



**2020**

**gamania group**

**ESG Report**

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# About the Report

This is a corporate sustainability performance report published by Gamania Digital Entertainment Co., Ltd. and group of businesses (collectively referred to as Gamania Group and Gamania below). Gamania has long been attentive to social responsibilities and is committed to connecting with the world's sustainability trends, and this report serves as a means of communication with stakeholders.

## Reporting period and cycle

This report discloses Gamania's practices and performance data on economic, environmental, and social aspects for the year of 2020 (from January 1 to December 31, 2020). Certain data traces back to 2018 or is presented using 2020 figures.

Gamania has been publishing ESG reports since 2018. This is Gamania's third report, and the company will continue publishing reports on a yearly basis. This report can be downloaded in the CSR section of the Gamania Group website.

## Reporting boundaries and scope

The boundaries of this report have been determined with financial materiality and industry relevance in mind, and cover Gamania Digital Entertainment Co.,

Ltd. and all subsidiaries mentioned in CH1 (see P07-08). The report mainly covers Gamania's operations in Taiwan, which account for 90% of total revenues.

Financial data on business performance was taken from Gamania's audited consolidated financial statements. Please refer to the 2020 annual report for more details on the entities, related parties, and investments covered by the financial statements.

All amounts are presented in NTD. Environmental and social data represents performance data of Gamania's headquarters (No. 111, Ruihu Street, Neihu District, Taipei City). Data disclosed in this report has been gathered and surveyed by Gamania, and is presented using common values.

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# Message from the Group CEO and Sustainable Development Committee Chairperson

We have committed ourselves to enforcing the brand's "C.A.R.E" emphasis (Creativity, Advance, Relationship, and Environment) in our sustainability strategy, while coordinating contributions from across Gamania Group to accomplish this goal.

2020 marked the 25th anniversary of Gamania Group, and for quarter of a century, Gamania Group has thrived in the gaming industry amidst rapid evolution in information technology, bringing players timeless gaming experience with offerings such as "Convenience Store Simulator", "Lineage", and "MapleStory". The solid foundation accumulated over the years have enabled us to connect resources with business partners to realize our "Dare to Challenge" spirit, and expand business reach into games, media, e-commerce, and payment service.

We view every challenge as an opportunity to surpass our accomplishments, and is committed to transforming into an "all-ecosystem online enterprise." Gamania reported its second highest revenue of NT\$10.44 billion in 2020, alongside net income of NT\$870 million, EPS of NT\$5.00, research and development expenses of NT\$346 million, and a total of 98 patents approved and registered in Taiwan. In the future, Gamania will direct resources toward building its proprietary, beanfun! platform into a new user portal, and continue to lead the industry in innovations surrounding user experience. Although Taiwan was never truly affected by the pandemic in 2020,

Gamania Group still adopted disease control practices of the highest standard for employees' health and welfare. Being the industry leader, Gamania enforces its Dare to Challenge spirit in ESG (Environment, Society, and Governance), and is constantly exploring ways to turn core competitive advantage into sustainable actions. In terms of corporate governance, Gamania takes pro-active steps to enforce business integrity and build governance awareness within the organization, and for which it was ranked 6%-20% during the 7th Corporate Governance Evaluation, up one tier from the previous year.

With respect to the environment aspect, we have implemented multiple environmental protection programs internally to advocate energy conservation, carbon reduction, resource optimization, and environmental symbiosis. We also invested into the production of feature-length animation - City of Lost Things, which not only won Best Animated Feature in the 57th Golden Horse Awards but also brought more attention to environmental awareness and youth issues.



As for the social aspect, Gamania strives to create a friendly, diverse, and healthy workplace internally and provide Gamania employees with the training they need to advance through their careers, and for which it received the Talent Development Award in TCSA; furthermore, by providing employees with full range of benefits and daycare facilities (GAMA Garden) that are rare in the business world, Gamania fulfills its commitment to accommodate employees in life and at work, and for which it was named "Most Attractive Employer Top100" by Cheers magazine for the 15th consecutive year. Externally, Gamania devotes long-term attention to younger generations, and organized an event named "Out for Adventure - To the Mountains" where it dared young people to go on adventure and challenge themselves in the mountainous areas of Taiwan.

I look forward to seeing Gamania grow into an organization that withstands the test of time, and we have committed ourselves to enforcing the brand's "C.A.R.E" emphasis (Creativity, Advance, Relationship, and Environment) in our sustainability strategy, while coordinating contributions from across Gamania Group to accomplish this goal. As implied in our 25th anniversary video - Join the

Adventure, we will be coordinating with Gamania employees, players, consumers, the general public, business partners, and investors to overcome business challenges, climate change, and complex social issues, thereby making Gamania the role model in sustainable practices.



CHAPTER

1

# Governance

- 1.1 ——— About Gamania
- 1.2 ——— Financial performance
- 1.3 ——— Investment in innovations

## 1.1

# About Gamania

### 1.1.1

## Business overview

### Introduction of Gamania

The company was founded in 1995 and renamed Gamania in 1999. Since 2014, the company has been adopting ambitious plans to expand from games into e-commerce, payment, media, mobile platform, and digital commercial solutions.

Gamania is persistent at exploring new business models, and actively engages business partners to extend existing services. The company has envisioned itself of becoming an all-ecosystem online enterprise in Taiwan, and developing the capabilities needed to provide consumers with comprehensive services and bring creative ideas of the Taiwanese people to the rest of the world.

#### Gamania's profile

Date established	June 1995
Share capital	NT\$1.755 billion
TPEX listing date	May 2002
Group CEO	Liu, Po-Yuan
Global employee count	971
Headquarter location	No. 111, Ruihu Street, Neihu District, Taipei City, Taiwan
Main office locations	Taiwan, Hong Kong, South Korea, Japan, and Singapore

### Honors and Accolades 2020

The 7th Corporate Governance Evaluation

**Top 6%** - **20%** among TPEX-listed companies

The 5th (2020)

**Taiwan iSport certification**

from Sports Administration, Ministry of Education

Second Annual Enterprises Protection Award

**nomination**

BSI

**Cloud Security Gold Award**

Gamania Cheer Up Foundation

**Excellent**

rating from New Taipei City Government

Cloud services

**ISO 27017<sup>and</sup> ISO 27018**

certification

The 13th Taiwan Corporate Sustainability Awards (TCSA)

Excellent Sustainability Example

Sustainability Report

**Talent Development**

**Silver Award**

The only among Taiwanese peers to be listed in Cheers Magazine's

**Top 100 Companies for the Young Generation**

for the 15th consecutive year

"Go! Go! SouthPole" exhibition won multiple awards

2020 Red Dot Design Award

**Best of the Best in the Brands & Communication Design category**

2020

**Good Design Award**

2020 Golden Pin Design Award

**Design of the Year**

# 1.1 About Gamania

## 1.1.1 Business overview

### Gamania's services



The company continually introduces major titles from around the world and strives to enrich consumers' gaming experience with appealing graphics and attractive contents.

The company also contributes its unique entertainment value by developing proprietary games

#### Major events 2020

- Lineage M: An e-sports live event called "Flag Fight Elite Tournament" was organized for the first time
- MapleStory: Major revisions were made in celebration for the 15th anniversary
- Komori Life: Launched on two platforms in Taiwan, Hong Kong, and Macau
- World Flipper: Gamania was awarded distributorship for the Traditional Chinese version (in Taiwan, Hong Kong, and Macau) of the new pinball RPG mobile game "World Flipper" jointly developed by Japanese game developer Cygames and subsidiary Citail
- The Legendary Moonlight Sculptor: In collaboration with renowned Korean game developer - Kakao Games, Gamania took part in the operation of the IP adapted from a popular fantasy novel. It was the first MMORPG mobile game developed by Jake Song, the creator of Lineage, and has been launched in Taiwan, Hong Kong, and Macau since the 4th quarter of 2020
- The company continues to run online games including Lineage, Counter Strike Online, and Lineage Remastered, and mobile games including Summons Boards, Cross Gate M, World of Dragon Nest, and Sinful Stories: Altered Princesses



A social networking and shopping platform that cooperates with partners from diverse fields to provide total back-end support for e-commerce from brand marketing, data management, customer management, warehousing to logistics

- The company announced that it will be venturing into Vietnam and introducing a new cross-border e-commerce platform called "ttCHOICE." The company expects to introduce 10-15 local and international brands into the Vietnam market in the first wave. In addition, Jollywiz was awarded a five-star rating by Tmall again in 2020 and became the first Taiwanese enterprise to win as well as the only enterprise to win consecutively
- The number of members and merchants have surged. Meanwhile, the company joined the e-commerce transformation and revitalization plan of the Ministry of Economic Affairs, in which it made additional subsidies to help merchants undergo digital transformation



The company introduces convenient payment functions so that consumers of the digital generation may transact more smoothly across different platforms

- Payment service was adopted by high-turnover consumer channels including 7-ELEVEN, Global Mall, Miramar Entertainment Park, and CPC, and is now available at more than 60,000 consumption locations
- "IIO Virtual Exchange" completed Stage 1 establishment and testing of virtual goods transfer and withdrawal functions, which helped attract new members for Beanfun!

# 1.1

## About Gamania

### 1.1.1

### Business overview

#### Gamania's services

#### Major events 2020

<p>Media</p>		<p>As a digital media, the company builds up influence over the Internet generation through distribution of news and contents</p>	<ul style="list-style-type: none"> <li>• The company has a dedicated journalist and editorial team that is professionally capable of converting, producing, and distributing video contents to partnered platforms. It has a Journalism Division responsible for assembling a professional team and generating contents on politics, finance, lifestyle, sports, entertainment, and international affairs on a daily basis. As an omnibus online news website, the company provides real-time news coverage as well as diverse articles and professional insights for viewers of different segments</li> </ul>
<p>Mobile platform</p>		<p>Using intuitive and simple interfaces, the company connects services such games, communication, social networking, e-commerce, and cash flow in ways that enrich, expand, and bring fun into consumers' lives</p>	<ul style="list-style-type: none"> <li>• By leveraging digital resources of Gamania Group, the company provides advertising and marketing services and bridges the link between the digital industry and the Internet generation. To date, the company has helped market more than one thousand mobile gaming Apps, an achievement that won itself the title of Silver Tier Advertising Agency from LINE Taiwan in 2020. The company has also been expanding service reach to e-commerce and digital entertainment such as live streaming, while taking steps to serve the integrated role of group advertiser and content monetization solution provider.</li> <li>• Products were repositioned with portfolio adjusted to improve platform stability and user experience</li> <li>• Beanfun! is being used to connect various businesses of Gamania to provide content service and game-related experience including: innovative backpack function for managing game assets; loot box notification for game-like surprises; and interesting news and knowledge to satisfy users' needs for quick updates on current affairs and leisure information</li> </ul>
<p>Digital e-commerce solution</p>		<p>The company provides diverse channels and uses technology, intelligent customer service, and social networking solutions to help local and foreign businesses build up customer loyalty</p>	<ul style="list-style-type: none"> <li>• The company completed implementation of a new advanced customer service system offering integrated features including interactive voice, chatbot, telephone, e-mail, real-time messaging, and comments, and achieved distributed operations by adopting dual switch backups and smart security office solution - Amazing Thor to ensure uninterrupted service all year round</li> </ul>
		<p>The company provides comprehensive information security and flexible cloud services to digital content businesses local and abroad. It also operates as a customer service and social network marketing service subcontractor for various games</p>	<ul style="list-style-type: none"> <li>• Digicentre continued to devote efforts into the planning and promotion of SaaS and offering of home office applications, given how the pandemic has increased demand for remote office solutions. Currently, the company's services are based upon the smart security office solution - "Amazing Thor" as it enables quick backup implementation without compromising security. Digicentre strives to become the partner for world's leading brands. In 2020, the company cooperated with Israeli company, Reblaze, to identify real traffic and bot traffic, and formed an alliance with SecurityScorecard, an expert in non-intrusive data gathering and analysis technologies, to perform external big data analysis, persistent threat monitoring, and information security risk assessment as a new solution package</li> </ul>

# 1.1 About Gamania

## 1.1.2 Financial performance



Gamania Group reported consolidated revenues totaling NT\$10.44 billion for 2020, up 8% from the previous year and exceeding the NT\$10-billion mark primarily attributed to the strong performance of the games segment and portfolio optimization efforts in other segments. It made the second highest in the Group's history.

Due to the effect of game license renewals, Gamania reported gross profit of NT\$3.97 billion in 2020 that was 3% lower compared to the previous year; operating costs were 2.83 billion and the operating profit amounted to NT\$1.14 billion, representing an operating profit margin of 11%, whereas net income attributable to parent company shareholders totaled NT\$870 million, which was

equivalent to an EPS of NT\$5.00.

2020 was the year when the contactless economy thrived, and the year when the four main business segments (games, payment, e-commerce, and media) worked in tandem to create synergies and

# 1.1 About Gamania

## 1.1.2 Financial performance

connect a broader range of consumption scenarios both online and offline. Meanwhile, the abundant flow of traffic from gaming and media segments helped the group expand service coverage from games to all aspects of lifestyles.

During the initial outbreak of COVID-19, Gamania Group sought to create opportunities to interact with users and therefore coordinated resources from games, payment, e-commerce, and lifestyle portal (beanfun!) between the first and the third quarters of 2020 into hosting two live shows titled "Gamania Online Carnival." The shows reached more than one million audience and achieved

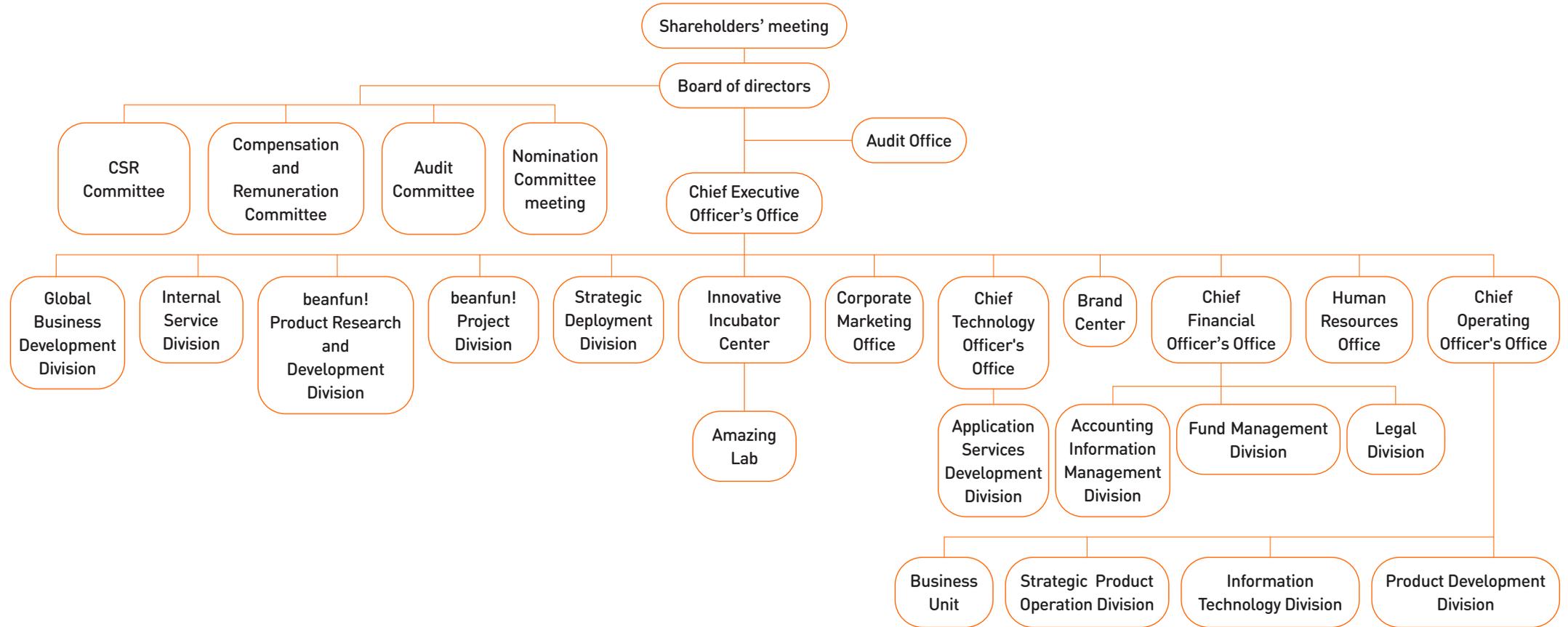
record-high views; the success of which not only increased activity and service utilization among beanfun! users, but also boosted the group's reputation in organizing influential O2O exhibitions.

	2018	2019	2020
Operating income (NTD millions)	14,335	9,681	10,443
Operating gross profit (NTD millions)	4,894	4,093	3,969
Current net profit (NTD millions)	1,694	865	782
EPS (NTD)	10.31	5.1	5
Debt ratio	47.49 %	42.79 %	40.77 %



# 1.2 Corporate governance

## 1.2.1 Governance organization and structure



### Board of directors

Gamania's board of directors comprises 7 members including 4 non-independent and 3 independent directors; they participate in board meetings, functional committee meetings, and internal meetings, and engaged in productive communication throughout 2020. For more information on board members, management team, and functioning, please see p.25-29 of the annual report.

### Corporate Social Responsibility (CSR) Committee

Gamania values the interests of internal and external stakeholders, and has implemented a set of Corporate Social Responsibility Code of Conduct. In 2019, the board of directors passed a resolution to assemble a Corporate Social Responsibility Committee, in which the Chairman served as the committee chairperson, the Group CFO served as the deputy chairperson, and unit heads served as committee members.

The committee is responsible for making CSR-related decisions from the top-down, and has been tasked with the mission of influencing the society and the environment with model practices to the benefit of insiders as well as outsiders.

# 1.2 Corporate governance

## 1.2.1 Governance organization and structure

### Internal Audit Office

Gamania has an Internal Audit Office created directly under the board of directors that specializes in internal audit tasks, assists the board and managers in evaluating the effectiveness of internal control system, and offers improvement advices to ensure that the internal control system remains effective. These advices provide the basis for future reviews and amendments.



### Internal control system

Defense	Accountable department	Method of control	Role and function
<b>First line of defense</b>	All operating units	Each unit is responsible for enforcing their own self-inspections and internal controls	Design robust internal control procedures for identifying and managing risks
<b>Second line of defense</b>	Administrative and compliance units	Contribute professional skills to help optimize the company's processes, and monitor at the management level to ensure that corporate risks are managed effectively	The management continues to establish risk management policies and supervise and assist various units in risk management from an organizational perspective
<b>Third line of defense</b>	Internal audit	Audits are conducted at high level of independence and objectivity, and findings are reported directly to the board of directors	Evaluates effectiveness of the internal control system in a timely manner, executes audit tasks according to standard operating procedures, and offers recommendations to various units

## 1.2

# Corporate governance

### 1.2.2

## Business integrity

### 1.2.3

## Risk management

### 1.2.4

## Association with external organizations

### Business integrity

Business integrity is enforced as part of Gamania's core values. The company has implemented "Business Integrity Procedures and Behavioral Guidelines" and "Ethical Code of Conduct," and updates stakeholders on the integrity progress and measures on a yearly basis. Gamania has been organizing online courses on business integrity since 2016, in which the Chairman, President, and senior managers communicate with employees on the company's philosophy and values toward business integrity. Gamania complies with all regulations and was not subject to any major penalty in 2020, whether monetary (amounting to NT\$1 million and above) or otherwise.

### Risk management

Gamania adopts a total risk management and control system, and identifies and manages risks on all aspects of business administration. The Internal Audit Office conducts annual audits to identify risks and facilitate timely preparations and responses. An audit progress control sheet and a summary of findings and improvements are prepared to serve as means of control. These practices help maintain Gamania's sound corporate image and prevent businesses against risks for more stable growth.

### Association with external organizations

Gamania joins industry associations and engages non-profit organizations in various forms of exchange to explore collaborative opportunities. The company actively communicates with stakeholders to create a productive industry environment, build positive images, and realize business visions.

In 2020, Gamania and participants of the game industry jointly formed Taiwan Game Industry Promotion Alliance as a means to unite peers, promote productive exchange, explore collaborative opportunities, and create a business environment that benefits all. It is currently the most influential association in Taiwan's game industry.

#### Association with major external organizations

- Taiwan Game Industry Promotion Alliance
- Taiwan Defense Industry Development Association
- Taiwan Contact Center Development Association
- The Bankers Association Of The Republic Of China
- Chinese Cryptology and Information Security Association
- Taiwan Information Security Association
- Taiwan Investor Relations Institute
- The Institute of Internal Auditors New Media Entertainment Association
- 3D Interaction & Display Association (3D IDA)
- Cross-Strait Association for Advancing Culture Creative
- Visual and Audio Production Association (ROC)
- Information Service Industry Association of R.O.C.
- Monte Jade Science & Technology Association of Taiwan
- Taipei NeiHu Technology Park Development Association

# 1.3 Investment in innovations

## 1.3.1 Innovative R&D

Driven by the goal of becoming an all-ecosystem online enterprise, Gamania has committed itself to innovative research and development, and implemented an "Intellectual Property Management Program" to support its efforts. Execution of the management program is regularly reported to the board of directors.z

Through coordination between different business segments, Gamania is able to consolidate creative minds within the group and create synergies to the improvement of users' lifestyle and experience. By satisfying consumers' needs in all aspects of living, we take steps toward becoming an all-ecosystem online enterprise. In 2020, Gamania incurred total R&D expenses of NT\$346 million and was granted a total of 98 patents in Taiwan



2020 Intellectual Property Management Plan

Item	2020 performance results
Establishment of patent protections	The company continues to apply for patent protections in line with business targets as more advancements and optimizations were made on beanfun!, the communication software, and new technologies such as virtual goods transaction, information security control, and e-commerce platform were developed.
Promotion of intellectual property protection awareness	Internal patent exhibitions were organized to encourage employees to learn more about patents.
Enhanced protection of intellectual property	The company registers key patents with World Intellectual Property Organization (WIPO) and major countries around the world (such as Europe, USA, Japan, Korea, China, Southeast Asia etc.)

### R&D expenses

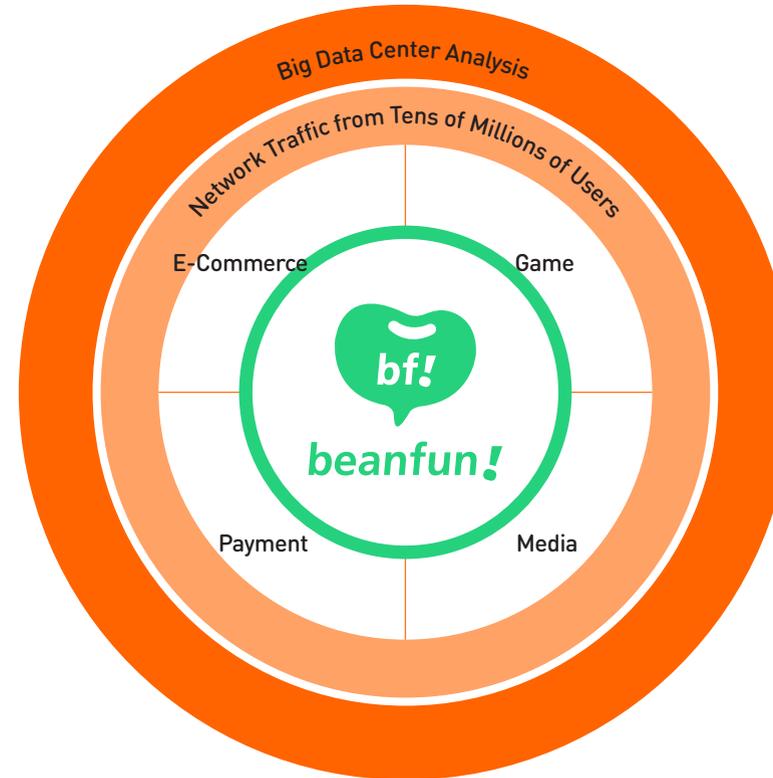
NT\$346 million

98 patents in Taiwan

# 1.3 Investment in innovations

## 1.3.1 Innovative R&D

Gamania invests persistently into the development of mobile gaming and mobile lifestyle Apps. As third-party payment and cloud service environments mature, the company will also make additional investments into the development of cross-platform transaction technologies and electronic payment systems for use with mobile gaming and online platforms.



Category	Description	Operational innovations	The four R&D emphases for 2020	Outcomes
Support for innovation	<ul style="list-style-type: none"> <li>External - dream support: The company invests in DIT Startup as a way to support new business ventures in Taiwan. A total of 6 startups were offered guidance and funding in 2020</li> <li>Internal - patent incentive: A patent incentive policy has been implemented to encourage creative ideas from employees. The company raised 11 patent applications in 2020, and received approval for 13 patents during the year</li> </ul>	<ul style="list-style-type: none"> <li>Strategies are formed using the MDMP (military decision-making process) approach. The company has open communication channels available to support formation of strategies</li> <li>Innovation-centric OKRs have been created</li> </ul>	<ul style="list-style-type: none"> <li>AI + big data applications and analysis</li> <li>User experience optimization on beanfun!</li> <li>Development of teamgoal! - a collaborative program for businesses</li> <li>Establishment of G Studio - Taiwan's most advanced virtual studio</li> </ul>	<ul style="list-style-type: none"> <li>Rationalized internal applications and systems</li> <li>Completed an environment for ensuring the security of product launch</li> <li>Redesigned motion sensing games based on device schematics</li> <li>Developed unmanned vehicle applications for internal corporate services</li> <li>Completed new multimedia device for corporate services</li> <li>Completed Alpha Ver.1.0 of the mobile game - Chibi Maruko Chan</li> </ul>

# 1.3 Investment in innovations

## 1.3.2 Information security and privacy protection

Information security is an important governance issue within Gamania, one that the company aims to address by promoting internal security awareness

and sharing know-how with outsiders. The company did not encounter any major Network attack or incident in 2020 that resulted in significant adverse

impact on businesses or operations, and neither was the company involved in any case of legal dispute, supervision, or investigation in this regard.

### Internal information security enhancements

Item	Description
<b>Policymaking</b>	Operating environment security management guidelines and management reports have been established; assessment worksheets are examined regularly to enforce information security management.
<b>Promotion</b>	Information security news and major updates are released on a daily basis to raise employees' information security protection awareness.
<b>Education and training</b>	Mandatory information security training courses have been planned for new employees; additional online courses have been provided to enhance employees' technical capacity.
<b>Allowances and subsidies</b>	Employees are given allowances and subsidies for taking information security certificates and tests as a way to encourage self-improvement and develop competitiveness.
<b>Tests and checks</b>	Gamania conducts health checks, vulnerability scans, and infiltration tests on website, source codes, and online services at appropriate times to reduce business risk. Through methods such as social engineering, Gamania tests and checks learning outcomes of group employees.

### Sharing of information security know-how

Sharing of information security know-how

As a response to the 5G era and advancements in hackers' attack, Gamania contributes its expertise by hosting regular Digicentre information security forums that aim to raise security awareness among businesses as well as individuals. Meanwhile, information security protection is being enforced internally to prevent information leakage as well as losses and reputation damages that may arise as a result.

Digicentre organized three information security forums in 2020. The session in the first half of the year was held online due to the pandemic, whereas sessions in the second half of the year were held physically as the pandemic subsided.

Digicentre engineers and industry experts were invited to share their views on the topics discussed. College and university students who wish to explore a career in information management or communication are invited to participate in the forum each year, where they are able to meet the industry's elites and absorb precious experience and knowledge.

Key issues of Digicentre information security forum 2020:

- Risk control over privileged accounts and mobile Apps
- IoT attack
- Software security testing process
- Program security and cloud/network bot attack



# 1.3 Investment in innovations

## 1.3.3 Protection of Cyber security

## 1.3.4 Protection of customers' interests

### Prevention of cyber crime

Advancements in networking and information technologies have given rise to new social problems such as scams and theft of game accounts. Driven by the motivation to serve and protect customers, Gamania helps consumers who have fallen victim to scams, and would take the initiative to fight crimes and ill-intentioned players as long as there is sufficient evidence.

Furthermore, in a collaboration with the anti-scam website (165), we have created an online inquiry

platform that enables law enforcers to submit queries online for greater efficiency. To ensure that law enforcers are kept up to date on the digital gaming terminology, Gamania assembled an independent "investigation team" and assigned employees to support law enforcers and investigators 24 hours a day by providing relevant information and answering queries.

**700,000**

customer queries a year

**95%**

of cases can be resolved on the initial response

Service accuracy

**99%**

### Protection of customers' interests

Gamania has always maintained close communication and interaction with consumers, and is committed to protecting consumers' interests. Gamania Group's customer service efforts are primarily aimed towards Gamania's online or mobile games. The organization handles more than 700,000 customer queries a year, and 95% of cases can be resolved on the initial response. Service accuracy have improved progressively and exceeded 99% in 2020. Gamania

has systematic processes in place to examine and analyze cases in daily, weekly, monthly, quarterly, and yearly cycles. Cases of special or recurring nature are highlighted and referred to the management for response and improvement, and thereby reduce recurring customer complaints.

Several self-service functions were introduced in 2020, whereas the intelligent customer service system was empowered with technology to cover a

### Implementation of industry laws

Gamania assists the government in creating laws that enforce fairness and justice and improve competitiveness of the industry. Gamania has long been recommending regulatory amendments through various associations, and is often invited to explain and share opinions at government agencies. Gamania also receives visits from lawyers, judges, and law school students each year, and shares with them the possible disputes in the fast-changing digital entertainment industry as well as opinions on industry regulations.

Customer complaint were resolved

**15** Days

greater range of issues and to quickly respond and resolve customers' problems. Gamania received a total of 574 correspondences from government agencies in 2020, and 103 cases of which required resolution through coordination meetings. All cases of customer complaint were resolved in 15 days. No unresolved dispute, violation of customers' privacy, or health incident had occurred in 2020.



CHAPTER

2

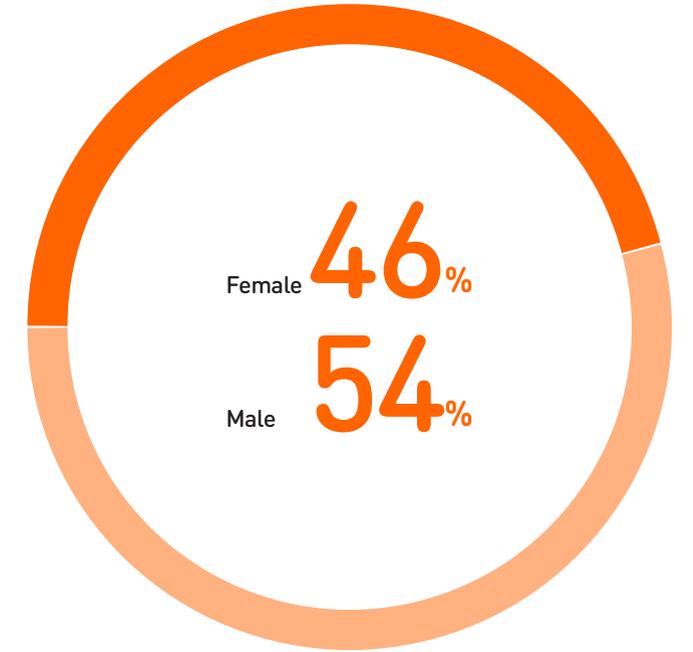
# Social

- 2.1 ——— Gamaña family
- 2.2 ——— Social inclusion

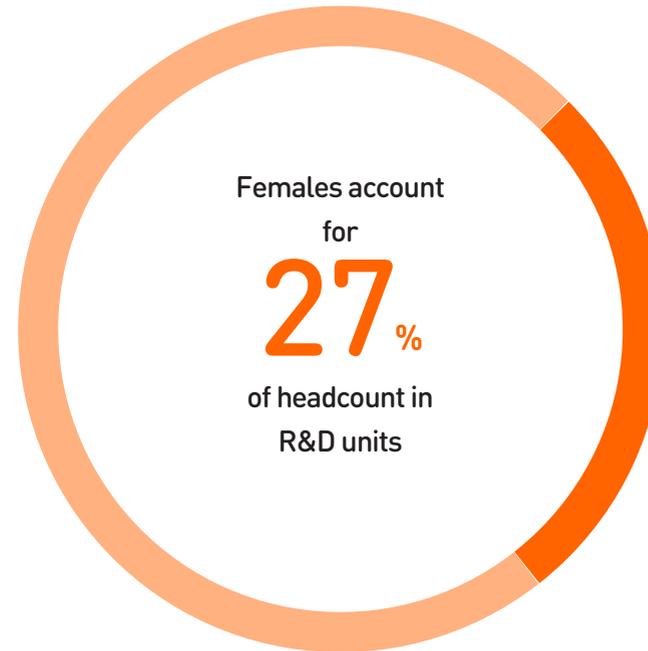
## 2.1 Gamania family

### 2.1.1 Workforce structure

As Gamania's investments increase in diversity, so does its workforce. As of December 31, 2020, Gamania employed a total of 932 workers in Taiwan including 889 permanent and 43 contract-based headcounts. 46% of employees were female while 54% of employees were male.



All Gamania employees are entitled to fair opportunities, and the company ensures that employees are not discriminated by gender, age, ethnicity, religion, or disability. Females account for 27% of headcount in R&D units and 34% of managers are female.



## 2.1 Gamania family

### 2.1.1 Workforce structure

		Male		Female		Subtotal*
		Number of people	Percentage	Number of people	Percentage	
Age	Age 30 and below	125	13.4%	130	13.9%	255
	Age 31-50	344	36.9%	297	31.9%	641
	Age 51 and above	31	3.3%	5	0.5%	36
Education	Post-graduate School	1	0.1%	1	0.1%	2
	Graduate School	81	8.7%	71	7.6%	152
	University/College	371	39.8%	339	36.4%	710
	Senior high school	47	5.0%	21	2.3%	68
Ethnicity/ nationality	Local	498	53.4%	432	46.4%	930
	Indigenous people	0	0.0%	0	0.0%	0
	Foreigner	2	0.2%	0	0.0%	2
Health condition	Physical or mental disability	2	0.2%	1	0.1%	3
Skill category	Manager	101	10.8%	56	6.0%	157
	Research and development	48	5.2%	18	1.9%	66
	Management and distribution	351	37.7%	358	38.4%	709
Job grade	Managerial grade*	109	11.7%	56	6.0%	165
	Entry-level grade	391	42.0%	376	40.3%	767

## 2.1 Gamania family

### 2.1.2 Talent recruitment and retention

#### Talent recruitment and retention

Gamania has been undertaking active transformations toward becoming an all-ecosystem online enterprise in response to the increasingly popular use of mobile devices. To uphold the brand's professional image and introduce online services that are more relevant to the needs of the market and consumers in shorter amount of time, the company has been sourcing elite talents from fields including game development, e-commerce, electronic payment, new businesses, media, and information, using a broad diversity of recruitment channels such as job banks, social networks, recruitment campaigns, and internal referrals.



New recruitment rate in 2020 was reported at 29.8%. New recruits were evenly spread between less than 30 years of age and 30-50 years of age, and provided a balanced spectrum of creativity, energy, skills, and experience. For new recruits, Gamania organizes "beginner missions" and uses a series of activities including: experience sharing with seniors, simple tests, and interactions among recruits to help them familiarize with the group's philosophy, history, prospects, and colleagues that share similar interests and hobbies.



Attrition rate in 2020 was reported at 28.8%, and the most common reasons for employees' resignation were: personal career plan, unable to adapt to the organization's fast-changing culture, and differences between the organization's prospects and individual expectations. Gamania interviews resigning employees and takes actions to address areas that require improvement, and thereby creates a work environment that is more suitable for retaining talents.

## 2.1 Gamania family

### 2.1.2 Talent recruitment and retention

#### Overview of new recruits

	Male		Female		Total	
	Number of people	New recruitment rate	Number of people	New recruitment rate	Number of people	New recruitment rate
Age 30 and below	68	7.3%	70	7.5%	138	14.8%
Age 31-50	77	8.3%	60	6.4%	137	14.7%
Age 51 and above	3	0.3%	0	0.0%	3	0.3%
Subtotal	148	15.9%	130	13.9%	278	29.8%

#### Overview of resignations

	Male		Female		Total	
	Number of people	Attrition rate	Number of people	Attrition rate	Number of people	Attrition rate
Age 30 and below	56	6.0%	63	6.8%	119	12.8%
Age 31-50	72	7.7%	72	7.7%	144	15.5%
Age 51 and above	3	0.3%	2	0.2%	5	0.5%
Subtotal	131	14.1%	137	14.7%	268	28.8%

# 2.1 Gamania family

## 2.1.3 Talent development

### Talent training

Gamania has a comprehensive learning environment, a complete training roadmap, and diverse training solutions for employees of all grades. Using tools such as digital learning, seminar, and conference, the company incorporates integrity and social responsibility

values into training, so that employees may understand and accept Gamania's ideals and missions toward social responsibilities while developing professional capabilities. The company also subsidizes employees for taking external training courses.

More than  
**NT\$ 1.86 million**  
were spent on training in 2020, which averaged

**NT\$ 1,929**  
per employee

A total of  
**215**  
training sessions were held, which achieved

total enrollment count of  
**4,168**

and delivered  
**5,034**  
man-hours of training

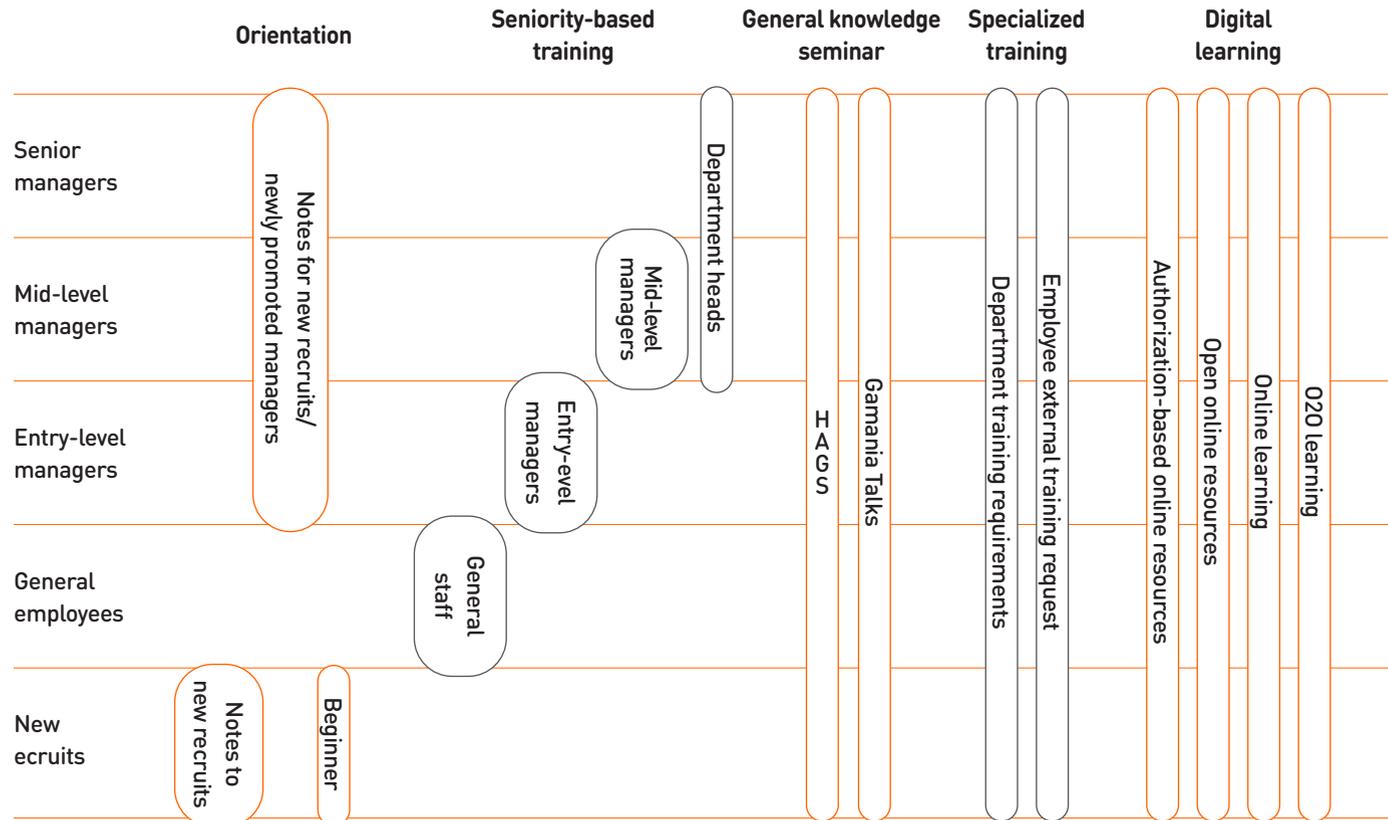
averaging  
**5.2 hours**  
per employee

### Education and training overview

	2018	2019	2020	
Total training hours	Female	3,003	2,834	2,703
	Male	2,969	2,895	2,331
	Managerial role	1,990	2,917	3,430
	General employees	3,982	2,812	1,604
Total	5,972	5,729	5,034	
Training hours per person	Female	3	6	6
	Male	2	6	4
	Managerial role	3	16	9
	General employees	2	4	3

# 2.1 Gamania family

## 2.1.3 Talent development



Exchange of professional knowledge through sharing on certain topics

- Guidance and incentive
- Team building and management
- Interpersonal communication and presentation
- Work skills and management

Buildup of interpersonal relationships through team activities



Courses combined with team training. Boosts learning motivation by having team members observe, learn, and encourage each other

## 2.1

# Gamania family

### 2.1.4

## Compensation and benefits

### Performance management

The performance evaluation system has been carefully structured to incorporate Gamania's "Dare to Challenge" spirit and accommodate rapid changes of online businesses. Employee career planning and performance assessments are conducted on a regular basis. Each employee is assigned 1 to 3 financial goals and mission goals in the beginning of a year based on individual job nature and grades.

Weight is allocated for each goal to provide the basis of performance evaluation. Goals are set with flexibility, thereby allowing individuals or organizations to introduce additional goals or raise standards in specific areas. Employees may also set bonus goals to serve as encouragement for adapting to environmental changes or raising performance targets.



### Reward system

<b>Strategic reward</b>	The reward mainly targets unit heads and their key subordinates (managers and staff), and is granted based on long-term investments, plans, growth, results, and overall performance of each unit in the current year.
<b>Tactical reward</b>	The reward targets Gamania employees who are committed to executing line managers' instructions, tactics, performance goals, or critical assignments, and is paid based on the reward policy of each unit.
<b>Special reward</b>	Line managers may apply for special rewards to reward teams or individuals for special contributions or performances that are not compensated by the existing reward system.
<b>Ad-hoc reward: GAMA Medals</b>	Line managers may apply for small rewards as recognition for employees' outstanding performance, and thereby encourage employees to grow with the company. A total of 281 ad-hoc rewards were granted in 2020; each winning employee was given a special GAMA Medal and NT\$100 of GAMA Island meal voucher.
<b>GAMA STAR</b>	GAMA STAR candidates are nominated by COOs of the respective units/subsidiaries; they undergo a preliminary review by division heads and the final winner is voted among unit heads. A total of 12 employees were nominated for GAMA STAR in 2020, and all of whom received special invitations from the CEO and unit heads to participate in the Super High Party, where they enjoyed a memorable night of respect and honors. After the final round of assessment by the heads of group headquarter and subsidiaries, 4 employees were selected to win the GAMA STAR trophy along with NT\$30,000 cash and special identification badges made exclusively for GAMA STARS.

## 2.1

# Gamania family

### 2.1.4

## Compensation and benefits

### Compensation system

We monitor salary changes in the industry and make appropriate adjustments to ensure that our compensation packages are competitive at retaining talents. Gamania subscribes to basic Labor Insurance and National Health Insurance coverage as required by laws.

The company also arranges employee group insurance to provide coverages including: term life, accident, work-related accident, accident treatment, hospitalization, cancer protection, and occupational hazard. Employees' dependents, too, may subscribe to group insurance at additional premiums for accident, accident treatment, and hospitalization coverage. The pension system is executed according to the "Labor Pension Act."

#### Average salary for non-managerial roles - 2020

Item	Unit (NTD thousands)
Gross salary per full-time, non-managerial employee (A)	392,655
No. of full-time, non-managerial employees (B)	393
"Mean salary" for full-time, non-managerial employees (A/B)	999
"Median salary" for full-time, non-managerial employees	799

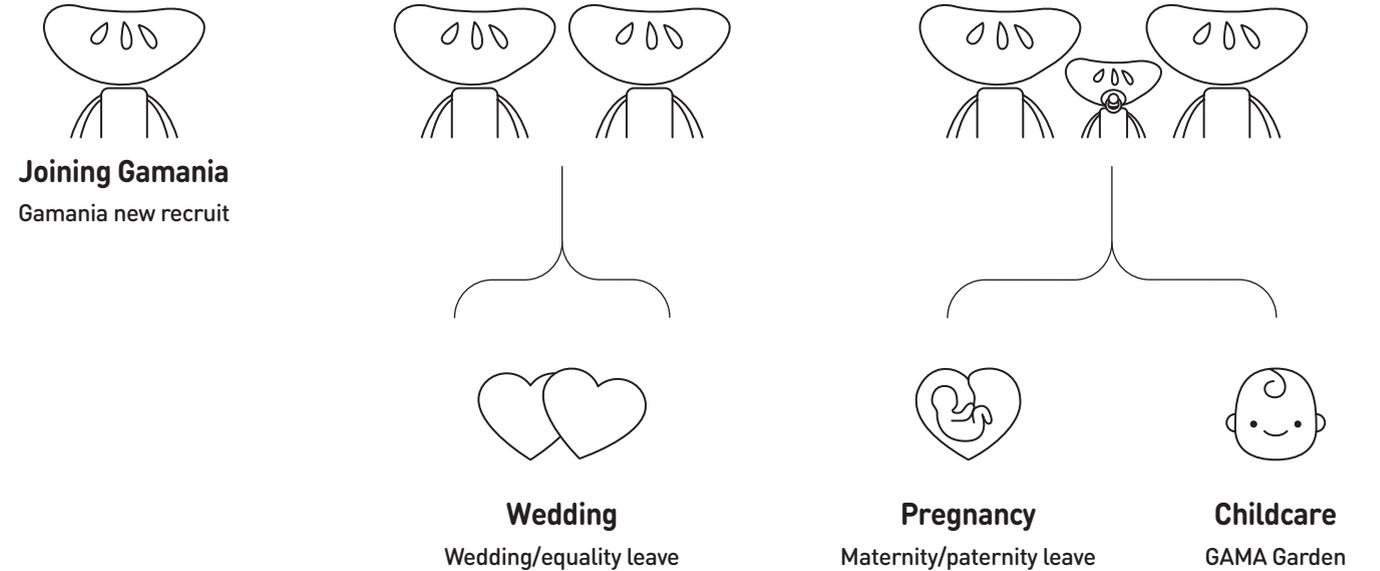
# 2.1 Gamania family

## 2.1.4 Compensation and benefits

### Welfare planning

"The company saves on virtually anything except people." As the leader in online businesses, Gamania offers a wide and comprehensive range of benefits that are more favorable than what the laws require.

By giving employees benefits commensurate to their career advancement, Gamania hopes to attract more talents from relevant fields and set good example among businesses in Taiwan.



### Leaves more favorable than legal requirements



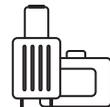
**Equality leave**

Gamania values gender equality and human rights. It introduced equality leave in 2015, where partners in same-sex marriage are entitled to 8 days of wedding leave and paternity leave, and Gamania was the first among listed companies in Taiwan to implement the idea.



**Spontaneous leave**

Gamania began trial run of spontaneous leave in 2015, which entitles employees to take unlimited days of paid leave after they have used up their annual leaves. The spontaneous leave does not require line manager's approval on a leave-by-leave basis, and has been introduced to promote self-management and encourage improvements to work efficiency. 33 leave applications totaling 244 hours were received in 2020.



**Employee travel leave**

Gamania encourages employees to seek work-life balance, and grants each employee a travel leave of 3 days and travel subsidies up to NT\$10,000 based on seniority. A total of 404 leave applications were received in 2020.

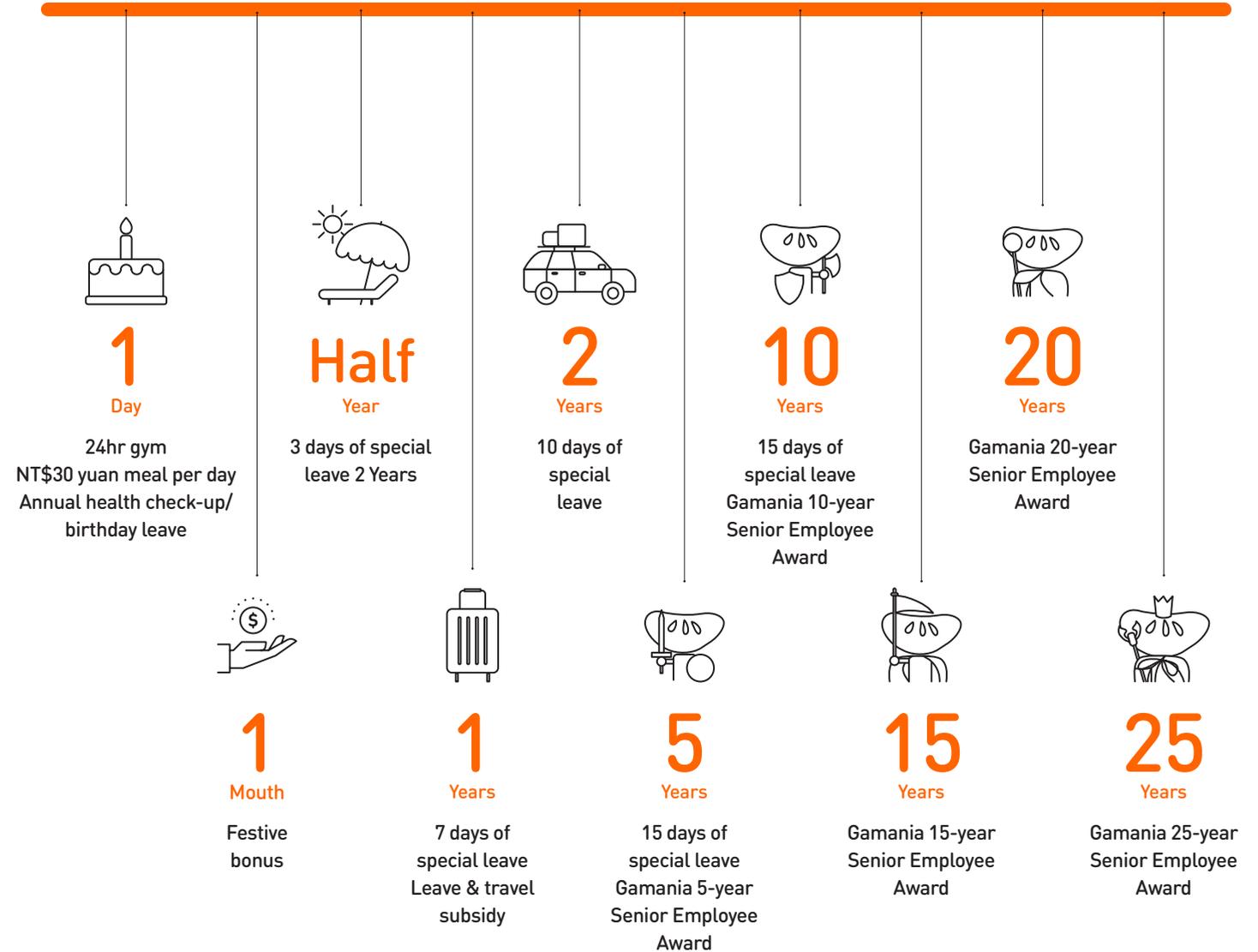
# 2.1 Gamania family

## 2.1.4 Compensation and benefits

All permanent employees of Gamania are entitled to staff discount on online game credit, group insurance, complimentary motorcycle parking, discount on Gamania merchandise, annual health checkup, unlimited spontaneous leave, employee travel leave, birthday leave, 8 days of paid prenatal screening leave (for female employees), 5 days of paternity leave and 8 days of prenatal screening escort leave (for male employees), and children's access to affiliated daycare facility.

Additionally, the company provides a multitude of subsidies for: department gathering, employee travel, club activities, festive and birthday celebration, wedding, funeral, hospitalization, childbirth, emergency aid etc. Gamania plans its welfare systems and work spaces from a people-oriented perspective. All benefits have been carefully designed to suit the needs of Gamania employees, incorporated with the company's culture and values, and aimed towards fulfilling job security and work-life balance.

### Gamanian Experience



## 2.1 Gamania family

### 2.1.4 Compensation and benefits

Overview of unpaid parental leave - 2020	Male	Female	Total
No. of employees applied for unpaid parental leave in 2020	0	8	8
No. of people expected to be reinstated in 2020	0	6	6
No. of employees reinstated in 2020	0	3	3
No. of employees reinstated in 2019	1	5	6
No. of employees reinstated from unpaid parental leave in 2019 having worked for one year since	0	2	2
Reinstatement rate	-	50%	50%
Retention rate	-	33%	33%

Note: The actual number of reinstatements include early reinstatements.

Note 2: Reinstatement rate is calculated as the actual number of reinstatements/expected number of reinstatements; retention rate is calculated as the number of people having worked for more than one year after reinstatement/actual number of reinstatements

## 2.1 Gamania family

### 2.1.4 Compensation and benefits

#### GAMA Garden

Gamania started out with a team of employees in their early 20s, and as the company grows, the 28-35 age group now makes up the majority of the workforce. Driven by the commitment to provide job and family security, Gamania became the first company in Taipei City to create its own daycare facility and managed to win "Taiwan Interior Design Award" for the facility, which is a testament to the company's respect for employees' wellbeing. Group CEO Albert Liu said: "We hope to make GAMA Garden so great that having children here is enough on its own to attract the industry's best talents."

Inspired by the "Love to play," GAMA Garden is an adaptive environment of challenge, adventure, and joy where children may learn and grow to develop their distinctive characteristics. A broad diversity of teaching activities have been organized to meet the needs of children's development. Through activities and games, children are given the inspiration to explore, learn, and develop skills, and build the mindset needed to discover and solve challenging problems.



## 2.1 Gamania family

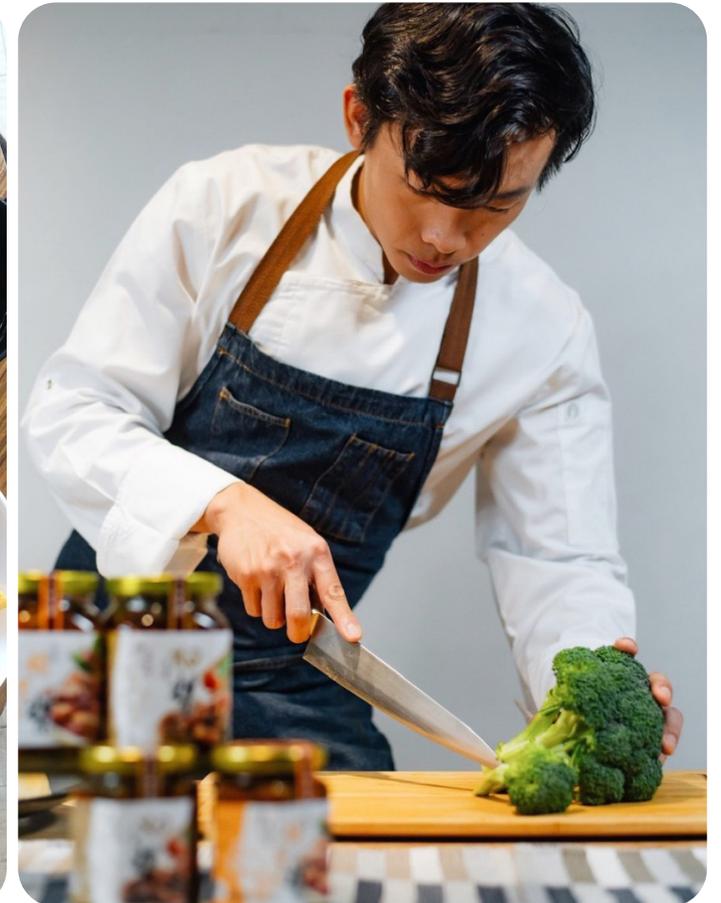
### 2.1.4 Compensation and benefits

#### GAMA Island

GAMA Island is a comfortable and well-lit dining space that can be used for resting, meeting, exhibition, forum, and press conference. It is a very important "cultural asset" to Gamania.

Gamania values employees' health and places great emphasis on food quality by sourcing supplies such as safety-certified produce and meat from government-certified suppliers. The diner offers tasty and healthy menus that are catered to employees' preference, and changes them on a weekly basis.

The company offers meal subsidies and engages nutrition experts to design healthy meals. As a support for environmental protection, no disposable utensil is provided at GAMA Island. GAMA Island conducts employee satisfaction surveys once a year. Survey results are generally satisfactory, and the company has made adjustments and communicated based on employees' responses.



# 2.1 Gamania family

## 2.1.5 Friendly communication

Gamania values both the frequency and quality of communication between employers and employees, and implements innovative and diverse channels to promote effective two-way communication, so that the company may learn employees' thoughts and needs in the shortest time possible and convey Gamania's business philosophy and strategies to greater effect. No incident of sexual harassment complaint, labor law violation, or human rights violation had occurred in 2020.

### Gamania Town Hall

Gamania Town Hall has been running for more than 16 years; it is a quarterly gathering between the management and employees, during which reputable speakers are invited to share interesting topics and open up Gamania employees' visions to trends of the world.

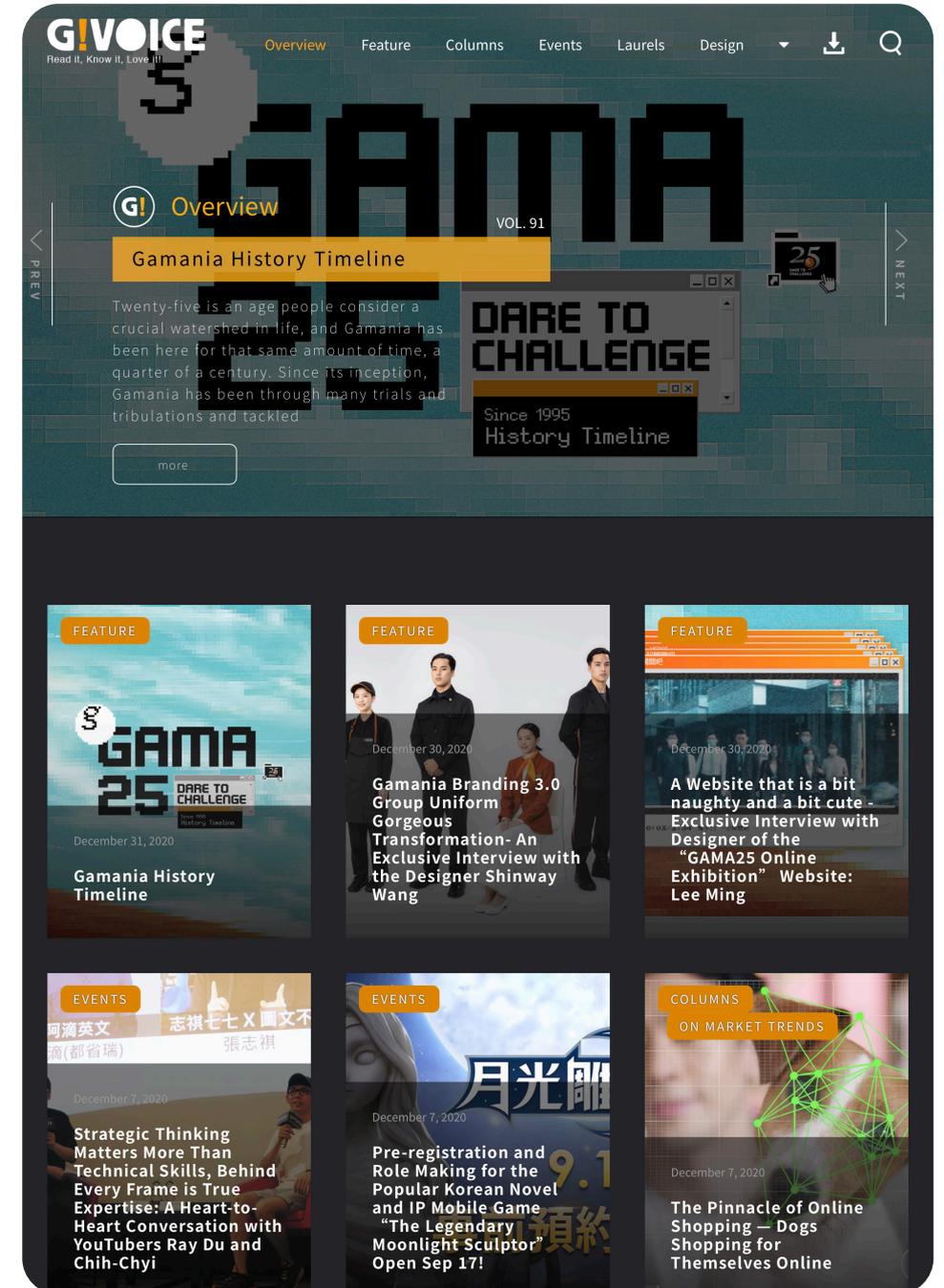
In 2020, guest speakers including Chief Consulting Officer Winnie Lan of Dentsu MB, Ray Du English x Shasha77, and W Glass Project founder Wu, Ting-An were invited to share with Gamania employees the inspiring stories of their lives. Gamania Town Hall also serves as an important communication channel, as employees are able to raise queries or offer suggestions anonymously and have the Group CEO address them on-site. This real-time, two-way exchange helps improve interactions and relationship between employers and employees.

### G!VOICE

The company has been releasing a publication called G!VOICE since 2006 to convey the Gamania culture to the public and attract partners that share similar visions and ideals, while at the same time promote understanding and unite Gamania employees toward common goals. The publication has also been infused with ideas and mindsets from diverse businesses of Gamania Group to present Gamania's unique perspectives.



G!VOICE



# 2.1 Gamania family

## 2.1.6 Healthy workplace



Item	Description
<b>Employee health checkup</b>	Gamania organizes annual employee health checkups and has physicians stationed on site to provide medical consultation, health guidance, and follow-up tracking for employees with health problems or abnormal checkup findings. Starting from 2019, the company has been offering special and more rigorous checkups for night shift employees.
<b>Gym</b>	The company has a 24-hour gym that offers a complimentary InBody analysis of the body's composition. The gym has a full-time trainer available to supervise correct use of equipment. Specialized tutors are being invited to host courses on yoga, cardio boxing, Zumba etc.
<b>Maternity protection program</b>	Health education is provided to pregnant and postpartum employees, and nursery rooms have been established on various floors of the office building.
<b>Care for high health risk groups</b>	Inbody analysis of body composition is performed on a quarterly basis, and employees are given proper advices on nutrition and exercise.
<b>Stress relief and relaxation</b>	In 2020, we cooperated with Taipei City Foreign and Disabled Labor Office to arrange massage services every Wednesday afternoon, which Gamania employees may book in advance and indulge themselves in 15-minute stress relief. The company also organizes aromatherapy courses for neck and shoulder, which teach employees the connection between emotion and health as well as ways to examine emotion and relieve stress.
<b>Participation in sports competition</b>	Taipei International Dragon Boat Championships - an event that puts Gamania's team spirit to the test. Being an energetic, passionate, and health-conscious enterprise, Gamania has along been assembling its own team to compete in open dragon boat races as a way to promote teamwork. This highly exhausting competition also provides good incentive for employees to train for strength and health.
<b>Care for intense activities</b>	The company has nurses available to take Inbody measurements for dragon boat team members on a monthly basis and to provide dietary, exercise, and health-related care for personal health conditions.

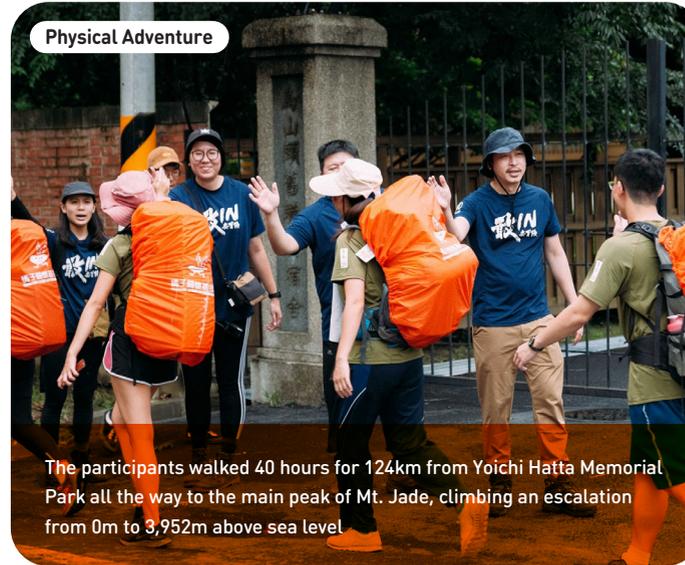
# 2.2 Social inclusion

## Summer School

Founded in 2008, Gamania Cheer Up Foundation has been encouraging young adults to challenge their limits and awaken their adventure spirits through various programs. To date, the foundation has influenced more than

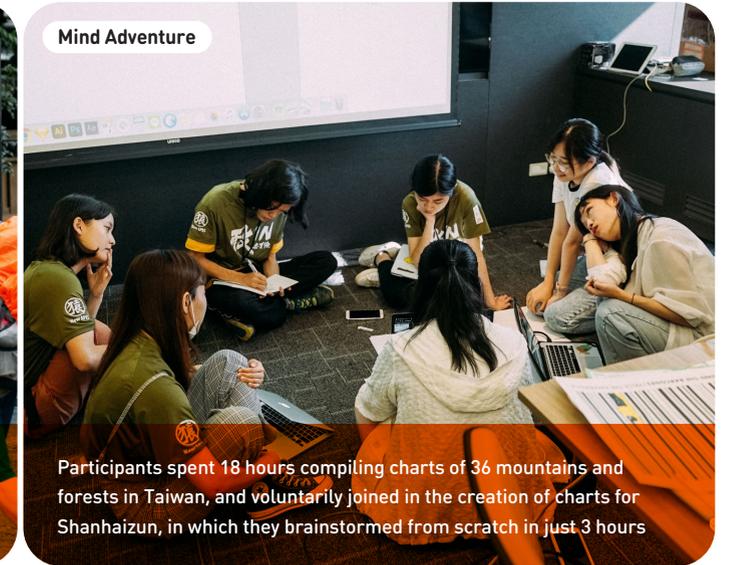
**700** participants and taken them to **45** locations over a total distance of **28,504** kilometers

The global spread of COVID-19 in 2020 has forced governments to lock down borders and impose social distancing measures that completely changed people's lives. For this reason, Gamania Cheer Up Foundation collaborated with "Outward Bound Taiwan" (an outdoor educator), "Miasan Outdoor Center" (an outdoor rescue team), and "Re-lab" (a chart design team) to host an event called "Out for Adventure - To the Mountains" that aims to awaken young people's adventurous spirits through "motion sensing" and "imaginary" activities. A total of 40 new adventurers completed the challenges in 2020.



Physical Adventure

The participants walked 40 hours for 124km from Yoichi Hatta Memorial Park all the way to the main peak of Mt. Jade, climbing an escalation from 0m to 3,952m above sea level



Mind Adventure

Participants spent 18 hours compiling charts of 36 mountains and forests in Taiwan, and voluntarily joined in the creation of charts for Shanhaizun, in which they brainstormed from scratch in just 3 hours



Closing Ceremony





CHAPTER

3

# Environmental

- 3.1 — Environmental management
- 3.2 — Environmental symbiosis

# 3.1 Environmental management

## 3.1.1 Energy and resource management

### Energy management system

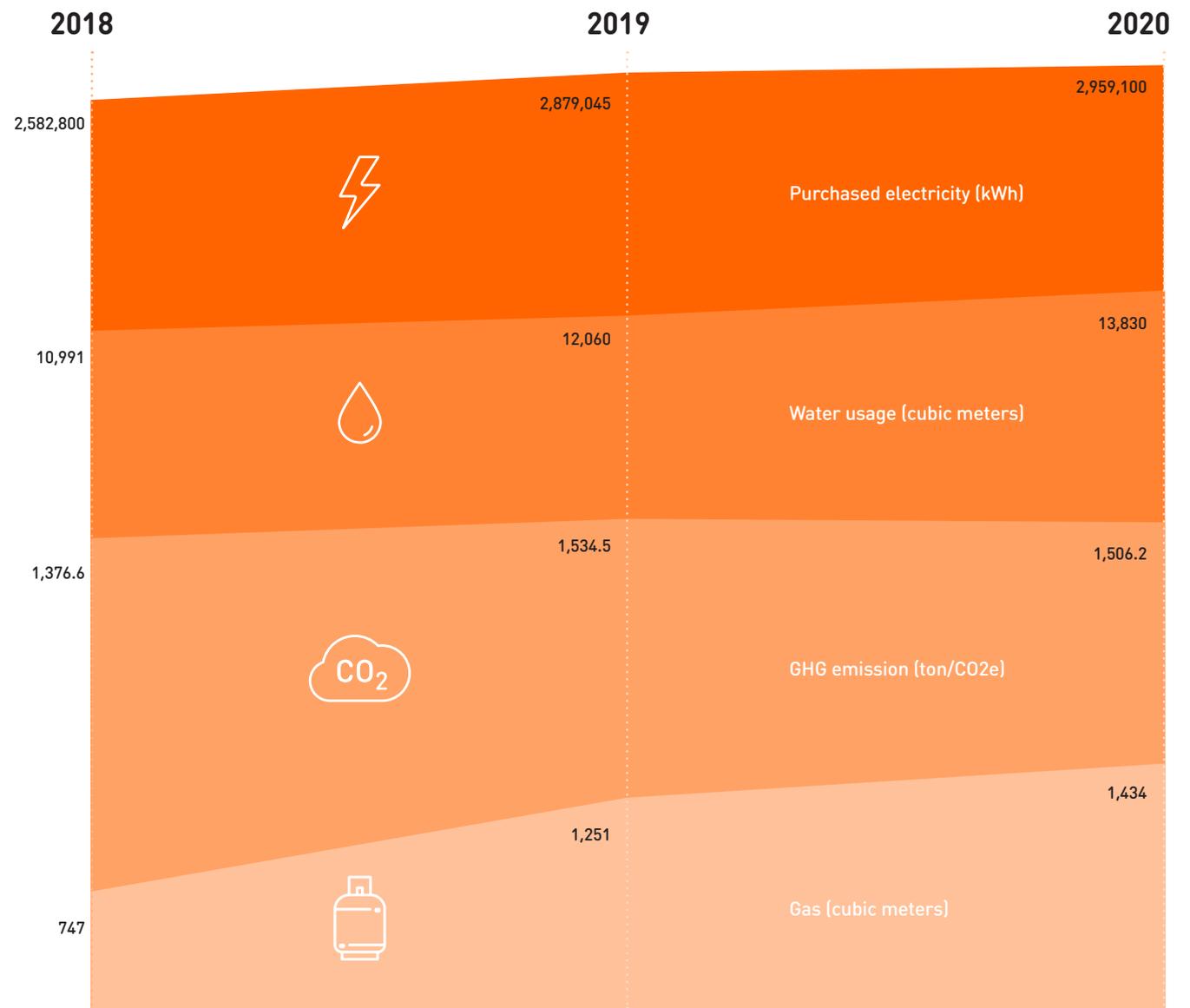
Gamania does not generate hazardous waste or air pollution given the nature of its business activities. However, the IT server room still uses great amount of power to operate, which is why an energy monitoring and management system has been implemented in Gamania's headquarter building. The design, operation, and analytical aspects of this system have been closely integrated to improve energy efficiency. Through complete and digitalized monitoring, the system performs detailed diagnosis of the building's energy consumption, analyzes the data gathered and compares it to the database to identify problems. These findings allow energy conservation measures to be devised and root causes to be traced for adjustments and improvements. This energy management and monitoring system features an indoor air quality sensor that helps maintain good air quality or reminds employees to take timely responses.

### Energy use and emission of building

lectricity is the primary form of energy used at Gamania headquarter, whereas water used at Gamania's headquarter building is sourced from Taipei Water Department. Indicators have risen in the last three years due to the additional efforts taken at Gamania headquarter to diversity growth, increase revenues, and improve employee welfare.

We shall escalate our management practices in the future, monitoring energy intensity and strive to improve efficiency of energy used in this respect.

### Environment indicator



Note: Small volume of diesel was used at Gamania's headquarter building to test the power generator, and the figures were excluded as the volume was less than 20 liters for the year

- One cubic meter of gas is 5.13kg
- Emission coefficient of electricity was based on the figures published by Bureau of Energy: 0.554 (2018), 0.533 (2019), and 0.509 (2020) (kg/kWh)

### 3.1

# Environmental management

#### 3.1.2

## Pollution prevention and waste management

### Waste management

Gamania generates waste mostly in the forms of domestic garbage, kitchen waste, and small volume of waste battery and electronics, and approximately 22.8 tons of which are recyclable each year. All categories of waste are governed by robust management procedures and policies, and are handled by legally registered service providers.

**22.8 tons**

of which are recyclable each year

Waste category	Volume cleared (kg/year)
Domestic garbage	28,930
Kitchen waste	8,760
Paper	10,830
Aluminum	160
Iron	990
PET bottle	2,070
Battery	17
Others	170

### Resource recycling

Gamania uses an intelligent recycling machine called "Bottle Man" and was able to recycle 8,313 PET bottles and cups and 2,313 aluminum cans between 2019 and 2020. The PET bottles are collected by recyclers and distributed to circular manufacturers where they are reused, turned into resource, and given new value.

Recycle between 2019 and 2020

**8,313**      **2,313**

PET bottles and cups

Aluminum cans



### Pollution prevention

Gamania does not require water treatment or pollution control facilities given the nature of its business activities, and pollution prevention projects are limited to water treatment pool, grease trap, drainage pipe cleaning, and fume exhaust for GAMA Island (the employee diner). The company spends approximately NT\$450,000 per year to maintain pollution prevention equipment.

The company spends approximately

**NT\$450,000**

per year to maintain pollution prevention equipment



# 3.1 Environmental management

## 3.1.3 Sustainable purchase

### Sustainable purchase - 2020

**100%**  
local purchase

Purchases were prioritized for environmentally certified desktops/laptops

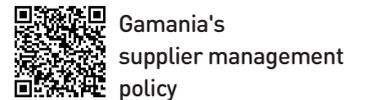
more than  
**4.38 million**  
of such purchases were made

Gamania has supplier management policy in place and works with suppliers toward adopting sustainable practices and reducing impact on the environment. All suppliers are required to sign a "Supplier CSR Commitment" when contracting to ensure partners' compliance with environmental, labor, and human rights rules. Sundry purchases such as computer hardware, bathroom tissue, photocopying paper, water fountain, and office supply have been prioritized toward environment-friendly, ISO-certified, and PEFC (Programme for the Endorsement of Forest Certification) certified products.



### About PEFC

PEFC certifies that wood and non-wood products are produced at the highest ecological, social, and moral standards. Gamania adopts PEFC as a way to enforce sustainable practices.



## 3.2 Environmental symbiosis

Gamania recognizes "environmental symbiosis" as one of its core values, and takes extensive actions to convey sustainability, environmental protection, and green operations among employees and form a strong sustainable culture. We look forward to seeing our employees become advocates for our sustainability values, and help spread these values to greater influence. The company invested NT\$718,000 into green actions in 2020, and helped promote awareness towards reducing plastics, lowering carbon emission, and making optimal use of resources.



### Internal

#### Rental of lunch takeaway bag

Employees that purchase takeaway lunch may rent takeaway bags and lessen the use of disposable bag.

#### Plastic bag Recycle and reuse

"Plastics recycling boxes" have been provided at pantries on all floors, thereby allowing clean plastic bags to be used repeatedly.

#### Farm sponsorship

The company supports small farmers and encourages employees to sponsor crops and engage themselves from plantation, harvest to meal preparation. A total of 9,504 seedlings were planted.

#### Encouraging use of low-carbon ride sharing

The company organized trial rides of electric bikes and offers employees discount package for WeMo Scooter.

### External

#### Keelung Chaojing Park Coastal cleanup

About 20 employees participated in the coastal cleanup event.

#### Old shoes donations

A total of 533 items were gathered from Gamania employees and donated to Step30.

#### Freecycle market: secondhand clearance event

1,652 pieces of idle objects were gathered from employees and donated to the secondhand shop of New Taipei City Association of the Mentally Challenged.

#### Year-end clearance

932 objects were gathered from employees, and some of which were donated to Xuhai Diner and Amity Animal Conservation Association of Chinese.

have a  
**GOOD TIME!**

