



Acter
聖暉工程

2014

Acter Co., Ltd.

Corporate Social Responsibility Report

CORPORATE
SOCIAL
RESPONSIBILITY

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 --

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 --

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 --

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 --

"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.

Table of Contents

| | | |
|-----------|--|----|
| 01 | Message from the Chairman | 01 |
| 02 | The Creator of Quality Space..... | 02 |
| | 2.1 Brief Introduction of Acter | 02 |
| | 2.2 Business Performance | 05 |
| | 2.3 Prospects and Strategies | 07 |
| | 2.4 Corporate Governance | 09 |
| | 2.5 Record of Awards | 15 |
| | 2.6 Market Image and Corporate Opportunities | 16 |
| | 2.7 Challenges and Opportunities | 17 |
| 03 | Negotiations with Stakeholders..... | 18 |
| | 3.1 Identification of Stakeholders | 18 |
| | 3.2 Communications with Stakeholders | 19 |
| | 3.3 Identification of Major Aspects | 20 |
| | 3.4 Major Issues | 21 |
| 04 | Sustainable Management Performance..... | 22 |
| | 4.1 Professional Turnkey Project Service | 22 |
| | 4.2 Cooperative Partners | 30 |
| | 4.3 Green Environment | 31 |
| | 4.4 Happy Workplace | 39 |
| | 4.5 Community Participation | 52 |
| 05 | About This Report | 54 |
| 06 | CSR Coverage Reference | 56 |
| 07 | GRI G4 Index | 59 |

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 of the practical users and to fulfill the duty as a global citizen. Each person plays a different role, cautiously achieving the goals, 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 of A++ for information disclosure and achieved a self-evaluation affirmation score higher than 89. 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, and creating a stage for growth. Using professional core techniques, we designed and promoted the reduction of energy consumption and environmental protection for each individual case using high-efficient equipment to create quality space. 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 for sustainable development.

Corporate sustainability depends on the shaping of culture and core values which is passed on through generations. The reason for creating “Acter Family” is in shaping a platform for the colleagues to speak freely, search for their own best role, and to work hard together. Platform actors come from all over and all have their own views on things, so achieving the missions depend ultimately on joint communication and planning, and searching for the optimum consensus and unity of purpose. 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 the passing on of generations and mutual care, “Acter Family” is shaped to work hard together to shape quality space and fulfill social citizenships and obligations.

Jin-Li Liang
Chairman of Acter Co., Ltd.



02

The Creator of Quality Space

2.1 Brief Introduction of Acter

Founded in 1979, 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.

Over the thirty-some years of operating history, 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">- Air conditioning and electromechanical system integration engineering for high-tech plants- Air conditioning and electromechanical system integration engineering for biotech medical centers- Air conditioning and electromechanical system integration engineering for residential households- Gas and chemical system integration engineering |
| Served markets | <p>Technical plants: Optoelectronic plants, IC plants, PCB plants, wafer fabrication plants</p> <p>Biotech medical centers: Biotech plants, hospitals</p> <p>Industrial air conditionings: General plants, office buildings, residences</p> |
| Business | <ol style="list-style-type: none">1. Clean room engineering2. Electromechanical and air conditioning engineering3. Turnkey engineering4. Industrial ventilation engineering5. Constant temperature and humidity engineering6. Environmental engineering7. Repair and maintenance engineering8. Gas and chemical supply system engineering9. CMP grinding fluid supply system engineering10. Waste solvents, exhaust gas, and wastewater treatment system engineering11. Chemical operation on-site service12. Sales agent for high-tech equipment and materials |

Committed to become a “The Creator of Quality Space,” Acter provides the best services for clients with passion, professionalism, innovation, and quality. The Company adopts new engineering skills to fulfill groundbreaking reforms, help clients fulfill their dreams, and also fulfill the Company’s ongoing commitment – each project is the work of the Company and also represents the image of the Company.

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. 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. 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. Established NOVA Technology Malaysia Sdn. Bhd. Established Dingmao Trade Co. in Shenzhen |
| 2013 | Established SCEC (Suzhou) Corp. and PT. Novamex Indonesia. |
| 2014 | Established Enrich Tech Co., Ltd. and Winmega Technology Corp. Acter (Myanmar) Co., Ltd. |

Period: Jan. 1st, 2014 – Dec. 31st, 2014

| Structure of Shareholders Number | Government Organizations | Financial Organizations | Other Corporations | Individuals | Foreign Organizations and Outsiders | Total |
|-------------------------------------|--------------------------|-------------------------|--------------------|-------------|-------------------------------------|------------|
| | Number of People | 0 | 2 | 40 | 7,093 | 28 |
| Number of Shares Held | 0 | 417,000 | 6,499,754 | 36,683,359 | 2,535,706 | 46,135,819 |
| Proportion of Shareholding | 0.00% | 0.90% | 14.09% | 79.51% | 5.50% | 100.00% |

2.2 Business Performance

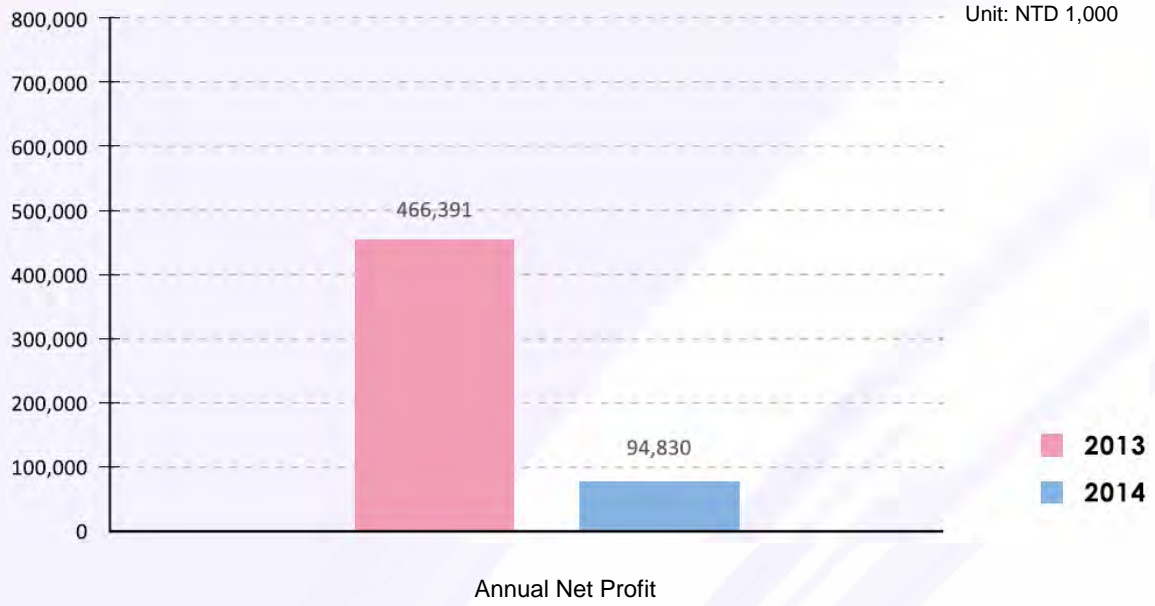
| Financial Information | 2013 | 2014 |
|-------------------------------|--------|--------|
| Ratio of Debt to Total Assets | 58.62% | 61.24% |
| Return on Assets (ROA) | 6.77 | 1.4 |
| Return on Equity (ROE) | 16.28 | 3.4 |
| Earnings per Share (EPS) | 10.11 | 2.06 |

In 2014, the consolidated revenue for Acter Group was NTD 7.581 billion. Compared to the previous year, this was about a 12% decline, the main reason being the economic slowdown in China and Southeast Asia causing the capital expenditure of high-tech industries not able to expand. In terms of profit, there was fierce competition in the Chinese market, causing a downturn in the gross profit and the profits of overseas subsidiaries were less than expected. In addition, the clients in Taiwan faced financial difficulties, causing the putting out of huge amounts of bad debts during the third quarter. The consolidated net profit after tax (NPAT) for the year was NTD 89 million with a NTD 2.06 EPS, which was about a decline of 80%. Although Acter was no match to the impacts and the profit was affected and slightly fluctuated, but attributing to the business development strategy of diversified distribution, we actively developed different products and services that are suitable for different industries, whereby enhancing the ability to spread the risks and being able to respond to the crisis brought by the business cycle of electronics and energy industries. Please refer to the 2014 Annual Report for the detailed analysis of the operational performance.

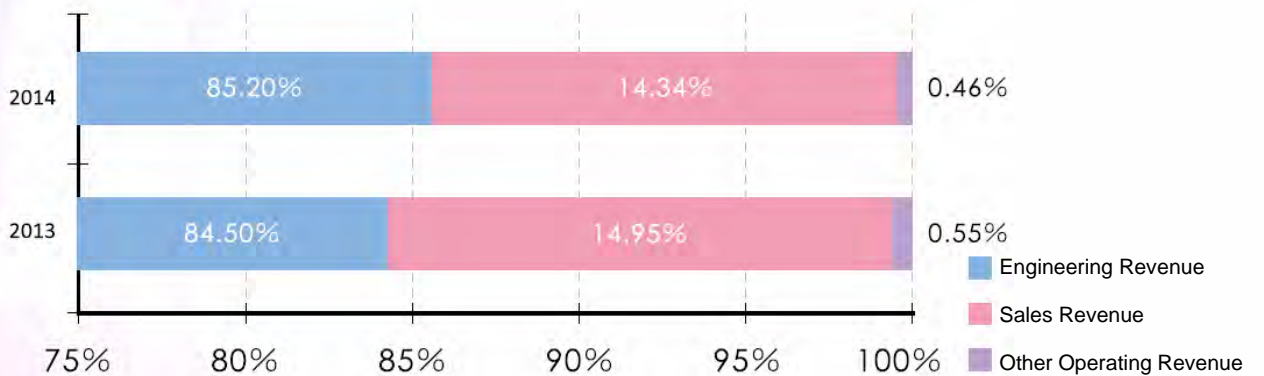
● Financial Information for Acter's Engineering Projects



● 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

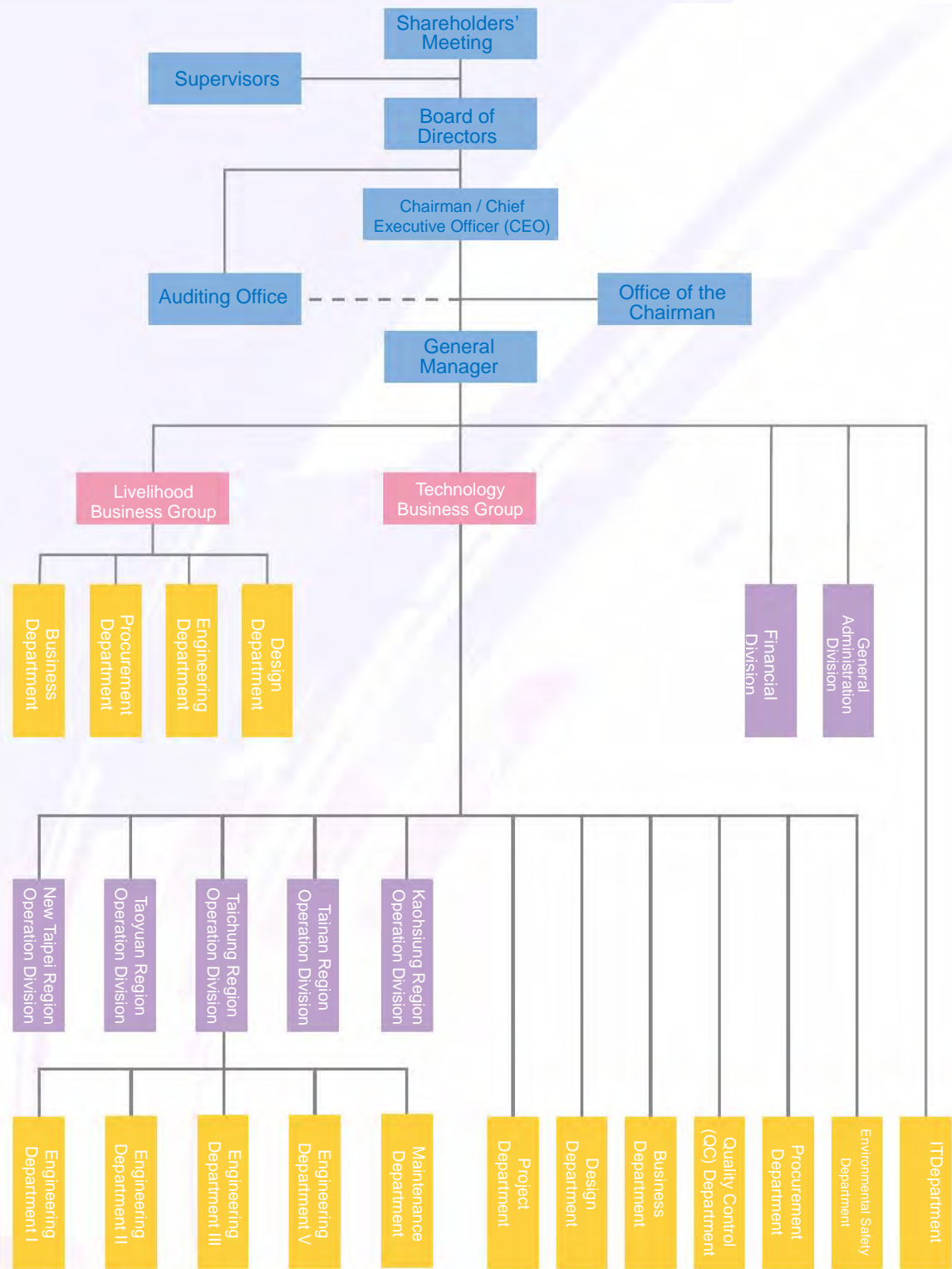
Looking at the mid- and long-term, Acter will continue with integrated engineering services and strive to develop forward and upward through the multi-region, multi-industry, and multi-angle distribution strategies. And under the main core of sustainable management, we will integrate the businesses and 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 five directors (including the Chairman) and two independent directors. In addition, it has two supervisors and one independent supervisor. 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 2014, the meetings of the board of directors were held six 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 Refrigeration and Air Conditioning Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology) 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 Refrigeration Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology) | | 100.00% |
| Director | Hsin-Ming Kao | Female | International Business Management Group of Executive Master of Business Administration (EMBA) in National Taiwan University Chief of Electronics Department at Industrial Technology Research Institute | | 83.33% |
| Director | Tai-Chen Hu | Male | Executive Master of Business Administration (EMBA) in Tunghai University Refrigeration and Air Conditioning Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology) Honorary Member of the Phi Tau Phi Scholastic Honor Society of the Republic of China Instructor at Department of Electrical Engineering in National Chin-Yi Institute of Technology (now National Chin-Yi University of Technology) Executive Director of Taiwan Refrigeration and Air-Conditioning Engineering Association Skills Certification Auditor at the Ministry of the Interior for the Refrigeration and Air-Conditioning Renovation Technician General Manager at Gongshan Air Conditioning and Refrigeration Co., Ltd. | Consultant of Acter Co., Ltd. | 100.00% |
| Director | Charly Hsu | Male | International Business Management Group of Executive Master of Business Administration (EMBA) in National Taiwan University Department of Chemical Engineering in National Taiwan University Associate General Manager in the Office of the General Manager at OMAX Technologies, Inc. | General Manager of Acter Co., Ltd. | 100.00% |
| Independent Director | Rong-Shiang Chao | Male | Executive Master of Administration (EMBA) in National Taiwan University Director and Spokesperson in the Office of the General Manager at Formosa Sumco Technology Corporation | | 83.33% |

| Job Title | Name | Gender | Main Educational and Work Experiences | Current Position Held at Acter | Attendance Rate |
|------------------------|--|--------|---|--------------------------------|-----------------|
| Independent Director | Pai-Lu Wang | Male | Department of Industrial Management in National Taiwan University of Science and Technology General Manager of Info Times (China Times Group) Consultant and Director of Acer Group (Acer TWP Corporation) Evaluation Committee Member at the Ministry of Education for Departments of Colleges and Universities | | 100.00% |
| Supervisor | Bi-Hui Wu | Female | Department of International Trade in Feng Chia University General Manager of Long King Leather Products Co., Ltd. MBA Program at the College of Management in National Chung Hsing University | | 100.00% |
| Supervisor (Note 1) | Representative of Wen Tsai Investment Co., Ltd.: Tung Shih | Female | Chief Accountant of Sheng Lai Trading Co., Ltd. Accountant of Taiwan Environmental Manufacturers Association Financial Manager of Wen Tsai Investment Co., Ltd. (Current Position) | | 100.00% |
| Independent supervisor | Hui-HsinYeh | Female | Department of Accounting in Tunghai University Accountant partner at Ernst & Young (Diwan & Company) Global Limited | | 100.00% |

*Note 1: Has already assumed position on Jun. 18th, 2014

●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 2014, the Company's Salary and Compensation Committee held a total of two meetings.

| Job Title | Name | Attendance Rate |
|----------------------|--------------|-----------------|
| Independent Director | Pai-Lu Wang | 100% |
| External Expert | Qian Yang | 100% |
| External Expert | Wen-Jie Wang | 100% |

●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 15 and 16 of Acter's 2014 Annual Report. The detailed information can also be inquired on the Market Observation Post System: http://mops.twse.com.tw/mops/web/t57sb01_q5#.

Job Titles and Scopes of Official Duties of Senior Managers

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

● 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 2014, 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

● Employee's Suggestion Box

The Employee's Suggestion Box was established in 2013, which is provided for the employees' consultation or for the employees to report the behaviors that do not comply with the Company's behavioral guidelines. The Company will prudently handle each case and will then let the manager settle the case. Through examination, no reports were received in 2014.

The screenshot displays the Acter intranet interface. At the top, the Acter logo and navigation menu are visible. The main content area features a banner with the slogan "優質空間的塑造者" (The Creator of Quality Space) and an image of a yellow hard hat. Below the banner, the "員工意見信箱" (Employee Suggestion Box) section is highlighted. It includes a description of the box's purpose and contact information.

Acter
建築工程

公司簡介 服務項目 工程實績 新聞中心 投資人專區 服務據點 人力資源

優質空間的塑造者

首頁 > 人力資源

員工意見信箱

聖華為便於員工與公司管理階層、董事及監察人直接進行溝通，特設置員工專屬信箱，以提供多元化的建言及申訴作業管道，冀與員工保持密切互動。

員工意見及申訴信箱：shen.huei@msa.hinet.net

HR

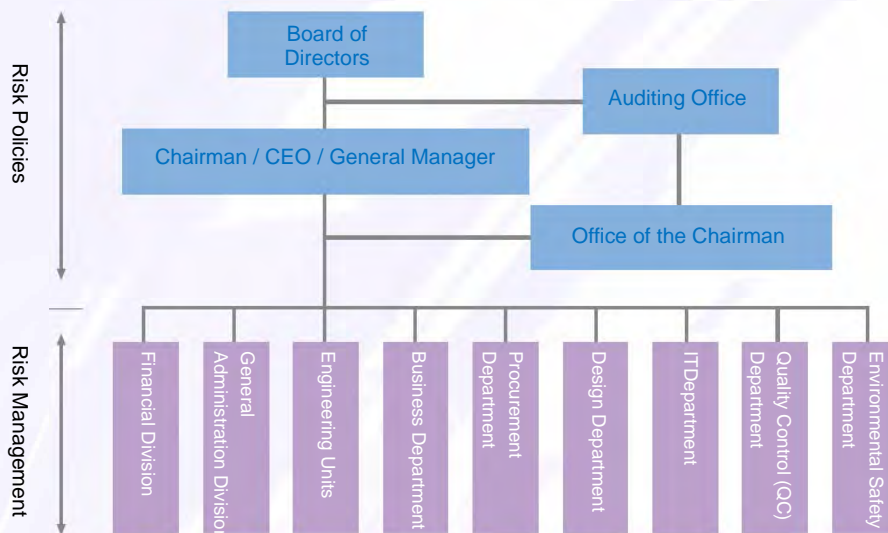
- 福利制度
- 成長與學習
- 員工活動
- 員工意見信箱
- 職缺訊息
- 我要應徵

二一頁

●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.

- ▶ Market risks
- ▶ Credit risks
- ▶ Liquidity risks
- ▶ Operational risks
- ▶ Legal risks
- ▶ Information security risks
- ▶ Natural disasters or other occasional incidents
- ▶ 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 will regularly report to the board of directors. 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.

Acter is very happy to share the Company's second Corporate Social Responsibility Report with each of the stakeholders. Not only can the Company display its concern about and implementation of sustainable management issues through the Corporate Social Responsibility Report, this also highlights the Company's determination in leading the Acter Brand towards the international stage. This Corporate Social Responsibility Report was prepared and planned by the General Administration Office and then reported to the CEO, where the CEO will make the announcement after having reviewed it. In addition to continuing to publish the Corporate Social Responsibility Report in the future, the Company will also establish a complete preparation process and an internal control system for the report, displaying the Company's responsibility and attitude in pursuing the quality of the corporate social responsibility reports.

2.5 Record of Awards

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

The Company implements the industrial safety management promoted by the government, requiring each engineering project to follow the standard operating guidelines. In addition, the Company also assists the subcontractors in achieving the Acter's standards. To ensure industrial site safety management, a toolbox meeting is held each day before work starts to advocate industrial site safety and precautions. The Company strictly requires the inspection of the safety equipment and protection from time to time during the engineering construction process so as to smoothly complete the engineering project and safely return home.



Taiwan Refrigeration & Air-Conditioning Engineering Association of R.O.C.
Great Achievements and Tributes as a Leader



Republic of China Fine Manufacturer Association: National Quality Gold Award



Department of Labor, Taipei City Government: New Taipei City Construction Site Safety Demonstration Event



Corning Incorporated: Incident and Injury Free Industrial Safety Achievement

2.6 Market Image and Corporate Opportunities

In addition to continuously improving the engineering skills, Acter Co. also actively promotes the Company's business. Since 2010, Acter has been holding biotechnology seminars from time to time each year and have invited the elites in the biotech industry to pass on their experiences and share their skills at the seminars. In 2014, a total of one 1-day biotechnology seminar was held, inviting industrial, governmental, academia experts to be the speakers, such as those from Taiwan Product Quality Research Institute, Food and Drug Administration, Ministry of Health and Welfare, and Biotechnology and Pharmaceutical Industries Promotion Office, Ministry of Economic Affairs to be the speakers. Close to 100 domestic and foreign major biotech industries attended this seminar, where through the biotechnology seminar platform, industrial exchanges were promoted and biotechnology affairs were further expanded. In 2014, Acter also 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.



SEMICON Taiwan



Biotechnology Seminar

2.7 Challenges and Opportunities

●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. Also, there was less rainfall in Taiwan in 2014, this has already caused a 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.

●Industry Relocation, Low Willingness of Companies to Invest

Due to the consideration of labor costs and the transfer of the international market, high-tech industries in Taiwan have successively transferred to the market in Mainland China and the nations in Southeast Asian region, causing the electromechanical and air-conditioning and clean room integrators to also move abroad to develop, and which forces Taiwan's engineering firms to face the feasibility of expanding the overseas markets. However, unfamiliar laws and investment environment have caused an increase in the risks of company management. Because of having accumulated a considerable amount of engineering scale and experience over the years, Acter has better bargaining ability than those in the same industry with equipment and material suppliers. And having branched out into different industrial fields, we are highly flexible in responding to theeconomy. When facing a single industry in the market during its poor business cycle, there are still business opportunities with other industries. Therefore, the effect by the economy of a single industry is quite small and the Company's competitiveness can be enhanced with a comparatively advantageous bargaining ability. Furthermore, to respond to the trend of Taiwan's production bases moving abroad, we have already started crossing over into the Mainland market starting in 1996 and have established subsidiaries in places, such as Suzhou, Shenzhen, Shanghai, Vietnam, Singapore, Malaysia, and Indonesia, which is conducive to striving for plant-construction projects of Taiwan operators and international companies and is helpful in expanding the overseas markets.

●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:



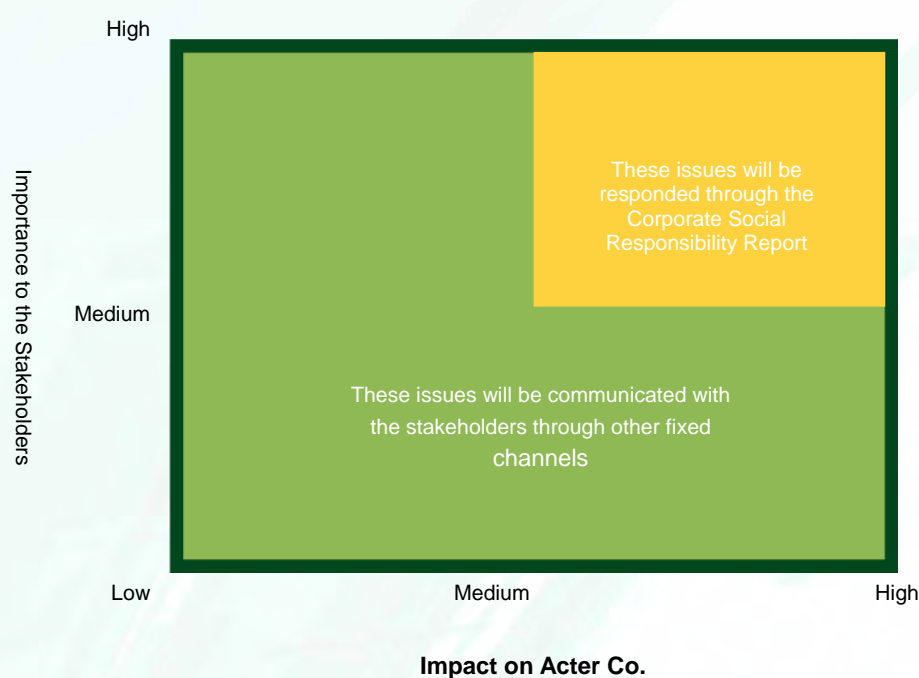
3.2 Communications with Stakeholders

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 Occupational Health and Safety Training and Education Corporate Governance Ethics and Integrity | Calling together meetings from time to time and holding labor coordination meetings each quarter Educational training for employees Hotline and mailbox for employees' opinions and appeals Internal documents Bulletin board Email |
| Clients | Products and Services Occupational Health and Safety Anti-Competitive Behaviors Abiding by Environmental Regulations Competitive Advantages | Project teams Daily communication Conducting customer satisfaction surveys each year Phone calls and emails from time to time |
| Suppliers | Procurement Strategies Complaint Mechanism for Labor Issues Supply Chain Management | Daily meetings Blogs for vendors only Visiting firms/contractors from time to time Investigating related information from time to time |
| Competent Authorities | Economic Performance Abiding by Financial and Labor Regulations Occupational Health and Safety of Employees Child Labor, Forced or Compulsory Labor Impacts on the Local Community | Announcing financial reports/major information each quarter Maintaining good interaction with competent authorities Participating in related meetings from time to time |
| Investors | Economic Performance Industrial Prospects Company Profit Competitive Advantages | Corporate website and the Market Observation Post System Announcing financial reports each quarter Shareholders' meeting each year 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 | | Training and Education for Employees | Chapter 4 |
| | | Labor Complaint Mechanism | |
| | | Anti-Competitive Behaviors | |

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.



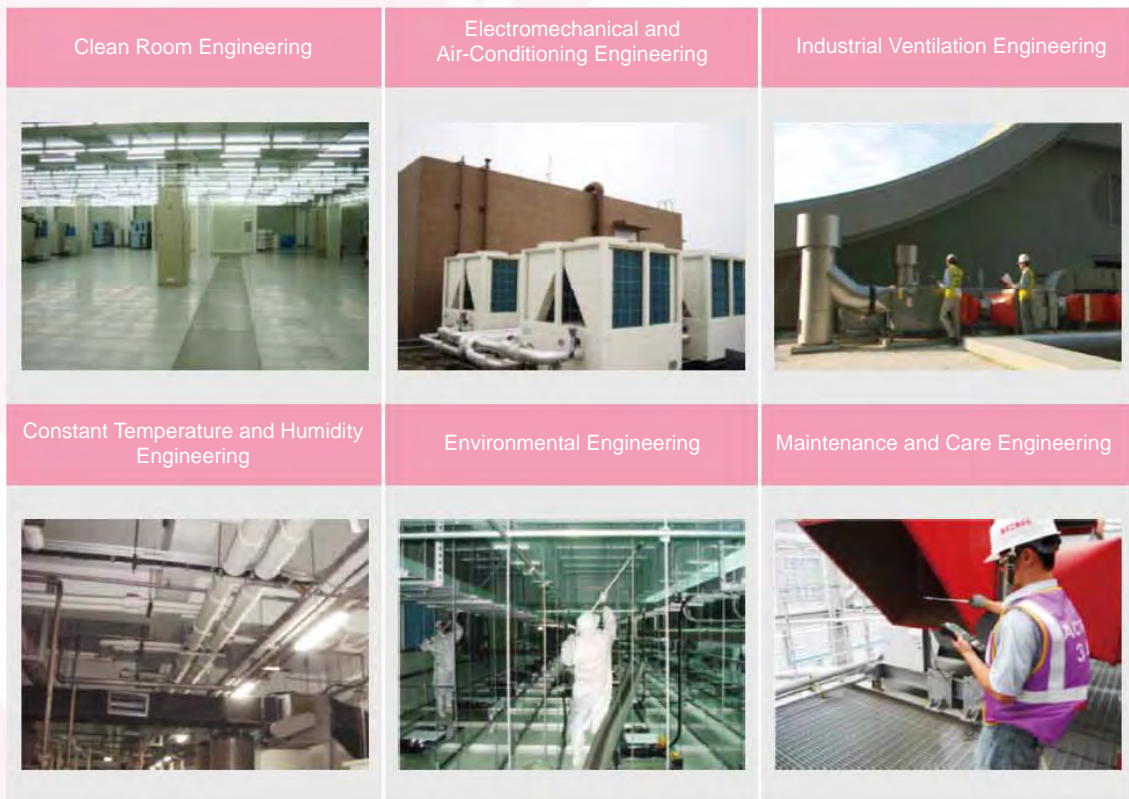
04

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 2014, the Company did not receive any violations of statutory prescribed circumstances of any products or services.



● Overall Planning, Innovative Engineering Methods

In 2014, Acter invested a fund of NTD 49.551 million in developing various engineering methods, which is 13.43% higher compared to the research and development expenses of NTD 43.683million in 2013. Upholding the spirit of continuous research, development, and innovation, we provide 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:

▶ **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.

▶ **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.

▶ **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.

▶ **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.

▶ **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.

▶ **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 CO₂ emissions.

▶ **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.

▶ **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.

● 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 2014, the Company has obtained over 30 patents in China, 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 |
|---------------------------------------|---|
| Practical New Type | Uniaxial rotary mechanical arm applied on the cleaning of semiconductor equipment |
| | Quick coupling device for chemical barrels |
| | Precision capacity emission control chemical container |
| | Quick dump cleaning device for cleaning semiconductor equipment |
| | Buffered outlet of flame-capturing exhaust device with chemicals |
| | Online quartz heater |
| | A type of film drying apparatus |
| | A type of chemical supply monitoring and alarm system |
| | A type of sampling box for chemical supply system |
| | Acidic chemical supply and control system |
| | Connection devices for pipe couplers of chemical supply system |
| | A type of valve tank for chemical supply system |
| | A type of chemical supply system |
| | A type of three-way tank for chemical supply system |
| | Inlet pipe cleaning device for chemical supply system |
| | Liquid-gas separation device for chemical supply system |
| | Filling mechanical arm for chemical supply system |
| | Forced ventilation and exhaust gas tank for chemical supply system |
| | Fully automated gas tank cylinder-change anti-leak system |
| | Automatic switching double cylinder nitrogen panel |
| | Online fully automated HF and HNO ₃ heat exchanging system |
| | Segmented control heating blanket of gas supply system |
| | Auto-off integrated etching cleaning machine |
| | Fixed base for R angle |
| | Components of R angle |
| | Internal angle |
| | A type of decorative material |
| | A type of connection device applied in keel frameworks of clean rooms |
| | Material for external angles |
| | A type of window |
| Material for doorframes | |
| Material for invisible hanging beams | |
| Material for hanging beams | |
| Fixed component for fluorescent tubes | |

●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.

▶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 | <p>Selection of main air-conditioning equipment (along with EMAS system):</p> <ol style="list-style-type: none"> 1. Ice water machine: Select machines that conform with CNS12812 green building mark 2. Power usage meter for condensate pump and ice water one-time side pump 3. Start variable frequency of ice water pump twice 4. Start variable frequency fan for cooling water tower | Variable frequency air-conditioning to save energy |
| | <p>Control methods for wind pipe system:</p> <ol style="list-style-type: none"> 1. 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) 2. 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) | <ol style="list-style-type: none"> 1. Constant temperature, wind change to save energy 2. Obstructing sunlight and heat source and improving indoor temperature |
| | <p>Control methods for water pipe system: 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</p> | Recycling and reusing reclaimed water |

► 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"> 1. Elevating the operation efficiency of the machine. 2. Reducing the wasted work of water pump |
| MAU | MAU optimized control mode (all external air air-conditioned box system) | <ol style="list-style-type: none"> 1. MAU optimized air supply and temperature setting 2. Best ice water plate and pipe control mode (cooling and reheat control for the bank of tubes) | <ol style="list-style-type: none"> 1. Frequency variable and energy-saving 2. Lowering the humidity in office environment to raise comfort |
| | Nighttime ventilation design | Lower temperature air at nighttime is led indoors for ventilation | <ol style="list-style-type: none"> 1. Regulating indoor room temperature 2. Reducing the concentration of CO₂ indoors in advance |
| | 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"> 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 2. High-efficient motors are adopted for windmills 3. AHU adopts the variable speed and static pressure controls | <ol style="list-style-type: none"> 1. Elevating the temperature of ventilated air and reducing energy consumption 2. High-efficient and energy-saving motors 3. Balance of supply and demand, saving energy and power |
| | 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"> 1. Automated control 2. Maintenance of illumination 3. High-efficient energy-saving |

► 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"> One-time variable flow design Variable frequency design for the machine | Variable frequency energy-saving |
| FFU | <ol style="list-style-type: none"> High-efficient FFU is adopted Low-pressure filter is adopted DC FFU is adopted | <ol style="list-style-type: none"> High-efficient motor saves energy Reducing the power consumption in windmills Variable speed saves energy |
| DCC and Return Air Design | Horizontal installation, eyelid, or divider methods are adopted | <ol style="list-style-type: none"> Increasing manufacturing process production capacity Installing light-weighted materials |
| 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"> Reducing the impact of heat discharge upon environment Reducing energy consumption |

● 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.

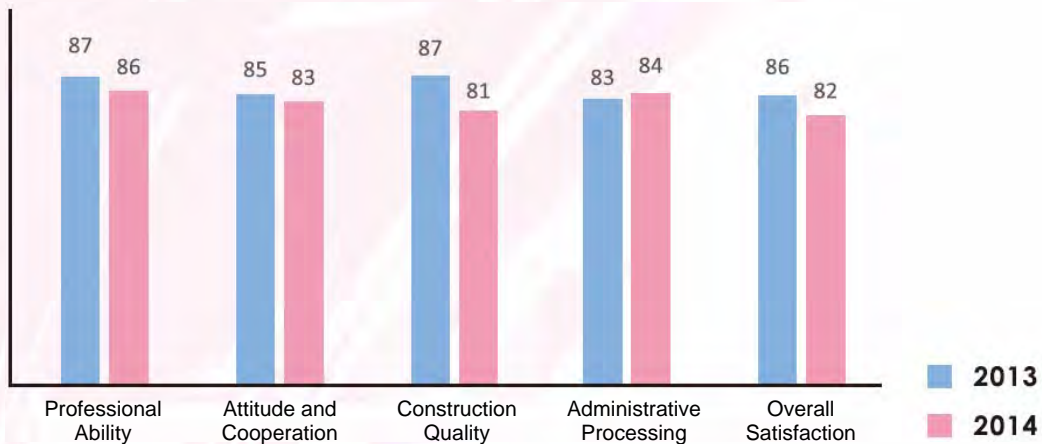


●Customer Satisfaction Survey

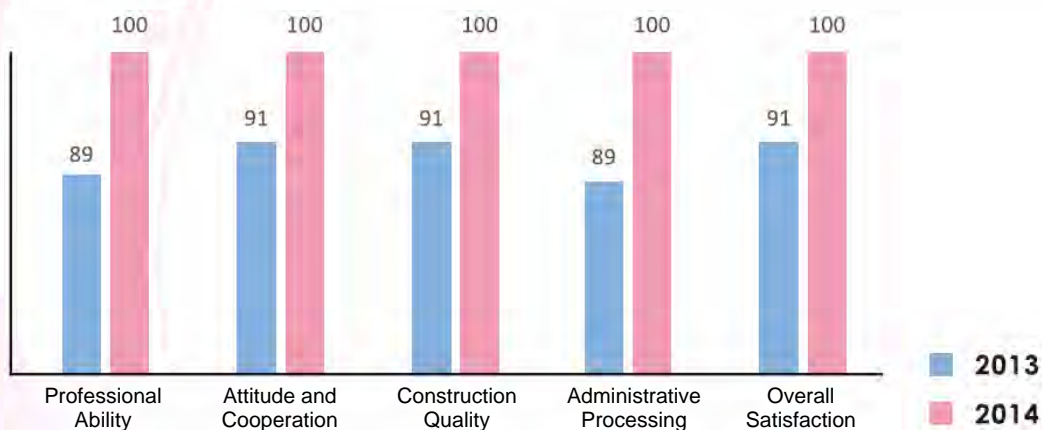
The Company highly values the clients' satisfaction towards Acter, so raising the clients' satisfaction index is our important long-term operation goal. In the general communication and interaction, we listen to and understand the clients' demands, and then further propose countermeasures and programs. And through the annual customer satisfaction surveys and in-depth interviews, we thoroughly comprehend the clients' expectations, and their opinions about and suggestions for Acter to serve as a reference standard for executing cases.

Acter Co. carries out the customer satisfaction surveys each year according to customer satisfaction and continual improvement of operating procedures. The General Administration Office filters out the year's Engineering Department's orders that accumulated to reach more than NTD 30 million, while Maintenance Department selected three maintenance orders that accumulated to reach more than NTD 500 thousand, which are provided to each branch office to be given to the clients to fill out the satisfaction surveys and questionnaires. Each branch office will then return the satisfaction surveys and questionnaires back to the General Administration Office to carry out informational compilation. The General Administration Office will record its result on the customer satisfaction questionnaire and for those with customer complaint issues or whose overall evaluation score is less than 70, said department heads will be asked to propose improvement countermeasures and prevention measures and they will continue to be tracked. In the future, specialists will be set to track whether the improvement is complete. Our satisfaction survey and questionnaire content includes five major facets (professional ability, attitude and cooperation, construction quality, administrative processing, overall satisfaction). The analyzed data for 2013 and 2014 are as follows:

●Engineering Department Customer Satisfaction Survey



●Maintenance Department Customer Satisfaction Survey



According to survey, the customer satisfaction of the Engineering Department showed that “Construction Quality” and “Overall Satisfaction” fell from 2013. Through the review in Engineering Department meetings, the following countermeasures are proposed:

1. Raising the Construction Quality

We will value toolbox meetings, review the engineering progress and construction quality and implement SOP for engineering operations. The executive will adopt management by walking around (MBWA) to immediately discover problems and propose solutions, whereby raising construction quality.

2. Raising Overall Satisfaction

Only when quality and industrial safety are implemented can customers' demands be achieved. We will interact with the clients during construction to understand the demands and propose feasible professional suggestions to assist the clients in resolving issues. We will mutually cooperate to complete projects together, whereby raising overall satisfaction.

In contrast, the customer satisfaction for the Maintenance Department reached 100, which means the maintenance and care of the Company has always maintained a high quality service, so the business owners have given a high degree of affirmation. We should be even more cautious in executing the maintenance affairs, implementing lean management, strictly abiding by the SOP, immediately reporting abnormalities, and providing countermeasures to provide the most perfect and complete service for the clients, so as to gain the clients' long-term trust and affirmation.

| Average Satisfaction Score | Engineering | Maintenance |
|----------------------------|-------------|-------------|
| 2014 | 83 | 100 |
| 2013 | 86 | 92 |



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 2014, the procurement bill amount of the firms in the Taiwan region was NTD 3,163,708,000, the total procurement bill amount was NTD 3,247,485,000; therefore, the local procurement reached 97%, while the local procurement bill amount of the Suzhou subsidiary company in the Mainland region was RMB 201,213,000, where the local procurement reached 100%.

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.

Acter is committed to become a "The Creator of Quality Space." The quality of the engineering services is our most important link. We have already passed the ISO9001 quality management system, ISO14001 environmental management system, and OHSAS18001 occupational safety and health management system, etc., and are committed in implementing related management systems and in continual improvement. A total of NTD 80,000 was spent on the certificataion of ISO14001 environmental management system and OHSAS18001 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 2014, the total environmental protection expenditures of Acter Co. was NTD 118,220, 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 | 80,000 | 80,000 |
| Environmental Testing | CO ₂ concentration testing in offices | 1 | 8,820 | 8,820 |
| ISO14001 and OHSAS 18001 Educational Training | ISO14001 and OHSAS18001 Internal Auditing Personnel Educational Training | 1 | 29,400 | 29,400 |
| Total | | | | 118,220 |

CO2 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 CO2 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 CO2 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 2014 labor job site test results (office CO2 concentration tests), they are all within the standard permissible range. For details, please view the following chart:

| Testing Date | Value | Note |
|--------------|--------------|--------------------------------------|
| 2014/3/3 | 474-884 ppm | Permissible Standard within 5000 ppm |
| 2014/9/3 | 476-1014 ppm | 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.

In addition to advocating the concept of saving energy, we even respond to the Earth Hour event of turning off lights for one hour, so on March 29th, 2014, from 20:30-21:30, the lights were turned off for one hour, on one hand, to express the Company's determination in environmental protection and, on the other hand, to let the employees begin in the daily lives to jointly place efforts in protecting the environment.



In order to reduce carbon footprint and greenhouse gases, the Company adopts the following policies:

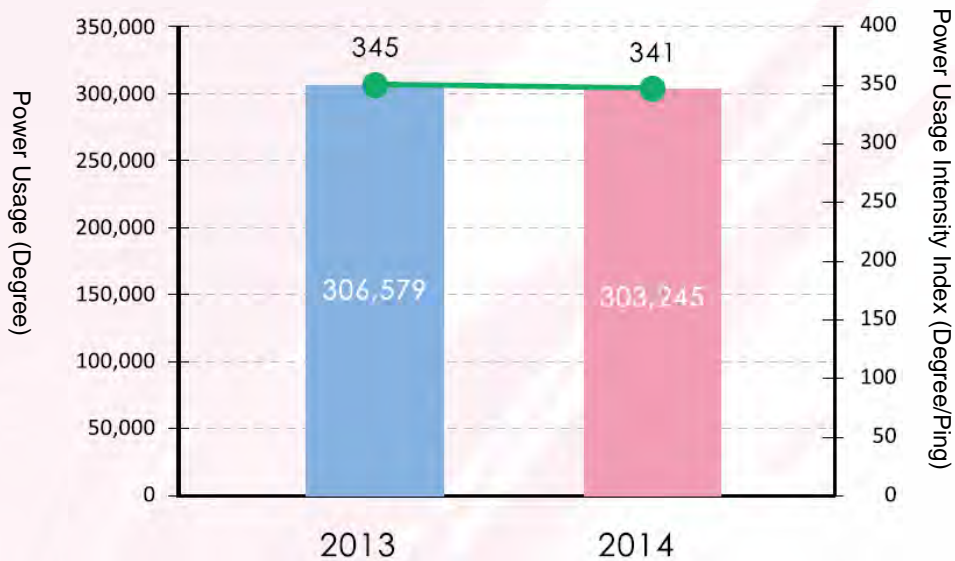
| Item | Measures |
|----------------------------------|--|
| Energy-Saving (Air-Conditioning) | <ol style="list-style-type: none"> 1. The temperature of air-conditioning inside offices is set between 25°C and 26°C 2. Turn off all air-conditioning equipment at 17:30PM each day after working hours. For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

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

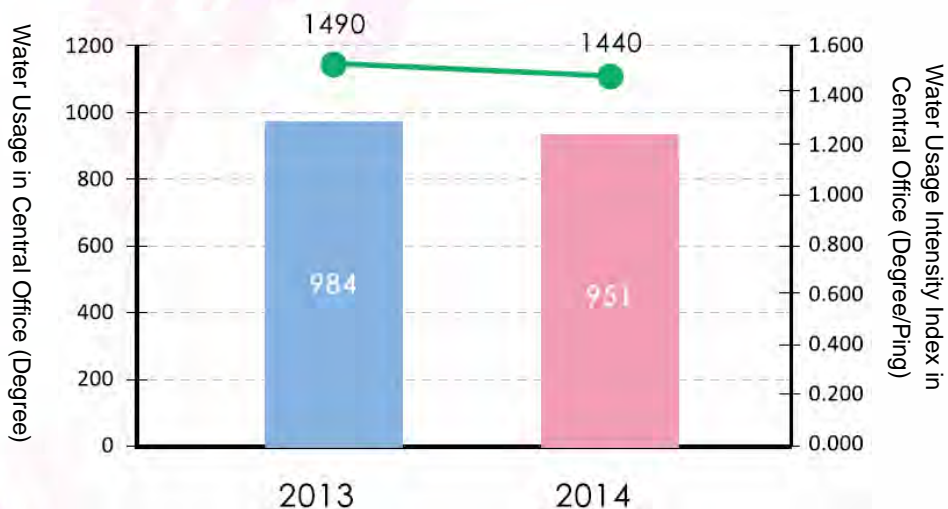
| Environmental Safety and Health Management Programs | Program I Improvement Program for Electric Wire Inspection and Illumination Measurement Measures in Offices | Program II Program for Office Implementation of Waste Paper Recycling |
|---|--|--|
| Objective | <ol style="list-style-type: none"> 1. Electric wire inspection in offices 2. Illumination measurement | 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"> 1. Already replaced damaged and old electric wires to prevent staff from being electrified 2. Immediate replacement of office light tubes when broken | <ol style="list-style-type: none"> 1. Already implemented the reuse of single-sided waste paper 2. Already implemented garbage classification, waste paper recycling is continued to be improved |
| Execution Frequency | <ol style="list-style-type: none"> 1. Electric wire inspection: Once every three months 2. Illumination measurement: Once every three months 3. Broken light tubes: Replace anytime | Continuity |
| Invested Expenses/ Equipment | NTD5,000/year | None |
| Performance Index | <ol style="list-style-type: none"> 1. Continue comprehensive inspection for electric wires in offices to prevent staff from being electrified 2. Continue to maintain sufficient illumination in offices to prevent eye damage of staff. And illumination shall be maintained at over 300 lx | 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 2014 were 303,245 degrees, which was 3,334 degrees less than the previous year (2013). The accumulated usage of each unit floor area (ping) dropped to 341 degrees (2014) from 345degrees (2013), 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. In 2014, the total water usage of our central operating office was about 3% lower than the previous year, and the accumulated usage of each unit floor area (ping) dropped to 1,440 degrees, which shows fruitful results in water conservation.



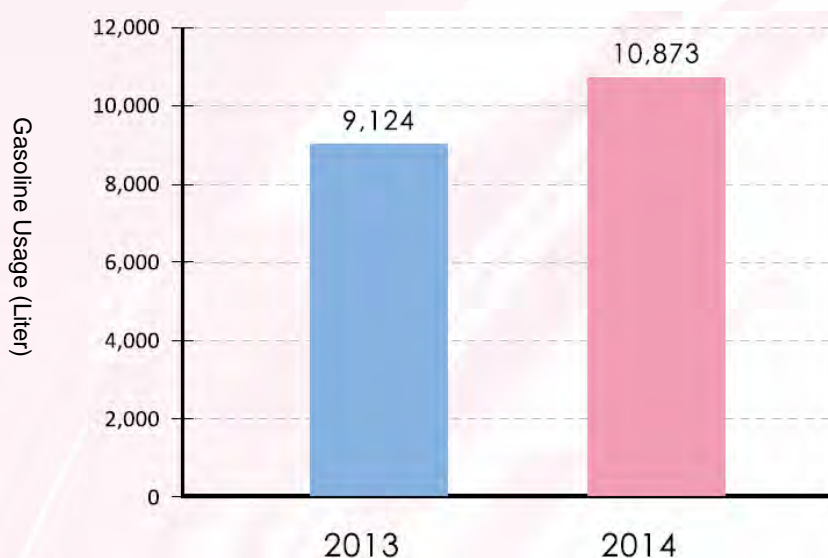
In the aspect of gasoline usage, the total vehicle gasoline usage for Acter Co.'s northern, central and southern offices in 2014 was 10,873 L, which was 1,749 L more than 2013.

Analysis of the main reasons:

- ▶ Major projects in 2014 were distributed in Tainan and Taoyuan areas, and due to engineering requirements, sometimes we needed to go back and forth between Northern and Southern Taiwan, causing the total gasoline cost to increase.
- ▶ In 2014, two executive rental cars were added, indirectly increasing the gasoline usage.

Response countermeasures:

Encourage mainly the adoption of carpool method or the taking of public transportation.



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.

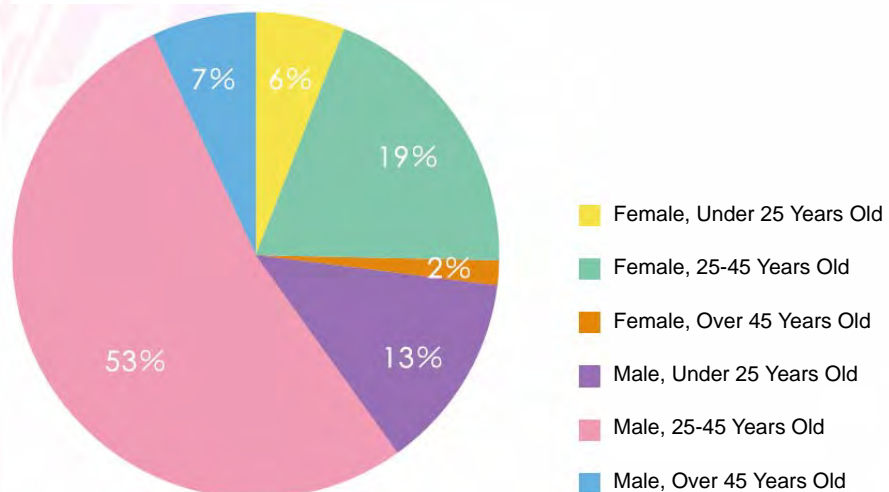
There are 19 affiliated companies in Acter Group (including Acter Co.) distributed in Taiwan, the Mainland, and various Southeast Asian regions, and as of the end of 2014, the total number of employees reached 967 people (707 males, 260 females) and there are 289 people at Acter Co. (208 males, 81 females). 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 2014.

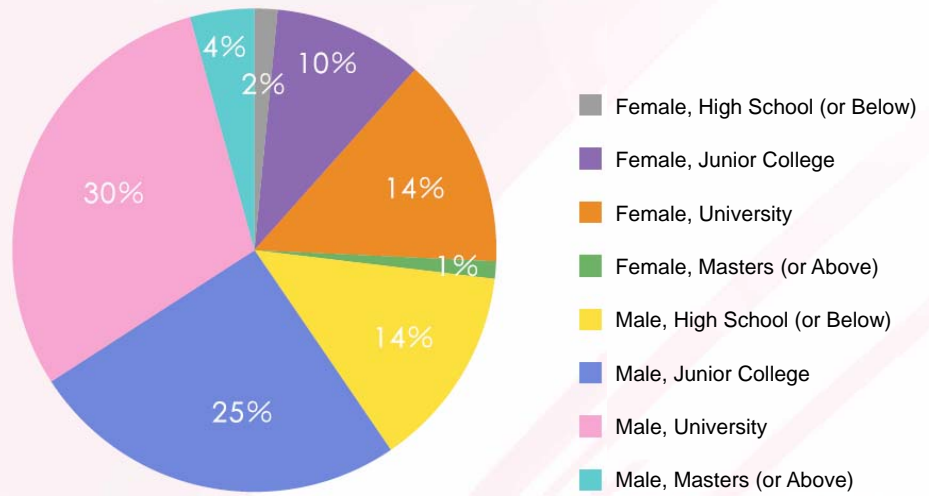
●Employment of Employees

In 2014, a total of 265 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 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 analysis are as follows:

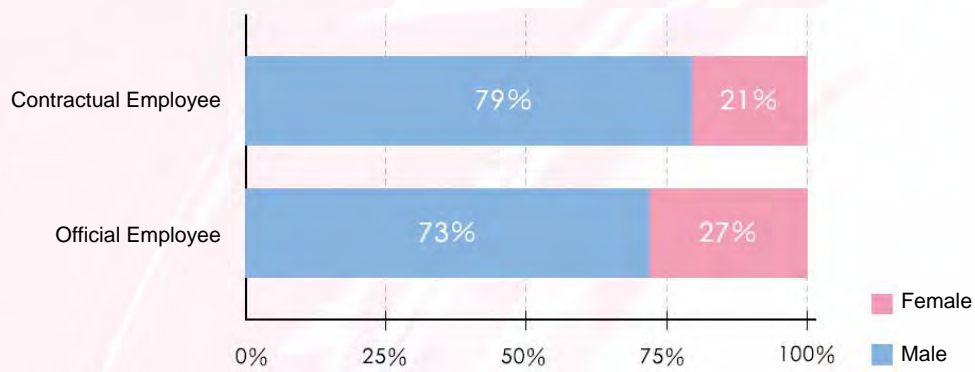
►Acter Group's Employees According to Gender and Age



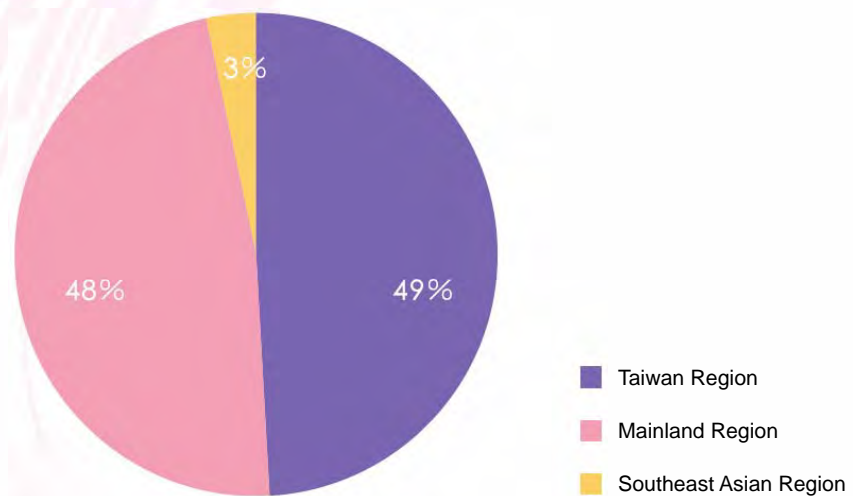
► **Acter Group's Employees According to Gender and Educational Structure**



► **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 2014 are as follows:

| | | | Acter | Taiwan Subsidiaries | China | Southeast Asia |
|----------------------|--------|--------------------|-------|---------------------|-------|----------------|
| Newly-Hired Employee | Male | Under 25 Years Old | 15 | 5 | 26 | 0 |
| | | 25-45 Years Old | 51 | 48 | 21 | 3 |
| | | Over 45 Years Old | 4 | 14 | 0 | 0 |
| | Female | Under 25 Years Old | 3 | 5 | 17 | 1 |
| | | 25-45 Years Old | 22 | 18 | 7 | 2 |
| | | Over 45 Years Old | 0 | 2 | 0 | 0 |
| | Total | | 95 | 92 | 71 | 6 |
| Employee Turnover | Male | Under 25 Years Old | 2 | 3 | 29 | 0 |
| | | 25-45 Years Old | 51 | 39 | 38 | 2 |
| | | Over 45 Years Old | 2 | 12 | 7 | 1 |
| | Female | Under 25 Years Old | 1 | 3 | 16 | 0 |
| | | 25-45 Years Old | 15 | 17 | 14 | 1 |
| | | Over 45 Years Old | 0 | 1 | 1 | 0 |
| | Total | | 71 | 75 | 105 | 4 |

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

In 2014, because of business expansion, more talents were needed 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:

Personnel that worked less than a year: chose to leave due to not being able to adapt to engineering environment or content of work.

Personnel that worked more than a year: chose to leave due to personal career planning.

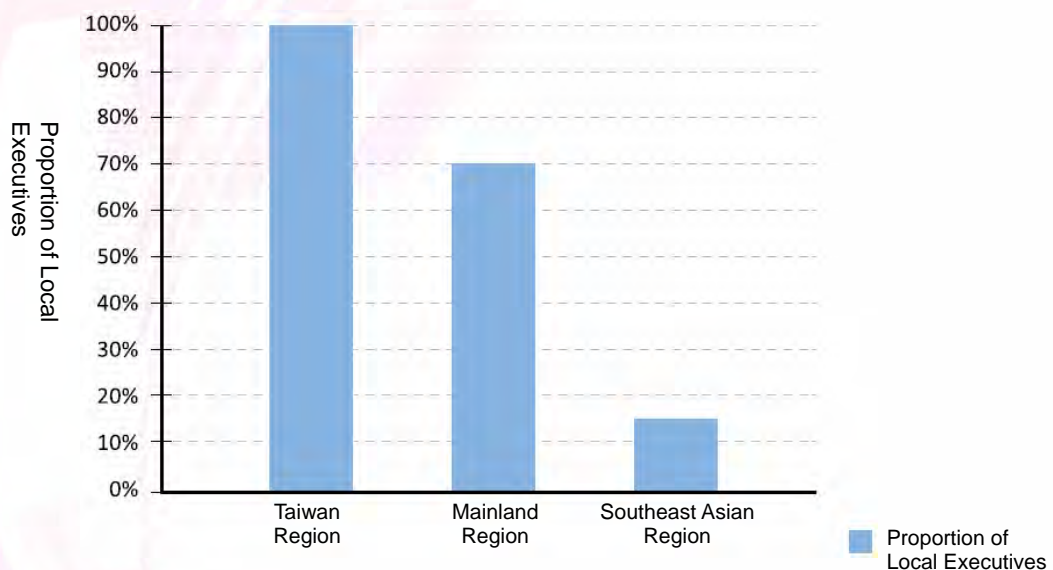
◆**Note:** The proportion of turnover in the Mainland region is higher than the new recruits mainly because after the personnel took post, they were not able to adapt to the content of work and work environment, and chose to leave. Because business growth remained the same, manpower were not added to 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. Due to operation strategies and business needs, Taiwan headquarters still appointed personnel to be stationed in the Southeast Asian region. We will be cultivating local management associates in the future to implement the philosophy of deeply developing the local market.



*Explanation: Because there are fewer executives in the Southeast Asian region, which causes the calculated proportion to be on the low side.

►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, which is an intense course that lasts for five days. 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 2014 were NTD 1,391,860, 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 (707 people) of the Company is a lot higher than the female employees (260 people). Therefore, in comparison, the number of training hours for males will be evidently higher than those of the females.

In 2014, the average training hours per person according to various occupational ranks and gender are shown in the chart below:

| Content | | Acter | Taiwan Subsidiaries | Mainland | Southeast Asia |
|--|--------|-------|---------------------|----------|----------------|
| Senior Executives (Executives of Managerial Rank or Higher) Average Training Hours | Male | 27 | 60 | 39 | 23 |
| | Female | 45 | 30 | 27 | 0 |
| Middle Management Executives (Executives of Associate Department Head Rank) Average Training Hours | Male | 33 | 22 | 39 | 17 |
| | Female | 20 | 14 | 34 | 0 |
| General Employees Average Training Hours | Male | 14 | 19 | 47 | 51 |
| | Female | 11 | 28 | 34 | 56 |

► 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 2014 |
|---------------------------------|------------------|---|--|----------------|------------------------------|
| Director | Dennis Yang | Taiwan Securities Association | Legal Responsibilities and Case Discussions of Commercial Bribery | 3 | 6 |
| | | Securities & Futures Institute | (Independent) Director and Supervisor Advanced Practice [Taxation Analysis of Individual Income Tax for Directors and Supervisors] | 3 | |
| Legal Supervisor Representative | Tung Shih | Taiwan Corporate Governance Association | Using CSR to Create Corporate and Social Shared Value | 3 | 12 |
| | | Taiwan Corporate Governance Association | Equity Planning and Reelection Operations of Directors and Supervisors for TWSE-Listed and TPEX-Listed Companies | 3 | |
| | | Taiwan Corporate Governance Association | Operating Practice of Independent Directors | 3 | |
| | | Taipei Exchange | Insiders Equity Briefing for Listed and Emerging Companies | 3 | |
| Director | Charly Hsu | Securities & Futures Institute | Measures and Responses to the Shareholding and 50% Dividend Tax Deduction of Directors and Supervisors | 3 | 6 |
| | | Securities & Futures Institute | Directors' and Supervisors' Legal Responsibilities and Risk Management of False Earning Reports – With Practical Cases as Center of Discussion | 3 | |
| Director | Hsin-Ming Kao | Taiwan Corporate Governance Association | Viewing Taiwan Cloud and Intelligent Industrial Development Strategies from Global Industrial Trends | 3 | 3 |
| Independent Director | Rong-Shiang Chao | Securities & Futures Institute | Honest Management and Corporate Social Responsibility Seminar for TWSE-Listed and TPEX-Listed Companies | 3 | 6 |
| | | Taiwan Corporate Governance Association | Equity Planning and Reelection Operations of Directors and Supervisors for TWSE-Listed and TPEX-Listed Companies | 3 | |
| Supervisor | Bi-Hui Wu | Securities & Futures Institute | (Independent) Director and Supervisor Advanced Practice [Taxation Analysis of Individual Income Tax for Directors and Supervisors] | 3 | 3 |
| Independent Director | Pai-Lu Wang | Chinese National Association of Industry and Commerce, Taiwan | Viewing Taiwan Corporate Governance from International Finance | 3 | 3 |

| Title of Position | Name | Organizer | Course Name | Training Hours | Total Training Hours in 2014 |
|------------------------|--------------|---|---|----------------|------------------------------|
| Director | Jin-Li Liang | Chinese National Association of Industry and Commerce, Taiwan | Speaking of Taxation Planning from Corporate Governance – The Use of Technical Shares and Business Mergers and Acquisitions Act | 3 | 3 |
| Independent Supervisor | Hui-HsinYeh | Securities & Futures Institute | Honest Management and Corporate Social Responsibility Seminar for TWSE-Listed and TPEX-Listed Companies | 3 | 3 |

►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 31 courses were held with a total of 3,545 learning hours. The attendance rate is 77.33% and the total cost was NTD 416,690.

Acter Academy Course Outline and Attendees

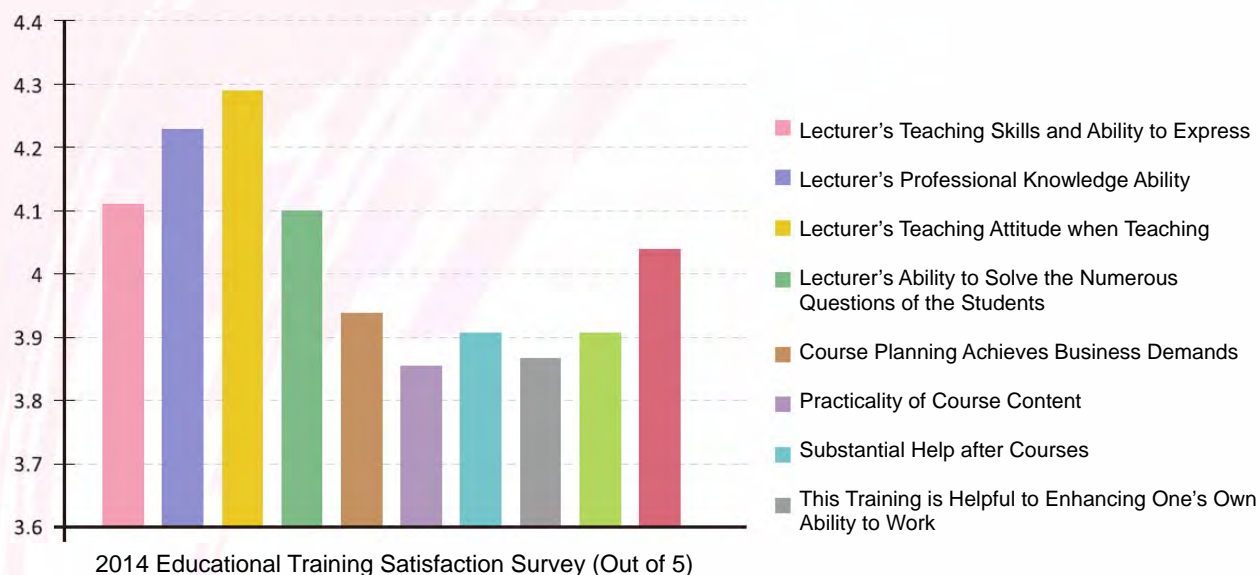
| | |
|--|---|
| Technical Learning Courses <ul style="list-style-type: none"> Attendees: Employees in the Company for two years or less Lecturers: Acter executives of the managerial rank Course Contents: Engineering Estimates, Quotation Requests, Procurement, Contracting, Project Management, Passing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

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. The educational training satisfaction survey is split into seven major facets as the investigation focus. In 2014, the satisfaction survey results are as follows:



Among these, the lowest satisfaction is on the practicality of course content. The Company will make adjustments to the course content in hopes of achieving the best effect of group learning. In the future, the courses will be mainly focused on the practical side, enhance the accountability, work improvement, and the ability to analyze and resolve issues so as to raise the organization's competitiveness.

●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 2014, 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, year-end bonuses, and subsidies for weddings and funerals, etc. |
| Employee Stock Options | Portion of planning for future cash capital increase is subscribed by employees |
| 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 and held many employee welfare services, including birthday gift vouchers, wedding subsidies, 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 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 in hopes of promoting employee harmony, increasing the employees' degree of recognition towards the Company, enhancing the corporate image, and raising the colleagues' spirits.



●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



●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 CO₂, decreasing greenhouse gases and also making contributions to improve the global warming phenomenon.



●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.

►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, 2014, the balance in the reserve account for labor retirement at the Bank of Taiwan was NTD 3,676,000, and the consolidated financial report recognized that the pension liabilities were NTD 34,742,000, 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

*Statistics Collected Until December 31st, 2014

| Content | | Taiwan | Mainland | Southeast Asia |
|---|--------|--------|----------|----------------|
| No. of Leave of Absences | Male | 2 | 2 | 0 |
| | Female | 3 | 10 | 0 |
| Total No. of Leave of Absences | | 5 | 12 | 0 |
| No. of Reinstatements (A) | Male | 2 | 4 | 0 |
| | Female | 3 | 3 | 0 |
| Total No. of Reinstatements | | 5 | 7 | 0 |
| No. of Reinstatements who Retained Post for At Least One Year (B) | Male | 1 | 2 | 0 |
| | Female | 2 | 3 | 0 |
| Total No. Retained | | 3 | 5 | 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 2014.

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

●Occasional Seminars

Acter holds different series of 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 2014, a total of two courses were arranged, yoga class and financial management seminar.

●Yoga Course

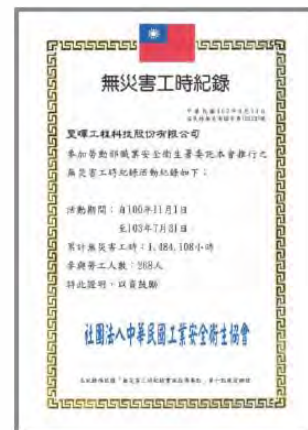


●Financial Management Course



●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 1,484,108 Hours by the Occupational Safety and Health Administration, Ministry of Labor in August 2014, 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 2014:

| 2014 \ Company | Acter | Nova Technology | Acter (Suzhou) |
|---------------------------|---------|-----------------|----------------|
| 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

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, where the distributed areas include Heping Elementary School in Heping District, Taichung City and Dacheng Elementary School in Dacheng Township, Changhua County, etc., 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, and promote the concept of green energy to each corner of the society. In 2014, we donated a total of NTD 100,000 to the "Philanthropic Library" of Taiwan Reading and Culture Foundation.

●Responding to Blood Donation Events

Acter encourages the colleagues to participate in volunteer activities. In 2014, we widely invited the colleagues to join together in the blood donation event of the Medical Foundation – Taiwan Blood Services Foundation, and to contribute efforts to the society.



●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, cooperative education, 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, emergency relief scholarships and grants, 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.



●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 |

05

About This Report

●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, 2014, to December 31st, 2014. 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 limited assurance according to the Assurance Standards Gazette No. 1 of the Republic of China for the Report we prepared according to the G4 of the Global Reporting Initiative (GRI). The Limited Assurance Report 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 second year

The planned publication time for the 2015 Corporate Social Responsibility Report: August 2016

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:

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Website: <http://www.acter.com.tw>

Email: acter5536@acter.com.tw

06

CSR Coverage Reference

● Summary Table of Assurance Items

| No. | Assurance Item | Target Information | Page | Corresponding Section and Basis of Preparation |
|-----|---|---|-------|--|
| 1 | Customer satisfaction for Acter Co. in 2014 | Average Customer Satisfaction Score for Engineering Department: 83 Average Customer Satisfaction for Maintenance Department: 100 | 28-29 | 4.1 Customer Satisfaction Survey |
| 2 | Local procurement situation for Acter Co. in 2014 (issued purchase order amount and local ratio) | The procurement bill amount of the firms in the Taiwan region issued by Acter was NTD 3,163,708,000, the total procurement bill amount issued was NTD 3,247,485,000; the local procurement reached 97% | 31 | 4.2 Local Procurement |
| 3 | Environmental protection expenditure statistics for Acter Co. in 2014 | ISO14000 and OHSAS18000 Certifications: NTD 80,000 CO ₂ Concentration Testing in Offices: NTD 8,820 ISO14001 and OHSAS18001 Internal Auditing Personnel Educational Training: NTD 29,400 | 33 | 4.3 Environmental Protection Expenditures |
| 4 | The number of newly-hired employees and employee turnovers at Acter Co. in 2014 | Total number of newly-hired employees: 95 people Total number of employee turnovers: 71 people | 41 | 4.4 Employment and Development of Employees |
| 5 | The average training hours for the various ranked personnel (senior executives, middle management executives, general employees) at Acter Co. in 2014 | Senior Executives (Executives of Managerial Rank or Higher) Average Training Hours: Male 27 hours; Female 45 hours Middle Management Executives (Executives of Associate Department Head Rank) Average Training Hours: Male 33 hours; Female 20 hours General Employees Average Training Hours: Male 14 hours; Female 11 hours | 43 | 4.4 Employee Training |

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 103 年度企業社會責任報告（以下稱「社會責任報告」）所報導之永續績效資訊執行確信程序，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 103 年度社會責任報告所報導之永續績效資訊（以下稱「確信標的資訊」）及其報導基準詳列於 貴公司民國 103 年度社會責任報告第 56 頁之「確信項目彙總表」。

管理階層責任

貴公司管理階層應依據適當報導基準編製及報導民國 103 年度社會責任報告及其永續績效資訊，並應建置相關流程、資訊系統及內部控制以防範民國 103 年度社會責任報告及永續績效資訊有重大不實表達之情事。

執業人員責任

本執業人員依據中華民國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程序，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 103 年度社會責任報告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。另民國 103 年度社會責任報告中屬民國 102 年 12 月 31 日及更早期間之資訊未經本執業人員確信。

適用品質管制規範

本所適用中華民國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，包含與遵循職業道的規範、專業準則及所適用法令相關之書面政策及程序。

遵循獨立性及其他道德規範

本執業人員及本所已遵循中華民國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。

所執行確信程序彙總

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
- 對參與提供永續績效資訊的相關部門進行訪談，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，對永續績效資訊進行分析性程序，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程序之責任。

資 誠 聯 合 會 計 師 事 務 所

會 計 師 周 建 宏



中 華 民 國 1 0 4 年 7 月 1 7 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 | 54 | 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 | 39-40 | Happy Workplace | Fully Disclosed | – |
| G4-11 | Report the percentage of total employees covered by collective bargaining agreements | 39 | Happy Workplace | Fully Disclosed | – |
| G4-12 | Describe the organization's supply chain | 30-31 | 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 | 15-16 | Record of Awards | Partially Disclosed | – |
| G4-16 | List memberships of associations and national or international advocacy organizations in which the organization participates | 15-16 | 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 | 54 | About This Report | Fully Disclosed | – |
| G4-18 | Explain the process for defining the report content and the Aspect Boundaries | 21 | Major Issues | Fully Disclosed | – |
| G4-19 | List all the material Aspects identified in the process for defining report content | 21 | Major Issues | Fully Disclosed | – |
| G4-20 | For each material Aspect, report the Aspect Boundary within the organization | 21 | Major Issues | Fully Disclosed | – |
| G4-21 | For each material Aspect, report the Aspect Boundary outside the organization | 21 | 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 | 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. | 54 | About This Report | Fully Disclosed | – |
| G4-29 | Date of most recent previous report | 54 | About This Report | Fully Disclosed | – |
| G4-30 | Reporting cycle | 55 | About This Report | Fully Disclosed | – |
| G4-31 | Provide the contact point | 55 | About This Report | Fully Disclosed | – |
| G4-32 | Report the 'in accordance' option, the GRI Content Index, and the reference to the External Assurance Report | 59 | GRI G4 Index | Fully Disclosed | – |
| G4-33 | Report the organization's policy and current practice with regard to seeking external assurance for the report | 57-58 | Accountant Limited Assurance Report | Fully Disclosed | – |

| G4 | Indicator | Page | Reference Section and Related Explanation | Level of Disclosure | External Assurance Report for Acter Co. |
|------------|--|------|---|---------------------|---|
| Governance | | | | | |
| 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 | 14 | 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 | 14 | 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 | 12 | 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 | 14 | Operation and Management of Corporate Social Responsibility | Fully Disclosed | – |
| G4-49 | Report the process for communicating critical concerns to the highest governance body | 13 | Employee's Suggestion Box | Partially Disclosed | – |
| G4-51 | Report the remuneration policies for the highest governance body and senior executives | 11 | Remuneration Committee | Fully Disclosed | – |
| G4-52 | Report the process for determining remuneration | 11 | 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 | 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 | 13 | 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 | 13 | 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 | 47 | 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. |
|----------------------------------|--|-------|--|---------------------|---|
| Market Presence | | | | | |
| 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 | 42 | Local Employment | Full Disclosed | – |
| Indirect Economic Impacts | | | | | |
| G4-EC7 | Development and impact of infrastructure investments and services supported | 53 | Public Construction | Partially Disclosed | – |
| G4-EC8 | Significant indirect economic impacts, including the extent of impacts | – | – | Not Disclosed | – |
| Procurement Practices | | | | | |
| G4-EC9 | Proportion of spending on local suppliers at significant locations of operation | 31 | Local Procurement | Fully Disclosed | 57-58 |
| Materials | | | | | |
| 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 | – |
| Energy | | | | | |
| G4-EN3 | Energy consumption within the organization | 37 | 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 | 37 | Reduction Achievements | Partially Disclosed | – |
| G4-EN6 | Reduction of energy consumption | 34 | Reduction Measures | Fully Disclosed | – |
| G4-EN7 | Reductions in energy requirements of products and services | 23 25 | Overall Planning, Innovative Engineering Methods / Engineering Achievements | Partially Disclosed | – |
| Water | | | | | |
| G4-EN8 | Total water withdrawal by source | 37 | 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. |
|----------------------------|--|------|---|---------------------|---|
| Biodiversity | | | | | |
| 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 | – |
| Emissions | | | | | |
| 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 _x , SO _x , and other significant air emissions | – | Acter is an engineering services and non-manufacturing industry, no SO _x , NO _x emissions | Fully Disclosed | – |
| Effluents and Waste | | | | | |
| 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 25 | 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 | 57-58 |
| 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 2014, 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 | 41 | Employment and Development of Employees | Fully Disclosed | 57-58 |
| G4-LA2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation | 47 | Incentive System | Fully Disclosed | – |
| G4-LA3 | Return to work and retention rates after parental leave, by gender | 50 | 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 | 51 | 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 | 51 | 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 | 43 | Employee Training | Fully Disclosed | 57-58 |
| G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | – | – | Not Disclosed | – |
| G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category | 41 | 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 | 39 | 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 | 47 | 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 | 50 | 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 2014 | 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 | 43 | Employment and Development of Employees | Fully Disclosed | – |
| Non-discrimination | | | | | |
| G4-HR3 | Total number of incidents of discrimination and corrective actions taken | 50 | 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 | 50 | Maintenance of Employees' Rights and Benefits | Fully 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 | 50 | 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. |
|--|--|------|--|---------------------|---|
| Forced or Compulsory Labor | | | | | |
| 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 | 50 | Maintenance of Employees' Rights and Benefits | Partially Disclosed | – |
| Security Practices | | | | | |
| G4-HR7 | Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations | – | – | Not Disclosed | – |
| Indigenous Rights | | | | | |
| G4-HR8 | Total number of incidents of violations involving rights of indigenous peoples and actions taken | – | – | Not Disclosed | – |
| Assessment | | | | | |
| G4-HR9 | Total number and percentage of operations that have been subject to human rights reviews or impact assessments | – | – | Not Disclosed | – |
| Supplier Human Rights Assessment | | | | | |
| 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 | – |
| Human Rights Grievance Mechanisms | | | | | |
| G4-HR12 | Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms | 50 | Maintenance of Employees' Rights and Benefits | Fully Disclosed | – |
| Local Communities | | | | | |
| 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 | – |
| Anti-corruption | | | | | |
| 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 2014 | 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 2014 | Fully Disclosed | – |
| 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 | 27 | 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 2014 | 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 2014 | 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 | 28-29 | Customer Satisfaction Survey | Fully Disclosed | 57-58 |
| Marketing Communications | | | | | |
| G4-PR6 | Sale of banned or disputed products | – | No related violations in 2014 | 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 2014 | 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 2014 | 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 2014 | Fully Disclosed | – |





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