

An aerial photograph of a river winding through a vibrant green landscape. The river flows from the top right towards the bottom left. On the right bank, there is a dense forest of green trees. In the middle of the river, a small boat is visible. The left bank is a vast, flat green field. Several white birds are flying over the river and the forest. The overall scene is bright and natural.

Acter
聖暉工程

2022

SUSTAINABILITY
REPORT

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1 Sustainable Management

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Words from the Management

Over the past year, corporate operations have faced increasingly severe challenges under the impact of global risks, such as the pandemic that continues to spread worldwide, intensified geopolitical conflicts, and extreme climate conditions. In the face of these challenges, Acter's management team and employees have united as one and, with a proactive attitude and flexible response strategy, created value for stakeholders. We have shown resilience and momentum, as reflected in our outstanding performance in 2022: The Group achieved a consolidated revenue of NT\$28.26 billion; Acter's individual revenue reached a historical high record of NT\$11.404 billion; and the shareholders' return on equity (ROE) was 27.62%. Furthermore, the Group has taken proactive measures in energy-saving, carbon reduction, green construction, and social care, leveraging our core competencies to contribute to the environment, society, and corporate governance.





Sustainability • Integrity • Professionalism
• Innovation

Steadfast Governance, Sustainable Operations

Sustainable operations have always been the goal that Acter pursues. Through systematic integration, Acter continues to invest resources in environmental sustainability, the common good shared by all generations, and value co-creation, which are known as the three major pillars of sustainable development. Additionally, Acter has aligned its corporate operations with the United Nations' (UN) sustainable development goals (SDGs) to outline a blueprint for operations and move forward steadily. In terms of corporate governance, Acter stands out as one of the few over-the-counter listed (OTC-listed) companies that has consistently ranked in the top 5% in corporate governance evaluation for 8 consecutive years. Furthermore, Acter's board of directors has approved the motion of linking employee compensation with ESG performance, ensuring that rewards are effectively distributed to all employees. This initiative reflects Acter's commitment to embedding sustainability deeply into its corporate culture.

Friendly Environment, Embracing Partners

In the face of escalating threats from extreme climate conditions caused by global warming, carbon emissions reduction is the most crucial measure to mitigate the impact. We have implemented green management practices in our daily operations and set short-term, medium-term, and long-term goals for energy conservation, carbon reduction, waste reduction, and water conservation. In the meantime, we have actively promoted "net-zero sustainability" by integrating customer demands and our expertise in green engineering. This enables us to provide customers with practical energy-saving, carbon reduction, and carbon neutrality solutions at the stages of factory construction, assisting industries in moving towards the goal of net-zero emissions. Additionally, we aspire to develop innovative solutions and explore new business models that will unlock new opportunities on the path to achieving net-zero emissions.

Regarding sustainable supply chain, apart from creating green engineering techniques by integrating customers' requirements and our core competence, we also guide subcontractors in establishing a comprehensive sustainable supply chain and promote the supplier foster plan, striving for sustainability and pursuing common good.

Caring for Employees, Thriving Together

"Talents" are the key to success for companies. We have been continuously optimizing employee benefits and creating a safe, healthy, and friendly workplace. Our aim is to inspire employees' potential and value through competitive compensation, comprehensive training, career planning, and a healthy and safe work environment.

With the vision of driving positive social changes, Acter is committed to providing students with opportunities to showcase their abilities and gain workplace experience through industry-academia collaborations. We aim to build a talent pool and empower young people with the capabilities to tackle the challenges of environmental and social sustainability. Meanwhile, we have adopted various channels and engage in volunteer activities to support the most marginalized sectors of society provide timely care and assistance as needed.

Looking into the future, Acter will closely integrate ESG strategies and align with international development trends. We will uphold the spirit and courage of sustainable operations, seize opportunities, shoulder responsibilities, offer high-quality green products that meet customer demands, and assist customers in achieving their carbon neutrality goals.

Chairman

Jin-Li Liang



About Acter

GRI: 2-6

Founded in 1979, Acter Co., Ltd. (hereinafter referred to as Acter) is headquartered in Taichung City with operations spanning across Asia. Building upon our roots in Taiwan, we have expanded our presence in the mainland Chinese and Southeast Asian markets. By continuously absorbing new knowledge, accumulating experiences, and innovating and optimizing construction methods and technologies, we provide customers with professional turnkey engineering solutions. Our services encompass a wide range of areas including cleanroom engineering, electromechanical engineering, air-conditioning engineering, constant temperature and humidity engineering, biotechnology and medical engineering, environmental engineering, maintenance engineering, recycling systems, and more.

With engineering as our core expertise, Acter has integrated and applied green engineering technology to introduce eco-friendly engineering approaches, contributing to the development of a low-carbon economy and positioning ourselves as an "excellent space creator". In addition to injecting sustainable growth momentum into industry upgrading and the global economy through a multi-type, multi-industry, and multi-talent operational strategy, we are committed to delivering the best service to our customers with our passion, expertise, innovation, and high quality. Since joining the domestic capital market in 2010, Acter (5536) has upheld the spirit of business integrity and continuously optimized our corporate governance approach to create a win-win situation for shareholders, employees, supply chain, and customers.

Acter Company Profile

| | |
|-----------------------|--|
| Date of Establishment | February 19, 1979 |
| Headquarters | Taichung City, Taiwan |
| No. of Affiliates | 15 (6 affiliates in Taiwan and 9 affiliates in overseas) |
| Paid-in Capital | NT\$580 million |
| Stock Symbol | 5536 |
| Official Website | http://www.acter.com.tw/ |

2022

No. of Employees
1,913 employees

Consolidated Revenue
28.26 billion

Consolidated Net Income
1.93 billion

◎ Distribution of the Group's Operations Sites

The Greater China

- 1 Acter Technology Integration Group Co., Ltd.
- 2 Winmax Technology (Shanghai) Corp.
- 3 Suzhou Winmax Technology Corp.
- 4 Shenghue (Shenzhen) International Co., Ltd.

Southeast Asia

- 5 Sheng Huei Engineering Technology Company Limited (Vietnam)
- 6 Acter Technology Malaysia Sdn. Bhd.
- 7 PT. Acter Technology Indonesia
- 8 Novatech Engineering & Construction Pte. Ltd.
- 9 ACTER Tech. Company Limited

Taiwan

- 10 Acter Co., Ltd.
- 11 HER SUO Engineering Co., Ltd.
- 12 NOVA Technology Co., Ltd.
- 13 Enrich Tech Co., Ltd.
- 14 WINMEGA Tech. Co., Ltd.
- 15 Rayzher Industrial Co., Ltd.

◎ Acter's Key Performance Indicators for 2022

Accumulated 40+ years of engineering experiences

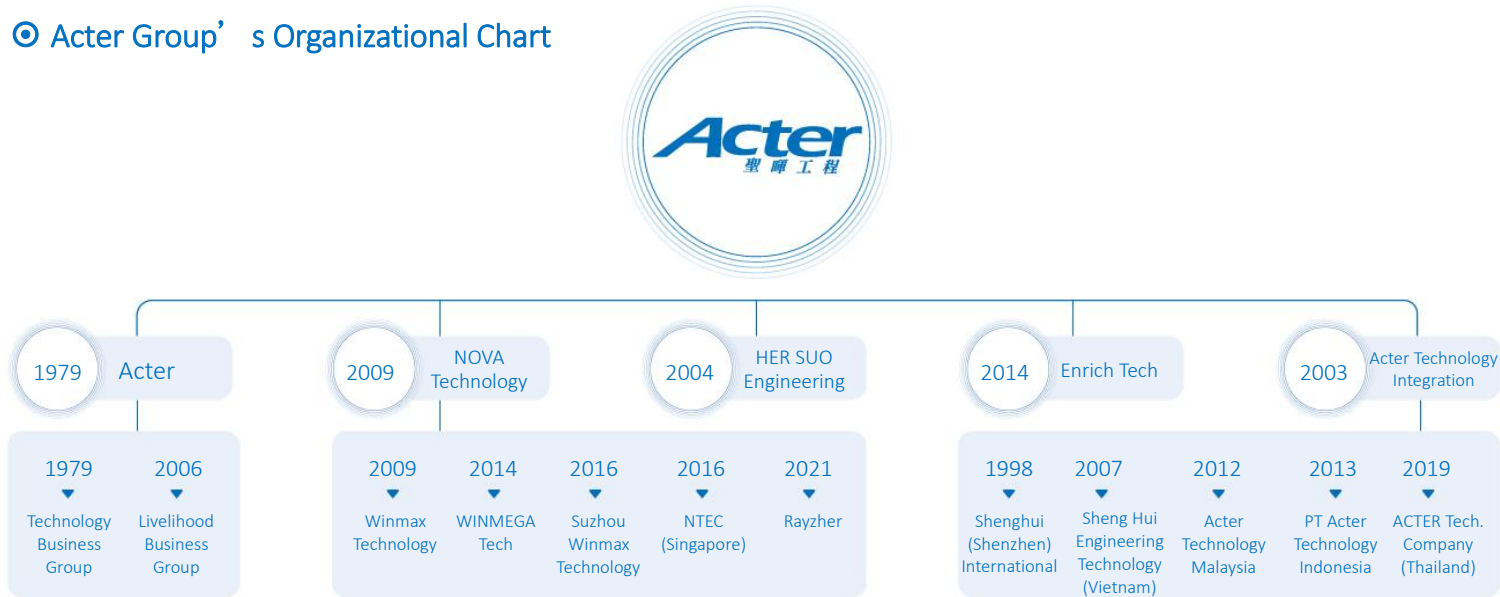
A total of 595 engineering projects were ongoing in 2022.

The total value of ongoing engineering projects in 2022 amounted to NT\$28.84 billion

A total of 592 engineering projects were completed in 2022

The total value of completed engineering project in 2022 amounted to NT\$3.99 billion

Acter Group's Organizational Chart



Note: Suzhou Winmax Technology Corp. renamed to Suzhou Winmax Technology Co., Ltd. in January 2023.

Main Business and Service Items

| | | | |
|--|---|--|--|
| <h3>High-tech production equipment integration engineering</h3> <ul style="list-style-type: none"> High-technology industry processes. Manufacturing, assembly, installation, and testing engineering of gas/chemical equipment.  | <h3>Cleanroom engineering</h3> <ul style="list-style-type: none"> High-tech/ biomedical industries. Turnkey cleanroom construction project.  | <h3>Environmental engineering and maintenance services</h3> <ul style="list-style-type: none"> Pollution prevention and control engineering for traditional and high-tech industries Energy management and maintenance services  | <h3>Electromechanical and air-conditioning integration engineering</h3> <ul style="list-style-type: none"> Planning and implementation of energy-saving solutions designed for the integration of electromechanical and air-conditioning systems of factories producing livelihood and high-tech products  |
|--|---|--|--|

Representative Engineering Projects of 2022

| Location | Key Achievements in Engineering Projects |
|-----------------------|---|
| Taiwan | |
| Kaohsiung | Electromechanical engineering project of FLEXIUM's plant, Building K. |
| Tainan | New construction project of Delta Electronics' Phase III STSP (Southern Taiwan Science Park) production facilities. |
| Changhua | Charter Investments' CHG4 package S04 MEG engineering project. |
| Taichung | SPI's ZK Plant Phase II construction project. |
| Hsinchu | Phoenix Silicon International's Cleanrooms 1B and 1C expansion project. |
| China | |
| Zhejiang | Phase II cleanroom design and installation project for the wafer manufacturing facility support system of Semiconductor Manufacturing Electronics (Shaoxing) Corporation. |
| Shanghai | Semiconductor Manufacturing South China Corporation's factory modification and expansion project for SH FAB8-P2 – Chemical System. Cleanroom engineering for Huawei's Golden Bridge Haiyang plant. |
| Guangzhou | The SRS system package of Guangzhou China Star Optoelectronics Semiconductor Display Technology Co., Ltd.'s production line for 8.6 generation oxide semiconductor new display device. |
| Hubei | Chemical mixing and packaging system back-end equipment and piping engineering of Crystal Clear (Hubei) Microelectronics Materials. |
| Hefei | Nexchip Semiconductor Corporation's N3 chemical supply system engineering project undertaken by SYC. |
| Southeast Asia | |
| Vietnam | Wistron's Phase I air-conditioning and electromechanical construction project. |

Acter's Business Philosophy and Corporate Core Value

Business Philosophy

Integrity

In the spirit of achieving fair trade, Acter insists on operating with transparency and conducting all business activities based on integrity. We provide customers with the most suitable and appropriate solutions that meet their demands, completing all work on time and according to specifications.

International Services

Our goal is to expand into the global market. We are progressing towards this goal, from Taiwan to mainland China and Southeast Asia. We believe that any place with people and industries will have a demand for excellent spaces. To accelerate our international deployment and development, we collaborate with advanced foreign companies and provide a stage for talented individuals from different fields who share our aspirations, hoping they can unleash their potential while we maintain our competitive advantages.

Expertise-oriented

As an "excellent space creator", Acter is committed to providing customers with professional engineering services and becoming their most reliable partner. With a focus on our core competencies, which include customizing engineering solutions, optimizing project budgets, delivering excellent engineering quality, and providing attentive warranty services, we are dedicated to offering our customers economical and feasible solutions. We have also integrated multiple resources and applied them across various industries. Wherever our customers are, Acter will be there. Additionally, we have adopted a diversified development approach to minimize risks associated with relying solely on a single market.

Sustainable Innovation

In our commitment to environmental sustainability, Acter consistently innovates green engineering technologies. We prioritize minimizing environmental impacts at every stage of the process, from design to procurement, implementation, trial, and formal operations. Our primary focus is on reducing the effects on the air, water, soil, nature, and ecological systems that may arise from our factory operations. Meanwhile, we also strive to uphold our competitive advantages within the industry. In addition to sustainable practices, we place a strong emphasis on employee welfare and safeguarding the rights and interests of our shareholders.

Safety

- Safety is our top priority in achieving professionalism. We are committed to maintaining a "zero occupational risk" approach and providing a safe workplace for our colleagues, customers, and subcontractors.

Focus

- Our core competence is applied across various industries to effectively and promptly meet the diverse project demands of our customers. These include cleanroom engineering, electromechanical engineering, air-conditioning engineering, biomedical and medical engineering, environmental engineering, and maintenance works. This wide range of expertise has established us as a leading pioneer in related techniques and technologies.

Core Value

Quality

- Apart from ensuring construction quality and efficient implementation, Acter also prioritizes cost reduction in terms of time and money, aiming to provide customers with the most reliable engineering quality.

Technology

- Our customers are offered a comprehensive solution. Green design serves as an exemplary approach through which we deliver the best solutions to our customers, leveraging our expertise to achieve environmental sustainability.

Innovation

- Acter has been developing efficient and cost-saving processes and techniques, aiming to enhance our competitiveness and create new business opportunities as a pioneer in the industry.

Acter's Participation in Associations and External Advocacy Partnerships

We are devoted to external advocacies related to the business core competencies and sustainably development. The scope of external advocacies includes the industries' economic development, development of technical innovation, climate change and sustainable development, supply chain, and human rights and social participations. By forming partnerships with associations and societies in the fields of our expertise, we can jointly facilitate the sustainable development of the industries. In 2022, Acter participated in 10 external associations as a member thereof and totally invested NT\$40,738 in facilitating the organization's development and operations.

1 Taiwan Pharmaceutical Manufacturer's Association

2 Taiwan Water Pipe Engineering Industries Information Portal

3 Taiwan Refrigeration and Air-Conditioning Engineering Association of R.O.C.

4 Semiconductor Equipment and Materials International (SEMI)

5 Taiwan Energy Service Association (TESA)

6 Taiwan Electrical Contractors Association (TECA)

7 Solar PV Generation System Association of R.O.C. (PVGSA)

8 Taiwan Parenteral Drug Association


9 Taichung Importers and Exporters Chamber of Commerce

10 Taiwan Cleaning Technology Association (TCTA)

Important Results and Sustainability Performance in 2022

E Environmental Actions

Reduced 11,900 metric tons of CO₂e
The CO₂ emissions reduction in representative green engineering projects for the year amounted to a total of 11,900 metric tons of CO₂e, which is equivalent to the CO₂e absorption of 992,000 trees per year.



Reduced water consumption by 5.28%
The per capita water resource usage for the year decreased by 5.28%.

Reduced waste by 21.29%
The amount of waste at headquarters decreased by 21.29% in the year.

Increased green procurement by 61.83%
The green procurement amounted to NT\$376.94 million, reflecting an increase of 61.83% compared to the previous year.

0 record, 0 penalty
Maintained a record of zero environmental penalties and fines for 8 consecutive years.

Obtained the **ISO 14064-1:2018** Verification Statement

S Social Inclusion

The average salary is NT\$1,250,682
The average salary of employees is NT\$1,250,682.

70% retention rate
Invested a total amount of NT\$4,946,808 in corporate internships and industry-academia training programs and cultivated 12 students with a post-training retention rate of 70%.

The CHR healthy corporate citizenship
Was evaluated and certified by Health Promotion Administration, Ministry of Health and Welfare as a healthy workplace; and received the CHR Healthy Corporate Citizenship Promise Enterprise Certification.

0% disability injury rate
0 major occupational accident
Acter's employees have maintained a record of 0% disability injury rate and 0 major occupational accident for 11 consecutive years.

Reached 8,822 individuals
The social engagement and investment amounted to NT\$2,435,158, reaching a total of over 8,822 individuals.

G Business Performance and Governance

revenue NT\$28.26 billion
Acter's consolidated revenue NT\$28.26 billion and the after-tax income was NT\$1.93 billion.

25 patents
Obtained 25 new patents and 4 software copyrights.

27.62% ROE
The return on shareholders' equity ratio was 27.62%.

Customer satisfaction level at 91.4
The customer satisfaction level reached a high level at 91.4.

The R&D budget amounted to NT\$334.99 million
The research and development budget was NT\$334.99 million, account for 1.18 of the revenue.

1,541 suppliers signed the Letter of Commitment
New suppliers agreed to abide by the "Code of Conduct for Suppliers" 100% and signed the "Letter of Commitment for Sustainability".

Award Honors

Top 5% in corporate governance evaluation
Was ranked on top 5% in TWSE's Corporate Governance Evaluation for 8 consecutive years.

Taiwan Sustainability Report Award – Golden Award
Received the "Taiwan Top 100 Sustainability Exemplary Awards" and the "Taiwan Sustainability Report Award-Golden Award" from TCSA in 2022.

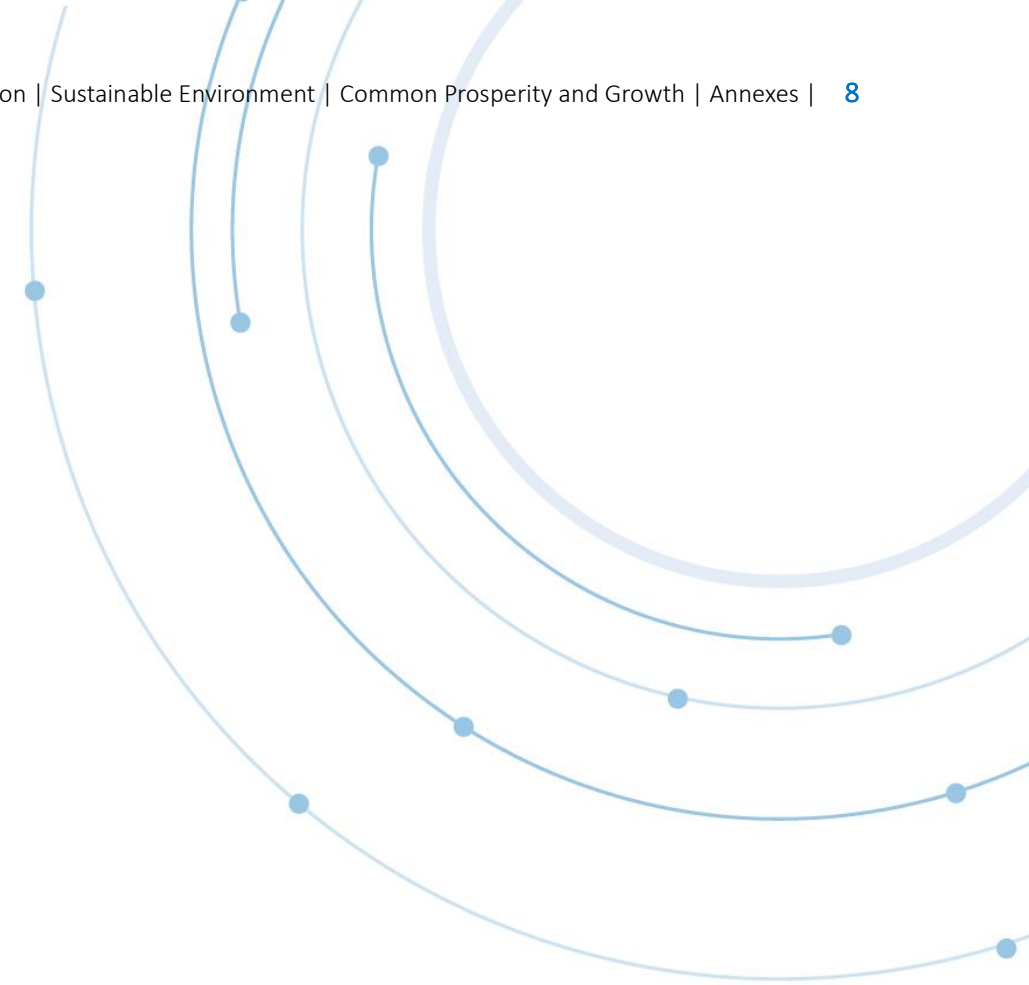
The "Excellence in Corporate Social Responsibility" – 4th Place
Received fourth place for Excellence in Corporate Social Responsibility from CommonWealth Magazine (medium-sized enterprises) in 2022.



1

Sustainable Management

- 1.1 Sustainable Development Organizations and Strategies
- 1.2 Stakeholder and Materiality Analysis



Chapter 01

"Environmental sustainability", "common good shared by all generations" and "co-creation of value" are the fundamental principles of Acter's sustainability strategy. Leveraging our core competencies in engineering, we have taken proactive measures, through the Corporate Sustainability Committee, to generate value aligned with the UN's SDGs. By internalizing environmental, social, and corporate governance (ESG) principles into our corporate DNA, we have implemented a range of strategic action plans to ensure the integration of sustainability concepts into our corporate management practices and strategies. Our goal is to create sustainable value for industries and society, advancing towards a brighter future.

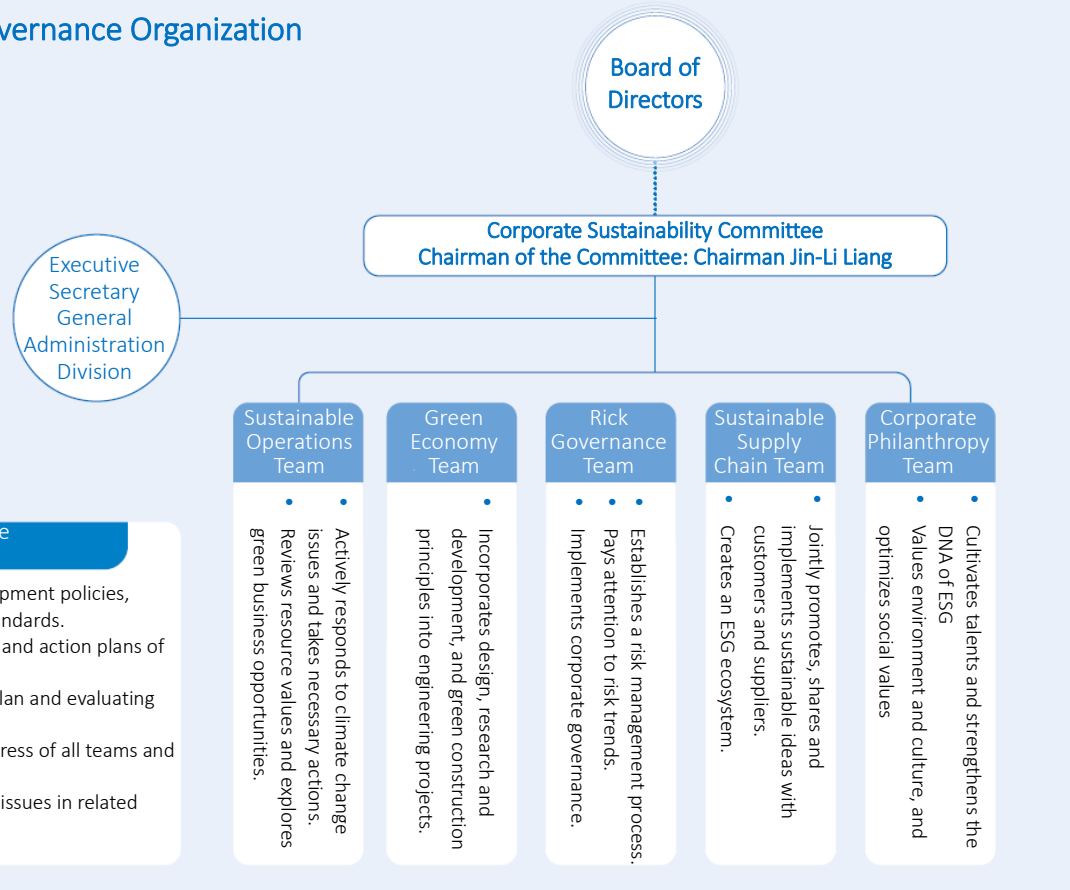
1.1 Sustainable Development Organizations and Strategies

• GRI: 2-12 to 14, 2-16, 2-22, 2-14

1.1.1 Corporate Sustainability Committee

In 2019, Acter established the Corporate Social Responsibility (CSR) Committee, which was later renamed to the "Corporate Sustainability Committee" in 2021. Being as the Company's highest governance organization for sustainable development, Corporate Sustainability Committee not only proactively implements ESG-oriented tasks, but also organizes inter-departmental platforms to address to global climate issues and the trend of net zero emission. The Committee aims to develop green low-carbon techniques, promote energy-saving technology, deepen the DNA of sustainability, and build a sustainable ecosystem as a value chain partner with the spirit of common good.

Acter's Sustainability Governance Organization



- Work items of the Corporate Sustainability Committee:**
- Setting corporate sustainable development policies, systems or relevant management standards.
 - Reviewing the objectives, strategies, and action plans of the ESG policy.
 - Tracking the progress of the action plan and evaluating performance.
 - Integrating the implementation progress of all teams and prepare the sustainability report.
 - Sharing experiences in sustainability issues in related fields.

- Sustainable Operations Team**
- Actively responds to climate change issues and takes necessary actions.
 - Reviews resource values and explores green business opportunities.

- Green Economy Team**
- Incorporates design, research and development, and green construction principles into engineering projects.

- Rick Governance Team**
- Establishes a risk management process.
 - Pays attention to risk trends.
 - Implements corporate governance.

- Sustainable Supply Chain Team**
- Jointly promotes, shares and implements sustainable ideas with customers and suppliers.
 - Creates an ESG ecosystem.

- Corporate Philanthropy Team**
- Cultivates talents and strengthens the DNA of ESG
 - Values environment and culture, and optimizes social values



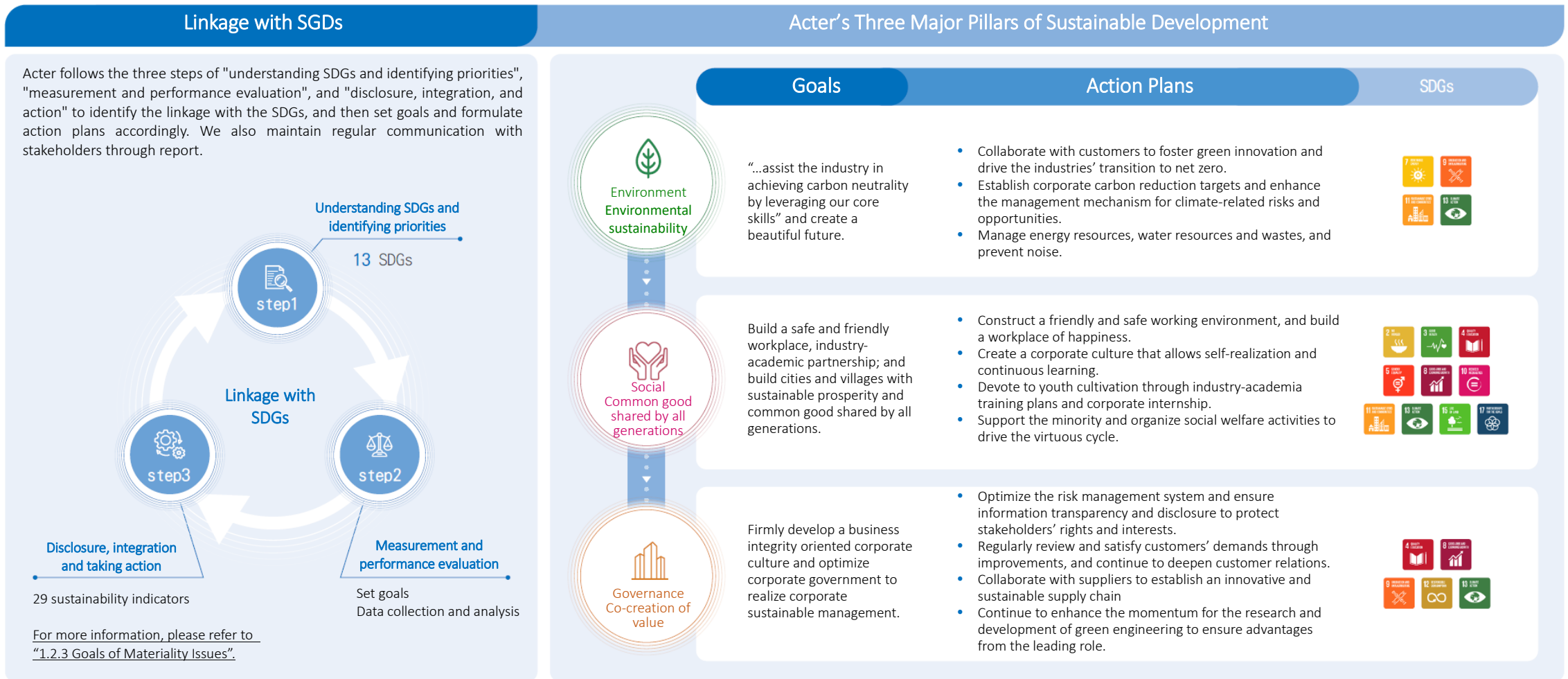
- Organizational Operations**
- Report the implementation results to the board of directors and simultaneously disclose them on the Company's official website and annual sustainability report.
 - The Committee is chaired by the chairman of the company and includes heads of departments and divisions, working together to integrate strategic policies and resources.



- Implementation Approach**
- Conduct regular work meetings to communicate vision policies, monitor progress towards targets, and implement the Company's sustainable development initiatives.
 - A total of 8 work meetings were held in 2022, and the results of sustainable development implementation were reported at the board of directors' meeting held on November 4, 2022.
- >>>For more information, please refer to Acter's "Rules Governing the Practice of Corporate Sustainable Development".

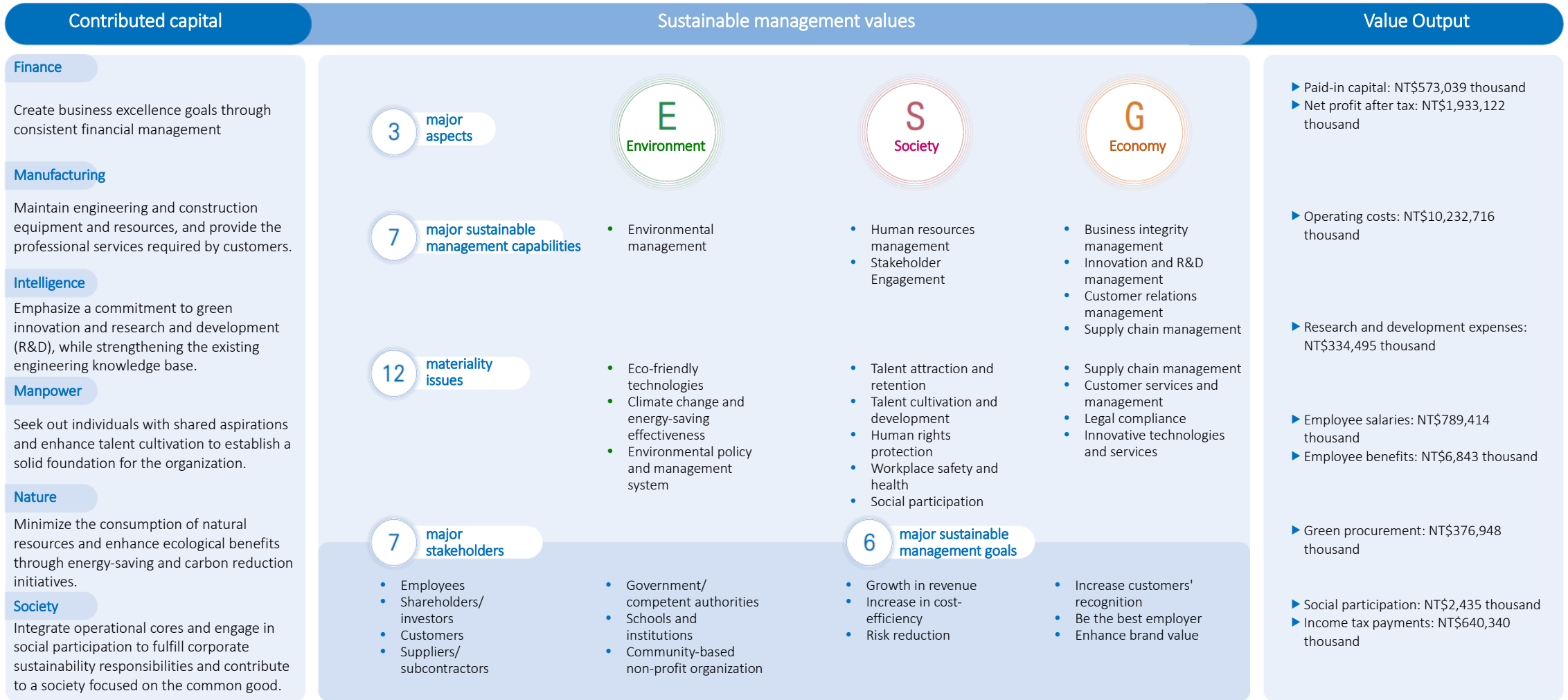
1.1.2 Sustainable Strategy Framework and Implementation of SDGs Goals

Guided by the vision of "implementing corporate social responsibility and pursuing a better future", Acter has integrated business sustainability into our decision-making process, ensuring its inclusion in our overall business management. We leverage the influential power of green technology and our core competencies in risk management to effectively implement sustainable engineering practices. With a focus on the three sustainable development pillars "environmental sustainability", "common good shared by all generation" and "co-creation of value", Acter has evaluated risks and opportunities caused by our core business on SDGs, and proactively implemented 13 SDGs in relations to the three pillars to ensure our core competencies in sustainable engineering that help to solve social and environmental issues effectively. Please refer to "1.2.3 Goals of Materiality Issues".



1.1.3 Sustainable Value Management

With our investment in six capitals, Acter has established a clear and sustainable management mechanism. We have also set specific and measurable long-term goals to create corporate operating profits and maximize shareholder value. Furthermore, we have promoted sustainable management within the organization and enhanced our sustainable performance through seven key capabilities. By leveraging our influence, we aim to create sustainable value for the industry and society, working towards a shared vision of a sustainable and beautiful future.










1.2 Stakeholders and Materiality Analysis

• GRI: 2-16, 2-29, 3-1 to 3

1.2.1 Stakeholder Engagement

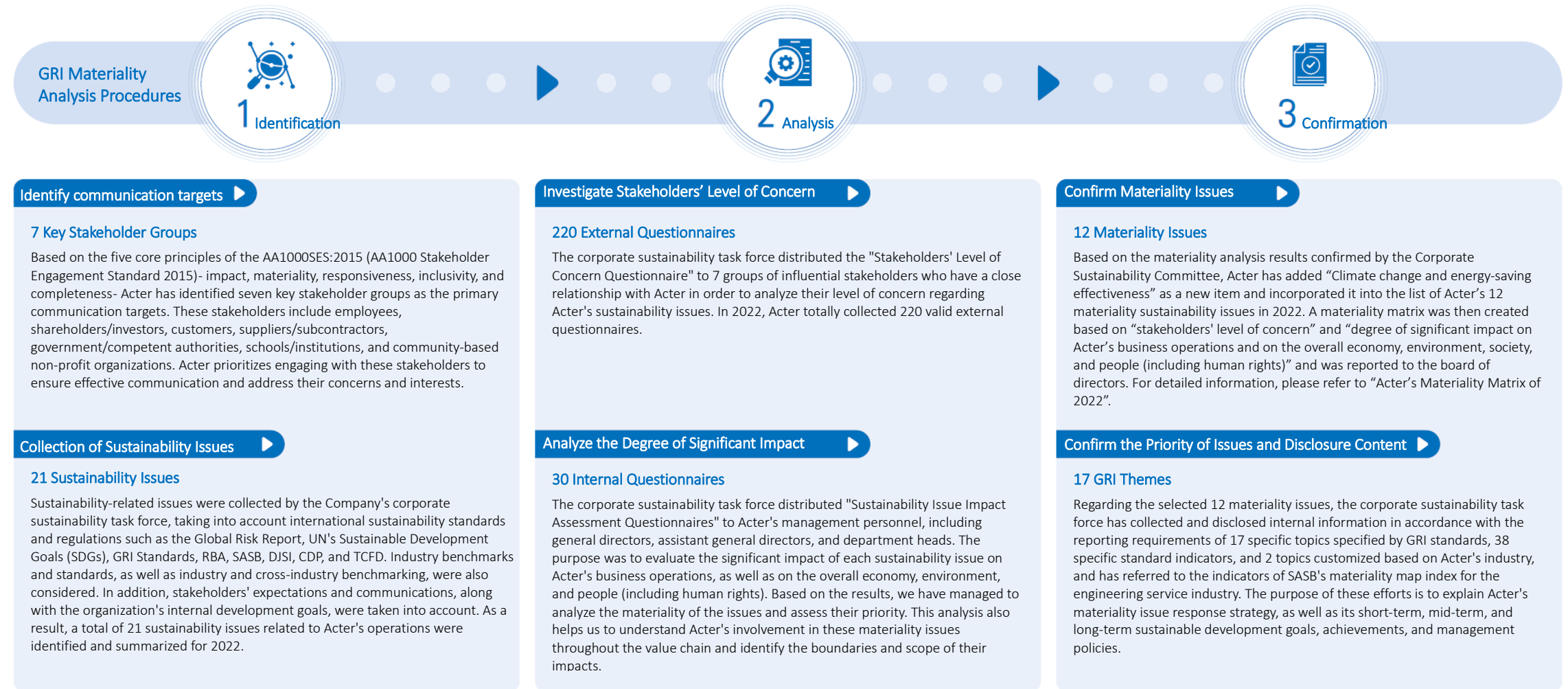
Acter values effective communication with our stakeholders. We ensure the transmission and disclosure of accurate, objective, and up-to-date information through various channels. Additionally, we actively seek and gather feedback and opinions from stakeholders, which helps us adjust our strategies and approaches to meet public expectations and demonstrate our social influence. Based on the five major principles of the AA1000SES:2015 (AA1000 Stakeholder Engagement Standard 2015)- impact, materiality, responsiveness, inclusivity, and completeness- we have identified seven key stakeholder groups: employees, shareholders/investors, customers, suppliers/subcontractors, government/competent authorities, schools/institutions, and community-based non-profit organizations. Below are the diverse communication channels utilized and the results achieved in 2022:

| Stakeholders | Importance | Concerned Issues | Engagement method | Frequency | Results of 2022 | Chapter In Response Thereto |
|--|--|---|--|-----------------------|---|--|
|  <p>Employees</p> | Talents and innovation are key factors that contribute to Acter's core competitiveness and serve as an essential foundation for our sustainable operations. | <ul style="list-style-type: none"> • Human rights protection • Talent attraction and retention • Talent cultivation and development • Workplace safety and health | Labor-management coordination meeting | Quarterly | 4 meetings | 2.4 Operating Performance 5.1 LOHAS at Acter 5.2 Talent Development 5.3 Human Rights Management 5.4 Occupational Health and Safety |
| | | | Occupational safety and health committee | Quarterly | 4 meetings | |
| | | | Staff welfare committee | Quarterly | 4 meetings | |
| | | | Management and plenary meeting | At least each quarter | 4 management meetings and 1 plenary meeting | |
| | | | Official website announcement section, complaint hotline, and a dedicated email box. | At any time | Received 0 complaint | |
| | | | Employee engagement and satisfaction surveys | Annually | The score was 84.56. In November 2022, an anonymous online questionnaire survey was conducted among all employees to assess their level of engagement and satisfaction. This survey aimed to understand the employees' work experience, analyze the company's strengths and opportunities, and continuously improve and enhance them based on the survey results. | |
|  <p>Shareholders/Investors</p> | The long-term support of shareholders and investors is the driving force behind Acter's steady growth. We highly value and appreciate the resources contributed by every investor, and we are committed to fulfilling our obligations and providing them with returns in a sincere manner. | <ul style="list-style-type: none"> • Financial and business performance • Sustainable development and strategy • Corporate governance • Risk management | Shareholders' meeting | Annually | 4 corporate briefing sessions to report the Acter's up-to-date operational and financial status to shareholders/ investors. Related information are disclosed on Acter's official website. Contact information for the spokesperson is disclosed on the Company's website, specifically in the section designated for investors, allowing shareholders and investors to ask questions at any time. | 2.1 Corporate Governance 2.2 Business Integrity 2.3 Risk Management 2.5 Operating Performance |
| | | | Corporate briefing session | Quarterly | | |
| | | | Annual report and sustainability report | Annually | | |
| | | | Official website investment section, and MOPS | Timely | | |
| | | | Telephone, fax and email | Timely | | |

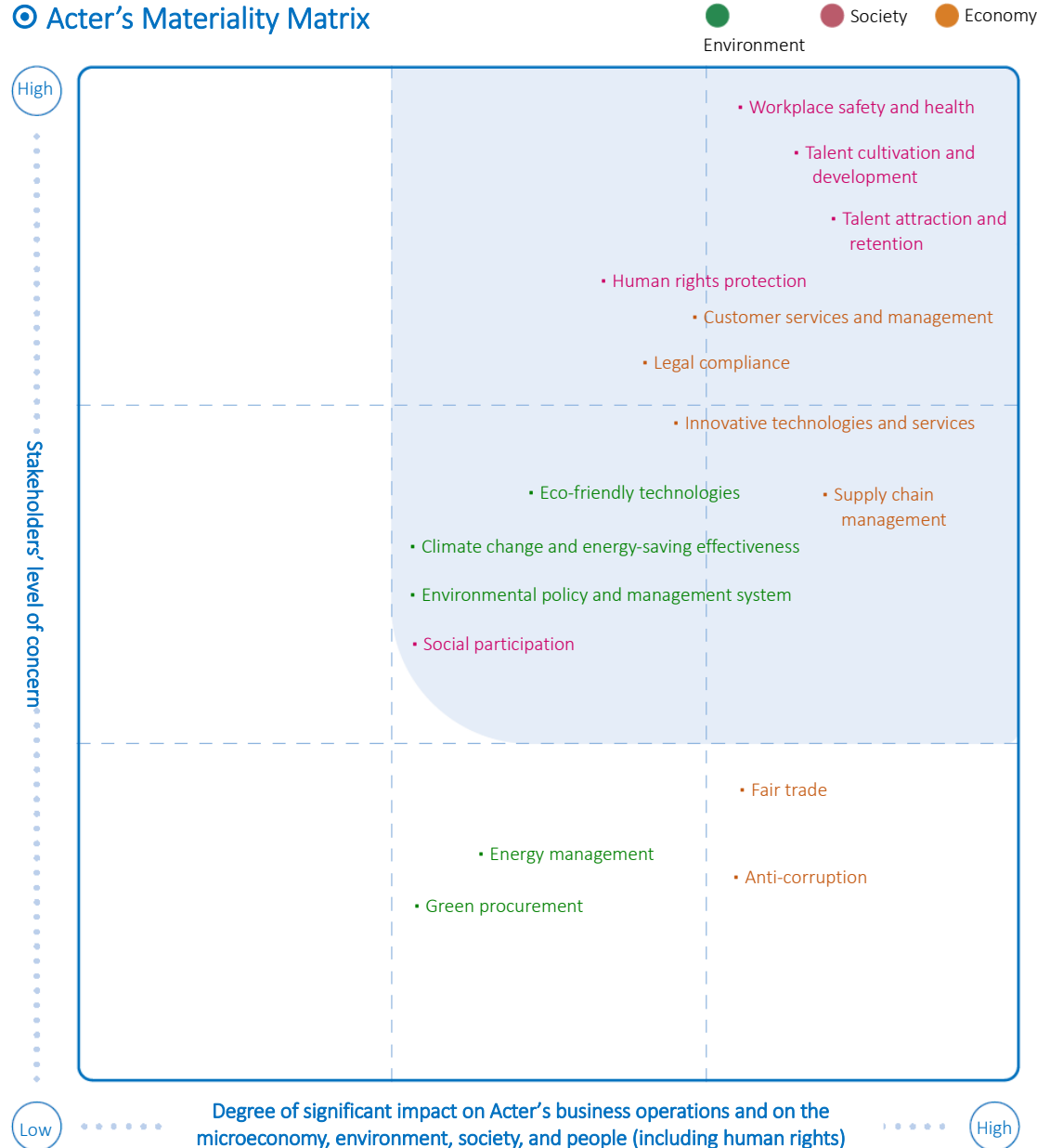
| Stakeholders | Importance | Concerned Issues | Engagement method | Frequency | Results of 2022 | Chapter In Response Thereto |
|---|---|--|--|--|---|---|
|  Customers | Acter highly values and actively listens to the voice of our customers. With a customer-centric approach, we strive to consistently enhance customer satisfaction and provide them with valuable solutions, making us a reliable partner. | <ul style="list-style-type: none"> Innovative technologies and services Customer services and management Supply chain management Eco-friendly technologies Environmental policies and environmental management system Climate change and energy-saving effectiveness | Customer satisfaction survey Customer visits and sales meetings Telephone, fax and e-mail | Semi-annually Timely Timely | The customer satisfaction level was 91.4, as determined through a survey conducted in accordance with the "Operating Procedures Governing Customer Satisfaction Level and Sustainable Improvements". Customers' feedback and opinions were collected, summarized, and specified in a report along with proposed improvement countermeasures. The performance is also continuously monitored and tracked to ensure sustainable progress. | 2.2 Business Integrity 3.1 Innovation and R&D 3.2 Green Engineering Management 3.3 Customer Services and Management 3.4 Supply Chain Management |
|  Suppliers/ Subcontractors | Acter expects mutual support and cooperation with suppliers. We work together with suppliers to fulfill the tasks entrusted by customers, with attention to quality, schedule, and sustainable management. | <ul style="list-style-type: none"> Customer services and management Supply chain management Environmental policies and environmental management system Climate change and energy-saving effectiveness | Visits to suppliers Toolbox meeting and occupational safety training Patrol and audit Suppliers evaluation The section dedicated to suppliers on Acter's official website; telephone, fax and e-mail | At least 2 suppliers each year Timely Daily Semi-annually Timely | Visited 2 suppliers to ensure that its code of conduct comply with relevant regulations; and to exchange ideas on factory equipment, materials, production process and so on. 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. 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. Evaluation rate reached 100%, including 18% of Level A suppliers and zero Level C/ disqualified supplier. Key suppliers were evaluated in accordance with "Procedures Governing Procurement and Materials" and the evaluation results were used as the basis for judging suppliers' bidding qualifications and offering incentives thereto. Timely paid attention to suppliers' implementation status. | 2.3 Risk Management 3.4 Supply Chain Management |
|  Government / Competent Authorities | Legal compliance is the foundation of our business operations. Acter strictly adheres to all regulations and laws to ensure compliance with the requirements of competent authorities and actively participates in government policies. | <ul style="list-style-type: none"> Corporate Governance Business Integrity Risk Management | Corporate governance evaluation Financial statements and important information Participation in regulatory briefings, workshops, and associations Official documents, meetings, telephone and email | Annually Timely Irregularly Timely | Acter achieved a ranking in the top 5% for 8 consecutive years, and the related information has been published on MOPS and the Company's official website. Acter maintains regular communication with competent authorities and actively aligns its operations with government policies. | 2.1 Corporate Governance 2.2 Business Integrity 4.2 Energy and Environmental Management 5.4 Occupational Health and Safety |
|  Schools / Institutions | Through industry-academia collaboration programs and internships, Acter actively establishes long-term partnerships with colleges and universities to cultivate industry talents. | <ul style="list-style-type: none"> Innovative technologies and services Talent cultivation and development Participation in social welfare activities | Internships and industry-academia collaboration programs On-campus recruitment events Industry-academia career-sharing sessions R&D collaboration projects | Annually Annually Irregularly Irregularly | 11 students participated in internships during the semester, 1 student joined industry-academia collaboration programs, and 5 informative lectures were held. Acter continued to establish partnerships with National Taipei University of Technology (Taipei Tech), National Yunlin University of Science and Technology (YunTech), National Chin-Yi University of Technology (NCUT), and National Kaohsiung University of Science and Technology (NKUST). | 3.1 Innovation and R&D 5.2 Talent Development 5.5 Social Participation |
|  Community-based non-profit organizations | To fulfill its role as a corporate citizen, Acter constantly engages in community care, establishes local connections, and proactively works towards the common prosperity and well-being of society. | <ul style="list-style-type: none"> Climate change and energy-saving effectiveness Social Participation | Project-based cooperation or visit Volunteer services Contact window for corporate sustainability officer | Irregularly Annually Timely | In line with the four social welfare themes (environmental sustainability, caring for disadvantaged minorities, sustainable cities and communities, and community empowerment), Acter actively engaged in volunteer services and activities, fostering strong, friendly, and interactive relationships with social welfare organizations and schools. | 4.2 Energy and Environmental Management 5.5 Social Participation |

1.2.2 Materiality Analysis

Acter actively considers sustainability challenges and opportunities that can be genuinely implemented based on the essence of its business operations. We have adopted the GRI Sustainability Reporting Standards (GRI Standards) and AA1000 Stakeholder Engagement Standards to establish processes for identification, analysis, and confirmation based on “stakeholder inclusiveness”, “materiality”, “completeness” and “sustainability context”. These processes assist in determining stakeholders’ level of concern regarding sustainability issues and their significant impacts on Acter’s management. The primary objectives are to identify materiality issues and evaluate their degree of significant impact on the overall economy, environment, society, and people (including human rights). This comprehensive perspective allows us to review the planning and effectiveness of sustainability development strategies and utilize them as the foundation for information disclosure in this report.



Acter's Materiality Matrix



Acter has evaluated the impact of each issue on the company's business operations, including revenue growth, customer satisfaction, employees' morale, and operational risks, by integrating internal and external opinions and considering dual materiality. The company also identifies the importance and influence of each ESG issue by considering the impacts caused by relevant operating activities on the economy, environment, society, and people (including human rights). This evaluation helps in determining the level of impact. In comparison to the materiality issues of 2021, a new issue, "climate change and energy-saving effectiveness", has been added in 2022.















Note: The topics of "sustainable development and strategy, corporate governance, risk management, information security management, and operational and financial performance" are considered as general disclosure and result-oriented. Therefore, they are not presented in the materiality matrix. However, relevant information is still regularly disclosed in the Company's annual report, website, and sustainability report.

Explanation and management policies for the degree of value chain involvement in materiality issues

| Materiality Issues | Value chain impact boundaries and degree of involvement | | | | Respective GRI standards | SASB themes | Acter's response measures | Management policies (chapters in response) |
|--|---|---------------------------------|------------------------|------------------------|---|---|--|--|
| | Procurement | Engineering planning and design | Construction | For customers' uses | | | | |
| Eco-friendly technologies | Indirect | Direct | Direct | Business relationships | 302-5 | Lifecycle assessments for buildings | Devoted to developing various green technologies to assist customers in establishing high-value, low-consumption, and low-pollution green factory facilities, while establishing good business relationships with customers and enhancing procurement capabilities in green materials. | 3.1 Innovation and R&D 3.2 Green Engineering Management |
| Climate change and energy-saving effectiveness | Indirect | Direct | Direct | Indirect | 302-1, 302-2, 302-3, 305-1, 305-2, 305-3 | - | Under the major trend of achieving net zero, Acter has proactively responded to the current and anticipated impacts of climate change through our business development, environmental protection efforts, energy-saving initiatives, and green engineering projects. | 4.1 Climate Change Management 4.2 Energy and Environmental Management |
| Environmental policy and management system | Direct | Direct | Direct | Indirect | 302-1, 302-3, 307-1 | Environmental impacts | Develop internal environmental, health, and safety (EHS) policies, implement ISO 14001 Environmental Management Systems, and ensure their execution on project construction sites. Additionally, provide guidance to suppliers to fulfill their responsibilities for corporate sustainability by following the Code of Conduct for Suppliers, thus reducing environmental impacts. | 4.2 Energy and Environmental Management |
| Talent attraction and retention | - | Direct | Direct | - | 201-3, 202-1, 202-2, 401-1, 401-2, 401-3, 404-3, 405-1, 405-2 | - | Collaborate with colleges and universities to promote internship programs and provide scholarships to cultivate future talents. In terms of internal staff, continue to enhance competitive salaries and provide diverse benefits. | 5.1 LOHAS at Acter |
| Talent cultivation and development | - | Direct | Direct | Indirect | 404-1, 404-2 | - | Devote to talent cultivation and enhance employees' job capabilities to sustain the company's core competitive advantages. | 5.2 Talent Development |
| Human rights protection | Direct | Direct | Direct | - | 402-1, 406-1, 408-1, 412-2, 414-2, 419-1 | - | Implement gender equality, diversity, and inclusion measures for employees. Additionally, require suppliers to sign a "Letter of Commitment for Sustainability" that includes regulations on human rights issues, thus enhancing the protection of labor rights. | 5.3 Human Rights Management |
| Workplace health and safety | - | Direct | Direct | - | 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10, 419-1 | Workforce health and safety | Offer employees EPA caring solutions and health facilitation measures. Establish and optimize operating, educational, training, and auditing systems to effectively reduce the occurrence of occupational injuries at project sites, thus preventing hazards. | 5.4 Occupational Health and Safety |
| Social participation | - | Direct | Direct | Indirect | - | - | Build a people-oriented and socially responsible corporate culture through public welfare activities to enhance employees' service spirit and demonstrate it in customer service. | 5.5 Social Participation |
| Supply chain management | Business relationship | Direct | Direct | Indirect | 204-1, 308-1, 308-2, 414-1, 414-2 | - | Acter has established a Code of Conduct for Suppliers and collaborates with suppliers to ensure stable service quality. Suppliers are requested to sign the Letter of Commitment for Business Integrity and, in the case of violating business integrity or other major regulations, Acter will terminate the cooperation with them. | 3.4 Supply Chain Management |
| Customer services and management | - | Business relationship | Business relationships | Direct | 418-1 | Structural integrity and safety for buildings | Continue to be service-oriented and maintain in-depth communication with customers through customer satisfaction surveys, thus enhancing service quality and improving the overall customer experience. | 3.3 Customer Services and Management |
| Legal compliance | Direct | Direct | Direct | Direct | 307-1, 419-1 | Business ethics | Implement legal compliance and foster employees' awareness of legal requirements through education and training. Ensure that all business activities adhere to relevant laws and regulations in order to reduce operational risks and safeguard the rights and interests of partners and customers. | 2.2 Business Integrity 4.2 Energy and Environmental Management 5.3 Human Rights Management |
| Innovative technologies and services | Direct | Direct | Direct | Direct | 302-5 | - | Proactively plan the development strategy for green innovation technologies, cultivate talent in innovative technologies, collaborate with customers to achieve green innovation, and cooperate with suppliers to establish an innovative and sustainable supply chain. | 3.1 Innovation and R&D |

1.2.3 Goals of Materiality Issues

To implement our commitment to sustainable development, we have focused on Acter's 12 materiality issues and adopted an outside-in approach to explore external needs from a global perspective. We also integrate sustainable development goals and operating strategy to assess the value and contributions that Acter is capable of making for each materiality issue and sustainable goal. Our Corporate Sustainability Committee then develops the short-term goals for 2023 and the mid- and long-term sustainable development goals up to 2030. Furthermore, the Committee not only determines the direction of efforts, action plans, objectives, and performance for each goal, but also conducts an annual review of our management and implementation status. The purpose is to ensure that we have made a core contribution towards realizing sustainable goals and fostering a better future for the industry and society.

| Materiality issues | Management strategy | Linking with SDGs | Management Index and Goals | | | | | |
|---|--|---|--|--|---|---|---|---|
| | | | Key Performance Index (KPI) | Goals of 2022 | Achievement in 2022 | Short-term goal | Mid-term goal | Long-term goal |
| | | | | | | 2023 | 2025 | 2030 |
| E Environment | | | | | | | | |
| Eco-friendly technologies | Provide customers with eco-friendly, energy-saving solutions by applying green engineering technologies in projects, thus creating differentiation and enhancing industrial added value. |   | Achievements of green engineering projects | 10 projects |  Achieved 12 cases | 11 cases | 12 cases | 13 cases |
| NEW Climate change and energy-saving effectiveness | Through an annual process of identification, analysis, calculation, reduction, and staying informed about international trends and benchmark learning, we effectively examine gaps in climate change management and continuously refine our approach, striving for progress and improvement. |   | Greenhouse gas emissions | Transition to the ISO 14064-1:2018 edition and set 2022 as the carbon reduction base year. |  Achieved | Absolute reduction of 1.25% | Absolute reduction of 3.75% | Absolute reduction of 10% |
| Environmental policy and management system | To ensure compliance with the latest environmental regulations and requirements, implement "environmental operational control procedures", establish EHS goals and policy statements, and continuously improve the ISO energy and environmental management system. |    | Obtain management system certification | Compliance with domestic and foreign management standards |  Achieved ISO 50001:2018 ISO 14001:2015 | Compliance with domestic and foreign management standards | Compliance with domestic and foreign management standards | Compliance with domestic and foreign management standards |
| | | | Per capita energy consumption | Lower than the reference value (i.e., average of the previous two years) | Increased by 19.53% due to the change of the calculation base in 2022. Please refer to "4.2.1 Energy" for more information. | Lower than 4.58 GJ/person | Lower than the reference value | Lower than the reference value |
| | | | Weight of waste | Lower than the reference value (i.e., average of the previous two years) |  Achieved Reduced by 21.29% | Lower than 321.55 KG | Lower than the reference value | Lower than the reference value |
| | | | Per capita water resource consumption | Lower than the reference value (i.e., average of the previous two years) |  Achieved Reduced by 5.28% | Lower than 8.55 metric ton per person | Lower than the reference value | Lower than the reference value |

| Materiality issues | Management strategy | Linking with SDGs | Management Index and Goals | | | | | |
|---|--|-------------------|---|---|-------------------------|--|---|---|
| | | | Key Performance Index (KPI) | Goals of 2022 | Achievement in 2022 | Short-term goal | Mid-term goal | Long-term goal |
| | | | | | | 2023 | 2025 | 2030 |
| <div style="display: flex; align-items: center;"> S Society </div> | | | | | | | | |
| Talent attraction and retention | Devoted to recruiting, nurturing, and retaining outstanding talents, we attract and retain individuals by providing a competitive salary package, various benefits, and caring measures. | | Benefit participation rate | Above 85% | Achieved 100% | Above 86% | Above 88% | Above 90% |
| | | | Number of individuals nurtured through internships and industry-academia cooperation programs | At least 8 individuals | Achieved 12 individuals | At least 9 individuals | At least 10 individuals | At least 12 individuals |
| | | | Hiring individuals with disabilities and indigenous people | Compliant with and greater than statutory requirements. | Achieved | Compliant with and greater than statutory requirements. | Compliant with and greater than statutory requirements. | Compliant with and greater than statutory requirements. |
| | | | Promoting women's career development | More than 20% of middle-level managerial positions are held by women. | Achieved 23% | Above 20% | Above 20% | Above 20% |
| | | | Employee dedication and satisfaction survey | Above 80 | Achieved 85.56 | Above 82 | Above 83 | Above 85 |
| Career development, education and training | Develop employee evaluation and management guidelines, establish strategic talent cultivation plans, and adhere to the human resources (HR) training procedures of PDCA+PDDRO to continuously evolve, innovate and build a high-quality talent pool. | | Education and training achievement rate | Achievement rate is 100% | Achieved 100% | 100% | 100% | 100% |
| | | | Professional skills achievement rate | Achievement rate is above 85% | Achieved 80.39% | The achievement rate was 80.39%, which was attributed to the significant increase in the number of new employees in 2022. Acter already planned professional education and training programs for engineering personnel to enhance their professional skills. | | |
| | | | Education and training achievement rate | Satisfaction rate is above 80% | Achieved 86.2 | Above 82 | Above 83 | Above 85 |
| Human rights | Develop Acter's human rights policies as the highest guiding principles for human rights governance, establish smooth communication channels, and create a dedicated department to handle relevant affairs, respond to related issues, and provide assistance accordingly. | | Human rights policy or procedures; employee training rate | Training rate is above 80% | Achieved 87.11% | Above 82% | Above 83% | Above 85% |
| Occupational health and safety | Provide employees and subcontractors with optimal occupational safety education and training; and implement regular safety and health patrols to achieve accident prevention while enhance Acter's disaster response capability. | | Critical incident in the workplace | 0 critical incident in the workplace | Achieved 0 case | 0 case | 0 case | 0 case |
| | | | Disability injury frequency rate | Below 2% | Achieved 0% | Below 1.5% | Below 1.3% | Below 1% |
| Social participation | Create value for the common good with a focus on environmental sustainability, care for disadvantaged minorities, community empowerment, and the development of sustainable towns and villages." | | Participate in social works and volunteer activities | Added a new item | Achieved | Will add a new item | Will add a new item | Will add a new item |

| Materiality issues | Management strategy | Linking with SDGs | Management Index and Goals | | | | | |
|---|---|-------------------|---|---|--|--|--|--|
| | | | Key Performance Index (KPI) | Goals of 2022 | Achievement in 2022 | Short-term goal | Mid-term goal | Long-term goal |
| | | | | | | 2023 | 2025 | 2030 |
| <div style="display: flex; align-items: center;"> G Economy </div> | | | | | | | | |
| Supply chain management | Developed the "Code of Conduct for Suppliers" to build a sustainable responsible supply chain; and, through green and local procurement, collaborate with suppliers to joint move towards sustainable operations. | | New suppliers shall sign the "Letter of Commitment for Sustainability" | The suppliers signing rate is above 100% | Achieved. 100% signing rate | 100% | 100% | 100% |
| | | | Conduct supplier assessment and sustainable risk evaluation each year (suppliers receiving more than 80 points are classified as Class A suppliers) | The overall supplier rating is above 75. | The overall rating was 73.3%, which was attributed to the significant increase in the number of new employees in 2022. Acter already launched the "Supplier Cultivation Plan" to assist suppliers in enhancing their sustainability capabilities through targeted guidance and secondary audits. | Above 75 | Above 76 | Above 78 |
| | | | Visit important suppliers or suppliers with potential risks | Visit 3 suppliers. | Achieved. 4 suppliers | More than 3 suppliers | More than 4 suppliers | More than 5 suppliers |
| | | | Green procurement | The procurement amount increases comparing to the previous year. | Achieved. Increased by 61.83% | With an increase compared to the previous year | With an increase compared to the previous year | With an increase compared to the previous year |
| | | | Optimization of local procurement. | The expenditure accounts for above 96%. | Achieved. 98.27 | Above 96.5 | Above 97 | Above 98 |
| Customer services and management | Conduct customer satisfaction surveys on a regular basis; and, through reviews, analyses and improvement plans, continue to deepen customer relations. | | Customer satisfaction survey | The average overall satisfaction level is above 88. | Achieved. 91.4 | Above 90 | Above 91 | Above 92 |
| Legal compliance | Continuously check and ensure the company's compliance with up-to-date regulations; and regularly conduct education and training on ethical and legal compliance awareness for employees. | | Achievement rate of ethical and legal compliance awareness training | The training achievement rate is above 78%. | Achieved. 85.30 | Above 80% | Above 83% | Above 85% |
| Innovative technologies and services | Continuously enhance the company's R&D momentum and annually assess the investment and effectiveness of R&D expenses to ensure our competitiveness among industry players and in terms of green engineering R&D. | | The proportion of R&D expenses to total revenue. | The R&D expenses account for more than 0.78% of the total revenue. | Achieved. 1.18% | Above 0.85% | Above 0.88% | Above 0.90% |
| | | | Number of patents or new technologies. | Continue to develop patents or new technologies each year, and deepen Acter's ability to provide professional green engineering services. | Achieved. Added 25 patent technologies and 4 software copyrights. | To be increased. | To be increased. | To be increased. |



2

Sustainable Governance

- 2.1 Corporate Governance
- 2.2 Business Integrity
- 2.3 Risk Management
- 2.4 Operating Performance

Chaper 02

Confronted with rapid changes in the industry environment and the risks posed by emerging issues, Acter not only establishes a rigorous corporate governance framework and strengthens the functions of the board of directors, but also safeguards shareholders' rights and interests. Furthermore, Acter enhances operational supervision at all levels through an optimized risk management mechanism; and establishes good business practices and ethical norms to uphold the core value of corporate integrity.

Performance Highlights



Ranked in the top 5% in corporate governance evaluations for 8 consecutive years



Received the Excellence in Corporate Social Responsibility award from Commonwealth Magazine in 2022.



Received the Taiwan Top 100 Sustainable Enterprise Award in 2022

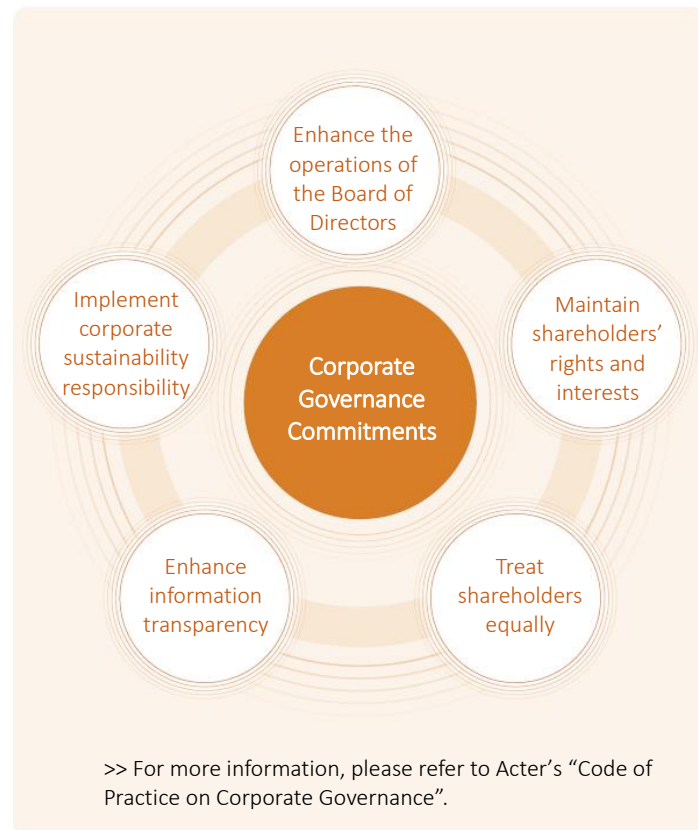
- TPEX 200 Index
- High Dividend Yield Index Stock
- Labor Employment 88 Index
- TPEX Compensation Index
- TPEX 50 Index Stock
- Compensation Index Stock
- Corporate Governance Index

2.1 Corporate Governance

• GRI: 2-9 to 12, 2-15, 2-17 to 20.

2.1.1 Corporate Governance Commitments

Business integrity serves as a solid foundation for the development of corporate sustainable development. Aligned with the "Corporate Governance 3.0- Sustainable Development Blueprint" issued by the Financial Supervisory Commission (FSC), Acter promotes a transparent corporate governance culture and optimizes our corporate governance system to enhance our sustainable development and competitiveness, enabling sustainable operations and excellence in business development.



Enhance the operations of the Board of Directors

The number of Acter's independent directors exceeds one-half of the total director seats; and half of the independent directors have not served in this position for more than three consecutive terms. To optimize the efficiency of the Board of Directors, Acter has not only stipulated a Code of Practice on Corporate Governance, but also adopted diverse advanced training programs and conducts evaluations on the Board of Directors' performance and independence.

Maintain shareholders' rights and interests

To ensure the timely disclosure of information that can potentially affect shareholders' decisions, Acter has established a spokesperson and deputy spokesperson system; designated a unit dedicated to handling stock affairs and relations with legal persons; and set up a mailbox to receive shareholders' suggestions and questions.

Treat shareholders equally

Acter has promulgated the "Rules Governing the Handling of Internal Material Information and Preventing Insider Trading." These rules not only prohibit the Company's staff from trading securities with undisclosed market information, but also serve as the basis for the disclosure mechanism and handling material information. Acter insists that new directors and management personnel should complete insider trading and management programs within one month of taking office. Additionally, before announcing our quarterly operational performance, Acter will remind our staff and management personnel in order to implement the prevention of insider trading.

Enhance information transparency

Since 2011, Acter has consistently issued our annual consolidated and individual financial reports within 75 days after the end of the year. Furthermore, through corporate briefing sessions and the Market Observation Post System (MOPS), Acter proactively reports the Company's up-to-date operational and financial status to our shareholders and investors, enabling them to quickly and transparently understand the company's operations.

Implement corporate sustainability responsibility

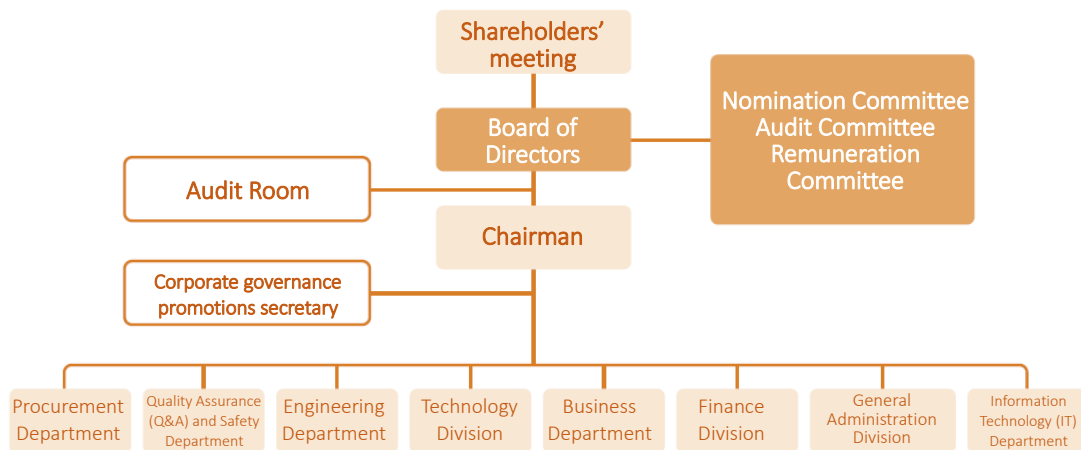
Acter has not only established a Corporate Sustainability Committee to drive various initiatives and integrate relevant resources, but also actively aligned with international standards to lead the Company towards excellent sustainable business practices. In terms of our achievements in promoting corporate sustainability, **Acter has been recognized as one of the top 5% companies in the TWSE Corporate Governance Evaluation for eight consecutive years, and has received numerous accolades in corporate sustainability assessments.**

2.1.2 Board of Directors

As the top decision-making team, Acter's Board of Directors is responsible for the Company's operations and enhancing management functionality. Acter's Board of Directors is composed of 7 directors, including 3 executive directors and 4 independent directors, 2 of whom are female directors. The Board of Directors has implemented a candidate nomination system, whereby candidates approved by the Board of Directors are listed and submitted to the shareholders' meeting for selection. The current directors were appointed in 2021 for a term of three years. **In 2022, a total of 8 board meetings were held, with a 100% overall personal attendance rate.**

Acter's Board of Directors has established the "Nomination Committee", "Audit Committee", and "Remuneration Committee", each composed of independent directors for deliberating important proposals and discussing economic, environmental, and social issues. To effectively implement the mechanism of independent oversight and accountability,

Corporate Governance Structure



Responsibilities of the Board of Directors and Functional Committees

| 4 Responsibilities of the Board of Directors | 5 Responsibilities of Functional Committee |
|---|--|
| <ul style="list-style-type: none"> Supervision Appointment of management personnel and performance evaluation Make decisions on materiality matters Providing guidance to the management team | <ul style="list-style-type: none"> Enhance the functions of Board of Directors Build a sound internal control system Improve the management physique Implement strict risk management measures Implement information disclosure |

and ensure the decisions and actions of the Board of Directors, all proposals are reported to and discussed by the Board of Directors. In cases where a director or their represented legal entity has a conflict of interest, they are required to recuse themselves, aligning with the best interests of stakeholders.

Acter's Finance Division serves as our corporate governance promotion secretary, responsible for the maintenance, supervision, and implementation of relevant systems to facilitate the implementation of corporate governance. Additionally, it provides the latest trends in legal regulations, assists in arranging training and courses to promote the independence, transparency, and legal compliance of the Board of Directors; and regularly reports the Company's corporate governance performance to the Board of Directors.

Operations of the Functional Committees

| Board of Directors | | | |
|--------------------------|---|---|--|
| | Nomination Committee | Audit Committee | Remuneration Committee |
| Members and job duties | <ul style="list-style-type: none"> Composed of 4 independent directors and Director Jin-Li Liang. The Company has established the "Nomination Committee Organizational Rules" to optimize the functions of the Board of Directors and enhance the management mechanism. The Nomination Committee is primarily responsible for searching, reviewing, approving, and nominating director candidates, as well as evaluating the performance of the Board of Directors. The committee must hold at least 1 meeting each year and may convene additional meetings whenever necessary. | <ul style="list-style-type: none"> Composed of 4 independent directors. Assist the Board of Directors in implementing its supervisory duties and exercising its authority as specified in the Securities and Exchange Act, the Company Act, and other regulations. Regularly exchange ideas and opinions with the Company's CPAs (Certified Public Accountants) and review the selection, independence, and performance of the CPAs on a regular basis. The committee must hold at least 1 meeting each year and may convene additional meetings whenever necessary. | <ul style="list-style-type: none"> Composed of 4 independent directors. Assist the Board of Directors in implementing and evaluating the Company's overall compensation, remuneration, and welfare policies, as well as the remuneration of directors and management personnel. Regularly review the "Remuneration Committee Organizational Rules" and provide suggestions for amendments. Assess the performance and achievements of our Company's directors and management personnel, as well as the salary, remuneration policies, system, standards, and structure. The committee must hold at least 2 meetings each year and may convene additional meetings whenever necessary. |
| Operating status in 2022 | <ul style="list-style-type: none"> Conducted 2 meetings with an overall personal attendance rate of 100%. | <ul style="list-style-type: none"> Conducted 7 meetings with an overall personal attendance rate of 100%. | <ul style="list-style-type: none"> Conducted 5 meetings with an overall personal attendance rate of 100%. |

>>>For more detailed information on the organizational rules and operations of functional committees, please refer to Acter's official website (the 'Investors')

Diversity of the Board of Directors

Members of Acter's Board of Directors have diverse backgrounds, including their belonging industry, educational background, professional knowledge, and capabilities. The total number of directors who concurrently serve in the Company as management personnel should not exceed one-third of the total number of directors. In addition, the company has already established a board diversity policy that encompasses directors' fundamental conditions, values, professional knowledge, and skills, in relation to our operations, business model, and development requirements.

>>>For more information, please refer to [Directors' Selection and Appointment Procedures](#).

Implementation of the Board Diversity Policy

| Policy | Goals of the board diversity policy | Achievement in 2022 |
|----------------------|---|---|
| Professional ability | <ul style="list-style-type: none"> Diverse professional backgrounds, professional skills and industrial experiences. | <p>Achieved</p> <p>The members of the Board of Directors are professionals in various fields such as engineering, accounting, law, and business management. They possess the professional knowledge, skills, and qualities necessary for executing business operations.</p> |
| Gender equality | <ul style="list-style-type: none"> Increase the proportion of female directors | <p>Achieved</p> <p>Two out of the seven directors are women.</p> |
| Independence | <ul style="list-style-type: none"> The number of directors who concurrently serve in the Company as management personnel should not exceed one-third of the total number of directors. The number of independent directors should not be less than one-third of the total number of directors. Independent directors shall serve for no more than three consecutive terms. | <p>Achieved</p> <p>Only one director concurrently serves as the Company's management personnel. Among the seven directors, four are independent directors, accounting for 57% of the total; and none of the independent directors have served for more than three consecutive terms.</p> |

Analysis of the Background Diversity of Board Members

| Director's name | Diversification | Gender | Terms as an independent director | Concurrently serves in the Company as a management personnel | Age | | | | 經歷 | | | | 專業能力 | | | | | |
|-----------------|-----------------|--------|----------------------------------|--|--------------------|--------------------|--------------------|--------------------|---------------------|----------------------|---------------------|----------------------|--------------------|----------------------|-----|---|---------------------|----------------------|
| | | | | | Below 50 years old | 51 to 60 years old | 61 to 69 years old | Above 70 years old | Business management | Finance & accounting | Industry experience | Corporate governance | Industry knowledge | Finance & accounting | Law | Leadership and decision-making capability | Business management | Corporate governance |
| Jin-Li Liang | | Male | - | ● | - | ● | - | - | ● | ● | ● | ● | ● | ● | - | ● | ● | ● |
| Dennis Yang | | Male | - | - | - | - | ● | - | ● | ● | ● | ● | ● | ● | - | ● | ● | ● |
| Tai-Chen Hu | | Male | - | - | - | - | - | ● | ● | - | ● | ● | ● | - | - | ● | ● | ● |
| Hui-Hsin Yeh | | Female | 3 | - | - | ● | - | - | ● | ● | - | ● | ● | ● | - | ● | ● | ● |
| Marlon Wang | | Male | 3 | - | - | - | - | ● | ● | - | ● | ● | ● | - | - | ● | ● | ● |
| Chyan Yang | | Male | 3 | - | - | - | - | ● | ● | - | - | ● | ● | - | - | ● | ● | ● |
| Tzu-Pei Huang | | Female | 1 | - | ● | - | - | - | - | - | ● | ● | ● | - | ● | ● | - | ● |

>>>For more information, please refer to [Responsibilities and Diversity Composition of the Board of Directors, and Directors' Profiles](#).

Performance Evaluation of the Board of Directors

To enhance the operational efficiency of the Board of Directors, Acter has established the "[Rules Governing the Performance Evaluation of the Board of Directors and Functional Committees](#)" and incorporated them into the corporate sustainability index, such as "legal compliance", "corporate governance", "risk controls" and "corporate sustainability responsibility". The objective is to ensure that the Board of Directors and Functional Committees fulfill their job responsibilities regarding corporate governance, business management, and corporate sustainability practices. In 2022, Acter's Board of Directors and Functional Committees were evaluated as having an "excellent" internal performance.

Apart from internal self-evaluation, Acter also commissions an external professional and independent organization to evaluate the Board of Director's performance triennially. The guidance of and communication with the evaluation committee can not only help to optimize the functions of the Board of Directors, but also provide the Company with a professional and objective report on the Company's management physique. In December 2020, the Company already commissioned the Taiwan Corporate Governance Association to implement and conduct a performance evaluation; and the next external evaluation is estimated to be taken place in 2023.

>>>For more information, please refer to the [2022 Performance Evaluation Results](#).

Compensation Policy for Directors and Management Personnel

Remuneration for Directors

Acter has established the directors' remuneration policy in accordance with the "[Regulations Governing the Payment of Remuneration to Members of the Board of Directors and Functional Committees](#)". The remuneration for each director is determined by the Remuneration Committee based on the Company's overall business performance, the director's involvement in the company's operations and contribution to sustainability, as well as industry remuneration standards. Furthermore, as stipulated in Article 26-1 of the Articles of Incorporation, the remuneration for directors should not exceed 5% of the current year's profit; and individual directors' remuneration shall be disclosed in the annual report and reported at the shareholders' meeting.

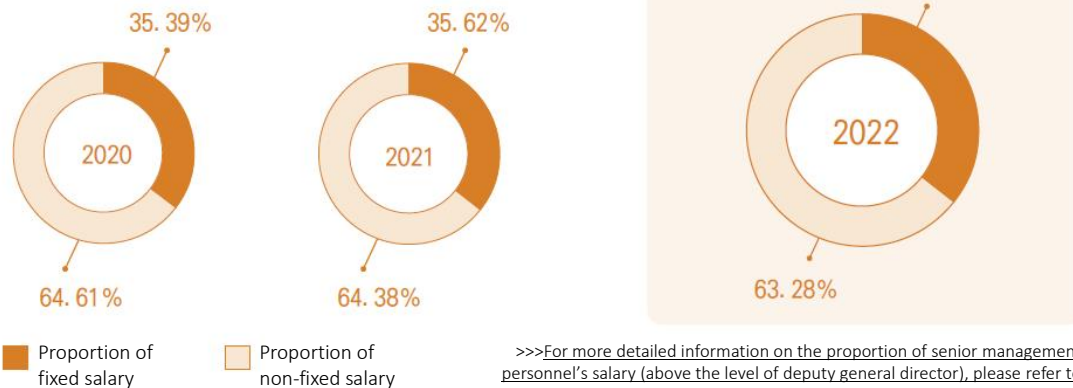
⊙ Remuneration for Management Personnel

To create shareholders' long-term value and implement the corporate sustainable development goals, Acter has established the "Rules Governing Bonus and Performance Bonus". Management personnel's salary is not only determined based on their job position, responsibility, performance and capabilities, but also incorporated into Acter's sustainable development goal, where any change to it is highly related to the Company's performance in both business and sustainability.

| Measuring aspect | Item and proportion | Descriptions |
|------------------|--|--|
| Core | Ability to practice and manage core values | Recognition to the Company's identity, commitments and code of conducts are necessary requirements; the ability to practice business philosophy, shared vision and strategic goals; and demonstration of leadership and management capability. |
| | Financial performance index, FPI (40%) | In the aspects of business, implementation, level of contribution, and value output. |
| Indicators | Comprehensive management index, CMI (30%) | Including innovation and integration; total quality control (TQC); talent resources management and cultivation; risk management; legal compliance; and practice of CSR. |
| | Sustainable practice index (30%) | Eco-friendly and value engineering proposals; proportion of environmental protection and energy-saving materials and equipment; and participation in social welfare activities. |

Senior management personnel's annual salary shall not only be determined by the Remuneration Committee as prescribed by laws, but also the relevant information shall be adequately disclosed in the Company's annual report, enabling all stakeholders to obtain related information. When determining management personnel's salary, the Remuneration Committee also cooperates with external professional remuneration and salary consultants at the same time to ensure that the compensation package for management personnel is competitive. It is important to ensure the connection between the Company's salary policy and the market trends and momentum of the environment.

⊙ Proportion of Senior Management Personnel's Salary (above the Level of Deputy General Director)



>>>For more detailed information on the proportion of senior management personnel's salary (above the level of deputy general director), please refer to the "2022 Annual Report".

2.2 Business Integrity

• GRI: 2-25 to 27, 205-7

2.2.1 Business Integrity and Legal Compliance

"Business integrity" is the most important core value for Acter. To implement the business integrity policy and proactively prevent dishonest behavior, Acter has established the "Principles of Business Integrity", "Code of Ethics", "Guidelines for Business Integrity Processes and Behavior", and "Code of Conduct and Ethics" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and relevant regulations. They aim to prohibit dishonest behavior among the Company's directors, management personnel, and employees, as well as to continuously enhance our guidelines for legal compliance through regulatory compliance and educational/training programs.

To ensure the implementation of business integrity and legal compliance, Acter promotes the core value of business integrity and conducts regular internal training courses. The purpose is to raise employees' awareness of business integrity and further enhance Acter's corporate governance. Regarding legal compliance, Acter not only pays continuous attention to domestic and foreign policies and regulations that may impact the company's business and finance but also establishes various corporate governance guidelines and rules. These guidelines and rules serve as the basis for the audit unit to verify our legal compliance and collaborate on updating our internal operations

Acter also maintains a zero-tolerance policy towards corruption, bribery, unfair competition, confidentiality infringement, and insider trading. If any internal audit unit identifies or if the reporting mechanism reveals any conduct that violates the code of ethics or internal regulations, such violations shall be recorded, investigated, and met with appropriate penalties or punishments to uphold our reputation for fairness and integrity.

Acter's Conduct in Promoting Business Integrity

| 項目 | 成效說明 |
|--|---|
| Policy Statements and Advocacy | "Principles of Business Integrity", along with essential rules for handling important internal information, are summarized and announced on the public information platform. |
| Business Integrity Education and Training | Business integrity rules are incorporated into compulsory E-learning courses. |
| Compliant and Reporting Mechanism for Employees and Outsiders | Establish a disciplinary system related to business integrity. By conducting self-checks within relevant units and independent audits by the audit unit, the objective of achieving effective control and proper implementation will be met. No violations were reported in 2022. |
| Regular Reviews of the Internal Control System | Employees are able to report any event that violates, is suspected to violate, or may result in the violation of business integrity and ethics through various channels, and seek advice accordingly. Reports can be made confidentially or anonymously by providing evidence of facts, relevant information, or documents. Upon receiving such reports, the Company will conduct investigations and implement appropriate improvement measures. No reports were received by the Company in 2022. |

Acter's Implementation of Business Integrity Education and Training in 2022

| Employees' job position and gender | Male | Female |
|---|--------|--------|
| Senior management personnel (deputy general managers and above) | 2 | - |
| Mid-level management personnel (managers and above) | 21 | 9 |
| Junior management personnel (section chief and above) | 24 | 7 |
| General employees | 171 | 97 |
| No. of people who pass the training | 331 | |
| Percentage of total employees | 85.30% | |

2.2.2 Reporting Mechanism and Whistleblower Protection Scheme

To ensure the practice of business integrity, Acter has designated the General Administration Division to take in charge of the stipulation of business integrity approaches and supervise the implementation thereof; and to report the implementation of the business integrity policy to the Board of Directors at least once a year. Any party who discovers any fact violating business integrity and honesty during the practice of business in any field may report the violation through the following channels:

- Internal: Employees' feedback and complaint mailbox; and Audit Committee's mailbox.
- External: The Audit Committee's mailbox and the mailbox for reporting business integrity violations

Upon reporting the case, Acter will initiate the investigation process and a unit will be designated to conduct the investigation. Where the whistleblower is an internal staff, Acter will abide by personal data confidentiality rules and retaliation against colleagues is strictly prohibited. For those whose violation has been verified, Acter will, depending on the materiality of the case, adopt a proper handling measure (ex., "termination of employment or "termination of business relationship) or take a legal action if it is required. **In 2022, there were no instances involving insider trading, anti-competitive behavior, monopolies, or unethical or dishonest conduct. We have successfully upheld the principles of fair and honest business practices.**

2.2.3 Internal Audit

Acter has established an internal control system that continues to improve in accordance with laws and regulations. The "Audit Office", which is subordinated to the Board of Directors, organizes the planning and implementation of audits for both the headquarters and subsidiaries. It suggests improvement actions, reviews, and modifies the internal control system to ensure its continuous and effective performance. The Office summarizes internal control deficiencies and abnormalities in an audit report, which is submitted to the Audit Committee and Board of Directors on a quarterly basis. It also continues to track and review these deficiencies and abnormalities. Through routine and professional audits, the Audit Office manages to understand the operations of the internal control system and potential risks involved, enabling them to assist the Board of Directors and management in fulfilling their respective responsibilities and further implementing the corporate governance system.

In 2022, Acter implemented 44 annual audit plans, including site audits and written reviews of Acter, Enrich Tech, HER SUO, Suzhou Winmax Technology, and Sheng Huei (Vietnam). Acter also conducted a self-assessment of the internal control system and checked the associated operating risk index. **No critical violations of business integrity or risks were discovered.**

Audit Operating Procedures

- Risk assessment.
- Annual audit report.
- Disclose audit deficiencies/ abnormalities to Board of Directors and Audit Committee on a quarterly basis.
- Track deficiencies and abnormalities until improvements are made.

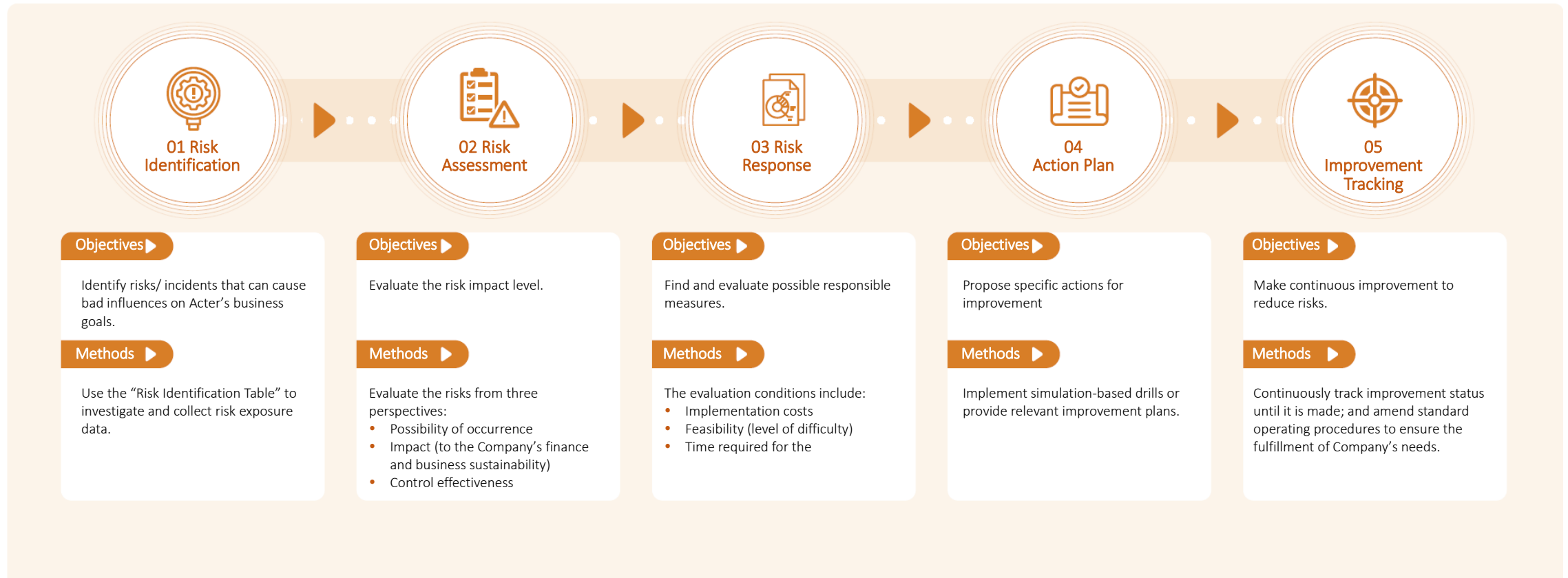
2.3 Risk Management

• GRI: 2-13, 2-24 to 26, 418-1

2.3.1 Risk Management Operations

Challenged by operational difficulties arising from global political and economic situations, climate and environmental changes, and the disruptions caused by the pandemic, Acter has taken proactive measures to mitigate risks that could impact the Company's sustainable development. The establishment of the "Risk and Crisis Management Operating Procedures" serves as a crucial foundation for promoting and implementing effective risk management strategies. The Risk Management Task Force, led by the company's chairman and comprising various departments and divisions, has been formed to define and regulate the responsibilities associated with risk management; and to conduct at least one risk assessments every six months. The purposes are to proactively address and control enterprise risks, identify potential opportunities, and develop improvement plans. The effectiveness of risk management is also consistently monitored, with timely reporting to the Board of Directors on the implementation of risk management initiatives. Additionally, Acter is committed to fostering transparent and comprehensive risk communication channels with all stakeholders to ensure the Company's long-term stability and operational success. To enhance the risk awareness of all employees, Acter also provides comprehensive professional training on risk management, including training on various management systems, scenario exercises, seminars, and a series of activities related to environmental health and safety (EHS). These initiatives aim to enhance employees' risk awareness, cultivate their professional expertise, and integrate risk management into daily operations. **In 2022, a total of 4,957 hours were dedicated to risk-related management courses for employee training, achieving a coverage rate of 94.33%.**

🕒 Risk Management Process



Risk Management Organizational Framework and Authority

The audit office serves as the executing secretary for promoting risk management.

- Draw up risk management policies, procedures and framework.
- Stipulate the risk tolerance (risk appetite) and establish qualitative and quantified measurement standards.
- Analyze and identify the source and category of corporate risks, and regularly review their applicability.
- Regularly (at least once a year) summarize and report the Company's risk management implementation status.
- Provide assistance to and supervise the implementation of all departments' risk management activities.
- Coordinate interdepartmental interaction and communication to facilitate the operations of risk management.
- Implement the risk management decisions made by the risk management task force.

Audit Office

Board of Directors

Chairman

Risk Management Task Force

- Approve risk management policies, procedures and framework.
- Ensure the consistency between the direction of operational strategy and risk management policy.
- Ensure the establishment of an appropriate risk management mechanism and risk management culture.
- Supervise the overall risk management mechanism and ensure its effective operations.
- Allocate and assign adequate and proper resources to ensure the effective operations of the risk management mechanism.

The risk management task force is the first line of defense in risk management and control. The task force is formed by the highest management personnel from various support units, departments, divisions, and engineering units, with the General Director serves as the convener.

- Review risk management policies, procedures and framework, and regularly assess their applicability and implementation efficiency.
- Determine the risk tolerance (risk appetite) and guide resource allocation.
- Ensure that the risk management mechanism is adequate to handle risks faced by the Company and integrate them into daily operating procedures.
- Assess the priority of risk control and the severity of risks.
- Review the implementation of risk management, propose necessary improvement suggestions, and report to the Board of Directors at least once a year.
- Implement the risk management decisions of the Board of Directors.

General Administration Division

- Social welfare activities
- Review contracts; track and handle the progress of litigation cases
- Implement and handle all types of insurance operations.
- Allocate manpower and respond to activities thereof.

Finance Division

- Implement and handle report and announcement relevant operations.
- Track and manage receivables.
- Fund allocation; supervise and evaluate customers' credibility.
- Financial analysis and planning; and risk assessment.

Engineering Department

- Control the progress of engineering projects.
- Control the balance.
- Conduct risk assessment prior to discussion
- Track customers' orders.
- Implement budget control

Sales Department

- Control possible changes to the Company's business activities in the future.

Procurement Department

- Control the supply channel of key channels; track and manage the orders.

Technology Division

- Clarify any ambiguous elements in the design drawing.

IT Department

- Ensure information security and control software usage.
- Develop, install, and manage various types of information systems.

Quality Assurance (Q&A) and Safety Department

- Establish and manage occupational safety and health management system

Subsidiaries

- Conduct risk assessment; monitoring and controls in accordance with operating procedures and implementation rules for risk and crisis management; and timely report the implementation status of risk management to the parent company's CEO.

① Determination of Corporate Risks and Response Strategy

| Major Risks | Descriptions | Acter's Management Policy and Response Strategy |
|---|--|--|
| Market risks | Refer to the risk that the Company's profitability may be affected by the fluctuations in interest rates, exchange rates, securities price or raw material prices due to economic conditions, policies or regulations. | Apart from managing risks in accordance with management procedures, relevant management rules, such as those governing asset acquisition or disposal, should also be followed for evaluation to prevent the Company from experiencing profit loss due to market changes. |
| Credit risks | Refer to the risks of loss arising from trading counterparts' inability to fulfill contractual obligations due to their poor financial physique or other factors. | The Finance Department is responsible for customer credit management and fund transactions. It authorizes the credit limit in accordance with Procedures for Endorsement Guarantees and Lending to Others, whereas the engineering unit is responsible for paying attention to customers' status. In case of having any concerns in regard to the receivable, it is a must to report to the head of each unit. The head of the unit should determine the materiality and authenticity, and then report it to the chairman and inform the risk management task force. |
| Liquidity risks | Refer to risks caused by the fluctuations in interest rates or exchange rates due to changes to market, economic or political conditions. | The Finance Division is responsible for disposing of the Company's assets and current capital in accordance with Risk and Crisis Management Operating Procedures and relevant management rules. It should also adopt appropriate financial policies based on market, industry, and economic conditions to maintain the Company's liquidity of funds. |
| Operational risks | Damages and losses derived from improper or mistaken internal operations, personnel actions and systems. | Regularly audit and track the deficiencies and improvements of the internal control system. |
| Legal Risks | All damages and losses arising from the invalidity of the contract due to non-compliance with relevant regulations, a null and void contract, omitted provisions, or incomplete regulations. | Legal Compliance: Relevant executing units adhere to the regulations and directives issued by the competent authorities. Contract: Contract review process → The first line of defense. |
| Natural disasters or other significant unforeseen events | <p>Force majeure refers to the following information:</p> <ol style="list-style-type: none"> General natural disasters or unforeseen events include regional light-to-moderate wind disasters, earthquakes of magnitude 4 or below, or non-fatal or non-lethal occupational accidents. Major natural disasters or unforeseen events include the following circumstances: <ol style="list-style-type: none"> International disasters, natural disasters (e.g., earthquakes with a magnitude of 5 or above, intense typhoons and so on), collective strikes or protest events, major occupational accidents resulting in serious injury or death; Significant financial losses to the Company due to internal control deficiencies, fraudulent activities, or operational negligence amounting to NT\$10 million or more; Lawsuits involving the Company's responsible person or the Company that have a significant impact on the Company's financial and business operations; Information provided by mass media or investors that has a significant impact on the Company's securities or reputation; Significant cybersecurity incidents that have a major impact on the Company's operations. | <ol style="list-style-type: none"> The Company handles matters in accordance with the announcements issued by government agencies. The construction unit handles environmental emergencies in accordance with the "Emergency Response Management Procedures". In the event of a general natural disaster or unexpected event, Acter will establish an emergency response team and report the handling results and post-improvement measures to the chairman and general manager. In the case of a significant natural disaster or unexpected event, the responsible unit should take appropriate response measures and notify the Finance Division. The Finance Division will make a legal announcement on important information and will compile the relevant handling report for review and approval by the chairman and general director before reporting it to the Board of Directors. Reporting deadlines: <ol style="list-style-type: none"> For general natural disasters or unexpected events: The reporting procedures to the chairman and general manager must be completed within one day from the occurrence of the event. For major natural disasters or unexpected events: Emergency measures must be taken within the same day of the event, and immediate information disclosure procedures must be completed before the opening of the next trading day. A comprehensive report must be submitted within three days, using communication methods such as email, messaging apps, video calls, phone calls, paper documents, or in-person reporting to inform all directors. |
| Information security risks | Confidentiality and integrity of corporate information. | Comply with "Internal Significant Information Handling and Insider Trading Prevention Management Operating Procedures". Comply with "Computer Operation Management Regulation". Please refer to the section "2.3.2 Information Security Management" for detailed information on the management policies and implementation results. |
| Climate change risks | Please refer to the section of "Sustainable Environment" for detailed information. | Please refer to the section of "4.1 Climate Change Management" for detailed information. |

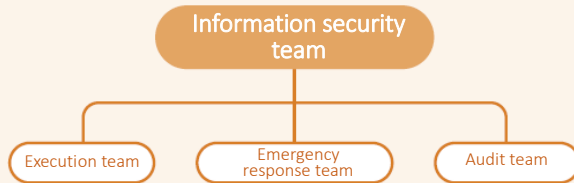
2.3.2 Information Security Management

In order to address various security threats, Acter has implemented information security management policies and operational guidelines based on ISO27001 and BS7799 standards. With a focus on antivirus, intrusion prevention, and data leakage prevention, Acter has established a firewall, intrusion detection system, antivirus system, and several internal control systems. These measures aim to enhance the company's defense against external attacks and ensure the protection of internal confidential information.

The Four Major Guiding Operational Guidelines.

- 01 Establish Information Security Management Rules that comply with legal requirements and meet customers' demands.
- 02 Foster a consensus among all employees that information security is everyone's responsibility.
- 03 Safeguard the confidentiality, integrity, and availability of company and customer information.
- 04 Provide a secure information environment to ensure the sustainable operation of the Company's business.

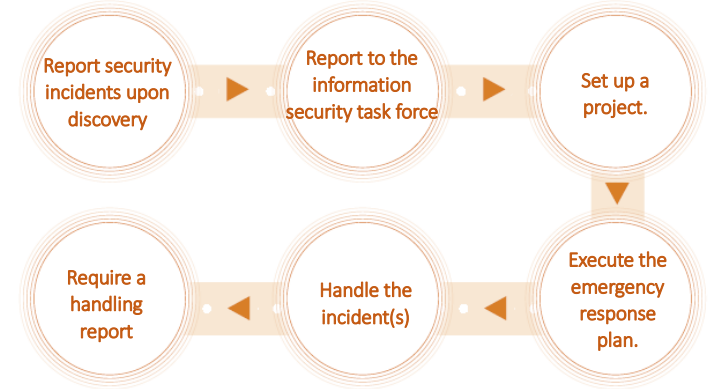
Information Security Dedicated Organization- Information Security Task Force



Information Incident Reporting Procedures

Acter has established thorough information security reporting procedures, allowing our employees to report any information incidents using any of our mechanisms. Upon receiving a report, the information security task force will promptly set up a project team based on the category and severity of the incident in order to handle the case. In 2022, our employees did not report any information security incidents.

Apart from conducting regular disaster recovery drills in backup data centers, we also perform offsite backups, storage, and testing of important system data on a weekly basis to maintain the confidentiality, integrity, and availability of important information within the Company. To reduce the probability and impact of security risks, we provide training for colleagues to obtain relevant professional certifications and participate in various types of cybersecurity seminars. Additionally, we conduct social engineering exercises and training annually to prevent email fraud. In 2022, a total of 446 individuals participated in these activities.



Cultivate information security awareness

- Carry out information security education and training programs for all employees and conduct social engineering attacks, simulation and drills to enhance employees' awareness of email security. The drill coverage was 100% on all employees with the support of senior management personnel and all departments.
- To address employees who did not perform well in social engineering attack simulations and drills, we implemented internal information security education and training programs. We recorded the key points from these programs into digital teaching materials, offering online learning opportunities for our colleagues. In 2022, Acter totally organized three information security education and training programs, amounting to 89 hours in total.



Enhance information security management procedures

- In regard to Acter's information security risk management procedures, please refer to standards and regulations related to ISO 27001; and continue the cycle of PDCA (Plan-Do-Check-Act) to make improvements.
- Quarterly review



Strengthening the capability of information security defense:

- Conduct regular vulnerability analysis and penetration testing of the information security systems, reinforce and repair any identified weaknesses to mitigate security risks. Establish a network security incident response plan, which assesses the impact and losses of the incident based on severity levels, and take appropriate notification and recovery actions.
- Perform a comprehensive information security assessment.

Risk control

- Implemented the Fortigate information security triangle to enhance the Company's internal and external protection; and establish a data center environment control mechanism. Also, through regular system backup and restoration drills, protect the Company by minimizing the damages to the smallest range when an online attack occurs.
- Conduct one information security risk assessment.

Pandemic control

- In response to the global pandemic of COVID-19 in 2022, Acter has enhanced the WFH anti-virus and information security protection measures.
- Control information security risks promptly.

Acter's practices in information security management and the implementation performance in 2022.

2.4 Operating Performance

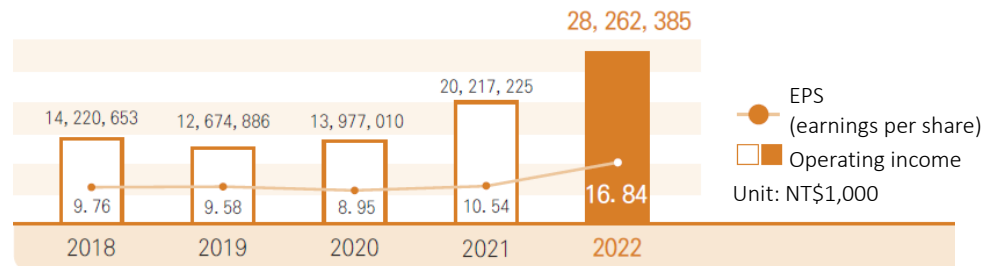
• GRI: 201-1

2.4.1 Financial Performance

With a core concept of sustainable operations, Acter is dedicated to enhancing green energy-saving technology and maintaining a healthy financial position. We have optimized resource utilization and, through the development of potential markets and strengthening of our international presence, integrated local ecological advantages and talent implementation for localized operations. This has driven a positive operational cycle within our company, allowing us to provide feedback on operational achievements to shareholders and all stakeholders.

Regarding our operating performance in 2022, our consolidated revenue reached NTD 28.26 billion, net profit after tax attributable to the parent company was NTD 1.93 billion, and earnings per share (EPS) amounted to NTD 16.84 (In 2022, the par value per share changed to NT\$5, which, based on a par value of NT\$10 per share, is equivalent to NT\$33.68). This represents a respective growth of 40%, 61%, and 60% compared to 2020, setting a new record for revenue and profitability.

Acter Group's consolidated revenue over the years



Note: In September 2022, the stock face value was changed to NT\$5 per share. The calculation of earnings per share has been retrospectively adjusted accordingly.

2.4.2 Dividend Distribution

As stipulated in the Articles of Incorporation, Acter adds the current-year earnings to accumulated retained earnings and, based on the capital status and economic development of the year, distributes dividends and bonuses to shareholders. Since 2009, Acter has consistently distributed cash dividends to shareholders every year. In 2022, our shareholders received a cash dividend of NTD15 per share (If converted to a common par value of NT\$10 per share, it is equivalent to a dividend distribution of NT\$23.84.).

Acter Group's consolidated revenue over the years

Unit: NT\$1,000

| Item/ Year | 2018 | 2019 | 2020 | 2021 | 2022 | |
|----------------------------|---|------------|------------|------------|------------|------------|
| Management ability | Annual revenue (operating income) | 14,220,653 | 12,674,886 | 13,977,010 | 20,217,225 | 28,262,385 |
| | Total assets | 11,780,789 | 11,993,080 | 15,118,595 | 18,703,967 | 27,116,523 |
| | Total Equity | 5,381,512 | 5,549,042 | 6,298,480 | 7,295,998 | 10,798,675 |
| | Operating profit | 1,721,618 | 1,778,512 | 1,701,062 | 2,139,259 | 3,322,529 |
| | Net profit after tax, Note 1 | 1,049,020 | 1,036,094 | 970,082 | 1,204,410 | 1,933,122 |
| Profitability | Return on Asset (%) | 10.96% | 10.77% | 8.88% | 9.30% | 11.02% |
| | Return on Equity (%) | 25.39% | 23.35% | 20.23% | 22.86% | 27.62% |
| | EPS (NT\$), Note 2 | 9.76 | 9.58 | 8.95 | 10.54 | 16.84 |
| Economic value distributed | Operating costs, Note 3 | 33,778,787 | 2,694,847 | 4,181,080 | 5,535,064 | 10,232,716 |
| | Employees' salaries and welfare, Note 4 | 488,348 | 470,703 | 451,150 | 565,627 | 789,414 |
| | Payments to investors, Note 5 | 612,986 | 813,041 | 812,801 | 686,241 | 859,029 |
| | Payments to the government, Note 6 | 67,814 | 129,258 | 61,436 | 120,955 | 168,326 |
| | Community investments, Note 7 | 4,878 | 3,013 | 4,253 | 2,332 | 1,871 |

Note 1: Net profit attributable to the parent company after tax.

Note 2: Costs derived from operating activities.

Note 4: Such as employees' salary, bonus, rewards and benefits (pension and insurance), excluding costs derived from education and training programs, protection equipment and other items directly related to employees' job duties.

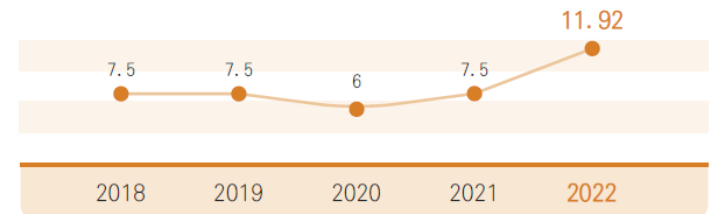
Note 5: This includes expenses related to interests and dividends on (special) shares. The amount paid to investors includes all dividends for shareholders and the interests for lenders. Lenders' interests may encompass interests on various liabilities and loans. Additionally, unpaid dividends for shareholders of special shares are also included.

Note 6: This includes expenses related to taxes (excluding deferred tax) and fines. The amount paid to the government includes all taxes and fines paid in accordance with international, domestic, and local standards. This may include business tax, income tax, and property tax, among other types of taxes.

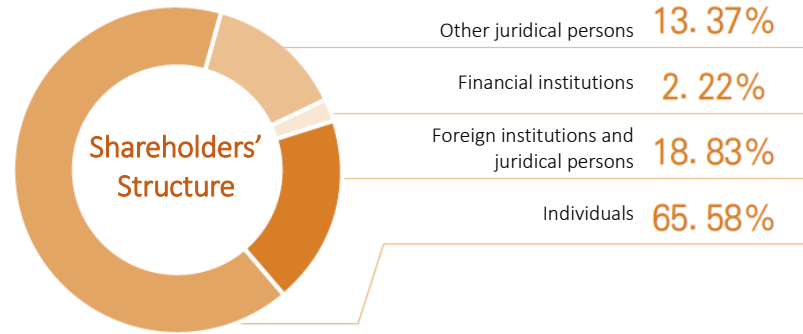
Note 7: Donations made to charity organizations, non-governmental organizations and research units (unrelated to the organization's business and research development) for the purpose of social benefits. Direct costs of social activities, including those for arts and educational activities, are also included.

Note 8: Other financial information is disclosed in the Company's "2022 Annual Report".

Acter's Dividend Policy Over the Last Five Years



2.4.3 Shareholders' Structure



| Year 2022 | No. of people | No. of possessed shares | Shareholding ratio |
|--|---------------|-------------------------|--------------------|
| Foreign institutions and juridical persons | 142 | 22,987,267 | 18.83% |
| Individuals | 16,101 | 80,055,906 | 65.58% |
| Other juridical persons | 223 | 16,310,622 | 13.37% |
| Financial institutions | 5 | 2,709,00 | 2.22% |
| Total | 16,471 | 122,062,795 | 100% |

Note: The shareholders structure is based on the Company's register of shareholders as of March 27, 2022

2.4.4 Tax Management

Oriented to “comply with laws, pay tax honest”, Acter aims to create corporate values, facilitate economic growth and effectively manage taxation risks. This is the reason that we have established a sound taxation management system and taxation governance culture to implement our social responsibilities and ensure our sustainable operations.

As Acter runs operations and expands our business in various countries, we have been proactive in paying attention to the changes in tax policies of various countries, and evaluating taxation risks involved therewith. To effectively manage and reduce taxation risks, Acter abides by internal control procedures to identify, evaluate and manage risks. We carefully evaluate taxation risks and related issues in order to measure, manage and control related risks appropriately. In 2022, Acter's effective taxation rate was 26.92%.

| | | |
|--|--|-------------------|
| | Total amount of corporate income tax paid in 2022: | NT\$640,340,000 |
| | Pre-tax net profit of the company in 2022: | NT\$3,833,394,000 |
| | Proportion of actual taxable net income for profit-seeking enterprises tax in 2022 compared to the total income tax paid by the company in 2022: | 57% |



3

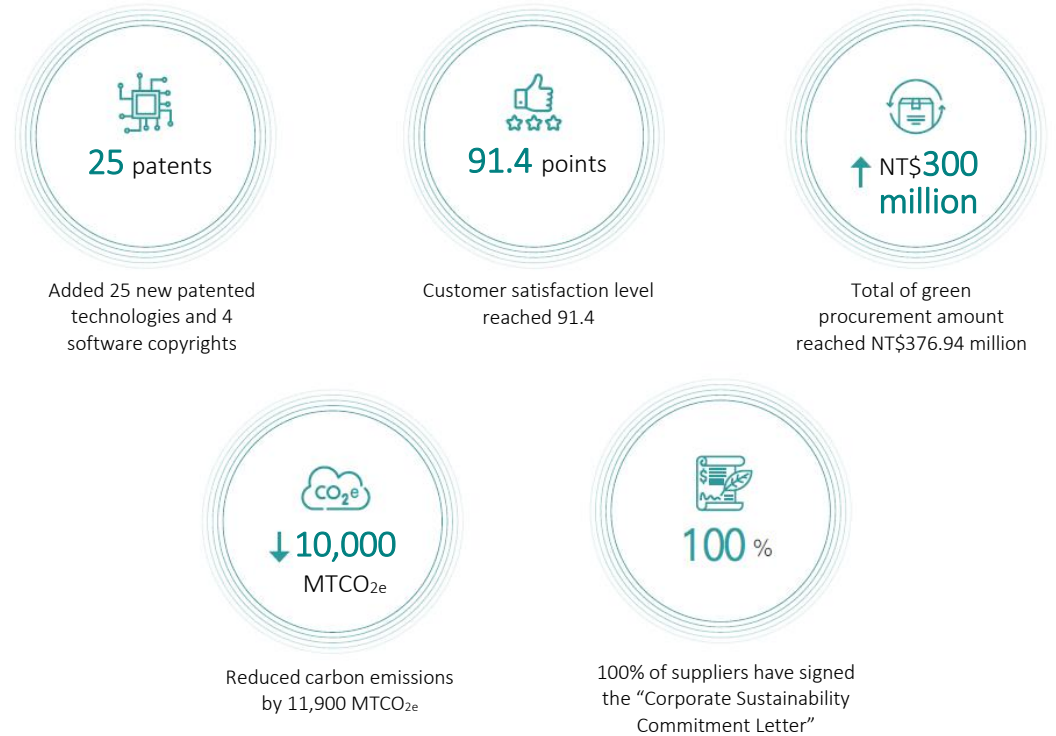
Sustainable Innovation

- 3.1 Innovation and R&D
- 3.2 Green Engineering Management
- 3.3 Customer Services and Management
- 3.4 Supply Chain Management

Chapter 03

Acter's sustainable innovation goal is to provide customers with green factory facilities. We have introduced innovative technologies to enhance our core competitiveness and, by harnessing our and suppliers' competitiveness, strive to become the most trustworthy partner for our customers. Through responsible supply chain management, green procurement, and local sourcing, we collaborate with our partners to create a positive impact on sustainability and reduce environmental impacts, taking significant steps towards sustainable operations.

Performance Highlights



Response to materiality issues

- Innovative technologies and services
- Eco-friendly technologies

Response to the Sustainable Development Goals (SDGs) of the United Nation (UN)

- Customer services and management
- Supply chain management



3.1 Innovation and R&D

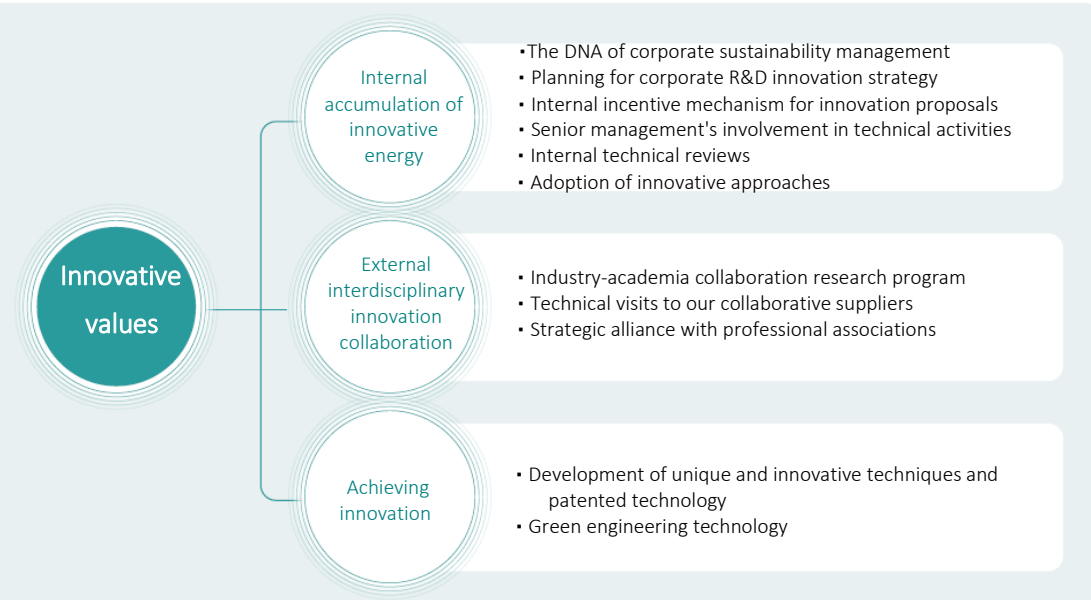
• GRI: 302-5

3.1.1 Innovative Management Framework

Acter has embraced innovative values as the foundation of our innovation culture. Through an internal reward mechanism, we encourage our staff to practice all kinds of innovation at work, injecting vitality into our organization. This mindset also extends to our external collaborations in innovation, where we engage with industrial and academic circles to foster interdisciplinary innovation. For instance, we nurture talents in innovative technologies through industrial-academic collaboration, form professional associations and strategic alliances with industry players, drive green innovation with customers, and cooperate with suppliers to establish an innovative and sustainable supply chain.

We have integrated UN's Sustainable Development Goals (SDGs) into our green innovative technologies development strategy. From technological development and research to design and planning, engineering management, cyclic utilization, and operational maintenance, we have incorporated green architectural concepts into every aspect of our factory affairs facilities. Our goal is to provide customers with an energy-saving, carbon-reducing, and competitive production environment that helps them to minimize environmental and ecological impacts of factory operating activities. We have fulfilled our corporate sustainability responsibilities and made significant efforts to create a better future throughout the industrial chain. Each year, Acter invests a specific amount in the introduction, research, and development of innovative engineering technologies, enabling us to maintain our competitive advantages and seize business opportunities as an industry pioneer. **In 2022, our total R&D expenditure amounted to NT\$334.49 million, accounting for 1.18% of our total revenue.**

🕒 Innovative Management Framework



🕒 Acter's R&D Expenditure Over the Last 5 years

Unit: NTD1,000.

| Content | Year 2018 | Year 2019 | Year 2020 | Year 2021 | Year 2022 |
|-----------------------|-----------|-----------|-----------|-----------|-----------|
| R&D Expenditure | 127,218 | 146,433 | 181,177 | 207,367 | 334,495 |
| Proportion to Revenue | 0.89% | 1.16% | 1.3% | 1.03% | 1.18% |

Note: To ensure consistency with the annual report, the R&D expenditure mainly comprises expenses derived from the Group's development plan for special/innovative engineering methods, patent acquisitions, and academic research and development plans. Other engineering project improvements and participation in industry associations/organizations are disclosed in the chapters of the sustainability report.

3.1.2 Leading Technology

Acter has been playing a pioneering role in the industry with our **"multi-industrial, multi-disciplinary, and multi-regional"** development strategy. By consistently enhancing our research and development efforts, we have successfully maintained our competitive advantages in the face of industry competition and the challenges of green engineering technologies. In addition to proactively seeking green solutions, we have optimized our talents and technologies in order to provide customers with competitive engineering services and make further contributions to the industry.

Based on customers' industrial characteristics and demands, Acter has integrated our expertise in architecture, electromechanical, air-conditioning, fire-fighting, instrument control, piping, and engineering management. This allows us to build an operating system and environment that meet customers' production needs. We are also committed to acquiring key technologies in various domains in order to provide customers with one-stop plant expansion services. Up to now, **Acter has cumulatively developed 28 special/innovative engineering methods, obtained 25 patented technologies, and secured 4 software copyrights.**

🕒 Acter's Interdisciplinary Special/Innovative Engineering Methods or Techniques

| Category | Special or innovative engineering methods and techniques. |
|--|---|
| Ice-storage energy-saving engineering | <ul style="list-style-type: none"> • Use a raft-based ice-storage system to transfer peak loads. • Store the cooling water in the fire cistern to reduce the used space and contractual capacity. |
| High-rise building | <ul style="list-style-type: none"> • The ultra-cold air system can reduce the area covered by pipelines. • A 42-floor building for multiple uses. |

Intellectual Property Patents of 2022

| Category | Special or innovative engineering methods and techniques. |
|---------------------------------------|--|
| Special engineering | <ul style="list-style-type: none"> Integrated technology for hospitals with SARS negative pressure isolation equipment. The Ministry's bio-chemical laboratories. Integrated engineering technology for the input of the entire tobacco factory. Integrated electromechanical engineering technology for weaving and dyeing factory. |
| Biotechnological engineering | <ul style="list-style-type: none"> Integrated technology for the first H1N1 vaccine plant. Integrated engineering technology for the cleanrooms of cGMP factory (Note 1). Integrated engineering methods for professional biopharmaceutical (cordyceps sinensis) manufacturing plant Integrated energy-saving electromechanical technology for biochemical equipment factories. Integrated engineering technology for GTP cleanroom (Note 2). Transnational output of integrated electromechanical technology for food/cGMP factories. Integrated energy-saving electromechanical technology for poultry holding and processing factories. Integrated technology that allows manufacturing sites to freely switch to a positive or negative pressure-environment depending on the product feature. Integrated engineering technology for high toxic OEB5 injection plant (Note 3). |
| Green energy engineering | <ul style="list-style-type: none"> Integrated engineering method for the supply of solar energy. |
| Cleanroom turn-key engineering | <ul style="list-style-type: none"> Innovative engineering method for the first PDP mass production factory (Note 4). Innovative engineering method for Japanese polarizer manufacturers. Innovative engineering method for TFT manufacturers (Note 5). Special engineering methods for the 6" silicon wafer fab turn-key service under the cooperation with SONY (Japan). Innovative engineering methods for Taiwan's second largest assembly house. Innovative engineering methods for the whole-plant electromechanical integration of module factory. Innovative engineering method for FPCB factories (Note 6). Innovation method for the integrated export of component factories in Japan. Innovative engineering method for electromechanical integration of PEC manufacturers. Innovative engineering method for the microenvironment of semiconductor device washing factory. |

Note 1: cGMP refers to current Good Manufacturing Practice, which are pharmaceutical production regulations promulgated by the Ministry of Health and Welfare in response to global trends in pharmaceutical production.

Note 2: GTP refers to Good Tissue Practice, which specifies the requirements for high-class clean laboratories in the production of various pharmaceutical preparations for clinical trials.

Note 3: OEB refers to Occupational Exposure Band. OEB5 (with an exposure limit of < 1µg/m3) provides a high level of operator safety.

Note 4: PDP refers to Plasma Display Panel.

Note 5: TFT refers to Thin-Film Transistor.

Note 6: PCB refers to Printed Circuit Board.

| Patent Type | Patent Name |
|-----------------------------|---|
| Utility Model Patent | <ul style="list-style-type: none"> Bag filter holder for wastewater treatment Cleanroom intake structure Filter structure Cleanroom air duct installation equipment Wet dust exhaust device for polishing machine Positioning structure of fixed-angle selective compliance wafer conveying mechanical arm Photoresist mixing and filtering supply equipment Automatic chemical filling equipment 200L barrel automatic conveying line equipment Novel TMAH developer regeneration and concentration management system Novel butterfly cleaning tank cover Alternative pure water high pressure spray cleaning system Adjustable air bubble detection device Novel front and rear oscillating mechanism Novel inline chemical concentration measuring device 200L automatic palletizing and handling equipment Novel array developer concentration dilution and control system Process tank flow field test device Automatic loading and unloading module for fool-proof vehicles Novel acid barrel joint device for chemical recycling system Novel fully automatic equipment for cleaning electronic chemical drum accessories Control devices and equipment Flow control switch Detection system and detection device Gas cabinet |
| Software copyright | <ul style="list-style-type: none"> High-purity gas filling system application software V1.0 Automatic high-clean cleaning-and-drying-in-one suction pipe cleaning equipment application software V1.0 Unmanned fully automatic filling equipment control system application software V1.0 Automatic single-wafer residue removal and washing equipment and control system application software |

Note: The above includes intellectual property patents of Acter's subsidiaries Acter Suzhou, Winmax Technology and Suzhou Winmax Technology.

3.1.3 Outlook for Research and Development

Challenged by today's climate change risks and net-zero emission issues, we have been developing innovative green technologies and implementing an environmental management system based on four directions: "technology patent development", "energy-saving technology development", "biotechnology industry research" and "industry-academia cooperation and talent cultivation". Our goal is to strive for economical and accessible eco-friendly and energy-saving solutions in order to seize the opportunity for innovation and facilitate the transformation of industries towards net-zero emissions for sustainability. On the other hand, we have established industry-academia alliances and cooperation, as well as implemented a talent cultivation plan. This proactive approach allows us to exchange knowledge with industry associations and organizations, staying up-to-date with the latest industry information while enhancing our internal occupational training program. We aspire to continuously innovate our technological development and boost momentum to become long-term and reliable partners for our customers.

| Development Direction | Descriptions |
|--|---|
| Technology patent development | Analyze industry and technology trends to identify R&D items that can facilitate corporate or industrial development and have market value. Strategically deploy resources to continuously obtain patents for core engineering technologies. |
| Energy-saving technology development | Continue researching and developing engineering technology and products related to environmental protection. Enhance the energy efficiency of consumption products, integrate them with intelligent systems, and optimize control processes. |
| Biotechnology industry research | Engage in the development of innovative biotechnology pharmaceutical projects within the framework of SIA (System Impact Assessment) to ensure compliance with certification criteria and international accreditation standards. |
| Industry-academia cooperation and talent cultivation | <ul style="list-style-type: none"> Maintain collaborations with Taipei Tech, YunTech, NKUST, NCUT, and FCU to foster innovation breakthroughs. In 2021, collaborated with Taipei Tech to develop new energy digital applications and technologies. For example, applied digital computation and simulation technologies to optimize system energy efficiency and configuration during the design and construction process. Also, provided plant construction services with optimal maintenance and operations management. |

3.2 Green Engineering Management

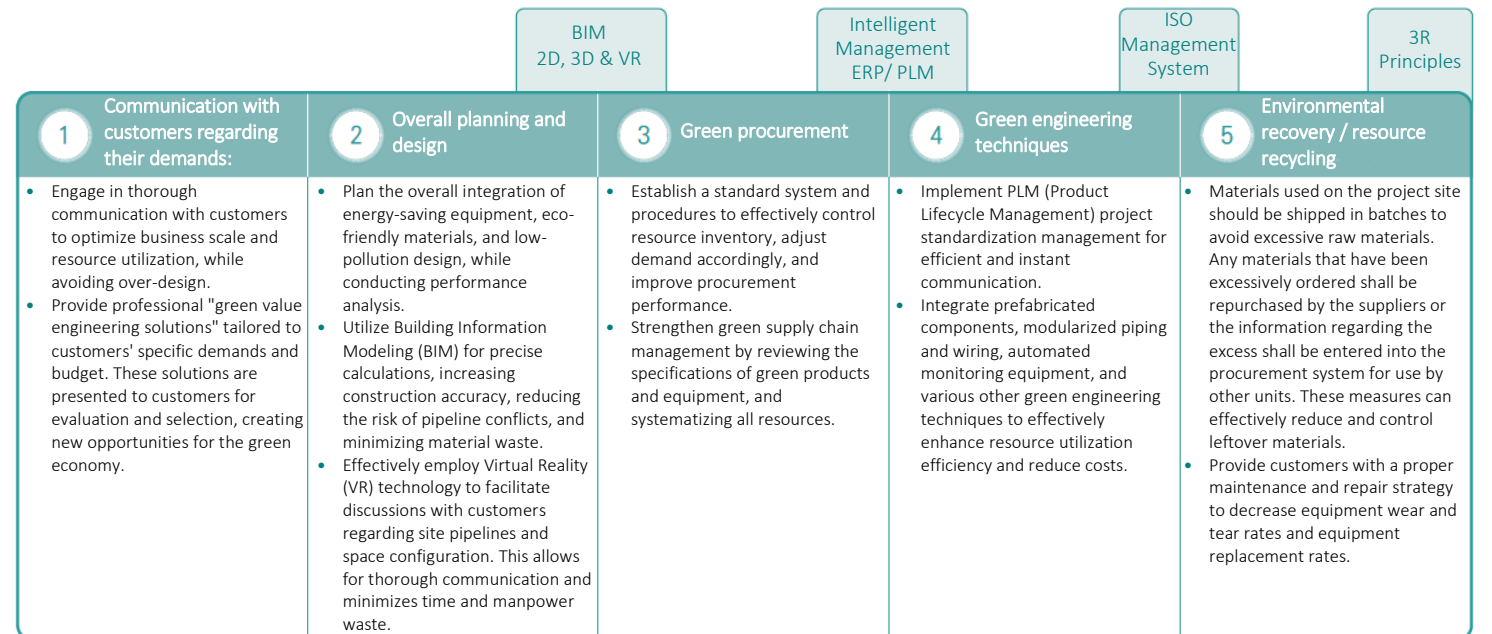
• GRI: 302-5

3.2.1 Green Engineering Management and Circular Economy Model

During our industrial development, Acter has played a pivotal role in driving green engineering. We are devoted to developing various green technologies and implementing green engineering process management procedures. Based on green building concepts, Acter establishes high-value, low-power consumption, and low-pollution green factory facilities for our customers. Our aspiration is to minimize the impact of factory operations on land, air, water, and the natural ecological system.

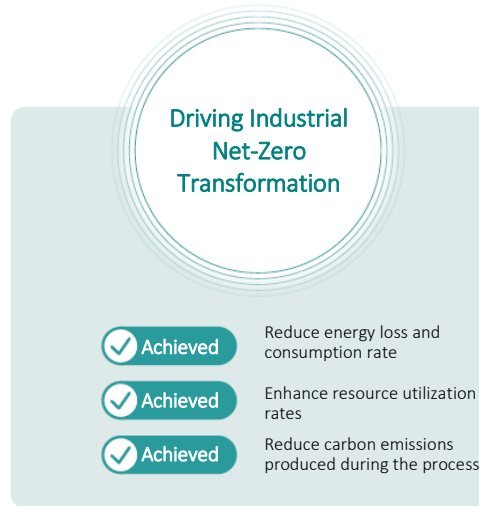
As a midstream and downstream supplier in the industrial supply chain, Acter plays a crucial role in fostering a sustainable value chain. Given that engineering processes can consume significant amounts of energy throughout their life cycles, effectively reducing power consumption during factory operations not only lowers customers' operating costs but also optimizes the allocation of energy resources while reducing greenhouse gas emissions. Our overall planning and design stages are focused on enhancing energy efficiency and minimizing environmental impacts. We actively propose the best green solutions to our customers and assist upstream customers in planning, designing, and constructing green buildings. Through these efforts, we successfully promote the net-zero transformation of industries".

Acter's Green Engineering Project Management Process



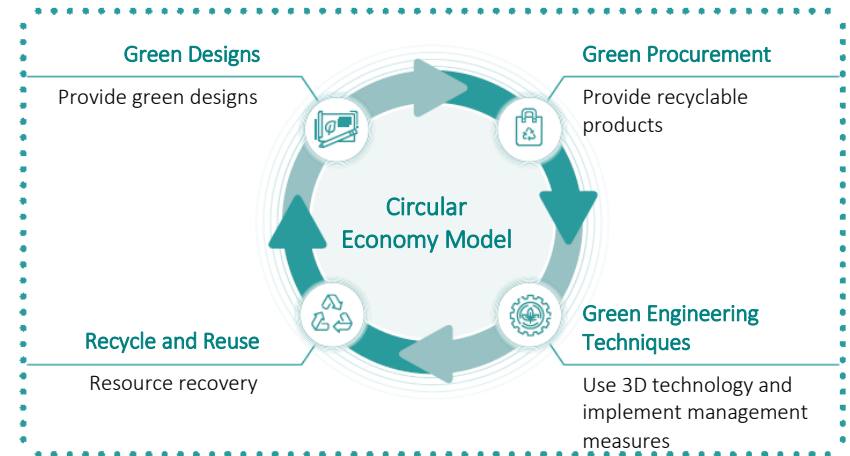
Acter's Core Technologies Drive Industrial Net-Zero Transformation

| | | |
|---------------------------|-----------------------------|--|
| Acter's core technologies | Energy management | <ul style="list-style-type: none"> Demand forecast and uninstillation. Contract capacity optimization. |
| | Factory energy conservation | <ul style="list-style-type: none"> Energy efficiency optimization for air-conditioning systems/ wastewater treatment. Waste reduction/ recycling/ reutilization. |
| | Process optimization | <ul style="list-style-type: none"> Production conditions for process optimization. Real-time control for process optimization. |
| | Prevention and maintenance | <ul style="list-style-type: none"> Host and equipment abnormality and system efficiency diagnosis. |



Considering the significance of promoting a low-carbon environment and eco-friendly engineering to effectively address climate change and environmental impacts, Acter has built a green, low-carbon industrial environment through a circular economy model. We recognize the increasingly stringent requirements for eco-friendliness, sustainability, and net-zero initiatives. As such, we have implemented green practices throughout different operational stages, including design, material selection, transportation, construction, usage, and dismantling. Our goal is to mitigate environmental risks associated with each phase of our operations. In addition, Acter has integrated an internal procurement system with a surplus material control mechanism to further advance the circular economy model. We have formulated response strategies and implemented control systems in turnkey engineering projects, encompassing supply, restoration, and extension. These efforts are aimed at maximizing the transformation of waste into valuable resources, while minimizing downcycling. Looking ahead, Acter is committed to actively developing our role in green engineering and sustainability. Our objective is to effectively respond to climate change and coexist harmoniously with the environment.

Circular Economy Model



3.2.2 Performance and Projected Benefits of Promoting Green Engineering Techniques

Acter has collaborated with our supply chain partners to break through the current bottleneck of green engineering innovation and continuously search for solutions, ranging from fundamental techniques to research and development. We also implement these solutions in engineering projects to contribute to the development of environmental sustainability. In 2022, Acter **created 23 green engineering techniques** and applied them in 12 indicative green engineering projects, **resulting in a projected reduction of 11,900 MtCO₂e greenhouse gas emissions. This reduction is equivalent to the CO₂e absorbed by 992,000 trees in one year.** Details are as follows:

Acter's Approach for Mitigating Environmental Risks of All Phases

| Phase | Environmental risks | Mitigation approach |
|----------------|--|--|
| Design | Different electrical, pipeline, instrument control and equipment design methods can result in different environmental impacts. | <ul style="list-style-type: none"> Modular/ standardized design. Intellectualization of turnkey projects. |
| Materials | Exploitation of natural resources, energy consumption and production of materials. | <ul style="list-style-type: none"> Green procurement: Adopt low-pollution, high-efficiency, multi-functional equipment and materials. |
| Transportation | GHG emissions during the transportation process. | <ul style="list-style-type: none"> Local procurement: Reduce transportation costs and adopted combined transportation for goods. |
| Construction | The generation and treatment of various pollutants, including the greenhouse gases, air-pollution, waste, water and noise. | <ul style="list-style-type: none"> Enhance the wastewater and waste recycling and utilization rates to mitigate environmental impacts. Prohibit any open-air burning at the construction site. Adopt low-noise construction equipment. |
| Use | GHG emissions, duration, and maintenance. | <ul style="list-style-type: none"> Apply high-efficiency equipment and eco-friendly materials. |
| Removal | Waste classification, temporary storage, subsequent disposal methods. | <ul style="list-style-type: none"> Recycle and reuse resources. |

🕒 An Overview of New Green Engineering Techniques in 2022

| Scope of Techniques | Acter's approach | Implementation results |
|--|---|---|
| Air-conditioning and energy-saving | The central ducted exhaust system is designed with a variable air volume (VAV) system and an odor detector to control the exhaust volume. | Increase the operating efficiency of the exhaust system, reduce power consumption, and collectively decrease the pre-cooling capacity needed for makeup air. This can alleviate the burden on the central air-conditioning unit. |
| | Design a central air-conditioning cooling tower equipped with an electronic descaler. | Scale can be removed from the cooling water to reduce scaling on the inner wall of the chiller's cooling coils. This also helps to increase the heat exchange efficiency, minimize damages to the cooling water pump, and reduce power consumption. |
| | Design and use a chemical dehumidification circuit for the air-conditioning system in areas with a higher latitude and altitude. | When the chemical dehumidification efficiency is higher than that of the low-temperature ice-water dehumidification system, the required capacity of the air-conditioning unit can be reduced to increase operational efficiency and personnel's comfort, while reducing the demand for energy consumption. |
| | Adopt chemical dehumidification by using the silicon rotor created at a low temperature together with a high-temperature heat pump system. | The high-temperature heat pump provides the silicon rotor with the heat energy required for regeneration (80~90°C), whereas the cooling side of the heat pump is integrated into the operation of the air-conditioning system to enhance the operational efficiency of the system while reducing energy consumption. |
| | The central air-conditioning cooling tower adopts the IE 5 heat-dissipation fan motor (permanent magnet direct current motor). | This can increase electricity efficiency and, as a speed reduction mechanism is not required, the use of resources can also be reduced, helping to lower the GHG emissions. |
| | Enhance the design of the cleanroom's FFU (Fan Filter Unit) by replacing the AC (Alternating Current) FFU with an EC (Electronically Commutated) FFU. | Increase electricity efficiency |
| | Enhance the design of the cleanroom's FFU by incorporating the new PTFE (Polytetrafluoroethylene) low pressure loss high-efficiency filter. | The sentence states that the PTFE low pressure loss high-efficiency filter has an initial pressure loss that is approximately 55% lower than that of a traditional high-efficiency glass fiber filter. Furthermore, depending on the rotational speed range of 800~1200 rpm, it is possible to achieve energy consumption savings of 18% to 24%. |
| Air-conditioning environmental protection function | Use the water circulation wet film humidifier in electronic factory's MAU hygienic humidification design. | Compared to traditional water wash humidifiers, film humidifiers offer several advantages. They have a shorter absorption distance, higher saturation efficiency, and consequently, a lower water-gas ratio. This means that the circular pump requires less water, resulting in reduced demand for MAU casting resources and decreased energy consumption of the circulation pump. The film humidifier operates at a lower flow rate and with a low-lift pump, further contributing to energy savings. |
| | Medium-efficiency filters are installed in general air-conditioning AHU/ RCU/ PAU/ MAU designs. | Use medium-efficiency filters to capture PM2.5 particles to reduce health hazards to personnel. |
| | The Venturi valve is used in the air-conditioning duct design for Grade B area or above in PIC GMP biotech plant. | The Venturi valve responds faster than VAV and can stabilize indoor pressure fluctuations caused by opening/closing doors and the starting/stopping of exhaust systems. This helps to reduce the risk of cross-contamination between different areas. |
| Noise prevention | The central air-conditioning system is designed with the low-noise cooling tower. | It effectively reduces noise by 5~7dBA compared to a traditional cooling tower. |

| Scope of Techniques | Acter's approach | Implementation results |
|---|---|--|
| Water and energy-saving in the manufacturing process | Use the supergravity acid/ alkali scrubber in the design. | Supergravity scrubber consumes 16% less power consumption comparing to traditional scrubber. |
| | For medium-temperature processes, the cooling water is replaced with pure water supplied in circulation from the front-stage soft water tank | Recover soft and waste cooling water for cooling during the medium-temperature process. This helps to reduce the factory's energy consumption and resource usage, while minimizing GHG emissions. |
| | During the nighttime rest period or suspension of its operations, the cleanroom/ germ-free room uses automatic monitoring and sequencing to lower the loading of the air-conditioning system. During day-time operations, the system is operated ahead of time to ensure a clean and sterile environment that meets the cleanroom requirements. | Reduce reactive power losses. |
| Energy-saving through electrical engineering technology | The air-conditioning unit in public areas (ex., shopping mall or exhibition hall) is designed with deep ultraviolet (UVC) LED germicidal lamps. | Reduce power consumption. |
| | Use the IE4 high-efficiency motor. | Increase power efficiency. |
| | For systems with higher utilization of variable frequency drives, active harmonic filters are incorporated in the design of the power system infrastructure. | Increase the power quality and reduce reactive power losses. |
| Recovery system | For indoor air-conditioning systems that utilize a general and purely physical method for dust collection and exhaust, the air can be recovered to the inlet of the PAU/MAU by installing medium- or high-efficiency filters in the tail gas design. | Reduce energy consumed during the cooling and dehumidification of air-conditioning makeup air to save energy and reduce waste. |
| Prefabrication / Installation method | The RC foundation for the mechanical and electrical / HVAC equipment is prefabricated off-site with metal frames, whereas on-site activities include only exterior frame positioning and RC pouring. | Enhance construction quality and efficiency while reducing the amount of engineering wastes. |
| Green buildings | The RC foundation for the mechanical and electrical / HVAC equipment is designed with load-bearing footings to support specific unit area loads. | Compared to traditional mechanical and electrical / HVAC equipment, the full-size RC foundation reduces the projected area, leading to reduced resource usage and lower greenhouse gas emissions. |
| | Optimize the configuration of the factory's internal pipelines, coordinate the routing of various system pipelines and plan for the construction of shared pipe racks. | Increase space utilization, construction quality/efficiency, reduce resource usage and lower GHG emissions. |
| Application of mobile devices on construction sites | Utilize mobile devices or tablet software for remote video conferencing with personnel in different areas. | Minimize personnel shifts and transportation to reduce exhaust and GHG emissions. |
| Indoor air quality | Adopt the new rotary ion adsorption energy recovery ventilation (ERV) in the design. | Apart from using ERV to reduce air conditioning load, the non-porous ion-exchange resin material that does not adsorb odor/odor molecules helps prevent the re-entry of odor/odor molecules from exhaust into the indoor environment, enhancing personnel comfort and maintaining indoor air quality (IAQ) |

Note: The table only presents the newly added green engineering techniques for 2022. For previous green engineering techniques, please refer to the "Sustainability and Innovation" chapter in Acter's "2021 Sustainability Report", which includes an overview of the application of green engineering techniques. This information has also been disclosed on the Company's official website.

① Achievement and Estimated Benefits of Promoting Key Green Engineering Techniques in 2022

| No. | General/ traditional/ original approach | Acter's approach | Subject information (use standard basis/methodology) | Annual energy saving (kWh) Calculation formula | Expected energy-saving benefits Unit: kWh/year (million joules per year) | Estimated carbon emission reduction Unit: Metric tons of CO _{2e} per year. |
|--|--|--|---|---|---|--|
| Project 1: New factory construction for a traditional industry company. | | | | | | |
| 1 | The chiller system adopted a conventional design with a 5°C temperature difference | The chiller system is designed with a 8°C temperature difference | A. The full low-temperature load requirement is 220RT (operating at 40% capacity throughout the year) B. The flow rates of the primary and secondary pumps, with a 5°C temperature difference: 2200 LPM; power consumption = 49.3 kW C. The flow rate of the primary pump, with a 8°C temperature difference: 1400 LPM; power consumption = 30 kW | $(kWh) = (B-C) * 8760 * 40\%$ | 67,628 kWh/year 243,461 MJ/year | 34 |
| 2 | The air-conditioning hot water system is powered by electricity | The air-conditioning hot water system has adopted the heat recovery system | A. The full load requirement for air-conditioning hot water = 12RT; estimated average annual consumption = 30%; consumption = 95,364,864 kcal/year B. Electrical efficiency = 0.86 kcal/W-hr C. Energy efficiency of heat recovery chiller = 4.21 kcal/hr-W | $(kWh) = (A/B-A/C) / 1000 (W / kW)$ | 88,237 kWh/year 317,655 MJ/year | 45 |
| 3 | Non-energy saving cooling tower model | Energy-saving cooling tower model | A. The full load requirement is 737RT (operating at 40% capacity throughout the year) B. Non-energy saving model is 0.025 kW/RT C. Energy-saving model is 0.0197 kW/RT | $(kWh) = (B-C) * A * 8760 * 40\%$ | 13,687 kWh/year 49,273 MJ/year | 7 |
| 4 | Control the number of fixed-frequency air compressors | Use variable frequency screw air compressor | A. Variable frequency screw air compressor is 4.78 kW/CMM B. Fixed frequency centrifugal air compressor is 4.84 kW/CMM C. Regulate the air volume at 62CMM*70% (average loading) | $(kWh) = (B * C * (70\% + (1 - 70\%) * 30\%) - A * C * 70\%) * 8760$ | 259,394 kWh/year 933,819 MJ/year | 132 |
| Project 2: Energy-saving design for the air-handling unit (AHU) of medical technology factory | | | | | | |
| 1 | Single cooling coil design | Adopt a dual cooling coil design to reach reheat reduction | A. Air-conditioning heating requirement = 424 kW B. The number of hours required to cool, dehumidify and reheat the outside air throughout the year = 8050 hr C. Annual average heating requirement rate = 30% | $(kWh) = A * B * C$ | 1,023,960 kWh/year 3,686,256 MJ/year | 521 |
| Project 3: New factory construction project for a semiconductor assembly and test services (SATS) company | | | | | | |
| 1 | FFU with an AC motor | FFU with a DC motor | A. AC FFU (15CMM@280Pa) power consumption: 160 W B. DC FFU (15CMM@280Pa) power consumption: 140 W C. Total: 8384 pcs | $(kWh) = (A-B) * C / 1000 * 8760$ | 1,468,877 kWh/year 5,287,956 MJ/year | 748 |
| 2 | Adopt general lamp (mainly T5) | Adopt high-efficiency LED lamp | A. 4" T5 tube light = 28W(2900lm) B. 4" LED tube light = 14W(2000lm) C. This project has adopted 13426 pcs of teardrop-shaped 4" LED tubes D. The lighting is calculated 24 hours a day | $(kWh) = [C * (A-B)] / 1000 (kW/W) * (2000/2900) * 365 (days/year) * 24 (hr/day) = 1135562$ | 1,135,562 kWh/year 4,088,023 MJ/year | 578 |

| No. | General/ traditional/ original approach | Acter's approach | Subject information (use standard basis/methodology) | Annual energy saving (kWh) Calculation formula | Expected energy-saving benefits Unit: kWh/year (million joules per year) | Estimated carbon emission reduction Unit: Metric tons of CO _{2e} per year. |
|---|---|---|--|--|---|--|
| Project 4: New factory construction project for a SATS company | | | | | | |
| 1 | Adopt CNS compliant high-voltage transformer | Adopt high-efficiency high-voltage transformer | A. The design has adopted a high-efficiency transformer that handles 50% of the long-term loading of CNS compliant transformer. B. The calculation shall refer to the calculation data of Shihlin Electric's 1500 KVA transformer C. Totally installed 8 sets of 2000 KVA transformers and 8 sets of 4000 KVA transformers | $(kWh)=31000*(2000/1500)*8$ $+31000*(4000/1500)*8=991999$ | 991,999 kWh/year 3,571,196 MJ/year | 505 |
| 2 | The chiller system adopted a conventional design with a 5°C temperature difference | The chiller system is designed with a 6°C temperature difference | A. The full load requirement is 6300RT, with an estimated average annual operation rate of 40%. B. The total power consumption of the primary and secondary pumps with a 5°C temperature difference:614 kW C. The total power consumption of the primary and secondary pumps with a 6°C temperature difference:525 kW | $(kWh)=(B-C)*8760*40\%$ | 311,856 kWh/year 1,122,682 MJ/year | 159 |
| 3 | The chiller system has adopted the fixed-frequency air compressor for the primary pump and variable frequency air compressor for the secondary pump | The chiller has adopted the variable frequency air compressor for the primary and secondary pumps | A. Electricity consumed by the primary pump = 281 kW. The estimated average operation rate of each unit is 75% and the average annual operation rate is 40% | $(kWh)=A-A*(45/60)^3*8760*0.4$ | 569,236 kWh/year 2,049,249 MJ/year | 290 |
| 4 | The air-conditioning hot water system is powered by electricity | The air-conditioning hot water system has adopted the heat recovery system | A. The full load requirement for air-conditioning hot water = 1300RT; estimated average annual consumption = 30%; consumption = 10,331,193,600 kcal B. Electrical efficiency = 0.86 kcal/W-hr C. Energy efficiency of heat recovery chiller = 4.21 kcal/hr-W | $(kWh)=(A/B-A/C)/1000(W/ kW)$ | 9,559,051 kWh/year 34,412,582 MJ/year | 4,866 |
| 5 | Control the number of fixed-frequency air compressors | Use variable frequency screw air compressor | A. Variable frequency screw air compressor is 5.49 kW/CMM B. Fixed frequency centrifugal air compressor is 5.43 kW/CMM C. Regulate the air volume at 130CMM*70% (average loading) | $(kWh)=(B*C*(70\%+(1-70\%)*30\%)-A*C*70\%)*8760$ | 508,702 kWh/year 1,831,327 MJ/year | 259 |
| 6 | Adopt the zero-water cooled dryer | Recover the waste heat from the compressor for the generation and restoration of dryer | A. Power consumed by the zero-loss water cooled dryer: 344.4 kW B. Power consumed by the zero-loss compressor for recovering waste heat from the compressor: 241.8 kW C. The estimated average annual operation rate is 70% | $(kWh)=(A-B)*8760*C$ | 629,143 kWh/year 2,264,916 MJ/year | 320 |
| Project 5: Reconstruction of medical technology factory | | | | | | |
| 1 | The air-conditioning hot water system is powered by electricity | The boiler's steam is converted to heat water supplied to the air-conditioning system for reheating | A. The full load requirement for air-conditioning hot water = 165RT; estimated average annual consumption = 30%; consumption = 1,311,266,880 kcal B. Gas: 636 kcal/NT C. Pump water consumption: 5.5 kW D. Electricity: 860 kcal/kW-hr E. Electricity fee: NT4.1 kWh | $(kWh)=(A/D*E-(A/B+C*8760*E*0.3))/E$ | 1,007,411 kWh/year 3,626,681 MJ/year | 513 |

| No. | General/ traditional/ original approach | Acter's approach | Subject information (use standard basis/methodology) | Annual energy saving (kWh) Calculation formula | Expected energy-saving benefits Unit: kWh/year (million joules per year) | Estimated carbon emission reduction Unit: Metric tons of CO _{2e} per year. |
|--|---|---|--|---|---|--|
| Project 5: Reconstruction of medical technology factory | | | | | | |
| 2 | Adopt general lighting fixtures installed with traditional T5 tube lights | Adopt ultra-thin high-efficiency LED panel light | A. Each traditional T5 tube consumes 14W of electricity and its energy efficiency is around 90 lm/W B. The energy efficiency of 36 W to 40 W LED high-efficiency panel light is around 110 to 120 lm/W. Each represents the luminous flux of approximately 4 traditional T5 fluorescent tubes. The LED tube is around 15 W (4 m). C. This project has adopted 353 LED panel lights. D. Calculated based on 10 hours of daily lighting | $(kWh) = [353 * (14 * 4 - 40)] / 1000 (kW/W) * 365 (day/year) * 10 (hr/day) = 20615$ | 20,615 kWh/year 74,214 MJ/year | 10 |
| 3 | The make-up air unit (MAU) supplies both the makeup air of the recycled air handling unit (RCU) and MAU | The booster fan has been installed in the MAU to reduce the fan static pressure (PS) of the MAU | A. AHU is 42500CMH@2000Pa; and fan power consumption = 33 kW B. AHU is 42500CMH@1550Pa; and fan power consumption = 25 kW C. The full makeup air-conditioning fan is 7800CMH@450Pa; and fan power consumption 1.5 kW | $(kWh) = (A - (B + C)) * 8760$ | 56,940 kWh/year 204,984 MJ/year | 29 |
| Project 6: Construction of medical technology factory | | | | | | |
| 1 | Cooling of the entire AHU air flow by cooling coil | Bypassing (partially) the AHU air flow for recirculation | A. The cleaning air flow rate (CAFR) is 58,100CMH; the cooling capacity is 30,598,680 kWh/year B. The load air flow – The air flow rate of partial by-pass is 35,100CMH; and the cooling capacity is 29,827,800 kWh/year C. Efficiency of the chiller system = 0.227 kW/ kW D. Reduce electric heating and reheat consumption by 805,920 kWh/year | $(kWh) = (A - B) (kWh/year) * C (kW/ kW) + D$ | 980,910 kWh/year 3,531,275 MJ/year | 499 |
| 2 | The air-conditioning hot water system is powered by electricity | The air-conditioning hot water system has adopted the heat recovery system | A. The full load requirement for air-conditioning hot water = 415RT; estimated average annual consumption = 30%; consumption = 3,298,034,880 kcal/year B. Electrical efficiency = 0.86 kcal/W-hr C. Energy efficiency of heat recovery chiller = 4.21 kcal/hr-W | $(kWh) = (A/B - A/C) / 1000 (W/ kW)$ | 3,051,543 kWh/year 1,985,555 MJ/year | 1,553 |
| 3 | The chiller system adopted a conventional design with a 5°C temperature difference | The chiller system is designed with a 8°C temperature difference | A. The full load requirement = 1050RT (operating at 40% capacity throughout the year) B. The flow rates of the primary and secondary pumps, with a 5°C temperature difference: 10,500 LPM; power consumption = 206 kW C. The flow rate of the primary pump, with a 8°C temperature difference: 6,600 LPM; power consumption = 119 kW | $(kWh) = (B - C) * 8760 * 40%$ | 304,848 kWh/year 1,097,453 MJ/year | 155 |
| 4 | Non-energy saving cooling tower model | Energy-saving cooling tower model | A. The full load requirement is 1,050RT (operating at 40% capacity throughout the year) B. Non-energy saving model is 0.0429 kW/RT C. Energy-saving model is 0.0321 kW/RT | $(kWh) = (B - C) * A * 8760 * 40%$ | 39,735 kWh/year 143,047 MJ/year | 20 |
| 5 | Adopt general lighting fixtures installed with traditional T5 tube lights | Adopt high-efficiency LED panel light | A. Each traditional T5 tube light consumes 14W (2m) or 28W (4m) of electricity, with an energy efficiency of around 90 lm/W. B. The efficiency of the 36 to 40 W LED high-efficiency panel light is around 110 to 120 lm/W. Each represents the luminous flux of approximately 4 traditional T5 fluorescent tubes C. This project has adopted 1523 LED panel lights. D. The lighting is calculated 12 hours a day | $(kWh) = [1523 * (14 * 4 - 40)] / 1000 (kW/W) * 365 (days/year) * 12 (hr/day) = 106713$ | 106,713 kWh/year 384,167 MJ/year | 54 |

| No. | General/ traditional/ original approach | Acter's approach | Subject information (use standard basis/methodology) | Annual energy saving (kWh) Calculation formula | Expected energy-saving benefits Unit: kWh/year (million joules per year) | Estimated carbon emission reduction Unit: Metric tons of CO _{2e} per year. |
|---|--|--|---|---|---|--|
| Project 6: Construction of medical technology factory | | | | | | |
| 6 | Adopt CNS compliant high-voltage transformer | Adopt high-efficiency high-voltage transformer | A. Adopt a high-efficiency transformer that handles 50% of the long-term loading of CNS compliant transformer B. The calculation shall refer to the calculation data of Shihlin Electric's 1500 KVA transformer C. This project includes 1 set of 2000 KVA transformer. | (kWh)=31000*(2000/1500)*1 =41333 | 41,333 kWh/year 148,799 MJ/year | 21 |
| Project 7: Construction of medical technology factory | | | | | | |
| 1 | Single cooling coil design | Adopt a dual cooling coil design to reach reheat reduction | A. Air-conditioning heating requirement = 63 kW B. The number of hours required to cool, dehumidify and reheat the outside air throughout the year = 527 hr C. Annual average heating requirement rate = 30% | (kWh)=A*B*C | 9,960 kWh/year 35,857 MJ/year | 5 |
| 2 | The chiller system adopted a conventional design with a 5°C temperature difference | The chiller system is designed with a 8°C temperature difference | A. The full load requirement =701,760 kcal/hr (operating at 40% capacity throughout the year) B. The pump flow when there is a 5°C temperature difference: 2,320 LPM; power consumption = 30 kW C. The pump flow when there is a 8°C temperature difference: 1,460 LPM; power consumption = 16 kW | (kWh)=(B-C)*8760*40% | 49,056 kWh/year 176,602 MJ/year | 25 |
| 3 | Non-energy saving cooling tower model | Energy-saving cooling tower model | A. The full load requirement is 500RT (operating at 40% capacity throughout the year) B. Non-energy saving model is 0.0296 kW/RT C. Energy-saving model is 0.012 kW/RT | (kWh)=(B-C)*A*8760*40% | 30,835 kWh/year 111,007 MJ/year | 16 |
| 4 | Adopt general lighting fixtures installed with traditional T5 tube lights | Adopt LED light | A. Each traditional T5 tube light consumes 14W (2 m) or 28 W (4m) of electricity, with an energy efficiency of around 90 lm/W B. High-efficiency LED panel light consumes 36~40 W with energy efficiency of approximately 110~120 lm/W. Each represents the luminous flux of approximately 4 traditional T5 fluorescent tubes. The LED tube is around 15 W (4 m). C. This project has adopted 156 LED panel lights and 243 LED construction work lights. D. Calculated based on 12 hours of daily lighting | (kWh)= [156*(14*4-40) +243*(28-15)] /1000(kW/ W) *365 (days/year)*12 (hr/day)=24768 | 24,768 kWh/year 89,165 MJ/year | 13 |
| 5 | Adopt CNS compliant high-voltage transformer | Adopt high-efficiency high-voltage transformer | A. Adopt a high-efficiency transformer that handles 50% of the long-term loading of CNS compliant transformer B. The calculation shall refer to the calculation data of Shihlin Electric's 1500 KVA transformer C. This project includes 1 set of 1500 KVA transformer. | (kWh)=31000*(1500/1500)*1 =31000 | 31,000 kWh/year 111,600 MJ/year | 16 |
| Project 8: Diversified products in the medical technology and industrial sectors | | | | | | |
| 1 | FFU with an AC motor | FFU with a DC motor | A. AC FFU (15CMM@180Pa) power consumption: 110 W B. DC FFU (15CMM@180Pa) power consumption: 80 W C. Total: 809 pcs | (kWh)=C*(A-B)/1000(kW/W) *365 (days/year)*24 (hr/day) | 212,605 kWh/year 765,379 MJ/year | 108 |

| No. | General/ traditional/ original approach | Acter's approach | Subject information (use standard basis/methodology) | Annual energy saving (kWh) Calculation formula | Expected energy-saving benefits Unit: kWh/year (million joules per year) | Estimated carbon emission reduction Unit: Metric tons of CO _{2e} per year. |
|--|--|--|---|--|---|--|
| Project 9: Semiconductor electronic components and mold production services | | | | | | |
| 1 | FFU with an AC motor | FFU with a DC motor | A. AC FFU (15CMM@180Pa) power consumption: 110 W B. DC FFU (15CMM@180Pa) power consumption: 80 W C. Total: 358 pcs | $kWh=Cx(A-B)/1000(kW/ W) *365$ (days/year)*24 (hr/day) | 94,082 kWh/year 338,697 MJ/year | 48 |
| Project 10: The cleanroom relay-out of a SATS company | | | | | | |
| 1 | FFU with an AC motor | FFU with a DC motor | A. AC FFU (15CMM@280Pa) power consumption: 160 W B. DC FFU (15CMM@280Pa) power consumption: 140 W C. Total: 424 pcs | $(kWh)=(A-B)*C/1000*8760$ | 74,285 kWh/year 267,425 MJ/year | 38 |
| Project 11: Factory expansion of a SATS company | | | | | | |
| 1 | FFU with an AC motor | FFU with a DC motor | A. AC FFU (15CMM@280Pa) power consumption: 160 W B. DC FFU (15CMM@280Pa) power consumption: 140 W C. Total: 227 pcs | $(kWh)=(A-B)*C/1000*8760$ | 39,770 kWh/year 143,173 MJ/year | 20 |
| Project 12: New factory construction for a traditional industry company. | | | | | | |
| 1 | Adopt CNS compliant high-voltage transformer | Adopt high-efficiency high-voltage transformer | A. The design has adopted a high-efficiency transformer that handles 50% of the long-term loading of CNS compliant transformer. By taking the 1500-KVA transformer as an example, it can save around 31 kWh (31,000 Wh) each year. B. The calculation shall refer to the calculation data of Shihlin Electric's 1500 KVA transformer C. This project includes 2 sets of 1000 KVA transformers, 3 sets of 1600 KVA transformers, 7 sets of 2500 KVA transformers, and 2 sets of 3500 KVA transformers. | $(kWh)=31000*(1000/1500)*2$ $+31000*(1600/1500)*3+31000$ $*(2500/1500)*7+31000$ $*(3500/1500)*1=574533$ | 574,533 kWh/year 2,068,319 MJ/year | 292 |

Overall Energy-Saving Benefits for Year 2022

23,378,276 kWh/year = 11,900 metric tons CO_{2e} = the amount of CO_{2e} absorbed by 992,000 trees in 1 year

Note 1: Cited from the electricity carbon emission factor announced by the Bureau of Energy under the Ministry of Economic Affairs, which is 0.509 kg CO_{2e}/kWh and converted to metric tons of CO_{2e}.
Note 2: According to the estimation of "The Plant for the Planet : Billion Tree Campaign" initiated by the United Nation (UN) in 2007, every tree can absorb 12 kg of CO_{2e} each year in average



3.3 Customer Services and Management

- Specific Themes of Acter

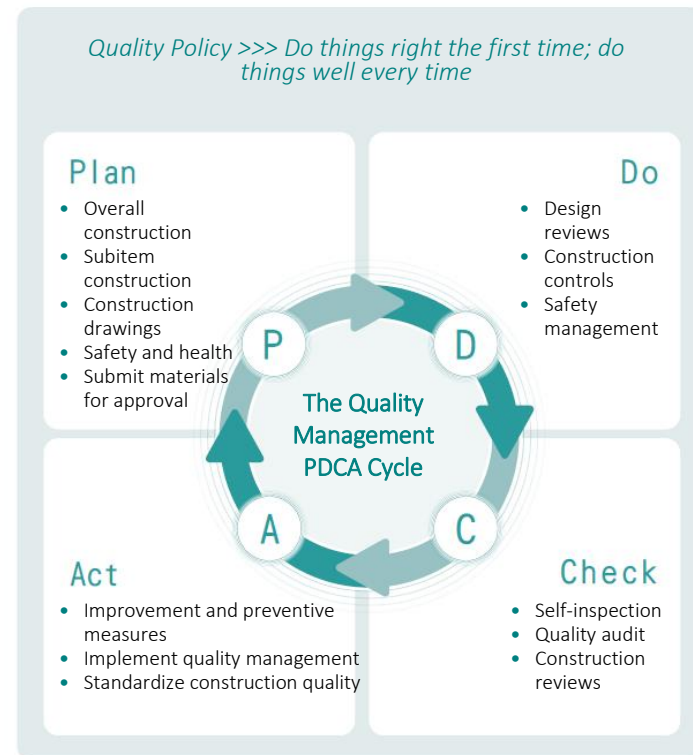
Acter values our customers as great partners and provides them with comprehensive solutions tailored to meet their needs. Oriented toward delivering exceptional engineering services and creating a competitive factory environment, we have established a definite quality policy and set relevant goals. Additionally, we have developed procedures and operational manuals to meet customers' high-quality requirements. We also stay up-to-date with international quality standards and have obtained several international certifications. This ensures that our company's quality, EHS (Environment, Health, and Safety), and energy policies and standards comply with global standards. Our commitment to meeting international standards guarantees the system's applicability, suitability, and effectiveness.

3.3.1 Quality Management System

As a pioneer in the industry, Acter has continuously implemented and enhanced various management systems, including: adopted the ISO 9001 Quality Management System in 1999; completed the transition to ISO 9001:2015 and obtained a certificate in 2021; completed the transition to ISO 14001:2015 and obtained a certificate in 2018; completed the transition to ISO 45001:2018 Occupational Health and Safety (OH&S) Management System (originally OHSAS 18001:2007) and obtained a certificate in 2019; and implemented the ISO 50001 Energy Management certification system and obtained a certificate in 2020. Moreover, Acter has conducted the GHG inventory every year since 2017 and completed the transition to ISO 14064-1:2018 in 2022, which includes disclosing other indirect GHG emissions and obtaining third-party assurance statements annually.

Third-party Assurance Statements

To facilitate quality management, Acter has adopted the “3-Level Quality Control” (i.e., “Quality Controls”, “Quality Assurance”, and “Quality Auditing”) and the “3 Professional Management” (i.e., “Dedication”, “Expertise”, and “Concentration”) graded management approach. This comprehensive dual quality control mechanism effectively stabilizes the quality and enhances efficiency. In addition to providing employees with educational and training programs, Acter also conducts operational training and guidance for contractors on-site. They implement construction audits, improve deficiencies, and identify and assess risks to advance prevention works and make timely improvements. Moreover, Acter has connected quality control effectiveness and performance index to continuously promote the PDCA cycle for “Total Quality Management” (TQM). Further details are described as follows:



3.3.2 Quality Control Practice

Acter's quality policy is “Do things right the first time and do things well every time”. Based on this policy, we have established different phases of management practices to meet the Company's requirements and satisfy our customers.

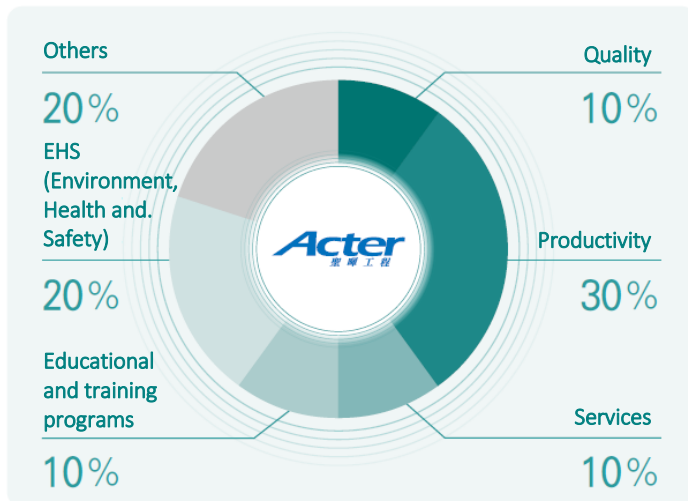
| Phase | Specific practice in quality control |
|---|--|
| Design verification | Understand customers' needs, overall building planning, and the uniqueness and expandability of each production process. Confirm engineering requirements and design through thorough communication and discussions, ensuring that customers' needs are met |
| Acceptance of equipment and materials | Implement the management, performance appraisal, and factory inspection of suppliers. Relevant staff must have a full understanding of the specifications and functions of each equipment and machinery, and verify that the procurement facilities are accurate and of high quality to meet the engineering requirements. |
| Construction management phase | Implement 5S site management and relevant systems to ensure that every engineering method, construction quality, environmental waste reduction, and work safety measures in each phase comply with the standards. |
| Verification of construction and installation | Introduce standard engineering methods, thoroughly discuss construction drawings and maps, embrace the spirit of "doing things right the first time", and implement self-inspection quality management to achieve excellence in each phase. |
| Operational verification | Verify that facilities and equipment operate within the specified operating limits and normal conditions in accordance with equipment operating procedures and rules. |
| Functional verification | Establish functional verification standards and checklists from design verification to installation, operational verification, and quality management. Follow the specified procedures to conduct checks and verifications, aiming for optimal performance. |
| After-sale services | Provide engineering warranty services and, if requested by customers, factory operations service. Assist customers in inspecting, maintaining, and repairing the equipment to ensure overall engineering services maintain a stable quality and provide customers with a high-quality environment. |

3.3.3 Quality Culture

Acter has been promoting the 'continuous improvement' activity and enhancing the internal quality culture. Through proposal incentives measures, Acter encourages staff to make continuous innovation and conduct interdepartmental observation and learning activities to create the Company's potential benefits. **In 2022, our staff made a total of 10 effective improvement proposals, five of which have been implemented in daily operating procedures.**

To continuously optimize operating procedures and enhance service quality, we have established multiple opinion collection channels, including engineering case closure reports, the audit system, customer opinion feedback, and internal meetings and feedback. Based on this information, supervisors from all departments jointly review and make improvement proposals. If any amendments are required for relevant operating procedures during the meeting discussion, the department responsible for the documents will make the amendments accordingly. They will then conduct a review based on their document approval authority and proceed with official announcement and implementation upon approval. **In 2022, Acter made 38 amendments to the management system** primarily to align with governmental regulations, manage project changes, and address practical needs based on the review. To enhance the quality of internal operations, the Q&A and Safety Department collaborated with Acter A+ College to plan quality management-related courses, **resulting in a total of 161 hours of quality training in 2022.**

Proposal Analysis for the Year 2022



3.3.4 Customer Satisfaction Level

Aiming to **"provide quality services and become our customers' reliable partner"**, Acter establishes long-term partnerships with our customers to enhance their satisfaction level and loyalty. This, in turn, helps to further improve our operating performance and create a win-win situation with our customers.

Besides instilling a strong focus on quality and enhancing our green techniques and capabilities, we will internalize the spirit of 'continuous improvement' into the DNA of our organizational operations. This will enable us to actively optimize our quality, ensuring customer satisfaction, and collaboratively develop a blue ocean with our strategic partners, creating a winning outcome for all of us.

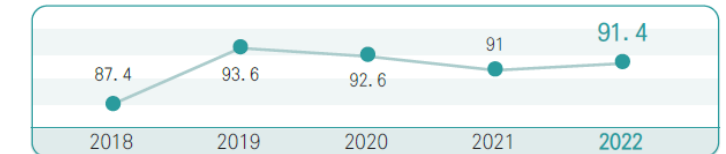


Customer Service Strategy Framework



To gain an in-depth understanding of customers' demands and perspectives, Acter conducts a customer satisfaction survey every half year in accordance with the "Operating Procedures Governing Customer Satisfaction Level and Sustainable Operational Improvements". The survey allows us to gather feedback on various aspects, including our professional skills, engineering quality/progress, environmental/safety and health management, degree of cooperation/communication and coordination, customer relations, and services, as well as future demands. Additionally, the survey results serve as a valuable guide for making improvements, conducting regular reviews, and analyzing our processes. Based on these findings, we develop appropriate improvement plans to continuously strengthen our relationship with customers. The complete customer response handling procedures further facilitate the company's growth. **In 2022, Acter's customer satisfaction level reached 91.4, surpassing our goal for 2022, which was set at 88.**

The 2022 Customer Satisfaction Survey



Note: Among them, the score for "communication and coordination" slightly declined due to the insufficient industrial experience and communication ability of our hired graduates over the last three years. To enhance graduates' professional competence, we have already set up relevant education and training programs and conducted one-to-one mentorship to ensure our staff are equipped with the ability to instantly communicate with customers and solve problems. This helps further enhance customers' trust in us.

PDCA for Customer Satisfaction Survey



3.3.5 Maintenance of Customer Privacy and Confidential Data

To prevent customers from experiencing damage to their rights and interests due to the disclosure, misuse, and theft of their confidential information and privacy, Acter has already stipulated relevant regulations. These regulations specify the conditions for legally using the information and data retention measures in accordance with the "Personal Data Protection Act". In the event of discovering or becoming aware of a privacy breach, Acter will initiate an investigation and assess the damages and losses incurred. The investigation results will be recorded, and a subsequent improvement plan will be discussed to minimize privacy infringement risks and prevent such incidents from recurring.

Acter has implemented information security risk assessment and related management processes, and has established preventive, notification, and response mechanisms for potential incidents of personal data leakage. These are uniformly managed in accordance with the Information Security Management Regulations. **In 2022, Acter maintained a clean record with no received complaints related to customer privacy and data maintenance.**

Information Security Management Mechanism

- The IT Department continuously reviews Acter's information security risks and implements control measures accordingly. It also hires an external information security company to investigate the Company's overall information system on a regular basis.

Advocacy and Educational Training for Employees

- The IT Department distributes EDMs (Electronic Direct Mail) for information security advocacy on an irregular basis. It also conducts educational and training sessions for all employees.
- Stipulate rules governing relevant handling measures and strictly request sales personnel to protect customers' information.

Legal Regulations and Complaint Channel

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

3.3.6 Customers' Recognition and Glory

Acter believes that continuous innovation and providing the best services are key to consolidating customer satisfaction. Upholding the service tenet of **"wherever customers' needs are, Acter's services will be"**, we have adopted a multi-industrial, multi-regional, and multi-disciplinary development strategy. This approach allows us to vertically and horizontally integrate the industry and offer customers one-stop turnkey engineering services. Moving forward, Acter will strive to become a pioneer in green technology and customization. We will continue to be service-oriented, focusing on our customers' greatest benefits, and aim to be an important, reliable, and long-term partner in helping our customers achieve success.

Customer Recognition of Acter's Services in 2022

Best Contractor

CHG5A
BEST IMPROVEMENT
CONSTRUCTION CONTRACTOR
ACTER
CO., LTD
2022 THIRD QUARTER

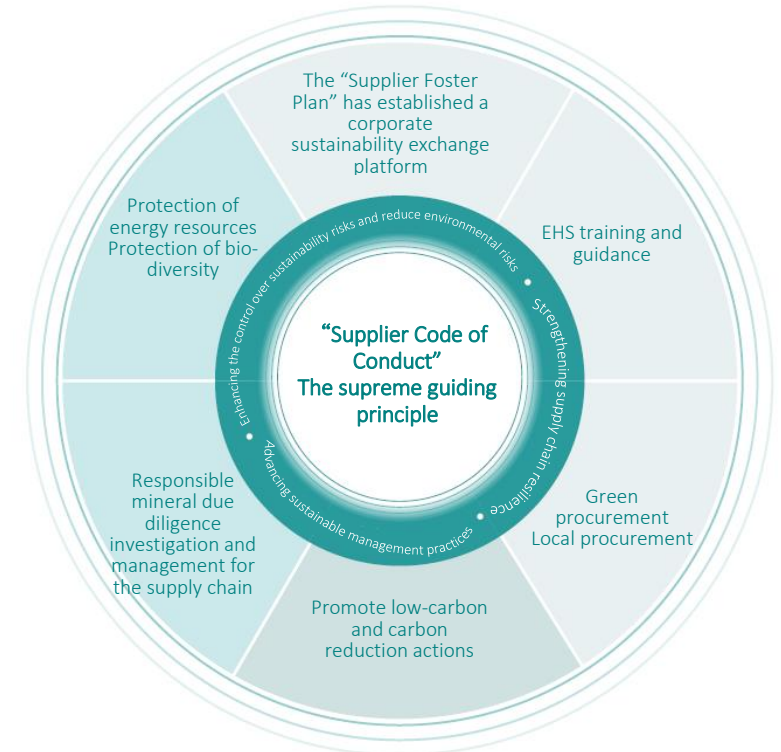
Big data centers in Taichung and Changhua
|Air-conditioning engineering|

3.4 Supply Chain Management

• GRI: 2-6, 2-23, 2-24, 2-30, 204-1, 308-1, 308-2, 414-1, 414-2

Offering mid-end engineering services in the entire value chain, Acter integrates upstream cooperative suppliers and downstream customers. Through Acter's professional services ranging from design and planning to procurement and outsourcing, construction, and test run, a complete industrial value chain is formed to complete domestic and international engineering construction projects. Dedicated to developing a sustainably developed supply chain with our suppliers, Acter has drafted supplier sustainability management policies to actively reduce environmental impacts, guiding suppliers to set energy-saving, water-saving, waste reduction, and carbon reduction goals. The objectives thereof are to mitigate impacts caused by climate change and to establish a responsible and sustainable supply chain. Using the provisions of the Supplier Code of Conduct as the action basis, we enhance suppliers' compliance with labor rights, occupational health and safety, environmental protection, business ethics, and management systems. Through a sustainable supplier assessment mechanism, corresponding procurement response measures and follow-up improvements are implemented for suppliers at different assessment levels to reduce operational disruption risks.

Supplier Sustainability Management Framework



3.4.1 Supply Chain Structure

Acter’s supply chain includes engineering material suppliers, equipment vendors, and engineering construction contractors. Our suppliers are located in various regions, including Taiwan, Europe, the United States, Northeast Asia, Southeast Asia, and mainland China. As of 2022, Acter has 5,868 suppliers worldwide. To effectively manage and control the supply chain status, we have classified and graded suppliers: We have categorized them into contractors and material equipment suppliers based on their attributes, and we grade them based on their procurement amount. Those whose cumulative procurement amount is above NT\$10,000,000 are categorized as 'key suppliers.' Key suppliers also undergo an annual assessment by Acter for the purpose of effectively controlling risks.

Statistics on the geological distribution of suppliers over the years

| | 2020 | | 2021 | | 2022 | |
|------------------------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
| | Q'ty (No. of suppliers) | Ratio | Q'ty (No. of suppliers) | Ratio | Q'ty (No. of suppliers) | Ratio |
| Taiwan | 5,161 | 99.14% | 5,476 | 99.08% | 5,817 | 99.13% |
| China | 17 | 0.33% | 20 | 0.36% | 20 | 0.34% |
| North East Asia | 2 | 0.04% | 3 | 0.05% | 3 | 0.05% |
| South East Asia | - | - | 1 | 0.02% | 1 | 0.02% |
| Europe and the United States | 26 | 0.50% | 27 | 0.49% | 27 | 0.46% |
| Total | 5,206 | 100% | 5,527 | 100% | 5,868 | 100% |

Note: The statistical data covers suppliers who have conducted transactions in previous years.

Proportion of Transaction Amounts with Key / Non-key Suppliers Over the Years

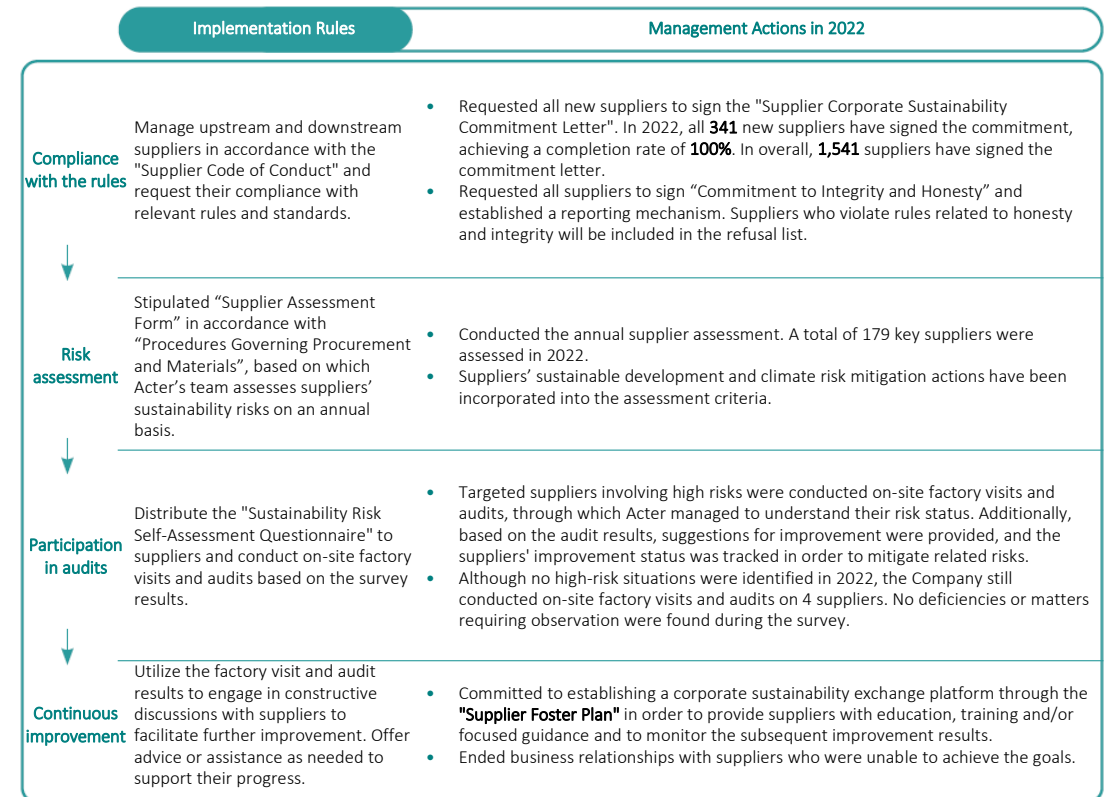
| | 2020 | | 2021 | | 2022 | |
|-------------------|-------------|----------------------------------|-------------|----------------------------------|-------------|----------------------------------|
| | Contractors | Material and Equipment Suppliers | Contractors | Material and Equipment Suppliers | Contractors | Material and Equipment Suppliers |
| Key Suppliers | 68.89% | 75.60% | 78.95% | 59.75% | 86.09% | 78.57% |
| Non-Key Suppliers | 31.11% | 24.40% | 21.05% | 40.25% | 13.91% | 21.43% |

Note: "Key suppliers" refer to suppliers whose annual trading amount exceeds NT\$10,000,000.

3.4.2 Supply Chain Management Implementation Policy

Suppliers are important partners of Acter. To ensure engineering quality and implement management policies, Acter has established a responsible supply chain management mechanism and a sustainability-related risk assessment strategy based on the "Supplier Code of Conduct", which serves as the supreme guiding principle. Through the four major implementation policies of "compliance with regulations", "risk assessment", "participation in audits", and "continuous improvement", we drive our supply chain partners to adhere to supplier management principles. We also advocate important policies, including carbon reduction, energy-saving, local procurement, and green procurement, to suppliers in order to create a green industry together.

Furthermore, through the supplier selection mechanism, assessment, sustainability risk assessment, and on-site visits and audits, we continuously audit the compliance of our suppliers, ensuring that they abide by rules. At the same time, we also provide guidance and assistance to suppliers to implement the core concepts of co-prosperity and the common good.

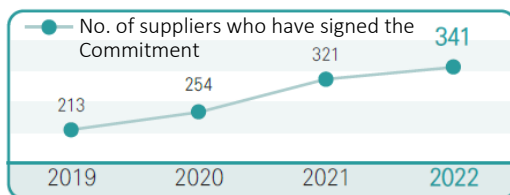


3.4.2.1 Supplier Code of Conduct

To initiate cooperation with Acter, all of our suppliers are required to sign the **“Commitment to Integrity and Honesty”** and accept regular risk assessments and on-site audits. They are also expected to continuously engage in improvement measures throughout their cooperation with us. Meanwhile, Acter has established a reporting mechanism. Suppliers found to be in violation of relevant integrity and honesty regulations will not only be listed as denied suppliers with whom Acter will not cooperate, but they will also bear all legal responsibilities resulting from their actions. **As of 2022, Acter has never terminated our partnership with any supplier due to violations of integrity and honesty rules or other important rules.**

To continuously enhance our supply chain management and promote sustainability initiatives, Acter has referred to a number of international standards to establish the "Supplier Code of Conduct". It is our expectation to collaborate with supply chain partners to promote sustainable development while guiding them to establish a safe workplace, reduce environmental impacts, and fulfill our corporate sustainability responsibilities. The Supplier Code of Conduct is applicable to suppliers and contractors of Acter and Acter’s subsidiaries. Since 2018, all new suppliers are required to sign the **'Corporate Sustainability Commitment for Suppliers,'** which incorporates provisions related to environmental protection, the prohibition of forced labor, the prohibition of child labor, and business integrity. **In 2022, 341 new suppliers have signed the said commitment with a signing rate of 100%. As of today, a total of 1,541 suppliers have signed the Commitment.**

🕒 The Implementation Results of New Suppliers Signing the “Corporate Sustainability Commitment for Suppliers”



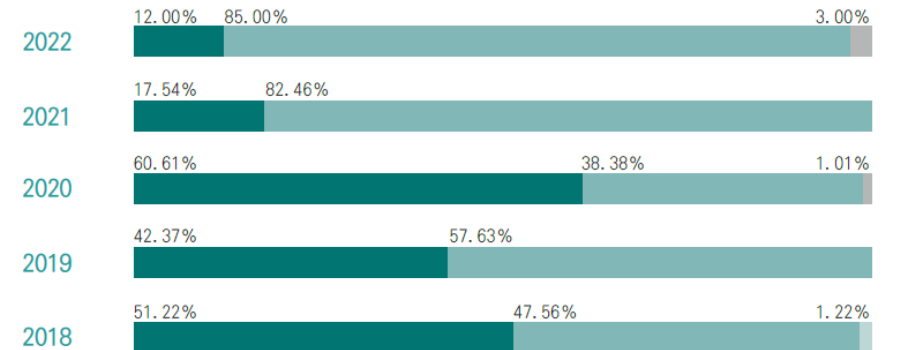
🕒 Highlights of Supplier Code of Conduct

- Labor**
 - No discrimination
 - Fair treatment
 - No child labor
 - Free choice of employment
 - Working hours
 - Salary and allowance
 - Freedom of association and collective bargaining
- Health and Safety Standards**
 - Occupational safety
 - Emergency response and preparation
 - Occupational injury and diseases
 - Industrial hygiene
 - Labor work
 - Machine protection
 - Sanitation, food and accommodation
 - Health and safety communication
- Code of Ethics**
 - Business integrity
 - No unjust proceed
 - Information disclosure
 - Intellectual property
 - Fair trade, advertising and competition
 - Protect identity and eliminate retaliation
 - No conflict mineral
 - No Privacy
- Environment**
 - Environmental permit and compliance
 - Pollution prevention and treatment; resource saving
 - Hazardous substances
 - Wastewater and solid wastes
 - Emission of air pollutant
- Management System Standards**
 - Corporate commitments
 - Management responsibility and duty
 - legal and standard essentials
 - Risk assessment and management
 - Improvement targets
 - Training
 - Communication
 - Labors’ feedback and participation
 - Audit and evaluation
 - Correction procedures
 - Documents and records
 - Suppliers’ responsibilities

3.4.2.2 Supplier Assessment

To gain in-depth insights into suppliers’ current status, Acter has stipulated the 'Supplier Assessment Form' in accordance with the 'Procedures Governing Procurement and Materials.' Each year, the assessment is conducted by the Procurement Department, Q&A and Safety Department, and engineering departments to evaluate the performance of 'key suppliers of the year' or 'key suppliers who were assessed as Class C suppliers in the previous year.' The assessment items include material/construction quality, delivery date/construction achievement rate, price advantages, expertise, level of collaboration, finance, and corporate sustainable development performance. For those whose total score is below 60, Acter will not cooperate with them in the future. Suppliers assessed as Class A with a total score above 80 will be offered the 'right to match' when their bidding price is the same as others. Suppliers who fail to meet the standard will experience reduced trading amount or partnership with Acter. **In 2022, Acter assessed 179 key suppliers.** The assessment results are as follows:

🕒 Historical Key Supplier Assessment Results



🕒 Statistics on Key Supplier Assessment Over the Years

| Statistics on Key Supplier Assessments Over the Years | | | |
|---|-----------------|-----------------|-----------------|
| Content | 2020 | 2021 | 2022 |
| Number of assessed suppliers | 99 suppliers | 114 suppliers | 179 suppliers |
| Number of traded suppliers | 1,008 suppliers | 1,093 suppliers | 1,309 suppliers |
| Assessment ratio | 9.82% | 10.43% | 13.67% |
| Average score | 79.5 | 81.5 | 73.3 |

3.4.2.3 Supplier Sustainability Risk Assessment

To actively control risks and facilitate a sustainable supply chain, Acter not only conducts supplier evaluations but also utilizes self-assessment questionnaires to understand their risk levels and control status in relation to the ESG environment, society, and economy. The purpose of doing so is to identify high-risk suppliers and list them as the targets for annual on-site visits and inspections. In 2022, Acter had no high-risk suppliers.

To ensure compliance with the supplier self-assessment results, Acter randomly selected 4 key suppliers for an on-site audit to understand their current status of each facet and to exchange ideas on their handling methods and continuous improvement efforts. Additionally, the "Supplier Visit Assessment Form" was filled out to record inspection highlights. According to the audit results, these 4 suppliers have no deficiencies and do not require any further observations on any item.

Suppliers Sustainability Risk Assessment Items

| Facets | Content of Investigation | Supply Chain Action Plan | Conduct on-site factory visits and audits |
|-------------|---|---|---|
| Economy | <ul style="list-style-type: none"> Enhancement on quality and professional skills Sustainability management policy and organization Risk management Business plan | <ul style="list-style-type: none"> Continue to enhance expertise Implement management policy Enhance risk management Continue to carry on the business plan | |
| Environment | <ul style="list-style-type: none"> Waste management Water resource management Climate change risks Greenhouse Gas (GHG) discharge and carbon management | <ul style="list-style-type: none"> Pollution prevention and treatment Water saving Identify climate change risks Waste and carbon reduction | |
| Society | <ul style="list-style-type: none"> Occupational safety and hygiene Labors' rights and interests Labor policy Code of Ethics | <ul style="list-style-type: none"> Implement environmental safety education and prevention/treatment measures Value labors' rights and interests without any violation Comply with legal regulations without any violation Value Code of Ethics | |

3.4.2.4 Supplier Foster Plan

Suppliers are important partners for Acter with whom we support each other and grow together. In addition to supervising and guiding our suppliers, we have established the "Supplier Foster Plan" as a corporate sustainability exchange platform. This initiative includes adopting supplier education and training programs as well as providing key guidance to enhance suppliers' ESG practices and foster improvement. We aim to **strengthen their response capabilities, implement occupational safety and health management, improve quality management, and raise awareness for sustainable development.** Our aspiration is to accelerate sustainable supply chain management.

Implementation Strategy/ Specific Approach of the Supplier Foster Plan

| | |
|--|--|
| | Assist suppliers in enhancing their response capabilities <ul style="list-style-type: none"> Assist in offering resources and prevent supply chain equipment from being affected by the environment, as it can cause supply breakdown. This can help enhance suppliers' response capability. Provide education and training programs to enhance suppliers' expertise, which can be used to confront challenges in the industry or new technology. Enhance suppliers' response capability through experience sharing. |
| | Implement occupational safety and health measures <ul style="list-style-type: none"> Provide training and programs to build suppliers' awareness of environmental safety inspection. Implement occupational safety inspection. |
| | Improve quality <ul style="list-style-type: none"> Provide training/ programs or share Acter's experience to enhance suppliers' expertise. Implement quality checks. |
| | Enhance suppliers' awareness of corporate sustainability <ul style="list-style-type: none"> Establish a business sustainability exchange platform to share Acter's experience and information on ESG, and request suppliers to comply with relevant policies to expand the benefits of corporate sustainability. Invite suppliers to participate in Acter's ESG activities and plans. |

3.4.3 Supply Chain Risk Management and Control

Each year, Acter identifies material supply chain issues and employs immediate and effective supply chain risk management to establish risk response strategies, enabling rapid responses to market changes, political issues, and other challenges. Moreover, through close, effective, and comprehensive cooperation with supply chain partners, Acter has successfully reduced supply chain risks and maintained uninterrupted operations. The supply chain risk issues identified in 2022, along with the response approach and relevant management effectiveness, are as follows:

Supply Chain Challenges and Response Strategies in 2022

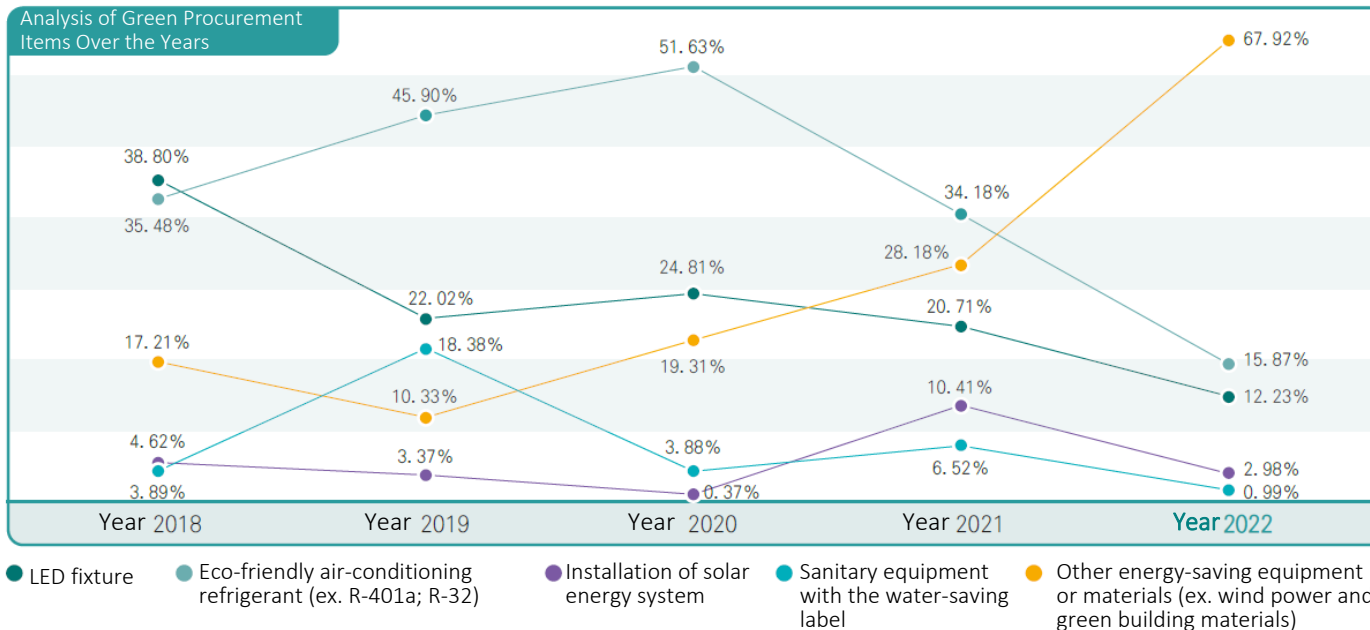
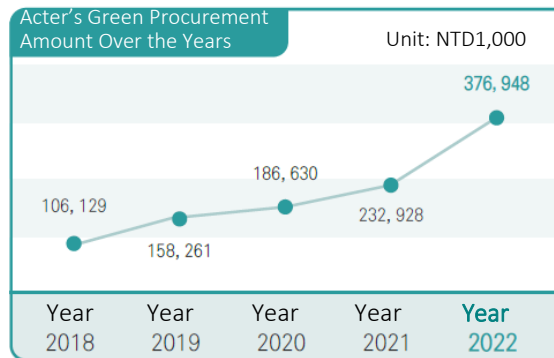
| Supply Chain Problems and Challenges | Acter's Response Strategy | Implementation Effectiveness |
|---|---|--|
| The significant growth in revenue leads to an insufficiency of supply chain resources. | <ul style="list-style-type: none"> Developing and cultivating new suppliers, included in the key Performance Indicators (KPIs) of the procurement team Hold regular supplier conferences to promote the Company's visions and philosophy, co-creating win-win situations. | <ul style="list-style-type: none"> The Procurement Department successfully developed 10 new suppliers. Visited 4 suppliers and provided guidance thereto according. |
| The cost increase and delivery delay impact caused by the Russo-Ukrainian War | <ul style="list-style-type: none"> Advance the planning for outsourcing, batch-based procurement to spread risks, while increasing flexibility and controlling the costs. Review risks involved in the import of equipment and materials on an irregular basis. | <ul style="list-style-type: none"> No delivery delay that can affect the work progress. |

3.4.4 Green Procurement

Acter believes that green procurement is a crucial part of implementing the blueprint for corporate sustainability. Apart from proactively enhancing green technology and competence, Acter provides customers with high-quality green designs and plans. Regarding the implementation of our engineering projects, we also abide by the **3R principles (i.e., Reduce, Reuse, and Recycle)** by adopting products with the “Green Mark” and other equipment/materials recognized by the Environmental Protection Administration (EPA) as renewable, recyclable, low-pollution, energy-saving, and/or water-saving. The total green procurement amount of projects undertaken by Acter in 2022 was **NTD 376.94 million, showing an increase of 61.83% compared with last year.**

Acter's Green Procurement Principles

- Procure and prioritize the use of green building materials and equipment/materials with eco-friendly labels.
- Procure products that are renewable, recyclable, low-pollution, energy-saving, and water-saving.
- Reuse equipment that is over-packaged, harmful to the environment, or has high-energy consumption.

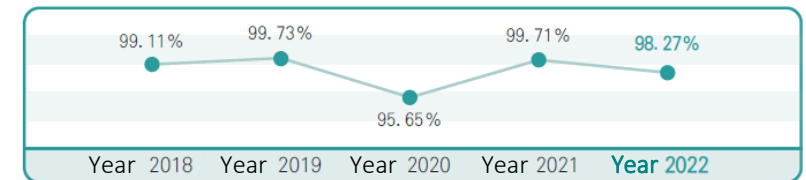


3.4.5 Optimization of Local Procurement

To reduce carbon emission in transportation materials, stabilize our procurement, proactively establish a positive relationship with local society and facilitate local economic development, we take local materials as the first priority and commission local contractors to implement the project. **In 2022, the proportion of Acter's local procurement expenditure was 98.27%.**

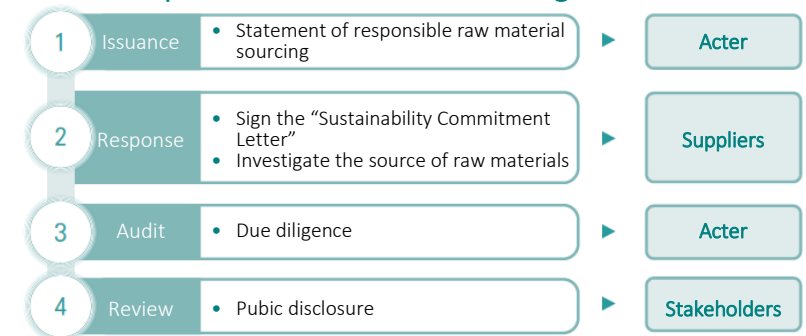
As a responsible engineering service team, Acter supports the purchase of conflict-free materials in response to the global boycott of conflict minerals, reflecting our commitment to social morality, human dignity, and the spirit of humanity. We pledge not to use conflict minerals and, when new suppliers fill in the data form, we audit their materials in terms of environmental protection, ethics, and legal compliance. We also require all new suppliers to sign the "Corporate Sustainability Commitment Letter" and adhere to Acter's "Supplier Code of Conduct", which includes the spirit of avoiding conflict minerals. Through annual supplier evaluations, Acter ensures the appropriateness of our conflict mineral management policy and ensures that our products do not contain any minerals originating from the Congo and surrounding countries in Central Africa.

Proportion of Acter's Local Procurement Expenditure Over the Years



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

The Responsible Procurement Management Process



Chapter 04

Climate risks have been considered as an issue that requires an immediate solution. Apart from further developing our management practices of TCFD and integrating climate risks into the existing risk management framework, we also expand our services by assisting industries in building a green factory environment. The objectives are to strengthen our business resilience and cooperate with all stakeholders to reduce and mitigate climate risks in order to reach the goal of environmental sustainability.

Commitment to and Practice of Sustainable Environment – Acter’s 2030 Carbon Reduction Action

Acter commits to make an absolute reduction of 10% on the total of GHG emission (Types 1 and 2) by 2030; and, within the time range, make an absolute reduction of 10% on other indirect GHG emissions. We will continue to proactively implement carbon reduction actions to implement our carbon reduction commitment with the aspiration to step towards the net zero emission goal by 2050.

Performance Highlights



Reduced 5.28% of water consumption per capita



Reduced 21.29% of wastes at the headquarters



Zero environmental penalty for 8 consecutive years

Response to materiality issues

- Environmental policy and environmental management system
- Climate change and energy-saving effectiveness

United Nations’ (UN) Sustainable Development Goals (SDGs)

- Legal compliance



4

Sustainable Environment

- 4.1 Climate Change Management
- 4.2 Energy and Environmental Management

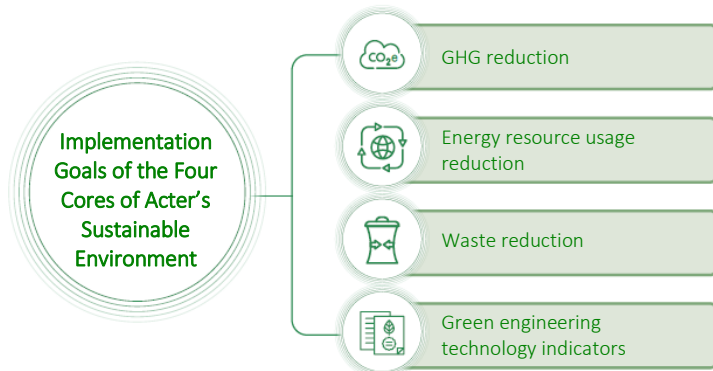
4.1 Climate Change Management

- GRI:302-1 to 302-3, 305-1 to 3

According to the “Global Risks Report” published by the World Economic Forum (WEF), climate change-related risks and disasters have been ranked as the highest global risk for five consecutive years. Mitigating climate risks and achieving the “net-zero emission” goal have become important missions for enterprises today. To demonstrate our commitment to mitigating and slowing down climate change worldwide, Acter has already incorporated climate change management as one of the materiality issues and risks of our corporate sustainable operations. Apart from actively identifying risks and enhancing our adaptation abilities, Acter has also set four sustainable environmental goals, which include **GHG reduction, energy resource usage reduction, waste reduction, and the development of green energy-saving engineering techniques**. Our aim is to minimize the impacts of climate risks in our operations and industrial value chain while seizing the opportunities brought by climate change to establish a low-carbon and green engineering strategy, an energy-saving and carbon-reduction plan, and to assist industries in achieving energy-saving goals while facilitating low-carbon transformation and adaptation.

4.1.1 Core Elements and Management Practices of TCFD

To control risks and opportunities derived from climate change, Acter will, according to the Task Force on Climate-related Financial Disclosures (TCFD) framework, identify and evaluate relevant risks with adaptive and mitigating mindsets. We will also establish performance indicators and goal management mechanisms based on the identification results, not only to effectively control the progress and results but also to reduce the financial impacts of climate risks on operations. To respond to the international carbon reduction trend, Acter has utilized our green engineering core competences in controlling potential business opportunities for the development of low-carbon engineering and facilitating industrial low-carbon transformation.



Operational Management Framework of TCFD

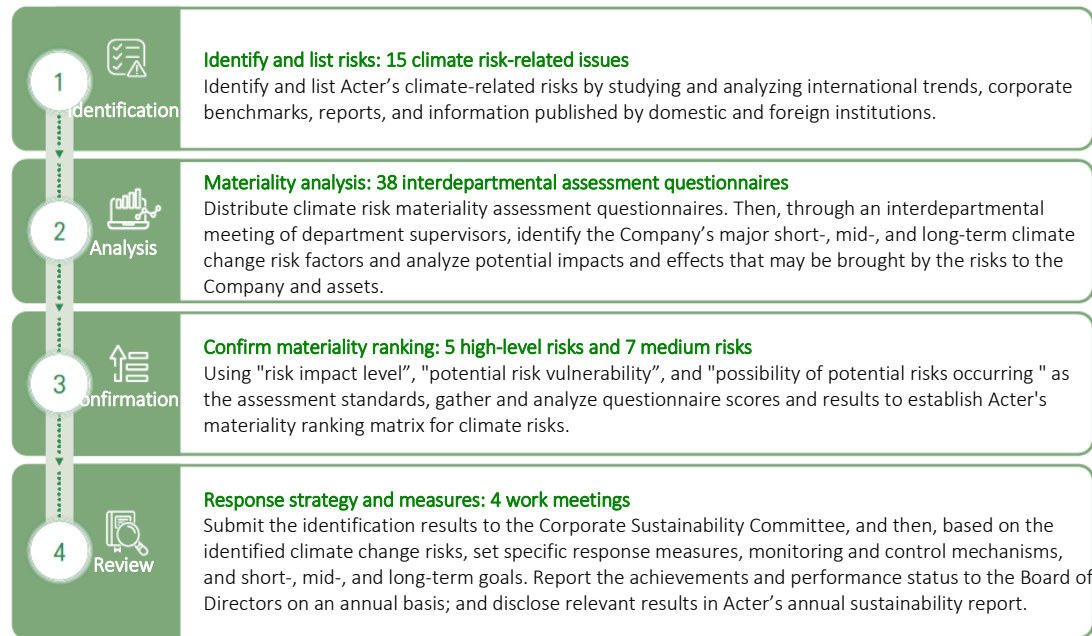
| Core elements | Management Strategies and Actions | Chapter in response |
|--|---|--|
| <p>Governance</p> <p>Governance of climate-related risks and opportunities</p> | <ul style="list-style-type: none"> • Corporate Sustainability Committee Known as the highest authority in charge of climate change management, the Committee is chaired by the chairman and supervised by the General Administration Division, with the executive secretary serving as its executive secretary. It reviews the Company’s climate change strategy and goals on a quarterly basis. In 2022, the Committee held 4 meetings and reported to the Board of Directors in November. • Sustainable Operations Team The commissioner, who is served by the deputy general director of the operations division of the engineering unit, promotes sustainability projects in accordance with the strategies and objectives. | 4.1 Climate Change Management |
| <p>Strategy</p> <p>Actual and potential impacts of climate-related risks and opportunities on the Company’s business, strategy and financial planning</p> | <ul style="list-style-type: none"> • Hold interdepartmental meetings to jointly identify and rank climate-related risks, and assess their potential influences and impacts. • Set response strategy in regard to identified climate-related physical risks, transition risks and potential opportunities. | 4.1.2.2 Major Climate Risk Metrics 4.1.2.3 Identification of Climate Risk Response Measures and Opportunities |
| <p>Risk management</p> <p>Procedures for identifying, assessing, and managing climate-related risks</p> | <ul style="list-style-type: none"> • Deepen climate risk management and establish a mechanism for managing climate change-related risks and opportunities. For example, incorporate a mechanism that includes identification, assessment, response, and control steps to facilitate continuous monitoring of climate-related risks. • Submit climate risk and opportunities assessment results to the Corporate Sustainability Committee to facilitate the formulation of management approaches, review the implementation status, and define future plans. This will help continuously improve risk management approaches and their effectiveness. | 4.1.2.1 Climate Change Risk Identification Procedures |
| <p>Indicators and goals</p> <p>Indicators and goals used to assess and manage climate-related risks and opportunities</p> | <ul style="list-style-type: none"> • Acter introduced the ISO 14064-1 Greenhouse Gas Inventory system in 2017 and successfully obtained certification from an external certification body. Additionally, through carbon inventory, Acter manages to set reduction goals and strategies to mitigate greenhouse effects and reduce carbon emissions with tangible actions. • Manage short-, medium-, and long-term goals for climate change management in compliance with Acter’s strategy and risk management approach. Meanwhile, senior supervisors shall also regularly review the implementation performance. • Continue to enhance Acter’s core technical results and implement energy-saving and carbon reduction measures in various aspects (e.g., design, outsourcing, and procurement). | 1.2.3 Goals of Materiality Issues 3.2 Green Engineering Management 4.1.3 Greenhouse Gas Management |

4.1.2 Climate Change Risk Management

4.1.2.1 Climate Change Risk Identification Procedures

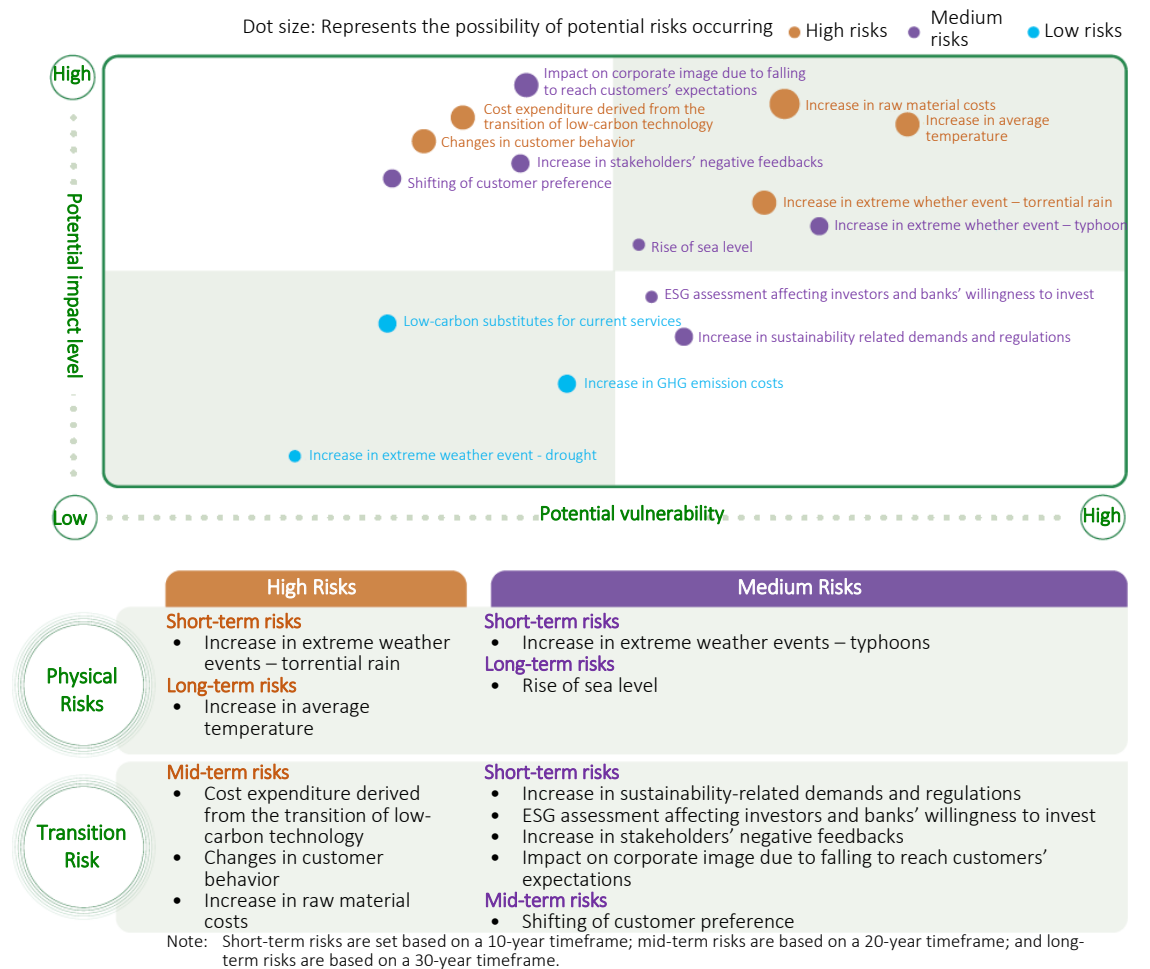
In 2022, not only did we face natural disasters caused by physical risks, but also the momentum generated by the global transition to carbon neutrality (net-zero) is driving and incentivizing the mutual interaction and mutual promotion of the entire industrial value chain.

Acter values the operational governance efficiency of organizations regarding climate issues. Considering the comprehensiveness of climate risk impacts, Acter has integrated TCFD risk scenario analysis with annual corporate risk identification into a process involving four steps: identification, analysis, confirmation, and review. Supervisors from all departments have jointly identified the Company's major short-term (10-year), med-term (20-year), and long-term (30-year) climate change risks. Subsequently, they evaluate the potential effects and impacts on the Company when climate-related physical risks and transition risks occur, based on the materiality principles. These effects and impacts are then categorized by risks to rank Acter's major climate change risks and opportunities, having them created into a matrix. The identification results are regularly reviewed to set specific response strategies and measures. Additionally, the findings are reported to the Board of Directors on an annual basis and disclosed in the annual sustainability report, as well as the section dedicated to communication with stakeholders.



4.1.2.2 Major Climate Risk Metrics

Acter identify 5 climate related high-risk factors in accordance with the climate change risk identification procedures. Two out of the identified risks are physical risks and three of them are transition risks. They are: Increase in average temperature, increase in extreme weather event – torrential rain, increase in raw material costs, cost expenditure derived from the transition of low-carbon technology, and changes in customer behavior. In the meantime, we also identified 7 medium-risk factors, including 5 transition risks and 2 physical risks. They are: impact on corporate image due to failing to reach customers' expectations, increase in stakeholders' negative feedback, shifting of customer preferences, ESG assessment affecting investors and banks' willingness to invest, increase in sustainability-related demands and regulations; and increase in extreme weather events – typhoons and the rise of sea level.



4.1.2.3 Identification of Climate Risk Response Measures and Opportunities




In regard to the identified 5 high risk factors and 7 medium risk factors, Acter has actively established adaptation, mitigation and management response measures, and analyzed potential opportunity accompanied thereby. The purposes thereof are to reduce operational and financial impacts caused by climate change; enhance the organization's climate resilience; and establish a corporate environmental sustainability culture. The established risk response measures are specified in the following table:

Transition Risks ▶





● High risks ● Medium risks

Note: Short-term risks are set based on a 10-year timeframe; mid-term risks are based on a 20-year timeframe; and long-term risks are based on a 30-year timeframe.

| Type | Risks | Impacts | Risk Ranking | Duration of Impact | Potential Financial Impacts | Response Measures/ Opportunities Identification |
|-------------------|---|---|--------------|--------------------|---|--|
| Regulatory policy | Increase in sustainability related demands and regulations | <p>At present, international protocols have clearly formulated global GHG reduction targets and mitigation actions, making sustainable development and net-zero emissions the international trends.</p> <ul style="list-style-type: none"> In 2021, Taiwan declared its commitment to achieving net-zero emissions by 2050. The National Development Council (NDC) proposed the "2050 Net-Zero Emissions Route" for outlining our country's net-zero transition strategy. The Financial Supervisory Commission (FSC), on the other hand, also launched the "Sustainable Development Roadmap for Exchange Listed and OTC-Listed Companies". It has targeted GHG emissions and set relevant control regulations, requesting all exchange and OTC-listed companies to complete the GHG inventory verification by 2029. If Taiwan confirms the establishment and implementation of sustainable regulations, such as the Renewable Energy Development Act and carbon border tax, Acter may need to set up renewable energy devices and purchase renewable energy certificates at additional costs. | ● | Short-term | <ul style="list-style-type: none"> Increase in operating costs Increase in capital expenditure | <ul style="list-style-type: none"> Current international and domestic regulations do not have a significant direct impact on Acter, but Acter will continue to pay attention to them. Acter already completed the transition to ISO 14064-1:2018 in 2022, obtained a third-party assurance statement, and disclosed the energy consumption and GHG emissions publicly. Acter has set annual carbon reduction goals while collaborating with supply chain partners to jointly adopt carbon reduction actions in order to form a sustainable low-carbon supply chain. The EHS plan is supervised and implemented in accordance with the internal "EHS and Energy Management System Procedure Manual." |
| | Increase in raw material costs | When suppliers suffer from changes in raw material costs due to climate change, this can result in an increase in Acter's operating costs and affect its profitability. | ● | Mid-term | <ul style="list-style-type: none"> Increase in operating costs | <ul style="list-style-type: none"> Gauge suppliers' ESG risk level and control status by conducting a supplier sustainability risk assessment. This helps to identify high-risk suppliers and then set response measures accordingly. Establish relevant risk response strategies and fostering close, effective, and comprehensive cooperation with the supply chain will help mitigate climate change-induced risks in the supply chain.. |
| Market risks | Shifting of customer preference | <p>Market/customer demands and behaviors can change in response to the increasing attention to environmental issues and the global net-zero emissions trend.</p> <ul style="list-style-type: none"> There is an increase in low-carbon and energy-saving engineering demands in the market. If Acter wants to maintain sustainable operations, it is a must to change our business type and enhance our green technology. | ● | Mid-term | <ul style="list-style-type: none"> Decrease in revenue Increase in operating costs Increase in capital expenditure | <ul style="list-style-type: none"> Increase market sensitivity and operational diversity to continue market investigation and stabilize market development. Continue to develop green engineering techniques and update design regulations and standards according to customers' demands. This will help Acter win customers' trust and ensure the company's continuous growth in the future. The change to the economic model can bring demands for new construction and environmental engineering projects, helping to increase our operating revenue. |
| | Changes in customer behavior | <ul style="list-style-type: none"> Any change to the customers' product positioning requires an adjustment in Acter's costs for allocating professional manpower. | ● | | <ul style="list-style-type: none"> Decrease in asset value | |
| | Investors and banks' willingness to invest are affected by the ESG assessment | Pushed by the FSC's promotion of the Green Finance 3.0 policy, Acter proactively links sustainability indicators and loans. Additionally, a number of domestically and internationally launched "sustainability" or "ESG" themed financial products have emerged. If an enterprise demonstrates good performance in environmental protection and sustainable development, it is likely to significantly increase investors' willingness to invest | ● | | <ul style="list-style-type: none"> Decrease in asset value | <ul style="list-style-type: none"> Implement sustainable governance and incorporate sustainability thinking into specific actions, helping stakeholders to continuously create value. Meanwhile, enhance the transparency of climate change management information through the publication of annual business reports, annual sustainability reports, and Acter's official website (to improve communication with stakeholders). Participate in domestic and international ESG sustainability assessments to obtain recognition/certification from sustainability-related institutions. Acter has signed a sustainable linked loan agreement with a Japanese bank in response to sustainable financial policies, aiming to proactively achieve our goals for sustainable operations |

| Type | Risks | Impacts | Risk Ranking | Duration of Impact | Potential Financial Impacts | Response Measures/ Opportunities Identification |
|------------------|--|--|--|--------------------|--|---|
| Technical risks | Cost expenditure derived from the transition of low-carbon technology | In response to the market's increasing demands for energy-saving and eco-friendly engineering, Acter will invest more in low-carbon transition. For example, Acter will invest in the development of green construction methods, which will result in more R&D expenses. |  | Mid-term | <ul style="list-style-type: none"> Increase in operating costs Increase in capital expenditure | <ul style="list-style-type: none"> Control market trends and invest in the development of green engineering technical services in a specific proportion. This will increase Acter's corporate competitiveness and lead to the development of business opportunities in a pioneering position. Invest in the development of new techniques through cooperation among industries, government, and academia. This will facilitate the advancement of green engineering techniques. |
| Reputation risks | <p>Increase in stakeholders' negative feedbacks</p> <p>Impact on corporate image due to failing to reach customers' expectations</p> | In the case of failing to promote climate change mitigation actions or if the energy-saving and carbon reduction benefits of the engineering service do not meet customers' expectations, it will result in negative feedback on Acter. This, in turn, may lead to corporate image and reputation risks, causing potential financial losses for Acter. |   | Short-term | <ul style="list-style-type: none"> Decrease in revenue Decrease in asset value | <ul style="list-style-type: none"> Promote and implement green engineering technical services while ensuring high-quality engineering services. Provide engineering services that mitigate environmental impacts, especially the GHG emissions. Continue to communicate with stakeholders through the website or the disclosure of sustainability reports; and properly transform stakeholders' feedback into actions for improvement. |

Physical Risks ▶

| Type | Risks | Impacts | Risk Ranking | Duration of Impact | Potential Financial Impacts | Response Measures/ Opportunities Identification |
|-----------|---|---|---|--------------------|--|---|
| Extreme | Increase in extreme whether event – typhoon | As the occurrence rate and severity of typhoon and torrential rain incidents increase year by year, Acter will suffer from the following impacts: <ul style="list-style-type: none"> Extreme weather events can result in a delay in engineering projects, damages to the engineering structure, and asset losses. In terms of personnel deployment, the Company may suffer from the impossibility of providing labor services or from personnel casualties. The operations of the supply chain may be interrupted or cut off. Consequently, Acter's services may be interrupted, or service quality may be degraded. |  | Short-term | <ul style="list-style-type: none"> Increase in operating costs Decrease in asset value | <ul style="list-style-type: none"> Change the project implementation strategy, strive for more time to complete the project, and include them in Acter's risk management approach. Enhance internal staff and external contractors' occupational safety education and training programs. For example, launch safety promotion and conduct preventive measures to effectively reduce the occurrence of occupational disasters on-site, achieving the goal of hazard prevention Look for suppliers for a stable long-term partnership, and regularly review risks involved in the delivery of imported equipment. No delays have been caused by weather events as of now |
| | Increase in extreme whether event – torrential rain | |  | | | |
| Long-term | Increase in average temperature | Global climate change has resulted in an increase in the average temperature and a rise in sea level, which will cause the following impacts on Acter <ul style="list-style-type: none"> There is a need to pay more in electricity costs in order to maintain the offices and data center at an adequate temperature. On-site personnel may also suffer from heat-related hazards. The rise in sea level may cause floods that could submerge Acter's or suppliers' operating sites, leading to losses in assets. |  | Long-term | <ul style="list-style-type: none"> Increase in operating costs Decrease in asset value | <ul style="list-style-type: none"> Acter employs the best feasible technologies, all with considerations for the highest efficiency and low-carbon emissions throughout the entire life cycle, dedicated to mitigating the greenhouse effect. Launched various energy-saving measures and introduced the ISO 50001:2018 system to increase energy use efficiency. Provide education and training programs for preventing heat-related hazards at the construction site. |
| | Rise of sea level | |  | | | |

4.1.3 Greenhouse Gas Management

Acter continues to engage in climate actions and expand the GHG management scope. Through the inventory mechanism, we have managed to control the emissions hotspots and analyze the biggest potential trends for carbon reduction, thus linking daily operational management with carbon reduction actions. We have continuously introduced green, low-carbon technology to assist customers in building a factory environment with optimized energy usage, heading towards the “low-carbon transition – a step towards net-zero” goal. Moreover, we will continue to enhance corporate operational resilience and transform climate risks into low-carbon business opportunities as a way to fulfill our civil responsibilities of protecting the environment.

4.1.3.1 GHG Inventory

Acter has referred to the “ISO 14064-1:2018” standard guidelines to inventory the direct GHG emission source (Scope 1), energy indirect GHG emission source (Scope 2), and other indirect GHG emission sources (Scopes 3 to 6) within the organization’s operational scope using the “Operational Control Authority Act”. Through obvious indirect assessment principles, Acter has identified Scope 3 and Scope 4, which are significant indirect GHG emissions to Acter, to calculate the emission source. Acter’s primary work areas are customers’ factory/construction sites and are distributed in northern, central, and southern Taiwan. We have excluded short-term thresholds, which are leased to respond to project demand, and then inventoried our headquarters in Taichung and some offices. In 2022, our total GHG emissions (Scopes 1 and 2) are 195,497 metric tons of CO₂e, among which the direct GHG emissions count 67.8315 metric tons of CO₂e and energy indirect GHG emissions count 127.6654 metric tons of CO₂e, and other indirect GHG emissions (Scopes 3 and 4) count 367.266 metric tons of CO₂e. The said amounts have been verified by a third party in compliance with the ISO 14064-1:2018 standards, and relevant information is disclosed on the Company’s website.

Since 2017, Acter has regularly inventoried GHG emissions on an annual basis. Through the process of identifying, analyzing, calculating GHG reduction, paying attention to international trends and benchmark learning, Acter effectively examines our climate change management gap and makes continuous improvements and ameliorations accordingly. According to the 2022 GHG inventory results, energy indirect emissions account for over 60% of the total GHG emissions (Scopes 1 and 2). We will continue to promote energy-saving and carbon reduction measures in order to enhance the energy efficiency of our operational sites.

| GHG emission source | | Annual GHG emissions Unit:t-CO ₂ e | | |
|--|--|---|----------|----------|
| Item | Descriptions | 2020 | 2021 | 2022 |
| Direct emission (Scope 1) | Covering the fuel of company cars, dispersion refrigerant of company car, dispersion refrigerant of office equipment, fire-extinguisher, and septic tank | 130.0039 | 103.2774 | 67.8315 |
| Indirect emission (Scope 2) | Covering externally purchased electricity | 46.6259 | 48.7653 | 127.6654 |
| Other indirect emission (Scope 3) | Covering business travel and employee commuting | - | - | 321.6870 |
| Other indirect emission (Scope 4) | Covering waste produced from fuels and energy related activities and operations | - | - | 45.5794 |
| Total of GHG emissions | (Scope 1 + Scope 2) | 176.630 | 152.043 | 195.497 |
| Other indirect GHG emissions | (Scope 3 + Scope 4) | - | - | 367.266 |

Note 1: This inventory utilizes coefficients from the “Greenhouse Gas Emission Coefficients Management Table - Version 6.0.4” announced by the Environmental Protection Administration (EPA), Executive Yuan. It employs the Global Warming Potential (GWP) values from the IPCC Sixth Assessment Report as the basis for calculating carbon dioxide equivalent. For externally purchased electricity (Taiwan Power Company), the carbon emission coefficient announced by the Bureau of Energy, Ministry of Economic Affairs for 2021 is 0.509 kilograms of CO₂e per kilowatt-hour, converted to metric tons of CO₂e for calculation.

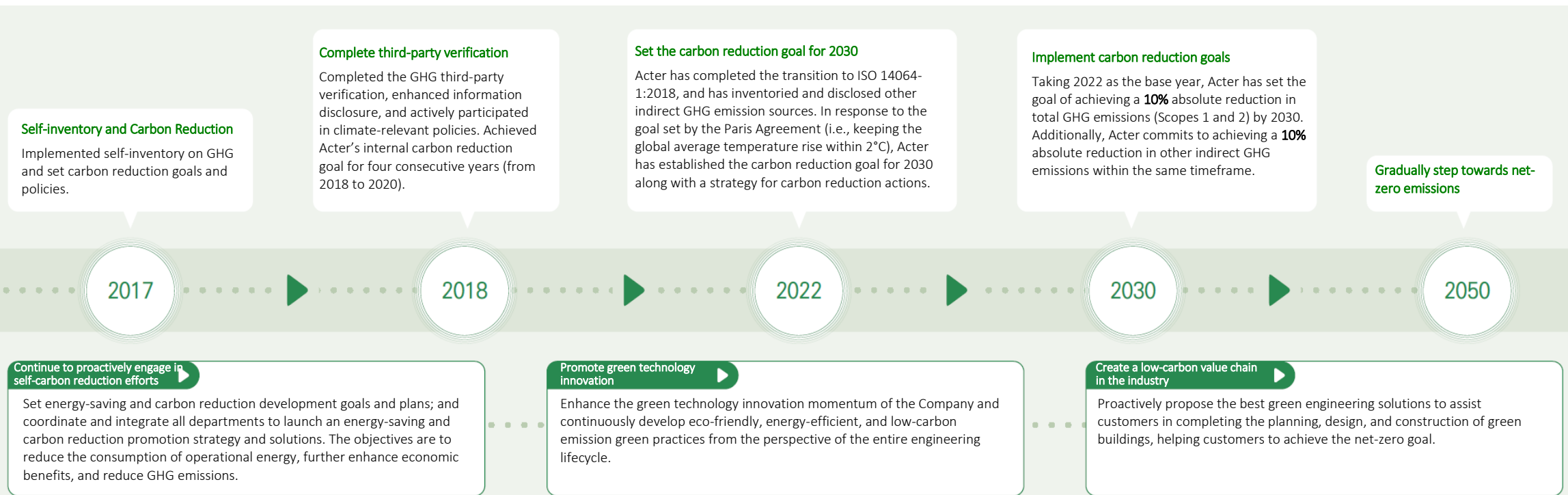
Note 2: In 2022, Acter already completed the transition to ISO 14064-1:2018 for inventorying and disclosing other indirect GHG emission sources. The inventory scope was expanded to include some offices (previously, the GHG inventory scope for 2018 to 2021 covered only the headquarters). The inventory base year is established accordingly and has been verified by an external organization.

4.1.3.2 Commitment to Carbon Reduction for 2030

To incorporate carbon management into daily operational practices, Acter has actively unfolded a phased GHG reduction plan. This involves measures such as improving energy efficiency, purchasing energy-saving equipment, and evaluating the cost-effectiveness of energy-saving initiatives. With a proactive approach, the company aims to reduce the impacts of carbon emissions and enhance its competitive advantage in operations. Additionally, diverse activities and training programs are implemented to encourage all employees to participate in energy-saving and carbon reduction actions, fostering a green action atmosphere among Shenghui personnel.

Following Taiwan’s declaration of achieving the sustainable development goal of having “net-zero emissions by 2050” and planning to revise the “Greenhouse Gas Reduction and Management Act” into the “Climate Change Response Act,” enterprises have actively committed to strengthening their internal management efforts concerning climate change. Aiming to contribute to maintaining a sustainable living environment for humans, Acter has set our carbon reduction goals in 2022 in response to the Paris Agreement’s mandate to “keep the global average temperature rise within 2°C by the year 2100, with further efforts to strive for 1.5°C.” **Thus, taking 2022 as the base year, Acter has set the goal of achieving an "absolute reduction of total GHG (Scopes 1 and 2) by 10% in 2030," along with an "absolute reduction of other indirect GHG emissions by 10%"** within the same timeframe to minimize the impact of its business operations on the environment. Besides, Acter is even more proactive in developing green engineering techniques and innovation to assist customers in setting up low-carbon energy-saving factory facilities, aiming to build a low-carbon value chain and move towards net-zero with the world.

Acter’s Carbon Reduction Action Pathway and Strategic Blueprint



4.2 Energy and Environmental Management

• GRI: 2-27, 302-1, 302-3

4.2.1 Energy

Acter has adopted the ISO 50001:2018 Energy Management System to establish, implement, maintain, and continuously improve energy management through systems, aiming to facilitate optimal energy utilization and achieve actual energy-saving results. In terms of energy use, our primary energy sources are externally purchased electricity and company cars (petrol). In response to potential environmental and climate change risks in the future, we have adopted **"paying attention to regulatory changes"** and **"implementing a low-carbon lifestyle"** as our two major energy-saving strategies. We have also implemented various energy-saving measures in our daily lives, such as enhancing energy efficiency through regular maintenance works and adopting energy-saving products labeled with the energy-saving label, water-saving label, and energy star. Regarding our business activities, we encourage employees to use public transportation or carpool. Additionally, department heads communicate with employees to promote energy-saving concepts and enhance employees' energy-saving awareness to facilitate operational energy management. **In 2022, the petrol consumption per capita (for company cars) was successfully reduced by 52.12%.**

Power Consumption and Energy-Saving Goals in 2022

| Scope boundary | Energy type | Unit | 2020 | 2021 | 2019 | Scale of increase/decrease comparing with the reference value (%) (Note 3) | Performance of 2022 |
|--------------------------------|---|----------------|-----------|-----------|-----------------|--|--|
| Headquarters/Operations Office | Externally purchased electricity (non-renewable energy) | kWh | 91,603 | 97,142 | 155,582.7 | 64.86% (Note 4) | - |
| | | Gigajoule (GJ) | 329.77 | 349.71 | 560.10 | | |
| | Electricity consumption per capita (Note 1) | GJ/ capita | 4.34 | 4.11 | 5.05 | 19.53% | |
| Company car | Petrol | l | 52,490.10 | 39,460.39 | 27,619.50 | -39.93% | Achieved Succeeded in reducing consumption per capita |
| | | Gigajoule (GJ) | 1,711.39 | 1,286.57 | 900.51 (Note 2) | | |
| | Petrol consumption per capita (Note 1) | GJ/ capita | 5.92 | 3.77 | 2.32 | -52.12% | |

Note 1: "Per Capita Electricity Consumption = Total Electricity Consumption (GJ) / Number of Employees in Acter's Headquarters and Checked Engineering Offices; Per Capita Gasoline Consumption = Total Gasoline Consumption (GJ) / Total Number of Acter's Employees.

Note 2: The conversion factors for energy heating values are referenced from the "Energy Product Heating Value Table" provided by the Energy Bureau of the Ministry of Economic Affairs. The heating value for automotive gasoline is 7,800 Kcal/L.

Note 3: The baseline is defined as the average usage for the previous two years to reduce potential bias caused by selecting a single data point.

Note 4: The total purchased electricity increased by 64.86% in 2022 due to changes in the calculation basis. This includes the addition of electricity consumption for operating air conditioning in the headquarters building and engineering offices, as well as the growth in the total number of employees and engineering projects. Some engineering department colleagues were relocated to the head office for operations, but their presence at the head office was irregular, leading to an increase in overall electricity consumption.

Energy-Saving Actions Adopted in 2021



Lighting

- Adopt T5 lamps and zone control measures; switch off lights in areas without the need for lighting.
- During working hours, turn off or partially turn on lights that are not in use or unnecessary.
- The employee who leaves the office work area last should turn off the lights. Employees who work overtime during holidays are only eligible to turn on the lights in their respective work areas.
- Review the lighting needs and enhance lighting performance.



Air-Conditioning System

- Set the air-conditioning temperature at 26° to 28° in the office.
- At 17:30 PM (the end of the workday), turn off the air-conditioning system for the entire area. Employees who need to work overtime should request to turn on the air-conditioning system in their respective work areas.
- With doors and windows closed, separate the air-conditioned areas from the outside air to reduce cold air leakage or prevent the intrusion of hot air.
- Install curtains to reduce direct sunlight and minimize the use of the air-conditioning system.



Power Consumption

- Purchase products with a green mark, energy-saving label, and high EER value.
- Switch off the computer after finishing work; turn off and unplug the power.
- Set printers and fax machines to energy-saving mode.
- Set water dispensers to energy-saving mode.
- Turn off the lights for an hour during the lunch break.
- Set the air conditioner temperature at 26°.



Water Consumption

- Purchase water-saving labeled products and equipment; add auto-sensing devices to faucets.
- Distribute eco-friendly EDMs on an irregular basis to notify employees of the Company's water-saving measures, helping to facilitate water use management.
- Review water use demands and increase the efficiency of using water resources.



Recycling

- Do the best to use double-sided photocopying. The bound papers shall be removable; do best not to use glues.
- Electronize documents, operating procedures, and training/teaching materials to reduce the use of paper; use renewable papers; and reuse envelopes.
- Use portable cups/bottles and chopsticks instead of paper cups and disposable chopsticks; replace tissues and paper towels with handkerchiefs.
- Implement garbage classification and recycle resources; avoid using over-packed products.

4.2.2 Environmental Management System

Acter has obtained certification for ISO 14001 Environmental Management System. Following the Plan-Do-Check-Act (PDCA) cycle, we have adopted a systematic management approach to ensure that our environmental protection goals align with our implementation strategy while establishing a pollution prevention and improvement mechanism. The Q&A and Safety Department is appointed to supervise the implementation of the "Procedures Governing Environmental Operations Control". In addition to committing to environmental protection in our EHS Policy Statement, Acter also leverages our corporate influence to collaborate with cooperative suppliers and contribute to a sustainable environment through real actions. Each year, we conduct environmental operation control planning, procedures supervision, and internal audits on both the Company and construction sites. A third-party verification body visits Acter's headquarters and samples construction sites for external audits. **As of 2022, Acter has not received any penalties for environmental pollution for eight consecutive years, demonstrating the fruitful results of our efforts".**

Environmental Protection Policies

| Item | Action(s) | Performance in 2022 |
|---|---|---|
| Legal Compliance | Comply with environmental protection and EHS regulations and other requirements, and actively participate in international green environmental protection and zero-disaster activities. | Zero violation and zero penalty |
| Green Design | Implement green energy-saving engineering techniques, enhance green procurement, and adopt green management practices to fulfill our commitment to environmental protection. | Environmental protection as the priority |
| Educational Trainings | Enhance EHS education and training programs for all staff to raise their awareness of energy conservation, resource utilization, and promote the Company's recycling and reutilization policy. The objectives are to cherish the earth's natural resources, ensure labor safety and health, and prevent diseases and workplace hazards. | The completion rate of EHS training for new employees was 100%. |
| Sustainable improvements on the energy resources management system | Continue to improve the management system, including ISO 14001:2015 and ISO 50001:2018, to enhance energy and resource use efficiency. Identify the Company's major energy consumption areas and improvement opportunities based on a comprehensive energy review. Adopt the PDCA management cycle to strategically reduce energy consumption, improve energy efficiency, and lower energy expenditure to achieve the energy-saving and carbon reduction targets. | Already completed ISO 14064-1:2018 (annual GHG inventory), obtained third-party certifications for ISO 14001:2015 and ISO 50001:2018, and conducted semi-annual office CO2 concentration testing. |

4.2.2.1 Air Pollution

On-site personnel shall undergo education and training programs that promote the Air Pollution Control Act and related regulations before carrying out their work. The purpose of these programs is to ensure that personnel understand the need for compliance with emission standards for air pollutants. In situations where temporary emissions during the construction or trial stage are unavoidable within the legal scope, which could impact nearby residents' living quality and cause environmental impacts, Acter proactively informs them in advance about the emission time and conditions. If a sudden incident results in the release of a large amount of air pollutants, the person in charge of the site must initiate immediate emergency response measures and inform the local competent authority within the prescribed period. The relevant control measures are as follows:

| Content | Objectives | Approach |
|--|--|--|
| Spray paint and solvent | Avoid the dispersion of air pollutants and their impact on human health and the ecological environment | Indoor operations are allowed only within a space with control equipment. Operations must not be carried out when the weather is bad It is a must to set up ventilation and washing equipment |
| Vehicle transportation and cleaning | Avoid dust flying and falling, which can affect the air quality | All vehicles and machines must pass the car wash pool and be washed with water pipes before leaving the work area. Upon completion of loading, the bucket must be tightly covered. When driving in or through the construction site, it is a must to abide by the rules of the construction site and follow the commands of the person in charge |

4.2.2.2 Wastes

As an engineering service provider, Acter's waste mainly comes from our staff's daily life, and we do not produce any toxic waste during the engineering process. The primary waste management approaches adopted by Acter's headquarters are to recycle kitchen waste and resources, which are handled by a qualified legal operator commissioned by the building's committee, and publish the "Quarterly Environmental Protection and Energy Saving Advocacy E-News" to facilitate our staff's implementation of resource recycling. **In 2022, Acter succeeded in reducing kitchen waste by 21.29% compared with the base year.**

With respect to approaches for construction sites, Acter's construction principle is to set a reduction goal and enhance our management approach to avoid any waste. Construction site waste mainly consists of domestic garbage, general non-hazardous construction waste, and demolition remnants. We first classify the waste and then request a qualified legal operator to dispose of the waste. We also check the disposal results to avoid secondary pollution caused by improper handling or the operator's ignorance.

Statistics on Acter's living waste in 2022

| Type | Disposal methods | Data collection method | Total weight (kg) | | | Scale of increase/decrease comparing with the base value | Performance of 2022 |
|-----------------------------|--|--|-------------------|-------|-------|--|--|
| | | | 2022 | 2021 | 2022 | | |
| General Garbage | Domestic garbage and other wastes that cannot be recycled will be collected by a 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. | | | | | |
| Recyclable resources | Waste paper, plastics, glasses, and iron/aluminum cans will be recycled by a certified company commissioned by the building's management committee for reuse. | | | | | | |
| Kitchen Wastes | They will be recycled by a certified company commissioned by the building's management committee for compost. | Directly measured by Acter's headquarters | 452.8 | 333.6 | 309.5 | -21.29 | Achieved Achieved the reduction target |

Note 1: The reference value refers to the average usage of the previous years. Removing any single data point may cause an offset error.

4.2.2.3 Noises

Management of construction noise plays an important role in environmental safety. Considering both the health and safety of operators and construction quality, Acter gives priority to adopting machinery, equipment, vehicles, and tools that produce less noise. If protests are received from residents due to noise pollution caused by anticipated construction projects, Acter will respond formally with a processing plan or outcome to the concerned parties and maintain records of all related incidents for the project manager's review. Subsequent follow-up and investigation will be carried out continuously. Other measures for controlling noise pollution are as follows:

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

4.2.3 Water Resources Management

Acter does not use process water. To protect water resources and ensure sustainable operations, the headquarters conducts an annual self-assessment of water resources. Additionally, the water for the headquarters' building is directly supplied by the Taiwan Water Corporation without using groundwater or other sources. Since our water is provided only to employees and visitors, our water usage does not have an impact on the environment, and the wastewater (i.e., sewage) is discharged to rivers and oceans after being treated. To enhance the management of water resources and further achieve the carbon reduction goal, Acter has installed auto-sensor faucets inside our Company. We also create water-saving slogans and send eco-friendly e-news to our employees each quarter to promote relevant measures, reminding them to cherish water resources. In the year 2022, the total water consumption of the headquarters increased compared to the baseline (average of the previous two years) due to the growth in the number of employees. However, **the per capita water usage decreased by 5.28%**, demonstrating the company's continuous efforts in promoting water conservation.

| Scope boundary | Water consumption | Unit | 2020 | 2021 | 2022 | Scale of increase/decrease | Target |
|---------------------|--------------------------------|-------------------------|------|------|------|----------------------------|---|
| Headquarters Office | Tap water consumption (Note 1) | 1,000 l | 631 | 759 | 743 | 6.91% | - |
| | Water use intensity (Note 2) | 1,000 l / Ping | 1.14 | 1.37 | 1.34 | 7.63% | - |
| | Water consumption per capita | 1,000 l / No. of people | 8.31 | 8.93 | 8.16 | -5.28% | Achieved Succeeded in reducing consumption per capita |

Note 1: The use of water resources at each construction site is determined based on the respective engineering contract. Water resources may be allocated differently, shared by parallel contractors, or entirely covered by the customer. Due to the complexity of these arrangements, the water resources consumption for each construction site is not disclosed.

Note 2: Water consumption, water use intensity, and water consumption per capita are calculated based on the water bills issued by Taiwan Water Corporation, the surface area of the headquarters (Unit: Ping), and the number of employees working at the headquarters.

Note 3: The reference value represents the average usage of the previous two years. The adoption of an average value aims to prevent errors that may arise from relying on a single data point.



5

Common Prosperity and Growth

- 5.1 LOHAS at Acter
- 5.2 Talent Development
- 5.3 Human Rights Management
- 5.4 Occupational Health and Safety
- 5.5 Social Participation

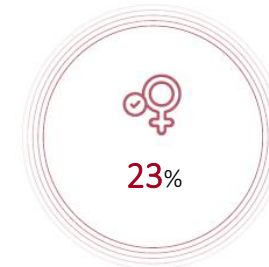
Chaper 05

To drive the cycle of good deeds, Acter has long been focusing on the promotion of social welfare and investing resources in four major social welfare themes: Environmental Sustainability, Caring for the Disadvantaged, Sustainable Cities and Communities, and Community Development. With a mission to serve the common good of society, we actively cultivate youth to facilitate positive social development and implement our corporate social responsibility.

Performance Highlights



Average total compensation per employee NT\$1,250,628



The percentage of females in managerial positions is 23%



0 disability injury rate



Total amount invested in social participation NT\$2,435,158



The total number of hours contributed by volunteers is 488 hours



The total number of social participation engagement is more than 8,822

Corresponding to Materiality

- ▶ Human rights protection
- ▶ Legal compliance
- ▶ Talent attraction and retention

Corresponding to the United Nations' Sustainable Development Goals (SDGs)

- Talent cultivation and development
- Workplace safety and health
- Social participation



5.1 LOHAS at Acter

- GRI: 2-7, 2-8, 2-20, 2-21, 201-3, 202-1, 202-2, 401-1, 405-1, 401-2, 401-3, 404-3, 405-1, 405-2

Talent is the key to Acter's sustained innovation. Only with happy partners can we create a competitive team. Upholding the core value of "commitment", Acter provides comprehensive remuneration and employee welfare systems, cares about every employee's physical and mental health, and has a well-planned talent training system that assists employees in fully utilizing their potential. We have been cultivating a culture of diversity and inclusion to attract and retain professional talents from different backgrounds. Additionally, we provide employees with a workplace that facilitates continuous learning and offers equal rights and safety. Our goal is to become a company that our employees take pride in being a part of.

5.1.1 Talent Deployment

Acter encourages a diverse and open workplace culture and respects the uniqueness of every employee. When recruiting new employees, we prioritize the required competence for each position and do not discriminate based on race, skin color, nationality, ethnicity/national origin, gender, marital status, age, disability, family status, sexual orientation, personal political stance, religious beliefs, and other characteristics. As of the end of 2022, Acter Group employed a total of 1,913 individuals, with 388 employees coming from Acter, constituting 25% of the Group's total workforce. All of them are full-time employees encompassing the younger generation, indigenous people, and individuals with physical or mental disabilities. None of our employees are part-time workers, and we do not employ child labor.

We believe that a diverse employee composition brings different perspectives and opportunities for progress. By establishing a diverse and inclusive workplace culture, we help employees optimize their talents at work. Moreover, Acter also pays special attention to implementing gender-friendly mechanisms. Through measures and management practices that exceed regulatory requirements, we aim to create a friendly workplace. Our objective is to support female employees in achieving a work-life balance, increase female employees' long-term retention rate, and facilitate the career development of outstanding female workers.

Workforce Distribution of Acter Group's Employee in 2022

| Employment Type/ Gender/ Region | | Taiwan | China | South-East Asia |
|---------------------------------|--------|---------------------|-------|-----------------|
| Full-time employees | Male | 550 | 668 | 116 |
| | Female | 294 | 190 | 68 |
| Contract employees | Male | 5 | 16 | 2 |
| | Female | 4 | 0 | 0 |
| Total | | 1,913 people | | |

| Region | | Taiwan | | Mainland China | | South-East Asia | |
|-----------------|------------------------|---------------|-------------|----------------|-------------|-----------------|-------------|
| Gender | Age | No. of people | % | No. of people | % | No. of people | % |
| Male | Up to 30 years old | 183 | 21.45% | 339 | 38.79% | 36 | 19.35% |
| | 31 to 50 years old | 331 | 38.80% | 314 | 35.93% | 75 | 40.32% |
| | 51 years old and above | 41 | 4.81% | 31 | 3.55% | 7 | 3.76% |
| Female | Up to 30 years old | 87 | 10.20% | 94 | 10.76% | 42 | 22.58% |
| | 31 to 50 years old | 192 | 22.51% | 93 | 10.64% | 24 | 12.90% |
| | 51 years old and above | 19 | 2.23% | 3 | 0.34% | 2 | 1.08% |
| Subtotal | | 853 | 100% | 874 | 100% | 186 | 100% |

Acter Group's Local Employment Rate of 2022

| Local Employment Rate | Taiwan | Mainland China | South-East Asia |
|---|--------|----------------|-----------------|
| Percentage of local senior management level (above the manager level) | 100% | 64.20% | 100% |
| Percentage of local employment | 99.88% | 94.85% | 77.96% |

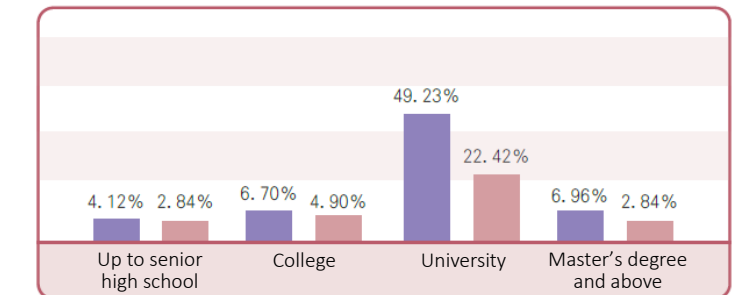
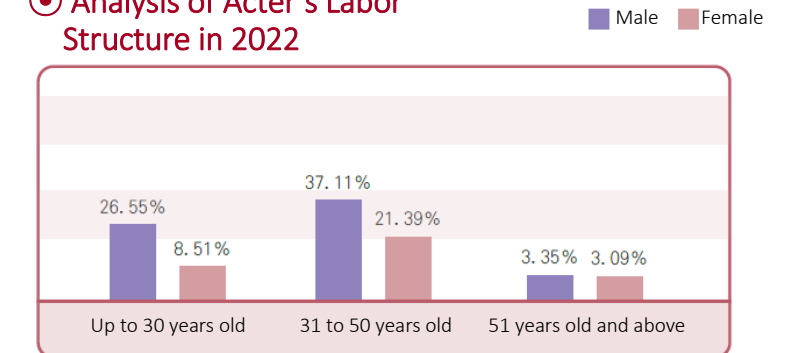
Note: The Taiwan region includes Acter and Acter's subsidiaries NOVA Technology, WINMEGA Technology, HER SUO, Enrich Tech, and Rayzher; the Mainland China region includes subsidiaries Acter Suzhou, Shenghuh (Shenzhen), Winmax Technology, and Suzhou Winmax; the Southeast Asia region includes subsidiaries in Vietnam, Indonesia, Singapore, Malaysia, and Thailand.

Statistics on Acter's Employment Type and Gender in 2022

| Employment Type/ Gender | | Acter | Proportion | Total |
|-------------------------|--------|-------|------------|------------|
| Full-time employees | Male | 258 | 66.49% | 388 people |
| | Female | 126 | 32.47% | |
| Contract employees | Male | 2 | 0.52% | |
| | Female | 2 | 0.52% | |

Note: Full-time employees are defined as permanent hires; contract employees are hired based on project needs. Currently, Acter does not have temporary employees or employees without guaranteed hours.

Analysis of Acter's Labor Structure in 2022



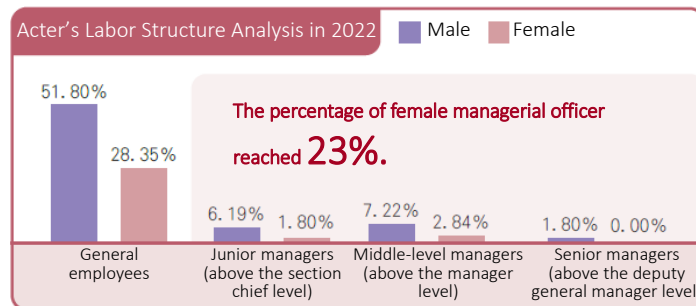
Statistics on Acter's New and Resigned Employees in 2022

| | New employment and resignation rates | No. of people | In proportion to the total of new employees | No. of people | In proportion to the total of resigned employees |
|--|--------------------------------------|---------------|---|---------------|--|
| Gender | Male | 81 | 31.15% | 57 | 21.92% |
| | Female | 35 | 27.34% | 26 | 20.31% |
| Age | Up to 30 years old | 72 | 52.94% | 32 | 23.53% |
| | 31 to 50 years old | 44 | 19.38% | 48 | 21.15% |
| | 51 years old and above | 0 | 0% | 3 | 12% |
| Total number of people | | 116 | | 83 | |
| Percentage of new / resigned employees | | 29.90% | | 21.39% | |

Note: The new hire and turnover ratio is obtained by dividing the number of new hires or departing employees by the total headcount as of December 31, 2022.

Promoting female empowerment in the engineering industry: The percentage of female managerial officer reached 23%

Acter values gender equality and sustainably empowers excellent female employees to reach their career development goals, enabling them to bring their talent into full play in an appropriate job position. In 2022, the percentage of Acter's female employees is 33%, and 23% of managerial officers (above the level of section chief) are female.



Continuing to employ more than legally required indigenous and disabled people

Out of respect for the unique culture of minority ethnic groups, we offer employees who are also indigenous people 8 hours of ritual vacation, allowing them to flexibly choose their own days off; and as of the end of 2022, Acter has hired 4 indigenous people, which exceeds the legal requirement. Additionally, we are committed to supporting disabled people to join the workforce; and as of the end of 2022, we have employed 3 disabled people in compliance with the legal requirement. In the future, Acter will continue to proactively conduct internal job position evaluations to provide disabled people with more employment opportunities.

Acter's Employment of People with Disabilities and Indigenous People in 2022

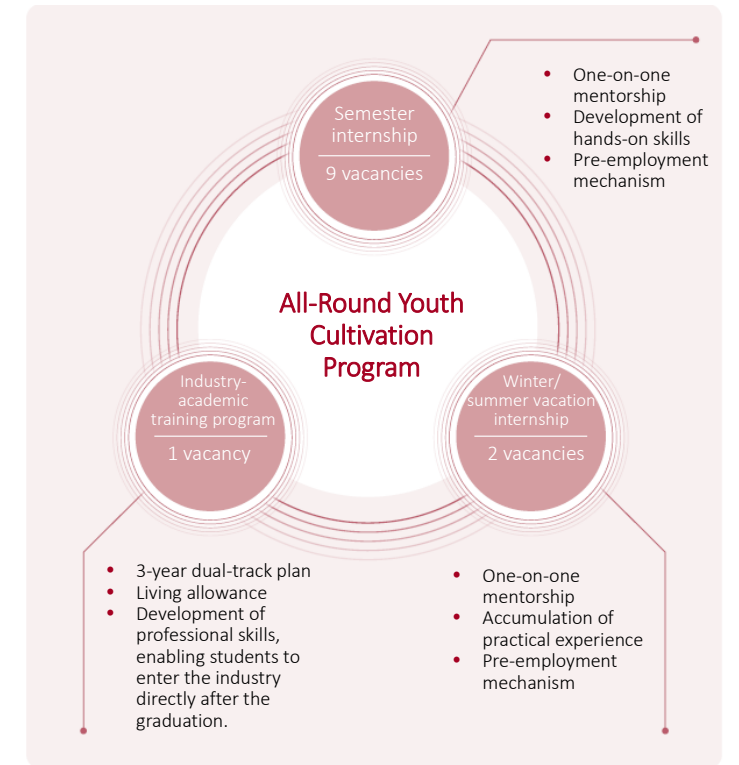
| Employment of disadvantaged minority group | Statutory employment | Actual employment |
|--|----------------------|-------------------|
| Indigenous people | 3 | 4 |
| People with physical/mental disability | 3 | 3 |
| Total | 6 | 7 |

Note: The legally required employment quota set in accordance with the provisions of Article 12 of the "Indigenous Peoples Employment Rights Protection Act" and Article 38 of the "People with Disabilities Rights Protection Act".

Comprehensive youth cultivation programs enriching the industry's talent resources

To attract young talents, Acter provides different types of career experience activities and pre-employment mechanisms. Our objective is to give students the opportunity to accumulate experiences in the workplace and connect with the industry to improve their professional skills, adapt to the workplace, and enhance their competitiveness. Through the final graduation presentation, students can showcase their brilliant outcomes to their direct supervisors and mentors; and those with exceptional performance will receive an offer letter and have the opportunity to work in the company upon their graduation. In 2022, Acter provided cultivation programs to 12 interns, including 2 female interns. After graduation, 7 interns managed to secure positions at Acter, resulting in a tenure rate of 70% (excluding winter and summer internships).

All-Round Youth Cultivation Programs



5.1.2 Talent Attraction

5.1.2.1 Remuneration System

With the belief that employees are the most precious assets for companies, Acter is dedicated to providing multiple and competitive remuneration and career development opportunities. Based on individual performance, level of responsibility, and future development potential, we offer salary adjustments, differentiated bonuses, and employee compensation systems to attract, retain, and motivate outstanding colleagues. In 2022, Acter's average salary adjustment rate was 7.41%. For entry-level employees, regardless of their gender, the minimum starting salary was 1.19 times the basic wage. The overall employee compensation compared to the Chairman's compensation is approximately 1 to 12. The overall average salary in the year was NT\$1,250,628.

Besides, Acter also internalized ESG concepts as the foundation of our operations. We have instilled a strong sense of responsibility among our staff towards corporate sustainability and risk management by tying ESG performance indicators to employee turnover incentives. Having the Company's interests and benefits aligned with those of our employees, we have managed to set corporate sustainability as our common goal. In 2022, our Company successively met the corporate sustainability ESG promotional goals, which has resulted in potential increase and fair allocation of remuneration for our employees, allowing everyone to share in the positive outcomes of our practices.

Acter's Standard Salary to Local Minimum Wage Ratio

| | |
|-------------|---------------|
| Male ▶ 1.19 | Female ▶ 1.19 |
|-------------|---------------|

Note: Calculated based on the 2022 statutory minimum wage of NT\$25,250.

Acter's Overall Gender Pay Ratio

| Employee type/ Gender | Male | Female |
|--|------|--------|
| Managerial position | | |
| Senior managers (above the deputy general manager level) | 0 | - |
| Middle-level managers (above the manager level) | 1.06 | 1 |
| Junior managers (above the section chief level) | 1.07 | 1 |
| Non-managerial position | | |
| General employees | 1 | 1 |

Annual Total Compensation Ratio

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------|-------|-------|-------|-------|
| Annual total compensation ratio Note 1 | 11.51 | 11.64 | 11.38 | 12.17 | 12.85 |
| Annual total compensation change rate Note 2 | 1.83 | 1.24 | 1.87 | 0.98 | 11.07 |

Note 1: Annual total compensation ratio = Highest individual annual total compensation / Median of all employee compensations

Note 2: Annual total compensation change rate = Percentage increase in highest individual annual compensation / Percentage increase in median of all employee compensations

List of Acter's Salary Type

| List of Acter's Salary Type | |
|-----------------------------|--|
| Regular Pay | <ul style="list-style-type: none"> Monthly salary Overtime pay |
| Non-Regular Pay | <ul style="list-style-type: none"> Mid-autumn Festival/ Dragon Boat Festival/ Year-End bonus Profit-sharing bonus Performance bonus Project-based incentives All types of rewards |

5.1.2.2 Performance System

Acter's performance management system revolves around the core principles of "talent development" and "compensation design", effectively aligning it with the Company's overall strategic objectives and employees' individual key performance indicators. Working in tandem with the performance evaluation system, this comprehensive approach facilitates the seamless implementation of the performance management cycle. Beyond valuing the accomplishment of key objectives, the system also places significant emphasis on employees' demonstration of their "character" and "potential". Moreover, it employs a collaborative evaluation mechanism that incorporates diverse feedback and opinions from supervisors of other departments and peers during the assessment process. Each year, based on the performance evaluation results and the career development needs of our employees, supervisors work in conjunction with staff to establish personalized "individual development plans". This empowering strategy allows our talented workforce to unleash their full potential and make meaningful contributions to the organization. It's worth noting that Acter achieved a remarkable **100% performance evaluation coverage rate** in 2022.

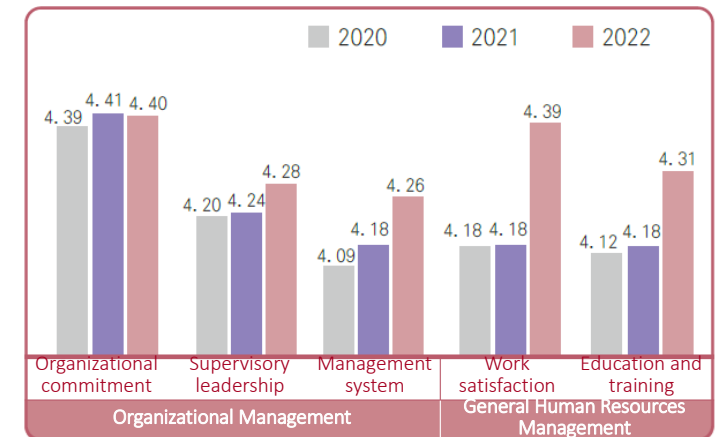
5.1.2.3 Employees' Commitment/ Satisfaction Level

To create a friendly workplace and enhance employees' recognition, Acter conducts an "employee commitment/satisfaction survey" each year. The survey questionnaire consists of 20 questions proposed based on five aspects, including "organizational commitment", "supervisory leadership", "management system", "work satisfaction", and "education and training. The questionnaire not only enables us to understand our employees' recognition of the current management system and operations of the organization but also includes two open-ended questions: "the employee welfare that they hope the Company will increase" and "opinions and feedback". This survey helps us to understand employees' work experience and analyze our Company's strengths and opportunities, in order to create an ideal workplace, enhance employees' recognition of the organization, and become a sustainable commitment enterprise".

Professional Commitment/ Satisfaction Survey Results

| Year/ Goal and Achievement | Questionnaire Coverage Rate | | Professional Commitment Index | |
|----------------------------|-----------------------------|-------------|-------------------------------|-------------|
| | Goal | Achievement | Goal | Achievement |
| 2022 | 60% | 68.12% | Above 80 | 86.56 |
| 2021 | 60% | 64.39% | Above 80 | 84.76 |
| 2020 | 60% | 61.12% | Above 80 | 84.62 |

Comparison of Scores for Each Aspect Over the Last Two Years



In 2022, Acter obtained a score of 86.56 in the employees' commitment/satisfaction survey, reflecting a 2.4% increase compared to the previous year. Among the various aspects, "work satisfaction" and "education and training" showed the most significant improvement, with individual growth rates of 5.06% and 3.10%, respectively. Regarding "supervisory leadership" and "management system", these two aspects experienced an increase of 1.01% and 1.97%, respectively. Based on the survey results, we have not only launched four improvement initiatives but also regularly tracked the outcomes and established improvement strategies accordingly. The explanations are as follows:

| Improvement | Explanations and countermeasures |
|---|--|
| Establish an open management model | In 2022, the proportion of Acter's new employees who are less than 30 years old accounted for 62.07%. To help new employees feel a sense of belonging, Acter is dedicated to building a workplace that fosters respect, supports employees in proposing innovative ideas, and encourages supervisors to gather feedback and respond appropriately. |
| Release employees' potential | Provide employees with a platform that allows them to fully utilize their competencies, establish a barrier-free internal job transfer system, offer employees various career development options, and plan interdisciplinary education and training courses. This enables employees to find fulfillment and happiness in their work, continuously grow in their roles, and experience a high degree of belongingness and a sense of accomplishment. |
| Enhance communication channels | Establish a transparent and instant communication bridge with the employee; continue to promote and maintain the document management system; provide updated regulations and systems on a timely basis; and review and update the "New Employee Handbook" on a semi-annual basis to ensure the rapid provision and accuracy of information. |
| Implement diverse incentive programs | Apart from project-based incentive programs, Acter also encourages supervisors to inspire and retain talents through non-monetary approaches. By doing so, we can enhance the interaction between supervisors and our staff. |

5.1.3 Employee Care and Welfare System

Acter is devoted to creating a "safe, secure, enjoyable and LOHAS" workplace. We have been optimizing our employee healthcare and welfare measures, as well as providing a variety of health-facilitation activities to maintain the physical and mental health of our employees. The purpose is to unite employees and their families in order to achieve the goal of enhancing employee well-being and fulfilling the Company's commitment to sustainability.

Apart from providing a 'safe and healthy' workplace, Acter has also created a LOHAS (lifestyles of health and sustainability) workplace based on our employees' preferences. Upholding the spirit of integrating employee welfare, vitality, and public welfare, Acter has organized various activities to encourage creativity and vitality both during work and leisure time. In 2005, Acter established the Employee Welfare Committee to collaboratively plan diverse employee welfare activities with the Company. These activities include domestic and overseas trips, Family Day, club activities, festival gift vouchers, and movie tickets. Our goal is to take care of our employees by providing comprehensive employee welfare. **In 2022, the Employee Welfare Committee comprised 6 members, and the total employee welfare expenditure for the year was NT\$6,843,222.**

Statistics on Acter's Employee Welfare Expenditure

| Content | 2020 | | 2021 | | 2022 | |
|--|------------------|----------------|------------------|----------------|------------------|----------------|
| | 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 | 289 | 3,045,617 | 341 | 4,854,285 | 388 | 5,802,022 |
| Scholarships for employees' children with extraordinary academic performance | 12 | 37,000 | 14 | 50,000 | 6 | 25,000 |
| Bonus/ cash gifts for birth-giving | 15 | 75,000 | 9 | 45,000 | 9 | 42,000 |
| Bonus/ cash gifts for marriage | 10 | 151,300 | 2 | 39,300 | 9 | 182,900 |
| Acter | | | | | | |
| Bonus/ cash gifts for funeral | 6 | 101,300 | 6 | 165,700 | 5 | 139,300 |
| Emergency benefit | 2 | 80,000 | 0 | 0 | 1 | 100,000 |
| Hospital benefit | 1 | 5,000 | 2 | 10,000 | 2 | 15,000 |
| Free health check | 123 | 464,000 | 85 | 305,000 | 144 | 537,000 |
| Total | | 3,959,217 | | 5,469,285 | | 6,843,222 |

Acter's Employee Welfare System

| Employee welfare | Content |
|---|---|
| Basic employee welfare | <ul style="list-style-type: none"> Labor and national health insurances Corporate pension plan Group insurance Employer's liability insurance Education and training |
| Bonus/ cash gifts/ grant (allowance) | <ul style="list-style-type: none"> Employee bonus Performance bonus Bonus/ cash gifts for three major Chinese festivals Birthday money gift Grants for marriage, funeral and related occasions Childbirth grant Employee emergency assistance Hospital grant Scholarship for employees' children with excellent performance Training allowance Contacted childcare centers Employee referral bonus Proposal incentive Inter-district allowance Project incentive bonus Occupational safety excellence bonus |
| Leisure benefits | <ul style="list-style-type: none"> Company trip Family Day Volunteer Day Club activities Cultural, recreational, and leisure activities |
| Healthcare | <ul style="list-style-type: none"> Free employee health checks On-site physician consultation services Maternal health protection policy Health facilitation activities Monetary assistance for safety equipment |
| Special leaves | <ul style="list-style-type: none"> Maternity/ prenatal leave Prenatal checkup and paternity leaves Family care leave Paid volunteer leave Paid indigenous peoples' leave Vaccine leave Epidemic-prevention care leave Epidemic-prevention quarantine leave |
| Employee assistance programs (EAPs) | <ul style="list-style-type: none"> Promote EAPs/ window Set employee caring taskforce (HR/ Q&A and Safety Department) Provide guidance materials for specific themes (the Company's platform) Regularly provide employees with physical and mental health information Provide psychological counseling channels Integrate external resources |
| Retirement protection | <ul style="list-style-type: none"> To protect employees' retirement rights and benefits, Acter makes monthly contributions to the employee benefit account designated by the Labor Affairs Bureau for pensions in accordance with the guidelines of the Labor Standards Act and labor pension acts. |

5.1.3.1 Parental Leave Measures and Maternity Care Plan

With our strong focus on female staff's health, Acter provides female employees with various levels of healthcare services, helping them balance their work and family responsibilities. We have established a "Code of Conduct for Employees" in compliance with the "Labor Standard Act" and the "Act of Gender Equality in Employment" to ensure gender equality and protect employees' rights to parental leaves, including prenatal checkup leave, maternity leave, family care leave, paternity leave, and parental leave. Additionally, we offer a childbirth grant and discounts for contracted excellent childcare centers to encourage our employees to have children. Simultaneously, we have introduced a series of measures including occupational health and hazard assessments, controls, and graded management protocols exclusively designed for the well-being of our female workforce. We also conduct health evaluations for female employees who are either pregnant or have given birth within the past year. To ensure the fulfillment of our commitment to safeguarding our female employees, our dedicated Human Resource unit within the General Administration Division collaborates closely with the Q&A and Safety Department, offering vital support. **Notably, in 2022, Acter achieved an exemplary 100% return-to-work rate for employees who had taken parental leave.**

Statistics of Acter's Parental Leave / Employee Reinstatement in 2022

| Statistics of Parental Leave / Reinstatement | 2020 | | 2021 | | 2022 | |
|--|-------|--------|------|--------|---------|---------|
| | Male | Female | Male | Female | Male | Female |
| Number of people who are qualified to apply for parental leave. | 44 | 13 | 39 | 10 | 36 | 9 |
| Number of people who have applied for parental leave in the year. | 1 | 1 | 0 | 1 | 1 | 2 |
| Number of people who are expected to apply for reinstatement in the year | 1 | 0 | 0 | 1 | 1 | 2 |
| Number of people who are reinstated after the parental leave | 1 | 0 | 0 | 0 | 1 | 2 |
| Number of people who were reinstated in the previous year and continued to work for more than one year. | 0 | 1 | 1 | 0 | 0 | 0 |
| Application rate of parental leave (%) | 2.27% | 7.69% | 0% | 10% | 2.78% | 22.22% |
| Application rate of reinstatement (%) | 100% | 0% | 0% | 0% | 100.00% | 100.00% |
| Retention rate after parental leave (%) | - | 50% | 100% | - | - | - |

5.1.3.2 Health Facilitation

Acter's health management encompasses "implementing the prevention of occupational diseases" and "promoting employees' personal health". We have continuously cared for and safeguarded the physical and mental health of our employees, providing them with a stable and safe workplace. Each year, we offer free health checkups to employees, review the rate of abnormality in their health check results, and dynamically adjust our management goals and measures to safeguard our employees' health. Additionally, we target high-probability and high-risk diseases to hold health seminars on a semi-annual basis (e.g., the "Three-High Health Seminar" and "Weight Loss and Health Seminar"), and release monthly health e-newsletters to promote health-related information. According to the analysis of the employee health checkup results of 2022, the diseases suffered by employees are not directly related to their work.

In the meantime, we have continuously held various health facilitation activities to take care of our employees' health. In 2022, Acter collaborated with Tamkang University to work on the Health Promotion Administration's (HPA) "Betel Nut Free Project" by organizing betel nut-free cancer-screening activities at the project construction sites. The physician team from China Medical University Hospital conducted betel nut disease prevention and treatment promotion, as well as oral mucosal screening for employees of Acter and Acter's contractors at the construction sites. In total, 55 people participated in the screening during this project.

Apart from paying attention to employees' physical conditions, Acter also values the development of employees' psychological health and provides them with online psychological self-assessment tools (sleep, emotions, depression, stress etc.) and information related to psychological health education. Each year, we invite physicians from the Department of Occupational Medicine, China Medical University Hospital, to provide on-site services for employees in need. This includes offering one-on-one interviews to help employees handle and address their problems, and further providing them with a workplace that ensures safety and well-being. In 2022, the Company was accredited by the Health Promotion Administration (HPA) under the Ministry of Health and Welfare (MOHW) as a **healthy workplace** and received the **Corporate Health Responsibility (CHR) badge**.



Health facilitation seminar on the three highs



Health seminar on fat reduction



MOHW's
The Healthy Workplace
Accreditation Certificate

The screening of Betel
Nut Free Project

Health Promotion e-
Newsletter

| 2022 Occupational Health Services and Facilitation Activities | | |
|--|---------|---------------------|
| Items | Session | No. of Participants |
| Provisional health checks held by professional doctors | 11 | 60 |
| Workplace illegal infringement prevention education and training | 1 | 353 |
| Betel nut-free construction site plan | 1 | 55 |
| Health facilitation seminar on the three highs | 1 | 26 |
| Health seminar on fat reduction | 1 | 13 |

| Statistics on Acter's Employee Health Checks in 2022 | | | |
|--|---------|---------|----------------|
| Item | 2020 | 2021 | 2022 |
| No. of people who completed the health check | 123 | 85 | 144 |
| Health check rate | 53.71% | 34.97% | 41.03% |
| Amount invested in health check | 464,000 | 305,000 | 537,000 |

Note: In 2021, due to the ongoing severity of the COVID-19 local outbreak, the Central Epidemic Command Center raised the nationwide epidemic alert to Level 3. As a result, hospitals were unable to provide non-essential medical services, leading to a decrease in the annual health checkup rate.

5.1.3.3 Company Trips and Club Activities

To create a workplace of "happy work and happy life", the Company and Employee Welfare Committee jointly organized various employee welfare activities, such as domestic and overseas trips, Family Day, club activities, department gatherings, festival gift vouchers, and movie tickets. We also encourage staff to bring their families to join these activities to balance their work and life, fostering a happy life. **In 2022, the Employee Welfare Committee dedicated funding to organize 45 activities, with a participation rate of 100%.** Additionally, the Committee also promoted employee health facilitation and established a badminton club in the year.



Floral art and handicraft
workshop



Stand-up paddling (SUP)
experience activity

5.1.3.4 A Sound and Secure Retirement System

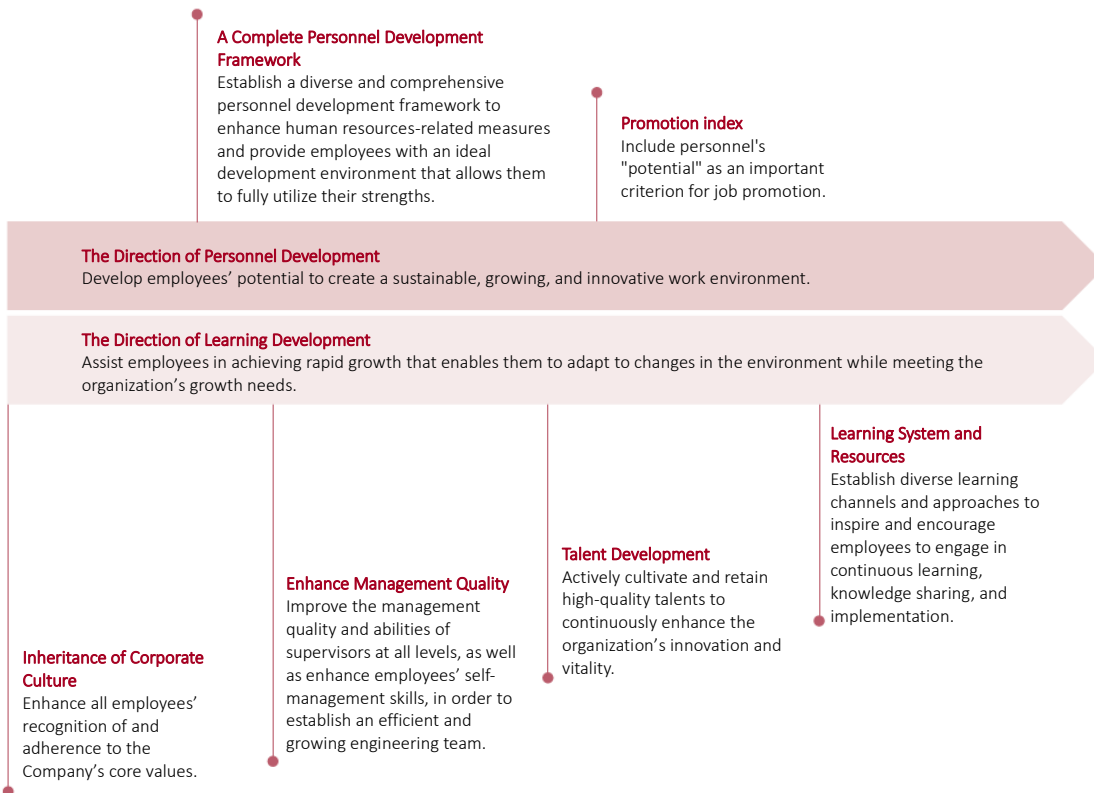
To ensure employees' stable life after retirement, Acter has established an employee retirement plan in accordance with the "Labor Standard Act" by allocating social insurance funds, including retirement and medical insurance, for each employee. Also, through professional accounting consultants, Acter conducts actuarial calculations of the retirement reserve fund to ensure the allocated fund is sufficient to safeguard employees' rights. Employees are also free to decide to allocate less than 6% of their pension to a designated account in order to benefit from tax exemption. Additionally, in response to the Middle-aged and Elderly Employment Promotion Act, Acter hires retired senior supervisors to serve as the Company's advisors and inherit their experiences to the new comers. In 2022, the Company allocated 6% of the pension, amounting to NT\$14,216,158, according to the Employee Monthly Salary Deduction Grading Table.

5.2 Talent Development

• GRI:2-24、404-1、404-2

To achieve our mission, vision, and development goals, Acter has continuously invested resources in cultivating talent, thereby maintaining our corporate core competitive advantages of “diverse deployment and multiskilled talents”. Oriented towards the talent development strategy of “**developing employees' potential and facilitating self-learning**”, we have allocated sufficient resources to employees at different job positions and levels in accordance with the education and training process. The purpose is to foster employees’ learning and development through systematic training plans, such as newcomer training, on-the-job training, and self-study. This not only enhances employees’ professional skills, work efficiency, and quality, but also fulfills their lifelong learning demands and supports the Company’s long-term growth.

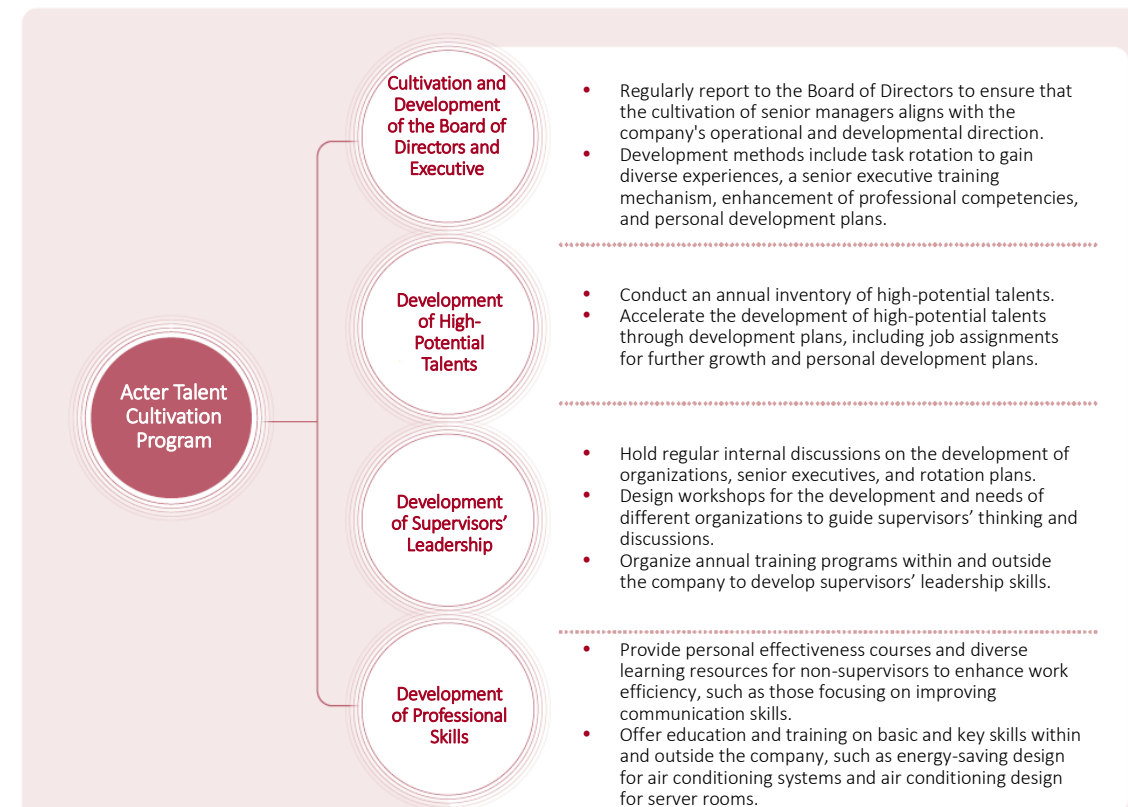
Acter’s Talent Development Direction: A Complete Personnel Development Framework



5.2.1 Talent Cultivation Program

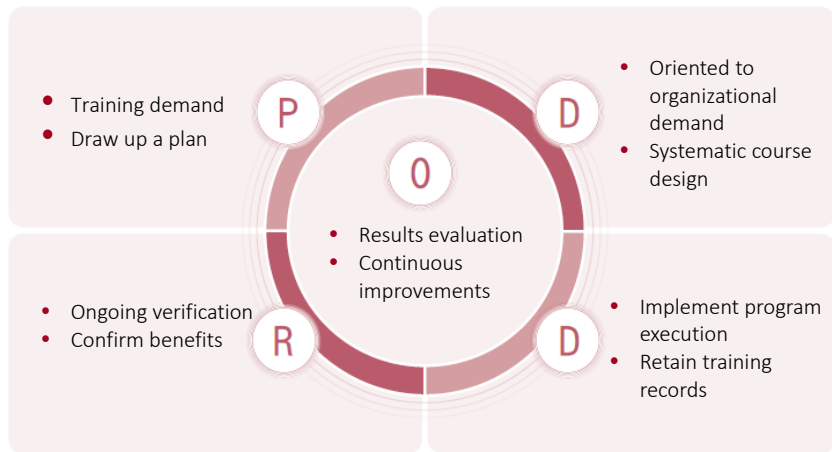
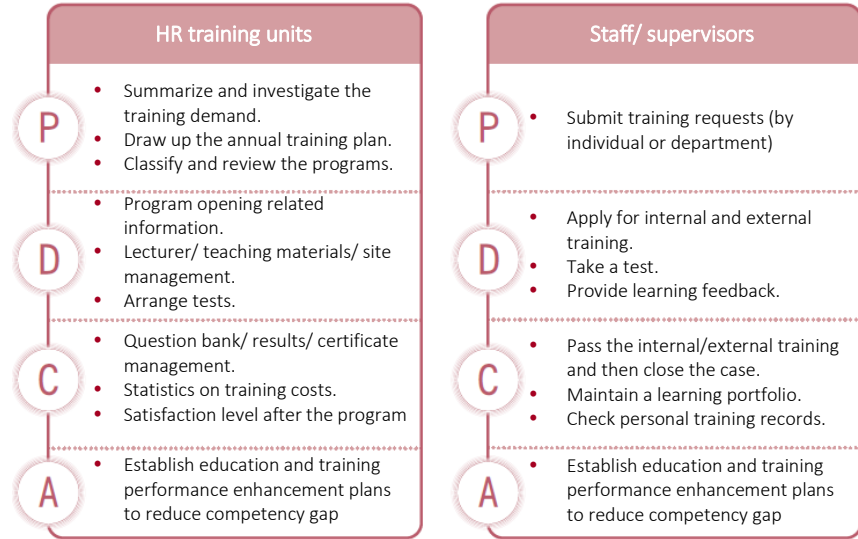
To closely align with our core values, global deployment, and strategic development needs, Acter has not only established the management functions required for supervisors at all levels but also defined core and professional competency requirements for general employees. This not only enables our employees to have a clear understanding of the essential skills needed at each job level, but also, by doing so, Acter has built a strong foundation of high-quality talent and enhanced momentum for sustainable development.

Acter conducts a training demand survey in the fourth quarter of each year and plans corresponding development courses based on the competency requirements of supervisors and employees. We offer online and in-person courses through **Acter A+ Academy** to achieve the goals of cultural inheritance, enhance the management literacy of supervisors at all levels, and cultivate employees' competencies. Apart from providing compulsory courses to help employees enhance their work performance, we also encourage them to participate in various training programs based on their individual needs and future development plans. This approach helps them prepare effectively for their next-stage career planning and development.



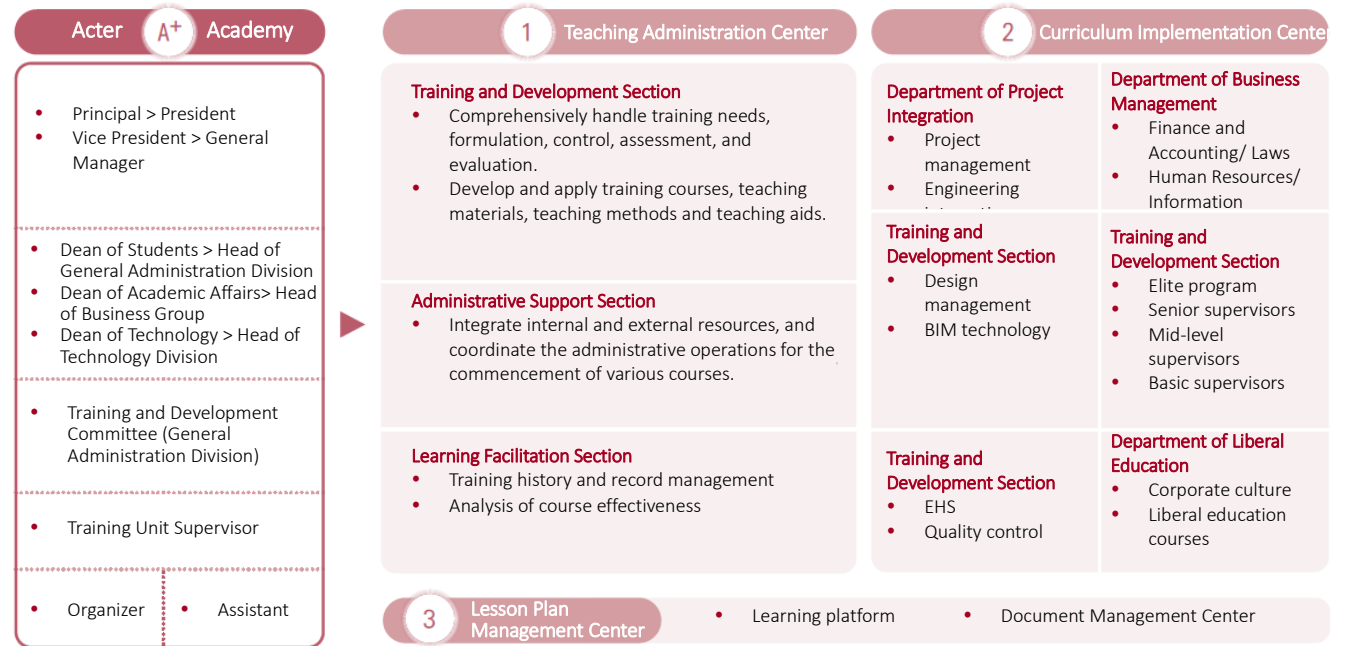
Implementation of Talent Cultivation Program

Link up organizational goals Determine the performance Analyze the gap in job functions



5.2.2 Acter A+ Academy

We have established the A+ Academy to consolidate training resources into a single online platform. This platform not only encourages employees to engage in continuous learning and share experiences but also fosters global talents through comprehensive and professional career education, providing diverse pathways for development. **The Acter A+ Academy comprises six faculties: Project Integration, Engineering Design, Quality Assurance, Safety, and Health, Business Management, Leadership, and Liberal Education.** Each faculty offers different professional programs tailored to the needs of various professions. The Teaching Administration Center is responsible for planning courses and preparing materials based on the learning direction. The Curriculum Implementation Center handles all course commencement procedures, and the Lesson Plan Management Center provides the necessary resources for course commencement while also establishing and maintaining the platform. The framework is explained as follows:



To facilitate employees engagement in continuous learning at any time and in any place, Acter has adopted the online knowledge management platform and E-Learning platform systems to continuously providing employees with diverse learning channels, gathering more driving forces for the Company's growth and for uplifting the society. In 2022, the total budget for education and training was NT\$10,099,378. **A total of 724 internal and external education and training sessions were conducted, with employees receiving a cumulative training duration of 8,589.41 hours. The average training hours per employee were 22.14 hours.** The overall employee satisfaction with the training was rated at 86.2 points, showing a growth of 3.1% compared to the previous year and surpassing the annual target set.

Statistics on the Number of Education and Training Sessions

| Internal/ external trainings | 2020 | 2021 | 2022 |
|-----------------------------------|------|------|------|
| No. of internal training programs | 126 | 204 | 380 |
| No. of external training programs | 181 | 271 | 344 |
| Total number of training programs | 307 | 475 | 724 |

Statistics on the Total of Education and Training Budget

Unit: NTD

| Internal or External Training/ Employee's Gender/ Year | 2020 | 2021 | 2022 | |
|--|-----------|-----------|------------|-----------|
| Internal Trainings | Male | 2,024,950 | 2,185,500 | 3,108,734 |
| | Female | 1,136,294 | 1,528,750 | 1,727,404 |
| External Trainings | Male | 2,805,291 | 2,453,935 | 3,366,570 |
| | Female | 801,140 | 957,710 | 1,896,670 |
| Total Amount | 6,767,675 | 7,125,895 | 10,099,378 | |



Online e-learning platform



Face-to-face hands-on education and training program

Statistics on Employees' Average Training Hours

Unit: Hour

| Employee Grade/ Gender/ Year | 2020 | 2021 | 2022 | |
|--|----------|------|------|-------|
| Senior managers (above the deputy general manager level) | Male | 14 | 6 | 7 |
| | Female | - | - | - |
| Middle-level managers (above the manager level) | Male | 24 | 12 | 15.23 |
| | Female | 18 | 20 | 46.61 |
| Junior managers (above the section chief level) | Male | 27 | 15 | 21.67 |
| | Female | 11 | 24 | 25.64 |
| General employees | Male | 24 | 21 | 23.49 |
| | Female | 18 | 19 | 19.88 |
| Total hours | 8,589.41 | | | |

Effectiveness of Employees Education and Training

| Index | Items | 2020 | 2021 | 2022 |
|--------------------------|--|-----------|-----------|----------------|
| Cost index | Education and training expenditure | 6,767,675 | 7,125,895 | 10,099,378 |
| | Average training cost per employee | 23,418 | 20,897 | 26,029 |
| | Average cost per male employee | 25,830 | 20,712 | 24,905 |
| | Average cost per female employee | 18,994 | 12,252 | 28,313 |
| Goal-orientation index | Achievement rate of individual plan | 85% | 86% | 86% |
| | Achievement rate of professional skills | 80.77% | 85% | 80.39% |
| | Achievement rate of professional trainings | 100% | 100% | 100% |
| | Education and training satisfaction level | 83.79% | 83.60 | 86.2 |
| Career development index | Proportion of personnel participated in performance assessment | 100% | 100% | 100% Note 1 |

Note 1: Performance evaluation coverage rate of male and female workers (%) = Number of employees who should be evaluated / Total number of employees. The chairman, employees with less than 3 months of tenure, employees expected to leave during the evaluation period, and contract workers are excluded from the employees who should be evaluated. In 2022, the number of employees who should be evaluated was 365, and the number of employees who were evaluated was 365, resulting in a performance evaluation completion rate of 100%. The performance evaluation of the chairman was conducted separately by the Board of Directors.

5.2.3 Cultivation of New-Generation Talents

It is our expectation to cultivate young people with independent thinking and innovation ability. We offer them with opportunities to gain hands-on experiences to enhance their future career competitiveness, connect students to the industry, and facilitate the development of green engineering technology and techniques. These efforts are aimed at achieving the educational quality goals of SDG 4. Acter has already established long-term partnerships with several schools, including the National Taipei University of Technology (Taipei Tech), National Yunlin University of Science and Technology (YunTech), National Chin-Yi University of Technology (NCUT), and National Kaohsiung University of Science and Technology (NKUST). Through the provision of lectures, seminars, internship opportunities, and scholarships, we are proactive in cultivating the talents of the new generation and fostering innovative developments in the industry. In 2022, **Acter successfully nurtured 12 students and contributed NT\$4,946,808 to the investment in youth development programs.**

Achievements of 2022 Youth Cultivation Programs

| Cultivation Programs | Descriptions | Achievements in 2022 |
|-------------------------------------|---|---|
| Corporate internships | We established strategic partnerships with schools and have provided internship opportunities every year to encourage young students to apply what they have learned. Through one-on-one mentorship , we help students earn credits for corporate internships and gain practical experience | A total of 11 students participated in internships (9 for semester internships and 2 for summer internships), led by 11 mentors, with a total budget of NT\$3,771,426. |
| Industry-academia training programs | Since 2011, we have been participating in the industry-academia training program organized by the Workforce Development Agency of the Ministry of Labor. Our program offers students a dual-track opportunity to study and work simultaneously. We provide diverse professional resources and a living allowance, reducing the students' pressure in finding employment and easing their economic burden. At the same time, we train them in the necessary professional skills to adapt to industry changes, ensuring a smooth transition into the workforce | Cultivated 1 industry-academia trainee , led by 1 mentor, with a budget of NT\$790,186. |
| Scholarships and lectures | Allocate scholarships to support young students at Taipei Tech, YunTech, and NKUST for a worry-free education. Organize informative lectures at Taipei Tech, YunTech, NCUT, National Formosa University (NFU), and Far East University (FEU). | A total of NT\$320,000 was allocated for scholarships. Five campus lectures were organized, with a total budget of NT\$65,196 |

Interns' Reflections Sharing ▶



Lin Pin-yen / Semester Intern
 Fourth-year student in the Department of Environmental Engineering and Science at Feng Chia University

I am studying in the Department of Environmental Engineering and Science, not the Department of Environmental Safety. Although my major area of study is not directly related to occupational safety, my undergraduate department consistently offers a 9-credit course on labor safety and health as an elective. Therefore, as recommended by the teacher of the course, I had the opportunity to come to Acter for an internship. Compared to the testing and experimental jobs in my undergraduate department or paperwork-related jobs at advisory firms, the internship in the engineering industry is a very special experience for me. During my internship period, Acter provides me not only with labor and national health insurances but also with internship pay, comprehensive welfare, and abundant education and training resources comparable to that of an exchange-listed/OTC-listed company. Moreover, it is willing to cultivate interns on the premise of providing them with the opportunity of becoming a full-time employee after the internship, turning them into a true member of Acter. Compared to the off-campus internships of students in the same year and seniors in my department, the internship offered by Acter gives me a profound sense of respect from the company and ensures full protection of my work rights and interests. This is a remarkable gain that I had never imagined experiencing during my time at school.

Before conducting hands-on practice on-site, I received training from my supervisor and colleagues in the department. They explained to me about situations that can occur on-site and taught me various aspects, starting from clarifying our relationship with outsourcers and subcontractors, understanding our respective responsibilities, the functioning of occupational safety in engineering projects, and the details of every step. For me who has never worked before, having my internship on a construction site has been a truly unique and special experience. Throughout my on-site internships, I received help from many people, including the managers, colleagues, and senior technicians on-site. All of them patiently answered my questions and allowed me to absorb a wealth of knowledge and effective ways of handling various tasks. I also learned how to carry out my responsibilities and safeguard the company's interests during the integration process. My colleagues' problem-solving abilities and proactive attitudes have become a role model for me to learn from. Reflecting on the days of my internship, I feel that everything I have experienced has been valuable, and I have gained a lot from this experience.

Unlike school, not only has a construction site a more complicated culture and environment, but also those who work in occupational safety must interact with contractors face-to-face. Since contractors may perceive occupational safety personnel as a role that brings them trouble, it is essential for us to maintain dignity in our position and ensure mutual respect in the workplace. Our Company values EHS management and dispatches personnel to the construction site to conduct safety and health audits; and coincidentally, my internship supervisor happened to be the auditor. Although my internship supervisor did not work with me on-site, I received the most help therefrom, such as learning how to approach tasks, confront challenges, and handle problems. My internship supervisor always encouraged me to ask any questions at any time. This was truly an enlightening experience, as I was not treated perfunctorily due to my intern role. My internship supervisor not only cultivated me with care, but also encouraged me when I was frustrated, making me feel very fortunate.

During my off-campus internship, I sometimes felt being unable even to fend for myself as I played a dual role of being a student and a corporate intern. Nevertheless, I have no regrets about joining Acter. Unlike the internships provided by some nameless companies, where interns are only hired to do odd jobs, Acter was willing to teach and cultivate me. Not only did they provide guidance on work-related matters, but also I learned about various intricacies in the workplace, allowing me to gain in-depth understanding of the industry. All of these are invaluable lessons that I could never learn in school. Additionally, thanks to the guidance and support of seniors in the industry, I have become a more competent person, and I have earned the opportunity to become a full-time employee of Acter, showcasing my independence and value at work.

Lin Pin-yen 林品軒



Cheng Ming-hsiang / Semester Intern
 Fourth-year student in the Department of Refrigeration, Air Conditioning, and Energy Engineering at NCUT

Entering the workplace or continuing further studies is a crucial decision that every fourth-year student will face. When I was hesitating about which path to choose, I came across information about the internship course, which offered me the opportunity to spend a semester in a workplace to gain valuable experience and learn. After the introductory presentation made by the lecturer on the platform, I learned that Acter focuses on cleanroom, electromechanical systems, and air-conditioning systems in the engineering industry. This solidified my determination to join Acter to apply what I have learned in school to real-world situations and meet customers' demands effectively.

I remember that I was so curious about the work on the first day when I came to Acter. Everything was new to me. Guided by a senior, I came to understand every work on the construction, and then realized that there was a significant gap between the actual practices on-site and what I had learned in textbooks. For example, designs drawn up for project implementation are full of challenges, and there are many details that must be paid attention to during the construction process, whether they are proposed by the customer or related to the outsourcers, subcontractors, contractors, or suppliers. Therefore, learning from site senior technicians and gaining knowledge in different fields of expertise pose significant challenges for a freshman in the professional world, just like me. However, these challenges also present the most valuable lessons I have learned from this internship experience.

As I just entered the engineering industry, there were many things that I needed to enhance and become familiar with, such as professional skills, management procedures, and occupational safety. Nevertheless, during the internship, I was always assigned a senior technician to guide me. With the additional guidance from senior colleagues in my unit, I gradually understood the operations of the construction site. Then, I was assigned to complete some tasks independently. These independent work experiences allowed me to grow by learning how to identify and solve problems. If I had any questions, I would ask the seniors in the workplace, and everyone was quite patient in teaching me how to solve problems and improve work efficiency.

After months of training, I realized that I had become more organized and efficient at work, instead of toiling hard without noticing other essential aspects. Along the way, I reviewed the professional knowledge I had acquired and the interpersonal relationships I had built, while reflecting on the encounters with my senior colleagues at Acter. I am glad that I took the bold step to pursue this opportunity, as it has led to these valuable gains. Regardless of where my future career path takes me, the lessons and experiences gained at Acter have provided me with a solid foundation. From planning and design to on-site implementation, I had the opportunity to gradually learn and understand the process of creating a space from scratch. I came to realize that this process involves the collective efforts of every team member, utilizing their expertise to complete the engineering project and meet customer requirements with the utmost quality standards. This has been an exceptionally precious and fulfilling experience for me.

Cheng Ming-hsiang 鄭名翔

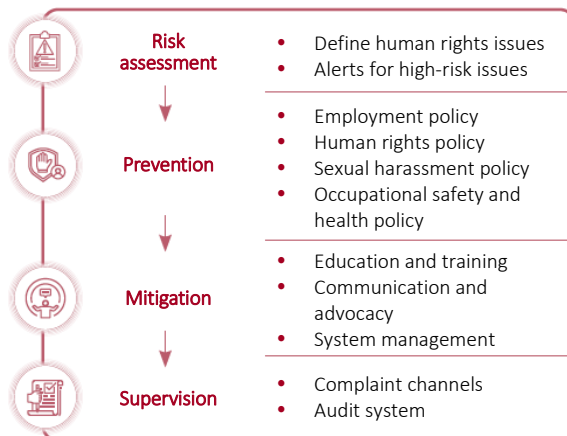
5.3 Human Rights Management

- GRI: 2-23 to 26, 2-30, 402-1, 406-1, 408-1, 412-2, 414-2, 419-1

Acter supports international labor-related human rights regulations, including human rights initiatives such as "The Universal Declaration of Human Rights", "Global Compact", and "Core Conventions of the International Labor Organization (ILO)". Under the commitment of our chairman, who holds the highest managerial position in our company, we have also established "Acter's Human Rights Policy" as the guiding principles for corporate human rights governance. In addition to strictly adhering to the regulations at our operation sites, we have explicitly stipulated the prohibition of child and forced labor, provision of equal job opportunities, allowance of freedom of association, respecting privacy, and combating discrimination, bullying, and sexual harassment. Acter's Human Rights Policy applies to Acter and Acter's reinvested businesses, subsidiaries, suppliers, customers, and business partners, ensuring that all our daily operations and business activities comply with these relevant requirements.

Through the **four-stage human rights management mechanism of "assessment, prevention, mitigation, and supervision"**, Acter has promoted human rights protection and is committed to maintaining and protecting labor's human rights, ensuring that every employee will be treated fairly and with respect.

Acter's Four-Stage Human Rights Management Mechanism



5.3.1 Risk Assessment

Acter conducts an annual human rights risk assessment. Based on the assessment results, corresponding mitigation, corrective, and improvement measures are established, and the implementation results are regularly monitored. In the future, Acter will not only maintain open and two-way communication with stakeholders but also consider their feedback as the basis for reviewing and adjusting our human rights commitments and policies, ensuring that we meet stakeholders' expectations and demands. **In 2022, Acter identified six human rights issues. Among them, the high-risk issues are primarily related to "working hours" and "occupational safety and health". Based on these two issues, Acter reviewed opportunities for improvement and proposed relevant improvement measures.** For more detailed information, please refer to "Acter's Response Strategy for Human Rights Risk Issues".

Human Rights Risk Identification Process

- Establish a list of human rights risks**
Create a list of human rights risk issues based on international human rights conventions, initiatives, and the status of the industrial chain.
- Stakeholder engagement**
Engage with internal and external stakeholders through various communication channels to assess potential risk issues related to freedom of association and add them to the list of potential issues.
- Identify and prioritize significant risks**
Each year, the Corporate Sustainability Committee conducts a human rights risk assessment based on the probability of risk occurrence and the level of impact. The Committee also establishes a human rights risk matrix to prioritize significant human rights risk issues. In 2022, the Committee inventoried 6 human rights issues, with high-risk issues related to working hours and occupational health and safety.
- Set response strategies and goals**
Focus on human rights risk issues to establish response strategies and goals, and plan action plans or measures accordingly (including mitigation and remediation measures).
- Review implementation performance**
The Corporate Sustainability Committee reviews the status of goal achievement on a quarterly basis and sets the following improvement measures accordingly.

Acter's Response Strategy for Human Rights Risk Issues

| Human Rights Risk Issues | Mitigation Measures | Makeup Measures | Goals |
|---|--|---|---|
| Diverse employment and non-discrimination | <ul style="list-style-type: none"> Prohibit discrimination through human rights policy, code of conduct, and employment management rules. Encourage diverse employment in all units. | <ul style="list-style-type: none"> Increase the employment of indigenous and disabled people During the employment process, it is prohibited to ask for personal data that are not related to the work, and any discriminatory consideration shall be excluded. | <ul style="list-style-type: none"> Equal work opportunities Eliminate discrimination |
| Prohibition of child and forced labor | <ul style="list-style-type: none"> Verify new employees' age documents. Respect employees' work attendance status. | <ul style="list-style-type: none"> Employees shall provide the original copy of personal ID on the duty report date for on-site verification. | <ul style="list-style-type: none"> Prohibit employing child labor. Prohibit forced labor. |
| Working hours, equal pay for equal work | <ul style="list-style-type: none"> Manage overtime working hours. Regularly review employees' compensation, ensuring it is not below the local minimum salary. Approve employees' compensation based on their job duties, not on their gender, age, or race discriminatively. | <ul style="list-style-type: none"> Monitor and control overtime working hours and the number of work days using the attendance system alerts. Cultivate employees' diverse capabilities and establish an effective internal human resource management mechanism to balance working hours and prevent overtime work. | <ul style="list-style-type: none"> Reasonable working hours for employees' physical and mental well-being Provide fair and competitive compensation |
| Freedom of association | <ul style="list-style-type: none"> Protect employees' statutory rights to establish, participate, or refuse to join associations and collective agreements. | <ul style="list-style-type: none"> The labor representatives of the labor-management conference are directly elected by all employees to strengthen the "collective bargaining" mechanism. | <ul style="list-style-type: none"> Create an environment of mutual respect, freedom of expression, and communication. |
| Occupational health and safety | <ul style="list-style-type: none"> Implement preventive plans and monitoring for unlawful infringements in the workplace. Assess risks in the workplace, formulate protective measures, and provide education and training programs. | <ul style="list-style-type: none"> Provide employees with mental and physical health counseling services. Offer accessible complaint channels, establish complaint advocacy procedures, and conduct investigations on filed complaints. | <ul style="list-style-type: none"> Provide a healthy and safe workplace. |
| Prevention and treatment of sexual harassment and unlawful infringement in the workplace | <ul style="list-style-type: none"> Specify "Sexual Harassment Prevention Act" and set a compliant hotline, allowing applicants to file a complaint in writing or orally. Hold education and training programs related to unlawful infringement in the workplace and sexual harassment. | <ul style="list-style-type: none"> The Sexual Harassment Complaint Handling Committee initiates the investigation process based on confidentiality and non-disclosure principles, with a gender balance of 50%. The investigation results will be presented within 2 months. If the complaint is substantiated, it will be submitted to the Chairman for appropriate disciplinary actions. | <ul style="list-style-type: none"> Create a secure and friendly workplace. |

5.3.2 Prevention Policy

In regard to the identified human rights risk issues, the Company has already formulated relevant policies and operating procedures to define and declare employees' human rights. Meanwhile, the Company utilizes an internal E-Learning platform to enhance human rights standard education and training programs, helping employees to clearly understand their rights and interests, as well as the Company's human rights policy. **In 2022, the total training hours related to human rights amounted to 215 hours, with a training rate of 87.11%.**

We also established the "Employee Opinion and Complaint Mailbox" (acter885@acter.com.tw), through which employees can express their opinions by email. A dedicated unit will reply to and handle the complaints, while the Complaint Handling Committee is responsible for investigating the content of the complaints, ensuring the reporting channels are smooth, and the investigation procedures are fair and just.

Besides, to protect the rights and interests of workers, Acter will adhere to the "Five Transfer Principles", "Labor Standards Act", and "Act for Worker Protection of Mass Redundancy" in case of significant changes to Acter's operations, business development (including new projects or case closure), or the transfer and career development of any individual employee. This will ensure that employees are given the shortest notice period for business handover, preparation for a new environment, and significant operational changes.

5.3.3 Mitigation Measures

To collaborate with our customers and business partners in jointly promoting labor-management communication and friendly human rights management, we focus on three management directions: **"education and training programs", "advocacy and communication", and "system management"**. Through these approaches, we continuously reduce human rights impacts while expanding our influence. Details are explained as follows:

| | Employees | Customers/ Partners |
|--|--|---|
| Education and training programs | <ul style="list-style-type: none"> Compulsory course on human rights issues for new employees. Conduct annual unlawful infringement training. Hold annual health lecture. | <ul style="list-style-type: none"> Human rights issue communication mechanism. Annual audit training mechanism. |
| Advocacy and communication | <ul style="list-style-type: none"> Advocacy on maintaining reasonable working hours culture. Provide multiple communication channels. Regular advocacy on personal information privacy. Annual health facilitation activity. Annual stakeholder concerns survey | <ul style="list-style-type: none"> Advocacy at Supplier Meeting and through education and training activities Establish Code of Conduct for Supplier Sign Letter of Commitment for Sustainability Commitment to Integrity and Honesty Customer satisfaction survey Annual stakeholder concerns survey |
| System management | <ul style="list-style-type: none"> Leave and Attendance Management System. Reasonable working hours culture management system. Audits and evaluations. | <ul style="list-style-type: none"> Risk self-assessment Supplier sustainability risk assessment |

5.3.4 Supervision Mechanism

To protect the rights and interests of employees and enhance workplace transparency, Acter has established multiple communication and complaint channels, as well as an audit system. Additionally, Acter conducts quarterly employee seminars, labor-management meetings, Employee Welfare Committee meetings, and employee commitment/satisfaction surveys on a regular basis to facilitate two-way communication. We ensure confidentiality of complaint-related information, promptly handle complaints, and implement relevant improvement measures to continually enhance human rights protection. Furthermore, we regularly conduct on-site audits, document reviews, and employee interviews to thoroughly examine and supervise human rights-related issues. **In 2022, Acter did not receive any complaints related to human rights, child labor infringement, or sexual harassment.**

Acter's Implementation of Employee Complaint Channels in 2022

| Communication Channels | Frequency | Conducts | Implementation status of 2022 |
|---|-------------|--|---|
| Notification by e-mail | Irregularly | Upon receipt of the message, the most senior supervisor of the HR unit will timely respond and handle the complaints one-by-one. | Zero complaint. |
| Internal corporate platform | Irregularly | Upon receipt of the message, the most senior supervisor of the HR unit will timely respond and handle the complaints one-by-one. | Zero complaint. |
| Employees' opinions mailbox | Irregularly | Upon receipt of the message, the most senior supervisor of the HR unit will immediately handle the complaint. | Zero complaint. |
| Employees' seminar | Quarterly | The seminar enables Acter to share our business performance with the employees and exchange opinions bi-directionally, helping to reach a consensus between our employees and supervisors. | Held 4 supervisors' meetings and 1 plenary consensus meeting, with a 100% participation rate. |
| Employees commitment/satisfaction survey | Quarterly | With respect to items with which our employees are not satisfied and their opinions, the Company will carry out an internal review and draw up improvement measures accordingly. | Employee commitment/satisfaction level reached 86.56 out of 100. |
| Labor-management meeting | Quarterly | Conduct bi-directional communication regarding employees' health, environmental safety, and benefits, and send the meeting minutes to all employees for their information. | Held 4 labor-management meetings, with the percentage of labor and management representatives being 50% each. |

5.4 Occupational Health and Safety

- GRI: 2-25, 2-27, 403-1 to 7, 403-9, 403-10

5.4.1 EHS Policy and System

Committed to prioritize "**Zero Workplace Safety Incidents, Zero Disasters, and Zero Environmental Hazards**", Acter has established a comprehensive EHS policy. We continuously improve aspects related to the health and well-being of our employees, environmental protection, risk management, regulatory compliance, and full employee participation to provide a safe and healthy work environment. Through the establishment of "Procurement and Material Management Procedures" and "Contractor Management Procedures", we ensure effective communication with our contractors and partners, requiring all personnel entering the site to comply with Acter's EHS policy and relevant regulations to prevent and mitigate negative EHS impacts.

🕒 EHS policy

| | |
|---|--|
| Prioritize "Zero Workplace Safety Incidents, Zero Disasters, and Zero Environmental Hazards" | Persist in prioritizing safety as the utmost concern. Our goal is to achieve zero occupational injuries and fatalities across all company operations and project executions, ensuring our employees work in a safe and secure environment. |
| Facilitate employees' health and welfare | Commit to enhancing and safeguarding the health and well-being of our employees. This includes promoting health self-management in the workplace, strengthening protection and care to employees' physical and mental health, and creating a health-friendly, smoke-free environment in our workplace. |
| Environmental protection and sustainable development | Promote energy-saving, carbon-reduction, resource reutilization, and waste reduction measures; and select professional service providers that comply with environmental protection and energy-saving principles to facilitate environmental conservation and sustainable development. |
| Implement risk management mechanism | Identify potential hazards in the workplace, prevent occupational diseases and injuries, and address environmental concerns proactively. Assess the risk level based on the severity, incident occurrence rate, and exposure, and then propose improvement countermeasures and corrective actions to eliminate hazards and mitigate risks. Establish "General Safety Operating Procedures" to guide workers on identifying and responding to immediate risks. In case of an imminent risk, workers should halt operations, evacuate to a safe place, and promptly report to their direct supervisor to ensure occupational safety. |
| Regulatory compliance | Identify laws, regulations, and contracts; adhere to TOSHMS and ISO 45001:2018 procedures; and refer to various operation guidelines while overseeing the implementation of EHS plans, promoting EHS goals, and establishing and managing relevant regulations and operating procedures. |
| Promote the full participation in training among employees | Promote EHS education and training programs among employees and contractors to enhance their awareness and capabilities in EHS. Additionally, provide employees with consulting and communication channels. |
| Continuously improve the EHS system | Continuously optimize EHS activities and conduct regular reviews. If any abnormalities or deficiencies are identified, request an improvement plan within the specified period. Implement corrective and preventive measures according to the plan and track their implementation until improvements are made, thus optimizing the PDCA management procedures. |

5.4.2 The EHS Culture for All

Acter has established an excellent EHS (Environmental, Health, and Safety) program based on our "people-oriented" spirit. Not only do all levels of managerial officers bear the obligation and responsibility of promoting safety and health, but also we have expanded the scope of EHS activities to include the "full participation of all employees". We encourage every employee to observe their workplace and proactively suggest safety improvements, aiming to create a safe and friendly workplace.

Moreover, to fully implement EHS management, Acter's labor and management representatives have jointly formed the Occupational Safety Committee. Chaired by the General Manager, the Committee is composed of division-level supervisors, safety and health personnel, occupational health service nurses, and elected labor representatives. The Committee holds a meeting every three months and may convene a provisional meeting whenever necessary. As prescribed by the rules, the meeting shall be attended by at least half of all committee members, and the resolutions shall be passed by at least half of the attended committee members. The Committee is responsible for identifying potential EHS hazards, and evaluating and managing relevant risks on a quarterly basis. In addition, during these meetings, it reviews the Company's EHS policy and proposals, conducts high-risk operations-related training and management measures, assesses the implementation of environmental monitoring, and addresses matters related to occupational disease prevention and health facilitation. After completing the review, the Committee reports the results to the Chairman for approval and then makes a public announcement regarding the implementation. These efforts aim to continuously reduce potential safety, health, and environmental risks and enhance the Company's overall EHS performance.

🕒 Occupational Safety Committee Implementation Status

| Occupational Safety Committee | 2020 | 2021 | 2022 |
|---|------------|------------|------------|
| No. of held meetings | 4 meetings | 4 meetings | 4 meetings |
| No. of employer representatives | 4 people | 4 people | 4 people |
| No. of labor representatives | 3 people | 3 people | 3 people |
| No. of female representatives | 3 people | 3 people | 3 people |
| The percentage of labor representatives in the total number of employees (%) | 43% | 43% | 43% |

5.4.3 Occupational Safety Management Effectiveness

Acter's scope of EHS management covers various operating activities (e.g., contracting projects, office operations, safety and health management), products (i.e., the planning, engineering, and implementation of electromechanical and air-conditioning system integration projects), and services (i.e., warranty and transportation). We have also formulated four major protection plans concerning "prevention of human-induced hazards", "prevention of diseases triggered by abnormal workloads", "prevention of unlawful infringement in the workplace", and "maternal health protection" in accordance with the "Occupational Safety and Health Act". We plan and organize workplace safety and health facilitation activities accordingly. **In 2022, we held a total of 15 occupational safety education and training sessions, accumulating a total of 293.5 training hours. Additionally,** we obtained the ISO 45001:2018 and ISO 14001:2015 certifications, demonstrating our commitment to implementing international occupational safety and health standards and protecting the safety and health of all employees.

In the meantime, to effectively reduce the occurrence of occupational disasters on the construction site of the project and achieve the goal of hazard prevention, Acter has collaborated with contractors to build a safe work environment on the construction site. This is accomplished by holding daily toolbox meetings, organizing high-risk operations related education and training sessions for contractors, increasing the joint site patrol and inspection frequency, and promoting the regional manager system. For more information about relevant management approaches, please refer to "Acter's Occupational Safety Management Effectiveness in 2022".

🕒 Implementation Status of Acter's Four Major EHS Protection Plans

| | |
|--|--|
| <p>1 Prevention plan for human-induced hazards</p> <ul style="list-style-type: none"> • 280 people completed the survey. • 7 people completed healthcare assessment and interview. | <p>2 Prevention plan for diseases triggered by abnormal workloads</p> <ul style="list-style-type: none"> • 39 people completed individual case assessment • 10 people completed healthcare assessment and interview. |
| <p>3 Prevention plan for unlawful infringement in the workplace</p> <ul style="list-style-type: none"> • Conducted workplace violence education and training programs and 33 supervisor-level employees participated therein. • 0 workplace violence. • 0 workplace sexual harassment. | <p>4 Maternal health protection plan</p> <ul style="list-style-type: none"> • 3 subjects of the maternal health protection plan completed the physician interview and there was no need to adjust the working hours and content. |

Acter's Occupational Safety Management Effectiveness in 2022

| | |
|---|--|
| Safety and Health Organization Meeting | Hold Occupational Safety and Health Committee meetings on a quarterly basis. |
| Safety and Health Training and Drill | Internal personnel training: Already held 15 occupational safety training sessions with a total of 293.5 hours. Education and training for external contractors: Safety and health advocacy through daily toolbox meetings; emergency response training; personal protective equipment (PPE) wearing training; disciplinary training for high-risk operations; organic solvent operation training; confined space operation training; heat hazard prevention education and training; and so on. |
| Risk Assessment and Safety Audits | Added 1 occupational safety and health-related regulation. Conduct regular legal compliance reviews, totaling 123 documents. Regularly conduct 55 inspections and monthly safety and health patrols and inspections on the construction site. Already implemented 86 safety and health audits, including 65 on-site audits, and 21 online audits during the pandemic intensifying period to reduce staff's risk of infection. |
| Improvement Action Plans | Implemented 9 improvement action plans. |
| Work Environment Inspections | Office CO ₂ concentration detection: 100% qualified. Quarterly drinking water quality testing: 100% qualified, plus regular disinfections. |
| Safety Operating Procedures | Established 50 safety operating procedures. Completed the ISO 45001:2018 Occupational health and safety management systems, newly introduced the Taiwan Occupational Safety and Health Management System (TOSHMS), ISO 45001:2018 Occupational health and safety management systems, ISO 14001:2015 Environmental management systems, and ISO 50001:2018 Energy management systems. Relevant laws, regulations, contracts, and guidelines have been incorporated into EHS management. Totally revised 43 safety operating procedures and 144 safety and health implementation forms. |
| Emergency Response | Established the emergency response task force to conduct regular emergency response training, including fire-fighting drills, scaffold collapse emergency response training, aerial work platform troubleshooting drills, and confined space rescue and first-aid drills. |



Toolbox meeting



Emergency response education and training for contractors



1. Received the "Charter CHG SA Project Environmental, Health and Safety Excellence" from the Big data centers in Taichung and Changhua
2. Received the "No Work-Related Accidents for 11 Consecutive Years (with a total of 6,555,920 hours)" certificate from Industrial Safety and Health Association (ISHA) of the Republic of China.
3. Awarded by China Ecotek Corporation for "Excellent Occupational Safety Vendor - Second Place in Engineering Group".

Acter is committed to creating a safe and healthy working environment. **From November 1, 2011, to February 28, 2023**, Acter has accumulated a total of 6,555,920 hours of accident-free work based on the average number of personnel. In 2022, Acter was recognized and awarded by "China Ecotek Corporation" as an "Excellent Occupational Safety Vendor- Second Place in Engineering Group." Additionally, Acter received the certification as the best EHS (Environment, Health, and Safety) vendor by the customer, demonstrating our dedication to safety.

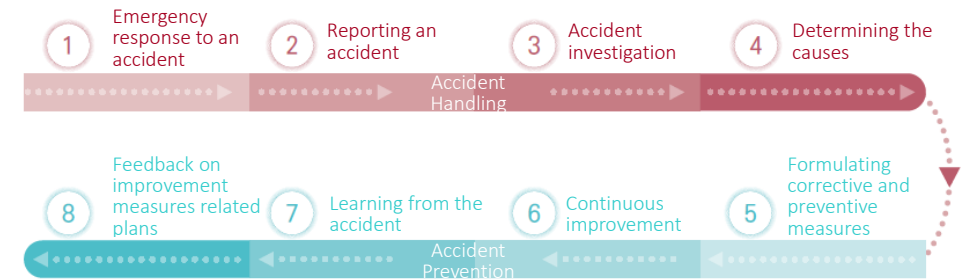
5.4.4. Occupational Injury Statistics Analysis

Acter's occupational injury statistics are based on the definition of occupational injuries according to the "Occupational Safety and Health Act" and key disabling injury statistical indicators announced by the Global Reporting Initiative (GRI), focusing on the disabling injury frequency rate (FR) and disabling injury severity rate (SR) as the main data indicators. **In 2022, Acter's employees maintained a record of 0 significant occupational injuries and 0 FR for 11 consecutive years.** Among the contracted workers, there were a total of 2 significant occupational injuries, mainly due to a worker slipping and falling from the ceiling and an electrical shock incident caused by accidental contact with electrical panels. Following these accidents, Acter promptly investigated the causes, implemented corrective measures, and continued to monitor improvements as per the "Acter's Accident Handling and Prevention Procedures". More detailed information on the relevant control measures can be found in the "Improvement Highlights for Occupational Safety Incidents.

Statistics on Acter's Occupational Injuries Over the Last Three Years

| Statistical indicators | Calculation Method | 2020 | | 2021 | | 2022 | |
|--|--|---------|------------|---------|------------|---------|------------|
| | | Acter | Contractor | Acter | Contractor | Acter | Contractor |
| Absence rate (male) | (number of days absent per year / total number of attendance days)X100% | 0.32% | - | 0.28% | - | 0.45% | - |
| Absence rate (female) | | 0.83% | - | 0.77% | - | 0.95% | - |
| Total working hours | Total working hours | 550,952 | 1,063,288 | 633,400 | 1,278,400 | 736,568 | 1,785,480 |
| No. of recordable occupational injuries | No. of false alarm | 0 | 0 | 0 | 0 | 0 | 0 |
| No. of significant occupational injuries | No. of disabling cases excluding fatalities | 0 | 0 | 0 | 4 | 0 | 0 |
| No. of death | - | 0 | 0 | 0 | 0 | 0 | 2 |
| Rate of recordable occupational injuries | No. of false alarm X 200,000 / Total person-work hours | 0 | 0 | 0 | 0 | 0 | 0 |
| Occupational injury rate | No. of occupational injuries X200,000/ Total person-work hours | 0 | 0 | 0 | 0.63 | 0 | 0.22 |
| Occupational disease rate | No. of occupational diseases X200,000/ Total person-work hours | 0 | 0 | 0 | 0 | 0 | 0 |
| Lost day rate | Total lost work days X200,000/ Total person-work hours | 0 | 0 | 0 | 24.09 | 0 | 1344.18 |
| Disabling injury frequency rate (FR) | No. of people suffering from disabling injuries X1,000,000/ Total person-work hours | 0 | 0 | 0 | 3.13 | 0 | 1.12 |
| Disabling injury severity rate (SR) | No. of days lost by people suffering from disabling injuries X1,000,000/ Total person-work hours | 0 | 0 | 0 | 120.46 | 0 | 6720.88 |
| Frequency-severity indicator (FSI) | √ FR*SR/1000 | 0 | 0 | 0 | 0.614 | 0 | 2.744 |

Acter's Accident Handling and Prevention Process



Improvement Highlights for Occupational Safety Incidents

Enhance inspection and control measures

- Enhance the full inspection and control of electrical equipment and machinery that will be used on-site. Unqualified tools/products must not be used on-site.
- Before commencing operations: Conduct pre-operation inspections considering potential hazards in the environment, equipment/machinery qualification, and functionality, as well as ensuring personnel are wearing appropriate PPE according to the type of operations.
- During operations: Monitor whether personnel are following the project's protection plan and safety standards, prohibit any unsafe actions, address deficiencies found on-site immediately, and issue an improvement notice to the contractor's responsible person and the responsible system engineer.
- After operations: Verify that the environment has been tidied up and reorganized.

Strengthen disaster prevention education and training

- Enhance fall prevention and other disaster prevention education and training for Acter employees and all contractors
- Remind personnel again of the risks present in the daily work environment and the protective measures that need to be strengthened at the daily toolbox meeting.

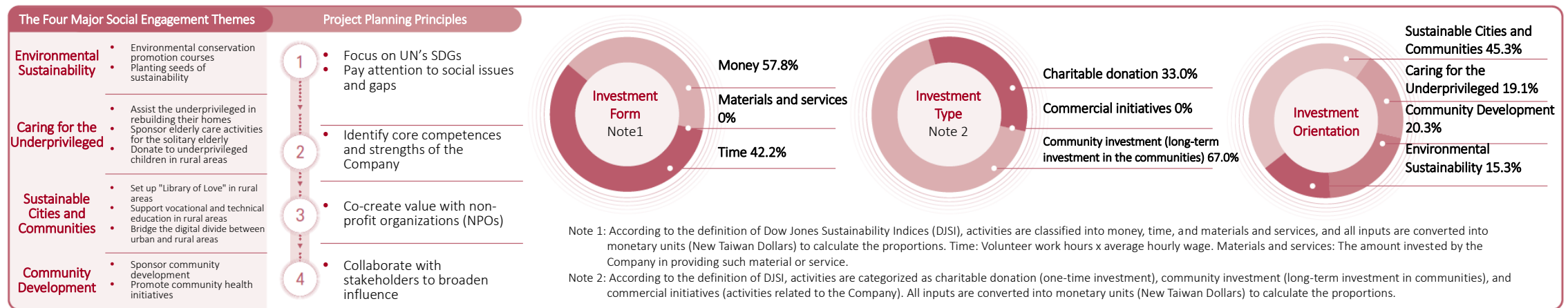
5.5 Social Engagement

• GRI: 2-28, 203-1, 413-1

5.5.1 Create Social Influence

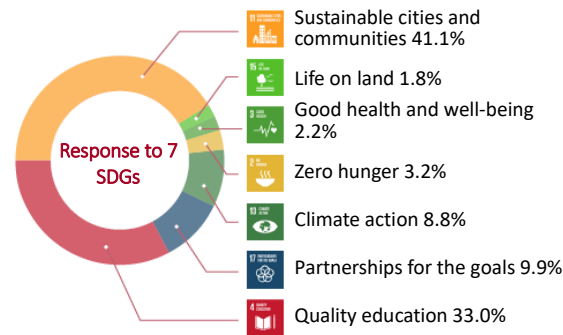
Upholding the sustainable vision of "common good shared by all generations", Acter has listened to societal needs and responded to the "United Nations' (UN) Sustainable Development Goals (SDGs)" by formulating four major social engagement themes, including "Environmental Sustainability", "Caring for the Underprivileged", "Sustainable Cities and Communities", and "Community Development". Taking practical measures, we have invested corporate resources to tackle resource disparities and create value for the common good. In 2022, Acter has invested a total of NT\$2,435,158 in social engagement (including management and volunteer workforce costs), with a total of 488 volunteer hours and reaching over 8,822 individuals.

Vision: Common Good of the Society ▶

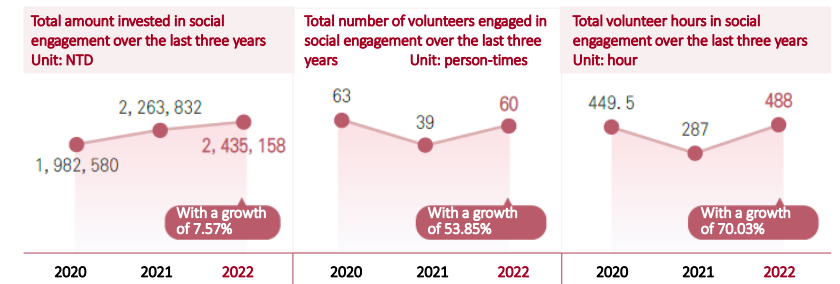


Each year, Acter reviews, evaluates, and analyzes the impact of each social engagement project. We use the SROI (Social Return on Investment) methodology to measure the value created by the activities for society, the environment, or the economy. The goal is to bring about substantial and positive changes in society and meet the expectations of multiple stakeholders. Simultaneously, we also invest in initiatives that align with the United Nations' SDGs and conduct corresponding analyses. Throughout the year, **41.1% of our investment was allocated to promote SDG 11 Sustainable Cities and Communities, 33% to SDG 4 Quality Education**, and the remainder was allocated to enhance SDG 2 Zero Hunger, SDG 3 Good Health and Well-Being, SDG 13 Climate Action, SDG 15 Life on Land, and other goals. In terms of resource allocation, **monetary donations accounted for 57.8%, while time investment accounted for 42.8%**. Additionally, **our focus in activity execution was on long-term investment, accounting for 67%**. This demonstrates Acter's commitment to implementing project activities that align closely with societal needs and foster sustainable development. Furthermore, Acter provides paid volunteer leave within the company to encourage our staff to proactively participate in volunteer activities, creating a people-oriented and society-caring corporate culture that sparks even more positive changes.

◎ The Resource Allocation Percentage for Acter's Implementation of the UN's SDGs in 2022.



◎ Acter's Social Engagement and Investment Status Over the Last Three Years



Note: The decrease in volunteer hours in 2021 was due to the nationwide Level 3 alert for the COVID-19 pandemic in the Republic of China (Taiwan). To implement epidemic prevention measures and reduce group gatherings, Acter had to control and manage the number of participants in volunteer activities, and invest monetary resources to continuously contribute to the society.

Effectiveness of Acter's Social Engagement in 2022

| Internal benefits | <ul style="list-style-type: none"> Implement Acter's "people-oriented" core value via services that are centered around people's well-being Through the planning of social welfare collaborative projects, Acter maintains good interactions with stakeholders, promoting a virtuous cycle and establishing social trust relationships. Through participating in volunteer services, our employees are able to experience the spirit of providing social welfare services and demonstrate it in customer interactions. | | | |
|-----------------------|---|--|--|---|
| | Topic | Cooperating Unit/ Project Proposal | Descriptions | Outcomes |
| External benefits | Environmental Sustainability | Dacheng Elementary School, Changhua The "Catcher in the Rye" activity | Capitalizing on Dacheng's identity as a town with wheat fields, Acter's sustainability volunteers led students to sow wheat fields, fostering a sustainable environment; promoted local agro-food culture; and held energy-saving and carbon-reduction advocacy courses. | <ul style="list-style-type: none"> Volunteer hours totaled 48 hours Reached about 263 people |
| | | International Nature Restoration Action Association (INRAA) The "Clear Air, Clean Mind" action | Donated decomposing bacteria to 40 hectares of fields in Hualien and 50 hectares of fields in Changhua. This action aims to promote the adoption of decomposing bacteria among farmers to address air pollution caused by rice straw. It also facilitates the returning of agricultural waste to the fields, ensuring the circular and sustainable utilization of resources while increasing organic matter in the soil. | <ul style="list-style-type: none"> Donated NT\$225,000 GHG emissions reduced by 810 tons of CO_{2e} per year. |
| | Caring for the Underprivileged | The Hondao Senior Welfare Foundation The "Timely Help for the Elderly in Winter" program | For six consecutive years, Acter has been matched with underprivileged elderly people, including those with low to mid-low incomes and/or physical/mental disabilities, and those who are socially isolated, by the Foundation for the distribution of a shopping allowance. The Foundation's matching service enables Acter to identify and provide support to elderly individuals in need. Acter's volunteers also offer warm one-on-one companionship to help these elderly individuals to go out and purchase festival food and daily necessities. | <ul style="list-style-type: none"> Cumulative donation of NT\$272,900 The cumulative number of people received warmth was 262 Volunteer hours totaled 72 hours |
| | | Taiwan Hope Volunteer Group The "Brick by Brick with Love" activity | For six consecutive years, Acter has been matched with underprivileged by the social welfare group and utilized our core competences in engineering integration services to build warm homes for them. This not only brings warmth to society but also reflects our commitment to the value of 'common good. | <ul style="list-style-type: none"> Volunteer hours totaled 296 hours A total of 6 houses have been constructed for underprivileged, cumulatively reaching 23 people. |
| | Sustainable Cities and Communities | Dacheng Elementary School | To deliver love to rural areas, Acter donated to Dacheng Elementary School to improve its teaching environment and equipment, and to tackle resource disparities. | <ul style="list-style-type: none"> Donated NT\$280,000 Reached about 263 people |
| | | Taiwan Reading Culture Foundation The "Library of Love" project | Donated books to help elementary schools in rural areas set up a "Library of Love". In 2022, 60 boxes (approximately 1,800 books) were donated, with a total borrowing count of 2.47 million times and an average circulation of 4 times per person. | <ul style="list-style-type: none"> Cumulative donation of NT\$3,320,000 Reached about 7,410 people |
| | | Global Views Commonwealth The "Planting the Seeds of Reading – Give Children a Big Future" social welfare project | Sponsored 11 primary schools in Changhua County with a one-year subscription to the monthly magazines "Future Children" and "Future Youth". A total of 34 copies of "Future Children" and 36 copies of "Future Youth" were subscribed, making a grand total of 70 copies. | <ul style="list-style-type: none"> Cumulative donation of NT\$400,000 Reached about 832 people |
| | | Green Miracle | Donated 10 desktop computers, 10 LCD monitors, and 3 laptops to support the Green Computer Recycling Program. This not only helps bridge the digital divide between urban and rural areas, but also promotes environmental protection, carbon reduction, and the reduction of electronic waste. | <ul style="list-style-type: none"> Reached more than 23 people |
| | Community Development | The Hondao Senior Welfare Foundation The "Grandparents Sports Meet" activity | Collaborated with the Foundation to organize a Grandparents Sports Meet, aiming to facilitate community health and well-being. This activity was designed with seven fitness tests tailored for seniors and then, with the companionship of Acter's volunteers, the elderly completed the challenges of this sports competition event. | <ul style="list-style-type: none"> Volunteer hours totaled 72 hours Reached 20 people |
| | | Taiwan Reading Culture Foundation | Sponsored the construction of the nation's first "Library of Love". Sized 800 ping, with one floor underground and three floors above ground, the Library is integrated with a second-hand book integration and exchange center, introducing a new library model. | <ul style="list-style-type: none"> Cumulative donation of NT\$300,000 |
| Comprehensive outcome | <ul style="list-style-type: none"> Investment Amount: The total investment amount in 2022 was NT\$2,435,158. Volunteer Services: Employees within the company participated in volunteer activities during work or vacation time, accumulating a total of 488 hours of volunteer service in 2022. Target Reach: In the social engagement project of 2022, 67% involved long-term community engagement, reaching a total of approximately 8,822 individuals or more. | | | |

5.5.2 Project Highlights



Environmental
Sustainability

Problems We Want to Solve

In the face of climate change, companies need to make use of their strengths, expand their influence, promote environmental sustainability, and take concrete action to mitigate the negative impacts of climate change.

The Actions We Took

- Launched the "Clear Air, Clean Mind" that promotes the use of rice straw decomposing bacteria to mitigate air pollution and greenhouse gas emissions among farmers for the purpose of fostering sustainable recycling.
- Launched the "Catcher in the Rye" project, which combines local characteristics to offer wheat planting experience activities and promote environmental conservation courses, aiming to interconnect agro-food culture education, environmental sustainability, and local identity

Acter's Responses
to SDGs



Change the sky of Taiwan's rice fields and build a friendly and sustainable cycle with farmers- The "Clear Air, Clean Mind" action

To address air pollution problems, Acter made amendments to the "Air Pollution Act" in 2018, imposing penalties on those who burn rice straw. Despite this, many farmers still consider rice straw as agricultural waste, and burning continues to be perceived as the most convenient and effective method of disposal. During the intercropping period between the harvest of the first rice crop and the planting of the second rice crop in Taiwan, the fields are always filled with the pungent smell of burning rice straw, leading to air pollution and significant greenhouse gas emissions.

In 2022, Acter collaborated with INRAA to jointly launch the "Clear Air, Clean Mind", through which farmers were matched to sign the "Commitment to Stop Burning Rice Straw" and be trained with the concepts of using decomposing bacteria to replace the burning of rice straws. This can facilitate the returning of agricultural waste directly to the fields while increasing the organic matter in the soil for a circular and sustainable utilization of resources.

Acter sponsored the decomposing bacteria project with a budget of NT\$225,000, providing it for use in 90 hectares of farmland in Pitou Township (Changhua), and Yuli Township (Hualien). This initiative assists farmers in effectively resolving the rice straw disposal issue under the policy of stopping burning. It not only enables the land environment, farmers, and the government achieving "co-prosperity, common good, and sustainability", but also contributes to improving air quality and mitigating greenhouse gas emissions. **In 2022, Acter helped to reduce a total of 810 tons of CO2e emissions and increased soil organic matter by 36%.** (Note 1)



The decomposition status of rice straw using decomposing bacteria for one week.



Certificate of appreciation from Hualien County Government.

Note 1: According to the statistics of INRAA in 2022, using decomposing bacteria can reduce 9 tons of CO2e per hectare, increase soil organic matter content by 0.3-0.5%, and yield an initial increase of 3% to 5% in agricultural output. Additionally, it can save approximately NT\$3,000-4,000 per hectare in future fertilizers and labor costs.

Acter's Responses to SDGs



◎ Promote the Sustainable Development of the Land and Step towards Happiness – Dacheng Elementary School's "Catcher in the Rye" activity

It has been the third year that Acter has collaborated with Dacheng Elementary School to hold the "Catcher in the Rye" activity. This environment and agro-food education integrated project capitalizes on Dacheng's identity as a town with wheat fields, aiming to bring environmental sustainability issues into schools through sustainable educational promotions and green actions.

In March 2022, Acter's sustainability volunteers returned to Dacheng Elementary School and harvested the wheat, which they planted with the students of Dacheng Elementary School last year. The wheats that already reached student's waist swung with the wind and grow with the children next to the school's sports field, forming a beautiful picture.

In November of the same year, Acter's sustainability volunteers once again led the students of Dacheng Elementary School to sow wheat fields together, experiencing the process of wheat cultivation step by step, from plowing, planting, to irrigation. Located in the southwest corner of Zhuoshui River, Dacheng Township in Changhua is known as the hometown of wheat. Wheat is also recognized internationally as a green material and green building material for circular use. Acter guides the students to personally plant crops in their hometown, connecting agro-food culture education, environmental sustainability, and local identity. This initiative also encourages the students to reflect on how to cherish food and treat the environment with care.



From plowing, planting, to irrigation, guide the students to experience the process of wheat cultivation step by step



Promoting interactive game-integrated environmental education courses.

"We thank Acter's volunteer team for coming to our school every year to sow wheat fields with our children and promote love for the earth and environmental concepts. Our school is very grateful for Acter's dedication to education and its unremitting efforts in promoting environmental protection."

- Director of Dacheng Elementary School

For Year 5 and Year 6 students, we have leveraged our expertise in air conditioning and designed energy-saving and carbon-reduction environmental education courses. Our corporate sustainability task force created climate change educational videos, as well as interactive games to provide an engaging learning experience. This helps students to understand the impacts and effects of climate change, guides them to develop energy-saving habits, practice simple air conditioning energy conservation, and learn proper appliance maintenance. By integrating energy-saving and carbon-reduction practices into their daily lives, students become more conscious of environmental sustainability.

Long-term project from 2020 to 2022

Volunteer hours totaled 140 hours

The total number of people joining the promotional environmental education reached 666



Acter's sustainability volunteers were harvesting the wheat planted together with Dacheng Elementary School's students last year



Caring for the Underprivileged

Problems We Want to Solve

Paying great attention to the current issues faced by the elderly and the social gap, Acter not only provides assistance to the elderly but also establishes connections with local communities and listens to the needs of the local people. It is our expectation to implement improvement projects for underprivileged families through project matching, utilizing our engineering expertise and job functions.

The Actions We Took

- Launched the "Timely Help for the Elderly in Winter" project to provide shopping funds and companionship to underprivileged elderly. This project aims to accompany the elderly in purchasing festive meals and essential supplies, bringing them warmth and adding color to their lives.
- Launched the "Brick by Brick with Love" project, which utilizes our core competences to assist underprivileged in building their home and improving their poor living environment while enhancing local living quality.

Acter's Responses to SDGs



Long-term project from 2017 to 2022

Cumulatively donated NT\$304,800

Volunteer hours totaled 636 hours

The cumulative number of people received warmth was 262 people

🕒 The Warm Companionship for Shopping: Extending a Helping Hand in Times of Need – The "Timely Help for the Elderly in Winter" Program

According to the data from the Ministry of the Interior, Republic of China, future population trends include negative population growth, low birth rates, and an aging population, resulting in challenges posed by an aging society that have become an urgent issue of concern. Given the limited social care resources, Acter collaborates with Hondao Senior Welfare Foundation each year to carry out the "Timely Help for the Elderly in Winter" program. This program provides care and support for solitary underprivileged elderly individuals and is now entering its sixth year.

Shopping may seem like a small matter, but for solitary elderly people with physical limitations, it can be a challenging task. Through our collaboration with the Foundation, Acter was matched with underprivileged elderly individuals, including those with low to mid-low incomes and/or physical/mental disabilities, and those who are socially isolated, for the distribution of a shopping allowance during the festive season each year. With the offering of warm two-on-one companionship, Acter's volunteers help these elderly people to go out for shopping and experience the warm festival atmosphere. Considering that solitary elderly individuals rarely engage in social activities, Acter, in collaboration with the Foundation, designs various interactive games and activities, including singing and dancing, to engage the elderly and familiarize them with their volunteer companions.

Aiming to provide the elderly with safe and secure companionship, Acter's volunteers carefully learned how to safely operate the wheelchair on escalators and in various conditions within the

shopping mall before reaching their destination. An Acter volunteer said, 'I am really happy to be a part of this activity. While providing care and love to the elderly, I also felt loved!' **In 2022, 18 volunteers from Acter joined this program, contributing a total of 72 volunteer hours.** We will continue to bring the influence of virtue into full play and contribute to creating a warm social environment.



Acter's volunteers accompanying the elderly for shopping.



Group photo of this event.

Acter's Responses to SDGs



Walking into Rural Areas with Engineering Expertise to Build Warm Homes for the Underprivileged – The "Brick by Brick with Love" Activity.

For six consecutive years, Acter has been running the "Brick by Brick with Love" volunteer program, fully utilizing our core expertise in engineering and integration services to build or repair homes for the underprivileged. Many of the family cases involve individuals with physical or psychological disabilities, have lost their homes due to disasters, or lack the financial resources to repair their homes. As a result, they have been living in conditions where leaking occurs whenever it rains. **Over the past six years, we have assisted in rebuilding homes for six families, providing aid to approximately 23 individuals.**

This year, Acter was matched with an underprivileged single-parent mother and her son by a social welfare organization. The family resides in the Songlin Tribe of the Sediq people in Wujie, which is also known as the Hometown of Clouds. Sadly, the husband passed away due to illness, leaving the mother (referred to as "Mama Shi") to rely on odd jobs to support the entire family. She lives with her son in a dilapidated and cramped environment in a 60-year-old low house made of wooden boards, and they are unable to improve their current living conditions.

After understanding their situation, **Acter immediately recruited 22 volunteers. Through continuous construction for two weeks, totaling 296 hours**, we carried out various tasks from site preparation to the construction of the steel-structured exterior wall, roof waterproofing, plumbing works, interior partitioning, and interior decoration. All of this was done to rebuild a safe haven for the underprivileged family. We aspire to contribute warmth to society and uphold our original intention of giving back to society, working towards a better future together.

Long-term project from 2017 to 2022

Volunteer hours totaled 1,266 hours

Cumulatively assisted 23 people



Group photo at the end of the project



Occupational safety advocacy before the construction



Construction of external walls/ roof steel structure



Foundation reinforcement with steel bars/ cementing



Installation of electrical circuit



Installation of water pipes



Interior design and decoration



Sustainable Cities and Communities

Problems We Want to Solve

According to the data from the Ministry of Education, approximately 30% of the senior high schools and below across the country are located in rural areas, and many of them are facing challenges related to educational resource disparities and digital divide.

The Actions We Took

- Continued support for reading promotion, sponsored the establishment of the "Library of Love," and planned the volunteer co-reading program.
- Delivered love to rural areas, sponsored schools in rural areas to upgrade teaching facilities, and donated computers and digital equipment to bridge the digital divide between urban and rural areas.
- Launched the "Planting Seeds of Reading – The New Common Good" plan, where elementary schools in rural areas were donated a year's supply of monthly magazines.

Acter's Responses to SDGs



Long-term project from 2012 to 2022

Cumulatively donated NT\$3,320,000

Total borrowing reached 2.47 million people in 2022

Average circulation was 4 times per person

Deliver Love to Rural Areas: Tackle Resource Disparities in Urban and Rural Areas – The "Library of Love" Activity

To tackle resource disparities between urban and rural areas, Acter has been promoting reading together with Taiwan Reading Culture Foundation since 2012. For example, we have built the "Library of Love" for elementary schools in rural areas and donated good books to them every year to drive urban-rural resource sharing. In 2022, Acter totally donated 60 boxes of books (approximately 1,800 books), and supported the establishment of the nation's first "Library of Love" co-reading mall in Caotun, Nantou with our own budget. Integrated with a second-hand book integration and exchange center, the co-reading hall has launched a new library model aid is expected to be launched in 2024.

This year, Acter has formulated the "Library of Love" co-reading plan, with our volunteers heading to Dacheng Elementary School to spend quality co-reading time with the students.



The "Library of Love" co-reading program

Donate Teaching facilities to Improve the Educational of Schools in Rural Areas

Acter delivers love to rural areas every year. In 2022, apart from providing emergency assistance funds and after-school tutoring funds to rural elementary schools each year, Acter donated NT\$280,000 to Dacheng Elementary School to purchase computers and teaching facilities. The donation also covered the upgrade of storage cabinets, desks, and chairs, contributing to an improved and enhanced learning environment for rural students. Moreover, Acter further donated 10 host computers, 10 LCD monitors, and 3 laptops through the green social welfare website to respond to the green computer recycling program. This initiative not only bridges the digital divide between urban and rural areas but also promotes environmental protection, carbon reduction, and the reduction of electronic waste.



Certificate of appreciation from Green Miracle

Acter's Responses to SDGs



Social welfare project from 2021 to 2022

Cumulatively donated NT\$400,000

Cumulatively reached 2,966 people

Investing learning resources in rural areas to enrich learning materials
- The "Planting the Seeds of Reading- Give Children a Big Future" social welfare project.

Acter has long been devoted to tackling urban-rural resource disparities. To provide students in rural areas with even more diverse learning materials, we have been cooperating with Global Views Commonwealth's Future Parenting learning platform since 2021 by making a donation of NT\$200,000 each year for providing 11 elementary schools in Changhua with one year of monthly magazines ("Future Children" and "Future Youth"). This initiative aims to spread the seeds of reading and promote the cultivation and establishment of reading habits, and has reached 1,899 students in the year. Our Company also tracks the usage and reading status of these two magazines at school through questionnaires for teachers, and the survey results are used as reference for our future participation in social welfare projects. According to the statistics, in 2022, over 92% of teachers believe that diverse magazine content contributes to enhancing teaching assistance and supplementation in the classroom, and 96% of teachers believe that this project helps children expand their knowledge and broaden their international perspectives.



The seedlings of reading are taking root and growing strong.

Many thanks to Acter Co., Ltd. for providing our school with library resources, allowing our children to have access to more extracurricular reading materials and various reading choices. This has also enhanced our children's language proficiency, expanded their general knowledge, and improved their overall living abilities. We appreciate your contribution as it has narrowed the urban-rural gap and provided the children with a ladder to reach higher levels of education, seeking a hopeful future. Through your support, the children can find the wings of their dreams in books and embark on the path to fulfillment. We sincerely thank you, and Dacheng Elementary School will be even happier with your presence.

- Teacher of Class A of Year 3, Dacheng Elementary School

From this "Future Youth" magazine, I have learned many things, such as cherishing food and protecting marine life. All of these have expanded my knowledge and broadened my horizons. I want to express special thanks to Acter Co., Ltd. for giving me the opportunity to read this magazine.

- Student of Class B of Year 6, Dacheng Elementary School





Community
Development

Problems We Want to Solve

Upholding the vision of the common good of society, Acter listens to the societal needs, and is committed to creating shared well-being to achieve the goals of co-prosperity, common good, and sustainable development.

The Actions We Took

- Collaborated with the Foundation to organize a Grandparents Sports Meet, aiming to facilitate community health and well-being. This activity was designed with seven fitness tests tailored for seniors and then, with the companionship of Acter's volunteers, the elderly completed the challenges of this sports competition event.

Acter's Responses
to SDGs



Rediscover the Spirit of Youth and Foster a Healthy City – The "Grandparents Sports Meet" Activity

Acter has long been caring for the aging society issues. Recognizing that many elderly individuals have been unable to participate in outdoor activities due to the pandemic, physical degeneration, or illnesses, Acter collaborated with the Hondao Senior Welfare Foundation to organize the "Grandparents Sports Meet" event. This initiative aims to promote community health and social interaction. Acter rallied 12 compassionate volunteers from within the Company to accompany these grandparents and elders in participating in this sports meet, acting as their cheering squad.

As elderly people typically engage in simple activities like gentle clapping or walking in nearby parks, their muscle strength is often insufficient. From our perspective, what they truly need is higher-intensity training that focuses on balance and resistance to strengthen their connective tissues. Therefore, the sports meet activities are designed based on the seven fitness tests for the elderly, incorporating 11 different challenges, including sharpshooter basketball, hand hurdle, wind and fire wheels, pillow fights, and ping pong balance. Additionally, three months before the sports meet, the elderly are led in a weekly "Home Fun Exercise" program to keep their muscles active and provide them with the proper exercise knowledge.

On the day of the sports meet, 20 elderly participants enthusiastically demonstrated their "youthful spirit" as they completed each challenge with vigor. The vibrant atmosphere was no less energetic than that of young people. Some of the elderly shared their thoughts: "The sports meet was incredibly enjoyable, and it made me feel like I was back in my youth!", "After three months of regular exercise, I've noticed improvements in both my physical strength and memory, and my hands shake less.", and "When I was young and in school, we never had the opportunity to participate in sports meets. This was my first time, and I found it to be a lot of fun!" It is our expectation to tackle aging-



The stacking cup and basketball shooting challenges train eye-hand coordination, enhance hand dexterity, and activate reaction abilities.

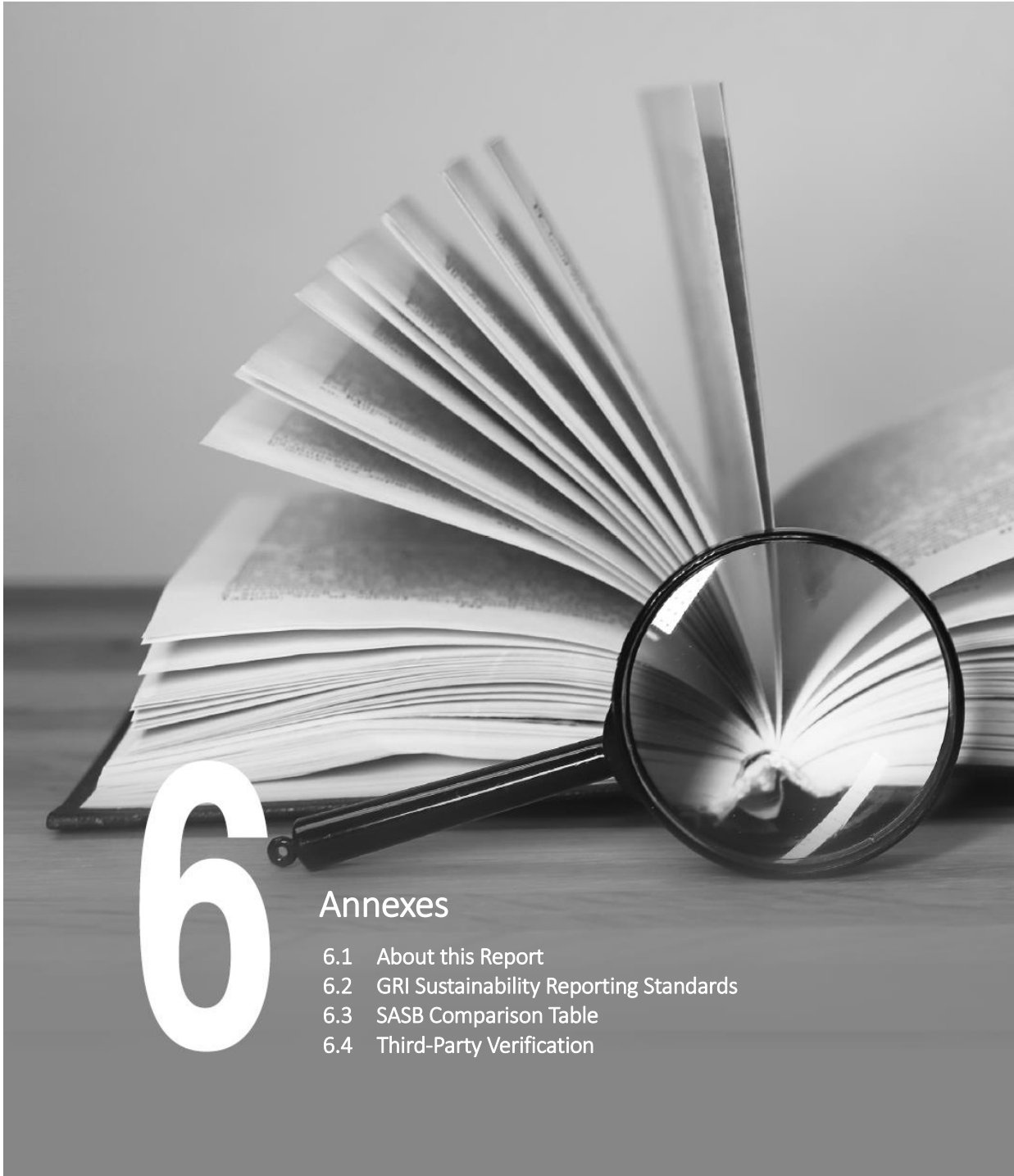


Volunteers were leading physical exercises.



Group photo of this event.

related health issues through a wide range of activities. Additionally, we aim to foster active engagement among elderly individuals in the community and society. We will also consistently encourage them to continue their exercise routines and maintain an active lifestyle beyond the sports meet, so that they can lead healthy and vibrant lives in their golden years.



6

Annexes

- 6.1 About this Report
- 6.2 GRI Sustainability Reporting Standards
- 6.3 SASB Comparison Table
- 6.4 Third-Party Verification



6.1 About this Report



• GRI: 2-1 to 2-5

Acter Co., Ltd. (hereinafter referred to as Acter) has long been committed to promoting and enhancing ESG (environmental, social, and governance) principles. This year marks the 10th year of issuing our sustainability report (formerly known as the corporate social responsibility report before being renamed to sustainability report in 2021; hereinafter referred to as the Report). The Report is prepared following the GRI Sustainability Reporting Standards (2021 version), aligned with the United Nations' Sustainable Development Goals (SDGs), as well as complying with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies", "Task Force on Climate-related Financial Disclosures" (TCFD), and the standards of the Sustainability Accounting Standards Board (SASB). The Report is published in both Chinese and English versions every August, aiming to publicize and transparently disclose our Company's sustainability strategy, implementation approach, and performance achievements. Our objectives are to address global stakeholders' concerns regarding sustainability issues during our sustainable development, listen to different stakeholders' expectations and feedback during our operations, and adjust our corporate sustainability management approaches through annual materiality investigation and analysis. To learn more about Acter's corporate sustainable practices, you can download the electronic version of this report from the "ESG" section on our official website. We sincerely welcome your opinions and feedback; please feel free to contact us.

| Report Preparation Basis | Based on Items/Standards |
|--------------------------|--|
| Data Period | The data period is 2022, spanning from January 1, 2022, to December 31, 2022. The content covers Acter's achievements and performance data in economic, governance, social, and environmental aspects. |
| Scope of Data | The scope of disclosure includes Acter Co., Ltd. and Acter's subsidiaries. Some of the contents in this report pertain to Acter's subsidiaries and have been appropriately marked for clarity. |
| Disclosure Standards | We have referred to the 2021 version of the GRI Sustainability Reporting Standards, as well as the preparation standards of the TCFD and SASB, to enhance the integrity of performance disclosure. |

| Report Information Quality | Based on Items/Standards | Certification / Assurance Agency |
|----------------------------|--|----------------------------------|
| Sustainability Information | AA1000 AS v3 Type 1 Moderate Assurance Level | DNV Taiwan |
| Financial Data | Annual Financial Report | KPMG |
| Greenhouse Gas | ISO 14064-1:2018 Greenhouse Gases | DNV Taiwan |

| | |
|---------------------|---|
| Contact Department | Corporate Sustainable Development Task Force Telephone: +886-4-2261-5288 Ext. 304 Fax: +886-4-2261-5277 E-mail: esg@acter.com.tw |
| Website Information | <div style="display: flex; flex-direction: column; gap: 10px;"> <div>  <p>【ESG】 Download the electronic version of the Sustainability Report in Chinese and English.</p> </div> <div>  <p>【Stakeholder】 Materiality online survey questionnaire</p> </div> <div>  <p>Official FB Fanpage</p> </div> </div> |

| About the Reviews | |
|--|---|
|  Internal Review | All departments collect relevant data and have it examined by department heads before submitting it to the Corporate Sustainable Development Committee. The Executive Secretary then prepares the data into a sustainability report. The sustainability report is first given to all department heads, level by level, for review and is then submitted 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. |

6.2 GRI Sustainability Reporting Standards

- Statement of use: Acter Co., Ltd. has prepared this report based on the GRI guidelines. The information disclosure period for this report is the fiscal year 2022 (January 1, 2022, to December 31, 2022)
- GRI1 used: GRI1: Foundation2021

GRI 2: General Disclosures

| GRI Indicators | Standard No. | Title of Disclosure | Corresponding chapter/ Descriptions | Page |
|--|--------------|--|--|---------------|
| The organization and its reporting practices | 2-1 | Organizational details | About this Report, About Acter | P86, P04 |
| | 2-2 | Entities included in the organization’s sustainability reporting | About this Report | P86 |
| | 2-3 | Reporting period, frequency and contact point | About this Report | P86 |
| | 2-4 | Restatements of information | Explanation of differences: 1. One materiality added in 2022: Climate change energy-saving effectiveness 2. Errors in the calculation of energy consumption per capita, petrol consumption per capita, and water consumption per capita. Relevant data over the last three years have been updated. 3. Performance evaluation coverage rate (%) = Number of employees who should be evaluated / Total number of employees. The chairman, employees with less than 3 months of tenure, employees expected to leave during the evaluation period, and contract workers are excluded from the employees who should be evaluated. Relevant data over the last three years have been updated. 4. The calculation of total social participation investment is revised to only include monetary and manpower inputs for charitable activities. Relevant data over the last three years have been updated. | |
| | 2-5 | External assurance | About this Report, Third-Party Verification | P86, P93 |
| Activities and workers | 2-6 | Activities, value chain and other business relationships | About Acter, 3.2 Green Engineering Management, 3.4 Supply Chain Management | P04, P35, P45 |
| | 2-7 | Employees | 5.1 LOHAS at Acter | P61 |
| | 2-8 | Workers who are not employees | 5.1 LOHAS at Acter, 5.4 Occupational Health and Safety | P61, P73 |
| Governance | 2-9 | Governance structure and composition | 2.1 Corporate Governance, please refer to “2022 Annual Report- Acter” for detailed information | P21 |

GRI 2: General Disclosures

| GRI Indicators | Standard No. | Title of Disclosure | Corresponding chapter/ Descriptions | Page |
|----------------------------------|---------------------------------|---|---|------------------------------|
| Governance | 2-10 | Nomination and selection of the highest governance body | 2.1 Corporate Governance, please refer to "2022 Annual Report- Acter" for detailed information | P21 |
| | 2-11 | Chair of the highest governance body | 2.1 Corporate Governance, please refer to "2022 Annual Report- Acter" for detailed information | P21 |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | 1.1 Sustainable Development Organizations and Strategies, 2.1 Corporate Governance, 4.1 Climate Change Management | P09, P21, P51 |
| | 2-13 | Delegation of responsibility for managing impacts | 1.1 Sustainable Development Organizations and Strategies, 2.3 Risk Management | P09, P26 |
| | 2-14 | Role of the highest governance body in sustainability reporting | 1.1 Sustainable Development Organizations and Strategies, About this Report | P09, P86 |
| | 2-15 | Conflicts of interest | 2.1 Corporate Governance, please refer to "2021 Annual Report- Acter" for detailed information | P21 |
| | 2-16 | Communication of critical concerns | 1.2 Stakeholders and Materiality Analysis, 2.2 Business Integrity, 2.3 Risk Management, 5.3 Human Rights Management | P12, P24, P26, P71 |
| | 2-17 | Collective knowledge of the highest governance body | 2.1 Corporate Governance | P21 |
| | 2-18 | Evaluation of the performance of the highest governance body | 2.1 Corporate Governance | P21 |
| | 2-19 | Remuneration policies | 2.1 Corporate Governance | P21 |
| | 2-20 | Process to determine remuneration | 2.1 Corporate Governance, 5.1 LOHAS at Acter | P21, P61 |
| 2-21 | Annual total compensation ratio | 5.1 LOHAS at Acter | P61 | |
| Strategy, policies and practices | 2-22 | Statement on sustainable development strategy | 1.1 Sustainable Development Organizations and Strategies | P09 |
| | 2-23 | Policy commitments | 2.2 Business Integrity, 3.4 Supply Chain Management, 5.3 Human Rights Management | P24, P43, P71 |
| | 2-24 | Embedding policy commitments | 1.1 Sustainable Development Organizations and Strategies, 2.2 Business Integrity, 2.3 Risk Management, 3.4 Supply Chain Management, 5.2 Talent Development, 5.3 Human Rights Management | P09, P24, P26, P45, P67, P71 |
| | 2-25 | Processes to remediate negative impacts | 2.2 Business Integrity, 2.3 Risk Management, 5.3 Human Rights Management, 5.4 Occupational Health and Safety | P24, P26, P71, P73 |
| | 2-26 | Mechanisms for seeking advice and raising concerns | 2.2 Business Integrity, 2.3 Risk Management, 5.3 Human Rights Management | P24, P26, P71 |
| | 2-27 | Compliance with laws and regulations | 2.2 Business Integrity, 4.2 Energy and Environmental Management, 5.3 Human Rights Management | P24, P57, P71 |
| | 2-28 | Membership associations | 5.5 Social Participation | P76 |

GRI 2: General Disclosures

| GRI Indicators | Standard No. | Title of Disclosure | Corresponding chapter/ Descriptions | Page |
|--------------------------------|--------------|--------------------------------------|---|------|
| Stakeholder engagement | 2-29 | Approach to stakeholder engagement | 1.2 Stakeholders and Materiality Analysis | P12 |
| | 2-30 | Collective bargaining agreements | Unsigned | |
| Disclosures on material topics | 3-1 | Process to determine material topics | 1.2 Stakeholders and Materiality Analysis | P12 |
| | 3-2 | List of material topics | 1.2 Stakeholders and Materiality Analysis | P12 |
| | 3-3 | Management of material topics | 1.2 Stakeholders and Materiality Analysis | P12 |

GRI 200: Economic Series ★Materiality

| GRI Indicators | Standard No. | Title of Disclosure | Corresponding chapter/ Descriptions | Page |
|---------------------------------------|--------------|--|-------------------------------------|------|
| GRI 201: ★ Economic Performance 2016 | 201-1 | Direct economic value generated and distributed | 2.4 Operating Performance | P30 |
| | 201-3 | Defined benefit plan obligations and other retirement plans | 5.1 LOHAS at Acter | P61 |
| GRI 202: ★ Market Presence 2016 | 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | 5.1 LOHAS at Acter | P61 |
| | 202-2 | Proportion of senior management hired from the local community | 5.1 LOHAS at Acter | P61 |
| GRI 204: ★ Procurement Practices 2016 | 204-1 | Proportion of spending on local suppliers | 3.4 Supply Chain Management | P45 |
| GRI 205: Anti-Corruption 2016 | 205-3 | Confirmed incidents of corruption and actions taken | 2.2 Business Integrity | P24 |

GRI 300: Environmental Series ★Materiality

| GRI Indicators | Standard No. | Title of Disclosure | Corresponding chapter/ Descriptions | Page |
|------------------------|--------------|--|--|----------|
| GRI 302: ★ Energy 2016 | 302-1 | Energy consumption within the organization | 4.1 Climate Change Management, 4.2 Energy and Environmental Management | P51, P57 |
| | 302-3 | Energy intensity | 4.1 Climate Change Management, 4.2 Energy and Environmental Management | P51, P57 |
| | 302-5 | Reductions in energy requirements of products and services | 3.1 Innovation and R&D, 3.2 Green Engineering Management | P33, P35 |

GRI 300: Environmental Series ★Materiality

| GRI Indicators | Standard No. | Title of Disclosure | Corresponding chapter/ Descriptions | Page |
|---|--------------|--|-------------------------------------|------|
| GRI 305: ★ Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | 4.1 Climate Change Management | P51 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | 4.1 Climate Change Management | P51 |
| | 305-3 | Other indirect (Scope 3) GHG emissions | 4.1 Climate Change Management | P51 |
| GRI 308: ★ Supplier Environmental Assessment 2016 | 308-1 | New suppliers that were screened using environmental criteria | 3.4 Supply Chain Management | P45 |
| | 308-2 | Negative environmental impacts in the supply chain and actions taken | 3.4 Supply Chain Management | P45 |

GRI 400: Social Series ★Materiality

| GRI Indicators | Standard No. | Title of Disclosure | Corresponding chapter/ Descriptions | Page |
|--|--------------|--|-------------------------------------|------|
| GRI 401: ★ Employment 2016 | 401-1 | New employee hires and employee turnover | 5.1 LOHAS at Acter | P61 |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 5.1 LOHAS at Acter | P61 |
| | 401-3 | Parental leave | 5.1 LOHAS at Acter | P61 |
| GRI 402: ★ Labor/ Management Relations 2016 | 402-1 | Minimum notice periods regarding operational changes | 5.3 Human Rights Management | P71 |
| GRI 403: ★ Occupational Health and Safety 2018 | 403-1 | Occupational health and safety management system | 5.4 Occupational Health and Safety | P73 |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | 5.4 Occupational Health and Safety | P73 |
| | 403-3 | Occupational health services | 5.4 Occupational Health and Safety | P73 |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | 5.4 Occupational Health and Safety | P73 |
| | 403-5 | Worker training on occupational health and safety | 5.4 Occupational Health and Safety | P73 |
| | 403-6 | Promotion of worker health | 5.4 Occupational Health and Safety | P73 |

GRI 400: Social Series ★Materiality

| GRI Indicators | Standard No. | Title of Disclosure | Corresponding chapter/ Descriptions | Page |
|---|--------------|---|---|----------|
| GRI 403: ★ Occupational Health and Safety 2018 | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 5.4 Occupational Health and Safety | P73 |
| | 403-9 | Work-related injuries | 5.4 Occupational Health and Safety | P73 |
| | 403-10 | Work-related ill health | 5.4 Occupational Health and Safety | P73 |
| GRI 404: ★ Training and Education 2016 | 404-1 | Average hours of training per year per employee | 5.2 Talent Development | P67 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | 5.2 Talent Development | P67 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | 5.1 LOHAS at Acter | P61 |
| GRI 405: ★ Diversity and Equal Opportunity 2016 | 405-1 | Diversity of governance bodies and employees | 5.1 LOHAS at Acter | P61 |
| | 405-2 | Ratio of basic salary and remuneration of women to men | 5.1 LOHAS at Acter | P61 |
| GRI 406: Non-Discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | 5.3 Human Rights Management | P71 |
| GRI 408: Child Labor 2016 | 408-1 | Operations and suppliers at significant risk for incidents of child labor | 5.3 Human Rights Management | P71 |
| GRI 412: ★ Human Rights Assessment 2016 | 412-2 | Employee training on human rights policies or procedures | 5.3 Human Rights Management | P71 |
| GRI 414: ★ Supplier Social Assessment 2016 | 414-1 | New suppliers that were screened using social criteria | 3.4 Supply Chain Management | P45 |
| | 414-2 | Negative social impacts in the supply chain and actions taken | 3.4 Supply Chain Management, 5.3 Human Rights Management | P45, P71 |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 2.3 Risk Management, 3.3 Customer Services and Management | P26, P43 |

Specific to Acter ★Materiality

| GRI Indicators | Title of Disclosure | Corresponding chapter/ Descriptions | Page |
|-----------------------------------|--|--------------------------------------|------|
| ★Innovative Technology Services | Evaluation of R&D investment and output efficiency | 3.1 Innovation and R&D | P33 |
| ★Customer Services and Management | Customer satisfaction survey | 3.3 Customer Services and Management | P43 |


6.3 SASB Comparison Table

- Acter has referred to the Sustainability Accounting Standards Board (SASB) for the disclosure of internal information related to significant map indicators in the engineering services industry. The corresponding index is as follows:

| SASB Topics | Code | Measurement | Metric | Corresponding chapter/ Descriptions |
|---|--------------|-----------------|---|--|
| Environmental Impacts of Project Development | IF-EN-160a.1 | Absolute number | Number of incidents of non-compliance with environmental permits, standards, and regulations | Not applicable to this Company |
| | IF-EN-160a.2 | None | Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction | Not applicable to this Company |
| Structural Integrity & Safety | IF-EN-250a.1 | Amount | Amount of defect- and safety-related rework costs | Not applicable to this Company |
| | IF-EN-250a.2 | Amount | Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents | Not applicable to this Company |
| Workforce Health & Safety | IF-EN-320a.1 | Rate | (1) Total recordable incident rate (TRIP) and fatality rate for direct employees (2) Total TRIP and fatality rate for contract employees | 5.4.4. Occupational Injury Statistics Analysis |
| Lifecycle Impacts of Buildings & Infrastructure | IF-EN-410a.1 | Absolute number | Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification | Not applicable to this Company |
| | IF-EN-410a.2 | None | Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design | 3.2 Green Engineering Management |
| Climate Impacts of Business Mix | IF-EN-410b.1 | Amount | Amount of backlog for (1) hydrocarbon related projects and (2) renewable energy projects | Not applicable to this Company |
| Business Ethics | IF-EN-510a.2 | Amount | Total amount of monetary losses as a result of legal proceedings associated with charges of bribery or corruption and anticompetitive practices | No such incident in 2022 |
| | F-EN-510a.3 | None | Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes | 2.2 Business Integrity |
| Activity Metrics | IF-EN-000.A | Absolute number | Number of active projects | 595 projects |
| | IF-EN-000.B | Absolute number | Number of commissioned projects | 592 projects |
| | IF-EN-000.C | Amount | Total backlog | 30.39 billion |

6.4 Third-Party Verification

• GRI: 2-1 to 2-5



Independent Assurance Statement

Scope and Approach

Acter Co. Ltd. ("Acter" or "the Company") commissioned DNV Business Assurance Co., Ltd. ("DNV") to undertake independent assurance over the 2022 Sustainability Report for the year ended 31 December 2022 ("the Report").

We performed our work using AA1000 AS v3 and DNV's assurance methodology VeriSustain™, which is based on our professional experience and international assurance best practices, including International Standard on Assurance Engagements 3000 (ISAE 3000) and the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

We understand that the reported financial data and information are based on the data from the Company's Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is not within the scope of our work.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion. We are providing the evaluation of reporting principles with a Type 1, Moderate level of assurance, according to the DNV VeriSustain™ Protocol.

Responsibilities of the Directors of Acter and of the Assurance Providers

The Directors of Acter have sole responsibility for the preparation of the Report. In performing our assurance work, our responsibility is to the management of Acter; however, our statement represents our independent opinion and is intended to inform all of Acter's stakeholders.

DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Basis of Our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at the Company level. We undertook the following activities:

- Review of the current sustainability issues that could affect Acter and are of interest to stakeholders.
- Review of Acter's stakeholder engagement approach and recent outputs.
- Review of information provided to us by Acter on its reporting and management processes relating to the Principles.
- Interviews with selected senior managers responsible for the management of sustainability issues and review of selected evidence to support the issues discussed.
- Visits to Acter's headquarter in Taichung to assess processes and systems for preparing data and implementing sustainability strategies.
- Review of supporting evidence for key claims and 2022 data in the Report, as reported information beyond 2022 is not within the scope of the current engagement. Our checking processes were prioritised according to materiality, and we based our prioritisation on the materiality of issues at the consolidated corporate level.
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation. Where data of financial performance had been checked by another third party, we tested the transcription from these sources to the Report.
- An independent assessment of Acter's reporting according to the Global Reporting Initiative (GRI) Sustainability Reporting Standards.
- The verification was conducted based only on the Chinese version Report.

¹ The VeriSustain™ Protocol is available on dnv.com



Opinion

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Acter's adherence to the Principles.

In terms of reliability of the performance data, in accordance with Moderate level assurance requirements, nothing came to our attention to suggest that these data have not been properly collated from the information reported at the operational level nor that the assumptions used were inappropriate.

Observations

Without affecting our assurance opinion, we also provide the following observations.

Stakeholder Inclusiveness

The Company has identified the expectations of stakeholders through internal mechanisms in dialogue with different groups of stakeholders. The stakeholder concerns are well identified and documented, and the significant sustainability issues identified through this process are reflected in the Report.

Sustainability Context

The Report provides an accurate and fair representation of the level of implementation of related corporate sustainability policies and meets the content requirements of the GRI Standards.

Materiality

The process developed internally has not missed out any significant, known material issues, and these issues are fairly covered in the Report. A methodology has been developed to evaluate the priority of these issues. Based on the current process, enhancing the materiality review process to objectively identify material issues of Acter's activities.

Completeness

The Report covers performance data reference the GRI Standards indicators that are identified as material within the Company's reporting boundary. The information in the Report includes the Company's most significant initiatives or events that occurred in the reporting period. However, it can be improved to disclose full contents for those indicators.

Accuracy and Reliability

The Company has developed the data flow for capturing and reporting its sustainability performance. In accordance with Moderate level assurance requirements, we conclude that no systematic errors were detected which causes us to believe that the specified sustainability data and information presented in the Report are not reliable.

Impact

The Company presents the impacts related to its identified material topics by measuring and monitoring impacts through appropriate performance metrics demonstrating outcomes and outputs of its value creation processes. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact. We acknowledge the important efforts in incorporating the concept of impact and encourage further consideration across the Company's growing business areas and along value chains.

For and on behalf of DNV Taiwan
Date: 05 June, 2023

Jehny Wu
Jehny Wu
Lead Verifier
Business Assurance
DNV Taiwan
Statement Number: C601201-2022-AG-TWN-DNV

David Hsieh
David Hsieh
District Manager,
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