

ACTER CO., LTD Corporate Sustainability Report



Acter's Corporate Spirit

Honesty and Innovative Service

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

Honesty



Concentrating on engineering turnkey services, Acter provides customers the most applicable solutions, an excellent engineering quality, and comprehensive cost plans to satisfy customers' demand for "a quality space". It is also our goals to, by extending its diverse network and actively building the market in Asia, reduce influence of specific industry and have a better development.

Professionalism



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

Internationalism



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

Sustainability



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





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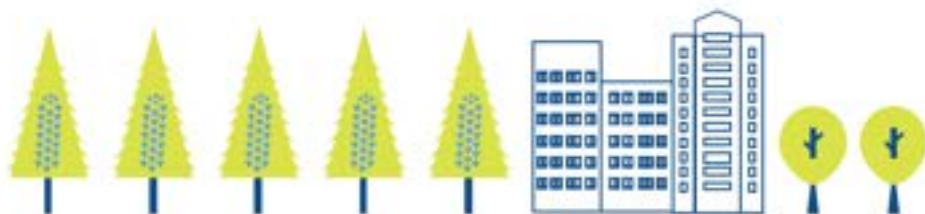
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About this Report

Principles

Acter Co., Ltd. (hereinafter referred to as “Acter” or “the Company”) has long been dedicated to promote corporate social responsibilities. After the issuance of our first Corporate Social Responsibility (hereinafter referred to as “CSR”) Report in November of 2013, we have proactively issued CSR report for five consecutive years. With honest and transparent information, we regularly disclose our business sustainability measures and performance thereof to our stakeholders. This report demonstrates our continuous efforts and results in regard to the economy, environment and society. Our CSR reports, which are available in Chinese and English

versions, can be downloaded from the “Corporate Social Responsibilities” section on our official website. Starting from 2017, we also proactively responded to projects related to United Nation’s 17 Sustainable Development Goals (SDGs). It is our expectation to make improvements on the world’s sustainability issues with real action. We believe that, only by continuously creating values, we will be able to maintain business sustainability. We hope that this report will respond to stakeholders’ concerns in regard to Acter’s sustainable development in engineering and that, with public and transparent information, we will learn from the others and grow together, creating a beautiful future hand in hand.

The 2018 CSR report is estimated to be released in: August, 2019.

Information Category



Inside the Organization

Information disclosed in this report includes Acter’s actions taken for environmental protection, corporate governance and social participation from January 1 of 2017 to December 31 of 2017. The scope of the report’s contents mainly focuses on Acter and some of the contents are related to Acter’s affiliates. The Company’s subsidiary “Nova Technology Corp.” already released its own CSR report.

Outside the Organization

The scope of disclosure outside the organization includes the competent authority, customers, shareholders/investors and suppliers.

Review



Internal Review

The information and data of this report are collected and summarized by each department, examined by department heads, and then submitted to the CSR promotion committee for confirmation. After acquired all necessary information and data, each department head shall have them all reviewed again before submitting them to the Chairman for approval.

External Review

The financial data of this report are based on annual financial statements certified by KPMG, and are calculated in New Taiwan Dollar (NTD). Relevant environmental management system (ISO 14001), quality management system (ISO 9001), occupational safety and health management system (OHSAS 18001; CNS 15506) are all certified by an impartial third party. All sustainability relevant data in this report has also been certified by PwC Taiwan.

Time Frame of Information Disclosure	Scope of Collected Information – Inside the Organization	Scope of Collected Information – Outside the Organization	Data Quality Management	GRI Level	Assurance Level
2017/1/1-2017/12/31	The scope of the report's contents mainly focuses on Acter; parts that are related to Acter's affiliates are marked in this report.	Competent authority Customers Shareholder/ Investors Suppliers	Financial data - KPMG Quality information - ISO 9001 -SGS, Taiwan Environmental data - ISO 14001 -AFAQ, Taiwan Social information - OHSAS 18001 -AFAQ ,Taiwan	Core items of GRI Standards	ISAE 3000 / Standard 1 of Statement of Assurance Standards of Republic of China



Acter CSR
Website



Acter Facebook
Fan Page

To protect our environment and cherish all resources of the earth, this report is available only as a paperless electronic document on the Company's Chinese and English CSR website. If you have any suggestions to or concerns in regard to this CSR report, we welcome you to contact us in any of the following ways:

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Words from the Chairman

There is no end for pursuing corporate sustainability and fulfilling corporate social responsibilities. Becoming stronger and more sophisticated will make a company more competent, complete and being able to contribute to shareholders, employees, society and environment. Creating a platform for the youth is to reach our goal of “becoming better” than “being good”.

Having symmetric and transparent information; building a cohesive team; being honest to stakeholders are our first steps to shape our corporate culture. By doing so, we have managed to build trust and credibility with customers, win the brand reputation and position ourselves as a creator of quality space with our quality control measures, safety, technology and short-lead time.

On the premise to protect our living environment, Acter focuses on consolidation of stocks and technology orientation. Our core competencies are system integration and applications, including energy saving, waste reduction and recycling. We are seeking not only to become better and better to save sustainable resources for earth, but also to take actions after the actions.

Whatever we take from the society shall be used for the society: Walnuts and pears you plant for your heirs. With our core competence, we are doing our best to care for the society and sow the seeds for future generations. We encourage our staffs to join the line to do something that is really meaningful. This will surely continue generation after generation and we will become better year after another year.

Chairman,

孫 進 利



An Overview of Sustainability (ESG) Performance

Acter has been putting effort in corporate governance, environmental protection and social participation to, with our corporate core competencies, fulfill our corporate social responsibilities. Our achievement in aforesaid sustainability issues in 2017 is as follows:



Environment

1. Assisting customers in promoting green engineering, power saving and carbon reduction; acquiring one EEWH green building label and one EEWH green building candidate label for two projects in 2017.
2. Green procurement rate increased by 82% comparing with 2016.
3. Proactively checked the headquarters' greenhouse gas emission, which was 126.31 tonnes of CO₂e in 2017.
4. The power consumption reduced by 61% comparing with 2016.
5. The gasoline use reduced by 29% comparing with 2016.
6. Complied with environmental regulations and no penalty was imposed therefor in 2017.



Government

1. Ranked on the top 5% of the 4th Corporate Governance Evaluation.
2. Return on equity reached 24.41 %
3. In 2017, Acter's consolidated revenue reached NTD11.438 billion and broke history high record with an annual increase of 36%. The net income after tax was NTD842 million (93% of growth) with an ESP of NTD18.17 (92% of growth).
4. Conducted an external evaluation of performance of the Board of Directors: the result was between "good" and "excellent".
5. The average customer satisfaction level reached 90, which was higher than the estimated score ("85").
6. Local procurement rate reached 95%.
7. 100% of Acter's suppliers have signed "Letter of Commitment for Integrity and Probity".
8. Complied with economic regulations and no penalty was imposed therefor in 2017 (ex. anti-corruption, anti-money laundering and anti-competitive practice).



Social

1. Proactively participated in community welfare activities to make returns to the society.
In 2017, totally contributed 4,607,868, with a growth of 84% comparing with 2016; all volunteers contributed 361 hours in total, with a growth of 93% comparing with 2016.
2. Zero injury rate
The accumulated accident- and incident-free working hours from to 2016 was: 2,913,224 hours (280 participated labors)
3. Educational training achievement rate was 100%
4. Stipulated and implemented "Human Rights Policy of Acter" to protect the human rights and benefits of all employees (current staffs, contractual and temporary staffs, interns and so on).
5. Complied with social regulations and no penalty was imposed in 2017 (ex. labor).



Glory and Affirmation



**Commonwealth Magazine
(2017)**
Corporate Citizenship Award
(Top 6)



**The 4th Corporate
Governance Evaluation**
Top 5%



**Occupational Safety and Health
Administration, Ministry of Labor**
Issued a certificate for 2,913,224
accident- and incident-free working hours



**Affirmation from the
Customer**
The 2017 ASE Best
Supplier Award



Affirmation from the Customer
Certificate of Appreciation issued
by Tainan Science Park in 2017



**The 2017 TCSA Bronze
Award (Service Industry,
Sustainability Report)**

Top 2,000 of Commonwealth Magazine in 2017

On the “Top 2,000 Service Industry Enterprises of 2017” list announced by the Commonwealth Magazine in May of 2018, Acter improved its ranking position from the 170th to the 125th position comparing with 2016. In the “engineering subcontracting industry”, it was ranked on the 7th instead of the 13th comparing with the previous year.





About Acter

- 1.1 Brand Prospects
- 1.2 Business Philosophy
- 1.3 Primary Business and Service Targets
- 1.4 Organizational Framework and Management Team

With its headquarters located in Taichung City, Acter Co., Ltd. was established in 1979 to provide professional engineering turnkey services. Upholding the spirit of “Honesty and Innovative Services”, we provide customers high-quality services with human-based engineering integration technology. Until today, we have always insisted on our business philosophy of becoming “the creator of quality space”. We have set our feet firm in Taiwan while proactively extending our international market; with 19 affiliates established in Taiwan and Asia, Acter has 1,021 employees and paid-in capital of NTD470 million. In 2017, the group’s consolidated revenue reached NTD11.4 billion.



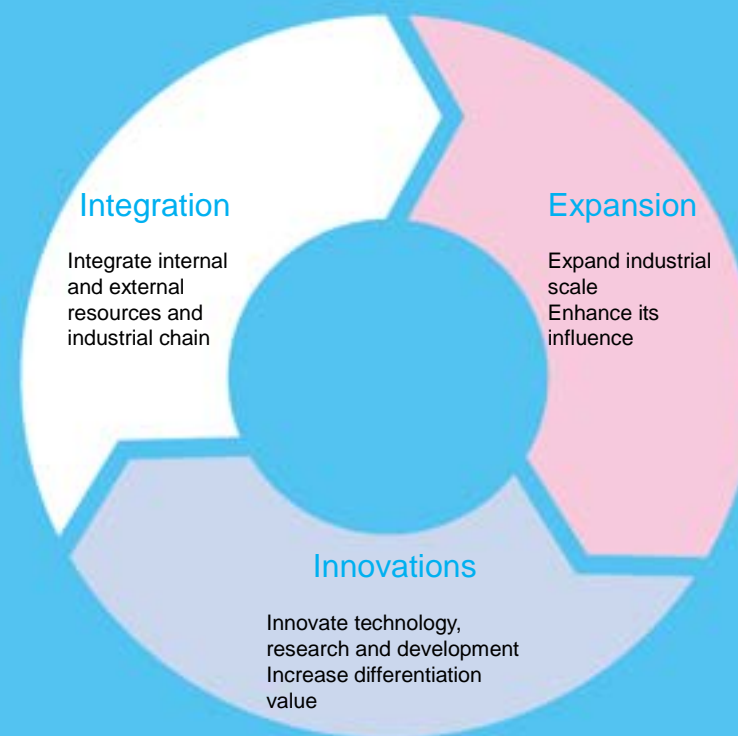
1.1 Brand Prospects

Upholding the spirit of “Honesty and Innovative Services”, Acter provides customers high-quality services with human-based engineering integration technology. We have built a professional and reliable brand image, and continuously built sustainable development into our road map. We believe that, apart from concentrating on our business operations, Acter will become a true corporate citizen and the one whom our employees, customers, suppliers and the environment of this planet trust the most by fulfilling our corporate social responsibilities.

Acter's Profile

Founded in	1979
Headquarters	Taichung City, Taiwan
Paid-in capital	470 million
Affiliates	19 (4 in Taiwan and 15 in overseas, excluding Acter)
Number of group employees in 2017	1,021 people
The group's total revenue in 2017	11,437,682,000
The group's total project value in 2017	14,846,087,000

Acter's Value Creation Model





1.2 Business Philosophy

Oriented on “honesty, professionalism, internationalism, and sustainability”, Acter expects to achieve our objectives of “top quality, leading technology and comprehensive service”. With a meticulous attitude, we have been continuously providing customers the best service quality and, through engineering innovations and integration services, built the topnotch engineering team.



① Concentrating on the main business while diversifying our operations

Concentrating on engineering turnkey services, Acter provides customers the most applicable solutions, an excellent engineering quality, and comprehensive cost plans to satisfy customers' demand for “a quality space”. It is also our goals to, by extending its diverse network and actively building the market in Asia, reduce influence of specific industry and have a better development.



② Expanding our worldview for international development

Acter's target is the global market. As long as there are people and industries, then there are demands for a quality space. Starting from Taiwan, the company has gradually extended its network to mainland China and Southeast Asia. To accelerate our international distribution and development, the Company also seeks to collaborate and cooperate with advanced companies from overseas. It is our goal not only to set our feet firm in Taiwan and deepen our network in mainland China, but also head towards to places around the corners where people need our services.



③ Cultivating talents and pursuing sustainable development

“Talents” are the most important cornerstones for corporate sustainable development. We have cultivated outstanding talents and give them a stage to grow and to bring their skills into full play. This not only enables them to succeed at work, but also facilitate the development of our corporate sustainability. In the meantime, we also look for international talents and enhance the capabilities of engineering talents to lay the foundations of the organization and pursue sustainable development.



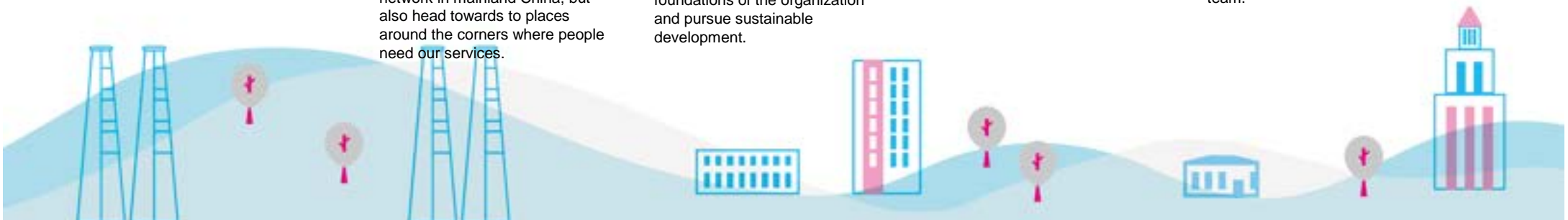
④ Customers and suppliers chains are our partners

Suppliers are important partners of Acter. A strong and complete supply chain is one of our key success factors. By proactively cooperating with suppliers and establishing our technical skills, we have managed not only to satisfy customers' demands, but also create a firm and strong partnership, making all of us a winner.



⑤ Taking employees' welfare and shareholders benefits into consideration

As our employees are a part of the family, we provide employees welfares measures that are above the industry's average. We make efforts together and share the glory. We also pay a great attention to shareholders' benefits and cherish their investment and supports. We have been cautiously and conscientiously abiding by our business philosophy, and making our greatest effort to become a reliable engineering service team.





1.3 Primary Business and Service Targets

Acter provides professional engineering turnkey services. From design, procurement to constructions, we provide customers a comprehensive plan and services. With a high degree of professionalism, we strictly monitor and control each process to ensure that customers' requirements are met and projects are completed timely. For example, negotiating with the customers for their factory building demand; doing a comprehensive design and plan; ensuring the procurement is precise; and assuring the construction quality.

The scope of Acter's main business includes high-tech production/ clean room engineering integration; electromechanical and air-conditioning system integration; chemical system integration; environmental engineering integration and so on. We have been working with customers from various industries and backgrounds, instead of focusing on one single field or industry. We provide diverse professional and technological services, including comprehensive planning and design; engineering procurement; engineering, construction and project management; equipment manufacturing; commissioning operations and maintenance.

"Providing quality engineering services and satisfying customers' demands" are the values of Acter. We have continuously improved and enhanced our professional competencies, expecting that our professional and reliable services will help us to win affirmation from our customers. We are also doing our best to become a "professional and reliable engineering service team".



High-tech production/ clean room engineering integration

- ⊙ Clean room engineering
- ⊙ Biomedical engineering
- ⊙ Clean Constant temperature and humidity engineering
- ⊙ Green energy saving engineering
- ⊙ Central monitoring and control system
- ⊙ On-site operational services
- ⊙ Maintenance engineering



Mechanical, electrical and air-conditioning systems integration

- ⊙ Electromechanical fire-fighting system engineering
- ⊙ Air-conditioning ventilation system engineering
- ⊙ Production system engineering
- ⊙ Utility hook up system engineering
- ⊙ Ice-storage system engineering



Chemical system integration

- ⊙ Chemical supply system
- ⊙ Gas supply system
- ⊙ Chemical mechanical polishing (CMP) supply system
- ⊙ Water, gas and chemical system integration
- ⊙ Heating control system
- ⊙ Valve manifold box/ panel (VMB/P); waste solvent recycling facilities



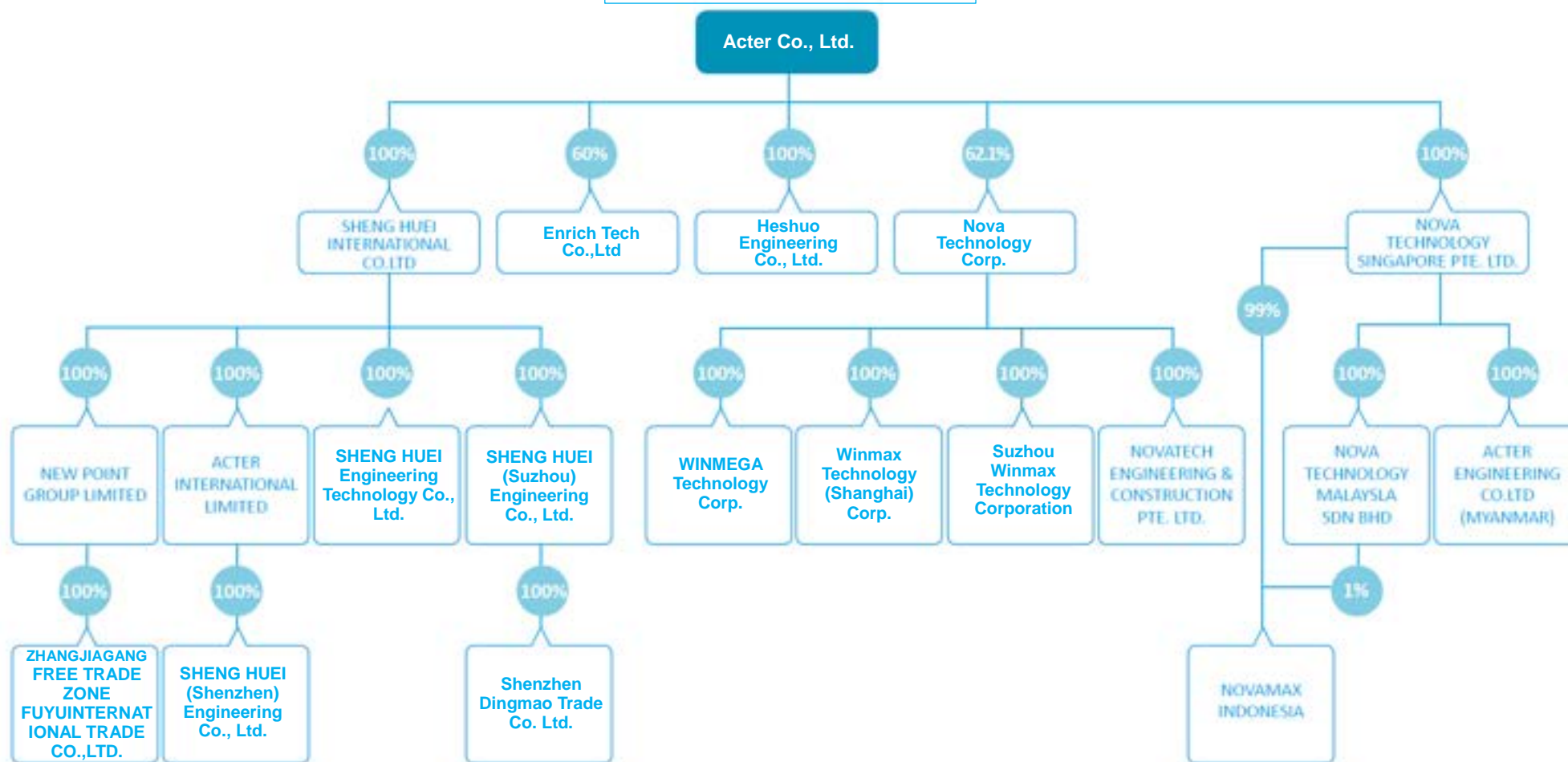
Environmental engineering integration

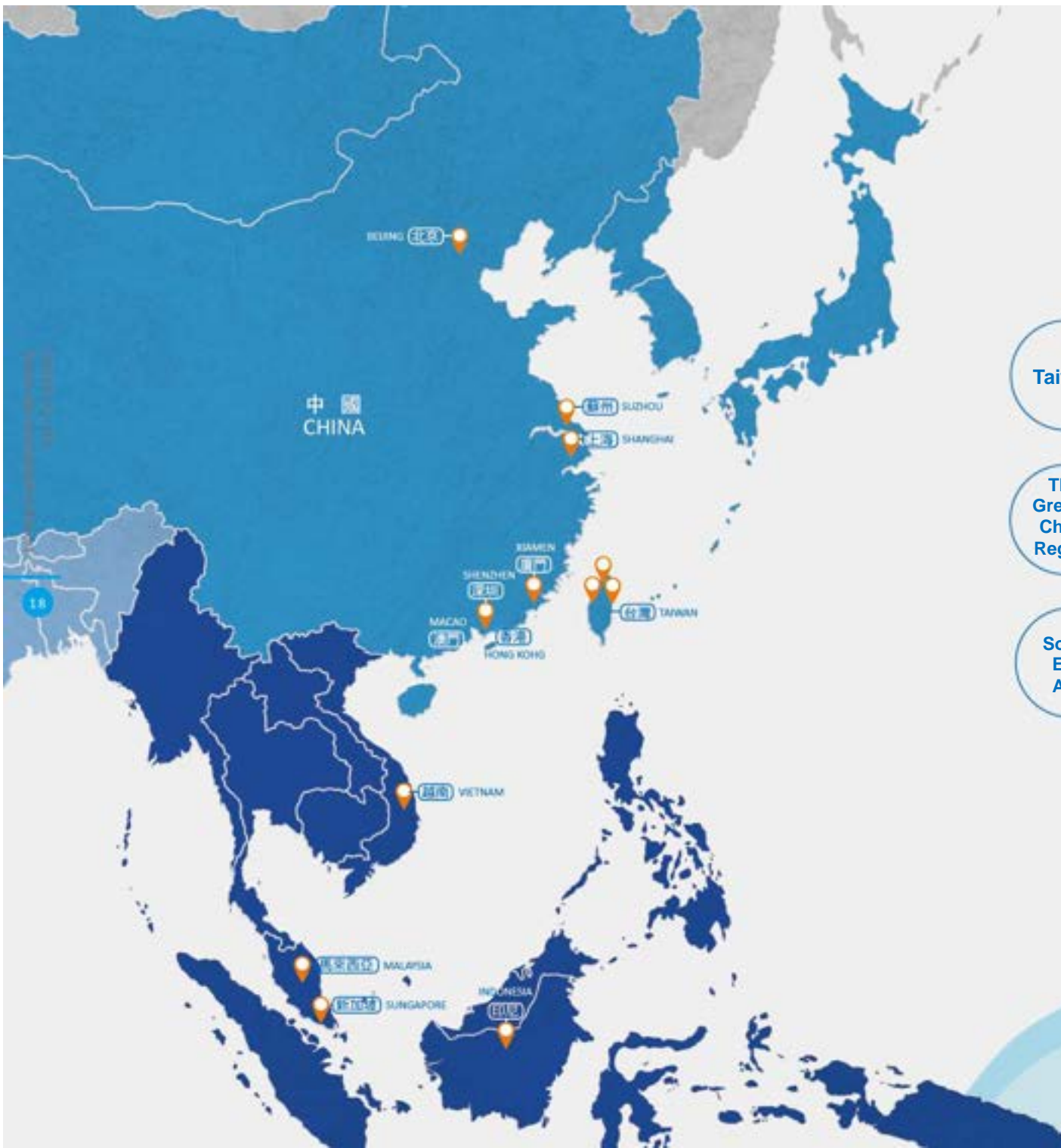
- ⊙ Pure water system
- ⊙ Waste water processing system
- ⊙ Waste liquid recycling system
- ⊙ Acid-alkali exhaust system
- ⊙ Waste water regeneration, circulation, recycling and reuse



1.4 Organizational Framework and Management Team

Organizational Chart of Acter Group





Taiwan

Four operational centers, which are distributed in Taichung and Hsinchu

The Greater China Region

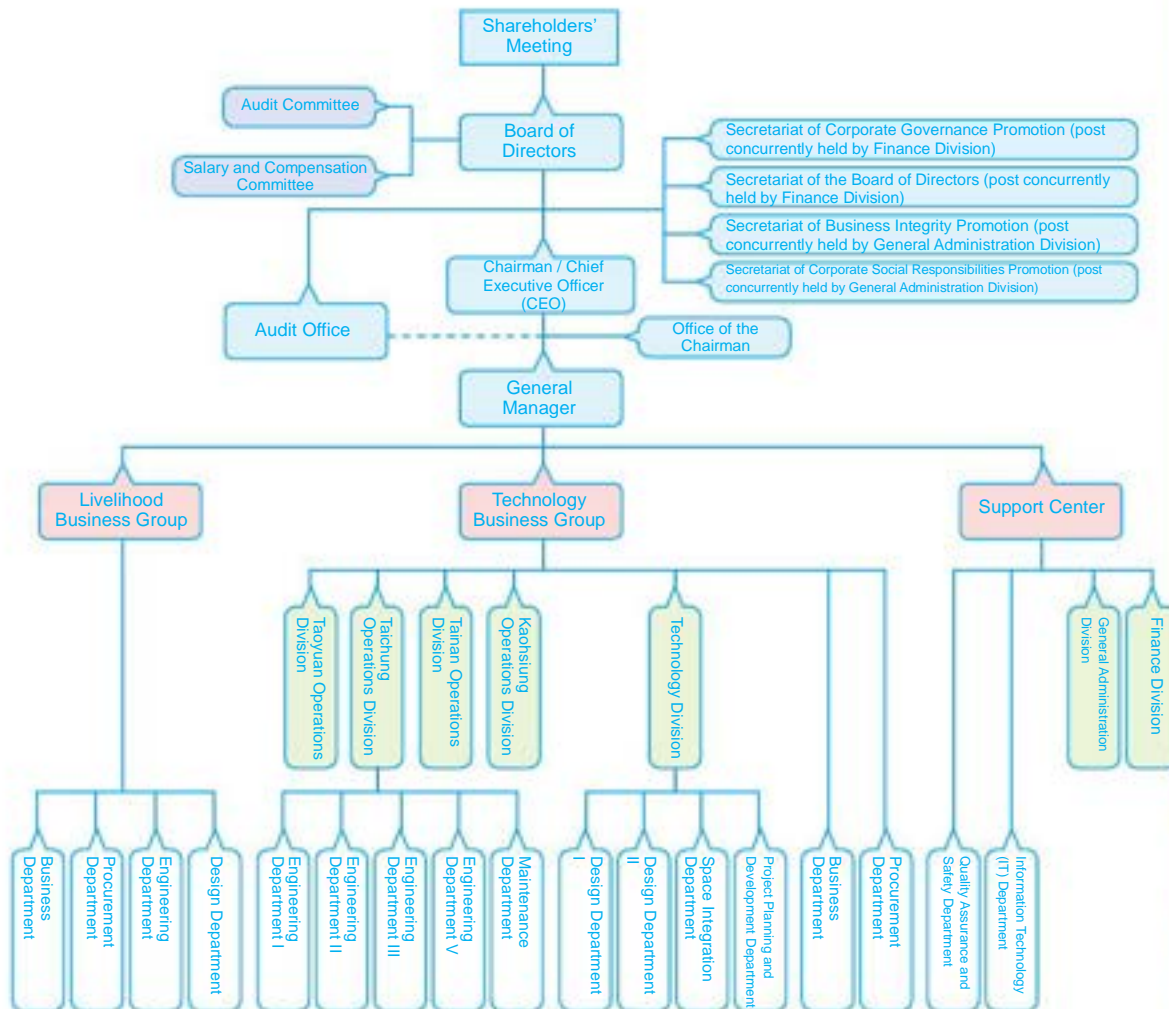
Ten operational centers, which are distributed in Suzhou, Shenzhen, Shanghai, Beijing, Xiamen and other cities.

South-East Asia

Five operational centers, which are distributed in Singapore, Vietnam, Indonesia and Malaysia.



Organizational Chart of Acter Co., Ltd.





Job Title and Range of Duties
of Senior Management Team
Members

Chairman and
CEO/ Jin-Li
Liang



- Lead the management teams and build operational strategies and objectives.
- Manage organizational operations of and cultivate talents of Acter Group.

**General
Manager/
Jin-Li Liang**



- Command the execution and coordination of the Company's operations and project plans.
- Supervise the organizational functions of each department.
- Lead business units to develop new businesses and promote major policies.

**Senior
Associate
General
Manager/
Jacky Chang**



- Lead and in charge of the plans of engineering departments and relevant executions; supervise the progress and assessment thereof.

**Associate
General
Manager/
Ming-Kuen Lai**



- Lead the Livelihood Business Group to develop business and execute projects in northern region.

**Associate
Generate
Manager/
Cheng-Chang
Chen**



- Lead and in charge of the Company's Support Center to stipulate and implement department strategy.

**Assistant
Manager/ Eric
Wang**



- Lead the Technology Business Group to carry out business activities and execute projects in Taichung.

**Assistant
Manager/
Jason Chang**



- Lead the Technology Business Group to carry out business activities and execute projects in Taoyuan.

**Assistant
Manager/
Steve Cheng**



- Lead the Technology Business Group to carry out business activities and execute projects in Tainan.

**Assistant
Manager/
Bo-Sheng Lee**



- Lead the Technology Business Group to carry out business activities and execute projects in greater Kaohsiung.

**Manager of
Finance
Division/
Yun-Han Tsao**



- In charge of shareholders relations
- The Group's media spokesperson.
- Lead and in charge of the stipulation, analysis and execution of the Company's financial and accounting strategy.



Sustainable Governance

- 2.1 CSR Promotion Committee and History
- 2.2 Sustainable Development Strategy, Goals and Results
- 2.3 Identification of and Communication with Stakeholders
- 2.4 Analysis of Major Issues
- 2.5 About United Nation's Sustainable Development Goals

Acter provides industries system integration services, assists them to adopt green production and reduce environmental pollution. In the process of low-carbon economy, Acter plays a rather important role. We value corporate citizen and sustainable development as an opportunity for corporate growth. To have an extraordinary performance in regard to the society, environment and corporate governance, we commit to offer customers the knowledge of green sustainability and excellent services with our responsible attitude. It is our expectation that Acter will bring positive influence to the industries, companies, shareholders and the entire society.

Acter has integrated green engineering management in design planning, procurement and construction techniques to implement the CSR concepts with the customers and suppliers. Acter not only continuously controls the costs, integrates risk management and innovates technology and techniques, but also creates its corporate sustainability values by using its environmental, social and manpower resources with a responsible attitude. To enhance its spirit of corporate sustainability, Acter passed "Guidelines for the Practice of Corporate Social Responsibilities" in 2014. Since then, the guidelines, which are designed from the aspects of society, economy, environment and corporate sustainability and with which Acter complied to carry out corporate and social activities, are considered as Acter's golden rules of fulfilling its corporate social responsibilities.

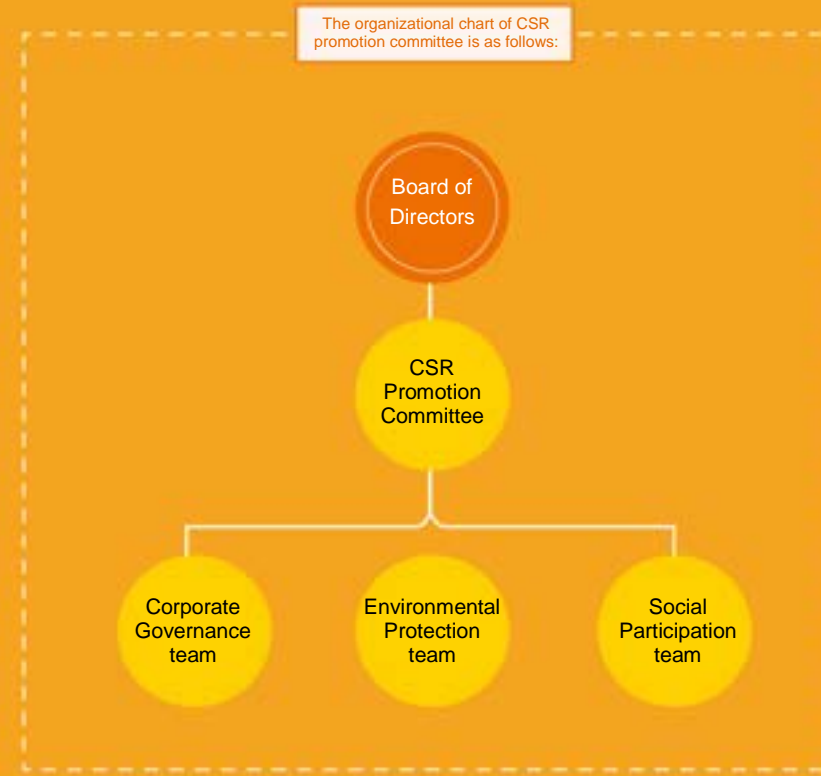


Acter's Corporate Social
Responsibility Policy



2.1 CSR Promotion Committee and History

To realize its prospect of sustainable development and fulfill its commitment thereto, the General Administration Division was appointed to take the position of CSR promotion committee to carry out the overall planning of CSR strategy and system. Below the committee, there are three teams in charge of corporate governance, environmental protection and social participations. The team members, which are from Technology Division, Finance Division, engineering departments, General Administration Division, procurement departments, Quality Assurance and Safety Department, business departments, IT Department and Audit Office, jointly conduct CSR affairs. The committee also summons regular meetings to discuss annual budget, draw up plans and evaluate performance thereof. With feedback from key partners and stakeholders, the Committee also timely and continuously adjusts its goals and directions of sustainable development. Furthermore, sustainable development elements are also included in important decisions of the organization in order to enhance Acter's business operations; fulfill its corporate social responsibilities; and facilitate the progress of the society, economy and environment. The 2017 CSR implementation results have been reported to the Board of Directors on November 9, 2017 and been disclosed on the Company's website.

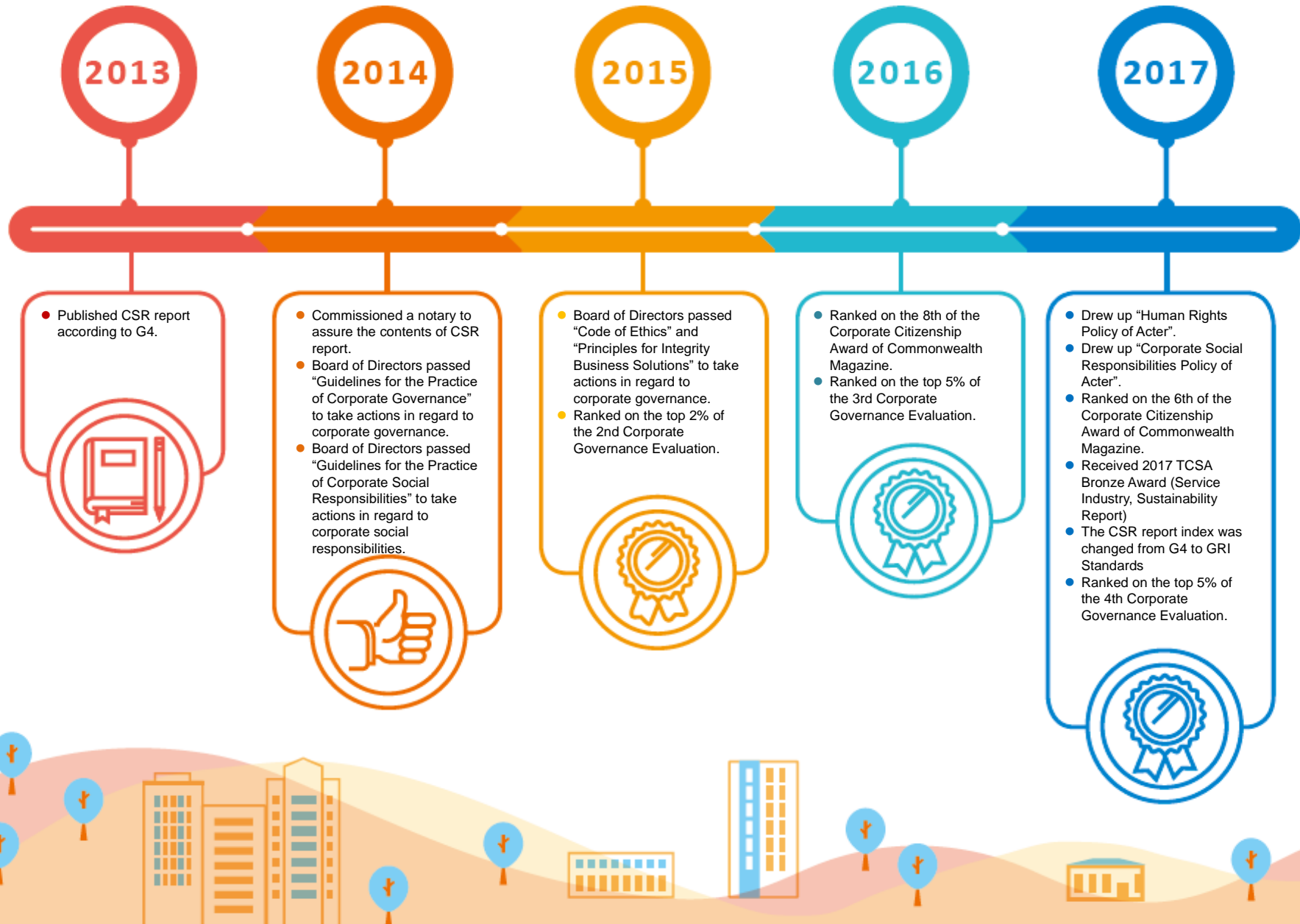


The duties of CSR promotion committee are as follows:

1. Draw up corporate sustainable development policies, system or relevant management policies.
2. Review the goals, strategy and actions of CSR policies.
3. Tack the progress and evaluate the performance of action plans.
4. Summarize the implementation results of each team and write the CSR report.
5. Share experiences in regard to sustainability issues in relevant fields.



The CSR Milestones





2.2 Sustainable Development Strategy, Goals and Results

Following the incessantly changing global trend and pursuing sustainable environmental, economic and social development have become important decision-making factors for companies to create their values and plan their strategy. Confronted by corporate organizations, these changes are not only risks, but also opportunities. Acter has listed challenges brought by climate change, raw material shortage and globalization of supply chain as the key factors for sustainable development.

We have, by integrating key sustainable development trends and corporate value creation model, drawn up Acter's sustainable development trend to reduce impacts of potential risks, demonstrate the Company's intangible assets, and respond to United Nation's sustainable development goals (SDGs). It is our goal to, with the sustainability values built over a period of time, maximize returns to stakeholders and create a positive cycle of the society.





Acter's Prospects and Strategy for Sustainability



Prospects for Sustainability

Environmental Sustainability

Create low-carbon economy and provide green engineering solutions; integrating cost benefits and having a sustainable growth for eco-friendly environment.

Sharing the Good Generation after Generation

Create sustainable solutions. Apart from charity and social participations, Acter has concentrated on building a sharing business model to serve the minority people.

Creating the Values

Implement corporate governance, and integrate external and internal resources. Create sustainable solutions; facilitate the development of industrial chain; integrate resources for inter-industrial and interdisciplinary cooperation and innovations.



Long-Term Goals

Provide green engineering capabilities; reduce risks brought by climate changes; and create new opportunities.

Establish a new business model and proactively create social values.

Continuously enhance Acter's business values; strengthen the corporate structure; facilitate social development and growth of value chain to create and share the values together.



Orientation of Business Strategy

Green Engineering

Provide customers low-carbon and energy saving solutions. Set low-carbon and environmental management policy, having them transformed into the company's corporate and technical innovations, research and development. Identify new business opportunities derived from climate change.

Green Procurement
Green procurement

Constructing a Friendly Workplace

Emphasize on personnel development and management. Build a safe, healthy and friendly workplace. Establish multiple unimpeded communication channels.

Constructing a Sharing Business Model

Focus on the target group of social assistance, and create new business opportunities with partners. Invest social resources and bring the corporate influence into play.

Implementing Corporate Governance

Bring the functions of board of directors into play; implement risk management; establish business transparency and an ethical corporate management system.

Becoming Customers' Reliable Partner

Provide quality services; emphasize on customer satisfaction level; set a rigorous information security management mechanism.

Constructing a Sustainable Supply Chain

Enhance the depth and extent of supply chain management; enhance the transparency of supply chain; effectively reduce risks.






Management Index

Strategic partnership
Green engineering services
Resource recycling and utilization
Energy management

Build corporate citizen awareness and enhance charity participation rate.
Technical innovations and trainings for employee development.
Disabling injury frequency rate
Emphasize on human rights policy.
Educational trainings
Employee satisfaction level
Employee complaint management

Board of Directors Performance Evaluation
Corporate Governance Evaluation
Effectiveness of functional committees
Ethical corporate management system
Risk governance and management
Customer satisfaction level survey
Supplier Sustainability Evaluation
Supports to suppliers
Supplier management and audit
Local procurement

Acter's Mid-term Goals and Sustainability Development Results

ESG Items	Sustainability Prospects	Major Issues	Mid-term Goals (2021)
	Environmental	Environmental sustainability	Energy management
			Acter saves energy and reduces carbon emission.
			Assist customers to save energy and reduce carbon emission.
	Social	A sustainable sharing of the goods	Environmental management
			Comply with domestic and international environmental regulations.
			Environmental pollution prevention
			Continue to receive no penalty for violating environmental regulations.
			Maintenance of labor relationship
			Comply with labor relevant regulations.
			Occupational health and safety
			Build a safe and healthy environment.
	Governance and Economic	Value co-creation	Educational trainings for employees
			Train the employees to have further development and enhance their competitiveness.
			Employees' benefits
			Build a friendly workplace.
			Labor complaint mechanism
			Wet multiple impeded communication channels.
			Public welfare
			Build corporate citizen awareness
			Maintenance of human rights
			Draw up and pay attention to human rights policy.
			Corporate governance
			Bring the functions of Board of Directors into play.
			Implement corporate governance
			Ethics and integrity
			Establish business transparency and an ethical corporate management system.
			Risk management
			Implement risk management.
			Economic performance
			The business continues to grow.
			Supplier management
			Enhance the supply chain management.
			Customer services
			Ameliorate service quality and satisfy customers' demands.
			Continuously develop new technology.
			Forbid anti-competitive behaviors or the monopoly business model.

2017 Targets		2017 Results	2018 Targets
	Electricity and gasoline consumption is lower than the set value.	Reached the goals: The electricity and gasoline consumption reduced by 61% and 29% respectively.	Both of the electricity and gasoline consumption reduced by 3%.
	The headquarters performed greenhouse gases inventory.	The headquarters proactively completed the greenhouse gases inventory. The total emission was 126.31 tonnes of CO ₂ e.	Continue to perform greenhouse gases inventory proactively and reduce carbon emission simultaneously.
	Disclosed the results of at least 1 green engineering project.	1 design project received the EEWB green building candidate label; 1 design project received the EEWB green building candidate label.	Disclosed the results of at least 1 green engineering project.
	Started to transit the ISO 14001 version.	Transition to the ISO 14001:2015 version is completed.	Acquired ISO 14001-2015 certification.
	Continued not to have penalty was imposed for violating environmental regulations.	No penalty was imposed for violating environmental regulations.	Continued not to have penalty was imposed for violating environmental regulations.
	No labor dispute.	No labor dispute.	No labor dispute.
	Continued to have zero injury rate.	Continued to have zero injury rate.	Continued to have zero injury rate.
	Disabling injury frequency rate was below 3%.	Disabling injury frequency rate was 0%.	Disabling injury frequency rate was below 3%.
	The participation rate for health program was above 45%.	The participation rate for health program was above 40.08%.	The participation rate for health program was above 42%.
	The participation rate for educational training was above 90%.	The participation rate for educational training was 100%.	The participation rate for educational training was 100%.
	The satisfaction level of educational training was above 80%.	The satisfaction level of educational training was above 83.48%.	The satisfaction level of educational training was above 85%.
	The achievement rate of professional skills was above 75%.	The achievement rate of professional skills was above 78.38%.	The achievement rate of professional skills was above 80%.
	The participation rate of welfare activities was above 50%.	The participation rate of welfare activities was above 51.54%.	The participation rate of welfare activities was above 55%.
	Took care of employees and prevented labor disputes.	No labor disputes.	No labor disputes.
	Zero labor complaint rate.	Zero labor complaint rate.	Zero labor complaint rate.
	Impeded communication channels.	Already held 13 meetings participated by 421 persons.	Continued to maintain the records.
	Enhanced the volunteer participation rate (comparing with the previous year).	The volunteer participation rate was increased to 93%.	Increased by 5% comparing with 2017.
	Paid attention to the education of minority groups.	Established a library for and donated computers to schools in remote areas.	Had one new partner.
	Industrial-academic cooperation for cultivating the talents.	Cultivated 15 students in total.	Continued to carry out training programs.
	Set management system related to the international trend for human rights.	Stipulated "Human Rights Policy of Acter".	Continued to verify the adaptability of the human rights system.
	The result of Board of Directors Performance Evaluation was "good".	"Good".	"Good".
	Became the top 5% in Corporate Governance Evaluation.	Ranked on the top 5% of the 4 th Corporate Governance Evaluation.	Ranked on the top 5% of the 5 th Corporate Governance Evaluation.
	The achievement rate of directors training program for corporate governance was 100%.	The in-service training achievement rate was 100%.	The in-service training achievement rate was 100%.
	Enhanced employees' awareness of code of conducts and law compliance. The training achievement rate was above 70%.	The training achievement rate was 72%.	The training achievement rate was above 70%.
	No significant violations.	No violations.	No violations.
	Enhanced employees' awareness of code of conducts and law compliance. The training achievement rate was above 70%.	The training achievement rate was 72%.	The training achievement rate was above 70%.
	No significant violations.	No violations.	No violations.
	Implemented risk management trainings.	The total of risk management training hours was 3,082 hours.	Continued to implement risk management trainings.
	The annual return on stockholders' equity (ROE) was above 20%	The annual return on stockholders' equity (ROE) was 24.41%.	The annual return on stockholders' equity (ROE) was above 20%.
	The net operating income continues to grow every year.	With a growth of 98%.	The net operating income continued to grow.
	New suppliers signed the letter of commitment for sustainability.	About 63% signed the letter of commitment for sustainability.	Above 80% signed the letter of commitment for sustainability.
	Enhanced suppliers' sustainability value; reduced the proportion of suppliers with medium and high level risks.	No suppliers with medium or high level risks.	No suppliers with medium or high level risks.
	Fostered Level A suppliers.	The percentage of fostered Level A suppliers was 15%.	The percentage of fostered Level A suppliers was above 15%.
	The local procurement rate was above 95%.	The local procurement rate was 95%.	The local procurement rate was above 95%.
	Ameliorated the service quality; the average satisfaction level was 85.	The average satisfaction level was 90.	The average satisfaction level was above 85.
	No infringement of customer's privacy and no complaints in regard to the missing of customers' files.	Zero customer complaints.	Zero customer complaints.
	The research and development expense was above 0.75% of total revenue.	The research and development expense was above 0.81% of total revenue.	The research and development expense was above 0.75% of total revenue.
	No anti-competitive practice, antitrust behaviors or monopoly.	No anti-competitive practice, antitrust behaviors or monopoly.	No anti-competitive practice, antitrust behaviors or monopoly.








2.3 Identification of and Communication with Stakeholders

For companies, sustainably communicating with the stakeholders is the key for continuous improvements and long-term development. Diverse communication mechanism can include stakeholders' recommendations and feedback in companies' prospects, strategy and operations plan.

Acter has followed the Global Reporting Initiative (GRI) standards to carry out the issue analysis process, on which the main issues of its 2017 CSR report, range of data collection and to-be-communicated-stakeholders are decided. The Company also, based on the five key principles (influence, tension, responsibility, dependency and diverse perspectives) of AA1000 SES-2011 (Stakeholder Engagement Standards) to identify major types of stakeholders, including the employees, shareholders/ investors, customers, suppliers and the competent authority.

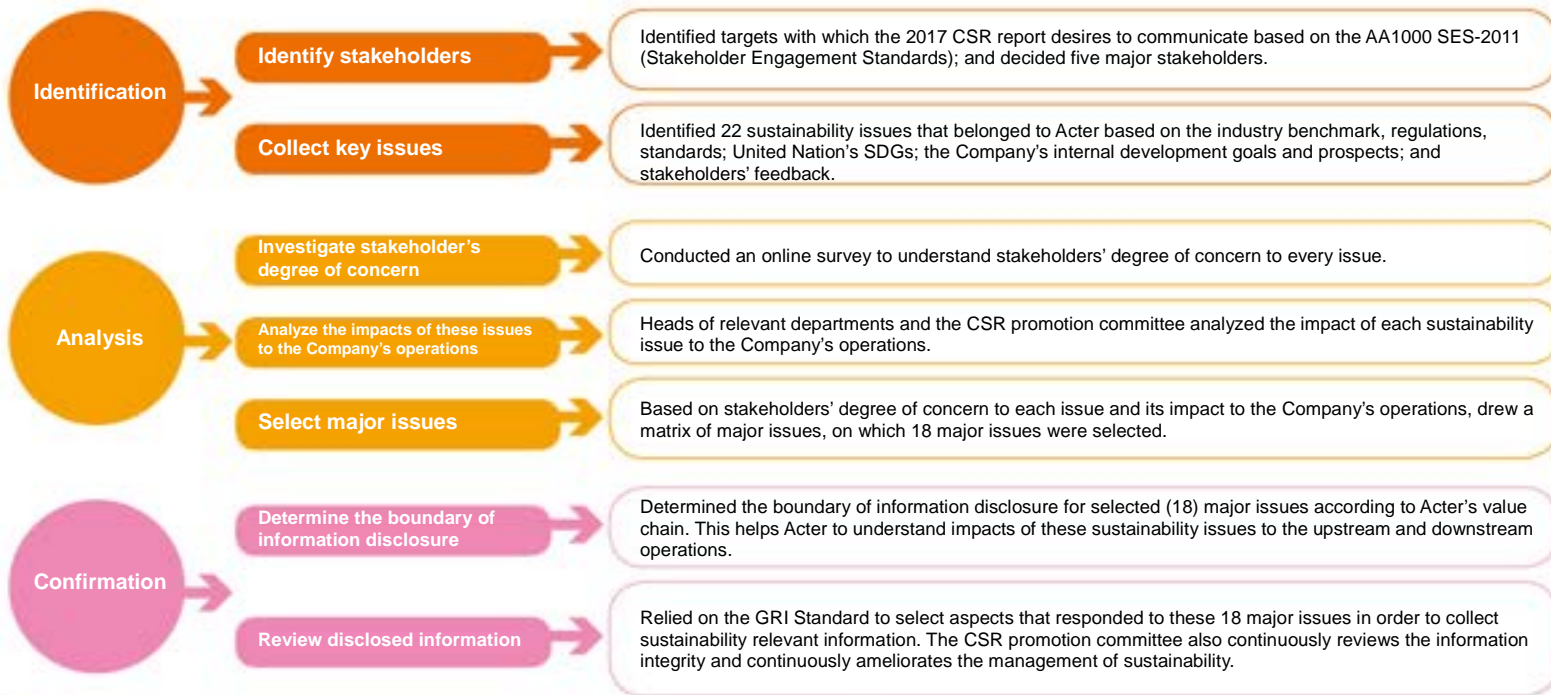


Mechanism and focus of communication					
Stakeholders	Importance	Communication Mechanism	Communication Frequency	Major Issues	Implementation Results of 2017
 Employees	Talent is the key competitiveness factor of the Company, and the foundation of sustainable business.	Labor coordination meeting	Quarterly	Employment Occupational health and safety Training and education Corporate governance Ethics and integrity	Held 4 labor coordination meetings.
		Occupational safety and health committee	Quarterly		Held 4 occupational safety and health committee meetings.
		Management and plenary meetings	At least every quarter		Held 13 meetings.
		Telephone and email helpline	At any time		0 complaint case.
		Staff Welfare Committee	Quarterly		Held 4 staff welfare committee meeting.
		Bulletin board and common platform	At any time		30 announcements and 2 bulletins.
		Employee satisfaction survey	Yearly		Already completed the investigation in December, 2017.
 Shareholders/ Investors	Facilitate the growth of Acter by ensuring its momentum through shareholders and investors' supports.	Shareholders' meeting	Yearly	Corporate governance Economic performance Industrial prospects Company profit Competitive advantages	Proactively reported the company's up-to-date business and financial status to shareholders/ investors through the corporate/investment briefing session and Market Observation Post System.
		Corporate briefing session	Yearly		
		Investment briefing session	Irregular		
		Publish financial statements	Instantly		
		A section for investors on the corporate website and the Market Observation Post System	At any time		
		Visit important shareholders	Yearly		
		Telephone, fax and email.	At any time		Disclosed spokesperson's contact information on the Company's website (the section designated for investors) to enable shareholders/ investors to make any question at any time.
 Customers	Focus on customers' demand, devote to customers and create customers' value to create a win-win situation.	Customer satisfaction survey	Every half year	Products and services Occupational health and safety Anti-competitive behavior Environmental compliance Competitive advantages	Instantly collect customers' feedback and carry out two customer satisfaction surveys each year. In 2017, the evaluation scores for the engineering unit and maintenance unit were 88 and 96 respectively. The average was 90. Acter has discussed items with relatively bad performance; provide improvement strategy; and sustainably track relevant performance.
		Telephone, fax and email.	At any time		
		Customer visit	At any time		
 Suppliers	Suppliers are Acter's partners for sustainable business.	Visit suppliers	Irregular	Procurement strategy Complaint mechanism for labor related problems Supply chain management	Regularly visit important suppliers and subcontractors every quarter.
		Visit factories	Irregular		Zero mid- and high-risk suppliers; no audit was required. However, Acter still visited suppliers on a regularly basis for continuous interactions, care and better understanding.
		Daily meeting	At any time		Held toolbox meeting every day.
		Information released on the section designated for suppliers on the Company's official website.	At any time		Already established a zone dedicated for suppliers.
		Supplier evaluation	At any time		Carried out one supplier evaluation every half year.
		Telephone, fax and e-mail.	At any time		
 Competent authority	Comply with regulations of government agencies, and proactively follow the government's policy; establish a transparent relationship with the government to facilitate economic growth together.	Publish financial statements and important information	Instantly	Economic performance Comply with financial and labor regulations Employee occupational health and safety Child labor; forced or compulsory labor Impacts to local community	Participated in communication meetings/ forum/ seminar held by the competent authority, and proactively communicate with government agencies.
		Maintain a good interactive relationship	At any time		
		Participate relevant meetings	Irregular		
		Comply with relevant regulations, terms and conditions	At any time		



2.4 Analysis of Major Issues

To better control issues to which the stakeholders pay a great attention, Acter collected 22 sustainability issues based on the industry benchmarks, regulations, standards as well as United Nation's SDGs, followed by an online survey to understand stakeholders' degree of concern to every issue. Department heads then carried out an evaluation based on two criteria: the level of economic, environmental and social impacts inside and outside the organization; and stakeholders' degree of concern. The internal and external results calculated and integrated by the CSR promotion committee were used to decide the matrix of major issues and submitted to the person-in-charge for approval. In 2017, there were 22 major matrix issues and 18 of them are highly concerned issues. The procedures are summarized as follows:





Issues of Acter's Concerns



Economic

1. Corporate governance
2. Ethics and integrity
3. Risk management
4. Economic performance
5. Supplier management
6. Customer services
7. Sustainable development
8. Innovative services
9. Anti-competitiveness behaviors



Environmental

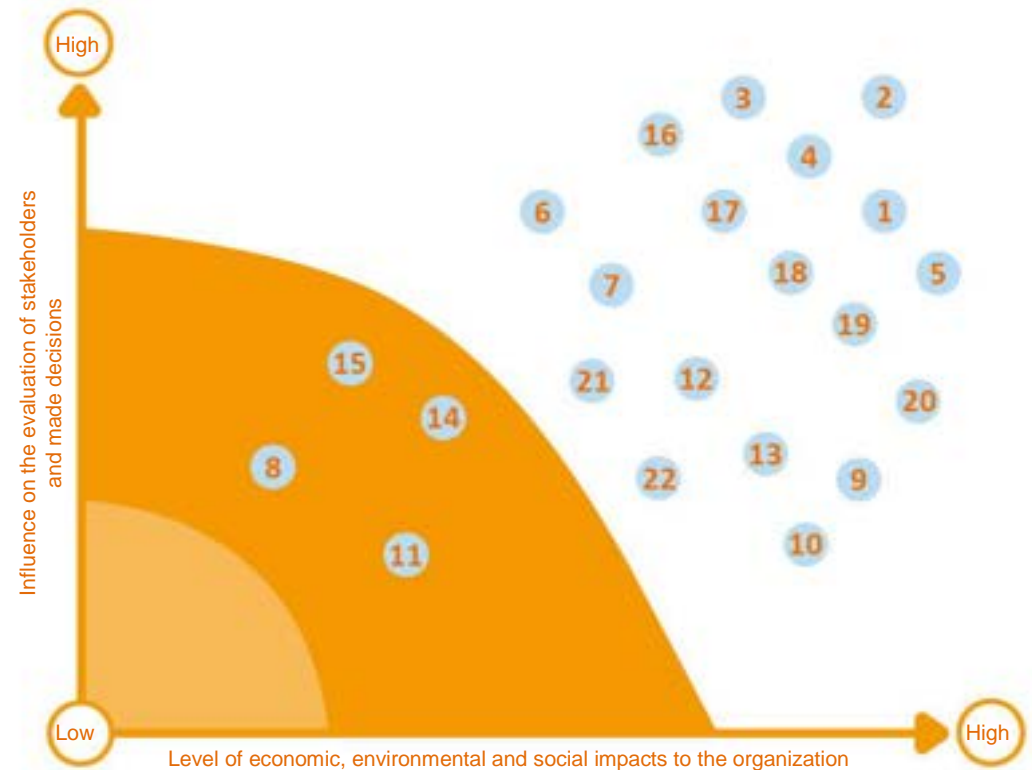
10. Energy management
11. Climate change
12. Environmental management
13. Environmental compliance
14. Emission of greenhouse gases
15. Green procurement



Social

16. Maintenance of employment
17. Occupational health and safety
18. Employee education and training
19. Employee welfare
20. Employee complaint mechanism
21. Public welfare
22. Maintenance of human rights

Analysis matrix of major issues



Sustainable Governance

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This report will explain the actual impacts of highly concerned issues to Acter's operations. Regarding the response to major GRI issues; boundary of internal and external conflicts; and responding chapters, please refer to the following table:

Concerns	Major Issues	Response to Major GRI issues	Conflict Boundary						Chapter in Acter's Report
			Inside the Organization		Outside the Organization				
			Acter	Employees	Customers	Suppliers	Competent Authority	Shareholders/ Investors	
Environmental	Energy Management	GRI 302 (energy)	v				v		6.2 Climate Change and Energy Management
	Environmental Management	No applicable GRI standards	v	v			v		6.3 Environmental Management
	Environmental Compliance	GRI 307 (environmental compliance)	v				v		6.3.6 Legal Compliance
Social	Maintenance of Employment	GRI 401 (employment)	v	v			v		7.1.1 Staffing Structure 7.3.3 Employee Benefits
	Occupational Health and Safety	GRI 403 (occupational health and safety)	v	v	v	v	v		7.4 Occupational Health and Safety
	Employee Education and Training	GRI 404 (education and training)	v	v					7.2 Employee Training and Development
	Employee Welfare	No applicable GRI standards	v	v					7.3.3 Employee Benefits
	Employee Complaint Mechanism	No applicable GRI standards	v	v					3.2.2 Consultations and Report 7.3.2 Employee Communication
	Public Welfare	GRI 203 (Indirect economic impact)	v						8.1 Social Participation 8.2 Social Benefits 8.3 Industrial and Academic Cooperation 8.4 Arts and Humanities 8.5 Community Development 8.6 Friendly Environment
	Maintenance of Human Rights	GRI 412 (human rights assessment)	v	v		v			7.3.1 Employee Rights and Interests
	Economic Performance	GRI 201 (economic performance)	v	v				v	3.4 Economic Performance
	Ethics and Integrity	GRI 419 (socioeconomic compliance)	v	v	v	v	v	v	3.2 Honesty, Modesty and Legal Compliance
Economic	Risk Management	General standards (102-30)	v	v	v	v	v	v	3.3 Risk Management
	Supplier Management	GRI 204 (Procurement practice)	v			v			5.5 Local Procurement
	Customer Services	GRI 418 (Customer privacy)	v		v				4.5.2 Maintenance of Customers' Confidentiality
	Sustainable Development	No applicable GRI standards	v	v					4.2 Research, Development and Innovations
	Corporate Governance	No applicable GRI standards	v	v				v	3.1 Corporate Governance
	Anti-Competitive Behavior	GRI 206 (anti-competitive behavior)	v	v	v				3.2 Honesty, Modesty and Legal Compliance

Note: The key stakes in value chain is also under the consideration of determining the conflict boundary.









2.5 About United Nation's Sustainable Development Goals (SDGs)

SDGs		Conducts in 2017	Chapter in Acter's Report	
SDGs1		Eradication of poverty	Established companies in Taiwan and overseas, and provided local people employment opportunities to facilitate local development.	1.4 Organizational Framework and Management Team
			The dual-track flagship project provided employment opportunities; seven students participated in this project.	8.3 Industrial and Academic Cooperation
			Assisted people of minority groups through donations/ subsidies.	8.5 Community Development
SDGs3		Health and welfare	Provided employees group insurance, free health checks, emergency subsidies and application for parental leaves	7.3.3 Employee Welfare
			Provided employees a safe and health workplace.	7.4 Occupational Health and Safety
			Cultivated the new generations through industrial-academic cooperation and by providing them rewards and professional skills trainings, helping the students to increase their employment advantages. 15 students participated in this project in total.	8.3 Industrial and Academic Cooperation
SDGs4		Education quality	Provided employees in-service education and training. The total of training hours was 3,344 hours	7.2 Employee Training and Development
			Carried out industrial-academic cooperation to enhance employees' professional skills; provided educational rewards and scholarships.	8.3 Industrial and Academic Cooperation
SDGs5		Gender equity	All board directors' features diverse background and the proportion of female board directors is 29%.	3.1.2 Formation of Board of Directors
			The recruitment policy features elements of diversification and tolerance. All employees have not been discriminated or been treated differently.	7.1.2 Diverse Employment
			Sexual harassment complaint channels and parental leave measures.	7.3.3 Employee Welfare
			A friendly workplace.	7.3.1 Employee Rights and Interests



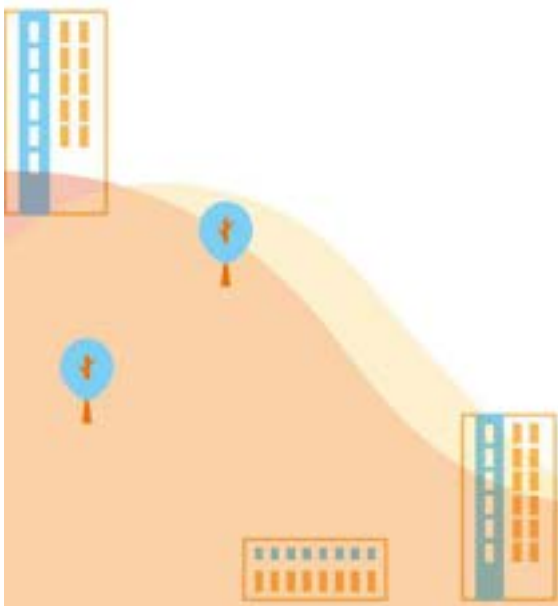


SDGs	Conducts in 2017		Chapter in Acter's Report
SDGs6		Clean water and sanitation	Continuously enhanced waste water disposal technology. 4.3 Green Engineering
SDGs7		Affordable energy	Low-carbon operations. Act carries out greenhouse gases inventory every year. 6.2.2 Greenhouse gases inventory
			Energy consumption reduced by more than 3%. 6.2.3 Energy-Use Performance
			Continuously enhanced industrial production energy-saving and water-saving technology. 4.3 Green Engineering
SDGs8		Employment and economic growth	Provided work opportunities not only in Taiwan, but also in overseas. This helps to increase employment opportunities and facilitate economic development. 1.4 Organizational Framework and Management Team
			Hired people with physical and/or mental difficulties, helping to increase employment opportunities for people of minority groups. 7.1.2 Diverse Employment
			Provided a competitive salary and compensation system. 7.1.4 Salary and Compensation System
			Continued to cultivate talents. 7.2.1 Education and Training
			Continued to invest in innovative technology. 4.2 Research, Development and Innovations
SDGs9		Industrial and innovative infrastructure	Provided customers energy-saving solutions and the service of green-engineering management. 4.3 Green Engineering
			Continued to invest in innovative development and research technology. 4.2 Research, Development and Innovations
SDGs10		Reduce inequity	Protected human rights and ensured legal compliance. 7.3.1 Employee Rights and Interests
SDGs11		Sustainable city	Provided customers the energy-saving economical solutions. With the use of green engineering technology, the Company has managed to increase the energy and resource use rate, helping to reduce factors of climate change and protect our environment. 4.3 Green Engineering






SDGs			Conducts in 2017	Chapter in Acter's Report
SDGs12		Responsible consumption and production	Continuously increased the proportion of purchasing green materials and equipment. Promoted all types of environment relevant energy-saving activities.	5.4 Green Procurement 6.2.4 Energy Saving Measure for Daily Operations
SDGs13		Climate action	Enhanced the energy use efficiency Promoted all types of energy-saving activities to reduce the power consumption and emission of greenhouse gases.	6.2 Climate Change and Energy Management 6.2.4 Energy Saving Measure for Daily Operations
SDGs14		Marine ecology	Continued to invest in the development of seawater desalination technology.	6.3.1 Circular Economy
SDGs15		Terrestrial ecology	Adopted circular economy to have a circulating supply and create a regenerative system for resources while extending product' life cycles. Besides, it can also effectively minimize the generation of wastes, ensuring the resources are effectively used. Low-carbon operations. Minimized the waste of papers and used recycled papers.	6.3.1 Circular Economy 6.2.4 Energy Saving Measure for Daily Operations
SDGs16		Peace and justice system	Complied with regulations related to integrity management. Anti-corruption, anti-competitive and anti- bribery behaviors. Child labor is prohibited.	3.2 Honesty, Modesty and Legal Compliance 7.1.2 Diverse Employment
SDGs17		Global partners	Management of sustainable supply chain.	5.2 Supply Chain Management





BUSINESS

START...



Governance and Operational Performance

- 3.1 Corporate Governance
- 3.2 Honesty, Modesty and Legal Compliance
- 3.3 Risk Management
- 3.4 Economic Performance

Main performance

The ROE reached 24.41 %.

Ranked as the top 5% of the 4th Corporate Governance Evaluation

Conducted external Board of Directors Performance Evaluation: between “Good” and “Excellent”.

The proportion of female board directors is 29%



3.1 Corporate Governance

3.1.1 Corporate Governance Framework

Major issues - Corporate governance

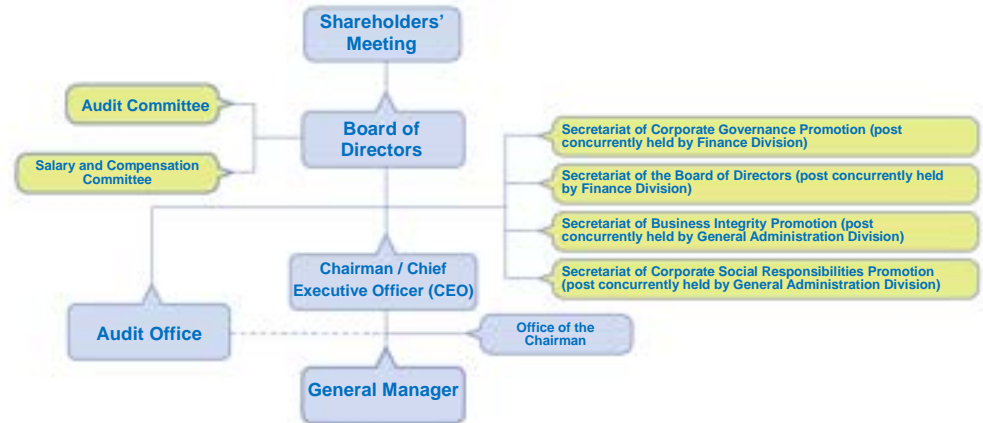
Prospects for Year 2021	Strategy
Implementation of corporate governance	Bring the functions of board of directors into play
	Implement risk management
	Establish business transparency and an integrity management system.

Management Policy

2017 Targets	2017 Performance	2018 Targets
"Good" for Board of Directors Performance Evaluation.	"Good"	"Good"
Became the top 5% in Corporate Governance Evaluation.	Was ranked on the top 5% of the 4 th Corporate Governance Evaluation.	Was ranked on the top 5% of the 5 th Corporate Governance Evaluation.
The achievement rate for education and trainings designed to enhance board of directors' corporate governance function was above 90%.	The education/ training achievement rate was 100%.	The education/ training achievement rate was 100%.

Acter believes that, only by creating a sound corporate governance and implement integrity management, it can continuously enhance the Company's overall competitiveness; ensure shareholders rights and interests; and create life-time values for its employees, shareholders, customers, enterprises and the society. Under this principle, the Acter's board of directors has established audit committee and salary and compensation committee to assist the board of directors to fulfill its supervisory responsibility respectively. The committees are formed by independent board directors and chairs of the committees report their activities and resolutions to board of directors on a daily basis. Besides, Acter also has the "Audit Room" to establish consistent internal control system to ensure the Company's operations comply with legal regulations, helping to reduce and prevent operational risks. The Audit Office also implements audit works on a regular basis, and report the audit results to Audit Committee and board of directors.

Acter has implemented transparent and integrity management. Each year, it participates in "Information Disclosure Evaluation of Listed Companies" held by TWSE and TPEx. From the A+ of the 9th evaluation to the A++ of the 10th, 11th and 12th (the last) evaluation, Acter was evaluated as having a high transparency. As for the "Corporate Governance Evaluation" jointly organized by TWSE and TPEx starting from 2015, it was ranked on the top 5% of this annual event.





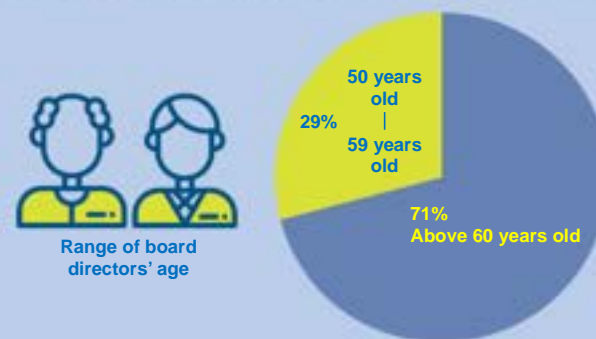
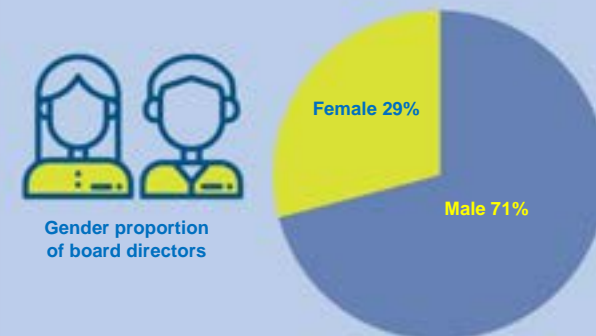
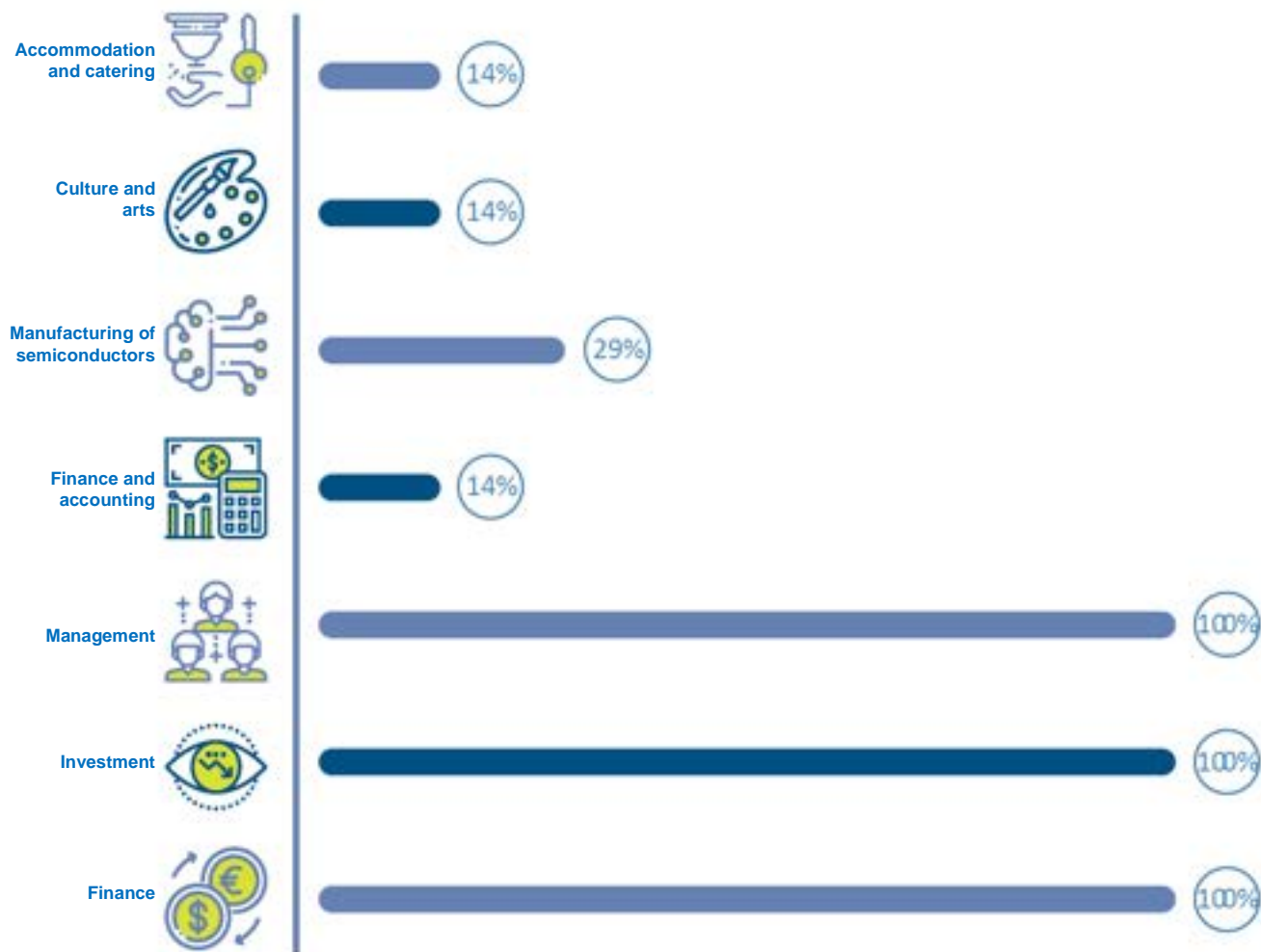
3.1.2 Formation of Board of Directors

Board of directors is the highest governance unit of Acter. Every three years, we select seven board directors in accordance with “Articles of Incorporation” and “Board Directors Selection Procedures”. The board term is three years and each director can be re-elected. Considering the configuration and diversification of board of directors, Acter has selected experts and scholars with financial and industrial background to form the board. The board also includes three independent directors with different professional backgrounds. All board members are provided with professional knowledge, skills, general capacity and different capabilities required for the execution of business. Besides, the Company also continuously arranges multiple in-service education and trainings in accordance with “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies” to enhance board directors’ expertise. To bring their decision-making, leading and supervisory functions into play, all board directors shall do their best to faithfully execute business and fulfill their obligations of being a good manager. Each year, the total of training hours for board directors shall be 42 hours; the actual training hours therefore in 2017 was 84% with an achievement rate of 100%.

To fulfill its commitment for sustainable development, the board of directors always takes economic environmental and social factors under the consideration when supervising the Company’s performance or making important decisions. On November 9 of 2017, the board of directors passed a proposal that is related to the economic perspective. In 2017, the board of directors held 6 meetings and the attendance rate (for board directors in person) reached 92.86%. The board of directors has effectively supervised and instructed the Company’s management unit, maintained good and smooth communication, and brought the functions of board of directors into full play.



Diversification of board directors

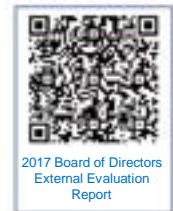
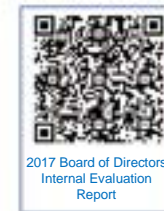
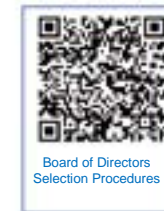
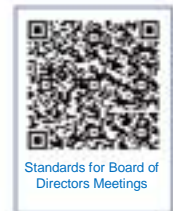


Members of board directors

Job Title	Name	Gender	Primary academic and professional background	Current Position in the Company	Participation Rate
Chairman	Jin-Li Liang	Male	Executive Master of Business Administration (EMBA) in National Chiao Tung University Refrigeration and Air Conditioning Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology) Manager of Engineering Department at Gongshan Air Conditioning and Refrigeration Co., Ltd.	CEO and General Manager of Acter Co., Ltd.	100%
Board Director	Dennis Yang	Male	Executive Master of Business Administration (EMBA) in Tunghai University Refrigeration Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology)		100%
Board Director	Hsin-Ming Kao	Female	International Business Management Group of Executive Master of Business Administration (EMBA) in National Taiwan University Chief of Electronics Department at Industrial Technology Research Institute		67%
Board Director	Tai-Chen Hu	Male	Executive Master of Business Administration (EMBA) in Tunghai University Refrigeration and Air Conditioning Group of Department of Electrical Engineering in National Taipei Institute of Technology (now National Taipei University of Technology) Honorary Member of the Phi Tau Phi Scholastic Honor Society of the Republic of China Instructor at Department of Electrical Engineering in National Chin-Yi Institute of Technology (now National Chin-Yi University of Technology) Executive Director of Taiwan Refrigeration and Air-Conditioning Engineering Association Skills Certification Auditor at the Ministry of the Interior for the Refrigeration and Air-Conditioning Renovation Technician General Manager at Gongshan Air Conditioning and Refrigeration Co., Ltd.	Consultant of Acter Co., Ltd.	100%
Independent Director	Chyan Yang	Male	Doctorate in Computer Science at Washington University, USA Adjunct Professor of the Institute of Business and Management at National Chiao Tung University Complaint Deliberation Committee member at Industrial Technology Research Institute		83%
Independent Director	Marlon Wang	Male	MSc in Management of Technology, College of Management at National Chiao Tung University Person in Charge of Marion Energy Services and Management Consulting Co., Ltd. Refrigerating Air-Conditioning lecturer at Taishan Vocational Training Site Senior Manager of the Research Center of Industrial Technology Research Institute		100%
Independent Director	Hui-HsinYeh	Female	Department of Accounting in Tunghai University Accountant partner at Ernst & Young (Diwan& Company) Global Limited		100%

The Board of Directors Diversification Policy

Capabilities of diversification	Gender	Operational judgement	Accounting and financial analysis	Business management	Risk handling	Knowledge of the industry	Global view (international market)	Leadership	Decision-making
Name of the board director									
Jin-Li Liang	Male	V	V	V	V	V	V	V	V
Dennis Yang	Male	V	V	V	V	V	V	V	V
Hsin-Ming Kao	Male	V	N/A	V	V	V	V	V	V
Tai-Chen Hu	Female	V	V	V	V	V	V	V	V
Chyan Yang (Independent Director)	Female	V	V	V	V	V	V	V	V
Marlon Wang (Independent Director)	Male	V	N/A	V	V	V	V	V	V
Hui-HsinYeh (Independent Director)	Male	V	N/A	V	V	V	V	V	V





3.1.3 Board of Directors Performance Evaluation System

To enhance board of directors' functions and implement corporate governance, Acter has stipulated "Regulations Governing the Board of Directors Evaluation" to carry out an overall performance evaluation of board of directors, and a self-evaluation for individual board directors each year. Acter also commissions an external agency to carry out a performance evaluation and give suggestions to the evaluation results every three years. The average scores for the overall and individual performance evaluations carried out by Acter internally were 99 and 98 ("Good") respectively. The external performance evaluation result was "between good and excellent". The implementation results were reported to the board of directors on February 23 of 2018 and are disclosed on the Company's website.

The distribution of board directors and management team's salary and compensations are based not only on individual's performance, but also on Acter's financial performance, practice for its commitment to sustainable development, and economic, environmental and social contributions and performance. The sustainable development, salary and compensation results of board directors and management team for the year of 2017 have been reviewed and approved by the Salary and Compensations Committee.

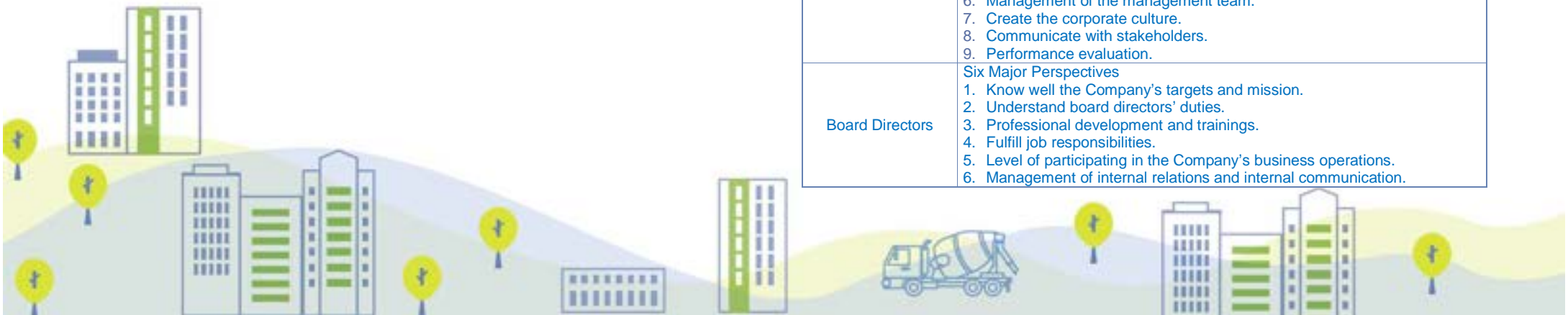
2017 Board of Directors Performance Evaluation

Internal Evaluations / Summarized by Finance Division

Evaluated Unit	Perspectives
Board of Directors	Five Major Perspectives 1. Participate in business operations. 2. Enhance the decision-making quality. 3. Formation and structure of board of directors. 4. Selection of board of directors and continuous education / training therefor. 5. Internal control.
Board Members	Six Major Perspectives 1. Know well the Company's targets and mission. 2. Understand board directors' duties. 3. Participate in Acter's business operations. 4. Management of internal relations and internal communication. 5. Expertise of board directors and sustainable in-service education/ training. 6. Internal control.

External Evaluations / Summarized by KPMG

Evaluated Unit	Perspectives
Board of Directors	Nine Major Perspectives 1. Construct an efficient board of directors. 2. Board of directors functions effectively. 3. Professional development, education and trainings. 4. Visions of the Company. 5. Fulfill job responsibilities. 6. Management of the management team. 7. Create the corporate culture. 8. Communicate with stakeholders. 9. Performance evaluation.
Board Directors	Six Major Perspectives 1. Know well the Company's targets and mission. 2. Understand board directors' duties. 3. Professional development and trainings. 4. Fulfill job responsibilities. 5. Level of participating in the Company's business operations. 6. Management of internal relations and internal communication.





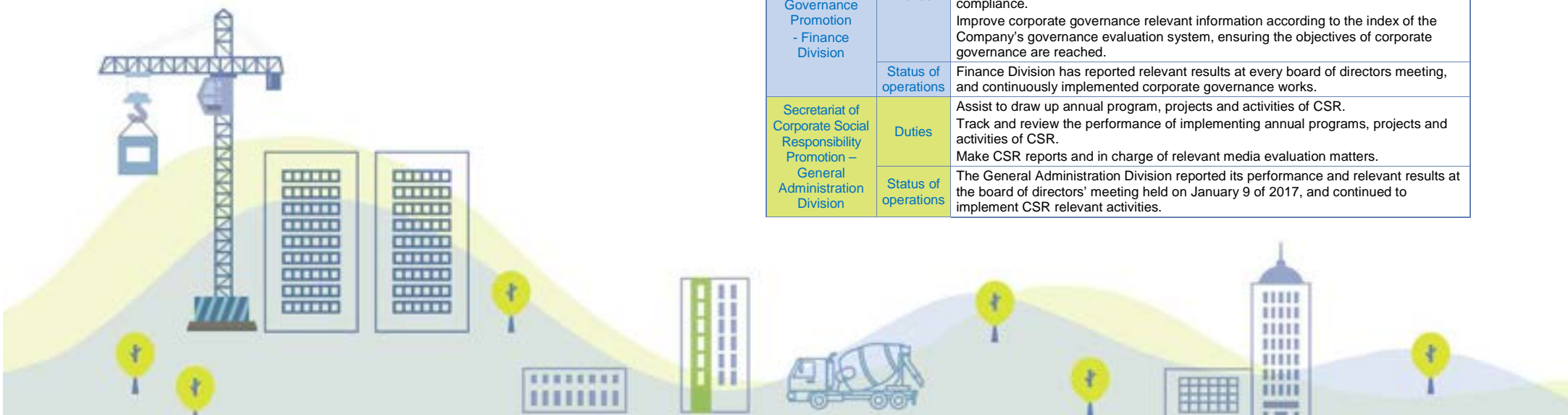
3.1.4 Functional Committee

Based on the strategy of “enhancing board of directors’ supervisory function”, “creating a sound internal control system”, “ameliorating the management quality”, “applying strict risk management” and “implementing information disclosure”, Acter aims to create a sound corporate governance culture. To ameliorate the decision-making quality of board of directors and to bring its functions into full play, we have established “Audit Committee” and “Salary and Compensations Committee”, which are formed by independent directors, to effectively implement the independent supervisory and balancing mechanisms. Every proposal shall be reported to board of directors for relevant discussion; Where any board director or its represented corporate stakeholder is involved in the issue, it shall avoid conflict of interest and shall not appoint other board directors to vote on behalf of it.

The Company already established “corporate governance promotion committee” and “CSR promotion committee”, whose operations are under the supervision of Finance Division and General Administration Division. The said committees are responsible for promoting and carrying out all types of economic, environmental and social issues. The chairman is the supreme supervisor, who shall report it to board of directors on a regular basis. The implementation results of 2017 have been reported to board of directors on November 9 of 2017.

Audit Committee	Duties	Responsible for supervising whether the financial statements present fairly the Company's financial position in all material respects; the election (dismissal) of certified public accountant (CPA) and the independence performance thereof; the implementation of the Company's internal control measures; legal compliance; and control the Company's existing or potential risks.
	Status of operations	The committee is formed by three independent directors (Hui-Hsin Yeh, Chyan Yang, and Marlon Wang). Hui-Hsin Yeh is the convener of independent directors. Held 6 meetings in 2017 with an average attendance rate of 94.33%. Already set an email box designated for Audit Committee, enabling people to directly contact the Committee using e-mail.
Salary and Compensations Committee	Duties	Draw up and regularly review the policy, system, standards and structure concerning the performance of board directors and management team, salary and compensations. Regularly evaluate and decide the salary and compensations for board directors and management team. The salary and compensations shall be submitted to board of directors for approval. It is also a must to report the Company's overall salary and compensations standards to committee members.
	Status of operations	The committee is formed by three independent directors (Chyan Yang, Hui-Hsin Yeh and Marlon Wang). Chyan Yang is the convener of independent directors. Held 2 meetings in 2017 with an average attendance rate of 100%.

Secretariat of Corporate Governance Promotion - Finance Division	Duties	Inform board directors the recent development of relevant regulations, with which they shall comply, and arrange relevant training courses. Stipulate and plan adequate corporate system and organizational framework to facilitate the independence of board of directors, corporate transparency and legal compliance. Improve corporate governance relevant information according to the index of the Company's governance evaluation system, ensuring the objectives of corporate governance are reached.
	Status of operations	Finance Division has reported relevant results at every board of directors meeting, and continuously implemented corporate governance works.
Secretariat of Corporate Social Responsibility Promotion – General Administration Division	Duties	Assist to draw up annual program, projects and activities of CSR. Track and review the performance of implementing annual programs, projects and activities of CSR. Make CSR reports and in charge of relevant media evaluation matters.
	Status of operations	The General Administration Division reported its performance and relevant results at the board of directors' meeting held on January 9 of 2017, and continued to implement CSR relevant activities.





3.2 Honesty, Modesty and Legal Compliance

Major Issue -GRI 419- Socioeconomic Compliance , GRI 206- Anti-competitive behavior

Prospects for 2021	Strategy
Implementation of corporate governance	Establish a transparent and integrity management system

Management Policy

2017 Targets	2017 Performance	2018 Targets
Enhance staffs' ethical and legal compliance; the training achievement rate was above 70%.	The training achievement rate was 72%.	The training achievement rate was above 70%.
No significant violation.	N/A	N.A

“Honesty, Professionalism, Internationalism, and Sustainability” are Acter’s business principles. To create an honest and ethical corporate culture, we have stipulated “Principles for Integrity Management”, “Code of Conduct” and “Guidelines for Integrity Management Processes and Behaviors”. This is made to specifically regulate the Company’s board directors, managers, employees or any person with actual control ability to comply with legal regulations, and to avoid dishonest behavior. It is our expectation that all staffs involved in the Company’s activities will be honest and responsible for their behavior.



Principles for
Integrity
Management



Guidelines for Integrity
Management Processes
and Behaviors



Code of Conduct





3.2.1 Propaganda and Promotion

To enhance employees' attitude towards integrity, Acter not only published policies and regulations governing commercial behavior and ethics, but also regularly promote integrity management concepts through education, trainings and internal meetings. It is our expectation to transform the core values of honesty and integrity into our knowledge and enable our staffs to fully understand and recognize actions that we have taken therefor.

Apart from the employees, Acter also pays great attention to the legality of suppliers. We have stipulated "Code of Conducts for Suppliers" and always fully understand the integrity management and CSR compliance status of our potential partner in advance. It is our expectation to create a honest and fair partnership to protect the rights of our customers and shareholders.

Appointed to be in charge of integrity management, the Company's General Administration Division not only assists the board of directors and management team to draw up integrity management policy and prevention plan, but also supervises relevant implementation works and reports it to board of directors on a regular basis. The implementation works of 2017 is as follows:

Education and training



Introduced integrity rules in e-learning courses and about 189 people have completed the training. The percentage of trained employee is 72% with a total of 378 training hour.

Announcement and propaganda



Summarized integrity principles and regulations governing the handling of important internal information, and have them published on a public information platform.

Communication channels

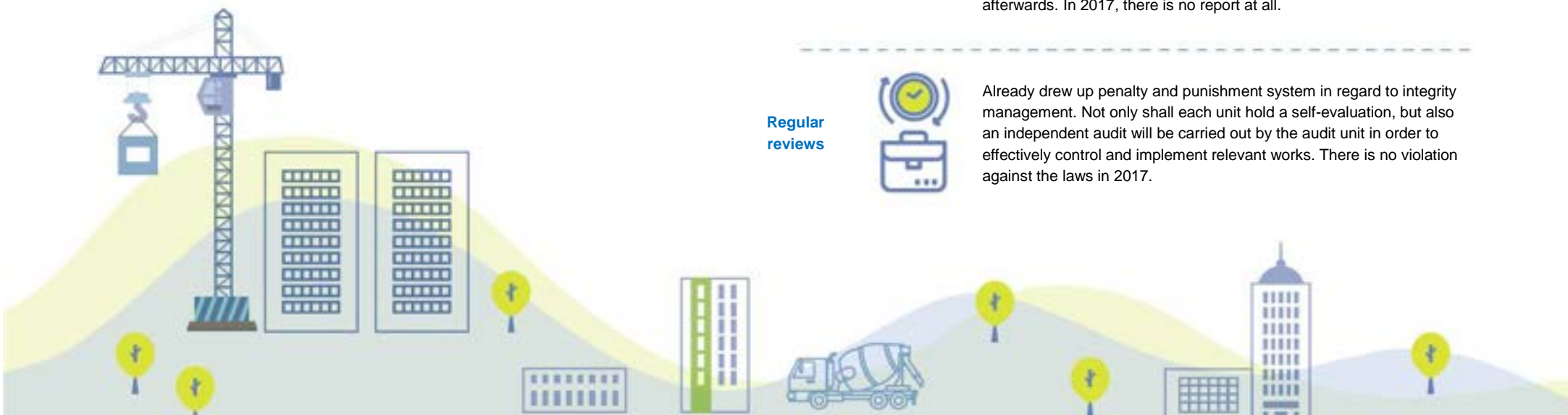


Employees can seek advice for any violation, suspected violation, and matters that potentially violate integrity principles and business ethics through various channels; or report any content, information and document that are related to specific fact anonymously or with his or her name. Upon receipt of the report, the Company will carry out an investigation on relevant issues and make improvements sustainably afterwards. In 2017, there is no report at all.

Regular reviews



Already drew up penalty and punishment system in regard to integrity management. Not only shall each unit hold a self-evaluation, but also an independent audit will be carried out by the audit unit in order to effectively control and implement relevant works. There is no violation against the laws in 2017.





3.2.2 Consultations and Report

To implement its integrity management philosophy, Acter strictly prohibits employees to receive any forms of money, bonus or gift for any reason. Besides, Acter has requested its employees to treat our partners fairly. We already installed a diverse and complete reporting system, enabling relevant parties to report any behavior that is against business integrity. In the meantime, we also set the “whistle protection system” to protect reporter from being treated unfairly or revenged due to the reported matter. In the meantime, we also uphold an objective conscientious and cautious attitude towards the investigation in order to clarify the fact.

Statistics of received complaints/ reports		
Year 2015	Year 2016	Year 2017
0	0	0

3.2.3 Legal Compliance

Acter provides engineering and technical services based on the principles of integrity. We follow and comply with the requirements of the competent authority and local regulations. In the meantime, we also constructed a good legal compliance system and framework, having relevant units and divisions to carry out an evaluation. This enables Acter to control relevant works and management rules, ensuring their compliance with up-to-date regulations. In 2017, Acter received no penalty from violating economic (anti-corruption, anti-money laundering, anti-competition), social (labor) and environmental (environmental protection) regulations. Procedures governing legal compliance are as follows:

1. Regulatory inventory: Check listed regulations with which operations divisions shall comply.
2. Regulatory update: Regularly update the list of regulations with which operations divisions shall comply, and provide the updated regulations, terms and conditions to the competent authority of where the operations division locates.
3. Regulatory identification: The competent authority of where the operations division locates shall confirm if the division's operations comply with legal regulations.
4. Compliance examination: The examination carried out by the audit unit will help to ensure legal compliance.

Acter has sustainably promoted legal compliance by promoting education and training courses. These internal and external courses enable our employees to know about the laws and understand key issues of legal compliance. For example, legal knowledge, confidential information, protection of intellectual property, environmental protection, anti-corruption, contract risk management and so on. The total of training hours in 2017 is as follows:

External education and training that comply with regulations	27 sessions
No. of participants	40 participants
Total training hours	154 hours

Internal education and training that comply with regulations	3 sessions
No. of participants	226 participants
Total training hours	489 hours





3.3 Risk Management

Major Issue -GRI 102-30-Effectiveness of Risk Management Processes

Prospects for 2021	Strategy
Implementation of corporate governance	Implement risk management; establish strategic, operational and financial risk governance and management system

Management Policy

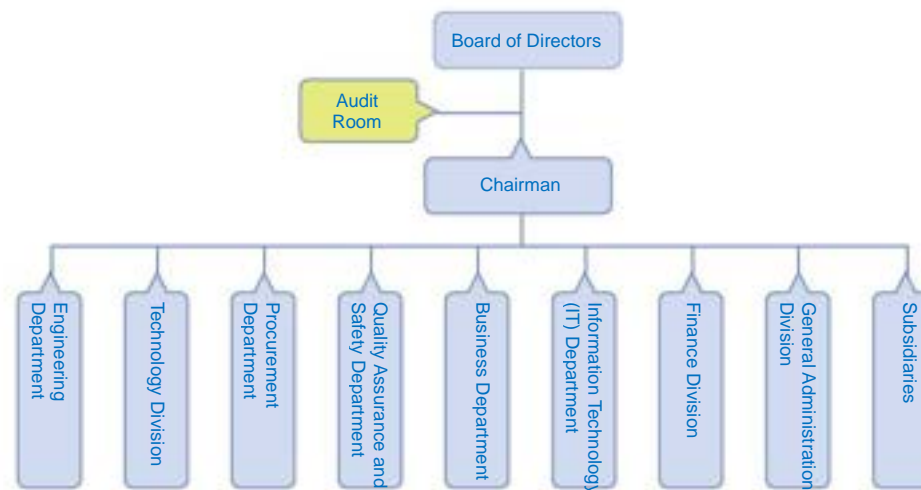
2017 Targets	2017 Performance	2018 Targets
Implement risk management education and training..	Risk management education and training courses (such as project management, occupational safety, first-aid training, financial risk warning), with a total of 3,082 training hours.	Continuously implemented risk management education and training courses.

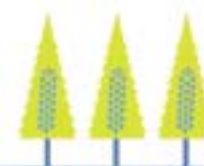
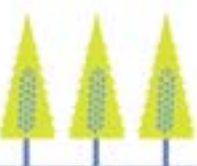
As companies may be challenged by various potential risks, it is a must for them to implement risk management in order to reduce or prevent operational risks. Acter has not only positioned its board of directors as the highest governance unit, but also included risk management in the evaluation of all divisions, departments and managers' performance. Besides, all employees' salary and compensations are distributed according to potential risks involved in their jobs, and in compliance with Acter's short- and long-term performance.

Acter has set "Regulations Governing Risk Management" and relevant management policy to implement risk management and provide decision-making suggestions. The scope of risk management includes primary risks by which the Company can be challenged when doing the business; they are credit risks, market risks, operational risks and legal risks. Besides, to respond to the changing global environment, we also apply control measures on climate change risks and emerging risks. We have sustainably ameliorated existing risk management mechanism, turning risks into opportunities. Details related to the identification of climate change risks, please refer to 6.2.1 Climate Change Risks and Opportunities

3.3.1 Risk Management Organization

Acter has carried out risk management relying on the organization's existing departments. It has established the inter-departmental "risk management unit", whose members include the heads of the General Administration Division, Finance Division, Technology Division, Engineering Department, business departments, Procurement Department, IT Department and Quality Assurance and Safety Department. Relying on their expertise, these professionals jointly risks that can impact the Company's business objectives, and finalize adequate response measures to prevent and reduce possible damages to the Company.





Functions and Authority of Risk Management Units

Units



Board of Directors

Ensure risk management policy and regulations are effectively implemented, and reliable for the ultimate responsibilities of risk control.

Approve and release risk management policy and regulations.

Decide the approval level of all types of risk management regulations.

Supervise the implementation of overall risk management system, ensuring the risk management processes operate effectively.



Chairman

Implement risk management regulations and policy approved under the resolution of board of directors.



Audit Room

Concentrate on internal works of major risks defined by the risk management unit, and audit the Company's risk management processes.

Ensure the internal control system is effectively implemented and track improvements made to deficiency; have relevant progress reported to board of directors or the audit committee timely.

In regard to risk management and interior control, assist to define the risks, evaluate and educate employees.



Engineering Department

Implement budget control and track customers' orders.

Evaluate unrecognized risks and control the balance.

Control the engineering progress.



Technology Division

Clarify questionable parts of design drawing.



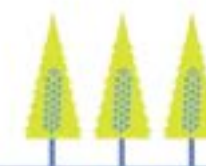
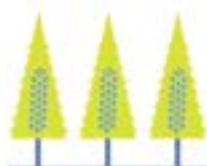
Procurement Department

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

Supply chain management.

Functions and Authority





Functions and Authority of Risk Management Units



Quality Assurance and Safety Department

Establish and maintain environmental and construction safety and hygiene.



Business Department

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



Information Technology (IT) Department

Develop, install and manage all types of information systems.

Maintain information security and control the use of software.



Financial Division

Financial analysis and planning; evaluation of financial risks.

The unit that allocates funds; supervise and evaluate customers' credibility.

Track and manage receivables.

Implement and handle report and announcement relevant operations.



General Administration Division

Allocate manpower and respond to activities thereof.

Implement and handle all types of insurance operations.

Track and handle the progress of litigation.



Subsidiaries

Follow the Company's "Regulations Governing Risk Management" to evaluate and monitor risks, and report the risk management status of the chairman of parent company.



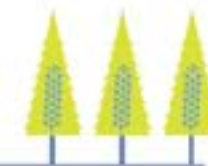
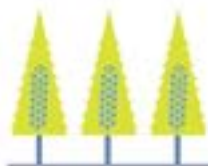


3.3.2 Risk Management








To effectively control potential risks, the risk management unit shall implement at least once risk assessment every half year to ensure risk control measures are indeed implemented. Where Acter's employees find any serious risks that can affect the rights and interests of the Company, it is a must to report it to the department head. The said risks will be reported to the chairman through the risk management unit and the Chairman will, depend on the circumstances, summon a meeting to discuss response measures to minimize possible impacts to the Company.

Risk Management Processes

Processes	Objectives	Methods
Risk identification	Identify risks/ incidents that can cause unfavorable risks to Acter's business targets.	Use the "Risk Identification Table" to collect risk exposure data.
Risk assessment	Evaluate the risk impact level.	Evaluate the risks from three perspectives: <ul style="list-style-type: none">• Possibility• Impact (to the Company's finance and business sustainability)• Control effectiveness
Risk response	Find and evaluate possible response measures	The evaluation conditions include: <ul style="list-style-type: none">• The implementation costs.• Effectiveness.• Feasibility (level of difficulty)• Implementation required time.
Action plan	Propose specific actions that can make relevant improvement.	Implement risk simulation drill or provide relevant improvement plans.
Improvements and Tracking	Continue to make an improvement and reduce risks.	Continue to track the improvement status until it is made; amend standard operating procedures to ensure their compliance with the Company's actual needs.



Major risk management
mechanism and strategy

Risk source	Market Risk	Credit Risks	Operational Risks	Financial Risks	Information Security Risks	Management of Subsidiaries' Risks	Climate Change Risks
	 <p>The economic slow-down and economic distress have resulted in a decrease in willingness for investment or fluctuation of raw materials, affecting the Company's profitability.</p>	 <p>Risks caused by the Company's counterparty who is unable to fulfill its contractual obligations due to bad corporate physique or other factors.</p>	 <p>Damage or loss caused by inappropriateness or mistakes of internal operations, personnel or system.</p>	 <p>Impact to the Company's income due to change of the interest rate or exchange rate.</p>	 <p>Confidentiality and integrity of corporate information.</p>	 <p>Impact to the Company's business targets due to risks of its subsidiaries.</p>	 <p>Please refer to 6.2.1 Climate Change Risks and Opportunities.</p>
Response strategy	<p>Proactively expand the overseas market to increase business revenue and profitability.</p> <p>Innovate technology and satisfy customers' demand to increase the opportunity of winning the bid.</p> <p>Enter the new market to develop potential customers.</p> <p>Continuously monitor the price trend and adopt respective hedging measures. When making a bid, it is a must to take the price increase risk into consideration to minimize risks of price fluctuations.</p>	<p>Implement customer credit management and fund transfer. In case of finding any overdue payments, it is a must to speed up the payment collection process.</p>	<p>Establish a complete operational risk management mechanism to effectively control changes of operational risks; have the audit unit to regularly check operational risk management procedures to ensure the operational risk management assessment and control procedures function effectively.</p>	<p>Continue to keep a good relationship with the banks to have better interest rates.</p> <p>Immediately control the exchange market information to effectively control exchange rate risks.</p>	<p>Establish a cautious information security management system to protect customers and the Company's business confidentiality.</p>	<p>Take risk factors under considerations when making important decisions. In the meantime, establish an appropriate risk bearing mechanism. Apart from complying with regulations of the competent authority, all subsidiaries shall also stipulate regulations governing risk management and management abnormality.</p>	<p>Please refer to 6.2.1 Climate Change Risks and Opportunities.</p>

Acter's internal and external engineering risk management's trainings.

Internal and external risk management trainings	Year 2017
No. of participants	929
Total training hours	3,082
Average training hours	3.3



3.3.3 Internal Control and Audit Mechanism

To implement the Company's self-monitoring mechanism and immediately react to environmental changes, Acter has stipulated "Regulations Governing the Self-Assessment of Internal Control System" in accordance with Financial Supervisory Commission's "Regulations Governing Establishment of Internal Control Systems by Public Companies" to build the fundamental internal control framework. The purpose is to control management risks, enhance the Company's operational efficiency and effectiveness, ensure the security of assets and maintain shareholders' rights and interests.

The Company's Audit Office, which is under the board of directors, has three personnel including head and auditors. They are in charge of planning and implementing the Company and its subsidiaries' audit works. Regarding internal control deficiency and abnormality found during the audit, the Audit Office shall have them recorded into an audit report and report it together with the audit implementations to the Audit Committee and board of directors on a quarterly basis. They shall also continuously track and review the said deficiency, ensuring that relevant units have timely adopted appropriate improvement measures. Through routine and professional audit, the Audit Office understands not only the Company's internal control functions and operations, but also potential risks to assist board of directors and the management level to fulfill their responsibilities and further implement the corporate governance system. The Office has completed totally 39 audit reports last year (including those of the Company's subsidiaries).





3.4 Economic Performance

Major Issue -GRI 201 Economic Performance

Prospects for 2021	Strategy
Business continues to grow	Proactively expand the overseas market; develop new customers; maintain the business in various regions; increase investment returns.
	Focus on the core business while continuously implement diverse system integration services.

Management Policy

2017 Targets	2017 Performance	2018 Targets
The annual ROE will be above 20%.	24.41%	ROI will be above 20%
Net profit will continue to grow	With a growth of 98%	Net profit will continue to grow

Sustainable business shall be built based on a good financial performance in order to generate higher economic values and make returns to the shareholders, employees and other stakeholders. In order to maintain a good financial performance, it is a must to have an operating income and profitability that continue to grow. Acter has adopted a strategy not only to continuously invest in technology research and development, but also to enhance the customer satisfaction level. It is our expectation to have a growth in operating income, expand the market share and create good business results.

Benefited from the electrical and electronic integration demand for clean room engineering from customers of the semiconductor, optoelectronics and panel industry, Acter Group created the highest record over the last 7 years in 2017. From proportion of customers' revenue, those of cross-strait semiconductor, optoelectronics and panel customers climbed up to 58% in 2017. From the revenue of major engineering service, those of the clean room integration engineering had a growth of 59% comparing with the same period of 2016. Both of the said numbers have contributed not only to the Acter's growth to 18% in 2017, but also to the ROE and ROA with a growth of 24.41% and 9.68% respectively. Acter's consolidated income reached NTD11.438 million with an annual growth of 36%. The net profit after tax was NTD842 million and EPS after tax was NTD18.17, with a growth of 93% and 92% respectively. Regarding detailed business performance analysis, please refer to the 2017 Annual Report.

Industry-Based Analysis of Engineering Revenue



Shareholders Structure

Structure of Shareholders	Government Organizations	Financial Organizations	Other corporations	Individuals	Foreign Organizations and Outsiders	Total
Quantity						
Number of People	0	0	54	4,775	78	4,907
Number of Shares	0	0	6,363,083	30,981,550	9,808,186	47,152,819
Proportion of Shareholding	0.00%	0.00%	13.49%	65.71%	20.80%	100.00%

Financial Performance

Year	2015	2016	2017
Financial Information			
Ratio of Debt to Total Assets	62.57%	61.94%	59.62%
Return on Assets (ROA)	5.54%	5.34%	9.68%
Return on Equity (ROE)	15.12%	14.40%	24.41%
EPS (Earning Per Share)	9.02	9.45	18.17

Individual Financial Information

Unit: NTD1,000.

Items/ Year	2015	2016	2017
Production of direct economic value			
Engineering revenue	3,818,436	3,368,183	3,854,220
Other operating revenue	10,393	4,487	12,016
Allocation of direct economic value			
Operating cost	3,527,690	3,122,910	3,511,541
Employees' salary and welfare	423,572	407,536	451,708
Amount paid to the founders (dividend)	93,232	284,014	377,895
Amount paid to the government (income revenue / excluding deferred tax)	20,088	71,734	48,401
Community Investment (Note 1)	2,886	2,499	4,607

Note 1: Social investments include charity donation, external initiatives, industrial-academic cooperation, scholarships and so on. Please refer to Chapter 8 Corporate Citizenship.

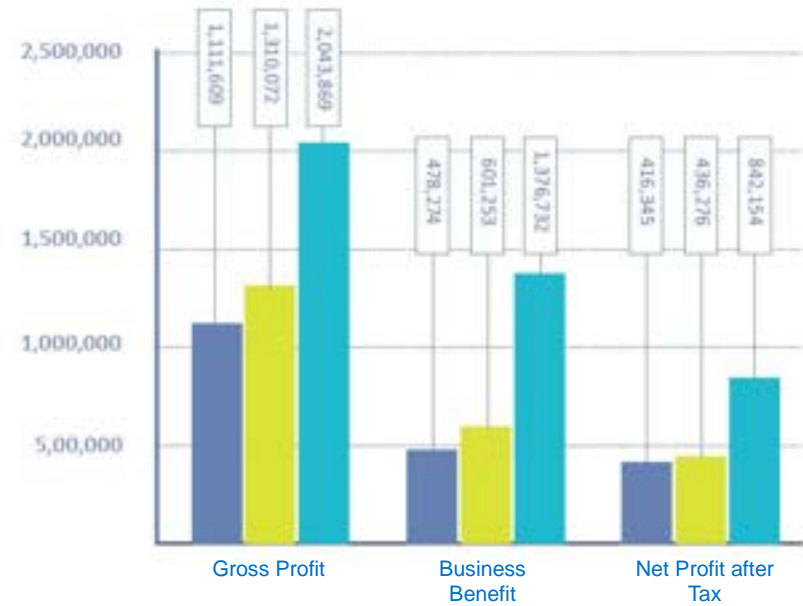
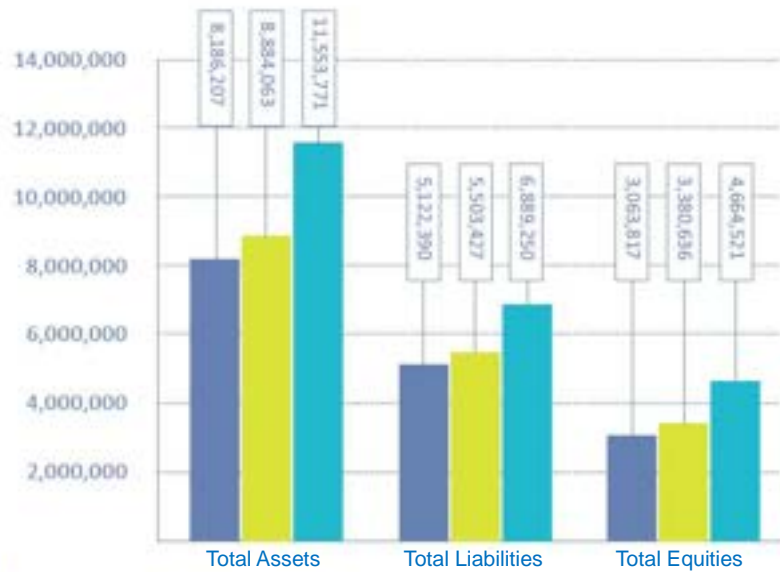




Acter Group's Financial Information

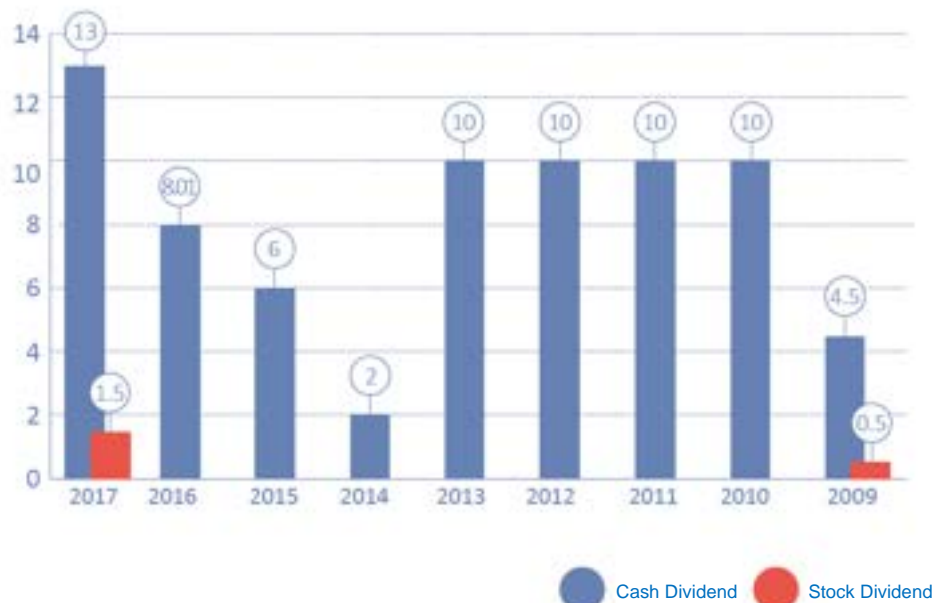
Unit: NTD1,000

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Dividend Policy

Acter's return to shareholders policy is drawn up in accordance with its Articles of Incorporations. Any surplus of the year shall be distributed with undistributed surplus of the previous year. The board of directors shall, depend on the fund status and economic development of the year, distribute dividends to shareholders. Acter has always distributed cash dividends to shareholders starting from 2009. In 2017, Acter distributed NTD13 of cash dividend and NTD1.5 of stock dividend per share to shareholders. The distribution rate has reached 80%.



Tax Policy

Acter supports and complies with the government taxation regulations. Upholding the principles of integrity, Acter has not only made great effort to maintain information transparency and sustainable development, but also comply with the government's taxation system each year to fulfill its social responsibilities as a taxpayer. We commit:

1. Comply with all requirements of taxation and tax disclosure standards, and keep all information on the financial report transparent.
2. All business activities are conducted in accordance with taxation laws.
3. Keep a respecting and trusting relationship with taxation agencies and, whenever necessary, communicate in regard to taxation issues.

The taxes that Acter (individual) paid to the government are mainly the income tax. The details of the said taxes over the last three years are as follows:

Year	Paid Amount / Unit: NTD1,000.
2017	89,415
2016	47,495
2015	50,145







Sustainable Engineering Services

- 4.1 Professional Turnkey Project Services
- 4.2 Research, Development and Innovations
- 4.3 Green Engineering
- 4.4 Insistence on Quality Assurance
- 4.5 Customer Services

Main Performance

Invested NTD 92,488,000 to research and development.

The research and development expenditure is about 0.81% of the total business revenue.

24 inventions

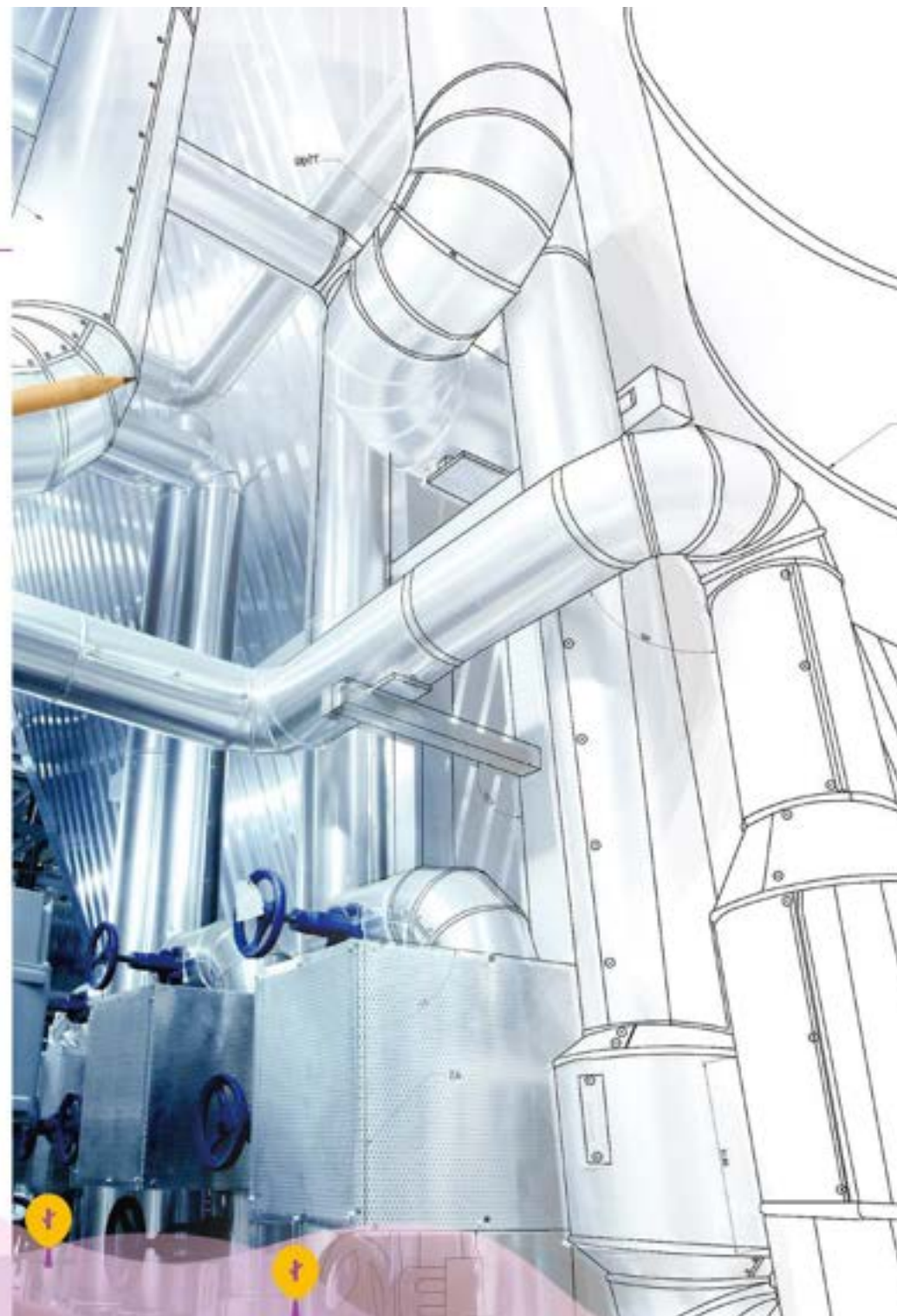
The average score for customer satisfaction level is 90.

One design project received the EEWH green building label.



4.1 Professional Turnkey Project Services

Upholding the principles of “Honesty and Innovative Services”, Acter provides customers high-tech production/ clean room engineering integration; electromechanical and air-conditioning system integration; energy saving and biochemistry engineering integration services with professional engineering integration technology. The scope of our service applications stretches over livelihood and technology domains to, with our high-quality services, enable customers to become more competitive. Apart from continuing to service existing customers, Acter has been proactively developed new domestic and overseas markets, industries and customers. Our objective is to satisfy customers' needs for interdisciplinary system integration engineering services.





High-tech production/ clean room engineering integration

With its expertise, Acter provides high-technology industry clean room system integration turn-key services, including energy-saving and other solutions that fulfill customers' factory building requirements and improve their system functions. The services are design and planning; engineering / construction management; maintenance and warranty and so on. The meticulous planning and design, and abundant experiences in engineering projects enable Acter to precisely build a quality space and become customers' most reliable business partner.

Electromechanical and air-conditioning system integration

The integration of mechanical, electrical and some other professional technology is obligatory for electromechanical engineering projects in order to plan a quality and energy-saving space for customers. Acter has not only overcome a number of complicated electromechanical engineering projects with its expertise and integration ability, but also continuously improved its professional skills in the field of electronics to provide customers a single-station integration service.

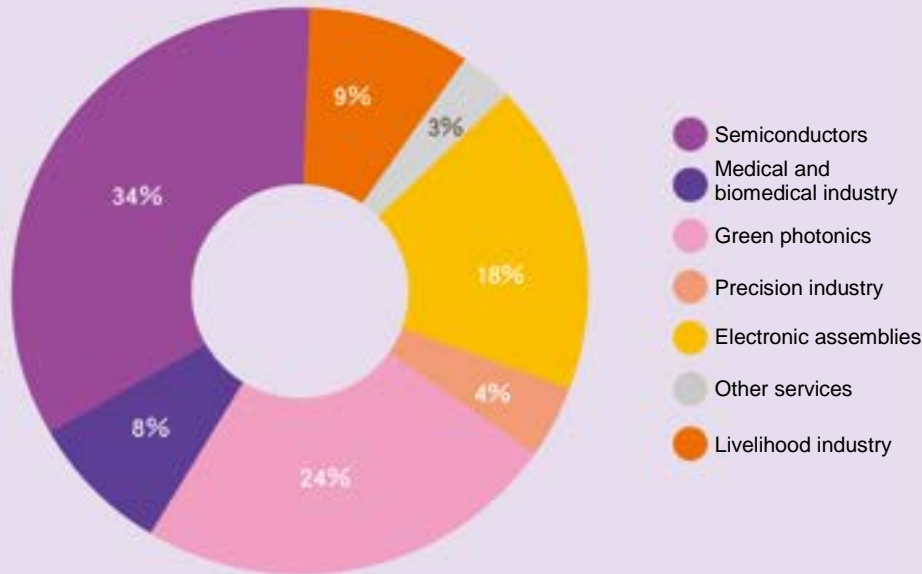
Chemical system integration

Acter provides all types of gas and chemical supply system planning, design, production, construction, installation and testing services, and introduced project management to integrate the services and control the overall project progress. Furthermore, it also developed products such as gas cabinet, gas valve box/ disk, solvent recycling equipment, heating control system, central monitoring system and toxic gas detection system. Upholding the spirit of development and innovations, Acter's professional and technical team provides the safest and high quality engineering integration services.

Environmental engineering integration

Acter is specialized in the water processing and wastewater treatment turn-key engineering for general industrial and high-technology factories. It not only designs wastewater and gas discharge system using the pipeline, but also, in regard to wastewater and acid/ alkaline waste, implements environmental pollution prevention and treatment measures and water processing works. We have done our best to implement our green engineering philosophy in our expertise, and will expand to the field of wastewater reclamation to recycle and reuse all water resources.

Industry-Based Analysis of Service Revenue of 2017



4.2 Research, Development and Innovations

Major Issue – Sustainable Development

Prospects for 2021	Strategy
Provide green engineering services	Provide customers the low carbon emission and energy-saving solution.
	Establish a low-carbon environment management policy and transform it into the corporate culture.
	Technical innovations, research and development.

Management Policy

2017 Targets	2017 Performance	2018 Targets
The proportion of research and development expenditure in revenue is more than 0.7%.	0.81%	More than 0.7%

The system integration engineering technology, research and development are different from products of ordinary industry. Not only are techniques and material equipment are reassembled to enhance the use efficiency, but also customization is made in accordance to the characteristics of customers' industry. Then, together with our knowledge in architecture, Electromechanics, air-conditioning system, firefighting system, instrument control, pipelines and engineering management, we have managed to build an operating system and environment that fulfill customers' production demand. Acter has been pursued a sustainable development by continuously innovating and developing new technology. We also spent years to cultivate an extremely professional and highly experienced engineering team to fulfill customers' product demand and lower their production cost. We also integrated innovative technology of our suppliers in the technology development process, support economic development and the objective of enhancing human's welfare. Besides, Acter has been co-worked with industrial-academic institutes (National Taipei University of Technology, National Chin-Yi University of Technology and so on) for technological development in order to better understand technology of the industry. An overview of the research and development plan of 2017 is as follows:



Project	Current progress	Further investment to research and development	Completion of mass production	Descriptions	Key success factors for future development
Practical and new patent	The Company continues to apply for relevant patents	96,411	108/12	Optimize construction process and enhance/improve equipment functionality.	Personnel involve in research The management level gives encouragement and supports.
Development of sterile hydrophilic eliminator	Installation of laboratory equipment	754	Not applicable	Provide a solution for molecular contamination of precision semiconductors in regard to its impact to products; and the damage of bacterial to operating personnel.	Benefits of antibacterial materials.
Talent cultivation and industrial-academic cooperation	In progress	80	Not applicable	Conduct not only in-service trainings to enhance employees' occupational capabilities, but also joint research and development with the academic circle for innovations.	Combine academic and practical works. Technological applications and inheritance.

Unite: NTD1,000.

The Company continues to innovate construction methods, accumulate technical experiences and enhance the use efficiency thereof. The Company's unique and innovative construction methods as well as various patents are summarized below:

Category	Unique or innovative construction methods
Ice-storage and energy-saving engineering	Use raft-based ice-storage system to transfer peak loads.
	Store ice water in the fire cistern reduce the used space and contractual capacity.
Supertall building	The ultra-cold air system can reduce the area covered by pipelines.
	A 42-floor building for multiple uses.
Unique engineering	Integration technology for hospitals with SARS negative pressure isolation equipment.
	Bio-chemical laboratory of the Ministry.
	The integration engineering technology for the import of Tobacco factory.
Biochemical engineering	An integrated technology for the first H1N1 vaccine plant.
	An integrated engineering technology for clean rooms of CGMP factory.
	An integrated construction method for factories specialized in the production of Cordyceps sinensis.
	An integrated energy-saving electromechanical technology for biochemical equipment factories.
	An integrated engineering technology for GTP clean room.
	Transnational output of integrated electromechanical technology for food/cGMP factories.
	An integrated energy-saving electromechanical technology for poultry holding areas and poultry processing factories.
	An integrated technology that freely switch a place into a positive or negative pressure environment depending on product features.
Green power engineering	An integrated power supply method for solar energy.
Clean room turn-key engineering	An innovative construction method for the first mass production factory of PDP.
	An innovative construction method for Japanese polarizer manufacturers.
	An innovative construction method for TFT manufacturers.
	A unique construction method for the 6" silicon wafer fab turn-key service under the cooperation with SONY (Japan).
	An innovative construction method for Taiwan's second largest assembly house.
	An innovative construction method for the whole-plant electromechanical integration of module factory.
	An innovative construction method for FPCB factories.
	An innovative construction method for the output components of a Japanese factory.
	An innovative construction method for electromechanical integration of PEC manufacturers.
	An innovative construction method for the microenvironment of semiconductor device washing factory.



Patent Type	Patent Name (Note 1 & 2)
Invention and patent	An air pipe installation method.
	An electromechanical installation engineering and construction method.
	A window and door system for cleanroom.
Practical and new patents	A type of transfer window for cleanroom.
	A type of dropped ceiling for cleanroom.
	A type of air window for cleanroom.
	A type of connector for fire hose.
	A type of HVAC ducting.
	A type of fire hose.
	A type of wall brushing device that is used as an outdoor decoration.
	A type of air pipe installation bracket.
	A type of air pipe installation lifting appliance.
	A type of pipe fitting.
	A type of water blocking device for examining pipeline.
	A type of outdoor electricity distribution box.
	A type of base for the installation of electromechanical equipment.
	A type of protective base for the installation of electromechanical equipment.
	A type of improved HF heating and cooling system.
	A small-size nitrogen humidifier for CMP slurries of silicon substrate.
	An improved supporting platform for electronic bucket of chemical supplies.
	An improved rotating and oscillating mechanism for silicon substrate.
	An electronic chemical packing equipment.
	A dilution system for CMP slurries mixed with acid solvent.
	A temperature control system for keto acid supplies.

Note 1: Above patents are newly added in 2017.

Note 2: Regarding technology patent and technological development, the Company has totally acquired 3 inventions (2 in 2017), 68 practical new-type patents (22 in 2017), and 6 software copyrights in the mainland of China up to the end of 2017. The said inventions, patents and copyrights are mainly related to constructions, application of new materials, change of materials, and chemical equipment, supply system, software and writings.

Acter's Investment in Research and Development Over the Years Unit: NTD1,000

Items / Year	2014	2015	2016	2017
Research and development expenditure	49,551	80,566	76,779	92,488
Operating revenue	7,851,552	8,558,768	8,404,421	11,437,682
The proportion of research and development expenditure in revenue.	0.64%	0.95%	0.92%	0.81%



4.3 Green Engineering

As the fast development of global economy has resulted in damages to our environment, the world now pays more attention to environmental issues and relevant international conventions also emphasize on the reduction of greenhouse gas emission. With its expertise and experiences, Acter has, through engineering innovation and technical development, been devoted to cooperate with customers and partners to develop the economy and protect the environment. We have continuously enhanced our energy-saving and environmental protection skills in order to grasp opportunities brought by these environmental risks.

Enhancing our competitiveness and advantages in green technology has always been one of Acter's sustainable development goals. When providing customers an engineering integration service, Acter has followed the principles of increasing the operational efficiency and reducing wear and tear in all aspects, including design, procurement, construction, testing, maintenance and manipulations. The purpose is to reduce environmental risks and impact and, through supplier management, promote the eco-friendly concepts in the supply chain. It is our expectation to, with the strength of all people, create a triple win situation in terms of economy, society and environment, and do our very best for environmental sustainability.

During the implementation of engineering projects, we have adopted the best technology to minimize environmental impacts caused by products and do our best to reduce environmental pollution. With the use of green engineering technology, we also managed to increase the energy and resource use rate, minimize impacts to the environment and reduce costs and expenditure. We also proactively respond to climate change and reduce greenhouse emission. Having the environmental protection concepts incorporated into corporate sustainable development, we have built a firm foundation for the Company's sustainability.

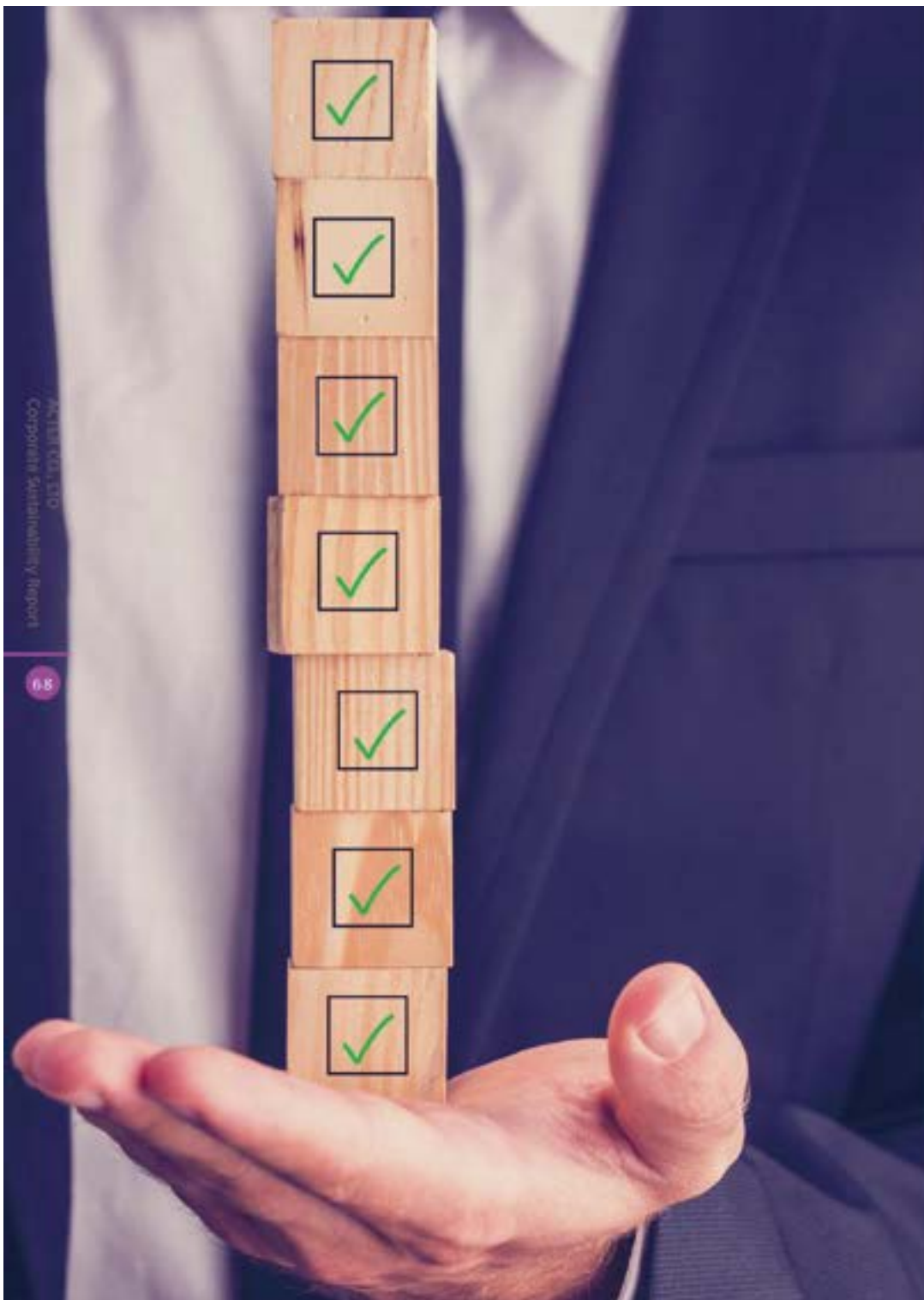
Green Engineering Technology

Green Engineering Technology	Methods	Effectiveness
Wastewater treatment	Electrolysis technology for copper-containing wastewater	Round bar electrolyte can increase the system's mass transfer and balance the distribution of electric force lines. Closed electrolyte can reduce the amount of acid gas spreading in the environment.
	Fluidized-bed crystallization technology for phosphorus-containing wastewater	Reduce phosphorus of the water; crystallize phosphorus crystals to ferrous phosphate, which is the raw material of other production.
	Distillation recovery technology for organics in the water	Recycle minor organics in the recovered wastewater to lower the loading of wastewater treatment. The recycled organics are purified as a new resource.
	Fluidized-bed crystallization technology for fluorine-containing wastewater	Recover fluoride ion in the recovered wastewater to reduce the amount of sludge generated from the process. Produce calcium fluoride through the crystallization process and have them used as the additive for steelmaking furnace.
Noise prevention and control	Set pre-construction and construction noise prevention and control plans; adopt low-noise construction methods and equipment; install noise insulation equipment; implement site management works.	Maintain the construction environment and tranquility of the surrounding areas to effectively minimize damages of noises to human body.
Save energy using electrical technology	Adopt high-efficiency electric equipment, such as high-efficiency transformer, high-efficiency motor and high-efficiency LED lighting.	Can enhance the overall power-use efficiency and reduce loss of electricity. Not only can the Company save energy and resources, but also it will be able to reduce the emission of greenhouse gas and environmental pollution.
Save energy and water during the production process	Adopt energy-saving inverter optimization control, waste heat recovery and reuse, air conditioning cooling water recovery and reuse measures, and hygiene appliances with water-saving label to save power and water consumption.	Can enhance the power-use efficiency and environmental pollution resulted from the discharge of waste heat. The water recovery and water saving devices can reduce the use of water resources.
Pipeline prefabrication, installation and applications	Draw a precise construction plan in advance to increase the off-site prefabrication and installation ratio and examine the quality thereof with higher standards.	Optimize the arrangement of pipelines; enhance construction quality and efficiency; reduce construction cost and risks.
Waste heat recovery system	Well use the heat exchange principles to recover the heat of high-temperature wastewater discharged during the production, and have it used in the air conditioning and ventilation systems.	Save energy and reduce wastes.
For 3D drawing	Use the BIM (Building Information Modeling) technology to enhance the Company's technical capability in space management in order to solve problems related to the construction of engineering pipelines.	Can increase the construction accuracy and further reduce the loss and waste of engineering materials, and the waste of construction manpower and materials resulted from repeatedly repairing and renovating the pipelines. This will help not only to increase the engineering quality but also shorten the timeline.
Information platform	Establish one information sharing platform.	Symmetric information can help to immediately review the implementation of engineering project, which can facilitate the management of actual engineering projects.

Expected Benefits of Green Engineering

Project	Industry	Item	Energy-Saving Methods / Measures		Expected Benefits
			General / Traditional / Original Methods	Energy-Saving Measures (Acter's Methods)	
A	Biotechnology industry, received the EEWB green building label	1	CNS standard water chiller with COP 4.9.	Adopted high-efficiency water chiller with COP 5.46.	246,156 kWh/year
		2	CNS standard water chiller with COP 4.9.	Adopted inverter spiral water chiller with COP 5.26.	131,050 kWh/year
		3	One cooling coil design.	Adopted the dual cooling coil design to reduce reheating.	1,579,585 kWh/year
B	Biotechnology industry, received the EEWB green building candidate label	1	Electric heating system.	Recover the 1,406 kW from the cooling water; reduced the consumption and costs of gas.	
		2	One cooling coil design.	Adopted the dual cooling coil design to reduce reheating.	1,761,064 kWh/year
C	Technology industry	1	Adopted a liquid desiccant system for outside air.	Adopted the low-temperature water chiller for outside air.	236,748 kWh/year
		2	The original liquid desiccant system was exported from the overseas.	Adopted local equipment to reduce the carbon footprint of factory equipment.	
D	General industry	1	Direct discharge.	The discharged exhaust is recovered and reused; 21,560 CMH.	49,854 kWh/year
		2	No bypass design.	Adopted the cooling coil bypass design; 11,4300 CMH, managed to reduce the reheating.	337,121 kWh/year
E	Solar energy industry	1	Used the electricity of Taiwan Power Company.	Adopted the solar energy; 318.99kWp.	412,135 kWh/year
F	Traditional industry	1	Adopted T5 fluorescent tube for general lamps.	Adopted LED lamps for general lamps.	750,000 kWh/year
			Adopted 250W metal halide lamps for high-bay lamps.	Adopted LED lamps for high-bay lamps.	
		2	Power factor (PF) 0.75.	Installed power factor correction capacitors; the power factor improved from 0.75 to 0.95.	Reduced the electric power transmission and distribution losses = 0.377
			Installed general transformer with an efficiency of 98.45%.	Installed high-efficiency transformer with an efficiency of 99.08%.	162,060 kWh/ year

Note: The amount of annually saved energy is estimated by Acter's Design Department.



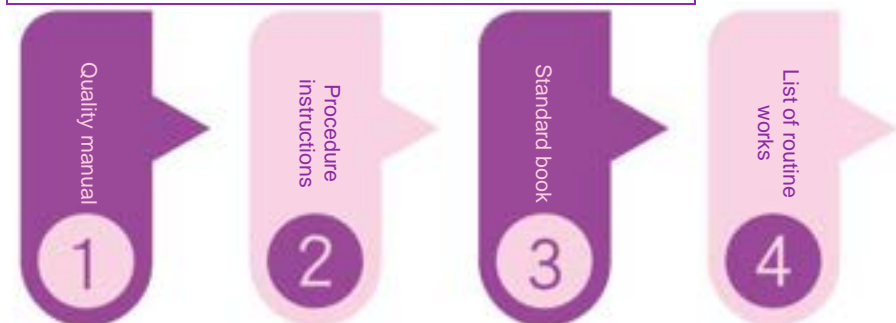
4.4 Insistence on Quality Assurance

Acter aims to provide customers the highest quality engineering technology integration services. With guaranteed quality and 100% safety, we have managed to construct a quality space that complies with customers' requirements, helping customers to win the market opportunities and enhance their competitiveness.

In 1999, Acter passed the certification of ISO 9001 QMS (quality management system) standard, which was upgraded to ISO 9001-2015. Acter upholds the spirit of standardizing and systematizing operating procedures by setting precise quality policy and objectives, and drawing up operational guidelines and management manual. Besides, Acter also accepts an overall review and integration. We have not only managed to accumulate abundant experiences through years of running engineering projects, but also continuously improved requirements for quality management operations, ensuring their compliance with the up-to-date quality, safety, health and environmental regulations.

Quality is the responsibilities of every employee and the fundamental of doing a job and providing a service. To enhance the work quality and efficiency, Acter has promoted "implementation standard operating procedure" and "improvement proposals" in the company, and listed "quality management ability" and "customer satisfaction level" in the performance evaluation index. It is expected that public commendation, bonus and other rewarding measures will encourage employees to perfect themselves, better their problem solving skills and enhance their innovation capability. This will help to maintain the Company's competitive advantages and satisfy the customers.

The Quality Management System Document Framework



To ensure that employees can access quality control documents at any time, the said documents and information are stored on the document control platform of the Company's internal website. All employees shall follow relevant procedures when implementing and carrying out a project.





4.5 Customer Services

Acter insists on walking hand-in-hand with our customers. Not only are we doing our very best to satisfy customers' demand by continuously communicating with them, but also we have built our brand value and competitiveness advantages with innovative technology and high-quality services. This is the reason that we are a reliable partner of our customers. Apart from serving existing customers, we have been continuously developed new markets, industries and customers inside and outside the country, and satisfied customers needs for interdisciplinary integrated system engineering services.

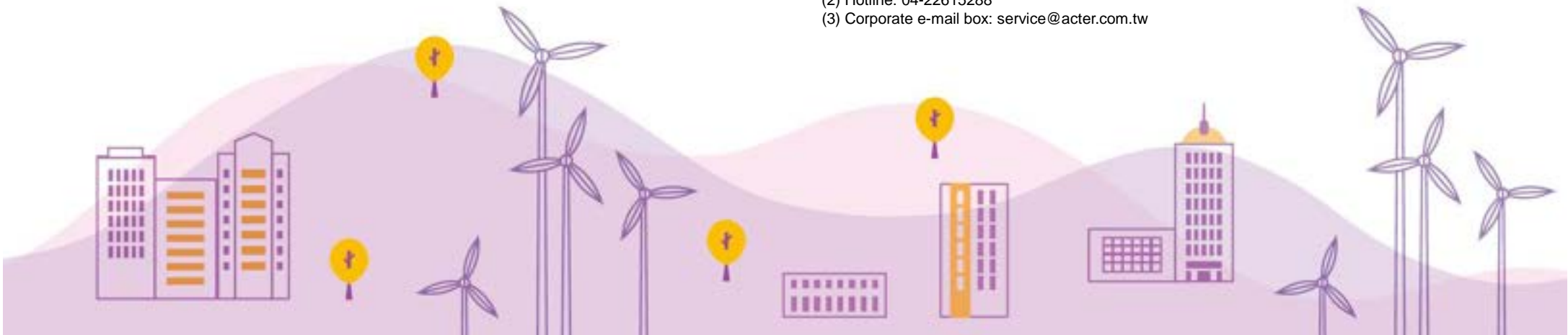
Acter has been devoted to become the pioneer of engineering service industry; we pursue customer satisfaction and enhancement of customer value. We have managed every engineering project with the doctrine of "quality and safety first" in order to maintain customers' rights and interests and the quality of our products and services. In 2017, Acter received the following affirmations in regard to our overall performance in customer service management:



Note: Above are listed projects.

To provide customers a service with better quality and maintain good customer relations, we already standardized the customer feedback processing procedures; customer feedback will be categorized and given to the head of responsible department, having him or her replied to the customer. Acter provides customers diverse feedback channels, including:

- (1) Acter's official website: www.acter.com.tw
- (2) Hotline: 04-22615288
- (3) Corporate e-mail box: service@acter.com.tw





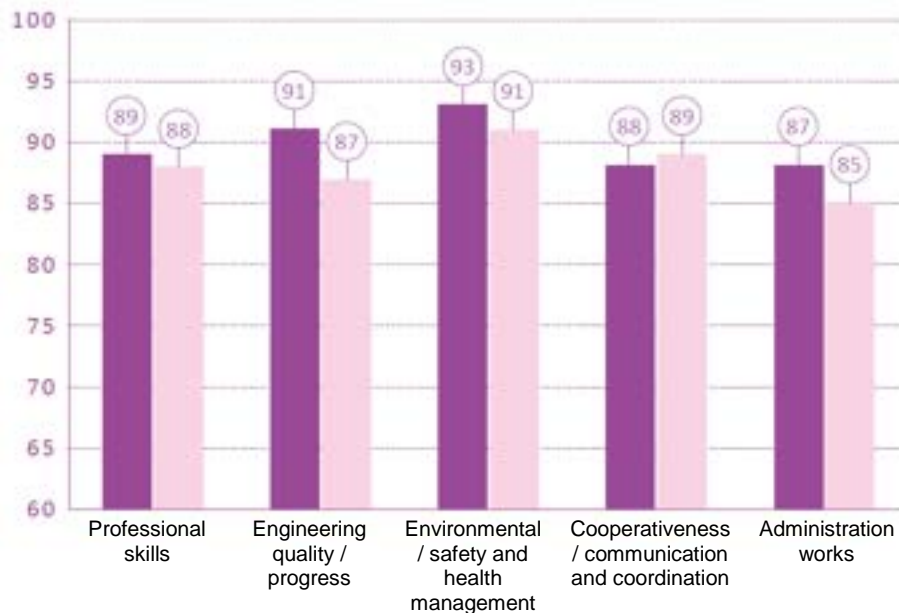
4.5.1 Customer Satisfaction Survey

Pursuing customer satisfaction and enhancement of customer value, Acter is devoted to provide “sustainable engineering integration services” in order to create the best customer service experiences and win customers’ trust. Apart from communicating and interacting with customers in ordinary days, we also carry out two customer satisfaction survey each year in accordance with “Procedures Governing Customer Satisfaction Level and Sustainable Operational Improvement”. Led by the general manager as the supervisor this survey is carried out and completed by various department. Where there is any customer complaint or the overall evaluation score is below the standard, Acter reviews and analyzes the issue; proposes a solution, improvement strategy and preventive measures; and continue to track improvements or corrections that are made therefor in order to satisfy customers’ demand and expectation. The customer satisfaction survey has five major facets: Professional skills; engineering quality / progress; environmental / safety and health management; cooperativeness / communication and coordination; and administration works, with a total score of 100. Acter’s average customer satisfaction scores for 2017 are: 88 for the Engineering Department and 96 for the Maintenance Department; the average of all departments is 90.

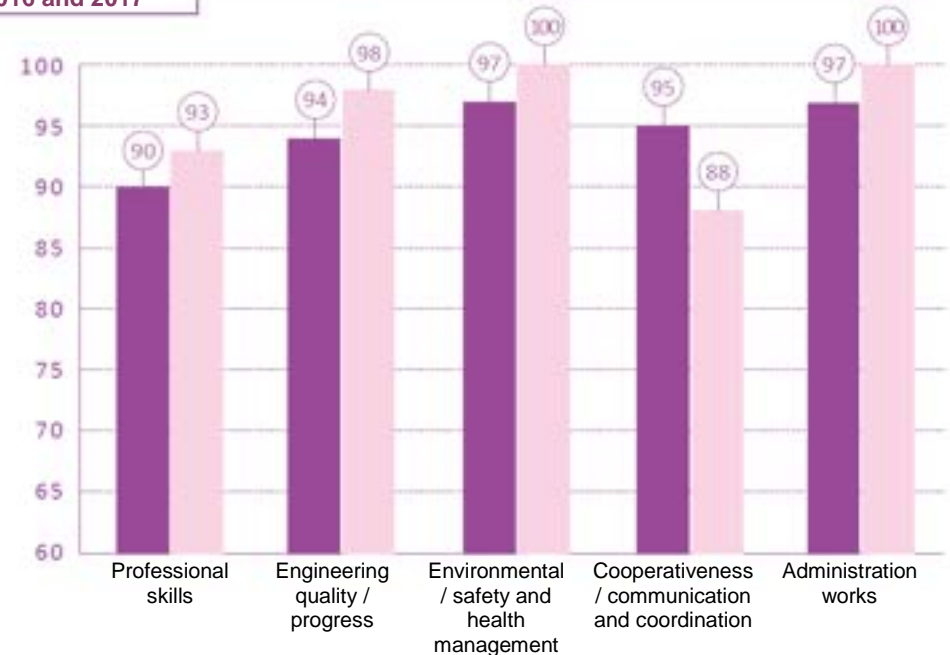
As the customer satisfaction survey score for the Engineering Department slightly decreased in 2017, we have summoned a meeting to review relevant issues and make an improvement therefor. It is our strategy to ameliorate engineering management, timely find the issues, provide a solution and make corrections. In this way, we will be able to provide the best and complete services to our customers, grow with our customers, maintain a reliable and trusting relationship with our customers, and win affirmation from our customers.

Analyses of 2016 and 2017

● Year 2016 ● Year 2017



Customer Satisfaction Survey of Engineering Department



Customer Satisfaction Survey of Maintenance



The customer satisfaction level of Maintenance Department increases in the year of 2017 and Acter has reviewed the department's score for "cooperativeness / communication and coordination", which is relatively low comparing with the others. In the future, the Company will enhance management at the construction site, regularly communicate with the customers and hold relevant meetings to bridge the cognitive gap between Acter and our customers. We have been carefully and rigorously implemented every project with an expectation to enhance our service quality. We will do our best to have our engineering quality complied with customers' expectations and trusts.





4.5.2 Maintenance of Customers' Confidentiality

Major Issue - GRI 418 (Customer Privacy)

Prospects for 2021	Strategy
Become a partner on whom the customer can count	Customer satisfaction survey.
	Establish a strict and cautious information security management mechanism.
	Enhance employees' awareness for information security.

Management Policy

2017 Targets	2017 Performance	2018 Targets
No complaint about infringing customers' privacy or missing customers' important information.	No relevant complaint received.	No relevant complaint received.
The average customer satisfaction level is above 85.	With an average score of 90.	With an average score of above 85.

Acter has been devoted to protect customers' confidentiality to ensure their rights and interests. Apart from stipulating "Obligation of Confidentiality", Acter also holds irregular educational and training sessions to promote confidentiality classification and handling procedures inside the company, helping employees to enhance their awareness and ability thereof. Furthermore, Acter has implied the best protection measures in regard to customer confidentiality; the Business Department also reviews respective control points on an annual basis. To avoid disclosing confidential information, the Company not only comply with Personal Information Protection Act relevant regulations, but also set strict management mechanisms and measures. In 2017, there is no complaint about infringing customers' privacy or missing customers' information.

Information protection mechanism



Information Security Management Mechanism

Descriptions

Strictly regulate the installation of relevant operating systems and set rigorous information security inspection measures, such as code security scan, system penetration test and other automated inspections for scanning. Apart from internal information security inspections, we also hired external information security companies to implement external information security inspections for all of Acter's inspections to minimize operational risks.



Enhance Employees' Awareness for Information Security

Employees' awareness for information security is the most important line of defense in regard to information protection. Therefore, we have requested employees who are in charge of relevant works to rigorously protect customer information; and, through IT Department, irregularly sent information security relevant matters to our employees by emails to enhance their awareness thereof.



Legal Regulations

Sign non-disclosure agreement (NDA); accept legal regulations; and provide information about contact window on our official website (<http://www.acter.com.tw/index.php/zh-tw/interested-parties>), enabling the customers to immediately contact with us whenever there is any problem.

In the future, Acter will continue to enhance customers' trusts. To have a sound development of the industry and a sustainable corporate development, we also commit to continuously protect customers' rights, interest and privacy in the future.







Sharing and Sharing the Goods

- 5.1 Industrial Chain
- 5.2 Supply Chain Management
- 5.3 Growth with Suppliers
- 5.4 Green Procurement
- 5.5 Local Procurement
- 5.6 Conflict Minerals Policy Statement

Main Performance

100% of suppliers have signed the “Letter of Commitment for Integrity and Probity”

63% of new suppliers have signed the “Letter of Commitment for Corporate Sustainability”.

The proportion of local procurement was 95 %

The proportion of Level A excellent suppliers was 15 %



5.1 Industrial Chain

Acter is a professional engineering service company in the midstream of engineering industrial chain. Based on downstream customers' demand, we provide customers diverse and one-station engineering integration service from design, procurement, subcontracting to constructions. We conduct the project plan and designs based on customers' requirements, and co-work with our partners to carry out relevant engineering and construction works in order to reach customers' objectives for building a factory. In every engineering project, the strong and complete upstream supply chain is one of our key success factors. The proactive cooperation with our upstream partners and the establishment of our technical capabilities not only satisfy customers' demand, but also create a strong partnership, making everyone a winner.

Upstream Cooperative Partners

Electrical and fire equipment industry
IT and light current electric equipment industry
Safety and health equipment industry
Production equipment manufacturing industry
Civil engineering and construction equipment industry
Raised floor industry
Air-conditioning system industry
Cleanroom system industry
Monitoring system industry
Chemical supply system industry

Mid-Stream Acter

Feasible plans
Design
Procurement,
Constructions
Testing
Repair and maintenance

Downstream Customers (Proprietor)

Semiconductor industry
Technology industry
Electronics industry
Biochemical industry
Construction industry
Medical industry
Pharmaceutical industry
Environmental protection industry
Traditional industry
Public buildings

5.1.1 The Supply Chain Structure

Suppliers are one of Acter's important partners in terms of realizing corporate sustainability. We believe that, when running a business, we shall co-exist and grow together with our suppliers. Acter's suppliers are all over the world, including Taiwan, Europe, the United States, South-East Asia and the mainland of China. Up to the end of 2017, Acter Engineering has 4,483 suppliers in total. To effectively manage and timely control the supply chain status, we have categorized and levelled our suppliers: Acter's suppliers can be roughly classified as the subcontractors and material/ equipment suppliers; suppliers whose annual transaction amount are above NTD10 million are classified as the key supplier.

■ Distribution of suppliers (up to 2017)

Region	Suppliers	Proportion
Taiwan	4,445	99.15%
The mainland of China	15	0.33%
Northeast Asia	1	0.02%
Others – Europe and the United States.	22	0.00%
Total	4,483	0.49%

■ Classification of suppliers (up to 2017; according to the procurement amount)

Type	Proportion
Subcontractors	18.15%
Material/ equipment suppliers	81.85%

■ Key Suppliers and non-key suppliers (up to 2017, according to the procurement amount)

Type / Content	Subcontractors	Material/ equipment suppliers
Key suppliers	64.93%	67.02%
Non-key suppliers	35.07%	32.98%
Total	100%	100%

■ New suppliers of 2017

Region	Number of new suppliers	% of signing "Letter of Commitment for Integrity and Probity"
Taiwan	253	100%
Mainland China	1	100%
Others – Europe and the United States	1	100%



5.2 Supply Chain Management

Major Issue - GRI 204 Procurement Practice

Prospects for 2021	Strategy
Establish a sustainable supply chain	Enhance the depth and width of supply chain management Enhance the transparency of supply chain and effectively reduce risks

Management Policy

2017 Targets	2017 Performance	2018 Targets
New suppliers sign the Letter of Commitment for Corporate Sustainability	63%	Above 80%
Enhance sustainability value of suppliers to reduce the proportion of mid- to high-risk suppliers.	The proportion of mid- to high-risk suppliers was zero.	The proportion of mid- to high risk suppliers is zero.
Foster Level A suppliers	15%	Above 15%
The local procurement rate is above 95%.	95%	Above 95%

Suppliers are important partners of Acter. We hope that suppliers treat their employees fairly and provide them a safe work environment. If a supplier violates relevant rules and such violation is deemed serious, Acter will terminate the partnership therewith. Up to 2017, Acter has not terminated partnership with any supplier for the reason of violating integrity or other important standards.

To implement Acter's procurement and supply chain development policy and commitment, we have established the procedures governing supplier sustainability with an expectation to enhance the supply chain risk management and operational sustainability management.

Supply Chain Code of Conduct / Standards

- Supplier code of conduct
- Questionnaire for sustainability risk assessment

Supply Chain Evaluation

- Supplier evaluation
- Sustainability risk assessment

Audit and Confirmation

- Document and site audit
- Check improvement plan

Case Closing After the Improvements

- Provide supporting evidence of improvement; close the case.





5.2.1 Supplier Code of Conduct

Acter hopes that the spirit of corporate social responsibility will also be spread to partners and subcontractors. That is, treating employees fairly, providing a safe work environment, and creating social values together. To march toward sustainable management together with our cooperative partners, we have stipulated "Supplier Code of Conduct", which is applicable to Acter's suppliers, subcontractors and subsidiaries, in accordance with international relevant initiatives, and regulations and spirits related to human rights, labor standards, environment and anti-corruption. In the meantime, we also encourage suppliers to pass the standards to suppliers of next level in order to enhance the supply chain's overall competitiveness.



Acter's Supplier
Code of Conduct



Environment

- Environmental permit and compliance
- Pollution prevention and treatment, and resource saving
- Hazardous substances
- Wastewater and solid wastes
- Emission of air pollutant



Labor

- No discrimination
- Fair treatment
- No child labor
- Free choice of employment
- Working hours
- Salary and allowance
- Freedom of association and collective bargaining



Ethics

- Integrity management
- No unjust enrichment
- Information disclosure
- Intellectual property
- Fair trade, advertising and competition
- Protect identity and eliminate retaliation
- No conflict minerals
- Privacy



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 safe communication



Management System Standards

- Corporate commitment
- Management responsibility and duty
- Legal and standard essentials
- Risk assessment and management
- Improvement targets
- Trainings
- Communication
- Labors' feedback and participation
- Audit and evaluation
- Correction action and procedures
- Documents and records
- Supplier responsibility





5.2.2 Supplier Evaluation

Supply chain risk management is a part of the competitiveness. Each year, Acter regularly reviews key suppliers or Level C suppliers of the previous year in accordance with "Supplier Evaluation Form" of "Procedures Governing Procurement and Materials". The evaluation items include materials / construction quality, lead time / duration of project completion, price advantage, professional capability, services, financial ability and corporate social responsibility. In the meantime, Actual also communicates with its cooperative partners in regard to human right, social and environmental issues on an irregular basis; reminds partners to raise any issues related to sustainable development by email, as Acter will discuss and solve the issues together with them. Suppliers whose total score is below 60 (including 60) will not become Acter's partner. Suppliers with excellent evaluation results (with a total score of above 80; including 80) will be benefited from priority contract rights when bidding with other suppliers. The average evaluation results of suppliers in 2017 is as follows:

2017 Supplier Evaluation			
No. of evaluated suppliers	No. of traded partners in the year	Average score	Evaluation ratio
81	941	75.5	9%

Dimensional Analysis	Average Score	Total
Materials / construction quality	15.5	20
lead time / duration of project completion	15.7	20
Price advantage	7.2	10
Professional capability	15.3	20
Services	22.3	30
Financial ability	-0.5	The deduct point system
Corporate social responsibility	0	The deduct point system
Total	75.5	100





5.2.3 Supplier Sustainability Risk Assessment

Apart from stipulating Supplier Code of Conduct, it is important for Acter to implement sustainable development with actual procurement actions. Acter not only take price, lead-time, quality, environment and safety into consideration when selecting suppliers, but also pays great attention to suppliers' integrity management. Suppliers who violate integrity and probity relevant rules will be deemed as a dishonest supplier with whom Acter will not trade. To understand the sustainability of the overall supply chain, we have stipulated the "Supplier Sustainability Risk Assessment List", which includes information such as environmental management, labor conditions, human rights and social conflicts. Our partners are requested to carry out a self-evaluation using the questionnaire to find their potential sustainability risks. In regard to high-risk suppliers, Acter will carry out a site investigation to understand these high risks, provide recommendation on improvement measures, and continuously track improvement status. Although there is no high-risk supplier in the year of 2017, we still continue to interact with our partners to understand if their product quality and labor environment comply with legal regulations. The implementation results of 2017 are as follows:

■ 2017 New Supplier Risk Evaluation

No. of distributed questionnaires	255
No. of recycled questionnaires	156
No. of low-risk suppliers	156
No. of mid-risk suppliers	0
No. of high-risk suppliers	0

■ 2017 Principal High-Risk Factors of Sustainability

Type	Risk Factor	Specific Descriptions
Economy	Sustainability management policy and organizations Sustainable management plan	No regular audit mechanism for sustainability risks. No complete management plan.
Environment	Climate change risks Greenhouse gas emission and carbon management	No climate change reduction plan. No objectives.
Society	Labor rights Occupational safety and health	No labor risk evaluation procedures. No regular emergency response procedures.

Sustainability Risk Investigation Items.

Economy



Enhancement on quality and professional skills.
Sustainability management policy and organizations.
Risk management
Sustainable management plan

Environment



Waste management
Water resource management
Climate change risks
Greenhouse gas emission and carbon management

Society



Occupational safety and health
Labor rights
Labor policy
Ethics



5.3 Growth with Suppliers

5.3.1 Supplier Development Strategy

We hope that suppliers will become our strategic partners. It is our expectation to establish a long-term trusting and communicative relationship with our suppliers and to provide quality engineering services to our customers together. By offering practical instructions and educational trainings to our suppliers, we help them to overcome future changes, establish their awareness for sustainability and enhance their sustainability ability. Concerning the promotion of corporate social responsibility, we have not only taken the supply chain quality and lead time into consideration, but also urged our suppliers to pay attention to human rights, environmental protection, health and safety in order to build a sustainable supply chain. To reach these goals, we have adopted a supply chain sustainable development strategy as follows:

1. Emphasize on integrity and probity: Improper deals between Acter and the suppliers are strictly prohibited; those who violate this principle will face a permanent ban. In the meantime, establish a reporting mailbox on the Company's website. In case of finding any unfair or unjust behavior, any issue that has been improperly handled, or violation of any legal regulations or standards, suppliers can report the case through the said mailbox.
2. Zero injury rate: Paying attention to the safety and sanitation of project site; requesting all suppliers to comply with occupational safety requirements and regulations when working at the site. All of these will help to provide suppliers' employees a safe workplace.
3. Respect the laws and protect labors' rights and interests: All suppliers are requested to comply with relevant regulations, protect human rights and pay great attention to labor's health and safety. Before entering the site to carry out the construction works, every supplier shall purchase labor insurance, national health insurance, group insurance and employer liability insurance to protect their employees' rights and interests.
4. Maintain a stable partnership: Conducting supplier management and providing consultations; assisting suppliers to continuously enhance their competitiveness; ensuring sufficient communication and cooperation with the suppliers; and emphasizing on the sharing of risks and benefits.

5.3.2 Fostering Suppliers

To implement the supply chain development policy, foster suppliers and establish a trusting partnership with the suppliers, we not only hold irregular meetings and trainings, but also implement the evaluation system to, through all forms of instructions and communication, effectively enhance suppliers' professional skills and better our environmental, safety and sanitation performance. The said enhancement includes all types of construction methods, green management efficiency, sanitation of workplace, employees' health, maintenance of fire-fighting system and legal risks. Acter expects that suppliers will continuously receive our customers' affirmation and support through these exchange platforms, and understand issues in regard to sustainability management and have their knowledge applied in ordinary days.

Trainings and meetings





5.3.3 Letter of Commitment for Corporate Sustainability

Four of Acter's suppliers already published CSR report. In the future, we encourage other suppliers to join CSR discussions in order to spread the beneficial results of implementing corporate social responsibility. To encourage suppliers to follow the resolutions for CSR and environmental issues, we have requested all new partners to sign the "Letter of Commitment for Corporate Sustainability" starting from 2017, and hope that all suppliers will sign the said Letter of commitment in the future. In 2017, about 161 new suppliers (about 63%) have signed the said Letter of Commitment.

5.4 Green Procurement

It is our expectation to grow with our supplier. We hope to strengthen our capability of controlling green information and enhance our green product or service model in order to reach the green sustainability goals with them. Therefore, Acter's requirements for green energy products comply not only with all types of standards and the energy-saving design, but also with the 3R principle: "Reduce", "recycle" and "reuse". We have been cooperated with upstream suppliers and downstream customers; continuously increased the proportion of green mark products and Environmental Protection Administration (EPA) certified recycled, recyclable, low-pollution or energy-saving materials and equipment; and provide customers energy-saving and high-efficiency designs and planning to facilitate environmental sustainability management, fulfill corporate social responsibilities and realize "responsible consumption and production" of SDG 12. The proportion and increased percentage of green procurement over the years are as follows:

Proportion of energy-saving equipment/ materials	Based on the procurement amount	
	2016	2017
LED lamps	47%	28%
Green air-conditioning refrigerant (Ex. R-401a; R-134a)	28%	60%
Installation of the solar energy system	21%	13%
Hygiene equipment labeled with water-saving logo	4%	0%
Total	100%	100%

Year	2016	2017
Increase of green procurement comparing with the previous year	34.29%	82.18%

Descriptions: To respond to the demand increased due to industrial upgrade, Acter has adopted eco-friendly refrigerant machine, electricity- and/or water-saving equipment to solve environmental issues, resulting in a big increase of the procurement percentage

Green Procurement Principles



Purchase and use materials, equipment and devices labeled with the green building label and/or green mark at priority.



Purchase recycled, recyclable, low-pollution and power-saving products.



Reject over-packaged and high energy consumption machines and equipment, or those that can damage our living environment.





5.5 Local Procurement

By supporting local suppliers, the Company can directly attract more investment to local economy. Local procurement is a strategy that ensures the supply, supports local economy and maintains community relations. Suppliers are important partners of Acter. With good communication, close cooperation and adequate management and supervision, we are marching toward sustainable management with suppliers. Acter believes that, as a responsible company, we shall proactively foster relevant industries, promote local economic activities and create local work opportunities. Therefore, in the context of not affecting stability, safety and procurement fairness, we have always given priority to the use of local materials and commissioned local subcontractors to conduct engineering projects to support local development and develop local economy when selecting partners. In 2017, the procurement amount of accepted materials and goods from Acter's Level A suppliers in Taiwan was NTD2,871,364,000. The total procurement amount of accepted materials and goods in the region was NTD3,020,740,000. The percentage of local procurement was 95%.

Taiwan Acter's local procurement percentage over the last three years



■ Subsidiaries' local procurement percentage in 2017

Subsidiaries	Her Suo Engineering	Enrich Tech	Sheng Huei (Suzhou)	Winmax Technology
Local Procurement	100%	100%	100%	63%

Note: Heshuo Engineering, Enrich Tech, Sheng Huei (Suzhou) and Winmax Technology are considered as important operating centers as their bidding amount for engineering projects has reached a fairly high level and is representatives.

5.6 Conflict Minerals Policy Statement

In response to the globe's boycott of conflict minerals, Acter commits not to use conflict minerals, not to accept minerals collected from Congo and its surrounding countries in Central Africa. In the meantime, Acter also requests suppliers to ensure that all of their supplied products do not use "conflict minerals" from Congo and its surrounding areas or regions.



Sustainable Environment

- 6.1 Environment Management Policy
- 6.2 Climate Change and Energy Management
- 6.3 Environmental Management

Main Performance

The power consumption reduced by 61% comparing with the previous year.

Upgraded to ISO 14001:2015

Carried out over 12 environmental audits every month in the year

No violation of environmental regulations; no penalty.



6.1 Environment Management Policy

Acter uses and cherish resources as we can only build a sustainable company by having a sustainable environment. When providing engineering services, we proactively pay attention to all actions made to create an eco-friendly environment. We have made continuous improvements, including adopting eco-friendly equipment and materials to reduce pollution from the production. With environmental sustainability management strategy, we have coordinated internally and externally to make our greatest effort from design, procurement to educational trainings; adopted international environmental management system, and occupational safety and health management system, apart from complying with government's environmental and energy-related regulations; enhanced employees and subcontractors' environmental protection, and occupational safety and health concepts; implemented pollution prevention measures and continued to make improvements. With an expectation of making no harm to the environment and having zero injury rate, we are doing our very best to reach the goal of having sustainable environment.

6.1.1 Management System and Environmental Sustainability Targets

Upholding the spirit of environmental protection and green engineering, Acter already obtained the certification of ISO 14001 and OHSAS 18001 for the environmental management system and occupational safety and health management system. Besides, not only conduct we internal review and external audit every year to ensure the systems function well, but also we have integrated the system in daily operations. The said management systems cover all business items from the planning, design, engineering management, project management, procurement and testing of engineering projects.

Although engineering technology service industry is considered as a low-pollution industry, we understand that all energy and resources used during the production, wastes, maintenance works, operations and procurement can impact our environment. To realize our commitment as a green company, we have been proactively promoted our environmental sustainability targets and actions plans for facilitate the development of environmental sustainability. We have set the follow environmental sustainability targets:

1

Comply with environmental regulations; start from auto environmental protection.

2

Creative green construction methods; start from auto environmental protection.

3

Enhance energy efficiency; implement energy saving and carbon emission.

4

Adopt green energy; implement green procurement.

5

Adopt recycle and reduction measure; create environmental sustainability.



Environmental sustainability targets and policy

Implementation methods are as follows:

Sustainable Design	<ul style="list-style-type: none"> es sa a sare ase o e r es o ar o re u o a waste reduction to satisfy customers' demands. o IM ra ore ue e e o s oss a a a es
Use of Sustainable Materials	<ul style="list-style-type: none"> ee aeras a are o a e e oo a e ro e re e us a ar ous su sa e or aera
Sustainable Procurement	<ul style="list-style-type: none"> se o o -conflict minerals with reliable source; implement the objectives of non-conflict procurement in the supply chain.
Sustainable Management	<ul style="list-style-type: none"> e ue e use o aera s ar eo ase a er euse as es e u e e ergy consumption from the production and emission of greenhouse gases.





6.2 Climate Change and Energy Management

Climate change is a challenge confronted by all members of the international society. Paris Agreement, a global agreement on climate change, passed in 2015, is hope. Concerning the emission of greenhouse gas emission, all countries have proposed carbon reduction plans and objectives to overcome the climate change issue. We have not only reviewed climate changing risks and opportunity, but also sustainably manage climate change relevant actions and performance, including the adoption of high-efficiency design and plans for engineering project, enhancement on power efficiency and applying energy saving measures, to reduce the impact thereof and manage potential climate change risks.

6.2.1 Risks and Opportunities

Risks

Dimension	Evaluation Results	Potential Financial Impact	Acter's strategy in response
Regulations	Environmental and climate change regulations have little influence on Acter's operational performance.	Increase of operating costs.	Continuously observe and identify changes and trend of regulations.
Disasters	Climate change can result in water resource shortage, suspended material supply or increase of diseases, which will impact our employees and the supply chain. ◦ Climate change can results in accidents such as engineering delay, loss and damage of engineering assets and casualties.	Increase of procurement costs.	Do well the prevention works in advance, carry out educational trainings and establish emergency response procedures and measures. Change construction strategy to have sufficient construction period; purchase natural disaster insurance.
Others	As people are paying more attention to the climate change and environmental issues, customers not only request to be in compliance with regulations, but also expect Acter to be equipped with professional energy-saving technology in order to enhance the resilience to climate change. If Acter fails to satisfy customers' demand, it will affect the Company's operational performance.	Reduction of operational revenue.	Implement green engineering technology and services; provide complete engineering services quality.

Opportunities

Dimension	Evaluation Results	Potential Financial Impact	Acter's strategy in response
Regulations	Provide green engineering technology that saves more energy and protect better our environment.	Do better preparation while confronting government's policy and regulations.	Continue to enhance green engineering technology and involve in the development of new technology through industrial-governmental-academic cooperation.
Disasters	Use professional technology to reduce customers' damages and loss caused by climate change, helping them to enhance their market competitiveness.	Increase the market value with professional technology.	Sustainably develop green energy-saving engineering technology to satisfy customers' demand.
Others	Following the change of social-economy, increase existing demand for products or new production.	Provide product and services to increase the revenue.	Increase diverse operations, continue market investigation and have regular area observation.





6.2.2 greenhouse Gas Inventory

Major Issue -

GRI 302 Energy Management, Environmental Management
GRI 307 Environmental Compliance

Prospects for 2021	Strategy
Green Engineering	Set a management policy of low-carbon environment and transform it into the corporate culture.

Management Policy

2017 Targets	2017 Performance	2018 Targets
The electricity consumption is lower than the target value.	Reduced by 61%	-3%
The gasoline consumption is lower than the target value.	Reduced by 29%	-3%
Self-inventory on the greenhouse gas	Scope 1 and 2 with a total amount of 126.31 (ton CO ₂ e)	Continue to implement the inventory.
No violation of environmental regulations; no penalty.	Zero	Zero

The world has been discussed the impact of greenhouse effect to climate change in recent years. Not only has the global warming of climate change continued to increase, but also climate change has become an important international issue. As a citizen of the earth, Acter has devoted to save energy and reduce carbon emission, doing our best to mitigate climate change. Acter launched greenhouse gas inventory starting from 2017 to review the emission of greenhouse gases, including CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. It is our expectation to move from the greenhouse gas inventory to reduce the emission and then to neutralize carbon.

The boundary for greenhouse gas inventory is Acter Co., Ltd. (headquarters: 19F, No.201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City). The identification of direct and indirect emission source was carried out based on the requirements of ISO/CNS 14064-1. The scopes and the total of the top seven gas emission is as follows:



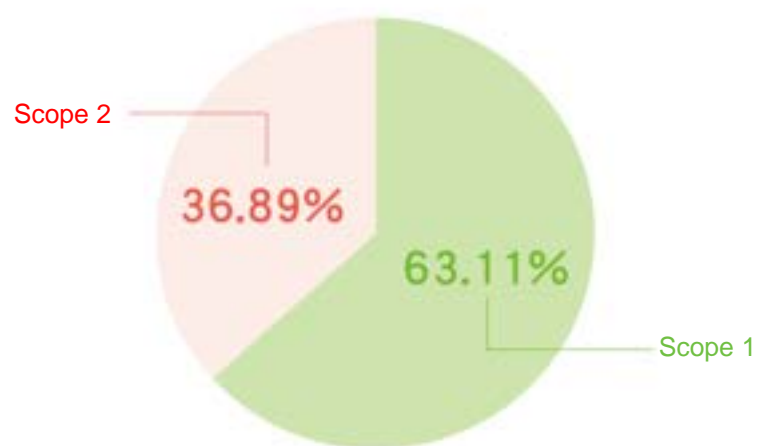
■ Boundary for Greenhouse Gas Inventory

Type	Forms of Emission	Emission Amount (ton CO ₂ e)	Proportion
Scope 1	Fugitive emission sources of greenhouse gases	10.66	8.44%
	Mobile combustion source	69.05	54.67%
Scope 2	Electricity input	46.60	36.89%
Total		126.31	100%

Note 1: The calculation is based on the emission factor announced by the Bureau of Energy, which was 0.529kgCO₂e/degree.

Note 2: The calculation of (mobile) emission factor for gasoline is based on the "GHG Emission Factor Management Table" (Version 6.0.3) published by EPA, Executive Yuan.

Note 3: The calculation is based on the GWP value of "GHG Emission Factor Management Table" (Version 6.0.3) published by EPA.





■ Total emission of the top 7 gases

Type of Emission Source		Fixed Emission Source	Mobile Emission Source	Fugitive Emission Source		Total	Proportion of the total (%)
Emission source		External Procurement of Electricity	Gasoline	Septic Tank	With refrigerant and solvent spray		
Scope		2	1	1	1		
Greenhouse Gas Emission (tonnes CO ₂ e/ year)	CO ₂	46.60	66.17	0.00	0.00	112.77	89.29
	CH ₄	0.00	0.60	5.77	0.00	6.37	5.04
	N ₂ O	0.00	2.27	0.00	0.00	2.27	1.80
	HFCs	0.00	0.00	0.00	4.89	4.89	3.87
	PFCs	0.00	0.00	0.00	0.00	0.00	0.00
	SF ₆	0.00	0.00	0.00	0.00	0.00	0.00
	NF ₃	0.00	0.00	0.00	0.00	0.00	0.00
	Total	46.60	69.05	5.77	4.89	126.30	100.00
Proportion of the total emission amount Proportion (%)		36.90	54.67	4.57	3.87	100.00	



6.2.3 Energy Use Performance

The electricity consumption of Acter's headquarters reduced by 61% comparing with the previous year. The accumulated use amount per unit floor surface (Ping) was 158 kW. The main reason is that the headquarters moved to the newly built commercial building at the end of 2016 and all equipment are new and equipped with the energy-saving function, such as the inverter air-conditioning system and T5 lamps. Besides, the Company's regular promotion on the energy-saving concepts inside the company has succeeded in educating the employees. Regarding the gasoline for vehicles (including those for private cars for the purpose of works), the total gasoline amount for the Company's northern, central and southern offices were 48,719 L with a reduction of 29% comparing with the previous year. The main reason is that the range of site location has decreased and that the offices succeeded in saving energy. In the future, the Company will continue to reduce the electricity and gasoline consumption.

Type of Energy	Region	Unit	Annual Performance		Annual Performance	2018 Targets
			2016	2017		
 Electricity	Headquarters	kW	225,654	83,091	Reached; reduced by 61%	-3%
 Gasoline	Regional operating centers (including the consumption of private cars for the purpose of works)	L	69,060	48,719	Reached; reduced by 29%	-3%





6.2.4 Energy-Saving Measures for Daily Operations

To fulfill our responsibility as a citizen of the earth, Acter has sustainably improve our energy management procedures with an expectation of protecting our resources by saving energy and reducing carbon emission. As global warming and climate change are becoming serious day-by-day, we have set relevant measures to mitigate risks and damages thereof. In the field of engineering, we have sustainably invested in the development of new energy-saving and carbon-emission technology with an expectation to, by enhancing and applying relevant technology, reduce energy loss and prevent pollution from the production.

To promote the low-carbon environment, Acter has adopted diverse reduction management measure sin our daily operations and educated all employees to love earth and our environment as one of our missions. Acter has adopted the following measures:

Air-conditioning system



1. The air-conditioning temperature of indoor office is set at 26 to 28 degrees.
2. The air-conditioning system will be turned off in all areas at PM17:30 and throughout the non-working hours; employees who need to work overtime can then turn on the air-conditioning system in the area of where they locate.
3. The doors and windows of the air-conditioning areas shall be closed and be isolated with the outside air to reduce cold air leakage or prevent hot air intrusion.
4. Installed the curtains to reduce the direct light from the sun and reduce the use of air-conditioning system.
5. Established an energy-saving corporate culture by making regular announcement that reminds all employees to save energy.

Lighting



1. Adopted T5 lamps with zone control; the light in areas that have no lighting need shall turn off the lamps.
2. During the working hours, lamps that no one uses or does not need to be used shall be closed or be partially turned on.
3. All lamps shall be closed during the lunch break.
4. In every area, the employee who leaves the office at last shall turn off the lamps.
5. Employee who works overtime shall turn on the light of only the area where he/she locate.
6. Review the lighting demand and enhance the lighting performance.

Others



1. Select products with the green mark, energy-saving label and high EER value.
2. All computers shall be closed during non-working hours. All extension cords shall be turned off or plugged off.
3. The printers shall be set in the energy-saving mode.
4. Printers without the fax function shall be turned off or be switched to the energy-saving mode.
5. Water dispensers shall adopt the energy-saving mode.

Water-saving



1. Purchase products with the water-saving label.
2. Reduce the water consumption.
3. Use auto-sensor to reduce the consumption.

Paper-saving



1. Do best to use the double-sided photocopying. The bound papers shall be removable; do best not to use the glues.
2. Electronize documents and use e-mails to reduce the use of papers.
3. Use renewable papers.
4. Repeatedly use envelopes and paper bags.
5. Electronize employees' salary payment slip.
6. Electronize educational and training materials.

Carbon reduction



1. Recycle toner cartridges, waste containers and batteries.
2. Use printers with the low-pollution and energy-saving labels.
3. Purchase low-pollution toner cartridges.
4. Implement garbage classification and recycle resources.
5. Replace tissues and paper towels with handkerchief.
6. Use portable cups/bottles instead of paper cups.
7. Avoid over packed products.
8. Encourage employees to take public transportation.
9. Set video conference equipment to reduce transportation and time costs.
10. Vegetarian day on the 15th of each month.



6.3 Environmental Management

6.3.1 Circular Economy

“Circular economy” is a hot topic around the world in recent years. The global economy has been “linear economy” after the industrial revolution, where the raw materials will no longer circulate and will become wastes after the “resource exploitation”, “production” and “consumption” processes. In this case, the materials will lose their use value and can cause environmental issues if they are improperly disposed. “Circular economy”, on the other hand, is an economic development model established on the sustainable circulation and use of substances, creating a circulation of “resources – products – renewable resources”. As the entire system will produce little wastes, circular economy can help to reduce carbon emission and provides economic benefits.

Acter has promoted “Circular Economy” in three ways with an expectation to reduce carbon emission and environmental impact by using our resources more effectively.

Circular Economy Mode	Strategy	Methods
Resource Recovery	Control leftover materials	The project site uses materials according to the production progress and ship the goods in batches. This will reduce the amount of leftover materials and, in case of having any leftover materials, the supplier will repurchase them or Acter will record it in the procurement system, allowing other units to use them if there is any demand. This can effectively reduce and control leftover materials.
Circular Supply	Value engineering evaluation	Adopted the 3D information model for buildings and BIM technology. This will not only reduce pipeline conflicts, but also help to use resources effectively and reduce wastes of consumables.
	Use recyclable products	Headquarters and construction sites lease business cars and printers to share the services, reduce owning rate and enhance use rate, helping to reduce the waste of idle resources.
	Seawater desalination technology	Invested in the development of seawater desalination technology. The recycling circulation of water resources will optimize the use of every drop of water and extracted substances.
Extend the Product Life Cycle	Maintenance and warranty	Provide customers a comprehensive maintenance strategy based on the concept of replacing new equipment with maintenance works.

6.3.2 Environmental Safety and Health Policy

Environment, health and safety are closely connected to each other in every stage. Only continuous improvements and technical innovations will create a sustainable environment. To comply with the requirements of up-to-date safety, health and environmental regulations, the Company's Quality Assurance and Safety Department conducts legal compliance evaluation every three months. In case of finding and incompliance, Acter then draws up improvement solutions in accordance with “Procedures Governing Environmental Safety and Health Objectives and Solutions”, and promotes disaster prevention works through various channels. For example, educational trainings; daily toolbox meetings; promoting construction site safety regulations and accident prevention mechanisms with subcontractors and relevant personnel; dispatching audit personnel to the construction site on a regular basis. This will not only push construction site personnel to comply with occupational safety regulations, but also prevent an accident before its happening and comply with the Company's zero injury rate principle. No major occupational safety accident happened in 2017 at Acter.

The Company also stipulated “Emergency Response Management Procedures” to set emergency handling measures before the accident and educate employees thereof. In case of any accident, the said response measures will minimize casualties, environmental pollution and relevant conflicts to protect the factory. We know that, only with “insistence on the quality, zero injury rate”, customers' needs for the space will then be satisfied and we will be able to become customers' business partners, making all of us a winner.



100% Safety

Provide a safe workplace and have zero injury rate



Environmental Protection and Sustainability

Promote energy-saving, carbon reduction and pollution reduction measures to facilitate environmental protection and sustainable development.



Establish Risk Management Mechanism

Identify potential hazardous risks and handle risks; prevent occupational diseases and injury and environmental protection; continue to enhance the overall performance of environmental safety and health.



6.3.3 Water Resource Management



Compliance with Regulations

Identify laws, regulations and contracts; supervise and implement the plan in order to comply with environmental safety and health requirements.



Implementation by All Members

Encourage employees to participate in environmental safety and health trainings to enhance their awareness therefor and ability thereof.



Continuous Improvements

Continuously review and improve all types of environmental safety and health activities; enhance the adaptability and effectiveness of environmental safety and health management system.



Fire-Fighting Drills



Daily toolbox meeting

Acter's headquarters is located in a commercial building with water directly supplied only by Taiwan Water Corporation (no underground water or other water supply). The water is only for the use of employees and some of our visitors. All the wastewater is discharged to the rivers and ocean through the sewers with no obvious influence to the water source. To effectively manage water resources, most of the faucets are installed with auto-sensor to reduce the water consumption. Besides, Acter also made some water-saving slogan, reminding employees to cherish water resources and save water consumption. The annual water expense of Acter's headquarter was 9,737 (790,000 l); the accumulated use amount of each unit floor surface (Ping) was 1421 l.

Energy Type	Region	Unit	2017 Performance	2018 Targets
Water Consumption	Headquarters	Amount of Water Consumption	790,000l	Reduced by 1%

- Note 1. Acter's headquarters moved to a new commercial building at the end of 2016. The water expense of the old headquarters building is included in the entire building's management fees and cannot be separated. Therefore, the water resource data of 2017 shall not be compared with data of previous years.
- Note 2. As the use of water resources in each construction sites shall refer to the terms of engineering contracts, water resources are therefore allocated differently and shall be shared by parallel subcontractors or be all paid by the customer. Therefore, due to the difficulty of calculation, the water resources of each construction sites are not disclosed.





6.3.4 Waste and Resource Recycle Management

As Acter's core business is to provide engineering technology integration services, it does not produce hazardous wastes. However, in response to environmental protection, Acter has been promoted the recycling of general wastes upon its establishment. The type of wastes includes general garbage, recyclable resources and kitchen waste. The handling methods thereof are as follows:



General Garbage

Domestic garbage and other wastes that cannot be recycled will be collected by certified company commissioned by the building's management committee for incineration or landfill.



Recyclable Resources

Waste paper, plastics, glasses and iron/aluminum can will be recycled by certified company commissioned by the building's management committee for reuse.



Kitchen Waste

Will be recycled by certified company commissioned by the building's management committee for compost.



Acter's headquarters started to gather statistics on the waste recycling amount in September of 2017 to review the number of wastes and set the waste reduction target to avoid waste and creating environmental pollution. Up to December 31 of 2017, the Company has recycled 381 kg of wastes.

Waste Recycling Amount List of Acter's Headquarters (September 2017 to December 2017)

Unit: KG

Content	2017 / Weight
Kitchen Waste	188
Recyclable Waste	193
General Garbage	Excluded from the statistics as they were sent to the building's garbage zone by employees themselves.
Total	381

6.3.5 Construction Noise Management.

Noise and vibration during the construction period can have different influence due to the difference of construction facility and scale of engineering project. In the context of not affecting personnel's health and safety, and the construction quality, Acter has adopted the following measures:

1. Adopt low-noise construction machines, equipment and vehicles at priority.
2. Adjust construction methods or move high-noise operations to prefabricated factory and then moved to the construction site. Where the high noise cannot be eliminated, it is a must to adopt soundproof and shockproof measures depending on actual needs.
3. Prevent from carrying out the construction works at night or in the early morning.





6.3.6 Legal Compliance

The Company's primary business is air-conditioning engineering design and construction; there is no air or water pollution source during the business activity. Besides, according to "Stationary Pollution Source Installation and Operating Permit Management Regulations", there is no need for Acter to acquire pollution installation, manipulation or discharge permits. However, although Acter's business activity cause minor impact to the environment, we still pay great attention to all types of pollution prevention and treatment works to reduce environmental impact. We have been devoted to the prevention and treatment of all pollution sources to, with an effective management, minimize influences thereof. In 2017, no penalty has been imposed on Acter due to violation of environmental laws or regulations.

6.3.7 Environmental Expenditure

Acter has, based on "The Guide of Industrial Environment Accounting" promulgated by EPA of Executive Yuan, defined environmental expenditure as the expenses of all types of activities made to protect the environment. The said industrial environmental protection cost can be divided as equipment investment or operating expenses. To reach the objectives of energy saving, carbon reduction and sustainable development, Acter always set a roadmap for implementing environmental certification and evaluation works each year. The total environmental expenditure of 2017 was NTD170,320 with details summarized as follows:

■ 2017 Environmental Expenditure

Type of Investments	Descriptions	No. of Cases	Expenditure Amount
Consultations on the Updated Version of Environmental Certification	ISO14001-2015	1	73,500
Environmental Certification (Renewal)	ISO14001-2015	1	8,000
Environmental Certification	ISO14001-2015 and OHSAS 18000	1	80,000
Environmental Test	Detect CO2 density of office	2	8,820
Total			170,320

Note: The 2017 initial environmental certification re-evaluation expenses are listed in the 2016 CSR Report and are therefore excluded from here. °



A white rectangular card is clipped to a dark brown branch with a small blue plastic clip. The card features the word "Friendly" written in a dark green, elegant cursive script. The background is a soft-focus image of green leaves, with one leaf in the upper right showing prominent veins and serrated edges. The lighting is bright and natural, creating a warm and pleasant atmosphere.

Friendly

Friendly Workplace

- 7.1 Employment
- 7.2 Employee Training and Development
- 7.3 Employee Rights and Welfare
- 7.4 Occupational Health and Safety

Main Performance

No illegal discrimination, no child labor and no enforced labor.

The total amount for education and trainings was NTD385,306.

The total training hours reached the standard (100%).

The total of accumulated accident-free working hours was 2,913,224 hours.

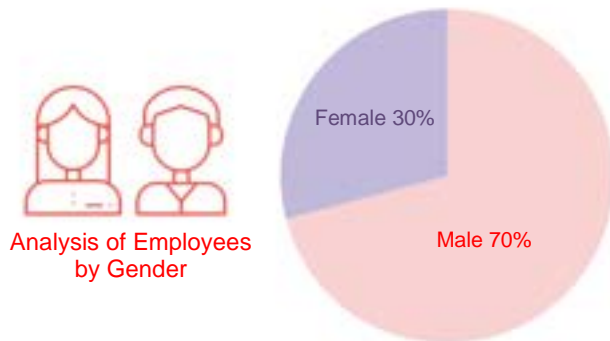
The injury rate was 1.25%.



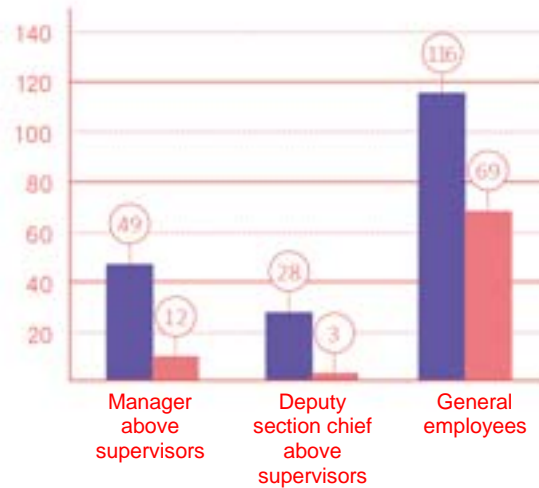
7.1 Employment

7.1.1 Employee Structure

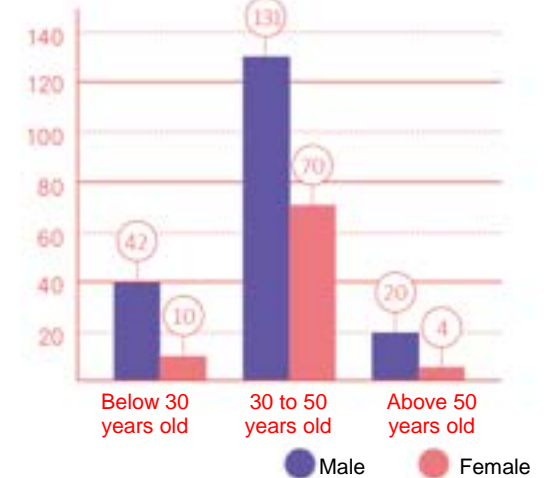
Talents are the most important cornerstone for sustainably management. Acter highly values the cultivation of talents and proactively provides employees a stage to grow and become stronger. This not only enables our employees to accomplish their career, but also enables Acter to grow and become stronger. Up to December 31 of 2017, Acter has 277 employees, including 183 male and 84 female (excluding employees of other group members) employees, in total. As major business of Acter is construction site supervision and management, the number of Acter's male employee is about 2.3 times more than that of female due to industrial property. On the other hand, Acter has been complied with Labor Standards Act: Acter never hires child labor; has never placed gender or age restrictions on the employee promotion system; provides employees equal rights and opportunities regardless their ethnic group, political preference and religion, as long as their capability and qualifications comply with the requirements of the position; does not hire temporary worker; and reduces the number of contract worker. The analysis of Acter's human resource is as follows:



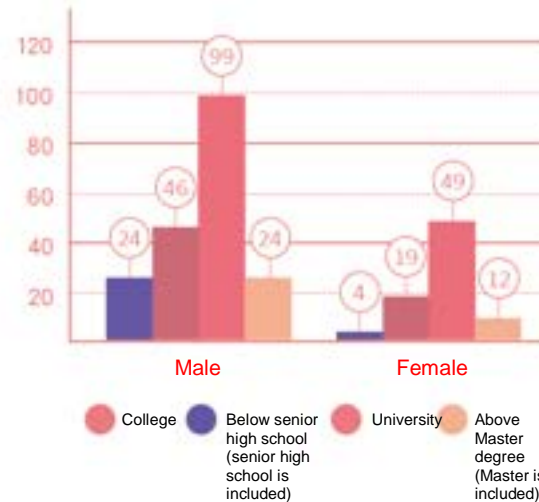
Analysis of Employees by Job Position
(Unit: person)



Analysis of Employees by Age
(Unit: person)



Analysis of Employees by Educational Background (Unit: person)



Employment Type	Gender	Acter
Official Employee(s)	Male	186
	Female	84
Contract worker(s)	Male	7
	Female	0
Total		277

Note: The 7 contract workers are students of the "Dual System of Vocational Training" program of the Ministry of Labor.

Statistics of Employee Engagement and Turnover of 2017

Employee Engagement of 2017 (%)					Employee Turnover of 2017 (%)				
Job Level	Gender	Age	No. of Employee	Percentage (%)	Job Level	Gender	Age	No. of Employee	Percentage (%)
Senior Management (Manager Above Supervisors)	Male	Below 30 years old	0	0%	Senior Management (Manager Above Supervisors)	Male	Below 30 years old	0	0%
		30 to 50 years old	5	11%			30 to 50 years old	2	4%
		Above 50 years old	1	2%			Above 50 years old	0	0%
	Female	Below 30 years old	0	0%		Female	Below 30 years old	0	0%
		30 to 50 years old	0	0%			30 to 50 years old	0	0%
		Above 50 years old	0	0%			Above 50 years old	0	0%
Middle Management (Deputy Section Chief Above Supervisors)	Male	Below 30 years old	1	2%	Middle Management (Deputy Section Chief Above Supervisors)	Male	Below 30 years old	1	2%
		30 to 50 years old	1	2%			30 to 50 years old	3	6%
		Above 50 years old	0	0%			Above 50 years old	0	0%
	Female	Below 30 years old	0	0%		Female	Below 30 years old	0	0%
		30 to 50 years old	1	2%			30 to 50 years old	1	2%
		Above 50 years old	0	0%			Above 50 years old	0	0%
General Employees	Male	Below 30 years old	15	33%	General Employees	Male	Below 30 years old	6	12%
		30 to 50 years old	8	17%			30 to 50 years old	27	53%
		Above 50 years old	0	0%			Above 50 years old	0	0%
	Female	Below 30 years old	3	7%		Female	Below 30 years old	2	4%
		30 to 50 years old	11	24%			30 to 50 years old	9	18%
		Above 50 years old	0	0%			Above 50 years old	0	0%
Total			46	100%	Total			51	100%

Note: Summer interns are excluded from the number of new and resigned employees.

Note: The turnover rate is not disclosed by region as the Company has a high turnover rate due to characteristics of the industry.



7.1.2 Diverse Employment

It has always been Acter's philosophy of recruiting "like-minded" people. Following economic growth and change of generation, the only way to maintain the Company's competitiveness is to proactively recruit talents, keep them in the company and give them a stage. Acter has a diverse and tolerant recruitment policy. We never differentiate our employees due to their gender, ethnic group, nationality, religion, political party or age. Up to 2017, Acter has hired 3 people with physical/ mental difficulty and 2 aborigines, which represent 1.1% and 0.7% of the Company's workforce. Acter also complies with relevant regulation and never hires child labor. To train the new generation, we have been cooperated with local universities for industrial-academic recruiting activities. We also recruit talents that Acter needs through employees' recommendation, human resource agency and social medial recruitment in order to increase our growth momentum.

Each year, Acter recruits interns not only to help the students understand industry practice and experience work life, but also to attract talents. After each internship, Acter always carries out a questionnaire survey to understand their learning results and future plan.

Diverse Employment Analysis	The number of employees (legal requirements)	The number of employees hired by Acter	Percentage of the Company's workforce
Aborigines	2	2	0.7%
People with physical/ mental difficulty	2	3	1.1%
Total	4	5	1.8%

7.1.3 Local Employment

Acter Group's operating centers are all over Taiwan, mainland China and South-East Asia. We believe that it is a must to understand the culture, lifestyle and regulations of the region in order to create develop local market and create the service value. In order to increase local employment opportunities and localize workforce, we hire local people to provide professional engineering services. This policy can not only facilitate local employment rate, but also increase the Company's overall competitiveness and make Acter and local community both winners.

Descriptions	Acter	Heshuo	Enrich	Sheng Huei (Suzhou)	Winmax
Percentage of local senior management	100%	100%	100%	11%	70.83%

Note 1: Heshuo Engineering, Enrich Tech, Sheng Huei (Suzhou) and Winmax Technology are considered as important operating centers as their bidding amount for engineering projects has reached a fairly high level and is representatives.

Note 2: Local high management level refers to manager above supervisors (managers are included).





7.1.4 Salary and Compensation System

In order to attract and keep talents, we share our profit and surplus with employees by providing them competitive salary and remuneration. In the meantime, to encourage employees create a good performance and make long-term contribution, we also give them incentives based on the Company's business target and employees' expertise, position/ duty, performance and involvement.

Legal Basic Salary of Major Operating Centers in 2017

Descriptions	Acter	Heshuo	Enrich	Sheng Huei (Suzhou)	Winmax
Male Multiple of the region's legal basic salary	1: 1.26	1: 1.35	1: 1.55	1: 1.31	1: 1.26
Female Multiple of the region's legal basic salary	1: 1.28	1: 1.26	1: 1.17	1: 1.31	1: 1.15

Note: Heshuo Engineering, Enrich Tech, Sheng Huei (Suzhou) and Winmax Technology are considered as important operating centers as their bidding amount for engineering projects has reached a fairly high level and is representatives.

2017 Salary

Salary	Compensations
To maintain the Company's overall competitiveness in terms of salary and compensations, and to provide employees reasonable salary and compensations, Acter regularly reviews the market's standard salary, economic trend and employee's individual performance. The salary of Acter's fundamental employees, regardless man or woman, is better than the country's basic salary. In the meantime, to assist employees in having a good retirement plan and sufficient funding therefor, the Company pays a pension of 6% of employees each month.	Acter's salary and compensation system not only values justice and fairness, but also takes the implementation of corporate sustainable development strategy and commitments and the overall performance of the individual, department and Company into consideration. To thank employees for their contribution and to encourage them, Acter not only commits to give employees the salary that is better than the region's basic salary, but also, by setting open and specific management regulations, guarantees that all employees have just and fair salary and compensations according to educational and professional background.
The salary average had an increase of 4.49% in 2017.	The amount of employee compensations approved by the board of directors was NTD61,369,000 in 2017 to encourage employees continue to make contributions to the Company.

The ratio of female and male employees' average salary was 1:1.33. The reason that male employees' average basic salary is higher than that of females is that the male employees tend to have more seniority than female employees.





7.1.5 Performance Management System

Acter highly values employees' career planning. Acter has adopted an encouraging incentive and reward systems and promotional standards in hope that those with outstanding performance will receive affirmation and have a chance to show their strength. The performance evaluation system also enables us to manage employees' output performance and discover their potential. In this way, we will be able to select talents, understand employees' weakness at work and help them to make improvements accordingly and enhance their efficiency.

Regarding those whose performance is rather low or who is behind the target, Acter firstly discuss the reasons and then make appropriate adjustment or give support. The improvement plan and estimated date of completion shall be set by the employees and their supervisors. During the entire process, the supervisors shall assist the employees in enhancing their work efficiency. In the meantime, the human resource unit shall arrange appropriate courses for the employees in hope to achieve improvement objectives.

<p>Set the Performance Targets</p>	In the beginning of each year (January), a series of annual work plans are launched from up to down (operations divisions, departments and individuals) according to the organization's strategic targets. The objectives of management above the deputy general director level are directly tracked and managed by the Group's headquarters, whereas other employees shall carry out a bi-directional communication with their supervisors to set performance targets and relevant implementation plan.
<p>Review the Performance Progress</p>	Target/ progress review in the middle of each year (June to July)
<p>Year-end Review and Examination</p>	At the end of each year (November to December), Acter carries out year-end examination according to the said work plan. The evaluation results are then used as a reference for future promotion, rewards, punishment and talent fostering.

Proportion of those who accepted the performance evaluation at Taiwan Acter in 2017(%)

Performance evaluation acceptance rate (%)		
Job title \ Gender	Male	Female
Manager above supervisors	17.10%	11.90%
Deputy section chief above supervisors	12.44%	2.38%
General employees	50.78%	77.38%
Total	80.31%	91.67%

No. of employees who accepted the performance evaluation		
Job title \ Gender	Male	Female
Manager above supervisors	33	10
Deputy section chief above supervisors	24	2
General employees	98	65
Total	155	77

Note 1: Contract workers and employees who fail the probation do not need to take the assessment.

Note 2: The performance of Chairman shall be evaluated by the board of directors.



7.2 Employee Training and Development

Major Issues -GRI 404 Education and Training

Prospects for 2021	Strategy
Construct a friendly workplace	Value employee development and management

Management Approach

2017 Targets	2017 Performance	2018 Targets
Education and training achievement rate is above 90%	100%	100%
Education and training achievement rate is above 80%	83.48%	85%
Education and training achievement rate is above 75%	78.38%	80%

Talents are a company's biggest resources. Cultivating talents is one of the key success factors for Acter in terms of sustainable development. Only by attracting appropriate talents to join us, we will be able to create values. During the process of cultivating talents, we have been continuously invested resources in education and training sessions, apprenticeship and the cultivation of management ability. In the meantime, we also set development plan for each employee in order to enhance their professional ability and put them in the right position. Apart from enhance their management ability, we also hold meetings, seminars and workshops to share with our employees Acter's operational results and exchange ideas with them in hope that they will understand the Company's prospects, strategy and their direction for future career development. In this way, Acter will march toward sustainable management.

7.2.1 Education and Training

The Company not only adopts diverse channels to hire talents, but also launches relevant education and trainings upon employees' arrival, helping them to quickly adapt to the workplace. In the meantime, we also have a welfare system that help the us to keep key talents. In 2017, we introduced the e-learning platform that enables employees to learn flexibly without the restriction of time and distance. By integrating tangible and online learning resources, we have managed not only to enhance our education and training programs, but also to increase our competitiveness and march toward sustainable management. We also hope that employees will have a good self-learning and life-learning habit, and be confident to face their future career and pension plans. In 2017, the total of the Company's training hours was 2,115 hours and the actual training hours were 3,344 hours with an achievement rate of 100%. The training expenditure of the year was NTD385,306.

Descriptions / Type		Education and training expenditure (unit: session)
Internal education and training sessions (subtotal :71,246)	Male	46,872.37
	Female	24,373.63
External education and training sessions (subtotal: 314,060)	Male	145,971.55
	Female	168,088.45
Total amount		385,306.00

Descriptions	Acter (unit: session)	Type / Descriptions	Average Training Hours (Unit: H)
Internal training session	35	Senior Management (Manager Above Supervisors)	Male 11 Female 6
External training sessions	104	Middle Management (Deputy Section Chief Above Supervisors)	Male 14 Female 8
Total training sessions	139	General Employees	Male 15 Female 11





Statistics of the Group's Education and Trainings

Acter's employee training expenditure was NTD1,036,623. As Acter hires less people in South-East Asia comparing with Taiwan and mainland China, the region's total of training hours was relatively lower than the other region. The average training hours (per person) is summarized below by job position and gender:

Unit: NTD, per hour

Descriptions	Gender	Acter	Subsidiaries in Taiwan	Subsidiaries in Mainland China	South-East Asia	Expenditure
Average training hour(s) of senior management (manager above supervisors)	Male	5	5	15	4	1,036,623
	Female	8	9	6	0	
Average training hour(s) of middle management (deputy section chief above supervisors)	Male	18	12	10	0	
	Female	17	6	15	8	
Average training hour(s) of general employees	Male	11	11	25	1	
	Female	15	12	26	8	

Note 1: Above statistics include the training hours of employees who resigned in 2017.

Note 2: There is a difference between the average training hours of Acter's annual report and this table as the former one is calculated by person, whereas the later one is calculated by the number of incumbent up to December 31 of 2017.

7.2.2 Employee Development

To assist employees in growing and developing, we have established four major career development systems for employees. Together with the four-step management method PDCA (Plan–Do–Check–Act), we have been continuously improved ourselves in order to make every partner becoming stronger and growing with the Company.

P (Plan): At the end of each year, Acter plans the education and training programs of next year based on four themes, including the core value training, professional training, management training and general knowledge training. The Company also set prerequisite training hours for employees positioned at different level respectively in hope that functional management will enable employees to achieve strategic objectives in variable works. Acter also expects that education and training sessions will inspire employees, helping them to jump out the box, encourage each other and march toward professional services.





Type	Descriptions	Objectives
Core Value Trainings	<ul style="list-style-type: none"> New employee training Corporate culture training 	<ul style="list-style-type: none"> Take new employees to know the work environment and understand the management work and department operations. Establish the same values in the company and make every employee recognize the organization's culture.
Professional Trainings	<ul style="list-style-type: none"> Professional functional training Case-close report 	<ul style="list-style-type: none"> Enhance employees' professional knowledge and skills. Train the employees to have problem solving skills.
Management Trainings	<ul style="list-style-type: none"> Senior management training Middle management training Fundamental management training Preliminary supervisor training 	<ul style="list-style-type: none"> Enhance employees' work through the trainings. Enhance employees' communication skills.
General Knowledge Trainings	<ul style="list-style-type: none"> Efficiency enhancement training. 	<ul style="list-style-type: none"> Enhance employees' work skills by trainings. Enhance employees' communication ability.
Individual Development Plan	<ul style="list-style-type: none"> Set annual individual development plan 	<ul style="list-style-type: none"> Enhance individual's knowledge, techniques and attitude in accordance with their career plan. Set different learning and development plans for each employee according to the Company's development needs, job requirement and personal development goals.
Apprenticeship	<ul style="list-style-type: none"> Senior employees lead new employees 	<ul style="list-style-type: none"> The inheritance of experiences and guidance in life will help new employees to quickly adapt to the corporate culture and have good work habits.



D (Do): Open education and training sessions according to abovementioned "Plan". All members shall submit their learning notes at the end of each learning session, helping the Company to understand if the sessions have fulfilled their demands and to arrange future learning sessions and lecturers. The training sessions and lecturers' practical management experiences enable the trainees to grow from lecturer's knowledge, skills and practice, which can be practically applied to their works after the trainings.

C (Check): To check the trainings are effective, we request all supervisors to participate in relevant education and training sessions and train them into the lecturers. The purposes are not only to train the supervisors' expression skills and thinking, but also to enable them inherit their practical experiences. We also request all trainees to give feedback in regard to their learning results and make a self-evaluation after the training. Employees who are unable to enhance their professional skills will take another in-depth learning process or be appointed to other position under our assistance. In the meantime, we also connect the training results with individual's performance, rewards and promotion to systematically foster talents step-by-step and help the employees to reach the life-learning target. The performance evaluation and career development evaluation held by Acter each year are actually designed to, by reviewing this mechanism, confirm if existing functional training can improve employees' working methods and enhance their efficiency.

A (Act): To continuously cultivate competitive talents, we plan and implement annual training works from training courses; understand the training effectiveness by reviewing the training results; request the management level to participate in trainings and employees to give feedback; and carry out education and training satisfaction survey at the end of each year. Apart from understanding the implementation results of cultivation, we also exchange ideas with our employees in regard to their suggestions and to-be-taken actions for corporate sustainable development using questionnaire. This helps not only to create a consensus in the company, but also enable employees to have the same targets as the Company.

Index	Descriptions	2017
 Cost Index	Education and training expenditure	385,306
	Average training cost per employee	1,391
	Average cost per male employee	999
	Average cost per female employee	2,291
 Target Oriented Index	Achievement rate of individual plan	84.75%
	Education and training achievement rate	100%
 Human Capital Index	Employee engagement ROI (revenue / total salary and compensations)	13.32
	Employee productivity (revenue / number of employees)	14,722,091
 Career Development Index	Proportion of personnel with key position	100%
	Proportion of personnel with key position	41.17%
	Proportion of personnel participated in performance evaluation	83.76%





7.3 Employee Rights and Welfare

Major Issues - GRI 412 Human Rights Assessment

Prospects for 2021	Strategy
Build a friendly workplace	Set and value human rights policy

Management Approach

2017 Targets	Draw up human rights policy
2017 Performance	Drew up and promulgated the policy
2018 Targets	Continue to check the applicability of the system

7.3.1 Employee Rights and Interests

Protection of Human Rights

Acter complies with the government's human rights regulations and stipulated "Code of Conduct" in accordance with "Labor Standards Act", "Act of Gender Equality in Employment" and relevant regulations to protect employees' legal rights and interests. In 2017, Acter further stipulated and promulgated "Acter Human Rights Policy" based on relevant international initiatives, including International Bill of Human Rights and human rights rights and spirit as specified in "International Labor Standards". Not only is the policy announced on the Acter's internal website, but also the Company regularly reviews it each year and ensures the equality of employment conditions, salary, trainings and promotion opportunities. All employees can express their opinions through corporate e-mail box and the responsible department will reply accordingly; no discrimination was reported in 2017.

Acter's Human Rights Policy



Human Rights Relevant Regulations and Practice

Content of the Regulations	Countermeasures and specific practices
Provide a safe and healthy working environment	<ul style="list-style-type: none"> Already stipulated "Safety and Health Work Rules". Already stipulated "Regulations Governing Sexual Harassment Prevention and Response in Workplace" to maintain gender equality in employment, provide employees a workplace with no sexual harassment, and protect victims' rights and interests.
Ensure equal work opportunities	<ul style="list-style-type: none"> Comply with labor act and regulations of local government; implement internal control procedures.
No child labor	<ul style="list-style-type: none"> The human resource unit carefully checks applicants' age and candidates' personal information.
Assist employees in maintaining physically and mentally healthy, and balance their life and work.	<ul style="list-style-type: none"> Irregularly provide health information and continuously track and pay attention to those with abnormal health check results. Promote diverse activities (ex. family day and clubs) to implement the healthy life plan, helping the employees to balance their life and work. Implement infant day care measures, helping employees to solve relevant problems and be able to concentrate at work.



Regarding trainings related to human rights protection, the implementation results are as follows:

Items	Training Type	Descriptions
1	New employee training	Promote relevant regulations, including: no forced labor, no child labor, anti-discrimination, anti-harassment, protect humane treatment, and provide a healthy and safe environment.
2	In service training	Provide relevant courses, including: understanding, preventing and handling sexual harassment.
3	Occupational safety training	Provide complete occupational safety trainings, including: general safety and health education and training; fire-fighting and first-aid training; emergency response training.

Human Rights Relevant Trainings

Type	No. of Trainee(s)	Percentage of trainees in workforce (%)	Total hours
Employees' rights and interests	91	33%	438.5

Shortest Notice Period for Operational Changes

In response to the shortest notice period for major operational changes derived from the Company's business and management development (new project or project close-out) and the learning needs for employee transfer or job rotation, Acter has stipulated "Personnel Transfer Rules" in accordance with relevant regulations, enabling employees to handover the work and prepare for the new working environment. In the case of violating Article 11 and 13 of Labor Standards Act, the Company provides the following notice period:

- For those who have been working in the Company for more than 3 months and less than 1 year, 10 days in advance
- For those who have been working in the Company for more than 1 year and less than 3 years, 20 days in advance
- For those who have been working in the Company for more than 3 years, 30 days in advance





7.3.2 Employee Communication

Major Issues – Labor Complaint Mechanism

Prospects for 2021	Strategy
Build a friendly workplace	Establish multiple unimpeded communication channels.

Management Approach

2017 Targets	2017 Performance	2018 Targets
Labor complaint rate 0%	0%	0%
Unimpeded communication channels	Already summoned 13 meetings with 421 participants in total.	Keep the current status

To protect employees' rights and interests, and to provide a friendly working environment, we have established diverse communication channels and ensure that the communication mechanism is impeded. In this way, we will be able to assist employees in solving problems related to individual's rights and interests, or unfair treatment; or immediately handle their opinions or complaint to build a workplace without communication barrier.



Notification by e-mail



Corporate internal platform



Corporate e-mail box



Corporate e-mail box



Seminar



Personal consultations



Labor coordination meeting

Establish Employee Communication Channels

- Acter set "labor coordination meeting" according to "Regulations for Implementing Labor-Management Meeting" promulgated of the Ministry of Labor in 2009 to build good labor relations, facilitate the harmony of the organization and protect labor's rights and interests. The labor coordination meeting is formed by 10 people, including 5 from the employer (40% of female) and 5 from the employees (40% of female), with four years of term of office. The coordination meeting takes place each quarter; in 2017, Acter took totally 4 coordination meetings to discuss quarter's status, production plan, business summary and employees' safety and welfare of each quarter.

Labor Coordination Meeting	2017
No. of employer representatives	5 people (40% female)
No. of labor representatives	5 people (40% female)
Proportion of labor representatives	50%
Proportion of labor representatives in workforce (%) (Acter has totally 277 employees in 2017)	2%

- Apart from "labor coordination meeting", Acter also holds "management seminar/meeting" each quarter to facilitate the communication with employees. This meeting enables Acter to share its business results and exchange opinions with the employees for the purpose of having the common language and reaching consensus. In 2017, Acter held 13 meetings (4 management meeting with 89 participants; 1 plenary meeting with 197 participants; 8 management meeting of Technology Business Group with 135 participants) with 421 participants. These meetings enable not only the management to understand employees' opinions, but also the employees to understand the Company's organizational strategy and overall future direction.
- Acter also set a corporate e-mail box for employees, enabling them to give feedback to the Company. All the mails are replied by the General Administration Division. In 2017, Acter did not receive any feedback from the employees or suffer from any loss or damage from labor dispute.
- Acter carries out employee satisfaction survey on an annual basis to understand employees' feelings and ideas. Any unsatisfied items reported by or opinions given by the employees will be reviewed internally with improvement measures.





7.3.3 Employee Welfare

Major Issues – Employee Welfare, GRI 401 Employment

Prospects for 2021	Strategy
Build a friendly workplace	Establish an employee welfare system that is better than legal regulations

Management Approach

2017 Targets	2017 Performance	2018 Targets
More than 50% of welfare activity participation rate	51.53%	55%
Take care of the employees Prevent labor disputes	No labor dispute	No labor dispute

High quality employee welfare is the key factor to keep employees. To provide good labor conditions and satisfy employees' welfare needs, Acter established "Employee Welfare Committee", which is formed by 10 people including the chairperson, ex officio members and other members, in accordance with "Employee Welfare Fund Act" in 2005. The budget of Employee Welfare Committee comes from the revenue of the previous year with specific percentage, and is used to conduct various employee-oriented welfare schemes based on the highest guiding principle of "equity". In 2017, the Employee Welfare Committee totally appropriated NTD3,538,959 to subsidize company trips, birthday parties as well as sports and entertainment facilities and activities. Besides, Acter also provides a number of welfare cash benefits to which employees can apply. Details concerning the expenditure of Employee Welfare Committee is as follows:

Employee Welfare Expenses		2017	
		No. of Applicant	Applied Amount
Expenses of the Employee Welfare Committee	Company trips; birthday parties; sports and entertainment facilities and activities	All employees	3,538,959
Expenses of Acter	Scholarship for employees' children who have extraordinary academic performance	5	30,000
	Maternity gift	17	85,000
	Marriage gift	7	118,750
	Condolence gift	6	170,850
	Hospitalization subsidy	2	10,000
	Free health check	92	331,000
Total			4,284,559



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

Gender Equality and Parental Leave Measures

Employees are important partners of Acter. Acter guarantees that employees who are currently having parental leaves will go back to the same or equivalent position after the parental leave without damaging their career development. Furthermore, Acter has specified regulations governing prenatal visits, birth leave, family care leave, paternity leave and parental leave in "Code of Conduct" according to Act of Gender Equality in Employment. Upon taking the job for a year, employee whose spouse is also employed may apply for unpaid parental leave before each child reaches 3 years old. Besides, Acter also signed a contract with quality childcare institute(s) to provide budget infant care services to its employee. The statistics of parental leaves of 2017 are as follows:

Statistics of Parental Leave / Reinstatement	2017		
	Male	Female	Total
Number of people who are qualified to apply for parental leave.	40	19	59
Number of people who applied for parental leave in the year.	0	2	2
Number of people who are expected to apply for reinstatement in the year	0	2	2
Number of people who are reinstated after the parental leave in the year.	0	1	1
Number of people who were reinstated in the previous year and continued to work for more than one year.	0	1	1
Application rate of parental leave (%)	0.00%	10.53%	3.39%
Application rate of reinstatement (%)	0%	50%	50%
Retention rate after parental leave (%)	0%	50%	50%

Note: The employee who decided not to return to the company made the decision based on the family factor.

Pension Management in Taiwan

In accordance with the provisions of "Labor Standards Act," Acter has set and established employee retirement regulations that conform with the provisions, and pensions are appropriated and paid to the Company's employees according to statutory standards. The retirement fund that the Company appropriates in accordance with the Labor Standards Act is planned and managed by Labor Pension Fund Supervisory Committee, Council of Labor Affairs, and Executives. The amount of pension appropriated each year is calculated by professional actuaries to make sure that the appropriated amount is enough to safeguard the future welfare of the Company's employees. On December 31, 2017, the balance in the reserve account for labor retirement at the Bank of Taiwan was NTD\$ 7,526,000, and the pension liabilities that shall be paid individually were NTD\$ 19,388,000, so the Company has actively communicated with the actuaries to make sure that pension amount appropriated each year is sufficient to pay the retired employees in the future. The determined appropriation plan of the Company is based on the provisions of "Labor Pension Act," which is the contribution rate of 6% of the monthly wage of the labor, and is appropriated to individual labor pension accounts of the Bureau of Labor Insurance. The Company implements the compliance of related laws and regulations to safeguard the employees' rights and benefits regarding labor pension.

Company Trips and Family Day

In order to let employees balance work and leisure time while achieving LOHAS (life of health and sustainable), the Company provides employees a set amount of travel subsidy. The Employee Welfare Committee is responsible for selecting excellent travel agencies to plan out domestic and overseas company trips. After all the information is collected, the employees then vote for the travel location. Employees are also encouraged to bring their family to the trips to pull their distance closer not only with their colleagues, but also their family. More importantly, company trips can enhance employees' recognition towards the Company. Apart from irregular plenary activities, the Company also encourage employees to hold various health activities (Yoga, ball games and mountain climbing) and establish clubs. In 2017, the Employee Welfare Committee totally held 11 domestic and overseas trips, including Acter's Family Day and trips to Canada, Osaka (Japan), Tokyo (Japan) and Mongolia.



Trip to Osaka, Japan



Trip to Kansai, Japan



Trip to Canada



Trip to Mongolia



Acter's Family Day: two-day tour



Acter's Family Day: BBQ party





7.4 Occupational Health and Safety

Major Issues - GRI 403 Occupational Health and Safety

Prospects for 2021	Strategy
Build a friendly workplace	Build a safe and healthy environment

Management Approach

2017 Targets	2017 Performance	2018 Targets
Zero accident	0 accident	0 accident
The disabling frequency rate is above 3%	1.25%	3% above
The health program participation rate is above 40%	40.8%	40% above

7.4.1 Occupational Safety Management

Providing a safe, healthy and friendly workplace is Acter's commitment to employees. In order to build a good working environment, effectively prevent occupational disasters, ensure employees' safety at workplace and protect employees' physical and mental health, Acter has been carrying out relevant trainings on a regular basis. By enhancing employees' evaluation and response ability, Acter has managed to lower injury risks thereof. As for subcontractors' safety measures, we formally requested subcontractors to adopt proper health checks and educational trainings, and to comply with Acter's safety and health regulations before entering the construction site.

Management Processes

In response to our management target of "zero accident", Acter has not only set relevant management regulations and procedures in accordance with OHSAS 18001 and local regulations, but also regularly reviewed internal management regulations, emergency response procedures and environmental/ safety SOP to assure legal compliance. Besides, Acter also implemented patrol inspection to effectively prevent accidents and further protect employee and subcontractors' health and safety.

 Safety Regulations	Stipulated management regulations and operating procedures according to the management requirements of OHSAS 18001.
 Risk Assessment	Implement the identification of safety risks at work place according to "Hazard Identification and Risk Assessment Management Procedures". The risks are graded according to severity, probability and exposure rate, and then degraded to low-risks by proposing high-risk factors and improvement measures.
 Patrol Inspection	Carry out irregular inspections on working and fire-fighting equipment at workplace according to Environmental Safety Supervision and Measurement Procedures.
 Continuous Improvement	Propose improvement measures for abnormality or efficiency, and ensure the said abnormality or efficiency is fixed within the prescribed deadline. Post health and safety relevant information in noticeable areas at workplace.



Management Organization

Acter has established "Occupational Safety Committee", which holds a meeting every quarter and has a term of office of two years. Led by Acter's deputy general director as the chairperson, the Committee has 12 members, including five labor representatives (1/3 more than the committee). The committee members are responsible for deliberating, coordinating and planning safety and health relevant regulations to effectively prevent occupation disasters and protect employees' health and safety.

Occupational Safety Committee	2017
Number of employer representatives	7 people
Number of labor representatives	5 people
Proportion of employer representatives	42%
Proportion of employer representative in workforce (%) (Acter has totally 277 employees in 2017)	2%

Emergency Response Measures

Acter has stipulated "Emergency Response Management Procedures" to set emergency handling and response measures before the accident. In case of any accident, the said measures will minimize casualties, environmental pollution and impact to protect the factory. We fully understand that, only with "insistence on the quality, zero injury rate", customers' needs for the space will then be satisfied and we will be able to become customers' business partners, making all of us a winner.

Supplier Safety and Health Management

Acter values subcontractors' safety and health management. We have been devoted to provide on-site employees and subcontractors appropriate protective equipment and safety/health educational trainings. To comply with safety and environmental regulations and fulfill the emergency response needs of each construction site, Acter continuously provide employees and subcontractors safety and health trainings, including:

Acter's Employees	Subcontractors
<ul style="list-style-type: none"> ● Safety and health education and trainings for new employees. ● Regular safety and health trainings for work safety personnel. ● Fire-fighting trainings. ● Emergency personnel trainings. ● Irregular work safety and health propagation every month. 	<ul style="list-style-type: none"> ● Safety and health education and trainings for new contractors. ● General safety and health education and trainings. ● Daily toolbox safety and health propagation. ● Personal protective equipment (PPE) wearing trainings. ● Emergency response trainings. ● Disciplinary trainings for high-risk operations. ● Trainings for organic solvent operations.

Audit Operations

The engineering units are in charge of subcontractors' safety and health management respectively, whereas the Quality Assurance and Safety Department is responsible for audit operations with details summarized below:

Notification of Entrance Hazard	Notify hazards related to the entire projects before entering the site. Provide hazard factor and relevant information to subcontractors for their information.
Toolbox Meeting	Notify subcontractors of the hazards related to appointed jobs before launching the works every day.
Daily Patrol Records	Implement safety and health patrol activities during the constructions; fill out and keep "Daily Petrol Record" every day.
Alcohol Testing and Control	During the daily toolbox meeting, check if all personnel are in a good status and if they have been drinking. In case of finding any abnormality, it is a must to demand the person to stop working. In case of finding any personnel bringing or drinking alcoholic beverage, it is a must to demand the person to leave the construction site and to impose penalty thereon.



Statistics on Occupational Hazards

To fulfill the quality policy objectives of “do things right the first time, do things well afterwards”, Acter has implemented constructions control with correct work procedures. From November 1 of 2011 to November 30 of 2016, the Company has accumulated 2,913,224 non-injury hours and received a certificate therefor from Occupational Safety and Health Administration, Ministry of Labor. This proves Acter's effort on and contributions to occupational safety.



Most of occupational injuries occurred in 2017 were traffic accidents when employees traveled between the office and home. The absent rates therefor were 0.19% for male employees and 1.06% for female employees. The following improvement measures are to irregularly promote traffic safety relevant information to reduce the said traffic accident. The statistics of relevant occupational injuries are as follows:

Statistics on Acter's occupational injuries over the last two years				
Items	2016	2017	Calculation	Notes
Absent rate (Male)	0.2%	0.19%	(annual absent days / annual attendance rate)*100%	Annual absent days (male): sick leave + occupational injury leave
Absent rate (Female)	0.94%	1.06%	(annual absent days / annual attendance rate)*100%	Annual absent days (female): sick leave + occupational injury leave + menstrual leave
Work injury rate	0	0	No. of occupational injuries by case X 200,000 / total person-work hours	Excluding minor injury (injury that can be handled by first-aid)
Occupational disease rate	0	0	No. of occupational diseases by case X 200,000 / total person-work hours	
Ratio of lost days	0	0	Total lost days X 200,000 / total person-work hours	Lost days shall be calculated from the day after the accident (calendar day)
Death	0	0		
Disabling frequency rate (FR)	0	0	No. of persons suffered from disabling injury *1,000,000/ total person-work hours	
Disabling severity rate (SR)	0	0	Total lost days of persons suffered from disabling injury *1,000,000/ total person-work hours	
Fatal and serious injuries (FSI)	0	0		



7.4.2 Occupational Health Facilitation and Management



**Provide a Fresh
Office Environment**



**Cigarette-Free Healthy
Workplace**



**Labor Health Service
Website**



**Provide Health
Information**



**Weight-Losing
Programs**



Health Check

Quality Assurance and Safety Department is appointed to plan, implement and supervise safety management relevant regulations, education, training and internal/external communication. Apart from promulgating disaster prevention and management regulations related to emergency response and labor/subcontractor safety and health, the Company also holds self-check and disaster prevention required safety and health education and drills in order to enhance employees' awareness and response ability for workplace hazards, assuring emergency response plan and operations will be implemented effectively. Acter also clears factors that can affect employees' health or safety at workplace on a regular basis; arranges cleaning/sterilizing abilities; inspects and patrols working environment, providing employees a safe and comfortable workplace.



Provide a Fresh Office Environment

Carbon dioxide is an important indicator for indoor air quality (IAQ), indoor personnel density and ventilatory efficiency. To provide employees a comfortable and safe work environment, Quality Assurance and Safety Department implements the monitoring of working environment in accordance with Article 17 of Enforcement Rules of the Occupational Safety and Health Act. Each year, it invites external experts to test the indoor CO2 density of headquarters in March and September by setting 30 testing points inside the office (the location of personnel as the testing points and the partitions as the measurement location). With the use of professional CO2 detectors, the department is managed to understand if the working environment complies with legal regulations. If not, an improvement plan is required. For the year of 2017, the CO2 detection results at the workplace (the headquarter office) is within the acceptance standard. Relevant details are as follows:

Date of Detection	Values	Compliance	Notes
March 3, 2017	675-1511ppm	In compliance	Within the acceptable standard of 5000ppm
September 19, 2017	504-805ppm	In compliance	Within the acceptable standard of 5000ppm

Cigarette-Free Healthy Workplace

To enhance employees' health and working environment, Acter has been devoted to promote and implement cigarette-free measures to create a cigarette-free workplace; continuously cooperated with the policy of central government to promote health facilitation activities. Acter has been certified as in compliance with the "healthy workplace" and therefore received the cigarette-free label.



Labor Health Service Website

Since 2015, Acter has been irregularly promoted the labor health service network by cooperating with Taichung Veterans General Hospital, where occupational medicine physicians and occupational safety management specialists have been promoted the Company's labor health services and maternal health protection plan. The said services and plan emphasize on maternal protection, health consultations and health guidance to implement safety and health works and prevent the happening of occupational diseases. Besides, to comply with "Occupational Safety and Health Act" and "Regulations of the Labor Health Protection", the Company has hired occupational medical personnel starting from 2016 to conduct occupational disaster and injury related prevention and treatment works; health consultations; first aid and emergency response measures; health education; health facilitation and guidance works.

Provide Health Information

Acter also irregularly sends internal e-mails and posts bulletin to promote health facilitation information. In 2017, the Company has not only propagated 31 health messages, but also purchased health relevant books and placed them in the Company's reading zone with an expectation of enhancing and enriching employees' health knowledge.

Weight-Losing Programs

Based on the health check statistics over the last 2 years, about one fourth employees who took the health check has high blood lipid and high waist circumference that are over the standards. To enhance employees' health management awareness and physical/ mental health, and to build a company of happiness, Acter launched the "Weight-Losing Programs" in 2017 and about 21 employees participated in this four-month challenge. All employees who participated in this program received a prize and the top 5 winners received cash gifts with a total value of NTD11,000 as encouragement. The Company expects relevant such weight-loss programs will inspire employees to have a good and healthy life style.

Health Check

To remind employees to pay attention to their health status, Acter not only regularly releases health information, but also provide free health checks to employees who have been working at Acter for more than one year. For employees who have health abnormality, Acter's occupational medical staffs will note them down and remind them to track their health status at hospital for preventing relevant diseases. The health check data over the years are as follows:

	2015	2016	2017
Number of employees who receive free health checks	219	191	202
Number of employees who had health checks	91	121	92
Health check acceptance rate	41.56%	63.35%	45.55%
Amount invested in health checks	363,000	483,000	331,000





Corporate Citizenship

- 8.1 Social Participation
- 8.2 Social Benefits
- 8.3 Industrial and Academic Cooperation
- 8.4 Arts and Humanities
- 8.5 Community Development
- 8.6 Friendly Environment
- 8.7 Public Advocacy – Participation in Professional Associations

Main Performance

Amount invested in social participation: NTD4,607,868

Annual volunteer service hours: 361 hours



8.1 Social Participation

Major Issues - GRI 203 Indirect Economic Impacts

Prospects for 2021	Strategy
Build a business model integrated with the society	Focus on the target group of social assistance and create new business opportunities with partners. Invest social resources to bring the Company's influence into play.

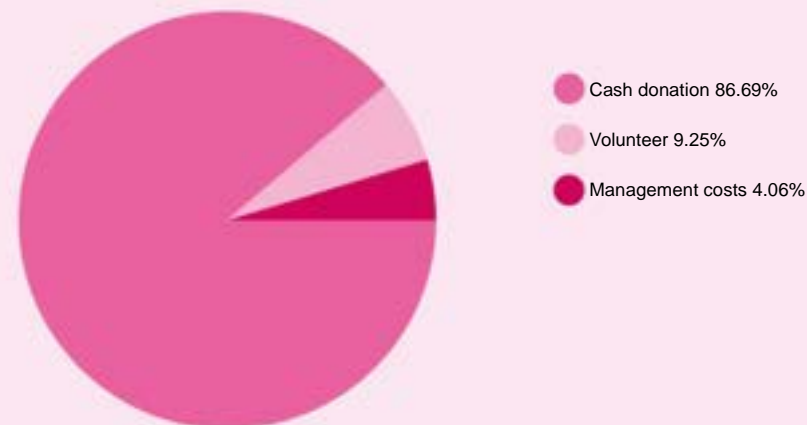
Management Approach

2017 Targets	2017 Performance	2018 Targets
Enhance volunteers' participation rate (comparing with the previous year)	Enhanced by 93%	Enhance by 5% comparing with 2017
Pay attention to the education of minority group	Establish library database for and donate computers to schools located in remote areas	Have one new partner
Cultivate talents under industrial-academic cooperation	Cultivated 15 students	Continue the talent fostering plan

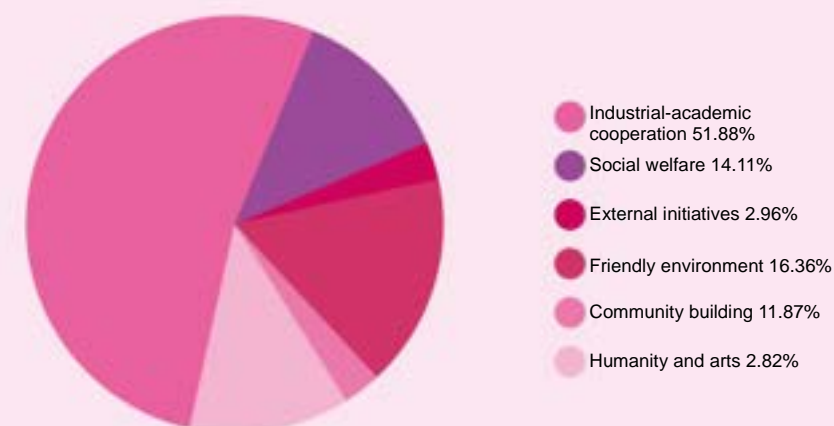
As a corporate citizen, Acter continues to build partnership with customers, suppliers, local communities, environmental welfare organizations, industrial/ governmental/ academic circles and other stakeholders; invest in relevant resources to enhance the society's overall development and create social values; and promote external initiatives that are related to core business fields. By doing so, we are able to enhance the Company's positive images and influence, unite the employees and win the trust of stakeholders.





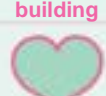

There are six aspects in regard to Acter's social participation, including "social welfare", "industrial-academic cooperation", "humanity and arts", "community building", "friendly environment" and "external initiatives". Relevant actions are facilitated, reviewed and reported by the Company's General Management Division and volunteer team each year. In 2017, we have totally invested NTD4,607,868 (this amount is different from the number disclosed in the 2017 annual report as it included the amount of industrial-academic cooperation and external initiatives) in social participation with 62 volunteer participants and 361 hours.

Proportion by investment methods



Proportion by the nature of activity



	Objectives	Plan/ Projects	2017 Results
 Social welfare	Involve in social welfare and charity activities with employees of the Company.	1) Student caring program; 2) Guiding light for marginalized young people.	1) Donated NTD300,000 to “Philanthropic Library” of Taiwan Reading and Culture Foundation for 30 boxes of books; 2) Donated NTD350,000 to Hsinchu Diocese for Youth at Risk Services, and participated in relevant caring activities.
 Industrial-academic cooperation	Foster Acter's human capital and enhance young people's employment ability.	1) Dual-system flagship plan; 2) Corporate internship plan; 3) Scholarship.	1) Seven participated in the dual-system flagship industrial-academic cooperation program and an amount of NTD1,796,513 was allocated therefor; 2) Eight participated in the corporate internship program and an amount of NTD493,905 was allocated therefor; 3) Provided scholarships to National Taipei University of Technology with a total amount of NTD100,000.
 Humanity and arts	Enhance the spiritual life; enrich employees' mind and spirit; build a happy workplace.	Sponsor art and cultural activities.	1) Participated in the charity concert of “Philanthropic Library” and donated NTD100,000; 2) Sponsored the youth orchestra “Chin Ai Music” to join a competition in Vienna (NTD30,000).
 Community building	Improve the life quality and enhance the emergency services of community.	1) The “one brick and one tile, let it fly” project; 2) “Help the elderly in winter” program.	1) Employees assisted the minority group to build/ repair their houses and establish the community network with a donation of NTD500,000; 2) Accompany and care elderly people who live alone and donated NTD46,900 to them for shopping.
 Friendly environment	Integrate the internal and external resources of stakeholders, including local community, government and schools, to create more corporate values.	1) Integrate expertise to protect the environment; 2) Industrial-academic cooperation; 3) Reuse of resources.	1) Promoted green management and incorporated environmental protection concepts to corporate management and culture. Apart from promoting energy-saving and environmental management measures in all offices, Acter also provides customers energy-saving and carbon reduction suggestions and services to fulfill its objectives of protecting our living environment; 2) Cooperated with National Taipei University of Technology to reduce environmental pollution caused by semiconductor macromolecules and impacts to relevant personnel; totally invested NTD754,000 in this project; 3) Donated 5 computer mainframes and 5 screens.
 External initiatives	Facilitate partnership; share knowledge and expertise; and participate in initiatives of sustainable development associations/ institutions.	Facilitate industrial development and enhance the corporate sustainability image.	1) Proactively cooperated with 9 external institutions of sustainable development; 2) Invested NTD136,550 in sustainable development organizations.



8.2 Social Benefits

To improve the reading environment of children living in remote country, Acter has been sustainably promoted the "Reading and Book Donation" program with our customers starting from 2012. We have been cooperated with schools to promote the Philanthropic Library project to provide good books to the children; encourage children to read and learn new knowledge; and share resources in order to provide the children an opportunity of change in the future. This activity enables us not only to have the same values and concepts with our customers, but also to care for the seeds of our society and make contributions to our society.

In 2017, Acter donated totally NTD400,000 to "Philanthropic Library" and "Charity Concert" of Taiwan Reading and Culture Foundation to set 30 boxes of books, which equals to 1,050 books. In average, each book has been read by 3.4 person as the books have been borrowed for 3,605 times.

8.2.1 Philanthropic Library



Certificate of Appreciation of Tsau-Hu Elementary School



Certificate of Appreciation of Yunlin Dongshi Elementary School



Certificate of Appreciation of Taiwan Reading and Cultural Foundation



Certificate of Appreciation of Mayor of Changhua County



8.2.2 Guiding Light for Marginalized Young People

Following the rapid change of society and generation changeover, the issue of marginalized young people has been increasing over the couple of years. Many young people are wandering without direction. Upholding the philosophy of “becoming a guiding light for the children”, we wish to rely on the strength of church to enhance and promote counseling services for young people, helping them to grow and develop. In 2017, Acter has been concerned about young people by taking real actions and donating NTD350,000 to fulfill its expectation of building a network that helps young people with dropouts, violence, self-injury, drug addiction and other issues. Acter hopes that our care, encouragement and support will help the marginalized young people to remove their masks and become good, honest and confident once again.



Certificate of Appreciation from the Hsinchu Diocese for Youth At Risk Services



Group photo of the volunteers

8.3 Industrial-Academic Cooperation

Due to the rapid change of industry, it is a must to continuously ameliorate ourselves in order to fulfill customers' requirements. Acter has long been cooperated with schools and institutes to carry out various industrial-academic cooperation projects. It is our expectation to, by combining the capacity of different circles, enhance our electromechanical expertise in air-conditioning system and control the market trend for a sustainable development. In 2017, Acter has carried out a number of industrial-academic cooperation projects, such as internship, cooperative education, academic research and development and scholarships, with the competent authority of education and schools. It is our expectation to, by doing so, integrate resources of the industry and school, and generate more benefits together.

Internships

Apart from expecting employees to accept education and trainings to enhance their functional capability, Acter also provides internships to students who are interested in engineering projects. We have long been cooperated with National Taipei University of Technology, National Taiwan University of Science and Technology, National Chin-Yi University of Technology and Feng Chia University in forms of technological alliance, dual-system cooperation projects and internship. Technological alliance, which is built on the technology and experiences provided by Acter and theory provided by the school, can facilitate the implementation of projects; cooperative education and internships enable students to have an early contact with the society, accumulate practical experiences, and to combine theory and practice in order to optimize their expertise. In 2017, about 8 students participated in the internship and an amount of NTD493,905 was allocated therefor.

Cooperative Education

Acter, Workforce Development Agency (Ministry of Labor) and National Chin-Yi University of Technology have been working on the dual-system flagship plan to provide students the opportunity of learning fundamental theory while accumulating their experiences at workplace. This diversity scheme enables students to simultaneously take care of their studies and employment, helping them to reduce their employment pressure and economic burdens. The courses are oriented to the theory and practice with equal weight in order to foster talents who comply with the industry requirements. In 2017, about 7 students participated in this plan and an amount of NTD1,796,513 was allocated therefor.

Academic Research and Development

Acter has long been working with National Chin-Yi University of Technology and National Taipei University of Technology to develop and upgrade technology of the industry. By combining Acter's practical experience and schools' fundamental theory, Acter has managed to develop and innovate design concepts and energy-saving efficiency, helping to reduce attrition rate and enhance customers' production efficiency.

Scholarships

To keep students' mind on their academic pursuits, Acter offers scholarships to National Taipei University of Technology each year to remove students' economic pressure. In 2017, Acter offered NTD100,000 of scholarships, making students' academic life smoother.



8.4 Arts and Humanities

Sponsor the Youth Orchestra “Chin Ai Music”

Acter hopes to help minority group children who live in remote areas with the power of support. In 2017, Acter sponsored “Chin Ai Music”, a youth orchestra of Ren'ai Township in Nantou, to fulfill these children's dream of joining the International Youth Music Festival in Vienna. The children's melodious performance not only won the applause of audience but also helped Chin Ai Music to win the championship, making Acter's philosophy of “being good” to light at the other end of earth. We hope that the “circulation of virtuousness” will flip the children's life over into a positive direction, making them capable to help more people who need assistance.



Performance photo



Sponsors

8.5 Community Development

In order to fulfill our social responsibility and unite employees, we encourage employees to engage in volunteer services and participate in social welfare activities, being able to help the minority group and put themselves in another's place. Our employees are encouraged to engage in volunteer services in non-office hours with us. Not only are all expenses subsidized by Acter, but also the employees have volunteer leaves.

8.5.1 “One Brisk and One Tile, let it Fly”

With its professional engineering knowledge and skills, Acter assisted an elderly who lived in Xingang Township of Chiayi and needed help to build a house where he can shelter himself. Acter has not only summoned its employees to join this project, but also donated NTD500,000 for purchasing building materials and home appliances. Starting from leveling, this project has well used reinforced concrete and partitions to build a living space of three bedrooms, one living room and one dining room. As the newly built house is equipped with fundamental home appliances, the elderly moved into the house with only his personal clothing. From our employees and volunteers who joined this project, we see the true virtuousness. We also expect that, by uniting the community organization and volunteer groups, we will be able to help the minority groups with actions. We truly believe that protecting the minority group families will help us to build a safe and stable society.



Leveling



Reinforced concrete



Cementing



Flooring



Completion of the project



Group photo of the volunteers





8.5.2 “Help the Elderly in Winter” Program

In response to the doctrine “honor the aged of other family as we honor our own”. Acter cooperated with the community organization to hold the “Shopping with the elderly living alone”. This event, in which 30 elderly people living alone participated, was taken place at Dali Save & Safe on December 9, 2017. Acter not only paid all of the expenses amounted NTD46,900, but also summoned 30 volunteers from the Company to, one on one, shop with the elderly people. The little help and accompaniment not only enabled these elderly people to have some air and interact with the society, but also gave our employees a precious memory.

With an objective of creating a harmonious society with respects to the elderly, we hope to gather more love and strength that give a good care to the elderly people who live alone in the future.



Shopping photo



Group photo of the volunteers



Certificate of appreciation

Social Return On Investment (SROI)

Acter hopes that the public welfare investment results can be used to calculate social return on investment (SROI) through monetization in order to understand the social influence of public welfare projects. Therefore, a calculation is made based on the costs and returns of this “shopping with the elderly” event to understand the investment effectiveness and evaluate the value generated from the public welfare investments thereof.

The total cost of this event was NTD46,900 (items: elderly's shopping money; miscellaneous expenses etc.). The total return was NTD60,000 (items: elderly's shopping money - NTD30,000; income of Save & Safe NTD30,000; happiness of the elderly and volunteers/employees for about 1 week – priceless; enhanced corporate image). $SROI = \frac{60,000}{46,900} = 1.27$. In the future, Acter will continue to ameliorate this analysis model and have it applied in other public welfare projects in order to promote the results thereof to stakeholders.

Volunteer Service Hours in 2017

Services	Participants	Hours	Total hours
Assistance to minority group families – new house in Xingang Township of Chiayi.	24	9.5	228
Shopping with the elderly living alone	30	3.5	105
Hsinchu Diocese for Youth At Risk Services	8	3.5	28
Total	62		361 (Note 1)

Note 1: The total hours are different from that disclosed in the 2017 annual report as the hours for Hsinchu Diocese for Youth at Risk Services were added thereto.



8.6 Friendly Environment

8.6.1 An Integration of Expertise for Protecting the Environment

In response to climate change, Acter has been devoted to reduce the GHG emission and save energy by promoting green management. That is to incorporate the environmental protection concepts in corporate management and culture. Apart from promoting energy-saving and environmental protection management measures in offices, Acter also provides energy saving and carbon reduction suggestions and services to customers in order to protect our living environment.

Acter has integrated academic resources and cooperated with National Taipei University of Technology to launch research and development plans with an expectation to reduce environmental pollution caused by semiconductor macromolecules and impacts to relevant personnel. The total investment therefor was NTD754,000. In the meantime, we also applied the BIM (3D information model) to design and planning in order to reduce customers' construction costs, enhance our services and shorten the lead time. The most important thing is that, by doing so, we are managed to effectively apply the resources, reduce the waste of consumables and contribute to environmental protection and sustainability.

In the aspects of procurement, supervision, testing and manipulation, Acter provides customers economical and accessible energy-saving and environmental solutions to minimize pollution and decrease risks of damaging human health and environment. We have been devoted to maintain environmental sustainability in order to create more and bigger corporate values. (For details regarding the green energy-saving techniques, please refer to "Green Engineering" of "Chapter 4. Sustainable Engineering Services")

8.6.2 Reuse of Resources reuse rate and

To increase the reuse rate and life of resources, Acter gifted its relatively old computer equipment to Changhua En-Hui Children and Youth's Home since 2015. Not only are the computers given new life, but also the children are benefited from zero digital dividend on the road of learning. In 2017, Acter totally donated 5 second-hand computer mainframes and 5 second-hand computer screens with an expectation to bridge digital dividend and protect our planet.





8.7 Public Advocacy – Participation in Professional Associations

Acter is devoted to external initiatives related to its core business and sustainability development. The scope of the said initiatives includes industrial and economic development; technological innovation and development; climate change and sustainable development; supply chain; human rights and social participation. In 2017, Acter totally invested NTD136,550 in this field.

The commerce/ business associations of external initiatives in which Acter has participated in 2017 are as follows.

- Taiwan Refrigeration and Air-Conditioning Engineering Association
- Taiwan Water Pipe Engineering Industries Information Portal
- Taiwan Electrical Engineering Industry Association
- Taiwan Refrigeration and Air-Conditioning Engineering Association
- Taiwan Energy Service Association
- Taichung Importers and Exporters Chamber of Commerce
- Taiwan Parenteral Drug Association
- Taiwan Pharmaceutical Manufacturers' Associations
- Solar Photovoltaic Power Generation System Association of the Republic of China
- Semiconductor Equipment and Materials International (SEMI)





Chapter 9

CRS Coverage Reference

Standard on Assurance Engagements

No.	Objectives	Responding Chapters and Reporting Standards
1	The average customer satisfaction level of Acter's Engineering Department and Maintenance Department in 2017.	An investigation (total mark: 100) was conducted according to "Procedures Governing Customer Satisfaction Level and Sustainable Operational Improvement". The totaled score of investigations conducted by the Engineering Department and Maintenance Department was divided by each department according to the number of investigations conducted by each department for their respective average score in 2017.
2	The accepted procurement bill (without tax) of Acter's suppliers in Taiwan and all regions, and local procurement rate.	The accepted procurement bill of Taiwan and its proportion of the total procurement amount in 2017.
3	Acter's environmental expenditure items and expenditure in 2017.	Totaled with the environmental expenditure of 2017 as defined in "Industrial Environment Accounting Index" promulgated by EPA of Executive Yuan.
4	New employee hires and employee turnover rate of 2017.	The interns are excluded from the numbers of new employee hires and employee turnover (excluding those who temporarily left the position without paying) of 2017.
5	The average training hours of employees classified by grade and gender (2017).	The totaled hours of permanent employees at all levels (including those who resigned in 2017) is divided by the number of trained employees of specific level to get the average training hours of each level respectively. Training hours of contract workers are excluded.





會計師有線確信報告書

資誠會計師事務所 10002368 號

委託人：聯興科技股份有限公司 大華！

本事務所受委託人聯興科技股份有限公司（以下稱「貴公司」）之委託，就 貴公司選定民國 106 年度企業社會責任報告書所載等之資訊執行確信程序。本會計師業已確信完畢，並提供結果出具本有線確信報告書。

確信標的資訊與適用基準

有關 貴公司選定民國 106 年度企業社會責任報告書所載等之資訊指標（以下稱「確信標的資訊」）及其適用基準詳列於 貴公司民國 106 年度企業社會責任報告書第 133 頁之「確信標的資訊表」。

管理階層之資訊

貴公司管理階層之資訊係依照適用基準編製企業社會責任報告書所載等之確信標的，並非提供給外部編製資訊之內部控制，以確保確信標的係真實可靠或無誤，其資訊之真實性不實不虛。

會計師之資訊

本會計師依照確信準則分編第一號「非屬歷史財務資訊委託及驗證之確信條件」，對確信標的資訊執行確信工作，以發現該資訊是否在所有重大方面未能適用基準編製而有所偏差之情形，並出具本有線確信報告書。

本會計師就上述準則所執行之实质性確信工作，包括對確信標的資訊可能發生重大不實表達之風險，以及針對該風險設計及執行程序。隨著確信標的資訊取得之確信程度所顯示於合理確信條件範圍者，就其確信條件所執行程序之性質及時間適用於合確信標的資訊會不同，其範圍亦較小。

本會計師依照所評估之風險程度及重大性以決定實際執行確信工作之範圍，並根據本報告書之特定情況執行下列確信程序：

- 對參與提供確信標的資訊的相關人員進行訪談，以瞭解其提供資訊的真實性之風險，所應用之資訊系統（若適用），以及其內部控制之設計及執行情形。
- 基於上述瞭解與評估，對確信標的資訊進行分析性程序，如必要時，就確信標的進行測試，以取得有關確信之證據。

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此報告不從民國 106 年度企業社會責任報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

會計師之獨立性及品質管理制度

本會計師及本事務所已選擇會計師職業道德規範中有關獨立性及其他道德規範之規定，以規範之基本原則為正義、公正客觀、專業能力及專業上應有之注意、保密及專業性。

本事務所適用會計師公會第四十六號「會計師事務所之品質管制」，因此獲得定編之品質管制制度，此等制度與國際規範，專業準則及所適用法律相關之書面政策及程序。

重大性限制

本基準多項確信項目涉及非財務資訊，非財務資訊之確信受有更大之限制，對於資料之相關性、重大性及正確性等之資訊解釋，則更偏向於個別之風險與判斷。

有限確信結論

就確信標的資訊執行之程序與所獲之證據，本會計師並未發現確信標的資訊在所有重大方面未能適用基準編製而有所偏差之情形。

其他事項

貴公司網址之確信：貴公司管理階層之資訊，對於確信報告書，貴公司網址之資訊係何確信標的資訊此適用基準之規定，本會計師並未就該等資訊實際執行確信工作之資訊。

資誠聯合會計師事務所

會計師 李宜樺

中華民國 107 年 1 月 31 日







Index of GRI Standards

GRI 102: General Disclosures●Major Issues				
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102-6	Markets served	16		
102-7	Scale of the organization	14		
102-8	Information on employees and other workers	98		SDGs 8
102-9	Supply chain	76		
102-10	Significant changes to the organization and its supply chain		Not applicable (no major change)	
102-11	Precautionary Principle or approach	49		
102-12	External initiatives	127		
102-13	Membership of associations	127		
102-14	Statement from senior decision-maker	9		
102-15	Key impacts, risks and opportunities	53		
102-16	Values, principles, standards and norms of behavior	46		SDGs16

GRI 102: General Disclosures●Major Issues				
Index	Descriptions	Page	Omission	SDGs
102-17	Mechanisms for advice and concerns about ethics	46		SDGs16
102-18	Governance structure	40		
102-19	Delegating authority	45		
102-20	Executive-level responsibility for economic, environmental and social topics	24		
102-21	Consulting stakeholders on economic, environmental and social topics	30-31		SDGs16
102-22	Composition of the highest governance body and its committees	41-45		SDGs 5 SDGs16
102-23	Chair of the highest governance body	43		SDGs16
102-24	Nominating and selecting the highest governance body	41		SDGs 5 SDGs16
102-25	Conflicts of interest	46		SDGs 5 SDGs16
102-26	Role of highest governance body in setting purpose, values, and strategy	41		
102-27	Collective knowledge of highest governance body	42-43		
102-28	Evaluating the highest governance body's performance	44		
102-29	Identifying and managing economic, environmental, and social impacts	32-33		
102-30	Effectiveness of risk management processes	52-54		SDGs 16
102-31	Review of economic, environmental, and social topics	28-29		
102-32	Highest governance body's role in sustainability reporting	6		

GRI 102: General Disclosures			●Major Issues	
Index	Descriptions	Page	Omission	SDGs
102-33	Communicating critical concerns	34		
102-34	Nature and total number of critical concerns	32-33		
102-35	Remuneration policies	45 、 101		
102-36	Process for determining remuneration	45		
102-37	Stakeholders' involvement in remuneration	31		
102-38	Annual total compensation ratio		Information needs to be integrated and cannot be disclosed now (may be disclosed in the future).	
102-39	Percentage increase in annual total compensation ratio		Information needs to be integrated and cannot be disclosed now (may be disclosed in the future).	
102-40	List of stakeholder groups	30		
102-41	Collective bargaining agreements	113 、 108		
102-42	Identifying and selecting stakeholders	30		
102-43	Approach to stakeholder engagement	31		
102-44	Key topics and concerns raised	33-34		
102-45	Entities included in the consolidated financial statements	55		
102-46	Defining report content and topic Boundaries	6		
102-47	List of material topics	34		
102-48	Restatements of information		No obvious change, only a comparison with historical data.	

GRI 102: General Disclosures			●Major Issues	
Index	Descriptions	Page	Omission	SDGs
102-49	Changes in reporting		Apart from transferring from GRI G4 to GRI Standards, there is no major change in major issues and boundary thereof.	
102-50	Reporting period	6		
102-51	Date of most recent report	6		
102-52	Reporting cycle	6		
102-53	Contact point for questions regarding the report	7		
102-54	Claims of reporting in accordance with the GRI Standards	7		
102-55	GRI content index	133		
102-56	External assurance	131		

GRI 103:Management Approach				
Index	Descriptions	Page	Omission	SDGs
103-1	Explanation of the material topic and its Boundary	28-29		
103-2	The management approach and its components	28-29		
103-3	Evaluation of the management approach	28-29		

GRI 200: Economic Series				●Major Issues	
Series	Disclosure	Descriptions	Page	Omission	SDGs
● GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	55		SDGs 8
	201-2	Financial implications and other risks and opportunities due to climate change	53		
	201-3	Defined benefit plan obligations and other retirement plans	109-111		
	201-4	Financial assistance received from government		Not applicable (no financial assistance from the government in 2017)	
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	101		
	202-2	Proportion of senior management hired from the local community	100		
● GRI 203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported	120-126		SDGs 1 SDGs 4 SDGs 8 SDGs 10
	203-2	Significant indirect economic impacts	120-126		
● GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	83		SDGs1 SDGs 8 SDGs12
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	46-48		
	205-2	Communication and training about anti-corruption policies and procedures	46-48		SDGs 16
	205-3	Confirmed incidents of corruption and actions taken	46	No the said incidents in 2017.	
● GRI 206: Anti-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	48		SDGs10



GRI 300: Environmental Series				●Major Issues	
Series	Disclosure	Descriptions	Page	Omission	SDGs
GRI 301: Materials	301-1	Materials used by weight or volume		Acter is not a manufacturer and therefore uses little raw materials.	
	301-2	Recycled input materials used		Acter is not a manufacturer and therefore uses little raw materials.	
	301-3	Reclaimed products and their packaging materials		Acter is not a manufacturer and therefore uses little raw materials.	
●GRI 302: Energy	302-1	Energy consumption within the organization	87		SDGs 7 SDGs 13
	302-2	Energy consumption outside of the organization		Not applicable (difficulty in statistics due to business confidentiality)	
	302-3	Energy intensity	90		SDGs 7 SDGs 13
	302-4	Reduction of energy consumption	90-91		SDGs 7 SDGs 13
	302-5	Reductions in energy requirements of products and services	66-67		SDGs 7 SDGs 13
GRI 303: Water	303-1	Water withdrawal by source	93		
	303-2	Water sources significantly affected by withdrawal of water		Not applicable (no affected water source)	
	303-3	Water recycled and reused		Not applicable (no water recycle and reuse)	
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Not applicable	
	304-2	Significant impacts of activities, products, and services on biodiversity		Not applicable	
	304-3	Habitats protected or restored		Not applicable	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not applicable	



GRI 300: Environmental Series				●Major Issues	
Series	Disclosure	Descriptions	Page	Omission	SDGs
GRI 305: Emission	305-1	Direct (Scope 1) GHG emissions	88-89		SDGs 13
	305-2	Energy indirect (Scope 2) GHG emissions	88-89		
	305-3	Other indirect (Scope 3) GHG emissions	88-89		
	305-4	GHG emissions intensity	88-89		SDGs 13
	305-5	Reduction of GHG emission	88-89		
	305-6	Emissions of ozone-depleting substances (ODS)		Not applicable (non-manufacturing industry)	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Not applicable (non-manufacturing industry)	
GRI 306 Effluents and Waste	306-1	Water discharge by quality and destination		Not applicable (non-manufacturing industry)	
	306-2	Waste by type and disposal method		Not applicable (non-manufacturing industry)	
	306-3	Significant spills		Not applicable (non-manufacturing industry)	
	306-4	Transport of hazardous waste		Not applicable (non-manufacturing industry)	
	306-5	Water bodies affected by water discharges and/or runoff		Not applicable (non-manufacturing industry)	
●GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	95		SDGs 16
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	80		
	308-2	Negative environmental impacts in the supply chain and actions taken	80		



GRI 400: Social Series				●Major Issues	
Series	Disclosure	Descriptions	Chapter/ Page	Omission	SDGs
●GRI 401: Employment	401-1	New employee hires and employee turnover	99		SDGs1 SDGs 5 SDGs 8 SDGs 10
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	109-111		
	401-3	Parental leave	110		
GRI 402: Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	107		
●GRI 403: Occupational Health and Safety	403-1	Workers representation in formal joint management–worker health and safety committees	108		SDGs 3
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	114		
	403-3	Workers with high incidence or high risk of diseases related to their occupation	112-114		
	403-4	Health and safety topics covered in formal agreements with trade unions	112-114		
●GRI 404: Training and Education	404-1	Average hours of training per year per employee	104		SDGs 4
	404-2	Programs for upgrading employee skills and transition assistance programs	103-105		
	404-3	Percentage of employees receiving regular performance and career development reviews	102		
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	100		SDGs5 SDGs 8 SDGs 10
	405-2	Ratio of basic salary and remuneration of women to men	101		
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	98		
GRI 407: Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	78		
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	106		SDGs 16



GRI 400: Social Series				●Major Issues	
Series	Disclosure	Descriptions	Page	Omission	SDGs
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	78		
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures		Not applicable (commercial building; managed by the management committee)	
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples		Not applicable (no infringement in 2017)	
●GRI 412: Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	106-107		
	412-2	Employee training on human rights policies or procedures	106-107		SDGs 10 SDGs 16
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights	106-107		
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	120-126		
	413-2	Operations with significant actual and potential negative impacts on local communities	120-126		
GRI 414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	78、80		SDGs 8 SDGs 16
	414-2	Negative social impacts in the supply chain and actions taken	79-80		
GRI 415: Public Policy	415-1	Political contributions		Not applicable (no contribution to political parties, politicians and relevant institutions)	
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	66-67		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Not applicable (no the said incidents in 2017)	



GRI 400: Social Series			●Major Issues		
Series	Disclosure	Descriptions	Page	Omission	SDGs
GRI 417: Marketing and Labeling	417-1	Requirements for product and service information and labeling		Not applicable (non-manufacturing industry)	SDGs 12
	417-2	Incidents of non-compliance concerning product and service information and labeling		Not applicable (non-manufacturing industry)	
	417-3	Incidents of non-compliance concerning marketing communications		No the said incidents in 2017	
●GRI 418: Customer Privacy	418-1	Substantiated complaints regarding concerning breaches of customer privacy and losses of customer data	72	No the said incidents in 2017	
●GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	48	No the said incidents in 2017	SDGs 16





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