy 8.3 Personnel Communication		015 120
2-24	Embedding policy commitments	1.2 Sustainable Development Vision and Strategy 8.3 Personnel Communication		015 120

GRI 2: General Disclosures 2021

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
Strategy, policies and practices				
2-25	Processes to remediate negative impacts	2.3 Results of Material Issue Analysis		028
2-26	Mechanisms for seeking advice and raising concerns	2.3 Results of Material Issue Analysis 3.3 Ethical Corporate Management		028 053
2-27	Compliance with laws and regulations	3.4 Regulatory Compliance		056
2-28	Membership associations	3.8 External Organization Participation		066
Stakeholder engagement				
2-29	Approach to stakeholder engagement	2.2 Stakeholder Communication and Engagement		021
2-30	Collective bargaining agreements	8.3 Personnel Communication		120

GRI 3: Material Topics 2021

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
3-1	Guidance to determine material topics	2.1 Identification of Stakeholders and Material Issues 2.2 Stakeholder Communication and Engagement		020 021
3-2	List of material topics			
3-3	Management of material topics			

GRI 200: Economic Series

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	3.2 Sustainable Governance		049
201-2	Financial implications and other risks and opportunities due to climate change	4.1 Climate Change Risks and Response Strategies		068
201-3	Defined benefit plan obligations and other retirement plans	8.4 Compensation and Benefits		122
201-4	Financial assistance received from government	9.4 Industry-Academia Cooperation		141

GRI 200: Economic Series

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Omission	We did not compile local minimum wage information.	-
202-2	Proportion of senior management hired from the local community	All senior management have Taiwanese nationality.		-
GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure investments and services supported	9.2 Community Involvement		137
203-2	Significant indirect economic impacts	Omission	There is currently no relevant statistical data.	-
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	7.1 Sustainable Procurement		101
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	3.3 Ethical Corporate Management		053
205-2	Communication and training about anti-corruption policies and procedures	3.3 Ethical Corporate Management		053
205-3	Confirmed incidents of corruption and actions taken	3.3 Ethical Corporate Management		053
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.4 Regulatory Compliance		056
GRI 207: Tax 2019				
207-1	Approach to tax	3.6.1 Tax Approach and Tax Policy		060

GRI 200: Economic Series

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
GRI 207: Tax 2019				
207-2	Tax governance, control, and risk management	3.6.2 Tax Governance, Management, and Risk Management		060
207-3	Stakeholder engagement and management of concerns related to tax	3.6.3 Tax Issues and Stakeholder Communication		061

GRI 300: Environmental Series

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	Omission	There is currently no relevant statistical data.	-
301-2	Recycled input materials used			
301-3	Reclaimed products and their packaging materials			
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	4.2.1 Energy Management IGS is based in a general office building, so we only consume general electricity. Our power consumption was 3,453,200 kWh. We did not sell electricity or use energy consumption outside of the organization. Energy intensity of 3,108.1908 kWh/person.		076
302-2	Energy consumption outside of the organization			
302-3	Energy intensity			
302-4	Reduction of energy consumption	4.2.3 Greenhouse Gas Emissions Management		078
302-5	Reductions in energy requirements of products and services	4.1 Climate Change Risks and Response Strategies		068
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	IGS is a general office space. All water withdrawal and drainage comply with local government regulations.		-
303-2	Management of water discharge-related impacts			

GRI 300: Environmental Series

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
GRI 303: Water and Effluents 2018				
303-3	Water withdrawal	4.2.2 Water Resource Management		077
303-4	Water discharge	IGS is a general office environment. All wastewater is discharged in the sewage system designated by the municipal government. Therefore, the drainage and water consumption volumes were not calculated.		-
303-5	Water consumption			
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	Omission	The Company is not located in a protected area.	-
304-2	Significant impacts of activities, products and services on biodiversity			
304-3	Habitats protected or restored			
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations			
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	4.2.3 Greenhouse Gas Emissions Management		078
305-2	Energy indirect (Scope 2) GHG emissions	4.2.3 Greenhouse Gas Emissions Management		078
305-3	Other indirect (Scope 3) GHG emissions	4.2.3 Greenhouse Gas Emissions Management		078
305-4	GHG emissions intensity	4.2.3 Greenhouse Gas Emissions Management		078
305-5	Reduction of GHG emissions	4.2.3 Greenhouse Gas Emissions Management		078

GRI 300: Environmental Series

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
GRI 305: Emissions 2016				
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable	IGS does not have related processes.	-
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable	IGS does not have related processes.	-
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	4.2.4 Waste Management		080
306-2	Management of significant waste-related impacts	4.2.4 Waste Management		080
306-3	Waste generated	4.2.4 Waste Management		080
306-4	Waste diverted from disposal	4.2.4 Waste Management		080
306-5	Waste directed to disposal	4.2.4 Waste Management		080
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	7.2 Supplier Management		104
308-2	Negative environmental impacts in the supply chain and actions taken	7.1 Sustainable Procurement		101
GRI 400: Social series				
GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	8.1 Human Resources		111
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	8.4 Compensation and Benefits		122
401-3	Parental leave	8.4 Compensation and Benefits		122

GRI 400: Social series

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	8.3 Personnel Communication If there is significant change in corporation, we will provide notice at least no less than a month.		120
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	8.5 Occupational Health and Safety		126
403-2	Hazard identification, risk assessment, and incident investigation	8.5 Occupational Health and Safety		126
403-3	Occupational health services	8.5 Occupational Health and Safety		126
403-4	Worker participation, consultation, and communication on occupational health and safety	8.5 Occupational Health and Safety		126
403-5	Worker training on occupational health and safety	8.5 Occupational Health and Safety		126
403-6	Promotion of worker health	8.5 Occupational Health and Safety		126
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	8.5 Occupational Health and Safety		126
403-8	Workers covered by an occupational health and safety management system	All IGS employees		-
403-9	Work-related injuries	8.5 Occupational Health and Safety		126
403-10	Work-related ill health	8.5 Occupational Health and Safety		126
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	8.2 Talent Cultivation		115
404-2	Programs for upgrading employee skills and transition assistance programs	8.2 Talent Cultivation		115

GRI 400: Social series

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
GRI 403: Occupational Health and Safety 2018				
404-3	Percentage of employees receiving regular performance and career development reviews	8.2 Talent Cultivation 8.4 Compensation and Benefits		115 122
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	8.1 Human Resources		111
405-2	Ratio of basic salary and remuneration of women to men	The annual salary ratio of women to men is 20:27.		-
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	8.3 Personnel Communication No incident in 2023		120
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	IGS respects the right to freedom of association and collective bargaining. In Taiwan, where the headquarter is located, we holds labor-management meeting quarterly in accordance with the regulation.		-
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	7.2 Supplier Management 8.3 Personnel Communication		104 120
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No incident in 2023		-
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	Same as IGS employees		-
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples	No incident in 2023		-

GRI 400: Social series

GRI Content Index	Disclosure	Disclosure Section or Description	Omission	Page Number(s)
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	9.1 IGS Social Welfare Foundation		134
413-2	Operations with significant actual and potential negative impacts on local communities	2.2 Stakeholder Communication and Engagement		021
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	7.2 Supplier Management		104
414-2	Negative social impacts in the supply chain and actions taken	7.2 Supplier Management		104
GRI 415: Public Policy 2016				
415-1	Political contributions	No political contributions		-
GRI 416: Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	6.1 Customer Health and Safety 7.1 Sustainable Procurement		093 101
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No significant violation		-
GRI 417: Marketing and Labeling 2016				
471-1	Requirements for product and service information and labeling	3.4 Regulatory Compliance		056
471-2	Incidents of non-compliance concerning product and service information and labeling	No significant violation		-
471-3	Incidents of non-compliance concerning marketing communications	No significant violation		-
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.7 Information Security 6.2 Customer Service Handling and Customer Satisfaction		062 095

Appendix 2 Corporate Governance Evaluation ESG Disclosures

Aspect (3)	Topic (10)	Key ESG indicators (37)	Corresponding chapters
Environment	Climate Change	1. GHG Emissions	4.2 Resource Recycling
		2. Physical Impacts of Climate Change	4.1 Climate Change Risks and Response Strategies
		3. Product Design & Lifecycle Management	
		4. Impact of financing on the environment	
	Natural Resources	5. Water & Wastewater Management	4.2 Resource Recycling
		6. Ecological Impacts	
		7. Materials Sourcing	7.1 Sustainable Procurement
	Pollution and waste	8. Waste & Hazardous Materials Management	4.2 Resource Recycling
		9. Packaging materials and waste treatment	4.2 Resource Recycling
		10. Electronic waste treatment	4.2 Resource Recycling
	Environmental opportunities	11. Clean technology opportunities	
		12. Green building opportunities	4.1 Climate Change Risks and Response Strategies
		13. Renewable energy opportunities	4.1 Climate Change Risks and Response Strategies

Aspect (3)	Topic (10)	Key ESG indicators (37)	Corresponding chapters
Social	Human Resources	14.Labor Management	8.5 Occupational Health and Safety
		15. Health and Safety	8.5 Occupational Health and Safety
		16. Development of human resources	8.1 Human Resources
		17. Supply chain labor guidelines	8.5 Occupational Health and Safety
	Product liability	18. Product Quality	6.1 Customer Health and Safety
		19. Chemical product safety	
		20. Financial product safety	
		21. Data Security & Customer Privacy	6.2 Customer Service Handling and Customer Satisfaction
		22. Responsible investment	
	Veto power of stakeholders	23. Health and population risks	6.1 Customer Health and Safety
		24. Controversial procurement	
	Social opportunities	25. Communication channels	
		26. Financing options	
27. Access to medical care			
28. Health and nutrition opportunities		8.5 Occupational Health and Safety	

Aspect (3)	Topic (10)	Key ESG indicators (37)	Corresponding chapters
Governance	Corporate Governance	29. Board of Directors	3.1 Corporate Governance
		30. Compensation	8.4 Compensation and Benefits
		31. Ownership	
		32. Accounting and Auditing	
	Company actions	33. Business Ethics	3.4 Regulatory Compliance
		34. Anti-competition measures	3.4 Regulatory Compliance
		35. Corruption and instability	3.3 Ethical Corporate Management
		36. Financial system instability	
		37. Tax transparency	3.6 Tax Policy and Management