



Acter Co., Ltd.

# Corporate Social Responsibility Report

CORPORATE  
SOCIAL  
RESPONSIBILITY

2015

# Acter's Corporate Spirit

Honesty and  Innovative Service



"Honest, Professional, International, and Sustainable" are Acter's business principles with the expectations of achieving the business objectives of "Top Quality, Leading Technology, and Comprehensive Service." We uphold a meticulous attitude in providing the best service quality for our clients and have built the top engineering team through innovative engineering and integrated service.

## Honest

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Honesty and credibility are important cornerstones of enterprises. Through careful listening of the demands, sincere communication and coordination, professional overall planning, top engineering quality, and thoughtful warranty service, Acter has become the most trustworthy partner among proprietors.

## Professional

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Consolidating the three core technical advantages, "Professionalism, Speed, and Flexibility," we focus on our business, horizontally integrate the demands, and vertically connect and cooperate, so as to create the maximum achievement with professional engineering services.

## International

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Our diversified business development provides a variety of services and actively connects with international industries by recruiting the world's top talents and enhancing Acter's global distribution strategies.

## Sustainable

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"Safety, Quality, Techniques, and Innovation" are Acter's most highly praised service values. We hope to become the most reliable partner of our clients by integrating the supply chain, pursuing sustainable excellence, and creating victories for all three parties.

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# 01 | Message from the Chairman

“This work is meaningful” is the goal that our colleagues often use to encourage each other. For the past 35 years, we have continued to improve and implement this philosophy, such as starting from design with “Protecting the Earth, Reducing Energy Consumption” as the appeals, striving to reduce operating costs for industries, raising efficiency, and enhancing the overall competitiveness of the industries; meanwhile, raising energy usage efficiency, reduce waste, decrease the burden of the Earth, and guard our living environment. From needs assessment survey, concept design, benefit analysis, spatial planning, material evaluation, valuation, lean engineering, system debugging, and operations to concern, we implement each at every one of the steps so as to achieve the demands and targets and to fulfill the duty as a global citizen, providing the optimum balance for the teams, customers, environment, and suppliers, and doing meaningful work.

Looking back at 2014, Acter Co., Ltd., received the affirmation and appraisal of A++ for information disclosure. In 2015, we participated in the corporate governance evaluation and received the affirmation as top 5% in the TPEX-listed group. We shape the corporate culture in the direction of integrity management. In the nurturing of talents, we worked with universities in industry-university cooperation, providing opportunities for young adults to enter the industrial gate, while also promoting the mentoring system to train the newcomers, promoting Elite Academy, passing on through generations, and developing sustainably. Focusing on core techniques, we designed and promoted the reduction of energy consumption and environmental protection for each individual case, creating quality space for customers. We invested in social welfare participated in emergency grants and reading promotion. We hope to accumulate and grow, to benefit both ourselves and others, and to fulfill the duty as a global citizen.

Corporate sustainability depends on the shaping of culture and core values, creating “Acter Family” and shaping a space for colleagues to play out their strengths, finding their best positioning, and working hard together. The colleagues come from all over, so missions are fulfilled through positive interaction, joint communication and planning, and searching for the optimum consensus. Those who have more seniority status play the role of “masters” leading the new colleagues “apprentices” to become familiar with the culture and be able to integrate into the team and culture. Through mutual care, “Acter Family” is fulfilled, where we work hard together to shape quality space and strive for a sustainable Earth.

**Jin-Li Liang**

**Chairman of Acter Co., Ltd.**

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## 02 | The Creator of Quality Space

### 2.1 Brief Introduction of Acter

Founded for more than 30 years, Acter Co., Ltd. upholds Acter's corporate spirit of "Honesty and Innovative Service," and with the most human-based engineering integration techniques, we provide the clients with the high-tech manufacturing processing technological integration services, clean room engineering integration services, electrical, hydroelectric air conditioning services and energy-saving and biotechnology engineering planning integration services. The scopes of application span both livelihood and technological fields. With the highest quality service, we help our clients to have the most complete competitiveness in the market.

Since its founding, Acter had always insisted on the corporate philosophy of "The Creator of Quality Space" by integrating the demands of the industry. Using professional techniques and engineering, from the early stages of communication and design and overall environment planning to excellent engineering quality and maintenance and warranty, we provide sound professional services in clean room engineering, hydroelectric engineering, air-conditioning engineering, constant temperature and humidity engineering, biotech medical engineering, environmental engineering, gas chemical engineering, and repair and maintenance engineering to lay a rock-solid business foundation for proprietors.

|                     |  |
|---------------------|--|
| Date Founded        | February 1979  |
| Capital Amount      | NTD 466,158,000  |
| Address             | No. 787, Zhongming S. Rd., South Dist., Taichung City  |
| Contents of Service | <ul style="list-style-type: none"><li>- Air conditioning and electromechanical system integration engineering for high-tech plants</li><li>- Air conditioning and electromechanical system integration engineering for biotech medical centers</li><li>- Air conditioning and electromechanical system integration engineering for residential households</li><li>- Gas and chemical system integration engineering</li></ul>  |
| Served markets      | Technical plants: Optoelectronic plants, IC plants, PCB plants, wafer fabrication plants<br>Biotech medical centers: Biotech plants, hospitals<br>Industrial air conditionings: General plants, office buildings, residences   |
| Business            | <ol style="list-style-type: none"><li>1. Clean room engineering</li><li>2. Electromechanical and air conditioning engineering</li><li>3. Turnkey engineering</li><li>4. Industrial ventilation engineering</li><li>5. Constant temperature and humidity engineering</li><li>6. Environmental engineering</li><li>7. Repair and maintenance engineering</li><li>8. Gas and chemical supply system engineering</li><li>9. CMP grinding fluid supply system engineering</li><li>10. Waste solvents, exhaust gas, and wastewater treatment system engineering</li><li>11. Chemical operation on-site service</li><li>12. Sales agent for high-tech equipment and materials</li></ol> |

The Company continues to focus on the industry's technology engineering and continues to grow. Through horizontal integration and continuous efforts and development, we have gradually become a diverse engineering and technology company. As time progresses, our service items and professional engineering methods continue to improve. With the growing demands of the clients, the service locations have also continued to expand in order to be closer with the clients to provide more immediate and attentive service. Currently, the service locations have been spread all over the regions of Taiwan, Greater China, and Southeast Asia.



## ◆ History and Milestones

|      |   |
|------|---|
| 1979 | Founded in Taiyuan North Road with a capital of NTD 10 million.   |
| 1986 | Completed the first G.M.P. pharmaceutical factory in central Taiwan (Chin Teng Pharmaceutical Ind. Co., Ltd. in Dajia District, Taichung).  |
| 1989 | Completed the first ice storage air conditioning system engineering project in central Taiwan.  |
| 2003 | Established Acter (Suzhou) Engineering Co., Ltd.  |
| 2004 | Merged and acquired Heshuo Engineering Co., Ltd. in Hsinchu.  |
| 2005 | Established Acter (Shenzhen) International Co., Ltd.  |
| 2006 | Established Acter Trading Co., Ltd. in Suzhou.  |
| 2007 | Established Ding Mao System Integration Technology Group in Suzhou.<br>Established Fuyu International Trade Co., Ltd. In Zhang jiagang Free Trade Zone  |
| 2008 | Established Acter Engineering Technology Company Limited (Vietnam).   |
| 2009 | Merged and acquired Nova Technology Corp., publicly issued shares in September and the stock was listed on merging market in November.<br>Merged and acquired NOVA Technology Singapore Pte., Ltd.  |
| 2010 | Officially listed on OTC Market in November, 2010.  |
| 2012 | Corporate governance system passed the evaluation and certification and received an appraisal of A+ for information disclosure of TWSE- and TPEX-listed companies.<br>Established NOVA Technology Malaysia Sdn. Bhd.<br>Established Dingmao Trade Co. in Shenzhen |
| 2013 | Received appraisal of "A++" for 10 <sup>th</sup> Information Disclosure of TWSE-Listed Companies<br>Established SCEC (Suzhou) Corp. and PT. Novamex Indonesia.  |
| 2014 | Received appraisal of "A++" for 11 <sup>th</sup> Information Disclosure of TWSE-Listed Companies<br>Established Enrich Tech Co., Ltd. and Winmega Technology Corp.<br>Acter (Myanmar) Co., Ltd.   |
| 2015 | Received appraisal of "A++" for 12 <sup>th</sup> Information Disclosure of TWSE-Listed Companies  |

| Structure of Shareholders  | Government Organizations | Financial Organizations | Other Corporations | Individuals | Foreign Organizations and Outsiders | Total      |
|----------------------------|--------------------------|-------------------------|--------------------|-------------|-------------------------------------|------------|
|                            | Number                   |                         |                    |             |                                     |            |
| Number of People           | 0                        | 1                       | 41                 | 6,096       | 33                                  | 6,171      |
| Number of Shares Held      | 0                        | 117,000                 | 7,516,440          | 36,4376,050 | 3,265,329                           | 47,335,819 |
| Proportion of Shareholding | 0.00%                    | 0.25%                   | 15.87%             | 76.98%      | 6.90%                               | 100.00%    |

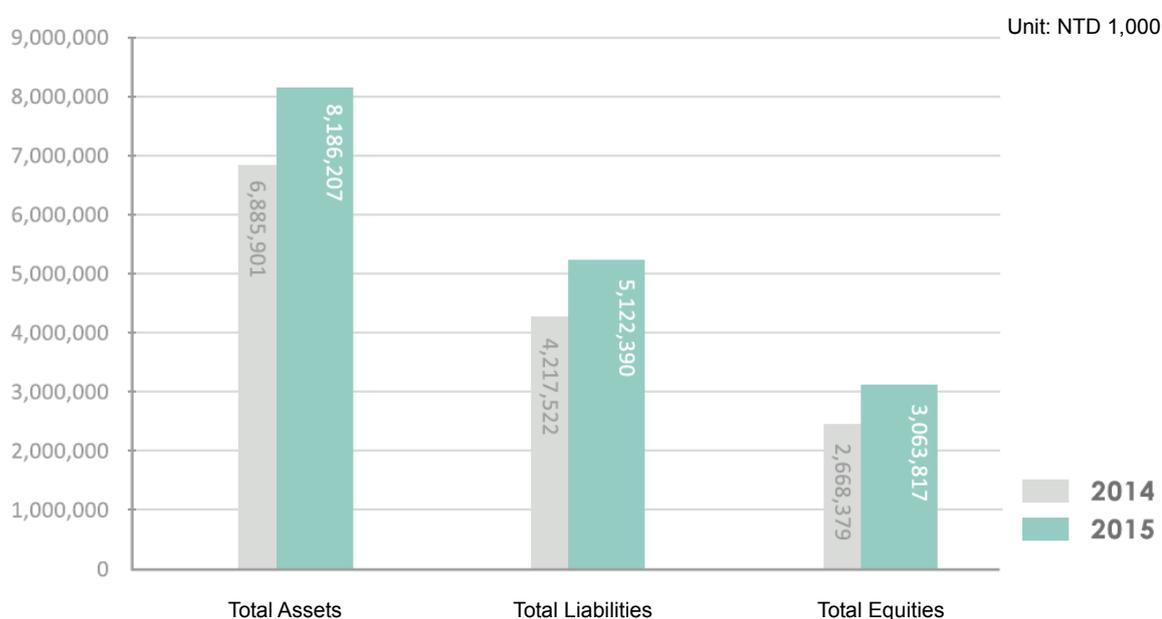
Jan 1<sup>st</sup>, 2015 – Dec. 31<sup>st</sup>, 2015

## 2.2 Business Performance

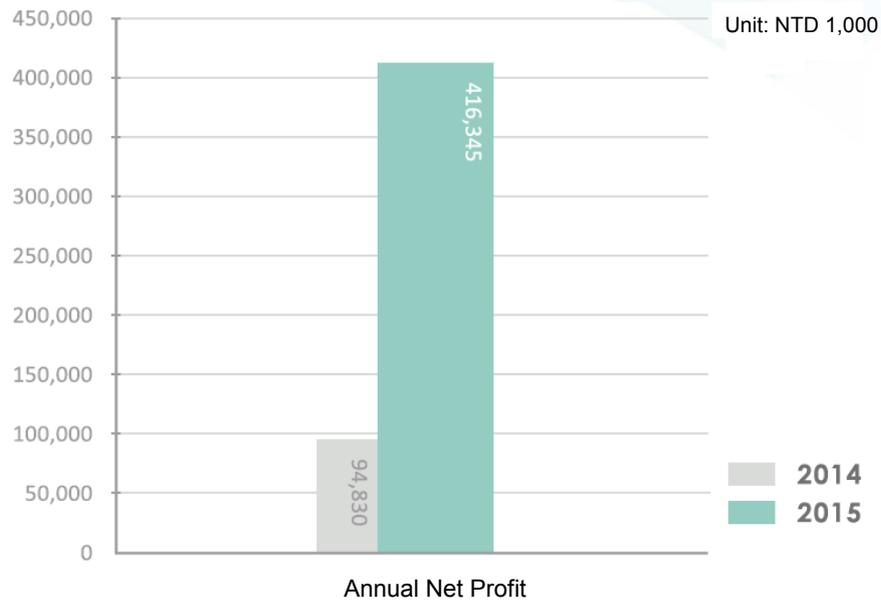
| Financial Information         | 2014   | 2015   |
|-------------------------------|--------|--------|
| Ratio of Debt to Total Assets | 61.24% | 62.57% |
| Return on Assets (ROA)        | 1.4%   | 5.54%  |
| Return on Equity (ROE)        | 3.4%   | 15.12% |
| Earnings per Share (EPS)      | 2.06   | 9.02   |

In 2015, although faced with an economic downturn in the markets of Taiwan and China, under the multi-market strategy, Acter Group actively developed different products and services and applied them in different industries, whereby enhancing the ability to spread risks, so as to be able to cope with the crisis of market downturns. The consolidated revenue for the year reached NTD\$ 8.558 billion, which was about a 13% growth compared to the previous year. In terms of profit, the consolidated net profit after tax (NPAT) was NTD\$ 416 million, which was a 339% growth compared to the previous year. Please refer to the 2015 Annual Report for the detailed analysis of the operational performance.

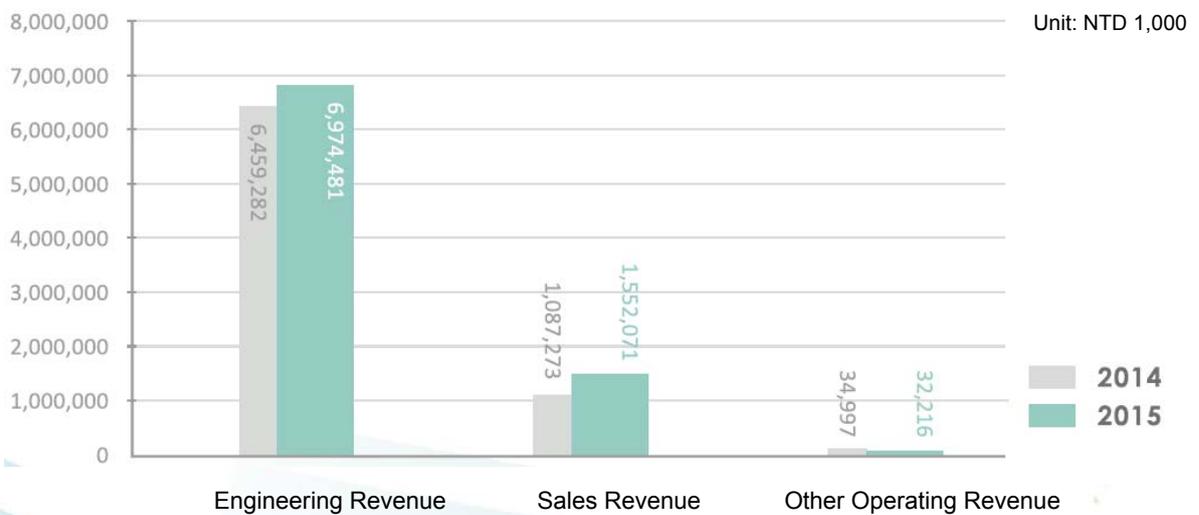
### ◆ Financial Information for Acter's Engineering Projects



## ◆ Financial Information for Acter's Engineering Projects



## ◆ Comparison of Operational Numbers



## 2.3 Prospects and Strategies

Acter is convinced that each engineering project handled by the Company is the work of the Company and also represents the image of the Company. Therefore, since its establishment, the Company upholds the belief of becoming a “The Creator of Quality Space” and promotes the Company’s matters with sustainable management methods. We are convinced that we can lead all the employees of the Company only from foundational shaping to head towards success wholeheartedly. Acter’s five main prospects are:

### ◆ Pursuing Sustainable Development

Sustainable management must be done one step at a time, solidly finishing each job well. Acter does not pursue short-term high profits, but instead satisfies the demands of each client to earn excellent reputation and goodwill. This is the one and only way to achieve sustainable management of the Company.

### ◆ Expanding Worldview for International Development

Acter’s target is the global market. As long as there are people and industries, then there is a need for quality space. Starting from Taiwan, the company has gradually expanded to Mainland China and to Southeast Asia, continuing to develop on the international stage. To accelerate our international distribution and development, the Company also seeks the assistance and cooperation of foreign industries to head towards the places in the world that needs Acter.

### ◆ Focusing on the Business with Multi-Angled Management

Acter is dedicated and goes all out, seeking the greatest achievement in the professional engineering services. As long as clients have the need for quality space, the Company will place efforts in satisfying the customers’ demands. The Company develops diverse business connections and is not limited to serving certain industries or clients so as to lower the risk of economic vicissitudes of a single industry.

### ◆ Taking into Account Both Employees’ Benefits and Shareholders’ Equity

Talents are the most important cornerstone for the Company’s sustainable management. Acter pursues in providing the employees with a stage to grow and perform and welfare benefits that are higher than the average standard of the same industries. The company regards the staff as family, so everyone works and shares the glory together. Shareholders are the most important backing for the Company’s growth and development. Similarly, the Company is committed to providing remunerations that are higher than the average standard of the same industries.

## ◆ Clients and Supply Chain are Our Partners

The Company's highest guiding principle is to satisfy the customers' demands. Providing "Professionalism," "Speed," "Flexibility," and highly-efficient service, we become the clients' most loyal and reliable partner. In addition to satisfying the clients, the Company believes that maintaining a strong and complete supply chain is an important factor in the Company's success and is also one of the key to the Company's continual growth in the future .To achieve Acter's future, there must be a tripartite win for clients, the Company, and the supply chain.

To achieve the prospects of Acter, the Company's short-term operating direction and plan use corporate governance as the cornerstone and focus on the following management emphasis:

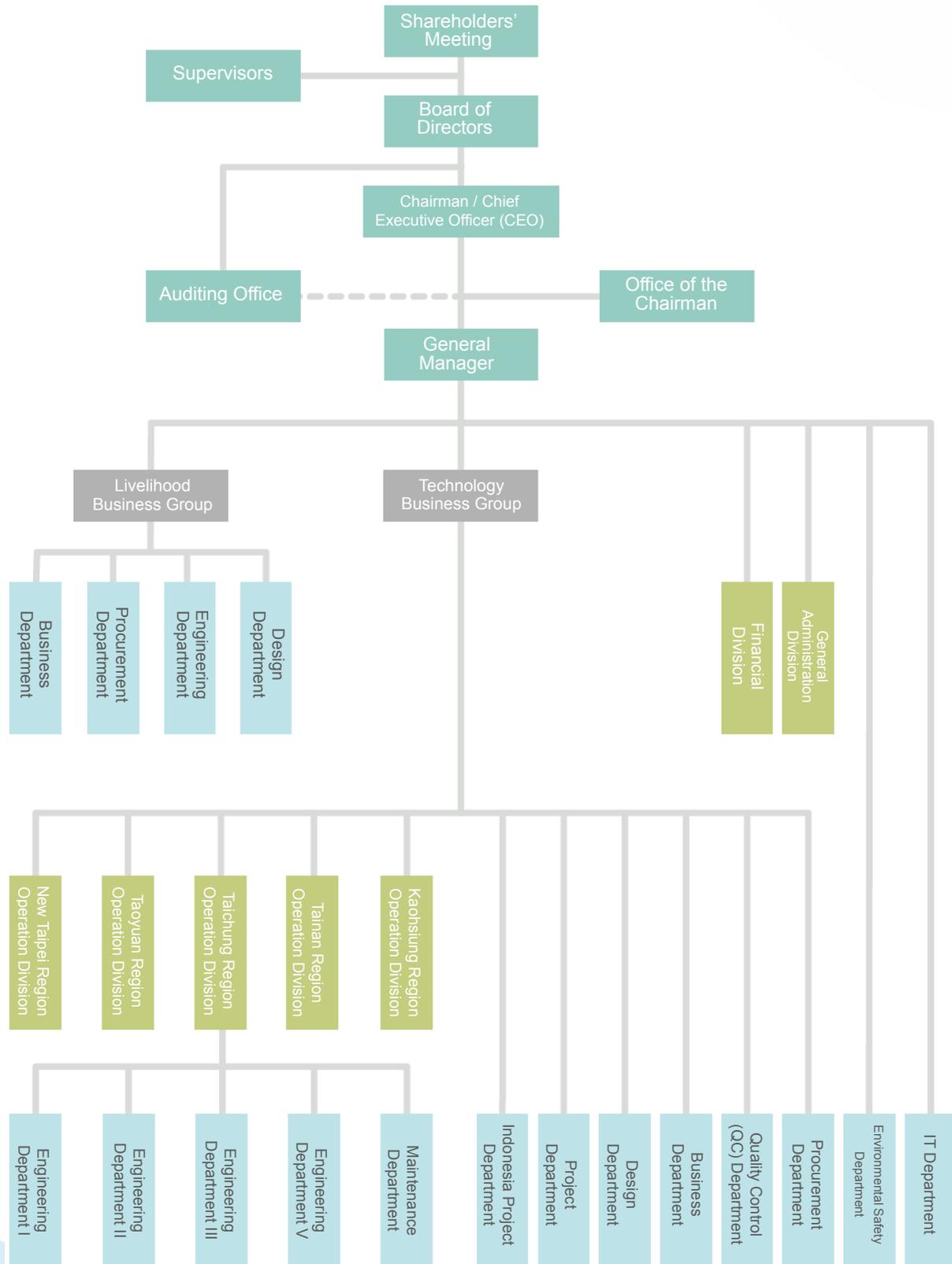
- ◆ Rooting deeply in this industry and continuing to carry out a diverse, multi-project integrated engineering service
- ◆ Expanding the upgraded professional service for biotechnology and medical industries
- ◆ Continuing to maintain the market in Mainland China and developing new service locations and new clients
- ◆ Combining the manufacturing engineering professionalism of gas and chemical supply systems
- ◆ Recruiting more diverse talents and actively training management teams

Looking at the mid- and long-term, Acter will continue with integrated engineering services and strive to develop forward and upward through the multi-region, multi-industry, and multi-angle distribution strategies. And under the main core of sustainable management, we will integrate the businesses and resources, provide high-standard service quality, and establish and maintain the brand of Acter. In order to achieve these objectives, the Company's key strategies include:

- ◆ Devoting to innovative engineering methods
- ◆ Focusing on Acter's advantages
- ◆ Building a comprehensive marketing service system
- ◆ Rooting deeply in the market in Mainland China and aiming for the international stage
- ◆ Continuing to root deeply in the technology, biotechnology, livelihood, petrochemical, and other industries.

## 2.4 Corporate Governance

### ◆ Management Organizational Chart of Acter Co., Ltd.



## ◆ Composition of the Board of Directors

The highest governance unit of Acter is the board of directors, among which these include professionals with complete and rich knowledge, skills, attainments, and educational and work experiences. Because Acter values diversity, therefore, the board of directors, as a whole, has operational and judgment abilities, accounting and financial analysis abilities, operational and management capabilities, crisis management capabilities, knowledge of the industry, international market view, leadership skills, and decision-making capacities. The board of directors is composed of four directors (including the Chairman) and three independent directors. The directors and supervisors were all re-elected on May 28<sup>th</sup>, 2015, and the Audit Committee was established to replace the supervisors, prompting the board of directors of the Company to fully function in its business decision-making, leadership, and supervision. The primary responsibility of Acter's board of directors is to supervise the Company's operating strategies, followed by training outstanding business leaders and safeguarding the rights and interests of the investors. The meetings of the board of directors are held regularly each year to discuss the important matters of the Company. In 2015, the meetings of the board of directors were held eight times. In the setting of the procedural specifications for the board of directors, the Company especially listed the items to be presented to the board of directors and designed a system to avoid the conflict of interests of directors. Acter's directors are all highly self-disciplined and will, therefore, correspondingly sidestep during the discussion and voting of the issues of conflict of interest. With the principles of protecting the stakeholders and sharing common prosperity with the society, Acter's board of directors pursues upright and sustainable management.

| Job Title                     | Name             | Gender | Main Educational and Work Experiences  | Current Position Held at Acter     | Attendance Rate |
|-------------------------------|------------------|--------|--|------------------------------------|-----------------|
| Chairman                      | Jin-Li Liang     | Male   | Executive Master of Business Administration (EMBA) in National Chiao Tung University<br>Refrigeration and Air Conditioning Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology)<br>Manager of Engineering Department at Gongshan Air Conditioning and Refrigeration Co., Ltd.   | CEO of Acter Co., Ltd.             | 100.00%         |
| Director                      | Dennis Yang      | Male   | Executive Master of Business Administration (EMBA) in Tunghai University<br>Refrigeration Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology)  | Consultant of Acter Co., Ltd.      | 100.00%         |
| Director                      | Hsin-Ming Kao    | Female | International Business Management Group of Executive Master of Business Administration (EMBA) in National Taiwan University<br>Chief of Electronics Department at Industrial Technology Research Institute   |                                    | 75%             |
| Director                      | Tai-Chen Hu      | Male   | Executive Master of Business Administration (EMBA) in Tunghai University<br>Refrigeration and Air Conditioning Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology)<br>Honorary Member of the Phi Tau Phi Scholastic Honor Society of the Republic of China<br>Instructor at Department of Electrical Engineering in National Chin-Yi Institute of Technology (now National Chin-Yi University of Technology)<br>Executive Director of Taiwan Refrigeration and Air-Conditioning Engineering Association<br>Skills Certification Auditor at the Ministry of the Interior for the Refrigeration and Air-Conditioning Renovation Technician<br>General Manager at Gongshan Air Conditioning and Refrigeration Co., Ltd. | Consultant of Acter Co., Ltd.      | 100.00%         |
| Director (Note 1)             | Charly Hsu       | Male   | International Business Management Group of Executive Master of Business Administration (EMBA) in National Taiwan University<br>Department of Chemical Engineering in National Taiwan University<br>Associate General Manager in the Office of the General Manager at OMAX Technologies, Inc.   | General Manager of Acter Co., Ltd. | 100.00%         |
| Independent Director (Note 2) | Rong-Shiang Chao | Male   | Executive Master of Administration (EMBA) in National Taiwan University<br>Director and Spokesperson in the Office of the General Manager at Formosa Sumco Technology Corporation  |                                    | 75%             |

| Job Title                          | Name   | Gender | Main Educational and Work Experiences  | Current Position Held at Acter | Attendance Rate |
|------------------------------------|--|--------|--|--------------------------------|-----------------|
| Independent Director<br>(Note 2)   | Pai-Lu Wang  | Male   | Department of Industrial Management in National Taiwan University of Science and Technology<br>General Manager of Info Times (China Times Group)<br>Consultant and Director of Acer Group (Acer TWP Corporation)<br>Evaluation Committee Member at the Ministry of Education for Departments of Colleges and Universities  |                                | 100.00%         |
| Supervisor<br>(Note 2)             | Bi-Hui Wu  | Female | Department of International Trade in Feng Chia University<br>General Manager of Long King Leather Products Co., Ltd.<br>MBA Program at the College of Management in National Chung Hsing University  |                                | 100.00%         |
| Supervisor<br>(Note 2)             | Representative of Wen Tsai Investment Co., Ltd.: Tung Shih | Female | Chief Accountant of Sheng Lai Trading Co., Ltd.<br>Accountant of Taiwan Environmental Manufacturers Association<br>Financial Manager of Wen Tsai Investment Co., Ltd. (Current Position)   |                                | 100.00%         |
| Independent supervisor<br>(Note 3) | Hui-HsinYeh  | Female | Department of Accounting in Tunghai University<br>Accountant partner at Ernst & Young (Diwan & Company) Global Limited   |                                | 100.00%         |
| Independent Director<br>(Note 4)   | Chyan Yang   | Male   | Doctorate in Computer Science at Washington University, USA<br>Master's in Computer Science at Washington University, USA<br>Master's in Management Science at National Chiao Tung University<br>Bachelor's in Electronics Engineering at National Chiao Tung University<br>Professor and director of the Institute of Business and Management at National Chiao Tung University<br>Professor and acting dean of the Institute of Business and Management at National Chiao Tung University<br>Professor and EMBA CEO of the Institute of Business and Management at National Chiao Tung University<br>Office consultant of the chairman at Hon Hai Precision School Affairs Fund Committee member at National Chiao Tung University<br>Job Fund Committee member at Ministry of Transportation and Communications<br>Personnel Deliberation Committee member at Judicial Yuan |                                | 100.00%         |
| Independent Director<br>(Note 4)   | Marlon Wang  | Male   | Master's in Management of Technology, College of Management at National Chiao Tung University<br>Refrigerating Air-Conditioning Group at National Taipei Institute of Technology<br>Refrigerating Air-Conditioning lecturer at Taishan Vocational Training Site<br>Research director, deputy head, and senior financing manager at Industrial Technology Research Institute<br>Person in charge of Dalianhe Technician Office<br>Consultant at Delta Electronics, Inc.<br>Consultant at Tairone Energy Saving Technology Co., LTD.   |                                | 100.00%         |

※Note 1: Said director did not continue to assume post after the re-election of directors and supervisors on May 28<sup>th</sup>, 2015; however, he is also the general manager of the Company, therefore, the related information are all updated information.

※Note 2: The directors and supervisors of the Company were all re-elected and the Audit Committee was established to replace the supervisors. Said director or supervisor did not continue to assume post. We continued to use information from 2014 Annual Report for related experiences. We referred to the April 2<sup>nd</sup>, 2016 shareholders name list to fill in the shareholding information.

※Note 3: The directors and supervisors of the Company were all re-elected on May 28<sup>th</sup>, 2015 and the Audit Committee was established to replace the supervisors. Hui-Hsin Yeh was re-elected and transferred post to independent director.

※Note 4: Elected on May 28<sup>th</sup>, 2015.

## ◆ Salary and Compensation Committee

Under the supervision of the board of directors, Acter has established the Salary and Compensation Committee which is composed of an independent director leading external experts. The Salary and Compensation Committee will regularly execute the performance evaluation of directors, supervisors, and senior managers, review the policies, systems, standards, and structures of salary and compensation to set the salaries and compensations of directors, supervisors, and managers.

The annual compensation of the highest governor and senior managers is chiefly composed of salary and bonuses. Bonuses come from the annual earnings after 10% of the statutory surplus reserve is deducted and do not exceed 3% of the balance. In addition, the Salary and Compensation Committee will evaluate the annual salary and compensation policies in accordance with Acter's performance for the year and make appropriate adjustments. In 2015, the number of times the Company's Salary and Compensation Committee held meetings are as shown in the following chart.

| Job Title         | Name         | No. of Actual Attendance (B) | No. of Entrusted Attendance | Actual Attendance Rate (%) (B/A) (Note) | Remark   |
|-------------------|--------------|------------------------------|-----------------------------|---|--|
| Convener          | Chyan Yang   | 3                            | 0                           | 100%                                    | June 15 <sup>th</sup> , 2015 (Re-elected)  |
| Member            | Hui-Hsin Yeh | 2                            | 0                           | 100%                                    | June 15 <sup>th</sup> , 2015 (Newly Elected), should attend 2 times, actually attended 2 times |
| Member            | Marlon Wang  | 2                            | 0                           | 100%                                    | June 15 <sup>th</sup> , 2015 (Newly Elected), should attend 2 times, actually attended 2 times |
| Convener (Note 2) | Pai-Lu Wang  | 1                            | 0                           | 100%                                    | May 28 <sup>th</sup> , 2015 (Discharged), should attend 1 time, actually attended 1 time       |
| Member (Note 2)   | Wen-Jie Wang | 1                            | 0                           | 100%                                    | May 28 <sup>th</sup> , 2015 (Discharged), should attend 1 time, actually attended 1 time       |

## ◆ Composition of Senior Managers

For Acter's daily operations, the Chairman and CEO, Jin-Li Liang, leads an excellent management team, step by step heading towards becoming a "The Creator of Quality Space," while, at the same time, pursuing to become the industry's number one brand. The main reason Chairman Liang holds the concurrent position of the CEO is because Chairman Liang is quite familiar with the air-conditioning and electromechanical fields and has served at Acter formore than 20 years starting from the supervisory position. He has a high degree of familiarity with the field of the Company's operational basis and has accumulated rich practical experiences, and, is therefore an indispensable main leader in management. According to the Company's Risk Assessment Authorization Regulation, before executing major resolutions and matters, they can be carried out only after having gone through the discussion and resolution of the board of directors. This control is enough to ensure the best interests of Acter and the shareholders. And we believe under the leadership of Chairman Liang, a solid foundation is constructed for the sustainable management of the Company. For detailed educational and work experiences and backgrounds, please refer to pages 16 and 17 of Acter's 2015 Annual Report. The detailed information can also be inquired on the Market Observation Post System:  
[http://mops.twse.com.tw/mops/web/t57sb01\\_q5#](http://mops.twse.com.tw/mops/web/t57sb01_q5#).

## ◆ Composition of Senior Managers

| Job Title                          | Name          | Date Appointed to (Assumed) Position | Main Responsibilities   |
|------------------------------------|---------------|--------------------------------------|---|
| Chairman and CEO                   | Jin-Li Liang  | July 1 <sup>st</sup> , 2011          | <ul style="list-style-type: none"> <li>Lead the management teams and build operational strategies and objectives</li> <li>Comprehensively manage the organizational operation of and nurturing of talents at each company in Acter Group</li> </ul>   |
| General Manager                    | Charly Hsu    | February 1 <sup>st</sup> , 2010      | <ul style="list-style-type: none"> <li>Command the execution and coordination of the Company's operations and project plans</li> <li>Supervise the normal operation of the organizational functions of each department</li> <li>Lead business units in developing new businesses and in promoting major policies</li> </ul>             |
| Senior Associate General Manager   | Jacky Chang   | January 17 <sup>th</sup> , 2008      | Lead the Technology Business Group in executing the supervision and management projects of technology industry engineering and supervise the progress and evaluation  |
| Associate General Manager (Note 1) | Ming-Kuen Lai | February 1 <sup>st</sup> , 2007      | Lead the Livelihood Business Group in developing businesses in engineering-related fields and executing projects in Taipei Region   |
| Assistant Manager                  | Eric Wang     | January 17 <sup>th</sup> , 2008      | Lead the Technology Business Group in executing businesses and projects in Taichung Region  |
| Assistant Manager                  | Evan Fan      | January 7 <sup>th</sup> , 2011       | Lead the Technology Business Group in executing businesses and projects in New Taipei Region  |
| Assistant Manager                  | Bo-Sheng Lee  | February 1 <sup>st</sup> , 2007      | Lead the Technology Business Group in executing businesses and projects in Greater Kaohsiung Region   |
| Assistant Manager                  | Jason Chang   | November 1 <sup>st</sup> , 2014      | Lead the Technology Business Group in executing businesses and projects in Taoyuan Region   |
| Assistant manager                  | Steve Cheng   | November 1 <sup>st</sup> , 2013      | Lead the Technology Business Group in executing businesses and projects in Tainan Region  |
| Manager of Financial Division      | Angie Tsao    | August 1 <sup>st</sup> , 2009        | <ul style="list-style-type: none"> <li>Responsible for the contact and relationships with shareholders</li> <li>Responsible for making statements to the public on behalf of the Group</li> <li>Leading and is responsible for the formulation, analysis, and execution of the Company's financial and accounting strategies</li> </ul> |

※Note 1: Associate General Manager Ming-Kuan Lai was promoted from Assistant Manager to Associate General Manager on April 1<sup>st</sup>, 2015.

## ◆ Integrity Management

Persistently upholding the basic attitudes of honesty and sincerity, the Company also requires the employees to understand and obey the "Integrity Management Operating Procedures and Behavioral Guidelines" formulated by the Company. Integrity and anti-corruption are basic requirements for each employee of Acter during the conducting of businesses. In addition, to ensure that the Company implements honest management and the employees have proper behaviors, the Company has also drawn up the "Code of Ethics" and "Employee Business Ethics Standards." The colleagues can inquire the various guidelines on the intranet at any time. Moreover, to increase the propaganda of the value Acter places on integrity, the Company will regularly advocate integrity management through educational training and internal meetings, so that the employees will fully understand. In 2015, the examination of the Company by the Auditing Department showed that there were no risks of corruption, anti-competitive behaviors, antitrust behaviors, and monopolistic practices, and also no reports of any dishonest

management were received.

Aimed towards the following issues, the Company developed the behavioral guidelines, requiring the employees of the Company to cautiously abide by:

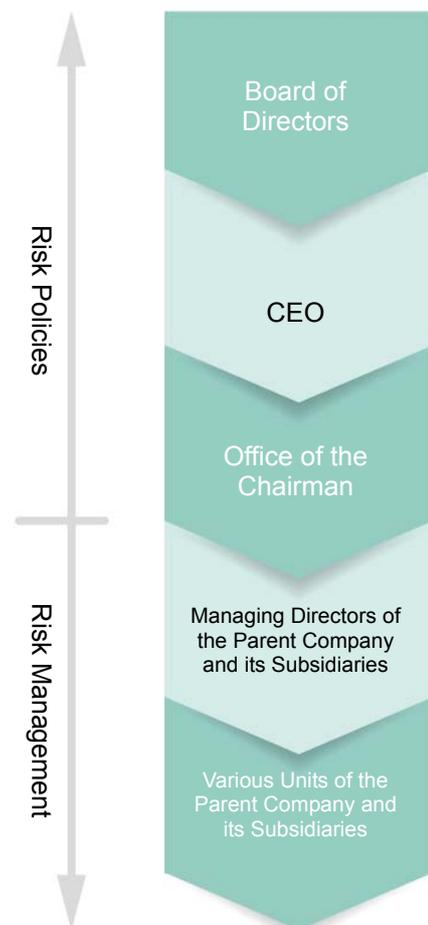
- ◆ Prohibition of the provision or acceptance of improper benefits
- ◆ Prohibition of facilitation payments
- ◆ Handling of political prohibitions
- ◆ Handling of charity donations or sponsorship
- ◆ Handling of conflict of interest avoidance
- ◆ Security mechanism
- ◆ Prohibition of the disclosure of trade secrets
- ◆ Prohibition of insider trading
- ◆ Avoid trading with dishonest operators

### ◆ Risk Management

The Company has carried out risk management for the uncertainties concerning enterprise management and has measured and assessed the risks of different sources, so as to effectively supervise and control them. The Company has already formed the Risk Management Unit with the highest department executives of the General Administration Office, Financial Office, Engineering Department, Business Department, Procurement Department, Design Department, Information Department, and Environmental Safety Department. Aimed at the following risks, the Risk Management Unit can immediately adopt response or preventive measures.

For the following issues, the Company has formulated a conduct guide, requiring the employees of the Company to carefully observe:

- ◆ Market risks
- ◆ Legal risks
- ◆ Credit risks
- ◆ Information security risks
- ◆ Liquidity risks
- ◆ Natural disasters or other occasional incidents
- ◆ Operational risks
- ◆ Other risks



## ◆ Operation and Management of Corporate Social Responsibility

Acter has not set up a dedicated Corporate Social Responsibility Committee, and, currently, the General Administration Office serves as the dedicated unit in the promotion of corporate social responsibility, and is responsible for proposing and executing corporate social responsibility policies or systems, and in addition to regularly reporting to the board of directors each year, it will also disclose the execution situation on the corporate website. The effectiveness of the implementation in 2015 was reported to the board of directors on November 10<sup>th</sup>, 2015. In addition to continuing to publish CSR reports in the future, we will also establish a comprehensive report preparation process and internal control system, displaying the responsibility and attitude of the Company in its pursuit of CSR report quality. Currently, the Environmental Safety Department serves as the dedicated unit for environmental management to maintain the environmental management-related systems, and will regularly hold environmental education courses for the managers and employees. The Company believes that achieving sustainable management is in the scope of official duty of each employee; therefore the senior managers of each department are responsible for leading all employees to work together for a better future. This philosophy has also been relatively reflected under the structure of the entire Group, where the operators of the subsidiaries spur the local colleagues in promoting sustainable management. The Company regular holds meetings for managing executives, where through the senior managers, the internal colleagues' questions or suggestions regarding the Company's sustainable policies could be made known. If there are appropriate requests, they will be presented to the board of directors, where the directors will make the appropriate response.

## ◆ Concept of Integrity, Awards of Affirmation

Since 2012, Acter has passed the evaluation and certification for corporate governance system and received an appraisal of A+ for information disclosure of TWSE- and TPEX-listed companies, and, subsequently, from 2013 to 2015, we received the highest level appraisal of A++ for information disclosure for three consecutive years.

In addition, to safeguard the rights and interests of shareholders, treat shareholders equally, strengthen the structure and operations of the board of directors, enhance information transparency, and fulfill CSR, Acter also participated in the "2nd Corporate Governance Evaluation for TWSE- and TPEX-listed Enterprises" held by Securities & Futures Institute, which was entrusted jointly by Taiwan Stock Exchange Corporation and Taipei Exchange and received the honor as the company in the top 5% of the "TPEX-listed group," proving, once and again, Acter's strict practice and information transparency policies in corporate governance. We believe that only with integrity management, are we able to obtain the trust from shareholders, employees, customers, and the public, and establish the most precious value and competitive advantages of the enterprise.

## ◆ Professional Involvement

Acter actively participates in the institutes, associations, guilds, and organizations of professional nature, where it has already joined the Taiwan Refrigeration & Air-Conditioning Engineering Association of R.O.C. for more than 30 years and is a special member of the Association. We have been assisting the Association in holding the promotional events of related affairs and have ardently participated and engaged in various events of the Association. The Company and the Association have committed to enhancing professional electromechanical and air-conditioning skills, to competing healthily with those in the same industry, to providing technical services for the industry, to assisting in the creation of economic value, and to carrying out industrial upgrade and the creation of Taiwan's economic miracles.

The Company actively participates in related commercial and business associations and organizations to promote the exchanges, mutual learning, and working together with those in the same industry:

- ◆ Taiwan Refrigeration & Air-Conditioning Engineering Association of R.O.C.
- ◆ Taiwan Water Pipe Engineering Industries Association
- ◆ Taiwan Electrical Contractors Association
- ◆ Taiwan Energy Service Association
- ◆ Taichung Importers & Exporters Chamber of Commerce
- ◆ Taiwan Parenteral Drug Association

## 2.5 Market Image and Corporate Opportunities

In addition to continuously improving the engineering skills, Acter Co. also actively promotes the Company's business. In 2015, Acter attended SEMICON Taiwan, using this exhibition to understand the newest trends and technology of the industry and, at the same time, build the business network.



## 2.6 Challenges and Opportunities, Future Prospects

### ◆ Internationalization, Expand Business Territory

There is great potential in the business opportunities of the Chinese market. The prediction of the overall market opportunities is that it will still maintain the trend of upward growth. The local language and culture in the Mainland are similar to that of Taiwanese businesses and so communication is much easier, where other foreign companies cannot compare. The investment scale of Taiwanese businessmen in the Mainland has shifted from small enterprises to large enterprises and the industry has shifted from labor-intensive industries to capital- and technology-intensive industries, presenting the large-scale, collectivized, popularized, and long-term trends. Therefore, the factory-construction engineering business in the Chinese market is a huge business opportunity in the air-conditioning and electromechanical industries.

As the various industries advance into Southeast Asia, Acter has already established subsidiaries in Singapore, Malaysia, Vietnam, Indonesia, and other regions. Through the transfer of experience from Taiwan, comprehensive systems and techniques could quickly be established in the subsidiaries, so as to strive to obtain market so as to bring about overall operation growth of the Group.

### ◆ Climate Changes

Due to changes in climate and the environment, water shortages are occurring throughout the world. According to the predictions of the World Meteorological Organization, by 2050, 1 billion coastal and offshore residents will face water crisis and Taiwan is currently ranked 18th among the nations in the world with water scarcity, causing serious water shortage for the use in farmlands and industries. The Company has already cooperated with desalination engineering companies, has executed module design and planning of large-scale desalination plants, and has jointly developed desalination techniques with the lowest investment costs and the lowest unit price of generated fresh water.

### ◆ Low Price Competition

Due to the poor economy of the larger environment in the recent years, the fierce competition on the market, this has caused the frequent chaotic occurrences of the price-cutting competition among the electromechanical and clean room engineering market competitors and of the low-cost bids. In addition to having to compete with the competitors in the Company's technical management ability and performance experience, the competition in prices have also intensified, so that the profit margin has generally declined. Moreover, since electromechanical and clean room engineering cover a wide range, and there are many participants in each engineering field. Furthermore, many large construction companies have opportunistically snatched the electromechanical engineering market with the turnkey method, causing the electromechanical and clean room engineering industry's management environment market competition to become increasingly fierce. With the various contract work opportunities and through Acter's own innovative skills and special engineering methods, suggestions of valuable engineering are provided for business owners, which can effectively lower the clients' costs. Also, with good services as construction management abilities and engineering quality, we are able to lower the Company's management and marketing costs and engineering risks. At the same time, attention is paid on the investment of the manpower quality and the cultivation of the professional techniques of the engineering personnel to raise the unit output value. The development trends of various engineering techniques are rapidly grasped to continuously reinforce the cooperation, research, and development with academic institutions and research units, strengthen our technical level and integration and construction abilities, strengthen the trust and approval of business owners, and to independently take on engineering affairs of a higher grade or of a greater amount of money, so as to increase the business transaction amount and raise the successful bid rate to mitigate the harm of profit decline from individual cases. Also, through the stable partnerships with the suppliers, good cost control has strengthened our competitiveness, whereby elevating our advantage in the engineering bids over those in the same industry

# 03 | Negotiations with Stakeholders

## 3.1 Identification of Stakeholders

Acter makes efforts to pursue sustainable management and establish good communication channels to interact with the stakeholders with the hopes of effectively understanding the expectations of the Stakeholders towards the Company. To thoroughly identify the groups of stakeholders and to effectively communicate with them, Acter has conducted a survey towards the heads of each department to understand how these heads view the impacts of the different major issues on the Company, thereby judging the immediate or potential impact level of the various issues on the Company as high, medium, or low. According to the impact and influence, the stakeholders of the Company are defined as:

- ◆ All of those who are directly or indirectly impacted by the Company's operating policies
- ◆ All of those who directly or indirectly influence the Company's operating policies

According to the definition of the Company's stakeholders, the Company has identified the five primary stakeholder categories:



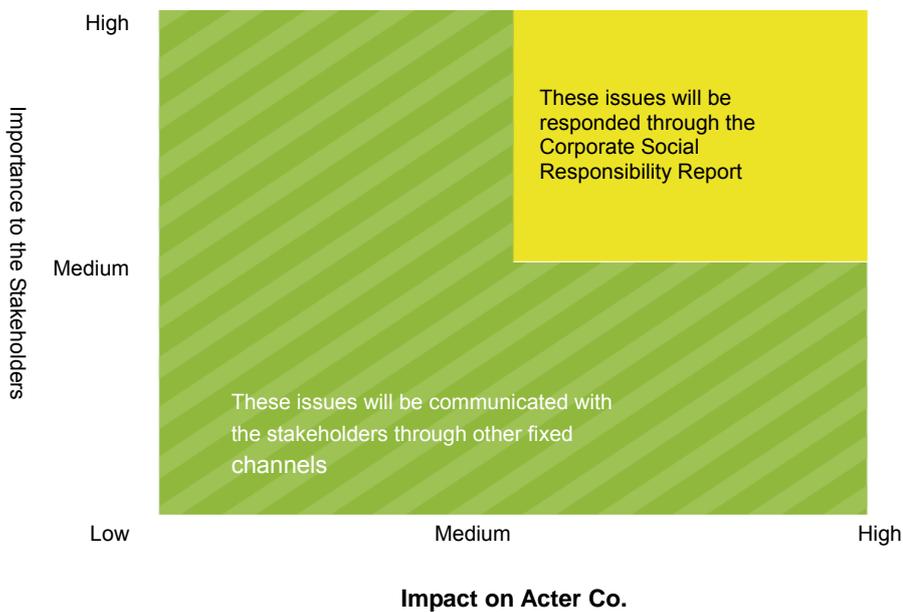
### 3.2 Communications with Stakeholders

In addition to communicating with the various sectors through the business reports, annual reports, and the corporate website, Acter also publishes the corporate social responsibility report regularly each year to disclose the Company's operating performance to the various stakeholders so as to strengthen the bridge of communication with the stakeholders. Through long-term, sound management, the Company has attained the support and affirmation of the stakeholders. Simultaneously, through the various department heads gaining deep understanding on the issues that the stakeholders pay attention to, after summarizing and aggregating, their issues of concern are listed below:

| Stakeholders          | Issues of Concern  | Communication Methods with Stakeholders  |
|-----------------------|--|--|
| Employees             | Employee-Employer Relationship<br>Occupational Health and Safety<br>Training and Education<br>Corporate Governance<br>Ethics and Integrity   | Calling together meetings from time to time and holding labor coordination meetings each quarter<br>Educational training for employees<br>Hotline and mailbox for employees' opinions and appeals<br>Internal documents<br>Bulletin board<br>Email |
| Clients               | Products and Services<br>Occupational Health and Safety<br>Anti-Competitive Behaviors<br>Abiding by Environmental Regulations<br>Competitive Advantages  | Project teams<br>Daily communication<br>Conducting customer satisfaction surveys each year<br>Phone calls and emails from time to time   |
| Suppliers             | Procurement Strategies<br>Complaint Mechanism for Labor Issues<br>Supply Chain Management  | Daily meetings<br>Blogs for vendors only<br>Visiting firms/contractors from time to time<br>Investigating related information from time to time  |
| Competent Authorities | Economic Performance<br>Abiding by Financial and Labor Regulations<br>Occupational Health and Safety of Employees<br>Child Labor, Forced or Compulsory Labor<br>Impacts on the Local Community | Announcing financial reports/major information each quarter<br>Maintaining good interaction with competent authorities<br>Participating in related meetings from time to time  |
| Investors             | Economic Performance<br>Industrial Prospects<br>Company Profit<br>Competitive Advantages   | Corporate website and the Market Observation Post System<br>Announcing financial reports each quarter<br>Shareholders' meeting each year<br>Forums and seminars  |

### 3.3 Identification of Major Aspects

Through interviewing the senior executives, issues related to sustainable management were collected and organized, and then the department heads defined the key issues in accordance with the degree of influence to sustainable development. From the stance of the stakeholders, the Company uses this Corporate Social Responsibility Report to respond to the issues that the stakeholders are highly concerned about and that is highly influential to Acter. For the other aspects, they are communicated continuously to the stakeholders through regular channels on a regular basis.



The following are defined by Acter as the aspects that are of high concern by the stakeholders and that have major influence upon the Company:

| Management Aspect                                  | Disclosed Section | Economic Aspect                                 | Disclosed Section |
|--|-------------------|---|-------------------|
| Corporate Governance                               | Chapter 2         | Economic Performance                            | Chapter 4         |
| Risk Management                                    | Chapter 2         | Future Market Image and Corporate Opportunities | Chapter 2         |
| Ethics and Integrity                               | Chapter 2         | Procurement Strategies                          | Chapter 4         |
| Sustainable Development Strategies                 | Chapter 2         |   |                   |
| Environmental Aspect                               | Disclosed Section | Social Aspect                                   | Disclosed Section |
| Raw Product Material Usage and Renewable Materials | Chapter 4         | Child Labor, Forced or Compulsory Labor         | Chapter 4         |
| Energy Management                                  | Chapter 4         | Maintenance of Employee-Employer Relationship   | Chapter 4         |
| Products and Services                              | Chapter 4         | Occupational Health and Safety                  | Chapter 4         |
| Abiding by Environmental Regulations               | Chapter 4         | Training and Education for Employees            | Chapter 4         |
|  |                   | Labor Complaint Mechanism                       | Chapter 4         |
|  |                   | Anti-Competitive Behaviors                      | Chapter 4         |

### 3.4 Major Issues

Acter has adopted the following four steps to ensure that all of the stakeholders' issues of concern are all completely responded in this report.

#### 1. Selecting and identifying all the Global Reporting Initiative 4 (G4) aspects applicable to Acter

The department heads study the indicators of the various G4 aspects, and gather a report of the aspects applicable to the nature of the Taiwan region and the engineering industries. During the process, a further step is taken to distinguish whether such impact influences Acter's internal operations or external environment. This Corporate Social Responsibility Report chiefly presents the various aspects that occur at Acter.

#### 2. Evaluating the gathered aspects and issues and prioritizing them

When analyzing the various aspects, the sustainable team evaluates whether the Company should disclose such aspect according to the principles of materiality and stakeholder tolerance.

#### 3. Reconfirming the order

The sustainable team reexamines the order of importance of each aspect and asks the department heads to reconfirm whether the aspects disclosed in the sustainability report can provide valuable information for the stakeholders, so that the stakeholders can fully comprehend the responses the Company has taken concerning the major issues.

#### 4. Reviewing and auditing sustainability report

After compiling the sustainability report, the sustainable team reads the entire report once again to review whether all the major aspects have been completely presented in the sustainability report. In addition, the Chairman also reviews the sustainability report in person to ensure that the sustainability report can portray both the Company's passion for sustainable management and the Company's basic attitudes of "honesty and sincerity" at the same time.

# 04 | Sustainable Management Performance

## 4.1 Professional Turnkey Project Service

Acter Co. uses specialized engineering techniques and abilities to provide rapid and flexible integration service, and is a turnkey service company that provides clients a full service from design and planning, engineering construction, engineering manufacture and supervision to the maintenance and care after the completion and delivery. The triple multi strategy of multi-industries, multi-disciplines, and multi-talents lets Acter possess profound strength to provide professional and comprehensive factory planning for the clients. Through the industrial chain's horizontal integration and deepening of professionalism, the service items of Acter have gradually expanded, crossing over to the technology, livelihood, biotechnology, and medical fields, including businesses in optoelectronic industries, semiconductor industries, biotech industries, energy industries, electromechanical and air-conditioning engineering in mansions and tourist hotels, and biotech and medical factory construction, providing an integration service of diverse engineering skills for the clients.

Different from other industries, the Company's skills, research, and development of system integration engineering are to enhance the efficiency of the engineering methods, materials, and equipment after they have been restructured. Also, according to the individual needs of the business owners or industry characteristics, we customize and integrate the professional knowledge of different fields, such as architecture, electrical and mechanical engineering, air-conditioning, fire control, instrumentation and control, pipelining, and engineering management, so as to construct a quality space that satisfies the manufacturing process needs of the clients. Through the professional planning, techniques, and abilities of the Acter team, we focus on each engineering detail, maintain design quality standard and functional requirements. In 2015, the Company did not receive any violations of statutory prescribed circumstances of any products or services.



Clean Room Engineering



Electromechanical and Air-Conditioning Engineering



Industrial Ventilation Engineering



Constant Temperature and Humidity Engineering



Environmental Engineering



Maintenance and Care Engineering

## ◆ Overall Planning, Innovative Engineering Methods

Upholding the spirit of continuous research, development, and innovation, Acter provides the safest, high-quality engineering planning services. In recent years, under the trends of global warming and the rise of environmental protection awareness, Acter uses innovative engineering methods and combines them with practical experiences to provide energy-saving and improvement engineering services in different engineering categories. The representative innovative engineering methods of the various engineering types are listed below:

### 1. Electromechanical engineering:

Taking “using stored ice to transfer peak load” for example, the refrigerant compressor is operated during the nighttime off-peak electricity usage to manufacture refrigerants. When the compressor operates and the brine temperature is below 0°C, phase changes occur to the water in storage containers and it becomes ice to store a great amount of latent heat. Then, during the daytime peak electricity usage, the ice is melted to release cold energy to provide air-conditioning load demand, so as to achieve the goal of reducing compressor operation. Shifting the air-conditioning electricity usage from peak time to off-peak time, we successfully relocated the air-conditioning daytime peak load and reduced electricity charges.

### 2. Super tall building engineering:

Taking “42-storey multi-functional building” for example, using the transition level isolation method, we successfully lowered the pressurization level of the pipes, increased the stability and safety of the operations, and greatly reduced the overall engineering expense.

### 3. Special engineering:

Taking “integration techniques in negative pressure exclusive hospitals for SARS” for example, using the indoor and outdoor pressure differences, by the characteristic of air flowing from high pressure area to low pressure area, causing the surrounding air outdoors only flowing towards the negative pressure area indoors. Negative pressure is an important protective mechanism in the barrier zone from the external environment and is often applied as a means to limit the air from spreading and can guarantee the airstreams to flow in the expected direction. Acter uses negative pressure techniques to successfully assist hospitals in establishing negative pressure isolation wards.

### 4. Biotech engineering:

Taking “clean room integration engineering techniques for cGMP plants” for example, PIC/S GMP standards are stricter towards the requirements for building a space for clean room in pharmaceutical factories. The biggest difference between it and Taiwan’s current cGMP standards is in its prevention of cross-contamination facilities and operations. Through the clean room integration engineering techniques, Acter assists the pharmaceutical industry in enhancing the requests for air cleanliness of working spaces so as to be in accordance with the PIC/S GMP specifications.

### 5. Clean room engineering:

Taking “clean room turnkey engineering” for example, through controlling the temperature, humidity, airflow, air pressure, and dust particles of the indoor air and along with integrating indoor lighting and dust-free building materials, Acter assists enterprises in completing the clean room engineering.

## 6. Livelihood engineering:

Taking “waste heat recycling” for example, using air-conditioning waste heat and heat source from outdoor air as the hot water usage in life and achieving the reduction of equipment by eliminating the boiler system. In addition to assisting companies in reducing the equipment costs, it can also reduce fuel usage and lower CO<sub>2</sub> emissions.

## 7. Manufacturing process engineering:

Taking “the elevation of the system utilization rate” for example, it is merging cold source supply system through deeply understanding the manufacturing process system to effectively elevate the system utilization rate.

## 8. Prefabricated construction method of large cement tanks:

In the past, there were the issues of long construction time and easy leakage when applying prefabricated construction method on large cement tanks. Acting in concert with overseas engineering companies, the Company developed a new prefabricated engineering method. In addition to being able to reduce construction period, it can also effectively resolve the issue of possible leakage.

## 9. Green energy engineering:

Selected systems with high performance and low energy-consumption and applied them in the production environment. Using methods such as installing variable-frequency drives and special insulation designs, the demand for electricity was reduced. Renewable energy is used to assist customers in achieving the effect of saving energy.

## ◆ Patent Application

The output of the main research and development items of Acter’s system integration engineering is different from the research and development entities of general industries. According to the requests of different business owners, the system integration engineering mainly integrates various system engineering methods and restructures materials and equipments to improve performance and to create and provide operating systems and environment that are fully in accordance with the production needs of the clients. Also, in the aspect of electromechanical industry, its main characteristic is the high industrial dependency; therefore, the research and development of this industry mainly come from the innovation of the upstream and downstream industries, which then spur the overall reform. In order to break through the current situation to achieve excellent innovation, the Company actively established the procedures of fundamental research and design management project. Through close integration among different functions, the cross-functional development team continues to develop integration techniques and abilities for high-tech plant renovation by integrating electromechanical engineering and plant renovation and design upward and by completing the integration and combination abilities for the manufacturing process equipment of plant renovation.

In the aspect of the development of technical patents, up until 2015, the Company has obtained 1 invention, 25 practical new types, and 6 software copy rights, which are primarily engineering construction, the application and change of new materials, and the software publications for the supply system of chemical equipment, etc.

| Patent Type        | Patent Name   |
|--------------------|---|
| Invention          | Uniaxial rotary mechanical arm  |
| Practical New Type | A type of film drying apparatus<br>Online quartz heater<br>Quick dump cleaning device for cleaning semiconductor equipment<br>Buffered outlet of flame-capturing exhaust device with chemicals<br>Quick coupling device for chemical barrels<br>Precision capacity emission control chemical container<br>A type of chemical supply system<br>A type of three-way tank for chemical supply system<br>A type of valve tank for chemical supply system<br>A type of sampling box for chemical supply system<br>Connection devices for pipe couplers of chemical supply system<br>Acidic chemical supply and control system<br>A type of chemical supply monitoring and alarm system<br>Liquid-gas separation device for chemical supply system<br>Filling mechanical arm for chemical supply system<br>Forced ventilation and exhaust gas tank for chemical supply system<br>Inlet pipe cleaning device for chemical supply system<br>Segmented control heating blanket of gas supply system<br>Fully automated gas tank cylinder-change anti-leak system<br>Automatic switching double cylinder nitrogen panel<br>Online fully automated HF and HNO <sub>3</sub> heat exchanging system<br>Semi-automated type etching and cleaning machine<br>Online dilution device<br>Silicon chip self rotation and vibration mechanism<br>Silicon chip polishing slurry stirring device |
| Software Copyright | Chemical supply system H <sub>2</sub> SO <sub>4</sub> equipment control system<br>Gas cabinet control system<br>Chemical supply system HCl equipment control system<br>Chemical supply system oxide equipment control system<br>Chemical supply system W2000 equipment control system<br>Cleaning machine equipment control system  |

## ◆ Engineering Achievements

After Acter assists the clients in importing the aforementioned innovative and energy-saving engineering methods, they can reduce energy consumption during the operating processes, save operating costs, and alleviate the impacts upon the environment. Furthermore, using the engineering achievements, clients can also apply for related green architecture certification such as LEED of the U.S. Green Building Council and Taiwan's Green Building Mark to elevate the corporate image and shape the enterprise value.

In the aspect of overall construction, we emphasize the provision of energy-saving engineering projects with total solutions for the clients, including air-conditioning system, lighting system, and space design for clean rooms, which will all be holistically considered using our professional technology, where with overall effective evaluation, the system operations can be optimized and the energy-saving performance can be maximized.

## 1. Green Architecture of China Steel Corporation (CSC)

In the air-conditioning engineering project at CSC, through preventing excessive amount of ice water in air conditioners and selecting energy-efficient ones, Acter has assisted CSC in achieving the air-conditioning indicator of the nine major evaluation indicators of “EEWH System” for green architecture. The energy-saving engineering methods used by Acter are as follows:

| Facilities       | Energy-Saving Methods  | Description   |
|------------------|--|---|
| Air-Conditioning | Selection of main air-conditioning equipment (along with EMAS system):<br><ol style="list-style-type: none"> <li>Ice water machine: Select machines that conform with CNS12812 green building mark</li> <li>Power usage meter for condensate pump and ice water one-time side pump</li> <li>Start variable frequency of ice water pump twice</li> <li>Start variable frequency fan for cooling water tower</li> </ol>  | Variable frequency air-conditioning to save energy  |
|                  | Control methods for wind pipe system:<br><ol style="list-style-type: none"> <li>VAV system is adopted to set indoor room temperature at 24°C, along with the variable frequency operation of air-conditioned box (start the system one hour before work in the daytime and stop the system half an hour after work in the nighttime)</li> <li>The natural lighting of double walls with internal and external curtains is adopted, and a ventilator exhaust system is set up to discharge heat source to improve and block the heat source outdoors from flowing inside (chiefly for sunlight from the east and west, and the start and stop of time control are adopted)</li> </ol> | <ol style="list-style-type: none"> <li>Constant temperature, wind change to save energy</li> <li>Obstructing sunlight and heat source and improving indoor temperature</li> </ol> |
|                  | Control methods for water pipe system:<br>Condensed water in air-conditioning is recycled and delivered to reclaimed water disposal system in B4F. After completion, the water is provided for the use in spray irrigation system  | Recycling and reusing reclaimed water   |

## 2. LEED Certification for Wafer Plant

In the MEP electromechanical engineering project of wafer plant F15P1 office, Acter assisted 15 large wafer plants to obtain LEED of U.S. Building Council, golden level green architecture mark, through cooling water, central ice machines, MAU, AHU systems, lighting and other engineering methods. The energy-saving engineering methods used are as follows:

| System              | Energy-Saving Methods   |  | Description  |
|---------------------|---|--|--|
| Cooling Water       | High-temperature difference cooling water system (DT=6°C)                         | 6°C temperature difference system is adopted to reduce the pump amount of cooling water  | Reducing the wasted work of water pump   |
| Central Ice Machine | Heat recycling with ice water machine   | Condensed heat source is recycled to supply for the preheating of MAU and for the usage of reheating the bank of tubes   | Recycling heat for reuse   |
|                     | FCU cooling in the peripheral zone  | FCU cooling is adopted for the peripheral zone in conjunction with the control of the sunshine schedule from the east (07:00AM~12:00PM)  | Isolating temperature change outside and increasing the comfort of the office environment  |
|                     | Hot pump system   | Gymnasiums adopt gas to water heat pump  | Outside air is used to obtain heat and reduce energy consumption   |
|                     | Dual warm-and-ice water system design (5/12°C; 12/20°C)                           | Ice water system is divided into dual warm framework, and high-temperature difference DT≥7°C is adopted  | <ol style="list-style-type: none"> <li>1. Elevating the operation efficiency of the machine.</li> <li>2. Reducing the wasted work of water pump</li> </ol>   |
| MAU                 | MAU optimized control mode (all external air air-conditioned box system)          | <ol style="list-style-type: none"> <li>1. MAU optimized air supply and temperature setting</li> <li>2. Best ice water plate and pipe control mode (cooling and reheat control for the bank of tubes)</li> </ol>  | <ol style="list-style-type: none"> <li>1. Frequency variable and energy-saving</li> <li>2. Lowering the humidity in office environment to raise comfort</li> </ol>   |
|                     | Nighttime ventilation design  | Lower temperature air at nighttime is led indoors for ventilation  | <ol style="list-style-type: none"> <li>1. Regulating indoor room temperature</li> <li>2. Reducing the concentration of CO<sub>2</sub> indoors in advance</li> </ol>  |
|                     | Refrigerated room control for external air  | Air from outside is led indoors during the seasons of autumn and winter for air-conditioning use   | Regulating indoor room temperature   |
| AHU                 | Energy-saving control for air-conditioning in offices                             | <ol style="list-style-type: none"> <li>1. Air side adopts VAV control to provide optimized air temperature setting: 17°C in the morning, 16°C in the afternoon, and 19°C at night. The temperature difference for the day is approximately 2°C. During the seasons of autumn and winter, the setting is raised 1°C</li> <li>2. High-efficient motors are adopted for windmills</li> <li>3. AHU adopts the variable speed and static pressure controls</li> </ol> | <ol style="list-style-type: none"> <li>1. Elevating the temperature of ventilated air and reducing energy consumption</li> <li>2. High-efficient and energy-saving motors</li> <li>3. Balance of supply and demand, saving energy and power</li> </ol> |
|                     | Energy-saving control for air-conditioning in elevators and machine rooms         | Free cooling, energy-saving design mode is adopted for ventilating windmills   | Free cooling saves energy and power  |
| Lighting            | Office lighting adopts low energy consumption for light and light fixture designs | Offices adopt T bar (T5) light fixtures and DALI design (control mode uses: single-lamp adjustable lighting, light control for different areas, timing control, and personnel perception) as energy-saving mode  | <ol style="list-style-type: none"> <li>1. Automated control</li> <li>2. Maintenance of illumination</li> <li>3. High-efficient energy-saving</li> </ol>  |

### 3. Integration Engineering for Clean Rooms

When Acter was first established, it was mainly small-sized air-conditioning engineering. Following the development of Taiwan's technology industry, we began entering into the engineering services of "clean room integration" and "professional manufacturing process system integration." To date, we have completed dozens of Class 10 to Class 100,000 projects regarding the establishment, building, expansion, renovation, upgrade engineering of clean rooms, including internal installation, air-conditioning, and affiliated factory management system in Taiwan and China. In addition to the basic technical and professional fields, the Company values the management of engineering execution even more so, including reasonable and effective on-site space planning, the management of construction quality, the gasping of construction progress, and the requirement of construction safety. Acter adopts the following engineering methods to assist clients in effectively reduce the wear and tear and satisfy the customers' demands.

| Facilities                | Energy-Saving Methods  | Description   |
|---------------------------|--|---|
| Ice Water Machine         | <ol style="list-style-type: none"> <li>One-time variable flow design</li> <li>Variable frequency design for the machine</li> </ol>                 | Variable frequency energy-saving  |
| FFU                       | <ol style="list-style-type: none"> <li>High-efficient FFU is adopted</li> <li>Low-pressure filter is adopted</li> <li>DC FFU is adopted</li> </ol> | <ol style="list-style-type: none"> <li>High-efficient motor saves energy</li> <li>Reducing the power consumption in windmills</li> <li>Variable speed saves energy</li> </ol> |
| DCC and Return Air Design | Horizontal installation, eyelid, or divider methods are adopted  | <ol style="list-style-type: none"> <li>Increasing manufacturing process production capacity</li> <li>Installing light-weighted materials</li> </ol>                           |
| Heat Recovery             | Heat energy recycled during manufacturing processes or factory management equipment is used to heat up air-conditioning system                     | <ol style="list-style-type: none"> <li>Reducing the impact of heat discharge upon environment</li> <li>Reducing energy consumption</li> </ol>                                 |

#### ◆ Record of Awards

Acter's performances in various projects and engineering, whether from construction projects to maintenance and repair, all uphold an active and steadfast attitude. Therefore, we have repeatedly earned the affirmation and trust of business owners. The awards we have received in recent years are as follows: (only a portion of the awards in recent years are extracted and published here)

##### China Steel Corporation

Contracted CSC headquarters building construction project, certificate of appreciation for smooth construction and for completing with quality on schedule



Advanced Semiconductor Engineering (ASE) Group

Best Supplier



Te Chang Construction

Blue-Chip Subcontractor (Best Partner)



Daxin Materials Corporation

Contracted Zhonggang Branch new construction project, certificate of appreciation for smooth construction and for completing with quality on schedule



Canon Marketing Taiwan Co., Ltd.

Contracted Canon (Taiwan) the air-conditioning engineering project in Factory Building F, certificate of appreciation for smooth completion



◆ Persistence in Quality and Safety

“Quality and safety” are the one and only way for engineering and construction. Quality space that is in accordance with the clients’ needs can be constructed only with guaranteed quality and one hundred percent safety, which is also the service value of Acter. Through daily toolbox meetings, Acter propagates the safety specifications for construction sites and how to prevent and control to the subcontractors and related staff members. In addition, specialist staffs are assigned from time to time to audit the sites to make sure that construction workers obey specifications related to industrial safety to achieve advance prevention and zero industrial safety principles.

The Company has also set the “Emergency Response Management Procedures” to establish processing concepts of the processing measures and response methods for prior environmental emergencies. Then, according to the established response measures, the personnel harm and environmental pollution and impact are minimized to ensure the safety of the factory area. We know for sure that only “persistence in quality and zero industrial safety” can the customers’ demands for space be satisfied and can we become business partners with the clients to create a win-win situation for both parties.



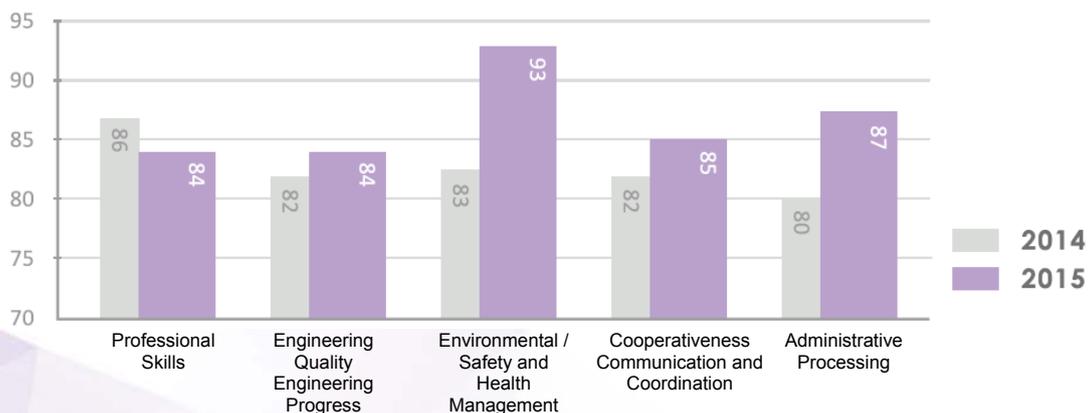
The One and Only Way in Engineering and Construction is Quality and Safety

### ◆ Customer Satisfaction Survey

At Acter, we uphold the philosophy of “excellent engineering project and customer satisfaction,” cautious and conscientious in each project, we do our best to satisfy the demands of customers. This is not only for engineering quality, for the “As Built Document” that the customers require after completion, the Company will also provide detailed and complete content.

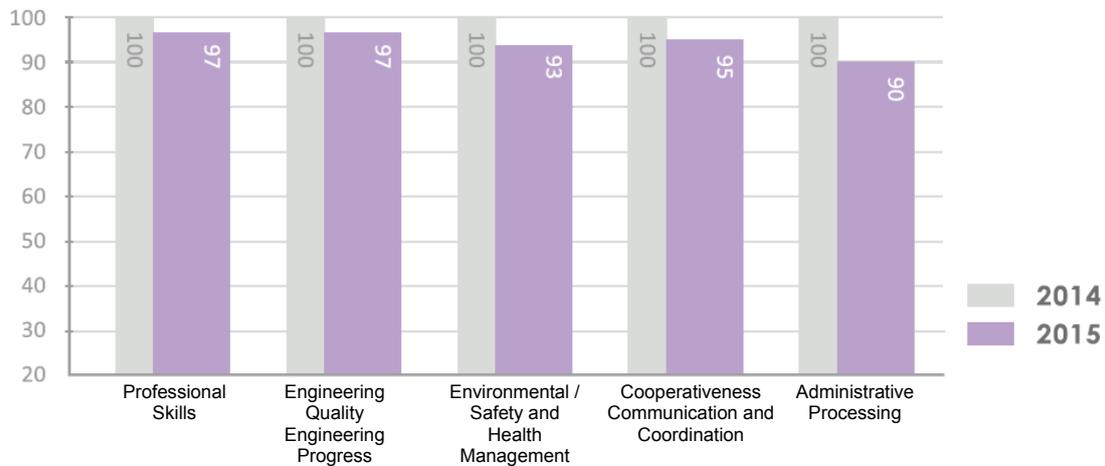
Acter is committed to providing the best service for the customers and highly values the clients’ satisfaction towards Acter. According to customer satisfaction operating process, the Company regularly holds customer satisfaction surveys each year. The General Administration Office filters and selects the customers with construction progress that has reached 30% for the year. The clients then fill in the customer satisfaction survey questionnaire and hands it over to the General Administration Office to collect and organize the information. Analysis and review are carried out for customer complaints and problems or where the overall evaluation score has not reached a certain score, and treatment options, improvement measures, and prevention methods are then proposed so as to achieve customer demands and expectations. Our satisfaction survey and questionnaire content includes five major facets (professional skills, engineering quality / engineering progress, environmental / safety and health management, cooperativeness / communication and coordination, other). The analyzed data for 2014 and 2015 are as follows:

### ◆ Engineering Department Customer Satisfaction Survey



According to survey, for the professional skills in the customer satisfaction survey of the Engineering Department in 2015, due to having employed many colleagues with no related industrial experience, this caused customer satisfaction to decline. We will be implementing the mentorship system and strengthening on-the-job educational training to enhance the professional functions of the colleagues. The customers all hold an affirmative attitude towards engineering quality, environmental safety and health management, cooperativeness, and administrative processing. Compared to last year, there has been a significant increase in satisfaction.

### ◆ Maintenance Department Customer Satisfaction Survey



Comparing to the Maintenance Department, the customer satisfaction in each indicator in 2015 all show a slightly lower score; however, they are still of high standard. In this regard, we have required said department to view the performance in 2014 as their benchmark and for them to cautiously execute each project, implement lean management, and strictly follow standard operating guidelines, expecting them to return to their original service quality in the shortest amount of time so as to provide the most comprehensive and most complete service to the customers.

| Average Satisfaction Score | Engineering | Maintenance |
|----------------------------|-------------|-------------|
| 2015                       | 86          | 95          |
| 2014                       | 83          | 100         |

## 4.2 Cooperative Partners

### ◆ Management Policies for Suppliers

Acter selects excellent quality subcontractors according to the regions and engineering service ranges to jointly provide high quality engineering services for the clients. The Company is quite cautious about the standard of selecting partners, and each of the partners must be checked by the Company, and their engineering achievement cases, professional manpower and compatibility, and related certification must be evaluated before being able to officially become Acter's cooperative partners. Moreover, the Company also regularly evaluates the credibility, quality, and response capability of the partners to ensure that the most excellent engineering services can be provided for the clients.

Acter hopes that the Company's corporate social responsibility spirit can be implemented on our cooperative suppliers and contractors, where they will value the equal treatment of employees, provide a safe environment, and jointly create social value. In order to move towards sustainable management with the partners, the Procurement Department of the Company carries out supplier evaluation every half a year. The contents include quality, lead time, and industrial safety management, etc. And we communicate the human rights, social, and environmental, and other issues with the partners from time to time, reminding the partners that they can propose any issues related to sustainable development to the Company via email at anytime. The Company will discuss and resolve the issues together with the suppliers.

Acter deeply believes that it is every employee's responsibility to implement corporate sustainable management; therefore, our cooperative partners should also cooperate alongside and become one of the important promoters of sustainable management. We deeply believe that through Acter's influence in the industry, we can positively drive the influence of the various cooperative partners in the supply chain upon the society. Therefore, we thoroughly communicate with the suppliers regarding our standards and requirements for health and safety on our purchase orders in advance and first confirm that the suppliers conform to the standards before the quotations of prices are proposed. Moreover, we request all the subcontractors to sign and return the "Affidavit of Safety, Health, and Environmental Protection for Contractors" to guarantee that the suppliers will abide by Acter's safety and health specified matters, which include the employees of the firms have had appropriate physical checkups and educational trainings and have applied for labor insurance and liability insurance. At the same time, we strictly require the firms to manage the waste generated from construction and to conduct engineering under the principle of not destroying the environment.

The Company also highly values integrity and upholds the principles of being fair and open when making exchanges with the subcontractors. We deeply believe that only with excellent quality, reasonable price, and proper service can the foundation of a long-term partnership be established for both parties. Therefore, we require all the subcontractors to sign and return "Letter of Commitment for Integrity and Probity" to jointly maintain a good interaction and relationship and jointly create a win-win situation.

In the future, the Company plans to list the corporate social responsibility management mechanism of firms as one of the auditing and evaluation items. Through the evaluation of environment, human rights, and labor practices, we can effectively identify and manage the impact of supply chains upon the society.

## ◆ Local Procurement

Suppliers and contractors are Acter's important business partners. Through good communication, close cooperation, and appropriate management and supervision, the Company can then move towards sustainable management with the suppliers. The Company believes that being a responsible corporation, we should drive the local economic activities; therefore, in view of the targets of assisting local development and developing local economy, when the Company is selecting partners for engineering projects, we will first consider using the local materials and entrust local contractors in carrying out engineer planning. In 2015, Acter's checked and accepted procurement bill amount without tax in Taiwan manufacturers is NTD\$ 2,929,673 thousand and the checked and accepted procurement bill amount is NTD\$ 3,006,652 thousand. The local procurement reached 97%.

## 4.3 Green Environment

### ◆ Environmental Policies

Acter upholds the basic attitudes of "each project is the work of the Company and also represents the image of the Company" and "doing right the first time, and doing well each time" and the management philosophy of "Top Quality, Leading Technology, and Comprehensive Service." With the spirit of fulfilling corporate responsibility and social obligations, we commit to creating a safe, healthy, and comfortable work environment, enhancing the concepts of the employees and contractors on environmental protection, safety and health, and implementing pollution prevention and continual improvement, working hard with the hope of achieving the objectives of having harm-free environment and safety with no disasters and to become an enterprise with sustainable management.

Environmental safety and health commit to:

1. **Regulatory Compliance:** Comply with the regulatory provisions related to environmental protection, safety, and health, and conform with the environmental safety and health requirements of business owners.
2. **Harm Prevention:** Promote risk assessment to prevent harm and unhealthy incidents; implement pollution prevention, such as strengthening environmental protection.
3. **Saving Energy and Waste Reduction:** Implement garbage classification, resource recycling, saving energy use to carry out industrial waste reduction.
4. **Continual Improvement:** Apply the logic concept of P-D-C-A to continue implementation, maintenance, and improvement and to enhance environmental, safety and health performances.
5. **Employee Participation:** Strengthen employees' and subcontractors' knowledge on environmental safety and health and carrying out educational training and advocacy.

In addition to actively expanding the market, Acter emphasizes even more so on engineering quality management. We have already passed the ISO9001 quality management system, ISO14001 environmental management system, and OHSAS18001 occupational safety and health management system, etc. This proves the full implementation of Acter on occupational safety, service quality, and environmental protection. In the future, following the revisions and amendments to international standards, we will also continue to promote updates to management systems. In 2015, a total of NTD\$ 125,000 was spent on Acter's certification of ISO14001 environmental management system and OHSAS 18001 occupational safety and health management system.

| Management System         | Quality Management System   | Environmental Management System  | Environmental Safety and Health Management System                                     |
|---------------------------|---|--|---|
| Certification             | ISO9001   | ISO14001   | OHSAS18001  |
| Third-Party Certification | SGS   | AFNOR Asia Ltd.  | AFNOR Asia Ltd.   |
| Certificate               |  |  |  |

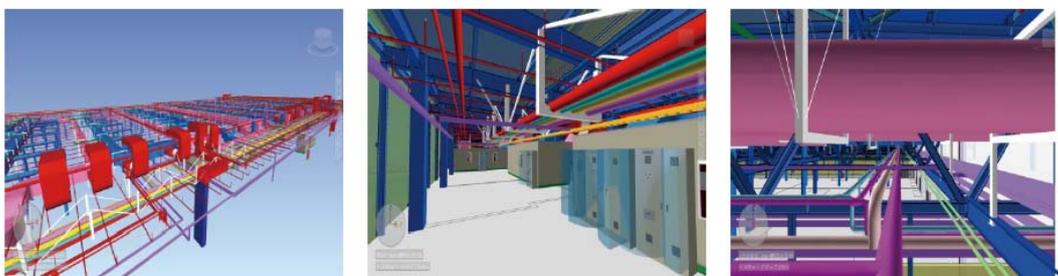
### ◆ Green Procurement

The main business of the Company is air-conditioning engineering design and construction. The concept of reduction have all been incorporated in the construction mode, and since 2011, Revit was used to execute 3D drawing simulation, and is applied in the building of tubing and equipment data. Interface program was also developed to carry out the longitudinal consistent operation integrations for planning, analyzing, designing, drawing, picking, manufacturing, and other electromechanical engineering to simulate the best allocation mode and calculate the best utilization rate to avoid rework and reduce the use of raw materials (such as tubing), so as to effectively grasp the duration of work.

In the aspect of the procurement of materials and equipments, it varies in accordance with the provisions of the engineering contracts. The main procurement operating modes of the Company can be divided into two types:(1)Using the method labor with materials to contract out to contracting firms and (2) the Company will do the procurement themselves. The engineering materials and equipment that the Company primarily procured include various machines, air-conditioned boxes, draught fan equipments, pumps, water towers, power generators, clean room equipments, electric wires and electric cables, tubing, valves, power distribution panels, bus-bars, high-raised floors, shock absorbing equipments, control appliances, lighting equipments, interior finish materials, fire control equipment, and so on. Under a certain quality, along with the terms of use and specifications of the business owners, we appropriately use green environmentally friendly materials or equipment in hopes of reducing energy consumption and protecting the environment.

The Company has stipulated the “Procurement and Material Management Procedures” in accordance with the standard of ISO9001. Through the signing of basic procurement contracts, the specifications and requirements that the Company has to comply with in purchasing items are clearly defined and based on these, the related rights and benefits of the Company are ensured.

In the future, we plan to list “Corporate Social Responsibility” into the vendor evaluation, such as environmental protection and energy-saving, number of employees, welfare, health management, and safety issues, and perform auditing according to these items in hopes of spreading the concept and practice of corporate social responsibility to the Company’s supply chain and to create a brighter future together.



#### ◆ Environmental Protection Expenditure

Referring to the Industrial Environment Accounting Guideline announced by the Environmental Protection Administration, Executive Yuan, the Company defined the environmental protection expenditures as any type of event expenditures for the purpose of environmental protection and they all belong to industrial environmental protection costs, which can be divided into equipment investment or operating expenditures. In order to achieve the objectives of energy-saving, carbon reduction, and sustainable development, in 2015, the total environmental protection expenditures of Acter Co. was NTD\$ 133,820, which were all operating expenditures. The collection of various environmental protection expenditures are organized below:

| Investment Category                    | Content  | Number of Cases | Expenditure Amount | Total   |
|--|--|-----------------|--------------------|---------|
| Environmental Protection Certification | ISO14000 and OHSAS18000                          | 1               | 125,000            | 125,000 |
| Environmental Testing                  | CO <sub>2</sub> concentration testing in offices | 2               | 8,820              | 8,820   |
| Total                                  |  |                 | 133,820            | 133,820 |

CO<sub>2</sub> is viewed as an important indicator of whether the indoor air quality is good or bad and is, at the same time, an important indicator used to assess whether the density or indoor personnel is too high and whether the ventilation efficiency is good. In order to provide the colleagues a comfortable and safe office environment, the Environmental Safety Department conducts the job site monitoring in accordance with the provision of Article 17 of the Enforcement Rules of the Occupational Safety and Health Act and hires and schedules external specialists to test the CO<sub>2</sub> concentration of the offices at the headquarters twice each year (March and September), with the personnel service as the spotting location and the offices next door as measuring locations, and a total of 30 testing locations were set. Through professional CO<sub>2</sub> detection devices, we can understand whether the job sites comply with the standard range, and if they do not, then improvement plans are proposed. For the related 2015 labor job site test results (office CO<sub>2</sub> concentration tests), they are all within the standard permissible range. For details, please view the following chart:

| Testing Date | Value       | Note                                 |
|--------------|-------------|--------------------------------------|
| 2015/3/3     | 467-9156ppm | Permissible Standard within 5000 ppm |
| 2015/9/3     | 498-816ppm  | Permissible Standard within 5000 ppm |

### ◆ Reduction measures

In recent years, greenhouse gases have brought about global warming, climate changes, and other abnormal phenomena. Being a citizen of Earth, Acter uses the core techniques to reduce consumption and actively invests in the research and development of energy-saving technical engineering and also advocates energy-saving, carbon reduction, and environmental protection awareness to the employees from time to time, promoting the little environmental protection activities, such as the turning off of lights, water and electricity conservation, and reuse of waste paper. The Company has already adopted electronic operations, where not only can the amount of paper use be reduced, work efficiency can also be enhanced. In terms of paper usage, the Company continues to strengthen the advocacy of paperless, if there is need for printout, double-sided printing or printing with recycled paper shall be adopted to reduce paper usage. In terms of electricity usage, the act of turning off lights and air-conditioners is practiced. The headquarters even adopt energy-saving equipment to achieve the effect of saving power

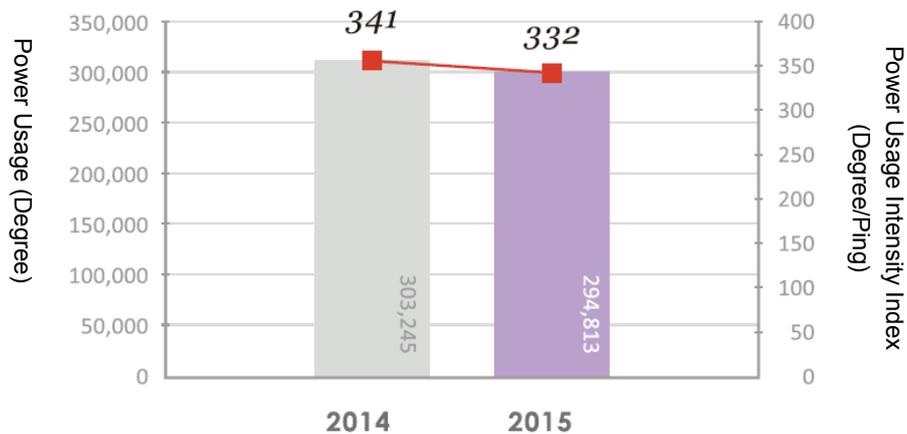
| Item                             | Measures   |
|----------------------------------|--|
| Energy-Saving (Air-Conditioning) | <ol style="list-style-type: none"> <li>1. The temperature of air-conditioning inside offices is set between 25°C and 26°C</li> <li>2. Turn off all air-conditioning equipment at 17:30PM each day after working hours. For areas that have to work overtime, turn on the air-conditioning for that area</li> <li>3. Shut doors and windows in air-conditioned areas, and isolate the areas from external air to reduce the leakage of cold air and the intrusion of hot air</li> </ol>   |
| Energy-Saving (Lighting)         | <ol style="list-style-type: none"> <li>1. T5 tube lighting is adopted for area control. Please turn off lights for each area that are not in use</li> <li>2. During office hours, light fixtures that are not used or not required shall be turned off or maintain only partial lighting</li> <li>3. Turn off lights during lunch break</li> <li>4. The last staff to leave an office area shall turn off the lights</li> <li>5. Employees who work overtime on weekends and holidays shall only turn on the lights of that area</li> <li>6. Review lighting needs and enhance lighting performance</li> </ol> |
| Energy-Saving (Other)            | <ol style="list-style-type: none"> <li>1. Select and purchase commodities with the green mark, energy label, or with high EER value</li> <li>2. Turn off computers when getting off work, also turn off or unplug extension cords, if there are any</li> <li>3. Photocopiers shall adopt power-saving mode</li> <li>4. Units that store or use printers without the fax function shall turn them off when getting off work</li> <li>5. Unplug electrical appliances before getting off work on Friday</li> </ol>   |
| Water Conservation               | <ol style="list-style-type: none"> <li>1. Select and purchase commodities with water label</li> <li>2. Water conservation</li> </ol>   |
| Saving Paper                     | <ol style="list-style-type: none"> <li>1. Try to print documents double-sided, bind them with removable methods and reduce binding with the usage of laminators</li> <li>2. Use e-documents and emails and reduce the use of paper</li> <li>3. Select and use recycled paper</li> <li>4. Reuse envelopes</li> </ol>  |
| Waste Reduction                  | <ol style="list-style-type: none"> <li>1. Recycle waste container of toner cartridges</li> <li>2. Rent photocopiers that comply with low pollution and energy saving mark</li> <li>3. Purchase toner cartridges that comply with low pollution</li> <li>4. Implement garbage classification and recycling</li> <li>5. Prepare own handkerchiefs to reduce the use of tissue and paper towels</li> <li>6. Prepare own cup to reduce the use of paper cups</li> <li>7. Products with excessive packaging are not used</li> <li>8. Encourage the riding of public transportation</li> </ol>                       |

Also, in accordance with the requirements of ISO14001 environmental management system, the environmental safety and health performance management plan was formulated:

| Environmental Safety and Health Management Programs | Program I<br>Improvement Program for Electric Wire Inspection and Illumination Measurement Measures in Offices   | Program II<br>Program for Office Implementation of Waste Paper Recycling   |
|---|--|--|
| Objective   | <ol style="list-style-type: none"> <li>1. Electric wire inspection in offices</li> <li>2. Illumination measurement</li> </ol>  | Recycling waste paper in offices   |
| Target  | Comprehensive inspection of electric wires and illumination in offices, and illumination shall be maintained at over 300 lx  | The recycling rate of waste paper reaches 95%  |
| Analysis of Current Situation                       | <ol style="list-style-type: none"> <li>1. Already replaced damaged and old electric wires to prevent staff from being electrified</li> <li>2. Immediate replacement of office light tubes when broken</li> </ol>   | <ol style="list-style-type: none"> <li>1. Already implemented the reuse of single-sided waste paper</li> <li>2. Already implemented garbage classification, waste paper recycling is continued to be improved</li> </ol> |
| Execution Frequency                                 | <ol style="list-style-type: none"> <li>1. Electric wire inspection: Once every three months</li> <li>2. Illumination measurement: Once every three months</li> <li>3. Broken light tubes: Replace anytime</li> </ol>   | Continuity   |
| Invested Expenses/ Equipment                        | NTD5,000/year  | None   |
| Performance Index                                   | <ol style="list-style-type: none"> <li>1. Continue comprehensive inspection for electric wires in offices to prevent staff from being electrified</li> <li>2. Continue to maintain sufficient illumination in offices to prevent eye damage of staff. And illumination shall be maintained at over 300 lx</li> </ol> | Continue to execute the reaching of 95% recycling rate of waste paper  |
| Review or Correction Methods                        | Meetings of Environmental Safety and Health Management Committee   | Meetings of Environmental Safety and Health Management Committee   |

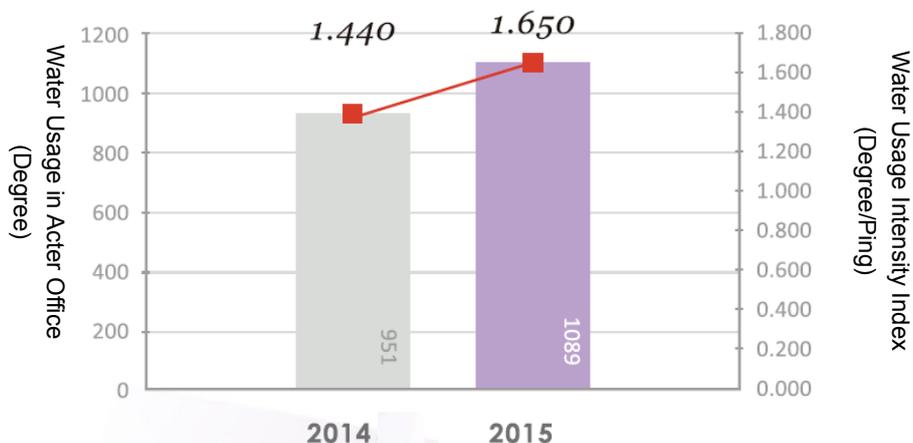
## ◆ Reduction Achievements

In the aspect of electricity usage, the total electricity readings for Acter Co.'s northern, central, and southern offices in 2015 was 294,813 degrees, which was 8,432 degrees less than the previous year (2014). The accumulated usage of each unit floor area (ping) dropped to 332 degrees (2015) from 341 degrees (2014), a reduction of about 2.64%, which clearly shows the effectiveness of the Company's promotion of saving power. For the reduction of power usage and electricity charges, in addition to establishing the colleagues' energy-saving habits, we must also rely on the assistance of hardware equipment, such as variable frequency air-conditioning, and T5 lighting fixtures, etc., and central controlled methods are adopted to manage air-conditioning and lighting in public spaces. Acter Co. has planned to gradually replace and use LED lighting fixtures to continue to carry out energy reduction.

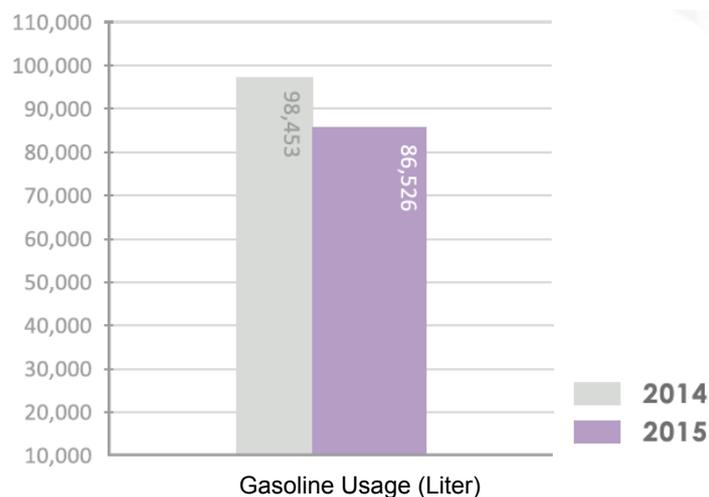


In the aspect of water usage, the water sources of Acter Co.'s offices are all directly supplied by Taiwan Water Corporation. In addition to using water conservation faucets, we conserve water through managing the control of water yield and water yielding time.

Viewing from the water usage amount of the entire company, the usage amount in 2015 was 14.58% higher than 2014, the main reasons are an increase in internal personnel and an increase in internal engineering business volume, causing an increase in water expenditure at the various business units. In the future, there is still space for improvement.



In the aspect of gasoline usage, the total vehicle gasoline usage (including public use of private vehicles) for Acter Co.'s northern, central, and southern offices in 2015 was 86,526 L, which was 11,927 L less than 2014 (including public use of private vehicles), and the effectiveness reached 12.11%.



The energy and resource (electricity, water; heavy oil, etc.) usage at each construction area is set according to each engineering contract, so the allocation of energy and resources may vary. It might be repartitioned jointly by parallel contractors or paid in whole by the business owners, so the calculation of usage is difficult. Therefore, the usage of energy and resources at each construction area is yet to be disclosed.

#### ◆ Pollution Prevention and Control

The Company's chief business is air-conditioning engineering design and construction, and no air or water pollutants are produced during these business activities. In addition, in accordance with the provisions of "Stationary Pollution Source Installation and Operating Permit Management Regulations," there is no need for the obtainment of pollution installation, operation, or discharge license permits.



## 4.4 Happy Workplace

### ◆ Human Resources

Talents are the most important foundational stones for the sustainable management of a Company, Acter highly values the cultivation of talents and provides them with the platform to grow and exert their strengths. In addition to being able to accomplish the individual vocations of employees, Acter can also continue to grow and thrive. Respecting the employees is one of the Company's core business philosophies; therefore, the Company is committed to providing a safe and reasonable working environment, an appropriate and suitable educational training, and career planning and counseling. Although the Company has currently not yet established a labor union, the Company still encourages the employees to freely form associations, so as to unite the coherence and jointly create a happy working environment.

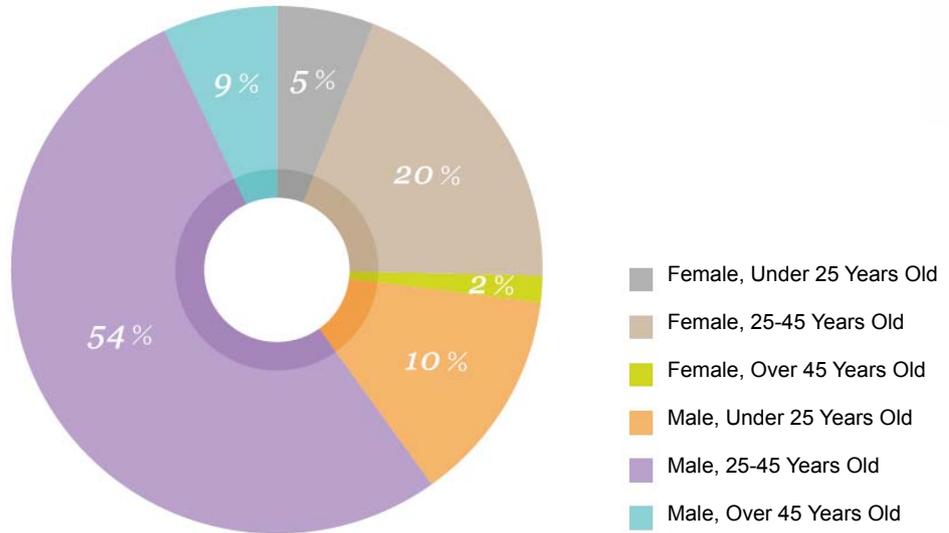
There are 19 affiliated companies in Acter Group (including Acter Co.) distributed in Taiwan, the Mainland, and various Southeast Asian regions, and as of the end of 2015, the total number of employees reached 938 people (681 males, 257 females) and there are 298 people at Acter Co. (212 males, 86 females). In terms of employment, the Company fully abides by the Labor Standards Act and other related laws and regulations and has never hired child labor. And for each job promotion, there is no limit in gender or sex, and is also irrespective of race, political affiliation, or religious belief; as long as the abilities and qualifications of the employees conform to the requirements of the position, they all have equal opportunities.

In order to prevent the occurrences of sexual harassment in the office, Acter Co. has already set "Sexual Harassment Prevention Measures at the Workplace." If sexual harassment or related incidents occur, one can make appeals to the complaint window of the Sexual Harassment Complaint Processing Committee and can also use e-mail to make appeals. The Company will process various complaint cases as projects. Through investigation, no cases of human rights, discrimination, or sexual harassment violations occurred at Acter Co. in 2015.

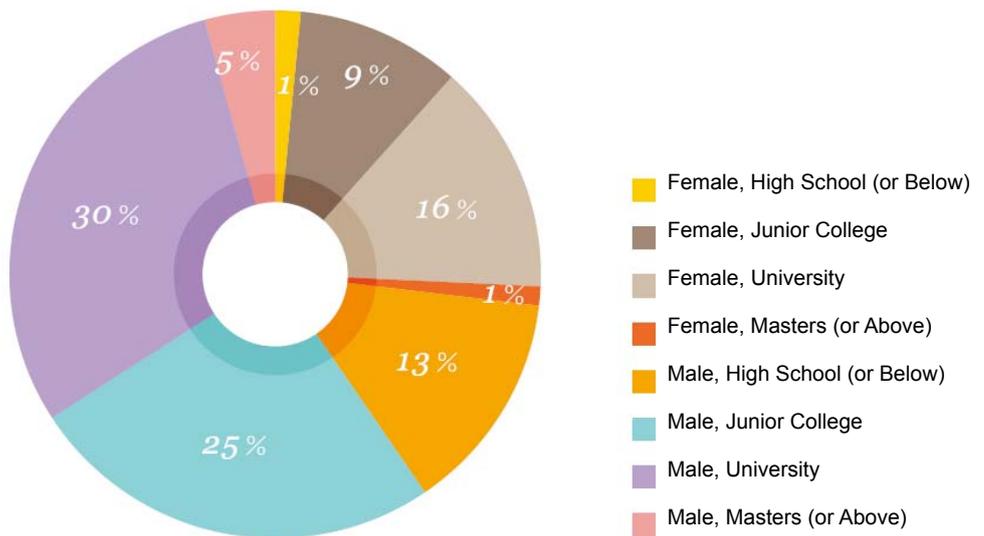
### ◆ Employment of Employees

In 2015, a total of 238 new employees were hired at Acter Group. The Company also actively acts in concert with the "People with Disabilities Rights Protection Act" and recruited a total of four persons with disabilities in 2015. In order to let the work interest of employees become more secure, and the work become more at ease; therefore, no dispatched manpower are hired and we try to reduce the hiring of contractual personnel. Due to the attributes of the industry, the chief business content of Acter is in the supervision and management of construction sites; therefore, the staff members are mostly male personnel. During interviews, we also encourage diverse personnel and personnel with rich experiences to join Acter, where their analyses are as follows:

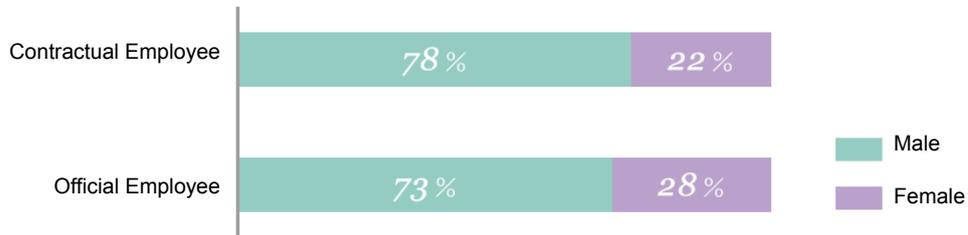
- **Acter Group's Employees According to Gender and Age**



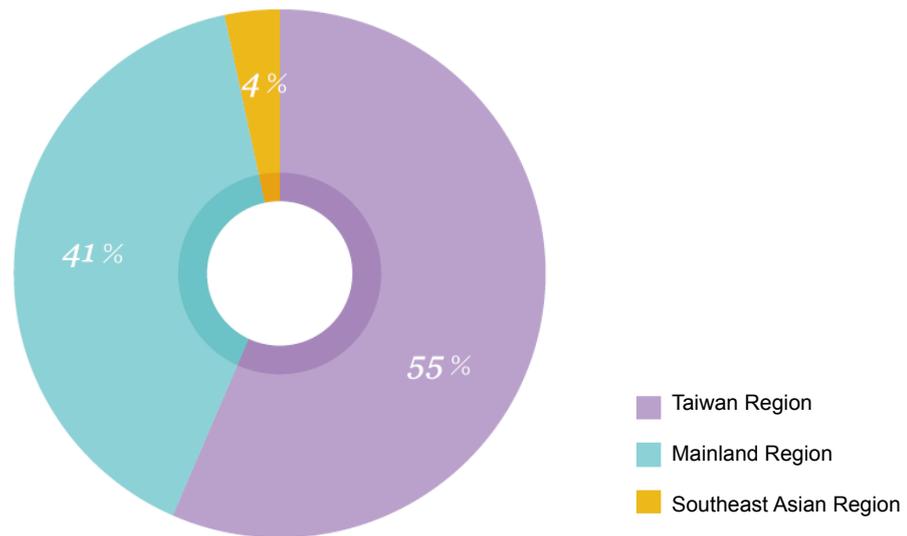
- **Acter Group's Employees according to Gender and Educational Structure**



- **Classification of Employees According to Gender and Employment Nature**



- **Classification of Employees According to Region**



- ◆ **Employment and Development of Employees**

- **Employment of Personnel**

Talents are the greatest resources of a company, so cultivating talents is one of the important key factors in Acter's sustainable management. Only by attracting the appropriate talents to join Acter can we create effective output. The Company uses many channels to hire talents, and related educational trainings start up after personnel enter Acter, so that they can quickly enter into the workplace. And along with related welfare systems and talent-retaining measures, key talents are retained. The Company highly values the employees' career planning, so open and transparent incentive and reward systems and promotional standards are set in hopes that those with outstanding performance can receive affirmation and a space for them to exert their strengths is provided.

**The number of newly-hired employee and employee turnover in 2015 are as follows:**

|                      |        |                        | Acter | Taiwan Subsidiaries | China | Southeast Asia |
|----------------------|--------|------------------------|-------|---------------------|-------|----------------|
| Newly-Hired Employee | Male   | 25 Years Old and Under | 5     | 3                   | 30    | 0              |
|                      |        | 26-45 Years Old        | 49    | 39                  | 23    | 2              |
|                      |        | 46 Years Old and Over  | 6     | 9                   | 0     | 1              |
|                      | Female | 25 Years Old and Under | 5     | 1                   | 20    | 1              |
|                      |        | 26-45 Years Old        | 29    | 8                   | 16    | 0              |
|                      |        | 46 Years Old and Over  | 1     | 6                   | 0     | 0              |
| Total                |        |                        | 95    | 66                  | 89    | 4              |
| Employee Turnover    | Male   | 25 Years Old and Under | 6     | 1                   | 28    | 0              |
|                      |        | 26-45 Years Old        | 47    | 25                  | 53    | 5              |
|                      |        | 46 Years Old and Over  | 7     | 2                   | 3     | 1              |
|                      | Female | 25 Years Old and Under | 4     | 0                   | 16    | 1              |
|                      |        | 26-45 Years Old        | 25    | 14                  | 31    | 0              |
|                      |        | 46 Years Old and Over  | 1     | 1                   | 1     | 1              |
| Total                |        |                        | 90    | 43                  | 132   | 8              |

### 1. Analysis of the demands of newly-hired employees:

Due to business needs and filling in the manpower gap, personnel were hired to join Acter Group to jointly complete projects. Acter participated in various recruiting events and worked together with schools to provide internship opportunities. We used many channels to search for related talents in hopes of satisfying the needs for manpower.

### 2. Analysis of employee turnover:

Engineering industry is different from other industries, where the comfort of the work environment is comparatively lower and the work locations shift following the completion of engineering projects. Along with a lack in talent resources, it is not easy to recruit and personnel resigned after taking post due to not being able to adapt to the environment, causing a high employee turnover ratio.

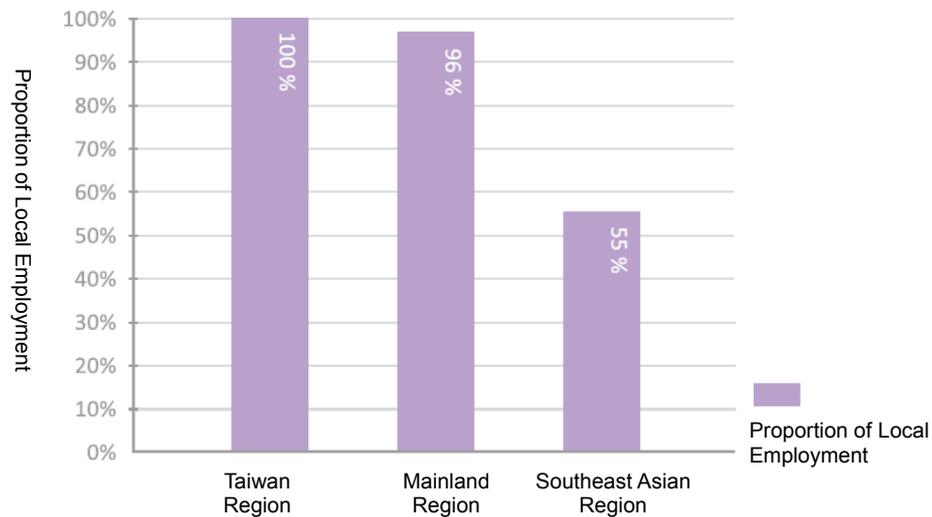
The proportion of turnover in the Mainland region is higher than the new recruits mainly because of organizational restructuring, where the departments are adjusted, merged, and abolished appropriately. A portion of the personnel was unable to adapt to the organizational changes and, therefore, chose to leave. Because business growth remained the same, manpower were not added to some of the job vacancies.

### 3. Countermeasures:

In the talent training strategy, Acter adopts the “Mentorship System” and “Learn as You Work,” where a mentor will lead and teach mentees, including the passing on of corporate culture, the sharing of professional techniques and experiences, the transferring of positive energy, etc. Through interaction, the mentees will feel the warm leading and care of the mentor and be able to more easily assimilate into the company and the mentors will feel the passion for learning from the mentees. They will mutually influence each other and enhance work efficiency. Through the implementation of mentorship system and employee care, using the care and guidance of peers, they can quickly assimilate into the corporate culture and operational procedures. We will review the management system in a timely manner so as to achieve the effect of encouragement and the retaining of talents.

- **Local Employment**

Acter believes that if we want to deeply develop the local market, we must understand the local culture, lifestyle, and related laws and regulations before being able to use the professional techniques to create service value. We implemented personnel localization and hired local personnel to carry out the businesses, where the local leaders lead the staff of the departments to provide professional engineering services. Not only can these policies facilitate the local employment rate, they can also elevate the Company’s professional abilities in serving the local market, where a win-win situation is created for both the Company and the local communities.



\*Explanation: Due to a smaller organizational size in the Southeast Asian region, personnel appointed from Taiwan by the Taiwan headquarters are mainly in charge of management and operations.

- **Employee Training**

To satisfy the employees' development needs, the Company provides professional training courses that the employees need. Starting from the first day the employees join Acter, we have planned a complete educational training blueprint for the employees. Each newly-recruited employee that joins the big Acter family has to go through a series of new employee training. The course contents include the introduction of Acter's corporate policies and culture, the environment of the departments, and practical operations, so that the new employees can quickly adapt and assimilate into the work environment of Acter and can possess excellent work attitudes. In the training for newly-recruited employees, there are 6.5 hours where we especially advocate the human rights system of the Company and teach the health and safety at work. Therefore, when each of the employees are executing their daily work, they will all uphold the respect for human rights and the importance of health and safety, whereby unleashing the spirit of being Acter's personnel.

The educational blueprint planned by Acter for the employees will arrange the most complete job requirements and occupational training comparisons based on the contents of the jobs and the ranks of the employees and will provide key training based on the employees development plan. The Company differentiates the courses by occupational positions and functions, and provides the most appropriate training, such as sharing the experiences of team leadership, instructing work skills, and assisting in the obtaining of related licenses, etc. Not only can cultivating talents and enhancing employees' professional knowledge provide development opportunities for the employees, they can also raise Acter's competitive advantage. Acter Group's employee training expenses in 2015 were NTD 1,519,645, because the number of people in the Southeast Asian region is comparatively less than those in the regions of Taiwan and the Mainland, the training hours is evidently lower. Also, because of the characteristic of being an engineering company, the training is more focused on related skills in engineering, so the male employees (681 people) of the Company is a lot higher than the female employees (257 people). Therefore, in comparison, the number of training hours for males will be evidently higher than those of the females.

**The number of newly-hired employee and employee turnover in 2015 are as follows:**

| Content  |        | Acter | Taiwan Subsidiaries | Mainland | Southeast Asia |
|--|--------|-------|---------------------|----------|----------------|
| Senior Executives<br>(Executives of Managerial Rank or Higher)<br>Average Training Hours                 | Male   | 28    | 9                   | 36       | 8              |
|  | Female | 42    | 32                  | 6        | 0              |
| Middle Management Executives<br>(Executives of Associate Department Head Rank)<br>Average Training Hours | Male   | 26    | 13                  | 13       | 59             |
|  | Female | 30    | 14                  | 3        | 26             |
| General Employees<br>Average Training Hours  | Male   | 23    | 27                  | 9        | 27             |
|  | Female | 15    | 19                  | 22       | 33             |

\*Note: The aforementioned statistics include the training hours of personnel that have already left post on 2015/12/31.

• **Acter Academy**

In order to stimulate the potential of the colleagues in Acter, Acter Co. founded the Acter Academy in 2014, arranging different courses for different ranks, customizing the courses for each individual. We combine academic and theoretical basis along with industrial needs in hopes of enhancing the professional abilities and uniting the spirits. The courses include technical learning courses, advanced technical courses, elite training courses, and LOHAS for all courses, etc, and the attendees and content taught are as follows. We hope that through the execution of Acter Academy, during the process of learning, different thoughts are stimulated and they are able to think outside the box and encourage each other to head towards professional service. A total of 28 courses were held with a total of 2682.5 learning hours. The attendance rate is 63% and the total cost was NTD 296,796.

|  |   |
|--|---|
| <b>Technical Learning Courses</b>  | <b>LOHAS Sharing Courses</b>  |
| <ul style="list-style-type: none"> <li>Attendees: Employees in the Company for two years or less</li> <li>Lecturers: Acter executives of the managerial rank</li> <li>Course Contents: Engineering Estimates, Quotation Requests, Procurement, Contracting, Project Management, Passing on of Culture</li> </ul> | <ul style="list-style-type: none"> <li>Attendees: All Employees</li> <li>Lecturers: External professional lecturers</li> <li>Course Contents: Unite in Consensus, Related LOHAS Courses to Relieve Stress</li> </ul>  |
| <b>Elite Training Courses</b>  | <b>Advanced Technical Courses</b>   |
| <ul style="list-style-type: none"> <li>Attendees: Seeded Employees</li> <li>Lecturers: Cooperation with Schools</li> <li>Course Contents: Organizational Management, Marketing, Finance, Human Resources and Other Courses, Criteria for Job Promotion</li> </ul>  | <ul style="list-style-type: none"> <li>Attendees: Department Heads and Employees in the Company for more than (not including) two years</li> <li>Lecturers: Professional managers in the industry, schools, and Acter executives of the managerial rank</li> <li>Course Contents: Understanding Customer Demands, Design Concept and Management Skills for Construction and Manufacture Supervision, Passing on of Professional Experience</li> </ul> |

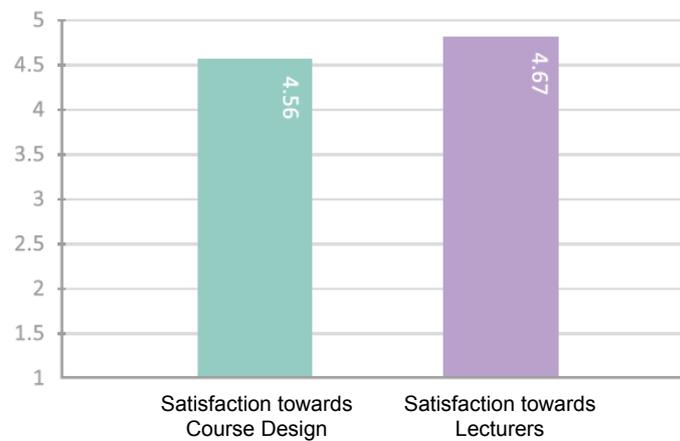
**Scenes during Acter Academy Courses**



## ◆ Educational Training Satisfaction Survey

In order to deeply understand whether the Company's educational training has tangible benefits, we conducted a satisfaction survey towards the colleagues that were trained to deeply understand the views of the employees. And improvements were carried out according to the feedback and suggestions of the employees to enhance learning effectiveness, whereby raising the Company's competitiveness. In 2015, the satisfaction survey results are as shown in the following chart, the overall average satisfaction was 4.61 points.

**2015 Educational Training Satisfaction Survey**



### • Learning of the Company's Directors and Supervisors

According to the provisions of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," Acter holds at least three hours of educational courses for directors and supervisors so as to enhance the exertion of the occupational functions of directors and supervisors.

| Title of Position | Name         | Organizer                                      | Course Name  | Training Hours | Total Training Hours in 2015 |
|-------------------|--------------|--|--|----------------|------------------------------|
| Director          | Dennis Yang  | Accounting Research and Development Foundation | Legal Liabilities in the Illegal "Acceptance of Kickbacks" during the Process of Corporate Procurement and Sales             | 3.0            | 6                            |
|                   |              | Securities & Futures Institute                 | Identification of the Actions of Insiders not in the Normal Course of Operations and Application of Commercial Judgment Laws | 3.0            |                              |
| Director          | Jin-Li Liang | Taiwan Corporate Governance Association        | Group Governance   | 3.0            | 6                            |
|                   |              | Securities & Futures Institute                 | Discussion on Employee Reward Strategy and Application of Tools  | 3.0            |                              |

| Title of Position      | Name          | Organizer  | Course Name  | Training Hours | Total Training Hours in 2015 |
|------------------------|---------------|--|--|----------------|------------------------------|
| Independent Director   | Marlon Wang   | Taiwan Corporate Governance Association  | Series of Training Courses for Independent Directors   | 18.0           | 21                           |
|                        |               | Taiwan Corporate Governance Association  | What Directors and Supervisors Should Know about the Derivative Products of Business Operations  | 3.0            |                              |
| Independent Director   | Chyan Yang    | Taiwan Corporate Governance Association  | Looking at the Efficacy of the Board of Directors in Taiwan's Enterprises through The Effective Board special book by the Institute of Directors | 3.0            | 6                            |
|                        |               | Securities & Futures Institute   | Standards of Competitive Behavior in Corporate Management Rights and Explanation of Practical Cases  | 3.0            |                              |
| Director               | Hsin-Ming Kao | Taiwan Corporate Governance Association  | Discussion on Business Operations and Related Tax Systems  | 3.0            | 18                           |
|                        |               | Taiwan Corporate Governance Association  | Prospect on the Global Foreign Exchange Market   | 3.0            |                              |
|                        |               | Taiwan Securities Association  | Discussion on Business Operations and Related Tax Systems  | 3.0            |                              |
|                        |               | Taiwan Corporate Governance Association  | How Directors and Supervisors who are Not of Finance and Accounting Background can Review Financial Reports and Internal Control                 | 3.0            |                              |
|                        |               | Securities & Futures Institute   | Discussion on Employee Reward Strategy and Application of Tools  | 3.0            |                              |
|                        |               | Taiwan Corporate Governance Association  | Group Governance   | 3.0            |                              |
| Independent Supervisor | Hui-HsinYeh   | Securities & Futures Institute   | How to Play to the Strengths of the Benefitting Functions of the Functional Committees belonging to the Board of Directors                       | 3.0            | 9                            |
|                        |               | Taiwan Corporate Governance Association  | United States Antitrust Law and Enterprises in Taiwan – Why You Should Care and Things You Should Know   | 3.0            |                              |
|                        |               | National Federation of Certified Public Accountants Association of the Republic of China | Corporate Regulations of the New System and Practical Analysis of the Future   | 3.0            |                              |

## ◆ Establish Employee Communication Channels

Acter has already set employee exclusive mailbox. Colleagues can use this mailbox to provide advice, and the General Administration Office will process and respond to each. Meetings for all employees are held regularly each year and communication channels are established to understand the voices of the colleagues and to assist the colleagues in resolving issues in a timely manner. Through communications, we promote the exchanges between colleagues and assist colleagues in being refilled with energy to work hard once again. In 2015, Acter did not receive any cases from the employee mailbox.

## ◆ Incentive System

Acter gives contracted salaries according to the employees' educational backgrounds and work experience. And, through methods such as market survey, we obtain the salary standards of other companies in the same industry in hopes of providing a competitive remuneration. The starting salary that Acter provides the employees with is better than the provision of local basic wage. "Gender" is never a factor that the Company uses when assessing salary or considering the issue of benefits. Therefore, at Acter, for either gender in the same position and same rank, there is no difference in the basic salary.

In the Group, remuneration is closely connected to employees' performances. Each employee has to go through mid-year and end of year assessments, where, during the process, the employee has the opportunity to review and discuss the performances of that year with their direct supervisors and to discuss the development plans for the coming year. Acter provides the full-time employees with complete remuneration and welfare system, the goal being to not only encourage the employees to do their best at work, but to also assist the employees' career developments and maintain the employees' physical and mental health. The related management systems are as follows:

|                        |   |
|------------------------|---|
| Payroll System         | Planned according to employees' evaluated performances, and does not vary according to gender                           |
| Bonus                  | Individual performance bonuses, festive gifts, year-end bonuses, and subsidies for weddings and funerals, etc.          |
| Employee Stock Options | Issued employee rights restrictive IPO  |
| Pension                | Conforming to the pension allocation systems as stipulated by local laws  |
| Insurance              | In addition to the labor and health insurances stipulated by local laws, group insurance for employees is also provided |
| Company Trips          | Domestic and international tours are planned regularly each year to let employees relax and be refilled with energy     |
| Physical Check-Up      | Subsidies are provided each year to care for the physical condition of each employee                                    |
| Educational Training   | Educational system that provides professional, health, and safety issues  |

## ◆ Welfare Measures

In order to provide generous working conditions and satisfy employees' welfare needs, nine people from both parties, employers and employees, have formed the Employee Welfare Committee. The company sets aside a certain proportion of the year's revenue as most of the funds for Employee Welfare Committee. For the various welfares provided, the employees are the main consideration. May employee welfare services are held with fairness being the highest guiding principle, including birthday gift vouchers, wedding subsidies, Acter Family Day, children's education scholarships, care in distress, and related subsidies, etc.

In order to let employees balance the leisure life outside work and to achieve LOHAS (lifestyles of health and sustainability), the Company provides employees a set amount of travel subsidy. Through the Employee Welfare Committee's arrangement, excellent travel agencies will plan out domestic and international travels, and after collecting and organizing the travel locations, the colleagues can then carry out the voting. The colleagues are encouraged to bring their family dependents along, and, through the participation of the event, the relationships between colleagues and family members are drawn closer. And after understanding Acter, the employees' degree of recognition towards the Company can be further raised. In 2015, the Employee Welfare Committee held many domestic and international travels, including trips to Japan, Germany, Hong Kong, Macau, and Orchid Island.



Japan Trip Group Photo



Germany Trip Group Photo



Orchid Island Trip Group Photo



Hong Kong and Macau Trip Group Photo

In addition to holding events from time to time, Acter even encourages the colleagues to spontaneously hold various healthy events (sports competition, mountain climbing...) and establish associations. The events in 2015 include: booking the entire movie theater, Christmas bowling and karaoke competition, cooking pit, Yilan Artemis Garden Onion Experience Camp, Taoyuan – Strolling in Paradise and Two-Day-One-Night at Shangri-la, and other events. We hope that through these, we can promote employee harmony, increase the employees' degree of recognition towards the Company, and raise the colleagues' spirits.



Two-Day-One Night Shangri-la Group Photo



Yilan Artemis Garden Onion Experience Camp



Booking Entire Movie Theater



Taoyuan – Strolling in Paradise

## ◆ Health Promotion

### 1. No Smoking Healthy Workplace

In order to enhance a healthy working environment for employees, Acter is committed to promoting tobacco control at the workplace, actively implement non-smoking measures at the workplace, establish a working environment without the harm of secondhand smoke, and carry out health promotion related activities in accordance with central government policies. Through assessment, Acter conforms to the Badge of Accredited Healthy Workplace – Smoke-Free & Health Promotion since 2014.



## 2. Labor Health Service Network

Since 2015, to promote labor health service network, Acter especially established partnership with network institution Taichung Veterans General Hospital and arranged occupational medical science physician, occupational health management specialist, and basic occupational health care service to jointly promote corporate labor health service, where the content of focus is mostly on motherhood protection, health consultation, and health guidance, so as to implement safety and health at work and to prevent the occurrence of occupational diseases.



Physicians visit the pregnant workers and assess the work



Handling situation of basic occupational health service

## 3. Provide Health Messages

The Company uses internal mail from time to time to advocate health and promote knowledge. Also in the Company's Reading Area, health-related books are purchased for colleagues to borrow and read, so as to enhance and enrich the health knowledge of colleagues.

## 4. Healthy Weight Loss Project

In order to raise the employee's health management awareness, cultivate good physical and mental health, and create a happy enterprise, Acter intends to promote "Healthy Weight Loss Project" to plan a series of health care and weight loss courses and advocate joint maintenance of physical, mental, and spiritual health in 2016.

## 5. Office Greening

In order to achieve the greening target in offices and relieve emotions at work, Acter invests NTD 2,250 each month and hires external gardening experts to create a green environment using potted plants to expand the greening level and colleagues are schedules each month to take turns taking care of these. In addition to increasing the beautifying effect, these can also achieve the effect of reducing CO<sub>2</sub>, decreasing greenhouse gases and also making contributions to improve the global warming phenomenon.

## Office Greening



### ◆ Pension Management in Taiwan

In accordance with the provisions of “Labor Standards Act,” Acter has set and established employee retirement regulations that conform with the provisions, and pensions are appropriated and paid to the Company’s employees according to statutory standards. The retirement fund that the Company appropriates in accordance with the Labor Standards Act is planned and managed by Labor Pension Fund Supervisory Committee, Council of Labor Affairs, Executive Yuan. The amount of pension appropriated each year is calculated by professional actuaries to make sure that the appropriated amount is enough to safeguard the future welfare of the Company’s employees. On December 31, 2015, the balance in the reserve account for labor retirement at the Bank of Taiwan was NTD\$ 5,002 thousand, and the pension liabilities that shall be paid individually were NTD\$ 17,001 thousand, so the Company has actively communicated with the actuaries to make sure that pension amount appropriated each year is sufficient to pay the retired employees in the future. The determined appropriation plan of the Company is based on the provisions of “Labor Pension Act,” which is the contribution rate of 6% of the monthly wage of the labor, and is appropriated to individual labor pension accounts of the Bureau of Labor Insurance. The Company implements the compliance of related laws and regulations to safeguard the employees’ rights and benefits regarding labor pension.

### ◆ Maintenance of Employees’ Rights and Benefits

Acter neither recruits child labor nor forces the employees to provide labor service. Through on-site inspection and regular communication from time to time, the Company makes certain that our suppliers and contractors do not use child labor as well. If our employees have any opinions regarding human rights, social and environmental issues, or others that the Company can improve upon, they can all communicate with our senior managers via our employees’ exclusive mailbox.

## ◆ Balance between Work and Life

Acter does not encourage our employees to work overtime blindly, instead, for them to make plans for the progress of a project in advance in hopes that they can enjoy their individual lives or take care of their family responsibilities amid their busy work. It is the Company's ideal to let the employees achieve a balance between work and life, and if the employees must work overtime because of the engineering progress, they can choose to take leave later to appropriately allocate their family life. In Acter, employees can freely choose the overtime remuneration that best suits their individual needs. In addition to the overtime compensatory leave system, the Company has set related provisions of "Parental Leave without Pay" in the Employee Handbook according to the Act of Gender Equality in Employment, after a person has been employed for a year, with regard to having a child that is not yet three years old, the employee can apply for parental leave without pay until the child is three years old, but the leave cannot exceed two years. In addition to parental leave without pay, when employees have special needs, they can also apply for leave without pay and take a long-term break to take care of family life, they can be reinstated after the period has expired.

## ◆ Statistical Chart of Employees Applying for Parental Leave without Pay

| Content   |        | Taiwan | Mainland | Southeast Asia |
|---|--------|--------|----------|----------------|
| No. of Leave of Absences  | Male   | 4      | 4        | 2              |
|   | Female | 3      | 12       | 1              |
| Total No. of Leave of Absences                                    |        | 7      | 16       | 3              |
| No. of Reinstatements (A)   | Male   | 3      | 1        | 0              |
|   | Female | 4      | 2        | 0              |
| Total No. of Reinstatements                                       |        | 7      | 3        | 0              |
| No. of Reinstatements who Retained Post for At Least One Year (B) | Male   | 0      | 1        | 0              |
|   | Female | 3      | 3        | 0              |
| Total No. Retained  |        | 3      | 4        | 0              |

\*Note 1: A = The accumulated number of people that have applied for parental leave without pay and were reinstated up until the end of 2015.

\*Note 2: B = The number of people that have been reinstated for over 12 months up until the deadline of the report.

\*Statistics Collected Until December 31<sup>st</sup>, 2015

## ◆ Occasional Seminars

Acter holds financial management seminars from time to time, where the colleagues can freely participate. Lecturers in different fields are invited to share their specialty and experience so that colleagues can accumulate knowledge and energy. In 2015, two financial management seminars were arranged.



## ◆ Safety and Health of Employees

Acter convenes two meetings for all the staff each year to explain the Company's major operational directions and precautionary matters regarding job safety and health. Moreover, Acter has a Labor Safety and Health Committee, which is composed of our associate general manager and six labor representatives. The Labor Safety and Health Committee holds meetings on a regular basis to convey engineering health and safety behaviors. The Committee will also review the recent audit deficiencies, immediately set up related improvement and protective measures, and plan to include these issues into the educational training courses in the future. The labor representatives will convey information from the meetings to all the Acter staff. Through the structure of the Labor Safety and Health Committee, the Company can effectively convey safety and health messages to all the Acter staff.

The Acter headquarters was awarded Proof of No Harm Work Hour Record for 2,245,424 Hours by the Occupational Safety and Health Administration, Ministry of Labor and was awarded the Safe Work Hour Certificate by business owners in November 2015, which showed Acter's guarantee and diligence towards occupational safety.



The chart below is the statistical chart of work injury notifications at Acter and some of the subsidiaries in 2015:

| Company                   | Acter   | Nova Technology | Acter (Suzhou) |
|---------------------------|---------|-----------------|----------------|
| 2015                      |         |                 |                |
| Work Injury Notifications | 0 Cases | 1 Case          | 0 Cases        |

- Explanation of work injuries:

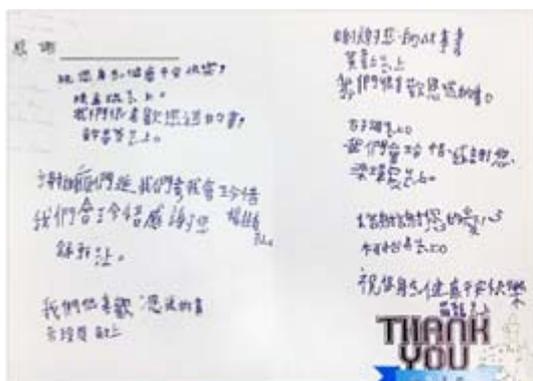
The moment this incident occurred, the related executives were notified immediately and the incident was instantly and properly handled, so no significant damages were caused. In the future, we will be implementing SOP and enhancing risk management awareness

## 4.5 Community Participation

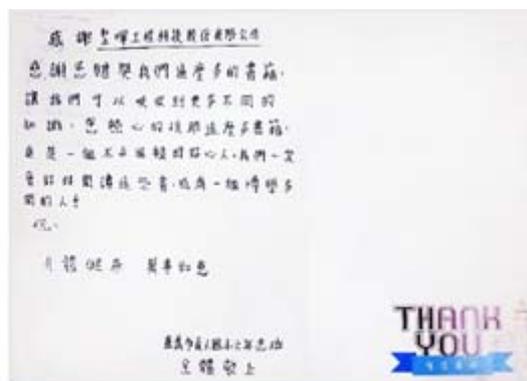
### ◆ Public Welfare Events

#### 1. Philanthropic Library

Since 2012, Acter started promoting events such as “Book Donation to Promote Reading.” In 2013, we even entered into campuses to jointly promote the libraries of love plan with schools to support and to give to the life of each child. Through this event, we have established a space for local children to grow, encouraging the children to fervently read and gain new knowledge. Through this event, we also hope that all of the Company’s employees can care more about the seed of our society through this plan. In 2015, we donated a total of NTD\$ 50,000 to the “Philanthropic Library” and a sponsorship of NTD\$ 100,000 to the charity concert of Taiwan Reading and Culture Foundation.



Thank You Letter from Sixth Grade Zhong Class of Chiayi City Yuren Elementary School



Thank You Letter from Second Grade Jia Class of Pingtung County Kang Shi Primary School



Certificate of Appreciation by Taiwan Reading and Culture Foundation



Certificate of Appreciation for Charity Concert by Taiwan Reading and Culture Foundation

## 2. “Cherishing Second-Hand Items, Acter Personnel Sending Love” Charity Bazaar

To respond to environmental protection, strengthen the concept of recycling and reusing resources in the colleagues at Acter, and implement the philosophy of cherishing materials, as well as reflecting the daily living habits, learning to cherish resources, and jointly caring for the community environment, Acter Co., Ltd., launched the “Cherishing Second-Hand Items, Acter Personnel Sending Love” second-hand charity bazaar. This event gathered the colleagues’ second-hand charitable goods and was held on 2015/11/28 at the Day of Disabled Persons Carnival with Hong-En Social Welfare Foundation and Taichung City Government. The second-hand goods were sold at a booth set up in the carnival, and all the earnings from the charity bazaar and the remaining goods were donated to the disabled persons and disadvantaged groups of Joyful Wish Home of Hong-En Social Welfare Foundation. Through participating in this event, Acter hopes to fulfill corporate social responsibility and to set an example in contributing to social welfare.



Group Photo of Event



Letter of Appreciation

### 3. Donating Charitable Computer Monitors

To care for the social disadvantaged groups and to raise the reuse rate of resources, starting from 2015, Acter gifted the computer equipments that are being replaced in the Company to Changhua County Grace Home for Children and Juveniles for the students to reuse them. In 2015, a total of four second-hand computer monitors were donated, both protecting the environment and fulfilling corporate social responsibility.

### 4. Donating Charitable Grants

Formosa Charity Group toured all of Taiwan to build temporary housing, and organize and repair homes for disaster victims and disadvantaged persons, completing the dream of “housing for everyone.” In 2015, Acter donated NTD\$ 100,000 to said unit to help them purchase utility vehicles, hoping that through the power as small as a screw, we can bless even more disadvantaged groups.

### 5. Promote Vegetarian Day

The ice in the North Pole is rapidly melting and the speed that the ice sheets in the ocean are disappearing is faster than ever before. This is the most obvious sign of global warming to date, And the effect of food production process on greenhouse effect is the same as the effect caused by private transportation. The consumption of removing meat from the diet is the long-term solution in stabilizing climate change. Therefore, Acter initiated the 15th of every month as vegetarian day, encouraging colleagues that for their own health and the survival of the Earth to choose vegetarian which is most suitable for human beings.

### ◆ Campus Cooperation

Acter hopes to provide internship opportunities for students interested in engineering; therefore, we have been cooperating long-term with National Taipei University of Technology, National Taiwan University of Science and Technology, National Chin-Yi University of Technology, and Feng Chia University, including technical alliance, dual track planning and cooperation, and providing summer internship opportunities, etc. Through technical alliance, Acter provides technical experience and the schools provide theories to jointly complete projects for clients. Cooperative education and summer internship opportunities are provided to let students accumulate practical experience through “Learning by Doing,” so that expertise can be displayed through the combination of theory and practice. Moreover, to reward poor students in engineering-related departments at universities and colleges with good academic performance, starting in 2011, we set up scholarships for excellent students. In 2015, we provided NTD\$ 200 thousand in scholarships, expecting that students can learn without any economic burden, encouraging the students to continue to develop and strive for each learning opportunity, and looking forward to the possibility of joining the big Acter family in the future.



Industry-University Cooperation Meeting



Dual-Track Planning Briefing Session

## Internship Experience at Acter Co. Ltd.

Department of Energy and Refrigerating Air-Conditioning  
Engineering, National Taipei University of Technology  
Chien-Yi Liao

Step-by-step learning, various demands, and racking the brains through thinking, these are all reasons why I like engineering. These can stimulate my thinking and cause my life to ripple.

I have entered the Company for more than one month. In the beginning, Manager Zhuo helped me to understand the work content step-by-step, guiding me as his junior NTUT alumni in every possible way. He would let me know how to execute things to the smallest detail, so I could learn in an orderly fashion. Whenever I'm stuck, he would always immediately stop his tracks and explain the principles to me in the conference room. Through his instructions, I was quickly on track and also learned his many years of experience, such as the knacks for valuation, how to quickly make precise estimates, creating the best profit. And through the step-by-step learning, I accepted the first assignment: TTY Biopharm Company Limited Lioudu Factory Injection Plant Phase 1 MEP Engineering Built Drawing.

Actually, in the beginning, I was quite nervous, afraid that I won't be able to understand the pipelines at the site and afraid of making errors while checking; however, when I took the first step in heading to the site to check, I began to be able to face it leisurely. I was able to verify a lot of the things I learned from school here. When I encountered a difficulty, checking an equipment that I had no understanding of, the co-workers in the company would start explaining from the principles, along with how the pipelines run, operation precautions, etc., in the end, I spent around six days checking the drawings. However, this is when the real challenge began: I needed to start editing the drawings. First, I made a plan, the manager taught me to first set a goal, and set a day-by-day progress to complete the goal. During the process of image editing, I encountered many difficulties, such as being not as



skilled, so the editing was quite slow in the beginning; however, I gained confidence as I edited and felt a sense of accomplishment, yet for some of the drawings, it took more than once for the editing to be completed. Maybe it's because I lack experience, I needed to head to the site a lot more times in order to complete and finish the editing.

The most difficult part of this entire built drawing task is none other than the clean room on the first floor and the catwalk on the second floor. In order to separate the class areas and produce pressure differences, there are more than 60 doors in the clean room on the first floor. Checking these is my greatest challenge, through the checking inside the clean room, I gained a lot of knowledge, such as methods to keep piping airtight, as well as how to reduce the buildup of dust in the wall radius, and even the handles on



the doors need to be vertical handles so that dust will not get stuck as easily. I was also able to understand the relevant regulations of clean rooms in advance, including air changes per hour (ACH), there's separation of class areas and the regulations also specify the type of ACH needed for the different class areas. For example, the different methods of defining cleanliness for ISO Class 1 to ISO Class 9 and Class 1 to Class 100000 used to regulate the level of accommodating fine particles, using differences in pressure and ACH to achieve the separation of class areas and the goal of the clean room. I believe that in the courses in the following semester, I would have better mastery and can understand the operation in each of the links even better. As for the air and water pipes in the catwalk on the second floor, I was dazzled from looking at them; however, I quickly found the knack during the checking process. Viewing from the gateways of the air-conditioned box, I quickly saw the clues. It's only because of the space that I had to climb up and down and go between the air and water pipes to understand the pipelines so as to ensure that the drawings are perfect. Maybe it's also because of the architecture that the pipelines have to dodge each other and so I had to make a lot of changes. There are some that are really hard to climb, so it is a very special experience.

In the recent one to two weeks, we got ready to bid on the bidding project of Nanya Technology Corporation Plant No. 3, I placed aside the progress of the built drawings to assist the manager in estimating the costs, fully estimating the cost of each link. I also had a long discussion with Assistant Manager Fan, made calls to firms to continually make inquiries. We had to conform many standards, even the motors had to conform to the IE3-type motor requirements of the newest electrical engineering regulations. Just this alone, the quotations of the firms increased by 17%, which is easily an adjustment of millions or tens of millions of NTD. This is the first time I came in contact with such a large sum of money and I was a little nervous, so I was extremely careful in calculating the budget of the wind pipe shock absorber, water pipe shock absorber, diagonal bracing, etc., that the manager had me do. This helped me to gradually understand the complete preparation and operation picture of an entire project.

I greatly appreciate Chairman Liang in giving me this opportunity to enter the Acter family. Here, not only did I feel the baptism of professional knowledge, there was also the meticulous guidance of the co-workers. I also want to work harder in the future and have decided to place efforts in passing the examination to become an air-conditioning technician, so that I would have better strengths in facing each challenge. I also look forward to the moment I wear the Acter uniform once I enter into the society, to work hard to repay the kindness the Company has given me! Thank you Acter!

**Department of Energy and Refrigerating Air-Conditioning Engineering,  
National Taipei University of Technology Chien-Yi Liao**

## ◆ Public Construction

Acter understands that giving back to the public is an important link in corporate social responsibility. Therefore, the Company actively invests in the improving the quality of general public facilities, using the Company's expertise to bring excellent and comfortable space to the people. The Company is committed to the optimization cases of public facilities, providing professional-level engineering methods for public infrastructure projects, and requiring using the best engineering construction case to be presented for the use of the general public. The infrastructures that the Company has provided engineering services for are as follows:

| Engineering Project Name   | Location           |
|--|--------------------|
| New hydroelectric engineering project for medical buildings of Tamsui Branch, MacKay Memorial Hospital                         | Taipei, Taiwan     |
| New electromechanical engineering project for buildings of Wuquan Branch, China Medical College (now China Medical University) | Taichung, Taiwan   |
| New air-conditioning / plumbing / air duct / power distribution / surveillance engineering project for An-Nan Hospital         | Tainan, Taiwan     |
| New air-conditioning engineering project for Buddhist Tzu Chi General Hospital Taichung Branch                                 | Taichung, Taiwan   |
| New establishment engineering project for medical areas of Dongguan Taixin Hospital  | Dongguan, Shenzhen |



## ◆ About This Report

In November 2013, Acter Co., Ltd. published the Corporate Social Responsibility Report for the first time and will be published regularly each year to report the Company's concrete measures and performances on sustainable management to present the Company's efforts and results of continual improvement on the aspect of sustainable development.

## ◆ Scope and Boundaries of the Report

This Report mainly presents the Company's deeds and various performance data of environmental protection, corporate governance, and community participation from January 1st, 2015, to December 31st, 2015. Among which, part of the content involves the affiliates of Acter Co., and the sources of information are especially noted within the Report so as to clearly expound on the Company's deeds in sustainable management.

## ◆ Writing Principle

To write this Report, we referred to the framework and aspects of G4 Reporting Guidelines of the Global Reporting Initiative. The Company's senior executives and various department heads have carried out deep discussions on the framework and aspects and will present the performances of the issues related to the operations of Acter and that the stakeholders are concerned about in this Report. Moreover, the Company also carried out explanations and presented related performance results of the identified major aspects.

## ◆ External Authentication

Acter Co. entrusted the PricewaterhouseCoopers (PwC) Taiwan to carry out independent limited assurance according to ISAE 3000 standards we prepared according to the G4 of the Global Reporting Initiative (GRI). The Verification Statement is attached in the Appendix of this Report.

## ◆ Publication Information

This Report is the Corporate Social Responsibility Report that the Company has published for the third year

The planned publication time for the 2016 Corporate Social Responsibility Report: August 2017

## Contact Information

If you have any suggestions or questions regarding the content of this Corporate Social Responsibility Report, we welcome you to contact us with the following methods:

Acter Co., Ltd.

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Email: [acter5536@acter.com.tw](mailto:acter5536@acter.com.tw)



# 06 確信項目彙總表及會計師 有限確信報告書 CSR Coverage Reference

## ◆ 附件一：確信項目彙總表

| 編號 | 確信項目   | 頁碼 | 對應章節及報導基準   |
|----|--|----|---|
| 1  | 2015年度聖暉工程客戶滿意度分數，工程部為平均86分，維修部為平均95分  | 31 | <b>4.1 專業統包工程服務&gt;客戶滿意度</b><br>參照「顧客滿意度與持續改善作業程序」，進行總分100分之調查。就工程部及維修部已調查之案件分數總合各自除以兩部門之調查案件個案，得到2015年各部門平均之客戶滿意度分數。 |
| 2  | 2015年度，聖暉向台灣地區廠商未稅之已驗收採購金額為台幣2,929,673仟元，已驗收採購金額為台幣3,006,652仟元，當地採購達97%  | 33 | <b>4.2 協力夥伴&gt;當地採購</b><br>2015年度已驗收之台灣地區採購金額，及該金額佔2015年度總驗收採購金額之百分比。   |
| 3  | 2015年聖暉工程之環保總支出合計為133,820元整<br>● ISO14000及OHSAS18000認證：125,000元<br>● 辦公室CO <sub>2</sub> 濃度檢測：8,820元                    | 35 | <b>4.3 綠色環境&gt;環保支出</b><br>加總2015年度屬於行政院環保署發布之「產業環境會計指引」中所定義之環保支出金額。  |
| 4  | 2015年度新進和離職員工人數<br>● 新進員工總計95人<br>● 離職員工總計90人  | 44 | <b>4.4 快樂職場&gt;員工聘用與發展</b><br>2015年度中，新進及離職(不包含留職停薪者)之正式員工人數統計，不計入工讀生之新進及離職記錄。  |
| 5  | 2015年度各職等、性別之平均訓練時數<br>● 高階主管(理級以上主管)平均訓練時數：男28小時/女42小時<br>● 中階主管(副課級主管)平均訓練時數：男26小時/女30小時<br>● 一般員工平均訓練時數：男23小時/女15小時 | 46 | <b>4.4 快樂職場&gt;員工訓練</b><br>2015年度各職等正式員工(含2015年度離職者)之訓練時數總數除以該職等備有受訓記錄之員工人數，得到各職等之平均訓練時數，不計入約聘人員之訓練記錄。                |

### 會計師有限確信報告

聖暉工程科技股份有限公司 公鑒：

本所受聖暉工程科技股份有限公司（以下稱「貴公司」）之委任，就選定民國 104 年度企業社會責任報告書（以下稱「社會責任報告書」）所報導之績效指標執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

#### 確信標的資訊與報導基準

有關 貴公司所選定民國 104 年度社會責任報告書所報導之績效指標（以下稱「確信標的資訊」）及其報導基準詳列於 貴公司民國 104 年度社會責任報告書第 65 頁之「確信項目彙總表」。

#### 管理階層之責任

貴公司管理階層應依據適當報導基準編製及報導民國 104 年度社會責任報告書及其績效指標，並應建置相關流程、資訊系統及內部控制以防範民國 104 年度社會責任報告書及績效指標有重大不實表達之情事。

#### 執業人員之責任

本執業人員依據確信準則公報第一號「非屬歷史性財務資訊查核或核閱之確信案件」，對確信標的資訊執行確信工作，以發現前述資訊是否在所有重大方面有未依報導基準評估而須作重大修正之情事，並出具有限確信報告。此報告不對民國 104 年度社會責任報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

#### 執業人員之獨立性及品質管制規範

本執業人員及本所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

本所適用審計準則公報第四十六號「會計師事務所之品質管制」，因此維持完備之品質管制制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

#### 所執行確信工作之彙總說明

本次確信工作依確信標的資訊，以 貴公司為工作執行範圍，執行之程序包括：

- 閱讀企業社會責任報告書
- 對參與提供績效指標的相關人員進行訪談，以瞭解並評估編製前述資訊之流程、內部控制與資訊系統；
- 基於上述瞭解與評估，對績效指標進行分析性程序，如必要時，則選取樣本進行測試，以取得有限確信之證據。

上述執行程序之選擇係基於本執業人員之專業判斷，包括辨認確信標的資訊可能發生重大不實表達之領域，以及針對前述領域設計及執行程序，以取得有限確信並作出執業人員之結論。有限確信所執行程序之性質及時間與適用於合理確信案件者不同，其範圍亦較小。有限確信所取得之確信程度明顯低於合理確信案件所取得者。

#### 先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

#### 有限確信結論

依據所執行之程序與所獲取之證據，本執業人員並未發現確信標的資訊在所有重大方面有未依報導基準評估而須作重大修正之情事。

#### 其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何確信標的資訊或報導基準之變更，本執業人員將不負就該等資訊重新執行確信工作之責任。

資 誠 聯 合 會 計 師 事 務 所

會計師 周 建 宏



中 華 民 國 1 0 5 年 0 8 月 1 0 日

# 07 | GRI G4 Index

| G4 | Indicator | Page | Reference Section and Related Explanation | Level of Disclosure | External Assurance Report for Acter Co. |
|----|-----------|------|---|---------------------|---|
|----|-----------|------|---|---------------------|---|

## Strategy and Analysis

|      |  |   |                           |                     |   |
|------|--|---|---------------------------|---------------------|---|
| G4-1 | Provide a statement from the most senior decision-maker of the organization about the relevance of sustainability and the strategy for addressing sustainability | 1 | Message from the Chairman | Fully Disclosed     | – |
| G4-2 | Provide a description of key impacts, risks, and opportunities   | 1 | Message from the Chairman | Partially Disclosed | – |

## Organizational Profile

|       |  |       |                             |                     |   |
|-------|--|-------|-----------------------------|---------------------|---|
| G4-3  | Report the name of the organization  | 63    | About This Report           | Fully Disclosed     | – |
| G4-4  | Report the primary brands, products, and services  | 2     | Brief Introduction of Acter | Fully Disclosed     | – |
| G4-5  | Report the location of the organization's headquarters   | 2     | Brief Introduction of Acter | Fully Disclosed     | – |
| G4-6  | Report the number of countries where the organization operates, and names of countries   | 3     | Brief Introduction of Acter | Fully Disclosed     | – |
| G4-7  | Report the nature of ownership and legal form  | 4     | Brief Introduction of Acter | Fully Disclosed     | – |
| G4-8  | Report the markets served  | 2     | Brief Introduction of Acter | Fully Disclosed     | – |
| G4-9  | Report the scale of the organization   | 2     | Brief Introduction of Acter | Fully Disclosed     | – |
| G4-10 | Report the total number of employees by employment contract, employment type, region, and gender   | 41-45 | Happy Workplace             | Fully Disclosed     | – |
| G4-11 | Report the percentage of total employees covered by collective bargaining agreements   | 41    | Happy Workplace             | Fully Disclosed     | – |
| G4-12 | Describe the organization's supply chain   | 32-33 | Cooperative Partners        | Fully Disclosed     | – |
| G4-13 | Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain    | 9     | Corporate Governance        | Fully Disclosed     | – |
| G4-14 | Report whether and how the precautionary approach or principle is addressed by the organization  | 14    | Risk Management             | Partially Disclosed | – |
| G4-15 | List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization endorses | 28-29 | Record of Awards            | Partially Disclosed | – |
| G4-16 | List memberships of associations and national or international advocacy organizations in which the organization participates               | 28-29 | Record of Awards            | Partially Disclosed | – |

| G4 | Indicator | Page | Reference Section and Related Explanation | Level of Disclosure | External Assurance Report for Acter Co. |
|----|-----------|------|---|---------------------|---|
|----|-----------|------|---|---------------------|---|

#### Identified Material Aspects and Boundaries

|       |  |    |                   |                 |   |
|-------|--|----|-------------------|-----------------|---|
| G4-17 | List all entities included in the organization's consolidated financial statements                                       | 63 | About This Report | Fully Disclosed | – |
| G4-18 | Explain the process for defining the report content and the Aspect Boundaries  | 20 | Major Issues      | Fully Disclosed | – |
| G4-19 | List all the material Aspects identified in the process for defining report content                                      | 20 | Major Issues      | Fully Disclosed | – |
| G4-20 | For each material Aspect, report the Aspect Boundary within the organization   | 20 | Major Issues      | Fully Disclosed | – |
| G4-21 | For each material Aspect, report the Aspect Boundary outside the organization  | 20 | Major Issues      | Fully Disclosed | – |
| G4-22 | Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements | –  | None              | Fully Disclosed | – |
| G4-23 | Report significant changes from previous reporting periods in the Scope and Aspect Boundaries                            | –  | None              | Fully Disclosed | – |

#### Stakeholder Engagement

|       |  |       |                                  |                 |   |
|-------|--|-------|----------------------------------|-----------------|---|
| G4-24 | Provide a list of stakeholder groups engaged by the organization   | 18    | Identification of Stakeholders   | Fully Disclosed | – |
| G4-25 | Report the basis for identification and selection of stakeholders  | 18    | Identification of Stakeholders   | Fully Disclosed | – |
| G4-26 | Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group | 19-20 | Communications with Stakeholders | Fully Disclosed | – |
| G4-27 | Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded      | 20    | Identification of Major Aspects  | Fully Disclosed | – |

#### Report Profile

|       |  |    |                   |                 |   |
|-------|--|----|-------------------|-----------------|---|
| G4-28 | Reporting period for information provided.   | 63 | About This Report | Fully Disclosed | – |
| G4-29 | Date of most recent previous report  | 63 | About This Report | Fully Disclosed | – |
| G4-30 | Reporting cycle  | 63 | About This Report | Fully Disclosed | – |
| G4-31 | Provide the contact point  | 64 | About This Report | Fully Disclosed | – |
| G4-32 | Report the 'in accordance' option, the GRI Content Index, and the reference to the External Assurance Report   | 68 | GRI G4 Index      | Fully Disclosed | – |
| G4-33 | Report the organization's policy and current practice with regard to seeking external assurance for the report | 63 | About This Report | Fully Disclosed | – |

| G4                | Indicator  | Page | Reference Section and Related Explanation                   | Level of Disclosure | External Assurance Report for Acter Co. |
|-------------------|--|------|---|---------------------|---|
| <b>Governance</b> |  |      |   |                     |   |
| G4-34             | Report the governance structure of the organization  | 9    | Corporate Governance  | Fully Disclosed     | –                                       |
| G4-35             | Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees  | 15   | Operation and Management of Corporate Social Responsibility | Fully Disclosed     | –                                       |
| G4-36             | Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body                              | 15   | Operation and Management of Corporate Social Responsibility | Partially Disclosed | –                                       |
| G4-37             | Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics  | –    | –   | Not Disclosed       | –                                       |
| G4-38             | Report the composition of the highest governance body and its committees   | 10   | Composition of the Board of Directors                       | Fully Disclosed     | –                                       |
| G4-39             | Report whether the Chair of the highest governance body is also an executive officer   | 13   | Composition of Senior Managers                              | Fully Disclosed     | –                                       |
| G4-40             | Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members   | –    | –   | Not Disclosed       | –                                       |
| G4-41             | Report processes for the highest governance body to ensure conflicts of interest are avoided and managed   | 10   | Composition of the Board of Directors                       | Fully Disclosed     | –                                       |
| G4-42             | Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts | –    | –   | Not Disclosed       | –                                       |
| G4-43             | Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics   | –    | –   | Not Disclosed       | –                                       |
| G4-44             | Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics   | –    | –   | Not Disclosed       | –                                       |
| G4-45             | Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities   | –    | –   | Not Disclosed       | –                                       |
| G4-46             | Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics   | –    | –   | Not Disclosed       | –                                       |

| G4    | Indicator  | Page | Reference Section and Related Explanation                   | Level of Disclosure | External Assurance Report for Acter Co. |
|-------|--|------|---|---------------------|---|
| G4-47 | Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities   | –    | –   | Not Disclosed       | –                                       |
| G4-48 | Report the highest committee or position that formally reviews and approves the organization's sustainability report   | 15   | Operation and Management of Corporate Social Responsibility | Fully Disclosed     | –                                       |
| G4-49 | Report the process for communicating critical concerns to the highest governance body  | 41   | Employee's Suggestion Box                                   | Partially Disclosed | –                                       |
| G4-50 | Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them                                  |      |   |                     |   |
| G4-51 | Report the remuneration policies for the highest governance body and senior executives   | 12   | Remuneration Committee                                      | Fully Disclosed     | –                                       |
| G4-52 | Report the process for determining remuneration  | 12   | Remuneration Committee                                      | Fully Disclosed     | –                                       |
| G4-53 | Report how stakeholders' views are sought and taken into account regarding remuneration  | –    | –   | Not Disclosed       | –                                       |
| G4-54 | Report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees   | –    | –   | Not Disclosed       | –                                       |
| G4-55 | Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees | –    | –   | Not Disclosed       | –                                       |

#### Ethics and Integrity

|       |  |       |                           |                     |   |
|-------|--|-------|---------------------------|---------------------|---|
| G4-56 | Describe the organization's values, principles, standards and norms of behavior  | 13-14 | Integrity Management      | Fully Disclosed     | – |
| G4-57 | Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity           | 41    | Employee's Suggestion Box | Partially Disclosed | – |
| G4-58 | Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity | 41    | Employee's Suggestion Box | Partially Disclosed | – |

#### Economic Performance

|        |  |    |  |                     |   |
|--------|--|----|--|---------------------|---|
| G4-EC1 | Direct economic value generated and distributed  | 5  | Business Performance                   | Fully Disclosed     | – |
| G4-EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change | 17 | Climate Changes                        | Partially Disclosed | – |
| G4-EC3 | Coverage of the organization's defined benefit plan obligations  | 51 | Incentive System                       | Fully Disclosed     | – |
| G4-EC4 | Financial assistance received from government  | –  | The Company did not receive assistance | Fully Disclosed     | – |

| G4                               | Indicator  | Page  | Reference Section and Related Explanation  | Level of Disclosure | External Assurance Report for Acter Co. |
|----------------------------------|--|-------|--|---------------------|---|
| <b>Market Presence</b>           |  |       |  |                     |   |
| G4-EC5                           | Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation | –     | The Company's standard starting wage is better than the local minimum wage       | Not Disclosed       | –                                       |
| G4-EC6                           | Proportion of senior management hired from the local community at significant locations of operation               | 45    | Local Employment   | Full Disclosed      | –                                       |
| <b>Indirect Economic Impacts</b> |  |       |  |                     |   |
| G4-EC7                           | Development and impact of infrastructure investments and services supported  | 62    | Public Construction  | Partially Disclosed | –                                       |
| G4-EC8                           | Significant indirect economic impacts, including the extent of impacts   | –     | –  | Not Disclosed       | –                                       |
| <b>Procurement Practices</b>     |  |       |  |                     |   |
| G4-EC9                           | Proportion of spending on local suppliers at significant locations of operation                                    | 33    | Local Procurement  | Fully Disclosed     | 66-67                                   |
| <b>Materials</b>                 |  |       |  |                     |   |
| G4-EN1                           | Materials used by weight or volume   | –     | Acter is non-manufacturing; so, usage volume of raw materials is not significant | Fully Disclosed     | –                                       |
| G4-EN2                           | Percentage of materials used that are recycled input materials   | –     | No recycled input materials are used   | Fully Disclosed     | –                                       |
| <b>Energy</b>                    |  |       |  |                     |   |
| G4-EN3                           | Energy consumption within the organization   | 39    | Reduction Achievements   | Partially Disclosed | –                                       |
| G4-EN4                           | Energy consumption outside of the organization   | –     | Involves the trade secrets of other firms, difficult to calculate                | Not Disclosed       | –                                       |
| G4-EN5                           | Energy intensity   | 39    | Reduction Achievements   | Partially Disclosed | –                                       |
| G4-EN6                           | Reduction of energy consumption  | 37-40 | Reduction Measures   | Fully Disclosed     | –                                       |
| G4-EN7                           | Reductions in energy requirements of products and services   | 23-28 | Overall Planning, Innovative Engineering Methods / Engineering Achievements      | Partially Disclosed | –                                       |
| <b>Water</b>                     |  |       |  |                     |   |
| G4-EN8                           | Total water withdrawal by source   | 39    | Reduction Achievements   | Partially Disclosed | –                                       |
| G4-EN9                           | Water sources significantly affected by withdrawal of water  | –     | No significant effects   | Fully Disclosed     | –                                       |
| G4-EN10                          | Percentage and total volume of water recycled and reused   | –     | Water is not recycled and reused   | Fully Disclosed     | –                                       |

| G4                         | Indicator  | Page | Reference Section and Related Explanation   | Level of Disclosure | External Assurance Report for Acter Co. |
|----------------------------|--|------|---|---------------------|---|
| <b>Biodiversity</b>        |  |      |   |                     |   |
| G4-EN11                    | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas                                | –    | –   | Not Applicable      | –                                       |
| G4-EN12                    | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas | –    | –   | Not Applicable      | –                                       |
| G4-EN13                    | Habitats protected or restored   | –    | –   | Not Applicable      | –                                       |
| G4-EN14                    | Total number of IUCN Red List species and National Conservation List species with habitats in areas affected by operations, by level of extinction risk                  | –    | –   | Not Applicable      | –                                       |
| <b>Emissions</b>           |  |      |   |                     |   |
| G4-EN15                    | Direct greenhouse gas (GHG) emissions (Scope 1)  | –    | –   | Not Disclosed       | –                                       |
| G4-EN16                    | Energy indirect greenhouse gas (GHG) emissions (Scope2)  | –    | –   | Not Disclosed       | –                                       |
| G4-EN17                    | Other indirect greenhouse gas (GHG) emissions (Scope 3)  | –    | –   | Not Disclosed       | –                                       |
| G4-EN18                    | Greenhouse gas (GHG) emissions intensity   | –    | –   | Not Disclosed       | –                                       |
| G4-EN19                    | Reduction of greenhouse gas (GHG) emissions  | –    | –   | Not Disclosed       | –                                       |
| G4-EN20                    | Emissions of ozone-depleting substances (ODS)  | –    | No emissions of ozone-depleting substances  | Fully Disclosed     | –                                       |
| G4-EN21                    | NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions  | –    | Acter is an engineering services and non-manufacturing industry, no SO <sub>x</sub> , NO <sub>x</sub> emissions | Fully Disclosed     | –                                       |
| <b>Effluents and Waste</b> |  |      |   |                     |   |
| G4-EN22                    | Total water discharge by quality and destination   | –    | Non-manufacturing , no significant effluents or waste   | Fully Disclosed     | –                                       |
| G4-EN23                    | Total weight of waste by type and disposal method  | –    | Non-manufacturing , no significant effluents or waste   | Fully Disclosed     | –                                       |

| G4      | Indicator  | Page | Reference Section and Related Explanation | Level of Disclosure | External Assurance Report for Acter Co. |
|---------|--|------|---|---------------------|---|
| G4-EN24 | Total number and volume of significant spills  | –    | No significant spills                     | Fully Disclosed     | –                                       |
| G4-EN25 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and the percentage of transported waste shipped internationally | –    | –   | Not Applicable      | –                                       |
| G4-EN26 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff  | –    | –   | Not Applicable      | –                                       |

#### Products and Services

|         |  |       |   |                     |   |
|---------|--|-------|---|---------------------|---|
| G4-EN27 | Extent of impact mitigation of environmental impacts of products and services            | 23-28 | Overall Planning, Innovative Engineering Methods / Engineering Achievements | Partially Disclosed | – |
| G4-EN28 | Percentage of products sold and their packaging materials that are reclaimed by category | –     | Acter is non-manufacturing, not applicable                                  | Fully Disclosed     | – |

#### Compliance

|         |   |   |   |                 |   |
|---------|---|---|---|-----------------|---|
| G4-EN29 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | – | No circumstances where Acter was penalized for violating environmental laws and regulations in 2014 | Fully Disclosed | – |
|---------|---|---|---|-----------------|---|

#### Transport

|         |   |   |   |               |   |
|---------|---|---|---|---------------|---|
| G4-EN30 | Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce | – | – | Not Disclosed | – |
|---------|---|---|---|---------------|---|

#### Overall

|         |   |   |                                       |                 |       |
|---------|---|---|---------------------------------------|-----------------|-------|
| G4-EN31 | Total environmental protection expenditures and investments by type | – | Environmental Protection Expenditures | Fully Disclosed | 66-67 |
|---------|---|---|---------------------------------------|-----------------|-------|

#### Supplier Environmental Assessment

|         |   |   |   |   |   |
|---------|---|---|---|---|---|
| G4-EN32 | Percentage of new suppliers that were screened using environmental criteria                           | – | – | – | – |
| G4-EN33 | Significant actual and potential negative environmental impacts in the supply chain and actions taken | – | – | – | – |

#### Environmental Grievance Mechanisms

|         |   |   |  |                 |   |
|---------|---|---|--|-----------------|---|
| G4-EN34 | Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms | – | In 2013, Acter received no grievances from business owners or residents about environmental issues | Fully Disclosed | – |
|---------|---|---|--|-----------------|---|

| G4 | Indicator | Page | Reference Section and Related Explanation | Level of Disclosure | External Assurance Report for Acter Co. |
|----|-----------|------|---|---------------------|---|
|----|-----------|------|---|---------------------|---|

#### Employment

|        |   |       |   |                     |       |
|--------|---|-------|---|---------------------|-------|
| G4-LA1 | Total number and rates of new employee hires and employee turnover by age group, gender and region  | 44    | Employment and Development of Employees       | Fully Disclosed     | 66-67 |
| G4-LA2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation | 51-55 | Incentive System                              | Fully Disclosed     | –     |
| G4-LA3 | Return to work and retention rates after parental leave, by gender  | 55    | Maintenance of Employees' Rights and Benefits | Partially Disclosed | –     |

#### Labor/Management Relations

|        |  |   |   |                     |   |
|--------|--|---|---|---------------------|---|
| G4-LA4 | Minimum notice periods regarding operational changes, including whether these are specified in collective agreements | – | Handled according to the Taiwan's local Labor Standards Act | Partially Disclosed | – |
|--------|--|---|---|---------------------|---|

#### Occupational Health and Safety

|        |  |       |                                |                     |   |
|--------|--|-------|--------------------------------|---------------------|---|
| G4-LA5 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs | 53    | Safety and Health of Employees | Partially Disclosed | – |
| G4-LA6 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender                      | 54-55 | Safety and Health of Employees | Fully Disclosed     | – |
| G4-LA7 | Workers with high incidence or high risk of diseases related to their occupation   | –     | –                              | Not Disclosed       | – |
| G4-LA8 | Health and safety topics covered in formal agreements with trade unions  | –     | –                              | Not Disclosed       | – |

#### Training and Education

|         |   |       |   |                 |       |
|---------|---|-------|---|-----------------|-------|
| G4-LA9  | Average hours of training per year per employee by gender, and by employee category   | 46    | Employee Training                       | Fully Disclosed | 66-67 |
| G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | 46-47 | –                                       | Not Disclosed   | –     |
| G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category                              | 43    | Employment and Development of Employees | Fully Disclosed | –     |

| G4 | Indicator | Page | Reference Section and Related Explanation | Level of Disclosure | External Assurance Report for Acter Co. |
|----|-----------|------|---|---------------------|---|
|----|-----------|------|---|---------------------|---|

#### Diversity and Equal Opportunity

|         |  |    |                 |                 |   |
|---------|--|----|-----------------|-----------------|---|
| G4-LA12 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity | 41 | Happy Workplace | Fully Disclosed | – |
|---------|--|----|-----------------|-----------------|---|

#### Equal Remuneration for Women and Men

|         |  |    |                  |                 |   |
|---------|--|----|------------------|-----------------|---|
| G4-LA13 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation | 50 | Incentive System | Fully Disclosed | – |
| G4-LA14 | Percentage of new suppliers that were screened using labor practices criteria                                      | –  | –                | Not Disclosed   | – |
| G4-LA15 | Significant actual and potential negative impacts for labor practices in the supply chain and actions taken        | –  | –                | Not Disclosed   | – |

#### Labor Practices Grievance Mechanisms

|         |   |    |   |                 |   |
|---------|---|----|---|-----------------|---|
| G4-LA16 | Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms | 54 | Maintenance of Employees' Rights and Benefits | Fully Disclosed | – |
|---------|---|----|---|-----------------|---|

#### Investment

|        |   |    |   |                 |   |
|--------|---|----|---|-----------------|---|
| G4-HR1 | Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening                                 | –  | No significant investments in 2013      | Fully Disclosed | – |
| G4-HR2 | Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | 46 | Employment and Development of Employees | Fully Disclosed | – |

#### Non-discrimination

|        |  |    |   |                 |   |
|--------|--|----|---|-----------------|---|
| G4-HR3 | Total number of incidents of discrimination and corrective actions taken | 54 | Maintenance of Employees' Rights and Benefits | Fully Disclosed | – |
|--------|--|----|---|-----------------|---|

#### Freedom of Association and Collective Bargaining

|        |  |    |   |                     |   |
|--------|--|----|---|---------------------|---|
| G4-HR4 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights | 54 | Maintenance of Employees' Rights and Benefits | Partially Disclosed | – |
|--------|--|----|---|---------------------|---|

#### Child Labor

|        |   |    |   |                     |   |
|--------|---|----|---|---------------------|---|
| G4-HR5 | Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor | 54 | Maintenance of Employees' Rights and Benefits | Partially Disclosed | – |
|--------|---|----|---|---------------------|---|

| G4                                       | Indicator  | Page | Reference Section and Related Explanation  | Level of Disclosure | External Assurance Report for Acter Co. |
|--|--|------|--|---------------------|---|
| <b>Forced or Compulsory Labor</b>        |  |      |  |                     |   |
| G4-HR6                                   | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor | 54   | Maintenance of Employees' Rights and Benefits  | Partially Disclosed | –                                       |
| <b>Security Practices</b>                |  |      |  |                     |   |
| G4-HR7                                   | Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations   | –    | –  | Not Disclosed       | –                                       |
| <b>Indigenous Rights</b>                 |  |      |  |                     |   |
| G4-HR8                                   | Total number of incidents of violations involving rights of indigenous peoples and actions taken   | –    | –  | Not Disclosed       | –                                       |
| <b>Assessment</b>                        |  |      |  |                     |   |
| G4-HR9                                   | Total number and percentage of operations that have been subject to human rights reviews or impact assessments   | –    | –  | Not Disclosed       | –                                       |
| <b>Supplier Human Rights Assessment</b>  |  |      |  |                     |   |
| G4-HR10                                  | Percentage of new suppliers that were screened using human rights criteria   | –    | –  | Not Disclosed       | –                                       |
| G4-HR11                                  | Significant actual and potential negative human rights impacts in the supply chain and actions taken   | –    | –  | Not Disclosed       | –                                       |
| <b>Human Rights Grievance Mechanisms</b> |  |      |  |                     |   |
| G4-HR12                                  | Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms   | 54   | Maintenance of Employees' Rights and Benefits  | Fully Disclosed     | –                                       |
| <b>Local Communities</b>                 |  |      |  |                     |   |
| G4-SO1                                   | Percentage of operations with implemented local community engagement, impact assessments, and development programs   | –    | Acter headquarters has 100% gone through assessment, and engage with the local community from time to time | Partially Disclosed | –                                       |
| G4-SO2                                   | Operations with significant actual and potential negative impacts on local communities   | –    | The nature of Acter operations does not have negative impacts on local communities                         | Partially Disclosed | –                                       |
| <b>Anti-corruption</b>                   |  |      |  |                     |   |
| G4-SO3                                   | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified  | 13   | Integrity Management   | Partially Disclosed | –                                       |

| G4     | Indicator   | Page | Reference Section and Related Explanation | Level of Disclosure | External Assurance Report for Acter Co. |
|--------|---|------|---|---------------------|---|
| G4-SO4 | Communication and training on anti-corruption policies and procedures | 13   | Integrity Management                      | Fully Disclosed     | –                                       |
| G4-SO5 | Confirmed incidents of corruption and actions taken                   | 13   | Integrity Management                      | Fully Disclosed     | –                                       |

#### Public Policy

|        |   |   |                                |                 |   |
|--------|---|---|--------------------------------|-----------------|---|
| G4-SO6 | Total value of political contributions by country and recipient/beneficiary | – | No political donations in 2013 | Fully Disclosed | – |
|--------|---|---|--------------------------------|-----------------|---|

#### Anti-competitive Behavior

|        |  |    |                      |                 |   |
|--------|--|----|----------------------|-----------------|---|
| G4-SO7 | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes | 13 | Integrity Management | Fully Disclosed | – |
|--------|--|----|----------------------|-----------------|---|

#### Compliance

|        |   |   |                              |                 |   |
|--------|---|---|------------------------------|-----------------|---|
| G4-SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | – | No significant fines in 2013 | Fully Disclosed | – |
|--------|---|---|------------------------------|-----------------|---|

#### Supplier Assessment for Impacts on Society

|         |  |   |   |               |   |
|---------|--|---|---|---------------|---|
| G4-SO9  | Percentage of new suppliers that were screened using criteria for impacts on society               | – | – | Not Disclosed | – |
| G4-SO10 | Significant actual and potential negative impacts on society in the supply chain and actions taken | – | – | Not Disclosed | – |

#### Grievance Mechanisms for Impacts on Society

|         |  |    |                      |                 |   |
|---------|--|----|----------------------|-----------------|---|
| G4-SO11 | Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms | 13 | Integrity Management | Fully Disclosed | – |
|---------|--|----|----------------------|-----------------|---|

#### Customer Health and Safety

|        |   |    |                                   |                 |   |
|--------|---|----|-----------------------------------|-----------------|---|
| G4-PR1 | Percentage of significant product and service categories for which health and safety impacts are assessed for improvement   | 29 | Persistence in Quality and Safety | Fully Disclosed | – |
| G4-PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes | –  | No violations in 2013             | Fully Disclosed | – |

#### Product and Service Labeling

|        |   |   |  |                     |   |
|--------|---|---|--|---------------------|---|
| G4-PR3 | Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements | – | Instruction manual and maintenance manual are 100% provided for air-conditioning engineering | Partially Disclosed | – |
| G4-PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes   | – | No violations in 2013  | Fully Disclosed     | – |

| G4     | Indicator  | Page  | Reference Section and Related Explanation | Level of Disclosure | External Assurance Report for Acter Co. |
|--------|--|-------|---|---------------------|---|
| G4-PR5 | Results of surveys measuring customer satisfaction | 30-31 | Customer Satisfaction Survey              | Fully Disclosed     | 66-67                                   |

#### Marketing Communications

|        |  |   |                               |                 |   |
|--------|--|---|-------------------------------|-----------------|---|
| G4-PR6 | Sale of banned or disputed products  | – | No related violations in 2013 | Fully Disclosed | – |
| G4-PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes | – | No related violations in 2013 | Fully Disclosed | – |

#### Customer Privacy

|        |   |   |  |                 |   |
|--------|---|---|--|-----------------|---|
| G4-PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | – | No violations regarding breaches or losses in 2013 | Fully Disclosed | – |
|--------|---|---|--|-----------------|---|

#### Compliance

|        |  |   |                       |                 |   |
|--------|--|---|-----------------------|-----------------|---|
| G4-PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | – | No violations in 2013 | Fully Disclosed | – |
|--------|--|---|-----------------------|-----------------|---|

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