

2021

永續報告書

SUSTAINABILITY
REPORT

Acter
聖暉工程





Integration • Sustainability • Responsibility

Integrate engineering and energy-saving technology; provide environmental sustainability solutions; and fulfill corporate social responsibility.

CONTENTS

Introduction

Words from the Management	02
About Acter	03
Important Results and Sustainability Performance of 2021	06

1 Sustainable Management

1.1 Sustainable Development Organizations and Strategies	08
1.2 Stakeholders and Analysis of Materiality Issues	11

2 Corporate Governance

2.1 Corporate Governance	20
2.2 Business Integrity	24
2.3 Risk Management	26
2.4 Operating Performance	29

3 Sustainability and Innovation

3.1 Innovation and R&D	32
3.2 Green Engineering Management	35
3.3 Customer Services and Management	43
3.4 Supply Chain Management	47

4 Environmental Sustainability

4.1 Climate Change Management	54
4.2 Energy and Environmental Management	58

5 Common Prosperity and Growth

5.1 Talent Deployment	63
5.2 Talent Development	65
5.3 Friendly Workplace	70
5.4 Human Rights Management	73
5.5 Occupational Health and Safety	75
5.6 Social Participation	78

6 Annexes

6.1 About this Report	86
6.2 GRI Standards and Content Index	87
6.3 Third-Party Verification	93

Words from the Management

102-14

Sustainability · Integrity · Professionalism · Innovation

2021 is an extremely challenging year. We who have confronted social and economic social and economic turmoil caused by the pandemic see the threats and impacts of climate change unfolding in front of our eyes. Challenged by such impacts, we not only succeeded in maintaining operations without interruption in the storm of COVID-19 together with our supply chain partners, but also continued to contemplate on how to implement sustainable governance with our core expertise. That is, with our innovative green engineering technologies, reach mutual success in the form of environmental protection and profitable business; and be committed to expand our social influence on global sustainability.

Oriented to “implementing the ESG spirit and developing green business”, Acter is absorbed in the core business and industrial innovation. By linking United Nation’s Sustainable Development Goals (SDGs), and our core competence, Acter has not only established a responsible supply chain and built a diverse and tolerant workplace, but also been promoting green low-carbon engineering, cultivating industrial talents, attentive to the disadvantaged minority. It is our aspiration to create shared value for the society and win more reputation points with an excellent and sustainable corporate governance approach.

Over the years, we have been developing the concepts of corporate social responsibility based on the core value of “business integrity”. With a fully established risk management system, we insist on operational transparency, pay great attention to shareholders rights and interests, and continue to generate more value for stakeholders. All of these have made us a reliable company. During the progress of global transformation initiated by the pandemic, Acter will bring our influence into full play and move forward in the value chain to reach SDGs. It is our expectation that we will become a respectable corporate citizen and create an even more beautiful environment for the next generation. In the future, we will continue to work hard on sustainable development and cooperate with our partners and stakeholders to make the greatest contribution to the bring a positive development to the environment, society and economy.

張進利

Chairman

Introduction

102-1~7

Founded in 1979, Acter Co., Ltd. is headquartered in Taichung City with operations all over Asia. Departing from Taiwan, we have long been developing the mainland Chinese and Southeast Asian markets. By continuously absorbing new knowledge, accumulating experiences, and innovating and optimizing construction methods and technologies, we provide customers with professional turnkey engineering solutions. The scope of our services includes cleanroom engineering, electromechanical engineering, air-conditioning engineering, constant temperature and humidity engineering, biotechnology and medical engineering, environmental engineering, maintenance engineering and recycling and systems.

With a focus on engineering as our core expertise, Acter has, through the integration and applications of green engineering technology, introduced eco-friendly engineering approaches to develop a low-carbon economy and to become an “excellent space creator”. Together with our multi-type, multi-industry and multi-talent operational strategy, we can provide customers with highly efficient and energy-saving solutions to build on sustainable growth momentum for industrial upgrading and global economy. We also provide customers with the best service with our passion, expertise, innovation and high quality as our proactive implementation of “environmental sustainability”, “common good” and “value co-creation”. With our continuous contributions in the field of ESG, we will move towards the goal of global sustainability. In 2010, Acter (5536) officially joined the domestic capital market and, upholding spirit of “business integrity”, we will further optimize our corporate governance approach to create value to stakeholders.

• Distribution of Major Operations Sites



About Acter

Date of Establishment	February 19, 1979
Headquarters	Taichung City, Taiwan
No. of Affiliates	15 (6 affiliates in Taiwan and 9 affiliates in overseas)
Paid-in Capital	NTD570 million
Stock Symbol	5536
Official Website	http://www.acter.com.tw/

No. of Employees	Consolidated Operating Income	Consolidated Net Income
1,330 employees	20.21 billion	1.2 billion

Taiwan

- Acter Group Co., Ltd.
- HER SUO Engineering Co., Ltd.
- NOVA Technology Corp.
- Enrich Tech Co., Ltd
- WINMEGA Tech. Corp.
- Rayzher Industrial Co., Ltd.

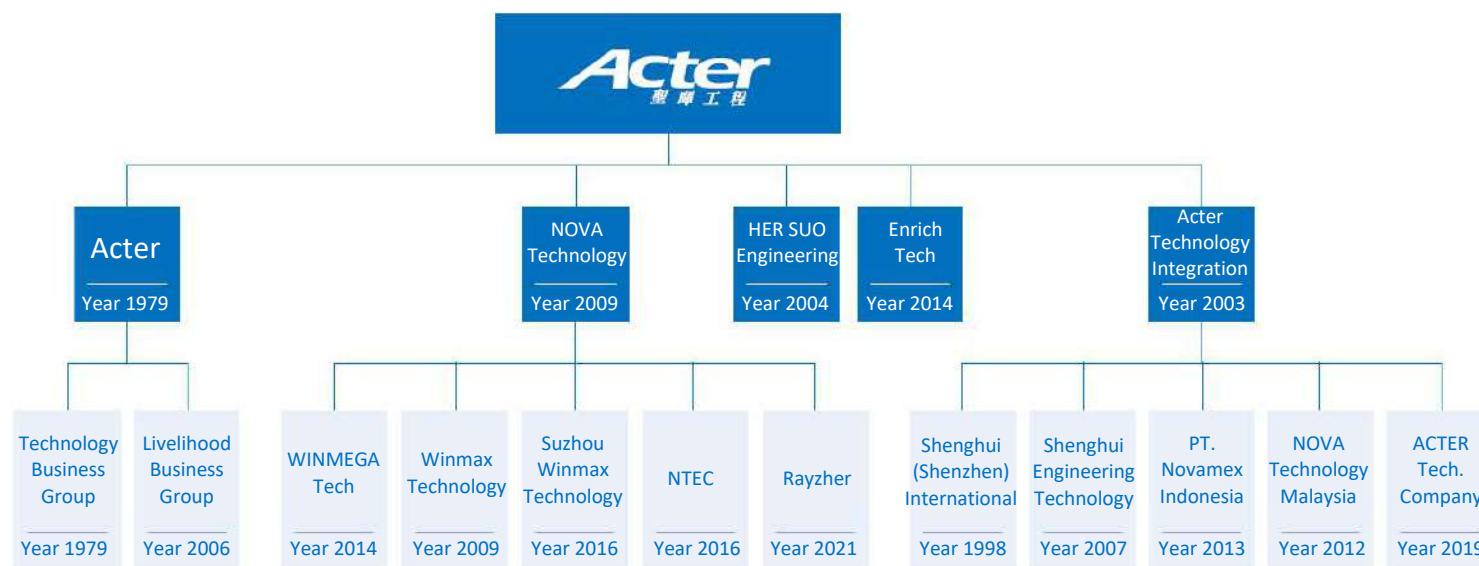
China

- Acter Technology Integration Group Co., Ltd. (Suzhou, China)
- Winmax Technology (Shanghai) Corp. (Shanghai, China)
- Suzhou Winmax Technology Corp. (Suzhou, China)
- Shenghue (Shenzhen) International Co., Ltd. (Shenzhen, China)

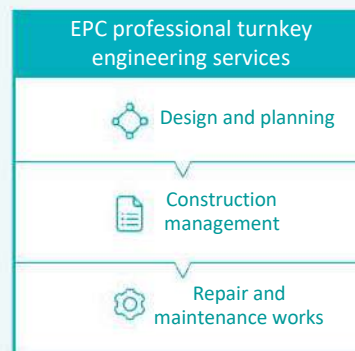
Southeast Asia

- Shenghuei Engineering Technology Company Limited (Vietnam)
- Technology Malaysia SDN BHD (Malaysia)
- PT. Novamex Indonesia (Indonesia)
- Novatech Engineering & Construction Pte. Ltd. (Singapore)
- ACTER Tech. Company Limited (Thailand)

Acter Group's Organizational Chart



Main Business and Service Items



Clean room engineering
Turn-key engineering solutions for the construction of high-tech/ biomedical cleanrooms and plants



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



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







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

Representative Engineering Projects of 2021

Location	Representative Engineering Projects
Taiwan	
Taichung	Construction and electromechanical engineering of LARGAN's new plant.
Taichung	Cleanroom construction of SPIL
Taichung	Construction of China Medical University's International Medical Education and R&D Service Center (Shuinan Campus)
Kaohsiung	Construction of FLEXIUM's new plant
Taichung	Cleanroom construction of PSI's Zhonggang plant
Tainan	Construction of Momo's Southern Storage and Logistics Center
China	
Suzhou, Jiangsu	Construction of SPIL's S6 plant
Qingdao, Shandong	Electromechanical turnkey project of Power Construction Corporation of China's (Shandong Electric Power) testing and assembly plant in Qingdao
Jinjiang, Fujian	Cleanroom construction and air-conditioning engineering of QLE's plant J
Wuhan, Hubei	Cleanroom construction and hook-up engineering of Shiyuan for KN 204 expansion items.
Hefei, Anhui	62K, 70K, 80K, 100K and BSI hook up engineering and electromechanical turnkey project of Hefei Hejing Electronic
Zhengzhou, Henan	Electromechanical installation engineering of Hongfujin's G06-3F cleanrooms
Changsha, Hunan	Electromechanical turnkey project of Hunan Sanan's M2B Chip factory

Acter's Business Philosophy and Corporate Core Value

Business Philosophy			
 <p>Integrity</p>	<p>In the spirit of achieving fair trade, Acter insists on operating transparency and engages in all business activities based on business integrity. We provide customers with the most applicable and proper solutions that meet their demands and complete all works on time and to specification.</p>	 <p>International Services</p>	<p>Our goal is to reach the global market. From Taiwan to the mainland China and to the Southeast Asia, we are moving towards this goal. We believe that any place with people and industry will have a demand for having an excellent space. To accelerate our international deployment and development, we not only collaborate with advanced foreign companies, but also provide a stage for talents from different fields and who have the same aspiration, hoping that they will bring their potentials into play and that we will maintain our competitive advantages.</p>
 <p>Expertise-oriented</p>	<p>Holding to becoming an "excellent space creator", Acter commits to provide customers with professional engineering services and become their most reliable partner. With a focus on our core competence – including but not limited to customizing an engineering solution, optimizing the project budget, excellent engineering quality and attentive warranty services – we commit to provide our customers with an economical and workable solution. We also integrate multiple resources and have them applied in different industries. Where the customers are, Acter will be there. In the meantime, we also adopt a multiple development approach to minimized risks of relying on single market.</p>	 <p>Sustainable Innovation</p>	<p>In pursuit for environmental sustainability, Acter has been continuously innovating green engineering technologies. Throughout the entire process from design to procurement to implementation to trial and then to formal operations, our first consideration is always to minimize related environmental impacts, such as impacts of factory operations to the air, water, soil, nature and ecological system, while maintaining our competitive advantages in the industry. Apart from seeking for sustainable operations, we also pay attention to employees' welfare and shareholders' rights and interests.</p>

Core Value
<p>Safety</p> <p>Safety is the first priority for achieving professionalism. With insistence on "zero occupational risk", we provide our colleagues, customers and subcontractors with a safe workplace.</p>
<p>Quality</p> <p>Apart from guaranteed construction quality and efficient implementation, Acter also reduces costs in time and money to provide customers with the most reliable engineering quality.</p>
<p>Technology</p> <p>Our customers are offered with an overall comprehensive solution. By taking green design as an example, we provide customers with the best solution and realize environmental sustainability with our expertise.</p>
<p>Innovation</p> <p>Acter has been developing efficient and cost-saving processes and techniques to increase our competitiveness and create business opportunities as a pioneer.</p>
<p>Focus</p> <p>Our core competence has been applied in various industries to flexibly and quickly meet customers' demands in, for example, cleanroom engineering, electromechanical engineering, air-conditioning engineering, biomedical and medical engineering, environmental engineering and maintenance works. This has laid a firm foundation for our role as a pioneer in related techniques and technology."</p>



Important Results and Sustainability Performance in 2021

Awards

Top 5%

Was ranked on **top 5%** in TWSE's Corporate Governance Evaluation for **7** consecutive years.

Top 5

Was ranked on the **top 5** of CommonWealth Magazine's Excellence in Corporate Social Responsibility (Medium-Medium enterprises) for **4** consecutive years.

Bronze Award

Was awarded the **bronze award** of CommonWealth Magazine's Excellence in Corporate Social Responsibility (Medium-Medium enterprises) in 2021.

3 Awards

Was awarded TCSA **Top50** Corporate Sustainability Award, Corporate Sustainability Report Golden Award and Transparency and Integrity Award for **4** consecutive years.



Sustainability Performance

E Environment

Disclosed **7 green** engineering projects in the year and totally reduced **11,829 ton-CO2e**, which equals to the amount of Co2e absorbed by **30** Daan Forest Parks.

The total of green procurement was **NTD232.92 million** (increased by **24.8%**), counting 5.08% of the total procurement amount.

Acquired the ISO 14064-1:2006 certification. The operational greenhouse gas emission decreased by **25.39%** comparing with the previous year.

Maintained the record of **zero** environmental penalty and **zero** fine.

S Society

The annual average of non-managerial full-time employee was **NTD1,188,635**.

Injury rate (IR) at **0%** with **zero** major occupational accident. The cumulation of zero-accident working hours was **5,764,552 hours**.

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

Totally invested **NTD7,555,535** in social participation (with a growth of **16.71%** comparing with the previous year), where NTD3,614,213 was invested in internship and industrial-academic training programs. Through the said programs, 10 students were trained and 8 of them were issued with a pre-appointment letter due to their excellence performance.

G Economy

Acter Group's consolidated income was **NTD20.21 billion**; and the after-tax net profit was **NTD12 billion**.

Return on stockholders' equity was **22.86%**.

In 2021, Acter invested **207.36 million** in R&D, counting 1.03% of the total consolidated income; and acquired **25** patents.

Achieved high customer satisfaction level at 91.

SUSTAINABLE MANAGEMENT

chapter 01 /

“Environmental sustainability”, “common good shared by all generation” and “co-creation of value” are the core concepts of Acter’s sustainability strategy. We pay continuous attention to domestic and foreign sustainable development trends and actively respond to United Nations’ Sustainable Development Goals (SDGs). We also collect stakeholders’ opinions and have them incorporated into our sustainable development and business strategy to generate sustainable value for the industry and society and to further create an even more beautiful future.

1.1 Sustainable Development Organizations and Strategies

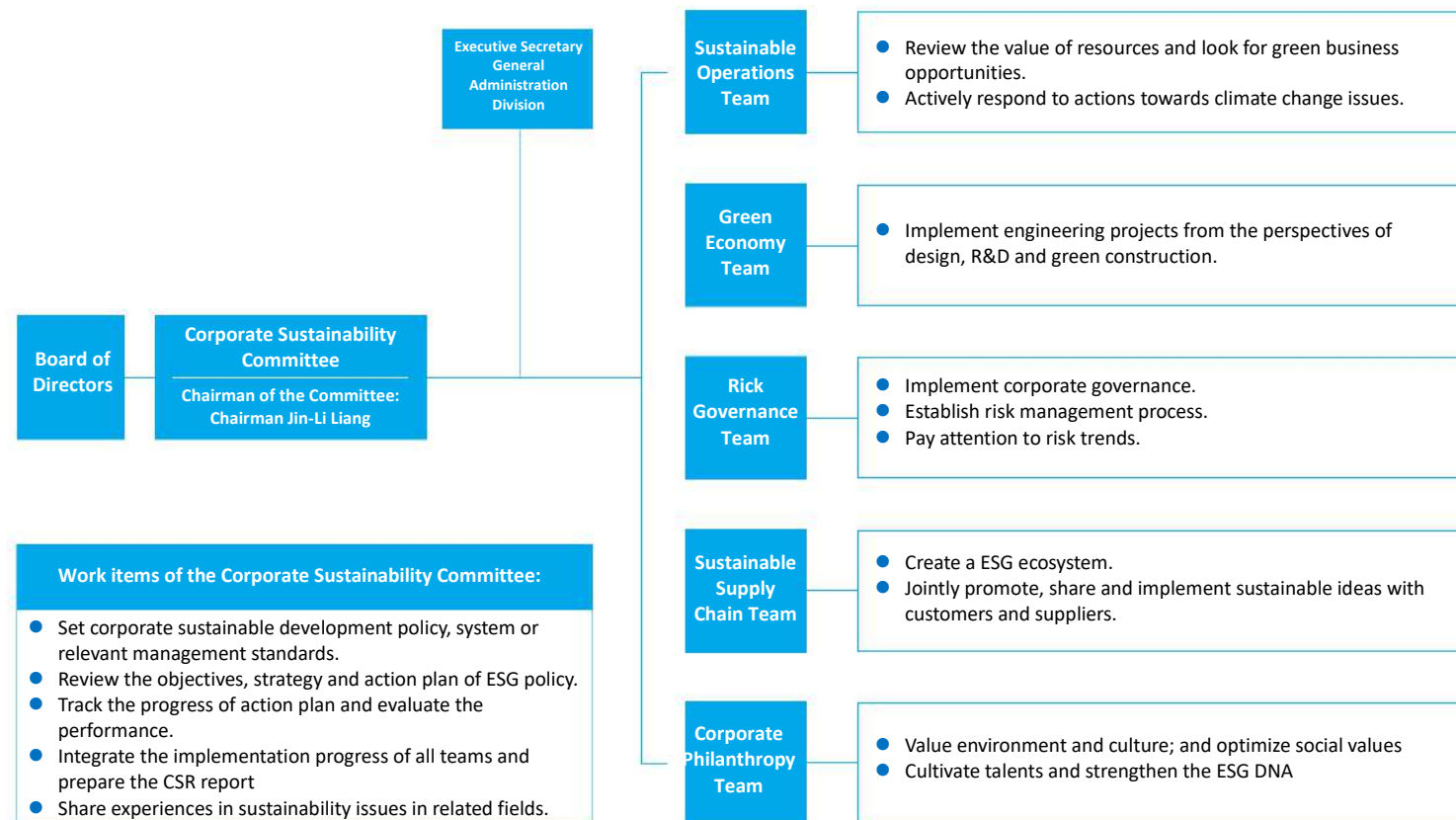
1.2 Stakeholders and Analysis of Materiality Issues

1.1 | Sustainable Development Organizations and Strategy

102-12, 102-19~20, 102-26, 102-29~33

1.1.1 | Corporate Sustainability Committee

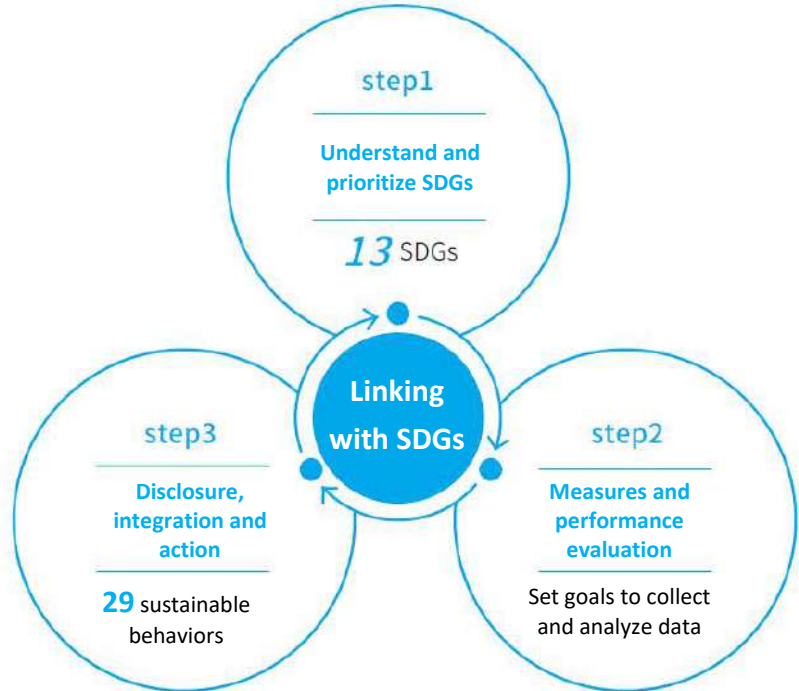
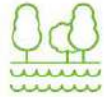





Keeping a balanced development between business management and green sustainability is Acter's sustainable management concepts. Apart from building a strong corporate physique, we also invest resources in environmental protection and social participation. In response to the changes in global situation, we have established Corporate Sustainability Committee (formerly known as CSR Committee and was renamed in December 2021) as a unit dedicated to organizing Acter's sustainable development strategy. Oriented to "implementing corporate social responsibility and pursuing a better future", Acter keeps step with United Nations' SDGs and integrates them with our core competitive strategy to assist the industry in achieving carbon neutrality with our core skills. It is our expectation to become a pioneer in corporate sustainable development and construct a beautiful future featuring "environmental sustainability", "common good shared by all generation" and "co-creation of value".



Apart from supervising corporate sustainable activities, Corporate Sustainability Committee also regularly reviews the results thereof and have them incorporate into the decision-making process when determining business management and important strategy. Through group meetings and reviews on the implementation of short-, middle- and long-term goals, the Committee reports the operating performance to the Board of Directors according to "Rules Governing the Practice of Corporate Sustainable Development" (formerly known as the Rules Governing CSR Practice) each year; and summarize directors' suggestions and record them in the sustainability report. In 2021, the Committee totally summoned 8 work meetings; and the sustainable development implementation results have been reported to the Board of Directors on November 5, 2021 and disclosed on Acter's website.



1.1.2 | Corporate Sustainable Development Goals

Acter's three sustainable development themes – “environmental sustainability”, “common good shared by all generation” and “co-creation of value” – are formulated in alignment with United Nations’ Sustainable Development Goals (SDGs) in order to continuously track the Company’s sustainable development performance and adopt specific actions in response to sustainable development issues. In 2021, Acter has conducted **29 sustainable actions** based on **13 SDGs**.

Alignment with SDGs	Acter's Three Sustainable Development Themes	
<p>Acter has complied with the three steps – “understand and prioritize SDGs”, “measures and performance evaluation” and “disclosure, integration and action” – to identify and align with SDGs; and to, based on the three sustainable development themes, set up our goals and formulate action plans.</p>  <p>For detailed information, please refer to “Acter’s Short-, middle- and long-term goals in response to materiality issues and achievements in 2021”</p>	 <p>Environmental sustainability</p>	<p>“Assist the industry in achieving carbon neutrality with our core skills” and create a beautiful future.</p> 
	 <p>Common good shared by all generations</p>	<p>Build a safe and friendly workplace; and establish partnerships in industrial and with academic circles in order to create common good share by all generations and build sustainable and prosperous cities and townships.</p> 
	 <p>Co-creation of value</p>	<p>Firmly develop a business integrity oriented corporate culture and optimize corporate government to realize corporate sustainable management.</p> 

1.1.3 | Sustainable Value Management

With our investment in six capitals, Acter has established a clear sustainable management mechanism and set specific and measurable long-term goals to create corporate operating profits and maximize shareholder value. With respect to the promotion of sustainable management inside the organization, we also managed to enhance the organization's sustainability performance with the seven sustainable management capabilities, while creating sustainable value for the industry and society with our influence and heading to a sustainable and beautiful future together.

Investment		Sustainable management value					Management output
Financial capital	Create business excellence goals through steady financial management	3 major aspects	7 major sustainable management capabilities	11 major materiality issues	7 major stake holders	6 major sustainable management goals	Paid-up capital NTD571,867 thousand Income after tax NTD1,204,410 thousand
Manufactured capital	Maintain engineering and construction equipment and resources; and provide professional services required by the customers.	E Environment	<ul style="list-style-type: none"> Environmental management 	<ul style="list-style-type: none"> Environmental policy and environmental management system Eco-friendly technology 	<ul style="list-style-type: none"> Employees Shareholders/ investors Customers Suppliers Government/ competent authorities Schools and institutions Non-profitable organization in the community 	<ul style="list-style-type: none"> Growth in revenue Increase in cost-efficiency Reduce risks Increase customers' recognition Best employer Increased brand value 	Operating cost NTD5,535,064 thousand
Intellectual capital	Continue to plunge into green innovation and R&D; enhance the strengths of engineering knowledge capital.						R&D Expenditure NTD207,367 thousand
Human capital	Search for talents with the same aspiration and enhance talent cultivation to build a firm foundation for the organization.						Employees' salary NTD565,627 thousand Employees' welfare NTD5,469 thousand
Natural capital	Reduce the consumption of natural resources and enhance ecological benefits through energy saving and carbon reduction approaches.	S Society	<ul style="list-style-type: none"> Human resources management Communication with Stakeholders 	<ul style="list-style-type: none"> Talent attraction and retention Occupational development and educational trainings Human rights Occupational Health and safety Social participation 			Green procurement NTD232,920 thousand
Social capital	Integrate operational cores and join social participation; fulfill corporate sustainability responsibilities and stride forward to a society of common good.						Social participation NTD7,555 thousand Payment for business income tax NTD489,805 thousand

1.2 | Stakeholder Engagement and Materiality Analysis

102-40, 102-42~44, 102-47, 102-49, 103-1

1.2.1 | Interaction with Stakeholders

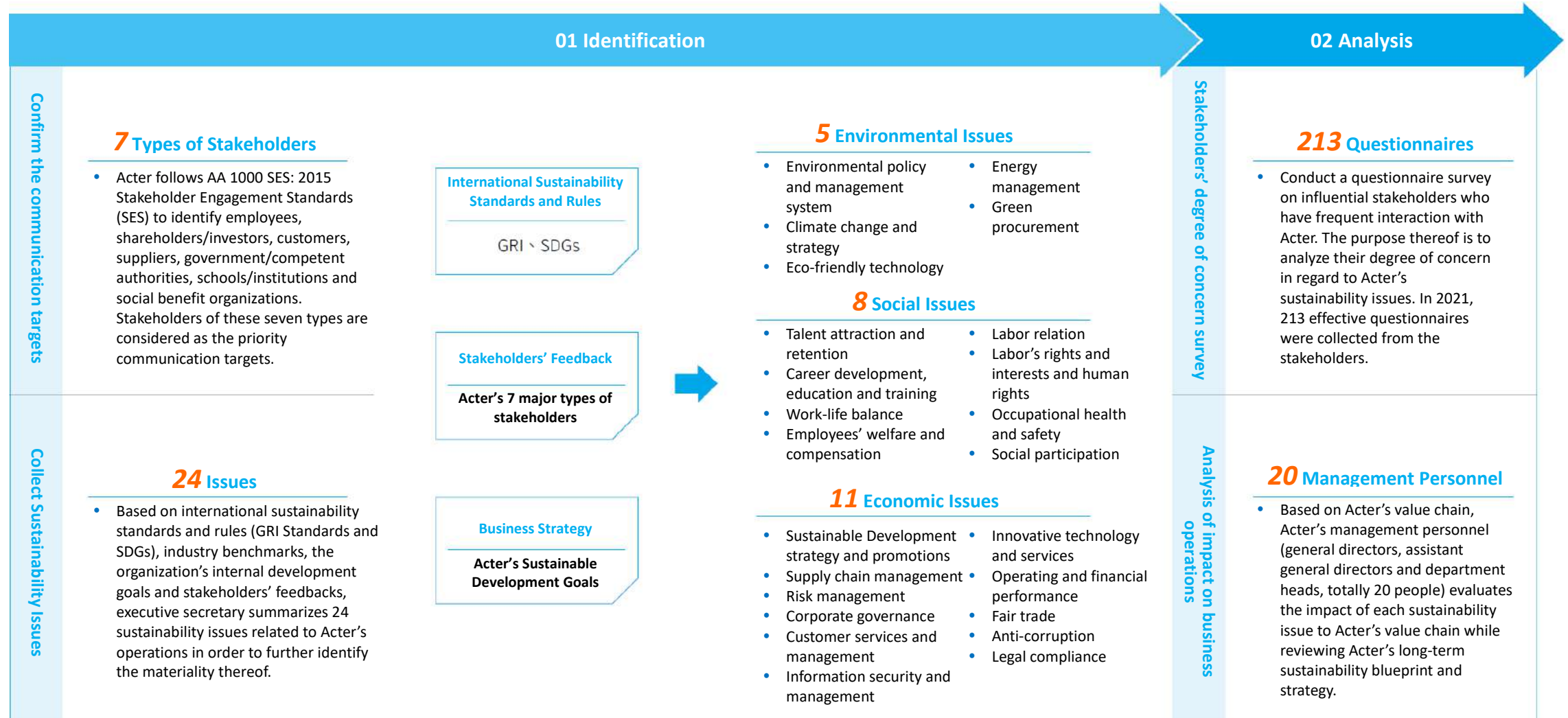
Acter values communication with our stakeholders. We transmit and disclose accurate, objective and up-to-date information through diverse channels; and collect stakeholders' feedback and opinions, on which our strategy and approaches are adequately adjusted to respond to the public's expectation and demonstrate our social influence. Acter's Corporate Sustainability Committee has identified seven types of stakeholders – employees, shareholders/investors, customers, suppliers, government/competent authorities, schools/institutions and social benefit organizations – based on the five major principles of in AA1000 SES:2015 (AA1000 Stakeholder Engagement Standard 2015), namely dependency, responsibility, tension, influence and diverse perspectives. The diverse communication channels and results are as follows:

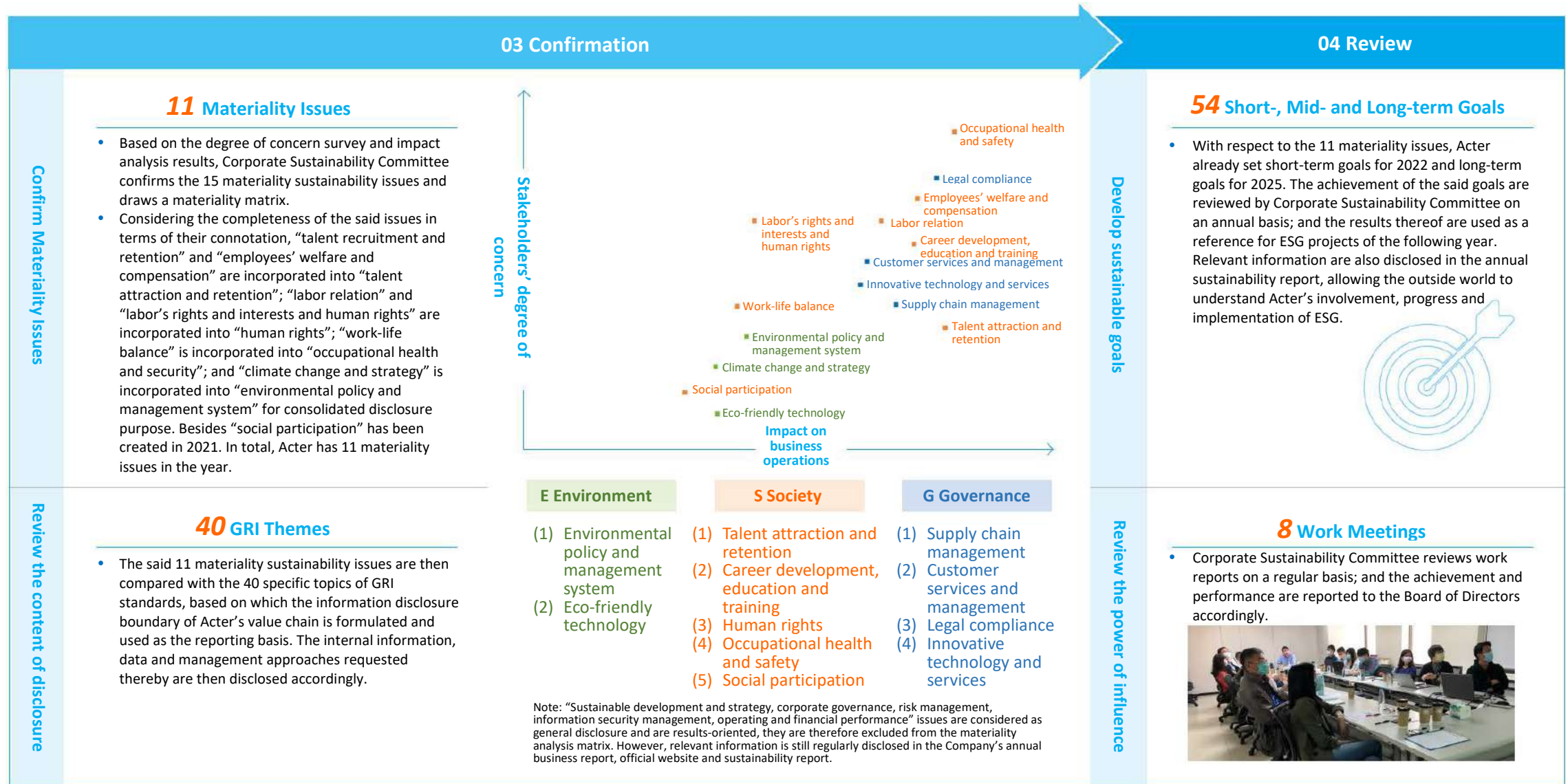
Stakeholders / Importance	Concerned Issues	Communication Methods	Frequency	Communication Outcomes in 2021	Chapter In Response Thereto
Employees					
Talents and innovation are the key factors that build Acter’s core competitiveness and an important foundation that lead us to sustainable operations.	<ul style="list-style-type: none">Human rights maintenanceTalent attraction, education and trainingSafe and healthy workplace• Employees’ welfare and communication channels	Labor-management coordination meeting	Quarterly	4 meetings	<ul style="list-style-type: none">Operating PerformanceTalent DevelopmentFriendly WorkplaceHuman Rights ManagementOccupational Health and Safety
		Occupational safety and health committee	Quarterly	4 meetings	
		Staff welfare committee	Quarterly	3 meetings	
		Management and plenary meeting	At least each quarter	4 management meetings and 1 plenary meeting, totally participated by 341 people.	
		The section of “Announcement” on Acter’s official website; and dedicated telephone line and email address	At any time	Received 0 complaint.	
		Employee satisfaction survey	Annually	The score was 84.76. An online employee satisfaction survey was carried out anonymously in November 2021; and an analysis report was issued simultaneously.	
Shareholders / Investors					
Shareholders and investors’ long-term support are the power of Acter’s steady growth. We value and cherish every investor's resources; and sincerely fulfill our commitment and give returns thereto.	<ul style="list-style-type: none">Profitability and dividendsRisk managementFuture growth potentialSustainable operations	Shareholders’ meeting	Annually	8 corporate briefing sessions to report the Acter’s up-to-date operational and financial status to shareholders/ investors. Related information are disclosed on Acter’s official website.	<ul style="list-style-type: none">Corporate GovernanceBusiness IntegrityRisk ManagementOperating Performance
		Corporate briefing session	Quarterly		
		Annual report and sustainability report	Annually		
		The “Investors” section on Acter’s corporate website and MOPS	Timely	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.	
		Telephone, fax and email	Timely		

Stakeholders / Importance	Concerned Issues	Communication Methods	Frequency	Communication Outcomes in 2021	Chapter In Response Thereto
Customers					
Oriented to customers’ needs, Acter values and listen to customers’ voice. By continuously enhancing customer satisfaction level and customers’ value, Acter aims to become a reliable partner.	<ul style="list-style-type: none">Customer Services and QualitySustainable Supply Chain ManagementEnergy-Saving Solutions In Response to Climate Change	Customer satisfaction survey	Semi-annually	The score was 91 . Conducted a survey according to “Operating Procedures Governing Customer Satisfaction Level and Sustainable Improvements”. Acter also submitted a report to propose improvement countermeasures; and the performance thereof has been sustainably tracked.	<ul style="list-style-type: none">Business IntegrityCustomer Services and QualitySupply Chain ManagementInnovation and R&DGreen Engineering Management
		Customer visits and sales meetings	Timely		
		Telephone, fax and e-mail	Timely		
Suppliers					
A strong and fully integrated supply chain is the indispensable backing of Acter. We value our suppliers as an important partner and the practitioner who create industrial values together with us.	<ul style="list-style-type: none">Customer Services and QualitySustainable Supply Chain ManagementEnergy-Saving Solutions In Response to Climate Change	Visits to suppliers	At least 2 suppliers each year	Visited 2 suppliers to ensure that its code of conduct comply with relevant regulations; and to exchange ideas on factory equipment, materials, production process and so on.	<ul style="list-style-type: none">Risk ManagementSupply Chain Management
		Toolbox meeting and occupational safety training	Timely	Each day before launching the operations, Acter summoned subcontractors to carry out occupational safety promotions and inspection measures related to the work items; and filled in the record request form accurately.	
		Patrol and audit	Daily	Each day, conducted safety and health patrols and inspections during the construction; filled out the record request form accurately; and checked if there was any violation or deficiency.	
		Suppliers evaluation	Semi-annually	Evaluation rate reached 100% , including 18% of Level A suppliers and zero Level C/ disqualified supplier. Key suppliers were evaluated in accordance with “Procedures Governing Procurement and Materials” and the evaluation results were used as the basis for judging suppliers’ bidding qualifications and offering incentives thereto.	
		The section dedicated to suppliers on Acter’s official website; telephone, fax and e-mail	Timely	Timely paid attention to suppliers’ implementation status.	
Government / Competent Authorities					
Legal compliance is the foundation of business operations. Acter strictly abides by all regulations and laws to ensure our fulfillment of competent authority’s requirements; and participates proactively in government policy.	<ul style="list-style-type: none">Corporate GovernanceRisk ManagementBusiness Integrity	Corporate governance evaluation	Annually	Was ranked on top 5% in the Corporate Governance Evaluation and related information has been published on MOPS and official website. Acter also continued to communicated with competent authorities; and actively operate in coordination with the government’s policy.	<ul style="list-style-type: none">Corporate GovernanceBusiness IntegrityOccupational Health and SafetyEnergy and Environmental Management
		Publish financial statements and important information	Timely		
		Participate in regulation briefing sessions/ seminars/ guild events	Irregularly		
		Official document, meeting, telephone and e-mail	Timely		
Schools / Institutions					
Through industry-academia cooperation programs and internships, Acter actively establishes a long-term partnership with colleges and universities in order to cultivate industry talents.	<ul style="list-style-type: none">Innovation and R&DTalent CultivationParticipation in Social Benefit Activities	Internship and industry-academia cooperation programs	Annually	9 students participated in semester internship; 1 student joined the industry-academia cooperation programs. Acter offered scholarships, held 2 lectures and continued to cooperate with National Taipei University of Technology (Taipei Tech), National Yunlin University of Science and Technology (YunTech), National Kaohsiung University of Science and Technology (NKUST) and National Chin-Yi University of Technology (NCUT).	<ul style="list-style-type: none">Innovation and R&DTalent DevelopmentSocial Participation
		Campus job fair	Annually		
		Industry-academia job-sharing session	Irregularly		
		R&D cooperation plan	Irregularly		
Social Benefit Organizations					
To implement the role of corporate citizen, Acter continues to involve in community care, establish local links and actively create the common prosperity and common good of the society.	<ul style="list-style-type: none">Social ParticipationEnvironmental Sustainability	Project-based cooperation or visit	Irregularly	Oriented to the 4 social benefit themes (environmental sustainability; caring for disadvantaged minorities; sustainable cities and communities; and community empowerment), Acter has plunged into volunteer services and activities; and maintained good, friendly and interactive relationships with social benefit units and schools.	<ul style="list-style-type: none">Energy and Environmental ManagementSocial Participation
		Volunteer services	Annually		
		CSR personnel contact window	Timely		

1.2.2 | Materiality Analysis

Acter has, from the essence of operations, actively thought about the challenges and opportunities that can put sustainability into practice. Each year, Acter follows “stakeholder inclusiveness”, “materiality”, “completeness” and “sustainability context” of GRI Sustainability Reporting Standards (GRI Standards) to conduct a materiality analysis through identification, analysis, confirmation and review. This enables us not only to confirm the disclosure categories of the report and our encountered major sustainable development challenges, but also to review our sustainable operating performance.
























1.2.2.1 | Materiality Issues, Value Chain and Respective GRI Disclosure Items




















Materiality Issues	Acter's Value Chain			Respective GRI Standards	Chapter In Response Thereto
	Upstream	Corporate Operations	Downstream		
	Procurement	Engineering Planning, Design and Construction	For Customers' Uses		
E Environment					
Environmental policy and management system	▲	●		302-1, 302-3, 305-1, 305-2, 307-1	<ul style="list-style-type: none">▪ Climate Change Management▪ Energy and Environmental Management
Eco-friendly technology	▲	●		302-5	<ul style="list-style-type: none">▪ Innovation and R&D management▪ Green Engineering Management
S Society					
Talent attraction and retention		●		201-3, 202-1, 202-2, 401-1, 401-2, 401-3, 404-3, 405-1, 405-2	<ul style="list-style-type: none">▪ Talent Deployment▪ Friendly Workplace
Career development, education and training		●		404-1, 404-2	<ul style="list-style-type: none">▪ Talent Development
Human rights		●		402-1, 406-1, 408-1, 412-2, 414-2, 419-1	<ul style="list-style-type: none">▪ Human Right Management
Occupational health and safety	▲	●		403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10, 419-1	<ul style="list-style-type: none">▪ Occupational Health and Safety
Social participation		●		203-1, 413-1	<ul style="list-style-type: none">▪ Social Participation
G Governance					
Supply chain management	▲	●		204-1, 308-1, 308-2, 414-1, 414-2	<ul style="list-style-type: none">▪ Supply Chain Management
Customer services and management		●	▲	* Specific themes designated by Acter	<ul style="list-style-type: none">▪ Customer Services and Management
Legal compliance	▲	●		307-1, 419-1	<ul style="list-style-type: none">▪ Business Integrity▪ Energy and Environmental Management▪ Human Right Management
Innovative technology and services		●	▲	* Specific themes designated by Acter	<ul style="list-style-type: none">▪ Innovation and R&D








● Acter has created a direct impact in this issue

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

1.2.2.2 | Short-, Middle- and Long-term Goals for Materiality Issues and Achievement in 2021

Acter's sustainable goals	Materiality Issues	Management Strategy and Policy	Linking with SDGs	Management Index and Goals				
				Key Performance Index (KPI)	Goals of 2021	Achievement in 2021	Goal of 2022	Mid-term goals (2025)
 Environmental sustainability Implement environmental protection	Environmental policy and management system	Comply with and abide by the newest requirements of environmental regulations by establishing "Procedures Governing Environmental Safety and Health Objectives and Solution" and "Emergency Response Management Procedures"; and continuously adopting ISO environmental management system.	  	Obtain new certification	Comply with domestic and foreign environmental management standards	 Acquired the certification ISO 50001 Energy management systems to facilitate the optimal use of energy; implemented the ISO 14001 environmental management system; and maintained the record of having 0 environmental penalty.	Comply with domestic and foreign environmental management standards	Comply with domestic and foreign environmental management standards
				Reduce greenhouse gas (GHG) emission	Lower than the reference value of 2018	 Reduced 25.39% of CO2e and obtained the certification of ISO 14064-1:2006	Lower than the reference value of 2018	Lower than the reference value of 2018
				Reduce the per capita use water	Lower than the reference value (average of the previous two years)	 Reduced 1.27% of per capita use water	Lower than the reference value	Lower than the reference value
	Eco-friendly technology	Provide customer with environmental protection and energy-saving solutions; and timely apply green engineering technology in the project to create differentiation and added value of the manufacturing industry.	 	Performance in green engineering project	At least 5 projects	 7 projects and the total energy-saving efficiency equals to the amount of CO2e absorbed by 30 Daan Forest Parks in one year.	At least 5 projects	At least 6 projects
 Common Good Shared by All Generations Maintain social benefits	Talent attraction and retention	Recruit talents through various talents; establish "Rules Governing Employee Remuneration" and "various employee benefits" to build up a competitive remuneration and welfare system; and cultivate young talents through industry-academia cooperation programs	  	Participation rate of employee benefits activities	The participation rate shall be above 56%	 80.24% , which already exceeded the target.	Above 58%	Above 60%
				Internship and industry-academia collaboration programs	Cultivate 5 students	 10 students (8 students participated in semester internship, 1 participated in winter internship and 1 joined industry-academia cooperation program). The retention rate of female employee was 12.5%	6 students	7 students
				Comparison with base salary and salary adjustment	Better than the base salary and adjust the salary in the year.	 3~5%	Better than the base salary and adjust the salary in the year.	Better than the base salary and adjust the salary in the year.
				Hire people with disabilities and indigenous people	Comply with and bigger than the statutory recruitment proportion.	 More than 1% of the total number of employees	Comply with and bigger than the statutory recruitment proportion.	Comply with and bigger than the statutory recruitment proportion.
				Improve long-term retention rate of female employees through diverse approaches	More than 20% of middle-level executives are women	 25%	Above 20%	Above 20%

Acter's sustainable goals	Materiality Issues	Management Strategy and Policy	Linking with SDGs	Management Index and Goals				
				Key Performance Index (KPI)	Goals of 2021	Achievement in 2021	Goal of 2022	Mid-term goals (2025)
 Common good shared by all generation Maintain social benefits	Career development, education and training	Set up an education and training system (PDCA) through Establish Rules Governing Employees Assessment and conduct employee career planning to build an education and training system for the implementation of annual education and training plan.	 	Performance assessment coverage rate	100% coverage rate	 100%	100%	100%
				Education and training completion rate	100% completion rate	 100%	100%	100%
				Technical achievement rate	85% coverage rate	 85%	Above 85%	Above 86%
				Education and training satisfaction level	Satisfaction level above 80	 83.60 points	Above 80 points	Above 82 points
	Human rights	The establishment of “Acter’s Human Rights Policy” allows Acter to review the effectiveness of implementing human rights on an annual basis. Acter also established smooth communication channels and appointed a department to handle and respond to relevant issues.		Human rights policy or procedures	Training rate was above 80%	 80%	Above 80%	Above 82%
				Employee training rate	Satisfaction rate was above 80	 84.76 points	Above 80 points	Above 85 points
				Promote personal information protection, intellectual property rights and relevant regulations in newcomer education and training programs.	Newcomers signed relevant documents; and 100% training rate	 100%	100%	100%
	Occupational health and safety	Acter not only provides employees and suppliers with sufficient training programs to enhance their occupational safety knowledge and disaster response capability, but also cautiously supervises the entire implementation process.		Critical incident in the workplace	Zero critical incident in the workplace	 Zero incident Reached 5,764,552 zero-incident hours in total.	Zero critical incident in the workplace	Zero critical incident in the workplace
				Incapacitating injury rate	Incapacitating injury rate below 2%	 0%	Below 2%	Below 1.5%
	Social participation	Focus on the 4 social benefit themes – environmental sustainability, caring for disadvantaged minorities, community empowerment, sustainable cities and communities – to make the world better.	   	Participate in social works and volunteer activities	One new activity	 3 activities (Note)	One new activity	Continue to have one new activity each year
	(Note)	Social participation and volunteer activities	1	Implemented the “Winter Assistance to the Elderly” program for five consecutive years Accompanied elderly living alone to purchase food and daily necessities.	2	Implemented “Wheat Farm Catcher” for two consecutive years Led students living in remote countries to sow wheat fields; and carried out environmental protection and preservation classes.	3	Provided socials services for five consecutive years Use our core competence to assist disadvantaged minority families in building new homes.

Acter's sustainable goals	Materiality Issues	Management Strategy and Policy	Linking with SDGs	Management Index and Goals				
				Key Performance Index (KPI)	Goals of 2021	Achievement in 2021	Goal of 2022	Mid-term goals (2025)
 Value co-creation Implement corporate governance	Supply chain management	Build a responsible supply chain by establishing "Code of Conduct for Suppliers"; and, by adopting green procurement and local procurement, march toward sustainable operations together with the suppliers.	 	New suppliers shall sign the "Letter of Commitment for Sustainability"	100% of suppliers have signed the letter of commitment.	✓ 100% signing rate	100%	100%
				Conduct supplier assessment and sustainable risk evaluation each year (suppliers receiving more than 80 points are classified as Class A suppliers)	The average rate for all suppliers shall reach 75 points	✓ 81.5 points; and the supplier assessment rate was 100% (18% of them are Class A supplier; and none of them are Class C supplier)	Above 75 points	Above 78 points
				Visit important suppliers or suppliers with potential risks	Visit 2 suppliers	✓ Visited 2 suppliers and no deficiency or concerned matter was found during the audit.	More than 3 suppliers	More than 4 suppliers
				Optimize green procurement and local procurement	Have an increase comparing with the previous year	✓ Green procurement has increased by 24.8 % and the total amount has reached NTD329.2 million; and the local procurement rate was 99.71%.	Have an increase comparing with the previous year	Have an increase comparing with the previous year
	Customer services and management	Continue to tract customers' requirements until they are fulfilled; conduct customer satisfaction survey on a regular basis; and check and optimize management effectiveness		Customer satisfaction survey	The average of the overall satisfaction rate shall reach 88 points	✓ 91 points, which is beyond the target	Above 88 points	Above 90 points
	Legal compliance	Keep pace with the newest trend of regulations and laws to ensure our compliance therewith. Regularly hold code of conduct and legal compliance related education and training programs for employees.		The achievement rate of taking professional ethics and legal compliance awareness training	The training completion rate shall reach 75%	✓ 78%	Above 78%	Above 80%
	Innovative technology and services	Regularly track the investment made to R&D and the effectiveness thereof on an annual basis.	 	The proportion of R&D expense in total revenue	The R&D expense counts more than 0.78% of the total revenue	✓ 1.03% of the total revenue	More than 0.78%	More than 0.80%
				Number of patents or new technology	Continue to develop patent or new technology each year; and deepen Acter's ability of providing professional green engineering services.	✓ Totally 25 patents/ new technology (1 invention patent)	Continue to increase the number of patents or new technology	Continue to increase the number of patents or new technology



Sustainable Governance

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

chapter 02 /

Acter insists on operating transparency and pays great attention to shareholders' rights and interests. On a solid corporate governance foundation, we continue to enhance Board of Directors' functions and increase management team's leadership and governance. Through a complete risk management system and disclosure controls, we protect stakeholders' rights and interests and encourage organizational optimization in order to create share value for the society and company.

For **7**
consecutive years

Corporate
governance –
Top 5%

Bronze Award
(medium-size enterprises)

CommonWealth Magazine's
**Excellence in Corporate Social
Responsibility in 2021**

For **4** consecutive years

TCSA Top50 Corporate
Sustainability Award – Gold
Award

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

2.1 | Corporate Governance

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

2.1.1 | Governance Organization

Business integrity is a solid foundation, on which corporate sustainable development is developed. Oriented to “Corporate Governance 3.0 - Sustainable Development Blueprint” issued by Financial Supervisory Commission (FSC), Acter promotes a transparent corporate governance culture to enhances our corporate sustainable development and competitiveness, allowing us to move toward sustainable operations as a company with excellence.

Strengthen the Operation of Board of Directors

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

Maintain Shareholders’ Rights and Interests

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

Treat Shareholders Equally

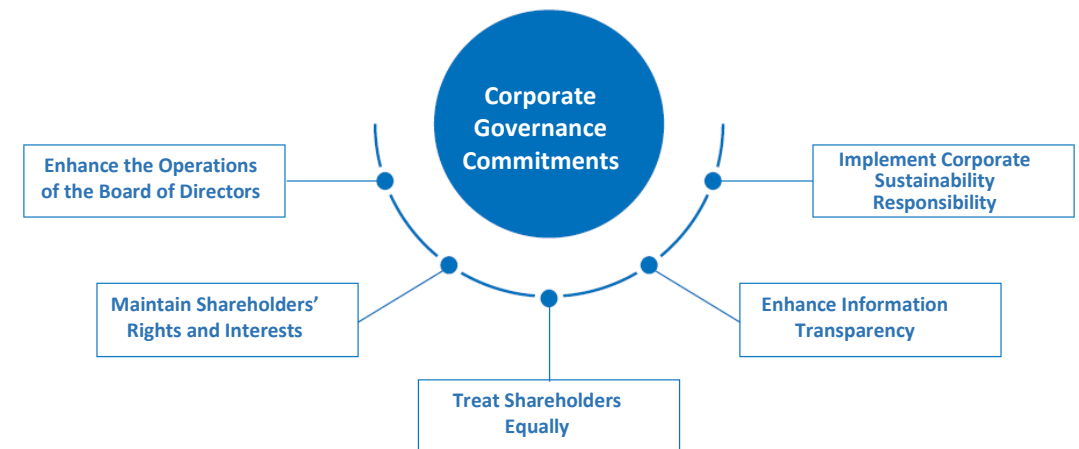
Acter has promulgated “Rules Governing the Handling of Internal Material Information and Preventing Insider Trading”. These Rules not only prohibit the Company’s staffs to trade securities with information that has not been disclosed on the market, but also are used as the basis of disclosure mechanism and for handling material information. All of our new directors and managerial staffs should complete insider trading and management programs within one month of taking office; and, before announcing our quarterly operational performance, Acter will remind our staffs and managerial staffs thereof in order to implement the propaganda of preventing insider trading.

Enhance Information Transparency

Since 2011, the Company always issues our annual consolidated and individual financial reports within 75 days after the end of the year in order to enhance our information disclosure and transparency. By the way, through corporate briefing sessions and Market Observation Post System, proactively report the Company’s up-to-date operational and financial status to our shareholders and investors, enabling our investors to quickly and transparently understand the Company’s operations.

Implement Corporate Sustainability Responsibility

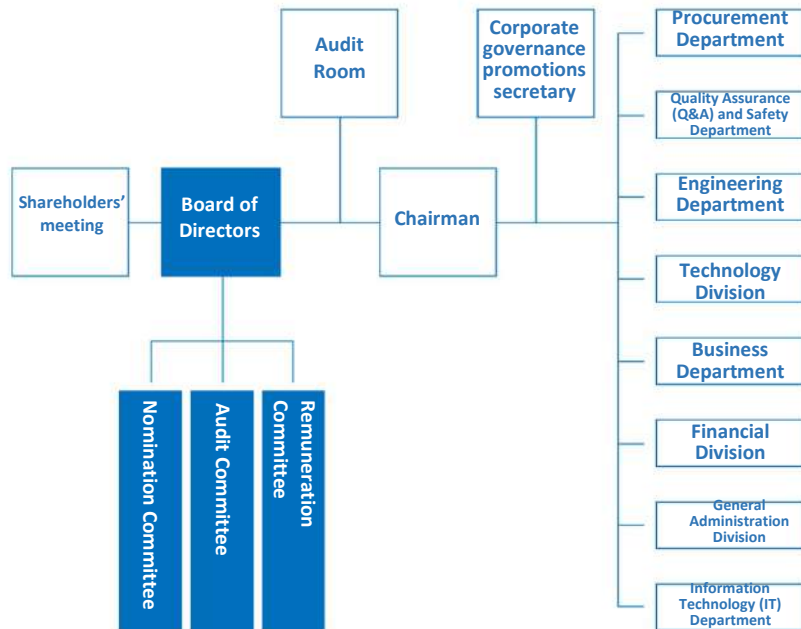
Acter already established Corporate Sustainability Committee to promote various plans and integrate relevant resources; acquaint ourselves with domestic and international economic, social and environmental trends; and adjust relevant policies in order to protect different stakeholders interests and to comply with the objectives and requirements of international exemplary enterprise. Since 2015, Acter has been ranked in TWSE’s Corporate Governance Evaluation for 7 consecutive years; and received a number of corporate sustainability awards in various CSR evaluation.



Corporate Governance Structure

To implement corporate governance and respond to the United Nation's 2030 SDGs, Acter has stipulated "Code of Practice on Corporate Governance" in accordance with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". According to the Code of Practice, Financial Division serves as our corporate governance promotions secretary to provide the up-to-date regulations and trends; arrange advanced training programs; facilitate the independence, transparency and legal compliance of our Board of Directors; and report our corporate governance results to Board of Directors on a regular basis.

• Corporate Governance Structure



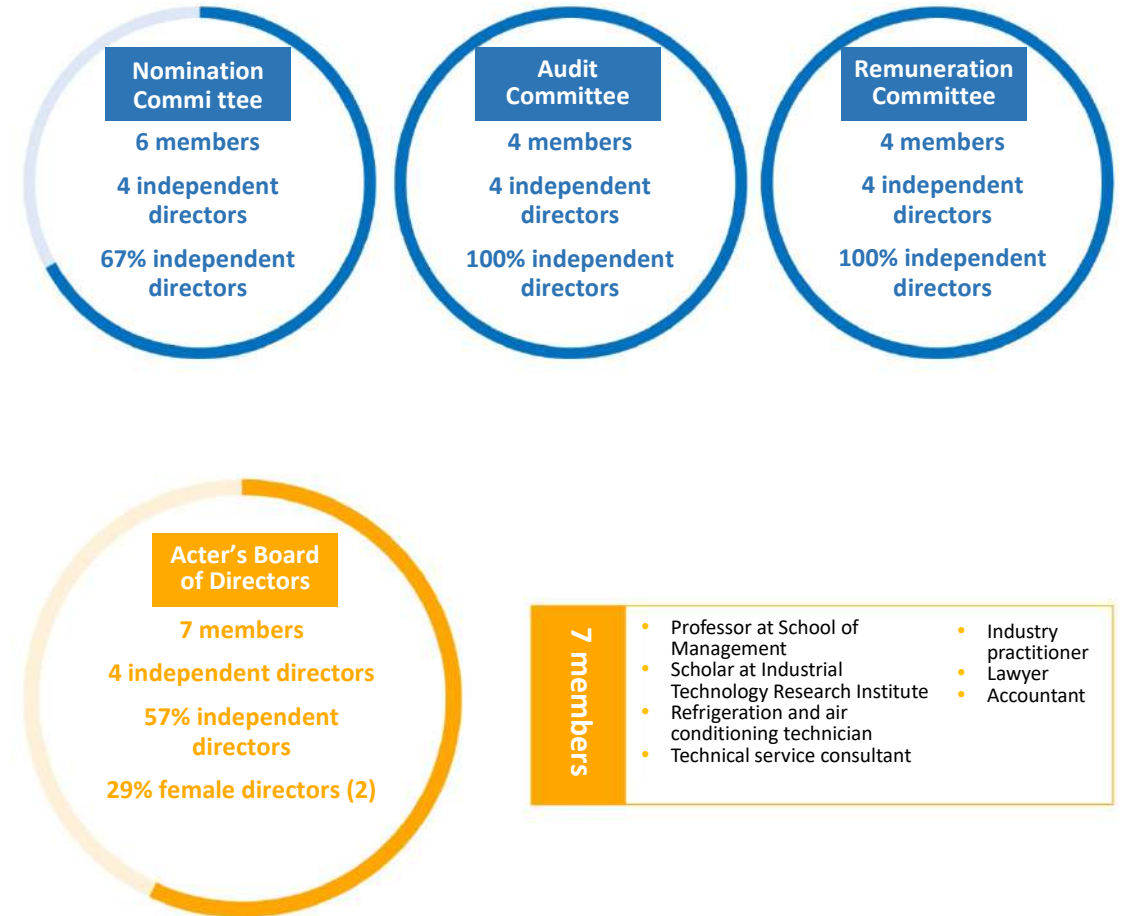
• Board of Directors and Functional Committees

5 Responsibilities of Functional Committee

- Enhance the functions of Board of Directors
- Ameliorate the management physique
- Implement information disclosure
- Build a sound internal control system
- Implement strict risk management measures

4 Responsibilities of the Board of Directors

- Supervision
- Appointment of managerial staffs and performance evaluation
- Decision making for material matters
- Instruct the management team



2.1.2 | Board of Directors

As the top decision-making team, Acter's Board of Directors is responsible for supervising the management team and enhancing management functions in order to implement a good governance system based on Board of Directors and to generate the greatest interests of all shareholders. Acter's Board of Directors is composed of 7 directors, including 3 directors and 4 independent directors, with a three-year term of office; and the candidates are nominated in accordance with "Board Directors Selection Procedures and Rules". Independent directors is about 57% of the total director seats (the number of Acter's independent directors started to exceed one-half of the total director seats since 2021) and, to implement gender equality, Acter has female director seats. In 2021, Board of Directors summoned 8 meetings and the rate of personal attendance was 100%.

Member Diversity Policy

To build a sound structure of Board of Directors, members of the Company's Board of Directors are selected based on their respective professional ability and other elements, such as gender equality, to ensure the diversity of the board members.

Elements of consideration	Goals of the diversity policy	Implementation results of the diversity policy
Professional ability	Diverse professional knowledge and industry related abilities	Formed by experts and scholars from the business, financial, law and industry circles. All members equipped with the professional knowledge, skills and literacy required to carry out the business in order to optimize shareholders' rights and interests.
Gender equality	The number of independent directors exceeds one-half of the total director seats	4 out of 7 directors (57%) are independent directors in 2021.
	At least 2 female director seats.	2 out of 7 directors are female in 2021.

• The diverse background of the members of Acter's Board of Directors

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

Performance Evaluation of the Board of Directors




To implement corporate governance and enhance the operational efficiency of the Company's Board of Directors, Acter has established "Board of Directors' Performance Evaluation Rules", where a self-performance evaluation is conducted on an annual basis by the Board of Directors, functional committees and individual directors. In 2021, the internal evaluation score reached 98 points and was classified as "excellent". Apart from internal self-evaluations, Acter also hires an external evaluation organization to evaluate the Board of Director's performance triennially. The most recent external evaluation was conducted in December 2020, where Taiwan Corporate Governance Association was commissioned to carry out a two-day site visit. The external evaluation not only provides Acter with a professional and objective report on the Company's management physique, but also facilitates the optimization of the Board of Directors functions. The next external evaluation is expected to take place in 2023.

2.1.3 | Functional Committees

To bring the functions of the Board of Directors into full play and ameliorate the Board of Directors' decision-making quality, Acter has established nomination committee, audit committee and remuneration committee subordinated to the Board of Directors based on their respective authorities and functions. The committees are responsible for important motions and are obliged to join discussions on economic, environment and social issues respectively. To ensure the foresight, objectivity and extensiveness of the decisions and suggestions made by functional committees, the committees are composed or participated by independent directors respectively. This can facilitate the implementation of the independent supervisory and balancing mechanism, ensuring that all resolutions and conducts are reported to and discussed by the Board of Directors. A director who or whose legal person represented thereby has interests on the discussion shall avoid the discussion due to conflict of interest. Also, some discussion topics may be reported and discussed at the shareholders meeting to optimize stakeholders interests.



• Composition and Operations of Functional Committees

Name	Duties	Operations
 Nomination Committee	Acter has stipulated "Nomination Committee Organizational Rules" to optimize the functions of the Board of directors and enhance the management mechanism. The Nomination Committee is mainly in charge of searching, reviewing, approving and nominating candidates of director; and of evaluating Board of Directors' performance.	Composed by 4 independent directors and Director Jin-Li Liang. In 2021, the Committee convened 2 meetings and the personal attendance rate was 100% in the year.
 Audit Committee	Assist the Board of Directors in implementing its supervisory duties and exercising its authority specified in Securities and Exchange Act, the Company Act and other regulations. The Audit Committee shall exchange ideas with the Company's CPA (certified public accountant); and shall review the selection and independence of CPA on a regular basis.	Composed by 4 independent directors and summoned 6 meetings with a 100% personal attendance rate in 2021. The Committee has good a communication and contact channel with the Company's internal audit personnel and CPA. It also established an Audit Committee mailbox, through which stakeholders can directly communicate with Committee members, on the Company's official website.
 Remuneration Committee	Oriented to the Company's sustainable development, a sound corporate governance structure and assisting the Board of Directors in enhancing the management mechanism, the Remuneration Committee is responsible for reviewing the selection, appointment and performance evaluation of directors; and for supervising the Company's sustainable development strategy in order to protect stakeholders' rights and interests.	Composed by 4 independent directors. In 2021, the Committee convened 5 meetings and the personal attendance rate was 100% in the year.

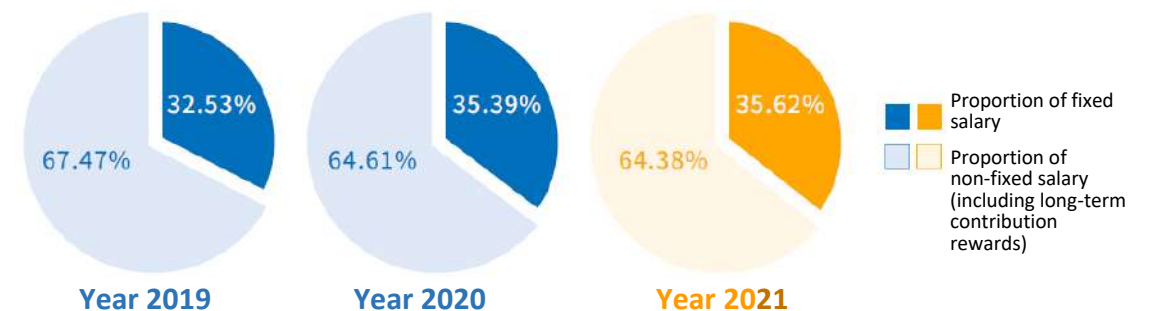
2.1.3.1 | Managers' Remuneration Policy

To encourage managers to achieve business performance, reach profit targets and pay attention to the Company's sustainable development, Acter has established "Rules Governing Bonus and Performance Rewards". Apart offering them bonus based on their achievement in various financial performance indexes, Acter also values senior managers' contributions to long-term value, such as cultivating talents, enhancing service quality, ameliorating system procedures, building a friendly environment and fulfilling CSR. The bonus received by our managers based on Company's operating performance counts more than 70% of the amount of annual remuneration, indicating that the annual remuneration is highly correlated with the Company's operating performance. Apart from authorizing Remuneration Committee to finalize senior managers' compensation, Acter also cooperates with external professional remuneration consultants to ensure that the remuneration offered to senior managers is competitive in the industry. Furthermore, Acter has fortified our remuneration policy to ensure our compliance with the market trends and external momentum; and disclosed related information in our annual report, allowing all stakeholders to fully understand that senior managers' remuneration is highly correlated to the Company's operating performance.

• Performance Evaluation of Senior Managers

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

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



2.2 | Business Integrity

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

2.2.1 | Business Integrity and Legal Compliance

“Business integrity” is the most important core value for Acter. To implement the business integrity policy and proactively prevent dishonest behavior, Acter has stipulated “Principles of Business Integrity”, “Code of Ethics” “Guidelines for Business Integrity Processes and Behavior” and “Code of Conduct and Ethics” in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and relevant regulations. The said rules are established to prohibit the Company’s directors, managers and employees from conducting any dishonest behavior; and to continuously enhance our guidelines for legal compliance by implementing regulatory compliance and educational/training programs. Acter has been promoting business integrity as our core value and conduct related internal training to increase our employees awareness of business integrity and further enhance Acter’s corporate governance. With respect to legal compliance, Acter

Policy Statements and Advocacy	“Principles of Business Integrity” and important rules for handling important internal information are summarized and announced on the public information platform.
Business Integrity Education and Training	Business integrity rules are introduced to compulsory E-learning courses.
Compliant and Reporting Mechanism for Employees and Outsiders	Set a business integrity related disciplinary system. Through relevant units’ self-checks and audit unit’s independent audit, the objectives of having an effective control and proper implementation will be reached. There are no violations in 2021.
Regular Reviews on the Internal Control System	Through various channels, employees are able to report any event that violates, is suspected to violate or can result in the violation of business integrity and ethics; and ask for advice accordingly. The said reporting can also be made by offering evidence of fact, relevant information or documents confidentially or anonymously. The Company will, according to received reporting cases, conduct an investigation and implement the following improvement measures. The Company has not received any report in 2021.

not only pays continuous attention to domestic and foreign policy and regulations that can affect our business and financial performance, but also stipulates various corporate governance standards and rules, based on which our audit unit verifies our legal compliance and adjust internal rules accordingly.

Acter also has a policy of zero tolerance for corruption, bribery, unfair competition, confidentiality infringement and insider trading. Where our internal audit unit discovers any violation of the code of ethical conduct or internal regulations will record and investigate the said violations, and impose penalties on the violators accordingly to maintain our fair and honest reputation.

The statistics on relevant education and training programs are as follows:

Number of employees who passed the business integrity training in 2021.	Male	Female
Senior management personnel (deputy general managers above)	5	0
Mid-level management personnel (managers above)	24	10
Junior management personnel (section chief above)	25	8
General employees	170	99
No. of people who pass the training	261	
Percentage of total employees	78%	
Note: As anticorruption communication and training programs for senior managers and governance units are arranged separately, there are not included in the statistics of policy communication and training.		



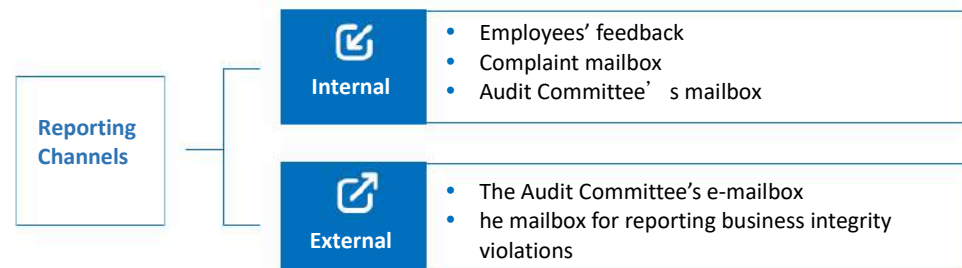
2.2.2 | Reporting Mechanism and Whistleblower Protection Scheme

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

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

Upon reporting the case, Acter will initiate the investigation process and a unit will be designated to conduct the investigation. Where the whistleblower is an internal staff, Acter will abide by personal data confidentiality rules and retaliation against colleagues is strictly prohibited.

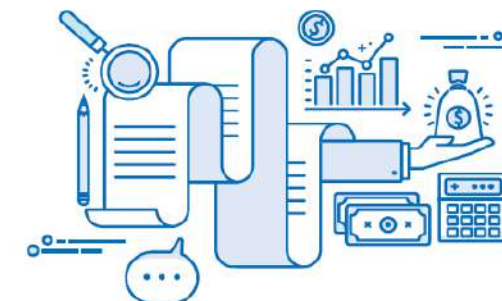
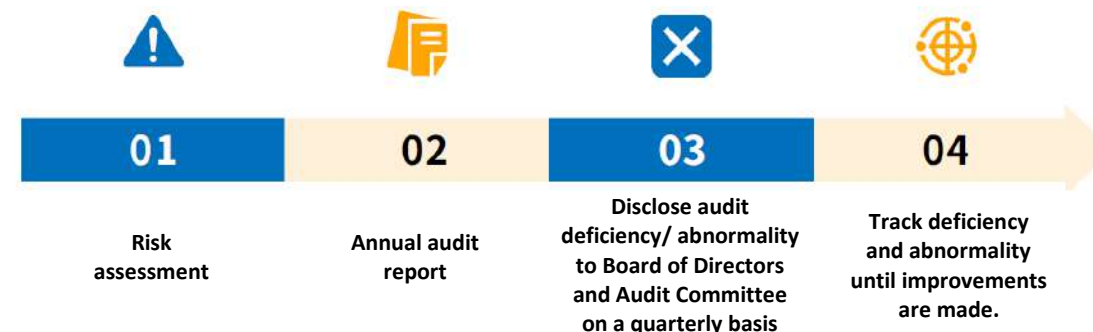
For those whose violation has been verified, Acter will, depending on the materiality of the case, adopt a proper handling measure (ex., "termination of employment or "termination of business relationship) or take a legal action if it is required. In 2021, Acter did not receive any complaint or report of business integrity violation (ex., anti-corruption, anti-fair trading, anti-competitive conduct and so on) as usual; is managed to maintain our upright and honest business engagement.



2.2.3 | Internal Audit

Acter has established an internal control system that continues to ameliorate in accordance with laws and regulations. The "Audit Office" subordinated to the Board of Directors, for example, organizes the planning and implementation of the headquarters and subsidiaries' audit works; suggests improvement actions; and reviews and modifies the internal control system to ensure its continuous and effective performance. With respect to internal control deficiencies and abnormalities, the Office summarizes them in an audit report, submits it to the Audit Committee and Board of Directors on a quarterly basis, and continues to track and review the said deficiencies and abnormalities. It also, through routine and project Besides, through routine and professional audit, the Audit Office is managed to understand the operations of the internal control system and potential risks involved therein in order to assist the Board of Directors and the management to fulfill their respective responsibilities and to further implement the corporate governance system. In 2021, the Office totally implemented 45 annual audit plans, including site. In 2021, Acter has implemented 45 annual audit plans, including site audits of and written reviews on Acter, Enrich Tech, HER SUO, Suzhou Winmax Technology and Sheng Huei (Vietnam). Acter also conducted self-assessment on the internal control system and checked the operating risk index accompanied thereby, and no critical violation of business integrity or risks were discovered

Audit Operating Procedures



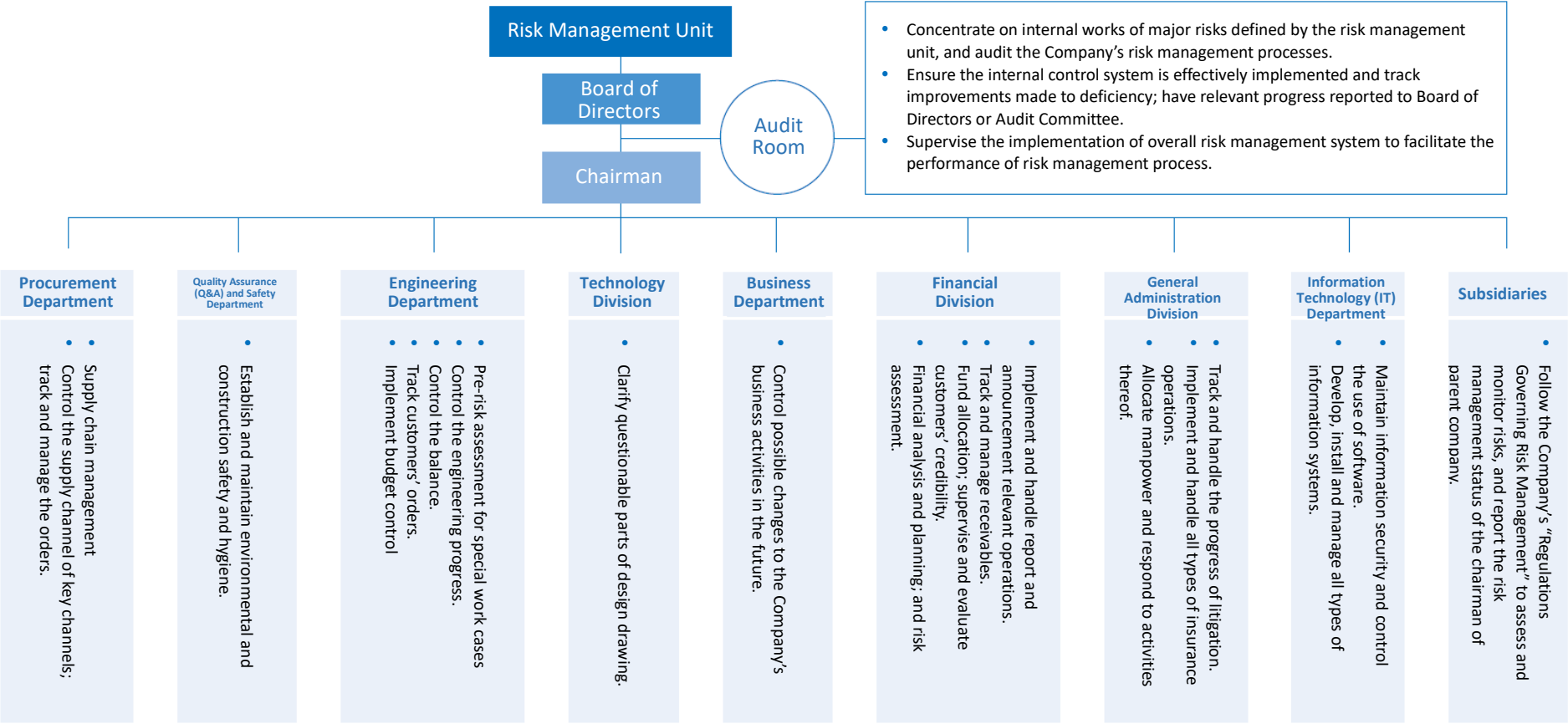
2.3 | Risk Management

102-11, 102-15

2.3.1 | Operations of Risk Management

The scope of Acter’s risk management includes enterprise risks, financial risks and operational risks. To effectively control risks and ensure sustainable operations and , Acter has stipulated “Regulations Governing Risk Management”, allowing the Company to control multiple risks that may be encountered during the operations. Chaired by the Chairman, the “Risk Management Unit” formed by department and division representatives specifies the risk management duties; identifies risk issues of all units; establishes control priority and improvement plans; promptly presents risk tracking and management effectiveness at the meeting; and timely reports risk management implementation status to the Board of Directors. Also, whenever it is

deemed necessary, the Chairman shall also summon a special risk response meeting to draw up a response strategy together with all departments and divisions. In the meantime, to enhance risk management and enhance employees’ awareness of the risks, Acter also, by adopting diverse management systems, situational drills, lectures, training and EHS series activities, enhances staffs’ risk awareness and cultivate their expertise. In 2021, the Company has arranged **4,297.4 hours** of risk management training for employees with a coverage rate of **98.8%**.



• Determination of Corporate Risks and Response Strategy

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

• Risk Management Procedures

01 Risk Identification	02 Risk Assessment	03 Risk Response	04 Action Plan	05 Improvement Tracking
Objectives Identify risks/ incidents that can cause bad influences on Acter's business goals. Methods Use the "Risk Identification Table" to investigate and collect risk exposure data.	Objectives Evaluate the risk impact level. Methods Evaluate the risks from three perspectives: <ul style="list-style-type: none"> Possibility of occurrence Impact (to the Company's finance and business sustainability) Control effectiveness 	Objectives Find and evaluate possible responsible measures. Methods The evaluation conditions include: <ul style="list-style-type: none"> Implementation costs Feasibility (level of difficulty) Time required for the implementation 	Objectives Propose specific actions for improvement Methods Implement simulation-based drills or provide relevant improvement plans.	Objectives Make continuous improvement to reduce risks. Methods Continuously track improvement status until it is made; and amend standard operating procedures to ensure the fulfillment of Company's needs.

2.3.2 | Information Security Management

Acter's information security management system covers account management, information system vulnerability scan, penetration test, malware detection, social engineering drills and so on; and an intrusion detection system is also set in important information systems and at internet exit points. To reduce the probability of information security risks and minimize the influence thereof, Acter makes continuous investments in information security each year, such as enhancing information security defense equipment, improving information security management system and providing educational training. Apart from remote disaster recovery drills regularly carried out in the machine room, Acter also executes remote backup, data storage and testing of important system data on a weekly basis to maintain the confidentiality, integrity and availability of the Company's important data.

Information Security Risk Response Measures

01 Strengthen information security defense capabilities	02 Risk Controls	03 Measures In Response to the Pandemic	04 Ameliorate information security management procedures	05 Cultivate information awareness
<ul style="list-style-type: none"> To reduce information security risks, reinforce and repair the information security system by conducting vulnerability analyses and penetration tests on a regular basis. Establish a cybersecurity incident response plan and, according to the severity of the incident, conduct an impact and loss assessment and then adopt response reporting and recovery actions. At least 1 information security diagnosis each year. 	<ul style="list-style-type: none"> Adopt Fortigate's "Information Security Triangle" (i.e., FortiGate, FortiSwitch and FortiAp) approach to enhance the Company's internal and external protection. Establish an environmental control mechanism, through which all system can back up and restore the drills on a regular basis, for the machine room, allowing the Company to minimize potential losses when an internet attack occurs. At least 1 information security diagnosis each year. 	<ul style="list-style-type: none"> Enhance anti-virus, anti-hacking and information security protection measures in response to the increasing demand for WFH (work from home) due to the outbreak of COVID-19 pandemic around the world Control information security risks in real-time 	<ul style="list-style-type: none"> With respect to Acter's control of information security risks, establish standards on the reference of ISO 27001 and relevant regulations; and continue to implement the PDCA (Plan-Do- Check-Act) cycle for continuous improvements. Shall be reviewed on a quarterly basis. 	<ul style="list-style-type: none"> Carry out information security education and training programs for all employees and conduct irregular social engineering phishing email tests to enhance information security awareness. With the support of senior managers and all departments, this also enables every employee to take the responsibility of protecting information security. The total training hours for information security related training is 465.5 hours in 2021.



2.4 | Operating Performance

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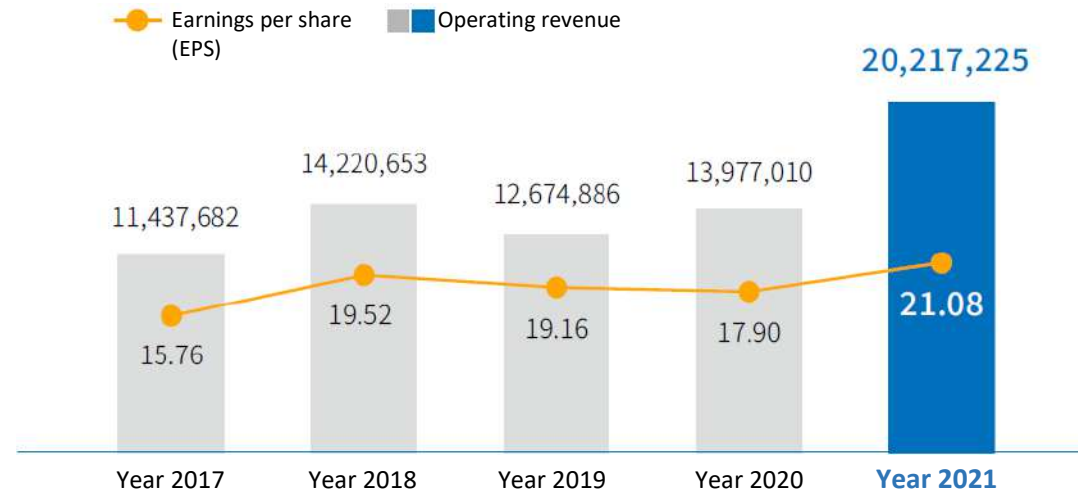
Financial Performance

Oriented to sustainable operations as our core concept, Acter has been dedicated to enhancing green energy-saving technology and maintaining our healthy financial physique. That is, we have optimized the uses of resources to further enhance our core value. It is also our aspiration to develop potential markets in order to bring the Company's operations to a positive cycle, provide employees with a quality work environment, maintain our leadership in the market and generate more value for our shareholders. In the meantime, Acter also aims to strengthen our international deployment to localize our business operations. Benefited from local ecological advantages and talents, we will be able to provide customers with a complete solution, cooperate with our industry partners, and give our fruitful operating results back to all stakeholders.

With respect to our operating performance, our consolidated revenue was NTD20.2 billion; net profit after tax attributable to parent company was NTD1.2 billion; and earning per share (EPS) was NTD21.08 in 2021. Comparing with 2020, their respective growth was 45%, 24% and 18% , creating a new record for revenue and profitability.

Acter Group's consolidated revenue and EPS over the years

Unit: NTD1,000



Acter's financial information over the years

Unit: NTD1,000

	Item/ Year	2017	2018	2019	2020	2021
Management ability	Annual operating revenue	11,437,682	14,220,653	12,674,886	13,977,010	20,217,225
	Total of assets	11,553,771	11,780,789	11,993,080	15,118,595	18,703,967
	Total Equity	4,664,521	5,381,512	5,549,042	6,298,480	7,295,998
	Operating profit	1,376,732	1,721,618	1,778,512	1,701,062	2,139,259
	Net profit after tax (attributable to parent company)	842,154	1,049,020	1,036,094	970,082	1,204,410
Profitability	Return on Asset (%)	9.68%	10.96%	10.77%	8.88%	9.30%
	Return on Equity (%)	24.41%	25.39%	23.35%	20.23%	22.86%
	EPS (NTD)	15.76	19.52	19.16	17.90	21.08
Distributed economic value	Operating cost Note 1	3,511,541	3,778,787	2,694,847	4,181,080	5,535,064
	Employees' salaries and welfare Note 2	451,708	488,348	470,703	451,150	565,627
	Payments to investors (dividends) Note 3	377,895	612,986	813,041	812,801	686,241
	Payments to the government (income tax; deferred tax is excluded) Note 4	48,401	67,814	129,258	61,436	120,955
	Community investments Note 5	4,607	4,878	3,013	4,253	2,332

Note 1: Costs derived from operating activities.

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

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

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

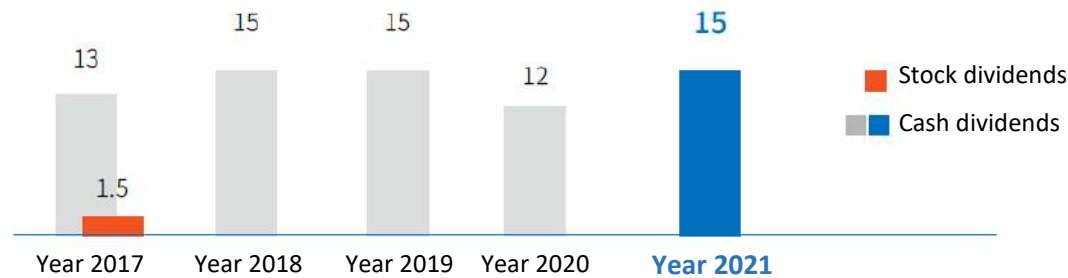
Note 5: Donations made to charity organizations, non-governmental organizations and research units (unrelated to the organization's business and research development) for the purpose of social benefits. Direct costs of social activities, including those for arts and educational activities, are also included.

Note 6: Other financial information is disclosed in the Company's annual report.

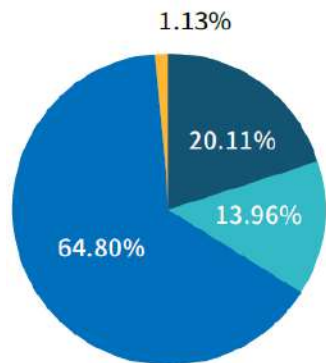
Distribution of Dividends

As prescribed in Articles of Incorporation, Acter adds current-year earnings to accumulated retained earnings and, depending on the capital status and economic development of the year, distribute dividends and bonus to shareholders. Since 2009, Acter has distributed cash dividends to shareholders every year and, in 2021, our shareholders receive NTD15 cash dividend per share.

Acter's dividend policy over the last 5 years



Shareholders Structure



Year 2021	No. of people	No. of possessed shares	Shareholding ratio
Foreign institutions and juridical persons	132	11,515,433	20.11%
Other juridical persons	100	7,997,063	13.96%
Individuals	8,967	37,107,122	64.80%
Financial institutions	1	649,000	1.13%
Total	9,200	57,268,618	100%

Note: The shareholders structure is based on the Company's register of shareholders as of March 28, 2022

Foreign institutions and juridical persons Other juridical persons Individuals Financial institutions

Tax Management

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

As Acter runs operations and expands our business in various countries, we have been proactive in paying attention to the changes in tax policies of various countries, and evaluating taxation risks involved therewith. To effectively manage and reduce taxation risks, Acter abides by internal control procedures to identify, evaluate and manage risks. We carefully evaluate taxation risks and related issues in order to measure, manage and control related risks appropriately. In 2021, Acter's effective taxation rate was 28.7%, which was higher than the income tax on profit-making enterprises in the Republic of China, and this may be caused by the reinvestment tax rate, which is relatively higher.

NTD489,805 thousand

Total amount of business income tax paid in 2021

NTD2,178,201 thousand

Net profit before tax in 2021

NTD249,710 thousand

The net business income tax for profit-making enterprises accounted for the total income tax paid by the Company in 2021





Sustainability and Innovation

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

chapter 03 /

Acter has facilitated industrial development through the application of green innovative technologies; assisted our customers in establishing high-value, low-power consumption, and low-pollution green production facilities with eco-friendly technologies; and fulfilled our commitment of becoming the most reliable partner of our customers by continuously enhancing our quality management and implementing customer service management. In the meantime, through the responsible supply chain, green procurement and local procurement policies, we also cooperate with our supply chain partners to stride towards sustainable management.

91 points

Customer satisfaction score

New 25

patents in 2021

Reduced 11,829 tons of carbon dioxide equivalent (CO₂e)

Equals to the amount of CO₂e absorbed by 30 Daan Forest Parks in a year

NTD 232.92 million

Green procurement

100 % of suppliers

have signed "Letter of Commitment for Corporate Sustainability"

Response to materiality issues

- Innovative technology and services
- Eco-friendly technology
- Customer services and management
- Supply chain management

Response to the Sustainable Development Goals (SDGs)



3.1 | Innovation and R&D

Specific Themes of Acter

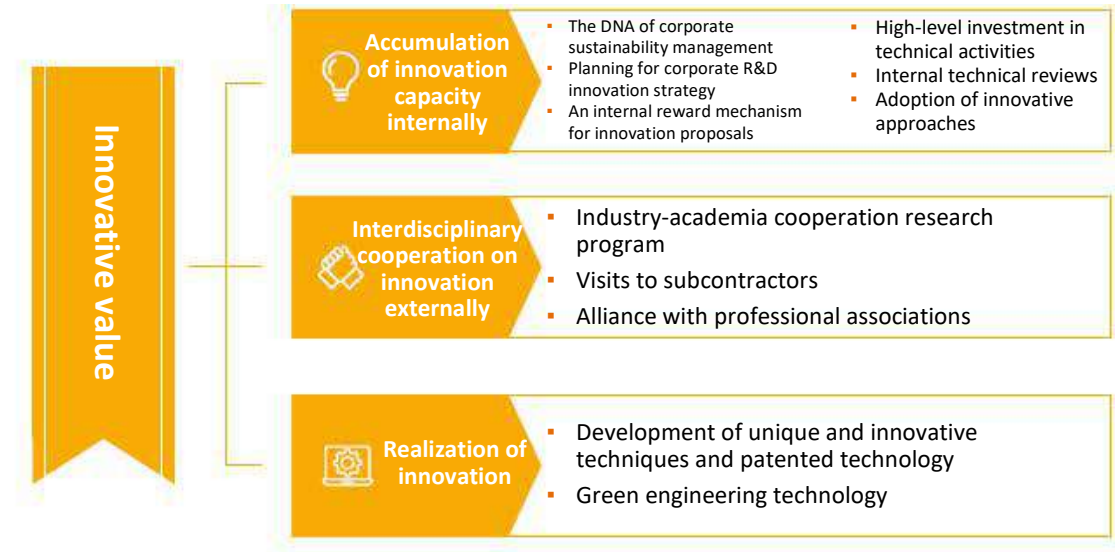
3.1.1 | The Innovation Management Framework

Acter has taken innovative value as our foundation stone to build an innovation culture. Through an internal reward mechanism, we encourage our staffs to implement all types of innovation at work to enhance organizational innovation vitality. We also cooperate with industrial and academic circles to practice interdisciplinary innovation, such as technical talent innovation with research institutions and green innovation with suppliers. From technical development, to design and planning, to engineering management, to recycling and reuses and to warranty service, Acter has done our very best to minimized impacts on the environment and ecology. We are oriented to provide customers with a competitive production environment, to fulfill our corporate sustainability responsibilities, and to create an even more beautiful future with the industrial chain.

We have been continuously enhancing our energy-saving and eco-friendly technologies. Each year, with the aspiration that the application of green engineering technologies will increase our competitiveness and create business opportunities, we invest a certain amount of money on developing processes and technologies that can optimize the implementation efficiency and save costs. In 2021, Acter's R&D budget was **NTD207.36 million**, counting **1.3%** of the Company's total revenue.



• The Innovation Management Framework



• Historical R&D Expenses

Unite: NTD1,000.

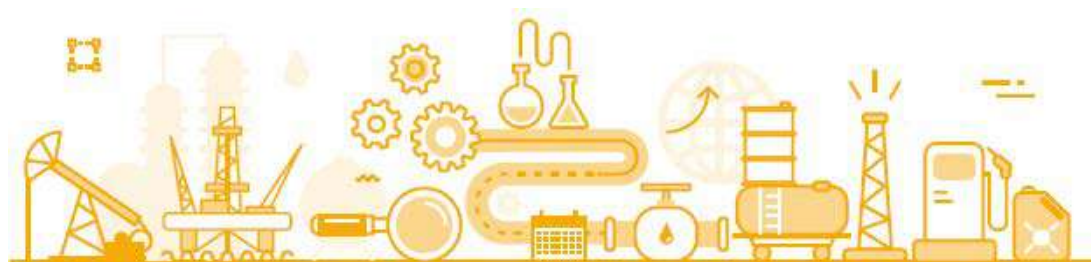
Content	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021
R&D Expenses	92,488	127,218	146,433	181,177	207,367
Proportion to Revenue	0.81%	0.89%	1.16%	1.3%	1.03%

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

3.1.2 | Leading Technology

With a “multi-industry, multi-type and multi-regional” development, Acter is a pioneer in the sector. We have incorporated eco-friendly concepts in corporate business and been devoted to the adoption and development of various green technologies. For example, enhancing energy efficiency, saving water consumption, protecting the environment and ecology, and creating a safe work environment. To break through the current innovation bottleneck, we have been proactive in looking for green solutions and optimizing our talents and technologies not only to provide customers with competitive engineering services, but also to contribute to industrial development.

As the engineering industry is a technology-intensive industry that requires a high degree of work specialization, continuous amelioration of technology and accumulation of experience are extremely important for Acter. Based on the characteristics and needs of our customers’ industry, we combine and reorganize techniques, materials and equipment to optimize operational efficiency. We also integrate our knowhow in architecture, electromechanical, air-conditioning, fire-fighting, instrument control, piping and engineering management to build an operating system and environment that meet customers’ production needs. Through the blueprint for technological R&D, we also managed to acquire key technologies in various domains to provide customers with one-stop plant expansion services. Up to now, Acter has cumulatively developed 28 unique or innovative techniques and obtained **25 patented technologies**.



Note 1: cGMP refers to current Good Manufacturing Practice, which is the pharmaceutical production regulations promulgated by our country’s Ministry of Health and Welfare in response to the world’s pharmaceutical production trends
 Note 2: GTP refers to Good Tissue Practice, which specifies the requirements for high-class clean laboratory in order to produce all kinds of pharmaceutical preparations for clinical trials.
 Note 3: OEB refers to Occupational Exposure Band. OEB5 (with an exposure limit of < 1μg/m3) can highly protect operator’ safety.
 Note 4: PDP refers to Plasma Display Panel.
 Note 5: TFT refers to Thin-Film Transistor.
 Note 6: PCB refers to Printed Circuit Board.

An overview of unique or innovative techniques

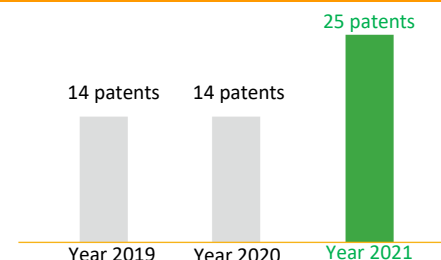
Category	Unique or innovative techniques
Ice-storage energy-saving engineering	<ul style="list-style-type: none"> Use raft-based ice-storage system to transfer peak loads. Store the cooling water in the fire cistern to reduce the used space and contractual capacity.
High-rise building	<ul style="list-style-type: none"> The ultra-cold air system can reduce the area covered by pipelines. A 42-floor building for multiple uses.
Unique engineering	<ul style="list-style-type: none"> Integration technology for hospitals with SARS negative pressure isolation equipment. Bio-chemical laboratory of the Ministry. The integration engineering technology for the import of Tobacco factory. Electromechanical integration engineering technology for weaving and dyeing factory.
Biotechnological engineering	<ul style="list-style-type: none"> An integrated technology for the first H1N1 vaccine plant. An integrated engineering technology for clean rooms of cGMP factory (Note 1). An integrated technique 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 (Note 2). Transnational output of integrated electromechanical technology for food/ cGMP factories. An integrated energy-saving electromechanical technology for poultry holding areas and poultry processing factories. An integrated technology that freely switch a place into a positive or negative pressure environment depending on product features. High toxic OEB5 injection plant integrated engineering technology (Note 3).
Green energy engineering	<ul style="list-style-type: none"> An integrated power supply method for solar energy.
Cleanroom turn-key engineering	<ul style="list-style-type: none"> An innovative technique for the first mass production factory of PDP (Note 4). An innovative technique for Japanese polarizer manufacturers. An innovative technique for TFT manufacturers (Note 5). A unique technique for the 6" silicon wafer fab turn-key service under the cooperation with SONY (Japan). An innovative technique for Taiwan’s second largest assembly house. An innovative technique for the whole-plant electromechanical integration of module factory. An innovative technique for FPCB factories (Note 6). An innovative technique for the output components of a Japanese factory. An innovative technique for electromechanical integration of PEC manufacturers. An innovative technique for the microenvironment of semiconductor device washing factory.

2021 Patents in Intellectual Property Rights

Patent Type	Patent Name
Utility patent	Equipment for disassembly and assembly of chemical drum lids and joints
Software copyright	<ul style="list-style-type: none"> Cleaning equipment control system application software V1.0 Alternate DIW high pressure spray cleaning equipment control software V1.0 Array developer concentration control system application software V1.0 Array developer concentration control system application software V 1.0
Utility model	<ul style="list-style-type: none"> Load-bearing structure for easy alignment of chemical drums Working case for chemical barrels Disassembly and assembly mechanism for vent cover of chemical tank Removal module for lids of chemical barrels Backfire check valve structure The heater of one filter element type chemical Selective wafer conveyor unit High-efficiency process waste gas treatment device Air conditioner condensate recycling device RTO heat exchanger Clean room keel ceiling anti-fall blind plate and fixing clip assembly Combined constant temperature and humidity air conditioning unit Air duct insulation skid bracket Anti-5G electromagnetic wave interference library board Fan filter unit Integrated pipe fixtures Clean room integrated air duct system for electronic factory Anti-static floor cleaning device for electronic factory VAV air conditioning system energy-saving control equipment Air pressure energy saving system equipment

Cumulatively developed **28** unique or innovative techniques
(cross the sectors of ice-storage energy-saving, high-rise building, biotechnological engineering and cleanroom)

Newly added **25** patented technologies in 2021
(with one invention patent)



3.1.3 | Outlook for Research and Development

In the future, we will follow the international trend to proactively face climate change exacerbated risks; and assist the industry in transformation to enable net zero emissions for environmental sustainability. We are eager to develop high-efficiency eco-friendly facilities and energy management technologies; and to propose the best green solutions to our customers to ensure the co-existence of industrial development and environmental sustainability. On the other hand, to inject innovation momentum into engineering technologies and become a long-term and reliable partner of our customers, Acter has been cooperating with industrial and academic alliances on young talent cultivation programs; intensively exchanging ideas and up-to-date news with industry associations/organizations and suppliers; and enhancing employees' work competence and competitiveness through complete vocational training.

<p>Technology patent development</p>	Analyze industry and technology trends in order to find R&D items that can facilitate corporate or industrial development and have market value. Make a strategic deployment to continuously obtain patents for engineering core technologies.
<p>Energy-saving technology development</p>	Continue to conduct research into and develop environmental protection related engineering technology and products in order to enhance the energy efficiency of energy consumption products, facilitate its integration with intelligent system and optimize the control.
<p>Biotechnology industry research</p>	Engage in the development of innovative biotechnology pharmaceutical projects in the framework of SIA (System Impact Assessment) to ensure the compliance with certification criteria and international accreditation standards.
<p>Industry-academia cooperation and talent cultivation</p>	<ul style="list-style-type: none"> Establish a long-term industry-academia partnership with Taipei Tech, YunTech, NKUST, NCUT and FCU for joint developments and innovation breakthroughs. by applying digital computation and simulation techniques in the design and construction process, not only can the allocation of system energy efficiency be optimized, but also it is possible to create an optimal system energy efficiency configuration, providing a factory construction service with optimal maintenance and operation to customers.

3.2 | Green Engineering Management

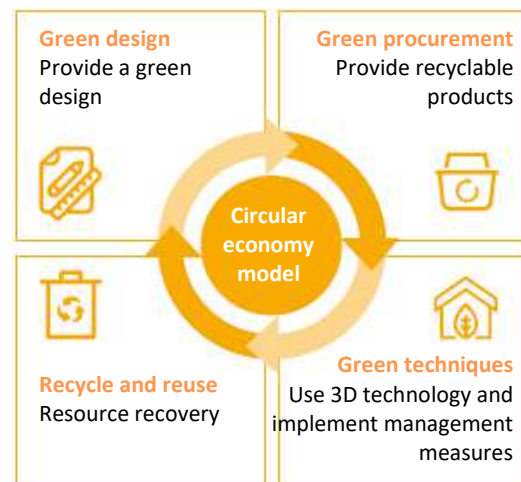
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Green Technological Applications

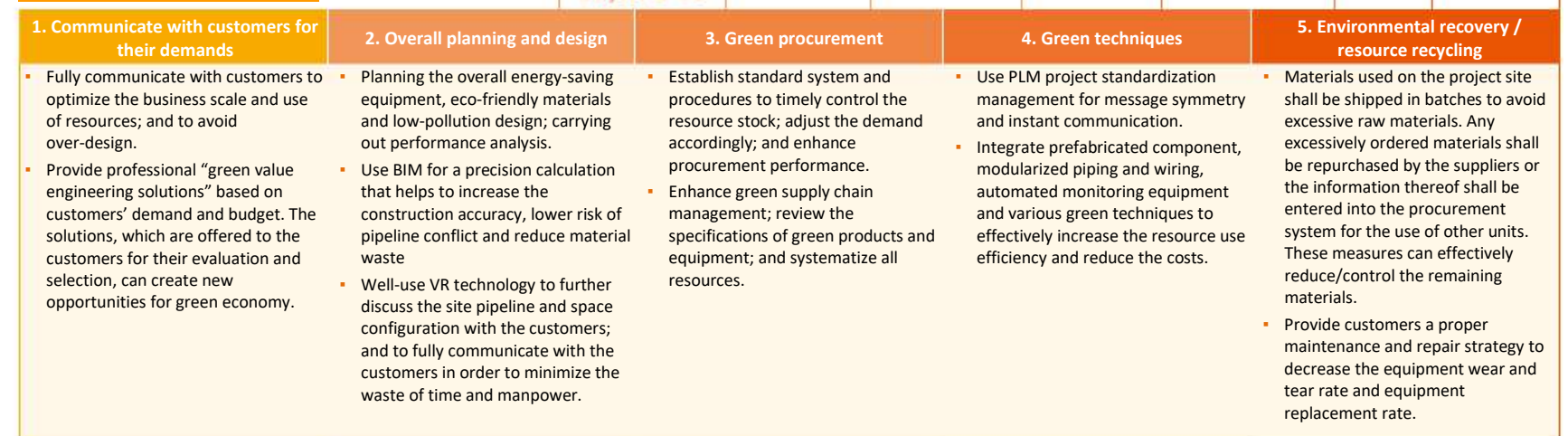
As the driving force for green engineering in the course of industrial development, Acter has incorporated green technology into sustainable development goals and devoted to the development of various green technological applications to, for example, enhance energy efficiency, save power consumption, protect the environment and ecology, and create a safe work environment. When making a proposal, Acter also actively proposes the most eco-friendly and energy-saving solution to customers in order to reduce energy and resource consumption; minimize environmental impact and costs; and assist customers in adapting to climate change in order to co-exist with the environment.

Positioned in the midstream and downstream part of the industrial supply chain, Acter plays a significant role in the sustainability value chain. Oriented to the reduction of energy consumption and environmental pollution, we have, from the beginning materials, equipment and installation, assisted upstream suppliers in implementing energy-saving and carbon reduction measures, enhancing efficiency and protecting the environment. Through the circular economy model, we also succeed in building a green low-carbon industrial environment with our core competence. That is, to draft and implement related strategy from aspects of “circular supplies”, “resources recovery” and “product life extension”; do our very best to transform waste into resources in the practice of turnkey engineering business; and avoid downcycling. In the future, due to the increasing concerns about net zero emissions and carbon neutrality, Acter will be even more proactive in achieving goals by implementing ESG approaches and will develop even more green business opportunities.

Circular economy model



Acter's green engineering project management process



Mitigate environmental risks of all phases with green technology

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

An overview of green engineering technology and applications

Technology category	Methods	Example(s)/ performance of practical applications and effectiveness
Air-conditioning and energy-saving	NEW Install a return air fan in the air-conditioning box system; and design an outside air control for winter.	The system is naturally cooled down by the outside air during the winter, helping to reduce energy consumption.
	NEW Conduct floor insulation works or adopt a forced return air design in the upper level (i.e., the roof) or lower level (i.e., the parking space) of the air-conditioning zone.	Lower the heat transfer and heat load of the roof or parking lot to the air-conditioning space; and avoid condensation of floors in a non-air-conditioning space.
	NEW Use magnetic centrifugal chiller.	Magnetic chiller: 1. Small size and low noise, helping to reduce the use of server room space while increasing the use of floor area. 2. The bearing is not worn and requires no lubricating oil; high efficiency and no need for the maintenance (no environmental issues, such as disposing the waste oil).
	NEW Separate the cold and cold air ducts of the air-conditioning system in the server room.	Effectively cool down the machines and avoid heat dissipation; and enhance colling efficiency and increasing environmental comfort.
	NEW The exhaust air of the dust collection system will be highly filtered and then sent back to the return air or external air inlet of the air-conditioning system.	Reduce the demand for outside air and air-conditioning energy consumption.
	The design has adopted a low exhaust for toilet exhaust port to prevent the odor from spreading.	Enhance air exchange efficiency and reduce system installation capacity to increase the comfort of personnel.
	The design has adopted CO ₂ sensors to be installed in the meeting room/ multifunctional classroom to adjust and control the outside air volume.	Increase the comfort of personnel while reducing the demand in energy consumption.
	The air-conditioning control system in the meeting room/ multifunctional classroom is integrated with the e-reservation system.	Before using the meeting room/ multifunctional room, activate the pre-cooling function to reduce energy consumption at the air-conditioning peak and to increase the comfort of personnel.
	Adopt DC inverter air conditioning equipment (ex. DC FCU) for the cooling design of electricity/ weak electricity engine room.	Decrease the operating frequency of air-conditioning equipment with high load average output and operating hours to reduce the operating energy consumption.
	Calculate the thickness and surface temperature of heat-insulation layer of the pipeline (ex. the ice-water, hot-water, steam and low-temperature ventilation pipelines), where the condensation is no more considered as the only criteria.	Adjust the thickness of heat-insulation layer appropriately to reduce the heat loss of pipelines while enhancing the system efficiency and reducing energy consumption.
	A proportional control valve set has been adopted for the design of FCU ice-water control valve.	Reduce the cooling load and increase the return water temperature of cooling water to enhance system efficiency and lower energy consumption.

Technology category	Methods	Example(s)/ performance of practical applications and effectiveness
Air-conditioning and environmental protection functions	Adopt air purifiers with air sterilization for the design of meeting room/ multifunctional classroom.	Avoid the breeding of germs and reduce cross-infection of infectious diseases.
	For public areas (ex. shopping mall and exhibition rooms), adopt air-conditioning box designed with a sterilization device.	Avoid the breeding of germs and reduce cross-infection of infectious diseases.
	Use nickel-copper alloy pipes (C7060/C7150) and copper fins for the design of gas-liquid heat exchanger in a highly salinity environment (ex. seaside).	Enhance the anti-corrosion efficiency and extend the life of equipment.
Saving water and energy during the production	Recycle steam condensed water.	Reuse recycled water to reduce water consumption and energy required to heat up the water.
	Recycle and reuse flash steam.	Recycle the heat energy of flash steam for the heating of low-end thermal system.
	The air compression system uses big size primary air storage tank, ring pipeline and secondary storage tank (at the end of production facilities).	Stabilize system pressure and reduce equipment installation capacity.
	The air compression system is designed with the zero loss drain module.	Enhance system operating efficiency and reduce the loss of energy.
	The low-temperature operating zone of electric slaughterhouse is designed with the use of hot water generated from the high-temperature double-effect heat pump system as the cleaning water.	Clean the area with hot water can dissolve animal's fat, helping to increase cleaning efficiency and reduce the use of cleaning agent. The cold unexposed side fetches heat from air-conditioning cooling system's cooling water, helping to save energy, reduce waste, decrease GSG emission and effectively minimize air pollution.
	The low-temperature operating zone of electric slaughterhouse is designed with the use of full heat exchange.	The low-temperature high-humidity exhaust from indoor fully exchanges with the fresh outdoor air to pre-cool the air-conditioning space, decrease the cooling load of MAU (make-up air unit) and reduce energy consumption.
	The refrigerated/ frozen warehouses or low-temperature operating site are designed with brushless DC motor fan.	Increase the power usage effectiveness (PUE) while reducing the indoor sensible heat load of low-temperature areas.

Technology category	Methods	Example(s)/ performance of practical applications and effectiveness
Air-pollution prevention and control	NEW The central kitchen exhaust system includes water wash exhaust hood, central water scrubber, static range hood and UV ozone system. The exhaust will be deodorized with the UV before been discharged.	Effectively reduce air pollution.
	NEW The GTAW (Gas tungsten arc welding) technique is adopted for the welding of low-pressure pipelines.	The exhaust generated from GTAW is much lower than the conventional SWAW (shielded metal arc welding) technique, helping to reduce air pollution effectively.
	Replace traditional oil-fired boiler with high-efficiency gas-fired boiler.	Effectively reduce air pollution.
	Replace hot-water boiler with heat pump.	Effectively reduce air pollution and enhance PUE.
	Adopt eco-friendly diesel engine generators that are compliant with Stage II standards.	Effectively reduce air pollution.
Noise prevention and control	Use low-noise operating equipment.	Reduce the risk of chronic hearing loss and increase the comfort of personnel.
	Make the engine room of rotating equipment soundproofed (ex. install sound insulation wall/ door, floating floor and so on).	Reduce the risk of chronic hearing loss and increase the comfort of personnel.
	Install silencing shutters in the intake/ exhaust engine room located in the underground parking lot.	Reduce the noise of parking area and increase the comfort of personnel.
Prefabrication / installation techniques	Use ISO construction drawings to increase the offsite prefabrication/ installation ratio. For example, the control valve set, equipment inlet/ outlet pipe and so on.	Enhance construction quality/ efficiency while reducing engineering wastes.

Technology category	Methods	Example(s)/ performance of practical applications and effectiveness
Save energy using electronic engineering technology	NEW Bypass device will be activated if N+1 electrical and variable frequency driving equipments cancelled .	Reduce the use of resources to minimize GHG emissions.
	NEW The variable frequency drive equipment which activate by pass function and without electric. As the variable frequency starting current curve is flat, starting current may not be considered when selecting its feeder and switch.	Reduce the use of resources to minimize GHG emissions.
	NEW Designed to heat the water with a low-temperature heat pump instead of a hot-water boiler.	Reduce the equipment capacity and energy consumption while stably maintaining the temperature of supplied water.
	NEW Adopt heat-regenerating adsorption dryer for the clean dry air system. Avoid to use athermal or heated absorption dryer.	Heat-regenerating adsorption dryer consumes only 25% to 35% of the energy consumed by the heated absorption dryer, helping to reduce GHG emissions effectively.
	NEW The transformer is designed with the use of high-efficiency amorphous or high-magnetic-conductivity silicon steel sheets.	Reduce the loss of copper/iron transformer.
	NEW Equipment with large horsepower and long operating hours shall adopt a system with a medium voltage motor, such as a chiller or air compressor.	Medium voltage motor has high operating efficiency and low operating current, helping to effectively reduce power loss.
	NEW The low-pressure system shall be designed at the end of the server room of low-pressure big-horsepower equipment (ex., chiller and air compressor) as the capacitor set can be improved due to the power of independent configuration.	Effectively lower the feeder current of large horsepower equipment and reduce the power loss.
	Adopt IE3 high-efficiency motor.	Increase the PUE.
	The refrigerated and frozen warehouses are designed with high bay projection light equipped with the waterproof IP65 fixture and second-generation LED (with 100% efficiency and a anti-blue light certificate).	Reduce the heat loading of refrigerated and frozen spare can avoid biological hazards while stabilizing room temperature fluctuations.
	Designed with LED light and light sensor module, the street lamps within the factory site can automatically turn on or off depending on the outdoor brightness.	Increase the road use safety within the factory site, enhance work efficiency and reduce man-made operating errors.

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

Technology category	Methods	Example(s)/ performance of practical applications and effectiveness
NEW Green building	The distributed control system (DCS) is adopted for the central control system and the controllers are connected by RS485 or TCP/IP.	Reduce the use of resources to minimize GHG emissions.
	Adopt the low E glass for the building's exterior window to reduce the solar heat.	Increase personnel's somatosensory comfort level while reducing the energy consumption of air-conditioning system.
	According to the simulation of the angle of insolation, the building's exterior window is designed with an exterior sunshield mechanism on the back to reduce the solar heat.	Reduce the installation capacity of the air-conditioning system; and reduce the use of resources energy consumption.
	The high-strength H section steel is adopted for the pipelines and common rack.	Decrease the size or rack and use of steel can reduce 2.64 ton of carbon emission per ton of steel.
NEW Server room decoration and value engineering	Optimize the configuration of server room equipment and pipelines to shorten the distance between equipment and reduce the space requirement of server room.	Effectively reduce the use of resources, including steel, pipeline and wire materials; and to further reduce the energy consumption and GHG emissions due to the decreased path of pipelines.
NEW Mobile device applications on the construction site	Upload the Revit 3D installation and construction drawings to the cloud database, enabling on-site engineering personnel to check the data/drawing using a mobile phone or tablet APP.	The visualized 3D drawing enable on-site personnel to timely discuss and verify the physical installation, helping to enhance operations management and efficiency and to effectively control the project schedule.
NEW Indoor air quality	When designing the air-conditioning system, pay attention to the recirculation zone created by the interaction between the wind and building to prevent the building's exhaust gas from re-entering the outside air intake and then the building or air-conditioning system through the air wake zone.	Ensure fresh and clean outside air are led into the building to maintain the indoor air quality (IAQ).
NEW Environmental protection	Adopt the epidemic-prevention elevator.	Avoid the breeding of germ residues and reduce cross-infection of diseases.

Green engineering performance and expected benefits of Acter's representative projects in 2021

Project 1 New construction of biological preparation plant						
No.	General/ traditional/ original approach	Acter's approach	Subject information (use standard basis/methodology)	Annual energy saving (kWh) Calculation formula	Expected energy-saving benefits Unit: kWh/year	Estimated carbon emission reduction Unit: metric tons CO ₂ e/year
1	Single coil pipe design	Adopt a dual-coil pipe design to reduce reheating	A. Air-conditioning heating requirement = 774kW B. The number of hours required to cool, dehumidify and reheat the outside air throughout the year = 7,996 hr C. Annual average heating requirement rate =20%	(kWh) = A*B*C	1,237,781	621
2	The chiller system adopted a conventional design with a 5-degree temperature difference	The chiller system is designed with a 6-degree temperature difference	A. The full load requirement =2,203,000 kcal/hr B. The pump flow when there is a 5-degree temperature difference: 7,350 LPM; and energy consumption: 69 kW. Operating 24 hours a day and 365 days a year with an estimated annual average loading of 40%. C. The annual energy consumption with a 5-degree temperature difference = 241,776 kWh/year D. The pump flow when there is a 6-degree temperature difference:6,100 LPM; and energy consumption: 57 kW. Operating 24 hours a day and 365 days a year with an estimated annual average loading of 40%. E. The annual energy consumption with a 6-degree temperature difference = 199,728 kWh/year	(kWh)=C-E	42,048	21
3	Adopted general light fixture (mainly T5)	Adopt high-efficiency LED lamp	A. T5 tube light 4" =28 W (2,900 lm) B. LED tube light 4" =15 W (2,100 lm) C. This project has adopted 568 4" tube lights. D. The calculation is based on 12 lighting hours per day.	(kWh)=[C*(A-B)]/1000(kW/ W)*(2100/2900)*365(day/year)* 12(hr/day)	23,420	12
Project 2 New construction of semiconductor assembly and testing plant						
1	FFU with an AC motor	FFU with a DC motor	A. AC FFU (15 CMM) energy consumption: 160 W B. DC FFU (15 CMM) energy consumption: 140 W C. Total: 4,654 pcs	(kWh) = (A-B)*C/1000*8760	815,381	409

Project 3 New construction of semiconductor assembly and testing plant						
No.	General/ traditional/ original approach	Acter's approach	Subject information (use standard basis/methodology)	Annual energy saving (kWh) Calculation formula	Expected energy-saving benefits Unit: kWh/year	Estimated carbon emission reduction Unit: metric tons CO ₂ e/year
1	Single-temperature chilled water air conditioning system	Adopt a dual-temperature chilled water air-conditioning system to meet different environmental needs	A. The medium-temperature full-load requirement is 4,000RT; and the estimated annual average operating rate 40% B. The efficiency of the low-temperature machines =0.575kW/RT C. The efficiency of the medium-temperature machines =0.5069kW/RT	(kWh)=A*(B-C)*8,760*40%	954,490	479
2	The chiller system adopted a conventional design with a 5-degree temperature difference	The chiller system is designed with a 6-degree temperature difference	A. The low-temperature full-load requirement is 3,600RT; and the estimated annual average operating rate 40% B. Total energy consumption of the first and second pumps of the chiller with a 5-degree temperature difference: 394.6 kW C. Total energy consumption of the first and second pumps of the chiller with a 6-degree temperature difference: 349.4 kW D. The medium-temperature full-load requirement is 4000RT; and the estimated annual average operating rate 40% E. Total energy consumption of the first and second pumps of the chiller with a 5-degree temperature difference: 438 kW F. Total energy consumption of the first and second pumps of the chiller with a 6-degree temperature difference: 375.4 kW	(kWh)=((B+E)-(C+F))*8,760*40%	377,731	190
3	The air-conditioning hot water system is powered by electricity	The air-conditioning hot water system has adopted the heat-recycling system	A. The air-conditioning hot water full-load requirement = 2,000RT; the estimated annual average consumption =30%; and the consumption = 15,894,144,000 kcal B. Electrothermal efficiency = 0.86 kCal/W-hr C. Energy efficiency of heat pump =4.21kcal/hr-W	(kWh) = (A/B-A/C)/1000(W/KW)	14,706,232	7,383
4	Controlled by the number of fixed-frequency air compressors	Use variable frequency screw air compressor	A. Variable frequency screw air compressor is 5.49kw/CMM B. Fixed frequency centrifugal air compressor is 5.43kw/CMM C. Regulation of air volume is 128CMM*70% (average loading)	(kWh)=(B*C*(70%+(1-70%)*30%)-A*C*70%))*8,760	500,876	251
5	The cooling tower is not an energy-saving model	An energy-saving cooling tower is adopted	A. The full-loading requirement is 9,120RT (the annual average operations is around 40%) B. Non-energy-saving model is 0.0485kw/RT C. C. Energy-saving model is 0.0412kw/RT	(kWh)=(B-C)*A*8,760*40%	233,282	117
Project 4 New construction of semiconductor assembly and testing plant						
1	FFU with an AC motor	FFU with a DC motor	A. AC FFU (15 CMM) energy consumption: 160 W B. DC FFU (15 CMM) energy consumption: 140 W C. Total: 4,350 pcs	(kWh) = (A-B)*C/1000*8,760	762,120	383

Project 4 New construction of biological preparation plant						
No.	General/ traditional/ original approach	Acter's approach	Subject information (use standard basis/methodology)	Annual energy saving (kWh) Calculation formula	Expected energy-saving benefits Unit: kWh/year	Estimated carbon emission reduction Unit: metric tons CO ₂ e/year
2	The air-conditioning hot water system is powered by electricity	The air-conditioning hot water system has adopted the heat-recycling system	A. The air-conditioning hot water full-load requirement =250RT; the estimated annual average consumption =30%; and the consumption =1,986,768,000 kcal B. Electrothermal efficiency = 0.86 kCal/W-hr C. Energy efficiency of heat pump =4.21kcal/hr-W	(kWh) = (A/B-A/C)/1000(W/KW)	1,838,279	923

Project 5 The AHU energy-saving design for a major pharmaceutical and biotechnology plant						
1	The AHU has adopted a dual-coil pipe design	A triple-coil pipe design is adopted for the AHU to reduce the double energy loss created by the reheating and cooling volume.	Adopted Building Information Modeling (BIM) and imported the data of the energy simulation software Energy Plus	The calculation is made by the built-in program of Energy Plus.	695,590	349
2	General T5 light steel frame lamp	The whole set of LED lamp	A. Four T5 2" tube lights = 56 W (5,600 lm) B. LED tube light = 32W (4,000 lm) C. This project has adopted 1,115 sets of LED lamp D. The calculation is based on 12 lighting hours per day	(kWh)=[C*(A-B)]/1000(kW/W)*(4000/5600)*365(day/year)*12(hr/day)	83,720	42

Project 6 New construction of semiconductor plant						
1	FFU with an AC motor	FFU a DC motor	A. AC FFU (15 CMM) energy consumption: 110 W B. DC FFU (15 CMM) energy consumption: 80 W C. Total: 890 pcs	(kWh)=Cx(A-B)/1000(kW/W)*365(day/year)*24(hr/day)	233,892	117

Project 6 New construction of semiconductor plant						
No.	General/ traditional/ original approach	Acter's approach	Subject information (use standard basis/methodology)	Annual energy saving (kWh) Calculation formula	Expected energy-saving benefits Unit: kWh/year	Estimated carbon emission reduction Unit: metric tons CO ₂ e/year
2	The full volume of MAU	The hot exhaust is led back to the return air duct for cooling (heat recovery) (the heat recovery amount of indoor hot exhaust is 31,800CMH)	A. The original air volume of MAU is 72,000 CMH; and total the cooling volume is 5,405,138 kWh/year B. The saved air volume of MAU is 40,200 CMH; and the total cooling volume is 3,017,868 kWh/year C. The cooling volume of recycled exhaust is 31,800 CMH*0.29*(30-22)/860*8,760=751,485kWh/year D. The efficiency of chillers = 0.227KW/KW E. The original air volume of MAU is 72,000 CMH; and the total heating volume is 426,916 kWh/year F. The saved air volume of MAU is 40,200 CMH; and the total heating volume (of the year) is 238,361 kWh/year	$(kWh)=(A-B+C)(kWh/year)*D(kW/kW)+(E-F)(kWh/year)$	901,052	452

Project 7 Cleanroom reconstruction of a major pharmaceutical and biotechnology plant						
1	The air of AHU is fully cooled by cooling coil	A (partial) bypass design is adopted for the circular air volume of AHU	A. The original air volume is 56,000 CMH; and the cooling volume is 1,986,308 kWh/year B. Circular air volume – the air volume of partial bypass design is 43,100CMH; and the cooling volume is 1,579,175 kWh/year C. The efficiency of chillers = 0.227 kW/kW ; D. Reduction in the steam reheating volume of the boiler is 394,200 kWh/year	$(kWh)=(A-B)(kWh/year)*C(kW/kW)$ Total steam heat saved in the year $(kWh)=D(kWh/year)$	92,419	80



The Overall Carbon Reduction Benefits in 2021

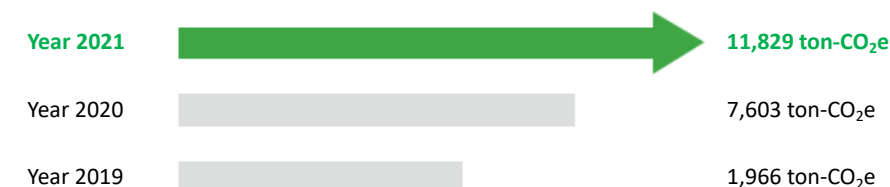
11,829_{ton-CO₂e} = the amount of CO₂e absorbed by 30 Daan Forest Parks in a year

Note 1: The electricity discharge coefficient announced by Bureau of Energy, Ministry of Economic Affairs in 2020 was 0.502 kgCO₂e/kWh, which is converted to ton-CO₂e/year here.

Note 2: One Daan Forest Park absorbs 389 ton-CO₂e each year.



Carbon Reduction Benefits Over the Years



Highlights of Acter Group's Performance in 2021

Highlight Performance 1 Vapor Recovery Carbon Unit (VRU)	
Case content	A VOCs recovery and disposal device of an oil depot has disposed around 650,000 ppm of unleaded Gasoline 95 to reduce the content to around 200 ppm (the regulatory standard is 300 ppm), indicating a high removal efficiency of above 99.9%. This not only effectively stops the spread of air pollutants, but also assists the customer in recovering gas pollutants in the air and, through phase transition, transforming them into liquid unleaded 95.
Benefits	<ul style="list-style-type: none"> Recovered 5,000 - 6,700 KG of gasoline per day, totally recovered 1,510 tons of gasoline. Reduced 2,615 ton-CO₂e.
Highlight Performance 2 The energy-saving efficiency of an IC Substrate Factory Building	
Case content	Verify UM table for an effective capacity management. Adopt an energy-saving design to optimize the system by sharing the voltage.
Benefits	<ul style="list-style-type: none"> Calculated based on 18 million of annual power consumption reduction, totally reduced RMB11.7 millions of electricity bill per year The power Sumption reduced from 5kWh to 3.7 kWh, with a decrease of 9,166 ton-CO₂e per year.
Highlight Performance 3 The energy-saving effectiveness of a semiconductor FAB factory's chiller system	
Case content	Conduct an intelligent frequency conversion adjustment by comparing the primary pump and coolant pump in different frequency range; and adopt the best chiller combinations.
Benefits	<ul style="list-style-type: none"> The total energy-saving efficiency reached 6.06%, totally saved RMB2 millions of electricity bill per year. Reduced 1,270 ton-CO₂e per year.
Highlight Performance 4 The effectiveness of the stripper recovery system in panel industry	
Case content	Use the stripper recovery equipment to recover and produce waste liquid, successfully reduce CO ₂ produced during the burning of waste stripper.
Benefits	<ul style="list-style-type: none"> Already installed 15 sets of stripper recovery equipment as of 2021. Reduce 3,210,000 ton-CO₂e each year.

3.3 Customer Services and Management

Specific Themes of Acter

Oriented to achieve customer satisfaction, Acter provides comprehensive solutions that enhance customers' value. Acter also considers customers as business partners and aims to bring even better engineering services and competitive factory environment to customers. Apart from setting explicit quality policies and goals and preparing related procedure books and operating manuals, Acter also follows the newest international quality standards and successfully obtained a number of international standard certifications. The purposes thereof is to ensure that the Company's quality, EHS and energy policies and goals will be in line with international standards; and to confirm the suitability, applicability and effectiveness of the Company's system.

Acter has, as the first in the industry, adopted the ISO 9001 Quality Management System in 1999; completed the transfer of ISO 9001:2015 certification and obtained a certificate thereof in 2021; completed the transfer of ISO 14001:2015 certification and obtained a certificate thereof in 2018; completed the transfer of ISO 45001:2018 Occupational Health and Safety (OH&S) Management System (original OHSAS 18001:2007) certification and obtained a certificate thereof in 2019; and implemented the ISO 50001:2018 Energy Management certification and obtained a certificate thereof in 2020. Moreover, Acter also carries out the ISO 14064-1:2006 Greenhouse gases certification and obtains a third-party assurance statement therefor on an annual basis.

Certificates



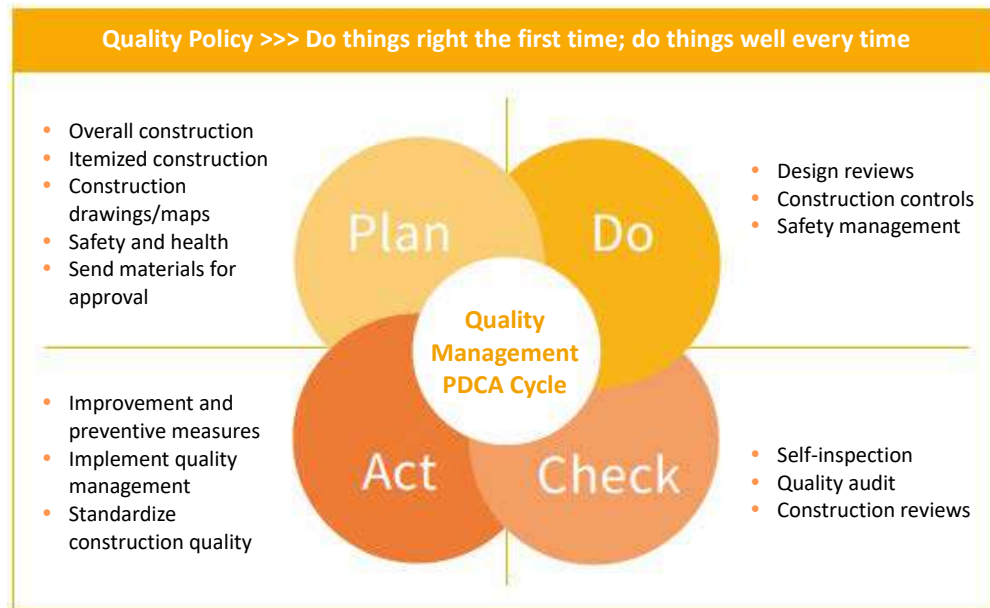
ISO 9001:2015
certification certificate



ISO 14064-1:2006
certification certificate

3.3.1 | Quality Management System

To facilitate quality management, Acter has adopted the “3-Level Quality Control” (i.e., “Quality Controls”, “Quality Assurance” and “Quality Auditing”) and “3 Professional Management” (i.e., “Dedication”, “Expertise” and “Concentration”) graded management approach to effectively stabilize the quality and enhance efficiency through a comprehensive dual quality control mechanism. Apart from providing educational and training programs, Acter also guides subcontractors to abide by work site instructions; implement construction audits; improve deficiencies; identify and assess risks in order to advance prevention works and make timely improvements. Besides, the quality control effectiveness and performance index are also connected to continuously promote the PDCA cycle for “Total Quality Management” (TQM). Details are described as follows:



3.3.2 | Quality Control Practice

To achieve the quality policy of “Do things right the first time; do things well every time”, Acter has set different stages of management practice to meet the requirements of the Company or customers.

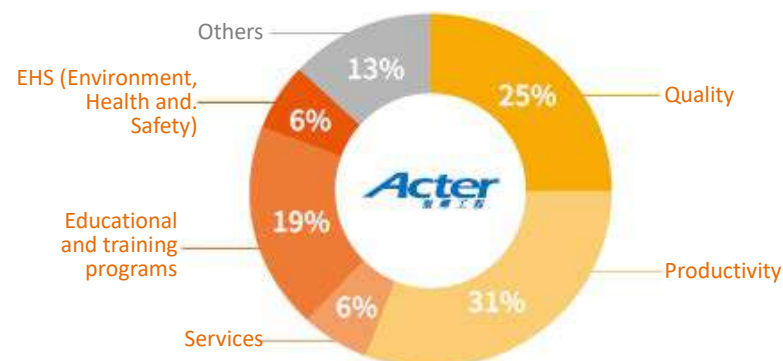
Stages	Specific practice in quality control
Design verification	Understand customers’ needs; the overall building planning; and the uniqueness and expandability of each production process. Confirm engineering requirements and design through fully communication and discussions, making sure that customers’ needs are met.
Acceptance of equipment and materials	Implement the management, performance appraisal and factory inspection of suppliers. Relevant staffs must fully understand the specification and functions of each equipment and machinery; and confirm the procurement facilities are accurate and have high quality to fulfill the engineering requirements.
Construction management phase	Implement the 5S site management and relevant systems. Make sure that every construction method, construction quality, environmental waste reduction and work safety measures of each phase comply with the standards.
Construction and installation verification	Introduce standard construction methods; discuss construction drawings and maps in depths; realize the spirit of “do things right the first time”; and implement the self-inspection quality management, pursuing consummation in each phase.
Operational verification	According to the equipment operating procedures and rules, confirm that the facility or equipment operate within the operating limits and normal conditions.
Functional verification	From design verification to installation to operational verification to quality management, establish functional verification standards and checklists; and conduct checks and verifications according to the said procedures in order to reach the optimal performance.
After-sale services	Provide engineering warranty services and, if it is needed by the customers, factory operations service. Assist the customers in examining, maintaining and repairing the equipment to ensure that the overall engineering services have a stable quality; and to provide customers a quality space.

3.3.3 | Quality Culture

Acter's quality culture is oriented to "continuously promote improvement activities and enhance internal quality culture". To enhance the Company's quality culture and enhance employees' ability to solve problems, Acter has, through proposal and reward measures, encourage employees to continuously innovate quality solutions and to facilitate inter-departmental observation and learning activities. In 2021, our employees have totally developed 32 improvement proposals and 19 of them have been applied in daily operating procedures, helping to generate the Company's potential benefits.

In the meantime, to continuously ameliorate operating procedures and enhance our service quality, we have established multiple channels to collect improvement related opinions, such as case-closing reports of representative engineering projects; problems discovered in audits; customers' feedback; and opinions and feedback collected from internal meetings. Among them, the case-closing report is dominated by the project manager, where the manager of Q&A and Safety Department and other competent units jointly review the case and make improvement proposals. Where amendments to related operating procedures are deemed necessary as discussed at the meeting, competent units of related documents shall make a revision accordingly, review the documents based on their respective authorities, and make an official announcement upon approval of the document. In 2021, Acter totally released 19 revisions, which were made to comply with government regulations, manage project amendments and meet practical needs discovered through reviews. Furthermore, to enhance internal operating quality, the Company has held various quality training and programs. The total of the Company's quality training hours in 2021 was 326 hours.

• Proposal Analysis of 2021



3.3.4 | Customer Satisfaction Level

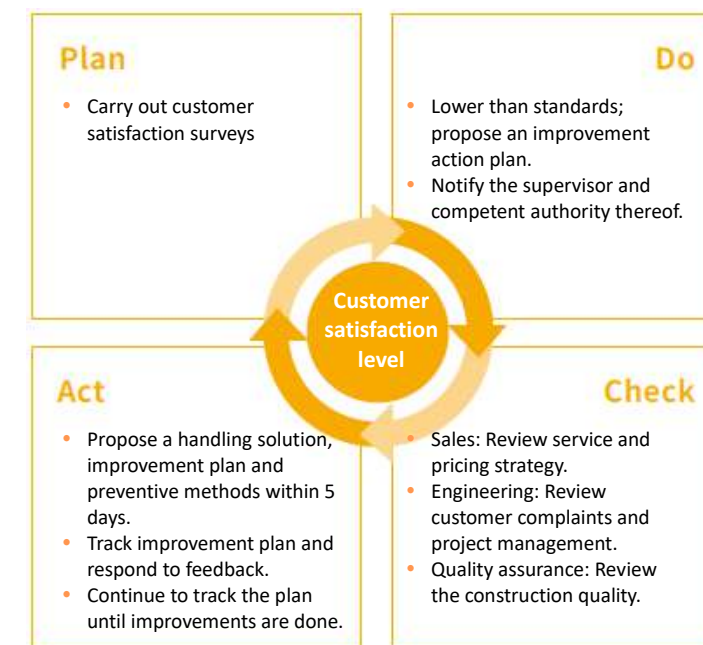
Aiming to "provide quality services and become our customers' reliable partner", Acter provides instant and best services at all stages from design and planning to supervision and management and to warranty and maintenance works. In the meantime, we also protect customers' confidential data with the highest standards in order to win their trust and to ensure a continuous growth of Acter in the future. We consider customers' feedback and opinions as an important foundation that helps us to further develop customer relations. Through various channels, we have been proactive in understanding customers' needs and our performance in customer services, with which we have improved our service quality in accordance. We also regularly review, analyze and set improvement plans on a regular basis to ensure that our service quality meets customers' expectation and wins their trust.

• Customer Service Strategy Framework

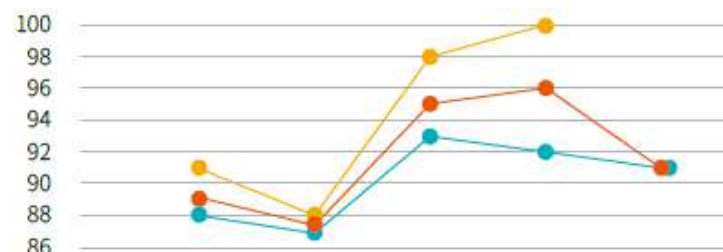


Every half year, Acter carries out customer satisfaction survey in accordance with "Operating Procedures Governing Customer Satisfaction Level and Sustainable Operational Improvements". The customer satisfaction survey questionnaires are firstly collected interdepartmentally and then used to summarize customers' feedback, calculate the overall score and complete the survey analysis report. Apart from reviewing the survey results and make improvement proposals accordingly, the improvement action report is also provided to related departments to put proposed improvements into action, ensuring that our service quality meets customer expectation instead of struggling with their trust. In 2021, Acter's average score of customer satisfaction level was 91, which was above our target value (88). In the future, Acter will, by continuously communicate and closely collaborate with our customers, continue to provide high-quality services and meet customer requirements.

• PDCA for Customer Satisfaction Survey



Customer Satisfaction Survey of 2021



	Year 2017	Year 2018	Year 2019	Year 2020	Year 2021
Average	89.8	87.7	95.8	96.3	91
Maintenance departments	91.67	88	98	100	-
Engineering departments	88	87.4	93.6	92.6	91

Note: Due to the decrease in maintenance (repair) cases in 2021, the maintenance department is removed from the list and the customer satisfaction level of 2021 comes from engineering departments.



Leading the way! The customer satisfaction level has reached **91** in 2021.

Above 88
The 2021 target

Above 90
The 2025 target

3.3.5 | Maintenance of Customer Privacy and Confidential Data

Acter protects customers' confidential data with the highest standards in order to build a deep and long-term partnership with them. Apart from complying "Personal Data Protection Act" to establish relevant regulations, the Company has set strict management mechanism and handling measures internally to properly control and manage the Company's business secrets and undisclosed confidential data; and to fully protect the information of our customers, shareholders, employees and partners. In 2021, Acter did not receive any complaint in regard to customer privacy and data maintenance.

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

Information Security Management Mechanism	<ul style="list-style-type: none"> The IT Department continuous to review the Acter's information security risks and implement control measures accordingly; and hires external information security company to investigate the Company's overall information system on a regular basis.
Advocacy and Educational Training for Employees	<ul style="list-style-type: none"> The IT Department distributes EDMs of information security advocacy on an irregular basis; and conduct educational and training sessions for all employees. Stipulate rules governing relevant handling measures and strictly request the sales personnel to protect customers' information.
Legal Regulations and Complaint Channel	<ul style="list-style-type: none"> Sign the non-disclosure agreement (NDA) with customers; and be in compliance with legal regulations and inspections. Establish reporting/complaint channels on the Company's official website and appoint a department in charge of reported matters.

3.3.6 | Customers' Recognition and Glory

Acter believes that continuous innovation and the best services are the keys to consolidate customer satisfaction. Upholding the service tenet of "wherever customers' needs are, Acter's services will be", Acter has adopted a multi-industrial, multi-regional and multi-disciplinary development strategy to vertically and horizontally integrate the industry and to provide customers with the one-stop turnkey engineering services. In the future, Acter will exert our utmost to become a pioneer in green technology and customization; and continue to be service-oriented and focus on customers' greatest benefits, in order to become an important, reliable and long-term partner to help our customers reach success.

Recognitions of Acter's services from our supplier in 2021



China Ecotek Corporation
New construction of Adimmune's cell culture plant

Big data centers in Taichung and Changhua
Air-conditioning engineering



3.4 Supply Chain Management

102-9、204-1、308-1~2、414-1~2

Offering mid-end engineering services in the entire value chain, Acter integrates upstream subcontractors and downstream customers. Through Acter's professional services ranging from design and planning to procurement and outsourcing to construction and to test run, a complete industrial value chain is formed to complete domestic and international engineering construction projects. To continuously achieve the operational goals of environmental protection and responsible business practice, Acter has managed to cooperate with supply chain partners to optimize our performance through good supply chain management; and make continuous progress on providing a safe work environment, maintaining operations ethically, forming a dignified labor-employee relationship and facilitating environmental protection.

Historical Geographical Distribution of the Suppliers

Content	2019		2020		2021	
	Q'ty	Ratio	Q'ty	Ratio	Q'ty	Ratio
Taiwan	4,909 suppliers	99.13%	5,161 suppliers	99.14%	5,476 suppliers	99.08%
China	17 suppliers	0.34%	17 suppliers	0.33%	20 suppliers	0.36%
North East Asia	1 supplier	0.02%	2 supplier	0.04%	3 suppliers	0.05%
South East Asia	-	-	-	-	1 supplier	0.02%
Europe and United States	25 suppliers	0.50%	26 suppliers	0.50%	27 suppliers	0.49%
Total	4,952 suppliers	100%	5,206 suppliers	100%	5,527 suppliers	100%





3.4.1 | An Overview of the Supply Chain Structure

Acter's suppliers are all over the country, Europe, the United States, North-East Asia and China. As of the end of 2020, Acter has 5,527 suppliers around the world. To effectively manage the supply chain and master the status thereof forthwith, we have categorized and classified our suppliers, whom are divided into two types: Subcontractors and material/equipment suppliers. Also, suppliers whose cumulative trading amount of the year is over NTD 10 million are defined as "key suppliers". Based on such classification approach, we then implement annual supplier assessment in order to manage our suppliers even more effectively.

Content	Year 2019		Year 2020		Year 2021	
	Subcontractors	Material and Equipment Suppliers	Subcontractors	Material and Equipment Suppliers	Subcontractors	Material and Equipment Suppliers
Key Suppliers	54.42%	59.05%	68.89%	75.60%	78.95%	59.75%
Non-Key Suppliers	45.58%	40.95%	31.11%	24.40%	21.05%	40.25%

3.4.2 | Supply Chain Management and Implementation Policy

Considering "Suppliers Code of Conduct" as the highest guiding principles, Acter has set responsible supply chain management mechanisms and ESG related risk assessment strategy. Through the four major implementation policy of "Compliance with Rules", "Risk Assessment", "Participation in Audit" and "Continuous Improvements", we have continuously exerted our influence in the industry to drive our supplier partners to make continuous improvements, be dare to make commitments and proactively take sustainable actions to jointly build a responsible industrial chain. Besides, through the suppliers selection mechanism, supplier assessment, supplier sustainability risk assessment and visits to suppliers, Acter continuously audits suppliers' performance to ensure their compliance with management rules; and simultaneously provides the suppliers with advice and assistance to implement the core concept of "common good".

Implementation Rules		Management Measures
 Compliance with the rules	Manage upstream and downstream suppliers in accordance with "Suppliers Code of Conduct"; and request them to abide by relevant rules and standards	<ul style="list-style-type: none"> Request all new suppliers to sign "Supplier CSR Commitment". In 2021, 321 new suppliers have all signed the Commitment with a completion rate of 100%. In total, 1,200 suppliers have signed the Commitment. Request all suppliers to sign "Honesty and Integrity Commitment" and established a reporting mechanism. Those who violate honesty and integrity related rules will be put on the refusal list.
	 Risk assessment	<ul style="list-style-type: none"> Stipulated "Supplier Assessment Form" in accordance with "Procedures Governing Procurement and Materials", based on which suppliers' sustainability risks are assessed on an annual basis. Provide "Supplier Sustainability Risk Assessment Form" to suppliers to proceed supplier evaluation. Totally evaluated 114 suppliers in 2021. Suppliers' sustainable development and climate risk mitigation actions are included in the evaluation.
	 Participation in audits	<ul style="list-style-type: none"> Carry out on-site audits on suppliers involving high risks to understand their risk status. Fill in the "Supplier Visit Assessment Form". Provide suggestions on improvements based on the audit results and continue to track and pay attention to improvements made by the supplier in order to lower the risk. Although no key suppliers involve any risks in 2021, the Company still surveyed 3 suppliers.
	 Continuous improvements	<ul style="list-style-type: none"> Based on the factory visits and audit results, exchange ideas with suppliers for further improvement or provide them with advice or assistance. Provide suppliers with advice or assistance to track the improvement results. Terminate business relationship with suppliers who are unable to reach the targets. Provide education and training programs and establish a corporate sustainability exchange platform through the "Supplier Foster Plan".

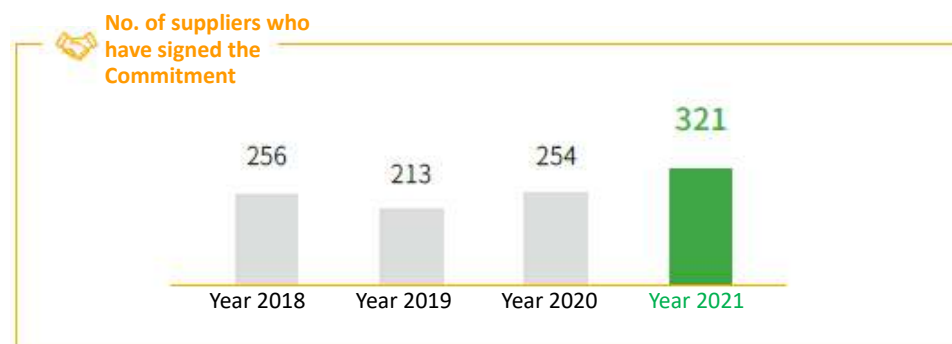
3.4.2.1 | New Suppliers Selection Mechanism

Acter abides by laws. Companies that have been announced as a debarred supplier on the “Government e-Procurement System” website of Public Construction Commission (PCC), Executive Yuan will not be admitted as Acter’s supplier. In the meantime, in the beginning of a partnership, we will actively assess suppliers’ risk status by reviewing their, for example, business license, tax payment certificate, company introduction, project performance, quality and EHS certification related information. Also, new suppliers will be requested to fill in the “Supplier Basic Information Form” and sign the “Integrity and Modesty Commitment” to ensure that the entire process complies with the spirit of fair trade. In the meantime, Acter also established the reporting mechanism: any supplier who violate integrity and modesty rules will be refused to have business relationship with; and will be liable for legal responsibilities accordingly. As of 2021, Acter has not terminated the business relationship with any of our suppliers due to the violation of integrity or other major rules.

3.4.2.2 | Acter’s Suppliers Code of Conduct

Acter has stipulated “Suppliers Code of Conduct” in accordance with a number of internationally recognized standards with the aspiration to maintain and stabilize the service quality together with the suppliers; to guide the suppliers to establish a safe workplace to protect labor health; and to fulfill the Company’s corporate social responsibility in order to minimize impacts on the environment. The Code is applicable to Acter’s suppliers, subcontractors and other subsidiaries. To further promote sustainable development together with our suppliers, Acter has, since 2018, requested all new suppliers to sign the “Supplier CSR Commitment” and existing suppliers to continuously sign the Commitment according to requirements of “Suppliers Code of Conduct”. In 2021, 321 new suppliers have all signed the Commitment with a completion rate of 100%; and, in total, 1,200 suppliers have signed the Commitment.

Results of inviting new suppliers to sign the “Supplier CSR Commitment”



Requirements of Suppliers Code of Conduct

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

3.4.2.3 | Supplier Assessment

To have in-depth insights into suppliers' current status, Acter has stipulate "Supplier Assessment Form" in accordance with "Procedures Governing Procurement and Materials". Each year, the assessment is conducted by the Procurement Department, Q&A and Safety Department, and engineering departments to assess the performance of "key suppliers of the year" or "key suppliers who were assessed as Class C supplier in the previous year". The assessment items include the material/construction quality; delivery date/construction achievement rate; price advantages; expertise; level of collaboration; finance; and, starting from 2017, "corporate sustainable development". For those whose total score below 60, Acter will not cooperate therewith in the future. For those whom are assessed as Class A suppliers with a total score above 80 will be offered with "right to match" when the bidding price thereof is the same with the others. For those who fail to reach the standard, Acter will reduce the trading amount or partnership therewith. In 2021, Acter has assessed all key suppliers (114 in total).

Historical assessment results of key suppliers



Note: The proportion of Class A suppliers was decreased because, starting from 2021, only suppliers who have signed a strategic alliance agreement can win points. As most suppliers did not join the alliance, they failed to win points, resulting in a decrease in the proportion of Class A suppliers.

Statistics of historical key supplier assessment results			
Content	2019	2020	2021
Number of assessed suppliers	59 suppliers	99 suppliers	114 suppliers
Number of traded suppliers	950 suppliers	1,008 suppliers	1,093 suppliers
Assessment ratio	6.21%	9.82%	10.43%
Average score	79.8	79.5	81.5

3.4.2.4 | Supplier Sustainability Risk Assessment

Devoted to fulfilling corporate social responsibility over the years, Acter has been proactive in disclosing information related to the environment, society and corporate governance; and in controlling risks involved in our key suppliers. The self-evaluation questionnaire enables us to understand suppliers' level of ESG (Environmental, Social and Governance) risks and control status and to further determine high-risk suppliers who will be inspected on site in the following year. In 2021, there is no high risk supplier.

To ensure that the fact complies with the supplier self-assessment results, Acter randomly picked up 2 key suppliers to carry out an on-site audit to understand their current status is different aspects; and to further exchange ideas on their handling methods and continuous improvements works. Besides, the "Supplier Visit Assessment Form" was filled to record inspection highlights. According to the audit results, these two suppliers do not have any deficiency and require no observation on any item.

Suppliers sustainability risk assessment items

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

Photos of on-site surveys



3.4.2.5 | Supplier Foster Plan




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

- Plan implementation policy/ approach

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

3.4.3 | Supply Chain Risk Controls

In response to market changes and problems and challenges derived from the impact of COVID-19 on the supply chain, Acter has established responding strategy for relevant risks; and, through the Company’s close and effective cooperation with the supply chain, been reducing supply chain risks, demonstrating the Company’s management effectiveness.

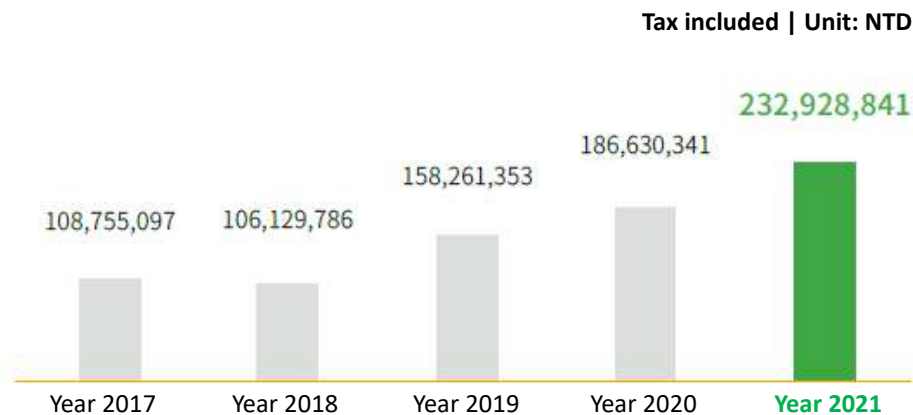
Supply chain problems/ challenges	Acter’s counseling practice/ response strategy	No. of suppliers	Performance in 2021
 <p>Risks of supplier downtime / lack of labor / lack of materials</p>	<p>Enhance our development in equipment/ material/ outsourcing resources; and such performance is included in procurement staffs’ individual KPI assessment.</p> <hr/> <p>Plan to hold a supplier meeting biannually to promote the Company’s visions and philosophy to suppliers, encouraging them to create a long-term win-win partnership with Acter; and to introduce new resources through existing suppliers’ channels.</p>	226	In 2021, the number of new suppliers whose single-transaction amount is over NTD300,000 and who continue to cooperate with Acter is 20.
 <p>Increase in the equipment and raw material price</p>	<p>In response to market changes, notify construction sites of the up-to-date information on raw materials and market trends</p> <hr/> <p>The potential increase of material cost must be included in the evaluation of bid cost.</p> <hr/> <p>Place an order based the demand derived from the to-be-awarded bids and raw materials in need to avoid price fluctuation.</p>	59	In response to the large increase in the pipeline material costs, run a project-based deal with the dealer for a discount and sign a letter of intent (LOI, or indicative offer) with a fixed-amount with the supplier; and then place orders according to the actual needs of construction sites to fulfill the LOI. This can save 15% of increased costs, counting around NTD4.5 million.
 <p>Equipment/ material import risks derived from COVID-19</p>	<p>Review the delivery risk of imported equipment on an irregular basis. If the goods cannot be delivered due to showtime or logistics issues in the export countries, it is a must to find a substitute or apply for an extension to the customers.</p>	36	No project schedule has been affected by a delivery delay.

3.4.4| Green Procurement

To facilitate the sustainable development of environment, Acter has been proactive in enhancing green technology and competence; and providing customers with high-quality green designs and plans. With respect to the implementation of our engineering projects, we also abide by the 3R principles (i.e. Reduce, Reuse and Recycle) by adopting products with the “Green Mark” and other equipment/ materials recognized by the Environmental Protection Administration (EPA) as renewable, recyclable, low-pollution, energy-saving and/or water-saving. The total green procurement amount of projects undertaken by Acter in 2021 was NTD232.92 million with an increase of 24.8% comparing with last year.



Historical Green Procurement Amount

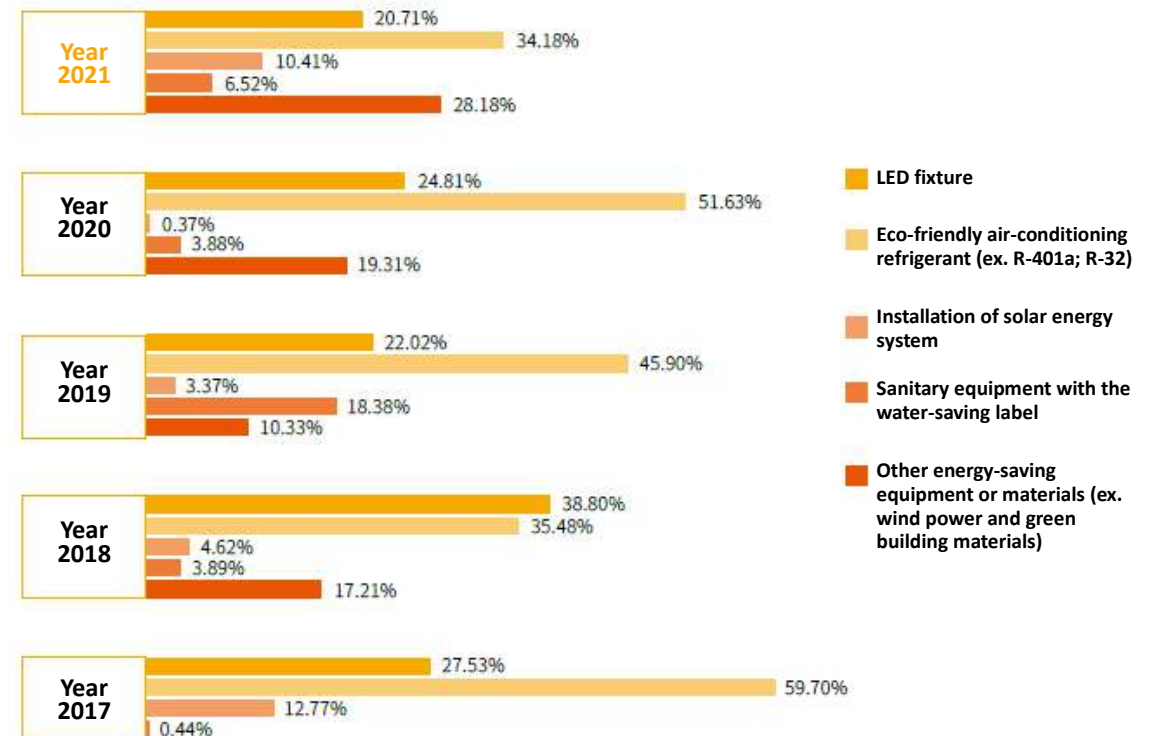


Green procurement amount in 2021

NTD232.92 million, counting **5.08 %** of total procurement amount.

With an increase of **24.8%** comparing with last year.

Analysis of the proportion of historical green procurement items

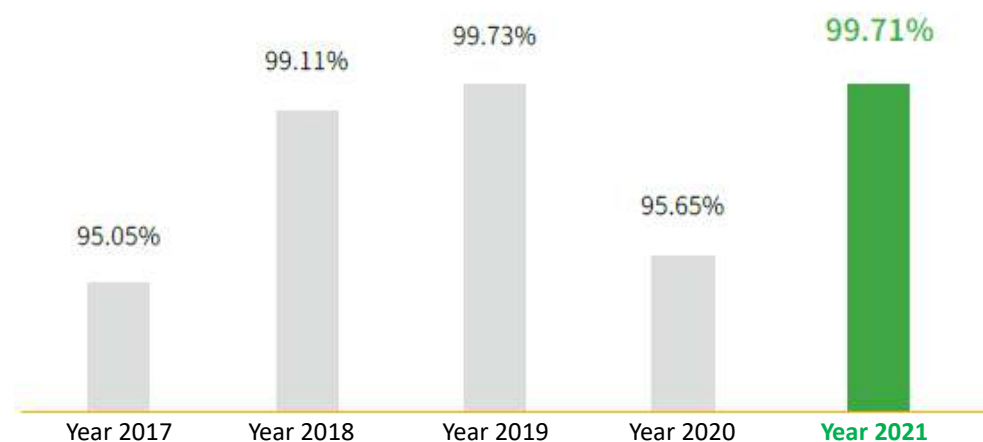


3.4.5 | Optimization of Local Procurement

To reduce carbon emission in transportation materials, stabilize our procurement, proactively establish a positive relationship with local society and facilitate local economic development, we take local materials as the first priority and commission local subcontractors to implement the project. In 2021, the proportion of Acter's local procurement expenditure was 99.71%, with an increase of 4.2% comparing with last year.

As a responsible engineering service team, Acter supports the purchase of conflict-free materials to respond to the global boycott of conflict minerals in order to practice social morality that values human dignity and the spirit of humanity. We commit not to use conflict minerals and conduct due diligence on our suppliers. We request our suppliers not to purchase conflict materials to ensure that our products do not contain any minerals originated from the Congo and its surrounding countries in Central Africa.

• Proportion of Acter's historical local procurement expenditure



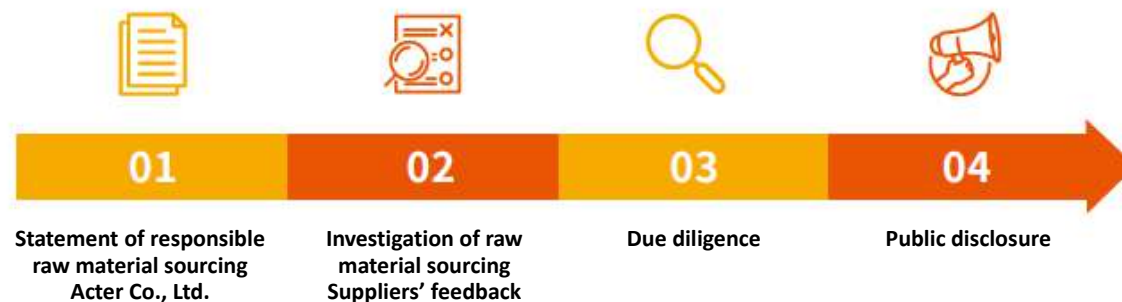
Note: The proportion of local procurement decreased in 2020 as Acter was requested by some customers to purchase specific imported and branded equipment.



The proportion of Acter's local procurement in 2021

99.71 %, with an increase of 4.2% comparing with last year.

• The responsible procurement management process





4

Environmental Sustainability

- 4.1 Climate Change Management
- 4.2 Energy and Environmental Management

Acter has incorporated green management in our daily operations with the faith of developing co-existence and co-prosperity of corporate growth and ecological environment. Through climate change and energy management, water resource management, waste management and air pollution prevention and control, we have fully promoted various sustainability plans to enhance environmental protection and enhance our corporate sustainability value.

Reduced **25.39 %**
of operational greenhouse gas emission

Reduced **1.27%**
of water consumption per capita

Reduced **11.21%**
of the headquarters' electricity consumption per capita

For **7** consecutive years
0 environmental penalty

Respond to Materiality Issues

- Environmental Policy and Environmental Management System
- Legal Compliance

Respond to United Nations' Sustainable Development Goals (SDGs)



4.1 | Climate Change Management

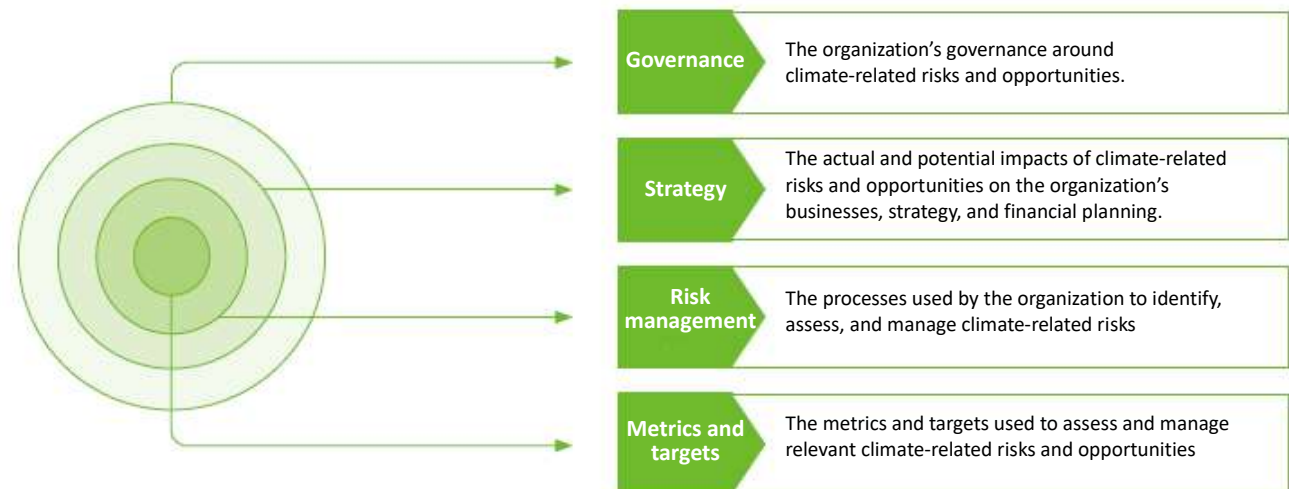
302-1, 302-3, 305-1~2

In response to global warming and extreme climate impacts, worldwide countries consider climate change as the core issue that shall not be ignored during the sustainable development process. To adapt to strict environmental conditions in the future, Acter must start to think how to minimize climate change impacts on our organization from our operations, industrial value chain and core competence while bringing our core competence and influence into full play in order to optimize market opportunities and benefits. This is the reason that Acter considers climate change as a materiality issue and risk in business sustainability and manages it through adaptation and mitigation. We have been proactive in identifying such risk and constructing our adaptation capability in order to further study and analyze climate change opportunities. We have also been continuously developing green energy-saving techniques and solutions integrated with our core competence in low-carbon engineering.







4.1.1 | The Climate-Related Financial Disclosure Principle: TCFD

In response to potential operational risks derived from climate change, Acter has, based on the Task Force on Climate-related Financial Disclosures (TCFD) framework of the Financial Stability Board (FSB), disclosed governance, strategy, risk management, and metrics and targets to identify climate-related risks and opportunities. Based on the identification results, we further established metrics and management by objectives (MBO) to effectively control the progress and results; to further reduce financial impacts derived from climate risks on operations; and to facilitate our communication with stakeholders.



Climate Change Management Framework

Management Strategies and Actions	
 Governance	<ul style="list-style-type: none"> Corporate Sustainability Committee The Committee, which is chaired by the chairman and supervised by the General Administration Division as its executive secretary, regularly reviews the objectives and implementation results of climate change strategies. In 2021, the Committee already held 4 meetings and reported to the Board of Directors in November of the same year. Sustainable Operations Team The commissioner who is served by the deputy general director of the operations division of engineering unit promotes sustainability projects in accordance with the strategies and objectives.
 Strategy	<ul style="list-style-type: none"> Hold interdepartmental meetings to jointly identify and rank climate-related risks and opportunities; and to assess financial impacts derived therefrom. For detailed information, please refer to “Analysis of Financial Impacts Derived from Climate Change”. Discuss strategies in response to climate-related physical risks, transition risks and opportunities. Plan risk prevention strategy and mitigation actions according to the scenario of identified risks.
 Risk management	<ul style="list-style-type: none"> Construct a climate change risk identification process based on the TCFD framework. Report climate-related risk/opportunity assessment results and financial impacts to the chairman of the Corporate Sustainability Committee. Set a management approach and review the implementation thereof and future plan in accordance with the climate risk identification and ranking results. Continue to ameliorate risk management approaches and effectiveness.
 Metrics and targets	<ul style="list-style-type: none"> Regularly check GHG emission in accordance with ISO 14064-1:2006 to effectively review the deficiency in climate change management; and set reduction strategy and plans. For detailed information, please refer to “Greenhouse Gas Management”. Set climate change management objectives and let senior management personnel to review the implementation results thereof on a regular basis. For detailed information, please refer to “Short-, Middle- and Long-term Goals for Materiality Issues”.

4.1.2 | Identification of Climate-Related Risks and Opportunities

Based on transition risks, physical risks and opportunities specified in the TCFD framework, Acter identifies major short-, middle- and long-term risks and opportunities through interdepartmental meetings, develops response strategies and then evaluates financial impacts. In the meantime, Acter has also proactively develop mitigation, low-carbon and adaptation plans in order to reduce operational and financial impacts derived from climate change, enhance the organization’s climate resilience and build an environmental sustainability culture.

The Company’s Corporate Sustainability Committee initiates a complete assessment biannual, and review and update the assessment annually. Upon completion of the latest climate risk assessment at the end of 2020, Acter also drew up related response measures and developed a matrix of climate-related risks and opportunities as follows:



Physical Risks	1 Typhoon, flood	2 Drought	3 Increase in temperature	
Transition Risks	1 Increase in GHG emission costs	2 Increase in low-carbon technology transformation costs	3 Change of customer behavior	4 Impact on corporate image
Opportunities	1 Participate in green engineering projects	2 Acquire green engineering projects	3 Develop or expand engineering services	
	4 Enhance investors' willingness of making long-term investment	5 Enhance resistance to natural disasters	6 Promote low-carbon green engineering	
	7 Positive corporate images			

Analysis of Financial Impacts Derived from Climate Change

Climate Risks	Main Identification Results	Potential Financial Impacts	Climate Opportunities	Main Identification Results	Potential Financial Impacts	Acter's Proactive Actions in 2021
Increase in GSG emission costs	<ul style="list-style-type: none"> At the moment, existing related international and domestic regulations do not have direction impact to Acter's operational performance, but continuous attention is still required. Governments around the world have gradually established GSG emission regulations and reduction targets. The services provided by the Company shall comply with relate environmental regulations. 	<ul style="list-style-type: none"> Increase in operating costs Increase in capital expenditure Decrease in asset value. 	Participate in green engineering projects	<ul style="list-style-type: none"> Can provide even more energy-saving and eco-friendly green engineering technology. 	<ul style="list-style-type: none"> Increase in revenue Increase in asset value 	<ul style="list-style-type: none"> Identify risks derived from new regulations and response strategy in accordance with "EHS Objective and Program Management Procedures". Understand the content of international convention and draw up response measures as early as possible.
Increase in low-carbon technology transformation costs	<ul style="list-style-type: none"> Climate change will affect customers' demand. Acter therefore needs to make a bigger investment in the research and development of new technology and alternative technology 	<ul style="list-style-type: none"> Increase in operating costs. Decrease in asset value. 	Acquire green engineering projects	<ul style="list-style-type: none"> Use professional skills and, through the circular economy model, provide engineering technology and services. 	<ul style="list-style-type: none"> Increase in revenue. Decrease in operating costs. Increase in asset value. 	<ul style="list-style-type: none"> Control the market trends and develop related green energy engineering technology and services. Promote and implement green engineering service to ensure the quality of engineering services.
Change of customer behavior	<ul style="list-style-type: none"> Following climate change and greater concern to the environment, market/ customer behavior will change accordingly. The Company therefore needs to make adjustments according to customers' demand. If customers' product positioning strategy changes, Acter shall adjust its manpower allocation costs. 	<ul style="list-style-type: none"> Decrease in revenue. Increase in operating costs. Decrease in asset value. 	Develop or expand engineering services	<ul style="list-style-type: none"> New construction and environmental engineering needs that may be created in response to the change in economic pattern. 	<ul style="list-style-type: none"> Increase in revenue Increase in asset value 	<ul style="list-style-type: none"> Establish a good relationship with customers and, depending on their needs, propose a solution and provide related information.
Impact on corporate image	<ul style="list-style-type: none"> Failure of satisfying stakeholders' expectation has resulted in damages to corporate reputation or image. 	<ul style="list-style-type: none"> Decrease in asset value. 	Increase investors' willingness of making a long-term investment.	<ul style="list-style-type: none"> Stabilize shareholders' structure to reduce fluctuation in stock value. 	<ul style="list-style-type: none"> Increase in asset value 	<ul style="list-style-type: none"> Enhance the Company's sustainable governance and green engineering image.
Typhoons and floods	<ul style="list-style-type: none"> Extreme climate can result in accidents, such as project delay, asset damages/ losses and casualties. 	<ul style="list-style-type: none"> Increase in operating costs. 	High-quality professional competence with enhanced market competitiveness.	<ul style="list-style-type: none"> Use professional technology to reduce customers' damages resulted from natural disasters. In the meantime, enhance the Company's climate resilience actions to reduce the probability of business interruption and possible damages. 	<ul style="list-style-type: none"> Increase in revenue Increase in asset value 	<ul style="list-style-type: none"> Develop green engineering technology and services; and enhance the efficiency of current energy system.
Droughts	<ul style="list-style-type: none"> Little rain can affect the demand for water used in construction. In the meantime, the procurement costs may increase due to the change or relocation of resources. 	<ul style="list-style-type: none"> Decrease in asset value. 				
Increase in temperature	<ul style="list-style-type: none"> The decrease in productivity may result in a decrease in revenue and an increase in costs (absence from work and caring resulted from health, safety and illness related issues). Increase in power consumption, accompanied with an increase in costs and carbon emission. 	<ul style="list-style-type: none"> Increase in operating costs Increase in operating costs 	Promotion of low-carbon green engineering.	<ul style="list-style-type: none"> Economize electricity and save costs. 	<ul style="list-style-type: none"> Decrease in operating costs. Increase in asset value. 	<ul style="list-style-type: none"> Adopt the best workable technology; and the life cycle has taken high-efficiency and low-carbon emission green engineering into consideration.

4.1.3 | Greenhouse Gas Inventory

Oriented to “facilitating energy saving and carbon reduction” as the sustainable development goal, Acter has not invested in green engineering technology to create low-carbon economy, but also implemented carbon reduction principles in daily operations. Each year, through the process of identifying, analyzing, calculating and reducing GHG emissions, paying attention to international trends and benchmarking, we effectively examine our deficiency in climate change management in order to continuously improve and ameliorate our performance in climate change related topics. Since 2017, Acter has complied with “Greenhouse Gas Inventory – Standards (ISO 14064-1:2006)” and “Greenhouse Gas Protocol (GHG Protocol)” to self-inventory the emission of 7 GHGs (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃) of Scopes 1 (directly discharged from the Company) and 2 (discharged by energy); obtain a third-party verification statement from “SGS Taiwan Limited”; and publicly disclose the said statements to stakeholders. In 2021, the GHG inventory boundary is “The headquarters of Acter Co., Ltd. (address: 19F and 6-7 of 20F, No. 201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City)”; and Acter’s Scope 1 and Scope 2 GHG emissions revealed from the inventory were 103.2774 ton and 48.7653 ton, totally 152.0426 ton. Comparing with the base year (2018), Acter has reduced 51.7334 tons of GHG and 25.39% of CO₂e.



Note:

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

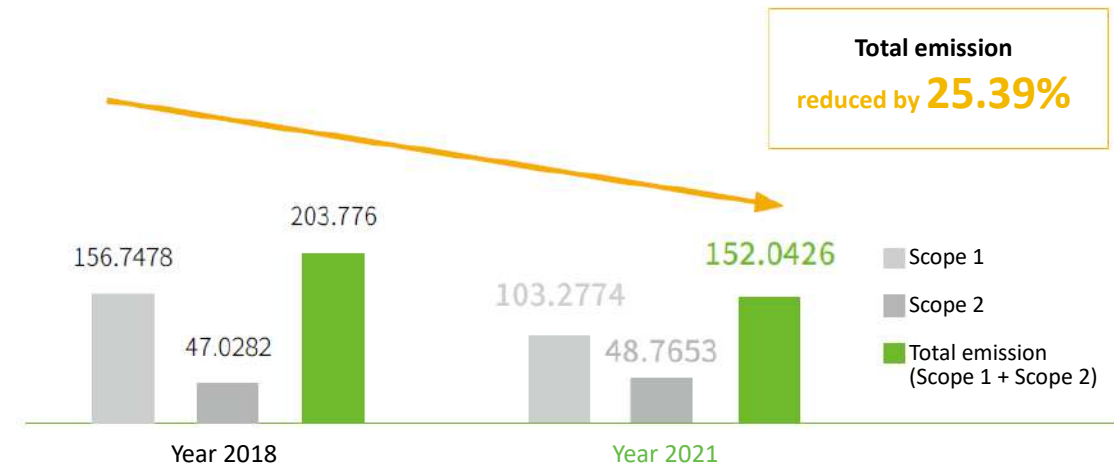
	Base year				
Total of GHG emission	Emission in 2018 (ton CO ₂ e)	Emission in 2019 (ton CO ₂ e)	Emission in 2020 (ton CO ₂ e)	Emission in 2021 (ton CO ₂ e)	Performance of 2021
Direct emission (Scope 1)	156.748	116.070	130.004	103.2774	<div>✓</div> Total emission reduced by 25.39%
Indirect emission (Scope 2)	47.028	45.959	46.626	48.7653	
Total emission (Scopes 1 and 2)	203.776	162.028	176.630	152.0426	

Note1: The externally purchased electricity (TAIPOWER) is calculated based on the electricity emission coefficient (0.502 kg CO₂e/kWh) announced by Bureau of Energy, Ministry of Economic Affairs in 2020; and is converted to ton CO₂e.

Note2: Other emission sources are exchanged based on the GWP value stated in the GHG Emission Coefficient Management List (Version 6.0.4) announced by Environmental Protection Administration, Executive Yuan.

Note3: The “Operation Control Method” has been adopted for the setup of GHG inventory.

Comparison of GHG Emission of 2021 and 2018 (Base Year)





4.2 Energy and Environmental Management

302-1, 302-3-5, 307-1

4.2.1 | Energy

Acter has adopted the ISO 50001:2018 Energy Management System in 2020 with an aspiration to, through the establishment, implementation and maintenance of the system plus the continuous improvements on energy management, optimize energy use and facilitate energy-saving effectiveness in practice. Acter's energy mainly comes from external electricity and petrol (public vehicles); and the average use per capital of these two items have reached the emission reduction targets in the year. In 2021, Acter has succeeded in reducing the consumption per capita of these two items. To respond to potential environmental and climate change risks, we have been "keeping an eye on regulatory changes" and "developing low-carbon services" as our major energy-saving strategies. Moreover, we also implement various energy-saving measures, such as enhancing energy efficiency through regular maintenance works; adopting energy-saving, water-saving and energy star labelled products; and, with department supervisors' efforts in educating and promoting energy-saving concepts, enhancing employees' energy-saving awareness in order to facilitate operational energy management.

Power Consumption and Energy-Saving Goals in 2021

Scope boundary	Energy type	Unit	2019	2020	2021	Scale of increase/decrease comparing with the reference value (%)	Performance of 2021
 Headquarters/ Operations Office	Externally purchased electricity (non-renewable energy)	kWh	86,226	91,603	97,142	9.24%	Succeeded in reducing consumption per capita
		Gigajoule (GJ)	310.47	329.83	349.711		
	Electricity consumption per capita	GJ/ capita	1.17	1.14	1.03	-11.21%	
 Public vehicle	Petrol	l	44,086.87	52,490.10	39,460.39	-18.30%	Succeeded in reducing consumption per capita
		Gigajoule (GJ)	1439.75	1714.17	1288.43		
	Petrol consumption per capita	GJ/ capita	5.41	5.93	3.78	-33.33%	

Note 1: The power-heat conversion coefficient is cited from "Heat Content of Energy Products" published by Bureau of Energy, Ministry of Economic Affairs, where the heat value of electricity is 860 Cal/ kWh and the heat value of vehicle use petrol is 7,800 Cal/L.

Note 2: Energy intensity = Total electricity usage (GJ)/ Total of Acter's employees.

Note 3: The reference value is the average usage of the previous two years. The purpose of adopting the average is to prevent error derived from the use of one single data.

Note 4: Although the use of externally purchased electricity had an increase of 9.24%, this was resulted from more project estimation cases in the year, where staffs of the engineering department were assigned to work at the headquarters. As these staffs work at the headquarters on an irregular basis, the use of electricity was therefore increased.

Energy-Saving Strategy



Keeping an eye on regulatory changes

Continue to pay attention to international regulatory changes and sustainability issues; proactively expand environmental protection actions; and promote climate change adaptation plans to enhance disaster response measures and reduce climate change risks.

Developing low-carbon services

Apart from minimizing impacts to operations and engineering environment, Acter is devoted to reducing carbon emissions with our green innovative services; and developing eco-friendly engineering services with our know-how in the field.

Energy-Saving Actions Adopted in 2021

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

4.2.2 | Environmental Management System

Acter have passed the certification of ISO 14001:2015 Environmental Management System. According to the Plan-Do-Check-Act (PDCA) cycle, we have adopted a systematic management approach to ensure that our environmental protection goals are consistent with our implementation strategy, while establishing a pollution prevention and improvement mechanism. We also appointed the Q&A and Safety Department to supervise the implementation of "Procedures Governing Environmental Operations Control", where environmental operations control planning and supervision procedures of the Company and construction sites are included in this interdepartmental approach. Furthermore, to ensure the effectiveness of our Company's environmental management system, Acter not only adopted regular and irregular audits internally, but also a third-part verification body also comes to Acter's headquarters and sampled construction sites to carry out external audits each year. For seven consecutive years until 2021, Acter has not been fined for any environmental pollution incidents and this indeed shows Acter's efforts. Apart from commit to protect the environment in our statement of EHS policy, we also succeeded in bringing our corporate influence into full play by cooperating with our subcontractors to exercise our greatest effort for sustainability.

Environmental Expenditure in 2021

Investment Type	Number of Case(s)	Expenditure (NTD)
Environmental Certification	4	160,070

For 7 Years, Acter has maintained the record of 0 environmental penalty and 0 fine

Environmental Protection Policy

Item	Action(s)	Performance in 2021
Legal Compliance	Comply with environmental protection and EHS regulations and other requirements; and respond to international green environmental protection and zero-disaster activities.	0 violation
Green Design	Implement green energy-saving construction methods; and enhance green procurement and green management to fulfill the commitments of environmental protection.	Environmental protection as the priority
Educational Trainings	Enhance all staffs' participation in EHS educational and training activities; advocate to avoid the overuse of energy resources and promote the recycling policy; and educate all staffs to recognize environmental protection concepts and cherish natural resources; and ensure the labor safety and health; and prevent diseases and workplace hazards.	The completion rate of EHS trainings for new employees was 100%.
Sustainable improvements on the energy resources management system	Continue to improve the management system, including ISO 14001:2015 and ISO 50001:2018, in order to enhance the energy and resource use efficiency. For example, use ISO 50001:2018 to systematically manage every kWh of electricity used by the Company; find the Company's major energy consumption and improvement opportunities based on an overall energy review; and use the PDCA management cycle to strategically reduce energy consumption, improve energy efficiency and reduce energy expenditure in order to reach the energy-saving and carbon reduction targets.	Already completed the ISO 14064-1:2006 certification and ISO 14001: 2015 third-party certification.

4.2.2.1 | Air Pollution





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

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

4.2.2.2 | Wastes

As an engineering service provider, Acter's wastes mainly come from our staffs' daily life and we do not produce any toxic waste during the engineering process. The primary waste management approaches adopted by Acter's headquarters are to recycle kitchen wastes and resources, which are handled by a qualified legal operator commissioned by the building's committee; and publish the "Quarterly Environmental Protection and Energy Saving Advocacy E-News" to facilitate our staffs' implementation of resource recycling. In 2021, Acter succeeded in reducing kitchen waste by 37.81% comparing with the base year.




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

Type	Disposal methods	Data collection method	Total weight (kg)			Scale of increase/ decrease comparing with the base value	Performance of 2021
			2019	2020	2021		
 General Garbage	Domestic garbage and other wastes that cannot be recycled will be collected by certified company commissioned by the building's management committee for incineration or landfill.						Excluded from the statistics as they were sent to the building's garbage zone by employees themselves.
 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 Wastes	Will be recycled by certified company commissioned by the building's management committee for compost.	Directly measured by Acter's headquarters	620	452.8	333.6	-37.81%	 Achieved the reduction target

Note 1: The reference value refers to the average usage of the previous years. Removing any of single data can result in an offset error.

4.2.2.3 | Noise

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


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

4.2.3 | Water Resource Management

Water Resources

To protect water resources and to maintain corporate sustainability, Acter's headquarters started to make a self-inventory of water resources since 2017. Our water is directly supplied by Taiwan Water Corporation without any underground water or water from other sources. As the supplied water is only for the use of our employees and visitors, our water source makes no obvious impact on the environment. The used water, on the other hand, is discharged to the sewage treatment plant through the sewers and then to the rivers and ocean. To enhance the management of water resource and reduce the consumption thereof, not only are Acter's faucets equipped with an auto-sensing device, but also we have made water-saving slogan to remind employees to cherish water resource. In 2021, Acter's tap water consumption has increased due to the increasing number of employees. This is the reason that Acter failed to achieve the resource reduction target and the Company will continue to promote water-saving policy.



Scope boundary	Water consumption	Unit	2019	2020	2020	Scale of increase/decrease	Target
 Headquarters/ Operations Office	Tap water consumption	1,000 l	704	631	759	13.71%	Not achieved
	Water use intensity	1,000 l / Ping	1.27	1.14	1.37		
	Water consumption per capita	1,000 l / No. of people	9.78	8.31	8.93	-1.27%	Succeeded in reducing consumption per capita

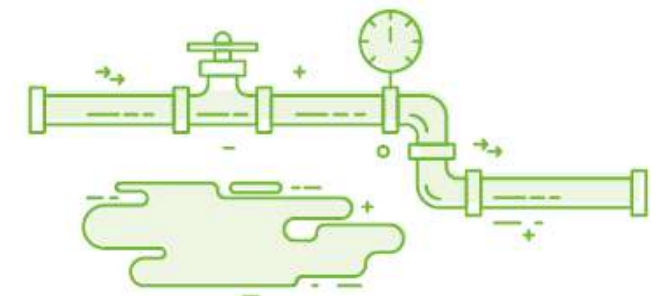
Note 1: The water consumption, water use intensity and water consumption per capita are calculated based on the water bill issued by Taiwan Water Corporation, the surface area of the headquarters (Unit: Ping) and the number of employees working at the headquarters.

Note 2: As the use of water resources in each construction site shall refer to the respective engineering contract, water resources are therefore allocated differently and shall be shared by parallel subcontractors or be all paid by the customer. Therefore, due to difficulty in calculation, water resources of each construction sites are not disclosed.

Note 3: The reference value is the average usage of the previous two years. The purpose of adopting the average is to prevent error derived from the use of one single data.

Underground Water

Environmental monitoring measures are strictly conducted during the construction period in order to monitor the quality of water discharged from the construction site. If the waste water discharged from the site can seriously damage the human body health, drinking water source and environment due to an accident, it is a must to adopt emergency response measures and notify local competent environmental protection authority immediately. Any waste water produced on the construction site during the trial run will be classified according to the volume and quality thereof, and then be discharged or recycled for reutilization.



5

Common Prosperity and Growth

- 5.1 Talent Deployment
- 5.2 Talent Development
- 5.3 Friendly Workplace
- 5.4 Human Rights Management
- 5.5 Occupational Health and Safety
- 5.6 Social Participation

chapter 05 /

We see our employees as our most important asset. In addition to building a friendly and safe work environment, we strive to create a workplace culture of self-fulfillment and continuous learning, provide above-average salaries and benefits, and become a company that employees trust. At the same time, we are committed to our mission of the common good for society, cultivating young talents, and promoting positive social development. We have long focused on four major areas of public welfare—environmental sustainability, care for the disadvantaged, sustainability in urban and rural areas, and community building—and devoted resources to drive the cycle of good to fulfill our responsibilities as a corporate citizen.

1,188,635 NTD

Average salary of non-executive employees

25%

of supervisors are women

0

Major industrial safety incidents

0%

Disability/injury rate

7,555,535 NTD

Total amount devoted to public interest

287 hours

Volunteer hours

Above 13,625

Beneficiaries

Response to materiality issues

- Human rights
- Legal compliance
- Talent attraction And retention
- Career development, education, and training
- Occupational health and safety
- Social participation

Response to the Sustainable Development Goals (SDGs)



5.1 | Talent Deployment

102-8、201-3、401-1、405-1

Acter adheres to its core values of honesty, integrity, professionalism and responsibility. We are committed to cultivating talents and creating a friendly workplace environment with equal rights for both genders and an inter-generational composition. Through a recruitment and selection mechanism that is fair and just, a comprehensive cultivation system and smooth communication channels, we provide competitive salaries and benefits; the balanced development of recruiting, nurturing and retention of human resources; and concrete implementation of care and concern for employees. We will continue to move toward a common vision and create value for our customers, employees and Acter.

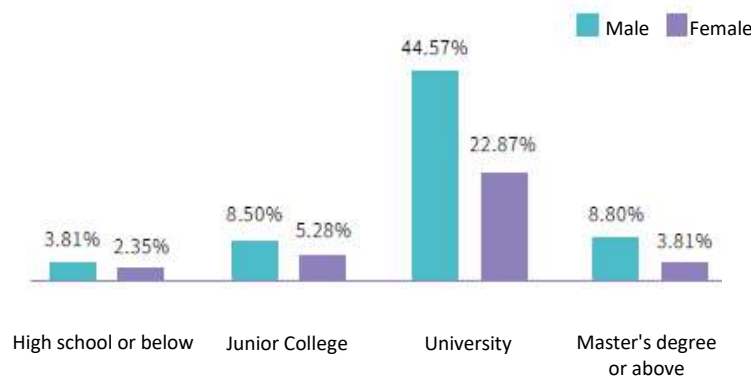
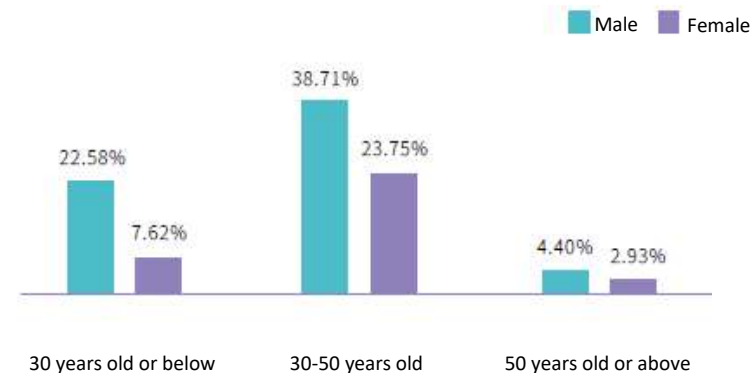
5.1.1 | Structure of Human Resources

At Acter, our principle is to treat everyone equally. Employment, salary, or promotion opportunities is not affected by gender, religion, race, nationality, physical ableness, political stance, or marital status. Also, we respect the career development of employees of both genders, and take actions to build a friendly and healthy work environment, such as constructing diverse and unobstructed channels for sexual harassment prevention measures and complaints as well as providing a comprehensive maternity care program, so that female employees can balance work with life and continue to achieve their career goals as outstanding employees.

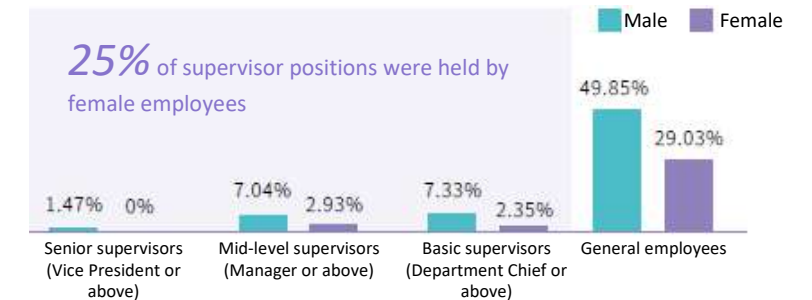
By the end of 2021, the total number of employees at Acter was 341, including 8 contract employees, 3 indigenous employees and 5 employees with physical or mental disabilities. All of them were full-time employees; none of them were part-time employees or child labor. Acter headquarters are located in Taiwan, and employees working at the headquarters account for 25.64% of the entire group's total number of employees. Our overseas branches are located in Mainland China and Southeast Asia, and our employees are mostly local hires, who were chosen based on their talent and not their race or nationality, demonstrating the internationalization and multiculturalism of our human resource management strategy while driving regional development and increasing local employment opportunities at the same time.

2021 Statistics on Acter Employees Based on Category and Gender

Organization Scale and Employee Information	Gender	Acter	Percentage	Total
Full-time employees	Male	220	64.52%	341
	Female	113	33.14%	
Contract employees	Male	4	1.17%	
	Female	4	1.17%	



Percentage of Female Employees (Supervisors) at Acter in 2021



Overall, the number of female employees increased, and women accounted for 25% of supervisors in 2021. In addition, we will continue to pay attention to issues that female employees face and place great importance on gender equality. Meanwhile, we will also seek diverse solutions to enable more female employees to stay in their jobs for the long term and continue to contribute to the company and society.

Employment of People who are Disabled or Indigenous by Acter in 2021

By the end of 2021, the number of employees with a disability and indigenous employees at Acter met and exceeded legal requirements. In addition to compliance with government policies, we also provide appropriate on-the-job support and educational training to help disadvantaged groups work safely and find appropriate positions at Acter.

Hiring Socially Disadvantaged Groups	Acter	
	Legally Required to Hire	Actually Hired
Indigenous	3	3
Disabled	3	5
Total	6	8

2021 Statistics on New/Resigned Employees

% of New and Resigned Employees		Acter			
		Number	Their % in New Employees	Number	Their % in Resigned Employees
Gender	Male	78	70.90%	44	72.13%
	Female	32	29.90%	17	27.87%
Age	30 and below	72	65.45%	30	49.18%
	31-50	37	33.64%	29	47.54%
	51 or above	1	0.90%	2	3.28%
	Total	110		61	
% of New/Resigned Employees (Number of New or Resigned Employees / Total Number of Employees as of Dec. 31, 2021)		32.26%		17.89%	

2021 Acter Group Employee Workforce Distribution

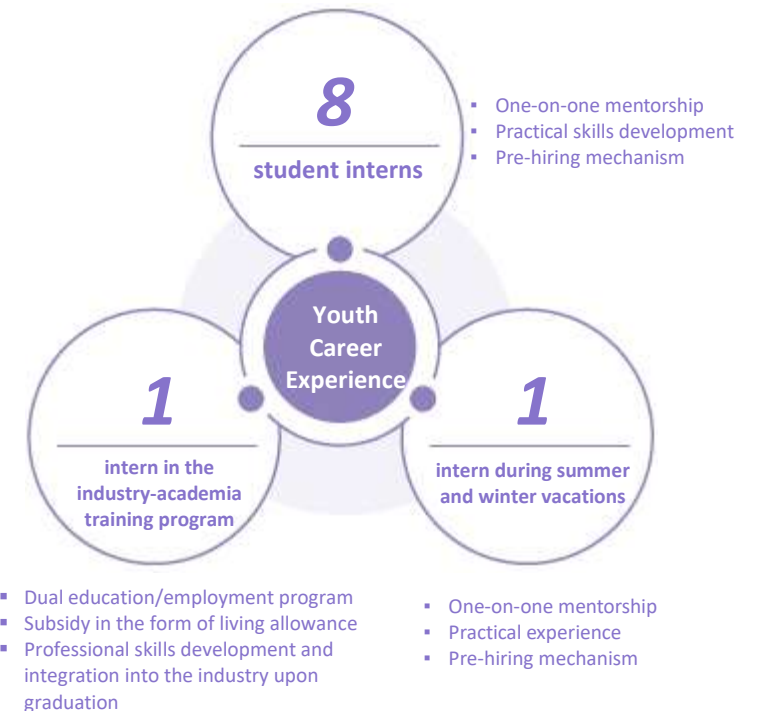
Regional Statistics		Taiwan		Mainland China		Southeast Asia		Total
Gender	Age	Number	%	Number	%	Number	%	
Male	30 and below	101	7.59%	268	20.15%	12	0.90%	1,330
	31-50	216	16.24%	277	23.61%	37	2.78%	
	51 or above	26	1.95%	27	2.11%	1	0.08	
Female	30 and below	37	2.78%	86	6.47%	19	1.43%	
	31-50	114	8.57%	78	5.86%	10	0.75%	
	51 or above	16	1.20%	5	0.38%	0	0.00%	
Total		510	38.35%	741	55.71%	79	5.94%	

Employee Type		% of Locally-Hired Senior Management (Manager or above)	% of Locally-Hired Employees	Organization Scale and Employee Information		Full-Time Employees		Contract Employees		Total
Taiwan	Acter	100%	100%	Gender	Male	Female	Male	Female	1,330	
	Nova	100%	99%		335	163	8	4	510	
Mainland China	Acter Suzhou	31.58%	94.08%	Taiwan		335		163		741
	Winmax	73.91%	94.61%	Mainland China		559		164		79
				Southeast Asia		50		29		

5.1.2 | Diverse Career Experiences Program

Comprehensive Youth Internship Program

To attract young talents, Acter provides different types of career experience activities to help students accumulate experience, expand their network and become part of the talent pool in the future. In 2021, 10 interns joined the internship project, one of which was female, accounting for 10% of the total number of interns. After the end of the internship, a total of 8 interns stayed at Acter, thus the retention rate was 80%, and 12.5% of those that were hired was female, showing Acter's continuous efforts to create a workplace that promotes gender equality.

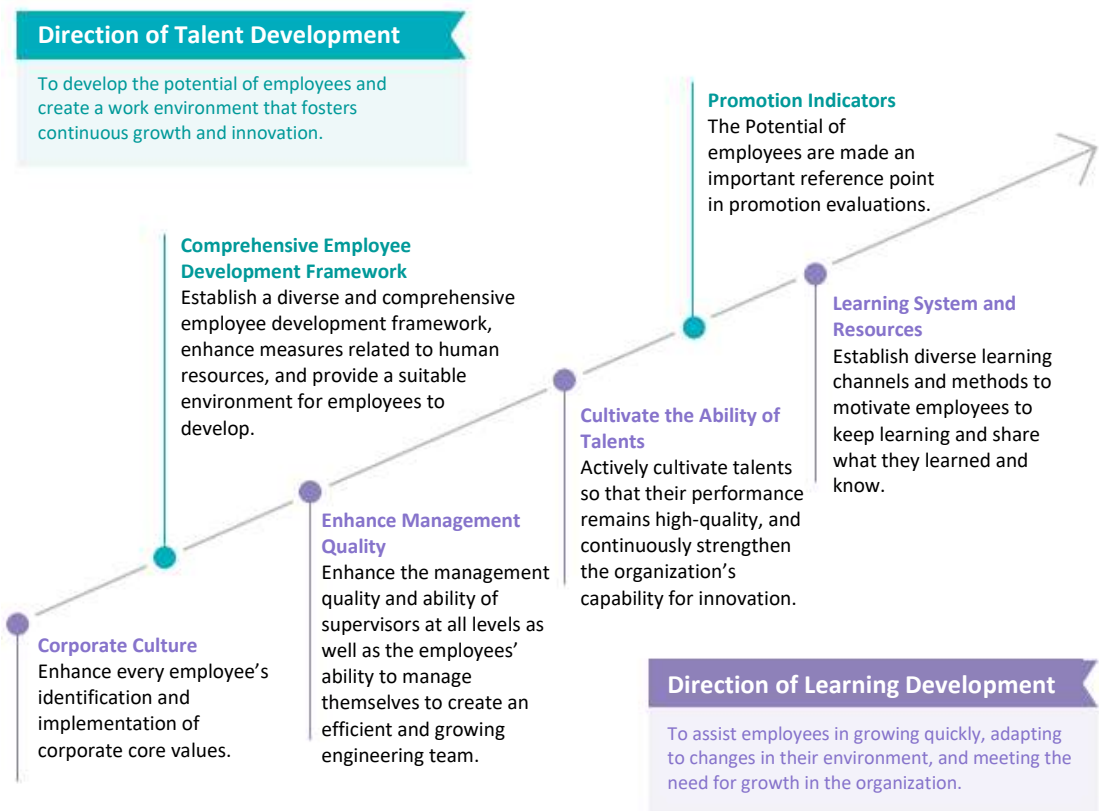


5.2 | Talent Development

404-1~2

We cultivate employees in accordance with our education and training process, and our strategy for developing talent is to promote independent learning. We satisfy the lifelong learning needs of employees and support the long-term growth of the company through training that not only enriches knowledge and skills but also improves work efficiency and quality. From the moment employees join the company, we provide sufficient resources to employees of different positions and ranks, and adopt different training programs for systematic learning development at different stages, such as new employee training, on-the-job training, and self-training. We also set up the Acter A+ Academy to regularly review the effectiveness of our training and take measures in response.

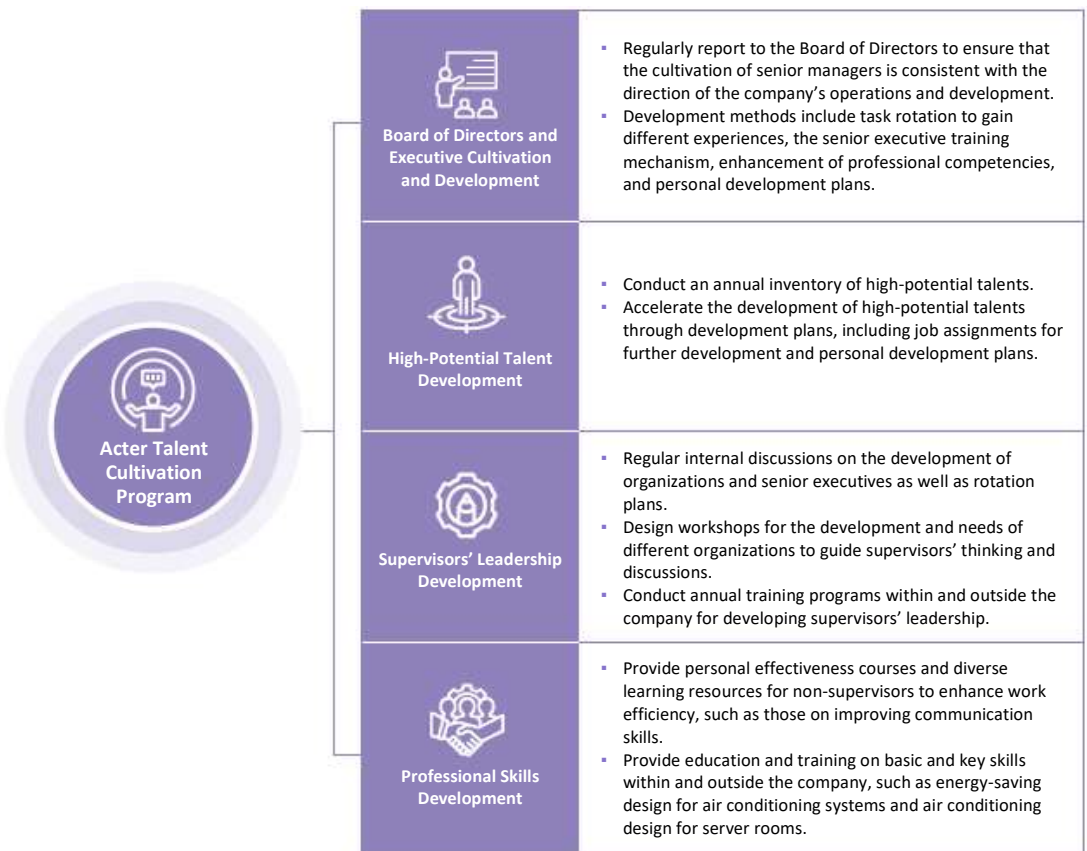
Direction of Talent Development at Acter



5.2.1 | Talent Cultivation Program

We provide a comprehensive cultivation program for the development purposes of different levels in order to ensure the overall high quality of human resources and to strengthen the leadership and management ability of supervisors at all levels. Through the formulation of personal development plans, we assist supervisors and employees in continuously strengthening their motivation for sustainable career development within a diverse and complete education and training system.

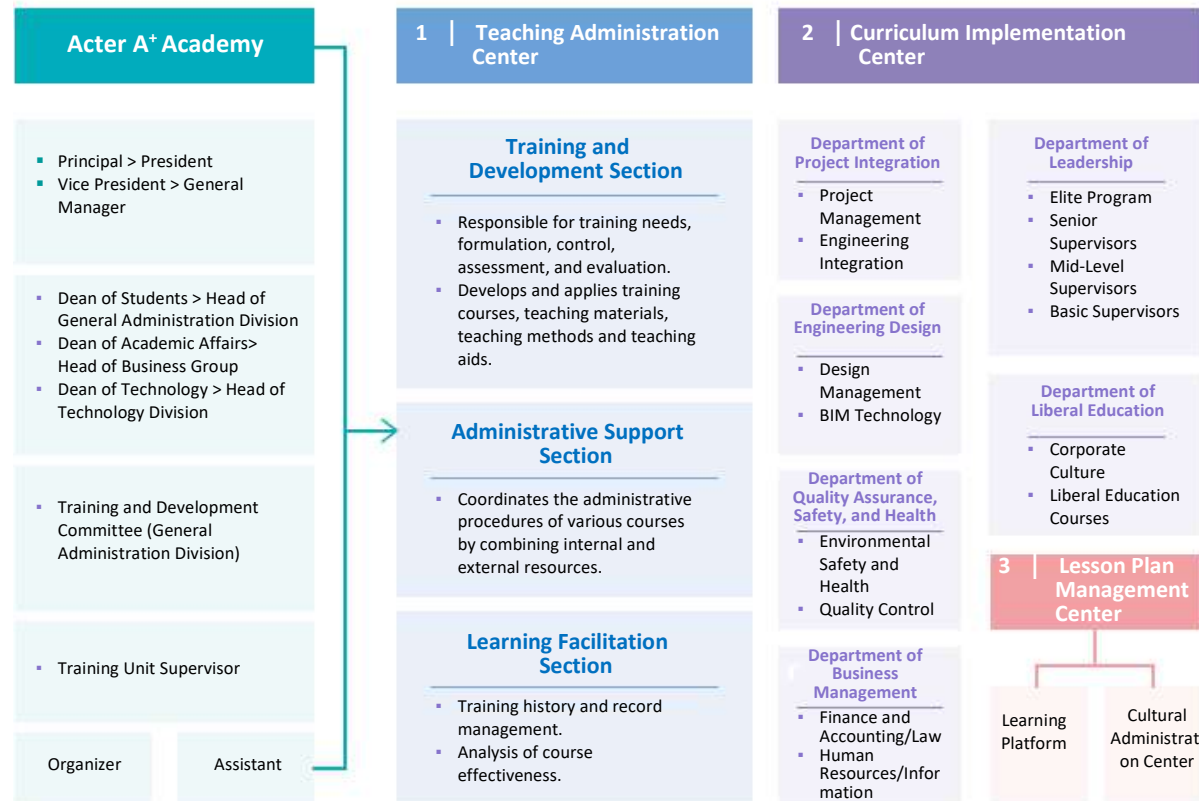
Acter Talent Cultivation Program



5.2.2 | Acter A⁺ Academy

We have established the A⁺ Academy, which systematically plans learning development maps and diverse programs, to provide internal/external training resources to encourage employees to continue their professional development and interdisciplinary learning. Through comprehensive and professional career education training, employees can become international talents with diverse pathways for development; the training is complemented by knowledge management platforms and E-Learning to encourage continuous learning in employees. The Acter A⁺ Academy has six faculties—Project Integration; Engineering Design; Quality Assurance, Safety, and Health; Business Management; Leadership; and Liberal Education. Each has various departments and programs to meet the needs of different professions.

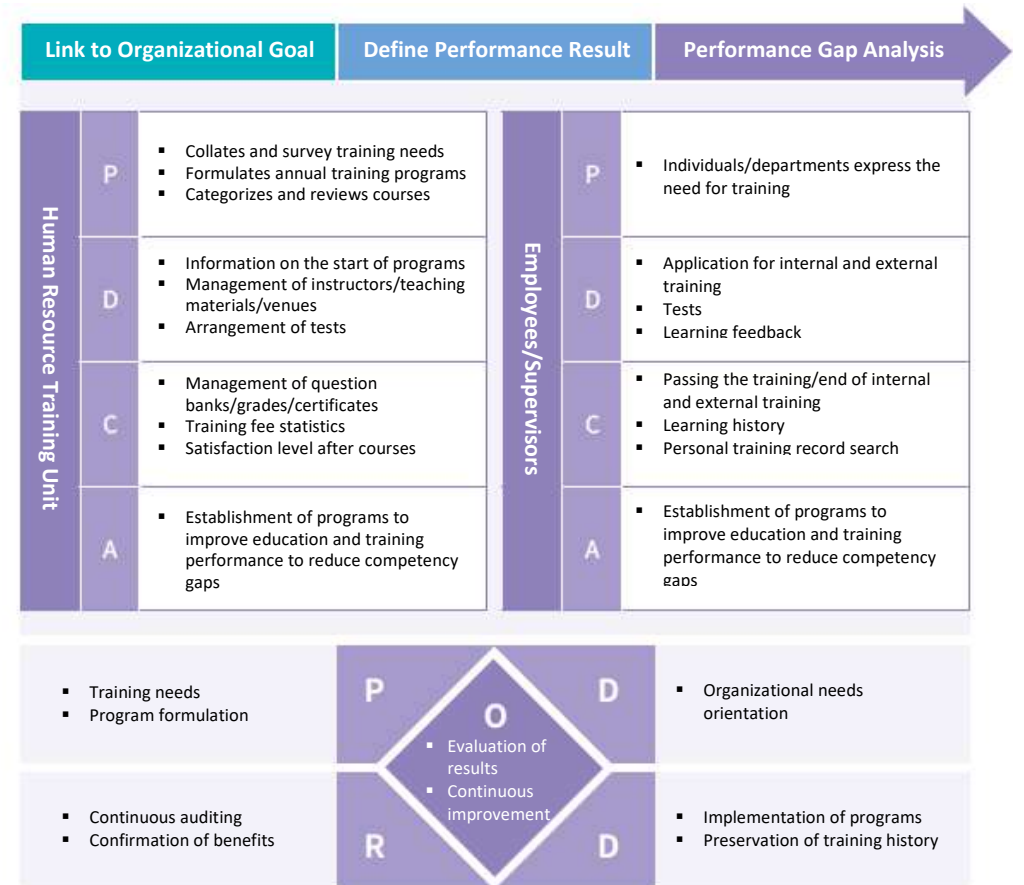
Acter A⁺ Academy Organizational Chart



5.2.3 | Professional Courses and Training

In order to create a diverse and equal work environment that encourages continuous learning and has plentiful resources, Acter provides a comprehensive education and training system that executes education and training programs according to the operational goals of different organizations, corporate strategies, market demands, and the skills demanded of employees in various positions. Also, the system follows our human resources training process, “PDCA+PDDRO”, for continuous change and innovation.

Education and Training Programs and Implementation



By utilizing an E-Learning platform system, we provide our employees with a learning space that is not limited by time or place so that they may continue to enhance their work effectiveness and accumulate more skills to help the company grow and to advance society. Through post-course satisfaction analyses, we engage in rolling course design and continue to offer professional courses that meet individual expectations and performance requirements. In 2021, the total number of internal and external training sessions conducted by Acter was 475, and the total number of training hours amounted to 6,577.4 hours. The average number of training hours received by employees was 19.29 hours, and the annual satisfaction score with employee education and training was 83.60. Total expenditure for education and training for the year was NTD7,125,895.

Statistics on Past Education and Training

Internal and External Training/Year	Number of Education and Training Sessions		
	2019	2020	2021
Number of Internal Training Classes	145	126	204
Number of External Training Classes	179	181	271
Total Number of Classes	324	307	475

Employee Type/ Gender/Year		Average Training Hours		
		Unit: Hours (Rounded)		
		2019	2020	2021
Senior supervisors (Vice President or above)	Male	20	14	6
	Female	-	-	-
Mid-level supervisors (Manager or above)	Male	15	24	12
	Female	21	18	20
Basic supervisors (Department Chief or above)	Male	25	27	15
	Female	33	11	24
General employees	Male	23	24	21
	Female	18	18	19

Internal and External Training/ Employee Gender/Year		Education and Training Expenses (Unit: NTD)		
		2019	2020	2021
Internal Training	Male	2,024,334	2,024,950	2,185,500
	Female	1,068,660	1,136,294	1,528,750
External Training	Male	1,818,355	2,805,291	2,453,935
	Female	697,155	801,140	957,710
Total Amount		5,608,504	6,767,675	7,125,895



Effectiveness of Education and Training




Indicator	Project/Year	2019	2020	2021
Cost Indicators	Total Training Costs	5,608,504	6,767,675	7,125,895
	Average Training Cost per Employee	21,085	23,418	20,897
	Average Cost per Male Employee	21,710	25,830	20,712
	Average Cost per Female Employee	19,841	18,994	21,252
Goal-oriented Indicators	Achievement Rate of Personal Plans	84.77%	85%	86%
	Achievement Rate of Professional Skills	81.05%	80.77%	85%
	Achievement Rate of Education and Training	100%	100%	100%
	Satisfaction Rate of Education and Training	83.63	83.79	83.60
	Employee Production (Revenue/Number of Employees) Unit: Thousands	11,421	15,809	15,200
Career Development Indicators	Percentage of Employees in Key Positions	100%	100%	100%
	Number of Employees Participating in Performance Assessments	92.86%	89.97%	88.27%

Acter Interns Group Photo



5.2.4 | Cultivating Youths

In order to strengthen our competitiveness, promote the advancement of green engineering technology, and have schools teach human resource capabilities that match those required by the industry, Acter has collaborated with the National Taipei University of Technology, the National Yunlin University of Science and Technology, the National Chin-Yi University of Technology and other educational institutions to cultivate young talents of the future. Through various industry-academia collaboration programs, we have been able to cultivate high-quality key talents in advance, and we will continue to eliminate the gap between education and application and promote sustainable management. In 2021, we have engaged in corporate internships and industry-academia training programs, set up scholarships, and held knowledge-based seminars, with the total amount of investment being **\$4,131,781**.

Cultivation Program	Description	2021 Results
 Corporate Internship	We established strategic partnerships with schools, and have provided internship spots every year to encourage young students to apply what they have learned. Through one-on-one mentorship, we help students earn credits for corporate internships and gain practical experience through doing.	A total of 9 students participated in the internship program (8 semester interns and 1 winter vacation intern) were led by 9 mentors, and a total of \$3,234,870 was invested.
 Industry-Academia Training Program	Since 2011, we have been participating in the industry-academia training program organized by the Workforce Development Agency of the Ministry of Labor to provide a dual-track program for students to study and work at the same time. Diverse professional resources and living allowance are provided to lessen the students' pressure in finding employment and economic burden while training them in the professional skills they need to face changes in the industry so that they can make a smooth transition into the workforce.	The program provides training for one trainee led by one mentor, and a total of \$379,343 was invested.
 Scholarships, Bursaries, and Seminars	Every year, we provide scholarships and bursaries to students at the National Yunlin University of Science and Technology, the National Taipei University of Technology and the National Kaohsiung University of Science and Technology so that they may pursue their studies free of worries.	A total of \$420,000 was allocated for scholarships. 2 campus lectures were held, and a total of \$97,568 was invested.

One-on-one Mentoring System to Develop Professional Skills





Tung-Yang Tsai >>> Acter | Semester Intern

National Yunlin University of Science and Technology |
 Department of Mechanical Engineering | 4th-Year Student

First experience of the industry while in school; the combination of professional knowledge and practice

During my internship at Acter, I had three major tasks: 1) directing and supervising various project-related matters and coordinating with the customers on projects; 2) inspecting on-site conditions; 3) planning project and work safety-related matters. This is an engineering system that cannot be learned in school. In addition to understanding professional skills pertaining to air conditioning, electrical and mechanical engineering, build-ins, construction and monitoring, I also learned how to design and integrate cleanroom systems with my mentor. After a period of continuous exploration and learning, I gradually improved. In addition to professional skills, being at Acter also taught me how to change communication technique when I'm dealing with people in different roles, such as customers and subcontractors. Good communication skills can bring you closer to your goal, which was an invaluable experience.

Learning how to solve problems when things don't go as planned

During the construction phase, I often encountered many engineering issues and difficulties. At first, I couldn't handle it alone, so I would often seek help from engineers or my mentor. Then, I slowly familiarized myself with the environment and then the projects, solved each problem I encountered, and broke out of my old pattern of thinking. In addition, there is communication during the construction of the project. One must double or even triple check when there's a gap between the construction and the customer's expectation; often the gap is the result of an issue with communication. As a bridge between three parties, timely establishment of classification, judgment, and operating principles can help me achieve the best results and prevent issues from arising again.

Learning to face challenges; success is for those who are prepared

During my internship at Acter, not only did I learn professional engineering knowledge but also, most importantly, how to become a capable person! Facing challenges is unavoidable every day at Acter, and the internship was just a small part of my life, but I had the opportunity to grow and change through this process. My internship experience at Acter has taught me that you won't always meet expectations just by working hard on something. It's a matter of thinking and choosing constantly in order to make the soundest judgment. Things don't always go the way you want them to in the process, so when troublesome issues emerge, it wasn't possible for me to take care of everything. But on second thought, I believe that was the challenge that the internship experience at Acter gave me. Ability is built out of experience, so I trust that the experience has made me different from others and will help me succeed in the future.



Jing-Kai Wang >>> Acter | Semester Intern

National Yunlin University of Science and Technology |
 Department of Electrical Engineering | 4th-Year Student

Choosing to become an intern has showed me a new path

When I think back to that time in my life, I was often confused about what direction my life should take. As a senior in university, I was inevitably troubled by the various choices that laid before me: public service, higher education, and national exams, and more. Just when my mind was bursting with worries, several unfamiliar figures suddenly appeared on the lectern of my classroom, and brought a new path to me. After listening to the lecturer talk about the advantages and benefits of having workplace experience, I gradually became interested in the internship, and after asking some older schoolmates that I knew well, I made my choice—Acter. In addition to the recommendation from schoolmates and the excellent intern salary, I was attracted by Acter's reputation in the engineering industry. The company was excellent in not only cleanroom tech, but also electrical and mechanical engineering, air conditioning, and temperature and humidity control. Furthermore, I identified with Acter's spirit of promoting green engineering and sustainable development, so I decided to see it for myself.

Diversified learning growth and practical application experience

After I started working at Acter, my mindset differed greatly from that of my student days. It was a huge challenge in the workplace to think of how to handle things more efficiently and create maximum value at the same time. I was glad to have the internship status, so that I could learn how to write, quality inspection criteria and the construction principles of system engineering myself in diverse ways, and my seniors at the company were also eager to teach me. For those of us who were given system drawings for the first time, just trying to understand the drawings was already a challenge, not to mention actually leading the workers to discuss the work methods that were to be used on site. However, under the careful guidance of our mentors, we were able to learn and grow step by step. They led us into the construction sites and taught us how to deal with the workers and apply what we learned in system engineering. At the same time, I learned that I needed to have sufficient knowledge and coordination skills to achieve my targets in the right way.

The internship at Acter gave me a strong, solid, and stable foundation

Looking back, if I hadn't made the decision to be an intern, I would probably still be stuck in the same place that I was then. This experience was not only a thin page in my files, but also what I have learned, seen, and heard, all of which I remember well. No matter where I end up in my future career, I am sure that this experience will be valuable. I am very thankful for the solid and stable fundamentals that Acter has provided us, and for Acter to lead us in creating a path that will let us shine.

5.3 | Friendly Workplace

102-36、201-3、202-2、401-2~3、404-3、405-1~2

5.3.1 | Salary System

We believe that our employees are our greatest assets, and provide diverse and competitive salaries and career development opportunities. Salaries are determined based on the employee’s academic background, professional knowledge and skills, and years of experience as a professional, regardless of gender, religion, race, nationality, physical ableness, political stance, or marital status. In order to ensure market competitiveness, salaries are adjusted annually according to market standards and individual performance by referring to market salary surveys. As for entry-level employees, starting salary is 1.25 times the amount of minimum wage, regardless of gender. At the same time, we have designed various short-term and long-term incentive programs flexibly according to different positions, and shared profit surplus with employees to attract, retain, motivate and cultivate quality talents. In 2021, the average salary of full-time employees in non-executive positions was NTD1,188,635, which is a tangible realization of the spirit of profit-sharing between employees and employers.

▪ Standard Salary of Key Operating Sites Compared to Local Minimum Wage

Region/Company	Taiwan		China	
	Acter	Nova	Acter Suzhou	Winmax
Ratio of Acter Minimum Wage to Local Minimum Wage	1.25	1.29	1.75	1.32

Note: Acter’s minimum wages were calculated based on the laws and regulations of the country where the operating site is located.



▪ Overall Salary of Male and Female Employees at Key Operating Sites

Region		Taiwan				China			
Company		Acter		Nova		Acter Suzhou		Winmax	
Employee Type/Gender		Male	Female	Male	Female	Male	Female	Male	Female
Management position	Senior supervisors (Vice President or above)	0	-	0	-	0	-	0	-
	Mid-level supervisors (Manager or above)	1.06	1	1.13	1	1.10	1	1.18	1
	Basic supervisors (Department Chief or above)	1.20	1	1.04	1	1.12	1	1.32	1
Non-management position	General employees	1.06	1	1.03	1	1.13	1	1.09	1

Note: Calculated based on women as 1. There are no female senior executives at Acter, Nova, Acter Suzhou, and Winmax.








5.3.2 | Performance System

The performance management system is based on talent development and reward design, linking the company’s overall strategic objectives with individual key performance indicators to ensure its effectiveness. The performance management system is implemented in conjunction with the performance assessment system, which not only focuses on the achievement of key objectives, but also on the demonstration of employee behavior and immediate feedback from supervisors, as well as the feedback from supervisors and peers from other departments. Employees can also communicate directly and freely with their supervisors through performance assessments on issues about their performance and salary. The performance assessment system exempts the Chairman, employees who have served less than 3 months, employees who are expected to leave during the assessment period, and contract employees from performance assessments; the rest of our employee are all to be assessed.

5.3.3 | Benefits System

Acter provides several comprehensive welfare systems that surpass what is stipulated by law, including: group insurance, retention without pay, education and training, employee stock ownership, gender-equitable childcare measures, and a solid retirement system. In 2005, Acter established its Employee Welfare Committee, with which Acter then jointly organized various activities, such as domestic and overseas trips, family days, club activities, New Year's Day gift certificates, movie tickets and more to care for employees' welfare in all aspects. In 2021, the Employee Welfare Committee held three meetings, total welfare expenses amounted to **NTD5,469,285**, and activity participation rate was **80.24%**, much higher than the target value of **60%**.

• Where Acter Surpasses Legal Requirements

Item	Content
 Various types of insurance	In addition to the labor insurance and universal health care insurance, we also planned for group comprehensive insurance to provide free life insurance, accident insurance, occupational disaster insurance and overseas travel insurance for our employees.
 Medical Checkups	Provides annual medical checkups for all age groups
 Counseling Services	Provides free psychological, legal and financial counseling services
 Education and Training	Subsidized training courses
 Company Stock	Issuance of restricted new shares for employees
 Leave of absence without pay	Employees may apply for leave without pay due to illness, company training or other reasons.
 Other benefits	Gifts on three major holidays, birthday gift bonus, wedding and funeral subsidies, maternity subsidy, scholarship for children's outstanding academic performance, and emergency relief.

• Statistics on the Benefit Expenses of Acter

Unit: NTD

Content	2019		2020		2021	
	Number of Persons	Amount Requested	Number of Persons	Amount Requested	Number of Persons	Amount Requested
Employee Welfare Committee Travel, birthday celebrations, sports and recreational facilities and activities	Employees	3,387,434	Employees	3,045,617	Employees	4,854,285
Acter Outstanding Children Scholarship	15	47,000	12	37,000	14	50,000
Childbirth Bonus	11	55,000	15	75,000	9	45,000
Wedding Bonus	5	84,000	10	151,300	2	39,300
Bereavement Relief	4	215,516	6	101,300	6	165,700
Emergency Relief	0	0	2	80,000	0	0
Hospitalization Assistance	2	10,000	1	5,000	2	10,000
Free medical checkups	122	511,000	123	464,000	85	305,000
Total	4,309,950		3,959,217		5,469,285	



5.3.3.1 | Leave and Retention Policies for Infant Care to Promote Gender Equity

Acter is committed to promoting work-life balance and providing a caring and respectful workplace environment. In accordance with the Act of Gender Equality in Employment, we provide our employees with the right to keep their jobs without pay to care for their newborns, and it is explicitly stated in our company regulations that this includes pregnancy checkup leave, maternity leave, family care leave, paternity leave, and infant care leave without pay while retaining one's position, etc. At the same time, we have signed preferential childcare contracts with excellent childcare providers to give our employees reputable and affordable childcare options.

• 2021 Acter Employee Infant Care Retention/Reinstatement Statistics

Acter's Infant Care Retention/Reinstatement Statistics	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Number of people eligible to apply for infant care leave	45	16	44	13	39	10
Actual number of people applying for infant care leave	0	2	1	1	0	1
Number of employees who are expected to return to work in the current year	0	2	1	0	0	1
Actual number of people who are expected to return to work	0	2	1	0	0	0
Number of people who continued to work for one year after reinstatement in the previous year	0	1	0	1	1	0
The application rate for infant care leave and retention (%)	-	12.50%	2.27%	7.69%	0%	10%
The rate of reinstatement after applying for infant care leave and retention (%)	-	100%	100%	0%	0%	0%
Retention rate (%)	-	100%	-	50%	100%	-

5.3.3.2 | Employee Travel and Family Day

We believe that a healthy body, mind and soul is the foundation of a happy workplace. Through our "Six-Heart Level Service" and various activities, we enhance that experience of happiness. Every year, we arrange quality trips to encourage employees to bring their families to join us, and organize various healthy sports and club activities to encourage employees to enrich their after-work life. In 2021, the Employee Welfare Committee was given special funds and organized 7 events (including employee-organized trips in Taiwan, family days, and recreational activities).



5.3.3.3 | Stable Retirement System

In order to encourage employees to serve professionally and prepare for a stable retirement life, Acter has established a retirement plan in accordance with Taiwan's Labor Standards Act. Acter takes a portion of every employee's salary and put it into various social insurance schemes for them, such as the worker retirement fund and healthcare. In addition to contributing to the retirement reserve required by law, we also hire professional accounting consultants to perform actuarial calculations of the retirement reserve to ensure that sufficient amount is contributed to protect the rights and interests of employees. Besides the company's fixed contribution, employees can choose to contribute up to 6% of their retirement benefits to a dedicated account if they'd prefer to enjoy tax-free benefits. Moreover, we encourage our senior employees or supervisors to return to the company as consultants after retirement. In 2021, based on the contribution rate of 6% of employees' monthly wages, the total amount contributed to individual pension accounts at the Bureau of Labor Insurance was \$12,595,162.

5.4 | Human Rights Management

402-1、406-1、408-1、412-2、419-1

In accordance with the Labor Standards Act, the Act of Gender Equality in Employment and related laws, Acter has established its own regulations to protect the legal rights of employees. In addition, we have established a human rights policy with reference to the International Bill of Human Rights, the International Labor Convention and other international human rights initiatives to meet regulatory requirements regarding freedom of employment, humane treatment, and the prohibition of improper discrimination and sexual harassment. Furthermore, we have established a diverse and effective communication mechanism; ensured the right of employees to file complaints; improved salaries and benefits; and provided opportunities for training, development and course selection to make sure that employees' rights are protected and that we fulfill our corporate responsibility for sustainability.

Acter's Four-stage Human Rights Management System



5.4.1 | Risk Assessment

The human rights risk assessment is conducted annually to evaluate the risk value to be born by Acter due to different human rights issues, including sexual harassment, working hours, workplace safety and health, discrimination, personal data risk, salaries and benefits, obstruction of free choice of occupation, and obstruction of freedom of unionizing. In 2021, high-risk human rights issues identified through our communication channel with employees are mainly working hours and workplace safety and health, thus training and communication promotion programs in mitigation measures were strengthened accordingly.

5.4.2 | Prevention Policy

In order to fulfill our commitment to keep our employees safe from harassment and discrimination and to prevent sexual harassment in the office, we have established rules and practices that clearly state that employees' rights are protected while also increasing employee awareness during training sessions for new employees. In addition, we have an inbox dedicated to employee comments and complaints (acter885@acter.com.tw), where employees can express their opinions via email, and the corresponding department will handle and respond to their questions. To maintain an unobstructed channel and a fair investigation process, the Complaints Management Committee is responsible for investigating the content of complaints.

5.4.2.1 | Sexual Harassment Policy

Acter has already formulated a set of regulations on the prevention of sexual harassment, and a dedicated hotline has been set up to receive complaints. If employees are sexually harassed, they can file a complaint in writing or verbally. In the event of sexual harassment or suspected sexual harassment, an investigation process will be initiated by the Sexual Harassment Complaint Committee, at least half of whose members are women. The committee will conduct the investigation on the principles of confidentiality and non-disclosure, and submit the results of the investigation within two months. If allegations of sexual harassment are substantiated, the Committee will submit their findings to the Chairman of the Board for approval of sanctions. No cases of sexual harassment cases occurred in 2021.




5.4.2.2 | Workplace Safety and Health Policy

Through the efforts of our human resources department, quality assurance and safety department and the supervisors of each department, we have built a safe and healthy workplace environment by putting prevention plans and supervision in place for workplace violations, giving employees access to physical and psychological health counseling services, enhancing the strategic planning of workplace protection measures, and providing necessary protection measures via conducting workplace risk assessments, education, and training. We have provided an unobstructed communication channel for workplace violations, formulated channels for complaints, promoted the procedures for using said channels, and conducted investigations after complaints were filed.

5.4.3 | Mitigation Measures

We have three major mitigation measures to reduce impacts on human rights, namely education and training, promotion and communication, and system management. We provide open and transparent communication channels and solutions to improve our work environment.

▪ Mitigation Measures on Human Rights Impacts

	Employees	Customers/Partners
 Education and Training	<ul style="list-style-type: none"> Mandatory course on human rights issues for newcomers Annual training on violations of law Annual health seminars 	<ul style="list-style-type: none"> Communication mechanism on human rights issues Annual audit training mechanism
 Promotion and Communication	<ul style="list-style-type: none"> Promotion of reasonable working hours Provision of multiple communication channels Regular promotion of personal data protection awareness Annual health promotion activities Annual stakeholder concerns survey 	<ul style="list-style-type: none"> Supplier conference promotion and training activities Formulation of the supplier code of conduct Having suppliers sign the corporate sustainability pledge Signing of the honesty and integrity pledge Customer satisfaction surveys Annual stakeholder concerns survey
 System Management	<ul style="list-style-type: none"> Working hours and leave management system Reasonable working hours management system Audits and evaluations 	<ul style="list-style-type: none"> Self-assessment of risks Supplier sustainability risk assessment

5.4.4 | Supervision Mechanism

5.4.4.1 | Complaint Channels

Through multiple internal communication channels, we have enhanced the human rights of our employees and ensured the freedom of employees and the confidentiality of their complaints in accordance with the most stringent personal data protection regulations and relevant management methods. Through regular quarterly meetings, labor-management meetings, employee welfare committee meetings and employee satisfaction surveys, we are made aware of issues in the workplace, which helps us promote a better working environment to ensure that employees' rights are protected and that we fulfill our corporate responsibility for sustainability.

5.4.4.2 | Audit System

In 2021, there were no human rights complaints and no child labor violations found through on-site audits, document reviews and employee interviews. To promote our employees' understanding of the importance of honest governance and human rights, we use an online learning platform to post announcement on courses on a regular basis so that we can follow up on our employees' training and encourage them to undergo training sessions. In 2021, the training rate for human rights was **80%**, and there were no human rights complaints or child labor violations.

▪ Statistics on Acter Employee Human Rights Policy or Procedures Training

Employee Training on Human Rights Policy or Procedure	Total Hours (hr)	Number of Trainees	Ratio of Trainees to All Employees (%)
	134	268	80%

Note: Employees at the Vice President-level and above are exempt from training; the total number of people who should be trained is 336.

▪ Employee Complaint Communication Channels

Complaint Channel	Frequency	Action	Implementation in 2021
Email Notifications	From time to time	Messages received are responded to and handled in a timely manner by the top HR executive	0 complaint
Internal company platform	From time to time	Messages received are responded to and handled in a timely manner by the top HR executive	0 complaint
Employee Suggestion Box	From time to time	Messages received are handled in a timely manner by the top HR executive.	0 complaint
Staff Seminar	Quarterly	The results of Acter's operations are shared and opinions are exchanged in a dialogue to build consensus between employees and supervisors.	4 meetings for supervisors; 1 meeting for all employees; a total of 341 participants.
Employee Satisfaction Survey	Once a year	Internal review and management of items employees are unsatisfied with and formulation of improvement measures based on employee opinions.	Employee satisfaction rating 84.76 out of 100
Labor Conference	Quarterly	Two-way communication on employee health, environmental safety, and welfare issues; the minutes of the meetings are published for employee reference.	4 labor-management meetings are held, with a 50/50 ratio between employers and employees.

Note: In the event of major changes in operations, business development (new projects or closure of projects), individual employee transfers and career development, Acter will follow the Five Principles of Transfer, the Labor Standards Act and the Act for Worker Protection of Mass Redundancy to provide employees with notice on the transition of duties, preparation for new environments, and major operational changes in the shortest amount of time.

5.5 | Occupational Health and Safety

403-1~7、403-9、403-10、419-1

5.5.1 | Policy and System

In order to provide a safe and secure workplace for our employees, we are committed to the “Zero Workplace Safety Incident, Zero Disaster, and Zero Environmental Hazard” policy, and we continue to improve on aspects such as the health and well-being of our employees, environmental protection, risk management, regulatory compliance, contractual requirements, and full employee participation. We require all personnel entering our facilities/construction sites to comply with the relevant regulations of our environmental safety and health policy. We also communicate thoroughly with our suppliers and partners to convey the contents of our environmental safety and health policy.

Environmental Safety and Health Policy

Prioritizing “Zero Workplace Safety Incident, Zero Disaster, and Zero Environmental Hazard”	During the course of our operations and projects, we strive to achieve the goal of zero occupational injuries and deaths, and provide a safe and secure workplace for our employees.
Promoting the Health and Well-being of Employees	We care for and protect the health of our employees, and promote self-management of workplace health to create a healthy and friendly workplace environment.
Environmental Protection and Sustainable Development	We provide professional services that meet environmental protection and energy saving requirements, and implement energy saving, carbon reduction and waste reduction measures to promote environmental protection and sustainable development.
Implementation of Risk Management Mechanism	We regularly perform workplace safety risk identification according to our hazard identification and risk assessment management procedures; determine risk levels based on hazard severity, occurrence rate and exposure rate; and propose improvement measures for high-risk factors to bring them down to low risk.
Regulatory Compliance	We identify laws and regulations, monitor and implement environmental safety and health programs, and develop management methods and operating procedures in accordance with ISO 45001:2018 management requirements.
Promoting the Participation of All Employees in Training	We promote participation in environmental safety and health education and training for employees and contractors to enhance their awareness and capability in the field, and provide channels for employee consultation and communication.
Continuous Improvement of Environmental Safety and Health System	We continuously review and optimize all activities concerning environmental safety and health, propose improvement plans for abnormalities or deficiencies by a certain deadline, and follow up on those plans until improvements are fully in place.

5.5.2 | Management System and Organization

We have established an excellent safety culture that based on our people-oriented spirit. All levels of management are responsible for promoting safety and health at work, and encouraging every employee to observe their own working environment and take the initiative to propose improvements to safety to achieve a safe and friendly workplace. At the same time, we have obtained ISO 45001:2018 and ISO 14001:2015 certifications, meaning we have implemented international standards for occupational safety and health to ensure the safety and health of all employees. In addition, the Occupational Safety Committee hold quarterly meetings to identify potential hazards, evaluate and address risks, and continuously improve our overall performance in environmental safety and health. In 2021, we held 31 occupational safety training sessions and accumulated a total of 518 hours of education and training.

Occupational Safety Committee

Composition	<ul style="list-style-type: none"> Chairman of the Committee: General Manage. Meetings are held every three months, and ad hoc meetings may be held when necessary.
Powers and Responsibilities	<ul style="list-style-type: none"> Knowing the results of the entire year’s environmental safety and health activities and management performance. Setting annual environmental safety and health objectives and performance indicators, proposing specific and feasible improvement plans, and implementing them to reduce potential risks to safety, health, and the environment.

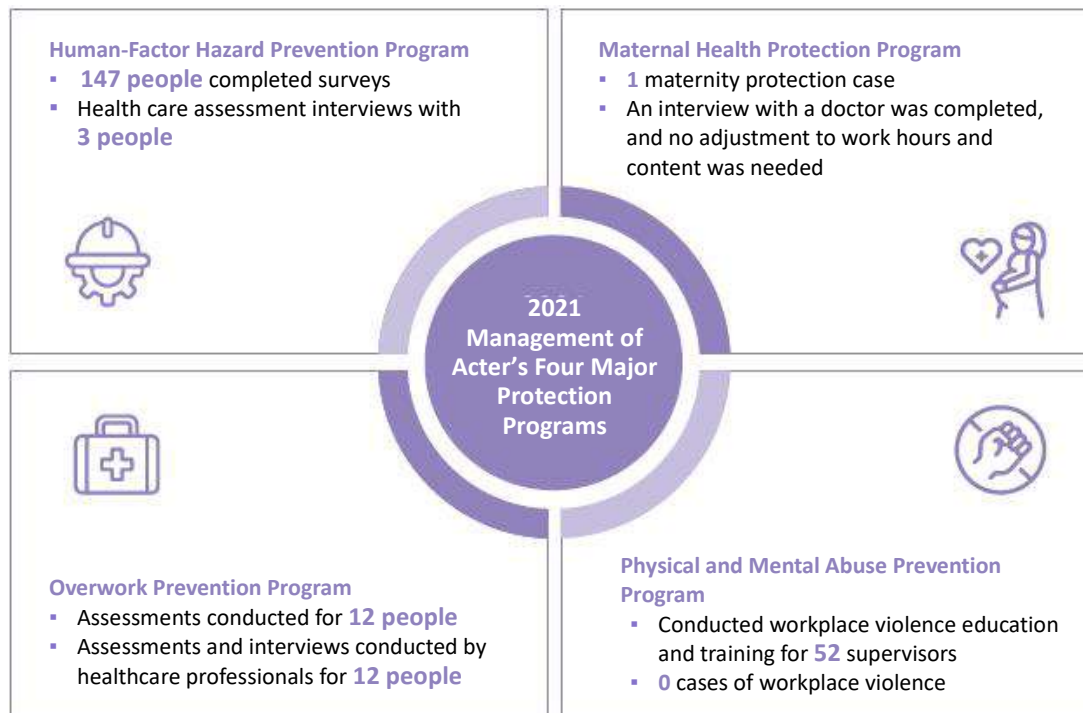
Occupational Safety Committee	2019	2020	2021
Number of meetings	4 times	4 times	4 times
Representatives from the management’s side	4 persons	4 persons	4 persons
Representatives from the employees’ side	5 persons	3 persons	3 persons
Percentage of employee representatives	56%	43%	43%
Percentage of employee representatives to all employees (%)	2%	1%	1%

5.5.3 | Management of Partners

Our partners are important to us, and in order to effectively ensure and enhance work safety, we have set up an environmental safety and health management system to provide real-time, rapid and effective information to achieve effectiveness in our environmental safety and health management. In order to effectively reduce the occurrence of occupational hazards and achieve hazard prevention at project sites, we continue to promote improvement programs for construction environment safety and health performance, including increasing the frequency of joint site inspections, compliance with safety regulations, promoting the area administrator system, implementing work permits for high-risk operations, and raising the number of site checks to ensure the safety of our partners at each project site.

5.5.4 | Management Effectiveness

Management Effectiveness of Acter's Four Major Protection Programs



Acter's Occupational Safety Management Effectiveness for 2021

Safety and Health Organization Meeting	Quarterly meetings of the Occupational Safety and Health Committee are held.
Safety and Health Training and Drills	<ul style="list-style-type: none"> Internal personnel training: 31 occupational safety training sessions were held, totaling 518 hours. External contractor education and training: Daily toolbox meetings on safety and health promotion, emergency response training, personal protective gear training, training on operations in high-risk work, training on the handling of organic solvents, etc.
Risk Assessment and Safety Audits	<ul style="list-style-type: none"> 3 new occupational safety and health regulations. Regularly conducts identification of 71 regulations. 5S and monthly safety and health inspections at project sites.
Improvement Action Plans	<ul style="list-style-type: none"> 5 improvement action plans. 2 for materials and equipment, 1 for workflow, and 2 for environmental improvement.
Work Environment Inspections	<ul style="list-style-type: none"> CO₂ concentration detection in office spaces: 100% up to standards. Quarterly testing of drinking water quality and regular disinfections carried out.
Safety Operation Standards Book	<ul style="list-style-type: none"> Established 30 safety operation standards. Completed ISO 45001:2018 Occupational Safety and Health Management Certification.
Emergency Response	Established an emergency response team and conducted regular emergency response drills.

2021 Acter's Record of Its Occupational Safety and Health Practices



Toolbox Meeting



Sharing Experiences on Occupational Safety and Health Practices

Occupational Injuries Statistics by Year

Occupational Injury Statistics	Worker Type	2019		2020		2021	
		Acter	Contractor	Acter	Contractor	Acter	Contractor
Absence rate (male)	(number of days absent per year/total number of days at work per year) X 100%	0.49%	-	0.32%	-	0.28%	-
Absence rate (female)		1.29%	-	0.83%	-	0.77%	-
Total working hours	Total hours worked by all employees	504,840	516,072	550,952	1,063,288	633,400	1,278,400
No. of major occupational injuries	No. of disabilities, excluding fatalities	0	0	0	0	0	4 Note
Number of fatalities	-	0	0	0	0	0	0
Occupational injury rate	Number of occupational injuries X 200,000/Total hours worked by all employees	0	0	0	0	0	0.63
Occupational illness rate	Number of occupational illnesses X 200,000/Total hours worked by all employees	0	0	0	0	0	0
Lost day rate	Total lost work days X 200,000/Total hours worked by all employees	0	0	0	0	0	24.09
Disability Frequency Rate (FR)	Number of disabled X 1,000,000/Total hours worked by all employees	0	0	0	0	0	3.13
Disability Severity Rate (SR)	Total number of days lost by the disabled X 1,000,000/Total hours worked by all employees	0	0	0	0	0	120.46
Fatalities and Serious Injuries Index (FSI)	$\sqrt{FR \times SR} / 1000$	0	0	0	0	0	0.614

Note: The 2021 workplace injury incident involved employees of a contractor falling from a high place. After the accident, we followed our "Occupational Safety and Accident Prevention" process to determine the cause of the accident, tracked the implementation of improvements, and established corrective preventive measures.



Acter's 2021 Occupational Health and Safety Recognized by Customers



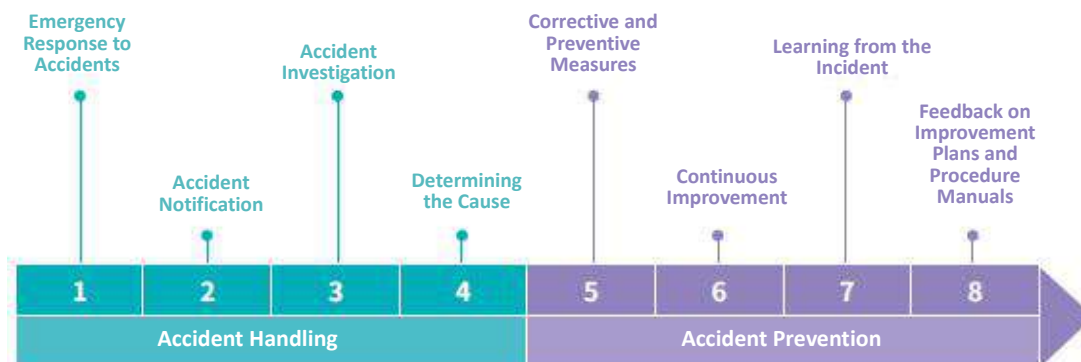
Certificate Awarded by the Industrial Safety and Health Association of the Republic of China
10 consecutive years of hazard-free working hours, Accumulated 5,764,552 hours



China Ecotek Corporation Awarded Acter with the Excellent Manufacturer in Work Safety Award Engineering Division 2nd place

From November 1, 2011 to January 31, 2022, we have accumulated 5,764,552 hazard-free working hours. In 2021, China Ecotek Corporation was given the **second place Excellent Manufacturer** in Work Safety Award in the Engineering Division, demonstrating that the occupational health and safety performance of Acter has been recognized by other companies.

Occupational Safety and Accident Prevention



5.5.5 | Health Care

Acter is committed to creating a healthy and friendly workplace environment, continuously caring for and protecting the health of our employees, and providing them with a stable and secure working environment. Our ultimate goal is to establish a consistent health management model and improve the health of our group's employees. Not only do we take care of our employees' physical health, but we also assist them in balancing work and family through on-site services provided by medical specialists, covering disease prevention, psychological stress relief, weight loss and dietary care. We hope to continue to provide a variety of care services and a supportive environment, so that our employees can receive a comprehensive set of health care services. In 2021, we were certified as a healthy workplace by the Health Promotion Administration of the Ministry of Health and Welfare, and received the CHR Corporate Health Responsibility Pledge Badge.



Occupational Health Services and Promotion Activities in 2021		
Name	Number of Sessions	Total Number of Participants
Clinical Services Provided by Occupational Health Specialists	1	6
Workplace Violation Prevention	1	286
Promotion of Health Information (e.g., influenza prevention and treatment, cardiovascular diseases, etc.)	18	337

Statistics on 2021 Health Screening for Acter Employees			
Item	2019	2020	2021
Number of Screenings Completed	122	123	85
Screening Completion Rate	56.74%	53.71%	34.97%
Amount Invested in Screenings	511,000	464,000	305,000

Note: In 2021, in response to the severity of the COVID-19 pandemic in Taiwan, the CDC raised the national epidemic alert to Level 3, so hospitals did not provide non-essential medical services, thus decreasing the annual health screening rate.

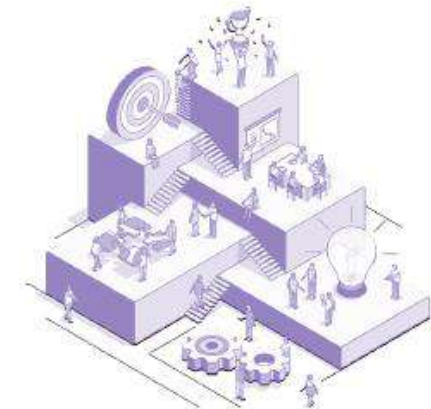
Office CO ₂ Concentration Measurement			
2021 Measurement Date	Value	Status	Remark
2021/3/19	709-1,311ppm	Reached	Within 5,000ppm of the allowed range
2021/9/16	850-1,083ppm	Reached	Within 5,000ppm of the allowed range

5.6 | Social Participation

102-13、203-1、413-1

5.6.1 | Social Participation Planning and Investment

On the road to sustainable management, we have strived to give back to society while developing professional and sustainable green engineering services. We are committed to our promise of being a corporate citizen, and have decided upon four major areas of public service to devote ourselves to by focusing on the UN Sustainable Development Goals (SDGs) as well as social issues and inequalities: environmental sustainability, care for the disadvantaged, community building, and sustainable urban and rural areas. Through leveraging corporate resources and the participation of volunteers, we are committed to bridging the gap in social resources and creating common good. In 2021, we invested a total amount of **\$7,555,535** (including management and volunteer labor costs) and **287 volunteer hours**, which benefited over **13,625 people**.



79


	Focus	Collaboration Unit	Effectiveness	Description
External Benefits	Sustainable Urban and Rural Areas	Taiwan Reading Culture Foundation	<ul style="list-style-type: none"> Cumulative donation totaled \$2.72 million About 11,880 beneficiaries 	We donated books to help elementary schools in remote areas set up a “Library of Love”. In 2021, 60 boxes (about 1,800 books) were donated, and 396 boxes worth of books were borrowed over the years, with a circulation rate of 3.07 times per person.
			<ul style="list-style-type: none"> About 134 beneficiaries. 	We donated 30 tablet computers and 3 recharging stations to Xialun Elementary School to set up the first digital “Library of Love” in Yunlin County.
				We expect to build the first “Library of Love” in the country. The construction had already begun in 2021, and the building will have about 2600m ² of floor space, with one underground floor and three above ground. It is expected to be completed in 2024.
	Care for the Disadvantaged	National Innovation and Entrepreneurship Association/Global Views Monthly	<ul style="list-style-type: none"> Donation amounted to about \$200,000 About 1,067 beneficiaries 	We sponsored 11 Changhua County elementary schools’ subscriptions to a year’s worth of the magazines <i>Children of the Future</i> and <i>Youth of the Future</i> . A total of 34 copies of <i>Children of the Future</i> and 36 copies of <i>Youth of the Future</i> were purchased, bringing the total to 70 copies of the magazines.
		Hondao Senior Welfare Foundation	<ul style="list-style-type: none"> Total amount donated was \$247,200. About 253 beneficiaries 90 hours of volunteer work 	For five consecutive years, we arranged activities to care for elderly people who lived alone, accompanied elderly people who lived alone or had mobility issues to make purchases of New Year's gifts and necessities.
		Dacheng Elementary School of Changhua County	<ul style="list-style-type: none"> Cumulative donation of \$1 million About 263 beneficiaries 	Through donations to emergency relief funds, after-school tutoring and teaching facilities, we improve the learning environment of a school in a remote area and resolved their issue of having insufficient funds.
	Environmental Sustainability	Dacheng Elementary School of Changhua County	<ul style="list-style-type: none"> Volunteer hours totaled 36 hours About 263 beneficiaries 	Making use of Dacheng’s characteristics as a town with wheat fields, we planted wheat seeds with the children to promote environmental sustainability, establish localized food and farming education, and advocate environmental conservation.
Overall Effect	Community Building	Formasa Charity Group	<ul style="list-style-type: none"> 161 hours of volunteer work 	For five consecutive years, we have worked with philanthropy groups and used our engineering skills in collaboration with our partners to build warm homes and create a better life for the disadvantaged.
	<ul style="list-style-type: none"> Donation amount: \$7,555,535 in total. Volunteer service: 39 employees participated in activities during work or vacation time, and volunteered 287 hours in total. Beneficiaries: 90% were beneficiaries of community investments, and the total number of beneficiaries in 2021 was above 13,625. 			

5.6.3 | Acter’s Participation in Public Associations and Advocacy Partners

We are committed to external initiatives in the core business sector and related areas of sustainable development (environmental, social and economic), including economic development, technological innovation, climate change and sustainable development, supply chain, and human rights and social participation. Through the partnership with related industry associations and professional organizations, we will promote the sustainable development of the industry. In 2021, the total number of external partner organizations in which Acter participates as a member is **10**, and the total amount of investment to assist in the development and operation of the organization is **\$395,922**.



5.6.4 | Project Highlights



Environmental Sustainability

The "Catcher in the Rye" Program at Dacheng Elementary School





The Problem We Want to Solve

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

The Actions We Took

- Promoted green environmental philosophies, energy conservation and carbon reduction through environmental conservation promotion programs.
- The "Catcher in the Rye" program leads children in experiencing planting crop seeds, and constructs localized food and farming education.

The SDGs Acter Responded To

Acting with love, Moving toward Happiness

For the second year, Acter collaborated with Dacheng Elementary School on the "Catcher in the Rye" program. Using the characteristics of the Dacheng as the hometown of wheat fields, Acter's sustainability volunteers led elementary school children from grades 1 to 4 in planting wheat seeds. Through the planting experience, localized food and farming education was established, and the students were able to reflect on how to cherish food and treat the environment.

"The wheat planting has helped the children to understand the culture of their hometown and the hard work of farming, which is very meaningful. Seeing Acter's dedication to the rural areas made me feel that I should do more."

-Acter Sustainability Volunteer



Leading the younger students to plant wheat seeds in pots

Children in grades 3 and 4 were guided to experience the process of planting wheat from turning the soil to planting and watering the wheat seeds.

"For two years in a row, I have seen the children's energetic and happy faces, and I am happy to work with them to continue the development of the land, and make their school a base for sustainability. I look forward to seeing the children again next year!"

-Acter Sustainability Volunteer

Sustainability Volunteers Promote Energy Saving and Carbon Reduction

By using our skills in air-conditioning technology, we planned an energy saving and carbon reduction promotion course, using vivid videos to teach older elementary school students about the impact of climate change. By helping them understand facts about air-conditioning as well as energy-saving and environmental protection badges, we guided the students in integrating energy saving and carbon reduction into their life via environmental education. We spent **36 hours** of volunteer time, and **263** people benefited from this activity. We hope to maintain our beautiful environment and fulfill our responsibilities as global citizens through continuous education and green actions.



Environmental education program for Grade 5 and 6 students on energy saving and carbon reduction

"I am grateful for the annual visits made by the Acter volunteer team to the school to plant wheat fields with the children, and to promote the concept of caring for the earth and energy conservation with them. The school is very thankful to Acter for their dedication to education and their relentless efforts to promote environmental protection."

- Dacheng Elementary School Director



Caring for the Disadvantaged

"Timely Help for the Elderly in Winter" Campaign

The Problem We Want to Solve

According to the Ministry of the Interior, future trends in population changes include negative population growth, fewer children, and an aging population, thus the dilemma that faces our aging society has become an urgent concern.

The Actions We Took

- Volunteer give the elderly love and warmth, and add color to their lives.
- The "Timely Help for Seniors in Winter" program provides funds for shopping and accompanying seniors to buy New Year's meals and necessities.

The SDGs Acter Responded To



• A Companion for Going Out and Grocery Shopping

Taiwan is becoming an aging society, and the proportion of elderly people living alone is increasing. In consideration of limited social resources, Acter has collaborated with the Hondao Foundation every year for the "Timely Help for the Elderly in Winter" program to care for elderly people who live alone and are disadvantaged. By working with the foundation to match 15 low- to mid-lower income, physically or mentally disabled, and socially disadvantaged seniors who live alone to volunteers, Acter has provided an annual shopping allowance and volunteers to accompany the seniors on their shopping trips, allowing the seniors to feel warmth and the festive spirit. At the same time, through interactive table games and warm-up exercises, seniors are encouraged to move their muscles and participate in social activities to add warmth and color to their lives. In 2021, the number of Acter volunteers were 18, the number of volunteer hours amounted to 90, and the number of beneficiaries was above 15.

✓ Cumulative number of donations amounted to **\$247,200**

✓ Cumulative number of beneficiaries reached **253**



Acter's volunteers accompanied seniors on their shopping trips

"In the process of providing help and care to the elderly, I also felt love! I am very happy to do my part in creating a warm society through this activity."

-Acter Volunteer



Accompanying the elders in the table game interaction

"Through this volunteer activity, I cherish the time I spend with elder family members more. I hope that the elderly involved in this activity will also receive a lot of love."

-Acter Volunteer



Certificate of appreciation for helping the elderly in winter



Group photo of volunteers with the elderly



Sustainable Urban and Rural Areas

“Building a Library of Love” Campaign


The Problem We Want to Solve

According to data from the Ministry of Education, primary and secondary schools in remote areas account for about 30% of the total number of schools in Taiwan, yet many schools in remote areas are facing issues such as having lesser resources than schools in urban areas and the digital divide.

The Actions We Took

- We continuously support and promote reading by sponsoring the establishment of the “Library of Love” and a digital library.
- We donate computers and digital equipment to remote areas of Taiwan to help lessen the digital divide between urban and rural areas.

The SDGs Acter Responded To



Facilitating reading for schoolchildren in remote areas

Since 2012, Acter has been working with the Taiwan Reading Culture Foundation to promote the “Library of Love” project, donating quality books each year to promote resource sharing between rural and urban areas. In 2021, we donated **\$600,000**, which amounted to a total of **60 boxes** of books (about 1,800 books).

Blazing a Trail for Digital Reading in a New Era, and Helping to Set Up Yunlin’s First Digital “Library of Love”

Due to the emergence of digital reading and learning in this new era, Acter worked with the foundation to jointly donate **30 tablets** and **3** recharging stations to Xialun Elementary School’s digital “Library of Love” in order to promote digital teaching and learning together with the school and to cultivate students’ skills in digital self-learning.

Investing in Learning Resources for Remote Areas and Enriching Learning Materials

In order to provide more diversified learning materials for students in remote areas, Acter partnered with the Global Views Monthly’s Future Parenting Learning Platform and donated **\$200,000** to provide **11** elementary schools in Changhua County with the monthly magazines Future Children and Future Youth.

Accumulated donations: **\$2.72 million**

Borrowed books amounted to **396** boxes in 2021

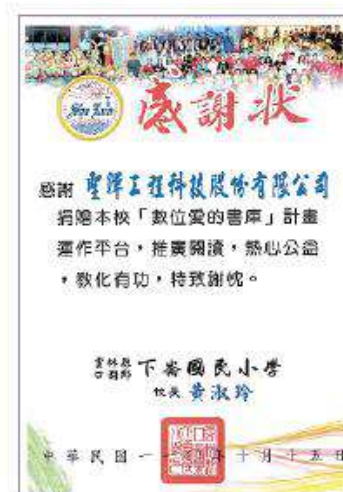
About **11,880** beneficiaries



Certificate of Appreciation from Changhua County



Certificate of Appreciation from Yunlin County



Certificate of Appreciation from Xialun Elementary School in Yunlin County

Provide learning materials for **11** elementary schools in remote areas
About **1,067** beneficiaries

Every year, Acter sends its love to the remote areas of Taiwan. In addition to annual donations to emergency relief funds and after-school tutoring funds, we donated **\$300,000** to Dacheng Elementary School in Changhua in 2021 for the purchase of notebook computers and teaching equipment in order to help improve and enhance the digital learning environment for students in remote areas. We also encouraged teachers to use smart technology to flip their teaching to open another window of knowledge for their students.



Community Building

"Brick by Brick with Love" Campaign

The Problem We Want to Solve

Acter has a long history of connecting with local communities and listening to local needs. We hope to use our engineering expertise to implement improvement projects for disadvantaged families through project matchmaking.

The Actions We Took

- We use our core technologies to help disadvantaged groups build homes, improve their living environment, and enhance the quality of local life.

The SDGs Acter Responded To



Engaging in Philanthropy Through Core Skills

This time, Acter has gone to Shitan, Miaoli County to visit a family of three; the almost seventy-year-old mother and her two adult children are all in the Type I Code 06 category for the physically and mentally disabled, and are being assisted by the Department of Social Welfare. Their home was in a state of disrepair with serious leaks, old electrical wiring, and piles of miscellaneous items everywhere, so the state in which they lived and their safety in terms of electricity use was worrying.

The team from Acter departed early in the morning to go to the mountains of Miaoli. They began from emptying the house, knocking down the partitions, rebuilding the roof and repairing the electrical circuits, step by step, sweating under the sun just to give a disadvantage family a home that gives them shelter and peace of mind. A total of **161 volunteer hours** were put into the project in 2021.

For the fifth consecutive year, Acter has implemented the "Brick by Brick with Love" volunteer program, accumulating up to **970 volunteer hours**. Acter is committed to social engagement and maximizing its expertise. In the future, we will continue to focus on social issues and make a positive impact.

"When we use our skills for a charitable cause, we not only built a house, but also create hope for the people that we're helping. I hope that my efforts can generate more goodwill in our society and achieve common good."

-Acter Engineering Service Team



1 | Removing household items and partitions



2 | Demolishing the roof



3 | Unloading and inventorying materials



4 | Transporting materials



5 | Circuit repair and renovation



6 | Assembling built-in cabinets



7 | Painting the house



8 | Pouring cement



9 | Roof reconstruction



6

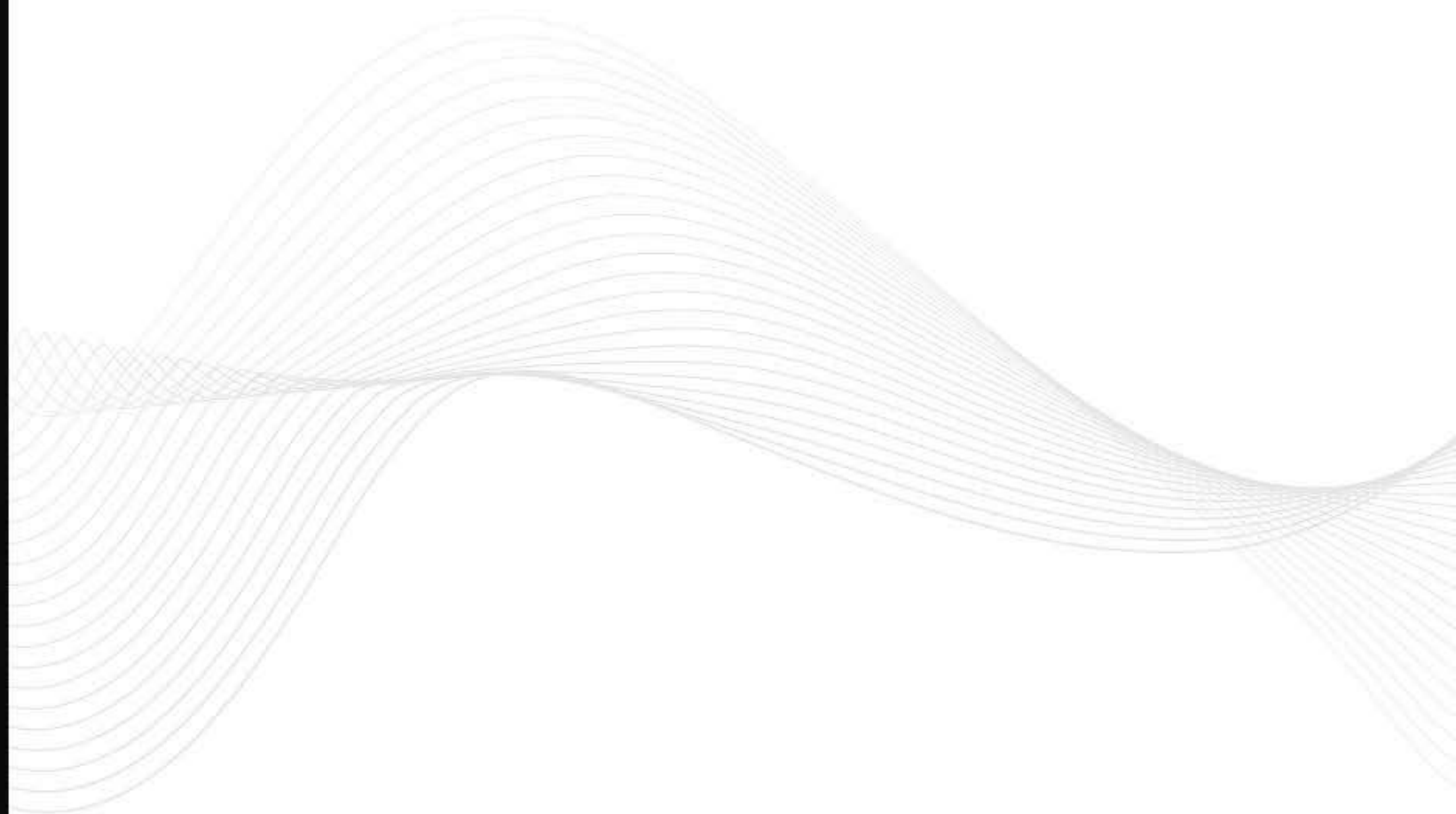
Annexes



6.1 About this Report

6.2 GRI Standards and Content

6.3 Third-Party Verification









APPENDIX



6.1 | About this Report

102-46、102-50~54

On the road to implementing sustainability, Acter has marched forward together with our stakeholders. For the ninth year in a row, we have published a sustainability report. In addition to following the GRI Sustainability Reporting Standards and the Task Force on Climate-related Financial Disclosures (TCFD) framework, we have also been listening to the expectations and feedback of various stakeholders during the process of our operations, and adjusting our methods in the sustainable management of our company through analyses of major surveys. The sustainability report is published in August every year to make our sustainability strategies, practices and achievements transparent, and serves as an important tool for managing achievements in sustainability within our company and for communicating with stakeholders. You can download the electronic version of the report in English and Chinese from the ESG page of our official website to learn more about our sustainability initiatives. If you have any suggestions, please don't be hesitate to contact us.

	Time Frame for Data Disclosure	2021 (January 1, 2021 to December 31, 2021); the content covers specific economic, social, environmental and governance achievements.
	Scope / Within the Organization	The scope of the disclosure is mainly about the activities of Acter; any content concerning the Acter Group is noted in the report. At present, our subsidiary, Nova Technology, has issued its own sustainability report.
	Scope / Outside of the Organization	<ul style="list-style-type: none"> Government/agencies Customers Shareholders/investors Suppliers Community
	Data Quality Management	Financial data/Annual financial report Quality information/ISO 9001:2015. Environmental data/ ISO 14001:2015, ISO 14064-1:2006. Social data/ISO 45001:2018 Sustainability data/AA 1000 AS v3
	Disclosure Standards	TCFD disclosure standards have been added to the core options of GRI Standards to enhance the comprehensiveness of our performance disclosure.
	Guarantee Level	Type1 medium guarantee level (certified by BSI Taiwan).

Contact	<ul style="list-style-type: none"> Kuan-yun Wu General Administration Division Phone: +886-4-2261-5288 ext. 304 Fax: +886-4-2261-5277 E-mail: Phoebe_Wu@acter.com.tw
Site Information	<div>  <p>ESG Download Sustainability Report (E-version)</p> </div> <div>  <p>Acter Facebook</p> </div>

Review Description	
 <p>Internal Review</p>	The relevant data gathered by each department is confirmed by the supervisor and submitted to the Corporate Sustainability Committee, and then compiled by the Executive Secretary into a sustainability report, which was then reviewed by department heads at each level and finally approved by the Chairman of the Board.
 <p>External Review</p>	The financial data was certified by KPMG and calculated in New Taiwan dollars; please refer to the various chapters and appendices for the third-party verification and the independent assurance statement.

6.2 | GRI Standards and Content Index

102-55

The following indicators are based on the Global Reporting Initiative (GRI)'s GRI Standards that apply to each part of this report.

GRI 102: General Disclosures				Core Disclosures			
GRI Indicator	Standard Number	Title of Disclosure	Corresponding Chapter & Page Number/Description	GRI Indicator	Standard Number	Title of Disclosure	Corresponding Chapter & Page Number/Description
Organizational Overview	102-1	• Organization Name	About Acter P. 3	Strategy	102-14	• Decision-maker's Statement	Words from the Management P. 2
	102-2	• Activities, Brands, Products and Services	About Acter P. 3		102-15	Critical Impacts, Risks, and Opportunities	Risk Management P. 26
	102-3	• Headquarter Location	About Acter P. 3	Ethics and Integrity	102-16	• Values, Principles, Standards, and Standards of Conduct	Business Integrity P. 24
	102-4	• Operating Locations	About Acter P. 3		102-17	Ethics-Related Recommendations and Mechanisms for Matters of Concern	Business Integrity P. 24
	102-5	• Ownership and Legal Form	About Acter P. 3, refer to 2021 Annual Report of Acter Group for details	Governance	102-18	• Governance Structure	Corporate Governance P. 20
	102-6	• Markets Served	About Acter P. 3		102-19	Delegation of Power and Responsibility	Sustainable Development Organizations and Strategies P. 8
	102-7	• Scale of Organization	About Acter P. 3		102-20	Senior Management's Responsibility to Economic, Environmental, and Social Topics	Sustainable Development Organizations and Strategies P. 8
	102-8	• Information on Employees and Other Workers	Talent Deployment P. 63		102-22	Composition of the Highest Governing Body and Its Committees	Corporate Governance P. 20, refer to 2021 Annual Report of Acter Group for details
	102-9	• Supply Chain	Supply Chain Management P. 47		102-23	Chairman of the Highest Governing Body	Corporate Governance P. 20, refer to 2021 Annual Report of Acter Group for details
	102-10	• Significant Changes in the Organization and the Supply Chain	No significant changes		102-24	Nomination and Selection of Members of the Highest Governing Body	Corporate Governance P. 20, refer to 2021 Annual Report of Acter Group for details
	102-11	• Early Warning Principles or Guidelines	Risk Management P. 26		102-25	Conflicts of Interest	Corporate Governance P. 20, refer to 2021 Annual Report of Acter Group for details
	102-12	• External Advocacy	Sustainable Development Organizations and Strategies P. 8		102-26	Role of the Highest Governing Body in Establishing Purpose, Values, and Strategy	Sustainable Development Organizations and Strategies P. 8
	102-13	• Membership in Industry Associations	Social Participation P. 78		102-27	Group Knowledge of the Highest Governing Body	Corporate Governance P. 20

GRI 102: General Disclosures				•Core Disclosures			
GRI Indicator	Standard Number	Title of Disclosure	Corresponding Chapter & Page Number/Description	GRI Indicator	Standard Number	Title of Disclosure	Corresponding Chapter & Page Number/Description
Governance	102-28	Performance Evaluation of the Highest Governing Body	Corporate Governance P. 20	Reporting Practice	102-45	• Entities Included in the Consolidated Financial Statements	Operating Performance P. 29
	102-29	Identifying and Managing Economic, Environmental and Social Impacts	Sustainable Development Organizations and Strategies P. 8		102-46	• Defining the Content of the Report and Topic Boundaries	About this Report P. 86
	102-30	Effectiveness of Risk Management Processes	Sustainable Development Organizations and Strategies P. 8		102-47	• Listing of Significant Topics	Stakeholders and Analysis of Materiality Issues P. 11
	102-31	Review of Economic, Environmental, and Social Topics	Sustainable Development Organizations and Strategies P. 8		102-48	• Reorganization of Information	Corrected data has been noted in each chapter
	102-32	The Role of the Highest Governing Body in Sustainability Reporting	Sustainable Development Organizations and Strategies P. 8		102-49	• Reporting Changes	Stakeholders and Analysis of Materiality Issues P. 11
	102-33	Communicating Key Events	Sustainable Development Organizations and Strategies P. 8		102-50	• Reporting Duration	About this Report P. 86
	102-35	Compensation Policy	Corporate Governance P. 20		102-51	• Date of the Last Report	About this Report P. 86
	102-36	Compensation Decision Process	Corporate Governance P. 20, Friendly Workplace P. 70		102-52	• Reporting Period	About this Report P. 86
Stakeholder Communication	102-40	• Stakeholder Groups	Stakeholders and Analysis of Materiality Issues P. 11		102-53	• Contact Person to Answer Questions About the Report	About this Report P. 86
	102-41	• Group Agreement	Not signed		102-54	• Announcement of Compliance with GRI Standards	About this Report P. 86
	102-42	• Identifying and Choosing Stakeholders	Stakeholders and Analysis of Materiality Issues P. 11		102-55	• GRI Index	GRI Standards and Content Index P. 87
	102-43	• Approaches to Stakeholder Communication	Stakeholders and Analysis of Materiality Issues P. 11		102-56	External Assurance/Verification	Third-Party Verification P. 93
	102-44	• Key Themes and Concerns That Were Presented	Stakeholders and Analysis of Materiality Issues P. 11				

GRI 103: Management Approach			
GRI Indicator	Standard Number	Title of Disclosure	Corresponding Chapter & Page Number/Description
GRI 103 Management Approach	103-1	Explanation of Major Topics and Their Boundaries	Stakeholders and Analysis of Materiality Issues P. 11
	103-2	Management Principles and Their Elements	Refer to the contents of each issue
	103-3	Evaluation of Management Principles	Refer to the contents of each issue.

GRI 200: Economic Series			☆ Significant Issues
GRI Indicator	Standard Number	Title of Disclosure	Corresponding Chapter & Page Number/Description
☆ GRI 201 Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed by the Organization	Operating Performance P. 29
	201-3	Defining Benefit Plans, Obligations, and Other Retirement Plans	Friendly Workplace P. 70
☆ GRI 202 Market Position 2016	202-1	Ratio of Standard Salary for Entry-Level Employees of Different Genders to Local Minimum Wage	Friendly Workplace P. 70
	202-2	Ratio of Hiring Local Residents as Senior Management	Talent Deployment P. 63
GRI 203 Indirect Economic Impact 2016	203-1	Development and Impact of Infrastructure Investment and Support Services	Social Participation P. 78
☆ GRI 204 Procurement Practices 2016	204-1	Proportion of Procurement Expenditures from Local Suppliers	Supply Chain Management P. 47
GRI 205 Anti-Corruption 2016	205-3	Confirmed Incidents of Corruption and Actions Taken	Business Integrity P. 24

GRI 300: Environmental Series				☆ Significant Issues
GRI Indicator	Standard Number	Title of Disclosure	Corresponding Chapter & Page Number/Description	
☆ GRI 302 Energy 2016	302-1	Energy Consumption Within the Organization	Climate Change Management P. 54, Energy and Environmental Management P. 58	
	302-3	Energy Intensity	Climate Change Management P. 54, Energy and Environmental Management P. 58	
	302-5	Reduction of Energy Demand for Products and Services	Green Engineering Management P. 35	
GRI 305 Emissions 2016	305-1	Direct (Scope I) Greenhouse Gas Emissions	Climate Change Management P. 54	
	305-2	Indirect (Scope II) Greenhouse Gas Emissions from Energy	Climate Change Management P. 54	
☆ GRI 307 Compliance with Environmental Protection Regulations 2016	307-1	Violation of Environmental Regulations	Energy and Environmental Management P. 58	
☆ GRI 308 Supplier Environmental Assessment 2016	308-1	Adoption of Environmental Standards for Screening New Suppliers	Supply Chain Management P. 47	
	308-2	Negative Impact of Supply Chain on the Environment, and Actions Taken	Supply Chain Management P. 47	

GRI 400: Social Series				☆ Significant Issues
GRI Indicator	Standard Number	Title of Disclosure	Corresponding Chapter & Page Number/Description	
☆ GRI 401 Employee and Employer Relations 2016	401-1	New Employees and Resigned Employees	Talent Deployment P. 63	
	401-2	Benefits Provided to Full-Time Employees (Temporary and Part-Time Employees Excluded)	Friendly Workplace P. 70	
	401-3	Parental Leave	Friendly Workplace P. 70	

GRI 400: Social Series				☆ Significant Issues
GRI Indicator	Standard Number	Title of Disclosure	Corresponding Chapter & Page Number/Description	
GRI 402 Employee/Employer Relationship 2016	402-1	Minimum Notice Period for Operational Changes	Human Rights Management P. 73	
	403-1	Occupational Safety and Health Management System	Occupational Health and Safety P. 75	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	Occupational Health and Safety P. 75	
	403-3	Occupational Health Services	Occupational Health and Safety P. 75	
	403-4	Worker Engagement, Consultation and Communication on Occupational Safety and Health	Occupational Health and Safety P. 75	
☆ GRI 403 Occupational Safety and Health 2018	403-5	Worker Training on Occupational Safety and Health	Occupational Health and Safety P. 75	
	403-6	Worker Health Promotion	Occupational Health and Safety P. 75	
	403-7	Prevention and Mitigation of Occupational Safety and Health Impacts Directly Related to Operations	Occupational Health and Safety P. 75	
	403-9	Occupational Injuries	Occupational Health and Safety P. 75	
	403-10	Occupational Diseases	Occupational Health and Safety P. 75	
☆ GRI 404 Training and Education 2016	404-1	Average Hours of Training per Employee per Year	Talent Development P. 65	
	404-2	Enhancement of Employees' Skills and Transition Assistance Programs	Talent Development P. 65	
	404-3	Percentage of Employees who Receive Regular Performance and Career Development Assessments	Friendly Workplace P. 70	

GRI 400: Social Series				☆ Significant Issue
GRI Indicator	Standard Number	Title of Disclosure	Corresponding Chapter & Page Number/Description	
☆ GRI 405 Employee Diversity and Equal Opportunity 2016	405-1	Employee Diversity and Equal Opportunity	Talent Deployment P. 63	
	405-2	Ratio of Basic Salaries Received by Female and Male Employees	Friendly Workplace P. 70	
GRI 406 Non-Discrimination 2016	406-1	Incidents of Discrimination and Improvement Actions Taken by the Organization	Human Rights Management P. 73	
GRI 408 Child Labor 2016	408-1	Significant Risks of Operating Locations and Suppliers Using Child Labor	Human Rights Management P. 73	
☆ GRI 412 Human Rights Assessment 2016	412-2	Employee Training on Human Rights Policies or Procedures	Human Rights Management P. 73	
☆ GRI 413 Local Communities 2016	413-1	Operational Activities Implemented Through Communication with Local Communities, Impact Assessments, and Development Plans	Social Participation P. 78	
☆ GRI 414 Supplier Social Assessment 2016	414-1	Screening of New Suppliers Using Social Standards	Supply Chain Management P. 47	
	414-2	Negative Social Impacts in the Supply Chain, and Actions Taken	Supply Chain Management P. 47, Human Rights Management P. 73	
GRI 418 Customer Privacy 2016	418-1	Proven Complaints of Violations of Customer Privacy or Loss of Customer Information	Customer Services and Management P. 43	
☆ GRI 419 Social and Economic Regulations Compliance 2016	419-1	Violation of Laws and Regulations in Social and Economic Fields	Business Integrity P. 24, Human Rights Management P. 73, Occupational Health and Safety P. 75	

Specific to Acter			☆ Significant Issue
Item	Title of Disclosure	Corresponding Chapter & Page Number/Description	
☆ Innovative Technology and Services	Investment in R&D and Output Effectiveness Assessment	Innovation and R&D P. 32	
☆ Customer Service and Management	Customer Satisfaction Assessment	Customer Services and Management P. 43	

6.3 | Third-Party Verification

102-55



INDEPENDENT ASSURANCE OPINION STATEMENT

Acter Group Co., Ltd. 2021 ESG Report

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

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

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

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

Scope

The scope of engagement agreed upon with Acter includes the following:

1. The assurance scope is consistent with the description of Acter Group Co., Ltd. 2021 ESG Report.
2. The evaluation of the nature and extent of the Acter's adherence to AA1000AS v3 (2010) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

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

Opinion Statement

We conclude that the Acter Group Co., Ltd. 2021 ESG Report provides a fair view of the Acter ESG programme and performance during 2021. The ESG report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Acter and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The ESG performance information disclosed in the report demonstrates Acter's efforts recognized by its stakeholders.

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

Methodology

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

- a review of issues raised by external parties that could be relevant to Acter's policies to provide a check on the appropriateness of statements made in the report;
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders;
- 1 interview with staff involved in sustainability management, report preparation and provision of report information were carried out;
- review of key organizational developments;
- review of the findings of internal audits;
- review of supporting evidence for claims made in the records;
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2010).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2010) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that Acter has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving on documents and strategic response to sustainability. There are fair reporting and disclosure for the inclusion of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Acter's inclusivity issues.

Materiality

Acter publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Acter and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Acter's management and performance. In our professional opinion the report covers the Acter's material issues.

Responsiveness

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

Impact

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

GRI Sustainability Reporting Standards (GRI Standards)

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

Assurance level

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

Responsibility

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

Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14004 and ISO 26001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Fu

Peter Fu, Managing Director BSI Taiwan



...making excellence a habit™

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