

**Acter**  
聖暉工程

# 2020

## 企業社會責任報告書

ACTER GROUP CO., LTD  
Corporate Social Responsibility Report



# Acter

聖暉工程

Integration

Sustainability

Responsibility

Integrate engineering energy-saving technology, offering environmental sustainability solutions, and fulfilling corporate social responsibility.



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>>>>> Charity • Sustainability • Technology

## Words from the Management

Acter sets out from its profession to provide industries with clean production environment and effectively integrates energy-saving water and electricity, waste discharge and resource recovery facilities; reduces product unit cost, enhances industrial competitiveness, fulfills environmental protection and earth sustainability responsibilities, and exerts coordination, mutual assistance and sharing to create a win-win situation.

Acter pursues generational excellence; provides a stable development platform for young people; cares and guides growth and self-realization. Based on core skills, the diversified applications create a green enterprise and demonstrate the value of engineering service provider. Acter creates high-quality production and living spaces for customers through professional technology; and carefully plans each stroke and each line in the engineering drawing; adopts the best processes and construction methods to reduce waste of manpower and materials, practices energy conservation and carbon reduction with the supply chain to fulfill corporate responsibilities. Shareholders' feedback is treated openly, justly, fairly, and transparently so as to strive for more positive reputation with high-quality corporate governance.

2021 is a year full of challenges. Facing the impact of the pandemic and changes in the industrial environment, we need to continuously improve ourselves. Other than facing challenges and paying attention to the development of the pandemic, Acter continues to adopt a development strategy of multiple industries, multiple regions, multiple types of work, vertical division of labor and horizontal integration as well as multiple talent cultivation deployment, and adheres to the core skills to develop multiple core businesses as the goal. International development is a long-term strategy. We will implement ESG and move towards sustainable business operation, and we look forward to moving towards common prosperity and common good.

Chairman and CEO



>>>>> Friendly • Partner • Innovation

While facing the new coronavirus, global economic activities have been greatly impacted. In the face of the pandemic, Acter has not only actively cooperated with the pandemic prevention policy and deployment; established an emergency response team; and activated a backup mechanism to ensure the health of colleagues and the operation of the Company, but also has continued to focus on the core values of Acter; enhanced the industrial competitiveness to inject new vitality into the industry and actively strive to make perfect preparations. ◦

Talent cultivation has always been the most important thing for Acter. The development of key positions and young potential talents are expedited by providing comprehensive career planning and strengthening cross-field management capabilities. We also encourage colleagues to pursue innovation and breakthroughs, cultivate vision and empathy, invest more in social participation with their own expertise.

We continue to move forward together in the pursuit of sustainable and common good to become a positive force for improving society.

Technology business Group  
General Manager

王信忠

Livelihood business Group  
General Manager

賴銘寬

# About Acter

102-1-7

Acter Engineering Technology Co., Ltd. (hereinafter referred to as Acter or the Company) was established in 1979 and is committed to becoming a "creator of quality space", providing professional turnkey engineering services to cover high-end clean room integration, recycling and regeneration systems, electromechanical engineering, air-conditioning engineering, constant temperature and constant humidity engineering, biotechnology and medical engineering, environmental engineering, maintenance engineering and other fields to reach the fields of people's livelihood, high-tech manufacturing and biotechnology and medical care. The service bases cover Taiwan, China and Southeast Asia. Through the core strategy of multi-work, multi-industry, and multi-talented operation, we continue to provide customers with efficient and energy-saving solutions. At the same time, in response to global climate change and future industry trends, Acter will gradually adjust and expand environmental protection and energy conservation engineering services; develop resource regeneration technologies and energy management systems; create differentiated values; and actively promote CSR to elevate the power of corporate citizens to move towards the goal of global sustainability.



## About Acter

**Date of Establishment** | February 19, 1979  
**Headquarters** | Taichung City, Taiwan  
**No. of Affiliates** | 13 companies. 4 in Taiwan, 9 overseas  
**Paid-in capital** | 570 million  
**Stock Symbol** | 5536  
**Official website:** <http://www.acter.com.tw/>

**2020**

**Number of employees in the Group**  
1,300 employees

**Consolidated revenue**  
NT\$13.98 billion

**Consolidated net profit after tax**  
NT\$ 970 million

### ● Distribution of Important Operations Sites

Taiwan China Southeast Asia

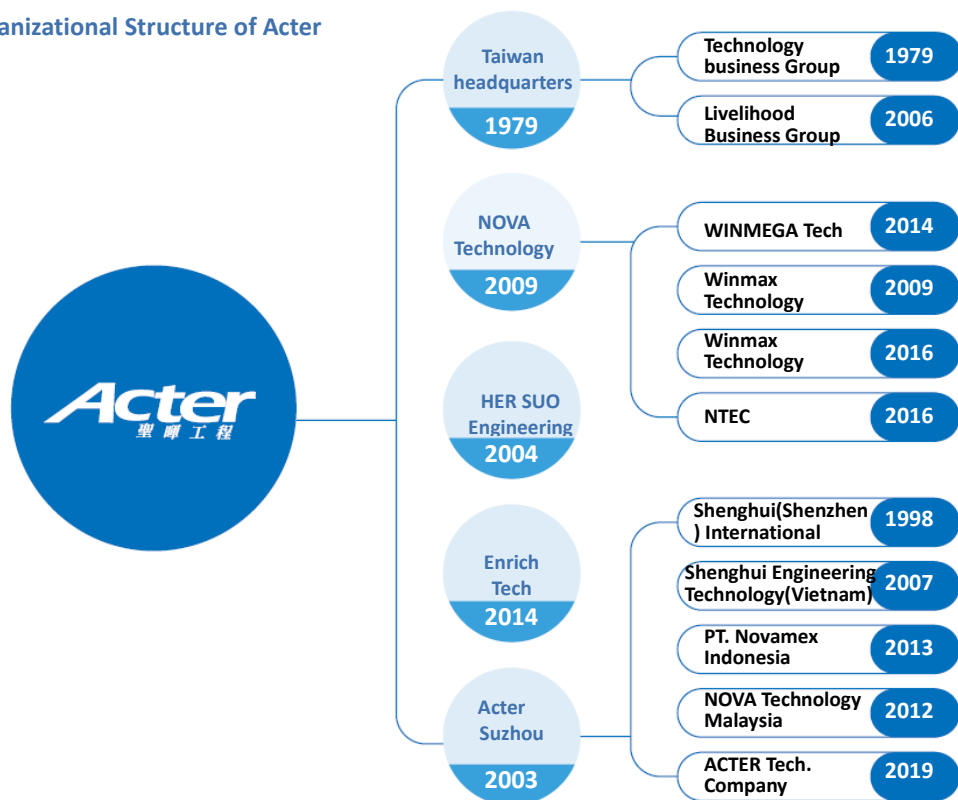
Taiwan

- Acter Group Co., Ltd.**
- HER SUO Engineering Co., Ltd.
  - Nova Technology Corp.
  - Enrich Tech Co.,Ltd
  - WINMEGA Tech Corp.

Overseas

- Acter Technology Integration Group Co., Ltd. (Suzhou, China)
- Winmax Technology (Shanghai) Corp.
- Sheng Huei (Shenzhen) International Co., Ltd.
- ACTER Tech. Company Limited. (Thailand)
- Shenghwei Engineering Technology Company Limited (Vietnam)
- Suzhou Winmax Technology Corp
- NOVA Technology Malaysia SDN BHD (Malaysia)
- PT. Novamex Indonesia (Indonesia)
- Novatech Engineering & Construction Pte. Ltd. (Singapore)

Organizational Structure of Acter



Representative Engineering Projects of 2020

Representative project performance	
location	<b>Taiwan</b> <ul style="list-style-type: none"> <li>• VisEra Longtan Park MEP New Construction Project</li> <li>• Fubon A25 Comprehensive Commercial Building New Construction,</li> <li>• The secondary side engineering of the electromechanical equipment of the K building in Flexium Interconnect, Inc.</li> <li>• Tong Shing Electronic Industries, LTD. Bade Factory New Construction Project</li> <li>• Yea Shin Shin Lezhang AB District New Electromechanical Engineering</li> <li>• The new construction project of MGH Mitsui Garden Hotel</li> </ul>
	<b>Overseas</b> <ul style="list-style-type: none"> <li>China – Shanghai Wafer Works (Shanghai) Monocrystalline Polishing Wafer Smart Production Line Construction Project</li> <li>China-Jiangsu/Wujiang – Innoscience/Electromechanical Engineering of New Semiconductor Manufacturing Plant Project</li> <li>China-Jiangsu/Suzhou – Suzhou Sixing/ Chip and IC Test Project</li> <li>China-Jiangsu/Suzhou – Suzhou SPIL/Air-conditioning system Electromechanical Engineering</li> <li>China-Anhui/Hefei – Hefei Jinghe/30K&amp;40K hook up project</li> <li>China-Henan/ Kaifeng – Lankao Foxconn/G05-1F/3F Clean Room Electromechanical Engineering Renovation Project</li> <li>China-Fujian/Jinjiang – Quliang Electronic Clean Room Project and Clean Room Air Conditioner and Compartment (Including Ceiling Board), SF F1-1F, restaurant building, air conditioning system</li> <li>China-Shandong/Jinan – Jinan Quanxin/12-inch 12-nanometer logic integrated circuit manufacturing project mask factory EWP-07 clean room system engineering</li> </ul>

Main business and service items

**EPC professional turnkey engineering services**

Design and planning → Construction management → Repair and maintenance works

**1 Clean room engineering**  
Turn-key engineering solutions for the construction of high-tech/ biomedical

**2 High-tech production equipment integration engineering**  
Production, construction, installation and testing engineering solutions for high-tech production/ gas/ chemical facilities

**3 Electromechanical and air-conditioning integration engineering**  
Planning and implementation of energy-saving solutions designed for the integration of electromechanical and air-conditioning systems of factories producing livelihood and high-tech products

**4 Environmental engineering and maintenance technical services**  
Pollution prevention and control engineering, energy management and maintenance technical services for traditional and high-tech industries



## Important Results and Sustainability Performance in 2020

### Awards

#### Top 5%

Was ranked on top 5% in the 6th Corporate Governance Evaluation for the 5th consecutive year

#### The 5th

Won fifth place in Commonwealth CSR Corporate Citizenship Award for three consecutive years in the backbone enterprise group

#### Two big awards

Won the TCSA Taiwan Business Sustainability Report Gold Award for three consecutive years



## Sustainability

### Economy

- **Income was NTD13.98 billion**  
Acter consolidated revenue was NT\$13.98 billion, and after-tax net profit was NT\$0.97 billion
- **Equity was 20.24%**  
Return on stockholders' equity was 20.24%
- **Acquired 14 new patents.**  
Monetary resources invested in R&D increased by 23.73% comparing with the previous year; and acquired 14 new patents.
- **Satisfaction 96.3 points**  
Achieved high customer satisfaction level at 96.3.

### Society

- **Average salary NT\$ 1,243,728**  
The annual average of non-managerial full-time employee was NTD1,243,728, whereas the medium was NTD1,014,882.
- **Zero-accident working hours was 5,073,696 hours.**  
Injury rate (IR) at 0% with zero major occupational accident. The accumulation of zero-accident working hours was 5,073,696 hours.
- **A total of NT\$6,473,748 was invested**  
Totally invested NTD6,473,748 in social participation (with a growth of 21.3% comparing with the previous year).
- **10 students were trained**  
The Company invested NTD3,396,611 for the internship, and trained 12 students, 4 of whom were evaluated by their supervisors for excellent performance, and were issued pre-employment letters

### Environment

- **Disclosed 6 green engineering projects**  
Disclosed 6 green engineering projects in the year with Energy Saving Performance Contract (ESPC) of 14,937,522 kWh/year (7,603.199 ton-CO2e).
- **↑ 17.92% of green procurement**  
The total of green procurement was NTD186.63 million (increased by 17.92% comparing with the previous year), counting 5.1% of the total procurement amount.
- **↓ 13.32% of greenhouse gas emission**  
Acquired the ISO 14064:2006 certification. The operational greenhouse gas emission decreased by 13.32% comparing with the previous year.
- **0 Environmental penalty**  
Maintained the record of zero environmental penalty and





# 1

## Sustainable management

- 08 Sustainable Development Strategy
- 10 Communication with Stakeholders and Analysis of Materiality Issues
- 16 Implementing the United Nations Sustainable Development Goals (SDGs)

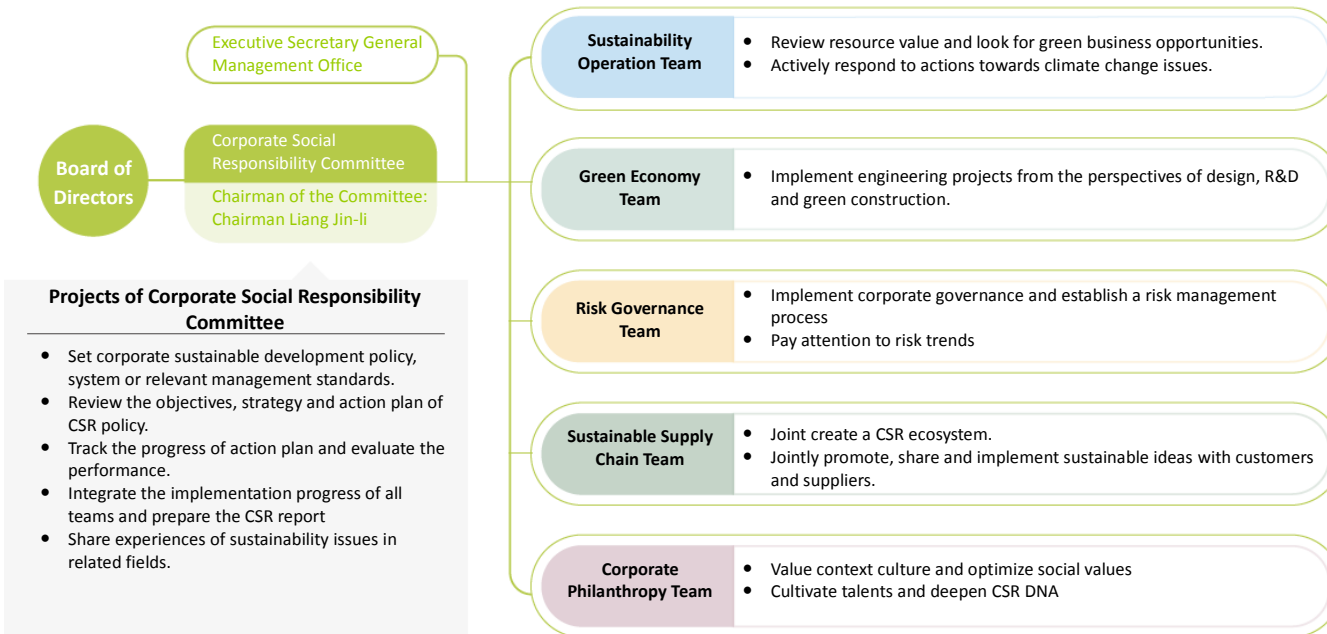
Acter takes "creating value together", "environmental sustainability", and "good for generations" as the core concepts of its sustainability strategies, and continues to pay attention to sustainable development trends at home and abroad and actively respond to the United Nations Sustainable Development Goals (SDGs). By collecting the opinions of stakeholders and integrating corporate social responsibility thinking with business strategies, we will contribute our efforts to the sustainable development of the economy, society and the environment and move towards a better future.

# Sustainable Development strategy

102-19~20、102-26、102-29~33

In order to implement corporate social responsibility, promote economic, environmental and social progress, and at the same time fulfill the Company's sustainable operation and management, on April 29, 2014, the Acter Board of Directors approved the "Code of Practice for Corporate Social Responsibility" as the Company's sustainable development norms to continue refining works on all aspects. In addition to seeking the best interests for shareholders, while taking into account the rights and interests of relevant stakeholders, mitigating the risks of climate change impacts and complying with social ethics, we hope to build a living environment of "creating value together, environmental sustainability, and good for generations", and promise to perfect Company management fundamentals, fulfill social civic responsibilities, and realize the vision of green engineering.

In light of the increasing emphasis on ESG, CSR and other issues at home and abroad, and corporate social responsibility also playing a key role and core competitiveness in driving corporate sustainability, Acter has established a "Corporate Social Responsibility Committee" in 2019. In addition to regular supervision of corporate sustainability event performance, sustainable development is included in the decision-making consideration of corporate operations and important strategies. The chairman of the board serves as the committee chairman, the general management office serves as the executive secretary, and five groups are set up: "sustainable operation group, green economy group, risk management group, sustainable supply chain group, and corporate care group" to implement economic, environmental, and social issues so as to echo the ESG strategy. The progress and effectiveness are also monitored and evaluated through group meetings, and the results are submitted to the board of directors every year, and summarized the directors' recommendations to be proposed in the CSR report. A total of 8 work meetings were held in 2020. The effectiveness of CSR implementation was reported by the board of directors on November 6, 2020 and disclosed on the Company's website.



## | Acter Code of Practice for Corporate Social Responsibility

According to the Code of Practice for Corporate Social Responsibility, combined with the Company's mission and vision, Acter has formulated a sustainable corporate execution strategy to create shared value for stakeholders and Acter to build Acter as the most trustworthy engineering service team to protect the sustainability of the environment so as to become a better corporate citizen.



## Acter's CSR Goals

### Co-creation of Values

A sound corporate physic is the foundation of corporate sustainability. Apart from abiding by relevant regulations and laws, Acter also established a fair and transparent operations management system; deepen our integrity and modesty oriented corporate culture; continuously ameliorate our internal risk control measures, quality management, information security, education and training programs and supply chain physique; provide customers the premium engineering services; and create values for our stakeholders, including employees, shareholders and suppliers, while growing therewith.

### Environmental sustainability

Considering ourselves as a citizen of the earth, Acter whom are driven by the ideas of sustainable development pays close attention to climate change impacts and environmental-protection trends around the globe; and aims to "facilitate energy-saving and carbon-reduction measures", which is one of our corporate SDGs. We have done our very best to enhance our green engineering capabilities to minimize climate change risks while creating new business opportunities. In the meantime, we also use our influence to fulfill our responsibility towards environment and facilitate the sustainability of ecological environment together with our customers and suppliers..

### Good for generations

The cultivation of young talents has long been an important goal for Acter. By establishing a safe and friendly workplace and establishing industry-academia partnerships, we succeeded in attracting and fostering talents of the industry. In the meantime, we also invest in local people with key resources; and proactively create social values with our core competence in order to build villages with sustainable prosperity and common good shared by all generations.

## Sustainable value management

In the process of the Company's continuous growth, we have established a clear and sustainable management mechanism through the investment of six major capitals, and set specific and measurable long-term goals to create operating profits for the Company and maximize shareholders' value. In the promotion of sustainable management within the organization, the seven sustainable management capabilities are used to improve the sustainable performance of the organization's earnings, while creating sustainable value for the industry and the general public, expanding the impact and benefits, and allowing the society and the Company to move towards sustainable bright future together.

Six major capitals		Sustainable value management		Value output
Finance	Create excellent business goals through sound financial management	<b>Seven sustainable management capabilities</b> ① Integrity management ability •Regulatory compliance ② Innovative R&D management capabilities •Innovative technology and service ③ Customer relationship management capabilities •Customer service and management ④ Supply chain management capabilities •Supply chain management  <b>Seven stakeholders</b> ① Employees ② Shareholders/Investors ③ Customers ④ Suppliers  <b>Six sustainable business goals</b> ① Revenue growth ② Cost efficiency improvement ③ Reduce risk  ④ Customer recognition ⑤ Best employers ⑥ Enhance brand value  ⑤ Environmental management capabilities •Climate change and energy saving •Environmental management •Resource management ⑥ Human Resource management ability •Talent retention and attraction • Human rights •Occupational Health and Safety ⑦ Stakeholder agreement ability •Social participation	Paid-in capital NT\$571,867,000 Surplus after tax NT\$970,082,000  Operating cost NT\$4,181,080,000  R&D expenses NT\$181,177,000  Employee salary NT\$451,150,000  Green procurement NT\$186,630,000  Social investment NT\$6,473,000 Pay income tax NT\$166,822,000	
Manufacture	Maintain engineering construction equipment and resources, and provide professional services that meet customer needs			
Wisdom	Continue to invest in green innovation R&D to strengthen the power of engineering knowledge capital			
Manpower	Look for like-minded talents, strengthen talent cultivation, and lay foundation capital for the organization			
Nature	Reduce the consumption of natural resources through energy saving and carbon reduction, and enhance ecological efficiency			
Society	Combine the core of operation and social participation, give back to the society and move towards social inclusiveness			

# Communication with Stakeholders and Analysis of Materiality Issues

102-40、102-42~44、102-47、102-49、103-1~2

Acter engages with stakeholders through various channels, strives to respond to issues of concern to stakeholders, and proposes corresponding strategies and actions. At the same time, we follow the five aspects of the GRI Standards and AA1000 SES:2015 (Account Ability 1000 Stakeholder Engagement Standards:2015) standards set by the Global Sustainability Report Association, including dependence, responsibility, tension, influence and multiple perspectives. Seven categories of stakeholders are identified and closely related to Acter's operations, including employees,

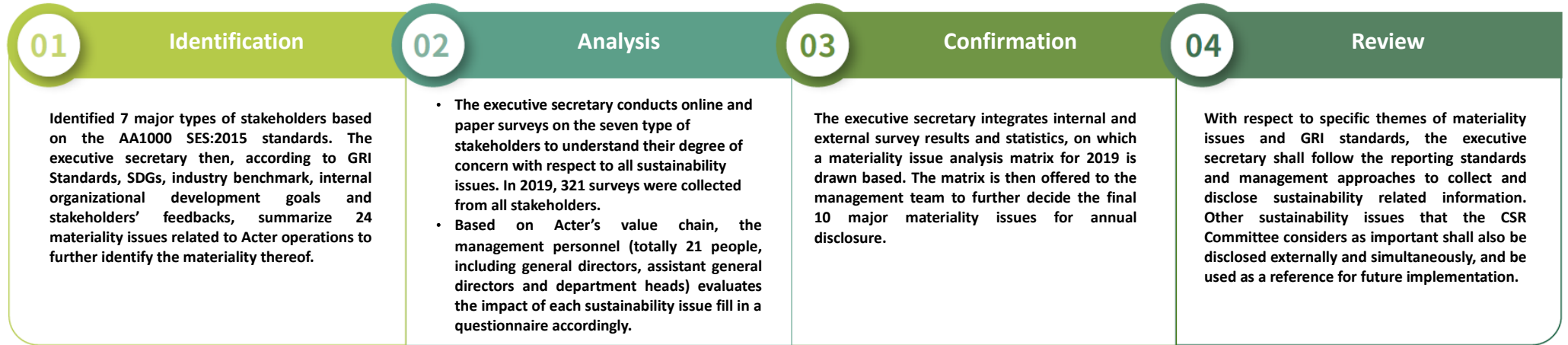
shareholders/investors, customers, suppliers, government/competent agencies, school institutions, and community charity organizations.

In terms of communication strategies and goals, we take responsive actions, exert influence, and advocate responsible management. The communication mechanism and key points are as follows:

Stakeholders	Importance	Concerned issues	Engagement method and frequency	Actual engagement results in 2020	Response chapter
Employees	Talent and innovation are the most important keys for an enterprise to build its core competitiveness, and they are also the most important foundations for sustainable operation.	<ul style="list-style-type: none"> <li>• Human rights protection</li> <li>• Talent attraction and education and training</li> <li>• Safe and healthy working environment</li> <li>• Employee benefits and communication channels</li> </ul>	<ul style="list-style-type: none"> <li>• Labor-Management Coordination Meeting/Quarterly</li> </ul>	Held 4 labor-management coordination meetings	<ul style="list-style-type: none"> <li>• Innovation and R&amp;D</li> <li>• Operational performance</li> <li>• Friendly workplace</li> <li>• Occupational Health and Safety</li> </ul>
			<ul style="list-style-type: none"> <li>• Occupational Safety and Health Committee / quarterly</li> <li>• Staff Welfare Committee/Quarterly</li> <li>• Management and plenary meeting / at least each quarter</li> <li>• The section of "Announcement" on Acter's official website; and dedicated telephone line and email address / at any time</li> </ul>	<ul style="list-style-type: none"> <li>Held 4 occupational safety and health committee meetings.</li> <li>Held 4 staff welfare committee meetings.</li> <li>Held 20 management meetings and 1 plenary meeting, totally participated by 489 people.</li> <li>Received 0 complaint.</li> </ul>	
Shareholders/ Investors	The long-term support of shareholders and investors is the strength of Acter's steady growth.	<ul style="list-style-type: none"> <li>• Profitability and dividends</li> <li>• Risk management</li> <li>• Future growth potential</li> <li>• Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' meeting/annually</li> <li>• Corporate briefing session/ semi-annually</li> <li>• Investment briefing session/annually</li> </ul>	Proactively reported the company's up-to-date business and financial status to shareholders/ investors through the corporate/investment briefing session and Market Observation Post System; and made relevant announcement on Acter's official website. Held 2 legal person briefing sessions in 2019.	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Business Integrity</li> <li>• Risk Management</li> <li>• Operational performance</li> </ul>
			<ul style="list-style-type: none"> <li>• Annual report and CSR report / annually</li> <li>• Visit important shareholders / annually</li> <li>• The "Investors" section on Acter's corporate website and MOPS (timely)</li> <li>• Telephone, fax and e-mail / timely</li> </ul>	<ul style="list-style-type: none"> <li>Disclosed spokesperson's contact information on the Company's website (the section designated for investors) to enable shareholders/ investors to make any question at any time.</li> </ul>	
Customers	Acter attaches great importance to listening to the voice of customers, taking customer needs as the core, paying attention to customer satisfaction and enhancing customer value.	<ul style="list-style-type: none"> <li>• Customer service and quality</li> <li>• Sustainable supply chain management</li> <li>• Energy-saving solutions for climate change</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey / semi-annually</li> <li>• Customer visits and sales meetings / timely</li> <li>• Telephone, fax and e-mail / timely</li> </ul>	<ul style="list-style-type: none"> <li>Timely collected customers' feedback and conducted a survey according to "Operating Procedures Governing Customer Satisfaction Level and Sustainable Improvements". In 2019, Acter's engineering and maintenance units received 90.4 and 98.2 respectively. With an average of 94.2, Acter also submitted a report; proposed improvement countermeasures; and sustainably tracked the performance thereof.</li> </ul>	<ul style="list-style-type: none"> <li>• Business Integrity</li> <li>• Customer service and management</li> <li>• Responsible supply chain</li> <li>• Green engineering technology</li> </ul>

Stakeholders	Importance	Concerned issues	Engagement method and frequency	Actual engagement results in 2020	Response chapter
Suppliers	To support each other with suppliers, we regard suppliers as important partners and common practitioners of industrial value.	<ul style="list-style-type: none"> <li>•Customer service and quality</li> <li>•Sustainable supply chain management</li> <li>•Energy-saving solutions for climate change</li> </ul>	<ul style="list-style-type: none"> <li>•Suppliers visit (at least 2 suppliers each year)</li> <li>•Toolbox meeting and occupational safety training /timely</li> <li>•Patrol and audit /daily</li> <li>•Supplier evaluation / semi-annually</li> </ul>	<p>In response to the situation, two suppliers have been visited on the spot to confirm the implementation of their code of conduct.</p> <p>Each day, before launching the operations, Acter summoned subcontractors to carry out occupational safety promotions and inspection measures related to the work items; and filled in the record request form accurately.</p> <p>Each day, conducted safety and health patrols and inspections during the construction; filled out the record request form accurately; and checked if there was any violation or deficiency.</p> <p>All of our key suppliers are evaluated according to "Procedures Governing Procurement and Materials" and the evaluation results are used as the basis for judging suppliers' bidding qualifications and offering incentives thereto. In 2019, our suppliers evaluation rate reached 100%, which includes 42.3% of Level A suppliers and zero Level C/ disqualified supplier</p>	<ul style="list-style-type: none"> <li>•Risk management</li> <li>•Responsible supply chain</li> </ul>
Government / Competent Agencies	Compliance with laws and regulations is the basis of business operations. Acter strictly follows to ensure compliance with the requirements of the competent authority and actively cooperates with government policies.	<ul style="list-style-type: none"> <li>•Corporate governance</li> <li>•Risk management</li> <li>• Integrity management</li> </ul>	<ul style="list-style-type: none"> <li>•The section dedicated to suppliers on Acter's official website; telephone, fax and e-mail /timely</li> <li>•Corporate governance evaluation/annually</li> <li>•Publish financial statements and important information /timely</li> <li>•Participate in legal briefings, seminars and guilds / irregular</li> <li>•Official document, meeting, telephone and e-mail/timely</li> </ul>	<p>Timely paid attention to suppliers' implementation status.</p> <p>Was ranked on top 5% in the 6th Corporate Governance Evaluation; published relevant information on MOPS and Acter's official website; continuously communicate with the competent authority; and proactively operate in coordination with government's policy.</p>	<ul style="list-style-type: none"> <li>•Corporate Governance</li> <li>•Business Integrity</li> <li>•Occupational health and safety</li> <li>•Climate Chante Risks and Response Measures</li> </ul>
School and institutions	In order to cultivate industrial talents, we actively establish long-term cooperative relationships with universities and colleges through industry-academic cooperation and corporate internships.	<ul style="list-style-type: none"> <li>•Innovative R&amp;D</li> <li>•Talent education</li> <li>•Charity participation</li> </ul>	<ul style="list-style-type: none"> <li>•Internship and industrial-academic training project window /annually</li> <li>•Campus job fair /annually</li> <li>•Industrial-academic job-sharing session/irregularly</li> <li>• R &amp; D cooperation plan / irregular</li> </ul>	<p>Continue to establish cooperative relations with the National Taipei University of Technology / National Yunlin University of Technology / National Kaohsiung University of Science and Technology / National Chin Yi University of Technology and other schools. In 2020, there were 8 semester internships in total, 3 summer internships, 1 winter internship, and 2 scholarships and lectures.</p>	<ul style="list-style-type: none"> <li>•Innovation and R&amp;D</li> <li>• Cultivation of young talents</li> <li>•Social Participation</li> </ul>
Community Public Welfare Organizations	In order to fulfill the role of corporate citizenship, Acter devotes itself to community care, establishes local connections, and actively creates social prosperity and mutual benefit.	<ul style="list-style-type: none"> <li>•Social participation</li> <li>•Environmental sustainability</li> </ul>	<ul style="list-style-type: none"> <li>•Project-based cooperation or visit/irregularly</li> <li>•Volunteer service/ annually</li> <li>•CSR personnel contact window/timely</li> </ul>	<p>In 2020, a new charity project _ environmental protection publicity volunteer activities was added, and we will continue to maintain a good and friendly interactive relationship with various charity units and school communication windows.</p>	<ul style="list-style-type: none"> <li>•Climate Chante Risks and Response Measures</li> <li>•Social Participation</li> </ul>

## Analysis of major issues



According to the results of major analysis, its sustainable development and strategy, risk management, corporate governance, and operational financial performance are general disclosure and result-oriented, so they are not presented in the major analysis matrix, but relevant information is still regularly disclosed in the Company's annual report and corporate social responsibility report and the Company's official website. In addition, considering the completeness of the connotation of the topic, it was decided to merge and disclose "Talent Recruitment and Retention", "Employee Benefits and Salary" into "Talent Attraction and Retention"; "Labor-Management Relations", "Labor Rights and "Human rights" was merged into "Human rights"; "Work-Life Balance" was merged into "Occupational health and safety". 13 major issues were merged into 10 major issues.

- Economic aspect**
- ① Supply chain management
  - ② Customer service and management
  - ③ Regulatory compliance
  - ④ Innovative technologies and services

- Environmental aspect**
- ① Environmental policy and environmental management system
  - ② Environmentally friendly technology

- Social aspect**
- ① Talent recruitment and retention
  - ② Career development and education training
  - ③ Work-life balance
  - ④ Employee benefits and salary
  - ⑤ Labor relations
  - ⑥ Labor rights and human rights
  - ⑦ Occupational health and safety

## Materiality Issues and Acter's Value Chain, Respective GRI Standards/SDGs and Acter's Response

- Acter has a direct impact on this issue
- ▲ Acter is directly related to this impact through business relationships on this issue

Aspect	Materiality issues	Acter Value Chain			Respective GRI Standards Items	Respective SDGs	Chapter in Acter's Report
		Upstream	Company operations	Downstream			
		Procurement	Engineering Planning, Design and Construction	For customers' use			
Economic	Supply chain management	▲	●		204-1 proportion of procurement expenditures from local suppliers, 308-1 adopts environmental standards to screen new suppliers, 308-2 supply chain's negative impact on the environment, and actions taken, 414-1 new suppliers using social standards, 414-2 negative social impacts in the supply chain, and actions taken	SDGs 12	Responsible supply chain
	Customer service and management		●	▲	Specific themes of Acter	SDGs 8	Service quality
	Legal compliance	▲	●		307-1 violation of environmental protection laws and regulations 419-1 violation of laws and regulations in the social and economic fields	SDGs 8	Environmental management system Integrity management Friendly workplace
	Innovative technology and services		●		Specific themes of Acter	SDGs 9	Innovation and R&D
Environment	Environmental policy and environmental management system	▲	●		307-1 Violation of environmental protection laws and regulations	SDGs 7、SDGs11、SDGs 13	Environmental management system
	Eco-friendly technology	▲	●		302-1 Energy consumption within the organization 302-3 Energy intensity	SDGs 7、SDGs 9	Green engineering technology
Society	Talent attraction and retention		●		201-3 define the benefit plan obligations and other retirement plans, 202-1 the ratio of the standard salary of entry-level personnel of different genders to the local minimum salary, 401-1 new employees and former employees, 401-2 benefits provided to full-time employees, 401-3 parental leave, 405-1 diversification of governance units and employees, 405-2 the ration for female to male basic salary increase	SDGs 8	Friendly workplace
	Career development and education training		●		404-1 the average number of training hours per employee per year, 404-2 enhance employee functions and transition assistance programs, 404-3 percentage of employees who receive regular performance and career development reviews	SDGs 4	Friendly workplace
	Human rights		●		412-2 employee training for human rights policies or procedures	SDGs 8	Friendly workplace
	Occupational health and safety	▲	●		403-1 occupational safety and health management system, 403-2 hazard identification, risk assessment, and accident investigation, 403-3 occupational health service, 403-4 occupational safety and health-related worker participation, consultation and communication, 403-5 occupational safety and health-related worker training, 403-6 workers' health promotion, 403-7 prevention and mitigation of occupational safety and health impacts directly related to business relationships, 403-9 occupational injuries, 403-10 occupational diseases	SDGs 3	Occupational health and safety

### Acter's short-, middle- and long-term goals in response to materiality issues

✓ ✓ achieved

Acter's sustainable goals	Major issues	Strategies	Management indicators and targets				
			Key performance indicators (KPI)	Goals in 2020	Achievements in 2020	Goals in 2021	Goals in 2025
Create value together and implement corporate governance	Supply chain management	Through the formulation of "Supplier Code of Conduct", suppliers are required to implement sustainable operations and fulfill their corporate social responsibilities.	New vendors sign the supplier's sustainable business commitment letter	Vendors' signing rate 100%	✓ 100%	Vendors' signing rate 100%	Vendors' signing rate 100%
			Supplier evaluation form is conducted every year (A-level manufacturers are 80 points or above)	A-level manufacturers account for more than 15%	✓ 60.61%	Overall vendor evaluation scores above 75	Overall vendor evaluation scores above 78
			Visits from important or potentially risky manufacturers	At least 2 vendors visits	✓ Two vendors	3 vendors visits	More than 4 vendor visits
	Customer service and management	Continue to track customer requirements until they are successfully implemented, conduct regular customer satisfaction survey reviews and refine the effectiveness of management.	Customer satisfaction survey	The overall satisfaction averages 87 points or above	✓ 96.3 points	The overall satisfaction averages 88 points or above	The overall satisfaction averages 90 points or above
			Compliance to laws and regulations	Continue to check and ensure compliance with the latest published regulations, and regularly implement education and training on corporate ethics and compliance awareness for employees.	Customer satisfaction survey	The training achievement rate is more than 73%	✓ 86.51%
	Innovative technology and services	Regularly track the investment and effectiveness of research and development expenses every year.	R&D expenses as a percentage of revenue	R&D expenses account for more than 0.77% of revenue	✓ Accounted for 1.3%	R&D expenses account for more than 0.78% of revenue	R&D expenses account for more than 0.8% of revenue
Number of patents or technology developments			New patent or technology development	✓ 14 patents	Continuously increase every year	Continuously increase every year	
Environmental sustainability practice environmental protection	Environmental policy and environmental management system	Through the formulation of "environmental safety and health objectives and program management procedures", "emergency management procedures" and continuous introduction of the ISO environmental management system, follow and comply with the latest requirements of environmental laws and regulations.	Obtain new certification	Obtain ISO 50001 Energy Management	✓ Obtained	Follow domestic and international environmental management standards	Follow domestic and international environmental management standards
			Greenhouse gas emission reduction	Lower than the previous two years average	✓ Reduce carbon dioxide equivalent by 3.4%	Lower than the previous two years average	Lower than the previous two years average
			Water use reduction	Lower than the previous two years average	✓ 15.1% reduction in cubic meter	Lower than the previous two years average	Lower than the previous two years average
	Environmentally friendly technology	Provide customers with environmental protection and energy saving solutions, and timely introduce green engineering technology into the project to create differentiation and enhance the added value of the industry.	Actual performance green engineering projects	At least five projects	✓ Six projects	At least five projects	At least five projects



Acter's short-, middle- and long-term goals in response to materiality issues ✔ achieved

Acter's sustainable goals	Major issues	Strategies	Management indicators and targets				
			Key performance indicators (KPI)	Goals in 2020	Achievements in 2020	Goals in 2021	Goals in 2025
Good for generations Maintain social charity	Talent attraction and retention	Recruit talents through various talents; establish "Rules Governing Employee Compensation" and "Rules Governing Bonus" to build up a competitive compensation and welfare system; and cultivate young talents through industrial-academic cooperation.	Participation rate of employee welfare activities	Participation rate is over 55%	✔ 71.28%	Participation rate is over 56%	Participation rate is over 60%
			Internship and industry-academic cooperation program	Cultivate at least 4 students	✔ 12 students	Cultivate at least 5 students	Cultivate at least 6 students
			Compared with basic salary and pay raise situation	Better than basic salary and annual pay raise	✔ Pay raise 3%~5%	Better than basic salary and annual pay raise	Better than basic salary and annual pay raise
	Career development, education and trainings	Implement annual education and training plan by establishing "Performance Evaluation Rules", employee career planning, and the education and training system (Plan-Do-Check-Act; PDCA).	Performance evaluation coverage rate	100% 100% coverage	✔ 100%	100% coverage	100% coverage
			Education and training achievement rate	100% Achievement rate 100%	✔ 100%	Achievement rate 100%	Achievement rate 100%
			Professional skill achievement rate	Achievement rate above 80%	✔ 80.77%	Professional skill achievement rate is over 85%	Professional skill achievement rate is over 86%
			Education and training satisfaction	Satisfaction with 80 points or more	✔ 83.79 points	Satisfaction with 80 points or more	Satisfaction with 82 points or more
	Human rights	The establishment of "Acter's Human Rights Policy" allows Acter to review the effectiveness of implementing human rights on an annual basis. Acter also established a smooth communication channel and appointed a department to handle and respond to relevant issues.	Human rights policy or procedure staff training rate	Training rate above 80%	✔ 84.78%	Training rate above 80%	Training rate above 82%
			Employee satisfaction survey	80 points or more	✔ 84.62 84.62 points	80 points or more	85 points or more
			New employee education and training to promote personal asset protection, intellectual property rights, regulations, etc.	New employees signed relevant documents and the training rate are 100%	✔ 100%	100% New employees signed relevant documents and the training rate are 100%	100% New employees signed relevant documents and the training rate are 100%
	Occupational health and safety	Acter not only provides employees and suppliers sufficient training programs to enhance their occupational safety knowledge and disaster response capability, but also cautiously supervises the entire implementation process.	Major industrial safety incident	Major industrial safety incident 0	✔ 0	Major industrial safety incident 0	Major industrial safety incident 0
			Disability injury rate	Less than 3%	✔ 0	Less than 2%	Less than 1.5%

# Implement the United Nations Sustainable Development Goals (SDGs)

102-12

The United Nations adopted Sustainable Development Goals (SDGs) in 2015 and set 17 issues and goals related to global sustainable development. Acter not only agrees but also incorporates the United Nations sustainable development goals into its operating strategies. The Corporate Social Responsibility Committee will take stock of the relevance between operational goals and SDGs, identify priority sub-goals, and link the core capabilities of the Company to SDGs to promote the blueprint, and continue to track and adopt concrete action plans to respond to related issues. After discussion by the committee, a total of 8 of them were identified and focused as the key development directions of Acter in the future.

## Acter's core business and focus on SDGs goals

**3 GOOD HEALTH AND WELL-BEING**

**SDGs3**

**Health and safety**  
3.4、3.8、3.9、3.a、3.b

- Provide employees with group insurance, free health check, emergency assistance and application for unpaid parental leave
- Formulated environmental safety and health policies and obtained ISO 45001 certification
- Provide free health check and health consultation

**4 QUALITY EDUCATION**

**SDGs4**

**Quality education**  
4.3、4.4、4.5、4.7、4.b

- Provide employee education and training, with a total of 6,372 hours
- Enterprise internship, investment of NT\$ 3,396,611
- Provide scholarship, a total of NT\$120,000

**7 AFFORDABLE AND CLEAN ENERGY**

**SDGs7**

**Affordable energy**  
7.1、7.2、7.3、7.b

- Low-carbon operation, annual greenhouse gas inventory and obtained third party certification (SGS)
- Obtained ISO50001 energy management certification
- Continue to improve process energy and water saving technology

**8 DECENT WORK AND ECONOMIC GROWTH**

**SDGs8**

**Employment and economic growth**  
8.1、8.2、8.4、8.5、8.6、8.7、8.8

- Provide job opportunities at home and abroad, enhance employment opportunities and promote economic development
- Recruitment of physically or mentally handicapped persons and indigenous people exceeding the legal limit
- Disability injury rate 0, major occupational accident 0
- Better than the local basic salary and annual pay raise by 3~5%

**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**

**SDGs9**

**Industrial and innovative infrastructure**  
9.1、9.2、9.4、9.5

- R&D and innovation technology investment of NT\$181.18 million, accounting for 1.3% of revenue, an increase of 24% over last year
- Add 14 new patented technologies and deepen the service capabilities of green engineering projects

**11 SUSTAINABLE CITIES AND COMMUNITIES**

**SDGs11**

**Sustainable urban and rural**  
11.1、11.6、11.7

- Implement the ISO 14001 environmental management system, and maintain no records of penalties for violations of environmental protection laws and regulations
- Involve in project social services and assisted Taichung City Qiming School Gymnasium in the echo improvement

**12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

**SDGs12**

**Responsible consumption and production**  
12.4、12.6、12.8、12.a

- Green procurement was NT\$186.63 million, an increase of 17.93% over last year's total procurement
- Signing of new vendors' sustainable operation commitments and supplier evaluation rate are 100%

**13 CLIMATE ACTION**

**SDGs13**

**Climate action**  
13.1、13.2、13.3

- Promote various energy-saving activities to save electricity and reduce greenhouse gas emissions
- Draw up a climate risk assessment response plan, provide advance preventive education and training (such as heat hazard safety promotion), establish emergency response procedures and resettlement measures
- Introduced ISO 14064 greenhouse gas inventory, reducing operating greenhouse gas emissions by 13.32% in 2020 compared to the base year



# 2

## Corporate Governance

- 18 Governance Organization**
- 22 Business Integrity**
- 24 Risk Management**
- 29 Operating Performance**

### Annual Highlights

- Was ranked among top 5% in the Corporate Governance Evaluation for 6 consecutive years
- Received the Commonwealth Magazine Corporate Citizen Award (the 5<sup>th</sup> place of the Medium-Sized Enterprise group) for 3 consecutive years
- Received Taiwan Corporate Sustainability Award (TCSA) for 3 consecutive years
- TPEX 200 Index
- TPEX 50 Index Stock
- High Dividend Yield Index Stock
- Compensation Index Stock
- Labor Employment 88 Index
- Corporate Governance Index
- TPEX Compensation Index

With an insistence on operational transparency and great attention to shareholders' rights and interests, Acter continues to strengthen the functions of Board of Directors on a sound foundation of corporate governance and enhance the leadership of management team. Through completed risk management system and sufficiently disclosed information, we also managed to protect stakeholders' rights and interests, facilitate continuous improvements on the organization, and create shared values together with the society.

# Governance Organization

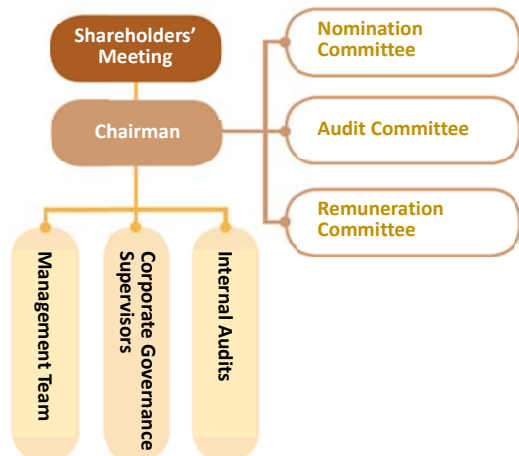
102-18, 102-22~25, 102-27~28 and 102-35~36

## | Diversity and Expertise of the Board of Directors

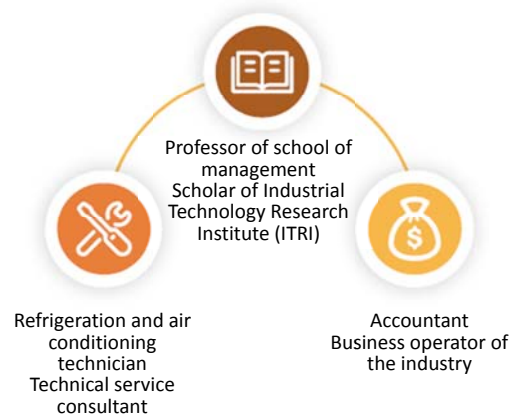
As the highest governance unit of Acter, the Board of Directors is in charge of the implementation of the Company's overall operational responsibilities and the management team's policy. Our Board of Directors is formed by 6 board directors (including 3 independent directors) selected in accordance with "Articles of Incorporation" and "Board Directors Selection Procedures". Each board director shall hold office for three years and, upon expiry of their terms of office, may be re-elected. Considering the diversity of its background knowledge and standards, the Board of Directors is formed by financial and industrial experts and scholars who are provided with the professional knowledge, skills, general capacity and competence required for the execution of business. To optimize its monitoring and supervisory functions, the Board of Directors shall hold at least 1 meeting each quarter as set forth in "Rules and Procedures of Board of Directors Meetings" and shall abide by the principles of integrity and interest avoidance. Where the board director or his/her spouse or a blood relative within the second degree of kinship, or any company which has a controlling or subordinate relation with the board director has interests in the matters under discussion in the meeting, the board director shall make a request for recusal in accordance with "Principles of Business Integrity" and shall not execute the voting right on behalf of other board directors. In 2020, the Board of Directors totally held 8 meetings with an in-person attendance rate of 100%.

To enhance the operations of the Board of Directors, Acter continues to arrange multiple in-service education and training programs therefor in accordance with "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", helping board directors to further develop their expertise, conduct business practice faithfully and fulfill their obligations as a good manager. Besides, as prescribed in "Rules Governing the Evaluation of Board of Directors and Functional Committees", Acter also holds an annual internal evaluation and a triennial external evaluation conducted by an independent organization on the Board of Directors. The results of the said evaluations are then used as a reference for calculating board directors' remuneration individually and for selecting or nominating the board directors. In 2020, the total of training hours for board director was 67 hours with an achievement rate of 100% (the prescribed total of training hours is 42 hours); and the internal performance evaluation score was 99, showing an exceptional result. In December of the same year, Taiwan Corporate Governance Associate was entrusted carry out a two-day onsite visit and investigation to evaluate the Board of Directors' efficacy. With the guidance of the evaluation committee members and through the exchange therewith, Acter was managed to receive a professional and objective examination report.

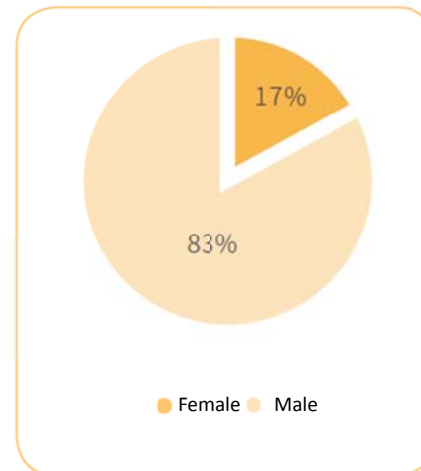
### • Corporate Governance Framework



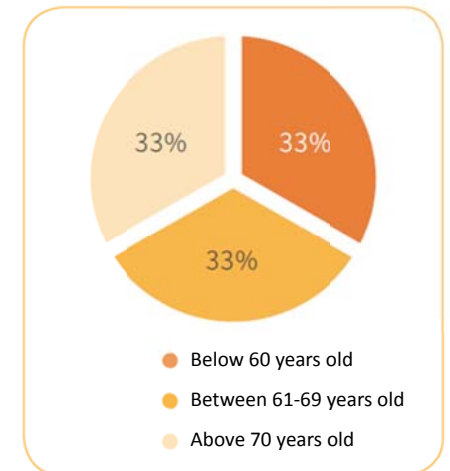
### • Professional Background of Board Directors



### • Gender of Board Directors



### • Age of Board Directors



## ● Diverse Composition of the Board and Board Directors' Background

Member	Name	Major educational and professional experiences	Current position at Acter	Seniority as an independent director	Experiences			Professional capabilities			
					Business management	Finance and accounting	Industrial experiences	Industrial knowledge	Finance and accounting	Leadership and decision making ability	Business management
Chairman	Jin-Li Liang	<ul style="list-style-type: none"> <li>Executive Master of Business Administration (EMBA) at National Chiao Tung University</li> <li>Refrigeration and Air Conditioning Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology)</li> <li>Manager of Engineering Department at Gongshan Air Conditioning and Refrigeration Co., Ltd.</li> </ul>	Chairman and CEO of Acter Co., Ltd.	-	✓	✓	✓	✓	✓	✓	✓
Board Director	Dennis Yang	<ul style="list-style-type: none"> <li>Executive Master of Business Administration (EMBA) at Tunghai University</li> <li>Refrigeration Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology)</li> </ul>	--	-	✓	✓	✓	✓	✓	✓	✓
Board Director	Tai-Chen Hu	<ul style="list-style-type: none"> <li>Executive Master of Business Administration (EMBA) at Tunghai University</li> <li>Refrigeration and Air Conditioning Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology)</li> <li>Honorary Member of the Phi Tau Phi Scholastic Honor Society of the Republic of China</li> <li>Instructor at Department of Electrical Engineering in National Chin-Yi Institute of Technology (now National Chin-Yi University of Technology)</li> <li>Executive Director of Taiwan Refrigeration and Air-Conditioning Engineering Association</li> <li>Skills Certification Auditor at the Ministry of the Interior for the Refrigeration and Air-Conditioning Renovation Technician</li> <li>General Manager at Gongshan Air Conditioning and Refrigeration Co., Ltd..</li> </ul>	Consultant of Acter Co., Ltd.	-	✓		✓	✓		✓	✓
Independent Director	Chyan Yang	<ul style="list-style-type: none"> <li>Doctorate in Computer Science at Washington University, USA</li> <li>Professor and Director of Institute of Business and Management, National Chiao Tung University</li> <li>Member of Operation Fund Committee, Ministry of Transportation and Communications</li> </ul>	--	5	✓			✓		✓	✓
Independent Director	Marlon Wang	<ul style="list-style-type: none"> <li>MSc in Management of Technology, College of Management at National Chiao Tung University</li> <li>Person in Charge of Da Lian He Technicians Firm</li> <li>Certificate of "Technician of Higher Examination for Freezing &amp; Air Condition Engineering"</li> </ul>	--	5	✓		✓	✓		✓	✓
Independent Director	Hui-Hsin Yeh	<ul style="list-style-type: none"> <li>Department of Accounting in Tunghai University</li> <li>Accountant partner at Ernst &amp; Young (Diwan&amp; Company) Global Limited</li> </ul>	--	5	✓	✓	✓	✓	✓	✓	✓

## ● Board of Directors' Responsibilities



Supervision



Appointment/  
discharge of managers  
and performance  
evaluation



Finalize important  
decisions



Instruct the  
management team

## Functional Committees

### Nomination Committee

<b>Duties</b>	<ul style="list-style-type: none"> <li>To optimize the functions of the Company's Board of Directors and to enhance the management mechanism thereof, the Committee is responsible for planning the composition of Board of Directors and functional committee; reviewing board directors' qualifications; and nominating Board of Directors candidates.</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>Held 2 meetings in 2020 with an in-person attendance rate of 100%.</li> <li>Formed by three independent directors (Chyan Yang, Hui-Hsin Yeh, and Marlon Wang) and two board directors (Jin-Li Liang and Dennis Yang). Independent Director Chyan Yang is the convener thereof and all of the five members are provided with the capabilities required for implementing their duties, including: finance or corporate governance related expertise. The Committee holds at least one meeting each year and, if it is deemed necessary, it may hold a meeting at any time.</li> </ul>

### Audit Committee

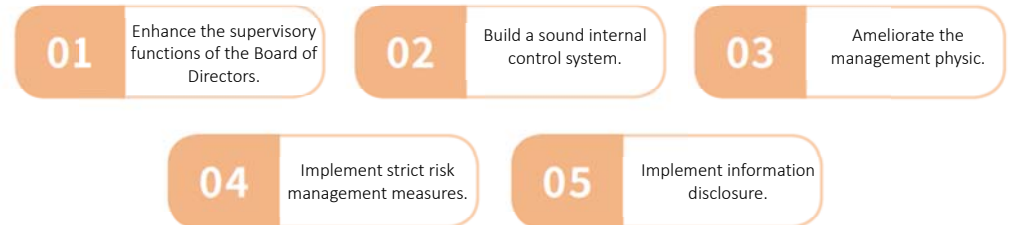
<b>Duties</b>	<ul style="list-style-type: none"> <li>To enhance and monitor the operations of the Board of Directors, the Committee is responsible for supervising the fair presentation of the Company's financial statements; the appointment/discharge, independence and performance of certified public accountant (CPA); the effective implementation of the Company's internal control measures; the Company's compliance with relevant regulations; and controls over the Company's existing or potential risks.</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>Held 7 meetings in 2020 with an in-person attendance rate of 100%.</li> <li>Formed by three independent directors (Hui-Hsin Yeh, Chyan Yang, and Marlon Wang). Independent Director Hui-Hsin Yeh is the convener. The Committee has established a Committee's mailbox on Acter's official website, allowing stakeholders to directly communicate with members of the Committee by e-mail.</li> </ul>

### Remuneration Committee

<b>Duties</b>	<ul style="list-style-type: none"> <li>Professionally and objectively stipulate and regularly review board directors and senior managers' performance evaluation and compensation/remuneration policy, system, standards and structure; regularly evaluate and set board directors and managers' compensation/remuneration.</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>Held 5 meetings in 2020 with an in-person attendance rate of 100%.</li> <li>Formed by three independent directors (Chyan Yang, Hui-Hsin Yeh, and Marlon Wang). Independent Director Chyan Yang is the convener.</li> </ul>

To bring its functions into full play and ameliorate its decision making quality, Board of Directors are established with three functional committees – Nomination Committee, Audit Committee and Remuneration Committee – thereunder to take in charge with important resolutions and carry out discussions on important economic, environmental and society issues. These committees are formed or participated by independent directors respectively to make decisions and suggestions thereof even more forward-looking, objective and exhaustive. Also, designed with effective implementation of independent supervision and an balancing mechanism, the committees ensure that all of the Company's decisions and actions are reported to and discussed by the Board of Directors. Where any of the said discussions is related to the interests of the board director or his/her represented legal persons, the director shall enter recusal. Also, some resolutions shall be passed at shareholders' meeting to ensure the maximum interests of stakeholders.

### ● Functional Committees' Responsibilities



### Promoting the Implementation of ESG

To implement our corporate social responsibility (CSR), the Company has established the "CSR Committee". Chaired by the Chairman and managed by the General Administration Division as the executive secretary, the Committee is responsible for promoting the implementation of CSR related missions; coordinating public evaluation of the report; and report the implementation effectiveness at Board of Directors on an annual basis. The Committee already reported its implementation effectiveness at the Board of Directors meeting held on November 6, 2020 and continues to implement related missions.

In the meantime, Financial Division also serves as the corporate governance promotion secretary to, in accordance with corporate governance evaluation index as the information disclosure basis, draw up and plan corporate system and organizational structure; facilitate the independence of the Board of Directors; enhance operational transparency and legal compliance; identify the up-to-date regulatory trends with which the board directors comply; arrange training programs for board directors; and report the corporate governance effectiveness to Board of Directors on a regular basis.

## Board of Directors' Performance and Remuneration

The remuneration of board directors is evaluated according to financial and non-financial indexes of "Rules Governing the Evaluation of Board of Directors and Functional Committee". Apart from the industry's remuneration standards, board directors' personal performance, the Company's operating performance and future risks are also taken into account. Starting from 2018, the Remuneration Committee and Board of Directors passed the resolution of connecting board directors' sustainable development performance with remuneration. The said performance includes board directors' commitment to and implementation of corporate sustainable development; and their contributions to and performance in ESG, which have all been included in the scope of evaluation. The evaluation items are specified in the following diagram, whereas the Board of Directors' remuneration structure is disclosed in the "2020 Acter's Annual Report".

### Evaluating the Performance of the Board of Directors



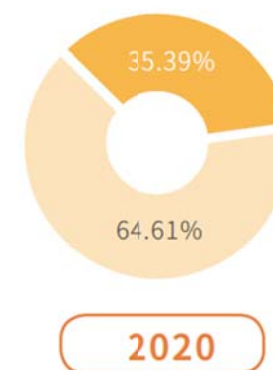
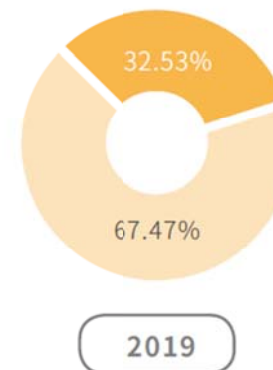
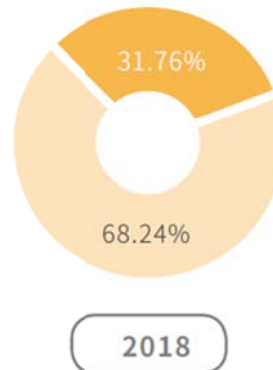
## Senior Managers' Performance and Compensation

To encourage managers to achieve business performance, reach profit targets and pay attention to the Company's sustainable development, Acter has established "Rules Governing Bonus and Performance Rewards". Apart offering them bonus based on their achievement in various financial performance indexes, Acter also values senior managers' contributions to long-term values, such as cultivating talents, enhancing service quality, ameliorating system procedures, building a friendly environment and fulfilling CSR. Apart from authorizing Remuneration Committee to finalize senior managers' compensation, Acter also discloses their information in the Company's annual report, enabling all stakeholders understand the high relevance between senior managers' salary and Company's operating performance. Furthermore, when finalizing senior managers' compensation, the Remuneration Committee also seeks advice from external professional remuneration consultants.

Measurements	Items and Proportion	Descriptions
Core	Ability to practicing and managing core values	Apart from meeting the requirements of company identity, commitments and code of ethics, the personnel must be able to implement the company's business philosophy, visions and strategic objectives while demonstrating his leadership and management capability.
index	Financial performance index, FPI (40%)	Business, implementation, level of contribution and value output.
	Comprehensive management index, CMI (30%)	The implementation of innovation and integration; total quality control (TQC); talent resources management and cultivation; risk management; legal compliance; and CSR.
	Sustainable practice index (30%)	Eco-friendly value engineering proposals; ratio of eco-friendly and energy-saving materials and equipment; and participation in social welfare activities.

### Proportion of senior managers' salary (above the level of deputy general director)

● Proportion of fixed salary  
● Proportion of non-fixed salary (including long-term contribution rewards)



# Business Integrity

102-16~17, 205-3 and 419-1

“Business integrity” is Acter’s core value, which we have implemented with the highest professional ethical standards and self-requirements in daily operations. To ensure that our employees embody the culture of honesty and accountability in all business activities, we already explicitly regulated them to abide by “Principles of Business Integrity”, “Code of Ethics”, “Guidelines for Business Integrity Processes and Behavior” and “Code of Conduct and Ethics” with an aspiration to guard against dishonesty. Also, strengthen employees’ values to business integrity, Acter not only announces regulations governing commercial activities and relevant policy, but also regularly promotes the importance of business integrity through education, trainings and internal meetings. All of these not only enable Acter to internalize the values of integrity and modesty, but also to help our employees to fully understand and recognize Acter’s philosophy. In the meantime, Acter’s General Administration Division is appointed to handle relevant activities, such as assisting the Board of Directors and management level in setting and supervising the implementation of business integrity policy and preventive measures, and regularly report to the Board of Directors. Relevant implementation is as follows:

Management Index			
<p><b>2020 Professional Ethics and Legal Compliance Education and Trainings</b></p> <p>This year, Acter has reached the goals, where the achievement rate of business integrity and regulatory awareness trainings was 75%. In the meantime, the annual goals of 2020 is amended to at least 80%.</p>	Number (type) of employees who pass the business integrity training		
		Male	Female
	Senior management personnel (deputy general managers above)	1 person	-
	Mid-level management personnel (managers above)	21 people	10 people
	Junior management personnel (section chief above)	25 people	3 people
	General employees	111 people	79 people
	No. of people who pass the training	250 people	
Percentage of total employees	86.51%		

sNote: As anticorruption communication and training programs for senior managers and governance units are arranged separately, there are not included in the statistics of policy communication and trainings.

### Policy Statements and Advocacy

“Principles of Business Integrity” and important rules for handling important internal information are summarized and announced on the public information platform.

### Business Integrity Education and Trainings

Business integrity rules are introduced to compulsory E-learning courses.

### Compliant and Reporting Mechanism for Employees and Outsiders

Set a business integrity related disciplinary system. Through relevant units’ self-checks and audit unit’s independent audit, the objectives of having an effective control and proper implementation will be reached. There is no violations in 2020.

### Regular Reviews on the Internal Control System

Through various channels, employees are able to report any event that violates, is suspected to violate or can result in the violation of business integrity and ethics; and ask for advice accordingly. The said reporting can also be made by offering an evidence of fact, relevant information or documents confidentially or anonymously. The Company will, according to received reporting cases, conduct an investigation and implement the following improvement measures. The Company has not received any report in 2020.



## Internal Control System

Acter has established “Internal Control System Self-Assessment Rules” in accordance with “Regulations Governing Establishment of Internal Control Systems by Public Companies” promulgated by Financial Supervisory Commission (FSC) to facilitate the optimization of the Company’s business processes; control business management risks; enhance the effectiveness and efficiency of the Company’s general operations; reliability, timeliness and transparency of information and reports; and compliance with regulations and rules.

Acter also established the “Audit Office” below the Board of Directors to organize the planning and implementation of the headquarters and subsidiaries’ audit works; and to timely suggest improvement actions to ensure that the internal control system will be continuously and effectively performed and to provide a basis for reviewing and amending internal control system. Regarding internal control deficiency and abnormality found during the audit, the Audit Office shall have them recorded into an audit report and report it together with the audit implementations to the Audit Committee and board of directors on a quarterly basis. They shall also continuously track and review the said deficiency. Besides, through routine and professional audit, the Audit Office understands not only the Company’s internal control functions and operations, but also potential risks to assist board of directors and the management level to fulfill their responsibilities and further implement the corporate governance system. In 2020, Acter has implemented 44 annual audit plans, including site audits of and written reviews on Acter, Enrich Tech, HER SUO, Suzhou Winmax Technology and Sheng Hwei (Vietnam). Acter also conducted self-assessment on the internal control system and checked the operating risk index accompanied thereby, and no critical violation of business integrity or risks were discovered.

### Audit Operating Procedures



## Compliant and Reporting Mechanisms for Employees and Outsiders

Acter has zero tolerance for corruption. Any behavior for personal interests, including bribery, fraud, extortion, abuse, misappropriation of company assets and sacrifice of company interests, are not allowed. Therefore, Acter strictly prohibits employees to receive any forms of money, bonus or gift for any reason; and requests them to treat all suppliers equally. Acter also established a multiple and integrated reporting system, enabling our employees to make any report through “Employees’ Feedback and Complaint Box”, “Audit Committee Box”. With respect to complaints related to sexual harassment, we have established “Sexual Harassment Committee” separately. Outsiders, on the other hand, may access Acter’s external website to make any report through the “Audit Committee Box” and “Report of Business Integrity Violation Box”.

All reports receive through Acter’s internal and external reporting channels shall be recorded, tracked and handled properly. It is also a must to adopt appropriate measures to protect those who makes a report in good faith or participates in investigations, ensuring that they will not be revenged. In the meantime, the dedicated unit shall continue to make sure that the reporting channels operate smoothly and effectively. Concerning reported matters and acts that are suspected to violate business integrity, Acter will, upholding the attitude of not harming the incident nor indulging the offender, conduct a conscientious and careful investigation. For those whose guilt has been proved, Acter will impose a severe punishment thereon, such as “termination of employment” or “termination of business activities” and adopt appropriate legal act if necessary. In 2020, Acter has not received any compliant or report related to the violation of business integrity (anti-corruption, anti-fair trade and anti-competition), ensuring its continuously implementation of decent operations.

### Statistics on Reported Violations of Business Integrity over the Years



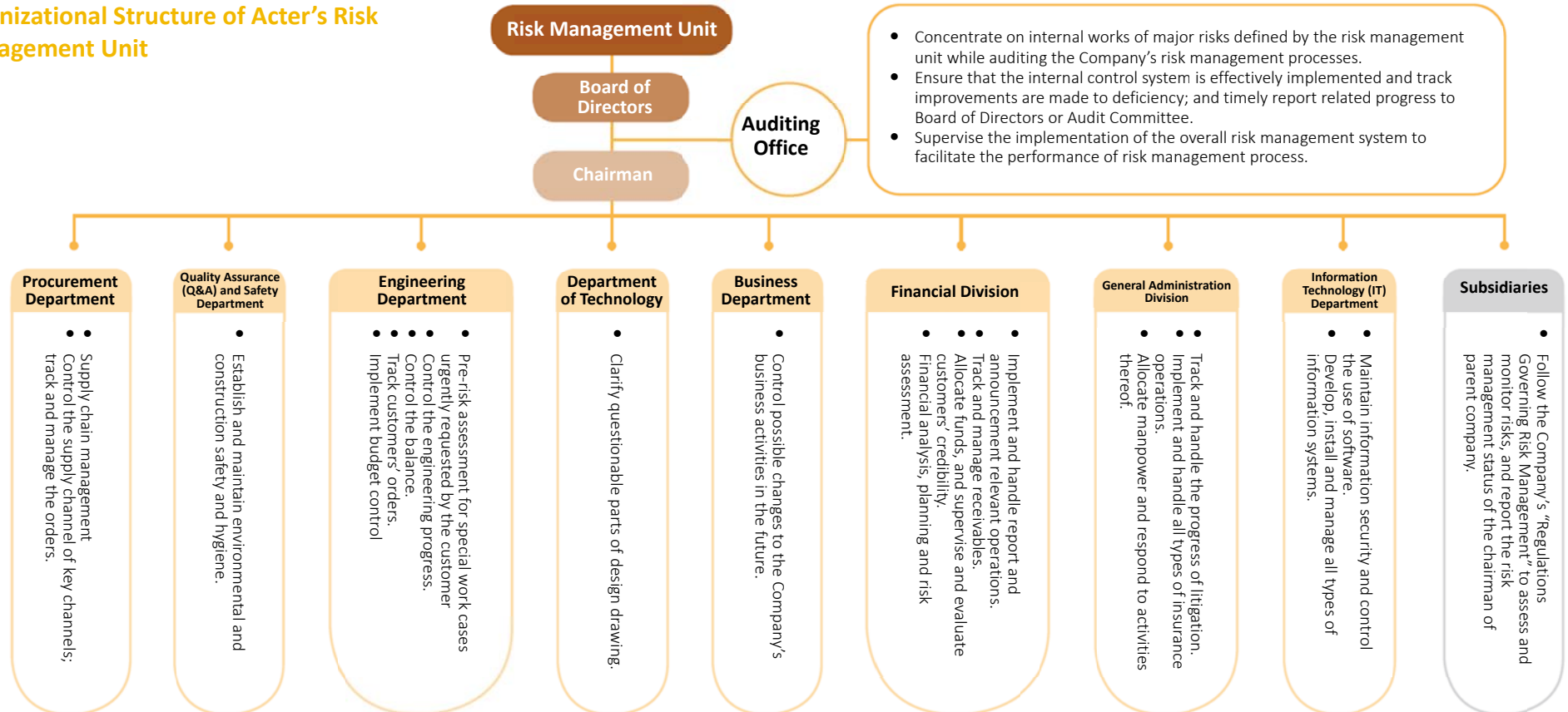
# Risk Management

102-11 and 102-15

To effectively control multiple risks that may be confronted by the Company during the operations, Acter has stipulated “Regulations Governing Risk Management” for internal operations. Chaired by the Chairman, the “Risk Management Unit” formed by department and division representatives is responsible for managing risks as set forth in the Regulations. The Risk Management Unit holds at least 1 risk assessment every half year to identify risk issues of all units; establish priority and improvement plan; promptly present risk tracking and management effectiveness at the meeting; and timely report risk management implementation status. Also, whenever it is deemed necessary,

the Chairman shall also summon a special risk response meeting to draw up a response strategy together with all departments and divisions. In the meantime, to enhance risk management and enhance employees’ awareness of the risks, Acter also, by adopting diverse management systems, situational drills, lectures, trainings and EHS series activities, enhance staffs’ risk awareness and cultivate their expertise. The purpose thereof is to ensure that all staffs understand the importance of risks. In 2020, the Company has arranged 3,129.5 hours of risk management trainings for employees with a coverage rate of 100%.

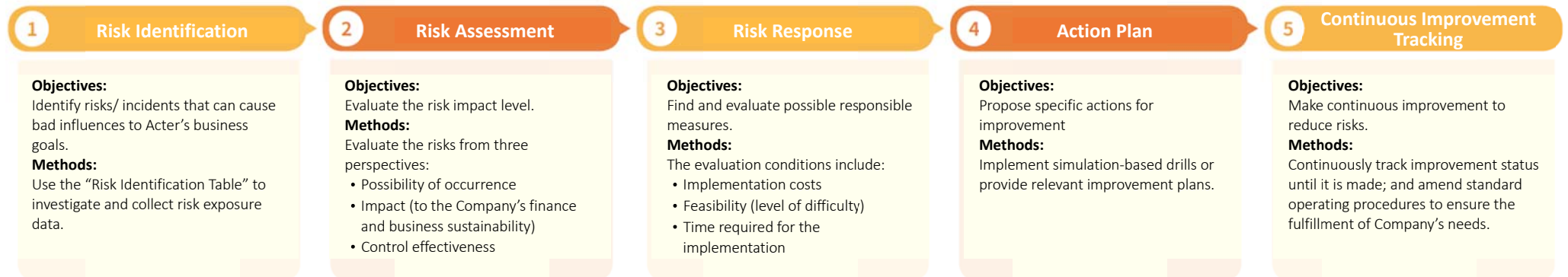
## Organizational Structure of Acter’s Risk Management Unit



## ● Determination of Corporate Risks and Response Strategy

Major Risks	Descriptions	Acter's Response Strategy
<b>Market</b>	The economic slow-down and economic distress have resulted in a decrease in willingness for investment or fluctuation of raw materials, affecting the Company's profitability.	<ul style="list-style-type: none"> <li>Proactively expand the overseas market to increase business revenue and profitability; and enter the new market to develop potential customers.</li> <li>Innovate technology and satisfy customers' demand to increase the opportunity of winning the bid.</li> <li>Continuously monitor the price trend and adopt respective hedging measures. When making a bid, it is a must to take the price increase risk into consideration to minimize risks of price fluctuations.</li> </ul>
<b>Finance</b>	Impact to the Company's income due to change of the interest rate or exchange rate.	<ul style="list-style-type: none"> <li>Authorize the credit line using rigorous control operating procedures; establish a lawful tax plan and a credit/financial risk forecast model to minimize the risks.</li> <li>Regularly evaluate market capital and banks' interest rates to adopt hedging measures with respect to the change of exchange rate.</li> </ul>
<b>Laws</b>	All damages and losses derived from contract invalidity due to disobedience of relevant regulations; a null and void contract; omitted provision; or incomplete regulations.	<ul style="list-style-type: none"> <li>The law enforcement unit complies with legal regulations and orders/rules issued by the competent authority; regularly updates the newest regulations for identification; and provide education and training programs to relevant personnel.</li> <li>All units shall carefully check all agreements and contracts, and have the legal consultants provided internal legal advisory services; handle legal disputes and litigation.</li> </ul>
<b>Operational Risks</b>	Damages and losses derived from improper or mistaken internal operations, personnel actions and systems.	<ul style="list-style-type: none"> <li>Regularly audit internal control system and track improvements made for deficiency.</li> </ul>
<b>Environment, Safety and Health</b>	Losses caused by hazards in the work environment and construction site.	<ul style="list-style-type: none"> <li>Identify the risk level in accordance with the occurrence rate, frequency of employees' operations and level of severity. Besides, according to the level or risks, request relevant departments to set control measures.</li> </ul>
<b>Information Security</b>	Potential risks related to the confidentiality and integrity of corporate information.	<ul style="list-style-type: none"> <li>Establish a rigorous information security management system and control the use rights thereof; provide the management level a rapid, effective and transparent information platform; and regularly supervise and maintain internet information security.</li> </ul>
<b>Climate Change</b>	Please refer to the section of "Environmental Protection" for detailed information.	<ul style="list-style-type: none"> <li>Please refer to the section of "Environmental Protection" for detailed information.</li> </ul>
<b>Subsidiaries</b>	Impacts to the Company's operations due to subsidiaries' operating risks.	<ul style="list-style-type: none"> <li>Important decisions shall be made in consideration of potential risk factors and on the promise of establishing an appropriate risk-taking mechanism. Apart from the compliance with competent authority's regulations, subsidiaries shall also draw up risk management process and management abnormal conditions with respect to business practice thereof.</li> </ul>

## ● Risk Management Procedures



## | Risk Management Response to COVID-19

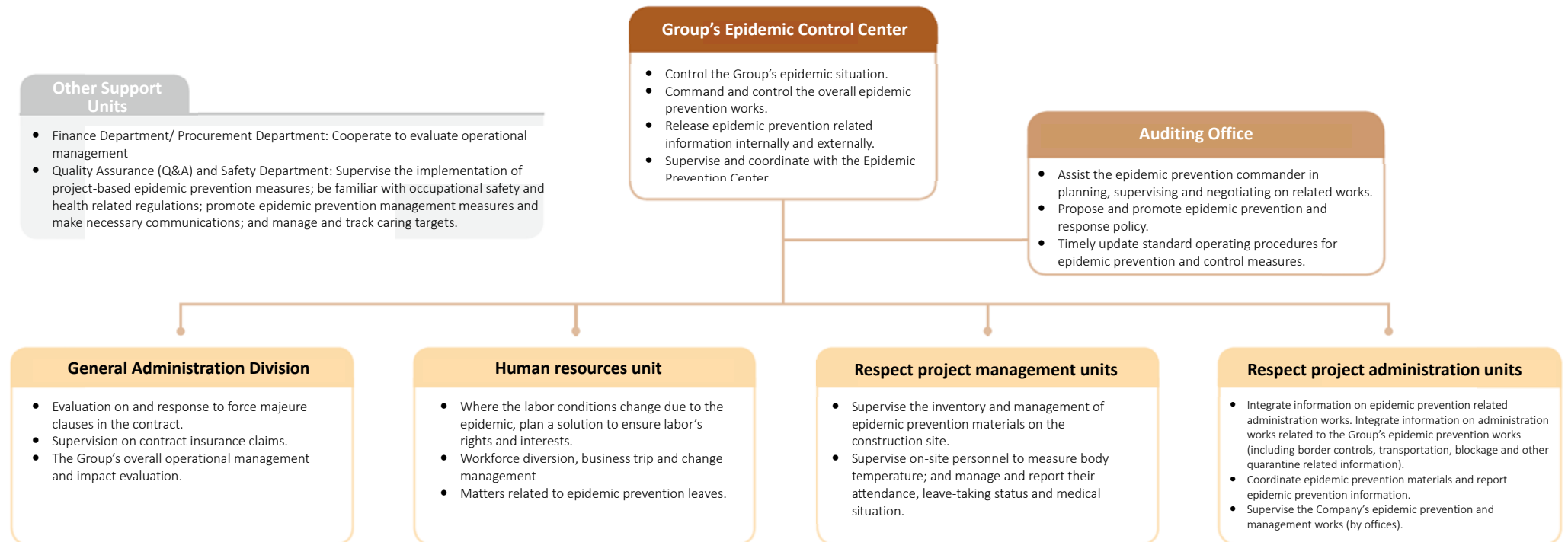
Acter has been paying great and continuous attention to the development of COVID-19. Following the establishment of its epidemic prevention center in January 2020, the Company soon activated related risk management measures, announced protective measures at the workplace and urged people to implement personal health self-management. Besides, following the increasing severity of Covid-19, Acter also tightened the entrance controls by applying body temperature measurement, adopted workforce diversion, and requested all staffs to wear a facial mask during the working hours in order to minimize contagion risks effectively. Moreover, work-from-home (WFH) solutions were also prepared in advance respond to the risk of business interruption.

In the meantime, apart from continuously caring for and managing our employees, Acter also set a business continuity plan with a focus on controlling project related risks. That is, after reaching a consensus with our customers and suppliers, we have taken all influential factors into consideration in

order to minimize their impacts to and influences on the Company's operations and management.

The implementation methods adopted by Acter's epidemic prevention center, which is commanded by the Chairman and/or General Manager, are: to ensure the implementation of control measures in the workplace, establish a Level 1 report to coordinate and command all responsible units, requesting them to divide the labor and make timely report; collaborate with related departments to actively track, verify, evaluate and notify the said implementation; and draw up regulations and supervise the adoption thereof in every workplace within the Group. Apart from making daily reports and closely monitoring the epidemic, the center also releases epidemic related information; monitors employees' current epidemic status; adopts epidemic prevention and control measures and ensure the implementation thereof; and pays timely attention to the Group's epidemic situation in order to timely draw up response measures.

### ● Organizational Structure of Acter's Epidemic Control Center



## Four Facets of Epidemic Prevention Management



### Staff Management

To ensure the implementation of epidemic prevention measures, make clear announcement on and stipulate SOP for staff self-health management; reporting travel and contact history; daily measurement of body temperature; disinfecting and cleaning work environment; staff access management; workforce diversion and so on.



### Operations Management

With respect to facets affected by the epidemic situation (ex. impact to project progress; establishment of a personnel configuration for substitutes, as labor shortage can impact the project progress; subcontractor substitution and back-up plans; changes to the contract; and project suspension or delay risks), request all units to make a daily report and the administration team is appointed to summarize and update related information on the information platform.



### Epidemic Situation Information

Q&A and Safety Department instantly summarizes the up-to-date information released by Taiwan Centers for Diseases Control (Ministry of Health and Welfare) and World Health Organization (WHO) and related units; makes an announcement on a public platform accordingly; and provides epidemic prevention precautions.



### Caring and Reporting

Continue to care for employees. In case of finding any abnormal conditions, report it and adopt response measures immediately.

## Project Risk Control Strategy

01

### Evaluate the impact of epidemic to construction sites and supply chain; aggregate data and set strategy; notify related stakeholders and communicate therewith.

- Integrate information collected from construction projects, including restrictions and impact of government's epidemic prevention order; suppliers' delay in delivering products; construction labor related problems; change of contract and so on. Upon collection of the sad information, evaluate the impact thereof to construction and project progress, and propose a response approach. The contact shall also be retained in order to discuss the possibility of extending the construction period or right for cost compensation in the future.
- With respect to subcontracting manufacturers, immediately confirm with them if their project progress is also affected and if products can be delivered on time. Whenever it is necessary, assist them in solving problems in order to minimize impacts to the project progress. In case of having any substantial impact, it is a must to explain the situation the customer and propose a solution accordingly.
- With respect to potential risks such as stoppage, labor shortage, material shortage, prepare for it with a substitute in advance (ex. find a substitute supplier or substitute product) and enhance the development of equipment, materials and new suppliers' industrial packaging materials.

02

### Analyze and provide evidence of epidemic impacts, and send related information to the customer

- Where the project progress is affected by stoppage or personnel change, immediately notify the customer of the level of impact. In the meantime, draw up a return-to-work program and arrange manpower therefor accordingly in advance. If there is any change to work, it is a must to communicate and negotiate with the customer and acquire a consent therefrom. If the subcontracting manufacturers is restricted by force majeure, it is a must to provide supportive evidence accordingly in order to further negotiate with the customer.

03

### Make necessary changes to the contract and communicate with the customer and subcontractors as soon as possible to facilitate the implementation of the project

- Confronted by impacts derived from the epidemic, all parties – including the customer, Acter and suppliers – shall have their rights and interests maintained in accordance with the engineering contract and shall have their contractual obligations

## Legal Compliance

Through continuous regulatory tracking, Acter has evaluated risks and impacts that may be derived from the changes of regulations. The updated documentation is also provided to local project managers for implementation and for confirming the legal compliance of all operating procedures and management rules. The Auditing Office, on the other hand, shall also check the said documentation to ensure the compliance thereof on a regular basis. In 2020, Acter has not been imposed with any public sanction or penalty due to the violation of economic (anti-corruption, anti-money laundering and anti-competitive practice, social (labor) and environmental (environmental protection) regulations.

In the meantime, Acter have been proactive in enhancing our employees' awareness of professional ethics, legal compliance and various issues by providing various internal and external compliance trainings. The scope of the said trainings includes basic legal knowledge; workplace rules; operating procedures and standards; local laws and regulations; and international norms. The statistics on relevant education and training programs are as follows:

Internal and External Compliance Trainings	2018	2019	2020
External compliance trainings	179 sessions	179 sessions	181 sessions
No. of participants	236 persons	158 persons	219 persons
No. of training hours	2,645 hours	1,556 hours	2,369.5 hours
Internal compliance trainings	71 sessions	145 sessions	126 sessions
No. of participants	338 persons	729 persons	2,469 persons
No. of training hours	495 hours	605 hours	3,241 hours

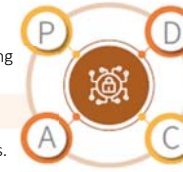
## Information Security

To respond to all kinds of information security threats and minimize the probability and impacts thereof, Acter makes continuous investments in information security each year, such as enhancing information security defense equipment, improving information security management system and providing educational trainings. From management to technology, Acter has managed to enhance our IT security competence in all aspects. Also, apart from remote disaster recovery drills regularly carried out in the machine room, Acter also executes remote backup, data storage and testing of important system data on a weekly basis; and provides information security related trainings to system management personnel from Department of Technology and IT Department.

With respect to the management of information security risks, Acter has set up standards in accordance with ISO 27001 related regulations and adopted Plan-Do-Check-Act (PDCA) process to ensure the security, integrity and availability of confidential information. In the meantime, Acter also succeeded in assuring the effectiveness of our information security management approach by improving our skills and sharing knowledge. For example, we encourage our colleagues from IT Department to participate in various information security seminars and invite suppliers to introduce the up-to-date information security solutions; and, with respect to knowledge sharing, we do not only arrange related trainings, but also reduce the probability or impact of related risks through continuous learning.

### The Information Security System Management Cycle

- P** Plan and establish a management system by assessing potential risks and threats.
- D** Do various security control measures.
- C** Check the effectiveness of security control measures.
- A** Act on implementing preventive and corrective measures, and implement management reviews.



### Acter's Information Security Management Results

Items	Year 2020
Number of information security incidents	0
Number of incidents that violate customers' privacy	0
Number of customers who are affected by information leakage	0
Amount of penalty imposed due to an information security incident	0
High risk incidence (fill in personal information)	0
Medium risk incidence (click mail provided links)	0

### Acter's Information Security Management Results

Items	Targets	Number of people	Hours	Coverage (%)
Promotion of information security	Departments and divisions	20	1	100%
CYBERSEC	IT Department – Operations management related	1	16	100%
Network security and management	IT Department – Network management related	5	1	100%
Highlights for the development of program security	IT Department – Software related	5	1	100%

### Acter's Information Security Risk Inventory and Response Strategy

Through the annual information security risk inventory, select and analyze major risk items from threatened items and then adopt prevention measures accordingly.

Analysis of Major Risk Items	Important Management Measures
Social engineering / directory harvest attack	DHA protection setting and social engineering prevention drill, helping to enhance employees' information security awareness.
Intellectual property rights	Authority control at the user-end, where employees are prohibited to install software by themselves.
Cyber-attack / phishing website	Introduce the Fortigate models to enhance the Company's internal and external protection.
Natural disasters/ failure of information software or hardware	Establish an environmental control mechanism for machine room to back up system data and run data recovery drills on a regular basis.

### Acter's Network Information Security Policy

- Internet firewall
- Computer anti-virus (software)
- Spam filtering
- Computer use control
- Information security control
- Internet access control
- Uninterrupted power system
- Information backup
- E-mail control

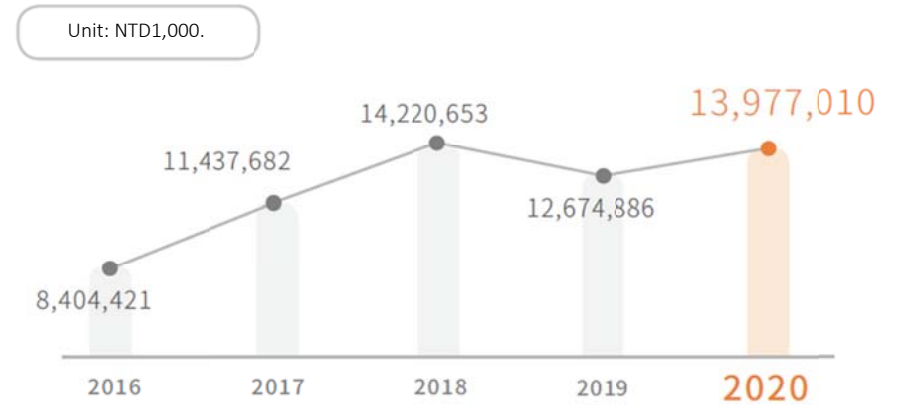
# Operating Performance

102-45 and 201-1

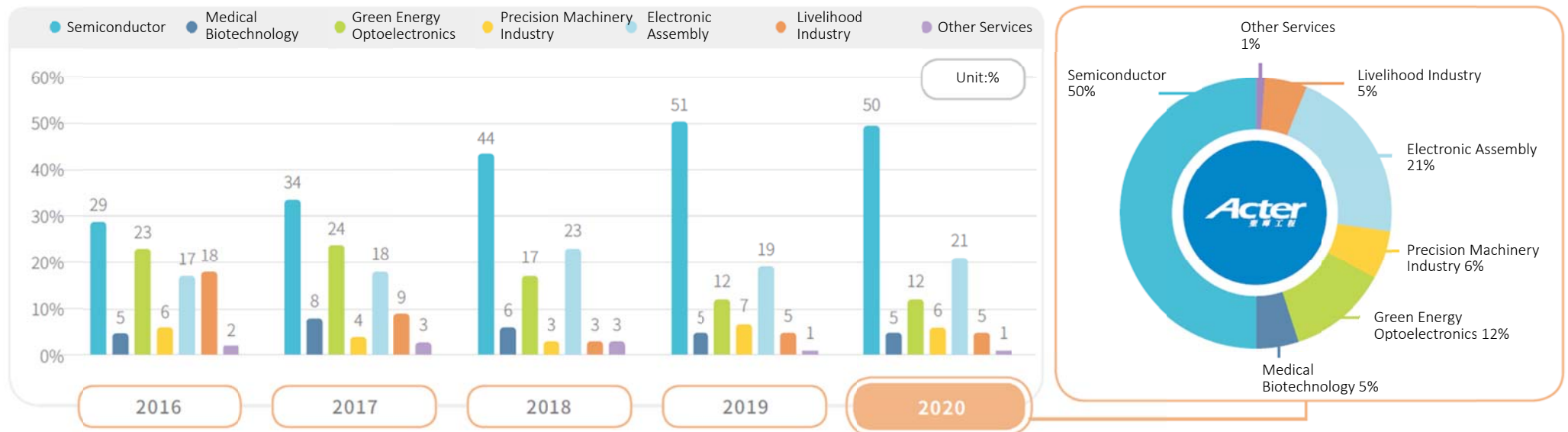
Upholding professional management standards, Acter has been dedicated to increase stakeholders' values. We pay great attention to shareholders and investors' opinions and, by enhancing our tangible and intangible performance, give back to our stakeholders and share the fruitful management results with shareholders.

Although our profitability dropped in 2020 comparing with the same period of the previous year due to the impacts of China-U.S. trade war and COVID-19, we have, driven by the thinking of production capacity dispersion, expanded production facilities in Taiwan and South-East Asia. This is the reason that Acter's consolidated annual revenue still had an increase of 10.3% comparing with last year. In the future, Acter will continue to pay close attention to the pandemic and confront the challenges with a prudent and optimistic view.

## Acter Group's Historical Consolidated Revenue



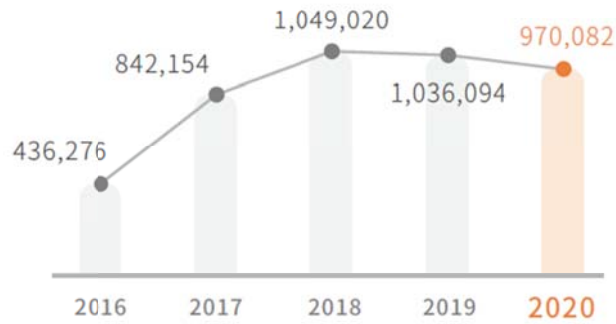
## Acter Group's Historical Engineering Revenue (By Industry) in 2020



● Acter Group's Historical Financial Information

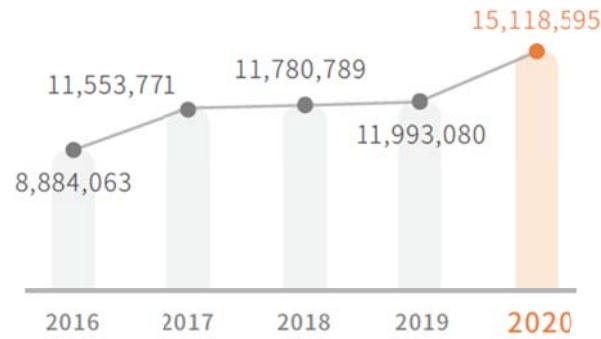
Net (After-tax) Profit

Unit: NTD1,000.



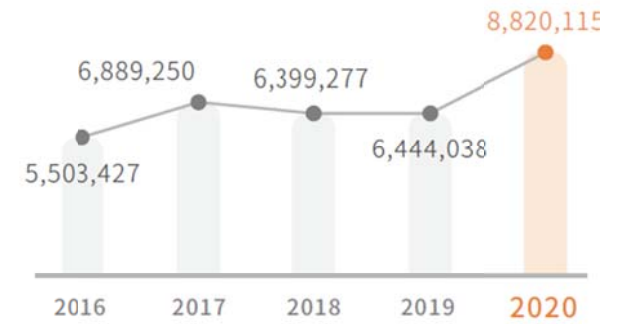
Total assets

Unit: NTD1,000.



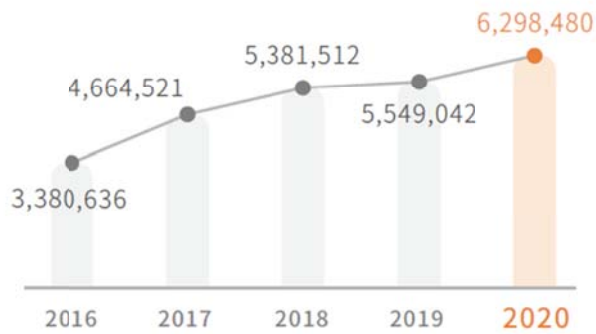
Total liabilities in 2019

Unit: NTD1,000.



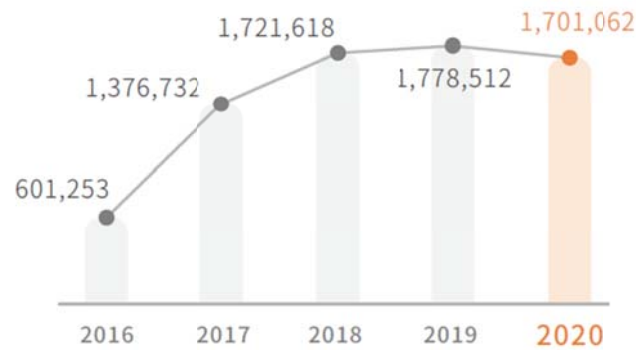
Total equity in 2019

Unit: NTD1,000.



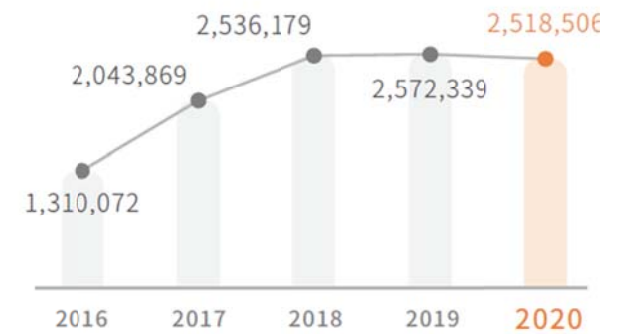
Operating income in 2019

Unit: NTD1,000.



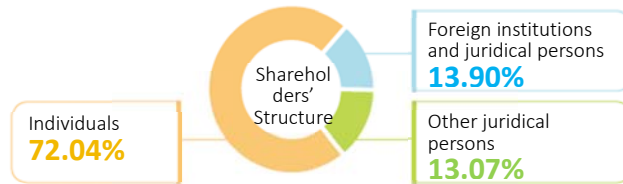
Gross profit in 2019

Unit: NTD1,000.





### Shareholders' Structure



	No. of people	Number of shares held	Shareholding ratio
Foreign institutions and juridical persons	88	7,947,188	13.90%
Other juridical persons	101	7,837,191	13.70%
Individuals	9,353	41,402,363	72.04%
<b>Total</b>	<b>9,542</b>	<b>57,186,742</b>	<b>100%</b>

### ESP over the last 5 years



### Financial Performance Index

Financial Information	2016	2017	2018	2019	2020
Ratio of debt to total assets	61.94%	59.62%	54.31%	53.73%	58.33%
Return on assets (ROA)	5.34%	9.68%	10.96%	10.77%	8.88%
Return on equity (ROE)	14.40%	24.41%	25.39%	23.35%	20.23%

### Acter's Historical Individual Financial Data

Items / Year		2016	2017	2018	2019	2020
Production of direct economic value	Engineering revenue	3,368,183	3,854,220	4,224,940	2,992,332	4,568,762
	Other operating revenue	4,487	12,016	9,925	11,325	-
Allocation of direct economic value	Operating costs <small>Note 1</small>	3,122,910	3,511,541	3,778,787	2,694,847	4,181,080
	Employees' compensation and welfare <small>Note 2</small>	407,536	451,708	488,348	470,703	451,150
	Amount paid to the investors (dividends) <small>Note 3</small>	284,014	377,895	612,986	813,041	812,801
	Amount paid to the government (income revenue/ excluding deferred tax) <small>Note 4</small>	71,734	48,401	67,814	129,258	61,436
	Community investment <small>Note 5</small>	2,499	4,607	4,878	3,013	4,253

Note 1: Costs derived from operating activities.

Note 2: Such as employees' salary, bonus, rewards and welfare (pension and insurance). Costs derived from education and training programs, protection equipment and other items directly related to employees' job duties are excluded from the "welfare".

Note 3: Such as the expenses of interests and dividends of (special) shares. The amount paid to the investors shall include all dividends for the shareholders plus the interests for lenders. Lenders' interests may include the interests for any forms of liabilities and loans. Also, unpaid dividends for shareholders of special shares shall also be included.

Note 4: Such as tax (deferred tax is excluded) and fine. The amount paid to the government shall include all taxes and fines paid according to international, domestic and local standards. Business tax, income tax and property tax may be included in the said taxes.

Note 5: Donations made to charity organizations, non-governmental organizations and research units (unrelated to the organization's business and research development) for the purpose of public welfare. Direct costs of social activities, including those for arts and educational activities, are also included.

## Dividend Policy

As prescribed in Articles of Incorporation, Acter adds current-year earnings to accumulated retained earnings and, depending on the capital status and economic development of the year, distribute dividends and bonus to shareholders. Since 2009, Acter has distributed cash dividends to shareholders every year and, in 2020, our shareholders receive NTD12 cash dividend per share.

### Dividend policy over the last 10 years



Income tax is the primary tax paid by Acter (individual) to the government. The tax payment details over the last five years:



## Taxation Policy

Upholding the spirit of adhering to taxation laws and fulfilling our corporate social responsibility, Acter aims to create corporate values, facilitate economic growth and effectively manage taxation risks. This is the reason that we have established a sound taxation management system and taxation governance culture, and fulfilled our social responsibility as a taxpayer. We commit that:

- 1 We will carry out related practice in accordance taxation disclosure rules and guidelines while ensuring the transparency of our financial statements.
- 2 All of our operations are in compliance with taxation laws.
- 3 We will not only respect taxation agencies and maintain a trusting relationship therewith, but also, whenever it is necessary, communicate with it in regard to taxation



# 3

## Sustainable Engineering Services

- 34 Innovation and R&D
- 36 Green Engineering Technology
- 41 Service Quality
- 45 Responsible Supply Chain

### Annual Highlights

- 14 new patented technologies. R&D budget increased by 24% comparing with the previous year.
- Acquired the ISO 45001:2018 certification.
- Disclosed the performance of 6 green engineering projects. ESPC was 14,937,522 kWh/year.
- Green procurement reached NTD186.63 million (with an increase of 17.92% comparing with the previous year)
- Customer satisfaction level reached high at 96.3.
- “Letter of Commitment for Sustainability” for new suppliers  
The signing rate thereof and supplier assessment rate reached 100%.  
Paid 2 on-site visits to suppliers.

Being a creator of quality space, Acter has adopted innovative technology to facilitate industrial development. We listen to the voice of our customers and, with our expertise and high-quality services, develop professional and sustainable engineering services together with our value-chain suppliers and partners. All of these have made us the most reliable partner of our customers and head towards sustainable operations therewith.

# Innovation, Research and Development

Specific Themes of Acter

## Practice and Innovation

Oriented to innovative ideas, Acter has been proactive in building an innovative culture. We have created a work environment that supports innovation in order to respond to the fast-changing industry. Confronted with challenges from competitors, we do not only continuously enhance our competitive advantages, but also, through the innovation proposal reward mechanism, encourage our employees to put various innovative ideas into practice at work in order to increase our organizational innovation vitality. In the meantime, by assisting experts from public associations and academia, we also engage in interdisciplinary innovation and collaborate with them to develop new applications for high-value, low-power consumption and low-pollution technologies.

Each year, to respond to the changeable market and new demands while bringing customers high-quality services, we invest a specific proportion of our revenue in developing operating procedures and technologies in order to enhance our mission effectiveness and save costs. With the applications of green engineering technology, we have managed to enhance our competitiveness and create new business opportunities. In 2020, Acter's development budget was NTD181.18 million, counting 1.3% of our revenue.

### The R&D direction for 2020



Establish modular design to enhance engineering efficiency.



Bridge the gaps in design expertise by enhancing our competence.



Introduce new technology to enhance our technical capability and further cultivate our talents.

### Historical R&D expenses

Year	R&D Expenses	Proportion to Revenue
2016	76,779	0.92%
2017	92,488	0.81%
2018	127,218	0.89%
2019	146,433	1.16%
<b>2020</b>	<b>181,177</b>	<b>1.3%</b>

Note: The unit is NTD1,000. To ensure the consistency with annual report, the R&D expenses are based mainly on expenses derived from development plan for unique or innovative construction methods and method development plans; patent acquisitions; and academic research and development plans. Other engineering project improvements and participation in industry associations/organizations are disclosed in other chapters of CSR report.

## Technological Development

Acter's core business is system integration engineering and technology, which is considered as a technology-intensive industry that requires a high degree of work specialization. Therefore, continuous improvements in construction methods and accumulation of experience are extremely important for Acter. Besides, by integrating our knowhow in architecture, electromechanical, air-conditioning, fire-fighting, instrument control and piping, we are able to produce and offer customers an operating system and environment that fulfil their individual needs and industry characteristics. Acter has succeeded in developing the unique/innovative construction methods as follows:

### List of unique/innovative construction methods and new patents for the year

Category	Unique/ innovative construction methods
Ice-storage energy-saving engineering	Use raft-based ice-storage system to transfer peak loads.
	Store the cooling water in the fire cistern to reduce the used space and contractual capacity.
High-rise building	The ultra-cold air system can reduce the area covered by pipelines.
	A 42-floor building for multiple uses.
Unique engineering	Integration technology for hospitals with SARS negative pressure isolation equipment.
	Bio-chemical laboratory of the Ministry.
	The integration engineering technology for the import of Tobacco factory.
Biotechnological engineering	Electromechanical integration engineering technology for weaving and dyeing factory
	An integrated technology for the first H1N1 vaccine plant.
	An integrated engineering technology for clean rooms of cGMP factory.
	An integrated construction method for factories specialized in the production of Cordyceps sinensis.
	An integrated energy-saving electromechanical technology for biochemical equipment factories.
	An integrated engineering technology for GTP clean room.
	Transnational output of integrated electromechanical technology for food/ cGMP factories.
	An integrated energy-saving electromechanical technology for poultry holding areas and poultry processing factories.
	An integrated technology that freely switch a place into a positive or negative pressure environment depending on product features.
	High toxic OEB5 injection plant integrated engineering technology.

Category	Unique/ innovative construction methods
Green energy engineering	An integrated power supply method for solar energy.
Cleanroom turn-key engineering	An innovative construction method for the first mass production factory of PDP.
	An innovative construction method for Japanese polarizer manufacturers.
	An innovative construction method for TFT manufacturers.
	A unique construction method for the 6" silicon wafer fab turn-key service under the cooperation with SONY (Japan).
	An innovative construction method for Taiwan's second largest assembly house.
	An innovative construction method for the whole-plant electromechanical integration of module factory.
	An innovative construction method for FPCB factories.
	An innovative construction method for the output components of a Japanese factory.
	An innovative construction method for electromechanical integration of PEC manufacturers.
An innovative construction method for the microenvironment of semiconductor device washing factory.	

### ● New patents in 2020

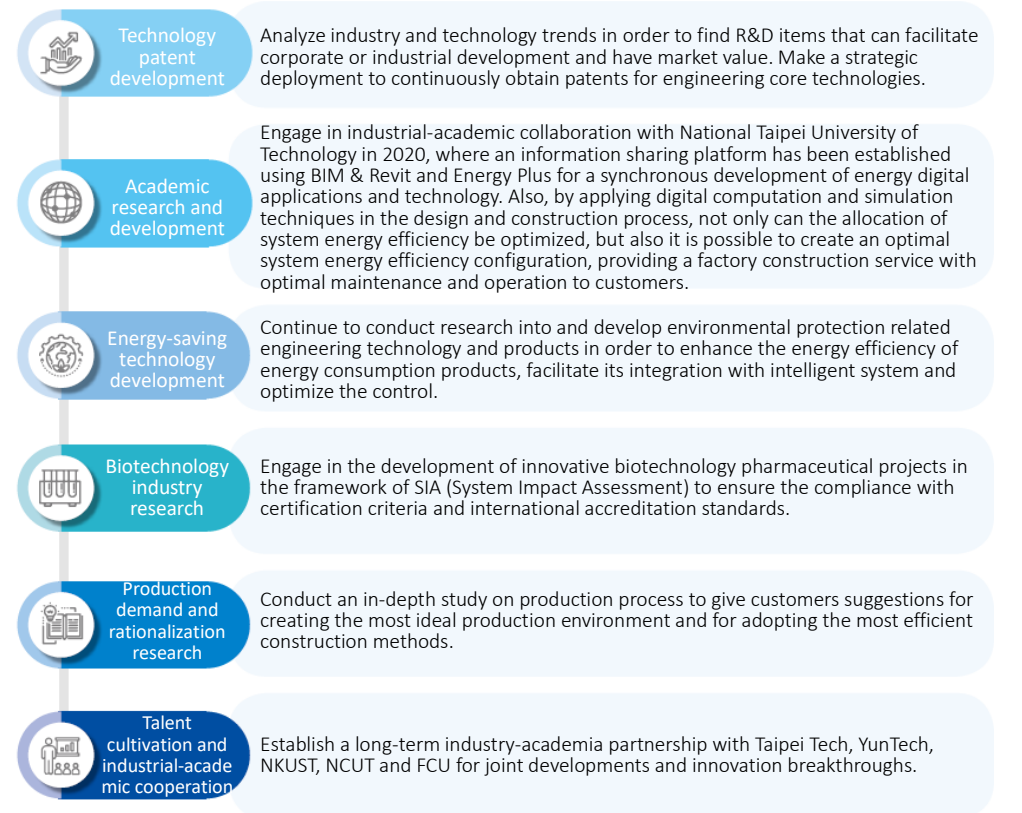
Invention patents	<ul style="list-style-type: none"> <li>A manufacturing method of 3-way pipe fitting.</li> <li>A prefabrication method of the entire engine room.</li> <li>A type of emergency light and the manufacturing method thereof.</li> <li>Volumetric container with adjustable volume.</li> <li>Fluid vortex control structure.</li> </ul>	<ul style="list-style-type: none"> <li>Diode atomizer</li> <li>Oscillating atomization device</li> <li>Pipe installation for transporting chemical fluid.</li> <li>Valve control system with the indication of/warning for valve life.</li> </ul>
	New utility model patents	<ul style="list-style-type: none"> <li>A type of water pump damping base</li> <li>A type of pipe shock absorber</li> <li>A type of removable cleanroom wall panel</li> </ul>

28 cumulatively developed unique/innovative construction methods  
(interdisciplinary ice-storage energy-saving unit, high-rise building, biotechnology, green energy and cleanroom)

14 new patents in 2020  
(9 invention patents)

## Future Outlook

Acter will continue to establish fundamental research and optimize design and management procedures. That is, Acter's interdisciplinary R&D team will continuously enhance the whole-plant technology for high-tech plants not only through the upward integration of mechatronic engineering and whole-plant design, but also through the acquisition of integrated connectivity required for downstream whole-plant processing equipment. On the other hand, to achieve sustainable growth and march toward the next milestone, Acter has invested in the development of patented and energy-saving technologies; developed various standard operations and deepened processing technology and services; connected to colleges and universities to join industry-academia research and experimental programs, and young talent cultivation programs; proactively participated in industry associations/organizations to exchange practical experience and industry news; and planned complete vocational trainings to enhance employees' work competence and competitiveness.



# Green Engineering Technology

302-5

Acter pursues environmental sustainability by developing green engineering technology. From design to procurement to constructions to trial run to operations, Acter has always taken reduction of environmental impact into consideration when offering green technology services to customers. We have also continuously enhanced our core technology competence and implemented environment management system, aiming to establish an economical and workable eco-friendly energy-saving plan for customers. Having green technology listed as one of our sustainable development goals (SDGs) can assure that we will keep our competitive advantages in the future. Also, our green-building-concepts-oriented designs can minimize the impacts of factory operating activities to the air, water, soil and natural ecological system.

During the course of industrial development, Acter has been playing the role of green engineering's driver: Apart from integrating environmental protection concepts into corporate sustainability, we also commit to develop various green technologies to, for example, enhance energy efficiency, save water consumption, protect environmental ecology and build a safe work environment. When making a proposal, Acter also actively proposes the most eco-friendly and energy-saving solution to customers in order to reduce energy and resource consumption; minimize environmental impact and costs; and assist customers in adapting to climate change and co-exist with the environment.

## Management Index

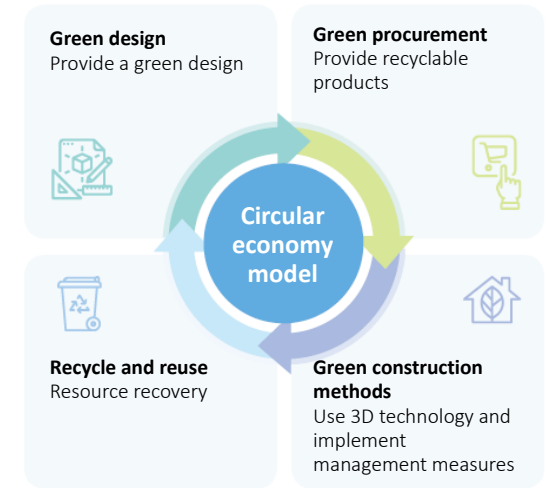
Leading the way – Exposed the performance of 6 (at least 3 in the year) green engineering technology application projects



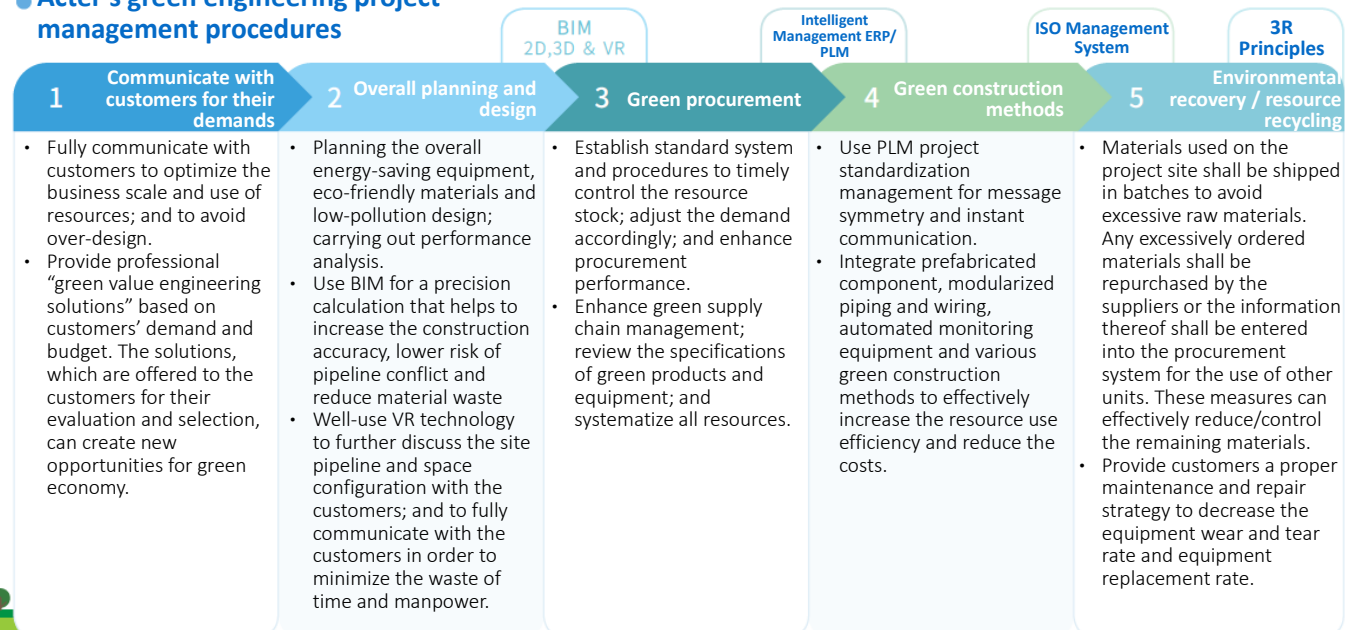
## Applying green technology to mitigate environmental risks

Phase	Environmental risks	Response measures
Design	<ul style="list-style-type: none"> <li>Different electrical, pipeline, instrument control and equipment design methods can result in different environmental impacts</li> </ul>	<ul style="list-style-type: none"> <li>Modular design</li> <li>Standardized design</li> <li>Intellectualization of turnkey projects</li> </ul>
Materials	<ul style="list-style-type: none"> <li>Energy consumption/</li> <li>Natural resource excavation</li> </ul>	<ul style="list-style-type: none"> <li>Low pollution</li> <li>High efficiency</li> </ul>
Transportation	<ul style="list-style-type: none"> <li>GHG emission during the transportation process</li> </ul>	<ul style="list-style-type: none"> <li>Procurement localization.</li> <li>Reduce transportation costs</li> </ul>
Use	<ul style="list-style-type: none"> <li>GHG emission</li> <li>Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Application of high performance equipment</li> <li>Application of eco-friendly materials</li> </ul>
Removal	<ul style="list-style-type: none"> <li>Temporary storage and the following handling methods</li> </ul>	<ul style="list-style-type: none"> <li>Recycle and reuse resources</li> </ul>

## Green engineering project management system framework



## Acter's green engineering project management procedures



● An overview of green engineering technology and applications

Technology category	Methods	Example(s)/ performance of practical applications and effectiveness
Air-conditioning and energy-saving	Adopt low exhaust for toilet exhaust port to prevent the odor from spreading	Enhance air exchange efficiency and reduce system installation capacity to increase the comfort of personnel.
	CO <sub>2</sub> sensors are installed in the meeting room/ multifunctional classroom to adjust and control the outside air volume.	Increase the comfort of personnel while reducing the demand in energy consumption.
	The air-conditioning control system in the meeting room/ multifunctional classroom is integrated with the e-reservation system.	Before using the meeting room/ multifunctional room, activate the pre-cooling function to reduce energy consumption at the air-conditioning peak and to increase the comfort of personnel.
	Adopt DC inverter air conditioning equipment (ex. DC FCU) for the cooling design of electricity/ weak electricity engine room.	Decrease the operating frequency of air-conditioning equipment with high load average output and operating hours to reduce the operating energy consumption.
	Calculate the thickness and surface temperature of heat-insulation layer of the pipeline (ex. the ice-water, hot-water, steam and low-temperature ventilation pipelines), where the condensation is no more considered as the only criteria.	Adjust the thickness of heat-insulation layer appropriately to reduce the heat loss of pipelines while enhancing the system efficiency and reducing energy consumption.
	A proportional control valve set has been adopted for the design of FCU ice-water control valve.	Reduce the cooling load and increase the return water temperature of cooling water to enhance system efficiency and lower energy consumption.
Air-conditioning and environmental protection functions	Adopt air purifiers with air sterilization for the design of meeting room/ multifunctional classroom.	Avoid the breeding of germs and reduce cross-infection of infectious diseases.
	For public areas (ex. shopping mall and exhibition rooms), adopt air-conditioning box designed with sterilization device.	Avoid the breeding of germs and reduce cross-infection of infectious diseases.
	Use nickel-copper alloy pipes (C7060/C7150) and copper fins for the design of gas-liquid heat exchanger in a highly salinity environment (ex. seaside)	Enhance the anti-corrosion efficiency and extend the life of equipment.

Technology category	Methods	Example(s)/ performance of practical applications and effectiveness
Water- and energy-saving processes	Recycle steam condensed water	Reuse recycled water to reduce water consumption and energy required to heat up the water.
	Recycle and reuse flash steam	Recycle the heat energy of flash steam for the heating of low-end thermal system.
	The air compression system uses big size primary air storage tank, ring pipeline and secondary storage tank (at the end of production facilities)	Stabilize system pressure and reduce equipment installation capacity.
	The air compression system is designed with the zero loss drain module.	Enhance system operating efficiency and reduce the loss of energy.
	The low-temperature operating zone of electric slaughterhouse is designed with the use of hot water generated from the high-temperature double-effect heat pump system as the cleaning water.	Clean the area with hot water can dissolve animal's fat, helping to increase cleaning efficiency and reduce the use of cleaning agent. The cold unexposed side fetches heat from air-conditioning cooling system's cooling water, helping to save energy, reduce waste, decrease GSG emission and effectively minimize air pollution.
	The low-temperature operating zone of electric slaughterhouse is designed with the use of full heat exchange.	The low-temperature high-humidity exhaust from indoor fully exchanges with the fresh outdoor air to pre-cool the air-conditioning space, decrease the cooling load of MAU (make-up air unit) and reduce energy consumption.
Save energy using electronic engineering technology	The refrigerated/ frozen warehouses or low-temperature operating site are designed with brushless DC motor fan.	Increase the power usage effectiveness (PUE) while reducing the indoor sensible heat load of low-temperature areas.
	Adopt IE3 high-efficiency motor.	Increase the PUE.
	The refrigerated and frozen warehouses are designed with high bay projection light equipped with the waterproof IP65 fixture and second-generation LED (with 100% efficiency and a anti-blue light certificate).	Reduce the heat loading of refrigerated and frozen spare can avoid biological hazards while stabilizing room temperature fluctuations.
	Designed with LED light and light sensor module, the street lamps within the factory site can automatically turn on or off depending on the outdoor brightness.	Increase the road use safety within the factory site, enhance work efficiency and reduce man-made operating errors.

● An overview of green engineering technology and applications

Technology category	Methods	Example(s)/ performance of practical applications and effectiveness
Air pollution prevention and control	Replace traditional oil-fired boiler with high-efficiency gas-fired boiler.	Effectively reduce air pollution.
	Replace hot-water boiler with heat pump.	Effectively reduce air pollution and enhance PUE.
	Adopt eco-friendly diesel engine generators that are compliant with Stage II standards.	Effectively reduce air pollution.
Noise prevention and control	Use low-noise operating equipment.	Reduce the risk of chronic hearing loss and increase the comfort of personnel.
	Make the engine room of rotating equipment soundproofed (ex. install sound insulation wall/ door, floating floor and so on).	Reduce the risk of chronic hearing loss and increase the comfort of personnel.
	Install silencing shutters in the intake/ exhaust engine room located in the underground parking lot.	Reduce the noise of parking area and increase the comfort of personnel.
Prefabrication / installation construction methods	Use ISO construction drawings to increase the offsite prefabrication/ installation ratio. For example, the control valve set, equipment inlet/ outlet pipe and so on.	Enhance construction quality/ efficiency while reducing engineering wastes.
Water supply and discharge facilities	Adopt high-efficiency pump motor and frequency converter or buffer starter.	Reduce the maintenance costs and noise of mechanical equipment while increasing the system's life.
	Install soil moisture (humidity) sensor in the automatic sprinkler irrigation system to avoid invalid watering with only timing control.	Increase water use efficiency and reduce the use of water resources.
	Use air admittance valve	Replace ventilation tubes and reduce the use of plastic materials.

Technology category	Methods	Example(s)/ performance of practical applications and effectiveness
Recycling system	It is designed to collect the hot cooling air from the motor of high-horsepower operating equipment (ex. air-compressor CDA) and introduce it into the inlet of MAU to increase the temperature of outside air and reduce the heating load.	Reduce the winter demand for heating energy, helping to save energy and reduce waste.
	Recycle the condensing cooling water of air compression system into the air-conditioning cooling tower for water replenishment.	Reduce the temperature of air-conditioning cooling water and the level of water replenishment
	Install the rainwater harvesting and filtration equipment.	Filter mesh <0.28mm. When the rainwater volume flow rate is at 4.2L/S, the rainwater harvesting rate will be around 90% and the harvested rainwater can be used in landscape sprinkler or irrigation system.
	Install recycling water tank and membrane filter.	Remove the impurity of process wastewater using membrane filter and then reuse it. This help to save around 200 CMD of water resources at maximum each day.
Intelligent energy-saving and light management	Install plate heat exchanger.	Adopt water-cooling process air compressor, drying machine and vacuum machine to pre-heat and store the dormitory hot water. This helps to save around 4,220 KW of energy at maximum each day.
	Wireless motion sensor	Reduce accidental touches due to employee actions during overtime working hours; and, through the system, integrate BMS in order to control the air-conditioning or exhaust exchange system.
	Wireless daylight sensor	Eliminate piping and cable problems. Select the most ideal location for the installation; and set the sensor according to the system clock, so that the daylight sensing function will be activated at the right time.





● Green engineering performance and expected benefits of Acter’s representative projects in 2020

**Project 1. Plant construction project of a large vaccine company**

General/traditional/ original approach	Acter’s approach	Subject information (use standard basis/methodology)	Calculation formula	Expected energy-saving benefits Unit: kWh/year (megajoule/year)
None	Install the flash steam recycling device to recycle waste heat	A. Steam consumption: 4,253 kg/hr B. Flash steam consumption: 385 kg/hr C. Heat of flash steam: 205,975 kcal/hr D. Gas: 8,900 kcal/m <sup>3</sup> E. Estimated annual average load is 40%	Annual gas savings (m <sup>3</sup> ) = C/D*8,760*40%	81,094 kWh/year (291,938 megajoule/year)
The air-conditioning hot-water system is produced by electricity	The boiler steam is converted to hot water and supplied to the air-conditioning system for heating	A. The hot water consumption is calculated using 352 kW and the estimated annual average load is 40% - 1,059,609,600 kcal. B. Natural gas: 8,900 kcal/m <sup>3</sup> . C. Electricity: 860 kcal/kWh. D. 1 kWh of electricity: 4.1 NT/kWh. E. 1 m <sup>3</sup> of gas: 11 NT/m <sup>3</sup> .	Annual power saving amount (kWh) = $\{(A/C*D-(A/B*E))/D\}$	912,682 kWh/year (3,285,655 megajoule/year)
Adopt general light fixtures equipped with traditional T5 tube light	Ultra-thin LED panel light	A. Each T5 tube light =14W B. A LED panel light of 45.6W (equivalent to the lumen of five T5 tube lights) and 28.4W (equivalent to the lumen of three T5 tube lights) C. This project has adopted the LED panel light of: 45.6Wx173 pcs; and 28.4Wx187 pcs. D. The calculation is based on 10 lighting hours per day.	Annual power saving amount (kWh) = $[173*(14*5-45.6)+187*(14*3-28.4)] /1000(kW/W) *365(day/year)*10(hr/day) =24690$	24,690 kWh/year (88,884 megajoule/year)

**Project 2. Plant construction project of a large domestic textile company**

Adopt high voltage transformer with general specifications	Adopt high-efficiency high-voltage transformer	A. Designed to adopt high-efficiency high-voltage transformer. Its long-term loading is about 50% of the traditional CNS-compliant transformer. B. The calculation is based on the energy saving calculation data of the 1,500-KVA transformer of “Shihlin Electric” C. This project has totally installed 3 sets of 2,000KVA transformers.	Annual electricity savings (kWh) = $31,250 \times (2,000/1,500) \times 3 = 125,000$	125,000 kWh/year (450,000 megajoule/year)
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**Project 3. Plant construction project of a large manufacturer of composites products**

The production line condition is a high-ceiling space and, conventionally, general electric mercury vapor lamp is used.	Adopt high-efficiency LED bay light	When the lumen value of light fixture is the same A. Traditional bay light is around 200W B. LED bay light is 97W C. Bay light fixture: 1,867 pcs D. The average of lighting hour is 10 hours per day.	Annual power saving amount (kWh) = $[C*(A-B)/1,000(kW/W) * 365(day/year)*10(hr/day)]$	701,898 kWh/year (2,526,833 megajoule/year)
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● Green engineering performance and expected benefits of Acter’s representative projects in 2020

Project 4. Plant construction project of a large electronics company

General/traditional/ original approach	Acter’s approach	Subject information (use standard basis/methodology)	Calculation formula	Expected energy-saving benefits Unit: kWh/year (megajoule/year)
The air-conditioning hot water system is powered by electricity	The air-conditioning hot water system is supplied by the heat pump system.	A: The full-load demand of air-conditioning hot water = 120 RT; the estimated annual average consumption = 30%; consumption = 953,648,640 kcal B: Electrothermal efficiency= 0.86 kCal/W-hr C: Energy efficiency of heat pump= 4.21 kcal/hr-W	Annual power saving amount (kWh) = (A/B-A/C)/1,000(W/KW)	882,374 kWh/year (3,176,546 megajoule/year)
The air-conditioning chilled water system is designed with a five-degree difference in temperature	The chilled water system is designed with a six-degree difference in temperature	A. The full-load demand is 1,000 RT; and the annual average operation is 40% B. The pump flow when there is a 5-dgree gap in temperature: 10,000 LPM; power consumption: 98kW C. The pump flow when there is a 6-dgree gap in temperature: 8,400 LPM; power consumption: 82kW	Annual power saving amount (kWh) = (B-C)*8,760*0.4	56,064 kWh/year (201,830 megajoule/year)

Project 5. Plant construction project of a large semiconductor company

Adopt a single-temperature (7°C) air-conditioning chilled water system for the air-conditioning system	Adopt a dual-temperature (7°C and 12°C) air-conditioning chilled water system to meet different environmental requirements	A. 12°C chilled water consumption = 4,500 RT; and the estimated annual average load is 40%. B. Efficiency of 7°C chillers =0.765 kW/RT C. Efficiency of 7°C chillers =0.658 kW/RT	Annual power saving amount (kWh) = 4500*(B-C)*8,760*0.4	1,687,176 kWh/year (6,073,834 megajoule/year)
The air-conditioning hot water system is powered by electricity	The air-conditioning hot water system is supplied by the heat pump system.	A: The full-load demand of air-conditioning hot water = 4,000 RT; the estimated annual average =10%; consumption = 10,596,096,000 kcal B: Electrothermal efficiency= 0.86 kCal/W-hr C: Energy efficiency of heat pump= 4.21 kcal/hr-W	Annual power saving amount (kWh) = (A/B-A/C)/1,000(W/KW)	9,804,154 kWh/year (35,294,954 megajoule/year)

Project 6. Plant Expansion Project of a Large Semiconductor Company

Cooling and heat dissipating using low-temperature chilled water	After the secondary return hot water is cooled down, it is supplied to the air compressor. The high-temperature return, on the other hand, will recycle into the hot water system.	A: The estimated load drop of the air compressor cooling water system = 274,560 kcal/hr (Note: The cooling water of 1,040 LPM is precooled from 35°C to 24°C; and the average usage rate thereof is 40%) B: The energy efficiency of cooling water system = 3.5 kcal/hr-W= (0.03+0.063+0.68+0.027+0.063)kW/RT (Cooling tower + chilled water pump + chiller + primary pump + secondary pump) C: The energy efficiency of heat recycling system = 97 kcal/hr-W=0.031 kW/RT (heat recycling pump)	Annual power saving amount (kWh) = (A/B-A/C)/1,000(kW/W)*365 (day/year)*24(hr/day)	662,389 kWh/year (2,384,600 megajoule/year)
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**Total energy-saving benefits**
=
**The amount of CO2e absorbed by 19,5 Daan Forest Parks in one year.**

Note 1: The electricity discharge coefficient announced by Bureau of Energy, Ministry of Economic Affairs in 2019 was 0.509 kgCO<sub>2</sub>e/kWh, which is converted to ton-CO<sub>2</sub>e/year here.  
 Note 2: One Daan Forest Park absorbs 389 ton-CO<sub>2</sub>e each year.

# Customer Services and Management

\* Specific to Acter and 418-1

Acter is committed to provide customers with professional engineering integration services. To give customers' satisfaction, Acter not only continues to pay attention to the quality of our operations at all levels, but also internalizes them into our corporate culture. With respect to all problems and deficiencies, we take an active attitude and promote various effective preventive measures to ensure that our customers will receive the finest and best services. Quality guarantee is not only our responsibility, but also commitment to our customers. Acter has accumulated years of engineering experience. Apart from set explicit quality policy and goals, prepare related procedure books and operating manuals, we also follow up the newest international quality standards. For example, Acter passed the ISO9001 Quality Management System certification in 1999; completed the transfer of ISO 9001:2015 and ISO 14001:2015 certification and received a certificate thereof in 2018; conducted the annual ISO 14064-1:2006 Greenhouse Gas Verification and received a third-party assurance statement therefor in 2018; completed the transfer of ISO 45001:2018 Occupational Health and Safety (OH&S) Management System (original OHSAS 18001:2007) certification and received a certificate thereof in 2019; and implemented the ISO 50001 Energy Management certification and obtained a certificate thereof in 2020.



## Quality Management Policy

Quality Policy

**"Do things right the first time; do things well every time"**

Adopting good trainings or educational programs in order to meet the Company or customers' expectation. Establish operating procedures for each work in order to implement construction controls and meeting customers' satisfaction level.



Design verification

Understand customers' needs; the overall building planning; and the uniqueness and expandability of each production process. Confirm engineering requirements and design through fully communication and discussions, making sure that customers' needs are met.



Acceptance of equipment and materials

Implement the management, performance appraisal and factory inspection of suppliers. Relevant staffs must fully understand the specification and functions of each equipment and machinery; and confirm the procurement facilities are accurate and have high quality to fulfill the engineering requirements.



Construction management phase

Implement the 5S site management and relevant systems. Make sure that every construction method, construction quality, environmental waste reduction and work safety measures of each phase comply with the standards.



Construction and installation verification

Introduce standard construction methods; discuss construction drawings and maps in depths; realize the spirit of "do things right the first time"; and implement the self-inspection quality management, pursuing consummation in each phase.



Operational verification

According to the equipment operating procedures and rules, confirm that the facility or equipment operate within the operating limits and normal conditions.



Functional verification

From design verification to installation to operational verification to quality management, establish functional verification standards and checklists; and conduct checks and verifications according to the said procedures in order to reach the optimal performance.

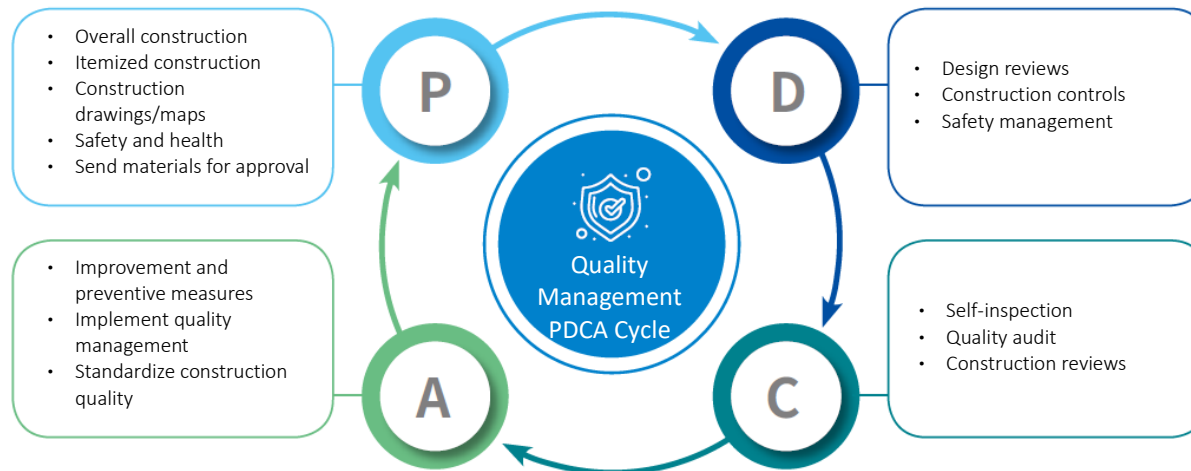


After-sale services

Provide engineering warranty services and, if it is needed by the customers, factory operations service. Assist the customers in examining, maintaining and repairing the equipment to ensure that the overall engineering services have a stable quality; and to provide customers a quality space.

## Quality Management System

Acter has, in compliance with the three-tier quality control system established by Executive Yuan, adopted a top-down supervisory framework to guard our quality at each level; and performed the “three professional management skills” to stabilize our quality, increase work efficiency and create excellent quality. By means of double quality control, we also succeeded in establishing a complete mechanism; providing construction personnel with educational trainings; and helping them to acquire related certificates. Also, engineers and quality control personnel of each construction sites are assigned to guide the subcontractors to abide by work site instructions and implement construction audit; identify deficiency improvement procedures and corrective preventive measures; and fill in records and assessment reports in order to advance prevention works and make timely improvements. The quality control effectiveness and performance index are also connected to continuously promote the PDCA cycle for quality management. The management framework is as follows:

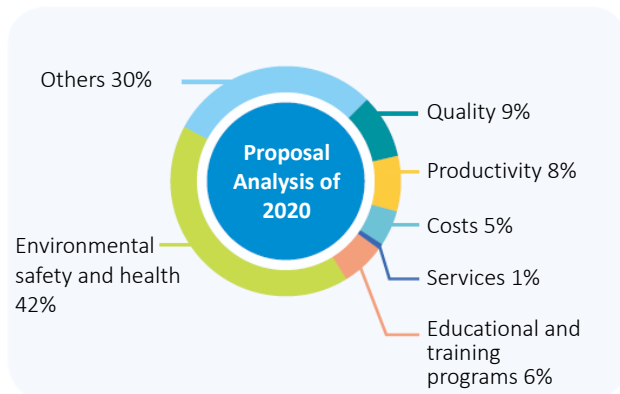


Three Professional Management Skills: Dedication, Expertise and Concentration				
3-Level Quality Control	Dual quality control		Details of Implementation	
	Project quality control procedures	Corporate internal control and management procedures		
Level 3 Quality Control – Quality Auditing	Customers	Acter’s quality control center	Irregular audits	Audit the project quality depending on the project progress. The audit results are used for continuous improvements and as the basis of assessing suppliers’ performance. The purpose thereof is to implement quality management and assurance works in order to enhance the engineering quality.
Level 2 Quality Control – Quality Assurance	Design and supervision unit	Site quality control personnel	Construction supervision and guidance works	To ensure the compliance of construction results with the design and relevant regulations, it is a must not to establish a construction quality assurance system, but also to establish a supervision organization; draw up a supervision plan; inspect construction works, materials and equipment and retain all records; and, by reviewing the project results and possible improvements, achieve the goal of enhancing our engineering quality.
Level 1 Quality Control – Quality Controls	Work station	Guide suppliers to conduct self-management	Autonomous and collaborative inspection	Establish a construction quality control system. Before launching a project, it is a must to, according to the project features and contractual requirements, draw up and propose a quality plan and set up a quality control organization, which shall abide by the contract for project implementation and inspection works and provide related trainings and counseling services.

## The Strengthening of Quality Culture

At Acter, quality is the responsibility of everyone. To strengthen the corporate quality culture and enhance our employees' problem-solving ability, Acter has launched a proposal reward mechanism to encourage our employees continuously create quality innovation and to promote interdepartmental observational learning. In 2020, our employees have totally made 239 improvement proposals and 20 of them have been put into practice in daily operations to create Acter's potential benefits

In the meantime, with respect to improvements made to ameliorate our operating procedures and further enhance our service quality, we already established multiple opinion collection channels, such as case-closing reports of representative engineering projects; problems discovered in audits; customers' feedback; and opinions and feedback collected from internal meetings. Among them, the case-closing report is dominated by the project manager, where the manager of Q&A and Safety Department and other competent units shall jointly review the case and make improvement proposals. Where amendments to related operating procedures are deemed necessary as discussed at the meeting, competent units of related documents shall make a revision accordingly, review the documents based on their respective authorities, and make an official announcement upon approval of the document. In 2020, Acter totally released 19 revisions, which were made to comply with government regulations, manage project amendments and optimize related rules/ procedures by taking practical needs into consideration. Furthermore, to enhance internal operating quality, the Company already held various quality trainings and programs. The total of the Company's quality training hours in 2020 was 335.5 hours.



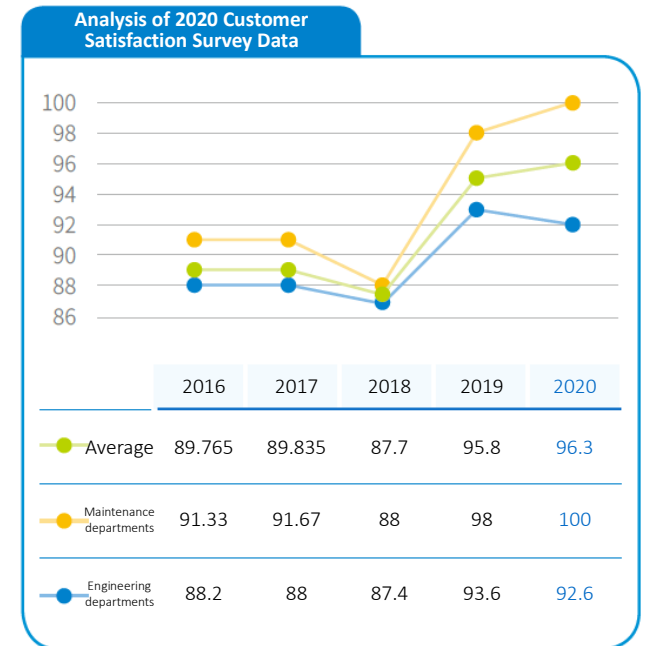
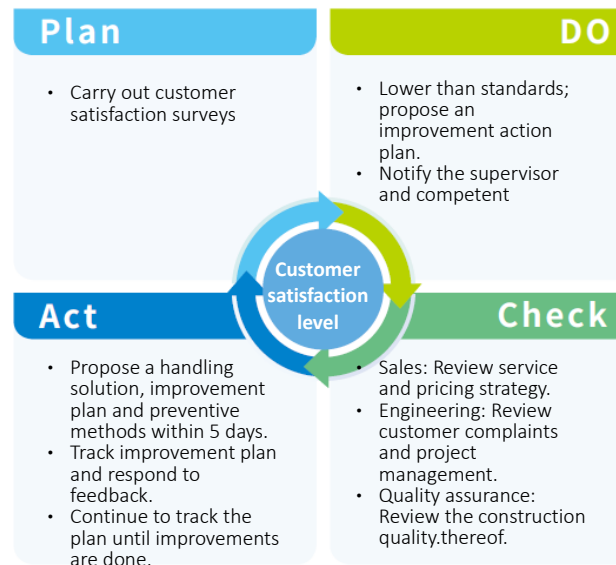
## Customer Satisfaction Level

Aiming to "provide quality services and become our customers' reliable partner", Acter is devoted to becoming the strongest prop of our customers. From design and planning to supervision and management and to warranty and maintenance works, Acter always provides the best and most real-time services at each stage. In the meantime, we also protect customers' confidential information with the highest standards in order to win their trust and to ensure a continuous growth of Acter in the future.

We also consider customers' feedback and opinions as an important foundation that helps us to further develop customer relations. Through various channels, we have been proactive in understanding customers' needs and our performance in customer services. With respect to customers' opinions, we regularly review, analyze and propose a proper improvement plan in order to respond to and handle customers' needs. To further understand customers' needs and thinking, we continuously look for improvement possibilities and do our best to propose the most adequate solutions.

Every half year, Acter carries out customer satisfaction survey in accordance with "Operating Procedures Governing Customer Satisfaction Level and Sustainable Operational Improvements". The customer satisfaction survey questionnaires are firstly collected interdepartmentally and then used to summarize customers' feedback, calculate the overall score and complete the survey analysis report. Apart from reviewing the survey results and make improvement proposals accordingly, the improvement action report is also provided to related departments to put proposed improvements into action, ensuring that our service quality meets customer expectation instead of struggling with their trust. In 2020, Acter's average score of customer satisfaction level was 96.3, which was above our target value (90). In the future, Acter will, by continuously communicate and closely collaborate with our customers, continue to provide high-quality services and meet customer requirements.

### PDCA for "Customer Satisfaction Survey"



## Maintenance of Customer Privacy and Confidential Data

Acter has been devoted to protecting customers' confidentiality to ensure their rights and interests. To prevent customers confidential data from leaking, Acter not only abides by "Personal Data Protection Act" to stipulate relevant regulations, but also sets strict management mechanism and handling measures internally; and well control the Company's trade secrets and undisclosed confidential information to ensure the interests of the Company, our customers, shareholders, employees and subcontractors. With respect to the customer privacy and data maintenance, Acter did not receive any complaint in 2020 as usual. However, we will continue to enhance our management approaches and protect customers' confidential information.

Acter already implemented information security risk assessment and related procedures. Confronted by various external information security threats and cyberattacks, Acter will continue to implement information security risk management measures, and enhance information security detection and preventive mechanism. For example, installing virus auto-scan and antivirus software to prevent malware from entering the Company's network or system; strengthening the Company's network firewall and network controls to prevent computer virus from spreading; selecting and adopting endpoint antivirus based on the configuration of computer; timely updating computer software; and enhancing the detection of phishing email and employee's identification tests. Furthermore, Acter also continuously reviews and evaluates information security rules and procedures on an annual basis to ensure the appropriateness and effectiveness thereof; and to control and minimize information security risks.

### Information Security Management Mechanism



- The IT Department continuous to review the Acter's information security risks and implement control measures accordingly; and hires external information security company to investigate the Company's overall information system on a regular basis.

### Advocacy and Educational Trainings for Employees



- The IT Department distributes EDMs of information security advocacy on an irregular basis; and conduct educational and training sessions for all employees.
- Stipulate rules governing relevant handling measures and strictly request the sales personnel to protect customers' information.

### Legal Regulations and Complaint Channel



- Sign the non-disclosure agreement (NDA) with customers; and be in compliance with legal regulations and inspections.
- Establish reporting/complaint channels on the Company's official website and appoint a department in charge of reported matters.

## Customers' Recognition and Glory

Upholding the service tenet of "wherever customers' needs are, Acter's services will be", Acter touches customers' needs to provide them with the best services. Also, insisting on "quality the utmost, safety the first", Acter has adopted a multi-industrial, multi-regional and multi-disciplinary development strategy to vertically and horizontally integrate the industry and to provide customers with the one-stop turnkey engineering services. In the future, Acter will continue to develop green technologies; fulfill our corporate environmental sustainability; establish a long-term, reliable and mutual benefit partnership with our customers and suppliers; and, with our professional passion towards "sustainable engineering services" and mission, create the momentum for the sustainable growth of our society.

### Recognitions of Acter's services from our supplier in 2020



**Center Healthcare Technology Co., Ltd.**  
Building construction related engineering

**Glac Biotech Co., Ltd.**  
Air-conditioning reconstruction engineering

## Responsible Supply Chain

102-9, 103-2~3, 204-1, 308-1~2 and 414-1~2

To sustain environmental ecology and reduce environmental impacts and risks of constructive activities, Acter has implemented green management to promote environmental protection concepts in the supply chain. It is also our aspiration to, through a good management of supply chain, go beyond stakeholders' expectations while giving considerations to the economy, society and environment.

As a professional engineering turnkey company, Acter offers mid-end engineering services in the value chain. We work closely with the upstream subcontractors and downstream customers in the industry in order to provide professional services, ranging from design, planning, procurement, outsourcing, construction and test run, in order to create a complete industrial value chain and complete domestic and foreign engineering projects with our partners. Apart from drawing up a responsible supply chain management mechanism and ESG risk assessment, we have also audited the compliance thereof to ensure that our suppliers will abide by all management rules. Besides, by holding site visits and audits, we have managed to bring our influence in the industry into full play and create a sustainable business model with our value chain partners.

### Historical geographical distribution of suppliers

	2018		2019		2020	
	Q'ty	Ratio	Q'ty	Ratio	Q'ty	Ratio
Taiwan	4,700 suppliers	99.18%	4,909 suppliers	99.13%	45,161 suppliers	99.14%
China	15 suppliers	0.32%	17 suppliers	0.34%	17 suppliers	0.33%
North East Asia	1 supplier	0.02%	1 supplier	0.02%	2 suppliers	0.04%
Europe and United States	23 suppliers	0.49%	25 suppliers	0.50%	26 suppliers	0.50%
Total	4,739 suppliers	100%	4,952 suppliers	100%	5,206 suppliers	100%

## An Overview of the Supply Chain Structure

Acter's suppliers are all over the country, Europe, the United States, North-East Asia and China. As of the end of 2020, Acter has 5,206 suppliers around the world. To effectively manage the supply chain and master the status thereof forthwith, we have categorized and classified our suppliers, whom are divided into two types: Subcontractors and material/equipment suppliers. Also, suppliers whose cumulative trading amount of the year is over NTD 10 million are defined as "key suppliers". Based on such classification approach, we then implement annual supplier assessment in order to manage our suppliers even more effectively.

### Proportion of historical key and non-key suppliers

	Subcontractors		Material and Equipment Suppliers	
	Key Suppliers	Non-Key Suppliers	Key Suppliers	Non-Key Suppliers
2018	57.23%	42.77%	72.85%	27.15%
2019	54.42%	45.58%	59.05%	40.95%
2020	68.89%	31.11%	75.60%	24.40%

Note: Suppliers whose cumulative trading amount of the year is over NTD 10 million are defined as "key suppliers".

## Supplier Management

Considering "Suppliers Code of Conduct" as the highest guiding principles, Acter has requested our suppliers to abide by it properly. Moreover, based on our four implementation policy of "Compliance with Rules", "Risk Assessment", "Participation in Audit" and "Continuous Improvements", we have continuously driven our supplier partners not only to make continuous improvements and brave commitments, but also to establish sustainable actions with their upstream and downstream partners in order to create a responsible industrial chain hand in hand. The said four policy is also the foundation on which we have established various approaches, including the suppliers selection mechanism, supplier assessment, supplier sustainability risk assessment and rules governing visits to suppliers. Also, with the use of related documents and on-site audits, we are managed to guide our suppliers to make improvements; to provide assistance thereto; to implement Acter's responsible supply chain action; to realize the core value of "common good"; and to continuously optimize the supply chain process.



### New Suppliers Selection Mechanism

Acter abides by laws. Companies that have been announced as a debarred supplier on the "Government e-Procurement System" website of Public Construction Commission (PCC), Executive Yuan will not be admitted as Acter's supplier. In the meantime, in the beginning of a partnership, we will actively assess suppliers' risk status by reviewing their, for example, business license, tax payment certificate, company introduction, project performance, quality and EHS certification related information. Also, new suppliers will be requested to fill in the "Supplier Basic Information Form" and sign the "Integrity and Modesty Commitment" to ensure that the entire process complies with the spirit of fair trade. Acter also established the reporting mechanism: any supplier who violate integrity and modesty rules will be refused to have business relationship with; and will be liable for legal responsibilities accordingly. As of 2020, Acter has not terminated the business relationship with any of our suppliers due to the violation of integrity or other major rules. Besides, to facilitate suppliers' implementation of CSR, Acter has, starting from 2018, requested all new suppliers to sign the "Supper CSR Commitment" and invited existing suppliers to resign the commitment. In 2020, 254 new suppliers have signed the commitment with an achievement rate of 100%; and, as of the end of 2020, 879 suppliers (about 87.2% of our trading partners in the year) have signed the commitment.

## Acter's Suppliers Code of Conduct

Acter's Suppliers Code of Conduct is stipulated based on a number of internationally recognized standards to assure the safety of work environment; respect labors' dignity; and fulfill our environmental responsibility by adopting eco-friendly production processes. Besides, the suppliers must also abide by the laws, regulations and rules of the country/region of where they operate. The Code is applicable to Acter's suppliers, subcontractors and other subsidiaries. In 2018, Acter has already requested all new suppliers to read through, agree and sign the Code of Conduct; and encourage the suppliers to pass this standard to suppliers of the next stage to facilitate a sustainable development of the entire supply chain. The sign rate of new suppliers in the year of 2020 was 100%.

Labor	<ul style="list-style-type: none"> <li>No discrimination</li> <li>Fair treatment</li> <li>No child labor</li> <li>Free choice of employment</li> </ul>	<ul style="list-style-type: none"> <li>Working hours</li> <li>Salary and allowance</li> <li>Freedom of association and collective bargaining</li> </ul>
Health and Safety Standards	<ul style="list-style-type: none"> <li>Occupational safety</li> <li>Emergency response and preparation</li> <li>Occupational injury and diseases</li> <li>Industrial hygiene</li> </ul>	<ul style="list-style-type: none"> <li>Labor work</li> <li>Machine protection</li> <li>Sanitation, food and accommodation</li> <li>Health and safety communication</li> </ul>
Code of Ethics	<ul style="list-style-type: none"> <li>Business integrity</li> <li>No unjust proceed</li> <li>Information disclosure</li> <li>Intellectual property</li> </ul>	<ul style="list-style-type: none"> <li>Fair trade, advertising and competition</li> <li>Protect identity and eliminate retaliation</li> <li>No conflict mineral</li> <li>No Privacy</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Environmental permit and compliance</li> <li>Pollution prevention and treatment; resource saving</li> <li>Hazardous substances</li> </ul>	<ul style="list-style-type: none"> <li>Wastewater and solid wastes</li> <li>Emission of air pollutant</li> </ul>
Management System Standards	<ul style="list-style-type: none"> <li>Corporate commitments</li> <li>Management responsibility and duty</li> <li>legal and standard essentials</li> <li>Risk assessment and management</li> <li>Improvement targets</li> <li>Trainings</li> </ul>	<ul style="list-style-type: none"> <li>Communication</li> <li>Labors' feedback and participation</li> <li>Audit and evaluation</li> <li>Correction procedures</li> <li>Documents and records</li> <li>Suppliers' responsibilities</li> </ul>

## Risk Assessment – Supplier Assessment

To have in-depth insights into suppliers' current status, Acter has stipulate "Supplier Assessment Form" in accordance with "Procedures Governing Procurement and Materials". Each year, the assessment is conducted by the Procurement Department, Q&A and Safety Department, and engineering departments to assess the performance of "key suppliers of the year" or "key suppliers who were assessed as Class C supplier in the previous year". The assessment items include the material/construction quality; delivery date/construction achievement rate; price advantages; expertise; level of collaboration; finance; and, starting from 2017, CSR. For those whose total score below 60, Acter will not cooperate therewith in the future. For those whom are assessed as Class A suppliers with a total score above 80 will be offered with "right to match" when the bidding price thereof is the same with the others. For those who fail to reach the standard, Acter will reduce the trading amount or partnership therewith. In 2020, Acter has assessed all key suppliers (99 in total).

### Historical assessment results of key suppliers

	2018	2019	2019
Number of assessed suppliers	82 suppliers	59 suppliers	99 suppliers
Number of traded suppliers	994 suppliers	950 suppliers	1,008 suppliers
Assessment ratio	8.25%	6.21%	9.82%
Average score	79.6	79.8	79.5

### Comparison of the assessment results of key suppliers

Assessed Items (score)	2018	2019	2020
material/construction quality (20)	16.6	15.9	15.9
Delivery date/construction achievement rate (20)	16.6	17.1	16.8
Price advantages (10)	7.6	7.5	7.7
Expertise (20)	15.2	15.7	15.9
Level of collaboration(30)	24.3	24.2	23.9
Finance (point deduction)	-0.7	-0.6	-0.6
CSR (point deduction)	(0.0)	0.0	-0.1
Total score (100)	79.6	79.8	79.5



## Assess Risks - Supplier Sustainability Risk Assessment

Devoted to fulfilling corporate social responsibility over the years, Acter has been proactive in disclosing information related to the environment, society and corporate governance. Moreover, to be aware of the risks of our key suppliers, we also conduct an assessment thereon from the aspects of environmental management, labor conditions, human rights and social influence; and identify their risk level – high, medium and low – from the assessment results. With respect to suppliers whose operations are involved with high risks, we then conduct on-site audits to understand their status of risks; give suggestions to improve their deficiencies; and track their improvement status. In 2020, we have collected 52 sustainability risk assessment forms therefrom and, although none of them are involved with high risks, we still conducted two on-site audits. The purposes thereof are to continuously interact with our suppliers and to check if their product quality and labor environment are in compliance with our standards. In the meantime, in response to challenges derived from COVID-19, we also launched new supply chain management related strategy in 2020 and demonstrated our management performance successfully.

### Statistics on the geographical distribution of suppliers

Sustainability Risk Assessment	2018	2019	2020
Number of low-risk suppliers	156	40	52
Number of medium risk suppliers	0	0	0
Number of high-risk suppliers	0	0	0

### Suppliers sustainability risk assessment items

Facets	Content of Investigation	Supply Chain Action Plan
Economy	Enhancement on quality and professional skills	Continue to enhance expertise
	Sustainability management policy and organization	Implement management policy
	Risk management	Enhance risk management
	Business plan	Continue to carry on the business plan
Environment	Waste management	Pollution prevention and treatment
	Water resource management	Water saving
	Climate change risks	Identify climate change risks
Society	Greenhouse Gas (GHG) discharge and carbon management	Waste and carbon reduction
	Occupational safety and hygiene	Implement environmental safety education and prevention/treatment measures
	Labors' rights and interests	Value labors' rights and interests without any violation
	Labor policy	Comply with legal regulations without any violation
	Code of Ethics	Value Code of Ethics

Strategy for managing COVID-19 derived supply chain risks and related performance		
Problem/ challenge	Counseling behavior/ response strategy	Related performance
Increase in raw material price	<ol style="list-style-type: none"> <li>In response to market changes, notify construction sites of the up-to-date information on raw materials and market trends</li> <li>The potential increase of material cost must also be included when evaluating the bid cost.</li> <li>With respect to raw materials required for awarded bids or raw materials with a forecasted demand, place the order in advance to avoid price fluctuation.</li> </ol>	A demand for pipeline materials was forecasted for 2Q/21 and/or 3Q/21. Nevertheless, due to the continuous increase in the price thereof, we have advanced our procurement schedule by placing purchase orders between 4Q/20 and 1Q/21; and succeeded in saving around NTD3.5 million (about 8% to 10% increase in the cost).
Equipment/ material import risks derived from COVID-19	<p>During the peak of the pandemic in 2Q/20, we constantly reviewed risks involved in the delivery of imported equipment every two weeks. For example, the export country might have downtime or logistic problem and is unable to make an on-time delivery.</p> <p>Solution: Looking for a substitute or apply for project/delivery extension to the customer.</p>	No project progress was affected by a delay in delivery.
Risks of supply chain downtime / lack of labor / lack of materials	<ol style="list-style-type: none"> <li>Enhance our development in equipment/ material/ outsourcing resources; and such performance is included in procurement staffs' individual KPI assessment.</li> <li>Promote Acter's visions and philosophy to exiting suppliers in various meetings; and express our aspiration to create a long-term winning partnership therewith.</li> </ol>	In progress.

### Participation in audit and continuous improvement

Acter has, according to “Suppliers Code of Conduct” and sustainability risk assessment items, selected two suppliers whom are involve with potential risks to carry out on-site audits. To fully inspect risks involved therewith, these two suppliers had their management system, code of ethics, environment, labor, human rights, health and safety audited in accordance with complete sustainability rules. Besides, through face-to-face communication and interaction with the suppliers, Acter is able to understand the equipment and/or material produce process; and exchange ideas with the suppliers with respects to the handling approach and improvement strategy. It is also a must to take photos of key inspection items and archive them with the “Supplier Visit Assessment Form”, which shall be filled in by the inspector and signed by the supplier. In 2020, no deficiency or issue was found in the said two suppliers.







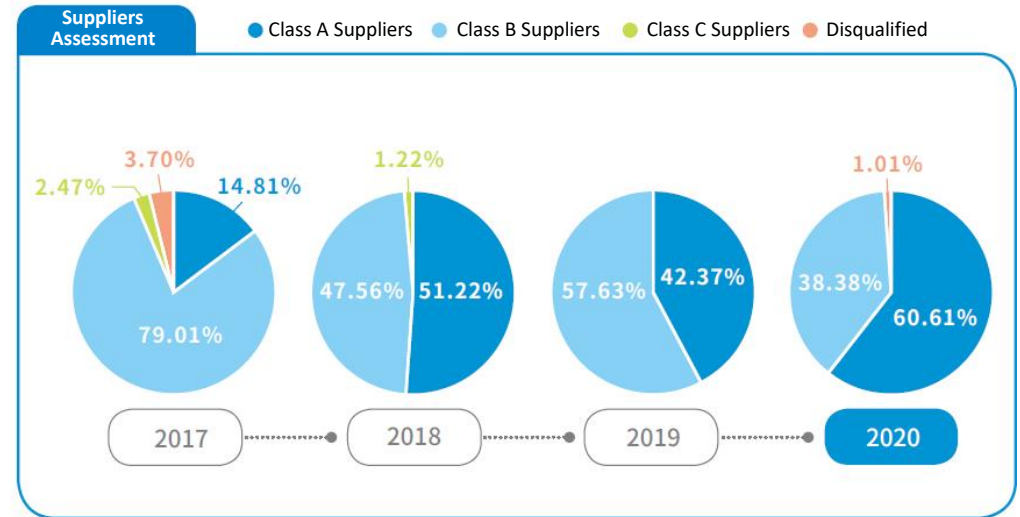
## | The “Growing with Suppliers” Program

Suppliers are important partners of Acter. By building a partnership therewith, we support each other and grow together. We do not only supervise and guide them, but also provide them with educational trainings through the “Supplier Foster Plan” and establish a business sustainability-oriented exchange platform. It is our aspiration to, when striding forward to the internationalization, proactively guide our suppliers to enhance their internationalization capability and become a qualified supplier of our overseas customers. It is our expectation to continuously facilitated shared growth and common good of supply chain. According to the 2020 key supplier assessment results, not only is proportion of Class A

suppliers (60 suppliers in total) 60.61%, which is higher than our estimate, but also none of our suppliers were assessed Class C and below. In the meantime, Acter also continued to counsel key suppliers to fill in the “Sustainability Risk Assessment Form” to enhance their self-management and deepen their awareness towards corporate sustainability issues.

### • Plan implementation policy/ approach

 <p>Assist suppliers in enhancing their response capability</p>	<ul style="list-style-type: none"> <li>Assist in offering resources and prevent supply chain equipment from being affected by the environment as it can cause supply break down. This can help to enhance suppliers’ response capability.</li> <li>Provide education and training programs to enhance suppliers’ expertise, which will be used thereby to confront challenges of the industry or new technology.</li> <li>Enhance suppliers’ response capability through experience sharing</li> </ul>
 <p>Implement occupational safety and health</p>	<ul style="list-style-type: none"> <li>Provide trainings and programs to build suppliers’ awareness of environmental safety inspection.</li> <li>Implement occupational safety inspection.</li> </ul>
 <p>Ameliorate quality</p>	<ul style="list-style-type: none"> <li>Provide trainings/ programs or share Acter’s experience to enhance suppliers’ expertise.</li> <li>Implement quality checks.</li> </ul>
 <p>Enhance suppliers’ CSR awareness</p>	<ul style="list-style-type: none"> <li>Establish a business sustainability exchange platform to share Acter’s experience and information of CSR; and to request suppliers to comply with relevant policy in order to expand the benefits of CSR.</li> <li>Invite suppliers to participate in Acter’s CSR activities and plans.</li> </ul>



## Green Procurement

To facilitate the sustainable development of environment, Acter has been proactive in enhancing green technology and competence; and providing customers with high-quality green designs and plans. With respect to the implementation of our engineering projects, we also abide by the 3R principles (i.e. Reduce, Reuse and Recycle) by adopting products with the “Green Mark” and other equipment/materials recognized by the Environmental Protection Administration (EPA) as renewable, recyclable, low-pollution, energy-saving and/or water-saving. The total green procurement amount of projects undertaken by Acter in 2020 is NTD186.63 million with an increase of 17.92% comparing with last year.

**Acter's Green Procurement Principles**



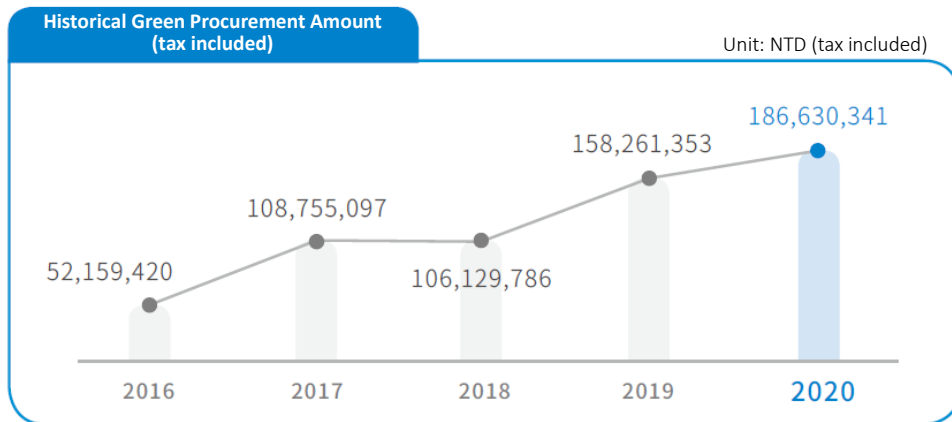
Procure and use green building materials and equipment/materials with the eco-friendly label at priority.



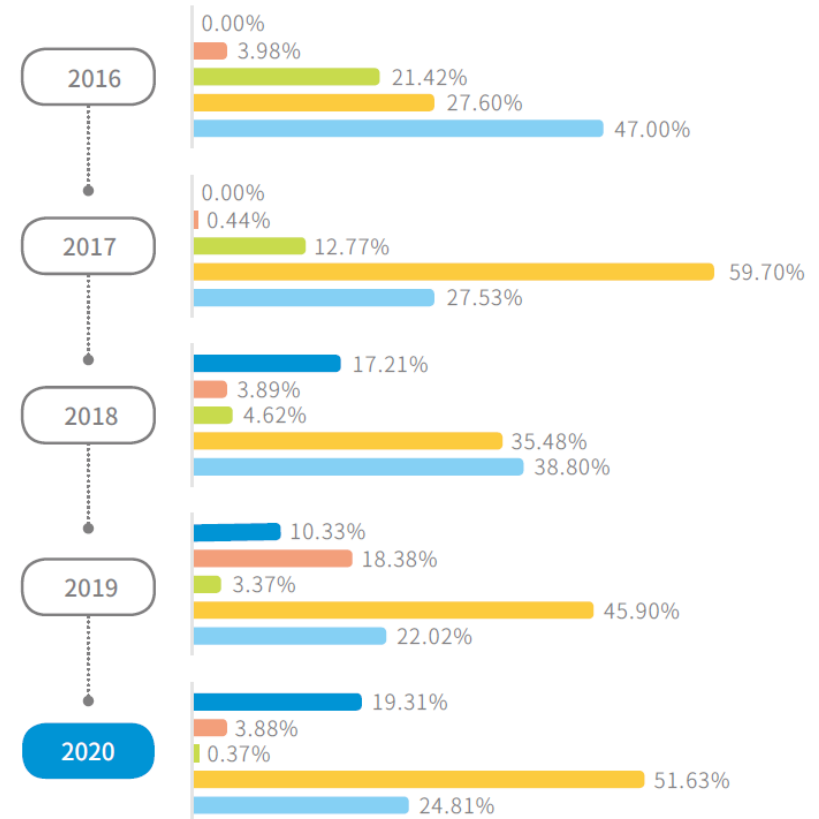
Procure products that are renewable, recyclable, low-pollution, energy-saving and water-saving.



Reuse equipment that is over-packaged, can harm our environment, or has high-energy consumption.



### Analysis of the proportion of historical green procurement items

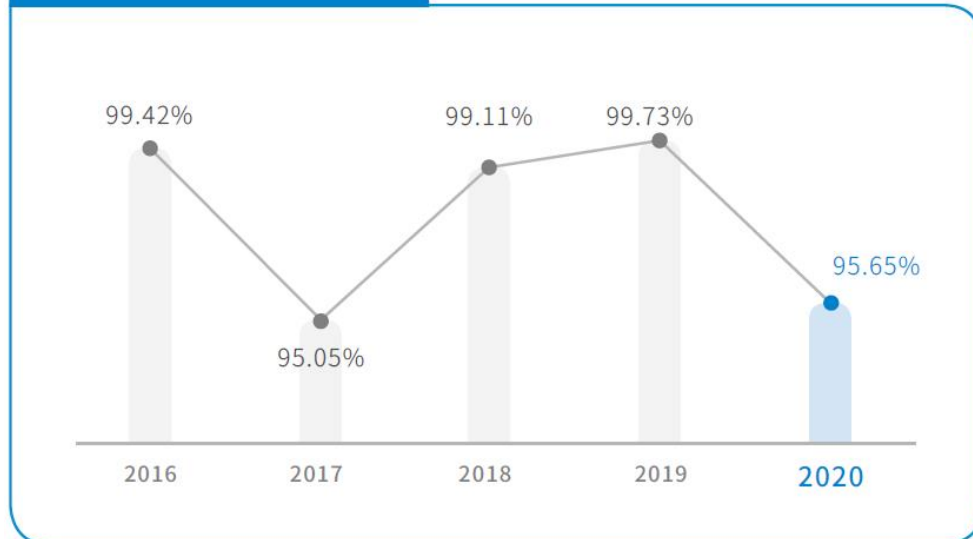


- Other energy-saving equipment or materials (ex. wind power and green building materials)
- Sanitary equipment with the water-saving label
- Installation of solar energy system
- Eco-friendly air-conditioning refrigerant (ex. R-401a; R-32)
- LED fixture

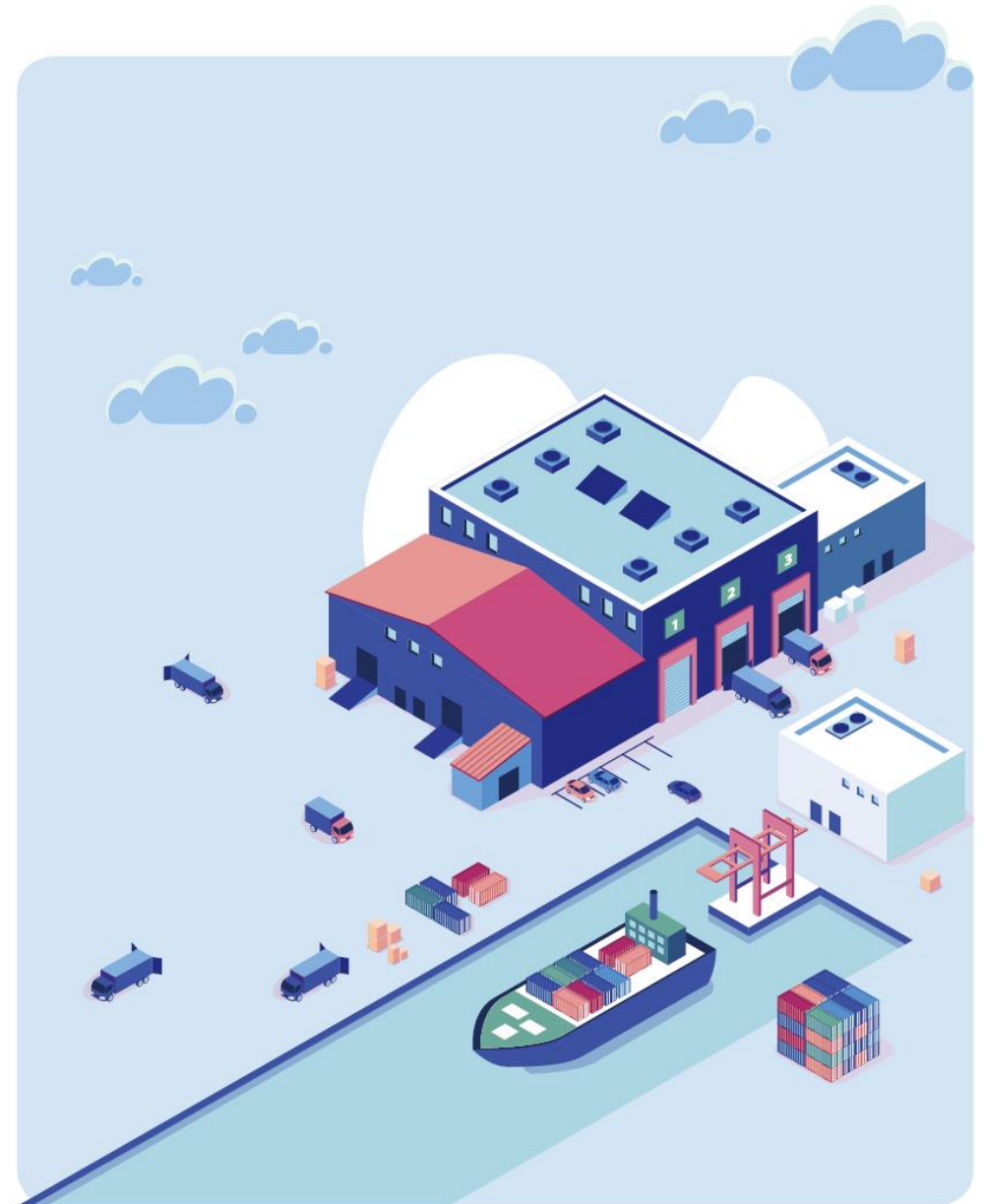
## Local Procurement

To reduce carbon emission in transportation materials, stabilize our procurement, proactively establish a positive relationship with local society and facilitate local economic development, we will take local materials as the first priority and entrust local subcontractors to implement the project. In 2020, the proportion of Acter’s local procurement expenditure was 95.65%. In the meantime, in response to the global boycott of conflict minerals, we commit not to use conflict minerals and request our suppliers to make sure not to use minerals originated from the Congo and its surrounding countries in Central Africa.

Proportion of Acter’s historical local procurement expenditure



Note: The proportion of local procurement decreased in 2020 as Acter was requested by some customers to purchase specific imported and branded equipment.





# 4

## Environmental Protection

- 52 Climate Change
- 58 Environmental Management
- 60 Resources Management

### Annual Highlights

- Maintained the record of 0 environmental penalty and 0 fine.
- Obtained ISO 14064-1:2006 Verification Statement.  
The operational greenhouse gas emission reduced by 13.32% comparing with the base year.
- The water consumption per capital reduced by 18.33% comparing with the baseline value.

Upholding the faith of developing co-existence and co-prosperity of corporate growth and ecological environment, Acter has optimized the spirit of green engineering services by integrating green management into daily operations. From the aspects of climate change, eco-friendly technology, energy management, and water resources and waste management, Acter has been proactive in promoting various sustainability approaches to enhance environmental protection. It is our aspiration to implement environmental sustainability in every circle of the Company's business operation and further enhance our corporate value.

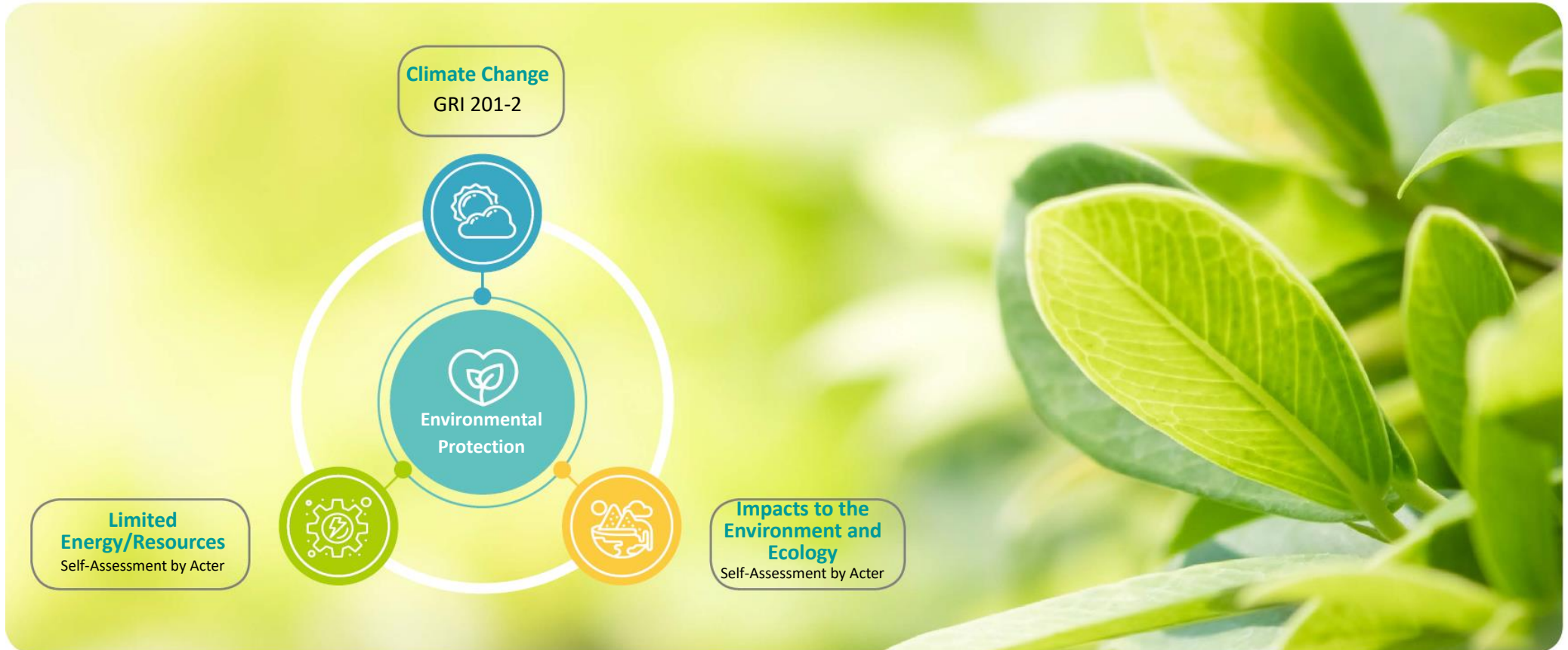
## Climate Change and Energy Saving

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In recent years, extreme weather disasters have occurred frequently. In order to respond to such challenges ahead of time and bear the responsibility of mitigating climate change together with the world, Acter has brought this issue into the primary agenda of our CSR environmental protection team. Apart from assessing climate change risks and opportunities, and establishing energy saving and carbon reduction plans, we also hold meetings on a regular basis to present our greenhouse gas (GSG) management and climate change response results. Our climate change actions and results are also reported to the Board of Directors on an annual basis. It is our aspiration to optimize sustainability performance in every circle of our business operations, to construct a resilient organization and provide responsible services.

## Introduction to the TCFD Framework

Confronted by potential operational risks derived by global warming and extreme climate, Acter has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework of Financial Stability Board (FSB) to identify climate related risks and opportunities. Based on the identification results, we further established metrics and management by objectives (MBO) to effectively control the progress and results; to further reduce financial impacts of climate risks to operations; and to facilitate our communication with stakeholders.



## Acter's TCFD Framework

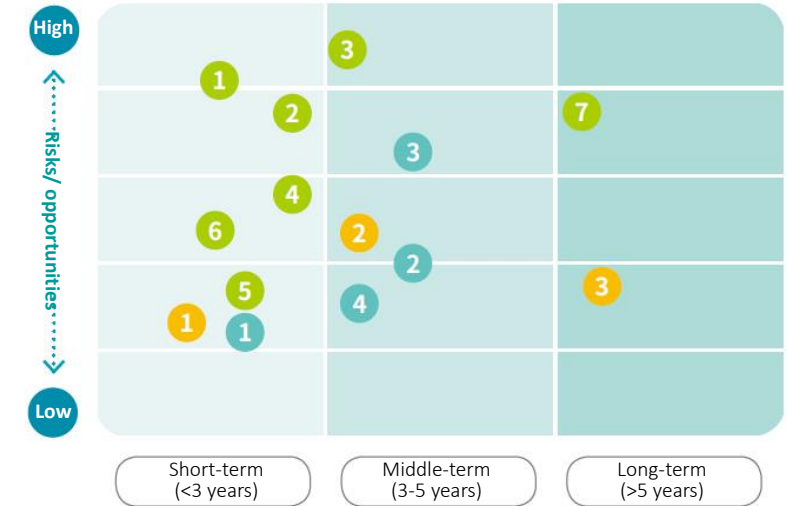
	Company's Management Strategy and Actions	Implementation of 2020	Chapters in Response
Governance	<ul style="list-style-type: none"> <li>The Board of Directors reviews climate-related risks and opportunities on a regular basis               <ul style="list-style-type: none"> <li>Corporate Social Responsibility (CSR) Committee Having the chairman and General Administration Division served as its chair and executive secretary respectively, the Committee regularly reviews climate change and strategic objectives and implementation results, and report to the Board of Directors.</li> <li>Sustainable Operations Team Having assistant manager of the engineering unit of Operations Division served as the senior specialist, the team promotes sustainability projects, draws up management plans, reviews implementation status and deliberates future plans according to the Acter's strategy and objectives.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Chaired by the Company's chairman, CSR Committee holds regular meetings to review environmental impact assessment results and set targets.</li> <li>The implementation results of 2020 was reported to Board of Directors in November of the same year.</li> <li>With respect to detailed information about inter-departmental discussion on climate risks and opportunities, please refer to "Climate Related Risks and Opportunities Matrix".</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Management – Sustainable Development Strategy</li> <li>Corporate Governance – Risk Management</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>Discuss and identify short-, middle- and long-term climate related risks and opportunities through interdepartmental coordination and collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>With respect to detailed information about inter-departmental discussion on climate risks and opportunities, please refer to "Climate Related Risks and Opportunities Matrix".</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance – Risk Management</li> <li>Environmental Protection – Climate Change and Energy Saving</li> </ul>
	<ul style="list-style-type: none"> <li>Assess potential operational and financial impacts of major climate related risks and opportunities to the Company</li> </ul>	<ul style="list-style-type: none"> <li>Completed climate change risks and opportunities assessment, and have been proactive in promoting opportunities and actions. For detailed information, please refer to "Analysis of the Financial Impacts of Climate Change"</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance – Risk Management</li> <li>Environmental Protection – Climate Change and Energy Saving</li> <li>Environmental Protection – Energy Management</li> <li>Sustainable Engineering Services – Green Engineering Technology</li> <li>Environmental Protection – Climate Change and Energy Saving</li> <li>Sustainable Engineering Services – Green Engineering Technology</li> </ul>
	<ul style="list-style-type: none"> <li>Conduct a situational analysis and assess reduction targets.</li> </ul>	<ul style="list-style-type: none"> <li>Analyze climate related risks involved in the operations, stipulate related reduction and mitigation measures, and set related strategy in order to achieve the mitigation goal.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance – Risk Management</li> <li>Environmental Protection – Climate Change and Energy Saving</li> </ul>
Risk Management	<ul style="list-style-type: none"> <li>Use the TCFD framework to construct climate risk identification process</li> </ul>	<ul style="list-style-type: none"> <li>Hold meetings to carry out interdepartmental discussions, to jointly implement the identification and ranking of climate related risks/ opportunities, and to evaluate financial impacts derived therefrom.</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance – Risk Management</li> <li>Environmental Protection – Climate Change and Energy Saving</li> </ul>
	<ul style="list-style-type: none"> <li>According to the climate risk identification and ranking results, set related response solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Report the evaluation results of climate related risks/ opportunities and financial impacts derived therefrom to the chair of CSR committee.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Management – Sustainable Development Strategy • Corporate Governance – Risk Management</li> <li>Environmental Protection – Climate Change and Energy Saving</li> </ul>
	<ul style="list-style-type: none"> <li>Climate risk identification and assessment are included in the risk management process.</li> </ul>	<ul style="list-style-type: none"> <li>Climate related risks have been listed as a theme of the CSR committee for irregular discussions.</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Management – Sustainable Development Strategy</li> <li>Corporate Governance – Risk Management</li> </ul>
Metrics and Target	<ul style="list-style-type: none"> <li>Set climate change related management metrics.</li> </ul>	<ul style="list-style-type: none"> <li>Draw up measures responded to GHG emission, cumulative power saving, and project interruption caused by climate disasters as climate change related management metrics.</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Protection – Climate Change and Energy Saving</li> <li>Environmental Protection – Energy Management</li> </ul>
	<ul style="list-style-type: none"> <li>Regularly check GSG emission in accordance with ISO 14064-1:2006 and review the impact thereof to the Company's operations.</li> </ul>	<ul style="list-style-type: none"> <li>Carbon reduction measures are continuously implemented according to carbon inventory results in order to effectively reduce Scope 1 emission risks and GSG indirect energy emission (Scope 2) cause by the use of electricity. For detailed information, please refer to "Green House Gas Inventory"</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Protection – Climate Change and Energy Saving</li> </ul>
	<ul style="list-style-type: none"> <li>Set climate change management objectives and review the target achievement progress and actual performance.</li> </ul>	<ul style="list-style-type: none"> <li>Set climate change performance indicators and the implementation results are regularly reviewed by senior managers. For detailed information, please refer to "Climate Change and Energy Management Strategy, Targets and Results" and "Green House Gas Reduction Actions".</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Protection – Climate Change and Energy Saving</li> <li>Environmental Protection – Energy Management</li> </ul>

## Risk/Opportunity Identification and Financial Impacts

Acter identifies and ranks climate related risks and opportunities in accordance with TCFD. Also, based on climate risk and opportunity reports released by related agencies, Acter evaluates climate change risks and response measures through interdepartmental inspections in order to find potential risks of and opportunities for climate change response measures. We have also proactive in advancing policies and solutions integrated with economic, environmental protection and sustainable development; implementing energy-saving, carbon-reduction and water-saving related projects; and developing energy-saving construction methods and green services to enhance climate resilience and establish the culture of environmental sustainability.



### Climate Risk Matrix



#### Opportunities

- Participate in green engineering projects
- Acquire green engineering projects
- Develop or expand engineering services
- Enhance investors' willingness of making long-term investment
- Enhance resistance to natural disasters
- Promote low-carbon green engineering
- Positive corporate images

#### Substantial risks

- Typhoons and floods
- Droughts
- Increase in temperature

#### Transformation risks

- Increase in GSG emission costs
- Increase in low-carbon technology transformation costs
- Change in customer behavior
- Impact on corporate image



## • Analysis of Financial Impacts resulted from Climate Change

Climate Risks	Main Identification Results	Potential Financial Impacts	Climate Opportunities	Main Identification Results	Potential Financial Impacts	Acter's Proactive Actions in 2020
Increase in GSG emission costs	<ul style="list-style-type: none"> <li>At the moment, existing related international and domestic regulations do not have direction impact to Acter's operational performance, but continuous attention is still required.</li> <li>Governments around the world have gradually established GSG emission regulations and reduction targets. The services provided by the Company shall comply with relate environmental regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in operating costs</li> <li>Increase in capital expenditure</li> </ul>	Participate in green engineering projects	<ul style="list-style-type: none"> <li>Can provide even more energy-saving and eco-friendly green engineering technology.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in revenue</li> <li>Increase in asset value</li> </ul>	<ul style="list-style-type: none"> <li>Identify risks derived from new regulations and response strategy in accordance with "EHS Objective and Program Management Procedures".</li> <li>Understand the content of international convention and draw up response measures as early as possible.</li> </ul>
Increase in low-carbon technology transformation costs	<ul style="list-style-type: none"> <li>Climate change will affect customers' demand. Acter therefore needs to make a bigger investment in the research and development of new technology and alternative technology</li> </ul>	<ul style="list-style-type: none"> <li>Increase in operating costs.</li> <li>Decrease in asset value.</li> </ul>	Acquire green engineering projects	<ul style="list-style-type: none"> <li>Use professional skills and, through the circular economy model, provide engineering technology and services.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in revenue.</li> <li>Decrease in operating costs.</li> <li>Increase in asset value.</li> </ul>	<ul style="list-style-type: none"> <li>Control the market trends and develop related green energy engineering technology and services. Promote and implement green engineering service to ensure the quality of engineering services.</li> </ul>
Change in customer behavior	<ul style="list-style-type: none"> <li>Following climate change and greater concern to the environment, market/ customer behavior will change accordingly. The Company therefore needs to make adjustments according to customers' demand.</li> <li>If customers' product positioning strategy changes, Acter shall adjust its manpower allocation costs.</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in revenue.</li> <li>Increase in operating costs.</li> <li>Decrease in asset value.</li> </ul>	Develop or expand engineering services	<ul style="list-style-type: none"> <li>New construction and environmental engineering needs that may be created in response to the change in economic pattern.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in revenue</li> <li>Increase in asset value</li> </ul>	<ul style="list-style-type: none"> <li>Establish a good relationship with customers and, depending on their needs, propose a solution and provide related information.</li> </ul>
Impact on corporate image	<ul style="list-style-type: none"> <li>Failure of satisfying stakeholders' expectation has resulted in damages to corporate reputation or image.</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in asset value.</li> </ul>	Increase investors' willingness of making a long-term investment.	<ul style="list-style-type: none"> <li>Stabilize shareholders' structure to reduce fluctuation in stock value.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in asset value</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the Company's sustainable governance and green engineering image.</li> </ul>
Typhoons and floods	<ul style="list-style-type: none"> <li>Extreme climate can result in accidents, such as project delay, asset damages/ losses and casualties.</li> <li>Little rain can affect the demand for water used in construction. In the meantime, the procurement costs may increase due to the change or relocation of resources.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in operating costs.</li> <li>Decrease in asset value.</li> </ul>	High-quality professional competence with enhanced market competitiveness.	<ul style="list-style-type: none"> <li>Use professional technology to reduce customers' damages resulted from natural disasters. In the meantime, enhance the Company's climate resilience actions to reduce the probability of business interruption and possible damages.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in revenue</li> <li>Increase in asset value</li> </ul>	<ul style="list-style-type: none"> <li>Develop green engineering technology and services; and enhance the efficiency of current energy system.</li> </ul>
Droughts						
Increase in temperature	<ul style="list-style-type: none"> <li>The decrease in productivity may result in a decrease in revenue and an increase in costs (absence from work and caring resulted from health, safety and illness related issues).</li> <li>Increase in power consumption, accompanied with an increase in costs and carbon emission.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in operating costs</li> <li>Increase in operating costs</li> </ul>	Promotion of low-carbon green engineering.	<ul style="list-style-type: none"> <li>Economize electricity and save costs.</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in operating costs.</li> <li>Increase in asset value.</li> </ul>	<ul style="list-style-type: none"> <li>Adopt the best workable technology; and the life cycle has taken high-efficiency and low-carbon emission green engineering into consideration.</li> </ul>

## Greenhouse Gas Inventory

302-1, 302-3 and 305-1~2

Oriented to “promotion of energy saving and carbon reduction” as the sustainable development goal, Acter has not invested in green engineering technology to create low-carbon economy, but also implemented carbon reduction principles in daily operations. Since 2017, Acter has complied with “Greenhouse Gas Inventory – Standards (ISO 14064:2006)” and “Greenhouse Gas Protocol (GHG Protocol)” to self-inventory the emission of 7 GHGs (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>) of Scopes 1 and 2 internally; acquire disclose the third-party verification statements from “SGS Taiwan Limited”; and publicly disclose the said statements for the review of related stakeholders. The current GHG inventory boundary is “Acter Co., Ltd. (address: 19F and 6-7 of 20F, No. 201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City)”. According to the investigation, Acter’s Scope 1 and Scope 2 GHG emission were 130.004 ton and 46.626 ton, with a total of 176.630 ton, in 2020. Comparing with the base year (2018), Acter has succeeded in reducing 27.146 ton of GHG and 13.32% of CO<sub>2</sub>e in the year.

### Acter’s GHG Inventory

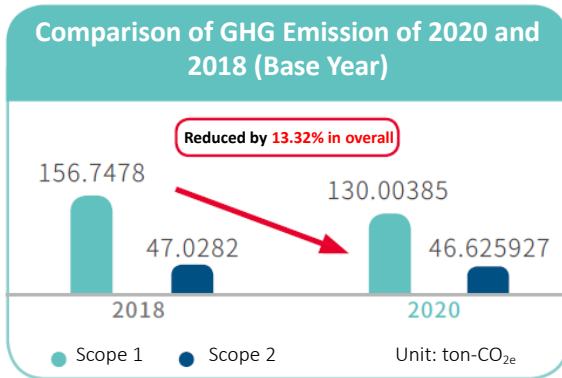
Electricity

Refrigerant

Public vehicle

Sceptic tank

Note:  
1. Scope 1: Mobile emission source. Fugitive emission sources of official vehicles, refrigerant and septic tank.  
2. Scope 2: Fixed emission source (externally purchased).



Total of GHG emission	2018 (base year)	2019	2020
Direct emission (Scope 1)	156.748	116.070	130.004
Indirect emission (Scope 2)	47.028	45.959	46.626
Total emission (Scopes 1 and 2)	203.776	162.028	176.630

- Note:
1. The externally purchased electricity (TAIPOWER) is calculated based on the electricity emission coefficient (0.509 kg/kWh) announced by Bureau of Energy, Ministry of Economic Affairs in 2018.
  2. Other emission sources are exchanged based on the GWP value stated in the GHG Emission Coefficient Management List (Version 6.0.4) announced by Environmental Protection Administration, Executive Yuan.
  3. The “Operation Control Method” has been adopted for the setup of GHG inventory.

## Energy Use and Performance

Acter has introduced the ISO 50001:2018 Energy Management System in 2020 with an aspiration to, through the establishment, implementation and maintenance of the system plus the continuous improvements on energy management, optimize energy use and facilitate energy-saving effectiveness in practice. Acter’s energy mainly comes from external electricity and petrol (public vehicles); and the average use per capital of these two items have reached the emission reduction targets in the year.

### Power Consumption and Energy-Saving Goals in 2020

Scope boundary	Energy type	Unit	2018	2019	2020	Scale of increase/decrease comparing with the reference value (%)	Target
Headquarters/Operations Office	Externally purchased electricity (non-renewable energy)	kWh	88,233	86,226	91,603	5.01%	Failed
		Gigajoule (GJ)	317.7	310.47	329.83		
	Electricity consumption per capita	GJ/capita	1.29	1.17	1.14	-0.07%	Achieved
Public vehicle	Petrol	l	57,172.11	44,086.87	52,490.10	-8.19%	Achieved
		Gigajoule (GJ)	1867.07	1439.75	1714.17		
	Petrol consumption per capita	GJ/capita	7.59	5.41	5.93	-0.09%	Achieved

- Note:
1. The power-heat conversion coefficient is cited from “Heat Content of Energy Products” published by Bureau of Energy, Ministry of Economic Affairs, where the heat value of electricity is 860 Cal/ kWh and the heat value of vehicle use petrol is 7,800 Cal/L.
  2. Energy intensity = Total electricity usage (GJ)/ Total of Acter’s employees.
  3. The reference value is the average usage of the previous two years. The purpose of adopting the average is to prevent error derived from the use of one single data.
  4. Although the use of externally purchased electricity had an increase of 5.01%, this was resulted from more project estimation cases in the year, where staffs of engineering departments were assigned to work at the headquarters. Nevertheless, as staffs of these departments work at the headquarters on an irregular basis, the electricity is primarily consumed by the building’s air-conditioning system.

## Energy-Saving Measures

In order to timely adapt to updates on environmental and climate change related regulations and international agreements, we have adopted the following strategy:

### 01 Pay great attention to regulatory developments

Oriented to “green enterprise”, “green sustainability” and “green innovation”, Acter has been proactive in launching environmental protection actions, such as promoting climate adaptation plans and enhancing disaster response measures in order to reduce climate related risks.

### 02 Develop low-carbon services

Apart from minimizing impacts to operations and engineering environment, Acter also succeeded in reducing carbon footprint by launching green innovative services; and well-used our know-how in the field to create eco-friendly engineering services.

In the meantime, Acter also implements a number of energy-saving programs to facilitate operational energy management. For example, enhancing energy efficiency through regular maintenance works; adopting energy-saving, water-saving or energy star labelled products; and, with the efforts of department supervisors, educating employees the energy-saving concepts and enhancing their awareness towards energy saving.



## Energy-Saving Actions Adopted in 2020

Lighting	<ul style="list-style-type: none"> <li>• Adopt T5 lamps and zone control measures; switch lights in areas without the need for lighting.</li> <li>• During the working hours, lights that are not in use or are unnecessary shall be turned off or be partially turned on.</li> <li>• The employee who leaves the office work area at last turns off the lights. Employees who works overtime during the holidays are eligible to turn on the lights of only their work area.</li> <li>• Review the lighting needs and enhance the lighting performance.</li> </ul>
Air-Conditioning System	<ul style="list-style-type: none"> <li>• Set the air-conditioning temperature at 26° to 28° in the office.</li> <li>• When the clock strikes 17:30PM (the get-off work time), turn off the air-conditioning system of the entire area. Employees who need to work overtime shall make a request for turning on the air-conditioning system in his/her respective work area.</li> <li>• With doors and windows closed, the air-conditioning areas shall be separated from the outside air to reduce the cold air from leaking or to prevent the intrusion of hot air.</li> <li>• Install curtains to reduce direct sunlight and to minimize the use of air-conditioning system.</li> </ul>
Power Consumption	<ul style="list-style-type: none"> <li>• Purchase products with green mark, energy-saving label and high EER value.</li> <li>• Switch off computer after finishing the work; and turn off and unplug the power.</li> <li>• Set printers and fax machines in the energy-saving mode.</li> <li>• Set water dispensers in the energy-saving mode.</li> <li>• Turn off the light for an hour during the lunch break.</li> <li>• Set the air conditioner temperature at 26°.</li> </ul>
Water Consumption	<ul style="list-style-type: none"> <li>• Purchase water saving labelled products and equipment; and add auto-sensing device to faucets.</li> <li>• Distribute eco-friendly EDMs on an irregular basis to notify employees of the Company's water-saving measures, helping to facilitate the water use management.</li> <li>• Review the water use demand and increase the efficiency of using water resources.</li> </ul>
Recycling	<ul style="list-style-type: none"> <li>• Do best to use the double-sided photocopying. The bound papers shall be removable; do best not to use the glues.</li> <li>• Electronize documents, operating procedures and training/teaching materials to reduce the use of paper; use renewable papers; and re-use envelopes.</li> <li>• Use portable cups/bottles and chopsticks instead of paper cups and disposable chopsticks; replace tissues and paper towels with handkerchief.</li> <li>• Implement garbage classification and recycle resources; and avoid using over-packed products.</li> </ul>

# Environmental Management

307-1

## Environmental Management System

Acter have passed the certification of ISO 14001 Environmental Management System. According to the Plan-Do-Check-Act (PDCA) cycle, we have adopted a systematic management approach to ensure that our environmental protection goals are consistent with our implementation strategy, while establishing a pollution prevention and improvement mechanism. We also appointed the Q&A and Safety Department to supervise the implementation of “Procedures Governing Environmental Operations Control”, where environmental operations control planning and supervision procedures of the Company and construction sites are included in this interdepartmental approach. Furthermore, to ensure the effectiveness of our Company’s environmental management system, Acter not only adopted regular and irregular audits internally, but also a third-part verification body also comes to Acter’s headquarters and sampled construction sites to carry out external audits each year.

Item	Action(s)	Results
Legal Compliance	Comply with environmental protection and EHS regulations and other requirements; and respond to international green environmental protection and zero-disaster activities.	The Company has not been penalized due to violations of environmental and safety rules in 2020.
Green Design	Implement green energy-saving construction methods; and enhance green procurement and green management to fulfill the commitments of environmental protection.	Environmental protection is our first priority when providing engineering services.
Educational Trainings	Enhance all staffs’ participation in EHS educational and training activities. Through these resource and energy reduction, recycling and reutilization activities, staffs will be educated to recognize the environmental protection concept; learn to cherish natural resources; be kept away from diseases and workplace hazards.	The completion rate of EHS trainings for new employees was 100%.
Sustainable improvements on the energy resources management system	Continue to improve the management system, including ISO 14001 and ISO 50001, in order to enhance the energy and resource use efficiency. For example, use ISO 50001 to systematically manage every kWh of electricity used by the Company; find the Company’s major energy consumption and improvement opportunities based on an overall energy review; and use the PDCA management cycle to strategically reduce energy consumption, improve energy efficiency and reduce energy expenditure in order to reach the energy-saving and carbon reduction targets.	Already completed the third-party verification of ISO14064- 1:2006 in 2020.

As of 2020, Acter has not been penalized for major environmental pollution events for six consecutive years, indicating a fruitful result of Acter’s great effort. Apart from making a commitment to protect environment and ensure sustainable development in our EHS policy statement, Acter also requests our subcontractors to abide by the same commitment with an aspiration that we will bring our influence to bear to protect the environment with our value chain partners.

### Environmental Expenditure in 2020

Investment Type	Number of Case(s)	Expenditure (NTD)
Environmental Certification	4	411,420

### Air Pollution

Acter’s on-site personnel must understand Air Pollution Contract Act relevant regulations before launching construction works. With respect to unavoidable events within the legal scope, such as temporary discharge of air pollutants during the construction or trial run, we will notify related party of the discharge time and conditions proactively to prevent misunderstanding and panics. Besides, it is also prohibited to engage in open burning, material transmission or other operations that can produce particulate pollutants and further affect the human body health and ecology. Where there is an enormous discharge of air-pollutants or leakage of toxic gas substance due to an incident, the person in charge of the construction will immediately launch emergency response measures and notify local competent authority within the period prescribed by laws. The relevant control measures are as follows:

Content	Countermeasure
Spray paint and solvent	Indoor operations are allowed only within a space with control equipment.
	Must not be carried out when the weather is bad.
	A must to set up ventilation and washing equipment.
Vehicle transportation and cleaning	All vehicles and machines must pass the car wash pool and be washed with water pipes before leaving the work area.
	Upon completion of the loading, the bucket must be covered tightly.
Open burning	When driving in or through the construction site, it is a mut to abide by rules of the construction site and command of the person in charge.
	Any burning is prohibited.

## Underground Water

Environmental monitoring measures are strictly conducted during the construction period in order to monitor the quality of water discharged from the construction site. If the waste water discharged from the site can seriously damage the human body health, drinking water source and environment due to an accident, it is a must to adopt emergency response measures and notify local competent environmental protection authority immediately. Any waste water produced on the construction site during the trial run will be classified according to the volume and quality thereof, and then be discharged or recycled for reutilization. When dumping or discharge liquids that can harm the local environment and creatures, it is a must to pay great attention not to contaminate the local environment or mix it with other waste water.

## Wastes

With respect to waste management, Acter’s headquarters mainly recycles kitchen wastes and recyclable resources. Comparing with the average of the previous two years, the headquarters’ amount of kitchen waste has decreased by 26.99%, whereas the number of recyclable resources slightly increased by 0.2%. This not only shows the effectiveness of our promotions and determination, embodies our spirit of cherishing and loving all of our resources. With respect to disposal of wastes, the building’s committee has entrusted a qualified and legal operator to deal with it.

Type	Disposal Methods	Total weight (kg)		
		2018	2019	2020
 General Garbage	Domestic garbage and other wastes that cannot be recycled will be collected by certified company commissioned by the building’s management committee for incineration or landfill.	Excluded from the statistics as they were sent to the building’s garbage zone by employees themselves.		
 Kitchen Wastes	Will be recycled by certified company commissioned by the building’s management committee for compost.	619	620	452.8
 Recyclable resources	Waste paper, plastics, glasses and iron/aluminum can will be recycled by certified company commissioned by the building’s management committee for reuse.	589	562	577

Construction site wastes mainly come from building wastes. Acter’s construction principle is to minimize the production of on-site wastes and to enforce our management to prevent the waste of resources. Construction site wastes consist of domestic garbage, general non-hazardous construction wastes, and materials left after the construction. Domestic garbage and general wastes that can be disposed or handled together are collected and classified first, and then stored in appropriate containers. Local cleaning unit will then come to dispose these wastes. The ultimate disposal of all wastes will be adjusted from time to time to ensure the appropriateness thereof and to prevent secondary pollution caused by mishandling or negligence by the manufacturer.



Figure 1 | Announcements are posted on the wall of the headquarters’ resource recycling room to remind our staffs to implement garbage classification management.



Figure 2 | The Company has set up two areas for recycling reusable A4 papers to optimize the use of papers.

## Noises

Construction noise management is also a part of environmental safety. As construction equipment and machines can create noises and vibrations depending on the scale of the construction project, Acter has adopted the following control measures on the premise of not affecting personnel’s health and safety and construction quality:

- Adopt low-noise construction machines, equipment and vehicles at priority.
- Adjust our construction methods, or complete operations that can create great noises in a prefabricated factory and then complete them on site. Where the high-noise issue cannot be eliminated or avoided, it is a must to install sound insulation or adopt anti-vibration measures depending on actual needs.
- Avoid working in the early morning or at night.

# Resource Management

303-1~2 and 306-2

## Raw Materials

Restricted by limited energy resources around the world, we always precisely calculate the minimum resources and costs required by each project. The purposes thereof are to prevent the waste or overuse of materials, and to realize the concept of effective use of resources. With respect to the selection and evaluation of materials, materials that are friendly to the environment are always our top priority as our objectives are to reduce the consumption of resources and minimize environmental pollution. In the same way, we also support our suppliers to implement their own environmental management mechanism and encourage them to develop and produce eco-friendly materials. For example, to prevent environmental pollution and to extend the product durability and life cycle, we have designed our metal conduits with a coating of PVC as this helps to prevent corrosion. Besides, we also adopt flame-resistant/ heat-resistant low-smoke non-toxic wires and cables as they can achieve expected electrical functions while preventing toxic substances from expanding the disaster area and spreading the fire.

With respect to the management of resource consumption, we also continue to promote e-process to avoid excessive paper printing. If printing is deemed necessary, double-sided photocopying will be the top priority as our objective is to minimize paper consumption. Acter currently uses PAPER ONE – a “Programme for the Endorsement of Forest Certification (PEFC) Council” certified printing paper – to implement our commitment to environmental sustainability. It is our aspiration to avoid damaging natural forests and to protect natural ecology.



## Water Resource management

To protect water resources and to maintain corporate sustainability, Acter’s headquarters started to make a self-inventory of water resources since 2017. Our water is directly supplied by Taiwan Water Corporation without any underground water or water from other sources. As the supplied water is only for the use of our employees and visitors, our water source makes no obvious impact on the environment. The used water, on the other hand, is discharged to the sewage treatment plant through the sewers and then to the rivers and ocean. To enhance the management of water resource and reduce the consumption thereof, not only are Acter’s faucets equipped with an auto-sensing device, but also we have made water-saving slogan to remind employees to cherish water resource. In 2020, Acter succeeded in reducing tap water consumption, water use intensity and water consumption per capita by more than 15% comparing with the base year.

Scope boundary	Water consumption	Unit	2018	2019	2020	Scale of increase/decrease	Target
Headquarters/ Operations Office	Tap water consumption	1,000 l	782	704	631	-15.01%	Achieved
	Water use intensity	1,000 l / Ping	1.41	1.27	1.14		
	Water consumption per capita	1,000 l / No. of people	10.57	9.78	8.31	-18.33%	Achieved



Notes:

1. The water consumption, water use intensity and water consumption per capita are calculated based on the water bill issued by Taiwan Water Corporation, the surface area of the headquarters (Unit: Ping) and the number of employees working at the headquarters.
2. As the use of water resources in each construction site shall refer to the respective engineering contract, water resources are therefore allocated differently and shall be shared by parallel subcontractors or be all paid by the customer. Therefore, due to difficulty in calculation, water resources of each construction sites are not disclosed.
3. The reference value is the average usage of the previous two years. The purpose of adopting the average is to prevent error derived from the use of one single data.



# 5

## Common Prosperity of the Society

- 62 Friendly Workplace
- 73 Occupational Health and Safety
- 77 Social Welfare

### Annual Highlights

- The proportion of female managers was 22.06%
- The average employee salary was NTD1,243,728  
Non-managerial full-time employee
- Zero major occupational hazard and 0% injury rate
- Received 1-million and 2-million man-hours without lost time incident from Google’s projects  
Demonstrate customers’ recognition of Acter’s performance in occupational health and safety.
- The social participation budget was NTD6,473,748  
Estimated to benefit more than 1,755 people.  
Invested NTD3,396,611 in corporate internships.  
With a growth of 153% comparing with the previous year, showing Acter’s actual investment in this field.

Acter considers employees as our most important partners. Apart from building a friendly and safe workplace, we also provide employees with the works that are challenging, enable them to grow, lead them to self-fulfillment and give them a sense of accomplishment. In the meantime, upholding the spirit of “common good”, Acters is devoted to cultivating young people and caring for minority groups in remote areas and their education. It is our aspiration to, by investing our resources, push forward the benign cycle, facilitate a positive development of the society and put corporate social responsibility into practice.

## Friendly Workplace

102-8, 102-36, 103-2~3, 201-3, 202-1~2, 401-1~3, 402-1, 404-1~3, 405-1~2, 406-1, 408-1, 412-2 and 419-1

Employees are the most important assets of Acter. In the people-oriented corporate culture, Acter has developed a friendly workplace; adopted diverse and inclusive employment; and established various systems and management measures to provide employees with a healthy and safe work environment and to protect their human rights. In the meantime, we also offer competitive salary, a good welfare plan and educational trainings to attract talents to join us. From “talent attraction and retention” to “talent development” to “employees’ rights, interests and human rights”, Acter has lived up to friendly workplace to facilitate employees’ development based on their talent and competence; to ensure employees’ continuous learning at work; and to lead them to grow strong and sustainably with Acter.



## Talen Attraction and Retention

Acter has been proactive in building a continuous learning workplace, to attract diverse talents with the same interests, and to provide our employees a stage to bring their ability into play. With respect to our talent recruitment/ employment, salary design, performance management and training development policy and systems, we do not treat any of our employees unfairly due to his or her gender, religion, race, nationality or political party. In recent years, following the industrial development and the rise of new generation talents, the only way to keep our competitive advantages is to actively recruit, cultivate and retain talents. In the meantime, to enhance the quality of engineering service industry’s talents, Acter also engages in industry-academic collaboration internship program with the aspiration to inject the energy of innovation into the industrial environment.

### An Overview of Acter’s Diversely Distributed Manpower Structure

As of the end of 2020, Acter has 289 employees and all of them are full-time employees (no part-time employees or child labor). Among them, 7 of them are contracted employees, 2 of them are aboriginal people; and 4 of them have physical/ mental disability. With a local employment rate of 100%, Acter’s manpower structure tends to be young, where employees who are under 30 years old count 22.15% of Acter’s total employee population, injecting new vitality into the organization. Also, about 62.28% of our employees have been working at Acter for more than 3 years, which helps to inherit engineering technology related skills and to expand the business. Due to the industry characteristics and employment market factors, about 64.75% of Acter’s employees are male, which is higher than the percentage of female employees. Despite this, through proactive employment and retention, Acter has been promoting and implementing various gender equality and friendly policies; and facilitating workplace diversity and tolerance. Moreover, the same salary system has been adopted for all of Acter’s employees, male or female, without any difference unbiasedly.

Acter’s operational headquarters is located in Taiwan, where about 42% of Acter Group’s population is located in the headquarters. Acter’s overseas branch offices, on the other hand, are located in mainland China and South-East Asia and have mostly employed mostly local people. This not only embodies Acter’s internationalization and regional development strategy, but also demonstrates Acter’s multicultural tolerance and talent management approaches: all talents are placed in the right position according to their competence instead of their race and nationality. The adoption of local employment also promoted local employment opportunities and enhanced Acter’s company reputation.

### Acter’s Labor Distribution in 2020

		Taiwan	China	South-East Asia	
Full-time employees	Male	355	486	79	
	Female	180	130	45	
Contract employees	Male	4	3	7	
	Female	5	4	2	
Total		1,300	42%	48%	10%

### Statistics on Acter’s labor force by employment type and gender

		Acter	Proportion	Total
Full-time employees	Male	185	64.01%	289 people
	Female	97	33.57%	
Contract employees	Male	2	0.69%	
	Female	5	1.73%	



### Local Employment Ratio of Important Operations Site of Acter Group in 2020

Type	Taiwan		China	
	Acter	NOVA Technology	Acter Technology (Suzhou)	Winmax
Percentage of local senior management level (above the manager level)	100%	100%	32%	72.97%
Percentage of local employment	100%	100%	92%	94.89%

Note: Important operations sites refer to sites with an annual revenue exceeding a specific proportion of the Group's total revenue.

### Talent Recruitment

Following the continuous expansion of business, we have been recruiting talents through various channels. For us, the major recruitment criteria are the candidates' core competence, work attitude and cultural fit, instead of their gender. In 2020, through the Company's official website, campus recruitment, campus internships, industry-academic collaboration internship programs and channels, we have recruited 67 employees and 49% of them belong to the young generation below 30 years old.

Among them, industry-academic collaboration internship program is a fixed recruitment project that Acter holds each year. All interns are recruited through institutional departments, internal employees' recommendation and on-campus job fair. Through the internship program, Acter not only assists students in having an early participation in industry activities, but also cultivates more excellent talents. In 2020, about 12 interns joined the internship program and 2 of them are female students (17%). At the end of the internship, 4 interns were recruited by Acter (33%) and the female retention rate was about 24% in the year. All of these indicate Acter's continuous efforts on establishing gender equality in the workplace.

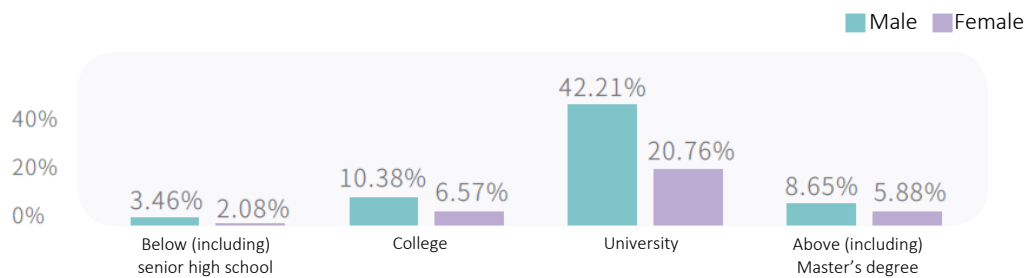
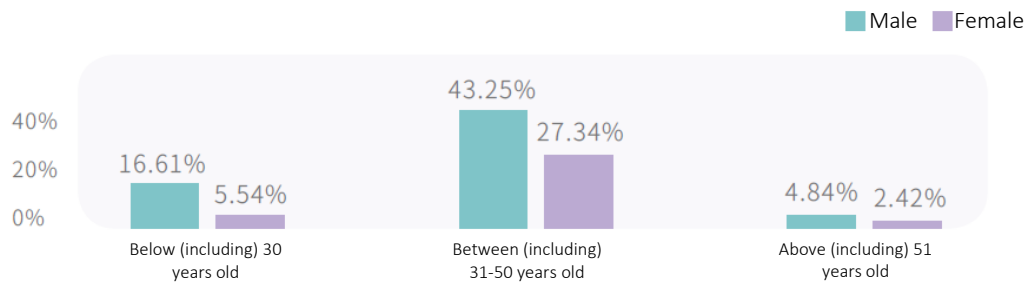
### Age distribution of Acter's employees in 2020

Statistical items/ region		Taiwan		Mainland China		South-East Asia		Total
Gender	Age	No. of people	%	No. of people	%	No. of people	%	
Female	Below 30 years old (including 30 years old)	30	2.3%	66	5.1%	29	2.2%	1,300 people
	31-50 years old (including 31 & 50 years old)	141	10.8%	66	5.1%	18	1.4%	
	Above 51 years old (including 51 years old)	14	1.1%	2	0.2%	-	0.0%	
Male	Below 30 years old (including 30 years old)	92	7.1%	220	16.9%	36	2.8%	
	31-50 years old (including 31 & 50 years old)	232	17.8%	249	19.2%	49	3.8%	
	Above 51 years old (including 51 years old)	35	2.7%	20	1.5%	1	0.1%	
Subtotal		544	43%	623	47%	133	10%	

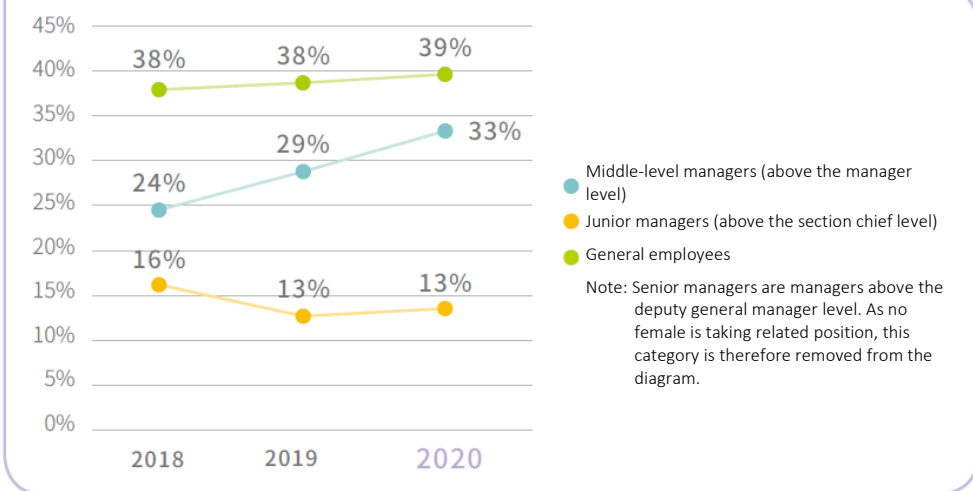
### Employment of equality and diversity: statistics on Acter's new and resigned employees

New employment / resignation rate		Acter			
		No. of people	In proportion to the total of new employees	No. of people	In proportion to the total of resigned employees
Gender	Male	42	63%	32	73%
	Female	25	37%	12	27%
Age	Below (including) 30 years old	33	49%	22	50%
	Between (including) 31-50 years old	33	49%	18	41%
	Above (including) 51 years old	1	1%	4	9%
Total number of people		67		44	
Percentage of new / resigned employees (number of new or resigned employees / total of Acter's employees as of December 31, 2020)		23.18%		15.22%	

### Acter's Employee Diversity Ratio in 2020



### The Proportion of Acter's Female (Managerial) Employees in 2020



In overall, the number of female employees increased in the year and the proportion of female mid-level manager increased by 13.79% comparing with 2019. Acter will continue to pay attention to female employee issues and, while emphasizing on gender equality, Acter also seeks for diverse solutions to retain female talents in the Company for a long-term perspective. It is our aspiration that they will continue to bring their personal values into full play and make contributions to the organization and society.

### Acter's employment of people with disabilities and aboriginal people in 2020

As prescribed in Article 38 of "People with Disabilities Rights Protection Act", private organizations shall employ people with disabilities with capability to work and the number thereof shall be no less than 1% of the total number of the employees. As of the end of 2020, the number of Acter's employees who are people with disabilities or aboriginal people complies with and exceeds the statutory recruitment requirement. Apart from complying with government agencies, Acter also offer adequate work assistance and educational trainings. The objectives are to encourage people of the minority group to contribute their talents while enabling them to work at Acter in an adequate position and in a safe workplace.

Employment of disadvantaged minority group	Acter	
	Statutory employment	Actual employment
Aboriginal people	2	2
People with physical/mental disability	2	4
<b>Total</b>	<b>4</b>	<b>6</b>

## Highlight Performance

The youth is an important foundation for companies' future talents. We have been continuously promoting young talent cultivation and employer experiencing activities by designing various cultivation and training programs, such as corporate internships, industry-academic training programs and scholarships. We also collaborate with major colleges/ universities and educational agencies to increase our interaction with outstanding talents.

### Young talent cultivation program

<b>Corporate internship</b>	Acter already established a long-term partnership with related institutional departments. Each year, Acter offers a number of intern positions, allowing students to apply what they have learned, learn by doing and accumulate their practical experience. The one-by-one mentorship enables students not only to obtain internship credits, but also acquire practical experiences. In 2020, 12 students joined Acter's corporate internship program (8 during the semester, 3 during the summer break and 1 during the winter break). Acter has totally invested NTD3,396,611 therein, with a growth of 153% comparing with the previous year.
<b>Industry-academic training program</b>	Acter has been participated in the industrial-academic training plan of Workforce Development Agency, Ministry of Labor since 2011 to offer young students solutions that can facilitate their studies and employment simultaneously. Acter also offers multiple professional resources and living allowance to students not only to reduce their employment pressure and economic burden, but also to cultivate them, offering them the expertise required to confront industry changes and adopt to the industry. In 2020, Acter has trained 1 student through the program and totally invested NTD624,304 therein.
<b>Scholarships</b>	Each year, Acter allocate scholarship fund to support young students, helping them to carry on their studies without worries. In 2019, Acter allocated NTD 120,000 to YunTech and Taipei Tech (NTUT) therefor.



**Huang Yi-Jen/ Feedback from Acter's corporate summer intern**  
Second-year student of Department of Energy and Refrigerating Air-Conditioning Engineering, Taipei Tech

When I previously joined a department gathering at Taipei Tech, I asked a senior schoolmate if there was any company that he would recommend taking then internship. He recommended Acter because Acter was engineering companies dealing with everything from design/planning to procurement/outsourcing to construction management to final acceptance of construction project. In other words, the Company offers diverse intern positions, enabling me to select a department depending on my will. Besides, apart from being a listed company, Acter also pays great attention to our department's students and offers many scholarships to our department each year. It is truly a reliable company.

In the past, when I studied AutoCAD in school, most of the courses only focused on elementary drawing skills and TQC questions bank. Nevertheless, during my internship, I had the chance to learn some practical skills, such as how to modify the drawing in an even more efficiently, and some other functions that I have never tried. Afterwards, my first challenge was to create a suite of the 1F ceiling. Although this case required only a little bit of AutoCAD skills, all of the required skills happened to be quite new for me. After this project, I learned about the importance of Spatial Integration Department in a company. In the very beginning of each project, the Design Department shall draft the major direction for each project and then the Spatial Integration Department would be able to carry out the case efficiently.

Apart from 2D software, the 3D software "Revit" and animation production software are also frequently used in the Company. These are new software applications that I have learned at Acter. The biggest gain of this internship is to visit some construction sites. Through the introduction of supervisors/managers, I had the opportunity to look at the items on the ISO drawing in reality. I also witnessed how my supervisors exchanged ideas with their colleagues, showing how important it is for design engineers to visit construction sites.

Moreover, there are indeed many benefits to consult an engineer when encountering a problem. If I fail to enter a key word accurately when searching for related information, some unrelated information will pop out. Nevertheless, when I proposed a question directly to the supervisory engineer, I always got the exact answer. Asking the other is indeed the shortcut to progress.

Through this internship, I personally experienced how tiring it will be when I start to work. Therefore, I will indeed cherish every learning opportunity after returning to school. I also found my deficiencies during the internship. Therefore, while being a student, I have to do my best expand my knowledge as a good preparation for my future career. Through this short experience, I also found my direction for future career. I truly thank Acter for giving me this great and meaningful internship experience.

## Compensation and Remuneration System

Acter offers a quite competitive compensation (including the base pay, allowance, bonus, rewards and compensation) in order to attract, cultivate and retain talents. We also reward employees who create performance and continue to contribute. Our employees' compensation and remuneration vary according to the Company's operational targets and profitability; and depending on employees expertise, job duties and performance and long-term involvement.

The standard salary of employees serving at our important operations sites is higher than local basic salary. Also, each year, Acter also review and adjust our employees' salary based on local regulations, market salary investigation results, personal job functions and performance. In 2020, Acter has increased the salary by about 3% to 5%: the average salary of a non-managerial full-time employee was NTD1,243,728; and the medium NTD1,014,882. Although the amounts were slightly decreased comparing with last year, it was still higher than the market standard.

### Salary ratio of the standard salary of important operations site and local basic salary

	Taiwan		China	
	Acter	NOVA Technology	Acter Technology (Suzhou)	Winmax
Salary ratio of general male employees' minimum salary and local basic salary	1.25	1.28	1.68	1.37
Salary ratio of general female employees' minimum salary and local basic salary	1.29	1.33	1.98	1.37

Note: Important operations sites refer to sites with an annual revenue exceeding a specific proportion of the Group's total revenue.

### The overall salary ration of male-female employees at important operations sites

Employee type/ gender		Taiwan				China			
		Acter		NOVA Technology		Acter Technology (Suzhou)		Winmax	
		Male	Female	Male	Female	Male	Female	Male	Female
Managerial position	Senior managers (above the deputy general manager level)	1	-	1	-	1	-	1	-
	Middle-level managers (above the manager level)	1	1.07	1	0.86	1	0.94	1	0.77
	Junior managers (above the section chief level)	1	0.90	1	0.94	1	0.94	1	0.94
Non-managerial position	General employees	1	1.01	1	0.93	1	0.86	1	0.86

Note: The calculation is based on male employee's salary ratio, which is "1". There is no female senior manager at Acter, NOVA Technology Acter Technology (Suzhou) and Winmax.

### Employees' Benefits

Acter provides our employees with a well-designed welfare system that offers various benefits, such as group insurance, leave without pay, employee stock options (ESO), educational trainings and so on. In 2005, Acter's Employee Welfare Committee was established to, together with the Company, jointly plan welfare related activities (ex. domestic and overseas trips, Family Day, club activities, festival gift vouchers and movie tickets) to meet the diverse welfare demands of our employees. In 2020, Acter's total welfare expenditure was NTD3,045,617 and the participation rate of our welfare activities was 71.28%, which was higher than our set target (55%).

Acter's approach that is better than statutory requirements	
Item	Content
All types of insurances	Apart from purchasing labor insurance and national health insurance (NHI_ for our employees, Acter also established a group insurance plan to provide our employees with free life insurance, accident insurance, occupational accident insurance, overseas travel insurance and so on.
Health check	Provide annual health check to employees at all ages.
Counseling services	Provide free psychological consultation, legal and financial consultation services.
Educational training programs	Fully subsidize external educational trainings designated by the Company.
Corporate stocks	Issue new restricted employee shares.
Leave without Pay	Leave without pay may be applied due to illness, company trainings or other matters.
Other benefits	Bonus/ cash gifts for three major Chinese festivals; birthday money gift; subsidies for wedding, funeral and birth-given; scholarships for children with excellent performance; emergency allowance.

## Statistics of Acter's Welfare Expenditure

Employee Welfare Committee		2018		2019		2020	
		No. of people	Applied amount	No. of people	Applied amount	No. of people	Applied amount
	Trips, birthday parties, sports/entertainment facilities and activities	Full-time employees	4,345,705	Full-time employees	3,387,434	Full-time employees	3,045,617
Acter	Scholarships for employees' children with extraordinary academic performance	7	28,000	15	47,000	12	37,000
	Bonus/ cash gifts for birth-giving	13	65,000	11	55,000	15	75,000
	Bonus/ cash gifts for marriage	9	170,100	5	84,000	10	151,300
	Bonus/ cash gifts for funeral	3	89,113	4	215,516	6	101,300
	Emergency benefit	0	0	0	0	2	80,000
	Hospital benefit	-	-	2	10,000	2	5,000
	Free health check	88	374,000	122	511,000	123	464,000
Total		5,071,918		4,309,950		3,959,217	

## Company Trips and Family Day

To facilitate employees to balance work and life, the Company offers a specific amount of travel grant to employees. The Employee Welfare Committee is responsible for planning out trips and then the employees shall vote for the travel destination. Apart from encouraging employees to bring their family to the trips, the Company also encourage employees to arrange activities that are good for health and establish clubs. In 2019, the Employee Welfare Committee totally held 15 activities with the said fund (including domestic trips self-organized by employees; Acter's Family Day; and cultural, recreational and networking activities).



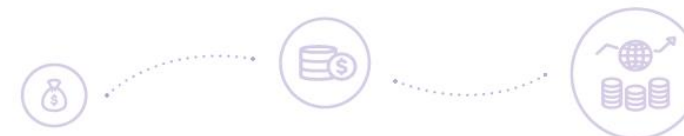
## Gender Equality and Parental Leave Measures

To ensure that our employees are making a good living and are contented each at his/her station, Acter provides them with the rights for applying for parental leave without pay in accordance with "Act of Gender Equality in Employment" and has specified rules governing prenatal visits, birth leave, family care leave, paternity leave and parental leave in "Code of Conduct". In the meantime, Acter also signed a contract with quality childcare institution to provide a highly reputed and budget infant care service to our employees.

Statistics of Parental Leave / Reinstatement	2018		2019		2020	
	Male	Female	Male	Female	Male	Female
Number of people who are qualified to apply for parental leave.	46	18	45	16	44	13
Number of people who have applied for parental leave in the year.	0	2	0	2	1	1
Number of people who are expected to apply for reinstatement in the year	0	1	0	2	1	0
Number of people who are reinstated after the parental leave	0	1	0	2	1	0
Number of people who were reinstated in the previous year and continued to work for more than one year.	0	0	0	1	0	1
Application rate of parental leave (%)	-	11.11%	-	12.50%	2.27%	7.69%
Application rate of reinstatement (%)	-	100%	-	100%	100%	0.00%
Retention rate after parental leave (%)	-	0%	-	100%	-	50%

## Robust Pension Management

Acter has set and established employee retirement rules in accordance with "Labor Standards Act"; and the pension is allocated and paid to employees according to statutory standards. The pension allocation plan complies with "Labor Standards Act", where each labor has 6% of their monthly salary allocated to their respective pension account managed by the Bureau of Labor Insurance to protect their rights and interests. The said allocated pension fund is organized and managed by Labor Pension Fund Supervisory Committee, Bureau of Labor Insurance, Executive Yuan. The amount of pension appropriated each year is calculated by professional actuaries to ensure that the appropriated amount is enough to safeguard the future welfare of the Company's employees. As of December 31, 2020, the balance in the labor pension reserve account at the Bank of Taiwan was NTD10,369,152.



# Talent Development

## Performance Assessment

The objectives of performance management and development are to integrate and enhance personal and organizational performance in overall. The establishment of the “Performance Management Rules” not only enable our employees to understand their work results and feedback, but also facilitate the facilitated the Company’s operations as an important management approach. Each year, Acter conducts two performance assessments (one in the middle and one at the end of the year) including the contents of: personal accountability performance; supervisor-subordinate collaboration and participation; continuous interaction and communication; equal attention paid to performance and development; and feedback and assistance from supervisors in regard to the poor performance.

In the meantime, through the performance interview system, supervisors are managed to have a face-to-face talk with the subordinates in order to offer them some feedback and guidelines, ensuring that the employees behavior will be consistent with organizational goals. During the process, supervisors can also discover employees’ potentials and select/ hire the talents; or, with respect to employees’ deficiencies, give feedback based on their experience or arrange related trainings. Each year, the company nominates high-performing employees for promotion based on the evaluation results and holds a review session accordingly. In 2020, Acter has promoted 14 managerial employees and 260 employees have taken the performance assessment with an achievement rate of 100%.

### Performance assessment coverage (%)

Gender	Employee type	No. of people	Coverage	Gender	Employee type	No. of people	Coverage
Male	Senior managers (above the deputy general manager level)	4	80%	Female	Senior managers (above the deputy general manager level)	-	-
	Middle-level managers (above the manager level)	22	100%		Middle-level managers (above the manager level)	10	90.91%
	Junior managers (above the section chief level)	25	96.15%		Junior managers (above the section chief level)	4	100%
	General employees	117	87.31%		General employees	78	89.66%
The coverage of male employees who took the performance assessment				89.83%			
The coverage of female employees who took the performance assessment				90.92%			
The Company’s performance assessment coverage: 89.97%							

Note: The performance assessment coverage of male/female employees (%) = number of people who took the assessment / number of employees of that gender. The chairman, contract-based employees and employees who served the Company for less than three months or were schedule to resign during the assessment period are exempted from the performance assessment. Therefore, the number of people who shall take the assessment was 260 and 160 of them have taken the assessment, providing an achievement rate of 100%. The performance of the chairman, on the other hand, is evaluated by the Board of Directors.

### Talent development-oriented performance management

#### Performance Target Setting

In the beginning of each year (January), a series of annual work plans are launched from up to down (operations divisions, departments and individuals) according to the organization’s strategic targets. The objectives of management above the deputy general director level are directly tracked and managed by the Group’s headquarters, whereas other employees shall carry out a bi-directional communication with their supervisors to set performance targets and relevant implementation plan.

#### Mid-Year Review

Target/ progress review in the middle of each year (June to July)

#### Year-End Review and Assessment

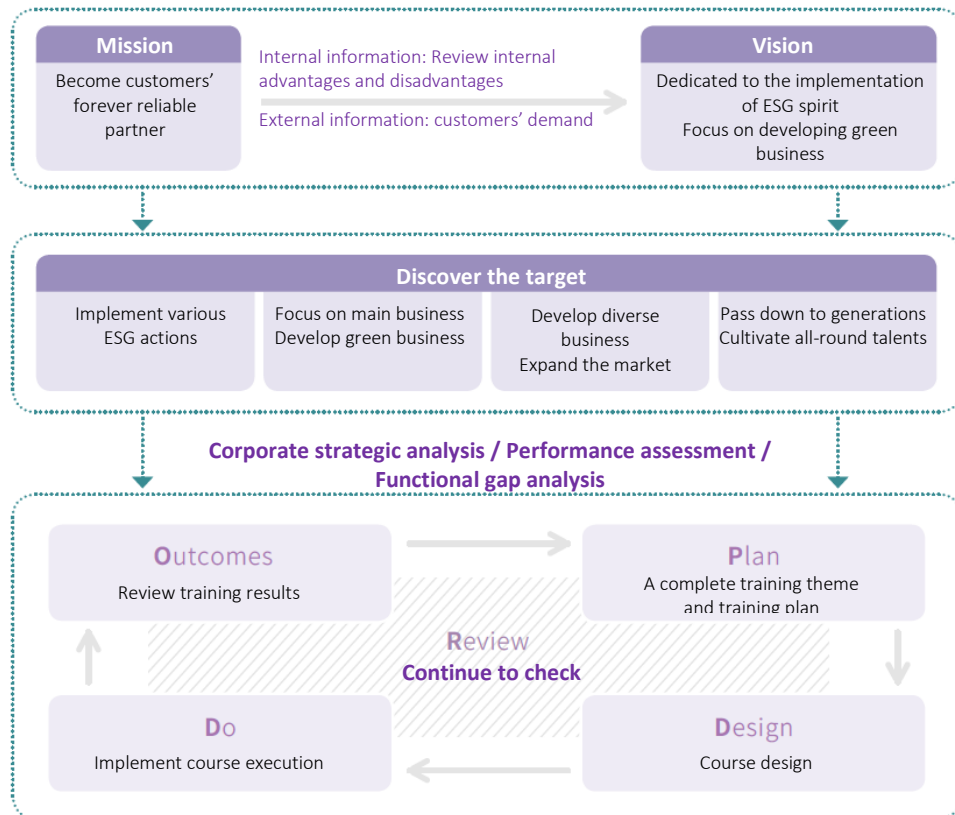
At the end of each year (November to December), Acter carries out year-end assessment according to the said work plan. The assessment results are then used as a reference for future promotion, rewards, punishment and talent fostering.

## Educational Training Programs

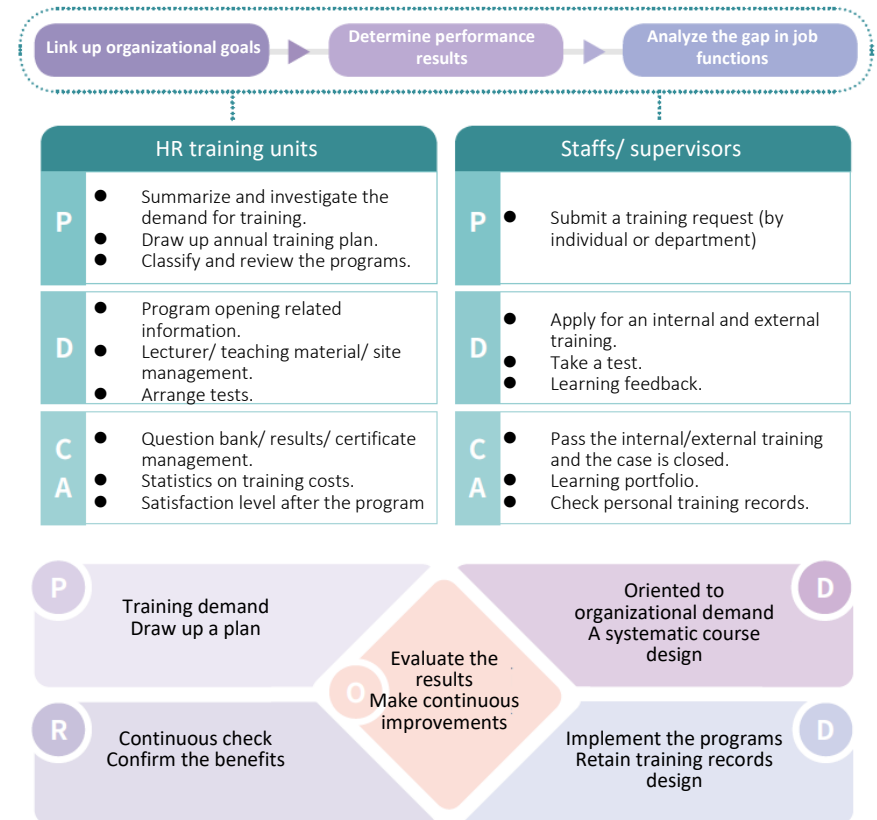
Acter is dedicated to building a continuous learning workplace with a complete and diverse training system. That is, link up job functions and positions with training plans based on the annual operational goal strategy; and complies with the PDCA and PDDRO of manpower training process to launch educational training programs. In the meantime, provide employees with different trainings, which shall continuously innovate and change according to corporate strategy, market demand and talent demand, in order to develop one's competence that meet the corporate, environmental and personal requirements. Therefore, each year, we allocate a specific amount to talent cultivation. In

the meantime, we also adopt an E-learning platform system to provide employees with a flexible learning approach; and, based on the analysis on employees' satisfaction level towards the educational training program afterwards, sustainably adjust the course design and continuously hold programs that meet professional requirements. In 2020, Acter held 307 sessions of internal educational training programs, where the total training hours were 6,372 hours, the average training hours were 22.05 hours per employee and the total training expense was 6,767,675 in the year.

### Acter's talent cultivation steps



### Planning and implementation of Acter's educational training programs



## Acter's direction of talent development

Perspective	Target	Content
Learning Development	Learning can facilitate employees' growth and satisfy the organization's growth demand	<ul style="list-style-type: none"> <li>Cultural inheritance: establish consistent values shared by all employees and promote their recognition to corporate culture.</li> <li>Management capability: enhance the management capabilities of supervisors at all levels, enabling them to learn to guide and build up a team.</li> <li>Talent cultivation: proactively cultivate talents and maintain the high quality and strength thereof.</li> <li>Learning system and resources: Establish multiple learning channels and methods, encourage self-learning among employees and encourage them to share and inherit knowledge.</li> </ul>
Personnel Development	Develop employees' potential to create a work environment that facilitates continuous growth	<ul style="list-style-type: none"> <li>Promotion index: List personnel's "potential" as an important criteria for job promotion.</li> <li>Complete personnel development framework: establish diverse and complete personnel development framework; provide employees an ideal development environment that can bring their strength into full place.</li> </ul>

## Statistics on Acter's educational training programs over the years

Employee type/ gender		Average training hours over the years		
		Unit: hr (rounded up)		
		2018	2019	2020
Senior managers (above the deputy general manager level)	Male	11	20	14
	Female	-	-	-
Middle-level managers (above the manager level)	Male	16	15	24
	Female	13	21	18
Junior managers (above the section chief level)	Male	17	25	27
	Female	14	33	11
General employees	Male	23	23	24
	Female	17	18	18

Internal or external training/ Employee Gender/ Year		Educational Training Budget Unit: NTD		
		2018	2019	2020
Internal Trainings	Male	1,047,160	2,024,334	2,024,950
	Female	607,950	1,068,660	1,136,294
External Trainings	Male	2,225,810	1,818,355	2,805,291
	Female	777,200	697,155	801,140
Total		4,658,120	5,608,504	6,767,675

Note: The calculation of education training budget has changed, where the costs of venue, transportation, internal training lecturers and trainees' salary are all included. The historical values are therefore re-calculated and redisclosed.



Internal/ external trainings	Education Training Budget Unit: NTD		
	2018	2019	2020
No. of internal training programs	71	145	126
No. of external training programs	179	179	181
Total number of programs	270	324	307





### Acter’s Manpower Development Index

Achieved the targets of this year, where the educational training achievement rate and professional skills achievement rates were both 100%.

Index	Items	2018	2019	2020
Cost index	Education and training expenditure	4,658,120	5,608,504	6,767,675
	Average training cost per employee	18,935	21,085	23,418
	Average cost per male employee	19,717	21,710	25,830
	Average cost per female employee	17,314	19,841	18,994
Target orientation index	Achievement rate of individual plan	85.00%	84.77%	85%
	Achievement rate of professional skills	87.98%	81.05%	80.77%
	Achievement rate of professional trainings	100%	100%	100%
	Education and training satisfaction level	91.87%	83.63%	83.79%
Human resources index	Employee productivity (revenue / number of employees) Unit: NTD1,000	17,215	11,421	15,809
Career development index	Proportion of personnel with key position	100%	100%	100%
	Proportion of personnel participated in performance assessment	100%	92.86%	89.97%



Note: The programs include face-to-face and online programs, where the E-Learning platform system is used to establish personal learning records.

### Pension System and Assisted Over-Planning

To encourage our employees to plan their future retirement life with long-term saving plan, Acter has established Employee Retirement Rules for those who are above 55 years and have been serving Acter for more than 15 years; those who have been serving Acter for more than 25 years; and those who are above 60 years old and have been serving Acter for more than 10 years. For those to whom the “Labor Standards Act” is applicable, the Company will allocate a specific amount of pension to their respective pension account managed by Labor Pension Fund Supervisory Committee, Bureau of Labor Insurance by law. In the meantime, Acter also hires retired senior employees or managers to serve Acter as the Acter’s consultant or continues to hire them.



## Employees' Rights, Interests and Human Rights

### Maintenance of Human Rights

To protect employees' rights and interests and to create a friendly workplace, Acter has stipulated "Code of Conduct" in accordance with "Labor Standards Act", "Act of Gender Equality in Employment" and relevant regulations. Also, based on "International Bill of Human Rights" and "ILO (International Labor Organization) Conventions", Acter not only refuses employment discrimination and labor child, but also established multiple communication channels and mechanisms to ensure that every employee is respected and treated with dignity and equality.



### Acter's human rights assessment mechanism, reduction/ mitigation measures and results

Human right issues	Targets	Assessment mechanisms	Reduction/ mitigation measures	Results
Safety	Plenary employees	<ul style="list-style-type: none"> <li>Employees' opinion platform</li> <li>Evaluation of occupational disease/ hazard</li> </ul>	<ul style="list-style-type: none"> <li>Propagation on regulations and occupational health and safety measures in new employee orientation.</li> <li>Prohibit workplace violence and conduct preventive and handling measures therefor.</li> <li>Promote safety concepts among employees on a regular basis.</li> </ul>	<ul style="list-style-type: none"> <li>No safety and health labor deficiency or penalty in 2020.</li> <li>No major occupational disaster in 2020.</li> </ul>
Working hours	Plenary employees	<ul style="list-style-type: none"> <li>Employees' complaint reporting channels</li> <li>Employees' satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>The work management system automatically reviews the overtime working issues.</li> <li>Monthly overtime working report.</li> </ul>	<ul style="list-style-type: none"> <li>No related penalty in 2020.</li> </ul>
Diversity and Tolerance	Plenary employees	<ul style="list-style-type: none"> <li>Employees' complaint reporting channels</li> </ul>	<ul style="list-style-type: none"> <li>Review all measures related the employment of people with disabilities and aboriginal people.</li> <li>Proactively increase the diversity of local employment.</li> </ul>	<ul style="list-style-type: none"> <li>The number of employees who are aboriginal or have disabilities exceeded the statutory requirement.</li> </ul>
Maternity protection	Plenary employees	<ul style="list-style-type: none"> <li>Employees' complaint reporting channels</li> </ul>	<ul style="list-style-type: none"> <li>Provide well-designed childcare measures and annual leave system</li> </ul>	<ul style="list-style-type: none"> <li>The retention rate after parental leave in 2020 was 50%</li> </ul>
Gender equality	Plenary employees	<ul style="list-style-type: none"> <li>Employees' complaint reporting channels</li> </ul>	<ul style="list-style-type: none"> <li>Describe the prevention and control of sexual harassment in educational trainings arranged for new employees.</li> <li>Workplace sexual harassment handling and complaint hotline.</li> </ul>	<ul style="list-style-type: none"> <li>0 sexual harassment in 2020.</li> </ul>
Prohibition of child labor	Plenary employees	<ul style="list-style-type: none"> <li>Employees' complaint reporting channels</li> </ul>	<ul style="list-style-type: none"> <li>The birth date and year must be filled in in the interview form.</li> <li>In-school students must have their identity verified with their personal ID card.</li> <li>Verify the employee's personal ID card (original) and a photocopy thereof must be provided.</li> </ul>	<ul style="list-style-type: none"> <li>0 child labor.</li> </ul>
Privacy	Customers Suppliers Plenary employees	<ul style="list-style-type: none"> <li>Customers' meetings</li> <li>Suppliers' meetings</li> <li>Suppliers' self-evaluation/ visits to suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Propagation on personal data protection, intellectual property rights and regulations in new employee orientation.</li> <li>Sign the letter of commitment for employees' personal data protection.</li> <li>Strictly abide by customers' contractual terms and conditions and NDA commitments.</li> </ul>	<ul style="list-style-type: none"> <li>New employees' document signing and training rate was 100%</li> </ul>
Labor-management dispute	Plenary employees	<ul style="list-style-type: none"> <li>Labor-management meeting</li> <li>Employee's complaint reporting channels</li> </ul>	<ul style="list-style-type: none"> <li>Comply with relevant regulations to minimize dispute.</li> <li>Communication and promotion through labor-management meetings.</li> </ul>	<ul style="list-style-type: none"> <li>No major labor-management incident in 2020.</li> </ul>

## Communication with the Employees and their Rights and Interests

Since 2017, Acter has stipulated “Acter’s Human Rights Policy”, which was announced on Acter’s internal website. The Company also reviews all indicators of the Policy on an annual basis to ensure the perfection of work environment, employment conditions, remuneration, educational training programs and equality for promotion. Through various channels, employees are also able to express their opinions, to which the dedicated department will respond. In 2019, there was no reporting of any sexual harassment or illegal discrimination.

### ● Acter’s human rights policy or standard employee trainings

Through new employees’ orientation trainings, promote Acter’s human rights policy (in regard to, for example, anti-discrimination, anti-sexual harassment, working hours management, humanity in workplace), Sexual Harassment Prevention Act and online workplace bullying prevention lessons. Various measures were also adopted to increase the training ratio, including: Promote the importance of implementing Acter’s human rights policy internally; integrate the policy with employees’ performance assessment and annual training goals; fully use the online learning platform, release class related information on a regular basis, and remind employees of taking the training or give encouragement accordingly.

Human Rights Policy or Standard Employee Trainings	Total training hours (hr)	No. of trainees	Proportion of trainees in workforce (%)
	122.5	245 people	84.78%

### ● Communication channels

Channels for delivering the opinions	Frequency	Actions	Implementation status of 2019
Notification by e-mail	Irregularly	Upon receipt of the message, the most senior supervisor of the HR unit will timely respond and handle the complaint one-by-one.	No major complaint.
Internal corporate platform	Irregularly	Upon receipt of the message, the most senior supervisor of the HR unit will timely respond and handle the complaint one-by-one.	No major complaint.
Employees’ opinions mailbox	Irregularly	Upon receipt of the message, the most senior supervisor of the HR unit will immediately handle the complaint.	No major complaint.
Employees’ seminar	Quarterly	The seminar enables Acter to share with the employees our business performance and exchange opinions bi-directionally, helping to reach a consensus between our employees and supervisors.	Held 4 supervisors meetings and 1 plenary consensus meeting. In total, 343 people participated in the said meetings.
Employees’ satisfaction survey	Quarterly	With respect to items with which our employees are not satisfied with and opinions thereof, the Company will carry out an internal review and draw up improvement measures. accordingly	The employees satisfaction level was 84.62 out of 100.
Labor-management meeting	Quarterly	Conduct bi-directional communication in regard to employees’ health, environmental safety and benefits; and send the meeting minutes to all employees for their information.	Held 4 labor-management meetings, where the percentage of labor and management representatives was 50%, respectively.

Note: In case of having any operational change, business development (new projects or closing of cases), staff appointment or any major changes to employees’ career development, Acter will notify the employees thereof in advance (according to the prescribed period) according to “Five Transfer Principles”, “Labor Standards Act” and “Act for Worker Protection of Mass Redundancy” to facilitate employees’ in handing over the business, preparing for the new environment and adopting to major operational changes.

## Occupational Health and Safety

### 103-2~3

To implement occupational safety and health controls, and to respond to internal and external stakeholders’ requests for and expectation of Acter, we have, through the establishment of EHS policy and acquisition of ISO 4500 certification, abided by legal compliance and continuously enhanced our safety management to create a safe and friendly work environment with our subcontractors.

To reduce the occurrence of occupational disasters, all of our employees and subcontracts are requested to take safety educational trainings. Our staffs at the headquarters also join EHS related educational trainings on a regular basis, including occupational safety/health and first-aid educational trainings. Apart from enhancing our employees’ knowledge and expertise by conducting general educational trainings, we have long been cooperating with external specialists to actively promote construction site safety by, for example, diagnosing problems on site and instructing our employees to make improvements in practice.

To establish a good safety culture, we encourage employees to observe their work environment, actively propose safety improvement suggestions, to assess and validate improvement opportunities after the observation. In the meantime, through the meetings held by Occupational Safety Committee on a quarterly basis, all parties can discuss on related issues and deliberate a solution accordingly. The safety index, on the other hand, is also considered as an assessment criteria of individuals’ annual performance. This enables our employees not only to consider safety and health measures as an important part of their routine works instead of an additional work, but also to proactively implement these measures and to continuously improve their safety values.



### Acter's EHS Policy

- Zero occupational accident
- Zero hazard
- Zero environmental impact

Issues	Goals of 2020	Achievement	Results of 2020
Subcontractor's safety and health related supervision/control/ improvement plans	Occupational injury incident: 0 case/year	✓ Yew	0 case
Plans that enhance the hazard factor identification and safety/environment management competence of the Company's engineering personnel	Penalty imposed by the competent authority: 0/year	✓ Yew	0 penalty

### • Descriptions of Committee related statistics and performance

Occupational Safety Committee	2018	2019	2020
No. of held meetings	4 meetings	4 meetings	4 meetings
Employer representatives	5 people	4 people	4 people
Labor representatives	5 people	5 people	3 people
Proportion of labor representatives	50%	56%	43%
Proportion of employer representative in workforce (%)	2%	2%	1%

### • Implement the occupational safety PDCA management: "Three Zeros Three Safeties – Zero occupational accident, zero hazard and zero environmental impact



無災害工時紀錄

Acter Engineering Technology Co., Ltd.

參加本會舉行之無災害工時紀錄活動紀錄如下：

活動期間：自110年11月1日至110年12月31日

累計無災害工時：5,073,696小時

參與勞工人數：273人

特此頒發，以資鼓勵

社團法人中華民國工業安全衛生協會



Zero injury hour for 9 consecutive years



### • Accident investigation and prevention procedures



## Occupational Safety Management Actions

 <b>Safety Rules</b>	<p>Stipulate management rules and operating procedures in compliance with the management requirements of ISO 45001.</p>	 <b>Patrol and Audit</b>	<p>Check workplace operations and fire-fighting equipment on an irregular basis according to EHS supervisory and measurement procedures.</p>
 <b>Risk Assessment</b>	<p>Identify safety risks in workplace on a regular basis in accordance with hazard identification and risk assessment management procedures; identify the risk level in accordance with the severity, probability and exposure thereof; and propose improvement measures for high-risk factors to turn them into low-risk factors.</p>	 <b>Continuous Improve</b>	<p>With respect to abnormality or deficiency, propose an improvement schedule and continuously track the performance thereof until all improvements have been made. Post health and safety relevant information at obvious spots in workplace.</p>

## Occupational Safety and Health Education/Trainings and Audit Works

<b>Acter's Employees</b>	<b>01 Notification of Entrance Hazards</b>
<ul style="list-style-type: none"> <li>Safety and health education and trainings for new employees.</li> <li>Regular safety and health trainings for work safety personnel.</li> <li>Fire-fighting trainings.</li> <li>Emergency personnel trainings.</li> <li>Irregular work safety and health propagation every month.</li> </ul>	<p>Notify hazards related to the entire projects before entering the site. Provide hazard factor and relevant information to subcontractors for their information.</p>
<b>Subcontractors</b>	<b>02 Toolbox Meeting</b>
<ul style="list-style-type: none"> <li>Safety and health education and trainings for new contractors.</li> <li>General safety and health education and trainings.</li> <li>Daily toolbox safety and health propagation.</li> <li>Personal protective equipment (PPE) wearing trainings.</li> <li>Emergency response trainings.</li> <li>Disciplinary trainings for high-risk operations.</li> <li>Trainings for organic solvent operations.</li> </ul>	<p>Notify subcontractors of the hazards related to appointed jobs before launching the works every day.</p>
	<b>03 Daily Patrol Records</b>
	<p>Implement safety and health patrol activities during the constructions; fill out and keep "Daily Petrol Record" every day.</p>
	<b>04 Alcohol Testing and Control</b>
	<p>During the daily toolbox meeting, check if all personnel are in a good status and if they have been drinking. In case of finding any abnormality, it is a must to demand the person to stop working. In case of finding any personnel bringing or drinking alcoholic beverage, it is a must to demand the person to leave the construction site and to impose penalty thereon.</p>

## Recognition of Occupational Safety and Health Awards

Upholding the EHS policy of "zero occupational accident, zero hazard and zero environmental impact", Acter has implemented project and construction control with accurate work procedures. From November 1, 2011 to December 31, 2020, Acter has accumulated 5,073,696 non-injury hours and received the "Zero Injury Hour Certificate" issued by Occupational Safety and Health Administration, Ministry of Labor. Apart from maintaining our excellence in occupational safety management, Acter also received the honor of "Gold Award – Suppliers with Excellence in Occupational Safety Performance: Engineering Group" from "China Ecotek Corporation"; and "Gsafe Certificate of Recognition" and "Gsafe EHS Excellence Achievement Award" from google for achieving 1 million and 2 million man-hours without lost time incident, respectively, in 2020 as recognition. This has shown how Acter's customers recognize our occupational health and safety performance.



China Ecotek Corporation awarded:  
Gold Award – Suppliers with Excellence in Occupational Safety Performance: Engineering Group"



Google  
Gsafe Certificate of Recognition  
In recognition of achieving 1 million man-hours without lost time incident



Google  
Gsafe EHS Excellence Achievement Award  
In recognition of achieving 2 million man-hours without lost time incident

## Statistics of Acter's Occupational Injuries Over the Years

Statistics of Occupational Injuries	2018	2019	2020
Absent Rate (Male)	0.36%	0.49%	0.32%
Absent Rate (Female)	0.92%	1.29%	1.93%
Injury rate	0	0	0
Occupational disease rate	0	0	0
Ratio of lost days	0	0	0
No. of death	0	0	0
Disabling frequency rate (FR)	0	0	0
Disabling severity rate (SR)	0	0	0
Fatal and series injuries (FSI)	0	0	0



## Facilitation of Occupational Health

Acter has been dedicated to building a healthy and friendly workplace; to continuously caring for our employees and protecting their health; and to providing employees a stable and safe work environment. We have signed a contract with specialist medical institutions and hospitals in the North, Central and South regions to offer our employees free health checks to show our attention to our employees' health and to help them to enhance their health. To facilitate the balance between our employees' work and life as promoted by Ministry of Labor, we also hold various health facilitation activities (ex. invite specialist physicians to come to our office to assess our employees' health state through face-to-face interviews; let our employees know about their health state; and teach them how to reduce related risks) in order to create a healthy workplace. With respect to health facilitation, we have been promoting health related information on a monthly basis. For example, pandemic prevention and control measures; blood sugar/ blood lipid/ blood pressure related information and so on. All of these helps to improve our employees' awareness of their personal health while encouraging them to participate in related activities and take actions. In 2020, about 123 employees have taken the free health check service provided by Acter and we have totally invested NTD464,000 therefor.

## A Clean Office Environment

Carbon dioxide is an important indicator for indoor air quality (IAQ), indoor personnel density and ventilatory efficiency. Quality Assurance and Safety Department implements work environment monitoring in accordance with Article 17 of "Enforcement Rules of the Occupational Safety and Health Act". Each year, Acter invites external experts to test the office CO<sub>2</sub> concentration of the headquarters in March and September, where 30 testing points (the personnel's location is considered as the testing point and the partition office is the measurement location) have been established at the headquarters to detect the CO<sub>2</sub> concentration thereof using a professional CO<sub>2</sub> detector.

2020 Occupational Health Services and Facilitation Activities		
Name	Session	No. of participants
Provisional health checks held by professional doctors	1	5
Propagation on the prevention of illegal infringement in workplace	1	258
CPR emergency trainings	1	15
Health facilitation promotion (ex. epidemic disease prevention and treatment; prevention of cardiovascular disease and so on)	14	282

Item	2017	2018	2019
No. of people who completed the health check	88	122	123
Health check rate	40.93%	56.74%	53.71%
Amount invested in health check	374,000	511,000	464,000

Note: Health check rate = No. of people who took the health check / No. of people who are eligible to take the free health check.

The Implementation of Office CO <sub>2</sub> Concentration Detection in 2019			
Detection date of 2020	Value	Achievement rate	Note
March 5, 2020	518-1177 ppm	✓ Achieved	Within the standard tolerance value of 5000 ppm
September 7, 2020	619-772 ppm	✓ Achieved	Within the standard tolerance value of 5000 ppm



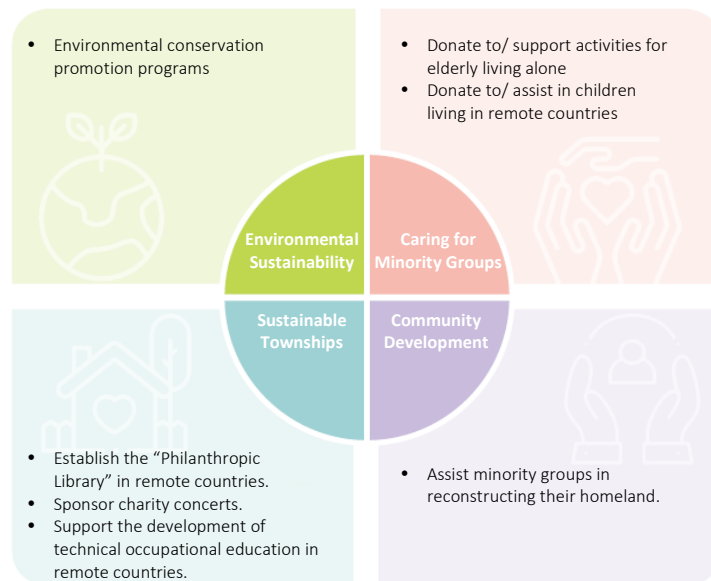
# Social Welfare

102-13, 203-1 and 413-1

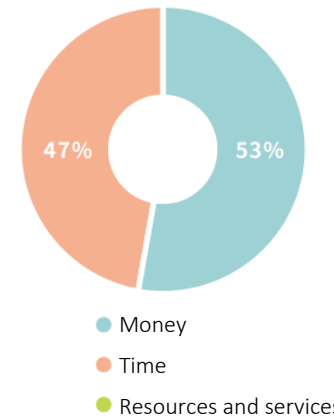
## Social Welfare

With a focus on the welfare themes of “environmental sustainability”, “caring for minority groups”, “community development” and “sustainable townships”, Acter has conducted site visits and a series of evaluations to ensure that all of our resources are used to bridge social gaps and help those who actually need help. It is our aspiration that, with our own strengths, expertise and real actions, we will make the world even more beautiful. Acter attaches importance not only to one-time contribution, but also to long-term contributions. We believe that, only by focusing on a specific task and making continuous contributions, we will make changes in reality. In 2020, Acter totally invested NTD6,473,748 (including management and volunteers’ labor costs) and 449.5 volunteer hours in carrying out social welfare activities and have benefited more than 1,755 people in total.

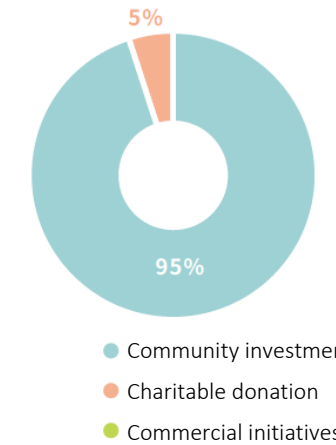
### ● The four welfare themes vs. long-term contributions with real actions



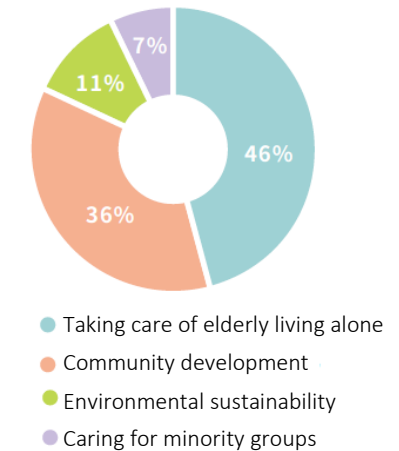
### ● Forms of contribution (note 1)



### ● Types of contribution (note 2)

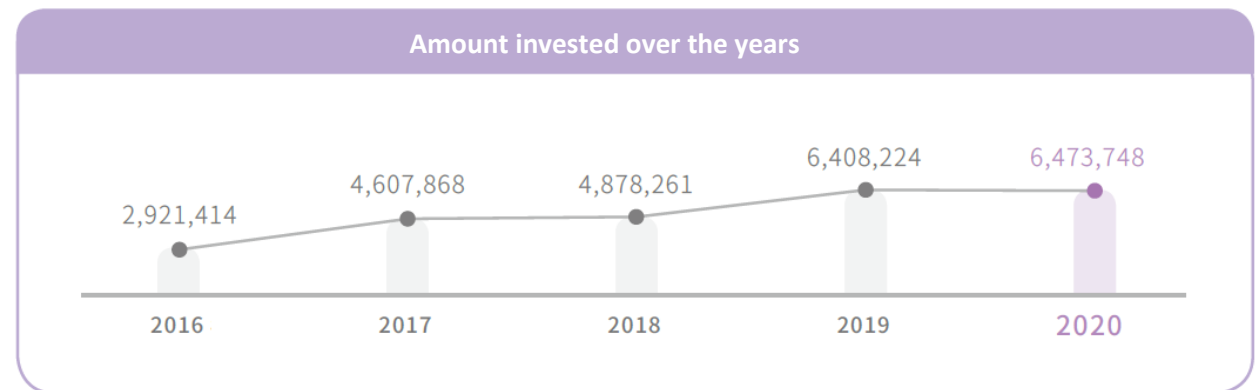


### ● Facets of volunteers’ contribution



Note 1: According to Dow Jones Sustainability Index (DJSI), all activities can be classified into cash contribution, time, in-kind giving and services. DJSI also calculates the ratio of each category’s investment by monetary value (NTD). Time: volunteer service hours x average hourly wage. In-kind giving: the monetary value that a company invests to provide the item or service.

Note 2: According to DJSI’s definition, all activities can be classified as “charitable donation”, “community investment” and “commercial initiatives”. Also, the ratio of each type’s investment is calculated by monetary value (NTD).



## | Social Influence

Acter has been continuously implementing social welfare services with our core competence. With the aspiration of creating a better future, we have abided by United Nation’s Sustainable Development Goals (SDGs) to bridge resource divide and return to the society by engaging in social welfare activities. We also constantly review our contribution results and evaluate the influence of social participation in order to make a reasonable resources allocation scheme. This not only helps us to effectively our financial and non-financial information related thereto, but also meet the expectations of multiple stakeholders and create the shared values.

We encourage our employees to participate in charity activities in order to create a people-oriented corporate culture that cares for our society. With respect to the resources that we have contributed, most of them are donated as cash contribution (52.55%), followed by services provided by our management and volunteers (47.32%). Moreover, we have engaged mainly in long-term contributions with a percentage of 94.93%. Also, with their job functions and real actions, our employees have managed to call other volunteers to join their line in order to engage in diverse social services, including those related to environmental sustainability, caring for minority groups and elderly living alone, community development and facilitation of township development.

### ● Produced benefits

Description of Content and Performance			
Internal benefits	<ul style="list-style-type: none"> <li>Implement the “people-oriented” core values: insist on engaging in “people-oriented caring services” to convey the corporate essence of Acter.</li> <li>Continue to give back to the society; maintain a partnership with all stakeholders; and, by providing volunteer services and assisting the minority groups, create a virtuous circle and establish a trusting relationship.</li> <li>Promote volunteer activities, so that our staffs who join related activities can feel the temperature and service spirit of social welfare activities, have the spirit of our corporate culture, and demonstrate these spirits in daily customer service tasks.</li> </ul>		
External benefits	<b>Theme</b>	<b>Cooperation unit</b>	<b>Descriptions of donation/ cooperation and the effectiveness thereof</b>
	Sustainable townships	Taiwan Reading and Culture Foundation	<ul style="list-style-type: none"> <li>Acter has been cooperating with the Foundation to make a joint contribution to elementary schools in remote countries for 6 consecutive years. For example, book donation and circulation; replacement of old books; and hold charity concerts. Apart from the cash donation that has reached NTD2.12 million cumulatively, Acter also succeeded in donating 160 boxes of books (around 4,800 books), which has benefited 16,800 people for borrowing the books, and holding 6 concert. In 2020, Acter further donated NTD100,000 to “Philanthropic Library”; sponsored teachers and students living in remote countries and special education students to bridge urban-rural and information gaps; donated NTD200,000 to establish digital “Philanthropic Library” at Donghai Elementary School, Taitung.</li> </ul>
		Taiwan Action Buddha Society	<ul style="list-style-type: none"> <li>Acter has been cooperating with Society for 3 consecutive years to provide after-school programs, aesthetic education and talent cultivation programs to students living in remote countries. As of 2020, Acter has totally donated NTD160,000. Nevertheless, instead of “offering children the fish”, Acter has, by sponsoring technical and vocational practice course, “giving children a fishing pole” to teach them vocational skills for future career and lead them to the direction of becoming a skill-based talent.</li> </ul>
	Caring for minority groups	Poyo Social Welfare Foundation	<ul style="list-style-type: none"> <li>Cooperated with the Foundation to provide after school programs in remote countries by donating NTD100,000 in 2020.</li> </ul>
		Chuming Educational Foundation	<ul style="list-style-type: none"> <li>Donated NTD300,000 to NCTU as student emergency relief fund. This is considered not only as a response measure for the pandemic of COVID-19, but also a way to fulfill Acter’s responsibility as a corporate citizen.</li> </ul>
		Changhua Dacheng Elementary School	<ul style="list-style-type: none"> <li>Acter has been cooperating with the School for 3 consecutive years. By offering emergency relief fund, after school programs and teaching facilities, Acter succeeded in improving the school environment in remote countries, and solving the problem of insufficient funding. In total, Acter has contributed NTD700,000, which has benefited 338 people in total.</li> </ul>
Green Miracle Social Welfare Platform	<ul style="list-style-type: none"> <li>Acter has been cooperating with the Platform for 2 consecutive years and totally donated 8 computer hosts and 12 LCDs. This not only responds to the green computer regeneration plan, but also delivers love to remote countries, helping children living in remote areas to bridge digital divide and fix the problem of insufficient resources.</li> </ul>		
<b>Theme</b>	<b>Cooperation unit</b>	<b>Descriptions of volunteer services and the effectiveness thereof</b>	
Environmental sustainability	Environmental Protection Education of Changhua Dacheng Elementary School	<ul style="list-style-type: none"> <li>Cooperated with Dacheng Elementary School to, by integrating the local feature – wheat plantation – into the project, protect the land for a sustainable development and promote environmental protection concepts to students. In total, Acter has contributed 49 volunteer service hours and more than 140 people are benefited therefrom.</li> </ul>	
Community development	The echo reduction project of Taichung School for the Visually Impaired	<ul style="list-style-type: none"> <li>Acter has, with our expertise, assisted the school in reducing echo on the basketball court. In total, Acter has contributed 88.5 volunteer service hours and more than 160 people are benefited therefrom.</li> </ul>	



Produced benefits

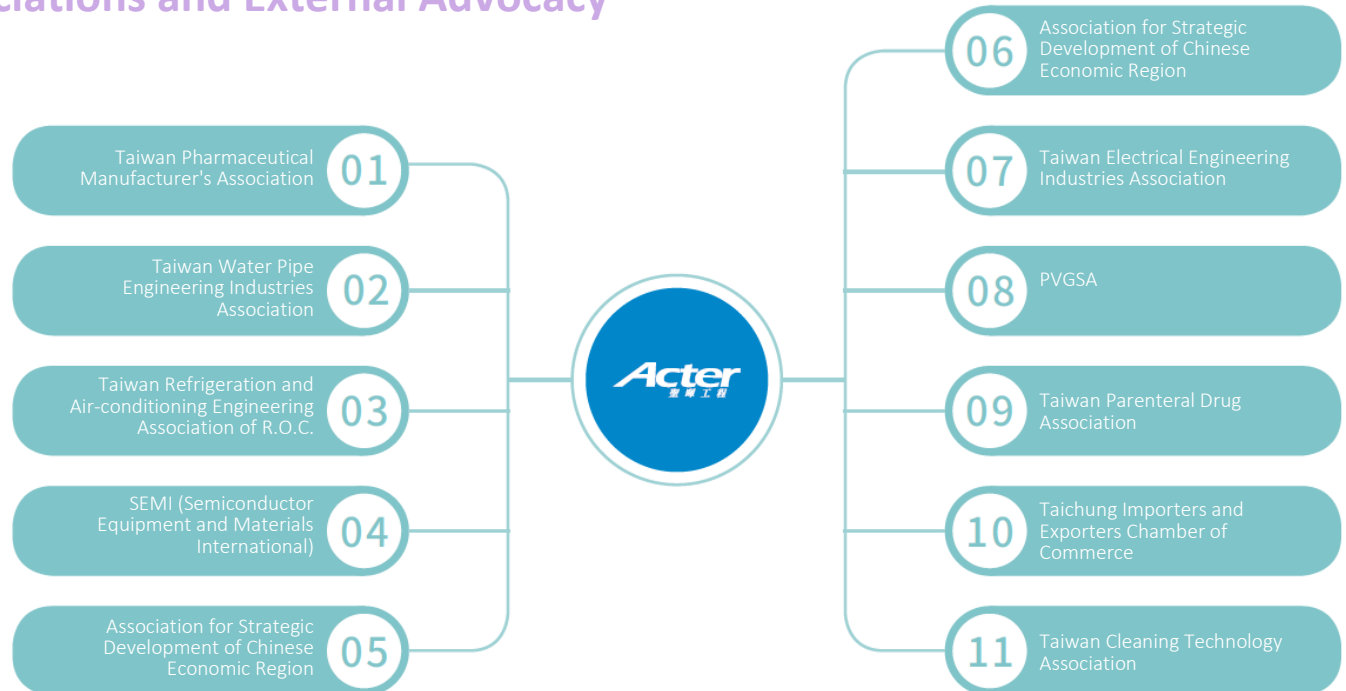
	Theme	Cooperation unit	Descriptions of donation/ cooperation and the effectiveness thereof
External benefits	Community development	Formosa Charity	<ul style="list-style-type: none"> <li>Acter has been cooperating with the Charity for 4 consecutive years. Together with over 200 volunteers from corners of Taiwan, Acter has, with our core competence, succeeded in helping people of the minority group to rebuild their home. In total, Acter has contributed 172 volunteer service hours.</li> </ul>
	Caring for minority groups	Hondao Senior Citizens Welfare Foundation	<ul style="list-style-type: none"> <li>Acter has been cooperating with the Foundation to jointly conduct "The Winter Assistance to the Elderly Program" for 4 consecutive years. At the end of the year, Acter's volunteers spent hours on accompanying elderly people who live alone, suffer from physical difficulty or come from the minority group to purchase life necessities. In total, Acter has donated NTD218,700 and contributed 123 volunteers to related event. In total, about 238 people are benefited therefrom. Moreover, in response to the aging society, the caring program designed for elderly people who live along was launched in the year as well.</li> <li>Acter has totally contributed 40 volunteers, 140 volunteer service hours; and about 30 people are benefited therefrom.</li> </ul>
Synergy	<ul style="list-style-type: none"> <li>Donation amount: Totally donated NTD6,473,748.</li> <li>Volunteer services: About 56 people from Acter have joined the volunteer service during work break or personal leaves. In total, Acter has contributed 449.5 volunteer service hours.</li> <li>Beneficiary: about 94.93% of the activities are counted as long-term distributions and, in total, about 1,755 people are benefited therefrom.</li> </ul>		

## Acter's Participation in Public Associations and External Advocacy Partners in 2020

102-12 and 102-13

### Social Advocacy

We have been dedicated to external advocacy related to our core business, expertise and sustainable development. The scope of external advocacy includes the industry's economic development; technical innovation development; climate change and sustainable development, supply chain; human rights; and social participation. By establishing a partnership with various industry associations and institutions from related professionalism, we have managed to, together with our partners, facilitated the sustainable development of our industry. Although social advocacy activities have been lessened due to the impact of pandemic, Acter still joined 11 external cooperation institutions and invested NTD318,278 to facilitate the operations of the organization.



## | Performance Highlights - Doing Charity with Our Core Competence

### ● Project Highlight No. 1 – Help minority groups to build a home

For Acter, doing charity is not only about donating cash contributions, but to think about how to depart from our core business while integrating our skills, services and kindness to contribute to the environment and society. Since 2017, Acter has been cooperating with a charity team to launch the “One Brick and One Tile: Let Love Fly” volunteer plan. By launching the volunteer reward approach, Acter succeeded in inviting our employees, customers and subcontractors to walk into remote countries and to contribute our expertise to build homes for people of the minority group. For us, this not only allows us to bring our expertise into full play, but also to show our insistence on and fulfillment of corporate social responsibilities.

On November 28, 2020, Acter’s volunteer team, subcontractors and public interest groups, totally 200 volunteers, have been working collaboratively for two weekends to assist a person of minority group to rebuild home. During the process, we have been working together on the same task from leveling to unloading to steel bar cutting/welding to grouting. After completing the external construction, we then started to decorate the internal part by installing furniture and home appliance. Eventually, a new house was completed! For Acter, doing charity with our expertise and rebuilding one’s home – we do not only create a home for the other, but also create a new hope for them!

**01**

Unloading

Leveling

Count and check the raw materials

Set up the steel framework

**Group photo**

**02**

Preparation works before grouting

Grouting

Measure the partition

**Completion of work**

**03**

Install internal partitions

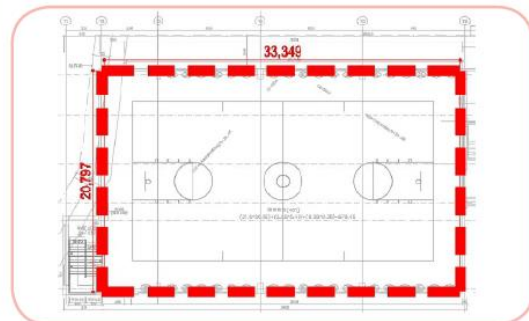
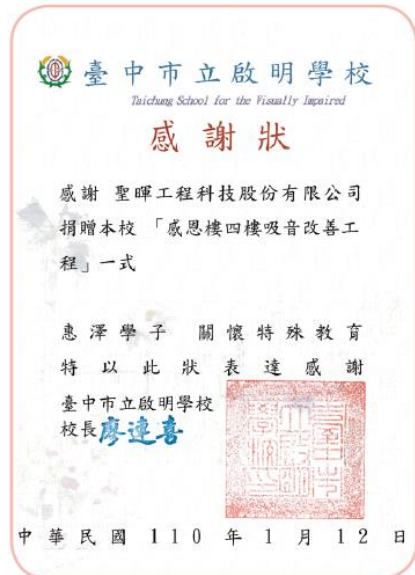
Install iron windows

## | Performance Highlights – Create Sustainable Townships with Our Core Competence

### ● Project Highlight No. 2 – The echo reduction project of Taichung School for the Visually Impaired

As a corporate citizen, Acter has been thinking about how to develop sustainable township with our engineering expertise and is doing our best to reach this goal. Over the years, we have established a link with local communities and been listening to local demands. In 2020, we offered technical assistance to Taichung School for the Visually Impaired, assisting it to reduce echo in the stadium. From architectural spatial analysis to echo reduction plan to procurement/outsourcing to on-site supervision and construction works, we have established an engineering design that can effectively reduce echo. This helps us to successfully solve the echo problem and bring an even more quality, diverse and comfortable sports teaching venue. In the meantime, to activate the use of the venue, the stadium is also used as a competition venue of Taichung City. In this project, Acter total contributed 88.5 volunteer service hours.

Target	Method	Descriptions
Reduce echo	Install two 440-m acoustic absorption panels	The original reverberation was 3.6s. Upon installation of the acoustic absorption panels onto the wall, the reverberation changed to 1.6s.



After knowing the echo issue of Taichung School for the Visually Impaired, Acter has proactively bring our expertise into full play by providing professional and complete engineering improvement services. The construction was carried out and completed during the summer break.



## | Performance Highlights – Create Sustainable Townships with Our Core Competence

### ● Performance Highlight No. 3 – Environmental sustainability: Dacheng Elementary School’s Wheat Farm Catcher

To let our new generation to understand the relationship between human and the natural environment; to develop their basic concepts about the environment; and to develop an appropriate lifestyle, Acter has cooperated with Changhua Dacheng Elementary School to plan and launch an environmental sustainability activity integrated with the local element of Dacheng – wheat farm – for the first time in 2020. That is, through wheat planting, guide the children to become a citizen of earth.

Themed on Acter’s energy-saving and eco-friendly air-conditioning system, this activity not only provides the children the opportunity of planting wheat, but also teaches them some environmental protection concepts, such as creating handmade artworks with seeds and discussing air-conditioning and energy-saving related issues. All of these enable the children to, during the entertaining and learning process, know about air-conditioning system related energy-saving tips and green labels. Furthermore, the video played during the activity also enables our children to know about the worsening ecological environment in where the polar bears live with great efforts; and lead them to say “No” to energy wastes. We have totally contributed 49 volunteer service hours for this activity and more than 140 people are benefited therefrom. It is our aspiration to, through a continuous promotion, bring environmental education from classrooms to homes and then to the neighborhood and society in order to maintain our beautiful living environment.

## | Performance Highlights – Caring for Minority Groups with Our Core Competence

### ● Project Highlight No. 4 – Caring for elderly people living alone: The “Winter Assistance to the Elderly” Program

With cash and labor contributions, Acter has been collaborating with the social welfare team on the “Winter Assistance to the Elder Program” for four consecutive years. In 2020, same as the previous years, our employees were invited to, on a one-to-one basis, accompany 30 low-to-middle income elderly people who live alone to purchase their life necessities in order to enhance their social bond. This year, 40 volunteers from Acter have joined this activity with a total contribution of 140 volunteer service hours; and about 30 people are benefited therefrom. It is important to note that, despite the challenge of the pandemic this year, we still held this activity as insisted by the General Manager. In the future, we will uphold the original intention of contributing to the society as a corporate citizen.





# 6 Annexes

- 84 About this Report
- 85 GRI Sustainability Reporting Standards
- 92 Third-Party Verification

# About this Report

102-46 and 102-50~54

This is the eighth consecutive CSR report that Acter has issued over the years. Apart from complying with the standards of Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures (TCFD), this report also reveals Acter’s sustainable development progress and performance to stakeholders through materiality assessment and analysis. By visiting our official website, you can download this Report in both Chinese and English versions (in the section of “CSR”) and known more about our sustainability actions. If you have any opinion or feedback, you are welcome to contact with us.

<b>Time Scale of Data Disclosure</b>	Year 2020, from January 1 to December 31 throughout the year. The scope of this report covers specific practice and performance data in related to the economy, society, environment and corporate governance.
<b>Data Category / Inside the Organization</b>	Acter is the primary disclosure category of this report and contents related thereto are noted with remarks. Currently, our subsidiary “NOVA Technology” already started to issue its own CSR report.
<b>Data Category / Outside the Organization</b>	<ul style="list-style-type: none"> <li>• Government / competent authorities</li> <li>• Customers</li> <li>• Shareholders / investors</li> <li>• Suppliers</li> <li>• Communities</li> </ul>
<b>Data Quality Management</b>	Financial Data / Annual Financial Report      Quality Information / ISO 9001:2015 Environmental Data / ISO14001:2015 and ISO 14064:2006 Social Information / ISO 45001:2018      Sustainability Data / AA 1000 AS:2008
<b>Disclosure Standards</b>	TCFD disclosure standards are added to GRI Standards:2016 Core Option to enhance the integrity of disclosure.
<b>Level of Assurance</b>	Type 1 Moderate Level (passed the certification of BSI Taiwan)

**Contact Window**

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**Website Information**



Download the e-version in the section of “CSR”



Acter’s Facebook Fanpage

**About the Reviews**

- **Internal Review:** All departments collect relevant data and have them examined by department heads before submitting them to the CSR Committee. The Executive Secretary then prepares the said data into a CSR report. The CSR report is firstly given to all departments for review and then submitting to the Chairman for approval.
- **External Review:** The financial data are collected from the financial report certified by KPMG and are calculated in New Taiwan Dollar (NTD). With respect to other corporate governance related third-party certification reports and independent assurance statements, please refer to the respective chapters and annexes.

# GRI Standards and Content Index

102-55

The following disclosure indicators are based on Global Reporting Initiative (GRI) proposed GRI Standards corresponding to the report content.

GRI 102: General Disclosures								●Core disclosure items
Items	Disclosure indication	Descriptions	Corresponding chapter and the page thereof / Descriptions	Disclosure indication	Descriptions	Corresponding chapter and the page thereof / Descriptions	Disclosure indication	
Organizational Profile	102-1	• Name of the organization	About Acter (P. 4)	Strategy	102-14	• Statement from senior decision-maker	Words from the Management (P. 2)	
	102-2	• Activities, brands, products, and services			102-15	Key impacts, risks, and opportunities	Risk Management (P. 24)	
	102-3	• Location of headquarters		Ethics and Integrity	102-16	• Values, principles, standards, and norms of behavior	Business Integrity (P. 22)	
	102-4	• Location of operations			102-17	Mechanisms for advice and concerns about ethics		
	102-5	• Ownership and legal form	About Acter (P. 4); please refer to "2020 Annual Report of Acter Group"	Governance	102-18	• Governance structure	Corporate Governance Organization (P. 18)	
	102-6	• Markets served	About Acter (P. 4)		102-19	Delegating authority	Sustainable Development Strategy (P. 8)	
	102-7	• Scale of the organization			102-20	Executive-level responsibility for economic, environmental, and social topics		
	102-8	• Information on employees and other workers	Friendly Workplace (P. 62)		102-22	Composition of the highest governance body and its committees	Corporate Governance Organization (P. 18); please refer to "2020 Annual Report of Acter Group"	
	102-9	• Supply chain	Responsible Supply Chain (P. 45)		102-23	Chair of the highest governance body		
	102-10	• Significant changes to the organization and its supply chain	No major change		102-24	Nominating and selecting the highest governance body		
	102-11	• Precautionary Principle or approach	Risk Management (P. 24)		102-25	Conflicts of interest	Sustainable Development Strategy (P. 8)	
	102-12	• External initiatives	In Response to United Nation's Sustainable Development Goals (SDGs) (P. 16)		102-26	Role of highest governance body in setting purpose, values, and strategy		
	102-13	• Membership of associations	Social Welfare (P. 77)		102-27	Collective knowledge of highest governance body		Corporate Governance Organization (P. 18)

GRI 102: General Disclosures

• Core disclosure items

Items	Disclosure indication	Descriptions	Corresponding chapter and the page thereof / Descriptions	Disclosure indication	Descriptions	Corresponding chapter and the page thereof / Descriptions	Disclosure indication
Governance	102-28	Evaluating the highest governance body's performance	Corporate Governance Organization (P. 18)	Reporting Practice	102-45	• Entities included in the consolidated financial statements	Operating Performance (P. 29); please refer to "2020 Annual Report of Acter Group"
	102-29	Identifying and managing economic, environmental, and social impacts	Sustainable Development Strategy (P. 8)		102-46	• Defining report content and topic Boundaries	
	102-30	Effectiveness of risk management processes			102-47	• List of material topics	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	102-31	Review of economic, environmental, and social topics			102-48	• Restatements of information	With respect to amended data, remarks have been made in respective chapters.
	102-32	Highest governance body's role in sustainability reporting			102-49	• Changes in reporting	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	102-33	Communicating critical concerns			102-50	• Reporting period	About this Report (P. 84)
	102-35	Remuneration policies			Corporate Governance Organization (P. 18)	102-51	
	102-36	Process for determining remuneration	Corporate Governance Organization (P. 18); Friendly Workplace (P. 62)		102-52	• Reporting cycle	
Stakeholders	102-40	• List of stakeholder groups	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)	102-53	• Contact point for questions regarding the report	About this Report (P. 84)	
	102-41	• Collective bargaining agreements	Not signed	102-54	• Claims of reporting in accordance with the GRI Standards		
	102-42	• Identifying and selecting stakeholders	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)	102-55	• GRI content index		GRI Content Index (P. 85)
	102-43	• Approach to stakeholder engagement		102-56	• External assurance	Third-Party Verification (P. 92)	
	102-44	• Key topics and concerns raised					



### GRI 200: Economic Series

★ Material topics

Items	Disclosure indication	Descriptions	Corresponding chapter and the page thereof / Descriptions
★GRI 201 Economic Performance	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Friendly Workplace (P. 62)
	103-3	Evaluation of the management approach	Friendly Workplace (P. 62)
	201-1	Direct economic value generated and distributed	Operating Performance (P. 29)
	201-3	Defined benefit plan obligations and other retirement plans	Friendly Workplace (P. 62)
★GRI 202 Market Presence	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Friendly Workplace (P. 62)
	103-3	Evaluation of the management approach	Friendly Workplace (P. 62)
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Friendly Workplace (P. 62)
	202-2	Proportion of senior management hired from the local community	Friendly Workplace (P. 62)
GRI 203 Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Social Welfare (P. 77)
★GRI 204 Procurement Practices	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Friendly Workplace (P. 45)
	103-3	Evaluation of the management approach	Responsible Supply Chain (P. 45)
	204-1	Proportion of spending on local suppliers	Responsible Supply Chain (P. 45)
GRI 205 Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Business Integrity (P. 22)

### GRI 300: Environmental Series

★ Material topics

Items	Disclosure indication	Descriptions	Corresponding chapter and the page thereof / Descriptions
★GRI 302 Energy	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-3	Evaluation of the management approach	Green Engineering Technology (P. 36); Environmental Management (P. 58)
	302-1	Energy consumption within the organization	Climate Change and Energy Saving (P. 52); Environmental Management (P.58)
	302-3	Energy intensity	Climate Change and Energy Saving (P. 52); Environmental Management (P.58)
	302-5	Reductions in energy requirements of products and services	Green Engineering Technology (P. 36)
GRI 303 Water	303-1	Water withdrawal by source	Resource Management (P. 60)
	303-2	Water sources significantly affected by withdrawal of water	Resource Management (P. 60)
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	Climate Change and Energy Saving (P. 52)
	305-2	Energy indirect (Scope 2) GHG emissions	Climate Change and Energy Saving (P. 52)
GRI 306 Effluents and Waste	306-2	Waste by type and disposal method	Resource Management (P. 60)
★GRI 307 Environmental Compliance	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Environmental Management (P.58)
	103-3	Evaluation of the management approach	Environmental Management (P.58)
	307-1	Non-compliance with environmental laws and regulations	Environmental Management (P.58)
★GRI 308 Supplier Environmental Assessment	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Responsible Supply Chain (P. 45)
	103-3	Evaluation of the management approach	Responsible Supply Chain (P. 45)
	308-1	New suppliers that were screened using environmental criteria	Responsible Supply Chain (P. 45)
	308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain (P. 45)

GRI 400: Social Series

★ Material topics

Items	Disclosure indication	Descriptions	Corresponding chapter and the page thereof / Descriptions
★GRI 401 Employment	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Friendly Workplace (P. 62)
	103-3	Evaluation of the management approach	Friendly Workplace (P. 62)
	401-1	New employee hires and employee turnover	Friendly Workplace (P. 62)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Friendly Workplace (P. 62)
	401-3	Parental leave	Friendly Workplace (P. 62)
GRI 402 Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Friendly Workplace (P. 62)
★GRI 403 Occupational Health and Safety	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Occupational Health and Safety (P. 73)
	103-3	Evaluation of the management approach	Occupational Health and Safety (P. 73)
	403-1	Occupational health and safety management system	Occupational Health and Safety (P. 73)
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety (P. 73)
	403-3	Occupational health services	Occupational Health and Safety (P. 73)
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety (P. 73)
	403-5	Worker training on occupational health and safety	Occupational Health and Safety (P. 73)
	403-6	Promotion of worker health	Occupational Health and Safety (P. 73)
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety (P. 73)
	403-9	Work-related injuries	Occupational Health and Safety (P. 73)
403-10	Work-related ill health	Occupational Health and Safety (P. 73)	

GRI 400: Social Series

★ Material topics

Items	Disclosure indication	Descriptions	Corresponding chapter and the page thereof / Descriptions
★GRI 404 Training and Education	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Friendly Workplace (P. 62)
	103-3	Evaluation of the management approach	Friendly Workplace (P. 62)
	404-1	Average hours of training per year per employee	Friendly Workplace (P. 62)
	404-2	Programs for upgrading employee skills and transition assistance programs	Friendly Workplace (P. 62), no transition assistance program has been offered for “career endings due to retirement or termination”
	404-3	Percentage of employees receiving regular performance and career development reviews	Friendly Workplace (P. 62)
★GRI 405 Diversity and Equal Opportunity	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Friendly Workplace (P. 62)
	103-3	Evaluation of the management approach	Friendly Workplace (P. 62)
	405-1	Diversity of governance bodies and employees	Friendly Workplace (P. 62)
	405-2	Ratio of basic salary and remuneration of women to men	Friendly Workplace (P. 62)
GRI 406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Friendly Workplace (P. 62)
GRI 408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Friendly Workplace (P. 62)
★GRI 412 Human Rights Assessment	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Friendly Workplace (P. 62)
	103-3	Evaluation of the management approach	Friendly Workplace (P. 62)
	412-2	Operations that have been subject to human rights reviews or impact assessments	Friendly Workplace (P. 62)
GRI 413 Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Social Welfare (P. 77)

GRI 400: Social Series

★ Material topics

Items	Disclosure indication	Descriptions	Corresponding chapter and the page thereof / Descriptions
★GRI 414 Supplier Social Assessment	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Responsible Supply Chain (P. 45)
	103-3	Evaluation of the management approach	Responsible Supply Chain (P. 45)
	414-1	New suppliers that were screened using social criteria	Responsible Supply Chain (P. 45)
	414-2	Negative social impacts in the supply chain and actions taken	Responsible Supply Chain (P. 45)
GRI 418 Customer Privacy	418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	Customer Services and Management (P. 41)
★GRI 419 Socioeconomic Compliance	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Business Integrity (P. 22); Friendly Workplace (P. 62)
	103-3	Evaluation of the management approach	Business Integrity (P. 22); Friendly Workplace (P. 62)
	419-1	Non-compliance with laws and regulations in the social and economic area	Business Integrity (P. 22); Friendly Workplace (P. 62); Occupational Health and Safety (P. 73)

Specific to Acter

★ Material topics

Items	Disclosure indication	Descriptions	Corresponding chapter and the page thereof / Descriptions
★Innovative technical Services	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Innovation and R&D (P. 34)
	103-3	Evaluation of the management approach	Innovation and R&D (P. 34)
		Evaluation on the investment in R&D and output benefits	Innovation and R&D (P. 34)
★Customer Services and Management	103-1	Explanation of the material topic and its Boundary	Communication with Stakeholders and Analysis of Materiality Issues (P. 10)
	103-2	The management approach and its components	Communication with Stakeholders and Analysis of Materiality Issues (P. 10); Customer Services and Management (P. 41)
	103-3	Evaluation of the management approach	Customer Services and Management (P. 41)
		Customer satisfaction survey	Customer Services and Management (P. 41)

# third-party verification

102-56



## INDEPENDENT ASSURANCE OPINION STATEMENT

### ACTER GROUP Co., Ltd. 2020 Corporate Social Responsibility Report

The British Standards Institution is independent to ACTER GROUP Co., Ltd. (hereafter referred to as ACTER in this statement) and has no financial interest in the operation of ACTER other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of ACTER only for the purposes of assuring its statements relating to its corporate social responsibility (CSR), more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by ACTER. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to ACTER only.

#### Scope

The scope of engagement agreed upon with ACTER includes the followings:

1. The assurance scope is consistent with the description of ACTER GROUP Co., Ltd. 2020 Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the ACTER's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the ACTER GROUP Co., Ltd. 2020 Corporate Social Responsibility Report provides a fair view of the ACTER CSR programmes and performances during 2020. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the ACTER and the sample taken. We believe that the 2020 economic, social and environmental performance information are fairly represented. The CSR performance information disclosed in the report demonstrate ACTER's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that ACTER's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to ACTER's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 5 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

#### Inclusivity

This report has reflected a fact that ACTER has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the ACTER's inclusivity issues.

#### Materiality

ACTER has established relative procedure in organization level, as the issues which were identified by all departments have been prioritized according to the extent of impact and applicable criterion for sustainable development of organization. Therefore, material issues were completely analyzed and the relative information of sustainable development was disclosed to enable its stakeholders to make informed judgments about the organization's management and performance. In our professional opinion the report covers the ACTER's material issues.

#### Responsiveness

ACTER has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for ACTER is developed and continually provides the opportunity to further enhance ACTER's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the ACTER's responsiveness issues.

#### Impact

ACTER has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. ACTER has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the ACTER's impact issues.

#### GRI Sustainability Reporting Standards (GRI Standards)

ACTER provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that social responsibility and sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the ACTER's social responsibility and sustainability topics.

#### Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

#### Responsibility

The CSR report is the responsibility of the ACTER's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



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