



2019

企業社會責任報告書

ACTER GROUP CO., LTD
Corporate Social Responsibility Report





“ A good, professional and
honest partner ”

Acter
聖輝工程

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

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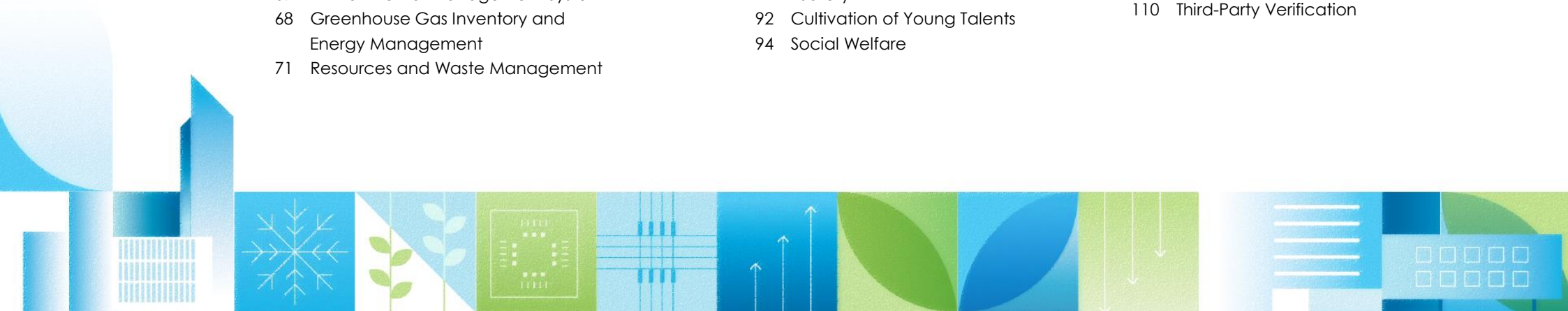
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Words from the Management

102-14



2019 is a year full of challenges. Confronted by the changing political landscape, climate change induced fire disasters and serious resource exhaustion, Acter has not only continuously adjusted strategic arrangements in the industry and accelerated innovation transformation, but also implemented talent trainings and localization strategy, heading towards a sustainable growth

Upholding the corporate culture of “integrity and modesty” and our initial business objectives, Acter has been focusing on “co-creation of value”, “environmental sustainability” and “common good shared by all generations” with high self-imposed standards over the years. Based on this long-established foundation, we also exert our efforts to achieve three goals: first, bring good talents and experiences from Taiwan to overseas by expanding our scope of services; second, connect to the world to promote more international standards, concepts and systems; third, promote innovation in research and development (R&D), such as proactively applying innovative technology and integrating core technology to conduct more social activities. Through these three goals, Acter aims to optimize the influence of our CSR policy and create an even more beautiful and comfortable space for more people and our environment.

Although people often ask us “does CSR conflict with operating performance?”, it is our faith to do both things right and do our best to establish a positive relation therebetween. This not only makes our employees feel being respected, but also shows them the Company’s efforts of establishing a meaningful business.

Departing from our core expertise of engineering, we insist on continuously ameliorating our three major competitive advantages – “engineering technology, safe quality and customer trust” – and cooperate with our supply chain partners to facilitate positive industrial competition and circulation; to create

CSR ecosystem that wins in environment, society and economy; and to demonstrate our corporate values and missions. In 2019, not only have we received the CommonWealth Magazine’s Corporate CSR Citizen Award and Taiwan Corporate Sustainability Award (TCSA) for the third consecutive time, but also we were ranked on top 5% in the Corporate Governance Evaluation for the fifth consecutive year. We have proactively integrated GRI sustainability indicators with Acter’s operating model to establish an ESG framework; and continuously analyzed, improved and tracked our performance thereof. Apart from positive support to the economy, what matters even more is that we succeeded in extending the positive influence of sustainability to society and environment. This has fully demonstrated our ability of integrating CSR with our core competence and our fulfillment of social responsibility by participating in CSR with our main business.

Although the year 2020 is full of challenges due to the spread of COVID-19, it is also full of opportunities. Facing the challenges of 2020, Acter has adjusted the overall strategic arrangements, applied flexible management efficiency and innovated skills using expertise to enhance the operating physic and authorize collaborative division of labor and sharing. While heading towards the visions of “implementing corporate social responsibility and creating shared values”, Acter hopes to make a blue ocean shift with everyone and creating an even more beautiful future with the community.

Chairman





Integrity • Specialization • International Network • Innovation

Having business cores and social needs integrated, Acter has been promoting “youth empowerment” and “community oriented development in public welfare” with the aspiration of becoming a force for social stability and enhancing industrial competitiveness. From the offering of “e-library access” to students living in remote countries to providing internships to young students, Acter has, by building a friendly environment and establishing industrial-academic partnerships, successfully attracted and cultivated talents of the industry.

Corporate sustainability is the highest guiding principle for Acter's business development. In the future, Acter will, by applying innovative and core technology and combing them with public welfare, coordinate and cooperate with stakeholders to maximize our efforts in creating economic, environmental and social sustainability.

General Manager of Technology Business Group

王信盛

General Manager of Livelihood Business Group

賴銘寬

About Acter

102-1-7

Aiming to become an “excellent space creator”, Acter Group Co., Ltd. (hereinafter referred to as Acter or we) provides professional turnkey engineering services. Our operations cover cleanroom engineering, high-tech production equipment integration, electromechanical and air-conditioning system integration, environmental engineering, and the offering of maintenance and other professional technical services. With a wide range of service applications, we have been supporting customers from the fields of livelihood, high-tech production and biomedicine; and have established operations sites in Taiwan, China and South-East Asia. We also adopt a multi-disciplinary, multi-industrial and multi-talent business approach to offer high-efficiency and energy-saving solutions to our customers continuously; and to facilitate industrial upgrading and inject the momentum of sustainability into the global economy.

■ Distribution of Important Operations Sites

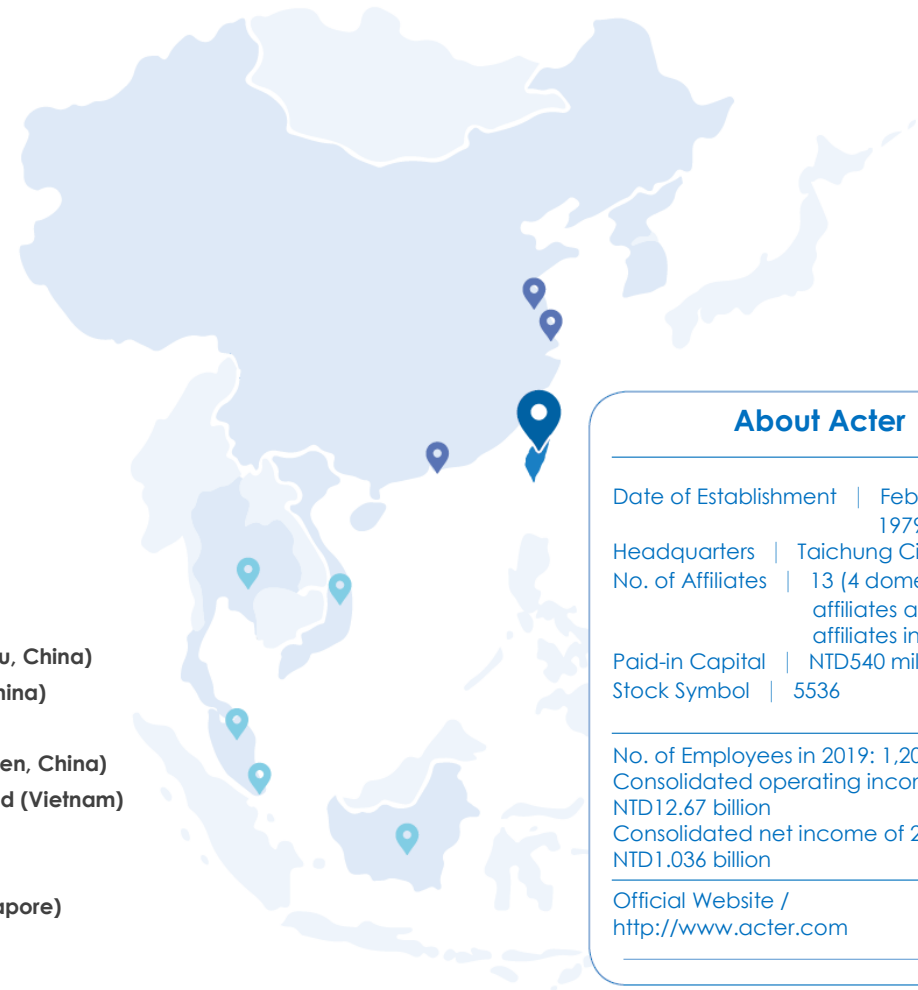
Taiwan

Acter Group Co., Ltd.

- HER SUO Engineering Co., Ltd.
- NOVA Technology Corp.
- Enrich Tech Co., Ltd
- WINMEGA Tech. Corp.

Overseas / China / South-East Asia

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



About Acter

Date of Establishment | February 19, 1979
 Headquarters | Taichung City, Taiwan
 No. of Affiliates | 13 (4 domestic affiliates and 9 affiliates in overseas)
 Paid-in Capital | NTD540 million
 Stock Symbol | 5536

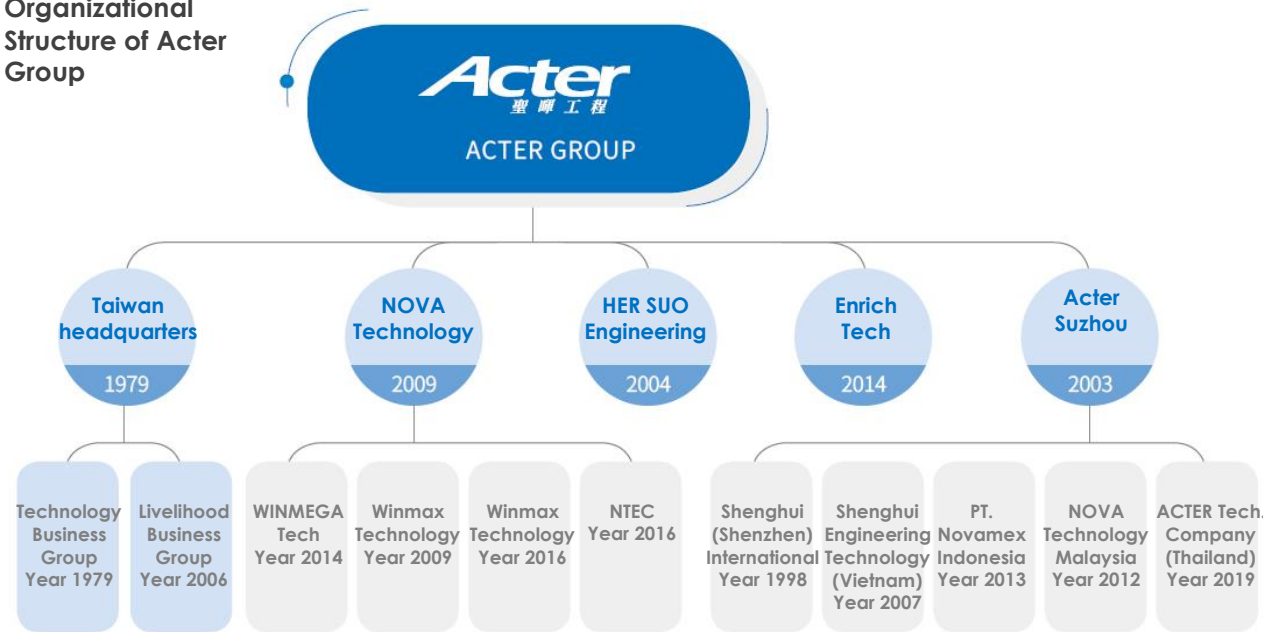
No. of Employees in 2019: 1,201 people
 Consolidated operating income of 2019: NTD12.67 billion
 Consolidated net income of 2019: NTD1.036 billion

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

Acter's Operations Sites

- 📍 Taiwan
- 📍 China
- 📍 Southeast Asia

■ Organizational Structure of Acter Group



■ Representative Engineering Projects of 2019

Location	Representative Engineering Projects
Taiwan	The third-phase construction of Delta Electronics' operations site at Southern Taiwan Science Park (STSP)
	Construction of Fubon's new A25 commercial building
	Construction of Senao Networks' new operations site at Hwa Ya Technology Park
Beijing, China	Electromechanical engineering project of Innoscience's new semiconductor production sites
Jinjiang, China	Air-conditioning and cleanroom engineering project of SPIL's new operations site
Henan, China	Electromechanical cleanroom engineering project of Foxconn's production facilities in Lankao County
Shanghai, China	Construction of Wafer Works' smart production line for high-performance polished single crystal silicon wafer
Huizhou, China	The first-phase electromechanical engineering project of TYMPHANY's smart audio technology industrial park
Shenzhen, China	China Star Optoelectronics Semiconductor's SRS system project (equipment and materials)

■ Main Business and Service Items

EPC professional turnkey engineering services



- Clean room engineering:** Turn-key engineering solutions for the construction of high-tech/ biomedical
- High-tech production equipment integration engineering:** Production, construction, installation and testing engineering solutions for high-tech production/ gas/ chemical facilities
- Electromechanical and air-conditioning integration engineering:** Planning and implementation of energy-saving solutions designed for the integration of electromechanical and air-conditioning systems of
- Environmental engineering and maintenance technical services:** Pollution prevention and control engineering, energy management and maintenance technical services for traditional and high-tech



Important Results and Sustainability Performance in 2019

Awards

Top 5%

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

The 5th

CommonWealth Magazine 2019 Corporate CSR Citizen Award – The 5th of Medium-Size Enterprises

Two big awards

The 12th (2019) TCSA Taiwan TOP50 Corporate Sustainability Award
The 12th (2019) TCSA Taiwan Corporate Sustainability Report Golden Award



Sustainability

Economy

Income was NTD12.67 billion

Acter Group's consolidated income was NTD12.67 billion; and the after-tax net profit was NTD1.03 billion.

Equity was 23.35%

Return on stockholders' equity was 23.35%

Acquired 14 new patents.

Monetary resources invested in R&D increased by 15% comparing with the previous year; and acquired 14 new patents.

94.3 point

Achieved high customer satisfaction level at 94.3.

Society

NTD1,338,534

The annual average of non-managerial full-time employee was NTD1,338,534, whereas the medium was NTD1,080,058.

Zero-accident working hours was 4,552,744 hours.

Injury rate (IR) at 0% with zero major occupational accident. The accumulation of zero-accident working hours was 4,552,744 hours.

Volunteer service 569 hours

Totally invested NTD5,336,878 in social participation (with a growth of 9.4% comparing with the previous year). The total of volunteer training hours was 569 hours (with an increase of 15.1% comparing with the previous year).

10 students were trained

The young talent cultivation budget, which was amounted NTD2,079,576, was used to train 10 students and one of them has become an official employee of Acter.

Environment

Disclosed 8 green engineering projects

Disclosed 8 green engineering projects in the year with Energy Saving Performance Contract (ESPC) of 3,688,667 kWh/year (1,966.059 ton-CO₂e).

↑1.2 times of green procurement

The total of green procurement was NTD

158.26 million (increased by 1.2 times comparing with the previous year), counting 7.31% of the total procurement amount.

↓14.15% of greenhouse gas emission

Acquired the ISO 14064:2006 certification. The operational greenhouse gas emission decreased by 14.15% comparing with the previous year.

0 environmental penalty

Maintained the record of zero environmental penalty and

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Upholding the philosophy of integrity and modesty, Acter has proactively implemented "co-creation of value", "environmental sustainability" and "common good shared by all generations" in daily operations. After the promulgation of "Rules Governing CSR Practice" based on the resolution of the Board of Directors in 2014, Acter has officiated launched the CSR promotional plan and established a work group therefor. Each year, we collect stakeholders' feedback according to GRI Sustainability Reporting Standards; summon management personnel of all departments to evaluate the influence of value chain from ESG perspectives; summarize materiality issues, with which short-, middle- and long-term corporate sustainable development goals will be set in accordance; continuously deepen the effectiveness of sustainable governance; and respond to domestic and international CSR issues and development trends to welcome an even more comprehensive vision shared by all generation for "sustainable engineering".



Acter's CSR
Rules Governing
CSR Practice

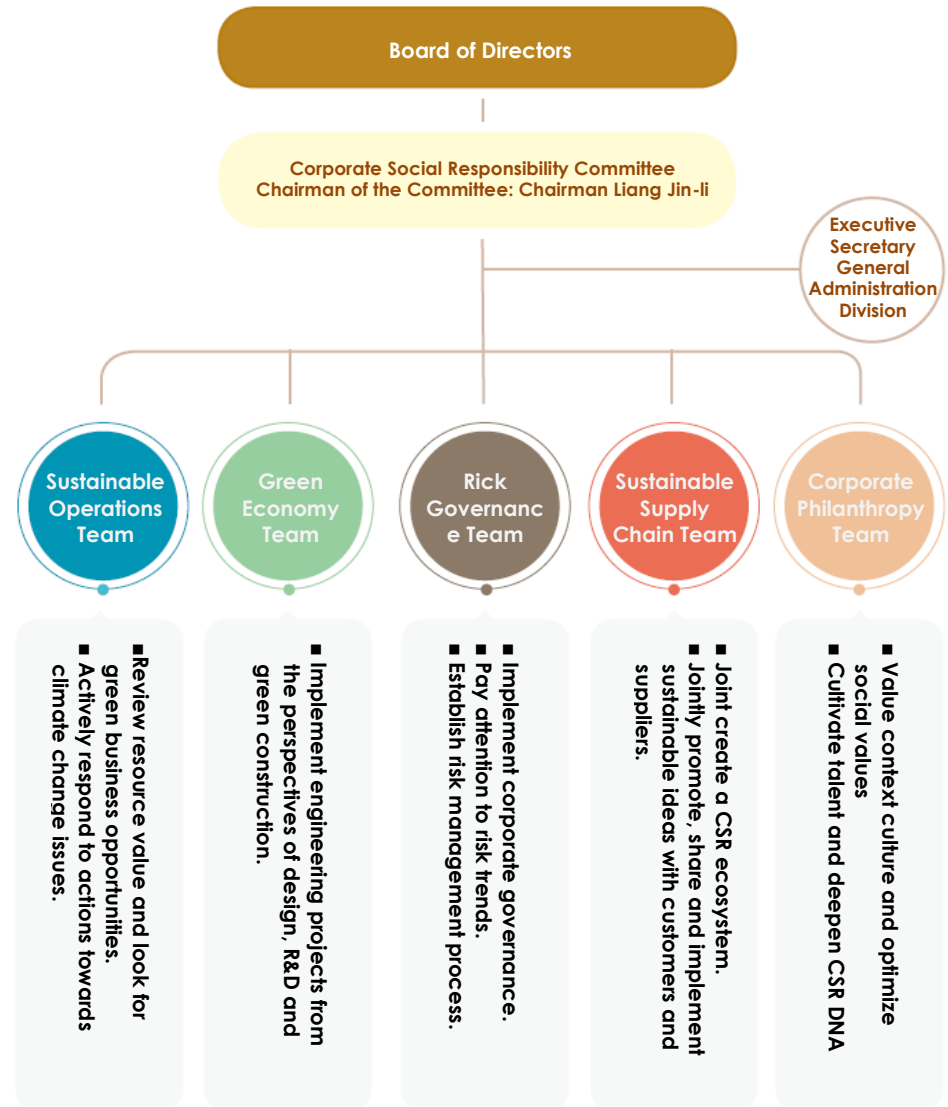


Sustainable Development Strategy

102-19 to 21, 102-26, 102-29 to 34

To fulfill our corporate social responsibility; facilitate economic, environmental and social progress; and implement sustainable operations and management of the company, Acter has established "Rules Governing CSR Practice" based on the resolution of the Board of Directors on April 29, 2014. As the top decision maker, the Chairman then authorized the General Administration Division as the CSR promotional unit to organize and implement CSR policy and system; and to integrate inter-departmental resources for joint participation in the implementation of sustainability issues.

In view of the growing importance of ESG and CSR issues inside and outside the country, Acter also considers CSR as the key driver of corporate sustainability and competitiveness. Therefore, based on the resolution made by the decision-making level, Acter reorganized the organizational structure and established "CSR Committee" chaired by the Chairman in 2019. Apart from tracking the mission implementation progress by the General Administration Division as the executive secretary, the Committee also has five teams – sustainable operations team, green economy team, risk governance team, sustainable supply chain team and corporate philanthropy team– in charged by management personnel of related departments and divisions to enhance the effectiveness of sustainable governance; regularly discuss the progress of CSR works at management meetings on a regular basis; and report the implementation results to the Board of Directors in the fourth quarter. In 2019, the Committee totally held 8 work meetings; and the CSR implementation results were reported to the Board of Directors on November 8, 2019 and disclosed on Acter's official website.



Work items of the CSR Committee

Work Items

- Set corporate sustainable development policy, system or relevant management standards.
- Review the objectives, strategy and action plan of CSR policy.
- Track the progress of action plan and evaluate the performance.
- Integrate the implementation progress of all teams and prepare the CSR report
- Share experiences of sustainability issues in related fields.

■ Corporate Vision, Mission and Sustainability Approach

Vision

An executor who implements corporate social responsibility and facilitates the establishment of a sustainable environment.

Mission

Provide quality services and become a reliable partner.

Core Value

1. Provide safe, quality, professional and innovative services for customers.
2. Focus on multiple applications of core competence; flexibly and rapidly satisfy demands.

Core DNA

1. Integrity and modesty; keep promises; be upright and honest; and pursue the best.
2. Take responsibilities proactively; walk into the site; participate in practice; and achieve effective production.

Core Action

1. Every work represents the corporate image and becomes better and better.
2. Proactively and strategically cultivate talents; and complete all missions to tactfully satisfy customers' needs.

Acter CSR

Sustainable Engineering Services

Co-creation of Values

A sound corporate physics 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.

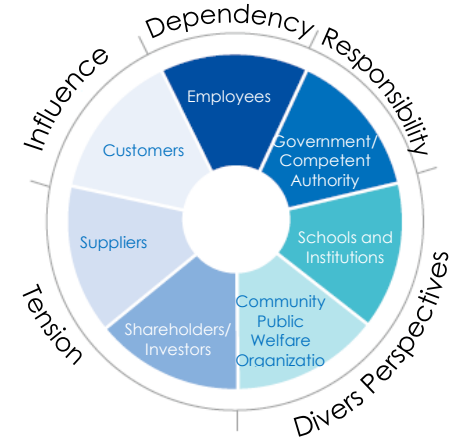
Common Good Shared by All Generations

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.

Communication with Stakeholders and Analysis of Materiality Issues

102-40, 102-42 to 44, 102-47 and 103-1 to 2

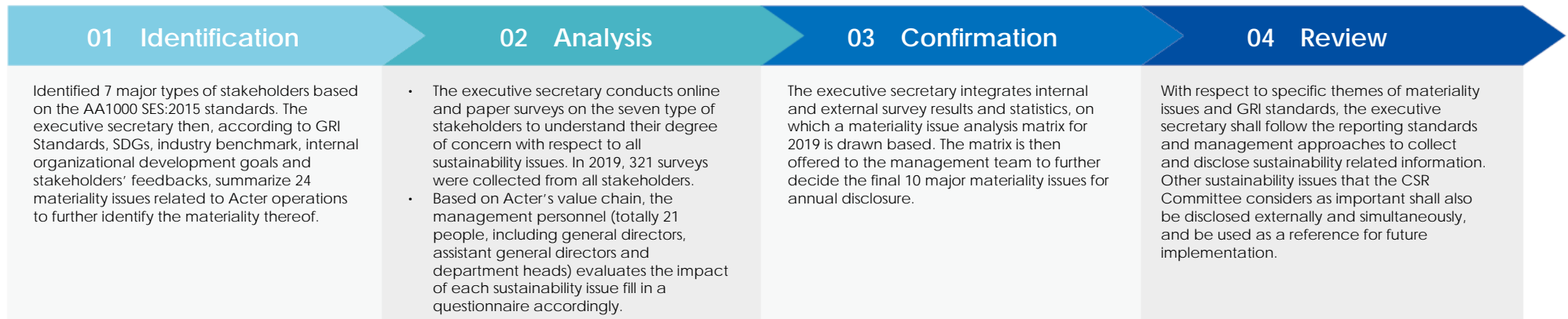
As an important material used to disclose our financial and non-financial information; and to help our stakeholders to understand our progress on sustainable development goals, Acter's CSR report is prepared in accordance with Global Reporting Initiative's GRI Standards and five major principles of AA1000 SES:2015 (AccountAbility's 1000 Stakeholder Engagement Standards:2015), including dependency, responsibility, tension, influence and diverse perspectives. Considering the diversity of our stakeholders, whom can be divided into seven categories (including employees, shareholders/investors, customers, suppliers, government/competent authority, schools/institutions and community public welfare organization), Acter has therefore adopted multiple communication channels to collection opinions thereof and established standard operating procedures for the handling of materiality issues in order to effectively respond to our stakeholders.



Stakeholders	Meaning	Communication Methods and Frequency	Actual Communication Outcomes of 2019	Concerned Issues and Chapter In Response Thereto
Employees	Talents are the foundations of corporate success. Acter considers our employees as the most important partner and is doing our best to become a stage that helps our employees to achieve self-realization.	<ul style="list-style-type: none"> • Labor-management coordination meeting (quarterly) • Occupational safety and health committee (quarterly) • Staff welfare committee (quarterly) • Management and plenary meeting (at least each quarter) • The section of "Announcement" on Acter's official website; and dedicated telephone line and email address (at any time) • Employee satisfaction survey (annually) 	<ul style="list-style-type: none"> Held 4 labor-management coordination meetings Held 4 occupational safety and health committee meetings. Held 4 staff welfare committee meetings. Held 20 management meetings and 1 plenary meeting, totally participated by 489 people. Received 0 complaint. An online employee satisfaction survey was carried out anonymously in November 2019; and a report on the analysis results was issued in December for future references. In 2019, employees' satisfaction level was 84.15 out of 100. 	<ul style="list-style-type: none"> ■ Innovation and R&D ■ Operating Performance ■ Friendly Workplace ■ Occupational Health and Safety
Shareholders/Investors	Shareholders are the power that support Acter's steady growth in operations. We value and cherish all resources given by our investors; and therefore sincerely fulfill our commitment and give returns thereto.	<ul style="list-style-type: none"> • Shareholders' meeting (annually) • Corporate briefing session (semi-annually) • Investment briefing session (annually) • Annual report and CSR report (annually) • Visit important shareholders (annually) • The "Investors" section on Acter's corporate website and MOPS (timely) • Telephone, fax and email (timely) 	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> ■ Corporate Governance ■ Business Integrity ■ Risk Management ■ Operating Performance
Customers	Oriented to the mission of "providing quality services and becoming a reliable partner", Acter pays great attention to customer satisfaction level and enhances customer values in order to meet customers' expectations and win their trust.	<ul style="list-style-type: none"> • Customer satisfaction survey (semi-annually) • Customer visits and sales meetings (timely) • Telephone, fax and e-mail (timely) 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> ■ Business Integrity ■ Service Quality ■ Responsible Supply Chain ■ Green Engineering Technology

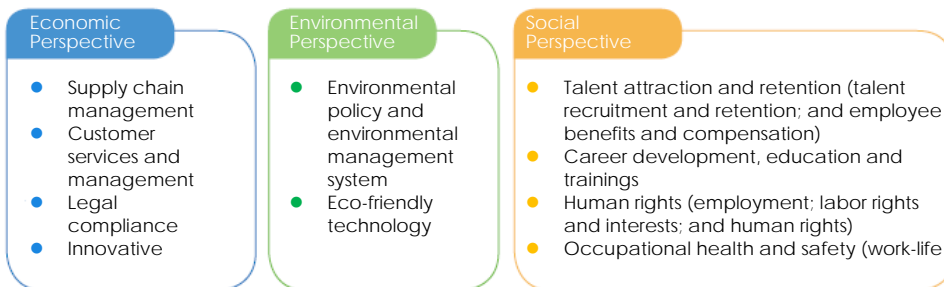
Stakeholders	Meaning	Communication Methods and Frequency	Actual Communication Outcomes of 2019	Concerned Issues and Chapter In Response Thereto
Suppliers	A strong and fully integrated supply chain is the indispensable backing of Acter. We value our suppliers as an important partner and the practitioner who create industrial values together with us.	<ul style="list-style-type: none"> Suppliers visit (at least 4 suppliers each year) Toolbox meeting and occupational safety training (timely) Patrol and audit (daily) Suppliers evaluation (semi-annually) The section dedicated to suppliers on Acter's official website; telephone, fax and e-mail (timely) 	<p>Already visited 4 suppliers on site to confirm their implementation of code of conduct; and to exchange ideas towards factory equipment, materials and production process.</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> <p>Timely paid attention to suppliers' implementation status.</p>	<ul style="list-style-type: none"> Risk Management Responsible Supply Chain
Government/ Competent Authority	Legal compliance is the foundation of business operations. Acter strictly abides by all regulations and laws to ensure our fulfillment of competent authority's requirements; and participates proactively in government policy.	<ul style="list-style-type: none"> Corporate governance evaluation (annually) Publish financial statements and important information (timely) Participate in regulation briefing sessions/ seminars/ guild events (irregularly) Official document, meeting, telephone and e-mail (timely) 	<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"> Corporate Governance Business Integrity Occupational Health and Safety Climate Change Risks and Response Measures
Schools and Institutions	To cultivate talents of the next generation, Acter pays great attention to and invests in industrial-academic cooperation projects to establish long-term partnerships with schools and departments from relevant fields.	<ul style="list-style-type: none"> Internship and industrial-academic training project window (annually) Campus job fair (annually) Industrial-academic job-sharing session (irregularly) R&D cooperation plan (irregularly) 	<p>Taipei Tech/ YunTech/ NKUST/ NCUT</p> <p>Taipei Tech/ YunTech/ NKUST/ NCUT</p> <p>Held 3 career-sharing sessions, in which 108 people participated, at Taipei Tech, YunTech and NKUST in October 2019.</p> <p>Cooperate with Taipei Tech on the "industrial technology upgrading project" to develop the wet template rinsing mechanism and successfully completed the experiment in 2019.</p>	<ul style="list-style-type: none"> Innovation and R&D Cultivation of Young Talents Social Participation
Community Public Welfare Organizations	Aiming to become a heartfelt enterprise, Acter pays great attention to local communities to embody the humanistic spirit of "integrity and modesty" and to deepen our social influence.	<ul style="list-style-type: none"> Project-based cooperation or visit (irregularly) Volunteer services (annually) CSR personnel contact window (timely) 	<p>In 2019, a new charity project partner was added to the visiting list. In the meantime, Acter also stays in contact with public welfare units and schools.</p>	<ul style="list-style-type: none"> Climate Change Risks and Response Measures Social Participation

Sustainability Reporting Process

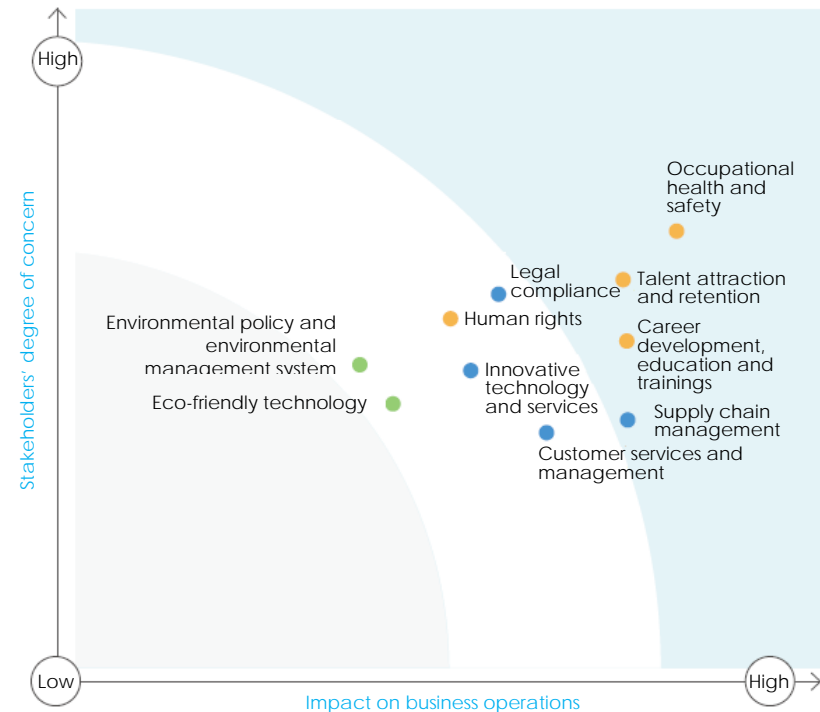


Materiality Issue Analysis Matrix

The materiality issue analysis results have been reviewed by the CSR Committee and it is believed that, as sustainable development and strategy, risk management, corporate governance, operational and financial performance are considered as general disclosure and are results-oriented, they are therefore excluded from the materiality analysis matrix this year. However, relevant information shall still be regularly disclosed in the Company's annual business report, CSR report and official website. Besides, considering the integrity of the said issues, it was decided to integrate "talent recruitment and retention" and "employee benefit and compensation" into "talent attraction and retention"; "employment" and "labor rights and interests and human rights" into "human rights"; "work-life balance" into "occupational health and safety". Finally, 10 materiality issues were summarized.



Note: The difference between the 2019 and 2018 materiality issues are: "environmental policy and environmental management system" has been added in 2019, whereas "energy management" has been moved from the list. This change was made primarily based on the results of communication and clarification with our internal/external stakeholders; and was made to better comply with Acter's visions towards sustainability as well as our strategy and development status thereof.



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

Aspects	Vision	Materiality issues	Acter's Value Chain			Respective GRI Standards	Respective SDGs	Chapter in Acter's Report
			Upstream	Corporate Operations	Downstream			
			Procurement	Engineering Planning, Design and Construction	For customers' use			
Economy	Co-creation of Value	Supply chain management	▲	●		204 Procurement Practices, 308 Supplier Environmental Assessment and 414 Supplier Social Assessment	SDGs 12	Responsible Supply chain
		Customer services and management		●	▲	* Specific themes of Acter	SDGs 8	Service Quality
		Legal compliance	▲	●	▲	307 Environmental Compliance and 419 Socioeconomic Compliance	SDGs 8	Environmental Management System; integrity and modesty; friendly workplace
		Innovative technology and services		●		* Specific themes of Acter	SDGs 9	Innovation and R&D
Environment	Environmental sustainability	Environmental policy and environmental management system	▲	●		307 Environmental compliance	SDGs 7、SDGs11 SDGs 13	Environmental Management System
		Eco-friendly technology	▲	●		302 Energy	SDGs 7 SDGs 9	Green Engineering Technology
Society	Common good shared by all generations	Talent attraction and retention		●		201 Economic Performance, 202 Market Presence, 401 Employment, 405 Diversity and Equal Opportunity	SDGs 8	Friendly Workplace and Cultivation of Young Talents
		Career development, education and trainings		●		404 Training and Education	SDGs 4	Friendly Workplace
		Human rights		●		412 Human Rights Assessment	SDGs 8	Friendly Workplace
		Occupational health and safety	▲	●		403 Occupational Health and Safety	SDGs 3	Occupational Health and Safety

● Acter has created a direct impact in this issue

▲ Acter is directly related to this impact due to business partnership

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

Materiality Issues	Relevance with Acter's SDGs	Strategy	Phased Implementation Results		Goals of 2020	Mid-Term Goals (2021)
			△Failed 2018	●Achieved 2019		
Supply chain management	Enhance supply chain management to construct a solid and integrated supply chain system; proactively promote "Suppliers Fostering Plan" to facilitate the growth of our suppliers and partners; implement our social responsibility; implement green/local green procurement; and facilitate responsible consumption and production.	Request suppliers to implement sustainable operations and fulfill their corporate social responsibility.	●	●	New suppliers shall sign the "Letter of Commitment for Sustainability" with a signing rate of 100%.	New suppliers shall sign the "Letter of Commitment for Sustainability" with a signing rate of 100%.
		Continuously enhance our management approaches by offering advices, conducting audits and pay visits to key suppliers. Supplier assessment that takes place each year also help us to review our management performance.	●	●	At least 16% of Level A suppliers based on the Supplier Assessment results.	At least 18% of Level A suppliers based on the Supplier Assessment results.
Customer services and management	Reaching customers' satisfaction is Acter's ultimate goal. We always do our best to communicate with our customers and meet their requirements in every phase. We also continuously ameliorate our services and procedures to enhance our expertise and quality in order to win the customers' trusts and create a great future together with them.	Continuously track the implementation of works related to customers' requests until they are fulfilled. Regularly review customers' satisfaction level and ameliorate our management performance.	●	●	The average score of customer satisfaction survey is above *88.	The average score of customer satisfaction survey is above *90.
Legal compliance	Ensuring legal compliance is the compulsory step for all enterprises. Acter requests enterprises to fulfill economic, environmental and social legal compliance. We keep pace with the newest trend of domestic and international regulations and laws; implement management procedure amelioration plan; promulgate laws and regulations internally; and conduct relevant education and training programs.	Keep pace with the newest trend of regulations and laws to ensure our compliance therewith. Regularly hold code of conduct and legal compliance related education and training programs for employees.	●	●	At least *85% completion rate for code of conduct and legal compliance related training programs.	At least *90% completion rate for code of conduct and legal compliance related training programs.
Innovative technology and services	Having a multi-disciplinary and multi-industrial development is Acter's core operating strategy. By enhancing our horizontal integration capability, we have managed to nimbly respond to the new market demand and continuously invest in R&D to achieve our goal of offering high-quality services.	Regularly track the investment made to R&D and the effectiveness thereof on an annual basis.	●	●	The R&D expense counts at least 0.76% of the total revenue.	The R&D expense counts at least 0.78% of the total revenue.
Environmental policy and environmental management system	"Zero occupational accident, zero hazard and zero environmental impact" is our commitment to the employees. We are also doing our best to fulfill our responsibility of protecting the environment; and implement energy-saving and carbon-reduction measures in order to minimize impacts to the environment.	Comply with and abide by the newest requirements of environmental regulations by establishing "Procedures Governing Environmental Safety and Health Objectives and Solution" and "Emergency Response Management Procedures"; and continuously adopting ISO environmental management system.	●	●	Acquire the certification of ISO 50001:2018 Energy Management Systems.	Comply with domestic and international environmental management standards.

* Refers to increased target value

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









Materiality Issues	Relevance with Acter's SDGs	Strategy	Phased Implementation Results △Failed ●Achieved		Goals of 2020	Mid-Term Goals (2021)
			2018	2019		
Eco-friendly technology	In response to international environmental protection trends, Acter is dedicated to increase our green engineering capability to reduce climate change risks and create new business opportunities, hoping to drive a new sustainability-oriented economic development mode.	Provide customer environmental protection and energy-saving solutions; and timely apply green engineering technology in the project to create differentiation and added value of the manufacturing industry.	●	●	Disclose the performance of at least 3 green engineering projects.	Disclose the performance of at least 3 green engineering projects.
Talent attraction and retention	Provide competitive compensation and various well-planned welfare systems; and, through multiple channels, recruit talents from all fields to create a high-quality engineering service team.	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.	●	●	Employees' salary is higher than the standard with an annual pay rise.	Employees' salary is higher than the standard with an annual pay rise.
			●	●	Train at least 5 students through industrial-academic cooperation programs.	Train at least 5 students through industrial-academic cooperation programs.
Career development, education and trainings	Acter values talent development and career planning; establishes a fair promotion plan; offer well-designed education and training programs; and helps our employees to row and achieve self-realization.	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).	●	●	100% education and training completion rate.	100% education and training completion rate.
			●	●	At least 82% of Technical achievement rate	At least 85% of Technical achievement rate
Human rights	Acter commits to protect employees rights, interests and dignity; strictly abides by government regulations related to human rights; and create a friendly workplace.	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.	●	●	No labor dispute.	No labor dispute.
			●	●	Employee satisfaction level reaches at least 78%.	Employee satisfaction level reaches at least 80%.
Occupational health and safety	Acter commits to provide a safe and healthy work environment; and establishes preventive measures against all types of occupational health hazards. These not only effectively reduce workplace injuries, but also let the employees to "go to work without any worries and go home safely".	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.	●	●	0 critical occupational accident.	0 critical occupational accident.
			●	●	No more than 2.5% of injury rate.	No more than 2.5% of injury rate.

In Response to United Nation's Sustainable Development Goals (SDGs)

102-12

As an indispensable role in the global sustainability movement, Acter recognizes and responds to United Nation's (UN) Sustainable Development Goals (SDGs). Having the CSR Committee checked the relevance of our operational objectives and SDGs, Acter identifies the priority of sub-goals and incorporates our core capabilities into the blueprint for promoting SDGs; continuously tracks and adopts specific action plans to respond to relevant issues; and cooperates with our global partners to jointly implement sustainability policy for a wonderful life.

Acter's Core Capabilities and SDG Sub-goals

 <p>SDGs3 Good Health and Well-being</p>	<p>Build a healthy and safe work environment 3.8、3.9、3.a、3.b</p> <ul style="list-style-type: none"> Passed the certification of ISO 45001 Occupational Health and Safety Management Systems Offer free health checks to employees who have worked at Acter for more than one year. Held 16 free health check sessions, in which 521 people have participated.
 <p>SDGs4 Quality Education</p>	<p>Cultivate young talents for the industry 4.3、4.4、4.5、4.7、4.b</p> <ul style="list-style-type: none"> Invested money and manpower in cultivating young talents for the industry. One out of 10 trainees became Acter's official employee. Offer an integrated in-service education system, helping employees to drive their career development and reach 100% training completion rate.
 <p>SDGs7 Affordable and Clean Energy</p>	<p>Expand the scope of energy transition technology and services 7.1、7.2、7.3、7.b</p> <ul style="list-style-type: none"> Continued to expand the scope of energy-saving technical services; and disclosed the project energy-saving performance of the year, which was 3,688,667 kWh/year (1,966.059 ton-CO₂e). Introduced the ISO 50001:2018 Energy Management Systems to strengthen energy management
 <p>SDGs8 Decent Work and Economic Growth</p>	<p>Create inclusive and sustainable economic growth 8.1、8.2、8.4、8.5、8.6、8.7、8.8</p> <ul style="list-style-type: none"> Employees' salary is higher than the standard with an annual pay rise of 4.17%. Protect labor's rights and interests; and create a safe and protected work environment with zero injury rate and zero critical occupational hazard.
 <p>SDGs9 Industry, Innovation and Infrastructure</p>	<p>Establish a firm infrastructure and accelerate innovation 9.1、9.2、9.4</p> <ul style="list-style-type: none"> Continued to develop innovative technology with a total investment of NTD146.43 million, counting 1.16% of the total revenue (with an increase of 15% comparing with the previous year) Acquired 12 new patents and managed to deepen our capabilities of handling green engineering projects.
 <p>SDGs11 Sustainable Cities and Communities</p>	<p>Promote inclusive, safe and sustainable cities and communities 11.1、11.6、11.7</p> <ul style="list-style-type: none"> Implemented ISO 14001 environmental management system and maintained the record of zero violation of environmental laws and zero penalty/fine. Engaged in engineering social services, including assisted Taichung School for the Visually Impaired in conducting ventilation improvement works.
 <p>SDGs12 Responsible Consumption and Production</p>	<p>Minimize energy and resource consumption during the operations for a sustainable development of supply chain 12.4、12.6、12.8、12.a</p> <ul style="list-style-type: none"> Implement resource recycling and reuse during daily operations; and handle engineering wastes appropriately for environmental recovery and effective use of resources New supplier have signed the "Letter of Commitment for Sustainability" and the supplier assessment rate shall be 100%. Paid 4 on-site visits to suppliers. The total of green procurement was NTD158.26 billion (increased by 1.2 times comparing with the previous year), counting 7.31% of the total procurement amount.
 <p>SDGs13 Climate Action</p>	<p>Adopt specific measures to prevent and mitigate climate change 13.1、13.2、13.3</p> <ul style="list-style-type: none"> Draw up climate risk assessment and response plan to provide preventive education and training programs in advance (ex. propagation on thermal hazards and safety measures related thereto); and to establish emergency response procedures and relocation measures. Adopted ISO 14064 Greenhouse Gases to identify greenhouse gas emission and draw up emission reduction measures. In 2019, Acter's operational greenhouse gas emission decreased by 14.15% comparing with the previous year.

02 Corporate Governance

- 18 Governance Organization
- 23 Business Integrity
- 25 Risk Management
- 29 Operating Performance

Annual Highlights

- Was ranked on top 5% in the Corporate Governance Evaluation for the fifth consecutive time
- TPEX 200 Index
- TPEX 50 Index Stock
- High Dividend Yield Index Stock
- Compensation Index Stock
- Labor Employment 88 Index
- Corporate Governance Index



Upholding the core spirit of “integrity and modesty”, Acter not only insists on operational transparency, but also values business sustainability. Apart from the strong corporate governance culture, Acter has continuously enhanced our management effectiveness and established Nomination Committee, Audit Committee and Remuneration Committee to ensure our steady growth by offering assistance or supervision to the Board of Directors for its fulfillment of duties. Besides, Acter has established business integrity policy and implemented risk control measures to enhance our corporate physical and to protect our investors and other stakeholders’ rights and interests. As we are continuing our efforts to incorporate the CSR concept into our corporate governance policy to have a sustainable business development, our corporate governance approach has been highly recognized by all circles: for the fifth consecutive time over the years, Acter has been ranked on top 5% of listed companies in the Corporate Governance Evaluation conducted by Financial Supervisory Commission (FSC) in 2019.



Governance Organization

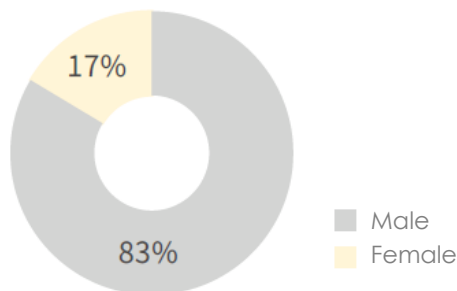
102-18, 102-22-25, 102-27-28 and 102-35-37

The Board of Directors is the highest governance unit of Acter. With a three-year term of office, the directors of each board are selected in accordance with “[Articles of Incorporation](#)” and “[Board Directors Selection Procedures](#)”, and may be re-elected. Considering the diversified standards of the Board, the selected members are financial or industrial experts and scholars who are in charge of drawing up and supervise the Company’s major business operation policy and strategy. Currently, the Board has 6 directors and one second thereof are independent directors (3 in total). All members of the Board are provided with professional knowledge, skills, general capacity and different capabilities required for the execution of business. The Board of Directors shall summon at least one meeting each quarter according to “[Rules and Procedures of Board of Directors Meetings](#)”; and has summoned 7 meetings in 2019 with an average attendance rate of 95.23%.

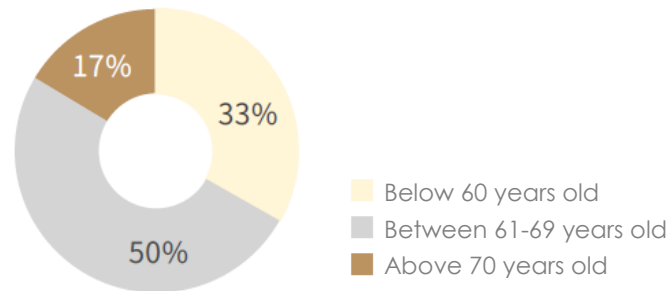
To enhance the functions of the Board and implement corporate governance, Acter continuously arranges multiple in-service education and training programs therefor in accordance with “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed 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 Committee](#)”, 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 2019, the total of training hours for board director was 57 hours with an achievement rate of 100% (the prescribed total of training hours is 42 hours); the internal performance evaluation score was 98; and the external performance evaluation and implementation works thereof were reported to the Board of Directors on February 23, 2018 and disclosed on Acter’s official site. The next external evaluation is expected to be taken in 2020.



Gender ratio of directors



Age range of directors



Learn more



Acter's website/
Corporate
Governance



2019 Board of
Directors Internal
Evaluation Report

The diversified composition of Board of Directors and background of board directors

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	- Executive Master of Business Administration (EMBA) at National Chiao Tung University - Refrigeration and Air Conditioning Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology) - Manager of Engineering Department at Gongshan Air Conditioning and Refrigeration Co., Ltd.	Chairman and CEO of Acter Co., Ltd.	-	●	●	●	●	●	●	●
Board Director	Dennis Yang	- Executive Master of Business Administration (EMBA) at Tunghai University - Refrigeration Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology)	-	-	●	●	●	●	●	●	●
Board Director	Tai-Chen Hu	- Executive Master of Business Administration (EMBA) in Tunghai University - Refrigeration and Air Conditioning Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology) - Honorary Member of the Phi Tau Phi Scholastic Honor Society of the Republic of China - Instructor at Department of Electrical Engineering in National Chin-Yi Institute of Technology (now National Chin-Yi University of Technology) - Executive Director of Taiwan Refrigeration and Air-Conditioning Engineering Association - Skills Certification Auditor at the Ministry of the Interior for the Refrigeration and Air-Conditioning Renovation Technician - General Manager at Gongshan Air Conditioning and Refrigeration Co., Ltd..	Consultant of Acter Co., Ltd.	-	●	-	●	●	-	●	●
Independent Director	Chyan Yang	- Doctorate in Computer Science at Washington University, USA - Adjunct Professor of the Institute of Business and Management at National Chiao Tung University - Complaint Deliberation Committee member at Industrial Technology Research Institute	-	5	●	-	-	●	-	●	●
Independent Director	Marlon Wang	- MSc in Management of Technology, College of Management at National Chiao Tung University - Person in Charge of Marion Energy Services and Management Consulting Co., Ltd. - Senior Manager of the Research Center of Industrial Technology Research Institute	-	5	●	-	●	●	-	●	●
Independent Director	Hui-Hsin Yeh	- Department of Accounting in Tunghai University - Accountant partner at Ernst & Young (Diwan& Company) Global Limited	-	5	●	●	-	●	●	●	●

Note: To meet Acter Group's needs for organization integration and business, the Company's Chairman concurrently takes the position of CEO to promote and conduct business plans of the Acter Group. The Chairman who fully understands Acter's business and development policy helps the Board of Directors to quickly control the Acter's operational status. In the meantime, to maintain the objectivity and independence of Board of Directors, less than half of the board members concurrently serve at Acter as an employee or manager. Furthermore, Acter plans to increase the number of independent directors in the future.

Functional Committees

Acter has established "Nomination Committee", "Audit Committee" and "Remuneration Committee" below the Board of Director to effectively implement the independent supervisory and check-and-balance mechanism; and to ensure the Board's resolution-based action and decision quality. Besides, an internal audit organization is also established to audit business practice and regularly report to the Audit Committee and Board of Directors. All resolutions and proposals must be reported to Board of Directors for relevant discussion; Where any board director or its represented corporate stakeholder is involved in the issue, it shall avoid conflict of interest and shall not appoint other board directors to vote on behalf of it.

1 Enhance the supervisory functions of the Board of Directors.

4 Implement strict risk management measures.

2 Build a sound internal control system.

5 Implement information disclosure.

3 Ameliorate the management physic.

ESG Promotion and Implementation Organization

To promote the CSR, Acter has, in 2019, decided to readjust the organizational structure and establish the "CSR Committee" based on the decision made by the management team. Chaired by the Chairman and managed by the General Administration Division as the executive secretary, the Committee is in charge of the handling and implementation of CSR related missions; and arranges report, media and evaluation related matters. The Committee must also report to the Board of Directors on an annual basis. The outcomes of promoting CSR in 2018 have been reported to the Board of Directors on November 8, 2019 and related missions are still continuing.

Besides, having the Financial Division positioned as our corporate governance promotions secretary, Acter continuously ameliorates the disclosure of corporate governance index related information; draws up and plans an appropriate corporate system and organizational structure; facilitates independence of the Board of Directors, operational transparency and legal compliance; identifies the newest trends of regulations and laws for the Board's information; arranges training programs for board directors; and regularly reports on corporate governance to Board of Directors.



Nomination Committee

Duties	Integrating the functions of Board of Directors and enhancing the management mechanism thereof, the Nomination Committee primarily plans the composition of Board of Directors and functional committee; reviews the qualifications of board of directors and nominated candidates; reviews the succession plan of board directors and management personnel; and so on.
Operations	The Committee is formed by three independent directors (Chyan Yang, Hui-Hsin Yeh, and Marlon Wang) and two 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. For example, finance or corporate governance related expertise. The Committee holds at least one meeting per year and, if it is required, meetings may take place at any time. In 2019, the Committee totally summoned 2 meetings with an attendance rate of 100%.



Audit Committee

Duties	Responsible for supervising whether the financial statements present fairly the Company's financial position in all material respects; the election (dismissal) of certified public accountant (CPA) and the independence performance thereof; the implementation of the internal control measures; Acter's legal compliance; and controlling existing or potential risks within the company.
Operations	The Committee is formed by three independent directors (Hui-Hsin Yeh, Chyan Yang, and Marlon Wang) and Independent Director Hui-Hsin Yeh is the convener. The Committee totally held 7 meetings in 2019 with an attendance rate of 95.23%. The Committee also put the Committee's mailbox on Acter's official website, allowing people to contact Committee members by e-mail.



Remuneration Committee

Duties	Responsible for stipulating and regularly review board directors and senior management personnel's performance evaluation and compensation policy, system, standards and structure; regularly evaluating and setting board directors and managers' compensation. The compensation and remuneration shall be reported to the Board of Directors for an agreement; and Acter's overall compensation standards can also be reported to Committee members.
Operations	The Committee is formed by three independent directors (Chyan Yang, Hui-Hsin Yeh, and Marlon Wang) and Independent Director Chyan Yang is the convener. The Committee totally held 5 meetings in 2019 with an attendance rate of 100%.

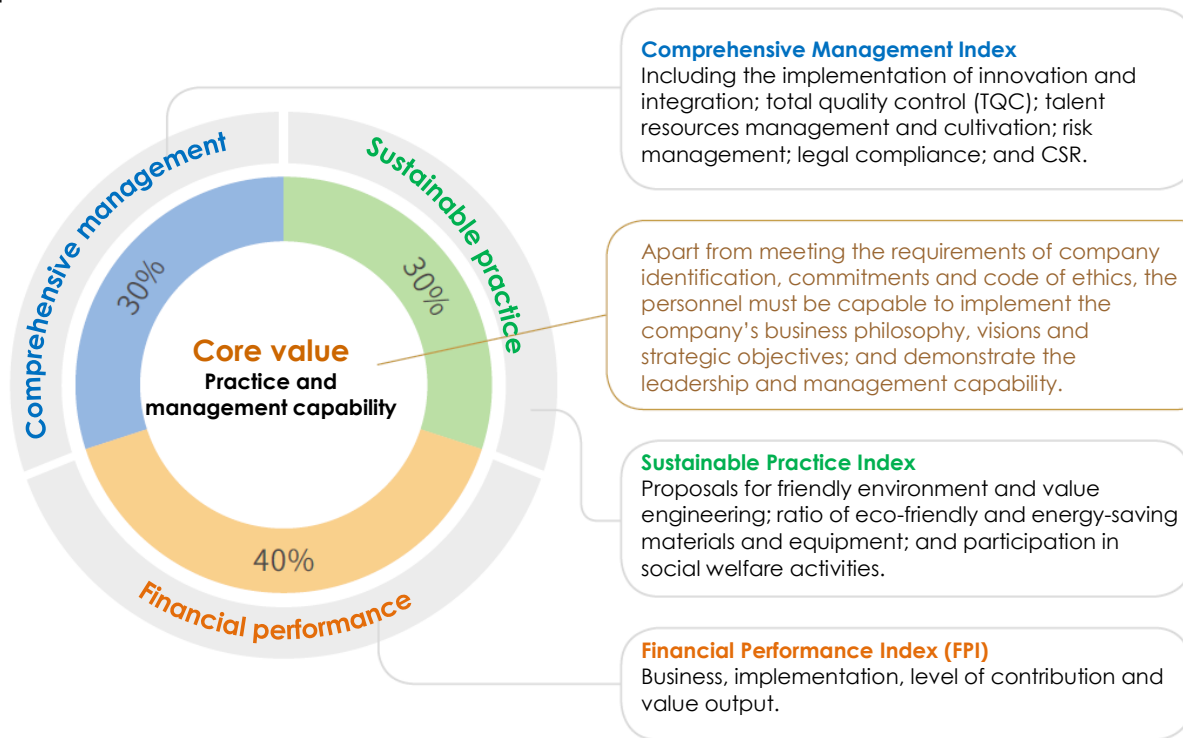
| Board of Directors' Performance and Remuneration

The remuneration of Acter's Board of Directors is evaluated according to the 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, company performance and future risks are all taken into the consideration. In 2018, the Remuneration Committee and Board of Directors also passed the resolution of including board directors' sustainable development performance, such as the commitment and implementation of corporate sustainable development; and their contributions to and performance in ESG into the scope of evaluation. The evaluation items are specified in the following diagram, whereas the Board of Directors' remuneration structure is disclosed in the "2019 Acter's Annual Report".

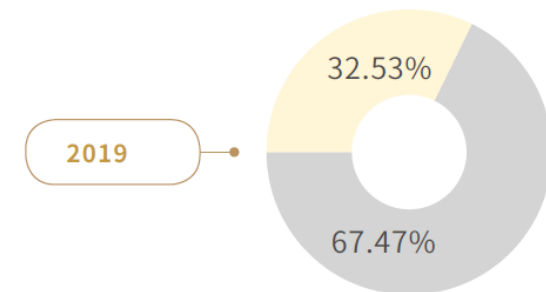
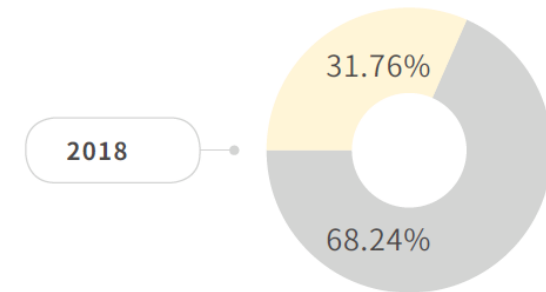
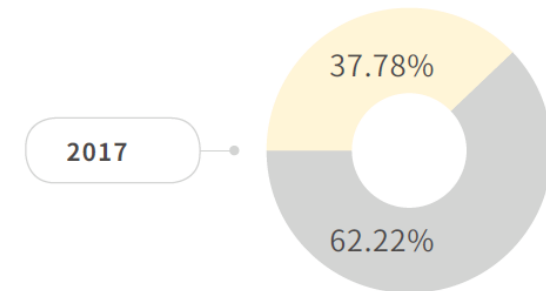


Senior Management Personnel's Performance and Remuneration

Acter has established "Rules Governing Bonus and Performance Rewards" not only to encourage senior management personnel to pursue the achievement of company performance and profitability, but also to increase the company's long-term competitiveness and enhance the sustainable development thereof. Apart from calculating employees' performance rewards based on their salary and achievement in various financial performance indexes, Acter values even more its contributions in building employees' long-term values, such as continuously cultivating talents; increasing its service quality; ameliorating systems and procedures; building a friendly environment; and fulfilling its corporate social responsibility. Not only is senior management personnel's remuneration approved by the Remuneration Committee, but also relevant information is disclosed in the annual report, letting all stakeholders understand the high relevance between the salary of senior management personnel and Acter's operating performance. Furthermore, when approving senior management personnel's remuneration, the Remuneration Committee also timely seeks advice from external professional remuneration consultants.



■ Percentage of senior management personnel's (above the level of deputy general director) salary



■ Percentage of fixed salary ■ Percentage of variable salary (including the rewards for long-term contributions)

Business Integrity

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

To establish a corporate culture of integrity and modesty, Acter has established “Principles of Business Integrity”, “Code of Ethics”, “Guidelines for Business Integrity Processes and Behavior” and “Code of Conduct and Ethics”, by which the board directors, managers, employees or those with substantial control in the Company shall abide. The purposes thereof are to prevent dishonest conducts and to embody the culture of integrity and accountability in all of Acter’s business activities. Also, to 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.



Policy Statements and Advocacy

Stipulate “Principles of Business Integrity”; regularly check the newest regulations and laws to update internal rules; and announce the said amendments on a public information platform.



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.



Business Integrity Education and Trainings

Introducing business integrity rules
Required e-learning courses



Compliant and Reporting Mechanisms for Employees and Outsiders

Set a business integrity oriented disciplinary system; and, through self-checks of relevant units and independent audit conducted by the Audit Office, achieve effective control and ensure the accomplishment of implementation objectives.

Management Index

2019 Ethics Rules and Legal Compliance Education and Trainings

This year, Acter has reached the goals, where the achievement rate of business integrity and regulatory awareness trainings was 75%. In the meantime, an amendment is made to the annual goals of 2020, which is above 85%. It is expected that the achievement rate will be 90% above by 2021.

Number (type) of employees who pass the business integrity training	Male	Female
Senior management personnel (deputy general managers above)	-	-
Mid-level management personnel (managers above)	25 people	7 people
Junior management personnel (section chief above)	24 people	4 people
General employees	108 people	71 people
No. of people who pass the training	239 people	
Percentage of total employees	89.85%	

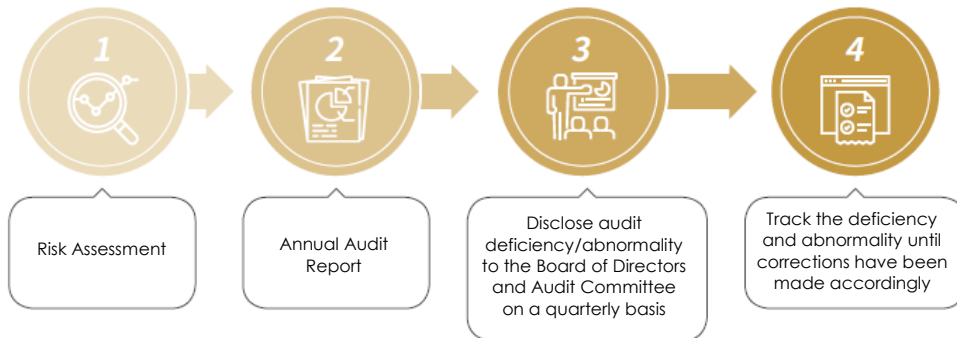
Note: The scope of business integrity education and trainings includes communication and trainings on anti-corruption policy and procedures; code of conduct for employees; workplace violation; and individual confidential data protection. Acter requests all employees to participate in relevant trainings and tests through the e-learning online platform on an annual basis, where the results thereof will be included in the scope of evaluation. As for anticorruption related communication and training programs arranged for senior management personnel and governance units separately, there are not included in the statistics of policy communication and trainings.

| 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 control business management risks; and enhance the company's operating effectiveness and efficiency in overall to ensure the asset safety and maintain shareholders' rights and interests.

Acter also established the "Audit Office" below the Board of Directors to organize the planning and implementation of the headquarters and subsidiaries' audit works. 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, ensuring that relevant units have timely adopted appropriate improvement measures. 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 2019, Acter has implemented 47 annual audit plans, including site audits of and written reviews on Acter, Enrich Tech, HER SUO and Suzhou Winmax Technology. 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

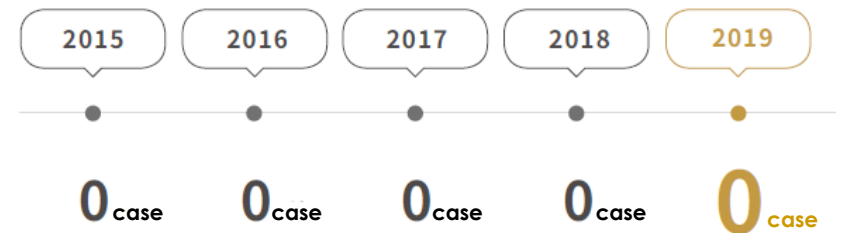


| Compliant and Reporting Mechanisms for Employees and Outsiders

Acter 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".

Acter accepts anonymous reports and has a "whistleblower protection system", which is managed by a dedicated unit to ensure 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.

■ Statistics on Reported Violation of Business Integrity



Risk Management

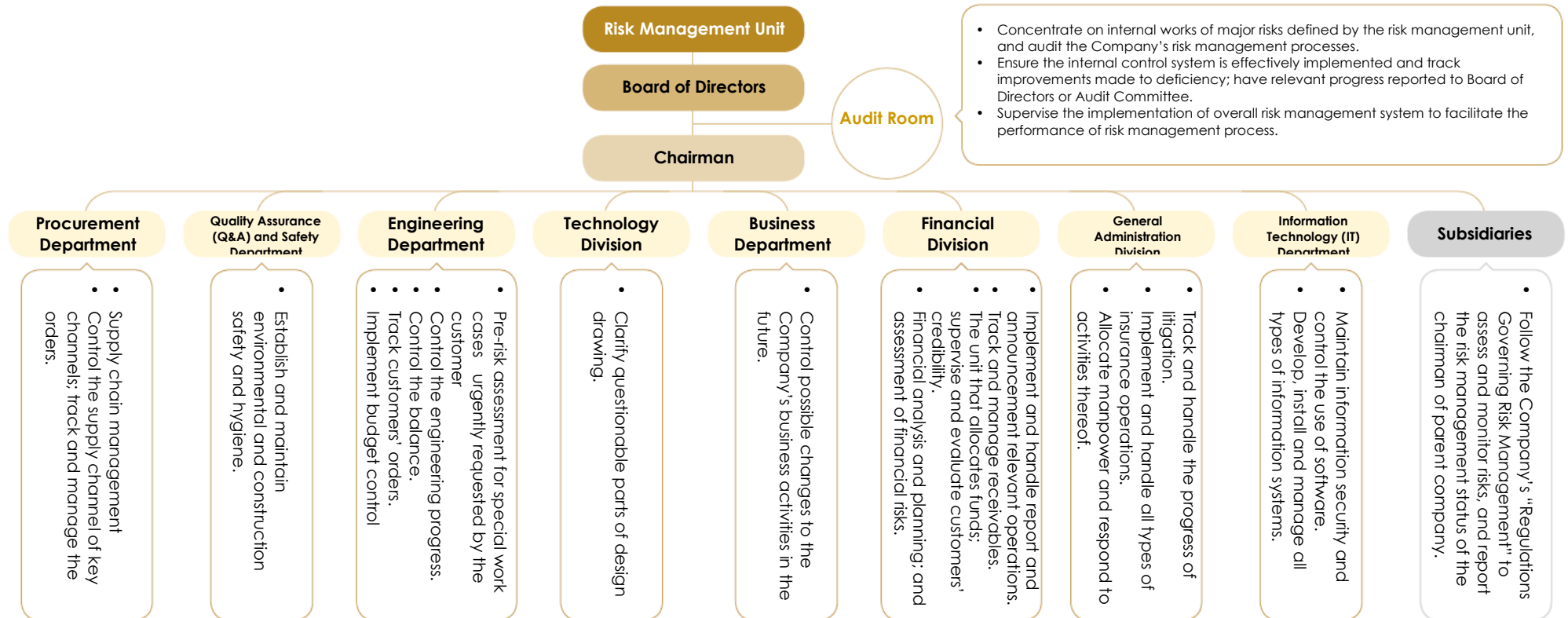
102-11、102-15

Enterprise may suffer a number of potential risks during the operations, including those related to the market, capital liquidity, laws, organization and quality control procedures, climate change and so on. To implement risk management and effectively reduce/prevent operating risks, Acter has stipulated "Regulations Governing Risk Management". The Regulations not only specify the Chairman as the highest governance unit in charge of the "risk management unit", which is formed by departments and divisions subordinate thereto, but also regulate the risk management duties of all department and division heads. Also, the risk management unit is obliged to implement the risk assessment procedures at least every half year to identify all units' risk issues, establishment priority and improvement plan; to report the risk tracking and management effectiveness at the meeting; and timely report the implementation of risk management plan to the Board of Directors. When a specific event takes place, the Chairman shall also summon a risk response meeting to draw up a response strategy accordingly.

Management of COVID-19 Risks

In response to the spread of COVID-19 that broke out in the second half of 2019 and into 2020, Acter has timely activated risk management measures, announced protective measures at the workplace and urged people to implement personal health self-management in January 2020. Besides, following the increase in severity of the Covid-19 outbreak, Acter further strengthened the body temperature measurement and control at the company entrance; divided the workforce of all departments; and requested all employees to wear a mask during the working hours to minimize contagion effectively. Besides, as a preventive measure for operation interruption risk, Acter also got well prepared for remote working.

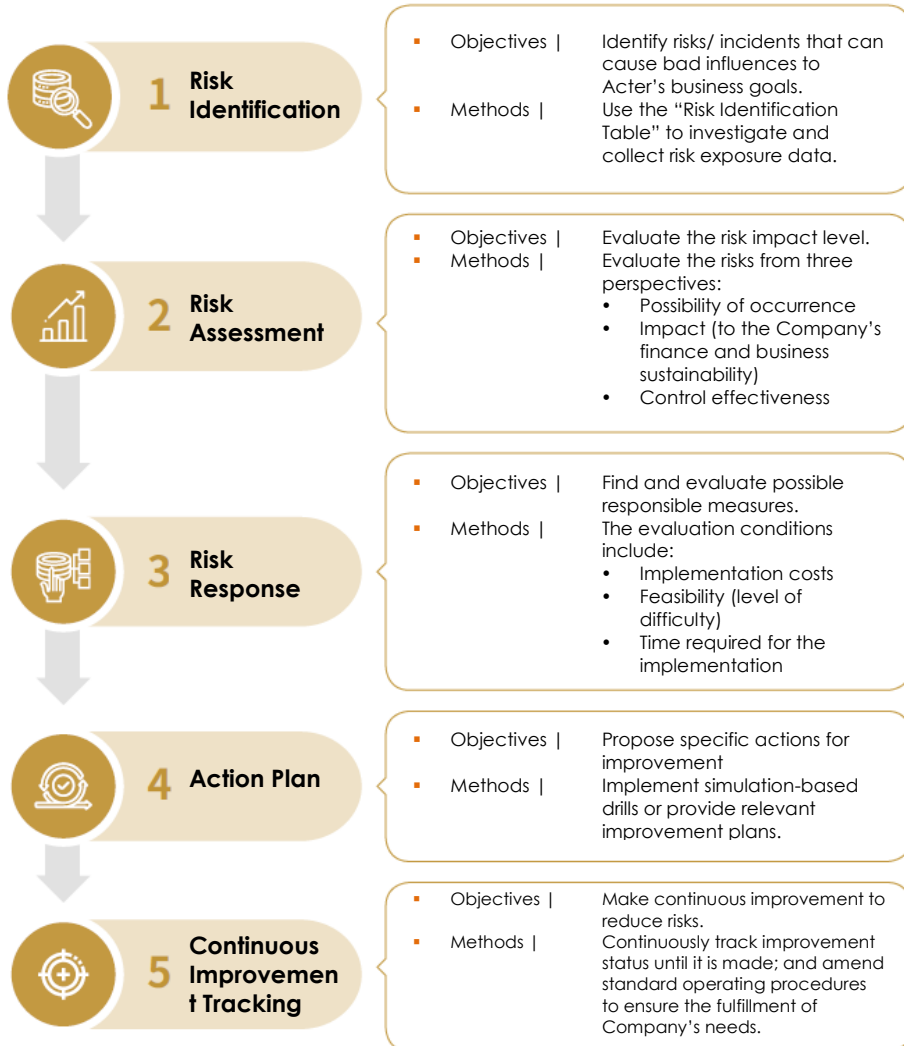
- Concentrate on internal works of major risks defined by the risk management unit, and audit the Company's risk management processes.
- Ensure the internal control system is effectively implemented and track improvements made to deficiency; have relevant progress reported to Board of Directors or Audit Committee.
- Supervise the implementation of overall risk management system to facilitate the performance of risk management process.



■ Determination of Corporate Risks and Response Strategy

Major Risks	Descriptions	Acter's Response Strategy
Market	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"> Proactively expand the overseas market to increase business revenue and profitability; and enter the new market to develop potential customers. Innovate technology and satisfy customers' demand to increase the opportunity of winning the bid. 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.
Finance	Impact to the Company's income due to change of the interest rate or exchange rate.	<ul style="list-style-type: none"> 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. Regularly evaluate market capital and banks' interest rates to adopt hedging measures with respect to the change of exchange rate.
Laws	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"> 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. As the first line of defense, all units shall carefully check all agreements and contracts, and have the legal consultants provided internal legal advisory services; handle legal disputes and litigation.
Operational Risks	Damages and losses derived from improper or mistaken internal operations, personnel actions and systems.	Regularly audit internal control system and track improvements made for deficiency.
Environment, Safety and Health	Losses caused by hazards in the work environment and construction site.	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.
Information Security	Potential risks related to the confidentiality and integrity of corporate information.	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.
Climate Change	Please refer to the section of "Environmental Protection" for detailed information.	Please refer to the section of "Environmental Protection" for detailed information.
Subsidiaries	Impacts to the Company's operations due to subsidiaries' operating risks.	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.

■ Risk Management Procedures



| Legal Compliance

Upholding the philosophy of business integrity, Acter requests not only all employees to abide by code of ethics, but also all implementation units/ operations offices to regularly update regulations promulgated by the competent authority and local laws. Apart from evaluating and listing all regulations and laws, the said units and offices shall also provide the updated documentation to local project managers for implementation; and ensure the legal compliance of all operating procedures and management rules. The Audit Room, on the other hand, shall also check the said documentation to ensure the compliance thereof on a regular basis. In 2019, 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.

On the other hand, Acter also holds a series of internal and external compliance trainings to continuously enhance personnel's legal awareness with respect to their job position. 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:

■ Acter's Internal and External Compliance Trainings

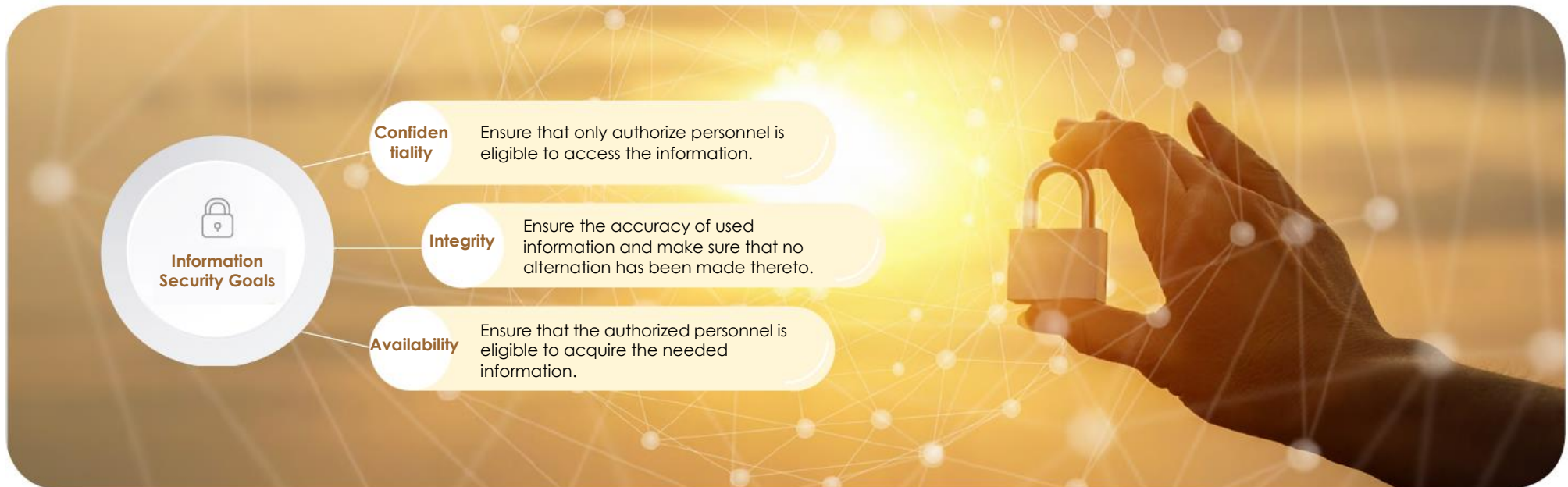
Internal and External Compliance Trainings	2017	2018	2019
External compliance trainings	27 sessions	179 sessions	134 sessions
No. of participants	40 participants	236 participants	158 participants
No. of training hours	154 hours	2,645 hours	1,556 hours
Internal compliance trainings	3 sessions	13 sessions	38 sessions
No. of participants	226 participants	338 participants	729 participants
No. of training hours	489 hours	495 hours	605 hours

Information Security

Following the development of network technology, enterprises are challenged by the increasing exposure of information security risks. To ensure information security and protection of confidentiality, Acter has stipulated "information security policy", by which all of Acter's employees shall abide; and appointed the IT Department to be in charge of the maintenance and management thereof. Specific management solutions include password control; authority control; back-up of routine data; and the installation and update of anti-virus software. Besides, the Plan-Do-Check-Act (PDCA) process is also adopted in accordance with ISO 27001 related regulations to enhance the Company's information infrastructure and information security measures; and make sure the security, integrity and availability of confidential information. The IT Department also established information security reporting and response mechanisms; and an authority-based system. Not only shall all relevant personnel sign a non-disclosure agreement (NDA) and take basic information security trainings, but also Acter regularly announces the up-to-date information security information to all employees to enhance their information security awareness and minimize risks derived from malicious emails. In 2019, no critical information security incident occurred and Acter has been continuously carrying out information security audits and relevant plans.

Information Infrastructure and Information Security Risk Management

Ensure the security of hosts, network equipment and network communication to effectively protect information assets from being stolen, improperly used, leaked, altered or damaged due to human errors, deliberated human actions or natural disasters. Establish information and communication security management rules.

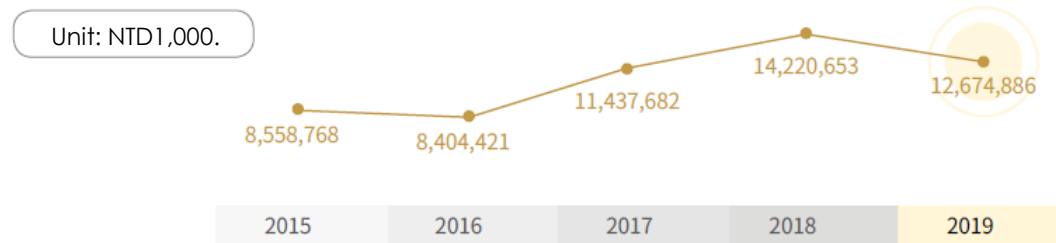


Operating Performance

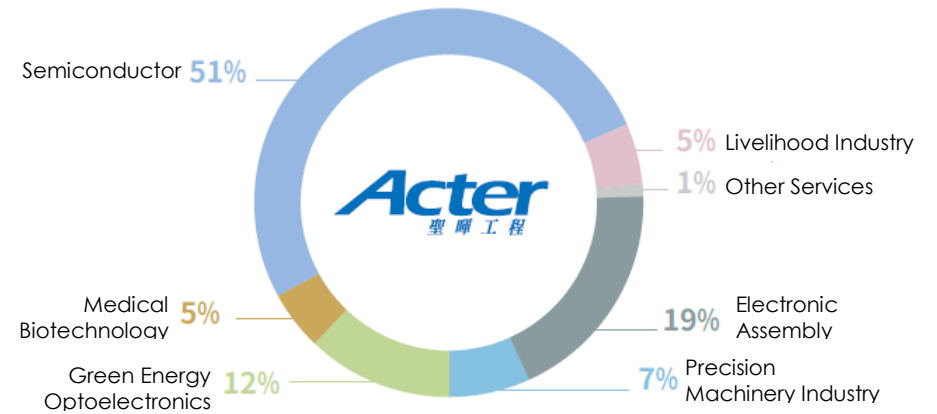
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In response to the rapid change of economic situation and social environment, the global supply chain also started to shift and reorganize. By continuously deepening our transformation goals, Acter has developed a multi-industrial and multi-disciplinary supply chain to satisfy customers' needs. In recent years, Acter has launched multiple deployment projects and disbursed our production capacities in Taiwan, China and South-East Asia. Threatened by economic uncertainties in 2019, the Group's consolidated revenue was NTD12.67 billion with a net profit of NTD1.036 billion. Although the number is slightly lower than that of the previous year, the Group has somehow managed to maintain a steady growth. Please refer to "[2019 Acter's Annual Report](#)" for more information.

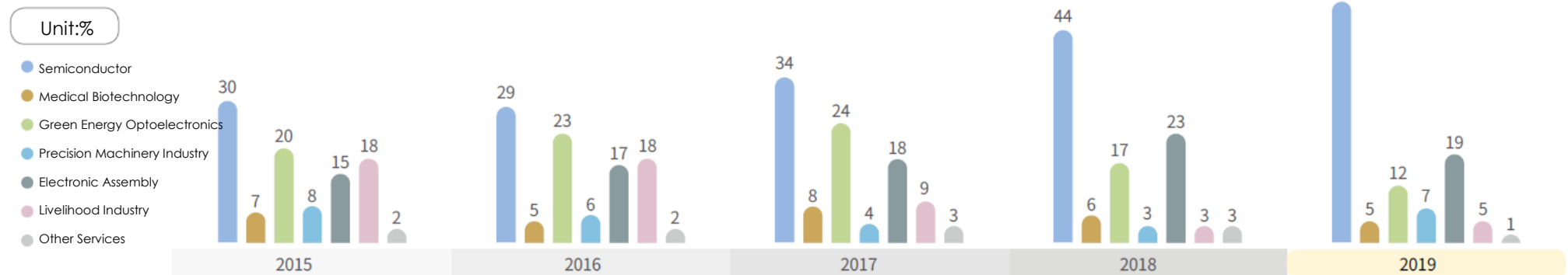
Acter Group's Historical Consolidated Revenue



Acter Group's Engineering Revenue in 2019 (By Industry)



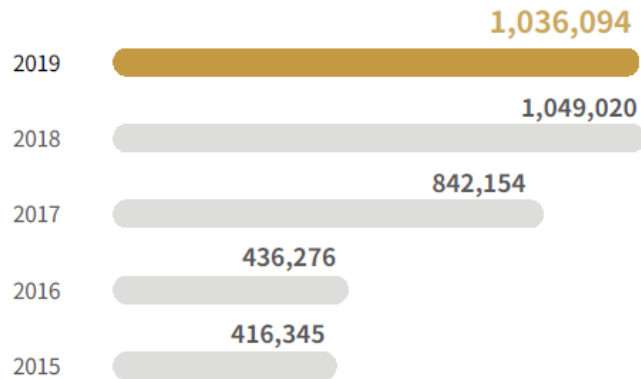
Acter Group's Historical Engineering Revenue (By Industry)



■ Acter Group's Historical Financial Information

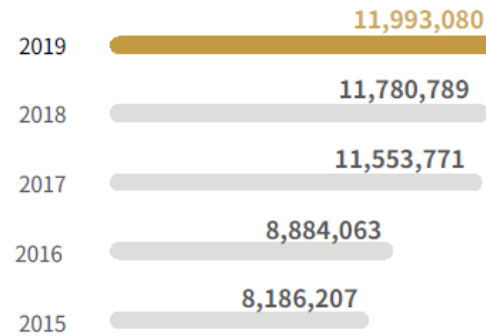
Net (After-tax) Profit

Unit: NTD1,000.



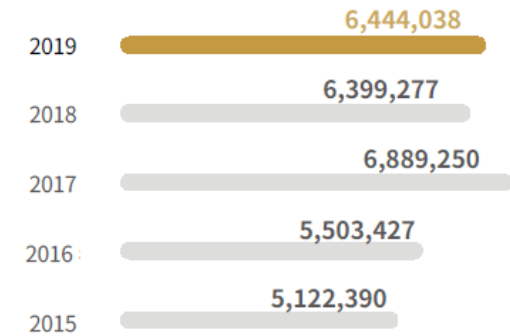
Total assets

Unit: NTD1,000.



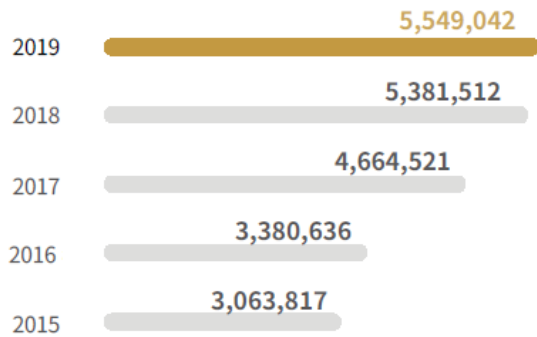
Total liabilities in 2019

Unit: NTD1,000.



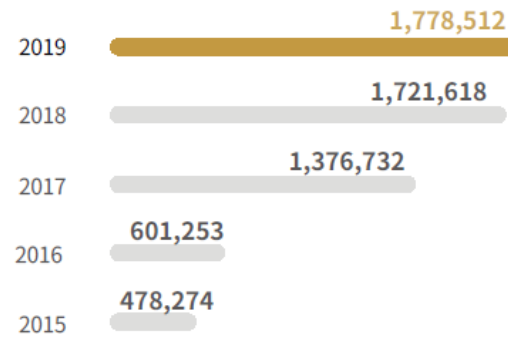
Total equity in 2019

Unit: NTD1,000.



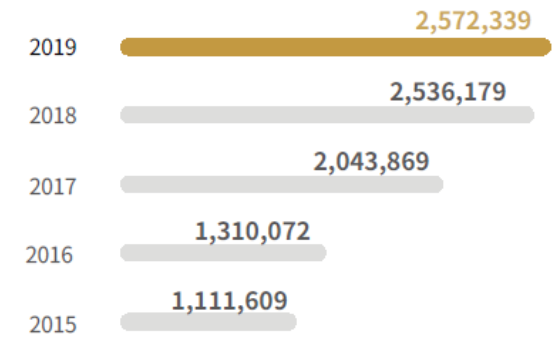
Operating income in 2019

Unit: NTD1,000.

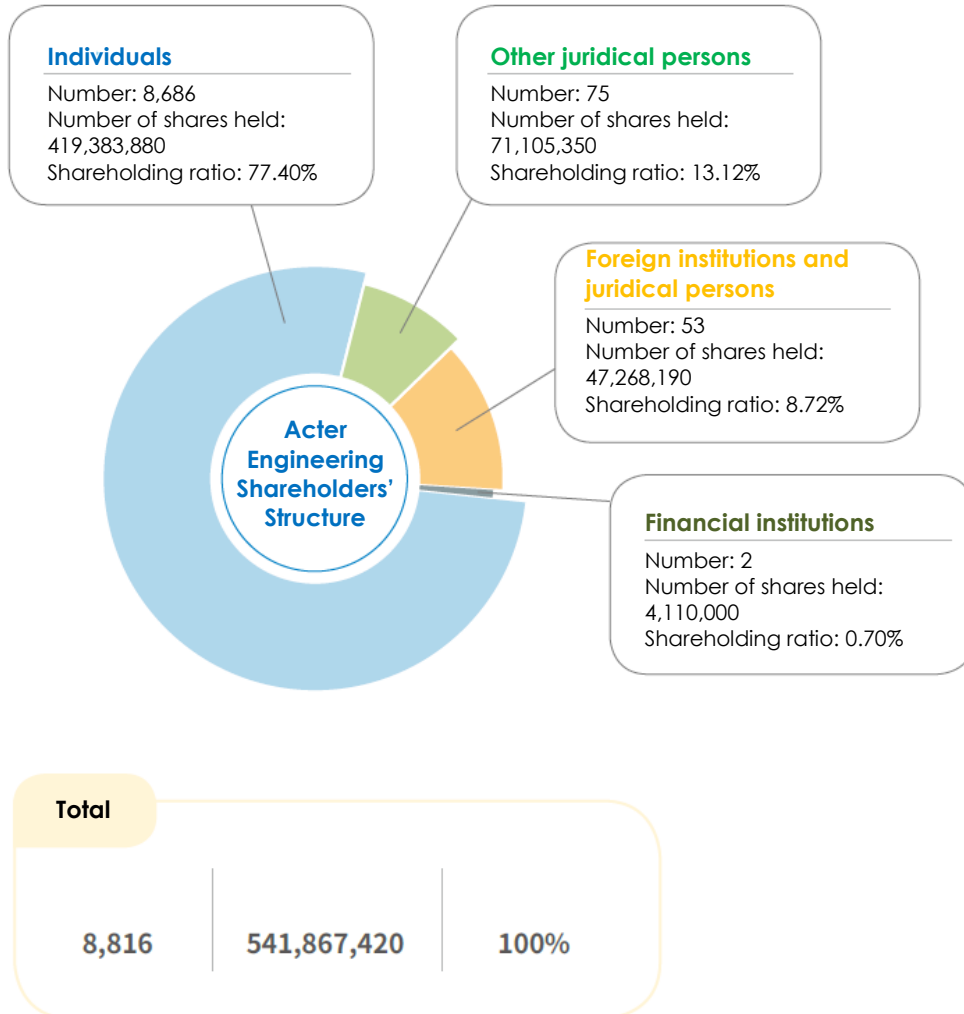


Gross profit in 2019

Unit: NTD1,000.

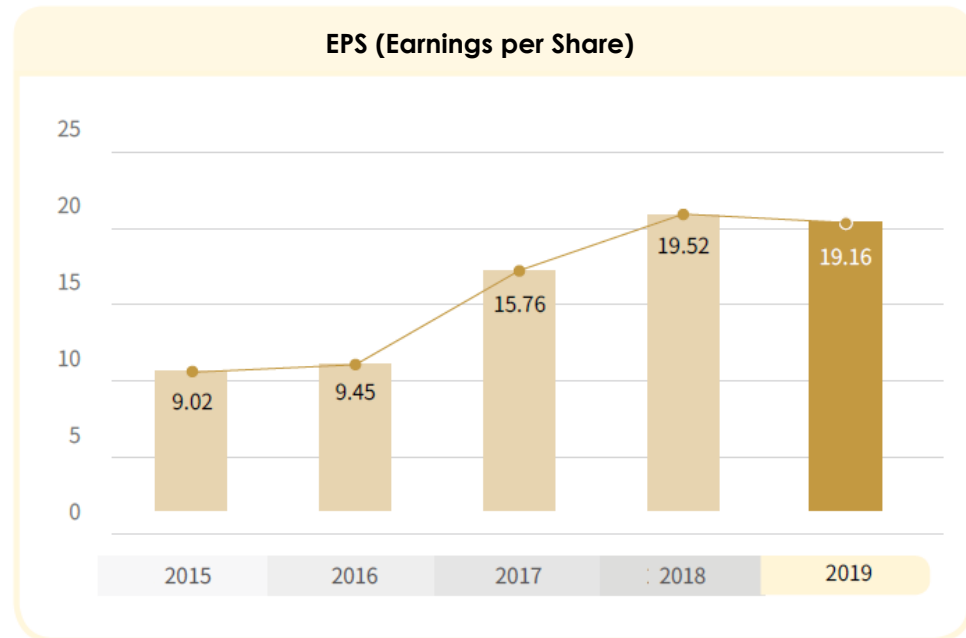


Shareholders' Structure



Financial Performance Index

Financial Information	2015	2016	2017	2018	2019
Ratio of debt to total assets	62.57%	61.94%	59.62%	54.31%	53.73%
Return on assets (ROA)	5.54%	5.34%	9.68%	10.96%	10.77%
Return on equity (ROE)	15.12%	14.40%	24.41%	25.39%	23.35%



Acter's Historical Individual Financial Statements

Unit: NTD1,000.

Items / Year		2015	2016	2017	2018	2019
Production of direct economic value	Engineering revenue	3,818,436	3,368,183	3,854,220	4,224,940	2,992,332
	Other operating revenue	10,393	4,487	12,016	9,925	11,325
Allocation of direct economic value	Operating costs ^{Note 1}	3,527,690	3,122,910	3,511,541	3,778,787	2,694,847
	Employees' compensation and welfare ^{Note 2}	423,572	407,536	451,708	488,348	470,703
	Amount paid to the investors (dividends) ^{Note 3}	93,232	284,014	377,895	612,986	813,041
	Amount paid to the government (income revenue/ excluding deferred tax) ^{Note 4}	20,088	71,734	48,401	67,814	129,258
	Community investment ^{Notes}	2,886	2,499	4,607	4,878	3,013

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 (Not only refers to funded debt). 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.

03 Sustainable Engineering Services

- 34 Innovation and R&D
- 38 Green Engineering Technology
- 47 Service Quality
- 54 Responsible Supply Chain

Annual Highlights

- **14 new patented technologies.**
R&D budget increased by 15% comparing with the previous year.
- **Acquired the ISO 45001:2018 certification.**
- **Disclosed the performance of 8 green engineering projects.**
ESPC was 3,688,667 kWh/year.
- **Green procurement reached NTD158.26 million**
(about 7.31% of the total procurement with a 1.2 times increase comparing with the previous year)
- **Customer satisfaction level reached high at 94.3.**
- **“Letter of Commitment for Sustainability” for new suppliers**
The signing rate thereof and suppliers assessment rate reached 100%. Paid 4 on-site visits to suppliers.



Engineering system integration service is the core business of Acter. This is the reason that, challenged by climate change and industrial transformation, we are aware of our important role in maintaining environmental sustainability and consider it as a growth opportunity. How to build a “high value, low power consumption and low pollution” quality spaces has long been one of our goals.

Through the research and development of innovative green technology, Acter has introduced eco-friendly engineering solutions from the technology end. With our expertise and experiences accumulated over the years, we have been managed to continuously ameliorate our service quality, foster continuous development of the sector and march toward brand internationalization. In the meantime, the “Growing with Suppliers Program” has facilitate the co-growth of the entire industrial chain, allowing us to grow with our customers and suppliers together and head towards sustainable development goals.



Innovation, Research and Development

* Specific Themes of Acter; 102-13

“Multi-disciplinary, multi-industrial and multi-talent” are the three core business values for Acter. By continuously enhancing our horizontal technology integration capability and flexibly respond to the variant demands of new markets, we have managed to continuously bring customers the premium and most competitive services. Also, to expand the depth and breadth of our services, Acter has paid close attention to the trends of global industry; maintained technical exchange with industry associations/organizations and experts from relevant fields; made investments that are proportional to our business revenue in developing unique or innovative construction methods and patented technologies each year; integrated academic resources to jointly develop new applications of “high value, low power consumption and low pollution” technologies; and foster and cultivate talents whom are considered as the industry’s foundation for future value engineering services. In 2019, Acter Group totally spent NTD146.43 million, counting 1.16% of the annual revenue, in research and development.

	<p>Engineering and technical team</p> <ul style="list-style-type: none"> • Pay timely attention to industry trends; have the Q&A and Safety Department reviewed, evaluated and introduced new international standards each year. • Review and assess engineering personnel's job competence on an annual basis; and plan professional competence trainings for personnel of different levels accordingly. • Hold discussions on representative engineering topics on an irregular basis.
	<p>Pluralistic integration of industrial chain and applications of innovative technologies</p> <ul style="list-style-type: none"> • Conduct strategic deployment for the Group's business operations; and develop core technologies based on customers' needs. • Continuously apply for technology patents. • Engineering and technical units communicate with the customers to develop the methods and applications that are mostly suitable to the production process.
	<p>Industry associations/organizations and experts</p> <ul style="list-style-type: none"> • Establish partnerships with industry associations/organizations and organizations from the field. • Assist in organizational operations, preparing seminars and publication. • Proactively participate in domestic and foreign innovative technology seminars and forums on industry trends. • Maintain good interactions with the industry; create strategic alliance; and foster the opportunity for business growth.
	<p>Cooperation with academic research institutes</p> <ul style="list-style-type: none"> • Cooperate with foreign companies and domestic colleges/universities to develop new technologies with “high value, lower power consumption and low pollution”. • Signed “Off-Campus Internship Agreement” and launched industry-academia cooperation with NTUT, NCUT, NYUST and NKUST since 2006 to facilitate the sustainability of talents of the industry.

Management Index

Historical R&D Expenses

(Reached the target, which is more than 0.75% of the revenue, this year)

	R&D Expenses	Proportion to Revenue
2015	80,566	0.95%
2016	76,779	0.92%
2017	92,488	0.81%
2018	127,218	0.89%
2019	146,433	1.16%

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.

Technology and R&D Overview

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 experiences are extremely important for Acter in terms of optimizing the use efficiency of construction methods, materials and equipment through rearrangements. Besides, by integrating our knowhow in architecture, electromechanical, air-conditioning, fire-fighting, instrument control, piping and engineering management, we are able to produce and offer customers an operating system and environment that fulfill their individual needs and industry characteristics. Acter has succeeded in developing the unique/innovative construction methods as follows:

- **14 new patents** (13 new utility model patents and 1 software copyright)
- **28 cumulatively developed unique/innovative construction methods** (Interdisciplinary ice-storage energy-saving unit, high-rise building, biotechnology, green energy and cleanroom)

2019

Acter's cumulatively developed unique/innovative construction methods

Ice-storage energy-saving engineering	Use raft-based ice-storage system to transfer peak loads. Store ice water in the fire cistern reduces 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.	Green energy engineering	An integrated power supply method for solar energy
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. Electromechanical integration engineering technology for weaving and dyeing factory		
Biotechnological engineering	An integrated technology for the first H1N1 vaccine plant. An integrated engineering technology for clean rooms of cGMP ^{Note 1} 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 ^{Note 2} 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 ^{Note 3} injection plant integrated engineering technology.
Cleanroom turn-key engineering	An innovative construction method for the first mass production factory of PDP ^{Note 4} . An innovative construction method for Japanese polarizer manufacturers. An innovative construction method for TFT ^{Note 5} 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 PCB ^{Note 6} 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.

Note 1: cGMP refer to current Good Manufacturing Practice. cGMP is promulgated by Ministry of Health and Welfare (MOHW), Republic of China in response to the international trends of pharmaceutical preparations.

Note 2: GTP refers to Good Tissue Practice, where a high-class clean laboratory is requested to produce preparations required by human clinical trials.

Note 3: OEB refers to Occupational Exposure Band; OEB5 refers to OEB rating of 5 (i.e. Occupational Exposure Limit < 1µg/m3), where workers' safety is highly protected.

Note 4: PDP refers to Plasma Display Panel.

Note 5: TFT refers to Thin-Film Transistor.

Note 6: PCB refers to Printed Circuit Board.

New Patents in 2019

New utility model patents


- _____ A type of multi-use high-load high-precision titrator
- _____ A type of improved titration analysis unit
- _____ A titrator sample bubble detection system
- _____ A type of round basket for wet process equipment and automatic wafer transmission device
- _____ Foolproof quick connect fittings for chemical barrel
- _____ A type of electronic chemical barrel cleaning equipment
- _____ Electronic filling equipment for chemical tank wagon
- _____ A type of safe and high-efficiency gold lixiviating tank
- _____ A type of shock-absorbing HVAC duct
- _____ A type of wall squareness detection device
- _____ A type of air pass window with stable temperature
- _____ A type of antimicrobial HVAC duct
- _____ A type of ant flame fire hose

Software copyrights


Barcode management system application software for Application software for the barcode management system of wet process equipment

| Research and Development Outlook


Taking a broad view of Acter's business activities, Acter has been focusing on research and development innovation for upstream and downstream industries due to high industry dependency; and the efforts thereof also facilitated an overall reform of the industries. In the future, 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 System Impact Assessment (SIA) for biotechnology industry; enhanced technical services by studying production process rationalization; 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 experiences and industry news; and planned complete vocational trainings to enhance employees' work competence and competitiveness.

- 


Technology patent development

Continue to obtain copyrights and patents related to engineering and construction; new material application and change; and chemical equipment supply system and software.
- 


Energy-saving technology development

Already established units devoted to the research and development of energy-saving and eco-friendly engineering technologies and products; and to the provision of comprehensive engineering improvement services. The purposes thereof are to assist customers in using resources effectively, minimizing production costs and increasing their industrial competitiveness.
- 

Biotechnology industry research

Engaged in the development of innovative biotechnology pharmaceutical projects in the framework of SIA (System Impact Assessment) to ensure the compliance with certification criteria and international accreditation standards.
- 

Production demand and rationalization research

Conduct an in-depth study on production process to give customers suggestions for creating the most ideal production environment and for adopting the most efficient construction methods.
- 

Talent cultivation and industrial-academic cooperation

Establish a long-term industry-academia partnership with NTUT, NYUST, NKUST, NCUT and FCU for joint developments and innovation breakthroughs.

■ Staged Results of 2019 Research Plans and Future Investments

Project	Current progress	Future investments Unit: NTD1,000	Completion of mass production	Descriptions	Benefits
Development of unique or innovative construction methods and patented technologies	Continue to apply for relevant patents	232,356	Dec-21	Continue to innovate construction methods, improve equipment functionality and apply for relevant patents to further upgrade the engineering service quality.	Increased 14 new utility patented technologies in 2019 to primarily optimize construction process and increase equipment performance. The patent technologies are applicable to advanced production, automated and new machines; and to general machines and equipment for upgrading production technology.
Application of ultrafiltration membrane in developer recycling equipment	In progress	500	Jun-21	Reduce the recycling costs and initial investment costs.	Increase the quality of regenerated solution.
Cooperate with Taipei Tech to develop sterile wet template	End of the experiment	-	Sep-19	Sterile materials can minimize impacts of molecular contamination during semiconductor fabrication to products and harms of bacteria to human bodies.	Cooperate with Taipei Tech to develop the water-washed mechanism for sterile wet template. The experiment results indicate that "spraying titanium dioxide on the wet template made of organic-fiber can achieve the anti-bacterial and -mildew effects after the UV exposure.
Industry talent cultivation plan	Implemented on an annual basis	Please refer to the chapter of "Common Prosperity of the Society"	Dec-20	Complete the annual engineering personnel competency report and industry academia collaboration programs.	Increase employees' work competence and competitiveness through vocational trainings, helping to facilitate the sustainable development of industry talents.

■ Participated industry associations/organizations in 2019

- Member of Taiwan Institute of Directors (TWIoD)
- Member of Taiwan Energy Service Association
- Member of Taiwan Refrigerating and Air-Conditioning Engineering Association of Republic of China
- Member of Taiwan Electrical Contractors Association (TECA)
- Member of Taiwan Water Pipe Engineering Industries Association
- Member of Solar PV Generation System Association of R.O.C. (PVGSA)
- Member of Taiwan Pharmaceutical Manufacturer's Association
- Member of Taichung Importers and Exporters Chamber of Commerce
- Member of Taiwan Cleaning Technology Association (TCTA)
- Member of Taiwan Parenteral Drug Association
- Member of ASHRAE Taiwan Chapter
- Member of Semiconductor Equipment and Materials International (SEMI)

■ Sharing of practical experiences with other industries

- China Medicinal Biotech Association (CMBA) – "Establishment of Laboratory Standardization and Management"
- Biotech Industrial Academy, Taiwan Bio Industry Organization (Taiwan BIO) – "Factory Construction Project Management: The Sharing of Practical Experiences"

Green engineering technology

302-5

Enhancing “competitive advantages in green technology” has been not only one of the objectives of Acter's core business, but also an important topic for contemporary society in the challenges of global climate change and industrial transformation. As a member of promoting environmental sustainable goals, Acter has integrated our expertise in various sectors (ex. air-conditioning, electromechanical, gas and chemical systems; wastewater and sewage processes; and fire-fighting systems) to offer comprehensive customization services according to the industry characteristics; and plan eco-friendly and economical solutions from the end of design and demand. Also, based on the “Four Green Connotation Principles” stipulated by Executive Yuan and industry's green engineering approaches, Acter has timely introduced green engineering technology during the process to reach the goals of “saving energy and reducing carbon emission, environmental pollution and resource consumption”. Our responsible services that comply with the concepts of sustainable economy allow Acter to continuously enhance customers' brand values and industry competitiveness through commercialization. Each year, our CSR Committee also reviews our green engineering technology and representative performance of the year to further enhance our green performance and create a win-win-win situation in economy, environment and society.

Management Index

Leading the way – Exposed the performance of 8 (at least 3 in the year) green engineering technology application projects

Acter

5 items

NOVA Technology Subsidiary

2 items

Enrich Tech Subsidiary

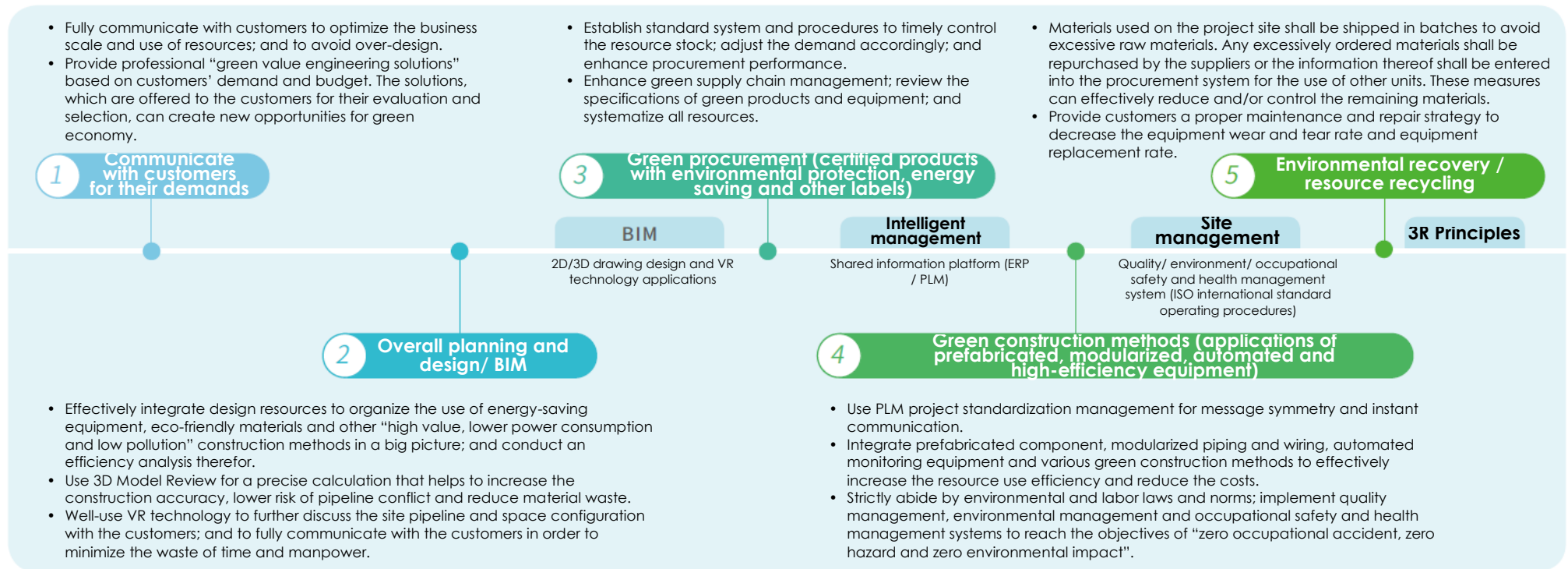
1 item

■ The influence of Acter's Four Green Connotation Principles



Reference source of the Four Green Connotation Principles: “Sustainable Public Engineering Policy”, Public Construction Commission, Executive Yuan

Green Engineering Project Management Procedures



Competent Authority Units	CSR Committee	Executive Secretary	General Administration Division assists in collecting and summarizing domestic and foreign green engineering information and industry benchmark approach, having them offered to all teams to draft their respective management policy. General Administration Division also track the implementation effectiveness each year on an annual basis, and disclose the summarized results in the report for the assessment and reference of the management level.	Sustainable Operations Team	Operations supervisors of all departments and divisions examine sustainability governance and improvement actions from all aspects to forward plan the schedule of introducing climate change response and green economy approach.	Risk Governance Team	The governance unit establish standard operating procedures, whereas the Audit Room and IT Department conduct risk control and ensures the timeliness and accuracy of information.
		Sustainable Supply Chain Team	Procurement Department establishes a complete supply chain management and assessment systems; requests suppliers to fulfill their environmental responsibilities; and regularly inventory all green procurement resources.	Green Economy Team	Technology Division and engineering departments continuously integrate multiple application and innovation technology from design, planning and construction methods to implement green engineering.	Subsidiaries	Mutual participation and technology/resource sharing and support.

An Overview of Green Engineering Technology and Applications

Technology category	Application type	Methods	Example(s)/ performance of practical applications and effectiveness
Electromechanical and air-conditioning systems	Lighting facilities	Adopt the 2 nd generation high energy efficiency LED (anti-blue light certified with a performance of 100%)	Increase the energy efficiency and reduce power consumption to prevent biological hazard.
		Install the light sensor module nearby the window to automatically control the illumination; install the infrared sensor module in stairwell to automatically turn on/off the stairwell lighting.	Increase the power efficiency and reduce power consumption.
		Use the intelligent lighting regulation and control system to adjust the illumination according to scene (ex. day/night, sunny/rainy day and different rooms), prevent light decay and control the illumination of different areas.	Increase the power efficiency of lighting source and increase the life expectancy of light fixture.
		Use the lighting and illumination simulation software and design.	Prevent the light fixture from over-installation or over-illumination. This will help to reduce the power consumption.
	Power system	Adopt high-efficiency power equipment, such as high-efficiency transformer and high-efficiency motor.	Increase the energy efficiency.
		Prepare and overlay site drawing and maps in advance to precisely design and calculate the cable length and voltage drop, where the main line is 3% and the branch line is 2%. Conduct a secondary voltage test on the low-voltage panel to the 1600A bus bar (1600A and above) of the remote electrical room's main power line.	Reduce the voltage drop and power loss, helping to increase the energy efficiency.
	Air-conditioning and energy-saving	Use the CFD fluid mechanics software to analyze the effective ventilation of air-conditioning system and improve the ventilation efficiency thereof. For example, for large meeting rooms that are designed for many people, the air is supplied by a duct located above the ceiling and the whiteboard wall is installed with a return air wall for returning the air.	Increase the ventilatory efficiency and pollutant removal capability (ex. CO ₂) to reduce ventilation air and power consumption.
		Install light sensor module nearby the window to automatically control the opening and range of window shade.	Reduce air-conditioning load.
		Install a series and parallel switch device between the ice-water end of the heat pump that supplies the heat and the main air-conditioning ice-water system, allowing the system to switch between the series and parallel operation modes.	Optimize the operations of the hot water and air-conditioning system to increase the energy efficiency.
		Install electric control valve at the inlet/outlet of multiple parallel cooling tower. Together with the water chiller switch, it helps to prevent problems like low water volume and sprinkler cooling problems.	Increase the operational efficiency of cooling tower fan; and reduce the operational energy consumption of water chiller.
	Introduce AI (artificial intelligence) into the air-conditioning automatic control system to optimize the performance.	Use AI to calculate/ find personnel's comfort level and optimized energy consumption	
Energy- and water-saving production process	Condensate recycling system	Install energy-saving and variable frequency control for optimization. Recycle, cool down and reuse air-conditioning condensate.	Decrease the demand for heating and energy conversion power while reducing the use of water.
	Waste heat recycling system	Recycle thermal energy of high-temperature wastewater discharged from the processing machine, having it supplied to the air-conditioning and ventilation systems.	Save energy and reduce waste using the heat exchange principle.
	Water facilities	Draft a reasonable plan for water supply facilities; adopt equipment/ facilities/ sanitary appliances certified with the water-saving label; and establish the rainwater/ wastewater recycling system.	Remove unnecessary installation and install water-saving devices/system to reduce the use of water resource.

An Overview of Green Engineering Technology and Applications

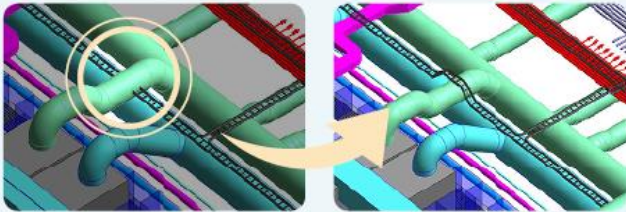
Technology category	Application type	Methods	Example(s)/ performance of practical applications and effectiveness
Wastewater treatment	Copper wastewater treatment	Use rod electrolysis to increase mass transfer of system and to evenly distribute the power line. Enclosed electrolysis can minimize the spread of environmental acid gas.	Reduce wastewater pollution and increase the efficiency.
	Phosphorus wastewater treatment	Use the fluidized bed crystallization (FBC) technology to reduce the phosphorous content of water. Crystallize the phosphorus in wastewater into ferrous phosphate and use it in other production processes as the raw material.	Reduce wastewater pollution and increase the proportion of water reuse to implement the water resource recycling policy.
	Fluorine wastewater treatment	Use the fluidized bed crystallization (FBC) technology to reduce the fluorine content of water to reduce the production of sludge. Use crystallized calcium fluoride as the additive for steel smelting.	Reduce wastewater pollution and enhance resource recovery to implement the water resource recycling policy.
	Wastewater organics recycling	Use the distillation recycling technique to recycle minor organics in the wastewater, helping to decrease the load of wastewater treatment. Purify recycled organic materials and turn them into resources.	Reduce wastewater pollution and enhance resource recovery to implement the water resource recycling policy.
Construction site environmental management	Construction power	Adopt LED light powered by solar photovoltaic panel for engineering warning light.	Use green energy to reduce environmental pollution.
	Prefabrication / installation construction methods	Prepare and overlay the site drawings and maps in advance to increase the proportion of off-site prefabrication/installation. For example, optimize the piping and prefabricate the rebars to high-quality inspections.	Increase the construction quality/ efficiency and reduce the construction costs/risks.
	Equipment and material transportation	Select high-efficiency production facilities and construction materials that are made in Taiwan (MIT).	Increase energy efficiency; reduce transportation carbon emission; and lower the difficulty of maintaining operations.
	Noise prevention and control	Set pre-construction and construction noise prevention and control plans; adopt low-noise construction methods and equipment; install noise insulation equipment; implement site management works.	Maintain the tranquility of the construction site and surrounding areas to effectively minimize harms of noise to human body.
	Air pollution prevention and control	Use electric forklift instead of diesel forklift during the construction.	Effectively reduce air pollution.
2D, 3D & VR technology applications	Engineering wastes	Exposed electrical metallic tubing (EMT) is adopted for the electrical wiring of lighting/ plug/ fire-fighting/ light current systems. An advanced embedment of PVC conduit must be avoided.	Reduce construction wastes during the dismantling process in the future; and increase the resource recycling rate.
	Drawing design	Primarily use software like AutoCAD, AUTODESK REVIT and AUTODESK NAVISWORKS to establish the Building Information Modeling (BIM), helping to optimize the space management capability. The application of VR technology also allows us to fully communicate with customers for their demands.	Fully communicate with customers for their demand. This not only helps to enhance the construction quality, also minimize material loss and wastes caused by repeated works on piping/wiring. Besides, the construction period will be shortened and the material cost will be reduced.
Intelligent management platform	Information platform	Establish a mutual project execution platform, such as engineering coordination, valuation, document management, cost control and daily report of ERP and other engineering progress management system.	Timely and simultaneously review the project design, procurement and construction progress to enhance the management effectively.

Note: Above are green engineering technology and service items discovered during Engineering Department and Technology Division's investigation on the project execution process. Relevant information are summarized by the executive secretary of CSR Committee to facilitate systematic integration and applications, and to enhance Acter's green executive power.

■ Green Engineering Technology – Practical Applications

Application Case 1

- Pipeline conflict can be timely reviewed and corrected with the use of 3D building simulation. This also helps to prevent construction errors and material wastes.

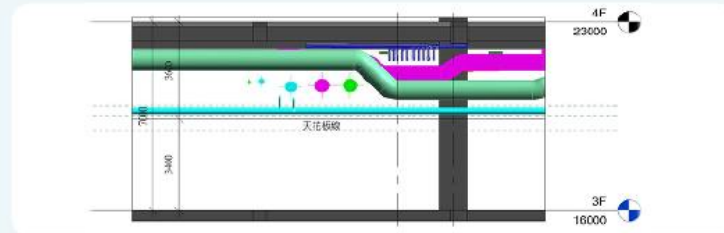


- The completion state can be simulated using the lifelike 3D technology, helping to concretize the design concept, and facilitate drawing comparison and clarification.



Application Case 2

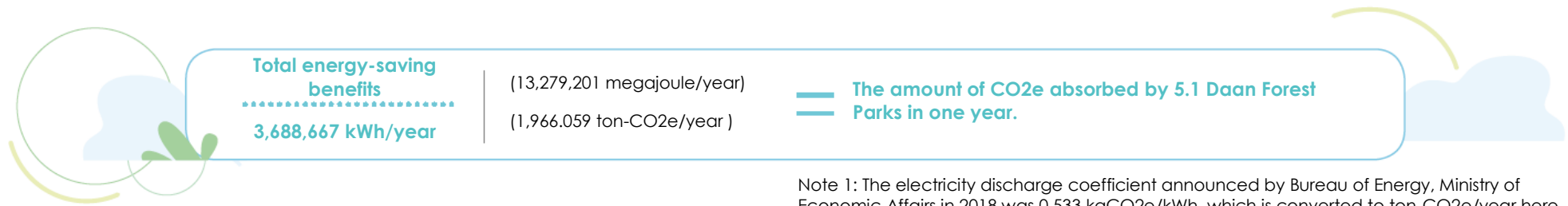
- A reasonable pipeline configuration (ex. with minimized elbows for elevated pipelines) can reduce energy consumption in operations while leaving enough space for future maintenance works.



- A clean and orderly plant layout upon completion of the project.



Green Engineering Performance and Expected Benefits of Acter's Representative Projects in 2019



Note 1: The electricity discharge coefficient announced by Bureau of Energy, Ministry of Economic Affairs in 2018 was 0.533 kgCO₂e/kWh, which is converted to ton-CO₂e/year here.
 Note 2: One Daan Forest Park absorbs 389 ton-CO₂e each year.

Project: Construction Project of a New Biomedical Factory in Neihu		Execution location: Taipei		
General/ traditional/ original approach	Acter's approach	Subject information (use standard basis/methodology)	Calculation formula	Expected energy-saving benefits Unit: kWh/year (megajoule/year)
Use general building materials	Use green materials (rockwool partition wall / ceiling, EPOXY floor etc.)	Green materials (reference: "Action Plan for the Implementation of Energy-Saving and Carbon Reduction Measures Designed for the Public Infrastructure Expansion Plan for Economic Revitalization")	NA	NA
Use general light fixtures (mainly T5)	Use high-efficiency LED fixtures	A. T5 fixture – 4 ft = 28W, 2ft. = 14W B. LED fixture – 4 ft = 15W, 2 ft. = 8W C. 4 ft. fixture – 369 fixtures D. 2 ft. fixture – 114 fixtures	Annual power saving (kWh)=[C*(A-B)+D*(A-B)]/1,000(kW/W)*365 (day/year)*12(hr/day)	24,006 kWh/year (86,422 megajoule/year)
Adopt electric boiler for the air-conditioning hot water system	The air-conditioning hot water system has adopted the heat pump	A. Estimated amount of the air-conditioning hot water system = 348,000,000 kcal (Note: The annual estimate is calculated based on the hourly weather information). B. Energy efficiency of electric boiler = 0.86 kcal/hr-W (Note: The calculation is based on the lower heating value (LHV) specified in the "Energy Statistical Handbook" published by the Bureau of Energy, Ministry of Economic Affairs) C. Energy efficiency of heat pump = 5.3 kcal/hr-W (Note: The standard EER of CNS air-conditioning ice water system = EER+1 = 4.3+1)	Annual power saving (kWh) = (A/B-A/C)/1,000(kW/W)	338,991 kWh/year (1,220,367 megajoule/year)

Green Engineering Performance and Expected Benefits of Acter's Representative Projects in 2019

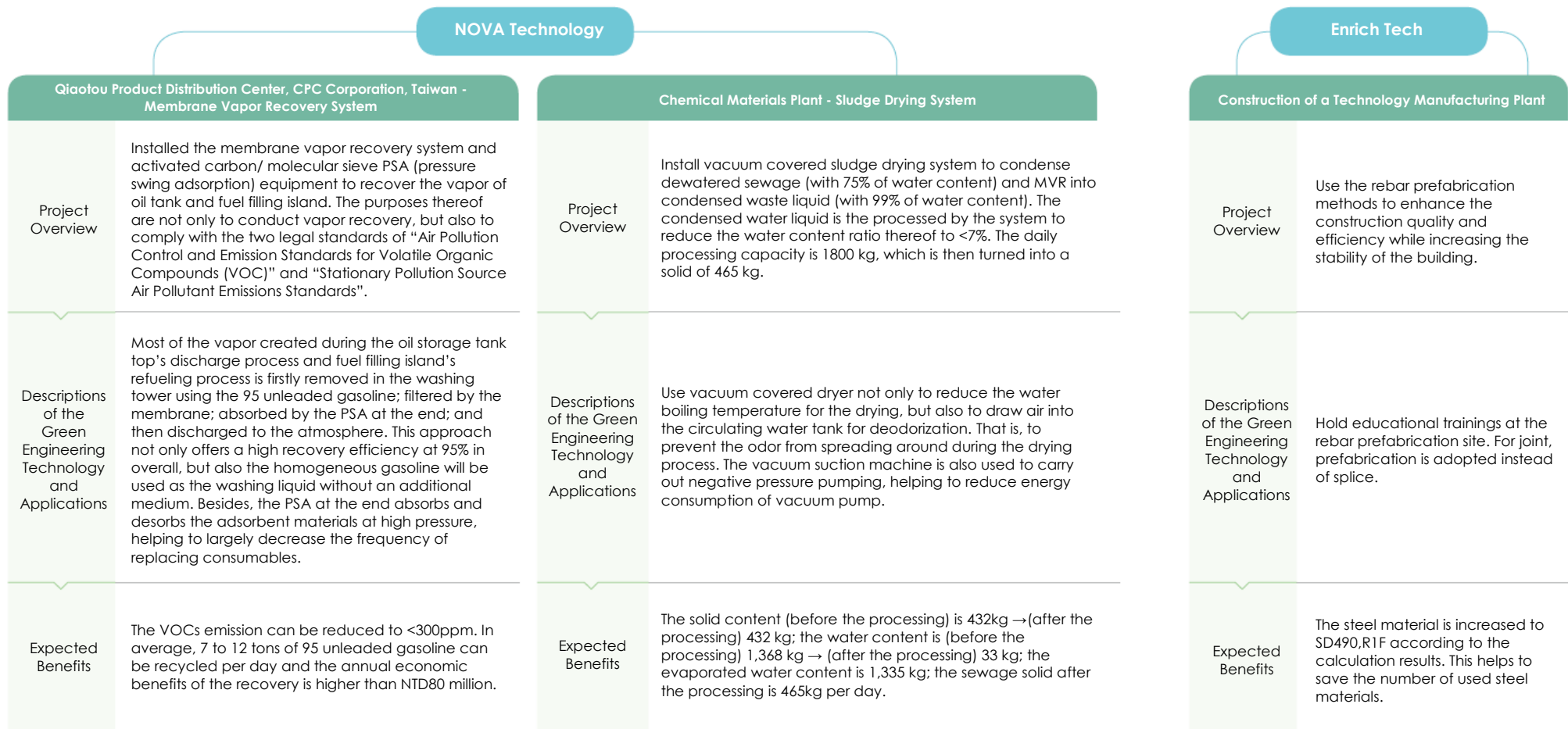
Project 2: Energy-Saving Engineering for the Expansion System of a Semiconductor Manufacturing Plant at Hsinchu Science Park		Execution location: Hsinchu			
General/ traditional/ original approach	Acter's approach	Subject information (use standard basis/methodology)	Calculation formula	Expected energy-saving benefits Unit: kWh/year (megajoule/year)	
The cooling water of air compressor is entirely supplied by the chilled water system	The cooling water of air compressor will be pre-cooled by the air-conditioning heat system first and then be chilled by the chilled water system.	A. The estimated difference in power derating of air-compressor chilled water system = 137,280 kcal/hr (Note: 520LPM of cooling water pre-cooled from 35°C to 24°C with an average use rate of 40%. B. Energy efficiency of chilled water system = 3.5kcal/hr-W = (0.03+0.063+0.68+0.027+0.063) kW/RT (cooling tower + chilled water pump + main water chiller + primary pump + secondary pump) C. Energy efficiency of heat recovery system = 97 kcal/hr-W = 0.031 kW/RT (heat recovery pump)	Annual power saving amount (kWh) = (A/B-A/C)/1000(kW/W)*365(day/year)*24(hr/day)	331,195 kWh/year (1,192,300 megajoule/year)	
Project 3: Construction Project of a New Semiconductor Assembly and Testing Plant at Central Taiwan Science Park		Execution location: Taichung			
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 adopts the air-to-water heat pump	The air-conditioning hot water system adopts the water-to-water heat pump system	A. The estimate amount of the MakeUp Air Unit (MAU) hot water system of = 507,000,000 kcal (Note: The annual estimate is calculated based on the hourly weather information). B. The energy efficiency of air-to-water heat pump = 3 kcal/hr-W C. The energy efficiency of air-to-air heat pump = 5.3 kcal/hr-W (Note: The standard EER of CNS air-conditioning chilled water system = EER+1 = 4.3+1) D. COP of chiller/ water-to-water heat pump PF=0.75 E. Energy efficiency of recycling cooling water = 3.5 kcal/hr-W	Annual power saving amount of MAU (kWh) = [A/B-A/C+A*(D/E)]/1000(kW/W)	181,982 kWh/year (655,137 megajoule/year)	

Green Engineering Performance and Expected Benefits of Acter's Representative Projects in 2019

Project 4: Construction Project of a New Optical Plant at Central Taiwan Science Park		Execution location: Taichung		
General/ traditional/ original approach	Acter's approach	Subject information (use standard basis/methodology)	Calculation formula	Expected energy-saving benefits Unit: kWh/year (megajoule/year)
FFU adopts the AC motor	FFU adopts high-efficiency DC motor	A. The power consumption of AC motor is 120W/set B. The power consumption of DC motor is 50W/set C. The entire plant uses 3,223 sets of FFU	Annual power saving amount (kWh) =C* (A-B)/1000(kW/W)*365(day/year)*24(hr/day)	1,976,344 kWh/year(7,114,838 megajoule/year)
The cleanroom of Class 100k adopt the MAU system	Adopt DCC & FFU systems	A. The consumption of MAU motor is 5.5kW/set * 15 sets B. The power consumption of FFU motor is 50W/set * 411 sets	Annual power saving amount (kWh) =(A-B)/1000(kW/W)*(365 day/year)*24(hr/day)	542,682 kWh/year(1,953,655 megajoule/year)
Rated frequency air-compressor Fixed frequency air compressor (volume control: 67~100%)	Variable frequency air compressor (variable frequency: 40~100%)	A. The power consumption ratio of rated frequency air-compressor is 72% B. The power consumption ratio of variable frequency air-compressor is 60% C. The power consumption of equipment is 250kW 1. The average loading rate is 60% 2. According to "The Journal of High Efficiency Motor Application Technology Development and Promotion Plan" (No. 9) published by the Bureau of Energy, Ministry of Economic Affairs in August 2009	Annual power saving amount (kWh) =C*(A-B)*365(day/year)*24(hr/day)	262,800 kWh/year(946,080 megajoule/year)
Project 5: Construction Plant of a New Electronic Component Factory		Execution location: Yunlin		
General/ traditional/ original approach	Acter's approach	Subject information (use standard basis/methodology)	Calculation formula	Expected energy-saving benefits Unit: kWh/year (megajoule/year)
Adopt general high-voltage transformer	Adopt high-efficiency high-voltage transformer	1. Instead of the traditional CNS transformer, the 2000KVA high-efficiency transformer is adopted in the design. 2. With respect to the power consumption performance, please refer to the information provided by "Shihlin Electric"	The calculation is based on 50% of the long-term load of the three-phase 2000KVA transformer.	30,667 kWh/year (110,401 megajoule/year)

Note: The baseline of expected energy-saving benefit shall be the achievable energy saving benefits one year (365 days) upon completion of the project and shall be under the normal usage conditions

Green Engineering Performance and Expected Benefits of Subsidiaries Representative Projects in 2019



Note: NOVA Technology Corp., known as a member of the Acter Group, has started to issue its independent CSR report. For details regarding the Company's wastewater and waste liquid processing and treatment details, please refer to the report thereof. In the future, Acter Group will continue to include our subsidiaries green engineering project performance and disclose the actual energy-saving, carbon-reduction and waste-duction benefits in the future.

Service Quality

* Specific Themes of Acter; 418-1

Acter believes that, only by offering an assured quality and constructing a space that meets customers' requirements, we will win the trusts of our customers. By setting explicit quality policy and objectives; preparing work instructions and management manual for relevant operations; standardizing and institutionalizing our operating procedures; and having our operations examined by multiple parties, we will be able to optimize the accuracy of our management system. After years of practical experiences in engineering projects, Acter has collected enormous database. The said dataset is offered to the internal not only to continuously optimize our project procedures, but also to keep our pace with the up-to-date international quality standards, occupational safe and health standards, and environmental management standards; and to abide by relevant regulatory requirements to maintain our position as a pioneer with respects to our services. Acter already passed a series of certification since 1999, including those of the quality management system of ISO9001 (in 1999); the new "ISO 9001:2015" and "ISO 14001:2015" in 2018; and the new version of occupational safety and health management system (OHSAS 18001:2007), which is known as ISO 45001:2018 in 2019.



More information



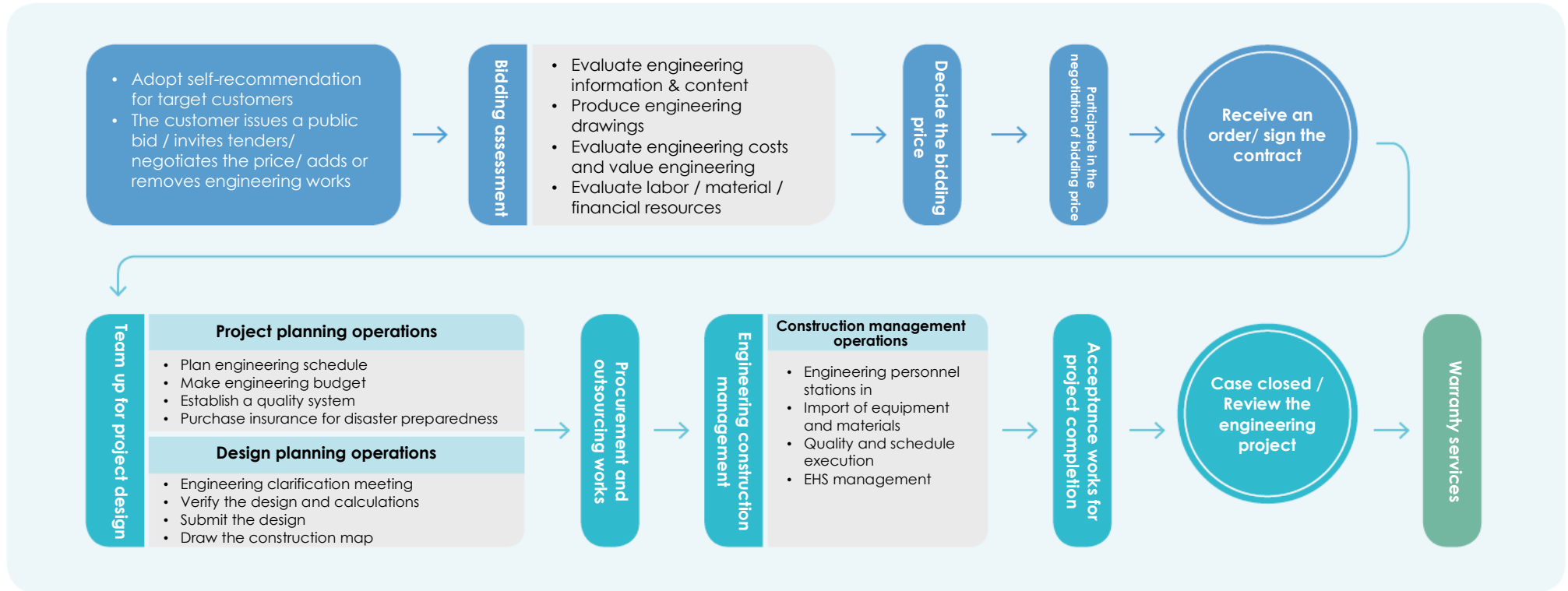
Acter's newest ISO certification



Acter's official website/ quality policy statement

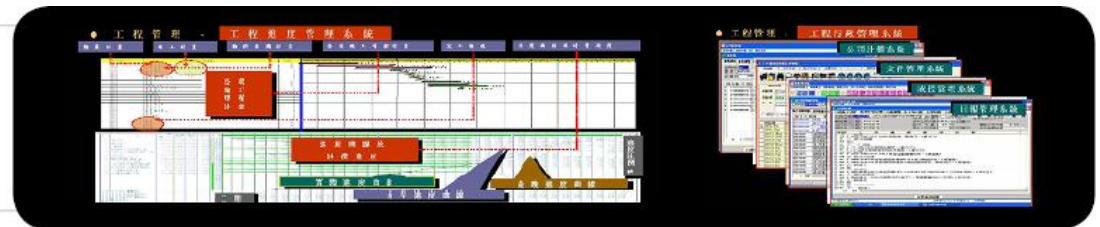


■ Engineering Project Flow Chart



Conduct quality control using the ERP system

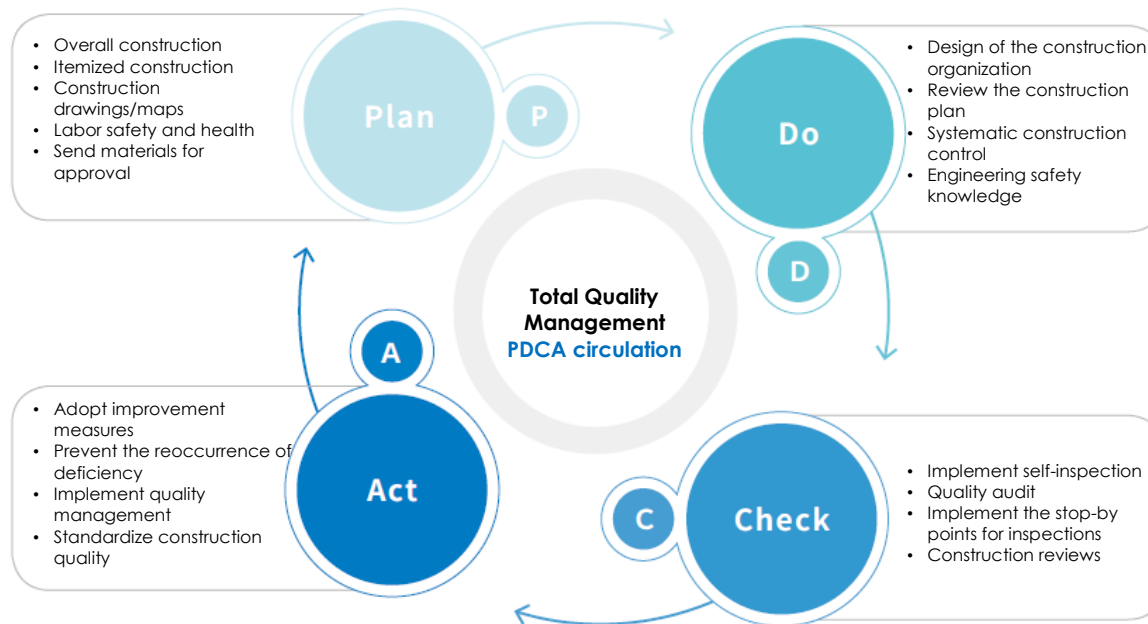
- Construction project schedule management system
- Administration, valuation, document management, cost control and daily report construction project management systems



Quality Management System

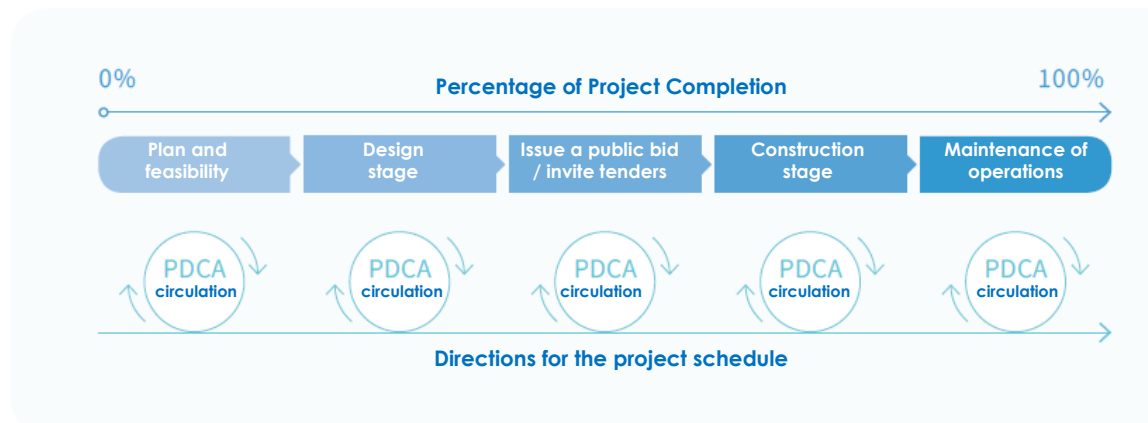
Quality is the responsibility of all of our employees and the fundamental of implementing our work and services. To facilitate quality management, Acter has adopted the "Three-Level Quality Control System" and "Total Quality Management (TQM):PDCA circulation", having the governance unit established operating standards and project control documents. This allows our employees to implement management performance in each stage and control the project progress. On the other hand, Acter also considers "quality management ability" as one of the key indexes for assessing the performance of corporate employees; encourages employees to propose management procedure improvement solutions; and, through public recognition and the offering of project incentives, inspire employees to actively and innovatively enhance their work competence; and to flexibly face different engineering scenarios.

Note: With respect to suppliers' quality management, please refer to "Sustainable Engineering Services – Responsible Supply Chain"; or "Common Prosperity of the Society – Occupational Health and Safety" for details related to occupational safety and health management.

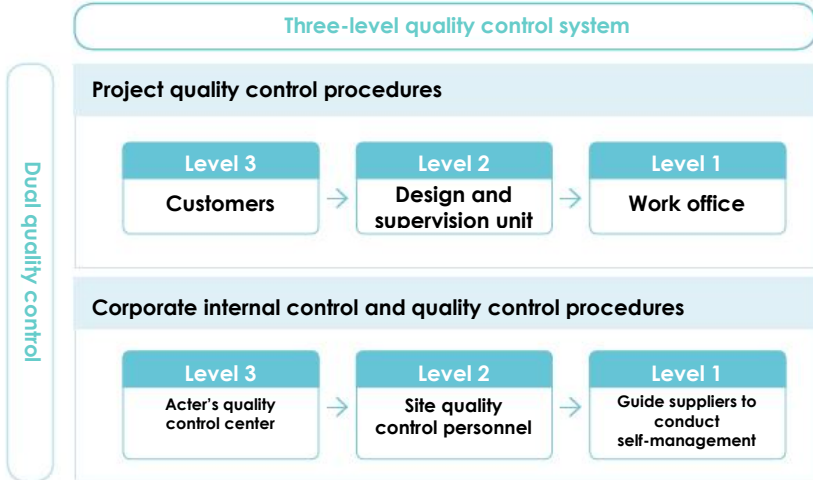


Acter's Six Major Project Quality Control Measures

- | | |
|--|------------------------------------|
| 1 Access control | 4 Suppliers quality control |
| 2 Construction drawing/map control | 5 Documentation control |
| 3 Material plan review submission control | 6 Schedule control |



【Three-Level / Dual Quality Control System】



Dual quality control

- Advanced prevention works
- Timely improvements
- Promotion of the PDCA circulation



The "Three-Level Quality Control System" is adopted for Acter's quality internal control procedures. That is, the Company's quality management center firstly carries out a paper review and offers fundamental constructors various supports, such as educational trainings and assistance in acquiring a certificate. Also, engineers and quality control personnel of each construction sites guide the subcontractors to abide by work site instructions and implement construction audit; identify deficiency improvement procedures and corrective preventive measures; fill in records and assessment report, to conduct advanced prevention and timely improvement. The quality control effectiveness and performance index are also connected to continuously promote the PDCA circulation for quality management.



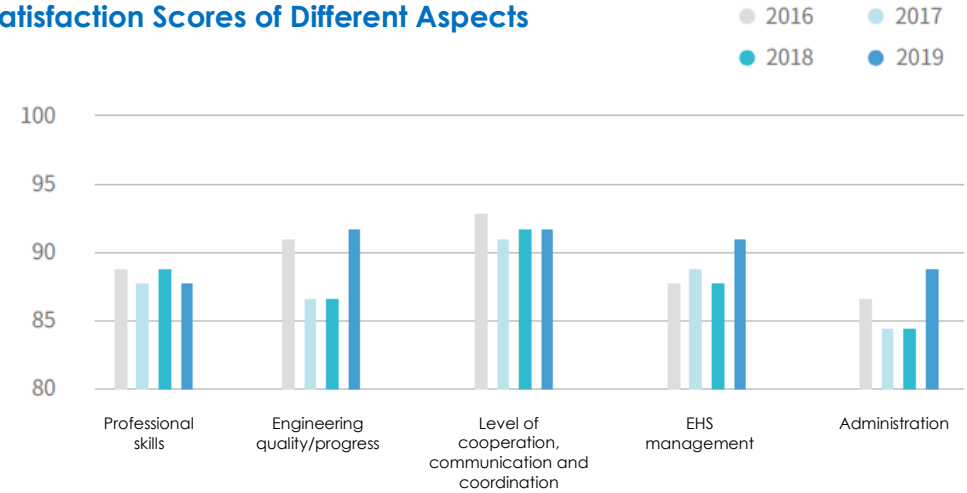
Each year, Acter holds irregular "Educational Trainings for Closed Representative Engineering Projects". Through the discussion of practice example, employees are managed to know about advanced engineering techniques. Besides, the training allows employees to learn from each other and to brainstorm on ideas with the others, helping to increase the competitiveness of all employees. In 2019, Acter held 2 sessions of "Educational Trainings for Closed Representative Engineering Projects", which was participated by 69 people.

Customers Evaluation

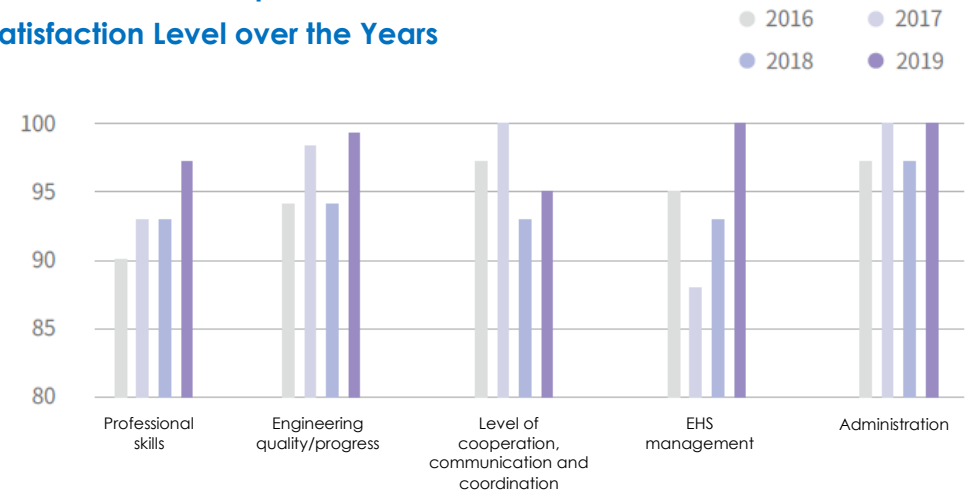
Apart from maintaining a barrier-free communication channel with customers in ordinary day, Acter also hold customer satisfaction survey every May and November according to "Procedures Governing Customer Satisfaction Level and Sustainable Operational Improvement". Summoned by the General Manager, this customers satisfaction survey forms are collected inter-departmentally and the results thereof, including customers' feedback and score, are summarized by General Administration Division. The investigation analysis report is then offered internally, allowing all units to further analyze and track the improvement effectiveness, and to set prevention strategy accordingly.

There are five aspects in the customer satisfaction survey, including the professional skills; engineering quality/progress; EHS management; level of cooperation; communication and coordination; and administration, with a total score of 100. In 2019, Acter's Engineering Department received 90.4 and Maintenance Department received 98.2 in the customers satisfaction survey. The average, which is 94.3, is higher than that of the previous year. Also, with respect to items with relatively lower score or improvement progress, Acter already proposed improvement and adjustment methods. The purposes thereof are to maintain a good service quality and increase the growth and progress of all.

Engineering Department – Customers' Satisfaction Scores of Different Aspects



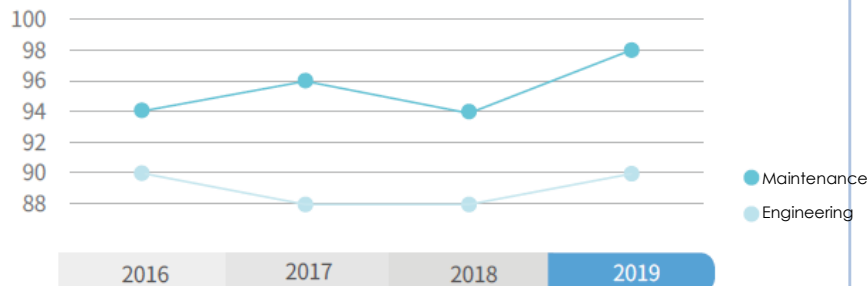
Maintenance Department – Score of Customers Satisfaction Level over the Years



Management Index

The average of customer's satisfaction survey over the years

Reach the target of this year, which is 85 above in average. The annual target of 2020 is adjusted to minimum 88; and 90 for 2021.



Protection 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 abided by "Personal Data Protection Act" to stipulate relevant regulations, but also set strict management mechanism and handling measures internally. Each year, our Business Department reviews respective control points to ensure customers' confidential information is continuously and strictly protected.

Besides, the control operation system established by the IT Department conducts automated scanning inspections (ex. code security scan, system penetration testing and so on) on an irregularly basis. Acter also hires external information security company to carry out information security inspection on all of Acter's systems; identify the newest information risks on an irregular basis; and promote information security concepts to continuously enhance Acter's information security resilience. In 2019, Acter did not receive any complaint about maintaining customers privacy and data. Instead, Acter has been continuously enhancing our management measures to strictly maintain customers' confidential data.



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 and new 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.



Contact Us



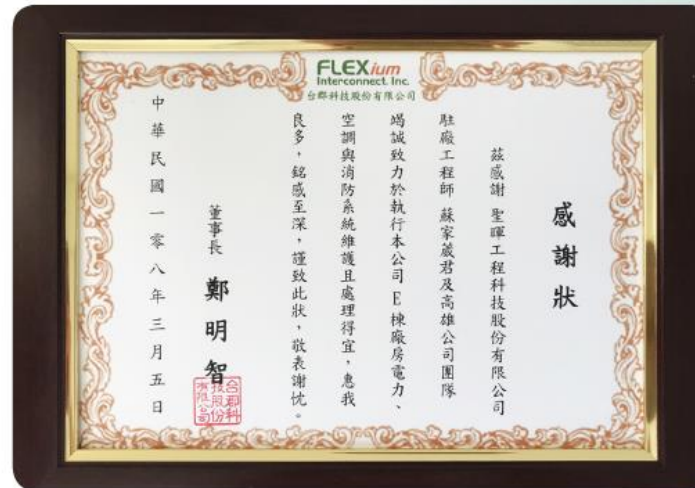
Customers' Recognition and Glory

Acter insists on walking hand-in-hand with our customers. Not only are we doing our very best to satisfy customers' demand by continuously communicating with them, but also we have built our brand value and competitiveness advantages with innovative technology and high-quality services. This is the reason that we are a reliable partner of our customers.

"Satisfying customers' needs and enhancing customers values" are our commitments to customers. We consider every engineering construction project as a work that represents Acter. Upholding the spirit of "quality the utmost, safety the first", we are doing our best to bring customers the best services. In the future, we will continue to integrate interdisciplinary multiple needs, connect with the emerging industry, deep our development in green technology, implement corporate environmental sustainability, and establish a long-term, reliable and mutual benefit partnership with our customers and suppliers. We will continue to, with our professional passion towards "sustainable engineering services" and mission, create the momentum for the sustainable growth of our society.



Jianhe Construction Co., Ltd.
Engineering Project for New
Electromechanical and
Air-Conditioning Systems



FLEXium Interconnect Inc.
Factory Engineering Project for
Electromechanical, Air-Conditioning and
Fire-Fighting Systems

2019
Recognitions of
Acter's Services
from Our Supplier

Responsible Supply Chain

102-9, 204-1, 308-1 to 2 and 414-1 to 2

“Turnkey engineering services” is a highly complicated and professional industry, where every engineering projects requires the integration of all resources and a solid and complete supply chain team. The supply chain team must, from the supply of materials and equipment to the construction standards to the construction progress schedule, make sure that all requirements are fulfilled. To facilitate the implementation of sustainability through the value chain, Acter only stipulated the “The Growing with Suppliers Plan” in accordance with international human rights and advocacy standards of environmental and economic organizations; and considered it as the highest guiding principle for procurement and outsourcing. Acter also focused on the aspects of “Supply Chain Sustainable Management”, “The Growing with Suppliers Plan” and “Green/Local Procurement Practice” to review the sustainability performance of each circle and enhanced supply management mechanisms from the industry level. Besides, Acter has been even more proactive in enhancing the overall industrial chain; offering suppliers a platform for educational trainings and exchanges; and inviting suppliers to implement CSR and create sustainable growth together.

Acter's Suppliers Code of Conduct

Acter's Suppliers Code of Conduct is stipulated based on a number of internationally recognized standards, such as Universal Declaration of Human Rights (UDHR) and standards promulgated by International Labor Organization (ILO), Social Accountability International (SAI) and Ethical Trading Initiative (ETI). The purpose of stipulating the code is to assure the safety of work environment; the respects to labors' dignity; and the adoption of production processes that are in compliance with environmental responsibility in the supply chain. 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.



[Learn More](#)



| An Overview of Supply Chain Structure

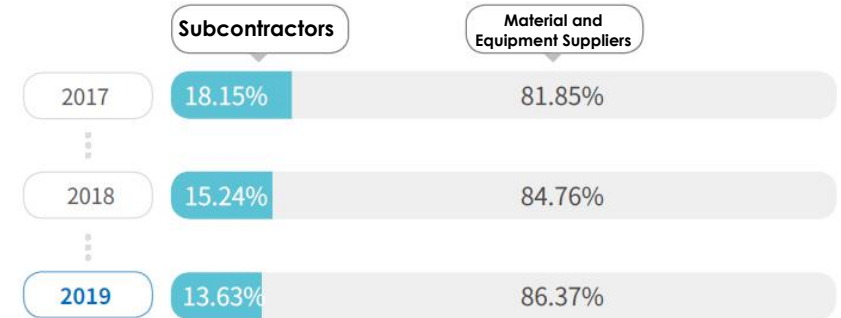
Up to the end of 2019, Acter Engineering has 4,952 suppliers around the world. For an effective management, the said suppliers can be classified into subcontractors and material and equipment suppliers according to their attributes. Besides, according to standard operating procedures, we have defined suppliers whose annual cumulative trading amount is over NTD10 million as "key suppliers" to implement annual supplier assessment.



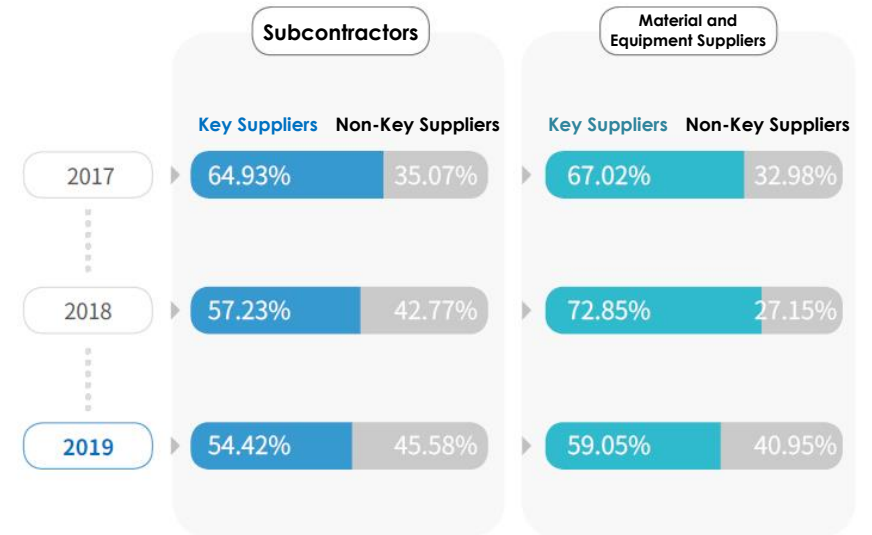
■ Historical Geographical Distribution of Suppliers

	2017		2018		2019	
	Quantity	Ratio	Quantity	Ratio	Quantity	Ratio
Taiwan	4,445 suppliers	99.15%	4,700 suppliers	99.18%	4,909 suppliers	99.13%
China	15 suppliers	0.33%	15 suppliers	0.32%	17 suppliers	0.34%
North East Asia	1 supplier	0.02%	1 supplier	0.02%	1 supplier	0.02%
Europe and United States	22 suppliers	0.49%	23 suppliers	0.49%	25 suppliers	0.50%
Total	4,483 suppliers	100%	4,739 suppliers	100%	4,952 suppliers	100%

■ Historical Proportion of Subcontractors and Material and Equipment Suppliers



■ Proportion of Historical Key and Non-Key Suppliers



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

Supply Chain Sustainability Management Procedures

Based on Acter's "Suppliers Code of Conduct", we have implemented our supply chain sustainability management according to four major policies, including "Compliance with Rules", "Risk Assessment", "Participation in Audit" and "Continuous Improvements". Through the new suppliers selection mechanism, we can ensure that all of our suppliers have adopted the same standards to implement management requirements; and identify and assess risks in advance. Besides, we have continuously enhanced our supervisory, counseling and improvement measures using documentation, site audits, supplier assessment and visits to suppliers. Apart from encouraging subcontractors to proactively participate in audit, we also give necessary counseling and assistance thereto; and arrange re-assessments to make sure that they have achieved the standards. For those who fail to reach the standards, Acter will decrease the trading amount or terminate trading therewith.



New Suppliers Selection Mechanism

As Acter pays great attention to business integrity, new suppliers are requested not only to fill in the "Supplier Basic Information Form", but also to sign the "Integrity and Modesty Commitment" to ensure the entire process comply with the spirit of fair trade. Acter also established the reporting mechanism: any supplier who violates integrity and modesty rules will be refused to have business relationship with; and will be liable for legal responsibilities accordingly. Up to 2019, 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 "Supplier CSR Commitment" and invited existing suppliers to resign the commitment. In 2019, 213 new suppliers have signed the Commitment and, up to the end of 2019, 625 suppliers have signed the commitment.

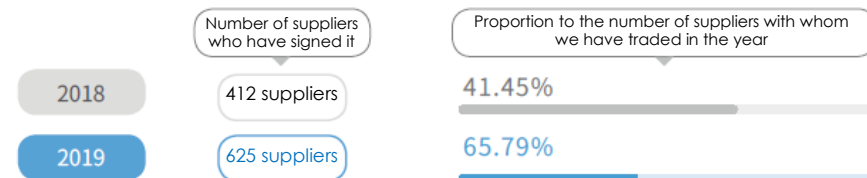
Management Index

Selection of New Suppliers between 2018 and 2019

(Achieved the target this year. The new suppliers' signing rate of "Supplier CSR Commitment) reached 100%)



Proportion of Suppliers whom have Signed the Supplier CSR Committee between 2018 and 2019



Supplier Assessment

Acter has stipulate "Supplier Assessment Form" in accordance with "Procedures Governing Procurement and Materials". Each half 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 2019, Acter has assessed all key suppliers (59 in total).

Historical Assessment Results of Key Suppliers

	2017	2018	2019
Number of assessed suppliers	81 suppliers	82 suppliers	59 suppliers
Number of traded suppliers	941 suppliers	994 suppliers	950 suppliers
Assessment ratio	8.61%	8.25%	6.21%
Average score	75.5	79.6	79.8

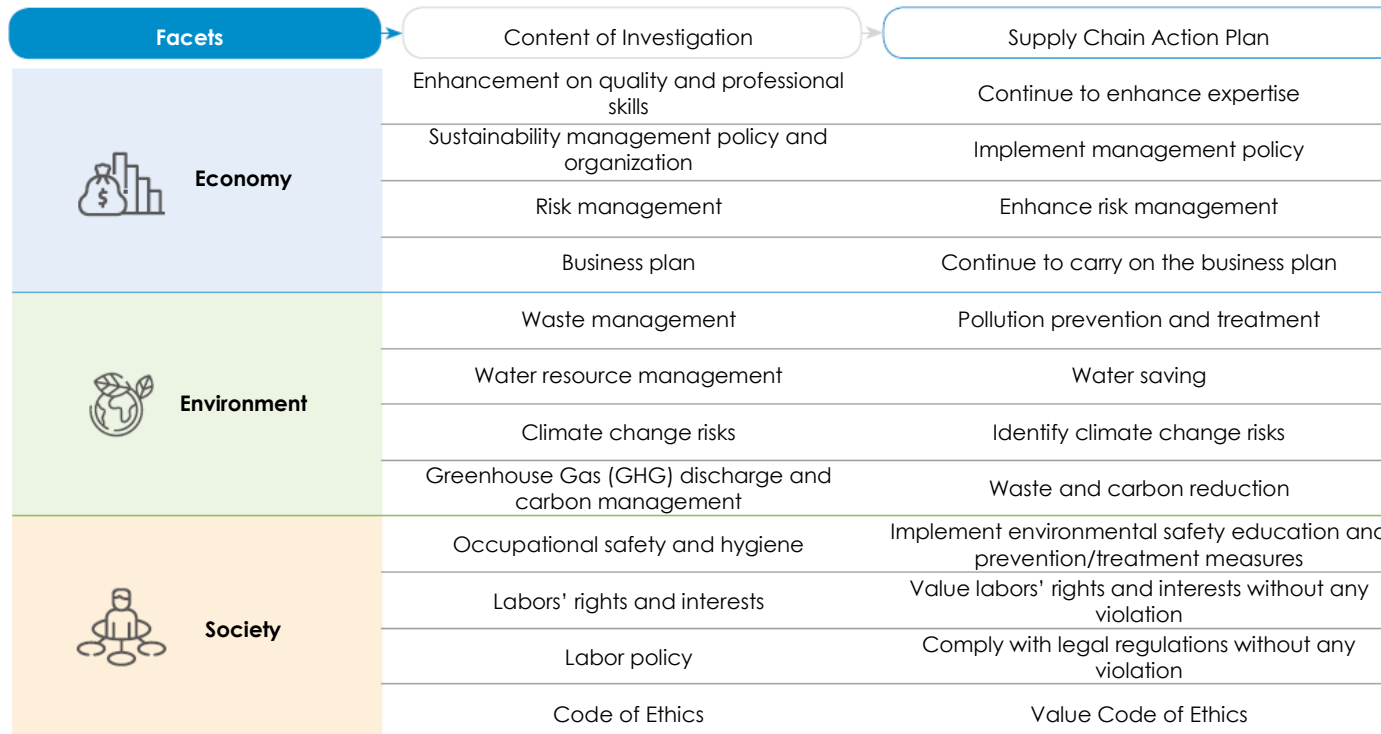
Comparison of the Assessment Results of Key Suppliers

Assessed Items (score)	2017	2018	2019
material/construction quality (20)	15.5	16.6	15.9
Delivery date/construction achievement rate (20)	15.7	16.6	17.1
Price advantages (10)	7.2	7.6	7.5
Expertise (20)	15.3	15.2	15.7
Level of collaboration(30)	22.3	24.3	24.2
Finance (point deduction)	(0.5)	(0.7)	(0.6)
CSR (point deduction)	0.0	(0.0)	0.0
Total score (100)	75.5	79.6	79.8

Supplier Sustainability Risk Assessment

To further implement risk management, Acter requests key suppliers to fill in "Sustainability Risk Assessment Form" each year to understand suppliers' governance of sustainability issues; and their performance management capabilities with respect to the environment, society and corporate governance. Also, Acter has defined suppliers as high-, medium- and low-risk suppliers according to the probability and impact level of potential sustainability threats. For high-risk suppliers, Acter carries out on-site audits and, through the visits to suppliers, understand the status of risks, give suggestions to improve their deficiencies and track improvement status accordingly. In 2019, no supplier was involved in the high risk and therefore requires no on-site audit. However, for suppliers who have a relatively poor performance, Acter has identified the risk factors thereof as a reference source for preventive management.

Supplier Sustainability Risk Assessment Items



| Visits to Suppliers

Each Year, Acter's Procurement Department conducts 4 visits to suppliers to ensure that suppliers' product quality and labor environment comply with "Supplier Code of Conduct". For example, whether the suppliers' production route is smooth enough to lower occupational hazard risks; whether safety advocacy and slogan are labeled in the factor; whether employees' boarding house is clean and safe; whether the wastes are classified and stored in the temporary storage zone and so on. 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. During the inspection, inspectors are strictly prohibited to accept any gift or treatment from the suppliers. Inspectors shall also take a photo of key inspection items and archive it with the "Supplier Visit Assessment Form", which shall be filled in by the inspector and signed by the supplier. The said assessment form will be used to examine and enhance/ further develop our management measures. In 2019, Acter already visited 4 "key suppliers" and completed relevant works.

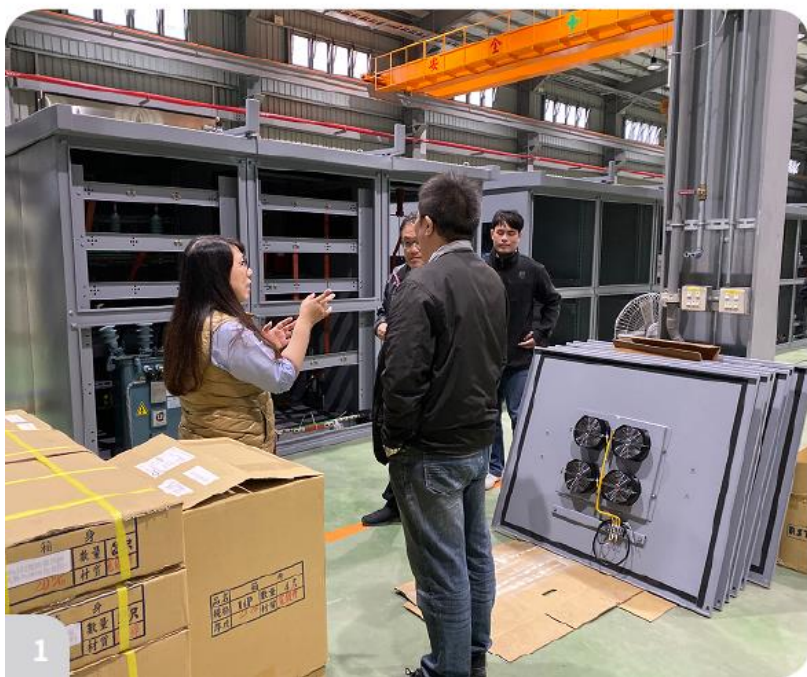


Photo 1 | Procurement Department and suppliers' personnel communicate and exchange ideas on the equipment and material management approach.

Photo 2 | For Acter, duct is an equipment of major use and is often used in our engineering and construction projects. This photo is taken by the Procurement Department when inspecting duct suppliers' production process. The purpose thereof is to make sure that the products are produced with high-spec production standards

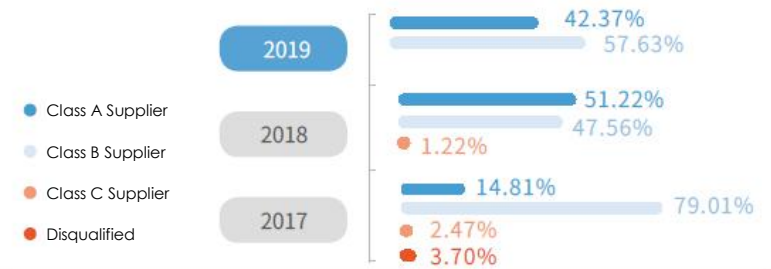
The Growing with Suppliers Program

As suppliers are important partners for Acter with respect to our realization of sustainable development, we therefore position ourselves as a good supervisor and counselor who assists them in adopting improvement measures during the construction process. In the meantime, by launching the "Supplier Foster Plan", we not only provide educational trainings thereto, but also summon toolbox meeting and establish a business sustainability-oriented exchange platform. It is our vision to, when striding forward to the internationalization, proactively counsel 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 2019 key supplier assessment results, not only is proportion of Class A suppliers (25 suppliers in total) 42.37%, 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.

Management Index

Proportion of Key Suppliers at Different Level

(Reached the target this year, where the proportion of Class A Supplier is more than 15% according to the supplier assessment results)



Implementation Policy / Specific Approach



Assist suppliers in enhancing their response capability

- 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.
- Provide education and training programs to enhance suppliers' expertise, which will be used thereby to confront challenges of the industry or new technology.
- Enhance suppliers' response capability through experience sharing



Implement occupational safety and health

- Provide trainings and programs to build suppliers' awareness of environmental safety inspection.
- Implement occupational safety inspection.



Ameliorate quality

- Provide trainings/ programs or share Acter's experiences to enhance suppliers' expertise.
- Implement quality checks.



Enhance suppliers' CSR awareness

- Establish a business sustainability exchange platform to share Acter's experiences and information of CSR; and to request suppliers to comply with relevant policy in order to expand the benefits of CSR.
- Invite suppliers to participate in Acter's CSR activities and plans.



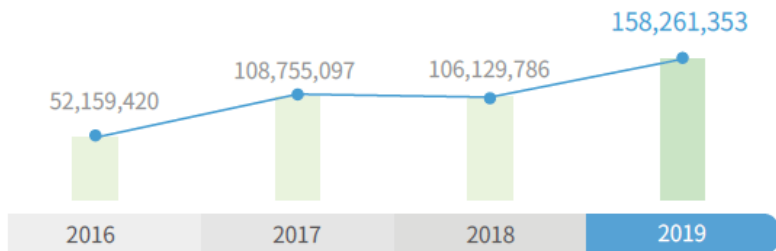
Photo 1 | Q&A and Safety Department was carrying out occupational safety educational training to enhance workers' awareness towards occupational safety.
Photos 2 and 3 | Summon the toolbox meeting on a daily basis to inform the subcontracts the key construction items and work safety matters that must be paid attention to.

Green Procurement

To facilitate the sustainable development of environment, respond to SDGs by implementing the responsible consumption cycle, and proactively enhance the green technology and competence, Acter not only provides customers high-quality green designs and plans, but also complies with the 3R principles (i.e. Reduce, Reuse and Recycle) in the project by using eco-friendly labeled or products and other equipment/materials that are recognized by the Environmental Protection Administration (EPA) as renewable, recyclable, low-pollution, energy-saving and/or water-saving. The total green procurement of Acter's projects of 2019 is NTD158.26 million, counting 7.31% of the total procurement (tax included) amount of accepted items with a 1.2 times increase.

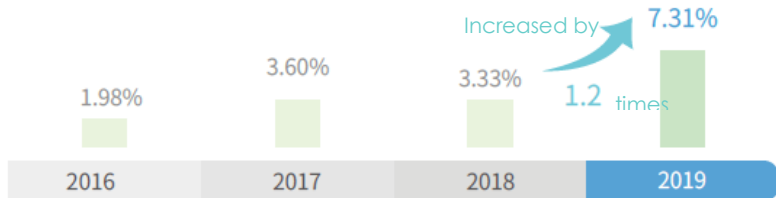
Historical Green Procurement Amount

Unit: NTD (tax included)



* Adjustment to the data: The annual procurement amount of "NTD87,859,786" specified in Acter's 2018 CSR Report was mistaken. Already added the procurement amount of other energy-saving equipment/materials accordingly.

Proportion of Historical Green Procurement Amount



Note: Proportion of the green procurement of the year to the total procurement amount of accepted items.

Acter's Green Procurement Principles



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

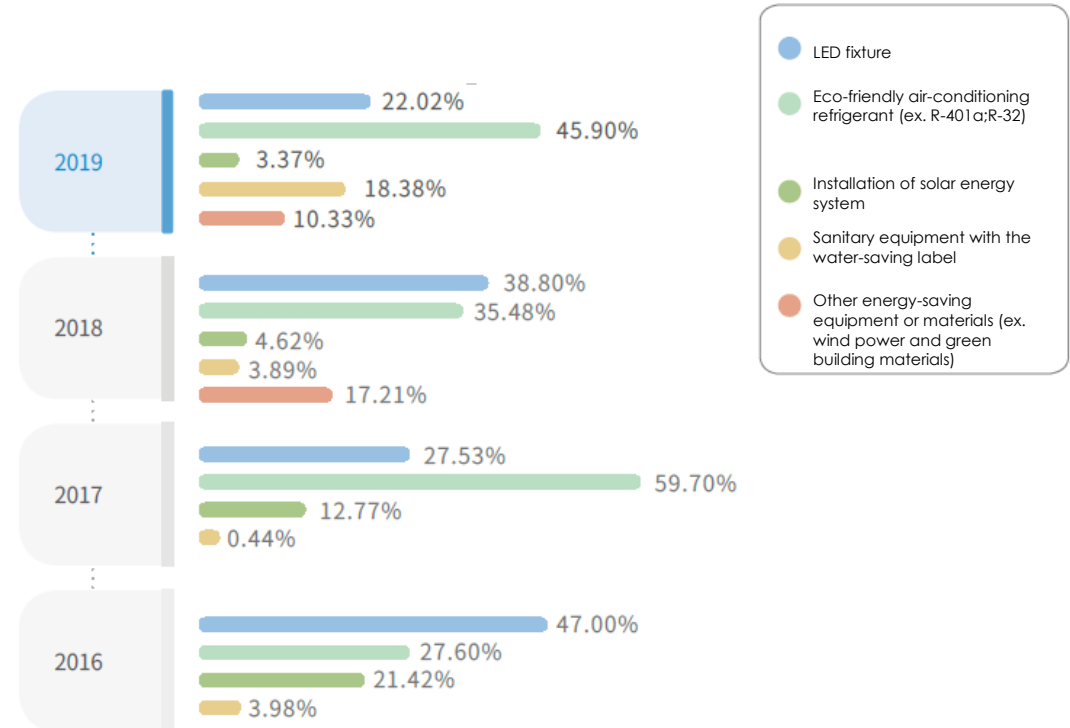


Procure products that are renewable, recyclable, low-pollution, energy-saving and water-saving



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

Analysis of the Proportion of Historical Green Procurement Items

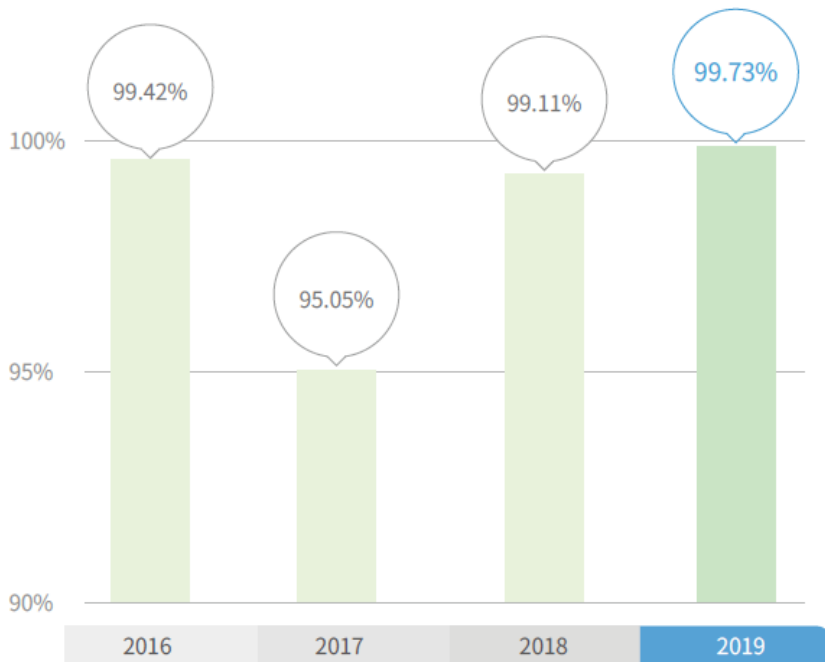


Local Procurement

Acter believes that, as a responsible company, we must proactively establish a positive relationship with local, including fostering local industries, drive local economic development and create employment opportunities. Therefore, on the premise of not affecting the stability, safety and fairness of procurement, we also consider local materials as the first priority and cooperate with local subcontractors to implement the projects. The proportion of Acter's local procurement expenditure in 2019 was 99.73%.

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



Proportion of Local Procurement Amount of Acter Group's Key Operations Sites

Important Operations Sites	Acter Technology (Suzhou)	Winmax Technology	HER SUO Engineering
Proportion of Local Procurement	100%	91.91%	100%
Descriptions * Comparing with 2018	The same	Increased by 24%	The same

Note: Important operations sites refer to sites whose annual revenue is more than NTD500 million, implying their engagement with a significant amount of engineering projects. In 2019, Acter Technology (Suzhou), NOVA Technology, Winmax Technology and HER SUO complied with the said standards. Among them, Acter Technology (Suzhou) and Winmax Technology are defined as Chinese Operations Sites. Besides, as NOVA Technology started to publish its CSR report in 2017, it is therefore excluded from the list here.

04 Environmental Protection

- 64 Environmental Risk Assessment and Response
- 67 Environmental Management System
- 68 Greenhouse Gas Inventory and Energy Management
- 71 Water Resources and Waste Management

Annual Highlights

- **Maintain the record of receiving 0 environmental penalty and 0 fine.**
- **Obtained the ISO 14064:2006 certification.**
- **The greenhouse gas (GHG) emission reduced by 14.15%.**
The GHG derived from the operations reduced by 14.15% comparing with the previous year.
- **The water consumption reduced by at least 9%.**
Both of the water consumption and water consumption per capital reduced by at least 9% comparing with the previous year.



Climate change, power shortage and environmental/ecological destruction have become ignorable challenges for the contemporary society. These challenges are also the responsibilities that corporate citizens must take and cautiously think about in order to find the opportunity for a sustainable development. In response to the global sustainable development goals while enhancing our enterprise resilience and creating new opportunities, Acter has invested in the applications of green engineering technology integration and cooperated with our supply chain partners to create low-carbon economy by promoting “sustainable engineering services”. In the meantime, by collecting and identify environmental risks, Acter has drawn up top-down reduction action plan; and continuously reviewed the progress thereof and made adjustments thereto. This helps to facilitate all departments’ implementation of sustainability in every circle of the Company’s business operations; and construct an even more resilient organization with responsible services.



Environmental Risk Assessment and Response Strategy

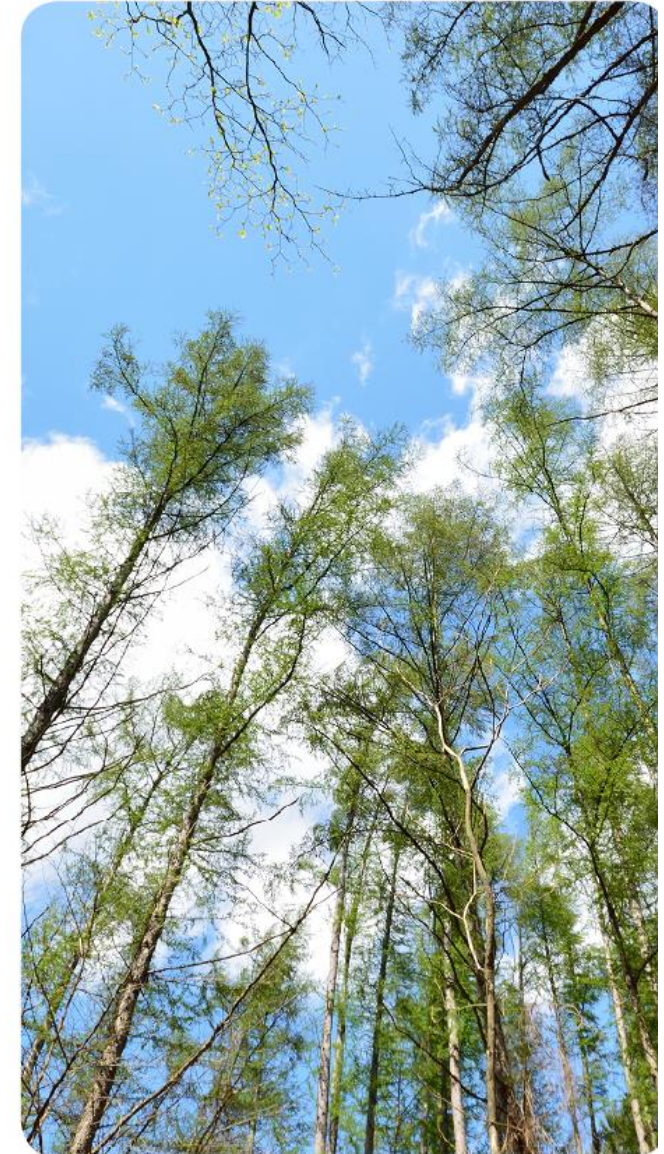
We have divided environmental protection issues into three levels, including “climate change issues”, “limited energy / resources” and “environmental and ecological impacts”, to carry out risk assessment and propose response strategy accordingly. Our concerns over these issues are also integrated into Acter’s corporate government policy, where specific management measures and quantitative indicators are also established respectively.



| The Climate Change Issue

The climate change issue has become one of the severest challenges in the international community today. The “United Nations Framework Convention on Climate Change (UNFCCC)” “ passed by the United Nation (UN) in 1992 and the restriction on the Earth’s average temperature to below 2°C specified in “Paris Agreement (Accord de Paris)” made by member states in 2015 were established to facilitate worldwide nation’s strategy in response to the threats from climate change. The recent occurrence of extreme climate hazards and changes to market regulations, on the other hand, also show how climate changes have directly and indirectly impacted business operations.

In response to the challenge of climate change, Acter not only collected and analyzed climate change investigations/reports, guiding principles for national climate change adaptation policy, and industrial evaluation/response measures, but also followed GRI standards to identify potential risks, opportunities and financial impacts of climate change, set response actions accordingly and disclosed corresponding indicators.



■ Analysis of Climate Change Risks, Opportunities and Financial Impact

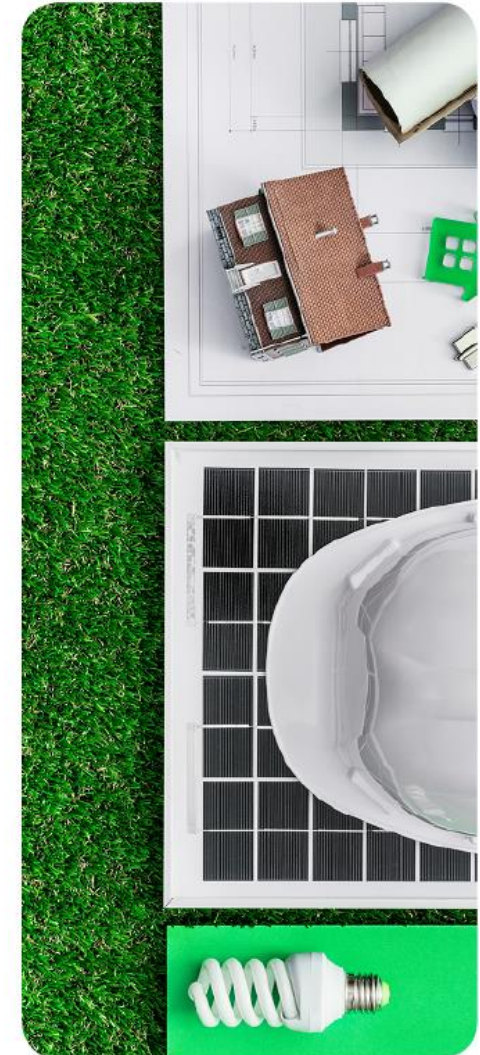
		Descriptions of Identification Results	Potential Financial Impact	Cost of Adopted Action	Acter's Response Actions
Entity	Risks	Climate change may result in water resource shortage, suspended raw material supply or increase of disease, impacting the supply chain and increasing procurement costs. Extreme climate, on the other hand, may result in engineering delay; loss or damage of engineering assets; casualty and other accidents.	Any project delay or accident will incur the increase of operating costs.	Relevant insurance and educational training expenditure.	<ul style="list-style-type: none"> Change construction approach and take relevant issues into considerations when planning the construction schedule. Do preventive measures and educational trainings in advance (such as a propaganda for heat hazard); and establish emergency response measures and settlement measures. Draw up procurement response strategy in advance and seek for long-term suppliers for volume incentive. Purchase natural disaster related insurances.
	Opportunities	Use our know-how to minimize customers' damages derived from climate change while increasing their market competitiveness.	Develop new market customers and enhance the brand image to grow the revenue.	Invest in green engineering technology integration.	<ul style="list-style-type: none"> Technology Division and engineering units continue to ameliorate and integrate green engineering technology to meet customers' requirements.
Regulations	Risks	International and domestic environmental and climate change regulations have little impact on Acter's operating performance, but still need to be paid attention to.	May receive fines in case of violating domestic or international regulations, resulting in a decrease of revenue.	Counseling and verification fees for compliance with regulations.	<ul style="list-style-type: none"> The Quality Assurance and Safety Department shall continuously identify risks and response strategy as prescribed in new regulations in accordance with "Procedures Governing Environmental Safety and Health Objectives and Solution" as the responsible management unit. Executive secretary of the CSR Committee evaluate the content of international protocols and impacts associated therewith to stipulate relevant management measures.
	Opportunities	Follow environmental compliance requirements to provide green engineering technology that can save more energy and be eco-friendlier.	Pay early attention to regulatory trends and assist customers in creating value engineering approach can enhance Acter's professional image and increase revenue.	Invest in research and development	<ul style="list-style-type: none"> Technology Division and engineering units continue to develop green engineering technology and applications; and, through industrial-governmental-academic cooperation and collaboration, accelerate the development thereof.
Market	Risks	Following international community's increasing attention to climate change and environmental issues, customers now consider Acter's ability to provide energy-saving and green energy technical supports as an important factor. If such demand cannot be satisfied, the Company's operational performance and market competitiveness will be affected.	Failing to meet customers' energy-saving and environmental protection requirements can result in the loss of customers and decrease in revenue.	Transformation expenditure for introducing new technology and equipment applications.	<ul style="list-style-type: none"> Be familiar with and control all types of applied technology tools and management strategy corresponded to the trends. Establish a good partnership with potential customers and proactively notify it of the trend of relevant industry and control customers' demand for competitiveness. Enhance green engineering project management system capabilities, accumulate experiences of relevant practice and facility the services of green brands.
	Opportunities	Following the change of business model, the demand for existing products or new products also increased, resulting in new business opportunities.	Develop new technology in response to relevant demand and expand the market share will result in the increase of revenue.	Expenses derived from new investment items.	<ul style="list-style-type: none"> Enhance market acumen, diversify the operations and develop potential new market opportunities.

■ Risk Assessment of and Response Actions to Limited Energy/ Resources

Descriptions of Identification Results		Acter's Response Actions
Risks	Impact the raw material supply chain and operating functions.	<ul style="list-style-type: none"> • Adopt "energy saving and waste reduction" oriented designs and plans; and adopt 3D/BIM drawing technology to reduce material consumption and loss. • Reduce operational power consumption and introduce the energy management system. • Reduce water consumption and discharge of wastewater; implement the resource recycling and reutilization policy. • Continue to develop new technology and construction methods in order to optimize the use of resources.
Opportunities	Promote "energy efficiency improvement plan" to create new business opportunities.	

■ Risk Assessment of and Response Actions to Environmental and Ecological Impacts

Descriptions of Identification Results		Acter's Response Actions
Risks	Impact employees' physical and mental health; cause irreversible damages to the environment and ecology.	<ul style="list-style-type: none"> • Implement the "ISO 14001-2015" Environmental Management System. • Conduct audit works in accordance with environmental protection regulations promulgated by the competent authority and meet the requirements thereof. • Use materials that are compatible with the ecological environment; and avoid using materials containing hazardous substances. • Regularly audit and review the effectiveness of environmental policy; and continue to propose improvement plans. • Continue to integrate environmental engineering technology and applications (the treatment of wastewater, waste gas and waste liquid).
Opportunities	Increase the demand for "environmental engineering" as well as the Company's revenues.	



Environmental Management System

307-1

Acter has not only appointed the Q&A and Safety Department as the unit governing environmental risks, but also stipulated "Procedures Governing Environmental Operations Control" by introducing the ISO Environmental Management System. The purpose thereof are to plan the environmental operations control of the Company and project sites interdepartmentally, supervise the procedures thereof, and regularly summarize the aforesaid staged results at supervisors' meetings. At the moment, Acter has introduced the ISO 14001:2015 Environmental Management System and acquired the third-party verification. The scope of verification covers design, planning, construction and maintenance works that can control or impact business activities, products, services and 100% revenue range.

In 2019, Acter succeeded in maintaining the records of violating no environmental regulations, receiving no fine, and having no incident of major pollution concern.







Statistics of 2019 Environmental Expenditure

Unit: NTD

Investment Type	Number of Case(s)	Expenditure
Environmental Certification	1	60,000

Note: Acter mainly provides engineering design, supervision and management related technology integration services. According to our government's "Stationary Pollution Source Installation and Operating Permit Management Regulations Amended Clauses", Acter does not need to acquire pollution installation, operations and discharge permits due to the attributes of our industry. However, Acter still values pollution prevention and treatment works; and has been devoted to all types of pollution prevention and mitigation works to mitigate impacts on our environment. Besides, according to "The Guide of Industrial Environment Accounting" promulgated by Environmental Protection Administration (EPA), Executive Yuan, environmental expenditure is defined as "expenses of all types of activities made to protect the environment; and this type of industrial environmental protection costs can be divided into equipment investment or operating expenses." Acter not only allocates a certain amount of budget for carrying out environmental certifications and tests each year, but also continuously asks for professional evaluators advises to enhance our management efficiency.

Contents of Environmental Management Works

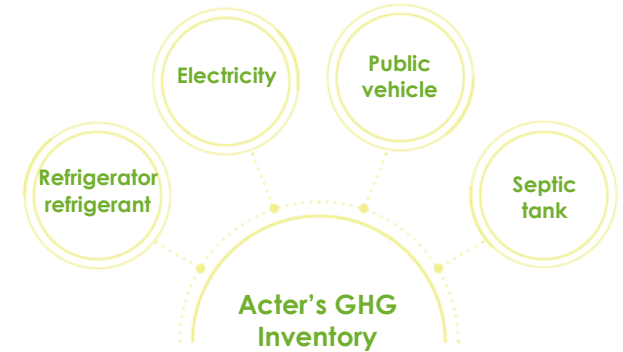
 Livelihood sewage	Source	Livelihood sewage produced by employees in headquarters and at project sites.
	Management methods	Centralize the discharge of sewage the building or office's sewer pipe; and prevent high-polluting or toxic substances from being directly discharged into the sewer system.
 Wastes	Source	General industrial wastes and recyclable wastes produced during the headquarters' or contract engineering activities.
	Management methods	Implement the classification of wastes; appoint personnel of all units to regularly patrol and check if the storage containers are classified and complete. Besides, hazardous industrial wastes and computer peripherals are collectively transported and disposed by the headquarters or qualified subcontractors on site.
 Water supply facilities	Source	Refers to drinking and domestic water used during office operations and activities.
	Management methods	The headquarters' drinking water facilities are cleaned and maintained by the building management center on a regular basis. Besides, a legal inspection agency is commissioned to test Escherichia coli value every quarter. Where any of the Company's units has doubts on the drinking water facilities, such as a defect or leakage, it is a must to immediately notify the General Administration Division thereof.
 Energy for power supply	Source	Refers to electricity used during office operations and activities, such as those consumed by the lamps, air-conditioners and computer equipment.
	Management methods	The headquarters collects statistics on and analyzes power consumption each period; and adopt power control measures for lighting equipment, computer equipment, air-conditioners, copying machine and so on. As for the project sites, on-site personnel is educated (through propaganda or audits) to immediately turn off the power of all machineries and equipment when no one is working or when people are having a break.
 5S working environment	Source	Refers to environmental cleaning and maintenance activities taken in the office.
	Management methods	Personnel of all departments is requested to do maintenance and cleaning works in ordinary days, including cleaning individuals' trash cans, toilets and the office environment. Personal computer equipment, on the other hand, shall be cleaned and maintained by the user; and must not be wiped with a wet cloth. In case of finding any defect thereof, the user must also immediately notify the IT department thereof. As for other public equipment such as copier, printer and shredder, they must have their shells cleaned on a regular basis; and be checked if they operate normally in order to maximize its best performance.
 Chemical treatment	Source	Refers to chemicals, such as super glue and paint, used at the construction site.
	Management methods	Request subcontractors to, according to "Regulations for the Labeling and Hazard Communication of Hazardous Chemicals", list all chemical substances for the purpose of management; label hazardous substances; centralize the storage thereof in material picking zone; and make sure that the chemicals' openings are sealed; and dispose the materials as wastes.

Greenhouse Gas Inventory and Energy Management

302-1、302-3、305-1~2

| Greenhouse Gas Inventory

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 proactively implemented carbon reduction principles in daily operations. Since 2017, Acter has complied with "Greenhouse Gas Inventory – Standards (ISO 14064:2006)" and "GHG Protocol" to self-inventory the emission of 7 GHGs (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃) of Scopes 1 and 2 internally in order to evaluate the following emission reduction measures. 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)". To increase the data accuracy, Acter has sent the data of 2018 and 2019 GHG inventory reports to SGS Taiwan Ltd. and received the third-party assurance statements therefrom; and published all data for the information of relevant stakeholders.



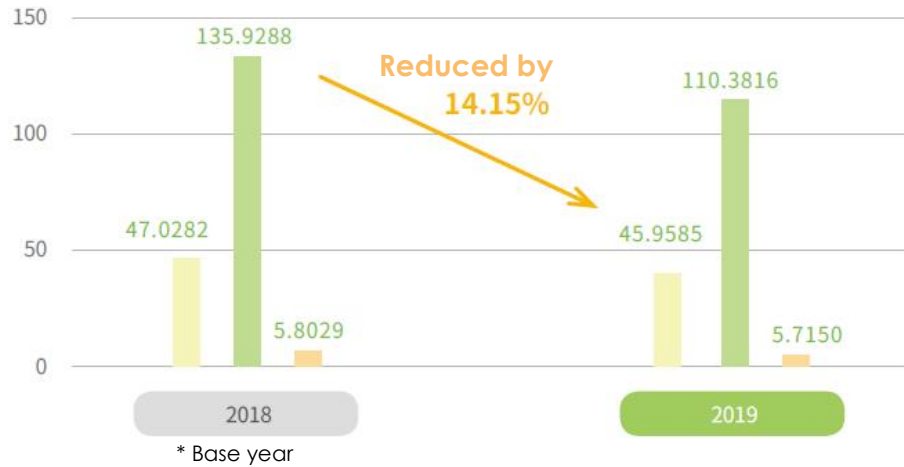
■ Statistics on the Top 7 GHG Emission in 2019

Type of emission source	Emission source	Scope	GHG emission (ton-CO ₂ e/year)							Proportion to total emission (%)	
			CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SF ₆	NF ₃		
Fixed emission source	Electricity (externally purchased)	2	45.9585	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	45.9585	28.36
Mobile emission source	Gasoline (public vehicles)	1	105.7910	0.9550	3.6356	0.0000	0.0000	0.0000	0.0000	110.3816	68.11
Fugitive emission source	Refrigerant	1	0.0000	0.0000	0.0000	0.0004	0.0000	0.0000	0.0000	0.0004	0.00
	Septic tank	1	0.0000	5.7146	0.0000	0.0000	0.0000	0.0000	0.0000	5.7146	3.53
Total			151.7495	6.6696	3.6356	0.0004	0.0000	0.0000	0.0000	162.055	100.00
Proportion to the total emission (%)			93.64	4.12	2.24	0.00	0.00	0.00	0.00	100.00	

Note: In 2019, Taiwan headquarters' total emission of all types of GHGs was 162.055 ton-CO₂e, excluding CO₂ directly emitted by the biomass fuel as the CO₂ emission thereof was 0 ton. Also, as Acter belongs to the industrial service industry, the GHG emission thereof comes primarily from the public vehicle (including the leased vehicles and private vehicles for public use) of mobile emission source, counting 110.3816 ton-CO₂e (68.11% of the total emission); and fixed emission source (externally purchased electricity), counting 45.9585 ton-CO₂e (28.36% of the total emission). Among all emitted GHGs, CO₂ counts the largest proportion with a percentage of 93.64%; and then CH₄, with a percentage of 4.12%.

Comparison of GHG Emission of the Base Year

Note: Unit is ton-CO₂e



Scope 2 (indirect energy emission)

Fixed emission source – Electricity (externally purchased)

Scope 1 (direct emission source)

Mobile emission source – Public Vehicles

Fugitive emission source – Refrigerant and septic tank

Carbon Reduction Measures in Daily Operations



Transportation

- Encourage employees to take public transportation tools or take carpool.
- Conduct on-line meetings to reduce transportation carbon emission.



Office Electricity Consumption

- Implement energy management; regularly patrol and check energy equipment; and adopt energy-saving/ high EER value/ low carbon equipment and products.
- Make regular announcements internally to remind employees to cultivate the habit of saving energy and to establish the energy-saving corporate culture.



* As the Acter already passed the third-party verification of GHG inventory ISO14064:2006 in 2018, the GHG emission of Acter's 2018 CSR Report is based on the verified data and 2018 has been reset as the base year. The total emissions of GHGs in 2018 were 188,760 ton-CO₂e and 162,055 ton-CO₂e with a growth of -14.15%.

References:

1. The externally purchased electricity (TAIPOWER) is calculated based on the electricity emission coefficient (0.533kg/kWh) announced by Bureau of Energy, Ministry of Economic Affairs in 2018
2. The GHG emission of 2018 and 2019 were calculated respectively using the GWP values specified in Versions 6.0.3 and 6.0.4 of the "GHG Emission Coefficient Management Table"
3. The "Operation Control Method" has been adopted for the setup of GHG inventory.

Energy Management

Acter promotes and implements a number of energy-saving measures by carrying out inventory audits and review power consumption on a regular basis. The adopted measures are, for example, enhancing the energy efficiency through regular maintenance works; adopting energy-saving, water-saving or energy star labelled products; and, with the efforts of department supervisors, educate employees the energy-saving concepts and enhance their awareness towards energy saving. All of these have been adopted by Acter to facilitate our operational energy management. In the meantime, as the Q&A and Safety Department has carried out the ISO 50001:2018 Energy Management System counselling, the inventory scope boundary and data have been reset and adjusted (the power consumption of building air-conditioning system has been added thereto); and a third-party verification is expected to be taken place in 2020 to enhance Acter's management and energy-saving effectiveness.

Power consumption of 2019

Scope boundary	Energy type	Unit	2017	2018	2019	Baseline value Note 3 Scale of increase
Headquarters' operations office	Externally purchased electricity	kWh	142,563	149,393	152,597	+4.53%
	(non-renewable energy)	Gigajoule (GJ)	513.23	537.91	549.45	
	Electricity consumption per capital	GJ/ capita	7.03	7.27	7.63	+6.71%

References:

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 860Cal/ kWh (updated on October 15, 2019).
2. Energy intensity = Total electricity usage (GJ)/ No. of employees working at Acter's headquarters in the year.
3. The reference value is the average usage of 2017 and 2018. The purpose of adopting the average is to prevent error derived from the use of one single data.
4. The headquarters' electricity consumption and electricity consumption per capital of 2019 were higher than the average of the previous two year because the number of project estimation case is more than 2018. Also, staffs of Engineering III Department and Engineering V Department were transferred to the headquarters. As these staffs do not work in the headquarters routinely, the electricity consumption (primarily the power consumed by the building's air-conditioning system) and electricity consumption per capital therefore increased accordingly. By introducing the ISO 50001:2018 Energy Management System in 2020, Acter will continue to adopt various energy reduction measures to facilitate energy optimization and enhance the effectiveness of energy saving.

Energy Conservation measures in Daily Operations

Energy



- Select and purchase products with green mark, energy-saving label and high EER value.
- Switch off all computers after finishing the works. Turn off the power of extension cord and unplug it.
- Set the printers in the energy-saving mode.
- Printers without the fax function are switched off or to the energy-saving mode.
- Set the water dispensers in the energy-saving mode.

Lighting



- Adopt T5 lamps and zone control measures; switch lights in areas without the need for lighting.
- During the working hours, lights that are not in use or are unnecessary shall be turned off or be partially turned on.
- Turn off all lights during the lunch break.
- 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.
- Review the lighting needs and enhance the lighting performance.

Air-Conditioning System



- Set the air-conditioning temperature at 26° to 28° in the office.
- 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.
- 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.
- Install curtains to reduce direct sunlight and to minimize the use of air-conditioning system.

Water Resource and Waste Management

303-1~2、306-2

| 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 headquarters is located in a commercial building and the water thereof 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 2019, Acter succeeded in reducing tap water consumption, water use intensity and water consumption per capita by more than 1% comparing with the base year.

■ Water Consumption of 2019

Scope boundary	Water consumption	Unit	2017 * Base year	2019	Scale of increase
Headquarters	Tap water consumption	1,000 l	790	704	-10.91%
	Water use intensity	1,000 l / Ping	1.42	1.27	
	Water consumption per capita	1,000 l / No. of people	10.82	9.78	-9.67%

References:

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.

■ Water Conservation Measures in Daily Operations



Water facilities

- Purchase water saving labelled products and equipment; add auto-sensing device to faucets.



Propaganda on water saving

- 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.

| Waste Management

Apart from implementing the 5S principles on the project construction site, Acter also promote waste recycling measures in daily operations. We have not only started to make statistics on the recycling amount of the headquarters in 2017, but also checked if our employees are in compliance with waste/ kitchen waste recycling rules by putting up notice and carrying out sustainable promotions. Besides, we have done our very best efforts to promote the electronization of documentation; educate our employees to prepare and use their own reusable tableware/ cups; purchase renewable papers at priority; regularly inventory all resources to optimize the uses thereof. All of these were done to embody our spirit of cherishing and loving all of our resources.

■ Headquarters' Recycling Amount in 2019

	Disposal methods	Total weight (kg)
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 waste	Will be recycled by certified company commissioned by the building's management committee for compost.	620
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.	562

Note: As the use of recycled resources in each construction site shall refer to the respective engineering contract, the said resources are therefore recycled differently and not disclosed in the statistics.

■ Material Use Reduction Measures in Daily Operations

	Do best to use the double-sided photocopying. The bound papers shall be removable; do best not to use the glues.		Use portable cups/bottles and chopsticks instead of paper cups and disposable chopsticks.
	Electronize documents and use e-mails to reduce the use of papers.		Replace tissues and paper towels with handkerchief.
	Use renewable papers.		Electronize educational and training materials.
	Use envelopes and paper bags repeatedly.		Implement garbage classification and recycle resources.
	Electronize employees' salary payment slip.		Avoid over packed products.



Photo 1 | The Company has set a paper recycling area to optimize the use of all materials. Photo 2 | Notice is put up in the headquarters' resource recycling room to remind the employees about classifying all wastes.

05 Common Prosperity of the Society

- 74 Friendly Workplace
- 88 Occupational Health and Safety
- 92 Cultivation of Young Talents
- 94 Social Welfare

Annual Highlights

- The proportion of female managers is 19.72%
- The average employee salary is 1,338,534 *Non-managerial full-time employee*
- 0 major occupational hazard / injury rate (IR)
- Awarded by the customer as the No. 1 Supplier with Excellence in Work Safety (Engineering Group)
- Trained 10 students
Invested NTD2,079,576 in cultivating young talents
- The social participation budget reached NTD5.3 million
Invested NTD5,336,878 / 569 volunteer hours in social participation
- 2 engineering social service projects



In the process of pursuing economic development, Acter has always insisted on people oriented philosophy and considered employees as an important partner of us. This is the reason that Acter has been proactive in creating a happy, safe and friendly workplace; enhancing employees' satisfaction level towards work life; and building Acter into a stage of self-realization for employees. On the other hand, Acter also supports students in their studies and employment searches by running long-term young talent cultivation programs; and offering scholarships and apprentice internships thereto. All of these not only enable young talents to further contribute their full potential and expertise to the workplace, but also facilitate the development of industry talents. In the meantime, by cooperating with local schools, communities and non-profit organizations, Acter has invested money and volunteer hours in a number of social participation, humanities, art and environmental protection projects. The purposes thereof are to facilitate the growth of social inclusion; to achieve common prosperity and good; and to embody the spirit of corporate citizenship!



Friendly Workplace

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

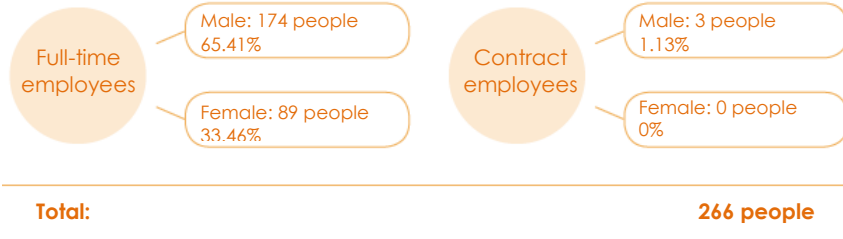
Acter deeply believes that “talents are the foundations of corporate success”. Apart from providing a competitive remuneration design and various benefit measures, Acter has been proactive in building a healthy, safe and friendly workplace by establishing a determinate performance management system; and offering multiple professional education trainings and talent cultivation programs. Our efforts have attracted multidisciplinary talents who consider Acter as a stage of career development, enabling them to put their knowledge into practice. In the meantime, these talents also uphold the spirit of working together and achieving common prosperity and good to growth with Acter and head towards corporate sustainable business.

| Manpower Composition and Distribution

Aiming to “form a high-quality engineering technical service team”, Acter recruits talents through internal recommendations and external recruitment channels. In the recruitment process, Acter has adopted a fair and just operating model; abided by local regulations and standards; resisted employment discrimination; and paid attention to employees’ equal rights and interests for promotion. We do not limit employees’ opportunities for career advancement due to gender, age, race and other non-professional capability. Acter recruits mainly full-time employees and sometimes contract employees in case of having a special engineering or project. As of December 31, 2019, Acter has 263 full-time employees and 3 contract employees. All of them are considered as full-time employees instead of part-time employees; and no child labor has been employed. Among Acter’s employees, there are 2 aboriginal employees and 3 disable employees as prescribed by laws; and the local employment rate of Taiwan is 100%. Besides, the male-female ratio of Acter’s employees is about 2:1 (male 66.54% ; female 33.46%) due to the majority of Acter’s work content, which is construction site supervision and management. However, Acter has been promoting and implementing various gender equality and friendly policy; and facilitating workplace inclusion. In 2019, the statistics of companies of the Acter Group have been included in this report to ensure the disclosure of relevant statistical data.

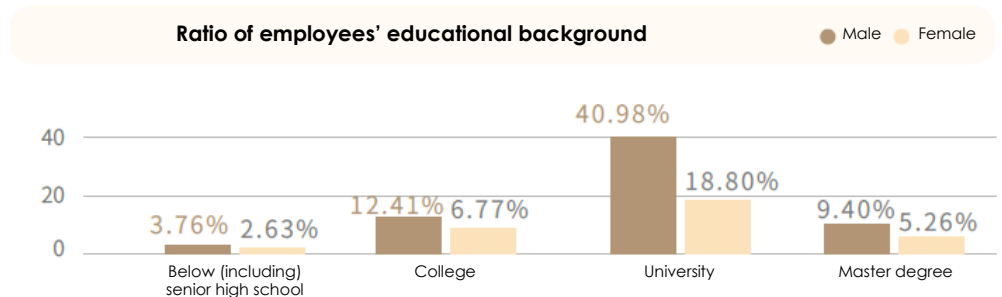
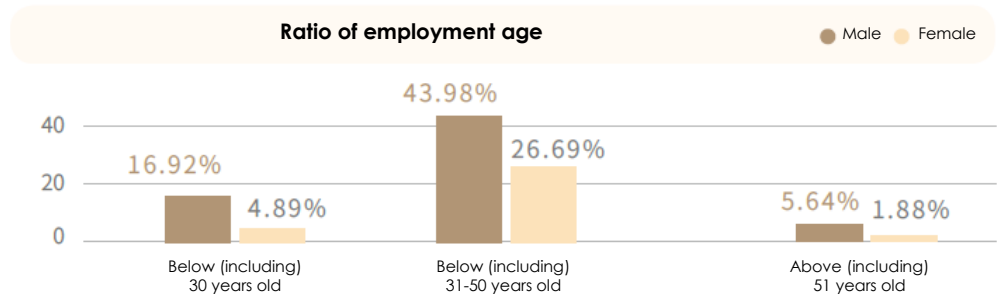
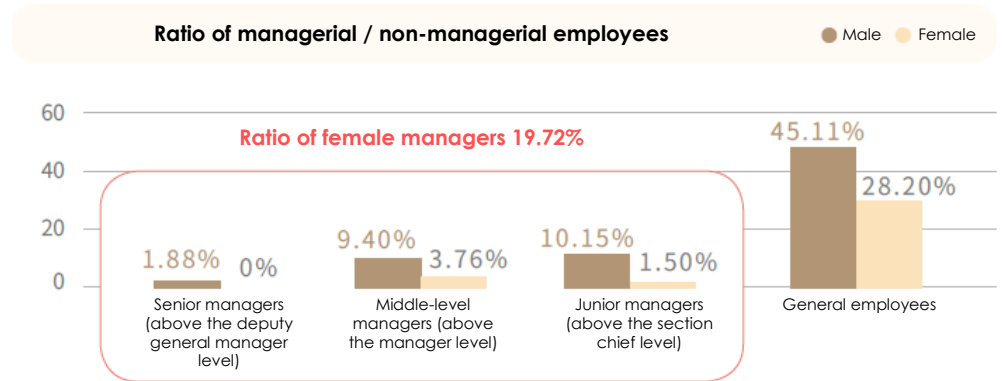


Statistics on Acter's Employment Type in 2019



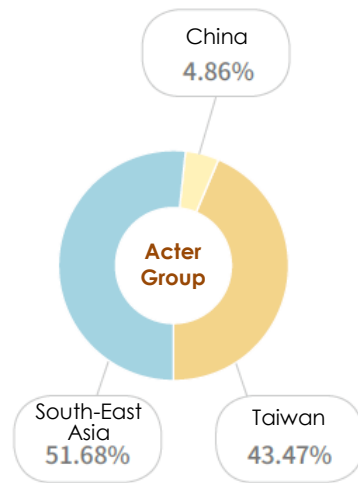
Note: The majority of Acter's contract employees are retire engineers whom are recruited to inherit experiences. The responsibilities thereof are to give certified engineers technical supports and to train new bloods through industrial-academic programs. This flexible employment method can satisfy the front-end employment demand.

Acter's Employee Diversity Ratio in 2019



Acter's Labor Distribution in 2019

Employment Type	Gender	Taiwan	China	South-East Asia
		Full-time employees	Male: 346	Male: 479
Contract employees	Female	Female: 172	Female: 125	Female: 25
	Male	Male: 3	Male: 1	Male: 0
Total	Female	Female: 0	Female: 0	Female: 0
	Male	1,201		



* New disclosure items of this report is based on the statistics of current employees, including those of Acter and subsidiaries thereof, on December 31, 2019.

Employee Age Distribution in 2019

Gender	Age	Taiwan	China	South-East Asia	Total
Male	Below 30 years old	81 (15.55%)	222 (36.69%)	17 (22.67%)	320
	31-50 years old	233 (44.72%)	238 (39.34%)	31 (41.33%)	502
	Above 51 years old	35 (6.72%)	20 (3.31%)	2 (2.67%)	57
Female	Below 30 years old	27 (5.18%)	60 (9.92%)	14 (18.67%)	101
	31-50 years old	135 (25.91%)	63 (10.41%)	11 (14.67%)	209
	Above 51 years old	10 (1.92%)	2 (0.33%)	0 (0.00%)	12
Total		521	605	75	1201

Local Employment Ratio of Important Operations Site of Acter Group in 2019

Type	Taiwan			China	
	Acter	NOVA Technology	HER SUO	Acter Technology (Suzhou)	Winmax
Percentage of local senior management level (above the manager level)	100%	100%	100%	51.28%	67.74%
Proportion of local employment	100%	100%	100%	91.46%	94.92%

Note: Important operations sites refer to sites whose annual revenue is more than NTD500 million, implying their engagement with a significant amount of engineering projects. In 2019, Acter (Taiwan), Acter Technology (Suzhou), NOVA Technology, Winmax and HER SUO complied with the said standards.

Employment Rate & Turnover Rate of Acter Group in 2019

New employees of 2019	Taiwan		China		South-East Asia		Total	
	No. of people	Proportion	No. of people	Proportion	No. of people	Proportion		
Gender	Male	77	71.30%	132	81.48%	18	78.26%	227
	Female	31	28.70%	30	18.52%	5	21.74%	66
Age	Below 30 years old	48	44.44%	104	64.20%	14	60.87%	166
	31-50 years old	52	48.15%	55	33.95%	8	34.78%	115
	Above 51 years old	8	7.41%	3	1.85%	1	4.35%	12
Employment rate	20.81%		26.26%		39.66%		24.54%	

Resigned employees in 2019	Taiwan		China		South-East Asia		Total	
	No. of people	Proportion	No. of people	Proportion	No. of people	Proportion		
Gender	Male	67	79.76%	79	81.44%	5	71.43%	151
	Female	17	20.24%	18	18.56%	2	28.57%	37
Age	Below 30 years old	21	25.00%	51	52.58%	5	71.43%	77
	31-50 years old	48	57.14%	46	47.42%	2	28.57%	96
	Above 51 years old	15	17.86%	0	0.00%	0	0.00%	15
Turnover rate	16.18%		15.72%		12.07%		15.75%	

Note: Acter Group has been proactive in developing the Taiwanese market while expanding the business network to China and South-East Asia. The employment rate is therefore bigger than the turnover rate. Employment rate = local employees whom are newly hired in the year / number of local employees of the year; turnover rate = local employee who resigned in the year / number of local employees of the year.

Remuneration System

To attract and retain talents, Human Resources Department regularly reviews the Company's overall remuneration standards and economic trends to provide competitive remuneration. Besides, to offer employees reasonable remuneration, Acter also evaluates employees' overall performance (including those of the individual, department and company), professional knowledge, skills and job duties to distribute their respective bonus for sharing. In 2019, Acter has increased the salary by about 4.17%. The basic salary approved by the Board of Directors was NTD79,943,208; the average salary for non-managerial full-time employee was NTD1,338,534; and the medium NTD1,080,058, which was higher than the market standard. In overall, the standard salary of Acter Group's important operations sites was higher than local basic salary.

Management Index

Salary Ratio of the Standard Salary of Important Operations Site and Local Basic Salary (Reached the target this year, which was better than the basic salary and the salary after the adjustment)

	Taiwan			China	
	Acter	NOVA Technology	HER SUO	Acter Technology (Suzhou)	Winmax
Salary ratio of general male employees' minimum salary and local basic salary	1.25	1.28	1.3	1.68	1.37
Salary ratio of general female employees' minimum salary and local basic salary	1.29	1.33	1.13	1.98	1.37

Note: Important operations sites refer to sites whose annual revenue has reached a specific proportion of the Group's total revenue. In 2019, Acter, Acter Technology (Suzhou), NOVA Technology, Winmax and HER SUO complied with the standards. The standard salary is defined as "the salary of a full-time employee who is at the lowest rank" and interns are excluded therefrom.

Salary Ratio of Male-Female Employees at important operations sites

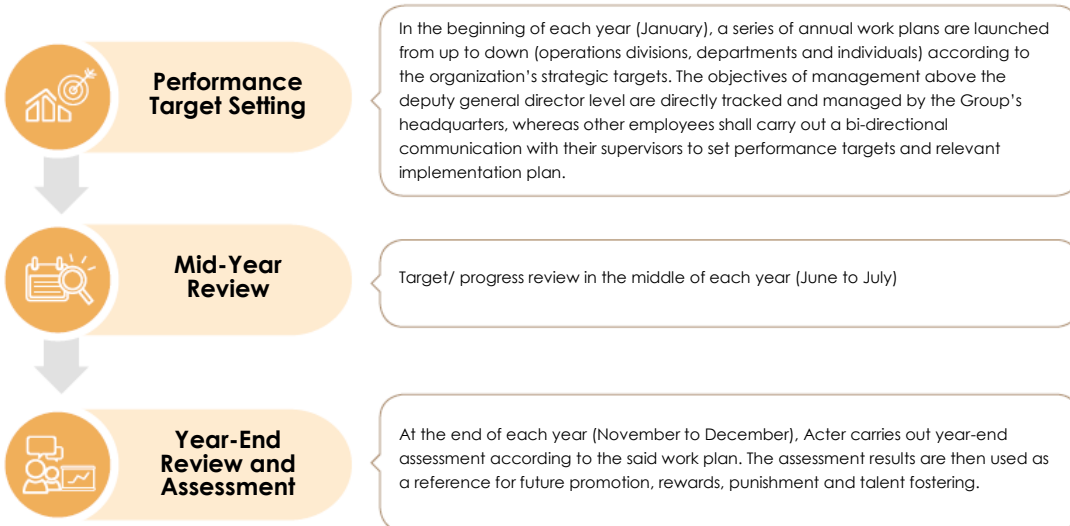
Employee type/ gender	Taiwan						China			
	Acter		NOVA Technology		HER SUO		Acter Technology (Suzhou)		Winmax	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Senior managers (above the deputy general manager level)	1	-	1	-	1	-	1	-	1	-
Middle-level managers (above the manager level)	1	1.11	1	0.89	1	0.9	1	0.98	1	-
Junior managers (above the section chief level)	1	0.95	1	0.88	1	0.8	1	0.85	1	0.79
General employees	1	1.04	1	0.85	1	0.99	1	0.88	1	0.88

Note: The calculation is based on male employee's salary ratio, which is "1". There are no female senior managers at Acter, NOVA Technology and HER SUO; and no middle-level and senior managers at Winmax.

Talent Management and Development

Acter has stipulated "Performance Management Rules". The Rules not only enable our employees to track work results and receive feedback, but also help the organization to facilitate our management. Each year, Acter conducts two performance evaluations (one in the middle and one at the end of the year) and has the evaluation results linked to the remuneration. Besides, our specially designed form can guide managers to give feedback and instructions to subordinates with respects to their work performance. This helps not only the employees to bring out their potential, but also the supervisors to select the talents, make job transfers or draft promotion plans accordingly. Concerning employees' deficiency at work, supervisors will also be able to timely communicate with and assist their subordinates, make adjustments accordingly, or draft an improvement plan and goals with their subordinates. This will also facilitate Human Resources Department's arrangement on classes that will help employees to achieve their improvement target.

On the other hand, Acter has established the performance interview system, which is used as the reference for performance evaluation. The Human Resources Department also, based on the "six sigma for talent management" and "succession plan", established a training blueprint and individuals' career development plan to facilitate every employee's career development and their communication with supervisors. Each year, the company nominates high-performing employees for promotion based on the evaluation results and hold a review sessions accordingly. In 2019, Acter has promoted 16 managerial employees and 247 employees have taken the performance evaluation with an achievement rate of 100%.



The Performance Evaluation Acceptance Ratio (%)

Gender	Employee type	No. of people	Coverage
Male	Senior managers (above the deputy general manager level)	4	80.00%
	Middle-level managers (above the manager level)	25	100%
	Junior managers (above the section chief level)	27	100%
	General employees	108	90.00%

The coverage of male employees who accepted the performance evaluation 92.66%

Gender	Employee Type	No. of People	Coverage
Female	Senior managers (above the deputy general manager level)	-	-
	Middle-level managers (above the manager level)	10	100%
	Junior managers (above the section chief level)	4	100%
	General employees	69	92.00%

The coverage of female employees who accepted the performance evaluation 93.26%

The coverage of employees who accepted the performance evaluation (proportion to the total of employees) 92.86%

Note: The percentage of male-female employees who accepted the performance evaluation (%) = the number of people who accepted the evaluation / the number of employees of that gender. The chairman, employees who serve the company for less than three months, employees who were scheduled to resign during the evaluation period and contract employees are exempted from the performance evaluation. Therefore, the number of people who shall take the evaluation was 247 and 247 employees have accepted the evaluation with an achievement rate of 100%. The performance of the chairman, on the other hand, is evaluated by the Board of Directors.

| Education and Training Programs

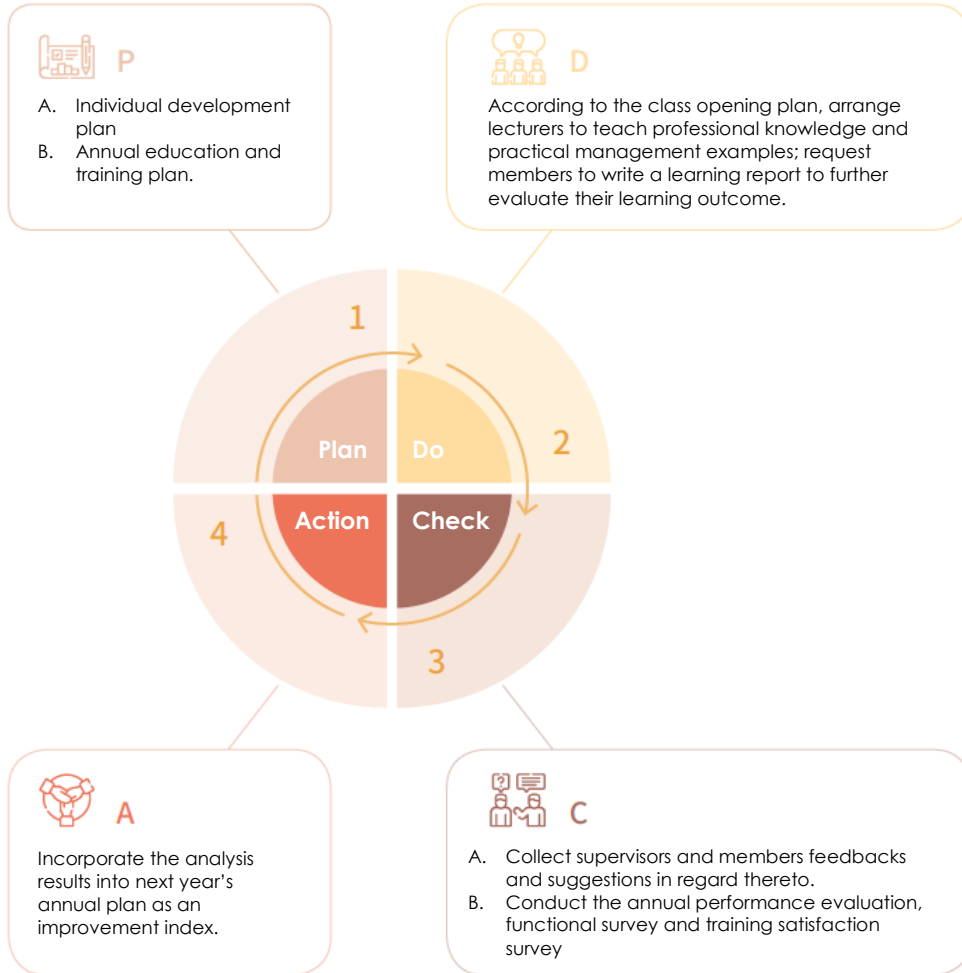
In witness of the progress of technology industry, Acter considers the diversity in business arrangement and multi-disciplinary talents as our core competitive advantages. We have allocated a specific proportion of budget and resources to talent cultivation to facilitate the development of corporate talent and ensure their expertise. Also, with the adoption of PDCA quality management model and E-Learning platform system, Acter trains every employee from new employee orientation to setting their career development plan and to holding education and training programs that can satisfy their functional work requirements. Consensus meetings, seminars, workshops, external trainings and online classes also take place at Act to offer our employees diverse learning resources.

In the meantime, Acter also regularly analyzes employees' satisfaction level towards all training programs based on works and questionnaires collected therefrom. The "functional survey and analysis" that takes place every 6 months, on the other hand, can identify our employees' professional performance based on four aspects: drawing, planning, valuation and engineering capability. The results thereof are used to flexibly adjust our training plan and continuously hold classes that can satisfy their professional requirements. In 2019, the total training hours of Acter's employees must take was 2,288 hours and all of our employees have taken 5,554 hours of training. The average training hour is therefore 20.88 hours per training; and the total training expense was NTD539,550 in the year.



Photo 1 | Senior managers or industry experts are often hired to deliver an internal training speech. Their practical experiences and professional knowledge can bridge the gap of industry needs.

Acter's Four Steps for Talent Cultivation



P Plan

At the end of each year, Acter plans the education and training programs of next year based on four themes, including the core value training, professional training, management training and general knowledge training. The Company also set prerequisite training hours for employees at different level, hoping that functional management will enhance employees' in-service education and enable them to implement strategic target in a changing work environment. By means of education and training occasions, Acter also managed to inspire employees of different position or department to brain storm, so that they will be able to think out of the box, encourage each other and stride forward to professional services.

D Do

Following the blueprint of the aforesaid plan, education and training programs, through which domestic and overseas trainers share their expertise and practical experiences with the audience, are carried out. Besides, supervisors are also encouraged to participate therein and serve as a lecturer to practice their expression skills, train their thinking and inherit their experiences from the practice. Besides, upon achievement of the said programs, trainees can also use relevant knowledge and practical experiences of the others at work.

C Check

To review employees' training effectiveness, all trainees are requested to offer written feedbacks after the class in order to receive the score and have their learning results evaluated. Employees who are not capable to enhance their professional skills shall take another in-depth learning or be counseled to serve in other position. Besides, Acter also carries out performance evaluation every half year, where the training results will be connected to employees' performance, bonus and promotion, encouraging them to form the good habit of life-time learning. Furthermore, competency analysis also takes place to confirm if the said education and training programs have facilitated improvements on working methods and enhancement on work efficiency.

A Action

All of the said processes, including program planning, high participation of the supervisors, feedback from the trainees, learning effectiveness evaluation, performance evaluation, competency analysis and year-end education, plus questionnaire that offers Acter even more direct scores from the employees in regard to our education and training programs will be used as reference to draw up improvement measures for Acter's talent cultivation plan next year.

Acter's Talent Cultivation Plan



Personal Development Plan and Functional Management Actions

- **Set individual annual plan:** the individual annual plan is set by individual employee based on the corporate development needs, competence required to fulfill the job duty and personal development intention.
- **Senior employees guide new employees:** the inheritance of senior employees' experiences and guidance in life, new employees are able to quickly blend into the corporate culture and develop work habits.

Core Value Trainings

- New employee training; guide new employees to get to know the work environment; and understand the management system and department operations.
- Corporate culture training; establish consistent values among employees; guide them to recognize the culture of this organization.

Professional Trainings

- Professional functional training; enhance employees' professional knowledge and skills.
- Case closure; cultivate employees' problem-solving capabilities

Management Trainings

- Senior/ medium/ junior management training; Enhance the management capabilities of managers at all levels; lead employees to achieve the goals.
- Initial supervisor training; learn to lead and establish a team.

General Trainings

- Efficiency enhancement training; enhance employees' work and communication skills through trainings.

Statistics on Acter's education and training programs over the years

Employee type/ gender	Average training hours over the years Unit: hr (rounded up)			
	2017	2018	2019	
Senior managers (above the deputy general manager level)	Male	11	11	20
	Female	-	-	-
Middle-level managers (above the manager level)	Male	11	16	15
	Female	6	13	21
Junior managers (above the section chief level)	Male	14	17	25
	Female	8	14	33
General employees	Male	15	23	23
	Female	11	17	18

Employee type/ gender	Education and Training Budget			Unit: NTD
	2017	2018	2019	
Internal Trainings	Male	46,872	16,000	165,911
	Female	24,374	7,000	72,129
External Trainings	Male	145,972	299,010	233,155
	Female	168,088	100,400	68,355
Total		385,306	422,410	539,550

Internal/ external trainings	No. of Education and Training Classes			Unit: Class
	2017	2018	2019	
No. of internal training classes	35	91	145	
No. of external training classes	104	179	179	
Total number of classes	139	270	324	

Training Status of Acter's Major Operations Sites in 2019

Employee type/ gender	Average training hours Unit: hour (rounded up)				
	NOVA Technology	HER SUO	Acter (Suzhou)	Winmax	
Senior managers (above the deputy general manager level)	Male	18	0	8	10
	Female	-	-	-	-
Middle-level managers (above the manager level)	Male	21	3	13	3
	Female	37	0	18	-
Junior managers (above the section chief level)	Male	34	7	14	11
	Female	48	0	19	14
General employees	Male	36	18	14	17
	Female	24	16	15	7

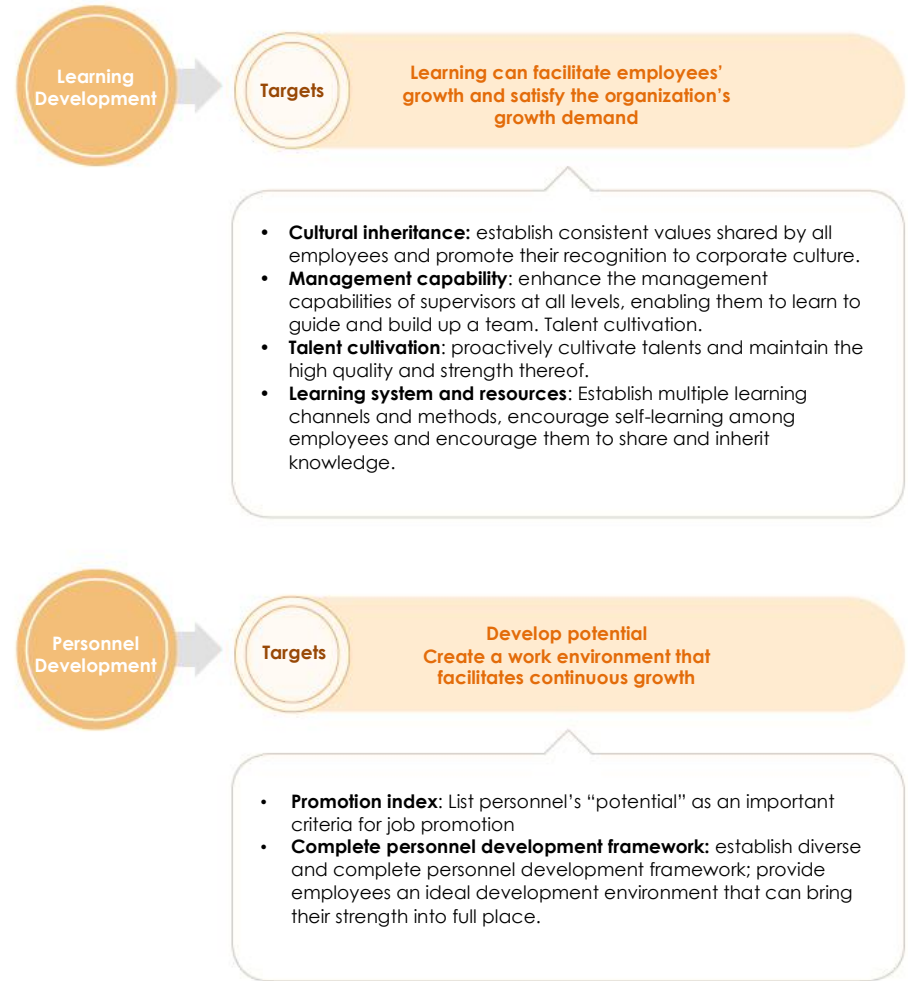
Total expense Unit: NTD NTD1,528,505

Note: Above information only disclosed the amount of operations sites. By adding up the expenses of other companies of the Acter Group, the total expense thereof is NTD 2,442,599.



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

Direction of Talent Development



| Employees Welfare Policy

Exceptional employee welfare support is the key to retain talents. Oriented to "health facilitation", "family caring" and "work-life balance", Acter has established a complete welfare system. Apart from informing employees all welfare resources that can be used during new employee orientation, Acter also reminds every employee the Company's welfare policy by regular e-mails and offers relevant assistance to employees through a dedicated contact window. Besides, upon the establishment of Employee Welfare Committee in 2005, Acter and Acter's Employee Welfare Committee have been planning various welfare activities, such as domestic/overseas travels, family day, clubs, new year gift vouchers and movie tickets, to satisfy employees' diverse welfare demands. In 2019, Acter's total welfare expenditure was 4,309,950 and the welfare activity participation rate was 45.86%.



Management Index

Acter's Manpower Development Index

(Reached the target of this year with an achievement rate of 100%; The achievement rate of professional skills is above 80%)

Index	Items	2017	2018	2019
Cost index	Education and training expenditure	385,306	422,410	539,550
	Average training cost per employee	1,391	1,717	2,028
	Average cost per male employee	999	1,898	2,255
	Average cost per female employee	2,291	1,343	1,578
Target orientation index	Achievement rate of individual plan	84.75%	85.00%	84.77%
	Achievement rate of professional skills	78.38%	87.98%	81.05%
	Achievement rate of professional trainings	100%	100%	100%
	Education and training satisfaction level	83.48%	91.87%	83.63%
Human resources index	Employee engagement ROI (revenue / total salary and compensations)	13.32	10.63	7.83
	Employee productivity (revenue / number of employees) Unit: NTD1,000	14,722	17,215	11,421
Career development index	Proportion of personnel with key position	100%	100%	100%
	Proportion of personnel participated in performance evaluation	83.76%	100%	92.86%

Acter's Employee Welfare System

Items	Descriptions
Complete Vacation System	According to Labor Standards Act.
Group Insurance	Provide life insurance, accidental injury insurance, medical insurance and travel insurance for business trips. The said insurances are all covered by the Company in full amount.
Parental Leave without Pay	Upon taking the job for a half year, each employee whose spouse is also employed may apply for unpaid parental leave before each child reaches 3 years old. The said period shall not exceed 2 years, and shall be terminated before the child reaches 3 years old. An employee who needs to raise more than two children shall have the parental leave calculated altogether. The longest period shall be limited to 2 years and be calculated based on the youngest child's age.
Ordinary Leave without Pay	An employee may apply for an ordinary unpaid leave due to sickness, training or other reasons approved by the Company.
Shareholding	Issuing new restricted employee shares.
Company Trip	Domestic and overseas company trips are planned each year to let employees relax and refill with energy.
Health Check	Provide free health checks and pay attention to every employee's health status.
Education and Training Programs	According to employees' job functions and demand, provide internal and external education and training programs related to employees' expertise, health and safety.
Pension	In compliance with the pension allocation system as regulated by local government.
Bonus	Bonus/ cash gifts for three major Chinese festivals, birthday, marriage, funeral and birth-giving.
Emergency Allowance	Emergency allowance for accident caused hospitalization.
Scholarship for Employees' Children with Extraordinary Performance	Encourage employees' children who have extraordinary academic performance; give them positive encouragement with an expectation that they will bring good returns to the society after entering the workforce.
Incentives / Bonus	Personal performance bonus, year-end bonus, project incentives and proposal reward.
Diverse Activities	Family day, club and social gathering activities; year-end party.

Statistics of Acter's Welfare Expenditure

Welfare Expenditure		2017		2018		2019	
		No. of Applicant	Applied Amount	No. of Applicant	Applied Amount	No. of Applicant	Applied Amount
Employee Welfare Committee	Trips, birthday parties, sports/ entertainment facilities and activities	Acter's employees	3,538,959	Acter's employees	4,345,705	Acter's employees	3,387,434
Acter	Scholarships for Employees' Children with Extraordinary Academic Performance	5	30,000	7	28,000	15	47,000
	Bonus/ cash gifts for birth-giving	17	85,000	13	65,000	11	55,000
	Bonus/ cash gifts for marriage	7	118,750	9	170,100	5	84,000
	Bonus/ cash gifts for funeral	6	170,850	3	89,113	4	215,516
	Emergency allowance for hospitalization	2	10,000	-	-	2	10,000
	Free health-checks	92	331,000	88	374,000	122	511,000
Total		4,284,559		5,071,918		4,309,950	

Note: The expenditure of welfare offered to full-time employees is based on the Code of Conduct. Besides, subsidiaries' welfare expenditure items are not disclosed this year as they are still on the progress of consolidation. Subsidiaries expenditure items are expected to be disclosed in 2020.

Gender Equality and Parental Leave Measures

Acter guarantees that employees will go back to the same or equivalent position after the parental leave without damaging their career development. Furthermore, Acter has specified rules governing prenatal visits, birth leave, family care leave, paternity leave and parental leave in "Code of Conduct" according to Act of Gender Equality in Employment. Upon taking the job for one year, employee whose spouse is also employed may apply for unpaid parental leave before the child reaches 3 years old. Besides, Acter also signed a contract with quality childcare institute(s) to provide a budget infant care service to employee.

Statistics of Parental Leave / Reinstatement	2017		2018		2019	
	Male	Female	Male	Female	Male	Female
Number of people who are qualified to apply for parental leave.	40	19	46	18	45	16
Number of people who have applied for parental leave in the year.	0	2	0	2	0	2
Number of people who are expected to apply for reinstatement in the year	0	2	0	1	0	2
Number of people who are reinstated after the parental leave	0	1	0	1	0	2
Number of people who were reinstated in the previous year and continued to work for more than one year.	0	1	0	0	0	1
Application rate of parental leave (%)	-	10.53%	-	11.11%	-	12.50%
Application rate of reinstatement (%)	-	50.00%	-	100%	-	100%
Retention rate after parental leave (%)	-	100%	-	0%	-	100%

Pension Management

Acter has set and established employee retirement rules that are in compliance 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 make sure that the appropriated amount is enough to safeguard the future welfare of the Company's employees. As of December 31, 2019, the balance in the labor pension reserve account at the Bank of Taiwan was NTD8,878,000.

Company Trips and Family Day

In order to facilitate employees to balance work and leisure time while achieving LOHAS (life of health and sustainable), the Company provides employees a set amount of travel subsidy. The Employee Welfare Committee arrange excellent travel agencies to plan out domestic and overseas company trips; and let employees to vote for the travel destination. Employees are also encouraged to bring their family to the trips to pull their distance closer not only with their colleagues, but also their family. More importantly, company trips can enhance employees' recognition towards the Company.

Apart from irregular plenary activities, the Company also encourages employees to hold various health activities and establish clubs (Ex. Yoga, ball games and mountain climbing). In 2019, the Employee Welfare Committee totally held 27 domestic and overseas trips (including trips formed by employees themselves and trips for Acter's Family Day) to Germany, Poland, Japan, Malaysia, Egypt, Vietnam, Singapore and Korea; and to Osaka and Wuling Farm (Acter's Family Day).



Protection 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.

In 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 the "[employee opinions mailbox](#)", 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 Stand and Employee Trainings

Human Rights Policy or Standard Employee Trainings	
Total training hours (hr)	▶ 149.5 hr
No. of trainees	▶ 229
Proportion of trainees in workforce (%)	▶ 86.09%







Note: The training contents include the propagation on Acter's human rights policy (in regard to, for example, anti-discrimination, anti-sexual harassment, working hours management, humanity in work place) in new employee orientation; Sexual Harassment Prevention Act and online workplace bullying prevention lessons. Below measures are adopted to increase the training ratio:

- 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 Evaluation Mechanisms and Mitigation Measures

Human Right Issues	Targets	Evaluation Mechanisms	Mitigation Measures
Safety	Plenary employees	<ul style="list-style-type: none"> Employees' opinion platform Evaluation of occupational disease/ hazard 	<ul style="list-style-type: none"> Propagation on regulations and occupational health and safety measures in new employee orientation. Prohibit workplace violence and conduct preventive and handling measures therefor. Promote safety concepts among employees on a regular basis.
Working hours	Plenary employees	<ul style="list-style-type: none"> Employees' complaint reporting channels Employees' satisfaction survey 	<ul style="list-style-type: none"> The work management system automatically review the overtime working issues. Monthly overtime working report.
Sexual harassment	Plenary employees	<ul style="list-style-type: none"> Employee's complaint reporting channels 	<ul style="list-style-type: none"> Propagation on sexual harassment in new employee orientation. Prevention and handling of sexual harassment in workplace and the reporting hotline.
Privacy	Customers Suppliers Plenary employees	<ul style="list-style-type: none"> Customers' meetings Suppliers' meetings Suppliers' self-evaluation/ visits to suppliers 	<ul style="list-style-type: none"> Propagation on personal data protection, intellectual property rights and regulations in new employee orientation. Sign the letter of commitment for employees' personal data protection. Strictly abide by customers' contractual terms and conditions and NDA commitments.
Labor-management dispute	Plenary employees	<ul style="list-style-type: none"> Labor-management meeting Employee's complaint reporting channels 	<ul style="list-style-type: none"> Comply with relevant regulations to minimize dispute. Communication and promotion through labor-management meetings.

■ Employees' Opinion Reporting 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 responds and handles the complaint one-by-one.	No relevant report.
 Internal corporate platform	Irregularly	Upon receipt of the message, the most senior supervisor of the HR unit will timely responds and handles the complaint one-by-one.	No relevant report.
 Employees' opinions mailbox	Irregularly	Upon receipt of the message, the most senior supervisor of the HR unit will immediately handle the complaint.	No relevant report.
 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 20 supervisors meetings and 1 plenary consensus meeting. In total, 538 people participated in the said meetings.
 Employees' satisfaction survey	Quarterly	With respect to items with which our employees are not satisfy with and opinions thereof, the Company will carry out an internal review and draw up improvement measures. accordingly	The employees satisfaction level was 84.15 out of 100 分.
 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

403-1 to 3 and 419-1

Occupational Safety Management

Occupational health and safety is an issue to which Acter's stakeholders pay great attention and the goal that Acter is devoted to protect. Through the environmental, health and safety (EHS) policy established by Acter, the Company regularly reviews internal governance rules, emergency response procedures and environmental safety operating procedures to implement patrol, audit and preventive measures; ensure the Company's legal compliance; and protect employees and subcontractors' health and safety. On the other hand, Acter has established "Occupational Safety Committee" chaired by General Director to discuss, coordinate and plan safety and health relevant matters at quarterly meetings to effectively prevent occupational hazards. In 2019, the Committee has 9 people with a labor representative ratio of 56%.

In 2019, Acter completed and passed the certification of ISO 45001 for occupational health and safety management system to authentically implement the control of occupational safety and health risks. Acter also established mechanisms for identifying internal/external environment and stakeholders (including workers) in order to respond to internal/external issues and stakeholders' requirements and expectations to Acter; and evaluate and manage risks and opportunities in order to find a solution or implement control measures in advance. The said actions can facilitate the sustainable operations of Acter and ensure the effective operations of EHS management system.

Acter's EHS Policy:

- Zero occupational accident
- Zero hazard
- Zero environmental impact

Occupational Safety Committee	2017	2018	2019
Employer representatives	7 people	5 people	4 people
Labor representatives	5 people	5 people	5 people
Proportion of labor representatives	42%	50%	56%
Proportion of employer representative in workplace (%)	2%	2%	2%

Occupational Safety Management Actions



Occupational Safety and Health Education/Trainings and Audit Works



Audit Works	
Notification of Entrance Hazards	Notify hazards related to the entire projects before entering the site. Provide hazard factor and relevant information to subcontractors for their information.
Toolbox Meeting	Notify subcontractors of the hazards related to appointed jobs before launching the works every day.
Daily Patrol Records	Implement safety and health patrol activities during the constructions; fill out and keep "Daily Petrol Record" every day.
Alcohol Testing and Control	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.



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, 2019, Acter has accumulated 4,522,744 non-injury hours and received the "4,431,568 -hour Zero Injury Hour Certificate" (from November 1, 2011 to October 31, 2019) 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" in 2019 as recognition. This has shown how Acter's customers recognize our occupational health and safety performance.

Statistics of Acter's Occupational Injuries over the Years

Statistics of Occupational Injuries	2017	2018	2019	Calculation Method
Absent Rate (Male)	0.19%	0.36%	0.49%	(Absent days in the year / attendance days in the year)*100%
Absent Rate (Female)	1.06%	0.92%	1.29%	(Absent days in the year / attendance days in the year)*100%
Injury rate	0	0	0	No. of occupational injuries by case X 200,000 / total person-work hours
Occupational disease rate	0	0	0	No. of occupational disease by case X 200,000 / total person-work hours
Ratio of lost days	0	0	0	No. of lost days X 200,000 / total person-work hours
No. of death	0	0	0	
Disabling frequency rate (FR)	0	0	0	No. of persons suffered from disabling injury *1,000,000 / total person-work hours
Disabling severity rate (SR)	0	0	0	Total lost days of persons suffered from disabling injury *1,000,000 / total person-work hours
Fatal and series injuries (FSI)	0	0	0	$\sqrt{FR*SR}/1,000$

Note: The statistical data is based on cases reported to Human Resources Department and Quality Assurance and Safety Department. In 2019, the disabling frequency rate of Acter's subcontractors; and the employees and subcontractors of Acter Group's major operations sites, including NOVA Technology, HER SUO, Acter Technology (Suzhou) and Winmax were zero. Besides, as Acter's job category belongs to the front-end design and back-end construction supervision of engineering projects, Acter does not have any job position that is recognized by the competent authority as operations with special health hazards; and does not have any job position that involves specific high risks or specific diseases. However, Acter still continue to provide employees general health checks and one-to-one health check counseling services.

Distribution of Work Safety Bonus

Distribution of work safety bonus	2017	2018	2019
Work safety bonus Unit: NTD	20,000	30,000	30,000

Note: Acter aims to encourage employees to authentically perform the "Safety First" principle by establishing the work safety performance bonus mechanism.



Photo 1 | Zero Injury Hour Certificate (with an accumulation of 4,431,568 non-injury hours.

Photo 2 | Acter held on-site AED educational training for employees and subcontractors.

Facilitation of Occupational Health

To offer employees an ameliorated health management system, Acter has, prior to the regulatory requirements, offered employees who have been serving Acter for more than one year the health check service; and let the Quality Assurance and Safety Department to track the progress thereof and remind employees of well using Company's resources. In the meantime, Acter also holds provisional health check sessions that enable employees to talk about their health status with professional doctors and lower relevant risks; and, by establishing zero tobacco control measures and measuring headquarters office's CO₂ concentration (each year) and indoor illumination (each quarter), builds a clean and health work environment. Furthermore,

The Quality Assurance and Safety Department also releases health related knowledge; posts health promotion materials; rent or purchase health related books; and hold health facilitation promotional activities based on different themes, such as prevention and treatment of epidemic disease, prevention of cardiovascular disease, good exercise and diet routine and so on. The purpose thereof is to enhance employees' health care knowledge and to increase their health self-management ability. In 2019, about 122 employees took the free health check and the Company has invested NTD511,000 therein in total.

Acter's Implementation of Health Check

Free health check	2017	2018	2019
No. of people who completed the health check	92	88	122
The health check rate (%)	38.17%	40.93%	56.74%
Invested amount Unit: NTD	311,000	374,000	511,000

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

Acter's health services and activities in 2019

Health services related activities	Session	No. of participant
Provisional health checks held by professional doctors	1	6
Propagation on the prevention of illegal infringement in workplace	1	233
Propagation on tobacco prevention and control	1	19
Promotion of health facilitation (epidemic disease prevention and treatment; prevention of cardiovascular disease)	13	263

The Implementation of Office CO₂ Concentration Detection in 2019

Date of detection (headquarters)	Value	Achievement rate	Note
March 4, 2019	572-740ppm	Achieved	Within the tolerance standard of 5000 ppm
September 5, 2019	841-1,209ppm	Achieved	Within the tolerance standard of 5000 ppm

Note: 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 CO₂ 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 CO₂ concentration thereof using a professional CO₂ detector.

Cultivation of Young Talent

“The young generation is how a country and society will look like twenty years later”. In the rapidly changing technology environment, Acter believes that endless talents are one of the key successful factors for an enterprise and the energy that helps the industry to make innovative breakthrough. Therefore, Acter has been dedicated to the cultivation of young talents over the years. We have been cooperating with colleges, universities, educational competent authorities to hold campus seminars, set scholarships and provide internships. It is our expectation that, through the apprenticeship-based internship, young talents will be able to combine theories and practice to “learn from doing” and to create their competitiveness. In 2019, Acter has been cooperated with NTUT, YunTech and CSMU; invested a total of NTD2,079,576 in cultivating young talents; successfully trained 10 students (one of them have become a full-time employee of Acter); delivered 5 thematic speeches at the campus; and distributed scholarships to young talents, helping them to facilitate career development.

Management Index

Cultivation of young talents (reached the goal of this year and cultivated at least 4 students through industrial-academic cooperation).

Acter offers young students the opportunity to experience working and learn on site, where senior supervisors are appointed to lead the students for relevant learning.



◀The picture on the left is an intern who was detecting the cleanroom temperature and humidity.

• Campus seminars

Acter held three sessions of “Industrial Experience Sharing by Engineering Experts” for college and university students. These sharing sessions, which were taken place in northern, central and southern Taiwan in October 2019, were participated by 108 people.



• Internships

Acter and relevant schools and departments have established a firm and stable partnership. Each year, Acter offers “summer internship” “seminar internship” and “academic year internship” to young students who are interested in the field of engineering. The internships enable students not only to acquire internship credits, but also to enhance their knowledge to the industry and apply their theoretical knowledge in engineering projects. In 2019, Acter has accepted 8 interns (1 semester intern and 7 summer interns) and totally invested NTD1,342,973 plus additional scholarships to those with excellent performance during the internship. Among them, the semester intern has officially become Acter's official full-time employee.



▲ Acter's intern was carrying out an end-of-internship report.

• Industrial-academic training plan

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 2019, Acter has trained 2 students through the industrial-academic training and totally invested NTD526,603 therein.

• Establishment of scholarships

Each year, Acter allocate scholarship fund to support young students, helping them to carry on their studies without worries. In 2019, Acter allocated NTD 210,000 to YunTech therefor.

Acter's Corporate Internship Project of 2019 – Interns' Feedbacks



"I was honored to have my first "fire-fighting safety check" in life. It is truly a precious experience from drawing checking to testing the entire fire-fighting system!"

Chen Ming-chun / Acter's corporate summer intern and the second-year student of Department of Energy and Refrigerating Air-Conditioning Engineering, Taipei Tech

After working at Acter, I just realized that the duty of an engineer is not only about "supervision"; and that office and computer graphics skills are merely the "basics of the basics". When I firstly opened the construction drawing, I was truly shocked by the numerous codes and diagrams that I had never seen. Thanks to the detailed explanations of the engineer who was appointed to instruct me, I was managed to link all the information with my knowledge learned from school, and spend less effort on learning. I also learned from this experience that it is truly a complicated process to complete a project; and that communication skill is compulsory for engineers. Examples like bridging the gap between the customer and technician, and facilitating the construction process all rely on engineers' communication skills. On the other hand, it is a great gain to participate in the engineering of fire-fighting system. Not only was I able to learn the operation model of the entire system, but also I was honored to have my first "fire-fighting safety check" in life. It is truly a precious experience from drawing checking to testing the entire fire-fighting system!

This two-month summer internship was short, but meaningful. When I was learning new things, I also spent some times on figuring out my future. Although I am not currently capable to become an engineer now, I have learned from this internship about things that I am short of and to which direction shall I head to become better and capable for the position. This internship has made me think about more, especially on the words that a senior ever told me "Although engineers are busy at work, we also have the opportunity to learn lots of things." I also thank Acter for giving me this opportunity, which enables me to enhance my competencies and broaden my vision through this internship.



"The internship at Acter enables me to know more about the job of engineer. In the meantime, I was able to apply the knowledge that I have learned at university on site. This experience brings me closer to the goal of becoming a professional cleanroom engineer."

Wu Shao-wen / Acter's corporate summer intern and the third-year student of Department of Energy and Refrigerating Air-Conditioning Engineering, Taipei Tech

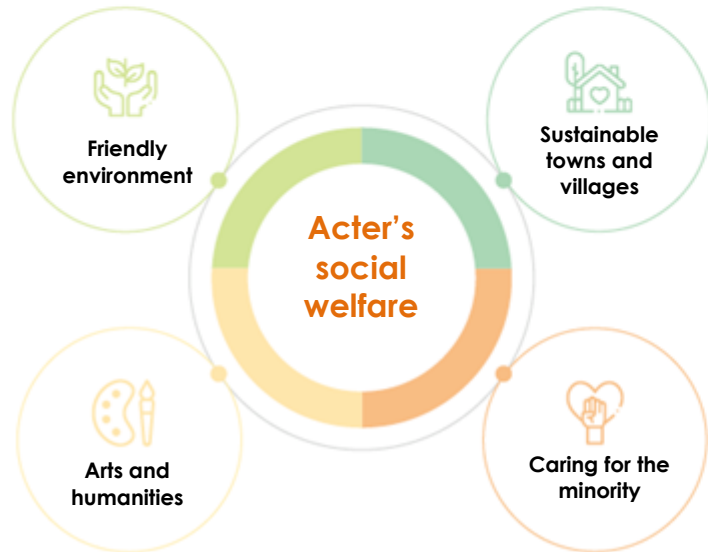
The engineer who instructed me (Wu Tung-ching, nicknamed Tung-Tung) not only cared for my work conditions at Acter, but also reminded me of basic work attitude and teaches me professional knowledge and work tips. As for me, my primary job was to visit clean room construction sites with him. There was once that, after people fixed the aluminum ceiling frame, we just realized that it was impossible to put on FFU. Seeing that all technicians were having difficulties to put on the FFU, I started to wonder if we had to go for the most troublesome option: removing all the aluminum frame. But then, Tung-Tung who took a ruler and measured the maximum length and width of the FFU (i.e. the diagonal line of the machine) rejected the suggestion and put on the FFU by himself. Because of him, the project was managed to carry on and this really impressed me. Later, Tung-Tung told me that professional knowledge and years of experiences could not remove doubts. He said that, when having a double, we need to take actions. "Finding the problem, analyze the problem and solve the problem is our duty" said Tung-Tung. Another engineer who also guided me throughout the internship also frequently asked me about the project progress, where the cooling drain holes are located, whether the fire-fighting gate is opened from the left or rights, and the units that conduct the construction and their work contents. Because of his questions, I was able to slowly enter the condition and learn some drawing skills.

During this two-month internship, I have witnessed how a clean room was constructed from the start to the end. There are many things that are different from what I have thought – especially about the job of engineer. Before the internship, I thought that an engineer was responsible for designing and modifying engineering drawing. I did know that an engineer had to handle different kinds of things and supervise the construction site and progress. More important, engineers have to work independent while being able to make judgment and decisions, and controlling the project quality and progress. I truly thank the engineers and supervisors for doing their best to teach me and for their tolerance and instructions. Although the internship was short and my learning was limited by the time, but I believe that the internship at Acter enables me to know more about the job of engineer. In the meantime, I was able to apply the knowledge that I have learned at university on site. This experience brings me closer to the goal of becoming a professional cleanroom engineer.

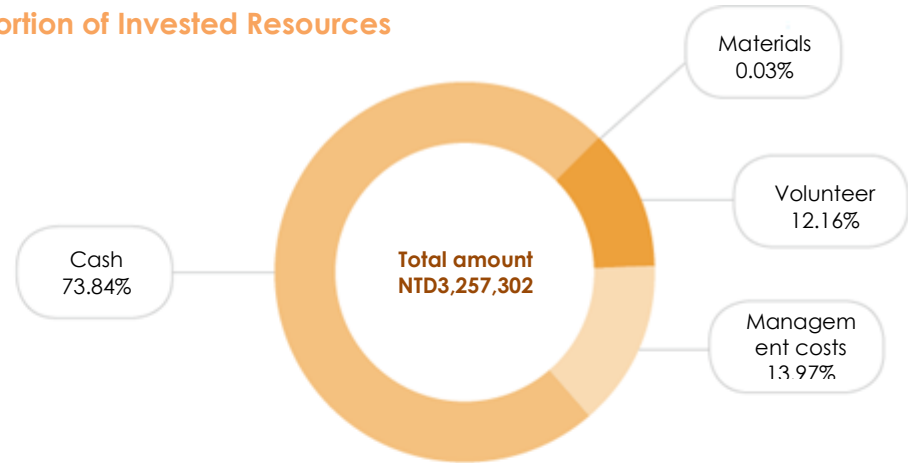
Social Welfare

203-1 and 413-1

"Use whatever we get from the society in the society" has been our intention that remains unchanged over the year. Apart from continuously enhancing our expertise, Acter also proactively contributes to the society and participates in charity donations and volunteer services, hoping to support the minority and solve environmental and social problems. On the other hand, based on the strategy of integrating our core business competence and social benefits, we also conduct cross-border cooperation with local communities and social welfare organizations to provide "engineering social services" after listening to their demand. It is our expectation that our contribution will facilitate the common good and prosperity of towns and villages. In 2019, Acter invested NTD3,257,302 and 569 volunteer service hours (69 participants) to social welfare; created one local partner; and completed two engineering social service projects.

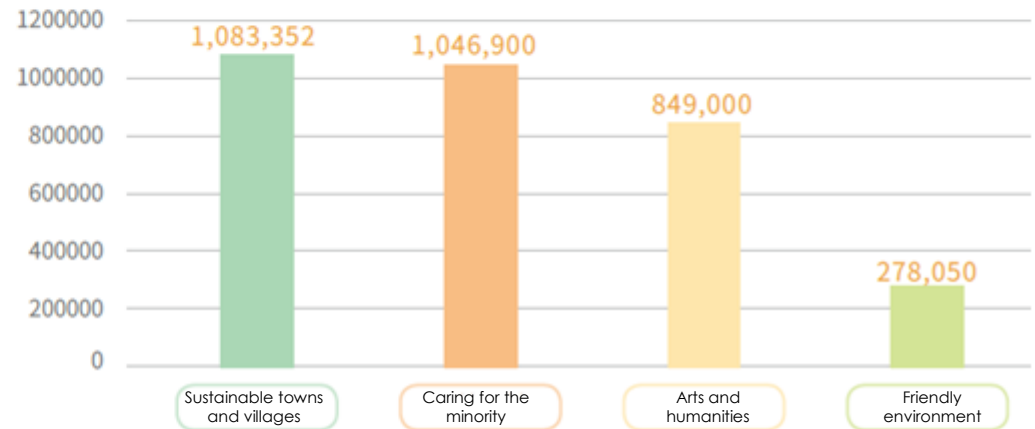


Social Welfare Performance in 2019 – Proportion of Invested Resources



Acter's Investment in Social Welfare Activities in 2019

Note: The unit is NTD, excluding those for industrial-academic collaboration (amounted NTD2,079,576).



An Overview of Acter's Social Welfare Investment in 2019

Local development

Caring for the society

Creation of sustainability

"Over 6 elementary schools, high schools and colleges/universities were benefited from 14 donation plans and project"

Taoyuan City / 1 social welfare project

- Taoyuan City Lijin Engineering Social Welfare Charity Foundation – Sponsored NTD500,000 for social welfare.

Changhua County / 3 social welfare projects

- Changhua County Da Chang Elementary School – Repaired Yihsin Pavilion and the library's external walls.
- Sponsored the "Changhua County Digital Philanthropic Library" project
- Foundation Christian Joyce McMillan Social Welfare – sponsored the "Joyce Factory Construction Plan".



Taichung City / 6 social welfare projects

- Taichung School for the Visually Impaired – The stadium ventilation improvement project.
- Hondao Senior Citizens Welfare Foundation – The 3rd "Winter Assistance to the Elder Program".
- Taiwan Reading and Culture Foundation – Charity concert.
- Pro-Art Camerata – Sponsored "Chang Chen-chieh Family Concert".
- NCHU – Sponsored NTHU NTD240,000 as the education fund.
- Good Life Maker – The urban food & drinking park project.



Chiayi County / 1 social welfare project

- Formosa Charity – Sponsored the 3rd "One Brick and One Tile: Let Love Fly" social development project.



Kaohsiung City / 1 social welfare project

- Kaohsiung City Panan Tribe Primary School – Sponsored the "Philanthropic Library" project.



Acter's headquarters

Nantou County / 2 social welfare projects

- Nantou County Fa Zhi Elementary School – Sponsored NTD63,000 as the scholarship for 7 children of the minority group.
- Nantou County Pu Li Elementary School – Sponsored the "Philanthropic Library" project.



Sustainable Development of Towns and Villages

As a corporate citizen, Acter has committed to think about how to use our engineering expertise in the sustainable development of towns and villages, and to put the said thinking into practice. Acter has been holding the "One Brick and One Tile: Let Love Fly" social development project for three consecutive years since 2017. With the volunteer reward scheme, we have invited our employees, customers and subcontractors to walk into remote towns and villages with us and contribute our expertise together to build homes for people of the minority group. Through the links established with local communities over the years and voices from local people, Acter has financially and technically support the "Taichung School for the Visually Impaired – The Stadium ventilation improvement project" in 2019; and has have formed an even more flexible "engineering social services team" to construct a cooler, professional, low-noise and even more eco-friendly and energy-saving ventilation design system for the stadium of Taichung School for the Visually Impaired. From the building analysis, improvement planning, procurement and outsourcing, and to on-site supervision and construction, we have succeeded in fixing the poor ventilation problem and bringing teachers and students an even more quality, diverse and comfortable sports teaching field while embodying SDGs 4.5 and 11.7.



Engineering Social Services Project I



Taichung

Taichung School for the Visually Impaired – The Stadium Ventilation Improvement Project

Upon knowing the poor ventilation problem of the stadium of Taichung School for the Visually Impaired, Acter has proactively used our expertise and vertically integrated services to improve the School's ventilation system during the School's summer vacation.



Stakeholders' Feedback



Student Affairs Division, Taichung School for the Visually Impaired / Director Wu

The stadium of Gan En Building is not only used for sports classes and holding our school's big event, but also leased to non-profitable organizations to hold "Disabled Basket Game". We believe that the ventilation improvement engineering project this time will facilitate not only our school's teaching quality, but also other uses of this important venue.



Comprehensive Occupational Department, Taichung School for the Visually Impaired / Student Hsieh from the Second year

Gan En Building used to be really hot during the summer and we used to sweat a lot by doing only a little bit of exercise. This is the reason that we just wanted to sit aside and take a rest. Now, it is much more comfortable to have classes here.



1.



2.



4.



3.

Engineering Social Services Project II



The 3rd "One Brick and One Tile: Let Love Fly" Volunteer Activity

The "One Brick and One Tile: Let Love Fly" project already entered into the third year. Acter has strategically announced the volunteer reward scheme, such as the offering of meal allowance, transportation allowance, insurance and volunteer leaves, to encourage employees to bring their expertise to remote areas during the holidays, helping people of the minority group to build their homes. It is our expectation that our employees will receive the sense of accomplishment and pride during the process of helping the others. In 2019, the project implementation periods were September 21 and September 27 to 28, where our volunteers assisted a severely visually impaired person living in Baiqi Village, Zhuqi Township, Chiayi in building home. In total, 17 volunteers (including 3 subcontractors) have participated in this project.



Unloading



Leveling



Count and check the raw materials



Set up the steel framework



Preparation works before grouting



Grouting



Measure the partition



Install internal partitions



Install iron windows

>>>>>
Let Love Fly



| Caring for the Minority

It is the third consecutive year that Acter cooperated with the local social welfare group "Hondao Senior Citizens Welfare Foundation" to hold the "Winter Assistance Program to the Elderly" social service project. In this project, Acter offers financial supports and volunteers from our employees to purchase daily necessities with the elderly people living alone. The one-by-one caring activity can not only enhance the elderly people's connection with the society, but also enable our employees to understand that caring for a person is not unachievable as a simple action can light up humanity.

An elderly taking the barrier-free vehicle.

Acter's volunteers accompany the elderly of the minority group to enjoy the fun of shopping.



| Arts and Humanities

The education quality of next generation is an important issue to which Acter pays great attention. Acter also believes that the soil of arts and humanities will enhance the spiritual connotation and life quality of human society. Therefore, Acter has, together with our customers, established a long-term cooperation partnership with "Taiwan Reading and Culture Foundation" to assist elementary and high schools of remote countries in establishing library and purchasing digital learning equipment, helping to facilitate the exchange of knowledge. On the other hand, Acter also sponsored excellent local arts and cultural groups in holding charity concerts, offering children living in remote countries the opportunities of having multiple art and cultural experiences, learning and development. As of the end of 2019, Acter already sponsored 11 nationwide elementary and high schools in establishing the "Philanthropic Library" with a total investment of NTD2,120,000.



Acter has been sponsoring remote country schools to establish libraries and promote the reading culture.

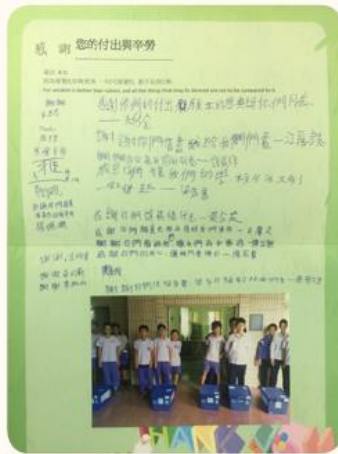


Acter also sponsored the "Philanthropic Library" charity concert and "Pro-Art Camerata Chang Chen-chieh Family Concert" to support the development of arts and culture.

| Friendly Environment

The climate change issue and the question of environmental and ecological continuity are now the lesson that every earth citizen must learn about. By distributing "Environmental Protection EDM" on a regular basis, Acter continuously promote various environmental protection information to facilitate the implementation of energy saving and carbon reduction measures in daily life, and to educate people to cherish all of our resources. Each year, we also hold different environmental protection initiatives and activities, such as the eco-friendly iron lunch box day, Earth Hour (turning off the light for one hour for the earth) and second-hand resource collection activities to respond to environmental issues in actions.

Philanthropic Library - Certificate of Appreciation



Each year, Acter not only raises funds, but also inventories the Company's second-hand resources and give unnecessary but usable resources to groups with relevant needs. In 2019, Acter donated 5 personal computer and 3 LCD monitors to the Green Miracle Social Welfare Platform.

Acter's employees purchased eco-friendly iron lunch box in response to Taichung Government's plastic reduction policy "Eco-Friendly Taichung".



Acter also pays great attention to the sustainable development of local environment. In 2019, Acter has allocated a budget of NTD100,000 to "Green Life Maker, supporting it to establish the Good Life Maker station behind Taichung's Green Waterways. Apart from this station, which will be used as a spot of promoting urban environmental education and sustainable home movements, Acter also cooperated with environmental protection lecturers to hold three sessions of eco-friendly workshops and encouraged our employees to greenify their communities with their children. These workshops enable our employees not only to know about ecological method and food and agriculture education, but also to, by bettering their knowledge about our environment and increasing their sense of mission therefor, enhance their motivation for building sustainable towns and villages.



Acter and Good Life Maker cooperated to hold three eco-friendly workshops, including the "Water-Saving Vegetable Box", "Insects Hotel" and "the Urban Food and Drinking Park". These workshops have attracted the participation of local residents, Acter's residents and other people who are interested in environmental protection issues. In total, 42 people have participated in the said workshops.

Community Greenification



The Good Life Maker Demonstrative Station

Before the construction / Before

Acter sponsored Good Life Maker to establish the "Good Life Maker Station", which is used as a base to promote the discussion of sustainability issues, in the urban area of Taichung.



After the construction / After



06 Annexes

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110 Third-Party Verification



About this Report

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Acter Group Co., Ltd. (hereinafter referred to as Acter or the Company) has, since 2013, regularly issued Corporate Social Responsibility Report to continuously communicate with stakeholders with respect to Acter's sustainable development progress and performance. This Report is Acter's 7th CSR report. In response to eco-friendly paperless policy, you can download this Report in both Chinese and English versions from Acter's official website (the section of "CSR"), or understand more about Acter's CSR performance through the website. If you have any opinion or feedback, you are welcome to contact with us.

Time Scale of Data Disclosure	Year 2019, 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, corporate governance, society and environment.
Data Category / Inside the Organization	Acter is the primary disclosure category of this report. Some of the report contents is related to Acter Group and these parts are noted with remarks. Currently, NOVA Technology already issued its own CSR report.
Data Category / Outside the Organization	<ul style="list-style-type: none"> • Government / Competent Authority • Customers • Shareholders / Investors • Suppliers • Communities
Data Quality Management	Financial Data / Annual Financial Report Quality Information / ISO 9001:2015 Environmental Data / ISO14001:2015 · ISO 14064:2006 Social Information / ISO 45001:2018 Sustainability Data / AA 1000 AS:2008
GRI Application Level	GRI Standards:2016 Core Option
Level of Assurance	Type 1 Moderate Level (passed the certification of BSI Taiwan)

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The section of "CSR" Download the e-version



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【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 follow 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	Descriptions	Corresponding chapter and the page thereof / Descriptions	Items	Disclosure	Descriptions	Corresponding chapter and the page thereof / Descriptions	
Organization al 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. 25)	
	102-3	●Location of headquarters		102-16	●Values, principles, standards, and norms of behavior	Business Integrity (P. 23)		
	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 "2019 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. 74)		102-22	Composition of the highest governance body and its committees	Corporate Governance Organization (P. 18); please refer to "2019 Annual Report of Acter Group"	
	102-9	●Supply chain	Responsible Supply Chain (P. 54)		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. 25)		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	Innovation and R&D (P. 34)		102-27	Collective knowledge of highest governance body		Corporate Governance Organization (P. 18)

GRI 102: General Disclosures
● Core disclosure items

Items	Disclosure	Descriptions	Corresponding chapter and the page thereof / Descriptions	Items	Disclosure	Descriptions	Corresponding chapter and the page thereof / Descriptions
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 "2019 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	About this Report (P. 102)
	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	Corporate Governance Organization (P. 18)		102-50	●Reporting period	About this Report (P. 102)
	102-35	Remuneration policies			102-51	●Date of most recent report	
	102-36	Process for determining remuneration			102-52	●Reporting cycle	
Stakeholders Communication	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	
	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. 103)
	102-43	●Approach to stakeholder engagement			102-56	External assurance	Third-Party Verification (P. 110)
	102-44	●Key topics and concerns raised					

GRI 200: Economic Series				★ Material topics
Items	Disclosure	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. 74)	
	103-3	Evaluation of the management approach	Friendly Workplace (P. 74)	
	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. 74)	
★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. 74)	
	103-3	Evaluation of the management approach	Friendly Workplace (P. 74)	
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Friendly Workplace (P. 74)	
	202-2	Proportion of senior management hired from the local community	Friendly Workplace (P. 74)	
GRI 203 Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Social Welfare (P. 94)	
★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); Responsible Supply Chain (P. 54)	
	103-3	Evaluation of the management approach	Responsible Supply Chain (P. 54)	
	204-1	Proportion of spending on local suppliers	Responsible Supply Chain (P. 54)	
GRI 205 Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Business Integrity (P. 23)	

GRI 300: Environmental Series
★ Material topics

Items	Disclosure	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 (u)
	103-3	Evaluation of the management approach	Green Engineering Technology (P. 38); Greenhouse Gas Inventory and Energy Management (P. 68)
	302-1	Energy consumption within the organization	Greenhouse Gas Inventory and Energy Management (P. 68)
	302-3	Energy intensity	Greenhouse Gas Inventory and Energy Management (P. 68)
	302-5	Reductions in energy requirements of products and services	Green Engineering Technology (P. 38)
GRI 303 Water	303-1	Water withdrawal by source	Water Resource and Waste Management (P. 71)
	303-2	Water sources significantly affected by withdrawal of water	Water Resource and Waste Management (P. 71)
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Inventory and Energy Management (P. 68)
	305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Inventory and Energy Management (P. 68)
GRI 306 Effluents and Waste	306-2	Waste by type and disposal method	Water Resource and Waste Management (P. 71)
★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 System (P. 67)
	103-3	Evaluation of the management approach	Environmental Management System (P. 67)
	307-1	Non-compliance with environmental laws and regulations	Environmental Management System (P. 67)
★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. 54)
	103-3	Evaluation of the management approach	Responsible Supply Chain (P. 54)
	308-1	New suppliers that were screened using environmental criteria	Responsible Supply Chain (P. 54)
	308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain (P. 54)

GRI 400: Social Series

★ Material topics

Items	Disclosure	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. 74)
	103-3	Evaluation of the management approach	Friendly Workplace (P. 74)
	401-1	New employee hires and employee turnover	Friendly Workplace (P. 74)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Friendly Workplace (P. 74)
	401-3	Parental leave	Friendly Workplace (P. 74)
GRI 402 Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Friendly Workplace (P. 74)
★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. 88)
	103-3	Evaluation of the management approach	Occupational Health and Safety (P. 88)
	403-1	Workers representation in formal joint management-worker health and safety committees	Occupational Health and Safety (P. 88)
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational Health and Safety (P. 88)
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Occupational Health and Safety (P. 88)
★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. 74)
	103-3	Evaluation of the management approach	Friendly Workplace (P. 74)
	404-1	Average hours of training per year per employee	Friendly Workplace (P. 74)
	404-2	Programs for upgrading employee skills and transition assistance programs	Friendly Workplace (P. 74)
	404-3	Percentage of employees receiving regular performance and career development reviews	Friendly Workplace (P. 74)

GRI 400: Social Series

★ Material topics

Items	Disclosure	Descriptions	Corresponding chapter and the page thereof / Descriptions
★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. 74)
	103-3	Evaluation of the management approach	Friendly Workplace (P. 74)
	405-1	Diversity of governance bodies and employees	Friendly Workplace (P. 74)
	405-2	Ratio of basic salary and remuneration of women to men	Friendly Workplace (P. 74)
GRI 406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Friendly Workplace (P. 74)
GRI 408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Friendly Workplace (P. 74)
★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. 74)
	103-3	Evaluation of the management approach	Friendly Workplace (P. 74)
	412-2	Operations that have been subject to human rights reviews or impact assessments	Friendly Workplace (P. 74)
GRI 413 Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Social Welfare (P. 94)
★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. 54)
	103-3	Evaluation of the management approach	Responsible Supply Chain (P. 54)
	414-1	New suppliers that were screened using social criteria	Responsible Supply Chain (P. 54)
	414-2	Negative social impacts in the supply chain and actions taken	Responsible Supply Chain (P. 54)

GRI 400: Social Series

★ Material topics

Items	Disclosure	Descriptions	Corresponding chapter and the page thereof / Descriptions
GRI 418 Customer Privacy	418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	Service Quality (P. 47)
★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. 23) · Friendly Workplace (P. 74)
	103-3	Evaluation of the management approach	Business Integrity (P. 23) · Friendly Workplace (P. 74)
	419-1	Non-compliance with laws and regulations in the social and economic area	Business Integrity (P. 23) · Friendly Workplace (P. 74)

Note: the used GRI standards are based on the 2016 version

Specific to Acter

★ Material topics

Items	Disclosure	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); Service Quality (P. 47)
	103-3	Evaluation of the management approach	Service Quality (P. 47)
		Customer satisfaction survey	Service Quality (P. 47)

third party inspection

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獨立保證意見聲明書

聖暉工程科技股份有限公司 2019 企業社會責任報告書

英國標準協會與聖暉工程科技股份有限公司(簡稱聖暉)為相互獨立的公司，英國標準協會除了針對聖暉工程科技股份有限公司 2019 企業社會責任報告書進行評估和查驗外，與聖暉並無任何財務上的關係。

本獨立保證意見聲明書之目的，僅作為對下列聖暉工程科技股份有限公司 2019 年企業社會責任報告書所界定範圍內的相關事項進行保證之結論，而不作為其他之用途。除對聖暉事實提出獨立保證意見聲明書外，對於其他目的之使用，或將此獨立保證意見聲明書的任何人，英國標準協會並不負責或承擔任何有關法律或其他之責任。

本獨立保證意見聲明書係英國標準協會審查聖暉提供之相關資訊而作成之結論，因此審查範圍乃基於並照限於這些提供的資訊內容之內，英國標準協會認為這些資訊內容都是完整且準確的。

對於這份獨立保證意見聲明書所載內容或相關事項之任何疑問，請向聖暉一併回覆。

查驗範圍

聖暉與英國標準協會協定的查驗範圍包括：

1. 本查驗作業範疇與聖暉工程科技股份有限公司 2019 企業社會責任報告書揭露之報告範疇一致。
2. 依照 AA1000 保證標準(2008)及其 2018 年附錄的 A 應用類型評估聖暉選擇 AA1000 查驗性原則(2018)的真實和程度，不包括對於報告書揭露的資訊/數據之可信賴度的查驗。

本聲明書以英文作成並已翻譯為中文以供參考。

意見聲明

我們總結聖暉工程科技股份有限公司 2019 企業社會責任報告書內容，對於聖暉之相關運作與績效則提供了一個公平的觀點。基於保證範圍限制事項，聖暉所提供資訊與數據以及抽樣之測試，此報告書並無重大之不實陳述。我們相信有關聖暉 2019 年度的總務、社會及環境等績效資訊是誠正確無誤地呈現。報告書所揭露之績效資訊展現了聖暉對識別利害關係人的努力。

我們的工作是由一組具有依據 AA1000 保證標準(2008)及其 2018 年附錄查驗能力之團隊執行，以及策劃和執行這部分的工作，以獲得必要之訊息資料及說明。我們認為聖暉所提供之足與證據，表明其符合 AA1000 保證標準(2008)及其 2018 年附錄的報告方法與自我聲明符合 GRI 永續性報導原則之選擇性原則。

查驗方法

為了收集與作成結論有關的證據，我們執行了以下工作：

- 對來自內部團體的議題相關於聖暉政策進行高階管理層訪談，以確認本報告書中聲明書的合適性
- 與管理層討論有關利害關係人參與的方式，然而，我們並未直接接觸外部利害關係人
- 如樣本與永續性管理、報告書編製及資訊提供有關的員工
- 審查有關關鍵的關鍵性發展
- 審查內部稽核的發現
- 審查報告書中所作宣示的支持性證據
- 對公司報告書及其相關 AA1000 查驗性原則(2018)中查驗性、重大性、回應性及衝擊性原則之流程管理進行審查

結論

針對 AA1000 查驗性原則(2018)之包容性、重大性、回應性及衝擊性與 GRI 永續性報導原則的詳細查驗結果如下：

包容性

2019 年報告書反映出聖暉已尋求利害關係人的參與，並建立重大永續主題，以發展及達成對企業社會責任具有責任且策略性的回應。報告書中已正確報告與揭露總務、社會及環境的訊息，足以支持適當的計畫與目標設定。以我們的專業意見而言，這份報告書涵蓋了聖暉之包容性議題。

重大性

聖暉公布對組織及其利害關係人之評估、決策、行動和績效會產生實質性影響與衝擊之重大主題。永續性資訊揭露使利害關係人得以對公司之管理與績效進行判斷。以我們的專業意見而言，這份報告書適切地涵蓋了聖暉之重大性議題。

回應性

聖暉執行來自利害關係人的期待與看法之回應。聖暉已發展相關溝通政策，作為提供進一步回應利害關係人的機會，並能對利害關係人所關切之議題作出及時性回應。以我們的專業意見而言，這份報告書涵蓋了聖暉之回應性議題。

衝擊性

聖暉已識別並以平衡和有效之量測及揭露方式公正展現其衝擊。聖暉已建立監督、量測、評估和管理衝擊之流程，從而在組織內實現更有效之決策和結果管理。以我們的專業意見而言，這份報告書涵蓋了聖暉之衝擊性議題。

GRI 永續性報導準則

聖暉提供有關依據 GRI 永續性報導準則之自我宣告，與相當於“核心選項”(每個涵蓋特定主題 GRI 準則之重大主題，至少一個特定主題的揭露項目依據其全部的報導要求)的相關資料。基於審查的結果，我們確認報告書中呈現 GRI 永續性報導準則的社會責任與永續發展之相關揭露項目已被報告，部分報告或省略。以我們的專業意見而言，此自我宣告涵蓋了聖暉的社會責任與永續性主題。

保證等級

依據 AA1000 保證標準(2008)及其 2018 年附錄我們審查本聲明書為中度保證等級，如同本聲明書中所描述之範圍與方法。

責任

這份企業社會責任報告書所屬責任，如同責任信中所定義，為聖暉負責人所有。我們的責任為基於所描述之範圍與方法，提供專業意見並提供利害關係人一個獨立的保證意見聲明書。

能力與獨立性

英國標準協會於 1901 年成立，為全球標準與驗證的領導者。本查驗團隊係由其專業背景，且接受過 AA1000AS、ISO 14001、ISO 45001、ISO 14064 及 ISO 9001 之一系列永續性、環境及社會管理標準的訓練，具有主導稽核員資格之成員組成。本保證係依據 BSI 公平交易準則執行。



For and on behalf of BSI:
 Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW- 2019081
2020-06-23

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